

PUBLIC DISCLOSURE

August 8, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Whitaker Bank, Incorporated
RSSD #1445943

2001 Pleasant Ridge Drive
Lexington, Kentucky

Federal Reserve Bank of Cleveland

P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: "Satisfactory"

The following table indicates the performance level of Whitaker Bank, Incorporated with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	WHITAKER BANK, INCORPORATED		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Whitaker Bank, Incorporated (Whitaker) is a subsidiary of Whitaker Bank Corporation of Kentucky. Both Whitaker and Whitaker Bank Corporation are headquartered in Lexington, Kentucky. Whitaker Bank Corporation also owns Peoples Bank and Trust Company of Madison County.

As of this evaluation date, Whitaker operates 39 branches (including the main office) and 61 automated teller machines (ATMs) throughout eastern and central Kentucky. Since the previous evaluation, Whitaker closed one cash-only ATM in Georgetown, Kentucky and another in Sadieville, Kentucky. The bank also closed a branch with an ATM in Frankfort, Kentucky and another branch with an ATM in Lexington, Kentucky. Whitaker opened a cash-only ATM in Lexington, Kentucky and one branch with an ATM in Frankfort, Kentucky. Refer to the discussions within each assessment area for further details regarding these closures and openings.

Whitaker's assessment area encompasses the entirety of the Lexington-Fayette Metropolitan Statistical Area 30460; Franklin County, Kentucky; and the following 25 contiguous counties in eastern Kentucky: Bath, Breathitt, Clay, Estill, Fleming, Garrard, Jackson, Knott, Knox, Laurel, Lee, Leslie, Letcher, Madison, Menifee, Mercer, Montgomery, Nicholas, Owsley, Perry, Powell, Rockcastle, Rowan, Whitley, and Wolfe.

According to the June 30, 2011 Uniform Bank Performance Report (UBPR), Whitaker's total assets were valued at approximately \$1.5 billion. Whitaker is primarily a retail lender with approximately 85.7% of all loans secured by either residential or commercial real estate. Specifically, 38.5% are secured by other real estate (which includes farmland, multifamily, and nonfarm, nonresidential properties), 36.8% are secured by 1-4 family residential properties, and 10.4% are secured by construction/development loans. The remainder of Whitaker's loan portfolio is comprised as follows:

- Commercial and industrial loans – 7.2%
- Consumer loans – 5.8%
- Municipal loans – 0.4%
- All other loans – 0.3%
- Credit card loans – 0.3%

Whitaker provides a variety of personal and business deposit and loan products and offers customers telephone and internet banking services. According to the Federal Deposit Insurance Corporation's (FDIC) June 30, 2010 Deposit Market Share Report, Whitaker ranked second out of 66 financial institutions holding 8.0% of all deposits in the assessment area. Central Bank & Trust Company ranked first with 8.4% of the market share of deposits and Fifth Third Bank ranked third with 7.4% of all deposits. These statistics indicate that there is considerable banking competition throughout Whitaker's assessment area. The bank's market share for lending products varied throughout the assessment area and is discussed in more detail in later sections of this report.

The following table depicts the demographic characteristics of Whitaker's assessment area:

Combined Demographics Report

Whitaker Bank

Assessment Group(s): Overall

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	11	4.8	5,589	2.1	1,891	33.8	61,285	23.4
Moderate-income	73	31.6	72,033	27.5	17,375	24.1	45,032	17.2
Middle-income	97	42.0	117,717	44.9	15,803	13.4	51,710	19.7
Upper-income	49	21.2	66,805	25.5	4,073	6.1	104,117	39.7
Unknown-income	1	0.4	0	0.0	0	0.0	0	0.0
Total Assessment Area	231	100.0	262,144	100.0	39,142	14.9	262,144	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	14,333	3,585	1.4	25.0	9,020	62.9	1,728	12.1
Moderate-income	114,054	69,572	27.0	61.0	32,962	28.9	11,520	10.1
Middle-income	189,242	116,468	45.3	61.5	56,627	29.9	16,147	8.5
Upper-income	100,564	67,591	26.3	67.2	26,260	26.1	6,713	6.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	418,193	257,216	100.0	61.5	124,869	29.9	36,108	8.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2,009	4.6	1,675	4.2	201	8.7	133	6.2
Moderate-income	8,714	19.8	7,814	19.8	443	19.2	457	21.3
Middle-income	19,284	43.9	17,424	44.1	943	40.8	917	42.7
Upper-income	13,899	31.6	12,549	31.8	714	30.9	636	29.6
Unknown-income	36	0.1	20	0.1	10	0.4	6	0.3
Total Assessment Area	43,942	100.0	39,482	100.0	2,311	100.0	2,149	100.0
Percentage of Total Businesses:			89.9		5.3		4.9	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	19	1.0	19	1.0	0	0.0	0	0.0
Moderate-income	332	16.8	325	16.9	5	12.2	2	22.2
Middle-income	896	45.4	871	45.3	20	48.8	5	55.6
Upper-income	725	36.8	707	36.8	16	39.0	2	22.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,972	100.0	1,922	100.0	41	100.0	9	100.0
Percentage of Total Farms:			97.5		2.1		0.5	

SCOPE OF EXAMINATION

Whitaker's Community Reinvestment Act (CRA) lending performance was evaluated using loan data for the period of January 1, 2009 through December 31, 2010. The lending products reviewed for this evaluation included mortgage loans subject to the reporting requirements of the Home Mortgage Disclosure Act (HMDA), business loans, and farm loans. For purposes of this evaluation, HMDA loans consisted of home purchase, home refinance, and home improvement loans.

The bank's levels of community development activities (loans, investments, and services) under the CRA were evaluated for the period of June 15, 2009 through August 8, 2011.

Whitaker's lending activity was evaluated to determine the extent to which loans were originated inside and outside the bank's assessment area. Loans made inside the assessment area were further evaluated to determine the geographic dispersion of lending and the distribution of lending based on borrowers' incomes and business' and farms' gross annual revenues. For all assessment areas, Whitaker's geographic dispersion of lending received less weight than the borrower distribution of lending due to the lower concentration of low- and moderate-income census tracts throughout the assessment area, in comparison to the concentration of low- and moderate-income households and families.

The geographic distribution of loans was evaluated using data from the 2000 U.S. Census report. Specifically, the bank's geographic distribution of HMDA loans was assessed by comparing the percentage of loans made within the bank's various (low-, moderate-, middle-, and upper-income) census tracts to the percentage of owner-occupied housing units within the respective census tracts. The geographic distribution of business and farm lending was assessed by comparing the percentage of businesses and farms within the various-income census tracts in the assessment area to the bank's percentage of business and farm lending in those tracts. When evaluating the bank's geographic distribution of loans, lending within low- and moderate-income census tracts received the greatest consideration.

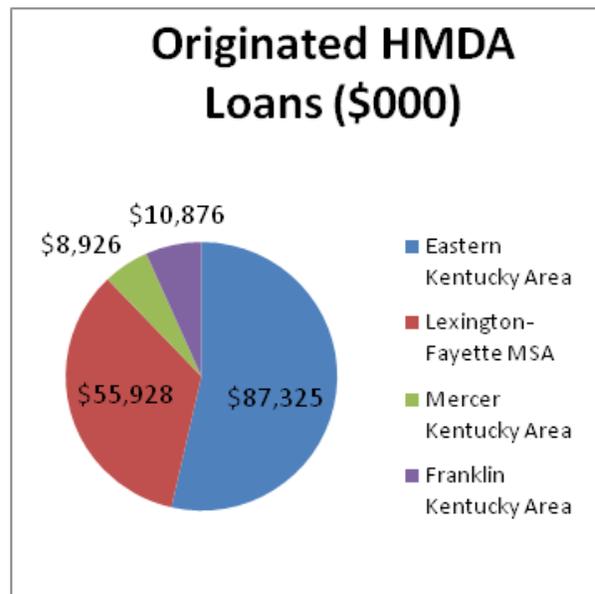
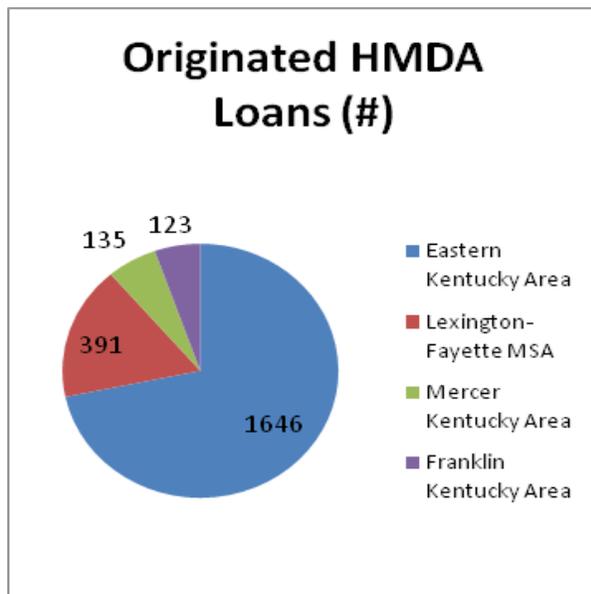
For HMDA lending, the analysis of the bank's distribution of loans to borrowers of different income categories (low-, moderate-, middle-, and upper-income) was based on adjusted median family income statistics from the U.S. Department of Housing and Urban Development (HUD) for 2010. Specifically, the bank's borrower income distribution for HMDA lending was assessed by comparing the percentage of loans made to borrowers in each income category to the percentage of families in each income category in the assessment area. The borrower distribution of business and farm lending was assessed by comparing the bank's percentage of business and farm lending to the percentage of businesses and farms within the respective assessment areas.

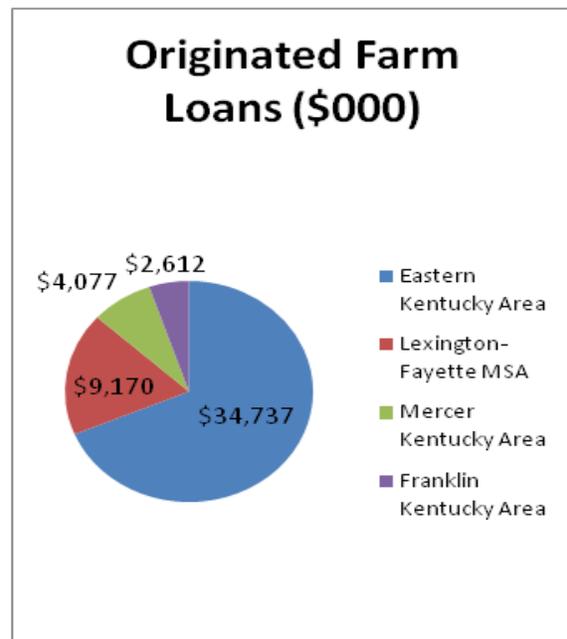
As previously discussed, the level and extent of Whitaker’s involvement in community development activities for the period of June 15, 2009 through August 8, 2011 was also reviewed as part of this evaluation to assess the bank’s responsiveness to the community development needs of its assessment area. Specifically, community development loans and qualified investments funded by the bank since the previous evaluation were reviewed for the lending and investment tests. Community development services in which the bank has been involved since the previous evaluation were considered for the service test to assess the extent, innovation, and responsiveness of services provided throughout the assessment area. Lastly, interviews were conducted with four community organizations to further ascertain the bank’s responsiveness to community credit needs. The interviews focused on the provision of affordable housing, economic development, and community services to low- and moderate-income persons.

For purposes of this evaluation, the 32 counties in which Whitaker operates were divided into the following four assessment areas, and the bank’s performance will be discussed accordingly:

- **Eastern Kentucky Nonmetropolitan Area** – comprised of Bath, Breathitt, Clay, Estill, Fleming, Garrard, Jackson, Knott, Knox, Laurel, Lee, Leslie, Letcher, Madison, Menifee, Montgomery, Nicholas, Owsley, Perry, Powell, Rockcastle, Rowan, Whitley, and Wolfe Counties
- **Lexington-Fayette, Kentucky Metropolitan Statistical Area (MSA)** – comprised of Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford Counties
- **Mercer, Kentucky Nonmetropolitan Area** – comprised of Mercer County
- **Franklin, Kentucky Nonmetropolitan Area** – comprised of Franklin County

The following charts illustrate the volume and distribution of loans originated in the aforementioned assessment areas during this evaluation period:





Based on the above details and the bank's presence in the respective areas, Whitaker's performance in the Eastern Kentucky Nonmetropolitan area received the most weight for this evaluation. The bank's performance in the Lexington-Fayette MSA received the second-greatest weight, Mercer Kentucky Nonmetropolitan Area received the third-greatest weight, and performance in the Franklin Kentucky Nonmetropolitan Area received the least weight.

Additionally, based on the aforementioned details, in all assessment areas, HMDA loans received the most weight due to the high dollar amount and volume of total loans. Business loans received the next greatest weighting based on the dollar amount and volume of total loans. Farm loans received the least weighting, due to the lower dollar amount and volume of total loans. Based on these details, with the exception of the Franklin Kentucky Nonmetropolitan Area, Whitaker's performance in all assessment areas was reviewed using full-scope evaluation standards. The bank's performance in the Franklin Kentucky Nonmetropolitan Area was reviewed using limited-scope evaluation standards.

As part of this evaluation, Whitaker's lending performance was also compared to the aggregate of all lenders' lending levels for 2009. For further details of the analysis, refer to the discussions of the bank's lending performance in the respective assessment area sections of this report.

Whitaker's performance under the CRA was evaluated in terms of the demographical and business context in which the bank operates. The bank's asset size and financial condition indicate that it has the ability to continue to effectively meet the credit needs of its assessment area. There are no legal or other impediments hampering the bank's ability to meet community credit needs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

Whitaker’s performance under the lending test is rated “High Satisfactory.”

Lending Activity

Given the number and dollar amount of HMDA, business and farm loans originated in the market area, Whitaker demonstrated a good responsiveness to credit needs of its communities.

Assessment Area Concentration

An analysis of Whitaker’s HMDA, business and farm loans was performed to determine the volume of loans extended inside and outside of the bank’s assessment area. As the following table illustrates, a substantial majority (93.5%) of the bank’s loans were made within the assessment area.

Lending Inside and Outside the Assessment Area

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	791	95.2	\$18,855	95.1	40	4.8	\$963	4.9
Home Purchase	637	92.6	\$56,232	93.7	51	7.4	\$3,777	6.3
Refinancing	858	94.2	\$83,649	94.0	53	5.8	\$5,328	6.0
Total HMDA related	2,286	94.1	\$158,736	94.0	144	5.9	\$10,068	6.0
Small Business	2,106	93.3	\$123,969	89.5	152	6.7	\$14,609	10.5
Total Small Bus. related	2,106	93.3	\$123,969	89.5	152	6.7	\$14,609	10.5
Small Farm	1,324	92.9	\$50,596	92.3	101	7.1	\$4,232	7.7
Total Small Farm related	1,324	92.9	\$50,596	92.3	101	7.1	\$4,232	7.7
TOTAL LOANS	5,716	93.5	\$333,301	92.0	397	6.5	\$28,909	8.0

Geographic Distribution

As previously discussed, due to the limited number of low- and moderate-income census tracts in some parts of the assessment area, Whitaker’s geographic distribution of lending received less weighting than its distribution of lending to borrowers of different income levels and businesses and farms of different revenue sizes.

Whitaker’s geographic distribution of lending reflects an adequate dispersion of lending throughout the area’s low- and moderate-income census tracts. However, the geographic distribution for various loan products varied throughout the different sectors of the bank’s assessment area. Refer to the evaluations for each assessment area for specific details of the bank’s performance.

Borrower Distribution

Whitaker's lending performance during this evaluation period reflects a good level of lending to borrowers of different income levels and businesses and farms of different revenue sizes. Refer to the evaluations for each assessment area for specific details of the bank's performance.

Community Development Lending

Overall, Whitaker made a good level of community development loans throughout its assessment area during this review period. Specifically, the bank originated approximately \$10.5 million in qualified community development loans, which represents approximately 0.7% of the bank's total assets.

Investment Test

Whitaker's performance under the investment test is rated "High Satisfactory." The bank provided a good level of community development investments throughout its assessment area. Qualified community development investments totaled approximately \$4.7 million during this evaluation period and represented approximately 0.4% of the bank's total assets. Please refer to the evaluations for each assessment area for specific details of the bank's community development investment performance. In addition, the bank extended approximately \$1.1 million in an investment that supported the provision of community services to low- and moderate-income persons throughout the Commonwealth of Kentucky, which included the entire assessment area.

Service Test

Whitaker's performance under the service test is rated "Low Satisfactory." During this evaluation period, the bank provided an adequate level of qualified community development services that benefitted various organizations and community development purposes throughout the assessment area. Employees are involved with various community and civic organizations throughout the assessment area. However, no qualified community development services were rendered in the Franklin, Kentucky assessment area during this review period. Refer to the evaluations for each assessment area for specific details of the bank's community development services performance.

Whitaker's retail banking services are reasonably accessible to all portions of the assessment area. Services, products, and hours are consistent across all branches and provide reasonable access to residents throughout the area. The following table illustrates the distribution of branches and ATMs throughout Whitaker's assessment area:

Assessment Area	Number of Offices	Number of Full-Service ATMs	Number of Cash-Only ATMs
Eastern Kentucky Nonmetropolitan Area	22	19	17
Lexington-Fayette MSA	10	11	6
Mercer Kentucky Nonmetropolitan Area	4	4	0
Franklin Kentucky Nonmetropolitan Area	3	4	0
TOTAL	39	38	23

Whitaker offers a variety of consumer and business banking products and services, including, but not limited to:

- Deposit accounts, such as checking accounts, savings accounts, certificates of deposit, money market accounts, and Individual Retirement Accounts
- ATM and debit cards
- Consumer loans for vehicles, home improvement, debt consolidation, vacations, and other major purchases
- Mortgage loans for purchase, refinance, and construction
- Home equity lines of credit
- Credit cards
- Business loans for construction, commercial real estate, revolving lines of credit, accounts receivable financing, SBA guaranteed loans and letters of credit
- Business checking, savings, certificates of deposit, account analysis, merchant accounts, business bill pay, e-statements, and online tax payments

These products and services are available through a branch banking network that includes lobby, drive-thru, and ATM services. The branch distribution makes these products and services accessible to geographies and individuals of different income levels throughout the assessment areas.

The hours at each branch vary, with lobbies opening between 8:30 AM – 9:30 AM and closing between 4:30 PM – 6:00 PM on Monday through Friday. Many branches have drive-thru services available through the branches and hours of operation do not vary in ways that inconvenience the bank’s assessment areas, particularly low- and moderate-income geographies and individuals.

Many products and services are also accessible through 24-hour Internet banking and telephone banking. Internet banking allows customers to transfer funds, pay bills, and view account statements and transactions. Telephone banking allows customers to initiate fund transfers and access account information, such as balances, recent transactions, and loan payoffs.

Fair Lending or Other Illegal Credit Practices Review

No evidence of discrimination or other illegal practices consistent with helping to meet the community credit needs was identified.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN EASTERN KENTUCKY
NONMETROPOLITAN AREA**
(Full-scope Review)

The Eastern Kentucky Nonmetropolitan Area is comprised of following counties in eastern Kentucky: Bath, Breathitt, Clay, Estill, Fleming, Garrard, Jackson, Knott, Knox, Laurel, Lee, Leslie, Letcher, Madison, Menifee, Montgomery, Nicholas, Owsley, Perry, Powell, Rockcastle, Rowan, Whitley and Wolfe.

There are 121 census tracts in this assessment area, of which two (1.7%) are low-income, 52 (43.0%) are moderate-income, 53 (43.8%) are middle-income, and 14 (11.6%) are upper-income. Further, 44 of the middle-income tracts in this area are classified as distressed and/or underserved due to poverty and/or high unemployment.

The majority (56.4%) of Whitaker's offices are located in this assessment area. Additionally, the majority (70.9% by volume and 59.1% by dollar amount) of Whitaker's HMDA, business, and farm loans were originated in this area during the review period.

According to the June 30, 2010 FDIC Deposit Market Share Report, Whitaker ranked first out of 45 financial institutions, holding 11.7% of the market share of deposits in this area.

Based on these factors and those previously mentioned, Whitaker's performance in this assessment area received the most weight for this evaluation.

Population

Data from the 2000 United States Census Bureau report indicates that the total population of this assessment area was 492,766. Data also indicates that 24.4% of the population were ages 17 years and younger, 11.4% were 18 to 24, 52.4% were 25 to 64, and 11.9% were 65 and older.

The most populous county in this assessment area is Madison County, which had a population of 70,872 in 2000. Data from the United States Census Bureau¹ indicates that Madison County's population increased to 82,916 in 2010. The data also projects that other counties in this assessment area experienced modest population changes. The following table depicts the estimated population changes for the remaining counties in this assessment area:

¹ www.census.gov

County	2000 Population	Estimated 2010 Population	Net Change
Bath County	11,085	11,591	+4.6%
Breathitt County	16,100	13,878	-13.8%
Clay County	24,556	21,730	-11.5%
Estill County	15,307	14,672	-4.1%
Fleming County	13,792	14,348	+4.0%
Garrard County	14,792	16,912	+14.3%
Jackson County	13,495	13,494	0.0
Knott County	17,649	16,346	-7.4%
Knox County	31,795	31,883	0.3%
Laurel County	52,715	58,849	11.6%
Lee County	7,916	7,887	-0.4%
Leslie County	12,401	11,310	-8.8%
Letcher County	25,277	24,519	-3.0%
Menifee County	6,556	6,306	-3.8%
Montgomery County	22,554	26,499	+17.5%
Nicholas County	6,813	7,135	+4.7%
Owsley County	4,858	4,755	-2.1%
Perry County	28,469	28,712	-2.3%
Powell County	13,237	12,613	-4.7%
Rockcastle County	16,582	17,056	+2.9%
Rowan County	22,094	23,333	+5.6%
Whitley County	35,865	35,637	-0.6%
Wolfe County	7,065	7,355	+4.1%

Income Characteristics

As of 2000, there were 190,080 households in this assessment area, of which approximately 0.8% were low-income, 34.5% were moderate-income, 50.5% were middle-income, and 14.3% were upper-income. Approximately 25.9% of all households in this area lived below the poverty level.

Of the 190,080 households in this area, 138,052 (72.6%) were designated as families. The median family income for this assessment area was \$29,564, which was considerably below the Commonwealth of Kentucky's median family income of \$40,939. Low- and moderate-income families represented 27.1% and 17.6% of all families in this assessment area, respectively. Middle-income families comprised 18.8% of the population and upper-income families represented 36.6% of the population. Approximately 21.0% of families in this area lived below the poverty level. This figure exceeded the 12.7% of families throughout Kentucky living below poverty. Data from HUD² indicates that for the 2010 fiscal year, the median family income for nonmetropolitan Kentucky increased to \$42,500.

² www.huduser.org

Data released by the Economic Research Service of the United States Department of Agriculture (USDA)³ in 2009 revealed the following details regarding persons living in poverty in this assessment area:

County	2009 Individual Poverty Rate
Bath County	25.1%
Breathitt County	32.0%
Clay County	43.3%
Estill County	28.0%
Fleming County	21.3%
Garrard County	17.2%
Jackson County	30.7%
Knott County	23.7%
Knox County	38.6%
Laurel County	21.5%
Lee County	36.8%
Leslie County	30.8%
Letcher County	30.6%
Madison County	19.2%
Menifee County	27.7%
Montgomery County	21.1%
Nicholas County	19.1%
Owsley County	41.4%
Perry County	27.7%
Powell County	30.8%
Rockcastle County	25.0%
Rowan County	26.6%
Whitley County	33.3%
Wolfe County	33.0%
Kentucky	18.4%
United States	14.3%

The aforementioned data indicates that many counties in this assessment area struggle with poverty levels considerably higher than those throughout the Commonwealth of Kentucky and the United States. This information was taken into consideration when assessing Whitaker's performance in this assessment area.

³ www.ers.usda.gov/data/povertyrates

Housing Characteristics

According to data from the 2000 U.S. Census Bureau report, there were 212,233 housing units in this assessment area, of which 1,660 (0.8%) were located in low-income tracts, 73,705 (34.7%) were in moderate-income tracts, 107,352 (50.6%) were in middle-income tracts, and 29,516 (13.9%) were in upper-income tracts. The data further indicates that 139,968 (66.0%) were owner-occupied units, 23.5% were rental units, and 10.5% were vacant units. Additionally, 143,234 (67.5%) were one-to-four family units, 11,640 (5.5%) were multifamily properties (containing five or more units), 57,031 (26.9%) were mobile homes, and 328 (0.2%) were classified as other units.

As of 2000, the median age of housing stock in this assessment area was 24 years old. The following information details the median age of housing stock within the respective counties of this assessment area:

County	Median Age of Housing Stock
Bath County	25
Breathitt County	23
Clay County	20
Estill County	27
Fleming County	28
Garrard County	24
Jackson County	23
Knott County	23
Knox County	23
Laurel County	18
Lee County	23
Leslie County	21
Letcher County	26
Madison County	20
Menifee County	16
Montgomery County	24
Nicholas County	32
Owsley County	24
Perry County	24
Powell County	22
Rockcastle County	23
Rowan County	22
Whitley County	24
Wolfe County	21

The median age of housing stock in this assessment area is slightly younger than the median age of housing stock for the Commonwealth of Kentucky, which is 27 years old. According to the 2000 U.S. Census Bureau report, the median housing value for this assessment area was \$53,032. Data from the U.S. Census Bureau⁴ indicates that the average median value for owner-occupied units for the counties in this assessment area increased to \$70,750 between 2005 and 2009. The median gross rent in this assessment area was \$365, according to the 2000 U.S. Census report. The data also indicates that approximately 36.1% of rental units had monthly payments less than \$350, 28.0% had monthly rental payments ranging from \$350-\$499, 10.9% had monthly rental payments ranging from \$500-\$699, and 3.1% had monthly rent payments of at least \$700. Additionally, 30.3% of renters had monthly rental costs exceeding 30.0% of their incomes. Monthly rental payments were unknown for 21.9% of rental units in this area.

As previously discussed, the counties in this assessment area are profoundly impacted by high poverty rates. Data provided by realtytrac.com⁵ indicates that as of August 2011, there were 6,978 homes in foreclosure in the Commonwealth of Kentucky. Further, one in every 2,106 homes in Kentucky received foreclosure filings during that time. Specific foreclosure filing data was not available for the majority of counties located in this assessment area. However, community contact interviews revealed that given eastern Kentucky's historically high poverty rates, this area has not been as impacted by high foreclosure levels, as have other regions in the United States.

Labor, Employment and Economic Characteristics

The following table depicts unadjusted, unemployment rates for the counties within this assessment area as of July 2011. This data was obtained from labor market information provided by Workforce Kentucky.⁶

4 www.census.gov

5 www.realtytrac.com

6 www.workforcekentucky.ky.gov

County	Unemployment Rate
Bath County	11.8%
Breathitt County	10.8%
Clay County	14.2%
Estill County	10.0%
Fleming County	10.9%
Garrard County	10.3%
Jackson County	16.6%
Knott County	11.2%
Knox County	11.4%
Laurel County	10.7%
Lee County	12.2%
Leslie County	12.0%
Letcher County	10.2%
Madison County	8.1%
Menifee County	14.2%
Montgomery County	10.6%
Nicholas County	10.8%
Owsley County	11.2%
Perry County	9.7%
Powell County	11.8%
Rockcastle County	13.1%
Rowan County	9.3%
Whitley County	12.4%
Wolfe County	8.4%

As of July 2011, the average unemployment rate for this assessment area was 11.3%. This figure exceeded both the Commonwealth of Kentucky's unemployment rate of 9.6% and the national unemployment rate of 9.3%.

Data from the U.S. Census Bureau indicates that retail trade, wholesale trade, and health care and social assistance are the largest industries in this assessment area. Some of the major employers in this assessment area are Eastern Kentucky University, Baptist Regional Medical Center, and Wal-Mart Stores.

Community Contacts

One interview with an organization promoting economic development was conducted in this assessment area. The contact stated that local banks are generally accommodating for less-complex credit needs of local businesses. However, smaller business owners occasionally face difficulty from larger financial institutions not headquartered in the area that are less familiar with the unique needs of business owners in this area. The contact further stated that these challenges are most profound when smaller business owners seek lines of credit, as many financial institutions have more stringent underwriting criteria for these loans. This causes many small business owners to rely on credit cards with high interest rates to fulfill routine business needs. Details from this interview indicate that there is a need for flexible lending products for small businesses in this area.

The following table illustrates the demographic data regarding this assessment area:

Combined Demographics Report

Whitaker Bank

Assessment Area(s): Eastern KY Non Metro

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	1.7	1,073	0.8	419	39.0	37,414	27.1
Moderate-income	52	43.0	48,389	35.1	14,189	29.3	24,257	17.6
Middle-income	53	43.8	69,173	50.1	12,391	17.9	25,883	18.7
Upper-income	14	11.6	19,417	14.1	2,033	10.5	50,498	36.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	121	100.0	138,052	100.0	29,032	21.0	138,052	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	1,660	905	0.6	54.5	580	34.9	175	10.5
Moderate-income	73,705	50,066	35.8	67.9	15,255	20.7	8,384	11.4
Middle-income	107,352	70,260	50.2	65.4	25,714	24.0	11,378	10.6
Upper-income	29,516	18,737	13.4	63.5	8,384	28.4	2,395	8.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	212,233	139,968	100.0	66.0	49,933	23.5	22,332	10.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	24	0.1	24	0.1	0	0.0	0	0.0
Moderate-income	4,884	25.8	4,421	25.8	189	22.5	274	29.5
Middle-income	10,254	54.2	9,290	54.1	466	55.5	498	53.7
Upper-income	3,768	19.9	3,428	20.0	184	21.9	156	16.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	18,930	100.0	17,163	100.0	839	100.0	928	100.0
Percentage of Total Businesses:			90.7		4.4		4.9	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	185	22.5	182	22.4	3	42.9	0	0.0
Middle-income	436	53.0	431	52.9	3	42.9	2	100.0
Upper-income	201	24.4	200	24.6	1	14.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	823	100.0	814	100.0	7	100.0	2	100.0
Percentage of Total Farms:			98.9		0.9		0.2	

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
EASTERN KENTUCKY NONMETROPOLITAN AREA
(Full-scope Review)**

Lending Test

Whitaker's lending performance in this assessment area is considered good.

Lending Activity

Whitaker's responsiveness to the credit needs of this assessment area is good, considering that 25.9% of households in this area live below the poverty level.

HMDA lending in the Eastern Kentucky Nonmetropolitan Area represented 71.7% of all HMDA lending by volume and 53.6% by dollar amount. Business lending in this assessment area represented 70.9% of all business lending by volume and 62.5% by dollar amount. Lastly, farm lending represented 69.3% of all farm lending by volume and 68.7% by dollar amount.

The 2009 HMDA Market Peer Report indicates that Whitaker ranked second out of 229 HMDA-reporting financial institutions in the area. During that year, the bank ranked second out of 46 CRA-reporting financial institutions in the area.

Geographic Distribution

Although the bank made no loans in low-income tracts, the percentage of owner-occupied units, businesses, and farms was less than one percentage within these tracts, therefore lending opportunities are limited. Lending throughout the moderate-income tracts, although below the proxies, was above the aggregate of all lenders in most products offered. Therefore, Whitaker's geographic distribution of loans reflects an adequate penetration throughout this assessment area.

This evaluation revealed no significant lending gaps in this assessment area. In 2009, Whitaker made no HMDA or CRA loans in the area's two low-income census tracts, but made HMDA and CRA loans in 35 (67.3%) of the area's 52 moderate-income tracts and 46 (86.8%) of the area's 53 middle-income tracts. Lastly, Whitaker originated HMDA and CRA loans in 12 (85.7%) of the area's 14 upper-income tracts. In 2010, Whitaker made no HMDA or CRA loans in the area's two low-income census tracts, but made HMDA and CRA loans in 32 (61.5%) of the area's moderate-income tracts and 49 (92.5%) of the area's middle-income tracts. Lastly, the bank made HMDA and CRA loans in 13 (92.9%) of the area's upper-income tracts.

There are 44 distressed and/or underserved middle-income census tracts in this assessment area. The tracts are primarily distressed due to high unemployment. During this evaluation period, Whitaker originated HMDA and CRA loans in 35 (79.6%) of those distressed and/or underserved middle-income tracts.

HMDA Lending

Home Purchase Loans

Whitaker originated no home purchase loans in this area's low-income tracts, which was below the percentage (0.6%) of owner-occupied units in those tracts. The bank originated 93 (21.3%) home purchase loans in moderate-income tracts, which was below the percentage (35.8%) of owner-occupied units in those tracts. Whitaker made 264 (60.4%) of its home purchase loans in this area's middle-income tracts; which exceeded the percentage (50.2%) of owner-occupied units in those tracts. Lastly, the bank originated 80 (18.3%) home purchase loans in upper-income tracts; which exceeded the percentage (13.4%) of owner-occupied units those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made 12 (0.3%) of its home purchase loans in low-income tracts and 547 (15.6%) home purchase loans in moderate-income tracts. During that time, the aggregate of all HMDA lenders originated 1,952 (55.7%) of home purchase loans in middle-income tracts and 975 (27.8%) home purchase loans in upper-income tracts. Lastly, the aggregate of all HMDA lenders originated 19 (0.5%) home purchase loans in census tracts with unknown income levels.

Home Refinance Loans

Whitaker originated no home refinance loans in this area's low-income tracts. This was below the percentage (0.6%) of owner-occupied units in those tracts. The bank originated 85 (17.0%) home refinance loans in moderate-income tracts, which was below the percentage (35.8%) of owner-occupied units in those tracts. Whitaker made 337 (67.4%) home refinance loans in this area's middle-income tracts, which significantly exceeded the percentage (50.2%) of owner-occupied units in those tracts. Lastly, the bank originated 78 (15.6%) home refinance loans in upper-income tracts, which exceeded the percentage (13.4%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made 12 (0.2%) home refinance loans in low-income tracts and 1,060 (15.9%) home refinance loans in moderate-income tracts. During that time, the aggregate of all HMDA lenders originated 3,468 (52.2%) home refinance loans in middle-income tracts and 2,035 (30.6%) home refinance loans in upper-income tracts. Lastly, the aggregate of all HMDA lenders originated 73 (1.1%) home refinance loans in census tracts with unknown income levels.

Home Improvement Loans

Whitaker originated no home improvement loans in this area's low-income tracts. This was below the percentage (0.6%) of owner-occupied units in those tracts. The bank originated 175 (24.9%) home improvement loans in moderate-income tracts, which was below the percentage (35.8%) of owner-occupied units in those tracts. Whitaker made 451 (64.1%) home improvement loans in middle-income tracts, which significantly exceeded the percentage (50.2%) of owner-occupied units in those tracts.

Lastly, the bank originated 78 (11.1%) home improvement loans in upper-income tracts, which was slightly below the percentage (13.4%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made one (0.1%) home improvement loan in a low-income tract and 369 (29.2%) home improvement loans in moderate-income tracts. During that time, the aggregate of all HMDA lenders originated 723 (57.3%) home improvement loans in middle-income tracts and 165 (13.1%) home improvement loans in upper-income tracts. Lastly, the aggregate of all HMDA lenders originated four (0.3%) home improvement loans in census tracts with unknown income levels.

Business Lending

Whitaker originated no business loans in this area's low-income tracts, which was below the percentage (0.1%) of businesses located in those tracts. The bank originated 178 (11.9%) business loans in moderate-income tracts, which was below the percentage (25.8%) of businesses located in those tracts. The bank made 911 (61.0%) business loans in middle-income tracts, which exceeded the percentage (54.2%) of businesses located in those tracts. Lastly, Whitaker originated 405 (27.1%) business loans in upper-income tracts, which exceeded the percentage (19.9%) of businesses located in those tracts.

In 2009, the aggregate of all CRA reporters in this assessment area made nine (0.1%) business loan in a low-income tract and 1,393 (19.7%) business loans in moderate-income tracts. During that time, the aggregate of all CRA reporters originated 3,932 (55.6%) business loans in middle-income tracts and 1,551 (21.9%) business loans in upper-income tracts.

Farm Lending

Whitaker originated no farm loans in this area's low-income tracts, which was below the percentage (0.1%) of farms located in those tracts. The bank made 143 (15.6%) farm loans in moderate-income tracts, which was below the percentage (22.5%) of farms located in those tracts. The bank made 605 (65.9%) farm loans in middle-income tracts, which exceeded the percentage (53.0%) of farms located in those tracts. Lastly, Whitaker originated 170 (18.5%) farm loans in upper-income tracts, which was below the percentage (24.4%) of farms in those tracts.

In 2009, the aggregate of all CRA reporters in this assessment area made no farm loans in low-income tracts and 96 (13.8%) farm loans in moderate-income tracts. During that time, the aggregate of all CRA reporters originated 476 (68.4%) farm loans in middle-income tracts and 124 (17.8%) farm loans in upper-income tracts.

Distribution by Borrower Income and Revenue Size of Business or Farm

Whitaker's level of lending in this assessment area reflects an adequate distribution of lending to borrowers of different income levels of all product types (particularly low- and moderate-income borrowers) and a good distribution of lending to businesses and farms of different revenue sizes (particularly to small businesses and small farms).

Home Purchase Loans

Whitaker originated 30 (6.9%) home purchase loans to low-income borrowers, which was below the percentage (27.1%) of low-income families in the assessment area. The bank made 51 (11.7%) home purchase loans to moderate-income borrowers, which was below the percentage (17.6%) of moderate-income families in the assessment area. The bank originated 74 (16.9%) home purchase loans to middle-income borrowers, which was slightly below the percentage (18.7%) of middle-income families in the assessment area. Whitaker made 230 (52.6%) home purchase loans to upper-income families, which significantly exceeded the percentage (36.6%) of upper-income families in the assessment area. Lastly, the bank made 52 (11.9%) home purchase loans to borrowers whose income levels were unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated 156 (4.5%) home purchase loans to low-income borrowers and 429 (12.2%) home purchase loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 876 (25.0%) home purchase loans to middle-income borrowers and 1,542 (44.0%) home purchase loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders originated 502 (14.3%) home purchase loans to borrowers whose income levels were unknown.

Home Refinance Loans

Whitaker originated 52 (10.4%) home refinance loans to low-income borrowers, which was below the percentage (27.1%) of low-income families in the assessment area. The bank made 60 (12.0%) home refinance loans to moderate-income borrowers, which was below the percentage (17.6%) of moderate-income families in the assessment area. The bank originated 87 (17.4%) home refinance loans to middle-income families, which was slightly below the percentage (18.7%) of middle-income families in the assessment area. Whitaker made 264 (52.8%) home refinance loans to upper-income borrowers, which significantly exceeded the percentage (36.6%) of upper-income families in the assessment area. Lastly, the bank made 29 (4.1%) home refinance loans to borrowers whose income levels were unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated 271 (4.1%) home refinance loans to low-income borrowers and 611 (9.2%) home refinance loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 1,250 (18.8%) home refinance loans to middle-income borrowers and 3,634 (54.7%) home refinance loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders made 882 (13.3%) home refinance loans to borrowers whose income levels were unknown.

Home Improvement Loans

Whitaker originated 142 (20.2%) home improvement loans to low-income borrowers, which was below the percentage (27.1%) of low-income families in the assessment area. The bank made 118 (16.8%) home improvement loans to moderate-income borrowers, which was slightly below the percentage (17.6%) of moderate-income families in the assessment area. The bank originated 131 (18.6%) home improvement loans to middle-income borrowers, which aligned with the percentage (18.7%) of middle-income families in the assessment area. Whitaker made 284 (40.3%) home improvement loans to upper-income borrowers, which exceeded the percentage (36.6%) of upper-income families in the assessment area. Lastly, the bank made 29 (4.1%) home improvement loans to borrowers whose income levels were unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated 205 (16.2%) home improvement loans to low-income borrowers and 199 (15.8%) home improvement loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 275 (21.8%) home improvement loans to middle-income borrowers and 544 (43.1%) home improvement loans to upper-income borrowers. Lastly, the bank made 39 (3.1%) home improvement loans to borrowers whose income levels were unknown.

Business Loans

Whitaker originated 1,296 (86.8%) of its business loans to entities with gross annual revenues of \$1 million or less, which was slightly below the percentage (90.7%) of small businesses located in the assessment area, 1,306 (87.4%) of the bank's business loans were for amounts less than or equal to \$100,000, and 119 (8.0%) of its business loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, Whitaker made 69 (4.6%) business loans for amounts greater than \$250,000 but less than \$1 million. Business loans for amounts less than or equal to \$100,000 are often indicative of small business credit needs. Based on this information, Whitaker's lending activity in meeting the credit needs of small businesses in this assessment area is considered good.

In 2009, the aggregate of all CRA reporters in this assessment area originated 1,552 (21.9%) of its business loans to entities with gross annual revenues of \$1 million or less. Further, 6,854 (96.9%) of the aggregate's business loans were for amounts less than or equal to \$100,000. 125 (1.8%) of the aggregate's business loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, 97 (1.4%) of the aggregate's business loans were for amounts greater than \$250,000 but less than or equal to \$1 million.

Farm Loans

Whitaker originated 865 (94.2%) of its farm loans to entities with gross annual revenues of \$1 million or less, which was slightly below the percentage (98.9%) of small farms located in the assessment area, 836 (91.1%) of the bank's farm loans were for amounts less than or equal to \$100,000, and 66 (7.2%) of its farm loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, Whitaker made 16 (1.7%) farm loans for amounts greater than \$250,000 but less than \$500,000. Farm loans for amounts less than or equal to \$100,000 are often indicative of small farm credit needs. This analysis indicates Whitaker's lending activity to small farms in this assessment area is considered good.

In 2009, the aggregate of all CRA reporters in this assessment area made 606 (87.1%) of its farm loans to entities with gross annual revenues of \$1 million or less, 640 (92.0%) of the aggregate's farm loans were for amounts less than or equal to \$100,000, and 44 (6.3%) of the aggregate's farm loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, the aggregate made 12 (1.7%) farm loans for amounts greater than \$250,000 but less than or equal to \$500,000.

Community Development Lending

Whitaker was a leader in making community development loans in this assessment area. During the evaluation period, Whitaker originated approximately \$9.4 million in community development loans throughout the assessment area. The loans financed various businesses and local organizations and supported objectives such as revitalization and stabilization of distressed middle-income areas, affordable housing, and community services to low- and moderate-income individuals.

Investment Test

Whitaker provided a good level of community development investments in this assessment area. Specifically, the bank extended approximately \$743,000 in community development investments during this review period. The investments supported a variety of local and civic organizations for the provision of community services to low- and moderate income persons.

Service Test

Whitaker's performance under the service test in this assessment area is considered adequate.

Retail Services

Retail delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels throughout this assessment area. As previously discussed, Whitaker operates 22 offices in this assessment area. There are no offices located in this area's two low-income tracts. However, there are four offices located in moderate-income tracts and 15 offices located in middle-income tracts. Since the previous evaluation, Whitaker closed one cash-only ATM in this assessment area. The ATM was located in a middle-income census tract. The distribution of branches is acceptable given the high presence of multiple offices in moderate-income tracts and the high concentration of distressed, middle-income tracts in this assessment area. Further, no branch closures occurred in this area that significantly impacted persons in low- or moderate-income geographies. Lastly, the services offered and hours of operation at the various offices do not vary in ways that disproportionately impact residents of this area, particularly low- and moderate-income geographies or persons.

Community Development Services

The bank provided an adequate level of community development services in this assessment area during this evaluation period. Listed below are examples of some qualified services for which the bank received credit:

- ***Carlisle-Nicholas County Industrial Development Board*** – A bank employee provides financial expertise to this organization that focuses on attracting new businesses to this area.
- ***Habitat for Humanity*** – A bank employee provides assistance reviewing applications for low- and moderate-income persons seeking homeownership opportunities with this organization.
- ***Youth Service Center Board*** – A bank employee assists this organization in managing budgetary matters to provide various services, such as housing and utility payment assistance to children of low- and moderate-income families, in this area.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN
LEXINGTON-FAYETTE, KENTUCKY METROPOLITAN AREA 30460
(Full-scope Review)**

The Lexington-Fayette MSA 30460 is comprised of the entireties of Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford Counties.

There are 95 census tracts in this assessment area, of which nine (9.5%) are low-income, 21 (22.1%) are moderate-income, 41 (43.2%) are middle-income, and 23 (24.2%) are upper-income. There is one (1.1%) census tract with an unknown income level.

Whitaker's second largest concentration of offices (25.6%) and ATMs (27.9%) are located in this assessment area. Lending in this assessment area represented approximately 16.6% by volume and 28.9% by dollar amount of Whitaker's total HMDA, business, and farm lending during this review period.

According to the June 30, 2010 FDIC Deposit Market Share Report, Whitaker ranked ninth out of 33 financial institutions, holding 3.7% of the market share of deposits. Central Bank & Trust Company ranked first with 14.8% of the deposit market share and JP Morgan Chase Bank, N.A. ranked second with 12.6% of the market share of deposits, indicating there is considerable banking competition in this assessment area.

For these reasons, Whitaker's performance in this assessment area received the second greatest weight for this evaluation.

Population

Data from the 2000 United States Census Bureau report indicates that the total population in this assessment area was 408,326. Data also indicates that 22.9% of the population were ages 17 years and younger, 12.9% were 18 to 24, 53.9% were 25 to 64, and 10.3% were 65 and older.

The most populous county in this assessment area is Fayette County, which had a population of 260,512 in 2000. Data from the U.S. Census indicates that Fayette County's population increased to 295,803 in 2010. The data also projects that the other counties in this assessment area experienced modest population changes. The table below depicts the estimate population changes for the remaining counties in this assessment area:

County	2000 Population	Estimated 2010 Population	Net Change
Bourbon County	19,360	19,985	+3.2%
Clark County	33,144	35,613	+7.4%
Jessamine County	39,041	48,586	+24.4%
Scott County	33,061	47,173	+42.7%
Woodford County	23,208	24,939	+7.5%

Contrary to other parts of Whitaker's assessment area, all counties in the Lexington-Fayette MSA 30460 experienced modest or considerable population growth over the last decade.

Income Characteristics

As of 2000, there were 164,023 households in this assessment area, of which approximately 23.8% were low-income, 16.4% were moderate-income, 18.4% were middle-income, and 41.5% were upper-income. Approximately, 12.2% of all households in this assessment area lived below the poverty level.

Of the 164,023 households in this area, 105,153 (64.1%) were designated as families. The median family income for this assessment area was \$51,365, which exceeded the Commonwealth of Kentucky's median family income of \$40,939. Low- and moderate-income families represented 20.6% and 17.8% of all families in this assessment area, respectively. Middle-income families represented 21.6% of the population and upper-income families comprised 40.0% of the population. Approximately 8.2% of families in this area lived below the poverty level, which was below the 12.7% of families throughout Kentucky living below the poverty level. Data from HUD indicates that the median family for metropolitan Kentucky increased to \$62,500 for the 2010 fiscal year.

Data released by the Economic Research Service of the United States Department of Agriculture (USDA) in 2009 revealed the following details regarding persons living in poverty in this assessment area:

County	2009 Individual Poverty Rate
Bourbon County	17.1%
Clark County	14.5%
Fayette County	17.4%
Jessamine County	14.1%
Scott County	13.1%
Woodford County	10.1%

The aforementioned data indicates that individual poverty rates in this assessment area vary in comparison to the family poverty rates throughout Kentucky and nationally. These factors were taken into consideration when assessing Whitaker's performance in this assessment area.

Housing Characteristics

According to data from the 2000 U.S. Census report, there were 175,262 housing units in this area, of which 12,673 (7.2%) were in low-income tracts, 40,349 (23.0%) were in moderate-income tracts, 76,549 (43.7%) were in middle-income tracts, and 45,691 (26.1%) were in upper-income tracts. The data further indicates that 98,076 (56.0%) were owner-occupied units, 65,778 (37.5%) were rental units, and 11,408 (6.5%) were vacant units. Additionally, 134,531 (76.8%) were one-to-four family units, 33,801 (19.3%) were multifamily properties (containing five or more units), 6,847 (3.9%) were mobile homes, and 83 (0.5%) were classified as other units.

As of 2000, the median age of housing stock in this assessment area was 26 years old. The following information details the median age of housing stock within the respective counties of this assessment area:

County	Median Age of Housing Stock
Bourbon County	35
Clark County	27
Fayette County	26
Jessamine County	19
Scott County	19
Woodford County	23

The median age of housing stock in this assessment area generally aligns with the median age of housing stock for the Commonwealth of Kentucky, which is 27 years old. According to the 2000 U.S. Census report, the median housing value for this assessment area was \$105,942. Data from the U.S. Census Bureau indicates that the average median value for owner-occupied units for the counties in this assessment area increased to \$150,950 between 2005 and 2009. The median gross rent in this assessment area was \$519, according to the 2000 U.S. Census Bureau report. The data also indicates that approximately 15.4% of rental units had monthly payments less than \$350, 27.2% had monthly rental payments ranging from \$340-\$499, 31.7% had monthly rental payments ranging from \$500-\$699, and 18.6% had monthly rent payments of at least \$700. Additionally, 35.1% of renters had monthly rental costs exceeding 30% of their incomes. Monthly rental payments were unknown for 7.2% of rental units in this area.

As previously discussed, the counties in this assessment are impacted by poverty, but not as profoundly as other parts of Whitaker's assessment area. Data provided by realtytrac.com indicates that as of August 2011, there were 6,978 homes in foreclosure in the Commonwealth of Kentucky. Further, one in every 2,106 homes in Kentucky received foreclosure filings during that time. The following depicts the level of foreclosure filings in August 2011 for the counties in this assessment area (data for Bourbon and Woodford Counties was not available):

- **Clark County** - One in every 5,294 homes received foreclosure filings in August 2011.
- **Fayette County** - One in every 1,366 homes received foreclosure filings in August 2011.
- **Jessamine County** - One in every 18,502 homes received foreclosure filings in August 2011.
- **Scott County** - One in every 6,045 homes received foreclosure filings in August 2011.

Labor, Employment and Economic Characteristics

The following table depicts unadjusted, unemployment rates for the counties within this assessment area as of July 2011. This data was obtained from labor market information provided by Workforce Kentucky.

County	Unemployment Rate
Bourbon County	10.0%
Clark County	9.1%
Fayette County	7.4%
Jessamine County	8.3%
Scott County	10.4%
Woodford County	8.0%

As of July 2011, the average unemployment rate for this assessment area was 8.9%, which was slightly below the Commonwealth of Kentucky's unemployment rate of 9.6% and the national unemployment rate of 9.3%.

CareerOneStop,⁷ sponsored by the United States Department of Labor, Employment and Training Administration, indicates that the University of Kentucky Chandler Hospital, Lexmark International, Incorporated, and Toyota Motor Manufacturing of Kentucky, Incorporated are among the largest employers in this assessment area.

Community Contacts

One community contact with an organization that promotes affordable housing in this assessment area was conducted as part of this evaluation. Overall, the contact stated that local banks are generally responsive to affordable housing and credit needs of residents. However, many people would benefit from financial literacy training.

⁷ www.acinet.org

Combined Demographics Report

Whitaker Bank

Assessment Area(s): Lexington-Fayette MSA

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	9	9.5	4,516	4.3	1,472	32.6	21,702	20.6
Moderate-income	21	22.1	23,644	22.5	3,186	13.5	18,666	17.8
Middle-income	41	43.2	45,205	43.0	2,950	6.5	22,738	21.6
Upper-income	23	24.2	31,788	30.2	1,002	3.2	42,047	40.0
Unknown-income	1	1.1	0	0.0	0	0.0	0	0.0
Total Assessment Area	95	100.0	105,153	100.0	8,610	8.2	105,153	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	12,673	2,680	2.7	21.1	8,440	66.6	1,553	12.3
Moderate-income	40,349	19,506	19.9	48.3	17,707	43.9	3,136	7.8
Middle-income	76,549	43,092	43.9	56.3	29,134	38.1	4,323	5.6
Upper-income	45,691	32,798	33.4	71.8	10,497	23.0	2,396	5.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	175,262	98,076	100.0	56.0	65,778	37.5	11,408	6.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1,985	9.2	1,651	8.6	201	15.1	133	13.1
Moderate-income	3,830	17.7	3,393	17.6	254	19.1	183	18.1
Middle-income	8,469	39.1	7,627	39.5	453	34.1	389	38.4
Upper-income	7,317	33.8	6,607	34.2	409	30.8	301	29.7
Unknown-income	36	0.2	20	0.1	10	0.8	6	0.6
Total Assessment Area	21,637	100.0	19,298	100.0	1,327	100.0	1,012	100.0
	Percentage of Total Businesses:			89.2		6.1		4.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	18	1.8	18	1.9	0	0.0	0	0.0
Moderate-income	147	14.7	143	14.9	2	6.3	2	28.6
Middle-income	439	43.9	419	43.6	17	53.1	3	42.9
Upper-income	396	39.6	381	39.6	13	40.6	2	28.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,000	100.0	961	100.0	32	100.0	7	100.0
	Percentage of Total Farms:			96.1		3.2		0.7

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
LEXINGTON-FAYETTE, KENTUCKY METROPOLITAN AREA 30460
(Full-scope Review)**

Lending Activity

Whitaker's responsiveness to the credit needs of this assessment area is good, considering the concentration of offices, significant competition, and that 12.2% of households in this area live below the poverty level.

HMDA lending in the Lexington-Fayette Kentucky Metropolitan Area represented 17.0% of all HMDA lending by volume and 34.3% by dollar amount. Business lending in this assessment area represented 16.9% of all business lending by volume and 26.2% by dollar amount. Lastly, farm lending represented 15.5% of all farm lending by volume and 18.1% by dollar amount.

The 2009 HMDA Market Peer Report indicates that Whitaker ranked 29th out of 321 HMDA-reporting financial institutions in the area. During that year, the bank ranked ninth out of 61 CRA-reporting financial institutions in the area.

Geographic Distribution

Whitaker's home purchase and home improvement lending was considered excellent in this assessment area as the bank exceeded the percentage of owner-occupied units and the percentage of loans made by the aggregate of all HMDA lenders within the low- and moderate-income geographies. The bank's home purchase loans, business and farm loan activity was considered adequate. Based on this analysis, the geographic distribution of loans reflects a good penetration throughout this assessment area.

This evaluation revealed no significant lending gaps in this assessment area. In 2009, Whitaker made HMDA and CRA loans in four (44.4%) of the area's nine low-income tracts, 16 (76.2%) of the area's 21 moderate-income tracts, 35 (85.4%) of the area's 41 middle-income tracts, and 21 (91.3%) of the area's 23 upper-income tracts. The bank made no HMDA or CRA loans in the area's one census tract with an unknown income level. In 2010, Whitaker made HMDA and CRA loans in six (66.7%) of the area's low-income tracts, 18 (85.7%) of the area's moderate-income tracts, 35 (85.4%) of the area's middle-income tracts, and 19 (82.6%) of the area's upper-income tracts. Lastly, the bank made no HMDA or CRA loans in the area's one census tract with an unknown income level.

There are no distressed or underserved middle-income census tracts in this assessment area.

HMDA Lending

Home Purchase Loans

Whitaker originated five (4.3%) home purchase loans in this area's low-income tracts, which exceeded the percentage (2.7%) of owner-occupied units in those tracts. The bank originated 28 (24.1%) home purchase loans in moderate-income tracts, which exceeded the percentage (19.9%) of owner-occupied units in those tracts. Whitaker made 45 (38.8%) home purchase loans in middle-income tracts, which was below the percentage (43.9%) of owner-occupied units in those tracts. Lastly, the bank originated 38 (32.8%) home purchase loans in upper income tracts, which was slightly below the percentage (33.4%) of owner-occupied units in those tracts. In 2009, the aggregate of all HMDA lenders in this assessment area made 185 (2.2%) of home purchase loans in low-income tracts and 1,302 (15.3%) home purchase loans in moderate-income tracts. During that time, the aggregate of all HMDA lenders originated 3,058 (36.0%) home purchase loans in middle-income tracts and 3,949 (46.5%) home purchase loans in upper-income tracts. Lastly, the aggregate of all HMDA lenders originated three (0.0%) home purchase loans in the census tract with an unknown income level.

Home Refinance Loans

Whitaker originated two (0.8%) home refinance loans in low-income census tracts, which was below the percentage (2.7%) of owner-occupied units in those tracts. The bank made 42 (17.7%) home refinance loans in moderate-income tracts, which was slightly below the percentage (19.9%) of owner-occupied units in those tracts. Whitaker made 93 (39.2%) home refinance loans in middle-income tracts, which was slightly below the percentage (43.9%) of owner-occupied units in those tracts. Lastly, the bank originated 100 (42.2%) home refinance loans in upper-income tracts, which exceeded the percentage (33.4%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made 253 (1.5%) home refinance loans in low-income tracts and 2,137 (12.8%) home refinance loans in moderate-income tracts. During that time, the aggregate of all HMDA lenders originated 5,739 (34.4%) home refinance loans in middle-income tracts and 8,531 home refinance loans in upper-income tracts. Lastly, the aggregate of all HMDA lenders originated 21 (0.1%) home refinance loans in the census tract with an unknown income level.

Home Improvement Loans

Whitaker originated four (11.4%) home improvement loans in low-income tracts, which significantly exceeded the percentage (2.7%) of owner-occupied units in those tracts. The bank made 11 (31.4%) home improvement loans in moderate-income tracts, which significantly exceeded the percentage (19.9%) of owner-occupied units in those tracts. Whitaker made 14 (40.0%) home improvement loans in middle-income tracts, which was slightly below the percentage (43.9%) of owner-occupied units in those tracts. Lastly, Whitaker originated six (17.1%) home improvement loans in upper-income tracts, which was significantly below the percentage (33.4%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made 27 (3.9%) home improvement loans in low-income tracts and 130 (19.0%) home improvement loans in moderate-income tracts. During that time, the aggregate of all HMDA lenders originated 276 (40.2%) home improvement loans in middle-income tracts and 253 (36.9%) home improvement loans in upper-income tracts.

Business Lending

Whitaker originated 12 (3.4%) business loans in this area's low-income tracts, which was below the percentage (9.2%) of businesses located in those tracts. The bank originated 108 (30.4%) business loans in moderate-income tracts, which significantly exceeded the percentage (17.7%) of businesses located in those tracts. The bank made 148 (41.7%) business loans in middle-income tracts, which slightly exceeded the percentage (39.1%) of businesses located in those tracts. Lastly, Whitaker originated 87 (24.5%) business loans in upper-income tracts, which was below the percentage (33.8%) of businesses located in those tracts.

In 2009, the aggregate of all CRA reporters in this assessment area made 885 (8.1%) business loans in low-income tracts and 1,916 (17.5%) business loans in moderate-income tracts. During that time, the aggregate of all CRA reporters originated 4,006 (36.7%) business loans in middle-income tracts and 4,023 (36.8%) business loans in upper-income tracts. Lastly, the aggregate of all CRA reporters made four (0.0%) business loans in the census tract with an unknown income level.

Farm Lending

Whitaker originated no farm loans in this area's low-income census tracts, which was below the percentage (1.8%) of farms located in those tracts. The bank made 29 (14.2%) farm loans in moderate-income tracts, which aligned with the percentage (14.7%) of farms located in those tracts. The bank made 125 (61.0%) farm loans in middle-income tracts, which significantly exceeded the percentage (43.9%) of farms located in those tracts. Lastly, Whitaker originated 51 (24.9%) farm loans in upper-income tracts, which was below the percentage (39.6%) of farms located in those tracts.

In 2009, the aggregate of all CRA reporters in this assessment area made six (1.8%) farm loans in low-income tracts and 41 (12.0%) farm loans in moderate-income tracts. During that time, the aggregate of all CRA reporters originated 163 (47.7%) farm loans in middle-income tracts and 128 (37.4%) farm loans in upper-income tracts.

Distribution by Borrower Income and Revenue Size of Business or Farm

Although Whitaker exceeded the home refinance lending activity of the aggregate of all HMDA lenders to low-income borrowers, all other lending activity within this assessment area is considered adequate with the exception of lending to small farms which is considered good.

Home Purchase Loans

Whitaker originated nine (7.8%) home purchase loans to low-income borrowers, which was significantly below the percentage (20.6%) of low-income families in the assessment area. The bank made 25 (21.6%) home purchase loans to moderate-income borrowers, which exceeded the percentage (17.8%) of moderate-income families in the assessment area. The bank made 16 (13.8%) home purchase loans to middle-income borrowers, which was below the percentage (21.6%) of middle-income families in the assessment area. Whitaker originated 43 (37.1%) home purchase loans to upper-income borrowers, which was slightly below the percentage (40.0%) of upper-income families in the assessment area. Lastly, the bank made 23 (19.8%) home purchase loans to borrowers with unknown income levels.

In 2009, the aggregate of all HMDA lenders in this assessment area originated 964 (11.3%) home purchase loans to low-income borrowers and 2,146 (25.3%) home purchase loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 1,897 (22.3%) home purchase loans to middle-income borrowers and 2,302 (27.1%) home purchase loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders originated 1,188 (14.0%) home purchase loans to borrowers whose income levels were unknown.

Home Refinance Loans

Whitaker originated 24 (10.1%) home refinance loans to low-income borrowers, which was significantly below the percentage (20.6%) of low-income families in the assessment area. The bank made 32 (13.5%) home refinance loans to moderate-income borrowers, which was below the percentage (17.8%) of moderate-income families in the assessment area. The bank made 45 (19.0%) home refinance loans to middle-income borrowers, which was slightly below the percentage (21.6%) of middle-income families in the assessment area. Whitaker originated 117 (49.4%) home refinance loans to upper-income borrowers, which exceeded the percentage (40.0%) of upper-income families in the assessment area. Lastly, Whitaker made 19 (8.0%) home refinance loans to borrowers whose income levels were unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated 1,070 (6.4%) home refinance loans to low-income borrowers and 2,624 (15.7%) home refinance loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 3,689 (22.1%) home refinance loans to middle-income borrowers and 6,342 (38.0%) home refinance loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders made 2,956 (17.7%) home refinance loans to borrowers whose income levels were unknown.

Home Improvement Loans

Whitaker originated four (11.4%) home improvement loans to low-income borrowers, which was below the percentage (20.6%) of low-income families in the assessment area. The bank made five (14.3%) home improvement loans to moderate-income borrowers, which was slightly below the percentage (17.8%) of moderate-income families in the assessment area. The bank originated eight (22.9%) home improvement loans to middle-income borrowers, which slightly exceeded the percentage (21.6%) of middle-income families in the assessment area. Whitaker originated 13 (37.1%) home improvement loans to upper-income borrowers, which was slightly below the percentage (40.0%) of upper-income families in the assessment area. Lastly, the bank made five (14.3%) home improvement loans to borrowers whose income levels were unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated 85 (12.4%) home improvement loans to low-income borrowers and 133 (19.4%) home improvement loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 167 (24.3%) home improvement loans to middle-income borrowers and 255 (37.2%) home improvement loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders made 46 (6.7%) home improvement loans to borrowers whose income levels were unknown.

Business Loans

Whitaker originated 244 (68.7%) of its business loans to entities with gross annual revenues of \$1 million or less, which was below the percentage (89.2%) of small businesses located in the assessment area, 284 (80.0%) of the bank's business loans were for amounts less than or equal to \$100,000, and 32 (9.0%) of its business loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, Whitaker made 39 (11.0%) business loans for amounts greater than \$250,000 but less than \$1million. Business loans for amounts less than or equal to \$100,000 are often indicative of small business credit needs, indicating that Whitaker is adequately meeting the credit needs of small businesses in this area.

In 2009, the aggregate of all CRA reporters in this assessment area originated 2,242 (20.5%) of its business loans to entities with gross annual revenues of \$1 million or less. Further, 10,140 (92.8%) of its business loans were for amounts less than or equal to \$100,000, 402 (3.7%) of the aggregate's business loans were for amounts greater than \$100,000 but less than or equal to \$250,000, and 383 (3.5%) of the aggregate's business loans were for amounts greater than \$250,000 but less than or equal to \$1 million.

Farm Loans

Whitaker originated 174 (84.9%) of its farm loans to entities with gross annual revenues of \$1 million or less, which was below the percentage (96.1%) of small farms in the assessment area, 181 (88.3%) of the bank's farm loans were for amounts less than or equal to \$100,000 and 20 (9.8%) of the bank's farm loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, Whitaker made four (2.0%) farm loans for amounts greater than \$250,000 but less than \$500,000. Farm loans for amounts less than or equal to \$100,000 are often indicative of small farm credit needs. This information indicates that Whitaker's lending to small farms within this assessment area is considered good.

In 2009, the aggregate of all CRA reporters in this assessment area originated 232 (67.8%) of its farm loans to entities with gross annual revenues of \$1 million or less. Further, 223 (65.2%) of its farm loans were for amounts less than or equal to \$100,000 and 71 (20.8%) of the bank's farm loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, 48 (14.0%) of Whitaker's farm loans were for amounts greater than \$250,000 but less than or equal to \$500,000.

Community Development Lending

Whitaker made a relatively high level of community development loans in this assessment area. Specifically, during this evaluation period, Whitaker originated approximately \$1.1 million in community development loans in this assessment area. The loans financed various local organizations and primarily supported affordable housing throughout the area.

Investment Test

Whitaker provided an excellent level of community development investments in this assessment area. Specifically, the bank extended approximately \$3 million in community development investments during this review period. The investments supported various local organizations and supported the provision of affordable housing, community services to low- and moderate-income persons and economic revitalization and stabilization.

Service Test

Whitaker's performance under the service test in this assessment area is considered adequate.

Retail Services

Retail delivery systems are reasonably accessible to all geographies and individuals of different income levels throughout this assessment area. As previously discussed, Whitaker operates ten offices in this assessment area. Since the previous evaluation, Whitaker closed one office with an ATM in the area that was located in a middle-income tract. The bank also opened two cash-only ATMs in moderate-income tracts in the area. While the bank operates no offices in this area's low-income tracts, existing offices are within reasonable proximity to residents of these areas. Further, there are 11 full service ATMs (one at each office and one throughout the area) in this assessment area. The bank also operates six cash-only ATMs in this assessment area. Further, no branch closures occurred that significantly impacted persons in low- or moderate-income geographies. Lastly, the services offered and hours of operation at the various offices do not vary in ways that disproportionately impact low- and moderate-income persons or individuals who reside in those areas.

Community Development Services

The bank provided an adequate level of community development services in this assessment area, during this evaluation period. Listed below are examples of some qualified services for which the bank received credit:

- ***Bluegrass Industrial Foundation*** – A bank employee served as the secretary and treasurer of this organization that promotes economic development in this assessment area.

- ***Habitat for Humanity*** – This organization provides affordable housing to low- and moderate-income persons. A bank employee served on this organization’s advisory board and provided guidance on various financial matters, such as land purchase loans and securing grants.
- ***REACH*** – This organization focuses on the provision of affordable housing throughout this assessment area. A bank employee served on this organization’s board of directors and provided guidance on various financial matters, such as credit counseling and down payment guidance.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN
MERCER, KENTUCKY NONMETROPOLITAN AREA**
(Full-scope Review)

The Mercer, Kentucky Nonmetropolitan Area is comprised of the entirety of Mercer County.

There are five census tracts in this assessment area, of which two (0.4%) are middle-income tracts and three (0.6%) are upper-income tracts. There are no low- or moderate-income tracts in this assessment area.

According to the June 30, 2010 FDIC Deposit Market Share Report, Whitaker ranked second out of six financial institutions, holding 25.8% of the market share of deposits in this area. Farmers National Bank of Danville ranked first with 27.1% of the deposit market share.

Whitaker's third largest concentration of offices (10.3%) and ATMs (10.3%) are located in this assessment area. Lending in this area represented 7.1% by volume and 5.4% by dollar amount of Whitaker's total HMDA, business and farm lending, during this review period.

For these reasons, Whitaker's performance in this assessment area received the third greatest weight for this evaluation.

Population

Data from the 2000 United States Census Bureau report indicates that the total population in this assessment area was 20,817. Data also indicates that 24.4% of the population were ages 17 years and younger, 7.5% were 18 to 24, 53.6% were 25 to 64, and 14.6% were 65 and older.

Data from the United States Census Bureau projects that the population in Mercer County increased to 21,331 in 2010, which was a modest increase over the population in 2000.

Income Characteristics

As of 2000, there were 8,441 households in this assessment area, of which approximately 16.1% were low-income, 12.6% were moderate-income, 17.0% were middle-income, and 54.3% were upper-income. Approximately, 12.7% of all households in this assessment area lived below the poverty level.

Of the 8,441 households in this area, 6,108 (72.4%) were designated as families. The median family income for this assessment area was \$43,336, which slightly exceeded the Commonwealth of Kentucky's median family income of \$40,939. Low- and moderate-income families represented 13.2% and 13.0% of all families in the area, respectively. Middle-income families represented 18.9% of all families, and upper-income families represented 54.9% of all families. Approximately 10.0% of families in this area lived below the poverty level.

Data released by the Economic Research Service of the United States Department of Agriculture (USDA) in 2009 indicates that the individual poverty rate for Mercer County is 10.2%.

Housing Characteristics

According to data from the 2000 U.S. Census report, there were 9,289 housing units in this area, of which 3,844 (41.4%) were located in middle-income tracts and 5,445 (58.6%) were located in upper-income tracts. The data further indicates that 6,272 (67.5%) were owner-occupied units, 2,151 (23.2%) were rental units, and 866 (9.3%) were vacant units. Additionally, 8,131 (87.5%) were one-to-four family units, 468 (5.0%) were multifamily properties (containing five or more units), and 690 (7.4%) were mobile homes.

According to the 2000 U.S. Census Bureau report, the median age of housing stock in the assessment area was 30 years old, which is slightly older than the median age of housing stock in the Commonwealth of Kentucky (27 years old). This data further indicates that the median housing value for this assessment area was \$85,007. Data from the U.S. Census further indicates that the median value for owner-occupied units in this area increased to \$121,800 between 2005 and 2009. The median gross rent for this area was \$411. Approximately 31.2% of renters had rental payments less than \$350, 30.3% had rental payments ranging from \$350-\$499, 19.2% had rental payments ranging from \$500-\$699, and 4.8% had payments of at least \$700. Additionally, 25.4% of renters had monthly rental costs exceeding 30% of their incomes. Monthly rental payments were unknown for 14.5% of rental units in this area.

While recent foreclosure statistics were not available, it is expected that foreclosure levels in this area would be comparable to that of other part of Whitaker's assessment area.

Labor, Employment and Economic Characteristics

Data from Workforce Kentucky indicates that as of July 2011, the unadjusted unemployment rate for Mercer County was 10.2%. This figure exceeded the Commonwealth of Kentucky's unemployment rate of 9.6% and national unemployment rate of 9.3%.

A community contact interviewee stated that manufacturing is the largest industry base in Mercer County and that companies such as Corning Incorporated, Wausau Paper, and Hitachi are the largest employers in this area. While these are larger, renowned companies most have experienced modest layoffs due to recent national economic challenges.

Community Contacts

One community contact interview was conducted with an organization whose focus is economic development. The contact stated that banks are generally responsive to the credit needs of local businesses. However, potential opportunities exist for banks to finance public-owned industrial sites in this area.

Combined Demographics Report

Whitaker Bank

Assessment Area(s): Mercer KY Non Metro

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	807	13.2
Moderate-income	0	0.0	0	0.0	0	0.0	792	13.0
Middle-income	2	40.0	2,627	43.0	307	11.7	1,155	18.9
Upper-income	3	60.0	3,481	57.0	302	8.7	3,354	54.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	5	100.0	6,108	100.0	609	10.0	6,108	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	3,844	2,532	40.4	65.9	1,063	27.7	249	6.5
Upper-income	5,445	3,740	59.6	68.7	1,088	20.0	617	11.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	9,289	6,272	100.0	67.5	2,151	23.2	866	9.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	451	45.0	419	44.5	17	56.7	15	48.4
Upper-income	552	55.0	523	55.5	13	43.3	16	51.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,003	100.0	942	100.0	30	100.0	31	100.0
	Percentage of Total Businesses:			93.9		3.0		3.1
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	21	21.9	21	22.1	0	0.0	0	0.0
Upper-income	75	78.1	74	77.9	1	100.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	96	100.0	95	100.0	1	100.0	0	0.0
	Percentage of Total Farms:			99.0		1.0		0.0

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
MERCER, KENTUCKY NONMETROPOLITAN AREA
(Full-scope Review)**

Lending Activity

Whitaker's responsiveness to the credit needs of this assessment area is good, considering the length of the bank's presence in this area and that 12.7% of households in this area live below the poverty level.

HMDA lending in the Mercer, Kentucky assessment area represented 5.9% of all HMDA lending by volume and 5.5% by dollar amount. Business lending in this assessment area represented 6.4% of all business lending by volume and 4.3% by dollar amount. Lastly, farm lending represented 10.1% by volume and 8.1% by dollar amount.

The 2009 HMDA Market Peer Report indicates that Whitaker ranked fourth out of 101 HMDA-reporting financial institutions in the area. During that year, the bank ranked second out of 23 CRA-reporting financial institutions in the area.

Geographic Distribution

There are no low- or moderate-income census tracts in this assessment area. Therefore, lending in those areas will not be discussed.

This evaluation revealed no lending gaps in this assessment area. During this evaluation period, Whitaker made HMDA and CRA loans in all census tracts in this assessment area.

There are no distressed or underserved middle-income census tracts in this assessment area.

HMDA Lending

Home Purchase Loans

Whitaker made 27 (43.6%) HMDA loans in this area's middle-income census tracts, which slightly exceeded the percentage (40.4%) of owner-occupied units in those tracts. The bank originated 35 (56.5%) home purchase loans in upper-income tracts, which also slightly exceeded the percentage (59.6%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made 106 (46.9%) home purchase loans in middle-income tracts and 120 (53.1%) home purchase loans in upper-income tracts.

Home Refinance Loans

Whitaker originated 24 (47.1%) home refinance loans in middle-income tracts, which exceeded the percentage (40.4%) of owner-occupied units in those tracts. The bank made 27 (52.9%) home refinance loans in upper-income tracts, which was below the percentage (59.6%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA reporters in this assessment area made 212 (36.9%) home refinance loans in middle-income tracts and 362 (63.0%) home refinance loans in upper-income tracts.

Home Improvement Loans

Whitaker originated 12 (54.6%) home improvement loans in middle-income tracts, which significantly exceeded the percentage (40.4%) of owner-occupied units in those tracts. The bank made 10 (45.5%) home improvement loans in upper-income tracts, which was below the percentage (59.6%) of owner-occupied units in those tracts.

In 2009, the aggregate of all HMDA lenders in this assessment area made 10 (25.6%) home improvement loans in middle-income tracts and 29 (74.4%) home improvement loans in upper-income tracts.

Business Lending

Whitaker originated 55 (40.7%) business loans in this area's middle-income tracts, which was slightly below the percentage (45.0%) of businesses located in those tracts. The bank made 80 (59.3%) business loans in upper-income tracts, which slightly exceeded the percentage (55.0%) of businesses located in those tracts.

In 2009, the aggregate of all CRA reporters in this assessment area made 152 (38.0%) business loans in this area's middle-income tracts and 242 (60.5%) business loans in upper-income tracts. Lastly, the aggregate of CRA reporters made six (1.5%) business loans in which the respective census tracts were unknown.

Farm Lending

Whitaker made 75 (56.0%) farm loans in this area's middle-income tracts, which significantly exceeded the percentage (21.9%) of farms located in those tracts. The bank originated 59 (44.0%) farm loans in upper-income tracts, which was significantly below the percentage (78.1%) of farms located in those tracts.

In 2009, the aggregate of all CRA reporters in this assessment area made 39 (57.4%) farm loans in middle-income tracts and 29 (42.6%) farm loans in upper-income tracts.

Distribution by Borrower Income and Revenue Size of Business or Farm

Lending to borrowers of various income categories ranged from poor to excellent, while lending to the small businesses and small farms reflect a good distribution. Therefore, Whitaker's overall level of lending in this assessment area reflects a good distribution of lending to borrowers of different income levels (particularly low- and moderate-income borrowers).

Home Purchase Loans

Whitaker originated five (8.1%) home purchase loans to low-income borrowers, which was below the percentage (13.2%) of low-income families in the assessment area. The bank made four (6.5%) home purchase loans to moderate-income borrowers in the assessment area, which was below the percentage (13.0%) of moderate-income families in the assessment area. The bank made five (8.1%) home purchase loans to middle-income borrowers, which was significantly below the percentage (18.9%) of middle-income families in the assessment area. Whitaker originated 28 (45.2%) home purchase loans to upper-income borrowers, which was below the percentage (54.9%) of upper-income families in the assessment area. Lastly, the bank made 20 (32.3%) home purchase loans to borrowers with unknown income levels.

In 2009, the aggregate of all HMDA lenders in this assessment area originated six (2.7%) home purchase loans to low-income borrowers and 46 (20.4%) home purchase loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 45 (19.9%) home purchase loans to middle-income borrowers and 92 (40.7%) home purchase loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders made 37 (16.4%) home purchase loans to borrowers with unknown income levels.

Home Refinance Loans

Whitaker originated six (11.8%) home refinance loans to low-income borrowers, which was slightly below the percentage (13.2%) of low-income families in the assessment area. The bank made nine (17.7%) home refinance loans to moderate-income borrowers, which exceeded the percentage (13.0%) of moderate-income families in the assessment area. The bank made 14 (27.5%) home refinance loans to middle-income borrowers, which significantly exceeded the percentage (18.9%) of middle-income families in the assessment area. The bank originated 19 (37.3%) home refinance loans to upper-income borrowers, which was significantly below the percentage (54.9%) of upper-income families in the assessment area. Lastly, Whitaker made three (5.9%) home refinance loans to borrowers whose income levels were unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated nine (1.6%) home refinance loans to low-income borrowers and 51 (8.9%) home refinance loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 126 (21.9%) home refinance loans to middle-income borrowers and 309 (53.7%) home refinance loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders made 80 (13.9%) home refinance loans to borrowers with unknown income levels.

Home Improvement Loans

Whitaker originated six (27.3%) home improvement loans to low-income borrowers, which significantly exceeded the percentage (13.2%) of low-income families in the assessment area. The bank made one (4.6%) home improvement loan to a moderate-income borrower, which was significantly below the percentage (13.0%) of moderate-income families in the assessment area. The bank made five (22.7%) home improvement loans to middle-income borrowers, which exceeded the percentage (18.9%) of middle-income families in the assessment area. Whitaker originated nine (40.9%) home improvement loans to upper-income borrowers, which was below the percentage (54.9%) of upper-income families in the assessment area. Lastly, the bank made one (4.6%) home improvement loan to a borrower whose income level was unknown.

In 2009, the aggregate of all HMDA lenders in this assessment area originated two (5.1%) home improvement loans to low-income borrowers and four (10.3%) home improvement loans to moderate-income borrowers. During that time, the aggregate of all HMDA lenders made 12 (30.8%) home improvement loans to middle-income borrowers and 20 (51.3%) home improvement loans to upper-income borrowers. Lastly, the aggregate of all HMDA lenders made one (2.6%) home improvement loan to a borrower whose income level was unknown.

Business Loans

Whitaker originated 124 (91.9%) of its business loans to entities with gross annual revenues of \$1 million or less, which was slightly below the percentage (93.9%) of small businesses located in the assessment area, 124 (91.9%) of the bank's business loans were for amounts less than or equal to \$100,000, and seven (5.2%) business loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, Whitaker made four (3.0%) business loans for amounts greater than \$250,000 but less than \$1 million. Business loans for amounts less than or equal to \$100,000 are often indicative of small business credit needs, indicating that Whitaker is adequately meeting the credit needs of small businesses in this area.

In 2009, the aggregate of all CRA reporters in this assessment area originated 123 (30.8%) of its business loans to entities with gross annual revenues of \$1 million or less. Further, 382 (95.5%) of its loans were for amounts less than or equal to \$100,000. Eight (2.0%) of its business loans were for amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, ten (2.5%) of the aggregate's business loans were for amounts greater than \$250,000 but less than \$1 million.

Farm Loans

Whitaker originated 129 (96.3%) of its farm loans to entities with gross annual revenues of \$1 million or less, which was slightly below the percentage (99.0%) of small farms in the assessment area, 125 (93.3%) of the bank's farm loans were for amounts less than or equal to \$100,000, and seven (5.2%) of its farm loans were amounts greater than \$100,000 but less than or equal to \$250,000. Lastly, Whitaker made two (1.5%) farm loans for amounts greater than \$250,000 but less than \$500,000. Farm loans for amounts less than or equal to \$100,000 are often indicative of small farm credit needs, indicating that Whitaker is adequately meeting the credit needs of small farms in this area.

In 2009, the aggregate of all CRA reporters in this assessment area originated 64 (94.1%) of its farm loans to entities with gross annual revenues of \$1 million or less. Further, 65 (95.6 %) of the aggregate's farm loans were for amounts less than or equal to \$100,000. Lastly, three (4.4%) of the aggregate's farm loans were for amounts greater than \$100,000 but less than or equal to \$250,000. The aggregate made no farm loans in excess of \$250,000 in this area during this review period.

Community Development Lending

Whitaker made no community development loans in this assessment area during this evaluation period.

Investment Test

Whitaker made no community development investments specific to this assessment area, during this evaluation period. However, as previously mentioned, the bank had a statewide qualified investment which included this assessment area.

Service Test

Whitaker's performance under the service test in this assessment area is considered adequate.

Retail Services

Retail delivery systems are reasonably accessible to all geographies and individuals of different income levels throughout this assessment area. As previously discussed, Whitaker operates four offices in this assessment area. As previously discussed, there are no low- or moderate-income tracts in this assessment area. Offices are equally distributed throughout this area's middle- and upper-income tracts. Full-service ATMs are located at each office in this assessment area. The services offered and hours of operation at the various offices do not vary in ways that disproportionately impact low- and moderate-income persons.

Community Development Services

The bank provided an adequate level of community development services in this assessment area, during this evaluation period. The following is an example of community development services provided by Whitaker in this assessment area:

- ***Harrodsburg County Industrial Development Authority*** – A bank employee serves as the secretary and treasurer of this organization, whose purpose is to promote economic development through job creation and local business and industrial development.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN FRANKLIN, KENTUCKY
NONMETROPOLITAN AREA
(Limited-scope Review)**

Franklin County, Kentucky is home of the State's Capital of Frankfort. The Franklin, Kentucky Nonmetropolitan Area is comprised entirely of Franklin County, Kentucky. This assessment area contains ten census tracts; of which one (10.0%) is middle-income and nine (90.0%) are upper-income. There are no low-, moderate-, distressed and/or underserved middle-income tracts.

Lending in this area represents approximately 5.5% of all HMDA, business and farm lending by volume and 6.6% by dollar amount. The bank has the least amount of offices (7.7%) and ATMs (10.3%) in this area.

According to the June 30, 2010 FDIC Deposit Market Share Report, Whitaker ranked second out of 11 financial institutions, holding 16.9% of the market share of deposits in this area. Farmers Bank & Capital Trust Company ranked first with 44.5% of the deposit market share.

As of 2000, the population in this assessment area was 47,687, of which 22.6% were ages 17 and younger, 9.7% were 18 to 24, 55.4% were 25 to 64, and 12.3% were aged 65 and over. Data from the U.S. Census projects that the population in this assessment area increased modestly to 49,285 in 2010.

In 2000, the median family income for this area was \$51,133, which exceeded the Commonwealth of Kentucky's median family income of \$40,039. Data from the USDA indicates that the individual poverty rate for Franklin County in 2009 was 14.0%.

As of 2000, there were 21,209 housing units in this assessment area, of which 12,900 (60.2%) were owner-occupied units, 7,007 (32.7%) were rental units, and 1,502 (7.0%) were vacant units. Further, 17,132 (80.8%) were one-to-four family units, 2,812 (13.1%) were multifamily properties (containing five or more units), 1,446 (6.8%) were mobile homes, and 19 (0.1%) were classified as other units.

Data from CareerOneStop indicates that the Commonwealth Human Resources Cabinet and the State Corrections Department are two of the largest employers in this area.

Community Contacts

One community contact was conducted with an organization that provides affordable housing throughout this area. The contact stated that local banks are very responsive to the organization's credit needs. However, there are opportunities for banks to participate in low-income housing tax credits to further support the provision of affordable housing.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
FRANKLIN, KENTUCKY NONMETROPOLITAN AREA**
(Limited-scope Review)

There are no low- or moderate-income census tracts in this assessment area. Specifically, this assessment area is comprised of one middle-income tract and nine upper-income tracts. There are no distressed and/or underserved middle-income tracts.

Whitaker operates three offices in this area; all of which are located in upper-income tracts. Full service ATMs are located at each office and there is one additional full service ATM in an upper-income census tract. Since the previous evaluation, Whitaker closed one branch located in an upper-income tract in this assessment area. The distribution of offices is reasonably accessible for all persons in this assessment area; particularly, given the predominant concentration of upper-income tracts. Further, the retail banking services offered in this area are generally consistent with those that Whitaker provides in other assessment areas.

Whitaker made no community development investments specific to this assessment area, during this evaluation period. However, as previously mentioned, the bank had a statewide qualified investment which included this assessment area.

Overall, the evaluation of Whitaker's performance in this assessment area revealed that lending is consistent with the demographics of the area and with the lending patterns in other assessment areas. This evaluation of the Franklin Kentucky Nonmetropolitan Area has no significant impact on the bank's overall rating.

SUMMARY OF AREAS RECEIVING LIMITED SCOPE REVIEW

Assessment Area	Lending Test	Investment Test	Service Test
Franklin Nonmetropolitan	Consistent	Below	Below

Combined Demographics Report

Whitaker Bank

Assessment Area(s): Franklin KY Non Metro

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,362	10.6
Moderate-income	0	0.0	0	0.0	0	0.0	1,317	10.3
Middle-income	1	10.0	712	5.5	155	21.8	1,934	15.1
Upper-income	9	90.0	12,119	94.5	736	6.1	8,218	64.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	10	100.0	12,831	100.0	891	6.9	12,831	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	1,497	584	4.5	39.0	716	47.8	197	13.2
Upper-income	19,912	12,316	95.5	61.9	6,291	31.6	1,305	6.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	21,409	12,900	100.0	60.3	7,007	32.7	1,502	7.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	110	4.6	88	4.2	7	6.1	15	8.4
Upper-income	2,262	95.4	1,991	95.8	108	93.9	163	91.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	2,372	100.0	2,079	100.0	115	100.0	178	100.0
Percentage of Total Businesses:			87.6		4.8		7.5	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	0	0.0	0	0.0	0	0.0	0	0.0
Upper-income	53	100.0	52	100.0	1	100.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	53	100.0	52	100.0	1	100.0	0	0.0
Percentage of Total Farms:			98.1		1.9		0.0	

APPENDIX A

SCOPE OF EXAMINATION

TIME PERIOD REVIEWED	January 1, 2009 through December 31, 2010		
FINANCIAL INSTITUTION Whitaker Bank, Incorporated Lexington, Kentucky			PRODUCTS REVIEWED HMDA Business Farm
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	None		None

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
KENTUCKY			
Eastern Kentucky Nonmetropolitan Area	Full-scope review	Carlisle	None
MSA 30460 Lexington- Fayette	Full-scope review	Lexington Georgetown	
Mercer, Kentucky Nonmetropolitan Area	Full-scope review		
Franklin, Kentucky Nonmetropolitan Area	Limited-scope review		

APPENDIX B

CRA CORE TABLES

Geographic Distribution by Tract: HMDA, Small Business, & Small Farm
Assessment Area: Overall

Product Type	Tract Income Levels	Bank Lending 2009 - 2010		Demo-graphics	Aggregate Comparison 2009						
		#	%		Count			Dollar			
					Bank #	Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %	
Home Purchase	Low	5	0.8	Owner Occupied Units	1.4	1	0.3	1.6	100	0.4	1.6
	Moderate	121	19.0		27.0	65	20.4	14.3	6,339	23.1	10.8
	Middle	337	52.9		45.3	180	56.6	39.8	13,709	49.9	35.1
	Upper	174	27.3		26.3	72	22.6	44.2	7,337	26.7	52.3
	Unknown	0	0.0		0.0	0	0.0	0.2	0	0.0	0.2
	Total	637	100.0		100.0	318	100.0	100.0	27,485	100.0	100.0
Refinance	Low	2	0.2	1.4	0	0.0	1.1	0	0.0	1.0	
	Moderate	127	14.8	27.0	77	14.6	12.6	6,985	13.7	9.7	
	Middle	459	53.5	45.3	293	55.5	37.0	22,561	44.4	32.3	
	Upper	270	31.5	26.3	158	29.9	48.9	21,259	41.8	56.7	
	Unknown	0	0.0	0.0	0	0.0	0.4	0	0.0	0.3	
	Total	858	100.0	100.0	528	100.0	100.0	50,805	100.0	100.0	
Home Improvement	Low	4	0.5	1.4	3	0.8	1.5	128	1.3	2.7	
	Moderate	186	23.5	27.0	85	21.8	25.0	1,671	17.1	17.8	
	Middle	480	60.7	45.3	244	62.6	46.3	6,896	70.4	38.2	
	Upper	121	15.3	26.3	58	14.9	27.0	1,105	11.3	41.1	
	Unknown	0	0.0	0.0	0	0.0	0.2	0	0.0	0.1	
	Total	791	100.0	100.0	390	100.0	100.0	9,800	100.0	100.0	
Small Business	Low	12	0.6	4.2	6	0.6	4.9	717	1.2	9.4	
	Moderate	286	13.6	19.8	146	13.7	17.3	10,233	16.5	13.4	
	Middle	1,117	53.0	44.1	566	53.3	41.4	31,433	50.8	37.8	
	Upper	691	32.8	31.8	344	32.4	34.8	19,460	31.5	38.4	
	Unknown	0	0.0	0.1	0	0.0	0.0	0	0.0	0.0	
	Total	2,106	100.0	100.0	1,062	100.0	100.0	61,843	100.0	100.0	
Small Farm	Low	0	0.0	1.0	0	0.0	1.3	0	0.0	1.1	
	Moderate	172	13.0	16.9	94	13.3	9.6	2,920	10.7	10.9	
	Middle	805	60.8	45.3	437	61.7	53.8	17,295	63.2	38.3	
	Upper	347	26.2	36.8	177	25.0	34.4	7,153	26.1	49.6	
	Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
	Total	1,324	100.0	100.0	708	100.0	100.0	27,368	100.0	100.0	

Originations & Purchases

**Borrower Distribution by Borrower Income: HMDA &
Small Business & Small Farm Lending by Revenue & Loan Size**
Assessment Area: Overall

Product Type	Borrower Income Levels	Bank Lending 2009 - 2010		Demographics	Aggregate Comparison 2009						
		#	%		Count			Dollar			
					Bank #	Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %	
Home Purchase	Low	44	6.9	23.4	24	7.5	9.0	914	3.3	6.0	
	Moderate	84	13.2		17.2	46	14.5	21.2	2,734	9.9	17.9
	Middle	97	15.2		19.7	55	17.3	23.5	3,809	13.9	21.9
	Upper	314	49.3		39.7	141	44.3	32.3	14,208	51.7	41.5
	Unknown	98	15.4		0.0	52	16.4	14.0	5,820	21.2	12.7
	Total	637	100.0		100.0	318	100.0	100.0	27,485	100.0	100.0
Refinance	Low	86	10.0	23.4	45	8.5	5.4	1,716	3.4	3.0	
	Moderate	112	13.1		17.2	67	12.7	13.4	3,161	6.2	9.5
	Middle	149	17.4		19.7	95	18.0	21.0	6,896	13.6	17.8
	Upper	441	51.4		39.7	275	52.1	43.6	34,395	67.7	52.4
	Unknown	70	8.2		0.0	46	8.7	16.6	4,637	9.1	17.2
	Total	858	100.0		100.0	528	100.0	100.0	50,805	100.0	100.0
Home Improvement	Low	156	19.7	23.4	68	17.4	13.9	544	5.6	5.2	
	Moderate	130	16.4		17.2	63	16.2	16.8	607	6.2	8.9
	Middle	149	18.8		19.7	74	19.0	23.7	1,338	13.7	16.6
	Upper	316	39.9		39.7	166	42.6	41.2	6,893	70.3	60.2
	Unknown	40	5.1		0.0	19	4.9	4.5	418	4.3	9.1
	Total	791	100.0		100.0	390	100.0	100.0	9,800	100.0	100.0
Small Business	\$1 Million or Less	1,743	82.8	89.9	890	83.8	17.4	42,695	69.0	37.7	
	Over \$1 Million	231	11.0		5.3	112	10.5		15,110	24.4	
	Not Known	132	6.3		4.9	60	5.6		4,038	6.5	
	Total	2,106	100.0		100.0	1,062	100.0		61,843	100.0	
	\$100,000 or Less	1,816	86.2		100.0	922	86.8	95.0	20,536	33.2	35.5
	\$100,001 - \$250,000	170	8.1			83	7.8	2.6	13,741	22.2	17.2
\$250,001 - \$1 Million	120	5.7	57	5.4		2.5	27,566	44.6	47.3		
Total	2,106	100.0	1,062	100.0		100.0	61,843	100.0	100.0		
\$1 Million or Less	1,225	92.5	97.5	649		91.7	65.1	23,415	85.6	66.4	
Over \$1 Million	29	2.2		2.1		17	2.4		2,512	9.2	
Not Known	70	5.3		0.5	42	5.9		1,441	5.3		
Total	1,324	100.0		100.0	708	100.0		27,368	100.0		
\$100,000 or Less	1,206	91.1		100.0	643	90.8	74.0	14,281	52.2	23.3	
\$100,001 - \$250,000	94	7.1			51	7.2	15.3	8,223	30.0	31.3	
\$250,001 - \$500,000	24	1.8	14		2.0	10.7	4,864	17.8	45.4		
Total	1,324	100.0	708		100.0	100.0	27,368	100.0	100.0		

Originations & Purchases

Geographic Distribution by Tract: HMDA, Small Business, & Small Farm

Assessment Area: Eastern KY Non Metro

Product Type	Tract Income Levels	Bank Lending 2009 - 2010		Demo-graphics	Aggregate Comparison 2009						
					Count			Dollar			
					Bank	Agg		Bank	Agg		
#	%	%	\$ 000s	\$ %	\$ %						
Home Purchase	Low	0	0.0	Owner Occupied Units	0.6	0	0.0	0.4	0	0.0	0.2
	Moderate	93	21.3		35.8	50	21.8	15.2	4,003	23.0	11.3
	Middle	264	60.4		50.2	140	61.1	55.3	9,970	57.2	52.9
	Upper	80	18.3		13.4	39	17.0	28.6	3,469	19.9	34.9
	Unknown	0	0.0		0.0	0	0.0	0.6	0	0.0	0.6
	Total	437	100.0		100.0	229	100.0	100.0	17,442	100.0	100.0
Refinance	Low	0	0.0	Owner Occupied Units	0.6	0	0.0	0.2	0	0.0	0.1
	Moderate	85	17.0		35.8	47	15.0	16.0	3,111	13.0	13.5
	Middle	337	67.4		50.2	217	69.1	51.3	15,844	66.3	46.7
	Upper	78	15.6		13.4	50	15.9	31.3	4,936	20.7	38.4
	Unknown	0	0.0		0.0	0	0.0	1.2	0	0.0	1.2
	Total	500	100.0		100.0	314	100.0	100.0	23,891	100.0	100.0
Home Improvement	Low	0	0.0	Owner Occupied Units	0.6	0	0.0	0.1	0	0.0	0.0
	Moderate	175	24.9		35.8	81	23.4	31.4	1,482	19.8	28.1
	Middle	451	64.1		50.2	232	67.1	53.6	5,280	70.6	50.8
	Upper	78	11.1		13.4	33	9.5	14.4	714	9.6	20.8
	Unknown	0	0.0		0.0	0	0.0	0.4	0	0.0	0.3
	Total	704	100.0		100.0	346	100.0	100.0	7,476	100.0	100.0
Small Business	Low	0	0.0	Small Businesses	0.1	0	0.0	0.1	0	0.0	0.0
	Moderate	178	11.9		25.8	87	11.8	20.6	4,475	12.3	15.6
	Middle	911	61.0		54.1	463	62.8	54.7	24,534	67.5	56.9
	Upper	405	27.1		20.0	187	25.4	21.5	7,340	20.2	24.8
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	1,494	100.0		100.0	737	100.0	100.0	36,349	100.0	100.0
Small Farm	Low	0	0.0	Small Farms	0.1	0	0.0	0.0	0	0.0	0.0
	Moderate	143	15.6		22.4	82	16.4	7.1	2,034	10.6	6.2
	Middle	605	65.9		52.9	329	65.9	74.6	12,971	67.6	65.3
	Upper	170	18.5		24.6	88	17.6	18.3	4,177	21.8	28.5
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	918	100.0		100.0	499	100.0	100.0	19,182	100.0	100.0

Originations & Purchases

**Borrower Distribution by Borrower Income: HMDA &
Small Business & Small Farm Lending by Revenue & Loan Size**
Assessment Area: Eastern KY Non Metro

Product Type	Borrower Income Levels	Bank Lending 2009 - 2010		Demographics	Aggregate Comparison 2009							
		#	%		Count			Dollar				
					Bank #	Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %		
Home Purchase	Low	30	6.9	27.1	15	6.6	4.3	352	2.0	2.0		
	Moderate	51	11.7		17.6	30	13.1	12.2	1,390	8.0	8.0	
	Middle	74	16.9		18.7	41	17.9	25.5	2,179	12.5	22.2	
	Upper	230	52.6		36.6	110	48.0	43.7	10,778	61.8	54.0	
	Unknown	52	11.9		0.0	33	14.4	14.3	2,743	15.7	13.9	
	Total	437	100.0		100.0	229	100.0	100.0	17,442	100.0	100.0	
Refinance	Low	52	10.4	27.1	25	8.0	3.9	507	2.1	1.8		
	Moderate	60	12.0		17.6	41	13.1	9.0	1,593	6.7	5.7	
	Middle	87	17.4		18.7	55	17.5	18.9	2,972	12.4	14.8	
	Upper	264	52.8		36.6	168	53.5	54.7	17,301	72.4	62.6	
	Unknown	37	7.4		0.0	25	8.0	13.5	1,518	6.4	15.0	
	Total	500	100.0		100.0	314	100.0	100.0	23,891	100.0	100.0	
Home Improvement	Low	142	20.2	27.1	60	17.3	15.8	332	4.4	5.6		
	Moderate	118	16.8		17.6	56	16.2	15.6	545	7.3	8.2	
	Middle	131	18.6		18.7	64	18.5	23.0	852	11.4	16.7	
	Upper	284	40.3		36.6	154	44.5	42.6	5,527	73.9	65.8	
	Unknown	29	4.1		0.0	12	3.5	2.9	220	2.9	3.7	
	Total	704	100.0		100.0	346	100.0	100.0	7,476	100.0	100.0	
Small Business	Revenue	\$1 Million or Less	1,296	86.7	90.7	647	87.8	14.3	26,019	71.6	34.8	
		Over \$1 Million	137	9.2		4.4	58	7.9		8,366	23.0	
		Not Known	61	4.1		4.9	32	4.3		1,964	5.4	
		Total	1,494	100.0		100.0	737	100.0		36,349	100.0	
	Loan Size	\$100,000 or Less	1,306	87.4		97.8	652	88.5	97.8	13,061	35.9	52.1
		\$100,001 - \$250,000	119	8.0			1.1	55	7.5	1.1	8,804	24.2
\$250,001 - \$1 Million		69	4.6	1.1	30		4.1	1.1	14,484	39.8	35.7	
Total	1,494	100.0	100.0	737	100.0		100.0	36,349	100.0	100.0		
Small Farm	Revenue	\$1 Million or Less	865	94.2	98.9		467	93.6	70.6	16,240	84.7	76.3
		Over \$1 Million	21	2.3			0.9	13	2.6		2,059	10.7
		Not Known	32	3.5		0.2	19	3.8		883	4.6	
		Total	918	100.0		100.0	499	100.0		19,182	100.0	
	Loan Size	\$100,000 or Less	836	91.1		95.9	451	90.4	95.9	9,487	49.5	73.2
		\$100,001 - \$250,000	66	7.2			3.0	38	7.6	3.0	6,186	32.2
\$250,001 - \$500,000		16	1.7	1.0	10		2.0	1.0	3,509	18.3	11.8	
Total	918	100.0	100.0	499	100.0		100.0	19,182	100.0	100.0		

Originations & Purchases

Geographic Distribution by Tract: HMDA, Small Business, & Small Farm
Assessment Area: Lexington-Fayette MSA

Product Type	Tract Income Levels	Bank Lending 2009 - 2010		Demo-graphics	Aggregate Comparison 2009						
					Count			Dollar			
					Bank #	Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %	
Home Purchase	Low	5	4.3	Owner Occupied Units	2.7	1	1.8	2.2	100	1.4	2.2
	Moderate	28	24.1		19.9	15	26.3	15.2	2,336	32.0	11.4
	Middle	45	38.8		43.9	26	45.6	35.9	2,767	37.9	31.5
	Upper	38	32.8		33.4	15	26.3	46.6	2,106	28.8	54.9
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	116	100.0		100.0	57	100.0	100.0	7,309	100.0	100.0
Refinance	Low	2	0.8	Owner Occupied Units	2.7	0	0.0	1.5	0	0.0	1.4
	Moderate	42	17.7		19.9	30	19.5	12.7	3,874	17.8	9.5
	Middle	93	39.2		43.9	58	37.7	34.4	5,591	25.6	30.3
	Upper	100	42.2		33.4	66	42.9	51.2	12,357	56.6	58.7
	Unknown	0	0.0		0.0	0	0.0	0.1	0	0.0	0.1
	Total	237	100.0		100.0	154	100.0	100.0	21,822	100.0	100.0
Home Improvement	Low	4	11.4	Owner Occupied Units	2.7	3	15.8	3.6	128	7.0	5.0
	Moderate	11	31.4		19.9	4	21.1	18.9	189	10.3	13.6
	Middle	14	40.0		43.9	7	36.8	40.3	1,400	76.3	34.8
	Upper	6	17.1		33.4	5	26.3	37.2	118	6.4	46.7
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	35	100.0		100.0	19	100.0	100.0	1,835	100.0	100.0
Small Business	Low	12	3.4	Small Businesses	8.6	6	3.2	8.2	717	4.2	12.3
	Moderate	108	30.4		17.6	59	31.7	17.3	5,758	33.8	13.5
	Middle	148	41.7		39.5	77	41.4	36.6	6,036	35.4	33.8
	Upper	87	24.5		34.2	44	23.7	37.1	4,527	26.6	39.9
	Unknown	0	0.0		0.1	0	0.0	0.0	0	0.0	0.0
	Total	355	100.0		100.0	186	100.0	100.0	17,038	100.0	100.0
Small Farm	Low	0	0.0	Small Farms	1.9	0	0.0	2.6	0	0.0	1.3
	Moderate	29	14.1		14.9	12	10.8	12.6	886	17.5	12.0
	Middle	125	61.0		43.6	73	65.8	39.0	3,149	62.3	34.2
	Upper	51	24.9		39.6	26	23.4	44.2	1,020	20.2	52.3
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	205	100.0		100.0	111	100.0	100.0	5,055	100.0	100.0

Originations & Purchases

**Borrower Distribution by Borrower Income: HMDA &
Small Business & Small Farm Lending by Revenue & Loan Size**
Assessment Area: Lexington-Fayette MSA

Product Type	Borrower Income Levels	Bank Lending 2009 - 2010		Demographics	Aggregate Comparison 2009					
		#	%		Count			Dollar		
					Bank #	Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %
Home Purchase	Low	9	7.8	20.6	6	10.5	11.4	459	6.3	7.5
	Moderate	25	21.6	17.8	14	24.6	25.3	1,188	16.3	21.2
	Middle	16	13.8	21.6	11	19.3	22.3	1,420	19.4	21.7
	Upper	43	37.1	40.0	13	22.8	27.1	1,686	23.1	37.1
	Unknown	23	19.8	0.0	13	22.8	13.9	2,556	35.0	12.5
	Total	116	100.0	100.0	57	100.0	100.0	7,309	100.0	100.0
Refinance	Low	24	10.1	20.6	18	11.7	6.4	1,178	5.4	3.5
	Moderate	32	13.5	17.8	19	12.3	15.8	1,297	5.9	11.0
	Middle	45	19.0	21.6	30	19.5	22.1	3,151	14.4	19.0
	Upper	117	49.4	40.0	74	48.1	37.9	14,255	65.3	48.5
	Unknown	19	8.0	0.0	13	8.4	17.8	1,941	8.9	18.0
	Total	237	100.0	100.0	154	100.0	100.0	21,822	100.0	100.0
Home Improvement	Low	4	11.4	20.6	4	21.1	12.1	118	6.4	5.0
	Moderate	5	14.3	17.8	3	15.8	19.5	39	2.1	9.8
	Middle	8	22.9	21.6	4	21.1	24.4	324	17.7	17.2
	Upper	13	37.1	40.0	4	21.1	37.6	1,201	65.4	56.8
	Unknown	5	14.3	0.0	4	21.1	6.3	153	8.3	11.3
	Total	35	100.0	100.0	19	100.0	100.0	1,835	100.0	100.0
Small Business	\$1 Million or Less	244	68.7	89.2	129	69.4	19.7	10,577	62.1	38.1
	Over \$1 Million	55	15.5	6.1	35	18.8		4,610	27.1	
	Not Known	56	15.8	4.7	22	11.8		1,851	10.9	
	Total	355	100.0	100.0	186	100.0		17,038	100.0	
					Total Businesses					
Small Business	\$100,000 or Less	284	80.0		150	80.6	93.0	4,616	27.1	30.6
	\$100,001 - \$250,000	32	9.0		17	9.1	3.6	3,094	18.2	18.7
	\$250,001 - \$1 Million	39	11.0		19	10.2	3.4	9,328	54.7	50.7
	Total	355	100.0		186	100.0	100.0	17,038	100.0	100.0
Small Farm	\$1 Million or Less	174	84.9	96.1	92	82.9	60.6	4,255	84.2	64.5
	Over \$1 Million	6	2.9	3.2	3	2.7		391	7.7	
	Not Known	25	12.2	0.7	16	14.4		409	8.1	
	Total	205	100.0	100.0	111	100.0		5,055	100.0	
					Total Farms					
Small Farm	\$100,000 or Less	181	88.3		98	88.3	54.1	2,605	51.5	14.3
	\$100,001 - \$250,000	20	9.8		10	9.0	26.4	1,563	30.9	34.2
	\$250,001 - \$500,000	4	2.0		3	2.7	19.5	887	17.5	51.5
	Total	205	100.0		111	100.0	100.0	5,055	100.0	100.0

Originations & Purchases

Geographic Distribution by Tract: HMDA, Small Business, & Small Farm

Assessment Area: Mercer KY Non Metro

Product Type	Tract Income Levels	Bank Lending 2009 - 2010		Demo-graphics	Aggregate Comparison 2009						
					Count			Dollar			
					Bank #	Bank %	Agg %	Bank \$ 000s	Bank \$ %	Agg \$ %	
Home Purchase	Low	0	0.0	Owner Occupied Units	0.0	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Middle	27	43.5		40.4	14	56.0	45.8	972	53.3	41.6
	Upper	35	56.5		59.6	11	44.0	54.2	851	46.7	58.4
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	62	100.0		100.0	25	100.0	100.0	1,823	100.0	100.0
Refinance	Low	0	0.0	Owner Occupied Units	0.0	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Middle	24	47.1		40.4	13	50.0	36.2	885	39.3	32.4
	Upper	27	52.9		59.6	13	50.0	63.6	1,368	60.7	67.4
	Unknown	0	0.0		0.0	0	0.0	0.2	0	0.0	0.2
	Total	51	100.0		100.0	26	100.0	100.0	2,253	100.0	100.0
Home Improvement	Low	0	0.0	Owner Occupied Units	0.0	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Middle	12	54.5		40.4	4	80.0	17.6	187	98.9	9.2
	Upper	10	45.5		59.6	1	20.0	82.4	2	1.1	90.8
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	22	100.0		100.0	5	100.0	100.0	189	100.0	100.0
Small Business	Low	0	0.0	Small Businesses	0.0	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Middle	55	40.7		44.5	25	35.2	38.6	753	23.0	42.8
	Upper	80	59.3		55.5	46	64.8	59.6	2,527	77.0	55.7
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	135	100.0		100.0	71	100.0	100.0	3,280	100.0	100.0
Small Farm	Low	0	0.0	Small Farms	0.0	0	0.0	0.0	0	0.0	0.0
	Moderate	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Middle	75	56.0		22.1	35	58.3	50.0	1,175	65.6	52.9
	Upper	59	44.0		77.9	25	41.7	50.0	617	34.4	47.1
	Unknown	0	0.0		0.0	0	0.0	0.0	0	0.0	0.0
	Total	134	100.0		100.0	60	100.0	100.0	1,792	100.0	100.0

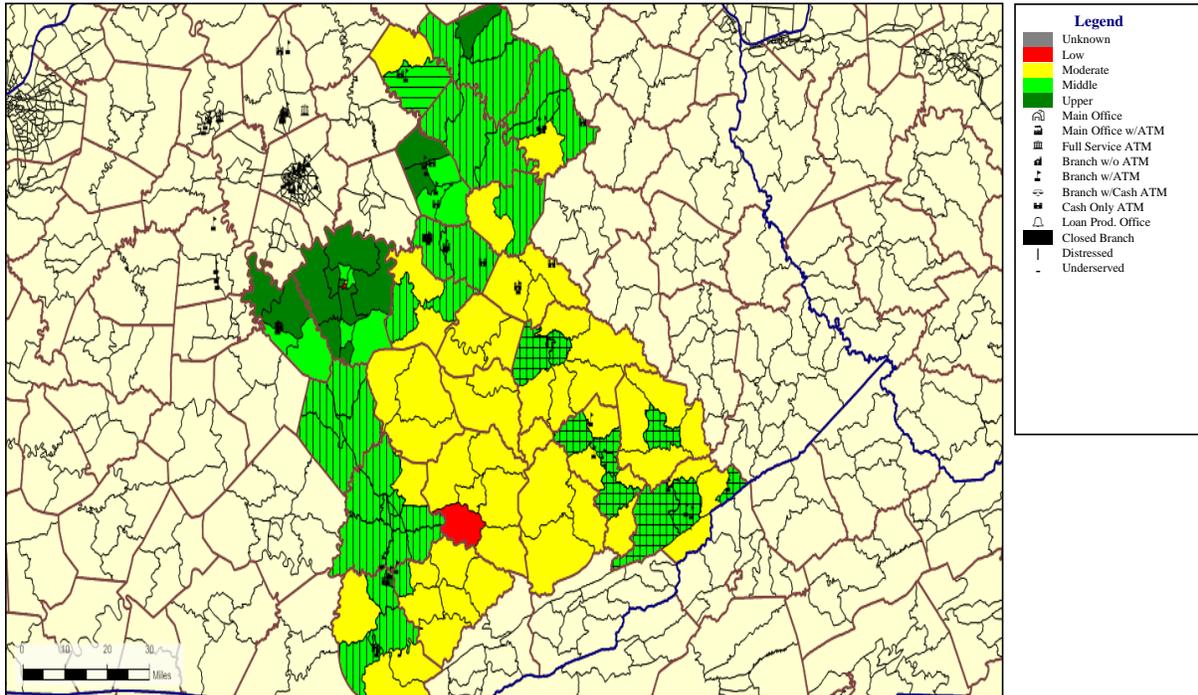
Originations & Purchases

**Borrower Distribution by Borrower Income: HMDA &
Small Business & Small Farm Lending by Revenue & Loan Size**
Assessment Area: Mercer KY Non Metro

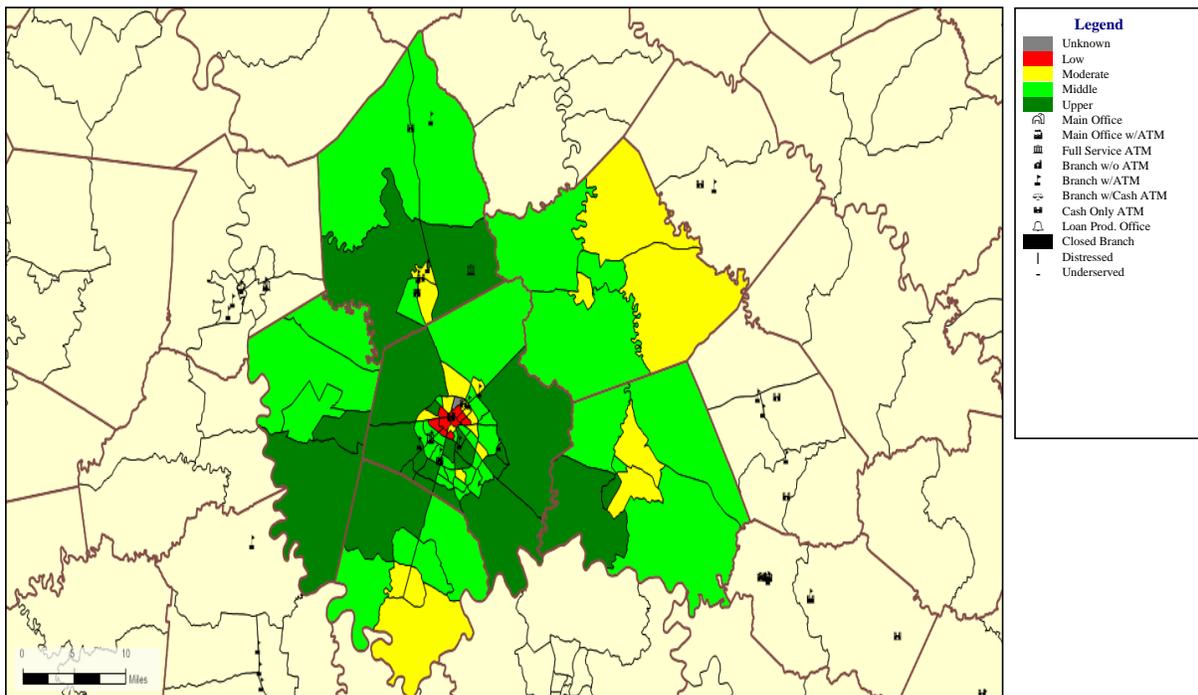
Product Type	Borrower Income Levels	Bank Lending 2009 - 2010		Demographics	Aggregate Comparison 2009						
		#	%		%	Count			Dollar		
						Bank #	Bank %	Agg %	Bank \$ 000s	Bank %	Agg %
Home Purchase	Low	5	8.1	13.2	3	12.0	1.5	103	5.7	1.3	
	Moderate	4	6.5	13.0	1	4.0	22.4	63	3.5	15.5	
	Middle	5	8.1	18.9	1	4.0	21.9	103	5.7	20.8	
	Upper	28	45.2	54.9	16	64.0	37.8	1,401	76.9	49.1	
	Unknown	20	32.3	0.0	4	16.0	16.4	153	8.4	13.3	
	Total	62	100.0	100.0	25	100.0	100.0	1,823	100.0	100.0	
Refinance	Low	6	11.8	13.2	0	0.0	1.6	0	0.0	1.3	
	Moderate	9	17.6	13.0	2	7.7	8.9	136	6.0	6.3	
	Middle	14	27.5	18.9	8	30.8	21.5	567	25.2	17.9	
	Upper	19	37.3	54.9	15	57.7	53.6	1,382	61.3	60.3	
	Unknown	3	5.9	0.0	1	3.8	14.4	168	7.5	14.2	
	Total	51	100.0	100.0	26	100.0	100.0	2,253	100.0	100.0	
Home Improvement	Low	6	27.3	13.2	1	20.0	2.9	2	1.1	2.0	
	Moderate	1	4.5	13.0	0	0.0	11.8	0	0.0	8.3	
	Middle	5	22.7	18.9	2	40.0	29.4	126	66.7	18.4	
	Upper	9	40.9	54.9	2	40.0	52.9	61	32.3	66.8	
	Unknown	1	4.5	0.0	0	0.0	2.9	0	0.0	4.6	
	Total	22	100.0	100.0	5	100.0	100.0	189	100.0	100.0	
Small Business	Revenue			Total Businesses							
	\$1 Million or Less	124	91.9		93.9	68	95.8	16.7	2,619	79.8	54.2
	Over \$1 Million	9	6.7		3.0	3	4.2		661	20.2	
	Not Known	2	1.5		3.1	0	0.0		0	0.0	
	Total	135	100.0		100.0	71	100.0		3,280	100.0	
Small Business	Loan Size			Total Businesses							
	\$100,000 or Less	124	91.9			64	90.1	96.7	1,169	35.6	36.9
	\$100,001 - \$250,000	7	5.2			4	5.6	1.2	664	20.2	11.1
	\$250,001 - \$1 Million	4	3.0			3	4.2	2.1	1,447	44.1	52.0
	Total	135	100.0			71	100.0	100.0	3,280	100.0	100.0
Small Farm	Revenue			Total Farms							
	\$1 Million or Less	129	96.3		99.0	58	96.7	75.0	1,716	95.8	66.7
	Over \$1 Million	2	1.5		1.0	1	1.7		62	3.5	
	Not Known	3	2.2		0.0	1	1.7		14	0.8	
	Total	134	100.0		100.0	60	100.0		1,792	100.0	
Small Farm	Loan Size			Total Farms							
	\$100,000 or Less	125	93.3			57	95.0	100.0	1,318	73.5	100.0
	\$100,001 - \$250,000	7	5.2			3	5.0	0.0	474	26.5	0.0
	\$250,001 - \$500,000	2	1.5			0	0.0	0.0	0	0.0	0.0
	Total	134	100.0			60	100.0	100.0	1,792	100.0	100.0

Originations & Purchases

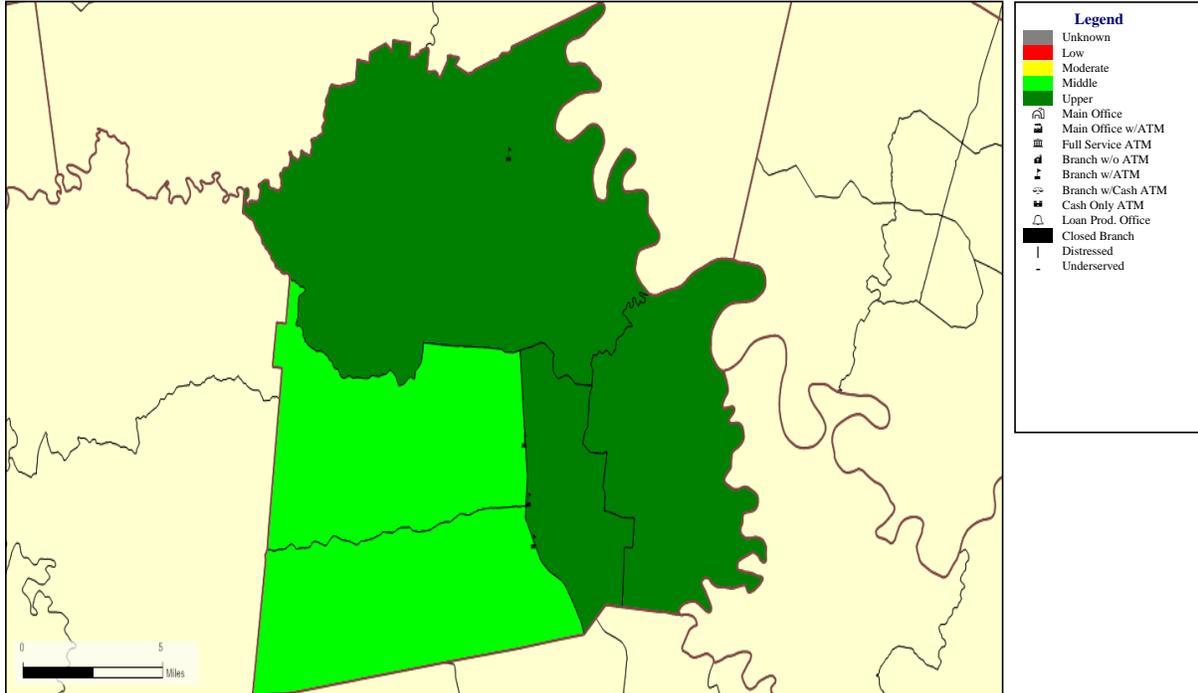
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Assessment Area: Eastern KY Non Metro



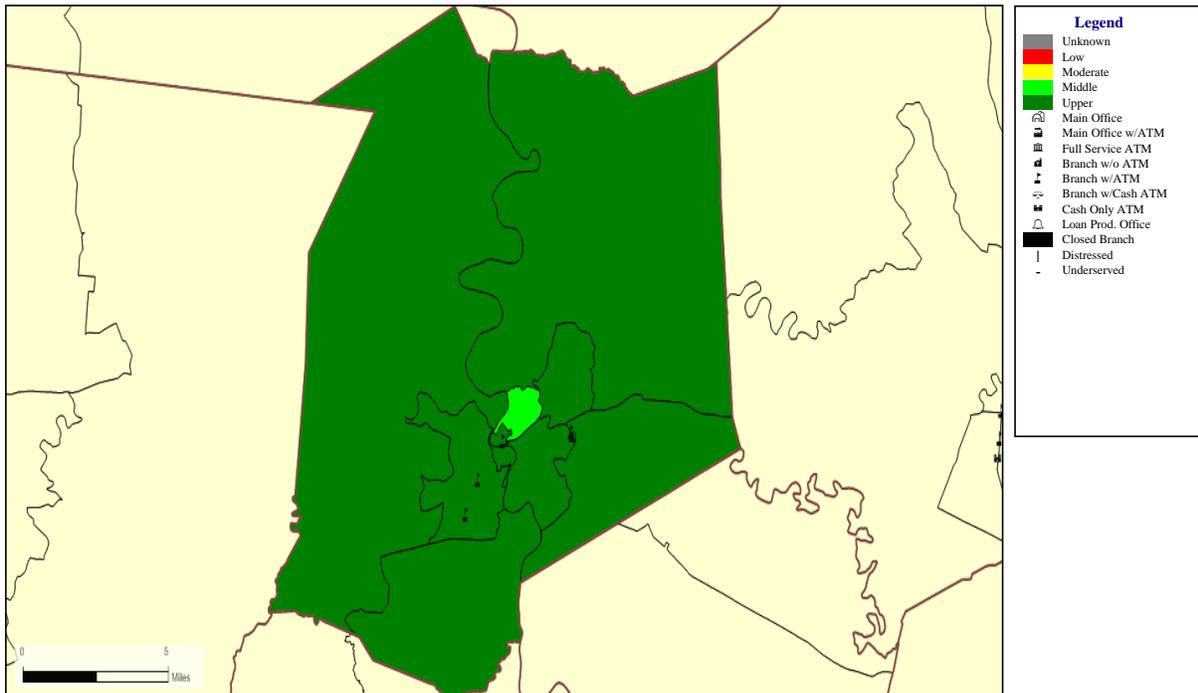
Exam Name: Whitaker Bank
Assessment Area: Lexington-Fayette MSA



Exam Name: Whitaker Bank
Assessment Area: Mercer KY Non Metro



Exam Name: Whitaker Bank
Assessment Area: Franklin KY Non Metro



APPENDIX D

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or,
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.