

PUBLIC DISCLOSURE

July 1, 2013

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 ("Whitaker") with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>NAME OF FINANCIAL INSTITUTION</u>		
	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.

The major factors supporting the institution's rating include:

- A good responsiveness to the credit needs of the community;
- A high percentage of loans made in the bank's assessment area;
- An adequate geographic distribution of loans throughout the assessment area;
- A good distribution among borrowers of different income levels and businesses of different revenue sizes;
- A relatively high level of community development lending;
- A significant level of qualified community development investments and grants;

- Occasionally in a leadership position in providing community development investments and grants;
- Retail delivery systems that are reasonably accessible to all geographies and individuals of different income levels and businesses of different revenue sizes;
- A record of opening and closing banking centers that has not adversely affected the accessibility of delivery systems;
- Banking services and hours that do not vary in a way that inconveniences any portions of the assessment areas; and,
- An adequate level of community development services.

Previous Performance Evaluation

Whitaker received a “Satisfactory” rating as a result of a performance evaluation completed by the Federal Reserve Bank of Cleveland dated August 8, 2011. The lending and investment tests were rated “High Satisfactory” and the service test was rated “Low Satisfactory.”

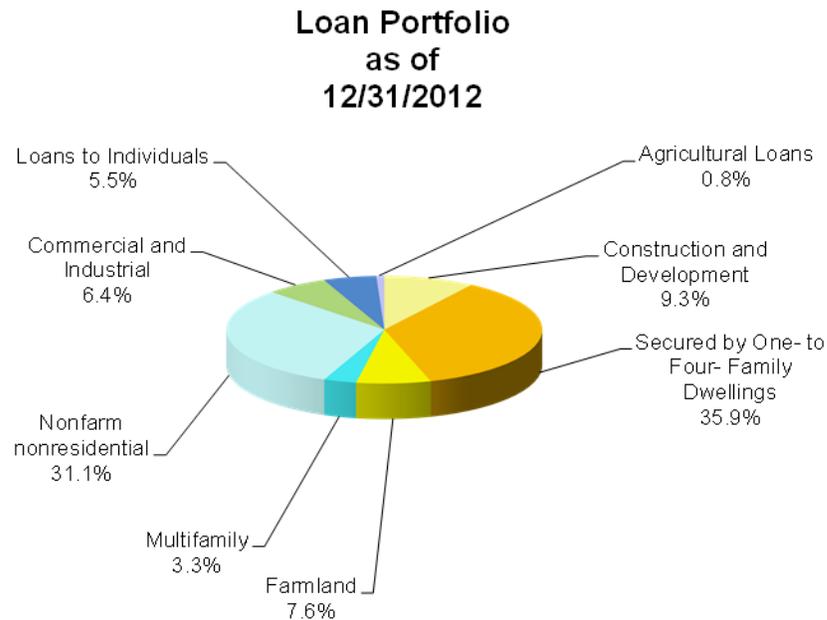
DESCRIPTION OF INSTITUTION

Whitaker Bank, Incorporated (Whitaker) is a subsidiary of Whitaker Bank Corporation of Kentucky (“WBC”). Both Whitaker and WBC are headquartered in Lexington, Kentucky. As of March 31, 2013, Whitaker reported assets of \$1.4 billion and WBC reported consolidated assets of \$1.9 billion. WBC also owns Peoples Bank and Trust Company of Madison County, located in Berea, Kentucky.

Whitaker engages in a wide range of commercial and personal banking and trust activities, which include accepting time and demand deposits, providing cash management services to corporate and individual customers, issuing letters of credit, renting safe deposit boxes, providing funds transfer services, and full-service brokerage services. The lending activities of the bank include making commercial, construction, mortgage, and personal loans. The bank also offers lines of credit, revolving lines of credit, term loans, and lease financing. Loans represented 58.2% of the bank’s average assets. Information regarding the composition of the bank’s overall loan portfolio as of December 31, 2012 is presented in the table and chart below.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	12/31/2012		12/31/2011		12/31/2010	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	79,248	9.3%	87,255	10.1%	98,606	11.1%
Secured by One- to Four- Family Dwellings	305,628	35.9%	301,927	34.8%	338,715	38.3%
Other Real Estate: Farmland	64,805	7.6%	62,427	7.2%	46,232	5.2%
Multifamily	28,385	3.3%	25,547	2.9%	26,067	2.9%
Nonfarm nonresidential	264,794	31.1%	280,433	32.4%	250,987	28.3%
Commercial and Industrial	54,370	6.4%	54,399	6.3%	67,969	7.7%
Loans to Individuals	46,401	5.5%	48,653	5.6%	51,717	5.8%
Agricultural Loans	6,938	0.8%	5,782	0.7%	5,086	0.6%
Total	\$850,569	100.00%	\$866,423	100.00%	\$885,379	100.00%

*This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are also not included in this table.



Description of the Assessment Areas

Whitaker has two CRA assessment areas located within the Commonwealth of Kentucky as evaluated for this CRA Performance Evaluation, including:

- Lexington-Fayette Kentucky MSA 30460 (“Lexington MSA”) – this assessment area consists of the entireties of Bourbon, Clark, Fayette, Jessamine, Scott and Woodford Counties.
- Nonmetropolitan Kentucky – this assessment area consists of the 25 contiguous counties of 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. These counties are adjacent to the Lexington MSA. In addition, this assessment area includes Franklin County which is contiguous to the Lexington MSA.

A detailed description of each assessment area is presented in subsequent sections of this performance evaluation and assessment area maps may be found in Appendix B.

The bank’s asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment area. There are no legal or other impediments that would hamper the bank’s ability to meet community credit needs.

Financial Overview

Following are key financial information and ratios for Whitaker:

Key Financial Information as of June 30, 2013	\$ in Thousands
Total Assets	1,444,128
Total Deposits	1,177,179
Net Loans and Leases	821,590
Loans Secured by Real Estate	729,725
Commercial & Agricultural Loans	65,283
Consumer Loans	44,021
Investments	517,532

Key Financial Ratios as of June 30, 2013	Percentage
Return on Average Assets	0.41%
Net Loss to Average Total Loans & Leases	0.30%
Net Loans & Leases to Total Assets	56.89%
Investments to Total Assets	35.83%
Total Deposits to Total Assets	81.52%
Net Loans & Leases to Total Deposits	69.79%
Loans Secured by Real Estate to Net Loans & Leases	88.81%
Commercial & Agricultural Loans to Net Loans & Leases	7.95%
Consumer Loans to Net Loans & Leases	5.36%

The following table summarizes the composition of the bank's investments as of June 30, 2013:

Investment Type (6/30/13)	Percent of Total Investments
U.S. Treasuries and Agencies	54.0%
Municipal Securities	26.9%
Bank Balances	1.4%
Federal Funds Sold	5.7%
Other Securities	5.7%
Total (gross)	100.0%

SCOPE OF EXAMINATION

Whitaker is considered a large bank for the purposes of Regulation BB and was evaluated using the standards required for large banks. The bank is subject to the Home Mortgage Disclosure Act (HMDA) and submits Community Reinvestment Act (CRA) loan data to the Federal Reserve Board of Governors annually.

All of the bank's individual assessment areas were evaluated for lending, investment, and service performance. Both the nonmetropolitan Kentucky and Lexington-Fayette Kentucky MSA 30460 assessment areas were reviewed using full-scope examination procedures. No assessment areas received limited-scope reviews.

Lending performance was evaluated using loan data from the period of January 1, 2011 through December 31, 2012. HMDA-reportable loans, including home purchase, home refinance, and home improvement loans, and CRA-reportable small business loan and small farm loan products are included in the evaluation of the bank's lending activity. CRA-reportable small business loans and small business loans secured by real estate were combined for this analysis. Other types of consumer loans that can be reported optionally were not included as part of this analysis.

Proxies from 2000 U.S. Census data were used for the analysis of 2011 lending data, while proxies from 2010 U.S. Census data were used for analysis of the 2012 lending data.

Community development activities for the period between August 9, 2011 and July 1, 2013 were also reviewed as part of this evaluation. Specifically, community development loans and investments funded by the bank since the previous evaluation were reviewed as part of the lending and investment tests. Community development services provided during this time period were also evaluated for the service test.

The nonmetropolitan Kentucky assessment area received the greatest weight in this CRA evaluation based on the percentage of branch offices, the percentage of institution deposits, and the percentage of HMDA and CRA loans in the assessment areas as illustrated in the following table. Among CRA reporters, Whitaker was ranked the first with the largest number of records reported in this assessment area. Whitaker was the third largest HMDA reporter in 2011 and the fourth largest HMDA reporter in 2012 in this assessment area.

Assessment Area	Number of Branches	Percent of Branches	Percent of Deposits	Percent of Loans
Nonmetropolitan Kentucky	28	80.0	75.7	85.1
Lexington-Fayette MSA	7	20.0	24.3	14.9
Totals	35	100.0	100.0	100.0

Lastly, five community contact interviews were used to provide additional information regarding some of the credit needs and opportunities throughout the bank's CRA assessment area. Details from these interviews are presented in subsequent sections of this evaluation.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

Whitaker’s overall performance under the lending test is rated “High Satisfactory.” The bank’s performance in nonmetropolitan Kentucky, which received the greatest weight, is considered good and lending is adequate in the Lexington MSA.

Throughout this performance evaluation, references are made to the bank’s and the peer’s lending distribution by borrower and income. Detailed information about the percentage of HMDA-reportable and CRA-reportable loans can be found in Appendix C.

Lending Activity

Given the number and dollar amounts of small business, small farm, and residential loans originated in the market area, as well as the bank’s strategic objectives, economic conditions, and competitive factors, Whitaker demonstrates a good responsiveness to local credit needs. The volume and dollar amount of community development loans originated has assisted communities impacted by challenging economic times in recent years and a slow recovery.

Assessment Area Concentration

The table below shows the distribution of loans inside and outside the bank’s assessment areas. This demonstrates a substantial majority of loans were made in the bank’s assessment areas.

Lending Inside and Outside the Assessment Area										
Loan Type - Description	Inside				Outside				Total	
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	\$(000s)
HP - Home Purchase	541	93.9	45,515	91.4	35	6.1	4,266	8.6	576	49,781
HI - Home Improvement	652	95.9	13,755	97.3	28	4.1	378	2.7	680	14,133
MF - Multi-Family Housing	18	85.7	6,127	87.6	3	14.3	866	12.4	21	6,993
RF - Refinancing	446	95.5	50,858	95.6	21	4.5	2,367	4.4	467	53,225
Total HMDA related	1,657	95.0	116,255	93.7	87	5.0	7,877	6.3	1,744	124,132
SB - Small Business	1,857	93.8	117,561	91.6	122	6.2	10,776	8.4	1,979	128,337
Total Small Bus. related	1,857	93.8	117,561	91.6	122	6.2	10,776	8.4	1,979	128,337
SF - Small Farm	995	91.5	41,438	91.3	92	8.5	3,970	8.7	1,087	45,408
Total Small Farm related	995	91.5	41,438	91.3	92	8.5	3,970	8.7	1,087	45,408
TOTAL LOANS	4,509	93.7	275,254	92.4	301	6.3	22,623	7.6	4,810	297,877

Geographic and Borrower Distribution

Geographic distribution received slightly greater weight than borrower distribution based on the percentage of low- and moderate-income geographies at 33.2% compared to the assessment area's percentage of low- and moderate-income population at 28.5%.

Overall, the geographic distribution of loans is considered adequate. Gaps in lending within low-income census tracts were noted in the nonmetropolitan Kentucky assessment area. Low-income tracts comprised 1.5% of all tracts (according to the 2000 U.S. Census data) and 4.8% of all tracts (according to the 2010 U.S. Census data). The geographic distribution of loans within the Lexington MSA was good, with no significant lending gaps.

Borrower distribution was good overall in both assessment areas and reflects a comparable performance to the distribution of loans to businesses of different revenue sizes and among borrowers of different income levels.

Community Development Lending

During the review period, the bank originated 36 community development loans totaling \$7.2 million, considered to be a relatively high level of community development lending. Thirty-four loans, totaling \$6.4 million and representing 87.8% of the total dollar amount of community development loans were originated in the nonmetropolitan Kentucky assessment area, resulting in an excellent level of community development lending. The majority of these loans supported revitalization efforts in low- and moderate-income areas and extend services targeted to low- and moderate-income individuals.

Only two loans totaling \$883,750 and representing 12.2% of the dollar amount of community development loans were originated in the Lexington MSA. The Lexington MSA accounts for 24.3% of the bank's total deposits and 20.0% of the bank's branch offices. Therefore, this is considered to be a poor level of community development lending in this assessment area.

Please refer to the respective assessment area analyses for further details regarding community development lending.

Investment Test

Whitaker's performance under the Investment Test is rated "High Satisfactory." Performance was assessed using a number of factors, including demographic and economic information, the number and dollar amount of investments in relation to investment opportunities and needs, and other relevant factors. Whitaker's investments totaled \$11.0 million during this evaluation period. The majority of investments, totaling \$9.9 million, were the result of the bank's ongoing investment in bonds issued by school districts serving primarily low- and moderate-income families. In addition, the bank invested \$1.0 million in a Low Income Housing Tax Credit (LIHTC) fund to support the development of affordable housing and \$90,500 to deliver financial literacy training to schools, primarily serving low- and moderate-income families.

The remaining \$74,546 of investments consists of new grants and other charitable contributions that support community services to low- and moderate-income individuals. The remainder also supports economic development, revitalization/stabilization of low- and moderate-income and distressed/underserved middle-income geographies, and storm relief efforts, as portions of the bank's assessment area were declared eligible for federal disaster aid to assist in recovery efforts.

The bank's investment performance in the nonmetropolitan Kentucky, which received the greatest weight, is considered excellent, representing 99.5% of all investments made during the review period. The bank's investment performance in the Lexington MSA, representing 0.5% of all investments made during the review period, is considered poor. Refer to the respective assessment area analyses for further details.

Service Test

Overall, Whitaker's performance under the Service Test is rated "Low Satisfactory."

Retail Services

Retail delivery systems are reasonably accessible to all geographies, including low- and moderate-income geographies, individuals of different income levels, and businesses of different revenue sizes.

Since the previous evaluation, the bank closed five branch offices located in either middle or upper-income tracts. The closing of these branches has not adversely affected the accessibility of delivery systems.

Banking services and business hours do not vary in a way that inconveniences any portion of the bank's assessment area. Banking centers are generally open six days a week, with full days Monday through Friday and half days on Saturday. The institution also provided services through internet banking, mobile banking, and telephone banking.

Community Development Services

Whitaker provided an adequate level of community development services. The institution's officers and staff members provided their financial expertise to the community by engaging in activities that promoted or facilitated services for low- and moderate-income individuals, economic development, and affordable housing. The majority of services (82.0%) were provided in the nonmetropolitan Kentucky Assessment area. Refer to the respective assessment area analyses for further details.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**DESCRIPTION OF INSTITUTION’S OPERATIONS IN
NONMETROPOLITAN KENTUCKY**

The nonmetropolitan Kentucky assessment area is comprised of the entireties of Bath, Breathitt, Clay, Estill, Fleming, Franklin, Garrard, Jackson, Knott, Knox, Laurel, Lee, Leslie, Letcher, Madison, Menifee, Mercer, Montgomery, Nicholas, Owsley, Perry, Powell, Rockcastle, Rowan, Whitley, and Wolfe Counties.

According to the 2010 U.S. Census, there are 145 census tracts located in the assessment area, of which seven (4.8%) are low-income, 40 (27.6%) are moderate-income, 67 (46.2%) are middle-income, and 31 (21.4%) are upper-income.

There were 53 distressed middle-income tracts in 2012 in this assessment area because of poverty. Three of these tracts were also distressed because of unemployment and two because of population loss. Twenty-one middle-income tracts were considered underserved. The following table shows the distribution of distressed and underserved middle-income tracts by county.

County Name	Number of Distressed Middle-Income Tracts – Poverty	Number of Distressed Middle-Income Tracts – Unemployment	Number of Distressed Middle-Income Tracts – Population Loss	Number of Underserved Middle-Income Tracts
Bath	2			
Breathitt	1		1	1
Clay	1	1	1	1
Estill	2			
Knott	3			3
Knox	3			
Laurel	11			
Lee	1			1
Leslie	2			2
Letcher	6			6
Madison	7			
Menifee	2	2		
Nicholas				2
Perry	5			5
Powell	2			
Rockcastle	1			
Whitley	4			
Totals	51	3	2	19

Whitaker had 12.4% of the deposits in this assessment area as of June 30, 2012,¹ which ranked the bank first of 50 institutions. Deposits in this assessment area accounted for 75.7% of the institution’s deposits. The following table summarizes the deposit market share of the top ten institutions in the assessment area.

¹ <http://www2.fdic.gov/sod/sodMarketBank2.asp>

#	Financial Institution	Deposit Market Share
1	Whitaker Bank, Inc.	12.4%
2	Community Trust Bank, Inc.	11.7%
3	Farmers Bank & Capital Trust Company	5.9%
4	Traditional Bank, Inc.	4.4%
5	Cumberland Valley National Bank & Trust Company	4.3%
6	Peoples Bank & Trust Company of Madison County	4.1%
7	PNC Bank, National Associations	3.9%
8	Peoples Bank & Trust Company of Hazard	3.5%
9	Forcht Bank, National Association	3.0%
10	U.S. Bank, National Association	2.4%

Between January 1, 2011 and December 31, 2012, Whitaker originated 2,398 CRA loans and 1,430 HMDA loans, which represents 53.2% and 31.7%, respectively, of total loans originated during this evaluation period. This assessment area had the largest number of CRA and HMDA loans, representing 84.9% of all originations during this period.

Whitaker was ranked first of 43 CRA reporters in 2011 and first of 46 CRA reporters in 2012. In 2011, American Express Bank, FSB was ranked second, U.S. Bank National Association ND was ranked third, and Chase Bank USA, National Association was ranked fourth. In 2012, Capital One Bank, National Association was ranked second, American Express Bank, FSB was ranked third, and U.S. Bank National Association ND was ranked fourth. The next three largest CRA reporters primarily originate business credit cards.

Whitaker was ranked third of 251 HMDA reporters in 2011. JP Morgan Chase Bank, National Association was ranked first and Community Trust Bank, Inc. was ranked second. In 2012, Whitaker was ranked fourth of 250 reporters with JPMorgan Chase Bank, National Association ranked first, Wells Fargo Bank, National Association ranked second and Community Trust Bank, Inc. ranked third.

Community contacts were conducted to provide additional information regarding the assessment area. Three community contacts representing organizations that promote economic development and work with small businesses were made. In general, contacts indicated job reductions in the coal industry are still impacting the economy of the assessment area, with higher levels of unemployment when compared to the state and nation. While opportunities exist for new small businesses and expansion of existing small businesses, the economic uncertainty is causing small business owners to be cautious. Financing for small businesses is available; however, credit underwriting standards are tighter. One contact indicated lenders are less willing to lend in larger markets than in smaller markets within the assessment area. Further, the contact stated larger financial institutions are not timely in making credit decisions on small business loan requests. Smaller community banks are more responsive in providing assistance to small business owners when seeking credit and have a better understanding of the small business owner's market.

One community contact indicated affordable housing stock in the assessment area is substandard. Single-family homes tend to be passed down to family members with modifications over time with many being mobile homes. Renovations to update electrical, heating, and air conditioning systems in these homes are difficult and costly given the modifications made over time. Newer housing stock in the assessment area is higher-priced and not considered affordable. The contact also stated that the lack of public transportation limits the ability of low- and moderate-income residents to access basic community services such as healthcare and education and limits their employment opportunities.

Population Characteristics

The population in the assessment area was 580,352 in 2010, with about 26.9% of the population living in low- and moderate-income tracts. In addition, 77.2% of the population was 18 years of age or older, which is the legal age to enter into a contract.

The following table shows the population by county in the assessment area for 2000 and 2010 and the percentage of the population increase during that time. Overall, the population within the assessment area increased 3.4%. While the three counties that border the Lexington MSA (Montgomery, Madison, and Garrard) showed the most significant percentage of population increases, the three eastern-most counties (Breathitt, Clay, and Knott) showed significant percentage decreases.

County Name	2000 Population	2010 Population	Percentage Change from 2000 to 2010
Bath	11,085	11,591	4.6%
Breathitt	16,100	13,878	-13.8%
Clay	24,556	21,730	-11.5%
Estill	15,307	14,672	-4.1%
Fleming	13,792	14,348	4.0%
Franklin	47,687	49,285	3.4%
Garrard	14,792	16,912	14.3%
Jackson	13,495	13,494	0.0%
Knott	17,649	16,346	-7.4%
Knox	31,795	31,883	0.3%
Laurel	52,715	58,849	11.6%
Lee	7,916	7,887	-0.4%
Leslie	12,401	11,310	-8.8%
Letcher	25,277	24,519	-3.0%
Madison	70,872	82,916	17.0%
Menifee	6,556	6,306	-3.8%
Mercer	20,817	21,331	2.5%

County Name	2000 Population	2010 Population	Percentage Change from 2000 to 2010
Montgomery	22,554	26,499	17.5%
Nicholas	6,813	7,135	4.7%
Owsley	4,858	4,755	-2.1%
Perry	29,390	28,712	-2.3%
Powell	13,237	12,613	-4.7%
Rockcastle	16,582	17,056	2.9%
Rowan	22,094	23,333	5.6%
Whitley	35,865	35,637	-0.6%
Wolfe	7,065	7,355	4.1%
Total for Assessment Area	561,270	580,352	3.4%

Income Characteristics

The median family income of nonmetropolitan areas of Kentucky was \$43,600 in 2012, which was lower than Kentucky’s 2012 median family income of \$52,046. Median family income levels based on the 2010 U.S. Census data ranged from a low of \$22,489 in Wolfe County to a high of \$61,086 in Franklin County. The following table summarizes the thresholds for the various income levels based on HUD estimated family income.

**Borrower Income Levels
Kentucky State Non-metro**

HUD Estimated Median Family Income	Low	Moderate	Middle	Upper
	0 - 49.99%	50% - 79.99%	80% - 119.99%	120% - & above
2011 \$43,000	0 - \$21,499	\$21,500 - \$34,399	\$34,400 - \$51,599	\$51,600 - & above
2012 \$43,600	0 - \$21,799	\$21,800 - \$34,879	\$34,880 - \$52,319	\$52,320 - & above

In 2010, the assessment area contained 219,003 households, of which 149,829 (68.4%) were families. Of the total families in the assessment area, 25.6% were low-income, 16.0% were moderate-income, 17.4% were middle-income, and 41.0% were upper-income. Wolfe and Owsley Counties had the highest percentage of low- and moderate-income families, with 68.4% and 66.2% respectively of families either low-income or moderate-income.

In 2010, the number of families living below poverty was 28,736 (19.2%), which was about the same percentage as the 2000 level (19.5%). Wolfe and Owsley Counties had the highest percentage of families living below the poverty level, with 37.6% and 35.5%, respectively. Mercer County had the lowest percentage of families living below the poverty level at 8.2%.

Housing Characteristics

There were 258,777 housing units in the assessment area as of the 2010 U.S. Census. The owner-occupancy rate was 60.2%, with a high of 67.1% in Jackson County and a low of 48.3% in Menifee County. Rental units comprised 24.4% of housing units, with 25.7% of rental housing units located in low-income or moderate-income tracts and 39,774 (15.4%) of housing vacant.

From an income perspective, 27.0% of housing units and 26.1% of owner-occupied units were either in low- or moderate-income tracts. Of the vacant housing units, 32.7% are located in low-income or moderate-income tracts.

As of the 2010 U.S. Census, the median age of the housing stock was 32 years, with 13.4% of the stock built before 1950. The newest housing stock was in Madison and Menifee Counties, with a median age of 23 and 24 years, respectively, while the oldest was in Franklin County, with a median age of 37 years.

The median housing value in this assessment area was \$86,175, with an affordability ratio of 38.5%. The ratios ranged from a low of 28.3% in Owsley County to a high of 60.7% in Letcher County. Of the homes in the assessment area, 34.1% have median values less than \$60,000, while 57.3% of homes in the assessment area have a median value less than \$100,000. Based on the median family income of \$43,600 for the assessment area, annual incomes for a low-income family would be \$21,800 and \$34,880 for a moderate-income family. Assuming borrowers could reasonably pay 28.0% of gross income per month towards a mortgage payment (including taxes and insurance), a low-income borrower could pay \$509/month and a moderate-income borrower \$814/month. Based on a 30-year fixed rate loan at 4.50%, a low-income borrower would qualify for a \$75,700 mortgage, assuming \$125 of the monthly payment was for taxes and insurance. Moderate-borrowers would qualify for a \$119,100 mortgage, assuming \$210 of the monthly payment was for taxes and insurance. As a result, approximately 75.3% of the housing units in the assessment area are considered to be affordable for either low- or moderate-income borrowers.

According to RealtyTrac,² a leading source for foreclosure information, ten of the 25 counties in the assessment had foreclosure filings in June 2013. The following information about foreclosure filings and the number of foreclosure properties in this assessment area is included in the table below:

² <http://www.realtytrac.com/trendcenter/>

County Name	Foreclosed Properties in June 2013	Ratio of Properties Receiving Foreclosure Filings in June 2013
Bath	3	1 : 1,611
Clay	1	1 : 7,717
Estill	2	1 : 3,060
Garrard	1	1 : 6,134
Laurel	3	1 : 5,673
Madison	1	1 : 9,995
Menifee	1	1 : 1,691
Mercer	1	1 : 9,189
Montgomery	2	1 : 5,738
Powell	1	1 : 2,543
Kentucky	725	1 : 2,625
United States	125,000	1 : 1,026

The lower the second number in the ratio, the higher the foreclosure rate. The Commonwealth of Kentucky has a lower foreclosure rate than the national level. Madison County had the lowest foreclosure rate while Bath County had the highest foreclosure rate. Seven of the ten counties had lower foreclosure rates than the Commonwealth of Kentucky and all counties had lower foreclosure rates than the national level.

Building permits for 2011 and 2012³ for the counties comprising nonmetropolitan Kentucky, the Commonwealth of Kentucky, and the nation are included in the following table.

Geography Name	2011	2012	+/- Change
Nonmetropolitan Kentucky	250	276	10.4%
Kentucky	7,782	9,725	25.0%
United States	624,061	829,658	32.9%

Building permits increased in the counties comprising nonmetropolitan Kentucky from 2011 through 2012; however, this growth was lower than the Commonwealth of Kentucky and the nationwide figure during that time. The counties with the most permits in 2012 were Madison (140), Mercer (42) and Montgomery (34); 18 counties had either no permits or a maximum of two in 2012. The increase in the number of building permits could indicate that the demand for new homes increased in the assessment area during the evaluation period.

The median gross rent in the assessment area was \$522 as of 2010. The lowest rents (those less than \$350) comprised 15.8% of the rental units, while 22.3% of units had rental costs between \$350 and \$500. About 22.7% and 23.3% of the housing units in low- and moderate-income tracts are comprised of rental units, respectively. These numbers indicate that demand for single-family home loans would be limited in low-income tracts and more concentrated in moderate-, middle-, and upper-income tracts. While rental and mortgage costs are comparable, rental units are more abundant than single-family homes in lower-income areas.

³ U.S Census Bureau Building Permits Survey: <http://www.census.gov/construction/bps/>

Labor, Employment, and Economic Characteristics

The Commonwealth of Kentucky Human Resources Cabinet (Franklin County) and Eastern Kentucky University (Madison County) are the two largest employers⁴ in the nonmetropolitan Kentucky Assessment area, with approximately 2,440 and 2,000 employees, respectively. In addition to hospitals and regional medical facilities, major employers⁵ in this assessment area include, but are not limited to, the following:

Employer	Estimated Number of Employees	County
Nestle Prepared Foods	1,093	Montgomery
Hitachi Automotive Systems Americas, Inc.	1,041	Madison
Blue Grass Chemical Agent Destruction Pilot Plant	950	Madison
Hitachi Automotive Systems Americas, Inc.	929	Mercer
Hearthside Food Solutions LLC	850	Laurel
Wal-Mart Distribution Center	832	Laurel

The following table illustrates the unadjusted unemployment rates for 2011 and 2012 for the counties comprising the nonmetropolitan Kentucky assessment area and the Commonwealth of Kentucky.

4 <http://www.acinet.org>

5 Kentucky Cabinet for Economic Development: <http://www.workforcekentucky.ky.gov/>

Unemployment Rates
Assessment Area: Non MSA Kentucky

Area	Years - Annualized	
	2011	2012
Bath Co.	12.2 (E)	10.1 (E)
Breathitt Co.	10.4 (E)	11.9 (E)
Clay Co.	13.6 (E)	12.7 (E)
Estill Co.	11.0 (E)	8.9 (E)
Fleming Co.	10.8 (E)	9.2 (E)
Franklin Co.	8.0 (E)	6.7 (E)
Garrard Co.	10.2 (E)	8.7 (E)
Jackson Co.	16.2 (E)	14.4 (E)
Knott Co.	11.1 (E)	13.2 (E)
Knox Co.	11.6 (E)	11.3 (E)
Laurel Co.	10.7 (E)	9.5 (E)
Leslie County	12.4 (E)	13.9 (E)
Letcher Co.	10.1 (E)	13.4 (E)
Lee Co.	12.5 (E)	12.6 (E)
Madison Co.	7.7 (E)	6.7 (E)
Menifee Co.	15.3	12.4 (E)
Mercer Co.	10.5 (E)	8.4 (E)
Montgomery Co.	10.6 (E)	8.3 (E)
Nicholas Co.	10.2 (E)	9.4 (E)
Owsley Co.	11.6 (E)	10.9 (E)
Perry Co.	10.0 (E)	12.0 (E)
Powell Co.	12.0 (E)	10.1 (E)
Rockcastle Co.	11.6 (E)	9.1 (E)
Rowan Co.	8.4 (E)	7.3 (E)
Whitley Co.	10.8 (E)	9.5 (E)
Wolfe Co.	13.3 (E)	12.8 (E)
Kentucky	9.5 (D)	8.2 (D)

Not Seasonally Adjusted

D : Reflects revised population controls and model reestimation.

E : Reflects revised inputs, reestimation, and controlling to new statewide totals.

Unemployment rates generally decreased from 2011 to 2012, with unemployment rates for the majority of counties being higher than the Commonwealth's unemployment rates. Franklin, Madison, and Rowan Counties' unemployment rates were lower than the Commonwealth's rate.

Combined Demographics Report

Assessment Area(s): KY Non MSA 2011

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	1.5	1,073	0.7	419	39.0	39,583	25.2
Moderate-income	52	38.2	48,389	30.8	14,189	29.3	26,366	16.8
Middle-income	56	41.2	72,512	46.2	12,853	17.7	28,972	18.5
Upper-income	26	19.1	35,017	22.3	3,071	8.8	62,070	39.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	136	100.0	156,991	100.0	30,532	19.4	156,991	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	31.5	67.9	15,255	20.7	8,384	11.4
Middle-income	112,693	73,376	46.1	65.1	27,493	24.4	11,824	10.5
Upper-income	54,873	34,793	21.9	63.4	15,763	28.7	4,317	7.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	242,931	159,140	100.0	65.5	59,091	24.3	24,700	10.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	59	0.2	55	0.2	1	0.1	3	0.2
Moderate-income	5,875	21.1	5,312	21.0	249	20.6	314	25.2
Middle-income	13,407	48.3	12,245	48.3	592	49.0	570	45.8
Upper-income	8,441	30.4	7,716	30.5	367	30.4	358	28.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	27,782	100.0	25,328	100.0	1,209	100.0	1,245	100.0
Percentage of Total Businesses:				91.2		4.4		4.5
	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	220	19.4	216	19.3	3	37.5	1	16.7
Middle-income	519	45.8	515	46.0	1	12.5	3	50.0
Upper-income	393	34.7	387	34.6	4	50.0	2	33.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,133	100.0	1,119	100.0	8	100.0	6	100.0
Percentage of Total Farms:				98.8		.7		.5

Based on 2011 D&B information according to 2000 Census Boundaries.

Combined Demographics Report

Assessment Area(s): KY Non MSA 2012

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	7	4.8	3,334	2.2	1,247	37.4	38,345	25.6
Moderate-income	40	27.6	35,979	24.0	10,527	29.3	24,033	16.0
Middle-income	67	46.2	75,359	50.3	13,621	18.1	26,049	17.4
Upper-income	31	21.4	35,157	23.5	3,341	9.5	61,402	41.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	145	100.0	149,829	100.0	28,736	19.2	149,829	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	6,048	3,324	2.1	55.0	1,372	22.7	1,352	22.4
Moderate-income	63,891	37,363	24.0	58.5	14,879	23.3	11,649	18.2
Middle-income	130,019	77,653	49.8	59.7	32,126	24.7	20,240	15.6
Upper-income	58,819	37,462	24.0	63.7	14,824	25.2	6,533	11.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	258,777	155,802	100.0	60.2	63,201	24.4	39,774	15.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	307	1.3	270	1.2	16	1.4	21	2.0
Moderate-income	4,440	18.3	4,044	18.4	185	16.8	211	19.8
Middle-income	12,910	53.3	11,686	53.0	645	58.4	579	54.2
Upper-income	6,553	27.1	6,038	27.4	258	23.4	257	24.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	24,210	100.0	22,038	100.0	1,104	100.0	1,068	100.0
Percentage of Total Businesses:				91.0		4.6		4.4
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	20	1.4	20	1.4	0	0.0	0	0.0
Moderate-income	304	21.5	304	21.6	0	0.0	0	0.0
Middle-income	668	47.2	663	47.1	5	71.4	0	0.0
Upper-income	424	29.9	422	30.0	2	28.6	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,416	100.0	1,409	100.0	7	100.0	0	.0
Percentage of Total Farms:				99.5		.5		.0

Based on 2012 D&B information according to 2010 ACS Boundaries.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
NONMETROPOLITAN KENTUCKY**

Lending Test

Within the assessment area, the bank’s lending levels reflect a good responsiveness to the credit needs of the community. In addition, the bank originated 34 community development loans totaling \$6.4 million in the area. Whitaker has an adequate geographic distribution of loans in the area and a good distribution among borrowers of different income levels and to businesses of different revenue sizes. This results in a good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with gross annual revenues of \$1 million or less, consistent with safe and sound operations.

Primarily based on volume, greatest weight was given to the evaluation of small business lending, followed by small farm, home improvement, home purchase, and refinance lending. There were not enough multi-family loans to conduct a meaningful analysis.

Details of the bank’s mortgage and small business lending, as well as information regarding lending by peers, can be found in Appendix C.

Given the number and dollar amounts of small business, small farm, and residential loans originated in the market area, as well as the bank’s strategic objectives, economic conditions, and competitive factors, Whitaker demonstrates a good responsiveness to local credit needs. Communities in the bank’s assessment area have been significantly impacted by challenging economic times in recent years and are experiencing a slow recovery.

Lending Activity

Whitaker originated 1,564 small business loans, 834 small farm loans, 628 home improvement loans, 438 home purchase loans, 357 refinance loans, and 34 community development loans during the evaluation period. The percentage of the bank’s total lending at 85.1% is slightly greater than the percentage of total deposits at 75.7% in this area.

Lending gaps in low- and moderate-income tracts were noted in the bank’s lending and are illustrated below:

Tract Income Level	Number of Tracts	Tracts with no Loans	Penetration
2011			
Low	2	2	0.0%
Moderate	52	23	55.8%
2012			
Low	7	7	0.0%
Moderate	40	17	57.5%

Whitaker did not originate any loans in the low-income census tracts during the review period; however, according to the 2000 U.S. Census data, 39.0% of the families that reside in the two low-income census tracts are considered to be below the poverty level. Also, these tracts comprised only 1.3% of the population, 0.7% of families, and 0.7% of housing units in this assessment area. According to the 2010 U.S. Census data, 37.4% of the families that reside in the seven low-income census tracts are considered to be below the poverty level. Also, these tracts comprise 2.7% of the population, 2.2% of families, and 2.3% of housing units in the assessment area. According to the 2010 U.S. Census data, Clay County acquired two additional low-income census tracts and Breathitt, Estill, and Knox Counties each acquired one additional low-income census tract.

The gaps in lending in the moderate-income tracts are not significant given that moderate-income tracts (according to the 2010 U.S. Census data) represent 27.6% of the population, 24.0% of families, and 24.7% of housing units in the assessment area.

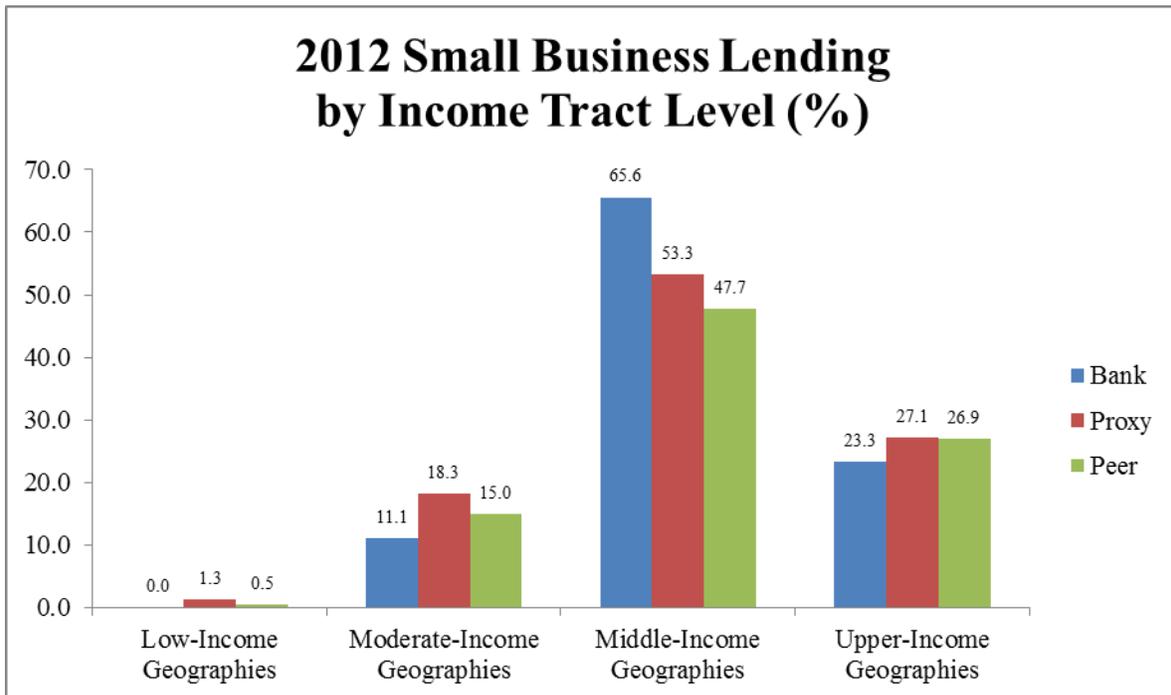
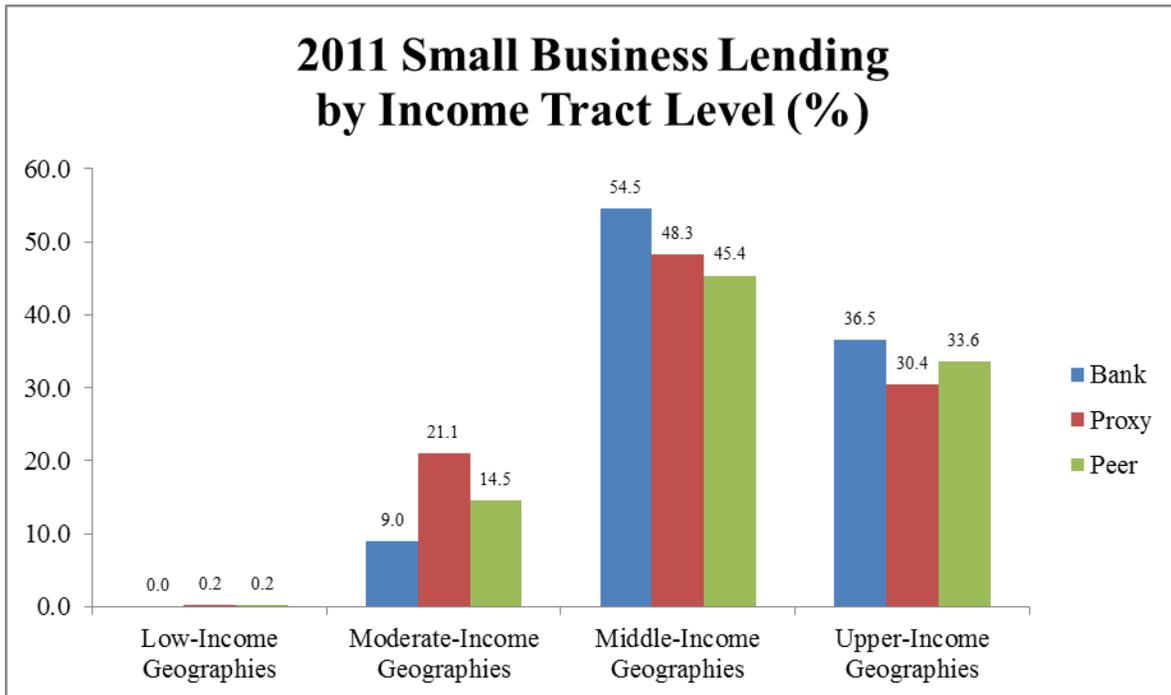
Overall, lending penetration rates were more favorable in middle- and upper-income tracts compared to low- and moderate-income tracts. Lending penetration rates in middle-income census tracts were 85.7% in 2011 and 80.6% in 2012. Lending penetration rates in upper-income census tracts were 92.3% in 2011 and 74.2% in 2012.

Whitaker was ranked first among CRA reporters and third or fourth among Home Mortgage reporters in this market. As a result, less weight was given to Whitaker's lending when compared peer.

Geographic Distribution

Overall, Whitaker's distribution of lending among geographies is considered adequate. Receiving the greatest weight, CRA small business lending is adequate and small farm lending is also considered to be adequate. Residential mortgage lending, which received the least weight, is also considered to be adequate. Home improvement loans, which account for the largest volume of residential mortgage loans originated, received the most weight, followed by home purchase and refinance loans.

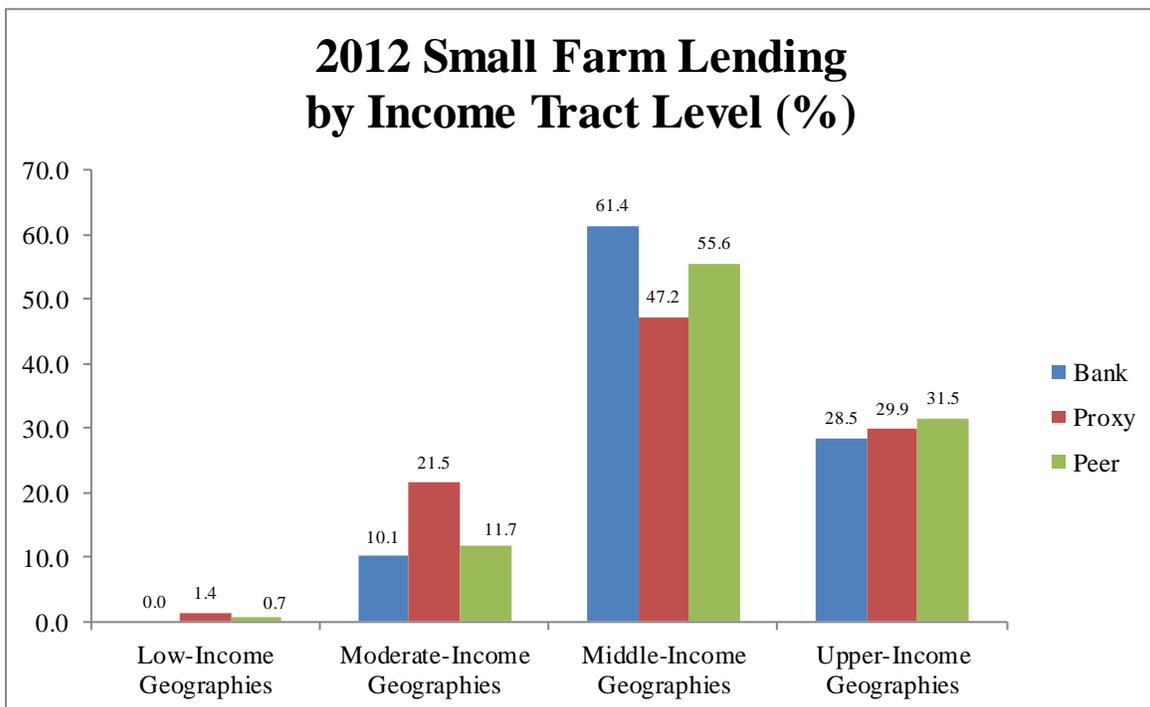
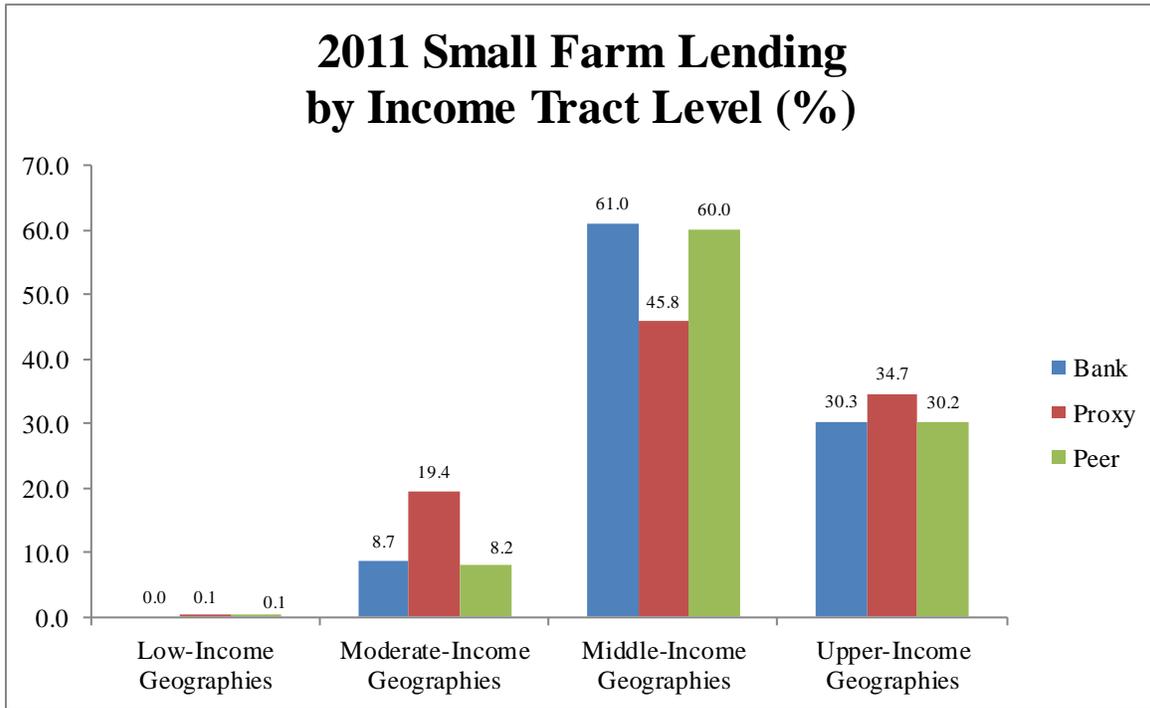
Small Business Lending



As indicated earlier, no loans were originated in low-income census tracts in 2011 and 2012. In 2011, Whitaker originated 9.0% of small business loans in moderate-income tracts, lower than the percentage of small business located in moderate-income tracts (proxy) of 21.1% and the aggregate of all lenders (peer) of 14.5%.

In 2012, Whitaker originated 11.1% of small business loans in moderate-income tracts, lower than the proxy of 18.3% and peer of 15.0%. Therefore, the geographic distribution of small business lending is adequate.

Small Farm Lending

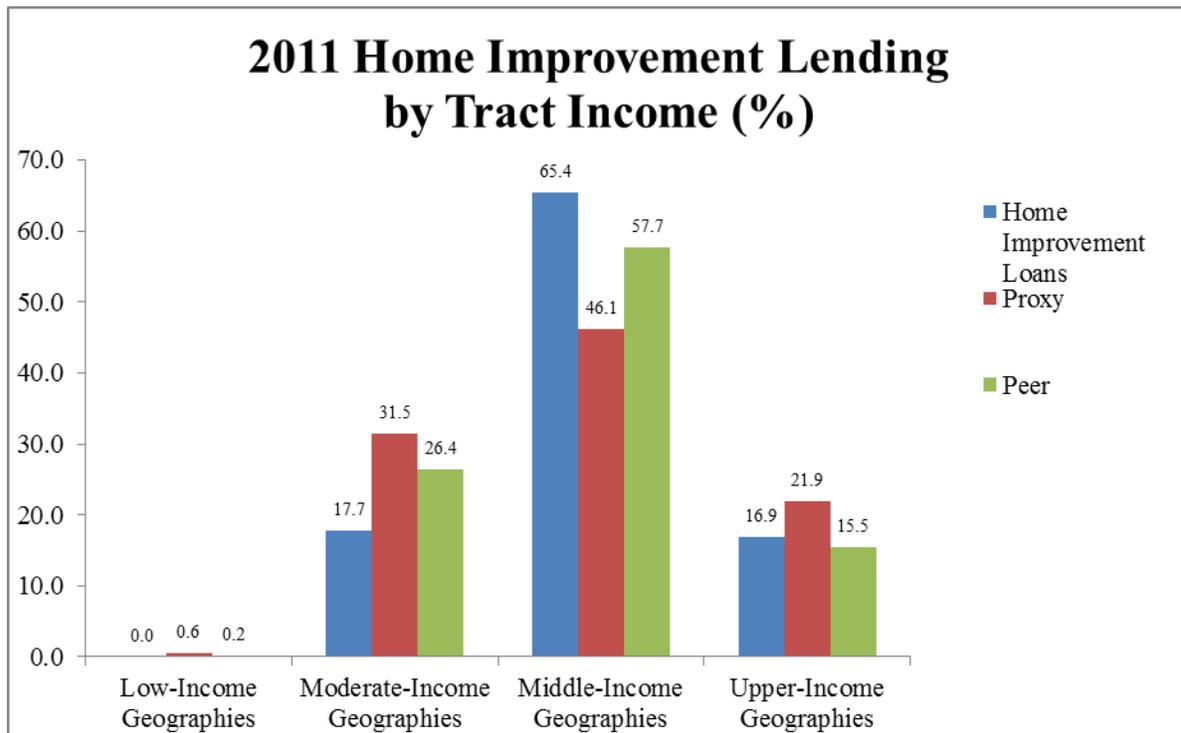


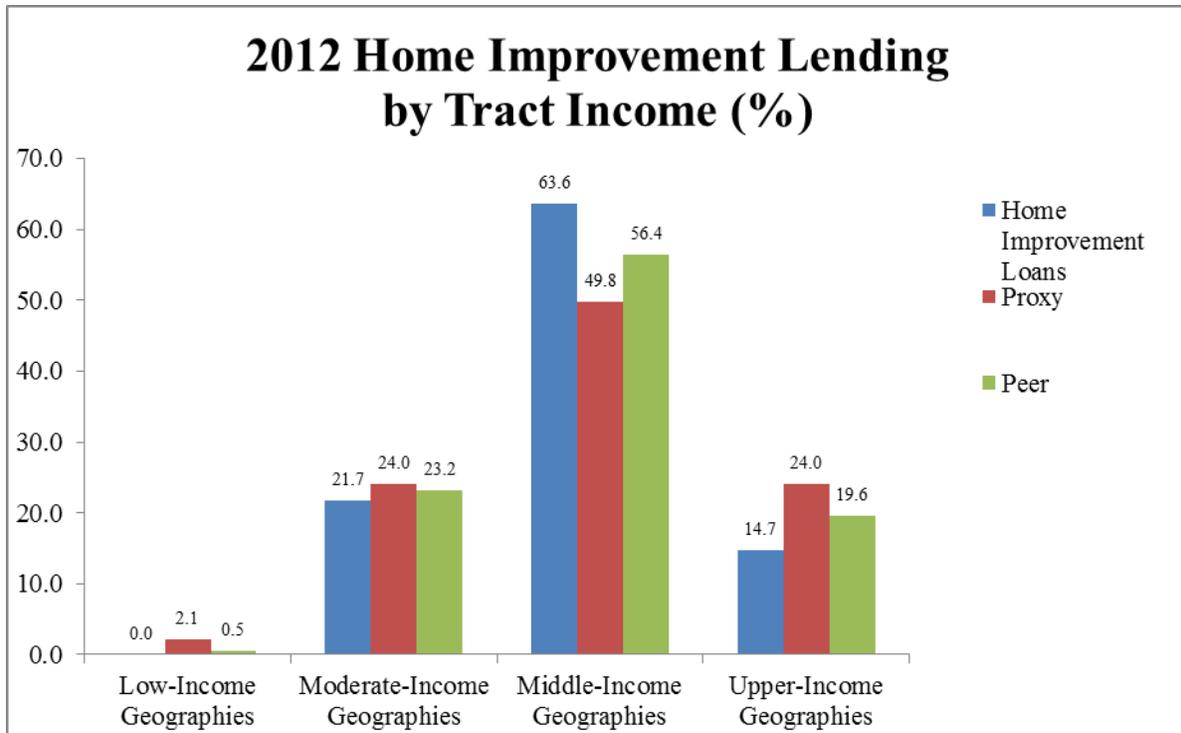
In 2011, Whitaker originated 8.7% of small farm loans in moderate-income tracts, lower than the 19.4% of small farms located in moderate-income tracts (proxy), but slightly higher than the peer at 8.2%. In 2012, Whitaker originated 10.1% of small farms loans in moderate-income tracts, lower than the proxy at 21.5% and peer at 11.7%. Therefore, the geographic distribution of small farm lending is adequate.

Residential Mortgage Lending

During 2011, Whitaker originated 762 residential mortgage loans. Of the loans originated, 356 (46.7%) were home improvement, 231 (30.3%) were home purchase, and 175 (23.0%) were refinance. No loans were originated in low-income tracts. Further, the penetration of moderate-income tracts was similar among home mortgage lending products, ranging from 12.6% for home purchase loans to 17.7% for home improvement loans. Of the 661 residential mortgage loans originated in 2012, 272 (41.1%) were home improvement, 207 (31.3%) were home purchase, and 182 (27.5%) were refinance. No loans were originated in low-income tracts, but this seems reasonable in 2011 and 2012 due to the high poverty rates and limited supply of owner-occupied housing. Further, the penetration rates of moderate-income tracts were similar among residential mortgage lending products, ranging from 17.9% for home purchase to 21.7% for home improvement.

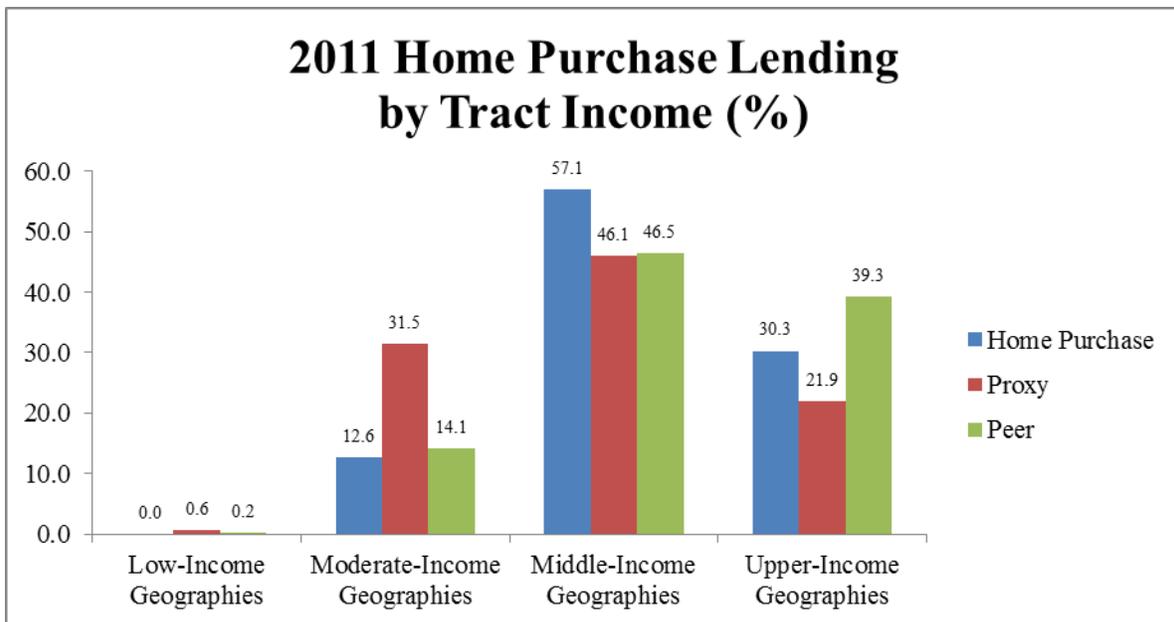
Home Improvement

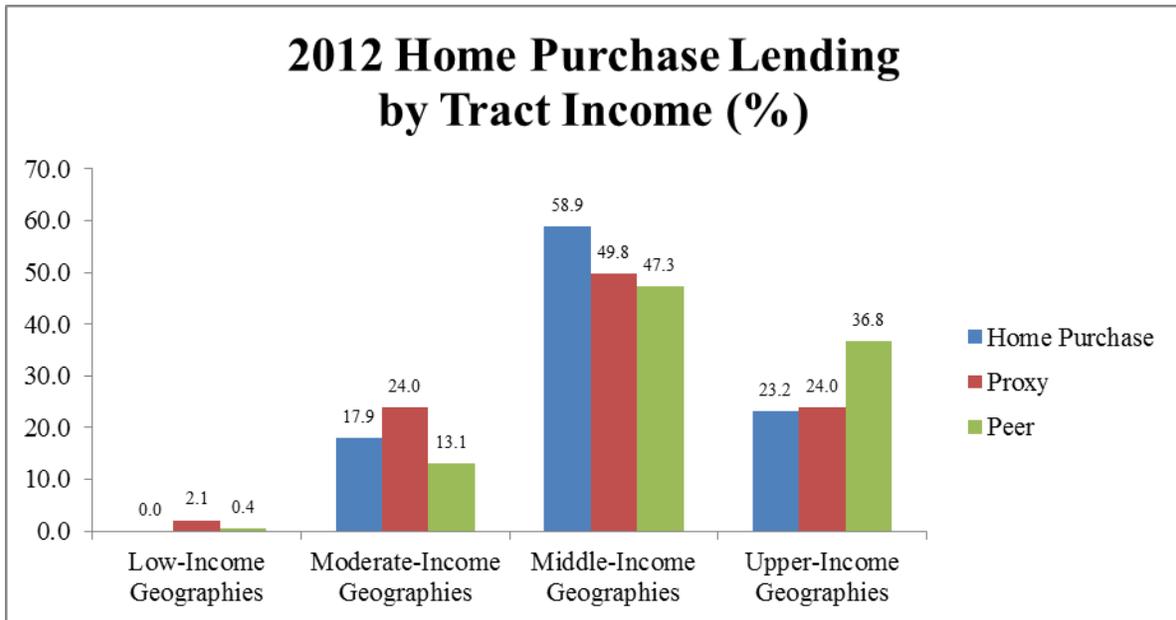




In 2011, Whitaker originated 17.7% of home improvement loans in moderate-income tracts, lower than the 31.5% of owner-occupied homes in moderate-income tracts (proxy) and the peer at 26.4%. In 2012, Whitaker originated 21.7% of home improvement loans in moderate-income tracts, lower than the proxy at 24.0% and peer at 23.2%. Therefore, the geographic distribution of home improvement loans is adequate.

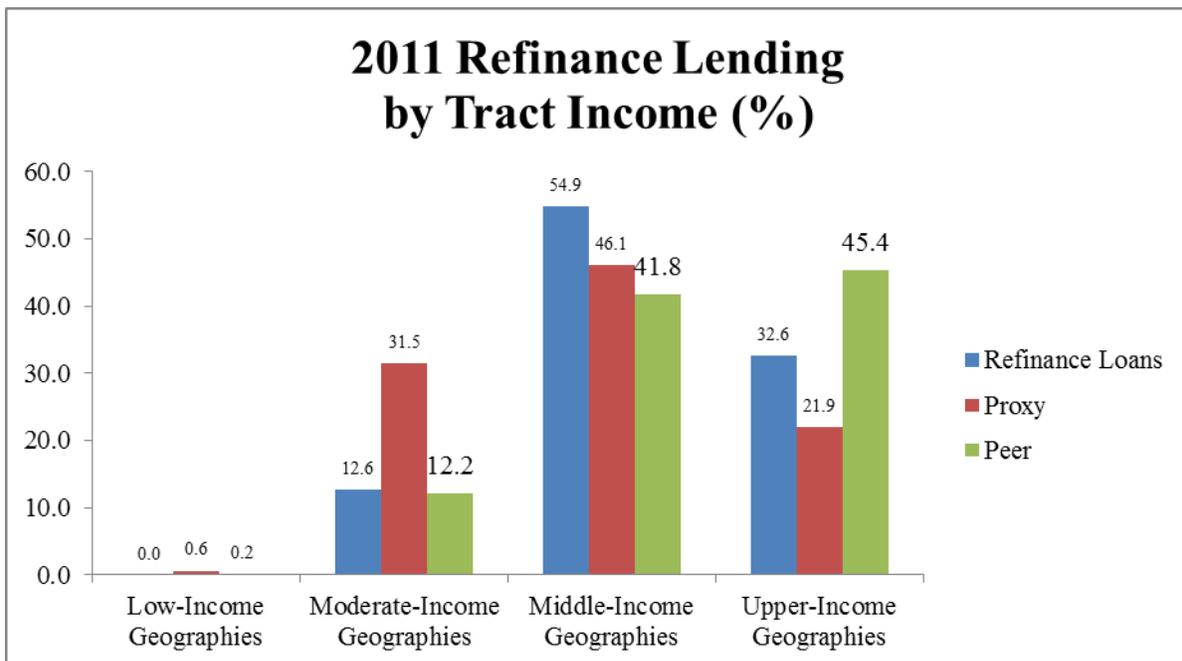
Home Purchase

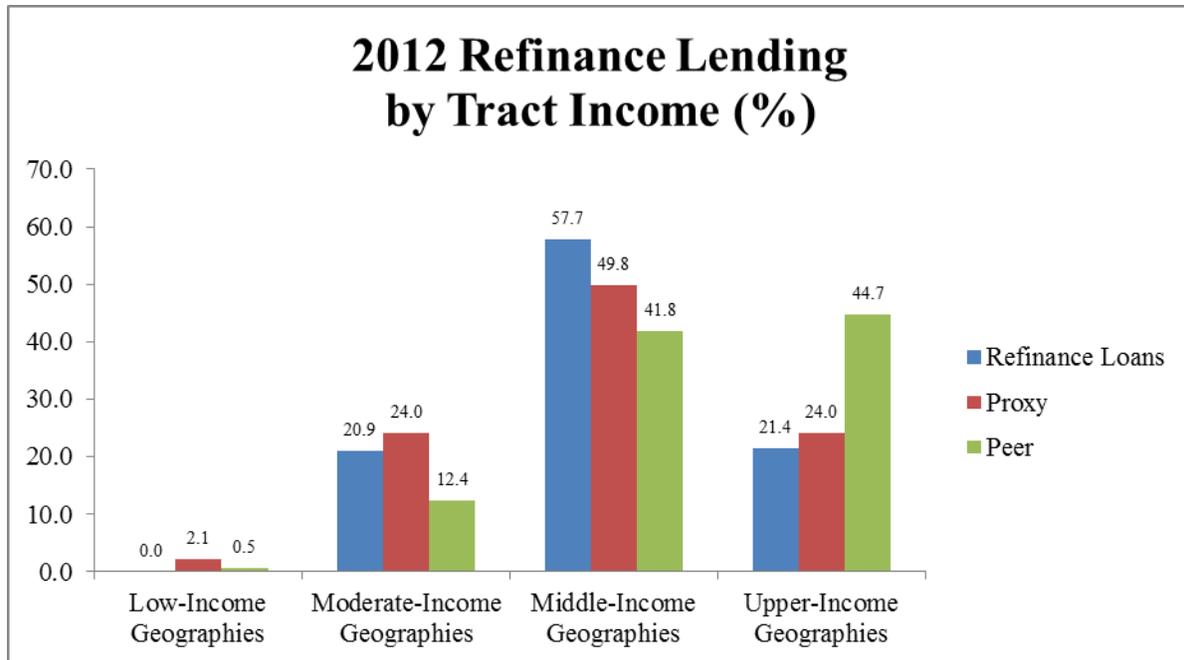




In 2011, Whitaker originated 12.6% of home purchase loans in moderate-income tracts, lower than the 31.5% of owner-occupied homes in moderate-income tracts (proxy) and lower than peer at 14.1%. In 2012, Whitaker originated 17.9% of home purchase loans in moderate-income tracts, lower than the proxy at 24.0%, but higher than the peer at 13.1%. Therefore, the geographic distribution of home purchase loans is adequate.

Refinance



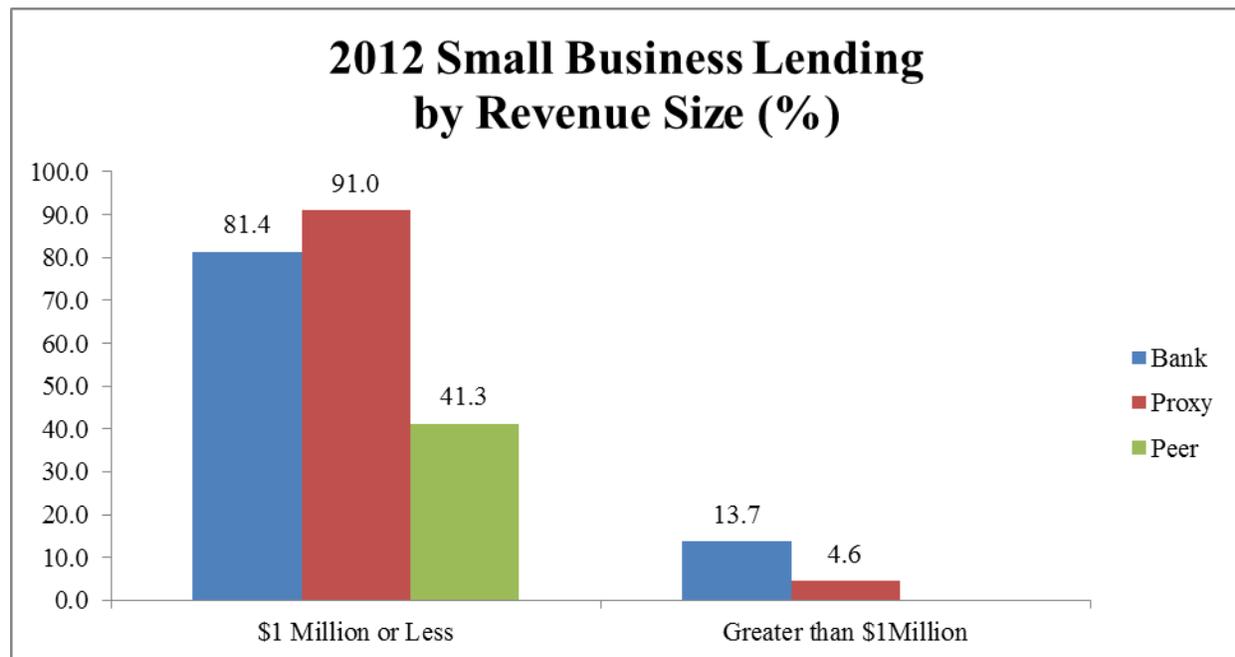
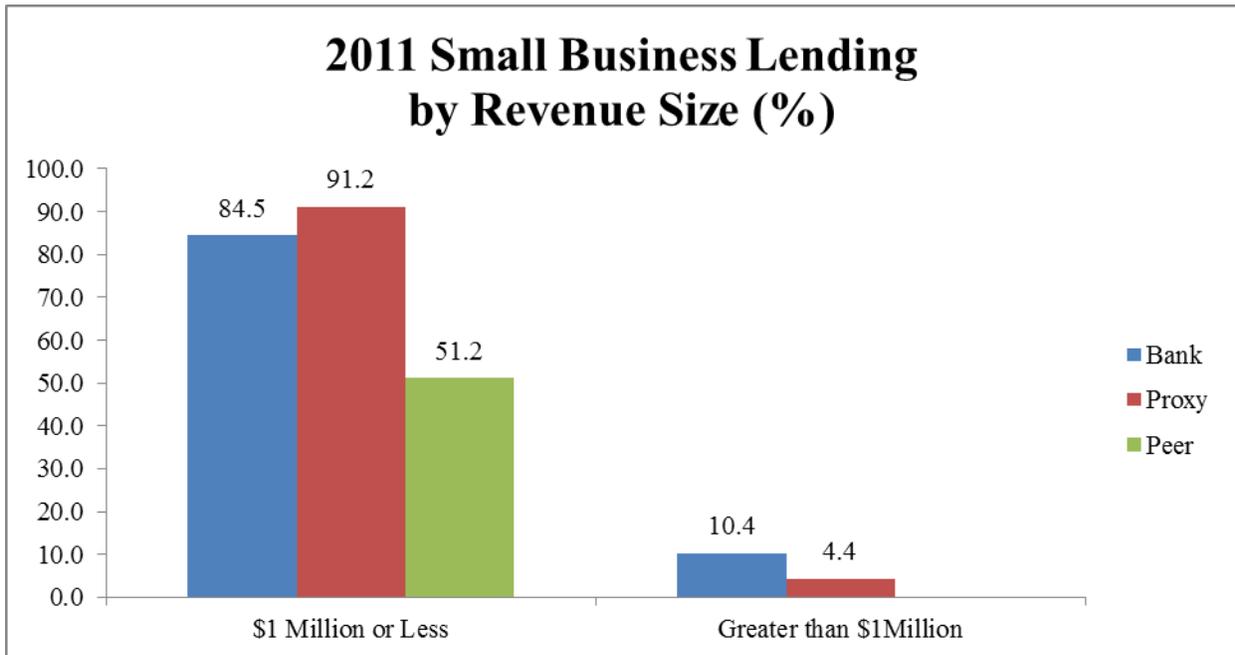


In 2011, Whitaker originated 12.6% of refinance loans in moderate-income tracts, lower than the 31.5% of owner-occupied homes in moderate-income tracts (proxy) and slightly higher than the peer at 12.2%. In 2012, Whitaker originated 20.9% of refinance loans in moderate-income tracts, slightly lower than the proxy at 24.0%, but higher than the peer at 12.4%. While the geographic distribution of refinance loans is good, this product was given the least weight in assessing the bank's performance.

Distribution by Borrower Income and Revenue Size of the Business

Overall, the distribution of loans based on borrower's income and revenue size of businesses and farms is good. Most businesses and farms within the bank's assessment area have annual revenues less than \$1 million. Given the high poverty rates in the area, it is expected that loan demand would be depressed. Although poverty level is determined by both family size and income, a larger proportion of poverty level families are found among low-income families and, to some extent, moderate-income families.

Small Business Lending



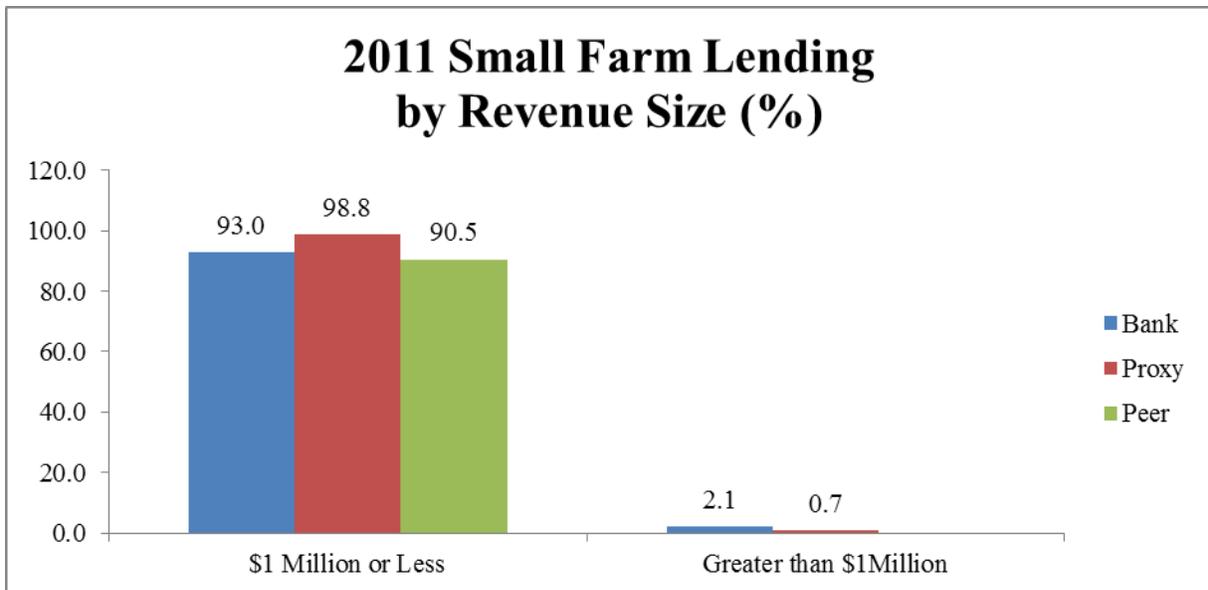
Note: Peer information is not available for small business loans to businesses with revenues greater than \$1 million.

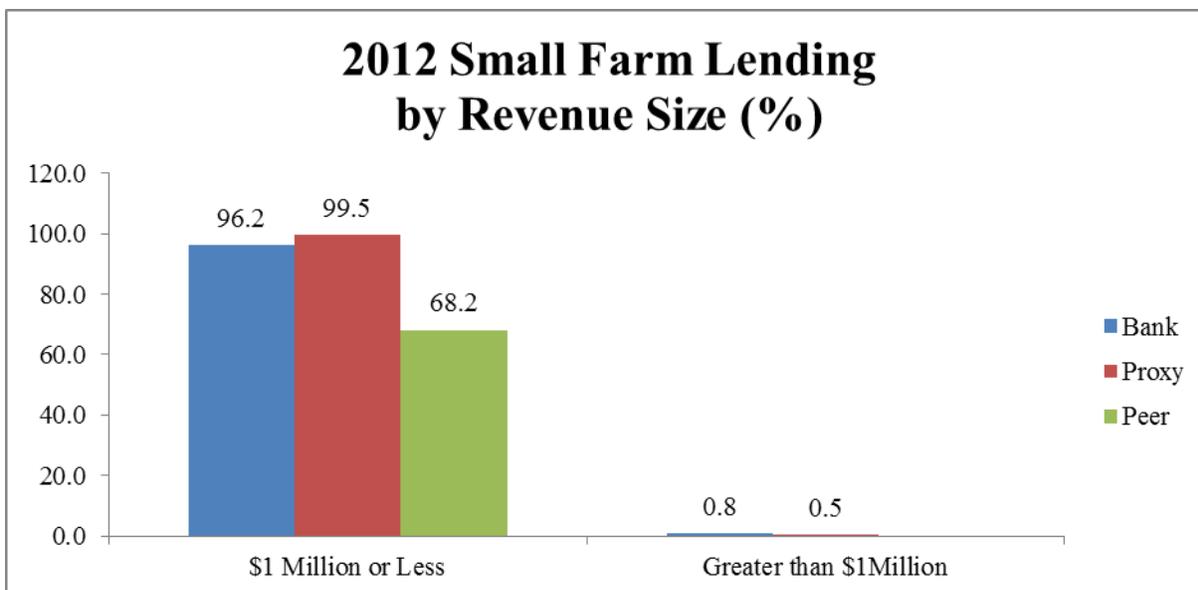
In 2011, Whitaker originated 84.5% of small business loans to businesses with annual revenues less than \$1 million. This is slightly lower than the 91.2% of small businesses in the assessment area with annual revenues less than \$1 million (proxy) and higher than the aggregate of all lenders (peer) of 51.2%.

In 2012, Whitaker originated 81.4% of small business loans to businesses with annual revenues less than \$1 million, lower than the proxy at 91.0% and significantly higher than the peer at 41.3%. Therefore, distribution of lending among businesses of different revenue sizes is considered good.

Further analysis of small business lending shows 91.4% and 89.3% of the bank's small business loans in 2011 and 2012, respectively, were for \$100,000 or less, which is slightly less than the peer's at 93.8% in 2011 and 94.9% in 2012. Typically, the extent to which a bank is willing to extend loans in amounts of \$100,000 or less is reviewed because smaller businesses often have a greater need for small-dollar loans. This demonstrates a good responsiveness to meeting the credit needs of small businesses in this area.

Small Farm Lending





Note: Peer information is not available for small farms loans to farms with revenues greater than \$1 million.

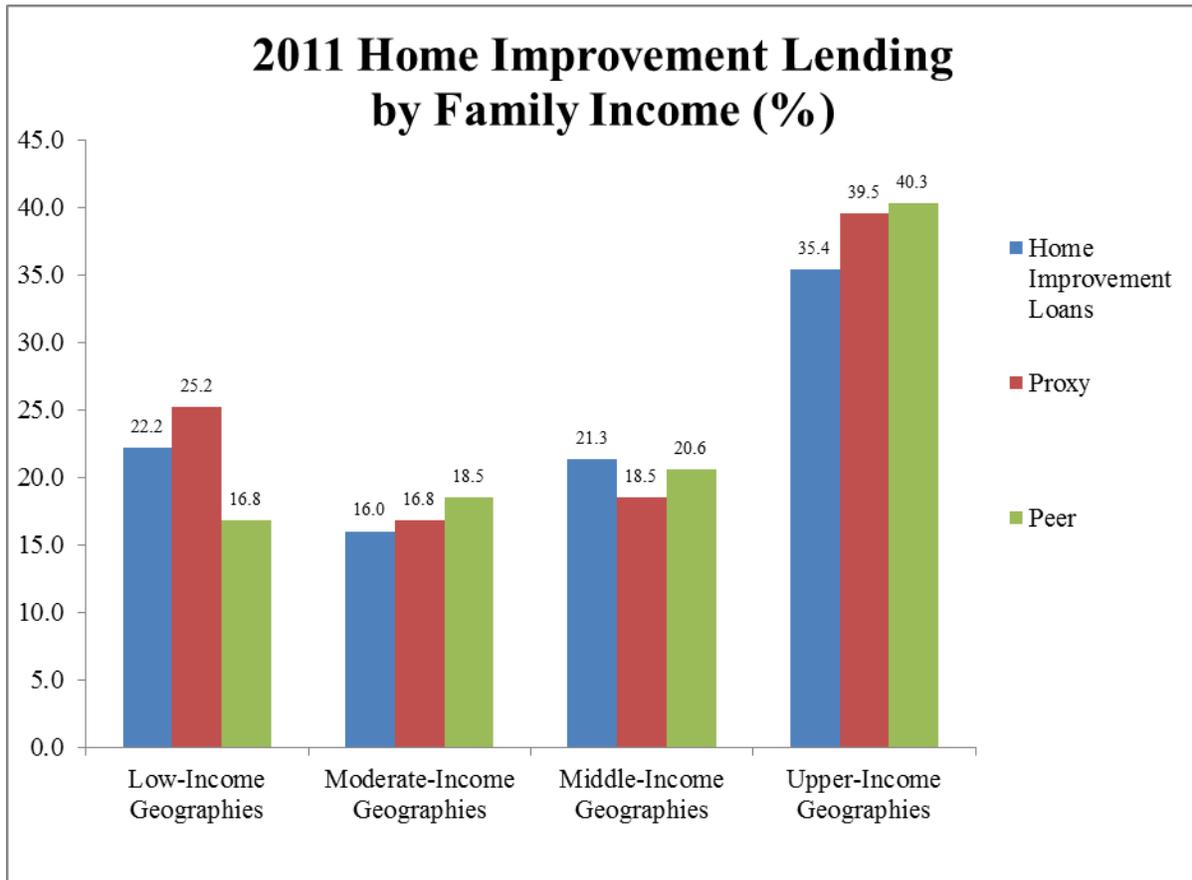
In 2011, Whitaker originated 93.0% of loans to farms with annual revenues less than \$1 million. This is slightly lower than the percentage of farms (98.8%) in the assessment area with revenues less than \$1 million (proxy) and slightly higher than the peer at 90.5%. In 2012, Whitaker originated 96.2% of loans to farms with annual revenues less than \$1 million. This is slightly lower than the proxy at 99.5% and significantly higher than the peer at 68.2%. Therefore, the distribution of lending among farms of different revenue sizes is good.

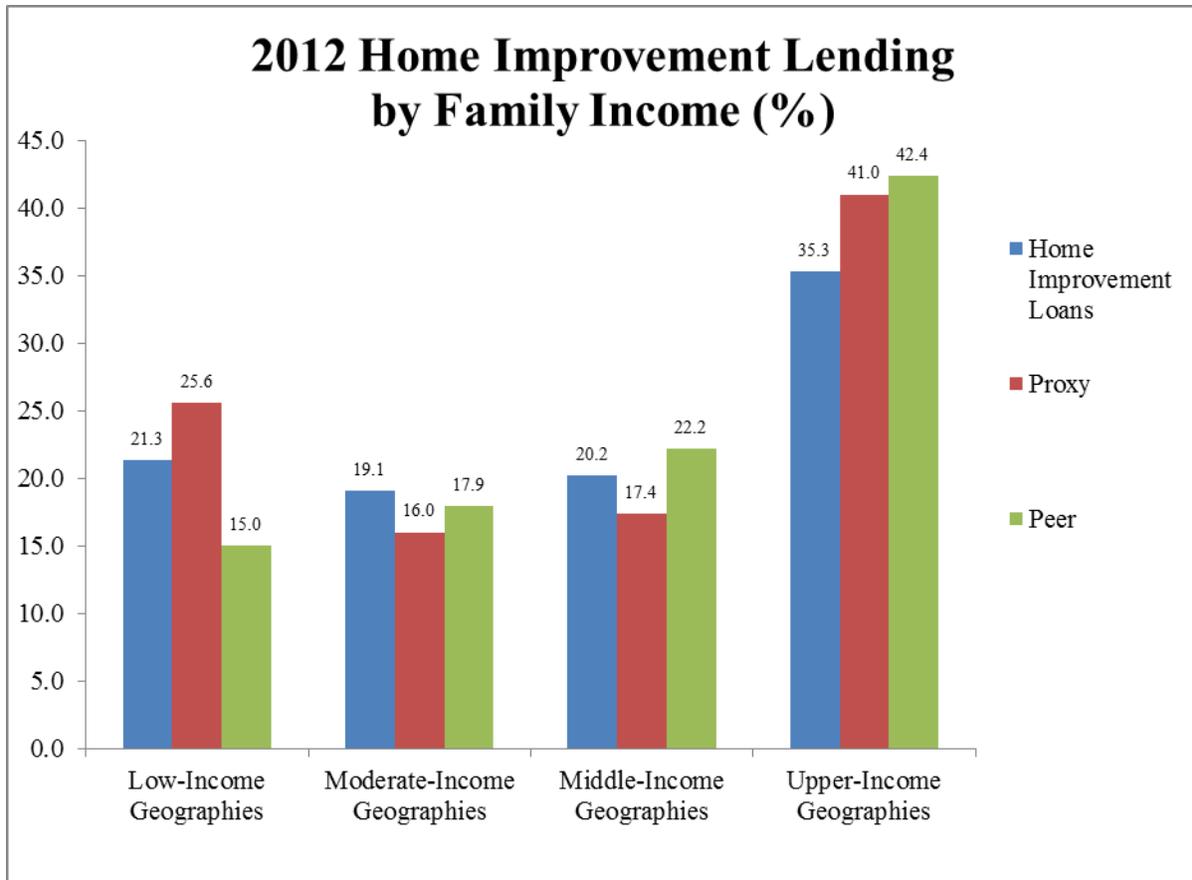
Further analysis of small farm lending shows 91.1% and 90.6% of the bank’s small farm loans, respectively, were for \$100,000 or less, which is slightly greater than the peer’s at 90.3% in 2011 and less than the peer’s at 93.2% in 2012. Typically, the extent to which a bank is willing to extend loans in amounts of \$100,000 or less is reviewed because smaller businesses often have a greater need for small-dollar loans. This demonstrates a good responsiveness to meeting the credit needs of small farms in this area.

Residential Mortgage Lending

As indicated earlier, out of the three residential mortgage lending products, the majority of loans originated were home improvement accounting for 46.7% of originations in 2011 and 41.1% in 2012. The distribution of lending to borrowers of different income levels for home improvement loans was given the greatest weight when assessing the bank’s performance. Home purchase loans account for 30.3% of originations in 2011 and 31.3% in 2012. Refinance loans account for 23.0% of originations in 2011 and 27.5% in 2012. Overall, this reflects a good responsiveness to meeting the residential mortgage credit needs of the borrowers of different income levels within the assessment area.

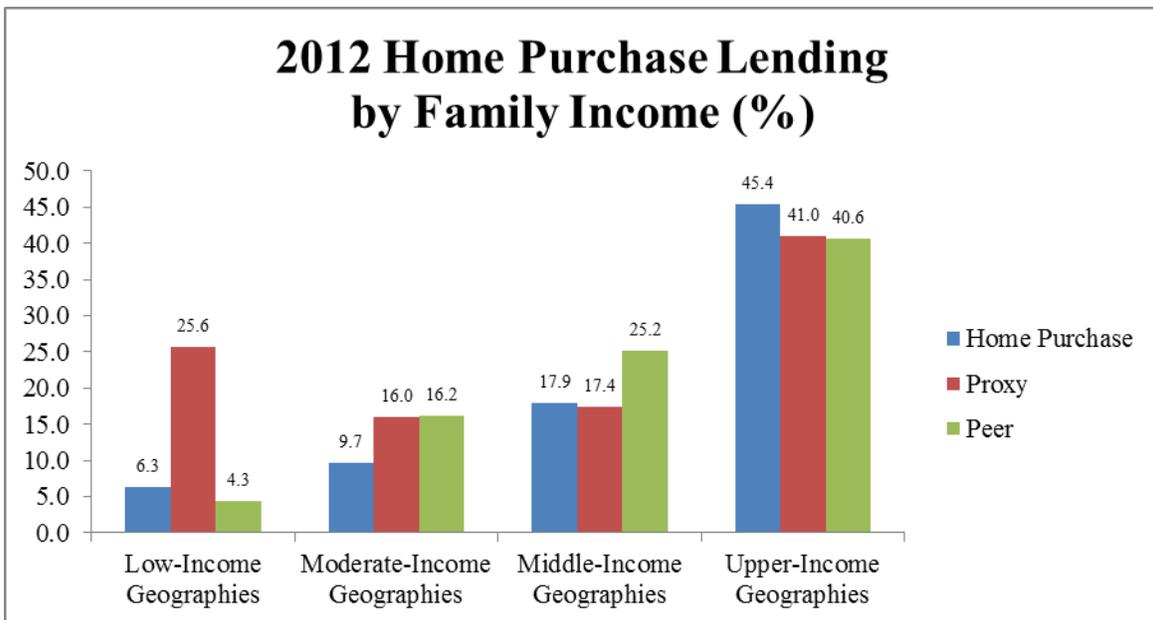
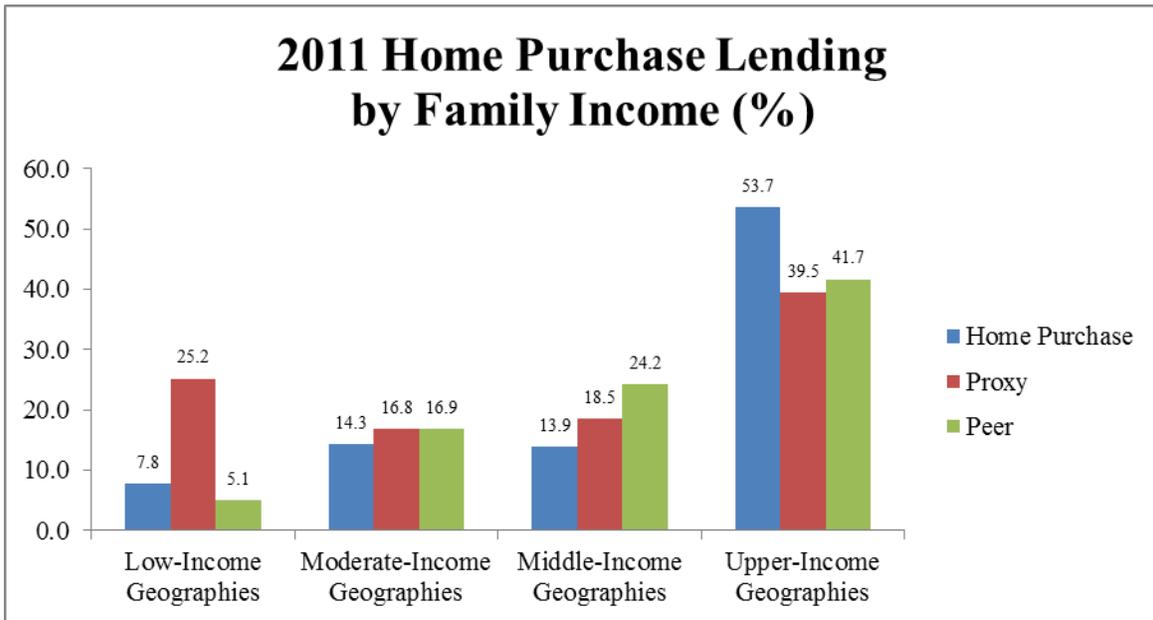
Home Improvement





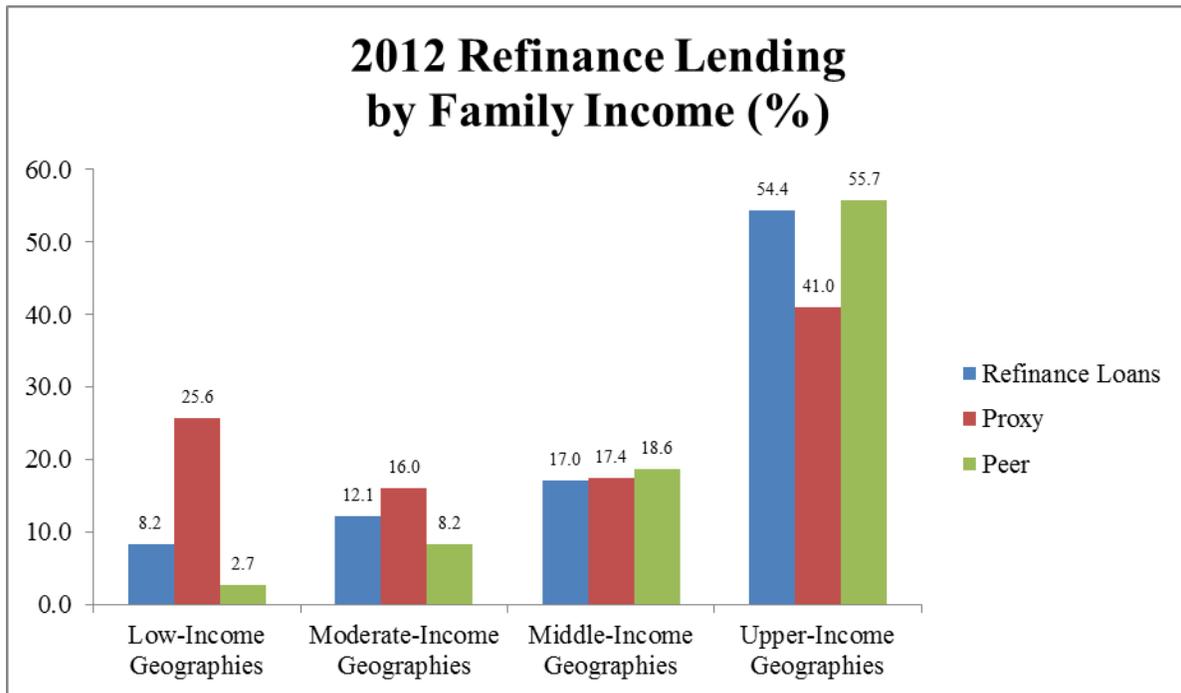
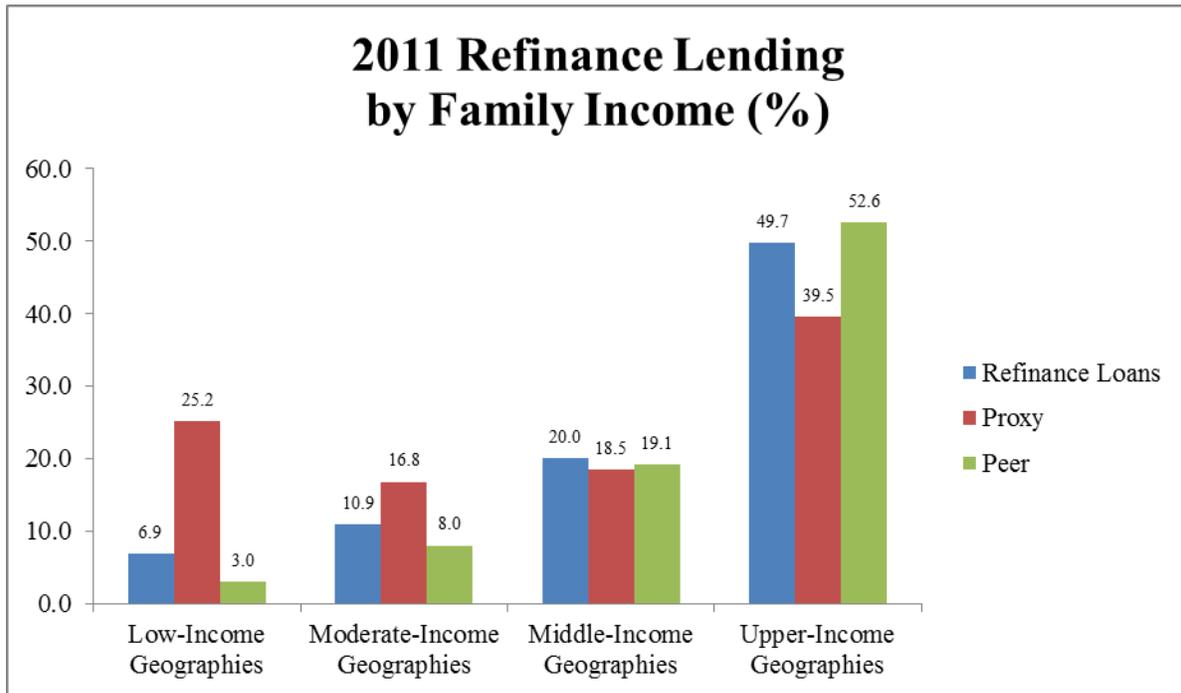
Overall, the level of lending to low-income borrowers was slightly below the percentage of low-income families (proxy) and exceeded the peer. The level of lending to moderate-income borrowers is close to the proxy and peer each year. Given the comments made by community contacts regarding the age and quality of housing stock, the distribution of home improvement lending among borrowers of different incomes is good.

Home Purchase



The level of lending to low-income borrowers is well below the percentage of low-income families (proxy) and slightly higher than peer. In 2011, the level of lending to moderate-income borrowers is slightly below the proxy and peer. In 2012, the level of lending to moderate-income borrowers was lower than the proxy and peer. Therefore, the distribution of home purchase lending among borrowers of different incomes is adequate.

Refinance



The level of lending to low-income borrowers for refinance loans is well below the percentage of low-income families (proxy) and higher than the peer. The level of lending to moderate-income borrowers was consistent in 2011 and 2012 - lower than proxy and higher than peer. Therefore, the distribution of refinance lending among borrowers of different incomes is adequate.

Community Development Lending

Within the nonmetropolitan Kentucky assessment area, the bank originated 34 community development loans totaling \$6.4 million, which represents 87.8% of the bank’s community development lending by dollar amount during the review period. The majority of these loans supported providing community services to low and-moderate-income residents and areas. The remaining community development loans supported economic development that resulted in the creation of jobs or the revitalization and stabilization in moderate-income and distressed and/or underserved middle-income areas. Whitaker has an excellent level of community development lending in nonmetropolitan Kentucky.

Investment Test

Whitaker funded investments totaling approximately \$11.0 million during the review period in this assessment area. The following table summarizes the investments made:

Investment Type (Community Development Purpose)	Amount	Details
13 Fixed Income Bonds issued by various school districts (Community Services - education for low- and moderate-income)	\$9,880,000	<ul style="list-style-type: none"> • More than 50% of students served by all but one of the school districts are eligible for free or reduced cost lunches. • One school district serves a county comprised entirely of moderate-income geographies.
Investment in a Housing Fund Low-Income Housing Tax Credits (LIHTC) - supporting affordable housing	\$1,000,000	<ul style="list-style-type: none"> • Supports the development of affordable housing • The majority of housing projects supported by the fund are located within nonmetropolitan Kentucky
Financial Literacy Training (Community Services – education for low- and moderate-income students)	\$67,500	<ul style="list-style-type: none"> • Sponsorship of a third-party company to deliver financial literacy education curriculum to students at schools where more than 50% of students are eligible for free or reduced cost lunches.
Grants (Various – including Community Services, Economic Development, Revitalization and support for areas declared eligible federal disaster aid)	\$42,346	<ul style="list-style-type: none"> • Support for a variety of local and civic organization throughout the assessment area
Total	\$10,989,846	

A portion of the grants made during the review period were for relief efforts related to damage caused by severe storms, tornadoes, straight-line winds, and flooding that impacted portions of the assessment area in March 2012. President Obama declared⁶ Johnson, Kenton, Laurel, Lawrence, Menifee, Morgan, and Pendleton Counties eligible for federal disaster aid to help individuals and business owners recover from the effects of the disaster.

Whitaker made 99.5% of its total community development investments in this assessment area, which is greater than the percentage of total deposits at 75.7% and branch offices at 80.0%. This is considered to be an excellent level of qualified community development investments and grants and the bank is occasionally in a leadership position.

Service Test

Retail Services

Delivery services are reasonably accessible. The bank closed one branch in an upper-income census tract since the previous examination. The closing of this branch has not adversely affected the accessibility of its delivery systems. Business hours and services provided do not vary in a way that inconveniences certain portions of the assessment area, including low- and moderate-income geographies or families and are consistent with the services and hours discussed in the institution assessment.

Whitaker has a total of 28 branches within this assessment area, including four in moderate-income, 18 in middle-income, and six in upper-income census tracts. The branches in this assessment area represent 80.0% of all the institution’s banking centers.

Whitaker has a total of 36 ATMs in within the assessment area – 25 are full-service ATMs located on branch premises and one is a full-service stand-alone ATM located in close proximity to a branch. Four ATMs are located in moderate-income census tracts, 15 in middle-income census tracts, and seven in upper-income census tracts. The ATMs in this assessment area represent 73.5% of all the institution’s ATMs.

The following table illustrates the percentage of banking centers and full service ATMs in low-income, moderate-income, middle-income, and upper-income census tracts in comparison to the percentage of tracts and the percentage of families living in those tracts.

Tract Income Category	Percentage of Branches	Percentage of ATMs	Percentage of Tracts*	Percentage of Families in Tracts*
Low	0.0%	0.0%	4.9%	2.3%
Moderate	14.3%	15.4%	27.5%	24.0%
Middle	64.3%	57.7%	45.8%	49.8%
Upper	21.4%	26.9%	21.8%	23.9%

* 2010 U.S. Census Data

⁶ <http://www.fema.gov/news-release/2012/03/06/president-declares-disaster-kentucky>

This branch and ATM distribution reflects a reasonable dispersion given the presence in moderate-income tracts and the high presence in middle-income tracts, within reasonable proximity to the residents of the low- and moderate-income tracts.

Community Development Services

Whitaker staff provided an adequate level of community development services in this assessment area during the review period. The majority of services provided are for the provision of community services to low- and moderate-income individuals. Other services provided support for the revitalization of low- and moderate-income and middle-income distressed and underserved geographies throughout the assessment area, financial literacy to low- and moderate-income families, and economic development to support the creation of jobs.

Examples of qualified services provided by bank staff include:

- Corbin Industrial Development Board – bank employees provide financial expertise to this organization that focuses on retaining and creating jobs in the community.
- The Harrodsburg-Mercer County Industrial Development Authority – a bank employee provides expertise by serving on the board of directors of this organization by local government to support existing industry in the community and to promote the area for new business investment.
- Montgomery County High School – bank employees provide financial expertise and oversee management of the student run bank program that lends money and has deposit accounts for students.
- Youth Center Service Board – an employee provides financial expertise to establish budgets for this organization that provides various services, including housing and utility payment assistance, to low- and moderate-income residents of the community.

**DESCRIPTION OF INSTITUTION'S OPERATIONS
IN LEXINGTON-FAYETTE KENTUCKY MSA 30460**

Whitaker's assessment area consists of the entire Lexington-Fayette Kentucky MSA (Lexington MSA). The Lexington MSA is comprised of the entireties of Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford Counties

According to the 2010 U.S. Census, there are 129 census tracts located in the assessment area, of which 12 (9.3%) are low-income, 32 (24.8%) are moderate-income, 47 (36.4%) are middle-income, and 38 (29.5%) are upper-income.

Whitaker had 3.4% of the deposits in this assessment area as of June 30, 2012,⁷ which ranked the bank ninth of 33 institutions. Deposits in this assessment area accounted for 24.3% of the institution's deposits. The following summarizes the deposit market share of the top ten institutions in the assessment area:

#	Financial Institution	Deposit Market Share
1	Central Bank & Trust Company	17.4%
2	JPMorgan Chase Bank, National Association	13.8%
3	Fifth Third Bank	10.9%
4	PNC Bank, National Association	7.3%
5	Traditional Bank, Inc.	6.3%
6	Branch Banking and Trust Company	4.9%
7	United Bank & Trust Company	4.8%
8	Kentucky Bank	4.6%
9	Whitaker Bank, Inc.	3.4%
10	Community Trust Bank, Inc.	3.4%

Between January 1, 2011 and December 31, 2012, Whitaker originated 454 CRA loans and 227 HMDA loans, which represents 10.1% and 5.0%, respectively, of total loans originated during this evaluation period. This assessment area had the smallest number of CRA and HMDA loans during this period representing 15.1% of all originations during this period.

Whitaker was ranked ninth of 64 CRA reporters in 2011. American Express Bank, FSB was ranked first, Chase Bank USA, National Association was ranked second, Central Bank & Trust Company was ranked third, and PNC Bank, National Association was ranked fourth. In 2012, Whitaker was ranked 12th of 59 reporters. American Express Bank, FSB was ranked first, Central Bank & Trust Company was ranked second, Capital One, National Association was ranked third, and Chase Bank USA, National Association was ranked fourth. In each year, three of the four largest CRA reporters primarily originated business credit cards.

⁷ <http://www2.fdic.gov/sod/sodMarketBank2.asp>

Whitaker was ranked 35th of 283 HMDA reporters in 2011. Wells Fargo Bank, National Association was ranked first, JPMorgan Chase Bank, National Association was ranked second, Bank of America, National Association was ranked third, and Fifth Third Mortgage Company was ranked fourth. In 2012, Whitaker was ranked 39th of 289 reporters with Wells Fargo Bank, National Association and JPMorgan Chase Bank, National Association was ranked again first and second, respectively. Guardian Savings Bank FSB was ranked third and Central Bank & Trust Company was ranked fourth.

Two community contacts were conducted to provide additional information regarding the assessment area. One of the contacts represented an agency that works with small businesses in the Lexington MSA. The contact indicated there are opportunities for small businesses to grow; however, seasoned small business owners are cautious given the recent economic downturn. Many new small business owners continue to maintain full-time employment for financial support, while the new small business becomes established. In addition, many new small business owners have personal credit problems that must be addressed before approaching banks for financing. The vast majority of small businesses in the assessment area are service-oriented, comprised of restaurants, hair care, nail salons, and fitness-related services. Local area banks and credit unions seem willing to originate small business loans and credit standards have been tightened. To address this, several initiatives of pooled loan funds are available for both small business owners and banks to mitigate the risk of lending to small businesses. The contact indicated there are opportunities for banks to provide training for small business entrepreneurs on basic financial literacy and budgeting.

Another contact was a realtor that works primarily with first time home buyers and listing homes in the range of \$100,000 - \$175,000. Fayette County has not experienced the same level of foreclosures as the rest of the nation. There is an inventory of distressed sales; however, these are not viable opportunities for low- and moderate-income buyers given the current environment of rising interest rates and the length of time it takes for distressed sales to settle. Despite the shortage of inventory, there are non-distressed affordable homes available. The contact indicated first-time and low- and moderate-income homebuyers are not necessarily looking in low- and moderate- income areas, but at affordable homes in middle-income and upper-income areas. Many of these homebuyers have credit issues and do not understand that it will take time for them to repair their credit. For homes in the affordable range of \$60,000-\$80,000, housing stock is available; however, the homes are older and may require updating. Many buyers are not willing to see past the dated features and want a move-in ready home. Further, those that see the possibilities may not understand and possess the financial resources necessary to make the updates and maintain the home properly after purchasing it. There is a limited amount of new construction for homes in the affordable range of \$85,000-\$125,000; however, most of these homes have two bedrooms and one bathroom, which are not desirable for families. Development of condominium/townhome communities is taking place, but the price ranges are not affordable. New construction of spec homes has resumed without bank financing; homebuilders are financing the cost of construction. The contact indicated financial institutions are responsive to the financial needs of first-time and low- and moderate-income home buyers. A few loan officers are willing to invest the time with these buyers to provide counseling.

Community based organizations are available to provide potential homebuyers with counseling to address credit issues. Special programs allowing for reduced down payments and no private mortgage insurance are no longer available, but still needed.

Population Characteristics

The population in the assessment area was 472,099 in 2010, with about 35.2% of the population living in low- and moderate-income tracts. In addition, 77.3% of the population was 18 years of age or older, which is the legal age to enter into a contract.

The following table shows the population by county in the assessment area for 2000 and 2010, with the percentage of the population increase during that time. Overall, the population with in the assessment area increased 15.6%, with Scott and Jessamine Counties showing the most significant percentage increases. The overall growth in the MSA of 15.6% is almost double the 7.4% increase in the Commonwealth of Kentucky.

County Name	2000 Population	2010 Population	Percentage Change from 2000 to 2010
Bourbon County	19,360	19,985	3.2%
Clark County	33,144	35,613	7.4%
Fayette County	260,512	295,803	13.5%
Jessamine County	39,041	48,586	24.4%
Scott County	33,061	47,173	42.7%
Woodford County	23,208	24,939	7.5%
Lexington Fayette 30460 MSA	408,326	472,099	15.6%

Income Characteristics

The median family income of the MSA was \$66,200 in 2011 and \$67,100 in 2012, which was higher than Kentucky’s 2012 median family income of \$53,000. Median family income levels from the 2010 U.S. Census ranged from a low of \$46,111 in Bourbon County to a high of \$68,219 in Scott County. The following table summarizes the thresholds for the various income levels based on HUD estimated family income.

**Borrower Income Levels
Lexington-Fayette, KY, MSA**

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2011	\$66,200	0 - \$33,099	\$33,100 - \$52,959	\$52,960 - \$79,439	\$79,440 - & above
2012	\$67,100	0 - \$33,549	\$33,550 - \$53,679	\$53,680 - \$80,519	\$80,520 - & above

In 2012, the assessment area contained 188,309 households, of which 118,564 (63.0%) were families. Of the total families in the assessment area, 23.3% were low-income, 16.3% were moderate-income, 20.1% were middle-income, and 40.3% were upper-income. In 2012, 13,441 (11.3%) of families were below the poverty level. Bourbon County had the highest percentage of low- and moderate-income families, with 54.1% of families being either low- or moderate-income.

Housing Characteristics

There were 205,317 housing units in the assessment area as of the 2010 U.S. Census. The owner-occupancy rate was 55.5%, with a high of 69.1% in Woodford County and a low of 51.8% in Fayette County. From an income perspective, 36.8% of housing units and 25.8% of owner-occupied units were either in a low-income or moderate-income tract. 17,008 units (8.3%) were vacant.

As of the 2010 U.S. Census, the median age of the housing stock was 32 years, with 13.0% of the stock built before 1950. The newest housing stock was in Scott and Jessamine Counties, with a median age of 19 and 23 years, respectively, while the oldest was in Bourbon County with a median age of 40 years.

The median housing value in this assessment area was \$156,580 with an affordability ratio of 31.0%. The ratios ranged from a low of 29.7% in Bourbon County to a high of 36.6% in Scott County. 82.3% of owner-occupied units were valued at \$100,000 or greater, making a majority non-affordable for low-income families. Based on the median family income of \$67,100 for the assessment area, annual incomes for a low-income family would be \$33,500 and \$53,680 for a moderate-income family. Assuming borrowers could reasonably pay 28.0% of gross income per month towards a mortgage payment (including taxes and insurance), a low-income borrower could pay \$782/month and a moderate-income borrower \$1,253/month. Based on a 30-year fixed rate loan at 4.50%, a low-income borrower would qualify for a \$125,000 mortgage assuming \$150 of the monthly payment was for taxes and insurance. Moderate-income borrowers would qualify for a \$202,000 mortgage, assuming \$230 of the monthly payment was for taxes and insurance. Approximately 35.0% of the housing stock in the assessment area is valued less than \$100,000 and would be affordable for both low- and moderate-income borrowers. 29.1% of the housing stock is valued between \$100,000 and \$150,000. All of the housing stock in this range is affordable for moderate-income borrowers, with the majority affordable for low-income borrowers based on how much of a down payment is available.

According to RealtyTrac,⁸ a leading source for foreclosure information, the following information about foreclosure filings and the number of foreclosure properties in this assessment area is included in the table below:

⁸ <http://www.realtytrac.com/trendcenter/>

County	Foreclosed Properties in June 2013	Ratio of Properties Receiving Foreclosure Filings in June 2013
Bourbon	3	1 : 2,707
Clark	1	1 : 15,490
Fayette	1	1 : 1,430
Jessamine	5	1 : 3,174
Scott County	1	1 : 16,504
Kentucky	725	1 : 2,625
United States	125,000	1 : 1,026

Based on the information available, Fayette County has the highest foreclosure rate and was ranked the fourth highest county in the Commonwealth of Kentucky. Scott County has the lowest foreclosure rate in this assessment area.

Building permits for 2011 and 2012⁹ for the Lexington MSA, Kentucky, and the nation are included in the following table:

Geography Name	2011	2012	+/- Change
Lexington MSA	1,501	2,318	54.4%
Kentucky	7,782	9,725	25.0%
United States	624,061	829,658	32.9%

Building permits increased in the Lexington MSA from 2011 through 2012, which was higher than the nationwide figure during that time. The increase in the number of building permits could indicate that the demand for new homes increased in the MSA during the evaluation period.

The median gross rent in the assessment area was \$682 as of 2010. The lowest median gross rent was \$581 in Bourbon County, while the highest was \$724 in Woodford County. The lowest rents (those less than \$350) comprised 8.7% of the rental units, while 13.4% of units had rental costs between \$350 and \$500. About 59.9% and 47.9% of the housing units in low- and moderate-income tracts, respectively, are comprised of rental units. These numbers indicate that demand for single-family home loans would be limited in low- and moderate-income tracts and more concentrated in middle-income and upper-income tracts. While rental and mortgage costs are comparable, rental units are more abundant than single-family homes in lower-income areas.

⁹ U.S Census Bureau Building Permits Survey: <http://www.census.gov/construction/bps/>

Labor, Employment, and Economic Characteristics

The University of Kentucky is the largest employer in the Lexington MSA. As of fiscal year-end June 30, 2013,¹⁰ the University of Kentucky employed 20,111, of which 12,189 were classified as full-time employees. These employment figures include the UK Healthcare Hospital System. Total student enrollment as of the fall 2012 semester was 28,928.

Other major employers¹¹ in this assessment area include, but are not limited to, the following:

Employer	Estimated Number of Employees	County
Toyota Manufacturing of Kentucky	7,900	Scott
Lexmark	2,656	Fayette
Xerox	2,300	Fayette
Lockheed Martin	1,867	Fayette
Amazon.com	1,100	Fayette

The following table illustrates the unadjusted unemployment rates for 2011 and 2012 for the counties comprising the Lexington MSA, Lexington MSA, and the Commonwealth of Kentucky.

Unemployment Rates
Assessment Area: Lexington-Fayette, KY MSA

Area	Years - Annualized	
	2011	2012
Bourbon Co.	9.0 (E)	7.7 (E)
Clark Co.	9.9 (E)	8.0 (E)
Fayette Co.	7.4 (E)	6.3 (E)
Jessamine Co.	8.3 (E)	7.1 (E)
Scott Co.	8.5 (E)	6.9 (E)
Woodford Co.	7.3 (E)	5.8 (E)
Lexington-Fayette KY MSA	7.9 (E)	6.6 (E)
Kentucky	9.5 (D)	8.2 (D)

Not Seasonally Adjusted

D : Reflects revised population controls and model reestimation.

E : Reflects revised inputs, reestimation, and controlling to new statewide totals.

10 University of Kentucky Credit Report: <http://www.uky.edu/Purchasing/docs/ukcreditrpt.pdf>

11 Kentucky Cabinet for Economic Development: <http://thinkkentucky.com/EDIS/cmnty/cmntyindex.aspx?param=1>

Unemployment rates decreased from 2011 to 2012 with unemployment levels below the Commonwealth's unemployment rate. Fayette County drives the lower unemployment rate for Lexington MSA.

Combined Demographics Report

Assessment Area(s): Lexington Fayette KY MSA 2011 30460

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	2,618	8.9	2,201	8.3	282	16.2	135	12.8	
Moderate-income	4,983	17.0	4,470	16.9	329	18.9	184	17.5	
Middle-income	11,207	38.3	10,223	38.6	587	33.7	397	37.7	
Upper-income	10,442	35.6	9,579	36.2	532	30.5	331	31.4	
Unknown-income	44	0.2	24	0.1	13	0.7	7	0.7	
Total Assessment Area	29,294	100.0	26,497	100.0	1,743	100.0	1,054	100.0	
Percentage of Total Businesses:				90.5		6.0		3.6	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	21	1.7	21	1.7	0	0.0	0	0.0	
Moderate-income	179	14.3	175	14.5	3	7.1	1	11.1	
Middle-income	532	42.4	506	42.1	22	52.4	4	44.4	
Upper-income	522	41.6	501	41.6	17	40.5	4	44.4	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	1,254	100.0	1,203	100.0	42	100.0	9	100.0	
Percentage of Total Farms:				95.9		3.3		.7	

Based on 2011 D&B information according to 2000 Census Boundaries.

Combined Demographics Report

Assessment Area(s): Lexington Fayette KY MSA 2012 30460

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	12	9.3	6,987	5.9	2,158	30.9	27,630	23.3	
Moderate-income	32	24.8	30,127	25.4	5,350	17.8	19,368	16.3	
Middle-income	47	36.4	45,050	38.0	4,483	10.0	23,784	20.1	
Upper-income	38	29.5	36,400	30.7	1,450	4.0	47,782	40.3	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	129	100.0	118,564	100.0	13,441	11.3	118,564	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-Occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	16,433	4,502	4.0	27.4	9,843	59.9	2,088	12.7	
Moderate-income	59,071	24,909	21.9	42.2	28,309	47.9	5,853	9.9	
Middle-income	74,924	46,136	40.5	61.6	23,498	31.4	5,290	7.1	
Upper-income	54,889	38,390	33.7	69.9	12,722	23.2	3,777	6.9	
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0	
Total Assessment Area	205,317	113,937	100.0	55.5	74,372	36.2	17,008	8.3	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	1,681	6.3	1,440	5.9	170	10.9	71	7.6	
Moderate-income	6,571	24.4	5,895	24.2	415	26.6	261	27.9	
Middle-income	10,424	38.8	9,419	38.6	648	41.5	357	38.2	
Upper-income	8,212	30.5	7,640	31.3	327	21.0	245	26.2	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	26,888	100.0	24,394	100.0	1,560	100.0	934	100.0	
Percentage of Total Businesses:				90.7			5.8	3.5	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#	%
Low-income	14	1.1	14	1.1	0	0.0	0	0.0	
Moderate-income	209	16.6	206	16.9	2	5.1	1	100.0	
Middle-income	601	47.7	578	47.4	23	59.0	0	0.0	
Upper-income	435	34.6	421	34.5	14	35.9	0	0.0	
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0	
Total Assessment Area	1,259	100.0	1,219	100.0	39	100.0	1	100.0	
Percentage of Total Farms:				96.8			3.1	.1	

Based on 2012 D&B information according to 2010 ACS Boundaries.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
LEXINGTON-FAYETTE KENTUCKY MSA**

Lending Test

Within the assessment area, the bank’s lending levels reflect a good responsiveness to the credit needs of the community. The bank made two community development loans in the area. Whitaker has a good geographic distribution of loans in the area and a good distribution among borrowers of different income levels and to businesses of different revenue sizes. This results in a good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses with gross annual revenues of \$1 million or less, consistent with safe and sound operations.

The greatest weight was given to the evaluation of small business lending, followed by small farm, home purchase, refinance, and home improvement lending. There were not enough multi-family loans to conduct a meaningful analysis.

Details of the bank’s mortgage and small business lending, as well as information regarding lending by peers, can be found in Appendix C.

Given the number and dollar amounts of small business, small farm, and HMDA loans originated in the market area, as well as the bank’s strategic objectives, economic conditions, and competitive factors, Whitaker demonstrates a good responsiveness to local credit needs.

Lending Activity

Whitaker originated 293 small business loans, 161 small farm loans, 103 home purchase loans, 89 refinance loans, 24 home improvement loans and two community development loans during the evaluation period. The percentage of the bank’s total lending at 15.1% is less than the percentage of total deposits at 24.3% in this area.

Lending gaps in low- and moderate-income tracts were noted in the bank’s lending and are illustrated below:

Tract Income Level	Number of Tracts	Tracts with no Loans	Penetration
2011			
Low	9	3	66.7%
Moderate	21	7	66.7%
2012			
Low	12	5	58.3%
Moderate	32	14	56.3%

In 2011, low-income tracts with no loans represented 2.4% of the population, 1.2% of families, and 1.5% of housing units. Also, 64.0% of the housing units in the low-income tracts with no loans were rental units. Further, 32.6% of the families residing in low-income tracts are considered to be below the poverty level.

In 2012, low-income census tracts with no loans represented 3.5% of the population, 2.3% of families, and 3.0% of housing units. Also, 58.4% of housing units in low-income tracts with no loans were rental units. Further, 30.9% of the families residing in low-income tracts are considered to be below the poverty level.

In 2011, moderate-income tracts with no loans represented 6.8% of the populations, 6.4% of families, and 6.7% of housing units. Also, 41.5% of housing units in moderate-income census tracts with no loans were rental units. In 2012, middle-income tracts with no loans represented 11.8% of the population, 11.3% of families, and 12.3% of housing units, and 46.5% of housing units in moderate-income census tracts with no loans were rental units. Based on 2000 U.S. Census data, 13.5% of families residing in moderate-income tracts are considered to be below the poverty level and increased to 17.8% of families based on 2010 U.S. Census data.

Overall, lending penetration rates were generally more favorable in middle- and upper-income tracts compared to low- and moderate-income tracts. Lending penetration rates in middle-income census tracts were 73.2% in 2011 and 70.2% in 2012. Lending penetration rates in upper-income census tracts were 87.0% in 2011 and 63.2% in 2012.

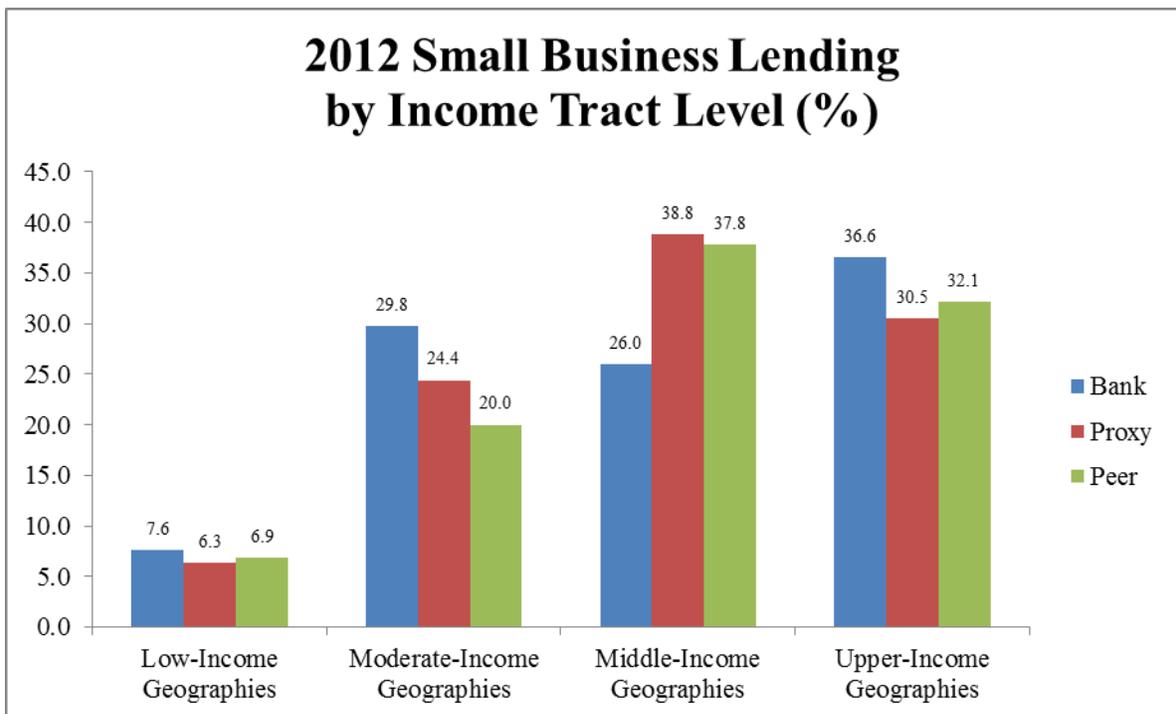
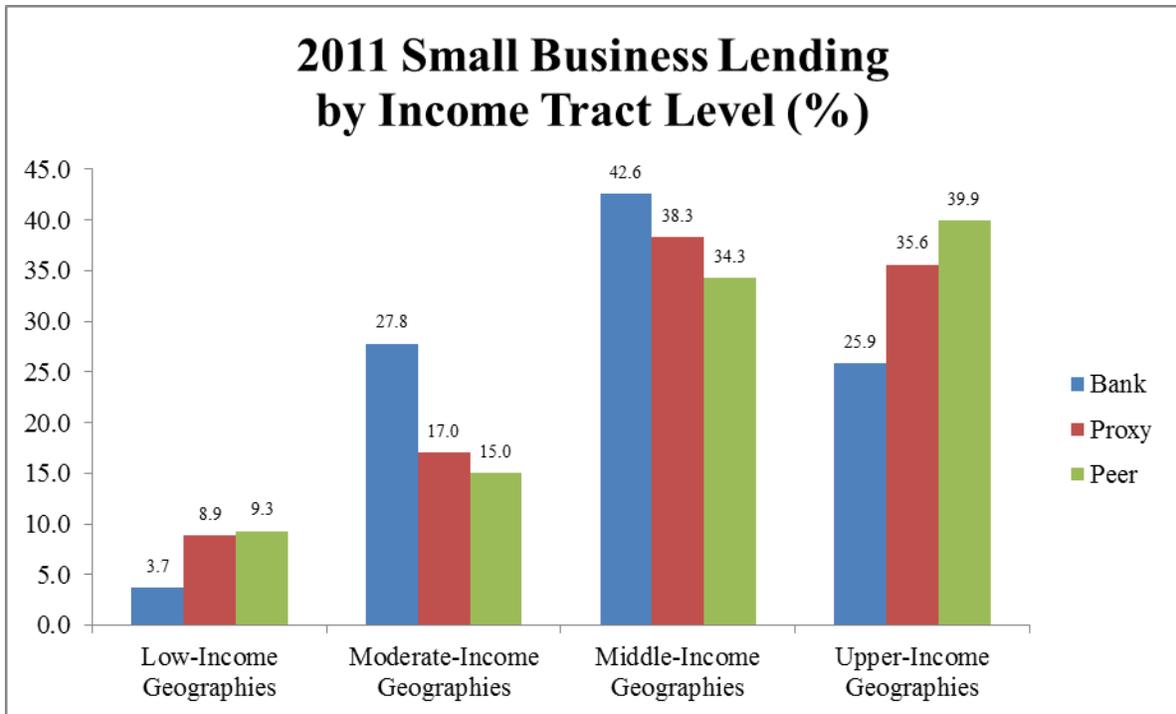
Based on these factors, there appears to be limited opportunity to originate residential mortgage loans for owner-occupied housing units in the tracts where no loans were originated.

Geographic Distribution

Overall, Whitaker's distribution of loans among geographies is considered good. CRA small business lending, which received the greatest weight, is good. Small farm lending is also good. Due to the lower volume of both home improvement and refinance loans, these products were combined with home purchase lending in this analysis and collectively referred to as residential mortgage lending. Residential mortgage lending, which received the least weight, is good.

Small Business Lending

Whitaker originated 162 small business loans in 2011 and 131 in 2012. The following tables summarize the geographic distribution of the small business loans originated compared to the number of small businesses located in tracts by income level and the geographic distribution of the aggregate of small business loans originated by all lenders required to report CRA small business loan data (peer) in the assessment area.



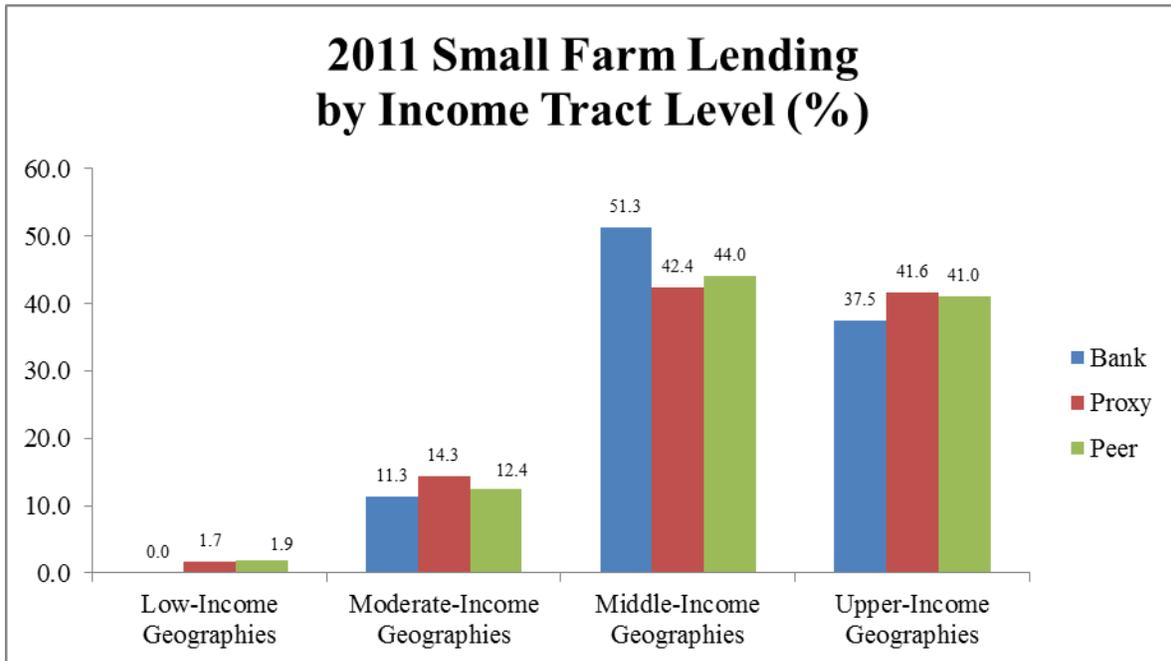
As shown in the charts above, the geographic distribution of small business loans in 2011 is below the number of small businesses located in low-income tracts (proxy). Whitaker originated 3.7% of small business loans in low-income tracts, lower than the 8.9% of small business loans located in moderate-income tracts (proxy) and the aggregate of all lenders (peer) at 9.3%.

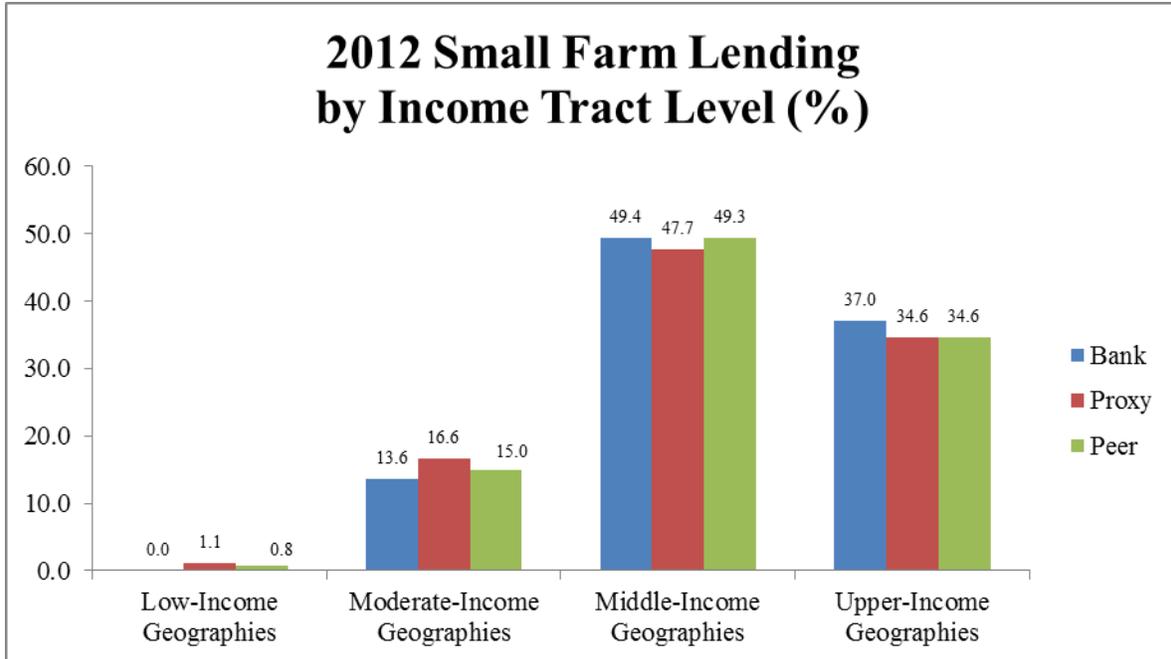
In 2012, Whitaker originated 7.6% of small business loans in low-income tracts, slightly higher than the proxy at 6.3% and peer at 6.9%.

In 2011, Whitaker originated 27.8% of small business loans in moderate-income tracts, exceeding the 17.0% of small businesses located in moderate-income tracts (proxy) and higher than the peer at 15.0%. In 2012, Whitaker originated 29.8% of small business loans in moderate-income tracts, exceeding the proxy at 24.4% and peer at 20.0%. Therefore, the geographic distribution of small business lending is good.

Small Farm Lending

Whitaker originated 80 small farm loans in 2011 and 81 in 2012. The following tables summarize the geographic distribution of the small farm loans originated compared to the number of small farms located in tracts by income level and the geographic distribution of the aggregate of small farm loans originated by all lenders required to report CRA small farm loan data (peer) in the assessment area.



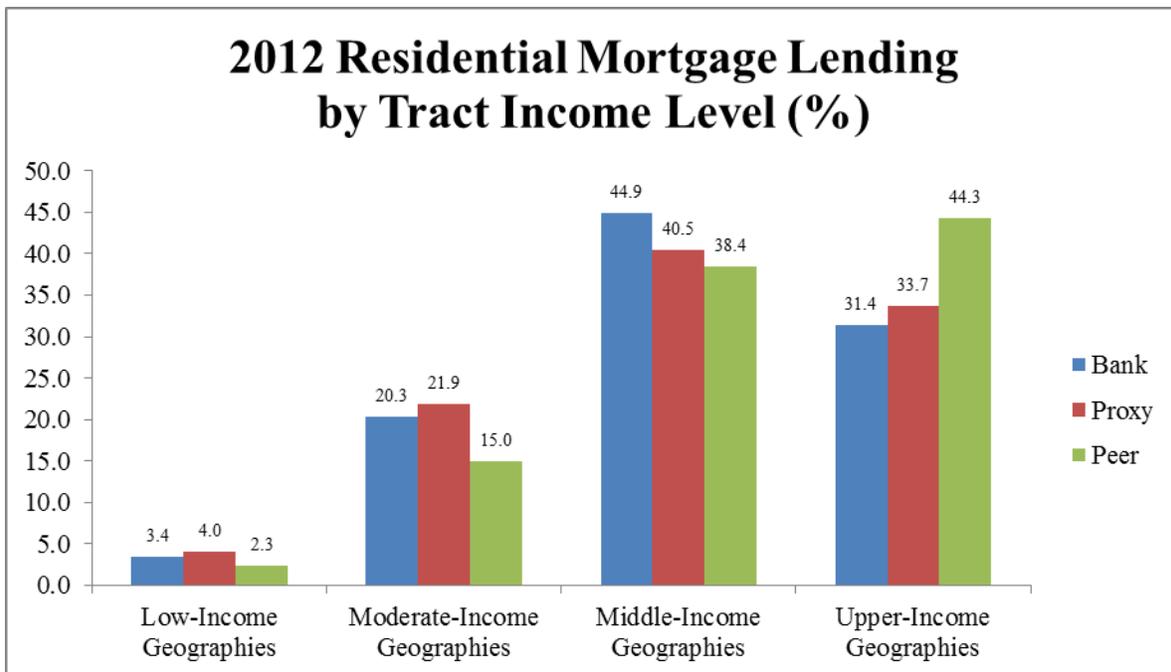
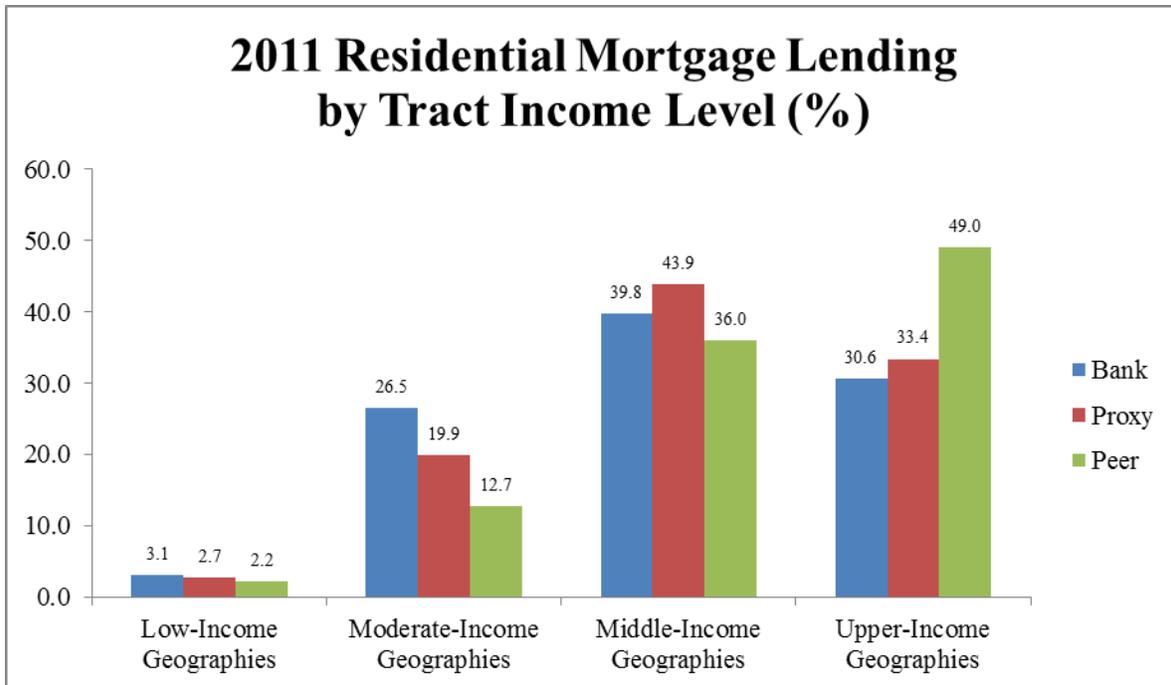


In 2011 and 2012, Whitaker originated no small farm loans in low-income tracts. The opportunity to originate small farm loans in low-income tracts is limited given that 1.7% and 1.1% of all small farms in the area were located in low-income tracts in 2011 and 2012, respectively.

In 2011, Whitaker originated 11.3% of small farm loans in moderate-income tracts, lower than the 14.3% of small farms located in moderate-income tracts (proxy) and slightly lower than the peer at 12.4%. In 2012, Whitaker originated 13.6% of small farms loans in moderate-income tracts, lower than the proxy at 16.6% and peer at 15.0%. Therefore, the geographic distribution of small farm lending is good.

Residential Mortgage Lending

Out of all residential mortgage loans originated, home purchases were the largest category, with 103 loans originated during the review period, followed by refinance loans at 89 and home improvement loans at 24. Due to the insufficient volume of refinance and home improvement loans, all residential mortgage lending products were combined in order to conduct a meaningful analysis.



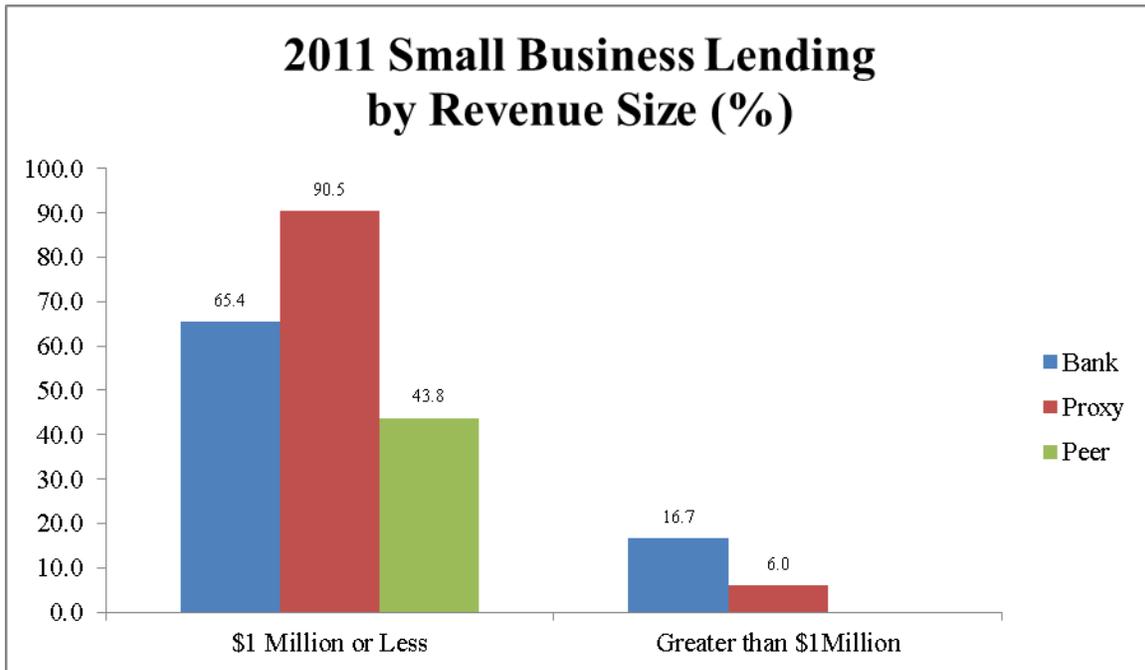
As shown in the charts above, the geographic distribution of residential mortgage loans in 2011 and 2012 was similar to the number of owner-occupied homes (proxy) in low-income tracts and exceeded the aggregate of all lenders (peer) in 2012. Residential mortgage lending exceeded both the proxy and the peer in moderate-income tracts in 2011 and only exceeded the peer in 2012. As a result, lending in low- and moderate-income tracts is good.

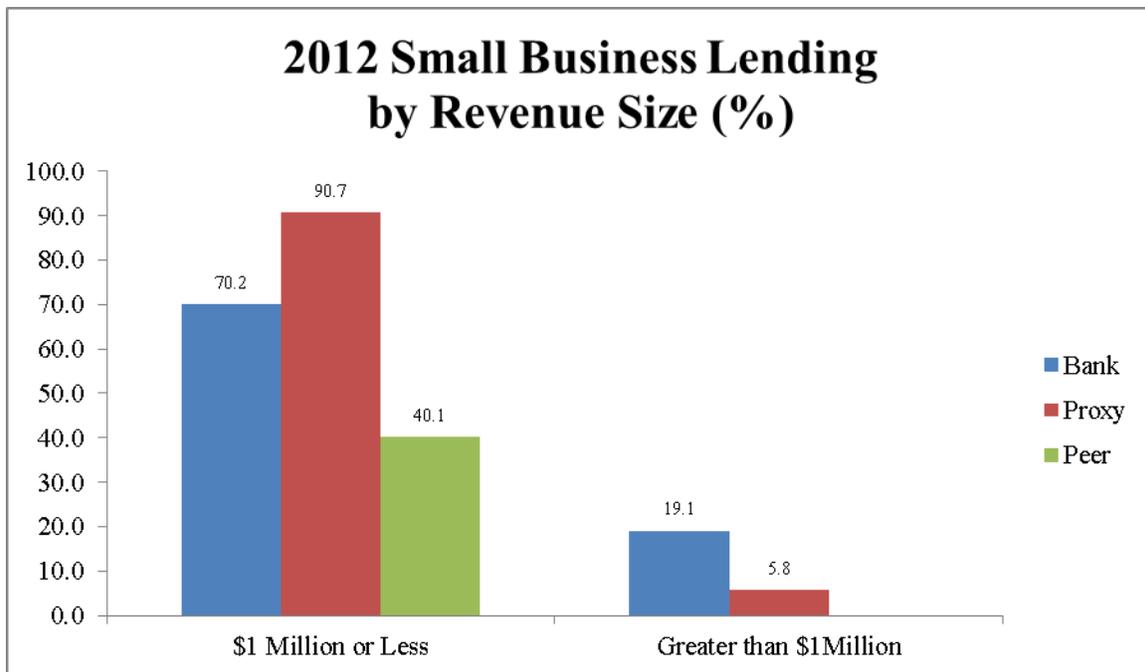
Distribution by Borrower Income and Revenue Size of the Business

Overall, the distribution of loans based on borrower’s income and revenue size of businesses is good. Small business lending, which received the greatest weight, is considered good, followed by small farm lending, which is also considered good. The distribution of residential mortgage lending among borrowers of different income levels, which received the least weight, is adequate.

Small Business Lending

90.5% of businesses in 2011 and 90.7% of businesses in 2012 within the bank’s assessment area have annual revenues less than \$1 million. The following tables summarize the bank’s level of lending to small businesses compared to the number of small businesses in the assessment area with revenues less than \$1 million (proxy) and the aggregate of all lenders required to report CRA small business loan data (peer):





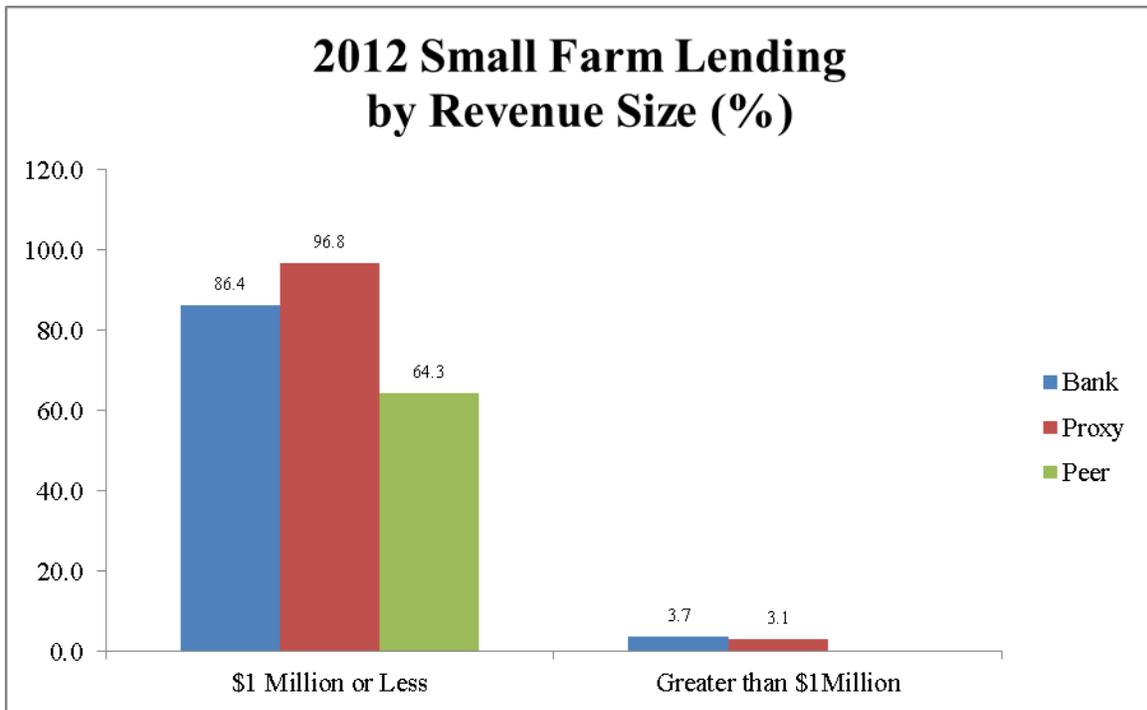
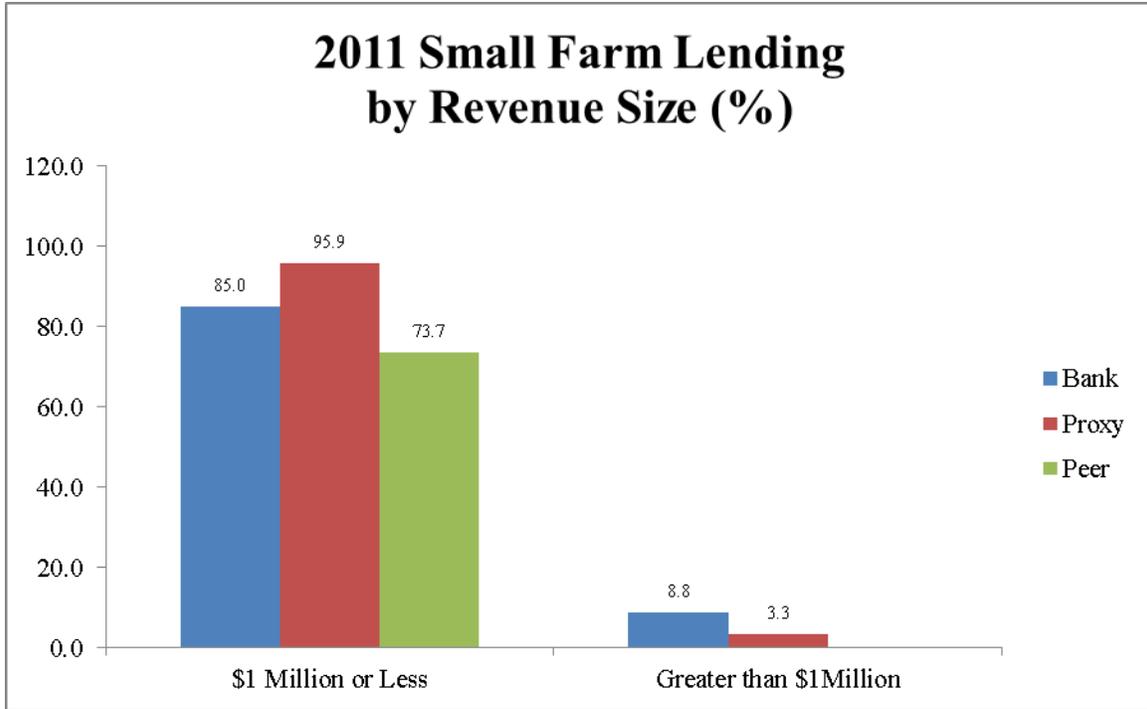
Note: Peer information is not available for small business loans to businesses with revenues greater than \$1 million.

In 2011, Whitaker originated 65.4% of small business loans to businesses with annual revenues less than \$1 million. This is lower than the 90.5% of small businesses in the assessment area with annual revenues less than \$1 million (proxy) and higher than the aggregate of all lenders (peer) at 43.8%. In 2012, Whitaker originated 70.2% of small business loans to businesses with annual revenues less than \$1 million, lower than the proxy at 90.7% and significantly higher than peer at 40.1%. Therefore, the distribution among businesses of different revenue levels is good.

Further analysis of small business lending shows 87.7% and 92.6% of the bank’s small business loans in 2011 and 2012, respectively, were for \$100,000 or less, which is slightly less than the peer’s at 88.6% in 2011 and greater than the peer’s at 90.1% in 2012. Typically, the extent to which a bank is willing to extend loans in amounts of \$100,000 or less is reviewed because smaller businesses often have a greater need for small-dollar loans. This demonstrates a good responsiveness to meeting the credit needs of small businesses in this area.

Small Farm Lending

In 2011, 95.9% of farms had revenues less than \$1 million, but increased to 96.8% in 2012. The following tables summarize the bank’s level of lending to small farms compared to the number of small farms in the assessment area with revenues less than \$1 million (proxy) and the aggregate of all lenders required to report CRA small farm loan data (peer):



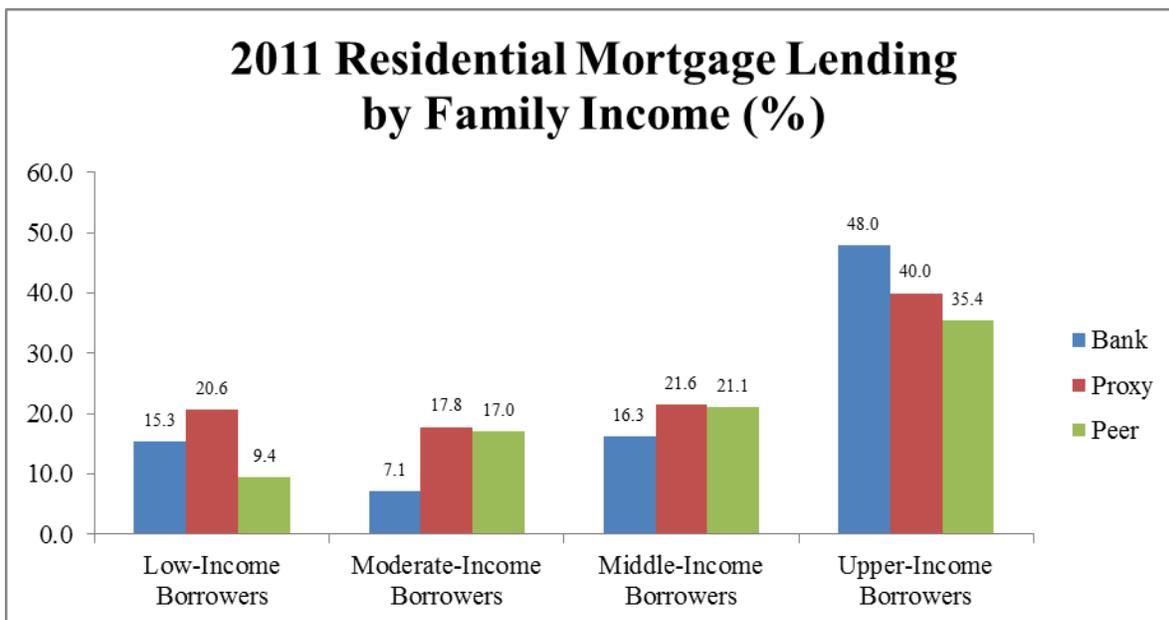
Note: Peer information is not available for small farm loans to farms with revenues greater than \$1 million.

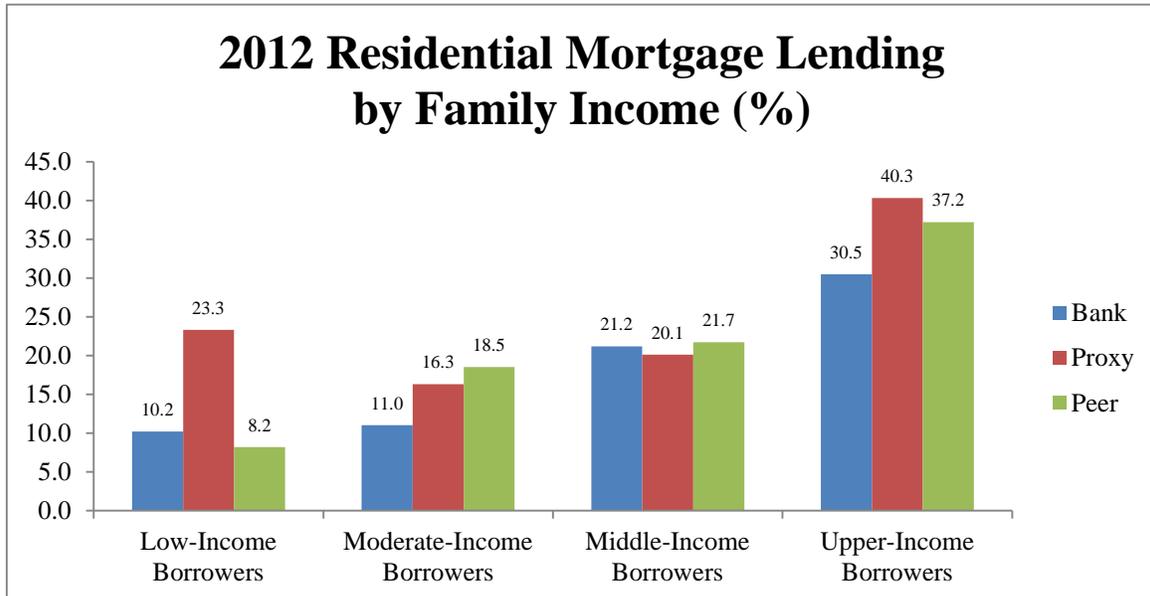
In 2011, Whitaker originated 85.0% of small farm loans to farms with annual revenues less than \$1 million. This is lower than the 95.9% of farms in the assessment area with revenues less than \$1 million (proxy) and higher than the peer at 73.7%. In 2012, Whitaker originated 86.4% of small farm loans to farms with annual revenues less than \$1 million. This is slightly lower than the proxy at 96.8% and higher than the peer at 64.3%. Therefore, the distribution among farms of different revenue levels is good.

Further analysis of small farm lending shows 85.9% and 87.1% of the bank's small business loans in 2011 and 2012, respectively, were for \$100,000 or less, which is greater than the peer's at 69.5% in 2011 and 73.8% in 2012. Typically, the extent to which a bank is willing to extend loans in amounts of \$100,000 or less is reviewed because smaller businesses often have a greater need for small-dollar loans. This demonstrates an excellent responsiveness to meeting the credit needs of small farms in this area.

Residential Mortgage Lending

Home purchases were the largest category of residential mortgage loans originated during the review period. As indicated earlier, due to the insufficient volume of refinance and home improvement loans, all residential mortgage lending products were combined in order to conduct a more meaningful analysis. The following tables summarize the level of lending to borrowers of different income levels for residential mortgage lending products:





As shown in the charts above, the borrower distribution of residential mortgage loans to low- and moderate-income borrowers is below the percentage of families (proxy). The bank’s percentage of lending to low-income borrowers slightly exceeded peer but the bank’s percentage of lending to moderate-income borrowers fell significantly below peer. Overall, the distribution among borrowers of different income levels for residential mortgage lending is adequate.

Community Development Lending

Within the Lexington MSA area, the bank originated two community development loans totaling \$883,750, representing 12.2% of the bank’s community development lending by dollar amount. Both loans supported providing affordable housing to low and-moderate-income residents. This level of community development is poor given there is no indication there is a lack of opportunity to originate community development loans in the assessment area. Overall, Whitaker has a relatively poor level of community development lending in the Lexington MSA.

Investment Test

Whitaker funded investments totaling \$55,200 during the review period. The following table summarizes the investments made:

Investment Type (Community Development Purpose)	Amount	Details
Financial Literacy Training (Community Services – education for low- and moderate-income individuals)	\$23,000	<ul style="list-style-type: none"> Sponsorship of a third party company to deliver financial literacy education curriculum to students at schools where more than 50% of students are eligible for free or reduced cost lunches.
Grants (Various – including Affordable Housing & Community Services)	\$32,200	<ul style="list-style-type: none"> Support for a variety of local and civic organization throughout the assessment area
Total	\$55,200	

The bank made 0.5% of its total community development investments in this assessment area by dollar amount, which is substantially less than the percentage of total deposits at 24.3% and branch offices at 20.0%. This is considered to be a poor level of qualified community development investments.

Service Test

Retail Services

Delivery services are accessible. The bank closed four branches in middle-income census tracts since the previous examination. The closing of these branches has not adversely affected the accessibility of its delivery systems. Business hours and services provided do not vary in a way that inconveniences certain portions of the assessment area, including low- and moderate-income geographies or families, and are consistent with the services and hours discussed in the institution assessment.

Whitaker has a total of seven branches within this assessment area, each with a full-service ATM. The branches in this assessment area represent 20.0% of all the institution’s branches. Whitaker operates a total of 13 ATMs within the assessment area. The ATMs in this assessment area represent 26.5% of all of the institution’s ATMs.

The following table illustrates the percentage of banking centers and full service ATMs in low-income, moderate-income, middle-income, and upper-income census tracts in comparison to the percentage of tracts and the percentage of families living in those tracts, according to the 2010 U.S. Census data.

Tract Income Category	Percentage of Banking Centers & ATMs	Percentage of Tracts	Percentage of Families in Tracts
Low	0.0%	9.3%	5.9%
Moderate	42.9%	24.8%	25.4%
Middle	0.0%	36.4%	38.0%
Upper	57.1%	29.5%	30.7%

This branch and ATM distribution reflects a reasonable dispersion given the high presence in moderate-income tracts.

Community Development Services

Whitaker staff provided an adequate level of community development services in this assessment area during the review period. The majority of services provided are provided to support economic development for job retention and creation, affordable housing and for the provision of community services to low- and moderate-income individuals.

Examples of qualified services provided by bank staff include:

- Georgetown/Scott County Chamber of Commerce Economic Affairs Committee – bank employees provide financial expertise to this committee that focuses promoting economic growth to retain and create jobs in the community.
- Bluegrass Industrial Foundation – A bank employee served as the secretary and treasurer of this organization that promotes economic development in this assessment area.
- 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.

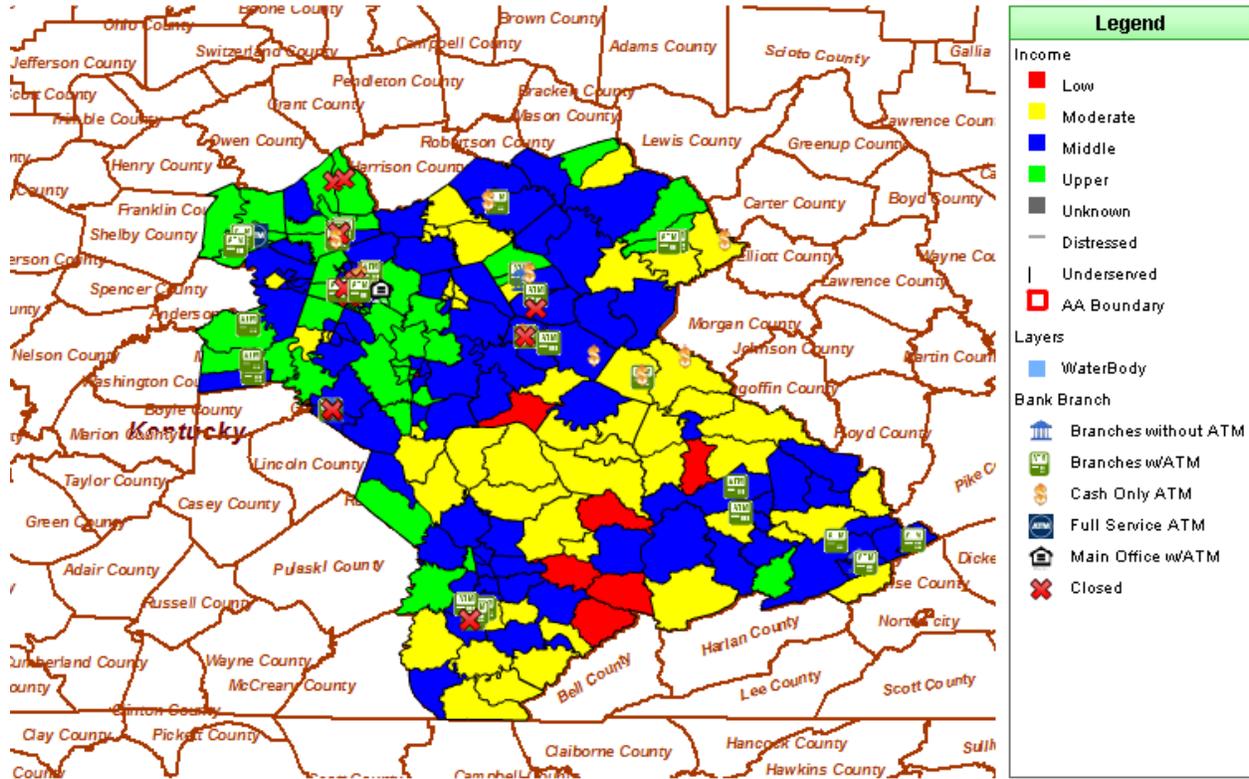
**APPENDIX A
SCOPE OF EXAMINATION TABLE**

TIME PERIOD REVIEWED	January 1, 2011 through December 31, 2012		
FINANCIAL INSTITUTION Whitaker Bank, Incorporated Lexington, Kentucky			PRODUCTS REVIEWED HMDA Reportable CRA Reportable (Business & Farm)
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED -
None	None		None

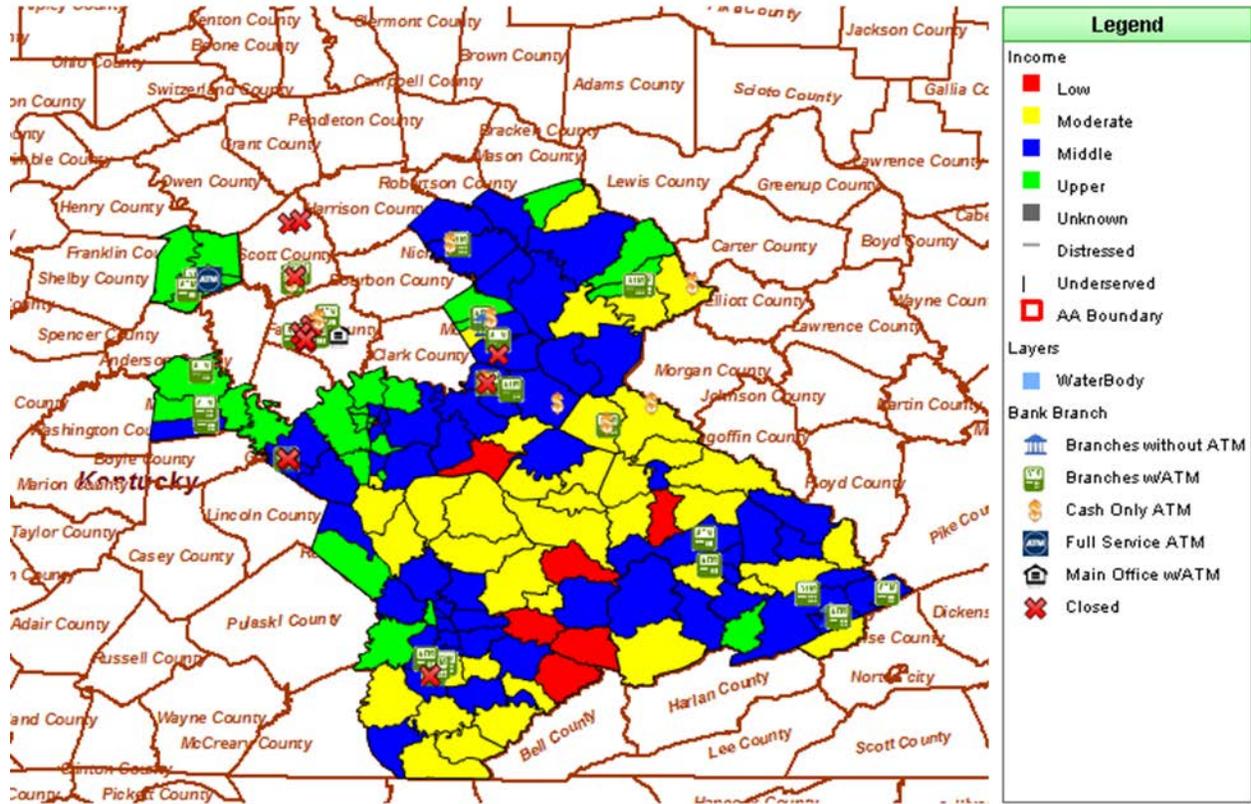
APPENDIX B

ASSESSMENT AREA MAPS

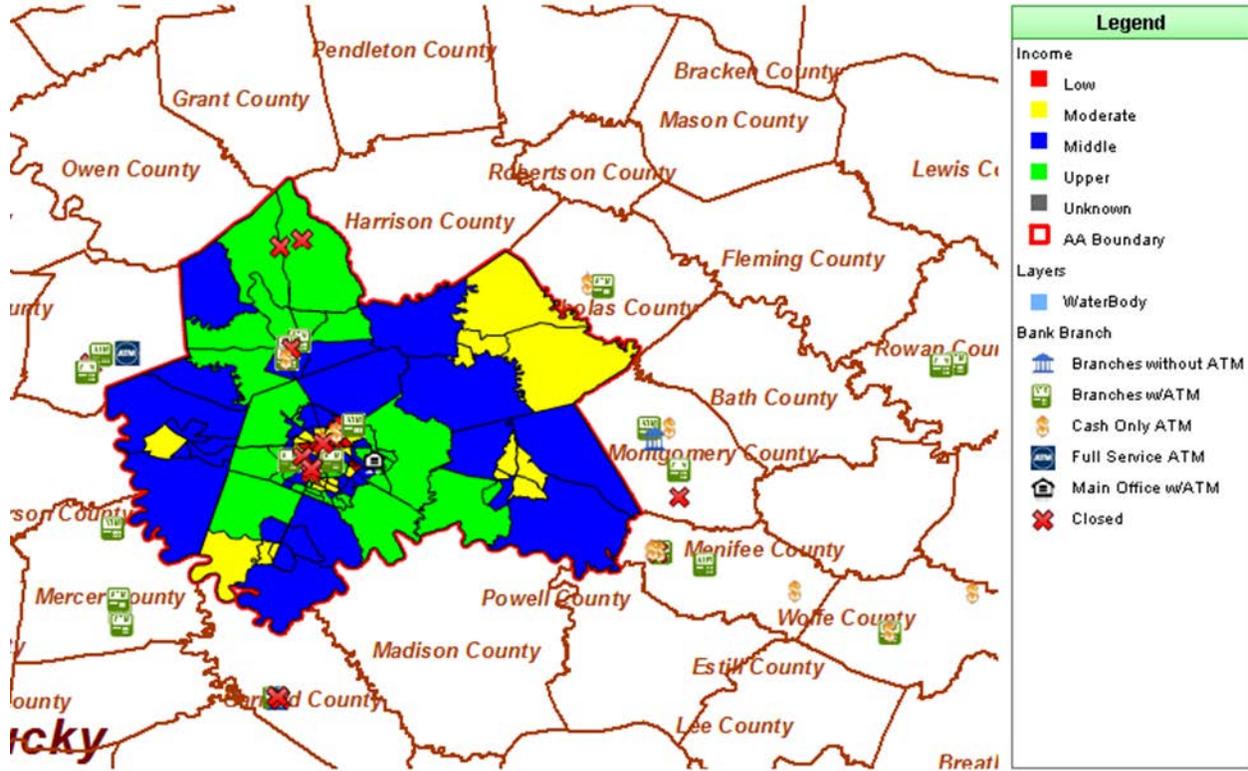
Assessment Area: Whole Bank



Assessment Area: Nonmetropolitan Kentucky



Assessment Area: Lexington-Fayette Metropolitan Statistical Area #30460



APPENDIX C

LENDING TABLES

CRA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group: KY Non MSA 2011

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
By Tract Income								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	78	9.0%	4,500	10.0%	41	8.7%	1,765	9.2%
Low/Moderate Total	78	9.0%	4,500	10.0%	41	8.7%	1,765	9.2%
Middle	471	54.5%	27,647	61.7%	286	61.0%	11,295	58.9%
Upper	315	36.5%	12,633	28.2%	142	30.3%	6,109	31.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	864	100.0%	44,780	100.0%	469	100.0%	19,169	100.0%
By Revenue								
Total \$1 Million or Less	730	84.5%	26,711	59.6%	436	93.0%	16,196	84.5%
Over \$1 Million	90	10.4%	14,446	32.3%	10	2.1%	2,256	11.8%
Not Known	44	5.1%	3,623	8.1%	23	4.9%	717	3.7%
Total	864	100.0%	44,780	100.0%	469	100.0%	19,169	100.0%
By Loan Size								
\$100,000 or less	749	86.7%	15,925	35.6%	423	90.2%	9,601	50.1%
\$100,001 - \$250,000	72	8.3%	11,897	26.6%	34	7.2%	5,422	28.3%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	43	5.0%	16,958	37.9%	12	2.6%	4,146	21.6%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	864	100.0%	44,780	100.0%	469	100.0%	19,169	100.0%
By Loan Size and Revenue \$1 Million or Less								
\$100,000 or less	667	91.4%	13,181	49.3%	397	91.1%	8,725	53.9%
\$100,001 - \$250,000	45	6.2%	7,160	26.8%	32	7.3%	5,097	31.5%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	18	2.5%	6,370	23.8%	7	1.6%	2,374	14.7%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	730	100.0%	26,711	100.0%	436	100.0%	16,196	100.0%

*Information based on 2000 Census data

CRA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group: KY Non MSA 2012

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
By Tract Income								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	78	11.1%	7,033	15.1%	37	10.1%	2,021	13.6%
Low/Moderate Total	78	11.1%	7,033	15.1%	37	10.1%	2,021	13.6%
Middle	459	65.6%	31,857	68.6%	224	61.4%	8,379	56.4%
Upper	163	23.3%	7,537	16.2%	104	28.5%	4,451	30.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	700	100.0%	46,427	100.0%	365	100.0%	14,851	100.0%
By Revenue								
Total \$1 Million or Less	570	81.4%	26,138	56.3%	351	96.2%	13,493	90.9%
Over \$1 Million	96	13.7%	18,284	39.4%	3	0.8%	849	5.7%
Not Known	34	4.9%	2,005	4.3%	11	3.0%	509	3.4%
Total	700	100.0%	46,427	100.0%	365	100.0%	14,851	100.0%
By Loan Size								
\$100,000 or less	588	84.0%	14,597	31.4%	327	89.6%	7,270	49.0%
\$100,001 - \$250,000	73	10.4%	12,074	26.0%	28	7.7%	4,251	28.6%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	39	5.6%	19,756	42.6%	10	2.7%	3,330	22.4%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	700	100.0%	46,427	100.0%	365	100.0%	14,851	100.0%
By Loan Size and Revenue \$1 Million or Less								
\$100,000 or less	509	89.3%	11,578	44.3%	318	90.6%	7,040	52.2%
\$100,001 - \$250,000	47	8.2%	7,620	29.2%	25	7.1%	3,823	28.3%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	14	2.5%	6,940	26.6%	8	2.3%	2,630	19.5%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	570	100.0%	26,138	100.0%	351	100.0%	13,493	100.0%

*Information based on 2010 ACS data

HMDA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group :KY Non MSA 2011

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	18	7.8%	407	2.5%
Moderate	29	12.6%	1,296	7.9%	33	14.3%	1,507	9.1%
Low/Moderate Total	29	12.6%	1,296	7.9%	51	22.1%	1,914	11.6%
Middle	132	57.1%	9,178	55.7%	32	13.9%	1,919	11.6%
Upper	70	30.3%	6,009	36.5%	124	53.7%	10,961	66.5%
Unknown	0	0.0%	0	0.0%	24	10.4%	1,689	10.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	231	100.0%	16,483	100.0%	231	100.0%	16,483	100.0%
Refinance								
Low	0	0.0%	0	0.0%	12	6.9%	298	1.6%
Moderate	22	12.6%	1,019	5.5%	19	10.9%	1,020	5.5%
Low/Moderate Total	22	12.6%	1,019	5.5%	31	17.7%	1,318	7.1%
Middle	96	54.9%	10,398	55.7%	35	20.0%	1,974	10.6%
Upper	57	32.6%	7,252	38.8%	87	49.7%	8,247	44.2%
Unknown	0	0.0%	0	0.0%	22	12.6%	7,130	38.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	175	100.0%	18,669	100.0%	175	100.0%	18,669	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	79	22.2%	429	7.2%
Moderate	63	17.7%	751	12.6%	57	16.0%	460	7.7%
Low/Moderate Total	63	17.7%	751	12.6%	136	38.2%	889	14.9%
Middle	233	65.4%	4,552	76.2%	76	21.3%	1,174	19.7%
Upper	60	16.9%	667	11.2%	126	35.4%	3,325	55.7%
Unknown	0	0.0%	0	0.0%	18	5.1%	582	9.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	356	100.0%	5,970	100.0%	356	100.0%	5,970	100.0%
Multi-Family								
Low	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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	25.0%	88	6.4%	0	0.0%	0	0.0%
Upper	3	75.0%	1,291	93.6%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	4	100.0%	1,379	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4	100.0%	1,379	100.0%	4	100.0%	1,379	100.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	109	14.2%	1,134	2.7%
Moderate	114	14.9%	3,066	7.2%	109	14.2%	2,987	7.0%
Low/Moderate Total	114	14.9%	3,066	7.2%	218	28.5%	4,121	9.7%
Middle	462	60.3%	24,216	57.0%	143	18.7%	5,067	11.9%
Upper	190	24.8%	15,219	35.8%	337	44.0%	22,533	53.0%
Unknown	0	0.0%	0	0.0%	68	8.9%	10,780	25.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	766	100.0%	42,501	100.0%	766	100.0%	42,501	100.0%

*Information based on 2000 Census data

HMDA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group :KY Non MSA 2012

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	13	6.3%	437	2.5%
Moderate	37	17.9%	2,131	12.1%	20	9.7%	1,073	6.1%
Low/Moderate Total	37	17.9%	2,131	12.1%	33	15.9%	1,510	8.5%
Middle	122	58.9%	10,402	58.9%	37	17.9%	2,338	13.2%
Upper	48	23.2%	5,132	29.1%	94	45.4%	8,915	50.5%
Unknown	0	0.0%	0	0.0%	43	20.8%	4,902	27.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	207	100.0%	17,665	100.0%	207	100.0%	17,665	100.0%
Refinance								
Low	0	0.0%	0	0.0%	15	8.2%	1,173	6.4%
Moderate	38	20.9%	2,742	15.1%	22	12.1%	1,420	7.8%
Low/Moderate Total	38	20.9%	2,742	15.1%	37	20.3%	2,593	14.2%
Middle	105	57.7%	9,748	53.5%	31	17.0%	1,748	9.6%
Upper	39	21.4%	5,724	31.4%	99	54.4%	10,576	58.1%
Unknown	0	0.0%	0	0.0%	15	8.2%	3,297	18.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	182	100.0%	18,214	100.0%	182	100.0%	18,214	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	58	21.3%	372	5.3%
Moderate	59	21.7%	1,776	25.3%	52	19.1%	507	7.2%
Low/Moderate Total	59	21.7%	1,776	25.3%	110	40.4%	879	12.5%
Middle	173	63.6%	4,114	58.6%	55	20.2%	811	11.6%
Upper	40	14.7%	1,126	16.0%	96	35.3%	4,303	61.3%
Unknown	0	0.0%	0	0.0%	11	4.0%	1,023	14.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	272	100.0%	7,016	100.0%	272	100.0%	7,016	100.0%
Multi-Family								
Low	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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	66.7%	225	22.9%	0	0.0%	0	0.0%
Upper	1	33.3%	758	77.1%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	3	100.0%	983	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	983	100.0%	3	100.0%	983	100.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	86	13.0%	1,982	4.5%
Moderate	134	20.2%	6,649	15.2%	94	14.2%	3,000	6.8%
Low/Moderate Total	134	20.2%	6,649	15.2%	180	27.1%	4,982	11.4%
Middle	402	60.5%	24,489	55.8%	123	18.5%	4,897	11.2%
Upper	128	19.3%	12,740	29.0%	289	43.5%	23,794	54.2%
Unknown	0	0.0%	0	0.0%	72	10.8%	10,205	23.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	664	100.0%	43,878	100.0%	664	100.0%	43,878	100.0%

*Information based on 2010 ACS data

CRA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group: Lexington Fayette KY MSA 2011 30460

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
By Tract Income								
Low	6	3.7%	1,890	11.5%	0	0.0%	0	0.0%
Moderate	45	27.8%	3,571	21.7%	9	11.3%	148	4.8%
Low/Moderate Total	51	31.5%	5,461	33.3%	9	11.3%	148	4.8%
Middle	69	42.6%	7,881	48.0%	41	51.3%	1,623	52.4%
Upper	42	25.9%	3,081	18.8%	30	37.5%	1,328	42.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	162	100.0%	16,423	100.0%	80	100.0%	3,099	100.0%
By Revenue								
Total \$1 Million or Less	106	65.4%	6,915	42.1%	68	85.0%	2,516	81.2%
Over \$1 Million	27	16.7%	5,073	30.9%	7	8.8%	443	14.3%
Not Known	29	17.9%	4,435	27.0%	5	6.3%	140	4.5%
Total	162	100.0%	16,423	100.0%	80	100.0%	3,099	100.0%
By Loan Size								
\$100,000 or less	122	75.3%	3,840	23.4%	73	91.3%	1,588	51.2%
\$100,001 - \$250,000	25	15.4%	4,290	26.1%	5	6.3%	737	23.8%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	15	9.3%	8,293	50.5%	2	2.5%	774	25.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	162	100.0%	16,423	100.0%	80	100.0%	3,099	100.0%
By Loan Size and Revenue \$1 Million or Less								
\$100,000 or less	93	87.7%	2,573	37.2%	63	92.6%	1,248	49.6%
\$100,001 - \$250,000	8	7.5%	1,256	18.2%	3	4.4%	494	19.6%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	5	4.7%	3,086	44.6%	2	2.9%	774	30.8%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	106	100.0%	6,915	100.0%	68	100.0%	2,516	100.0%

*Information based on 2000 Census data

CRA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group: Lexington Fayette KY MSA 2012 30460

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
By Tract Income								
Low	10	7.6%	741	7.5%	0	0.0%	0	0.0%
Moderate	39	29.8%	4,644	46.8%	11	13.6%	644	14.9%
Low/Moderate Total	49	37.4%	5,385	54.2%	11	13.6%	644	14.9%
Middle	34	26.0%	2,152	21.7%	40	49.4%	1,697	39.3%
Upper	48	36.6%	2,394	24.1%	30	37.0%	1,978	45.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	131	100.0%	9,931	100.0%	81	100.0%	4,319	100.0%
By Revenue								
Total \$1 Million or Less	92	70.2%	5,942	59.8%	70	86.4%	3,501	81.1%
Over \$1 Million	25	19.1%	3,063	30.8%	3	3.7%	174	4.0%
Not Known	14	10.7%	926	9.3%	8	9.9%	644	14.9%
Total	131	100.0%	9,931	100.0%	81	100.0%	4,319	100.0%
By Loan Size								
\$100,000 or less	107	81.7%	3,198	32.2%	70	86.4%	2,046	47.4%
\$100,001 - \$250,000	15	11.5%	2,546	25.6%	8	9.9%	1,181	27.3%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	9	6.9%	4,187	42.2%	3	3.7%	1,092	25.3%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	131	100.0%	9,931	100.0%	81	100.0%	4,319	100.0%
By Loan Size and Revenue \$1 Million or Less								
\$100,000 or less	79	85.9%	1,962	33.0%	61	87.1%	1,844	52.7%
\$100,001 - \$250,000	7	7.6%	1,154	19.4%	7	10.0%	1,043	29.8%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	6	6.5%	2,826	47.6%	2	2.9%	614	17.5%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	92	100.0%	5,942	100.0%	70	100.0%	3,501	100.0%

*Information based on 2010 ACS data

HMDA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group :Lexington Fayette KY MSA 2011 30460

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	2	4.3%	179	3.3%	7	14.9%	335	6.1%
Moderate	13	27.7%	788	14.4%	5	10.6%	272	5.0%
Low/Moderate Total	15	31.9%	967	17.7%	12	25.5%	607	11.1%
Middle	22	46.8%	3,020	55.2%	9	19.1%	1,043	19.1%
Upper	10	21.3%	1,488	27.2%	21	44.7%	2,925	53.4%
Unknown	0	0.0%	0	0.0%	5	10.6%	900	16.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	47	100.0%	5,475	100.0%	47	100.0%	5,475	100.0%
Refinance								
Low	1	2.4%	34	0.6%	6	14.6%	230	3.7%
Moderate	10	24.4%	840	13.7%	1	2.4%	47	0.8%
Low/Moderate Total	11	26.8%	874	14.2%	7	17.1%	277	4.5%
Middle	12	29.3%	1,169	19.0%	5	12.2%	422	6.9%
Upper	18	43.9%	4,097	66.7%	22	53.7%	3,671	59.8%
Unknown	0	0.0%	0	0.0%	7	17.1%	1,770	28.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	41	100.0%	6,140	100.0%	41	100.0%	6,140	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	2	20.0%	11	5.6%
Moderate	3	30.0%	100	50.5%	1	10.0%	1	0.5%
Low/Moderate Total	3	30.0%	100	50.5%	3	30.0%	12	6.1%
Middle	5	50.0%	56	28.3%	2	20.0%	96	48.5%
Upper	2	20.0%	42	21.2%	4	40.0%	89	44.9%
Unknown	0	0.0%	0	0.0%	1	10.0%	1	0.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	10	100.0%	198	100.0%	10	100.0%	198	100.0%
Multi-Family								
Low	1	33.3%	337	45.2%	0	0.0%	0	0.0%
Moderate	1	33.3%	268	36.0%	0	0.0%	0	0.0%
Low/Moderate Total	2	66.7%	605	81.2%	0	0.0%	0	0.0%
Middle	1	33.3%	140	18.8%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	3	100.0%	745	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3	100.0%	745	100.0%	3	100.0%	745	100.0%
HMDA Totals								
Low	4	4.0%	550	4.4%	15	14.9%	576	4.6%
Moderate	27	26.7%	1,996	15.9%	7	6.9%	320	2.5%
Low/Moderate Total	31	30.7%	2,546	20.3%	22	21.8%	896	7.1%
Middle	40	39.6%	4,385	34.9%	16	15.8%	1,561	12.4%
Upper	30	29.7%	5,627	44.8%	47	46.5%	6,685	53.2%
Unknown	0	0.0%	0	0.0%	16	15.8%	3,416	27.2%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	101	100.0%	12,558	100.0%	101	100.0%	12,558	100.0%

*Information based on 2000 Census data

HMDA Loan Distribution Table

Exam: Whitaker Bank 2013

Assessment Area/Group :Lexington Fayette KY MSA 2012 30460

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase								
Low	2	3.6%	92	1.6%	3	5.4%	102	1.7%
Moderate	13	23.2%	960	16.3%	2	3.6%	238	4.0%
Low/Moderate Total	15	26.8%	1,052	17.9%	5	8.9%	340	5.8%
Middle	26	46.4%	2,582	43.8%	8	14.3%	1,070	18.2%
Upper	15	26.8%	2,258	38.3%	21	37.5%	2,532	43.0%
Unknown	0	0.0%	0	0.0%	22	39.3%	1,950	33.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	56	100.0%	5,892	100.0%	56	100.0%	5,892	100.0%
Refinance								
Low	2	4.2%	1,436	18.3%	7	14.6%	826	10.5%
Moderate	9	18.8%	696	8.9%	8	16.7%	552	7.0%
Low/Moderate Total	11	22.9%	2,132	27.2%	15	31.3%	1,378	17.6%
Middle	19	39.6%	3,252	41.5%	11	22.9%	1,631	20.8%
Upper	18	37.5%	2,451	31.3%	14	29.2%	3,507	44.8%
Unknown	0	0.0%	0	0.0%	8	16.7%	1,319	16.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	48	100.0%	7,835	100.0%	48	100.0%	7,835	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	2	14.3%	180	31.5%
Moderate	2	14.3%	35	6.1%	3	21.4%	9	1.6%
Low/Moderate Total	2	14.3%	35	6.1%	5	35.7%	189	33.1%
Middle	8	57.1%	171	29.9%	6	42.9%	177	31.0%
Upper	4	28.6%	365	63.9%	1	7.1%	35	6.1%
Unknown	0	0.0%	0	0.0%	2	14.3%	170	29.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	14	100.0%	571	100.0%	14	100.0%	571	100.0%
Multi-Family								
Low	7	87.5%	2,700	89.4%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	7	87.5%	2,700	89.4%	0	0.0%	0	0.0%
Middle	1	12.5%	320	10.6%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	8	100.0%	3,020	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	8	100.0%	3,020	100.0%	8	100.0%	3,020	100.0%
HMDA Totals								
Low	11	8.7%	4,228	24.4%	12	9.5%	1,108	6.4%
Moderate	24	19.0%	1,691	9.8%	13	10.3%	799	4.6%
Low/Moderate Total	35	27.8%	5,919	34.2%	25	19.8%	1,907	11.0%
Middle	54	42.9%	6,325	36.5%	25	19.8%	2,878	16.6%
Upper	37	29.4%	5,074	29.3%	36	28.6%	6,074	35.1%
Unknown	0	0.0%	0	0.0%	40	31.7%	6,459	37.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	126	100.0%	17,318	100.0%	126	100.0%	17,318	100.0%

*Information based on 2010 ACS data

APPENDIX D

GLOSSARY OF TERMS

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.