

PUBLIC DISCLOSURE

September 11, 2017

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Whitaker Bank, Inc.
RSSD# 1445943

2001 Pleasant Ridge Drive
Lexington, Kentucky 40509

Federal Reserve Bank of Cleveland

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

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

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INSTITUTION’S CRA RATING

INSTITUTION’S CRA RATING: “Satisfactory”

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

PERFORMANCE LEVELS	Whitaker Bank, Incorporated		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
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 credit needs;
- A substantial majority of loans are made in the assessment area;
- A good geographic distribution of loans throughout the assessment area;
- An excellent distribution of loans among borrowers of different income levels and an excellent distribution to 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;
- Retail delivery systems that are 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,
- A relatively high level of providing 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 October 15, 2015. The lending and investment tests were rated “High Satisfactory,” while 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 of which are headquartered in Lexington, Kentucky. As of June 30, 2017, Whitaker reported assets of \$1.3 billion and WBC reported consolidated assets of \$1.8 billion. WBC also owns Peoples Bank and Trust Company of Madison County located in Berea, Kentucky.

Whitaker Bank has a total of 35 branches and 47 ATMs. Since the previous evaluation, Whitaker closed one banking center located in an upper-income census tract in the Non-metropolitan Kentucky area. All ATMs are now cash-only ATMs throughout Whitaker's assessment area.

Whitaker offers commercial, personal banking, and trust activities that include demand and time deposits, cash management services, letters of credit, safety deposit boxes, funds transfer services, and full-service brokerage services. Lending activities of the institution include commercial, construction, mortgage, and personal loans. Whitaker also offers term loans, lines of credit, revolving lines of credit, and lease financing. Loans represented approximately 47.9% of Whitaker's assets.

Description of Assessment Area

Whitaker's assessment area is comprised of two assessment areas: Non-metropolitan Kentucky and the Lexington-Fayette Kentucky Metropolitan Statistical Area (Lexington MSA). Each assessment area consists of the entirety of the following counties:

- Non-metropolitan Kentucky: Consists of 26 counties and includes 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.
- Lexington MSA: Comprises six counties, including Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford counties.

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

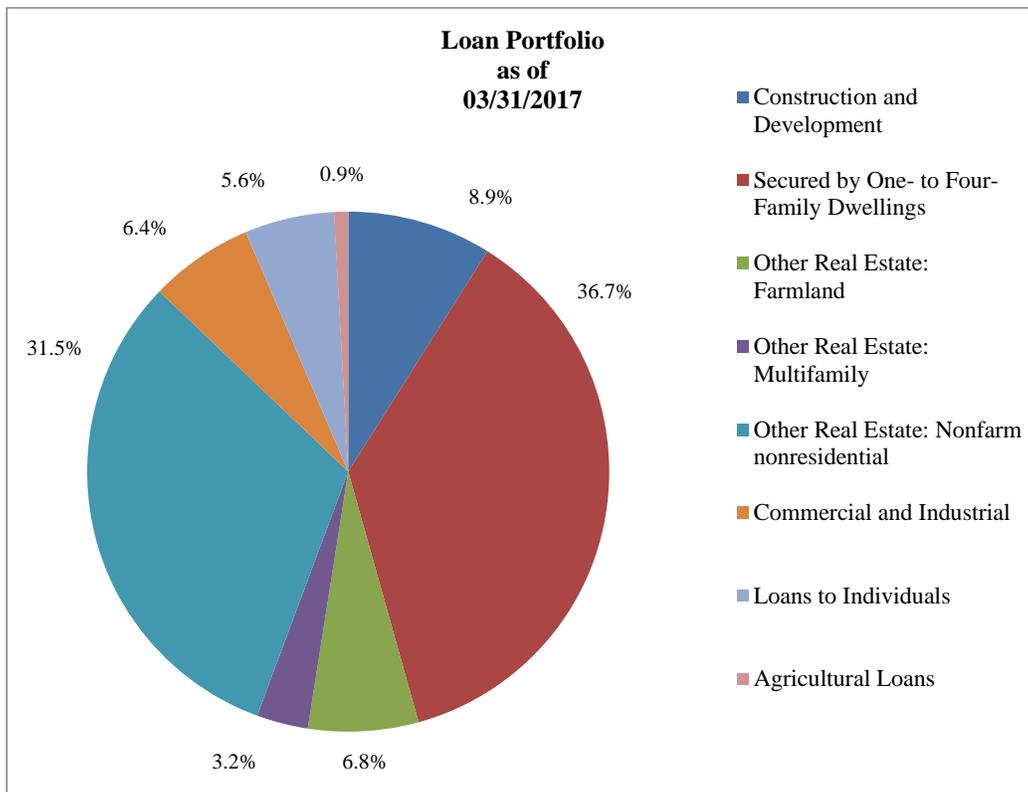
Whitaker's asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment area. There are no legal or other impediments that would hamper Whitaker's ability to meet community credit needs.

Financial Overview

The following charts display Whitaker's loan portfolio composition, as of March 31, 2017.

COMPOSITION OF LOAN PORTFOLIO						
Loan Type	3/31/2017		12/31/2016		12/31/2015	
	\$ (000s)	Percent	\$ (000s)	Percent	\$ (000s)	Percent
Construction and Development	57,304	8.9%	67,161	10.1%	59,870	8.8%
Secured by One- to Four- Family Dwellings	235,564	36.7%	239,179	35.8%	246,465	36.4%
Other Real Estate: Farmland	43,760	6.8%	44,510	6.7%	49,511	7.3%
Other Real Estate: Multifamily	20,470	3.2%	20,891	3.1%	21,713	3.2%
Other Real Estate: Nonfarm nonresidential	201,978	31.5%	211,677	31.7%	212,086	31.3%
Commercial and Industrial	41,207	6.4%	41,239	6.2%	44,351	6.6%
Loans to Individuals	35,602	5.6%	36,454	5.5%	36,843	5.4%
Agricultural Loans	5,564	0.9%	6,585	1.0%	6,159	0.9%
Total	\$641,449	100.00%	\$667,696	100.00%	\$676,998	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.



Whitaker’s investment portfolio as of March 31, 2017 was \$608 million, which represented 45.4% of total assets. U.S. Treasuries and Agency Securities accounted for 54.9% of investments, while Municipal Securities account for 25.5%. The remaining 19.6% of investments consisted of interest-bearing bank balances, federal funds sold, and other investments.

Investment Type	Percent of Total Investments
U.S. Treasuries and Agencies	54.9%
Municipal Securities	25.5%
All Other Investments	19.6%
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 institution 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 Whitaker’s individual assessment areas were evaluated for the lending, investment, and service performance tests. The Non-metropolitan Kentucky and the Lexington MSA were reviewed using full- and limited-scope examination procedures, respectively.

Lending test performance was based upon loan data covering January 1, 2015 through December 31, 2016. HMDA-reportable loans, including home purchase, home refinance loans, home improvement, and CRA-reportable small business and small farm loans were the major products included in the evaluation.

Whitaker’s lending performance was compared to the 2015 and 2016 aggregate performance of all lenders required to report HMDA and CRA data within the respective assessment areas.

Community development activities for the period between October 19, 2015 and September 11, 2017 were reviewed as part of this evaluation. Community development loans funded by Whitaker since the previous evaluation were reviewed as part of the lending test, in addition to investment activities. Community development services provided since the previous evaluation were evaluated for the service test.

The Non-metropolitan Kentucky assessment area received the greatest weight in this CRA evaluation based on the percentage of branch offices, the percentage of the institution’s deposits, and the percentage of HMDA and CRA loans in the assessment area. This assessment area represents 77.1% of the branch offices, 72.1% of total deposits and 80.3% of total lending at Whitaker Bank, Inc.

Assessment Area	Number of Branches	Percent of Branches	Percent of Deposits (as of June 30, 2016)	Percent of Loans (2015-2016)
Non-metropolitan Kentucky	27	77.1%	72.1%	80.3%
Lexington MSA	8	22.9	27.9%	19.7%
Total	35	100.0%	100.0%	100.0%

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

Refer to Appendix A for a summary of the scope of the examination.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

Whitaker’s performance under the lending test is rated “High Satisfactory.” Lending performance in Non-metropolitan Kentucky is considered “High Satisfactory.” Lending in the Lexington MSA is also considered “High Satisfactory.”

Throughout this performance evaluation, references are made to Whitaker’s and the peer’s lending distribution by geography and borrower income or revenue. 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 HMDA and small business loans originated, as well as its strategic objectives, economic conditions, and competitive factors, Whitaker demonstrated a good responsiveness to local credit needs. Communities in Whitaker’s assessment area continue to be impacted by challenging economic times, but are experiencing some recovery.

Assessment Area Concentration

Whitaker’s HMDA, small business, and small farm lending were analyzed to determine the volume of lending inside and outside its assessment area. Of Whitaker’s total loans, 92.8% by volume and 89.3% by dollar amount were made inside the assessment area.

The table below shows the distribution of loans inside and outside Whitaker’s assessment area.

Lending Inside and Outside the Assessment Area

Exam: Whitaker 2017, Initial

Loan Type - Description	Inside				Outside				Total	
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	\$(000s)
CV - Home Purchase - Conventional	405	95.3	35,992	93.3	20	4.7	2,602	6.7	425	38,594
HI - Home Improvement	481	93.6	9,318	89.5	33	6.4	1,095	10.5	514	10,413
MF - Multi-Family Housing	8	80.0	5,796	89.3	2	20.0	694	10.7	10	6,490
RF - Refinancing	245	92.8	27,848	88.2	19	7.2	3,725	11.8	264	31,573
Total HMDA related	1,139	93.9	78,954	90.7	74	6.1	8,116	9.3	1,213	87,070
SB - Small Business	1,220	92.4	78,387	88.5	100	7.6	10,219	11.5	1,320	88,606
Total Small Bus. related	1,220	92.4	78,387	88.5	100	7.6	10,219	11.5	1,320	88,606
SF - Small Farm	564	91.4	22,056	87.6	53	8.6	3,132	12.4	617	25,188
Total Small Farm related	564	91.4	22,056	87.6	53	8.6	3,132	12.4	617	25,188
TOTAL LOANS	2,923	92.8	179,397	89.3	227	7.2	21,467	10.7	3,150	200,864

A substantial majority of Whitaker’s loans were made within its CRA-delineated footprint.

Geographic and Borrower Distribution

Geographic and borrower distribution received equal weight based on the overall assessment area's percentage of low- and moderate-income population at 31.1% compared to the percentage of low- and moderate-income geographies at 33.2%.

Overall, the geographic distribution of loans is considered good and reflects a comparable performance to the distribution of loans among different income tracts and is excellent to borrowers of different income levels and businesses of different revenue sizes. Additionally, performance reflected only moderate lending gaps. Refer to the respective assessment area analyses for further details.

Community Development Loans

During this review period, Whitaker originated 24 community development loans totaling \$3.6 million, which is considered to be a relatively high level of community development loans. Twenty-two loans were originated in Non-metropolitan Kentucky in the amount of \$2.9 million, resulting in a high level of community development lending. Two loans in the amount of \$705,000 were originated in the Lexington MSA, resulting in an adequate level of community development lending activity. The majority of these loans supported community service efforts targeted to low- and moderate-income individuals and families.

In addition, three of the 24 total community development loans supported revitalization and stabilization and economic development efforts totaling \$69,414, while three loans supported economic development efforts totaling \$996,448 in Whitaker's assessment area.

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." In Non-metropolitan Kentucky, investment performance is considered "Outstanding." Whitaker's investment performance in the Lexington MSA is considered "Needs to Improve," as no investments were submitted for this assessment area for consideration.

Whitaker had 197 investments and donations totaling \$5 million during this evaluation period. The investment dollars (\$4.9 million) were municipal bonds made to support community services to local school districts, of which the majority of the students are low- and moderate-income individuals.

The remaining investments consist of donations and other charitable contributions. The donations supported community services to low- and moderate-income individuals and the revitalization/stabilization of low- and moderate-income and distressed/underserved middle-income geographies. Refer to the respective assessment area analysis for further details.

Service Test

Overall, Whitaker's performance under the service test is rated "High Satisfactory." In Non-metropolitan Kentucky, service performance is considered "Outstanding." Whitaker's service performance in the Lexington MSA is considered "Needs to Improve," as no services were submitted for this assessment area for consideration.

Retail Services

Retail delivery systems are 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, Whitaker has not opened any banking centers, however closed one branch office located in an upper-income census tract in the Lexington MSA that includes a full-service ATM. Whitaker's record of opening and closing banking centers did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income geographies and individuals in the Lexington MSA, and has not adversely affected the accessibility of its delivery systems in the remaining assessment areas.

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

Community Development Services

Overall, Whitaker provides a relatively high level of community development services and is a leader in providing community development services in the Non-metropolitan Kentucky area. However, Whitaker provides few, if any, community services in the Lexington MSA.

Whitaker's directors, officers, and staff members provided their financial expertise to the community by engaging in activities that promoted or facilitated community services for low- and moderate-income individuals and economic development in low- and moderate-income areas.

Board and Committee Memberships

Whitaker's employees provided financial expertise through their involvement with community development organizations throughout the assessment areas. Examples of board and committee membership positions held include directors, presidents, vice presidents, treasurers, and members.

Financial Education

Whitaker continued its involvement in providing financial education programs through partnerships with schools, local organizations, government agencies, and businesses. Examples of topics taught were financial literacy in general and opening of deposit accounts.

Technical Assistance

Whitaker's employees provided technical assistance to community development and non-profit organizations. Technical assistance included accounting and bookkeeping, applying for government grants, and reviewing loan application requests.

Fair Lending or Other Illegal Credit Practices Review

No evidence of discrimination or other illegal credit practices inconsistent with helping to meet community credit needs was identified during this evaluation.

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN
NON-METROPOLITAN KENTUCKY**
(full-scope review)

The Non-metropolitan Kentucky assessment area consists 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. The assessment area is comprised of seven low-, 40 moderate-, 67 middle-, and 31 upper-income tracts. Of the 145 total tracts, 51 (35.2%) middle-income tracts are considered to be underserved remote rural geographies and distressed due to poverty and unemployment in 2016.

As of June 30, 2016, Whitaker ranked second of 49 institutions with 10.5% of the deposit market share in the assessment area, followed by Farmers Bank & Capital Trust Company (5.9%) and Traditional Bank, Inc. (5.0%). Community Trust Bank, Inc. was first with 12.1% of the deposit market share. Deposits in this assessment area account for 72.1% of Whitaker's total deposits.

From January 1, 2015 through December 31, 2016, Whitaker originated 949 HMDA loans and 1,397 CRA loans, which represented 83.3% and 78.3% respectively, of total loans originated during the evaluation period. This assessment area had the highest CRA and HMDA loans originated during the evaluation period.

In 2016, Whitaker ranked fourth of 291 HMDA reporters in the assessment area. Community Trust Bank, Inc., Quicken Loans, Inc., and Wells Fargo Bank, NA were the top three HMDA lenders in the assessment area. Whitaker ranked second of 73 CRA reporters in the assessment area. The top CRA lender was American Express Bank FSB.

One community contact interview provided additional demographic and economic information regarding the assessment area. The contact represented a non-profit community action and planning agency that assists in human and natural resources in four specific counties of the Non-metropolitan Kentucky assessment area. The contact affirmed that the assessment area is significantly above the state unemployment and poverty rates and that low- and moderate-income individuals and families would not have access to resources for their daily well-being without the assistance of the non-profit organizations and government assistance programs. The contact stated banking needs of the community are being met and that there is a significant degree of involvement by banks to assist low- to moderate-income areas of the community.

A second community contact involved in housing stated residents are mostly low- to moderate-income families. Although demographics have not changed for the area, poverty and unemployment remain consistent concerns. In addition, a significant portion of people work outside of the county and must drive a lengthy portion of time; therefore, needs and costs associated with limited transportation needs are a concern when considering employment. The contact stated that lending opportunities for this area are limited, but available through special programs. More often, banks conduct sufficient outreach towards the whole community not just low- and moderate-income individuals.

Population Characteristics

According to 2010 U.S. Census data, the population in the assessment area was 580,352. The percentage of the population living in low-income tracts is 2.7% and 24.2% live in 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 in the assessment area by county for 2010 and 2015 with the percentage of the population increase or decrease; overall, the assessment area's population increased 0.6%. Bath and Madison counties experienced the greatest amount of growth with a 5.5% and 5.9% increase, respectively, while Lee and Letcher counties experienced the greatest decline of 14.4% and 5.7%, respectively. ¹

County	2010 Population	2015 Population	Population Percent Change
Bath	11,591	12,228	5.5%
Breathitt	13,878	13,484	-2.8%
Clay	21,730	21,013	-3.3%
Estill	14,672	14,375	-2.0%
Fleming	14,348	14,637	2.0%
Franklin	49,285	50,375	2.2%
Garrard	16,912	17,237	1.9%
Jackson	13,494	13,352	-1.1%
Knott	16,346	15,693	-4.0%
Knox	31,883	31,730	-0.5%
Laurel	58,849	60,094	2.1%
Lee	7,887	6,752	-14.4%
Leslie	11,310	10,711	-5.3%
Letcher	24,519	23,123	-5.7%
Madison	82,916	87,824	5.9%
Menifee	6,306	6,358	0.8%
Mercer	21,331	21,407	0.4%
Montgomery	26,499	27,508	3.8%
Nicholas	7,135	7,131	-0.1%
Owsley	4,755	4,461	-6.2%
Perry	28,712	27,565	-4.0%
Powell	12,613	12,269	-2.7%
Rockcastle	17,056	16,942	-0.7%
Rowan	23,333	23,892	2.4%
Whitley	35,637	36,129	1.4%
Wolfe	7,355	7,259	-1.3%
Total	580,352	583,549	

¹ Population Estimates derived from U.S. Census Data (April 1, 2010 – July 1, 2012):
<http://www.census.gov/popest/data/counties/totals/2012/CO-EST2012-01.html>

Income Characteristics

According to 2010 U.S. Census data, the median family income in the assessment area was \$42,068, which was significantly below the median family income for Kentucky at \$52,046. The median family income ranged from a low of \$22,489 in Wolfe County to a high of \$61,086 in Franklin County. As shown in the following table, the median family income for Non-metropolitan Kentucky was \$46,400, which decreased slightly from 2015. Although the HUD-estimated median family is not classified by county, given the 2010 U.S. Census information, it is evident that the median family income for the majority of the counties within the assessment area are less than Kentucky’s estimated median family income.

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

HUD Estimated Median Family Income		Low 0 - 49.99%	Moderate 50% - 79.99%	Middle 80% - 119.99%	Upper 120% - & above
2015	\$46,900	0 - \$23,449	\$23,450 - \$37,519	\$37,520 - \$56,279	\$56,280 - & above
2016	\$46,400	0 - \$23,199	\$23,200 - \$37,119	\$37,120 - \$55,679	\$55,680 - & 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, 41.8% were low- and moderate-income families. Wolfe County had the highest percentage of low- and moderate-income families representing 68.6%, followed by Owsley (66.6%) and Breathitt counties (60.5%).

As shown in the table below, poverty rates varied in each county in the assessment area from 2014 to 2015, with the exception of Leslie (0.0%) and Jackson (0.3%) counties. Wolfe (15.2%), Mercer, and Knox counties demonstrated the largest declines of 14.2% and 8.3%.² Clay County had the highest poverty rate in 2015 of 46.8% while also experiencing the largest increase of 22.5%.

County	2014 Poverty Rate	2015 Poverty Rate	Change
Bath	22.7%	24.9%	9.7%
Breathitt	33.0%	32.9%	-0.3%
Clay	38.2%	46.8%	22.5%
Estill	29.8%	28.2%	-5.4%
Fleming	19.3%	20.0%	3.6%
Franklin	12.9%	13.7%	6.2%
Garrard	18.0%	17.0%	-5.6%
Jackson	26.8%	31.2%	16.4%

² United States Department of Agriculture Economic Research Service Poverty Rates (for 1999 and 2012): http://www.ers.usda.gov/data-products/county-level-data-sets/poverty.aspx?reportPath=/State_Fact_Sheets/PovertyReport&fips_st=51

County	2014 Poverty Rate	2015 Poverty Rate	Change
Knott	33.7%	33.8%	0.3%
Knox	34.9%	32.0%	-8.3%
Laurel	24.7%	23.0%	-6.9%
Lee	35.0%	34.7%	-0.9%
Leslie	33.0%	33.7%	2.1%
Letcher	30.1%	33.2%	10.3%
Madison	19.7%	18.2%	-7.6%
Menifee	27.1%	26.8%	-1.1%
Mercer	17.6%	15.1%	-14.2%
Montgomery	20.8%	21.5%	3.4%
Nicholas	19.4%	21.5%	10.8%
Owsley	45.1%	42.4%	-6.0%
Perry	27.5%	28.5%	3.6%
Powell	26.7%	26.0%	-2.6%
Rockcastle	24.1%	22.9%	-5.0%
Rowan	23.4%	27.2%	16.2%
Whitley	29.8%	29.2%	-2.0%
Wolfe	36.2%	30.7%	-15.2%
Kentucky	19.0%	18.3%	-3.7%
United States	15.5%	14.7%	-5.2%

Poverty rates in the majority of the counties in the assessment area continue to be higher than Kentucky and the nation’s overall poverty rate for both years. It is expected that loan demand would be marginal given these high poverty rates.

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. From an income perspective, 27.0% of housing units and 26.1% of owner-occupied units were located in moderate-income tracts. Multi-family dwellings only comprised 6.4% of the housing within the assessment area, with 9.1% of multi-family dwellings in low-and moderate-income tracts.

In addition, vacant units comprise 15.4% of the housing units in the assessment area, with 40.6% of these dwellings in low- and moderate-income tracts. These numbers indicate that the demand for home mortgage lending would likely be concentrated in the middle- and upper-income tracts.

As of the 2010 U.S. Census, the median age of housing stock in the assessment area was 32 years old, with 13.4% of the stock built before 1950. The oldest housing stock was in Franklin County with a median of 37 years and the newest was 23 years in Laurel and Madison counties. The age of the housing stock in the assessment area is notably older than 25 years and may indicate an opportunity for home improvement and rehabilitation loans.

The median housing value in the assessment area was \$86,175, with an affordability ratio of 38.5%. The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered. The ratios ranged from a low of 28.3% in Owsley County to a high of 60.7% in Letcher County.

Based on the 2016 median family income for the assessment area, about 39.1% of the homes valued up to \$85,041 would be considered affordable for low-income individuals and approximately 61.3% of the homes valued up to \$136,066 would be considered affordable for moderate-income individuals. These percentages were calculated assuming an average mortgage payment equal to 28.0% of gross income for a 4.00% fixed-rate, 30-year loan.

The median gross rent in the assessment area was \$522 as of 2010. The lowest median gross rent was \$291 in Wolfe County, while the highest was \$612 in Powell County. 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. Further, 40.8% of renters had rental costs greater than 30.0% of their income. About 46.0% of the housing units in low- and moderate-income tracts are comprised of rental units. In addition, vacant units in low- and moderate-income tracts make up 22.4% and 18.2% of the total housing units, respectively. 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.

The following table contains information about foreclosure filings and the number of properties in foreclosure.³

³ RealtyTrac: <http://www.realtytrac.com/statsandtrends/foreclosuretrends>

Geography Name	Ratio of Properties Receiving Foreclosure Filings in July 2017
Bath	NA
Breathitt	NA
Clay	NA
Estill	NA
Fleming	1:3,453
Franklin	1:2,621
Garrard	NA
Jackson	NA
Knott	NA
Knox	1:1,712
Laurel	NA
Lee	NA
Leslie	NA
Letcher	1:425
Madison	1:5,636
Menifee	NA
Mercer	1:4,962
Montgomery	1:4,636
Nicholas	NA
Owsley	NA
Perry	1:7,843
Powell	NA
Rockcastle	NA
Rowan	NA
Whitley	NA
Wolfe	NA
Kentucky	1:3,002
United States	1:1,997

Few counties had information related to the ratio of foreclosures in July 2017, with the exception of Fleming, Franklin, Knox, Letcher, Madison, Mercer, Montgomery and Perry. The foreclosure ratio in Franklin, Knox, and Letcher were above that of Kentucky's, while Knox and Letcher Counties were also above the nationwide ratio for this timeframe.

Labor, Employment, and Economic Characteristics

According to the Kentucky Cabinet for Economic Development, the following are the top employment sectors and non-government employers in the 26 counties in the assessment area.⁴

County	Primary Employment Sectors	Major Employers
Bath	Education and Health Services; Construction; Trade, Transportation and Utilities; and Financial Activities	Custom Food Products LLC, Southern States Cooperative Inc and Olympia Lumber & Post
Breathitt	Education and Health Services; Trade, Transportation and Utilities; Financial Activities; Other Services and Unclassified and Manufacturing	Appalachian Regional Manufacturing; Jackson Wholesale Company, The Wells Group Inc., The Jackson Breathitt County Times Voice and Dotweld
Clay	Trade, Transportation and Utilities; Manufacturing; Financial Activities; Other Services and Unclassified, and Professional and Business Services	Phillips Diversified Mfg Inc, Kentucky Mountain Industries, Manchester Enterprise and Fox Hollow Woodworks
Estill	Education and Health Industries, Trade, Transportation and Utilities; Financial Activities, Information and Construction	Carhartt Inc, Carhartt Inc, Estill Wood Products Inc, Tipton Ridge Quarry, Isaacs Lumber Co Inc
Fleming	Trade, Transportation and Utilities; Manufacturing; Leisure and Hospitality, Financial Activities, and Construction	Toyo Seat USA Corp, A Raymond Tinnerman Automotive Inc, Greentree Forest Productions Inc, Hinton Mills and Ridley Black Operations
Franklin	Trade, Transportation and Utilities; Professional and Business Services; Leisure and Hospitality, Manufacturing and Financial Activities	Montaplast of North America, Buffalo Trace Distillery, Beam Inc, Beam Suntory and TOPY America Inc.
Garrard	Professional and Business Services; Construction, Trade, Transportation and Utilities, Manufacturing and Financial Activities	Allison Abrasives Incorporated, Rocky Top Furniture LLC, Feldman Lumber Co Inc, Copperhead Environmental Consulting, Inc and Marksby Farm Foods LLC

⁴ Kentucky Cabinet for Economic Development: <http://thinkkentucky.com/>

County	Primary Employment Sectors	Major Employers
Jackson	Trade, Transportation and Utilities, Financial Activities, Manufacturing, Information and Leisure and Hospitality	Phillips Diversified Mfg Inc, Phillips Diversified Mfg Inc, Phoenix Products Inc, The Allen Company and FRF Inc.
Knott	Trade, Transportation and Utilities, Information, Other Services and Unclassified, and Professional and Business Services	Troublesome Creek Times, and Design De Sign
Knox	Trade, Transportation and Utilities, Professional and Business Services, Leisure and Hospitality, Manufacturing and Financial Activities	CSC, Jackson WWS Inc, Forest Products Inc, Mountain Advocate Media Inc., and Brick Mounting Billing Inc.
Laurel	Trade, Transportation and Utilities, Professional and Business Services, Manufacturing, Education and Health Services and Leisure and Hospitality	General Dynamics Information Technology, Senture LLC, SERCO, Wal-Mart Distribution Center 6097 and Hearthside Food Solutions LLC
Lee	Education and Health Services, Trade, Transportation and Utilities, Natural Resources and Mining, Professional and Business Services and Other Services and Unclassified	Xerox, Lee County Wood Products, Three Forks Tradition, PWM Inc, and Beattyville Enterprise
Leslie	Trade, Transportation and Utilities, Leisure and Hospitality, Professional and Business Services, and Other Services and Unclassified	BPM Lumber LLC, 4M Lumber LLC and Leslie County News
Letcher	Trade, Transportation and Utilities, Natural Resources and Mining, Professional and Business Services, Financial Activities and Manufacturing	BPM Lumber LLC, Healthcare National Marketing Inc, Mountain Aggregates Pine Mountain Quarry, Taylor Metal Roofing & Siding Inc, and Superior Printing and Publishing
Madison	Manufacturing, Trade, Transportation and Utilities, Professional and Business Services, Education and Health Services and Leisure and Hospitality	Hitachi Automotive Systems Americas Inc, Hyster-Yale Group Inc, Hitachi Automotive Systems Americas Inc, Stemco Products Inc, and KI (USA) Corporation
Menifee	Manufacturing, Trade, Transportation and Utilities, Professional and Business Services, Other Services and Unclassified	Boneal Inc, Ferrell's Logging & Lumber Inc, King Bag & Manufacturing Co, WW Welding Inc
Mercer	Manufacturing, Trade, Transportation and Utilities, Leisure and Hospitality, Construction and Financial Activities	Hitachi Automotive Systems Americas Inc, Wausau Paper, an SCA company, Corning Incorporated, Toyota Boshoku Kentucky LLC, and Self Refind

County	Primary Employment Sectors	Major Employers
Montgomery	Manufacturing, Trade, Transportation and Utilities, Leisure and Hospitality, Professional and Business Services and Financial Activities	Nestle Prepared Foods, Cooper Standard Automotive, Kyosan Denso Manufacturing Kentucky LLC (KDMK), Masco Cabinetry and Summit Polymers Inc
Nicholas	Education and Health Services, Trade, Transportation and Utilities, Manufacturing, Other Services and Unclassified, and Natural Resources and Mining	Lee-Lynn Machining Inc, Fryman's Welding LLC, Carlisle Mercury and Creekside Cabinets
Owsley	Education and Health Services, Trade, Financial Activities, Other Services and Unclassified, Construction and Natural Resources and Mining	Booneville Sentinel Inc, and Wolfe Creek Metal
Perry	Trade, Transportation and Utilities, Professional and Business Services, Financial Activities, Other Services and Unclassified and Construction	Sykes Enterprises Inc, Whyne Supply, AAA Mine Service, UPS and Home Lumber Co Inc
Powell	Trade, Transportation and Utilities, Leisure and Hospitality, Manufacturing, Education and Health Services and Financial Activities	Scott Archery Manufacturing, Heritage Millworks LLC, Stantek Manufacturing LLC, National Container and Forterra Brick
Rockcastle	Education and Health Services, Leisure and Hospitality, Trade, Transportation and Utilities, , Manufacturing, and Professional and Business Services	SOURCEHOV Inc, EST Tool & Machine Inc, B & H Tool Works Inc of Rockcastle County, Hanson Aggregates and Plastisud
Rowan	Trade, Transportation and Utilities, Leisure and Hospitality, Manufacturing, Professional and Business Services and Financial Activities	SRG Global, Family Dollar Stores Inc, Regal Beloit America Inc, Morehead Wood Products Company and Fannin Industries Inc
Whitley	Trade, Transportation and Utilities, Leisure and Hospitality, Manufacturing, Professional and Business Services and Financial Activities	Firestone Industrial Products, Williamsburg Plastics, Senture LLC, Jamie's Interiors and TEKSwork
Wolfe	Trade, Transportation and Utilities, Financial Activities, Manufacturing, Other Services and Unclassified and Professional and Business Services	Lion Distribution, JSW Farm the Chop Shop, S&S Lumber Co, Danny's Welding Inc, and Spencer Cabinets LLC

The following table illustrates the average unemployment rates for 2015 and 2016 for the counties in the assessment area, Kentucky, and the nation.⁵

⁵ National Unemployment Rates from the Bureau of Labor Statistics: <http://data.bls.gov/timeseries/LNS14000000>

Unemployment Rates
Whitaker Bank: Non Metro Kentucky

Area	Years - Annualized	
	2015	2016
Bath Co.	7.9 (R)	6.6 (R)
Breathitt Co.	9.9 (R)	8.2 (R)
Clay Co.	10.3 (R)	8.3 (R)
Estill Co.	6.0 (R)	5.2 (R)
Fleming Co.	6.1 (R)	5.4 (R)
Franklin Co.	4.0 (R)	3.6 (R)
Garrard Co.	5.0 (R)	4.3 (R)
Jackson Co.	8.0 (R)	6.6 (R)
Knott Co.	10.9 (R)	9.6 (R)
Knox Co.	8.3 (R)	7.0 (R)
Laurel Co.	6.3 (R)	5.4 (R)
Lee Co.	9.7 (R)	7.5 (R)
Leslie County	11.7 (R)	11.3 (R)
Letcher Co.	12.5 (R)	9.8 (R)
Madison Co.	4.0 (R)	3.6 (R)
Menifée Co.	9.0 (R)	8.1 (R)
Mercer Co.	5.1 (R)	4.5 (R)
Montgomery Co.	6.7 (R)	5.6 (R)
Nicholas Co.	6.1 (R)	4.9 (R)
Owsley Co.	11.1 (R)	8.0 (R)
Perry Co.	9.6 (R)	9.4 (R)
Powell Co.	7.4 (R)	6.6 (R)
Rockcastle Co.	6.3 (R)	4.9 (R)
Rowan Co.	5.4 (R)	5.1 (R)
Whitley Co.	6.7 (R)	5.7 (R)
Wolfe Co.	11.4 (R)	9.0 (R)
Kentucky	5.2 (D)	4.5 (D)
National	4.8	4.5

Not Seasonally Adjusted

Data extracted on July 18, 2017

D: Reflects revised population controls and model reestimation

R: Data were subject to revision on April 21, 2017

Unemployment rates declined in all of the counties in the assessment area from 2015 to 2016. The highest unemployment rate was in Leslie County (11.3%), while Franklin and Madison counties (3.6%) had the lowest unemployment rate in 2016. The majority of the counties in the assessment area had unemployment rates higher than Kentucky's rate for both years.

The following table illustrates the demographics for this assessment area.

Combined Demographics Report

Assessment Area(s): Non Metro KY 2016

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	38,528	25.7	
Moderate-income	40	27.6	35,979	24	10,527	29.3	24,118	16.1	
Middle-income	67	46.2	75,359	50.3	13,621	18.1	26,065	17.4	
Upper-income	31	21.4	35,157	23.5	3,341	9.5	61,118	40.8	
Unknown-income	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	1,372	22.7	1,352	22.4	
Moderate-income	63,891	37,363	24	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	63.7	14,824	25.2	6,533	11.1	
Unknown-income	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	261	1.4	235	1.3	21	1.6	5	1.3	
Moderate-income	3,472	18.2	3,184	18.3	210	16	78	19.6	
Middle-income	10,078	52.7	9,095	52.2	764	58.4	219	55	
Upper-income	5,313	27.8	4,903	28.2	314	24	96	24.1	
Unknown-income	0	0	0	0	0	0	0	0	
Total Assessment Area	19,124	100.0	17,417	100.0	1,309	100.0	398	100.0	
Percentage of Total Businesses:				91.1		6.8		2.1	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million				Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#	%
Low-income	12	1.4	12	1.4	0	0	0	0	
Moderate-income	181	21.5	181	21.7	0	0	0	0	
Middle-income	403	47.9	398	47.7	5	62.5	0	0	
Upper-income	246	29.2	243	29.1	3	37.5	0	0	
Unknown-income	0	0	0	0	0	0	0	0	
Total Assessment Area	842	100.0	834	100.0	8	100.0	0	.0	
Percentage of Total Farms:				99.0		1.0		.0	

2016 FFIEC Census Data and 2016 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN KENTUCKY

Lending Test

Within the assessment area, Whitaker's lending levels reflect a good responsiveness to the credit needs of the community. Whitaker made a relatively high amount of community development loans in the area although there were significant lending gaps during the review period. Whitaker's geographic distribution of loans in the area was good and the distribution among borrowers of different income levels and to businesses and farms of different revenue sizes was excellent. 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.

Greater weight was given to the evaluation of small business lending based on the overall volume of lending, followed by home improvement, small farm, home purchase, and home refinance. There were not enough multi-family loans to conduct meaningful analyses. Further, geographic distribution received equal consideration to borrower distribution based on the level of low- and moderate-income tracts and the percentage of low- and moderate-income population in the assessment area.

Details of Whitaker's residential mortgage and small business lending, as well as information regarding lending by peers can be found in Appendix D.

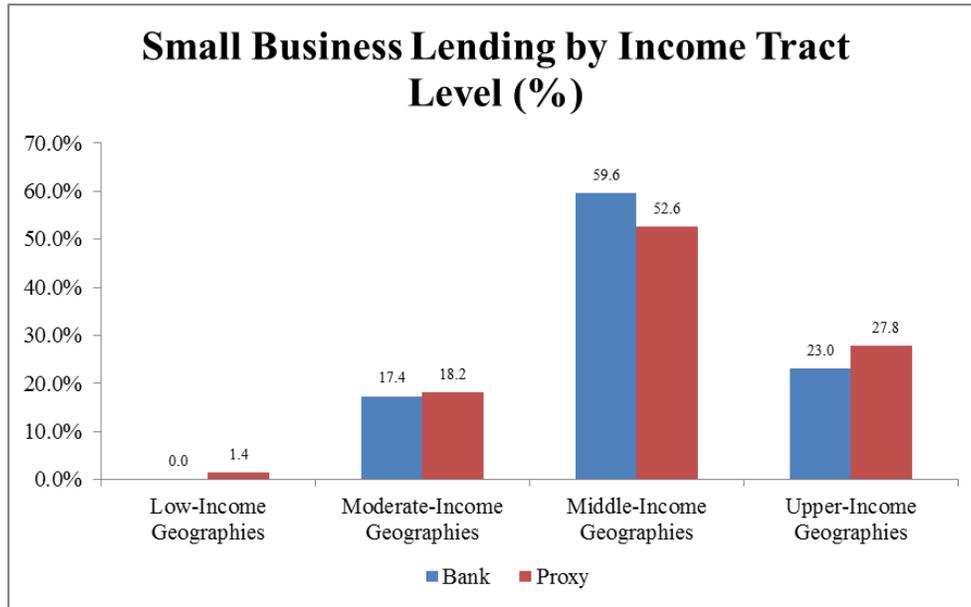
Lending Activity

Lending activity reflects a good responsiveness to the credit needs within the assessment area. Whitaker originated 968 small business loans, 440 home improvement loans, 429 small farm loans, 307 home purchase loans, 194 home refinance loans, eight multi-family loans, and 22 community development loans during the evaluation period. The percentage of Whitaker's total lending at 80.3% is comparable to the percentage of total deposits at 72.1% in this area.

Geographic Distribution

Whitaker's overall distribution of lending among geographies is considered good. Small business lending, which was the largest loan category, is good, while home purchase, refinance and home improvement lending are also good. Small farm lending is considered excellent. Although Whitaker's geographic distribution was good, there were significant gaps. During the evaluation period, Whitaker did not originate any loans in low-income census tracts and only made loans in 55.0% of moderate-income tracts.

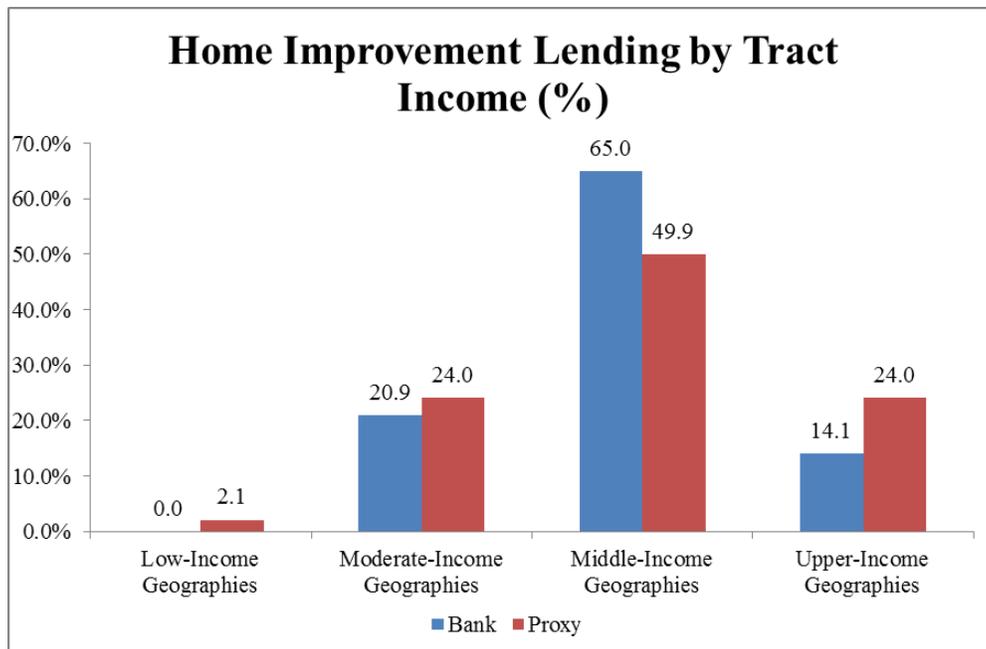
Small Business Lending



As shown in the chart above, small business lending in low- and moderate-income tracts was less than the percentage of small businesses located in low- and moderate-income tracts (proxy) and peer in the review period. Whitaker was above proxy and peer in the middle-income tract and slightly below proxy and peer for upper-income tracts.

Overall, the geographic distribution of small business lending is good.

Home Improvement

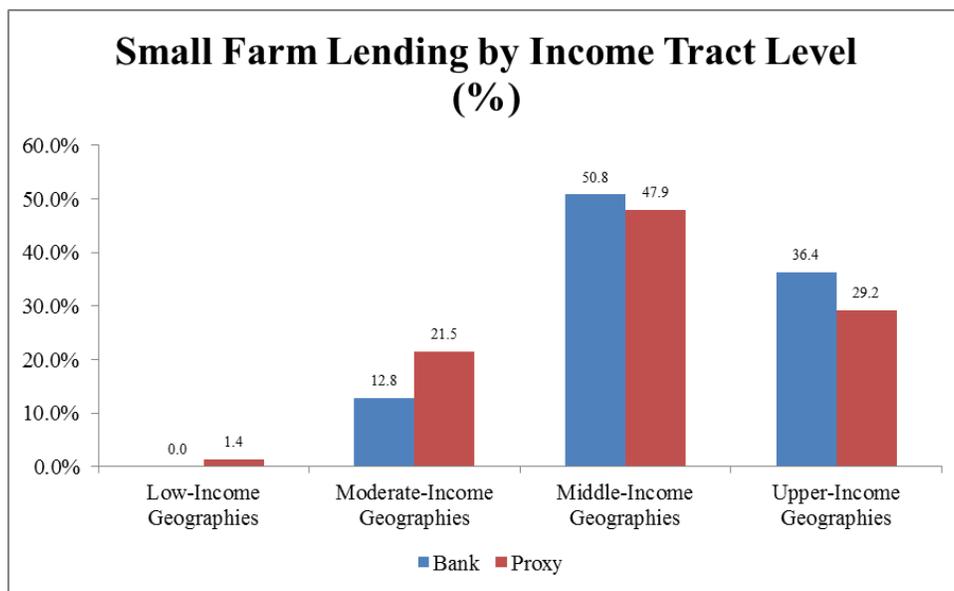


Whitaker’s home improvement lending was below the percentage of owner-occupied units (proxy) and slightly below peer in low- and moderate-income tracts. Whitaker was above proxy and peer in middle-income tracts and below proxy and peer in upper-income tracts.

As evidenced by the lack of owner-occupied units in low-income tracts, home improvement lending opportunities were limited, but available. It is significant to note Whitaker is lending in 76.1% of middle-income geographies that are distressed and underserved due to poverty and unemployment.

Overall, the geographic distribution of home improvement lending is good.

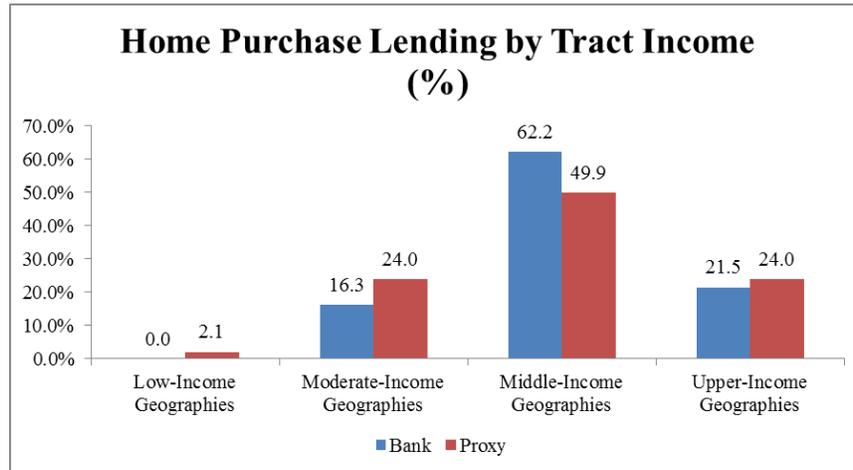
Small Farm Lending



As shown in the chart above, small farm lending in low- and moderate-income tracts was below the percentage of small farms located in low- and moderate-income tracts (proxy) and slightly below peer in the review period. Whitaker was slightly above proxy and peer in middle- and upper-income tracts.

Overall, the geographic distribution of small farm lending is excellent.

Home Purchase

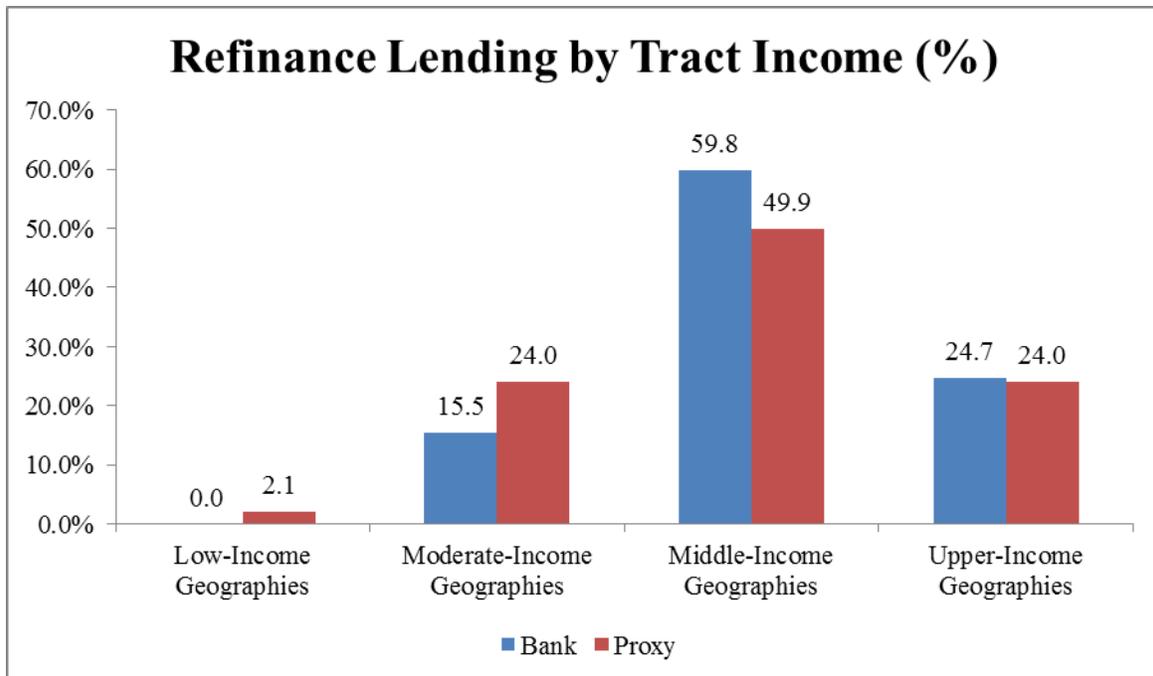


Whitaker’s home purchase lending was below the percentage of owner-occupied units (proxy) and slightly below peer in low-income tracts and below proxy and above peer in moderate-income tracts. Home purchase lending was above proxy in middle-income tracts, however slightly below proxy in upper-income tracts.

As evidenced by the lack of owner-occupied units in low-income tracts, home purchase lending opportunities were limited, but available. Owner-occupied units represent 54.9% in low and 58.5% in moderate-income geographies.

Overall, the geographic distribution of home purchase loans is good.

Home Refinance



The level of home refinance lending in low- and moderate-income tracts was below the percentage of owner-occupied homes in low- and moderate-income tracts, however was comparable to peer. Home refinance lending in middle-income tracts was above the percentage of owner-occupied homes and slightly above peer. Lending in upper-income tracts was above proxy, but below peer.

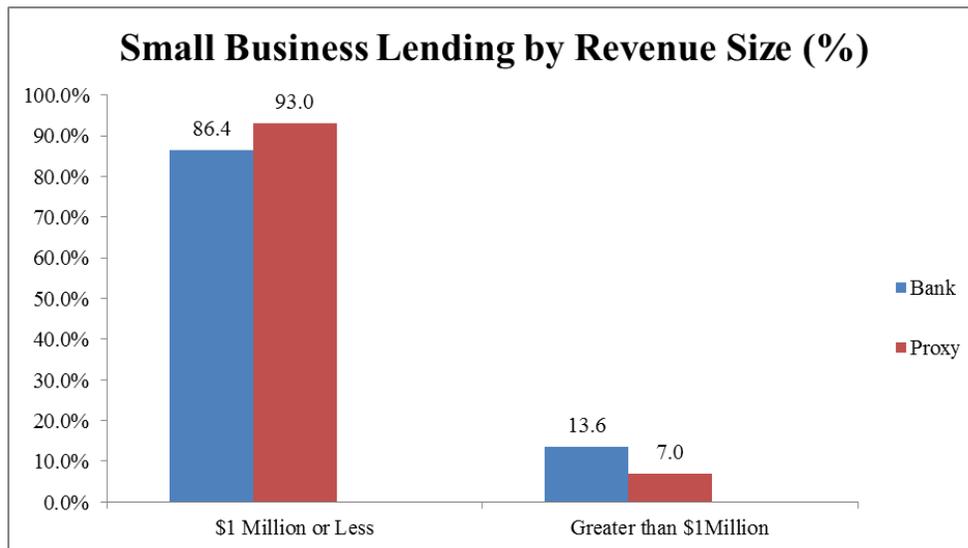
As evidenced by the lack of owner-occupied units (proxy) in moderate-income tracts, home refinance lending opportunities were limited but available.

Overall, the geographic distribution of refinance loans is good.

Distribution of Borrower Income and Revenue Size of Business

Overall, the distribution of loans is excellent based on borrower income and businesses of different revenue sizes. Most businesses within the assessment area have annualized revenues less than \$1 million. A majority of the poverty rates throughout the assessment area are well above the poverty rate of Kentucky (18.3%). Given the high poverty rates in the area, it is expected that loan demand would be depressed.

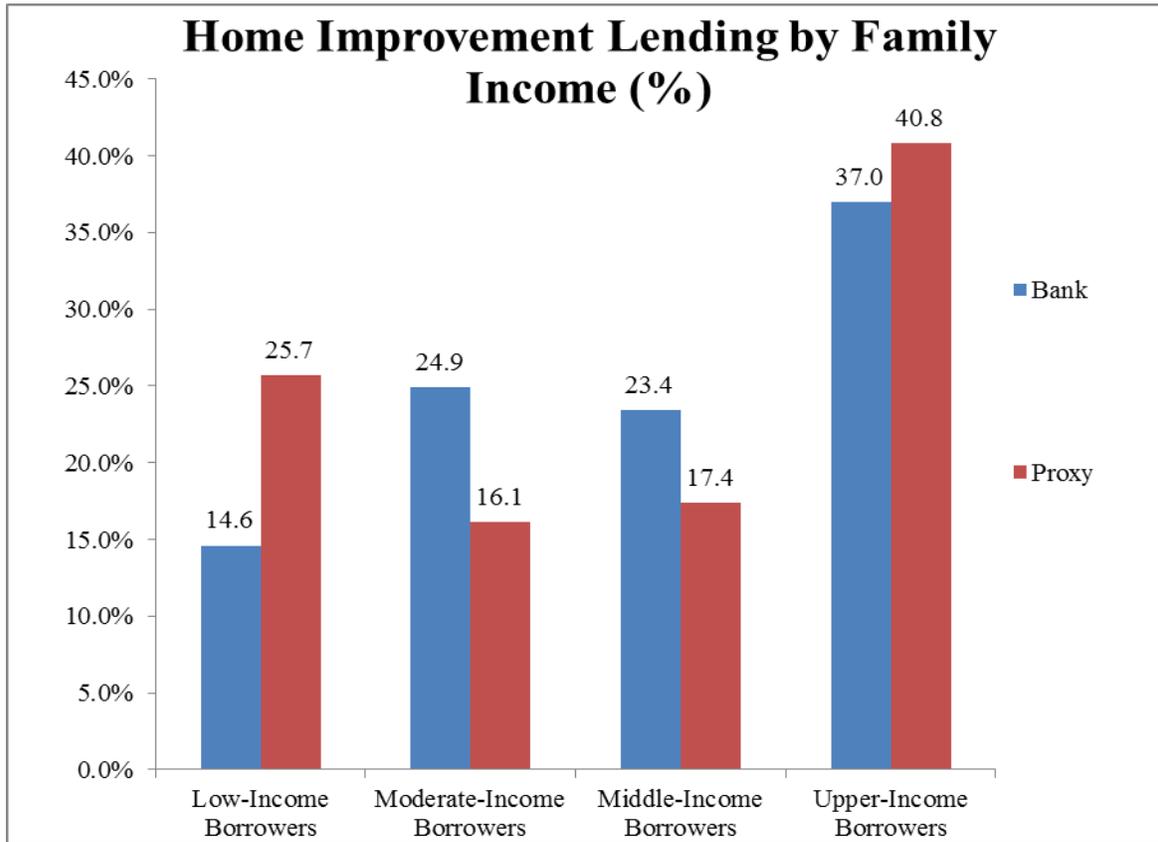
Small Business Lending



Whitaker originated 86.4% of small business loans to businesses with annual revenues less than \$1 million. Although this was slightly below the percentage of small businesses in the assessment area with annual revenues less than \$1million (proxy), it was significantly above peer.

Overall, the distribution of loans based on the revenue size of businesses is excellent.

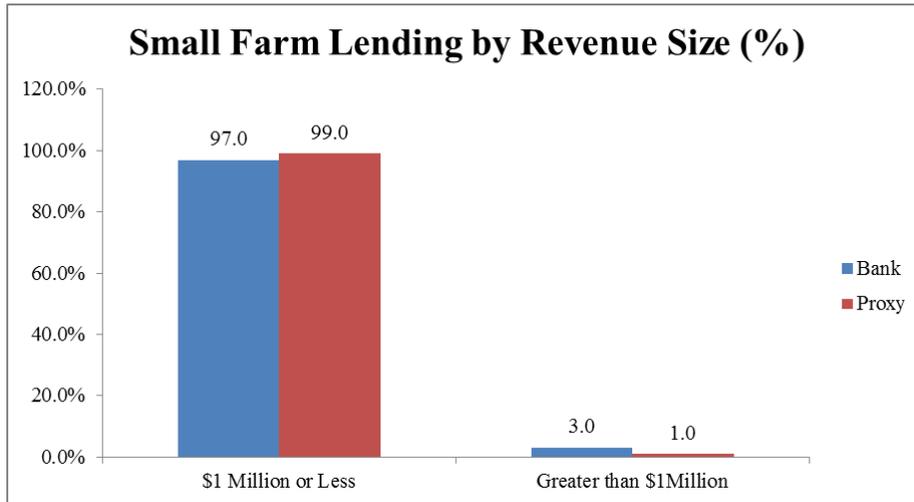
Home Improvement



The level of home improvement lending to low-income borrowers was below the percentage of low-income families (proxy), but above peer. Home improvement lending to moderate-income borrowers was well above proxy and slightly above peer. Lending to middle-income borrowers is above proxy and slightly above peer. Home improvement lending to upper-income borrowers was slightly below proxy and peer. There were loans in which no income was reported, which was considered when comparing the percentage of Whitaker's lending to demographic information.

Overall, the distribution of home improvement loans to borrowers of different income levels is good.

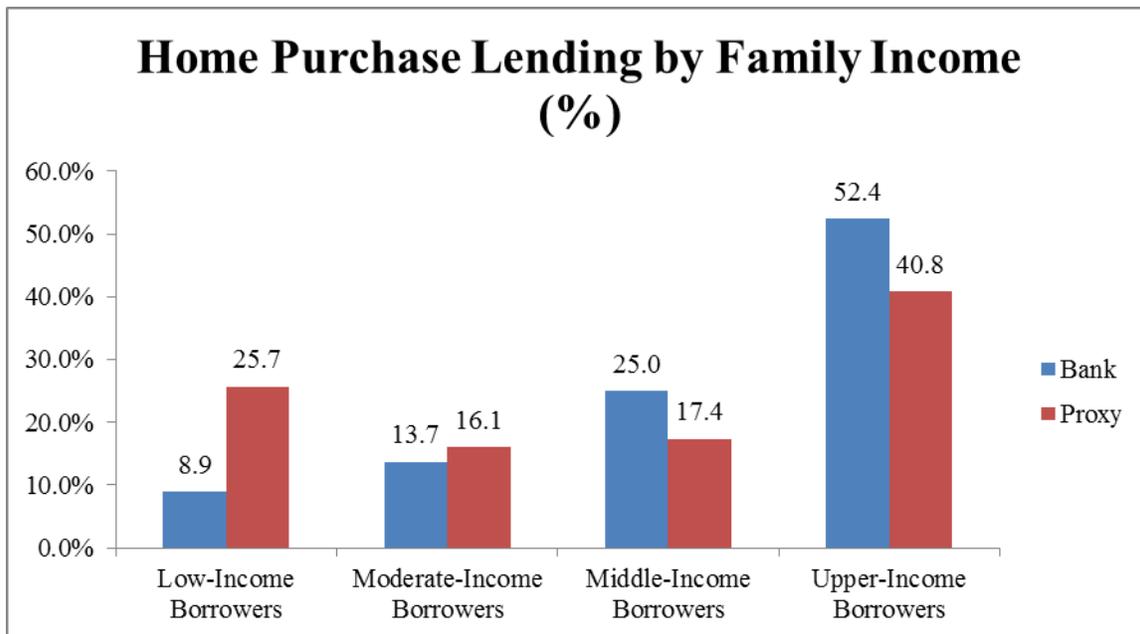
Small Farm



Whitaker originated 97.0% of loans to small farms with annual revenues less than \$1 million. This was similar to the percentage of small farms in the assessment area with annual revenues less than \$1 million (proxy) and was well above peer.

Overall, the distribution of loans based on the revenue size of small farms is excellent.

Home Purchase

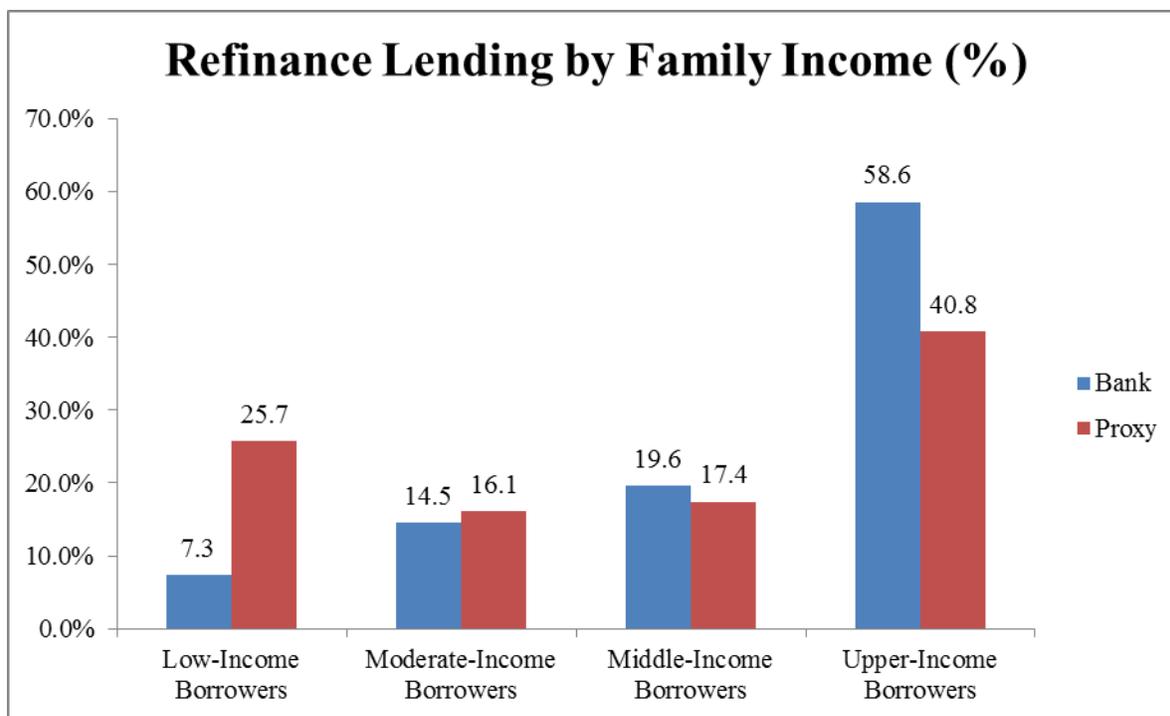


During the review period, the level of home purchase lending to low-income borrowers was well below the percentage of low-income families (proxy), but significantly above peer. The level of home purchase lending to moderate-income borrowers was slightly below the percentage of moderate-income families (proxy) and peer. Lending to middle-income borrowers is above the percentage of middle-income families (proxy), but slightly below peer. Lending to upper-income borrowers is above proxy and slightly above peer. There were loans in which no income was reported, which was considered when comparing the percentage of Whitaker’s lending to demographic information.

Based on the 2016 median family income for the assessment area, about 39.4% of the homes valued up to \$85,041 would be considered affordable for low-income individuals and approximately 61.3% of the homes valued up to \$136,066 would be considered affordable for moderate-income individuals. This, coupled with high poverty rates, could factor into the lower home purchase lending to low- and moderate-income borrowers.

Overall, the distribution of home purchase loans to borrowers of different income levels is good.

Home Refinance



The level of home refinance lending to low-income borrowers was below the percentage of low-income families (proxy), but above peer. Home refinance lending to moderate-income borrowers was slightly below proxy and slightly above peer. Lending to middle-income borrowers is slightly above proxy and slightly below peer. Lending to upper-income borrowers was above proxy and slightly below peer. There were loans in which no income was reported, which was considered when comparing the percentage of Whitaker’s lending to demographic information.

As mentioned previously, a majority of the counties within the assessment area had higher poverty levels and unemployment rates higher than the state, which may impact lending to low-income borrowers.

Overall, the distribution of refinance loans to borrowers of different income levels is good.

Community Development Loans

Whitaker originated 22 community development loans totaling \$2.9 million. Community development lending in this assessment area represented 91.7% of the total dollar volume of community development loans originated during the evaluation period. Overall, Whitaker makes a relatively high level of community development loans in this assessment area.

Of the 22 loans originated, 16 loans supported the efforts in community service, three supported the revitalization and stabilization of the community, and three loans supported economic development efforts. In addition, two of these loans were responsive to the credit needs of low-income individuals and geographies and very small businesses.

Investment Test

Whitaker made 13 investments totaling \$4.9 million in this assessment area. All of the investments were municipal bonds to support the efforts of local school districts. In addition, 184 donations were made totaling \$72,077. Many of these were annual donations to schools, where a large percentage of the student population received financial assistance. In addition, the majority of these schools are located in distressed and/or underserved areas. Other donations made supported a variety of activities, such as community services to low- and moderate-income individuals and revitalization and stabilization efforts to help create jobs in the assessment area.

Whitaker made 100.0% of its total community development investments and donations in this assessment area. This is considered to be an excellent level of qualified community development investments and donations and it is often in a leadership position. In addition, Whitaker demonstrated a good responsiveness to credit and community development needs.

Service Test

Retail Services

Delivery services are accessible. Whitaker did not open or close any offices in this assessment area since the previous evaluation. Whitaker's record of opening and closing offices has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income families.

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 had a total of 27 banking centers within this assessment area during the evaluation period, including none in low-, six in moderate-, 16 in middle-, and five in upper-income census tracts. Whitaker also had a total of 34 ATMs within this assessment area, including none in low-, eight in moderate-, 19 in middle-, and seven upper-income census tracts.

The following table illustrates the percentage of banking centers and ATMs in low-, moderate-, middle-, 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 Banking Centers	Percentage of ATMs	Percentage of Tracts	Percentage of Families in Tracts
Low	0.0%	0.0%	4.8%	2.2%
Moderate	22.2%	23.5%	27.6%	24.0%
Middle	59.3%	61.8%	46.2%	50.3%
Upper	18.5%	14.7%	21.4%	23.5%

The table above reflects a good dispersion within moderate-income tracts and a good dispersion within middle- and upper-income tracts. As previously mentioned, 76.1% of middle-income tracts are distressed due to poverty and unemployment.

Community Development Services

Whitaker was a leader in providing community development services in this assessment area. Whitaker’s officers and staff members provided 2,306 hours of community development services, which represents 100.0% of all community development services provided. The services provided were as follows:

- Employees served on the board of directors of organizations that provide community services to low- and moderate-income individuals.
- Several financial literacy training sessions were provided at schools in which the majority of students received free or reduced-price lunches,
- Employees served on boards and committees to monitor budgets, establish rates for the community, and develop strategic plans for zoning restrictions impacting low- to moderate-income families.
- Employees reviewed proposals for new ideas and projects in order to encourage new business downtown and funding to promote revitalization and stabilization within the community

**DESCRIPTION OF INSTITUTION'S OPERATIONS IN
LEXINGTON-FAYETTE KENTUCKY MSA #30460
(limited-scope review)**

The Lexington MSA consists of the entireties of Bourbon, Clark, Fayette, Jessamine, Scott, and Woodford counties. Of the 129 census tracts in the assessment area, 12 are low- (9.3%), 32 are moderate- (24.8%), 47 are middle- (36.4%), and 38 are upper-income (29.5%).

As of March 31, 2017, Whitaker ranked tenth of 37 institutions with 3.3% of the deposits in the assessment area and deposits in the assessment area represented 27.9% of its total deposits. Whitaker operates eight branches with 13 ATMs in this assessment area including its main office which is located in an upper-income census tract.

Between January 1, 2015 and December 31, 2016, Whitaker originated 252 small business loans, 135 small farm loans, 98 home purchase loans, 41 home improvement, 51 home refinance, and two community development loans in the Lexington MSA. Based on Whitaker's lending volume, a limited-scope review was conducted in this assessment area.

Details of Whitaker Bank's small business, home improvement, small farm, home purchase, and home refinance lending and lending by peers can be found in Appendix B.

The following table illustrates the demographics for this assessment area.

Combined Demographics Report

Assessment Area(s): Lexington Fayette MSA 2016

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	4,483	10	23,784	20.1
Upper-income	38	29.5	36,400	30.7	1,450	4	47,782	40.3
Unknown-income	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	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
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	1,413	6.2	1,225	5.9	180	9.5	8	4.4
Moderate-income	5,480	24	4,927	23.8	499	26.4	54	29.7
Middle-income	8,700	38.1	7,841	37.8	806	42.6	53	29.1
Upper-income	7,226	31.7	6,752	32.5	407	21.5	67	36.8
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	22,819	100.0	20,745	100.0	1,892	100.0	182	100.0
Percentage of Total Businesses:				90.9		8.3		.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	11	1.2	11	1.2	0	0	0	0
Moderate-income	138	14.9	136	15.3	2	5.3	0	0
Middle-income	448	48.2	425	47.7	23	60.5	0	0
Upper-income	332	35.7	319	35.8	13	34.2	0	0
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	929	100.0	891	100.0	38	100.0	0	.0
Percentage of Total Farms:				95.9		4.1		.0

2016 FFIEC Census Data and 2016 D&B Information

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN
LEXINGTON –FAYETTE KENTUCKY MSA #30460**

Whitaker received a “High Satisfactory” rating for the lending test rating in the Lexington MSA. The performance in this assessment area is consistent with Whitaker’s overall lending performance.

During the evaluation period, Whitaker originated loans in a majority of the census tracts within the assessment area; however, moderate lending gaps were noted. While Whitaker made at least one loan in 87 of the 129 census tracts (67.4%), it did not originate any loans in four of the 12 low-income tracts (33.3%) and 13 of the 32 moderate-income census tracts (40.6%) within the assessment area.

Whitaker has an excellent geographic distribution of loans, an excellent distribution of loans based on borrower income levels, and an excellent distribution of loans to businesses and small farms of different revenue sizes. Whitaker originated two community development loans in this assessment area, which is considered adequate.

For the investment test, Whitaker made no investments and therefore, the investment activity was below the overall investment test performance.

Whitaker’s performance in the service test is below the overall service test performance. Although retail services were accessible, no community development services were conducted in this assessment area. Performance in this assessment area was considered in developing the overall rating. The lack of investment and community development services in this assessment area negatively impacted the investment and service test ratings.

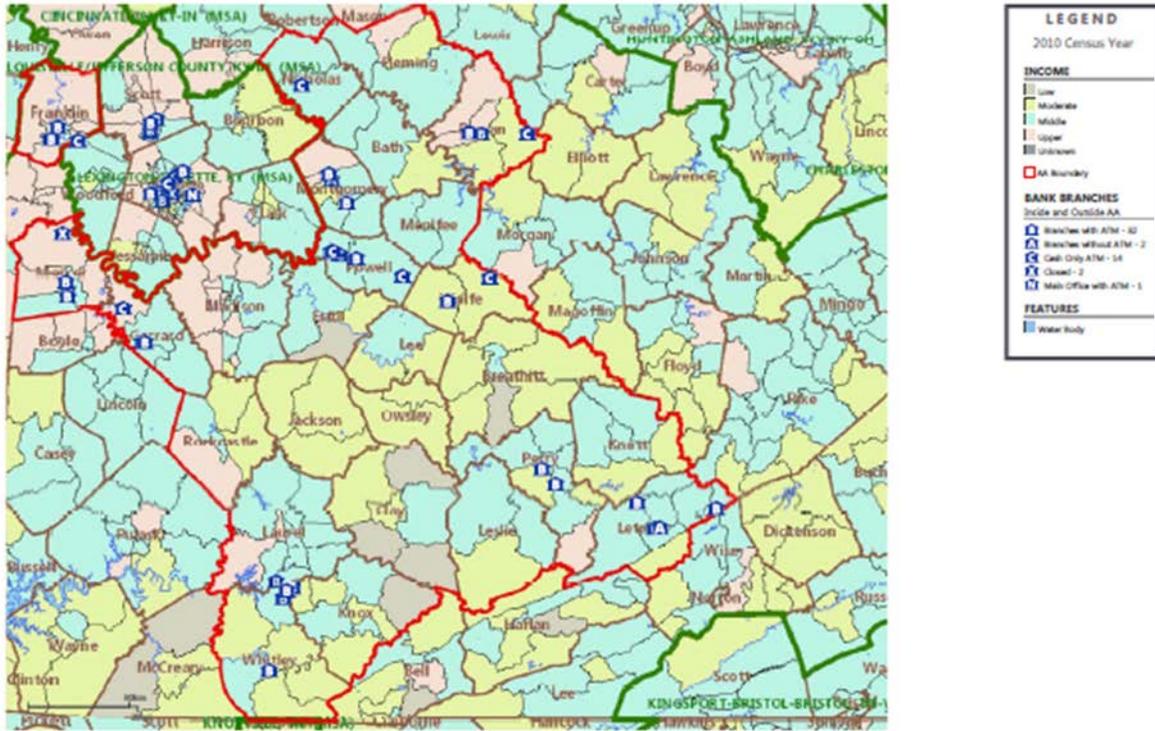
APPENDIX A
SCOPE OF EXAMINATION TABLE

TIME PERIOD REVIEWED	January 1, 2015 through December 31, 2016		
FINANCIAL INSTITUTION Whitaker Bank, Incorporated Lexington, Kentucky			PRODUCTS REVIEWED HMDA Reportable CRA Reportable
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED -
None	None		None

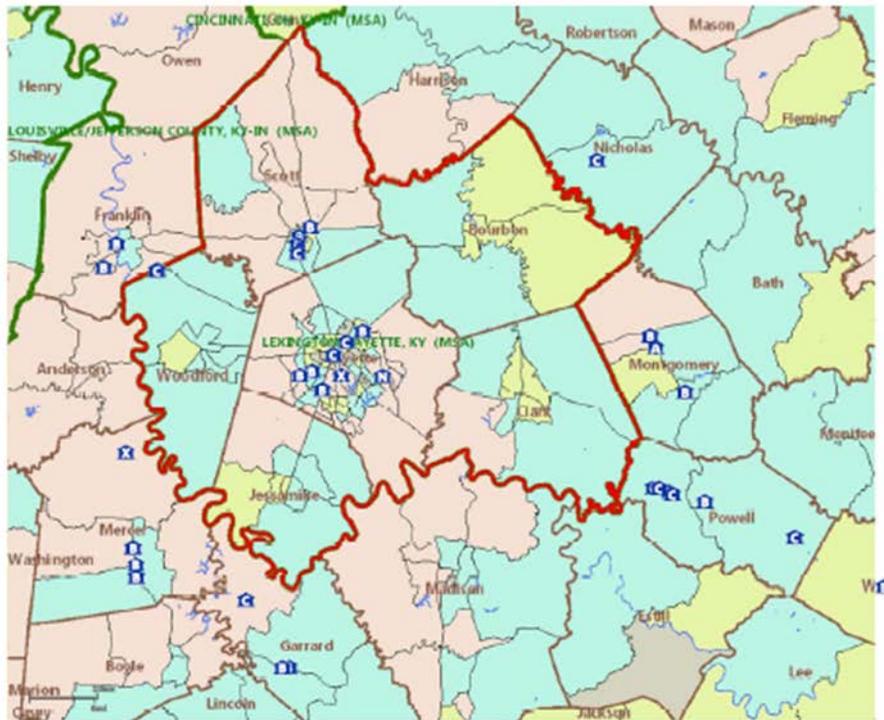
APPENDIX B

ASSESSMENT AREA MAPS

Assessment Area: Non Metro KY
2016



Assessment Area: Lexington Fayette MSA
2016



LEGEND	
2010 Census Year	
INCOME	
[Light Blue]	Low
[Light Green]	Moderate
[Light Yellow]	Upper
[Light Orange]	Unknown
[Red Outline]	AA Boundary
BANK BRANCHES Inside and Outside AA	
[Blue House Icon]	Branches with ATM - 12
[Blue House Icon]	Branches without ATM - 2
[Blue House Icon]	Call Only ATM - 14
[Blue House Icon]	Closed - 2
[Blue House Icon]	Main Office with ATM - 1
FEATURES	
[Blue Line]	Water Body

APPENDIX C

LENDING TABLES

CRA Loan Distribution Table

Exam: Whitaker 2017, Initial

Assessment Area/Group: Non Metro KY Combined Years

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income											
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	168	17.4%	8,258	13.1%	55	12.8%	1,132	7.3%	0	0.0%	0	0.0%
Low/Moderate Total	168	17.4%	8,258	13.1%	55	12.8%	1,132	7.3%	0	0.0%	0	0.0%
Middle	577	59.6%	43,358	68.6%	218	50.8%	7,941	51.4%	0	0.0%	0	0.0%
Upper	223	23.0%	11,634	18.4%	156	36.4%	6,368	41.2%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	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%	0	0.0%	0	0.0%
Total	968	100.0%	63,250	100.0%	429	100.0%	15,441	100.0%	0	0.0%	0	0.0%
	By Revenue											
Total \$1 Million or Less	821	84.8%	36,189	57.2%	416	97.0%	13,773	89.2%	0	0.0%	0	0.0%
Over \$1 Million	129	13.3%	26,500	41.9%	9	2.1%	1,409	9.1%	0	0.0%	0	0.0%
Not Known	18	1.9%	561	0.9%	4	0.9%	259	1.7%	0	0.0%	0	0.0%
Total	968	100.0%	63,250	100.0%	429	100.0%	15,441	100.0%	0	0.0%	0	0.0%
	By Loan Size											
\$100,000 or less	828	85.5%	21,079	33.3%	397	92.5%	8,676	56.2%	0	0.0%	0	0.0%
\$100,001 - \$250,000	78	8.1%	13,009	20.6%	22	5.1%	3,488	22.6%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	62	6.4%	29,162	46.1%	10	2.3%	3,277	21.2%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	968	100.0%	63,250	100.0%	429	100.0%	15,441	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less											
\$100,000 or less	750	91.4%	17,727	49.0%	389	93.5%	8,386	60.9%	0	0.0%	0	0.0%
\$100,001 - \$250,000	45	5.5%	7,610	21.0%	20	4.8%	3,047	22.1%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	26	3.2%	10,852	30.0%	7	1.7%	2,340	17.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	821	100.0%	36,189	100.0%	416	100.0%	13,773	100.0%	0	0.0%	0	0.0%

*Information based on 2010 ACS data

CRA Loan Distribution Table

Exam: Whitaker 2017, Initial

Assessment Area/Group: Lexington Combined Years

Income Categories	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income											
Low	18	7.1%	2,474	16.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	82	32.5%	4,447	29.4%	6	4.4%	184	2.8%	0	0.0%	0	0.0%
Low/Moderate Total	100	39.7%	6,921	45.7%	6	4.4%	184	2.8%	0	0.0%	0	0.0%
Middle	54	21.4%	3,591	23.7%	57	42.2%	2,446	37.0%	0	0.0%	0	0.0%
Upper	98	38.9%	4,625	30.6%	72	53.3%	3,985	60.2%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	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%	0	0.0%	0	0.0%
Total	252	100.0%	15,137	100.0%	135	100.0%	6,615	100.0%	0	0.0%	0	0.0%
	By Revenue											
Total \$1 Million or Less	212	84.1%	11,468	75.8%	125	92.6%	5,884	88.9%	0	0.0%	0	0.0%
Over \$1 Million	34	13.5%	3,369	22.3%	6	4.4%	666	10.1%	0	0.0%	0	0.0%
Not Known	6	2.4%	300	2.0%	4	3.0%	65	1.0%	0	0.0%	0	0.0%
Total	252	100.0%	15,137	100.0%	135	100.0%	6,615	100.0%	0	0.0%	0	0.0%
	By Loan Size											
\$100,000 or less	220	87.3%	6,455	42.6%	121	89.6%	3,962	59.9%	0	0.0%	0	0.0%
\$100,001 - \$250,000	22	8.7%	3,584	23.7%	10	7.4%	1,363	20.6%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	10	4.0%	5,098	33.7%	4	3.0%	1,290	19.5%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	252	100.0%	15,137	100.0%	135	100.0%	6,615	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less											
\$100,000 or less	190	89.6%	4,780	41.7%	115	92.0%	3,832	65.1%	0	0.0%	0	0.0%
\$100,001 - \$250,000	14	6.6%	2,264	19.7%	6	4.8%	762	13.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	8	3.8%	4,424	38.6%	4	3.2%	1,290	21.9%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	212	100.0%	11,468	100.0%	125	100.0%	5,884	100.0%	0	0.0%	0	0.0%

*Information based on 2010 ACS data

HMDA Loan Distribution Table

Exam: Whitaker 2017, Initial

Assessment Area/Group : Non Metro KY Combined Years

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase								
Low	0	0.0%	0	0.0%	24	7.8%	1,181	4.8%
Moderate	50	16.3%	3,076	12.6%	37	12.1%	1,826	7.5%
Low/Moderate Total	50	16.3%	3,076	12.6%	61	19.9%	3,007	12.3%
Middle	191	62.2%	14,480	59.3%	68	22.1%	3,879	15.9%
Upper	66	21.5%	6,879	28.2%	142	46.3%	14,854	60.8%
Unknown	0	0.0%	0	0.0%	36	11.7%	2,695	11.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	307	100.0%	24,435	100.0%	307	100.0%	24,435	100.0%
Refinance								
Low	0	0.0%	0	0.0%	13	6.7%	596	2.9%
Moderate	30	15.5%	1,983	9.7%	26	13.4%	1,559	7.6%
Low/Moderate Total	30	15.5%	1,983	9.7%	39	20.1%	2,155	10.5%
Middle	116	59.8%	13,067	63.7%	35	18.0%	3,170	15.5%
Upper	48	24.7%	5,463	26.6%	105	54.1%	11,989	58.4%
Unknown	0	0.0%	0	0.0%	15	7.7%	3,199	15.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	194	100.0%	20,513	100.0%	194	100.0%	20,513	100.0%
Home Improvement								
Low	0	0.0%	0	0.0%	61	13.9%	426	5.2%
Moderate	92	20.9%	1,531	18.6%	104	23.6%	1,286	15.6%
Low/Moderate Total	92	20.9%	1,531	18.6%	165	37.5%	1,712	20.7%
Middle	286	65.0%	4,871	59.0%	98	22.3%	1,601	19.4%
Upper	62	14.1%	1,849	22.4%	155	35.2%	4,154	50.3%
Unknown	0	0.0%	0	0.0%	22	5.0%	784	9.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	440	100.0%	8,251	100.0%	440	100.0%	8,251	100.0%
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	12.5%	498	8.6%	0	0.0%	0	0.0%
Low/Moderate Total	1	12.5%	498	8.6%	0	0.0%	0	0.0%
Middle	4	50.0%	3,126	53.9%	0	0.0%	0	0.0%
Upper	3	37.5%	2,172	37.5%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	8	100.0%	5,796	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	8	100.0%	5,796	100.0%	8	100.0%	5,796	100.0%
HMDA Totals								
Low	0	0.0%	0	0.0%	98	10.3%	2,203	3.7%
Moderate	173	18.2%	7,088	12.0%	167	17.6%	4,671	7.9%
Low/Moderate Total	173	18.2%	7,088	12.0%	265	27.9%	6,874	11.7%
Middle	597	62.9%	35,544	60.2%	201	21.2%	8,650	14.7%
Upper	179	18.9%	16,363	27.7%	402	42.4%	30,997	52.5%
Unknown	0	0.0%	0	0.0%	81	8.5%	12,474	21.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	949	100.0%	58,995	100.0%	949	100.0%	58,995	100.0%

*Information based on 2010 ACS data

HMDA Loan Distribution Table

Exam: Whitaker 2017, Initial

Assessment Area/Group : Lexington Combined Years

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
	Home Purchase							
Low	7	7.1%	699	6.0%	11	11.2%	958	8.3%
Moderate	23	23.5%	1,650	14.3%	7	7.1%	513	4.4%
Low/Moderate Total	30	30.6%	2,349	20.3%	18	18.4%	1,471	12.7%
Middle	37	37.8%	5,990	54.5%	14	14.3%	1,380	11.9%
Upper	31	31.6%	5,218	45.2%	44	44.9%	6,250	54.1%
Unknown	0	0.0%	0	0.0%	22	22.4%	2,456	21.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	98	100.0%	11,557	100.0%	98	100.0%	11,557	100.0%
	Re finance							
Low	2	3.9%	46	0.6%	7	13.7%	421	5.7%
Moderate	14	27.5%	1,713	23.4%	7	13.7%	411	5.6%
Low/Moderate Total	16	31.4%	1,759	24.0%	14	27.5%	832	11.3%
Middle	15	29.4%	2,489	33.9%	10	19.6%	1,127	15.4%
Upper	20	39.2%	3,087	42.1%	14	27.5%	3,150	42.9%
Unknown	0	0.0%	0	0.0%	13	25.5%	2,226	30.3%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	51	100.0%	7,335	100.0%	51	100.0%	7,335	100.0%
	Home Improvement							
Low	2	4.9%	3	0.3%	8	19.5%	68	6.4%
Moderate	15	36.6%	380	35.6%	12	29.3%	135	12.7%
Low/Moderate Total	17	41.5%	383	35.9%	20	48.8%	203	19.0%
Middle	12	29.3%	496	46.5%	6	14.6%	265	24.8%
Upper	12	29.3%	188	17.6%	9	22.0%	339	31.8%
Unknown	0	0.0%	0	0.0%	6	14.6%	260	24.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	41	100.0%	1,067	100.0%	41	100.0%	1,067	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	0	0.0%	0	0.0%	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%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	HMDA Totals							
Low	11	5.8%	748	3.7%	26	13.7%	1,447	7.2%
Moderate	52	27.4%	3,743	18.8%	26	13.7%	1,059	5.3%
Low/Moderate Total	63	33.2%	4,491	22.5%	52	27.4%	2,506	12.6%
Middle	64	33.7%	6,975	34.9%	30	15.8%	2,772	13.9%
Upper	63	33.2%	8,493	42.6%	67	35.3%	9,739	48.8%
Unknown	0	0.0%	0	0.0%	41	21.6%	4,942	24.8%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	190	100.0%	19,959	100.0%	190	100.0%	19,959	100.0%

*Information based on 2010 ACS data

Peer Group CRA Loan Distribution Table

Exam ID: Whitaker 2017, Initial

Selected Year: 2016

Non Metro KY 2016

	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000S)	%	#	%	\$(000S)	%	#	%	\$(000S)	%
	By Tract Income				By Tract Income				By Tract Income			
Low	36	0.65%	425	0.26%	3	0.57%	16	0.09%	0	0.0%	0	0.0%
Moderate	987	17.76%	26,913	16.63%	67	12.84%	1,730	10.23%	0	0.0%	0	0.0%
<i>Low/Moderate Income</i>	1,023	18.41%	27,338	16.9%	70	13.41%	1,746	10.33%	0	0.0%	0	0.0%
Middle	2,762	49.7%	86,511	53.47%	271	51.92%	8,607	50.92%	0	0.0%	0	0.0%
Upper	1,620	29.15%	45,344	28.02%	179	34.29%	6,523	38.59%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	152	2.74%	2,613	1.63%	2	0.38%	27	0.16%	0	0.0%	0	0.0%
Total	5,537	100%	161,806	100%	522	100%	16,903	100%	0	0.0%	0	0.0%
	By Revenue				By Revenue				By Revenue			
Total \$1Million or Less	2,751	49.51%	76,261	47.13%	317	60.73%	13,911	82.3%	0	0.0%	0	0.0%
	By Loan Size				By Loan Size				By Loan Size			
\$100,000 or Less	5,262	94.69%	73,156	45.21%	483	92.53%	9,251	54.73%	0	0.0%	0	0.0%
\$100,001 - \$250,000	175	3.15%	28,542	17.64%	29	5.6%	4,373	25.87%	0	0.0%	0	0.0%
\$250,001 - \$1Million (Bus)- \$500k (Farm)	120	2.16%	60,108	37.15%	10	1.92%	3,279	19.4%	0	0.0%	0	0.0%
Over \$1Million (Bus)- \$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	5,537	100%	161,806	100%	522	100%	16,903	100%	0	0.0%	0	0.0%

Peer Group CRA Loan Distribution Table

Exam ID: Whitaker 2017, Initial

Selected Year: 2016

Lexington Fayette MSA 2016

	SMALL BUSINESS				SMALL FARM				SMALL BUS. SECURED BY REAL ESTATE			
	#	%	\$(000S)	%	#	%	\$(000S)	%	#	%	\$(000S)	%
	By Tract Income				By Tract Income				By Tract Income			
Low	706	7.35%	33,125	7.7%	2	0.67%	13	0.06%	0	0.0%	0	0.0%
Moderate	1,887	19.66%	89,377	20.77%	36	12.04%	2,373	10.45%	0	0.0%	0	0.0%
<i>Low/Moderate Income</i>	2,593	27.01%	122,502	28.47%	38	12.71%	2,386	10.5%	0	0.0%	0	0.0%
Middle	3,601	37.51%	171,686	39.9%	150	50.17%	11,798	51.96%	0	0.0%	0	0.0%
Upper	3,286	34.23%	134,445	31.24%	106	35.45%	8,498	37.42%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	119	1.24%	1,686	0.39%	5	1.67%	26	0.11%	0	0.0%	0	0.0%
Total	9,599	100%	430,319	100%	299	100%	22,708	100%	0	0.0%	0	0.0%
	By Revenue				By Revenue				By Revenue			
Total \$1Million or Less	4,436	46.21%	163,352	37.96%	190	63.55%	16,884	74.35%	0	0.0%	0	0.0%
	By Loan Size				By Loan Size				By Loan Size			
\$100,000 or Less	8,771	91.37%	142,443	33.1%	236	78.93%	6,165	27.15%	0	0.0%	0	0.0%
\$100,001 - \$250,000	417	4.34%	72,484	16.84%	32	10.7%	5,457	24.03%	0	0.0%	0	0.0%
\$250,001 - \$1Million (Bus)- \$500k (Farm)	411	4.28%	215,392	50.05%	31	10.37%	11,086	48.82%	0	0.0%	0	0.0%
Over \$1Million (Bus)- \$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	9,599	100%	430,319	100%	299	100%	22,708	100%	0	0.0%	0	0.0%

Peer Group HMDA Loan Distribution Table

Exam ID: Whitaker 2017, Initial

Selected Year: 2016

Non Metro KY 2016

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Purchase								
Low	42	0.64%	3,173	0.37%	259	3.96%	14,745	1.74%
Moderate	903	13.82%	94,117	11.08%	990	15.15%	83,157	9.79%
<i>Low/Moderate Total</i>	<i>945</i>	<i>14.46%</i>	<i>97,290</i>	<i>11.45%</i>	<i>1,249</i>	<i>19.11%</i>	<i>97,902</i>	<i>11.52%</i>
Middle	3,067	46.93%	365,996	43.08%	1,465	22.42%	159,885	18.82%
Upper	2,501	38.27%	384,673	45.28%	2,556	39.11%	423,685	49.87%
Unknown	22	0.34%	1,619	0.19%	1,265	19.36%	168,106	19.79%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	6,535	100.0%	849,578	100.0%	6,535	100.0%	849,578	100.0%
Refinance								
Low	22	0.64%	1,989	0.42%	110	3.21%	7,416	1.55%
Moderate	461	13.43%	54,315	11.37%	372	10.84%	30,280	6.34%
<i>Low/Moderate Total</i>	<i>483</i>	<i>14.07%</i>	<i>56,304</i>	<i>11.79%</i>	<i>482</i>	<i>14.04%</i>	<i>37,696</i>	<i>7.89%</i>
Middle	1,516	44.17%	201,092	42.11%	536	15.62%	55,842	11.69%
Upper	1,429	41.64%	219,699	46.01%	1,587	46.24%	248,051	51.95%
Unknown	4	0.12%	406	0.09%	827	24.1%	135,912	28.46%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	3,432	100.0%	477,501	100.0%	3,432	100.0%	477,501	100.0%
Home Improvement								
Low	4	0.43%	104	0.23%	92	9.88%	1,043	2.35%
Moderate	201	21.59%	8,632	19.44%	177	19.01%	3,873	8.72%
<i>Low/Moderate Total</i>	<i>205</i>	<i>22.02%</i>	<i>8,736</i>	<i>19.68%</i>	<i>269</i>	<i>28.89%</i>	<i>4,916</i>	<i>11.07%</i>
Middle	513	55.1%	21,017	47.33%	201	21.59%	8,731	19.66%
Upper	212	22.77%	14,638	32.97%	414	44.47%	26,957	60.71%
Unknown	1	0.11%	10	0.02%	47	5.05%	3,797	8.55%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	931	100.0%	44,401	100.0%	931	100.0%	44,401	100.0%
Multi-Family								
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	2	5.26%	1,391	3.64%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>2</i>	<i>5.26%</i>	<i>1,391</i>	<i>3.64%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	15	39.47%	12,260	32.1%	0	0.0%	0	0.0%
Upper	21	55.26%	24,541	64.26%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	38	100.0%	38,192	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	38	100.0%	38,192	100.0%	38	100.0%	38,192	100.0%
HMDA Totals								
Low	68	0.62%	5,266	0.37%	461	4.22%	23,204	1.65%
Moderate	1,567	14.33%	158,455	11.24%	1,539	14.07%	117,310	8.32%
<i>Low/Moderate Total</i>	<i>1,635</i>	<i>14.95%</i>	<i>163,721</i>	<i>11.61%</i>	<i>2,000</i>	<i>18.29%</i>	<i>140,514</i>	<i>9.97%</i>
Middle	5,111	46.74%	600,365	42.59%	2,202	20.14%	224,458	15.92%
Upper	4,163	38.07%	643,551	45.65%	4,557	41.67%	698,693	49.56%
Unknown	27	0.25%	2,035	0.14%	2,177	19.91%	346,007	24.55%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	10,936	100.0%	1,409,672	100.0%	10,936	100.0%	1,409,672	100.0%

Peer Group HMDA Loan Distribution Table

Exam ID: Whitaker 2017, Initial

Selected Year: 2016

Lexington Fayette MSA 2016

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
	Home Purchase							
Low	351	3.21%	42,145	2.19%	868	7.94%	85,789	4.46%
Moderate	1,896	17.35%	224,412	11.67%	2,102	19.24%	274,761	14.29%
<i>Low/Moderate Total</i>	<i>2,247</i>	<i>20.57%</i>	<i>266,557</i>	<i>13.86%</i>	<i>2,970</i>	<i>27.18%</i>	<i>360,550</i>	<i>18.75%</i>
Middle	4,399	40.26%	703,382	36.58%	2,362	21.62%	383,018	19.92%
Upper	4,278	39.15%	952,680	49.54%	3,611	33.05%	854,453	44.43%
Unknown	2	0.02%	357	0.02%	1,983	18.15%	324,955	16.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	10,926	100.0%	1,922,976	100.0%	10,926	100.0%	1,922,976	100.0%
	Refinance							
Low	240	3.64%	30,288	2.48%	414	6.28%	36,708	3.01%
Moderate	1,027	15.57%	130,275	10.67%	865	13.11%	101,082	8.28%
<i>Low/Moderate Total</i>	<i>1,267</i>	<i>19.21%</i>	<i>160,563</i>	<i>13.15%</i>	<i>1,279</i>	<i>19.39%</i>	<i>137,790</i>	<i>11.29%</i>
Middle	2,446	37.08%	411,901	33.74%	1,258	19.07%	180,566	14.79%
Upper	2,882	43.69%	648,240	53.1%	2,566	38.9%	617,813	50.6%
Unknown	1	0.02%	185	0.02%	1,493	22.63%	284,720	23.32%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	6,596	100.0%	1,220,889	100.0%	6,596	100.0%	1,220,889	100.0%
	Home Improvement							
Low	32	4.15%	3,195	3.82%	75	9.72%	3,340	3.99%
Moderate	145	18.78%	8,724	10.43%	134	17.36%	6,868	8.21%
<i>Low/Moderate Total</i>	<i>177</i>	<i>22.93%</i>	<i>11,919</i>	<i>14.25%</i>	<i>209</i>	<i>27.07%</i>	<i>10,208</i>	<i>12.2%</i>
Middle	300	38.86%	27,642	33.04%	161	20.85%	12,711	15.19%
Upper	295	38.21%	44,093	52.71%	341	44.17%	50,291	60.12%
Unknown	0	0.0%	0	0.0%	61	7.9%	10,444	12.48%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	772	100.0%	83,654	100.0%	772	100.0%	83,654	100.0%
	Multi-Family							
Low	11	11.83%	6,824	4.32%	0	0.0%	0	0.0%
Moderate	37	39.78%	38,992	24.69%	0	0.0%	0	0.0%
<i>Low/Moderate Total</i>	<i>48</i>	<i>51.61%</i>	<i>45,816</i>	<i>29.01%</i>	<i>0</i>	<i>0.0%</i>	<i>0</i>	<i>0.0%</i>
Middle	24	25.81%	81,484	51.59%	0	0.0%	0	0.0%
Upper	21	22.58%	30,649	19.4%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	93	100.0%	157,949	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	93	100.0%	157,949	100.0%	93	100.0%	157,949	100.0%
	HMDA Totals							
Low	634	3.45%	82,452	2.44%	1,357	7.38%	125,837	3.72%
Moderate	3,105	16.89%	402,403	11.89%	3,101	16.87%	382,711	11.3%
<i>Low/Moderate Total</i>	<i>3,739</i>	<i>20.34%</i>	<i>484,855</i>	<i>14.32%</i>	<i>4,458</i>	<i>24.25%</i>	<i>508,548</i>	<i>15.02%</i>
Middle	7,169	38.99%	1,224,409	36.17%	3,781	20.56%	576,295	17.02%
Upper	7,476	40.66%	1,675,662	49.5%	6,518	35.45%	1,522,557	44.97%
Unknown	3	0.02%	542	0.02%	3,630	19.74%	778,068	22.98%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	18,387	100.0%	3,385,468	100.0%	18,387	100.0%	3,385,468	100.0%

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, Whitaker'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.