



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

April 16, 2003

Community Reinvestment Act Performance Evaluation

**The State National Bank Of Frankfort
Charter Number: 4090**

**130 West Main Street
Frankfort, KY 40601**

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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, and should not 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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Overall CRA Rating

Institution’s CRA Rating: This institution is rated “Satisfactory”.

The following table indicates the performance level of **The State National Bank of Frankfort** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Adequate lending volume and adequate percentage of loans originated in the assessment area (AA);
- Excellent borrower distribution of small loans to businesses and farms and good borrower distribution of home mortgage loans;
- Excellent geographic distribution of lending to farms, good geographic distribution of small loans to businesses, and adequate geographic distribution of home mortgage loans;
- Adequate level of investments;
- Delivery systems are accessible to geographies and individuals of different income levels in the AA;
- Community development services are adequate.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): 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 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: 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.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract or a block numbering area 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 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 (e.g., approved, denied, and withdrawn).

Home Mortgage Loans: such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing 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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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.

Description of Institution

The State National Bank of Frankfort (SNBF) is a \$121 million intrastate bank headquartered in Frankfort, Kentucky. The bank's market and its four banking locations are in Franklin County, Kentucky. SNBF did not have any mergers or acquisitions during this review period. The holding company is Whitaker Bank Corporation (WBC) located in Lexington, Kentucky. As of December 2002, WBC's assets were \$1.1 billion. WBC owns six financial institutions located throughout the state of Kentucky. There are no affiliate activities included in this evaluation.

SNBF originates all types of consumer loans. SNBF offers an adjustable-rate home mortgage product with a three-year fixed-rate and a twenty-year amortization. The bank accepts home mortgage applications for a 30-year fixed-rate product through the secondary market; however, the loan decision, funding and booking are through WBC. As of December 2002, SNBF had total assets to net loans of 50.90%. The loan portfolio is comprised of \$23 million (37.82%) in residential and residential real estate, \$25 million (39.99%) in commercial and commercial real estate, \$3.6 million (5.84%) in consumer loans, \$9.5 million (15.40%) in construction and land development and \$587 thousand (less than 1%) in farm loans. Although SNBF's percentage of residential and residential real estate numbers is significant, the bank stated the majority represents accounts that are old and renewed. SNBF originated a limited amount of home mortgages over the last three years.

There are no legal, financial or other factors impeding SNBF's ability to help meet the credit needs in its assessment area (AA). As of December 2002, SNBF had Tier 1 Capital of \$8 million.

SNBF was rated "Satisfactory" at its last CRA evaluation dated January 25, 1999.

Scope of the Evaluation

Evaluation Period/Products Evaluated

SNBF became a small business reporter for the year 2002 and we evaluated the bank's small business lending for that period only. The bank does not have an office located in a metropolitan statistical area, and therefore, is not subject to the Home Mortgage Disclosure Act that requires certain home mortgage data collection. We reviewed SNBF's home mortgage originations for the years 2000, 2001, and 2002, which is the time period since our last evaluation. This evaluation will include SNBF's origination of home purchase and refinance loans. Home-improvement originations were very minimal and were not included or considered in this Evaluation. Community development activities were evaluated from the date of the last CRA evaluation (January 25, 1999) to the start date of this CRA evaluation (April 16, 2003).

Data Integrity

We performed a data integrity review of SNBF's small business originations for the year 2002. The review found that 15% of the data incorrectly listed the loan type, the purpose, or the census tract. The bank revised its data and the corrected data was used for examination purposes.

Selection of Areas for Full-Scope Review

We performed a full-scope review in the non-MSA area (Franklin County).

Refer to appendix A for more information.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews.

SNBF's overall rating is based on Franklin County which received a full-scope review. In the review of the lending test, small lending to businesses was most significant in volume and received the most consideration. Home mortgage volume was considerably lower and did not have a material impact on the evaluation.

Other

We contacted two community organizations to ascertain the community and credit needs in the AA. An economic development organization stated a need for higher-skilled white collar jobs. A housing organization indicated a need for construction of affordable housing and incentives for developers to construct lower priced homes. Refer to the Market Profile in appendix B for more information.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

SNBF's performance under the lending test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in Franklin County is good.

Lending Activity

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's lending activity.

SNBF's lending activity is considered adequate based on SNBF being a fairly high deposit-taker and having an average loan-to-deposit ratio.

Within the AA, SNBF has the second highest deposit market share (13.79%) of all financial institutions. The financial institution that dominates the deposit market share at 51.69% is headquartered in Frankfort, Kentucky and has assets of \$597 million.

Small business lending market data for 2002 is not yet available. However, based on data published in the 2001 Small Business Reporter and SNBF's 2002 originations, SNBF is among the top lenders.

We utilized the Uniform Bank Performance Report (UBPR) to gauge SNBF's general lending activity for the period 2000 through 2002. The UBPR is a regulatory report that provides quarterly data on similarly situated institutions. The UBPR was customized to include the quarterly loan to deposit ratios of financial institutions with assets from \$100 million to \$1 billion and located in Franklin County, Kentucky. Only two institutions met the criteria, one of which was SNBF. Both banks had very similar loan-to-deposit ratios. SNBF's average loan to deposit ratio for the quarters 2000 through 2002 was 64.05%. The other institution, a major competitor, had an average loan to deposit ratio for the same period of 68.86%.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2 and 3 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and refinances.

SNBF's overall geographic distribution of home mortgage loans is adequate. Although the bank did not originate any home mortgage loans in the one moderate-income geography in its AA, this performance was considered to be reasonable. There is limited opportunity to lend due to the area's low number of homes, very low level of owner-occupied housing (52units), and a relatively high level of competition given the limited opportunities. Reportedly, there has been no new construction of affordable homes or other homes in that geography during this evaluation period. See comments under the market profile in appendix B for additional details.

SNBF originates home mortgage applications for its parent to be sold in the secondary market. The bank does not retain documentation on the geographic distribution of these loans. Therefore, we were unable to consider them in our evaluation.

Small Loans to Businesses

Refer to Table 4 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

SNBF's geographic distribution of small loans to businesses is good.

SNBF's percentage of originations to businesses in the moderate-income geography is somewhat less than the percentage of businesses located in that geography.

Small Loans to Farms

Refer to Table 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

SNBF's geographic distribution of small loans to farms is excellent.

SNBF's percentage of originations to farms in the moderate-income geography exceeds the percentage of farms located in that geography.

Lending Gap Analysis

SNBF's lending activity of home mortgage loans and small loans to businesses was reviewed to identify any gaps in the geographic distribution of those loans. No unexplained conspicuous lending gaps were noted.

Inside/Outside Ratio

The analysis of the Inside/Outside Ratio was performed at the bank level as opposed to the AA level. SNBF originated 76.35% of its small business originations in its AA and 72.86% of its small farm originations in its AA. SNBF originated 71.43% of its home purchase originations and 64.29% of its refinance originations in its AA. The bank did an adequate level of lending in its AA which will be factored into the overall conclusion regarding geographic distribution.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 6 and 7 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and refinances.

SNBF's borrower distribution of home mortgage originations is good. SNBF's performance to moderate-income families was very close to, or exceeded the percentage of moderate-income families. A high percentage of households below the poverty level in the AA and a lack of decent affordable homes available for purchase were taken into consideration when evaluating the bank's performance to low-income borrowers.

SNBF's borrower distribution of home purchase originations is adequate. SNBF made no home purchase loans to low-income borrowers. However, SNBF's percentage of home purchase originations to moderate-income families significantly exceeds the percentage of moderate-income families in the AA.

SNBF's borrower distribution of refinance originations is good. SNBF's percentage of refinance originations to low-income borrowers is significantly less than the percentage of low-income families in the AA. However, SNBF's percentage of refinance originations to moderate-income families is very close to the percentage of moderate-income families in the AA.

Small Loans to Businesses

Refer to Table 8 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

SNBF's borrower distribution of originations of small loans to businesses is excellent.

SNBF's percentage of originations to small businesses with revenues of \$1 million or less significantly exceeds the percentage of small businesses with revenues of \$1 million or less located in the AA. SNBF originated a substantial percentage of its small loans to businesses in amounts of \$100 thousand or less.

Small Loans to Farms

Refer to Table 9 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

SNBF's borrower distribution of originations of small loans to farms is excellent.

SNBF's percentage of originations to small farms with revenues of \$1 million or less exceeds the percentage of small farms with revenues of \$1 million or less located in the AA. SNBF originated a substantial percentage of its small farm in amounts of \$100 thousand or less.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending.

Since the bank reported no CD loans, community development lending performance has a neutral effect on the overall lending test conclusions.

Product Innovation and Flexibility

SNBF did not present any innovative or flexible loan products for our consideration.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in Franklin County is adequate.

Refer to Table 10 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

We reviewed the bank's investments in relation to the available opportunities in the AA and the bank's capacity. We determined there is a limited level of opportunity for investments in the AA. We found a local opportunity for investment in three low-income housing tax credits granted in the bank's AA through the Kentucky Housing Corporation. On a statewide basis, tax-exempt bonds issued by the Kentucky Housing Corporation were an investment opportunity. The bank's capacity is somewhat hindered by its asset size considering strong competition by larger and more sophisticated lenders. See the Market Profile in appendix B for detail.

SNBF's investments consisted of donations to homeless shelters that provide services to low- and moderate-income individuals and to the local economic development authority that assist small businesses.

During the review period, the bank made 10 investments totaling \$7 thousand.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory". Based upon our full-scope review, the bank's performance in Franklin County is good.

Retail Banking Services

Refer to Table 11 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

SNBF's delivery systems are accessible to geographies and individuals of different income levels in the AA. Full financial services are offered at each branch and business hours do not vary in a manner that inconveniences any portion of the assessment area, particularly low- and moderate- income geographies and individuals. The bank has an adequate level of community development services. The bank has the second highest number of branches (4) of all the financial institutions in the AA. The bank did not open or close any branches during the evaluation period.

There are no low-income geographies in the AA. SNBF has one banking office, its main office, located in the moderate-income geography. SNBF's percentage of branches located in the moderate-income geography significantly exceeds the percentage of population in the moderate-income geography.

SNBF's hours of operation are reasonable. Monday through Thursday the bank has lobby hours of 8:30 A.M. until 4:00 P.M. The main office and all branches have extended hours on Friday until 5:30 P.M. Also, the Franklin Square and Eastwood upper- and middle-income locations are opened on Saturday 8:30 A.M. until 12 Noon. Drive-through banking is available at the main office and two branches with a half-an hour earlier opening time and the extended Friday hours.

SNBF has a total of eight ATMs that include a full-serve ATM at each branch location. The remaining ATMs are cash dispensing units only and are located in upper-income geographies. Several of the non-bank ATMs are located at either a shopping center, hotel, grocery store, or at a medical facility to provide convenient access to residents of all income levels, including low- and moderate-income.

SNBF has various checking and deposit products for all its customers, including Internet banking service and PhoneSmart, a toll free, 24-hour service providing customer account access including fund transfers, account verification and deposit verification. Since the bank could not provide specific information on how low- and moderate-income individuals and the moderate-income geography is impacted by Internet banking service or PhoneSmart, significant weight was not placed on alternate delivery systems when drawing conclusions in the AA.

Community Development Services

SNBF's community development services are adequate. Employees of SNBF have served on some organizations in the community that provide general services to low- and moderate-income persons. Organizations that SNBF participates with includes, but is not limited to:

- The Chamber of Commerce is a partner of the Capital Community Economic/Industrial Development Authority that is active in promoting, establishing, and maintaining businesses in Frankfort, most of which are small businesses. A bank officer served as Director for the Chamber.
- The Habitat For Humanity is an organization that helps develop low-income housing. A bank employee served on the Board where she helped administer housing projects for low- and moderate-income individuals.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received a comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/00 to 12/31/02 – home mortgage loans and 01/01/02 to 12/31/02 – small loans to businesses and farms Investment and Service Tests and CD Loans: 01/25/99 to 04/16/03	
Financial Institution		Products Reviewed
The State National Bank of Frankfort (SNBF) Frankfort, Kentucky		Home purchase and refinance mortgages Small loans to businesses and farms
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Franklin County (Non-metropolitan Area)	Full-scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Franklin County	B-2
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Franklin County-Kentucky

Demographic Information for Full Scope Area: Franklin County-Kentucky						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	11	0.00	9.09	18.18	72.73	0.00
Population by Geography	43,781	0.00	1.29	17.33	81.38	0.00
Owner-Occupied Housing by Geography	11,124	0.00	0.47	14.69	84.84	0.00
Business by Geography	3,146	0.00	13.50	20.92	65.58	0.00
Farms by Geography	88	0.00	1.14	14.77	84.09	0.00
Family Distribution by Income Level	12,183	10.42	11.13	17.55	60.90	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	2,626	0.00	2.44	29.32	68.24	0.00
Median Family Income	22,542	Median Housing Value		59,609		
HUD Adjusted Median Family Income for 2002	36,300	Unemployment Rate (1990 US Census)		2.36%		
Households Below Poverty Level	11.07%					

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

SNBF delineated one assessment area, all of Franklin County, in a non-metropolitan area. The AA consists of 11 geographies, primarily upper-income geographies and there are no low-income geographies. The geographic makeup includes one (9%) moderate-income area, two (18%) middle-income areas, and eight (73%) upper-income areas. The AA is legal and the bank did not arbitrarily exclude any low- and moderate-income geographies.

Frankfort is the largest city in Franklin County. Frankfort is both the capital seat of Franklin County and of the state government. Frankfort is situated near the Kentucky River. The City has experienced significant flooding problems and in recent years a retainer wall was built, many homes demolished, and families relocated to address this issue. Although this problem has somewhat been addressed, the City has another flooding concern around the downtown area due to a drainage problem.

Near and around the downtown area is the location of Frankfort's one moderate-income area. It is comprised of many office buildings and restaurants. According to the 1990 census data, the median year built of these homes is 1939. A significant amount of the homes have been demolished either because of flooding or to build commercial buildings, such as the History Center and the State Department of Transportation currently under construction. The city of Frankfort has not, in the near term, offered any housing programs for low- and moderate-income borrowers. The city plans to apply for federal funds and grants once the drainage concern has been corrected. Frankfort is a major historical area. Renovations are provided through self-funded activities. Most community development activities are federally and state funded. Additionally, the moderate-income geography experiences a high level (16%) of households living at or below the poverty level and a high level (12%) of households on public assistance.

Frankfort's economy averages very low unemployment level due to strong employment by the state. During 2002, it ranged approximately 3% in comparison to the state of Kentucky's 6% range. The main industry has been a mixture of services, retail, and manufacturing. The major employers have remained relatively stable. Major employers include Topy Corp., Montaplast of North America, and Bendix Commercial Vehicle Systems.

Competition is very strong. Most of the bank's competitors are larger local institutions and out-of-area lenders. Locally, there are five financial institutions; the smallest financial institution has assets of \$47 million and SNBF is the 3rd largest financial institution. Farmers Bank & Capital Trust Company with \$596 million in assets is the largest financial institution headquartered in Frankfort and is a major competitor. Out of area lenders are large regional bank such as National City Bank, Kentucky (\$8.5 billion and headquartered in Louisville, Kentucky) and MBNA America, N.A. (\$1.7 billion and headquartered in Wilmington, Delaware). Other financial conglomerates include GE Capital Corporation and American Express Centurion.

There are approximately 13 community development organizations in the AA that provide housing and community services to low- and moderate-income individuals and small businesses in the AA. We found one major economic development organization, the Capital Community Economic Industrial Development Authority. Housing needs are primarily met through services provided by Kentucky Housing Corporation, a federally funded program, that serves the entire state of Kentucky. They provide home loans to low- and moderate-income persons at below market interest rates and require little or no down payment. They also provide homeownership counseling. Habitat for Humanity is the local housing initiative for affordable housing. The city of Frankfort has not been active in offering flexible housing programs.

Opportunities are moderate. The city did not issue bonds for improvements to the moderate-income downtown area. Revitalization of the moderate-income area is an ongoing project by the city of Frankfort (Renaissance project) that is primarily funded by a grant from the state of Kentucky and donations. For the review period, we identified three major low-income housing tax credit developments in the City of Frankfort (Cottages of Frankfort – 96 units; Frankfort II – 32 units, and Frankfort I – 40 units). Also \$608 million of tax-exempt revenue bonds were issued by the Kentucky Housing Corporation.

We contacted two community organizations to ascertain the community and credit needs in the AA. The Economic Development Council helps bring jobs into the community, most of which are small businesses. They stated a need for higher skilled white-collar jobs. A housing organization indicated a need for construction of affordable housing and incentives for developers to construct lower priced homes.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 4. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank’s assessment area.
- Table 5. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 6. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 7. Borrower Distribution of Home Refinance Loans** - See Table 6.
- Table 8. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 10. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist,

insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Qualified Investments” column.

Table 11. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank’s branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: FRANKLIN COUNTY				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002						
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans	% of Rated Area Deposits in MA/AA	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
Full Review:												
Franklin County	100.00	33	2,588	155	10,277	51	1,959	0	0.00	239	14,824	100.00

* Loan Data as of January 2000 to December 2002 for home mortgages and January 2002 to December 2002 for small business and small farm.. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is January 25, 1999 to April 16, 2003.

*** Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: FRANKLIN COUNTY				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies					
	#	% of Total**	% Owner Occ... ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% Owner Occ Units ^{***}	% Owner Occ Units ^{***}	% Owner Occ Units ^{***}	% Owner Occ Units ^{***}	Over all	Low	Mod	Mid	Upp
Full Review:														
Franklin County	15	100.00	0.00	0.00	.47	0.00	14.69	20.00	84.84	80.00	NA	NA	NA	NA

* Based on Peer Mortgage Data: NA bank is not a HMDA Reporter.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: FRANKLIN COUNTY		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002											
MA/Assessment Area:	Total Home Mortgage Refinance Loans	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
		#	% of Total**	% Owner Occ... Units	% BANK Loans	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Franklin County	18	100.00	0.00	0.00	0.00	.47	0.00	5.56	84.84	94.44	NA	NA	NA	NA	NA

Full Review:

* Based on Peer Mortgage Data: NA bank is not a HMDA Reporter.
 ** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.
 ... Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: FRANKLIN COUNTY				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Franklin County	155	100.00	0.00	0.00	13.50	11.61	20.92	20.00	65.58	68.39	NA	NA	NA	NA	NA

* Based on Peer Small Business Data: US. NA, peer data not yet available.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 5. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: FRANKLIN COUNTY				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002								
MA/Assessment Area:	Total Small Farm Loans #	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
		% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Upp	
Full Review:														
Franklin County	51	100.00	0.00	0.00	1.14	1.96	14.77	3.92	84.09	94.12	NA	NA	NA	NA

* Based on Peer Small Business Data: US. NA, peer data not yet available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002).

Table 6. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: FRANKLIN COUNTY				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{**} *	% BANK Loans ^{****}	% Families ^{**}	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{****}	Over all	Low	Mod	Mid	Upp
Full Review:															
Franklin County		100.00	10.42	0.00	11.13	26.67	17.55	40.00	60.90	33.33	NA	NA	NA	NA	NA

^{*} Based on Peer Mortgage Data: NA, bank is not a HMDA Reporter.
^{**} As a percentage of loans with borrower income information available.
^{***} Percentage of Families is based on the 1990 Census information.
^{****} Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 7. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: FRANKLIN COUNTY		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002											
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
Franklin County		18	100.00	10.42	5.56	11.13	11.11	17.55	22.22	60.90	61.11	NA	NA	NA	NA

* Based on IPeer Mortgage Data: NA, bank is not a HMDA Reporter.
 ** As a percentage of loans with borrower income information available.
 *** Percentage of Families is based on the 1990 Census information.
 **** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: FRANKLIN COUNTY		Evaluation Period: M JANUARY 1, 2002 TO DECEMBER 31, 2002			
	Total Small Loans to Businesses	Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less		>\$100,000 to \$250,000
MA/Assessment Area:							
Full Review:							
Franklin County	155	100.00	69.36	94.84	81.94	13.55	4.51
							NA
							NA

* Based on Peer Small Business Data: US. NA, peer data not yet available.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.94% of small loans to businesses originated and purchased by the Bank.

Table 9. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: FRANKLIN COUNTY		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002		Market Share			
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		Rev \$1 Million or Less		
	#	% of Total ^{**}	% of Farms ^{**}	% BANK Loans ^{***}	\$100,000 or less	>\$100,000 to \$250,000		All	
Full Review:									
Franklin County	51	100.00	94.32	98.04	90.20	9.80	0.00	NA	NA

* Based on Peer Small Business Data: US. NA, peer data not yet available.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2002).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1.96% of small loans to farms originated and purchased by Bank.

Table 10. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FRANKLIN COUNTY		Evaluation Period: JANUARY 25, 1999 TO APRIL 16, 2003					
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Review:									
Franklin County	0	0	10	7	10	7	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

