

CRA Public File

Last Updated 3/7/2024

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PUBLIC DISCLOSURE

June 29, 2023

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

The Farmers National Bank of Lebanon
Charter Number 4271

136 West Main Street
Lebanon, Kentucky 40033

Office of the Comptroller of the Currency

10200 Forest Green Boulevard
Suite 501
Louisville, Kentucky 40223

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: Satisfactory

The lending test rating: Satisfactory

The major factors that support these ratings include:

- The lending test rating is based on a reasonable loan-to-deposit (LTD) ratio.
- A majority of The Farmers National Bank of Lebanon's (FNB or bank) loans were originated within its assessment area (AA).
- FNB's geographic dispersion of lending by income of the geography was reasonable.
- FNB had an excellent distribution of lending among borrowers of different incomes and businesses of different sizes.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. FNB's quarterly LTD ratio averaged 55.3 percent over the 18 quarters since the prior evaluation, with a quarterly high of 61.3 percent and a quarterly low of 49.5 percent. The average LTD ratio is reasonable compared to similarly situated banks with averages ranging from 32.9 percent to 73.7 percent.

Lending in Assessment Area

A majority of the bank's loans were inside its AA. Management originated or purchased 70.0 percent by number, and 45.6 percent by dollar amount, of the bank's total loans inside the AA during the evaluation period. Consumer loans accounted for a majority of the loans originated within the AA at 90.0 percent by number and 84.6 percent by dollar. Management purchases business loan participations from surrounding counties due to the low demand for small business lending within the AA. As a result, 50.0 percent by number and 56.2 percent by volume of small business loans were originated outside the AA. This analysis is performed at the bank, rather than the AA level.

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	10	50.0	10	50.0	20	2,195	43.8	2,811	56.2	5,007
Consumer	18	90.0	2	10.0	20	194	84.6	35	15.4	229
Total	28	70.0	12	30.0	40	2,389	45.6	2,846	54.4	5,235

Source: Random sample of loans from bank records that were originated and purchased between January 1, 2019, and December 31, 2021. Totals may reflect negligible variances due to rounding.

Description of the Institution

FNB is a full-service, intrastate financial institution headquartered in Lebanon, Kentucky. The bank is wholly owned by Lebanon Bancshares, Inc., a single bank holding company. As of December 31, 2021, FNB had \$119.9 million in total assets with \$57.8 million in loans, \$106.1 million in deposits, and \$13.7 million in tier 1 capital. There have been no significant changes to FNB's corporate structure, including merger or acquisition activities, since the last CRA evaluation. The bank's strategy focuses on consumer and commercial loans.

As of December 31, 2021, the bank's loan portfolio represented 48.2 percent of total assets. Please refer to the table below for the loan portfolio breakdown:

Loan portfolio Composition			
Loan Category	Amount \$(000)	Percent of Total Loans	Percent of Total Assets
Small Business	37,019	64.1	30.9
Residential Real Estate	14,345	24.8	12.0
Agriculture	3,521	6.1	2.9
Consumer	2,897	5.0	2.4
Total	\$57,782	100.0%	48.2%

Source: Consolidated Reports of Condition and Income (call report) as of December 31, 2021.

The bank has one AA for CRA purposes that encompasses the entirety of Marion County in Kentucky, which is not part of a metropolitan statistical area. In total, the AA consists of six census tracts (CT), four middle-income and two upper-income CTs.

FNB offers traditional lending and deposit products and services at its two full-service branch locations. Both branch locations offer drive-through facilities are located in downtown Lebanon, Kentucky. The bank also has three full-service automated teller machines (ATM), including one ATM at each branch location. In addition to its branch locations and network of ATMs, FNB's delivery channels include digital banking options.

There were no legal or financial circumstances that impacted FNB's ability to meet the credit needs of its community. However, the COVID-19 pandemic, beginning in 2020, adversely impacted the local economy, including unemployment rates. The U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) provided loans to help businesses keep their workforces employed during the pandemic. FNB participated in this program and originated 357 loans for \$8.2 million. The last CRA evaluation was performed on April 1, 2019. FNB received a satisfactory rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The Office of the Comptroller of the Currency (OCC) evaluated FNB's CRA performance using the OCC's Small Bank procedures, which includes a lending test. The lending test evaluated the bank's record of meeting the credit needs of its AA through its lending activities from January 1, 2019, through December 31, 2021. Examiners did not include 2022 in the evaluation period as peer aggregate data was not available at the time of this evaluation.

Examiners used call report data as of December 31, 2021, to determine FNB's quarterly LTD ratio. The lending test includes an analysis of FNB's primary loan products. Small business and consumer loans were determined to be the primary loan products based on an analysis of lending activity during the evaluation period. The OCC's determination was based on both the number and dollar volume of loans originated and purchased. Conclusions regarding the bank's lending performance were based on a randomly selected sample of each product originated or purchased during the evaluation period.

Selection of Areas for Full-Scope Review

The bank's only AA received a full-scope review. Refer to *Appendix A: Scope of Examination* for details of the full-scope AA.

Ratings

The bank's overall rating is based on the State of Kentucky rating. The state rating is based on the full-scope review of the bank's sole AA. In this evaluation, examiners gave more weight to the distribution of loans to individuals of different incomes and businesses of different sizes, as the AA does not include any low-or moderate-income (LMI) census tracts.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State Rating

State of Kentucky

CRA rating for the State of Kentucky: Satisfactory

The lending test rating: Satisfactory

The major factors that support these ratings include:

- The geographic dispersion of small business loans, and loans to consumers throughout the AA was reasonable.
- The distribution of loans to businesses of different sizes, and consumers of different income levels was excellent.
- There were no complaints received during the evaluation period.

Description of Institution's Operations in Kentucky

FNB has one AA in the state of Kentucky. The AA includes the entirety of Marion County. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income CTs. The largest city in the AA is Lebanon, Kentucky.

The total population of the AA was 19,717. Marion county consists of six CTs with no low- and moderate-income CTs, four middle-income CTs, and two upper-income CTs. There are no tracts designated as *distressed or underserved* by the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation (FDIC), and OCC. Annual designations of distressed or underserved nonmetropolitan middle-income geographies are determined based on rates of poverty, unemployment, and population loss or population size, density, and dispersion.

Competition for deposits in the AA is strong. As of June 30, 2021, there were six financial institutions operating nine banking offices in the AA, including FNB. Competition in the AA includes both local community banks and branches of larger banks. The FDIC Deposit Market Share Report indicates FNB ranks second in market share with 23.5 percent of deposits as of June 20, 2021. Major competitors in the AA were Citizens National Bank of Lebanon with 30.2 percent of deposit market share and U.S. Bank with 23.2 percent.

Economic conditions in the AA prior to the COVID-19 pandemic were similar to conditions in the state of Kentucky. The 2019 unemployment level for Marion County was 3.7 percent compared to 4.1 percent statewide. However, unemployment levels in Marion County during the pandemic were higher than the state at 7.7 percent for 2020, compared to the state average of 6.5 percent. Although significantly reduced by the end of 2021, the unemployment rate for Marion County and the state of Kentucky remained slightly above pre-pandemic levels at 4.1 percent and 4.4 percent respectively, as shown in the chart below.

Annual Unemployment Rates			
	2019	2020	2021
State of Kentucky	4.1%	6.5%	4.4%
Marion County	3.7%	7.7%	4.1%

Major industries in the AA include agriculture, manufacturing, and healthcare services. The largest employers in the area include Spring View Hospital, Marion County Public Schools, and manufacturing facilities supporting the automotive and bourbon industries in the local area.

Opportunities for community reinvestment include support of organizations that provide services for low- and moderate-income families. Examiners contacted one local community-based organization. The community contact did not identify any unmet needs within the local community. The contact indicated local banks are very active in meeting the needs of the community, providing financial literacy and educational resources.

The following table shows the demographic information detailing FNB's AA of Marion County.

Non-MSA AA of Marion County Kentucky

Table A – Demographic Information of the Assessment Area						
Assessment Area: Marion County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	0.0	66.7	33.3	0.0
Population by Geography	19,717	0.0	0.0	71.0	29.0	0.0
Housing Units by Geography	8,196	0.0	0.0	74.7	25.3	0.0
Owner-Occupied Units by Geography	5,504	0.0	0.0	70.1	29.9	0.0
Occupied Rental Units by Geography	1,891	0.0	0.0	85.6	14.4	0.0
Vacant Units by Geography	801	0.0	0.0	80.8	19.2	0.0
Businesses by Geography	1,404	0.0	0.0	78.7	21.3	0.0
Farms by Geography	158	0.0	0.0	65.2	34.8	0.0
Family Distribution by Income Level	4,906	21.8	14.3	20.1	43.9	0.0
Household Distribution by Income Level	7,395	24.5	13.6	17.1	44.8	0.0
Median Family Income Non-MSAs - KY		\$45,986	Median Housing Value			\$100,115
			Median Gross Rent			\$555
			Families Below Poverty Level			16.0%
<small>Source: 2015 ACS and 2021 IMB Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</small>						

Lending Test

The bank's performance under the lending test in Kentucky is Satisfactory.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state given the income levels within its AA.

Small Loans to Businesses

Refer to Table Q in *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

FNB's lending reflected reasonable dispersion of small loans to businesses by income level of the geographies. The bank did not originate any loans to businesses in low- or moderate-income tracts. However, this performance is explainable due to the AA having no low- or moderate-income CTs.

Consumer Loans

Refer to Table U in *Appendix D* for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

Lending to geographies of different income levels in the AA reflects reasonable dispersion. Although there were no loans originated in low- or moderate-income CTs, this performance is explainable due to the AA having no low- or moderate-income CTs.

Distribution of Loans by Income Level of the Borrower

The bank exhibits excellent distribution of loans to individuals of different income levels and businesses of different sizes, given its product lines.

Small Loans to Businesses

Refer to Table R in *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The bank's distribution of loans to businesses of different sizes is excellent. The bank originated 88.9 percent of its loans to small businesses with annual gross revenues of less than \$1.0 million. This exceeded the demographic comparator and far exceeded the aggregate comparator.

Consumer Loans

Refer to Table V in the state of Kentucky section of *Appendix D* for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

FNB's distribution of consumer loans to borrowers of different income levels is excellent. Based

on a random sample of consumer loans originated over the review period, FNB originated a slightly higher percentage of loans to low-income households than the percentage of low-income households in the AA. However, over the same period the bank's percentage of loans to moderate-income borrowers well exceeded the percentage of moderate-income borrowers in the AA.

Responses to Complaints

The bank did not receive any written complaints regarding its CRA performance during the evaluation period.

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 MSAs and non-MSAs that received 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:	(01/01/2019 to 12/31/2021)	
Bank Products Reviewed:	(Small business and consumer loans)	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Kentucky		
Non-MSA	Full-Scope	Marion County

Appendix A-1

Appendix B: Summary of MMSA and State Ratings

RATINGS	
Overall Bank:	Lending Test Rating
The Farmers National Bank of Lebanon	Satisfactory
MMSA or State:	
Kentucky	Satisfactory

Appendix B-1

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, other secured consumer loans, and other unsecured consumer loans.

Appendix C-1

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 (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 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 conduct 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 applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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 (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

Appendix C-2

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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.

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.

Appendix C-3

Tier 1 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 at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix C-4

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of 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: (1) purchased are treated as originations; and (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank's assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - 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 households by income level in each MMSA/assessment area.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																2019-2021		
Assessment Area	Total Loans to Small Businesses		Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available - Income Tracts			
	#	\$ (000)	% Of Businesses	% Of Bank Loans	Aggregate	% Of Businesses	% Of Bank Loans	Aggregate	% Of Businesses	% Of Bank Loans	Aggregate	% Of Businesses	% Of Bank Loans	Aggregate	% Of Businesses	% Of Bank Loans	Aggregate	
Non-MSA AA	20	2,195	0.0	0.0	0.0	0.0	0.0	0.0	78.7	94.4	76.9	23.3	5.6	23.1	0.0	0.0	0.0	

Source: 2021 CRA Data 01/01/2019 - 12/31/2021 Bank Data
2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2019-2021	
Assessment Area	Total Loans to Small Businesses			Businesses with Revenues <= FDI			Businesses with Revenues > FDI			Businesses with Revenues Not Available		
	#	\$ (000)	Overall Market	% Of Businesses	% Of Bank Loans	Aggregate	% Of Businesses	% Of Bank Loans	Aggregate	% Of Businesses	% Of Bank Loans	
Non-MSA AA	20	2,684	197	82.9	88.9	43.7	4.3	11.1	12.8	0.0		

Source: 2021 CRA Data 01/01/2019 - 12/31/2021 Bank Data
2021 CRA Aggregate Data. Due to rounding, totals may not equal 100.0%

Appendix D-2

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2019-2021	
Assessment Area:	Total Consumer Loans		Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	
Non-MSA AA	20	194	0.0	0.0	0.0	0.0	74.0	70.0	26.0	30.0	0.0	0.0	

Source: 2021 ACS, 01/01/2019 - 12/31/2021 Bank Data, 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower												2019-2021	
Assessment Area:	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	% Of Households	% Of Bank Loans	
Non-MSA AA	20	194	24.5	10.0	13.6	25.0	17.1	40.0	44.8	25.0	0.0	0.0	

Source: 2021 ACS, 01/01/2019 - 12/31/2021 Bank Data, 2021 CRA Aggregate Data
 Due to rounding, totals may not equal 100.0%

Appendix D-3



Written Comments

No comments.

Branches



Main Office
136 W Main St
Lebanon, KY 40033



Campbellsville Hwy Branch
2160 Campbellsville Hwy
Lebanon, KY 40033

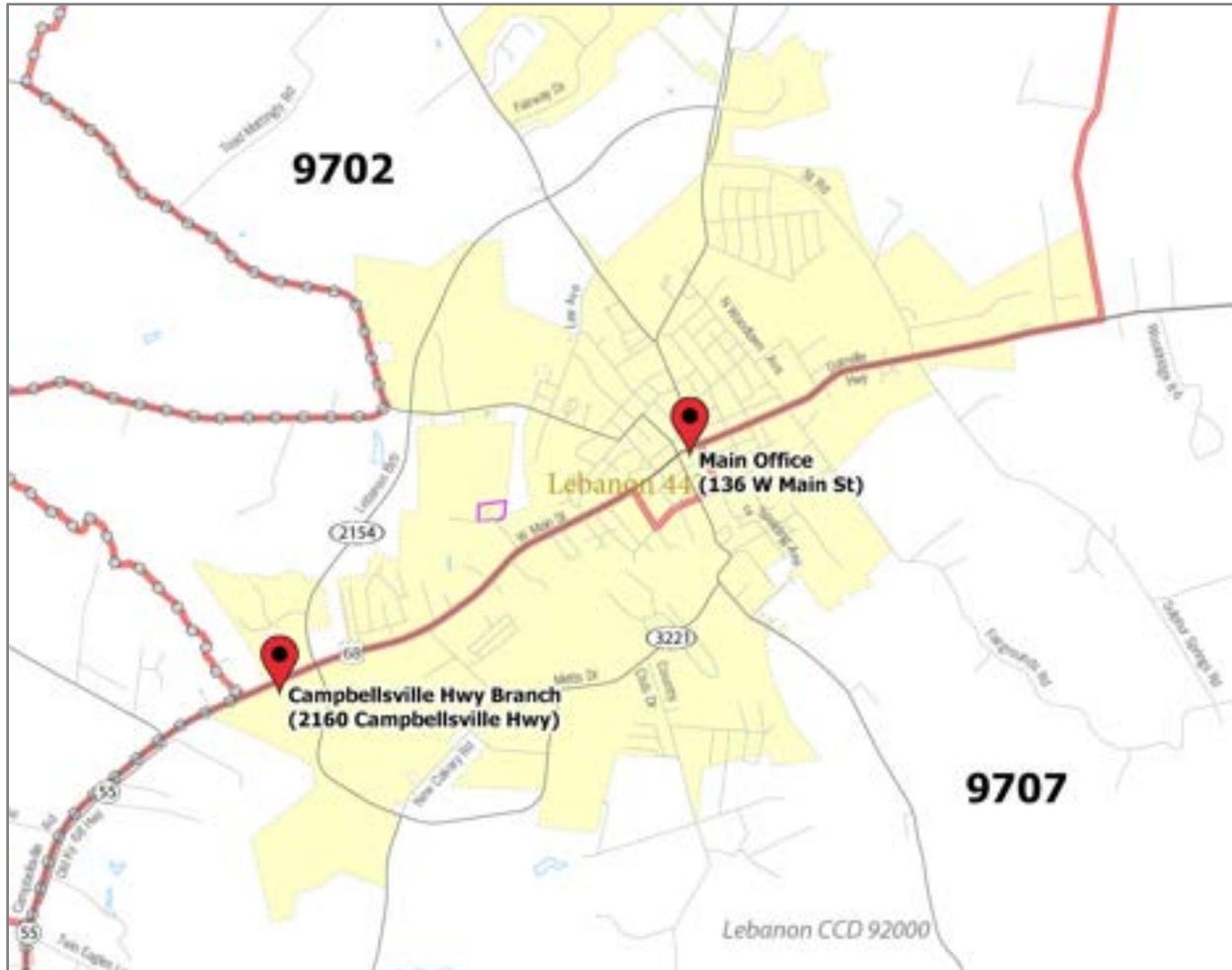
Hours of Operation

Monday – Thursday	8:30 AM - 4:00 PM
Friday	8:30 AM - 4:00 PM (Lobby) 8:30 AM - 5:30 PM (Drive-Thru)
Saturday	8:30 AM - 12:00 PM (Drive-Thru)

ATM Locations

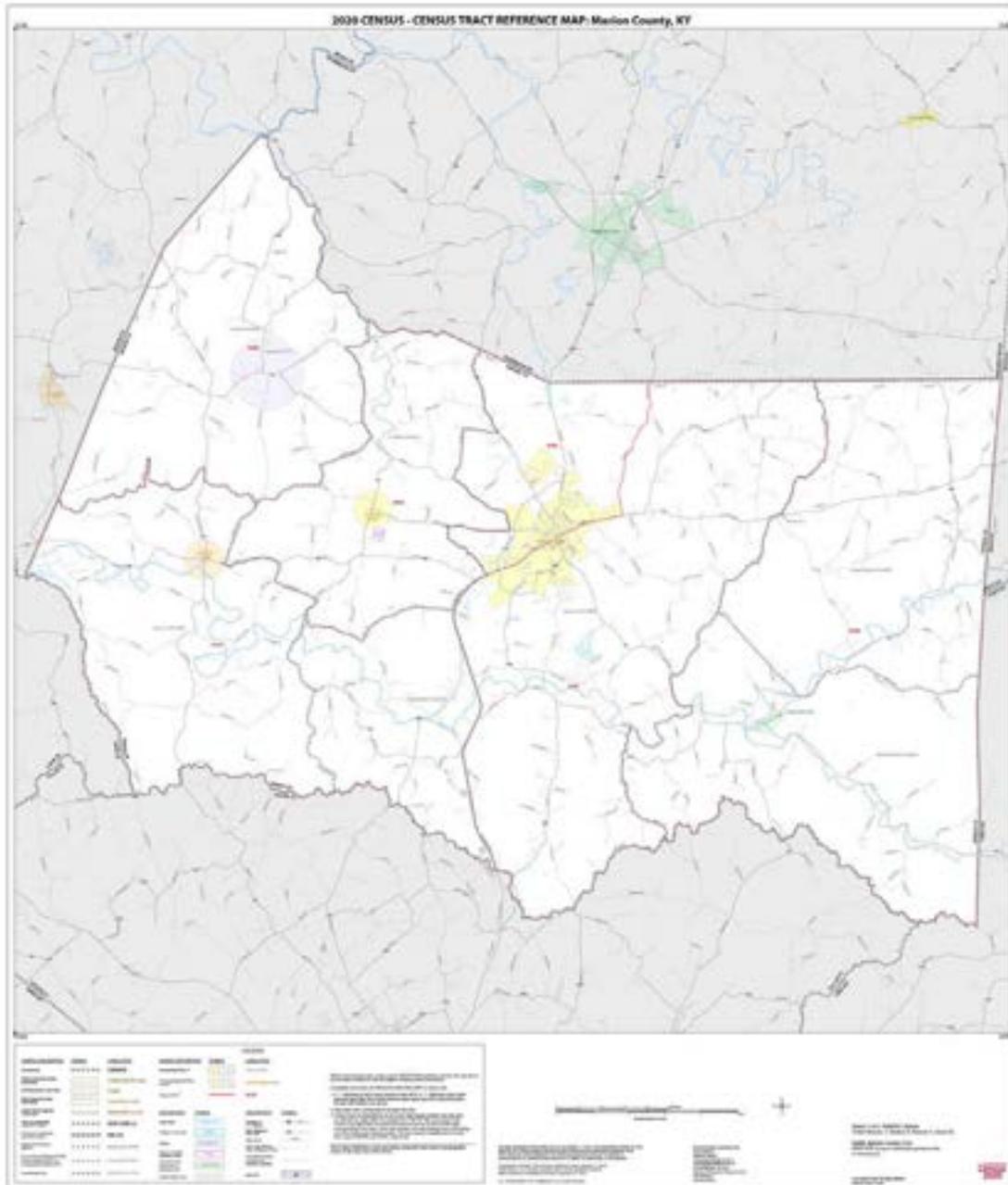
Main Office	136 W Main St – Lebanon, KY
Campbellsville Hwy Branch	2160 Campbellsville Hwy – Lebanon, KY
Spring View Hospital Cafeteria	320 Loretto Rd – Lebanon, KY

Branches



Farmers National Bank has not opened nor closed any branches within the prior 24 months.

Assessment Area



Farmers National Bank's assessment area includes all census tracts in Marion County, KY.

Products and Services

Community banks, like ours, are focused on serving local families and businesses. We lend money to the neighborhoods where our depositors live and work. Our employees, officers, and board members are all involved in our local community. When you open an account or apply for a loan with us, we look at your character, ability to pay and discretionary spending – not just your credit report. Decisions on loans are made right in the community so we can be quicker and more responsive to your needs. Our Bank is a locally-owned small business, so we understand that our success is dependent upon your success.

Consumer Lending

- Personal/Installment Loans
- Mortgage Loans
- Home Equity Lines of Credit

Business/Commercial Lending

- Equipment Loans & Leases
- Business Loans & Mortgages
- Lines of Credit

Consumer Banking

- Regular Checking Account
- Secure Checking Account
- Senior Checking Account
- Student Checking Account
- Now Regular Account
- Money Market Account
- Savings Account
- Kids Savers Account
- Christmas Savings Account
- Certificates of Deposit
- Safe Deposit Boxes

Business/Commercial Banking

- Commercial Checking Account
- Business Secure Checking Account
- Nonprofit Checking Account
- Commercial IBA Account
- Commercial Money Market Account
- Business Savings Account
- Certificates of Deposit
- Safe Deposit Boxes
- ACH & Cash Management Services
- Business Coaching & Resources
- Merchant Services

Other Services

- Digital Banking Services, including a custom Mobile Application
- Bill Pay Services integrated and included with Digital Banking
- Mastercard debit cards offered with all transaction accounts
- Overdraft Prevention Services

Additional details regarding specific products or services are available upon request.

Consumer Checking Account Comparison

	Regular Checking	Secure Checking	Senior Checking	Student Checking	NOW Regular	Money Market
Minimum to Open	\$100	\$100	\$100	\$100	\$1,000	\$1,000
Monthly Service Charge	Determined by low balance during statement cycle > \$500 No Charge \$400-499.99 = \$7 \$300-399.99 = \$8 < \$299.99 = \$9	\$9	No Charge	No Charge	Determined by low balance during statement cycle > \$1,000 No Charge < \$1,000 = \$7.50	Determined by low balance during statement cycle > \$1,000 No Charge < \$1,000 = \$7.50
Minimum Balance To Avoid Charge	\$500	No minimum required	No minimum required	No minimum required	\$1,000	\$1,000
Transaction Limitations	20 Checks per Cycle, then \$0.30 per Check (Only applies when balance falls below \$500 during the statement cycle)	None	None	10 Checks Per Cycle, then \$0.50 Per Check	20 Checks per Cycle, then \$0.30 per Check (Only applies when balance falls below \$1,000 during the statement cycle)	None
Other Terms	None	None	Minimum 55 years of age	Maximum 23 years of age	None	None

Business/Commercial Checking Account Comparison

	Commercial Checking	Business Secure Checking	Nonprofit Checking	Commercial IBA	Commercial Money Market
Minimum to Open	\$100	\$100	\$100	\$1,000	\$1,000
Monthly Service Charge	Determined by low balance during statement cycle > \$500 No Charge \$400-499.99 = \$7 \$300-399.99 = \$8 < \$299.99 = \$9	\$17.50	No Charge	Determined by Average Daily Balance during statement cycle > \$5,000 No Charge < \$5,000 = \$10.00	Determined by low balance during statement cycle > \$1,000 No Charge < \$1,000 = \$7.50
Minimum Balance To Avoid Charge	\$500	No minimum required	No minimum required	\$5,000 Average Daily Balance	\$1,000
Transaction Limitations	20 Checks per Cycle, then \$0.30 per Check (Only applies when balance falls below \$500 during the statement cycle)	None	None	250 Transactions per Cycle, then \$0.30 per Item	None
Other Terms	None	None	None	None	None



2024 BASIC FEES SCHEDULE

SERVICE CHARGES	
CASHER'S CK-CUS	\$3.00
TRAVEL CHEQUES / MONEY ORDER	DO NOT OFFER
COUNTER CHECKS	N/C
RETURNED ITEM ²	\$30.00
UCF RETURNED ITEM ^{2,3}	\$30.00
OVERDRAFT ITEM ¹	\$30.00
UCF OVERDRAFT ITEM ^{1,3}	\$30.00
OVERDRAFT PD BY NOON NEXT DAY ¹	\$15.00
MAX DAILY NSF CHARGE	\$150.00
OVERDRAFT SWEEP FROM SAVINGS	\$5 Per Day, Transfers made in increments of \$100.
OVERDRAFT PROTECTION LINE	\$10 Per Day, Transfers made in increments of \$100. 18% APR. Subject to credit approval.
DEPOSIT ITEM RETURNED	N/C
RETURNED STATEMENT	N/C
STOP PAYMENT	\$30.00
CHECKS SENT FOR COLLECTION	\$30.00
TELEPHONE TRANSFER	N/C
EARLY CLOSURE OF ACCT	\$15.00 if closed within 90 days. (Christmas Savings Accounts are charged \$10.)
EARLY CLOSURE OF CD/IRA	Early withdrawal penalties shall be assessed which shall be the forfeiture of three months interest on certificates with an original maturity of less than one year and the forfeiture of six months interest on certificates with an original maturity of one year or more. Such penalties will not apply in the case of death of the depositor.
ONLINE BANKING MONTHLY	N/C
BILL PAY MONTHLY FEE	N/C
BILL PAY TRANSACTION FEE	N/C
TAX LEVY/GARNISHMENT	\$50.00 (or up to the maximum allowed by state law)
DORMANT CHECKING	\$7.50/ MONTH AFTER 6 MONTHS DORMANCY
DORMANT SAVINGS	\$7.50/ QUARTER AFTER 12 MONTHS DORMANCY
RESEARCH	\$30 PER HOUR OR \$5 FOR A SINGLE STATEMENT
NOTARY SERVICE	N/C
COIN COUNTING-CUS	N/C ROLLED; 10% UNROLLED
COIN COUNTING-NON	N/A
FOREIGN CURRENCY CHECK CONVERSION	\$50.00 (includes correspondent bank fees; may take 5-6 weeks; funds are credited when collected and are guaranteed; submission minimum is \$1,000)
FOREIGN CHECK SENT FOR COLLECTION	\$15 (sent through cash letter; faster but funds are not guaranteed; provisional credit may be granted where collectability is near certain)
FOREIGN CURRENCY PURCHASE	\$50.00 (includes \$20.00 in correspondent bank fees + \$15.00 for overnight shipping)
DUPLICATE STATEMENT	N/C
COPIES	N/C, 10 PG MAX, THEN \$0.25 EACH
ACH GENERATION (DEBIT OR CREDIT) ⁴	\$20 PER MONTH FOR UNLIMITED ORIGINATION
WIRE TRANSFERS-FOR CUSTOMERS ONLY	
INCOMING	\$10.00
INCOMING NON-DOMESTIC	\$10.00 plus any applicable correspondent bank fees
OUTGOING DOMESTIC	\$15.00
OUTGOING NON-DOMESTIC	\$60.00 (includes \$45.00 in correspondent bank fees)
SAFE DEPOSIT BOXES	
2.5 X 5 BOX	\$20.00
3 X 5 BOX	\$20.00
5 X 5 BOX	\$30.00
3 X 10 BOX	\$40.00
5 X 10 BOX	\$50.00
10 X 10 BOX	\$100.00
LOST KEY	\$25.00
LOCK DRILLING	\$400.00
ATM CHARGES	
REPLACEMENT CARD FEE	\$10.00
TRANS@FOREIGN TERMINAL	N/C
NON-CUSTOMER TRANSACTION	\$3.00

CUS = Customer Status (Rate depends on customer)
 N/C = No Charge
 N/A = Not Available (Product not offered)
¹ A fee of \$30.00 will be charged for each overdraft transaction created by check, in-person withdrawal, or other electronic means, as applicable, unless paid by noon the following business day, in which case the fee will be reduced to \$15.00 per item.
² A fee of \$30.00 will be charged for each returned item. Re-presentments of the same item will incur no additional charges should they also be returned.
³ UCF overdraft or UCF return occurs when the ledger balance of an account is sufficient to pay an item, but there is a hold placed on some or all of the account's funds. This hold results in the available balance of the account being insufficient to cover the item. Note: UCF = Uncollected Funds (Ledger Balance - Outstanding Holds)
⁴ Business Secure Checking includes unlimited ACH Origination at no additional cost.

Farmers National Bank
Loan Fee Schedule
3/1/2024

Farmers National Bank Fee(s):

Consumer Loan Fee	\$165
Commercial Loan Fee	\$375
ANY Real Estate Loan (Regardless of Purpose except HELOC)	\$600
Construction Loan (Additional Fee)	.50% of Loan Amount
Wire Fee	\$15
Overnight Postage	Amount Varies

Real Estate Fee(s):

Title Exam / Mortgage Prep Fee (Loan Amt. < \$150,000)	\$225
Title Exam / Mortgage Prep Fee (Loan Amt. > \$150,000)	<i>Officer to Call</i>
Deed Prep Fee	\$100 - \$150 <i>estimated</i>
Borrowers Affidavit (Base Amount)	\$56.65

Title Insurance Fee(s):

Lenders Title Insurance Fee	www.titlecentergreaterky.com
Owners Title Insurance Fee	www.titlecentergreaterky.com

Appraisal Fee(s):

Consumer \$450- \$500
Commercial \$500-\$3000
Appraisal fees may vary based on the appraiser engaged and services rendered.

In-House Evaluation of Real Estate:

\$200.00

Flood Certification Fee(s):

\$10

Credit Report Fee(s):

Amount varies - See Credit Report

VSI Insurance

\$39.13

Recording Fee(s):

Mortgage, Deed, Assignment etc.	See attached schedule
UCC Lien Fee	\$10
Title Lien Fee	\$22

Printed: 2/20/2024

Notary Fee

FNB Customers

No Charge

Non FNB Customers

\$5

Collateral Change Fee

\$75 Includes \$22 fee charged by County Clerk's Office for new title lien charge.

Matured Loan Renewal Fee(s)

Consumer Loans

\$25

Commercial & Real Estate Loans

\$50 (Excluding HELOCs)

Loan Extension Fee

Including Payment Extensions and Interest Only Payments

\$25 Plus accrued interest

Late Payment Fee Schedule

Residential Real Estate & HELOC

5% of the payment after 15 days past the due date, \$10 minimum

Consumer Loans

5% of the payment after 10 days past the due date, \$10 minimum

Commercial/Investment Real Estate

5% of the payment after 10 days past the due date, \$10 minimum

Commercial & Industrial

5% of the payment after 10 days past the due date, \$10 minimum

Printed: 2/20/2024



Loan to Deposit Ratios

<u>Quarter Ended</u>	<u>Ratio</u>
December 31, 2023	66.65%
September 30, 2023	62.96%
June 30, 2023	60.48%
March 31, 2023	58.77%
December 31, 2022	60.21%
September 30, 2022	56.64%
June 30, 2022	56.56%
March 31, 2022	53.25%