Kentucky Banker

Winter 2025

Featuring:

Tokens of History
By Thomas Richards

The Reality of Fraud
By Shane Ensminger

A Reset Year
By Jessie Southworth

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WHO WE ARE: The KBA is a nonprofit trade association that has been providing legislative, legal, compliance and educational services to its member institutions since 1891. KBA's directors and staff work together with its members to make the financial services industry a more effective and successful place to work. The strength of the KBA is bankers unifying as an industry to speak as one voice.

WHAT WE DO: The purpose of the Kentucky Bankers Association is to provide effective advocacy for the financial services industry both in Kentucky and on a national level; to serve as a reliable and responsive source of information and education about areas of interest to the industry; and to provide a catalyst and forum for collective industry action. The KBA does this in 4 ways:

1. Government relations & industry advocacy
2. Information interchange
3. Education
4. Products and services

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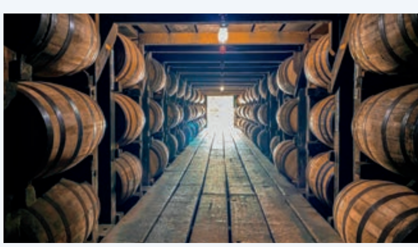

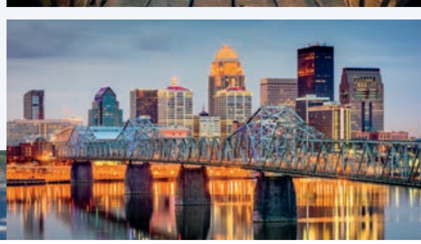

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A SEASON OF THANKS

by **Lee Scheben** *KBA Chairman of the Board | President, Heritage Bank*

It's that time of year to give joy and thanks. I always make sure to give extra thanks to our team here at Heritage for all they do throughout the year—especially our frontline staff, who make that critical first impression when a customer or potential customer walks through our doors. I also make it a priority to get out and visit many of our customers to thank them for allowing Heritage Bank to serve their financial needs. I know you share these same thoughts about your teams and customers. As busy as year-end becomes, I strive to keep my schedule focused on thanking our team and helping ensure they have a wonderful holiday season. I also want to thank the KBA team for all they have done this year to help make Kentucky banks great.

On the joy side, we as bankers are finally seeing some relief from Washington. While we can't spike the ball just yet, our recent trip to Washington brought renewed hope for modified regulations for community banks. We met with the major regulatory bodies—the FDIC, Federal Reserve, and OCC—and they all appear to agree that community banks are not the same as the big banks.

It appears we will have relief in the areas of CRA exams, capital rules, and FDICIA accounting thresholds. Of course, we must remain focused on FDIC deposit insurance reform, rules related to the GENIUS Act and open banking, and there is more to come on BSA and AMLA reform. I also want to give a shout-out to Ballard, Tim, John, and the entire team who worked so hard on the 1071 issue.

Have a great holiday season!

Above: On behalf of the KBA, Mr. Lee Scheben presents Senator Mitch McConnel with an award for his career in service to the country. Below: The KBA met with various governmental representatives on their recent trip to Washington, DC.

Kentucky Bankers Association

The staff and Board of Directors of your KBA would like to take this opportunity to thank you for your support in giving us another very successful year. We would like to wish all our members and corporate sponsors a very Merry CHRISTmas and a wonderful New Year. Rather than have you look at another one of my rants, I thought I would reprint an excellent article on cryptocurrency and stablecoin written by Thomas Richards, CEO of Owingsville Banking Company. A sixth-generation banker with 15 years of experience, Thomas is a graduate of the Stonier School of Banking and is serving as the KBA representative on the ABA government relations committee. He has also testified in front of the House Congressional committee for Financial Services representing the KBA and we could not have been more proud.

by **Ballard Cassady** *KBA President & CEO*

Tokens From History

by **Thomas Richards**
CEO, Owingsville Banking Company

*As a banker with an economics degree, I generally favor private-sector solutions. But as a student of history, we've learned the hard way that private currency doesn't meet all the needs of our economy. The proliferation of payment stablecoins and cryptocurrencies feels eerily similar to the free banking, or "wildcat" bank, era of the early 19th century — **a disaster waiting to happen.***

Consider four articles that, taken together, highlight the risks of our current crypto landscape and point toward a solution, tokenized deposits:

John Steele Gordon's recent "From the Vault" column in the ABA Banking Journal discusses the free banking era and the problems caused by poorly regulated private currencies. Sound familiar?

Thomas Vartanian's op-ed in the Wall Street Journal draws historical parallels between today's environment — where the Genius Act envisions nonbanks issuing private currencies — and the pre-savings and loan crisis era, when Congress allowed money-market funds to siphon deposits from traditional banks. Spoiler alert: It didn't end well.

Again in the ABA Banking Journal, Jeff Huther and Yikai Wang apply quantitative analysis showing stablecoins ballooning from $250 billion today to $1-2 trillion (amounting to 5 to 10% of all U.S. bank deposits) within the next decade. This means fewer deposits in community banks and fewer loans to customers.

Lastly, in American Banker, Claire Williams explores how stablecoin failures are supposed to be handled, and she quotes experts who highlight flaws in the current system. Super-priority status for stablecoin holders is meant to instill confidence, but it also incentivizes keeping money in stablecoins rather than bank deposits (disintermediation). Requiring issuers to hold some reserves in cash brings deposits back into the banking system — but in the form of concentrated wholesale funds, which carry their own risks.

In my opinion, the mass adoption of cryptocurrencies, and in particular payment stablecoins, has several major risks which are interrelated:

1. Siphoning deposits from the banking system, reducing credit availability, especially from community banks that are least likely to have stablecoin reserves on their balance sheet.

2. Further migration of financial activity outside the prudentially regulated banking system, allowing risks to grow unnoticed until it's too late.

3. At some point, a stablecoin failure, which could trigger a crisis of confidence in the wider financial system.

Congress tried to mitigate some of these risks in the Genius Act, but tech companies are already finding ways around legislated safeguards. For example, while interest payments on stablecoins are supposedly prohibited, Venmo offers "rewards" of 4% for maintaining a balance in PYUSD (a stablecoin issued by PayPal, Venmo's parent company). Stablecoins are also supposed to be fully reserved, but we've seen issues like the USDC de-peg and Tether's instability.

Everything works fine — until it doesn't. Human error is inevitable, and at some point, a payment stablecoin will fail.

So why are we building a system that seems unnecessary? We already have a perfectly good currency: the U.S. dollar. We already have instant or near-instant payment systems like FedNow and RTP. Blockchain-based tokenized deposits are the next logical step to capture some of the benefits stablecoins claim to offer — while keeping the activity within the regulated banking sector and on community bank balance sheets where they can be put to productive local use.

America has lived through the painful lessons of insufficiently regulated private currencies. It would be a shame if we had to learn those lessons again — when we can get the technological benefits of tokenization without the financial stability risks and local economic costs.

Thomas Richards is a sixth-generation community banker from Kentucky, where he is CEO of Owingsville Banking Company. with 15 years of industry experience. A member of the ABA Government Relations Council and a graduate of the ABA Stonier Graduate School of Banking, Richards has testified in front of the House Financial Services Committee and participated in industry panels. The views expressed in this article are his own.

> "Everything works fine — *until it doesn't.* **Human error is inevitable,** and at some point, a payment stablecoin ***will fail.***"

DEPOSIT INSURANCE REFORM: WHERE DO WE GO FROM HERE?

by **Timothy Schenk** *KBA General Counsel*

One of the hottest topics in the banking industry is deposit insurance reform. There have been working groups, discussions, hearings and bills proposed to address the issue. While there is no industry consensus on if there should be increased deposit insurance, who would pay for it and what else would come with it, the Kentucky Bankers Association and eight other state banking associations have proposed a two-step approach to modernize America's deposit system that has drawn no opposition from bankers.

The first step to modernization is authorizing the Secretary of the Treasury to invoke emergency authority to provide unlimited deposit insurance on transaction accounts for no more than 120 days when the determination is made that there exists a high likelihood of bank runs or deposit flight due to severe economic conditions that threaten the stability of the financial system. This Emergency Transaction Account Guarantee program (E-TAG) will ensure that the system works as it was designed – to instill public confidence for depositors at banks of every size. Furthermore, the 120-day limitation on this E-TAG program will not only allow time for the markets to settle, but it will also give bank regulators one quarter's worth of data about the health of the banking system to inform future decisions.

The second step to modernizing the system entails structural changes to the deposit insurance system to ensure it adequately accounts for the size, risk profile, and complexity of the 21st century banks that are paying into the system. Our system was designed in 1934 to address the 20th century banking landscape. Transformational statutory changes need to be made to the structure of the deposit insurance system to ensure it reflects today's marketplace. This comprehensive restructuring of the system will admittedly take time as lawmakers collaboratively work to develop consensus on an effective and permanent solution that will protect depositors for the next 100 years. Again, this must be done while markets are stable and there is no crisis.

Over the last two years we have seen the failure of Silicon Valley Bank which was over two hundred billion dollars ($200,000,000,000) in assets and First National Bank of Lindsay which was one hundred and eight million dollars ($108,000,000) in assets. While both were bank failures for different reasons, the treatment of the failures was markedly different.

The depositors of Silicon Valley Bank with deposits over two hundred and fifty thousand dollars ($250,000) in FDIC insurance were made whole as the FDIC covered all deposits. Many of the depositors of Silicon Valley Bank were multi-millionaires and billionaires.

Conversely, the depositors of First National Bank of Lindsay were not made whole for deposit losses over the two hundred- and fifty-thousand-dollar ($250,000) insurance limit. While the FDIC didn't release information about the depositors of First National Bank of Lindsay, there were approximately seven million dollars in uninsured deposits, money which is "couch cushion" money for the FDIC insurance fund.

The question is why were two banks treated so differently? While I am not aware of a formal answer to the question by any regulatory agency, my understanding is that First National Bank of Lindsay's failure did not create "systemic risk" and therefore the FDIC did not have a tool at its disposal to make its deposits whole.

While I disagree with the assessment of what creates "systemic risk," it is undisputed that the disparate treatment of these two situations could create disintermediation in the deposit system. We must take action now to ensure that if a bank is to fail, bank asset size will not dictate the fate of depositors and cause further disintermediation. Enter E-TAG.

Every community and mid-size bank is “systemically important” to families and small businesses and the local economies they serve. Therefore, it is imperative that Congress act to ensure that all banks – regardless of asset size – are extended the same protections of the federal deposit insurance system during liquidity or financial crises.

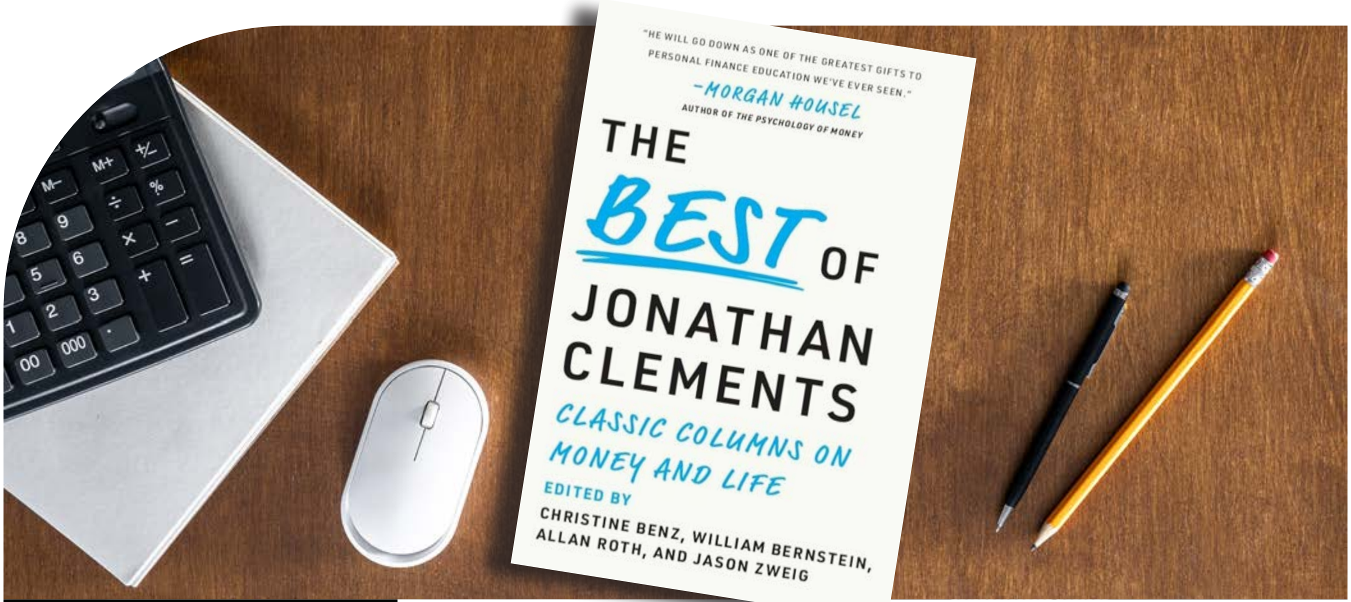
The TAG program that enables the Secretary of the Treasury to invoke emergency authority whenever there is a determination that there exists a high likelihood of widespread bank runs or deposit flight due to severe financial conditions that threaten the stability of the financial system. With immediate notice to the FDIC and Federal Reserve leadership, this streamlined approach would help mitigate bureaucratic delay when time is of the essence. It would not, as is currently the case, require a bank receivership to have occurred as a predicate to the systemic risk exception.

The emergency TAG program we propose would provide unlimited deposit insurance on transaction accounts for a temporary period of 120 days. This 120-day period of full coverage will allow time for the precipitating circumstances to settle, providing a calming effect. The 120-day period will provide Congress, the Administration and regulators with one calendar quarter’s worth of data about the health of the system to inform forward-looking decision making. Further, the limited nature of the 120-day timeframe addresses concerns over moral hazard along with a “check and balance” provision that requires the approval of Congress for an extension.

We believe this approach is fair. We believe this approach will help maintain confidence in the banking system because Americans can rest assured that their deposits—regardless of the size of bank they choose—are safe in the initial hours and days of a shock.

Second, there remains an urgent need for the current deposit insurance system to be modernized for 21st Century risk. The varied concepts and proposals discussed in the Senate, and across industry this year, rightly aim to permanently improve a system that was designed in 1934. Since its inception, the goal of the deposit insurance system is to promote public confidence in the banking system and to protect depositors. But the underlying structure has remained largely unchanged for more than 90 years. The size, risk profile, and level of complexity of banks have changed dramatically over this period. Congress should restructure the deposit insurance system in a comprehensive way to better reflect the contemporary risk landscape, such as by improving the bank resolution process more broadly. Simply raising account coverages will not address the much-needed structural reforms we believe are necessary to ensure our deposit insurance system protects current and future generations of depositors. Along with our members and association leadership, we have ideas for permanent reform and stand ready to assist with this fundamentally important job.

However, while the various stakeholders debate the appropriate amounts and cost of insurance as step two, we urgently need Congress to adopt step one in instituting the E-TAG program. It will ensure stability of the deposit system across all sectors while leaders of banks and political parties work collaboratively toward consensus on an effective and permanent solution.



Review by **James Ayers** *Assistant Vice President / Regional Retail Manager / Kentucky Market / First State Bank*

It's a safe bet that readers of this magazine are also readers of the Wall Street Journal. If that bet is correct, then it's also probably accurate that you have read Jonathan Clements over the years. This month's review is of The Best of Jonathan Clements: Classic Columns on Money and Life.

Clements had a decades-long career as the personal finance columnist for the Wall Street Journal. Between 1994 and 2008, and then again from 2014 to 2015, he wrote over 1,000 articles for the "Getting Going" column. Known for his practical advice and easy writing style, he spoke in a manner that connected with readers, distilling complex topics into simple-to-understand concepts. In March of 2024, Clements was diagnosed with terminal cancer. This book, an anthology of 62 articles selected by Clements himself as he reflected on his career, was published in March of this year.

Current Wall Street Journal columnist Jason Zweig, Clements's replacement at the Journal, writes the foreward to the book. The tone of the book is set early with Zweig giving some background on Clements straight forward manner and humor, relating the celebratory lunch that he had with Clements after he was hired to replace him. When the newcomer asked his predecessor what the secret to the job was, his advice was two words: "look busy".

What follows are 62 articles written in different eras of finance-boom markets, recessions, technological shifts and regulatory transformations. No matter the era, the themes that Clements emphasized remained consistent, the power of discipline, the importance of humility, diversification and patience. While these themes are certainly familiar to anyone that is a practitioner or student of finance, Clements demonstrates how easy it is for individuals- even sophisticated ones- to stray from these basic concepts.

Long before the field of behavioral finance became mainstream, Clements was writing about the psychological quirks that hinder both investors and day to day financial decision making. His commentary on mental accounting, hindsight bias, overconfidence, loss aversion, recency bias and hedonic adaptation, while written decades ago, are just as relevant, if not more so, today. One wonders what he would have to say about artificial intelligence and cryptocurrency if he were to write an article today.

Some of my favorite pearls of wisdom from this book that can help bankers as we work with clients, or help us in our own financial lives:

· To recoup any percentage loss, you need an even greater percentage gain. For instance, if you lose 25% you need to gain 33% to get back to even.

· People are almost always wrong in the same direction- they underestimate the benefits of saving and underestimate the costs of borrowing.

· Time is as valuable as money

In an article published on New Year's Eve 1996, Clements lists 30 money resolutions that all should follow. Almost three decades later it still sounds like pretty good advice.

My three favorites:

· Stop listening to your brother-in-law's investment advice.

· Cut your state tax bill by not buying lottery tickets.

· Try to find someone who got rich by market timing, investing in baseball cards or buying options and futures.

Because this book is an anthology of articles, some topical overlap is to be expected, and some themes are recurring. That doesn't take away from the book, however. I would recommend this book to anyone who enjoys learning more about personal finance and enjoys simple writing about complex financial topics.

Sadly, Clements passed away in September of this year. Fortunately, this anthology will allow Clements to continue to impart wisdom for years to come. The royalties for the book are going for charitable and research projects organized by the John C. Bogle Center for Financial Literacy. It would make a great Christmas present for everyone on your list.

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FACING THE NEW

REALITY OF FRAUD

BY SHANE ENSMINGER

Just a few years ago, fraud was a manageable and often secondary concern for many financial institutions. Losses were generally tolerable, customer impact was modest, and criminal operations were far less coordinated than what we see today. Then came 2020. The global pandemic created the perfect environment for domestic and international fraud groups to scale their operations at unprecedented speed. Banks, law enforcement, and fintech partners suddenly found themselves in a reactive posture, scrambling to contain a surge that has shown no signs of slowing down.

Consider this: Last year, banks submitted more than 10,000 Suspicious Activity Reports per day, and 52% of those filings were fraud-related. The FBI logged 859,532 fraud complaints, representing $16.6 billion in consumer-reported losses. Yet even these staggering figures fail to capture the true scope of the problem: fraud remains vastly underreported—by some estimates, less than 15% of incidents ever reach a bank or law enforcement agency. Most of the data we rely on today reflects fraud identified by banks and situations where institutions persuaded victims to file reports.

A Clearer Picture Emerges: The Surge in Consumer Fraud

For the first time ever the Federal Reserve included fraud as a dedicated research category in its 2024 annual Study of Household Economics and Decision-Making. The results were alarming: respondents self-reported $63 billion in non-card-related fraud losses.

The Federal Trade Commission reached similar conclusions in its own analysis last year. After reviewing all fraud reported to federal, state, and local consumer agencies, the FTC found that fewer than 3% of victims reported fraud losses under $1,000 and fewer than 7% reported losses of over $1,000.

Using underreporting models, the FTC estimated actual consumer fraud losses fell between $23 billion and $158 billion last year—far exceeding totals captured through official complaint channels.

Bank Losses Climb Across Asset Classes

Financial institutions are absorbing heavy blows as well. The 2024 Alloy State of Fraud Benchmark Report found that 79% of community banks under $10 billion in assets lost $500,000 or more in the previous year. The 2024 Nasdaq/Verafin Impacts of Financial Crime on the U.S. Economy Report showed that banks above $10 billion in assets reported $127 billion in combined losses.

LexisNexis added another dimension: for every dollar lost to fraud, institutions incur $4.41 in total impact, including cost of personnel, investigations, legal, and technology investments. These numbers confirm what bankers nationwide are experiencing firsthand: fraud is negatively impacting our banks, customers, and communities.

AI: A Force Multiplier for Fraudsters

Unfortunately, the outlook is worsening. The rapid proliferation of generative artificial intelligence has equipped fraud actors with tools that automate and enhance nearly every stage of their operations. With AI-generated identities, deepfake audio and video, synthetic documents, and automated social-engineering scripts, criminals can now scale attacks with unprecedented efficiency.

Deloitte's Center for Financial Services projects that AI-driven consumer fraud losses will reach $40 billion by 2027, a dramatic jump from the $16.6 billion reported last year.

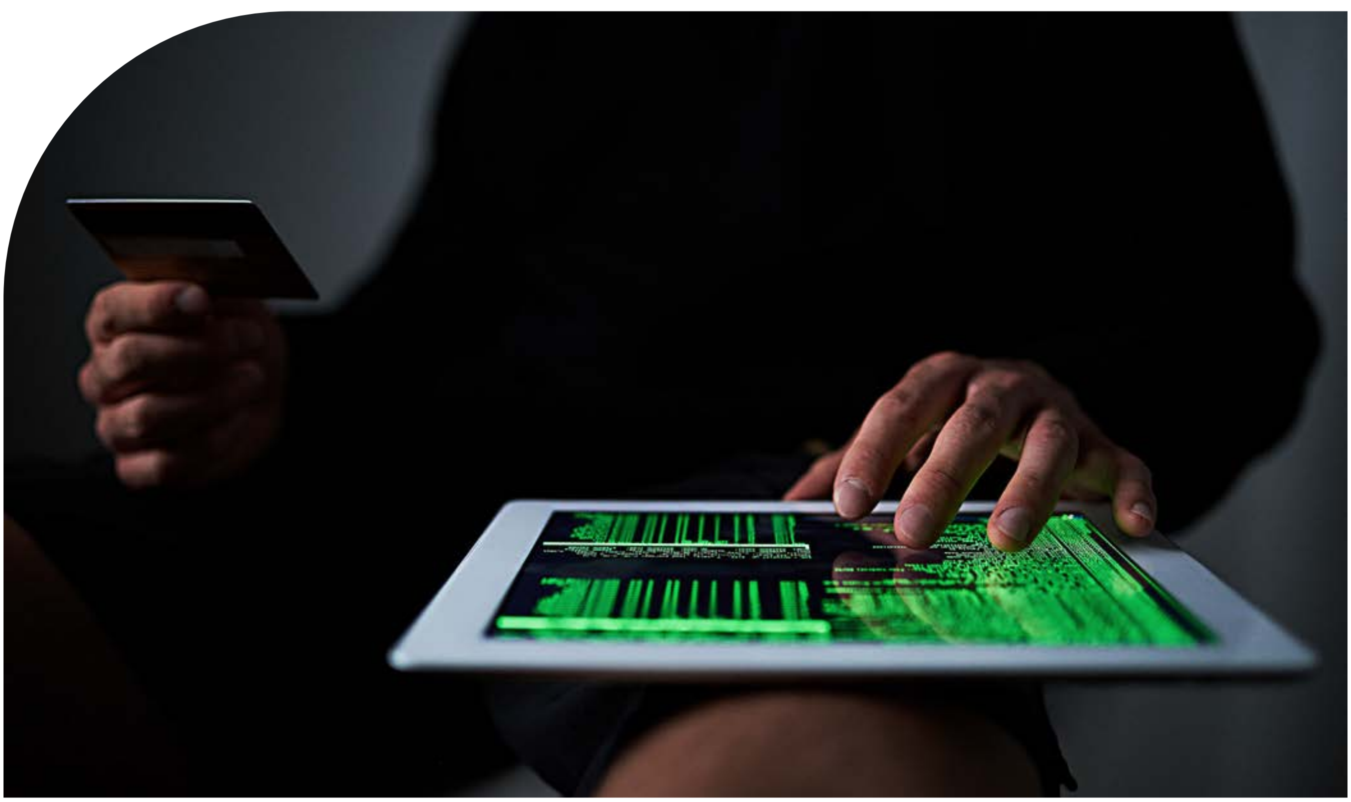
More Players, More Threats

Compounding the challenge, the criminal landscape itself is evolving. With increased pressure on cross-border narcotics trafficking, drug cartels and domestic street gangs have diversified into financial fraud, an area with high profit margins and far lower risk of prosecution. These organizations bring operational sophistication, resources, and workforce that dwarf what traditional fraud rings could deploy stateside. And more importantly, they are not sitting in call centers in Southeast Asia, they have boots on the ground across America.

A New Era of Fraud Requires a New Era of Response

Fraud has evolved into a national threat with global reach, advancing at a pace that outpaces legacy defenses. The rise of generative AI, and the expansion of organized crime have fundamentally reshaped the risk environment for banks of all sizes. Criminal use of AI is accelerating the need for banks to invest and implement countermeasures offered by their core and fintech vendors. However, banks cannot simply outsource their defense and expect technology to solve the problem. Banks must develop and implement dynamic employee and customer training programs to supplement the technology, which is easily defeated when bankers or customers are manipulated into allowing account access.

Shane Ensminger served 22 years with the Lexington Division of Police. During his tenure he served on the Narcotics Enforcement Unit, Intelligence and Organized Crime Unit, FBI Criminal Enterprise Task Force, FBI Joint Terrorism Task Force, DEA Task Force, and the US Marshall's Fugitive Task Force. He also served as an assistant commander of the Emergency Response Unit (SWAT). He most recently served as the Senior Vice President, Director of Financial Intelligence & Security Unit at Central Bank and Trust. He is now a Fraud and Workplace Violence Prevention specialist with the Kentucky Bankers Association.



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Shane Ensminger has spent over three decades protecting communities, first as a law enforcement leader and later as Director of Financial Intelligence for one of Kentucky's largest banks. Now, through Ensminger Consulting, he delivers hands-on training that empowers financial professionals to detect, deter, and respond to threats ***before they escalate.***

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THE ANNUAL KBA WASHINGTON TRIP

All of us here at the KBA want to send a heartfelt thank you to everyone who attended this year's KBA trip to Washington. We are always grateful to have the opportunity to meet with our federal agencies in a productive discussion and we appreciated the open dialogue and thoughtful engagement on the issues impacting our industry and our communities.

In particular, we want to thank Senator Mitch McConnell for visiting with us and listening to the issues that are affecting banks across the Bluegrass the most. Thank you, Senator McConnell, for always being a friend of bankers.

We also want to thank the following:

Kirsten Sutton
Executive Vice President,
Congressional Relations

Brooke Ybarra
Senior Vice President,
Innovation & Strategy

Jonathan Thessin
Vice President & Senior Counsel,
Regulatory Compliance & Policy

Alison Touhey
Senior Vice President,
Bank Funding Policy

Hugh Carney
Executive Vice President,
Prudential Regulation

Tyler Mondres
Senior Director,
Prudential Regulation

Aleks Wells
Senior Advisor to Vice Chair Michelle Bowman,
Federal Reserve

Warren Hrung
Senior Vice President and Head of Research,
American Bankers Assoc.

Ryan Lee
Research Manager,
American Bankers Assoc.

Jigar Gohel
Economic Research Associate,
American Bankers Assoc.

Jonathan Gould
Comptroller of the Currency (OCC)

Travis Hill
Acting Chairman,
Federal Deposit Insurance Corporation (FDIC)

Rep. Andy Barr & Staff
United States House of Representatives

Rep. Thomas Massie & Staff
United States House of Representatives

Rep. Hal Rogers & Staff
United States House of Representatives

Rep. James Comer & Staff
United States House of Representatives

Rep. Morgan McGarvey
United States House of Representatives

Sen. Mitch McConnell
United States Senate


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Jessie Southworth *Director of Education, Kentucky Bankers Association*

A Reset Year for Regulators and Banks

2025 brought a variety of changes for community bankers, many of them positive. With a wave of regulations being pulled back and reexamined, regulators are taking a closer look at how they can reduce regulatory burden while focusing more directly on areas of actual risk within institutions—a stark contrast to actions taken in 2024. For now, it appears bankers can take a moment to catch their breath.

In a largely deregulatory environment, it is no surprise that bankers' sentiment is improving. The Conference of State Bank Supervisors conducts a quarterly Bankers' Sentiment Survey, in which scores below 100 indicate negative sentiment and scores above 100 reflect positive sentiment. Third-quarter survey results reached a new record high since the survey began in 2019, with an index score of 133. This represents a seven-point improvement from the prior quarter and a 23-point improvement year over year. The increase is largely believed to be tied to the Federal Reserve's direction in monetary policy—one that bankers hope will lead to more favorable market conditions. With one more meeting remaining to close out 2025 and another potential rate cut on the table, the question on many bankers' minds remains: "Will they, or won't they?"

Bankers also have reason to celebrate as financial performance is showing clear year-over-year improvement. Among Kentucky banks, the return on average assets has increased from 1.03 percent to 1.24 percent, while net interest margins have improved from 3.44 percent to 3.75 percent. Kentucky banks have also experienced steady asset growth of 5 percent, alongside improved capital ratios. The average leverage ratio increased from 10.83 percent to 10.95 percent.

This improvement in financial performance is not limited to Kentucky banks. The Federal Reserve's Supervision and Regulation Report, published in December 2025, also cited favorable conditions nationwide. Overall, banks are maintaining strong capital levels, liquidity and funding conditions remain stable, and delinquency rates declined across the majority of loan categories.

Looking ahead, 2026 will no doubt bring its challenges. Stablecoin developments, artificial intelligence, and the growing fraud epidemic remain top of mind for many bankers, and challenges are inevitable in an ever-changing industry. Yet as we close out 2025, there is reason for optimism. The progress made over the past year suggests the banking industry is well-positioned to meet the year ahead.

SAVE THE DATE

Announcing the 135th Annual KBA Convention!

HOSTED AT

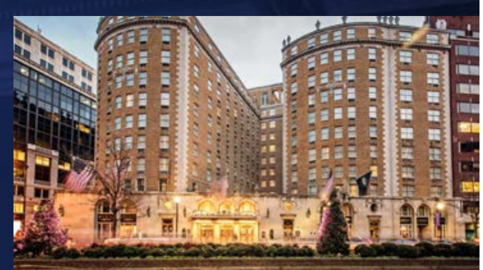
THE MAYFLOWER HOTEL
WASHINGTON, D.C.
SEPTEMBER 19 - 21, 2026

YOU SPOKE, WE LISTENED!

Mark your calendars for the 2026 Annual KBA Convention! You wanted a more streamlined schedule for maximum impact in less time. We're making sure every session is laser-focused, every speaker essential, and every hour packed with value...***all in the heart of our nation's capital.***

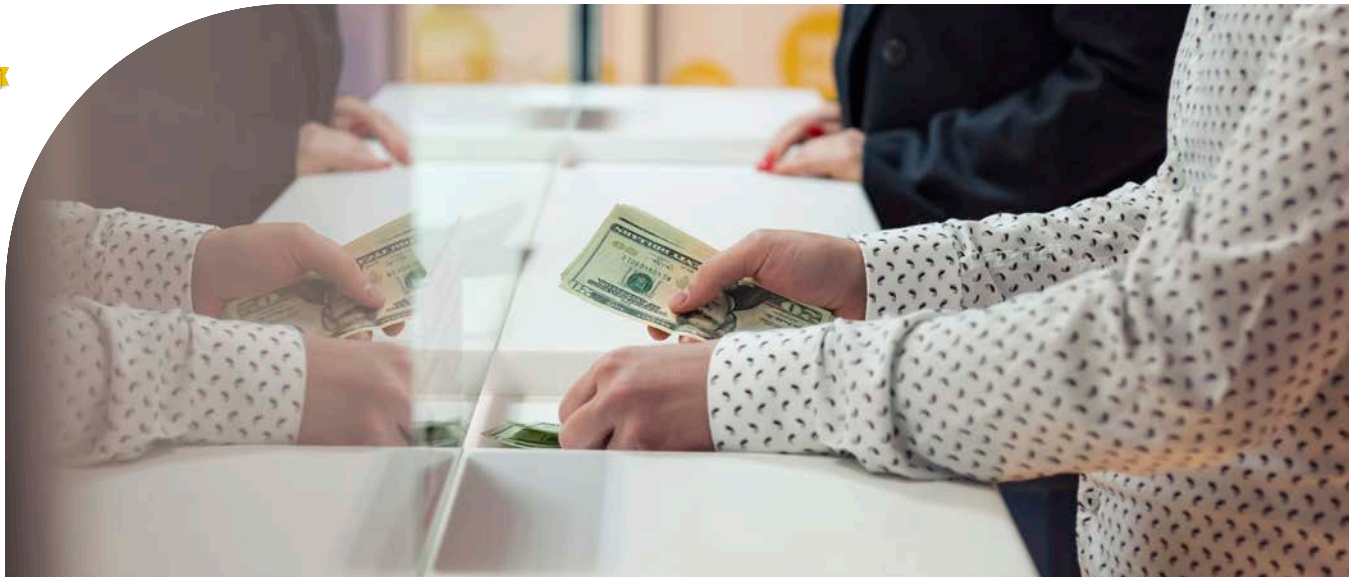




Save the date! The new era of KBA events begins now.

KBA Kentucky Bankers Association



IntraFi | IntraFi.com

How a Community Bank Uses ICS to Manage Deposit Inflows and Reduce Collateralization

Serving a close-knit community can be a challenge for any community bank. Add in managing funds for a large number of Public Unit Deposit (PUD) entities, many of which have significant seasonal in- and out-flows, and that challenge multiplies.

Casey County Bank, headquartered in Liberty, Kentucky, is a longstanding pillar of its community. With over $425 million in assets and five local branches, the bank has been serving residents and local government entities with a commitment to trust, innovation, and responsive customer service for over 85 years.

As a community bank, it faces unique challenges—particularly in maximizing efficiency and liquidity while maintaining the security and service levels that its clients demand.

Improving Deposit Management

Like many community banks, Casey County Bank has to handle cyclical cash flows from public entities. These clients can generate substantial deposit inflows during tax season, only to withdraw significant amounts in subsequent months. Like others, Casey County Bank has also had to manage significant deposit growth over the course of the COVID pandemic. They needed a solution that would:

- Maximize FDIC insurance coverage for growing numbers of large deposit holders;
- Help the bank manage their own liquidity efficiently without exposing the bank to undue risk or excess collateralization; and
- Ensure seamless customer service for public-sector clients whose needs are highly cyclical.

The bank required a platform that could scale with deposit inflows, provide access to robust amounts of insurance, and allow for simple management without burdening staff or clients.

Reducing Collateralization and Rightsizing the Balance Sheet

As Casey County Bank took on increasingly large public deposits, its collateralization skyrocketed. As Taylor Rousey, Chief Financial Officer and Executive Vice President at Casey County Bank, recalls: "When those public deposits started raising and raising and raising, we had to buy more collateral. I had a couple of call reports where we were at 99% pledged—nearly all of our available securities were tied up as collateral, leaving us with lower liquidity to support new deposit growth or other funding needs."

Rousey found ICS® or the IntraFi Cash Service®, and specifically its One-Way Sell® feature—which allows banks to sell excess deposits in exchange for fee income while keeping them eligible for FDIC insurance[1]—instrumental in reducing Casey County Bank's collateralization burden. "IntraFi lets us offer access to FDIC coverage and we no longer have to pledge or get a bond from the Federal Home Loan Bank."

Importantly, IntraFi's One-Way Sell also allows banks to reduce the overall cost of deposits, while maintaining the customer relationship. Per Rousey, "Moving our most-expensive deposits off balance sheet via One-Way Sell lowers our interest expense, and effectively gives us another contingency source of funding."

Managing Seasonal Flows from the Public Sector

A local government organization was among the first to benefit from Casey County Bank's adoption of IntraFi. "Like many public entities, they see a lot of fluctuations in their accounts, which balloon when their budget gets allocated and drop dramatically during tax season," Rousey says.

IntraFi's ICS One-Way Sell feature allowed Casey County Bank to:

- Effortlessly accept large, cyclical deposits from public sector clients;
- Provide access to FDIC insurance coverage across network banks for aggregate amounts of deposits well above the standard limits; and
- Simplify the management of public funds and stabilize bank operations by offloading the tasks related to cyclical deposit outflows.

The government organization's experience became a template for other public entities and businesses in Liberty, Kentucky, that required similar solutions. Instead of spending resources tracking, insuring, and managing these funds, the bank could rely on IntraFi's robust platform.

More than Liquidity Management

Rousey has found value across multiple IntraFi services, and for more use-cases than liquidity management. They include:

- Asset Liability Management (ALM) Modelling: Rousey found IntraFi's reporting useful in improving its required ALM modelling. "I include ICS One-Way Sell files with our standard ALM files so we can use it as another source of contingency funding in liquidity analysis."
- Deposit Inflow Testing via ICS One Way Buy: Casey County Bank doesn't need to purchase additional deposits today—but they know it's important to plan for the future. Rousey likes to use ICS One Way Buy® to run test transactions to ensure things run smoothly if Casey County Bank needs those funds, and to verify availability for federal examiners.

Customer Service: A Foundation of Success

For Taylor Rousey and Casey County Bank, the value provided by IntraFi extended beyond the immediate financial benefits. "I can't say enough good things about you guys. I just can't," Rousey remarks. "And I can't say enough good things about your customer service, specifically. It's A+."

IntraFi's team worked closely with Casey County Bank to ensure every aspect of the service—from onboarding to a core processor change, and ongoing operations—was seamless and responsive. This partnership mentality resonated deeply with the bank's own service-oriented values and became a driver for its willingness to adopt and expand the use of IntraFi's offerings.

Results: Tangible Benefits for Casey County Bank

Since adopting IntraFi's services, Casey County Bank has observed several measurable benefits:

Efficient Management of Large Deposits: With over $60 million in deposits placed through IntraFi's services, the bank is able to securely accept and manage funds from public entities and large depositors that would otherwise exceed FDIC insurance limits.

Improved Liquidity Management: Automated solutions mean the bank does not need to worry about seasonal deposit "ballooning" and outflows associated with the tax cycle.

Enhanced Customer Satisfaction: Public sector clients enjoy streamlined processes and peace of mind knowing their funds are eligible for FDIC insurance at network banks.

Operational Simplicity: By leveraging IntraFi's platform, Casey County Bank can focus on client relationships and business growth instead of manual oversight and administrative headaches.

As the bank continues to serve its community, the partnership with IntraFi positions it to offer leading-edge deposit solutions—ensuring that public and private depositors alike receive the care, coverage, and convenience they expect. Per Rousey: "We couldn't do what we're doing without IntraFi."

By addressing the complexities of cyclical deposits and large-balance management, Casey County Bank has broadened its service capabilities and reinforced its foundational commitment to the community of Liberty, Kentucky. They have modernized their deposit operations while never losing sight of what matters most: the trust and satisfaction of their customers.

Deposit placement through an IntraFi service is subject to the terms, conditions, and disclosures in applicable agreements. Deposits that are placed through an IntraFi service at FDIC-insured banks in IntraFi's network are eligible for FDIC deposit insurance coverage at the network banks. The depositor may exclude banks from eligibility to receive its funds. Although deposits are placed in increments that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA") at any one bank, a depositor's balances at the institution that places deposits may exceed the SMDIA before settlement for deposits or after settlement for withdrawals. The depositor must make any necessary arrangements to protect such balances consistent with applicable law and must determine whether placement through an IntraFi service satisfies any restrictions on its deposits. IntraFi, the IntraFi logo, ICS, IntraFi Cash Service, One-Way Sell, and One-Way Buy are registered service marks of IntraFi LLC.

[1] *IntraFi is not an FDIC-insured bank, and deposit insurance covers the failure of an insured bank. A list identifying IntraFi network banks appears at https://www.intrafi.com/networkbanks. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply. To meet the conditions for pass-through FDIC deposit insurance, deposit accounts at FDIC-insured banks in IntraFi's network that old deposits placed using an IntraFi service are titled, and deposit account records are maintained, in accordance with FDIC regulations for pass-through coverage.*

IntraFi.

By **Keith J. Larson** *Morgan Pottinger McGarvey | mpmfirm.com*

Reducing Regulatory Burdens

On Community Banks

Fall usually greets Kentuckians with stunning foliage and hues of autumn on the tree line. This October, however, also hailed a flurry of federal rule changes aimed at easing the burden of certain regulations imposed on community banks. This article summarizes but a few. Banks are encouraged to review these regulations and consult an attorney with any questions or concerns.

Proposal to Eliminate "Reputation Risk" and "Debanking" Regulations

On October 7, 2025, the Office of the Comptroller of the Currency (OCC) and the FDIC jointly offered rules that would (i) exclude "reputation risk" from their oversight mandate and (ii) refocus supervision on material financial risks (MRAs). The agencies stated that "the proposed rule would promote greater clarity and certainty regarding certain enforcement and supervision standards and ensure bank supervisors prioritize concerns related to material financial risks over those regarding policies, process, documentation, and other nonfinancial risks."[1]

The proposal would provide that examiners could issue an MRA only for practices that could reasonably be expected to become unsound under current or foreseeable conditions. The rule would also prohibit regulators from taking adverse action against a bank due to "reputation risk", which is defined as the alleged risk of negative public perception not linked to financial or operational conditions. For example, it prohibits examiners from requiring banks to open, close, or modify customer relationships based on political, social, or religious views. The proposed rule also establishes uniform standards for when and how the agencies may communicate MRAs and non-binding supervisory observations.

These proposals exhibit a pointed shift away from subjective regulatory benchmarks and toward a more objective focus on measurable financial risk.

Frequency and Scope of Community Bank Examinations

On October 6, 2025, the OCC specifically updated policies for community banks to "eliminate mandatory examination activities not required by statute or regulation to reduce supervisory burden for community banks."[2] In an attempt to reduce the regulatory burden on community banks and simplify requests made by examiners, effective January 1, 2026, the OCC is (i) eliminating mandatory OCC policy-based examination requirements, (ii) empowering bank examiners to tailor examination scope and frequency based on risk-based supervision, and (iii) reassessing its data collection requests. For example, the OCC is evaluating whether data collected under the Money Laundering Risk System and the Interest Rate Risk Survey is necessary or can be collected in a less-burdensome manner.

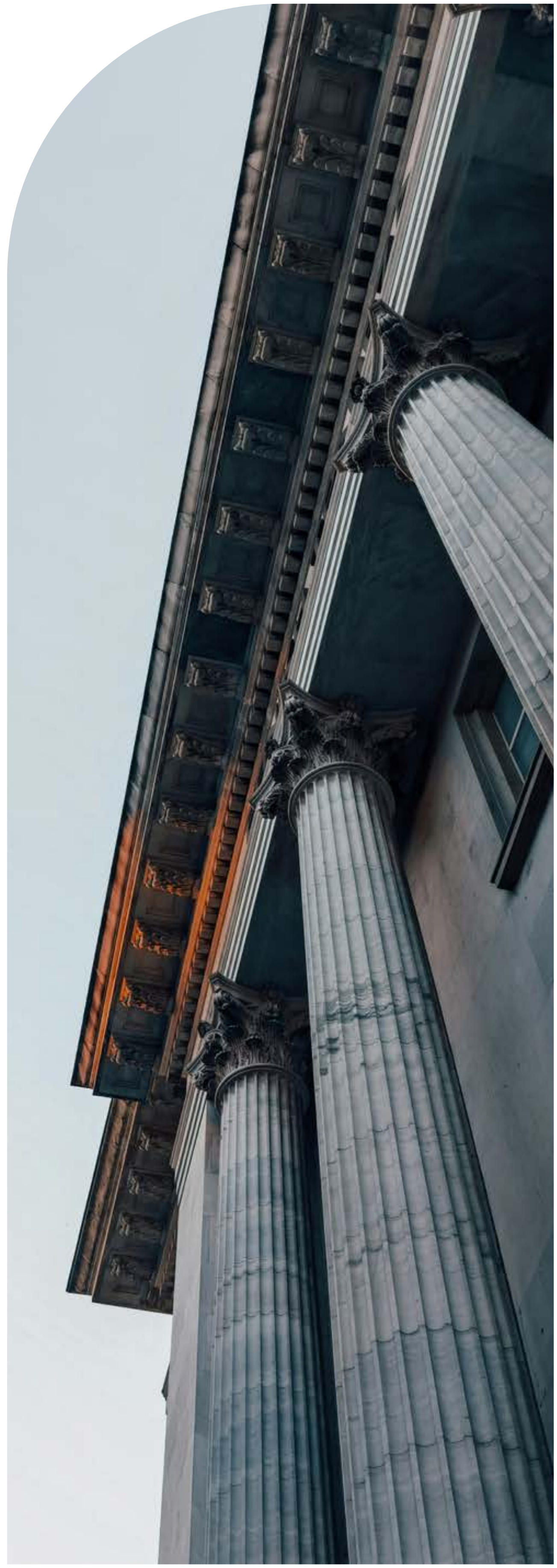
CFPB Extends Compliance Deadlines for Small Business Lending Rule

On October 2, 2025, the Consumer Financial Protection Bureau (CFPB) extended the compliance deadlines for its 2023 Small Business Lending Data Collection Rule under the Equal Credit Opportunity Act (ECOA) and Regulation B. To summarize, this composite of regulations forces banks to collect and report to the CFPB certain data regarding applications for credit for women-owned, minority-owned, and small businesses. The CFPB's announcement of this deadline extension notes that three courts have thus far stayed compliance with Regulation B; however, the compliance dates have not been stayed for those who are not plaintiffs or intervenors in those cases. To facilitate consistent compliance across all jurisdictions, the CFPB is extending the compliance dates set forth in the 2024 interim final rule by approximately 350 days. The CFPB states that this extension should allow it sufficient time to issue a new proposal to reconsider certain aspects of the 2023 final rule.[3]

[1] Agencies Issue Proposal to Focus Supervision on Material Financial Risks, available at https://fdic.gov/news/press-releases/2025/agencies-issue-proposal-focus-supervision-material-financial-risks.

[2] Examinations: Frequency and Scope for Community Banks, available at Examinations: Frequency and Scope for Community Banks | OCC.

[3] Small Business Lending Under the Equal Credit Opportunity Act (Regulation B); Extension of Compliance Dates, available at Federal Register :: Small Business Lending Under the Equal Credit Opportunity Act (Regulation B); Extension of Compliance Dates.



MORGAN
POTTINGER
MCGARVEY
Attorneys

By **Michelle Davis**

Compliance Alliance / compliancealliance.com

When Disaster Strikes

How the SBA Helps Keep Small Businesses Afloat

As someone who has worked in banking and mortgage lending for years, I've seen firsthand how fragile small businesses can be when disaster strikes. It's one thing to help a customer buy a home or expand a shop during good times, it's another thing entirely when their business is underwater, literally, because of a storm or flood.

The recent floods in Texas hit close to home for me. I saw entire neighborhoods submerged, small shops with their doors busted open from water damage, and families standing outside, wondering how they were going to put the pieces back together. Some of the business owners are people I know personally. They aren't just clients or names on loan applications, they are neighbors, friends, and part of the fabric of our community.

That experience reminded me just how important the SBA's disaster programs are, and why lenders and compliance professionals need to fully understand them. Most people know the Small Business Administration (SBA) for its traditional loan programs that help businesses start or grow. An often overlooked and underappreciated component is the SBA's contribution following disasters.

When a disaster is declared, the SBA steps in with special low-interest loans designed to keep businesses afloat. These aren't grants, borrowers still need to repay them, but the terms are manageable and fair, especially compared to traditional financing. The SBA offers Business Physical Disaster Loans, Economic Injury Disaster Loans (EIDLs) and Mitigation Assistance. These programs are structured to support resilience and recovery, rather than generate profit. Rates are capped, sometimes as low as 4%, and repayment can stretch up to 30 years.

Understanding the value of these programs is only half the equation; executing them correctly is where the rubber meets the road. Lenders can't just process these loans the way they would any other. SBA disaster loans come with their own rules, and if we get them wrong, it's not just the bank at risk, it's the borrower's survival. Some key compliance areas to consider are eligibility, use of funds, recordkeeping, and fair lending.

Eligibility: Before anything else, lenders must ensure that applicants meet SBA's specific criteria for disaster loan eligibility. The business must be located in a declared disaster area, only certain types of business qualify, and documentation must be provided to support the impact of the disaster.

Use of Funds: SBA disaster loans are not blank checks. They come with strict guidelines on how the money can be used. For example, business physical disaster loans must be used to repair or replace real estate, inventory, equipment, etc.

Recordkeeping: Lenders and borrowers must maintain meticulous records of applications, approvals, disbursements, and any other communications, as well as proof that funds were used appropriately.

Fair Lending: Even in a crisis, fair lending laws remain firmly in place. Disaster loans should be underwritten using uniform criteria, and borrowers must be treated equitably regardless of race, gender, age, or other protected characteristics.

In other words, compliance isn't just a box to check, it's part of what makes the system trustworthy.

Seeing flood damaged areas in Texas, I thought about the families behind those storefronts. Many of them had no idea where to turn next. Insurance only covered part of their loss, if it covered anything at all. Without the SBA stepping in, some of these businesses would never reopen.

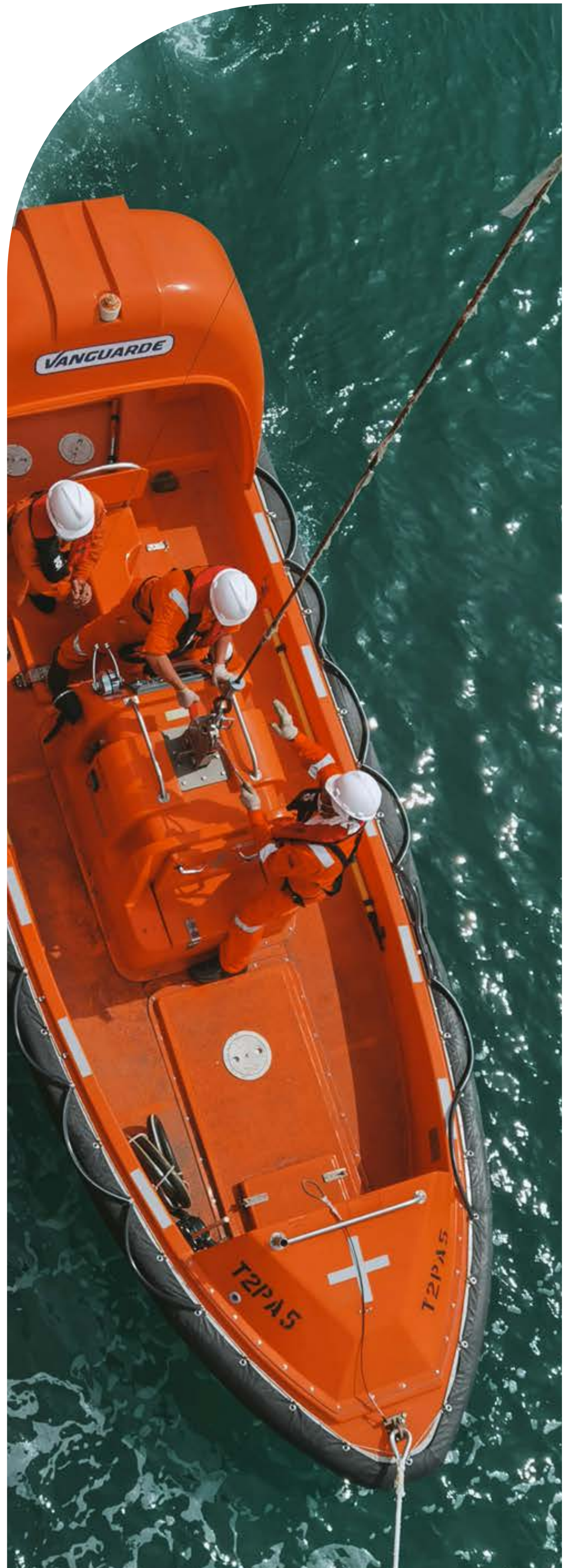
One local restaurant owner had lost almost everything, furniture, equipment, even their point-of-sale system. They were ready to give up until they heard about SBA disaster loans. The loan didn't make their pain go away, but it gave them breathing room. They could rebuild their kitchen and bring back staff instead of shutting their doors for good. That's the human side of what we, in compliance, sometimes see only as forms, files, and checklists. Behind every loan is a person or family whose livelihood is on the line.

The COVID pandemic reinforced this lesson on a national scale. Programs like the Economic Injury Disaster Loan (EIDL) and Paycheck Protection Program (PPP) put the SBA on center stage, but they also showed the pressure points in our compliance systems. The rapid disbursement of funds created vulnerabilities that contributed to a significant increase in fraudulent activity, but speed and compliance don't have to be enemies. If we prepare, we can move quickly and still follow the rules.

Disasters will happen. The question is not if, but when. Being prepared makes the response faster and smoother for everyone involved. In times of crisis, we often become the first point of contact for frightened and overwhelmed business owners. SBA disaster loans are not just another product, they are a solution, a lifeline. As bankers and compliance professionals, our job is to make sure that lifeline reaches the people who need it. That means staying sharp on the rules, guiding borrowers with care, and remembering that behind every loan is a story of survival.

Explain options clearly, so borrowers don't feel lost in paperwork. Guide them through applications to avoid mistakes that could delay funding. Help them stay compliant with how funds are used, so they don't get into trouble later, and keep up with SBA updates, because the rules can change depending on the disaster.

Compliance is often seen as paperwork, but in moments like this, it's really about trust. Trust that the system will work, that funds will be used properly, and that small businesses will get the help they need to stay afloat. When disaster strikes, the SBA helps businesses weather the storm. And for those of us in banking, we have the privilege and the responsibility of helping carry them through it.



By NContracts

ncontracts.com

7 Fair Lending Risks Every Lender Must Address

Fair lending may not be dominating regulatory headlines in 2025, but for lenders, the risks remain urgent and evolving. While federal enforcement priorities are shifting, the underlying laws haven't changed, state-level oversight is intensifying, and borrowers are increasingly aware of lending equity issues.

For lenders, fair lending represents far more than regulatory compliance — it's a business-critical issue that influences reputation, customer trust, and market positioning. Understanding and proactively managing these risks is essential for long-term success.

The State-Federal Intersection in Fair Lending

State regulators aren't just filling the federal enforcement void; they're expanding it. For example, Massachusetts recently secured a $2.5 million settlement over artificial intelligence-driven underwriting violations. New Jersey is actively investigating redlining using demographic lending data, and New York continues to pursue unfair practices cases with substantial settlements. For lenders, this enforcement shift adds complexity. Unlike federal agencies with consistent guidance, state actions vary widely — one state might focus on AI governance while another targets pricing practices or disclosure requirements.

What Fair Lending Risk Means for Lenders

Fair lending risk emerges when lending practices exclude or disadvantage borrowers based on protected characteristics such as race, ethnicity, gender, age, national origin, or marital status. This risk spans the entire lending lifecycle, from marketing to origination to servicing.

Even unintentional disparities can trigger regulatory scrutiny, costly litigation, or damage borrower trust. For lenders, where community relationships and brand credibility drive referrals and repeat business, these impacts can persist for years.

Top Fair Lending Risks to Consider Now

1. Redlining Risk
Redlining occurs when lenders avoid serving — or provide less favorable terms to — majority-minority or underserved neighborhoods. Branch locations, marketing reach, or underwriting standards can inadvertently create this exposure.

What lenders can do: Regularly evaluate your Reasonably Expected Market Area (REMA), analyze application and approval patterns by geography, and determine whether your marketing and physical presence reach diverse communities effectively.

2. Marketing & Outreach Risk
Marketing often creates the critical first touchpoint for credit access. Risks can emerge through language barriers, non-inclusive imagery, geographically limited campaigns, or digital algorithms that unintentionally exclude protected populations.

What lenders can do: Audit campaigns for demographic reach and inclusivity, ensure materials reflect community diversity, and request detailed reports from marketing vendors to identify potential blind spots in targeting algorithms.

3. Steering Risk
Steering happens when borrowers are systematically directed toward or away from specific loan products or channels based on protected characteristics rather

than objective financial factors. Loan officer discretion, unclear referral processes, or third-party practices all contribute to this risk.

What lenders can do: Establish clear, documented product referral standards, implement comprehensive fair lending training, and regularly analyze loan data for disparities in product mix.

4. Underwriting Risk
Bias can infiltrate underwriting, whether it's manual or automated. Subjective criteria such as "good character" and inconsistent exception handling introduce risk. AI-powered underwriting tools can embed bias if not carefully monitored, as demonstrated by the recent $2.5 million Massachusetts settlement with a lender over AI-driven discrimination.

What lenders can do: Eliminate subjective underwriting criteria where possible, track and review exceptions systematically, and analyze approval patterns for statistical disparities. Before deploying AI tools, establish comprehensive governance frameworks, including bias testing and ongoing monitoring, to ensure adherence with compliance standards.

5. Pricing Risk
Pricing disparities among similarly situated borrowers represent one of the most scrutinized fair lending risk areas. These often result from inconsistent policies, excessive discretion, or compensation structures that incentivize subjective decision-making.

What lenders can do: Standardize pricing methodologies, monitor systematically for rate and fee disparities, and align compensation structures to minimize discretionary variations. Be sure to document objective justifications for any exceptions.

6. Servicing Risk
Fair lending obligations extend throughout the loan lifecycle. Servicing risk manifests through disparities in payment processing, loss mitigation options, collections practices, or foreclosure procedures. Third-party servicing relationships add complexity but don't reduce lender accountability.

What lenders can do: Establish comprehensive servicing oversight, including complaint pattern analysis, processing time monitoring, and loss mitigation tracking across demographic groups. Ensure rigorous third-party oversight continues through regular performance testing.

7. Compliance Management System Risk
As lending operations become increasingly complex through vendor relationships and the rise of AI and other technology, inadequate compliance management systems create systemic exposure. Regulators expect demonstrable oversight capabilities, including training, monitoring, independent testing, and board engagement.

What lenders can do: Scale compliance management capabilities to match operational complexity, leverage automation for routine monitoring and reporting, and ensure senior leadership maintains active fair lending oversight.

Moving Forward: From Compliance to Strategic Advantage

Lenders who view fair lending solely as a compliance cost miss its strategic value. Strong fair lending practices expand market reach, strengthen community relationships, and differentiate institutions in competitive markets.

The enforcement landscape will continue evolving, but the underlying risks remain constant. Lenders who proactively build fair lending excellence into their operations — backed by robust data analysis, clear governance, and consistent oversight — position themselves to capture opportunities while managing regulatory risk, regardless of shifting enforcement priorities.

About Ncontracts
Ncontracts provides integrated risk management, compliance, and third-party risk management solutions to over 5,500 organizations worldwide, including 4,500 U.S. financial institutions, mortgage companies, and fintechs. The flagship Ncontracts IRM suite combines AI-powered software with expert services, helping financial institutions streamline risk, compliance, and vendor management through an intuitive, cloud-based platform. Ncontracts' Venminder solution is trusted by enterprise financial companies and other large organizations to strategically manage third-party risk across the entire vendor lifecycle.

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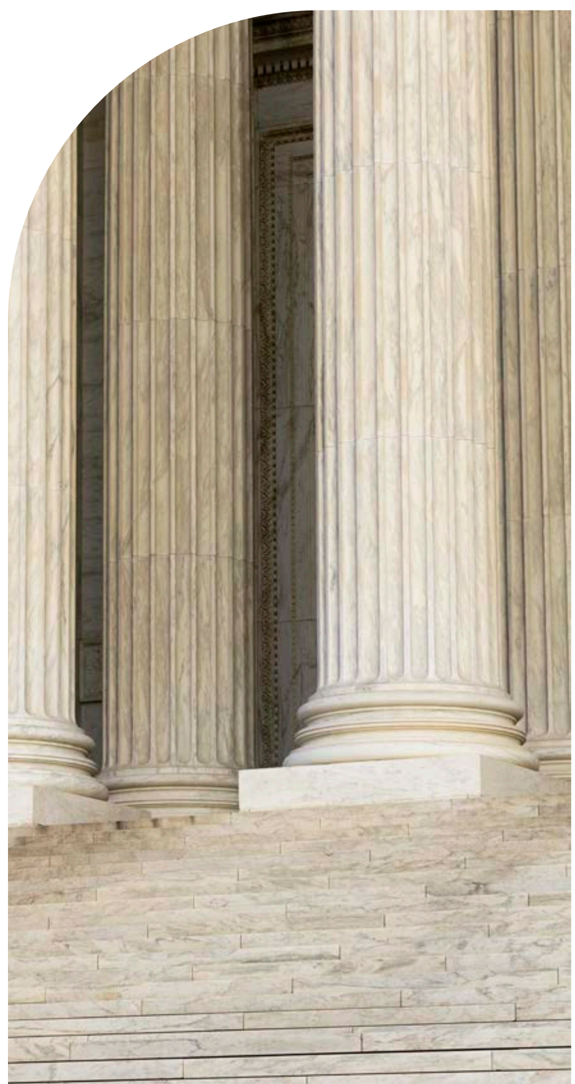


RESOLUTION HONORING THE MEMORY *OF* JOE STEPHENS

WHEREAS, Joe Stephens passed away on November 17, 2025 while serving as a member of the Board of Directors for South Central Bank; and

WHEREAS, Joe Stephens began his service as a board member Spring, 1996, and served in good standing until the time of his death; and

WHEREAS, throughout his tenure on this Board and until the time of his death, Joe Stephens contributed his tireless efforts and his long-term support for the mission of South Central Bank; and

WHEREAS, Joe Stephens also brought to this Board his astute business judgment and his experience; and

WHEREAS, Joe Stephens provided us all with an example of unselfish, thoughtful and generous service to others and of how to live life thinking of others and working for their benefit;

WHEREAS, Joe Stephens also had the ability as a leader to set ambitious goals and to inspire others to follow; and

NOW, THERERFORE, BE IT RESOLVED this Board celebrates the life and accomplishment of Joe Stephens and expresses its admiration for a life well lived.

FURTHER RESOLVED that this Board extends to his family, to Jo Rita Anderson Stephens and to his many friends this Board's profound gratitude for all that Joe Stephens has given to South Central Bank and to this community.

Graduate School of Banking was proud to host the 2025 Bank Cybersecurity School in Madison, Wisconsin this week, welcoming 44 students from across the country. Students gained practical expertise in cybersecurity through expert-led lectures, small-group discussions, and hands-on labs addressing real-world challenges such as penetration testing, breach detection, and vulnerability assessment.

Evan Kinser of Citizens Guaranty Bank, KY and Matthew McNew, The First National Bank of Manchester, KY, were in attendance. We celebrate their commitment to the future of banking!

Onward & Upward

Have a promotion or branch news you want to see featured? Email us at marketing@kybanks.com

Central Bank Chairman, **President, and CEO Luther Deaton Jr.** would like to announce the promotion of **Chris Chaffin** as Vice President, Commercial Lending Officer. In this role, Chris will be responsible for developing and managing commercial banking relationships, leveraging his experience and deep understanding of the banking industry. With over 25 years in banking, Chris has dedicated a significant portion of his career to fostering strong relationships within the local community.

Central Bank Madison County Market **President Jeff Fultz** announces that **Matthew Ciolek** joins Central Bank as Assistant Vice President, Commercial Lending Officer. With over 13 years of experience in the financial sector, Mr. Ciolek brings a wealth of knowledge and expertise to his new role within the Commercial Lending team in Richmond.

FNB Bank is proud to announce that they have donated over $22,000 back to Mayfield, Graves County, Trigg County, and Marshall County Schools through their Spirit Debit Card Program. These donations to the school systems are a result of FNB's 3rd quarter 2025 Spirit Debit Card Program. The FNB Spirit Debit Card Program allows FNB and their customers the opportunity to give back to their local schools when they use their FNB debit card. FNB currently offers Spirit Debit Cards for Mayfield, Graves County, Trigg County, and Marshall County Schools.

First Kentucky Bank **VP of Branch Administration, Corie Young** announces the following promotion in the Pennyrile Region. **Raven Bastin** has moved into the role of Branch Manager at the Central City Office. Bastin has eight years of banking experience and has been with First Kentucky since 2017. She shared, "I often reflect on a quote by Albert Einstein: 'Life is like riding a bicycle. To keep your balance, you must keep moving.' As I step into this new position, those words feel particularly relevant," she said. "I am committed to advancing our mission, supporting our customers and community, and pursuing ongoing development and leadership within this organization."

Congratulations are in order to **Whitaker Bank** on the opening of their new branch in Danville.

Cumberland Valley National Bank & Trust (CVNB) is pleased to announce the addition of **Jeremy Gray** as Senior Vice President, Commercial Lender in its Lexington market. In this role, Jeremy will work with business clients to deliver lending solutions and support the bank's continued growth across Central Kentucky.

Mark A. Gooch, Chairman, President and CEO of Community Trust Bancorp, Inc., announces that **Betty C. Frederick** is retiring as the Community Trust Bank, Inc. Mt. Vernon Market President effective January 1, 2026. Betty Cameron-Frederick has worked at Community Trust Bank for over 20 years as a secretary, teller, head teller, loan assistant, loan officer, branch manager and market president. "We value our employees who are a part of dozens of communities throughout Kentucky, West Virginia, and Tennessee," said Mark Gooch. "We appreciate Betty's decades of service to our company and wish Betty and her family the very best in the years ahead."

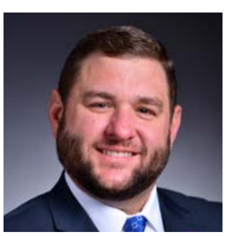
The Board of Directors of **Paducah Bank** has appointed **Ashley Graves Johnson** as the Bank's eighth President and Chief Executive Officer, effective January 2, 2026. Johnson will also join the Paducah Bank Board of Directors. Her appointment marks a historic milestone as she becomes the first woman to lead Paducah Bank in its 78-year history.

For the 17th consecutive year, **Community Trust Bank, Inc.** has earned the "Gold Lender Award" from the United States Small Business Administration (SBA) as Kentucky's top volume SBA 7(a) Community Bank lender in federal fiscal year 2024–2025.

Peoples Exchange Bank is excited to announce the appointment of **Jeff Ricketts** as the new Vice President of Commercial Lending. With more than 25 years of experience in both residential and commercial banking, Jeff brings a wealth of knowledge and expertise to the lending team.

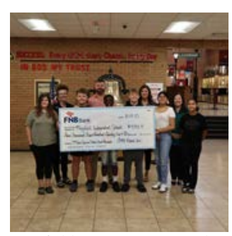
FNB Bank (FNB) is proud to announce that **Jon Case** has joined FNB as a Business Banking Officer in Murray-Calloway County. Jon began his banking career at FNB in


Chris Chaffin


Matthew Ciolek


Graves County Spirit Debit Card Check Presentation

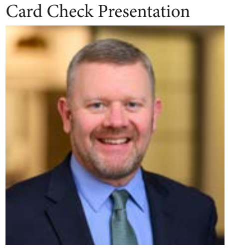

Marshall County Spirit Debit Card Check Presentation

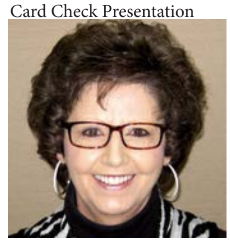

Mayfield County Spirit Debit Card Check Presentation

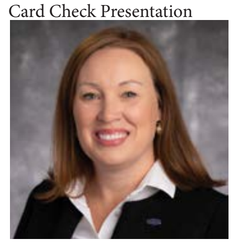

Trigg County Spirit Debit Card Check Presentation


Raven Bastin


Whitaker Bank Danville Branch Opening


Jeremy Gray


Betty Fredrick


Ashley Graves Johnson


Community Trust Bank, Inc.

2019 and now brings six years of banking experience back to the organization. He most recently served as a Financial Advisor. "Jon's professional experience and dedication to excellence make him a strong fit for our organization," stated Amy Futrell, FNB's Calloway County Market President. "We are pleased to welcome him back to FNB and are confident he will serve our business clients with exceptional care."


Jeff Ricketts


Jon Case

Congrats to Stock Yards Bank & Trust on the ribbon cutting of their Bardstown location! We celebrate this awesome achievement in banking with you!


Mr. J. Wade Berry


Mr. Timothy E. Barnes

Kentucky Bankers Barnes, Berry Re-Elected to FHLB Cincinnati Board

Timothy E. Barnes, CEO of Hometown Bank, Corbin, and J. Wade Berry, President & CEO of Farmers Bank & Trust Company, Marion, were re-elected to the Federal Home Loan Bank of Cincinnati's Board of Directors as Kentucky Member Directors following the Bank's 2025 director elections. The results, announced November 21, reaffirm their continued leadership and representation of Kentucky's member institutions at the regional level. Both Barnes and Berry bring steady, respected voices to the Board, and their re-election reflects the confidence and trust Kentucky bankers place in their leadership. We are proud to see Kentucky so well represented and grateful for their continued service on behalf of our banking community.

Spotlight On: New Associate Members

Krieg DeVault, *Indianapolis, IN*

Krieg DeVault is a trusted and dynamic law firm committed to delivering exceptional client service through a diverse and inclusive team living their CORE Values. They have advised financial institutions throughout the Midwest and across the country, providing practical legal counsel that balances the big picture with critical details. They are proud to have served as counsel to the Federal Home Loan Bank-Indianapolis for six decades. Today, they represent leading commercial and investment banks, specialty finance companies, insurance carriers, broker-dealers, and investment advisers. Contact: Cherish CJ Burnette, Practice Group Business Development Coordinator

Noggin Guru, *Cary, NC*

Noggin Guru is a privately held company that provides forward-thinking solutions to the financial services industry. They take pride in their long-standing record of delivering innovative services and forming meaningful partnerships with banking institutions nationwide. Through their BankersHub platform, they deliver a broad range of professional development, compliance, and training services tailored to banks of all sizes. Contact: Chad McCarl, Vice President, Sales

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2026 Event Calendar

At a glance...

Officers & Directors Spring Conference 2026
April 19 – 21, 2026
The Omni | Louisville, KY
kbaspringconference.com

Women in Banking
July 2026
Lexington, KY | Venue TBD
kbawomeninbanking.com

Fraud Academy 2026
August 18 - 20, 2026
Lexington, KY
Hyatt Regency Downtown
kbafraudacademy.com

135th Annual Convention
September 19 -21, 2026
The Mayflower Hotel
Washington, DC
kbaconvention.com

General Banking School I
General Banking School II
May 31 - June 5 , 2026
Campbell House | Lexington, KY

Pathways to Success
July 8 - 9, 2026
The Origins | Lexington, KY

BSA Conference
The Origins | Lexington, KY
November 4 - 5, 2026

For sponsorship opportunities, contact **Katie Rajchel** at 502.736.1264 or info@kbasponsorships.com, or visit kbasponsorships.com. *Thank you for your support!*