

#2006-89
Amends #2004-73

AMENDMENT TO THE AGREEMENT
BY AND BETWEEN
First National Bank and Trust
London, Kentucky
and
The Office of the Comptroller of the Currency

First National Bank and Trust, London, Kentucky (“Bank”) and the Comptroller of the Currency of the United States of America (“Comptroller”) wish to protect the interests of the depositors, other customers, and shareholders of the Bank, and, toward that end, wish the Bank to operate safely and soundly and in accordance with all applicable laws, rules, and regulations.

The Comptroller through his National Bank Examiner, has examined the Bank, and his findings are contained in the Report of Examination dated April 10, 2006.

The Comptroller, through his authorized representative, and the Bank, by and through its duly elected and acting Board of Directors (“Board”), executed an Agreement on June 11, 2004 (“Agreement”), which remains in full force and effect except as otherwise provided herein.

The Comptroller, through his authorized representative, and the Bank, by and through its Board, mutually agree that an amendment to the Agreement is now warranted. This amendment to the Agreement (“Amendment”) is incorporated by reference into the Agreement as if fully set forth therein, and is agreed upon by and between the Bank and the Comptroller.

In consideration of the above premises, it is agreed, between the Bank, by and through its duly elected Board, and the Comptroller, through his authorized representative, that the Bank shall operate at all times in compliance with the provisions of this Amendment.

ARTICLE III – RESCINDED

ARTICLE III, STRATEGIC PLAN, of the Agreement is rescinded in its entirety.

ARTICLE IV – RESCINDED

ARTICLE IV, MANAGEMENT, of the Agreement is rescinded in its entirety.

ARTICLE V – RESCINDED

ARTICLE V, SENIOR LENDING OFFICER, of the Agreement is rescinded in its entirety.

ARTICLE IX – REVISED

ARTICLE IX, CRITICIZED ASSETS, Paragraphs (3), (5), (6), and (7) of the Agreement are rescinded in their entirety. Paragraphs (1), (2), and (4) of ARTICLE IX of the Agreement remain in full force and effect.

ARTICLE X - REVISED

ARTICLE X, CAPITAL MINIMUM, of the Agreement is replaced in its entirety by the following:

- (1) By September 30, 2006, the Bank shall achieve and thereafter maintain “Tier 1 capital” at least equal to ten percent (10%) of “adjusted total assets” (as those terms are defined in 12 C.F.R. Part 3).
- (2) The requirement of 12 C.F.R. Part 6 pursuant to 12 C.F.R. § 6.4(b)(1)(iv) shall prevent the Bank from being “well capitalized” for purposes of 12 U.S.C. § 1831o.
- (3) The Bank, as a result of being deemed less than “well capitalized,” is subject to certain restrictions outlined in 12 C.F.R. § 337.6. “Adequately capitalized” banks must apply for and receive a waiver from the FDIC before they can “accept, renew, or rollover any brokered deposit.” Moreover, the effective yield on these brokered deposits cannot be more than 75 basis points greater than the yield on a comparable deposit offered in the normal market area. A national rate cannot be used unless a waiver is received.

