

# 2022

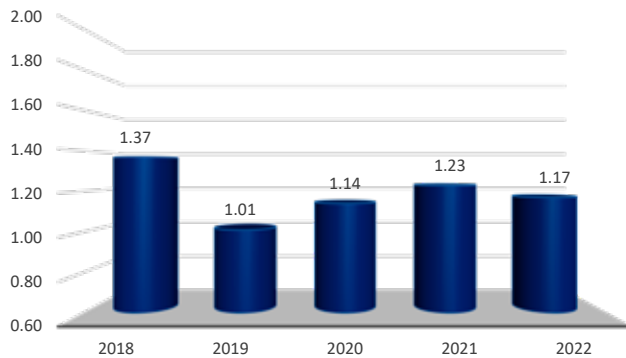
## ANNUAL REPORT



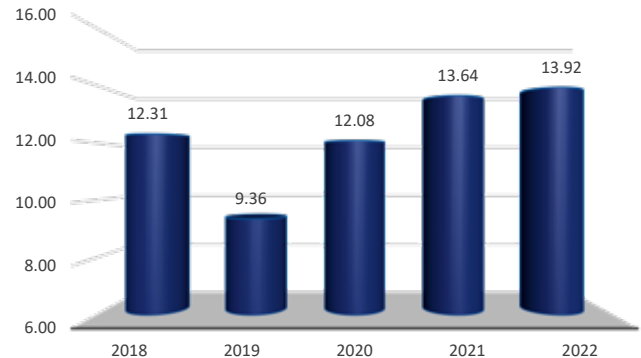
# Corporate Profile

Monticello Bankshares, Inc. was established in 1982 to provide strength and oversight for its wholly owned subsidiary, the Monticello Banking Company (MBC). MBC is a Kentucky commercial bank chartered in 1895 with its corporate office located in Monticello. The bank has operated under the same name and at the same location since its inception. MBC operates twenty-one full service community banking offices in fourteen counties across Kentucky. MBC offers a wide range of banking and investment services which are provided through our branch offices and our growing internet presence. We would like the opportunity to serve all of your financial needs. Please call or visit our offices at your convenience and visit us online at [www.mbcbank.com](http://www.mbcbank.com).

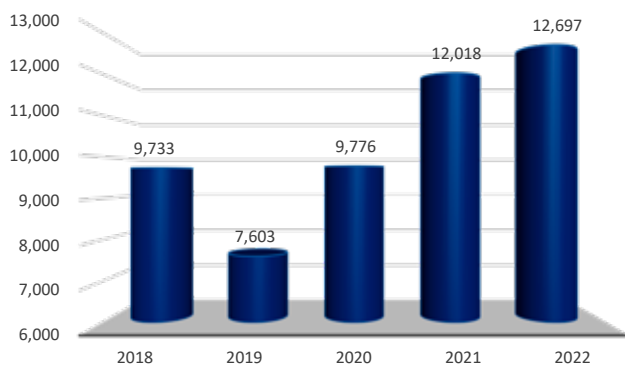
### Monticello Bankshares Inc. Return on Assets



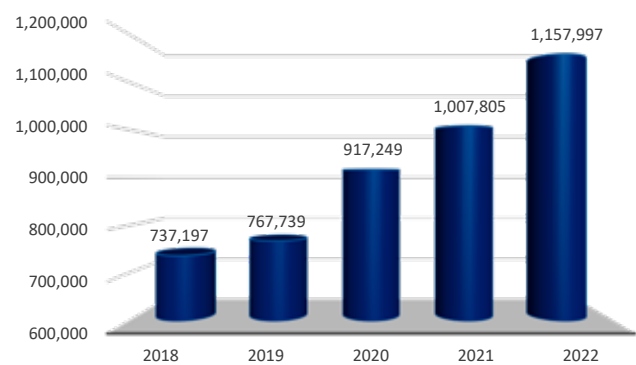
### Monticello Bankshares Inc. Return on Equity



### Monticello Bankshares Inc. Net Income



### Monticello Bankshares Inc. Total Assets

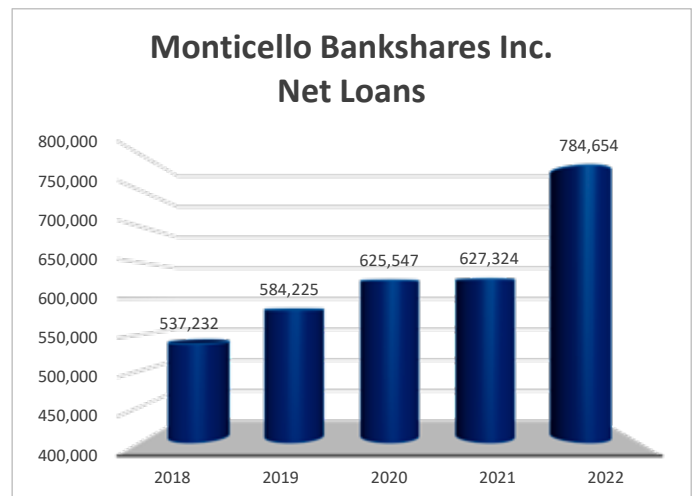
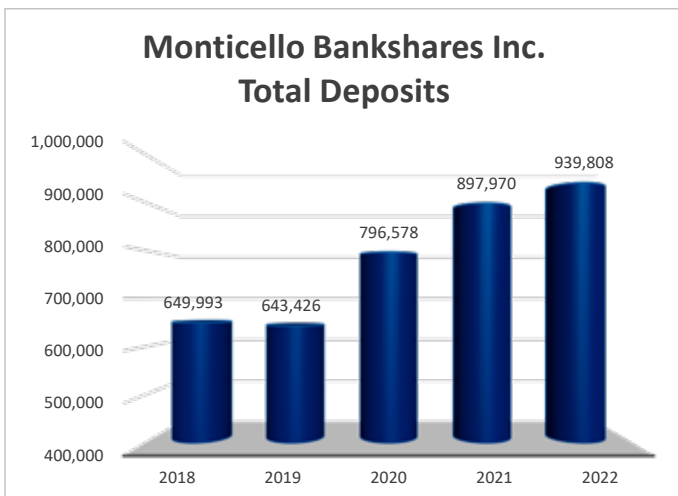
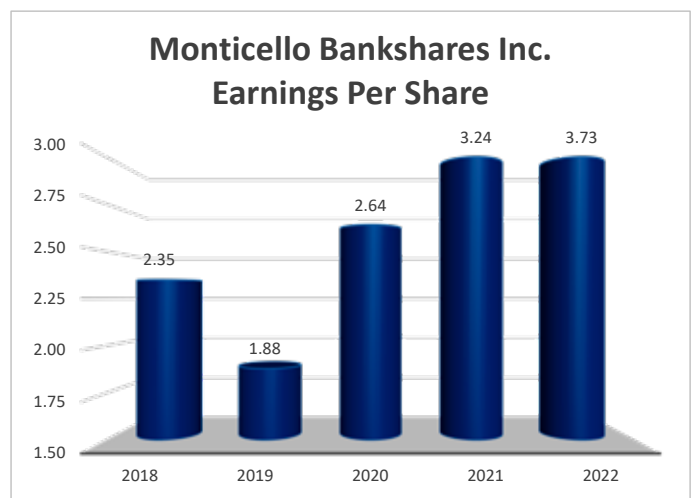
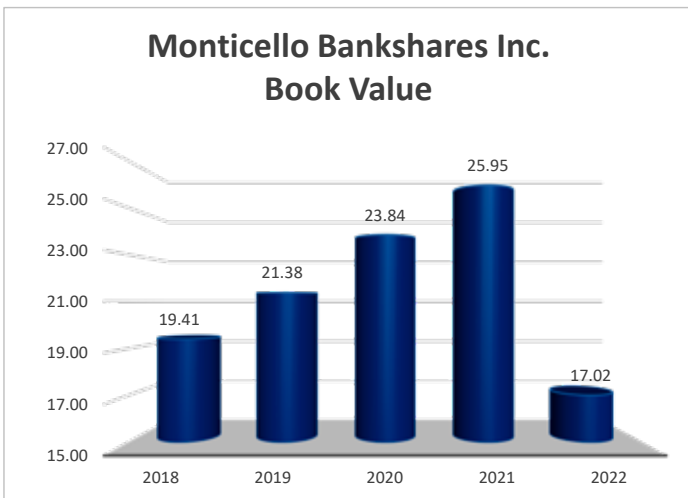


# Note to Shareholders

Monticello Bankshares, Inc (MBI) continued its trend of strong growth and profitability during 2022. Its subsidiary, Monticello Banking Company (MBC), added two additional markets during the year. MBC began operations in Richmond in April which was soon followed by our newest office in London in September. The new locations, along with our vibrant markets, spurred our increase in Total Assets and Net Income. The MBC Team is to be commended for their efforts in opening 3 offices inside of 11 months.

External factors played a big role throughout the year. The Federal Reserve's war on inflation resulted in steep increases in market rates. Our momentum carried us through 2022 but the effects of those decisions will have a significant impact on subsequent years.

Today, MBC has 21 retail offices in 14 counties making us the 16th largest bank headquartered in Kentucky. While recent headlines emphasize the stress in the financial industry, we recognize that our strength comes from the communities we serve.



# Statement of Financial Condition

Consolidated for the Year Ended December 31, 2022

(Dollar amounts in thousands except for per share data)

Assets	2022	2021
Cash and due from financial institutions	\$ 8,757	\$ 6,843
Interest bearing deposits in other financial institutions	29,137	22,948
Federal funds sold	0	1
Total Cash and Equivalents	37,894	29,792
Securities available-for-sale	262,847	295,891
Loans, net of allowance of \$8,522 and \$8,308	784,654	627,324
Restricted investments	8,349	4,759
Accrued interest receivable	4,778	3,785
Premises and equipment, net	22,225	21,404
Goodwill	1,000	1,000
Bank owned life insurance	19,004	18,552
Core deposit intangible	521	754
Other assets	16,725	4,544
Total Assets	<u>\$ 1,157,997</u>	<u>\$1,007,805</u>
 Liabilities and Stockholders' Equity		
Non-interest bearing	\$ 94,369	\$ 86,353
Interest bearing	845,439	811,617
Total Deposits	939,808	897,970
Federal Home Loan Bank advances	130,403	10,664
Federal Reserve borrowings	15,000	0
Long term debt	10,000	1,167
Accrued interest payable	1,141	302
Other liabilities	4,730	1,357
Total Liabilities	1,101,082	911,460
 Stockholders' Equity		
Preferred stock, \$5 par value; 50,000 shares authorized; 19,534 and 20,336 issued in 2022 and 2021, respectively; 18,729 and 19,531 outstanding in 2022 and 2021, respectively	94	98
Common stock, \$5 par value; 8,000,000 shares authorized; 4,282,168 and 4,272,527 issued in 2022 and 2021, respectively; 3,324,425 and 3,693,474 outstanding in 2022 and 2021, respectively	16,622	18,467
Additional paid-in capital	1,751	893
Retained earnings	70,351	74,269
Accumulated other comprehensive income (loss)	(31,903)	2,618
Total Stockholders' Equity	56,915	96,345
Total Liabilities and Stockholders' Equity	<u>\$ 1,157,997</u>	<u>\$1,007,805</u>

# Statement of Income

Consolidated for the Year Ended December 31, 2022

(Dollar amounts in thousands except for per share data)

	2022	2021
Interest Income		
Loans, including fees	\$32,000	\$30,875
Taxable investment securities	2,500	1,434
Tax-exempt investment securities	4,073	3,437
Federal funds sold and other	539	240
Total Interest Income	<u>39,112</u>	<u>35,986</u>
Interest Expense		
Deposits	3,123	3,387
Other borrowed funds	1,876	331
Total interest expense	<u>4,999</u>	<u>3,718</u>
Net interest income	<u>34,114</u>	<u>32,268</u>
Provision for Loan Losses	555	1,136
	<u>33,559</u>	<u>31,132</u>
Non-Interest Income		
Service charges and fees on deposits	2,346	2,035
Net gain on sale of securities	8	214
Gain on Equity Investment sale	933	-
Mortgage banking income	255	972
Increase in cash value of life insurance	453	460
Interchange fees	1,976	2,020
Gain on BOLI	-	544
Gain (loss) on sale of asset	6	30
Other income	833	842
Total non-interest income	<u>6,810</u>	<u>7,117</u>
Non-Interest Expense		
Salaries and employee benefits	14,948	14,018
Furniture, fixtures and occupancy	3,449	3,043
Legal and professional	439	283
Advertising and marketing	522	401
Franchise taxes	377	371
Directors fees	502	715
FDIC insurance	330	355
Write down and loss on sale of other real estate owned	-	10
Other operating expenses	4,290	4,405
Total non-interest expense	<u>24,857</u>	<u>23,601</u>
Income before income taxes	15,512	14,648
Income tax expense	\$ 2,815	\$ 2,630
<b>Net income</b>	<b>\$ 12,697</b>	<b>\$ 12,018</b>
Other comprehensive income (loss)		
Change in unrealized gain (loss) on available-for-sale securities, net of income taxes of (\$11,138) for 2022 and \$283 for 2021	\$( 34,515)	\$ (892)
Less: realized gain (loss) on available for sale securities, net of income taxes of \$2 for 2022 and \$45 for 2021	<u>\$ (6)</u>	<u>\$ (169)</u>
Comprehensive income (loss)	<u>\$ (21,824)</u>	<u>\$ 10,957</u>
Earnings per share		
Basic and diluted	3.73	\$3.24

# Monticello Bankshares, Inc.

## Board of Directors



Kenneth Ramsey  
Chairman



Dr. James K. Phillips, Jr.  
Vice Chairman



Kenny Ramsey  
President & CEO



Mike Blevins



D. Mack Butler



Earl Croushorn, II



Carolyn Harris



Van Phillips



Louie Wright

# Monticello Banking Company - Board of Directors



Dr. James K. Phillips, Jr.  
Chairman



Mark Goss  
Vice Chairman



Kenny Ramsey  
President & CEO



Mike Blevins



Sam Brown



D. Mack Butler



Frank Phillips



Kenneth Ramsey

## Executive Management



Kenny Ramsey  
President/CEO



Regina Brinson  
Chief Operations  
Officer



Becky Dolen  
Chief Human Resource  
Officer



Brandon Dunnington  
Risk Management Officer



Sandra Frost  
Chief Financial Officer



Rick McClendon  
Chief Credit Officer



Randy Parsons  
Chief Technology Officer

# Corporate Management



Rickey Brown  
Information Technology



Pattie Corder  
Compliance



Crystal Crabtree  
Financial Accounting



Tabatha Decker  
Deposit Operations



Natalie Edwards  
eMarketing/Credit Cards



Barbara Gehring  
Marketing



Jonathan Goley  
Credit & Underwriting



Dawn Harmon  
Internal Audit



Steven Jones  
Collections



Christy Parmley  
Loan Services



Melissa Piercy  
Information Security



Jamie Reagan  
Loan Processing



Johnna Stearns  
Bank Secrecy/Audit



Amy Stewart  
Call Center



## Monticello Main Office



Kayla Asberry  
HR Asst/Training  
Coordinator



Elizabeth Bertram  
Loan Operations Rep



Brittany Bethel  
Loan Operations Rep



Nicole Burnette  
Loan Processor



Helen Caballero  
Fraud Specialist



Garrett Coffey  
Sr Technical Support  
System Operator



Melissa Crabtree  
Deposit Operations Rep



Tori Crabtree  
Deposit Operations Rep



Barbara Criswell  
Human Resource  
Asst Mgr



Marissa Davis  
Loan Operations Rep



Norma Decker  
Loan Operations Rep



Jackie Dennis  
Network Administrator



Tabitha Dobbs  
Deposit Operations Asst  
Mgr



Gloria Dyer  
Custodian



Tony Edwards  
Security Asst



Perry Elam  
Business Development &  
Purchasing Coordinator



MacKenzie Foster  
Deposit Operations Rep



Misty Goley  
Compliance Auditor



Taylor Griggs  
Special Assets/  
Collections Asst



Amanda Groce  
Custodian

## Monticello Main Office (continued)



Brigit Guffey  
Financial Accounting Rep



David Harmon  
Courier & Facilities Rep



Patty Keith  
Head Teller



Lena King  
Loan Operations Rep



Amanda McGinnis  
Assistant Controller



Sylvia McGinnis  
Deposit Operations Rep



Eddie Norfleet  
Courier & Facilities Rep



Heather Parmley  
Executive Assistant



Amie Pennycuff  
Technical Support/  
System Operator



Elissa Phipps  
Deposit Operations Rep



Stacy Piercy  
Deposit Operations Rep



Rachel Selvidge  
Credit Analyst



Dillon Staples  
VP of Finance



April Troxell  
BSA Assistant



Ashley Tucker  
Deposit Operations Rep



Brandon Tucker  
Network Administrator



Charity Willis  
Credit Analyst

# Monticello Hwy 90/Barnes Drive Branch



Elaine Bertram  
Sr Executive Officer



Renee Adams  
Operations & Sales Officer



Dakota Burnette  
Head Teller



Gracie Chaplin  
Teller



Tyann Dobbs  
Teller



Jen Herron  
Teller



Shay McGinnis  
Senior Teller



Wendy Neal  
Mortgage Lender



Jayma Rednour  
Commercial Banker



Kevin Rose  
Mortgage Lender



Shanyn Staples  
Teller

## Monticello Downtown Branch



Brenda Barrier  
Senior Teller



Tim Dalton  
Commercial Banker



Billy Hurd  
Agriculture Lender



Beulah Martin  
Teller



Stephanie Massengale  
Teller



Nadine Simpson  
Sr Customer Service Rep



Amy Toler  
Head Teller

## Monticello Tradeway Branch



Angela Weston  
Retail Branch Manager



Kista Gregory  
Senior Teller



Peggy Humble  
Head Teller



Amy Hurd  
Financial Service Rep



Crystal Jones  
Teller



Mary Lois Roberts  
Sr Consumer Lender



Jessica Vaughn  
Teller

## Albany



Willard Johnson  
Sr Executive Officer



Rachel Adams  
Financial Service Rep



Debbie Brown  
Mortgage Lender



Taylor Delk  
Teller



Kendra Jones  
Credit Card Specialist



Ashley Melton  
Senior Teller



Sharon Slaven  
Teller



Kimberly Stockton  
Head Teller



Joe Summers  
Appraiser

## Bowling Green Cave Mill



Dylan Beckham  
Credit Analyst



Moranda Gamberini  
Senior Teller



Sabina Vespa  
Head Teller



Drue Walker  
Mortgage & Secondary  
Market Lender



Sarah Wilson  
Teller

## Bowling Green Fairview



Janet Pierce  
Sr Executive Officer



Kaylen Delph  
Senior Teller



Stephanie Howard  
Personal Banker



Christy McClain  
Head Teller



Ariana Strickland  
Teller

## Bowling Green Hartland



Jennifer Firkins  
Loan Assistant



M'Rae Montville  
Commercial Banker



Kelcey Rock  
Commercial Banker



Janet Rogers  
Head Teller



Dianne Woodburn  
Senior Teller



Seth Dorsey  
Teller

## Casey County



Melissa McClendon  
Sr Executive Officer



Glenda Allen  
Head Teller



Kristi Downs  
Sr Customer Service Rep



Loretta McDonald  
Teller



Katie Rayborn  
Teller



Karla Riddle  
Senior Teller

## Danville



Adam Johnson  
Sr Executive Officer



Jeff Black  
Collector



Scottie Collier  
Head Teller/CSR



Neil Conley  
Mortgage Originator



Ree Marksbury  
Teller



Rebecca Preston  
Senior Teller



Whitney Rhoades  
Financial Service Rep



Amie Sims  
HMDA Data & Loan Asst



Hillary Weaver  
Junior Credit Analyst



Jennifer Young  
Call Center Rep

## Glasgow



Cynthia Watson  
Regional Executive Officer



Lisa Adwell  
Senior Teller



Amber Bowles  
Mortgage Originator



Michelle Byrd  
Financial Service Rep



Beth Lutzen  
Personal Banker



Kim Cannon  
Head Teller



Marla Edwards  
Financial Service Rep

## Harlan Mansion



Brandi Browning  
Compliance Auditor



Kevin Cavins  
Mortgage Originator



Beth Craig  
Head Teller



Angel Day  
Teller



Ashley Estep  
Mobile Deposit  
Specialist Mgr



Megan Ewing  
Mobile Deposit Specialist



Jared Goldey  
Teller



Mary Milwee  
Loan Processor &  
Underwriter



Dustin Starrett  
Teller



Sheila White  
Sr Customer Service Rep

## Harlan Village Center



Eugene Enix  
Sr Executive Officer



Scott Sherman  
Retail Branch Manager



Melody Dehart  
Teller



Tina Jones  
Head Teller



Joy Nolan  
Custodian

## Harlan Village Center (continued)



DeLeah Rigney  
Teller



Leah Saylor  
Teller



Alexis Simpson  
Personal Banker



Rodney Weaver  
Regional Executive Officer



Ryan Cooper  
Sr Executive Officer

## Lexington



Bradley Brown  
Financial Service Rep



Kellie Coon  
Financial Service Rep



Karey Downey  
Loan Assistant



Nancy Joaquin  
Head Teller



Les Sparks  
Sr Executive Officer

## London



Kimberly Denny  
Operations Manager



Cristy Edlin  
Loan Assistant



Christy Goodin  
Financial Service Rep



Traci Maxey  
Retail Banking Officer



Leshia Minton  
Senior Teller

## Louisville



Tony Raley  
Sr Executive Officer



Kezia Ramsey  
Retail Branch Manager



Ted Lesley  
Financial Service Rep



Olivia Sandquist  
Financial Service Rep



## Nicholasville



Steve Brinson  
Sr Executive Officer



Kay Corley  
Financial Service Rep



Chad Payne  
Financial Service Rep



Tara Popham  
Operations Manager

## Richmond



David Soper  
Sr Executive Officer



Jacob Coffey  
Teller



Debra Hourigan  
Teller



Katlyn Mullins  
Personal Banker



Kelli White  
Head Teller

## Russell Springs



Christin Matney  
Sr Executive Officer



Paige Coe  
Teller



Marsha Coppage  
Teller



Nancy Money  
Executive Assistant



Cory Roy  
Mortgage Originator



Lisa Roy  
Head Teller



Angela Smith  
Financial Service Rep



Angela Stephens  
Senior Teller

## Somerset North



Wally Hudson  
Sr Executive Officer



Amanda Beshears  
Mortgage Lender



Katlyn Brown  
Financial Service Rep



Skylin Clark  
Teller



Hunter Denney  
Courier



Mazetta Harden  
Head Teller



Kenny Lyons  
Appraiser



Lisa Parkey  
Sr Customer Service Rep



Valerie Reynolds  
Executive Assistant



Autumn Sears  
Teller

## Somerset South



Allie Stinson  
Assistant Auditor



Vanessa Taylor  
Senior Teller



Sheila Compton  
Retail Branch &  
Operations Mgr



Shelia Hale  
Senior Teller



Jake Hudson  
Loan Assistant



Hannah Nix  
Teller



Lyle Peters  
Network Administrator



Matt Price  
Sr Customer Service Rep



Lisa Roy  
Head Teller



Natasha Tucker  
Executive Assistant

# Shareholder info

## Shareholder Inquiries, Stock Transfer or Dividend Payments

If you have inquiries or questions regarding your Monticello Bankshares shareholder account, please call Heather Parmley at (606) 348-1274 or 1-800-909-3420 or write Monticello Bankshares, Inc. • P.O. Box 421 • Monticello, KY 42633

## Internet

For information on financial results, products and services, please visit our website: [www.mbcbank.com](http://www.mbcbank.com)

## Corporate Headquarters

Monticello Bankshares, Inc. • 50 N. Main St., P.O. Box 421, Monticello, Kentucky 42633  
(606) 348-8411 or 1-800-909-3420

## Annual Meeting

The annual meeting of shareholders will be held on Thursday, April 13<sup>th</sup>, 2023 at the Historic Wayne Theater, 30 N. Main Street, Monticello, Kentucky at 3:30 p.m. EDT.

## Dividend Calendar

Dividends, as declared by the Board of Directors, are customarily paid to shareholders of record as follows:

March 1 – payable March 10

June 1 – payable June 10

September 1 – payable Sept. 10

December 1 – payable Dec. 10

## Financial Information

For a copy of our audit report, please contact Sandra Frost, Chief Financial Officer at (606) 348-8411 or 1-800-909-3420 or email [sfrost@mbcbank.com](mailto:sfrost@mbcbank.com).

## Independent Auditors

Crowe LLP, 9600 Brownsboro Road, Suite 400, Louisville, KY 40241, (502) 326-3996



Bill Hall

Kezia Ramsey

