

# 2023 ANNUAL REPORT



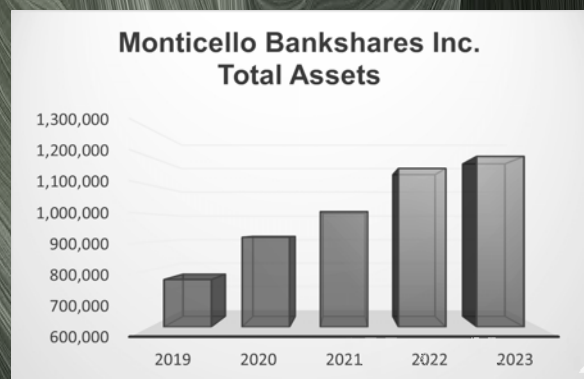
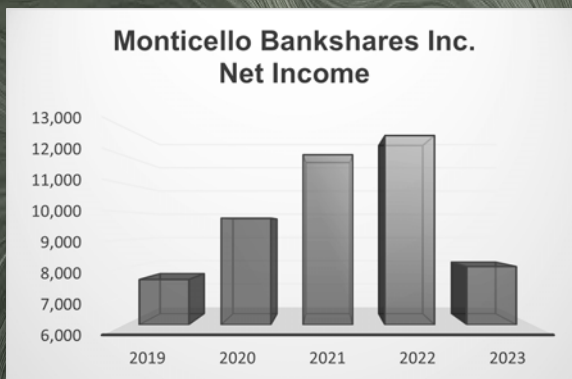
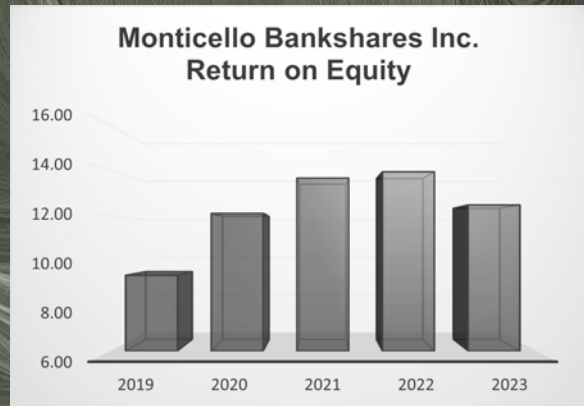
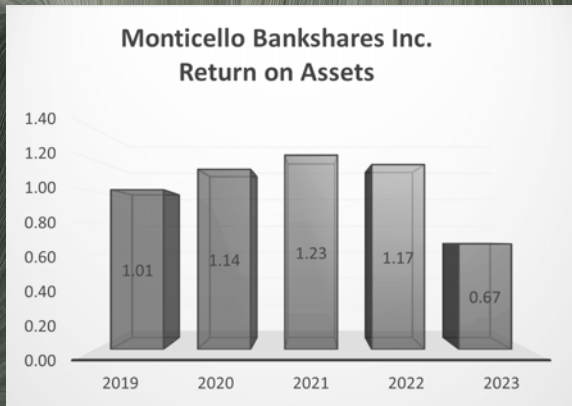
MONTICELLO BANKSHARES, INC.

## Note to Shareholders

During 2023, Monticello Bankshares, Inc. had continued asset growth through its subsidiary, Monticello Banking Company. This increase was driven by lending activity throughout our expanded market footprint. Our loan generation outpaced deposit growth as demonstrated by our reliance on FHLB and Federal Reserve advances. All the while, the FOMC's war on inflation drove up funding costs which diminished our net interest margin resulting in a lower ROAA than we have become accustomed. Much of the increased funding cost has been

absorbed and we expect to see a benefit to earnings through increased asset yields by fye 2024.

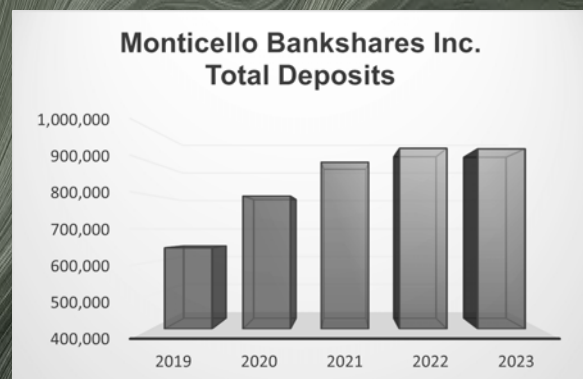
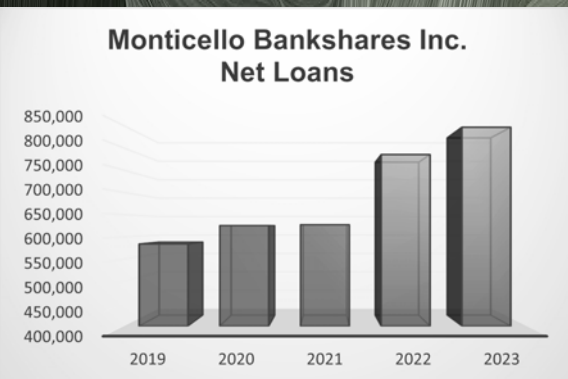
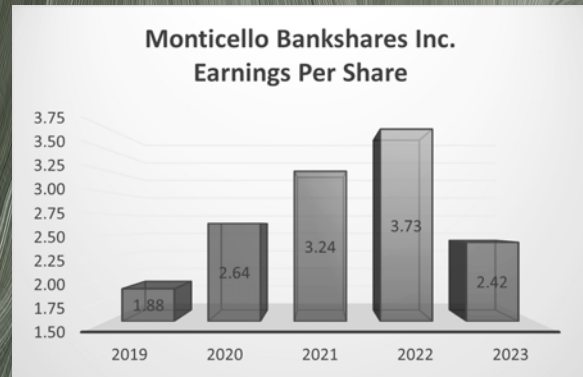
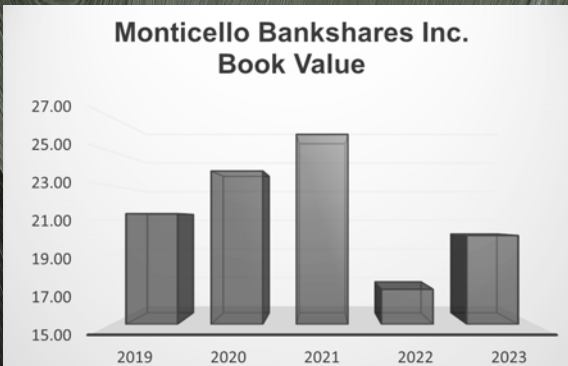
MBC depends on our knowledgeable and experienced staff to serve our loyal customer base. The outlook for MBI and MBC remains positive. We will carry the lessons learned through this economic cycle and be better for it as we adapt to this higher for longer interest rate environment.





# 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 14 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).



# Consolidated Balance Sheets

December 31, 2023 and 2022

(Dollar amounts in thousands except for per share data)

	<u>2023</u>	<u>2022</u>
Assets		
Cash and due from financial institutions	\$ 6,121	\$ 8,757
Interest bearing deposits in other financial institutions	29,821	29,137
Total Cash and Equivalents	35,942	37,894
Securities available-for-sale	245,901	262,847
Loans, net of allowance of \$9,816 and \$8,522	845,819	784,654
Restricted investments	8,061	8,349
Accrued interest receivable	5,261	4,778
Premises and equipment, net	23,767	22,225
Goodwill	1,000	1,000
Bank owned life insurance	19,480	19,004
Core deposit intangible	288	521
Other assets	14,950	16,725
Total Assets	<u>\$1,200,469</u>	<u>\$1,157,997</u>
Liabilities and Stockholders' Equity		
Non-interest bearing	\$ 69,931	\$ 94,369
Interest bearing	868,254	845,439
Total Deposits	938,185	939,808
Federal Home Loan Bank advances	117,000	130,403
Federal Reserve borrowings	61,000	15,000
Long term debt	10,000	10,000
Accrued interest payable	2,378	1,141
Other liabilities	4,912	4,730
Total Liabilities	1,133,475	1,101,082
Stockholders' Equity		
Preferred stock, \$5 par value; 50,000 shares authorized; 19,200 and 19,534 issued in 2023 and 2022, respectively; 18,395 and 18,729 outstanding in 2023 and 2022 respectively	92	94
Common stock, \$5 par value; 7,031,283 shares authorized; 3,315,724 and 4,282,168 issued in 2023 and 2022 respectively; 3,311,224 and 3,324,425 outstanding in 2023 and 2022, respectively	16,556	16,622
Additional paid-in capital	2,173	1,751
Retained earnings	73,534	70,351
Accumulated other comprehensive income (loss)	(25,361)	(31,903)
Total Stockholders' Equity	66,994	56,915
Total Liabilities and Stockholders' Equity	<u>\$1,200,469</u>	<u>\$1,157,997</u>

	<u>2023</u>	<u>2022</u>
Interest Income		
Loans, including fees	\$42,759	\$32,000
Taxable investment securities	2,738	2,500
Tax-exempt investment securities	3,732	4,073
Federal funds sold and other	<u>1,296</u>	<u>539</u>
Total Interest Income	<u>50,525</u>	<u>39,112</u>
Interest Expense		
Deposits	10,668	3,123
Other borrowed funds	<u>9,079</u>	<u>1,876</u>
Total interest expense	<u>19,747</u>	<u>4,999</u>
Net interest income	30,778	34,114
Provision for Credit Losses	<u>318</u>	<u>555</u>
Net interest income after provision for credit losses	30,460	33,559
Non-Interest Income		
Service charges and fees on deposits	2,528	2,346
Net gain on sale of securities	74	8
Gain on Equity Investment sale	-	933
Mortgage banking income	102	255
Increase in cash value of life insurance	477	453
Interchange fees	1,886	1,976
Gain (loss) on sale of asset	91	6
Other income	<u>928</u>	<u>833</u>
Total non-interest income	6,086	6,810
Non-Interest Expense		
Salaries and employee benefits	15,292	14,948
Furniture, fixtures and occupancy	3,290	3,449
Legal and professional	609	439
Advertising and marketing	541	522
Franchise taxes	420	377
Directors fees	473	502
FDIC insurance	910	330
Write down and loss on sale of other real estate owned	85	-
Other operating expenses	<u>5,142</u>	<u>4,290</u>
Total non-interest expense	<u>26,762</u>	<u>24,857</u>
Income before income taxes	9,784	15,512
Income tax expense	<u>\$ 1,723</u>	<u>\$ 2,815</u>
Net income	<b>\$ 8,061</b>	<b>\$ 12,697</b>
Other comprehensive income (loss)		
Change in unrealized gain (loss) on available-for-sale securities, net of income taxes of (\$2,194) for 2023 and (\$11,138) for 2022	\$ 6,600	\$( 34,515)
Less: realized gain (loss) on available for sale securities, net of income taxes of \$16 for 2023 and \$2 for 2022	<u>\$ (58)</u>	<u>\$ (6)</u>
Comprehensive income (loss)	<u>\$ 14,603</u>	<u>\$(21,824)</u>
Earnings per share		
Basic and diluted	\$2.42	3.73

# Boards of Directors

## Monticello Bankshares, Inc.

Kenneth Ramsey, Chairman  
Dr. James K. Phillips, Jr., Vice Chairman  
Kenny Ramsey, President & CEO  
Mike Blevins  
D. Mack Butler  
Earl Croushorn  
Carolyn Harris  
Van Phillips  
Louie Wright

## Monticello Banking Company

Dr. James K. Phillips, Jr., Chairman  
Mark Goss, Vice Chairman  
Kenny Ramsey, President & CEO  
Mike Blevins  
Sam Brown  
D. Mack Butler  
Matt Ford\*  
Frank Phillips  
Kenneth Ramsey

\*New director as of January 2024

## Executive Management

### President/Chief Executive Officer

Kenny Ramsey\*

### Chief Operations Officer/EVP

Regina Brinson\*

### Chief Financial Officer

Sandra Frost\*

### Chief Credit Officer

Rick McClendon\*

### Chief Human Resource Officer

Becky Dolen\*

### Chief Technology Officer

Randy Parsons\*

### Risk Management Officer

Brandon Dunnington

## Shareholder Information

### 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 11<sup>th</sup>, 2024 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 September 10  
December 1 – payable December 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 Rd, Suite 400  
Louisville, KY 40241  
Office: 502.326.3996

## CORPORATE

### Human Resources

Lester, Barbara\*,  
VP/Asst HR Manager  
Asberry, Kayla  
Stockton, Kimberly

### Compliance

Corder, Pattie\*,  
SVP/Compliance Mgr  
Browning, Brandi\*  
Goley, Misty\*

### Marketing

Gehring, Barbara\*,  
SVP/Marketing Director

### Accounting

Staples, Dillon,  
VP of Finance,  
Crabtree, Crystal\*,  
VP/Controller  
Guffey, Brigit  
McGinnis, Amanda

### Audit

Davis, Marissa  
Stearns, Johnna  
Troxell, April

### Exec Assistant to CEO

Parmley, Heather

### Appraisers

Lyons, Kenny  
Summers, Joe

### Collections

Jones, Steven,  
Special Assets Mgr  
Black, Jeff  
Daniels, Kristy

### Fraud Investigations

Caballero, Helen  
Fraud Investigations Mgr  
Brown, Katlyn

### Information Technology

Brown, Rickey,  
VP/Information Tech Mgr  
Coffey, Garrett\*  
Dennis, Jackie\*  
Pennycuff, Amie  
Peters, Lyle  
Tucker, Brandon

### Information Security

Piercy, Melissa\*,  
Information Security Officer  
Edwards, Tony

### Credit Card Specialists

Edwards, Natalie  
Credit/eMarketing Adm  
Jones, Kendra

### Business Development

Elam, Perry

### Mobile Deposits

Estep, Ashley\*  
Mobile Deposits Mgr.  
Ewing, Megan

### Underwriting & Loan Servicing

Goley, Jonathan\*  
**Credit Mgr**  
Reagan, Jamie\*,  
AVP/Loan Processing Mgr  
Parmley, Christy,  
**Loan Operations Mgr**  
Alton, Holly  
Bertram, Elizabeth  
Bethel, Brittany  
Burnette, Nicole  
Decker, Norma  
Griggs, Taylor  
Hicks, LaCrissha  
King, Lena\*  
McClellan, Megan  
Milwee, Mary\*  
Neal, Kasey  
Selvidge, Rachel  
Willis, Charity  
Warren, Susan  
Weaver, Hillary

### Deposit Operations

Decker, Tabatha\*,  
**VP/Deposit Operations Mgr**  
Burnette, Dakota  
Crabtree, Melissa  
Dobbs, Tabitha\*  
Foster, MacKenzie  
McGinnis, Sylvia  
Phipps, Elissa\*  
Rednour, Brandi  
Troxell, Raychel  
Tucker, Ashley

### Call Center

Stewart, Amy  
Call Center Mgr  
Clark, Skylin  
Cole-Preston, Rebecca  
Kring, Tiffany  
White, Kelli

### Maintenance & Courier

Denney, Hunter  
Harmon, David\*  
Norfleet, Eddie\*

## MONTICELLO

**Custodians**  
Dyer, Gloria  
Hickman, Amanda

## MAIN OFFICE

**Vault Tellers**  
Gregory, Kista  
Keith, Patty\*

## DOWNTOWN BRANCH

**New Accounts**  
Simpson, Nadine\*  
**Loans**  
Dalton, Tim  
Hurd, Billy\*  
**Tellers**  
Barrier, Brenda\*  
Martin, Beulah  
Massengale, Stephanie\*  
Toler, Amy\*

## TRADEWAY BRANCH

**New Accounts**  
Hurd, Amy\*  
**Loans**  
Rednour, Jayma\*  
Roberts, Mary Lois\*  
**Tellers**  
Humble, Peggy\*  
Jones, Crystal  
Staples, Sharyn

## HWY 90/BARNES DR. BRANCH

**Sr Exec Officer/Loans**  
Bertram, Elaine  
**New Accounts**  
Adams, Renee\*  
McGinnis, Shay  
**Loans**  
Neal, Wendy\*  
Rose, Kevin\*  
**Tellers**  
Chaplin, Gracie  
Dobbs, Tyann  
Herron, Jennifer  
Reagan, Natalie

## ALBANY

**Sr Exec Officer/Loans**  
Johnson, Willard\*  
**New Accounts**  
Ferguson, Taylor  
**Loans**  
Brown, Debbie\*  
**Tellers**  
Adams, Rachel  
Delk, Taylor  
Melton, Ashley  
Slaven, Sharon

## BOWLING GREEN

## HARTLAND

**Sr Exec Officer/Loans**  
Stratton, Marvin  
**New Accounts**  
Gamberini, Moranda  
**Loan Assistant**  
Firkins, Jennifer  
**Tellers**  
Delph, Kaylen  
Dorsey, Seth  
Woodburn, Dianne  
Wyatt, Micah

## CAVE MILL

**New Accounts**  
Vespa, Sabina  
**Loans**  
Walker, Drue  
**Tellers**  
Patel, Kriya  
Turner, Kendra

## FAIRVIEW

**New Accounts**  
Howard, Stephanie  
**Loans**  
Montville, M/Rae  
**Tellers**  
Jones, Cora  
Wilson, Sarah

## CASEY CO

**Sr Exec Officer/Loans**  
McClendon, Melissa  
**New Accounts**  
Downs, Kristi  
**Tellers**  
McDonald, Loretta  
Rayborn, Katharina  
Riddle, Karla  
Torres, Haley

## DANVILLE

**Sr Exec Officer/Loans**  
Johnson, Adam  
**New Accounts**  
Collier, Scottie  
**Loans**  
Conley, Neil  
**Loan Assistant**  
Sims, Amie  
**Tellers**  
Crew, Faith  
Marksbury, Ree  
Osborne, Lauryn

## GLASGOW

**Reg Exec Officer/Loans**  
Watson, Cynthia  
**New Accounts**  
Lutzen, Beth  
**Loans**  
Bowles, Amber  
**Tellers**  
Adwell, Lisa  
Byrd, Michelle  
Cannon, Kim  
Edwards, Marla

## HARLAN

## MANSION

**New Accounts**  
White, Sheila\*  
**Loans**  
Cavins, Kevin  
**Tellers**  
Caddell, Denise  
Day, Angel  
Irvin, Stephanie  
Starrett, Dustin  
**Custodian**  
Nolan, Joy

## VILLAGE

**Sr Exec Officer/Loans**  
Enix, Eugene  
**New Accounts**  
Simpson, Alexis  
**Loans**  
Sherman, Scott  
**Tellers**  
Farley, Tina  
Jones, Tina  
Dehart, Melody

## LEXINGTON

**Sr Exec Officer/Loans**  
Cooper, Ryan  
**New Accounts**  
Joaquin, Nancy  
**Loans**  
Smither, Brad  
**Loan Assistant**  
Downey, Karey  
**Tellers**  
Brown, Bradley  
Coon, Kellie

## LONDON

**Sr Exec Officer/Loans**  
Sparks, Les  
**New Accounts**  
Denny, Kimberly  
**Loans**  
Maxey, Traci  
**Loan Assistant**  
Edlin, Cristy  
**Tellers**  
Goodin, Christy  
Minton, Leshia

## LOUISVILLE

**Reg Exec Officer/Loans**  
Raley, Anthony "Tony"  
**Retail Branch Mgr/Loans**  
Ramsey, Kezia  
**New Accounts**  
Lockhart, Melissa  
**Tellers**  
Frey, Julie  
Rai, Rama

## NICHOLASVILLE

**Sr Exec Officer/Loans**  
Brinson, Stephen  
**New Accounts**  
Popham, Tara  
**Tellers**  
Corley, Kay  
Payne, Chad

## RICHMOND

**Sr Exec Officer/Loans**  
Soper, David  
**New Accounts**  
Mullins, Katelyn  
**Tellers**  
Coffey, Jacob  
Gamble, Katherine  
Howard, Katherine

## RUSSELL CO

**Sr Exec Officer/Loans**  
Matney, Christin\*  
**New Accounts**  
Smith, Angela\*  
**Loans**  
Money, Nancy  
Roy, Cory  
**Tellers**  
Coppage, Marsha  
Miller, Beth  
Russell, Amanda  
Roy, Lisa L.

## SOMERSET

## NORTH

**Reg Exec Officer/Loans**  
Hudson, Wally  
**Exec Assistant to REO**  
Reynolds, Valerie  
**New Accounts**  
Parkey, Lisa\*  
**Loans**  
Beshears, Amanda\*  
**Tellers**  
Black, Kaylee  
Harden, Mazetta  
New, Holly  
Smith, Patricia  
Stinson, Allie  
Taylor, Vanessa

## SOUTH

**Operations Mgr**  
Roy, Lisa\*  
**Exec Asst to COO**  
Tucker, Natasha  
**New Accounts**  
Price, Matthew  
**Loans**  
Compton, Sheila  
Hudson, Jake  
**Tellers**  
Burnett, Kippe  
Hale, Shelia  
Sears, Autumn



Bill Hall & Kezia Ramsey

\* Employees with 20 plus years of service

