

2020

ANNUAL REPORT



Monticello Bankshares Inc.



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 eighteen full service community banking offices in eleven counties in Central and Southern 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.



Note to shareholders

The calendar year of 2020 will be remembered by most for its difficulties and controversy. While we continue to be concerned and responsive to these issues, as shareholders of MBI, we were fortunate to find opportunity through our corporate resilience. The dedicated team at MBC promptly enacted changes to operations to maintain uninterrupted service to our loyal customers. Plus, we experienced broader utilization of our investment in electronic banking channels. These efforts resulted in an outstanding year.

MBI continues to seek ways to expand our brand in Kentucky and MBC is currently analyzing opportunities which would enhance our market footprint. Look for updates on our progress in forthcoming quarterly statements.

Thanks for your continued support and belief in our company.

Statement of Financial Condition

Consolidated for the Year Ended December 31, 2020

(Dollar amounts in thousands except for per share data)

Assets	2020	2019
Cash and due from financial institutions	\$ 7,837	\$ 6,246
Interest bearing deposits in other financial institutions	68,179	23,806
Federal funds sold	2	1
Total Cash and Equivalents	<u>76,018</u>	<u>30,053</u>
Interest bearing time deposits in other financial institutions	-	992
Securities available-for-sale	162,738	97,777
Loans, net of allowance of \$7,111 and \$5,968	625,547	584,225
Restricted investments	4,758	4,755
Accrued interest receivable	3,252	2,939
Other real estate owned	44	1,349
Premises and equipment, net	19,366	20,256
Goodwill	1,000	1,000
Bank owned life insurance	19,228	18,755
Core deposit intangible	988	1,242
Other assets	<u>4,310</u>	<u>4,396</u>
Total Assets	<u>\$ 917,249</u>	<u>\$ 767,739</u>
Liabilities and Stockholders' Equity		
Non-interest bearing	\$ 82,240	\$ 55,373
Interest bearing	<u>714,338</u>	<u>588,053</u>
Total Deposits	796,578	643,426
Federal Home Loan Bank advances	27,790	37,742
Long term debt	1,833	4,800
Accrued interest payable	490	560
Other liabilities	<u>2,198</u>	<u>1,977</u>
Total Liabilities	828,889	688,505
Stockholders' Equity		
Preferred stock, \$5 par value; 50,000 shares authorized; 21,586 and 22,286 issued in 2020 and 2019, respectively; 20,781 and 21,481 outstanding in 2020 and 2019 respectively	104	107
Common stock, \$5 par value; 8,000,000 shares authorized; 4,273,777 and 4,273,077 issued in 2020 and 2019 respectively; 3,686,224 and 3,684,024 outstanding in 2020 and 2019, respectively	18,431	18,420
Additional paid-in capital	772	734
Retained earnings	65,374	58,570
Accumulated other comprehensive gain	<u>3,679</u>	<u>1,403</u>
Total Stockholders' Equity	88,360	79,234
Total Liabilities and Stockholders' Equity	<u>\$ 917,249</u>	<u>\$ 767,739</u>

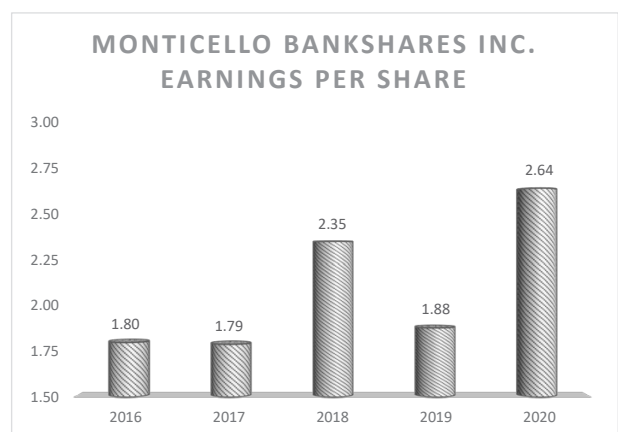
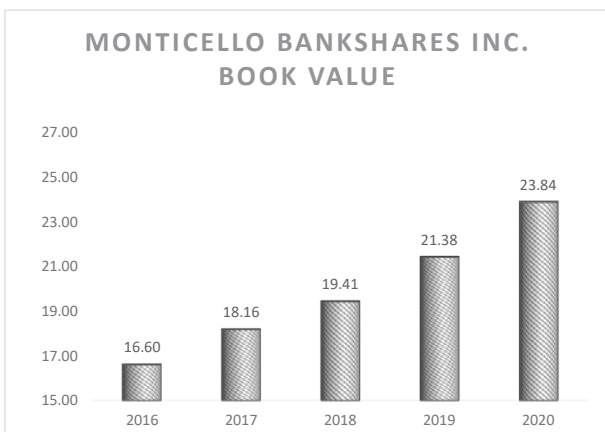
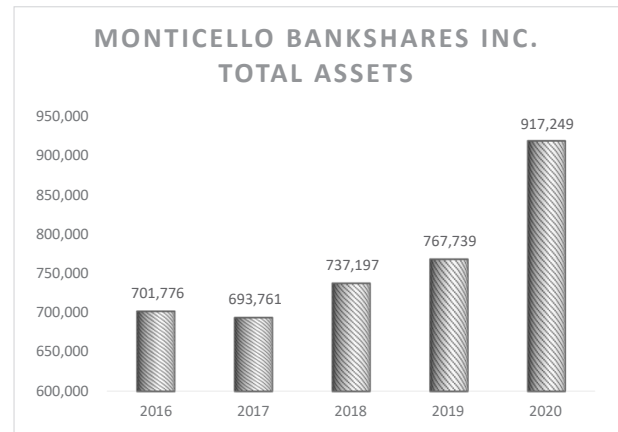
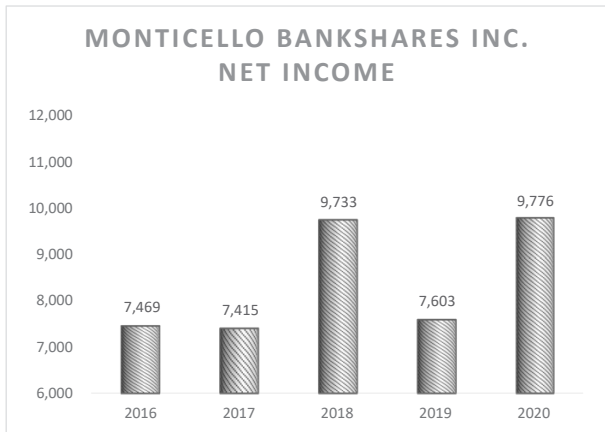
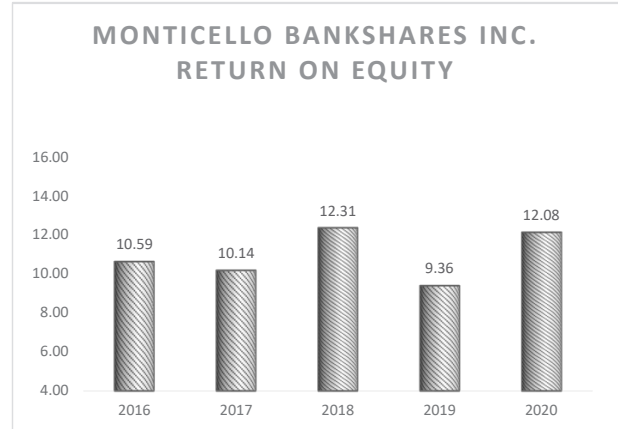
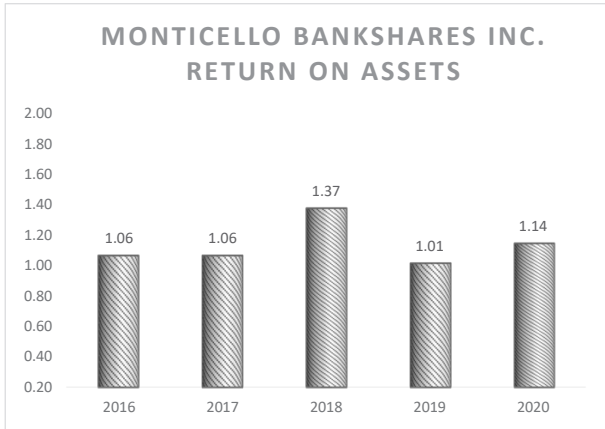
Statement of Income

Consolidated for the Year Ended December 31, 2020

(Dollar amounts in thousands except for per share data)

	2020	2019
Interest Income		
Loans, including fees	\$ 30,342	\$ 29,069
Taxable investment securities	594	522
Tax-exempt investment securities	2,472	2,035
Federal funds sold and other	339	787
Total Interest Income	<u>33,747</u>	<u>32,413</u>
Interest Expense		
Deposits	4,971	4,803
Other borrowed funds	795	347
Total interest expense	<u>5,766</u>	<u>5,150</u>
Net interest income	27,981	27,263
Provision for Loan Losses	1,350	1,450
	<u>26,631</u>	<u>25,813</u>
Non-Interest Income		
Service charges and fees on deposits	2,221	2,734
Net gain on sale of securities	1,174	176
Mortgage banking income	930	333
Increase in cash value of life insurance	473	473
Interchange fees	1,213	1,268
Loss on sale of asset	(12)	(7)
Other income	870	905
Total non-interest income	<u>6,869</u>	<u>5,882</u>
Non-Interest Expense		
Salaries and employee benefits	13,160	13,824
Furniture, fixtures and occupancy	2,904	2,992
Legal and professional	179	360
Advertising and marketing	378	466
Franchise taxes	1,039	1,039
Directors fees	423	482
FDIC insurance	190	100
Write down and loss on sale of other real estate owned	18	12
Other operating expenses	3,617	3,801
Total non-interest expense	<u>21,908</u>	<u>23,076</u>
Income before income taxes	11,592	8,619
Income tax expense	1,816	1,016
Net income	<u>9,776</u>	<u>7,603</u>
Other comprehensive income		
Change in unrealized gain (loss) on available-for-sale securities, net of income taxes of \$510 for 2020 and \$982 for 2019	3,206	3,622
Less: realized gains on available for sale securities, net of income taxes taxes of \$247 for 2020 and \$37 for 2019	\$ (930)	\$ (139)
Comprehensive income	<u>\$12,052</u>	<u>\$11,086</u>
Earnings per share		
Basic and diluted	\$2.64	\$1.88

Monticello Bankshares, Inc.



Monticello Bankshares, Inc. & Monticello Banking Company

Boards of Directors



Kenneth Ramsey
MBI Chairman
MBC



Dr. James K. Phillips, Jr.
MBC Chairman
MBI Vice Chairman



Mark Goss
Vice Chairman
MBC



Kenny Ramsey
President & CEO
MBI & MBC



Mike Blevins
MBC



Sam Brown
MBC



D. Mack Butler
MBI & MBC



Lyle Denney
MBC



Earl Croushorn, II
MBI



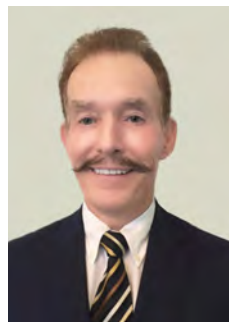
Roger Dalton
MBI



Dr. Mack Drake
MBI



Marilyn Drake
MBI & MBC



Rick Drake
MBI & MBC



Carolyn Harris
MBI



Frank Phillips
MBC



Van Phillips
MBI

Executive Management



Kenny Ramsey
President/CEO



Regina Brinson
Chief Operations
Officer



Sandra Frost
Chief Financial Officer



Becky Dolen
Chief Human Resource
Officer

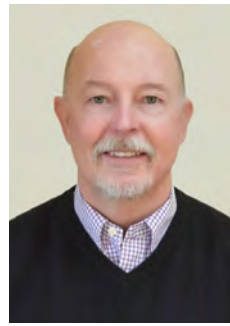


Randy Parsons
Chief Technology
Officer



Rick McClendon
Sr Credit Officer

Corporate Management



Rickey Brown
Information Technology



Pattie Corder
Compliance Manager



Tabatha Decker
Deposit Operations
Manager



Brandon Dunnington
Risk Management



Perry Elam
Facilities & Purchasing



Barbara Gehring
Marketing Director



Dawn Harmon
Internal Auditor



Steven Jones
Collections



Brian Morrow
Loan Services



Jamie Reagan
Loan Processing



Melissa Piercy
Information Security
Officer



Frances Watson
Financial Accounting



Hagen Williams
Credit & Underwriting

Monticello-Main Office



Jean Hicks
Sr Executive Officer



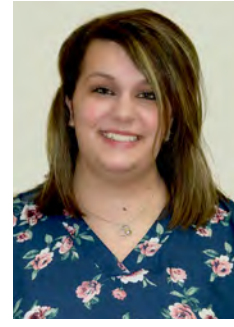
Kayla Asberry
HR Asst/Training
Coordinator



Elaine Bertram
Exec Asst/Lender



Elizabeth Bertram
Loan Operations Rep



Brittany Bethel
Loan Operations Rep



Melissa Branscum
Custodian



Nicole Burnette
Loan Processor



Helen Caballero
Security Asst



Garrett Coffey
Technical Support
System Operator



Crystal Crabtree
Asst Controller



Norma Decker
Loan Operations Rep



Jackie Dennis
Network Administrator



Melissa Dobbs
Deposit Operations Rep



Tabitha Dobbs
Deposit Operations
Asst Mgr



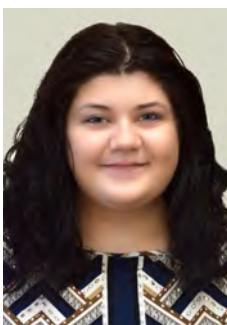
Helen Dolen-Richardson
Commercial Banker



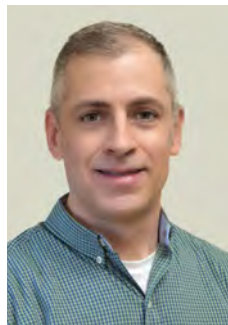
Gloria Dyer
Custodian



Natalie Edwards
eMarketing/Credit Card
Specialist



MacKenzie Foster
Deposit Operations Rep



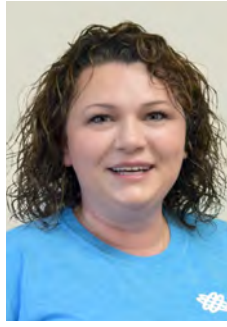
Jonathan Goley
Credit Analyst



Misty Goley
Compliance Auditor



Kista Gregory
Senior Teller



Amanda Groce
Custodian



Leverne Guffey
Deposit Operations Rep



David Harmon
Courier & Facilities Rep



Jake Hudson
Collector



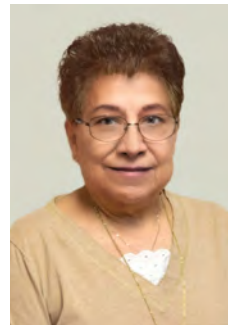
Patty Keith
Head Teller



Lena King
Loan Operations Rep



Barbara Lester
Human Resources
Asst Mgr



Angela Lozano
Deposit Operations Rep



Amanda McGinnis
Financial Accounting Rep



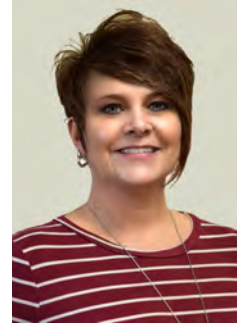
Sylvia McGinnis
Deposit Operations Rep



Debbie Nelson
Deposit Operations Rep



Eddie Norfleet
Courier & Facilities Rep



Christy Parmley
Loan Operations Asst Mgr



Heather Parmley
Special Assets/
Collections Asst



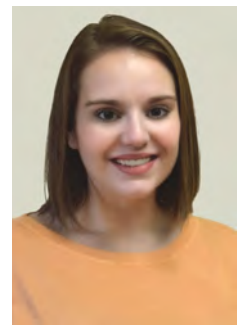
Amie Pennycuff
Technical Support/
System Operator



Elissa Phipps
Deposit Operations Rep



Rachel Selvidge
Credit Analyst



Johnna Stearns
Bank Secrecy Officer/Asst
Auditor

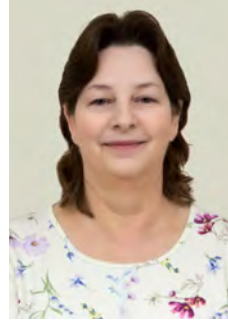


Ashley Tucker
Deposit Operations Rep



Charity Willis
Credit Analyst

Monticello
Downtown
Branch



Brenda Barrier
Senior Teller



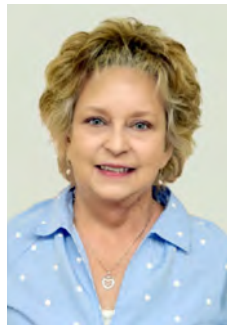
Janet Bell
Head Teller



Tim Dalton
Commercial Banker



Billy Hurd
Agriculture Lender



Beulah Martin
Teller



Nadine Simpson
Sr Customer Service Rep



Amy Toler
Financial Services Rep

Monticello
Tradeway
Branch



Angela Weston
Retail Branch Mgr



Renee Bunch
Financial Services Rep



Peggy Humble
Head Teller



Mary Lois Roberts
Sr Consumer Lender



Tiffany Stinson
Teller



April Troxell
Teller



Jessica Vaughn
Teller

Monticello
Hwy 90/
Barnes
Drive
Branch



Renee Adams
Operations & Sales Officer



Marissa Davis
Head Teller



Wendy Foster
Mortgage Lender



Brigit Guffey
Teller



Stephanie Massengale
Teller



Jayma Rednour
Commerical Banker



Kevin Rose
Mortgage Lender



Shelyn Staples
Teller

Albany



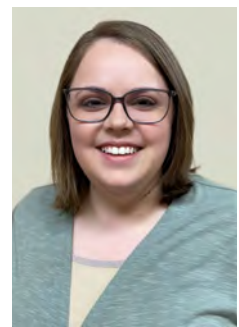
Willard Johnson
Sr Executive Officer



Rachel Adams
Senior Teller



Debbie Brown
Sr Consumer Lender



Kendra Jones
Financial Services Rep



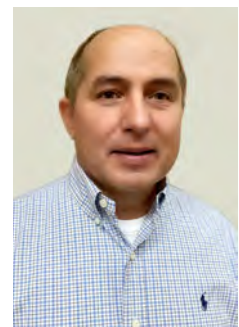
Ashley Melton
Teller



Sharon Slaven
Teller



Kimberly Stockton
Head Teller



Joe Summers
Appraiser

**Bowling Green
Cave Mill**



Janet Pierce
Sr Executive Officer



Desiree Carver
Senior Teller



Stacy Haynes
Business Dev Officer



Stephanie Howard
Personal Banker



Sabina Vespa
Head Teller

**Bowling Green
Fairview**



Jennifer Firkins
Executive Asst



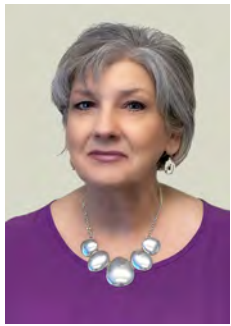
Cindy Haynes
Teller



Christy McClain
Teller



M'Rae Montville
Credit Analyst



Janet Rogers
Head Teller



Marvin Stratton
Commercial & Ag Lender

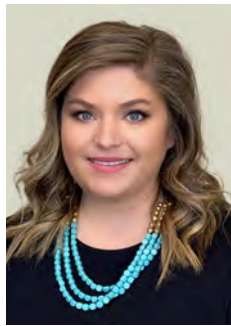
**Bowling Green
Hartland**



Kathy Kemp
Commercial Banker



Beth Lutzen
Head Teller



Hannah Mills
Teller



Ashley Painter
Loan Assistant



Dianne Woodburn
Senior Teller

Casey
County



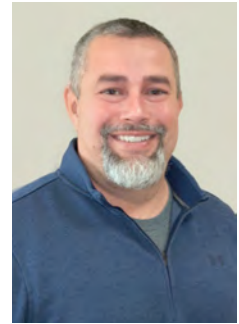
Melissa McClendon
Sr Executive Officer



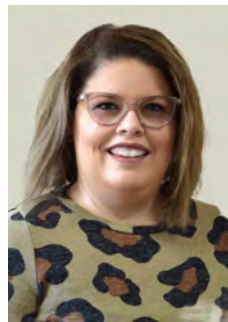
Glenda Allen
Teller



Kristi Downs
Sr Customer Service Rep



Gregory Hansford
Head Teller &
Operations Mgr



Miranda Hines
Senior Teller



Loretta McDonald
Teller

Danville



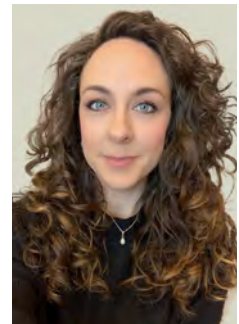
Adam Johnson
Sr Executive Officer



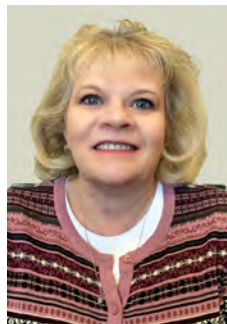
Zack Alexander
Mortgage Originator



Scottie Collier
Head Teller/CSR



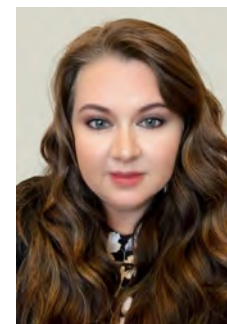
Bethane Deatherage
Teller



Rebecca Preston
Senior Teller



Whitney Rhoades
Teller



Amie Sims
HMDA Data & Loan Asst



Jennifer Young
Technical Support/
Help Desk

Glasgow



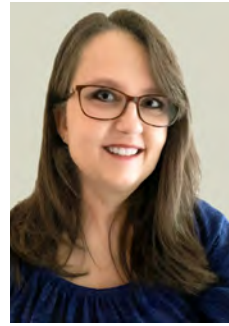
Cynthia Watson
Sr Executive Officer



Lisa Adwell
Teller



Amber Bowles
Personal Banker



Kim Cannon
Head Teller



Marla Edwards
Financial Services Rep



Leigh Witty
Mortgage Lender

Harlan
Mansion



Brandi Browning
Compliance Auditor



Kevin Cavins
Mortgage Originator



Beth Craig
Teller



Angel Day
Head Teller



Mary Milwee
Loan Processor &
Underwriter



Alexis Simpson
Senior Teller

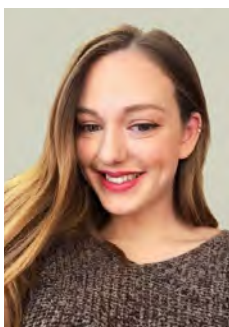


Sheila White
Customer Service Rep

Harlan
Village Center



Eugene Enix
Sr Executive Officer



Jillian Enix
Teller



Ashley Estep
Operations Mgr



Megan Ewing
Teller



Kindra Robbins
Teller



Tina Jones
Senior Teller



Katelyn Noah
Personal Banker



Samantha White
Head Teller



Whitney Miller
Loan Asst



Kay Howard
Call Center Mgr



Joy Nolan
Custodian



Shirley Thompson
Call Center Rep



Kim White
Call Center Rep

Lexington



Rodney Weaver
Regional Executive Officer



Ryan Cooper
Sr Executive Officer



Bradley Brown
Financial Service Rep



Karey Downey
Loan Assistant



Tiffany Kring
Head Teller

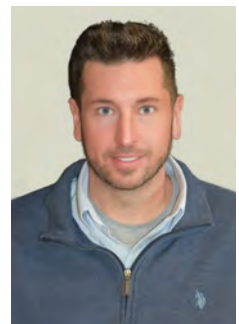
Nicholasville



Steve Brinson
Sr Executive Officer



Faith Kolberg
Financial Services Rep



Chad Payne
Financial Services Rep

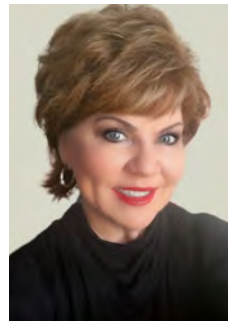


Tara Popham
Operations Mgr



Tanner Thompson
Teller

Russell
Springs



Anita Tucker
Regional Executive Officer



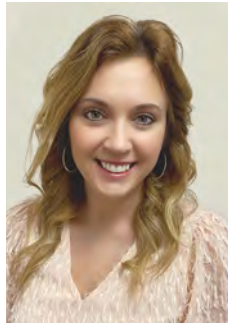
Marsha Coppage
Teller



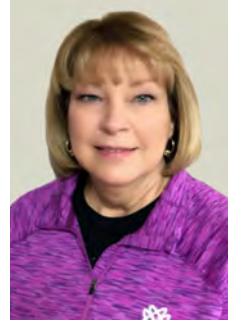
Belinda Hoover
Sr Consumer Lender



Cindy Jasper
Teller



Christin Matney
Mortgage Lender



Nancy Money
Executive Asst



Lisa Roy
Senior Teller



Angela Smith
Financial Services Rep



Angela Stephens
Senior Teller



Sharon Tucker
Head Teller

Somerset
North



Wally Hudson
Sr Executive Officer



Brooklyn Brooks
Senior Teller



Katlyn Brown
Teller



Jerry Claunch
Commercial Banker



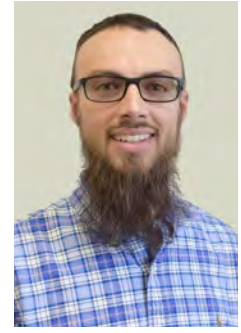
Hunter Denney
Courier



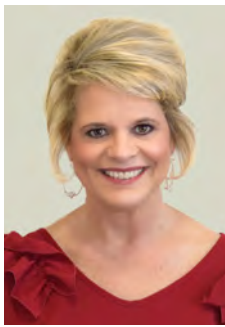
Debbie Dungan
Sr Consumer Lender



Mazetta Harden
Teller



Kenny Lyons
Appraiser



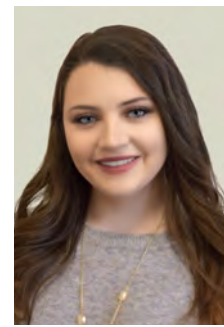
Lisa Parkey
Financial Services Rep



Glenda Price
Operations Manager



Valerie Reynolds
Executive Asst



Autumn Sears
Teller



Vanessa Taylor
Teller

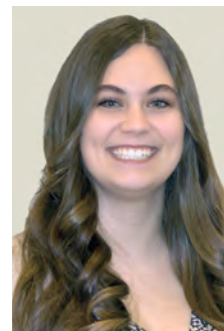
Somerset
South



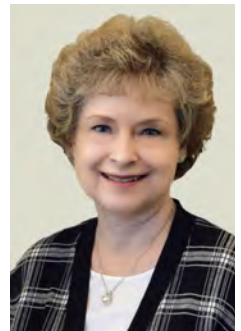
Sheila Compton
Retail Branch &
Operations Mgr



Amanda Beshears
Loan Assistant



Dakota Burnette
Teller



Judith Greene
Executive Asst



Shelia Hale
Senior Teller



Lyle Peters
Network Administrator



Matt Price
Sr Customer Service Rep



Lisa Roy
Head Teller



Allie Stinson
Teller



Shareholder info

Shareholder Inquiries, Stock Transfer or Dividend Payments

If you have inquiries or questions regarding your Monticello Bankshares shareholder account, please call Helen Dolen-Richardson at (606) 348-1202 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

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 8th, 2021 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.

Independent Auditors

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

