

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

TRANS FINANCIAL BANCORP INC

CIK: **704469** | IRS No.: **611048868** | State of Incorporation: **KY** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **002-78547** | Film No.: **94514353**
SIC: **6022** State commercial banks

Business Address
500 EAST MAIN STREET
BOWLING GREEN KY 42101
5027815000

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) February 15, 1994

Trans Financial Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Kentucky	0-13030	61-1048868
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

500 East Main Street, Bowling Green, Kentucky	42101
-----	-----
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (502) 781-5000

(Former name or former address, if changed since last report)

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INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

Effective February 15, 1994, Kentucky Community Bancorp, Inc. ("Kentucky Community") merged with and into Trans Financial Bancorp, Inc. ("Trans Financial") and each of the outstanding shares of common stock of Kentucky Community were converted into 5.3 shares of common stock of Trans Financial for an aggregate issuance of approximately 1,374,985 shares of Trans Financial common stock. Holders of shares of Kentucky Community common stock received cash, without interest, in lieu of fractional shares of Trans Financial common stock.

The transaction was effected pursuant to a an Agreement and Plan of Reorganizaton and related Plan of Merger (collectively, the "Merger Agreement") dated November 9, 1993, as amended January 6, 1994, between Trans Financial and Kentucky Community, and was approved by the shareholders of Kentucky Community at a special meeting held on February 15, 1994. Kentucky Community, a bank holding company headquartered in Maysville, Kentucky, owned one hundred percent (100%) of the outstanding capital stock of State National Bank, Maysville, Kentucky, Farmers Liberty Bank, Augusta, Kentucky, and Peoples Bank of Morehead, Morehead, Kentucky. At September 30, 1993, Kentucky Community reported total consolidated assets of approximately \$ 171 million. The consideration given by Trans Financial for the acquisition of Kentucky Community was determined in accordance with the Merger Agreement.

The only material relationship between any of Kentucky Community or its shareholders and Trans Financial or any of its affiliates, any director or officer of Trans Financial or any associate of any such director or officer was

as follows: Kentucky Community granted Trans Financial concurrently with the execution of the Merger Agreement the option to purchase 85,840 shares of Kentucky Community's authorized but unissued shares of common stock at an exercise price of \$84.80 per share.

The assets acquired by Trans Financial in the transaction consisted of Kentucky Community's three subsidiary banks, State National Bank, Maysville, Kentucky, Farmers Liberty Bank, Augusta, Kentucky, and Peoples Bank of Morehead, Morehead, Kentucky. It is anticipated that the physical assets of the three banking subsidiaries of Kentucky Community will continue to be used by them for general banking purposes.

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ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

A. Financial Statements

The following consolidated financial statements of Kentucky Community, notes related thereto and report of independent auditors thereon are filed as a part of this Report:

- (1) Independent Auditor's Report;
- (2) Consolidated Balance Sheets as of December 31, 1992 and 1991;
- (3) Consolidated Statements of Income for the years ended December 31, 1992, 1991 and 1990;
- (4) Consolidated Statements of Stockholders' Equity for the years ended December 31, 1992, 1991 and 1990;
- (5) Consolidated Statements of Cash Flows for the years ended December 31, 1992, 1991 and 1990;
- (6) Notes to Consolidated Financial Statements;
- (7) Condensed Consolidated Balance Sheet as of September 30 1993 (unaudited);
- (8) Condensed Consolidated Income Statements for the periods ended September 30, 1993 and 1992 (unaudited).
- (9) Notes to Condensed Consolidated Financial Statements (unaudited).

B. Pro Forma Financial Statements

The following pro forma consolidated financial statements of Trans Financial Bancorp, Inc, and notes related thereto are filed as a part of this Report:

- (1) Pro Forma Condensed Consolidated Balance Sheet as of September 30, 1993 (unaudited);
- (2) Pro Forma Condensed Consolidated Income Statement for the nine months ended September 30, 1993 (unaudited);
- (3) Pro Forma Condensed Consolidated Income Statement for the year ended December 31, 1992 (unaudited);
- (4) Pro Forma Condensed Consolidated Income Statement for the year ended December 31, 1991 (unaudited); and

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- (5) Pro Forma Condensed Consolidated Income Statement for the year ended December 31, 1990 (unaudited); and
- (6) Notes to Pro Forma Condensed Consolidated Financial Statements (unaudited).

C. Exhibits

The following exhibits are filed as a part of this report:

2(a) Agreement and Plan of Reorganization between Trans Financial Bancorp, Inc. and Kentucky Community Bancorp, Inc. dated as of November 9, 1993, as amended January 6, 1994, is incorporated by reference to Exhibit (2) of the Registration Statement on Form S-4 (File No. 33-51575) filed by Trans Financial with the Commission.

2(b) Plan of Merger between Trans Financial Bancorp, Inc. and Kentucky Community Bancorp, Inc. dated as of November 9, 1993, as amended January 6, 1994, is incorporated by reference to Exhibit (2) of the Registration Statement on Form S-4 (File No. 33-51575) filed by Trans Financial with the Commission.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Trans Financial Bancorp, Inc.

By: /s/ Vince Berta

Vince Berta

Title: Executive Vice President and
Chief Financial Officer

Date: March 2, 1994

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FINANCIAL STATEMENTS

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Independent Auditor's Report

The Board of Directors and Stockholders
Kentucky Community Bancorp, Inc.:

We have audited the accompanying consolidated balance sheets of Kentucky Community Bancorp, Inc. and subsidiaries as of December 31, 1992 and 1991, and the related consolidated statements of income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1992. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present

fairly, in all material respects, the financial position of Kentucky Community Bancorp, Inc. and subsidiaries as of December 31, 1992 and 1991, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1992, in conformity with generally accepted accounting principles.

/s/ KPMG Peat Marwick

Louisville, Kentucky
February 5, 1993

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 1992 and 1991

<TABLE>
<CAPTION>
(In thousands, except share data)

Assets -----	1992 ----	1991 ----
<S>	<C>	<C>
Cash and due from banks (note 2)	\$ 5,533	5,659
Interest bearing deposits with banks	199	199
Federal funds sold and securities purchased under agreements to resell	9,851	11,485
Other short-term investments	-	600
Securities available for sale (approximate market value \$18,944) (note 3)	18,386	-
Investment securities (approximate market value \$26,756 in 1992 and \$44,949 in 1991) (note 3)	26,158	43,408
Loans (note 4)	102,817	99,089
Less:		
Allowance for loan losses	1,980	1,791
Unearned income	369	519
	-----	-----
Net loans	100,468	96,779
	-----	-----
Premises and equipment (note 5)	2,378	2,463
Other assets	4,518	5,545
	-----	-----
	\$ 167,491	166,138
	=====	=====
Liabilities and Stockholders' Equity		

Deposits:		
Non-interest bearing	\$ 22,599	21,101
Interest bearing (note 6)	128,290	127,127
	-----	-----
Total deposits	150,889	148,228
Federal funds purchased and securities sold under agreements to repurchase	-	1,398
Accrued interest, taxes payable and other liabilities	1,050	1,371
Notes payable (note 7)	1,241	2,091
Subordinated Debentures (note 8)	2,348	2,348
	-----	-----
Total liabilities	155,528	155,436
	-----	-----
Stockholders' equity (notes 10 and 13):		
Preferred stock, without par value, \$500 stated value; authorized 199,981 shares; none issued	-	-
Common stock, without par value, \$2.50 and \$5.00 stated value, respectively; authorized 300,000 shares; issued used 260,956 shares in 1992 and 130,478 shares in 1991	1,305	1,305
Additional paid-in capital	913	913
Retained earnings	9,800	8,586
Treasury stock, 3,692 and 1,846 common shares in 1992 and 1991, respectively	(55)	(55)

Unrealized loss on marketable equity securities	-	(47)
Total stockholders' equity	11,963	10,702
Commitments and contingent liabilities (note 12)		
	\$ 167,491	166,138

</TABLE>
See accompanying notes to consolidated financial statements.

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Consolidated Statements of Income
Years ended December 31, 1992, 1991 and 1990

	1992	1991	1990
	----	----	----
<S>	<C>	<C>	<C>
Interest income:			
Loans, including fees	\$ 9,369	10,365	10,816
Interest bearing deposits with banks	26	28	29
Federal funds sold and securities purchased under agreements to resell	270	601	790
Other short-term investments	13	51	71
U.S. Treasury and Federal agencies obligations of states and political subdivisions	2,541	2,740	2,461
Other	596	695	701
	108	116	62
	-----	-----	-----
Total interest income	12,923	14,596	14,930
	-----	-----	-----
Interest expense:			
Deposits	5,361	7,606	8,332
Federal funds purchased and securities sold under agreements to repurchase	17	56	51
Short-term borrowing	-	-	31
Notes payable	108	217	312
Subordinated debentures	235	235	250
	-----	-----	-----
Total interest expense	5,721	8,114	8,976
	-----	-----	-----
Net interest income	7,202	6,482	5,954
Provision for loan losses (note 4)	838	772	1,052
	-----	-----	-----
Net interest income after provision for loan losses	6,364	5,710	4,902
	-----	-----	-----
Non-interest income:			
Trust income	230	198	202
Service charges on deposit accounts	904	881	678
Securities gains (losses) (notes 3 and 9)	(8)	(16)	15
Other	388	333	343
	-----	-----	-----
Total non-interest income	1,514	1,396	1,238
	-----	-----	-----
Non-interest expenses:			
Salaries and employee benefits (note 11)	2,774	2,638	2,605
Net occupancy expense	294	251	250
Furniture and equipment expense	728	654	653
Deposit insurance	336	302	164
Other	2,025	1,903	1,720
	-----	-----	-----
Total non-interest expenses	6,157	5,748	5,392
	-----	-----	-----
Income before income taxes	1,721	1,358	748
Income tax expense (note 9)	372	293	120
	-----	-----	-----
Net income	\$ 1,349	1,065	628
	=====	=====	=====
Net income per share	\$ 5.24	4.14	2.44

</TABLE>
See accompanying notes to consolidated financial statements.

KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
Years ended December 31, 1992, 1991 and 1990

<TABLE>
<CAPTION>

	Preferred stock		Common stock		
	Number of Shares	Amount	Number of Shares	Amount	
<S> (In thousands, except share data)	<C>	<C>	<C>	<C>	
Balance at December 31, 1989	17	\$ 9	130,478	\$ 1,305	
Net income	-	-	-	-	
Dividends; \$.50 per common share	-	-	-	-	
Repurchase of preferred stock	(2)	(1)	-	-	
Reissuance of treasury stock, 45 common shares	-	-	-	-	
Decrease in unrealized loss on marketable equity securities	-	-	-	-	
Balance at December 31, 1990	15	8	130,478	1,305	
Net income	-	-	-	-	
Dividends; \$.50 per common share	-	-	-	-	
Repurchase of preferred stock	(7)	(4)	-	-	
Reissuance of treasury stock, 50 common shares	-	-	-	-	
Retirement of treasury stock, preferred shares	(8)	(4)	-	-	
Decrease in unrealized loss on marketable equity securities	-	-	-	-	
Balance at December 31, 1991	-	-	130,478	1,305	
Net Income	-	-	-	-	
Dividends; \$.525 per common share	-	-	-	-	
Two-for-one common stock split	-	-	130,478	-	
Decrease in unrealized loss on marketable equity securities	-	-	-	-	
Balance at December 31, 1992	-	\$ -	260,956	\$ 1,305	
	=====	=====	=====	=====	
		Surplus	Retained Earnings	Treasury Stock	Unrealized Loss on Marketable Equity Securities
<S> (In thousands, except share data)	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1989	\$ 910	7,150	(62)	(99)	
Net income	-	628	-	-	
Dividends; \$.50 per common share	-	(128)	-	-	
Repurchase of preferred stock	-	-	-	-	
Reissuance of treasury stock, 45 common shares	2	-	1	-	
Decrease in unrealized loss on marketable equity securities	-	-	-	8	
Balance at December 31, 1990	912	7,650	(61)	(91)	
Net income	-	1,065	-	-	
Dividends; \$.50 per common share	-	(129)	-	-	
Repurchase of preferred stock	-	-	-	-	
Reissuance of treasury stock, 50 common shares	1	-	2	-	
Retirement of treasury stock, preferred shares	-	-	4	-	
Decrease in unrealized loss on marketable equity securities	-	-	-	44	
	-----	-----	-----	-----	

Balance at December 31, 1991	913	8,586	(55)	(47)
Net Income	-	1,349	-	-
Dividends; \$.525 per common share	-	(135)	-	-
Two-for-one common stock split	-	-	-	-
Decrease in unrealized loss on marketable equity securities	-	-	-	47
	-----	-----	-----	-----
Balance at December 31, 1992	\$ 913	9,800	(55)	-
	=====	=====	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements.

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 1992, 1991 and 1990

<TABLE>

<CAPTION>

(In thousands)

	1992	1991	1990
	----	----	----
<S>	<C>	<C>	<C>
Operating activities:			
Net income	\$ 1,349	1,065	628
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	838	772	1,052
Depreciation, amortization and accretion, net	716	483	445
Deferred income tax benefit	(25)	(40)	(91)
Loss (gain) on sale of securities	8	16	(15)
Decrease in other assets	430	213	268
Decrease in other liabilities	(321)	(259)	(36)
	-----	-----	-----
Net cash provided by operating activities	2,995	2,250	2,251
	-----	-----	-----
Lending and investing activities:			
Net change in interest bearing deposits with banks	-	151	(100)
Net change in federal funds sold and securities purchased under agreements to resell	1,634	(2,096)	1,116
Net change in other short-term investments	600	191	(210)
Purchases of investment securities	(18,792)	(14,580)	(18,477)
Proceeds from sales of investment securities	4,598	3,727	1,509
Proceeds from maturities of investment securities	12,930	7,917	11,826
Net increase in loans	(4,852)	(3,025)	(1,057)
Proceeds from sales of reacquired assets	810	635	390
Purchases of premises and equipment	(327)	(105)	(357)
	-----	-----	-----
Net cash used in lending and investing activities	\$ (3,399)	(7,185)	(5,360)
	-----	-----	-----

</TABLE>

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows, Continued

Years ended December 31, 1992, 1991 and 1990

<TABLE>

<CAPTION>

(In thousands)

	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
Deposit and financing activities:			
Net increase in deposits	\$ 2,661	4,745	2,821
Net change in federal funds purchased and securities sold under agreements to repurchase	(1,398)	435	445
Net change in short-term borrowing	-	-	(525)
Advances of notes payable	1,238	-	1,160
Repayment of notes payable	(2,088)	(781)	(579)
Retirement of subordinated debt	-	-	(1,161)
Cash dividends paid	(135)	(129)	(128)

Reissuance of common stock from treasury	-	3	3
Repurchase of preferred stock	-	(4)	(1)
	-----	-----	-----
Net cash provided by deposit and financing activities	278	4,269	2,035
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(126)	(666)	(1,074)
	-----	-----	-----
Cash and cash equivalents at beginning of year	5,659	6,325	7,399
	-----	-----	-----
Cash and cash equivalents at end of year	\$5,533	5,659	6,325
	=====	=====	=====

</TABLE>

Income tax payments (refunds) totaled \$399,000 in 1992, \$321,000 in 1991, and \$(175,000) in 1990.

Interest payments totaled \$6,042,000 in 1992, \$8,392,000 in 1991, and \$9,165,000 in 1990.

Non-cash transactions were as follows:

<TABLE>

<CAPTION>

(In thousands)

	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
Exchange of subordinated debentures	\$ -	-	2,348
Transfer of loans to reacquired assets	325	606	1,261
Decrease in unrealized loss on marketable equity securities	47	44	8
Investment securities transferred to securities available for sale	18,386	-	-
	=====	=====	=====

</TABLE>

See accompanying notes to consolidated financial statements.

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 1992, 1991 and 1990

(1) Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Kentucky Community Bancorp, Inc. (the Corporation) and its wholly-owned subsidiaries, The State National Bank of Maysville (State National), Farmers Liberty Bank (Farmers Liberty) and Peoples First Bank of Morehead (Peoples), collectively (the Banks). Significant intercompany items have been eliminated in consolidation. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the period. Actual results could differ from those estimates. The accounting policies and methods of applying those policies which have a significant effect on the financial statements are summarized below. Certain prior year amounts have been reclassified for comparability with 1992 presentation.

Securities

Management determines the appropriate classification of securities at the time of purchase. If management has the intent and the Corporation has the ability at the time of purchase to hold securities until maturity or on a long-term basis, they are classified as investments and carried at amortized historical

cost. Securities to be held for indefinite periods of time and not intended to be held to maturity or on a long-term basis are classified as available for sale and carried at the lower of aggregate cost or market value. Securities held for indefinite periods of time include securities that management intends to use as part of its asset/liability management strategy and that may be sold in response to changes in interest rates, resultant prepayment risk and other factors related to interest rate and prepayment risk changes. The specific identification method is used to determine the cost of securities sold. Amortization of premiums and accretion of discounts is recorded by a method approximating level yield. Marketable equity securities are carried at the lower of cost or market value with unrealized losses recorded as a reduction of stockholders' equity, unless it is determined that market declines are other than temporary, in which case, losses are recognized as securities losses.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements -- Continued

Loans

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Loans are stated at the unpaid principal balance. Interest income on loans is recorded on the accrual basis except for those loans in a non-accrual income status. The accrual of interest income is discontinued on loans, except consumer loans, which become 90 days past due as to principal or interest unless they are well-secured and in the process of collection. Such loans remain on a non-accrual status until factors indicating doubtful collectibility no longer exist. Consumer loans which become 120 days past due are charged to the allowance for loan losses unless they are well-secured and in the process of collection. Unearned income, arising principally from consumer installment loans, is reflected as a reduction of loans and is recognized as income using a method which approximates the interest method.

Allowance for Loan Losses

- - - - -

The allowance for loan losses is maintained at a level adequate to absorb probable losses in the loan portfolio. Management determines the adequacy of the allowance based upon reviews of individual credits, recent loss experience, current economic conditions and such other factors that, in management's judgment, deserve current recognition in estimating loan losses. The allowance for loan losses is increased by the provision for loan losses and reduced by net loan charge-offs.

Premises and Equipment

- - - - -

Premises and equipment are carried at cost, less accumulated depreciation. Depreciation of premises and equipment is computed using the straight-line method over the estimated useful lives of the assets.

Other Assets

- - - - -

Included in other assets is real estate acquired in settlement of loans and loans classified as in-substance foreclosures which are carried at the lower of fair value minus estimated selling costs or cost. Any write-downs to fair value at the date of acquisition are charged to the allowance for loan losses. Expenses incurred in maintaining

(Continued)

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Notes to Consolidated Financial Statements -- Continued

assets, subsequent write-downs to reflect declines in value and realized gains or losses are reflected in income for the period. Also included in other assets is accrued interest receivable and the excess of cost over fair value of net assets acquired in business combinations (goodwill) which is being amortized on a straight-line basis over twenty years. Unamortized amounts of goodwill were \$1,824,000 and \$1,960,000 at December 31, 1992 and 1991, respectively.

Income Taxes

Deferred income taxes are provided for income or expenses recognized in different periods for financial reporting purposes than for income tax purposes. The Corporation accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 96, "Accounting for Income Taxes," which requires the use of an asset and liability approach. The amounts provided for income taxes are based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as measured by the provisions of enacted laws and tax rates.

SFAS No. 109, Accounting for Income Taxes, supersedes SFAS No. 96 and is required to be adopted in 1993. SFAS No. 109 retains the asset and liability approach but changes the procedure to measure deferred tax assets and liabilities. The Corporation plans to adopt SFAS No. 109 on a prospective basis and expects that the implementation of this new accounting standard will not be significant to financial condition or results of operations.

Net Income Per Share

On December 17, 1991, the Corporation's Board of Directors declared a 2-for-1 stock split effected in the form of a 100% stock dividend, payable January 15, 1992. All per share information in these financial statements has been restated to give effect to this stock split. The weighted average number of shares outstanding, after giving effect to this stock split was 257,264 in 1992, 257,226 in 1991 and 257,113 in 1990.

(Continued)

Notes to Consolidated Financial Statements -- Continued

Statement of Cash Flows

For purposes of the statement of cash flows, the Corporation considers cash and due from banks to be cash equivalents.

(2) Restrictions on Cash and Due from Banks

The Banks are required to maintain average reserve balances relating to customer deposits either with the Federal Reserve Bank or in the Banks' vaults. At December 31, 1992, the amount of those required and maintained reserve balances was approximately \$1,695,000.

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements - Continued

(3) Securities

The book values and approximate market values of investment securities at December 31, 1992 and 1991 follows:

<TABLE>
<CAPTION>

(In thousands)	December 31, 1992				December 31, 1991			
	Book Value	Unrealized		Approximate Market Value	Book Value	Unrealized		Approximate Market Value
		Gains	Losses			Gains	Losses	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Federal agencies	\$ 10,456	216	61	10,611	25,364	999	4	26,359
Asset-backed securities	6,318	193	2	6,509	7,474	334	5	7,803
Obligations of states and political subdivisions	8,277	264	29	8,512	9,276	217	33	9,460
Marketable equity securities and other securities	1,107	17	-	1,124	1,294	34	1	1,327
	\$ 26,158	690	92	26,756	43,408	1,584	43	44,949

</TABLE>

The book values and approximate market values of securities available for sale at December 31, 1992, follows:

<TABLE>
<CAPTION>

(In thousands)	Book Value	Unrealized		Approximate Market Value
		Gains	Losses	
<S>	<C>	<C>	<C>	<C>
U.S. Treasury	\$18,386	571	13	18,944

</TABLE>

A summary of debt securities as of December 31, 1992 based on contractual maturity is presented in the table below. Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without prepayment penalties.

<TABLE>
<CAPTION>

(In thousands)	Investment Securities		Securities available for Sale	
	Book Value	Approximate Market Value	Book Value	Approximate Market Value
<S>	<C>	<C>	<C>	<C>
Due within one year	\$ 4,732	4,679	6,473	6,652
Due after one year through five years	11,792	12,170	11,913	12,292
Due after five years through ten years	2,133	2,219	-	-
Due after ten years	76	56	-	-
	18,733	19,124	18,386	18,944
Asset-backed and other securities	7,068	7,275	-	-
	\$ 25,801	26,399	18,386	18,944

</TABLE>

Gross gains of \$49,000, \$33,000 and \$21,000 and gross losses of \$57,000, \$49,000 and \$6,000 were realized on sales of securities in 1992, 1991, and 1990, respectively.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements -- Continued

Securities with a par value of approximately \$12,455,000 at December 31, 1992 and \$17,734,000 at December 31, 1991 were pledged to secure public and trust deposits and certain borrowings.

(4) Loans

The composition of loans at December 31, 1992 and 1991 follows:

(In thousands)	1992	1991
	-----	-----
Commercial	\$ 11,421	12,329
Real estate mortgage	56,199	55,096
Consumer	19,895	17,946
Agricultural	15,190	13,538
Other	112	180
	-----	-----
	\$ 102,817	99,089
	=====	=====

The amount of non-accrual and restructured loans at December 31, 1992 and 1991 totaled approximately \$714,000 and \$1.76 million, respectively. Interest that would have been recorded if all such loans were on a current status in accordance with their original terms was approximately \$90,000 in 1992 and \$139,000 in 1991. The amount of interest income that was recorded for such loans was approximately \$33,000 and \$98,000 in 1992 and 1991, respectively.

Loans to directors and their associates, including loans to affiliated companies of which directors are principal owners, and executive officers amounted to approximately \$898,000 and \$1,006,000 at December 31, 1992 and 1991, respectively. These loans were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for other customers, and do not, in the opinion of management, involve more than normal credit risk.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements -- Continued

Loans outstanding and related unfunded commitments are primarily concentrated within the Banks' markets which encompass Northeast Kentucky. The Banks' credit exposure is diversified, with secured and unsecured loans to consumers, small businesses, farmers and corporations. Although the Banks have diversified loan portfolios, a customer's ability to honor contracts is reliant upon the economic stability of the geographic region and/or industry in which they do business. No single industry concentration exceeds 10% of loans.

An analysis of the changes in the allowance for loan losses for the years ended December 31, 1992, 1991 and 1990 follows:

<TABLE>

<CAPTION>

(In thousands)	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance at January 1	\$ 1,791	1,641	1,477
Provision for loan losses	838	772	1,052
Loans charged-off	(775)	(689)	(980)

Recoveries	126	67	92
	-----	-----	-----
Net loan charge-offs	(649)	(622)	(688)
	-----	-----	-----
Balance at December 31	\$ 1,980	1,791	1,641
	=====	=====	=====

</TABLE>

(5) Premises and Equipment

A summary of premises and equipment follows:

<TABLE>

<CAPTION>

(In thousands)	December 31	
	1992	1991
	-----	-----
<S>	<C>	<C>
Land and buildings	\$ 3,224	3,139
Furniture and equipment	3,428	3,186
	-----	-----
Less accumulated depreciation	6,652	6,325
	4,274	3,862
	-----	-----
	\$ 2,378	2,463
	=====	=====

</TABLE>

(Continued)

KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

(6) Deposits

Time certificates of deposit outstanding in denominations of \$100,000 or more were approximately \$12,378,000 and \$12,132,000 at December 31, 1992 and 1991, respectively.

(7) Notes Payable

A summary of notes payable at December 31, 1992 and 1991 follows:

<TABLE>

<CAPTION>

(In Thousands)	1992	1991
	----	----
<S>	<C>	<C>
Secured note payable to bank; due September 1995; monthly principal payments of \$ 4,667; interest at the prime interest rate (6%), due quarterly	\$ 139	-
Secured note payable to bank; due September 1995; annual principal payments of \$220,000 in 1993 and 1994; interest at the prime interest rate (6%), due quarterly	1,021	-
Secured note payable to bank; due September 1992	-	813
6-5/8% note; payable in annual installments of \$44,000, including interest, through 1994	81	118
Unsecured note payable to bank; due September 1992	-	1,160
	-----	-----
	\$ 1,241	2,091
	=====	=====

</TABLE>

The terms of the Secured notes payable include a number of restrictive

convenants, including maintaining minimum capital to asset ratios at the Banks and a minimum net worth on a consolidated basis. If the terms of the restrictive convenants are not met, the lender may declare these notes due and payable. The secured notes are collateralized by all the issued and outstanding common stock of State National.

Maturities of the notes payable for the years ending December 31, are \$315,000 in 1993, \$318,000 in 1994 and \$608,000 in 1995.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

State National has entered into an agreement with the Federal Home Loan Bank of Cincinnati (FHLB) which enables State National to borrow up to \$2,228,000. Advances from the FHLB would be collateralized by certain first mortgage loans under a blanket mortgage collateral agreement and stock in the FHLB.

Subordinated debentures (see note 8) and preferred stock of the Corporation are subordinated to all notes payable.

(8) Subordinated Debentures

On October 30, 1989 the corporation made an offer to exchange one 10% subordinated debenture due December 31, 2009 (new debenture) in exchange for each 25-year escalating rate debenture due December 31, 2007 (old debenture). The purpose of the exchange was to restructure the Corporation's \$3,509,000 subordinated debenture debt and to reduce the Corporation's total debt service obligations by a reduction in the interest rate. Effective January 1, 1990, the exchange occurred and debentures which were not exchanged were called on February 1, 1990. Repayment of these debentures was financed by the unsecured note payable discussed in note 7. The new debentures are subordinated to all indebtedness of the Corporation to financial institutions as were the old debentures.

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(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

(9) Income Taxes

The components of income tax expense (benefit) follow:

<TABLE>
<CAPTION>

	(In thousands)		
	Years ended December 31		
	1992	1991	1990
	----	----	----
<S>	<C>	<C>	<C>
Current	\$498	333	211
Alternative minimum tax credit	(101)	-	-
Deferred	(25)	(40)	(91)
	-----	-----	-----
	\$372	293	120
	====	====	====

</TABLE>

Temporary differences in 1992, 1991 and 1990 in the recognition of income and expense for tax and financial reporting purposes resulted in deferred income taxes as follows:

<TABLE>
<CAPTION>

	(In thousands)		
	Years ended December 31		
	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
Depreciation	\$ (21)	(5)	7
Loan loss Provision	(64)	(55)	(43)
Accrual to cash conversion	-	-	(17)
Accounting differences for securities	3	(33)	(4)
Deferred tax adjustment for effect of alternative minimum tax	44	29	21
Other	13	24	(13)
	-----	-----	-----
	\$ (25)	(40)	(91)
	=====	=====	=====

</TABLE>

The cumulative amounts of deferred income tax assets were \$190,000 and \$165,000 at December 31, 1992 and 1991, respectively. Such amounts are included in other assets.

(Continued)

KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

An analysis of the difference between the statutory and effective tax rates (provision for income taxes as a percentage of income before income taxes) for 1992, 1991 and 1990 follows:

<TABLE>
<CAPTION>

	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
U.S. Federal income tax rate	34.0%	34.0	34.0
Changes from statutory rate resulting from:			
Tax exempt interest	(14.1)	(20.1)	(37.6)
Amortization of goodwill	2.7	3.4	6.2
Alternative minimum tax (credit)	(5.9)	-	14.5
Other, net	4.9	4.3	(1.0)
	-----	-----	-----
	21.6%	21.6	16.1
	=====	=====	=====

</TABLE>

Alternative minimum tax credit carryforwards aggregating approximately \$50,000 at December 31, 1992 are available to reduce income tax expense in future periods. Additionally, the Corporation had \$106,000 of future deductible temporary differences for which tax benefits have not been recognized.

Income tax expense (benefit) attributable to securities gains and losses in 1992, 1991 and 1990 was \$11,000, \$(5,000), and \$5,000, respectively.

Temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities that give rise to the deferred tax liability (asset) at December 31, 1992 and 1991 related to the following:

<TABLE>
<CAPTION>

	(In thousands)	
	1992	1991
	-----	-----
<S>	<C>	<C>

Premises and equipment	\$138	159
Securites	21	18
Allowance for loan losses	(397)	(333)
Effects of alternative minimum tax	39	(5)
Deferred fees on debentures refinancing	(7)	(14)
Capital loss carryforward	-	(14)
Other	16	24
	-----	-----
Net deffered income tax asset	\$ (190)	(165)
	=====	=====

</TABLE>

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

(10) Stockholders' Equity

Preferred Stock

Preferred stock was issued to the directors of Farmers Liberty and Peoples as qualifying shares. Dividends were paid at the same rate per share as on common stock; however, holders of the preferred shares waived the right to receive dividends. In the event of termination or liquidation of the Corporation, the preferred shares have priority over common shares to the extent of the stated value of the preferred shares. Each preferred share carries voting rights equal to one share of common stock. The preferred stock is not convertible or redeemable. During 1991, all outstanding preferred stock was retired.

Dividend Restriction

The Corporation's principal source of funds for dividend and interest payments is dividends received from the Banks. Under applicable banking laws, bank regulatory authorities must approve the declaration of dividends in any year in an amount in excess of the sum of net income of that year, as defined, and retained earnings of the preceding two years. At December 31, 1992, retained earnings of the Corporation's subsidiary banks were approximately \$7,668,000 of which, at January 1, 1993, approximately \$879,000 was available for the payment of dividends without approval by bank regulatory authorities.

(11) Employee Benefit Plans

The Corporation has a non-contributory defined benefit pension plan covering all full-time employees who meet certain requirements as to age and length of service. During 1991, the plan was amended to include employees of all subsidiaries of the Corporation. Prior to the amendment only employees of State National were included in the plan. The Corporation's funding policy is to contribute at least the minimum amount required by the Employee Retirement Income Security Act of 1974.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements - Continued

The following table sets forth the funded status of the plan and amounts recognized in the consolidated balance sheet at December 31, 1992 and 1991:

<TABLE>

<CAPTION>

Years ended Dec. 31
(In thousands)

1992 1991

----- -----

<S>

<C>

<C>

Actuarial present value of benefit obligations:

Accumulated benefit obligation, including vested benefits of \$684,000 in 1992 and \$513,000 in 1991	\$ (706)	(526)
	=====	=====
Projected benefit obligation for service rendered to date	(1,092)	(903)
Plan assets at fair value	959	953
Plan assets in excess of (less than) projected benefit obligation	(133)	(50)
Unrecognized net transition asset being recognized over 17 years	(266)	(290)
Unrecognized net loss from past experience different from that assumed	395	291
Unrecognized prior service cost	43	46
Prepaid pension cost included in other assets	\$ 39	97
	=====	=====

Net pension cost (income) for 1992, 1991 and 1990 included the following expense (income) components:

	(In thousands)		
	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
Service cost-benefits earned during the year	\$ 69	41	22
Interest cost on projected benefit obligation	75	53	33
Actual return on plan assets	(16)	(129)	(29)
Amortization of transition asset	(24)	(24)	(24)
Amortization of prior service cost	3	3	-
Gain (loss) deferred	(49)	71	(27)
	-----	-----	-----
	\$ 58	15	(25)
	=====	=====	=====

</TABLE>

Plan assets consist of U.S. Treasury Bonds, stocks, corporate bonds and cash equivalents.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements -- Continued

The assumptions used to develop the projected benefit obligation included a discount rate of 7.75% for 1992 and 8.0% for 1991, and an expected rate of increase in compensation levels of 5.5% in 1992 and 4.0% in 1991. The expected long-term rate of return on assets was 8% in 1992 and 8.5% in 1991.

Effective June 1, 1989, the Corporation established a 401 (k) Plan, in accordance with the provisions of the Internal Revenue Code, in which all employees qualify for participation. Participants may elect to make contributions to the 401(k) Plan up to 15% of compensation. The Corporation contributes \$1 for each \$3 contributed by a participant, up to 6% of each participant's compensation. The Corporation's contribution during 1992, 1991 and 1990 totaled approximately \$29,000, \$26,000, and \$20,000, respectively.

(12) Commitments and Contingent Liabilities

As of December 31, 1992, the Banks had outstanding various commitments and contingent liabilities arising in the normal course of business, such as standby letters of credit and commitments to extend credit, which are properly not reflected in the consolidated financial statements. In management's opinion, these commitments to extend credit of \$12,696,000, including standby letters of credit totaling approximately \$1,058,000, represent normal banking transactions and no significant losses are anticipated to result therefrom. The Banks' exposure to credit loss in the event of nonperformance by the other party to these commitments is represented by the contractual amount of these instruments. The Banks use the same credit and collateral policies in making commitments and

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements -- Continued

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Banks evaluate each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Banks upon extension of credit, is based on management's credit evaluation of the customer. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and income-producing commercial properties.

Standby letters of credit and financial guarantees written are conditional commitments issued by the Banks to guarantee a third party. Those guarantees are primarily issued to support private borrowing arrangements.

Also as of December 31, 1992, there were various pending legal actions and proceedings in which claims for damages are asserted. Management, after discussion with legal counsel and after consideration of possible recourse to third parties, believes the ultimate result of these legal actions and proceedings will not have a material adverse effect upon the consolidated financial position of the Corporation.

(13) Stock Options

The Board of Directors adopted an amended stock option plan effective September 1, 1992. Stock options remaining under the prior plan expired. Under the amended stock option plan, options for 2,120 shares of the common stock of the Corporation were granted to the president of the Corporation and the Banks at \$32.50 per share. The options are currently exercisable and expire five years from date of grant.

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

(14) Disclosures About Fair Value of Financial Instruments

The estimated fair value of the Corporation's financial instruments are as follows:

<TABLE>
<CAPTION>

	December 31, 1992 (In thousands)	
	Carrying Amount	Fair Value
	-----	-----
<S>	<C>	<C>
Financial assets:		
Cash and short-term investments	\$ 15,583	15,583
Securities	44,544	45,700
Loans	100,468	101,988

Financial liabilities:		
Deposits	150,889	151,230
Notes payable and debentures	3,589	3,589
	=====	=====

</TABLE>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Short-Term Investments

For those short-term investments, the carrying amount is a reasonable estimate of fair value.

Securities

For securities, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities or dealer quotes.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

Loans

The fair value of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposits

The fair value of demand deposits, savings accounts, and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated by discounting the future cash flows using the rates currently offered for deposits of similar remaining maturities.

Notes Payable and Debentures

Rates currently available to the Corporation for debt with similar terms and remaining maturities are used to estimate fair value of existing debt.

Limitations

The fair value estimates are made at a discrete point in time based on relevant market information and information about the financial instruments. Because no market exists for a significant portion of the Corporation's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and such other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The fair value estimates are based on financial instruments without attempting to estimate the value of assets and liabilities that are not financial instruments, such as premises and equipment and other assets and liabilities. Accordingly, the fair value estimates do not represent what the Corporation is worth on a fair value basis.

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

(15) Kentucky Community Bancorp, Inc. (Parent Company Only)

<TABLE>
<CAPTION>Condensed Balance Sheets
December 31, 1992 and 1991
(In thousands)

Assets	1992	1991
-----	-----	-----
<S>	<C>	<C>
Cash on deposit with subsidiary bank	\$ 317	279
Investment in subsidiary banks	14,985	14,435
Furniture and equipment	338	371
Due from subsidiaries	107	300
Other assets	90	50
	-----	-----
Total assets	\$ 15,837	15,435
	=====	=====
 Liabilities and Stockholders' Equity		

Accrued interest, taxes payable and other liabilities	\$ 366	412
Notes payable	1,160	1,973
Subordinated debentures	2,348	2,348
	-----	-----
Total liabilities	3,874	4,733
Stockholders' equity	11,963	10,702
	-----	-----
Total liabilities and stockholders' equity	\$ 15,837	15,435
	=====	=====

</TABLE>

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

<TABLE>
<CAPTION>Condensed Statements of Income
Years ended December 31, 1992, 1991 and 1990
(In thousands)

	1992	1991	1990
	-----	-----	-----
<S>	<C>	<C>	<C>
Income:			
Dividends from subsidiary banks	\$ 1,280	1,451	709
Management fees and other income	930	913	857
	-----	-----	-----
Total income	2,210	2,364	1,566
	-----	-----	-----
Expenses:			
Interest expense	336	443	551
Other expenses	1,356	1,311	1,255
	-----	-----	-----
Total expenses	1,692	1,754	1,806
	-----	-----	-----
Income (loss) before income tax benefit and equity in undistributed net income of subsidiaries	518	610	(240)
Income tax benefit	191	216	278
	-----	-----	-----

Income before equity in undistributed net income of subsidiaries	709	826	38
Equity in undistributed net income of subsidiaries	640	239	590
Net income	\$ 1,349	1,065	628

</TABLE>

(Continued)

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements - Continued

<TABLE>
<CAPTION>

Condensed Statements of Cash Flows
Years ended December 31, 1992, 1991 and 1990
(In thousands)

	1992	1991	1990
<S>	<C>	<C>	<C>
Operating activities			
Net income	\$1,349	1,065	628
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	250	243	246
Provision for deferred income taxes	18	25	20
Equity in undistributed net income of subsidiaries	(640)	(239)	(590)
Increase in other assets	(40)	(5)	(39)
Decrease (increase) in due from subsidiaries	193	(177)	(110)
Increase (decrease) in accrued interest payable, taxes payable and other liabilities	(64)	35	232
Net cash provided by operating activities	1,066	947	387
Investment activities:			
Purchases of furniture and equipment	(80)	(49)	(81)
Net change in other short-term investments	-	125	(125)
Net cash provided by (used in) investment activities	(80)	76	(206)
Financing activities:			
Advances of notes payable	1,238	-	1,160
Repayment of notes payable	(2,051)	(746)	(546)
Retirement of subordinated debt	-	-	(1,161)
Cash dividends paid	(135)	(129)	(128)
Reissuance of common stock from treasury	-	3	3
Repurchase of preferred stock	-	(4)	(1)
Net cash used in financing activities	(948)	(876)	(673)
Net increase (decrease) in cash	38	147	(492)
Cash at beginning of year	279	132	624
Cash at end of year	\$ 317	279	132

</TABLE>

Interest payments totaled \$336,000 in 1992, \$443,000 in 1991, and \$714,000 in 1990.

KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
September 30, 1993
(in thousands)

<TABLE>
<CAPTION>

ASSETS	
<S>	<C>
CASH AND DUE FROM BANKS	\$ 5,016
INTEREST BEARING DEPOSITS WITH BANKS	200
FEDERAL FUNDS SOLD	6,919
SECURITIES AVAILABLE FOR SALE (NOTE 2)	22,741
INVESTMENT SECURITIES (NOTE 2)	27,300
NET LOANS (NOTE 3)	102,602
PREMISES AND EQUIPMENT	2,244
OTHER ASSETS	4,274
	\$ 171,296
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY	
DEPOSITS	\$ 154,388
NOTES PAYABLE AND OTHER BORROWED FUNDS	3,110
OTHER LIABILITIES	578
	158,076

STOCKHOLDERS' EQUITY	
COMMON STOCK, WITHOUT PAR VALUE, \$10 STATED VALUE; AUTHORIZED 300,000 SHARES, ISSUED 260,958 SHARES AS OF SEPTEMBER 30, 1993 AND DECEMBER 31, 1992	1,305
ADDITIONAL PAID IN CAPITAL	934
RETAINED EARNINGS	11,020
TREASURY STOCK, AT COST; 2,585 SHARES AS OF SEPTEMBER 30, 1993	(39)
	13,220

	\$ 171,296
	=====

</TABLE>

KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
Nine Months ended September 30, 1993 and 1992
(In thousands)

<TABLE>
<CAPTION>

<S>	1993	1992
<S>	<C>	<C>
INTEREST INCOME		
LOANS, INCLUDING FEES	\$ 6,658	\$ 7,318
FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	178	212

INVESTMENT SECURITIES	2,254	2,413
INTEREST BEARING DEPOSITS WITH BANKS	12	20
OTHER	99	108
	-----	-----
TOTAL INTEREST INCOME	\$ 9,201	\$ 10,071
	-----	-----
INTEREST EXPENSE		
DEPOSITS	3,379	4,196
FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	-	13
NOTES PAYABLE AND OTHER BORROWED FUNDS	88	88
SUBORDINATED DEBENTURES	127	176
	-----	-----
TOTAL INTEREST EXPENSE	\$ 3,594	4,473
	-----	-----
NET INTEREST INCOME BEFORE PROVISION FOR LOAN LOSSES	\$ 5,607	5,598
	-----	-----
PROVISION FOR LOAN LOSSES	338	640
	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 5,269	4,958
	-----	-----
NON-INTEREST INCOME	989	839
	-----	-----
NON-INTEREST EXPENSE	4,469	4,419
	-----	-----
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT PRIOR YEARS OF THE CHANGE IN ACCOUNTING FOR INCOME TAXES	\$ 1,789	1,378
PROVISION FOR INCOME TAXES	481	296
	-----	-----
INCOME BEFORE CUMULATIVE EFFECT ON PRIOR YEARS OF THE CHANGE IN ACCOUNTING FOR INCOME TAXES	\$ 1,308	1,082
	-----	-----
CUMULATIVE EFFECT ON PRIOR YEARS OF THE CHANGE IN ACCOUNTING FOR INCOME TAXES (NOTE 4)	81	-
	-----	-----
NET INCOME	\$ 1,389	\$ 1,082
	=====	=====
PER COMMON SHARE:		
Net Income	\$ 5.42	\$ 4.21
	=====	=====
Cash dividends declared	\$ 0.650	\$ 0.375
	=====	=====
Average common shares outstanding	256,204	257,264
	=====	=====

</TABLE>

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KENTUCKY COMMUNITY BANCORP, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
Nine months ended September 30, 1993 and 1992
(in thousands)

<TABLE>

<CAPTION>

	1993	1992
	-----	-----
<S>	<C>	<C>
OPERATING ACTIVITIES		
NET INCOME	\$ 1,388	\$ 1,082
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
PROVISION FOR LOAN LOSSES	338	640
DEPRECIATION, AMORTIZATION AND ACCRETION, NET	513	408
DECREASE (INCREASE) IN OTHER ASSETS	124	(723)
INCREASE (DECREASE) IN OTHER LIABILITIES	(472)	(485)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-----	-----
	\$ 1,891	\$ 922
	-----	-----

LENDING AND INVESTING ACTIVITIES		
NET CHANGE IN INTEREST BEARING DEPOSITS WITH BANKS	(1)	(250)
NET CHANGE IN FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	2,932	9,458
NET CHANGE IN SHORT-TERM INVESTMENTS	-	600
PURCHASES OF INVESTMENT SECURITIES	(20,612)	(13,019)
PROCEEDS FROM SALES OF INVESTMENT SECURITIES	5,364	5,008
PROCEEDS FROM MATURITIES OF INVESTMENT SECURITIES	9,613	9,836
NET CHANGES IN LOANS	(2,825)	(6,149)
PURCHASES OF PREMISES AND EQUIPMENT	(139)	(164)
PROCEEDS FROM SALE OF OTHER REAL ESTATE OWNED/REACQUIRED ASSETS	371	1,658
	-----	-----
NET CASH USED IN LENDING AND INVESTING ACTIVITIES	\$ (5,297)	\$ 6,978
	-----	-----
DEPOSIT AND FINANCING ACTIVITIES		
NET CHANGE IN DEPOSITS	3,499	(7,279)
NET CHANGE IN FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	-	(923)
REPAYMENT OF NOTES PAYABLE	1,869	(772)
CASH DIVIDEND PAID	(168)	(96)
REISSUANCE OF COMMON STOCK FROM TREASURY	21	-
	-----	-----
NET CASH PROVIDED BY DEPOSIT AND FINANCING ACTIVITIES	\$ 5,221	\$ (9,070)
	-----	-----
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	1,815	\$ (1,170)
CASH AND CASH EQUIVALENT AT BEGINNING OF YEAR	5,533	5,659
	-----	-----
CASH AND CASH EQUIVALENT AS OF SEPTEMBER 30	\$7,348	\$ 4,489
	=====	=====

Income tax payments totaled \$688,303 in 1993 and \$399,414 in 1992

Interest payments totaled \$3,498,300 in 1993 and \$4,207,713 in 1992

	(in thousands)	
	1993	1992
	-----	-----
Noncash transactions were as follows:		
Loans charged-off	\$ -	\$426
Decrease in unrealized loss on marketable equity securities	-	\$10
Transfer of loans to other real estate owned/reacquired assets	353	319
	=====	=====

</TABLE>

Kentucky Community Bancorp, Inc,
Notes to Consolidated Condensed Financial Statements
September 30, 1993

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of Kentucky Community Bancorp, Inc. (Corporation) and its wholly owned subsidiaries, The State National Bank of Maysville (SNB), Farmers Liberty Bank (FLB), and Peoples First Bank of Morehead (PFB), collectively, the Banks, conform to generally accepted accounting principles and general practices within the banking industry.

The consolidated financial statements include the accounts of the Corporation and its subsidiaries, SNB, FLB, and PFB. All significant intercompany transactions and accounts have been eliminated in consolidation.

A description of other significant accounting policies is presented in the December 31, 1992 annual report, Form 10-KSB.

(2) Securities

The book values and approximate market values of investment securities as of September 30, 1993 and December 31, 1992 follows:

<TABLE>
<CAPTION>
(In Thousands)

	September 30, 1993			
	BOOK VALUE	Unrealized		MARKET VALUE
		GAIN	LOSS	
<S> Federal Agencies	<C> \$ 8,469	<C> \$ 248	<C> \$ 6	<C> \$ 8,711
Asset-backed Securities	7,556	134	4	7,686
Obligations of State & Federal Subdivisions	9,027	313	48	9,292
Marketable Equity Securities & Other Securities	2,249	18	15	2,252
TOTALS	\$27,301	\$ 713	\$ 73	\$ 27,941

</TABLE>

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Notes to Consolidated Condensed Financial Statements-cont'd
September 30, 1993.

The book values and approximate market values of securities held for sale as of September 30, 1993 follows:

<TABLE>
<CAPTION>
(in thousands)

	September 30, 1993			
	Book Value	Unrealized		Market Value
		Gain	Loss	
<S> U.S. Treasury	<C> \$ 22,742	<C> \$ 759	<C> \$ 3	<C> \$ 23,498

</TABLE>

(3) Allowance for Loan Losses

An analysis of the changes in the allowance for loan losses for the period ended September 30, 1993 follows:

<TABLE>
<CAPTION>
(in thousands)

<S> Balance, January 1	<C> \$ 1,980
Provision for loan losses	338
Loans charged-off	(415)
Recoveries	60
Net loans charged-off	(355)
Balance, Sept. 30	\$ 1,963

Balance,
December 31

</TABLE>

(4) Income Taxes

On March 31, 1993, the Corporation adopted the Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," that created an additional net deferred tax asset aggregating \$81,000. The cumulative effect of the change in accounting principle as of September 30, 1993 increased net income by \$81,000 that is reported separately in the condensed consolidated statement of income for the six months ended September 30, 1993.

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Notes to Consolidated Condensed Financial Statements--cont'd
September 30, 1993

The preceding consolidated condensed financial statements reflect all adjustments of a normal recurring nature which are, in the opinion of management, necessary to fairly present the financial position of the Corporation and its subsidiaries, SNB, FLB and PFB at September 30, 1993 and the results of operations and the changes in their cash flow position for the interim periods then ended.

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PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated balance sheet as of September 30, 1993, gives effect, as of that date, to the acquisition of Kentucky Community Bancorp, Inc. (Kentucky Community) through the issuance of 1,374,985 shares of Trans Financial Bancorp, Inc. (Trans Financial) common stock in exchange for 259,431 shares of Kentucky Community common stock. The pro forma condensed consolidated statements of income for the nine months ended September 30, 1993 and the years ended December 31, 1992, 1991, and 1990 are in effect a restatement of the historical income statements of each entity as if the Merger had been consummated for all periods.

The Merger will be accounted for under the pooling of interests method of accounting. Under the pooling of interests method of accounting, the historical basis of the assets and liabilities of Trans Financial and Kentucky Community are combined and carried forward at their previously recorded amounts, and the shareholders' equity accounts of Trans Financial and Kentucky Community will be combined on Trans Financial's consolidated balance sheet.

The pro forma statements are not necessarily indicative of the financial position or the results of operations of the combined entities as they may be in the future or as they might have been had the transaction been consummated for all periods presented.

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TRANS FINANCIAL BANCORP, INC.
Pro Forma Condensed Consolidated Balance Sheet
September 30, 1993
(Unaudited)
(In thousands)

<TABLE>
<CAPTION>

	TRANS FINANCIAL BANCORP (a)	KENTUCKY COMMUNITY BANCORP (a)	PRO FORMA ADJUSTMENTS	PRO FORMA
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Assets				
Cash and due from banks	\$ 45,741	\$ 5,016	\$	\$ 50,757
Interest bearing deposits with banks	547	200		747
Federal funds sold and resale agreements	27,100	6,919		34,019
Mortgage loans held for sale	35,129	0		35,129
Securities available for sale	25,523	22,741		48,264
Investment securities	243,451	27,300		270,751

Loans, net of unearned income	752,466	104,565		857,031
Less allowance for loan losses	(8,288)	(1,963)		(10,251)
Net loans	744,178	102,602		846,780
Premises and equipment	26,557	2,244		28,801
Goodwill	5,360	0		5,360
Mortgage servicing rights	4,531	0		4,531
Other assets	20,626	4,274		24,900
Total assets	\$ 1,178,743	\$ 171,296	\$ 0	\$ 1,350,039
Liabilities and Stockholders' Equity				
Deposits	\$ 1,002,462	\$ 154,388	\$	\$ 1,156,850
Federal funds purchased and resale agreements	32,720			32,720
Other liabilities	7,481	578		8,059
Long term debt and other notes payable	61,772	3,110		64,882
Total liabilities	1,104,435	158,076		1,262,511
Preferred stock	0	0		0
Common stock	13,897	1,305	1,273 (b)	16,475
Additional paid-in capital	39,320	934	(1,312) (b)	38,942
Retained earnings	24,991	11,020		36,011
Treasury stock		(39)	39 (b)	0
Unrealized loss on marketable equity securities	(128)			(128)
Employee Stock Ownership Plan borrowings	(3,772)			(3,772)
Total stockholders' equity	74,308	13,220	0	87,528
Total liabilities and stockholders'	\$ 1,178,743	\$ 171,296	\$ 0	\$ 1,350,039

</TABLE>

See accompanying notes to pro forma financial information.

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TRANS FINANCIAL BANCORP, INC.
Pro Forma Condensed Consolidated Income Statement
(Unaudited)
(In thousands, except per share data)

<TABLE>

<CAPTION>

Nine Months Ended September 30, 1993

	TRANS FINANCIAL BANCORP (a)	KENTUCKY COMMUNITY BANCORP (a)	PRO FORMA
<S>	<C>	<C>	<C>
Interest income:			
Loans	\$ 39,525	\$ 6,658	\$ 46,183
Securities	10,366	2,254	12,620
Other	2,631	289	2,920
Total interest income	52,522	9,201	61,723
Interest expense:			
Deposits	22,118	3,379	25,497
Short-term borrowings	498	0	498
Notes payable	701	215	916
Total interest expense	23,317	3,594	26,911
Net interest income	29,205	5,607	34,812
Provision for loan losses	1,321	338	1,659
Net interest income after provision for loan losses	27,884	5,269	33,153
Non-interest income	9,941	989	10,930
Non-interest expenses	27,904	4,469	32,373
Income before income taxes	9,921	1,789	11,710
Income tax expense	2,990	481	3,471
Income before cumulative effect of accounting change	\$ 6,931	\$ 1,308	\$ 8,239
Income applicable to common stock	\$ 6,931	\$ 1,308	\$ 8,239
Weighted average shares outstanding:			
Primary	7,521		8,896

Fully diluted	7,521	8,896
	=====	=====
Earnings per common share:		
Primary	\$ 0.92	\$ 0.93
Fully diluted	0.92	0.93
	=====	=====

</TABLE>

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TRANS FINANCIAL BANCORP, INC.
Pro Forma Condensed Consolidated Income Statement
(Unaudited)
(In thousands, except per share data)

<TABLE>

<CAPTION>

Year Ended December 31, 1992

	TRANS FINANCIAL BANCORP (a)	KENTUCKY COMMUNITY BANCORP (a)	PRO FORMA
	-----	-----	-----
<S>	<C>	<C>	<C>
Interest income:			
Loans	\$ 46,099	\$ 9,369	\$ 55,468
Securities	16,694	3,137	19,831
Other	614	417	1,031
	-----	-----	-----
Total interest income	\$ 63,407	\$ 12,923	\$ 76,330
	-----	-----	-----
Interest expense:			
Deposits	30,822	5,361	36,183
Short-term borrowings	902	17	919
Notes payable	287	343	630
	-----	-----	-----
Total interest expense	\$ 32,011	\$ 5,721	\$ 37,732
	-----	-----	-----
Net interest income	\$ 31,396	\$ 7,202	\$ 38,598
	-----	-----	-----
Provision for loan losses	1,216	838	2,054
	-----	-----	-----
Net interest income after provision for loan losses	\$ 30,180	\$ 6,364	\$ 36,544
	-----	-----	-----
Non-interest income	11,064	1,514	12,578
Non-interest expenses	27,498	6,157	33,655
	-----	-----	-----
Income before income taxes	\$ 13,746	\$ 1,721	\$ 15,467
	-----	-----	-----
Income tax expense	4,686	372	5,058
	-----	-----	-----
Income before cumulative effect of accounting change	\$ 9,060	\$ 1,349	\$ 10,409
	=====	=====	=====
Income applicable to common stock	\$ 9,004	\$ 1,349	\$ 10,353
	=====	=====	=====
Weighted average shares outstanding:			
Primary	6,906		8,281
Fully diluted	6,906		8,281
	=====		=====
Earnings per common share:			
Primary	\$ 1.30		\$ 1.25
Fully diluted	1.30		1.25
	=====		=====

</TABLE>

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TRANS FINANCIAL BANCORP, INC.
Pro Forma Condensed Consolidated Income Statement
(Unaudited)
(In thousands, except per share data)

<TABLE>

<CAPTION>

Year Ended December 31, 1991

	TRANS FINANCIAL BANCORP (a)	KENTUCKY COMMUNITY BANCORP (a)	PRO FORMA
	-----	-----	-----
<S>	<C>	<C>	<C>
Interest income:			
Loans	\$ 35,858	\$ 10,365	\$ 46,223

Securities	9,582	3,435	13,017
Other	523	796	1,319
	-----	-----	-----
Total interest income	\$ 45,963	\$ 14,596	\$ 60,559
	-----	-----	-----
Interest expense:			
Deposits	25,561	7,606	33,167
Short-term borrowings	466	56	522
Notes payable	1,203	452	1,655
	-----	-----	-----
Total interest expense	\$ 27,230	\$ 8,114	\$ 35,344
	-----	-----	-----
Net interest income	\$ 18,733	\$ 6,482	\$ 25,215
	-----	-----	-----
Provision for loan losses	750	772	1,522
	-----	-----	-----
Net interest income after provision for loan losses	\$ 17,983	\$ 5,710	\$ 23,693
	-----	-----	-----
Non-interest income	\$ 6,542	\$ 1,396	7,938
Non-interest expenses	17,957	5,748	23,705
	-----	-----	-----
Income before income taxes	\$ 6,568	\$ 1,358	\$ 7,926
	-----	-----	-----
Income tax expense	2,028	293	2,321
	-----	-----	-----
Income before cumulative effect of accounting change	\$ 4,540	\$ 1,065	\$ 5,605
	=====	=====	=====
Income applicable to common stock	\$ 4,227	\$ 1,065	\$ 5,292
	=====	=====	=====
Weighted average shares outstanding:			
Primary	3,277		4,652
Fully diluted	3,921		5,296
	=====		=====
Earnings per common share:			
Primary	\$ 1.29		\$ 1.14
Fully diluted	1.17		1.07
	=====		=====

</TABLE>

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TRANS FINANCIAL BANCORP, INC.
Pro Forma Condensed Consolidated Income Statement
(Unaudited)
(In thousands, except per share data)

<TABLE>
<CAPTION>

Year Ended December 31, 1990

	TRANS FINANCIAL BANCORP (a)	KENTUCKY COMMUNITY BANCORP (a)	PRO FORMA
	-----	-----	-----
<S>	<C>	<C>	<C>
Interest income:			
Loans	\$ 34,463	\$ 10,816	\$ 45,279
Securities	6,834	3,162	9,996
Other	652	952	1,604
	-----	-----	-----
Total interest income	\$ 41,949	\$ 14,930	\$ 56,879
	-----	-----	-----
Interest expense:			
Deposits	23,207	8,332	31,539
Short-term borrowings	995	82	1,077
Notes payable	1,258	562	1,820
	-----	-----	-----
Total interest expense	\$ 25,460	\$ 8,976	\$ 34,436
	-----	-----	-----
Net interest income	\$ 16,489	\$ 5,954	\$ 22,443
	-----	-----	-----
Provision for loan losses	1,529	1,052	2,581
	-----	-----	-----
Net interest income after provision for loan losses	\$ 14,960	\$ 4,902	\$ 19,862
	-----	-----	-----
Non-interest income	5,179	1,238	6,417
Non-interest expenses	14,873	5,392	20,265
	-----	-----	-----
Income before income taxes	\$ 5,266	\$ 748	\$ 6,014
	-----	-----	-----
Income tax expense	1,412	120	1,532

Income before cumulative effect of accounting change	\$ 3,854	\$ 628	\$ 4,482
Income applicable to common stock	\$ 3,536	\$ 628	\$ 4,164
Weighted average shares outstanding:			
Primary	2,773		4,148
Fully diluted	3,440		4,815
Earnings per common share:			
Primary	\$ 1.28		\$ 1.00
Fully diluted	1.14		0.95

</TABLE>

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EXHIBIT INDEX

EXHIBIT

SEQUENTIALLY
NUMBERED PAGE

- 2(a) Agreement and Plan of Reorganization between Trans Financial Bancorp, Inc. and Kentucky Community Bancorp, Inc. dated as of November 9, 1993, as amended January 6, 1994, is incorporated by reference to Exhibit (2) of the Registration Statement on Form S-4 (File No. 33-51575) filed by Trans Financial with the Commission.
- 2(b) Plan of Merger between Trans Financial Bancorp, Inc. and Kentucky Community Bancorp, Inc. dated as of November 9, 1993, as amended January 6, 1994, is incorporated by reference to Exhibit (2) of the Registration Statement on Form S-4 (File No. 33-51575) filed by Trans Financial with the Commission.