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Community
Impact Report



**Blue Grass
Federal**

Letter from the **President**

To Our Customers and Communities,

At Blue Grass Federal, community isn't just where we do business. It's who we are. As a depositor-owned mutual bank, every decision we make is guided by a simple belief: when you support your local bank, your local bank should support you right back.

This Community Impact Report tells the story of what is possible when neighbors invest in neighbors. Because you choose to bank locally, we are able to reinvest our profits into the communities we serve throughout Central Kentucky, supporting homeownership, strengthening small businesses, investing in students and schools and championing organizations and initiatives that help our towns and neighborhoods thrive. While our roots run deep in Paris and Bourbon County, our commitment extends to every community we are privileged to serve.

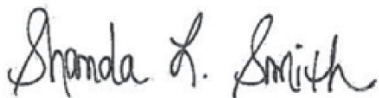
Your trust allows us to transform everyday banking into meaningful, lasting impact. Whether it's financing a family's dream home, helping a local business grow, supporting community events or contributing to educational opportunities, we believe strong communities are built through local investment and lasting relationships.

I am especially proud of our employees. Beyond their roles at the bank, they volunteer their time, serve on nonprofit and civic boards, mentor future leaders and participate in the traditions and events that make our communities special. They do not simply work in these communities. They are part of them. Their dedication embodies the true spirit of mutual banking: people helping people, today and for generations to come.

This report is more than a reflection on the past year. It is a reminder that every deposit, every loan and every relationship contributes to a stronger future for the communities we serve. When you bank with Blue Grass Federal, your money stays close to home, creating opportunities, supporting local growth and strengthening the places we all call home.

Thank you for being part of our mutual story. Together, we are demonstrating that local banking remains a powerful force for good, helping communities prosper and ensuring that success is shared by the people who make it possible.

With gratitude,



Shanda Smith
President & CEO
Blue Grass Federal Savings & Loan Association



Shanda Smith
President & CEO



Table of Contents

- 4 Leadership Team
- 5 Who We Are: The Mutual Difference
- 6 Branch Remodel: Rooted Here, Reinvested Here
- 8 Living the Mutual Mission
- 9 Mission Moments
- 10 'Tis the Season for Giving Back
- 11 Community Partners
- 11 Mutuals Matter

Leadership Team

Management Team



Shanda Smith
President & CEO



Misty Begley
Retail Banking Officer



Bradlee Rawlins
VP, Lending

Board of Directors



David A. Yeiser
*Board Chairman, Retired Owner
& Insurance Agent*



Shanda Smith
President & CEO



Kelli Mulberry
Attorney and CPA



David T. Shaw
*EVP, Chief Operating Officer
First Mutual Holding Co.*



Richard Taylor
*Consultant, Audit
Assurance and Risk*



Patrick Watson
*Attorney at Watson
& Watson Law*

Who We Are:

The Mutual Difference

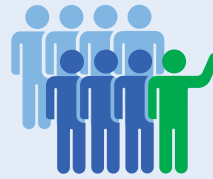
Blue Grass Federal is a depositor-owned mutual bank proudly rooted in Paris, Kentucky. Since opening our doors in 1959, we have served Bourbon County and surrounding communities with a simple but powerful purpose: keep local dollars working locally to help our neighbors thrive. As a mutual bank, we answer to our customers — not shareholders — and that difference shapes everything we do.

Because our customers are our owners, the deposits you entrust to us are reinvested right back into the community. Those funds help families buy homes, support small businesses, strengthen local nonprofits and fuel economic growth where it matters most. That's the mutual bank difference — and it's why banking local feels different here.

At Blue Grass Federal, community involvement isn't something extra — it's how we do business. Together with our customers, employees and partners, we are committed to strengthening our hometowns today and for generations to come. When you choose Blue Grass Federal, you choose a bank with a true community purpose.

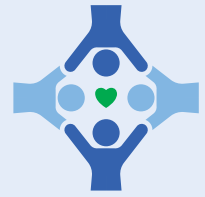


By the Numbers



8

employees



731

hours volunteered
by employees



100%

of employees
volunteered



20

organizations
supported



\$57

million
in assets



35%

of profits reinvested
back into the
community

Branch Remodel

Rooted Here, Reinvested Here

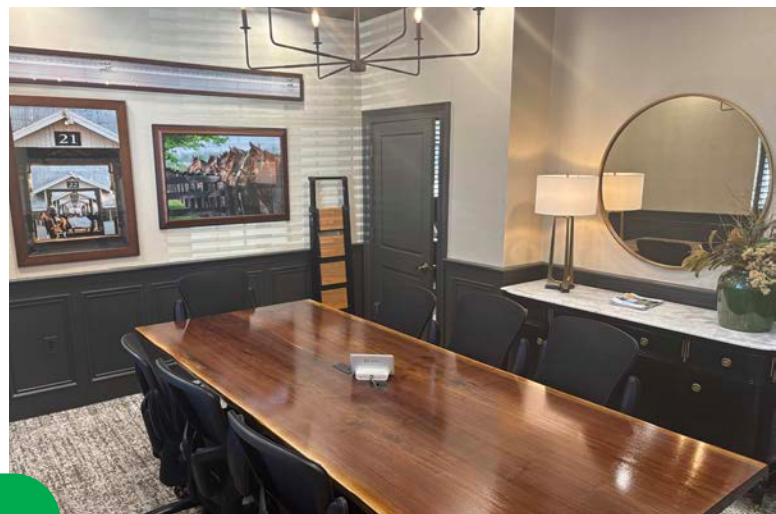
One of the most exciting moments of 2025 was the full remodel of our branch — a project that reflects both our identity and our deep commitment to the community we serve. This beautiful new space brings together refreshed branding, stylish décor, modern finishes and technology and horse-themed artwork — an homage to the Blue Grass region. More than a renovation, this project represents a true full circle moment in action.

As Shanda Smith, president and CEO, shared, “Our decision to hire local contractors is rooted in a strong commitment to our local economy. By ensuring that the money spent on the renovation stays within the community, the Bank is supporting local businesses and helping create a cycle of economic growth. This approach aligns perfectly with the Bank’s mission to support and strengthen the local community. It’s a win-win situation where the Bank’s investment directly benefits the people and businesses it serves.”

From landscaping and masonry to electrical work and artwork, every detail was completed by individuals who live and work locally — many of whom are also our customers. These partnerships strengthened meaningful relationships and reinforced the mutual trust at the heart of community banking.

Chad Davis, electrician at Davis and Davis LLC, shared his thoughts about working on the project: “Working at a place that has helped me run a successful business is an honor. Blue Grass Federal helped me with all sorts of loans for my business over the last 25 years with no hassle. It is a pleasure working with such friendly and welcoming people.”

His involvement has deepened the relationship between his business and the bank, ensuring that both parties are each other’s first call for financial and construction needs.



"By intentionally hiring local contractors, we ensured that every investment made stayed right here in Central Kentucky, supporting the people and businesses that make our community strong."

The transformation also enhances the experience for everyone who walks through our doors. With a more welcoming layout, updated technology and comfortable meeting spaces, customers and community members can connect, ask questions and bank more easily. As Shanda noted, “The branch is modernized, making it more welcoming and convenient for our customers. My dream is that it will serve as a community hub where residents can gather and engage with each other. The updated environment reflects our dedication to providing the best possible service to our customers and greater community.”

We celebrated this milestone with a grand reopening, featuring a ribbon cutting and open house attended by employees, customers, Board members and community members — a fitting tribute to a project built by the community, for the community.



"The updated environment reflects our dedication to providing the best possible service to our customers and greater community."

Shanda Smith



Living the **Mutual Mission**

Our community means everything to us, and living the mutual mission is something we strive for every day.

Annual Pumpkin Festival Fun

Community impact is about more than services — it is about connection. Blue Grass Federal is proud to support the events, traditions and shared spaces that bring people together. The Blue Grass Federal team looks forward to the Paris-Bourbon County Pumpkin Festival every September as a favorite opportunity to connect with friends and neighbors across the area.

On Main Street in downtown Paris, you'll find pumpkin painting and decorating, food trucks, live music all day, children's activities and inflatables, a petting zoo, arts and crafts vendors and more. Sponsoring events like this local tradition helps ensure the area remains a place where people can come together and are proud to call home.





Mission Moments

Small Business Support

Blue Grass Federal loves supporting local businesses, and giving away gift cards to our wonderful local spots is a favorite way for us to accomplish this.

Throughout the year we did a giveaway campaign that treated anyone who opened a checking account to a \$15 gift card to a local business. We did this giveaway with businesses like the new Bourbon County Confectionary candy shop, Bourbon Boot Supply and Hometown Health & Wellness.



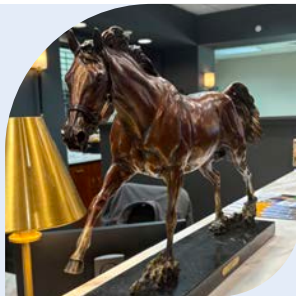
Scholarship Success

Our Blue Grass Federal scholarship means so much to us, and we are so thankful to be able to give back to our community. As one of the many ways we support youth in our area, these \$500 scholarships are awarded to outstanding high school students, including students from Paris Independent School and Bourbon County High School — and one of our 2025 recipients was our very own intern!



Celebrating Our History

Horses are synonymous with our region, so we were incredibly excited to attend the second annual Legends of Bourbon County Fall Meet Event at the historic Stone Farm to honor Sunday Silence, a true legend of Bourbon County. These events bring us together over a collective passion for horses that impacts everything from our local economy to the décor in our recently renovated branch. Honoring our community's past and celebrating our future is an important shared experience that continues to grow.



Locally Sourced Support

We loved sponsoring the Farm to Fork Dinner held in September at the Bourbon County Courthouse Courtyard! We are proud to be a part of this event as a mutual bank that is rooted in our community. Celebrating and elevating local is what we're all about. Attendees were treated to locally sourced sustainable food, handcrafted drinks, live music and conversations that connect plate to place.

Another example of celebrating our vibrant community is our sponsorship of Artwalk for a second year. Events like Artwalk matter because they bring neighbors together, celebrate local talent and create more opportunities for downtown Paris to thrive.

'Tis the Season for **Giving Back**

During the holiday season, we showed our appreciation through giving initiatives and outreach efforts that brought extra joy to our neighbors.

We kicked off December with our first-ever “You Choose Where the Good Goes” campaign that gave customers and community members the opportunity to play an active role in how we make an impact through charitable giving. Everyone was welcome to vote for their favorite nonprofit organization from three options: AccuTran Industries, the YMCA and Scott/Bourbon Counties Habitat for Humanity. The winning nonprofit received a \$500 donation.

Congratulations to Scott/Bourbon Counties Habitat for Humanity on their win!

The Blue Grass team also “adopted” six local teenagers for the “Christmas for Kids” in Bourbon County. We were thrilled to be able to make a difference for them during the holidays by making their Christmas extra special.



Holiday Open House

We loved welcoming the community into our newly renovated space to ring in the holiday season. Our annual holiday open house is a favorite event each year for both employees and the community. This festive event includes family fun, giveaways, prizes, refreshments and even a visit from Santa to take photos.

The open house also included giveaways supporting local businesses. In addition to the grand prize of a Yeti cooler, we raffled off gift cards to Bourbon Boot Supply, Lil's Café and Bourbon County Confectionary candy shop.





Community Partners

We are proud to partner with community organizations across our region, including Bourbon, Paris and Nicholas counties.

Blue Grass Federal and its employees proudly supported the following organizations in 2025.

- AccuTran
- Artwalk Tourism
- Bourbon County Chamber of Commerce
- Bourbon County High School
- Farm to Fork
- Habitat for Humanity
- Leadership Central Kentucky
- Legends of Bourbon County
- Love's Angels
- Nicholas Counties High School Scholarships
- Paris Church of Christ
- Paris City Schools
- Paris Independent High School
- Paris Schools Reality Store, Career Fairs
- Secretariat Park



Blue Grass Federal is proud to be a founding member of Mutuals Matter, a consortium of mutual banks working to strengthen and promote the mutual banking model. Mutual banks play a vital role in financial services, but many people don't know what makes them different. Mutuality reflects a deep commitment to depositor-owners and the communities we serve.

Now, with nearly 40 member banks, Mutuals Matter continues to gain momentum and share the story of mutuality. Just as Blue Grass Federal partners with local businesses and organizations, we know we're stronger together.



When you choose a mutual bank, you get something even more valuable in return. Mutual banks reinvest their profits into their customers, their employees, and their communities.

When you see the Mutuals Matter logo, you know your money's making a difference.

Visit mutualsmatter.org to learn more

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**Blue Grass
Federal**

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