

PUBLIC DISCLOSURE

December 5, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**FNBC Bank
RSSD #100843**

**636 Ash Flat Drive
Ash Flat, Arkansas 72513**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated:

Satisfactory

The Community Development Test is rated:

Outstanding

FNBC Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- A majority of loans and other lending-related activities are in the assessment areas.
- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act¹ Paycheck Protection Program (PPP). The bank's participation in the PPP was also considered in the bank's rating.

¹ Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020.

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SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) intermediate small bank procedures. The intermediate small bank examination procedures entail two performance tests: the Lending Test and the Community Development Test. The bank's performance under these tests is rated at the institution level.

The bank operates within four delineated assessment areas, two of which are located in Arkansas, while the other two are located in Missouri. The two Missouri assessment areas were added in 2022 following the acquisition of branches in Howell County and Wright County, Missouri. Due to the acquisition's timing toward the end of the examination period and the lack of applicable data, the assessment areas in Missouri were not included in the Lending Test analysis. However, the bank's eligible community development activities from the Missouri assessment areas were evaluated and considered within the Community Development Test at the institution level.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each of the bank's assessment areas. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2022.

Assessment Area	Offices		Deposits as of June 30, 2022		Assessment Area Review Procedures
	#	%	\$ (000s)	%	
North Central Arkansas	11	78.6%	\$494,320	77.2%	Full Scope
Craighead County	1	7.1%	\$88,389	13.8%	Limited Scope
South Central Missouri	1	7.1%	\$41,701	6.5%	No Review
Wright County	1	7.1%	\$16,018	2.5%	No Review
OVERALL	14	100%	\$640,428	100%	1 Full Scope 1 Limited Scope

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the North Central Arkansas assessment area was given primary consideration.

Small business, residential real estate, and consumer motor vehicle lending activities were used to evaluate the bank's lending performance, as these loan products are considered the bank's core business lines. Therefore, the loan activity represented by these credit products is deemed indicative of overall lending performance. However, as the bank has a particular emphasis on small business lending, performance based on the small business loan category carried the most significance toward overall performance conclusions, followed by residential real estate and consumer motor vehicle lending. The following table details the performance criterion and the corresponding time periods used in each analysis.

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Performance Criterion	Time Period
LTD Ratio	March 31, 2019 – September 30, 2022
Assessment Area Concentration	January 1, 2021 – December 31, 2021
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	March 4, 2019 – December 4, 2022
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain business demographics are based on 2021 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$981.3 million to \$1.7 billion as of September 30, 2022.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews with members of the local community were used to ascertain specific credit needs, opportunities, and local market conditions within the bank's full-scope assessment area. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section, applicable to the assessment area in which they were conducted.

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DESCRIPTION OF INSTITUTION

FNBC Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is a wholly owned subsidiary of FNBC Bancorp, Inc., a single-bank holding company. The bank and its holding company are both headquartered in Ash Flat, Arkansas. Additionally, FNBC Bank is a certified Community Development Financial Institution (CDFI). The bank's branch network consists of 14 offices (including the main office), all of which have full-service Interactive Teller Machines (ITMs) on site. During the review period, the bank relocated its branch in Jonesboro, Arkansas, and opened three new branches. Of the three new branches, two are located in Missouri (Howell and Wright counties), while the other is located in Baxter County, Arkansas. Based on this branch network and other service delivery systems, such as extended banking hours and online banking capabilities, the bank is well positioned to deliver financial services to the entirety of its assessment areas.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of September 30, 2022, the bank reported total assets of \$706.2 million. As of the same date, loans and leases outstanding were \$444.7 million (63.0 percent of total assets), and deposits totaled \$580.0 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2022		
Credit Category	Amount (\$000s)	Percentage of Total Loans
Construction and Development	\$24,748	5.6%
Commercial Real Estate	\$129,267	29.1%
Multifamily Residential	\$30,786	6.9%
1-4 Family Residential	\$91,856	20.7%
Farmland	\$71,505	16.1%
Farm Loans	\$13,994	3.1%
Commercial and Industrial	\$43,009	9.7%
Loans to Individuals	\$36,467	8.2%
Total Other Loans	\$3,081	0.7%
TOTAL	\$444,713	100%

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans and loans secured by 1-4 family residential properties. While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on March 4, 2019.

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CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

FNBC Bank meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 15-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size (\$000s) as of September 30, 2022	Average LTD Ratio
FNBC Bank	Ash Flat, Arkansas	\$706,182	81.4%
Regional Banks	Batesville, Arkansas	\$1,241,655	87.7%
	Stuttgart, Arkansas	\$1,704,674	77.5%
	Green Forest, Arkansas	\$981,251	77.1%

Based on data in the previous table, the bank's level of lending is in line with similar banks operating in the region. During the review period, the bank and its three peers experienced a similar, decreasing trend in their LTD ratio. FNBC's quarterly average of 81.4 percent was lower than one peer, while higher than the other two. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment areas.

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Lending Inside and Outside of Assessment Areas January 1, 2021 through December 31, 2021						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
Small Business	98	89.1%	12	10.9%	110	100%
	\$8,160	88.9%	\$1,015	11.1%	\$9,175	100%
HMDA	166	92.2%	14	7.8%	180	100%
	\$35,662	92.7%	\$2,790	7.3%	\$38,452	100%
Consumer Motor Vehicle	127	88.2%	17	11.8%	144	100%
	\$2,293	87.9%	\$318	12.2%	\$2,610	100%
TOTAL LOANS	391	90.1%	43	9.9%	434	100%
	\$46,114	91.8%	\$4,123	8.2%	\$50,237	100%

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 90.1 percent of the total loans were made inside the assessment areas, accounting for 91.8 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is reasonable, as displayed in the following table.

Full-Scope Assessment Area	Loan Distribution by Borrower's Profile
North Central Arkansas	Reasonable
OVERALL	Reasonable

Limited-Scope Assessment Area	Loan Distribution by Borrower's Profile
Craighead County	Below
OVERALL	Below

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration throughout the assessment areas.

Full-Scope Assessment Area	Geographic Distribution of Loans
North Central Arkansas	Reasonable
OVERALL	Reasonable

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Limited-Scope Assessment Area	Geographic Distribution of Loans
Craighead County	Below
OVERALL	Below

As was aforementioned, the most weight was placed on the bank's performance in the North Central Arkansas assessment area. Performance in Craighead County, which was examined using limited-scope procedures, did not diminish performance in the bank's full-scope assessment area.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (March 4, 2019 through December 4, 2022).

COMMUNITY DEVELOPMENT TEST

FNBC Bank's performance under the Community Development Test is rated outstanding. The bank demonstrates excellent responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas.

Full-Scope Assessment Area	Community Development Test Performance Conclusions
North Central Arkansas	Excellent
OVERALL	Excellent

Limited-Scope Assessment Area	Community Development Test Performance Conclusions
Craighead County	Below
OVERALL	Below

While performance varied between the assessment areas, the overall Community Development Test rating was based on performance in the North Central Arkansas assessment area. As a result, the overall rating for the Community Development Test is outstanding.

During the review period, the bank made 870 qualifying loans in its assessment areas totaling approximately \$25.5 million. Of those loans, 844 loans totaling \$18.3 million were a part of the PPP and were made to assist small businesses located in LMI census tracts or distressed or underserved middle-income tracts. The remaining 26 community development loans were made to businesses and organizations in the bank's assessment areas, including three affordable housing loans approaching \$4.0 million, one loan to a local university qualifying as community service totaling \$350,000, and four loans to promote economic development in the area totaling \$390,500. Lastly, these totals include one qualified loan for \$323,000 in the bank's newly designated South Central Missouri assessment area.

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The bank also made community development investments and donations in its assessment areas totaling \$10.3 million. This amount included 11 new qualified investments totaling \$9.5 million, two prior-period investments totaling \$295,830, and 48 donations totaling \$517,995. Of the 13 total investments, 8 municipal bonds were issued by qualifying school districts for community services totaling \$7.6 million. Furthermore, the 48 donations were to 33 separate organizations having a community development purpose.

During the review period, 20 bank staff members used financial expertise to log 78 service activities to 24 different community development organizations within the bank's assessment areas. Service activities benefitted organizations providing services to LMI individuals and families through a variety of initiatives, including local emergency services, education and scholarships for LMI individuals, and economic development projects with local municipalities.

In addition to adequately meeting the community development needs of its own assessment areas, the bank made 37 additional community development investments to school districts outside of its assessment areas totaling \$18.7 million and an additional 101 qualifying PPP loans totaling \$3.5 million to businesses located outside of the bank's assessment areas.

COVID-19 PANDEMIC RESPONSE

In response to the COVID-19 pandemic, the bank originated nearly 1,200 PPP loans totaling \$42.8 million, many of which also qualified as community development loans. In addition to participating in the PPP loan program, the bank responded to the needs of its communities by not charging foreign ATM fees for all customers as of April 1, 2020. Additionally, the bank started a payment deferral program for commercial, residential real estate, and consumer loan customers that experienced hardship tied to the pandemic. In 2020, a total of 750 residential real estate customers utilized the skip pay program.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

NORTH CENTRAL ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORTH CENTRAL ARKANSAS ASSESSMENT AREA

Bank Structure

The bank operates 11 of its 14 offices (78.6 percent) in this assessment area. All 11 of these branches have a full-service ITM on site. Of the 11 offices located in this assessment area, eight are located in distressed or underserved middle-income census tracts (six distressed due to poverty and two underserved due to their remote and rural nature), two are located in middle-income census tracts that are not distressed or underserved, and one is located in an upper-income census tract. Since the last examination, the bank opened one new branch in this assessment area, located in one of the middle-income census tracts in Baxter County. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area is comprised of Baxter, Fulton, Independence, Izard, and Sharp counties in Arkansas in their entirety. This is the bank's largest assessment area and is located in north central Arkansas bordering Missouri. Based on 2015 ACS data, the assessment area population was 120,751.

County	Population
Baxter County	41,040
Fulton County	12,224
Independence County	36,952
Izard County	13,480
Sharp County	17,055
TOTAL ASSESSMENT AREA POPULATION	120,751

Of the 18 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked third in deposit market share, encompassing 13.8 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Specific credit needs noted by community contacts include more options for multifamily and 1–4 family affordable housing and small business loans for startups.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	0	3	23	1	0	27
	0.0%	11.1%	85.2%	3.7%	0.0%	100%
Family Population	0	1,986	31,052	685	0	33,723
	0.0%	5.9%	92.1%	2.0%	0.0%	100%

As shown above, the assessment area does not have any low-income census tracts. The assessment area has three moderate-income census tracts representing 11.1 percent of the total tracts. However, only 5.9 percent of the family population resides in these census tracts. Two of the three moderate-income census tracts are located in Sharp and Izard counties and are more rural in nature, consisting largely of farmland. The remaining moderate-income census tract is located in Independence County. The majority of families in the assessment area reside in middle-income census tracts (92.1 percent). Of the 23 middle-income census tracts, eight (those in Fulton, Izard, and Sharp counties) have been designated as distressed or underserved during the review period, due to high poverty rates or remote, rural location.

Based on 2015 ACS data, the median family income for the assessment area was \$43,866, which is slightly lower than the median family income for nonMSA Arkansas of \$45,047. More recently, the FFIEC estimates the 2021 median family income for nonMSA Arkansas to be \$52,200. The following table displays population percentages of assessment area families by income level compared to nonMSA Arkansas families.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	6,440	6,812	6,997	13,474	33,723
	19.1%	20.2%	20.8%	40.0%	100%
NonMSA Arkansas	63,831	53,700	58,267	123,066	298,864
	21.4%	18.0%	19.5%	41.2%	100%

As shown in the table above, 39.3 percent of families within the assessment area were considered LMI, which is equal to the LMI family percentage in nonmetropolitan Arkansas as a whole. However, the percentage of families living below the poverty level in the assessment area (14.3 percent) is slightly lower than the 16.6 percent level for nonMSA Arkansas. Some differences in income exist between counties; for example, the portion of LMI families in Baxter County is 36.7 percent, while in Sharp County it is 45.8. However, the consolidated LMI percentages indicate that the overall assessment area is similar in affluence to nonMSA Arkansas overall.

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Housing Demographics

As displayed in the following table, housing in the assessment area is generally less affordable compared to nonMSA Arkansas.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Baxter County	\$120,400	29.4%	\$624
Fulton County	\$96,700	38.3%	\$508
Independence County	\$96,000	37.8%	\$573
Izard County	\$78,000	41.8%	\$508
Sharp County	\$74,800	41.0%	\$578
Assessment Area Average	\$100,252	34.8%	\$581
NonMSA Arkansas	\$85,869	41.0%	\$588

The median housing value in the assessment area (\$100,252) is significantly higher than the comparable figure in nonMSA Arkansas (\$85,869), despite having similar median household incomes (\$34,859 and \$35,507, respectively). The assessment area figure is primarily driven by the higher median housing values in Baxter, Fulton, and Independence counties, which comprise 74.7 percent of the assessment area population. Similarly, the average affordability ratio in the assessment area (34.8 percent) is significantly lower than that of nonMSA Arkansas (41.0 percent). Based on the affordability ratio comparisons, homeownership may be out of reach for many LMI families, which is supported by comments from community contacts.

In response to this need, FNBC received a grant to create and offer a more accessible mortgage product. The bank used the funding to create its First Chance Mortgage Program, which was piloted in Baxter County, Arkansas. The product is aimed at LMI borrowers and includes more flexible underwriting standards and a homebuyer education course. The bank has expanded the product offering to the remainder of its North Central Arkansas assessment area, in addition to the Jonesboro market, and ultimately originated 52 First Chance mortgages. FNBC plans to soon begin offering the mortgage product within its new Missouri assessment areas.

Industry and Employment Demographics

The assessment area supports a variety of businesses, including a strong small business sector, evidenced by Dun & Bradstreet data that indicates 89.7 percent of local businesses have gross annual revenues of \$1 million or less. The assessment area economy is driven largely by the manufacturing sector. County business patterns indicate that there are 39,003 paid employees in the region, with the three largest job categories being manufacturing (17.1 percent), retail trade (14.2 percent), and government (13.4 percent). Community contacts further emphasized the importance of the manufacturing sector on the assessment area's local economy.

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The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for each county of the assessment area, the assessment area as a whole, and nonMSA Arkansas.

Unemployment Levels for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2019	2020	2021
Baxter County	3.9%	6.0%	3.7%
Fulton County	3.9%	5.2%	3.6%
Independence County	3.9%	5.8%	3.9%
Izard County	5.3%	8.5%	5.4%
Sharp County	4.8%	7.2%	4.9%
Assessment Area Average	4.2%	6.2%	4.1%
NonMSA Arkansas	4.2%	6.4%	4.5%

As shown in the table above, unemployment levels varied between individual counties within the assessment area. Unemployment rates were highest on average in Izard and Sharp counties, and lowest in Fulton County. The table also shows that the assessment area had a slightly lower unemployment rate than nonMSA Arkansas between 2019 and 2021. For both the assessment area and nonMSA Arkansas, unemployment rates increased substantially in 2020, and then declined again in 2021 due to the economic disruption caused by the COVID-19 pandemic.

Community Contact Information

For the North Central Arkansas nonMSA assessment area, two community contact interviews were used to supplement this evaluation. Both interviews were with economic development agencies that serve the assessment area. Both contacts noted the importance of manufacturing to the region and that the local population is starting to grow. One contact noted that, despite more individuals and families moving to the area, employers struggle to fill open jobs. That same contact stated that due to the steady increase in population, there is a need for small business startup loans in the area, as more people are turning to entrepreneurship within the community. The contact also noted that the housing stock was generally not affordable. Most older homes in the assessment area need significant, costly repairs, while newer, nicer homes have seen their prices increase drastically. The second contact noted that, particularly in the more rural areas within Sharp and Independence counties, workers are likely commuting into more populous areas for jobs. Finally, both contacts noted that there are numerous financial institutions in the area that are generally meeting the needs of LMI individuals.

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CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NORTH CENTRAL ARKANSAS ASSESSMENT AREA

LENDING TEST

The overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the overall geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. As mentioned above, a greater weight was placed on performance in the small business loan category given the bank's emphasis on small business lending.

The following table shows the distribution of 2021 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

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Small Business Loans by Revenue and Loan Size Assessment Area: North Central Arkansas NonMSA								
Business Revenue and Loan Size		2021						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	78	94.0%	53.5%	\$6,399	95.9%	52.6%	89.7%
	Over \$1 Million/ Unknown	5	6.0%	46.5%	\$273	4.1%	47.4%	10.3%
	TOTAL	83	100.0%	100.0%	\$6,672	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	66	79.5%	88.3%	\$2,064	30.9%	33.0%	
	\$100,001– \$250,000	9	10.8%	7.1%	\$1,529	22.9%	22.6%	
	\$250,001–\$1 Million	8	9.6%	4.6%	\$3,079	46.1%	44.4%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	83	100.0%	100.0%	\$6,672	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	62	79.5%		\$1,896	29.6%		
	\$100,001– \$250,000	8	10.3%		\$1,424	22.3%		
	\$250,001–\$1 Million	8	10.3%		\$3,079	48.1%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	78	100.0%		\$6,399	100.0%		

The bank's level of lending to small businesses is excellent. The bank originated a substantial majority of its small business loans (94.0 percent) to businesses with revenues of \$1 million or less, exceeding the demographic estimate of 89.7 percent and far exceeding aggregate lending levels (53.5 percent).

Next, the bank's HMDA loans were reviewed by borrower income level. Borrowers are classified into low-, moderate-, middle- and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$52,200 for nonMSA Arkansas as of 2021). The following table shows the bank's HMDA loan distribution by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2021 aggregate data for the assessment area is displayed.

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Borrower Distribution of Residential Real Estate Loans Assessment Area: North Central Arkansas NonMSA								
Product Type	Borrower Income Levels	2021						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	6	8.3%	6.3%	246	3.5%	3.3%	19.1%
	Moderate	8	11.1%	16.3%	618	8.9%	11.8%	20.2%
	Middle	15	20.8%	17.7%	1,280	18.5%	15.6%	20.7%
	Upper	35	48.6%	37.8%	3,711	53.5%	47.4%	40.0%
	Unknown	8	11.1%	21.8%	1,079	15.6%	21.8%	0.0%
	TOTAL	72	100.0%	100.0%	6,934	100.0%	100.0%	100.0%
Refinance	Low	2	4.9%	5.3%	112	2.1%	2.9%	19.1%
	Moderate	4	9.8%	11.6%	339	6.4%	8.1%	20.2%
	Middle	5	12.2%	19.6%	502	9.4%	16.2%	20.7%
	Upper	24	58.5%	39.4%	3,503	65.9%	47.7%	40.0%
	Unknown	6	14.6%	24.1%	858	16.1%	25.1%	0.0%
	TOTAL	41	100.0%	100.0%	5,314	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	5.4%	0	0.0%	5.4%	19.1%
	Moderate	1	12.5%	15.1%	60	10.9%	7.9%	20.2%
	Middle	3	37.5%	17.2%	256	46.6%	16.8%	20.7%
	Upper	4	50.0%	51.6%	234	42.5%	49.0%	40.0%
	Unknown	0	0.0%	10.8%	0	0.0%	20.8%	0.0%
	TOTAL	8	100.0%	100.0%	550	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	19.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	20.2%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	20.7%
	Upper	0	0.0%	25.0%	0	0.0%	17.1%	40.0%
	Unknown	4	100.0%	75.0%	5,146	100.0%	82.9%	0.0%
	TOTAL	4	100.0%	100.0%	5,146	100.0%	100.0%	100.0%
HMDA TOTALS	Low	9	6.6%	5.9%	377	2.0%	3.1%	19.1%
	Moderate	19	13.9%	14.2%	1,166	6.3%	9.9%	20.2%
	Middle	23	16.8%	18.4%	2,039	11.0%	15.5%	20.7%
	Upper	68	49.6%	38.5%	7,812	42.3%	46.6%	40.0%
	Unknown	18	13.1%	23.1%	7,083	38.3%	24.9%	0.0%
	TOTAL	137	100.0%	100.0%	18,477	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (6.6 percent) is below the low-income family population figure (19.1 percent), but similar to the

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2021 aggregate lending level to low-income borrowers of 5.9 percent, reflecting reasonable performance. Similarly, the bank's level of lending to moderate-income borrowers (13.9 percent) is below the moderate-income family population percentage (20.2 percent), but similar to aggregate lending levels of 14.2 percent, reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Finally, consumer motor vehicle loans were reviewed to determine the bank's lending levels to LMI borrowers within the assessment area. The following table shows the distribution of consumer motor vehicle loans by income level compared to the household population income demographics in the assessment area.

Borrower Distribution of Consumer Motor Vehicle Loans Assessment Area: North Central Arkansas NonMSA					
Borrower Income Levels	2021				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	10	8.8%	\$145	7.3%	22.8%
Moderate	28	24.6%	\$336	16.9%	17.1%
Middle	24	21.1%	\$414	20.8%	19.7%
Upper	52	45.6%	\$1,092	55.0%	40.4%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	114	100.0%	\$1,987	100.0%	100.0%

The bank's percentage of consumer motor vehicle lending to low-income borrowers (8.8 percent) is significantly below the low-income household population figure (22.8 percent), reflecting poor performance. The bank's level of lending to moderate-income borrowers (24.6 percent) exceeds the household population figure (17.1 percent), reflecting excellent performance. Overall, the bank's total lending to LMI borrowers (33.4 percent) is approaching the household population of LMI borrowers (39.9 percent) and is therefore considered reasonable.

Geographic Distribution of Loans

As noted previously, the North Central Arkansas assessment area does not include any low-income census tracts and includes only three moderate-income census tracts, representing 11.1 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout the moderate-income census tracts, based on the three loan categories reviewed.

The following table displays 2021 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2021 small business aggregate data.

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Geographic Distribution of Small Business Loans Assessment Area: North Central Arkansas NonMSA							
Tract Income Levels	2021						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	4.3%	\$0	0.0%	3.2%	4.9%
Middle	83	100.0%	90.2%	\$6,673	100.0%	87.8%	90.3%
Upper	0	0.0%	4.6%	\$0	0.0%	8.8%	4.9%
Unknown	0	0.0%	0.9%	\$0	0.0%	0.1%	0.0%
TOTAL	83	100.0%	100.0%	\$6,673	100.0%	100.0%	100.0%

The bank's level of lending in moderate-income census tracts (0.0 percent) is below the estimated percentage of businesses operating inside these census tracts (4.9 percent) and 2021 aggregate lending levels in moderate-income census tracts (4.3 percent). Consequently, the bank's performance in moderate-income areas is poor, and therefore, the bank's overall geographic distribution of small business loans is poor.

The following table displays the geographic distribution of 2021 HMDA reportable loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

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Geographic Distribution of Residential Real Estate Loans Assessment Area: North Central Arkansas NonMSA								
Product Type	Tract Income Levels	2021						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	3.8%	0	0.0%	2.8%	5.2%
	Middle	71	98.6%	93.6%	6,754	97.4%	94.0%	92.6%
	Upper	1	1.4%	2.6%	180	2.6%	3.1%	2.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	72	100.0%	100.0%	6,934	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	3	7.3%	3.0%	645	12.1%	2.7%	5.2%
	Middle	38	92.7%	93.3%	4,669	87.9%	92.4%	92.6%
	Upper	0	0.0%	3.7%	0	0.0%	4.9%	2.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	41	100.0%	100.0%	5,314	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	4.3%	0	0.0%	2.5%	5.2%
	Middle	7	87.5%	92.5%	509	92.5%	91.7%	92.6%
	Upper	1	12.5%	3.2%	41	7.5%	5.8%	2.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	8	100.0%	100.0%	550	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	10.7%	0	0.0%	7.2%	3.5%
	Middle	4	100.0%	89.3%	5,146	100.0%	92.8%	93.1%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	3.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	4	100.0%	100.0%	5,146	100.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	3	2.4%	3.5%	645	3.6%	2.9%	5.2%
	Middle	120	96.0%	93.4%	17,078	95.2%	93.3%	92.6%
	Upper	2	1.6%	3.1%	221	1.2%	3.8%	2.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	125	100.0%	100.0%	17,945	100.0%	100.0%	100.0%

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in moderate-income geographies. The bank's total penetration of moderate-income census tracts by

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number of loans (2.4 percent) is below the percentage of owner-occupied housing units in moderate-income census tracts (5.2 percent) and slightly below the level of aggregate lending in moderate-income census tracts (3.5 percent). However, the banks penetration of moderate-income census tracts by dollar amount of loans (3.6 percent) is above that of aggerate performance in the same census tracts (2.9 percent).Therefore, the bank’s geographic distribution of HMDA loans is reasonable overall.

Finally, the bank’s geographic distribution of consumer motor vehicle loans was reviewed. The following table displays 2021 consumer motor vehicle lending activity by geography income level compared to the household population demographics in the assessment area.

Geographic Distribution of Consumer Motor Vehicle Loans Assessment Area: North Central Arkansas NonMSA					
Tract Income Levels	2021				
	Bank Loans				% of Households
	Count		Dollar		
	#	#%	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	0.0%
Moderate	7	6.1%	\$121	6.1%	5.6%
Middle	106	93.0%	\$1,817	91.4%	92.4%
Upper	1	0.9%	\$49	2.5%	2.1%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	114	100.0%	\$1,987	100.0%	100.0%

The bank’s percentage of loans in moderate-income census tracts (6.1 percent) is in line with the percentage of households in moderate-income census tracts (5.6 percent), reflecting reasonable performance. Therefore, the bank’s overall geographic distribution of small business loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs within the North Central Arkansas assessment area, considering the bank’s capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 837 community development loans totaling \$16.8 million in this assessment area. Of those 837 loans, 816 loans were a part of the PPP program, totaling almost \$15.0 million. The remaining 21 qualified community development loans totaled \$1.8 million and funded activities to improve and maintain local community infrastructure (water, sewer, and emergency services) benefiting low, moderate, and distressed and underserved

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individuals and geographies; provided educational services to a local post-secondary education establishment; and funded the creation of jobs through small business expansion.

The bank also made community development investments and donations totaling \$8.8 million. This amount included eight new qualified investments totaling \$8.0 million, two prior-period investments for \$295,830, and 44 donations totaling \$509,995. Of the ten total investments, five municipal bonds totaling \$6.1 million were issued by a local school district primarily serving LMI families. Furthermore, the 44 donations were to 29 separate organizations having a community development purpose.

During the review period, 18 bank staff members used financial expertise to log 75 service activities to 22 different community development organizations within this assessment area.

JONESBORO, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CRAIGHEAD COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Craighead County, one of the two counties that make up the Jonesboro, Arkansas MSA. The bank operates one office in this assessment area. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	5,135	4,348	5,002	11,317	25,802
	19.9%	16.9%	19.4%	43.9%	100%
Household Population	9,061	6,071	6,565	17,027	38,724
	23.4%	15.7%	17.0%	44.0%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	2	2	10	3	0	17
	11.8%	11.8%	58.8%	17.7%	0.0%	100%
Family Population	1,568	2,978	14,953	6,303	0	25,802
	6.1%	11.5%	58.0%	24.4%	0.0%	100%
Household Population	3,518	5,768	21,404	8,034	0	38,724
	9.1%	14.9%	55.3%	20.8%	0.0%	100%
Business Institutions	367	651	1,886	728	0	3,685
	10.0%	17.7%	51.2%	21.2%	0.0%	100%

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CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CRAIGHEAD COUNTY ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is below the bank's Lending Test performance in the North Central Arkansas assessment area that was reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower's Profile	Below
Geographic Distribution of Loans	Below
OVERALL	Below

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the North Central Arkansas assessment area that was reviewed using full-scope procedures.

During the review period, the bank made 32 community development loans totaling \$8.4 million in the Craighead County assessment area. Of those 32 loans, 28 loans totaling \$3.4 million were made as a part of the PPP. The remaining four loans provided almost \$4.0 million in affordable multifamily housing in Jonesboro and \$1.0 million to revitalize and stabilize LMI areas in Jonesboro. Additionally, the bank made three investments totaling \$1.5 million, primarily through bonds to local school districts. The bank also made four donations totaling \$8,000 and provided three services to two different community development organizations in this assessment area.

**LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW
ASSESSMENT AREAS**

Craighead County Assessment Area

Borrower Distribution of Residential Real Estate Loans Assessment Area: Craighead County								
Business Revenue and Loan Size		2021						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	11	84.6%	52.3%	\$1,231	86.0%	49.3%	89.4%
	Over \$1 Million/ Unknown	2	15.4%	47.7%	\$200	14.0%	50.7%	10.6%
	TOTAL	13	100.0%	100.0%	\$1,431	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	8	61.5%	85.8%	\$269	18.8%	28.9%	
	\$100,001– \$250,000	3	23.1%	7.7%	\$372	26.0%	19.7%	
	\$250,001–\$1 Million	2	15.4%	6.5%	\$790	55.2%	51.4%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	13	100.0%	100.0%	\$1,431	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	7	63.6%		\$217	17.6%		
	\$100,001– \$250,000	2	18.2%		\$224	18.2%		
	\$250,001–\$1 Million	2	18.2%		\$790	64.2%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	11	100.0%		\$1,231	100.0%		

Borrower Distribution of Residential Real Estate Loans Assessment Area: Craighead County								
Product Type	Borrower Income Levels	2021						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	1	8.3%	3.0%	128	6.7%	1.5%	19.9%
	Moderate	0	0.0%	12.8%	0	0.0%	9.0%	16.9%
	Middle	0	0.0%	18.3%	0	0.0%	16.4%	19.4%
	Upper	5	41.7%	38.0%	1,107	57.9%	48.0%	43.9%
	Unknown	6	50.0%	27.9%	676	35.4%	25.1%	0.0%
	TOTAL	12	100.0%	100.0%	1,911	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	2.8%	0	0.0%	1.3%	19.9%
	Moderate	1	33.3%	9.3%	50	24.2%	5.9%	16.9%
	Middle	0	0.0%	15.0%	0	0.0%	11.7%	19.4%
	Upper	1	33.3%	42.8%	36	17.4%	51.4%	43.9%
	Unknown	1	33.3%	30.0%	120	58.4%	29.7%	0.0%
	TOTAL	3	100.0%	100.0%	206	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	3.3%	0	0.0%	1.9%	19.9%
	Moderate	0	0.0%	7.4%	0	0.0%	7.6%	16.9%
	Middle	0	0.0%	13.1%	0	0.0%	8.9%	19.4%
	Upper	1	100.0%	62.3%	244	100.0%	59.0%	43.9%
	Unknown	0	0.0%	13.9%	0	0.0%	22.6%	0.0%
	TOTAL	1	100.0%	100.0%	244	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	19.9%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.9%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.4%
	Upper	0	0.0%	9.2%	0	0.0%	2.0%	43.9%
	Unknown	10	100.0%	90.8%	14,537	100.0%	98.0%	0.0%
	TOTAL	10	100.0%	100.0%	14,537	100.0%	100.0%	100.0%
HMDA TOTALS	Low	1	3.8%	3.0%	128	0.8%	1.3%	19.9%
	Moderate	1	3.8%	10.9%	50	0.3%	6.8%	16.9%
	Middle	0	0.0%	16.4%	0	0.0%	12.7%	19.4%
	Upper	7	26.9%	40.2%	1,386	8.2%	44.3%	43.9%
	Unknown	17	65.4%	29.5%	15,333	90.7%	34.8%	0.0%
	TOTAL	26	100.0%	100.0%	16,897	100.0%	100.0%	100.0%

Borrower Distribution of Consumer Motor Vehicle Loans Assessment Area: Craighead County					
Borrower Income Levels	2021				
	Count		Dollar		Households
	#	%	\$ (000s)	\$ %	%
Low	0	0.0%	\$0	0.0%	23.4%
Moderate	1	20.0%	\$23	12.6%	15.7%
Middle	2	40.0%	\$55	30.1%	17.0%
Upper	2	40.0%	\$105	57.4%	44.0%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	5	100.0%	\$183	100.0%	100.0%

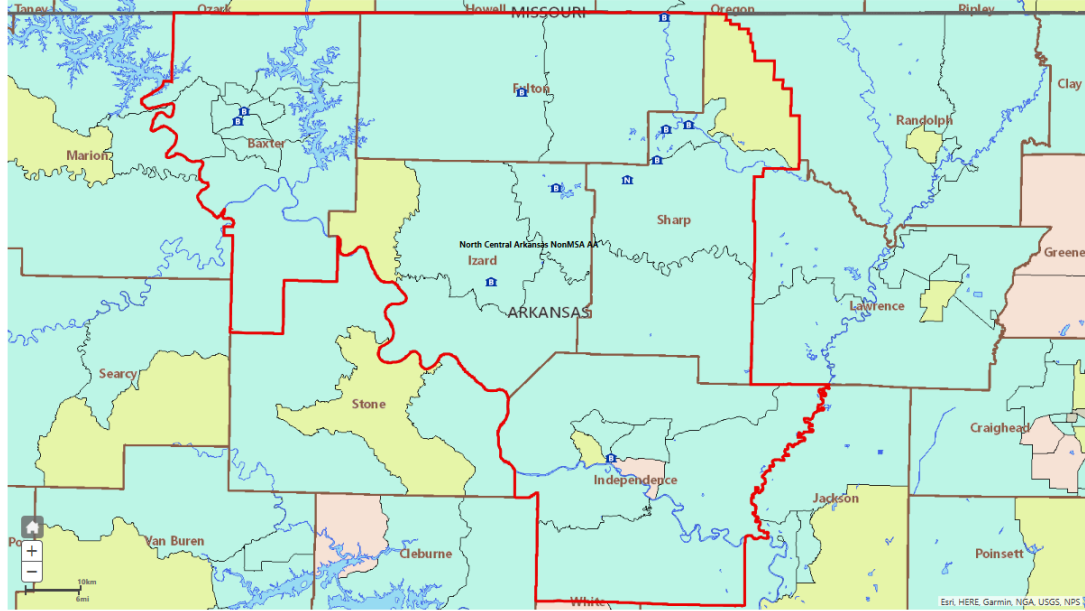
Geographic Distribution of Small Business Loans Assessment Area: Craighead County							
Tract Income Levels	2021						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	8.2%	\$0	0.0%	9.5%	10.0%
Moderate	0	0.0%	13.9%	\$0	0.0%	17.7%	17.7%
Middle	10	76.9%	54.0%	\$1,105	77.2%	51.3%	51.2%
Upper	3	23.1%	23.4%	\$326	22.8%	21.5%	21.2%
Unknown	0	0.0%	0.5%	\$0	0.0%	0.1%	0.0%
TOTAL	13	100.0%	100.0%	\$1,431	100.0%	100.0%	100.0%

Geographic Distribution of Residential Real Estate Loans Assessment Area: Craighead County								
Product Type	Tract Income Levels	2021						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	1	8.3%	2.7%	44	2.3%	1.9%	3.0%
	Moderate	2	16.7%	8.5%	428	22.4%	6.8%	9.9%
	Middle	7	58.3%	54.0%	1,185	62.0%	48.3%	58.5%
	Upper	2	16.7%	34.8%	254	13.3%	43.1%	28.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	12	100.0%	100.0%	1,911	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	2.2%	0	0.0%	1.8%	3.0%
	Moderate	0	0.0%	7.5%	0	0.0%	7.0%	9.9%
	Middle	2	66.7%	52.9%	86	41.6%	47.7%	58.5%
	Upper	1	33.3%	37.3%	120	58.4%	43.6%	28.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	3	100.0%	100.0%	206	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	4.9%	0	0.0%	7.8%	3.0%
	Moderate	0	0.0%	8.2%	0	0.0%	6.7%	9.9%
	Middle	1	100.0%	60.7%	244	100.0%	53.9%	58.5%
	Upper	0	0.0%	26.2%	0	0.0%	31.6%	28.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	1	100.0%	100.0%	244	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	11.8%	0	0.0%	10.3%	28.5%
	Moderate	2	20.0%	23.7%	5,045	34.7%	38.3%	38.6%
	Middle	5	50.0%	50.0%	5,444	37.4%	31.8%	24.7%
	Upper	3	30.0%	14.5%	4,048	27.8%	19.6%	8.3%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	10	100.0%	100.0%	14,537	100.0%	100.0%	100.0%
HMDA TOTALS	Low	1	3.8%	2.7%	44	0.3%	2.8%	3.0%
	Moderate	4	15.4%	8.3%	5,473	32.4%	10.3%	9.9%
	Middle	15	57.7%	53.7%	6,958	41.2%	46.3%	58.5%
	Upper	6	23.1%	35.4%	4,422	26.2%	40.6%	28.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	26	100.0%	100.0%	16,898	100.0%	100.0%	100.0%

Geographic Distribution of Consumer Motor Vehicle Loans Assessment Area: Craighead County					
Tract Income Levels	2021				
	Bank Loans				% of Households
	Count		Dollar		
	#	#%	\$ (000s)	\$ %	
Low	0	0.0%	\$0	0.0%	9.1%
Moderate	0	0.0%	\$0	0.0%	14.9%
Middle	1	20.0%	\$99	54.4%	55.3%
Upper	4	80.0%	\$83	45.6%	20.7%
Unknown	0	0.0%	\$0	0.0%	0.0%
TOTAL	5	100.0%	\$182	100.0%	100.0%

ASSESSMENT AREA DETAIL

FNBC Bk - Ash Flat, AR 2022
North Central Arkansas NonMSA AA



LEGEND
2015 Census Year

INCOME

- Low
- Moderate
- Middle
- Upper
- Unknown

AA Boundary

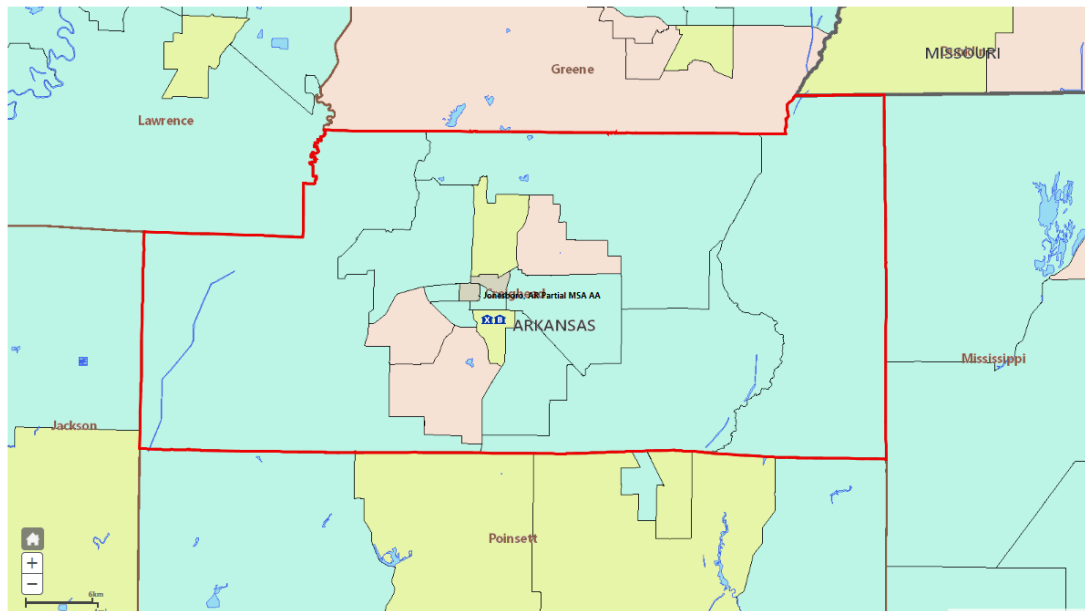
BANK BRANCHES
Inside AA

- Branches with ATM - 10
- Main Office with ATM - 1

FEATURES

- Water Body

FNBC Bk - Ash Flat, AR 2022
Jonesboro, AR Partial MSA AA



LEGEND
2015 Census Year

INCOME

- Low
- Moderate
- Middle
- Upper
- Unknown

AA Boundary

BANK BRANCHES
Inside AA

- Branches with ATM - 1
- Closed - 1

FEATURES

- Water Body

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Appendix C (continued)

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Appendix C (continued)

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.