PUBLIC DISCLOSURE

October 19, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Eagle Bank and Trust Company
RSSD #453446

650 South Shackleford Road, Suite 150
Little Rock, Arkansas 72211

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

Eagle Bank and Trust Company 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 outside the assessment areas.
- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)).
- Geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- There was one CRA-related complaint filed against the bank since the previous CRA evaluation, which management took satisfactory action to address.
- The bank's overall community development performance demonstrates outstanding 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 bank's assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

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 maintains operations in two delineated assessment areas within the state of Arkansas. The Little Rock assessment area is composed of Faulkner, Lonoke, Pulaski, and Saline Counties in the Little Rock-North Little Rock-Conway, Arkansas MSA (Little Rock MSA). The North Central Arkansas assessment area is located immediately north of the Little Rock assessment area and is composed of Van Buren, Cleburne, and White Counties, which are in a nonMSA portion of Arkansas. Both assessment areas were analyzed using full-scope review procedures.

The following table details the number of branch offices and breakdown of deposits for each. 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, 2020.

Assessment Area	**Offices**		**Deposits as of June 30, 2020**	
	#	**%**	**$ (000s)**	**%**
Little Rock	6	38.0%	$130,191	36.6%
North Central Arkansas	7	62.0%	$225,313	63.4%
OVERALL	**13**	**100%**	**$355,504**	**100%**

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

Furthermore, Home Mortgage Disclosure Act (HMDA) loans were used to evaluate the bank's lending performance, as this loan category is considered the bank's core business line based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by this credit product is deemed indicative of the bank's overall lending performance. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	June 30, 2017 – September 30, 2020
Assessment Area Concentration	January 1, 2019 – December 31, 2019
Geographic Distribution of Loans	
Loan Distribution by Borrower's Profile	
Response to Written CRA Complaints	April 24, 2017 – October 18, 2020
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data and U.S. Census 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 $420.6 million to $610.1 million as of September 30, 2020.

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, six community contact interviews were conducted with members of the local community in order to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. 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 for which they were conducted.

DESCRIPTION OF INSTITUTION

Eagle Bank and Trust Company is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by State Holding Company, a one-bank holding company. Both entities are headquartered in Little Rock, Arkansas.

The bank's network consists of its main office; 12 branches, all of which have a full-service automated teller machine (ATM) on site; and 12 loan production offices (LPOs). Nine of the 12 LPOs are located outside of the bank's assessment areas. During the review period, the bank opened 11 of the 12 LPOs. The bank did not open or close any branch offices during the review period. Based on this branch network and other service delivery systems such as extended full-service online banking capabilities, the bank is well-positioned to deliver financial services to all 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, 2020, the bank reported total assets of $448.3 million. As of the same date, loans and leases outstanding were $265.4 million (59.2 percent of total assets), and deposits totaled $361.9 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of September 30, 2020		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$17,359	6.5%
Commercial Real Estate	$78,108	29.4%
Multifamily Residential	$2,749	1.0%
1–4 Family Residential	$149,170	56.2%
Farmland	$503	0.2%
Farm Loans	$15	0.0%
Commercial and Industrial	$14,912	5.6%
Loans to Individuals	$1,783	0.7%
Total Other Loans	$817	0.3%
TOTAL	**$256,416**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties and commercial real estate loans. The bank also originates and subsequently sells a significant volume of loans related to residential real estate. As these loans are sold on the secondary market shortly after origination, this activity is not captured in the table. Since its previous CRA evaluation, Eagle Bank and Trust Company originated 7,575 loans totaling $1.4 billion, which were sold into the secondary market.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on April 24, 2017.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Eagle Bank and Trust Company 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 14-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of September 30, 2020**	**Average LTD Ratio**
Eagle Bank and Trust Company	Little Rock, Arkansas	$448,318	72.2%
Regional Banks	Greenbrier, Arkansas	$420,660	99.5%
	Malvern, Arkansas	$610,050	68.1%
	England, Arkansas	$585,985	106.9%

Based on data from the previous table, the bank's level of lending is below that of two peer banks and above one peer bank in the region. During the review period, the bank's quarterly LTD ratio had an overall increasing trend, ranging from a low of 66.2 percent in the fourth quarter of 2017 to a high of 77.5 percent in the second quarter of 2019. Currently the bank has an LTD ratio of 72.2 percent as of third quarter 2020. The bank's current strategy is to increase its emphasis on lending across product lines, most notably focusing on residential real estate lending. The bank's residential real estate lending has increased due to the bank opening 12 LPOs during the review period. Overall, the increase in lending has resulted in an increasing trend of the LTD ratio, though it has been tempered somewhat by a parallel increase in deposits. In comparison, the average LTD ratios for two of the regional peers were higher. Although these peers have a higher average LTD ratio, they are trending downward. Finally, Eagle Bank and Trust Company is above that of the other regional peer, which has a generally stable trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable, given the bank's size, financial condition, and the 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.

Lending Inside and Outside of Assessment Areas January 1, 2019 through December 31, 2019						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
HMDA	1,032	29.6%	2,455	70.4%	3,487	100%
	$180,109	28.1%	$459,923	71.9%	$640,032	100%

As shown in the preceding table, a majority of the loans were extended to borrowers who reside outside of the bank's assessment areas. In total, 29.6 percent of the total HMDA loans were made inside the assessment areas, accounting for 28.1 percent of the dollar volume of total loans. The large number of loans made outside of the bank's assessment areas is due to the bank's growing LPO network, resulting in a significant number of applicants from outside of the assessment areas. Despite the amount of lending outside the bank's assessment areas, it was not at the expense of borrowers within the bank's delineated assessment areas who sought financing because community credit needs were sufficiently addressed by the institution, as noted by community contacts.

Borrower and Geographic Distribution

As displayed in the following table, the bank's overall distribution of lending by borrower's income is reasonable, based on the analyses of lending in the Little Rock and North Central Arkansas assessment areas, as displayed in the following table.

Assessment Area	Loan Distribution by Borrower's Profile
Little Rock	Reasonable
North Central Arkansas	Reasonable
OVERALL	**REASONABLE**

Overall distribution of lending by income level of census tract reflects reasonable penetration throughout the bank's assessment areas, with primary emphasis on the Little Rock assessment area.

Assessment Area	Geographic Distribution of Loans
Little Rock	Reasonable
North Central Arkansas	Poor
OVERALL	**REASONABLE**

Additional details regarding the loan distribution of lending by borrower's distribution of loans and the geographic distribution of loans are included later in this evaluation under the individual assessment area analyses.

Responses to Complaints

During the review period (April 24, 2017 through October 18, 2020), the bank received one CRA public comment on January 3, 2020. Bank management confirmed its commitment to serving the credit needs of and continuing to seek opportunities to improve lending throughout both assessment areas. Eagle Bank and Trust Company adequately responded to this CRA-related comment and a copy, along with the bank's response, was placed in the bank's CRA Public File.

COMMUNITY DEVELOPMENT TEST

Eagle Bank and Trust Company's performance under the Community Development Test is rated outstanding. The bank demonstrates excellent responsiveness to the community development needs of both 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 Areas	Community Development Test Performance Conclusions
Little Rock	Excellent
North Central Arkansas	Excellent
OVERALL	**OUTSTANDING**

During the review period, the bank made 48 qualifying loans in its assessment areas totaling approximately $10.5 million for the following community development purposes:

- Community service (2).
- Economic development (33).
- Revitalization and stabilization (13).

The bank also made community development investments and donations in its assessment areas totaling $31.2 million. This amount included 48 new qualified investments totaling $31.2 million and 108 donations totaling $41,039. Of the investments, 25 were qualifying mortgage-backed securities (MBS) through Fannie Mae, Freddie Mac, and the Government National Mortgage Association for the purpose of affordable housing. The remaining 23 investments were municipal bonds issued by qualifying organizations for essential community needs. Furthermore, the 108 donations were made to 42 separate organizations for community development purposes.

During the review period, bank personnel used their financial expertise to log 131 service activities to 28 different community development organizations within the bank's assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board members.

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 were identified.

LITTLE ROCK-NORTH LITTLE ROCK-CONWAY, ARKANSAS MSA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LITTLE ROCK ASSESSMENT AREA

Bank Structure

The bank operates 6 of its 13 offices (46.2 percent) in this assessment area. The bank operates five branches in Pulaski County and one branch in Faulkner County. One of the branches is located in a moderate-income census tract, while the remainder are located in middle- or upper-income tracts. All six branch offices are full-service locations and include ATMs. In addition, the bank operates three of its 12 LPOs (25 percent) in this assessment area, one in Faulkner, Pulaski, and Saline Counties each. During the review period, the bank opened one branch in Pulaski County and two LPOs in Saline and Pulaski Counties. Based on its branch network and other service delivery systems, the bank is well-positioned to deliver financial services to its entire assessment area.

General Demographics

The Little Rock assessment area is composed of Faulkner, Lonoke, Pulaski, and Saline Counties in their entireties, which together make up a large portion of the Little Rock MSA. Lonoke County was added to the assessment area since the last examination due to a high concentration of lending within the county, despite the lack of a physical branch location. As of the 2015 ACS data, the assessment area population was 694,330, with the majority of the population (56.2 percent) residing in Pulaski County. The three counties include a mix of urban, suburban, and rural areas. The assessment area also has a highly competitive banking market, with 37 FDIC-insured depository institutions operating 297 offices in the four counties. The bank ranked 19th in deposit market share, encompassing 0.5 percent of total deposit dollars.

The Little Rock assessment area covers a wide metropolitan area with a diverse population. As a result, credit needs in the area vary and include a blend of consumer and business credit products. Other needs in the assessment area, as noted primarily by community contacts, include affordable housing and financial literacy. Due to the various economic and community development groups active in the assessment area, there are opportunities for community development.

Income and Wealth Demographics

The following table reflects the number of census tracts by geography income level and the family population of those census tracts in the assessment area.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	11	37	59	48	2	**157**
	7.0%	23.6%	37.6%	30.6%	1.3%	**100%**
Family Population	6,383	30,831	71,759	61,640	698	**171,347**
	3.7%	18.0%	41.9%	36.0%	0.4%	**100%**

As shown above, 30.6 percent of the census tracts in the assessment area are LMI geographies, but only 21.7 percent of the family population resides in these tracts. As illustrated in Appendix A, these LMI areas are primarily concentrated in the southeastern portion of Pulaski County.

Based on 2015 ACS data, the median family income for the assessment area was $61,611. At the same time, the median family income for the state of Arkansas was $51,782. More recently, the FFIEC estimates the 2019 median family income for the Little Rock MSA to be $69,800. The following table displays population percentages of assessment area families by income level compared to statewide Arkansas family populations.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	36,216	30,009	33,981	71,141	**171,347**
	21.1%	17.5%	19.8%	41.5%	**100%**
Arkansas	164,346	134,818	149,580	311,180	**759,924**
	21.6%	17.7%	19.7%	41.0%	**100%**

As shown in the table above, 38.6 percent of families within the assessment area were considered LMI, which is slightly less than the LMI family percentages of 39.3 percent in the state of Arkansas. While not displayed in the table, the percentage of families living below the poverty threshold in the assessment area, 10.4 percent, falls below the 18.3 percent level in the state of Arkansas. Considering these factors, the assessment area appears more affluent than the state of Arkansas as a whole.

Housing Demographics

As displayed in the following table, homeownership affordability in the assessment area is slightly below that of the state of Arkansas as a whole.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (monthly)**
Assessment Area	$140,806	35.0%	$768
Arkansas	$111,400	37.1%	$677

Based on the housing demographics, housing is likely out of reach for some LMI families. Median housing values are higher in the assessment area than in the state of Arkansas. Additionally, the affordability ratio, which considers area incomes, indicates housing is less affordable in the assessment area than in the state of Arkansas. Furthermore, median gross rent for the assessment area is higher than it is for the state of Arkansas. Finally, community contacts indicated a need for affordable housing within the assessment area. It was noted by an affordable housing community contact that there are many dilapidated historic homes within LMI communities with low property values that cause difficulties in financing home purchases or renovations.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. County business patterns indicate that there are 282,784 paid employees in the assessment area. By percentage of employees, the largest job categories in the assessment area are healthcare and social assistance (20.6 percent), followed by retail trade (13.5 percent), and accommodation and food services (11.1 percent).

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 the state of Arkansas.

Unemployment Levels			
Dataset	**Time Period (Annual Average)**		
	2017	**2018**	**2019**
Faulkner County	3.3%	3.2%	3.0%
Lonoke County	3.3%	3.1%	3.2%
Pulaski County	3.4%	3.4%	3.4%
Saline County	3.0%	3.0%	2.8%
Assessment Area Average	**3.3%**	**3.3%**	**3.2%**
Arkansas	3.7%	3.6%	3.6%

As shown in the table above, unemployment levels varied slightly between individual counties in the assessment area; unemployment rates were lowest each year in Saline County. The assessment area as a whole had a lower unemployment rate than the state of Arkansas. For the assessment area and Arkansas, unemployment rates declined from 2017 to 2019.

Community Contact Information

As part of this evaluation, three community contact interviews were completed for this assessment area. Two interviews were conducted with local economic development and housing professionals, with one additional interview conducted with an economic development professional to specifically address the effect of the COVID pandemic on the assessment area. The two primary community contacts have opposing thoughts on the state of the local economy. The contact in economic development described the economy as doing very well, while the contact in affordable housing described the economy as growing but with stark disparities in the level of growth and stability within the city of Little Rock. Both community contacts stated there is a major need for financial literacy within the assessment area, as it is a significant barrier for LMI individuals to obtain banking services. Additionally, the lack of broadband/Internet access in the rural and LMI communities is a barrier, as most banks promote online banking, and many residents in these areas do not have access to this offering.

The community contact in economic development states the physical infrastructure in the assessment area makes it an attractive hub for economic development, as there are economic development projects in progress within the assessment area totaling over $100 million. Additionally, although community development organizations are fostering a healthy and robust start-up environment and ecosystem within the MSA, the area still has challenges for start-up businesses in the area. Small businesses, in particular, have limited access to capital and a skilled workforce. The contact states the population is growing and diversifying within the MSA, attributable to industrial expansion and specialized jobs. On the other hand, the local talent pool is shrinking as a high percentage of the workforce is retiring, and members of the younger generation are leaving for better education and career opportunities in larger cities.

The community contact in affordable housing discussed the need for quality affordable housing for LMI individuals. Although there are many housing developments in downtown Little Rock near the LMI neighborhoods, these developments are not targeted to LMI individuals. The contact stated lack of income, poor credit scores, and a lack of financial literacy as a barrier for homeownership. With these barriers in place, LMI individuals seek out alternatives that often result in high interest loans. On a positive note, local hospitals are working with area developers to create affordable multifamily housing units for their LMI employees. The community contact stated there is a need and opportunity for banks to provide financial literacy and collaborate with community development organizations to invest in affordable housing.

Finally, the contact commenting on the effects of the pandemic indicated that small businesses that are part of strong small business networks have weathered the crisis better than those outside of these networks, many of which are struggling to reopen. The contact indicated that while local banks did provide funding through the Paycheck Protection Program, overall lending policies have become more conservative with the uncertainty over the economic outlook, which has led some small businesses to seek financing through alternative lenders that charge higher interest rates and fees.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LITTLE ROCK ASSESSMENT AREA

LENDING TEST

Loan Distribution by Borrower's Profile

The bank's overall distribution of loans by borrower's profile is reasonable. 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 ($69,800 for the Little Rock MSA as of 2019). The following table shows the distribution of HMDA-reported loans by borrower income level compared to family population income demographics for the assessment area. Additionally, 2019 aggregate data for the assessment area is displayed.

Borrower Distribution of Residential Real Estate Loans
Assessment Area: Little Rock

Product Type	Borrower Income Levels	2019						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	63	8.0%	6.6%	5,606	4.2%	3.5%	21.1%
	Moderate	209	26.7%	20.6%	27,288	20.2%	15.4%	17.5%
	Middle	213	27.2%	21.1%	35,347	26.2%	19.6%	19.8%
	Upper	290	37.0%	33.8%	65,181	48.3%	45.1%	41.5%
	Unknown	9	1.1%	17.9%	1,520	1.1%	16.4%	0.0%
	TOTAL	**784**	**100.0%**	**100.0%**	**134,942**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	3	2.7%	5.4%	279	1.2%	2.6%	21.1%
	Moderate	12	10.8%	11.6%	1,583	6.9%	6.8%	17.5%
	Middle	30	27.0%	18.7%	5,172	22.6%	15.1%	19.8%
	Upper	54	48.6%	41.3%	12,954	56.5%	52.1%	41.5%
	Unknown	12	10.8%	23.0%	2,924	12.8%	23.4%	0.0%
	TOTAL	**111**	**100.0%**	**100.0%**	**12,141**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	7.5%	0	0.0%	4.1%	21.1%
	Moderate	2	28.6%	15.8%	195	28.7%	11.4%	17.5%
	Middle	2	28.6%	20.4%	171	25.1%	16.1%	19.8%
	Upper	3	42.9%	46.3%	314	46.2%	56.9%	41.5%
	Unknown	0	0.0%	9.9%	0	0.0%	11.5%	0.0%
	TOTAL	**7**	**100.0%**	**100.0%**	**680**	**100.0%**	**100.0%**	**100.0%**

Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	21.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	17.5%
	Middle	0	0.0%	1.3%	0	0.0%	0.0%	19.8%
	Upper	0	0.0%	2.5%	0	0.0%	0.3%	41.5%
	Unknown	1	100.0%	96.2%	1,050	100.0%	99.7%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**1,050**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC*	Low	0	0.0%	4.8%	0	0.0%	2.3%	21.1%
	Moderate	0	0.0%	15.7%	0	0.0%	7.7%	17.5%
	Middle	0	0.0%	18.8%	0	0.0%	15.5%	19.8%
	Upper	0	0.0%	57.1%	0	0.0%	67.8%	41.5%
	Unknown	0	0.0%	3.6%	0	0.0%	6.7%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	8.2%	0	0.0%	4.8%	21.1%
	Moderate	1	16.7%	17.4%	104	12.2%	10.4%	17.5%
	Middle	1	16.7%	24.6%	59	6.9%	21.6%	19.8%
	Upper	4	66.7%	42.7%	691	80.9%	55.6%	41.5%
	Unknown	0	0.0%	57.1%	0	0.0%	7.6%	0.0%
	TOTAL	**6**	**100.0%**	**100.0%**	**854**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.3%	0	0.0%	0.1%	21.1%
	Moderate	0	0.0%	0.4%	0	0.0%	0.1%	17.5%
	Middle	0	0.0%	0.3%	0	0.0%	0.4%	19.8%
	Upper	0	0.0%	0.6%	0	0.0%	0.6%	41.5%
	Unknown	0	0.0%	98.5%	0	0.0%	98.8%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	66	7.3%	6.1%	5,885	3.7%	2.9%	21.1%
	Moderate	224	24.6%	17.3%	29,170	18.2%	11.2%	17.5%
	Middle	246	27.1%	19.8%	40,749	25.4%	16.0%	19.8%
	Upper	351	38.6%	35.4%	79,140	49.3%	41.9%	41.5%
	Unknown	22	2.4%	21.6%	5,494	3.4%	28.0%	0.0%
	TOTAL	**909**	**100.0%**	**100.0%**	**160,438**	**100.0%**	**100.0%**	**100.0%**

*Line of Credit

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (7.3 percent) is substantially below the low-income family population figure (21.1 percent), but exceeds the 2019 aggregate lending level to low-income borrowers (6.1 percent), reflecting reasonable performance. Furthermore, the bank's level of lending to moderate-income borrowers (24.6 percent) is above the moderate-income family population percentage (17.5 percent) and aggregate lending levels of 17.3 percent, reflecting excellent performance. Combined, the bank's total HMDA lending to LMI borrowers (31.9 percent) is above the combined aggregate percentage (23.4 percentage), but below the LMI family population of 38.6 percent. As noted by community contacts, LMI borrowers face credit barriers such as low credit scores and low incomes, and there is a lack of quality affordable housing in the area that inhibits lenders from reaching a larger percentage of the LMI population. Therefore, given these constraints, the bank's overall distribution of HMDA loans by borrower's income profile is reasonable.

<u>Geographic Distribution of Loans</u>

As noted previously, the Little Rock assessment area includes 11 low-income and 37 moderate-income census tracts, representing 30.6 percent of all assessment area census tracts. The bank's geographic distribution of loans in the Little Rock assessment area reflects reasonable penetration throughout these LMI census tracts, based on the HMDA loan category. The following table displays the geographic distribution of 2019 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

Geographic Distribution of Residential Real Estate Loans
Assessment Area: Little Rock

Product Type	Tract Income Levels	2019						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	5	0.6%	1.3%	392	0.3%	0.8%	2.6%
	Moderate	69	8.8%	10.5%	7,724	5.7%	7.0%	16.2%
	Middle	369	47.1%	43.4%	57,805	42.8%	38.5%	42.9%
	Upper	341	43.5%	44.7%	69,021	51.1%	53.5%	38.2%
	Unknown	0	0.0%	0.1%	0	0.0%	0.2%	0.3%
	TOTAL	**784**	**100.0%**	**100.0%**	**134,942**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	1	0.9%	0.8%	112	0.5%	0.4%	2.6%
	Moderate	8	7.2%	9.0%	863	3.8%	5.8%	16.2%
	Middle	36	32.4%	39.6%	6,376	27.8%	34.4%	42.9%
	Upper	66	59.5%	50.5%	15,561	67.9%	59.3%	38.2%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.3%
	TOTAL	**111**	**100.0%**	**100.0%**	**22,912**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	2.2%	0	0.0%	0.9%	2.6%
	Moderate	3	42.9%	13.1%	296	43.5%	9.3%	16.2%
	Middle	3	42.9%	35.5%	309	45.4%	30.4%	42.9%

	Upper	1	14.3%	48.9%	75	11.0%	59.2%	38.2%
	Unknown	0	0.0%	0.3%	0	0.0%	0.1%	0.3%
	TOTAL	**7**	**100.0%**	**100.0%**	**680**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	15.2%	0	0.0%	6.6%	2.6%
	Moderate	0	0.0%	32.9%	0	0.0%	24.6%	16.2%
	Middle	1	100%	27.2%	1,050	100.0%	22.5%	42.9%
	Upper	0	0.0%	24.7%	0	0.0%	46.2%	38.2%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.3%
	TOTAL	**1**	**100.0%**	**100.0%**	**1,050**	**100.0%**	**100.0%**	**100.0%**

Other Purpose LOC	Low	0	0.0%	0.6%	0	0.0%	0.3%	2.6%
	Moderate	0	0.0%	6.2%	0	0.0%	4.1%	16.2%
	Middle	0	0.0%	36.4%	0	0.0%	29.0%	42.9%
	Upper	0	0.0%	56.9%	0	0.0%	66.6%	38.2%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.3%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	1.8%	0	0.0%	0.9%	2.6%
	Moderate	0	0.0%	10.7%	0	0.0%	6.2%	16.2%
	Middle	3	50.0%	40.2%	201	23.5%	27.4%	42.9%
	Upper	3	50.0%	47.3%	653	76.5%	65.5%	38.2%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.3%
	TOTAL	**6**	**100.0%**	**100.0%**	**854**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	3.5%	0	0.0%	2.3%	2.6%
	Moderate	0	0.0%	22.1%	0	0.0%	16.0%	16.2%
	Middle	0	0.0%	48.9%	0	0.0%	47.8%	42.9%
	Upper	0	0.0%	25.5%	0	0.0%	33.9%	38.2%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.3%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	6	0.7%	1.4%	504	0.3%	1.3%	2.6%
	Moderate	80	8.8%	10.7%	8,883	5.5%	8.6%	16.2%
	Middle	412	45.3%	42.1%	65,741	41.0%	35.7%	42.9%
	Upper	411	45.2%	45.8%	85,310	53.2%	54.2%	38.2%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.3%
	TOTAL	**909**	**100.0%**	**100.0%**	**160,438**	**100.0%**	**100.0%**	**100.0%**

The bank's level of lending in low-income census tracts (0.7 percent) is just slightly below the percentage of owner-occupied housing units (2.6 percent) and aggregate performance (1.4 percent). Given the credit barriers for low-income borrowers as noted by community contacts and the bank's market share, this performance is considered reasonable. Bank performance in moderate-income census tracts is also reasonable. Lending in moderate-income census tracts has improved since the last CRA examination from a total of 23 loans (6.1 percent) to a total of 80 loans (8.8 percent). Although the bank's total penetration of moderate-income census tracts by number of loans is below the percentage of owner-occupied housing units in moderate-income census tracts (16.2 percent), the bank's performance is only slightly below that of other lenders based on aggregate lending data (10.7 percent). Combined, the bank's geographic distribution of HMDA loans in LMI geographies is reasonable, particularly given the competitive nature of the market and the barriers to credit for many LMI residents.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs within the Little Rock 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 33 community development loans totaling $9.4 million in this assessment area. The bank originated 20 loans, totaling $6.4 million, with the purpose of promoting economic development by financing small businesses or businesses employing LMI individuals. Additionally, the bank made 12 loans, totaling $2.7 million, to small businesses within the assessment area with revitalization and stabilization as the primary purpose, and one loan to a business operating in an LMI geography with the purpose of providing educational services to LMI individuals, totaling $350,000.

At the time of the examination, the bank had made approximately $25.3 million in new investments. The investments were primarily in the form of MBS that provide financing to LMI individuals. Other investments include municipal and school bonds issued by organizations and school districts serving primarily LMI individuals. Additionally, the bank donated a total of $11,870 to various organizations that had a community development purpose in this assessment area. This total included 20 donations to organizations helping with assessment area needs such as economic development, community service, and education services.

Finally, several bank officers used their financial expertise to assist organizations that are involved in economic development and affordable housing in the assessment area. Furthermore, several staff members provided financial education seminars to local school districts serving LMI students. In addition, some members of the bank served as board members in local organizations and were involved in fundraising for affordable housing and revitalization and stabilization purposes. In total, bank personnel provided 72 services to 16 different community development organizations in this assessment area.

NORTH CENTRAL ARKANSAS NONMETROPOLITAN STATEWIDE AREA

(Full-Scope Review)

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

Bank Structure

The North Central Arkansas assessment area includes Van Buren, Cleburne, and White Counties. The bank operates 7 of its 13 offices (53.8 percent) in this assessment area, all of which have full-service ATMs. Since the last examination, the bank did not open or close any branches in this assessment area. The bank operates one branch in each of Van Buren County and White County. Additionally, the bank's branches are primarily located in the central portion of the geographical area, with five of the seven branches in Cleburne County. Consequently, the bank's branch locations make it difficult to serve the outermost areas of the assessment area, specifically western Van Buren County and eastern White County, where the moderate-income census tracts are located. Based on this branch network and other service delivery systems, the bank is not adequately positioned to deliver financial services to the entirety of this assessment area.

General Demographics

As of the 2015 ACS data, the assessment area population was 121,373, with the majority of the population (64.8 percent) residing in White County. The assessment area has a competitive banking market with 17 FDIC-insured depository institutions operating 62 offices. Of all the institutions, the bank ranked third in deposit market share, encompassing 8.1 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Other credit needs in the assessment area, as noted primarily from community contacts, include consumer loans, affordable housing, and financial literacy. Due to the various economic and community development groups active in the assessment area, there are opportunities for community development.

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	2	14	9	0	**25**
	0.0%	8.0%	56.0%	36.0%	0.0%	**100%**
Family Population	0	2,194	16,196	13,925	0	**32,315**
	0.0%	6.8%	50.1%	43.1%	0.0%	**100%**

As shown in the preceding table, 8.0 percent of the census tracts in the assessment are moderate-income geographies, while only 6.8 percent of the population resides in these tracts. One of the moderate-income tracts is located in southwestern Van Buren County, and one is located in eastern White County.

According to 2015 ACS data, the median family income for the assessment area was $52,294. At the same time, the median family income for all of nonMSA Arkansas was $45,047. More recently, the FFIEC estimates the 2019 median family income for nonMSA Arkansas to be $49,100. The following table displays population percentages of assessment area families by income level compared to the statewide nonMSA Arkansas.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	5,945	4,415	6,229	15,726	**32,315**
	18.4%	13.7%	19.3%	48.7%	**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, 32.1 percent of families within the assessment were considered LMI, which is less than the LMI family percentage of 39.4 percent in nonMSA Arkansas as a whole. While not displayed in the table, the percentage of families living below the poverty level in the assessment area (13.9 percent), is also less than that of the entirety of nonMSA Arkansas (14.3 percent). Considering these factors, the assessment area is more affluent than nonMSA Arkansas as a whole.

Housing Demographics

As displayed in the following table, housing in the assessment area is less affordable than the statewide nonMSA.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (monthly)**
Assessment Area	$109,377	37.6%	$639
NonMSA Arkansas	$85,869	41.0%	$588

Median housing values and median gross rents are both significantly higher than the entire nonMSA Arkansas, and the affordability ratio is lower, which translates to less affordability based on area incomes. Furthermore, community contacts noted a need for affordable housing and the existing affordable housing in the assessment area is in need of updates.

Industry and Employment Demographics

The assessment area supports a diverse business community, including a strong small business sector. County business patterns indicate that there are 31,374 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (20.2 percent), followed by retail trade (15.8 percent), and accommodation and food services (11.7 percent). The table below details unemployment data from the US. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for each county of the assessment area, the assessment area, and the state of Arkansas as a whole.

Unemployment Levels			
Dataset	**Time Period (Annual Average)**		
	2017	**2018**	**2019**
Van Buren County	5.5%	5.2%	5.0%
Cleburne County	4.9%	4.5%	4.5%
White County	4.5%	4.3%	4.5%
Assessment Area	**4.7%**	**4.5%**	**4.6%**
Arkansas	3.7%	3.6%	3.6%

As shown in the table above, unemployment levels varied between individual counties in the assessment area. Unemployment rates were highest in Van Buren and lowest in White County. Additionally, the assessment area as a whole had a higher unemployment rate than the state of Arkansas. However, for both the assessment area and Arkansas, unemployment rates were generally stable from 2017 to 2019.

Community Contact Information

For the North Central Arkansas assessment area, three community contacts interviews were completed as part of this evaluation. The interviews were with local affordable housing professionals, with one specifically addressing the effects of the COVID-19 pandemic on the local economy.

Both primary community contact interviewees categorized the local economy as stable compared to the state of Arkansas. More specifically, Cleburne County was described as slow growing but stable with an emphasis on agriculture. White County's economy was described as robust with more economic opportunities, while Van Buren was described as having the least amount of economic opportunities. The assessment area experienced an economic setback with the closure of Saint Jean Industries, a global manufacturer located in Heber Springs. The setback was temporary as the company has since re-opened and provides more employment than before closing. In addition, affordable housing and financial literacy education was noted as a need within the assessment area. Eagle Bank and Trust Company was noted as being actively involved in the community.

The second community contact noted LMI individuals struggle due to a lack of public transportation and reliable broadband service, particular in rural areas. In the digital age, it is difficult to find housing or jobs with weak broadband Internet. Additionally, Cleburne and White Counties have an inadequate level of people in the workforce and a lack of amenities needed to make the community attractive. The community contact addressed the disparities between unemployment and poverty and attributed it to the rural nature of the counties, lack of public transportation, unskilled laborers, and low wages. Additionally, access to credit by LMI residents is hindered by poor or no credit histories and low wages. The community contact stated there are bank deserts on the outskirts of the assessment area and noted the assessment area needs more access to motor vehicle and home purchase loans, increased affordable housing stock, and financial literacy programs. Finally, the contact stated that banks in the area could be more proactive in assisting LMI populations through participation in affordable housing funds and offering low- rate mortgage loans targeted to these populations.

The contact addressing the effects of the pandemic indicated that due to its rural nature, there were not many reported cases of residents contracting the virus; however, due to national and local restrictions, some local restaurant workers were temporarily unemployed. The contact noted that many local businesses took advantage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act loan programs, which resulted in minimal closures. Finally, many LMI were able to remain in housing due to the moratorium on evictions, but since that moratorium expired, there has been a spike in housing and utility payment assistance. Overall, the contact believes that banks did a good job of assisting bank customers with modifications and other payment arrangements during the pandemic.

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

LENDING TEST

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable based on performance from the HMDA loan category. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the area median family income figure as estimated by the FFIEC ($49,100 for nonMSA Arkansas as of 2019). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2019 aggregate performance for the assessment area.

Borrower Distribution of Residential Real Estate Loans
Assessment Area: North Central Arkansas

Product Type	Borrower Income Levels	2019						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	3	3.1%	3.7%	234	1.5%	1.9%	18.4%
	Moderate	19	19.4%	14.6%	1,732	11.4%	9.5%	13.7%
	Middle	14	14.3%	17.2%	1,800	11.9%	13.4%	19.3%
	Upper	60	61.2%	46.7%	11,268	74.2%	58.5%	48.7%
	Unknown	2	2.0%	17.7%	153	1.0%	16.6%	0.0%
	TOTAL	**98**	**100.0%**	**100.0%**	**15,187**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	5.0%	0	0.0%	2.3%	18.4%
	Moderate	2	10.0%	10.9%	144	4.2%	6.1%	13.7%
	Middle	2	10.0%	15.0%	163	4.7%	11.4%	19.3%
	Upper	15	75.0%	51.4%	3,037	87.8%	60.6%	48.7%
	Unknown	1	5.0%	17.6%	114	3.3%	19.6%	0.0%
	TOTAL	**20**	**100.0%**	**100.0%**	**3,458**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	3.3%	0	0.0%	3.1%	18.4%
	Moderate	1	100.0%	14.1%	12	100.0%	10.7%	13.7%
	Middle	0	0.0%	20.7%	0	0.0%	13.8%	19.3%
	Upper	0	0.0%	54.3%	0	0.0%	60.9%	48.7%
	Unknown	0	0.0%	7.6%	0	0.0%	11.5%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**12**	**100.0%**	**100.0%**	**100.0%**

Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	18.4%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	13.7%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.3%
	Upper	1	50.0%	3.6%	334	35.1%	1.3%	48.7%
	Unknown	1	50.0%	96.4%	617	64.9%	98.7%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**951**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	2.2%	0	0.0%	0.8%	18.4%
	Moderate	0	0.0%	15.2%	0	0.0%	10.5%	13.7%
	Middle	0	0.0%	19.6%	0	0.0%	14.6%	19.3%
	Upper	0	0.0%	58.7%	0	0.0%	65.6%	48.7%
	Unknown	0	0.0%	4.3%	0	0.0%	8.5%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	9.4%	0	0.0%	3.3%	18.4%
	Moderate	2	100.0%	14.1%	63	100.0%	11.8%	13.7%
	Middle	0	0.0%	26.6%	0	0.0%	31.6%	19.3%
	Upper	0	0.0%	45.3%	0	0.0%	47.0%	48.7%
	Unknown	0	0.0%	4.7%	0	0.0%	6.2%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**63**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	18.4%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	13.7%
	Middle	0	0.0%	3.7%	0	0.0%	4.7%	19.3%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	48.7%
	Unknown	0	0.0%	96.3%	0	0.0%	95.3%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	3	2.4%	4.0%	234	1.2%	1.9%	18.4%
	Moderate	24	19.5%	13.2%	1,951	9.9%	7.9%	13.7%
	Middle	16	13.0%	16.4%	1,963	10.0%	12.2%	19.3%
	Upper	76	61.8%	46.9%	14,639	74.4%	55.1%	48.7%
	Unknown	4	3.3%	19.5%	884	4.5%	22.9%	0.0%
	TOTAL	**123**	**100.0%**	**100.0%**	**19,671**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (2.4 percent) is significantly below the low-income family population figure (18.4 percent) and below the 2019 aggregate lending level to low-income borrowers (4.0 percent.), reflecting poor performance. At the same time, the bank's level of lending to moderate-income borrowers (19.5 percent) is above the demographic metric (13.7 percent) and the aggregate lending metric (13.2 percent), reflecting excellent performance. Combined, the bank's total HMDA lending to LMI borrowers (21.9 percent) is above the combined aggregate percentage (17.2 percent), but well below the LMI family population of 32.1 percent. As noted by community contacts, lending to LMI borrowers is hindered by a lack of affordable housing stock and poor credit histories for some applicants. Therefore, overall borrower distribution of HMDA loans by borrower's income profile is reasonable.

Geographic Distribution of Loans

As noted previously, the North Central Arkansas assessment area includes no low-income and only two moderate-income census tracts, representing 8.0 percent of all the assessment area census tracts. Additionally, the location of the bank's seven branches creates challenges in serving the entire assessment area, especially the outermost regions where the moderate-income census tracts are located.

The following table displays the geographic distribution of the 2019 HMDA loans compared to owner-occupied housing demographics for the assessment area and 2019 aggregate data.

Geographic Distribution of Residential Real Estate Loans
Assessment Area: North Central Arkansas

Product Type	Tract Income Levels	2019						
		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%	4.7%	0	0.0%	3.5%	6.4%
	Middle	72	73.5%	48.4%	11,036	72.7%	45.8%	50.6%
	Upper	26	26.5%	46.8%	4,151	27.3%	50.6%	42.9%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.0%
	TOTAL	**98**	**100.0%**	**100.0%**	**15,187**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	5.0%	4.9%	68	2.0%	3.9%	6.4%
	Middle	9	45.0%	45.1%	1,495	43.2%	43.8%	50.6%
	Upper	10	50.0%	49.9%	1,895	54.8%	52.3%	42.9%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.0%
	TOTAL	**20**	**100.0%**	**100.0%**	**3,458**	**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%	6.5%	0	0.0%	5.5%	6.4%
	Middle	1	100.0%	46.7%	12	100%	50.1%	50.6%
	Upper	0	0.0%	46.7%	0	0.0%	44.5%	42.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**12**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	3.6%	0	0.0%	2.3%	6.4%
	Middle	2	100.0%	32.1%	951	100%	38.0%	50.6%
	Upper	0	0.0%	64.3%	0	0.0%	59.7%	42.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**951**	**100.0%**	**100.0%**	**100.0%**

Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	6.5%	0	0.0%	2.7%	6.4%
	Middle	0	0.0%	60.9%	0	0.0%	59.9%	50.6%
	Upper	0	0.0%	32.6%	0	0.0%	37.5%	42.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	1.6%	0	0.0%	0.4%	6.4%
	Middle	1	50.0%	60.9%	13	20.6%	58.80%	50.6%
	Upper	1	50.0%	37.5%	50	79.4%	40.8%	42.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**63**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	6.2%	0	0.0%	6.1%	6.4%
	Middle	0	0.0%	43.8%	0	0.0%	41.3%	50.6%
	Upper	0	0.0%	50.0%	0	0.0%	52.6%	42.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	0.8%	4.8%	68	0.3%	3.6%	6.4%
	Middle	85	69.1%	47.6%	13,507	68.7%	45.0%	50.6%
	Upper	37	30.1%	47.5%	6,096	31.0%	51.3%	42.9%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.0%
	TOTAL	**123**	**100.0%**	**100.0%**	**19,671**	**100.0%**	**100.0%**	**100.0%**

The bank made one loan (0.8 percent) in the moderate-income census tracts, which is below both the percentages of owner-occupied housing (6.4 percent) and the percentage of aggregate HMDA loans made in this geography (4.8 percent). Overall, the bank's geographic distribution of loans made in this assessment area reflects poor penetration throughout the LMI census tracts, based on the HMDA loan category.

As previously noted, the location of the bank's branches causes difficulties in serving the entire North Central Arkansas assessment area, specifically the outermost areas of the assessment area where the moderate-income census tracts are located. In addition, the moderate-income census tracts are rural in nature and primarily used for agricultural purposes. These factors hinder the bank's ability to penetrate the moderate-income census tracts, which results in conspicuous lending gaps and contributes to the bank's poor geographic distribution.

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.

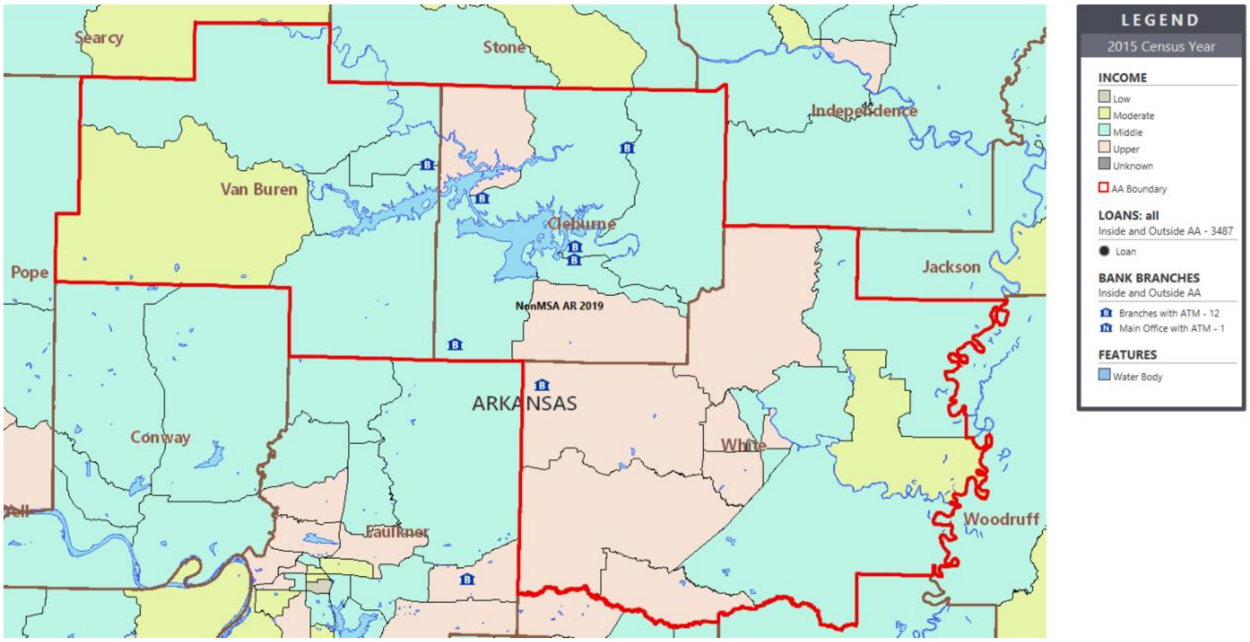
During the review period, the bank extended 15 community development loans totaling $1.1 million in this assessment area, all of which were new originations. Most of the loans were originated with the purpose of promoting economic development by financing small businesses or businesses employing LMI individuals.

At the time of the examination, the bank had made approximately $4.9 million in new investments that qualified for community development credit, all of which were made in the current review period. The investments were primarily in the form of municipal and school bonds issued by organizations and school districts serving primarily LMI individuals. Other forms of investments include MBS that provide financing to LMI individuals. Also, there was one new investment totaling $1 million benefiting the state of Arkansas that was issued for the purpose of economic development, funding the repair and renovation of a municipality's water infrastructure. In addition, the bank donated a total of $29,169 to various organizations having a community development purpose in this assessment area. This total included donations to schools and local civic organizations to ensure LMI students could participate in educational activities.

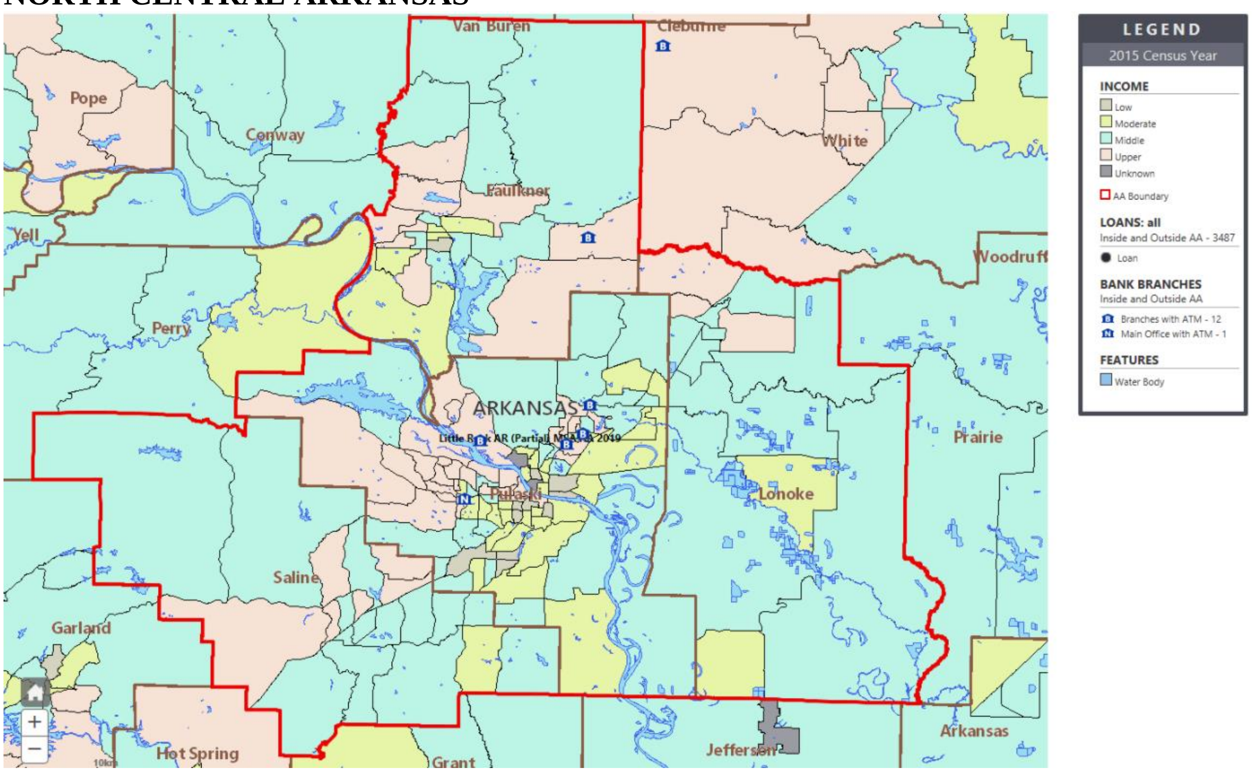
Finally, several bank officers used their financial expertise to assist organizations that provide financial education seminars to local school districts serving LMI students. In addition, some members of the bank served as board members in local organizations and were involved in fundraising for economic development purposes of LMI communities. In total, bank personnel provided 59 services to 12 different community development organizations in the North Central Arkansas assessment area.

ASSESSMENT AREAS DETAIL

LITTLE ROCK MSA



NORTH CENTRAL ARKANSAS



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).

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.

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.