PUBLIC DISCLOSURE

June 7, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Simmons First Bank of Russellville
RSSD# 459046

800 North Arkansas Avenue
Russellville, Arkansas 72801

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 this 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.

Simmons First Bank of Russellville meets the criteria for a satisfactory rating based upon the performance evaluation of the bank's lending activity. Loan activity analysis reveals reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) and small businesses of different revenue sizes. Secondly, the bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area credit needs. Also, the majority of lending activity reviewed was located within the bank's designated assessment area. Geographic distribution analysis reflects reasonable dispersion throughout the bank's assessment area. Lastly, no CRA related complaints have been filed against the bank for this review period.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions' Examination Council's (FFIEC) *Interagency CRA Procedures for Small Institutions*. These procedures require that CRA performance be evaluated based upon the bank's lending performance and its responsiveness to CRA-related consumer complaints.

The evaluation of the bank's lending performance was based on 2009 lending activity, which included all 1-4 family residential real estate loans[1] and statistical samples of consumer motor vehicle-secured loans and small business loans. These three loan categories are considered the bank's primary lines of business and are therefore indicative of the overall lending performance of the bank.

As part of this evaluation, the bank's performance was assessed in relation to that of similarly situated banks. Three financial institutions were identified as comparable peers with asset sizes ranging from $167.2 million to $782.2 million.[2]

To augment this evaluation, three interviews were conducted with members of the local community (community contact interviews) in order to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. One interview took place with a director of an economic development agency, and two interviews were completed with representatives from an affordable housing development agency. This information also assisted in evaluating the bank's responsiveness to identified community credit needs and opportunities.[3]

[1] The 1-4 family residential real estate loan category is comprised of loans for the purpose of home purchase, refinancing, and home improvement.
[2] The asset sizes are as of March 31, 2010.
[3] Key details from these community contact interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Simmons First Bank of Russellville is a full-service retail bank headquartered in Russellville, Arkansas, that offers a variety of both consumer and commercial loan and deposit products. The bank is a wholly-owned subsidiary of Simmons First National Corporation, a multi-bank holding company that is headquartered in Pine Bluff, Arkansas. The bank operates its main office, five full-service branches, and a free standing cash-only automated teller machine (ATM) in Arkansas. The main office, three branches, and the free standing ATM are located in Pope County, in the cities of Russellville and Hector. The remaining two branches are located in Johnson County in the city of Clarksville. The bank maintains ATMs at each branch location. The bank closed one branch during the review period. This branch, which was located within a Russellville grocery store, closed when the grocery store closed.

Based on the current branch network and other service delivery systems, the bank is well poised to deliver financial services to its entire assessment area, particularly, to Johnson and Pope counties.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credits needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. Simmons First Bank of Russellville reported assets of $193.5 million as of December 31, 2009. As of the same date, net loans and leases outstanding were $105.4 million and deposits totaled $138.7 million. The bank's loan portfolio composition, by credit product type, is summarized in the table that follows.[4]

[4] For purposes of this table, total loan information is derived from gross loans and leases data reported on the Consolidated Report of Condition and Income as of December 31, 2009.

Credit Product Type	Amount in $000s	Percentage of Total Loans
1-4 Family Res. Real Estate Construction	$ 2,166	2.0%
Other Construction, Land Development, & Other	$ 9,849	9.2%
Farmland	$ 5,694	5.3%
1-4 Family Residential - Revolving	$ 446	0.4%
1-4 Family Residential - First Liens	$ 21,263	19.9%
1-4 Family Residential - Junior Liens	$ 2,208	2.1%
Multifamily	$ 3,961	3.7%
Lns Secured Owner Occud NonFrm NonRes	$ 26,196	24.5%
Lns Secured by Other NonFrm NonRes	$ 14,615	13.7%
Agricultural	$ 677	0.6%
Commercial and Industrial	$ 12,251	11.4%
Individual Other - Revolving Credit Plans	$ 107	0.1%
Loans to Individuals - Other	$ 7,312	6.8%
State & Political Subs in US	$ 257	0.2%
Total Other Loans	$ 53	0.0%
TOTAL	**$ 107,055**	**100%**

The bank's lending strategy favors diversification among loan products. As reflected in the above table, the three loan products with the highest dollar volume are owner-occupied commercial real estate (24.5 percent), 1-4 family residential real estate - first liens (19.9 percent), and non-owner-occupied commercial real estate (13.7 percent).

The percent of loans secured by 1-4 family residential properties shown in the table does not include loans that have been sold into the secondary market. The bank originated 190 of these loans with a dollar volume of $22.5 million within its assessment area during calendar year 2009.

Additionally, the bank makes a sizeable number of consumer loans even though the overall dollar volume of these loans is low. Individual consumers typically borrow in small amounts, and consequently the overall dollar volume for the bank is typically low, as is the case here, where loans to individuals are only 6.8 percent of the total dollar loan volume. Consumer loans fulfill a crucial credit need in the community. Performance in the generation of consumer loans for geographical and borrower distribution are important factors in assessing bank efforts to meet the community credit needs. For these reasons, consumer loans are considered a significant product for CRA purposes.

As of June 30, 2009, the bank was one of ten financial institutions operating within its three-county assessment area. Banking facilities within the assessment area totaled 54, including the bank's six office facilities. Simmons First Bank of Russellville ranked fifth in deposit market share out of the ten banks operating within its assessment area.[5] About half of the competitor

[5] Source: Federal Deposit Insurance Corporation market share data as of June 30, 2009.

banks are significantly larger and have a widespread geographic footprint. The evaluation of the bank's performance under the CRA was considered in relation to the performance of other local banks. Three financial institutions were identified as regional peers with asset sizes ranging from $167.2 million to $782.2 million as of March 31, 2009.

The bank received an overall satisfactory rating at its previous CRA evaluation conducted June 5, 2006, by this Reserve Bank. The evaluation was conducted using the small bank examination procedures and standards.

DESCRIPTION OF ASSESSMENT AREA[6]

General Demographic Information

Simmons First Bank of Russellville has designated a three-county area in the northwestern portion of Arkansas as its CRA assessment area. The assessment area includes the entire counties of Johnson, Pope, and Yell; none of these areas are within a metropolitan statistical area (MSA). As the demographics of this assessment area cover a wide area and the population is a diverse mix, credit needs in the area are also varied, requiring a blend of various consumer and business loan products. The table below reflects the change in population since the 2000 census for the bank's assessment area in comparison to the entire state of Arkansas.[7]

County	POPULATION		% Change
	2000	2009	
Johnson	22,781	24,994	9.7%
Pope	54,469	60,214	10.5%
Yell	21,139	22,496	6.4%
Assessment Area Total	**98,389**	**107,704**	**9.5%**
State of Arkansas	2,673,386	2,889,450	8.1%

As shown in the previous table, the estimated population increase of the assessment area (9.5 percent) exceeds the estimated increase for the overall state (8.1 percent).

[6] Statistical/demographic information cited in this evaluation is taken from the 2000 United States Census Bureau data, unless stated otherwise.
[7] Source: Quickfacts.census.gov

Income and Wealth Demographics

The bank's assessment area is comprised of 21 census tracts. There are no LMI census tracts within the assessment area of the bank. The following table reflects the number and family population of the census tracts within the assessment area by each income category.[8]

Table 1: Assessment Area Geographical Information by Income Category

2000 Census Data	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area Geographies	0 0.0%	0 0.0%	17 81.0%	4 19.0%	**21** **100%**
Family Population	0 0.0%	0 0.0%	20,482 75.5%	6,638 24.5%	**27,120** **100%**

As illustrated in the previous table, all census tracts within the three-county assessment area are designated as middle- and upper-income census tracts as of the 2000 census. (Appendix A in this evaluation contains a detailed listing of all the census tracts within the assessment area.) Further, the vast majority of assessment area families reside within a middle-income census tract (75.5 percent).

The next table displays the population percentages of the assessment area families by income level compared to Arkansas non-MSA areas and the overall state of Arkansas.

[8] See the Glossary in Appendix B for definitions of low-, moderate-, middle-, and upper-income categories. The Median Family Income for the non-MSA areas of the state was $36,362 in 2000. This income figure is used to determine the income level of individual census tracts.

Table 2: Assessment Area Family Population by Income Level					
2000 Census Data	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	4,812 17.7%	4,675 17.2%	5,816 21.4%	11,817 43.6%	27,120 100%
Non-MSA Arkansas	66,236 20.4%	58,047 17.9%	70,642 21.8%	129,307 39.9%	324,232 100%
State of Arkansas	148,233 20.1%	131,570 17.9%	163,567 22.2%	292,693 39.8%	736,063 100%

As shown in the preceding table, the LMI family population in the assessment area is slightly lower than for statewide non-MSA areas and the entire state of Arkansas. LMI families make up 34.9 percent of the assessment area, compared to 38.3 percent of the families for statewide non-MSA areas and 38.0 percent for the state of Arkansas. Although there are no LMI census tracts within the assessment area, the above table shows that a fairly significant percentage of assessment area families are considered LMI. Further, the percent of families below the poverty level within the bank's assessment area (11.9 percent) is lower than for statewide non-MSA areas (14.0 percent) but almost mirrors the poverty level of the overall state of Arkansas (12.0 percent).

Similar to the family population data, the percentage of assessment area households below the poverty level (15.9 percent) is lower than for statewide non-MSA areas (18.5 percent) but is consistent with the state of Arkansas (15.8 percent).

Housing Demographics

The percentage of owner-occupied housing units in the assessment area is a little higher than for statewide non-MSA areas and the overall state of Arkansas. Owner-occupied housing within the assessment area is 64.1 percent, compared to 62.8 percent for statewide non-MSA areas and 61.7 percent in the state of Arkansas. Further, the affordability of home ownership is a factor that affects whether or not a home is owner-occupied. The housing affordability ratio for the bank's assessment area is very close to statewide non-MSA areas and the overall state of Arkansas.[9] The housing affordability ratio for the bank's assessment area is 48.0 percent, compared to 50.0 percent for statewide non-MSA areas and 47.0 percent for the entire state. Further, real estate rental costs within the assessment area are slightly lower than both statewide non-MSA areas as well as the entire state. Of those choosing to rent housing in the assessment area, 28.3 percent incur rental costs that exceed 30.0 percent of their income, compared to about 29.7 percent for statewide non-MSA areas and 32.1 percent for the entire state.

[9] The affordability ratio is 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 geography. Values closer to 100 percent indicate greater affordability.

Industry and Employment Demographics

The assessment area, which is often described as the "Arkansas River Valley Area," has a diverse economy that is supported by a mixture of industries. The assessment area has approximately ten "Fortune 500" companies that have facilities within the area, including a major tire/rubber manufacturer, a chemical company, a paper producer, and a poultry processer. Other major industries include nuclear power, freight distribution, food processing/distribution, lumber, and secondary education.

Forest land accounts for a substantial portion of the assessment area, as the Ozark National Forest and the Ouachita National Forest cover substantive portions of the three-county assessment area.[10] (About 70.0 percent of the land area in Yell County is forest land.) The assessment area also has several large state parks including Mount Nebo State Park and Lake Dardanelle State Park. These parks, rivers, lakes, and numerous streams, all contribute to the tourism portion of the local economy. Therefore, in addition to manufacturing, forest-related products contribute significantly to the local economy through recreational use, timber sales, and forest industry employment.

According to 2009 Dun & Bradstreet data, the assessment area is home to 4,320 businesses. Of the 4,320 businesses, 89.8 percent reported gross annual revenues of less than $1 million; 5.1 percent reported revenues over $1 million (5.1 percent did not report revenue size).

The following table reflects detailed unemployment statistics for the assessment area in comparison to the national average unemployment rate and the state average rate.

County	Annual Unemployment Rates			Monthly
	2007	**2008**	**2009**	Mar-10
Johnson	4.7%	4.5%	6.7%	7.0%
Pope	4.6%	4.7%	7.0%	7.3%
Yell	4.2%	4.3%	7.7%	7.5%
National Average	**5.0%**	**7.0%**	**10.0%**	10.2%
State	5.2%	5.2%	7.3%	8.1

As shown in the previous table, the annual unemployment rate[11] for all counties within the assessment area remained below the national average unemployment rate and the overall state rate for 2007 and 2008. Although the annual unemployment rate for all three counties remained well below the national average rate for 2009, the unemployment rate for Yell County was higher than the state average rate. However, unemployment rates for all three counties were below both national and state figures as of March 2010.

[10] Source: Arkansas University website (www.uaex.edu)
[11] Source: Bureau of Labor Statistics (not seasonally adjusted rates)

Community Contact Information

Consistent with the overall economy, the global financial crisis did affect the local financial institutions within the assessment area. Loan demand was described as being depressed over the past couple of years.

One interview with a community organization revealed that the downturn in the economy did not affect the River Valley area as significantly as it did the national economy during the 2008 market slow down. The interviewee indicated that one small business closed, which employed about 32 people, while other companies laid-off workers but were able to maintain operations.

A second interviewee indicated that even though Pope County felt the impact of the recession, it weathered the economic downturn better than the other counties. He indicated that the downturn affected Johnson and Yell counties worse as they are much more rural than Pope County. These counties have less employment opportunities in the manufacturing industry; consequently, workers in Johnson and Yell counties have significantly fewer employment options. Additionally, quite a few of the smaller poultry processing operations closed and laid-off a sizeable number of people, which hurt the assessment area economy.

The more rural areas were said to have increased need of help, despite the fact the interviewee did not feel there were any concentrations of poor areas/people. It was his opinion that all county residents have ample access to community services.

Pope County was said to be recovering faster than Johnson and Yell counties. There is some new home construction in Pope County, while the number of “for sale” signs in Johnson County continues to increase. The interviewee indicated that residents of Johnson and Yell counties are pursuing home improvement in lieu of a new home.

It was the consensus of the three community members interviewed that the local financial institutions willingly lend to qualified low-risk borrowers. Through these community interviews, it was found that all types of affordable loan programs, including special housing programs targeting LMI individuals with a flawed credit history, are needed in the community. Loans to businesses to help build capital are also needed. Further, one interviewee indicated that financial education, coupled with deposit account options for those with previous account problems, would greatly benefit the community. It was stated that more financial institution outreach and communication would be helpful. Lastly, the establishment of a coalition of banks that implement programs to help LMI individuals with flawed credit and deposit histories was described as a community need, as such a partnership could dilute the credit risk related to these programs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Simmons First Bank of Russellville meets the criteria for a satisfactory rating based upon its lending performance as measured by the CRA small bank performance standards. As previously discussed, the bank's lending performance was based upon the results of the analyses of all 2009 portfolio 1-4 family real estate loans and statistical samples of consumer motor vehicle and small business loans. These lending activity analyses were conducted within the context of the assessment area's economy, credit needs, and competition among financial institutions. This evaluation is based on the following performance criteria.

- Loan penetration by borrower's profile (applicant income or business revenue profile)
- The bank's average loan-to-deposit ratio
- The concentration of lending within the assessment area
- The geographic distribution of loans
- A review of the bank's response to written CRA complaints[12]

The remaining sections of this evaluation are based upon analyses of the bank's lending performance under these performance criterions.

Throughout this evaluation, demographic characteristics are used to evaluate the bank's record of lending within its designated assessment area. Sources for the demographic information are primarily the 2000 United States Census Bureau Data and 2009 Dun & Bradstreet Data. Demographic characteristics of the assessment area are useful in analyzing the bank's record of lending because they provide a means of estimating loan demand and identifying lending opportunities. Comparisons to demographic characteristics should not be construed as a required level of lending in a particular area or to a particular income/revenue level. Rather, these comparisons are only a starting point from which to continue evaluating performance in thoughtful consideration of the individual bank's overall performance context.

Loan Penetration by Borrower's Profile

The borrower distribution performance criterion evaluates the bank's loan originations to borrowers of different income levels and businesses of varying revenue sizes. 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 U.S. Department of Housing and Urban Development (HUD). For 2009, HUD estimated the median family income for the non-MSA areas of the state to be $43,500.

This performance criterion places special emphasis on loans originated to LMI individuals and small businesses. For the first analysis, the 1-4 family real estate loans originated by the bank were analyzed by the income level of the borrower in order to evaluate the bank's lending to LMI individuals. In this analysis, the LMI family population was used for comparison purposes. The

[12] This criterion was not applicable because no CRA-related complaints were made against the bank during this review period.

percentage of loans originated by the bank was compared to the percentage of LMI families within the assessment area. The following table shows the distribution of 1-4 family residential real estate loans by the income level of the borrower.

Loan Type	Borrower Income Classification					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
2009 Residential Real Estate (portfolio)	3 6.5%	5 10.9%	5 10.9%	33 71.7%	0 0.0%	**46** **100%**
	$ 73 2.4%	$ 233 7.8%	$ 366 12.2%	$ 2,320 77.5%	0 0.0%	**$ 2,992** **100%**
Family Population	17.7%	17.2%	21.4%	43.6%	0.0%	**100%**

The bank's lending performance to LMI borrowers within its assessment area is substantially lower than the family population percentages. The bank made 17.4 percent of its residential real estate loans (10.2 percent by dollar volume) to LMI borrowers. In comparison, the LMI family population is 34.9 percent within the assessment area. Based on this data alone, it appears that the bank may not be doing a reasonable job of meeting the credit needs of LMI families. However, to ensure a complete picture of the bank's lending performance by borrower's profile, additional analysis was performed.

To further assess the bank's residential real estate lending performance, loans originated by the bank in 2009 and subsequently sold on the secondary market were also considered as a part of this analysis. This supplemental analysis included an additional 190 residential real estate loans. Review of this supplemental data revealed that 23.6 percent (14.8 percent by dollar volume) of loans were made to LMI borrowers, which improves the bank's performance somewhat. Therefore, while performance to both low-income and moderate-income borrower categories is in the low range of acceptable performance, the bank's overall performance based on both types of residential real estate lending activity is considered reasonable.

Next, a sample of motor vehicle loans originated by the bank was analyzed by the income level of borrower in order to evaluate the bank's lending to LMI individuals. To measure the bank's performance for motor vehicle loans, the household population was used for comparison. The percentage of motor vehicle loans originated by the bank was compared to the LMI household population percentage within the assessment area. The following table shows the distribution of motor vehicle loans by income level of the borrower.

Distribution of Loans (Number and Dollar Volume) Inside Assessment Area by Income Level of Borrower					
Loan Type	**Borrower Income Classification**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
2009 Motor Vehicle	11 13.4%	15 18.3%	22 26.8%	34 41.5%	**82** **100%**
	$ 70 10.0%	$ 102 14.6%	$ 205 29.3%	$ 323 46.1%	**$ 700** **100%**
Household Population	20.5%	16.2%	18.3%	45.1%	**100%**

Of the sample of 82 consumer motor vehicle loans reviewed for this analysis, 31.7 percent (24.6 percent by dollar volume) were originated to LMI borrowers. In comparison, LMI households account for 36.7 percent of the assessment area population. While the bank's lending to low-income borrowers is somewhat below the low-income household population figure (13.4 percent compared to 20.5 percent), the bank's level of lending to moderate-income borrowers exceeds the moderate-income housing population figure (18.3 percent compared to 16.2 percent). Overall, the bank's performance by motor vehicle loan penetration to LMI borrowers is considered reasonable.

Lastly, a sample of small business loans was reviewed to determine the bank's level of lending to businesses with gross annual revenues of $1 million or less. The loans were analyzed by revenue size of the business and by the loan amount. As part of this small business loan analysis, Dun & Bradstreet statistics were used for comparison purposes. The following table illustrates the distribution of small business loans by business revenue level and by loan amount.

Lending Distribution by Business Revenue Level				
Gross Revenue	**Loan Origination Amount (in $000s)**			**TOTAL**
	≤$100	**>$100≤$250**	**>$250≤$1,000**	
$1 Million or Less	30 50.8%	5 8.5%	2 3.4%	**37** **62.7%**
Greater Than $1 Million	17 28.8%	1 1.7%	4 6.8%	**22** **37.3%**
TOTAL	**47** **30**	**6** **5**	**6** **2**	**59** **37**

The analysis of small business loans revealed that 62.7 percent of the bank's loans were made to small business entities. In comparison, the 2009 Dun & Bradstreet data indicate that 89.8 percent of the reporting business entities within the assessment area are small businesses. Further, 81.1 percent of loans to small businesses were in dollar amounts of $100,000 or less. Small dollar loans help to demonstrate the bank's willingness to lend to small businesses. Although the level of lending to small businesses has declined since the previous performance evaluation, the bank's distribution of loans originated to businesses of various revenue sizes is still considered reasonable as of this evaluation.[13]

In conclusion, considering all three loan products analyzed and the demographics of the assessment area, the bank's performance by borrower's profile reflects reasonable penetration among individuals of different income levels, including LMI individuals, and businesses of different revenue sizes.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. In order to evaluate the banks' lending level, the bank's average LTD ratio[14] was compared to the LTD performance of other banks in the region. The table below displays the results of this analysis.

Loan-to-Deposit Ratio Analysis			
Name	**Average LTD Ratio**	**Assets Size (000s)[15]**	**Headquarters**
Simmons First Bank of Russellville	79.1%	$ 190,090	Russellville, AR
Regional Peers	83.1%	$ 167,205	Dardanelle, AR
	88.2%	$ 196,389	Russellville, AR
	100.2%	$ 782,155	Danville, AR

Based on data from the previous table, the bank's level of lending is in line with that of other banks in the region. During the review period, the bank's LTD ratio ranged from a low of 75.1 percent to a high of 82.3 percent, representing a generally stable trend. In comparison, the average LTD ratios for the regional peers ranged from 83.1 to 100.2 percent. Therefore, in comparison to data from regional banks as displayed in the table above, the bank's average LTD ratio appears to be reasonable given the bank's size, financial condition, and assessment area credit needs.

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[13] Consideration is given to the fact that 16 of the 22 loans to borrowers with greater than $1 million in revenue represent repeat business to the same four companies, which consequently skewed performance data to the larger businesses.

[14] The average LTD ratio represents a 16-quarter average, dating back to the bank's last CRA evaluation.

[15] Asset size figures in this table represent total assets as of March 31, 2010.

Assessment Area Concentration

This performance criterion evaluates the number and dollar volume of loans originated by the bank inside and outside its designated assessment area. The table below depicts statistics for the bank's lending inside its adopted assessment area for the samples of loans used in the evaluation of the bank's CRA performance.

Lending Inside and Outside of Assessment Area			
Loan Type	**Inside Assessment Area**	**Outside Assessment Area**	**TOTAL**
1-4 Family Residential Real Estate	46 92.0%	4 8.0%	**50** **100%**
	$ 2,992 87.0%	$ 448 13.0%	**$ 3,440** **100%**
2009 Motor Vehicle	82 89.1%	10 10.9%	**92** **100%**
	$ 700 89.3%	$ 84 10.7%	**$ 784** **100%**
2009 Small Business	59 93.7%	4 6.3%	**63** **100%**
	$ 6,035 96.7%	$ 209 3.3%	**$ 6,244** **100%**
TOTAL	**187** **91.2%**	**18** **8.8%**	**$ 205** **100%**
	$ 9,727 **92.9%**	**$ 741** **7.1%**	**$ 10,468** **100%**

The loan sample analyses revealed that the bank originated a substantial majority of its loans within its designated assessment area. As illustrated in the previous table, an average of 91.2 percent by number of loans (and 92.9 percent by dollar volume) is within the designated assessment area of the bank.

Geographic Distribution of Loans

The geographic distribution of loans revealed a reasonable dispersion of residential real estate loans, consumer motor vehicle loans, and small business loans. Under the CRA, emphasis is normally placed on the bank's performance in LMI geographies. As previously discussed, the assessment area is comprised of 17 middle- and four upper-income census tracts. There are no LMI census tracts within the bank's designated three-county assessment area. Therefore, an in-depth geographic distribution of loans analysis would not prove meaningful under these circumstances. Nevertheless, the loan dispersion within the assessment area census tracts was reviewed, which indicated the overall the distribution of lending in the middle- and upper-income geographies reasonably reflects the demographics of assessment area residents and businesses.

Review of Complaints

No CRA-related complaints were received for this institution during the time period used for this evaluation (June 5, 2006, through June 7, 2010).

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based upon past supervisory history and 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, the bank has demonstrated compliance with the substantive provisions of consumer protection laws and regulations for the products and services reviewed.

Appendix A

Simmons First Bank of Russellville's Assessment Area				
County	**Census Tract Number**	**Geography Income Category**	**MSA**	**Contains Bank Office?**
Johnson, AR	9517.00	Middle	N/A	No
Johnson, AR	9518.00	Middle	N/A	No
Johnson, AR	9519.00	Middle	N/A	Yes
Johnson, AR	9520.00	Middle	N/A	No
Johnson, AR	9521.00	Middle	N/A	Yes
Johnson, AR	9522.00	Middle	N/A	No
Pope, AR	9507.00	Middle	N/A	Yes
Pope, AR	9508.00	Middle	N/A	No
Pope, AR	9509.00	Upper	N/A	No
Pope, AR	9510.00	Middle	N/A	No
Pope, AR	9511.00	Middle	N/A	No
Pope, AR	9512.00	Upper	N/A	No
Pope, AR	9513.00	Middle	N/A	Yes**
Pope, AR	9514.00	Middle	N/A	Yes
Pope, AR	9515.01	Upper	N/A	No
Pope, AR	9515.02	Upper	N/A	No
Pope, AR	9516.00	Middle	N/A	No
Yell, AR	9523.00	Middle	N/A	No
Yell, AR	9524.00	Middle	N/A	No
Yell, AR	9525.00	Middle	N/A	No
Yell, AR	9526.00	Middle	N/A	No

** The bank's main office and a full-service branch are located in this census tract.

Appendix B

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.

Census tract: A small subdivision of metropolitan and other densely populated 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 upon 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 development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; 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; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

(i) Low-or moderate-income geographies;
(ii) Designated disaster areas; or
(ii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-

    a. Rates of poverty, unemployment, and population loss; or
    b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that 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 the income of applications, the amount of loan requested, and the disposition of the application (for example, 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 refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, 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 census tract.

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.

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 census tract.

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 census tract.

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

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.

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 loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report 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 either secured 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): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report 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.

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 census tract.