

PUBLIC DISCLOSURE

February 12, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Arvest Bank
RSSD #465748**

**3200 Rogers Avenue
Fort Smith, Arkansas 72917**

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.

The following table indicates the performance level of Arvest Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	<u>Arvest Bank</u>		
	PERFORMANCE TESTS		
	Lending Test ¹	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X		
Needs to Improve		X	
Substantial Noncompliance			

Arvest Bank meets the criteria for a satisfactory overall rating. The rating is based upon an analysis of the bank's lending performance, level of qualified investments, and retail and community development services.

An analysis of the performance of the bank under the lending test revealed acceptable responsiveness to assessment area credit needs. A substantial majority of the bank's loans and other lending related activities are extended within the assessment area. The loan-to-deposit ratio is satisfactory given the bank's size, its financial condition, the performance of its competitors, and the credit needs of the assessment area. The distribution of loans among retail customers of different income levels reflects adequate penetration, particularly with respect to consumer lending. The distribution of loans among businesses of different sizes is good. However, the geographic dispersion of loans reflects a marginally adequate penetration throughout the assessment area. Overall, lending levels reflect an adequate responsiveness to the assessment area credit needs, including the credit needs of low- and moderate-income (LMI) individuals and small businesses. The bank needs to investigate opportunities to originate community development loans to support community development initiatives. Finally, the bank makes use of one innovative and flexible lending program to serve the credits needs of the community.

¹ Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

For the investment test, the bank's performance exhibits a low level of community development investments and grants. The low level of responsiveness to community development needs through investments and grants needs to improve. The bank has not made any investments in community development organizations and to agencies that benefit LMI individuals and geographies. However, the bank has made some monetary contributions to community development organizations and agencies that benefit LMI individuals and geographies.

The bank's performance under the service test is considered satisfactory. The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. Services are tailored to the convenience and the needs of the assessment area and do not inconvenience LMI geographies and/or individuals.

DESCRIPTION OF INSTITUTION

Arvest Bank is a de novo institution. The bank officially began operations in April 2000, and as of September 30, 2000 reported assets of \$35 million.² Due to the challenges of opening a new bank in a competitive market and handling the day-to-day issues of a new institution, bank management directed most of its attention to these matters. These factors were considered in arriving at an overall rating for the bank.

The bank maintains four full-service branches (including the main office) which are accompanied by automated teller machines (ATMs). The bank is a wholly-owned subsidiary of Arvest Bank Group of Bentonville, Arkansas, with consolidated assets of over \$4 billion as of December 2000. Arvest Bank is primarily a commercial and retail oriented institution with asset concentrations in the categories of commercial real estate, construction and development, and 1- 4 family real estate loans. The bank offers a variety of loan products including single and multi-family mortgages and commercial mortgages. Single-family mortgage loan products include FHA/VA loans as well as loans requiring private mortgage insurance. The bank is also approved to participate in the Arkansas Development Finance Authority (ADFA) first-time homebuyer program. In addition, the bank is supported by a network of more than 180 ATMs, which are owned by the Arvest Bank Group, throughout Arkansas, Missouri, and Oklahoma. The bank reported total loans of \$18.5 million, which represents 52.7 percent of total assets.

² Although the bank has less than \$250 million in assets, it is being reviewed as a large bank for CRA purposes because it is a wholly-owned subsidiary of a bank holding company with assets exceeding \$1 billion.

A distribution of the bank's lending portfolio, by both dollar amount and percentage, is shown in the table below.

Distribution of Total Loans³		
Credit Product Type	Amount in \$000s	Percentage of Total Loans
Construction and Development	\$3,674	19.8%
Commercial Real Estate	\$5,325	28.7%
Multifamily Residential	\$2,856	15.4%
1-4 Family Residential	\$3,367	18.2%
Commercial and Industrial	\$1,092	5.9%
Loans to Individuals (Consumer)	\$1,210	6.5%
Total Other Loans	\$1,012	5.5%
Total Loans	\$18,536	100%

As part of the CRA assessment, the bank's performance was evaluated in relation to the performance of local competitors. The bank lists nine banks as competitors. Of the nine banks, three are local institutions and the others are multi-state regional banks. Inside the local market area, the bank's competitors' asset sizes range from \$25 million to \$490 million. As of June 2000, the bank's market share was less than one percent

DESCRIPTION OF ASSESSMENT AREA

Arvest Bank is located in northwest Arkansas adjacent to the Oklahoma border. The bank has defined its assessment area as Sebastian and Crawford counties which are a part of the Fort Smith metropolitan statistical area (MSA) 2720, a multi-state MSA. Other major cities included in the area are Van Buren and Greenwood, Arkansas. The bank's assessment area consists of 34 census tracts.

³ For purposes of this chart, total loan information is derived from the gross loans and leases data as of September 30, 2000 on the Consolidated Report of Condition and Income.

The following table reflects the population percentages of the assessment area families by income level, compared to the MSA and State population as a whole.

Assessment Area Population by Family Income Level					
1990 Census Data⁴	Low-	Moderate-	Middle-	Upper-	Total
Assessment Area	7,090	6,984	9,444	16,602	40,120
	17.7%	17.4%	23.5%	41.4%	100%
MSA 2720	9,891	8,770	11,506	19,600	49,767
	19.9%	17.6%	23.1%	39.4%	100%
State of Arkansas	136,598	116,162	144,072	259,633	656,465
	20.8%	17.7%	21.9%	39.6%	100%

The assessment area population percentages are similar to that of the entire MSA and the State of Arkansas. Although the majority of the assessment area census tracts are middle-and upper-income geographies, as subsequently discussed on page five the LMI families are dispersed throughout the assessment area.

The individual population of the assessment area is 142,083 based on the 1990 Census. Fort Smith is the largest city in Sebastian County and the second largest in the state according to the 1990 Census data. Fort Smith is also the home to major manufacturers such as Whirlpool, Rheem-Ruud, Trane, OK Foods, Planters Peanuts and Baldor Electric. In addition, several corporate headquarters are located in Fort Smith including Arkansas Best Corporation, one of the nation's largest transportation companies and parent company to ABF Freight System and Treadco.

The local economy continues to experience phenomenal economic growth. According to the Fort Smith Chamber of Commerce 1999 Economic Data Report, existing business and industrial growth was the key factor in 1999 being the 10-consecutive year of record economic growth in the Fort Smith region. Agriculture related industry continues to be nominal in this area. According to the report there were 465 new and expanded business and industry entities resulting in 5,720 new jobs created during this period. As of October 2000, the unemployment rate for the Fort Smith MSA was 2.9 percent,⁵ which is lower than the state and national rates.

⁴ 1990 U.S. Census Bureau.

⁵ Fort Smith Chamber of Commerce.

As previously mentioned, the bank's assessment area is comprised of 34 census tracts, which are categorized as low-, moderate-, middle-, and upper-income⁶ based on the median income of the families residing in the tract. The following table depicts, by number and percent, the census tracts and the population residing in each census tract category.

Assessment Area Geographical Information by Income Level					
1990 Census Data	Low-	Moderate-	Middle-	Upper-	Total
Distribution of Census Tracts Located in Assessment Area	2	3	20	9	34
	5.9%	8.8%	58.8%	26.5%	100%
Distribution of Individuals Residing in Each Type of Census Tract	1,853	9,287	97,672	33,271	142,083
	1.3%	6.6%	68.7%	23.4%	100%

An analysis of the above table reveals that the bank's assessment area is comprised of 14.7 percent LMI census tracts, which account for 7.9 percent of the population. In comparison, 85.3 percent of the census tracts are middle- and upper-income and comprise the majority, 92.1 percent, of the assessment area population.

According to the 1990 Census data, 61.8 percent of housing units were owner-occupied. The median housing value in the assessment area is \$47,055. The average monthly rent is \$313. According to 1990 Census data, the housing affordability for the assessment area and MSA is 49.0 percent, which is slightly higher than the state of Arkansas.⁷

According to a community contact, housing concerns in Fort Smith include substandard housing and the lack of affordable housing. The most prevailing need of the owner population is for funds to rehabilitate housing to stabilize neighborhoods, down payment and closing costs. The community contact also indicated that most banks and other financial institutions offer a variety of mortgage products to make home ownership a reality for LMI individuals. However, most of the institutions do not offer programs such

⁶ Low-income is defined as individual income, or in the case of geography, a median family income that is less than 50 percent of the MSA median family income.

Moderate-income is defined as individual income, or in the case of geography, a median family income that is at least 50 percent and less than 80 percent of the MSA median family income.

Middle-income is defined as individual income, or in the case of geography, a median family income that is at least 80 percent and less than 120 percent of the MSA median family income.

Upper-income is defined as individual income, or in the case of geography, a median family income that is 120 percent or more of the MSA median family income.

⁷ The affordability ratio is calculated by dividing the median household income by the median household value and 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.

as “first-time homebuyer” seminars to educate potential homeowners. Most of these educational programs are provided and funded through non-profit organizations, which receive minimal financial contributions from local financial institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

The bank meets the standard for a low-satisfactory rating under the lending performance test. An analysis of the geographic distribution of lending activity revealed a substantial majority of loans are located inside the bank’s assessment area but marginally adequate loan distribution through all income geographies. Loan distribution by borrower characteristics reflects adequate penetration among customers of different income levels and good penetration among businesses of different sizes. Prior to opening full-service retail branches, the bank operated as a loan production office that targeted business customers, which accounts for the good penetration of business loans. Overall, lending levels reflect adequate responsiveness to assessment area credit needs. Given local opportunities for community development lending, the bank has made an adequate level of community development loans.

The bank is a wholly-owned subsidiary of a large multi-bank holding company; therefore, its performance was evaluated under the CRA large bank performance standards. Due to the asset size of the bank, Home Mortgage Disclosure Act (HMDA) data was not available at the time of this examination. Loan information provided by the bank was taken from the entire list of residential real estate loans,⁸ consumer loans, and commercial and industrial loans originated between April 20, 2000 and December 31, 2000. These loan categories are considered the bank’s primary lines of business and are assumed indicative of the overall lending performance of the bank.

Loan Distribution by Geography

Lending in the assessment area is good. The bank made a high percentage of loans to borrowers residing inside the bank’s assessment area. Of the 157 loans reviewed, 148 or 94.3 percent (97.8 percent by dollar volume) were originated within the bank’s assessment area.

⁸ Residential real estate includes home purchase, refinancing, and home improvement loans.

The following table identifies by loan category, the number, dollar volume, and percentage of loans originated inside the bank's assessment area.

Distribution of Lending Inside Assessment Area					
Loan Type	Number in Assessment Area		Dollar Amount in Assessment Area (in thousands)		Total Number /Dollars
2000 Consumer Lending	32	84.2%	\$384	85.0%	38
					\$452
2000 Real Estate Lending	29	90.6%	\$1,975	87.5%	32
					\$2,256
Small Business	87	100.0%	\$13,371	100.0%	87
					\$13,371
Total	148	94.3%	\$15,730	97.8%	157
					\$16,079

While the bank's level of lending within the assessment area is good, the geographic distribution of loans reflects marginally adequate penetration throughout the assessment area. The number and dollar volume of the bank's consumer, real estate and small business loans extended in low-, moderate-, middle-, and upper-income census tracts are listed in the following table.

Distribution of Loans (Number and Dollar Volume) Inside Assessment Area by Income Level of Census Tract (Loan Amount in \$000)					
Loan Type	Tract Income Classification				Total
	Low-	Moderate-	Middle-	Upper-	
Consumer Lending	1	1	13	17	32
	3.1%	3.1%	40.7%	53.1%	100%
	\$4	\$8	\$106	\$266	\$384
	1.0%	2.1%	27.6%	69.3%	100%
Real Estate Lending	1	0	18	10	29
	3.4%	0.0%	62.1%	34.5%	100%
	\$15	\$0	\$1,154	\$806	\$1,975
	0.8%	0.0%	50.8%	44.3%	100%
Total	2	1	31	27	61
	3.3%	1.6%	34.5%	48.6%	100%
	\$19	\$8	\$1,260	\$1,072	\$2,350
	0.8%	0.4%	53.4%	45.4%	100%
Aggregate HMDA Data	0.6%	6.1%	72.8%	20.5%	100%
Owner-Occupied Housing Units	1.1%	4.2%	71.5%	23.2%	100%
Population Percentage Residing in Census Tracts	1.3%	6.5%	68.8%	23.4%	100%

As illustrated in the table above, the distribution of loans by volume 4.9 percent (1.2 percent by dollar) is less than the percentage of the population residing in LMI tracts (7.8 percent). The bank's performance for both the consumer loan category and the home mortgage category (except in the two low-income tracts) is quite low. As shown in the previous table, the majority of consumer lending originated, 93.7 percent of the total number (96.9 percent by dollar volume), was originated within middle- and upper-income tracts where 92.2 percent of the population resides. Two loans, 6.2 percent by volume, out of the 32 consumer installment loans were made in LMI tracts, where 7.8 percent of the population reside.

Regarding residential lending, the bank's cumulative total of LMI lending is 3.4 percent, which is lower than the HMDA aggregate of 6.7 percent for the MSA. Of note is the fact that the one loan made was originated in one of the two low-income tracts, where only 1.3 percent of the population resides and where only 1.1 percent of the owner-occupied units exist. No loans were originated in the moderate-income tracts.

The poor distribution of real estate loans in LMI tracts can in part be explained by certain demographic and business factors. Of the five LMI tracts, one tract has 54.0 percent of its population living in group quarters⁹ and the other four tracts are largely industrial and commercial areas. This may have a detrimental effect not only on the affluence of the area, but also on the desirability of the area for 1-4 family residential purposes. Also as mentioned previously, the earlier presence and focus of the loan production office was toward business customers.

Considering the length of time Arvest Bank has been doing business in the area and its former concentration on business lending, it is reasonable that a significant percentage of loans are extended to small businesses. Arvest Bank's small business lending compares very favorable to the 1999 business aggregate data for the defined assessment area. The bank made 25.3 percent (25.8 percent by dollar volume) of its small business loans in LMI geographies. This compares to the 1999 CRA aggregate for the assessment area of 16.6 percent (19.1 percent by dollar volume). According to Dun & Bradstreet, 25.4 percent of the reporting small businesses (exclusive of agriculture, forestry, and fishing) in the assessment area are located in LMI geographies.¹⁰

An indication of the bank's overall level of lending is also its loan-to-deposit (LTD) ratio. For the last two quarters, reported from June 2000 to September 2000, the bank had an average LTD ratio of 111.6 percent. In comparison, the average LTD ratios for its competitors ranged from 75.9 percent to 110.0 percent. The average LTD ratios for the bank and its competitors are displayed below.

⁹ Group quarters include college dormitories, military quarters, homeless shelters, visible in street, and other non-institution living quarters.

¹⁰ The source data is provided by Dun & Bradstreet. This information is based upon information supplied by reporting businesses. The source data used in this Report is as of June 1999.

Name	Asset Size ¹¹ (in \$000s)	Headquarters	Average LTD Ratio ¹²
Arvest Bank	\$35,186	Fort Smith, Arkansas	111.6%
Competitors	\$44,051	Fort Smith, Arkansas	110.0%
	\$1,641,831	Fort Smith, Arkansas	99.0%
	\$593,152	Fort Smith, Arkansas	75.9%

Borrower Characteristics

The bank's lending reflects good penetration among retail customers of different income levels and excellent penetration among businesses of different sizes. Lending patterns are generally consistent with demographic and aggregate lending data for each group of products reviewed.

Consumer lending and residential real estate lending were reviewed to determine the level of penetration among borrowers of different income levels. Separately, small business loans originated by the bank were evaluated for distribution among business of various revenue sizes. The following table shows the distribution of consumer automobile and real estate loans by income level of the borrower.

Distribution of Loans (Number and Dollar Volume) Inside Assessment Area by Income Level of Borrower (Dollar amount in \$000)					
Loan Type	Borrower Income Classification				Total
	Low-	Moderate-	Middle-	Upper-	
Consumer Lending	6	7	7	12	32
	18.8%	21.9%	21.8%	37.5%	100%
	\$30	\$75	\$56	\$223	\$384
	7.8%	19.5%	14.6%	58.1%	100%
Real Estate Lending	2	3	1	23	29
	6.9%	10.3%	3.5%	79.3%	100%
	\$164	\$200	\$15	\$1,596	\$1,975
	8.3%	10.1%	0.8%	80.8%	100%
Total	8	10	8	35	61
	13.1%	16.4%	13.1%	57.4%	100%
	\$194	\$275	\$71	\$1,819	\$2,359
	8.2%	11.7%	3.0%	77.1%	100%
Aggregate HMDA Data	8.9%	18.8%	24.2%	48.1%	100%
Assessment Area Family Population	17.7%	17.4%	23.5%	41.4%	100%

¹¹ Total assets as of as of September 30, 2000.

¹² This figure represents a two-quarter average from June to September 2000.

As shown in the above table, 40.7 percent of consumer loans were made to LMI borrowers, which exceeds the LMI population of 35.1 percent and reflects a satisfactory penetration to LMI borrowers.

The bank originated 17.2 percent of real estate loans to LMI individuals, which is lower than the LMI population of 35.1 percent, but indicates a willingness to make real estate loans to LMI borrowers. While the assessment of the bank's residential lending is based on aggregate lending and population level comparisons, the period of lending operations in the assessment area must be considered. When compared to aggregate HMDA data, 27.7 percent for 1999, the bank's level of 17.2 percent in nine months is reasonable for a newly formed bank.

The bank's record of lending to small businesses¹³ is satisfactory. During the period from April 20, 2000 to December 31, 2000, the bank originated 87 small business loans, which were analyzed to determine lending by loan size and by business revenue. The following table reflects the distribution of small business loans by gross annual revenues 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	44	9	11	64
	50.6%	10.3%	12.6%	73.6%
\$1 Million or Greater	16	2	5	23
	18.4%	2.3%	5.7%	26.4%
Total	60	11	16	87
	69.0%	12.6%	18.4%	100.0%

The bank made a significant number of loans to small businesses. Of the 87 loans that were originated, 64 (73.6 percent) were to small businesses with gross revenues of \$1 million or less. In addition, 50.6 percent of the loans to small businesses were in amounts of \$100,000 or less. Of the loans to businesses exceeding \$1 million in revenues, 18.4 percent were in amounts less than \$100,000. When compared to CRA aggregate data for 1999 and the Dun and Bradstreet information, the bank's level of lending to small businesses is satisfactory.

The 1999 aggregate data indicates that 68.9 percent of all originated small businesses loans in the assessment area were to businesses with gross annual revenues of \$1 million or less. Based on the Dun & Bradstreet data, 93.0 percent of reporting businesses in the assessment area are classified as small businesses. This indicates

¹³ Small business is defined as those with gross annual revenue of \$1 million or less.

that the bank is serving the borrowing needs of small businesses in its assessment area.

Community Development Lending

Arvest Bank did not originate any qualifying community development loans in its assessment area. Very few community development initiatives to promote single-family or multi-family affordable housing have been undertaken in the Fort Smith area. Most of these initiatives are channeled through non-profit community development corporations that serve LMI individuals.

Although this is the first time the bank has been evaluated using this criterion, the bank needs to increase its community development loans in its assessment area. The bank should seek out and take advantage of community development opportunities.

Innovative or Flexible Lending Practices

Arvest Bank's loan products are well suited to the credit needs of its assessment area. Although the bank did not make any qualifying community development loans within its assessment area, it does offer one innovative and flexible lending product for consumers. In addition to the standard array of lending products, the bank is approved to participate in the Arkansas Development Finance Authority (ADFA) first-time homebuyer program.

INVESTMENT TEST

The bank is rated "needs to improve" under the investment test. Although the bank has no qualified community development investments, it has occasionally made minimal contributions to qualified community development initiatives. The bank's lack of qualified investments is due in part to the length of time the bank has been in the community. However, bank management is currently investigating various opportunities in which it can invest in qualified investments.

The Walton Family Foundation, an affiliate of the bank, makes grants in the name of the bank. The Walton Family Foundation is a non-profit philanthropic organization established to make donations in its own name and the name of various affiliated companies. The foundation will generally approve requests from the bank based on established criteria. The bank and the foundation made some donations toward community activities in the Fort Smith area in 2000. The qualified grants for 2000 totaled \$13,400 and are listed below.

Fort Smith Public Schools Foundation – The foundation uses contributions for grants to public school teachers for classroom activities. The recipients are generally involved with "at risk" schools in areas defined as LMI.

United Way - The bank made two donations, one was earmarked for the kids Backpack program. The second donation to United Way of Fort Smith was spread between all United Way agencies; 75.0 percent of the agencies serve LMI families.

Fort Smith Boys & Girls Club – The organization provides counseling activities for LMI children in the Fort Smith area.

Fort Smith Museum of History – The donation was for exterior rehabilitation. The museum is located in an LMI area. As a cultural site, the museum serves as a stabilizer for the neighborhood.

Fort Smith Board of Realtors – Sixty-six percent of the funds donated to this fundraiser was donated to Habitat for Humanity and the Salvation Army. Both of these organizations provide housing and counseling service to LMI areas and families.

Junior Service League – The donation was part of a fundraiser for the Bost Foundation which provides daycare service, skills development, housing and other services for LMI individuals.

Old Fort River Festivals – The donation was made to this organization provides gifts and food for LMI families during holidays.

SERVICE TEST

The bank is rated a “high satisfactory” under the service test for large banks. The bank’s delivery systems are readily accessible to all portions of the assessment area, given the bank’s branch network, hours of operation and loan and deposit products offered. Further, services do not vary in a way that inconveniences portions of the assessment area, particularly LMI individuals. Moreover, the bank’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.

Retail Services

The bank maintains a branch network readily available to borrowers in its assessment area, including LMI individuals and geographies. The branch network consists of four full-service branches in Sebastian and Crawford Counties, although none are located in LMI geographies. Each branch location has a full-service ATM on-site. In addition, bank customers can use, at no charge, a network of more than 180 ATMs, through Arvest Bank Group, in Arkansas, Missouri, and Oklahoma.

The main bank and non-store branches generally maintain the same hours of service, Monday through Friday 7 a.m. to 7 p.m. and 9 a.m. to 1 p.m. on Saturday. The two branches that are located in Wal-Mart stores are open from 9 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 4 p.m. on Saturday.

The bank offers services that are tailored to meet the needs of the community, including LMI borrowers. The bank offers standard retail products, including free checking accounts, low cost savings accounts, certificates of deposit, direct deposit and other services. In addition, the bank staff offers assistance to all consumers in completing loan applications.

The bank maintains alternate delivery systems designed to meet the needs of its customers. A telephone banking line called "Account Connection" was established to give customers information about deposit and loan accounts, rate information, and the ability to transfer funds between deposit accounts.

The Bank's Record of Opening/Closing Branches

Arvest Bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. From April 2000 to December 2000, the bank opened two new facilities. An application to open another branch has been approved. This branch will be located in a census tract defined as middle-income but is bordered by a moderate-income tract. However, none of the bank's branches are currently located in LMI geographies.

Community Development Services

The bank provides a good level of community development services. The bank President John Womack, is an active board member of the Fort Smith Public School Foundation and Vice Chairman of the local United Way. The bank is also involved with the Partners in Education Program, which is designed to provide financial and technical support for at risk schools, as well as mentors for students. In addition to the Partners in Education program, the bank is also actively involved with Bost Human Development, Fort Smith Public Schools Foundation, Leadership of Fort Smith, Fort Smith Chamber of Commerce, and Fort Smith Rotary Club.

Given the bank's current resources and relatively high level of "neighborhood" services, which do not qualify under the definition of community development, the bank could further improve its level of community development services. That is, the bank could enhance this assessment category by targeting its current level of resources to those financially related services that benefit LMI individuals, LMI geographies, or promote the growth of small businesses within the bank's assessment area.

Review of Complaints

No CRA related complaints have been received prior to the examination.

ADDITIONAL INFORMATION

A fair lending analysis focusing on Regulation B (Equal Credit Opportunity) and the Fair Housing Act was performed during the examination. The analysis revealed that the bank is in compliance with the substantive provisions of anti-discrimination laws and regulations.

**Arvest Bank
Census Tracts within the Assessment Area**

County	Census Tract Number	Income Classification
Sebastian	0003.00, 0009.01	Low (2)
	0004.00, 0008.00 0009.02	Moderate (3)
	0001.00 0002.00, 0005.01 0005.02, 0007.00 0010.01, 0012.02 0013.02, 0101.00 0102.00, 0103.01 0103.02	Middle (12)
	0006.00, 0010.02 0011.01, 0011.02 0012.01, 0013.01 0013.03, 0013.04 0013.05	Upper (9)
Crawford	0201.00, 0202.01 0202.02, 0203.00 0204.01, 0204.02 0205.00, 0206.00	Middle (8)
Total		34

APPENDIX A

SCOPE OF EXAMINATION			
<i>The bank's three major product lines were reviewed for analysis under the lending test. The loans used in the analysis included all of the bank's 2000 loan and 2000 CRA data regarding small business lending. Also, the bank was asked to provide information concerning the number and dollar volume of community development loans, the number and dollar volume of qualified community development investments, and retail services including any qualified community development services. The bank has one assessment area, and the bank's activities in this area were reviewed using the large bank examination procedures.</i>			
TIME PERIOD REVIEWED		<i>April 20, 2000 to December 31, 2000</i>	
FINANCIAL INSTITUTION		PRODUCTS REVIEWED	
<i>Arvest Bank Fort Smith, Arkansas</i>		<i>Consumer Retail Installment Lending, Residential Lending, And Small Business Lending</i>	
AFFILIATE(S) REVIEWED	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
<i>The bank opted not to have its affiliate activity reviewed.</i>			
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
<i>Crawford County and Sebastian County Arkansas</i>	<i>On site</i>	<i>-Main Office; - Branch # 3</i>	