PUBLIC DISCLOSURE

September 6, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Financial Bank
RSSD #48374

315 West Main Street
El Dorado, Arkansas 71730

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:	**Satisfactory**

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

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.

- A majority of loans and other lending-related activities are in the assessment areas.

- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income [LMI]) and businesses of different revenue sizes.

- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.

- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

- The bank's overall community development performance demonstrates adequate 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. Bank performance under these tests is rated at the institution level and state levels. The bank maintains operations in seven delineated assessment areas within two states, Arkansas and Mississippi. The bank's operations in Arkansas include one assessment area in the Little Rock-North Little Rock-Conway, Arkansas Metropolitan Statistical Area (Little Rock MSA), one assessment area in the Jonesboro, Arkansas MSA, and three assessment areas in nonMSA Arkansas. The bank has two assessment areas in Mississippi: one in the Mississippi portion of the Memphis, Tennessee-Mississippi-Arkansas MSA (Memphis MSA) and one in nonMSA Mississippi. In light of these characteristics, the bank received three sets of ratings: overall institution ratings, ratings for the state of Mississippi, and ratings for the state of Arkansas.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each rated area completed as part of this evaluation. 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.

State	Offices		Deposits as of June 30, 2020		Assessment Area Reviews		
	#	%	$ (000s)	%	Full Scope	Limited Scope	TOTAL
Arkansas	15	88.2%	$987,932	80.4%	3	2	**5**
Mississippi	2	11.8%	$241,317	19.6%	1	1	**2**
OVERALL	**17**	**100%**	**$1,229,249**	**100%**	**4**	**3**	**7**

In light of the displayed branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the state of Arkansas was given primary consideration. Furthermore, residential real estate, small business, and small farm loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. The loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis in commercial lending, performance based on the small business loan category carried the most significance toward the bank's overall performance conclusions. In addition, given that small farm loans are a less significant product category by number of loans originated, the least weight was placed on small farm performance. Further, as seen below, the majority of loans in the small farm loan category were originated outside of the bank's delineated assessment areas. As such, while small farm lending was included in the analysis of the assessment area concentration, there was not enough volume to perform a meaningful analysis in any of the bank's assessment areas. Therefore, small farm loans were not included in the geographic and borrower distribution tests for this review. The following table details the performance criteria and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	September 30, 2017 – June 30, 2021
Assessment Area Concentration	January 1, 2019 – December 31, 2019
Geographic Distribution of Loans	
Loan Distribution by Borrower's Profile	
Response to Written CRA Complaints	September 18, 2017 – September 5, 2021
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain business demographics are based on 2019 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $1.1 billion to $2.0 billion as of June 30, 2021.

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, eight 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 in which they were conducted.

DESCRIPTION OF INSTITUTION

First Financial Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by First Financial Banc Corporation, a one-bank holding company; the bank and its holding company are both headquartered in El Dorado, Arkansas. The bank's branch network consists of 17 offices (including the main office), all of which have full-service automated teller machines (ATMs) on site and 15 of which have drive-up accessibility. In addition, the bank operates five stand-alone ATMs that are cash-dispensing only. During the review period, the bank purchased one branch and acquired a bank (along with its seven branches); the bank did not close any branches. In addition to its retail branch locations, the bank also operates a nationwide network of 20 loan production offices (LPOs); these LPOs have specialized lending functions, such as home mortgage lending or agricultural lending. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to all of its assessment areas.

The bank currently operates in seven CRA assessment areas, as detailed below.

Arkansas

- Union County assessment area – All of Union County.
- Polk County assessment area – All of Polk County.
- Little Rock assessment area – All of Pulaski and Faulkner Counties (two of six counties comprising the Little Rock, Arkansas MSA).
- Jonesboro MSA assessment area – All of Craighead and Poinsett Counties.
- East Arkansas assessment area – All of Wood, Cross, and St. Francis Counties.

Mississippi

- Leake County assessment area – All of Leake County.
- Desoto and Tate Counties assessment area – All of Desoto and Tate Counties (two of eight counties comprising the Memphis, Tennessee-Mississippi-Arkansas Multistate MSA).

During this review period, the bank added three assessment areas. Following the purchase of a standalone branch on June 22, 2018, the Polk County assessment area was delineated, and after the acquisition of First National Bank of Wynne on November 1, 2019, the Jonesboro and East Arkansas assessment areas were delineated.

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 June 30, 2021, the bank reported total assets of $1.6 billion. As of the same date, loans and leases outstanding were $927.7 million (59.8 percent of total assets) and deposits totaled $1.3 billion. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2021		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$65,022	7.0%
Commercial Real Estate	$108,845	11.7%
Multifamily Residential	$5,250	0.6%
1–4 Family Residential	$74,014	8.0%
Farmland	$483,764	52.1%
Farm Loans	$44,842	4.8%
Commercial and Industrial	$114,620	12.4%
Loans to Individuals	$23,027	2.5%
Total Other Loans	$8,266	0.9%
TOTAL	**$927,650**	**100%**

As indicated in the table above, a significant portion of the bank's lending resources is directed to farmland loans, commercially related loans, and loans secured by 1–4 family residential properties. The bank also originates and subsequently sells a significant volume of residential real estate loans. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table. Additionally, while small farm loans represent a significant portion of the bank's lending portfolio by dollar volume, both HMDA and commercial loans far exceed small farm in number of loans originated during the review period.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on September 18, 2017.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Rated Area	Lending Test Rating
Arkansas	Satisfactory
Mississippi	Satisfactory
OVERALL	**Satisfactory**

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

Loan-to-Deposit (LTD) Ratio

One indicator 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 16-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of June 30, 2021**	**Average LTD Ratio**
First Financial Bank	El Dorado, Arkansas	$1,551,521	99.3%
Regional Banks	Paragould, Arkansas	$1,860,089	97.5%
	Pine Bluff, Arkansas	$1,102,169	93.0%
	Arkadelphia, Arkansas	$1,963,572	84.9%

While the bank's average level of lending during the review period is slightly higher than that of peers, the most recent data indicates a significantly lower LTD. During the review period, the bank's quarterly LTD ratio experienced a declining trend with a 16-quarter average of 99.3 percent. The bank's highest LTD during the review period was in fourth quarter of 2017 at 116.6 percent; since that time the LTD decline has been steady, resulting in the lowest ratio, 71.2 percent, as of the most recent quarter ending June 30, 2021. In comparison, the average LTD ratios for the regional peers ranged from 97.5 percent to 84.9 percent. Overall, considering trending performance, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

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

Product	Inside Assessment Area		Outside Assessment Area		TOTAL	
Lending Inside and Outside of Assessment Areas **January 1, 2019 through December 31, 2019**						
Small Business	73	57.5%	54	42.5%	127	100%
	7,571	42.5%	10,249	57.5%	$17,820	100%
HMDA	485	56.9%	367	43.1%	852	100%
	58,820	49.0%	61,141	51.0%	$119,961	100%
Small Farm	28	24.8%	85	75.2%	113	100%
	3,450	19.8%	13,945	80.2%	$17,395	100%
TOTAL LOANS	**586**	**53.7%**	**506**	**46.3%**	**1,092**	**100%**
	69,840	**45.0%**	**85,335**	**55%**	**$155,176**	**100%**

As shown above, the majority of loans by number (53.7 percent) were made inside the bank's the assessment areas. As noted previously, the bank operates a substantial LPO network, which includes 12 LPOs that are located outside of the bank's assessment areas; these circumstances negatively impact the bank's performance under this lending test criterion, particularly as related to the small farm loan category. However, while small farm loans represent a significant portion of the bank's balance sheet by dollar volume, small business and HMDA loans are more significant by number of loans originated. Therefore, the bank's performance reflects that it is meeting the credit needs of its assessment areas, in addition to making credit available to consumers and businesses/farms outside of its assessment areas.

Borrower and Geographic Distribution

Overall, performance by borrower's income and revenue profile is reasonable, based on the analyses of small business and HMDA lending in Arkansas and Mississippi, as displayed in the following table. As previously mentioned, small farm loans were not included in the borrower and geographic distribution analyses.

Rated Area	Loan Distribution by Borrower's Profile
Arkansas	Reasonable
Mississippi	Reasonable
OVERALL	**Reasonable**

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration throughout the bank's rated areas subject to review, with the greatest emphasis on the state of Arkansas.

Rated Area	Geographic Distribution of Loans
Arkansas	Reasonable
Mississippi	Poor
OVERALL	**Reasonable**

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (September 18, 2017 through September 5, 2021).

COMMUNITY DEVELOPMENT TEST

First Financial Bank's performance under the Community Development Test is rated satisfactory. The bank demonstrates adequate responsiveness to the community development needs of the Arkansas and Mississippi assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas.

Rated Area	Community Development Test Rating
Arkansas	Satisfactory
Mississippi	Satisfactory
OVERALL	**Satisfactory**

During the review period, the bank made 18 qualifying loans in its assessment areas totaling approximately $17.5 million. Of those loans, one was to an affordable housing agency, three were made to revitalize or stabilize LMI geographies and 14 were for economic development. Additionally, during the review period, the bank originated 203 qualifying community development loans in its assessment areas through the Paycheck Protection Program (PPP). These loans[1] have a purpose in community development (primarily revitalization/stabilization of LMI or distressed/ underserved census tracts within its assessment areas) totaling $19.1 million.

The bank also made community development investments totaling $3.6 million in its assessment areas (not including donations/grants), the vast majority of which were in municipal bonds supporting Arkansas school districts with a majority of students from LMI families. In addition, the bank made 49 community development donations totaling $1,008,010 throughout the bank's assessment areas to various organizations participating in community development activities. The majority, by number of donations, went to agencies providing community services to LMI individuals and families; the vast majority of donations by dollar amount was to an entity promoting economic development in downtown El Dorado, Arkansas, and nearby surrounding areas.

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[1] During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act (Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020) Paycheck Protection Program.

During the review period, 17 bank employees used financial expertise to log approximately 474 hours of service to 21 different community development organizations within the bank's assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families, providing financial expertise to community service organizations as board members, and providing financial expertise to economic development initiatives.

Furthermore, the bank received consideration at the state and institution level for several investments/donations that have community development benefits in the broader, statewide/regional areas that include the bank's assessment areas. First, at the institution level the bank had investments in six small business investment company (SBIC) funds totaling $3.2 million, which support economic development in regional areas that include Arkansas and Mississippi. Second, the bank invested in 23 bonds totaling $7.3 million, benefitting Arkansas school districts outside of the bank's assessment areas but serving a majority of students from LMI families. Finally, the bank made $60,000 in donations to an Arkansas University serving a majority of LMI students, which is located outside of the bank's assessment areas.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

ARKANSAS

CRA RATING FOR ARKANSAS: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Satisfactory**

Major factors supporting the institution's Arkansas rating include the following.

- The distribution of loans in the Arkansas assessment areas reflects reasonable penetration among individuals of different income levels (including LMI levels) and businesses of different sizes.

- Overall, the geographic distribution of loans reflects reasonable dispersion throughout the Arkansas assessment areas.

- The bank's community development performance demonstrates adequate responsiveness to community development needs through community development loans, qualified investments, and community development services, considering the need and availability for such opportunities for community development in the bank's assessment areas.

SCOPE OF EXAMINATION

Scoping considerations applicable to the review of Arkansas assessment areas are consistent with the overall CRA examination scope as presented in the *Institution, Scope of Examination* section. The bank's ratings in the state of Arkansas reflect a composite of the bank's performance in all five of its assessment areas throughout the state. Three of the bank's Arkansas assessment areas are located in the Arkansas nonMSA (two full-scope reviews and one limited-scope review), while the remaining two are located in the Little Rock, Arkansas MSA (full-scope review) and the Jonesboro, Arkansas MSA (limited-scope review). In light of branch structure, loan/deposit activity, and the bank's CRA evaluation history, performance in the nonMSA Arkansas statewide area (the Union County assessment area in particular) received primary consideration when making overall, statewide performance conclusions. Furthermore, small business lending performance carried more weight when making overall Lending Test performance conclusions.

To augment the evaluation of the full-scope review assessment areas in Arkansas, six community contact interviews were conducted to ascertain specific community credit needs, community development opportunities, and local economic conditions. Two of the interviews were with representatives from agencies focusing on quality and affordable housing, and the remaining four interviews were with representatives specializing in economic development. Details from these interviews are included in the *Description of Institution's Operations* section applicable to the assessment area in which the community contact interviews were conducted.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ARKANSAS

First Financial Bank operates 15 offices (88.2 percent of total branches) throughout the five CRA assessment areas in the state of Arkansas. The following table gives additional detail regarding the bank's operations within Arkansas.

Assessment Area	Offices		Deposits as of June 30, 2020		Review Procedures
	#	%	$	%	
Union County	6	40.0%	$523,513	53.0%	Full Scope
Polk County	1	6.7%	$76,639	7.8%	Full Scope
Little Rock	1	6.7%	$57,477	5.8%	Full Scope
East Arkansas	5	33.3%	$248,841	25.2%	Limited Scope
Jonesboro	2	13.3%	$81,462	8.2%	Limited Scope
TOTAL	**15**	**100%**	**$987,932**	**100%**	**3 – Full Scope**

During the review period, the bank added eight branches and delineated three new assessment areas. Following the purchase of a standalone branch on June 22, 2018, the Polk County assessment area was delineated, and after the bank's acquisition of First National Bank of Wynne on November 1, 2019, the Jonesboro and East Arkansas assessment areas were delineated. While the Jonesboro and East Arkansas assessment areas contain a significant percentage of the bank's offices and deposit dollars, they were evaluated under limited-scope procedures for this review due to their recent delineations.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARKANSAS

LENDING TEST

First Financial Bank's Lending Test rating for the state of Arkansas is satisfactory. The bank's overall distribution of loans by borrower's income and revenue profile reflects reasonable penetration among borrowers of different income levels, including businesses of different sizes. Furthermore, the geographic distribution of loans reflects reasonable penetration throughout Arkansas assessment areas.

Borrower and Geographic Distribution

Overall, the bank's performance by borrower's income and revenue profile is reasonable in Arkansas, as displayed in the following tables.

Full-Scope Review Areas	Loan Distribution by Borrower's Profile
Union County Assessment Area	Reasonable
Polk County Assessment Area	Reasonable
Little Rock Assessment Area	Reasonable
OVERALL	**Reasonable**

Limited-Scope Review Areas	Loan Distribution by Borrower's Profile
East Arkansas Assessment Area	Consistent
Jonesboro MSA Assessment Area	Consistent

As displayed in the following tables, the bank's overall geographic distribution of loans reflects reasonable penetration throughout Arkansas, considering that more weight is placed on nonMSA performance conclusions when making overall, statewide performance conclusions.

Full-Scope Review Areas	Geographic Distribution of Loans
Union County Assessment Area	Reasonable
Polk County Assessment Area	Reasonable
Little Rock Assessment Area	Poor
OVERALL	**Reasonable**

Limited-Scope Review Areas	Geographic Distribution of Loans
East Arkansas Assessment Area	Below
Jonesboro MSA Assessment Area	Consistent

COMMUNITY DEVELOPMENT TEST

First Financial Bank's Community Development Test rating in the state of Arkansas is satisfactory. The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of Arkansas assessment areas, considering the bank's capacity and the need/availability of such opportunities for community development. The bank has addressed the community development needs of its assessment areas through community development loans, qualified investments, and community development services.

Full-Scope Review Areas	Community Development Performance
Union County Assessment Area	Adequate
Polk County Assessment Area	Poor
Little Rock Assessment Area	Adequate
OVERALL	**Adequate**

Limited-Scope Review Areas	Community Development Performance
East Arkansas Assessment Area	Below
Jonesboro MSA Assessment Area	Below

The bank extended 10 community development loans totaling $10.1 million within Arkansas assessment areas; the majority of these loans have a community development purpose of economic development or revitalization/stabilization. In addition, the bank had 10 community development investments totaling $3.6 million benefitting the bank's Arkansas assessment areas; most of these investment were in school district bonds serving a majority of students from LMI families. Also, the bank made 32 donations totaling $976,085; while the bank made numerous donations benefitting various organizations with a community development purpose in Arkansas assessment areas, the substantial majority of donation dollars was to an entity promoting economic development in downtown El Dorado, Arkansas and nearby surrounding areas. Finally, 15 bank employees provided 438.5 service hours to 19 entities with a primary purpose in community development—typically, bank employees were members of advisory boards for entities promoting economic development of small businesses in LMI or distressed/underserved areas.

In addition to adequately meeting the community development needs of its Arkansas assessment areas, the bank received consideration for community development investments and donations benefitting Arkansas communities outside the bank's assessment areas. The bank invested in 23 bonds totaling $7.3 million, benefitting Arkansas school districts outside of the bank's assessment areas but serving a majority of students from LMI families. In addition, the bank made $60,000 in donations to an Arkansas University serving a majority of LMI students, which is located outside of the bank's assessment areas.

ARKANSAS NONMETROPOLITAN STATEWIDE AREA
(Full-Scope Review)

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

Bank Structure

The bank operates 6 of its 17 offices (35.3 percent) in this assessment area, including its main office. All offices have ATMs on site, in addition to three stand-alone ATMs the bank operates in this assessment area. Of the six offices, one is located in a moderate-income census tract. Since the last examination, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to the assessment area.

General Demographics

The assessment area consists of Union County in its entirety. This is the bank's primary assessment area and is located in southern Arkansas along the Louisiana border. Per 2015 ACS data, the assessment area population was 40,633. Of the seven FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 40.1 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Other particular credit needs in the assessment area, as noted primarily from community contacts, include financial literacy initiatives and technical assistance for new business owners. Finally, while no particular credit needs were highlighted as being unmet by area financial institutions, one contact noted that there was a shortage of safe, affordable housing and rental units in the assessment area.

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.

Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	0	2	5	3	0	**10**
	0.0%	20%	50%	30.0%	0.0%	**100%**
Family Population	0	1,995	4,853	4,479	0	**11,327**
	0.0%	17.6%	42.8%	39.5%	0.0%	**100%**

Assessment Area Demographics by Geography Income Level

As shown above, 20.0 percent of the census tracts in the assessment area are LMI geographies, with 17.6 percent of the family population residing in these tracts. The LMI geographies are located in the center of the county around the city of El Dorado.

Based on 2015 ACS data, the median family income for the assessment area was $48,958. At the same time, the median family income for nonMSA Arkansas as a whole was $45,047. More recently, the FFIEC estimates the 2019 median family income for nonMSA Arkansas to be $49,100. The following table displays the distribution of assessment area families by income level compared to all nonMSA Arkansas families.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	2,487	1,687	1,999	5,154	**11,327**
	22.0%	14.9%	17.6%	45.5%	**100%**
NonMSA Arkansas	63,831	53,700	58,267	123,066	**298,864**
	21.4%	18.0%	19.5%	41.2%	**100%**

While the first table in this section shows that 17.6 percent of families reside in LMI geographies, the table above shows that a significantly larger portion of families in the assessment area are LMI (36.9 percent). Nonetheless, the assessment area's LMI family percentage is slightly below that of nonMSA Arkansas as a whole (39.4 percent). Additionally, the percentage of families living below the poverty level in the assessment area (17.8 percent) is similar to the figure for nonMSA Arkansas (16.6 percent). Considering all factors, the assessment area appears slightly more affluent than nonMSA Arkansas.

Housing Demographics

Based on housing demographic displayed in the following table, homeownership in the assessment area is more affordable than in nonMSA Arkansas as a whole.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	$74,629	52.2%	$633
NonMSA Arkansas	$85,869	41.0%	$588

As displayed in the previous table, the assessment area's median housing value is lower than that of nonMSA Arkansas as a whole. In addition, when taking area income into account, the assessment area's affordability ratio (52.2 percent) is higher than the nonMSA Arkansas affordability ratio (41.0 percent), further demonstrating the assessment area's greater affordability. Conversely, the assessment area's median gross rent ($633) is higher than that in nonMSA Arkansas ($588). Per community contacts, there is a limited supply of affordable housing stock in the assessment area, including affordable rental units. Thus, while the assessment area is more affordable than nonMSA Arkansas as a whole, homeownership may be out of reach for many LMI families.

Industry and Employment Demographics

The assessment area supports a strong small business sector. Per Dun & Bradstreet data as of 2019, 86.8 percent of assessment area businesses had annual revenues of less than $1 million. County business patterns indicate that there are 14,670 paid employees in the assessment area. By number of employees, the three largest job categories in the assessment area are manufacturing (19.2 percent), health care and social assistance (14.8 percent), and retail trade (13.9 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area and nonMSA Arkansas as a whole.

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2018	**2019**	**2020**	**2021 (Jan-Feb)**
Assessment Area	5.5%	5.2%	8.3%	7.4%
NonMSA Arkansas	4.3%	4.3%	6.4%	5.8%

As shown in the table above, assessment area unemployment levels declined slightly from 2018 to 2019 before increasing sharply in 2020. The significant increase in unemployment levels in 2020 throughout the assessment area, as well as nonMSA Arkansas, was a result of the COVID-19 pandemic. Throughout the review period, unemployment levels in the assessment area remained higher than in nonMSA Arkansas overall.

Community Contact Information

For the Union County assessment area, two community contact interviews were referenced as part of this evaluation. Both interviews were with individuals specializing in economic development.

The contacts described the assessment area economy as stagnant, with a declining population. Per one contact, many of the assessment area's LMI families have come from generational poverty, with low wages and lack of access to skills training for better jobs. Both contacts described manufacturing plant closures as contributing factors to the decline in population. One contact described barriers for small business startups, including lack of financial education, high debt-to-income ratios, lack of collateral and the need for technical assistance. The contact indicated there is opportunity for financial institutions to work with small business service providers in the county, adding that COVID-19 emergency assistance funds have been beneficial for local small business owners, especially in the retail industry.

One contact stated that there is a shortage of safe, decent, affordable housing and rental units in Union County, citing a need for single-family purchase and home improvement loans, as well as multifamily improvement loans for area landlords. Finally, both contacts agreed that assessment area residents have access to banking products and services, with both noting that banks in the area are active and supportive of community projects and events.

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

LENDING TEST

The bank's Lending Test rating in the Union County assessment area is satisfactory. The distribution of loans by borrower's revenue/income profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed. First, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2019 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of 2019 Small Business Lending By Borrower Income Level							
Business Revenue and Loan Size		**2019**					**Total Businesses**
		Count		**Dollars**			
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	15	68.2%	37.2%	$1,447	55.7%	47.0%	86.8%
	Over $1 Million/ Unknown	7	31.8%	62.8%	$1,149	44.3%	53.0%	13.2%
	TOTAL	**22**	**100.0%**	**100.0%**	**$2,596**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	16	72.7%	89.3%	$652	25.1%	29.3%	
	$100,001–$250,000	4	18.2%	5.3%	$721	27.8%	17.2%	
	$250,001–$1 Million	2	9.1%	5.4%	$1,223	47.1%	53.4%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**22**	**100.0%**	**100.0%**	**$2,596**	**100.0%**	**100.0%**	
Loan Size Revenue $1 Million or Less	$100,000 or Less	13	86.7%		$448	31.0%		
	$100,001–$250,000	1	6.7%		$125	8.6%		
	$250,001–$1 Million	1	6.7%		$874	60.4%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**15**	**100.0%**		**$1,447**	**100.0%**		

The bank's level of lending to small businesses is reasonable. The bank originated 68.2 percent of small business loans to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 86.8 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2019 aggregate lending level to small businesses was 37.2 percent.

HMDA loans were also reviewed to determine the bank's lending levels to individuals of different income levels. 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 ($49,100 for nonMSA Arkansas as of 2019). The following table shows the distribution of HMDA reported loans by borrower income level in comparison 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: Union County							
Product Type	**Borrower Income Levels**	**2019**					
		Count		**Dollar**			**Families**
		Bank	**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	2	2.4%	2.2%	88	0.9%	1.4%	22.0%
	Moderate	11	13.4%	15.2%	752	7.8%	8.6%	14.9%
	Middle	16	19.5%	18.1%	1,256	13.1%	13.4%	17.6%
	Upper	52	63.4%	51.4%	7,469	77.7%	63.5%	45.5%
	Unknown	1	1.2%	13.2%	48	0.5%	13.0%	0.0%
	TOTAL	**82**	**100.0%**	**100.0%**	**9,613**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	6.7%	0	0.0%	2.8%	22.0%
	Moderate	3	16.7%	14.0%	223	13.3%	8.5%	14.9%
	Middle	2	11.1%	7.3%	155	9.2%	4.7%	17.6%
	Upper	12	66.7%	56.2%	1,287	76.6%	64.5%	45.5%
	Unknown	1	5.6%	15.7%	15	0.9%	19.6%	0.0%
	TOTAL	**18**	**100.0%**	**100.0%**	**1,680**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	2	16.7%	7.9%	84	18.3%	7.8%	22.0%
	Moderate	1	8.3%	13.2%	10	2.2%	7.1%	14.9%
	Middle	3	25.0%	15.8%	75	16.3%	14.3%	17.6%
	Upper	6	50.0%	50.0%	290	63.2%	49.8%	45.5%
	Unknown	0	0.0%	13.2%	0	0.0%	21.0%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**459**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	22.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	14.9%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	17.6%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	45.5%
	Unknown	0	0.0%	100.0%	0	0.0%	100.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

HMDA TOTALS	Low	4	3.6%	3.6%	172	1.5%	1.8%	22.0%
	Moderate	15	13.4%	14.2%	985	8.4%	8.1%	14.9%
	Middle	21	18.8%	14.9%	1,486	12.6%	10.6%	17.6%
	Upper	70	62.5%	51.5%	9,046	77.0%	61.4%	45.5%
	Unknown	2	1.8%	15.8%	63	0.5%	18.1%	0.0%
	TOTAL	**112**	**100.0%**	**100.0%**	**11,752**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (3.6 percent) is below the low-income family population figure (22.0 percent) but equal to the 2019 aggregate lending level to low-income borrowers (3.6 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (13.4 percent) is in line with the moderate-income family population percentage (14.9 percent) and the aggregate performance (14.2 percent), also reflecting reasonable performance. Therefore, considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Geographic Distribution of Loans

As noted previously, the assessment area includes no low-income census tracts and two moderate-income census tracts, representing 20.0 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts based on the small business and HMDA loan categories, with primary emphasis on the bank's small business lending. The following table displays the geographic distribution of small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2019 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Union County							
Tract Income Levels	**2019**						
	Count		**Dollar**		**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	6	27.3%	15.4%	$638	24.6%	10.7%	13.6%
Middle	9	40.9%	31.0%	$579	22.3%	29.7%	39.1%
Upper	7	31.8%	50.9%	$1,379	53.1%	59.2%	47.3%
Unknown	0	0.0%	2.6%	$0	0.0%	0.5%	0.0%
TOTAL	**22**	**100.0%**	**100.0%**	**$2,596**	**100.0%**	**100.0%**	**100.0%**

The bank's level of lending in moderate-income census tracts (27.3 percent) is above the estimated percentage of business institutions operating in moderate-income geographies (13.6 percent) and above the aggregate lending levels in moderate-income tracts (15.4 percent). Consequently, the bank's performance is excellent. As a result, the overall geographic distribution of small business loans is excellent.

Last, the bank's geographic distribution of HMDA loans was reviewed. The following table displays the geographic distribution of 2019 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

		2019					
Product Type	Tract Income Levels	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	7	8.5%	11.9%	1,002	10.4%	11.0%	15.8%
	Middle	32	39.0%	36.7%	3,262	33.9%	29.8%	41.2%
	Upper	43	52.4%	51.4%	5,349	55.6%	59.3%	43.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**82**	**100.0%**	**100.0%**	**9,613**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	11.1%	9.6%	101	6.0%	9.2%	15.8%
	Middle	9	50.0%	34.3%	987	58.8%	27.3%	41.2%
	Upper	7	38.9%	56.2%	592	35.2%	63.6%	43.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**18**	**100.0%**	**100.0%**	**1,680**	**100.0%**	**100.0%**	**0.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	3	25.0%	26.3%	159	34.6%	26.3%	15.8%
	Middle	6	50.0%	32.6%	145	31.6%	32.6%	41.2%
	Upper	3	25.0%	41.1%	155	33.8%	41.1%	43.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**459**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	22.5%	0	0.0%	22.5%	37.6%
	Middle	0	0.0%	77.5%	0	0.0%	77.5%	42.6%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	19.8%
	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	12	10.7%	11.2%	1,262	10.7%	11.2%	15.8%
	Middle	47	42.0%	30.9%	4,394	37.4%	30.9%	41.2%
	Upper	53	47.3%	57.9%	6,096	51.9%	57.9%	43.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**112**	**100.0%**	**100.0%**	**11,752**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Residential Real Estate Loans
Assessment Area: Union County

The bank's total penetration in moderate-income census tracts by number of loans (10.7 percent) is below the percentage of owner-occupied housing units (15.8 percent) and slightly below aggregate performance (11.2 percent). Therefore, the bank's geographic distribution of HMDA loans is reasonable.

Finally, based on review of the loan categories, the bank had loan activity in all assessment area census tracts. Therefore, no conspicuous lending gaps were noted in the assessment area's moderate-income geographies.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Union County 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 nine community development loans totaling $9.1 million in this assessment area. Of these loans, one was to a non-profit agency providing affordable homeownership options for LMI individuals and families, five loans promoted economic development, and three loans supported revitalization/stabilization of moderate-income geographies.

Community development investments in this assessment area were comprised of three Union County school bonds totaling $945,000, where the school districts served a majority of students from LMI families. Also, the bank made 22 donations totaling $962,130; while the bank made numerous donations benefitting various organizations with a community development purpose in this assessment area, the substantial majority of donation dollars was to an entity promoting economic development in downtown El Dorado, Arkansas and nearby surrounding areas.

Lastly, 12 bank employees provided 282 service hours to 11 entities with a primary purpose in community development—typically, bank employees were members of advisory boards for entities providing community services and affordable housing options to the LMI population in Union County.

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

Bank Structure

The bank operates 1 of its 17 offices (5.9 percent) in this assessment area, a full-service branch with an ATM on site. The bank's office in Polk County is located in a middle-income census tract that is designated as distressed due to poverty and underserved due to its remote and rural location. This is a new assessment area for the bank, and was delineated when the bank purchased the branch in 2018. No other branches were opened or closed in this assessment area during the review period. Based on this branch network and other service delivery systems, the bank is adequately positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area consists of Polk County in its entirety and is located in southwest Arkansas, on the Oklahoma border. Per 2015 ACS data, the assessment area population was 20,364. Of the five FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked second in deposit market share, encompassing 17.7 percent of total deposit dollars.

The assessment area is largely rural. Credit needs include a mix of consumer, business and farm loan products. Other particular needs in the assessment area, noted primarily from community contacts, include quality affordable housing, and small dollar loans to support creditworthy small businesses and consumers. One contact described the assessment area as having overall low-quality housing stock, and opined that many developers are not looking to invest in Polk County because of its rural nature.

The other contact described a need for financial education, lower down-payment requirements, and flexible and inclusive loan products.

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	0	6	0	0	**6**
	0.0%	0.0%	100%	0.0%	0.0%	**100%**
Family Population	0	0	5,306	0	0	**5,306**
	0.0%	0.0%	100.0%	0.0%	0.0%	**100%**

As shown above, this assessment area does not contain any LMI census tracts, and is comprised of six middle-income census tracts. All six middle-income tracts are designated as distressed due to poverty and underserved due to their remote and rural location.

Based on 2015 ACS data, the median family income for the assessment area was $42,120. At the same time, the median family income for nonMSA Arkansas as a whole was $45,047. More recently, the FFIEC estimates the 2019 median family income for nonMSA Arkansas to be $49,100. The following table displays the distribution of assessment area families by income level compared to the nonMSA Arkansas family population.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	1,222	1,065	1,086	1,933	**5,306**
	23.0%	20.1%	20.5%	36.4%	**100%**
NonMSA Arkansas	63,831	53,700	58,267	123,066	**298,864**
	21.4%	18.0%	19.5%	41.2%	**100%**

While there are no LMI geographies in the assessment area, 43.1 percent of families in the assessment area are considered LMI, which is slightly higher than the LMI family percentage of 39.4 percent in nonMSA Arkansas as a whole. Additionally, the percentage of families living below the poverty line in the assessment area (18.0 percent) falls above the 16.6 percent level in nonMSA Arkansas as a whole. Considering these factors, the assessment area appears slightly less affluent than nonMSA Arkansas as a whole.

Housing Demographics

Based on the housing demographics displayed in the following table, homeownership affordability in the assessment area is similar to that in nonMSA Arkansas as a whole.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$84,270	39.8%	$483
NonMSA Arkansas	$85,869	41.0%	$588

As shown in the previous table, the median housing value in the assessment area is similar to that in nonMSA Arkansas as a whole. The affordability ratio in the assessment area (39.8 percent) is also comparable to that in nonMSA Arkansas (41.0 percent), indicating that homeownership affordability in the assessment area is comparable to nonMSA Arkansas overall. Conversely, the median gross rent in the assessment area, $483, is lower than in nonMSA Arkansas ($588), indicating that rental housing is more affordable in the assessment area than in nonMSA Arkansas as a whole. In addition, less renters in the assessment area spend greater than 30.0 percent of their income on rental costs (33.9 percent) than in nonMSA Arkansas as a whole (41.1 percent).

Industry and Employment Demographics

The assessment area economy is supported by a mixture of service- and industry-oriented sectors and has a strong small business sector. Per 2019 Dun & Bradstreet data, 89.8 percent of assessment area businesses have annual revenues of less than $1 million. County business patterns indicate that there are 4,771 paid employees in the assessment area. By number of employees, the three

largest job categories in the assessment area are manufacturing (27.5 percent), health care and social assistance (20.8 percent), and retail trade (15.9 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area and nonMSA Arkansas as a whole.

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2018	**2019**	**2020**	**2021 (Jan.–Feb.)**
Assessment Area	4.1%	4.2%	6.6%	5.9%
NonMSA Arkansas	4.3%	4.3%	6.4%	5.8%

As shown in the table above, unemployment levels in the assessment area have stayed in line with those of nonMSA Arkansas throughout the review period. The average unemployment rates for both the assessment area and nonMSA Arkansas remained relatively stable in 2018 and 2019 before increasing sharply in 2020. The significant increase in 2020 was a result of the COVID-19 pandemic.

Community Contact Information

For the Polk County assessment area, two community contact interviews were referenced as part of this evaluation. One of the interviews was with an individual specializing in affordable housing, and one was with an individual specializing in economic development.

The community contacts noted that the assessment area is mostly rural and agricultural. Both contacts described recent growth in the area's tourism, as its lakes, mountains and rivers attract visitors from across state lines and nationally. One contact mentioned that despite its rural nature, the assessment area does see some benefit from its relative proximity to Tulsa, Oklahoma, and Dallas, Texas. The other contact expressed that while the city of Mena, in particular, has seen some economic growth, most of the area remains largely rural, and local and family-owned farms have struggled throughout the pandemic. Farmers have been forced to hold and maintain costly inventory as a result of shutdowns, which has resulted in income deficits.

One contact noted that the pandemic resulted in manufacturing plant shutdowns and layoffs, and while most have reopened, employment remains low. The contact stated that small business activity is growing in the area, but barriers for start-ups and expansions include lack of a skilled workforce and limited access to credit. Many small businesses don't meet local bank collateral requirements; the contact described down payment assistance and lower collateral requirements as credit needs for small business borrowers in the assessment area.

Both contacts indicated there is a shortage of affordable housing in the assessment area, and both agreed that its rural nature discourages investment by developers. The contacts described the area's current housing stock as aging and scattered throughout the county. According to one contact, many homes are in need of major repairs, including electrical and plumbing upgrades. The contact also described a shortage of quality, affordable rental housing in the assessment area. Per the contact, homeowners and landlords don't have sufficient income to make the necessary repairs to maintain

or increase property values. Thus, home improvement loans were noted as a credit need for the assessment area.

Last, one contact provided positive feedback regarding the performance of local banks, noting their participation in the community through event sponsorships and participation on local boards.

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

LENDING TEST

The bank's Lending Test rating in the Polk County assessment area is satisfactory. The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. In addition, while the assessment area contains no LMI census tracts, the geographic distribution of loans reflects reasonable dispersion throughout the entire assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from the loan categories reviewed. The bank's loan distribution by borrower's profile is reasonable under both the small business and HMDA loan categories.

First, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2019 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Polk County							
		2019					
Business Revenue and Loan Size		**Count**		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	7	87.5%	31.2%	$598	99.0%	34.1%	89.8%
	Over $1 Million/ Unknown	1	12.5%	68.8%	$6	1.0%	65.9%	10.2%
	TOTAL	**8**	**100.0%**	**100.0%**	**$604**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	7	87.5%	95.7%	$204	33.8%	54.7%	
	$100,001– $250,000	0	0.0%	4.0%	$0	0.0%	37.7%	
	$250,001– $1 Million	1	12.5%	0.4%	$400	66.2%	7.6%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**8**	**100.0%**	**100.0%**	**$604**	**100.0%**	**100.0%**	
Loan Size **Revenue $1 Million or Less**	$100,000 or Less	6	85.7%		$198	33.1%		
	$100,001– $250,000	0	0.0%		$0	0.0%		
	$250,001– $1 Million	1	14.3%		$400	66.9%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**7**	**100.0%**		**$598**	**100.0%**		

The bank's level of lending to small businesses is reasonable. The bank originated 87.5 percent of small business loans to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 89.8 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2019 aggregate lending level to small businesses is 31.2 percent.

HMDA loans were also reviewed to determine the bank's lending levels to individuals of different income levels. 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 ($49,100 for nonMSA Arkansas as of 2019). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison 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: Polk County								
Product Type	Borrower Income Levels	2019						
		Count			Dollar				Families
		Bank		HMDA Aggregate	Bank			HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	1	11.1%	7.1%	40	4.2%	4.1%	23.0%
	Moderate	2	22.2%	16.4%	117	12.2%	11.9%	20.1%
	Middle	1	11.1%	13.7%	140	14.6%	13.0%	20.5%
	Upper	5	55.6%	36.7%	659	68.9%	43.6%	36.4%
	Unknown	0	0.0%	26.1%	0	0.0%	27.3%	0.0%
	TOTAL	9	100.0%	100.0%	956	100.0%	100.0%	100.0%
Refinance	Low	1	14.3%	6.0%	47	4.9%	2.8%	23.0%
	Moderate	0	0.0%	15.7%	0	0.0%	10.2%	20.1%
	Middle	1	14.3%	18.1%	158	16.5%	12.7%	20.5%
	Upper	5	71.4%	48.2%	752	78.6%	60.1%	36.4%
	Unknown	0	0.0%	12.0%	0	0.0%	14.2%	0.0%
	TOTAL	7	100.0%	100.0%	957	100.0%	100.0%	100.0%
Home Improvement	Low	1	14.3%	11.8%	15	7.7%	4.8%	23.0%
	Moderate	1	14.3%	23.5%	6	3.1%	8.1%	20.1%
	Middle	2	28.6%	23.5%	105	53.6%	28.8%	20.5%
	Upper	3	42.9%	41.2%	70	35.7%	58.4%	36.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	7	100.0%	100.0%	196	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	23.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	20.1%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	20.5%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	36.4%
	Unknown	0	0.0%	100.0%	0	0.0%	100.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%

HMDA TOTALS	Low	3	13.0%	6.9%	102	4.8%	3.7%	23.0%
	Moderate	3	13.0%	16.2%	123	5.8%	11.2%	20.1%
	Middle	4	17.4%	14.7%	403	19.1%	12.8%	20.5%
	Upper	13	56.5%	39.9%	1,481	70.2%	48.2%	36.4%
	Unknown	0	0.0%	22.3%	0	0.0%	24.0%	0.0%
	TOTAL	**23**	**100.0%**	**100.0%**	**2,109**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (13.0 percent) is below the low-income family population figure (23.0 percent) but well above the aggregate lending level to low-income borrowers (6.9 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (13.0 percent) is below the moderate-income family population percentage (20.1 percent) and below aggregate lending levels (16.2 percent), reflecting poor performance. Considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is normally placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any LMI census tracts. As previously stated, the bank's assessment area is comprised of six middle-income census tracts. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this evaluation. Nevertheless, the loan dispersion within the assessment area census tracts was reviewed, the results of which indicated that loan activity was adequately dispersed throughout the assessment area, consistent with demographics and bank structure. The analysis confirmed that the bank had lending activity in every census tract comprising the assessment area. Therefore, the bank's geographic distribution of loans is reasonable.

COMMUNITY DEVELOPMENT TEST

First Financial Bank demonstrates poor responsiveness to community development needs within this assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. During the review period, the bank made two donations to organizations with a primary purpose of providing community services to LMI individuals, totaling $1,305; there were no community development loans or services in this assessment area.

ARKANSAS NONMETROPOLITAN STATISTICAL AREA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE EAST ARKANSAS ASSESSMENT AREA

This assessment area includes the entireties of Cross, St. Francis, and Woodruff Counties. The bank operates five offices in this assessment area, all of which were acquired in 2019 through the acquisition of First National Bank of Wynne. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	3,104	2,298	2,330	4,743	**12,475**
	24.9%	18.4%	18.7%	38.0%	**100%**
Household Population	5,486	2,989	3,387	7,397	**19,259**
	28.5%	15.5%	17.6%	38.4%	**100%**

	Assessment Area Demographics by Geography Income Level					
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	0	5	8	1	0	**14**
	0.0%	35.7%	57.1%	7.1%	0.0%	**100%**
Family Population	0	4,567	6,801	1,107	0	**12,475**
	0.0%	36.6%	54.5%	8.9%	0.0%	**100%**
Household Population	0	7,186	10,619	1,454	0	**19,259**
	0.0%	37.3%	55.1%	7.6%	0.0%	**100%**
Business Institutions	0	491	751	203	0	**1,445**
	0.0%	34.0%	52.0%	14%	0.0%	**100%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE EAST ARKANSAS ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the assessment areas within the nonMSA portion of the state of Arkansas that were reviewed using full-scope procedures, as detailed in the following table.[2] For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix D*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's performance in the assessment areas within the nonMSA portion of the state of Arkansas that were reviewed using full-scope procedures; however, it does not change the rating for the state. The bank did not have any community development loans in this assessment area during the review period. The bank had seven community development investments totaling $2.6 million in this assessment but no donations or grants to community development organizations. Lastly, two employees provided 116.5 service hours to 4 community development organizations.

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[2] The bank did not have a branch presence in this assessment area until 2019; consequently, 2019 loan activity was minimal.

LITTLE ROCK-NORTH LITTLE ROCK-CONWAY, ARKANSAS METOPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates one of its 17 offices in this assessment area, representing 5.9 percent of total branches. The lone branch is a full-service location with an ATM on site and is located in a middle-income census tract in Pulaski County. The bank did not open or close any branches in this assessment area during the review period. Based on its branch network and other service delivery systems, the bank is capable of delivering financial services to its entire assessment area.

General Demographics

The assessment area consists of Faulkner and Pulaski Counties in Arkansas in their entireties. This assessment area is located in the north and central counties of the MSA, which also happen to be the most populous counties in the MSA. Per 2015 ACS data, the assessment area population is 509,806. The more populous of the two counties is Pulaski County, containing 390,463 people, or 76.6 percent of the assessment area population. The two counties contain a mix of urban, suburban, and—at the outer edges—rural areas. The assessment area has a competitive banking market, with 32 FDIC-insured institutions operating in the area. Of these, the bank ranked 22nd in deposit market share, encompassing 0.2 percent of total deposit dollars.

The Little Rock assessment area covers a wide metropolitan area with a diverse population. Credit needs in the assessment area include a mix of consumer and business loan products. Other particular needs in the assessment area, as noted primarily from community contacts, include affordable housing, small business financing, and workforce development initiatives. Community contacts noted that, while the assessment area has seen growth due to a migration of rural individuals and families to the city for better jobs, LMI individuals continue to struggle economically, even before the pandemic.

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	11	34	34	39	2	**120**
	9.2%	28.3%	28.3%	32.5%	1.7%	**100%**
Family Population	6,383	27,232	38,311	49,092	698	**121,716**
	5.2%	22.4	31.5%	40.3%	0.6%	**100%**

As shown above, 37.5 percent of the census tracts in the assessment area are LMI geographies, with 27.6 percent of the family population residing in these tracts. These LMI areas are primarily concentrated in central Pulaski County around the city of Little Rock and the southwest portion of Faulkner County around the city of Conway.

Based on 2015 ACS data, the median family income for the assessment area was $60,621. At the same time, the median family income for the Little Rock MSA as a whole was $61,339. 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 family populations of the entire MSA.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	28,150	20,559	22,616	50,391	**121,716**
	23.1%	16.9%	18.6%	41.4%	**100%**
Little Rock MSA	38,206	31,447	35,717	73,725	**179,095**
	21.3%	17.6%	19.9%	41.2%	**100%**

While the first table in this section shows that 27.6 percent of families reside in LMI geographies, the table above shows that a significantly larger portion of families in the assessment area are LMI (40.0 percent). This figure is similar to the percentage of LMI families in the Little Rock MSA as a whole (38.9 percent). Additionally, the percentage of families living below the poverty line in the assessment area (11.8 percent) is only slightly higher than the figure for the overall MSA (10.4 percent). Considering these factors, the assessment area appears similarly affluent to the Little Rock MSA overall.

Housing Demographics

As displayed in the following table, homeownership in the assessment area is slightly less affordable than in the Little Rock MSA as a whole.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$143,452	32.8%	$768
Little Rock MSA	$138,983	35.3%	$765

Based on the housing values and the affordability ratio, assessment area housing is slightly less affordable than in the MSA overall and likely out of reach for some LMI families. The median housing value in the assessment area is higher than in the MSA overall. Additionally, the affordability ratio, which takes income into account, indicates housing is slightly less affordable in the assessment area. Rental costs, however, are similar between the assessment area and overall MSA ($768 and $765, respectively), and a significant percentage of renters in the assessment area spend greater than 30.0 percent of their income on rental costs (45.8 percent), which is also comparable to the MSA overall (43.8 percent). This supports statements by community contacts, who indicated

that there is not enough affordable housing stock in the area, including rental housing stock, to meet the demands of the LMI population.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. Dun & Bradstreet data from 2019 indicates that 89.9 percent of businesses in the assessment area have annual revenues of less than $1 million. County business patterns indicate that there are 236,640 paid employees in the assessment area. By number of employees, the largest job categories in the assessment area are healthcare and social assistance (18.7 percent), followed by retail trade (13.3 percent) and accommodation and food services (10.8 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 Little Rock MSA as a whole.

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2018	**2019**	**2020**	**2021 (Jan.–Feb.)**
Faulkner County	3.2%	3.0%	5.5%	4.5%
Pulaski County	3.4%	3.4%	7.4%	6.3%
Assessment Area	3.4%	3.3%	7.0%	5.9%
Little Rock MSA	3.3%	3.2%	6.4%	5.4%

As shown in the table above, unemployment levels varied slightly between the individual counties in the assessment area; unemployment rates were lowest each year in Faulkner County. The assessment area as a whole had a higher unemployment rate than the overall MSA. For the assessment area and the MSA, unemployment rates declined from 2018 to 2019 before experiencing a significant increase in 2020. The increase in unemployment rates in 2020 was caused by the COVID-19 pandemic.

Community Contact Information

As part of this evaluation, two community contact interviews were referenced for the assessment area. One interview was conducted with an individual from a local affordable housing agency, and the other interview was held with an economic development professional whose service area covers the greater Little Rock MSA. One contact stated that the COVID-19 pandemic has greatly impacted economic conditions in the area, as the pandemic put strain on businesses through temporary shutdowns and some permanent closures. The other contact stated that the population of Pulaski County has increased as new residents arrive for its job opportunities. While banking products and services are generally accessible to residents of the assessment area, one contact noted the presence of banking deserts within the assessment area, particularly in the city of Little Rock. The contact stated that many LMI individuals struggling economically before the pandemic are still facing challenges, including unemployment. The contact continued that while there has always been demand for community development initiatives, such as affordable housing and workforce development, there are presently not enough agencies to provide these services.

One contact noted that the area is growing economically, and there is new development and support for attracting businesses. However, the contact described barriers impacting small businesses and start-ups that include lack of collateral, insufficient capital and lack of financial education. The contact described opportunities for local financial institutions to design loan products targeted to startups and small business owners, and partner with economic development organizations to provide technical assistance to small business owners.

As mentioned previously, one contact indicated that the area's affordable housing stock is insufficient to meet the demands of the LMI population. Further challenges facing prospective LMI buyers include the age and condition of the local housing stock (many homes are in need of repair or renovation, and LMI families lack the resources to renovate these properties). The contact also stated that homes in the area receive low appraised values compared to the purchase amounts, making it difficult for potential buyers to meet loan-to-value requirements. Per the contact, in spite of high demand, development of affordable housing is not a priority in LMI communities. The contact went on to describe the rental housing stock as in worse condition than what is available for single-family housing. Similar to affordable housing stock for purchase, the demand for affordable rental housing in the area exceeds the overall supply. Per the contact, barriers to LMI homeownership in the assessment area include insufficient income and lack of resources for down payments and repairs.

Both contacts provided examples of opportunities for area financial institutions to better meet the credit needs of LMI individuals and small businesses. One contact stated that first-time buyer programs, financial/homebuyer education, home improvement programs, and small business lines of credit are needs in the area. Credit products with down-payment assistance, flexible underwriting, and competitive rate features were also suggested to meet the needs of LMI families and individuals. Lastly, both contacts referenced banks participating in the PPP through loan extensions and forgiveness.

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

LENDING TEST

The bank's Lending Test rating in the Little Rock assessment area is satisfactory. The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. In addition, the geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from the HMDA loan category.

First, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2019 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of 2019 Small Business Lending By Borrower Income Level							
		2019					
Business Revenue and Loan Size		Count		Dollars			Total Businesses
		Bank	Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	1	50.0%	41.2%	$5	2.0%	34.7%	89.8%
	Over $1 Million/ Unknown	1	50.0%	58.8%	$250	98.0%	65.3%	10.2%
	TOTAL	2	100.0%	100.0%	$255	100.0%	100.0%	100.0%
Loan Size	$100,000 or Less	1	50.0%	90.1%	$5	2.0%	31.0%	
	$100,001– $250,000	0	0.0%	5.2%	$0	0.0%	17.8%	
	$250,001– $1 Million	1	50.0%	4.8%	$250	98.0%	51.1%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	2	100.0%	100.0%	$255	100.0%	100.0%	
Loan Size Revenue $1 Million or Less	$100,000 or Less	1	100.0%		$5	100.0%		
	$100,001– $250,000	0	0.0%		$0	0.0%		
	$250,001– $1 Million	0	0.0%		$0	0.0%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	1	100.0%		$5	100.0%		

As displayed in the table above, the bank's 2019 small business lending in this assessment area was de minimis and does not provide sufficient data for a meaningful analysis. As such, residential real estate lending carries primary weight in the evaluation of the bank's borrower distribution.

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 ($69,800 for the Little Rock MSA as of 2019). The following table shows the distribution of HMDA 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: Partial Little Rock, Arkansas MSA							
Product Type	Borrower Income Levels	2019					
		Count		Dollar			Families
		Bank	HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	2	4.1%	6.8%	175	1.8%	3.5%	23.1%
	Moderate	11	22.4%	19.8%	1,532	15.9%	14.6%	16.9%
	Middle	16	32.7%	20.4%	2,584	26.7%	18.6%	18.6%
	Upper	20	40.8%	35.9%	5,370	55.6%	47.8%	41.4%
	Unknown	0	0.0%	17.1%	0	0.0%	15.5%	0.0%
	TOTAL	49	100.0%	100.0%	9,661	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	4.9%	0	0.0%	2.3%	23.1%
	Moderate	1	9.1%	11.2%	15	1.0%	6.4%	16.9%
	Middle	5	45.5%	18.8%	793	50.5%	14.6%	18.6%
	Upper	3	27.3%	42.9%	419	26.7%	54.4%	41.4%
	Unknown	2	18.2%	22.1%	343	21.8%	22.2%	0.0%
	TOTAL	11	100.0%	100.0%	1,570	100.0%	100.0%	100.0%
Home Improvement	Low	8	42.1%	8.2%	52	25.1%	4.6%	23.1%
	Moderate	6	31.6%	15.7%	26	12.6%	10.1%	16.9%
	Middle	1	5.3%	19.7%	24	11.6%	15.2%	18.6%
	Upper	4	21.1%	46.6%	105	50.7%	58.3%	41.4%
	Unknown	0	0.0%	9.8%	0	0.0%	11.7%	0.0%
	TOTAL	19	100.0%	100.0%	207	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	23.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.9%
	Middle	0	0.0%	1.5%	0	0.0%	0.0%	18.6%
	Upper	0	0.0%	2.2%	0	0.0%	0.3%	41.4%
	Unknown	0	0.0%	96.3%	0	0.0%	99.7%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%

		#	%	%	$ 000s	$ %	$ %	%
HMDA TOTALS	Low	10	12.7%	6.1%	227	2.0%	2.7%	23.1%
	Moderate	18	22.8%	16.5%	1,573	13.8%	10.1%	16.9%
	Middle	22	27.8%	19.1%	3,401	29.7%	14.6%	18.6%
	Upper	27	34.2%	37.1%	5,894	51.5%	42.5%	41.4%
	Unknown	2	2.5%	21.2%	343	3.0%	30.1%	0.0%
	TOTAL	**79**	**100.0%**	**100.0%**	**11,438**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (12.7 percent) is substantially below the low-income family population figure (23.1 percent) but above the 2019 aggregate lending level to low-income borrowers (6.1 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (22.8 percent) is above the moderate-income family population percentage (16.9 percent) and aggregate lending levels (16.5 percent), reflecting excellent performance. Therefore, considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Geographic Distribution of Loans

As noted previously, the Little Rock assessment area contains 11 low-income and 34 moderate-income census tracts, representing 37.5 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts based primarily on the HMDA loan category. The following table displays the geographic distribution of small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2019 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Partial Little Rock, Arkansas MSA							
Tract Income Levels	**2019**						
	Count		**Dollar**				**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	%	%	$ 000s	$ %	$ %	%
Low	0	0.0%	6.3%	$0	0.0%	10.4%	5.9%
Moderate	0	0.0%	21.2%	$0	0.0%	23.2%	23.2%
Middle	1	50.0%	23.8%	$250	98.0%	19.2%	25.0%
Upper	1	50.0%	46.9%	$5	2.0%	46.8%	45.7%
Unknown	0	0.0%	1.8%	$0	0.0%	0.5%	0.2%
TOTAL	**2**	**100.0%**	**100.0%**	**$255**	**100.0%**	**100.0%**	**100.0%**

As displayed in the table above, the bank's small business lending in this assessment area was de minimis and does not provide sufficient data for a meaningful analysis. As such, residential real estate lending carries primary weight in the evaluation of the bank's geographic distribution.

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

Product Type	Tract Income Levels	2019						Owner-Occupied Units
		Count			Dollar			
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	3	6.1%	2.0%	517	5.4%	1.2%	3.6%
	Moderate	6	12.2%	14.4%	698	7.2%	9.2%	20.0%
	Middle	14	28.6%	32.4%	2,755	28.5%	27.0%	32.6%
	Upper	26	53.1%	51.0%	5,691	58.9%	62.3%	43.3%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.4%
	TOTAL	**49**	**100.0%**	**100.0%**	**9,661**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	1.2%	0	0.0%	0.6%	3.6%
	Moderate	2	18.2%	11.6%	80	5.1%	7.1%	20.0%
	Middle	4	36.4%	29.3%	673	42.9%	24.4%	32.6%
	Upper	5	45.5%	57.8%	817	52.0%	67.8%	43.3%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.4%
	TOTAL	**11**	**100.0%**	**100.0%**	**1,570**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	4	21.1%	3.0%	32	15.5%	1.3%	3.6%
	Moderate	8	42.1%	15.1%	40	19.3%	10.5%	20.0%
	Middle	5	26.3%	25.7%	40	19.3%	19.6%	32.6%
	Upper	2	10.5%	55.8%	95	45.9%	68.5%	43.3%
	Unknown	0	0.0%	0.4%	0	0.0%	0.2%	0.4%
	TOTAL	**19**	**100.0%**	**100.0%**	**207**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	17.8%	0	0.0%	6.9%	9.6%
	Moderate	0	0.0%	34.8%	0	0.0%	25.5%	25.9%
	Middle	0	0.0%	20.0%	0	0.0%	19.4%	22.5%
	Upper	0	0.0%	27.4%	0	0.0%	48.1%	41.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	7	8.9%	2.0%	549	4.8%	1.9%	3.6%
	Moderate	16	20.3%	14.2%	818	7.2%	11.1%	20.0%
	Middle	23	29.1%	31.3%	3,468	30.3%	25.3%	32.6%
	Upper	33	41.8%	52.3%	6,603	57.7%	61.6%	43.3%
	Unknown	0	0.0%	0.1%	0	0.0%	0.2%	0.4%
	TOTAL	**79**	**100.0%**	**100.0%**	**11,438**	**100.0%**	**100.0%**	**100.0%**

The bank's level of lending in low-income census tracts (8.9 percent) is above the percentage of owner-occupied housing units (3.6 percent) and aggregate performance (2.0 percent), representing excellent performance. Bank performance in moderate-income census tracts is also excellent. Although the bank's total penetration of moderate-income census tracts by number of loans (20.3

percent) is similar to the percentage of owner-occupied housing units in moderate-income census tracts (20.0 percent), the bank's performance significantly exceeds aggregate performance (14.2 percent). Combined, the bank's geographic distribution of HMDA loans in LMI geographies is excellent, particularly given the competitive nature of the market and considering the barriers to homeownership for many LMI residents.

Finally, based on reviews from both loan categories, the bank had loan activity in 53.3 percent of all assessment area census tracts. The bank originated loans in 45.5 percent of the assessment area's low-income census tracts, and 35.3 percent of its moderate-income census tracts. However, given the elevated level of competition in the Little Rock assessment area, and the bank's limited branch presence here, the bank's dispersion of loans is considered reasonable.

While no conspicuous lending gaps were noted in LMI areas, this reasonable dispersion when combined with HMDA lending performance results in overall reasonable performance with regard to the bank's geographic distribution in this assessment area.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within this 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, donations, and community development services.

During the review period, the bank originated one Small Business Administration guaranteed loan totaling $1 million that supported economic development in this assessment area. The bank also made eight donations totaling $12,650 that supported community development organizations in this assessment area. Finally, one bank employee provided 40 services hours to four different community development organizations in this assessment area.

JONESBORO, ARKANSAS METROPOLITAN STASTICAL AREA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE JONESBORO MSA ASSESSMENT AREA

This assessment area includes the entirety of Craighead and Poinsett Counties, encompassing all of the Jonesboro, Arkansas MSA. The bank operates two branches in this assessment area, both of which were acquired in November 2019, when the bank merged with First National Bank of Wynne. Both branches are full-service facilities with ATMs on site, and both are located in a moderate-income census tract. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	7,075	5,559	6,443	13,207	**32,284**
	21.9%	17.2%	20.0%	40.9%	**100%**
Household Population	11,851	7,821	8,305	20,033	**48,010**
	24.7%	16.3%	17.3%	41.7%	**100%**

	Assessment Area Demographics by Geography Income Level					
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	2	6	13	3	0	**24**
	8.3%	25.0%	54.2%	12.5%	0.0%	**100%**
Family Population	1,568	6,527	17,886	6,303	0	**32,284**
	4.9%	20.2%	55.4%	19.5%	0.0%	**100%**
Household Population	3,518	11,095	25,363	8,034	0	**48,010**
	7.3%	23.1%	52.8%	16.7%	0.0%	**100%**
Business Institutions	469	1,071	2,274	803	0	**4,617**
	10.2%	23.2%	49.3%	17.4%	0.0%	**100%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE JONESBORO MSA ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the assessment area within the MSA portion of the state of Arkansas that was reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix B*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's overall performance in the MSA portion of the state of Arkansas that was reviewed using full-scope procedures; however, it does not change the rating for the state. During the review period, the bank did not have any community development loans, investments, or services applicable to this assessment area.

MISSISSIPPI

CRA RATING FOR MISSISSIPPI: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Satisfactory**

Major factors supporting the institution's Mississippi rating include the following:

- The distribution of loans in the Mississippi assessment areas reflects reasonable penetration among individuals of different income levels, including LMI levels, and businesses of different sizes.

- The geographic distribution of loans reflects poor dispersion throughout the Mississippi areas.

- The bank's community development performance demonstrates adequate responsiveness to community development needs through community development loans, donations, and community development services, considering the need and availability for such opportunities for community development in the bank's Mississippi assessment areas.

SCOPE OF EXAMINATION

Scoping considerations applicable to the review of Mississippi assessment areas are consistent with the overall CRA examination scope as presented in the *Institution, Scope of Examination* section. The bank has two assessment areas in Mississippi, one of which is located in the nonMSA portion of the state, and the other in the Memphis, Tennessee, Mississippi, Arkansas MSA. The bank's performance in the nonMSA Leake County assessment area was evaluated using full-scope review procedures, and performance in this assessment area received primary consideration when making overall performance conclusions. The Memphis assessment area was evaluated using limited-scope review procedures. Finally, as with the Arkansas review area, small business loan performance carried greater weight when making overall Lending Test performance conclusions.

To augment the evaluation of the full-scope review assessment area in Mississippi, two community contact interviews were referenced to ascertain specific community credit needs, community development opportunities, and local economic conditions. One of the interviews was with a representative specializing in economic development, and the other was conducted with a representative from an entity focused on rural economic development. Details from these interviews are included in the *Description of Institution's Operations* section applicable to the assessment area in which the community contact interviews were conducted.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MISSISSIPPI

First Financial Bank operates two branches (11.8 percent of total offices) throughout the two CRA assessment areas in the state of Mississippi. The following table gives additional detail regarding the bank's operations within Mississippi.

Assessment Area	Offices		Deposits as of June 30, 2020		Review Procedures
	#	%	$	%	
Leake County	1	50.0%	$142,364	59.0%	Full Scope
Memphis	1	50.0%	$98,953	41.0%	Limited Scope
TOTAL	**2**	**100%**	**$241,317**	**100%**	**1 – Full Scope**

During the review period, the bank did not open or close any branches located in the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSISSIPPI

LENDING TEST

First Financial Bank's Lending Test rating for the state of Mississippi is satisfactory. The overall distribution of loans by borrower's income and revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. The bank's overall geographic distribution of loans reflects poor penetration throughout Mississippi assessment areas.

Borrower and Geographic Distribution

Overall, the bank's performance by borrower's income and revenue profile is reasonable in Mississippi, as is displayed in the following tables.

Full-Scope Review Areas	Borrower Distribution of Loans
Leake County Assessment Area	Excellent

Limited-Scope Review Areas	Borrower Distribution of Loans
Memphis Assessment Area	Consistent

As displayed in the following tables, the bank's overall geographic distribution of loans reflects poor penetration throughout Mississippi.

Full-Scope Review Areas	Geographic Distribution of Loans
Leake County Assessment Area	Poor

Limited-Scope Review Areas	Geographic Distribution of Loans
Memphis Assessment Area	Below

COMMUNITY DEVELOPMENT TEST

First Financial Bank's Community Development Test rating in the state of Mississippi is Satisfactory. The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of Mississippi assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development. The bank has addressed the community development needs of its assessment areas through community development loans, donations, and community development services.

Full-Scope Review Areas	Community Development Performance
Leake County Assessment Area	Adequate

Limited-Scope Review Areas	Geographic Distribution of Loans
Memphis Assessment Area	Below

The bank extended eight community development loans totaling $7.4 million within Mississippi assessment areas; the majority of these loans have a community development purpose of economic development. While the bank did not have any community development investments benefitting Mississippi Assessment areas during the review period, the bank did make 17 donations totaling $31,925, which benefitted community development organizations serving Mississippi assessment areas. Lastly, two bank employees provided approximately 36 service hours to two separate entities with a primary purpose in community development.

MISSISSIPPI NONMETROPOLITAN STATEWIDE AREA
(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN LEAKE COUNTY ASSESSMENT AREA

Bank Structure

The bank operates 1 of its 17 offices (5.9 percent) in this assessment area. The sole branch, a full-service facility with an ATM on site, is located in Carthage, Mississippi, in a moderate-income census tract. Since the last examination, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area consists of Leake County in its entirety. This assessment area is located in central, nonMSA Mississippi, northeast of the city of Jackson. Per 2015 ACS data, the assessment area population was 23,153. Of the five FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 35.0 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Other particular needs, as noted by community contacts, include home purchase loans and small dollar home improvement loans to keep homes in repair. Small business needs, as described by contacts, are micro loans of $10,000 or less and a small business revolving loan fund.

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	3	0	0	**5**
	0.0%	40.0%	60.0%	0.0%	0.0%	**100%**
Family Population	0	2,437	3,525	0	0	**5,962**
	0.0%	40.9%	59.1%	0.0%	0.0%	**100%**

As shown above, there are no low-income census tracts, but 40.0 percent of the census tracts in the assessment area are moderate-income geographies, with 40.9 percent of the family population residing in these tracts. The two moderate-income tracts are in the northwest and central portion of the county. The remainder of the assessment area is made up of middle-income census tracts, all of which are categorized as distressed due to poverty.

Based on 2015 ACS data, the median family income for the assessment area was $40,456. At the same time, the median family income for nonMSA Mississippi as a whole was $43,897. More recently, the FFIEC estimates the 2019 median family income for nonMSA Mississippi to be $47,800. The following table displays population percentages of assessment area families by income level compared to the nonMSA Mississippi family population.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	1,413	1,150	1,077	2,322	**5,962**
	23.7	19.3%	18.1%	38.9%	**100%**
NonMSA Mississippi	94,570	65,672	68,539	167,156	**395,937**
	23.9%	16.6%	17.3%	42.2%	**100%**

As shown in the table above, 43.0 percent of families within the assessment area were considered LMI, which is slightly above the LMI family percentage of 40.5 percent in nonMSA Mississippi as a whole. The percentage of families living below the poverty threshold in the assessment area, 20.5 percent, is also slightly above the 20.1 percent level in nonMSA Mississippi. Considering these factors, the assessment area appears slightly less affluent than nonMSA Mississippi as a whole.

Housing Demographics

As displayed in the following table, homeownership in the assessment area is slightly more affordable than in nonMSA Mississippi as a whole.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$75,958	44.3%	$592
NonMSA Mississippi	$84,318	41.0%	$628

The median housing value is lower in the assessment area than in nonMSA Mississippi. Additionally, the affordability ratio, which considers area incomes, indicates housing is more affordable in the assessment area than in nonMSA Mississippi. Furthermore, the median gross rent for the assessment area is lower than in nonMSA Mississippi as a whole.

Industry and Employment Demographics

The assessment area supports a strong small business sector. Per 2019 Dun & Bradstreet data, 91.5 percent of assessment area businesses have annual revenues of less than $1 million. County business patterns indicate that there are 4,451 paid employees in the assessment area. By number of employees, the largest job categories in the assessment area are retail trade (16.0 percent), followed by accommodation and food services (8.2 percent) and agriculture, forestry, fishing and hunting (3.8 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area and nonMSA Mississippi as a whole.

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2018	**2019**	**2020**	**2021 (Jan-Feb)**
Assessment Area	5.2%	5.7%	7.9%	6.0%
NonMSA Mississippi	5.3%	5.9%	8.3%	6.6%

As shown in the table above, unemployment levels in the assessment area, and nonMSA Mississippi, have followed an increasing trend since 2018. The sharp increase in unemployment levels in 2020 was the result of the COVID-19 pandemic. Overall, unemployment levels in the assessment area have remained slightly lower than in nonMSA Mississippi during the review period.

Community Contact Information

For the Leake County assessment area, two community contact interviews were referenced as part of this evaluation. One interview was conducted with an economic development specialist, and the other was with an individual specializing in rural development.

The community contacts described the assessment area as rural, with an economy largely dependent on agricultural production of commodities such as cattle, poultry, cotton, corn, and wheat. The contacts described the local economy as declining, and both noted the area's population loss and high poverty rates. One contact indicated that low wages and an overall scarcity of jobs force many assessment area residents to commute to neighboring counties for employment.

One contact indicated that the retail sector, including boutiques and restaurants, has been hardest hit during the COVID-19 pandemic. These small businesses have faced challenges in re-staffing their stores as larger companies raise wages to compete for available employees. Lack of a skilled workforce was noted as a barrier to attract new businesses to the area. Barriers facing small businesses and start-ups, as described by the contacts, include lack of training and education, and failure to qualify for credit. The contacts indicated a need for revitalization projects to improve city infrastructure and attract new businesses and residents, and small dollar business loans (of $10,000 or less).

Per one contact, the area's population loss has left little demand for new housing stock. However, home purchase and improvement loans, small dollar consumer loans, and affordable automobile loans were all noted as important credit needs. The contact stated that the area's LMI population has difficulty finding affordable homes as market conditions result in increased prices, and for current homeowners, aging housing stock needs upgrades and repairs to central systems. The other contact further described a need for affordable housing for seniors in the assessment area as its lower-wage employees retire.

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

LENDING TEST

The bank's Lending Test rating in the Leake County assessment area is satisfactory. The overall distribution of loans by borrower's income and revenue profile reflects excellent penetration among borrowers of different income levels and businesses of different revenue sizes. The bank's overall geographic distribution of loans reflects poor penetration throughout the Leake County assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is excellent, based on performance from the loan categories reviewed. Performance under the small business category is excellent, and the HMDA loan distribution by borrower's profile is reasonable.

First, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2019 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of 2019 Small Business Lending By Borrower Income Level							
		2019					
		Count		Dollars			Total Businesses
Business Revenue and Loan Size		Bank	Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	21	95.5%	37.2%	$1,546	97.7%	39.0%	91.5%
	Over $1 Million/ Unknown	1	4.5%	62.8%	$36	2.3%	61.0%	8.5%
	TOTAL	22	100.0%	100.0%	$1,582	100.0%	100.0%	100.0%
Loan Size	$100,000 or Less	17	77.3%	94.5%	$546	34.5%	44.2%	
	$100,001– $250,000	4	18.2%	4.1%	$597	37.7%	30.4%	
	$250,001– $1 Million	1	4.5%	1.4%	$439	27.7%	25.4%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	22	100.0%	100.0%	$1,582	100.0%	100.0%	

Loan Size	**Revenue $1 Million or Less**	$100,000 or Less	16	76.2%		$510	33.0%		
		$100,001– $250,000	4	19.0%		$597	38.6%		
		$250,001– $1 Million	1	4.8%		$439	28.4%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	**21**	**100.0%**		**$1,546**	**100.0%**		

The bank's level of lending to small businesses is excellent. The bank originated 95.5 percent of small business loans to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 91.5 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2019 aggregate lending level to small businesses is 37.2 percent.

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 ($47,800 for nonMSA Mississippi 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: Leake County**								
Product Type	**Borrower Income Levels**	**2019**						
		Count		**Dollar**			**Families**	
		Bank		**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	1	11.1%	2.8%	36	4.9%	2.7%	23.7%
	Moderate	1	11.1%	19.9%	126	17.2%	16.2%	19.3%
	Middle	2	22.2%	24.1%	130	17.7%	20.3%	18.1%
	Upper	5	55.6%	39.7%	442	60.2%	48.8%	38.9%
	Unknown	0	0.0%	13.5%	0	0.0%	12.0%	0.0%
	TOTAL	**9**	**100.0%**	**100.0%**	**734**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	1	8.3%	6.0%	53	3.6%	2.8%	23.7%
	Moderate	3	25.0%	6.0%	183	12.3%	4.0%	19.3%
	Middle	0	0.0%	18.1%	0	0.0%	15.9%	18.1%
	Upper	7	58.3%	57.8%	1,214	81.7%	62.2%	38.9%
	Unknown	1	8.3%	12.1%	36	2.4%	15.2%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**1,486**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	20.0%	0	0.0%	10.8%	23.7%
	Moderate	1	25.0%	10.0%	15	11.7%	3.7%	19.3%
	Middle	2	50.0%	30.0%	59	46.1%	20.7%	18.1%
	Upper	1	25.0%	40.0%	54	42.2%	64.8%	38.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**4**	**100.0%**	**100.0%**	**128**	**100.0%**	**100.0%**	**100.0%**

		#	%	%	$ 000s	$ %	$ %	%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	23.7%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	19.3%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	18.1%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	38.9%
	Unknown	0	0.0%	100.0%	0	0.0%	100.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	2	8.0%	4.3%	89	3.8%	2.6%	23.7%
	Moderate	5	20.0%	13.7%	324	13.8%	10.0%	19.3%
	Middle	4	16.0%	20.3%	189	8.0%	17.1%	18.1%
	Upper	13	52.0%	46.3%	1,710	72.8%	52.5%	38.9%
	Unknown	1	4.0%	15.3%	36	1.5%	17.9%	0.0%
	TOTAL	**25**	**100.0%**	**100.0%**	**2,348**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (8.0 percent) is significantly below the low-income family population figure (23.7 percent) and above the 2019 aggregate lending level to low-income borrowers (4.3 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (20.0 percent) is above both the demographic figure (19.3 percent) and aggregate performance (13.7 percent), reflecting excellent performance. Combined, the bank's total HMDA lending to LMI borrowers (28.0 percent) is above the combined aggregate performance (18.0 percent), but well below the LMI family population of 43.0 percent. Therefore, the overall borrower distribution of HMDA loans by borrower's income profile is reasonable.

Geographic Distribution of Loans

As noted previously, the assessment area contains zero low- and two moderate-income census tracts, encompassing 40.0 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in the assessment area reflects poor penetration throughout these census tracts, based on the small business and HMDA loan categories, for which bank performance is considered poor. The following table displays 2019 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2019 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Leake County							
	2019						
	Count			**Dollar**			**Businesses**
Tract Income Levels	**Bank**		**Aggregate**	**Bank**		**Aggregate**	
	#	%	%	$ 000s	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	9	40.9%	51.0%	$935	59.1%	66.6%	61.6%
Middle	13	59.1%	42.4%	$647	40.9%	32.7%	38.4%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	6.6%	$0	0.0%	0.7%	0.0%
TOTAL	**22**	**100.0%**	**100.0%**	**$1,582**	**100.0%**	**100.0%**	**100.0%**

The bank's level of lending in moderate-income census tracts (40.9 percent) is significantly lower than the percentage of business institutions operating inside these tracts (61.6 percent) and 2019 aggregate lending levels in moderate-income tracts (51.0 percent). Consequently, the bank's geographic distribution of small business loans in moderate-income tracts, and overall, is considered poor.

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.

Product Type	Tract Income Levels	Count Bank #	Count Bank %	HMDA Aggregate %	Dollar Bank $ (000s)	Dollar Bank $ %	HMDA Aggregate $ %	Owner-Occupied Units %
Geographic Distribution of Residential Real Estate Loans								
Assessment Area: Leake County				**2019**				
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	4	44.4%	41.1%	413	56.3%	41.3%	32.8%
	Middle	5	55.6%	58.9%	321	43.7%	58.7%	67.2%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**9**	**100.0%**	**100.0%**	**734**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	3	25.0%	31.9%	507	34.1%	33.8%	32.8%
	Middle	9	75.0%	68.1%	979	65.9%	66.2%	67.2%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**1,486**	**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%	40.0%	0	0.0%	58.6%	32.8%
	Middle	4	100.0%	60.0%	128	100.0%	41.4%	67.2%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**4**	**100.0%**	**100.0%**	**128**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0.0%	0.0%	50.0%	0	0.0%	62.1%	82.2%
	Middle	0.0%	0.0%	50.0%	0	0.0%	37.9%	17.8%
	Upper	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0.0%**	**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	7	28.0%	39.0%	920	39.2%	40.0%	32.8%
	Middle	18	72.0%	61.0%	1,428	60.8%	60.0%	67.2%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**25**	**100.0%**	**100.0%**	**2,348**	**100.0%**	**100.0%**	**100.0%**

The bank made 28.0 percent of its HMDA loans in the assessment area's moderate-income census tracts, which is below both the percentages of owner-occupied housing in these tracts (32.8 percent) and the percentage of aggregate HMDA loans made in these tracts (39.0 percent). Consequently, the bank's geographic distribution of HMDA loans in the assessment area's moderate-income census tracts, and overall, reflects poor performance.

Last, based on reviews from both loan categories, the bank had loan activity in all of the assessment area census tracts. Therefore, while the bank's overall geographic distribution of loans in this assessment area is poor, no conspicuous lending gaps were noted in the bank's dispersion of loans throughout the assessment area's moderate-income geographies.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Leake county 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, donations, and community development services.

During the review period, the bank extended seven community development loans totaling $7.1 million in this assessment area, all of which have a primary community development purpose of economic development. The bank also made 12 donations totaling $19,450 to community development organizations in this assessment area. Finally, two bank employees provided approximately 36 service hours to two different community development organizations in this assessment area.

MEMPHIS, TENNESSEE-MISSISSIPPI-ARKANSAS METROPOLITAN STATISTICAL AREA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MEMPHIS ASSESSMENT AREA

This assessment area includes the entirety of Tate and DeSoto Counties, Mississippi, two of the eight counties that comprise the multistate MSA. The bank operates one office in this assessment area, located in Senatobia, Tate County. The branch is a full-service facility with an ATM on site and is located in a moderate-income census tract. No branches were opened or closed in this assessment area during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	8,189	8,521	11,017	23,703	**51,430**
	15.9%	16.6%	21.4%	46.1%	**100%**
Household Population	11,933	9,926	13,606	34,549	**70,014**
	17.0%	14.2%	19.4%	49.4%	**100%**

	Assessment Area Demographics by Geography Income Level					
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	0	7	20	11	0	**38**
	0.0%	18.4%	52.6%	29.0%	0.0%	**100%**
Family Population	0	6,593	23,963	20,874	0	**51,430**
	0.0%	12.8%	46.6%	40.6%	0.0%	**100%**
Household Population	0	10,151	33,585	26,278	0	**70,014**
	0.0%	14.5%	48.0%	37.5%	0.0%	**100%**
Business Institutions	0	714	2,691	2,804	0	**6,209**
	0.0%	11.5%	43.3%	45.2%	0.0%	**100%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MEMPHIS ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the state of Mississippi, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix B*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's overall performance in the state of Mississippi; however, it does not change the rating for the state. During the review period, the bank made one community development loan for $304,701, which supported economic development in the assessment area. The bank also made five donations to community development organizations in the assessment area totaling $12,475. There were no qualified investments or community development services applicable to this assessment area.

ASSESSMENT AREA DETAIL

First Financial Bank - El Dorado, AR 2021
Union County AR 2019

First Financial Bank - El Dorado, AR 2021
Polk County AR 2019

First Financial Bank - El Dorado, AR 2021
East NonMSA AR 2019
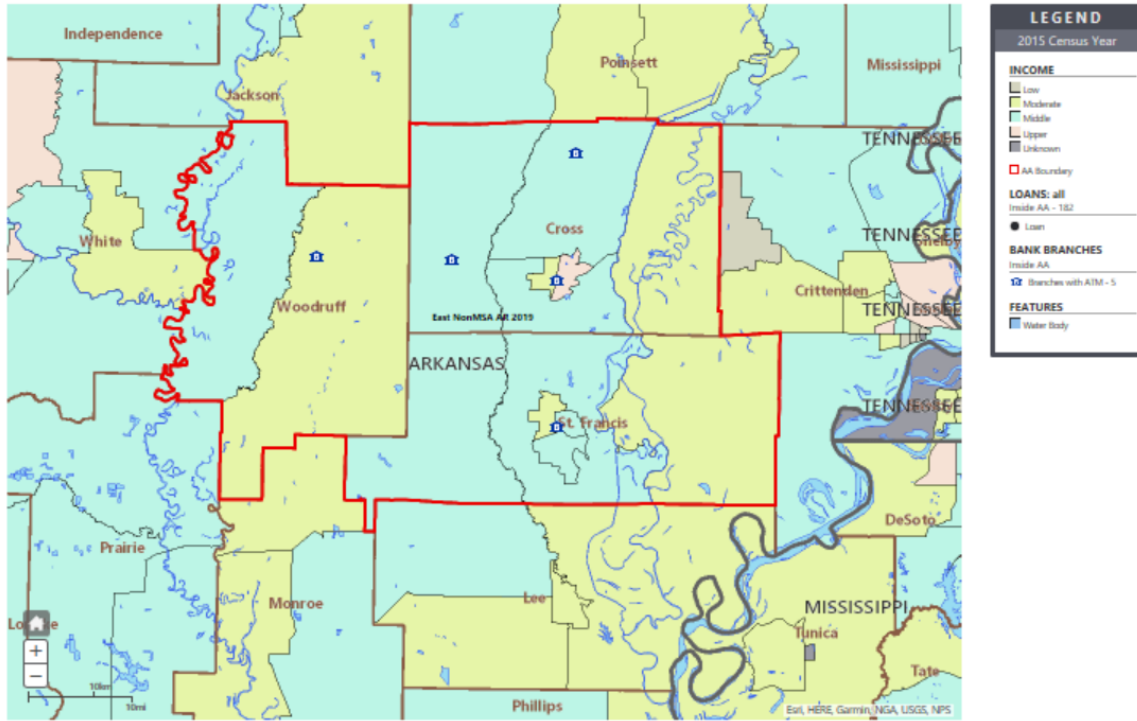
First Financial Bank - El Dorado, AR 2021
Partial Little Rock AR MSA 2019
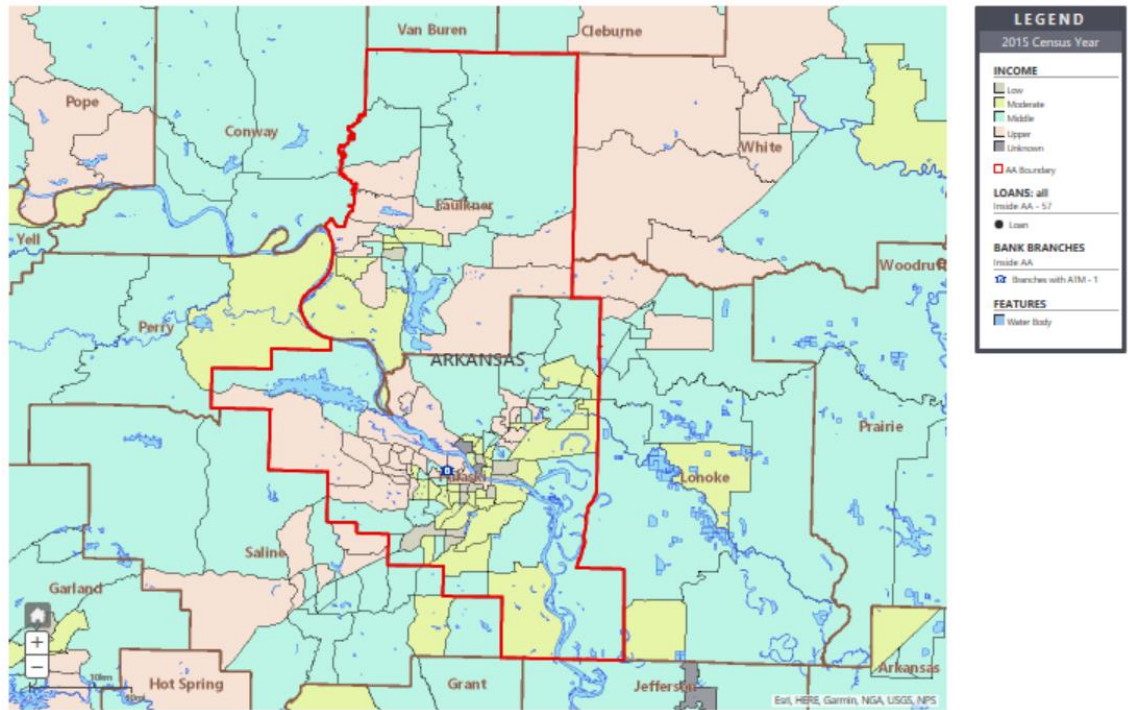
First Financial Bank - El Dorado, AR 2021
Jonesboro AR MSA 2019
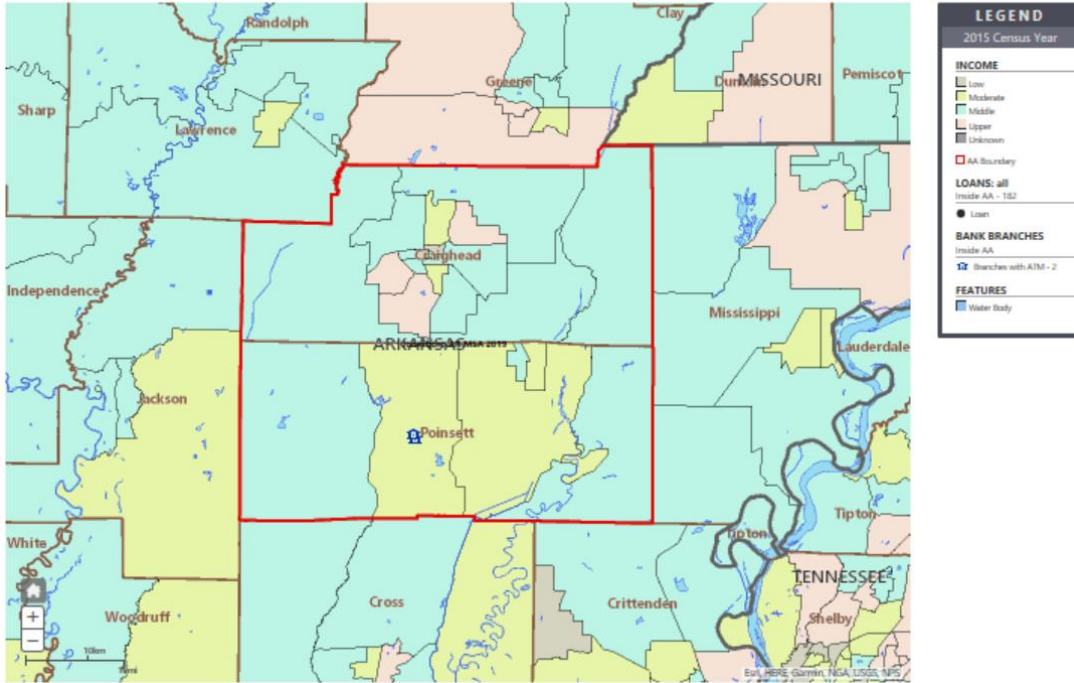
First Financial Bank - El Dorado, AR 2021
Leake County AR 2019
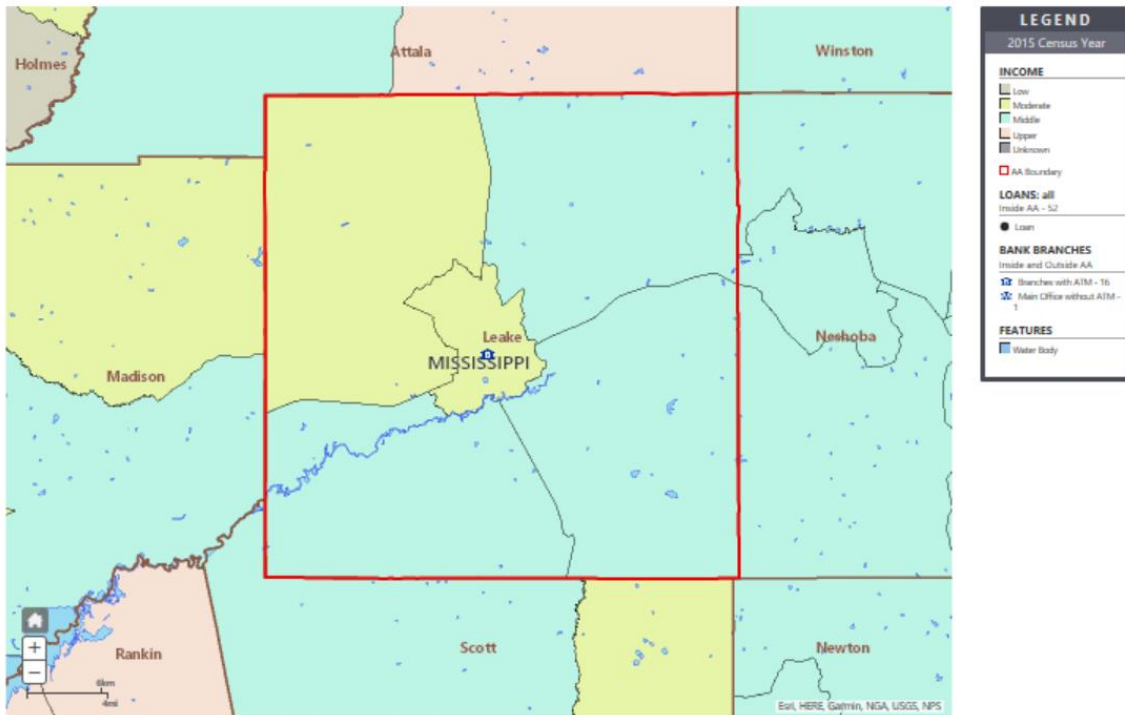
First Financial Bank - El Dorado, AR 2021
Partial Memphis MS MSA 2019
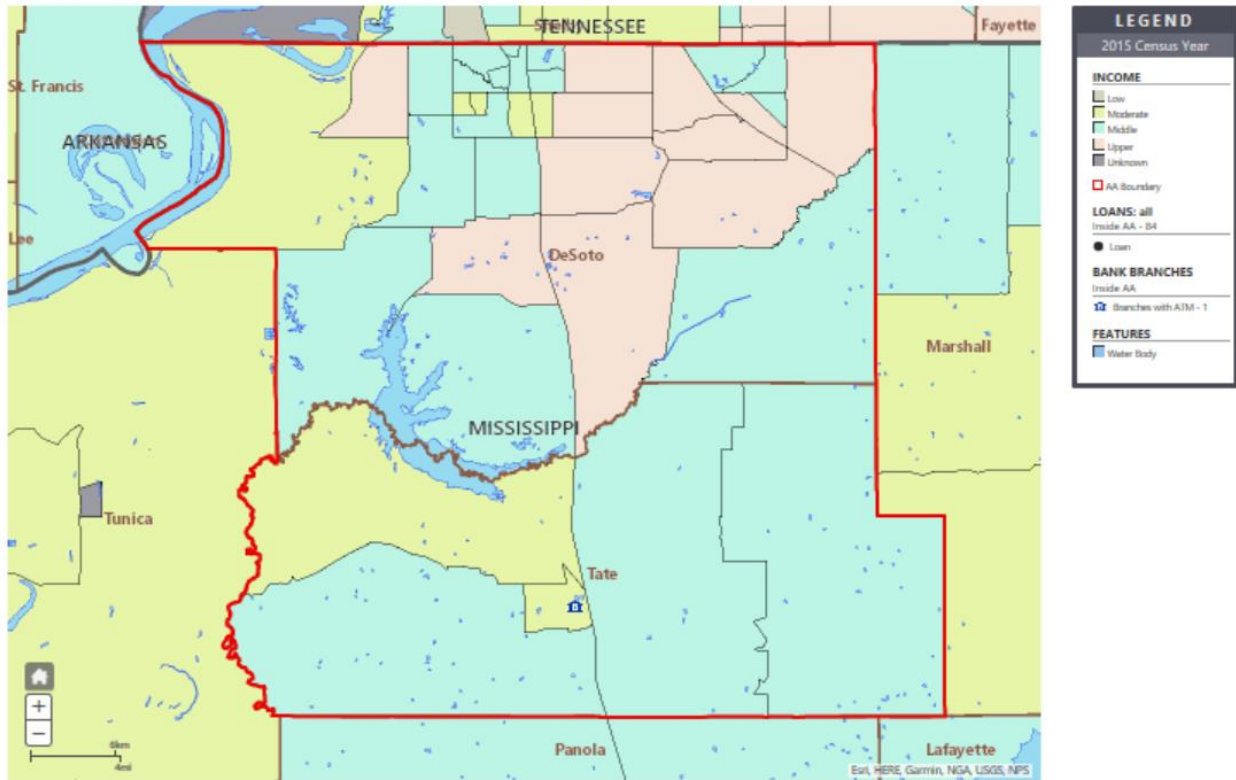
SCOPE OF EXAMINATION TABLES

Scope of Examination	
TIME PERIOD REVIEWED	January 1, 2019 – December 31, 2019 for HMDA, small business lending, and small farm lending. September 18, 2017 – September 5, 2021 for community development loans, investment, and service activities.

FINANCIAL INSTITUTION First Financial Bank		**PRODUCTS REVIEWED** HMDA Small Business Small Farm
AFFILLIATE(S) N/A	**AFFILIATE RELATIONSHIP** N/A	**PRODUCTS REVIEWED** N/A

Assessment Area – Examination Scope Details					
Assessment Area	**Rated Area**	**# of Offices**	**Deposits ($000s) as of June 30, 2020**	**Branches Visited**	**CRA Review Procedures**
Union County	Arkansas	6	$523,513	0	Full Scope
Polk County	Arkansas	1	$76,639	0	Full Scope
East Arkansas	Arkansas	5	$248,841	0	Limited Scope
Little Rock MSA	Arkansas	1	$57,477	0	Full Scope
Jonesboro MSA	Arkansas	2	$81,462	0	Limited Scope
Leake County	Mississippi	1	$142,364	0	Full Scope
Memphis MSA	Mississippi	1	$98,953	0	Limited Scope
OVERALL		**17**	**$1,229,249**	**0**	**4 – Full Scope**

SUMMARY OF STATE RATINGS

State	Lending Test Rating	Community Development Test Rating	Overall Rating
State of Arkansas	Satisfactory	Satisfactory	**Satisfactory**
State of Mississippi	Satisfactory	Satisfactory	**Satisfactory**

LENDING PERFORMANCE TABLES FOR
LIMITED-SCOPE REVIEW ASSESSMENT AREAS

Arkansas
East Arkansas Assessment Area

Small Business Loans by Revenue and Loan Size Assessment Area: East Arkansas Assessment Area							
Business Revenue and Loan Size		**2018**					
		Count		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue	$1 Million or Less	10	66.7%	29.0%	$856	60.5%	30.7%	89.1%
	Over $1 Million/ Unknown	5	33.3%	71.0%	$560	39.5%	69.3%	10.9%
	TOTAL	**15**	**100.0%**	**100.0%**	**$1,416**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	9	60.0%	94.5%	$334	23.6%	42.4%	
	$100,001– $250,000	5	33.3%	3.6%	$832	58.8%	22.9%	
	$250,001– $1 Million	1	6.7%	1.9%	$250	17.7%	34.7%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**15**	**100.0%**	**100.0%**	**$1,416**	**100.0%**	**100.0%**	
Loan Size Revenue $1 Million	$100,000 or Less	7	70.0%		$288	33.6%		
	$100,001–$250,000	3	30.0%		$568	66.4%		
	$250,001– $1 Million	0	0.0%		$0	0.0%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**10**	**100.0%**		**$856**	**100.0%**		

Borrower Distribution of Residential Real Estate Loans Assessment Area: East Arkansas Assessment Area							
Product Type	**Borrower Income Levels**	**2018**					
		Count		**Dollar**			**Families**
		Bank	**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Home Purchase	Low	1	10.0%	3.2%	51	6.2%	1.9%	24.9%
	Moderate	1	10.0%	15.6%	24	2.9%	10.5%	18.4%
	Middle	1	10.0%	16.9%	21	2.5%	14.2%	18.7%
	Upper	6	60.0%	40.2%	699	84.7%	48.4%	38.0%
	Unknown	1	10.0%	24.1%	30	3.6%	25.0%	0.0%
	TOTAL	**10**	**100.0%**	**100.0%**	**825**	**100.0%**	**100.0%**	**100.0%**

		#	%	%		%	%	%
Refinance	Low	0	0.0%	4.5%	0	0.0%	2.5%	24.9%
	Moderate	2	28.6%	10.8%	49	9.6%	5.5%	18.4%
	Middle	0	0.0%	15.9%	0	0.0%	13.1%	18.7%
	Upper	4	57.1%	42.0%	432	84.2%	45.4%	38.0%
	Unknown	1	14.3%	26.7%	32	6.2%	33.5%	0.0%
	TOTAL	**7**	**100.0%**	**100.0%**	**513**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	7.7%	0	0.0%	4.9%	24.9%
	Moderate	0	0.0%	11.5%	0	0.0%	7.6%	18.4%
	Middle	0	0.0%	23.1%	0	0.0%	28.4%	18.7%
	Upper	2	100.0%	50.0%	47	100.0%	47.3%	38.0%
	Unknown	0	0.0%	7.7%	0	0.0%	11.8%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**47**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	24.9%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	18.4%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	18.7%
	Upper	2	100.0%	62.5%	37	100.0%	26.4%	38.0%
	Unknown	0	0.0%	37.5%	0	0.0%	73.6%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**37**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	1	4.8%	3.6%	51	3.6%	2.0%	24.9%
	Moderate	3	14.3%	13.3%	73	5.1%	8.6%	18.4%
	Middle	1	4.8%	16.7%	21	1.5%	13.7%	18.7%
	Upper	14	66.7%	40.1%	1,215	85.4%	46.7%	38.0%
	Unknown	2	9.5%	26.3%	62	4.4%	29.1%	0.0%
	TOTAL	**21**	**100.0%**	**100.0%**	**1,422**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans Assessment Area: East Arkansas Assessment Area							
Tract Income Levels	**2019**						
	Count			**Dollar**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	5	33.3%	32.0%	$582	41.1%	43.0%	34.0%
Middle	6	40.0%	51.6%	$516	36.4%	49.7%	52.0%
Upper	4	26.7%	10.2%	$319	22.5%	4.6%	14.0%
Unknown	0	0.0%	6.1%	$0	0.0%	2.7%	0.0%
TOTAL	**15**	**100.0%**	**100.0%**	**$1,417**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Residential Real Estate Loans Assessment Area: East Arkansas Assessment Area							
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	1	10.0%	28.5%	21	2.5%	21.2%	30.8%
	Middle	6	60.0%	46.1%	580	70.3%	47.9%	60.4%
	Upper	3	30.0%	25.4%	224	27.2%	30.9%	8.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**10**	**100.0%**	**100.0%**	**825**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	14.3%	21.6%	40	7.8%	23.5%	30.8%
	Middle	3	42.9%	58.5%	241	47.0%	53.0%	60.4%
	Upper	3	42.9%	19.9%	232	45.2%	23.5%	8.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**7**	**100.0%**	**100.0%**	**513**	**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%	19.2%	0	0.0%	19.9%	30.8%
	Middle	2	100.0%	69.2%	47	100.0%	73.1%	60.4%
	Upper	0	0.0%	11.5%	0	0.0%	7.0%	8.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**47**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	14.6%	0.0%
	Moderate	1	50.0%	25.0%	24	64.9%	16.9%	65.5%
	Middle	1	50.0%	62.5%	13	35.1%	34.5%	29.4%
	Upper	0	0.0%	12.5%	0	0.0%	32.4%	5.1%
	Unknown	0	0.0%	0.0%	0	0.0%	1.6%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**37**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	3.7%	0.0%
	Moderate	3	14.3%	26.3%	85	6.0%	11.0%	30.8%
	Middle	12	57.1%	50.5%	881	62.0%	36.8%	60.4%
	Upper	6	28.6%	23.2%	456	32.1%	48.2%	8.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.3%	0.0%
	TOTAL	**21**	**100.0%**	**100.0%**	**1,422**	**100.0%**	**100.0%**	**100.0%**

Arkansas
Jonesboro MSA

Small Business Loans by Revenue and Loan Size Assessment Area: Jonesboro MSA							
		2018					
Business Revenue and Loan Size		**Count**		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	1	50.0%	46.7%	$42	6.0%	50.4%	89.6%
	Over $1 Million/ Unknown	1	50.0%	53.3%	$658	94.0%	49.6%	10.4%
	TOTAL	2	100.0%	100.0%	$700	100.0%	100.0%	100.0%
Loan Size	$100,000 or Less	1	50.0%	88.8%	$42	6.0%	33.1%	
	$100,001– $250,000	0	0.0%	6.3%	$0	0.0%	19.7%	
	$250,001– $1 Million	1	50.0%	4.9%	$658	94.0%	47.2%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	2	100.0%	100.0%	$700	100.0%	100.0%	
Loan Size Revenue $1 Million or Less	$100,000 or Less	1	100.0%		$42	100.0%		
	$100,001–$250,000	0	0.0%		$0	0.0%		
	$250,001– $1 Million	0	0.0%		$0	0.0%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	1	100.0%		$42	100.0%		

Borrower Distribution of Residential Real Estate Loans Assessment Area: Jonesboro MSA							
Product Type	**Borrower Income Levels**	2018					
		Count		**Dollar**			**Families**
		Bank	**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	8	5.6%	2.7%	830	3.9%	1.5%	21.9%
	Moderate	30	21.1%	14.7%	3,180	15.1%	10.4%	17.2%
	Middle	35	24.6%	20.8%	5,166	24.6%	18.3%	20.0%
	Upper	69	48.6%	40.8%	11,854	56.4%	51.4%	40.9%
	Unknown	0	0.0%	21.0%	0	0.0%	18.4%	0.0%
	TOTAL	142	100.0%	100.0%	21,030	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	2.2%	0	0.0%	1.0%	21.9%
	Moderate	5	15.6%	8.3%	425	8.1%	4.5%	17.2%
	Middle	7	21.9%	15.7%	1,029	19.6%	11.0%	20.0%
	Upper	20	62.5%	50.2%	3,800	72.3%	59.5%	40.9%
	Unknown	0	0.0%	23.6%	0	0.0%	24.0%	0.0%
	TOTAL	32	100.0%	100.0%	5,254	100.0%	100.0%	100.0%

	Tract Income	#	%	Aggregate %	$	$ %	Aggregate $ %	%
Home Improvement	Low	0	0.0%	4.4%	0	0.0%	3.2%	21.9%
	Moderate	0	0.0%	9.3%	0	0.0%	5.1%	17.2%
	Middle	0	0.0%	18.7%	0	0.0%	15.3%	20.0%
	Upper	1	100.0%	55.5%	31	100.0%	64.3%	40.9%
	Unknown	0	0.0%	12.1%	0	0.0%	12.1%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**31**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	1.3%	0	0.0%	0.0%	21.9%
	Moderate	0	0.0%	3.8%	0	0.0%	0.7%	17.2%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	20.0%
	Upper	0	0.0%	6.4%	0	0.0%	0.7%	40.9%
	Unknown	1	100.0%	88.5%	23	100.0%	98.6%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**23**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	8	4.5%	2.6%	830	3.2%	1.2%	21.9%
	Moderate	35	19.9%	12.2%	3,605	13.7%	7.6%	17.2%
	Middle	42	23.9%	18.3%	6,195	23.5%	14.0%	20.0%
	Upper	90	51.1%	43.6%	15,685	59.6%	48.3%	40.9%
	Unknown	1	0.6%	23.2%	23	0.1%	28.8%	0.0%
	TOTAL	**176**	**100.0%**	**100.0%**	**26,338**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans **Assessment Area: Jonesboro MSA**							
	2019						
Tract Income Levels	**Count**			**Dollar**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$ %**	**$ %**	**%**
Low	0	0.0%	7.1%	$0	0.0%	7.6%	7.6%
Moderate	2	100.0%	16.0%	$700	100.0%	17.5%	17.5%
Middle	0	0.0%	54.8%	$0	0.0%	55.7%	55.7%
Upper	0	0.0%	20.2%	$0	0.0%	18.8%	18.8%
Unknown	0	0.0%	1.9%	$0	0.0%	0.4%	0.4%
TOTAL	**2**	**100.0%**	**100.0%**	**$700**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Residential Real Estate Loans **Assessment Area: Jonesboro MSA**							
Product Type		**2019**					
	Tract Income Levels	**Count**			**Dollar**		**Owner-Occupied Units**
		Bank		**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Home Purchase	Low	1	0.7%	3.1%	132	0.6%	2.5%	2.4%
	Moderate	18	12.7%	11.8%	2,160	10.3%	9.2%	18.5%
	Middle	72	50.7%	51.8%	9,281	44.1%	45.3%	56.3%
	Upper	51	35.9%	33.3%	9,457	45.0%	43.0%	22.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**142**	**100.0%**	**100.0%**	**21,030**	**100.0%**	**100.0%**	**100.0%**

Refinance	Low	1	3.1%	3.5%	69	1.3%	2.4%	2.4%
	Moderate	4	12.5%	11.9%	322	6.1%	9.3%	18.5%
	Middle	22	68.8%	53.3%	3,821	72.7%	50.6%	56.3%
	Upper	5	15.6%	31.4%	1,042	19.8%	37.8%	22.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**32**	**100.0%**	**100.0%**	**5,254**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	4.9%	0	0.0%	6.7%	2.4%
	Moderate	1	100.0%	13.2%	31	100.0%	10.4%	18.5%
	Middle	0	0.0%	53.3%	0	0.0%	45.9%	56.3%
	Upper	0	0.0%	28.6%	0	0.0%	37.0%	22.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**31**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	19.2%	0	0.0%	7.8%	27.1%
	Moderate	1	100.0%	12.8%	23	100.0%	5.0%	40.2%
	Middle	0	0.0%	53.8%	0	0.0%	53.8%	24.8%
	Upper	0	0.0%	14.1%	0	0.0%	33.4%	7.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**23**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	2	1.1%	3.5%	201	0.8%	3.0%	2.4%
	Moderate	24	13.6%	11.9%	2,536	9.6%	8.8%	18.5%
	Middle	94	53.4%	52.8%	13,102	49.7%	47.9%	56.3%
	Upper	56	31.8%	31.9%	10,499	39.9%	40.3%	22.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**176**	**100.0%**	**100.0%**	**26,338**	**100.0%**	**100.0%**	**100.0%**

LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREAS

Mississippi
Partial Memphis, Mississippi Assessment Area

Small Business Loans by Revenue and Loan Size Assessment Area: Partial Memphis Assessment Area							
Business Revenue and Loan Size		**2019**					
		Count		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue	$1 Million or Less	2	100.0%	40.6%	$417	100.0%	39.1%	93.1%
	Over $1 Million/ Unknown	0	0.0%	59.4%	$0	0.0%	60.9%	6.9%
	TOTAL	**2**	**100.0%**	**100.0%**	**$417**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	0	0.0%	92.9%	$0	0.0%	36.6%	
	$100,001– $250,000	1	50.0%	4.0%	$150	36.0%	18.0%	
	$250,001– $1 Million	1	50.0%	3.1%	$267	64.0%	45.4%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**2**	**100.0%**	**100.0%**	**$417**	**100.0%**	**100.0%**	
Loan Size Revenue $1 Million or Less	$100,000 or Less	0	0.0%		$0	0.0%		
	$100,001–$250,000	1	50.0%		$150	36.0%		
	$250,001– $1 Million	1	50.0%		$267	64.0%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**2**	**100.0%**		**$417**	**100.0%**		

Borrower Distribution of Residential Real Estate Loans Assessment Area: Partial Memphis Assessment Area							
Product Type	**Borrower Income Levels**	**2019**					
		Count		**Dollar**			**Families**
		Bank	**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Home Purchase	Low	0	0.0%	4.2%	0	0.0%	2.0%	15.9%
	Moderate	5	55.6%	17.4%	498	41.0%	11.9%	16.6%
	Middle	2	22.2%	25.9%	206	17.0%	24.8%	21.4%
	Upper	2	22.2%	34.9%	511	42.1%	43.8%	46.1%
	Unknown	0	0.0%	17.7%	0	0.0%	17.5%	0.0%
	TOTAL	**9**	**100.0%**	**100.0%**	**1,215**	**100.0%**	**100.0%**	**100.0%**

		#	%	%		%	%	%
Refinance	Low	0	0.0%	5.9%	0	0.0%	3.4%	15.9%
	Moderate	0	0.0%	10.6%	0	0.0%	7.1%	16.6%
	Middle	0	0.0%	18.1%	0	0.0%	15.6%	21.4%
	Upper	8	100.0%	40.1%	1,296	100.0%	45.1%	46.1%
	Unknown	0	0.0%	25.3%	0	0.0%	28.8%	0.0%
	TOTAL	**8**	**100.0%**	**100.0%**	**1,296**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	3	33.3%	9.4%	11	8.1%	4.6%	15.9%
	Moderate	0	0.0%	14.1%	0	0.0%	8.8%	16.6%
	Middle	3	33.3%	21.4%	53	39.0%	22.6%	21.4%
	Upper	3	33.3%	50.5%	72	52.9%	58.9%	46.1%
	Unknown	0	0.0%	4.7%	0	0.0%	5.1%	0.0%
	TOTAL	**9**	**100.0%**	**100.0%**	**136**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	15.9%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	16.6%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	21.4%
	Upper	0	0.0%	4.5%	0	0.0%	0.6%	46.1%
	Unknown	0	0.0%	95.5%	0	0.0%	99.4%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	3	11.5%	4.6%	11	0.4%	2.3%	15.9%
	Moderate	5	19.2%	14.8%	498	18.8%	9.9%	16.6%
	Middle	5	19.2%	22.8%	259	9.8%	20.8%	21.4%
	Upper	13	50.0%	36.6%	1,879	71.0%	42.0%	46.1%
	Unknown	0	0.0%	21.2%	0	0.0%	25.0%	0.0%
	TOTAL	**26**	**100.0%**	**100.0%**	**2,647**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans Assessment Area: Partial Memphis Assessment Area							
	2019						
Tract Income Levels	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ 000s	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	9.0%	$0	0.0%	7.8%	11.5%
Middle	1	50.0%	41.6%	$150	36.0%	44.5%	43.3%
Upper	1	50.0%	47.8%	$267	64.0%	47.3%	45.2%
Unknown	0	0.0%	1.7%	$0	0.0%	0.4%	0.0%
TOTAL	**2**	**100.0%**	**100.0%**	**$417**	**100.0%**	**100.0%**	**100.0%**

Product Type	Tract Income Levels	2019						Owner-Occupied Units
		Count			Dollar			
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	22.2%	7.7%	103	8.5%	4.8%	10.1%
	Middle	7	77.8%	38.1%	1,112	91.5%	32.8%	45.6%
	Upper	0	0.0%	54.2%	0	0.0%	62.3%	44.3%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**9**	**100.0%**	**100.0%**	**1,215**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	25.0%	6.0%	279	21.5%	3.8%	10.1%
	Middle	3	37.5%	38.5%	151	11.7%	33.9%	45.6%
	Upper	3	37.5%	55.5%	866	66.8%	62.3%	44.3%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**8**	**100.0%**	**100.0%**	**1,296**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	5	55.6%	12.5%	44	32.4%	8.8%	10.1%
	Middle	4	44.4%	41.1%	92	67.6%	45.2%	45.6%
	Upper	0	0.0%	46.4%	0	0.0%	46.0%	44.3%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**9**	**100.0%**	**100.0%**	**136**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	31.8%	0	0.0%	6.2%	31.1%
	Middle	0	0.0%	59.1%	0	0.0%	92.6%	61.0%
	Upper	0	0.0%	9.1%	0	0.0%	1.2%	7.9%
	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	9	34.6%	7.2%	426	16.1%	4.6%	10.1%
	Middle	14	53.8%	38.4%	1,355	51.2%	35.9%	45.6%
	Upper	3	11.5%	54.4%	866	32.7%	59.5%	44.3%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**26**	**100.0%**	**100.0%**	**2,647**	**100.0%**	**100.0%**	**100.0%**

Table title: **Geographic Distribution of Residential Real Estate Loans / Assessment Area: Partial Memphis Assessment Area**

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.