

# **PUBLIC DISCLOSURE**

**January 10, 2021**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The Farmers & Merchants Bank  
RSSD #677644**

**708 South Main Street  
Stuttgart, Arkansas 72160**

**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**

The Farmers & Merchants 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 and financial condition and the 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 and farms 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 assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

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## SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) intermediate small bank procedures. The intermediate small bank examination procedures entail two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level. The bank maintains operations in seven delineated assessment areas within Arkansas.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment 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, 2021.

| Assessment Area | Offices   |             | Deposits as of June 30, 2021 |             | Review Scope   |
|-----------------|-----------|-------------|------------------------------|-------------|--|
|                 | #         | %           | \$ (000s)                    | %           |  |
| Stuttgart       | 7         | 28.0%       | \$402,861                    | 28.5%       | Full-Scope Review  |
| Mountain Home   | 5         | 20.0%       | \$276,513                    | 19.5%       | Full-Scope Review  |
| Conway County   | 1         | 4.0%        | \$25,498                     | 1.8%        | Limited-Scope Review                                     |
| Randolph County | 2         | 8.0%        | \$135,008                    | 9.5%        | Limited-Scope Review                                     |
| Fayetteville    | 8         | 32.0%       | \$428,048                    | 30.2%       | Full-Scope Review  |
| Little Rock     | 1         | 4.0%        | \$62,353                     | 4.4%        | Limited-Scope Review                                     |
| Jonesboro       | 1         | 4.0%        | \$84,979                     | 6.0%        | Limited-Scope Review                                     |
| <b>OVERALL</b>  | <b>25</b> | <b>100%</b> | <b>\$1,415,260</b>           | <b>100%</b> | <b>3 Full-Scope Reviews/<br/>4 Limited-Scope Reviews</b> |

Full-scope review areas, which drive the overall rating decisions, were selected based on branch structure, loan and deposit activity, and the bank's CRA evaluation history. Consequently, full-scope review procedures were performed in the following assessment areas (listed in order of priority): Stuttgart assessment area, Fayetteville assessment area, and Mountain Home assessment area.

Lending performance was based on residential real estate loans, small business loans, and small farm loans, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Therefore, 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 on home mortgage lending and small business lending, performance based on the Home Mortgage Disclosure Act (HMDA) loan category and small business loan category carried the most significance toward overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

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| Performance Criterion                   | Time Period                         |
|---|-------------------------------------|
| LTD Ratio                               | June 30, 2019 – September 30, 2021  |
| Assessment Area Concentration           | January 1, 2020 – December 31, 2020 |
| Geographic Distribution of Loans        |                                     |
| Loan Distribution by Borrower's Profile |                                     |
| Response to Written CRA Complaints      | June 3, 2019 – January 9, 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 HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data by the U.S. Census Bureau, and certain business and farm demographics are based on 2020 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. Four other banks were identified as similarly situated peers, with asset sizes ranging from \$914.5 million to \$2.0 billion as of September 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 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 considered.

To supplement this evaluation, five community contact interviews were used to ascertain specific credit needs, opportunities, and local market conditions in the full-scope 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.

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## DESCRIPTION OF INSTITUTION

The Farmers & Merchants Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Farmers & Merchants Bankshares, Inc., a one-bank holding company. The bank and its holding company are both headquartered in Stuttgart, Arkansas. The bank's branch network consists of 25 offices (including the main office), 20 of which are full service. The remaining five are limited-service branches, where customers are only able to make deposits, cash checks, and make loan payments. The bank also has a network of 27 full-service automated teller machines or intelligent teller machines, 23 of which are located at a branch office and four are stand-alone facilities.

The Farmers & Merchants Bank acquired Integrity First Bank in May 2019, and with the acquisition, the bank obtained nine offices in three new markets. The bank closed four branches and did not open any branches during this review period. Based on the bank's existing 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 the entirety of its assessment areas.

The bank operates in seven CRA assessment areas, all in the state of Arkansas, which are detailed below. The Mountain Home, Randolph County, and Jonesboro assessment areas are new since the previous evaluation, and one assessment area was removed after the bank sold its only branch in Lee County, Arkansas.

### Nonmetropolitan Statistical Areas (nonMSA) Assessment Areas

- Stuttgart – Arkansas and Prairie Counties
- Mountain Home – Baxter and Marion Counties
- Conway County – Conway County
- Randolph County – Randolph County

### MSA Assessment Areas

- Fayetteville – Benton and Washington Counties (two of three counties that make up the Fayetteville-Springdale-Rogers, Arkansas MSA)
- Little Rock – Perry County (one of six counties comprising the Little Rock-North Little Rock-Conway, Arkansas MSA)
- Jonesboro – Craighead County (one of two counties comprising the Jonesboro MSA)

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of September 30, 2021, the bank reported total assets of \$1.7 billion. As of the same date, loans and leases outstanding were \$1.1 billion (65.8 percent of total assets), and deposits totaled \$1.4 billion. The bank's loan portfolio composition by credit category is displayed in the following table.

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| <b>Distribution of Total Loans as of September 30, 2021</b> |                        |                                  |
|---|------------------------|----------------------------------|
| <b>Credit Category</b>                                      | <b>Amount (\$000s)</b> | <b>Percentage of Total Loans</b> |
| Construction and development                                | \$94,567               | 8.5%                             |
| Commercial real estate                                      | \$359,015              | 32.5%                            |
| Multifamily residential                                     | \$41,356               | 3.7%                             |
| 1–4 family residential                                      | \$243,774              | 22.0%                            |
| Farmland  | \$86,774               | 7.8%                             |
| Farm loans  | \$125,093              | 11.3%                            |
| Commercial and industrial                                   | \$127,978              | 11.6%                            |
| Loans to individuals  | \$20,391               | 1.8%                             |
| Total other loans   | \$7,370                | 0.7%                             |
| <b>TOTAL</b>  | <b>\$1,106,318</b>     | <b>100%</b>                      |

As indicated by the table above, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties, commercial real estate loans, farmland, and farm loans. During the review period, the bank also originated and sold a significant volume of loans related to residential real estate. As these loans were sold on the secondary market shortly after origination, this activity would not be captured in the table.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on June 3, 2019.

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## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

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

#### Loan-to-Deposit (LTD) Ratio

One indication of overall level of lending activity is the 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 ten-quarter average dating back to the bank's last CRA evaluation.

| LTD Ratio Analysis           |                        |  |                   |
|------------------------------|------------------------|--|-------------------|
| Name                         | Headquarters           | Asset Size (\$000s) as of September 30, 2021 | Average LTD Ratio |
| The Farmers & Merchants Bank | Stuttgart, Arkansas    | \$1,682,151                                  | 79.5%             |
| Regional Banks               | Arkadelphia, Arkansas  | \$1,967,438                                  | 82.0%             |
|                              | Green Forest, Arkansas | \$953,642                                    | 78.4%             |
|                              | Springdale, Arkansas   | \$914,500                                    | 92.5%             |
|                              | Fort Smith, Arkansas   | \$1,824,627                                  | 77.6%             |

Based on data from the previous table, the bank's level of lending is in line with that of other banks in the region. During the review period, the bank's quarterly LTD ratio experienced a decreasing trend, with a ten-quarter average of 79.5 percent. In comparison, the average LTD ratios for the regional peers were comparable, and peer banks had similar decreasing trends. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

#### Assessment Area Concentration

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



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| <b>Lending Inside and Outside of Assessment Areas<br/>January 1, 2020 through December 31, 2020</b> |                                    |              |                                     |              |                  |             |
|---|------------------------------------|--------------|-------------------------------------|--------------|------------------|-------------|
| <b>Loan Type</b>  | <b>Inside<br/>Assessment Areas</b> |              | <b>Outside<br/>Assessment Areas</b> |              | <b>TOTAL</b>     |             |
| HMDA  | 529                                | 85.0%        | 93                                  | 15.0%        | 622              | 100%        |
|   | \$80,873                           | 86.2%        | \$12,993                            | 13.8%        | \$93,866         | 100%        |
| Small Business  | 1,126                              | 88.9%        | 141                                 | 11.1%        | 1,267            | 100%        |
|   | \$72,480                           | 83.8%        | \$14,010                            | 16.2%        | \$86,490         | 100%        |
| Small Farms   | 289                                | 84.3%        | 54                                  | 15.7%        | 343              | 100%        |
|   | \$36,563                           | 83.2%        | \$7,378                             | 16.8%        | \$43,941         | 100%        |
| <b>TOTAL LOANS</b>  | <b>1,944</b>                       | <b>87.1%</b> | <b>288</b>                          | <b>12.9%</b> | <b>2,232</b>     | <b>100%</b> |
|   | <b>\$189,916</b>                   | <b>84.7%</b> | <b>\$34,381</b>                     | <b>15.3%</b> | <b>\$224,297</b> | <b>100%</b> |

The bank originated a majority of its HMDA, small business, and small farm loans inside its assessment areas. As shown above, 87.1 percent of the total loans were made inside the assessment areas, accounting for 84.7 percent of the dollar volume of total loans.

### **Borrower and Geographic Distribution**

As displayed in the following table, the bank's overall distribution of lending by borrower's income/revenue profile reflects reasonable penetration throughout the bank's assessment areas.

| <b>Full-Scope Assessment Area</b> | <b>Loan Distribution by Borrower's Profile</b> |
|-----------------------------------|--|
| Stuttgart                         | Reasonable                                     |
| Mountain Home                     | Reasonable                                     |
| Fayetteville                      | Reasonable                                     |
| <b>OVERALL</b>                    | <b>REASONABLE</b>                              |

| <b>Limited-Scope Assessment Area</b> | <b>Loan Distribution by Borrower's Profile</b> |
|--------------------------------------|--|
| Conway County                        | Consistent                                     |
| Randolph County                      | Consistent                                     |
| Little Rock                          | Consistent                                     |
| Jonesboro                            | Below  |

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Similarly, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration throughout the bank's assessment areas.

| Full-Scope Assessment Area | Geographic Distribution of Loans |
|----------------------------|----------------------------------|
| Stuttgart                  | Reasonable                       |
| Mountain Home              | Reasonable                       |
| Fayetteville               | Reasonable                       |
| <b>OVERALL</b>             | <b>REASONABLE</b>                |

| Limited-Scope Assessment Area | Geographic Distribution of Loans |
|-------------------------------|----------------------------------|
| Conway County                 | Consistent                       |
| Randolph County               | Consistent                       |
| Little Rock                   | Below                            |
| Jonesboro                     | Consistent                       |

### **Responses to Complaints**

No CRA-related complaints were filed against the bank during this review period (June 3, 2019 through January 9, 2022).

### COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated satisfactory. The bank 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 assessment areas.

| Full-Scope Assessment Area | Community Development Performance |
|----------------------------|-----------------------------------|
| Stuttgart                  | Adequate                          |
| Mountain Home              | Poor                              |
| Fayetteville               | Adequate                          |
| <b>OVERALL</b>             | <b>ADEQUATE</b>                   |

| Limited-Scope Assessment Areas | Community Development Performance |
|--------------------------------|-----------------------------------|
| Conway County                  | Below                             |
| Randolph County                | Below                             |
| Little Rock                    | Below                             |
| Jonesboro                      | Consistent                        |

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While performance varied among the seven assessment areas, the overall Community Development Test rating was based on performance in the full-scope assessment areas (Stuttgart, Fayetteville, and Mountain Home). Performance in the other four assessment areas, all of which were examined using limited-scope review procedures, was below performance in full-scope assessment areas, with the exception of Jonesboro, which was consistent with the performance of the full-scope assessment areas.

During the review period, the bank made 226 qualifying loans in its assessment areas totaling approximately \$25.6 million. Of those loans, eight were to small businesses that helped to revitalize and stabilize middle-income geographies, and ten were to organizations that provide community services primarily to the LMI population. Additionally, in the wake of the COVID-19 pandemic, the bank became a Small Business Administration (SBA) lender to respond to the community need for Paycheck Protection Program (PPP) loans. Among the PPP loans, 202 of the qualifying loans were made to businesses located in either LMI or underserved geographies, totaling \$5.5 million.

The bank also made community development investments and donations in its assessment areas totaling \$17.0 million. This amount included 33 new qualified investments totaling \$13.9 million, 12 continuing investments made in a prior review period totaling \$3.1 million, and 37 donations totaling \$19,978. The majority of the investments were municipal bonds issued by qualifying school districts serving a majority of students from LMI families.

During the review period, bank personnel used financial expertise to log 57 service activities to 18 different community development organizations within the bank's assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board members.

#### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

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

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## **NONMETROPOLITAN ARKANSAS STATEWIDE AREA**

*(Full-Scope Reviews)*

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STUTTGART ASSESSMENT AREA**

#### **Bank Structure**

The bank operates 7 of 25 offices (28.0 percent) in this assessment area, all of which are in middle-income census tracts (2 branches are in census tracts designated as underserved). Since the last examination, the bank closed one branch in a moderate-income census tract and did not open any branches in this assessment area. Based on its 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 comprises Arkansas and Prairie Counties in their entirety. This is one of the bank's primary assessment areas, located in eastern Arkansas. Based on 2015 ACS data, the assessment area population was 27,133. Of the five FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 50.2 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer, business, and farm loan products. Three middle-income census tracts in Prairie County are designated as underserved due to their remote, rural location; thus, ensuring credit is made available to this segment of the population is particularly important. In addition, a community contact indicated that other particular credit needs in the assessment area include financial literacy education and affordable housing for LMI people.

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### **Income and Wealth Demographics**

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

| <b>Assessment Area Demographics by Geography Income Level</b> |             |                  |                |               |                |               |
|---|-------------|------------------|----------------|---------------|----------------|---------------|
| <b>Dataset</b>  | <b>Low-</b> | <b>Moderate-</b> | <b>Middle-</b> | <b>Upper-</b> | <b>Unknown</b> | <b>TOTAL</b>  |
| Census Tracts   | 0           | 1                | 9              | 1             | 0              | <b>11</b>     |
|   | 0.0%        | 9.1%             | 81.8%          | 9.1%          | 0.0%           | <b>100%</b>   |
| Family Population   | 0           | 705              | 6,398          | 421           | 0              | <b>42,849</b> |
|   | 0.0%        | 9.4%             | 85.0%          | 5.6%          | 0.0%           | <b>100%</b>   |

As shown in the preceding table, the majority of the census tracts in the assessment area (81.8 percent) are middle-income, and 85.0 percent of the population resides in those census tracts. As previously described, the three middle-income census tracts in Prairie County are classified as underserved due to their remote, rural location. The assessment area contains one moderate-income census tract (located in Stuttgart, Arkansas), which contains only 9.4 percent of the family population of the assessment area.

Based on 2015 ACS data, the median family income for the assessment area was \$44,908. At the same time, median family income for nonMSA Arkansas was \$45,047. More recently, the FFIEC estimates the 2020 median family income for nonMSA Arkansas to be \$50,800. The following table displays population percentages of assessment area families by income level compared to the nonMSA Arkansas population.

| <b>Family Population by Income Level</b> |             |                  |                |               |                |
|--|-------------|------------------|----------------|---------------|----------------|
| <b>Dataset</b>                           | <b>Low-</b> | <b>Moderate-</b> | <b>Middle-</b> | <b>Upper-</b> | <b>TOTAL</b>   |
| Assessment Area                          | 1,459       | 1,496            | 1,697          | 2,872         | <b>7,524</b>   |
|  | 19.4%       | 19.9%            | 22.6%          | 38.1%         | <b>100%</b>    |
| NonMSA Arkansas                          | 63,831      | 53,700           | 58,267         | 123,066       | <b>312,178</b> |
|  | 21.3%       | 18.0%            | 19.5%          | 41.2%         | <b>100%</b>    |

As shown in the table above, 39.3 percent of families within the assessment area were considered LMI, which is identical to the LMI family percentages in nonMSA Arkansas as a whole. While the percentage of families living below the poverty level in the assessment area (14.9 percent) is below the nonMSA Arkansas level (16.6 percent), the percentage of upper-income families in the assessment area (38.1 percent) is below the nonMSA Arkansas percentage of upper-income families (41.2 percent). Considering these factors, the assessment area appears to have smaller concentrations of families at the income extremes and more families in the moderate- and middle-income categories as compared to nonMSA Arkansas as a whole.

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### **Housing Demographics**

The following table displays housing demographics for the assessment area and nonMSA Arkansas. The affordability ratio measures the extent to which a family earning the median household income for the assessment area can afford a median-priced home in the assessment area, while the rental cost burden shows the percentage of renters with housing costs that exceed 30.0 percent of their income. Based on the information in the following table, housing in the assessment area appears to be more affordable than nonMSA Arkansas.

| <b>Housing Demographics</b> |                             |                            |                                    |                           |
|-----------------------------|-----------------------------|----------------------------|------------------------------------|---------------------------|
| <b>Dataset</b>              | <b>Median Housing Value</b> | <b>Affordability Ratio</b> | <b>Median Gross Rent (monthly)</b> | <b>Rental Cost Burden</b> |
| Assessment Area             | \$71,904                    | 50.2%                      | \$570                              | 36.7%                     |
| NonMSA Arkansas             | \$85,986                    | 41.0%                      | \$588                              | 41.0%                     |

The median gross rent in the assessment area, \$570, is below that of nonMSA Arkansas, \$588. Similarly, the affordability ratio of the assessment area of 50.2 percent is higher than nonMSA Arkansas at 41.0 percent, indicating that housing is relatively more affordable in the assessment area. This is further supported by the fact that only 36.7 percent of assessment area renters have an elevated housing cost burden, which is more favorable compared to the nonMSA Arkansas level of 41.0 percent. Additionally, the median housing value in the assessment area (\$71,904) is below that of nonMSA Arkansas (\$85,989). Notwithstanding the housing data, a community contact indicated that housing values have increased, and there are few homes for sale. With the significant increase in values, partly caused by short supply, oftentimes housing for purchase is not considered affordable and within reach of would-be buyers.

### **Industry and Employment Demographics**

The assessment area supports a large business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data that indicates 86.8 percent of assessment area businesses and 97.9 percent of farms have gross annual revenues of \$1 million or less. County business patterns indicate that there are 11,923 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are manufacturing (31.0 percent), followed by retail trade (11.4 percent), and then transportation and warehousing (5.6 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 compared to nonMSA Arkansas as a whole.

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| <b>Unemployment Levels</b> |                                     |             |             |
|----------------------------|-------------------------------------|-------------|-------------|
| <b>Dataset</b>             | <b>Time Period (Annual Average)</b> |             |             |
|                            | <b>2018</b>                         | <b>2019</b> | <b>2020</b> |
| Assessment Area            | 3.5%                                | 3.3%        | 4.4%        |
| NonMSA Arkansas            | 4.3%                                | 4.3%        | 6.4%        |

As shown in the table above, unemployment levels were low and stable prior to the start of the pandemic in 2020. Unemployment rates compare favorably to those of nonMSA Arkansas during the review period. The community contact also indicated that no major employers have entered or left the community in the last few years.

### **Community Contact Information**

One community contact interview was completed in this assessment area as part of this evaluation. The contact is from an organization that seeks to improve the economy and quality of life in rural areas. The interviewee categorized the local economy as stable with only modest declines in population. The contact did mention housing construction has slowed and, as the price of materials has increased significantly, so have new home prices (also pushing up the prices of existing homes). Consequently, the contact feels that it has become significantly more difficult for the LMI population to afford to buy homes. The contact also indicated that Arkansas and Prairie Counties are highly dependent on agriculture, and while the unemployment rate has been stable in recent memory, it experiences seasonal fluctuations. Lastly, the contact highlighted the need for business planning education and general financial literacy education in the assessment area, as common barriers to small business start-ups are down-payment requirements and poor credit history.

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## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE STUTTGART ASSESSMENT AREA**

### **LENDING TEST**

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

#### **Loan Distribution by Borrower's Profile**

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA and small business loans, followed by small farm loans.

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 (\$50,800 for nonMSA Arkansas as of 2020). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2020 HMDA aggregate performance for the assessment area.



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| Borrower Distribution of Residential Real Estate Loans |                        |            |               |                |              |               |                |               |
|--|------------------------|------------|---------------|----------------|--------------|---------------|----------------|---------------|
| Assessment Area: Stuttgart                             |                        |            |               |                |              |               |                |               |
| Product Type   | Borrower Income Levels | 2020       |               |                |              |               |                |               |
|  |                        | Count      |               |                | Dollar       |               |                | Families      |
|  |                        | Bank       |               | HMDA Aggregate | Bank         |               | HMDA Aggregate |               |
|  |                        | #          | %             | %              | \$ (000s)    | \$ %          | \$ %           | %             |
| Home Purchase  | Low                    | 4          | 6.7%          | 4.6%           | 139          | 2.9%          | 2.5%           | 19.4%         |
|  | Moderate               | 10         | 16.7%         | 19.5%          | 712          | 14.9%         | 15.4%          | 19.9%         |
|  | Middle                 | 12         | 20.0%         | 23.8%          | 691          | 14.4%         | 23.6%          | 22.6%         |
|  | Upper                  | 18         | 30.0%         | 29.8%          | 1,559        | 32.6%         | 36.3%          | 38.2%         |
|  | Unknown                | 16         | 26.7%         | 22.2%          | 1,683        | 35.2%         | 22.1%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>60</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>4,784</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Refinance  | Low                    | 0          | 0.0%          | 3.2%           | 0            | 0.0%          | 0.9%           | 19.4%         |
|  | Moderate               | 4          | 10.3%         | 2.7%           | 147          | 2.5%          | 0.8%           | 19.9%         |
|  | Middle                 | 3          | 7.7%          | 10.3%          | 344          | 5.8%          | 7.7%           | 22.6%         |
|  | Upper                  | 27         | 69.2%         | 68.1%          | 4,866        | 82.5%         | 73.7%          | 38.2%         |
|  | Unknown                | 5          | 12.8%         | 15.7%          | 543          | 9.2%          | 16.9%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>39</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>5,900</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Home Improvement                                       | Low                    | 1          | 14.3%         | 9.1%           | 12           | 4.2%          | 2.1%           | 19.4%         |
|  | Moderate               | 3          | 42.9%         | 36.4%          | 72           | 25.4%         | 25.6%          | 19.9%         |
|  | Middle                 | 0          | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 22.6%         |
|  | Upper                  | 3          | 42.9%         | 45.5%          | 200          | 70.4%         | 67.0%          | 38.2%         |
|  | Unknown                | 0          | 0.0%          | 9.1%           | 0            | 0.0%          | 5.4%           | 0.0%          |
|  | <b>TOTAL</b>           | <b>7</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>284</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Multifamily  | Low                    | 0          | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%          |
|  | Moderate               | 0          | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%          |
|  | Middle                 | 0          | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%          |
|  | Upper                  | 0          | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%          |
|  | Unknown                | 0          | 0.0%          | 100.0%         | 0            | 0.0%          | 100.0%         | 100.0%        |
|  | <b>TOTAL</b>           | <b>0</b>   | <b>0.0%</b>   | <b>100.0%</b>  | <b>0</b>     | <b>0.0%</b>   | <b>100.0%</b>  | <b>100.0%</b> |
| HMDA TOTALS  | Low                    | 5          | 4.7%          | 4.6%           | 5            | 4.7%          | 1.9%           | 19.4%         |
|  | Moderate               | 17         | 16.0%         | 12.8%          | 17           | 16.0%         | 8.4%           | 19.9%         |
|  | Middle                 | 15         | 14.2%         | 16.6%          | 15           | 14.2%         | 15.3%          | 22.6%         |
|  | Upper                  | 48         | 45.3%         | 43.0%          | 48           | 45.3%         | 51.8%          | 38.2%         |
|  | Unknown                | 21         | 19.8%         | 23.0%          | 21           | 19.8%         | 22.6%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>106</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>106</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (4.7 percent) is below the low-income family population figure (19.4 percent) but comparable to the aggregate lending level to low-income borrowers (4.6 percent), reflecting reasonable

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performance. Similarly, the bank's level of lending to moderate-income borrowers (16.0 percent) is below the moderate-income family population percentage (19.9 percent) but above the aggregate lending levels to moderate-income borrowers (12.8 percent), reflecting reasonable performance. Therefore, considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2020 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: Stuttgart                    |                          |            |               |               |                 |               |               |                  |
| Business Revenue and Loan Size                |                          | 2020       |               |               |                 |               |               |                  |
|   |                          | Count      |               |               | Dollars         |               |               | Total Businesses |
|   |                          | Bank       |               | Aggregate     | Bank            |               | Aggregate     |                  |
|   |                          | #          | %             | %             | \$ (000s)       | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less      | 125        | 40.1%         | 27.7%         | \$6,942         | 29.6%         | 25.0%         | 86.8%            |
|   | Over \$1 Million/Unknown | 187        | 59.9%         | 72.3%         | \$16,516        | 70.4%         | 75.0%         | 13.2%            |
|   | <b>TOTAL</b>             | <b>312</b> | <b>100.0%</b> | <b>100.0%</b> | <b>\$23,458</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less        | 258        | 82.7%         | 92.2%         | \$7,118         | 30.3%         | 44.9%         |                  |
|   | \$100,001–\$250,000      | 35         | 11.2%         | 5.5%          | \$5,397         | 23.0%         | 24.0%         |                  |
|   | \$250,001–\$1 Million    | 19         | 6.1%          | 2.4%          | \$10,943        | 46.6%         | 31.1%         |                  |
|   | Over \$1 Million         | 0          | 0.0%          | 0.0%          | \$0             | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>             | <b>312</b> | <b>100.0%</b> | <b>100.0%</b> | <b>\$23,458</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size<br>Revenue \$1 Million or Less      | \$100,000 or Less        | 106        | 84.8%         |               | \$3,029         | 43.6%         |               |                  |
|   | \$100,001–\$250,000      | 16         | 12.8%         |               | \$2,353         | 33.9%         |               |                  |
|   | \$250,001–\$1 Million    | 3          | 2.4%          |               | \$1,560         | 22.5%         |               |                  |
|   | Over \$1 Million         | 0          | 0.0%          |               | \$0             | 0.0%          |               |                  |
|   | <b>TOTAL</b>             | <b>125</b> | <b>100.0%</b> |               | <b>\$6,942</b>  | <b>100.0%</b> |               |                  |

The bank originated 40.1 percent of its small business loans to businesses with revenues of \$1 million or less. The bank significantly outperformed the aggregate lending level of 27.7 percent, but the bank was notably below the demographic (86.8 percent), which is the percent of businesses in the assessment area that had annual revenues of \$1 million or less. Therefore, the bank's level of lending to small businesses is reasonable.

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Finally, small farm loans were reviewed to determine the bank's lending levels to farms of different sizes. The following table shows the distribution of 2020 small farm loans by loan amount and farm revenue size compared to Dun & Bradstreet and aggregate data.

| Small Farm Loans by Revenue and Loan Size |                             |                       |               |               |               |               |               |               |
|---|-----------------------------|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Assessment Area: Stuttgart                |                             |                       |               |               |               |               |               |               |
| Farm Revenue and Loan Size                |                             | 2020                  |               |               |               |               |               |               |
|   |                             | Count                 |               |               | Dollars       |               |               | Total Farms   |
|   |                             | Bank                  |               | Aggregate     | Bank          |               | Aggregate     |               |
|   |                             | #                     | %             | %             | \$ (000s)     | \$ %          | \$ %          | %             |
| Farm Revenue                              | \$1 Million or Less         | 117                   | 58.8%         | 36.6%         | 14,973        | 54.7%         | 56.7%         | 97.9%         |
|   | Over \$1 Million/Unknown    | 82                    | 41.2%         | 63.4%         | 12,411        | 45.3%         | 43.3%         | 2.1%          |
|   | <b>TOTAL</b>                | <b>199</b>            | <b>100.0%</b> | <b>100.0%</b> | <b>27,384</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Loan Size                                 | \$100,000 or Less           | 101                   | 50.8%         | 79.1%         | 5,690         | 20.8%         | 25.3%         |               |
|   | \$100,001–\$250,000         | 72                    | 36.2%         | 12.6%         | 11,935        | 43.6%         | 32.3%         |               |
|   | \$250,001–\$500,000         | 26                    | 13.1%         | 8.4%          | 9,759         | 35.6%         | 42.4%         |               |
|   | Over \$500,000              | 0                     | 0.0%          | 0.0%          | 0             | 0.0%          | 0.0%          |               |
|   | <b>TOTAL</b>                | <b>199</b>            | <b>100.0%</b> | <b>100.0%</b> | <b>27,384</b> | <b>100.0%</b> | <b>100.0%</b> |               |
| Loan Size                                 | Revenue \$1 Million or Less | \$100,000 or Less     | 65            | 55.6%         |               | 3,184         | 21.3%         |               |
|   |                             | \$100,001–\$250,000   | 35            | 29.9%         |               | 5,415         | 36.2%         |               |
|   |                             | \$250,001–\$1 Million | 17            | 14.5%         |               | 6,374         | 42.6%         |               |
|   |                             | Over \$1 Million      | 0             | 0.0%          |               | 0             | 0.0%          |               |
|   |                             | <b>TOTAL</b>          | <b>117</b>    | <b>100.0%</b> |               | <b>14,973</b> | <b>100.0%</b> |               |

The bank originated 58.8 percent of its small farm loans to farms with revenues of \$1 million or less. This level of lending to small farms is between the aggregate lending level to small farms (36.6 percent) and the demographic estimate of small farms in the assessment area (97.9 percent), reflecting reasonable performance.

### Geographic Distribution of Loans

As noted previously, the Stuttgart assessment area does not include any low-income census tracts and contains only one moderate-income census tract, representing 9.1 percent of all assessment area geographies. Overall, the bank's geographic distribution of loans reflects reasonable performance, based on the three loan categories reviewed. The following table displays the geographic distribution of HMDA loans compared to owner-occupied housing demographics and aggregate lending data for the assessment area.

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| Geographic Distribution of Residential Real Estate Loans |                     |            |               |                |               |               |                |                      |
|--|---------------------|------------|---------------|----------------|---------------|---------------|----------------|----------------------|
| Assessment Area: Stuttgart                               |                     |            |               |                |               |               |                |                      |
| Product Type   | Tract Income Levels | 2020       |               |                |               |               |                |                      |
|  |                     | 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            | 4          | 6.7%          | 3.6%           | 417           | 8.7%          | 2.7%           | 7.8%                 |
|  | Middle              | 55         | 91.7%         | 95.0%          | 4,344         | 90.8%         | 95.7%          | 85.0%                |
|  | Upper               | 1          | 1.7%          | 1.0%           | 23            | 0.5%          | 0.8%           | 7.3%                 |
|  | Unknown             | 0          | 0.0%          | 0.3%           | 0             | 0.0%          | 0.9%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>60</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>4,784</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 2          | 5.1%          | 7.6%           | 699           | 11.8%         | 7.0%           | 7.8%                 |
|  | Middle              | 34         | 87.2%         | 84.9%          | 4,893         | 82.9%         | 87.7%          | 85.0%                |
|  | Upper               | 3          | 7.7%          | 7.0%           | 308           | 5.2%          | 5.0%           | 7.3%                 |
|  | Unknown             | 0          | 0.0%          | 0.5%           | 0             | 0.0%          | 0.4%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>39</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>5,900</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 7.8%                 |
|  | Middle              | 7          | 100.0%        | 100.0%         | 284           | 100.0%        | 100.0%         | 85.0%                |
|  | Upper               | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 7.3%                 |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>7</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>284</b>    | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 22.6%                |
|  | Middle              | 0          | 0.0%          | 100.0%         | 0             | 0.0%          | 100.0%         | 76.4%                |
|  | Upper               | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 1.1%                 |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>0</b>   | <b>0.0%</b>   | <b>100.0%</b>  | <b>0</b>      | <b>0.0%</b>   | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 6          | 5.7%          | 5.1%           | 1,116         | 10.2%         | 4.8%           | 7.8%                 |
|  | Middle              | 96         | 90.6%         | 91.0%          | 9,521         | 86.8%         | 91.8%          | 85.0%                |
|  | Upper               | 4          | 3.8%          | 3.5%           | 331           | 3.0%          | 2.8%           | 7.3%                 |
|  | Unknown             | 0          | 0.0%          | 0.4%           | 0             | 0.0%          | 0.6%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>106</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>10,968</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |

The bank's total penetration of moderate-income census tracts by number of loans (5.7 percent) is below the percentage of owner-occupied housing units in moderate-income census tracts (7.8 percent) but is comparable to the performance of other lenders based on aggregate lending

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data (5.1 percent). However, by dollar volume, the bank's performance in moderate-income census tracts (10.2 percent) is notably above that of other lenders in the assessment area (4.8 percent), as well as the owner-occupied housing level in moderate-income geographies, reflecting excellent performance. Therefore, the bank's overall geographic distribution of HMDA loans is excellent. It is also worth noting that a significant number of the bank's HMDA loans (40 of 106 total loans) were originated in underserved census tracts in Prairie County, further demonstrating the bank's willingness to meet the credit needs of its entire assessment area.

Second, the bank's geographic distribution of small business lending was reviewed. The following table displays 2020 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2020 small business aggregate lending data.

| Geographic Distribution of Small Business Loans<br>Assessment Area: Stuttgart |            |               |               |                 |               |               |               |
|---|------------|---------------|---------------|-----------------|---------------|---------------|---------------|
| Tract<br>Income<br>Levels   | 2020       |               |               |                 |               |               |               |
|   | Count      |               |               | Dollar          |               |               | Businesses    |
|   | Bank       |               | Aggregate     | Bank            |               | Aggregate     |               |
|   | #          | %             | %             | \$ 000s         | \$ %          | \$ %          | %             |
| Low   | 0          | 0.0%          | 0.0%          | \$0             | 0.0%          | 0.0%          | 0.0%          |
| Moderate  | 11         | 3.5%          | 12.4%         | \$519           | 2.2%          | 9.9%          | 10.3%         |
| Middle  | 287        | 92.0%         | 82.5%         | \$22,174        | 94.5%         | 85.7%         | 86.3%         |
| Upper   | 14         | 4.5%          | 3.6%          | \$765           | 3.3%          | 3.3%          | 3.4%          |
| Unknown   | 0          | 0.0%          | 1.5%          | \$0             | 0.0%          | 1.1%          | 0.0%          |
| <b>TOTAL</b>  | <b>312</b> | <b>100.0%</b> | <b>100.0%</b> | <b>\$23,458</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

The bank's percentage of loans in the moderate-income census tract (3.5 percent) is below the 2020 aggregate lending percentage in the moderate-income tract (12.4 percent) and the percentage of small businesses in the moderate-income census tract (10.3 percent), reflecting poor performance. Therefore, the bank's overall geographic distribution of small business loans is poor. Despite the overall conclusion of poor, it is worth noting that the bank made a significant number of small business loans (96 of 312 total loans) in underserved census tracts in Prairie County.

Lastly, the bank's geographic distribution of small farm lending was reviewed. The following table displays 2020 small farm loan activity by geography income level compared to the location of farms throughout this assessment area and 2020 small farm aggregate lending data.

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| Geographic Distribution of Small Farm Loans |            |               |               |               |               |               |               |
|---|------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Assessment Area: Stuttgart                  |            |               |               |               |               |               |               |
| Tract Income Levels                         | 2020       |               |               |               |               |               |               |
|   | Count      |               |               | Dollar        |               |               | Farms         |
|   | Bank       |               | Aggregate     | Bank          |               | Aggregate     |               |
|   | #          | %             | %             | \$ 000s       | \$ %          | \$ %          | %             |
| Low   | 0          | 0.0%          | 0.0%          | 0             | 0.0%          | 0.0%          | 0.0%          |
| Moderate                                    | 0          | 0.0%          | 1.0%          | 0             | 0.0%          | 0.4%          | 5.4%          |
| Middle                                      | 183        | 92.0%         | 94.2%         | 25,574        | 93.4%         | 98.2%         | 88.4%         |
| Upper                                       | 16         | 8.0%          | 3.7%          | 1,810         | 6.6%          | 1.3%          | 6.2%          |
| Unknown                                     | 0          | 0.0%          | 1.0%          | 0             | 0.0%          | 0.1%          | 0.0%          |
| <b>TOTAL</b>                                | <b>199</b> | <b>100.0%</b> | <b>100.0%</b> | <b>27,384</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

The bank did not originate a small farm loan in the moderate-income tract, and performance is below the aggregate lending percentage of 1.0 percent and below the percentage of agricultural institutions in the moderate-income census tract (5.4 percent). However, given the limited lending opportunities to small farms in this census tract and the nominal amount of loans originated by the aggregate lenders, the bank's overall geographic distribution of small farm loans is reasonable. Additionally, 62 of the 199 small farm loans were originated in underserved middle-income geographies, which demonstrates the bank's responsiveness to the credit needs of its entire assessment area.

Lastly, based on reviews of all three loan categories, the bank had loan activity in all census tracts in the assessment area; therefore, no conspicuous lending gaps were noted in LMI areas.

#### COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Stuttgart 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 151 community development loans totaling \$18.1 million in this assessment area. One of these loans provided economic development to the assessment area by supporting a large retail store located in a moderate-income census tract. Additionally, in the wake of the pandemic, the bank became an SBA lender to respond to the community need for PPP loans. Of the bank's 151 community development loans in this assessment area, 142 were PPP loans that supported revitalization/stabilization efforts in a moderate-income or underserved geography, totaling \$2.9 million.

The bank also made community investments and donations in the Stuttgart assessment area totaling \$7.4 million. This amount included 15 new qualified investments that funded various needs of school districts with a majority of students from LMI families. Further, the bank had two investments made in a prior period that are still outstanding. Additionally, the bank made 11 donations totaling \$7,403. Finally, bank personnel provided 11 services to three different organizations in this assessment area for a total of 570 hours.

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## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MOUNTAIN HOME ASSESSMENT AREA

### Bank Structure

The bank operates 5 of 25 offices (20.0 percent) in this assessment area. All five offices are located in middle-income census tracts, one of which is categorized as underserved. This a new assessment area for the bank. As previously mentioned, the bank acquired Integrity First Bank, which resulted in the acquisition of all five branches in this assessment area. The bank did not open or close any other branches during the review period. Based on its 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 comprises Baxter and Marion Counties in their entirety, and it is located in north central Arkansas. Based on 2015 ACS data, the assessment area population was 57,498. Baxter County has the majority of the population (71.4 percent) in the assessment area and has experienced more growth since the prior review, primarily attributed to the pandemic. According to a community contact, many people have moved into the county from larger cities. Marion County was described as more rural and sparsely populated. Of the 12 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked third in deposit market share, encompassing 16.0 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. The three middle-income census tracts in Marion County are designated as underserved due to their remote, rural location; thus, ensuring credit is made available to this segment of the population is particularly important. In addition, as mentioned during community contact interviews, credit-related needs in the assessment area include opportunities for bankers to serve on economic development advisory boards, as well as workforce development initiatives.

### Income and Wealth Demographics

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

| Assessment Area Demographics by Geography Income Level |      |           |         |        |         |               |
|--|------|-----------|---------|--------|---------|---------------|
| Dataset  | Low- | Moderate- | Middle- | Upper- | Unknown | TOTAL         |
| Census Tracts  | 0    | 1         | 12      | 0      | 0       | <b>13</b>     |
|  | 0.0% | 7.7%      | 92.3%   | 0.0%   | 0.0%    | <b>100%</b>   |
| Family Population                                      | 0    | 863       | 15,678  | 0      | 0       | <b>16,541</b> |
|  | 0.0% | 5.2%      | 94.8%   | 0.0%   | 0.0%    | <b>100%</b>   |

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As shown in the preceding table, the majority of the census tracts in the assessment area (92.3 percent) are middle-income, and 94.8 percent of the population resides in those census tracts. The assessment area contains one moderate-income census tract (located in Flippin, Arkansas, Marion County), which contains only 5.2 percent of the family population of the assessment area.

Based on 2015 ACS data, the median family income for the assessment area was \$45,129. At the same time, median family income for nonMSA Arkansas was \$45,047. More recently, the FFIEC estimates the 2020 median family income for nonMSA Arkansas to be \$50,800. The following table displays population percentages of assessment area families by income level compared to the nonMSA Arkansas population.

| Family Population by Income Level |        |           |         |         |                |
|-----------------------------------|--------|-----------|---------|---------|----------------|
| Dataset                           | Low-   | Moderate- | Middle- | Upper-  | TOTAL          |
| Assessment Area                   | 2,757  | 3,464     | 3,748   | 6,572   | <b>16,541</b>  |
|                                   | 16.7%  | 20.9%     | 22.7%   | 39.7%   | <b>100%</b>    |
| NonMSA Arkansas                   | 63,831 | 53,700    | 58,267  | 123,066 | <b>312,178</b> |
|                                   | 21.3%  | 18.0%     | 19.5%   | 41.2%   | <b>100%</b>    |

As shown in the table above, 37.6 percent of families within the assessment area were considered LMI, which is lower than the LMI family percentage in nonMSA Arkansas, 39.3 percent. The percentage of families living below the poverty level in the assessment area, 11.3 percent, is also below the nonMSA Arkansas figure, 16.6 percent. Considering these factors, the assessment area family income levels are generally above nonMSA figures used for comparison.

### Housing Demographics

The following table displays housing demographics for the assessment area and nonMSA Arkansas. The affordability ratio measures the extent to which a family earning the median household income for the assessment area can afford a median-priced home in the assessment area, while the rental cost burden shows the percentage of renters with housing costs that exceed 30.0 percent of their income. Based on the information in the following table, housing in the assessment area appears to be less affordable than nonMSA Arkansas.

| Housing Demographics |                      |                     |                             |                    |
|----------------------|----------------------|---------------------|-----------------------------|--------------------|
| Dataset              | Median Housing Value | Affordability Ratio | Median Gross Rent (monthly) | Rental Cost Burden |
| Assessment Area      | \$116,400            | 30.0%               | \$598                       | 42.4%              |
| NonMSA Arkansas      | \$85,869             | 41.0%               | \$588                       | 41.1%              |

The median gross monthly rent amount in the assessment area, \$598, is above that of nonMSA Arkansas, \$588. The affordability ratio of 30.0 percent is lower than nonMSA Arkansas as a whole at 41.0 percent, indicating that housing is relatively less affordable in the assessment area compared to nonMSA Arkansas. This is further supported by the fact that the median housing



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value in the assessment area (\$116,400) is above that of nonMSA Arkansas (\$85,989). These demographics indicate that homeownership can be a challenge for many LMI residents in the area.

Additionally, a community contact indicated that the demand has outweighed the supply for affordable housing and that home values have increased in Baxter County, further supporting that homeownership for LMI residents in the assessment area can be difficult to achieve. While housing costs, such as land for development, are more affordable in Marion County, the county is very rural and sparsely populated, which can increase housing development costs such as those to install basic utilities.

### **Industry and Employment Demographics**

The assessment area supports a large business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data that indicates 91.6 percent of assessment area businesses have gross annual revenues of \$1 million or less. County business patterns indicate that there are 18,214 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are health care and social assistance (23.1 percent), followed by manufacturing (20.1 percent), and then retail trade (15.3 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 compared to nonMSA Arkansas as a whole.

| <b>Unemployment Levels</b> |                                     |             |             |
|----------------------------|-------------------------------------|-------------|-------------|
| <b>Dataset</b>             | <b>Time Period (Annual Average)</b> |             |             |
|                            | <b>2018</b>                         | <b>2019</b> | <b>2020</b> |
| Assessment Area            | 4.1%                                | 4.0%        | 6.1%        |
| NonMSA Arkansas            | 4.3%                                | 4.3%        | 6.4%        |

As shown in the previous table, unemployment levels were low and stable prior to the start of the pandemic in 2020. Unemployment rates are comparable to those of nonMSA Arkansas during the review period. The community contact also indicated that no major employers have entered or left the community in the last few years.

### **Community Contact Information**

Two community contact interviews were conducted in this assessment area as part of this evaluation. One contact specializes in housing, while the other specializes in economic development. The interviewees characterized the local economy in Baxter County as expanding commensurate with population growth. They mentioned Baxter County has an aging population, which has stimulated increased investments in the regional healthcare industry. There is also a recently completed bypass highway that has spurred growth of big box stores and chain restaurants. These circumstances have led to notable job growth and an increase in the demand for housing in Baxter County. Conversely, the contacts noted that Marion County's economy has been relatively flat and has experienced a decrease in population, forcing many residents to commute to Baxter County or other areas for work.

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## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE MOUNTAIN HOME ASSESSMENT AREA**

### **LENDING TEST**

The bank's overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the overall geographic distribution of loans reflects reasonable penetration throughout the Mountain Home assessment area. Due to the low volume of small farm loans originated in this assessment area, the product was not evaluated, as it would not have resulted in a meaningful analysis.

### **Loan Distribution by Borrower's Profile**

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from HMDA and small business loan categories reviewed. In reaching overall conclusions, HMDA and small business loans were of equal weight.

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 (\$50,800 for nonMSA Arkansas as of 2020). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2020 aggregate performance for the assessment area.

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| Borrower Distribution of Residential Real Estate Loans |                        |           |               |                |               |               |                |               |
|--|------------------------|-----------|---------------|----------------|---------------|---------------|----------------|---------------|
| Assessment Area: Mountain Home                         |                        |           |               |                |               |               |                |               |
| Product Type   | Borrower Income Levels | 2020      |               |                |               |               |                |               |
|  |                        | Count     |               |                | Dollar        |               |                | Families      |
|  |                        | Bank      |               | HMDA Aggregate | Bank          |               | HMDA Aggregate |               |
|  |                        | #         | %             | %              | \$ (000s)     | \$ %          | \$ %           | %             |
| Home Purchase  | Low                    | 3         | 7.0%          | 6.6%           | 178           | 4.1%          | 3.6%           | 16.7%         |
|  | Moderate               | 4         | 9.3%          | 17.1%          | 193           | 4.5%          | 12.9%          | 20.9%         |
|  | Middle                 | 4         | 9.3%          | 17.0%          | 396           | 9.2%          | 15.8%          | 22.7%         |
|  | Upper                  | 8         | 18.6%         | 38.8%          | 961           | 22.3%         | 47.3%          | 39.7%         |
|  | Unknown                | 24        | 55.8%         | 20.5%          | 2,582         | 59.9%         | 20.4%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>43</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>4,310</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Refinance  | Low                    | 1         | 2.5%          | 3.7%           | 95            | 1.7%          | 1.9%           | 16.7%         |
|  | Moderate               | 12        | 30.0%         | 11.4%          | 915           | 16.6%         | 6.6%           | 20.9%         |
|  | Middle                 | 6         | 15.0%         | 15.5%          | 567           | 10.3%         | 12.0%          | 22.7%         |
|  | Upper                  | 13        | 32.5%         | 40.6%          | 2,861         | 52.0%         | 48.0%          | 39.7%         |
|  | Unknown                | 8         | 20.0%         | 28.8%          | 1,063         | 19.3%         | 31.5%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>40</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>5,501</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Home Improvement                                       | Low                    | 0         | 0.0%          | 7.3%           | 0             | 0.0%          | 5.4%           | 16.7%         |
|  | Moderate               | 0         | 0.0%          | 11.0%          | 0             | 0.0%          | 9.7%           | 20.9%         |
|  | Middle                 | 2         | 28.6%         | 15.9%          | 132           | 26.5%         | 14.1%          | 22.7%         |
|  | Upper                  | 5         | 71.4%         | 54.9%          | 367           | 73.5%         | 55.6%          | 39.7%         |
|  | Unknown                | 0         | 0.0%          | 11.0%          | 0             | 0.0%          | 15.2%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>7</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>499</b>    | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Multifamily  | Low                    | 0         | 0.0%          | 4.8%           | 0             | 0.0%          | 0.7%           | 16.7%         |
|  | Moderate               | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 20.9%         |
|  | Middle                 | 0         | 0.0%          | 4.8%           | 0             | 0.0%          | 1.7%           | 22.7%         |
|  | Upper                  | 1         | 33.3%         | 33.3%          | 1,700         | 65.7%         | 62.6%          | 39.7%         |
|  | Unknown                | 2         | 66.7%         | 57.1%          | 887           | 34.3%         | 35.0%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>3</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>2,587</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| HMDA TOTALS  | Low                    | 4         | 4.3%          | 5.3%           | 273           | 2.1%          | 2.7%           | 16.7%         |
|  | Moderate               | 16        | 17.2%         | 13.9%          | 1,108         | 8.6%          | 9.2%           | 20.9%         |
|  | Middle                 | 12        | 12.9%         | 15.9%          | 1,095         | 8.5%          | 13.3%          | 22.7%         |
|  | Upper                  | 27        | 29.0%         | 39.8%          | 5,889         | 45.7%         | 48.0%          | 39.7%         |
|  | Unknown                | 34        | 36.6%         | 25.2%          | 4,532         | 35.1%         | 26.8%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>93</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>12,897</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (4.3 percent) is below the low-income family population figure (16.7 percent) but comparable to the aggregate lending level to low-income borrowers (5.3 percent), reflecting reasonable

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performance. The bank's level of lending to moderate-income borrowers (17.2 percent) is just below the moderate-income family population percentage (20.9 percent) but significantly above the aggregate lending levels to moderate-income borrowers (13.9 percent), also reflecting reasonable performance. When considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Lastly, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2020 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: Mountain Home                |                          |            |               |               |               |               |               |                  |
| Business Revenue and Loan Size                |                          | 2020       |               |               |               |               |               |                  |
|   |                          | Count      |               |               | Dollars       |               |               | Total Businesses |
|   |                          | Bank       |               | Aggregate     | Bank          |               | Aggregate     |                  |
|   |                          | #          | %             | %             | \$ (000s)     | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less      | 139        | 37.4%         | 42.8%         | 4,420         | 36.3%         | 44.1%         | 91.6%            |
|   | Over \$1 Million/Unknown | 233        | 62.6%         | 57.2%         | 7,757         | 63.7%         | 55.9%         | 8.4%             |
|   | <b>TOTAL</b>             | <b>372</b> | <b>100.0%</b> | <b>100.0%</b> | <b>12,177</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less        | 362        | 97.3%         | 86.4%         | 9,755         | 80.1%         | 32.7%         |                  |
|   | \$100,001–\$250,000      | 8          | 2.2%          | 7.9%          | 1,336         | 11.0%         | 23.3%         |                  |
|   | \$250,001–\$1 Million    | 2          | 0.5%          | 5.7%          | 1,086         | 8.9%          | 44.0%         |                  |
|   | Over \$1 Million         | 0          | 0.0%          | 0.0%          | 0             | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>             | <b>372</b> | <b>100.0%</b> | <b>100.0%</b> | <b>12,177</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size<br>Revenue \$1 Million or Less      | \$100,000 or Less        | 130        | 93.5%         |               | 2,223         | 50.3%         |               |                  |
|   | \$100,001–\$250,000      | 7          | 5.0%          |               | 1,111         | 25.1%         |               |                  |
|   | \$250,001–\$1 Million    | 2          | 1.4%          |               | 1,086         | 24.6%         |               |                  |
|   | Over \$1 Million         | 0          | 0.0%          |               | 0             | 0.0%          |               |                  |
|   | <b>TOTAL</b>             | <b>139</b> | <b>100.0%</b> |               | <b>4,420</b>  | <b>100.0%</b> |               |                  |

The bank originated 37.4 percent of its small business loans to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 91.6 percent of businesses in the assessment area had annual revenues of \$1 million or less. The bank was comparable to the aggregate lending level of 42.8 percent. Therefore, the bank's level of lending to small businesses is reasonable.

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### **Geographic Distribution of Loans**

As noted previously, the Mountain Home assessment area does not include any low-income census tracts and contains only one moderate-income census tract, representing 7.7 percent of all assessment area geographies. Overall, the bank's geographic distribution of loans reflects reasonable penetration, based on the two loan categories reviewed.

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

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| Geographic Distribution of Residential Real Estate Loans |                     |           |               |                |               |               |                |                      |
|--|---------------------|-----------|---------------|----------------|---------------|---------------|----------------|----------------------|
| Assessment Area: Mountain Home                           |                     |           |               |                |               |               |                |                      |
| Product Type   | Tract Income Levels | 2020      |               |                |               |               |                |                      |
|  |                     | Count     |               |                | Dollar        |               |                | Owner-Occupied Units |
|  |                     | Bank      |               | HMDA Aggregate | Bank          |               | HMDA Aggregate |                      |
|  |                     | #         | %             | %              | \$ (000s)     | \$ %          | \$ %           | %                    |
| Home Purchase  | Low                 | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0         | 0.0%          | 2.7%           | 0             | 0.0%          | 2.3%           | 4.5%                 |
|  | Middle              | 43        | 100.0%        | 97.3%          | 4,310         | 100.0%        | 97.7%          | 95.5%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>43</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>4,310</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 1         | 2.5%          | 3.8%           | 185           | 3.4%          | 3.0%           | 4.5%                 |
|  | Middle              | 39        | 97.5%         | 96.2%          | 5,316         | 96.6%         | 97.0%          | 95.5%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>40</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>5,501</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0         | 0.0%          | 2.4%           | 0             | 0.0%          | 2.2%           | 4.5%                 |
|  | Middle              | 7         | 100.0%        | 97.6%          | 499           | 100.0%        | 97.8%          | 95.5%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>7</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>499</b>    | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 4.5%                 |
|  | Middle              | 3         | 100.0%        | 100.0%         | 2,587         | 100.0%        | 100.0%         | 95.5%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>3</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>2,587</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 0         | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 1         | 1.1%          | 3.3%           | 185           | 1.4%          | 2.6%           | 4.5%                 |
|  | Middle              | 92        | 98.9%         | 96.7%          | 12,712        | 98.6%         | 97.4%          | 95.5%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>93</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>12,897</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |

The bank originated one HMDA loan in the one moderate-income census tract in the assessment area (1.1 percent). However, the aggregate performance was only slightly above, at 3.3 percent, and the percentage of owner-occupied housing units is 4.5 percent. The bank does not have a

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branch presence in this census tract, while there are other financial institutions located there. This is a sparsely populated geography, as indicated by the low percent of owner-occupied housing units. Based on the geographic location of the bank's branches, coupled with limited lending opportunities, performance in the moderate-income geography is reasonable.

Last, the bank's geographic distribution of small business lending was reviewed. The following table displays 2020 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2020 small business aggregate lending data.

| <b>Geographic Distribution of Small Business Loans</b> |              |               |                  |                |               |                  |                   |
|--|--------------|---------------|------------------|----------------|---------------|------------------|-------------------|
| <b>Assessment Area: Mountain Home</b>                  |              |               |                  |                |               |                  |                   |
| <b>Tract<br/>Income<br/>Levels</b>                     | <b>2020</b>  |               |                  |                |               |                  |                   |
|  | <b>Count</b> |               |                  | <b>Dollar</b>  |               |                  | <b>Businesses</b> |
|  | <b>Bank</b>  |               | <b>Aggregate</b> | <b>Bank</b>    |               | <b>Aggregate</b> |                   |
|  | <b>#</b>     | <b>%</b>      | <b>%</b>         | <b>\$ 000s</b> | <b>\$ %</b>   | <b>\$ %</b>      | <b>%</b>          |
| Low  | 0            | 0.0%          | 0.0%             | 0              | 0.0%          | 0.0%             | 0.0%              |
| Moderate   | 0            | 0.0%          | 3.5%             | 0              | 0.0%          | 2.8%             | 5.2%              |
| Middle   | 372          | 100.0%        | 95.8%            | 12,177         | 100.0%        | 97.0%            | 94.8%             |
| Upper  | 0            | 0.0%          | 0.0%             | 0              | 0.0%          | 0.0%             | 0.0%              |
| Unknown  | 0            | 0.0%          | 0.6%             | 0              | 0.0%          | 0.2%             | 0.0%              |
| <b>TOTAL</b>   | <b>372</b>   | <b>100.0%</b> | <b>100.0%</b>    | <b>12,177</b>  | <b>100.0%</b> | <b>100.0%</b>    | <b>100.0%</b>     |

The bank did not originate a small business loan in the assessment area's only moderate-income census tract. This performance is only slightly below both the aggregate performance (3.5 percent) and the percentage of small businesses in the moderate-income census tract (5.2 percent). Similar to the geographic distribution of HMDA loans, based on the geographic location of the bank's branches, coupled with limited lending opportunities, performance in the moderate-income geography is reasonable.

Lastly, based on reviews from both loan categories, the bank had loan activity in all census tracts in the assessment area. Notably, the bank originated both HMDA and small business loans within each of the underserved census tracts in Marion County. Therefore, no conspicuous lending gaps were noted in LMI or underserved areas.

#### COMMUNITY DEVELOPMENT TEST

The bank demonstrates poor responsiveness to community development needs within the Mountain Home assessment area, considering the bank's capacity and the need and availability of such opportunities for community development.

During the review period, the bank extended seven community development loans totaling \$256,896 in this assessment area. Four of these loans were made to an organization that provides community services. The remaining qualifying loans were PPP loans made to businesses located in underserved geographies.

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The bank also made community investments and donations totaling \$1.5 million. This included four new qualified investments that funded various needs of qualifying school districts. Additionally, the bank made five donations totaling \$875 in this assessment area. Finally, bank personnel provided six services to two different organizations in this assessment area for a total of 396 hours.



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## NONMETROPOLITAN ARKANSAS STATEWIDE AREA

*(Limited-Scope Reviews)*

### DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CONWAY COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Conway County. The bank operates one office in this assessment area. The bank has not opened or closed any branches 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                                       | 1,228                   | 996       | 994     | 2,594  | <b>5,812</b>  |
|   | 21.1%                   | 17.1%     | 17.1%   | 44.6%  | <b>100.0%</b> |
| Household Population                                    | 1,969                   | 1,271     | 1,254   | 3,868  | <b>8,362</b>  |
|   | 23.6%                   | 15.2%     | 15.0%   | 46.3%  | <b>100.0%</b> |

| Assessment Area Demographics by Geography Income Level |                        |           |         |        |          |               |
|--|------------------------|-----------|---------|--------|----------|---------------|
| Dataset  | Geography Income Level |           |         |        |          | TOTAL         |
|  | Low-                   | Moderate- | Middle- | Upper- | Unknown- |               |
| Census Tracts  | 0                      | 0         | 6       | 0      | 0        | <b>6</b>      |
|  | 0.0%                   | 0.0%      | 100.0%  | 0.0%   | 0.0%     | <b>100.0%</b> |
| Family Population                                      | 0                      | 0         | 5,812   | 0      | 0        | <b>5,812</b>  |
|  | 0.0%                   | 0.0%      | 100.0%  | 0.0%   | 0.0%     | <b>100.0%</b> |
| Household Population                                   | 0                      | 0         | 8,362   | 0      | 0        | <b>8,362</b>  |
|  | 0.0%                   | 0.0%      | 100.0%  | 0.0%   | 0.0%     | <b>100.0%</b> |
| Business Institutions                                  | 0                      | 0         | 728     | 0      | 0        | <b>728</b>    |
|  | 0.0%                   | 0.0%      | 100.0%  | 0.0%   | 0.0%     | <b>100.0%</b> |
| Farms Institutions                                     | 0                      | 0         | 71      | 0      | 0        | <b>71</b>     |
|  | 0.0%                   | 0.0%      | 100.0%  | 0.0%   | 0.0%     | <b>100.0%</b> |

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## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CONWAY COUNTY 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. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in Appendix A.

| <b>Lending Test Criteria</b>                | <b>Performance</b> |
|---|--------------------|
| Distribution of Loans by Borrower's Profile | Consistent         |
| Geographic Distribution of Loans            | Consistent         |
| <b>OVERALL</b>                              | <b>CONSISTENT</b>  |

### **COMMUNITY DEVELOPMENT TEST**

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the assessment areas within the nonMSA portion of the state of Arkansas that were reviewed using full-scope procedures.

During the review period, the bank originated one community development loan totaling \$7,155 in this assessment area. The bank also made two new investments totaling \$525,000, which were in the form of school municipal bonds. Finally, bank personnel provided eight services for a total of 315 hours to five different community development organizations in this assessment area.

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## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RANDOLPH COUNTY ASSESSMENT AREA

This is a new assessment area for the bank that was a result of the Integrity First Bank acquisition, and it includes the entirety of Randolph County. The bank acquired two offices, and no other 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                                       | 1,162                   | 885       | 952     | 2,011  | <b>5,010</b>  |
|   | 23.2%                   | 17.7%     | 19.0%   | 40.1%  | <b>100.0%</b> |
| Household Population                                    | 2,021                   | 1,046     | 1,213   | 3,055  | <b>7,335</b>  |
|   | 27.6%                   | 14.3%     | 16.5%   | 41.7%  | <b>100.0%</b> |

| Assessment Area Demographics by Geography Income Level |                        |           |         |        |          |               |
|--|------------------------|-----------|---------|--------|----------|---------------|
| Dataset  | Geography Income Level |           |         |        |          | TOTAL         |
|  | Low-                   | Moderate- | Middle- | Upper- | Unknown- |               |
| Census Tracts  | 0                      | 1         | 3       | 0      | 0        | <b>4</b>      |
|  | 0.0%                   | 25.0%     | 75.0%   | 0.0%   | 0.0%     | <b>100.0%</b> |
| Family Population                                      | 0                      | 1,126     | 3,884   | 0      | 0        | <b>5,010</b>  |
|  | 0.0%                   | 22.5%     | 77.5%   | 0.0%   | 0.0%     | <b>100.0%</b> |
| Household Population                                   | 0                      | 1,591     | 5,744   | 0      | 0        | <b>7,335</b>  |
|  | 0.0%                   | 21.7%     | 78.3%   | 0.0%   | 0.0%     | <b>100.0%</b> |
| Business Institutions                                  | 0                      | 102       | 368     | 0      | 0        | <b>470</b>    |
|  | 0.0%                   | 21.7%     | 78.3%   | 0.0%   | 0.0%     | <b>100.0%</b> |
| Farms Institutions                                     | 0                      | 13        | 66      | 0      | 0        | <b>79</b>     |
|  | 0.0%                   | 16.5%     | 83.5%   | 0.0%   | 0.0%     | <b>100.0%</b> |

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## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RANDOLPH COUNTY 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. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in Appendix A.

| <b>Lending Test Criteria</b>                | <b>Performance</b> |
|---|--------------------|
| Distribution of Loans by Borrower's Profile | Consistent         |
| Geographic Distribution of Loans            | Consistent         |
| <b>OVERALL</b>                              | <b>CONSISTENT</b>  |

### COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the assessment areas within the nonMSA portion of the state of Arkansas that were reviewed using full-scope procedures.

During the review period, the bank originated 21 community development loans totaling \$368,000 in this assessment area, all of which consisted of PPP loans in moderate-income census tracts. The bank did not have any qualified investments. Additionally, the bank made nine donations totaling \$6,200 in this assessment area. Finally, bank personnel provided eight services totaling 18 hours to one qualified school district in this assessment area.

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## **FAYETTEVILLE-SPRINGDALE-ROGERS, ARKANSAS, METROPOLITAN STATISTICAL AREA**

*(Full-Scope Review)*

### **DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FAYETTEVILLE ASSESSMENT AREA**

#### **Bank Structure**

The bank operates 8 of its 25 offices (32.0 percent) in this assessment area. Of the eight offices, one is located in a moderate-income census tract, six are located in middle-income census tracts, and one is located in an upper-income census tract. As previously mentioned, the bank acquired Integrity First Bank, which resulted in one additional branch in this assessment area; subsequently, this assessment area was expanded to include Benton County. The bank did not open any other branches but did close two branches; one was located in a middle-income census tract and the other in an upper-income census tract. Based on its 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 comprises Washington and Benton Counties in the northwest portion of Arkansas. The counties are two of three counties that make up the Fayetteville-Springdale-Rogers, Arkansas MSA (Fayetteville MSA). Based on 2015 ACS data, the assessment area population was 454,630. Of the 33 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked ninth in deposit market share, encompassing 2.8 percent of total deposit dollars. Benton and Washington Counties include a mix of rural areas with several urban city centers and a significant suburban presence. The counties have experienced significant population and economic growth in the last two decades, largely due to the success of several key businesses headquartered in Benton County and the University of Arkansas, located in Washington County.

The population of the assessment area is diverse, creating a need for a blend of consumer, business, and agriculture loan products. In particular, community contacts stressed the need for greater affordable housing development and the need for an affordable home improvement loan products, as well as outreach and financial literacy training for consumers and businesses. One contact also noted the importance of making used-car loans readily available and affordable, since the area lacks a mass transportation system. Furthermore, opportunities for community development involvement are ample through partnerships with various nonprofit agencies and government assistance entities, as well as two universities located in the cities of Fayetteville and Bentonville.

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### **Income and Wealth Demographics**

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

| <b>Assessment Area Demographics by Geography Income Level</b> |             |                  |                |               |                |                |
|---|-------------|------------------|----------------|---------------|----------------|----------------|
| <b>Dataset</b>  | <b>Low-</b> | <b>Moderate-</b> | <b>Middle-</b> | <b>Upper-</b> | <b>Unknown</b> | <b>TOTAL</b>   |
| Census Tracts   | 2           | 15               | 39             | 25            | 0              | <b>81</b>      |
|   | 2.5%        | 18.5%            | 48.1%          | 30.9%         | 0.0%           | <b>100%</b>    |
| Family Population   | 1,973       | 21,601           | 51,079         | 39,767        | 0              | <b>114,420</b> |
|   | 1.7%        | 18.9%            | 44.6%          | 34.8%         | 0.0%           | <b>100%</b>    |

As shown above, 21.0 percent of the assessment area census tracts are LMI, while 20.6 percent of the assessment area family population resides within those tracts. The majority of these LMI census tracts are located in Washington County, in and around the cities of Springdale (seven LMI geographies) and Fayetteville (three LMI geographies).

According to 2015 ACS data, the median family income for the assessment area is \$61,497, which exceeds the same figure for the state of Arkansas as a whole (\$51,782). More recently, the FFIEC estimates the 2020 median family income for the Fayetteville MSA to be \$69,000. The following table compares the distribution of assessment area families by income level to the state of Arkansas as a whole.

| <b>Family Population by Income Level</b> |             |                  |                |               |                |
|--|-------------|------------------|----------------|---------------|----------------|
| <b>Dataset</b>                           | <b>Low-</b> | <b>Moderate-</b> | <b>Middle-</b> | <b>Upper-</b> | <b>TOTAL</b>   |
| Fayetteville Assessment Area             | 22,813      | 21,158           | 23,272         | 47,177        | <b>114,420</b> |
|  | 19.9%       | 18.5%            | 20.3%          | 41.2%         | <b>100%</b>    |
| Arkansas                                 | 164,346     | 134,818          | 149,580        | 311,180       | <b>759,924</b> |
|  | 21.6%       | 17.7%            | 19.7%          | 40.9%         | <b>100%</b>    |

When compared to the previous table, the data in the table above shows that a higher percentage of families in the assessment area are LMI (38.4 percent) than reside in LMI geographies (20.6 percent). By comparison, the distribution of assessment area families by income level is closely aligned with that of Arkansas as a whole, as shown in the table above. Additionally, while not shown above, the percentage of assessment area families below the poverty level (10.9 percent) is lower than the statewide figure of 14.3 percent.

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### **Housing Demographics**

The following table displays housing demographics for the assessment area and the state of Arkansas. The affordability ratio measures the extent to which a family earning the median household income for the assessment area can afford a median-priced home in the assessment area, while the rental cost burden shows the percentage of renters with housing costs that exceed 30.0 percent of their income. Based on the information in the following table, housing in the assessment area appears to be more expensive than in the state Arkansas overall, particularly for those desiring to own their home.

| <b>Housing Demographics</b> |                             |                            |                                    |                           |
|-----------------------------|-----------------------------|----------------------------|------------------------------------|---------------------------|
| <b>Dataset</b>              | <b>Median Housing Value</b> | <b>Affordability Ratio</b> | <b>Median Gross Rent (monthly)</b> | <b>Rental Cost Burden</b> |
| Assessment Area             | \$151,265                   | 33.2%                      | \$746                              | 39.9%                     |
| Arkansas                    | \$111,400                   | 37.1%                      | \$677                              | 42.7%                     |

Based on the data in the preceding table, housing is less affordable in the assessment area than in the state of Arkansas as a whole, even when accounting for higher income levels in the assessment area, as evidenced by a lower affordability ratio. Within the assessment area, housing is least affordable in Washington County, based on an affordability ratio of 28.7 percent and rental cost burden of 44.5 percent, while Benton County is comparatively more affordable. These demographics indicate that homeownership or affordable rental options are likely a challenge for many LMI residents in the area, particularly those in Washington County. This was echoed by community contacts who noted that there has been little new affordable housing stock development, especially for single family homes.

### **Industry and Employment Demographics**

The assessment area economy is large and diverse and supports a strong small business sector in addition to several large national businesses and a prominent public university. County business patterns data indicate that of the 234,461 paid employees in the assessment area, the largest job sectors are manufacturing (11.4 percent), health care and social assistance (11.2 percent), and retail trade (10.8 percent). Of all businesses operating in the assessment area, 91.7 percent reported annual revenues of \$1 million or less (and 97.2 percent of farms), indicating that small businesses play an important role in the area's economy.

The following table displays unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area and the state of Arkansas.

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| Unemployment Levels          |                              |      |      |
|------------------------------|------------------------------|------|------|
| Dataset                      | Time Period (Annual Average) |      |      |
|                              | 2018                         | 2019 | 2020 |
| Fayetteville Assessment Area | 2.7%                         | 2.5% | 4.5% |
| Arkansas                     | 3.7%                         | 3.5% | 6.1% |

As shown in the preceding table, unemployment levels in the assessment area remained lower than statewide figures throughout the review period, and both areas saw significant increases in 2020. This increase in both the assessment area and statewide unemployment level reflects a national trend of higher unemployment levels due to the impact of the pandemic.

### **Community Contact Information**

Two community contact interviews were conducted with individuals with knowledge of the assessment area's economic conditions and credit needs. One of these individuals represents a small business development organization, and the other contact represents an affordable housing organization.

Both contacts identified similar economic characteristics for the assessment area. The economies of Washington and Benton Counties continue to experience growth largely due to several anchor employers headquartered in the area. Employment opportunities associated with these businesses continue to attract new residents to the area, which has contributed to rising population levels. Both contacts described an influx of young professionals for jobs at the major employers previously mentioned. Neither contact identified credit gaps or banking deserts in the assessment area, but both contacts pointed to the utilization of alternative financial sources for both consumer and commercial customers. For example, many younger consumers in the area have turned to online banking accounts or other payment applications for the sake of convenience in place of maintaining traditional deposit accounts at physical banks. On the commercial side, some small businesses have utilized online financial technology companies to obtain funding, particularly for small dollar loans.

When describing the credit needs of the assessment area, the contact familiar with housing needs stated that there is not enough affordable housing supply in the area to meet the demand. New housing developments are common, but the contact stated that less than 10 percent of new development is for affordable housing. Furthermore, affordable housing options are most likely multifamily complexes that become less affordable once other fees such as parking fees are added. While multifamily affordable housing developments are more common, single family affordable housing is the most pressing need in the assessment area, with rising housing prices and dwindling affordable housing supply representing the greatest barriers to homeownership for LMI residents. The contact also pointed to the need for low-cost home improvement loans to maintain the existing affordable housing stock and allow LMI residents to remain in their homes. The contact went on to explain that financial institutions in the assessment area could be more impactful by increasing outreach efforts to make LMI borrowers aware of their affordable or flexible lending products,



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providing credit counseling, and partnering with local housing organizations to develop loan products designed for LMI borrowers. Lastly, the affordable housing interviewee highlighted the importance of used-car loans to the LMI population, which are necessary for commuting to work in the absence of a mass transit option.

With regard to business needs in the assessment area, the second contact noted that business conditions are favorable overall due to the area's infrastructure and increasing labor supply. However, funding and resources, such as counseling, remain a barrier for many businesses, in particular minority-owned businesses. As such, the contact identified increased outreach to minority-owned businesses, as well as small dollar loans such as micro loans, as credit needs for businesses in the area.

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## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FAYETTEVILLE ASSESSMENT AREA**

### **LENDING TEST**

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

#### **Loan Distribution by Borrower's Profile**

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA and small business loans, followed by small farm loans.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$69,00 for the Fayetteville MSA as of 2020). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2020 aggregate performance for the assessment area.

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| Borrower Distribution of Residential Real Estate Loans<br>Assessment Area: Fayetteville |                        |            |               |                |               |               |                |               |
|---|------------------------|------------|---------------|----------------|---------------|---------------|----------------|---------------|
| Product Type  | Borrower Income Levels | 2020       |               |                |               |               |                |               |
|   |                        | Count      |               |                | Dollar        |               |                | Families      |
|   |                        | Bank       |               | HMDA Aggregate | Bank          |               | HMDA Aggregate |               |
|   |                        | #          | %             | %              | \$ (000s)     | \$ %          | \$ %           | %             |
| Home Purchase   | Low                    | 3          | 5.0%          | 5.9%           | 351           | 3.4%          | 3.4%           | 19.9%         |
|   | Moderate               | 12         | 20.0%         | 17.4%          | 1,574         | 15.1%         | 12.8%          | 18.5%         |
|   | Middle                 | 9          | 15.0%         | 20.3%          | 1,260         | 12.1%         | 18.0%          | 20.3%         |
|   | Upper                  | 19         | 31.7%         | 42.6%          | 3,798         | 36.5%         | 52.5%          | 41.2%         |
|   | Unknown                | 17         | 28.3%         | 13.7%          | 3,414         | 32.8%         | 13.3%          | 0.0%          |
|   | <b>TOTAL</b>           | <b>60</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>10,397</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Refinance   | Low                    | 9          | 11.3%         | 4.0%           | 611           | 3.6%          | 1.9%           | 19.9%         |
|   | Moderate               | 11         | 13.8%         | 10.2%          | 1,315         | 7.8%          | 6.3%           | 18.5%         |
|   | Middle                 | 9          | 11.3%         | 14.9%          | 1,655         | 9.8%          | 11.3%          | 20.3%         |
|   | Upper                  | 30         | 37.5%         | 51.3%          | 6,906         | 40.8%         | 60.7%          | 41.2%         |
|   | Unknown                | 21         | 26.3%         | 19.6%          | 6,424         | 38.0%         | 19.7%          | 0.0%          |
|   | <b>TOTAL</b>           | <b>80</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>16,911</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Home Improvement  | Low                    | 1          | 33.3%         | 3.6%           | 30            | 33.7%         | 2.3%           | 19.9%         |
|   | Moderate               | 1          | 33.3%         | 9.4%           | 29            | 32.6%         | 5.6%           | 18.5%         |
|   | Middle                 | 0          | 0.0%          | 15.8%          | 0             | 0.0%          | 11.6%          | 20.3%         |
|   | Upper                  | 0          | 0.0%          | 56.4%          | 0             | 0.0%          | 64.0%          | 41.2%         |
|   | Unknown                | 1          | 33.3%         | 14.7%          | 30            | 33.7%         | 16.5%          | 0.0%          |
|   | <b>TOTAL</b>           | <b>3</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>89</b>     | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Multifamily   | Low                    | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 19.9%         |
|   | Moderate               | 0          | 0.0%          | 1.0%           | 0             | 0.0%          | 0.3%           | 18.5%         |
|   | Middle                 | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 20.3%         |
|   | Upper                  | 0          | 0.0%          | 6.3%           | 0             | 0.0%          | 2.5%           | 41.2%         |
|   | Unknown                | 7          | 100.0%        | 92.7%          | 9,617         | 100.0%        | 97.2%          | 0.0%          |
|   | <b>TOTAL</b>           | <b>7</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>9,617</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| HMDA TOTALS   | Low                    | 13         | 8.7%          | 4.8%           | 992           | 2.7%          | 2.5%           | 19.9%         |
|   | Moderate               | 24         | 16.0%         | 13.3%          | 2,918         | 7.9%          | 8.9%           | 18.5%         |
|   | Middle                 | 18         | 12.0%         | 17.0%          | 2,915         | 7.9%          | 13.7%          | 20.3%         |
|   | Upper                  | 49         | 32.7%         | 46.7%          | 10,704        | 28.9%         | 54.0%          | 41.2%         |
|   | Unknown                | 46         | 30.7%         | 18.2%          | 19,485        | 52.6%         | 20.8%          | 0.0%          |
|   | <b>TOTAL</b>           | <b>150</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>37,014</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |

As displayed in the preceding table, the bank's percentage of total lending to low-income borrowers by number of loans (8.7 percent) is below the low-income family population figure (19.9 percent) but above the aggregate lending level to low-income borrowers (4.8 percent), reflecting reasonable performance. Similarly, the bank's total level of lending to moderate-income

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borrowers by number of loans (16.0 percent) is below the moderate-income family population percentage (18.5 percent) but above the aggregate lending levels to moderate-income borrowers (13.3 percent), reflecting reasonable performance. Therefore, considering performance in both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable. This performance is especially impactful considering the affordable housing needs noted by community contacts.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2020 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: Fayetteville                 |                             |                       |               |               |               |               |               |                  |
| Business Revenue and Loan Size                |                             | 2020                  |               |               |               |               |               |                  |
|   |                             | Count                 |               |               | Dollars       |               |               | Total Businesses |
|   |                             | Bank                  |               | Aggregate     | Bank          |               | Aggregate     |                  |
|   |                             | #                     | %             | %             | \$ (000s)     | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less         | 69                    | 29.0%         | 31.8%         | 8,886         | 39.7%         | 29.7%         | 91.7%            |
|   | Over \$1 Million/Unknown    | 169                   | 71.0%         | 68.2%         | 13,517        | 60.3%         | 70.3%         | 8.3%             |
|   | <b>TOTAL</b>                | <b>238</b>            | <b>100.0%</b> | <b>100.0%</b> | <b>22,403</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less           | 181                   | 76.1%         | 84.6%         | 5,775         | 25.8%         | 27.5%         |                  |
|   | \$100,001–\$250,000         | 38                    | 16.0%         | 8.8%          | 6,498         | 29.0%         | 22.6%         |                  |
|   | \$250,001–\$1 Million       | 19                    | 8.0%          | 6.5%          | 10,130        | 45.2%         | 49.9%         |                  |
|   | Over \$1 Million            | 0                     | 0.0%          | 0.0%          | 0             | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>                | <b>238</b>            | <b>100.0%</b> | <b>100.0%</b> | <b>22,403</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size                                     | Revenue \$1 Million or Less | \$100,000 or Less     | 49            | 71.0%         |               | 1,926         | 21.7%         |                  |
|   |                             | \$100,001–\$250,000   | 10            | 14.5%         |               | 1,735         | 19.5%         |                  |
|   |                             | \$250,001–\$1 Million | 10            | 14.5%         |               | 5,225         | 58.8%         |                  |
|   |                             | Over \$1 Million      | 0             | 0.0%          |               | 0             | 0.0%          |                  |
|   |                             | <b>TOTAL</b>          | <b>69</b>     | <b>100.0%</b> |               | <b>8,886</b>  | <b>100.0%</b> |                  |

By number, the bank originated 29.0 percent of its small business loans to businesses with revenues of \$1 million or less (39.7 percent by dollar amount). In comparison, the demographic estimate of small businesses in the assessment area is 91.7 percent, and the aggregate lending level to small businesses was 31.8 percent by number of loans and 29.7 percent by dollar amount of loans. While bank performance is below the demographic figure, it is similar to the aggregate lending level by number of loans; by dollar amount, bank lending to small businesses is above the aggregate lending level. Therefore, the overall distribution of small business loans is reasonable.

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Finally, small farm loans were reviewed to determine the bank's lending levels to farms of different sizes. The following table shows the distribution of 2020 small farm loans by loan amount and farm revenue size compared to Dun & Bradstreet and aggregate data.

| Small Farm Loans by Revenue and Loan Size |                          |           |               |               |             |               |               |               |
|---|--------------------------|-----------|---------------|---------------|-------------|---------------|---------------|---------------|
| Assessment Area: Fayetteville             |                          |           |               |               |             |               |               |               |
| Business Revenue and Loan Size            |                          | 2020      |               |               |             |               |               |               |
|   |                          | Count     |               |               | Dollars     |               |               | Total Farms   |
|   |                          | Bank      |               | Aggregate     | Bank        |               | Aggregate     |               |
|   |                          | #         | %             | %             | \$ (000s)   | \$ %          | \$ %          | %             |
| Business Revenue                          | \$1 Million or Less      | 21        | 91.3%         | 73.1%         | 937         | 59.5%         | 80.7%         | 97.2%         |
|   | Over \$1 Million/Unknown | 2         | 8.7%          | 26.9%         | 637         | 40.5%         | 19.3%         | 2.8%          |
|   | <b>TOTAL</b>             | <b>23</b> | <b>100.0%</b> | <b>100.0%</b> | <b>1574</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Loan Size                                 | \$100,000 or Less        | 20        | 87.0%         | 83.8%         | 720         | 45.7%         | 42.8%         |               |
|   | \$100,001–\$250,000      | 1         | 4.3%          | 12.5%         | 217         | 13.8%         | 34.4%         |               |
|   | \$250,001–\$500,000      | 2         | 8.7%          | 3.7%          | 637         | 40.5%         | 22.8%         |               |
|   | Over \$500,000           | 0         | 0.0%          | 0.0%          | 0           | 0.0%          | 0.0%          |               |
|   | <b>TOTAL</b>             | <b>23</b> | <b>100.0%</b> | <b>100.0%</b> | <b>1574</b> | <b>100.0%</b> | <b>100.0%</b> |               |
| Loan Size<br>Revenue \$1 Million or Less  | \$100,000 or Less        | 20        | 95.2%         |               | 720         | 76.8%         |               |               |
|   | \$100,001–\$250,000      | 1         | 4.8%          |               | 217         | 23.2%         |               |               |
|   | \$250,001–\$1 Million    | 0         | 0.0%          |               | 0           | 0.0%          |               |               |
|   | Over \$1 Million         | 0         | 0.0%          |               | 0           | 0.0%          |               |               |
|   | <b>TOTAL</b>             | <b>21</b> | <b>100.0%</b> |               | <b>937</b>  | <b>100.0%</b> |               |               |

The bank originated 91.3 percent of its small farm loans to farms with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 97.2 percent of farms in the assessment area had annual revenues of \$1 million or less. The bank significantly outperformed the aggregate lending level of 73.1 percent, and the bank's willingness to lend in small dollar amounts to small farms is demonstrated by the significant portion of small farm loans in the dollar amount of less than \$100,000 (95.2 percent). Therefore, the bank's level of lending to small farms is excellent.

### Geographic Distribution of Loans

As noted previously, the Fayetteville assessment area includes 2 low-income census tracts and 15 moderate-income census tracts, representing 21.0 percent of all assessment area geographies. Overall, the bank's geographic distribution of loans reflects reasonable penetration, based on the three loan categories reviewed. The following table displays the geographic distribution of 2020

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HMDA loans compared to owner-occupied housing demographics and aggregate lending data for the assessment area.

| Geographic Distribution of Residential Real Estate Loans |                     |            |               |                |               |               |                |                      |
|--|---------------------|------------|---------------|----------------|---------------|---------------|----------------|----------------------|
| Assessment Area: Fayetteville                            |                     |            |               |                |               |               |                |                      |
| Product Type   | Tract Income Levels | 2020       |               |                |               |               |                |                      |
|  |                     | Count      |               |                | Dollar        |               |                | Owner-Occupied Units |
|  |                     | Bank       |               | HMDA Aggregate | Bank          |               | HMDA Aggregate |                      |
|  |                     | #          | %             | %              | \$ (000s)     | \$ %          | \$ %           | %                    |
| Home Purchase  | Low                 | 1          | 1.7%          | 0.5%           | 116           | 1.1%          | 0.3%           | 0.7%                 |
|  | Moderate            | 17         | 28.3%         | 10.7%          | 2,181         | 21.0%         | 8.4%           | 15.4%                |
|  | Middle              | 20         | 33.3%         | 41.9%          | 3,521         | 33.9%         | 38.9%          | 46.2%                |
|  | Upper               | 22         | 36.7%         | 47.0%          | 4,579         | 44.0%         | 52.4%          | 37.7%                |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>60</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>10,397</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 1          | 1.3%          | 0.3%           | 64            | 0.4%          | 0.2%           | 0.7%                 |
|  | Moderate            | 16         | 20.0%         | 9.3%           | 2,923         | 17.3%         | 7.1%           | 15.4%                |
|  | Middle              | 35         | 43.8%         | 37.8%          | 6,671         | 39.4%         | 35.0%          | 46.2%                |
|  | Upper               | 28         | 35.0%         | 52.5%          | 7,253         | 42.9%         | 57.7%          | 37.7%                |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>80</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>16,911</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 0          | 0.0%          | 0.3%           | 0             | 0.0%          | 0.1%           | 0.7%                 |
|  | Moderate            | 0          | 0.0%          | 9.2%           | 0             | 0.0%          | 7.9%           | 15.4%                |
|  | Middle              | 1          | 33.3%         | 41.6%          | 30            | 33.7%         | 40.9%          | 46.2%                |
|  | Upper               | 2          | 66.7%         | 49.0%          | 59            | 66.3%         | 51.0%          | 37.7%                |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>3</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>89</b>     | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 0          | 0.0%          | 11.7%          | 0             | 0.0%          | 10.2%          | 11.4%                |
|  | Moderate            | 3          | 42.9%         | 27.7%          | 2,241         | 23.3%         | 19.1%          | 28.5%                |
|  | Middle              | 2          | 28.6%         | 41.3%          | 3,758         | 39.1%         | 40.2%          | 30.4%                |
|  | Upper               | 2          | 28.6%         | 19.4%          | 3,618         | 37.6%         | 30.5%          | 29.8%                |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>7</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>9,617</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 2          | 1.3%          | 0.4%           | 180           | 0.5%          | 0.7%           | 0.7%                 |
|  | Moderate            | 36         | 24.0%         | 10.2%          | 7,345         | 19.8%         | 8.3%           | 15.4%                |
|  | Middle              | 58         | 38.7%         | 39.8%          | 13,980        | 37.8%         | 37.0%          | 46.2%                |
|  | Upper               | 54         | 36.0%         | 49.6%          | 15,509        | 41.9%         | 54.0%          | 37.7%                |
|  | Unknown             | 0          | 0.0%          | 0.0%           | 0             | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>150</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>37,014</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |

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The bank's total penetration of low-income census tracts by number of loans (1.3 percent) is similar to the percentage of owner-occupied housing units in low-income census tracts (0.7 percent) and the performance of other lenders based on aggregate lending data (0.4 percent), reflecting reasonable performance. The bank's performance in moderate-income census tracts by number of loans (24.0 percent) is above the percentage of owner-occupied housing units in moderate-income census tracts (15.4 percent) and is significantly above the performance of other lenders based on aggregate lending data (10.2 percent). When combined, the bank's LMI lending (25.3 percent) exceeds both aggregate performance (10.6 percent) and demographic data (16.1 percent). Therefore, the bank's geographic distribution of HMDA loans in LMI geographies is excellent.

Second, the bank's geographic distribution of small business lending was reviewed. The following table displays 2020 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2020 small business aggregate lending data.

| Geographic Distribution of Small Business Loans<br>Assessment Area: Fayetteville |            |               |               |                 |               |               |               |
|--|------------|---------------|---------------|-----------------|---------------|---------------|---------------|
| Tract Income Levels  | 2020       |               |               |                 |               |               |               |
|  | Count      |               |               | Dollar          |               |               | Businesses    |
|  | Bank       |               | Aggregate     | Bank            |               | Aggregate     |               |
|  | #          | %             | %             | \$ 000s         | \$ %          | \$ %          | %             |
| Low  | 4          | 1.7%          | 1.9%          | \$1,585         | 7.1%          | 2.7%          | 1.9%          |
| Moderate   | 28         | 11.8%         | 15.4%         | \$1,954         | 8.7%          | 16.3%         | 16.9%         |
| Middle   | 130        | 54.6%         | 45.0%         | \$12,059        | 53.8%         | 43.9%         | 45.8%         |
| Upper  | 76         | 31.9%         | 37.4%         | \$6,805         | 30.4%         | 37.0%         | 35.4%         |
| Unknown  | 0          | 0.0%          | 0.2%          | \$0             | 0.0%          | 0.1%          | 0.0%          |
| <b>TOTAL</b>   | <b>238</b> | <b>100.0%</b> | <b>100.0%</b> | <b>\$22,403</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

The bank's percentage of loans in low-income census tracts (1.7 percent) is reasonable, as it is comparable to both the percentage of small businesses (1.9 percent) and the aggregate lending performance (1.9 percent). The bank's percentage of loans in moderate-income census tracts (11.8 percent) is slightly below the aggregate lending percentage (15.4 percent) and the percentage of small businesses (16.9 percent), reflecting reasonable performance considering the bank's small assessment area deposit market share (2.8 percent) and competition from other lenders. Therefore, based on combined performance in both LMI categories, the bank's overall geographic distribution of small business loans is reasonable.

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Lastly, the bank's geographic distribution of small farm lending was reviewed. The following table displays 2020 small farm loan activity by geography income level compared to the location of farms throughout this assessment area and 2020 small farm aggregate lending data.

| Geographic Distribution of Small Farm Loans<br>Assessment Area: Fayetteville |           |               |               |                |               |               |               |
|--|-----------|---------------|---------------|----------------|---------------|---------------|---------------|
| Tract Income Levels  | 2020      |               |               |                |               |               |               |
|  | Count     |               |               | Dollar         |               |               | Farms         |
|  | Bank      |               | Aggregate     | Bank           |               | Aggregate     |               |
|  | #         | %             | %             | \$ 000s        | \$ %          | \$ %          | %             |
| Low  | 0         | 0.0%          | 0.0%          | \$0            | 0.0%          | 0.0%          | 0.8%          |
| Moderate   | 1         | 4.3%          | 7.1%          | \$94           | 6.0%          | 8.4%          | 10.9%         |
| Middle   | 18        | 78.3%         | 75.5%         | \$1,183        | 75.2%         | 69.8%         | 59.4%         |
| Upper  | 4         | 17.4%         | 17.2%         | \$297          | 18.9%         | 21.8%         | 28.9%         |
| Unknown  | 0         | 0.0%          | 0.1%          | \$0            | 0.0%          | 0.0%          | 0.0%          |
| <b>TOTAL</b>   | <b>23</b> | <b>100.0%</b> | <b>100.0%</b> | <b>\$1,574</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

As there are only three small farms located in low-income census tracts in the assessment area, performance in this loan category was based entirely on the bank's level of lending in moderate-income geographies. The bank originated one loan in the moderate-income category (4.3 percent), which is slightly below the aggregate lending percentage of 7.1 percent and the percentage of agricultural institutions in moderate-income tracts (10.9 percent), reflecting poor performance. Therefore, the bank's overall geographic distribution of small farm loans is poor.

Lastly, based on reviews of all loan categories, the bank had loan activity in 67.9 percent of all assessment area census tracts. While not all census tracts contain HMDA, small business, or small farm loans, 100 percent of low-income census tracts and 80.0 percent of moderate-income census tracts contain lending volume. Additionally, there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's the overall geographic distribution of loans is reasonable.

#### COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Fayetteville 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 29 community development loans totaling \$4.7 million in this assessment area, 24 of which were new originations. Three of these loans were made to organizations that provide affordable housing. Three other loans were made to organizations that provide community services within the assessment area. As previously mentioned, the bank became an SBA lender to respond to the community need for PPP loans, and 23 of the qualifying loans were PPP loans made to businesses located in LMI geographies, totaling \$906,000.



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The bank also made community investments and donations totaling \$4.9 million. This amount included six new qualified investments that funded various needs of qualifying school districts and a mortgage-backed security that was for affordable housing to LMI borrowers. Further, the bank had six investments made in a prior period that are still outstanding. Additionally, the bank made six donations totaling \$2,650 in this assessment area. Finally, bank personnel provided 12 services to four different organizations in this assessment area for a total of 432 hours.

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## LITTLE ROCK-NORTH LITTLE ROCK-CONWAY, ARKANSAS METROPOLITAN STATISTICAL AREA

*(Limited-Scope Review)*

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

This assessment area includes the entirety of Perry County, one of six counties that make up the Little Rock-North Little Rock-Conway, Arkansas MSA. The bank operates one office in this assessment area. The bank did not open or close any branches 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                                       | 701                     | 595       | 596     | 762    | <b>2,654</b> |
|   | 26.4%                   | 22.4%     | 22.5%   | 28.7%  | <b>100%</b>  |
| Household Population                                    | 971                     | 849       | 699     | 1,328  | <b>3,847</b> |
|   | 25.2%                   | 22.1%     | 18.2%   | 34.5%  | <b>100%</b>  |

| Assessment Area Demographics by Geography Income Level |                        |           |         |        |          |              |
|--|------------------------|-----------|---------|--------|----------|--------------|
| Dataset  | Geography Income Level |           |         |        |          | TOTAL        |
|  | Low-                   | Moderate- | Middle- | Upper- | Unknown- |              |
| Census Tracts  | 0                      | 1         | 2       | 0      | 0        | <b>3</b>     |
|  | 0%                     | 33.3%     | 66.7%   | 0.0%   | 0.0%     | <b>100%</b>  |
| Family Population                                      | 0                      | 1,406     | 1,248   | 0      | 0        | <b>2,654</b> |
|  | 0%                     | 53.0%     | 47.0%   | 0.0%   | 0.0%     | <b>100%</b>  |
| Household Population                                   | 0                      | 2,010     | 1,837   | 0      | 0        | <b>3,847</b> |
|  | 0%                     | 52.3%     | 55.3%   | 0.0%   | 0.0%     | <b>100%</b>  |
| Business Institutions                                  | 0                      | 118       | 167     | 0      | 0        | <b>285</b>   |
|  | 0%                     | 41.4%     | 58.6%   | 0.0%   | 0.0%     | <b>100%</b>  |
| Farm Institutions                                      | 0                      | 13        | 17      | 0      | 0        | <b>30</b>    |
|  | 0%                     | 43.3%     | 56.7%   | 0.0%   | 0.0%     | <b>100%</b>  |

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## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LITTLE ROCK 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 MSA that was reviewed using full-scope procedures, as summarized in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in Appendix A.

| <b>Lending Test Criteria</b>                | <b>Performance</b> |
|---|--------------------|
| Distribution of Loans by Borrower's Profile | Consistent         |
| Geographic Distribution of Loans            | Below              |
| <b>OVERALL</b>                              | <b>CONSISTENT</b>  |

### COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the assessment area within the MSA portion of the state of Arkansas that was reviewed using full-scope procedures; however, it does not change the rating for the institution.

During the review period, the bank made three community development loans totaling \$89,332. Two loans provided economic development that retained LMI jobs, and the other was a PPP loan in a moderate-income tract. Additionally, the bank made two investments totaling \$541,359 within a qualifying school district. The bank also made three donations for \$1,250 and provided six services to two different community development organizations in this assessment area, totaling 270 community development service hours.

## JONESBORO, ARKANSAS METROPOLITAN STATISTICAL AREA

*(Limited-Scope Review)*

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

This is a new assessment area for the bank that was a result of the Integrity First Bank acquisition, and it includes the entirety of Craighead County, one of the two counties that make up the Jonesboro MSA. The bank operates one office in this assessment area. The tables below detail key demographics relating to this assessment area.

| Assessment Area Demographics by Population Income Level |                         |           |         |        |               |
|---|-------------------------|-----------|---------|--------|---------------|
| Demographic Type  | Population Income Level |           |         |        | TOTAL         |
|   | Low-                    | Moderate- | Middle- | Upper- |               |
| Family Population                                       | 5,135                   | 4,348     | 5,002   | 11,317 | <b>25,802</b> |
|   | 19.9%                   | 16.9%     | 19.4%   | 43.9%  | <b>100%</b>   |
| Household Population                                    | 9,061                   | 6,071     | 6,565   | 17,027 | <b>38,274</b> |
|   | 23.4%                   | 15.7%     | 17.0%   | 44.0%  | <b>100%</b>   |

| Assessment Area Demographics by Geography Income Level |                        |           |         |        |          |               |
|--|------------------------|-----------|---------|--------|----------|---------------|
| Dataset  | Geography Income Level |           |         |        |          | TOTAL         |
|  | Low-                   | Moderate- | Middle- | Upper- | Unknown- |               |
| Census Tracts  | 2                      | 2         | 10      | 3      | 0        | <b>17</b>     |
|  | 11.8%                  | 11.8%     | 58.8%   | 17.6%  | 0.0%     | <b>100%</b>   |
| Family Population                                      | 1,568                  | 2,978     | 14,953  | 6,303  | 0        | <b>25,802</b> |
|  | 6.1%                   | 11.5%     | 58.0%   | 24.4%  | 0.0%     | <b>100%</b>   |
| Household Population                                   | 3,518                  | 5,768     | 21,404  | 8,034  | 0        | <b>38,274</b> |
|  | 9.1%                   | 14.9%     | 55.3%   | 20.8%  | 0.0%     | <b>100%</b>   |
| Business Institutions                                  | 358                    | 619       | 1,860   | 761    | 0        | <b>3,598</b>  |
|  | 9.9%                   | 17.2%     | 51.7%   | 21.2%  | 0.0%     | <b>100%</b>   |
| Farm Institutions                                      | 3                      | 16        | 172     | 92     | 0        | <b>283</b>    |
|  | 1.1%                   | 5.7%      | 60.8%   | 32.5%  | 0.0%     | <b>100%</b>   |

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

**LENDING TEST**

The bank’s Lending Test performance in this assessment area is below the bank’s Lending Test performance in the MSA that was reviewed using full-scope procedures, as summarized in the following table; however, it does not change the rating for the institution. For more detailed information relating to the bank’s Lending Test performance in this assessment area, see the tables in Appendix A.

| <b>Lending Test Criteria</b>                | <b>Performance</b> |
|---|--------------------|
| Distribution of Loans by Borrower’s Profile | Below              |
| Geographic Distribution of Loans            | Consistent         |
| <b>OVERALL</b>                              | <b>BELOW</b>       |

**COMMUNITY DEVELOPMENT TEST**

The bank’s Community Development Test performance in this assessment area is consistent with its Community Development Test performance in the MSA that was reviewed using full-scope procedures.

During the review period, the bank made 14 community development loans totaling \$2.1 million; of those, 12 were PPP loans totaling \$1.3 million. The two remaining loans were to an organization that provides community services in Jonesboro. Additionally, the bank made eight investments totaling \$2.2 million, primarily in municipal bonds that provided funding to qualified schools. The bank also made two donations totaling \$600 and provided six services to two different community development organizations in this assessment area.

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

**Conway County Assessment Area**

| Borrower Distribution of Residential Real Estate Loans |                        |          |               |                |              |               |                |               |          |
|--|------------------------|----------|---------------|----------------|--------------|---------------|----------------|---------------|----------|
| Assessment Area: Conway                                |                        |          |               |                |              |               |                |               |          |
| Product Type   | Borrower Income Levels | 2020     |               |                |              |               |                |               |          |
|  |                        | Count    |               |                | Dollar       |               |                |               |          |
|  |                        | Bank     |               | HMDA Aggregate | Bank         |               | HMDA Aggregate |               | Families |
|  |                        | #        | %             | %              | \$ (000s)    | \$ %          | \$ %           | %             |          |
| Home Purchase  | Low                    | 0        | 0.0%          | 4.9%           | 0            | 0.0%          | 2.4%           | 21.1%         |          |
|  | Moderate               | 0        | 0.0%          | 17.7%          | 0            | 0.0%          | 11.4%          | 17.1%         |          |
|  | Middle                 | 1        | 25.0%         | 20.8%          | 71           | 16.0%         | 18.3%          | 17.1%         |          |
|  | Upper                  | 2        | 50.0%         | 36.4%          | 151          | 34.0%         | 47.6%          | 44.6%         |          |
|  | Unknown                | 1        | 25.0%         | 20.2%          | 222          | 50.0%         | 20.2%          | 0.0%          |          |
|  | <b>TOTAL</b>           | <b>4</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>444</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |          |
| Refinance  | Low                    | 0        | 0.0%          | 2.1%           | 0            | 0.0%          | 0.9%           | 21.1%         |          |
|  | Moderate               | 0        | 0.0%          | 5.9%           | 0            | 0.0%          | 2.8%           | 17.1%         |          |
|  | Middle                 | 0        | 0.0%          | 11.5%          | 0            | 0.0%          | 8.4%           | 17.1%         |          |
|  | Upper                  | 0        | 0.0%          | 55.7%          | 0            | 0.0%          | 62.3%          | 44.6%         |          |
|  | Unknown                | 1        | 100.0%        | 24.7%          | 53           | 100.0%        | 25.6%          | 0.0%          |          |
|  | <b>TOTAL</b>           | <b>1</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>53</b>    | <b>100.0%</b> | <b>100.0%</b>  | 21.1%         |          |
| Home Improvement                                       | Low                    | 1        | 100.0%        | 12.5%          | 13           | 100.0%        | 6.7%           | 17.1%         |          |
|  | Moderate               | 0        | 0.0%          | 4.2%           | 0            | 0.0%          | 1.7%           | 17.1%         |          |
|  | Middle                 | 0        | 0.0%          | 16.7%          | 0            | 0.0%          | 11.1%          | 44.6%         |          |
|  | Upper                  | 0        | 0.0%          | 33.3%          | 0            | 0.0%          | 41.3%          | 0.0%          |          |
|  | Unknown                | 0        | 0.0%          | 33.3%          | 0            | 0.0%          | 39.2%          | 100.0%        |          |
|  | <b>TOTAL</b>           | <b>1</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>13</b>    | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |          |
| Multifamily  | Low                    | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 21.1%         |          |
|  | Moderate               | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 17.1%         |          |
|  | Middle                 | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 17.1%         |          |
|  | Upper                  | 1        | 50.0%         | 16.7%          | 469          | 51.0%         | 26.3%          | 44.6%         |          |
|  | Unknown                | 1        | 50.0%         | 83.3%          | 450          | 49.0%         | 73.7%          | 0.0%          |          |
|  | <b>TOTAL</b>           | <b>2</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>919</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |          |
| HMDA TOTALS  | Low                    | 1        | 12.5%         | 3.8%           | 13           | 0.9%          | 1.6%           | 21.1%         |          |
|  | Moderate               | 0        | 0.0%          | 11.7%          | 0            | 0.0%          | 6.8%           | 17.1%         |          |
|  | Middle                 | 1        | 12.5%         | 16.2%          | 71           | 5.0%          | 12.8%          | 17.1%         |          |
|  | Upper                  | 3        | 37.5%         | 44.7%          | 620          | 43.4%         | 54.3%          | 44.6%         |          |
|  | Unknown                | 3        | 37.5%         | 23.6%          | 725          | 50.7%         | 24.4%          | 0.0%          |          |
|  | <b>TOTAL</b>           | <b>8</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>1,429</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |          |

## Appendix A (Continued)

| Small Business Loans by Revenue and Loan Size |                             |                       |               |               |                |               |               |                  |
|---|-----------------------------|-----------------------|---------------|---------------|----------------|---------------|---------------|------------------|
| Assessment Area: Conway                       |                             |                       |               |               |                |               |               |                  |
| Business Revenue and Loan Size                |                             | 2020                  |               |               |                |               |               |                  |
|   |                             | Count                 |               |               | Dollars        |               |               | Total Businesses |
|   |                             | Bank                  |               | Aggregate     | Bank           |               | Aggregate     |                  |
|   |                             | #                     | %             | %             | \$ (000s)      | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less         | 17                    | 36.2%         | 34.1%         | \$716          | 30.4%         | 27.5%         | 90.0%            |
|   | Over \$1 Million/Unknown    | 30                    | 63.8%         | 65.9%         | \$1,638        | 69.6%         | 72.5%         | 10.0%            |
|   | <b>TOTAL</b>                | <b>47</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>\$2,354</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less           | 42                    | 89.4%         | 87.5%         | \$1,503        | 63.8%         | 31.2%         |                  |
|   | \$100,001–\$250,000         | 4                     | 8.5%          | 8.2%          | \$561          | 23.8%         | 23.3%         |                  |
|   | \$250,001–\$1 Million       | 1                     | 2.1%          | 4.4%          | \$290          | 12.3%         | 45.4%         |                  |
|   | Over \$1 Million            | 0                     | 0.0%          | 0.0%          | \$0            | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>                | <b>47</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>\$2,354</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size                                     | Revenue \$1 Million or Less | \$100,000 or Less     | 16            | 94.1%         |                | \$494         | 69.0%         |                  |
|   |                             | \$100,001–\$250,000   | 1             | 5.9%          |                | \$222         | 31.0%         |                  |
|   |                             | \$250,001–\$1 Million | 0             | 0.0%          |                | \$0           | 0.0%          |                  |
|   |                             | Over \$1 Million      | 0             | 0.0%          |                | \$0           | 0.0%          |                  |
|   |                             | <b>TOTAL</b>          | <b>17</b>     | <b>100.0%</b> |                | <b>\$716</b>  | <b>100.0%</b> |                  |

## Appendix A (Continued)

| Small Farm Loans by Revenue and Loan Size |                          |           |               |               |            |               |               |               |
|---|--------------------------|-----------|---------------|---------------|------------|---------------|---------------|---------------|
| Assessment Area: Conway                   |                          |           |               |               |            |               |               |               |
| Farm Revenue and Loan Size                |                          | 2020      |               |               |            |               |               | Total Farms   |
|   |                          | Count     |               |               | Dollars    |               |               |               |
|   |                          | Bank      |               | Aggregate     | Bank       |               | Aggregate     |               |
|   |                          | #         | %             | %             | \$ (000s)  | \$ %          | \$ %          |               |
| Farm Revenue                              | \$1 Million or Less      | 12        | 92.3%         | 64.4%         | 569        | 98.1%         | 77.4%         | 98.6%         |
|   | Over \$1 Million/Unknown | 1         | 7.7%          | 35.6%         | 11         | 1.9%          | 22.6%         | 1.4%          |
|   | <b>TOTAL</b>             | <b>13</b> | <b>100.0%</b> | <b>100.0%</b> | <b>580</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Loan Size                                 | \$100,000 or Less        | 12        | 92.3%         | 86.7%         | 435        | 75.0%         | 41.1%         |               |
|   | \$100,001–\$250,000      | 1         | 7.7%          | 6.7%          | 145        | 25.0%         | 18.8%         |               |
|   | \$250,001–\$500,000      | 0         | 0.0%          | 6.7%          | 0          | 0.0%          | 40.1%         |               |
|   | Over \$500,000           | 0         | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          |               |
|   | <b>TOTAL</b>             | <b>13</b> | <b>100.0%</b> | <b>100.0%</b> | <b>580</b> | <b>100.0%</b> | <b>100.0%</b> |               |
| Loan Size<br>Revenue \$1 Million or Less  | \$100,000 or Less        | 11        | 91.7%         |               | 424        | 74.5%         |               |               |
|   | \$100,001–\$250,000      | 1         | 8.3%          |               | 145        | 25.5%         |               |               |
|   | \$250,001–\$1 Million    | 0         | 0.0%          |               | 0          | 0.0%          |               |               |
|   | Over \$1 Million         | 0         | 0.0%          |               | 0          | 0.0%          |               |               |
|   | <b>TOTAL</b>             | <b>12</b> | <b>100.0%</b> |               | <b>569</b> | <b>100.0%</b> |               |               |



## Appendix A (Continued)

| Geographic Distribution of Residential Real Estate Loans |                     |          |               |                |              |               |                |                      |
|--|---------------------|----------|---------------|----------------|--------------|---------------|----------------|----------------------|
| Assessment Area: Conway                                  |                     |          |               |                |              |               |                |                      |
| Product Type   | Tract Income Levels | 2020     |               |                |              |               |                |                      |
|  |                     | Count    |               |                | Dollar       |               |                | Owner-Occupied Units |
|  |                     | Bank     |               | HMDA Aggregate | Bank         |               | HMDA Aggregate |                      |
|  |                     | #        | %             | %              | \$ (000s)    | \$ %          | \$ %           | %                    |
| Home Purchase  | Low                 | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Middle              | 4        | 100.0%        | 98.8%          | 444          | 100.0%        | 98.0%          | 100.0%               |
|  | Upper               | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0        | 0.0%          | 1.2%           | 0            | 0.0%          | 2.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>4</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>444</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Middle              | 1        | 100.0%        | 100.0%         | 53           | 100.0%        | 100.0%         | 100.0%               |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>1</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>53</b>    | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Middle              | 1        | 100.0%        | 95.8%          | 13           | 100.0%        | 78.9%          | 100.0%               |
|  | Upper               | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0        | 0.0%          | 4.2%           | 0            | 0.0%          | 21.1%          | 0.0%                 |
|  | <b>TOTAL</b>        | <b>1</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>13</b>    | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Middle              | 2        | 100.0%        | 100.0%         | 919          | 100.0%        | 100.0%         | 100.0%               |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>2</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>919</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Middle              | 8        | 100.0%        | 99.1%          | 1,429        | 100.0%        | 98.3%          | 100.0%               |
|  | Upper               | 0        | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0        | 0.0%          | 0.9%           | 0            | 0.0%          | 1.7%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>8</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>1,429</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |

## Appendix A (Continued)

| Geographic Distribution of Small Business Loans<br>Assessment Area: Conway |           |               |               |              |               |               |               |
|--|-----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Tract Income Levels  | 2020      |               |               |              |               |               |               |
|  | 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%          | 0.0%          | 0            | 0.0%          | 0.0%          | 0.0%          |
| Middle   | 47        | 100.0%        | 99.4%         | 2,354        | 100.0%        | 99.9%         | 100.0%        |
| Upper  | 0         | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          | 0.0%          |
| Unknown  | 0         | 0.0%          | 0.6%          | 0            | 0.0%          | 0.1%          | 0.0%          |
| <b>TOTAL</b>   | <b>47</b> | <b>100.0%</b> | <b>100.0%</b> | <b>2,354</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Geographic Distribution of Small Farm Loans<br>Assessment Area: Conway |           |               |               |            |               |               |               |
|--|-----------|---------------|---------------|------------|---------------|---------------|---------------|
| Tract Income Levels  | 2020      |               |               |            |               |               |               |
|  | Count     |               |               | Dollar     |               |               | Farms         |
|  | Bank      |               | Aggregate     | Bank       |               | Aggregate     |               |
|  | #         | %             | %             | \$ 000s    | \$ %          | \$ %          | %             |
| Low  | 0         | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          | 0.0%          |
| Moderate   | 0         | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          | 0.0%          |
| Middle   | 13        | 100.0%        | 97.8%         | 580        | 100.0%        | 99.4%         | 100.0%        |
| Upper  | 0         | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          | 0.0%          |
| Unknown  | 0         | 0.0%          | 2.2%          | 0          | 0.0%          | 0.6%          | 0.0%          |
| <b>TOTAL</b>   | <b>13</b> | <b>100.0%</b> | <b>100.0%</b> | <b>580</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

## Appendix A (Continued)

Randolph County Assessment Area

| Borrower Distribution of Residential Real Estate Loans |                        |           |               |                |              |               |                |               |
|--|------------------------|-----------|---------------|----------------|--------------|---------------|----------------|---------------|
| Assessment Area: Randolph                              |                        |           |               |                |              |               |                |               |
| Product Type   | Borrower Income Levels | 2020      |               |                |              |               |                |               |
|  |                        | Count     |               |                | Dollar       |               |                | Families      |
|  |                        | Bank      |               | HMDA Aggregate | Bank         |               | HMDA Aggregate |               |
|  |                        | #         | %             | %              | \$ (000s)    | \$ %          | \$ %           | %             |
| Home Purchase  | Low                    | 2         | 4.9%          | 5.3%           | 68           | 1.8%          | 3.0%           | 23.2%         |
|  | Moderate               | 8         | 19.5%         | 16.4%          | 504          | 13.3%         | 12.6%          | 17.7%         |
|  | Middle                 | 12        | 29.3%         | 22.8%          | 1,110        | 29.2%         | 23.9%          | 19.0%         |
|  | Upper                  | 16        | 39.0%         | 36.7%          | 1,723        | 45.4%         | 44.0%          | 40.1%         |
|  | Unknown                | 3         | 7.3%          | 18.9%          | 392          | 10.3%         | 16.6%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>41</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>3,797</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Refinance  | Low                    | 3         | 9.4%          | 4.2%           | 99           | 3.2%          | 2.0%           | 23.2%         |
|  | Moderate               | 14        | 43.8%         | 16.2%          | 902          | 28.9%         | 10.3%          | 17.7%         |
|  | Middle                 | 5         | 15.6%         | 13.4%          | 369          | 11.8%         | 10.3%          | 19.0%         |
|  | Upper                  | 9         | 28.1%         | 52.8%          | 1,682        | 53.9%         | 62.2%          | 40.1%         |
|  | Unknown                | 1         | 3.1%          | 13.4%          | 70           | 2.2%          | 15.2%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>32</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>3,122</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Home Improvement                                       | Low                    | 2         | 25.0%         | 11.1%          | 15           | 3.8%          | 1.7%           | 23.2%         |
|  | Moderate               | 2         | 25.0%         | 27.8%          | 121          | 30.9%         | 19.6%          | 17.7%         |
|  | Middle                 | 3         | 37.5%         | 33.3%          | 177          | 45.3%         | 38.2%          | 19.0%         |
|  | Upper                  | 1         | 12.5%         | 27.8%          | 78           | 19.9%         | 40.5%          | 40.1%         |
|  | Unknown                | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%          |
|  | <b>TOTAL</b>           | <b>8</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>391</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Multifamily  | Low                    | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 23.2%         |
|  | Moderate               | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 17.7%         |
|  | Middle                 | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 19.0%         |
|  | Upper                  | 1         | 33.3%         | 20.0%          | 106          | 16.7%         | 5.0%           | 40.1%         |
|  | Unknown                | 2         | 66.7%         | 80.0%          | 527          | 83.3%         | 95.0%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>3</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>633</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| HMDA TOTALS  | Low                    | 7         | 8.3%          | 4.8%           | 182          | 2.3%          | 2.3%           | 23.2%         |
|  | Moderate               | 24        | 28.6%         | 15.9%          | 1,527        | 19.2%         | 10.8%          | 17.7%         |
|  | Middle                 | 20        | 23.8%         | 18.0%          | 1,656        | 20.8%         | 15.7%          | 19.0%         |
|  | Upper                  | 27        | 32.1%         | 43.1%          | 3,589        | 45.2%         | 51.3%          | 40.1%         |
|  | Unknown                | 6         | 7.1%          | 18.3%          | 989          | 12.5%         | 20.0%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>84</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>7,943</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |

## Appendix A (Continued)

| Small Business Loans by Revenue and Loan Size |                          |           |               |               |              |               |               |                  |
|---|--------------------------|-----------|---------------|---------------|--------------|---------------|---------------|------------------|
| Assessment Area: Randolph                     |                          |           |               |               |              |               |               |                  |
| Business Revenue and Loan Size                |                          | 2020      |               |               |              |               |               |                  |
|   |                          | Count     |               |               | Dollars      |               |               | Total Businesses |
|   |                          | Bank      |               | Aggregate     | Bank         |               | Aggregate     |                  |
|   |                          | #         | %             | %             | \$ (000s)    | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less      | 32        | 54.2%         | 36.4%         | 3,539        | 71.0%         | 37.4%         | 90.6%            |
|   | Over \$1 Million/Unknown | 27        | 45.8%         | 63.6%         | 1,446        | 29.0%         | 62.6%         | 9.4%             |
|   | <b>TOTAL</b>             | <b>59</b> | <b>100.0%</b> | <b>100.0%</b> | <b>4,985</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less        | 49        | 83.1%         | 88.4%         | 1,333        | 26.7%         | 30.3%         |                  |
|   | \$100,001–\$250,000      | 5         | 8.5%          | 7.0%          | 787          | 15.8%         | 25.0%         |                  |
|   | \$250,001–\$1 Million    | 5         | 8.5%          | 4.5%          | 2,865        | 57.5%         | 44.8%         |                  |
|   | Over \$1 Million         | 0         | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>             | <b>59</b> | <b>100.0%</b> | <b>100.0%</b> | <b>4,985</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size<br>Revenue \$1 Million or Less      | \$100,000 or Less        | 23        | 71.9%         |               | 587          | 16.6%         |               |                  |
|   | \$100,001–\$250,000      | 5         | 15.6%         |               | 787          | 22.2%         |               |                  |
|   | \$250,001–\$1 Million    | 4         | 12.5%         |               | 2,165        | 61.2%         |               |                  |
|   | Over \$1 Million         | 0         | 0.0%          |               | 0            | 0.0%          |               |                  |
|   | <b>TOTAL</b>             | <b>32</b> | <b>100.0%</b> |               | <b>3,539</b> | <b>100.0%</b> |               |                  |

## Appendix A (Continued)

| Small Farm Loans by Revenue and Loan Size   |                              |           |               |               |              |               |               |               |
|---|------------------------------|-----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Assessment Area: Randolph                   |                              |           |               |               |              |               |               |               |
| Farm Revenue and Loan Size                  |                              | 2020      |               |               |              |               |               | Total Farms   |
|   |                              | Count     |               |               | Dollars      |               |               |               |
|   |                              | Bank      |               | Aggregate     | Bank         |               | Aggregate     |               |
|   |                              | #         | %             | %             | \$<br>(000s) | \$ %          | \$ %          |               |
| Farm Revenue                                | \$1 Million or Less          | 31        | 86.1%         | 62.6%         | 4504         | 86.5%         | 76.6%         | 100.0%        |
|   | Over \$1 Million/<br>Unknown | 5         | 13.9%         | 37.4%         | 700          | 13.5%         | 23.4%         | 0.0%          |
|   | <b>TOTAL</b>                 | <b>36</b> | <b>100.0%</b> | <b>100.0%</b> | <b>5204</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Loan Size                                   | \$100,000 or Less            | 22        | 61.1%         | 83.8%         | 964          | 18.5%         | 36.9%         |               |
|   | \$100,001–<br>\$250,000      | 6         | 16.7%         | 9.1%          | 955          | 18.4%         | 22.8%         |               |
|   | \$250,001–<br>\$500,000      | 8         | 22.2%         | 7.1%          | 3285         | 63.1%         | 40.3%         |               |
|   | Over \$500,000               | 0         | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          |               |
|   | <b>TOTAL</b>                 | <b>36</b> | <b>100.0%</b> | <b>100.0%</b> | <b>5204</b>  | <b>100.0%</b> | <b>100.0%</b> |               |
| Loan Size<br>Revenue \$1 Million<br>or Less | \$100,000 or Less            | 18        | 58.1%         |               | 764          | 17.0%         |               |               |
|   | \$100,001–\$250,000          | 6         | 19.4%         |               | 955          | 21.2%         |               |               |
|   | \$250,001–<br>\$1 Million    | 7         | 22.6%         |               | 2785         | 61.8%         |               |               |
|   | Over \$1 Million             | 0         | 0.0%          |               | 0            | 0.0%          |               |               |
|   | <b>TOTAL</b>                 | <b>31</b> | <b>100.0%</b> |               | <b>4504</b>  | <b>100.0%</b> |               |               |

## Appendix A (Continued)

| Geographic Distribution of Residential Real Estate Loans |                     |           |               |                |              |               |                |                      |
|--|---------------------|-----------|---------------|----------------|--------------|---------------|----------------|----------------------|
| Assessment Area: Randolph                                |                     |           |               |                |              |               |                |                      |
| Product Type   | Tract Income Levels | 2020      |               |                |              |               |                |                      |
|  |                     | 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            | 13        | 31.7%         | 32.7%          | 1,365        | 35.9%         | 32.6%          | 21.3%                |
|  | Middle              | 28        | 68.3%         | 67.3%          | 2,432        | 64.1%         | 67.4%          | 78.7%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>41</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>3,797</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 9         | 28.1%         | 26.8%          | 876          | 28.1%         | 25.3%          | 21.3%                |
|  | Middle              | 23        | 71.9%         | 72.9%          | 2,246        | 71.9%         | 74.2%          | 78.7%                |
|  | Upper               | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0         | 0.0%          | 0.4%           | 0            | 0.0%          | 0.5%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>32</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>3,122</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 2         | 25.0%         | 33.3%          | 120          | 30.7%         | 56.0%          | 21.3%                |
|  | Middle              | 6         | 75.0%         | 66.7%          | 271          | 69.3%         | 44.0%          | 78.7%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>8</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>391</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 1         | 33.3%         | 60.0%          | 278          | 43.9%         | 83.3%          | 21.3%                |
|  | Middle              | 2         | 66.7%         | 40.0%          | 355          | 56.1%         | 16.7%          | 78.7%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>3</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>633</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 25        | 29.8%         | 29.9%          | 2,639        | 33.2%         | 30.1%          | 21.3%                |
|  | Middle              | 59        | 70.2%         | 70.0%          | 5,304        | 66.8%         | 69.7%          | 78.7%                |
|  | Upper               | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0         | 0.0%          | 0.2%           | 0            | 0.0%          | 0.2%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>84</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>7,943</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |

## Appendix A (Continued)

| Geographic Distribution of Small Business Loans |           |               |               |              |               |               |               |
|---|-----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Assessment Area: Randolph                       |           |               |               |              |               |               |               |
| Tract Income Levels                             | 2020      |               |               |              |               |               |               |
|   | Count     |               |               | Dollar       |               |               | Businesses    |
|   | Bank      |               | Aggregate     | Bank         |               | Aggregate     |               |
|   | #         | %             | %             | \$ 000s      | \$ %          | \$ %          | %             |
| Low   | 0         | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          | 0.0%          |
| Moderate  | 10        | 16.9%         | 21.5%         | 323          | 6.5%          | 30.2%         | 21.7%         |
| Middle  | 49        | 83.1%         | 78.5%         | 4,662        | 93.5%         | 69.8%         | 78.3%         |
| 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%          |
| <b>TOTAL</b>                                    | <b>59</b> | <b>100.0%</b> | <b>100.0%</b> | <b>4,985</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Geographic Distribution of Small Farm Loans |           |               |               |              |               |               |               |
|---|-----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Assessment Area: Randolph                   |           |               |               |              |               |               |               |
| Tract Income Levels                         | 2020      |               |               |              |               |               |               |
|   | Count     |               |               | Dollar       |               |               | Farms         |
|   | Bank      |               | Aggregate     | Bank         |               | Aggregate     |               |
|   | #         | %             | %             | \$ 000s      | \$ %          | \$ %          | %             |
| Low   | 0         | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          | 0.0%          |
| Moderate                                    | 12        | 33.3%         | 7.1%          | 3,317        | 63.7%         | 9.6%          | 16.5%         |
| Middle                                      | 24        | 66.7%         | 92.9%         | 1,887        | 36.3%         | 90.4%         | 83.5%         |
| 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%          |
| <b>TOTAL</b>                                | <b>36</b> | <b>100.0%</b> | <b>100.0%</b> | <b>5,204</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

## Appendix A (Continued)

Little Rock Assessment Area

| Borrower Distribution of Residential Real Estate Loans |                        |          |               |                |            |               |                |               |
|--|------------------------|----------|---------------|----------------|------------|---------------|----------------|---------------|
| Assessment Area: Little Rock                           |                        |          |               |                |            |               |                |               |
| Product Type   | Borrower Income Levels | 2020     |               |                |            |               |                |               |
|  |                        | Count    |               |                | Dollar     |               |                | Families      |
|  |                        | Bank     |               | HMDA Aggregate | Bank       |               | HMDA Aggregate |               |
|  |                        | #        | %             | %              | \$ (000s)  | \$ %          | \$ %           | %             |
| Home Purchase  | Low                    | 1        | 50.0%         | 18.0%          | 79         | 52.7%         | 10.2%          | 26.4%         |
|  | Moderate               | 0        | 0.0%          | 20.7%          | 0          | 0.0%          | 17.1%          | 22.4%         |
|  | Middle                 | 0        | 0.0%          | 23.4%          | 0          | 0.0%          | 24.2%          | 22.5%         |
|  | Upper                  | 1        | 50.0%         | 22.5%          | 71         | 47.3%         | 32.4%          | 28.7%         |
|  | Unknown                | 0        | 0.0%          | 15.3%          | 0          | 0.0%          | 16.1%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>2</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>150</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Refinance  | Low                    | 1        | 33.3%         | 6.5%           | 31         | 26.5%         | 3.7%           | 26.4%         |
|  | Moderate               | 1        | 33.3%         | 15.3%          | 60         | 51.3%         | 10.8%          | 22.4%         |
|  | Middle                 | 0        | 0.0%          | 28.2%          | 0          | 0.0%          | 28.6%          | 22.5%         |
|  | Upper                  | 1        | 33.3%         | 31.5%          | 26         | 22.2%         | 35.5%          | 28.7%         |
|  | Unknown                | 0        | 0.0%          | 18.5%          | 0          | 0.0%          | 21.4%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>3</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>117</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Home Improvement                                       | Low                    | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 26.4%         |
|  | Moderate               | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 22.4%         |
|  | Middle                 | 0        | 0.0%          | 100.0%         | 0          | 0.0%          | 100.0%         | 22.5%         |
|  | Upper                  | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 28.7%         |
|  | Unknown                | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%          |
|  | <b>TOTAL</b>           | <b>0</b> | <b>0.0%</b>   | <b>100.0%</b>  | <b>0</b>   | <b>0.0%</b>   | <b>100.0%</b>  | <b>100.0%</b> |
| Multifamily  | Low                    | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 26.4%         |
|  | Moderate               | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 22.4%         |
|  | Middle                 | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 22.5%         |
|  | Upper                  | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 28.7%         |
|  | Unknown                | 0        | 0.0%          | 100.0%         | 0          | 0.0%          | 100.0%         | 0.0%          |
|  | <b>TOTAL</b>           | <b>0</b> | <b>0.0%</b>   | <b>100.0%</b>  | <b>0</b>   | <b>0.0%</b>   | <b>100.0%</b>  | <b>100.0%</b> |
| HMDA TOTALS  | Low                    | 2        | 40.0%         | 11.5%          | 110        | 41.2%         | 6.4%           | 26.4%         |
|  | Moderate               | 1        | 20.0%         | 16.0%          | 60         | 22.5%         | 12.5%          | 22.4%         |
|  | Middle                 | 0        | 0.0%          | 26.0%          | 0          | 0.0%          | 25.9%          | 22.5%         |
|  | Upper                  | 2        | 40.0%         | 26.0%          | 97         | 36.3%         | 32.2%          | 28.7%         |
|  | Unknown                | 0        | 0.0%          | 20.4%          | 0          | 0.0%          | 22.9%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>5</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>267</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |



## Appendix A (Continued)

| Small Business Loans by Revenue and Loan Size |                             |                       |               |               |            |               |               |                  |
|---|-----------------------------|-----------------------|---------------|---------------|------------|---------------|---------------|------------------|
| Assessment Area: Little Rock                  |                             |                       |               |               |            |               |               |                  |
| Business Revenue and Loan Size                |                             | 2020                  |               |               |            |               |               |                  |
|   |                             | Count                 |               |               | Dollars    |               |               | Total Businesses |
|   |                             | Bank                  |               | Aggregate     | Bank       |               | Aggregate     |                  |
|   |                             | #                     | %             | %             | \$ (000s)  | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less         | 15                    | 65.2%         | 39.0%         | 722        | 78.5%         | 39.8%         | 90.2%            |
|   | Over \$1 Million/Unknown    | 8                     | 34.8%         | 61.0%         | 198        | 21.5%         | 60.2%         | 9.8%             |
|   | <b>TOTAL</b>                | <b>23</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>920</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less           | 21                    | 91.3%         | 94.5%         | 588        | 63.9%         | 47.5%         |                  |
|   | \$100,001–\$250,000         | 2                     | 8.7%          | 4.1%          | 332        | 36.1%         | 25.5%         |                  |
|   | \$250,001–\$1 Million       | 0                     | 0.0%          | 1.4%          | 0          | 0.0%          | 27.0%         |                  |
|   | Over \$1 Million            | 0                     | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>                | <b>23</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>920</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size                                     | Revenue \$1 Million or Less | \$100,000 or Less     | 13            | 86.7%         |            | 390           | 54.0%         |                  |
|   |                             | \$100,001–\$250,000   | 2             | 13.3%         |            | 332           | 46.0%         |                  |
|   |                             | \$250,001–\$1 Million | 0             | 0.0%          |            | 0             | 0.0%          |                  |
|   |                             | Over \$1 Million      | 0             | 0.0%          |            | 0             | 0.0%          |                  |
|   |                             | <b>TOTAL</b>          | <b>15</b>     | <b>100.0%</b> |            | <b>722</b>    | <b>100.0%</b> |                  |

## Appendix A (Continued)

| Small Farm Loans by Revenue and Loan Size   |                              |          |               |               |              |               |               |               |
|---|------------------------------|----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Assessment Area: Little Rock                |                              |          |               |               |              |               |               |               |
| Farm Revenue and Loan Size                  |                              | 2020     |               |               |              |               |               | Total Farms   |
|   |                              | Count    |               |               | Dollars      |               |               |               |
|   |                              | Bank     |               | Aggregate     | Bank         |               | Aggregate     |               |
|   |                              | #        | %             | %             | \$<br>(000s) | \$ %          | \$ %          |               |
| Farm Revenue                                | \$1 Million or Less          | 5        | 83.3%         | 52.2%         | 161          | 82.6%         | 86.7%         | 93.3%         |
|   | Over \$1 Million/<br>Unknown | 1        | 16.7%         | 47.8%         | 34           | 17.4%         | 13.3%         | 6.7%          |
|   | <b>TOTAL</b>                 | <b>6</b> | <b>100.0%</b> | <b>100.0%</b> | <b>195</b>   | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Loan Size                                   | \$100,000 or Less            | 6        | 100.0%        | 82.6%         | 195          | 100.0%        | 26.8%         |               |
|   | \$100,001–<br>\$250,000      | 0        | 0.0%          | 13.0%         | 0            | 0.0%          | 49.5%         |               |
|   | \$250,001–<br>\$500,000      | 0        | 0.0%          | 4.3%          | 0            | 0.0%          | 23.7%         |               |
|   | Over \$500,000               | 0        | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          |               |
|   | <b>TOTAL</b>                 | <b>6</b> | <b>100.0%</b> | <b>100.0%</b> | <b>195</b>   | <b>100.0%</b> | <b>100.0%</b> |               |
| Loan Size<br>Revenue \$1 Million<br>or Less | \$100,000 or Less            | 5        | 100.0%        |               | 161          | 100.0%        |               |               |
|   | \$100,001–\$250,000          | 0        | 0.0%          |               | 0            | 0.0%          |               |               |
|   | \$250,001–<br>\$1 Million    | 0        | 0.0%          |               | 0            | 0.0%          |               |               |
|   | Over \$1 Million             | 0        | 0.0%          |               | 0            | 0.0%          |               |               |
|   | <b>TOTAL</b>                 | <b>5</b> | <b>100.0%</b> |               | <b>161</b>   | <b>100.0%</b> |               |               |

## Appendix A (Continued)

| Geographic Distribution of Residential Real Estate Loans |                     |          |               |                |            |               |                |                      |
|--|---------------------|----------|---------------|----------------|------------|---------------|----------------|----------------------|
| Assessment Area: Little Rock                             |                     |          |               |                |            |               |                |                      |
| Product Type   | Tract Income Levels | 2020     |               |                |            |               |                |                      |
|  |                     | Count    |               |                | Dollar     |               |                | Owner-Occupied Units |
|  |                     | Bank     |               | HMDA Aggregate | Bank       |               | HMDA Aggregate |                      |
|  |                     | #        | %             | %              | \$ (000s)  | \$ %          | \$ %           | %                    |
| Home Purchase  | Low                 | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 56.8%          | 0          | 0.0%          | 61.9%          | 54.5%                |
|  | Middle              | 2        | 100.0%        | 42.3%          | 150        | 100.0%        | 36.7%          | 45.5%                |
|  | Upper               | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0        | 0.0%          | 0.9%           | 0          | 0.0%          | 1.3%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>2</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>150</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 1        | 33.3%         | 54.8%          | 60         | 51.3%         | 58.0%          | 54.5%                |
|  | Middle              | 2        | 66.7%         | 44.4%          | 57         | 48.7%         | 40.9%          | 45.5%                |
|  | Upper               | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0        | 0.0%          | 0.8%           | 0          | 0.0%          | 1.2%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>3</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>117</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 75.0%          | 0          | 0.0%          | 80.9%          | 54.5%                |
|  | Middle              | 0        | 0.0%          | 25.0%          | 0          | 0.0%          | 19.1%          | 45.5%                |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>0</b> | <b>0.0%</b>   | <b>100.0%</b>  | <b>0</b>   | <b>0.0%</b>   | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 0        | 0.0%          | 100.0%         | 0          | 0.0%          | 100.0%         | 0.0%                 |
|  | Middle              | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 100.0%               |
|  | 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%                 |
|  | <b>TOTAL</b>        | <b>0</b> | <b>0.0%</b>   | <b>100.0%</b>  | <b>0</b>   | <b>0.0%</b>   | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Moderate            | 1        | 20.0%         | 56.9%          | 60         | 22.5%         | 60.0%          | 54.5%                |
|  | Middle              | 4        | 80.0%         | 42.4%          | 207        | 77.5%         | 38.8%          | 45.5%                |
|  | Upper               | 0        | 0.0%          | 0.0%           | 0          | 0.0%          | 0.0%           | 0.0%                 |
|  | Unknown             | 0        | 0.0%          | 0.7%           | 0          | 0.0%          | 1.1%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>5</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>267</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |

## Appendix A (Continued)

| Geographic Distribution of Small Business Loans<br>Assessment Area: Little Rock |           |               |               |            |               |               |               |
|---|-----------|---------------|---------------|------------|---------------|---------------|---------------|
| Tract Income Levels   | 2020      |               |               |            |               |               |               |
|   | Count     |               |               | Dollar     |               |               | Businesses    |
|   | Bank      |               | Aggregate     | Bank       |               | Aggregate     |               |
|   | #         | %             | %             | \$ 000s    | \$ %          | \$ %          | %             |
| Low   | 0         | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          | 0.0%          |
| Moderate  | 2         | 8.7%          | 47.9%         | 59         | 6.4%          | 35.4%         | 41.4%         |
| Middle  | 21        | 91.3%         | 49.3%         | 861        | 93.6%         | 61.5%         | 58.6%         |
| Upper   | 0         | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          | 0.0%          |
| Unknown   | 0         | 0.0%          | 2.7%          | 0          | 0.0%          | 3.1%          | 0.0%          |
| <b>TOTAL</b>  | <b>23</b> | <b>100.0%</b> | <b>100.0%</b> | <b>920</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Geographic Distribution of Small Farm Loans<br>Assessment Area: Little Rock |          |               |               |            |               |               |               |
|---|----------|---------------|---------------|------------|---------------|---------------|---------------|
| Tract Income Levels   | 2020     |               |               |            |               |               |               |
|   | Count    |               |               | Dollar     |               |               | Farms         |
|   | Bank     |               | Aggregate     | Bank       |               | Aggregate     |               |
|   | #        | %             | %             | \$ 000s    | \$ %          | \$ %          | %             |
| Low   | 0        | 0.0%          | 0.0%          | 0          | 0.0%          | 0.0%          | 0.0%          |
| Moderate  | 3        | 50.0%         | 26.1%         | 103        | 52.8%         | 46.8%         | 43.3%         |
| Middle  | 3        | 50.0%         | 73.9%         | 92         | 47.2%         | 53.2%         | 56.7%         |
| 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%          |
| <b>TOTAL</b>  | <b>6</b> | <b>100.0%</b> | <b>100.0%</b> | <b>195</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

## Appendix A (Continued)

**Jonesboro Assessment Area**

| Borrower Distribution of Residential Real Estate Loans |                        |           |               |                |              |               |                |               |
|--|------------------------|-----------|---------------|----------------|--------------|---------------|----------------|---------------|
| Assessment Area: Jonesboro                             |                        |           |               |                |              |               |                |               |
| Product Type   | Borrower Income Levels | 2020      |               |                |              |               |                |               |
|  |                        | Count     |               |                | Dollar       |               |                | Families      |
|  |                        | Bank      |               | HMDA Aggregate | Bank         |               | HMDA Aggregate |               |
|  |                        | #         | %             | %              | \$ (000s)    | \$ %          | \$ %           | %             |
| Home Purchase  | Low                    | 2         | 6.5%          | 5.0%           | 120          | 3.0%          | 2.9%           | 19.9%         |
|  | Moderate               | 2         | 6.5%          | 18.1%          | 206          | 5.2%          | 13.6%          | 16.9%         |
|  | Middle                 | 4         | 12.9%         | 20.6%          | 520          | 13.1%         | 18.9%          | 19.4%         |
|  | Upper                  | 5         | 16.1%         | 34.5%          | 1,169        | 29.3%         | 44.8%          | 43.9%         |
|  | Unknown                | 18        | 58.1%         | 21.9%          | 1,969        | 49.4%         | 19.9%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>31</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>3,984</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Refinance  | Low                    | 0         | 0.0%          | 2.6%           | 0            | 0.0%          | 1.0%           | 19.9%         |
|  | Moderate               | 2         | 10.0%         | 8.7%           | 280          | 6.7%          | 5.2%           | 16.9%         |
|  | Middle                 | 1         | 5.0%          | 14.0%          | 193          | 4.6%          | 9.7%           | 19.4%         |
|  | Upper                  | 12        | 60.0%         | 51.3%          | 2,744        | 65.8%         | 61.9%          | 43.9%         |
|  | Unknown                | 5         | 25.0%         | 23.5%          | 954          | 22.9%         | 22.2%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>20</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>4,171</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Home Improvement                                       | Low                    | 0         | 0.0%          | 4.1%           | 0            | 0.0%          | 2.3%           | 19.9%         |
|  | Moderate               | 1         | 25.0%         | 15.4%          | 60           | 22.2%         | 9.1%           | 16.9%         |
|  | Middle                 | 0         | 0.0%          | 16.3%          | 0            | 0.0%          | 10.1%          | 19.4%         |
|  | Upper                  | 3         | 75.0%         | 47.2%          | 210          | 77.8%         | 52.8%          | 43.9%         |
|  | Unknown                | 0         | 0.0%          | 17.1%          | 0            | 0.0%          | 25.7%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>4</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>270</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| Multifamily  | Low                    | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 19.9%         |
|  | Moderate               | 0         | 0.0%          | 2.2%           | 0            | 0.0%          | 0.6%           | 16.9%         |
|  | Middle                 | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 19.4%         |
|  | Upper                  | 1         | 25.0%         | 6.5%           | 175          | 20.7%         | 1.4%           | 43.9%         |
|  | Unknown                | 3         | 75.0%         | 91.4%          | 672          | 79.3%         | 98.0%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>4</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>847</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |
| HMDA TOTALS  | Low                    | 2         | 3.4%          | 3.7%           | 120          | 1.3%          | 1.7%           | 19.9%         |
|  | Moderate               | 5         | 8.5%          | 13.1%          | 546          | 5.9%          | 8.3%           | 16.9%         |
|  | Middle                 | 5         | 8.5%          | 16.6%          | 713          | 7.7%          | 12.5%          | 19.4%         |
|  | Upper                  | 21        | 35.6%         | 40.7%          | 4,298        | 46.4%         | 46.7%          | 43.9%         |
|  | Unknown                | 26        | 44.1%         | 25.9%          | 3,595        | 38.8%         | 30.7%          | 0.0%          |
|  | <b>TOTAL</b>           | <b>59</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>9,272</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b> |

## Appendix A (Continued)

| Small Business Loans by Revenue and Loan Size |                             |                       |               |               |              |               |               |                  |
|---|-----------------------------|-----------------------|---------------|---------------|--------------|---------------|---------------|------------------|
| Assessment Area: Jonesboro                    |                             |                       |               |               |              |               |               |                  |
| Business Revenue and Loan Size                |                             | 2020                  |               |               |              |               |               |                  |
|   |                             | Count                 |               |               | Dollars      |               |               | Total Businesses |
|   |                             | Bank                  |               | Aggregate     | Bank         |               | Aggregate     |                  |
|   |                             | #                     | %             | %             | \$ (000s)    | \$ %          | \$ %          | %                |
| Business Revenue                              | \$1 Million or Less         | 28                    | 37.3%         | 43.2%         | 2,570        | 41.6%         | 45.1%         | 89.9%            |
|   | Over \$1 Million/Unknown    | 47                    | 62.7%         | 56.8%         | 3,613        | 58.4%         | 54.9%         | 10.1%            |
|   | <b>TOTAL</b>                | <b>75</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>6,183</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>    |
| Loan Size                                     | \$100,000 or Less           | 53                    | 70.7%         | 81.8%         | 1,401        | 22.7%         | 25.3%         |                  |
|   | \$100,001–\$250,000         | 16                    | 21.3%         | 10.0%         | 2,489        | 40.3%         | 21.2%         |                  |
|   | \$250,001–\$1 Million       | 6                     | 8.0%          | 8.2%          | 2,293        | 37.1%         | 53.5%         |                  |
|   | Over \$1 Million            | 0                     | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          |                  |
|   | <b>TOTAL</b>                | <b>75</b>             | <b>100.0%</b> | <b>100.0%</b> | <b>6,183</b> | <b>100.0%</b> | <b>100.0%</b> |                  |
| Loan Size                                     | Revenue \$1 Million or Less | \$100,000 or Less     | 16            | 57.1%         |              | 436           | 17.0%         |                  |
|   |                             | \$100,001–\$250,000   | 9             | 32.1%         |              | 1,199         | 46.7%         |                  |
|   |                             | \$250,001–\$1 Million | 3             | 10.7%         |              | 935           | 36.4%         |                  |
|   |                             | Over \$1 Million      | 0             | 0.0%          |              | 0             | 0.0%          |                  |
|   |                             | <b>TOTAL</b>          | <b>28</b>     | <b>100.0%</b> |              | <b>2,570</b>  | <b>100.0%</b> |                  |

## Appendix A (Continued)

| Small Farm Loans by Revenue and Loan Size   |                              |          |               |               |              |               |               |               |
|---|------------------------------|----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Assessment Area: Jonesboro                  |                              |          |               |               |              |               |               |               |
| Farm Revenue and Loan Size                  |                              | 2020     |               |               |              |               |               | Total Farms   |
|   |                              | Count    |               |               | Dollars      |               |               |               |
|   |                              | Bank     |               | Aggregate     | Bank         |               | Aggregate     |               |
|   |                              | #        | %             | %             | \$<br>(000s) | \$ %          | \$ %          |               |
| Farm Revenue                                | \$1 Million or Less          | 5        | 62.5%         | 51.7%         | 459          | 29.1%         | 70.7%         | 96.5%         |
|   | Over \$1 Million/<br>Unknown | 3        | 37.5%         | 48.3%         | 1121         | 70.9%         | 29.3%         | 3.5%          |
|   | <b>TOTAL</b>                 | <b>8</b> | <b>100.0%</b> | <b>100.0%</b> | <b>1580</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |
| Loan Size                                   | \$100,000 or Less            | 4        | 50.0%         | 67.5%         | 209          | 13.2%         | 19.1%         |               |
|   | \$100,001–<br>\$250,000      | 2        | 25.0%         | 17.9%         | 487          | 30.8%         | 29.9%         |               |
|   | \$250,001–<br>\$500,000      | 2        | 25.0%         | 14.6%         | 884          | 55.9%         | 51.0%         |               |
|   | Over \$500,000               | 0        | 0.0%          | 0.0%          | 0            | 0.0%          | 0.0%          |               |
|   | <b>TOTAL</b>                 | <b>8</b> | <b>100.0%</b> | <b>100.0%</b> | <b>1580</b>  | <b>100.0%</b> | <b>100.0%</b> |               |
| Loan Size<br>Revenue \$1 Million<br>or Less | \$100,000 or Less            | 4        | 80.0%         |               | 209          | 45.5%         |               |               |
|   | \$100,001–\$250,000          | 1        | 20.0%         |               | 250          | 54.5%         |               |               |
|   | \$250,001–<br>\$1 Million    | 0        | 0.0%          |               | 0            | 0.0%          |               |               |
|   | Over \$1 Million             | 0        | 0.0%          |               | 0            | 0.0%          |               |               |
|   | <b>TOTAL</b>                 | <b>5</b> | <b>100.0%</b> |               | <b>459</b>   | <b>100.0%</b> |               |               |

## Appendix A (Continued)

| Geographic Distribution of Residential Real Estate Loans |                     |           |               |                |              |               |                |                      |
|--|---------------------|-----------|---------------|----------------|--------------|---------------|----------------|----------------------|
| Assessment Area: Jonesboro                               |                     |           |               |                |              |               |                |                      |
| Product Type   | Tract Income Levels | 2020      |               |                |              |               |                |                      |
|  |                     | Count     |               |                | Dollar       |               |                | Owner-Occupied Units |
|  |                     | Bank      |               | HMDA Aggregate | Bank         |               | HMDA Aggregate |                      |
|  |                     | #         | %             | %              | \$ (000s)    | \$ %          | \$ %           | %                    |
| Home Purchase  | Low                 | 3         | 9.7%          | 2.6%           | 277          | 7.0%          | 1.9%           | 3.0%                 |
|  | Moderate            | 7         | 22.6%         | 7.0%           | 587          | 14.7%         | 6.0%           | 9.9%                 |
|  | Middle              | 18        | 58.1%         | 54.7%          | 2,777        | 69.7%         | 49.4%          | 58.5%                |
|  | Upper               | 3         | 9.7%          | 35.7%          | 343          | 8.6%          | 42.7%          | 28.6%                |
|  | Unknown             | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>31</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>3,984</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Refinance  | Low                 | 1         | 5.0%          | 2.7%           | 50           | 1.2%          | 1.9%           | 3.0%                 |
|  | Moderate            | 0         | 0.0%          | 5.9%           | 0            | 0.0%          | 4.9%           | 9.9%                 |
|  | Middle              | 8         | 40.0%         | 48.9%          | 1,540        | 36.9%         | 44.2%          | 58.5%                |
|  | Upper               | 11        | 55.0%         | 42.5%          | 2,581        | 61.9%         | 48.9%          | 28.6%                |
|  | Unknown             | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>20</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>4,171</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Home Improvement   | Low                 | 1         | 5.0%          | 8.1%           | 50           | 1.2%          | 6.3%           | 3.0%                 |
|  | Moderate            | 0         | 0.0%          | 10.6%          | 0            | 0.0%          | 5.7%           | 9.9%                 |
|  | Middle              | 8         | 40.0%         | 56.1%          | 1,540        | 36.9%         | 47.0%          | 58.5%                |
|  | Upper               | 11        | 55.0%         | 25.2%          | 2,581        | 61.9%         | 41.0%          | 28.6%                |
|  | Unknown             | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>20</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>4,171</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| Multifamily  | Low                 | 1         | 25.0%         | 31.2%          | 299          | 35.3%         | 21.7%          | 28.5%                |
|  | Moderate            | 1         | 25.0%         | 11.8%          | 175          | 20.7%         | 15.9%          | 38.6%                |
|  | Middle              | 2         | 50.0%         | 48.4%          | 373          | 44.0%         | 45.5%          | 24.7%                |
|  | Upper               | 0         | 0.0%          | 8.6%           | 0            | 0.0%          | 17.0%          | 8.3%                 |
|  | Unknown             | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>4</b>  | <b>100.0%</b> | <b>100.0%</b>  | <b>847</b>   | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |
| HMDA TOTALS  | Low                 | 6         | 10.2%         | 3.2%           | 666          | 7.2%          | 4.0%           | 3.0%                 |
|  | Moderate            | 9         | 15.3%         | 6.9%           | 822          | 8.9%          | 6.7%           | 9.9%                 |
|  | Middle              | 29        | 49.2%         | 52.2%          | 4,710        | 50.8%         | 47.0%          | 58.5%                |
|  | Upper               | 15        | 25.4%         | 37.7%          | 3,074        | 33.2%         | 42.3%          | 28.6%                |
|  | Unknown             | 0         | 0.0%          | 0.0%           | 0            | 0.0%          | 0.0%           | 0.0%                 |
|  | <b>TOTAL</b>        | <b>59</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>9,272</b> | <b>100.0%</b> | <b>100.0%</b>  | <b>100.0%</b>        |



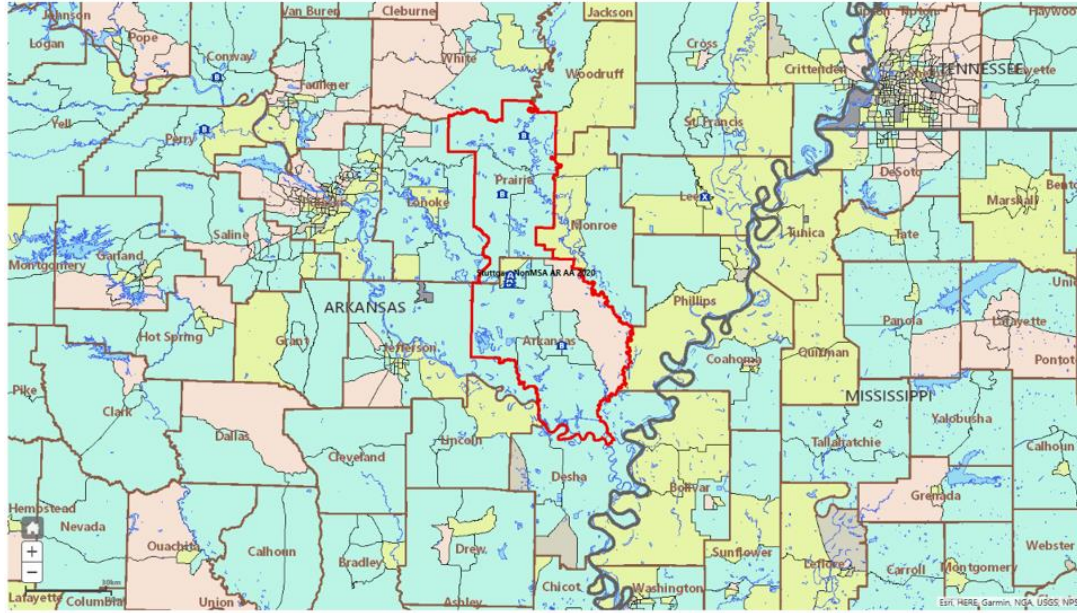
## Appendix A (Continued)

| Geographic Distribution of Small Business Loans<br>Assessment Area: Jonesboro |           |               |               |              |               |               |               |
|---|-----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Tract Income Levels   | 2020      |               |               |              |               |               |               |
|   | Count     |               |               | Dollar       |               |               | Businesses    |
|   | Bank      |               | Aggregate     | Bank         |               | Aggregate     |               |
|   | #         | %             | %             | \$ 000s      | \$ %          | \$ %          | %             |
| Low   | 5         | 6.7%          | 8.8%          | 719          | 11.6%         | 11.4%         | 9.9%          |
| Moderate  | 9         | 12.0%         | 13.7%         | 243          | 3.9%          | 14.7%         | 17.2%         |
| Middle  | 43        | 57.3%         | 53.9%         | 4,235        | 68.5%         | 53.4%         | 51.7%         |
| Upper   | 18        | 24.0%         | 23.3%         | 986          | 15.9%         | 20.4%         | 21.2%         |
| Unknown   | 0         | 0.0%          | 0.3%          | 0            | 0.0%          | 0.1%          | 0.0%          |
| <b>TOTAL</b>  | <b>75</b> | <b>100.0%</b> | <b>100.0%</b> | <b>6,183</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

| Geographic Distribution of Small Farm Loans<br>Assessment Area: Jonesboro |          |               |               |              |               |               |               |
|---|----------|---------------|---------------|--------------|---------------|---------------|---------------|
| Tract Income Levels   | 2020     |               |               |              |               |               |               |
|   | Count    |               |               | Dollar       |               |               | Farms         |
|   | Bank     |               | Aggregate     | Bank         |               | Aggregate     |               |
|   | #        | %             | %             | \$ 000s      | \$ %          | \$ %          | %             |
| Low   | 0        | 0.0%          | 1.2%          | 0            | 0.0%          | 0.7%          | 1.1%          |
| Moderate  | 0        | 0.0%          | 1.2%          | 0            | 0.0%          | 2.1%          | 5.7%          |
| Middle  | 4        | 50.0%         | 61.6%         | 409          | 25.9%         | 62.3%         | 60.8%         |
| Upper   | 4        | 50.0%         | 35.8%         | 1,171        | 74.1%         | 34.9%         | 32.5%         |
| Unknown   | 0        | 0.0%          | 0.2%          | 0            | 0.0%          | 0.0%          | 0.0%          |
| <b>TOTAL</b>  | <b>8</b> | <b>100.0%</b> | <b>100.0%</b> | <b>1,580</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

### ASSESSMENT AREAS DETAIL

Farmers & Merchants Bk - Stuttgart, AR 2022  
Stuttgart NonMSA AR AA



**LEGEND**  
2015 Census Year

**INCOME**

- Low
- Moderate
- Middle
- Upper
- Unknown

AA Boundary

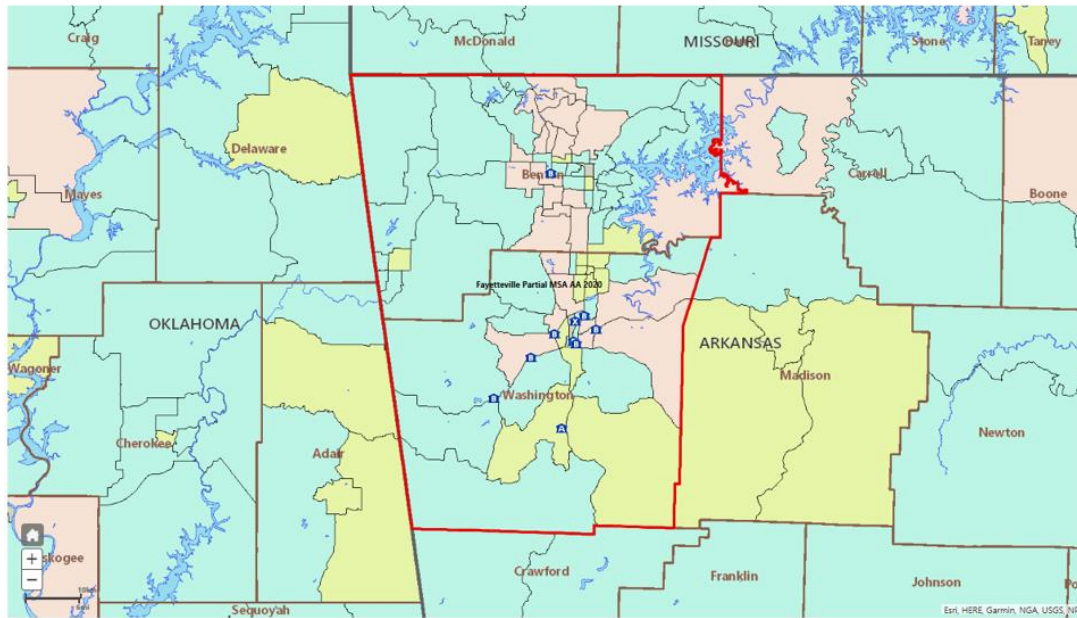
**BANK BRANCHES**  
Inside and Outside AA

- Branches with ATM - 23
- Branches without ATM - 3
- Closed - 2
- Main Office with ATM - 1

**FEATURES**

- Water Body

2020 PE Map  
Farmers & Merchants Bk - Stuttgart, AR 2022  
Fayetteville Partial MSA AA



**LEGEND**  
2015 Census Year

**INCOME**

- Low
- Moderate
- Middle
- Upper
- Unknown

AA Boundary

**BANK BRANCHES**  
Inside and Outside AA

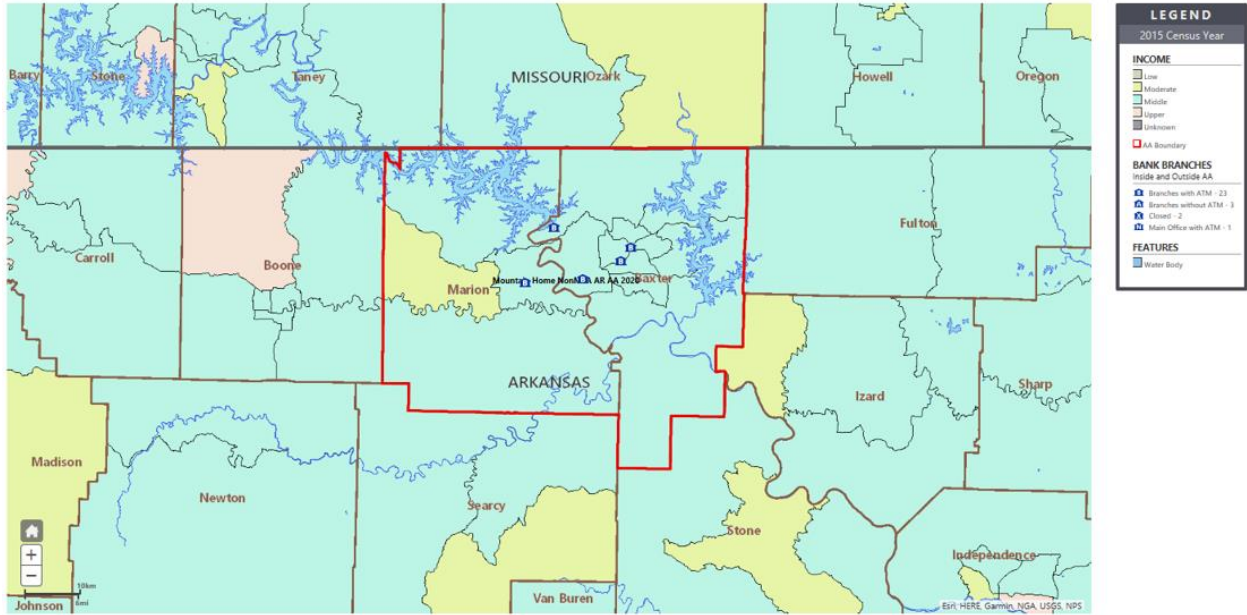
- Branches with ATM - 23
- Branches without ATM - 3
- Closed - 2
- Main Office with ATM - 1

**FEATURES**

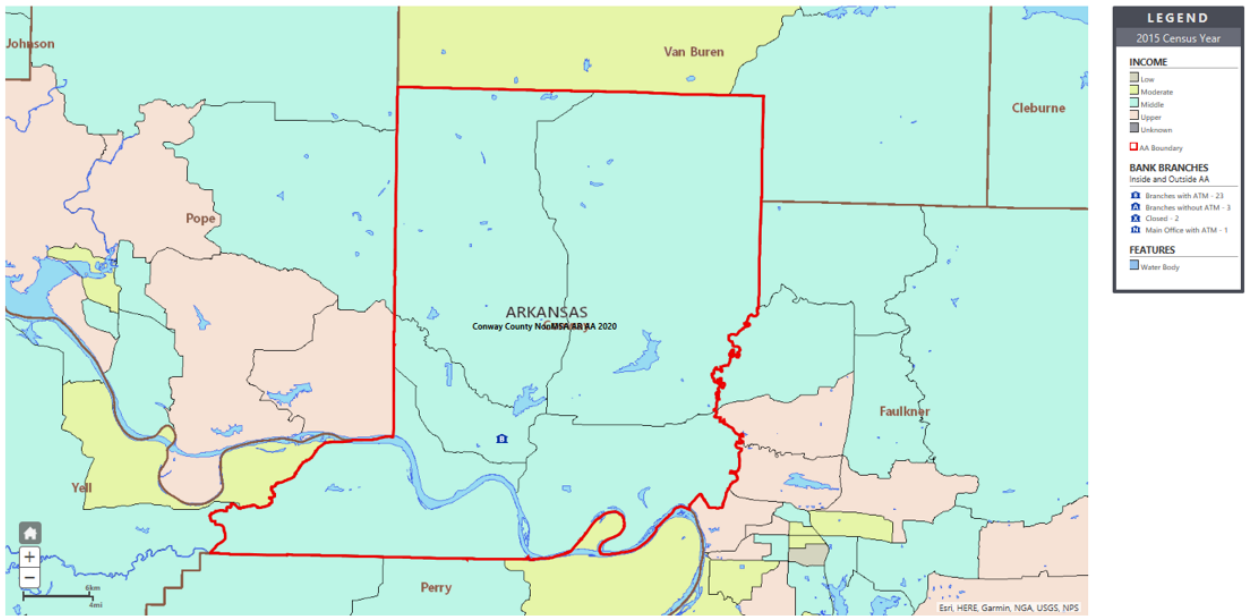
- Water Body

Appendix B (Continued)

**Farmers & Merchants Bk - Stuttgart, AR 2022**  
 Mountain Home NonMSA AR AA

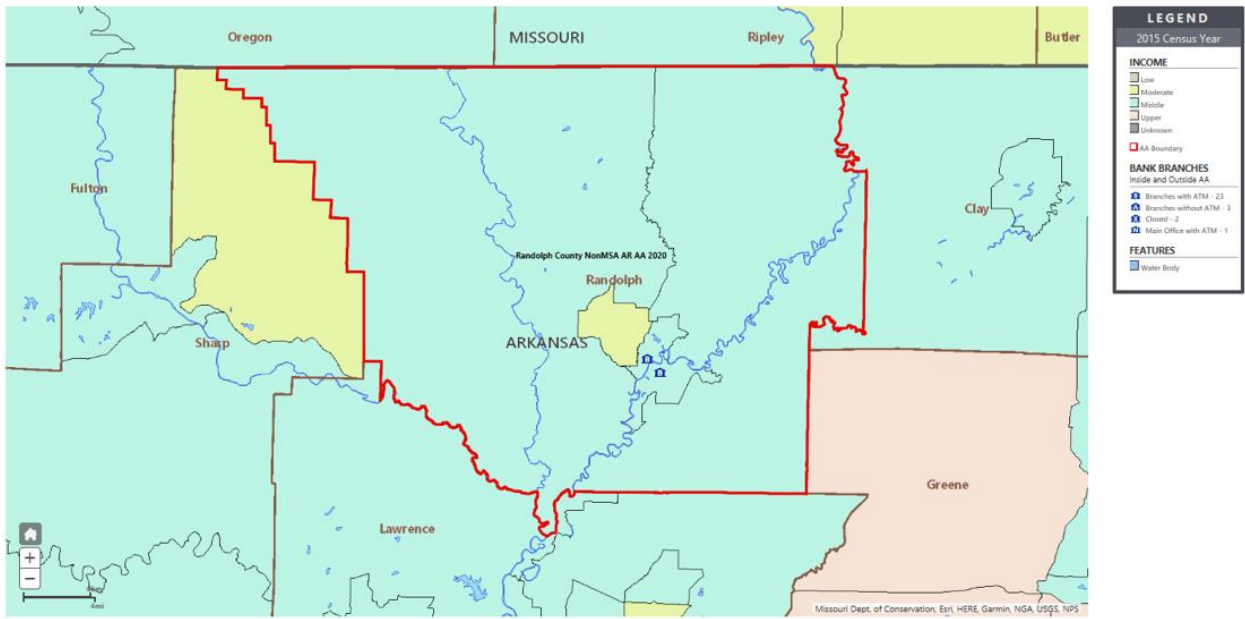


2020 PE Map  
**Farmers & Merchants Bk - Stuttgart, AR 2022**  
 Conway County NonMSA AR AA

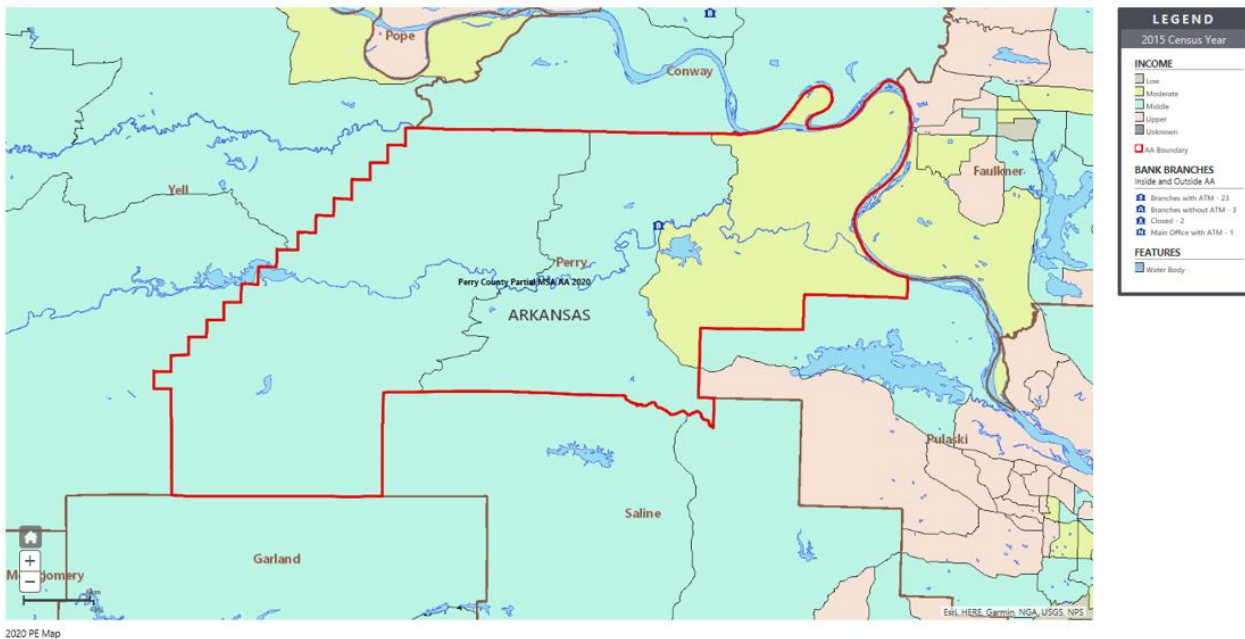


Appendix B (Continued)

**Farmers & Merchants Bk - Stuttgart, AR 2022**  
 Randolph County NonMSA AR AA

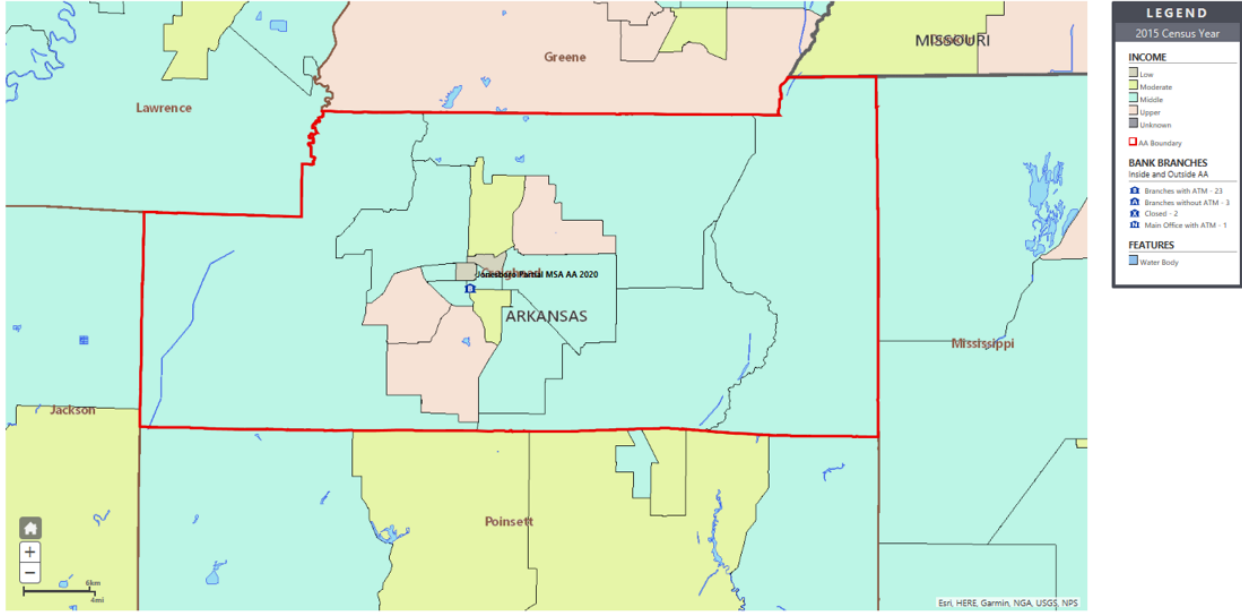


**Farmers & Merchants Bk - Stuttgart, AR 2022**  
 Perry County Partial MSA AA



Appendix B (Continued)

Farmers & Merchants Bk - Stuttgart, AR 2022  
Jonesboro Partial MSA AA





## 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.

**Appendix C (Continued)**

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

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

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

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

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

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

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

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

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

**Appendix C (Continued)**

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

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

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

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

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

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

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

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

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

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

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



**Appendix C (Continued)**

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

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

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

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

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

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

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

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

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