



## **PUBLIC DISCLOSURE**

September 12, 2022

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

First National Bank  
Charter Number: 10004

200 West Court Street  
Paragould, AR 72450

Office of the Comptroller of the Currency

Little Rock Office  
1401 West Capitol Avenue, Suite 350  
Little Rock, AR 72201

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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of First National Bank with respect to the Lending, Investment, and Service Tests:

Performance Levels	First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

*\*The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.*

The major factors that support this rating include:

- The Lending Test rating is primarily based on the performance in the Arkansas rating area. The good geographic distribution of loans in its Assessment Area (AA) and the relatively high level of community development (CD) lending were considered in arriving at the overall Lending Test rating.
- The Investment Test rating is primarily based on the performance in the Arkansas rating area. The bank has a good level of qualified CD investments across the rating area.
- The Service Test rating is primarily based on the performance in the Arkansas rating area. Branch distribution in the bank’s AAs was adequate.

### Lending in Assessment Area

A substantial majority of the bank’s loans are in its AAs.

The bank originated and purchased 85.8 percent of its total loans inside the bank’s AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	1,623	83.3	326	16.7	1,949	371,116	68.4	171,555	31.6	542,671
Small Business	3,768	87.4	543	12.6	4,311	341,598	84.8	61,108	15.2	402,706
Small Farm	902	83.6	177	16.4	1,079	141,471	84.4	26,207	15.6	167,678
<b>Total</b>	<b>6,293</b>	<b>85.8</b>	<b>1,046</b>	<b>14.3</b>	<b>7,339</b>	<b>854,185</b>	<b>76.7</b>	<b>258,870</b>	<b>23.3</b>	<b>1,113,055</b>

Small business loans are the bank's primary product based on volume of loans by number. Conclusions are factored into the overall analysis of the geographic distribution of lending by income level of geography.

## Description of Institution

First National Bank (FNB, or the bank) is a \$2.4 billion interstate bank headquartered in Paragould, Ark., with locations in both Arkansas and Tennessee. FNB is a wholly owned subsidiary of First Paragould Bankshares, Inc. In September 2021, the holding company purchased Citizens Bank in Hartsville, Tenn. and merged it into FNB. With the acquisition of Citizens Bank, FNB entered Tennessee with three branches, one automated teller machine (ATM), and \$272.4 million in deposits. Given the institution was in Tennessee for less than six months during 2021, we did not assess or conclude on its performance in this AA.

Paragould is located in Greene County, in the northeastern part of Arkansas. FNB operates in four Arkansas market areas: northeast Arkansas, northwest Arkansas, north central Arkansas, and central Arkansas. The bank's presence in the northeastern part of the state includes Clay, Craighead, and Greene Counties in the Arkansas Non-MSA (Arkansas Non-MSA) AA. The bank's presence in the northwestern part of the state includes Benton and Washington Counties, which are in the Fayetteville-Springdale-Rogers MSA (Fayetteville MSA). The north central market presence is in Cleburne County in the Jonesboro MSA, and the central market consists of Pulaski County in the Little Rock-North Little Rock-Conway MSA (Little Rock MSA).

As of December 31, 2021, FNB had loans totaling \$1.82 billion, or 76.61 percent of total assets. The bank's loan product offerings include home purchase, home refinance, home improvement, agricultural, commercial, small business, and consumer loans. Loan officers in northeastern Arkansas originate a mix of agricultural, commercial, small business, consumer, and residential loans. Agricultural lending is less prevalent in the other three markets, where loan officers originate primarily commercial, small business, consumer, and residential loans.

The bank operates 23 full-service locations, 20 branches in Arkansas and three branches in Tennessee, and 29 deposit-taking ATMs. Bank lobby hours are 8:00 a.m. to 5:00 p.m. Monday through Friday at all locations. Ten of the locations are open from 8:00 a.m. to 12:00 p.m. on Saturdays, including the Downtown Paragould branch, Reynolds Road branch, Hilltop branch, Elk Park branch, Highland branch, Corning branch, Piggott branch, Heber Springs branch, Rodney Parham branch, and the Kavanaugh branch. The bank did not close any branches during the evaluation period. All branches provide a full range of products and services including drive-up facilities and ATMs. The bank operates seven stand-

alone ATMs - one in the Jonesboro MSA, five in the Little Rock MSA, and one in the Nashville, Tenn. MSA.

According to the June 30, 2021, Federal Deposit Insurance Corporation (FDIC) deposit market share report, FNB had a 1.7 percent market share in Arkansas, making it the ninth largest deposit holder out of 113 financial institutions in the state. In Tennessee, the bank had a deposit market share of 0.1 percent and was the 89<sup>th</sup> largest deposit holder out of 176 financial institutions in the state.

There are no legal, financial, or other factors impeding FNB's ability to help meet the credit needs in its AAs. FNB received an overall rating of "Satisfactory" at the last CRA evaluation dated April 15, 2019.

### **COVID-19 Pandemic**

In March 2020, the World Health Organization declared COVID-19 a pandemic. In response to the pandemic, the United States was under a shelter-in-place order in an effort to limit the spread of the virus. Due to the shelter-in-place order, certain businesses deemed non-essential were shut down or limited in operations. The shut-down limited the ability of bank personnel to provide in-person services. The evaluation of the bank's performance takes into consideration the impact of the pandemic.

To assist their borrowers experiencing financial difficulty due to pandemic related conditions, the bank offered various services and relief options. The following were relief and services offered by the bank:

- Loan deferrals and modifications.
- curbside services for customers including instant issue debit cards, account opening and closing, deposits, check cashing, cash advances, and loan requests

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

This PE assessed the bank's performance under the Large Bank CRA procedures, which includes the retail Lending Test and the CD Test. The evaluation period is January 1, 2019, through December 31, 2021. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AAs through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AAs through qualified CD lending, investments and donations, and services.

In evaluating the bank's lending performance, the OCC analyzed home mortgage loans the bank reported on its Home Mortgage Disclosure Act (HMDA) Loan Application Registry from 2019, 2020, and 2021. For small loans made to businesses and small loans to farms, the OCC analyzed the bank reported loans under the CRA. Primary loan products, for purposes of this review, are products in which the bank originated at least 20 loans within an AA during one or more of the analysis periods within the overall evaluation period. Multifamily loans and small loans to farms are not primary loan products; therefore, we did not evaluate these products separately. However, we considered multifamily loans meeting the CD definition as part of the evaluation of CD lending. The state of Tennessee was not included in the bank's retail lending test due to the limited time in the AA. The bank was in the AA for less than six months of the evaluation period year.

In evaluating the geographic distribution and borrower income criteria under the Lending Test, the 2019 through 2021 data was analyzed and aggregated. Performance tables O, P, Q, R, S, and T in appendix D include data covered by the analysis period of 2019 through 2021. Tables for the state of Tennessee were not included due to the limited time in the AA.

Branch deposit data is as of June 30, 2021, based on information from the FDIC. The distribution of bank branches is compared to U.S. Census 2015 ACS population estimates.

We also evaluated retail services, qualified investments, and CD services from January 1, 2019, through December 31, 2021. Qualifying activities performed in response to the significant impact of the pandemic across the United States are addressed in this evaluation.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope.

Refer to the Scope section under the State Rating section for details regarding how the full-scope AA was selected. Refer to appendix A, Scope of Examination, for a list of full-scope AAs. There are no limited-scope AAs.

### **Ratings**

The bank's overall rating was based on the state of Arkansas rating.

Refer to the "Scope" section under the State Rating section for details regarding how the area was weighted in arriving at the respective ratings.

In evaluating the bank's performance under the Lending Test, we placed greater weight on the bank's distribution of small business loans based on the volume. Small loans to farms were not given as much weight based on the comparably low volume.

Generally, equal emphasis is given to the geographic distribution of loans and lending by borrower income level. Greater weight was generally given to performance compared to aggregate lenders than to performance relative to demographic factors in lending. The analysis included both the number and dollar volume of lending. The analysis of lending, except for CD loans, emphasized the number of loans rather than the dollar volume because it is a better indicator of the number of businesses or individuals served.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §25.28(c), in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by, or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Arkansas

<b>CRA rating for the State of Arkansas:</b>	Satisfactory
<b>The Lending Test is rated:</b>	High Satisfactory
<b>The Investment Test is rated:</b>	High Satisfactory
<b>The Service Test is rated:</b>	Low Satisfactory

The major factors that support this rating include:

- The bank exhibits good geographic distribution of loans in its AAs.
- The bank exhibits an adequate distribution, particularly in its AAs, of loans among individuals of different income levels and businesses including farms of different sizes.
- The bank has made a relatively high level of CD loans.
- The bank has a significant level of qualified investments, particularly those that are not routinely provided by private investors, although rarely in a leadership position.
- Its service delivery systems are reasonably accessible to geographies and individuals of different income levels in its AAs; and
- The bank provides an adequate level of CD services.

### Description of Institution’s Operations in Arkansas

FNB designated four AAs in Arkansas, which are the Fayetteville-Springdale-Rogers MSA (Fayetteville MSA), Jonesboro MSA, Little Rock-North Little Rock-Conway MSA (Little Rock MSA), and the Arkansas Non-MSA.

The Arkansas Non-MSA consists of all whole census tracts (CTs) within Clay, Cleburne, and Greene Counties. Counties within the same state are combined and evaluated as a single area. There is a total of 22 CTs in these three counties. The Fayetteville MSA consists of all 32 whole CTs within Washington County and 18 of 49 CTs within Benton County. The Jonesboro MSA consists of all 17 CTs from Craighead County. The Little Rock MSA consists of all 95 whole CTs within Pulaski County.

The AAs meet the requirement of the regulation and do not arbitrarily exclude low- to moderate-income (LMI) geographies.



## Arkansas Non-MSA

The following table provides a summary of demographics, housing, and business information for the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Arkansas Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	22	0.0	4.5	68.2	27.3	0.0
Population by Geography	84,493	0.0	2.7	69.0	28.3	0.0
Housing Units by Geography	42,214	0.0	2.3	71.4	26.4	0.0
Owner-Occupied Units by Geography	23,380	0.0	1.5	68.6	29.9	0.0
Occupied Rental Units by Geography	10,070	0.0	4.7	72.1	23.2	0.0
Vacant Units by Geography	8,764	0.0	1.4	77.9	20.7	0.0
Businesses by Geography	4,186	0.0	2.5	72.9	24.6	0.0
Farms by Geography	384	0.0	0.8	65.9	33.3	0.0
Family Distribution by Income Level	22,729	17.2	16.1	20.5	46.1	0.0
Household Distribution by Income Level	33,450	21.6	14.9	16.2	47.3	0.0
Median Family Income Non-MSAs - AR		\$45,047	Median Housing Value			\$103,399
			Median Gross Rent			\$639
			Families Below Poverty Level			12.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2015 U.S. Census data, the non-MSA AA consists of 22 CTs, of which one is moderate-income. There are no low-income CTs in the AA. In 2020, six CTs within Clay county were identified as distressed due to poverty.

### Community Contact

The OCC made two community contacts in the non-MSA AA. One contact was an organization focused on economic development, and the other contact was an organization that provides housing programs for low-income families, senior citizens, and those with disabilities. The community contacts indicated that the following are needs within the bank's non-MSA AA:

- Donations to nonprofit organizations,
- Financial education, student loan counseling, debt management counseling, and
- Board and Committee volunteerism.

## **Housing Characteristics**

The housing market in the Arkansas Non-MSA AA is challenged as demand exceeds housing supply, and prices continue trending upwards. The lack of affordable housing has made it difficult for LMI families to purchase homes in the AA.

The AA is a high cost housing area, limiting access to affordable home ownership among LMI borrowers. The 2021 FFIEC adjusted median family income (AMFI) in the AA is \$52,200. According to Realtor.com data, the median housing value in the Arkansas Non-MSA AA was \$138,525 at the beginning of 2019 and increased 42.4 percent to \$197,292 at the end of 2021. The US Department of Housing and Urban Development (HUD) defines affordable housing as housing on which the occupant pays no more than 30 percent of gross income for housing costs, including utilities. Considering this standard, assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$26,100 per year (or less than 50 percent of the 2021 FFIEC AMFI in the AA) could afford a \$121,642 mortgage with a payment of \$653 per month. With the same considerations, a moderate-income borrower making \$41,760 per year (or less than 80 percent of the 2021 FFIEC AMFI in the AA) could afford a \$194,478 mortgage with a payment of \$1,044 per month. This comparison illustrates how LMI borrowers would be challenged to qualify for a mortgage loan in the AA.

## Fayetteville MSA

The following table provides a summary of demographics, housing, and business information for the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Fayetteville MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	50	4.0	26.0	40.0	30.0	0.0
Population by Geography	303,085	3.9	27.2	36.1	32.9	0.0
Housing Units by Geography	123,263	4.6	26.4	35.3	33.7	0.0
Owner-Occupied Units by Geography	62,286	1.1	22.1	37.5	39.4	0.0
Occupied Rental Units by Geography	50,762	8.8	31.5	32.3	27.4	0.0
Vacant Units by Geography	10,215	5.5	26.6	37.5	30.4	0.0
Businesses by Geography	21,712	2.5	20.6	41.1	35.9	0.0
Farms by Geography	687	1.9	19.2	43.4	35.5	0.0
Family Distribution by Income Level	73,080	20.5	18.4	19.2	41.9	0.0
Household Distribution by Income Level	113,048	24.4	17.2	17.6	40.8	0.0
Median Family Income MSA - 22220 Fayetteville-Springdale-Rogers, AR MSA		\$60,876	Median Housing Value			\$162,395
			Median Gross Rent			\$740
			Families Below Poverty Level			12.2%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2015 U.S. Census data, the AA consists of 50 CTs, of which two are low-income and 26 are moderate-income. There are no distressed or underserved CTs.

### Community Contact

The OCC made one community contact in the AA. The contact is a nonprofit, multi-county, multi-purpose, and multi-funded planning and development organization. The community contact indicated that the following are needs within the bank's Fayetteville MSA AA:

- Business funding and investment and
- Small loans to small businesses.

### Housing Characteristics

The housing market in the AA is challenged as demand exceeds housing supply, and prices continue to trend upwards. The lack of affordable housing has made it difficult for LMI families to purchase homes in the AA.

The AA is a high cost housing area, limiting access to affordable home ownership among low-income borrowers. The 2021 FFIEC AMFI in the AA is \$71,200. According to Realtor.com data, the median housing value in the Fayetteville MSA at the beginning of 2019 was \$269,450, and this metric increased 36.4 percent to \$367,500 at the end of 2021.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner’s insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$35,600 per year (or less than 50 percent of the 2021 FFIEC AMFI in the AA) could afford a \$165,791 mortgage with a payment of \$890 per month (based on the HUD affordable housing standard of 30 percent of gross income). A moderate-income borrower making \$56,960 per year (or less than 80 percent of the 2021 FFIEC AMFI in the AA) could afford a \$265,265 mortgage with a payment of \$1,424 per month (based on the HUD affordable housing standard of 30 percent of gross income). This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA.

### Jonesboro MSA

The following table provides a summary of demographics, housing, and business information for the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Jonesboro MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	17	11.8	11.8	58.8	17.6	0.0
Population by Geography	101,409	10.4	12.8	55.7	21.1	0.0
Housing Units by Geography	42,600	10.1	15.1	55.1	19.8	0.0
Owner-Occupied Units by Geography	22,887	3.0	9.9	58.5	28.6	0.0
Occupied Rental Units by Geography	15,837	17.9	22.2	50.6	9.4	0.0
Vacant Units by Geography	3,876	19.8	16.6	53.2	10.4	0.0
Businesses by Geography	5,862	11.3	17.7	50.9	20.1	0.0
Farms by Geography	472	1.5	8.7	60.8	29.0	0.0
Family Distribution by Income Level	25,802	19.9	16.8	19.4	43.9	0.0
Household Distribution by Income Level	38,724	23.4	15.7	17.0	44.0	0.0
Median Family Income - 27860 Jonesboro, AR MSA	\$49,928	Median Housing Value				\$121,112
		Median Gross Rent				\$687
		Families Below Poverty Level				14.6%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2015 U.S. Census data, the AA consists of 17 CTs, of which two are low-income and two are moderate-income. There are no distressed or underserved CTs.

## **Community Contact**

The OCC made one community contact in the AA to an organization focused on economic development. The community contact indicated that the following are needs within the bank's AA:

- Provide financing to small businesses and agricultural borrowers, and
- Home mortgages in LMI areas,
- Home improvement loans,
- Willingness to accept a wide range of mortgage down payment and closing cost assistance, and
- Financing to buildings for acquisition, construction, rehabilitation.

## **Housing Characteristics**

The housing market in the AA is challenged as demand exceeds housing supply, and prices continue to trend upwards. The lack of affordable housing has made it difficult for low-income families to purchase homes in the AA.

The AA is a high cost housing area, limiting access to affordable home ownership among low-income borrowers. The 2021 FFIEC AMFI in the AA is \$56,600. According to Realtor.com data, the median housing value in Craighead County at the beginning of 2019 was \$184,900. This value increased 7.3 percent to \$198,333 as of the end of 2021.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$28,300 per year (or less than 50 percent of the 2021 FFIEC AMFI in the AA) could afford a \$131,794 mortgage with a payment of \$708 per month (based on the HUD affordable housing standard of 30 percent of gross income). A moderate-income borrower making \$45,280 per year (or less than 80 percent of the 2021 FFIEC AMFI in the AA) could afford a \$210,871 mortgage with a payment of \$1,131 per month (based on the HUD affordable housing standard of 30 percent of gross income). This illustrates that low-income borrowers would be challenged to qualify for a mortgage loan in the AA.

## Little Rock MSA

The following table provides a summary of demographics, housing, and business information for the AA.

<b>Table A – Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Little Rock MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	95	10.5	30.5	25.3	31.6	2.1
Population by Geography	390,463	7.4	26.7	27.9	37.1	0.8
Housing Units by Geography	179,916	7.9	27.5	27.3	36.5	0.8
Owner-Occupied Units by Geography	92,876	4.4	22.4	29.8	42.9	0.5
Occupied Rental Units by Geography	61,364	10.8	32.6	24.4	30.9	1.2
Vacant Units by Geography	25,676	13.3	33.8	25.3	26.3	1.3
Businesses by Geography	34,172	6.5	22.9	20.9	49.4	0.3
Farms by Geography	816	2.9	18.4	29.2	49.5	0.0
Family Distribution by Income Level	92,874	23.8	17.1	18.2	40.9	0.0
Household Distribution by Income Level	154,240	26.9	16.3	17.6	39.2	0.0
Median Family Income MSA – 30780 Little Rock-North Little Rock-Conway, AR MSA		\$61,339	Median Housing Value			\$149,778
			Median Gross Rent			\$773
			Families Below Poverty Level			12.3%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2015 U.S. Census data, the AA consists of 95 CTs, of which 10 are low-income and 29 are moderate-income. There are no distressed or underserved CTs.

### Community Contact

The OCC made one community contact in the AA to an organization focused on creating economic opportunities. The community contacts indicated that the following are needs within the bank's AA:

- Home mortgages in LMI areas,
- Small loans to small businesses,
- Business loans, incentives, and infrastructure improvements to attract employers, and
- Improve access to financial services.

### Housing Characteristics

The housing market in the AA is challenged as demand exceeds housing supply, and prices continue to trend upwards. The lack of affordable housing has made it difficult for LMI families to purchase homes in the AA.

The AA is a high cost housing area, limiting access to affordable home ownership among low-income borrowers. The 2021 FFIEC AMFI in the AA is \$70,600. According to Realtor.com data, the median housing value in the Little Rock MSA at the beginning of 2019 was \$182,750. This value increased 28.5 percent to \$235,000 at the end of 2021.

Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or any additional monthly expenses, a low-income borrower making \$35,300 per year (or less than 50 percent of the 2021 FFIEC AMFI in the AA) could afford a \$164,394 mortgage with a payment of \$883 per month (based on the HUD affordable housing standard of 30 percent of gross income). A moderate-income borrower making \$56,480 per year (or less than 80 percent of the 2021 FFIEC AMFI in the AA) could afford a \$263,030 mortgage with a payment of \$1,412 per month (based on the HUD affordable housing standard of 30 percent of gross income). This illustrates that LMI borrowers would be challenged to qualify for a mortgage loan in the AA.

## **Scope of Evaluation in Arkansas**

For the state of Arkansas, we completed a full-scope review of the four AAs. The AAs were selected for analysis using full-scope procedures as the deposit market share indicates the bank is important to the AAs. Ratings are based primarily on results of the full-scope areas.

Greater weight was given to the Arkansas Non-MSA AA performance in the rating area. The Arkansas Non-MSA AA ranks as FNB's largest market for deposits (61.4 percent) and reportable loans (52.9 percent) in the state. In addition, the deposit market share indicates the bank is important to the AA. Equal weight was given to the bank's performance in the Jonesboro MSA and Little Rock MSA AAs. Less weight was given to the Fayetteville MSA AA performance. The Fayetteville MSA AA ranks as FNB's smallest market for deposits (6.5 percent) and reportable loans (7.2 percent) in the state.

For the analysis of distribution of loans to geographies with different income levels, greater consideration was given to the bank's performance in moderate-income geographies based on the greater number of CTs.

For the borrower distribution analysis, consideration was given to the impact that income and housing costs have on limiting homeownership opportunities of LMI individuals and families. Additionally, consideration was given to the impact of home affordability for LMI borrowers in higher cost areas when comparing the distribution of home mortgage loans to the demographics. It is difficult for many LMI borrowers to afford a home, as the area's median housing value is typically too high for conventional mortgage loan qualification.

In performing the analysis of loans to small businesses, we considered the environment for small business lending, which is very competitive. Large interstate banks, regional banks, and community banks compete for this business in the AAs. The large number of competing banks and dominance from the top five lenders somewhat affects the bank's ability to make small loans to businesses.

In the Fayetteville MSA and Little Rock MSA AAs, the bank did not originate or purchase a sufficient volume of small farm loans during the evaluation period to perform a meaningful analysis. Small farm loans are not a primary product for the bank in these AAs.

In performing the analysis of investments, competition in the AAs is high, with large interstate, regional, and community banks competing for qualified investments in the market.

The Service Test includes an evaluation of the availability and effectiveness of a bank's systems for delivering retail banking services, including the current distribution of the bank's branches among different income geographies.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ARKANSAS**

**LENDING TEST**

The bank’s performance under the Lending Test in Arkansas is good and rated High Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the institution’s performance in the Arkansas Non-MSA and Jonesboro MSA AAs is good, and its performance in the Fayetteville MSA and Little Rock MSA AAs is adequate.

**Lending Activity**

Lending levels reflect good responsiveness to AA credit needs.

<b>Number of Loans*</b>							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Ark. Non-MSA	819	1,783	834	21	3,457	52.8	61.4
Fayetteville MSA	182	280	8	14	484	7.4	6.4
Jonesboro MSA	528	1,234	260	11	2,033	31.0	15.9
Little Rock MSA	94	471	1	11	577	8.8	16.3
Statewide	--	--	--	2**	2**	0.0	--

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

\*\* Loans discussed in Community Development Lending section of this PE. .

"--" data not available.

<b>Dollar Volume of Loans*</b>							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State*	%State Deposits
Ark Non-MSA	114,208	127,428	111,214	26,297	379,147	38.8	61.4
Fayetteville MSA	84,680	36,224	1,084	42,035	164,032	16.8	6.4
Jonesboro MSA	113,695	114,263	29,101	30,843	287,902	29.5	15.9
Little Rock MSA	58,532	63,683	72	19,255	141,542	14.5	16.3
Statewide	--	--	--	4,300	4,300	0.4	--

\*The tables present the data for all AAs. The narrative below addresses performance in full-scope areas only.

"--" data not available.



Arkansas Non-MSA

According to FDIC Deposit Market Share data as of June 30, 2021, FNB ranked first out of 15 banks with a deposit market share of 42.4 percent in the AA. This ranking is equivalent to the top 6.7 percent of banks in the AA.

According to 2020 peer home mortgage data, FNB is ranked first out of 231 home mortgage lenders with a market share of 5.0 percent. The four largest home mortgage lenders have captured 22.63 percent of the market.

According to 2020 peer small business data, FNB is ranked first out of 69 small business lenders with a market share of 58.8 percent. The four largest small business lenders, not including FNB, have captured 75.7 percent of the market.

According to 2020 peer small farm data, FNB is ranked first out of 19 small farm lenders with a market share of 31.7 percent. The four largest small farm lenders, not including FNB, have captured 17.3 percent of the market.

Fayetteville MSA

According to FDIC Deposit Market Share data as of June 30, 2021, FNB ranked 21<sup>st</sup> out of 33 banks with a deposit market share of 0.6 percent in the AA, which is equivalent to the top 63.64 percent of banks in the AA.

According to 2020 peer home mortgage data, FNB is ranked 54<sup>th</sup> out of 409 home mortgage lenders with a market share of 0.9 percent. The five largest home mortgage lenders have captured 33.8 percent of the market.

According to 2020 peer small business data, FNB is ranked 10<sup>th</sup> out of 127 small business lenders with a market share of 1.5 percent. The five largest small business lenders have captured 71.6 percent of the market.

Jonesboro MSA

According to FDIC Deposit Market Share date as of June 30, 2021, FNB ranked sixth out of 21 banks with a deposit market share of 7.1 percent in the AA, which is equivalent to the top 28.6 percent of banks in the AA.

According to 2020 peer home mortgage data, the bank is ranked 11<sup>th</sup> in the market of 211 home mortgage lenders with a market share of 2.9 percent. The five largest home mortgage lenders have captured 25.3 percent of the market.

According to 2020 peer small business data, the bank is ranked second in the market of 73 small business lenders with a market share of 19.8 percent. The four largest small business lenders, not including FNB, have captured 61.8 percent of the market.

According to 2020 peer small farm data, the bank is ranked third in the market of 17 small farm lenders with a market share of 25.2 percent. The four largest small farm lenders, not including FNB, have captured 53.57 percent of the market.

#### Little Rock MSA

According to FDIC Deposit Market Share date as of June 30, 2021, FNB ranked 12<sup>th</sup> out of 30 banks with a deposit market share of one percent in the AA, which is equivalent to the top 38.7 percent of banks in the AA.

According to 2020 peer home mortgage data, FNB is ranked 78<sup>th</sup> out of 376 home mortgage lenders with a market share of 0.4 percent. The five largest home mortgage lenders have captured 23.5 percent of the market.

According to 2020 peer small business data, FNB is ranked seventh out of 133 small business lenders with a market share of 4.8 percent. The five largest small business lenders have captured 55.9 percent of the market.

### **Distribution of Loans by Income Level of the Geography**

FNB exhibits a good geographic distribution of loans in its AAs.

#### ***Home Mortgage Loans***

Refer to Table O in the state of Arkansas section of appendix D for the facts and data used to evaluate the geographic distribution of FNB's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans reflects excellent distribution.

#### Arkansas Non-MSA

FNB's distribution of home mortgage loans to moderate-income geographies is excellent.

The proportion of home mortgage loans originated or purchased in moderate-income geographies exceeds the percentage of owner-occupied housing units and aggregate distribution of all reporting lenders. There are no low-income CTs in the AA.

#### Fayetteville MSA

FNB's distribution of home mortgage loans to in LMI geographies is excellent.

The proportion of home mortgage loans originated or purchased in LMI geographies exceeds the percentage of owner-occupied housing units and the aggregate distribution of all reporting lenders.

#### Jonesboro MSA

FNB's distribution of home mortgage loans in LMI geographies is excellent.

The proportion of home mortgage loans originated or purchased in LMI geographies exceeds the percentage of owner-occupied housing units and the aggregate distribution of all reporting lenders.

#### Little Rock MSA

FNB's distribution of home mortgage loans in LMI geographies is good.

The proportion of home mortgage loans originated or purchased in low-income geographies exceeds the percentage of owner-occupied housing units and the aggregate distribution of all reporting lenders. The proportion of home mortgage loans originated or purchased in moderate-income geographies is somewhat lower than the percentage of owner-occupied units and near to aggregate distribution of all reporting lenders.

#### ***Small Loans to Businesses***

Refer to Table Q in the state of Arkansas section of appendix D for the facts and data used to evaluate the geographic distribution of FNB's originations and purchases of small loans to businesses.

The geographic distribution of small business loans reflects good distribution.

#### Arkansas Non-MSA

The distribution of loans to small businesses in moderate-income geographies is excellent.

The proportion of loans to small businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses and aggregate distribution of all reporting lenders. There are no low-income CTs in the AA.

#### Fayetteville MSA

The distribution of small loans to businesses in LMI geographies is adequate.

The proportion of loans to small businesses originated or purchased in low-income geographies is lower than the percentage of small businesses and aggregate distribution of all reporting lenders. The proportion of loans to small businesses originated or purchased in moderate-income geographies is near to the percentage of small businesses and aggregate distribution of all reporting lenders.

#### Jonesboro MSA

The distribution of loans to small businesses in LMI geographies is adequate.

The proportion of loans to small businesses originated or purchased in low-income geographies is somewhat lower than the percentage of small businesses and aggregate distribution of all reporting lenders. The proportion of loans to small businesses originated or purchase in moderate-income geographies is somewhat lower than the percentage of small businesses and near to aggregate distribution of all reporting lenders.

Little Rock MSA

The distribution of loans to small businesses in LMI geographies is good.

The proportion of loans to small businesses originated or purchased in low-income geographies is somewhat lower than the percentage of small business and aggregate distribution of all reporting lenders.

The proportion of loans to small businesses originated or purchased in moderate-income geographies exceeds the percentage of small businesses and aggregate distribution of all reporting lenders.

***Small Loans to Farms***

Refer to Table S in the state of Arkansas section of appendix D for the facts and data used to evaluate the geographic distribution of FNB's originations and purchases of small loans to farms.

The geographic distribution of small loans to farms reflects good distribution.

Arkansas Non-MSA

The distribution of loans to small farms in moderate-income geographies is excellent.

The proportion of loans to small farms originated or purchased in moderate-income geographies exceeds the percentage of small farms and aggregate distribution of reporting lenders. There are no low-income CTs in the AA.

Jonesboro MSA

The distribution of loans to small farms in LMI geographies is good.

The proportion of loans to small farms originated or purchased in low-income geographies exceeds the percentage of small farms and aggregate distribution of all reporting lenders. The proportion of loans to small farms originated or purchased in moderate-income geographies is significantly below the percentage of small farms and exceeds aggregate distribution of all reporting lenders

***Lending Gap Analysis***

The OCC evaluated the lending distribution in the AA to determine if any unexplained, conspicuous gaps existed. Examiners reviewed summary reports and maps and analyzed FNB's lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. Examiners did not identify any unexplained, conspicuous gaps.

**Distribution of Loans by Income Level of the Borrower**

FNB exhibits an adequate distribution of loans among individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the institution.

## ***Home Mortgage Loans***

Refer to Table P in the state of Arkansas section of appendix D for the facts and data used to evaluate the borrower distribution of FNB's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels is adequate. Greater weight was given to the bank's performance in the Arkansas Non-MSA AA. The Arkansas Non-MSA AA ranks as FNB's largest market for reportable loans with 52.9 percent of in-state loans originated in this AA.

### Arkansas Non-MSA

The distribution of home mortgage loans among individuals of different income levels is good.

The proportion of home mortgage loans originated or purchased is somewhat lower than the percentage of low-income families and exceeds the aggregate distribution of all reporting lenders. The proportion of home mortgage loans originated or purchased is somewhat lower than the percentage of moderate-income families and is near to the aggregate distribution of all reporting lenders.

### Fayetteville MSA

The distribution of home mortgage loans among individuals of different income levels is poor.

The proportion of home mortgage loans originated or purchased is significantly lower than the percentage of low-income families and lower than the aggregate distribution of all reporting lenders. The proportion of home mortgage loans originated or purchased is lower than the percentage of moderate-income families and the aggregate distribution of all reporting lenders.

### Jonesboro MSA

The distribution of home mortgage loans among individuals of different income levels is adequate.

The proportion of home mortgage loans originated or purchased is lower than the percentage of low-income families and exceeds the aggregate distribution of all reporting lenders. The proportion of home mortgage loans originated or purchased is lower than the percentage of moderate-income families and somewhat lower than the aggregate distribution of all reporting lenders.

### Little Rock MSA

The distribution of home mortgage loans among individuals of different income levels is poor.

The proportion of home mortgage loans originated or purchased is lower than the percentage of low-income families and somewhat lower than the aggregate distribution of all reporting lenders. The proportion of home mortgage loans originated or purchased is lower than the percentage of moderate-income families and aggregate distribution of all reporting lenders.

***Small Loans to Businesses***

Refer to Table R in the state of Arkansas section of appendix D for the facts and data used to evaluate the borrower distribution of FNB's origination and purchase of small loans to businesses.

The distribution of loans to businesses of different sizes is good.

Arkansas Non-MSA

The distribution of FNB's loans to small businesses by revenue is good.

The proportion of loans to small businesses originated or purchased is near to the proportion of small businesses and exceeds the aggregate distribution of all reporting lenders.

Fayetteville MSA

The distribution of FNB's loans to small businesses by revenue is good.

The proportion of loans to small businesses originated or purchased is somewhat lower than the proportion of small businesses and exceeds the aggregate distribution of all reporting lenders.

Jonesboro MSA

The distribution of FNB's loans to small businesses by revenue is excellent.

The proportion of loans to small businesses originated or purchased exceeds the proportion of small businesses and aggregate distribution of all reporting lenders.

Little Rock MSA

The distribution of FNB's loans to small businesses by revenue is good.

The proportion of loans to small businesses originated or purchased is somewhat lower than the proportion of small businesses and exceeds the aggregate distribution of all reporting lenders.

***Small Loans to Farms***

Refer to Table T in the state of Arkansas section of appendix D for the facts and data used to evaluate the borrower distribution of FNB's originations and purchases of small loans to businesses.

The distribution of loans to farms of different sizes is good.

Arkansas Non-MSA

The distribution of FNB's loans to small farms by revenue is good.

The proportion of loans to small farms originated or purchased is near to the proportion of small farms and exceeds the aggregate distribution of all reporting lenders.

Jonesboro MSA

The distribution of FNB's loans to small farms by revenue is good.

The proportion of loans to small farms originated or purchased is near to the proportion of small farms and exceeds the aggregate distribution of all reporting lenders.

**Community Development Lending**

The institution made a relatively high level of CD loans.

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans. This activity had a positive impact on the Lending Test.

Arkansas Non-MSA

The institution made a relatively high level of CD loans. Loan opportunities are moderate with a small number of LMI census tracts. The number of banks and the level of competition for these opportunities make it even more challenging. The AA includes more rural areas; therefore, the CD loan opportunities are fewer in number. The bank has been successful in these markets originating CD loans, small business loans, and small farm loans.

FNB made 21 CD loans totaling \$26.3 million and representing 19.1 percent of allocated tier 1 capital. CD loans included 10 loans totaling \$6.1 million benefiting community service, seven loans totaling \$14.9 million benefiting economic development, and four loans totaling \$5.3 million benefiting revitalization and stabilization efforts. Of the total 21 CD loans, the bank originated three PPP loans totaling \$4.3 million that qualify as CD within the AA.

Examples of CD loans in the AA include:

- Seven loans totaling \$14.9 million to various small farms that supported the process of growing crops for domestic and commercial purposes. Agronomic crops provide the food, feed grain, oil, and fiber for domestic consumption.
- \$1 million loan to support maintenance needed for proper water drainage system in the AA providing essential infrastructure. The drainage district works with local landowners to address the state's drainage and flood control challenges to protect people, property, and the environment.
- \$65,000 loan to a nonprofit community hospital for the purchase of an ambulance. The ambulance will improve the operations of an essential health services infrastructure. The hospital is located in a distressed CT within the AA.
- \$20,000 loan to a municipal entity for the purchase of equipment for a fire station serving a low-income CT.

Fayetteville MSA

The institution made a relatively high level of CD loans. Loan opportunities are moderate with its small number of LMI tracts. The number of banks and the level of competition seeking these opportunities makes it even more challenging. The bank has been successful in this market originating CD loans and small business loans.

FNB made 14 CD loans totaling \$42.0 million, representing 290.4 percent of allocated tier 1 capital. CD loans included three loans totaling \$11.4 million benefiting community service, three loans totaling \$1.1 million benefiting affordable housing, three loans totaling \$17.7 million benefiting economic development, and five loans totaling \$11.8 million benefiting revitalization and stabilization efforts. Of the 14 CD loans, the bank originated two PPP loans totaling \$2.9 million that qualify as CD within the AA.

Examples of CD loans in the AA include:

- \$6.8 million loan to a food processing company for the purchase of a new warehouse factory. The company created and retained over 260 jobs to LMI individuals.
- \$6.1 million construction loan to a developer for a new retail center. The location will include a bank, restaurant, and coffee shop. The project will create employment for LMI individuals and serve to revitalize the area.
- \$1.2 million loan to renovate a historical commercial building in downtown, which will revitalize the area. The project will offer multiple new businesses including restaurants, offices, a salon, and other workspace.

Jonesboro MSA

The institution made a relatively high level of CD loans. Loan opportunities are moderate with its small number of LMI tracts. The number of banks and the level of competition seeking these opportunities makes it even more challenging. The bank has been successful in this market originating CD loans, small business loans, and small farm loans.

FNB made 11 CD loans totaling \$30.8 million, representing 86.1 percent of allocated tier 1 capital. CD loans included six loans totaling \$11.3 million benefitting community service, one loan totaling \$11.7 million benefitting affordable housing, two loans totaling \$2.9 million benefitting economic development, and two loans totaling \$4.9 million benefitting revitalization and stabilization efforts. Of the 11 CD loans, the bank originated four PPP loans totaling \$5.9 million that qualify as CD within the AA.

Examples of CD loans in the AA include:

- \$11.7 million refinance loan to a commercial developer for the renovation of a complex that includes over 400 affordable housing units and small businesses.



- \$4.8 million loan to develop broadband internet infrastructure and provide access to LMI communities. The loan is in connection with the federal government's Connect America Fund program to connect broadband expansion into rural counties.
- \$1.2 million loan to purchase a commercial building in a moderate-income tract to establish a KidSpot learning center. This is a multi-discipline pediatric facility with services for early intervention, mental health, speech therapy, etc. (D-Squared)

### Little Rock MSA

The institution made a relatively high level of CD loans. Pulaski County has a greater number of LMI tracts than the bank's other assessment areas. However, the number of opportunities in these LMI tracts can be limited due to a smaller percentage of the population in these areas being qualified applicants. The number of banks and the level of competition seeking these limited opportunities makes it even more challenging. The bank has been successful in this market originating CD loans, and small business loans in Pulaski County.

FNB made 11 CD loans totaling \$19.3 million, representing 52.7 percent of allocated tier 1 capital. CD loans included one loan totaling \$5.8 million benefiting community service, four loans totaling \$3.6 million benefiting economic development, three loans totaling \$5.4 million benefiting affordable housing, and three loans totaling \$4.4 million benefiting revitalization and stabilization efforts. Of the 11 CD loans, the bank originated three PPP loans totaling \$4.4 million that qualify as CD within the AA.

Examples of CD loans in the AA include:

- \$1.1 million loan to refinance six buildings consisting of 32 affordable housing units.
- \$150,000 loan for the construction of a six-unit affordable housing apartment complex.

### Statewide

FNB originated two CD loans in the broader statewide area of Arkansas totaling \$4.3 million. The two loans benefitted community services to LMI individuals through the development of broadband internet infrastructure throughout the state of Arkansas. Broadband is an essential infrastructure that will allow Arkansans enhanced access to healthcare through telemedicine and education improvements for LMI communities.

### **Product Innovation and Flexibility**

The institution makes little use of innovative and/or flexible lending practices to serve AA credit needs. Due to the pandemic in 2020, the Small Business Administration (SBA) initiated the Paycheck Protection Program (PPP) loan program. The SBA implemented this program as a low-cost and forgivable loan program to help small businesses cover payroll costs, interest on mortgages, rent, and utilities during the pandemic. A PPP loan is an SBA-guaranteed loan that helped businesses keep their workforce employed during the pandemic. The bank made use of responsive and flexible lending practices by originating loans to stabilize small businesses and communities through the SBA PPP.

## INVESTMENT TEST

The institution's performance under the Investment Test in Arkansas is good and rated High Satisfactory.

### Conclusions for Areas Receiving Full-Scope Reviews

Based on the full-scope reviews, the bank's performance in the Arkansas Non-MSA, Fayetteville MSA, Jonesboro MSA, and Little Rock MSA AAs is good.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Ark. Non-MSA	14	\$3,276	81	\$13,272	95	36.7%	\$16,548	34.4%	0	\$0
Fayetteville MSA	5	\$1,166	62	\$7,356	67	25.9%	\$8,522	17.7%	0	\$0
Jonesboro MSA	5	\$1,159	51	\$12,442	56	21.6%	\$13,601	28.3%	0	\$0
Little Rock MSA	2	\$541	39	\$8,884	41	15.8%	\$9,425	19.6%	0	\$0

\* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

\*\* Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

### Arkansas Non-MSA

The institution has a significant level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. Investment opportunities are limited with the small number of investment instruments available. Competition for this finite number of financial instruments is significant with the number of banks desiring and competing for these investments. Despite these challenges, FNB has been successful in purchasing school bonds and other municipal instruments for CD.

The institution exhibits adequate responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives. Qualified investments and grants primarily supported needs for community services and revitalization or stabilization of LMI geographies.

Qualified investments total \$16.6 million, with current period investments of \$13.1 million, prior period investments of \$3.3 million, and qualified grants of \$187,249. Investments benefiting the AA during the evaluation represented 12 percent of allocated tier 1 capital. The institution did not have any unfunded commitments remaining at the end of the evaluation period.

Current period qualified investments were primarily composed of school/education bonds purchased from school districts or universities within the AA in which a majority of students participate in a free or reduced lunch program. In total, the institution purchased 33 school bonds totaling \$9.6 million. Remaining investments were composed of 10 municipal bonds totaling \$3.5 million from LMI and distressed areas for improvement to critical infrastructure including electric and water/sewer systems.

Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. The remaining balances consisted of 14 bonds totaling \$3.3 million. This included seven

school bonds totaling \$1.7 million, six municipal bonds totaling \$1.4 million used to improve water, sewer, and electric systems within the AA, and a bond totaling \$249,378 used for the renovation of a nursing home.

In partnership with the Federal Home Loan Bank (FHLB) Dallas, the institution offers the Special Needs Assistance Rehabilitation Program (SNAP). The SNAP provides grant funds for the repair and rehabilitation of owner-occupied housing of eligible, special-needs individuals. The maximum SNAP program award per household may be up to \$7,000. FNB leveraged this program to originate two grants totaling \$10,676 in the AA.

Examples of qualified grants in this AA include:

- Three grants totaling \$30,960 to a nonprofit organization that serves LMI individuals. The organization's mission is to house the homeless, feed the hungry, and enrich the lives of members of their community through various services.
- A grant totaling \$13,925 to an organization for affordable housing. The organization offers a variety of housing options and programs for low-income individuals, senior citizens, and families.
- Three grants totaling \$9,856 to a school district in which the majority of students qualify for free or reduced lunch programs. These donations help the school to be able to provide for LMI students in activities and provide school supplies to those who otherwise could not afford them.

#### Fayetteville MSA

The institution has a significant level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. Investment opportunities are limited with the small number of investment instruments available. Competition for this finite number of financial instruments is significant with the number of banks desiring and competing for these investments. Despite these challenges, FNB has been successful in purchasing school bonds as they became available.

The institution exhibits an adequate responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives. Qualified investments and grants primarily supported needs for community services and revitalization or stabilization of LMI geographies.

Qualified investments total \$8.5 million, with current period investments of \$7.2 million, prior period investments of \$1.2 million, and qualified grants of \$126,337. Investments benefiting the AA during the evaluation period represented 58.9 percent of allocated tier 1 capital. The institution did not have any unfunded commitments remaining at the end of the evaluation period.

Current period qualified investments were primarily composed of school bonds purchased from school districts within the AA in which a majority of students participate in a free or reduced lunch program. In total, the institution purchased 17 school bonds totaling \$5.3 million. Remaining investments include nine municipal bonds totaling \$1.9 million for improvement to critical infrastructure including electric and water/sewer systems.

Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. The remaining balances consisted of five municipal bonds totaling \$1.2 million used for improvements to critical infrastructure including streets, public facilities, fire departments, water systems, and sewer systems.

In partnership with the FHLB, the institution offers the SNAP. FNB leveraged this program to originate 14 grants totaling over \$76,596 in the AA.

Examples of qualified grants in this AA include:

- Three grants totaling \$11,036 to a school district in which the majority of students qualify for free or reduced lunch programs. These donations help the school be able to provide for LMI students in activities and provide school supplies to those who otherwise could not afford them.
- Three grants totaling \$9,120 to an organization promoting economic development to LMI families and communities. The organization's purpose is to serve members in ways that prioritize the community's quality of life and their ability to contribute to economic growth and prosperity for the city.
- Two grants totaling \$5,205 to a non-profit organization supporting LMI individuals and families. This organization provides a food storehouse, clothing pantry, counseling services, kids life programs, education services, and senior citizens programs.

### Jonesboro MSA

The institution has a significant level of qualified CD investments and donations, although rarely in a leadership position, particularly those that are not routinely provided by private investors. Investment opportunities are limited with the small number of investment instruments available. Competition for this finite number of financial instruments is significant with the number of banks desiring and competing for these investments. Despite these challenges, FNB has been successful in purchasing school bonds and water/sewer bonds as they become available.

The institution exhibits an adequate responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives. Qualified investments and grants primarily supported needs for community services and revitalization or stabilization of LMI geographies.

Qualified investments total \$13.6 million, with current period investments of \$12.4 million, prior period investments of \$1.2 million, and qualified grants of \$42,025. Investments benefiting the AA during the evaluation represented 37.9 percent of allocated tier 1 capital. The institution did not have any unfunded commitments remaining at the end of the evaluation period.

Current period qualified investments are primarily composed of school bonds purchased from school districts in the AA in which a majority of students participate in a free or reduced lunch program. In total, the institution purchased 37 school bonds totaling \$12.4 million. The remaining investment was a municipal bond totaling \$210,000 for improvement to critical infrastructure including water and sewer systems.

Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. The remaining balances consisted of \$1.2 million in five school bonds benefitting school districts within the AA in which a majority of students participate in a free or reduced lunch program.

Examples of qualified grants in this AA include:

- Two grants totaling \$12,250 to a nonprofit organization that serves LMI individuals. The organization's mission is to promote well-being and is dedicated to break the cycle of poverty.
- Three grants totaling \$8,735 to a nonprofit organization that serves LMI individuals. The mission of this organization is to empower individuals to enhance their quality of life through educational programming that provides the link to current community affairs, events, and issues.
- Three grants totaling \$1,410 to an organization that serves LMI individuals. This organization provides hunger relief to people in need by raising awareness, securing resources, and distributing food through a network of non-profit agencies and programs.

### Little Rock MSA

The institution has a significant level of qualified CD investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. Investment opportunities are limited with the small number of investment instruments available. Competition for this finite number of financial instruments is significant with the number of banks desiring and competing for these investments. Despite these challenges, FNB has been successful in purchasing school bonds as they became available.

The institution exhibits an adequate responsiveness to credit and community economic development needs. The institution does not use innovative and/or complex investments to support CD initiatives. Qualified investments and grants primarily supported needs for community services and revitalization or stabilization of LMI geographies.

Qualified investments total \$9.4 million, with current period investments of \$8.8 million, prior period investments of \$541,137, and qualified grants of \$78,841. Investments benefitting the AA during the evaluation represented 25.8 percent of allocated tier 1 capital. The institution did not have any unfunded commitments remaining at the end of the evaluation period.

Current period qualified investments were primarily composed of school bonds purchased from school districts within the AA in which a majority of students participate in a free or reduced lunch program. In total, the institution purchased 22 school bonds totaling \$7.7 million. Remaining investments were composed of five municipal bonds totaling \$1.1 million from LMI and distressed areas for improvements to critical infrastructure including electric and water/sewer systems.

Consideration was given to the ongoing impact of investments made prior to the current evaluation period within the AA. The remaining balances consisted of two bonds totaling \$541,137. This includes a gross receipts bond purchased from a hotel and a municipal bond used to construct a city library in an LMI community.

Examples of qualified grants in this AA include:

- A grant totaling \$20,000 to a nonprofit for a CD financial institution (CDFI) loan fund. The organization’s mission is to promote CD by providing credit counseling, financial support, and literacy for communities that would otherwise not receive these opportunities.
- Two grants totaling \$11,334 to a school in which the majority of the students qualify for free or reduced lunch. These donations help the school be able to provide for LMI students in activities and provide school supplies to those who otherwise could not afford them.
- Three grants totaling \$13,880 to a nonprofit organization that provides healthcare to LMI individuals. This organization is committed to providing financial assistance for patients not eligible for other assistance programs.

**SERVICE TEST**

The institution’s performance under the Service Test in Arkansas is adequate and rated Low Satisfactory.

**Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope reviews, the institution’s performance in the Jonesboro MSA and Little Rock MSA is good, and the institution’s performance in the Arkansas Non-MSA and Fayetteville MSA is adequate.

**Retail Banking Services**

<b>Distribution of Branch Delivery System</b>											
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Jonesboro MSA	15.9	3	15.0	0.0	33.3	33.3	33.3	10.4	12.8	55.7	21.1
Little Rock MSA	16.3	6	30.0	0.0	33.3	0.0	66.7	7.4	26.7	27.9	37.1
Ark. Non-MSA	61.4	6	30.0	0.0	0.0	100.0	0.0	0.0	2.7	69	28.3
Fayetteville MSA	6.4	5	25.0	0.0	20.0	0.0	80.0	3.9	27.2	36.1	32.9

Arkansas Non-MSA

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution’s AA.

The institution has six branches in the AA, all six in middle-income CTs. There are no low-income CTs and one moderate-income CT in the AA. The institution does not have any branches located in moderate-income tracts. Consideration was given to the low percentage of the population residing in moderate-income CTs and the geography consisting of mainly rural areas.

The institution did not open or close branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. All branches operate consistently during the week. All branches, except for one, are open on Saturday from 8:00am to 12:00pm. Products and services do not vary by branch.

#### Fayetteville MSA

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the institution's AA.

The institution has five branches in the AA, with one branch in a moderate-income CT. The percentage of branches in LMI CTs is below the percentage of the population residing within these geographies. The institution does not have any branches in low-income CTs.

The institution did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. All branches operate consistently during traditional business hours. Products and services do not vary by branch.

#### Jonesboro MSA

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA.

The bank has three branches in the AA, with one branch in a moderate-income CT. The percentage of branches located in LMI CTs is near to the percentage of the population residing within these geographies. The bank does not have any branches in low-income CTs.

The bank did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. All branches operate consistently during traditional banking hours during the week. All branches are open on Saturday from 8:00am to 12:00pm. Products and services do not vary by branch.

#### Little Rock MSA

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA.

The bank has six branches in the AA, with two branches in moderate-income CTs. The institution does not have any branches in low-income CTs. The percentage of branches located in LMI CTs is near to the percentage of the population residing in the geographies.

The institution did not open or close any branches during the evaluation period.

Services, including where appropriate, business hours, do not vary in a way that inconveniences its AA, particularly LMI geographies and/or individuals. All branches operate consistently during traditional banking hours during the week. Two branches in the AA, including one located in a moderate-income CT, are open on Saturday from 8:00am to 12:00pm. Products and services do not vary by branch.

## **Community Development Services**

### Arkansas Non-MSA

The institution provides a relatively high level of CD services.

During the evaluation period, 32 employees from various lines of business partnered with 31 organizations and contributed a total of 2,335 hours supporting LMI individuals and families. This included serving on committees and boards for 24 organizations that promote community service and economic development.

The following are examples of CD services provided in this AA:

- Five employees served 288 hours as board members or volunteers with an organization promoting economic development. The organization is committed to enhancing the quality of life for LMI individuals and small businesses through service, leadership, and economic development.
- An employee served 288 hours as a board member with a nonprofit organization that funds local healthcare programs and services. The foundation ensures that quality, progressive healthcare and wellness services are available to LMI individuals and families in the AA.
- An employee served 70 hours as a board member with an organization promoting economic development to a distressed and underserved county. This organization manages the finances of the county.

### Fayetteville MSA

The bank provides an adequate level of CD services.

During the evaluation period, 14 employees from various lines of business partnered with 10 organizations and contributed a total of 240 hours supporting LMI individuals and families. This included serving on committees and boards for four organizations that promote community services and economic development.

The following are examples of CD services provided in this AA:

- An employee served 60 hours as a board member to a nonprofit organization supporting financial education. The organization focuses on increasing financial literacy and helping LMI individuals and families become more creditworthy. The organization provides free financial education services to LMI individuals including budgeting, credit and housing counseling, credit report reviews, and a debt management program.



- Nine employees provided 36 hours of volunteer service to a nonprofit organization focused on strengthening the community by aiding LMI families in need. Services provided include a food and clothing pantry, after school programs, summer camps, and adult education programs.
- An employee served 36 hours as a finance committee member to a nonprofit organization that serves LMI individuals. The mission of this organization is to provide compassionate health care for individuals and families when there is no longer a cure.

### Jonesboro MSA

The institution provides a relatively high level of CD services.

During the evaluation period, 11 employees partnered with 13 organizations and contributed a total of 896 hours supporting LMI individuals and families. This included serving on committees and boards for 11 organizations that promote affordable housing, community services, and economic development.

The following are examples of CD services provided in this AA:

- An employee served 540 hours as chairman and board member of a local municipality, serving on the advertising and promotions committee. The purpose of this organization is to promote tourism in the city to produce a positive economic impact on the small businesses of the city.
- Three employees served 60 hours in several roles, including volunteer, loan executive, and board member, for a nonprofit organization dedicated to providing social services to LMI families. The mission of this organization is to assess community needs, raise funds, allocate resources, and encourage collaborative efforts to build a stronger and healthier community.
- An employee served 60 hours as a board member to a nonprofit organization. The nonprofit's mission is to advocate for LMI children placed in foster care due to abuse or neglect. The organization ensures that children are cared for until they reach a safe and permanent home.

### Little Rock MSA

The institution provides a relatively high level of CD services.

During the evaluation period, 12 employees from various lines of business partnered with 10 organizations and contributed a total of 709 hours supporting LMI individuals and families. This included serving on committees and boards for six organizations that promote affordable housing and community services.

The following are examples of CD services provided in this AA:

- An employee served 360 hours of volunteer service at a local high school. The hours were spent teaching financial education and literacy courses to LMI students.
- Two employees served 80 hours, as treasurer and volunteer, supporting a nonprofit organization. The organization serves to improve the economic health of LMI families by providing housing. The mission of the organization is to enhance the wellness of individuals, families, and communities by providing quality services.

- An employee served 56 hours as a board and committee member at a nonprofit organization. The organization is committed to making the community healthier by assisting LMI individuals and families who are not able to afford necessary healthcare.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	January 1, 2019, through December 31, 2021	
<b>Products Reviewed:</b>	Home mortgage, small business, small farm CD loans, qualified investments, CD services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Arkansas</b>		
Arkansas Non-MSA	Full-Scope	Counties of Clay, Cleburne, and Greene
Fayetteville-Springdale-Rogers MSA	Full-Scope	Counties of Benton* and Washington
Jonesboro MSA	Full-Scope	Craighead County
Little Rock-North Little Rock-Conway MSA	Full-Scope	Pulaski County

\*Partial County

## Appendix B: Summary of State Ratings

<b>RATINGS: First National Bank</b>				
Overall Institution:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First National Bank	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State:				
State of Arkansas	High Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives 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 that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under §1003.2 of this title, and that is not an excluded transaction under §1003.3(c)(1) through (10) and (13) of this title.

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

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

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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.

**MMSA (state):** Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

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

**Rating Area:** A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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



## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased loans are treated the same as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

**Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

**Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income

geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

**Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

**Table O - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2019-21**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Ark. Non-MSA	819	69,784	50.2	3,789	0.0	0.0	0.0	1.5	2.2	1.3	68.6	60.9	62.3	29.9	36.9	36.4	0.0	0.0	0.0
Jonesboro MSA	529	88,798	32.5	5,622	3.0	5.3	2.6	9.9	10.6	8.3	58.5	58.6	53.6	28.6	25.5	35.5	0.0	0.0	0.0
Little Rock MSA	96	32,576	5.9	18,643	4.4	11.5	2.4	22.4	13.5	14.9	29.8	15.6	27.7	42.9	58.3	54.8	0.5	1.0	0.3
Fayetteville MSA	186	67,083	11.4	21,086	1.1	3.2	0.8	22.1	30.1	14.4	37.5	24.2	32.2	39.4	42.5	52.6	0.0	0.0	0.0
<b>Total</b>	<b>1,630</b>	<b>258,241</b>	<b>100.0</b>	<b>49,140</b>	<b>2.7</b>	<b>2.8</b>	<b>1.5</b>	<b>18.4</b>	<b>8.8</b>	<b>12.9</b>	<b>39.9</b>	<b>53.3</b>	<b>35.3</b>	<b>38.7</b>	<b>35.1</b>	<b>50.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table P - Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower**

**2019-21**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Ark. Non-MSA	819	69,784	50.2	3,789	17.2	8.7	4.1	16.1	11.4	12.2	20.5	15.6	17.2	46.1	46.8	41.8	0.0	17.6	24.8
Jonesboro MSA	529	88,798	32.5	5,622	19.9	3.6	3.0	16.8	6.2	10.7	19.4	10.2	16.3	43.9	44.6	40.0	0.0	35.4	30.0
Little Rock MSA	96	32,576	5.9	18,643	23.8	3.1	5.4	17.1	3.1	14.8	18.2	3.1	16.6	40.9	21.9	37.0	0.0	68.8	26.3
Fayetteville MSA	186	67,083	11.4	21,086	20.5	1.6	4.7	18.4	3.8	12.3	19.2	5.9	17.2	41.9	23.1	44.0	0.0	65.6	21.7
<b>Total</b>	<b>1,630</b>	<b>258,241</b>	<b>100.0</b>	<b>49,140</b>	<b>21.5</b>	<b>5.9</b>	<b>4.7</b>	<b>17.4</b>	<b>8.3</b>	<b>13.0</b>	<b>18.9</b>	<b>12.0</b>	<b>16.9</b>	<b>42.1</b>	<b>41.9</b>	<b>40.7</b>	<b>0.0</b>	<b>31.8</b>	<b>24.7</b>

Source: 2015 ACS; Bank Data, 2021 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

**Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** **2019-2021**

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available- Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Ark. Non MSA	1,783	127,428	47.3	0.0	0.0	0.0	2.4	4.2	3.2	72.9	62.0	65.7	24.7	33.8	31.2	0.0	0.0	0.0
Fayetteville MSA	280	36,224	7.4	2.4	0.7	2.7	20.4	18.2	19.0	40.8	16.1	40.3	36.4	65.0	38.1	0.0	0.0	0.0
Jonesboro MSA	1,234	114,263	32.7	11.1	5.8	8.8	17.0	12.2	13.7	51.6	57.5	54.1	20.3	24.4	23.4	0.0	0.0	0.0
Little Rock MSA	471	63,683	12.5	6.5	4.7	6.3	23.1	24.8	22.3	21.4	11.7	20.2	48.7	58.2	51.0	0.3	0.6	0.3
<b>Total</b>	<b>3,768</b>	<b>341,598</b>	<b>100.0</b>	<b>5.2</b>	<b>2.5</b>	<b>4.9</b>	<b>20.4</b>	<b>10.5</b>	<b>18.5</b>	<b>33.6</b>	<b>50.8</b>	<b>35.3</b>	<b>40.6</b>	<b>36.1</b>	<b>41.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues** **2019-2021**

Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Ark. Non-MSA	1,783	127,428	47.3	1,903	81.4	79.3	54.3	4.5	18.8	14.1	1.9
Fayetteville MSA	280	36,224	7.4	8,750	81.6	42.1	31.0	4.8	56.1	13.6	1.8
Jonesboro MSA	1,234	114,263	32.7	3,737	79.7	80.8	43.3	6.4	18.6	13.9	0.6
Little Rock MSA	471	63,683	12.5	11,344	81.4	63.7	32.2	6.1	29.9	12.5	6.4
<b>Total</b>	<b>3,768</b>	<b>341,598</b>	<b>100.0</b>	<b>25,734</b>	<b>81.3</b>	<b>75.1</b>	<b>35.0</b>	<b>5.6</b>	<b>22.9</b>	<b>13.1</b>	<b>2.0</b>

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography** **2019-2021**

Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate
Ark. Non-MSA	728	111,214	80.7	451	0.0	0.0	0.0	0.5	0.7	0.4	66.2	55.9	59.2	33.3	43.4	40.4	0.0	0.0	0.0
Fayetteville MSA	10	1,084	1.1	325	1.6	0.0	0.0	18.6	0.0	13.2	43.6	10.0	62.2	36.2	90.0	24.6	0.0	0.0	0.0
Jonesboro MSA	163	29,101	18.1	423	1.6	6.1	1.2	9.0	2.5	1.2	61.2	53.4	61.7	28.1	38.0	35.9	0.0	0.0	0.0
Little Rock MSA	1	72	0.1	74	3.0	0.0	1.4	18.7	0.0	12.2	28.4	0.0	39.2	49.8	100.0	47.3	0.0	0.0	0.0
<b>Total</b>	<b>902</b>	<b>141,471</b>	<b>100.0</b>	<b>1,273</b>	<b>1.8</b>	<b>1.1</b>	<b>0.5</b>	<b>13.8</b>	<b>1.0</b>	<b>4.6</b>	<b>45.4</b>	<b>54.9</b>	<b>59.6</b>	<b>38.9</b>	<b>43.0</b>	<b>35.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2019 D&B Data; Bank Data, 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** **2019- 2021**

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Ark. Non-MSA	728	111,214	80.7	451	96.4	84.9	66.5	2.3	14.6	1.3	0.4
Fayetteville MSA	10	1,084	1.1	325	94.9	100.0	75.7	2.0	0.0	3.0	0.0
Jonesboro MSA	163	29,101	18.1	423	95.4	81.0	51.8	2.8	19.0	1.8	0.0
Little Rock MSA	1	72	0.1	74	96.3	100.0	56.8	1.9	0.0	1.9	0.0
<b>Total</b>	<b>902</b>	<b>141,471</b>	<b>100.0</b>	<b>1,273</b>	<b>95.7</b>	<b>84.4</b>	<b>63.4</b>	<b>2.2</b>	<b>15.2</b>	<b>2.1</b>	<b>0.3</b>

Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%