



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

September 29, 2008

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

Simmons First National Bank  
Charter Number: 6680

501 Main Street  
Pine Bluff, AR 71611

Office of the Comptroller of the Currency

LITTLE ROCK (MEMPHIS)  
10201 West Markham, Suite 105 Ozark National Life Bld.  
Little Rock, AR 72205-2180

**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 Simmons First National Bank with respect to the Lending, Investment, and Service Tests:

Performance Levels	Simmons First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	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:

- Geographic distribution of home mortgage products is poor.
- Geographic distribution of small loans to businesses and small loans to farms is good.
- Borrower distribution to of home mortgage products to low- and moderate-income individuals is good.
- SFNB has an excellent record of originating small loans to small businesses and small farms. A substantial majority of bank loans were made to businesses and farms with gross annual revenues of \$1 million or less.
- The number and dollar volume of qualified investments and grants/donations is adequate.
- Retail branch distribution is excellent and the bank has a good volume of community development services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the Metropolitan Area (MA)/assessment area (AA).

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of MAs. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR § 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include 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 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 do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

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

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

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/AA.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

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

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

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

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

**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 One 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 % of the area median income, or a median family income that is at least 120 %, in the case of a geography.

## Description of Institution

SFNB, headquartered in Pine Bluff, Arkansas is a wholly owned subsidiary of Simmons First National Corporation, a \$2.9 billion multi-bank holding company, and is the lead bank in the company. The holding company provides a full range of consumer and commercial financial products and services, and operates one nationally chartered financial institution in El Dorado and state banks in Dumas, Jonesboro, Lake Village, Rogers, Russellville, and Searcy, Arkansas.

SFNB is an intrastate bank and the third largest commercial bank headquartered in Arkansas with total assets of \$1.4 billion as of June 30, 2008. The bank's deposit market share in Arkansas is 2.4% as of June 30, 2008. Net loans are reported at \$916 million, loan-to-deposit ratio at 80.1% and Tier 1 Capital at \$98 million.

During the evaluation period, SFNB's strategic plan has been to provide a wide array of financial services to consumers and small businesses, and excellent customer service within the market areas. The bank offers a variety of loan products, including the following types of loans: commercial and commercial real estate, consumer, credit card, and single-family real estate. SFNB operates 41 branch offices and 39 automated teller machines (ATM) throughout Arkansas. Banking offices are located in the MAs of Fort Smith, Little Rock/North Little Rock, and Pine Bluff, Arkansas. During the evaluation period, SFNB acquired nine branches from Union Planters Bank, N.A. and opened five branch offices in the Little Rock/North Little Rock MA in the cities of Conway and Little Rock.

SFNB has a large credit card operation with accounts throughout the United States. Credit card loans represent 26% of gross loans as of June 30, 2008. SFNB also originates a large volume of student loans. The bank ranks twentieth in the United States as a student loan originator. Net loans represent 64% of total assets. The loan portfolio is comprised of 33% loans to individuals (including credit cards), 51% loans secured by real estate, 10% commercial and industrial loans, 4% agricultural loans and, 2% all other.

No significant financial barriers limit SFNB's ability to meet the identified credit needs within its AA.

The prior CRA examination is dated October 3, 2005, and the assigned rating was **"Satisfactory."**

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test is January 2, 2006 through June 30, 2008. The evaluation period for the Investment Test and Service Test is dated October 3, 2005 through September 29, 2008. Products selected for review were home mortgage products, small loans to businesses, and small loans to farms. This evaluation also considered the bank's community development activities.

### Data Integrity

The OCC conducted a data integrity examination in May 2008. The results of this review showed the bank's HMDA data to be reliable. The bank's CRA data was found to have several errors and deemed unreliable. Management was directed to provide additional training and independent testing for the collection of CRA data. During the concurrent Fair Lending examination, the OCC identified errors in the bank's HMDA data with the home improvement product. The lien status was not correctly reported for home improvement loans not secured by real estate. These errors did not affect the data analyzed in this evaluation.

### Selection of Areas for Full-Scope Review

The following areas received full-scope reviews: Fort Smith MA, Little Rock/North Little Rock MA (Pulaski and Faulkner Counties), and Pine Bluff MA (Jefferson and Lincoln Counties). Areas receiving limited-scope reviews consist of five contiguous non-MA counties in north central Arkansas: Fulton, Searcy, Sharp, Stone, and Van Buren Counties.

### Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews.

More weight is given to the Pine Bluff MA as this AA has the largest volume of loans.

### Other

Fourteen community contacts were made during the evaluation period. These contacts were made to organizations that assist low- and moderate-income individuals with affordable housing and other social services needs, and to organizations that assist small business owners in obtaining financing outside of or in addition to traditional bank financing. Needs identified by organizations that aid low- and moderate-income individuals included financial literacy programs, affordable mortgage loan products, down payment and closing cost assistance, small dollar loans to combat "payday" lenders, and affordable deposit products. Needs identified by organizations that assist small business owners included access to capital, flexible loan products, bank funding to support micro lending program, and an unsecured loan product for start-up businesses without collateral. SFNB has met some of these needs through qualified investments and community development services.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Conclusions with Respect to Performance Tests

### LENDING TEST

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

The bank's performance under the lending test is rated "**Low Satisfactory.**" Based on the bank's performance context and the full-scope review of the specific MAs and AAs, overall lending performance was adequate in the Fort Smith MA, the Little Rock/North Little Rock MA, and the Pine Bluff MA.

#### Lending Activity

Refer to Tables 1 Lending Volume and 1 Other in Appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity is adequate. SFNB is the dominant lender in the Pine Bluff MA. Approximately 42% of the bank's loans evaluated for CRA are in this market. During the evaluation period, from January 2, 2006 to June 30, 2008, the bank originated a good volume of loans to small businesses and residential real estate mortgages, which impacted CRA lending performance assessments. Due to the low volume of multi-family loans, these loans were not considered for geographical and borrower income distribution. During this period, the loan-to-deposit ratio has remained relatively stable, averaging 83 %.

#### Fort Smith MA:

Loan volume in this AA was adequate. Overall, the Fort Smith MA accounts for approximately 17% of the bank's loans. The bank had 6.4% of the deposit share in the Fort Smith MA and ranked seventh in this market. SFNB ranked 15th in the AA for home purchase loans and had a 1.9% market share. For home improvement loans, SFNB ranked 9<sup>th</sup> with a 2.5% market share. The bank ranked 21st in the AA for refinance loans with a 1.4% market share. SFNB was ranked 13<sup>th</sup> with a 2.0% market share for small loans to businesses, and was ranked 2<sup>nd</sup> with a market share of 28.22% for small loans to farms. Numerous nondeposit taking institutions such as mortgage and finance companies, mobile home lenders, and various other lenders competed for market share of loans in this market.

#### Little Rock/North Little Rock MA:

Loan volume in this AA was adequate. Overall, the Little Rock/North Little Rock MA accounts for approximately 20% of the bank's loans. The bank had 1.74% of the deposit share in Faulkner and Pulaski County (two counties in the Little Rock/North Little Rock MA) and ranked 16<sup>th</sup> in this market. SFNB ranked 23<sup>rd</sup> in the AA for home purchase loans and had a 1.15% market share. For home improvement loans, SFNB ranked 16<sup>th</sup> with a 1.7% market share. The bank ranked 25<sup>th</sup> for refinance loans with a 0.96% market share. SFNB was ranked 13<sup>th</sup> with a 1.1% market share for small loans to businesses, and was ranked 1<sup>st</sup> with a market share of 19.5% for small loans to farms. Numerous nondeposit taking institutions such as mortgage and finance companies, mobile home lenders, and various other lenders compete for market share of loans in this market.

*Pine Bluff MA:*

Loan volume in this AA was good. Overall, the Pine Bluff MA accounted for approximately 41.7% of the bank's loans. The bank had 54.8% of the deposit share in Jefferson County and ranked first in this market. SFNB ranked first in the AA for home purchase loans and had an 18% market share. For home improvement loans, SFNB ranked first with a 22.5% market share. The bank ranked second for refinance loans with a 5.3% market share. SFNB was ranked first with a 23.7% market share for small loans to businesses, and was ranked first with a market share of 92.2% for small loans to farms. Numerous nondeposit taking institutions such as mortgage and finance companies, mobile home lenders, and various other lenders competed for market share of loans in this market.

**Distribution of Loans by Income Level of the Geography*****Home Mortgage Loans***

Refer to Tables 2, 3, 4, and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

SFNB's overall distribution of home mortgage loans by income level of the geography was poor. Geographic distribution for home mortgage loans was poor in the Fort Smith, Little Rock/North Little Rock, and Pine Bluff MAs. The Little Rock/North Little Rock MA was the only full-scope AA with low-income census tracts. The percentage of owner-occupied housing units in the low-income census tracts was small at 2.09 %, indicating fewer opportunities for banks to lend in low-income geographies.

*Fort Smith MA:*

Geographic distribution for home purchase, home improvement, and refinance loans was poor in the Fort Smith MA. The AA does not have low-income census tracts. The percentage of home purchase loans in moderate-income census tracts was somewhat lower than the percentage of owner-occupied housing units. The bank's performance for loans in moderate-income census tracts is somewhat mitigated because the percentage of owner-occupied housing units is low at 5.17 %. This percentage indicates there are fewer opportunities to make home purchase loans in moderate-income census tracts. The bank's market share of home purchase loans in moderate-income census tracts was somewhat lower than the overall market share for home purchase loans. SFNB ranked twenty-second in the AA of home purchase loans in moderate-income geographies.

SFNB's performance for home improvement loans in moderate-income geographies is poor. The bank did not originate any home improvement loans in moderate-income geographies during the evaluation period.

The bank's record of originating loans in moderate-income geographies is poor for home refinance loans. The percentage of bank loans is significantly lower than the percentage of owner-occupied housing units in moderate-income geographies. However, SFNB's record of originating loans in moderate-income geographies is mitigated due to a small percentage of owner-occupied housing units in these census tracts. The bank's overall market share for home refinance loans is low at 1.41 %. There is no market share for home refinance loans in moderate-income geographies as the bank did not report any loans in moderate-income geographies in 2006.

Little Rock/North Little Rock MA:

Home purchase lending in the Little Rock/North Little Rock MA was poor. The percentage of bank loans in low- and moderate-income geographies was lower than the percentage of owner-occupied housing units in low- and moderate-income geographies. The bank's performance in low-income census tracts is mitigated due to the low percentage of owner-occupied housing units at 2.09 %. As a result, there are fewer opportunities to make loans in low-income geographies. There are more owner-occupied housing units in moderate-income geographies but the housing stock is older and most homes in moderate-income census tracts do not meet the collateral criteria for in-house loans or loans sold on the secondary market. SFNB's market share in low- and moderate-income geographies is lower than the overall market share for home purchase loans.

The bank's record of originating home improvement loans in low- and moderate-income census tracts is poor. SFNB did not originate any loans in low-income census tracts during the evaluation period. As noted in the previous paragraph, the percentage of owner-occupied housing units is very low for low-income geographies which suggest less opportunity to make loans in these geographies. The aging housing stock in moderate-income census tracts would imply there is a need for home improvement loans in moderate-income geographies. The bank's overall market share for home improvement loans is low at 1.68 %. Based on Peer Mortgage Data, SFNB did not originate any home improvement loans in low- and moderate-income census tracts in 2006.

SFNB's record of originating home refinance loans is poor in low- and moderate-income geographies in the Little Rock/North Little Rock AA. The bank's loan penetration in low- and moderate-income geographies is lower than the percentage of owner-occupied housing units. The low percentage of owner-occupied housing units in low-income geographies mitigates the bank's performance for these census tracts. The overall market share for home refinance loans is less than 1 %. The bank has no market share in low-income census tracts. SFNB's market share for home refinance loans in moderate-income census tracts is somewhat lower than the overall market share.

Pine Bluff MA:

The geographic distribution of home purchase and home refinance loans was poor in moderate-income census tracts. The geographic distribution of home improvement loans was adequate. The 2006 Peer Mortgage Data shows loan penetration for home purchase loans in moderate-income geographies was low at 37 loans when compared to the overall volume of home purchase loans originated/purchased at 274 loans. The volume of home refinance loans was low in the Pine Bluff MA for all lenders that reported HMDA data in 2006. The top lender originated 85 loans. SFNB was ranked second with 47 loans on the list of lenders who originated home refinance loans. The bank's market share for home purchase loans in moderate-income geographies was near to the overall market share for home purchase loans. The market share for home improvement loans in moderate-income geographies exceeded the overall market share for home improvement loans. SFNB's market share of home refinance loans in moderate-income census tracts was somewhat lower than the overall market share for home refinance loans.

### ***Multifamily Loans***

Refer to Table 5 in Appendix C for facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

SFNB originated 11 multifamily loans during the evaluation period. This volume of loans was not sufficient to properly analyze the bank's lending performance for multifamily loans.

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

Refer to Table 6 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The distribution of small loans to businesses was poor in the Fort Smith MA and excellent in the Little Rock/North Little Rock MA and the Pine Bluff MA.

#### **Fort Smith MA:**

SFNB's performance of originating small loans to businesses in moderate-income geographies was poor. The bank's percentage of small loans to businesses in moderate-income geographies was lower than the percentage of businesses located in moderate-income geographies. Based on 2007 Dun and Bradstreet business data, the bank's market share performance in moderate-income geographies was somewhat lower than its overall market share for small loans to businesses.

#### **Little Rock/North Little Rock MA:**

SFNB had excellent penetration of small loans to businesses in low- and moderate-income census tracts. The percentage of bank loans in low- and moderate-income geographies exceeded the percentage of businesses located in low- and moderate-income geographies. The bank's market share of loans in low-income census tracts was near to the overall market share for small loans to businesses. The bank's market share in moderate-income census tracts exceeded the overall market share for small loans to businesses.

#### **Pine Bluff MA:**

The bank had excellent penetration of small loans to businesses in moderate-income geographies. The percentage of bank loans in moderate-income census tracts exceeded the percentage of businesses located in moderate-income census tracts. Market share data shows the bank's market share in moderate-income geographies exceeding the overall market share for small loans to businesses.

### ***Small Loans to Farms***

Refer to Table 7 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

SFNB has good penetration of small loans to farms in its AAs.

Fort Smith MA

SFNB did not originate any small loans to farms during the evaluation period. The percentage of farms in moderate-income geographies is low at 3.69 %, which indicates there is little opportunity to originate farm loans in moderate-income geographies.

Little Rock/North Little Rock MA:

The bank's loan origination in low- and moderate-income census tracts is poor. SFNB had no loan originations in low-income geographies. The percentage of farms located in low-income census tracts is low at 3.47 %. Again, this percentage indicates there are few opportunities to originate small loans to farms in low-income census tracts. The percentage of bank loans in moderate-income census tracts is significantly lower than the percentage of farms located in moderate-income census tracts. The bank's performance in moderate-income geographies is mitigated by the fact that SFNB focuses primarily on commercial and commercial real estate lending in the AA. The 2007 Dun and Bradstreet data does not show any small loans to farms in low-income geographies. The market share for small loans to farms in moderate-income census tracts is near to the overall market share for small loans to farms.

Pine Bluff MA

Geographic distribution of small loans to farms is excellent in the Pine Bluff AA. The percentage of bank loans exceeds the percentage of farms located in moderate-income census tracts. SFNB is the leader of small loans to farms in the Pine Bluff MA. The bank originated the greatest number of small loans to farms than any other lender in the AA. The bank's market share of small loans to farms in moderate-income census tracts exceeds the overall market share for small loans to farms.

***Consumer Loans [OPTIONAL, unless consumer lending constitutes a substantial majority of the bank's business.]***

Refer to Table 13 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

SFNB did not elect to have consumer loans evaluated.

***Lending Gap Analysis***

Maps and reports were reviewed to identify any gaps in the geographic distribution home mortgage loans, small loans to businesses, and small loans to farms. No unexplained or conspicuous gaps were identified.

***Inside/Outside Ratio***

A majority of home mortgage loans, small loans to businesses, and small loans to farms originated in the bank's AAs: 69.7 % of the number and 64.7 % of the dollar volume.

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

SFNB's overall distribution of loans by income level of the borrower was good. Loan distribution by income level of the borrower was good in the Fort Smith MA, Little Rock/North Little Rock MA, and the Pine Bluff MA. Distribution of loans by size of revenues for businesses was excellent for small loans to businesses in the Fort Smith MA, Little Rock/North Little Rock MA, and the Pine Bluff MA. Distribution of loans by size of revenues for farms was excellent in the Fort Smith MA and good in the Little Rock/NLR MA and the Pine Bluff MA.

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

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of loans by income level of the borrower was excellent in the Pine Bluff MA, and good in both the Fort Smith MA and the Little Rock/North Little Rock MA.

#### **Fort Smith MA:**

Penetration of home purchase loans to low-income borrowers is poor in the Fort Smith MA. The percentage of bank loans to low-income borrowers is lower than the percentage of low-income families. The 13.8 % poverty level in the Fort Smith AA limits the bank's opportunity to make home purchase loans to low-income borrowers. The percentage of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families. The 2006 Peer Mortgage Data shows the bank's market share of home purchase loans to low-income borrowers exceeds the overall market share for home purchase loans. And the market share to moderate-income borrowers is near to the overall market share.

Borrower distribution for home improvement loans is poor for low-income borrowers and good for moderate-income borrowers. The percentage of bank loans to low-income borrowers is lower than the percentage of low-income families. The 13.8 % poverty level in the Fort Smith AA limits the bank's opportunity to make home improvement loans to low-income borrowers. The percentage of bank loans to moderate-income borrowers is near to the percentage of moderate-income families. The bank's market share to low-income borrowers is lower than the overall market share for home improvement loans. The market share for moderate-income borrowers exceeds the overall market share for home improvement loans.

Borrower distribution for home refinance loans is poor for low-income borrowers and excellent for moderate-income borrowers. The 13.8 % poverty level in the Fort Smith AA limits the bank's opportunity to make home refinance loans to low-income borrowers. The percentage of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

#### **Little Rock/North Little Rock MA:**

The percentage of home purchase loans to low-income borrowers is lower than the percentage of low-income families. The 12.6 % poverty level in the Little Rock/North Little Rock MA limits the bank's opportunity to make home purchase loans to low-income borrowers. The bank's penetration of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families. The 2006 Peer Mortgage Data shows SFNB's market share to low-income borrowers is near to the overall market share for home purchase loans in the AA.

Borrower distribution of home improvement loans to low-income borrowers is slightly below the percentage of low-income families in the AA. The bank's penetration of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income borrowers in the AA. Market share data for low- and moderate-income borrowers exceeds the overall market share for home improvement loans.

The percentage of home refinance loans to low-income borrowers is lower than the percentage of low-income families in the AA. The 12.6 % poverty level in the Little Rock/North Little Rock MA limits the bank's opportunity to make home refinance loans to low-income borrowers. The percentage of bank loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income families. Market share data to low- and moderate-income borrowers is somewhat lower than the overall market share for home refinance loans.

Pine Bluff MA:

Home purchase loan penetration to low-income borrowers is lower than the percentage of low-income families in the AA. The 19.4 % poverty level in the Pine Bluff MA limits the bank's opportunity to make home purchase loans to low-income borrowers. Borrower distribution for home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. Market share data shows bank loans to low-income borrowers is near to the overall market share for home purchase loans. Market share for moderate-income borrowers is somewhat lower than the percentage of moderate-income families.

The bank's origination of home improvement loans to low-income borrowers is somewhat lower than the percentage of low-income families in the Pine Bluff MA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. Market share data for home improvement loans to low- and moderate-income borrowers exceeded the overall market share for home improvement loans.

Borrower distribution for home refinance loans to low-income families is lower than the percentage of low-income families in the AA. The 19.4 % poverty level in the Pine Bluff MA limits the bank's opportunity to make home refinance loans to low-income borrowers. The percentage of bank loans to moderate-income borrowers is near to the percentage of moderate-income families. Market share data shows the percentage of loans to low-income borrowers exceeding the overall market share percentage.

***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans by size of business was excellent in the Fort Smith MA, Little Rock/North Little Rock MA, and the Pine Bluff MA.

Fort Smith MA; Little Rock/North Little Rock MA; Pine Bluff MA

SFNB has an excellent record of originating loans to businesses with gross annual revenues of \$1 million or less. In all three full-scope AAs, the percentage of bank loans to businesses with gross annual revenues of \$1 million or less exceeds the percentage of businesses in the AA

that reported gross annual revenues of \$1 million or less. The 2007 Dun & Bradstreet business data shows SFNB's market share of businesses with gross annual revenues of \$1 million or less exceeding the overall market share for small loans to businesses. Small Business Administration (SBA) loans originated since the previous CRA examination in 2005, total 19 with a dollar volume of \$1,867,218.

### ***Small Loans to Farms***

Refer to Table 12 in the Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The distribution of loans by income level of the borrower was excellent in the Fort Smith MA and good in the Little Rock/North Little Rock MA and the Pine Bluff MA.

#### *Fort Smith MA:*

Distribution of small loans to farms with revenues of \$1 million or less was excellent. The percentage of bank loans to farms with revenues of \$1 million or less exceeds the percentage of farms in the AA that reported revenues of \$1 million or less. The bank's market share of small loans to farms with revenues of \$1 million or less exceeded its overall market share for small loans to farms.

#### *Little Rock/North Little Rock MA:*

Distribution of small loans to farms with revenues of \$1 million or less was good. The percentage of bank loans to farms with revenues of \$1 million or less is near to the percentage of farms in the AA that reported revenues of \$1 million or less. The bank's market share of small loans to farms with revenues of \$1 million or less exceeded its overall market share for small loans to farms.

#### *Pine Bluff MA:*

Distribution of small loans to farms with revenues of \$1 million or less was good. The percentage of bank loans to farms with revenues of \$1 million or less is near to the percentage of farms in the AA that reported revenues of \$1 million or less. The bank's market share of small loans to farms with revenues of \$1 million or less exceeded its overall market share for small loans to farms.

### ***Consumer Loans [OPTIONAL, unless consumer lending constitutes a substantial majority of the bank's business.]***

Refer to Table 13 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

SFNB did not elect to have consumer loans evaluated.

## Community Development Lending

Refer to Table 1 Lending Volume in Appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

SFNB did not have any loans that were considered community development during the evaluation period.

## Product Innovation and Flexibility

SFNB did not offer innovative loan programs during the evaluation period. However, the bank did offer flexible loan programs for home mortgage loans (Federal Housing Administration (FHA), Veterans' Administration (VA), and Farm Service Agency/Rural Housing Service (FSA/RHS loans). During the evaluation period, SFNB originated 586 FHA loans totaling \$57.8 million. The bank originated 122 VA loans totaling \$14.4 million. SFNB originated 27 FSA/RHS loans totaling \$2.7 million. These flexible loan programs offer borrowers an opportunity to obtain financing when they would otherwise be denied under conventional loan programs.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Fulton, Searcy, Sharp, Stone, and Van Buren Counties, AR AA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Lending Test. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "**Low Satisfactory**". Based on full-scope reviews, the bank's performance in the Pine Bluff MA, Fort Smith MA, and Little Rock/North Little Rock MA is adequate. Overall, qualifying investments decreased in relation to prior CRA assessment periods at the bank.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Qualifying investments are investments, deposits, membership shares or grants that have as their primary purpose community development, as defined in the CRA regulation. SFNB's qualifying investments are centered in investments and grants/donations with the primary purpose of community development and community services targeted to low to moderate-income individuals. Investment activity in the Pine Bluff MA carries the most weight.

Fort Smith MA:

SFNB has an adequate level of investments in the Fort Smith MA. During the evaluation period, SFNB had nine qualified investments, grants/donations totaling \$12,450. These investments benefit organizations in the Fort Smith MA that provide a variety of services to low- and moderate-income individuals such as constructing affordable housing, eradicating illiteracy, and promoting youth programs.

Little Rock/North Little Rock MA:

SFNB has an adequate level of qualified investments in the Little Rock/North Little Rock MA. During the evaluation period, SFNB had 32 qualified investments, grants/donations totaling \$55,771. These investments benefit organizations in the Little Rock MA that provide a variety of services to low- and moderate-income individuals such as constructing affordable housing and promoting youth programs.

Pine Bluff MA:

SFNB has an adequate level of qualified investments in the Pine Bluff MA. During the evaluation period, SFNB had 33 qualified grants/donations totaling approximately \$160,869. These benefit organizations in the Pine Bluff MA that provide a variety of services to low- and moderate-income individuals such as constructing affordable housing and promoting youth programs. These investments are also responsive to the identified needs in the AA supporting small business financing.

The bank continued to make investments in a SBIC, in the amount of \$130 thousand, during this evaluation period. The bank's investment in the SBIC now totals \$216 thousand. The SBIC benefits a regional area, mostly counties in southeast Arkansas.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Investment Test in Franklin, Search, Van Buren, Sharp, Stone, and Fulton Counties was weaker than the bank's overall "Low Satisfactory" performance under the Investment Test. There are fewer investment opportunities in these counties.

## **SERVICE TEST**

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

The bank's performance under the Service test is rated "**High Satisfactory.**" Based on full-scope reviews, the bank's performance in the Little Rock/North Little Rock MA is good. The bank's performance in the Pine Bluff MA and the Fort Smith MA is excellent. Based on limited-scope reviews, the bank's performance in Fulton, Searcy, Sharp, Stone, and Van Buren Counties is excellent.

The primary delivery system is the bank's branch network. SFNB shows 41 branches and 39 ATMs within its branch network. The bank offers a wide variety of loan and deposit products, most of which are available at all banking offices. Alternative delivery systems include ATMs, telephone banking, and Internet banking services. Significant weight could not be placed on the alternative delivery systems when drawing conclusions because no data was available to

judge the accessibility and effectiveness of such systems to low- and moderate-income geographies and low- and moderate-income individuals. Since the prior evaluation, five full service branches have opened. In addition to SFNB's branch network, customers have access to branches of affiliate banks in different markets throughout Arkansas. SFNB customers can conduct loan and deposit transactions at any affiliate bank. Banking hours are reasonable throughout the AAs, including low- and moderate-income tracts. Most SFNB branches show extended hours on Fridays and at least drive thru access on Saturdays.

## **Retail Banking Services**

Refer to Table 15 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### Fort Smith MA:

The distribution of the bank's branch delivery system was excellent. The bank's service delivery systems were accessible to geographies and individuals of different income levels in the MA. The Fort Smith MA does not have any low-income census tracts. The percentage of branches in moderate-income tracts exceeds the percentage of population that resided in the same tracts. No branches were opened in the Fort Smith MA, but a branch was relocated during the evaluation period.

### Little Rock/North Little Rock MA:

The distribution of the bank's branch delivery system was good. The bank's service delivery systems were accessible to geographies and individuals of different income levels in the MA. The percentage of branches in low-income tracts exceeded the percentage of population that resided in the same tracts. The percentage of branches in moderate-income tracts was somewhat lower than the percentage of population that resided in the same tracts. Five branches were opened in the Little Rock/North Little Rock MA during the evaluation period.

### Pine Bluff MA:

The distribution of the bank's branch delivery system was excellent. The bank's service delivery systems are readily accessible to geographies and individuals of different income levels in the MSA. The Pine Bluff MA does not have any low-income census tracts. The percentage of branches in moderate-income tracts exceeds the percentage of population that resided in the same tracts. No branches were opened in the Pine Bluff MA during the evaluation period.

## **Community Development Services**

SFNB provided a good level of community development services during the evaluation period. These services included providing technical assistance to nonprofit organizations that serve low- and moderate-income individuals and families. In addition, bank personnel provided assistance to other groups that promote community revitalization and development or affordable housing. The level of community development services was adequate for the Fort Smith MSA and good for the Little Rock/North Little Rock MSA and Pine Bluff MSA.

Fort Smith MSA:

In the Fort Smith MSA, SFNB provided assistance in technical, financial, educational, and affordable housing opportunities to various organizations. Bank personnel participate in the Logan County Industrial Development Corporation. This organization is a non-profit corporation that promotes economic development in Franklin and Logan Counties. SFNB has been a Mission Sponsor for the Small Business Development Center in Fort Smith. The organization provides free counseling, training, and other business opportunities for local small business owners. Also, SFNB bank personnel volunteer to assist or teach Small Business Development Center classes. SFNB bank personnel participate with the Cavanaugh Elementary School in the “Dollars & Sense” program. This program teaches children the basics of saving money. Also, SFNB provides an opportunity for the children to open savings accounts with SFNB depositing \$5.

Little Rock/North Little Rock MSA:

In the Little Rock/North Little Rock MSA, SFNB provided assistance in technical, financial, educational, and affordable housing opportunities to various organizations. SFNB donates to organizations that promote affordable housing and provide services to low- and moderate-income individuals. In 2007, SFNB received a Federal Home Loan Bank Affordable Housing grant of \$27,562 with the directed to the Faulkner County Chapter of Habitat for Humanity. SFNB personnel conduct Home Buyer Education Classes sponsored by the Black Community Developers, Inc. of Pulaski County. The Black Community Developers, Inc. of Pulaski County is a community development corporation. SFNB personnel are part of the “Teach Children to Save” program. A presentation was given during the second quarter 2007 at Crystal Hill Magnet Elementary.

Pine Bluff MSA:

In the Pine Bluff MSA, SFNB provided assistance in technical, financial, educational, and affordable housing opportunities to various organizations. In April 2008 SFNB personnel attended the Pine Bluff Community Housing Resource Board Fair Housing and Homeownership Workshop. SFNB personnel also spoke on such topics as mortgage lending requirements, application process, credit history’s, job stability, and homebuyer assistance programs. In September 2007, Association of Community Organizations for Reform Now (ACORN) presented a Low-to-Moderate Income Homebuyers seminar. SFNB personnel spoke to the attending group on the mortgage loan process and credit issue. Approximately 14 homebuyers were in attendance. SFNB personnel spoke at a Credit/Debt Management Luncheon in July 2008 at the Jefferson Regional Memorial Center. The discussion included such topics as debt management, credit card management, credit counseling, budgeting, and saving. There was a group of approximately 20 people in attendance. SFNB bank personnel serve on the Board for the Pine Bluff Entrepreneurship Collaborative. This organization was formed to breed success among entrepreneurs in the Pine Bluff – Jefferson County Area. SFNB personnel attended a Small Business Administration (SBA) Lenders Training held at the Small Business Development Center at University of Arkansas at Little Rock (UALR). The training focused on e-lending and the new Rural Initiative Program. SFNB made a \$4,800 contribution to the University of Arkansas at Pine Bluff (UAPB) Small Business Incubator.

In March 2008 SFNB was approved for \$60,000 in Homebuyer Equity Leverage Partnership (HELP) funds. HELP funds provide down payment and closing cost assistance, up to \$5,000, for low- and moderate-income first-time home buyers. SFNB personnel teach financial skill classes to incoming freshman for the University of Arkansas at Pine Bluff (UAPB). SFNB personnel have been volunteer instructors for the April 2008 "Teach Youth to Save Day" Watson Chapel Schools. This is a program offered by the Federal Reserve that teaches children the value of saving money. This year's program included 140 students.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Performance in Fulton, Franklin, Searcy, Sharp, Stone, and Van Buren Counties are not in consistent with the bank's "High Satisfactory" performance under the Service Test. The previously mentioned counties do not have any low-income census tracts. The percentage of branches in moderate-income tracts exceeds the percentage of population that resided in the same tracts.

## 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 metropolitan and nonMAs 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>	Lending Test (excludes CD Loans): (01/02/06 to 06/30/08) Investment and Service Tests and CD Loans: (10/03/05 to 09/29/08)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Simmons First National Bank (SFNB) Pine Bluff, Arkansas	Home Mortgage Loans, Small Loans to Businesses, Small Loans to Farms	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<i>None.</i>		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Fort Smith, AR MA #22900 Little Rock/North Little Rock, AR MA 30780 Pine Bluff, AR MA #38220 Fulton, Searcy, Sharp, Stone, and Van Buren Counties, AR #99999	Full-Scope Full-Scope  Full-Scope Limited Scope	

## Appendix B: Market Profiles for Full-Scope Areas

### Fort Smith MA

Demographic Information for Full Scope Area: 2008 Fort Smith MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	36	0.00	11.11	66.67	22.22	0.00
Population by Geography	186,089	0.00	7.37	74.38	18.25	0.00
Owner-Occupied Housing by Geography	49,108	0.00	5.17	76.06	18.77	0.00
Business by Geography	14,241	0.00	10.50	68.09	21.41	0.00
Farms by Geography	298	0.00	0.69	82.21	14.09	0.00
Family Distribution by Income Level	51,130	17.38	17.14	23.33	42.15	0.00
Distribution of Low and Moderate Income Families throughout MSA Geographies	17,651	0.00	10.55	78.79	10.66	0.00
Median Family Income		37,051	Median Housing Value		69,657	
HUD Adjusted Median Family Income for 2008		42,000	Unemployment Rate (2000 US Census)		2.47%	
Households Below Poverty Level		13.76%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2008 HUD updated MFI

The Fort Smith MA is located in the northwest Arkansas region. The northern portion of this region consists of the Ozark Mountains. The southern portion of this region consists of the Arkansas River Valley, an area of broad valleys and ridges that separate the Ouachita and Ozark Mountains. The MA is comprised of 36 census tracts in Sebastian County, of which 4 are moderate-income, 24 are middle-income, and 8 are upper-income. Fort Smith is the largest city in Sebastian County. The 2000 population of this geographical area is 186,089. There are 51,130 families in the Fort Smith MSA. The U.S. Census 2000 median family income for the MSA is \$37,051. The updated 2008 HUD MFI used to determine individual income classifications is \$42,000.

The economy is stable. Sebastian County has a civilian labor force of 55,600 in 2000, compared to 53,475 in 1990. The unemployment rate was 4.0% for the MA in August, 2008. Dun and Bradstreet reported in 2008 there were 14,241 businesses and 298 farms in the Fort Smith MA. Approximately 53.9% of the businesses and 95.0% of the farms reported gross annual revenues less than \$1 million. Retail trade and services comprise the majority of the industries within the Fort Smith MA. Finance, manufacturing, construction, and agriculture represent a minor percentage of the industries. The most significant employers include Fort Smith Public Schools, Gerber Foods, Rheem Air Conditioning Products, St. Edward Mercy Medical Center, Sparks Health System, Weyerhaeuser, and Whirlpool Corporation.

Competition for loan and deposit customers is very active in the MA. SFNB operates four branches in the Fort Smith MA. The larger competitors are branch facilities of mid-sized and large regional banks and credit unions. The major competitors for both loans and deposits are BancorpSouth (formerly City National Bank), First National Bank of Fort Smith, and Regions Bank. In terms of deposit market share, Simmons ranks seventh in the MSA with a 5.1% market share as of June 30, 2007. First National Bank of Fort Smith ranks first with a 17.36% market share.

**Little Rock/North Little Rock MA**

Demographic Information for Full Scope Area: 2008 LR-NLR MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	6.73	28.85	44.23	20.19	0.00
Population by Geography	447,488	3.79	24.38	45.64	26.19	0.00
Owner-Occupied Housing by Geography	111,933	2.09	18.40	47.57	31.94	0.00
Business by Geography	37,117	7.54	22.96	42.06	27.45	0.00
Farms by Geography	720	0.47	15.83	48.06	32.64	0.00
Family Distribution by Income Level	119,084	3.18	22.57	46.10	28.15	0.00
Distribution of Low and Moderate Income Families throughout MSA Geographies	45,837	6.10	35.46	44.98	13.46	0.00
Median Family Income		46,412	Median Housing Value		87,376	
HUD Adjusted Median Family Income for 2008		56,500	Unemployment Rate (2000 US Census)		2.85%	
Households Below Poverty Level		12.59%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 US Census and 2008 HUD updated MFI

The Little Rock - North Little Rock MA is located in the central Arkansas region. The MA is comprised of 104 census tracts in Faulkner, Grant, Lonoke, Perry, Pulaski and Saline Counties, of which 7 are low-income, 30 are moderate-income, 46 are middle-income, and 21 are upper-income. Little Rock is the capital of Arkansas. The 2000 population of this geographical area is 447,488. There are 119,084 families in the Little Rock - North Little Rock MSA. The U.S. Census 2000 MFI for the MSA is \$46,412. The updated 2004 HUD MFI used to determine individual income classifications is \$56,500.

The economy is stable. The civilian labor force represents approximately 302,170 in 2000. The unemployment rate for the MA was 4.0% as of August, 2008. Dun and Bradstreet reported in 2008 there were 37,117 businesses and 720 farms in the MA. Approximately 62.2% of the businesses and 94.3% of the farms reported gross annual revenues less than \$1 million. Services, retail trade, services, finance, insurance, and real estate, comprise the majority of the industries within the MA. Construction, manufacturing, and transportation represent a minor percentage of the industries. The most significant employers include Arkansas Blue Cross & Blue Shield, Alltel, Acxiom, Dillard's, Entergy, Stephens Inc., Tyson Foods, University of Arkansas Medical Center, and Wal-Mart. Higher education is also a major employer in the MA with two of the state's larger universities: the University of Arkansas at Little Rock and the University of Central Arkansas (located in Conway, AR).

Competition for loan and deposit customers is very active in the MA. SFNB operates 10 branches in the MA. The larger competitors are branch facilities of mid-sized and large regional banks and credit unions. The major competitors for both loans and deposits are Regions Bank, Metropolitan National Bank, Bank of the Ozarks, Arvest Bank, Twin City Bank and U S Bank National Association. In terms of deposit market share, SFNB ranks 15th in the MA with a 1.47% market share as of June 30, 2007. Regions Bank ranks first with an 15.01% market share.

**Pine Bluff MA**

Demographic Information for Full Scope Area: 2008 Pine Bluff MA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	0.00	35.48	45.16	19.35	0.00
Population by Geography	98,770	0.00	37.62	38.54	23.84	0.00
Owner-Occupied Housing by Geography	23,457	0.00	31.14	39.82	29.04	0.00
Business by Geography	5,957	0.00	34.98	42.91	22.11	0.00
Farms by Geography	249	0.00	44.58	42.57	12.85	0.00
Family Distribution by Income Level	24,764	0.00	34.82	39.30	25.88	0.00
Distribution of Low and Moderate Income Families throughout MSA Geographies	9,862	0.00	50.28	35.28	14.44	0.00
Median Family Income		37,881	Median Housing Value	51,801		
HUD Adjusted Median Family Income for 2004		44,100	Unemployment Rate (2000	3.41%		
Households Below Poverty Level		19.42%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 US Census and 2008 HUD updated MFI

The Pine Bluff MA is located in the southeastern Arkansas region. The geography of the region consists of the Mississippi Delta. The Arkansas, Ouachita, and White Rivers traverse this region. Crowley’s Ridge is also a prominent geological feature of the region. The cities and towns of Altheimer, Dudley, Pine Bluff, Plum Bayou, Redfield, Richland, Spring, Washington, and White Hall comprise the geographical area known as Jefferson County. The 2000 population for the area is 98,770 with 55,085 in the city of Pine Bluff.

There are 31 census tracts in the Pine Bluff MSA, of which 11 are moderate-income, 14 are middle-income, six are upper-income. There are 27,279 families in the Pine Bluff MA. The U.S. Census 2000 median family income for the AA is \$37,881. The updated 2004 HUD MFI used to determine individual income classifications is \$44,100.

The area’s economy is weak. Jefferson County has a civilian labor force of 36,150 in 2000, down 5.1% from 1990. The unemployment rate was 6.7% in August, 2008 was in the MA. Dun and Bradstreet reported in 2008 there were 5,957 businesses and 249 in Jefferson County. Approximately 56.0% of the businesses and 96.8% of the farms reported gross annual revenues less than \$1 million. Services and retail trade comprise the majority of the industry in Jefferson County. Finance, insurance, real estate construction, and agriculture represent a minor percentage of the industry in the MA. The most significant employers include Arkansas Department of Corrections, Central Moloney, Inc., Department of the Army - Pine Bluff Arsenal, Evergreen Packaging, National Center for Toxicological Research, Pine Bluff Public Schools, Regional Medical Center, Tyson Foods, Inc., Union Pacific Railroad, University of Arkansas at Pine Bluff, and Wal-Mart.

Competition for loan and deposit customers is very active in the MA. SFNB operates seven branches in Jefferson County. The larger competitors are branch facilities of mid-sized and large regional banks and credit unions. The major competitors for both loans and deposits include Bank of America, NA and Pine Bluff National Bank. In terms of deposit market share, SFNB ranks first in the AA with a 52.3% market share as of June 30, 2007.

## Appendix C: Tables of Performance Data

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### Content of Standardized 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 as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - 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 market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses 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) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 7. Geographic Distribution of Small Loans to Farms** - 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. The table also presents market share information based on the most recent aggregate market data available. Because 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 AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - 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 MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table 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 households within each geography. For borrower distribution, the table 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 of households by income level in each MA/AA.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: ARKANSAS												
Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008												
MA/AA (2008):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Fort Smith AR MSA 2008	16.81	482	39,069	389	28,065	212	4,033	0	0	1,083	71,167	18.90
Little Rock-NLR AR MSA 2008	20.43	696	94,832	548	63,008	72	6,265	0	0	1,316	164,105	16.11
Pine Bluff MSA 2008	41.70	900	67,340	1,211	77,065	575	47,912	0	0	2,686	192,317	51.07
<b>Limited Review:</b>												
Fulton-Searcy-Sharp-Stone-Vaughn Counties 2008	21.05	405	25,483	460	20,558	491	17,679	0	0	1,356	63,720	13.91

\* Loan Data as of June 30, 2008. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from October 03, 2005 to October 27, 2008.

\*\*\* Deposit Data as of June 30, 2007. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: ARKANSAS				Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008								
MA/AA (2008):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Fort Smith AR MSA 2008	13.75	85	6,935	85	6,935	0	0	0	0	0	0	0	0	18.90
Little Rock-NLR AR MSA 2008	52.10	322	54,537	322	54,537	0	0	0	0	0	0	0	0	16.11
Pine Bluff MSA 2008	14.72	91	8,850	91	8,850	0	0	0	0	0	0	0	0	51.07
<b>Limited Review:</b>														
Fulton-Searcy-Sharp-Stone-Va Counties 2008	19.42	120	5,861	120	5,861	0	0	0	0	0	0	0	0	13.91

\* Loan Data as of June 30, 2008. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 02, 2006 to June 30, 2008.

\*\*\* Deposit Data as of June 30, 2007. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ARKANSAS					Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008					Market Share (%) by Geography				
MA/AA:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total	% Owner Occ Units	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Fort Smith AR MSA 2008	263	18.00	0.00	0.00	5.17	3.04	76.06	80.99	18.77	15.97	1.88	0.00	1.25	2.06	1.21	
Little Rock-NLR AR MSA 2008	440	30.12	2.09	0.45	18.40	6.36	47.57	55.91	31.94	37.27	1.14	0.47	0.43	1.29	1.22	
Pine Bluff MSA 2008	646	44.22	0.00	0.00	31.14	10.84	39.82	39.63	29.04	49.54	17.97	0.00	14.86	18.92	18.25	
<b>Limited Review:</b>																
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	112	7.67	0.00	0.00	12.14	13.39	87.86	86.61	0.00	0.00	5.38	0.00	6.45	5.26	0.00	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: ARKANSAS				Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008					Market Share (%) by Geography				
MA/AA:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans					
<b>Full Review:</b>															
Fort Smith AR MSA 2008	86	26.38	0.00	0.00	5.17	0.00	76.06	87.21	18.77	12.79	2.51	0.00	0.00	3.28	0.41
Little Rock-NLR AR MSA 2008	58	17.79	2.09	0.00	18.40	6.90	47.57	53.45	31.94	39.66	1.68	0.00	0.00	2.05	1.98
Pine Bluff MSA 2008	107	32.82	0.00	0.00	31.14	21.50	39.82	36.45	29.04	42.06	22.47	0.00	24.32	20.97	22.78
<b>Limited Review:</b>															
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	75	23.01	0.00	0.00	12.14	17.33	87.86	82.67	0.00	0.00	14.58	0.00	16.67	14.10	0.00

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: ARKANSAS					Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008				
MA/AA:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ... Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Fort Smith AR MSA 2008	130	18.98	0.00	0.00	5.17	0.77	76.06	80.77	18.77	18.46	1.41	0.00	0.00	1.57	1.06									
Little Rock-NLR AR MSA 2008	193	28.18	2.09	0.52	18.40	7.77	47.57	56.99	31.94	34.72	0.97	0.00	0.72	1.07	0.94									
Pine Bluff MSA 2008	144	21.02	0.00	0.00	31.14	13.19	39.82	35.42	29.04	51.39	5.36	0.00	3.03	5.46	6.34									
<b>Limited Review:</b>																								
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	218	31.82	0.00	0.00	12.14	12.39	87.86	87.61	0.00	0.00	9.33	0.00	11.96	9.05	0.00									

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: ARKANSAS					Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008					Market Share (%) by Geography				
MA/AA:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Fort Smith AR MSA 2008	3	27.27	0.00	0.00	11.88	0.00	56.55	100.00	31.56	0.00	2.78	0.00	0.00	3.85	0.00	
Little Rock-NLR AR MSA 2008	5	45.45	7.48	0.00	16.97	40.00	44.94	60.00	30.61	0.00	1.75	0.00	5.26	0.00	0.00	
Pine Bluff MSA 2008	3	27.27	0.00	0.00	37.74	33.33	46.34	66.67	15.91	0.00	12.50	0.00	0.00	20.00	0.00	
<b>Limited Review:</b>																
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	0	0.00	0.00	0.00	12.24	0.00	87.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: ARKANSAS					Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008				
MA/AA:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography													
	#	% of Total <sup>**</sup>	% of Bus <sup>***</sup>	% BANK Loans	% of Bus <sup>***</sup>	% BANK Loans	% of Bus <sup>***</sup>	% BANK Loans	% of Bus <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Fort Smith AR MSA 2008	389	14.92	0.00	0.00	10.50	4.88	68.09	76.61	21.41	18.51	2.04	0.00	0.26	2.76	1.39									
Little Rock-NLR AR MSA 2008	548	21.01	7.54	7.66	22.96	21.53	42.06	35.95	27.45	34.85	1.10	1.93	1.36	0.91	1.17									
Pine Bluff MSA 2008	1,211	46.43	0.00	0.00	34.98	40.38	42.91	30.22	22.11	29.40	23.65	0.00	30.76	19.39	24.72									
<b>Limited Review:</b>																								
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	460	17.64	0.00	0.00	15.27	21.09	84.73	78.91	0.00	0.00	10.66	0.00	16.21	10.81	0.00									

<sup>\*</sup> Based on 2007 Peer Small Business Data -- US and PR

<sup>\*\*</sup> Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (2007).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS			Geography: ARKANSAS				Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008					Market Share (%) by Geography*				
MA/AA:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Fort Smith AR MSA 2008	212	15.74	0.00	0.00	3.69	0.00	82.21	97.17	14.09	2.83	28.22	0.00	0.00	31.23	7.69	
Little Rock-NLR AR MSA 2008	71	5.27	3.47	0.00	15.83	1.41	48.06	69.01	32.64	29.58	19.51	0.00	0.00	23.96	18.00	
Pine Bluff MSA 2008	573	42.54	0.00	0.00	44.58	62.48	42.57	33.86	12.85	3.66	92.24	0.00	91.43	94.68	81.82	
<b>Limited Review:</b>																
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	491	36.45	0.00	0.00	13.87	23.42	86.13	76.58	0.00	0.00	38.69	0.00	58.33	35.87	0.00	

\* Based on 2007 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2007).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: ARKANSAS					Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008					Market Share				
MA/AA:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>1**</sup>	% BANK Loans***	% Families <sup>***</sup>	% BANK Loans****	% Families**	% BANK Loans****						
<b>Full Review:</b>																
Fort Smith AR MSA 2008	263	18.00	17.38	4.21	17.14	23.37	23.33	33.72	42.15	38.70	2.45	2.90	2.24	3.55	1.82	
Little Rock-NLR AR MSA 2008	440	30.12	20.72	5.21	17.77	20.85	21.38	24.88	40.13	49.05	1.30	1.16	0.97	1.44	1.38	
Pine Bluff MSA 2008	646	44.22	23.62	9.02	16.20	25.57	20.21	31.48	39.97	33.93	20.29	27.94	25.09	21.41	16.55	
<b>Limited Review:</b>																
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	112	7.67	22.57	8.18	22.67	19.09	23.27	28.18	31.49	44.55	6.24	4.35	6.37	8.43	5.53	

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 4.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: ARKANSAS								Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008					
MA/AA:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total	% Families	% BANK Loans****	% Families <sup>2</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Fort Smith AR MSA 2008	86	26.38	17.38	5.88	17.14	14.12	23.33	35.29	42.15	44.71	2.59	1.25	3.65	4.09	1.99
Little Rock-NLR AR MSA 2008	58	17.79	20.72	10.91	17.77	20.00	21.38	18.18	40.13	50.91	1.64	3.23	1.86	2.10	1.27
Pine Bluff MSA 2008	107	32.82	23.62	17.89	16.20	20.00	20.21	27.37	39.97	34.74	21.76	58.33	26.47	23.53	14.44
<b>Limited Review:</b>															
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	75	23.01	22.57	16.44	22.67	23.29	23.27	17.81	31.49	42.47	14.84	8.33	17.78	17.02	12.82

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 5.5% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

<sup>2</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE 2008			Geography: ARKANSAS						Evaluation Period: JANUARY 2, 2006 TO JUNE 30,						
MA/AA:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>3</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Fort Smith AR MSA 2008	130	18.98	17.38	3.94	17.14	19.69	23.33	22.05	42.15	54.33	1.66	2.33	1.32	1.61	1.71
Little Rock-NLR AR MSA 2008	193	28.18	20.72	3.80	17.77	10.33	21.38	23.37	40.13	62.50	1.12	0.82	0.68	0.90	1.38
Pine Bluff MSA 2008	144	21.02	23.62	6.87	16.20	12.98	20.21	25.95	39.97	54.20	6.07	13.33	4.76	6.12	5.85
<b>Limited Review:</b>															
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	218	31.82	22.57	13.88	22.67	18.66	23.27	26.32	31.49	41.15	10.32	9.86	14.50	10.82	8.88

\* Based on 2006 Peer Mortgage Data (Western)

\*\* As a percentage of loans with borrower income information available. No information was available for 5.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

<sup>3</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ARKANSAS			Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008				
MA/AA:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Fort Smith AR MSA 2008	389	14.92	53.89	80.46	84.58	7.97	7.46	2.04	3.58
Little Rock-NLR AR MSA 2008	548	21.01	62.21	71.53	70.99	16.97	12.04	1.10	2.12
Pine Bluff MSA 2008	1,211	46.43	56.02	84.48	84.39	10.07	5.53	23.65	42.96
<b>Limited Review:</b>									
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	460	17.64	43.35	93.04	88.91	8.26	2.83	10.66	19.43

\* Based on 2007 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2007).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.87% of small loans to businesses originated and purchased by the bank.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ARKANSAS			Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008				
MA/AA:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Fort Smith AR MSA 2008	212	15.74	94.97	94.81	98.58	1.42	0.00	28.22	31.85
Little Rock-NLR AR MSA 2008	71	5.27	94.31	90.14	71.83	23.94	4.23	19.51	24.11
Pine Bluff MSA 2008	573	42.54	96.79	90.75	76.79	14.83	8.38	92.24	93.67
<b>Limited Review:</b>									
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	491	36.45	98.27	94.70	92.46	5.91	1.63	38.69	41.88

\* Based on 2007 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2007).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 1.26% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: ARKANSAS									
Evaluation Period: OCTOBER 5, 2005 TO SEPTEMBER 29, 2008									
MA/AA:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Fort Smith AR MSA 2008	0	0	9	12	9	12	2.69	0	0
Little Rock-NLR AR MSA 2008	0	0	32	56	32	56	12.56	0	0
Pine Bluff MSA 2008	0	0	33	161	33	161	36.10	0	0
<b>Limited Review:</b>									
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	0	0	1	1	1	1	0.22	0	0
<b>Statewide/Regional</b>	1	86	1	130	2	216	48.43	0	0

\* 'Prior Period Investments' means investments made in a previous 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.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Geography: ARKANSAS				Evaluation Period: JANUARY 2, 2006 TO JUNE 30, 2008			
MA/AA:	Deposit s	Branches						Branch Openings/Closings						Population							
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	Net change in Location of Branches (+ or -)				% of Population within Each Geography							
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp				
<b>Full Review:</b>																					
Fort Smith AR MSA 2008	18.90	8	19.51	0.00	12.50	50.00	37.50	0	0	0	0	0	0	0.00	7.37	74.38	18.25				
Little Rock-NLR AR MSA 2008	16.11	13	31.71	7.69	15.38	30.77	46.15	5	0	0	0	1	4	3.79	24.38	45.64	26.19				
Pine Bluff MSA 2008	51.07	11	26.83	0.00	54.55	36.36	9.09	0	0	0	0	0	0	0.00	37.62	38.54	23.84				
<b>Limited Review:</b>																					
Fulton-Searcy-Sharp-Stone-VanBuren Counties 2008	13.91	9	21.95	0.00	22.22	77.78	0.00	0	0	0	0	0	0	0.00	12.18	87.82	0.00				