

PUBLIC DISCLOSURE

March 31, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Stone Bank
RSSD #913146**

**802 East Main Street
Mountain View, Arkansas 72560**

Federal Reserve Bank of St. Louis

**P.O. Box 442
St. Louis, Missouri 63166-0442**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

I.	Institution	
	a. Institution's CRA Rating	1
	b. Scope of Examination	1
	c. Description of Institution	4
	d. Conclusions with Respect to Performance Tests	5
	e. Fair Lending or Other Illegal Credit Practices Review	7
II.	North Central Arkansas Nonmetropolitan Statistical Area (full-scope review)	
	a. Description of Institution's Operations in the North Central Assessment Area	8
	b. Conclusions with Respect to Performance Tests in the North Central Assessment Area	12
III.	Southeastern Arkansas Nonmetropolitan Statistical Area (limited-scope review)	
	a. Description of Institution's Operations in the Southeastern Assessment Area	16
	b. Conclusions with Respect to Performance Tests in the Southeastern Assessment Area	17
IV.	Little Rock-North Little Rock-Conway, Arkansas Metropolitan Statistical Area (full-scope review)	
	a. Description of Institution's Operations in the Pulaski County Assessment Area	18
	b. Conclusions with Respect to Performance Tests in the Pulaski County Assessment Area	21
V.	Pine Bluff, Arkansas Metropolitan Statistical Area (limited-scope review)	
	a. Description of Institution's Operations in the Pine Bluff Assessment Area	25
	b. Conclusions with Respect to Performance Tests in the Pine Bluff Assessment Area	26
VI.	Appendices	
	a. Scope of Examination Tables	27
	b. Maps of Assessment Areas	28
	c. Lending Performance Tables for Limited-Scope Review Assessment Areas	30
	d. Glossary	34

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated:

Satisfactory

The Community Development Test is rated:

Satisfactory

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

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- A majority of loans and other lending-related activities are in the assessment areas.
- Distribution of loans to borrowers reflects reasonable penetration among businesses of different revenue sizes.
- Geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act¹ Paycheck Protection Program (PPP). The bank's participation in the PPP was also considered in the bank's rating.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) Intermediate Small Bank Procedures. The Intermediate Small Bank Examination Procedures entail two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level.

The bank maintains operations in four delineated assessment areas within the state of Arkansas. The largest assessment area is the North Central nonmetropolitan statistical area (nonMSA)

¹ Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020.

assessment area and is composed of Boone, Cleburne, Independence, Izard, Newton, Randolph, Searcy, Sharp, Stone, Van Buren, and White counties. The Pulaski County assessment area is delineated within the larger Little Rock, Arkansas MSA and is composed solely of Pulaski County. The Pine Bluff assessment area is delineated within the larger Pine Bluff, Arkansas MSA and is composed of Jefferson and Lincoln counties. Lastly, the Southeastern nonMSA assessment area is composed of Arkansas and Desha counties.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2024.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	\$ (000s)	%	
North Central	2	33.3%	\$239,111	37.7%	Full Scope
Pulaski County	1	16.7%	\$172,062	27.1%	Full Scope
Southeastern	2	33.3%	\$122,578	19.3%	Limited Scope
Pine Bluff	1	16.7%	\$101,281	15.9%	Limited Scope
TOTAL²	6	100%	\$635,032	100%	2 – Full Scope

Considering branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the North Central nonMSA assessment area was given primary consideration, followed by the Pulaski County assessment area. The Southeastern nonMSA assessment area and Pine Bluff assessment area were evaluated using limited-scope procedures.

Furthermore, small business and residential real estate (RRE) loans as reported under the Home Mortgage Disclosure Act (HMDA) were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, only small business loans were used in the borrower distribution analysis due to the limited number of RRE loans to natural persons. Approximately 93.4 percent of RRE loans were made to non-natural persons. Therefore, a meaningful analysis of borrower distribution for this loan type was not possible. Further, as the bank has a particular emphasis in commercial lending, performance based on the small business loan category carried the most significance toward the performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

² Note: In this table and others throughout this document, percentages may not total 100% due to rounding.

Performance Criterion	Time Period
LTD Ratio	September 30, 2020 – December 31, 2024
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	September 28, 2020 – March 30, 2025
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey (ACS) data, and certain business demographics are based on 2023 Dun & Bradstreet data.

When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank’s lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$743.0 million to \$1.5 billion as of December 31, 2024.

As part of the Community Development Test, the bank’s performance was evaluated using the following criteria, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment areas:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank’s previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews were conducted with members of the local community in order to ascertain specific credit needs, opportunities, and local market conditions within the bank’s assessment areas. Information from these interviews also assisted in evaluating the bank’s responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

Stone Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Stone Bancshares, Inc., a one-bank financial holding company; the bank and its holding company are both headquartered in Mountain View, Arkansas. The bank's branch network consists of six offices (including the main office), all of which have full-service ATMs on site and drive-through accessibility. The bank opened one branch and simultaneously closed another in the Pulaski County assessment area during the review period. Additionally, a loan production office (LPO) is maintained in the North Central nonMSA assessment area, focusing on agricultural lending only. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is capable of delivering financial services to most of its assessment areas. In the North Central nonMSA assessment area, the bank's limited branching presence could lead to challenges in serving the entirety of the 11 counties comprising the assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of December 31, 2024, the bank reported total assets of \$839.6 million. As of the same date, loans and leases outstanding were \$646.0 million (76.9 percent of total assets), and deposits totaled \$659.7 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of December 31, 2024		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
Commercial Real Estate	\$209,906	32.5%
1-4 Family Residential	\$102,888	15.9%
Farmland	\$93,117	14.4%
Commercial and Industrial	\$75,898	11.7%
Farm Loans	\$57,737	8.9%
Construction and Development	\$54,071	8.4%
Multifamily Residential	\$38,866	6.0%
Total Other Loans	\$7,259	1.1%
Loans to Individuals	\$6,263	1.0%
TOTAL	\$646,005	100%

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial loans and loans secured by residential properties. The bank also originates a significant volume of agricultural loans primarily within the nonMSA assessment areas.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by the FDIC on September 28, 2020.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents an 18-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of December 31, 2024	Average LTD Ratio
Stone Bank	Mountain View, Arkansas	\$839,584	96.7%
Regional Banks	Greenbrier, Arkansas	\$743,015	92.3%
	White Hall, Arkansas	\$1,450,661	88.2%
	Ash Flat, Arkansas	\$805,145	79.7%

Based on data from the previous table, the bank's level of lending is consistently above those of other banks in the region.

During the review period, the bank's quarterly LTD ratio experienced a generally stable trend, with an 18-quarter average of 96.7 percent. In comparison, the average LTD ratios for the regional peers were lower while also maintaining a generally stable trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is more than reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

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

Lending Inside and Outside the Assessment Area January 1, 2023 through December 31, 2023								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
Small Business	70	69.3	6,982	47.3	31	30.7	7,769	52.7
HMDA	68	65.4	16,628	66.7	36	34.6	8,303	33.3
TOTAL LOANS	138	67.3	23,610	59.5	67	32.7	16,072	40.5

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown in the preceding table, 67.3 percent of the total loans were made inside the assessment areas, accounting for 59.5 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower's revenue profile is reasonable, based on the analyses of lending in the bank's two full-scope assessment areas, as displayed in the following table. As previously mentioned, HMDA lending was not included in the borrower distribution analyses.

Full-Scope Assessment Area	Loan Distribution by Borrower's Profile
North Central	Reasonable
Pulaski County	Reasonable

Limited-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Pine Bluff	Exceeds
Southeastern	Below

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration throughout the bank's assessment areas.

Full-Scope Assessment Area	Geographic Distribution of Loans
North Central	Reasonable
Pulaski County	Poor

Limited-Scope Assessment Areas	Geographic Distribution of Loans
Pine Bluff	Consistent
Southeastern	Below

While bank performance in the Pulaski County assessment area is poor, adequate performance in the North Central assessment area was given greater consideration when arriving at the overall geographic distribution conclusion.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (September 28, 2020 through March 30, 2024).

COMMUNITY DEVELOPMENT TEST

Stone Bank's performance under the Community Development Test is rated satisfactory. Considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas, the bank demonstrates adequate responsiveness to the community development needs of its assessment areas.

Full-Scope Assessment Area	Community Development Test Performance Conclusions
North Central	Adequate
Pulaski County	Adequate

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Pine Bluff	Consistent
Southeastern	Consistent

During the review period, the bank made 79 qualifying loans in its assessment areas totaling approximately \$38.9 million. Of the 79 qualifying loans, 52 were PPP loans throughout low- and moderate-income (LMI) and middle-income (distressed/underserved) census tracts in the assessment areas totaling \$1.3 million. Of the remaining 27 qualifying loans, 15 were for economic development, 9 were for revitalization/stabilization, and 3 were for affordable housing.

The bank also made community development investments and donations in its assessment areas totaling \$5.9 million. This amount included three new qualified investments totaling \$3.2 million, four continuing investments made in a prior review period totaling \$2.5 million, and 36 donations totaling \$170,492.78. Of the seven total investments, three revitalized/stabilized LMI geographies, two promoted affordable housing, and two were municipal bonds issued by a qualifying school district for community services.

During the review period, 11 bank employees used financial expertise to log approximately 687 hours of service to 9 different community development organizations within the bank's assessment areas. Service activities primarily included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board of directors (board) members.

In addition to adequately meeting the community development needs of its assessment areas, the bank had community development loans, investments, and donations outside its assessment areas but still within the broader statewide area. The bank made seven community development loans totaling \$11.2 million, as well as \$1.8 million in investments and \$12,500 in donations to organizations outside its assessment areas but within the state of Arkansas.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

NORTH CENTRAL ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NORTH CENTRAL ASSESSMENT AREA

Bank Structure

The bank operates two of its six offices (33.3 percent) in this assessment area. Of the two offices, one is located in an upper-income census tract, and one is located in a middle-income census tract designated as distressed due to poverty. Additionally, one LPO is maintained in the same distressed, middle-income census tract. Since the last examination, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is capable of delivering financial services to most of the assessment area. The bank's limited branching presence could lead to challenges in serving the entirety of the 11 counties comprising the assessment area.

General Demographics

The assessment area comprises the following counties in their entirety: Boone, Cleburne, Independence, Izard, Newton, Randolph, Searcy, Sharp, Stone, Van Buren, and White. The bank is headquartered in this assessment area located in North Central Arkansas. Based on 2020 ACS data, the assessment area population was 269,471. Of the 32 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked 10th in deposit market share, encompassing 3.1 percent of total deposit dollars.

The assessment area covers a large nonmetropolitan area, and therefore credit needs in the assessment area vary and include a mix of consumer, business, and agricultural loan products. Other particular credit needs in the assessment area, as noted primarily by a community contact, include financial literacy initiatives and affordable housing. The contact categorized available affordable housing stock as generally unlivable, with minimal new construction occurring in the last 15 years.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	0	11	49	14	1	75
	0.0%	14.7%	65.3%	18.7%	1.3%	100%
Family Population	0	8,500	47,431	15,452	275	71,658
	0.0%	11.9%	66.2%	21.6%	0.4%	100%

As shown above, 14.7 percent of census tracts in the assessment area are moderate-income geographies, but only 11.9 percent of the family population resides in these tracts. These moderate-income areas are dispersed throughout the 11-county assessment area.

Based on 2020 ACS data, the median family income for the assessment area was \$54,175. At the same time, the median family income for nonMSA Arkansas as a whole was \$53,702. More recently, the FFIEC estimates the 2023 median family income for nonMSA Arkansas to be \$63,400. The following table displays population percentages of assessment area families by income level compared to the nonMSA Arkansas family populations.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	13,064	13,707	15,409	29,478	71,658
	18.2%	19.1%	21.5%	41.1%	100%
NonMSA Arkansas	59,832	53,245	58,635	118,518	290,230
	20.6%	18.4%	20.2%	40.8%	100%

As shown in the table above, 37.3 percent of families within the assessment area were considered LMI, which is slightly lower than the LMI family percentage of 39.0 percent in nonMSA Arkansas. Further, the percentage of families living below the poverty level in the assessment area (11.2 percent) is slightly lower than the 13.5 percent level in nonMSA Arkansas. Considering these factors, the assessment area appears to be slightly more affluent than nonMSA Arkansas as a whole.

Housing Demographics

Housing demographic information is displayed in the following table for the assessment area and nonMSA Arkansas as a whole.

Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	61.3%	41.6%	35.3%	50.4%	24.7%	15.8%
NonMSA Arkansas	63.7%	31.6%	35.2%	51.7%	23.8%	15.7%
Cost burden is housing cost that equals 30 percent or more of household income.						

According to the chart above, low-income renters and LMI homeowners are similarly cost burdened in the assessment area compared to nonMSA Arkansas as a whole. However, moderate-income renters are considerably more cost burdened than nonMSA Arkansas. This data aligns with information provided by the community contact, who indicated that much of the available affordable housing in the assessment area is in need of repair. This conclusion is further supported by 2020 ACS data confirming that assessment area housing stock is older compared to nonMSA Arkansas as a whole. Therefore, quality affordable housing options are limited for LMI residents.

Industry and Employment Demographics

The assessment area supports a diverse business community, including a strong small business sector, as evidenced by Dun & Bradstreet data indicating that 90.7 percent of assessment area businesses have gross annual revenues of \$1 million or less. Furthermore, according to the Bureau of Labor Statistics (BLS), there are 85,436 employees in the assessment area (including 14,619 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are retail trade (17.0 percent), followed by manufacturing (16.2 percent) and healthcare and social assistance (16.1 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area and nonMSA Arkansas as a whole.

Unemployment Levels			
Dataset	Time Period (Annual Average)		
	2021	2022	2023
Assessment Area	4.1%	3.5%	3.6%
NonMSA Arkansas	4.5%	3.8%	3.9%

As shown in the table above, unemployment levels in the assessment area were consistently lower than those of nonMSA Arkansas. Unemployment levels were slightly higher in 2021 for both the assessment area and nonMSA Arkansas due to lingering impacts of the COVID-19 pandemic.

Community Contact Information

Information from one community contact specializing in economic development was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. The interviewee categorized the local economy overall as stagnant, with minimal large employers and many employees traveling extended distances for manufacturing jobs that pay livable wages. The contact noted that financial literacy represents a need for the region and that opportunities for banks to get involved are plentiful.

The community contact indicated there is a need for safe affordable housing. The contact stated that a large portion of the affordable housing stock is in disrepair, with minimal new construction occurring in the last 15 years. Further, the contact noted that inability to produce funds for a down payment represents a significant barrier to homeownership and that down payment assistance programs would benefit the assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NORTH CENTRAL ASSESSMENT AREA

LENDING TEST

The distribution of loans reflects reasonable penetration among businesses of different sizes. Similarly, the geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: North Central								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	14	77.8%	59.0%	\$528	69.1%	47.4%	90.7%
	Over \$1 Million/Unknown	4	22.2%	41.0%	\$236	30.9%	52.6%	9.3%
	TOTAL	18	100.0%	100.0%	\$764	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	17	94.4%	89.3%	\$611	80.0%	35.0%	
	\$100,001–\$250,000	1	5.6%	6.6%	\$153	20.0%	22.7%	
	\$250,001–\$1 Million	0	0.0%	4.2%	\$0	0.0%	42.3%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	18	100.0%	100.0%	\$764	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	13	92.9%		\$375	71.0%		
	\$100,001–\$250,000	1	7.1%		\$153	29.0%		
	\$250,001–\$1 Million	0	0.0%		\$0	0.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	14	100.0%		\$528	100.0%		

The bank's level of lending to small businesses is reasonable. The bank originated 77.8 percent of small business loans to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 90.7 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2023 aggregate lending level to small businesses was 59.0 percent.

Geographic Distribution of Loans

As noted previously, the assessment area includes no low-income and 11 moderate-income census tracts, representing 14.7 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these moderate-income census tracts, based on the small business and HMDA loan categories. Furthermore, based on reviews from both loan categories, the bank had loan activity in 26.7 percent of assessment area census tracts, and there were no conspicuous lending gaps noted in the moderate-income geographies. This information supports the conclusion that the overall geographic distribution of loans is reasonable.

The following table displays 2023 small business loan activity by geography income level compared to the location of businesses throughout the assessment area and 2023 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: North Central							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	1	5.6%	12.9%	\$31	4.1%	19.8%	15.3%
Middle	16	88.9%	60.8%	\$698	91.4%	53.3%	57.6%
Upper	1	5.6%	25.2%	\$35	4.6%	26.5%	26.7%
Unknown	0	0.0%	1.1%	\$0	0.0%	0.4%	0.4%
TOTAL	18	100.0%	100.0%	\$764	100.0%	100.0%	100.0%

The bank's percentage of loans in moderate-income census tracts (5.6 percent) is below the 2023 aggregate lending percentage in moderate-income census tracts (12.9 percent) and the percentage of businesses in moderate-income census tracts (15.3 percent), reflecting poor performance. Therefore, the bank's overall geographic distribution of small business loans is poor.

Next, the bank's geographic distribution of HMDA loans was reviewed. The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Geographic Distribution of Home Mortgage Lending Assessment Area: North Central								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	33.3%	9.3%	55	29.3%	7.8%	10.9%
	Middle	2	66.7%	64.9%	133	70.7%	64.3%	67.7%
	Upper	0	0.0%	25.5%	0	0.0%	27.6%	20.9%
	Unknown	0	0.0%	0.4%	0	0.0%	0.2%	0.4%
	TOTAL	3	100.0%	100.0%	188	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	7.0%	0	0.0%	5.7%	10.9%
	Middle	1	50.0%	70.1%	65	14.6%	71.0%	67.7%
	Upper	1	50.0%	22.8%	380	85.4%	23.3%	20.9%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.4%
	TOTAL	2	100.0%	100.0%	445	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	10.6%	0	0.0%	10.1%	10.9%
	Middle	3	100.0%	62.6%	216	100.0%	60.1%	67.7%
	Upper	0	0.0%	26.8%	0	0.0%	29.7%	20.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.4%
	TOTAL	3	100.0%	100.0%	216	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	33.3%	26.7%	998	18.7%	9.4%	25.2%
	Middle	1	33.3%	43.3%	2,744	51.3%	48.5%	46.1%
	Upper	1	33.3%	30.0%	1,605	30.0%	42.1%	28.7%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	3	100.0%	100.0%	5,347	100.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	18.2%	8.8%	1,053	17.0%	7.4%	10.9%
	Middle	7	63.6%	65.6%	3,158	51.0%	65.1%	67.7%
	Upper	2	18.2%	25.3%	1,985	32.0%	27.3%	20.9%
	Unknown	0	0.0%	0.3%	0	0.0%	0.2%	0.4%
	TOTAL	11	100.0%	100.0%	6,196	100.0%	100.0%	100.0%

The bank's total penetration in moderate-income census tracts by number of loans (18.2 percent) is above the percentage of owner-occupied housing units in moderate-income geographies (10.9 percent) and aggregate performance (8.8 percent). Therefore, the bank's geographic distribution of HMDA loans is excellent.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the North Central assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 51 community development loans totaling \$2.3 million in this assessment area. Of the 51 qualifying loans, 42 were PPP loans totaling \$616,000. The remaining 9 loans totaled \$1.7 million and promoted economic development throughout the assessment area.

While the bank did not make any new investments in this assessment area during the review period, two prior-period investments qualified with remaining book values totaling \$690,000. In addition, the bank made 17 donations totaling \$117,262.78. Finally, five employees provided 479 hours of service to four community development organizations in this assessment area. Bank employees were primarily members of advisory boards for entities providing community services in the assessment area.

SOUTHEASTERN ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTHEASTERN ASSESSMENT AREA

This assessment area includes the entirety of Arkansas and Desha counties. The bank operates two offices in this assessment area, which are both located in Arkansas County. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	1,761	1,189	1,708	3,317	7,975
	22.1%	14.9%	21.4%	41.6%	100%
Household Population	3,402	1,915	1,685	5,473	12,475
	27.3%	15.4%	13.5%	43.9%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	4	5	4	0	13
	0.0%	30.8%	38.5%	30.8%	0.0%	100%
Family Population	0	1,723	3,497	2,755	0	7,975
	0.0%	21.6%	43.8%	34.5%	0.0%	100%
Household Population	0	3,053	5,380	4,042	0	12,475
	0.0%	24.5%	43.1%	32.4%	0.0%	100%
Business Institutions	0	236	462	430	0	1,128
	0.0%	20.9%	41.0%	38.1%	0.0%	100%

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

LENDING TEST

The bank's Lending Test performance in this assessment area is below the bank's Lending Test performance in the assessment areas that were reviewed using full-scope procedures, as shown in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix C*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is consistent with the bank's Community Development Test performance in the assessment areas that were reviewed using full-scope procedures.

During the review period, the bank made five community development loans totaling \$2.4 million. Of the five qualifying loans, three were PPP loans totaling \$110,000. Of the remaining two loans, one promoted economic development and one helped to revitalize/stabilize a moderate-income census tract. Additionally, the bank also made six donations totaling \$5,685, and one employee provided 24 hours of service to one community development organization in the assessment area.

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

(Full-Scope Review)

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

Bank Structure

The bank operates one of its six offices (16.7 percent) in this assessment area, which is located in a middle-income census tract. This location was opened in December 2024, when the bank simultaneously closed another location in Pulaski County. Both locations are in middle-income census tracts and are less than two miles from each other. Based on its branch network and other service delivery systems, the bank is capable of delivering financial services to the entirety of the assessment area.

General Demographics

The assessment area comprises Pulaski County in its entirety, which is located in the Little Rock, Arkansas MSA in central Arkansas. Based on 2020 ACS data, the assessment area population was 399,125. Banking competition in the assessment area is high, with the top three banks holding 61.0 percent of total deposit dollars. Of the 31 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked 17th in deposit market share, encompassing 0.6 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Other particular credit needs in the assessment area, as noted primarily by a community contact, include safe affordable housing. Further, the contact indicated small dollar loans for startups represent a significant credit need, as many small businesses lack the upfront capital necessary to sustain solvency.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	14	29	35	27	2	107
	13.1%	27.1%	32.7%	25.2%	1.9%	100%
Family Population	8,556	24,359	31,998	30,282	0	95,195
	9.0%	25.6%	33.6%	31.8%	0.0%	100%

As shown in the preceding table, 40.2 percent of census tracts in the assessment area are LMI geographies, but only 34.6 percent of the family population resides in these tracts. These LMI areas are dispersed throughout Pulaski County.

Based on 2020 ACS data, the median family income for the assessment area was \$70,007. At the same time, the median family income for the Little Rock MSA as a whole and the state of Arkansas was \$72,289 and \$62,067, respectively. More recently, the FFIEC estimates the 2023 median family income for the Little Rock MSA and state of Arkansas to be \$83,100 and \$63,400, respectively. The following table displays population percentages of assessment area families by income level compared to the Little Rock MSA and the state of Arkansas family populations.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	24,015	14,986	17,651	38,543	95,195
	25.2%	15.7%	18.5%	40.5%	100%
Little Rock MSA	41,951	30,291	35,831	75,720	183,793
	22.8%	16.5%	19.5%	41.2%	100%
Arkansas	165,087	136,380	155,142	313,502	770,111
	21.4%	17.7%	20.2%	40.7%	100%

As shown in the table above, 40.9 percent of families within the assessment area were considered LMI, which is slightly above the LMI family percentages of 39.3 percent in the Little Rock MSA and 39.1 percent in the state of Arkansas. Similarly, the percentage of families living below the poverty level in the assessment area (12.0 percent) is slightly above the poverty levels in the Little Rock MSA (10.2 percent) and the state of Arkansas (11.8 percent). Considering these factors, the assessment area appears to be slightly less affluent than the Little Rock MSA and the state of Arkansas as a whole.

Housing Demographics

Housing demographic information is displayed in the following table for the assessment area, the Little Rock MSA as a whole, and the state of Arkansas.

Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	76.6%	41.7%	42.7%	60.1%	31.0%	17.9%
Little Rock MSA	75.6%	39.4%	41.3%	56.8%	29.2%	16.5%
Arkansas	69.8%	35.3%	37.3%	53.0%	25.2%	15.3%
<i>Cost Burden is housing cost that equals 30 percent or more of household income.</i>						

According to the table above, while comparable to the Little Rock MSA, more LMI renters are cost burdened in the assessment area than LMI renters in the state as a whole, which suggests that

LMI renters in the assessment area might struggle to save for a down payment and, ultimately, purchase a home. This is further supported by the assessment area having a higher median rental rate (\$875 per month) than the state as a whole (\$760 per month).

Similarly, the table shows that LMI homeowners in the assessment area are more cost burdened than LMI homeowners throughout the state. This could be explained by the fact that the assessment area has a higher median housing value (\$160,983) than the overall state's median housing value (\$133,600).

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector, as evidenced by Dun & Bradstreet data indicating that 90.4 percent of assessment area businesses have gross annual revenues of \$1 million or less. Furthermore, according to the BLS, there are 257,633 employees in the assessment area (including 51,500 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are healthcare and social assistance (19.1 percent), followed by retail trade (11.7 percent) and accommodation and food services (9.7 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area, the Little Rock MSA, and the state of Arkansas.

Unemployment Levels			
Dataset	Time Period (Annual Average)		
	2021	2022	2023
Assessment Area	4.9%	3.4%	3.2%
Little Rock MSA	4.2%	3.1%	3.0%
Arkansas	4.0%	3.2%	3.3%

As shown in the table above, unemployment levels in the assessment area were consistently higher than the Little Rock MSA and state levels during much of the review period.

Community Contact Information

Information from one community contact specializing in affordable housing was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. The interviewee categorized the local economy as fair overall, with some portions of Pulaski County exhibiting stronger/weaker performance than others.

The community contact indicated there is a need for affordable housing. The contact stated there is not enough affordable housing supply to meet the demand. Further, the contact stated that many pockets of available affordable housing are aging or otherwise in need of repair. The contact also indicated small dollar loans for startups represent a significant credit need, as many small businesses lack the upfront capital necessary to sustain solvency.

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

LENDING TEST

The distribution of loans reflects reasonable penetration among businesses of different sizes. However, the geographic distribution of loans reflects poor penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Pulaski County								
Business Revenue and Loan Size		2023						
		Count			Dollars		Total Businesses	
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	10	62.5%	49.9%	\$786	31.6%	34.8%	90.4%
	Over \$1 Million/Unknown	6	37.5%	50.1%	\$1,705	68.4%	65.2%	9.6%
	TOTAL	16	100.0%	100.0%	\$2,491	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	12	75.0%	90.8%	\$448	18.0%	31.9%	
	\$100,001–\$250,000	1	6.3%	4.8%	\$150	6.0%	17.5%	
	\$250,001–\$1 Million	3	18.8%	4.4%	\$1,893	76.0%	50.6%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	16	100.0%	100.0%	\$2,491	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	9	90.0%		\$286	36.4%		
	\$100,001–\$250,000	0	0.0%		\$0	0.0%		
	\$250,001–\$1 Million	1	10.0%		\$500	63.6%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	10	100.0%		\$786	100.0%		

The bank's level of lending to small businesses is reasonable. The bank originated 62.5 percent of small business loans to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 90.4 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2023 aggregate lending level to small businesses was 49.9 percent.

Geographic Distribution of Loans

As noted previously, the assessment area includes 14 low-income and 29 moderate-income census tracts, representing 40.2 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects poor penetration throughout these LMI census tracts, based on the small business and HMDA loan categories. Furthermore, based on reviews from both loan categories, the bank had loan activity in 34.6 percent of assessment area census tracts but only 23.3 percent of LMI census tracts. This information supports the conclusion that the overall geographic distribution of loans is poor.

The following table displays 2023 small business loan activity by geography income level compared to the location of businesses throughout the assessment area and 2023 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Pulaski County							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	%
Low	0	0.0%	7.6%	\$0	0.0%	8.3%	8.6%
Moderate	1	6.3%	22.3%	\$8	0.3%	23.6%	24.0%
Middle	7	43.8%	29.9%	\$299	12.0%	25.8%	29.6%
Upper	8	50.0%	39.5%	\$2,183	87.7%	42.1%	37.4%
Unknown	0	0.0%	0.7%	\$0	0.0%	0.1%	0.4%
TOTAL	16	100.0%	100.0%	\$2,490	100.0%	100.0%	100.0%

The bank did not originate any small business loans in low-income census tracts in this assessment area, which is below the 2023 aggregate lending percentage in low-income census tracts (7.6 percent) and the percentage of businesses in low-income census tracts (8.6 percent) and deemed poor. Further, the bank's percentage of loans in moderate-income census tracts (6.3 percent) is also below the 2023 aggregate lending percentage in moderate-income census tracts (22.3 percent) and the percentage of businesses in moderate-income census tracts (24.0 percent) and deemed poor. As previously noted, banking competition in this assessment areas is high, and the bank holds only a small portion of the deposit market share. Nevertheless, the bank's geographic distribution of small business loans in LMI geographies is considered poor.

Next, the bank's geographic distribution of HMDA loans was reviewed. The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Geographic Distribution of Home Mortgage Lending Assessment Area: Pulaski County								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	2	8.0%	8.1%	231	5.2%	4.3%	6.1%
	Moderate	3	12.0%	20.0%	289	6.6%	13.4%	21.8%
	Middle	13	52.0%	36.3%	2,083	47.2%	33.7%	35.2%
	Upper	7	28.0%	35.6%	1,807	41.0%	48.6%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	25	100.0%	100.0%	4,410	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	6.3%	0	0.0%	3.4%	6.1%
	Moderate	1	16.7%	19.8%	88	8.2%	14.6%	21.8%
	Middle	4	66.7%	39.4%	555	51.9%	35.6%	35.2%
	Upper	1	16.7%	34.6%	427	39.9%	46.4%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	6	100.0%	100.0%	1,070	100.0%	100.0%	100.0%
Home Improvement	Low	1	50.0%	7.2%	40	26.1%	4.6%	6.1%
	Moderate	1	50.0%	21.7%	113	73.9%	16.2%	21.8%
	Middle	0	0.0%	30.7%	0	0.0%	23.1%	35.2%
	Upper	0	0.0%	40.3%	0	0.0%	56.1%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	2	100.0%	100.0%	153	100.0%	100.0%	100.0%
Multifamily	Low	1	25.0%	21.1%	114	3.5%	8.3%	11.6%
	Moderate	2	50.0%	22.4%	1,999	60.8%	25.1%	26.7%
	Middle	1	25.0%	26.3%	1,173	35.7%	34.7%	31.7%
	Upper	0	0.0%	30.3%	0	0.0%	32.0%	30.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	4	100.0%	100.0%	3,286	100.0%	100.0%	100.0%
HMDA TOTALS	Low	4	10.8%	7.7%	385	4.3%	4.5%	6.1%
	Moderate	7	18.9%	20.0%	2,489	27.9%	14.5%	21.8%
	Middle	18	48.6%	36.0%	3,811	42.7%	33.5%	35.2%
	Upper	8	21.6%	36.4%	2,234	25.0%	47.6%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	37	100.0%	100.0%	8,919	100.0%	100.0%	100.0%

The bank's total penetration in low-income census tracts by number of loans (10.8 percent) is above the percentage of owner-occupied housing units in low-income geographies (6.1 percent) and aggregate performance (7.7 percent), reflecting reasonable performance. Further, the bank's total penetration in moderate-income census tracts by number of loans (18.9 percent) approaches the percentage of owner-occupied housing units in moderate-income geographies (21.8 percent) and aggregate performance (20.0 percent), also reflecting reasonable performance. Therefore, the bank's geographic distribution of HMDA loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Pulaski County assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 11 community development loans totaling \$17.2 million in this assessment area. Of the 11 qualifying loans, 5 were PPP loans totaling \$524,000. Of the remaining 6 loans, 3 promoted economic development and 3 helped to revitalize/stabilize LMI census tracts or designated disaster areas.

The bank also made community development investments and donations in the assessment area totaling \$5.1 million. This amount includes three new qualified investments totaling \$3.2 million, two continuing investments made in a prior review period totaling \$1.8 million, and five donations totaling \$21,200. Of the five total qualified investments, two promoted affordable housing and three helped revitalize/stabilize LMI geographies.

Finally, five employees provided 146 hours of service to four community development organizations in this assessment area. Service hours primarily consisted of teaching financial literacy to LMI individuals and serving on an advisory board for a nonprofit hospital that provides critical medical services to the entire assessment area, including LMI individuals and families.

PINE BLUFF, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE PINE BLUFF ASSESSMENT AREA

This assessment area includes the entirety of Jefferson and Lincoln counties, two of three counties that comprise the Pine Bluff MSA. The bank operates one office in this assessment area, which is located in Jefferson County. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	4,409	3,355	3,659	7,710	19,133
	23.0%	17.5%	19.1%	40.3%	100%
Household Population	8,063	4,457	5,046	12,662	30,228
	26.7%	14.7%	16.7%	41.9%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	1	7	12	6	2	28
	3.6%	25.0%	42.9%	21.4%	7.1%	100%
Family Population	556	3,171	8,078	6,345	983	19,133
	2.9%	16.6%	42.2%	33.2%	5.1%	100%
Household Population	764	6,175	12,548	9,392	1,349	30,228
	2.5%	20.4%	41.5%	31.1%	4.5%	100%
Business Institutions	47	583	964	764	80	2,438
	1.9%	23.9%	39.5%	31.3%	3.3%	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PINE BLUFF ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area exceeds the bank's Lending Test performance in the assessment areas that were reviewed using full-scope procedures, as shown in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix C*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is consistent with the bank's Community Development Test performance in the assessment areas that were reviewed using full-scope procedures.

During the review period, the bank made 12 community development loans totaling \$17.0 million. Of the 12 qualifying loans, 2 were PPP loans totaling \$53,000. Of the remaining 10 loans, 5 helped to revitalize/stabilize LMI geographies, 3 supported affordable housing, and 2 promoted economic development. Additionally, the bank also made eight donations totaling \$26,345, and two employees provided 38 hours of service to two community development organizations in the assessment area.

APPENDIX A – SCOPE OF EXAMINATION TABLES

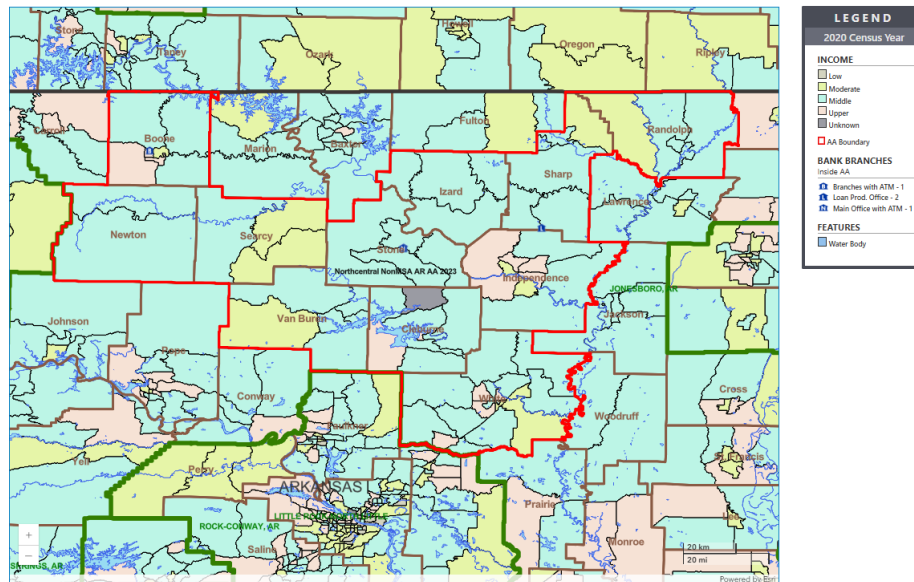
Scope of Examination		
TIME PERIOD REVIEWED	January 1, 2023 – December 31, 2023, for HMDA and small business lending September 28, 2020 – March 30, 2025, for community development loans, investment, and service activities	
FINANCIAL INSTITUTION Stone Bank Mountain View, Arkansas	PRODUCTS REVIEWED Small Business HMDA	
AFFILIATE(S) N/A	AFFILIATE RELATIONSHIP N/A	PRODUCTS REVIEWED N/A

Assessment Area – Examination Scope Details				
Assessment Area	# of Offices	Deposits \$ (000s) (as of June 30, 2024)	Branches Visited	CRA Review Procedures
North Central	2	\$239,111	0	Full Scope
Southeastern	2	\$122,578	0	Limited Scope
Pulaski County	1	\$172,062	1	Full Scope
Pine Bluff	1	\$101,281	0	Limited Scope
OVERALL	6	\$635,032	1	2 – Full Scope

APPENDIX B – MAPS OF ASSESSMENT AREAS

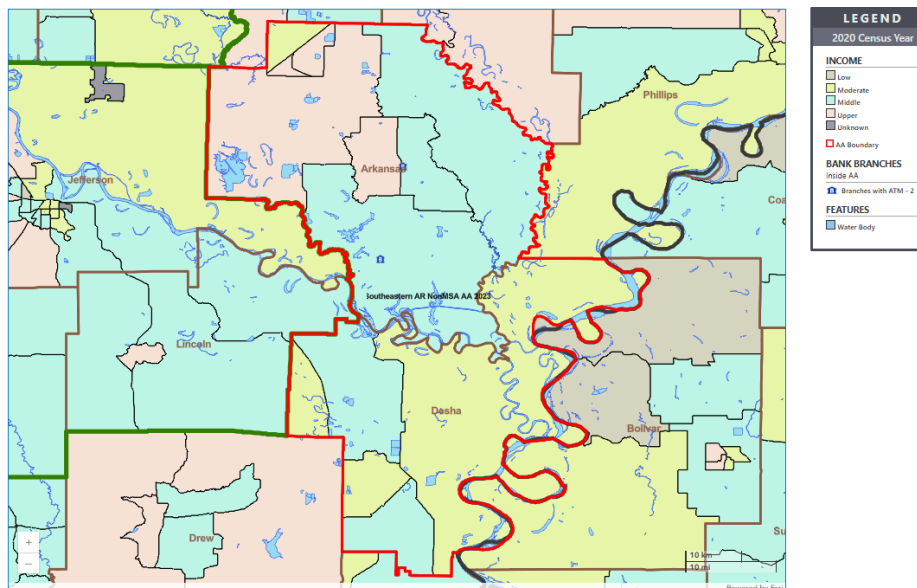
North Central Assessment Area

Stone Bank, Mountain View, AR, 2025
Northcentral NonMSA AR AA 2023 - PE Map



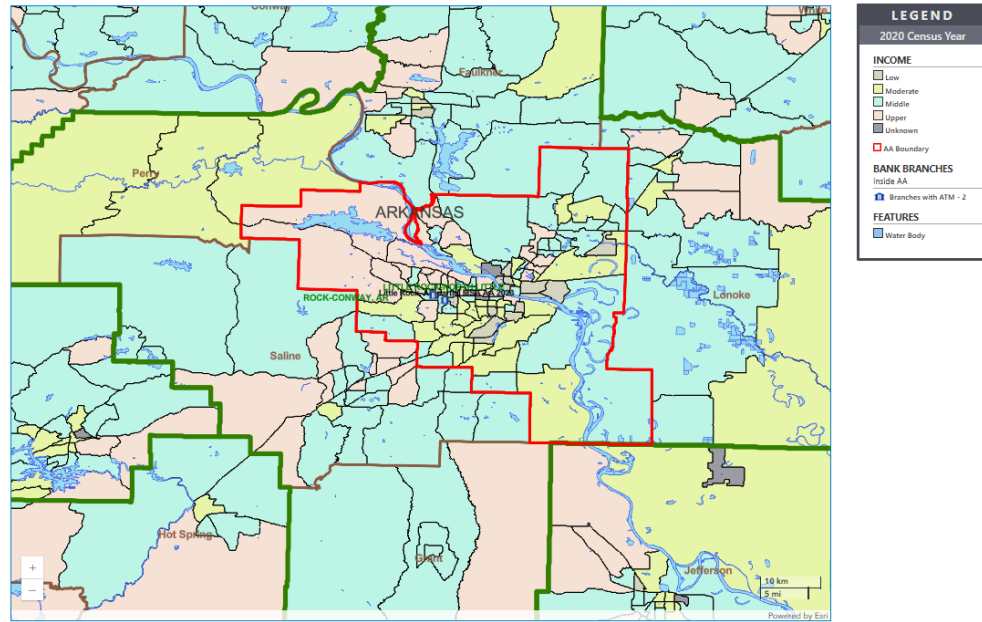
Southeastern Assessment Area

Stone Bank, Mountain View, AR, 2025
Southeastern NonMSA AR AA 2023 - PE Map



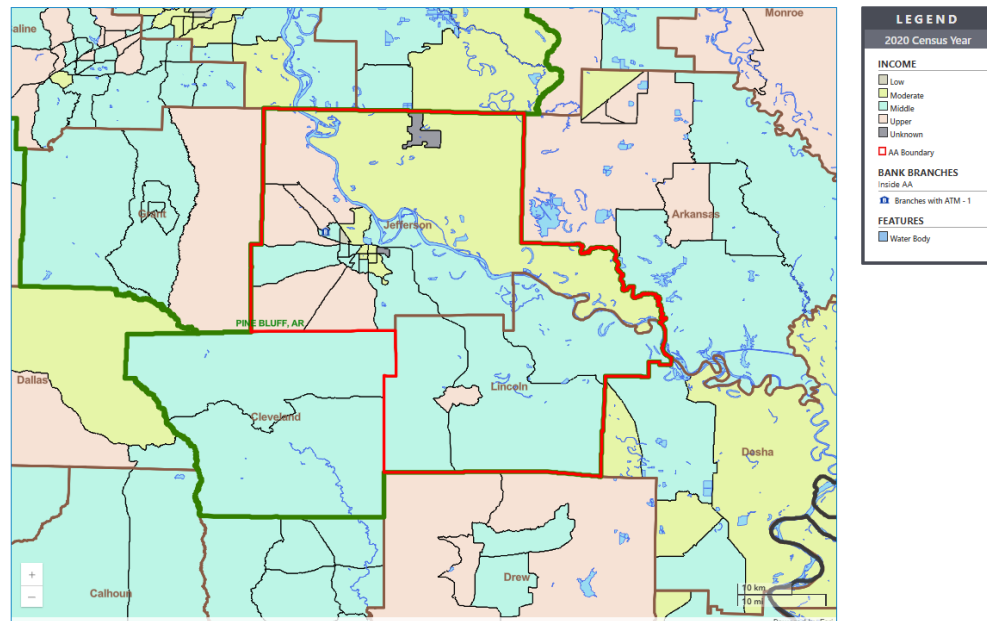
Pulaski County Assessment Area

Stone Bank, Mountain View, AR, 2025
Little Rock, AR partial MSA AA 2023 - PE Map



Pine Bluff Assessment Area

Stone Bank, Mountain View, AR, 2025
Pine Bluff, AR partial MSA AA 2023 - PE Map



**APPENDIX C – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE
REVIEW ASSESSMENT AREAS**

Southeastern Assessment Area

Small Business Loans by Revenue and Loan Size Assessment Area: Southeastern								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	1	10.0%	64.7%	\$45	9.6%	51.7%	88.5%
	Over \$1 Million/ Unknown	9	90.0%	35.3%	\$422	90.4%	48.3%	11.5%
	TOTAL	10	100.0%	100.0%	\$467	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	10	100.0%	90.4%	\$467	100.0%	40.1%	
	\$100,001– \$250,000	0	0.0%	5.8%	\$0	0.0%	19.5%	
	\$250,001– \$1 Million	0	0.0%	3.8%	\$0	0.0%	40.4%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	10	100.0%	100.0%	\$467	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	1	100.0%		\$45	100.0%		
	\$100,001– \$250,000	0	0.0%		\$0	0.0%		
	\$250,001– \$1 Million	0	0.0%		\$0	0.0%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	1	100.0%		\$45	100.0%		

Geographic Distribution of Small Business Loans Assessment Area: Southeastern							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	14.5%	\$0	0.0%	14.8%	20.9%
Middle	10	100.0%	43.8%	\$467	100.0%	42.1%	41.0%
Upper	0	0.0%	41.4%	\$0	0.0%	43.0%	38.1%
Unknown	0	0.0%	0.3%	\$0	0.0%	0.1%	0.0%
TOTAL	10	100.0%	100.0%	\$467	100.0%	100.0%	100.0%

Geographic Distribution of Home Mortgage Lending Assessment Area: Southeastern								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner- Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	11.9%	0	0.0%	11.6%	21.8%
	Middle	0	0.0%	34.4%	0	0.0%	30.3%	44.7%
	Upper	0	0.0%	53.6%	0	0.0%	58.2%	33.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	7.7%	0	0.0%	9.4%	21.8%
	Middle	0	0.0%	41.0%	0	0.0%	39.3%	44.7%
	Upper	0	0.0%	51.3%	0	0.0%	51.3%	33.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	12.5%	0	0.0%	7.5%	21.8%
	Middle	1	100.0%	41.7%	54	100.0%	36.1%	44.7%
	Upper	0	0.0%	45.8%	0	0.0%	56.4%	33.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	1	100.0%	100.0%	54	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	16.7%	0	0.0%	79.4%	32.1%
	Middle	0	0.0%	50.0%	0	0.0%	12.3%	38.3%
	Upper	0	0.0%	33.3%	0	0.0%	8.3%	29.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	11.5%	0	0.0%	15.7%	21.8%
	Middle	1	100.0%	35.9%	54	100.0%	31.4%	44.7%
	Upper	0	0.0%	52.6%	0	0.0%	52.8%	33.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	1	100.0%	100.0%	54	100.0%	100.0%	100.0%

Pine Bluff Assessment Area

Small Business Loans by Revenue and Loan Size Assessment Area: Pine Bluff								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	21	80.8%	55.5%	\$2,055	63.0%	35.5%	91.2%
	Over \$1 Million/ Unknown	5	19.2%	44.5%	\$1,206	37.0%	64.5%	8.8%
	TOTAL	26	100.0%	100.0%	\$3,261	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	16	61.5%	94.7%	\$474	14.5%	46.5%	
	\$100,001– \$250,000	7	26.9%	3.2%	\$995	30.5%	18.8%	
	\$250,001– \$1 Million	3	11.5%	2.1%	\$1,792	55.0%	34.7%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	26	100.0%	100.0%	\$3,261	100.0%	100.0%	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	15	71.4%		\$448	21.8%		
	\$100,001– \$250,000	5	23.8%		\$665	32.4%		
	\$250,001– \$1 Million	1	4.8%		\$942	45.8%		
	Over \$1 Million	0	0.0%		\$0	0.0%		
	TOTAL	21	100.0%		\$2,055	100.0%		

Geographic Distribution of Small Business Loans Assessment Area: Pine Bluff							
Tract Income Levels	2023						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0%	2.3%	\$0	0.0%	0.6%	1.9%
Moderate	3	11.5%	16.3%	\$994	30.5%	12.7%	23.9%
Middle	12	46.2%	42.6%	\$1,727	53.0%	49.1%	39.5%
Upper	11	42.3%	34.9%	\$539	16.5%	35.5%	31.3%
Unknown	0	0.0%	3.8%	\$0	0.0%	2.1%	3.3%
TOTAL	26	100.0%	100.0%	\$3,260	100.0%	100.0%	100.0%

Geographic Distribution of Home Mortgage Lending Assessment Area: Pine Bluff								
Product Type	Tract Income Levels	2023						
		Count			Dollars			Owner- Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	0	0.0%	0.6%	0	0.0%	0.3%	1.0%
	Moderate	1	9.1%	7.7%	28	2.6%	5.6%	14.9%
	Middle	5	45.5%	43.2%	264	24.5%	39.8%	40.7%
	Upper	4	36.4%	44.4%	762	70.6%	52.0%	39.0%
	Unknown	1	9.1%	4.1%	25	2.3%	2.2%	4.5%
	TOTAL	11	100.0%	100.0%	1,079	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	1.0%
	Moderate	0	0.0%	7.1%	0	0.0%	3.1%	14.9%
	Middle	0	0.0%	42.6%	0	0.0%	38.8%	40.7%
	Upper	0	0.0%	49.2%	0	0.0%	57.4%	39.0%
	Unknown	0	0.0%	1.1%	0	0.0%	0.7%	4.5%
	TOTAL	0	0.0%	100.0%	0	0.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	1.4%	0	0.0%	0.8%	1.0%
	Moderate	3	42.9%	17.1%	78	37.1%	16.3%	14.9%
	Middle	2	28.6%	50.0%	46	21.9%	47.3%	40.7%
	Upper	1	14.3%	24.3%	41	19.5%	29.7%	39.0%
	Unknown	1	14.3%	7.1%	45	21.4%	5.8%	4.5%
	TOTAL	7	100.0%	100.0%	210	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	2.7%
	Moderate	0	0.0%	50.0%	0	0.0%	28.6%	35.7%
	Middle	0	0.0%	25.0%	0	0.0%	46.8%	47.4%
	Upper	1	100.0%	25.0%	170	100.0%	24.6%	11.8%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	2.4%
	TOTAL	1	100.0%	100.0%	170	100.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.5%	0	0.0%	0.2%	1.0%
	Moderate	4	21.1%	9.1%	106	7.3%	8.3%	14.9%
	Middle	7	36.8%	42.9%	310	21.2%	40.5%	40.7%
	Upper	6	31.6%	43.7%	973	66.7%	49.1%	39.0%
	Unknown	2	10.5%	3.8%	70	4.8%	1.9%	4.5%
	TOTAL	19	100.0%	100.0%	1,459	100.0%	100.0%	100.0%

APPENDIX D – GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

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

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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