

PUBLIC DISCLOSURE

October 15, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Armor Bank
RSSD #168571**

**715 North Washington Street
Forrest City, Arkansas 72335**

Federal Reserve Bank of St. Louis

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

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

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

The Lending Test is rated:

Satisfactory

The Community Development Test is rated:

Satisfactory

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

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas (AAs).
- A majority of loans and other lending-related activities are in the AAs.
- Geographic distribution of loans reflects an excellent dispersion throughout the AAs.
- Distribution of loans to borrowers reflects reasonable penetration among businesses of different revenue sizes.
- 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 AAs, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's 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 five delineated AAs within the state of Arkansas. The primary AA is the Jonesboro MSA AA and is composed of Craighead and Poinsett counties. The Eastern Arkansas AA is located within a nonmetropolitan portion of eastern Arkansas, composed of Lee and St. Francis counties. The Pulaski County AA is delineated within the larger Little Rock, Arkansas MSA and is composed of Pulaski County. The Hot Springs MSA AA is composed of Garland County. Lastly, the Benton County AA is delineated within the larger Fayetteville, Arkansas MSA and is composed of Benton County. This AA was delineated in 2024 as a result of the most recent branch opening; however, this evaluation is based on a review of 2022 lending.

Since the Benton County AA was delineated after the period that was reviewed, the AA was not included in this evaluation.

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

Assessment Area	Offices		Deposits		Review Procedures
	#	%	\$ (000s)	%	
Jonesboro MSA	4	36.4	127,710	32.4	Full Scope
Eastern Arkansas	3	27.3	175,853	44.7	Full Scope
Pulaski County	2	18.2	66,953	17.0	Full Scope
Hot Springs MSA	1	9.1	15,204	3.8	Limited Scope
Benton County	1	9.1	7,926	2.0	Not Reviewed
TOTAL¹	11	100.0	393,646	100.0	3 – Full Scope

Considering branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Jonesboro MSA AA was given primary consideration, followed by the Eastern Arkansas AA and Pulaski County AA. The Hot Springs MSA AA was a limited-scope review, and the Benton County AA was not reviewed, as previously explained.

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.² Approximately 95.0 percent of RRE loans were made to non-natural persons. Therefore, a meaningful analysis of borrower distribution for this loan type was not possible. The following table details the performance criterion and the corresponding time periods used in each analysis.

¹ Note: In this table and others throughout this document, percentages may not total 100 percent due to rounding.

² Pursuant to Regulation C, which implements HMDA, borrower income is not collected if the loan primarily is for a business or commercial purpose. Many of the bank's HMDA loans were for a business or commercial purpose, not to a natural person.

Performance Criterion	Time Period
LTD Ratio	March 31, 2020 – June 30, 2024
Assessment Area Concentration	January 1, 2022 – December 31, 2022
Geographic Distribution of Loans	
Loan Distribution by Borrower's Profile	
Response to Written CRA Complaints	March 16, 2020 – October 14, 2024
Community Development Activities	March 16, 2020 – October 14, 2024

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey (ACS) data, and certain business demographics are based on 2022 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 AA. 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 \$481.8 million to \$545.6 million, as of June 30, 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 AAs:

- 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, three community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's AAs. 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 AA in which they were conducted.

DESCRIPTION OF INSTITUTION

Armor Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Forrest City Financial Corporation, which is wholly owned by Big Creek Bancshares, Inc. The bank is headquartered in Forrest City, Arkansas, and its two holding companies are headquartered in the nearby town of Marianna, Arkansas. The bank's branch network consists of 11 offices (including the main office), 7 of which have full-service ATMs on site. Ten of the branches have drive-up accessibility. The bank opened three branch offices and acquired one other branch office during this review period. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of its AAs.

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 AAs based on its available resources and financial products. As of June 30, 2024, the bank reported total assets of \$450.6 million. As of the same date, loans and leases outstanding were \$347.8 million (77.2 percent of total assets), and deposits totaled \$393.6 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2024		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
Commercial Real Estate	116,079	33.4
1-4 Family Residential	93,500	26.9
Commercial and Industrial	36,665	10.5
Multifamily Residential	32,873	9.5
Construction and Development	25,988	7.5
Farm Loans	20,468	5.9
Farmland	18,182	5.2
Loans to Individuals	3,833	1.1
Total Other Loans	173	0.0
TOTAL	347,761	100.0

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans, loans secured by 1-4 family residential properties, and commercial and industrial loans.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by the FDIC on March 16, 2020.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

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

Loan-to-Deposit (LTD) Ratio

One indication of 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 June 30, 2024	Average LTD Ratio (%)
Armor Bank	Forrest City, Arkansas	450,573	77.8
Regional Banks	Little Rock, Arkansas	481,781	46.7
	Forrest City, Arkansas	545,599	55.2
	Mineral Point, Missouri	495,636	88.7

Based on data from the previous table, the bank's level of lending is above some other banks in the region. During the review period, the bank's quarterly LTD ratio experienced a generally increasing trend, with an 18-quarter average of 77.8 percent. In comparison, the average LTD ratios for two of the regional peers were lower. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its AAs.

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 AAs.

Lending Inside and Outside the Assessment Areas January 1, 2022 through December 31, 2022								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
Small Business	71	86.6	15,586	82.7	11	13.4	3,267	17.3
HMDA	61	91.0	13,857	95.7	6	9.0	623	4.3
TOTAL LOANS	132	88.6	29,442	88.3	17	11.4	3,860	11.7

A majority of loans and other lending-related activities were made in the bank's AAs. As shown above, 88.6 percent of the total loans were made inside the AAs, accounting for 88.3 percent of the dollar volume of total loans.

Geographic and Borrower Distribution

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

Full-Scope Assessment Areas	Geographic Distribution of Loans
Jonesboro MSA	Reasonable
Eastern Arkansas	Excellent
Pulaski County	Excellent
OVERALL	EXCELLENT

Limited-Scope Assessment Areas	Geographic Distribution of Loans
Hot Springs MSA	Below

While bank performance in the bank's primary Jonesboro MSA AA is reasonable, excellent performance in the other two full-scope AAs was considered when arriving at the overall performance conclusion.

Overall, performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the bank's three full-scope AAs, as displayed in the following table.

Full-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Jonesboro MSA	Reasonable
Eastern Arkansas	Reasonable
Pulaski County	Reasonable
OVERALL	REASONABLE

Limited-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Hot Springs MSA	Exceeds

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period.

COMMUNITY DEVELOPMENT TEST

The 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 AAs, the bank demonstrates adequate responsiveness to the community development needs of its AAs.

Full-Scope Assessment Areas	Community Development Test Performance Conclusions
Jonesboro MSA	Adequate
Eastern Arkansas	Poor
Pulaski County	Adequate
OVERALL	ADEQUATE

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Hot Springs MSA	Consistent

The bank's community development responsiveness is adequate given its level of community development activities. While performance varied between the three full-scope AAs, the overall Community Development Test rating was based most heavily on performance in the bank's primary AA, the Jonesboro MSA AA.

During the review period, the bank made 21 qualifying loans in its AAs totaling approximately \$22.4 million. Of those loans, 16 were for community revitalization and stabilization, and 5 were for community services to low- and moderate-income (LMI) individuals.

The bank also made community development investments and donations in its AAs totaling \$561,703. This amount included 3 new qualified investments totaling \$551,258 and 28 donations totaling \$10,445. All of the investments were municipal bonds issued by qualifying school districts for community services. Furthermore, the 28 donations were to 17 separate organizations having a community development purpose.

During the review period, bank personnel used financial expertise to log 47 service activities, totaling 501 hours, to 23 different community development organizations within the bank's AAs. Service activities included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board members.

In addition to adequately meeting the community development needs of its AAs, the bank had community development activities outside its AAs but still within the broader statewide area. The bank made eight community development loans totaling \$12.0 million outside its AAs but within 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.

JONESBORO, ARKANSAS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates 4 of its 11 offices (36.4 percent) in this AA. Of the four offices, two are located in moderate-income census tracts, and two are located in middle-income census tracts. Since the last evaluation, the bank opened one branch in this AA. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the AA.

General Demographics

The AA comprises Craighead and Poinsett counties in their entirety. This is the bank's primary AA and is located in northeastern Arkansas, close to the Tennessee border. Based on 2020 ACS data, the AA population was 134,196. Of the 25 FDIC-insured depository institutions with a branch presence in this AA, the bank ranked 15th in deposit market share, encompassing 3.0 percent of total deposit dollars.

Credit needs in the AA include a mix of consumer and business loan products. Other particular credit needs in the AA, as noted primarily from the community contact, include financial literacy initiatives. For this AA, the contact noted that demand for homes in mixed-use neighborhoods is increasing and that a significant portion of both renters and homeowners are burdened by housing costs.

Income and Wealth Demographics

The following table summarizes the distribution of AA 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	1	8	14	7	0	30
	3.3%	26.7%	46.7%	23.3%	0.0%	100.0%
Family Population	806	7,709	15,075	10,632	0	34,222
	2.4%	22.5%	44.1%	31.1%	0.0%	100.0%

As shown above, 30.0 percent of the census tracts in the AA are LMI geographies, but only 24.9 percent of the family population resides in these tracts. The low-income tract is in the city of Jonesboro, and the moderate-income tracts are spread throughout both counties in the AA.

Based on 2020 ACS data, the median family income for the AA was \$60,922. At the same time, the median family income for the state of Arkansas was \$62,067. More recently, the FFIEC estimates the 2022 median family income for the AA to be \$70,600. The following table displays population percentages of AA families by income level compared to the state of Arkansas.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	7,434	5,822	7,002	13,964	34,222
	21.7%	17.0%	20.5%	40.8%	100.0%
Arkansas	165,087	136,380	155,142	313,502	770,111
	21.4%	17.7%	20.2%	40.7%	100.0%

As shown above, 38.7 percent of families within the AA were considered LMI, which is consistent with the percentage of LMI families in the state of Arkansas (39.1 percent). The percentage of families living below the poverty level in the AA (12.8 percent) is consistent with the percentage of families below the poverty level in the state of Arkansas (11.8 percent). Considering these factors, the AA income levels appear to be relatively consistent with the state of Arkansas as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the AA appears to be slightly more affordable than the state overall.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	65.5	30.8	36.6	44.2	24.9	12.2
Arkansas	68.6	31.4	36.6	51.0	24.2	14.9
<i>Cost burden is housing cost that equals 30 percent or more of household income.</i>						

According to the table above, LMI renters in the AA are cost burdened similarly to that of LMI renters throughout the state. However, low-income homeowners in the AA are significantly less cost burdened when compared to low-income homeowners throughout the state, whereas moderate-income homeowners are similarly cost burdened when compared to moderate-income homeowners throughout the state. Nevertheless, a community contact stated that housing costs are becoming more of a burden for low-income families, whether they are renters or homeowners.

Industry and Employment Demographics

The AA supports a large and diverse business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data indicating that 89.6 percent of AA businesses have gross annual revenues of \$1 million or less. Furthermore, according to the U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data, there are 58,763 employees in the AA (including 8,320 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the AA are healthcare and social assistance (24.4 percent), followed by manufacturing (17.4 percent) and retail trade (14.2 percent). The table below details BLS unemployment data (not seasonally adjusted) for the AA, Craighead and Poinsett counties, and the state of Arkansas.

Unemployment Levels (%)				
Dataset	Time Period (Annual Average)			
	2020	2021	2022	2023
Assessment Area Average	5.5	3.4	2.8	2.8
Craighead County	5.4	3.3	2.7	2.7
Poinsett County	5.7	3.9	3.3	3.3
Arkansas	6.2	4.0	3.2	3.3

As shown in the table above, unemployment levels varied greatly between the two counties within the AA, with consistently higher levels in Poinsett County than in Craighead County. The AA as a whole had a lower unemployment rate than the state of Arkansas. In all geographic areas, unemployment rates dropped steeply from 2021 to 2022 and remained stable through 2023.

Community Contact Information

For the Jonesboro MSA AA, one community contact interview was completed and referenced as part of this evaluation. The interviewee was an economic development representative in the MSA.

The community contact interviewee categorized the local economy as steadily improving. The population is growing and becoming more demographically diverse. Tourism has been growing, potentially as a result of children and families traveling to the area for sports and recreational events. Furthermore, the contact noted a demand for more mixed-use and multifamily developments. Housing costs are becoming more of a burden for low-income families, whether they are renters or homeowners. According to the contact, low-income renters are likely not able to save enough for a down payment and secure mortgage financing. Additionally, more financial literacy programs on homeownership and credit counseling are needed, particularly for young adults.

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

LENDING TEST

The bank's overall geographic distribution of loans reflects reasonable penetration throughout the Jonesboro MSA AA. Furthermore, the overall distribution of loans by borrower's revenue profile reflects reasonable penetration among businesses of different revenue sizes and borrowers of different income levels.

Geographic Distribution of Loans

As noted previously, the AA includes one low-income and eight moderate-income census tracts, representing 30.0 percent of all AA census tracts. Overall, the bank's geographic distribution of loans in this AA reflects reasonable penetration throughout these LMI census tracts, based on the small business and HMDA loan categories. As previously stated, performance in the small business loan category carried the most significance in the overall performance conclusion. Furthermore, based on reviews from both loan categories, the bank had loan activity in 63.3 percent of all AA census tracts, and there were no conspicuous lending gaps noted in LMI areas.

The following table shows the distribution of 2022 small business loan activity by geography income level compared to 2022 small business aggregate data and the location of businesses throughout the AA.

Geographic Distribution of Small Business Loans Assessment Area: Jonesboro MSA							
Tract Income Levels	2022						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	1.2	0	0.0	1.9	2.1
Moderate	6	22.2	26.0	485	7.8	28.7	28.4
Middle	13	48.1	40.9	4,109	65.6	43.7	42.0
Upper	8	29.6	30.8	1,666	26.6	25.3	27.6
Unknown	0	0.0	1.1	0	0.0	0.4	0.0
TOTAL	27	100.0	100.0	6,260	100.0	100.0	100.0

The bank did not originate any small business loans in the low-income census tract, which is slightly less than the aggregate level of lending (1.2 percent) and the demographic figure (2.1 percent). Since the aggregate and demographic figures suggest there is only a limited amount of small business lending opportunities in the low-income census tract, the bank's performance is reasonable. The bank originated six small business loans (22.2 percent) in the moderate-income census tracts, which is consistent with the aggregate (26.0 percent) and demographic figures (28.4 percent), reflecting reasonable performance. Therefore, the bank's overall distribution of small business loans is reasonable.

Next, the bank's geographic distribution of HMDA loans was reviewed. The following table displays the geographic distribution of 2022 HMDA loans compared to owner-occupied housing demographics and aggregate performance in the AA.

Geographic Distribution of RRE Loans Assessment Area: Jonesboro MSA								
Product Type	Tract Income Levels	2022						
		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	0.4
	Moderate	3	18.8	18.4	221	2.7	14.3	20.7
	Middle	8	50.0	41.4	6,623	82.1	36.0	44.0
	Upper	5	31.3	39.6	1,228	15.2	49.4	34.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	16	100.0	100.0	8,072	100.0	100.0	100.0
Refinance	Low	0	0.0	0.3	0	0.0	0.4	0.4
	Moderate	0	0.0	20.0	0	0.0	15.0	20.7
	Middle	0	0.0	34.2	0	0.0	30.0	44.0
	Upper	0	0.0	45.5	0	0.0	54.5	34.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.4
	Moderate	0	0.0	17.5	0	0.0	16.0	20.7
	Middle	0	0.0	38.6	0	0.0	24.4	44.0
	Upper	0	0.0	44.0	0	0.0	59.6	34.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily	Low	0	0.0	20.6	0	0.0	12.4	17.7
	Moderate	0	0.0	35.3	0	0.0	57.6	38.2
	Middle	0	0.0	30.9	0	0.0	18.9	35.3
	Upper	0	0.0	13.2	0	0.0	11.1	8.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
HMDA TOTALS	Low	0	0.0	0.8	0	0.0	2.1	0.4
	Moderate	3	18.8	18.9	221	2.7	20.7	20.7
	Middle	8	50.0	39.4	6,623	82.1	32.2	44.0
	Upper	5	31.3	40.9	1,228	15.2	45.0	34.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	16	100.0	100.0	8,072	100.0	100.0	100.0

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in LMI geographies. Although the bank did not extend any loans in the one low-income census tract, this is only slightly less than aggregate performance (0.8 percent) and the demographic figure (0.4 percent) and is considered reasonable. The bank's total performance to moderate-income census tracts by number of loans (18.8 percent) is consistent with aggregate performance (18.9 percent) and the demographic figure (20.7 percent), also reflecting reasonable performance.

Loan Distribution by Borrower's Profile

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

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2022 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: Jonesboro MSA								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total
		Bank		Aggregate	Bank		Aggregate	Businesses
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	19	70.4	54.8	2,251	36.0	52.0	89.6
	Over \$1 Million/Unknown	8	29.6	45.2	4,010	64.0	48.0	10.4
	TOTAL	27	100.0	100.0	6,261	100.0	100.0	100.0
Loan Size	\$100,000 or Less	16	59.3	59.3	876	14.0	34.3	
	\$100,001–\$250,000	4	14.8	14.8	745	11.9	21.7	
	\$250,001–\$1 Million	6	22.2	22.2	2,640	42.2	44.0	
	Over \$1 Million	1	3.7	3.7	2,000	31.9	0.0	
	TOTAL	27	100.0	100.0	6,261	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	14	73.7		751	33.4		
	\$100,001–\$250,000	2	10.5		401	17.8		
	\$250,001–\$1 Million	3	15.8		1,099	48.8		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	19	100.0		2,251	100.0		

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (70.4 percent) to businesses with revenues of \$1 million or less. In comparison, AA demographics estimate that 89.6 percent of businesses in the AA had annual revenues of \$1 million or less, and the 2022 aggregate lending level to small businesses was 54.8 percent.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the AA, 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 six community development loans totaling \$6.6 million in this AA, most of which were new originations to revitalize/stabilize LMI census tracts. The bank also made \$326,258 in new investments. Additionally, the bank made eight donations totaling \$1,650. Finally, bank personnel provided 16 services totaling 44 hours to 7 different community development organizations in this AA.

EASTERN ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates 3 of its 11 offices (27.3 percent) in this AA. All three offices are located in moderate-income census tracts. Since the last evaluation, the bank acquired one branch in this AA. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the AA.

General Demographics

The AA comprises Lee and St. Francis counties in their entireties. This AA is where the bank is headquartered and is located in eastern Arkansas bordering the Mississippi River. Based on 2020 ACS data, the AA population was 31,690. Of the four FDIC-insured depository institutions with a branch presence in this AA, the bank ranked second in deposit market share, encompassing 28.8 percent of total deposit dollars.

Credit needs in the AA include a mix of consumer and business loan products. Other particular credit needs in the AA, as noted primarily from a community contact, include unsecured small business micro loans. The contact noted that residents are more likely to want to start their own business than residents in other areas of the state due to the lack of employment opportunities.

Income and Wealth Demographics

The following table summarizes the distribution of AA 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	4	5	2	0	11
	0.0%	36.4%	45.5%	18.2%	0.0%	100.0%
Family Population	0	3,874	2,625	1,375	0	7,874
	0.0%	49.2%	33.3%	17.5%	0.0%	100.0%

As shown above, 36.4 percent of the census tracts in the AA are moderate-income geographies, and almost half of the family population (49.2%) resides in these tracts. Additionally, the five middle-income tracts are all designated as distressed due to their high poverty levels, and two of the five tracts are also distressed due to population loss.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	2,485	1,395	1,593	2,401	7,874
	31.6%	17.7%	20.2%	30.5%	100.0%
Lee County	624	254	363	707	1,948
	32.0%	13.0%	18.6%	36.3%	100.0%
St. Francis County	1,861	1,141	1,230	1,694	5,926
	31.4%	19.3%	20.8%	28.6%	100.0%
NonMSA Arkansas	59,832	53,245	58,635	118,518	290,230
	20.6%	18.4%	20.2%	40.8%	100.0%

As shown in the table above, 49.3 percent of families within the AA were considered LMI, which is significantly higher than the percentage of LMI families in all nonMSA counties in Arkansas (39.0 percent). The percentage of AA families living in poverty (26.3 percent) is also higher than the poverty levels in nonMSA Arkansas (13.5 percent). Considering these factors, the AA appears to be less affluent than nonMSA Arkansas as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the AA appears to be consistent with nonMSA Arkansas overall.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	67.1	25.6	41.4	47.3	21.4	15.6
Lee County	58.8	44.8	43.5	52.3	17.3	17.4
St. Francis County	70.9	23.2	40.7	45.2	22.4	15.0
NonMSA Arkansas	62.7	28.4	34.5	50.4	23.5	15.5
<i>Cost burden is housing cost that equals 30 percent or more of household income.</i>						

According to the table above, slightly more LMI renters are cost burdened in the AA than in nonMSA Arkansas as a whole, which suggests that LMI renters in the AA might struggle to save for a down payment and, ultimately, purchase a home. The AA also has a slightly higher median gross rent (\$656 per month) than nonMSA Arkansas as a whole (\$640 per month).

Homeowners in the AA are similarly cost burdened as homeowners throughout nonMSA Arkansas, even though the median housing value is significantly lower in the AA (\$67,681) than in nonMSA Arkansas (\$101,025). This could be explained by the fact that the AA has a lower median family income (\$43,368) than the nonMSA Arkansas median family income (\$53,702). The community contact further reiterated that incomes in this area of Arkansas are lower, as there is a lack of high-paying employers, which leaves few opportunities for economic prosperity.

Industry and Employment Demographics

The AA supports a small, but not overly diverse, business community, which includes a small business sector, as evidenced by the Dun & Bradstreet data indicating that 90.8 percent of AA businesses have gross annual revenues of \$1 million or less. Furthermore, according to the BLS Quarterly Census of Employment and Wages data, there are 8,301 employees in the AA (including 2,335 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the AA are retail trade (18.2 percent), followed by accommodation and food services (10.3 percent) and wholesale trade (7.6 percent). The table below details BLS unemployment data (not seasonally adjusted) for the AA, Lee County, St. Francis County, and nonMSA Arkansas.

Unemployment Levels (%)				
Dataset	Time Period (Annual Average)			
	2020	2021	2022	2023
Assessment Area	8.0	6.1	4.6	5.0
Lee County	7.8	5.7	4.4	5.2
St. Francis County	8.1	6.2	4.7	5.0
NonMSA Arkansas	6.5	4.5	3.8	3.9

As shown in the table above, unemployment levels varied slightly between individual counties within the AA. The AA had a consistently higher unemployment rate than nonMSA Arkansas as a whole. Across all areas, unemployment significantly decreased from 2020 to 2022 and slightly increased in 2023.

Community Contact Information

For the Eastern Arkansas AA, one community contact interview was completed as part of this evaluation. The interviewee was from a small business support provider in the area.

The community contact interviewee categorized the local economy as dwindling due to population loss. This is supported by ACS data that estimates that the population decreased by 15.1 percent from 2015 to 2020. Furthermore, the contact noted a strong need for financial education programs in the AA that target the needs of the aspiring entrepreneurs that lack formal education.

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

LENDING TEST

The bank's overall geographic distribution of loans reflects excellent penetration throughout the Eastern Arkansas AA. Furthermore, the overall distribution of loans by borrower's revenue profile reflects reasonable penetration among businesses of different revenue sizes and borrowers of different income levels.

Geographic Distribution of Loans

The AA includes no low-income and four moderate-income census tracts, representing 36.4 percent of all AA census tracts. Overall, the bank's geographic distribution of loans in this AA reflects excellent 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 90.9 percent of all AA census tracts, and there were no conspicuous lending gaps noted in LMI areas.

The following table shows the distribution of 2022 small business loan activity by geography income level compared to 2022 small business aggregate data and the location of businesses throughout the AA.

Geographic Distribution of Small Business Loans Assessment Area: Eastern Arkansas							
Tract Income Levels	2022						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	10	47.6	55.6	1,950	73.9	45.5	66.4
Middle	7	33.3	28.8	224	8.5	25.9	23.1
Upper	4	19.0	13.6	464	17.6	26.9	10.5
Unknown	0	0.0	2.0	0	0.0	1.7	0.0
TOTAL	21	100.0	100.0	2,638	100.0	100.0	100.0

The bank originated ten small business loans (47.6 percent) in moderate-income census tracts in 2022, which is below the aggregate level of lending (55.6 percent) and trails the demographic figure (66.4 percent). However, the bank's small business lending by dollar amount (73.9 percent) far exceeds the aggregate (45.5 percent) and the demographic. Therefore, bank performance is considered reasonable.

Next, the bank's geographic distribution of HMDA loans was reviewed. The following table displays the geographic distribution of 2022 HMDA loans compared to owner-occupied housing demographics and aggregate performance in the AA.

Geographic Distribution of RRE Loans Assessment Area: Eastern Arkansas								
Product Type	Tract Income Levels	2022						
		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	8	80.0	47.7	351	70.3	41.2	36.1
	Middle	2	20.0	34.9	148	29.7	40.3	38.8
	Upper	0	0.0	17.4	0	0.0	18.6	25.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	10	100.0	100.0	499	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	41.8	0	0.0	44.1	36.1
	Middle	0	0.0	29.1	0	0.0	22.6	38.8
	Upper	0	0.0	29.1	0	0.0	33.3	25.1
	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	42.9	0	0.0	43.1	36.1
	Middle	0	0.0	21.4	0	0.0	20.2	38.8
	Upper	0	0.0	35.7	0	0.0	36.7	25.1
	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
Multifamily	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	100.0	0	0.0	100.0	71.6
	Middle	0	0.0	0.0	0	0.0	0.0	23.2
	Upper	0	0.0	0.0	0	0.0	0.0	5.2
	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	8	80.0	46.9	351	70.3	68.1	36.1
	Middle	2	20.0	32.9	148	29.7	20.1	38.8
	Upper	0	0.0	20.2	0	0.0	11.8	25.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	10	100.0	100.0	499	100.0	100.0	100.0

The analysis of HMDA loans revealed excellent lending performance to borrowers residing in moderate-income geographies. The bank extended 80.0 percent of its loans in moderate-income census tracts, which far exceeds aggregate performance (46.9 percent) and the demographic figure (36.1 percent).

Loan Distribution by Borrower's Profile

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

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2022 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: Eastern Arkansas								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total
		Bank		Aggregate	Bank		Aggregate	Businesses
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	16	76.2	48.6	979	37.1	45.5	90.8
	Over \$1 Million/Unknown	5	23.8	51.4	1,658	62.9	54.5	9.2
	TOTAL	21	100.0	100.0	2,637	100.0	100.0	100.0
Loan Size	\$100,000 or Less	15	71.4	95.3	559	21.2	53.4	
	\$100,001–\$250,000	4	19.0	3.2	756	28.7	23.2	
	\$250,001–\$1 Million	2	9.5	1.5	1,322	50.1	23.4	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	21	100.0	100.0	2,637	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	13	81.3		461	47.1		
	\$100,001–\$250,000	3	18.8		518	52.9		
	\$250,001–\$1 Million	0	0.0		0	0.0		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	16	100.0		979	100.0		

The bank's level of lending to small businesses is excellent. The bank originated the majority of its small business loans (76.2 percent) to businesses with revenues of \$1 million or less. In comparison, AA demographics estimate that 90.8 percent of businesses in the AA had annual revenues of \$1 million or less, and the 2022 aggregate lending level to small businesses was 48.6 percent.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates poor responsiveness to community development needs within the Eastern Arkansas AA, considering the bank's capacity and the need and availability of such opportunities for community development.

During the review period, the bank extended one community development loan totaling \$20,867 in this AA. The bank also made one new investment of \$225,000. Additionally, the bank made 16 donations totaling \$2,795. Finally, bank personnel provided 13 services totaling 114 hours to 7 different community development organizations in this AA.

LITTLE ROCK, ARKANSAS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates 2 of its 11 offices (18.2 percent) in this AA. Of the two offices, one is located in a middle-income census tract, and one is a limited-service branch located in an upper-income census tract. Since the last evaluation, the bank did not open or close any branches in this AA. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the AA.

General Demographics

The AA comprises Pulaski County in its entirety, which is located in the Little Rock, Arkansas MSA in central Arkansas. Based on 2020 ACS data, the AA population was 399,125. Of the 31 FDIC-insured depository institutions with a branch presence in this AA, the bank ranked 24th in deposit market share, encompassing 0.2 percent of total deposit dollars.

Credit needs in the AA include a mix of consumer and business loan products. Other particular credit needs in the AA, as noted primarily from a community contact, include more opportunities for small business owners to interact with bankers.

Income and Wealth Demographics

The following table summarizes the distribution of AA 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%	100.0%
Family Population	8,556	24,359	31,998	30,282	0	95,195
	9.0%	25.6%	33.6%	31.8%	0.0%	100.0%

As shown above, 40.2 percent of the census tracts in the AA are LMI geographies, but only 34.6 percent of the family population resides in these tracts. These LMI areas are spread across Pulaski County but are more prevalent in the southern and eastern parts of the area.

Based on 2020 ACS data, the median family income for the AA was \$70,346. 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. The following table displays population percentages of AA 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%	100.0%
Little Rock MSA	41,951	30,291	35,831	75,720	183,793
	22.8%	16.5%	19.5%	41.2%	100.0%
Arkansas	165,087	136,380	155,142	313,502	770,111
	21.4%	17.7%	20.1%	40.7%	100.0%

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

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the AA appears to be less affordable than the state overall.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	75.6	38.8	41.4	58.3	30.6	17.2
Little Rock MSA	74.5	36.6	40.5	54.9	27.6	15.9
Arkansas	68.6	31.4	36.6	51.0	24.2	14.9
<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 AA than LMI renters in the state as a whole, which suggests that LMI renters in the AA might struggle to save for a down payment and, ultimately, purchase a home. This is further supported by the AA 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 AA are more cost burdened than LMI homeowners throughout the state. This could be explained by the fact that the AA has a higher median housing value (\$160,983) than the overall state’s median housing value (\$133,600).

Industry and Employment Demographics

The AA supports a large and diverse business community, including a strong small business sector, as evidenced by the Dun & Bradstreet data indicating that 90.4 percent of AA businesses have gross annual revenues of \$1 million or less. Furthermore, according to the BLS Quarterly Census of Employment and Wages data, there are 254,810 employees in the AA (including 51,094 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the AA are healthcare and social assistance (18.5 percent), followed by retail trade (11.8 percent) and accommodation and food services (9.7 percent). The table below details BLS unemployment data (not seasonally adjusted) for the AA, the Little Rock MSA, and Arkansas.

Unemployment Levels (%)				
Dataset	Time Period (Annual Average)			
	2020	2021	2022	2023
Assessment Area	7.6	4.9	3.4	3.2
Little Rock MSA	6.6	4.2	3.1	3.0
Arkansas	6.2	4.0	3.2	3.3

As shown in the table above, unemployment levels in the AA have steadily decreased from 2020 to 2023 but remained higher than both the Little Rock MSA and state levels during much of the review period.

Community Contact Information

For the Pulaski County AA, one community contact interview was completed as part of this evaluation. The interviewee was from an economic development office in the region.

The community contact interviewee categorized the local economy as exceeding post-pandemic expectations with the area experiencing more population growth than most areas of the state and low unemployment. However, in some parts of the AA, businesses are struggling due to extensive highway construction. Additionally, many small businesses have had to adjust their business models after the pandemic to survive, especially in the industries of food service and retail. Furthermore, the contact noted a strong need for outreach programs in the AA that target the needs of aspiring entrepreneurs and small business owners.

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

LENDING TEST

The bank's overall geographic distribution of loans reflects excellent penetration throughout the Pulaski County AA. Furthermore, the overall distribution of loans by borrower's revenue profile reflects reasonable penetration among businesses of different revenue sizes.

Geographic Distribution of Loans

As noted previously, the AA includes 14 low-income and 29 moderate-income census tracts, representing 40.2 percent of all AA census tracts. Overall, the bank's geographic distribution of loans in this AA reflects excellent penetration throughout these LMI census tracts, based on the small business and HMDA loan categories. As previously stated, performance in the small business loan category carried the most significance in the overall performance conclusion. Furthermore, based on reviews from both loan categories, there were no conspicuous lending gaps noted in LMI areas.

The following table shows the distribution of 2022 small business loan activity by geography income level compared to 2022 small business aggregate data and the location of businesses throughout the AA.

Geographic Distribution of Small Business Loans Assessment Area: Pulaski County							
Tract Income Levels	2022						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	%
Low	2	10.5	8.2	745	13.4	10.3	8.6
Moderate	7	36.8	22.5	2,270	40.7	24.7	24.0
Middle	2	10.5	29.7	723	13.0	26.5	29.7
Upper	8	42.1	39.0	1,833	32.9	38.1	37.2
Unknown	0	0.0	0.7	0	0.0	0.4	0.4
TOTAL	19	100.0	100.0	5,571	100.0	100.0	100.0

As shown above, the bank originated 10.5 percent of its small business loans in low-income tracts, which is slightly higher than the aggregate level of lending (8.2 percent) and the demographic figure (8.6 percent), reflecting reasonable performance. However, the bank originated seven small business loans (36.8 percent) in the moderate-income census tracts, which far exceeds the aggregate level of lending (22.5 percent) and the demographic figure (24.0 percent), reflecting excellent performance. Therefore, the bank's overall geographic distribution of small business loans is considered excellent.

Next, the bank's geographic distribution of HMDA loans was reviewed. The following table displays the geographic distribution of 2022 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the AA.

Geographic Distribution of RRE Loans Assessment Area: Pulaski County								
Product Type	Tract Income Levels	2022						
		Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Home Purchase	Low	1	3.1	6.3	342	8.1	3.5	6.1
	Moderate	14	43.8	18.7	2,047	48.6	12.9	21.8
	Middle	13	40.6	36.5	901	21.4	32.1	35.2
	Upper	4	12.5	38.5	922	21.9	51.5	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	32	100.0	100.0	4,213	100.0	100.0	100.0
Refinance	Low	0	0.0	5.0	0	0.0	2.5	6.1
	Moderate	0	0.0	19.1	0	0.0	12.4	21.8
	Middle	0	0.0	38.5	0	0.0	32.7	35.2
	Upper	0	0.0	37.4	0	0.0	52.4	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
Home Improvement	Low	0	0.0	5.5	0	0.0	2.8	6.1
	Moderate	0	0.0	16.2	0	0.0	12.7	21.8
	Middle	0	0.0	30.6	0	0.0	27.2	35.2
	Upper	0	0.0	47.7	0	0.0	57.3	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily	Low	0	0.0	22.2	0	0.0	16.5	11.6
	Moderate	0	0.0	28.5	0	0.0	16.0	26.7
	Middle	0	0.0	29.2	0	0.0	25.1	31.7
	Upper	0	0.0	20.1	0	0.0	42.4	30.1
	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	1	3.1	6.2	342	8.1	6.5	6.1
	Moderate	14	43.8	18.8	2,047	48.6	13.6	21.8
	Middle	13	40.6	36.4	901	21.4	30.3	35.2
	Upper	4	12.5	38.7	922	21.9	49.7	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	TOTAL	32	100.0	100.0	4,213	100.0	100.0	100.0

The analysis of HMDA loans revealed excellent lending performance to borrowers residing in LMI geographies. The bank's performance in low-income census tracts (3.1 percent) is only slightly less than aggregate performance (6.2 percent) and the demographic figure (6.1 percent) and is considered reasonable. However, the bank's total performance to moderate-income census tracts by number of loans (43.8 percent) far exceeds aggregate performance (18.8 percent) and the demographic figure (21.8 percent), reflecting excellent performance.

Loan Distribution by Borrower's Profile

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

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2022 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		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	12	63.2	49.2	2,825	50.7	38.9	90.4
	Over \$1 Million/Unknown	7	36.8	50.8	2,747	49.3	61.1	9.6
	TOTAL	19	100.0	100.0	5,572	100.0	100.0	100.0
Loan Size	\$100,000 or Less	3	15.8	90.0	194	3.5	29.1	
	\$100,001–\$250,000	9	47.4	4.9	1,528	27.4	16.9	
	\$250,001–\$1 Million	7	36.8	5.1	3,850	69.1	54.1	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	19	100.0	100.0	5,572	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	3	25.0		194	6.9		
	\$100,001–\$250,000	5	41.7		803	28.4		
	\$250,001–\$1 Million	4	33.3		1,828	64.7		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	12	100.0		2,825	100.0		

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (63.2 percent) to businesses with revenues of \$1 million or less. In comparison, AA demographics estimate that 90.4 percent of businesses in the AA had annual revenues of \$1 million or less, and the 2022 aggregate lending level to small businesses is 49.2 percent.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the Pulaski County AA, 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 and community development services.

During the review period, the bank extended five community development loans totaling \$3.5 million in this AA. The bank did not have any qualified community development investments applicable to this review period, but the bank made two donations with a community development purpose totaling \$5,500. Finally, bank personnel provided four services totaling 101 hours to three different community development organizations in this AA.

HOT SPRINGS, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE HOT SPRINGS MSA ASSESSMENT AREA

This AA includes the entirety of Garland County. The bank operates one office in this AA, which was opened during the review period. The tables below detail key demographics relating to this AA.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	5,381	4,672	6,076	9,942	26,071
	20.6%	17.9%	23.3%	38.1%	100.0%
Household Population	9,953	6,353	7,422	17,178	40,906
	24.3%	15.5%	18.1%	42.0%	100.0%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	9	15	5	1	30
	0.0%	30.0%	50.0%	16.7%	3.3%	100.0%
Family Population	0	7,034	13,910	4,829	298	26,071
	0.0%	27.0%	53.4%	18.5%	1.1%	100.0%
Household Population	0	11,718	21,276	7,059	853	40,906
	0.0%	28.7%	52.0%	17.3%	2.1%	100.0%
Business Institutions	0	1,375	2,245	758	70	4,448
	0.0%	30.9%	50.5%	17.0%	1.6%	100.0%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE HOT SPRINGS
MSA ASSESSMENT AREA**

LENDING TEST

The bank's Lending Test performance in this AA is consistent with the bank's Lending Test performance overall, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this AA, see the tables in *Appendix C*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this AA is consistent with the bank's Community Development Test performance in the AAs within the state of Arkansas that were reviewed using full-scope procedures.

During the review period, the bank made one community development loan totaling \$316,000. The bank did have any qualified community development investments applicable to this review period, but the bank made two donations with a community development purpose totaling \$500. Lastly, bank employees provided 11 services totaling 242 hours to 6 different community development organizations in this AA.

APPENDIX A – SCOPE OF EXAMINATION TABLES

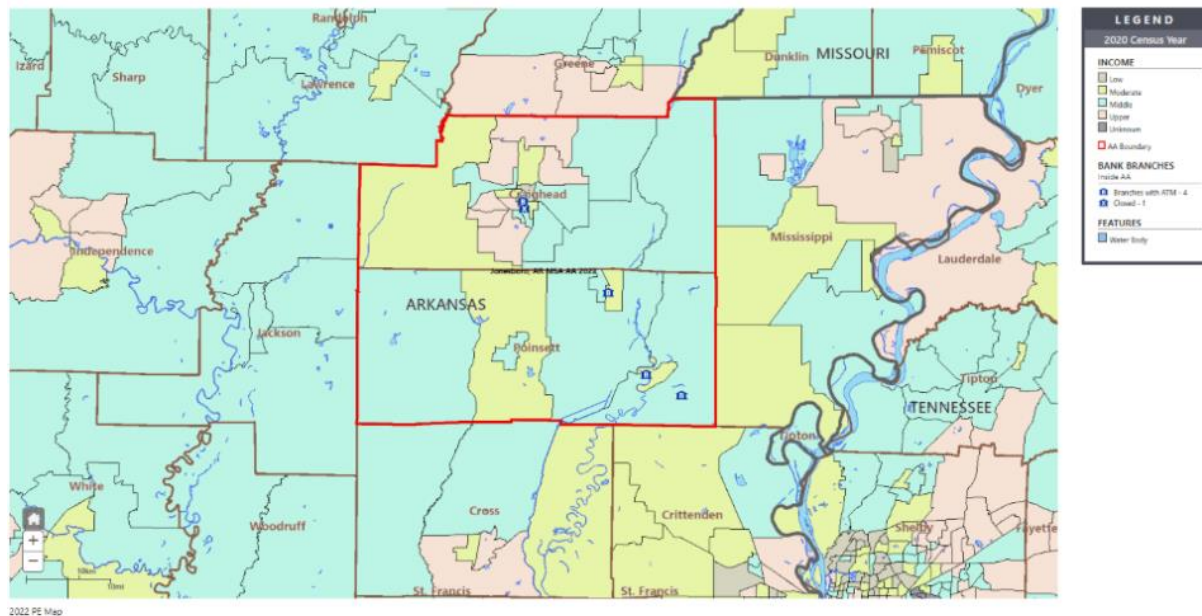
Scope of Examination		
TIME PERIOD REVIEWED	January 1, 2022 – December 31, 2022 for small business and HMDA lending March 16, 2020 – October 14, 2024 for community development loans, investment, and service activities	
FINANCIAL INSTITUTION Armor Bank Forrest City, Arkansas	PRODUCTS REVIEWED Small Business HMDA	
AFFILIATE(S)	AFFILIATE RELATIONSHIP	PRODUCTS REVIEWED
N/A	N/A	N/A

Assessment Area – Examination Scope Details				
Assessment Area	# of Offices	Deposits \$ (000s) (as of June 30, 2024)	Branches Visited	CRA Review Procedures
Jonesboro MSA	4	127,710	0	Full Scope
Eastern Arkansas	3	175,853	0	Full Scope
Pulaski County	2	66,953	0	Full Scope
Hot Springs MSA	1	15,204	0	Limited Scope
Benton County	1	7,926	0	Not Reviewed
OVERALL	11	393,646	0	3 – Full Scope

APPENDIX B – MAPS OF ASSESSMENT AREA

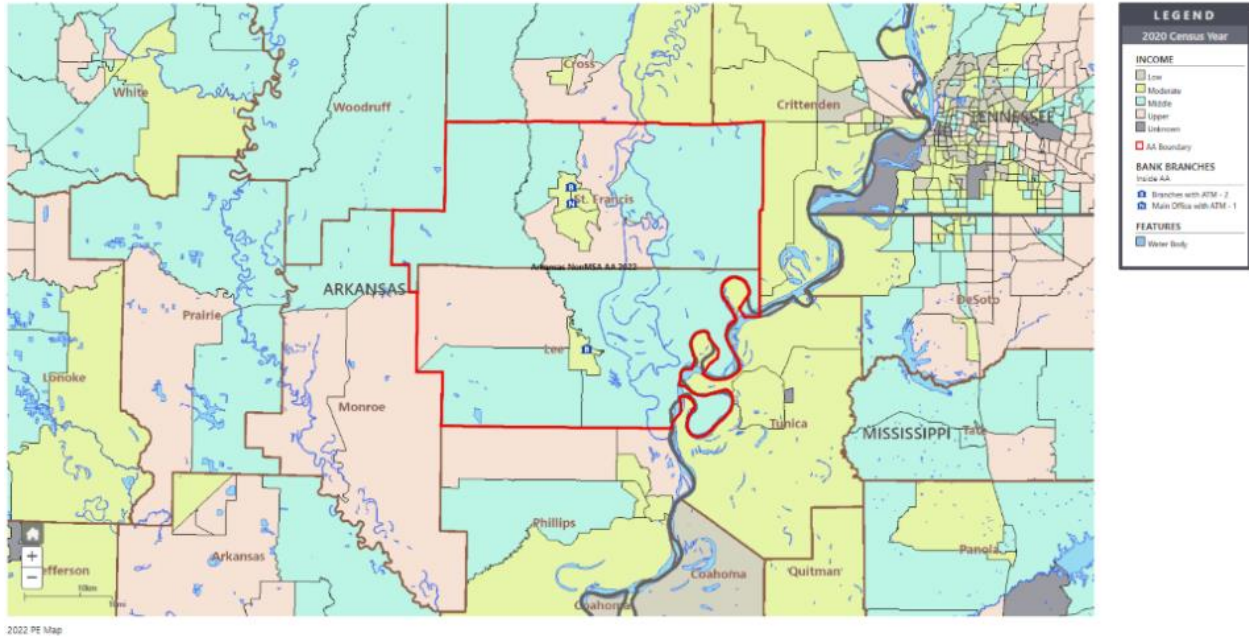
Jonesboro MSA Assessment Area

Armor Bk - Forrest City, AR 2024
Jonesboro, AR MSA AA



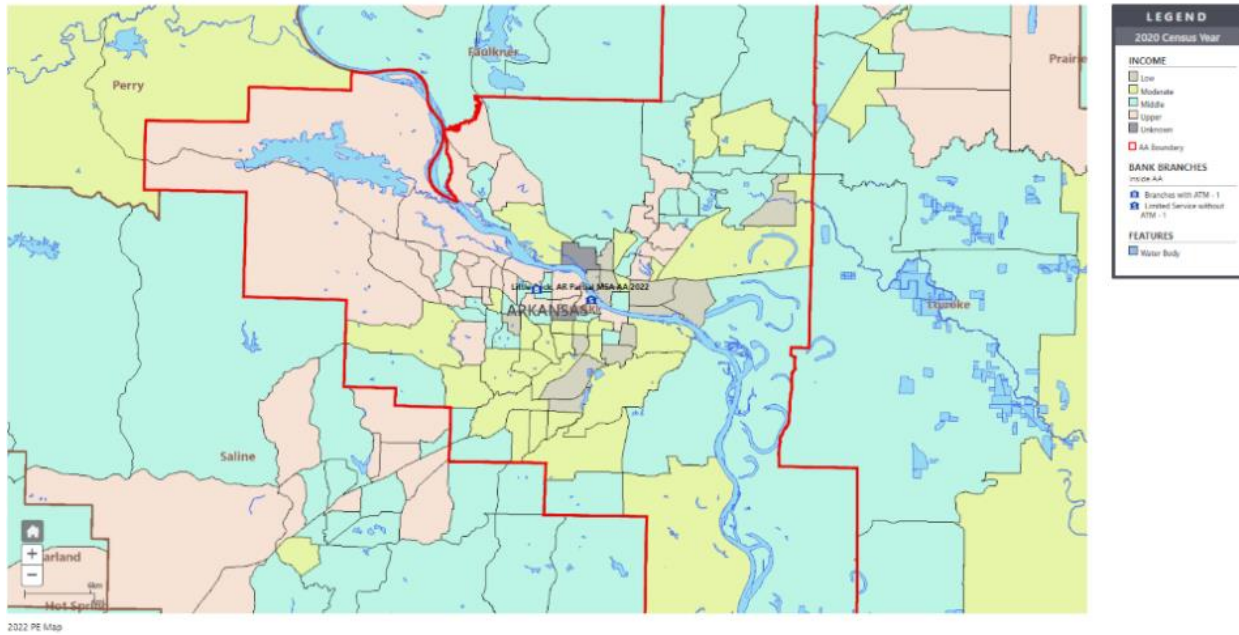
Eastern Arkansas Assessment Area

Armor Bk - Forrest City, AR 2024
Arkansas NonMSA AA



Pulaski County Assessment Area

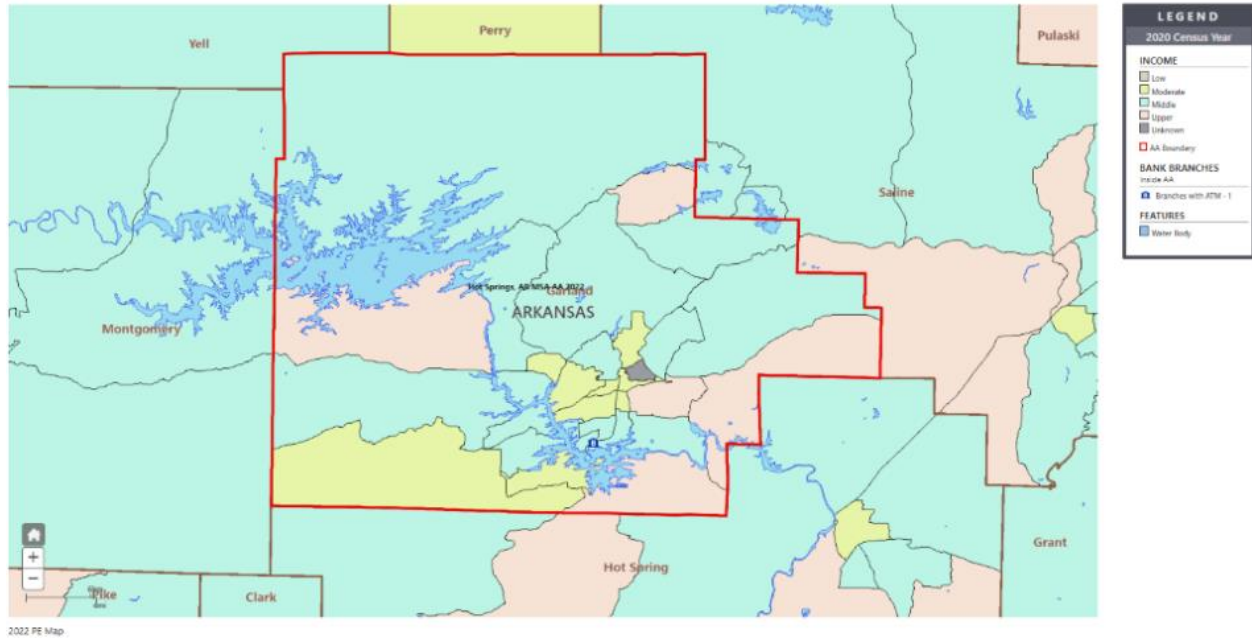
Armor Bk - Forrest City, AR 2024
Little Rock, AR Partial MSA AA



Hot Springs MSA Assessment Area

Armor Bk - Forrest City, AR 2024

Hot Springs, AR MSA AA



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

Arkansas

Hot Springs MSA Assessment Area

Geographic Distribution of Small Business Loans Assessment Area: Hot Springs MSA							
Tract Income Levels	2022						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	50.0	29.1	220	19.7	29.2	30.9
Middle	1	25.0	50.7	55	4.9	52.5	50.5
Upper	1	25.0	17.9	840	75.3	14.5	17.0
Unknown	0	0.0	2.3	0	0.0	3.8	1.6
TOTAL	4	100.0	100.0	1,115	100.0	100.0	100.0

Geographic Distribution of RRE Loans Assessment Area: Hot Springs MSA								
Product Type	Tract Income Levels	2022						
		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	2	66.7	25.6	373	34.8	23.6	24.0
	Middle	1	33.3	49.8	700	65.2	51.7	54.3
	Upper	0	0.0	24.4	0	0.0	24.5	21.0
	Unknown	0	0.0	0.2	0	0.0	0.1	0.7
	TOTAL	3	100.0	100.0	1,073	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	22.7	0	0.0	20.7	24.0
	Middle	0	0.0	54.5	0	0.0	58.0	54.3
	Upper	0	0.0	22.3	0	0.0	21.2	21.0
	Unknown	0	0.0	0.5	0	0.0	0.1	0.7
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0

**Armor Bank
Forrest City, Arkansas**

**CRA Performance Evaluation
October 15, 2024**

Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	20.0	0	0.0	16.0	24.0
	Middle	0	0.0	54.6	0	0.0	56.7	54.3
	Upper	0	0.0	24.9	0	0.0	27.1	21.0
	Unknown	0	0.0	0.5	0	0.0	0.3	0.7
	TOTAL	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	55.0	0	0.0	28.9	38.1
	Middle	0	0.0	35.0	0	0.0	63.6	48.2
	Upper	0	0.0	7.5	0	0.0	4.6	7.9
	Unknown	0	0.0	2.5	0	0.0	2.9	5.9
	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	2	66.7	24.3	373	34.8	22.9	24.0
	Middle	1	33.3	51.9	700	65.2	54.8	54.3
	Upper	0	0.0	23.5	0	0.0	22.0	21.0
	Unknown	0	0.0	0.3	0	0.0	0.3	0.7
	TOTAL	3	100.0	100.0	1,073	100.0	100.0	100.0

Small Business Loans by Revenue and Loan Size Assessment Area: Hot Springs MSA								
Business Revenue and Loan Size		2022						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	%
		#	%	%	\$ (000s)	\$ %	\$ %	
Business Revenue	\$1 Million or Less	4	100.0	51.3	1,115	100.0	50.2	92.8
	Over \$1 Million/ Unknown	0	0.0	48.7	0	0.0	49.8	7.2
	TOTAL	4	100.0	100.0	1,115	100.0	100.0	100.0
Loan Size	\$100,000 or Less	2	50.0	91.7	125	11.2	33.1	
	\$100,001– \$250,000	1	25.0	4.6	150	13.5	19.3	
	\$250,001– \$1 Million	1	25.0	3.8	840	75.3	47.5	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	4	100.0	100.0	1,115	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	2	50.0		125	11.2		
	\$100,001– \$250,000	1	25.0		150	13.5		
	\$250,001– \$1 Million	1	25.0		840	75.3		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	4	100.0		1,115	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.