

PUBLIC DISCLOSURE

April 15, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Citizens Bank
RSSD #856748**

**655 Saint Louis Street
Batesville, Arkansas 72501**

Federal Reserve Bank of St. Louis

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

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

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

The Lending Test is rated:

Satisfactory

The Community Development Test is rated:

Satisfactory

The Citizens 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.
- A majority of loans and other lending-related activities are in the assessment areas.
- Distribution of loans to borrowers reflects an excellent penetration among individuals of different income levels (including low- and moderate-income [LMI]) and 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.

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. The bank maintains operations in six delineated assessment areas solely within Arkansas, including three nonmetropolitan statistical areas (nonMSAs) and three MSAs.

The following table details the number of branch offices, breakdown of deposits, the volume of small business loans and residential real estate loans reported under the Home Mortgage Disclosure Act (HMDA), and the CRA review procedures applicable to each assessment area analyzed 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, 2018.

Assessment Area ¹	Offices		Deposits		2017 Loans		Assessment Area Reviews		
	#	%	\$ (000s)	%	#	%	Full Scope	Limited Scope	TOTAL
North Central nonMSA	9	45.0%	\$464,486	65.7%	225	53.4%	1	0	1
Southeast nonMSA	4	20.0%	\$91,512	12.9%	33	7.8%	0	1	1
Clark County nonMSA	1	5.0%	\$24,103	3.4%	24	5.7%	0	1	1
Fayetteville MSA	3	15.0%	\$50,670	7.2%	39	9.3%	0	1	1
Hot Springs MSA	2	10.0%	\$76,408	10.8%	93	22.1%	0	1	1
Little Rock MSA	1	5.0%	\$0*	0%	7	1.7%	0	1	1
OVERALL	20	100%	\$707,179	100%	421	100%	1	5	6

*The bank opened its branch in the Little Rock MSA Assessment Area on July 27, 2018. Therefore, there were no deposits in this assessment area as of June 30, 2018.

In light of branch structure, loan and deposit activity, the importance of the bank's operation within the assessment areas, and the needs of the assessment areas, The North Central nonMSA assessment area was given sole consideration in arriving at the bank's CRA rating.

Furthermore, small business loans and residential real estate loans were used to evaluate the bank's lending performance, as these loan categories are the bank's core business lines based on lending volume and the bank's stated business strategy.² Therefore, these two loan categories are indicative of the bank's overall lending performance. However, since the bank has an emphasis on commercial lending, performance based on the small business loan category carried slightly more weight toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2016 – December 31, 2018
Assessment Area Concentration	January 1, 2017 – December 31, 2017
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	January 19, 2016 – April 14, 2019
Community Development Activities	January 19, 2016 – April 14, 2019

Lending Test analyses entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 U.S. Census data; certain business demographics are based on 2017 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is placed on the aggregate lending data, because it is expected to describe many

¹ The Fayetteville MSA Assessment Area and the Little Rock MSA Assessment Area are partial-MSA assessment areas.

² Small business loan types were sampled for this review according to CA Letter 01-8, "CRA Sampling Procedures."

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 \$464.0 million to \$2.2 billion, as of December 31, 2018.

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 North Central nonMSA assessment area.

DESCRIPTION OF INSTITUTION

The Citizens Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is a wholly owned subsidiary of Citizens Bancshares of Batesville, Inc., a one-bank holding company; the bank and its holding company are headquartered in Batesville, Arkansas. The bank's branch network consists of 20 offices, 16 full-service automated teller machines (ATMs) at its various offices, and one stand-alone cash-dispensing-only ATM. Since its previous CRA evaluation, the bank opened four new branches and closed none. Based on its branch network, the bank is well positioned to deliver financial services to the entirety of most of its assessment areas. However, due to a limited presence and a recent entrance into the market, the bank is not able to serve the entirety of its Little Rock MSA 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, 2018, the bank reported total assets of \$856.0 million, loans and leases outstanding of \$662.7 million (77.4 percent of total assets), and deposits of \$744.8 million. The bank's loan portfolio composition by credit category is displayed below:

Distribution of Total Loans as of December 31, 2018		
Credit Category	Amount (\$000s)	Percentage of Total Loans
Construction and Development	\$56,566	8.5%
Commercial Real Estate	\$200,410	30.2%
Multifamily Residential	\$22,416	3.4%
1-4 Family Residential	\$174,985	26.4%
Farmland	\$72,437	10.9%
Farm Loans	\$20,723	3.1%
Commercial and Industrial	\$67,474	10.2%
Loans to Individuals	\$24,604	3.7%
Total Other Loans	\$23,071	3.5%
TOTAL	\$662,686	100%

As displayed, the bank's largest concentration of loans by dollar is in commercial lending and loans secured by 1-4 family residential properties.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on January 19, 2016.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Citizens Bank meets the standards for a Satisfactory Lending Test rating, which evaluates the bank's performance under the following five criteria.

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 a 12-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size (\$000s) as of December 31, 2018	Average LTD Ratio
The Citizens Bank	Batesville, Arkansas	\$856,029	87.7%
Regional Banks	Batesville, Arkansas	\$1,471,542	99.2%
	Ash Flat, Arkansas	\$464,018	98.5%
	Poplar Bluff, Missouri	\$2,197,497	98.4%

Based on data from the previous table, the bank's level of lending is below those of other banks in the region. During the review period, the bank's quarterly LTD ratio experienced a generally stable trend. Similarly, each regional bank competitor used for this analysis also had a generally stable trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

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

Lending Inside and Outside of Assessment Areas (\$000s)						
January 1, 2017 through December 31, 2017						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
Small Business	70	82.4%	15	17.6%	85	100%
	\$11,290	81.4%	\$2,575	18.6%	\$13,865	100%
HMDA	351	84.2%	66	15.8%	417	100%
	\$44,174	78.9%	\$11,789	21.1%	\$55,963	100%
TOTAL LOANS	421	83.9%	81	16.1%	502	100%
	\$55,464	79.4%	\$14,364	20.6%	\$69,828	100%

As the previous table shows, a majority of loans and other lending-related activities were made in the bank's assessment areas. As shown, 83.9 percent of the total loans were made inside the assessment areas, accounting for 79.4 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

As displayed in the following tables, overall performance by borrower's income/revenue profile is excellent. Additionally, the geographic distribution of loans reflects reasonable penetration.

Full Scope Assessment Area	Loan Distribution by Borrower's Profile
North Central nonMSA	Excellent
OVERALL	EXCELLENT

Limited Scope Assessment Areas	Loan Distribution by Borrower's Profile
Southeast nonMSA	Consistent
Clark County nonMSA	Consistent
Fayetteville MSA	Below
Hot Springs MSA	Consistent
Little Rock MSA	Consistent

Full Scope Assessment Area	Geographic Distribution of Loans
North Central nonMSA	Reasonable
OVERALL	REASONABLE

Limited Scope Assessment Areas	Geographic Distribution of Loans
Southeast nonMSA	Consistent
Clark County nonMSA	N/A
Fayetteville MSA	Below
Hot Springs MSA	Exceeds
Little Rock MSA	Below

Additional details regarding the loan distribution by borrower's profile and geographic distribution of loans are included later in this evaluation, under the sections applicable to individual assessment area analyses.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (January 19, 2016 through April 14, 2019).

COMMUNITY DEVELOPMENT TEST

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

Full-Scope Assessment Area	Community Development Test Performance Conclusions
NonMSA Arkansas	Adequate
OVERALL	SATISFACTORY

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Southeast nonMSA	Exceeds
Clark County nonMSA	Exceeds
Fayetteville MSA	Below
Hot Springs MSA	Consistent
Little Rock MSA	Below

During the review period, the bank made 15 qualifying loans in its assessment areas totaling approximately \$13.3 million. The bank also made community development investments and donations in its assessment areas totaling \$15.8 million. This amount includes 15 new qualified investments totaling \$7.8 million, 21 continuing investments made in a prior review period with outstanding balances totaling \$6.5 million, and 146 donations totaling \$278,814. Finally, bank personnel used financial expertise to log 23 service activities to 19 different community development organizations within its assessment areas.

Of the above noted community development loans, three provided economic development and provided permanent jobs to LMI individuals, eight loans provided revitalization/stabilization efforts for LMI and distressed and underserved communities, two loans provided community services to LMI individuals and families, and two loans provided affordable housing to LMI individuals. Investments were primarily in the form of municipal bonds, school bonds, and donations that benefitted LMI areas, distressed or underserved communities, and/or schools with a majority of students qualifying for free or reduced lunches. Service activities involved personnel providing financial expertise to community service organizations as board members.

In addition, at the institution level, the bank received CRA credit for its investment in a Small Business Investment Company (SBIC) that serves a regional area, which includes Arkansas. Diamond State Ventures is an SBIC headquartered in Little Rock, Arkansas. Its stated purpose is to invest in small and lower-middle market companies in Arkansas, the Midwest, and the southeastern United States. The bank's outstanding balance in the SBIC fund is \$1.2 million. Because this SBIC investment serves a broader regional area that includes the bank's seven assessment areas, it is discussed at the institutional level rather than for each individual assessment area.

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 NONMSA ASSESSMENT AREA

Bank Structure

The bank operates 9 of its 20 offices (45.0 percent) in this assessment area. Of the nine offices, one is located in a moderate-income census tract, one is located in an upper-income census tract, and seven are located in middle-income census tracts, including three located in census tracts designated as distressed due to poverty. Since the last examination, the bank has not opened or closed any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

General Demographics

This is the bank's primary assessment area and comprises Independence, Lawrence, Sharp, and Stone Counties in their entirety. Based on 2015 census data, the assessment area population is broken down as follows:

Assessment Area County	Population
Independence County	36,952
Lawrence County	17,029
Sharp County	17,055
Stone County	12,512
TOTAL ASSESSMENT AREA	83,548

As shown, Independence County has the largest population of any individual county of the assessment area. The assessment area is largely rural, with Lawrence, Sharp, and Stone Counties containing ten census tracts designated as distressed due to poverty. Additionally, of the 15 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 25.3 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer real estate and business loan products. Other particular credit needs in the assessment area noted from community contacts include loans for home repairs/renovation, loans for start-up capital funding for small businesses, and down payment assistance.

Income and Wealth Demographics

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	0	4	16	1	0	21
	0.0%	19.0%	76.2%	4.8%	0.0%	100%
Family Population	0	3,871	17,304	685	0	21,860
	0.0%	17.7%	79.2%	3.1%	0.0%	100%

As shown above, the assessment area contains no low-income census tracts and four moderate-income census tracts. These moderate-income geographies make up 19.0 percent of all census tracts in the assessment area, with 17.7 percent of the family population residing in these tracts. The moderate-income geographies are dispersed throughout all four counties of the assessment area.

Based on 2015 census data, the median family income for the assessment area was \$42,001. At the same time, the median family income for nonMSA Arkansas was \$45,060. More recently, the FFIEC estimates the 2017 median family income for nonMSA Arkansas to be \$46,500. The following table displays population percentages of assessment area families by income level compared to the nonMSA Arkansas population.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	4,598	4,533	4,221	8,508	21,860
	21.0%	20.7%	19.3%	38.9%	100%
NonMSA Arkansas	64,826	54,506	59,209	125,086	303,627
	21.4%	18.0%	19.5%	41.2%	100%

As shown in the table above, 41.7 percent of families within the assessment area are LMI, which is higher than the 39.4 percent of LMI families in nonMSA Arkansas. However, while not shown above, the percentage of families living below the poverty level in the assessment area, 16.9 percent, is in line with the 16.6 percent level in all of nonMSA Arkansas. Considering these factors, the assessment area appears of similar affluence as nonMSA Arkansas.

Housing Demographics

Median gross rents are lower in the assessment area (\$557) from that of nonMSA Arkansas (\$588). The affordability ratio (40.3 percent) is in line with nonMSA as a whole (41.0 percent). Based on the affordability ratio comparisons, housing affordability appears to be comparable to nonMSA Arkansas overall, but still out of reach for a number of individuals in the assessment area. A community contact confirmed that affordable housing in good condition in the assessment area is out of reach for LMI residents. Within Independence and Stone Counties in particular, housing

costs and affordability are less affordable when compared to nonMSA Arkansas and the assessment area as a whole, as seen in the table below.

Housing Costs and Affordability			
Area	Median Housing Value	Median Gross Rent	Affordability Ratio
Independence County	\$96,000	\$573	37.8%
Lawrence County	\$64,500	\$531	50.2%
Sharp County	\$74,800	\$578	41.0%
Stone County	\$92,700	\$518	31.6%
Assessment Area	\$82,533	\$557	40.3%
NonMSA Arkansas	\$85,989	\$588	41.0%

Industry and Employment Demographics

The assessment area supports a small, but diverse business community, including a strong small business sector. County business patterns indicate that there are 21,506 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (21.6 percent), manufacturing (19.8 percent), and retail trade (17.5 percent). The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Arkansas as a whole.

Unemployment Levels			
Dataset	Time Period (Annual Average)		
	2016	2017	2018 (through November)
Assessment Area	4.9%	4.3%	4.2%
NonMSA Arkansas	4.8%	4.4%	4.4%

As shown, the assessment area had unemployment rates in line with unemployment rates for nonMSA Arkansas as a whole. For the assessment area, unemployment rates improved from 2016 through November 2018.

Community Contact Information

Information from two community contact interviews was used to conduct this evaluation. One interview was with an individual working in an affordable housing role, and the other interview was with an individual specializing in small business and technology assistance.

The community contact interviewees characterized the local economy as growing with many investment opportunities in the area. However, contacts noted that some counties in the area are experiencing a loss in population. According to the contacts, a major barrier to the area attracting new businesses is the lack of people to fill open job positions. The LMI population encounters the barrier of lack of trade skills when trying to obtain employment. Both contacts mentioned that some segments of the population, whether it be small business owners or LMI populations, are lacking in financial literacy and financial management skills.

One contact noted that there has been a lot of investment in Independence County and financial institutions, including The Citizens Bank specifically, are assisting businesses with financing but that there were opportunities for banks to provide services to assist existing businesses and startups. This contact also noted that there is a need for loan programs for small business owners and startups and programs for business owners and entrepreneurs who seek smaller loans.

The second contact indicated that the greatest need related to housing in the area is the need for home repairs/renovation. The contact noted that for LMI individuals there is an absence of affordable multifamily developments and an inability of residents to obtain home loans. It also was noted that programs for seniors to repair and renovate homes and programs for financial education and homeownership counseling would help. The contact also indicated that other opportunities for banks would be to assist with downtown revitalization projects, as well as investments in affordable housing and for public infrastructure. The bank has been highly involved in providing loans for the Impact Independence program, a community development plan with goals that include revitalizing downtown Batesville. Due to a combined effort with local banks and local agencies, there has been an increase in small business development primarily through grants and Small Business Administration products.

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

LENDING TEST

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

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is excellent based on performance from both loan categories reviewed. The bank's performance under the small business loan category is excellent, and HMDA loan distribution by borrower's profile is reasonable. Slightly greater emphasis was placed on performance in the small business loan category given the bank's emphasis on commercial lending.

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2017 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of Loans Inside Assessment Area by Business Revenue								
January 1, 2017 through December 31, 2017								
Gross Revenue	Loan Amounts in \$000s						TOTAL	
	≤\$100		>\$100 and ≤\$250		>\$250 and ≤\$1,000			
\$1 Million or Less	25	78.1%	4	12.5%	3	9.4%	32	100%
Greater than \$1 Million/ Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	25	78.1%	4	12.5%	3	9.4%	32	100%
Dun & Bradstreet Businesses ≤ \$1MM							87.8%	
2017 CRA Aggregate Data							47.0%	

The bank's level of lending to small businesses is excellent. The bank originated all of its small business loans to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 87.8 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2017 aggregate lending level to small businesses was 47.0 percent.

Next, HMDA loans were reviewed to determine the bank's lending to LMI borrowers. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC (\$46,500 for nonMSA Arkansas as of 2017). The following table shows the distribution of HMDA reported loans by borrower income level in comparison to family population demographics for the assessment area. Additionally, 2017 aggregate data for the assessment area is displayed.

Distribution of Loans Inside Assessment Area by Borrower Income												
January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	2	2.2%	12	12.9%	20	21.5%	55	59.1%	4	4.3%	93	100%
Refinance	3	8.8%	5	14.7%	4	11.8%	19	55.9%	3	8.8%	34	100%
Home Improvement	5	7.6%	11	16.7%	13	19.7%	27	40.9%	10	15.2%	66	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
TOTAL HMDA	10	5.2%	28	14.5%	37	19.2%	101	52.3%	17	8.8%	193	100%
Family Population	21.0%		20.7%		19.3%		38.9%		0.0%		100%	
2017 HMDA Aggregate	5.9%		14.1%		19.4%		43.8%		16.8%		100%	

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (5.2 percent) is significantly below the low-income family population figure (21.0 percent) but similar to the 2017 aggregate lending level to low-income borrowers (5.9 percent), reflecting reasonable performance. Similarly, the bank's level of lending to moderate-income borrowers (14.5 percent) is below the moderate-income family population percentage (20.7 percent) but similar to aggregate lending levels of 14.1 percent, reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

Geographic Distribution of Loans

Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout moderate-income census tracts, with slightly more emphasis placed on the bank's small business lending category. The following table displays 2017 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2017 small business aggregate data.

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	0	0.0%	7	21.9%	25	78.1%	0	0.0%	0	0.0%	32	100%
Business Institutions	0.0%		22.5%		70.4%		7.1%		0.0%		100%	
2017 Small Business Aggregate	0.0%		17.5%		75.6%		5.1%		1.8%		100%	

The bank's percentage of loans in moderate-income census tracts (21.9 percent) is higher than the 2017 aggregate lending percentage in moderate-income census tracts (17.5 percent) and in line with the percentage of small businesses in moderate-income census tracts (22.6 percent), representing reasonable performance.

Second, the bank's geographic distribution of HMDA lending was reviewed. The following table displays the geographic distribution of 2017 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	8	8.6%	80	86.0%	5	5.4%	0	0.0%	93	100%
Refinance	0	0.0%	5	14.7%	25	73.5%	4	11.8%	0	0.0%	34	100%
Home Improvement	0	0.0%	6	9.1%	54	81.8%	6	9.1%	0	0.0%	66	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
TOTAL HMDA	0	0.0%	19	9.8%	159	82.4%	15	7.8%	0	0.0%	193	100%
Owner-Occupied Housing	0.0%		16.7%		80.0%		3.3%		0.0%		100%	
2017 HMDA Aggregate	0.0%		15.1%		77.8%		7.1%		0.1%		100%	

Bank performance in moderate-income census tracts was below comparison data and deemed poor. The bank's total penetration of moderate-income census tracts by number of loans (9.8 percent) is below the percentage of owner-occupied housing units in moderate-income census tracts (16.7 percent). The bank's performance in moderate-income census tracts is also below that of peers (15.1 percent).

Lastly, based on reviews from both loan categories, The Citizens Bank had loan activity in 19 of the 21 census tracts in the assessment area (90.5 percent). While not all census tracts contain HMDA and/or small business loans, the bank originated loans in all moderate-income census tracts in the assessment area. Therefore, no conspicuous lending gaps were noted.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within the 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 one community development loan totaling \$200,000 in this assessment area, which was a new origination. The loan was made to a nonprofit

organization to aid in constructing new facilities for the local school district with a majority LMI student population.

The bank had \$6.8 million in qualified investments and donations in this assessment area. This amount includes \$3 million in new investments, \$3.6 million in prior period investments still outstanding, and 99 donations totaling \$249,459. Finally, bank personnel provided 15 services to 9 different community development organizations in this assessment area. The majority of these services were provided to organizations providing community service activities targeting LMI individuals in the area. This includes organizations providing affordable housing, as well as organizations providing educational services to LMI students.

SOUTHEAST ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTHEAST NONMSA ASSESSMENT AREA

This assessment area includes the entirety of Ashley and Drew Counties in southeastern Arkansas. The bank operates four offices in this assessment area. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	2,710	1,926	1,748	4,413	10,797
	25.1%	17.8%	16.2%	40.9%	100%
Household Population	4,291	2,384	2,411	6,555	15,641
	27.4%	15.2%	15.4%	41.9%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	2	8	2	0	12
	0.0%	16.7%	66.7%	16.7%	0.0%	100%
Family Population	0	2,252	6,745	1,800	0	10,797
	0.0%	20.9%	62.5%	16.7%	0.0%	100%
Household Population	0	3,111	9,410	3,120	0	15,641
	0.0%	19.9%	60.2%	19.9%	0.0%	100%
Business Institutions	0	288	590	344	0	1,222
	0.0%	23.6%	48.3%	28.2%	0.0%	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTHEAST NONMSA ASSESSMENT AREA

LENDING TEST

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

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area exceeds the bank's overall Community Development Test performance, which was based on the performance in the North Central nonMSA Assessment Area.

During the review period, the bank originated five community development loans totaling \$10.1 million. These loans provided funds for economic development and revitalization and stabilization of distressed and underserved areas throughout both Ashley and Drew Counties. The bank also maintained prior period investments totaling \$848,653 and made 22 donations totaling \$5,750. Additionally, bank employees provided four services to four different community development organizations in this assessment area.

CLARK COUNTY ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

This assessment area includes the entirety of Clark County in south central Arkansas. The bank operates one office in this assessment area, which was opened during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	1,091	829	935	2,477	5,332
	20.5%	15.5%	17.5%	46.5%	100%
Household Population	2,331	1,267	1,506	3,577	8,681
	26.9%	14.6%	17.3%	41.2%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	0	4	1	0	5
	0.0%	0.0%	80.0%	20.0%	0.0%	100%
Family Population	0	0	4,525	807	0	5,332
	0.0%	0.0%	84.9%	15.1%	0.0%	100%
Household Population	0	0	7,334	1,347	0	8,681
	0.0%	0.0%	84.5%	15.5%	0.0%	100%
Business Institutions	0	0	582	130	0	712
	0.0%	0.0%	81.7%	18.3%	0.0%	100%

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

LENDING TEST

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

Lending Test Criteria	Performance
Distribution of Loans by Borrower's Profile	Consistent
Geographic Distribution of Loans	N/A
OVERALL	CONSISTENT

As shown above, the geographic distribution of loans is not applicable. This is due to the area not containing any LMI geographies.

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area exceeds the bank's overall Community Development Test performance, which was based on the performance in the North Central nonMSA Assessment Area.

During the review period, the bank originated three community development loans totaling \$2.0 million in Clark County. One of these loans was for a local medical clinic located in a distressed area of Clark County that is part of the city of Arkadelphia's formal revitalization plan. The remaining two loans were for improvements to apartment complexes primarily receiving funding through low-income housing tax credits. The bank also made ten donations totaling \$11,500 and provided one service to one community development organization in this assessment area.

FAYETTEVILLE – SPRINGDALE – ROGERS, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

This assessment area includes the entirety of Benton and Washington Counties, two of the three counties that make up the Fayetteville MSA. The bank operates three offices in this assessment area, one of which was opened since the previous evaluation. 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	22,343	20,827	23,160	48,090	114,420
	19.5%	18.2%	20.2%	42.0%	100%
Household Population	37,398	27,709	30,770	71,515	167,392
	22.3%	16.6%	18.4%	42.7%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	1	13	41	26	0	81
	1.2%	16.1%	50.6%	32.1%	0.0%	100%
Family Population	955	19,400	52,892	41,173	0	114,420
	0.8%	17.0%	46.2%	36.0%	0.0%	100%
Household Population	1,508	32,257	75,323	58,304	0	167,392
	0.9%	19.3%	45.0%	34.8%	0.0%	100%
Business Institutions	158	2,098	6,567	4,386	0	13,209
	1.2%	15.9%	49.7%	33.2%	0.0%	100%

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

LENDING TEST

The bank's Lending Test performance in this assessment area is below the bank's overall Lending Test performance, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

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 below the bank's overall Community Development Test performance.

During the review period, the bank had \$3.3 million in community development investments and donations. This amount includes \$2.2 million in new investments, \$1.1 million in investments from a prior period but still outstanding, and seven donations totaling \$6,056. The bank also provided two services to two different community development organizations in this assessment area.

HOT SPRINGS, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

This assessment area includes Garland County, which makes up the entirety of the Hot Springs MSA. The bank operates two offices in this assessment area, one of which was opened since the previous evaluation. 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	6,024	4,346	5,091	10,490	25,951
	23.2%	16.7%	19.6%	40.4%	100%
Household Population	9,870	6,307	6,790	17,323	40,290
	24.5%	15.7%	16.9%	43.0%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	2	4	9	5	0	20
	10.0%	20.0%	45.0%	25.0%	0.0%	100%
Family Population	1,111	3,355	12,371	9,114	0	25,951
	4.3%	12.9%	47.7%	35.1%	0.0%	100%
Household Population	2,348	6,237	18,857	12,848	0	40,290
	5.8%	15.5%	46.8%	31.9%	0.0%	100%
Business Institutions	267	729	1,714	1,031	0	3,741
	7.1%	19.5%	45.8%	27.6%	0.0%	100%

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

LENDING TEST

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

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is consistent with the bank's overall Community Development Test performance.

During the review period, the bank originated six community development loans totaling \$1.0 million that provided jobs to LMI individuals and helped revitalize moderate-income census tracts in downtown Hot Springs. Additionally, the bank has investments totaling \$3.6 million, primarily in limited tax obligations for school districts with LMI student populations. The investment amount includes \$2.6 million in new investments, \$1.0 million in prior period investments still outstanding, and nine donations totaling \$6,050. Bank employees provided no community development services during the evaluation period.

LITTLE ROCK – NORTH LITTLE ROCK – CONWAY, ARKANSAS METROPOLITAN STATICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE LITTLE ROCK MSA ASSESSMENT AREA

This assessment area includes the entirety of Pulaski County, one of the six counties that make up the Little Rock MSA. The bank operates one office in this assessment area, which opened during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	22,138	15,898	16,880	37,958	92,874
	23.8%	17.1%	18.2%	40.9%	100%
Household Population	41,525	25,171	27,159	60,385	154,240
	26.9%	16.3%	17.6%	39.2%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	10	29	24	30	2	95
	10.5%	30.5%	25.3%	31.6%	2.1%	100%
Family Population	5,842	23,025	26,843	36,466	698	92,874
	6.3%	24.8%	28.9%	39.3%	0.8%	100%
Household Population	10,738	40,812	42,667	58,840	1,183	154,240
	7.0%	26.5%	27.7%	38.1%	0.8%	100%
Business Institutions	1,167	4,529	4,162	8,971	48	18,877
	6.2%	24.0%	22.0%	47.5%	0.3%	100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE LITTLE ROCK MSA ASSESSMENT AREA

LENDING TEST

The bank's Lending Test performance in this assessment area is below the bank's overall Lending Test performance, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's overall Community Development Test performance.

During the review period, the bank made no community development loans, investments, or donations. The bank provided one service to one community development organization in this assessment area.

LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREAS

Southeast NonMSA Assessment Area

Distribution of Loans Inside Assessment Area by Business Revenue								
January 1, 2017 through December 31, 2017								
Gross Revenue	Loan Amounts in \$000s						TOTAL	
	≤\$100		>\$100 and ≤\$250		>\$250 and ≤\$1,000			
\$1 Million or Less	4	30.8%	7	53.8%	2	15.4%	13	100%
Greater than \$1 Million/ Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	4	30.8%	7	53.8%	2	15.4%	13	100%
Dun & Bradstreet Businesses ≤ \$1MM							86.6%	
2017 CRA Aggregate Data							24.2%	

Distribution of Loans Inside Assessment Area by Borrower Income												
January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	0	0.0%	1	11.1%	8	88.9%	0	0.0%	9	100%
Refinance	0	0.0%	0	0.0%	0	0.0%	4	100.0%	0	0.0%	4	100%
Home Improvement	1	14.3%	0	0.0%	2	28.6%	2	28.6%	2	28.6%	7	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
TOTAL HMDA	1	5.0%	0	0.0%	3	15.0%	14	70.0%	2	10.0%	20	100%
Family Population	25.1%		17.8%		16.2%		40.9%		0.0%		100%	
2017 HMDA Aggregate	2.8%		10.3%		22.0%		41.8%		23.0%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	0	0.0%	3	23.1%	4	30.8%	6	46.2%	0	0.0%	13	100%
Business Institutions	0.0%		23.6%		48.3%		28.2%		0.0%		100%	
2017 Small Business Aggregate	0.0%		17.7%		58.5%		22.2%		1.7%		100%	

Appendix A (continued)

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	0	0.0%	5	55.6%	4	44.4%	0	0.0%	9	100%
Refinance	0	0.0%	2	50.0%	0	0.0%	2	50.0%	0	0.0%	4	100%
Home Improvement	0	0.0%	0	0.0%	7	100.0%	0	0.0%	0	0.0%	7	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
TOTAL HMDA	0	0.0%	2	10.0%	12	60.0%	6	30.0%	0	0.0%	20	100%
Owner-Occupied Housing	0.0%		17.5%		65.5%		16.9%		0.0%		100%	
2017 HMDA Aggregate	0.0%		16.4%		51.3%		32.3%		0.0%		100%	

Clark County Assessment Area

Distribution of Loans Inside Assessment Area by Business Revenue									
January 1, 2017 through December 31, 2017									
Gross Revenue	Loan Amounts in \$000s						TOTAL		
	≤\$100		>\$100 and ≤\$250		>\$250 and ≤\$1,000				
\$1 Million or Less	1	33.3%	1	33.3%	1	33.3%	3	100%	
Greater than \$1 Million/ Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
TOTAL	1	33.3%	1	33.3%	1	33.3%	3	100%	
Dun & Bradstreet Businesses ≤ \$1MM							89.5%		
2017 CRA Aggregate Data							34.2%		

Distribution of Loans Inside Assessment Area by Borrower Income												
January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	2	15.4%	1	7.7%	2	15.4%	4	30.8%	4	30.8%	13	100%
Refinance	0	0.0%	0	0.0%	0	0.0%	5	100%	0	0.0%	5	100%
Home Improvement	0	0.0%	0	0.0%	0	0.0%	1	100%	0	0.0%	1	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2	100%	2	100%
TOTAL HMDA	2	9.5%	1	4.8%	2	9.5%	10	47.6%	6	28.6%	21	100%
Family Population	20.5%		15.5%		17.5%		46.5%		0.0%		100%	
2017 HMDA Aggregate	3.8%		10.5%		20.9%		47.2%		17.6%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	0	0.0%	0	0.0%	2	66.7%	1	33.3%	0	0.0%	3	100%
Business Institutions	0.0%		0.0%		81.7%		18.3%		0.0%		100%	
2017 Small Business Aggregate	0.0%		0.0%		81.2%		17.1%		1.7%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	0	0.0%	11	84.6%	2	15.4%	0	0.0%	13	100%
Refinance	0	0.0%	0	0.0%	3	60.0%	2	40.0%	0	0.0%	5	100%
Home Improvement	0	0.0%	0	0.0%	1	100%	0	0.0%	0	0.0%	1	100%
Multifamily	0	0.0%	0	0.0%	1	50.0%	1	50.0%	0	0.0%	2	100%
TOTAL HMDA	0	0.0%	0	0.0%	16	76.2%	5	23.8%	0	0.0%	21	100%
Owner-Occupied Housing	0.0%		0.0%		85.0%		15.0%		0.0%		100%	
2017 HMDA Aggregate	0.0%		0.0%		83.9%		16.1%		0.0%		100%	

Fayetteville MSA Assessment Area

Distribution of Loans Inside Assessment Area by Business Revenue								
January 1, 2017 through December 31, 2017								
Gross Revenue	Loan Amounts in \$000s						TOTAL	
	≤\$100		>\$100 and ≤\$250		>\$250 and ≤\$1,000			
\$1 Million or Less	0	0.0%	0	0.0%	1	20.0%	1	20.0%
Greater than \$1 Million/ Unknown	1	20.0%	0	0.0%	3	60.0%	4	80.0%
TOTAL	1	20.0%	0	0.0%	4	80.0%	5	100%
Dun & Bradstreet Businesses ≤ \$1MM							89.0%	
2017 CRA Aggregate Data							51.1%	

Distribution of Loans Inside Assessment Area by Borrower Income												
January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	1	4.5%	1	4.5%	10	45.5%	10	45.5%	22	100%
Refinance	0	0.0%	0	0.0%	1	14.3%	6	85.7%	0	0.0%	7	100%
Home Improvement	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4	100%	4	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	100%	1	100%
TOTAL HMDA	0	0.0%	1	2.9%	2	5.9%	16	47.1%	15	44.1%	34	100%
Family Population	19.5%		18.2%		20.2%		42.0%		0.0%		100%	
2017 HMDA Aggregate	7.0%		15.5%		18.5%		40.2%		18.8%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	0	0.0%	0	0.0%	4	80.0%	1	20.0%	0	0.0%	5	100%
Business Institutions	1.2%		15.9%		49.7%		33.2%		0.0%		100%	
2017 Small Business Aggregate	0.9%		13.5%		46.7%		37.8%		1.1%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	1	4.5%	1	4.5%	11	50.0%	9	40.9%	0	0.0%	22	100%
Refinance	0	0.0%	1	14.3%	2	28.6%	4	57.1%	0	0.0%	7	100%
Home Improvement	0	0.0%	1	25.0%	1	25.0%	2	50.0%	0	0.0%	4	100%
Multifamily	0	0.0%	0	0.0%	1	100.0%	0	0.0%	0	0.0%	1	100%
TOTAL HMDA	1	2.9%	3	8.8%	15	44.1%	15	44.1%	0	0.0%	34	100%
Owner-Occupied Housing	0.4%		13.0%		47.2%		39.4%		0.0%		100%	
2017 HMDA Aggregate	0.3%		10.7%		41.4%		47.7%		0.0%		100%	

Hot Springs MSA Assessment Area

Distribution of Loans Inside Assessment Area by Business Revenue								
January 1, 2017 through December 31, 2017								
Gross Revenue	Loan Amounts in \$000s						TOTAL	
	≤\$100		>\$100 and ≤\$250		>\$250 and ≤\$1,000			
\$1 Million or Less	8	53.3%	3	20.0%	3	20.0%	14	93.3%
Greater than \$1 Million/ Unknown	0	0.0%	0	0.0%	1	6.7%	1	6.7%
TOTAL	8	53.3%	3	20.0%	4	26.7%	15	100%
Dun & Bradstreet Businesses ≤ \$1MM							91.0%	
2017 CRA Aggregate Data							42.0%	

Distribution of Loans Inside Assessment Area by Borrower Income												
January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	2	3.8%	5	9.6%	8	15.4%	23	44.2%	14	26.9%	52	100%
Refinance	0	0.0%	1	6.7%	2	13.3%	9	60.0%	3	20.0%	15	100%
Home Improvement	2	25.0%	1	12.5%	2	25.0%	1	12.5%	2	25.0%	8	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	3	100%	3	100%
TOTAL HMDA	4	5.1%	7	9.0%	12	15.4%	33	42.3%	22	28.2%	78	100%
Family Population	23.2%		16.7%		19.6%		40.4%		0.0%		100%	
2017 HMDA Aggregate	6.9%		15.1%		19.6%		40.0%		18.3%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	1	6.7%	6	40.0%	7	46.7%	1	6.7%	0	0.0%	15	100%
Business Institutions	7.1%		19.5%		45.8%		27.6%		0.0%		100%	
2017 Small Business Aggregate	5.9%		18.9%		41.5%		33.0%		0.6%		100%	

Appendix A (continued)

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	2	3.8%	5	9.6%	22	42.3%	23	44.2%	0	0.0%	52	100%
Refinance	2	13.3%	0	0.0%	5	33.3%	8	53.3%	0	0.0%	15	100%
Home Improvement	0	0.0%	1	12.5%	4	50.0%	3	37.5%	0	0.0%	8	100%
Multifamily	0	0.0%	2	66.7%	1	33.3%	0	0.0%	0	0.0%	3	100%
TOTAL HMDA	4	5.1%	8	10.3%	32	41.0%	34	43.6%	0	0.0%	78	100%
Owner-Occupied Housing	3.4%		11.8%		49.1%		35.6%		0.0%		100%	
2017 HMDA Aggregate	2.8%		8.6%		47.2%		41.4%		0.0%		100%	

Little Rock MSA Assessment Area

Distribution of Loans Inside Assessment Area by Business Revenue								
January 1, 2017 through December 31, 2017								
Gross Revenue	Loan Amounts in \$000s						TOTAL	
	≤\$100		>\$100 and ≤\$250		>\$250 and ≤\$1,000			
\$1 Million or Less	0	0.0%	0	0.0%	2	100%	2	100%
Greater than \$1 Million/ Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	0	0.0%	0	0.0%	2	100%	2	100%
Dun & Bradstreet Businesses ≤ \$1MM							87.4%	
2017 CRA Aggregate Data							44.3%	

Distribution of Loans Inside Assessment Area by Borrower Income												
January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	0	0.0%	0	0.0%	3	100%	0	0.0%	3	100%
Refinance	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
Home Improvement	0	0.0%	1	50.0%	0	0.0%	0	0.0%	1	50.0%	2	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
TOTAL HMDA	0	0.0%	1	20.0%	0	0.0%	3	60.0%	1	20.0%	5	100%
Family Population	23.8%		17.1%		18.2%		40.9%		0.0%		100%	
2017 HMDA Aggregate	5.5%		14.1%		19.0%		38.5%		22.9%		100%	

Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	0	0.0%	0	0.0%	1	50.0%	1	50.0%	0	0.0%	2	100%
Business Institutions	6.2%		24.0%		22.0%		47.5%		0.3%		100%	
2017 Small Business Aggregate	5.6%		22.5%		20.1%		50.6%		1.2%		100%	

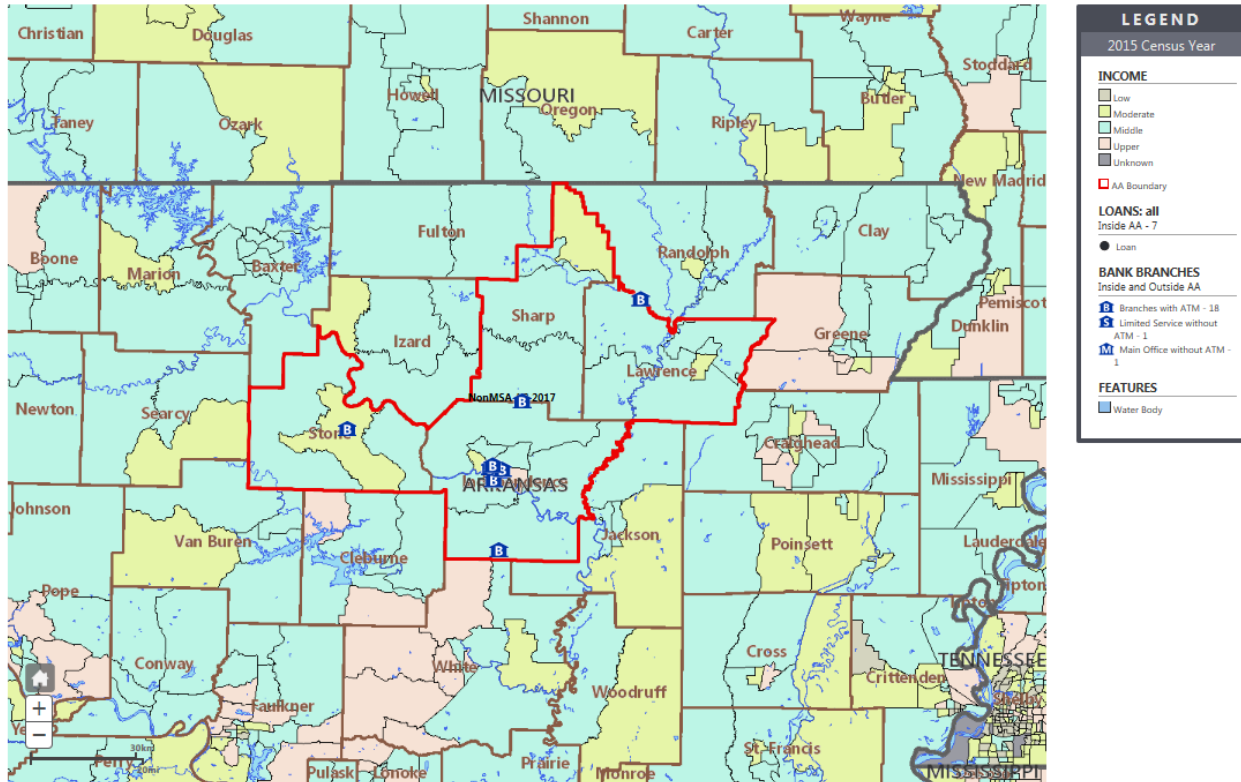
Distribution of Loans Inside Assessment Area by Income Level of Geography												
January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	0	0.0%	0	0.0%	0	0.0%	3	100%	0	0.0%	3	100%
Refinance	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
Home Improvement	0	0.0%	1	50.0%	0	0.0%	1	50.0%	0	0.0%	2	100%
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	100%
TOTAL HMDA	0	0.0%	1	20.0%	0	0.0%	4	80.0%	0	0.0%	5	100%
Owner-Occupied Housing	4.4%		22.4%		29.8%		42.9%		0.5%		100%	
2017 HMDA Aggregate	2.4%		15.9%		28.6%		52.8%		0.3%		100%	

ASSESSMENT AREAS DETAIL

North Central NonMSA Assessment Area

Citizens Bank - Batesville, AR

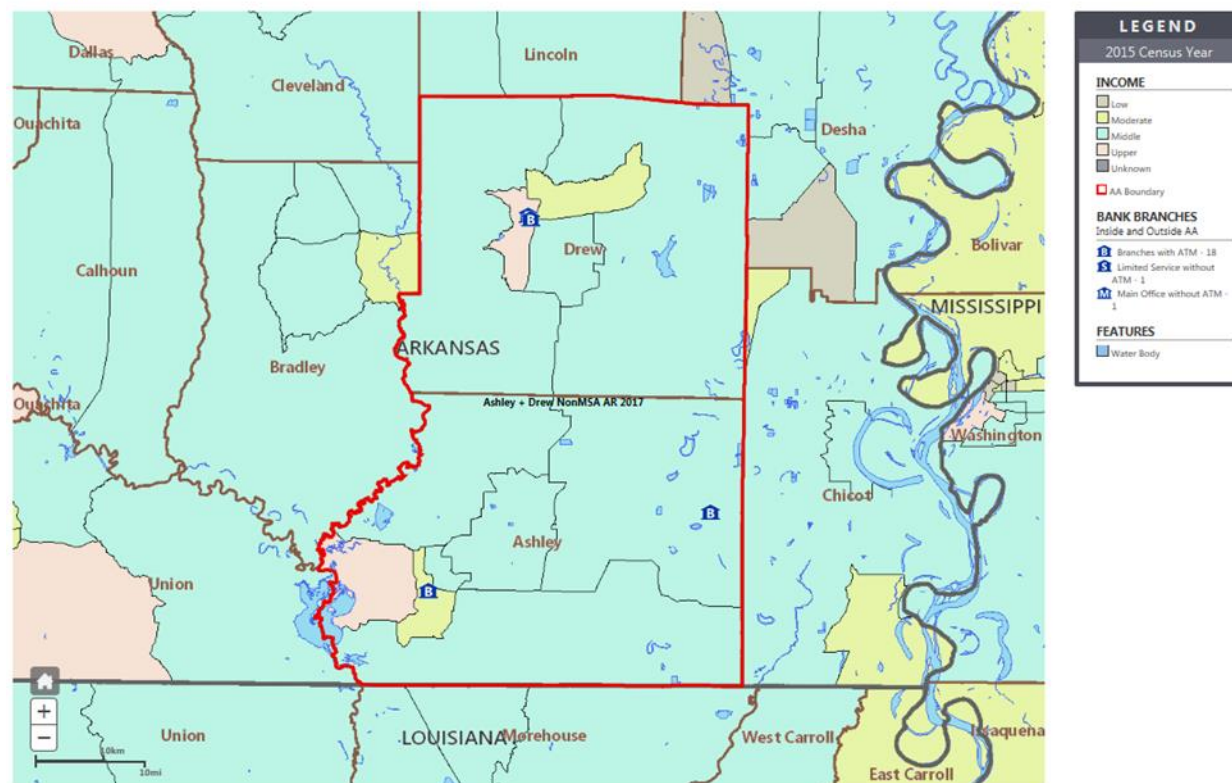
NonMSA AR 2017



Southeast nonMSA Assessment Area

Citizens Bank - Batesville, AR

Ashley and Drew NonMSA AR 2017

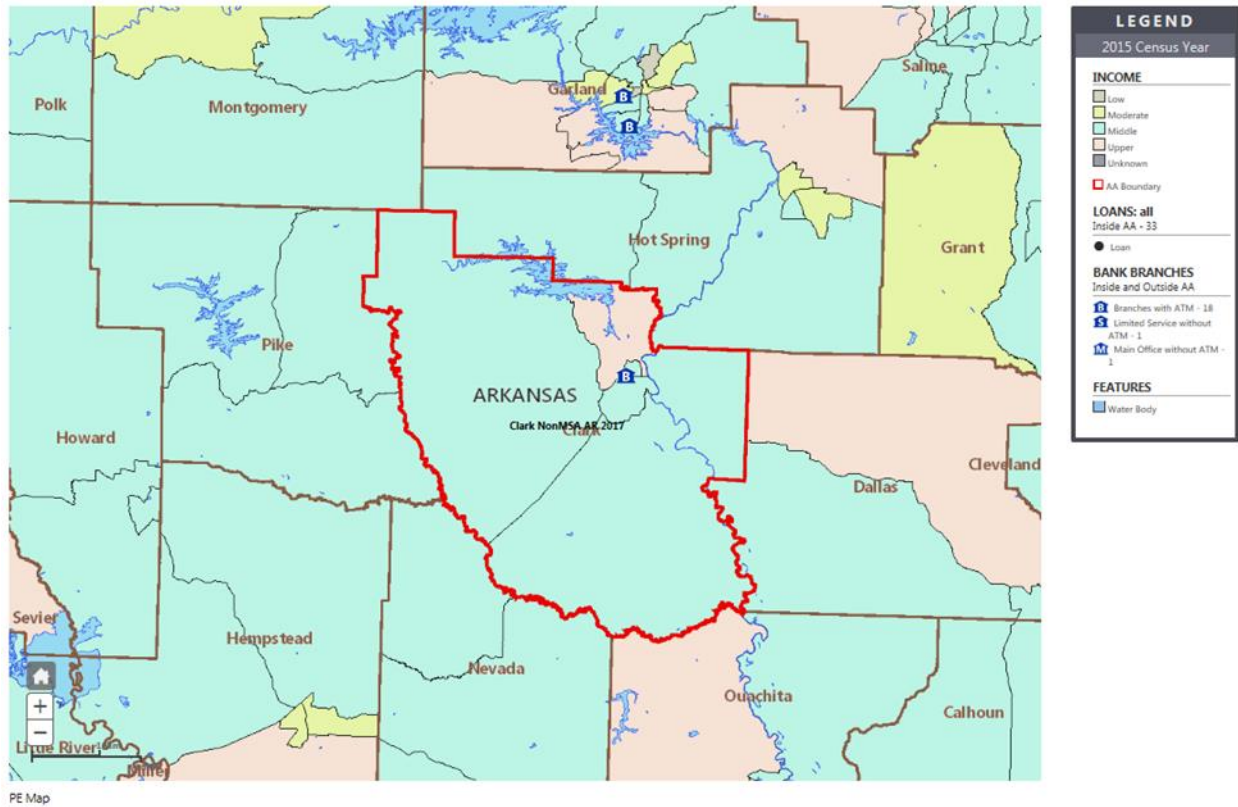


PE Map

Clark County Assessment Area

Citizens Bank - Batesville, AR

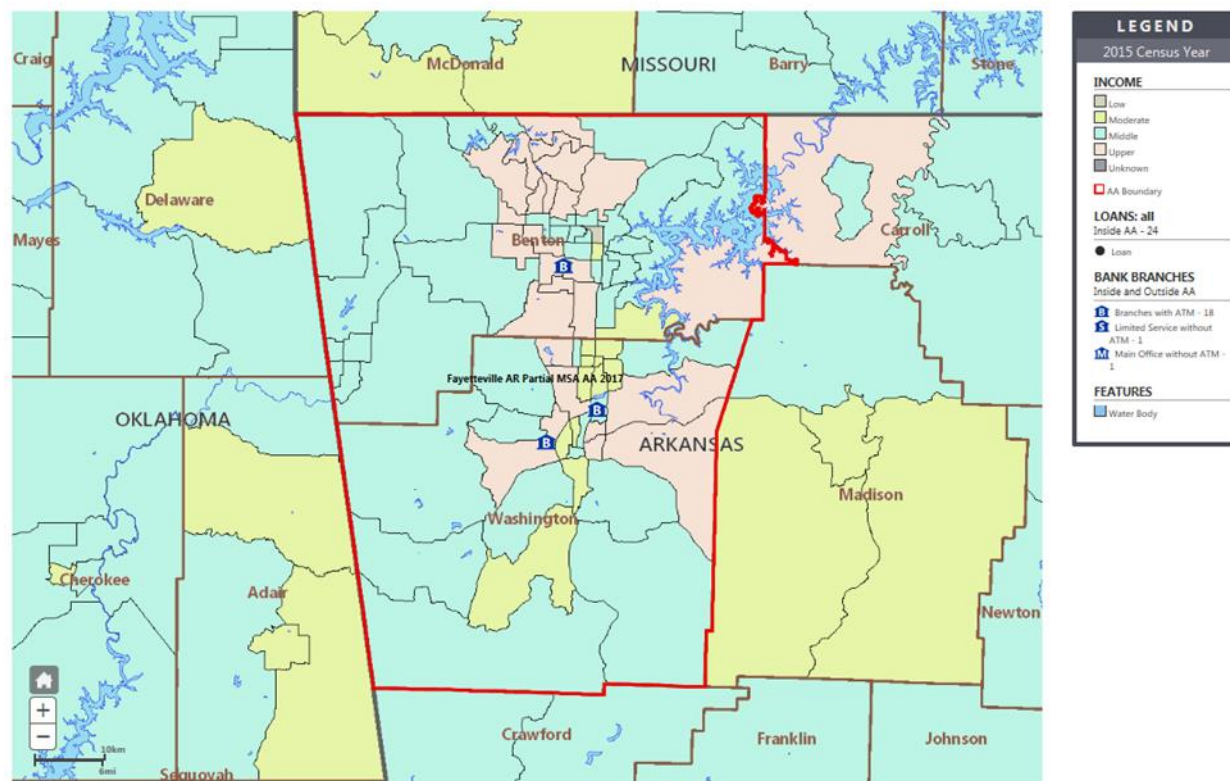
Clark NonMSA AR 2017



Fayetteville MSA Assessment Area

Citizens Bank - Batesville, AR

Fayetteville AR Partial MSA AA 2017

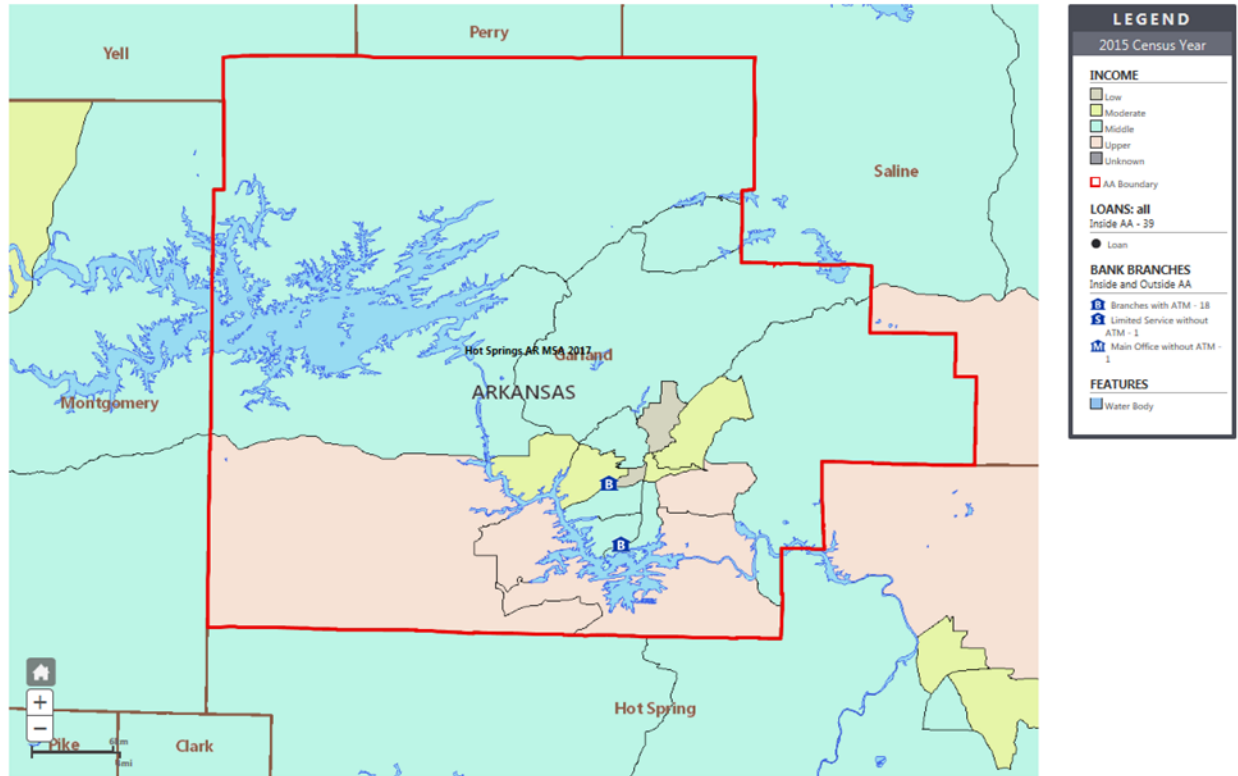


PE Map

Hot Springs MSA Assessment Area

Citizens Bank - Batesville, AR

Hot Springs AR MSA AA 2017

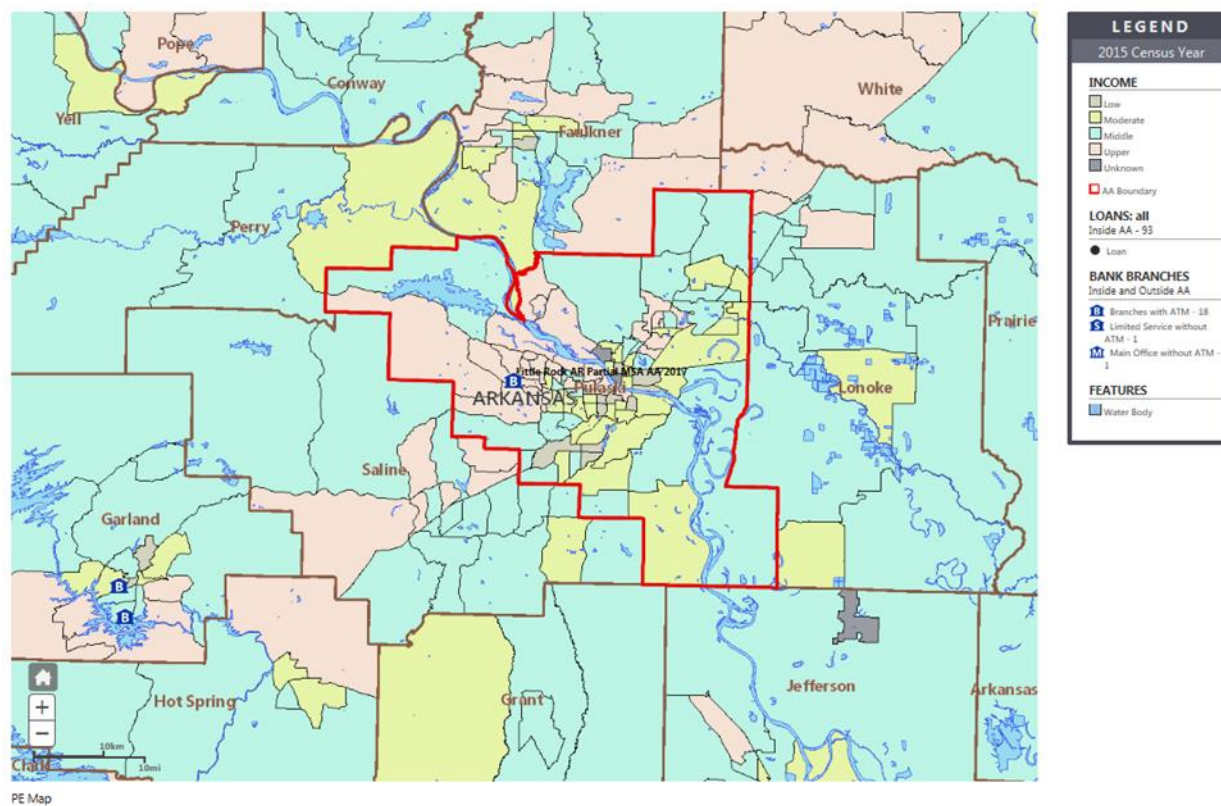


PE Map

Little Rock MSA Assessment Area

Citizens Bank - Batesville, AR

Little Rock AR Partial MSA AA 2017



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 non-metropolitan 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 upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community 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 (LMI) individuals; (2) community services targeted to LMI 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 LMI 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 (such as age, race, sex, income, etc.) 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

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

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

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: Is 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 a 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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.