



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

May 16, 2002

**Community Reinvestment Act
Performance Evaluation**

**The Malvern National Bank
Charter Number: 23202**

**1 Money Place
Malvern, AR 72104**

Office of the Comptroller of the Currency

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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

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

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

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- Overall loan distribution is good, particularly to low- and moderate-income borrowers with no unexplained gaps in lending.
- Distribution of loans in low- and moderate-income CT's and BNA's is adequate with no unexplained gaps in lending. Also, the percentage of loans made within the bank's assessment area is very high.
- MNB has an adequate level of qualified investments that support small businesses given the limited number of qualified investments available to participate in within the bank's assessment area.
- MNB's delivery system is reasonably accessible to services and products throughout the assessment area, including low- and moderate-income areas. The bank has an adequate level of community development services given the limited number of programs available to participate in within the bank's assessment area.

Definitions and Common Abbreviations

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

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

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

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan 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 Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

Geography: A census tract or a block numbering area 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 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: Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

Limited 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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

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

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

Rated Area: A rated area is a state or multi-state 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 Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. 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 non-mortgage, commercial loans.

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

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

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

Description of Institution

Malvern National Bank (MNB), headquartered in Malvern, Arkansas is a wholly owned subsidiary of MNB Bancshares, Inc., Malvern, Arkansas a \$343 million bank holding company. The holding company also owns 50 percent of Community Insurance Agency, which is located in Benton, Arkansas.

MNB is an intrastate bank and the largest commercial bank in Hot Spring County. As of March 31, 2002, total assets were \$343 million and Tier One Capital was \$30 million. Net loans were \$179 million or 52 percent to total assets, deposits totaled \$306 million, and the loan-to-deposit ratio was 58 percent. The bank's deposit market share in Hot Spring County was 46 percent as of June 30, 2001. The loan portfolio was comprised of the following loan types:

Loans secured by real estate	69 percent
Commercial and industrial loans	16 percent
Loans to individuals (Including credit card loans totaling less than 1 percent of loans)	14 percent
Agricultural loans	less than 1 percent
All other loans	1 percent.

During the evaluation period, MNB's strategic plan has been to provide a wide variety of loan, deposit, and financial services to meet the needs of consumers, small businesses, and small farms, and excellent customer service within the Hot Spring, Garland, Saline, and Grant County market area. MNB operates 11 branch offices and 10 automated teller machines (ATM) throughout the assessment area. Banking offices are located in the cities of Malvern, Hot Springs, Benton, Bryant, East End, and Sheridan, Arkansas. Since the last CRA examination, December 23, 1996, MNB opened three new full-service branches in Hot Springs, Benton, and Bryant, Arkansas. No significant financial or other barriers limit MNB's ability to meet the identified credit needs within its AA's.

The prior CRA examination rating was "**Satisfactory**".

Scope of the Evaluation

Evaluation Period/Products Evaluated

Conclusions regarding the Lending Test are based on home mortgage loans, small business, and small farm from January 2, 2000 through December 31, 2001.

The evaluation period for the Services Test and Investment Test was from December 24, 1996 through May 27, 2002. The Services Test was evaluated based on branch distribution, hours of operation, branch openings and closings, alternative delivery systems, retail and commercial deposit and loan products and services, and community development services. The Investment Test conclusions are based on an evaluation of qualified community development investments and donations.

No affiliate information was submitted for inclusion in this evaluation.

Data Integrity

We reviewed the accuracy of HMDA, small business, and small farm loan data collected by the bank from January 1, 2000 through December 31, 2001. Although the HMDA, small business, and small farm data had a few inaccuracies, loan data was considered reliable for use in analysis. All the data reported for the above categories were used in this evaluation. Community development services and investments were also reviewed during data integrity and additional information was required to determine qualifying investments and services during the examination.

Selection of Areas for Full-Scope Review

MNB has four assessment areas (AA's), Hot Spring County, Garland County, Grant County, and Saline County. The AA's chosen for full-scope review include all CT's located in Saline County, which is part of the Little Rock Metropolitan Area CT MA #4400 and all BNA's located in Garland and Hot Spring Counties, which are not located in any metropolitan area. BNA's located Grant County were reviewed using limited-scope procedures.

The headquarters for MNB is located in Malvern, Arkansas, located in Hot Spring County. This AA was selected for a full-scope review since Hot Spring County accounts for the major portion of the bank's loan and deposit portfolios. The Garland County AA and Saline County MA were also selected for a full-scope review because these counties included all of the low- or moderate-income BNA's and CT's in the bank's AA. Grant County was not selected for a full-scope review since this AA comprises a relative small portion of the bank's loans and deposits and has no low- or moderate-income BNA's.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. Generally, more weight was placed on lending activity in the Hot Spring County AA. MNB has 46 percent of the deposit market share in Hot Spring County, 62 percent of the bank's deposits, and 41 % of the bank's CRA reported loans. Less weight was given to lending

activity in the Garland and Saline County AA's since these two AA's combined, account for only 28 percent of the bank's deposits and 39 percent of CRA reported loans.

More weight was also given to the distribution of loans based on borrower's income rather than distribution of loans by income of the geography since only 6 out of 39 BNA's or CT's were moderate-income geographies. There are no low- income geographies in any of the bank's AA's.

Other

No community contacts were made during this CRA examination. However, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation conducted recent interviews with community contacts in Garland, Hot Spring, and Saline County AA's in 2001 and in 2002. One of these contacts was with the Garland County Economic Development, Inc. The other two contacts were realtors in the Hot Spring and Saline County AA's. Affordable housing for low- and moderate-income families was the predominant need identified by all contacts. The existing inventory of affordable housing is low in the bank's AA. The number of community development opportunities available for banks to participate addressing affordable housing needs in these AA's is also limited. Recently, builders and contractors have been committed to building mostly new, higher-priced housing, and have not been building or renovating less profitable low-cost housing.

Fair Lending Review

An analysis of the most recent public comments and consumer complaint information regarding HMDA, small business, and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1996.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "**High Satisfactory**". Based on full-scope reviews, the bank's performance in Saline County and Garland County and Hot Spring County AA's is good. Lending performance in the Hot Spring County AA was given more weight, since the largest portion of the bank's loans and deposits are in this AA. Also, more weight was placed on loan distribution by borrower's income rather than loan distribution by income level of the geography. Out of 39 CT's and BNA's in the Garland, Hot Spring, and Saline County AA's, no low-income CT's exist, and only six or 15 percent are moderate-income CT's (four CT's in Garland County and two BNA's in Saline County). The remaining 26 CT's and BNA's in Garland, Hot Spring, and Saline County AA's are either middle- or upper-income CT's or BNA's.

Lending Activity

Refer to Tables 1 in appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity is good. MNB is the dominant lender in the Hot Spring County AA. Approximately 41 percent of the bank's loans evaluated for CRA are in this market. The evaluation period for lending activity is from January 2, 2000 to December 31, 2001. The bank originated a good volume of loans to consumer home mortgages, small businesses, and to a small extent, small farms, all of which impact the bank's CRA lending performance assessment. No analysis was made for the geographic distribution of small loans to farms or residential multi-family housing due to the low number of lending opportunities. Also, these loans are not a significant portion of MNB's lending activity. During this evaluation period, loans and deposits increased by 18 and 24 percent, respectively. During the evaluation period, the loan-to-deposit ratio decreased slightly from 63 to 60 percent, due to deposit growth outpacing loan growth.

Garland County AA:

Loan volume in this AA area is good. Overall, the Garland County AA accounts for approximately 21 percent of the number of MNB's loans and 31 percent of the dollar volume of loans. The number and dollar volume of loans in this AA are centered in small business loans. The bank ranks 6th in deposits with a 3.5 percent market share. MNB is one of 11 financial institutions competing for deposits in this AA and an additional 113 non-deposit taking institutions such as mortgage and finance companies, mobile home lenders, and various other lenders compete for a market share of loans in this AA. MNB ranks 16th in home purchase loans with a 1.5 percent market share, 10th in home improvement loans with a 3.1 percent market share, and 24th in home mortgage refinance loans with a 0.8 percent market share. MNB ranks 8th in loans to small businesses with a 3.8 percent market share and 4th in small farm loans with a 16.7 percent market share.

Hot Spring County AA:

Loan volume in this assessment area is excellent. Overall, the Hot Spring County AA accounts for approximately 41 percent of the number of MNB's loans and 39 percent of the dollar volume of loans. The number of small business to home mortgage loans is comparable. However, the dollar volume of loans is centered in small business loans. The bank ranks 1st in deposits with a 46.5 percent market share. MNB is one of six financial institutions competing for deposits in this AA while an additional 41 non-deposit taking institutions such as mortgage and finance companies, mobile home lenders, and various other lenders compete for a market share of loans in this AA. MNB ranks 1st in Hot Spring County in home purchase loans with a 15.7 percent market share, 2nd in home improvement loans with a 19.8 percent market share, and 1st in home mortgage refinance loans with a 16.2 percent market share. MNB ranks 1st in loans to small businesses with a 31.1 percent market share and 3rd in small farm loans with a 25.0 percent market share.

Saline County:

Loan volume in this AA is good. Overall, the Saline County AA accounts for approximately 18 percent of the number of MNB's loans and 20 percent of the dollar volume of loans. The number and dollar volume of home mortgage loans slightly exceed the number and dollar volume of small business loans. The bank ranks 4th in deposits with a 7.1 percent market share. MNB is one of 10 financial institutions competing for deposits in this AA while an additional 111 non-deposit taking institutions such as mortgage and finance companies, mobile home lenders, and various other lenders compete for a market share of loans in this AA. MNB ranks 24th in Saline County in home purchase loans with a 1.3 percent market share, 10th in home improvement loans with a 1.5 percent market share, and 26th in home mortgage refinance loans with a 1.0 percent market share. MNB ranks 9th in loans to small businesses with a 2.5 percent market share and 5th in small farm loans with an 8.3 percent market share.

Distribution of Loans by Income Level of the Geography

MNB's overall distribution of loans by income level of the geography is adequate. The Hot Spring County AA was not evaluated for distribution of loans by the income level of the geography since it has no low- or moderate-income BNA's. Most weight was given to geographic distribution of loans in the Garland County AA. Small business loans comprise the largest number and dollar volume of rated loans in the Garland County AA and the Saline County MA. Geographic distribution of small business loans is poor in the Garland County AA and adequate in the Saline County. However, geographic distribution of home mortgage products is excellent in the Garland County AA and good in the Saline County MA. No unexplained gaps or areas of low or no loan penetration exist. Also, the majority of loans, 93 percent, were originated within the bank's AA's.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the origination and purchases of the bank's home mortgage loans. The bank's distribution of home mortgage loans by income level of the geography is excellent in the Garland County AA and good in the Saline County MA.

Home Purchase Loans:

Garland County AA:

The geographic distribution of home purchase loans is good. Most weight was given to the bank's market share of home purchase loans in moderate-income BNA's. The bank's distribution of loans in moderate-income BNA's is near to the percentage of owner-occupied housing units and its market share in moderate-income geographies exceeds its overall market share.

Saline County MA:

The geographic distribution of home purchase loans is excellent. The bank's distribution of loans in moderate-income CT's exceeds the percentage of owner-occupied housing units and its market share in moderate-income CT's exceeds its overall market share.

Home Improvement Loans:

Garland County AA:

The geographic distribution of home improvement loans is excellent. The bank's distribution of loans in moderate-income BNA's substantially exceeds the percentage of owner-occupied housing units and its market share in moderate-income geographies exceeds its overall market share.

Saline County MA:

The geographic distribution of home improvement loans is adequate. The bank's distribution of loans in moderate-income CT's is below the percentage of owner-occupied housing units. MNB did not originate any home improvement loans in moderate-income CT's in 2000 so the bank has no market share in that year. The housing inventory in Saline County is relatively new and the number of contractors available for home improvements is limited due to new housing construction.

Home Refinanced Loans:

Garland County AA:

The geographic distribution of home refinance loans is adequate. The bank's distribution of loans in moderate-income BNA's is well below the percentage of owner-occupied housing units. MNB did not originate any home improvement loans in moderate-income BNA's in 2000 or during the evaluation period so the bank has no market share. Activity in home refinance loans has increased in 2002 due to declining interest rates.

Saline County MA:

The geographic distribution of home refinance loans is good. The bank's distribution of loans in moderate-income CT's is near to the percentage of owner-occupied housing units and its market share in moderate-income geographies is near to its overall market share.

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses. The distribution of loans by the income level of the geography is poor in the Garland County AA and adequate in the Saline County MA.

Garland County AA:

The geographic distribution of small business loans is poor. The percentage of loans in moderate-income BNA's is well below the percentage of small businesses located in moderate income BNA's. Also, the bank's market share of small business loans in moderate-income BNA's is well below its overall market share.

Saline County MA:

The geographic distribution of small business loans is adequate. The percentage of loans in moderate-income CT's is below the percentage of small businesses located in moderate income CT's. Also, the bank's market share of small business loans in moderate-income CT's is below its overall market share.

Small Loans to Farms

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms. Due to the low volume of loans in the Garland and Saline County AA's, an analysis is not meaningful.

Garland County AA:

No analysis was conducted for small loans to farms. Only six small loans to farms were made in this AA by all institutions. Based on 2001 HUD data, there are no low-income BNA's and only a small percentage of farms are located in moderate-income tracts.

Saline County MA:

No analysis was conducted for small loans to farms. Only 12 small loans to farms were made in this AA by all institutions. Based on 2001 HUD data, there are no low income CT's and only a small percentage of farms are located in moderate-income tracts.

Lending Gap Analysis

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

Inside/Outside Ratio

During the evaluation period, approximately 93 percent of the loans reviewed were within the bank's AA. Approximately 96 percent of the bank's home mortgage loans, 92 percent of the small business loans, and 90 percent of the small farm loans were within the bank's AA. This performance was a positive factor in the overall analysis of the geographic distribution of lending.

Distribution of Loans by Income Level of the Borrower

MNB's overall distribution of loans by income level of the borrower is good. Most weight was given to the loan distribution by income level of the borrower in the Garland and Hot Spring County AA's since these two AA's have the largest number and dollar volume of rated loans. Loan distribution is excellent in the Garland County MA and good in the Hot Spring and Saline County AA's.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. Loan distribution of home mortgage products to low- and moderate-income borrowers is good in the Garland County AA and adequate in the Hot Spring County AA and Saline County MA. Home mortgage loans comprise a significant portion of MNB's rated loans.

Home Purchase Loans:

Garland County AA:

The distribution of home purchase loans by borrower's income level is good. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. The percentage of families below the poverty level is high and actually exceeds the percentage of low-income families within the AA, reducing the number of lending opportunities. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. However, the percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. Also, the bank's market share for both low- and moderate-income borrowers is near to its overall market share.

Hot Spring County AA:

The distribution of home purchase loans by borrower income level is adequate. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. The percentage of families below the poverty level is

high and actually exceeds the percent of low-income families within the AA, reducing the number of lending opportunities. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. However, the bank's market share of loans to low-income borrowers exceeds its overall market share. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families in the AA. However, the bank's market share of loans to moderate-income borrowers is near to its overall market share.

Saline County MA:

The distribution of home purchase loans by borrower's income level is good. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. A significant percentage of low-income families are below the poverty level and the supply of affordable housing, existing or new, is low, reducing the number of lending opportunities. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA and MNB did not originate any home purchase loans to low-income borrowers in 2000 so the bank has no market share in that year. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. However, the bank's market share of loans to moderate-income families is below its overall market share.

Home Improvement Loans:

Garland County AA:

The distribution of home improvement loans by borrower's income level is excellent. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. The percentage of families below the poverty level is high and actually exceeds the percent of low-income families within the AA, reducing the number of lending opportunities. The bank has not made any loans to low-income borrowers during the evaluation period. However, the percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. MNB did not originate any home improvement loans in low- or moderate-income CT's in 2000 so the bank has no market share in that year.

Hot Spring County AA:

The distribution of home improvement loans by borrower's income level is adequate. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. The percentage of families below the poverty level is high and actually exceeds the percent of low-income families within the AA, reducing the number of lending opportunities. The percentage of loans to low- and moderate-income borrowers is below the percentage of low- and moderate-income families in the AA. However, the bank's market share of loans to low-income borrowers exceeds its overall market share. The bank's market share of loans to moderate-income borrowers is below its overall market share.

Saline County MA:

The distribution of home improvement loans by borrower's income level is adequate. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. A significant percentage of low-income families are below the poverty level and the number of contractors available for home improvements is limited due to new housing construction, reducing the number of lending opportunities. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families in the AA. MNB did not originate any home improvement loans to low- or moderate-income borrowers in 2000 so the bank has no market share in that year.

Home Refinance Loans:Garland County AA:

The distribution of home refinance loans by borrower's income level is good. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. The percentage of families below the poverty level is high and actually exceeds the percent of low-income families within the AA, reducing the number of lending opportunities. The bank has not made any loans to low-income borrowers during the evaluation period. However, the percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families in the AA. Also, the bank's market share of loans to moderate-income borrowers exceeds its overall market share.

Hot Spring County AA:

The distribution of home refinance loans by borrower's income level is adequate. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. The percentage of families below the poverty level is high and actually exceeds the percent of low-income families within the AA, reducing the number of lending opportunities. The percentage of loans to low-income families is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers is below the percentage of moderate-income families in the AA. The bank's market share of loans to moderate-income borrowers is below its overall market share.

Saline County MA:

The distribution of home refinance loans by borrower's income level is adequate. Most weight is given to moderate-income borrowers since it is difficult for low-income families to obtain financing for home mortgage products. A significant percentage of low-income families are below the poverty level and the supply of existing or new affordable housing is low (verify), reducing the number of lending opportunities. The percentage of loans to low-income families is well below the percentage of low-income families. The percentage of loans to moderate-income borrowers is below the percentage of low- and moderate-income families in the AA. MNB did not originate any home refinance loans to low-income borrowers in 2000 so the bank has no market share in that year. The bank's market share of loans to moderate-income borrowers is also below its overall market share.

Small Loans to Businesses

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses. Distribution of loans to small businesses with revenues of \$1 million or less is excellent in the Garland County AA and Saline County MA, and good in the Hot Spring County AA. Most weight was given to small business lending activity in the Garland and Hot Spring County AA's since they comprise the largest portion of the bank's loans.

Garland County AA:

The distribution of small business loans is excellent. The percentage of loans to small businesses in the AA is near to the percentage of small businesses in the AA. Also, the bank's market share of small business loans exceeds its overall market share.

Hot Spring County AA:

The distribution of small business loans is good. The percentage of loans to small businesses in the AA is below the percentage of small businesses in the AA. However, the bank's market share of small business loans exceeds its overall market

Saline County MA:

The distribution of small business loans is excellent. The percentage of loans to small businesses in the AA is near to the percentage of small businesses in the AA. Also, the bank's market share of small business loans exceeds its overall market.

Small Loans to Farms

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms. Farm loans are only a small percent of the bank's rated loans and lending opportunities. However, the banks' distribution of loans to farms with revenues of \$1 million or less was excellent in the Garland and Hot Spring County AA's, and the Saline County MA.

Garland County AA:

The distribution of small loans to farms is excellent. The percentage of loans to farms with revenues \$1 million or less exceeds the percentage of farms with revenues less than \$1 million. Also, the bank's market share of these loans exceeds its overall market.

Hot Spring County AA:

The distribution of small loans to farms is excellent. The percentage of loans to farms with revenues less than \$1 million exceeds the percentage of farms with revenues less than \$1 million. Also, the bank's market share of these loans exceeds its overall market.

Saline County MA:

The distribution of small loans to farms is excellent. The percentage of loans to farms with revenues less than \$1 million meets the percentage of farms with revenues less than \$1 million. Also, the bank's market share of these loans meets its overall market.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however. MNB does not have any community development (CD) loans other than those reviewed under the lending test above.

Product Innovation and Flexibility

MNB did not have any products that are considered innovative and flexible.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance in the Grant County AA is inconsistent (stronger) than the bank's overall "**High Satisfactory**" performance under the Lending Test. The bank's performance in the Grant County AA is considered "**Excellent**". This rating is due to the bank's strong performance in HMDA lending to low- and moderate-income borrowers, and distribution of loans to small businesses, and small loans to farms.

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

The bank's performance under the Investment Test is rated "**Low Satisfactory**". Based on the full-scope reviews, the bank's performance is adequate in the Garland County AA and Saline County MA and, good in the Hot Spring County AA. Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Qualifying investments are investments, deposits, membership shares or grants that have community development as their primary purpose, as defined in the CRA regulation. Other than one qualified investment, Diamond State Ventures (DSV), the bank has no other qualifying investment, grants, or donations. MNB has invested in a Small Business Investment Corporation (SBIC), which is funded from the main office in Hot Spring County. There are no qualified investments in the Garland or Saline County AA's.

Garland County AA:

There are no qualified investments in the Garland County AA. However, the numbers of community development opportunities available for the bank to participate in are limited.

Hot Spring County AA:

MNB has committed \$1 million and funded \$187 thousand to a SBIC that promotes economic development by providing financing for venture capital for regional small businesses, including the state of Arkansas. The SBIC is based in Arkansas, but also invests in companies with strong potential located outside of Arkansas. These businesses generally have access to credit markets or supplier relationships in Arkansas.

Saline County MA

There are no qualified investments in the Saline County AA. However, the numbers of community development opportunities available for the bank to participate in are limited.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Grant County AA is consistent with the "**Low Satisfactory**" performance under the Investment Test. The numbers of community development opportunities available for the bank to participate in are limited. Refer to Table 14 of Appendix C for supporting data regarding these conclusions.

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

The bank's performance under the Service test is rated "**Low Satisfactory**". Based on full-scope reviews, the bank's performance is adequate in the Garland County and Hot Spring County AA's. The bank's performance is good in the Saline County MA.

The primary delivery system is the bank's branch network. In total, MNB has 11 branches, of which seven are full-service branches, three are deposit-only branches, and one is a non-deposit branch. The bank offers a wide variety of loan and deposit products that are available at all full-service branches while paying and receiving services are available at all the deposit-only branches. Bookkeeping and data processing services are housed at the non-deposit branch. Alternative delivery systems include ATM's, telephone, and internet banking services. Little weight was placed on the bank's alternative delivery systems since no data was available to evaluate the accessibility or effectiveness of such systems to low-and moderate-income geographies or to low-and moderate-income individuals. No branches were closed since the last evaluation while three full-service branches were opened in the Garland County AA and the Saline County MA. Banking hours are reasonable throughout the bank's assessment area, including moderate-income tracts. All full-service branches, except the main office, are opened on Saturday's.

Retail Banking Services

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

Garland County AA:

The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA. The Garland County AA has two full-service branches. None of the branches are located in moderate-income BNA's but one of the branches is located in a middle-income BNA that is adjacent to all four moderate-income BNA's.

Hot Spring County AA:

The bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels in the AA. The Hot Springs County AA has one full-service branch (the main office), three deposit-only branches and one non-deposit branch. All BNA's in this AA are middle-income tracts. No branches were opened in this AA during the evaluation period.

Saline County MA:

The bank's service delivery systems are good and reasonably accessible to geographies and individuals of different income levels in the AA. The Saline County MA has three full-service branches. One branch, located in a moderate-income CT, is adjacent to the other moderate-income CT's in the MA and, one of the two branches opened during this evaluation period was located in a moderate-income CT. The percentage of branches located in moderate-income CT's exceeds the percentage of moderate-income residents in this AA.

Community Development ServicesGarland County AA:

The bank's level of participation in community development services is adequate, although the number of community development opportunities available for MNB to participate in is limited. MNB provides instructors to the Central Arkansas Development Council (CADC) Home Buyer Counseling Program, which provides home ownership counseling to low- and moderate-income families and, on a qualifying basis, provides funding for closing costs and down payment up to \$3,000. To qualify, potential homebuyers attend eight hours of classroom instruction covering the application process, qualifying and applying for guaranteed financing under the Arkansas Development Finance Authority (ADFA) home loan program, and other obligations of home ownership. MNB is an approved ADFA lender and is willing to provide financing under this program. Although the CADC program is available at all MNB branches, MNB has not yet funded any loans under this relatively new program.

Hot Spring County AA:

The number of community development opportunities available for the bank to participate in is limited. However, MNB is involved in community development activities in the Hot Springs County AA through the CADC program, available at the main branch.

Saline County MA:

The number of community development opportunities available for the bank to participate in is limited. However, MNB is involved in community development activities in the Saline County MA through the CADC program, available at all of the Saline County branches.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in Grant County is consistent with the "**Low Satisfactory**" performance under the Service Test. Grant County has four BNA's (one middle-income and three upper-income). The CADC program (see Community Development Services above) is also available at the Grant County branch. Refer to Table 15 of Appendix C for supporting data for these conclusions.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans):(01/02/00 to 12/31/01) Investments and Service Tests and CD Loans: (12/27/96 to 05/27/02)	
Financial Institution	Products Reviewed	
(Malvern National Bank (MNB) Malvern, Arkansas)	HMDA Loans, Small Business Loans, and Small Farm Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable		MNB has one affiliate. However, no affiliate products were reviewed.
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Saline County Garland County Hot Spring County Grant County	Full Scope Full Scope Full Scope Limited Scope	Part of Little Rock MA #4400 Entire County Entire County Entire County

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Garland County AA.....	B-2
Hot Spring County AA.....	B-4
Saline County MA.....	B-6

Garland County AA

Demographic Information for Full-Scope Area: Garland County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	19	0.00	21.05	42.11	36.84	0.00
Population by Geography	73,397	0.00	17.59	34.52	47.89	0.00
Owner-Occupied Housing by Geography	21,837	0.00	12.66	35.32	52.03	0.00
Businesses by Geography	4,178	0.00	24.75	36.29	38.97	0.00
Farms by Geography	109	0.00	7.34	38.53	54.13	0.00
Family Distribution by Income Level	21,533	16.98	16.31	20.38	46.32	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	7,170	0.00	24.78	38.20	37.02	0.00
Median Family Income	\$22,208	Median Housing Value Unemployment Rate				\$52,208
HUD Adjusted Median Family Income for 2001	\$34,200					2.3%
Households Below the Poverty Level	18.68%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

This assessment area is located in the south central part of the state. There are 19 BNA's in the AA; four or 21 percent are moderate-income; eight or 42 percent are middle-income; and seven or 37 percent are upper-income. There are no low-income BNA's in this AA. The 1990 population was 73,397 and the 2000 population was 88,068 or a 20 percent increase. The principal city is Hot Springs with a 2000 population of 35,750. Hot Springs Village, located 12 miles north of Hot Springs, is an unincorporated planned retirement community, and has an estimated population of about 15,000 people.

The economy is stable. Primary industries are tourism, health services and forestry/timber. Tourism accounts for about 30 percent of Garland County's economy. Hot Springs National Park is located in Hot Springs. There are also numerous lakes for boating, camping and fishing. Live horse racing is held at Oaklawn Park from February through April and simulcast racing year-round. The unemployment rate for Garland County as of April 2002 was 4.8 percent. The unemployment rate for Garland County is below the Arkansas average of 5.3 percent and the U.S. average of 6.0 percent as of April 2002. Dun and Bradstreet reported that in 2001, there were 4,178 businesses and 109 farms situated in the AA. Approximately 94 percent of the businesses and 98 percent of the farms reported gross annual revenues of less than \$1 million. Major employers include Saint Joseph's Regional Health Center of Hot Springs, with 1,450 employees; National Park Medical Center, Lake Catherine, with 700 employees; Oaklawn Park (horse racing track), the city of Hot Springs, with 650 employees; and, Weyerhaeuser Company (timber and paper products), the city of Mountain Pine, with 600 employees.

Competition for loan and deposit customers is intense in the Garland County AA. MNB operates two full-service branches in the AA, with both branches having ATM's. There are six community banks that are headquartered in or have branches in this AA. The larger competitors are branch facilities of mid-sized and large regional banks. The major competitors for both loans and deposits are Regions Bank, Bank of America and U.S. Bank. In terms of deposit share, MNB ranks 6th in the AA with a 3.5 percent market share. Regions Bank ranks first with a 42.5 percent market share. Bank of America ranks second with 18.3 percent and U.S. Bank is third with 13.2 percent.

Approximately 124 financial institutions originated or purchased a home mortgage loan in the Garland County AA in 2000, (the most recent year aggregate information is available). MNB is ranked 16th, with a 1.5 percent market share. The top five lenders are Bank of America 10.3 percent, Temple-Inland Mortgage Co 7.0 percent, Wells Fargo Home Mortgage Co. 6.7 percent, Countrywide Home Loans 6.5 percent, and Regions Mortgage, Inc. 6.3 percent.

During 2002, the OCC conducted a community contact in the AA to discuss community credit and community development needs. The organization was a government agency for economic development. The predominant need identified by this contact was moderate-priced housing. However, according to the contact, builders are booked months in advance to build higher-priced houses. Opportunities for banks to participate in community development activities historically have been limited. The contact stated that all of the banks with branches in the AA are very active in the community and are willing to assist in any reasonable business venture.

Hot Spring County AA

Demographic Information for Full-Scope Area: Hot Spring County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	7	0.00	0.00	100.00	0.00	0.00
Population by Geography	26,115	0.00	0.00	100.00	0.00	0.00
Owner-Occupied Housing by Geography	7,856	0.00	0.00	100.00	0.00	0.00
Businesses by Geography	1,011	0.00	0.00	100.00	0.00	0.00
Farms by Geography	39	0.00	0.00	100.00	0.00	0.00
Family Distribution by Income Level	7,683	20.24	17.10	22.96	39.70	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	2,869	0.00	0.00	100.00	0.00	0.00
Median Family Income	\$22,208	Median Housing Value Unemployment Rate				\$39,761
HUD Adjusted Median Family Income for 2001	\$34,200					3.72%
Households Below the Poverty Level	21.77%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

This assessment area is located in the south central part of the state. There are seven BNA's in the AA, all of which are middle-income. The 1990 population was 26,115. The 2000 population increased to 30,353 or 16 percent. The bank's main office is located in the county's principal city of Malvern, population 9,021 in 2000.

The county's economy is stable. The county's three largest industries are durable goods, manufacturing, state and local government, and services. The unemployment rate for Hot Spring County as of April 2002 was 6.9 percent. The unemployment rate for Hot Spring County is above the Arkansas average of 5.3 percent and the U.S. average of 6.0 percent as of April 2002. Dun and Bradstreet reported that in 2001, there were 1,011 businesses and 39 farms situated in the AA. Approximately 94 percent of the businesses and 97 percent of the farms reported gross annual revenues of less than \$1 million. Major employers include Pace Industries (die casting), with 300 employees, Hot Springs County Medical Center with 250 employees, and Anthony Timberlands (timber) with 160 employees.

Competition for loan and deposit customers is strong in the Hot Spring County AA. MNB operates one full-service branch in the AA, three deposit-only branches, and one non-deposit branch (the bookkeeping and data processing office). There are two community banks that are headquartered in the AA, MNB and Southern State Bank. There are four other banks with branches in the AA. The major competitors for both loans and deposits are U.S. Bank, and Southern State Bank. In terms of deposit share, MNB ranks 1st in the AA with at 46.5 percent; U.S. Bank ranks 2nd at 25.3 percent; and Southern State Bank ranks 3rd at 14.5%.

Approximately 47 financial institutions originated or purchased a home mortgage loan in the Hot Spring County AA in 2000 (the most recent year aggregate information is available). MNB ranked 1st, with a 15.7 percent market share. In terms of loan market share, Consec Finance Servicing Corp. ranks 2nd at 11.3 percent; Chase Manhattan Bank ranks 3rd at 8.0 percent; Wells Fargo Home Mortgage Co. ranks 4th at 5.3 percent, and Regions Mortgage, Inc. ranks 5th at 4.3 percent.

During 2002, the FDIC discussed community credit and community development needs with a local realtor under its community contact program. The realtor indicated that the average home sales price is \$70 thousand, and the average market time to sell a house was six months. The cost of housing in this AA is relatively high given the low median income in this AA, making it difficult for low- and moderate-income residents to purchase new homes. Opportunities for banks to participate in community development activities historically have been limited. However, the contact stated that all of the banks with branches in the AA are very active in the community and are willing to assist in any reasonable business venture.

Saline County MA

Demographic Information for Full-Scope Area: Saline County							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts/BNAs)	12	0.00	15.38	84.62	0.00	0.00	
Population by Geography	64,183	0.00	15.28	84.72	0.00	0.00	
Owner-Occupied Housing by Geography	18,563	0.00	13.67	86.33	0.00	0.00	
Businesses by Geography	2,324	0.00	23.49	76.51	0.00	0.00	
Farms by Geography	76	0.00	11.84	88.16	0.00	0.00	
Family Distribution by Income Level	18,618	16.67	19.01	26.62	39.70	0.00	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	6,643	0.00	22.84	77.16	0.00	0.00	
Median Family Income	\$31,598						
HUD Adjusted Median Family Income for 2001	\$49,700	Median Housing Value				\$58,646	
Households Below the Poverty Level	10.21%	Unemployment Rate				2.51%	

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The assessment area is located in the central part of the state. Saline County is part of the Little Rock MA. Of the 13 CT's in this AA, two or 15 percent are moderate-income and the remaining 11 or 85 percent are middle-income. The 1990 population was 64,183. The population in 2000 had increased to 83,529 or 30 percent. The principal cities in this AA are Benton, population of 21,906 in 2000, and Bryant, population of 9,764 in 2000.

The economy is good. The county's three largest industries are services, state and local government, and retail trade. The unemployment rate for Saline County as of April 2002 was 3.5 percent, significantly lower than the statewide average of 5.3 percent and national average of 6.0 percent. Dun and Bradstreet reported that in 2001, there were 2,324 businesses and 76 farms situated in the AA. Approximately 93 percent of the businesses and 97 percent of the farms reported gross annual revenues of less than \$1 million. Major employers include Alcoa, Inc. – Industrial Chemicals Division, Bauxite, with 700 employees; and Walmart Stores, Inc., Benton, with 600 employees.

Competition for loan and deposit customers is strong in the Saline County AA. There are ten banks that have branches in this AA. MNB operates three full-service branches in this AA, with all branches having ATM's. The major competitors for both loans and deposits are Regions Bank, and Union Bank of Benton. In terms of deposit share, MNB ranks 4th at 7.1 percent; Regions Bank ranks 1st at 38.5 percent; and Union Bank of Benton ranks 2nd at 32.0 percent; Superior Federal Bank ranks 3rd at 13.4 percent.

Approximately 121 financial institutions originated or purchased a home mortgage loan in the Saline County AA in 2000, (the most recent year aggregate information is available). MNB is ranked 24th, with a 1.3 percent market share. In terms of market share, Regions Mortgage, Inc. ranks 1st at 15.8 percent; North American Mortgage Co. ranks 2nd at 10.0 percent; Conesco Finance Servicing Corp. ranks 3rd at 8.3 percent; Wells Fargo Home Mortgage Co. ranks 4th at 4.1 percent; and Chase Manhattan Bank ranks 5th at 4.1 percent.

During 2001, the FDIC contacted a local realtor in this AA by to discuss community credit and community development needs under its community contact program. This realtor indicated that the average home sales price is \$80 thousand, and the average market time to sell a house was six months. The cost of housing in this AA is relatively high given the low median income in this AA, making it difficult for low-and moderate-income residents to purchase new homes. Opportunities for banks to participate in community development activities historically have been limited. However, the realtor stated that all of the banks with branches in the AA are very active in the community and are willing to assist in any reasonable business venture.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

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

Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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

Table 1. Lending Volume

LENDING VOLUME											Geography: ARKANSAS	
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001												
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Garland County,	20.95	74	4,036	186	17,136	1	15	0	0	261	21,187	14.34
Hot Spring County,	40.61	229	9,287	257	16,945	20	260	0	0	506	26,492	62.03
Saline County, A	17.82	118	7,827	103	5,595	1	5	0	0	222	13,427	14.01
Limited Review:												
Grant County, A	20.63	90	2,576	142	3,350	25	440	0	0	257	6,366	9.62

* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From December 23, 1996 to May 28, 2002.

*** Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE												Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units* **	% BANK Loans	% Owner Occ Units* **	% BANK Loans	% Owner Occ Units* **	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
Garland County, AR	48	19.59	0.00	0.00	12.66	10.42	35.32	39.58	52.03	50.00	1.49	0.00	2.78	1.60	1.26	
Hot Spring County, AR	82	33.47	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	15.67	0.00	0.00	15.67	0.00	
Saline County, AR	72	29.39	0.00	0.00	13.67	18.06	86.33	81.94	0.00	0.00	1.29	0.00	1.65	1.25	0.00	
Limited Review:																
Grant County, AR	43	17.55	0.00	0.00	0.00	0.00	25.39	25.58	74.61	74.42	9.82	0.00	0.00	17.50	8.15	

* Based on 2000 Peer Mortgage Data: Southwest Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT												Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units**	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Garland County, AR	10	10.53	0.00	0.00	12.66	30.00	35.32	10.00	52.03	60.00	3.11	0.00	8.70	0.00	4.17	
Hot Spring County, AR	43	45.26	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	19.80	0.00	0.00	19.80	0.00	
Saline County, AR	20	21.05	0.00	0.00	13.67	10.00	86.33	90.00	0.00	0.00	1.53	0.00	0.00	1.75	0.00	
Limited Review:																
Grant County, AR	22	23.16	0.00	0.00	0.00	0.00	25.39	36.36	74.61	63.64	14.29	0.00	0.00	12.50	15.15	

* Based on 2000 Peer Mortgage Data: Southwest Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total ^{..}	% Owner Occ ^{***} Units	% BANK Loans	% Owner Occ Units ^{**} *	% BANK Loans	% Owner Occ Units ^{**} *	% BANK Loans	% Owner Occ Units ^{**} *	% BANK Loans	Over all	Low	Mod	Mid	Upp	
Full Review:																
Garland County, AR	16	9.52	0.00	0.00	12.66	0.00	35.32	43.75	52.03	56.25	0.84	0.00	0.00	1.05	0.89	
Hot Spring County, AR	104	61.90	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	16.24	0.00	0.00	16.24	0.00	
Saline County, AR	23	13.69	0.00	0.00	13.67	13.04	86.33	86.96	0.00	0.00	1.00	0.00	0.94	1.01	0.00	
Limited Review:																
Grant County, AR	25	14.88	0.00	0.00	0.00	0.00	25.39	24.00	74.61	76.00	11.20	0.00	0.00	0.00	14.89	

* Based on 2000 Peer Mortgage Data: Southwest Region.

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

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY												Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography					
	#	% of Total	% of MF Units***	% BANK Loans	% MF Units**	% BANK Loans	% MF Units**	% BANK Loans	% MF Units**	% BANK Loans	% MF Units**	% BANK Loans	Over all	Low	Mod	Mid
Full Review:																
Garland County, AR	0	0.00	0.00	0.00	31.01	0.00	33.53	0.00	35.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hot Spring County, AR	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Saline County, AR	3	100.00	0.00	0.00	48.41	33.33	51.59	66.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:																
Grant County, AR	0	0.00	0.00	0.00	0.00	0.00	21.05	0.00	78.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Southwest Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total*	% of Busines**	% BANK Loans	% of Busines** *	% BANK Loans	% of Busines** *	% BANK Loans	% of Busines** *	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Garland County, AR	186	27.03	0.00	0.00	24.75	10.22	36.29	39.78	38.97	50.00	3.80	0.00	1.22	7.50	2.10	
Hot Spring County, AR	257	37.35	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	31.07	0.00	0.00	32.41	0.00	
Saline County, AR	103	14.97	0.00	0.00	23.49	15.53	76.51	84.47	0.00	0.00	2.48	0.00	1.35	2.84	0.00	
Limited Review:																
Grant County, AR	142	20.64	0.00	0.00	0.00	0.00	14.97	25.35	85.03	74.65	26.67	0.00	0.00	41.51	24.43	

* Based on 2000 Peer Small Business Data: US&PR.

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

** Source Data - Dun and Bradstreet (2001).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS											Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total*	% of Farms***	% BANK Loans	% of Farms*	% BANK Loans	% of Farms*	% BANK Loans	% of Farms*	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Garland County, AR	1	2.13	0.00	0.00	7.34	0.00	38.53	100.00	54.13	0.00	16.67	0.00	0.00	50.00	0.00
Hot Spring County, AR	20	42.55	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	25.00	0.00	0.00	26.32	0.00
Saline County, AR	1	2.13	0.00	0.00	11.84	0.00	88.16	100.00	0.00	0.00	8.33	0.00	0.00	12.50	0.00
Limited Review:															
Grant County, AR	25	53.19	0.00	0.00	0.00	0.00	22.22	32.00	77.78	68.00	21.43	0.00	0.00	33.33	16.67

* Based on 2000 Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet (2001).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE												Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share ¹					
	#	% of Total	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	Overall	Low	Mod	Mid
Full Review:																
Garland County, AR	48	19.59	16.98	4.35	16.31	13.04	20.38	13.04	46.32	69.57	1.87	1.64	1.71	1.47	2.06	
Hot Spring County, AR	82	33.47	20.24	4.88	17.10	10.98	22.96	32.93	39.70	51.22	18.29	18.75	16.67	19.51	17.95	
Saline County, AR	72	29.39	16.67	4.23	19.01	28.17	26.62	36.62	37.70	30.99	1.70	0.00	1.07	3.29	1.44	
Limited Review:																
Grant County, AR	43	17.55	16.11	11.63	12.75	6.98	18.63	13.95	52.51	67.44	12.02	20.00	3.23	8.33	15.96	

¹ Based on 2000 Peer Mortgage Data: Southwest Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 1.22% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT											Geography: ARKANSAS					
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]					
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	Over all	Low	Mod	Mid
Full Review:																
Garland County, AR	10	10.53	16.98	0.00	16.31	20.00	20.38	20.00	46.32	60.00	3.31	0.00	0.00	0.00	5.95	
Hot Spring County, AR	43	45.26	20.24	14.29	17.10	11.90	22.96	28.57	39.70	45.24	20.21	25.00	5.26	17.39	27.50	
Saline County, AR	20	21.05	16.67	5.00	19.01	15.00	26.62	30.00	37.70	50.00	1.64	0.00	0.00	2.54	2.50	
Limited Review:																
Grant County, AR	22	23.16	16.11	4.55	12.75	36.36	18.63	22.73	52.51	36.36	14.89	0.00	66.67	20.00	10.00	

^{*} Based on 2000 Peer Mortgage Data: Southwest Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 1.05% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE												Geography: ARKANSAS					
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																	
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]						
	#	% of Total	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	% Families ^{***}	% BANK Loans ^{**}	Over all	Low	Mod	Mid	Upp
Full Review:																	
Garland County, AR	16	9.52	16.98	0.00	16.31	15.38	20.38	38.46	46.32	46.15	0.95	0.00	1.32	2.44	0.50		
Hot Spring County, AR	104	61.90	20.24	5.83	17.10	13.59	22.96	13.59	39.70	66.99	21.23	0.00	14.29	20.00	26.19		
Saline County, AR	23	13.69	16.67	4.35	19.01	8.70	26.62	30.43	37.70	56.52	1.59	0.00	0.74	2.52	1.79		
Limited Review:																	
Grant County, AR	25	14.88	16.11	0.00	12.75	12.00	18.63	16.00	52.51	72.00	14.43	0.00	0.00	10.00	21.43		

^{*} Based on 2000 Peer Mortgage Data: Southwest Region.

^{**} As a percentage of loans with borrower income information available. No information was available for 2.38% of loans originated and purchased by BANK.

^{***} Percentage of Families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total	% of Businesses	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Garland County, AR	186	27.03	89.49	87.63	84.95	3.23	11.83	3.80	7.19
Hot Spring County, AR	257	37.35	87.83	71.21	80.93	13.62	5.45	31.07	42.27
Saline County, AR	103	14.97	88.81	83.50	85.44	11.65	2.91	2.48	3.58
Limited Review:									
Grant County, AR	142	20.64	88.62	97.18	94.37	4.93	0.70	26.67	35.07

* Based on 2000 Peer Small Business Data: US&PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.31% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: ARKANSAS				
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share ¹	
	#	% of Total ²	% of Farms ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Garland County, AR	1	2.13	95.41	100.00	100.00	0.00	0.00	16.67	20.00
Hot Spring County, AR	20	42.55	97.44	100.00	100.00	0.00	0.00	25.00	27.78
Saline County, AR	1	2.13	97.37	100.00	100.00	0.00	0.00	8.33	8.33
Limited Review:									
Grant County, AR	25	53.19	100.00	100.00	96.00	4.00	0.00	21.43	21.43

¹ Based on 2000 Peer Small Business Data: US&PR.

² Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

³ Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

⁴ Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: ARKANSAS							
Evaluation Period: December 23, 1996 to MAY 28, 2002									
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Garland County, AR	0	0	0	0	0	0	0.00	0	0
Hot Spring County, AR	0	0	1	187	1	187	100.00	1	813
Saline County, AR	0	0	0	0	0	0	0.00	0	0
Limited Review:									
Grant County, AR	0	0	0	0	0	0	0.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
 ** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS														Geography: ARKANSAS			
Evaluation Period: JANUARY 2, 2000 TO DECEMBER 31, 2001																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Garland County, AR	14.34	2	18	0.00	0.00	100.00	0.00	1	0	0	0	1	0	0.00	17.59	34.52	47.89
Hot Spring County, AR	62.03	5	45	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
Saline County, AR	14.01	3	27	0.00	33.33	66.67	0.00	2	0	0	1	1	0	0.00	15.28	84.72	0.00
Limited Review:																	
Grant County, AR	9.62	1	9	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	0.00	24.14	75.86