



State Profile

Arkansas

Fourth Quarter 2017

ECONOMIC INDICATORS

Employment Growth Rates (change from year ago, unless noted)

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|--|-------|-------|-------|-------|-------|
| Total Nonfarm (share of trailing four quarter employment in parentheses) | 0.7% | 0.9% | 1.0% | 0.9% | 1.5% |
| Manufacturing (13%) | 1.5% | 1.5% | 0.6% | 1.4% | -0.2% |
| Other (non-manufacturing) Goods-Producing (5%) | 2.5% | 0.7% | -3.7% | 1.1% | -1.1% |
| Private Service-Providing (66%) | 0.5% | 0.9% | 1.9% | 1.2% | 2.5% |
| Government (17%) | 0.5% | 0.2% | -1.0% | -0.3% | -0.3% |
| Unemployment Rate (% of labor force) | 3.7% | 3.7% | 3.8% | 3.7% | 4.0% |

Other Indicators (change from year ago, unless noted)

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|---|--------|--------|-------|-------|-------|
| Single-Family Home Permits | 0.1% | 15.5% | 30.1% | 8.7% | 18.9% |
| Multifamily Building Permits | 137.6% | 105.7% | 29.4% | 43.4% | -5.9% |
| Home Price Index | 4.4% | 3.8% | 3.5% | 4.2% | 3.1% |
| Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level) | 3.20 | 3.30 | 3.37 | 3.44 | 3.41 |

BANKING TRENDS

General Information

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|--------------------------------|--------|--------|--------|--------|--------|
| Institutions (#) | 97 | 98 | 101 | 97 | 101 |
| Total Assets (in millions) | 97,716 | 97,429 | 88,140 | 97,716 | 88,140 |
| New Institutions (# < 3 years) | 0 | 0 | 0 | 0 | 0 |
| Subchapter S Institutions | 39 | 40 | 38 | 39 | 38 |

Asset Quality

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|--|-------|-------|-------|------|------|
| Past-Due and Nonaccrual Loans / Total Loans (median %) | 1.56 | 1.62 | 1.85 | 1.56 | 1.85 |
| Noncurrent Loans / Total Loans (median %) | 0.84 | 0.95 | 0.98 | 0.84 | 0.98 |
| ALLL/Total Loans (median %) | 1.33 | 1.27 | 1.40 | 1.33 | 1.40 |
| ALLL/Noncurrent Loans (median multiple) | 1.50 | 1.31 | 1.30 | 1.50 | 1.30 |
| Net Loan Losses / Total Loans (median %) | 0.07 | 0.07 | 0.09 | 0.10 | 0.13 |

Capital / Earnings

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|--|-------|-------|-------|-------|-------|
| Tier 1 Leverage (median %) | 10.76 | 11.04 | 10.69 | 10.76 | 10.69 |
| Return on Assets (median %) | 0.95 | 1.12 | 0.95 | 1.01 | 0.98 |
| Pretax Return on Assets (median %) | 1.21 | 1.40 | 1.08 | 1.35 | 1.23 |
| Net Interest Margin (median %) | 3.99 | 4.05 | 3.95 | 3.97 | 3.92 |
| Yield on Earning Assets (median %) | 4.52 | 4.52 | 4.37 | 4.42 | 4.36 |
| Cost of Funding Earning Assets (median %) | 0.53 | 0.52 | 0.45 | 0.51 | 0.44 |
| Provisions to Avg. Assets (median %) | 0.14 | 0.09 | 0.11 | 0.13 | 0.11 |
| Noninterest Income to Avg. Assets (median %) | 0.64 | 0.65 | 0.63 | 0.69 | 0.65 |
| Overhead to Avg. Assets (median %) | 2.91 | 2.81 | 2.94 | 2.85 | 2.82 |

Liquidity/Sensitivity

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|--|-------|-------|-------|-------|-------|
| Net Loans to Assets (median %) | 66.32 | 67.52 | 66.05 | 66.32 | 66.05 |
| Noncore Funding to Assets (median %) | 11.51 | 13.25 | 11.64 | 11.51 | 11.64 |
| Long-term Assets to Assets (median %, call filers) | 22.20 | 21.29 | 22.29 | 22.20 | 22.29 |
| Brokered Deposits (number of institutions) | 55 | 55 | 57 | 55 | 57 |
| Brokered Deposits to Assets (median % for those above) | 3.59 | 4.24 | 3.60 | 3.59 | 3.60 |

Loan Concentrations (median % of Qualifying Total Capital)

| | Q4-17 | Q3-17 | Q4-16 | 2017 | 2016 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Commercial and Industrial | 73.03 | 67.00 | 63.36 | 73.03 | 63.36 |
| Commercial Real Estate | 165.28 | 168.98 | 173.95 | 165.28 | 173.95 |
| Construction & Development | 37.49 | 37.28 | 34.99 | 37.49 | 34.99 |
| Multifamily Residential Real Estate | 10.21 | 8.10 | 8.07 | 10.21 | 8.07 |
| Nonresidential Real Estate | 122.24 | 122.67 | 120.80 | 122.24 | 120.80 |
| Residential Real Estate | 133.89 | 131.34 | 130.69 | 133.89 | 130.69 |
| Consumer | 24.59 | 23.04 | 24.22 | 24.59 | 24.22 |
| Agriculture | 60.08 | 66.35 | 60.58 | 60.08 | 60.58 |

BANKING PROFILE

| Largest Deposit Markets (from 2017 Summary of Deposits) | Institutions in Market | Deposits (\$ millions) | Asset Distribution | |
|---|------------------------|------------------------|--------------------------------|--------------|
| | | | Assets | Institutions |
| Memphis, TN-MS-AR | 56 | 29,954 | < \$100 million | 20 (20.6%) |
| Little Rock-North Little Rock-Conway, AR | 35 | 19,925 | \$100 million to \$250 million | 36 (37.1%) |
| Fayetteville-Springdale-Rogers, AR-MO | 40 | 10,781 | \$250 million to \$1 billion | 29 (29.9%) |
| Fort Smith, AR-OK | 21 | 4,636 | \$1 billion to \$10 billion | 9 (9.3%) |
| Jonesboro, AR | 19 | 2,973 | > \$10 billion | 3 (3.1%) |