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Arkansas Bankers Association
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PRESIDENT’S MESSAGE

2018 Should Be a Good Year for Banking

Most of our bankers are in an upbeat mood as we move into 2018. We weathered a stormy first year of the new Trump administration; have changed, or are awaiting approval of, all of the heads of our primary regulators; have heard about — and even seen — a lighter touch by regulators over our banks; welcomed a tax reform package and watched bank stocks grow. Most importantly, we are on the verge of realizing the first truly meaningful reg relief bill since Dodd-Frank was passed.

Join us at our annual Group Meetings and hear much more on what to expect from Washington in 2018. Come network with your peers, see old friends and share your concerns and opinions as we elect our new directors and group officers. The good folks from FTN Financial and First Tennessee Correspondent Services are sponsoring the lunches so the costs are negligible. Be sure to bring a couple of your younger bankers to hear the discussions and to gain a wider set of viewpoints from the seasoned pros. The dates, times and locations are:

- **Group 1**
  - Tuesday, February 20, 11:00 a.m. - 1:00 p.m. in Jonesboro
- **Group 5**
  - Thursday, February 22, 11:00 a.m. - 1:00 p.m. in Fordyce
- **Group 3**
  - Wednesday, March 7, 5:00 p.m. - 7:00 p.m. in Fayetteville
- **Group 2**
  - Thursday, March 15, 4:00 p.m. - 6:00 p.m. in Little Rock
- **Group 4**
  - Friday, March 16, 11:00 a.m. - 1:00 p.m. in Hot Springs

There are a number of other challenges/opportunities that are crucial to the health of our banks other than those above. It is necessary as we go through strategic planning to be evaluating four or five key issues.

We will be holding virtual seminars, live seminars and/or conferences and providing articles and information on all of these opportunities in the coming months. A quick list is:

1. Finding, hiring, keeping qualified employees, especially in the compliance and technology areas.
2. Evaluating and offering quicker, safer and more collaborative services and products to our customers. They are expecting our banks to be as nimble as their Uber or Amazon apps.
3. Adopting the new CECL guidelines.
4. Using technology and data to streamline the bank’s regulatory and mortgage operations to drive better efficiency ratios and create more profitability.
5. Considering the aspects of the Tax reform bill on our capital planning, and what might be the effects on our Sub Chapter S banks going forward.

We will hear more about these and other issues at our Annual Convention, April 2-4, and Day with the Commissioner on April 4th.

The best news is that our community banks are well positioned to deal with these changes. Our banks have always been high-touch and have always adapted to the changing times. We will adapt again, as the younger demographic demands high-tech with high-touch banking.

Bill Holmes | President & CEO
Arkansas Bankers Association

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MARCH 2018

ABA PROFESSIONAL DEVELOPMENT
LIVE EVENTS
Providing you with face-to-face interaction with expert instructors!

Consumer Lending School
March 7-8, 2018 | ABA Office, Little Rock
Who should attend: This course is appropriate for any level of bank personnel who would like a better understanding of consumer lending; however, those who are new to banking will especially benefit.

CRE Lending Legal Due Diligence Workshop
March 15, 2018 | ABA Office, Little Rock
Who should attend: Commercial Lenders, Consumer Lenders, and Credit Officers.

BSA/AML Compliance Management
March 27, 2018 | ABA Office, Little Rock
Who should attend: Personnel who have responsibility for maintaining or auditing Bank Secrecy Act compliance efforts.

Opening New Accounts: Documentation & Compliance
March 28, 2018 | ABA Office, Little Rock
Who should attend: Customer Contact Personnel, Internal Auditors, New Account Officers, and Compliance Officers.

2-4 Annual Convention
16-20 Commercial Lending School
24-25 Supervisor Boot Camp
26 Bank Directors: Strategic Risk Training

APRIL

10 Writing Compliant Real Estate Evaluations Internally
15 Call Report Preparation Review & Update
16-17 TRID Update
21-22 CBCM Certification

MAY

22 Opening New Accounts: Documentation & Compliance

AUGUST

For more information about ABA Live Events, log on to www.arkbankers.org or call 501.376.3741.
The Curious Case of the Millennial

I know, I know… everyone has probably just about had enough of hearing the word ‘millenials,’ especially when it comes to their banking habits. During my final year of Banking School at LSU in 2016, it seemed like we had a millennial discussion each and every day for the two-week session. A recurring theme to many of these dialogues was that the banking industry would see a drop in physical bank branches based upon the trending habits of the ever-elusive millennial.

A number of recent studies have shown evidence to the contrary, which might come as a shock to the system. One study conducted showed ‘late millennials’ – ages 25 to 35 – visited a bank branch an average of 4.6 times in the last 30 days, HIGHER! than any other generation polled, and over 50% higher than the overall average of 2.9 times. It is actually the Baby Boomers (67% in 2016 had visited a branch in the last 30 days compared to 57% in 2017) and Seniors (79% in 2016, 63% in 2017) that are driving down the branch visit numbers.

Obviously, an eye always has to be kept on important advances in technology and convenience, but millennials (and myself) will always value freedom and choice most. While millennials might be destroying music, television, and beer, they are here to assure us that the bank branch system will be around for at least another generation.

There are 83 million millennials, representing over a quarter of the nation’s population. Over the next 30 years they are set to inherit $30 trillion dollars. As they come of age, banks continue to find innovative ways to build relationships with this digital generation.

What is the Emerging Leaders Section?

The Emerging Leaders Section (ELS) was organized by the Arkansas Bankers Association Board of Directors to provide information concerning educational opportunities available for its members. The ELS was established to provide leadership training for young bankers, to enhance banking careers, offer its members the opportunity to learn, network, and be productive members of the banking profession.

Call Kami at 501.978.3614 to get involved!
### ABA Professional Development Webinars

Train multiple employees for one price, from the convenient location of your bank!

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<thead>
<tr>
<th>Date</th>
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<tr>
<td>Thursday, March 1</td>
<td>9:30 a.m. – 11:00 a.m.</td>
<td>Collateral Evaluation in C&amp;I Lending</td>
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<td>Addressing Threats of Violence</td>
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<td>Call Report – Lending Schedules for Banks</td>
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<td>Tuesday, March 6</td>
<td>8:30 a.m. – 10:00 a.m.</td>
<td>Commercial Real Estate Cash Flow: Part III</td>
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<td>10:30 a.m. – 12:00 p.m.</td>
<td>Commercial Real Estate Appraisals: Part III</td>
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<td>10:00 a.m. – 12:00 p.m.</td>
<td>Residential Construction Lending</td>
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<td>10:00 a.m. – 11:30 a.m.</td>
<td>How to Craft an Effective Commercial Loan Write-Up</td>
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<td>Loan Underwriting Mistakes</td>
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<td>How to Analyze a Start-Up Business</td>
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<td>Fundamentals of Interest Rate Swaps and Caps: Part II</td>
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<td>Unparalleled Funding Opportunities Overview</td>
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<td>Wednesday, March 7</td>
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<td>Compliance Perspectives: A Monthly Update</td>
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<td>Monday, March 12</td>
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<td>For Bank Managers, Trainers &amp; RMs: Sales Leads</td>
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<td>Tuesday, March 13</td>
<td>8:30 a.m. – 10:00 a.m.</td>
<td>Commercial Real Estate Cash Flow: Part IV</td>
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<td>10:00 a.m. – 12:00 p.m.</td>
<td>Analyzing Appraisals for Mortgage Decisions</td>
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<td>10:30 a.m. – 12:00 p.m.</td>
<td>Keys to Understanding Cash Flow From Tax Returns: Part IV</td>
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<td>Wednesday, March 14</td>
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<td>Understanding the New Mortgage Servicing Rules</td>
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<td>1:30 p.m. – 3:30 p.m.</td>
<td>BSA Series: Completing CTR &amp; SAR Reports Line by Line</td>
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<td>Thursday, March 15</td>
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<td>Cybercrime and the Dark Web</td>
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<td>1:30 p.m. – 3:30 p.m.</td>
<td>Handling Accounts, Checks and IRS Reporting at Death</td>
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For more information about ABA Webinars, log on to www.arkbankers.org or call 501.376.3741.
Give us a little background on yourself:
Our family roots are in Tennessee, but my father was in the military and I lived all over the U.S. and in Europe. I started my business career as a CPA for a Big 4 accounting firm in California, and moved to Arkansas with my husband Bill in the late ‘80s. I had wonderful banking mentors in Arkansas at Twin City Bank and Bank of the Ozarks. I worked in bank consulting with DD&F Consulting Group in Little Rock for seven years. I’ve been with Stone Bank since 2011 at one time serving concurrently as CFO, CEO and President. As we’ve built our senior management team over the past few years, I now serve as CEO.

What trait does the modern banker need to have to be successful?
It’s not one thing but a combination of attention to detail, working with people you trust and respect, and flexibility. You have to be constantly learning and subscribe to the motto that “I know enough to know I don’t know enough.”

What are you most proud of regarding your leadership at Stone bank?
The team we’ve put together and the amount of trust and respect that our owners and directors show us. Our mantra has been to grow the bank, do it profitably, and do things right. The “do things right part” can seem vague, but we’ve created ways to encourage and measure the way we treat our customers, the way we treat our shareholders, and the way we treat one another.

What is the best part of being a hometown banker?
The way we can support one another and our communities in a very personal way. It feels meaningful and is personally gratifying. I’m particularly proud of the Veteran recognition program which our team in Mountain View started in 2012. We’ve honored 59 Stone County World War 2 Veterans and a number of others. They’ve been so moved and we’ve been blessed to hear their stories.

What class in high school or college do you wish you could take again?
I had the opportunity to study abroad and learn conversational French at an early age. I wish I’d kept that up – maybe it would encourage me to travel more.
AmBA Training includes extensive learning opportunities suited to specific job roles, in both facilitated and self-paced online formats, as well as in person. Flexible and cost-effective, AmBA's online training opportunities are continually updated to provide a superior learning experience that can be accessed from anywhere, at any time.

### UPCOMING COURSES

#### The Banking Industry
- 3/5/2018 - 3/30/2018

#### CRCM Exam Online Prep

#### Bank Lines of Business
- 3/19/2018 - 4/13/2018

#### General Accounting
- 3/19/2018 - 7/6/2018

#### Legal Foundations in Banking
- 3/26/2018 - 6/1/2018

#### Managing the Bank’s Investment Portfolio
- 3/26/2018 - 4/27/2018

#### Marketing Management
- 3/26/2018 - 4/20/2018

#### Legal Foundations in Banking
- 3/26/2018 - 6/1/2018

#### Building Customer Relationships
- 4/2/2018 - 4/27/2018

#### Consumer Lending
- 4/9/2018 - 7/27/2018

#### Fundamentals of Mortgage Lending
- 4/9/2018 - 5/18/2018

#### Managing Interest Rate Risk
- 4/9/2018 - 6/1/2018

#### Basic Administrative Duties of a Trustee
- 4/16/2018 - 5/18/2018

#### Analyzing Bank Performance
- 5/14/2018 - 6/29/2018

#### The Banking Industry
- 5/7/2018 - 6/1/2018

#### Bank Lines of Business
- 5/21/2018 - 6/15/2018

#### Marketing in Banking
- 5/7/2018 - 6/1/2018

#### Building Customer Relationships
- 6/4/2018 - 6/29/2018

#### Managing Funding, Liquidity, and Capital
- 6/11/2018 - 7/13/2018

#### Intro to Trust Products & Services
- 6/18/2018 - 7/20/2018

#### Marketing Planning
- 6/18/2018 - 7/13/2018

#### The Banking Industry
- 7/9/2018 - 8/3/2018

#### Consumer Lending
- 7/9/2018 - 10/26/2018

#### Money and Banking
- 7/9/2018 - 10/26/2018

#### Legal Foundations in Banking
- 7/16/2018 - 9/21/2018

#### Intro to Agricultural Lending
- 7/23/2018 - 9/7/2018

#### Bank Lines of Business
- 7/23/2018 - 8/17/2018

#### General Accounting
- 7/23/2018 - 11/9/2018

#### Analyzing Financial Statements
- 7/30/2018 - 11/23/2018

#### Marketing Management
- 7/30/2018 - 8/24/2018

#### Building Customer Relationships
- 8/6/2018 - 8/31/2018

#### Basic Administrative Duties of a Trustee
- 8/6/2018 - 9/7/2018

#### CTFA Exam Online Prep
- 8/6/2018 - 10/26/2018

#### Managing the Bank’s Investment Portfolio
- 8/6/2018 - 9/7/2018

#### CRCM Exam Online Prep
- 8/13/2018 - 10/19/2018

#### IRA Online Institute
- 9/4/2018 - 11/25/2018

For more information about AmBA Training, log on to www.arkbankers.org or call 501.376.3741.
HVCRE Lending: Understanding the Regs & Upcoming Changes

Daniel J. Beck, J.D., LL.M.
Quattlebaum, Grooms & Tull PLLC

Changes may soon be made to the High Volatility Commercial Real Estate (“HVCRE”) loan regulations that would ease borrower capital contribution requirements and allow exemptions for properties already producing income. There are competing proposals. One has passed in the House and is sitting in the Senate, the other has been proposed by the federal banking agencies but has not yet been adopted. Below is an overview of HVCRE rules today and the proposed changes that could occur.

WHERE DOES HVCRE STAND TODAY?

A loan is an HVCRE loan if “prior to conversion to permanent financing, [it] finances or has financed the acquisition, development, or construction (“ADC”) of real property.” If a loan is classified as an HVCRE loan, it will be assigned a risk weighting of 150%, instead of the normal risk weighting of 100%. The net effect is to lower a bank’s return on capital. If a loan qualifies as HVCRE, a bank has to choose between requiring additional equity from the borrower or charging greater interest to offset the increased capital costs.

For an ADC loan to be excluded from HVCRE – the loan must satisfy each of the following:

- Loan-to-value ratio must be less than or equal to the applicable maximum ratio prescribed by bank regulators;
- Borrower must have contributed capital to the project of at least 15% of the real estate’s “as completed” value, based on a current appraisal; and
- Borrower must contribute the capital prior to the bank funding the loan, and the capital contributed by the borrower, or internally generated by the project, must be contractually required to remain in the project until the loan is converted to permanent financing.

WHAT CAPITAL CONTRIBUTIONS QUALIFY?

Qualifying capital contributions may include, unencumbered land, cash expended to acquire a site (including engineering or permitting expenses directly related to the project), and soft costs that contribute to the “completion and value of the project” as long as they are commercially reasonable and paid by the borrower. Examples of soft costs include interest and fees related to pre-development expenses, developer fees, leasing expenses, feasibility studies, brokerage commissions, and management fees. While cash equity used to acquire contributed land counts toward the capital contribution requirement, any land value in excess of the cash investment at the time of the loan is not taken into account. A bank should document the details pertaining to the amount of cash paid for the land and the soft costs used to meet the capital contribution requirement.

In order to meet the capital contribution requirement, the loan documentation must include terms requiring that all contributed or internally generated capital remain in the project throughout the life of the project. The borrower must not have the ability to withdraw either the capital contribution or the capital generated internally by the project prior to obtaining permanent financing.

WHAT IS NOT CONSIDERED AN ELIGIBLE CAPITAL CONTRIBUTION?

Eligible capital contributions do not include borrower-owned real estate from an unrelated project pledged to the subject project; purchasers’ deposits on units in a condominium project; financing from an external lienholder, such as a second mortgage; assets contributed to the project after the advancement of funds; cash received in the form of grants, regardless of whether the grant is received from nonprofit organizations, municipalities, or government agencies; any contribution that may be withdrawn by the borrower prior to the borrower obtaining permanent financing; and proceeds from a separate loan used to finance the project.

ARE THERE OTHER EXEMPTIONS TO HVCRE?

In addition to the capital contribution exemption, other HVCRE exemptions include loans for 1-4 family residential properties; the purchase or development of agricultural land for agricultural purposes provided the valuation of the agricultural land is based on its value for agricultural purposes and the valuation does not take into consideration any potential use of the land for non-agricultural commercial development or residential development; and qualified investments in community development.

WHAT ARE THE PROPOSED CHANGES TO HVCRE REGULATIONS?

On November 8, 2017, the House passed H.R. 2148. If the Bill passes the Senate unchanged and is signed into law, loans will not be classified as HVCRE if the property is producing enough income to satisfy the bank’s debt service requirements and pay expenses related to the property, regardless of whether the loan meets the bank’s standards for permanent financing. This exemption would exclude several loans that are used to renovate or improve existing income producing property. Banks could also reclassify an existing HVCRE...
If H.R. 2148 does not pass, the federal banking agencies have another proposal which can be found in Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996. The proposed regulation would reduce the current HVCRE risk weight requirement from 150% to 130%, but it would also remove the capital contribution exemption. Removing the capital contribution exemption could increase the number of loans subject to the new High Volatility Acquisition, Development and Construction (“HVADC”) loan definition. HVADC would apply to new loans that "primarily finance" the acquisition of vacant or developed land, the development of land to erect new structures (including infrastructure), or the construction of buildings or dwellings. Fifty percent (50%) of the loan proceeds would need to be used for acquisition, development, or construction to be classified as HVADC. An HVADC loan would switch to “permanent financing” if the loan is prudently underwritten and the property has sufficient income to pay the debt service.

We will have to wait and see if either of the new regulations are passed, but if they are, there should be some relief to the current HVCRE restrictions.

What is the most interesting thing about working in a small town bank?
The most interesting thing, to me, about working in a small town bank is the fact that you’re always a Banker. Small town banking is not Monday – Friday, it’s more than that... It’s Wednesday night after church in the parking lot, and Saturday afternoon in the local grocery store. The relationships you are able to build in a small town are unlike any other. In a small town, people try to take care of each other and the small town bank plays a big role in that. Being able to make a difference in the community and knowing that you have an opportunity to have a direct impact on helping your neighbors achieve their financial goals and dreams is a special feeling.

What movie character are you most similar to (and why)?
This is a tough one, but I would have to go with Ferris Bueller. I try to enjoy life to the fullest and have been known to occasionally lip sync a song or two.

Daniel Beck is a transactional attorney with Quattlebaum, Grooms & Tull PLLC, who primarily practices in the areas of banking law and real estate.

Hear about HVCRE Lending & more at the half-day CRE Lending Legal Due Diligence Workshop on March 15!
Arkansas Bankers Association Annual Convention
April 2-4, 2018
The Robinson Center & DoubleTree Hotel
Downtown Little Rock
www.arkbankers.org/Convention.aspx

Celebrate The Role of Arkansas Bankers

CONTRIBUTE TO COMMUNITY CAUSES
Arkansas bankers are known for the support roles they play within the community — from sponsoring a little league team, to providing finance courses for adults. Find out what other banks are doing, share your successes, and spark conversations during the “Bankers Give Back” Panel, featuring representatives from Southern Bancorp, Legacy National Bank, and Arvest Bank, and moderated by Amy Johnson of Arkansas Access to Justice.

In conjunction with this event, the ABA will be hosting a “Summer Snack Drive” to support the Arkansas Food Bank. Did you know that 25% of Arkansas children don’t have adequate access to food? Let’s join together to stock their cupboards for the summer months!

CELEBRATE ARKANSAS’ BANKING INDUSTRY VETERANS
Meet and greet some of Arkansas’ banking industry veterans as they are honored for their service during the fourth annual BKD Milestones in Banking Awards on Tuesday. Representing banks from across the state, these individuals will be honored for reaching their 40 and 50 year benchmarks in the industry.

Nominations are currently being sought for “Milestone Bankers.” All nominees should be actively employed in an Arkansas bank, and be eligible to receive specific milestone awards at 40+ and 50+ years of service, as long as they have not previously been recognized for that milestone.

Nomination forms can be accessed online at www.arkbankers.org or by contacting Traci Logsdon at traci.logsdon@arkbankers.org or 501.978.3603. Nominations must be received by Thursday, March 1.

Banker’s Perspective
Convention Brings Together a Network of Banking Expertise

The annual convention is a very valuable time to network with other bankers throughout the state, regardless of the bank’s particular size. In addition, it is a time to meet and discuss the banking issues that affect us all. I always enjoy hearing from fellow bankers from all over the state, as the expertise is so great in all areas of lending and customer service. We are so fortunate to have a close knit banking family in Arkansas. The Annual Convention is a valuable tool for every banker. Plus, it is a good time! I encourage all bankers to attend the convention if at all possible. You won’t regret it.

Jason Tennant
Cornerstone Bank
Eureka Springs
Engage with Hard-Hitting Speakers

CHANGE YOUR DAY WITH ANDY CORE

Today’s work culture can have you constantly running 90 MPH, hair on fire. Tomorrow will get faster. But there is good news. You yearn for more balance in your life, which is the solution to your “more, faster, better” dilemma.

Andy Core is a research scientist with the style of a stand-up comedian. This wellness guru from Northwest Arkansas will combine stories from his experience with the latest research, to demonstrate how you can improve productivity, resilience to stress, and ability to stay motivated.

HEAR A SUPersonic SURVIVOR’S STORY OF SURVIVAL

Hanging in the straps of his parachute and feeling the cold night air on his face, Brian Udell felt as if a freight train had collided with his body. As he struggled to inflate his life preserver before plunging into the icy waters of the Atlantic Ocean, he realized it had shredded with the force of the supersonic windblast.

The next several hours of survival and the many months of excruciating rehabilitation deliver an almost unbelievable story. Brian holds the record for surviving the highest speed ejection from a U.S. Fighter Aircraft at nearly 800 MPH. Brian’s determination, perseverance, faith, and sheer will to survive is unparalleled. Join us as he shares an epic story of survival, recovery, and return to the Strike Eagle.

SEE THE TECHNOLOGIES THAT WILL SHAPE OUR FUTURE

Zero fatalities. Mobility for all. Reduced congestion. The future of automated driving and connected transportation will change our lives for the better.

Elliot Garbus, Vice President of Internet of Things Solutions Group and former GM of Intel’s Transportation Solutions Division will discuss how technology is changing the landscape of the automotive industry and how the convergence of technology from the car to the cloud will help to bring about substantive changes to our lives and reshape industries.

CONNECT WITH REGULATORS & LAWMAKERS

Wednesday will feature the 22nd annual “Day with the Commissioner” hosted by the Arkansas State Bank Department. Each year, Commissioner Candace Franks schedules an information-packed speaker line-up to update bankers on current topics facing the industry’s changing environment.

This year’s guest speakers include Governor Asa Hutchinson, Congressman French Hill, Dr. James Bullard of the Federal Reserve Bank, and Anthony Lowe of the FDIC.

Schedule of Events

MONDAY, APRIL 2
2:00 p.m. Sundaes on a Monday
6:00 p.m. Game Night

TUESDAY, APRIL 3
7:30 a.m. Graduate School of Banking Networking Breakfast
8:30 a.m. ABA Business Session
Officer Installation
Featured Speakers
Elliot Garbus, Andy Core & Brian Udell
12:00 p.m. BKD Milestones in Banking Awards
1:00 p.m. Bankers Give Back Panel & Donation Station
6:00 p.m. CNA Chairman’s Reception
7:00 p.m. DD&F “Come Together” Celebration & Dinner
Featuring Dueces Wild!

WEDNESDAY, APRIL 4
7:30 a.m. Simmons Strawberry Breakfast
8:30 a.m. Day with the Commissioner
Guest Speakers
Congressman French Hill, Congressman Blaine Luetkemeyer, Dr. James Bullard, Anthony Lowe & Governor Asa Hutchinson (invited)
Dialogue with the Bank Department Panel
ENJOY SUNDAES ON A MONDAY
Ice cream isn’t just for kids (though the kids are welcome)! Join the ABA for a riverside view at the DoubleTree Hotel for an ice cream social on Monday from 2:00–4:00 p.m. during registration. There will be sweets, music, and good company.

JOIN IN THE FUN OF GAME NIGHT
Join us from 6:00–8:00 p.m. on Monday and bring your competitive side to kick off our second annual Game Night! Watch ball games on the big screens while challenging fellow bankers to games of basketball, skee ball, air hockey, foosball, golf, shuffleboard, and Baggo.

NETWORK WITH GSB ALUMNI
Catch up with familiar faces, and meet new bankers from across the state...you never know who are fellow Graduate School of Banking alumni! Mingle with GSB cohorts at designated tables for GSB at LSU, SWGSB, Stonier, GSB-Colorado, and GSB-Madison grads, during the Tuesday morning networking breakfast.

BE ENTERTAINED!
Come together with your friends — old and new — during Tuesday evening’s new events, which include the CNA Chairman’s Reception and the new DD&F “Come Together” Celebration & Dinner.

In honor of their 25th anniversary, DD&F is providing musical entertainment by Deuces Wild! Dueling Pianos. Bring a date and be ready to clap along, sing along, and laugh along with this high-energy performance!

Banker’s Perspective
It’s More Than a Few Days on the Calendar
I have had the wonderful opportunity to attend the Arkansas Bankers Association Annual Convention every year since 1995. Each year, I look forward to this event, and each year I walk away with a greater appreciation for the event itself, all of the people that make it happen and the quality and content of the activities and presentations.

The ABA Annual Convention represents more than a few days on the calendar, it represents a platform for who we are as an industry. The ABA Convention affords all types of banking related professionals a chance to engage with each other in a professional environment. Banking professionals from all areas of the state, all types of experiences and geographies and all levels of focus and expertise join together for a few days of education, connection and camaraderie. Of course, I am partial, but my favorite part of the Convention is the Day with the Commissioner — which represents the partnership between the Bank Department and the ABA.

Regardless of whether you are a first time attendee, a regular attendee, or you just haven’t made it a priority in recent years, I strongly encourage you to join me and your fellow banking industry professionals at the 2018 ABA Annual Convention. If you specifically can’t attend this year, you should make sure that others from your organization plan to attend — it is certainly worthwhile for staff with any level of experience. I look forward to seeing many familiar faces for a few days of industry updates and networking!

Susannah Marshall
Arkansas State Bank Department
Little Rock
Ten years ago, the United States faced the greatest financial crisis since the Great Depression. The Federal Reserve, the U.S. Treasury Department, and the Federal Deposit Insurance Corporation stepped in with extraordinary actions to stabilize the financial system — actions that resulted in no loss to the U.S. taxpayer. However, the Federal Reserve could not prevent the “Great Recession.” The recession led to the failure of more than 525 community banks nationwide, including four banks in the state of Arkansas.

As we enter 2018, the nation is in its eighth year of economic expansion. The expansion has spawned strong growth opportunities for many community banks. Arkansas banks, in particular, have posted earnings ratios above those of many of their peers in other states. Some Arkansas banks have used the favorable environment to expand, with three Arkansas banks now with more than $10 billion in total assets.

Despite the benefits of a growing economy, new regulations have challenged many smaller banks. An annual survey conducted by the Conference of State Bank Supervisors (CSBS), as part of the annual Federal Reserve/CSBS Community Banking in the 21st Century Research and Policy Conference, cites regulatory burden as a continuing challenge.

A soon-to-be released study by economists at the Federal Reserve Bank of St. Louis sheds some light on the cost of regulatory compliance and how these costs affect bank operations and performance. The study examines operational cost data from the survey’s nationwide sample of 1,100 community bank and thrift institutions over the three-year period between 2015 and 2017. The study’s authors find that compliance costs averaged about seven percent of noninterest expenses over the period. Personnel costs accounted for the majority of these expenses, followed by data processing, accounting, legal and consulting expenses. From a product standpoint, the Truth in Lending Act-Real Estate Settlement Procedures Act (TILA-RESPA) Integrated Disclosure Rule (TRID), qualified mortgage rule and ability to repay rule — accounted for about one-third of all regulatory costs in 2017. Compliance with the Bank Secrecy Act accounted for about one-fifth of all expenses according to survey respondents.

The most significant finding of the study, however, is that “economies of scale” exist for banks in regards to regulatory compliance: The average cost of regulatory compliance declines as bank size increases. For this group of surveyed banks, those with assets of less than $100 million reported compliance costs that averaged almost 10 percent of noninterest expenses while the largest banks in the study reported compliance costs that averaged approximately 5 percent of their noninterest expenses. In other words, the compliance cost burden for the smallest community banks is double that of the largest community banks.

There are several efforts underway that would lessen the overall regulatory burden on community banks and, in turn, better align regulation with the lower inherent risks of smaller, less complex banking institutions. These efforts are worthy of serious consideration.

As I look forward into 2018, it is inevitable that banks will face new challenges. In particular, banks must manage the impacts from Federal Reserve monetary policy actions. As the Federal Reserve continues to normalize monetary policy, banks should see more opportunities to increase profitability and expand. However, banks must remain vigilant in the face of a relatively flat yield curve and increased competition for deposits. I look forward to sharing my outlook for the U.S. economy during the upcoming meeting of the Arkansas Bankers Association’s “Day with the Commissioner” event, and appreciate the opportunity to provide participants with an update on the economic conditions affecting Arkansas banks.

Hear more from Dr. Bullard during the Day with the Commissioner at the ABA Annual Convention on Wednesday, April 4!
The cost of stress on U.S. businesses is astronomically high, estimated anywhere between $150-500 billion annually. In fact, the Center for Disease Control (CDC) reported in 2016, “Work-related stress is the leading workplace health problems and a major occupational health risk, ranking above physical inactivity and obesity.”

Consider stress in the banking industry, for example. According to ComPsych’s 2017 StressPulse survey, typical employees experience:

1. Lost daily productivity due to stress: 41% lose 15-30 minutes per day, 36% lose 60 minutes or more per day; only 23% report stress is not a factor

2. Lost work days due to stress: 55% miss 1-2 days per year, 31% miss 3-6 days per year, and 14% miss more than six days per year.

3. Presenteeism (Coming to work when too stressed to be effective): 46% come to work in this state 1-4 days per year and 29% come to work in this state five or more days per year. Only 25% report that stress is not a factor.

These three stress-related factors can result in dramatic losses in your profitability. Let me show you:

An average bank branch in Arkansas, on any given workday from open to close (10 hours), could employ 13 individuals who average $18/hr.

According to calculations based on the StressPulse survey, that branch would experience the following annual losses due to stress:

- $31,137.56 in lost productivity
- $7,160.40 in lost workdays
- $13,520 in presenteeism
Learn Andy’s keys to busting stress at the ABA Annual Convention on Tuesday, April 3!

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**Thrivers...**
experience consistent motivation, energy, and resilience to stress.

**Strugglers...**
experience fluctuating energy, and lack the same levels of motivation and resilience.

Taken together, these figures total $52,818 dollars lost to poor stress management in a single branch. Across all employees, this averages $4,063 dollars per employee, per year. Multiply $4,063 loss with the 20,000 banking employees in Arkansas and the total climbs to over **eight million dollars a year**.

To be sure, this example is an estimation based on one survey. However, in my experience, the lost productivity time per day does seem realistic.

Even if the dollar loss is not exact, it is likely a dramatic **underestimation** because it does not take into account how stress influences other aspects of employees’ lives and work. For example, stressed employees:

- Incur 46% higher healthcare costs
- Experience more frequent on-the-job accidents
- Demonstrate increased turnover
- Have poorer customer service skills
- Make increased mistakes

These five additional factors could easily double the loss in productivity cited above.

What can you, as a leader in banking, do about this? I am here to help, both in this article and on April 3, when I have the honor of speaking at your Annual Convention in Little Rock.

First, determine what causes employee stress. The top three causes cited by the StressPulse respondents:

- Workload (39%)
- Interpersonal Issues (31%)
- Work-Life Balance (19%)

In banking, those three issues are certainly issues. Combine that with the additional stress from industry and regulatory changes that will be forthcoming, now is an excellent time to focus on better managing stress in banking.

The primary solution for turning stress at work from a negative force to a motivating one is “Arousal Reappraisal.”

In this context, arousal refers to when something happens that is stressful enough to interrupt your thinking and become “top of mind.” Reappraisal is how you choose to “appraise” or view that situation after the initial shock passes.

Examples of stressful moments could include:

- A branch manager learning of a possible merger
- A loan officer discovering that she lost a loan to a competing bank
- A teller seeing a difficult customer walk into the branch

A normal initial response to those types of situations is to think, “Oh no!” This first response is instinctual and beyond our control. Once the initial flush of emotion is over, however, it becomes evident who thrives under stress and those who struggle with it.

Strugglers let the emotions caused by the stress trigger a “threat mindset,” which drives their focus to the potential negative outcomes. This process triggers a powerful mental and physical response that can fuel procrastination and significantly hinders your ability to think on your feet.

Thrivers have learned to overcome this “threat” instinct. After the shock of stress is over, they simply reframe the situation into what psychologists call a “challenge mindset.” In this approach, they focus on what they can actually do to improve the situation versus focusing on the potential threats, which are mostly outside of their control.

Here are five questions you can ask to help diffuse stress and trigger the “Challenge Mindset” in yourself and your employees:

1. What can I/we actually do in this situation?
2. What do I/we need to learn to solve this issue?
3. What have I/we learned about this topic in the past?
4. Who can I help with this issue?
5. Who can I help with this issue?

Anytime you feel or see others experience that familiar flush of stress, remember to take on a Challenge Mindset and you can use that stress to fuel success.

In banking, those three issues are certainly issues. Combine that with the additional stress from industry and regulatory changes that will be forthcoming, now is an excellent time to focus on better managing stress in banking.

**Andy Core** is an expert on thriving in high-demand workplaces. He is also an award-winning speaker on productivity, stress and balance, and author of *Change Your Day, Not Your Life*. 
Why is it important for banks to give back?

JC: Community banks, like Arvest, gain their reason to exist from being a deeply devoted partner in the communities in which we are located. All people and organizations have the responsibility to work together within the communities we work, play and live to create a place that is safe, vibrant, relevant and that provides growth opportunities for all. The more we are involved in the formation, direction and success of our towns and communities, the more we are valued as a partner in the community. People want to do business with people whom they know care about them and who are helping them provide successful communities for their families and friends.

DG: Community banks like Legacy National Bank are a reflection of the communities they serve. But more, the community bank has the opportunity and responsibility to be a positive influence in the community’s growth and prosperity. Part of that role goes beyond providing capital for business investments in jobs and facilities, loans to buy homes and send kids to college and being a place to provide security and return for savings. The role also includes a social responsibility to participate and many times lead the efforts to improve the lives of all the people of the community served.

PW: While I can’t speak for all banks, giving back is why Southern Bancorp was created. The founders of Southern Bancorp wanted to create an entity that could have transformational change in rural and under-resourced communities and among people for whom the American Dream had become hard to achieve. Our founders not only wanted to make a profit but they wanted to make a positive difference in the communities we serve and in people’s lives. Our founding shareholders were impact investors before it was cool to be one. Our “giving back” focuses on helping individuals build net worth, strengthen financial skills, and understand the benefits of mainstream financial services. When we give back in those ways, we are providing our neighbors with the tools to lift themselves up, and as the old adage goes, a rising tide lifts all boats.

Has anyone or any situation inspired you to want to give back to your community?

JC: Yes. During the time I was working for Arvest in Bentonville, I had the chance to work with Jim Walton on the idea of how we could find ways to create more appealing, even sought-after, housing in areas of town that could use some improvement. We wanted to do this in a fashion that...
would create housing opportunities for folks who really needed better housing for their families, but needed a little creative help to tackle home ownership. To accomplish this mission, we went to numerous communities in a couple of states, researched organizations in Arkansas that could contribute advice and resources, and developed a game plan to help meet the objectives we had identified. The result was the formation of the Bentonville/Bella Vista Community Development Corporation and its purpose was to support housing needs and community development. I was inspired by Jim Walton’s devotion and passion for being successful in meeting these needs within our community. He spent hours and hours to help us develop a solid plan that continues to serve as a foundation for on-going improvements in the Bentonville/Bella Vista communities. I have carried that passion with me to serve similar needs in three additional Arvest markets since my time in Bentonville.

We chose the name Legacy for our bank in 2004 because of the people in Northwest Arkansas who practiced giving back to Northwest Arkansas. Because of people like Gene George, Don Tyson, Sam Walton, Harvey Jones, Joe Steele, JB Hunt, Northwest Arkansas became and is a thriving economy and a great place to live and work. We accepted the responsibility of this legacy and made it one of the primary goals for our new organization keep the legacy alive for our children and grandchildren.

I hit the parent lottery when my parents, Warren and Catherine Williams, adopted me as an infant. Dad was a minister and my mom a schoolteacher, and rarely a week went by when one or both of them did not engage in some act of community service. Although both have been deceased many years now, I still see the impact of their service on my community and in the lives of people who happily stop to tell me stories of something that one of my parents did that made a difference in their lives. From my childhood, I have been blessed to see firsthand that you make a living by what you get, but you make a life by what you give.

How does your bank decide which programs and partnerships to support?

Those decisions are best made after becoming intertwined with the community. Our bank market presidents and local associates connect with organizations and people who are involved with city government, non-profits, corporations, schools, universities, churches and other organizations on a local level. It’s important to know where the community has been, what it has been through and the current key issues facing the area, so we can best make an informed decision regarding where we need to offer our support. As the needs of our communities continue to evolve, our support may shift to meet other needs, but we will always contribute to the betterment of our communities.

By staying involved in community affairs through the Chamber of Commerce, churches and other civic groups, an awareness of needs in the community is ongoing. With that information, the bank’s board and executive committee can determine areas where the bank can make a difference. In addition, we have an employee committee called Legacy in the Community that finds and selects projects and causes that the entire Legacy team will support.

We let our mission guide our activities. As a Community Development Financial Institution, our mission is to create economic opportunities; we call it building communities and changing lives. We believe that wealth building isn’t just for the wealthy; we are more than bankers, we are wealth builders for everyone. As a result, we devote a significant amount of our time to activities that coincide with our mission to help everyone in the community build wealth, regardless of financial situation. This includes financial boot camp training...
by our certified credit counselors, savings initiatives, and even free tax preparation. For over a decade, our volunteers have been providing free tax preparation to members of the community through the Volunteer Income Tax Preparation Service, also known as VITA. Since the program’s beginning, our volunteers have filed over 21,000 returns totaling approx. $42 million in tax refunds. That is money going straight back into the local community.

In addition, as one of the leading businesses in the communities we serve, we are involved in all aspects of the community. Our “Community Corps” is a team of volunteers who are involved in everything from benefit races to chili cook-offs. Each year, Corps members dedicate thousands of hours to community service projects. However, we particularly try to focus on activities that provide an economic benefit to the community, such as our sponsorship of the King Biscuit Blues Festival in Helena, which brings in visitors from around the world to our sponsorship of the Arkadelphia Promise, which pays college tuition for Arkadelphia High School graduates.

What is one of your bank’s social responsibility programs that you’re most proud of?

JC: I have to mention two. One is our annual 1 Million Meals Campaign. This is a company-wide effort that we roll out each year across four states to gather monetary and non-perishable food items to support local food banks in the effort to stamp out our communities’ food insecurity crisis. The campaign is in its eighth year and lasts two months each year. Since this annual campaign began, Arvest has provided the equivalent of more than 11 million meals. Another program I want to mention, that takes place specifically in Little Rock, is our bank’s support of Our House. Our House provides a path for the homeless and near homeless to become self-sufficient, productive and fully employed members of society and providers for their families. During the past year, we offered support to Our House in many ways - financial, board membership, and committee involvement - but, most importantly, financial consultation, budget planning and encouragement to the residents and their families of Our House. Last year we had 40 of our Arvest associates lead 50 financial counseling classes. In 2018, we have committed to teaching 72 more classes for Our House.

DG: Our Legacy in the Community committee entered into a partnership with Lee Elementary School in Springdale almost 10 years ago. Lee has a very high population of kids needing government support and members of our minority population. We support Lee on an ongoing basis with funding for special needs. We purchased a bus for their summer reading program and Legacy associates ride on the bus in the summer bringing books to kids and keeping them engaged in their education. But more, each quarter the bank sponsors a “I am Legacy Awards” program where teachers in each grade nominate kids for recognition for educational achievement, character, and values. The nomination forms are reviewed by every Legacy team member and winners are selected by the team vote. Members of the Legacy in the Community committee present the awards in a group assembly before their peers. We learn in this process how great the kids are, and what remarkable things they have and will accomplish.

DW: Our Opportunity Center initiative is perhaps the biggest and most impactful program that we’ve undertaken in recent years. We want the public to understand what makes Southern Bancorp more than just a bank by educating them about the unique blend of financial development programs and services we provide. The Opportunity Centers at Southern Bancorp is our way to meet our customers where they are and assist them on the opportunity pathway of their choosing – it might be homeownership, starting a small business, repairing and rebuilding credit or saving for their children’s education.

Essentially, any member of the community, whether a Southern Bancorp customer or not, can visit one of our branches and speak with someone about their financial hurdles and dreams. Our team is trained to help them plot a course that is specific to them and their needs.

Darrin Williams
Southern Bancorp, Little Rock
hurdles and dreams. Our team is trained to help them plot a course that is specific to them and their needs. We find that people often have big dreams, but just do not know where to start. Our Opportunity Centers provide that starting point.

**What value does social responsibility have to the bank, and your employees?**

**JC** For the bank, these programs create opportunity for our bank by helping improve the quality of life for the people who live in our local towns, by hopefully making them healthier, happier and self-sufficient. People who have these things going for them make great customers of our bank. We have products and services that can continue to help them realize their dreams for themselves and their families. That keeps us in business. These projects hold value for our employees because we at Arvest are a team of people who sincerely want to be helpers. Arvest associates have a strong sense of caring and being able to relate to people so we can find the right ways to help them with their needs. Our mission statement, “People Helping People Find Financial Solutions For Life,” is the true core of what our associates focus on every day. This past year they logged more than 2,863 hours in volunteer service. The associates love it and are inspiring to each other, as we are constantly sharing about the ways our teams go about helping others. This environment makes them happy and motivated associates.

**DG** Our involvement with the community as a bank, and individually, creates a sense of pride and connection. Toffler wrote in his book *The Third Wave* that “people want to be part of something bigger and better than themselves.” That is why giving back is important to our bank and our associates, and makes a difference in our community.

**DW** Because the majority of Southern’s markets lie in economically distressed areas, the value of social responsibility is higher than normal. It can mean the difference between a family breaking the cycle of generational poverty or a community continuing its economic decline. Our employees are actively engaged members of these communities. We play ball with these families, go to church with them, and see them in the grocery store. Our bank’s future is inextricably tied to the families and businesses that make up our communities. Therefore, we want to do everything we can, be it flexible lending, counseling, free tax preparation, volunteering or simply sponsoring the local farmers market, that is our mission, and it is as important to our work as opening accounts and processing loans.

In short, social responsibility is not something that we do at Southern Bancorp, it’s who we are.

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**Bankers Give Back:**

**Summer Snack Drive to be Held at ABA Convention**

When the kids are going to be home, you stock the pantry... Let’s make sure that the Arkansans Food Bank is stocked for the summer months!

The ABA will be holding a “Summer Snack Drive” during Convention to support the Arkansas Food Bank, which serves the entire state. One in four children are at risk for hunger in Arkansas, ranking Arkansas fifth in the nation for childhood hunger. The Arkansas Food Bank works with communities to ensure that children have adequate access to nutritious food — whether at home during the weekend, after school, or through the summer. The Food Bank distributes enough food for 57,000 meals per day, and set a record of distributing 26.5 million pounds of food in 2017.

**Suggested donation items:** mac and cheese, peanut butter, low sodium canned soups, and cereal

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*Don Gibson, Legacy Bank, Springdale*
Survey Details Bank Efforts to Protect Seniors

The American Bankers Association Foundation recently released its Older Americans Benchmarking Report, a survey detailing how banks across are working with seniors and their financial caregivers to address the growing threat of elder financial fraud.

To produce the report, the AmBA Foundation surveyed 103 banks of all sizes with assets ranging from less than $500 million to more than $10 billion – a sampling intended to provide a cross section of the industry.

According to the report, Americans age 50 or older account for 70 percent of all bank deposit balances today, even though they only represent one-third of the population. Their savings, coupled with potentially declining faculties related to aging, make them prime targets for exploitation. According to the CFPB, one in five seniors report that they have been victims of some form of financial fraud. To combat this, banks are adopting a range of creative approaches to protect their customers, while working to establish key partnerships with financial caregivers who often hold responsibility for a seniors’ financial decisions.

“Preventing and stopping this wave of crime against the elderly takes a full community effort with family, caregivers, law enforcement, protective services and banks working together,” said Corey Carlisle, executive director of the AmBA Foundation. “This first-of-its-kind survey highlights banks’ growing commitment to combating elder financial exploitation.”

The report reveals some of the significant steps banks are taking to protect their older customers including:

- Seventy-one percent of all respondent banks require additional, specialized training for frontline staff to help spot elder financial abuse. Older customers are far more likely to visit a branch regularly than to use online banking, making it critical that frontline staff know to look out for behavioral changes and other red flags associated with financial fraud.
- About two-thirds of larger banks are using automated tools to better monitor account activity for older customers. These automated tools are a supplement to the standard suspicious activity monitoring banks do for all accounts.
- When elder financial abuse is suspected, most respondent banks personally engage a trusted financial caregiver. In fact, 77 percent of surveyed banks call to notify the financial caregiver, while 55 percent schedule an in-person meeting.
- Nearly half of the banks surveyed host community outreach and education events for older customers. With these seminars and training events, senior customers learn how to identify and avoid scams, protect their assets from fraud and identity theft, and select a trusted financial caregiver.

“We hope this unprecedented survey will help bankers, policymakers and other interested groups better understand how best to protect older customers,” Carlisle said. “The information we have collected will help us build on our success and tackle the difficult issues that remain for banks trying to serve this important yet vulnerable segment of the population.”

Economics Arkansas Update

We asked and you donated! A big shout-out to these banks that have contributed to the 2017-18 ABA Chairman’s Campaign to date:

- ARVEST
- First Arkansas Bank & Trust, Jacksonville
- Integrity First Bank, Mountain Home
- The First National Bank of Wynne
- The Union Bank of Mena
- First State Bank of DeQueen
- Chambers Bank, Danville
- Farmers & Merchants Bank, Stuttgart
- Bank of England
- Eagle Bank & Trust Company, Little Rock
- Warren Bank & Trust Company
- Merchants & Farmers Bank, Dumas
- Logan County Bank, Scranton
- Merchants & Planters Bank, Clarendon
- Horatio State Bank

Thank you. These contributions support the economic, personal finance and entrepreneurship education provided by Economics Arkansas to Pre-K teachers across the state.

Given the recent legislative passage of Act 480, we’re respectfully asking other banks to follow suit. Act 480, also known as the Personal Finance and Job Readiness Act, calls for the implementation of personal and family finance standards into the curriculum for public high school students in grades 10, 11 or 12, starting with the 2018-19 school year. Economics Arkansas has taken a leadership role in developing and hosting a number of Professional Development (PD) workshops and seminars to train high school educators how to teach these standards. Thanks to this initiative, students are expected to enter adulthood as money-savvy employees, consumers—and borrowers.

Contributions to the current campaign will be gladly accepted through May 31. To make a secure online donation, go to http://www.economicsarkansas.org/ and click on “Donate now” at the top. Or mail your check to Economics Arkansas, P.O. Box 3447, Little Rock, AR 72203. All contributions are fully tax-deductible.
ABA Lending Schools Scheduled for Spring

**Consumer Lending School**

**WHEN** March 7-8, 2018  
**WHERE** ABA Office, Little Rock  
**WHO**  
- Loan Officers  
- Loan Processors  
- Credit Administration  

**INSTRUCTOR**  
- John Cochran  

**Build your lending skills, to help build local businesses!**

A trained lender is a commodity in today’s market that can’t be overlooked. This one-week school exposes students to the major issues commercial lenders face with eleven instructional modules and group case studies.

**WHY ATTEND COMMERCIAL LENDING SCHOOL?**  
- Build a strong foundation for your lending career with an overview of the basics, credit, and loan evaluation  
- Key in on how better understand your customer’s business, and the external risk factors they face  
- Learn what it takes to properly structure, support, and maintain a commercial loan  
- Find out how to mitigate problem loans and establish credit discipline  
- Establish a network of peer lenders for continued support

For more details and to register, log on to:  

**Commercial Lending School**

**WHEN** April 16-20, 2018  
**WHERE** ABA Office, Little Rock  
**WHO**  
- Loan Officers  
- Credit Administration  

**INSTRUCTORS**  
- John Cochran  
- Ron Rushing  

**New two day format targets consumer lending essentials!**

This informative and challenging two-day school prepares consumer lenders to meet and overcome everyday challenges. Led by longtime banker and instructor John Cochran this school is targeted towards community bankers and lenders who participate in their bank’s consumer loan origination process. Newly appointed loan officers and members of the bank’s credit administration and loan processing areas will especially benefit.

**WHY ATTEND CONSUMER LENDING SCHOOL?**  
- Learn how to originate loans to qualified consumer and residential borrowers, to minimize collection problems and loan losses  
- Find the keys to maintaining compliance with ever-changing fair lending regulations  
- Strengthen your loan processing and credit administration skills  
- Gain more of your customers loyalty  
- Establish a network of peer lenders for continued support

For more details and to register, log on to:  
Simmons Bank Hosts Third Annual Agri Summit

Simmons Bank hosted its third annual Simmons Agri Summit on Thursday, February 1. Nearly 300 farmers, producers and farm-related business owners gathered at the White Hall Community Center in Jefferson County to network and participate in sessions focused on the current economic landscape, what to expect from the 2018 Farm Bill and scientific developments impacting the agriculture industry.

“Simmons has deep roots in the Delta. We know our local and regional communities are supported by agriculture and have been supporting farmers for more than 100 years,” said Freddie Black, Arkansas regional chairman for Simmons Bank. “We want to be able to support them with financial knowledge and connect them with industry experts for success.”

The free conference included featured speakers Dr. David Kohl, president of AgriVisions; Jay Mahaffey, manager of Monsanto’s Scott Learning Center, and attorney David Bridgforth of Ramsay, Bridgforth, Harrelson and Starling.

Kohl spoke on the economics of agriculture and the financial health of the industry. Mahaffey focused on advanced biotechnology and agronomic techniques, and Bridgforth provided a Farm Bill update.

“The conference was created as an additional resource, and it is encouraging to have seen familiar faces again this year,” said Black. “We are here for our clients every day and enjoy spending this time together at the Agri Summit each year.”

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May 20—June 1, 2018
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AT LOUISIANA STATE UNIVERSITY
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Neal Joins Mary Reynolds Babcock Foundation Board
Southern Bancorp Community Partners (SBCP) Chief Operating Officer, Dr. Karama Neal, has been appointed to the board of the Mary Reynolds Babcock Foundation, a renowned philanthropic foundation focused on alleviating poverty and increasing social and economic justice in 11 Southern states.

"On behalf of the Southern Bancorp family, I congratulate Dr. Neal on her appointment to such an impactful foundation board," said Darrin Williams, CEO of Southern Bancorp Community Partners. "We’ve been fortunate to partner with the Mary Reynolds Babcock Foundation for several years around our shared mission of creating economic opportunity, and we look forward to Dr. Neal’s contribution to their ongoing mission and vision."

In her role at SBCP, Dr. Neal oversees all asset building programs, as well as partner relations, grant reporting, and staff supervision for the 501(c)(3) financial development organization and loan fund. She also oversees and participates in the organization’s public policy efforts at the federal, state and local level.

"It is an honor to join the board of a foundation with such a long and impressive history of investment and positive impact across the South," said Dr. Neal. "The Mary Reynolds Babcock Foundation’s work to move people and places out of poverty is critical for our region and for our country."

Prior to joining SBCP in 2009, she served as an adjunct professor and program director at Emory University, where she earned a Ph.D. in genetics. In addition to holding a M.A. in bioethics and health policy from Loyola University Chicago and a B.A. in biology from Swarthmore College, Dr. Neal has completed the Impact Investing Programme at the University of Oxford’s Saïd Business School.

Arkansas County Bank Promotions
Arkansas County Bank has announced the promotion of three in the Bank of Lockesburg Branch.

Barbara Dixon has been named President. Barbara has served as Vice President and Loan Officer at Bank of Lockesburg since 2001. She has over 30 years of experience in banking, 28 with Bank of Lockesburg. She has had extensive training and education in the financial industry and graduated with honors in 2012 from the Barret School of Banking.

Anna Belcher has been named Vice President. Anna has served as Loan Officer and Assistant Cashier at Bank of Lockesburg since 2008. Anna has over 25 years banking experience, 24 with Bank of Lockesburg. She has had extensive training and education in the banking field.

Lisa Coulter has been named Assistant Vice President. Lisa has served as Loan Assistant since 2002 and has 16 years banking experience with Bank of Lockesburg. She has had extensive training and education in the banking field.

CBCM Program Offered in May
Arkansas bankers will have the opportunity to earn their Certified Banking Cybersecurity Manager (CBCM) certification during a two-day course on May 22-23, at the ABA Office in Little Rock.

Led by SBS Institute, this program is designed to better prepare bankers and their financial institution for cybersecurity threats and regulations. The certification course includes real-world cybersecurity issues and establishes solutions that make cybersecurity responsibilities more efficient and effective.

The CBCM course allows attendees to complete the FFIEC Cybersecurity Assessment for their home institutions; build a solid foundation of understanding for the FFIEC guidance; and gain the knowledge to better defend against cybersecurity threats.

Course topics include: inherent risk; risk maturity; cybersecurity policy; effective cybersecurity reporting and decision making; cybersecurity audit; and enterprise risk management.

Mark your calendars now, and be watching www.arkbankers.org for details.
Merchants & Farmers Bank Announces Promotions

J. Michael Jones, President and CEO of Merchants & Farmers Bank, has announced the promotions of Price E. Boney Jr. to Vice President / Trust Officer; Calvin Puryear to Vice President / Operations; and B. Page Gill to Vice President / Loan Officer.

“We are excited about the leadership these young men will bring to the bank’s future,” Jones said.

Price Boney, a Dumas native, attended the University of Arkansas at Monticello, where he earned a Bachelor of Science degree in Organismal Biology and is a graduate of the LeadAR program through the University of Arkansas Division of Agriculture & Extension. He is the son of Amelia and Price E. Boney, Sr., of Dumas and he recently married Tiara Powell. He has been with the bank since 2012.

Calvin Puryear, a Dumas native, attended the University of Arkansas in Fayetteville, where he earned a Bachelor of Science degree in Accounting. He is currently working on his Masters of Business Administration degree through Arkansas State University in Jonesboro. He is the son of Ladd Puryear and the late Debbie Puryear of Dumas. He is married to the former Kathleen Walters, and they have one son, Hudson. He has been with the bank since 2016.

Page Gill, a Dumas native, attended Arkansas State University in Jonesboro, where he earned a Bachelor of Science degree in Finance, a Bachelor of Science degree in Accounting, and a Master’s degree in Business Administration. He then attended the University of Arkansas at Little Rock William H. Bowen School of Law, where he earned his Juris Doctor degree. He is licensed to practice law in Arkansas. Page is the son of Brooks A. Gill and the late Jo Carol Gill of Dumas. He is married to the former Ashley Haskins. Page works out of the bank’s Bryant branch location hand has been with the bank since 2014.

West Named AVP/Loan Operations Manager

Jason F. Tennant, President, Cornerstone Bank, is pleased to announce the promotion of Elizabeth West to Assistant Vice President and Loan Operations Manager of the bank. Ms. West has been leading the loan operations team at Cornerstone since 2012. She has been instrumental in the rapid loan growth for the bank during that time. Elizabeth is a native of Chicago. She and her husband, Phil, moved to the Cassville, Mo. area in 1997. They have resided in Holiday Island since 2009. She began her banking career in 2005 with the First National Bank of North Arkansas. She is the proud parent of three children and eight grandchildren.

Tennant stated, “Promoting people within our company such as Elizabeth gives me great pleasure. Elizabeth has been instrumental in the development and the upgrading of our loan operations for the bank. With her leadership, we are confident that our rapid growth will continue for the communities that we serve. Cornerstone is one of the fastest growing banks in Arkansas and Elizabeth is a big part of that leadership. We feel fortunate to have her in our bank family.”

Citizens Bank Promotes Moore To EVP/COO

Phil Baldwin, President and CEO of Citizens Bank, is pleased to announce the promotion of Janet Moore to the position of Executive Vice President and Chief Operating Officer.

Baldwin states that, “Janet provides extensive experience in all aspects of bank operations including call center services, treasury management and bank acquisition integration. During her banking career, Moore has served as an executive officer at several of the largest banks in Arkansas, and adds a deep wealth of experience to Citizens Bank.”

Prior to joining Citizens Bank, Moore was an Executive Vice President of Iberia Bank, a $30 billion banking organization, where she led merger teams involved in Merger & Acquisition efforts across the United States.

Moore currently serves in a number of leadership roles at Citizens Bank, including the Senior Management Committee, Bank Secrecy Act Committee and information technologies committee. She is also a member of the Board of Directors of United Way of North Central Arkansas.

Moore is a graduate of the University of Tennessee and the Southwest Graduate School of Banking. She is married to Ira Moore. Janet and Ira have two daughters, Rachel and Allison.

Ray C. Dillon of Little Rock has been named to the Stone Bank Board of Directors. Dillon was formerly the president and CEO of Deltic Timber Corporation and was an EVP with Gaylord Container Corporation.

Dillon recently completed a term as chairman and director on the Little Rock Branch of the Federal Reserve Board of St. Louis. He also serves on the board of directors of America’s Cart Mart. He received a B.S. in Chemical Engineering from Mississippi State University and a Master of Business Administration degree from...
the University of Chicago. “We are so fortunate to add Ray Dillon to our board of directors,” said James T. Compton, chairman of the bank’s board. “Ray’s business experience, contacts, understanding of the financial industry and connection to the forestry and agriculture economy of our region will be a great asset to our shareholders and customers.”

“I first became aware of Stone Bank as a customer but the more I learned about their management team and the goals and dedication of Mr. Compton and his family, the more I was interested in becoming more involved,” said Dillon. “I’m very excited about the future of this dynamic, fast-growing financial institution.”

His other affiliations include: director of the Harvard Joint Center for Housing Studies; a director of the American Forest and Paper Association; a director and past chairman of the National Alliance of Forest Owners; a director of the American Wood Council; chairman and director of the Arkansas Forestry Association; a director of the Arkansas State Chamber of Commerce; and board member of the Winthrop P. Rockefeller Cancer Institute Foundation.

The Arkansas State Bank Department has promoted Michael L. Green to Bank Exam Manager. Green has been with the Department for over 18 years, serving as a Safety and Soundness examiner and Information Systems examiner. He has a B.B.A. in Economics from Baylor University, Waco, Texas, and has completed the Southwestern Graduate School of Banking in Dallas. Green holds the Certified Fraud Examiner designation from the Association of Certified Fraud Examiners.

John Bernard Maus, IV, has been hired as a Trainee Bank Examiner for the Little Rock office. Maus joined our staff on January 22, 2018. Prior to joining the Bank Department, Maus was employed by Farmers and Merchants Bank in Fayetteville. He received his Master in Business Administration in May of 2017, from the University of Arkansas, Fayetteville.

Jim Daniels, President and Chief Executive Office, First NaturalState Bank, is pleased to announce the hiring of Jacob Box to Vice President of Lending and Trust Officer of the locally owned and operated bank.

A McGehee native and 2006 McGehee High School graduate, Box earned a B.S. in Agricultural Business and Economics at UAPB. In 2012, he graduated the Arkansas Bankers Association Commercial Lending School and in 2013, the Mid South School of Advanced Agriculture Lending at UT-Martin. Last year, Box completed the program at the Graduate School of Banking at LSU. Box began his financial career at Simmons Bank in Dumas in 2011 where he served as a loan officer.

Box has been active in a number of community organizations throughout Desha County, including serving as the radio voice of the McGehee Owls and as past president of the McGehee City Baseball/Softball organization. In 2016, he was named the Dumas Man of the Year and was named to the Arkansas Business ‘Top 20 in their 20’s’ list. Box has volunteered with the Dumas Lions Club, Main Street Dumas, the Dumas Chamber of Commerce, Desha County Farm Bureau, and is a member of the McGehee Church of Christ. In his spare time, he is an avid hunter and outdoorsman.

Box and his wife, the former Britney McRae of Monticello, live in McGehee and have a 7-month-old daughter, Leigh Henri.

“The First NaturalState family is excited to have Jacob join our team,” said FNB President Jim Daniels. “Not only does he bring a wealth of experience in the financial industry, but he understands our mission to provide world class banking without sacrificing hometown service. His energy, enthusiasm, and passion for the McGehee community, its legacy, and its future will be a valuable asset not just to us here at FNB, but to our entire city.”

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