Metropolitan National Bank
P.O. Box 8010
Little Rock, Arkansas 72203
(501) 377-7600

March 6, 2009

Mr. Neil M. Barofsky
Special Inspector General
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., N.W., Suite 1064
Washington, D.C. 20220

Dear Mr. Barofsky,

In response to your letter of February 6, 2008, this narrative addresses the anticipated use of TARP funds by Rogers Bancshares and answers such questions that you have raised relative to those funds. In accordance with the intent of the Emergency Economic Stabilization Act of 2008 ("ESSA"), Rogers Bancshares plans to use the funds in such a manner which will ultimately result in a greater number and amount of loans being extended to credit worthy borrowers than would have been possible without the input of the TARP funds. Rogers Bancshares did not segregate the TARP funds from other institutional funds. Upon the receipt of the funds and after a review of how best to position the funds for the greatest benefit of all stakeholders interested in the best usage of the TARP funds; Rogers Bancshares placed $20 million of the funds directly into the capital of its subsidiary commercial bank, Metropolitan National Bank (Subsidiary). This placement of funds was designed to ensure and expand the available capital base of the Subsidiary to ensure that an adequate capital base was in place to handle expanded lending demands. In the interim as the lending demands are being developed the TARP funds have been of assistance in further reducing Metropolitan National Bank's reliance on wholesale funding sources, including brokered CDs and Federal Home Loan Bank borrowings. Metropolitan National Bank has been on a structured program of reducing reliance on wholesale funding and while appropriate lending demands are being cultivated, the TARP funds have moved the Bank further along toward the ultimate goal of removing all brokered CDs from the balance sheet as the existing brokered CDs mature. The twin goals of restructuring the balance sheet and furthering lending within the communities the Bank serves have been strengthened by the infusion of the TARP funds.

The Subsidiary is continuing to search for, solicit, and place the funds into the best and highest uses we believe are reasonable for the communities we serve and in the spirit of the ESSA. Metropolitan National Bank is seeking to place all of the TARP funds ultimately within a wide variety of loans (commercial, conforming residential real estate, in-house jumbo mortgages and consumer loans) which were serve diverse interests in our communities. **PROPRIORITY SECTION:** One such use has been the ability of the Subsidiary to gradually expand its presence in the indirect vehicle lending market; previously served almost exclusively by the captive finance companies of the vehicle manufacturers in our market. We are encouraged by our initial success in this area and [redacted]

On the matter of executive compensation, it is our understanding that final regulations have not been issued; but we have implemented interim limitations which we believe fully meet the requirements of the law. Metropolitan National Bank has a Board level Executive Compensation Committee to ensure full compliance with all compensation regulations. No executive of either [redacted] and Rogers Bancshares will fully implement all new regulations pertaining to Executive Compensation as it is made aware of the implementation of such rules by the U.S. Treasury. No current relationship exists between any assessment of loan risk and executive compensation at Rogers Bancshares or it's Subsidiary. There is no plan or intent to offset such limitations on Executive compensation with any changes to longer-term or deferred forms of executive compensation; with the objective being to abide by the law fully in all regards.

Going forward the Subsidiary, Metropolitan National Bank, will segregate and preserve all internal e-mail, budgets, or memoranda describing our intended use of the TARP funds. **PROPRIORITY: The amount of indirect consumer loans has increased to $19.45 million on February 26th, from $17.99 million on December 30, 2008. Previously, the volume of indirect consumer loans had been gradually declining over the past year. Metropolitan National Bank intends to use the increased volume of indirect consumer loans to leverage its borrowing ability through the Federal Reserve Discount Window custody program to pledge the new indirect loans for additional funds to further increase its ability to extend credit and maintain adequate liquidity; while reducing dependence on the Federal Home Loan Bank system for funding. A copy of the application for that program, which was submitted on February 27th, is enclosed.**

Rogers Bancshares retained $5 million of the $25 million received in the TARP program, to limit the need for dividends from its Subsidiary during the remainder of 2009 and therefore allow the subsidiary to focus all of its resources on the extension of credit to new credit worthy borrowers.

I certify that all statements, representations, and supporting information is accurate subject to the requirements and penalties set forth in Title 18, United States Code, Section 101.

Sincerely;

Lunsford W. Bridges

Lunsford W. Bridges

Appendix A

(b) (8)

[redacted]

February 27, 2009

(b) (4)

[redacted]

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Revised 3/04/08