PUBLIC DISCLOSURE

February 18, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chambers Bank
RSSD #517049

901 Main Street
Danville, Arkansas 72833

Federal Reserve Bank of St. Louis

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

The Lending Test is rated:	**Satisfactory**
The Community Development Test is rated:	**Outstanding**

Chambers Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is more than reasonable given the institution's size and financial condition and the credit needs of its assessment areas.

- A majority of loans and other lending-related activities are in the bank's assessment areas.

- The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and businesses of different revenue sizes.

- The geographic distribution of loans reflects an excellent dispersion throughout the assessment areas.

- One CRA-related complaint was filed against the bank since the previous CRA evaluation but was unsubstantiated and did not affect the rating.

- The bank's overall community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC) Intermediate Small Bank Procedures, which include two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level.

As displayed in the following table, the bank maintains operations in five delineated assessment areas within Arkansas. The bank also opened a new branch in the Dallas-Fort Worth-Arlington, Texas metropolitan statistical area (MSA) in 2024, resulting in a new assessment area for the bank. However, as this evaluation relies upon 2023 lending data, the Dallas assessment area was not included in the evaluation. The table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this

evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2024.

Assessment Area	Offices		Deposits		Review Procedures
	#	%	$ (000s)	%	
Central Western Arkansas	13	56.5%	$585,768	53.9%	Full Scope
Fayetteville MSA	5	21.7%	$322,835	29.7%	Full Scope
Fort Smith	2	8.7%	$95,222	8.8%	Limited Scope
Hot Springs MSA	2	8.7%	$56,580	5.2%	Limited Scope
Little Rock	1	4.3%	$25,467	2.3%	Limited Scope
TOTAL[1]	**23**	**100%**	**$1,085,872**	**100%**	**2 – Full Scope**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Central Western Arkansas assessment area was given primary consideration, followed by the Fayetteville MSA assessment area. The Fort Smith, Hot Springs MSA, and Little Rock assessment areas were limited-scope reviews.

Furthermore, Home Mortgage Disclosure Act (HMDA) and small business loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and its stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on home mortgage lending, performance based on the HMDA loan category carried the most significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	June 30, 2022 – December 31, 2024
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	June 21, 2022 – February 17, 2025
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2020 American Community Survey (ACS) data; certain business demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore,

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[1] Note: In this table and others throughout this document, percentages may not total 100% due to rounding.

expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $1.1 billion to $1.5 billion as of December 31, 2024.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

Chambers Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Chambers Bancshares, Inc., a one-bank holding company; the bank and its holding company are both headquartered in Danville, Arkansas. The bank's current branch network consists of 24 offices (including the main office); 20 of these branches have cash-dispensing-only automated teller machines on site. Of the bank's 24 total branches, 22 offer drive-through services.

During this review period, the bank closed one branch in Conway, Arkansas (September 2023) and expanded into Texas through a new assessment area with the opening of one branch in Dallas (December 2024). This branch initially opened as a loan production office (LPO) in July 2024 before converting to a full-service branch. In addition to the LPO conversion in Dallas, the bank closed two LPOs; one in Hot Springs, Arkansas, and one in Little Elm, Texas. Based on this branch network and other service delivery systems, such as extended banking hours of operation and online banking capabilities, the bank is positioned to deliver financial services to the entirety of its assessment areas.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of December 31, 2024, the bank reported total assets of $1.4 billion. As of the same date, loans and leases outstanding were $1.0 billion (74.2 percent of total assets), and deposits totaled $1.2 billion. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of December 31, 2024		
Credit Category	**Amount $ (000s)**	**Percentage of Total Loans**
Commercial Real Estate	$479,369	45.9%
1–4 Family Residential	$191,263	18.3%
Construction and Development	$172,310	16.5%
Commercial and Industrial	$110,913	10.6%
Farmland	$40,593	3.9%
Multifamily Residential	$35,672	3.4%
Loans to Individuals	$8,628	0.8%
Farm Loans	$3,867	0.4%
Total Other Loans	$1,735	0.2%
TOTAL	$1,044,350	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans, loans secured by 1–4 family residential properties, and construction and development loans. The bank also originates and subsequently sells a significant volume of loans related to residential real estate. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by the FDIC on June 21, 2022.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank meets the standards for a satisfactory Lending Test rating under intermediate small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents an 11-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size $ (000s) as of December 31, 2024**	**Average LTD Ratio**
Chambers Bank	Danville, Arkansas	$1,407,844	94.6%
Regional Banks	Batesville, Arkansas	$1,486,851	92.2%
	White Hall, Arkansas	$1,450,661	89.4%
	Jacksonville, Arkansas	$1,113,951	80.3%

Based on data from the previous table, the bank's level of lending is above those of other banks in the region. During the review period, the bank's quarterly LTD ratio experienced a generally stable trend, with a high of 99.8 percent and a low of 88.5 percent. Overall, the bank has an 11-quarter average of 94.6 percent. In comparison, the average LTD ratios for the regional peers were lower and also had generally stable trends. Therefore, compared to data from regional banks, the bank's average LTD ratio is more than reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

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

Lending Inside and Outside the Assessment Area January 1, 2023 through December 31, 2023								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
HMDA	286	85.4	65,900	73.7	49	14.6	23,525	26.3
Small Business	82	77.4	9,410	82.5	24	22.6	2,001	17.5
TOTAL LOANS	**368**	**83.4**	**75,311**	**74.7**	**73**	**16.6**	**25,526**	**25.3**

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown in the preceding table, 83.4 percent of the total loans were made inside the assessment areas, accounting for 74.7 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the two full-scope assessment areas, as displayed in the following table.

Full-Scope Assessment Area	Loan Distribution by Borrower's Profile
Central Western Arkansas	Reasonable
Fayetteville MSA	Reasonable
OVERALL	**REASONABLE**

Limited-Scope Assessment Areas	Loan Distribution by Borrower's Profile
Fort Smith	Consistent
Hot Springs MSA	Below
Little Rock	Exceeds

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects excellent penetration throughout the two assessment areas subject to full-scope reviews, with the greatest emphasis on the Central Western Arkansas assessment area.

Full-Scope Assessment Area	Geographic Distribution of Loans
Central Western Arkansas	Excellent
Fayetteville MSA	Reasonable
OVERALL	**EXCELLENT**

Limited-Scope Assessment Areas	Geographic Distribution of Loans
Fort Smith	Consistent
Hot Springs MSA	Consistent
Little Rock	Below

Responses to Complaints

The bank received one CRA-related complaint during the examination period. The complaint was reviewed, was not substantiated, and therefore did not impact the bank's rating.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated outstanding. Considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas, the bank demonstrates excellent responsiveness to the community development needs of the Central Western Arkansas assessment area; community development responsiveness in the Fayetteville MSA is adequate.

Full-Scope Assessment Area	Community Development Test Performance Conclusions
Central Western Arkansas	Excellent
Fayetteville MSA	Adequate
OVERALL	**EXCELLENT**

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Fort Smith	Consistent
Hot Springs MSA	Below
Little Rock	Below

The bank's community development responsiveness is excellent given the level of community development activities in relation to the level of opportunity. While performance varied between the full-scope assessment areas, the overall Community Development Test rating was based most heavily on performance in the Central Western Arkansas assessment area.

During the review period, the bank made 235 qualifying loans in its assessment areas totaling approximately $70.6 million. Of those loans, several were particularly responsive to the assessment area community development needs, including the following items:

- A $6.8 million loan and a $2.0 million loan that created new jobs in moderate-income census tracts.

- Numerous loans to organizations to revitalize and stabilize LMI census tracts.

The bank also made community development investments and donations in its assessment areas totaling $19.8 million. This amount included 20 new qualified investments totaling $14.3 million, 3 continuing investments made in a prior review period totaling $5.4 million, and 127 donations totaling $128,065. Many of the investments were school bonds benefiting districts with a majority of students from LMI families. Furthermore, of the 127 donations, 2 were in amounts of $10,000 made to qualifying school districts serving a majority of students from LMI families.

During the review period, bank personnel used financial expertise to log 2,882 service hours to 162 community development organizations within the bank's assessment areas. Service activities

included delivering financial education in schools that primarily serve LMI families and providing financial expertise to community service organizations as board members.

In addition to adequately meeting the community development needs of its assessment areas, the bank made 52 community development loans outside its assessment areas totaling $32.5 million. The bank also made ten investments in the amount of $15.1 million and two donations in the amount of $250 to organizations outside its assessment areas. Furthermore, eight bank employees used financial expertise to provide 76 service hours to 11 different community development organizations outside of its assessment areas.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

ARKANSAS NONMETROPOLITAN STATEWIDE AREA
(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CENTRAL WESTERN ARKANSAS ASSESSMENT AREA

Bank Structure

The bank operates 13 of its 23 Arkansas offices (56.5 percent) in this assessment area. Of the 13 offices, 3 are located in moderate-income census tracts, 8 are located in middle-income census tracts—including 2 located in a census tract designated as distressed/underserved—and 2 are located in upper-income census tracts. Since the last evaluation, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, such as online and mobile banking, the bank is positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area consists of the entireties of Clark, Logan, Montgomery, Pike, Polk, Pope, Scott, and Yell counties. It abuts Oklahoma with Scott and Polk counties, while the remaining counties extend eastward toward the central portions of the state and serve as the bank's primary assessment area. As of the 2020 ACS, the assessment area population was 173,933. Of the 22 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 12.8 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer and business loan products. Other particular credit needs in the assessment area, as noted primarily by the community contact, include financial education.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	6	34	11	0	**51**
	0.0%	11.8%	66.7%	21.6%	0.0%	**100%**
Family Population	0	4,865	31,864	8,957	0	**45,686**
	0.0%	10.6%	69.7%	19.6%	0.0%	**100%**

As shown above, the assessment area contains no low-income census tracts and six moderate-income census tracts. These moderate-income geographies represent 11.8 percent of all census

tracts in the assessment area, with 10.6 percent of the family population residing in these tracts. The moderate-income geographies are located in Clark (1), Polk (2), Pope (1), and Yell (2) counties. Most census tracts in the assessment area are middle income, and a majority of assessment area families reside within those tracts. In 2023, three of the middle-income census tracts, located in Clark County, were designated as distressed due to poverty, and ten of the middle-income census tracts, dispersed throughout Montgomery, Pike, and Polk counties, were designated as underserved.

Based on 2020 ACS data, the median family income for the assessment area was $54,328. At the same time, the median family income for nonMSA Arkansas was $53,702. More recently, the FFIEC estimates the 2023 median family income for nonMSA Arkansas to be $63,400. The following table displays population percentages of assessment area families by income level compared to the nonMSA Arkansas family population as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	8,986	8,716	8,864	19,120	**45,686**
	19.7%	19.1%	19.4%	41.9%	**100%**
NonMSA Arkansas	59,832	53,245	58,635	118,518	**290,230**
	20.6%	18.4%	20.2%	40.8%	**100%**

As shown in the table above, 38.8 percent of families within the assessment area were considered LMI, which is similar to the LMI family percentage of 39.0 percent in nonMSA Arkansas. Furthermore, the percentage of families living below the poverty threshold in the assessment area (12.2 percent) is slightly lower than the 13.5 percent in nonMSA Arkansas. Considering these factors, families in the assessment area appear similarly affluent to those in nonMSA Arkansas.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears similarly affordable to nonMSA Arkansas overall.

Housing Cost Burden						
	Cost Burden – Renters			Cost Burden – Owners		
Area	**Low-Income**	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	70.0%	31.6%	35.7%	50.5%	26.9%	15.2%
NonMSA Arkansas	63.7%	31.6%	35.2%	51.7%	23.8%	15.7%
Cost burden is housing cost that equals 30 percent or more of household income.						

According to the table above, low-income renters in the assessment area are more cost burdened compared to those in nonMSA Arkansas as a whole; however, moderate-income renters are similarly cost burdened. The table also shows that homeowners in the assessment area are similarly cost burdened when compared to homeowners throughout nonMSA Arkansas. Similar to LMI

renters, a significant portion of LMI owners in both the assessment area and nonMSA Arkansas are burdened with high housing costs. This aligns with the information provided by the community contact, who stated the assessment area lacks affordable housing.

Industry and Employment Demographics

According to the community contact, the assessment area economy is diversified, with a focus on manufacturing. Furthermore, according to the U.S. Bureau of Labor Statistics (BLS), Quarterly Census of Employment and Wages data, there are 60,107 employees in the assessment area (including 11,470 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are manufacturing (26.7 percent), retail trade (14.9 percent), and healthcare and social assistance (10.2 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area and nonMSA Arkansas.

Unemployment Levels			
Dataset	**Time Period (Annual Average)**		
	2022	**2023**	**2024 (Jan.–July)**
Assessment Area	3.8%	3.9%	4.2%
NonMSA Arkansas	3.8%	3.9%	4.3%

As shown in the table above, unemployment levels for the assessment area during the review period closely aligned with nonMSA Arkansas, with each experiencing a slight upward trend.

Community Contact Information

For this assessment area, one community contact interview was completed as part of this evaluation. The interview was with an individual specializing in planning and development. The interviewee characterized the local economy as performing well due to a diversified industry mix with manufacturing, recreation/tourism, and retail among the major industries. The contact highlighted a lack of affordable housing throughout the area and a need for more financial education programs. Lastly, the contact mentioned the area generally has a healthy level of banking options, including a variety of community banks.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CENTRAL WESTERN ARKANSAS ASSESSMENT AREA

LENDING TEST

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

Loan Distribution by Borrower's Profile

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

HMDA loans were reviewed to determine the bank's lending to LMI borrowers. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($63,400 for nonMSA Arkansas as of 2023). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2023 aggregate data for the assessment area is displayed.

Product Type	Borrower Income Levels	2023						
		Count			Dollars			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	9	14.5%	4.6%	539	5.5%	2.2%	19.7%
	Moderate	8	12.9%	17.6%	723	7.4%	11.5%	19.1%
	Middle	13	21.0%	21.7%	1,517	15.4%	19.9%	19.4%
	Upper	24	38.7%	35.2%	5,328	54.2%	44.3%	41.9%
	Unknown	8	12.9%	20.9%	1,723	17.5%	22.1%	0.0%
	TOTAL	**62**	**100.0%**	**100.0%**	**9,830**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	6	27.3%	8.4%	277	12.9%	3.6%	19.7%
	Moderate	2	9.1%	14.1%	194	9.0%	8.8%	19.1%
	Middle	3	13.6%	19.0%	323	15.1%	14.7%	19.4%
	Upper	11	50.0%	43.9%	1,351	63.0%	54.0%	41.9%
	Unknown	0	0.0%	14.6%	0	0.0%	18.9%	0.0%
	TOTAL	**22**	**100.0%**	**100.0%**	**2,145**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	2	16.7%	5.5%	149	20.9%	4.2%	19.7%
	Moderate	1	8.3%	16.1%	77	10.8%	11.7%	19.1%
	Middle	3	25.0%	22.6%	191	26.9%	22.1%	19.4%
	Upper	6	50.0%	47.0%	295	41.5%	51.8%	41.9%
	Unknown	0	0.0%	8.8%	0	0.0%	10.3%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**711**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Moderate	0	0.0%	4.3%	0	0.0%	1.2%	N/A
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Upper	0	0.0%	4.3%	0	0.0%	3.3%	N/A
	Unknown	1	100.0%	91.3%	50	100.0%	95.5%	N/A
	TOTAL	**1**	**100.0%**	**100.0%**	**50**	**100.0%**	**100.0%**	**N/A**
HMDA TOTALS	Low	17	17.5%	5.5%	965	7.6%	2.6%	19.7%
	Moderate	11	11.3%	16.6%	994	7.8%	10.8%	19.1%
	Middle	19	19.6%	21.3%	2,031	15.9%	18.5%	19.4%
	Upper	41	42.3%	37.8%	6,974	54.8%	45.5%	41.9%
	Unknown	9	9.3%	18.8%	1,773	13.9%	22.7%	0.0%
	TOTAL	**97**	**100.0%**	**100.0%**	**12,737**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (17.5 percent) is below the low-income family population figure (19.7 percent) but greatly exceeds the aggregate lending level to low-income borrowers (5.5 percent), reflecting excellent performance. The bank's level of lending to moderate-income borrowers (11.3 percent) is below

both the moderate-income family population percentage (19.1 percent) and the aggregate lending level (16.6 percent), reflecting poor performance. When considering performance in both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Central Western Arkansas							
		2023					
Business Revenue and Loan Size		**Count**		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	41	100.0%	61.3%	$4,169	100.0%	45.0%	90.3%
	Over $1 Million/ Unknown	0	0.0%	38.7%	$0	0.0%	55.0%	9.7%
	TOTAL	**41**	**100.0%**	**100.0%**	**$4,169**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	33	80.5%	92.1%	$1,450	34.8%	39.3%	
	$100,001–$250,000	4	9.8%	5.1%	$765	18.3%	23.1%	
	$250,001–$1 Million	4	9.8%	2.9%	$1,954	46.9%	37.6%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**41**	**100.0%**	**100.0%**	**$4,169**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million	$100,000 or Less	33	80.5%		$1,450	34.8%	
		$100,001–$250,000	4	9.8%		$765	18.3%	
		$250,001–$1 Million	4	9.8%		$1,954	46.9%	
		Over $1 Million	0	0.0%		$0	0.0%	
		TOTAL	**41**	**100.0%**		**$4,169**	**100.0%**	

The bank's level of lending to small businesses is excellent. The bank originated all of its small business loans to businesses with revenues of $1 million or less. In comparison, the aggregate lending level for the assessment area was 61.3 percent, and assessment area demographics estimate that 90.3 percent of businesses in the assessment area had annual revenues of $1 million or less. Moreover, the bank originated 80.5 percent of its small business loans in amounts of $100,000 or less, further evidencing the bank's willingness to meet the credit needs of small businesses.

Geographic Distribution of Loans

As previously noted, the assessment area includes no low- and six moderate-income census tracts, representing 11.8 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects excellent penetration throughout these LMI census tracts, based on the HMDA and small business loan categories. Furthermore, based on

reviews from both loan categories, no conspicuous lending gaps were identified, further supporting the conclusion that the bank's geographic distribution of loans in this assessment area is excellent.

The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Product Type	Tract Income Levels	Count			Dollars			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Geographic Distribution of HMDA Loans **Assessment Area: Central Western Arkansas** **2023**								
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	9	14.5%	10.9%	804	8.2%	9.1%	9.1%
	Middle	43	69.4%	65.5%	6,804	69.2%	62.0%	70.4%
	Upper	10	16.1%	23.5%	2,222	22.6%	28.9%	20.5%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.0%
	TOTAL	**62**	**100.0%**	**100.0%**	**9,830**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	9.1%	6.7%	155	7.2%	5.8%	9.1%
	Middle	9	40.9%	66.3%	729	34.0%	62.9%	70.4%
	Upper	11	50.0%	27.0%	1,262	58.8%	31.2%	20.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**22**	**100.0%**	**100.0%**	**2,145**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	8.3%	7.8%	31	4.3%	6.7%	9.1%
	Middle	8	66.7%	61.3%	465	65.4%	58.9%	70.4%
	Upper	3	25.0%	30.9%	215	30.3%	34.4%	20.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**711**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	17.4%	0	0.0%	25.4%	21.2%
	Middle	1	100.0%	56.5%	50	100.0%	50.7%	52.3%
	Upper	0	0.0%	26.1%	0	0.0%	23.9%	26.6%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**50**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	12	12.4%	9.7%	990	7.8%	8.7%	9.1%
	Middle	61	62.9%	65.4%	8,047	63.2%	61.9%	70.4%
	Upper	24	24.7%	24.8%	3,699	29.0%	29.3%	20.5%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.0%
	TOTAL	**97**	**100.0%**	**100.0%**	**12,737**	**100.0%**	**100.0%**	**100.0%**

The analysis of HMDA loans revealed excellent lending performance to borrowers residing in moderate-income geographies. The bank's total penetration of the moderate-income census tracts

by number of loans (12.4 percent) is above the percentage of owner-occupied housing units in moderate-income census tracts (9.1 percent) and is also above the performance of other lenders in the assessment area based on aggregate data (9.7 percent). Therefore, the bank's overall geographic distribution of HMDA loans is excellent.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2023 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2023 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Central Western Arkansas						
Tract Income Levels	**2023**					
	Count		**Dollars**			**Businesses**
	Bank	**Aggregate**	**Bank**		**Aggregate**	
	#	%	%	$ (000s)	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	5	12.2%	11.5%	$901	21.6%	15.4%	17.7%
Middle	21	51.2%	62.8%	$1,619	38.8%	59.6%	60.8%
Upper	15	36.6%	24.9%	$1,648	39.5%	24.9%	21.5%
Unknown	0	0.0%	0.8%	$0	0.0%	0.1%	0.0%
TOTAL	**41**	**100.0%**	**100.0%**	**$4,168**	**100.0%**	**100.0%**	**100.0%**

The bank's percentage of loans in moderate-income census tracts (12.2 percent) is above the aggregate lending level (11.5 percent) but below the percentage of small businesses operating in moderate-income census tracts (17.7 percent). As such, the bank's overall geographic distribution of small business loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs within the Central Western Arkansas assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 147 community development loans totaling $35.5 million in this assessment area. Most were made to help revitalize and stabilize LMI geographies, including a $3.0 million loan to fund small business upgrades.

The bank made two new investments totaling $229,906, both of which were in municipal bonds benefiting schools with a majority of students from LMI families. The bank also made three investments totaling $5.4 million that were initially made prior to the current CRA review period but were still outstanding as of this review date. Additionally, the bank made 55 donations totaling $40,768 in this assessment area.

Finally, 75 bank employees used financial expertise to contribute 1,593 service hours to 97 different agencies. The employees provided their financial expertise by teaching financial literacy to children and serving in the roles of secretary, treasurer, and president for organizations that provide community services to LMI individuals and families.

FAYETTEVILLE-SPRINGDALE-ROGERS, ARKANSAS METROPOLITAN STATISTICAL AREA
(Full-Scope Review)

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

Bank Structure

The bank operates 5 of its 23 Arkansas offices (21.7 percent) in this assessment area. Of the 5 offices, 2 are located in moderate-income census tracts, 1 is located in a middle-income census tract, and 2 are located in upper-income census tracts. During this review period, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, such as online and mobile banking, the bank is positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area consists of the entire Fayetteville-Springdale-Rogers, Arkansas MSA (Fayetteville MSA), which includes the counties of Benton, Madison, and Washington. It is located in the northwest corner of Arkansas. As of the 2020 ACS, the assessment area population was 546,725.

Of the 41 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked 13th in deposit market share, encompassing 1.8 percent of total deposit dollars.

Commercial lending products represent a credit need in the assessment area, along with the need for a standard blend of consumer loan products. Furthermore, information gathered from the community contact highlighted a need for diverse mortgage products.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	7	27	52	28	1	**115**
	6.1%	23.5%	45.2%	24.3%	0.9%	**100%**
Family Population	4,664	28,496	58,708	41,088	224	**133,180**
	3.5%	21.4%	44.1%	30.9%	0.2%	**100%**

As shown in the preceding table, 29.6 percent of the census tracts in the assessment area are LMI geographies, and 24.9 percent of the family population resides in these tracts. The LMI geographies are dispersed throughout Benton, Madison, and Washington counties, with low- and moderate-income census tracts located within the Springdale and Fayetteville areas and moderate-income census tracts located in the Rogers area.

Based on 2020 ACS data, the median family income for the assessment area was $75,899, which exceeds the median family income for the state of Arkansas as a whole ($62,067). More recently, the FFIEC estimates the 2023 median family income for the Fayetteville MSA to be $92,400. The following table displays the population percentages of assessment area families by income level compared to the state of Arkansas family population as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	27,894	24,100	27,160	54,026	**133,180**
	20.9%	18.1%	20.4%	40.6%	**100%**
Arkansas	165,087	136,380	155,142	313,502	**770,111**
	21.4%	17.7%	20.2%	40.7%	**100%**

As displayed in the table above, 39.0 percent of families within the assessment area are considered LMI, which is similar to the LMI family percentage of 39.1 percent in the state of Arkansas. Furthermore, the percentage of families living below the poverty threshold in the assessment area (8.6 percent) is below the statewide figure (11.8 percent). Considering these factors, families in the assessment area appear to be slightly more affluent than those in the state of Arkansas as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be more affordable than the state overall.

Housing Cost Burden						
	Cost Burden – Renters			**Cost Burden – Owners**		
Area	**Low-Income**	**Moderate-Income**	**All Renters**	**Low-Income**	**Moderate-Income**	**All Owners**
Assessment Area	70.5%	27.3%	33.2%	49.7%	22.6%	13.2%
Arkansas	69.8%	35.3%	37.3%	53.0%	25.2%	15.3%
Cost burden is housing cost that equals 30 percent or more of household income.						

According to the table above, while low-income renters in the assessment area are slightly more cost burdened compared to those in the state as a whole, moderate-income renters are less cost burdened. The table also shows that LMI homeowners in the assessment area are slightly less cost burdened when compared to those throughout the state.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector, as evidenced by Dun & Bradstreet data indicating that 91.7 percent of assessment area businesses have gross annual revenues of $1 million or less. Furthermore, according to the U.S. BLS, Quarterly Census of Employment and Wages data, there are 264,854 employees in the assessment area (including 31,767 governmental employees). By percentage of nongovernmental employees, the three largest job categories in the assessment area are healthcare and social assistance (13.0 percent), followed by retail trade (12.0 percent) and manufacturing (11.8 percent). The table below details BLS unemployment data (not seasonally adjusted) for the assessment area and the state of Arkansas.

Unemployment Levels			
Dataset	**Time Period (Annual Average)**		
	2022	**2023**	**2024 (Jan.–July)**
Assessment Area	2.3%	2.4%	2.6%
Arkansas	3.2%	3.3%	3.5%

As shown in the preceding table, unemployment levels in the assessment area during the review period were lower than the state of Arkansas. Unemployment levels for both the assessment area and state experienced a slight upward trend.

Community Contact Information

Information from one community contact was used to help shape the performance context in which the bank's activities in the Fayetteville MSA were evaluated. The community contact interview was with individuals from an organization specializing in community and economic development. The community contact interviewees characterized the local economy as robust, with lower unemployment and higher economic growth when compared to the state and nation overall. They indicated retail, logistics, and healthcare were among the top industries in the area. Regarding housing, the contacts stressed a lack of housing due to the development community not keeping pace with an influx of population, some of which was attributed to increasing enrollment at the University of Arkansas. Finally, the interviewees characterized banking competition as healthy but indicated a lack of diverse mortgage products, such as those available through government-sponsored enterprises. They also emphasized there were no unmet business lending needs.

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

LENDING TEST

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

Borrower Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed, with greater significance placed on performance in the HMDA loan category given the bank's emphasis on HMDA lending.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($92,400 for the Fayetteville MSA as of 2023). The following table shows the distribution of HMDA-reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2023 aggregate data for the assessment area is displayed.

Product Type	Borrower Income Levels	Count			Dollars			Families
		2023						
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	1	1.8%	3.4%	140	0.9%	1.6%	20.9%
	Moderate	10	17.9%	13.6%	1,925	12.3%	9.2%	18.1%
	Middle	9	16.1%	20.0%	2,358	15.1%	16.9%	20.4%
	Upper	27	48.2%	40.5%	9,227	59.0%	50.1%	40.6%
	Unknown	9	16.1%	22.5%	1,994	12.7%	22.2%	0.0%
	TOTAL	**56**	**100.0%**	**100.0%**	**15,644**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	9.0%	0	0.0%	2.8%	20.9%
	Moderate	0	0.0%	16.6%	0	0.0%	6.6%	18.1%
	Middle	0	0.0%	21.5%	0	0.0%	9.9%	20.4%
	Upper	1	100.0%	35.3%	732	100.0%	26.3%	40.6%
	Unknown	0	0.0%	17.6%	0	0.0%	54.4%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**732**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	7.7%	0	0.0%	3.6%	20.9%
	Moderate	0	0.0%	13.7%	0	0.0%	9.0%	18.1%
	Middle	0	0.0%	19.8%	0	0.0%	13.7%	20.4%
	Upper	0	0.0%	46.9%	0	0.0%	55.8%	40.6%
	Unknown	0	0.0%	11.8%	0	0.0%	18.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	2.2%	0	0.0%	0.1%	N/A
	Moderate	0	0.0%	1.1%	0	0.0%	0.3%	N/A
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Upper	0	0.0%	3.3%	0	0.0%	0.2%	N/A
	Unknown	1	100.0%	93.3%	1,335	100.0%	99.4%	N/A
	TOTAL	**1**	**100.0%**	**100.0%**	**1,335**	**100.0%**	**100.0%**	**N/A**
HMDA TOTALS	Low	1	1.7%	4.9%	140	0.8%	1.8%	20.9%
	Moderate	10	17.2%	14.1%	1,925	10.9%	7.9%	18.1%
	Middle	9	15.5%	20.3%	2,358	13.3%	13.8%	20.4%
	Upper	28	48.3%	40.3%	9,959	56.2%	41.1%	40.6%
	Unknown	10	17.2%	20.4%	3,330	18.8%	35.3%	0.0%
	TOTAL	**58**	**100.0%**	**100.0%**	**17,712**	**100.0%**	**100.0%**	**100.0%**

Table title: **Borrower Distribution of HMDA Loans / Assessment Area: Fayetteville MSA**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (1.7 percent) is below both the low-income family population figure (20.9 percent) and the 2023 aggregate lending level to low-income borrowers (4.9 percent), reflecting poor performance.

However, the bank's level of lending to moderate-income borrowers (17.2 percent) is similar to the moderate-income family population percentage (18.1 percent) and above the 2023 aggregate lending level to moderate-income borrowers (14.1 percent), reflecting reasonable performance. Therefore, considering performance to both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2023 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: Fayetteville MSA							
		2023					
Business Revenue and Loan Size		Count		Dollars			Total Businesses
		Bank	Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	10	100.0%	54.5%	$749	100.0%	41.6%	91.7%
	Over $1 Million/ Unknown	0	0.0%	45.5%	$0	0.0%	58.4%	8.3%
	TOTAL	10	100.0%	100.0%	$749	100.0%	100.0%	100.0%
Loan Size	$100,000 or Less	8	80.0%	91.3%	$195	26.0%	35.8%	
	$100,001– $250,000	1	10.0%	4.7%	$217	29.0%	17.8%	
	$250,001– $1 Million	1	10.0%	4.0%	$337	45.0%	46.4%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	10	100.0%	100.0%	$749	100.0%	100.0%	
Loan Size Revenue $1 Million or Less	$100,000 or Less	8	80.0%		$195	26.0%		
	$100,001– $250,000	1	10.0%		$217	29.0%		
	$250,001– $1 Million	1	10.0%		$337	45.0%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	10	100.0%		$749	100.0%		

The bank's level of lending to small businesses is excellent. The bank originated all of its small business loans to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 91.7 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2023 aggregate lending level to small businesses is 54.5 percent. Furthermore, the bank originated 80.0 percent of its small business loans in amounts of $100,000 or less, further evidencing the bank's willingness to meet the credit needs of small businesses.

Geographic Distribution of Loans

As noted previously, the assessment area includes 7 low-income and 27 moderate-income census tracts, representing 29.6 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the HMDA and small business loan categories. Furthermore, based on reviews from both loan categories, there were no conspicuous lending gaps in LMI areas, further supporting the conclusion that the bank's overall geographic distribution is reasonable.

The following table displays the geographic distribution of 2023 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Product Type	Tract Income Levels	Count		Dollars			Owner-Occupied Units
		Bank	HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	1.1%	0	0.0%	0.9%	1.2%
	Moderate	2	3.6%	14.0%	625	4.0%	10.8%	19.0%
	Middle	33	58.9%	44.3%	9,050	57.9%	41.5%	46.1%
	Upper	21	37.5%	40.4%	5,969	38.2%	46.4%	33.4%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
	TOTAL	**56**	**100.0%**	**100.0%**	**15,644**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.8%	0	0.0%	0.5%	1.2%
	Moderate	0	0.0%	16.1%	0	0.0%	7.2%	19.0%
	Middle	0	0.0%	48.0%	0	0.0%	26.8%	46.1%
	Upper	1	100.0%	34.9%	732	100.0%	65.3%	33.4%
	Unknown	0	0.0%	0.2%	0	0.0%	0.1%	0.2%
	TOTAL	**1**	**100.0%**	**100.0%**	**732**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.8%	0	0.0%	0.5%	1.2%
	Moderate	0	0.0%	15.0%	0	0.0%	12.3%	19.0%
	Middle	0	0.0%	43.2%	0	0.0%	37.8%	46.1%
	Upper	0	0.0%	40.7%	0	0.0%	48.4%	33.4%
	Unknown	0	0.0%	0.3%	0	0.0%	1.0%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	7.8%	0	0.0%	3.5%	19.0%
	Moderate	1	100.0%	24.4%	1,335	100.0%	24.3%	23.7%
	Middle	0	0.0%	47.8%	0	0.0%	50.5%	34.2%
	Upper	0	0.0%	17.8%	0	0.0%	21.4%	20.5%
	Unknown	0	0.0%	2.2%	0	0.0%	0.3%	2.6%
	TOTAL	**1**	**100.0%**	**100.0%**	**1,335**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	1.1%	0	0.0%	1.1%	1.2%
	Moderate	3	5.2%	14.3%	1,960	11.1%	11.4%	19.0%
	Middle	33	56.9%	44.6%	9,050	51.1%	39.4%	46.1%
	Upper	22	37.9%	39.8%	6,701	37.8%	47.9%	33.4%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
	TOTAL	**58**	**100.0%**	**100.0%**	**17,712**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of HMDA Loans
Assessment Area: Fayetteville MSA
2023

As displayed in the preceding table, the percentage of owner-occupied housing units in low-income census tracts was 1.2 percent, and 2023 HMDA aggregate lending levels in low-income census tracts were 1.1 percent. While the bank made no loans in a low-income census tract, home mortgage lending opportunities are limited based on demographic data, and bank performance is therefore deemed reasonable. However, bank performance in moderate-income census tracts was well below comparison data and deemed poor. The bank's total penetration of moderate-income census tracts by number of loans (5.2 percent) is significantly below the percentage of owner-occupied housing units in moderate-income census tracts (19.0 percent) and is also below the performance of other lenders in the assessment area (14.3 percent). Combined, the bank's geographic distribution of HMDA loans in LMI geographies is poor.

Second, the bank's geographic distribution of small business loans was reviewed. The following table displays 2023 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2023 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: Fayetteville MSA						
Tract Income Levels	**2023**					
	Count		**Dollars**			**Businesses**
	Bank	**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	2.3%	$0	0.0%	2.8%	3.4%
Moderate	5	50.0%	18.4%	$410	54.7%	21.6%	21.2%
Middle	5	50.0%	41.3%	$339	45.3%	42.1%	40.4%
Upper	0	0.0%	35.6%	$0	0.0%	29.9%	32.3%
Unknown	0	0.0%	2.4%	$0	0.0%	3.6%	2.8%
TOTAL	**10**	**100.0%**	**100.0%**	**$749**	**100.0%**	**100.0%**	**100.0%**

While the bank originated no small business loans in low-income census tracts, the percentage of businesses operating inside those census tracts (3.4 percent) and aggregate lending levels (2.3 percent) are low, thus opportunities for small business lending appear limited. As such, the bank's performance in low-income areas is reasonable. The bank's percentage of loans in moderate-income census tracts (50.0 percent) is significantly higher than both the 2023 aggregate lending percentage in moderate-income census tracts (18.4 percent) and the percentage of small businesses in moderate-income census tracts (21.2 percent), representing excellent performance. Combined, the bank's overall geographic distribution of small business loans is excellent.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs within this assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank made 31 community development loans totaling $8.5 million in this assessment area. Most were made to help revitalize and stabilize LMI geographies, including a $1.3 million loan to fund small business upgrades. The bank also had a total of approximately $7.9 million in five new investments that qualified for community development credit, a majority of which were in the form of school municipal bonds. Additionally, the bank made 19 donations totaling $24,516. Finally, 24 bank employees provided 517 service hours to 21 different community development organizations in this assessment area.

FORT SMITH, ARKANSAS-OKLAHOMA METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FORT SMITH ASSESSMENT AREA

This assessment area includes the entirety of Sebastian and Crawford Counties, two of three counties in the Fort Smith, Arkansas-Oklahoma MSA. The bank operates two offices in this assessment area. No branches were opened or closed in the assessment area during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	9,780	8,831	10,561	21,695	**50,867**
	19.2%	17.4%	20.8%	42.7%	**100%**
Household Population	15,965	14,020	13,453	32,653	**76,091**
	21.0%	18.4%	17.7%	42.9%	**100%**

Assessment Area Demographics by Geography Income Level						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	0	10	21	15	0	**46**
	0.0%	21.7%	45.7%	32.6%	0.0%	**100%**
Family Population	0	10,650	22,920	17,297	0	**50,867**
	0.0%	20.9%	45.1%	34.0%	0.0%	**100%**
Household Population	0	17,307	32,750	26,034	0	**76,091**
	0.0%	22.8%	43.0%	34.2%	0.0%	**100%**
Business Institutions	0	1,719	2,318	2,183	0	**6,220**
	0.0%	27.6%	37.3%	35.1%	0.0%	**100%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FORT SMITH ASSESSMENT AREA

LENDING TEST

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

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is consistent with its Community Development Test performance in the assessment areas that were reviewed using full-scope procedures.

During the review period, the bank made 26 community development loans totaling $10.1 million. Many of the loans were made to help revitalize/stabilize LMI census tracts. Additionally, the bank made two investments totaling $268,686. The bank also made 41 donations totaling $35,869, and 27 employees provided financial expertise to 25 different community development organizations, logging 518 service hours in this assessment area.

HOT SPRINGS, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

Chambers Bank operates two branches in this assessment area, which includes the entirety of Garland County, the sole county in the Hot Springs, Arkansas MSA. The bank closed one LPO in this assessment area during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	5,381	4,672	6,076	9,942	**26,071**
	20.6%	17.9%	23.3%	38.1%	**100%**
Household Population	9,953	6,353	7,422	17,178	**40,906**
	24.3%	15.5%	18.1%	42.0%	**100%**

Assessment Area Demographics by Geography Income Level						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	0	9	15	5	1	**30**
	0.0%	30.0%	50.0%	16.7%	3.3%	**100%**
Family Population	0	7,034	13,910	4,829	298	**26,071**
	0.0%	27.0%	53.4%	18.5%	1.1%	**100%**
Household Population	0	11,718	21,276	7,059	853	**40,906**
	0.0%	28.7%	52.0%	17.3%	2.1%	**100%**
Business Institutions	0	1,368	2,144	743	71	**4,326**
	0.0%	31.6%	49.6%	17.2%	1.6%	**100%**

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

LENDING TEST

The bank's Lending Test performance in this assessment area is below the bank's Lending Test performance in the assessment areas that were reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below its Community Development Test performance in the assessment areas that were reviewed using full-scope procedures.

During the review period, the bank made 21 community development loans totaling $13.2 million. Included in these loans was $1.3 million to revitalize a commercial office property located in a moderate-income census tract and in an economic opportunity zone. In addition, the bank made three investments totaling $655,171. Two of the investments were in municipal bonds to improve local schools with a majority of students qualifying for the free or reduced-price lunch program. Furthermore, the bank made six donations totaling $14,812, several of which benefited children from LMI families. Finally, 14 employees provided financial expertise to 11 different community development organizations, logging 147 service hours in this assessment area.

LITTLE ROCK-NORTH LITTLE ROCK-CONWAY, ARKANSAS METROPOLITAN STATISTICAL AREA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE LITTLE ROCK ASSESSMENT AREA

The bank operates one branch in this assessment area, which includes the entirety of Faulkner, Lonoke, and Pulaski counties, three of six counties in the Little Rock-North Little Rock-Conway, Arkansas MSA. The bank closed one branch in a middle-income census tract in this assessment area during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	34,956	23,507	27,371	58,239	**144,073**
	24.3%	16.3%	19.0%	40.4%	**100%**
Household Population	59,697	40,191	38,694	95,379	**233,961**
	25.5%	17.2%	16.5%	40.8%	**100%**

Assessment Area Demographics by Geography Income Level						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	16	37	61	37	2	**153**
	10.5%	24.2%	39.9%	24.2%	1.3%	**100%**
Family Population	9,763	30,799	60,513	42,998	0	**144,073**
	6.8%	21.4%	42.0%	29.8%	0.0%	**100%**
Household Population	18,826	53,002	95,145	66,988	0	**233,961**
	8.1%	22.7%	40.7%	28.6%	0.0%	**100%**
Business Institutions	2,390	6,671	10,910	9,758	90	**29,819**
	8.0%	22.4%	36.6%	32.7%	0.3%	**100%**

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

LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the assessment areas that were reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

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

COMMUNITY DEVELOPMENT TEST

The bank's Community Development Test performance in this assessment area is below the bank's Community Development Test performance in the assessment areas that were reviewed using full-scope procedures.

During the review period, the bank made ten community development loans totaling $3.3 million, which were all made to help revitalize/stabilize LMI census tracts. Additionally, the bank made eight investments totaling $5.3 million, most of which were in municipal bonds to improve local schools with a majority of students qualifying for the free or reduced-priced lunch program. The bank also made six donations totaling $12,100, and 14 employees provided financial expertise to eight different community development organizations, logging 107 service hours in this assessment area.

APPENDIX A – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREAS

Fort Smith Assessment Area

Product Type	Borrower Income Levels	Count Bank #	Count Bank %	Count HMDA Aggregate %	Dollars Bank $ (000s)	Dollars Bank $ %	Dollars HMDA Aggregate $ %	Families %
Borrower Distribution of HMDA Loans — Assessment Area: Fort Smith — 2023								
Home Purchase	Low	0	0.0%	2.5%	0	0.0%	1.1%	19.2%
	Moderate	4	12.1%	14.8%	568	8.2%	9.5%	17.4%
	Middle	8	24.2%	19.4%	1,488	21.4%	16.2%	20.8%
	Upper	14	42.4%	36.1%	3,640	52.4%	45.9%	42.7%
	Unknown	7	21.2%	27.2%	1,254	18.0%	27.4%	0.0%
	TOTAL	**33**	**100.0%**	**100.0%**	**6,950**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	5.8%	0	0.0%	2.3%	19.2%
	Moderate	1	33.3%	13.9%	80	37.0%	8.7%	17.4%
	Middle	1	33.3%	18.9%	123	56.9%	15.9%	20.8%
	Upper	0	0.0%	39.1%	0	0.0%	50.0%	42.7%
	Unknown	1	33.3%	22.3%	13	6.1%	23.0%	0.0%
	TOTAL	**3**	**100.0%**	**100.0%**	**216**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	3.7%	0	0.0%	2.5%	19.2%
	Moderate	0	0.0%	15.2%	0	0.0%	9.4%	17.4%
	Middle	0	0.0%	19.3%	0	0.0%	13.9%	20.8%
	Upper	1	100.0%	55.2%	150	100.0%	67.4%	42.7%
	Unknown	0	0.0%	6.7%	0	0.0%	6.8%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**150**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Upper	0	0.0%	5.1%	0	0.0%	1.8%	N/A
	Unknown	4	100.0%	94.9%	7,425	100.0%	98.2%	N/A
	TOTAL	**4**	**100.0%**	**100.0%**	**7,425**	**100.0%**	**100.0%**	**N/A**
HMDA TOTALS	Low	0	0.0%	3.4%	0	0.0%	1.4%	19.2%
	Moderate	5	12.2%	14.4%	648	4.4%	8.9%	17.4%
	Middle	9	22.0%	19.3%	1,611	10.9%	15.4%	20.8%
	Upper	15	36.6%	38.9%	3,790	25.7%	45.0%	42.7%
	Unknown	12	29.3%	23.9%	8,692	59.0%	29.2%	0.0%
	TOTAL	**41**	**100.0%**	**100.0%**	**14,741**	**100.0%**	**100.0%**	**100.0%**

Small Business Loans by Revenue and Loan Size							
Assessment Area: Fort Smith							
Business Revenue and Loan Size		2023					**Total Businesses**
		Count			Dollars		
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	13	100.0%	52.6%	$2,614	100.0%	30.2%	88.2%
	Over $1 Million/ Unknown	0	0.0%	47.4%	$0	0.0%	69.8%	11.8%
	TOTAL	**13**	**100.0%**	**100.0%**	**$2,614**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	6	46.2%	89.5%	$103	3.9%	30.5%	
	$100,001– $250,000	3	23.1%	5.5%	$534	20.4%	18.9%	
	$250,001– $1 Million	4	30.8%	5.0%	$1,977	75.6%	50.6%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**13**	**100.0%**	**100.0%**	**$2,614**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	6	46.2%		$103	3.9%		
		$100,001– $250,000	3	23.1%		$534	20.4%		
		$250,001– $1 Million	4	30.8%		$1,977	75.6%		
		Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL		**13**	**100.0%**		**$2,614**	**100.0%**		

		2023					Owner-Occupied Units
Product Type	Tract Income Levels	Count		Dollars			
		Bank		HMDA Aggregate	Bank		HMDA Aggregate
		#	%	%	$ (000s)	$ %	$ %	%

Geographic Distribution of HMDA Loans
Assessment Area: Fort Smith

Product Type	Tract Income Levels	#	%	HMDA Agg %	$ (000s)	$ %	HMDA Agg $ %	Owner-Occupied Units %
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	9	27.3%	15.6%	1,545	22.2%	9.9%	14.7%
	Middle	10	30.3%	48.7%	2,500	36.0%	50.1%	48.4%
	Upper	14	42.4%	35.7%	2,905	41.8%	40.0%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**33**	**100.0%**	**100.0%**	**6,950**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	13.9%	0	0.0%	9.3%	14.7%
	Middle	3	100.0%	47.5%	216	100.0%	52.1%	48.4%
	Upper	0	0.0%	38.6%	0	0.0%	38.7%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**3**	**100.0%**	**100.0%**	**216**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	17.0%	0	0.0%	12.4%	14.7%
	Middle	0	0.0%	49.6%	0	0.0%	48.0%	48.4%
	Upper	1	100.0%	33.3%	150	100.0%	39.6%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**150**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	25.0%	69.2%	225	3.0%	61.0%	37.7%
	Middle	2	50.0%	15.4%	2,025	27.3%	8.2%	30.2%
	Upper	1	25.0%	15.4%	5,175	69.7%	30.8%	32.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**4**	**100.0%**	**100.0%**	**7,425**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	10	24.4%	15.5%	1,770	12.0%	12.5%	14.7%
	Middle	15	36.6%	48.0%	4,741	32.2%	48.3%	48.4%
	Upper	16	39.0%	36.5%	8,230	55.8%	39.3%	36.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**41**	**100.0%**	**100.0%**	**14,741**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans Assessment Area: Fort Smith						
Tract Income Levels	**2023**					
	Count		**Dollars**			**Businesses**
	Bank	**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	5	38.5%	22.2%	$1,654	63.3%	24.4%	27.6%
Middle	3	23.1%	41.4%	$191	7.3%	44.5%	37.3%
Upper	5	38.5%	36.0%	$768	29.4%	31.0%	35.1%
Unknown	0	0.0%	0.4%	$0	0.0%	0.1%	0.0%
TOTAL	**13**	**100.0%**	**100.0%**	**$2,613**	**100.0%**	**100.0%**	**100.0%**

Hot Springs MSA

Product Type	Borrower Income Levels	Count			Dollars			Families
		2023						
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	5.6%	0	0.0%	2.6%	20.6%
	Moderate	0	0.0%	14.4%	0	0.0%	8.8%	17.9%
	Middle	0	0.0%	18.3%	0	0.0%	14.7%	23.3%
	Upper	10	66.7%	41.0%	2,547	75.7%	54.1%	38.1%
	Unknown	5	33.3%	20.7%	815	24.3%	19.9%	0.0%
	TOTAL	**15**	**100.0%**	**100.0%**	**3,362**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	9.0%	0	0.0%	4.7%	20.6%
	Moderate	0	0.0%	16.4%	0	0.0%	10.5%	17.9%
	Middle	1	25.0%	20.2%	172	6.4%	18.7%	23.3%
	Upper	2	50.0%	35.0%	2,389	89.3%	43.5%	38.1%
	Unknown	1	25.0%	19.3%	114	4.2%	22.6%	0.0%
	TOTAL	**4**	**100.0%**	**100.0%**	**2,674**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	12.2%	0	0.0%	5.4%	20.6%
	Moderate	0	0.0%	14.6%	0	0.0%	7.9%	17.9%
	Middle	1	100.0%	16.5%	40	100.0%	12.3%	23.3%
	Upper	0	0.0%	45.1%	0	0.0%	59.0%	38.1%
	Unknown	0	0.0%	11.6%	0	0.0%	15.4%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**40**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Unknown	0	0.0%	100.0%	0	0.0%	100.0%	N/A
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**N/A**
HMDA TOTALS	Low	0	0.0%	7.3%	0	0.0%	3.2%	20.6%
	Moderate	0	0.0%	14.8%	0	0.0%	8.9%	17.9%
	Middle	2	10.0%	18.4%	212	3.5%	15.0%	23.3%
	Upper	12	60.0%	40.4%	4,935	81.2%	51.3%	38.1%
	Unknown	6	30.0%	19.1%	929	15.3%	21.6%	0.0%
	TOTAL	**20**	**100.0%**	**100.0%**	**6,076**	**100.0%**	**100.0%**	**100.0%**

Small Business Loans by Revenue and Loan Size Assessment Area: Hot Springs MSA							
		2023					
Business Revenue and Loan Size		**Count**		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	3	100.0%	52.3%	$147	100.0%	48.2%	92.9%
	Over $1 Million/ Unknown	0	0.0%	47.7%	$0	0.0%	51.8%	7.1%
	TOTAL	**3**	**100.0%**	**100.0%**	**$147**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	2	66.7%	92.6%	$46	31.3%	35.5%	
	$100,001– $250,000	1	33.3%	3.7%	$101	68.7%	15.8%	
	$250,001– $1 Million	0	0.0%	3.7%	$0	0.0%	48.7%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**3**	**100.0%**	**100.0%**	**$147**	**100.0%**	**100.0%**	
Loan Size	**Revenue $1 Million or Less** $100,000 or Less	2	66.7%		$46	31.3%		
	$100,001– $250,000	1	33.3%		$101	68.7%		
	$250,001– $1 Million	0	0.0%		$0	0.0%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**3**	**100.0%**		**$147**	**100.0%**		

Product Type	Tract Income Levels	Count Bank		Count HMDA Aggregate	Dollars Bank		Dollars HMDA Aggregate	Owner-Occupied Units
		2023						
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	5	33.3%	24.4%	744	22.1%	19.3%	24.0%
	Middle	4	26.7%	49.1%	876	26.1%	52.9%	54.3%
	Upper	5	33.3%	26.0%	1,692	50.3%	27.6%	21.0%
	Unknown	1	6.7%	0.5%	50	1.5%	0.3%	0.7%
	TOTAL	**15**	**100.0%**	**100.0%**	**3,362**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	25.0%	23.6%	114	4.2%	21.1%	24.0%
	Middle	1	25.0%	48.6%	2,200	82.3%	50.5%	54.3%
	Upper	2	50.0%	27.9%	361	13.5%	28.4%	21.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.7%
	TOTAL	**4**	**100.0%**	**100.0%**	**2,674**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	21.3%	0	0.0%	16.7%	24.0%
	Middle	1	100.0%	55.5%	40	100.0%	56.4%	54.3%
	Upper	0	0.0%	22.0%	0	0.0%	26.0%	21.0%
	Unknown	0	0.0%	1.2%	0	0.0%	0.9%	0.7%
	TOTAL	**1**	**100.0%**	**100.0%**	**40**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	40.0%	0	0.0%	18.9%	38.1%
	Middle	0	0.0%	60.0%	0	0.0%	81.1%	48.2%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	7.9%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	5.9%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	6	30.0%	24.0%	857	14.1%	19.3%	24.0%
	Middle	6	30.0%	49.5%	3,116	51.3%	53.3%	54.3%
	Upper	7	35.0%	26.1%	2,053	33.8%	27.2%	21.0%
	Unknown	1	5.0%	0.4%	50	0.8%	0.2%	0.7%
	TOTAL	**20**	**100.0%**	**100.0%**	**6,076**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of HMDA Loans
Assessment Area: Hot Springs MSA

Geographic Distribution of Small Business Loans **Assessment Area: Hot Springs MSA**						
2023						
Tract Income Levels	**Count**		**Dollars**			**Businesses**
	Bank	**Aggregate**	**Bank**		**Aggregate**	
	#	%	%	$ (000s)	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	1	33.3%	28.9%	$21	14.3%	28.5%	31.6%
Middle	2	66.7%	50.0%	$126	85.7%	51.8%	49.6%
Upper	0	0.0%	18.6%	$0	0.0%	17.2%	17.2%
Unknown	0	0.0%	2.5%	$0	0.0%	2.5%	1.6%
TOTAL	**3**	**100.0%**	**100.0%**	**$147**	**100.0%**	**100.0%**	**100.0%**

Little Rock Assessment Area

Product Type	Borrower Income Levels	Count			Dollars			Families
		Borrower Distribution of HMDA Loans Assessment Area: Little Rock						
		2023						
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	2	3.6%	4.9%	341	2.7%	2.3%	24.3%
	Moderate	17	30.9%	17.4%	3,327	25.9%	12.0%	16.3%
	Middle	17	30.9%	17.8%	4,333	33.7%	15.7%	19.0%
	Upper	18	32.7%	30.9%	4,755	37.0%	42.2%	40.4%
	Unknown	1	1.8%	29.1%	93	0.7%	27.9%	0.0%
	TOTAL	**55**	**100.0%**	**100.0%**	**12,849**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	7.2%	0	0.0%	3.5%	24.3%
	Moderate	0	0.0%	17.8%	0	0.0%	11.8%	16.3%
	Middle	1	50.0%	20.9%	256	45.3%	17.0%	19.0%
	Upper	0	0.0%	33.4%	0	0.0%	43.3%	40.4%
	Unknown	1	50.0%	20.7%	309	54.7%	24.5%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**565**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	7.0%	0	0.0%	4.0%	24.3%
	Moderate	0	0.0%	15.3%	0	0.0%	8.9%	16.3%
	Middle	0	0.0%	19.4%	0	0.0%	16.4%	19.0%
	Upper	0	0.0%	45.6%	0	0.0%	54.3%	40.4%
	Unknown	0	0.0%	12.7%	0	0.0%	16.4%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Moderate	0	0.0%	1.0%	0	0.0%	0.2%	N/A
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	N/A
	Upper	0	0.0%	1.0%	0	0.0%	0.1%	N/A
	Unknown	1	100.0%	98.0%	359	100.0%	99.7%	N/A
	TOTAL	**1**	**100.0%**	**100.0%**	**359**	**100.0%**	**100.0%**	**N/A**
HMDA TOTALS	Low	2	3.4%	5.3%	341	2.5%	2.4%	24.3%
	Moderate	17	29.3%	17.0%	3,327	24.2%	11.0%	16.3%
	Middle	18	31.0%	18.6%	4,589	33.3%	14.8%	19.0%
	Upper	18	31.0%	33.2%	4,755	34.5%	40.2%	40.4%
	Unknown	3	5.2%	25.9%	761	5.5%	31.6%	0.0%
	TOTAL	**58**	**100.0%**	**100.0%**	**13,773**	**100.0%**	**100.0%**	**100.0%**

Small Business Loans by Revenue and Loan Size Assessment Area: Little Rock							
Business Revenue and Loan Size		**2023**					
		Count		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue	$1 Million or Less	15	100.0%	51.1%	$1,733	100.0%	36.8%	91.0%
	Over $1 Million/ Unknown	0	0.0%	48.9%	$0	0.0%	63.2%	9.0%
	TOTAL	**15**	**100.0%**	**100.0%**	**$1,733**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	12	80.0%	91.4%	$480	27.7%	34.4%	
	$100,001– $250,000	2	13.3%	4.7%	$275	15.9%	18.3%	
	$250,001– $1 Million	1	6.7%	3.9%	$978	56.4%	47.3%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**15**	**100.0%**	**100.0%**	**$1,733**	**100.0%**	**100.0%**	
Loan Size **Revenue $1 Million or Less**	$100,000 or Less	12	80.0%		$480	27.7%		
	$100,001– $250,000	2	13.3%		$275	15.9%		
	$250,001– $1 Million	1	6.7%		$978	56.4%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**15**	**100.0%**		**$1,733**	**100.0%**		

Product Type	Tract Income Levels	2023						Owner-Occupied Units
		Count			Dollars			
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	2	3.6%	5.6%	187	1.5%	3.1%	4.5%
	Moderate	7	12.7%	15.9%	1,746	13.6%	11.4%	18.3%
	Middle	22	40.0%	46.2%	4,948	38.5%	43.1%	43.7%
	Upper	24	43.6%	32.3%	5,968	46.4%	42.4%	33.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**55**	**100.0%**	**100.0%**	**12,849**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	4.3%	0	0.0%	2.5%	4.5%
	Moderate	0	0.0%	16.4%	0	0.0%	12.4%	18.3%
	Middle	2	100.0%	47.8%	565	100.0%	44.9%	43.7%
	Upper	0	0.0%	31.5%	0	0.0%	40.2%	33.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**2**	**100.0%**	**100.0%**	**565**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	5.1%	0	0.0%	3.6%	4.5%
	Moderate	0	0.0%	18.4%	0	0.0%	14.6%	18.3%
	Middle	0	0.0%	41.7%	0	0.0%	35.1%	43.7%
	Upper	0	0.0%	34.8%	0	0.0%	46.7%	33.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	17.8%	0	0.0%	6.5%	11.3%
	Moderate	0	0.0%	20.8%	0	0.0%	21.0%	25.9%
	Middle	1	100.0%	35.6%	359	100.0%	48.2%	32.3%
	Upper	0	0.0%	25.7%	0	0.0%	24.4%	30.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**359**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	2	3.4%	5.3%	187	1.4%	3.2%	4.5%
	Moderate	7	12.1%	16.1%	1,746	12.7%	12.3%	18.3%
	Middle	25	43.1%	46.0%	5,872	42.6%	43.3%	43.7%
	Upper	24	41.4%	32.7%	5,968	43.3%	41.2%	33.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**58**	**100.0%**	**100.0%**	**13,773**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of HMDA Loans
Assessment Area: Little Rock

Geographic Distribution of Small Business Loans Assessment Area: Little Rock						
Tract Income Levels	**2023**					
	Count		**Dollars**			**Businesses**
	Bank	**Aggregate**	**Bank**		**Aggregate**	
	#	%	%	$ (000s)	$ %	$ %	%
Low	1	6.7%	6.7%	$978	56.5%	8.2%	8.0%
Moderate	1	6.7%	19.9%	$20	1.2%	21.1%	22.4%
Middle	6	40.0%	38.5%	$173	10.0%	33.9%	36.6%
Upper	7	46.7%	34.3%	$561	32.4%	36.7%	32.7%
Unknown	0	0.0%	0.6%	$0	0.0%	0.1%	0.3%
TOTAL	**15**	**100.0%**	**100.0%**	**$1,732**	**100.0%**	**100.0%**	**100.0%**

APPENDIX B – ASSESSMENT AREAS DETAIL

Arkansas NonMSA Assessment Area

Chambers Bk - Danville, AR 2025
Arkansas NonMSA 2023 - Tract Income
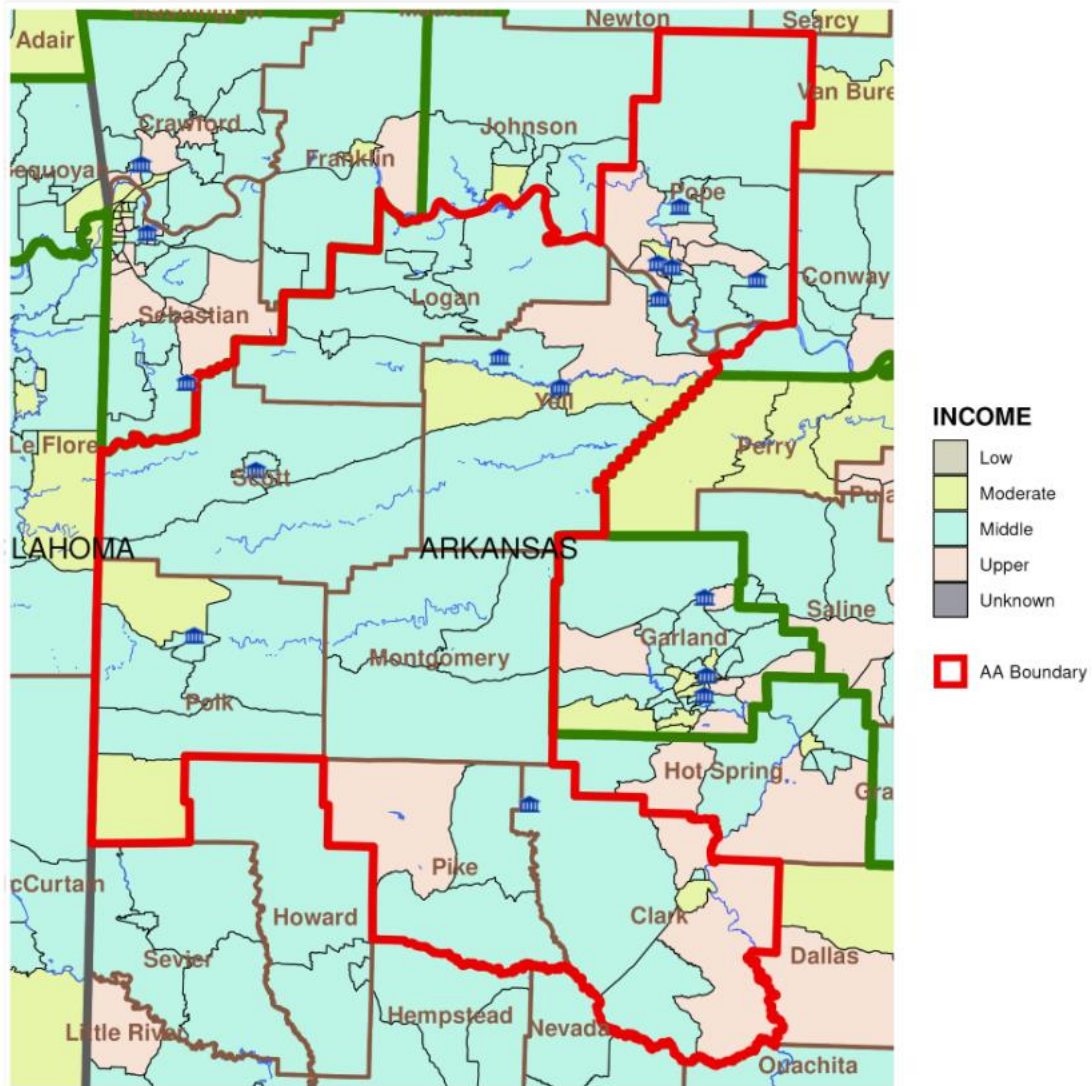
<u>Fayetteville MSA Assessment Area</u>
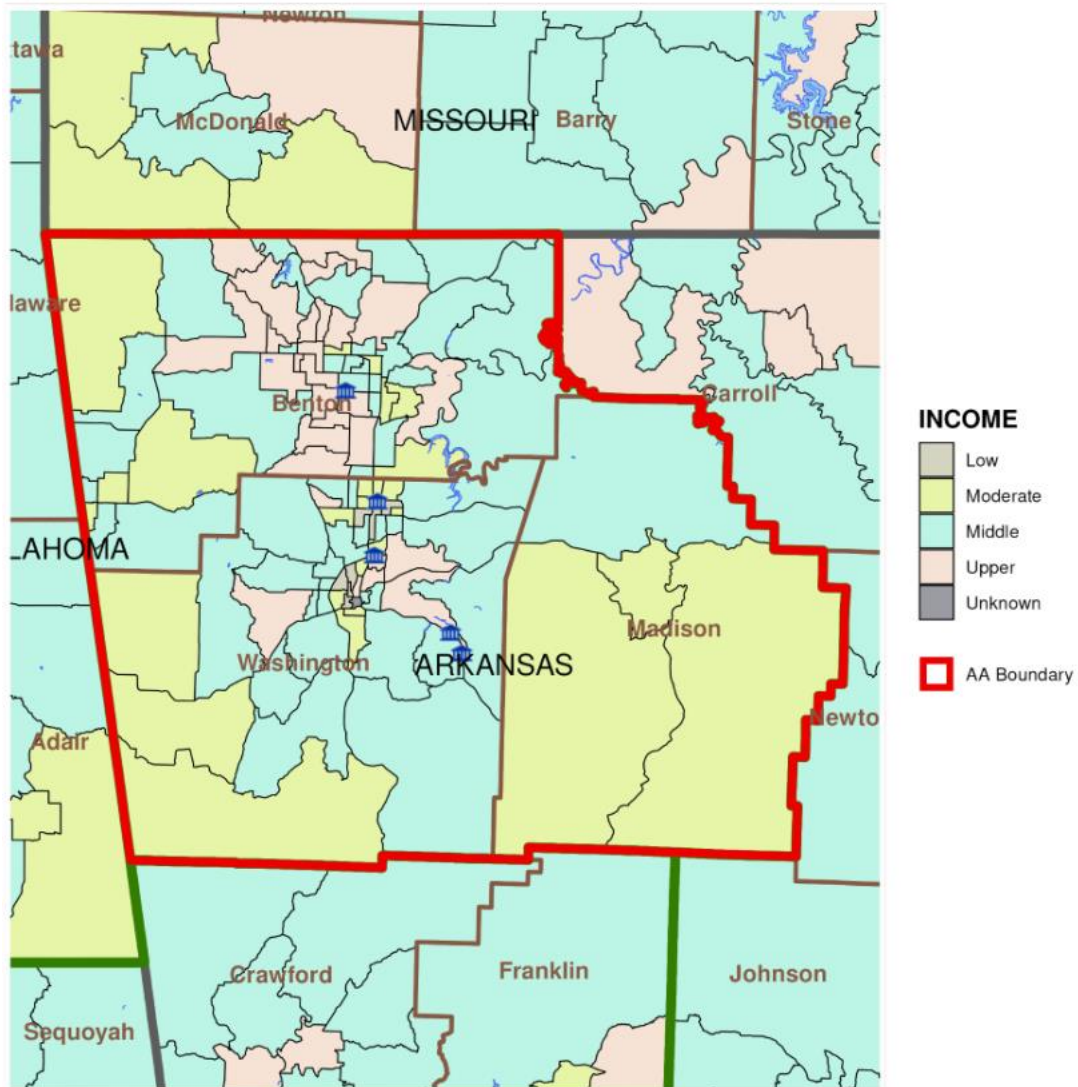
Fort Smith Assessment Area

Chambers Bk - Danville, AR 2025
Fort Smith, AR-OK Partial MSA 2023 - Tract Income
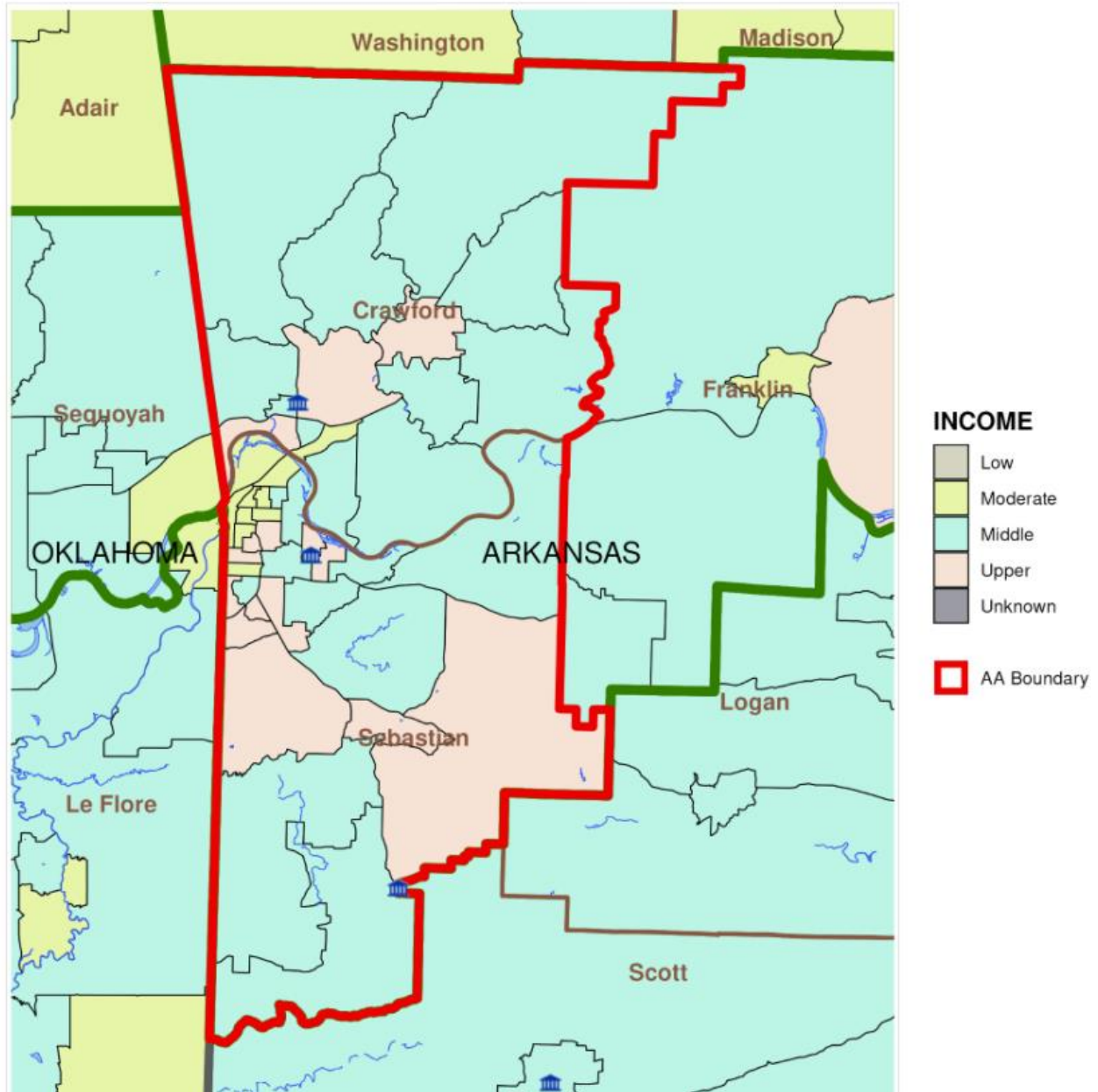
Hot Springs MSA Assessment Area

Chambers Bk - Danville, AR 2025

Hot Springs, AR MSA 2023 - Tract Income
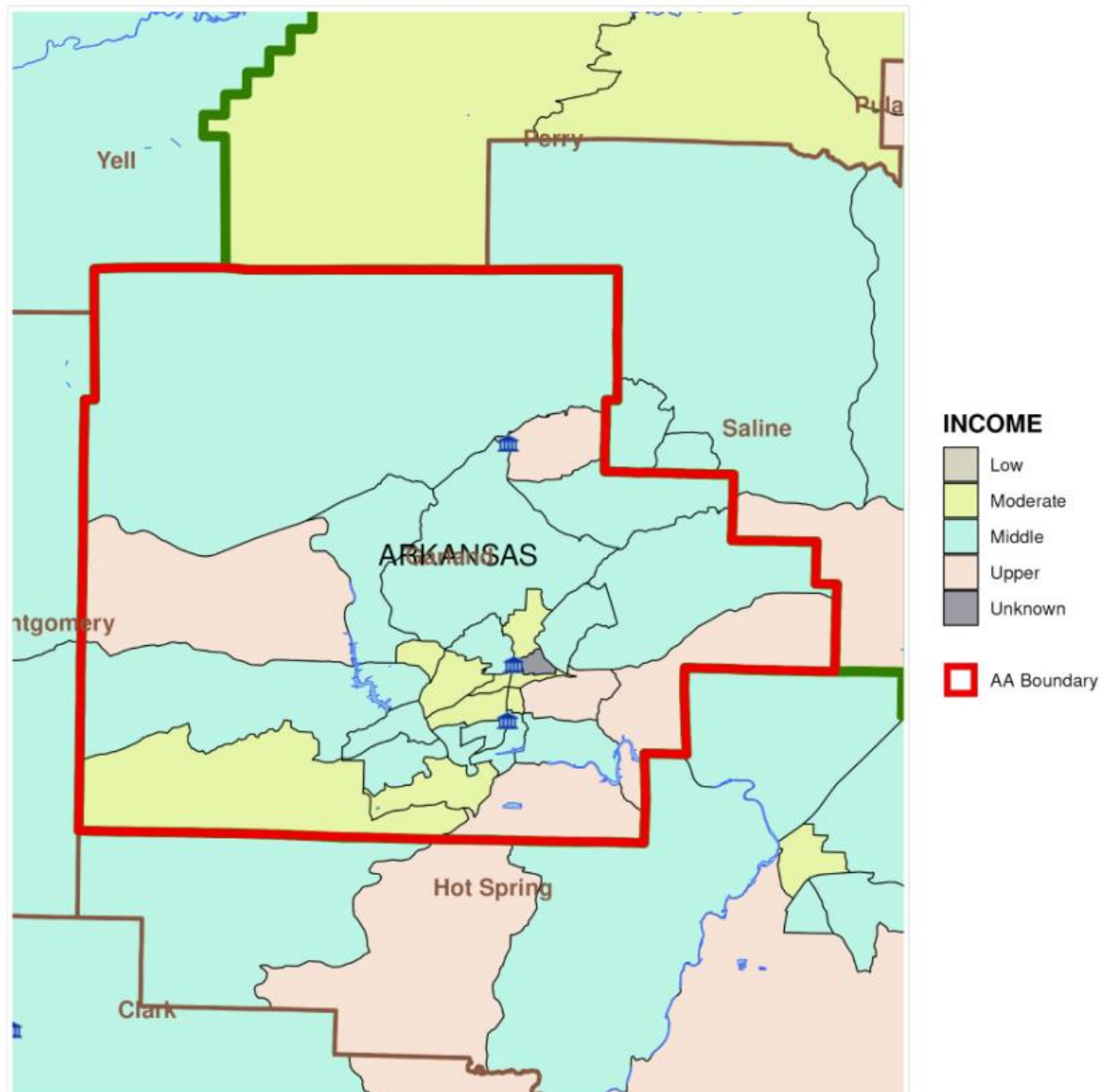
Little Rock Assessment Area

Chambers Bk - Danville, AR 2025

Little Rock, AR Partial MSA 2023 - Tract Income
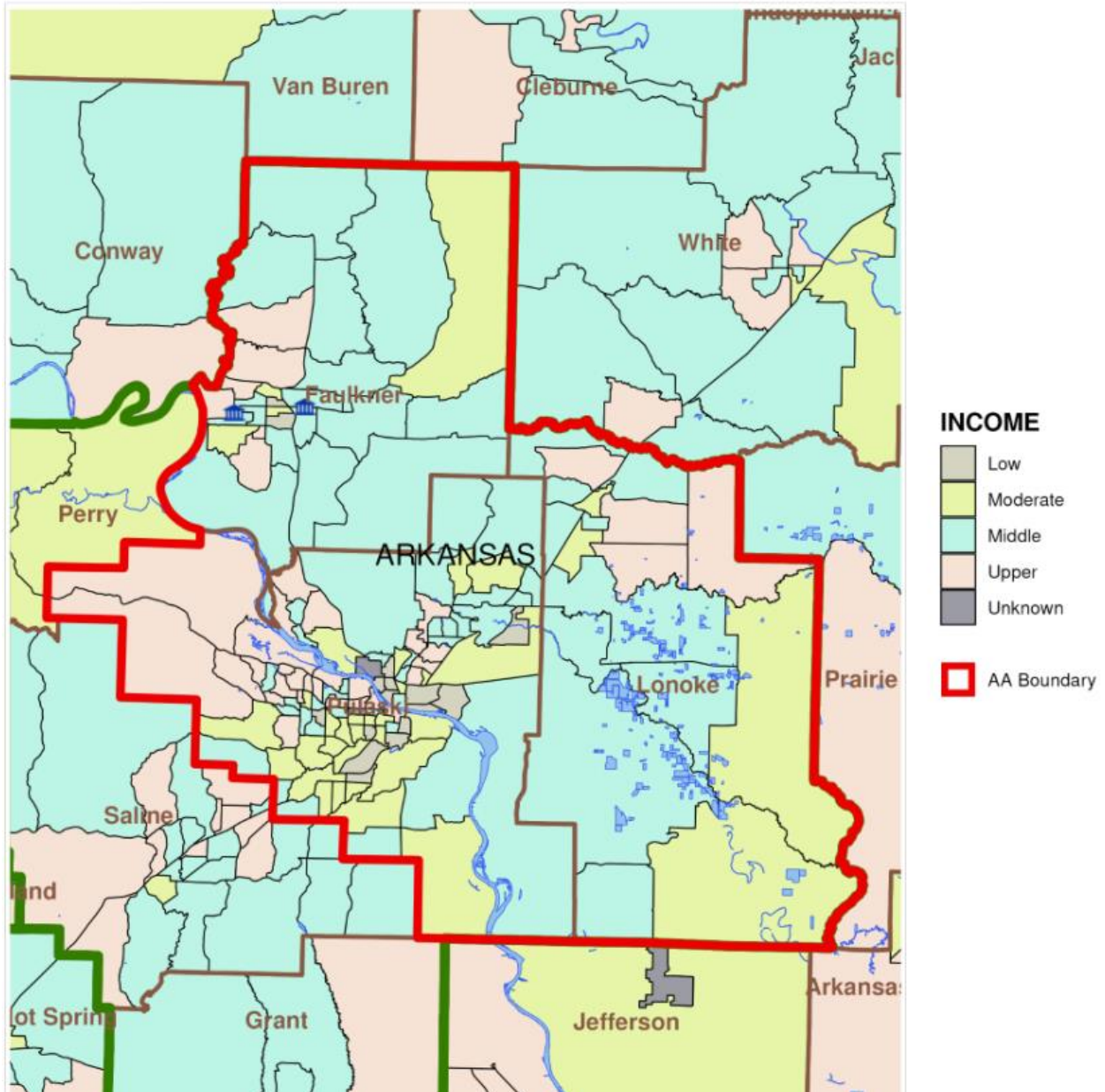
APPENDIX C – GLOSSARY

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

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

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

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

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

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

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

Rated area: A rated area is a state or multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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