PUBLIC DISCLOSURE

March 16, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Salem
RSSD #931047

207 West Church Street
Salem, Arkansas 72576

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Bank of Salem is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the AAs.
- The borrower's profile analysis reveals excellent distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different sizes.
- The geographic distribution of loans reflects a poor dispersion throughout the AA.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. Bank performance under this test is rated within each of the bank's AAs. The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each AA completed as part of this evaluation.

Assessment Area	Offices		Deposits As of June 30, 2025		Review Procedures
	#	%	$	%	
Fulton County	3	75.0	172,052	78.1	Full Scope
Southern Arkansas	1	25.0	48,188	21.9	Limited Scope
TOTAL	**4**	**100.0**	**220,240**	**100.0**	**1 – Full Scope**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Fulton County AA was given primary consideration, as it is the bank's headquarters and contains the majority of the bank's branches and lending and deposit activity.

The bank's lending performance was evaluated using 1–4 family residential real estate and small business loans, as these loan categories are considered the bank's core business lines based on 2024 lending volume and the bank's stated business strategy. While residential real estate lending has a greater dollar volume of loans outstanding, more small business loans were originated in the AA during the evaluation period, so the products received equal weight in the analysis. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	September 30, 2021 – December 31, 2025
AA Concentration	January 1, 2024 – December 31, 2024
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	July 26, 2021 – March 15, 2026

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey data, and certain business demographics are based on 2024 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 AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $189.7 million to $278.2 million as of December 31, 2025.

To augment this evaluation, one community contact interview was utilized with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the Fulton County AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities.

DESCRIPTION OF INSTITUTION

Bank of Salem is an intrastate community bank headquartered in Salem, Arkansas. The bank's characteristics include:

- The bank is a wholly owned subsidiary of Smith Associated Banking Corporation of Hot Springs, Arkansas.

- The bank has total assets of $263.8 million as of December 31, 2025. That represents an increase of 52.7 percent since the last evaluation.

- In addition to its main office in Salem, the bank has three offices located in Viola, Mammoth Spring, and Stephens, Arkansas. The Stephens branch was added with the acquisition of Security Bank in August 2024.

- The bank operates full-service ATMs at each of its Fulton County branches, as well as one standalone full-service ATM in Glencoe. The bank's single branch in Ouachita County does not include an ATM.

- The bank also operates a loan production office (LPO) outside of its AA in Garland County in central Arkansas.

- As shown in the following table, the bank's products are 1–4 family residential real estate, commercial loans, and agricultural loans.

Composition of Loan Portfolio as of December 31, 2025		
Loan Type	**Amount $ (000s)**	**Percentage of Total Loans (%)**
1–4 Family Residential	97,422	47.9
Farmland	29,996	14.8
Commercial and Industrial	18,344	9.0
Commercial Real Estate	16,595	8.2
Farm Loans	14,963	7.4
Construction and Development	13,533	6.7
Loans to Individuals	11,773	5.8
Total Other Loans	673	0.3
TOTAL	**203,299**	**100.0**
Note: Percentages may not total 100.0 percent due to rounding.		

The bank was rated Satisfactory under the CRA at its July 26, 2021 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. Similarly situated institutions were selected based on location, asset size, and loan portfolio.

Comparative LTD Ratios [September 30, 2021 – December 31, 2025]			
Institution	**Location**	**Asset Size $ (000s)**	**LTD Ratio (%) 18-Quarter Average**
Bank of Salem	Salem, Arkansas	263,755	80.2
Similarly Situated Institutions			
Regional Banks	Gainesville, Missouri	278,184	88.0
	Calico Rock, Arkansas	230,749	64.0
	Cave City, Arkansas	189,713	76.5

The bank's LTD ratio is reasonable. As shown in the preceding table, the bank's LTD ratio outperformed two of its regional peers and trailed the third peer. The bank's quarterly LTD ratio over the review period displayed a generally increasing trend, with a low of 67.6 percent in the second quarter of 2022 and a high of 89.3 percent in the fourth quarter of 2024. The peer institutions also displayed generally increasing LTD ratios.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs.

Lending Inside and Outside the Assessment Areas								
Loan Type	**Inside**				**Outside**			
	#	**# %**	**$ (000s)**	**$ %**	**#**	**# %**	**$ (000s)**	**$ %**
1–4 Family Residential Real Estate	46	45.5	3,739	28.0	55	54.5	9,596	72.0
Small Business	65	63.1	2,646	51.3	38	36.9	2,517	48.7
TOTAL LOANS	**111**	**54.4**	**6,385**	**34.5**	**93**	**45.6**	**12,113**	**65.5**
Note: Percentages may not total 100.0 percent due to rounding.								

Overall, a majority of the bank's loans, by number, are originated inside the AAs. A higher dollar volume of loans is originated outside of the bank's AAs, particularly for the 1–4 family residential real estate product, which also has a higher number of loans originated outside the AA. Bank management attributes this to an LPO it acquired with Security Bank that cannot be included in an

AA because it is in the Hot Springs metropolitan statistical area (MSA). The bank also has several loans just outside the AA but in Missouri that also cannot be included in an AA.

Borrower and Geographic Distribution

The bank's performance by borrower's income/revenue profile is excellent, based on the analyses of lending in the bank's two AAs. As previously stated, more weight is being placed on the Fulton County AA.

Assessment Area	Loan Distribution by Borrower's Profile
Fulton County	Excellent
Southern Arkansas	Below
OVERALL	**Excellent**

The bank's distribution of lending by income level of census tract reflects poor penetration throughout the bank's AAs. Overall, less weight was placed on geographic distribution due to the bank's primary AA having zero low-income census tracts.

Assessment Area	Geographic Distribution of Loans
Fulton County	Poor
Southern Arkansas	Consistent
OVERALL	**Poor**

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.

FULTON COUNTY, ARKANSAS NONMETROPOLITAN STATISTICAL AREA
(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FULTON COUNTY ASSESSMENT AREA

The bank's Fulton County AA consists of the entirety of Fulton County (see Appendix B for an AA map).

- Since the prior evaluation, the number of census tracts in the AA increased from two to four, and one of those tracts is designated as a moderate-income tract. This is a change from zero LMI census tracts at the previous evaluation.

- According to the June 30, 2025 FDIC Deposit Market Share Report, the bank has a market share of 61.0 percent, which ranks first out of three FDIC-insured depository institutions operating in the AA.

- According to the U.S. Department of Labor, Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are retail trade (13.8 percent), manufacturing (10.6 percent), and accommodation and food services (9.7 percent).

- One community contact interview was conducted with a county official in the AA.

Assessment Area Demographics by Geography Income Level Assessment Area: Fulton County						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	1	3	0	0	**4**
	0.0%	25.0%	75.0%	0.0%	0.0%	**100%**
Family Population	0	936	2,264	0	0	**3,200**
	0.0%	29.3%	70.8%	0.0%	0.0%	**100%**

- As shown above, the AA does not include any low-income census tracts. The single moderate-income census tract comprises 25.0 percent of the AA's census tracts, with 29.3 percent of the family population residing in this tract.

Population Change Assessment Area: Fulton County			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
Assessment Area	12,224	12,075	-1.2%
NonMSA Arkansas	1,247,461	1,191,671	-4.5%
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- The AA population experienced a lower rate of decline (-1.2 percent) than nonMSA Arkansas (-4.5 percent) from 2015 to 2020.

Median Family Income Change Assessment Area: Fulton County			
Area	**2015 Median Family Income ($)**	**2020 Median Family Income ($)**	**Percent Change (%)**
Assessment Area	47,425	44,672	-5.8
NonMSA Arkansas	49,405	53,596	8.5
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- Between 2015 and 2020, the median family income in the AA decreased (-5.8 percent), while nonMSA Arkansas experienced an increase (8.5 percent).

Unemployment Rates (%) Assessment Area: Fulton County					
Area	**2021**	**2022**	**2023**	**2024**	**2025 YTD (Jan.–May)**
Assessment Area	4.3	3.8	4.2	4.3	4.5
NonMSA Arkansas	4.6	3.8	3.7	4.1	4.3
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- The unemployment rate in the AA has experienced slight fluctuations similar to nonMSA Arkansas as a whole over the duration of the review period.

- In 2022, the unemployment rate in the AA was equivalent to nonMSA Arkansas before rising slightly above nonMSA Arkansas in subsequent years.

Housing Cost Burden (%) Assessment Area: Fulton County						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	64.9	2.6	34.5	57.6	25.0	22.2
NonMSA Arkansas	63.5	32.8	35.5	52.1	24.0	15.7

Cost burden is housing cost that equals 30 percent or more of household income.
Source: 2017–2021 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy

- As shown in the table above, a higher percentage of low-income renters in the AA are cost burdened than in nonMSA Arkansas, while significantly fewer moderate-income renters in the AA are cost burdened than the proportion in nonMSA Arkansas.

- A greater percentage of LMI homeowners in the AA are cost burdened than the proportion in nonMSA Arkansas as a whole.

- The community contact noted a trend of increasing home values and identified affordable housing stock as a need in the AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FULTON COUNTY ASSESSMENT AREA

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income levels and businesses of different revenue sizes. The bank's lending has an excellent distribution among individuals of different income levels and businesses of different sizes.

1–4 Family Residential Real Estate Lending

The bank's 1–4 family residential real estate loan distribution is excellent. The bank's performance lending to low-income borrowers (20.0 percent) exceeds the aggregate lending level of 7.7 percent and is in line with the demographic figure (26.5 percent). Similarly, the bank's lending to moderate-income borrowers (20.0 percent) exceeds the aggregate level (16.5 percent) and is again in line with the demographic (22.0 percent).

Distribution of 2024 Residential Real Estate Lending by Borrower Income Level
Assessment Area: Fulton County

Borrower Income Level	Bank and Aggregate Loans						Families by Family Income %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	$ (000s)	$ %	$ %	
Low	7	20.0	7.7	193	6.4	3.7	26.5
Moderate	7	20.0	16.5	332	11.0	11.5	22.0
Middle	7	20.0	19.2	340	11.3	16.6	14.3
Upper	14	40.0	33.5	2,148	71.3	40.0	37.2
Unknown	0	0.0	23.1	0	0.0	28.2	0.0
TOTAL	**35**	**100.0**	**100.0**	**3,013**	**100.0**	**100.0**	**100.0**

Source: 2024 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business lending is excellent. As displayed in the following table, the bank's lending to small businesses (88.9 percent) exceeds the aggregate lending level (71.5 percent) and is in line with the demographic figure (87.2 percent).

Distribution of 2024 Small Business Lending by Revenue Size of Businesses Assessment Area: Fulton County								
Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	48	88.9	71.5	1,559	78.1	53.1	87.2
	Over $1 Million/ Unknown	6	11.1	28.5	438	21.9	46.9	12.8
	TOTAL	**54**	**100.0**	**100.0**	**1,997**	**100.0**	**100.0**	**100.0**
Loan Size	$100,000 or Less	50	92.6	95.4	1,485	74.4	45.4	
	$100,001–$250,000	4	7.4	1.5	512	25.6	6.3	
	$250,001–$1 Million	0	0.0	3.1	0	0.0	48.4	
	Over $1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	**54**	**100.0**	**100.0**	**1,997**	**100.0**	**100.0**	
Loan Size / Revenue $1 Million or Less	$100,000 or Less	46	95.8		1,327	85.1		
	$100,001–$250,000	2	4.2		232	14.9		
	$250,001–$1 Million	0	0.0		0	0.0		
	Over $1 Million	0	0.0		0	0.0		
	TOTAL	**48**	**100.0**		**1,559**	**100.0**		

Source: 2024 FFIEC Census Data
2024 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Geographic Distribution of Loans

As noted previously, the AA includes no low-income census tracts and one moderate-income tract. Overall, the bank's geographic distribution of loans in this AA reflects poor distribution in the moderate-income census tract, based on the 1–4 family residential real estate and small business loan categories.

<u>1–4 Family Residential Real Estate Lending</u>

The geographic distribution of home mortgage lending in the single moderate-income census tract in the AA is poor. The bank originated 14.3 percent of its loans in the moderate-income census tract, which is significantly below the aggregate level (33.0 percent) and the demographic comparator (33.2 percent).

Distribution of 2024 Residential Real Estate Lending by Income Level of Geography Assessment Area: Fulton County							
Geographic Income Level	**Bank and Aggregate Loans**						**Owner-Occupied Units %**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**# %**	**# %**	**$ (000s)**	**$ %**	**$ %**	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	5	14.3	33.0	205	6.8	37.8	33.2
Middle	30	85.7	67.0	2,807	93.2	62.2	66.8
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	**35**	**100.0**	**100.0**	**3,013**	**100.0**	**100.0**	**100.0**
Source: 2024 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

Small Business Lending

The geographic distribution of small business lending is reasonable. The bank's performance in the moderate-income census tract (22.2 percent) trails the aggregate level (35.4 percent).

Distribution of 2024 Small Business Lending by Income Level of Geography Assessment Area: Fulton County							
Tract Income Levels	**Count**			**Dollar**			**Total Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	12	22.2	35.4	274	13.7	37.1	20.4
Middle	42	77.8	63.8	1,722	86.3	62.7	79.6
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.8	0	0.0	0.2	0.0
TOTAL	**54**	**100.0**	**100.0**	**1,996**	**100.0**	**100.0**	**100.0**
Source: 2024 FFIEC Census Data 2024 Dun & Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.							

SOUTHERN ARKANSAS NONMETROPOLITAN STATISTICAL AREA
(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTHERN ARKANSAS ASSESSMENT AREA

This AA includes the entirety of Nevada, Ouachita, and Columbia counties. As a result of the 2024 Security Bank acquisition, the bank added this AA, which includes one full-service branch in Stephens, Arkansas. The tables below detail key demographics relating to this AA.

Population Change			
Area	**2015 Population**	**2020 Population**	**Percent Change (%)**
Assessment Area	58,164	53,761	-7.6
NonMSA Arkansas	1,247,461	1,191,671	-4.5
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

Median Family Income Change			
Area	**2015 Median Family Income ($)**	**2020 Median Family Income ($)**	**Percent Change (%)**
Assessment Area	48,878	48,880	0.0
NonMSA Arkansas	49,405	53,596	8.5
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTHERN ARKANSAS ASSESSMENT AREA

The bank’s Lending Test performance in this AA is below the bank’s Lending Test performance in the Fulton County AA, as detailed in the following table. For more detailed information relating to the bank’s Lending Test performance in this AA, 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**

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

Southern Arkansas Assessment Area

Distribution of 2024 Home Mortgage Lending by Borrower Income Level
Assessment Area: Southern Arkansas

Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	$	$ %	$ %	
Low	0	0.0	4.2	0	0.0	2.2	26.3
Moderate	1	9.1	10.8	49	6.7	6.8	17.6
Middle	2	18.2	19.2	109	15.0	15.7	17.9
Upper	8	72.7	35.3	569	78.3	40.4	38.2
Unknown	0	0.0	30.4	0	0.0	34.8	0.0
TOTAL	**11**	**100.0**	**100.0**	**727**	**100.0**	**100.0**	**100.0**

Distribution of 2024 Small Business Lending by Revenue Size of Businesses
Assessment Area: Southern Arkansas

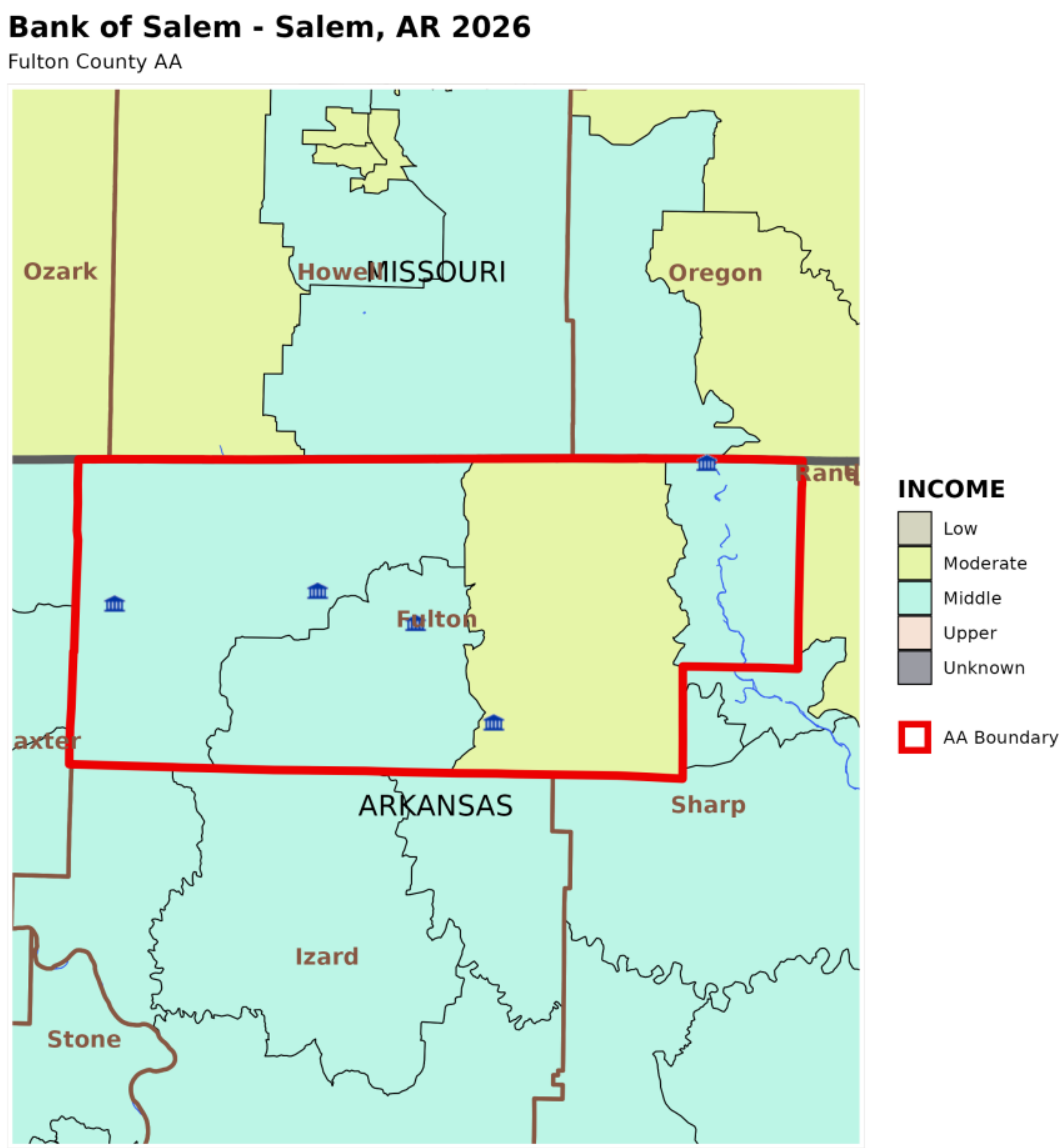
Business Revenue and Loan Size		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	1	9.1	63.9	135	20.8	64.1	88.7
	Over $1 Million/ Unknown	10	90.9	36.1	515	79.2	35.9	11.3
	TOTAL	**11**	**100.0**	**100.0**	**650**	**100.0**	**100.0**	**100.0**
Loan Size	$100,000 or Less	8	72.7	91.5	194	29.8	43.8	
	$100,001–$250,000	3	27.3	6.0	456	70.2	27.5	
	$250,001–$1 Million	0	0.0	2.5	0	0.0	28.7	
	Over $1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	**11**	**100.0**	**100.0**	**650**	**100.0**	**100.0**	
Loan Size – Revenue $1 Million or Less	$100,000 or Less	0	0.0		0	0.0		
	$100,001–$250,000	1	100.0		135	100.0		
	$250,001–$1 Million	0	0.0		0	0.0		
	Over $1 Million	0	0.0		0	0.0		
	TOTAL	**1**	**100.0**		**135**	**100.0**		

Distribution of 2024 Home Mortgage Lending by Income Level of Geography Assessment Area: Southern Arkansas							
Geographic Income Level	**Bank**		**Aggregate**	**Bank**		**Aggregate**	**Owner-Occupied Units %**
	#	**# %**	**# %**	**$**	**$ %**	**$ %**	
Low	2	18.2	3.6	129	17.7	3.8	4.4
Moderate	0	0.0	12.3	0	0.0	10.2	13.4
Middle	9	81.8	73.1	598	82.3	71.2	74.6
Upper	0	0.0	11.0	0	0.0	14.8	7.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	**11**	**100.0**	**100.0**	**727**	**100.0**	**100.0**	**100.0**

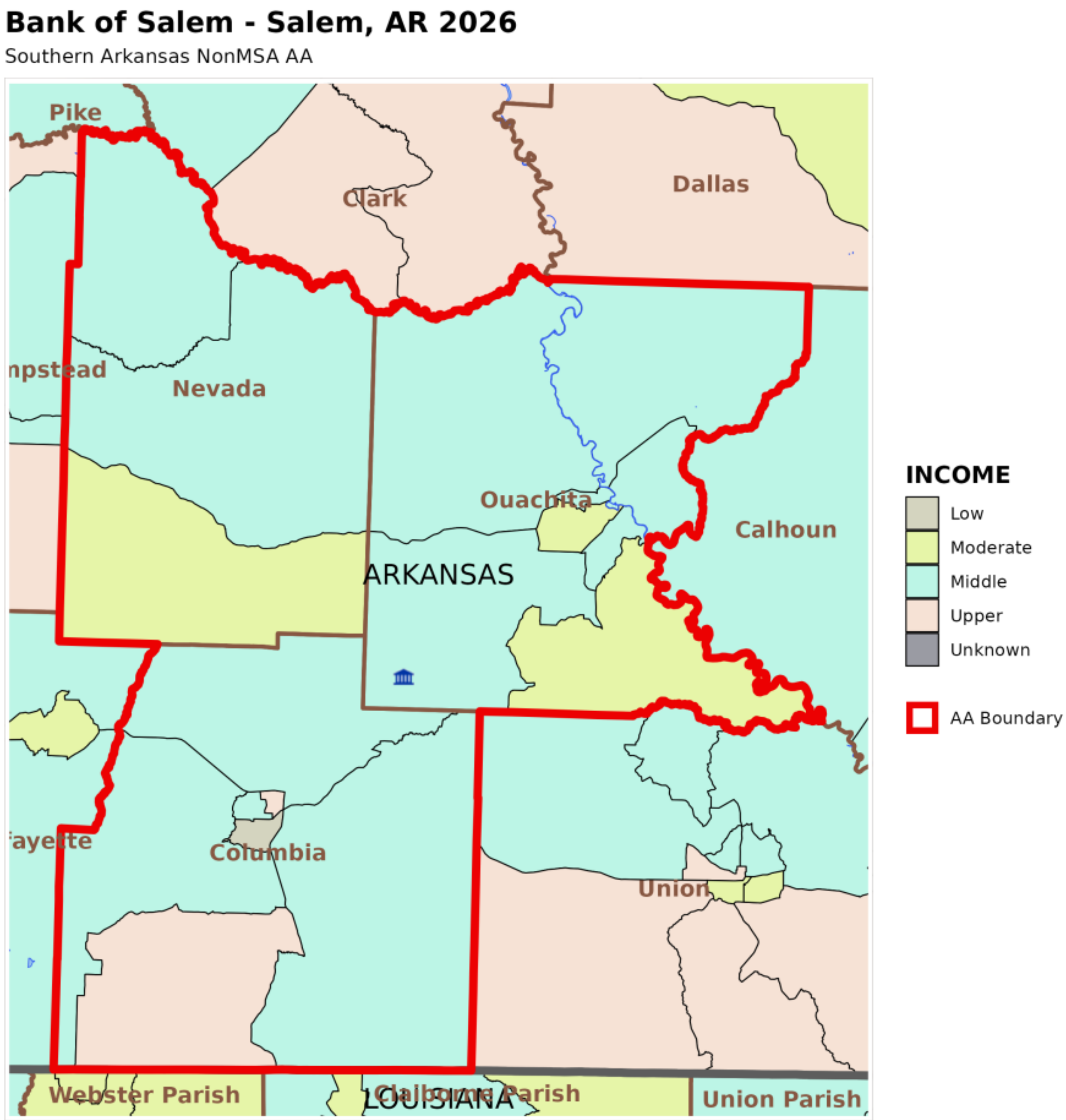
Distribution of 2024 Small Business Lending by Income Level of Geography Assessment Area: Southern Arkansas							
Tract Income Levels	**Count**			**Dollar**			**Total Businesses %**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**# %**	**%**	**$ (000s)**	**$ %**	**$ %**	
Low	0	0.0	8.6	0	0.0	15.8	14.1
Moderate	0	0.0	14.4	0	0.0	16.8	19.1
Middle	11	100.0	67.8	650	100.0	61.4	59.7
Upper	0	0.0	8.7	0	0.0	5.8	7.1
Unknown	0	0.0	0.5	0	0.0	0.2	0.0
TOTAL	**11**	**100.0**	**100.0**	**650**	**100.0**	**100.0**	**100.0**

APPENDIX B – MAP OF THE ASSESSMENT AREAS

Fulton County Assessment Area



Southern Arkansas Assessment Area



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 by either 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.