

PUBLIC DISCLOSURE

May 12, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Western Bank
RSSD #34742**

**80 West Main Street
Booneville, Arkansas 72927**

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 institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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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

First Western 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, financial condition, and credit needs of the assessment areas (AAs).
- A majority of loans and other lending-related activities are in the AAs.
- 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 a poor dispersion throughout the AAs.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank’s overall community development performance demonstrates excellent responsiveness to the community development needs of its AAs, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s AAs. 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’s) Intermediate Small Bank Procedures. The Intermediate Small Bank Examination Procedures entail two performance tests: the Lending Test and the Community Development Test. The bank maintains operations in three delineated AAs within the state of Arkansas. The AA with the largest portion of the bank’s branches, loans, and deposit activity is located within the Fayetteville-Springdale-Rogers metropolitan statistical area (MSA) and is composed of Benton and Washington counties. The second AA is located within the Fort Smith MSA and is composed of Crawford and Sebastian counties. The third AA is located in a nonMSA portion of Northwest Arkansas and is composed of Franklin County and a portion of Logan County; this AA contains the bank’s main office/headquarters in Booneville, Arkansas.

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. 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)	%	
Partial Fayetteville MSA	5	50.0	342,476	62.1	Full Scope
Fort Smith	1	10.0	47,091	8.5	Limited Scope
Northwest Arkansas	4	40.0	161,583	29.3	Limited Scope
TOTAL¹	10	100	551,150	100	1 – Full Scope

In light of the branch structure, loan and deposit activity, and the bank’s CRA evaluation history, CRA performance in the Partial Fayetteville MSA AA was given primary consideration, as it contains the majority of the bank’s loan and deposit activity. Therefore, the Partial Fayetteville MSA AA was reviewed using full-scope examination procedures, and performance in the Fort Smith and Northwest Arkansas AAs was reviewed using limited-scope procedures.

Furthermore, residential real estate 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 the bank’s 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 Home Mortgage Disclosure Act (HMDA) loan category carried the most significance toward 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	September 30, 2021– March 31, 2025
Assessment Area Concentration	January 1, 2023 – December 31, 2023
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	July 19, 2021 – May 11, 2025
Community Development Activities	July 19, 2021 – May 11, 2025

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey (ACS) data, and 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 AA. Aggregate lending datasets are also 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

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

operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from \$345.2 million to \$988.4 million as of March 31, 2025.

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 AAs:

- 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, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the Fayetteville AA. Information from this interview also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from the community contact interview are included in the *Description of Assessment Area* section for the Partial Fayetteville MSA AA.

DESCRIPTION OF INSTITUTION

The bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by First Western Bancshares, Inc., a one-bank holding company. Both the bank and its holding company are headquartered in Booneville, Arkansas. The bank has one credit-granting subsidiary, First Western Mortgage, Inc., whose originated loans are sold on the secondary market. The bank's branch network consists of ten offices (including the main office), all of which are located in middle- or upper-income census tracts. All of the locations have cash-dispensing ATMs on site, and nine of the offices have drive-up accessibility. The bank relocated its Fort Smith office on March 31, 2023, to a larger standalone building still within Fort Smith. The boundaries of the bank's AAs have remained unchanged since the 2021 evaluation; however, in 2023, the Office of Management and Budget changed the MSA boundary for Fort Smith. In this change, Franklin County was moved from the Fort Smith AA to nonMSA Arkansas. As a result, Franklin County is now included in the Northwest Arkansas AA. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of its AAs.

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 AAs based on its available resources and financial products. As of March 31, 2025, the bank reported total assets of \$726.0 million. As of the same date, loans and leases were \$569.6 million (78.5 percent of total assets), and deposits totaled \$648.2 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of March 31, 2025		
Credit Category	Amount \$ (000s)	Percentage of Total Loans
1-4 Family Residential	234,971	41.3
Construction and Development	118,244	20.8
Commercial Real Estate	105,693	18.6
Farmland	63,702	11.2
Multifamily Residential	23,854	4.2
Commercial and Industrial	16,015	2.8
Farm Loans	4,126	0.7
Loans to Individuals	2,978	0.5
TOTAL	569,583	100

As indicated by the table above, a significant portion of the bank's lending resources is directed to loans secured by 1-4 family residential properties and commercial loans. The bank also originates and subsequently sells a significant volume of loans related to residential real estate. Since these loans are sold into the secondary market shortly after origination, this activity is not captured in the table. These sold mortgages are originated through the bank's wholly owned subsidiary, First Western Mortgage, Inc., which management elected to include in the scope of this evaluation.²

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on July 19, 2021.

² First Western Mortgage, Inc. originates residential real estate loans that are included in the bank's HMDA loan category for the loan distribution by borrower's profile analysis and the geographic distribution of loans analysis discussed under the Conclusions with Respect to Performance Tests sections of this evaluation; however, such affiliate lending activity is excluded from the assessment area concentration analysis.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank meets the standards for a satisfactory Lending Test rating under the 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 a 15-quarter average, dating back to the bank’s last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	Asset Size \$ (000s) as of March 31, 2025	Average LTD Ratio (%)
First Western Bank	Booneville, Arkansas	726,034	92.0
Regional Banks	Rogers, Arkansas	988,451	85.5
	Grove, Oklahoma	938,504	85.7
	Huntsville, Arkansas	345,213	85.3

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 fluctuating trend, resulting in a 15-quarter average of 92.0 percent. In comparison, the average LTD ratios for the regional peers were lower and had a generally stable trend. 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 AAs.

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 AAs.³

Lending Inside and Outside the Assessment Areas January 1, 2023, through December 31, 2023								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
HMDA	101	86.3	25,899	91.0	16	13.7	2,573	9.0
Small Business	51	91.1	6,016	83.6	5	8.9	1,182	16.4
TOTAL LOANS	152	87.9	31,915	89.5	21	12.1	3,755	10.5

³ As noted in the Scope of Examination section, affiliate lending data, such as First Western Mortgage, Inc. HMDA lending activity, is not included in the assessment area concentration analysis.

A majority of loans and other lending-related activities were made in the bank’s AAs. As shown above, 87.9 percent of the total loans were made inside the AAs, accounting for 89.5 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 bank’s full-scope AA, as displayed in the following table.

Full-Scope Assessment Area	Loan Distribution by Borrower’s Profile
Partial Fayetteville MSA	Reasonable

Limited-Scope Assessment Areas	Loan Distribution by Borrower’s Profile
Fort Smith	Below
Northwest Arkansas	Consistent

In addition, the bank’s distribution of lending by income level of census tract reflects poor penetration throughout the full-scope AA subject to review.

Full-Scope Assessment Area	Geographic Distribution of Loans
Partial Fayetteville MSA	Poor

Limited-Scope Assessment Areas	Geographic Distribution of Loans
Fort Smith	Consistent
Northwest Arkansas	N/A

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (July 19, 2021 through May 11, 2025).

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 AAs, the bank demonstrates excellent responsiveness to the community development needs of its AAs.

Full-Scope Assessment Area	Community Development Test Performance Conclusions
Partial Fayetteville MSA	Excellent

Limited-Scope Assessment Areas	Community Development Test Performance Conclusions
Fort Smith	Consistent
Northwest Arkansas	Below

Total Community Development Activities Inside Assessment Areas July 19, 2021 – May 11, 2025			
Community Development Component	#		\$
Loans	90		\$87.3 million
Investments, Current and Prior	11		\$7.1 million
Current Period	9		\$6.5 million
Prior Period, Still Outstanding	2		\$681,204
Donations	28		\$212,800
Services	81 services	3,296 hours	20 organizations

During the review period, the bank made 90 qualifying loans in its AAs totaling approximately \$87.3 million. Of those loans, 79 loans, totaling \$80.7 million, were to purchase poultry farms for the purposes of economic development and revitalization and stabilization of LMI areas by creating and retaining jobs for LMI individuals. Additionally, six loans, totaling \$343,049, were made to small businesses for the purpose of economic development, and five loans totaling \$6.3 million were made for the purposes of revitalization and stabilization of an LMI census tract and community service.

The bank also made community development investments and donations in its AAs totaling \$7.3 million. This amount included 9 new qualified investments totaling \$6.5 million, 2 continuing investments made in a prior review period totaling \$681,204, and 28 donations totaling \$212,800. Of the new investments, five were mortgage-backed securities with a purpose of affordable housing totaling \$4.7 million, three investments were municipal bonds totaling \$1.0 million issued by qualifying school districts for community services, and the remaining investment in the amount of \$693,250 was for a low-income housing fund with the purpose of affordable housing. Furthermore, the 28 donations were to nine separate organizations having a community development purpose.

During the review period, bank personnel used financial expertise to log 81 service activities to 20 different community development organizations within the bank's AAs. 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 AAs, the bank had community development loans and investments outside its AAs but still within the broader statewide or regional areas. The bank made two community development loans totaling \$2.8

million, as well as 19 investments totaling \$5.6 million and \$46,000 in donations to various organizations outside its AAs.

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.

FAYETTEVILLE-SPRINGDALE-ROGERS, ARKANSAS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates five of its ten branches (50.0 percent) in this AA along with its operations center. Four of the branches are located in Benton County, and one is located in Washington County. Additionally, four of the branches are located in upper-income census tracts, with the remaining branch located in a middle-income census tract. All branches have ATMs on site, and four branches have loan officers on site and offer drive-through services. While none of the branches are located in LMI tracts, three of the branches are situated in close proximity to moderate-income census tracts and can reasonably serve those areas. Since the last evaluation, the bank did not open or close any branches in this AA. Based on its branch network, online banking capabilities, and other delivery services, the bank is well positioned to deliver financial services to most of the AA, but the bank may struggle to reach all of Washington County given its single branch location in that county.

General Demographics

The AA comprises Benton and Washington counties in their entirety and is located within the Fayetteville, Arkansas MSA. The AA has a population of 530,204, which comprises 97.0 percent of the total MSA population. Banking competition in this AA is high. Of the 38 FDIC-insured depository institutions with a branch presence in this AA, the bank ranked 12th in deposit market share, encompassing 1.9 percent of total deposit dollars.

Credit needs in the AA include a mix of consumer and business loan products. One particular credit need noted by the community contact is affordable housing. The contact cited an increase in population and rising housing prices as contributing factors to the need for additional affordable housing.

Income and Wealth Demographics

The following table summarizes the distribution of AA 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	24	51	28	1	111
	6.3%	21.6%	45.9%	25.2%	0.9%	100%
Family Population	4,664	25,307	57,601	41,088	224	128,884
	3.6%	19.6%	44.7%	31.9%	0.2%	100%

As shown above, the AA consists of 111 census tracts, which includes 7 (6.3 percent) low-income census tracts and 24 (21.6 percent) moderate-income census tracts, with 23.2 percent of the total family population residing in the LMI census tracts. The moderate-income census tracts are located in both Benton and Washington counties, while the low-income census tracts are located solely in Washington County. Additionally, most of the low-income census tracts surround the University of Arkansas and have a limited number of owner-occupied units and lending opportunities.

Based on 2020 ACS data, the median family income for the AA was \$76,381. At the same time, the median family income for the state of Arkansas was \$62,067. More recently, the FFIEC estimates the 2023 median family income for the Fayetteville MSA in its entirety to be \$92,000. The following table displays the population percentages of AA 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	26,285	23,401	26,210	52,988	128,884
	20.4%	18.2%	20.3%	41.1%	100%
Arkansas	165,087	136,380	155,142	313,502	770,111
	21.4%	17.7%	20.2%	40.7%	100%

As shown in the table above, 38.6 percent of the families within the AA were considered LMI, which is in line with the LMI family percentage of 39.1 percent in the state of Arkansas. The percentage of families living below the poverty level in the AA is 8.4 percent, which is lower than the state of Arkansas (11.8 percent). Considering these factors, the AA appears to be slightly more affluent than the state of Arkansas as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the AA appears to be more affordable than the state of Arkansas as a whole.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	71.4	27.6	33.3	51.4	23.2	13.1
Arkansas	69.8	35.3	37.3	53.0	25.2	15.3
<i>Cost burden is housing cost that equals 30 percent or more of household income. Source: U.S. Department of Housing and Urban Development (HUD), 2017–2021 Comprehensive Housing Affordability Strategy</i>						

According to the table above, a greater percentage of low-income renters in the AA are cost burdened (71.4 percent) compared to those in the state (69.8 percent); however, a smaller percentage of moderate-income renters in the AA are cost burdened (27.6 percent) when compared to the state as a whole (35.3 percent). Similarly, a smaller percentage of low- and moderate-income homeowners in the AA are cost burdened (51.4 percent and 23.2 percent, respectively) when compared to low- and moderate-income homeowners across the state as a whole (53.0 percent and 25.2 percent, respectively). Despite the overall cost burden for all renters and homeowners being slightly lower compared to statewide figures, a significant portion of the renter population is still considered cost burdened, which supports the community contact’s statement that the area would benefit from more affordable housing options.

Industry and Employment Demographics

The AA supports a sizable business community, including a strong small business sector, as evidenced by Dun & Bradstreet data that indicates that 91.7 percent of the AA businesses have gross annual revenues of \$1 million or less. Furthermore, according to the Bureau of Labor Statistics (BLS), there are 265,087 employees in the AA (including 31,115 government employees). By percentage, the three largest nongovernment job categories in the AA are healthcare and social assistance (13.1 percent), retail trade (12.0 percent), and accommodation and food services (11.5 percent). The table below details BLS unemployment data (not seasonally adjusted) for the AA and the state of Arkansas.

Unemployment Levels (%)			
Dataset	Time Period (Annual Average)		
	2022	2023	2024 (Jan.–Nov.)
Assessment Area	2.3	2.4	2.5
Arkansas	3.2	3.3	3.4

As shown in the preceding table, unemployment levels in the AA were lower in the AA compared to the state of Arkansas, though both the AA and the state reflect a slight upward trend during the review period.

Community Contact Information

Information from one community contact who specializes in affordable housing was used to help shape the performance context in which the bank's activities in the AA were evaluated. The community contact characterized the economy as strong and growing, with an influx of professionals moving into the area to work for Tyson and Walmart, which are headquartered in the AA. The community contact stated that the population has grown significantly in the last ten years, with many of the new residents relocating from states that have a higher cost of living and being willing and able to spend more on housing. As such, the area has seen an increase in housing prices and new home construction, resulting in a lack of available affordable housing accessible for LMI families. The new construction includes subdivision developments along with duplexes and multifamily units. The contact stated that rural areas surrounding the towns of Fayetteville, Benton, and Springdale have more low-income residents. These residents have been pushed out of the urban areas, as many of them are not able to afford the higher housing prices.

With the increase in population, small businesses development has increased as well, mainly in the form of restaurants, bars, and boutiques. Additionally, the AA is home to the University of Arkansas, which brings in a large, young population that supports local businesses and increases revenue for nine months out of the year.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PARTIAL 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. The overall geographic distribution of loans reflects poor penetration throughout the AA.

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. Greater significance has been 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 AA. Additionally, the 2023 aggregate data for the AA is displayed.

Distribution of 2023 Home Mortgage Lending by Borrower Income Level Assessment Area: Partial Fayetteville MSA							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$	\$ %	\$ %	
Home Purchase Loans							
Low	6	5.0	3.2	819	2.1	1.5	20.4
Moderate	8	6.6	13.4	1,572	4.1	9.1	18.2
Middle	18	14.9	19.9	4,944	12.9	16.8	20.3
Upper	46	38.0	40.9	18,166	47.4	50.3	41.1
Unknown	43	35.5	22.6	12,824	33.5	22.3	0.0
TOTAL	121	100.0	100.0	38,325	100.0	100.0	100.0
Refinance							
Low	0	0.0	9.0	0	0.0	2.8	20.4
Moderate	0	0.0	16.2	0	0.0	6.3	18.2
Middle	0	0.0	21.4	0	0.0	9.8	20.3
Upper	5	50.0	35.6	1,741	55.7	26.3	41.1
Unknown	5	50.0	17.8	1,382	44.3	54.9	0.0
TOTAL	10	100.0	100.0	3,123	100.0	100.0	100.0

Home Improvement							
Low	0	0.0	7.5	0	0.0	3.5	20.4
Moderate	0	0.0	13.4	0	0.0	8.7	18.2
Middle	1	25.0	19.4	12	2.0	13.0	20.3
Upper	1	25.0	47.6	435	71.1	56.6	41.1
Unknown	2	50.0	12.0	165	27.0	18.2	0.0
TOTAL	4	100.0	100.0	612	100.0	100.0	100.0
Multifamily Loans							% of Multifamily Units
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	2.2	0	0.0	0.1	N/A
Unknown	3	100.0	94.4	2,032	100.0	99.6	N/A
TOTAL	3	100.0	100.0	2,032	100.0	100.0	N/A
Total Home Mortgage Loans							Families by Family Income %
Low	6	4.3	4.5	819	1.9	1.7	20.4
Moderate	8	5.8	13.7	1,572	3.6	7.7	18.2
Middle	19	13.8	19.9	4,956	11.2	13.7	20.3
Upper	52	37.7	40.3	20,342	46.1	41.3	41.1
Unknown	53	38.4	21.5	16,403	37.2	35.5	0.0
TOTAL	138	100.0	100.0	44,092	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>							

As displayed in the preceding table, the bank’s percentage of lending to low-income borrowers (4.3 percent) is substantially below the low-income family population (20.4 percent) but consistent with the 2023 aggregate lending level to low-income borrowers (4.5 percent), reflecting reasonable performance. The bank’s level of lending to moderate-income borrowers (5.8 percent) is below both the moderate-income family population percentage (18.2 percent) and the 2023 aggregate lending level to moderate-income borrowers (13.7 percent), reflecting poor performance. Considering performance to both income categories, including the AA having a higher population of low-income families, 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.

Distribution of 2023 Small Business Lending by Borrower Income Level Assessment Area: Partial Fayetteville MSA								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	20	74.1	54.3	3,100	62.2	41.0	91.7
	Over \$1 Million/ Unknown	7	25.9	45.7	1,886	37.8	59.0	8.3
	TOTAL	27	100.0	100.0	4,986	100.0	100.0	100.0
Loan Size	\$100,000 or Less	18	66.7	91.3	824	16.5	35.4	
	\$100,001–\$250,000	3	11.1	4.6	626	12.6	17.5	
	\$250,001–\$1 Million	6	22.2	4.0	3,536	70.9	47.1	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	27	100.0	100.0	4,986	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	13	65.0		554	17.9		
	\$100,001–\$250,000	3	15.0		626	20.2		
	\$250,001–\$1 Million	4	20.0		1,920	61.9		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	20	100.0		3,100	100.0		

The bank’s level of lending to small businesses is reasonable. The bank originated the majority of its small business loans (74.1 percent) to businesses with revenues of \$1 million or less, which exceeds the aggregate lending level of 54.3 percent but is below the Dun & Bradstreet demographic estimate (91.7 percent).

Geographic Distribution of Loans

As previously noted, the AA includes 7 low-income and 24 moderate-income census tracts, representing 27.9 percent of all AA census tracts. Overall, the bank’s geographic distribution of loans in the AA reflects poor penetration throughout the LMI census tracts, based on HMDA and small business loan categories. Based on a loan dispersion analysis from both loan categories, the bank had loan activity in 55.0 percent of all AA census tracts and 32.3 percent of LMI geographies. While not all census tracts in the area contain lending activity, as previously stated, the bank’s single branch location in Washington County may make it challenging to reach the entirety of that county, which contains the majority of the AA’s LMI census tracts. The analysis did not reveal evidence of any conspicuous lending gaps.

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

Distribution of 2023 Home Mortgage Lending by Income Level of Geography Assessment Area: Partial Fayetteville MSA							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$	\$ %	\$ %	
Home Purchase Loans							
Low	1	0.8	1.2	247	0.6	0.9	1.3
Moderate	10	8.3	12.7	2,179	5.7	10.0	16.5
Middle	56	46.3	44.7	16,658	43.5	41.7	47.1
Upper	54	44.6	41.1	19,241	50.2	47.0	34.9
Unknown	0	0.0	0.2	0	0.0	0.3	0.2
TOTAL	121	100.0	100.0	38,325	100.0	100.0	100.0
Refinance							
Low	0	0.0	0.8	0	0.0	0.5	1.3
Moderate	0	0.0	14.7	0	0.0	6.5	16.5
Middle	5	50.0	48.5	1,814	58.1	26.8	47.1
Upper	5	50.0	35.8	1,309	41.9	66.0	34.9
Unknown	0	0.0	0.2	0	0.0	0.1	0.2
TOTAL	10	100.0	100.0	3,123	100.0	100.0	100.0

Home Improvement							
Low	0	0.0	0.9	0	0.0	0.5	1.3
Moderate	0	0.0	13.2	0	0.0	10.9	16.5
Middle	4	100.0	43.8	612	100.0	38.2	47.1
Upper	0	0.0	41.8	0	0.0	49.4	34.9
Unknown	0	0.0	0.3	0	0.0	1.0	0.2
TOTAL	4	100.0	100.0	612	100.0	100.0	100.0
Multifamily Loans							% of Multifamily Units
Low	0	0.0	7.9	0	0.0	3.5	19.1
Moderate	1	33.3	23.6	100	4.9	24.2	23.4
Middle	1	33.3	48.3	1,300	64.0	50.6	34.3
Upper	1	33.3	18.0	632	31.1	21.4	20.6
Unknown	0	0.0	2.2	0	0.0	0.3	2.6
TOTAL	3	100.0	100.0	2,032	100.0	100.0	100.0
Total Home Mortgage Loans							% of Owner-Occupied Units
Low	1	0.7	1.1	247	0.6	1.1	1.3
Moderate	11	8.0	13.2	2,279	5.2	10.8	16.5
Middle	66	47.8	45.3	20,384	46.2	39.6	47.1
Upper	60	43.5	40.1	21,182	48.0	48.2	34.9
Unknown	0	0.0	0.3	0	0.0	0.3	0.2
TOTAL	138	100.0	100.0	44,092	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>							

The analysis of HMDA loans revealed reasonable lending performance to borrowers residing in low-income geographies. The bank’s penetration of HMDA lending in low-income census tracts (0.7 percent) is similar to the aggregate (1.1 percent) and the demographic (1.3 percent), further evidencing the lack of owner-occupied housing and lending opportunities in the low-income census tracts. The bank’s performance in moderate-income census tracts (8.0 percent) is below both the aggregate lending level (13.2 percent) and the percentage of owner-occupied housing units (16.5 percent), reflecting poor performance. Considering the larger opportunity for HMDA lending in moderate-income geographies, the bank’s overall geographic HMDA lending performance 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 AA and 2023 small business aggregate data.

Distribution of 2023 Small Business Lending by Income Level of Geography Assessment Area: Partial Fayetteville MSA							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	2.4	0	0.0	2.9	3.5
Moderate	5	18.5	17.0	2,266	45.5	20.7	19.7
Middle	13	48.10	41.6	1,128	22.6	42.2	40.9
Upper	9	33.3	36.5	1,591	31.9	30.6	33.1
Unknown	0	0.0	2.5	0	0.0	3.6	2.8
TOTAL	27	100.0	100.0	4,985	100.0	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2023 Dun & Bradstreet Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>							

The bank’s level of lending in low-income census tracts (0.0 percent) is below the percentage of businesses operating inside these census tracts (3.5 percent) and the 2023 aggregate lending level in low-income geographies (2.4 percent). Consequently, the bank’s performance in low-income areas is poor. Additionally, the bank’s percentage of lending in moderate-income census tracts (18.5 percent) is in line with both the 2023 aggregate lending percentage (17.0 percent) and the percentage of small businesses in moderate-income census tracts (19.7 percent), representing reasonable lending performance. The bank’s overall geographic distribution of small business loans is reasonable.

COMMUNITY DEVELOPMENT TEST

The bank’s overall community development performance demonstrates excellent responsiveness to community development needs within the Fayetteville AA, considering the bank’s capacity and the need and availability of such opportunities for community development in the AA. The bank addressed these needs through community development loans, qualified investments, and community development services.

During the review period, the bank extended 70 community development loans totaling \$73.9 million in this AA. Of these loans, 66 were for the purchase of small poultry farms. The loans, totaling \$67.7 million, helped revitalize and stabilize LMI geographies and provided economic development through creating or retaining jobs for LMI individuals. The bank originated one community development loan for the purpose of community service in the amount of \$6.0 million.

This loan was for the construction of a community center for a nonprofit organization whose mission is to provide food and services to LMI individuals. Two loans totaling \$146,849 were made for economic development to provide capital to small businesses that retain jobs for LMI individuals. Lastly, one loan in the amount of \$54,000 was made to a small business damaged in a tornado for the purpose of revitalization and stabilization. The business is located in a moderate-income census tract that was declared a disaster area.

The bank made six qualified investments, including five new investments and one from the prior period. Of the new investments, four were mortgage-backed securities totaling \$4.3 million and the remaining new investment, in the amount of \$693,250, was for a low-income housing tax credit property. The qualified investment from the prior period was for a mortgage-backed security in the amount of \$466,204. All of the investments qualified under the purpose of affordable housing.

Additionally, the bank made 23 donations, totaling \$186,300, to seven different community organizations benefitting LMI geographies or individuals. Of the 23 donations, 18 were for the purpose of community service, while the remaining 5 were for the purpose of affordable housing. Finally, six bank employees provided financial expertise services over the course of 1,044 hours to five different community development organizations in this AA.

FORT SMITH, ARKANSAS METROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

This AA includes the entireties of Crawford and Sebastian counties, and the bank operates one office in this AA. The branch includes drive-up accessibility and maintains an ATM. The assessment area includes 51 census tracts, 11 of which are moderate-income census tracts (21.6 percent). The AA does not include low-income census tracts. In 2023, the Office of Management and Budget changed the boundary for the Fort Smith MSA. In this change, Franklin County, which was included in the Fort Smith AA at the previous evaluation, was removed from the Fort Smith MSA and is now considered part of nonMSA Arkansas. As such, Franklin County is no longer included in the Fort Smith AA. The tables below detail key demographics relating to this AA.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	10,743	9,666	11,370	23,386	55,165
	19.5%	17.5%	20.6%	42.4%	100%
Household Population	18,198	15,071	14,423	35,070	82,762
	22.0%	18.2%	17.4%	42.4%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	11	24	16	0	51
	0.0%	21.6%	47.1%	31.4%	0.0%	100%
Family Population	0	11,497	25,500	18,168	0	55,165
	0.0%	20.8%	46.2%	32.9%	0.0%	100%
Household Population	0	18,696	36,740	27,326	0	82,762
	0.0%	22.6%	44.4%	33.0%	0.0%	100%
Business Institutions	0	1,885	2,526	2,235	0	6,646
	0.0%	28.4%	38.0%	33.6%	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 AA is below the bank’s Lending Test performance in the Fayetteville AA, which was 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 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

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this AA is consistent with the bank’s Community Development Test performance in the Fayetteville AA, which was reviewed using full-scope procedures.

During the review period, the bank made 12 community development loans totaling \$8.6 million that provided economic development to small businesses and revitalization and stabilization to LMI geographies. Additionally, the bank made four investments during the current evaluation period totaling \$1.5 million. The investments were composed of school bonds that benefitted LMI children and a mortgage-backed security that provided affordable housing to LMI individuals. The bank also provided 409 hours of services to seven different community organizations benefitting LMI individuals in this AA.

NORTHWEST ARKANSAS NONMETROPOLITAN STATISTICAL AREA

(Limited-Scope Review)

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

This AA includes the entirety of Franklin County and a portion of Logan County. The bank operates four offices in this AA. All of the branches in the AA include drive-up accessibility and ATMs. The AA includes five census tracts, all of which are middle-income census tracts (100.0 percent). The tables below detail key demographics relating to this AA.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	816	887	1,090	1,684	4,477
	18.2%	19.8%	24.3%	37.6%	100%
Household Population	1,477	1,036	1,454	2,622	6,589
	22.4%	15.7%	22.1%	39.8%	100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0	0	5	0	0	51
	0.0%	0.0%	100.0%	0.0%	0.0%	100%
Family Population	0	0	4,477	0	0	4,477
	0.0%	0.0%	100.0%	0.0%	0.0%	100%
Household Population	0	0	8,130	0	0	8,130
	0.0%	0.0%	100.0%	0.0%	0.0%	100%
Business Institutions	0	0	491	0	0	491
	0.0%	0.0%	100.0%	0.0%	0.0%	100%

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE NORTHWEST
ARKANSAS ASSESSMENT AREA**

LENDING TEST

The bank’s Lending Test performance in this AA is consistent with the bank’s Lending Test performance in the Fayetteville AA, which was reviewed using full-scope procedures, as detailed in the following table. As the AA does not contain LMI geographies, only the distribution of loans by borrower’s profile was considered for this AA. 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	Consistent
Geographic Distribution of Loans	N/A
OVERALL	Consistent

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this AA is below the bank’s Community Development Test performance in the Fayetteville AA, which was reviewed using full-scope procedures.

During the review period, the bank made eight community development loans totaling \$4.9 million that provided economic development to small businesses that retain jobs for LMI individuals and provided community service to areas that benefit LMI individuals. Additionally, the bank had one investment, which was a mortgage-backed security, from the prior period in the amount of \$215,000. The bank made five qualifying donations to two community service organizations totaling \$26,500 during the review period. The bank also provided 1,843 hours of services to eight different community organizations benefitting LMI individuals in this AA.

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

Fort Smith Assessment Area

Distribution of 2023 Home Mortgage Lending by Borrower Income Level							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0	2.6	0	0.0	1.2	19.5
Moderate	6	12.0	14.7	1,027	10.1	9.5	17.5
Middle	10	20.0	19.7	1,768	17.4	16.4	20.6
Upper	26	52.0	36.1	6,300	62.1	45.7	42.4
Unknown	8	16.0	27.0	1,047	10.3	27.2	0.0
TOTAL	50	100.0	100.0	10,142	100.0	100.0	100.0
Refinance							
Low	1	12.5	5.8	33	1.9	2.4	19.5
Moderate	0	0.0	14.1	0	0.0	9.0	17.5
Middle	2	25.0	19.9	135	7.9	16.6	20.6
Upper	2	25.0	38.7	508	29.8	49.2	42.4
Unknown	3	37.5	21.5	1,029	60.4	22.8	0.0
TOTAL	8	100.0	100.0	1,705	100.0	100.0	100.0
Home Improvement							
Low	0	0.0	3.7	0	0.0	2.4	19.5
Moderate	0	0.0	15.0	0	0.0	9.5	17.5
Middle	0	0.0	19.7	0	0.0	14.7	20.6
Upper	1	33.3	54.8	109	28.0	66.5	42.4
Unknown	2	66.7	6.8	280	72.0	6.9	0.0
TOTAL	3	100.0	100.0	389	100.0	100.0	100.0

Multifamily Loans							% of Multifamily Units
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	2.5	0	0.0	0.4	N/A
Upper	0	0.0	5.0	0	0.0	1.8	N/A
Unknown	1	100.0	92.5	600	100.0	97.9	N/A
TOTAL	1	100.0	100.0	600	100.0	100.0	N/A
Total Home Mortgage Loans							Families by Family Income %
Low	1	1.6	3.5	33	0.3	1.4	19.5
Moderate	6	9.7	14.4	1,027	8.0	9.1	17.5
Middle	12	19.4	19.8	1,903	14.8	15.8	20.6
Upper	29	46.8	38.8	6,917	53.9	44.9	42.4
Unknown	14	22.6	23.5	2,956	23.0	28.8	0.0
TOTAL	62	100.0	100.0	12,836	100.0	100.0	100.0
<p><i>Source: 2023 FFIEC Census Data 2006–2010 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i></p>							

Distribution of 2023 Small Business Lending by Borrower Income Level								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	10	76.9	53.0	712	66.7	30.1	88.2
	Over \$1 Million/ Unknown	3	23.1	47.0	355	33.3	69.9	11.8
	TOTAL	13	100.0	100.0	1,067	100.0	100.0	100.0
Loan Size	\$100,000 or Less	11	84.6	89.7	476	44.69	30.6	
	\$100,001–\$250,000	1	7.7	5.4	225	21.1	18.6	
	\$250,001–\$1 Million	1	7.7	5.0	366	34.3	50.8	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	13	100.0	100.0	1067	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	9	90.0		346	48.6		
	\$100,001–\$250,000	0	0.0		0	0.0		
	\$250,001–\$1 Million	1	10.0		366	51.4		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	10	100.0		712	100.0		

Distribution of 2023 Home Mortgage Lending by Income Level of Geography							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	8	16.0	15.9	945	9.3	10.2	14.3
Middle	27	54.0	49.8	6,069	59.8	51.2	50.1
Upper	15	30.0	34.3	3,128	30.8	38.7	35.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	50	100.0	100.0	10,142	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	14.3
Middle	5	62.5	49.2	983	57.7	53.1	50.1
Upper	3	37.5	36.9	722	42.3	37.6	35.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	8	100.0	100.0	1,705	100.0	100.0	100.0
Home Improvement							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	33.3	17.3	40	10.3	12.7	14.3
Middle	1	33.3	50.0	240	61.7	49.4	50.1
Upper	1	33.3	32.7	109	28.0	37.9	35.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	3	100.0	100.0	389	100.0	100.0	100.0
Multifamily Loans							% of Multifamily Units
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	100.0	67.5	600	100.0	60.8	38.6
Middle	0	0.0	17.5	0	0.0	8.5	30.2
Upper	0	0.0	15.0	0	0.0	30.7	31.2
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	1	100.0	100.0	600	100.0	100.0	100.0

Total Home Mortgage Loans							% of Owner-Occupied Units
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	10	16.1	15.7	1,585	12.3	12.5	14.3
Middle	33	53.2	49.3	7,292	56.8	49.5	50.1
Upper	19	30.6	35.1	3,959	30.8	38.0	35.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	62	100.0	100.0	12,836	100.0	100.0	100.0

*Source: 2023 FFIEC Census Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

Distribution of 2023 Small Business Lending by Income Level of Geography							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	1	7.7	22.1	35	3.3	23.9	28.4
Middle	9	69.2	43.0	840	78.7	46.5	38.0
Upper	3	23.1	34.4	192	18.0	29.5	33.6
Unknown	0	0.0	0.6	0	0.0	0.1	0.0
TOTAL	13	100.0	100.0	1,067	100.0	100.0	100.0

*Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

Northwest Arkansas Assessment Area

Distribution of 2023 Home Mortgage Lending by Borrower Income Level							
Borrower Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	Families by Family Income %
	#	# %	# %	\$	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0	4.4	0	0.0	1.9	18.2
Moderate	2	28.6	21.1	246	30.4	15.3	19.8
Middle	1	14.3	17.8	109	13.5	19.1	24.3
Upper	2	28.6	27.2	326	40.3	31.7	37.6
Unknown	2	28.6	29.4	128	15.8	32.0	0.0
TOTAL	7	100.0	100.0	809	100.0	100.0	100.0
Refinance							
Low	2	50.0	19.7	35	12.7	8.1	18.2
Moderate	1	25.0	18.2	85	30.9	11.8	19.8
Middle	0	0.0	16.7	0	0.0	12.3	24.3
Upper	1	25.0	30.3	155	56.4	40.1	37.6
Unknown	0	0.0	15.2	0	0.0	27.6	0.0
TOTAL	4	100.0	100.0	275	100.0	100.0	100.0
Home Improvement							
Low	0	0.0	0.0	0	0.0	0.0	18.2
Moderate	1	50.0	9.5	68	69.4	12.0	19.8
Middle	0	0.0	38.1	0	0.0	38.7	24.3
Upper	1	50.0	52.4	30	30.6	49.3	37.6
Unknown	0	0.0	0.0	0	0.0	0.0	0.0
TOTAL	2	100.0	100.0	98	100.0	100.0	100.0

Multifamily Loans							% of Multifamily Units
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
Total Home Mortgage Loans							Families by Family Income %
Low	2	15.4	7.7	35	3.0	3.7	18.2
Moderate	4	30.8	19.5	399	33.8	14.2	19.8
Middle	1	7.7	19.5	109	9.2	17.7	24.3
Upper	4	30.8	30.3	511	43.2	33.7	37.6
Unknown	2	15.4	23.0	128	10.8	30.8	0.0
TOTAL	13	100.0	100.0	1,182	100.0	100.0	100.0
<p><i>Source: 2023 FFIEC Census Data 2006–2010 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i></p>							

Distribution of 2023 Small Business Lending by Borrower Income Level								
Business Revenue and Loan Size		2023						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	6	50.0	58.4	445	57.0	57.5	88.8
	Over \$1 Million/ Unknown	6	50.0	41.6	336	43.0	42.5	11.2
	TOTAL	12	100.0	100.0	781	100.0	100.0	100.0
Loan Size	\$100,000 or Less	9	75.0	95.6	348	44.6	49.2	
	\$100,001–\$250,000	3	25.0	2.9	433	55.4	23.6	
	\$250,001–\$1 Million	0	0.0	1.5	0	0.0	27.2	
	Over \$1 Million	0	0.0	0.0	0	0.0	0.0	
	TOTAL	12	100.0	100.0	781	100.0	100.0	
Loan Size Revenue \$1 Million or Less	\$100,000 or Less	4	66.7		123	27.6		
	\$100,001–\$250,000	2	33.3		322	72.4		
	\$250,001–\$1 Million	0	0.0		0	0.0		
	Over \$1 Million	0	0.0		0	0.0		
	TOTAL	6	100.0		445	100.0		

Distribution of 2023 Home Mortgage Lending by Income Level of Geography							
Census Tract Income Level	Bank Loans		Aggregate HMDA Data	Bank Loans		Aggregate HMDA Data	% of Owner- Occupied Units
	#	# %	# %	\$	\$ %	\$ %	
Home Purchase Loans							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	7	100.0	100.0	809	100.0	100.0	100.0
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	7	100.0	100.0	809	100.0	100.0	100.0
Refinance							
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	4	100.0	100.0	275	100.0	100.0	100.0
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	4	100.0	100.0	275	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	0.0	0	0.0	0.0	0.0
Middle	2	100.0	100.0	98	100.0	100.0	100.0
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	2	100.0	100.0	98	100.0	100.0	100.0
Multifamily Loans							% of Multifamily Units
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	0	0.0	100.0	0	0.0	100.0	100.0
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	0	0.0	100.0	0	0.0	100.0	100.0

Total Home Mortgage Loans							% of Owner-Occupied Units
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	13	100.0	100.0	1,182	100.0	100.0	100.0
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	13	100.0	100.0	1,182	100.0	100.0	100.0

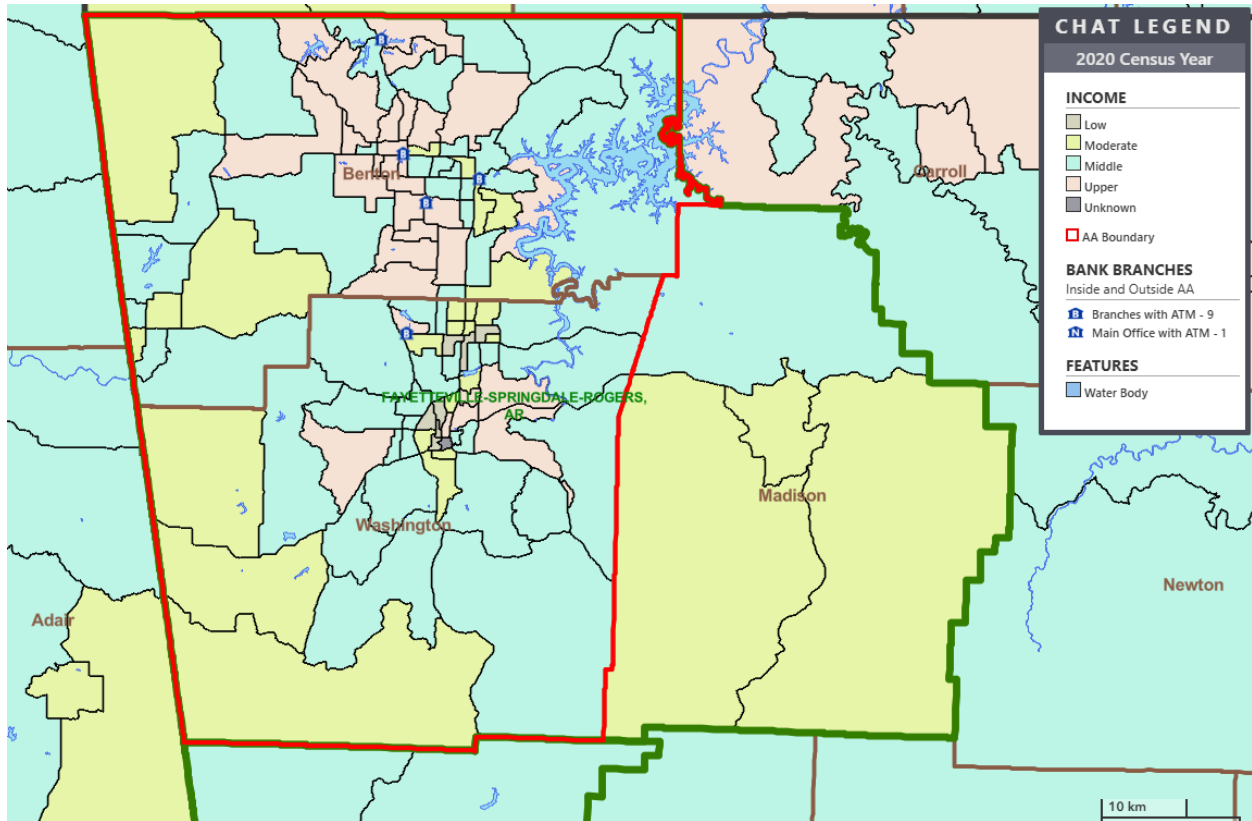
*Source: 2023 FFIEC Census Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

Distribution of 2023 Small Business Lending by Income Level of Geography							
Census Tract Income Level	Bank Small Business Loans		Aggregate of Peer Data	Bank Small Business Loans		Aggregate of Peer Data	% of Businesses
	#	# %	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	0	0.0	0.0	0	0.0	0.0	0.0
Middle	12	100.0	100.0	780	100.0	100.0	100.0
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	12	100.0	100.0	780	100.0	100.0	100.0

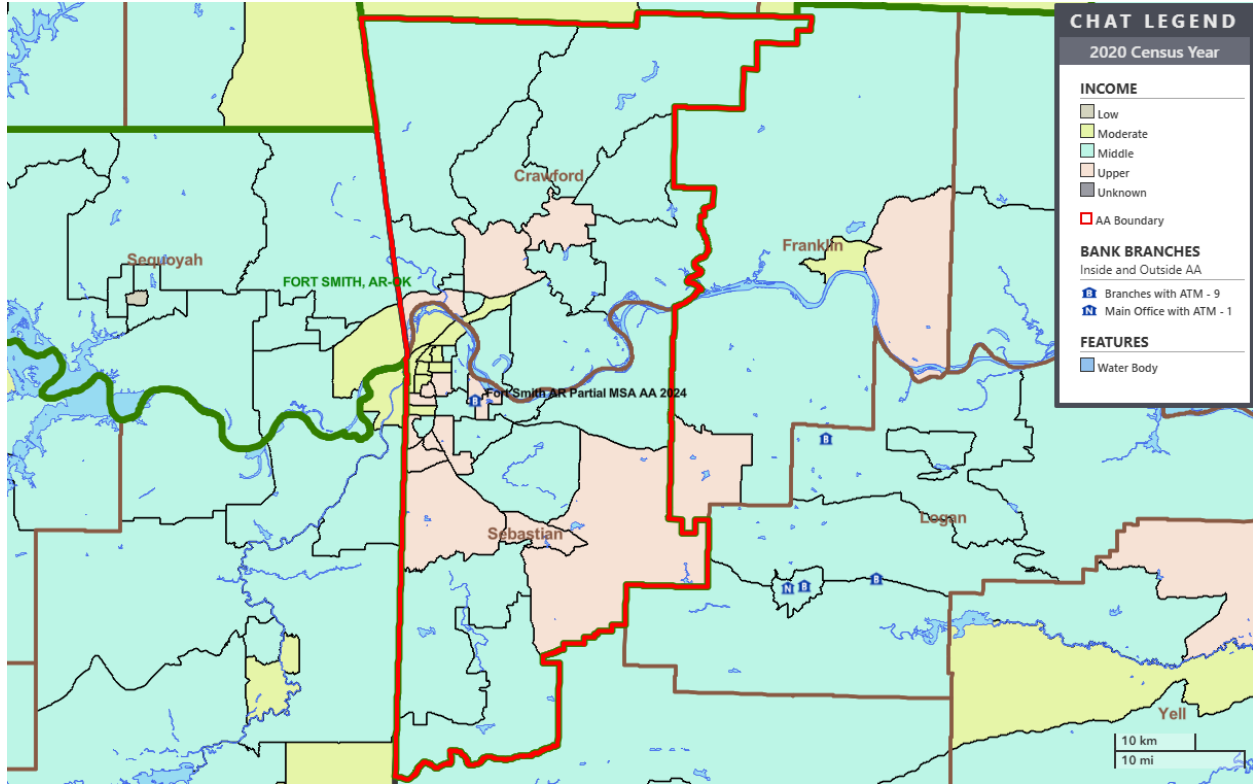
*Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2011–2015 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

APPENDIX B – Maps of Assessment Areas

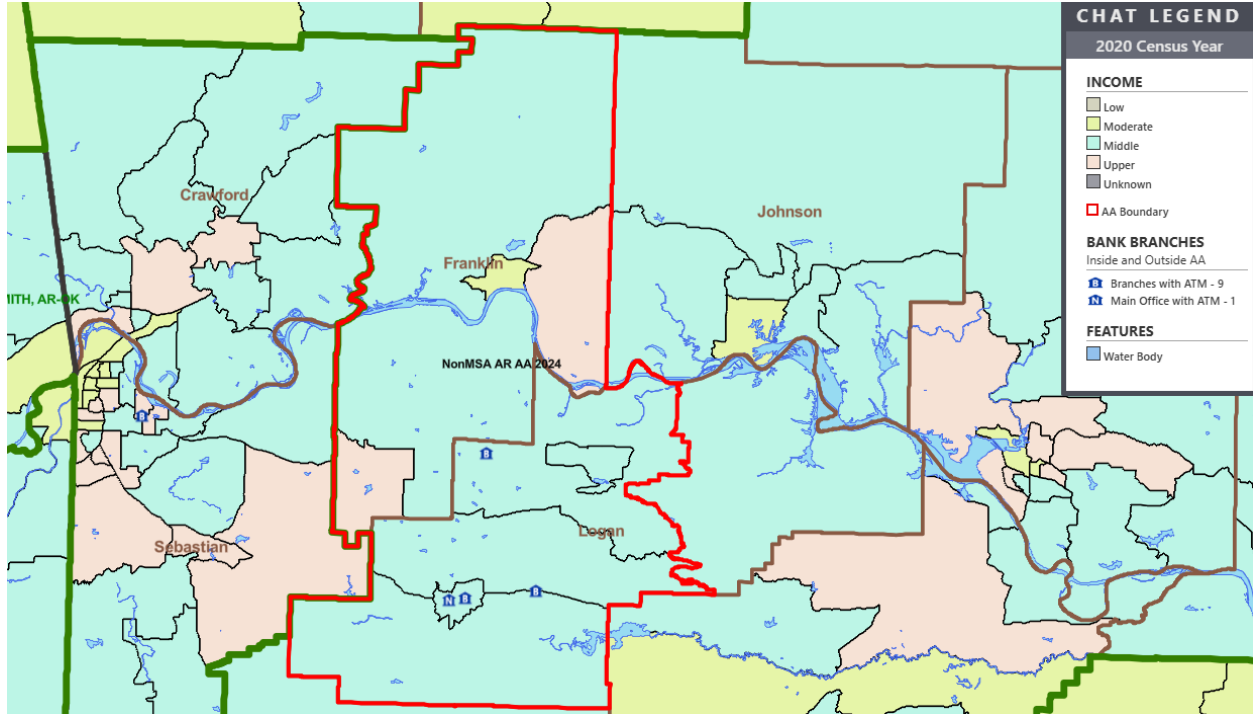
Partial Fayetteville MSA Assessment Area



Fort Smith Assessment Area



Northwest 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 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.