

PUBLIC DISCLOSURE

January 30, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Grand Savings Bank
Certificate Number: 32084

1022 S Main Street
Grove, Oklahoma 74344

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

600 North Pearl Street, Suite 700
Dallas, Texas 75201

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 this 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 RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas (AAs), including low- and moderate-income (LMI) neighborhoods, in a manner consistent with its resources and capabilities.

Grand Savings Bank's satisfactory Lending Test rating and its satisfactory Community Development Test rating support the overall Community Reinvestment Act (CRA) rating. The following points summarize conclusions regarding the applicable tests, discussed in detail elsewhere.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio (LTD) is reasonable (considering seasonal variations and taking into account lending-related activities), given the institution's size, financial condition, and AAs' credit needs.
- A majority of loans are in the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs.

DESCRIPTION OF INSTITUTION

Grand Savings Bank maintains its headquarters in Grove, Oklahoma. Grand Bancorp, a one-bank holding company also located in Grove, wholly owns the bank. The bank received a Satisfactory rating at its October 7, 2019 FDIC Performance Evaluation based on Intermediate Small Bank Procedures.

Grand Savings Bank functions as a retail bank operating three full-service offices in Oklahoma and ten full-service offices in Arkansas. Since the previous evaluation, the bank opened a new full-

service office located in a moderate-income census tract in Springdale, Arkansas. The bank did not close any branches or participate in any merger or acquisition activity since the previous evaluation.

The bank offers various loan products including commercial, home mortgage, agricultural, and consumer loans, primarily focusing on commercial lending followed by home mortgage lending. The institution also offered loans through the Small Business Administration (SBA) Paycheck Protection Program (PPP) and originated 1,106 PPP loans totaling approximately \$59.8 million during the evaluation period. The SBA, with support from the Department of the Treasury, implemented the PPP, which provides loans to encourage qualified businesses that meet certain standards established by the SBA to retain employees through the COVID-19 pandemic. The program includes loan forgiveness subject to certain conditions.

The bank provides a variety of deposit services including checking, savings, money market, certificate of deposit, and individual retirement accounts, as well as debit cards. Alternative banking services include online, mobile, and telephone banking; remote deposit capture; and 13 automated teller machines (ATMs).

As of December 31, 2022, the institution’s assets totaled approximately \$849.0 million, total loans equaled \$684.0 million, and total deposits equaled \$750.1 million. Since the prior evaluation, total assets increased by 70.3 percent, total loans increased by 71.0 percent, and total deposits increased by 69.9 percent. These changes partially resulted from expansion within an existing AA due to the opening of a new branch.

The following table illustrates the outstanding loan portfolio as of December 31, 2022, reflecting a distribution supportive of the institution’s business focus, with commercial loans representing the largest portion of the loan portfolio followed closely by home mortgage lending.

Loan Portfolio Distribution as of 12/31/2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	142,821	20.9
Secured by Farmland	38,054	5.6
Secured by 1-4 Family Residential Properties	212,755	31.1
Secured by Multifamily (5 or more) Residential Properties	7,789	1.1
Secured by Nonfarm Nonresidential Properties	166,921	24.4
Total Real Estate Loans	568,340	83.1
Commercial and Industrial Loans	58,765	8.6
Agricultural Production and Other Loans to Farmers	8,617	1.3
Consumer Loans	47,350	6.9
Obligations of State and Political Subdivisions in the U.S.	0	0.0
Other Loans	0	0.0
Lease Financing Receivable (net of unearned income)	939	0.1
Less: Unearned Income	0	0.0
Total Loans	684,011	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0.</i>		

Examiners did not identify any financial, legal, or other impediments that affected the institution’s ability to meet its AAs’ credit needs.

DESCRIPTION OF ASSESSMENT AREAS

Grand Savings Bank continues to operate in two rated areas: the State of Oklahoma, which includes one AA, and the State of Arkansas, which includes two AAs. The bank’s AAs meet the technical requirements of the CRA. The following table provides additional details regarding each AA. Refer to the individual AAs’ sections within each rated area for additional details.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Fayetteville MSA	Benton, Washington	81	9
Fort Smith MSA	Crawford,* Sebastian, and Sequoyah*	42	1
Oklahoma Non-MSA	Delaware, Le Flore*, Ottawa*	22	3

*Source: 2015 ACS Data; Bank Data. *Denotes partial counties.*

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated October 7, 2019, to the current evaluation dated January 30, 2023. Examiners used Intermediate Small Bank Procedures to evaluate Grand Savings Bank’s CRA performance. These procedures include two tests: the Lending Test and the Community Development Test. The appendix lists each tests’ criteria.

Examiners assigned ratings for both the State of Oklahoma and the State of Arkansas since the bank maintains full-service offices in each state. The following table shows that the bank engages in notably more activity in the State of Arkansas. Consequently, examiners placed more weight on the bank’s performance in the State of Arkansas in determining the institution’s overall rating.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Fayetteville MSA	173,965	68.9	370,723	51.9	9	69.2
Fort Smith MSA	24,011	9.5	11,626	1.6	1	7.7
Arkansas Subtotal	197,976	78.4	382,349	53.5	10	76.9
Oklahoma Non-MSA	54,447	21.6	332,253	46.5	3	23.1
Total	252,423	100.0	714,602	100.0	13	100.0

*Source: 2021 Bank Data; FDIC Summary of Deposits (6/30/2022).
Due to rounding, totals may not equal 100.0.*

Examiners applied full-scope procedures to the Fayetteville Metropolitan Statistical Area (MSA) AA since it maintains the highest concentration of the bank’s total loans and deposits as seen in the prior table. Examiners also used full-scope procedures to assess the bank’s performance in its

Oklahoma Non-MSA AA since a minimum of one AA from each rated area must be reviewed using full-scope procedures. Examiners applied limited-scope procedures to Fort Smith MSA AA since full-scope procedures were used for this AA at the prior evaluation. Please refer to the rated areas' sections for additional details.

Activities Reviewed

Intermediate Small Bank Procedures require examiners to determine the bank's major product lines from which to review. Examiners may select from the same loan categories used for Large Bank evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows bank lending activity for 2021.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	77,053	30.5	92	5.2
Secured by Farmland	12,745	5.1	36	2.0
Secured by 1-4 Family Residential Properties	57,873	22.9	229	13.0
Multi-Family (5 or more) Residential Properties	2,050	0.8	7	0.4
Commercial Real Estate Loans	54,540	21.6	127	7.2
Commercial and Industrial Loans	26,039	10.3	233	13.2
Agricultural Loans	2,533	1.0	85	4.8
Consumer Loans	19,590	7.8	958	54.2
Total Loans	252,423	100.0	1,767	100.0
<i>Source: 2021 Bank Data. Due to rounding, totals may not equal 100.0.</i>				

Considering the dollar volume and number of loans originated, as well as management's stated business strategy, examiners determined that the bank's major product lines consist of commercial and home mortgage lending. Since the other categories typically reviewed for CRA do not represent major product lines and thus would not materially affect any conclusions or ratings, this evaluation does not include a review of them. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

For the Lending Test, this evaluation includes a review of small business loans originated or purchased in 2021, which represents the most recent completed calendar year of available data. D&B data for 2021 provided a standard comparison for small business loans. This evaluation considers the following small business loans for the noted Lending Test performance factors:

- Assessment Area Concentration – universe of 339 small business loans totaling \$39.8 million;
- Geographic Distribution – universe of 298 small business loans totaling \$33.8 million originated in the bank's AAs; and
- Borrower Profile – random sample of 143 small business loans totaling \$16.1 million taken from the universe of loans used for the Geographic Distribution.

Grand Savings Bank reports home mortgage loans pursuant to the Home Mortgage Disclosure Act (HMDA). Therefore, this evaluation also includes a review of all home mortgage loans reported on the bank’s 2019, 2020, and 2021 HMDA Loan Application Registers (LARs), as follows:

- 2019: 140 home mortgage loans totaling \$25.3 million,
- 2020: 182 home mortgage loans totaling \$39.9 million, and
- 2021: 222 home mortgage loans totaling \$60.8 million.

Aggregate data served as the primary standard of comparison for home mortgage loans. Bank records indicate that while the volume of home mortgage lending increased since the previous evaluation, examiners did not identify any performance trends between the different years’ data that materially affect conclusions. Therefore, the geographic distribution and borrower profile analyses present home mortgage loan data for 2021, the most recent year for which aggregate data exists. However, the AA Concentration discussion includes home mortgage loan data for all years reviewed.

Examiners considered the universe of small business and home mortgage loans when determining loan product weighting. The following table shows that small business loans represent a majority by number, and home mortgage loans represent a majority by dollar of the loan categories reviewed. However, examiners placed slightly more weight on small business loans when arriving at conclusions due to the bank’s business strategy emphasis.

Loan Products Reviewed				
Loan Category	Universe			
	#	%	\$(000s)	%
Home Mortgage	222	39.6	60,820	60.5
Small Business	339	60.4	39,780	39.5
Total Loans	561	100.0	100,600	100.0
<i>Source: 2021 HMDA Data and 2021 Bank Data. Due to rounding, totals may not equal 100.0.</i>				

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans when arriving at conclusion for the performance factors because the number of loans better indicates the number of businesses and individuals served.

For the Community Development Test, the scope of the evaluation includes data provided by management on CD loans, QIs, and CD services since the prior evaluation. The evaluation of QIs also considers the book value of prior period QIs that remain outstanding as of this evaluation’s date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Grand Savings Bank demonstrated satisfactory performance regarding the Lending Test. A reasonable LTD ratio, reasonable records regarding geographic distribution and borrower profile,

and a majority of loans originated inside the AAs support this conclusion. The conclusions for each rated area remain consistent with the institution’s overall performance.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution’s size, financial condition, and AAs’ credit needs. The LTD ratio, calculated from Call Report data averaged 84.1 percent over the past 12 calendar quarters from December 31, 2019, to September 30, 2022, which slightly decreased from the 88.9 percent average net LTD ratio reported at the previous evaluation. The ratio ranged from a low of 78.0 percent as of June 30, 2021, to a high of 89.9 percent as of June 30, 2022.

Examiners identified and listed in the following table comparable institutions operating in similar areas, with comparable asset sizes and lending emphases. As illustrated, Grand Savings Bank’s average net LTD ratio falls only slightly lower and remains within a reasonable range of the comparable institutions.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	Total Assets as of 9/30/2022 (\$000s)	Average Net LTD Ratio (%)
Grand Savings Bank – Grove, Oklahoma	833,579	84.1
Generations Bank – Roger, Arkansas	807,704	91.9
Signature Bank – Fayetteville, Arkansas	934,763	98.4
Legacy National Bank – Springdale, Arkansas	918,989	90.3
<i>Source: Reports of Condition and Income 12/31/2019 - 9/30/2022.</i>		

Assessment Area Concentration

A majority of loans are in the institution’s AAs. The following table shows that Grand Savings Bank originated a majority of small business and home mortgage loans, by number and dollar volume, in the AAs.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	
Small Business	298	87.9	41	12.1	339	33,768	84.9	6,012	15.1	39,780
Home Mortgage										
2019	125	89.3	15	10.7	140	19,949	78.9	5,349	21.1	25,298
2020	168	92.3	14	7.7	182	36,412	91.3	3,479	8.7	39,891
2021	195	87.8	27	12.2	222	50,278	82.7	10,542	17.3	60,820
Subtotal	488	89.7	56	10.3	544	106,639	84.6	19,370	15.4	126,009
<i>Source: 2021 Bank Data and 2019, 2020, and 2021 HMDA LARs. Due to rounding, totals may not equal 100.0.</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. Reasonable records in the State of Arkansas and the State of Oklahoma support this conclusion. Examiners focused on the percentage by number of loans in LMI census tracts within the AAs when arriving at conclusions for this performance factor. Each rated area includes a more detailed discussion of the bank's geographic distribution performance.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes and individuals of different income levels. A reasonable record in the State of Arkansas outweighs an excellent record in the State of Oklahoma to support this conclusion. Examiners focused on the percentage by number of loans to businesses with gross annual revenue (GAR) of \$1 million or less and to LMI individuals within the AA when arriving at conclusions for this performance factor. Each rated area includes a more detailed discussion of the bank's borrower profile performance.

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

Grand Savings Bank demonstrated satisfactory performance regarding the Community Development Test. The institution's CD performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, QIs, and CD services as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs. The conclusions for each rated area remain consistent with the institution's overall performance.

Community Development Loans

The following table shows that since the prior evaluation, the bank originated 71 CD loans totaling approximately \$63.0 million. The total dollar amount equates to 9.0 percent of average total assets of \$702.1 million since the previous evaluation, and 11.8 percent of average net loans of \$534.4 million for the same period. These levels reflect a notable increase from the 3.3 percent of average total assets and 4.2 percent average net loans reported at the previous evaluation.

The CD loans proved responsive to the areas' needs given that nearly a majority of activities revitalized or stabilized qualifying geographies, which demonstrates the bank's excellent responsiveness to an identified CD need in both rated areas. The following tables illustrate the bank's CD lending activity by rated area, purpose, and year.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Oklahoma	0	0	3	591	0	0	31	17,292	34	17,883
State of Arkansas	2	10,890	3	6,185	9	13,843	23	14,203	37	45,121
Total	2	10,890	6	6,776	9	13,843	54	31,495	71	63,004

Source: Bank Data

Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	3	396	5	11,325	12	13,246	20	24,967
2021	2	10,890	2	2,380	3	2,316	26	9,026	33	24,612
2022	0	0	1	4,000	1	202	16	9,223	18	13,425
YTD 2023	0	0	0	0	0	0	0	0	0	0
Total	2	10,890	6	6,776	9	13,843	54	31,495	71	63,004

Source: Bank Data. *Since prior evaluation.

Qualified Investments

The following table shows that the bank made use of 209 QIs totaling \$6.1 million. The total dollar amount of QIs equates to 0.9 percent of average total assets since the previous evaluation and 13.7 percent of average securities of \$44.4 million for the same time period. This reflects a small increase from the 0.3 percent of average total assets reported at the previous evaluation.

As reflected in the following table, all of the QIs supported community service organizations that serve LMI individuals. These efforts demonstrate the bank's responsiveness to an identified CD need. The following tables illustrate the bank's QIs by rated area, purpose, and year.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Oklahoma	0	0	95	3,043	0	0	0	0	95	3,043
State of Arkansas	0	0	114	3,057	0	0	0	0	114	3,057
Total	0	0	209	6,100	0	0	0	0	209	6,100

Source: Bank Data.

Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019*	0	0	0	0	0	0	0	0	0	0
2020	0	0	14	3,148	0	0	0	0	14	3,148
2021	0	0	5	1,220	0	0	0	0	5	1,220
2022	0	0	8	1,598	0	0	0	0	8	1,598
YTD 2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	27	5,966	0	0	0	0	27	5,966
Qualified Grants & Donations	0	0	182	134	0	0	0	0	182	134
Total	0	0	209	6,100	0	0	0	0	209	6,100

Source: Bank Data. *Since prior evaluation.

Community Development Services

The following table shows that the bank provided 78 CD services since the prior evaluation. This level reflects a decrease over the 127 CD services at the prior evaluation. The services involve bank personnel's use of their technical expertise to benefit organizations or projects in the AAs with a primary purpose of CD, as defined by the CRA regulation. The CD services primarily benefited community service organizations that provide services to LMI individuals, which demonstrates the bank's responsiveness to an identified CD need in both rated areas. The following tables detail the bank's CD services by rated area, purpose, and year.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
State of Oklahoma	0	24	26	0	50
State of Arkansas	8	14	6	0	28
Total	8	38	32	0	78

Source: Bank Data.

Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019*	0	0	0	0	0
2020	2	11	9	0	22
2021	3	13	12	0	28
2022	3	14	11	0	28
YTD 2023	0	0	0	0	0
Total	8	38	32	0	78
<i>Source: Bank Data. *Since prior evaluation.</i>					

Regarding the availability of services, the bank operates one branch and one ATM in a moderate-income census tract. Additionally, the bank provides alternative delivery systems such as internet, mobile, and telephone banking as well as electronic bill pay that help avail the bank’s services to LMI individuals or geographies across all AAs.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank’s compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

STATE OF ARKANSAS

CRA RATING FOR ARKANSAS: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF ARKANSAS

As noted at the institution level, Grand Savings Bank designated two AAs in the State of Arkansas: the Fayetteville MSA AA and the Fort Smith MSA AA. Refer to the individual AAs' sections for additional details.

SCOPE OF EVALUATION – STATE OF ARKANSAS

The scope of the evaluation for the State of Arkansas remains consistent with that discussed for the institution as a whole. Refer to the institution level Scope of Evaluation section for details. The following table shows that the Fayetteville MSA AA generated a significant percentage of the bank's loans and deposits in the State of Arkansas. Consequently, examiners weighed performance in the Fayetteville MSA AA heaviest when arriving at applicable conclusions and ratings for this rated area.

Assessment Area Breakdown of Loans, Deposits, and Branches State of Arkansas						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Fayetteville MSA	173,965	87.9	370,723	97.0	9	90.0
Fort Smith MSA	24,011	12.1	11,626	3.0	1	10.0
Total	197,976	100.0	382,349	100.0	10	100.0

*Source: 2021 Bank Data; FDIC Summary of Deposits (6/30/2022).
Due to rounding, totals may not equal 100.0.*

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF ARKANSAS

LENDING TEST

Grand Savings Bank demonstrated a satisfactory Lending Test record in the State of Arkansas. Reasonable records regarding geographic distribution and borrower profile support this conclusion. The Fayetteville MSA AA demonstrated consistent performance while the Fort Smith MSA AA demonstrated inconsistent performance.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the State of Arkansas. Consistent performance in the Fayetteville MSA AA supports this conclusion. The Fort Smith MSA AA demonstrated inconsistent performance.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes and individuals of different income levels in the State of Arkansas. Consistent performance in the Fayetteville MSA AA supports this conclusion. The Fort Smith MSA AA demonstrated inconsistent performance.

COMMUNITY DEVELOPMENT TEST

Grand Savings Bank demonstrated a satisfactory Community Development Test record in the State of Arkansas. The institution’s CD performance demonstrates adequate responsiveness to CD needs in the State of Arkansas through CD loans, QIs, and CD services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for CD in the institution’s AAs. Both the Fayetteville MSA AA and the Fort Smith MSA AA demonstrated consistent performance.

Community Development Loans

The following table shows that since the prior evaluation, the bank originated 37 CD loans totaling over \$45.1 million in the State of Arkansas. This level reflects an increase over the 30 CD loans totaling \$7.2 million in this rated area at the prior evaluation. The current dollar amount equates to 71.6 percent of the bank’s total CD loans compared to this rated area contributing 78.4 percent of the dollar volume of the bank’s total loans. The largest portion of the CD loans revitalized or stabilized designated areas, which demonstrates appropriate responsiveness to identified CD needs in both AAs.

Community Development Lending by Assessment Area State of Arkansas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fayetteville MSA	1	10,000	3	6,185	9	13,843	12	9,256	25	39,284
Fort Smith MSA	1	890	0	0	0	0	11	4,947	12	5,837
Total	2	10,890	3	6,185	9	13,843	23	14,203	37	45,121
<i>Source: Bank Data</i>										

Qualified Investments

The following table shows that the bank made use of 114 QIs totaling nearly \$3.1 million in the State of Arkansas. These levels reflect an increase over the 83 QIs totaling \$232,000 noted in the prior evaluation. The current dollar amount represents 50.1 percent of the bank’s total QIs,

compared to 53.5 percent of the bank’s total deposits in this rated area. Although all of the QIs supported community services, this proves responsive to an identified CD needs in both AAs.

Qualified Investments by Assessment Area State of Arkansas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fayetteville MSA	0	0	108	2,547	0	0	0	0	108	2,547
Fort Smith MSA	0	0	6	510	0	0	0	0	6	510
Total	0	0	114	3,057	0	0	0	0	114	3,057

Source: Bank Data

Community Development Services

The following table shows that the bank provided 28 CD services in this rated area since the prior evaluation. The current figure represents 35.9 percent of the bank’s total CD services, compared to this rated area containing 76.9 percent of the bank’s total branches. The figure reflects a decrease from the 56 CD services noted at the prior evaluation.

Community Development Services by Assessment Area State of Arkansas					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Fayetteville MSA	8	12	6	0	26
Fort Smith MSA	0	2	0	0	2
Total	8	14	6	0	28

Source: Bank Data

Furthermore, the bank operates one branch and one ATM in a moderate-income census tract in the State of Arkansas. Alternative delivery systems in the State of Arkansas remain consistent with that discussed at the institution level.

FAYETTEVILLE MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN FAYETTEVILLE MSA AA

The Fayetteville MSA AA now includes all of Benton and Washington counties, which represent two of the three counties that comprise the Fayetteville-Springdale-Rogers MSA. This reflects a change from the prior evaluation where the bank designated only certain portions of each county as its AA. The bank operates nine full-service branches, one of which is new since the prior evaluation, each with an ATM, in this AA. The branches maintain hours consistent with the area and the industry. The delivery systems and range of products and services remain consistent with those reflected in the overall Description of Institution Section of this performance evaluation.

Economic and Demographic Data

Based on 2015 ACS Data, the AA’s 81 census tracts consist of 2 low-, 15 moderate-, 39 middle-, and 25 upper-income tracts. The following table provides select demographic characteristics for the AA.

Demographic Information of the Assessment Area Fayetteville MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	81	2.5	18.5	48.1	30.9	0.0
Population by Geography	454,630	2.6	20.3	44.3	32.8	0.0
Housing Units by Geography	185,720	3.1	19.5	44.0	33.4	0.0
Owner-Occupied Units by Geography	102,054	0.7	15.4	46.2	37.7	0.0
Occupied Rental Units by Geography	65,338	6.8	26.6	39.4	27.3	0.0
Vacant Units by Geography	18,328	3.1	17.2	48.6	31.1	0.0
Businesses by Geography	30,797	1.8	16.6	44.6	37.0	0.0
Farms by Geography	1,043	1.1	14.3	51.6	33.1	0.0
Family Distribution by Income Level	114,420	19.5	18.2	20.2	42.0	0.0
Household Distribution by Income Level	167,392	22.3	16.5	18.4	42.7	0.0
Median Family Income MSA-Fayetteville-Springdale-Rogers, AR MSA	\$60,876		Median Housing Value			\$157,293
			Median Gross Rent			\$757
			Families Below Poverty Level			10.9%
<i>Source: 2015 ACS Data and 2021 D&B Data. Due to rounding, totals may not equal 100.0.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

On September 13, 2019, FEMA made a disaster declaration affecting Washington County due to severe storms, tornadoes, straight-line winds, and flooding. On March 29, 2020, FEMA made a disaster declaration affecting both counties due to the COVID-19 pandemic.

According to Moody’s Analytics, the Fayetteville MSA’s largest employers include: Walmart Stores, Inc., University of Arkansas, Tyson Foods, Inc., and J.B. Hunt Transport Services, Inc. The following tables show annual unemployment rates over the evaluation period for the AA, State of Arkansas, and nationwide, which show notable increases in 2020 for all areas as a result of the COVID-19 pandemic.

Annual Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Benton County	2.6	4.5	2.8
Washington County	2.4	4.7	2.9
State of Arkansas	3.5	6.1	4.0
National Average	3.4	6.5	3.7
<i>Source: Bureau of Labor Statistics.</i>			

Examiners use the applicable FFIEC-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2021 FFIEC-updated median family income of \$71,200 for the Fayetteville-Springdale-Rogers MSA.

Median Family Income Ranges – Fayetteville-Springdale-Rogers, AR MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$71,200)	<\$35,600	\$35,600 to <\$56,960	\$56,960 to <\$85,440	≥\$85,440
<i>Source: FFIEC.</i>				

Competition

The AA reflects a moderate level of competition for financial services, considering the AA’s total population. According to the FDIC Deposit Market Share report as of June 30, 2022, 33 financial institutions operate 185 offices within the bank’s AA. Of these institutions, Grand Savings Bank ranked 11th with a 2.2 percent deposit market share.

Community Contact

As part of the evaluation process examiners obtain information from third parties knowledgeable of the AA to assist in identifying needs of the area. This information helps determine financial institutions’ responsiveness to these needs and shows available credit and CD opportunities. Examiners reviewed an existing community contact with a representative of a local government agency who is knowledgeable of the area’s business environment. The contact indicated a strong overall economy due to two large company headquarters (Tyson and Walmart) operating in the area. The contact noted that community and credit needs of the community include affordable housing and small business loans. Both needs remain in demand to support the significant growth in the region. The contact stated that local banks generally appropriately serve the credit needs of the community.

Credit and Community Development Needs and Opportunities

Considering information obtained from bank management, the community contact, as well as demographic and economic data, examiners determined commercial lending, especially for small businesses, represent a primary credit needs of the AA. Regarding the area’s CD needs, demographic data shows 37.7 percent of the area’s families reported low- or moderate-incomes, which suggests a need for activities that provide community services to these families. Additionally, the disaster declarations suggest a need for activities that revitalize or stabilize affected areas, and the community contact information suggests a need for affordable housing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FAYETTEVILLE MSA AA

LENDING TEST

Grand Savings Bank demonstrated a satisfactory record in the Fayetteville MSA AA regarding the Lending Test. Reasonable records regarding geographic distribution and borrower profile support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Fayetteville MSA AA. Reasonable performance regarding small business lending outweighs excellent performance regarding home mortgage lending to support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the AA. Reasonable performance in LMI census tracts supports this conclusion. According to the following table, the bank’s level of lending in low-income census tracts falls slightly below aggregate data by 1.2 percentage points, reflecting reasonable performance. The table further shows that the bank’s lending performance in moderate-income census tracts falls below demographic data by 6.2 percentage points, yet remains within a reasonable range.

Geographic Distribution of Small Business Loans Fayetteville MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	1.8	1	0.6	799	3.8
Moderate	16.6	18	10.4	2,201	10.4
Middle	44.6	109	63.0	12,100	57.4
Upper	37.0	45	26.0	5,997	28.4
Totals	100.0	173	100.0	21,097	100.0

Source: 2021 D&B Data; 2021 Bank Data.
Due to rounding, totals may not equal 100.0.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the AA. Excellent performance in moderate-income census tracts outweighs reasonable performance in low-income census tracts to support this conclusion. The following table shows that the bank’s level of lending in low-income census tracts slightly exceeds aggregate data by 0.3 percentage points, reflecting reasonable performance. The bank’s level of lending in moderate-income census tracts notably exceeds aggregate data by 13.3 percentage points, reflecting excellent performance. Given the limited opportunities in low-income census tracts as indicated by the demographic and aggregate data, examiners gave more weight to the institution’s performance in moderate-income census tracts when arriving at an overall conclusion.

Geographic Distribution of Home Mortgage Loans Fayetteville MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.7	0.5	1	0.8	620	1.9
Moderate	15.4	10.7	29	24.0	8,806	26.7
Middle	46.2	41.6	65	53.7	15,099	45.7
Upper	37.7	47.3	26	21.5	8,482	25.7
Totals	100.0	100.0	121	100.0	33,007	100.0

Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data.
Due to rounding, totals may not equal 100.0.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses of different sizes and individuals of different income levels. Reasonable small business lending performance outweighs poor home mortgage lending performance to support this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes. As shown in the following table, Grand Savings Bank originated more than eight out of ten small business loans to businesses with GARs of \$1 million or less, which reflects a similar level compared to demographic data and evidences reasonable performance.

Distribution of Small Business Loans by Gross Annual Revenues Fayetteville MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	52.0	22	25.9	1,191	12.7
\$100,000 - \$249,999	21.6	26	30.6	2,569	27.4
\$250,000 - \$499,999	6.1	10	11.8	2,126	22.7
\$500,000 - \$1,000,000	3.4	14	16.5	1,796	19.2
Subtotal <= \$1,000,000	83.1	72	84.8	7,682	82.0
>\$1,000,000	4.5	11	12.9	1,389	14.8
Revenue Not Available	12.5	2	2.4	302	3.2
Total	100.0	85	100.0	9,373	100.0

Source: 2021 D&B Data, 2021 Bank Data.
Due to rounding, totals may not equal 100.0.

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among individuals of different income levels. A poor record of lending to moderate-income borrowers outweighs a reasonable record to low-income borrowers to support this conclusion. As shown in the following table, the bank's level of lending to low-income borrowers slightly exceeds aggregate data by 0.6 percentage points,

reflecting reasonable performance. The table further shows that the level of lending to moderate-income borrowers falls below aggregate data by 9.9 percent points, reflecting poor performance. Given the larger loan demand and opportunities to moderate-income borrowers as represented by the aggregate data, the analysis placed more weight on lending to moderate-income borrowers when arriving at an overall conclusion.

Distribution of Home Mortgage Loans by Borrower Income Level Fayetteville MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.5	5.2	7	5.8	588	1.8
Moderate	18.2	13.2	4	3.3	410	1.2
Middle	20.2	17.7	16	13.2	2,463	7.5
Upper	42.0	41.8	35	28.9	8,265	25.0
Not Available	0.0	22.0	59	48.8	21,281	64.5
Totals	100.0	100.0	121	100.0	33,007	100.0

*Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data.
Due to rounding, totals may not equal 100.0.*

COMMUNITY DEVELOPMENT TEST

The bank demonstrated a satisfactory record regarding the Community Development Test in the Fayetteville MSA AA. The institution’s CD performance demonstrates adequate responsiveness to CD needs in the Fayetteville MSA AA through CD loans, CD services, and QIs, as appropriate considering the institution’s capacity and the need and availability of such opportunities for CD in the institution’s AA.

Community Development Loans

As noted within the rated area level, the bank originated 25 CD loans totaling \$39.3 million in the Fayetteville MSA AA. This figure reflects a significant increase from the 10 CD loans totaling approximately \$2.8 million reported for the prior evaluation. This level equates to 87.1 percent of the bank’s total CD loans by dollar volume in the State of Arkansas. As previously noted, this AA contained 87.9 percent of total loans in the State of Arkansas.

The following point highlights an example of a CD loan in the Fayetteville MSA AA.

- **Revitalize/Stabilize** – The bank originated a \$2.0 million loan to a commercial entity for working capital allowing the business to provide employment opportunities in a moderate-income tract. This activity revitalizes or stabilizes a qualifying geography by helping to attract new or retain existing businesses or residents.

Qualified Investments

As noted under the rated area level, the bank made use of 108 QIs totaling \$2.5 million in this AA. This level reflects an increase from the 80 QIs totaling \$229,126 reported in the prior evaluation. The current dollar amount represents 83.3 percent of the bank's total QIs in the State of Arkansas, compared to this AA containing 97.0 percent of the bank's deposits in the State of Arkansas.

The following lists an example of a QI in the Fayetteville MSA AA.

- ***Community Service*** – The bank invested \$100,000 in a school bond in a district in the AA in which a majority of the students receive free or reduced lunches. The funds addressed specific infrastructure needs, such as building renovations and construction of an educational facility.

Community Development Services

As noted under the rated area level, the bank provided 26 CD services in the Fayetteville MSA AA, which represents 92.9 percent of the bank's CD services in the State of Arkansas. Comparatively, this AA contains 90.0 percent of the bank's total branches in the State of Arkansas.

The following point highlights an example of a CD service in the Fayetteville MSA AA.

- ***Affordable Housing*** – A bank officer serves as a Board member of an organization with its primary focus on building housing for low-income households.

The bank operates one branch and one ATM in a moderate-income census tract in this AA. The alternative delivery systems in the Fayetteville MSA AA remain consistent with that discussed at the institution level.

FORT SMITH MSA AA – Limited-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FORT SMITH MSA AA

The Fort Smith MSA AA includes all of Sebastian County, Arkansas; 9 of 11 census tracts in western Crawford County, Arkansas; and 7 of 9 tracts in eastern Sequoyah County, Oklahoma. These counties represent three of the four counties that comprise the Fort Smith, Arkansas-Oklahoma MSA. The AA boundaries changed since the previous evaluation. Previously, Le Flore County was considered part of the Fort Smith, Arkansas-Oklahoma MSA. The Office of Management and Budget (OMB) re-classified Le Flore County as part of the non-metropolitan area of Oklahoma in September 2018. Therefore, although the bank still designates a portion of Le Flore County as part of an AA, it is no longer part of the Fort Smith MSA AA and is included within the Oklahoma Non-MSA AA.

Grand Savings Bank operates one full-service branch with an ATM in this AA located in Sebastian County. The Fort Smith MSA AA's 42 census tracts reflect the following income designations

based on 2015 ACS data: 13 moderate-, 19 middle-, and 10 upper-income tracts. The following table notes certain demographic data for the area.

Demographic Information of the Assessment Area Fort Smith MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	0.0	31.0	45.2	23.8	0.0
Population by Geography	212,677	0.0	25.5	50.7	23.8	0.0
Housing Units by Geography	91,668	0.0	25.5	50.4	24.0	0.0
Owner-Occupied Units by Geography	53,460	0.0	17.0	55.7	27.3	0.0
Occupied Rental Units by Geography	28,112	0.0	39.4	40.0	20.6	0.0
Vacant Units by Geography	10,096	0.0	32.2	51.6	16.2	0.0
Businesses by Geography	11,929	0.0	27.4	45.9	26.8	0.0
Farms by Geography	356	0.0	16.3	56.5	27.2	0.0
Family Distribution by Income Level	56,162	22.4	17.5	18.5	41.6	0.0
Household Distribution by Income Level	81,572	24.4	15.9	16.7	43.0	0.0
Median Family Income MSA - Fort Smith, AR-OK MSA	\$48,258		Median Housing Value			\$111,390
			Median Gross Rent			\$628
			Families Below Poverty Level			17.6%

*Source: 2015 ACS Data and 2021 D&B Data. Due to rounding, totals may not equal 100.0.
(*) The NA category consists of geographies that have not been assigned an income classification.*

The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2021 FFIEC-updated median family income of \$54,100 for the Fort Smith, Arkansas-Oklahoma MSA.

Median Family Income Ranges – Fort Smith, AR-OK MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$54,100)	<\$27,050	\$27,050 to <\$43,280	\$43,280 to <\$64,920	≥\$64,920

Source: FFIEC.

CONCLUSIONS ON PERFORMANCE CRITERIA IN FORT SMITH MSA AA

LENDING TEST

The institution’s lending performance in Fort Smith MSA AA is below the lending performance for the State of Arkansas; however, it does not change the overall rating.

Geographic Distribution

Small Business Loans

Geographic Distribution of Small Business Loans Fort Smith MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	27.4	1	7.7	480	14.2
Middle	45.9	5	38.4	1,598	47.4
Upper	26.8	7	53.9	1,297	38.4
Totals	100.0	13	100.0	3,375	100.0
Source: 2021 D&B Data; 2021 Bank Data. Due to rounding, totals may not equal 100.0.					

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans Fort Smith MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	17.0	14.6	9	75.0	3,013	39.7
Middle	55.7	53.8	1	8.3	32	0.4
Upper	27.3	31.6	2	16.7	4,547	59.9
Totals	100.0	100.0	12	100.0	7,592	100.0
Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data. Due to rounding, totals may not equal 100.0.						

Borrower Profile

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenues Fort Smith MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	47.6	0	0.0	0	0.0
\$100,000 - \$249,999	21.1	1	11.1	49	1.8
\$250,000 - \$499,999	6.5	3	33.3	1,452	53.9
\$500,000 - \$1,000,000	4.1	0	0.0	0	0.0
Subtotal <= \$1,000,000	79.3	4	44.4	1,501	55.7
>\$1,000,000	6.6	5	55.6	1,195	44.3
Revenue Not Available	14.0	0	0.0	0	0.0
Total	100.0	9	100.0	2,696	100.0

*Source: 2021 D&B Data, 2021 Bank Data.
Due to rounding, totals may not equal 100.0.*

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level Fort Smith MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	22.4	4.4	0	0.0	0	0.0
Moderate	17.5	12.9	0	0.0	0	0.0
Middle	18.5	17.8	0	0.0	0	0.0
Upper	41.6	38.0	4	33.3	812	10.7
Not Available	0.0	26.9	8	66.7	6,780	89.3
Totals	100.0	100.0	12	100.0	7,592	100.0

*Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data.
Due to rounding, totals may not equal 100.0.*

COMMUNITY DEVELOPMENT TEST

The institution's CD performance in the Fort Smith MSA AA is consistent with the institution's CD performance in the State of Arkansas. Refer to the rated area Community Development Test section for details on CD activities in the Fort Smith MSA AA.

STATE OF OKLAHOMA – Full-Scope Review

CRA RATING FOR STATE OF OKLAHOMA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN STATE OF OKLAHOMA

Grand Savings Bank designated one AA in the State of Oklahoma: the Oklahoma Non-MSA AA. The Oklahoma Non-MSA AA consists of all of Delaware County, 6 of 12 census tracts in northern Le Flore County, and 7 of 9 census tracts in southern Ottawa County. As discussed previously, this AA changed since the prior evaluation due to the OMB MSA boundary changes. The AA also changed as a result of the bank adding four census tracts in Ottawa County since the prior evaluation.

The bank operates three branches, each with an ATM, in this AA: two in Delaware County and one in Ottawa County. All offices in this AA maintain hours consistent with the area and the industry. The delivery systems and range of products and services remain consistent with those reflected in the overall Description of Institution Section of this performance evaluation.

Economic and Demographic Data

Based on 2015 ACS Data, the AA's 22 census tracts include 4 moderate- and 18 middle-income census tracts. The following table provides select demographic characteristics for this AA.

Demographic Information of the Assessment Area Oklahoma Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	22	0.0	18.2	81.8	0.0	0.0
Population by Geography	90,313	0.0	14.5	85.5	0.0	0.0
Housing Units by Geography	46,424	0.0	12.5	87.5	0.0	0.0
Owner-Occupied Units by Geography	25,924	0.0	11.5	88.5	0.0	0.0
Occupied Rental Units by Geography	9,202	0.0	20.6	79.4	0.0	0.0
Vacant Units by Geography	11,298	0.0	8.0	92.0	0.0	0.0
Businesses by Geography	5,968	0.0	14.1	85.9	0.0	0.0
Farms by Geography	405	0.0	10.9	89.1	0.0	0.0
Family Distribution by Income Level	23,882	25.0	18.5	21.0	35.5	0.0
Household Distribution by Income Level	35,126	27.0	17.5	17.4	38.1	0.0
Median Family Income – Oklahoma Non-MSA	\$51,491		Median Housing Value			\$101,685
			Median Gross Rent			\$618
			Families Below Poverty Level			16.2%
<i>Source: 2015 ACS Data and 2021 D&B Data. Due to rounding, totals may not equal 100.0.</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

FEMA made a disaster declaration on June 1, 2019, affecting Le Flore and Ottawa counties due to severe storms, tornadoes, straight-line winds, and flooding and on February 24, 2021, for both counties for severe winter storms. On March 29, 2020, FEMA made a disaster declaration affecting all counties due to the COVID-19 pandemic. Additionally, the AA contained 18 census tracts classified as distressed or underserved during the evaluation period.

According to Moody's Analytics, the area's largest employers include Grove Public Schools, Indigo Sky Casino, and Integris Health, Inc. The following table shows annual unemployment rates over the evaluation period for the AA, State of Oklahoma, and nationwide, which reflects notable increases in all areas in 2020 as a result of the COVID-19 pandemic.

Annual Unemployment Rates			
Area	2019	2020	2021
	%	%	%
Delaware County	3.6	5.4	3.3
Le Flore County	4.5	7.1	4.7
Ottawa County	3.2	5.8	3.2
State of Oklahoma	3.1	6.2	3.8
National Average	3.4	6.5	3.7
<i>Source: Bureau of Labor Statistics.</i>			

The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2021 FFIEC-updated median family income of \$58,100 for the non-MSA of Oklahoma.

Median Family Income Ranges – Oklahoma Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$58,100)	<\$29,050	\$29,050 to <\$46,480	\$46,480 to <\$69,720	≥\$69,720
<i>Source: FFIEC.</i>				

Competition

The AA reflects a moderate level of competition for financial services. According to the FDIC Deposit Market Share report as of June 30, 2022, 18 financial institutions operate 41 offices within the counties comprising the bank’s AA. Of these institutions, Grand Savings Bank ranked 2nd with a 13.8 percent deposit market share.

Community Contact

Examiners reviewed an existing community contact with a representative of an economic development organization located in the AA. The contact described the area’s current economic conditions as improving and highly dependent on manufacturing industries. The contact stated that the area experienced noticeable growth, despite the COVID-19 pandemic, and specified needs for manufacturing, small business, and agricultural lending. Overall, the contact indicated that local financial institutions remain heavily involved in the community and actively support the area’s credit needs.

Credit and Community Development Needs and Opportunities

Considering information obtained from bank management, the community contact, as well as demographic and economic data, examiners determined a variety of needs exist, one of which includes small business loans. Regarding the area’s CD needs, demographic data shows 43.5 percent of the area’s families reported low- or moderate-incomes, which suggests a need for activities that provide community services to these families. Additionally, the disaster declarations and distressed or underserved designations suggest a need for activities that revitalize or stabilize such geographies.

SCOPE OF EVALUATION – STATE OF OKLAHOMA

The scope of the evaluation for the State of Oklahoma remains consistent with that discussed for the institution as a whole. Refer to the institution level Scope of Evaluation Section for details.

CONCLUSIONS ON PERFORMANCE CRITERIA IN STATE OF OKLAHOMA

LENDING TEST

Grand Savings bank demonstrated a satisfactory record regarding the Lending Test in the State of Oklahoma. A reasonable geographic distribution outweighs an excellent borrower profile to support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the State of Oklahoma. Reasonable performance regarding small business and home mortgage lending supports this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Oklahoma Non-MSA AA. The following table shows that the bank’s level of lending in moderate-income census tracts exceeds demographic data by 2.0 percentage points, reflecting reasonable performance.

Geographic Distribution of Small Business Loans Oklahoma Non-MSA AA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	0.0	0	0.0	0	0.0
Moderate	14.1	18	16.1	1,153	12.4
Middle	85.9	94	83.9	8,143	87.6
Upper	0.0	0	0.0	0	0.0
Totals	100.0	112	100.0	9,296	100.0
<small>Source: 2021 D&B Data; 2021 Bank Data. Due to rounding, totals may not equal 100.0.</small>					

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the Oklahoma Non-MSA AA. Reasonable performance in moderate-income census tracts supports this conclusion. The following table shows that the bank’s lending performance in moderate-income census tracts exceeds aggregate data by 7.9 percentage points, which remains within a reasonable range.

Geographic Distribution of Home Mortgage Loans Oklahoma Non-MSA AA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	0.0	0.0	0	0.0	0	0.0
Moderate	11.5	8.2	10	16.1	1,019	10.5
Middle	88.5	91.8	52	83.9	8,660	89.5
Upper	0.0	0.0	0	0.0	0	0.0
Totals	100.0	100.0	62	100.0	9,679	100.0

*Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data.
Due to rounding, totals may not equal 100.0.*

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, excellent penetration among businesses of different sizes and individuals of different income levels in the AA. Excellent small business lending performance sufficiently outweighs poor home mortgage lending performance to support this conclusion.

Small Business Loans

The distribution of borrowers reflects excellent penetration among businesses of different sizes. As shown in the following table, all of the small business loans were originated to businesses with GARs of \$1 million or less, reflecting excellent performance. The table also shows that the bank granted over 90 percent of the loans to the two smallest revenue categories, further supporting excellent performance.

Distribution of Small Business Loans by Gross Annual Revenues Oklahoma Non-MSA AA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	57.7	21	42.8	1,094	27.3
\$100,000 - \$249,999	21.2	24	49.0	2,166	54.0
\$250,000 - \$499,999	4.5	4	8.2	753	18.7
\$500,000 - \$1,000,000	2.6	0	0.0	0	0.0
Subtotal <= \$1,000,000	86.0	49	100.0	4,013	100.0
>\$1,000,000	3.7	0	0.0	0	0.0
Revenue Not Available	10.3	0	0.0	0	0.0
Total	100.0	49	100.0	4,013	100.0

*Source: 2021 D&B Data, 2021 Bank Data.
Due to rounding, totals may not equal 100.0.*

Home Mortgage Loans

The distribution of borrowers reflects poor penetration among individuals of different income levels. Poor performance to moderate-income borrowers outweighs reasonable performance to low-income borrowers to support this conclusion. The following table shows the bank's lending low-income borrower's rises slightly above aggregate data by 0.4 percentage points, indicative of reasonable performance. The bank's lending to moderate-income borrowers falls 10.9 percentage points below the aggregate data, reflective of poor performance. Examiners placed more weight on performance to moderate-income borrowers given the larger loan demand and opportunity to lend, as represented by the aggregate data.

Distribution of Home Mortgage Loans by Borrower Income Level Oklahoma Non-MSA AA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	25.0	4.4	3	4.8	193	2.0
Moderate	18.5	12.5	1	1.6	47	0.5
Middle	21.0	16.8	17	27.4	1,749	18.1
Upper	35.5	40.8	34	54.9	6,099	63.0
Not Available	0.0	25.4	7	11.3	1,591	16.4
Totals	100.0	100.0	62	100.0	9,679	100.0

*Source: 2015 ACS Data; 2021 HMDA LAR and Aggregate Data.
Due to rounding, totals may not equal 100.0.*

COMMUNITY DEVELOPMENT TEST

The bank demonstrated a satisfactory record regarding the Community Development Test in the State of Oklahoma. The institution's CD performance demonstrates adequate responsiveness to CD needs in the State of Oklahoma through CD loans, QIs, and CD services, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AA.

Community Development Loans

As noted in the institution level section, the bank originated 34 CD loans totaling \$17.9 million in the State of Oklahoma. These levels reflect a decrease in number, but an increase in dollar amount over the 42 loans totaling \$7.1 million in this AA at the prior evaluation. The current dollar amount equates to 28.4 percent of the bank's total CD loans. As noted, this rated area contributed 21.6 percent of the bank's total dollar volume of loans.

The following point highlights an example of a CD loan in the Oklahoma Non-MSA AA.

- **Revitalize/Stabilize** – The bank originated a \$1.7 million loan to a commercial entity for working capital allowing the business to purchase additional equipment to expand and provide employment opportunities in a distressed and underserved middle-income census

tract in the Oklahoma Non-MSA AA. This activity revitalizes or stabilizes a qualifying geography by helping to attract new or retain existing businesses or residents.

Qualified Investments

The bank made use of 95 QIs totaling \$3.0 million in the State of Oklahoma as noted in the institution level section. This reflects an increase from the 34 CD loans totaling \$1.0 million in this AA at the prior evaluation. The current dollar amount equates to 49.9 percent of the bank's total QIs compared to this rated area containing 46.5 percent of the bank's total deposits.

The following point highlights an example of a QI in the Oklahoma Non-MSA AA.

- ***Community Services*** - The bank made an investment of \$353,000 in a school bond to improve facilities at a school in the AA in Delaware County where more than a majority of students receive free or reduced lunches.

Community Development Services

As noted in the institution level, the bank provided 50 CD services in the State of Oklahoma. The figure reflects a decrease from the 71 services indicated at the prior evaluation. The current level represents 64.1 percent of the bank's total CD services despite this rated area containing only 23.1 percent of the bank's total branches.

The following point highlights an example of a CD service in the Oklahoma Non-MSA AA.

- ***Community Service*** – A bank officer serves on the Board of a non-profit organization that helps to meet the needs of low-income families or individuals. The organization feeds the hungry and provides shelter to the homeless, as well as provides other services for economic emergencies. Thus, the activity benefits an organization or project that provides community services targeted to LMI individuals.

The alternative delivery systems in the State of Oklahoma remain consistent with that discussed at the institution level.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
State of Oklahoma	Satisfactory	Satisfactory	Satisfactory
State of Arkansas	Satisfactory	Satisfactory	Satisfactory

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income 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 non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 that 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 the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

Qualified Investment: A 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

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

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating 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.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.