



PUBLIC DISCLOSURE

April 8, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Quail Creek Bank, N.A.
Charter Number 16405

12201 North May Avenue
Oklahoma City, Oklahoma 73120

Office of the Comptroller of the Currency

The Harvey Parkway Building
301 NW 63rd Street, Suite 490
Oklahoma City, Oklahoma 73116

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, and should not 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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Overall CRA Rating: This Institution is rated: **Satisfactory**.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- Quail Creek Bank N.A.'s (QCB) originated a majority of its loans within the assessment area (AA).
- The loan-to-deposit (LTD) ratio is reasonable and meets the standard for satisfactory performance.
- The bank's distribution of loans to businesses of different sizes and individuals of different income levels reflects reasonable penetration and is satisfactory.
- The geographic distribution of loans reflects an excellent dispersion throughout the AA and is outstanding.
- QCB's community development (CD) performance demonstrates excellent responsiveness to the CD needs of its AA.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon 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 Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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.

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, 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 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 that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancing, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 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.

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.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

QCB is headquartered in Oklahoma City, Oklahoma. The bank is a wholly owned subsidiary of Quail Creek Bancshares, Inc., a one bank holding company.

QCB's CRA AA encompasses all of Oklahoma and Canadian counties, located in central Oklahoma. The bank's only location is at 12201 North May Avenue in northwest Oklahoma City, which is located in an upper-income census tract. A drive-in facility is also located at this location. The bank offers Internet and telephone banking, as well as remote and mobile deposit capture as alternate banking methods. QCB's primary focus is to provide financial services to commercial businesses and consumers in their AA, with a significant emphasis on small business lending. The bank meets these needs by providing a wide array of loans and deposit products and services. These include various commercial and consumer loans, including residential mortgage loan products, as well as bill pay, cash management, and other financial management services.

As of December 31, 2018, QCB's total assets equaled \$688 million, of which \$509 million, or 74 percent, included various types of loans to individuals and commercial businesses. The bank's loan portfolio segmentation is detailed below.

Loan Portfolio Composition		
Loan Category	\$ (000)	% of Gross Loans
Consumer Loans	7,370	1.48%
Commercial Loans	23,939	4.71%
Residential Real Estate Loans	166,288	32.68%
Commercial Real Estate Loans	310,984	61.12%
Farm Loans/Other Loans	197	< 1.0%
Total	508,778	100.00%

Source: 12/31/2018 Call Report Data

There are no legal, financial, or other factors impeding management's ability to help meet the credit needs in its designated AA. The last review of the bank's performance under the Community Reinvestment Act was completed June 1, 2015 and an **"Outstanding"** rating was assigned.

Scope of the Evaluation

Data Integrity

A Data Integrity review commenced on December 3, 2018, to test Home Mortgage Disclosure Act Loan Application Register (HMDA LAR) data for years 2016-2018. Our findings indicated that the bank has instituted processes and internal controls for collecting, verifying, and submitting reliable HMDA and CRA data.

Selection of Areas for Full-Scope Review

The AA adopted by QCB consists of whole geographies, does not reflect illegal discrimination, and does not arbitrarily exclude low- or moderate-income geographies. As of the examination, the bank's AA consisted of Oklahoma and Canadian counties. The composition of the AA meets the requirements of the CRA regulation and comprises 270 census tracts with 28 low-income census tracts, 88 moderate-income census tracts, 90 middle-income census tracts, 56 upper-income census tracts, and eight tracts designated as not applicable.

Evaluation Period/Products Evaluated

The full-scope review of the Oklahoma County Partial MSA AA included a random sample of small business loans originated in 2016-2018 and all HMDA loans (home purchase, home refinance, and home improvement) originated in 2016-2018.

This Performance Evaluation is based on 2010 U.S. Census data and the updated 2015 American Community Survey (ACS) demographic information. Conclusions regarding the Lending Test are based home mortgage loans originated in 2016 with a separate assessment based on home mortgage loans originated in 2017 and 2018. Our review also included a sample of small business loans originated in 2016 with a separate assessment based on small business loans originated in 2017 and 2018. The 2016 home mortgage and small business samples are compared to 2010 Census Data information, whereas the 2017 and 2018 home mortgage and small business sample is based on updated information from the 2015 ACS U.S. Census. Conclusions regarding the Community Development Test are based on CD activities from June 1, 2015 through December 31, 2018.

Ratings

The bank's overall rating is based on the bank's lending performance in the Oklahoma City Partial MSA AA. More weight was given to small business lending performance than the home mortgage lending performance since small business lending is by far the bank's primary loan type.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

LENDING TEST

This Performance Evaluation assesses QCB's performance focusing primarily on five performance criteria: the LTD ratio; lending in the AAs; lending to borrowers of different incomes and to businesses of different sizes; geographic distribution of loans; and responses to CRA related complaints.

To evaluate QCB's lending performance, we reviewed all HMDA loans originated in 2016, 2017, and 2018. In addition, we evaluated a random sample of 60 small business loans originated in 2016 through 2018. Small business and residential real estate loans serve as QCB's primary loan products. Based on the analysis and consistent with available resources and capabilities, QCB is meeting the credit needs of the AA in a satisfactory manner. The bank's LTD meets the standard for satisfactory performance. The distribution of business loans and home mortgage loans to individuals of different income levels reflects a reasonable penetration and is satisfactory. The geographic distribution of loans reflects an excellent dispersion of loans to LMI geographies and reflects outstanding performance.

Loan-to-Deposit Ratio

QCB's LTD ratio is satisfactory and meets the standard for satisfactory performance. The bank's LTD ratio as of December 31, 2018 was 81 percent. The bank's average quarterly LTD ratio from June 30, 2015 through December 31, 2018 was 88 percent. This average was compared to the average of four similar banks located in QCB's AA or the surrounding counties, with total assets between \$400 million and \$850 million, for the same time period. QCB's average LTD ratio of 88 percent is consistent with the average of the four comparable banks of 89 percent. The following table details these average LTD ratios:

Loan-To-Deposit Ratios		
Institution	Total Assets \$000's (As of 12/31/18)	Average Loan-to- Deposit Ratio
Quail Creek Bank, N.A.	\$688,425	88.43%
First National Bank of Oklahoma	\$499,973	91.53%
Kirkpatrick Bank	\$803,360	80.31%
NBC Oklahoma	\$725,937	88.12%
Valliance Bank	\$421,968	96.73%

Source: Institution Reports of Condition from June 30, 2015 to December 31, 2018

Lending in Assessment Area

QCB's lending in their AA meets the standard for satisfactory performance. A majority of the number and dollar amount of home mortgage and small business loans were originated in the bank's AA. As depicted in the following table, 78.9 percent of the number and 83.9 percent of the dollar amount of loans originated in QCB's AA.

Lending in Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000)	%	\$(000)	%	
Home Mortgage	618	78.7	167	21.3	785	\$116,697	75.1	\$38,719	24.9	\$155,416
Small Business	49	81.7	11	18.3	60	\$13,485	83.9	\$2,571	16.1	\$16,056
Totals	667	78.9	178	21.1	845	\$13,602	83.9	\$2,610	16.1	\$16,212

Source: Data reported for 2016, 2017 and 2018 HMDA and a random sample of small business loans originated in 2016, 2017 and 2018.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

OKC Partial MSA AA

Refer to Tables P and R in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage and business loan originations and purchases.

QCB's distribution of home mortgage loans reflects poor distribution. The distribution of business loans reflects reasonable penetration for overall satisfactory performance.

When assessing the penetration of home mortgage lending to low-income families, consideration is given to the fact that LMI families have difficulty qualifying for conventional home mortgage products without flexible terms or reduced closing costs. In QCB's Oklahoma City Partial MSA AA, a low-income person earns less than \$33,300 annually, based on the 2018 median family income (MFI), while the average median housing cost in the bank's AA is \$136,383. Consequently, many LMI families choose to rent rather than purchase homes. According to the updated 2015 ACS Census data, approximately 50 percent of households in the AA are on fixed income from social security or retirement; and 35 percent of the housing units in the AA are rental property. Eighteen percent of the population in the bank's AA are below the poverty level or on public assistance.

The borrower distribution of home mortgage loans to low-income families based on 2016 originations reflects very poor penetration to low-income families and a reasonable penetration when compared to aggregate peer data. The distribution of home mortgage

loans to moderate-income families reflects a poor penetration to moderate-income families and a poor penetration compared to aggregate peer data.

The borrower distribution of home mortgage loans based on 2017-2018 originations reflects a poor penetration to low-income families and good penetration when compared to aggregate peer data. The distribution of home mortgage loans to moderate-income families reflects a poor penetration to moderate-income families and a poor penetration compared to aggregate peer data.

The borrower distribution of loans to small businesses based on a sample of 2016 originations reflects a reasonable penetration of loans to businesses with revenues of less than \$1.0 million and an excellent penetration compared to aggregate peer data.

The borrower distribution of loans to small businesses based on a sample of 2017-2018 originations reflects a reasonable penetration of loans to businesses with revenues of less than \$1.0 million and an excellent penetration compared to aggregate peer data.

Geographic Distribution of Loans

Refer to Table O and Q in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage and business loan originations and purchases.

QCB's overall geographic distributions of small business and home mortgage loans reflects an excellent dispersion among LMI geographies and exceeds the standard for satisfactory performance.

QCB's geographic distribution of home mortgage loans is excellent. Note that home ownership in low-income tracts was only 4.9 percent in 2016 and 5.1 percent for 2017-2018, limiting opportunities to extend home mortgage loans in those areas.

QCB's geographic distribution of home mortgage loans to low-income tracts for 2016 was poor; however, the distribution was excellent when compared to aggregate peer data. The geographic distribution to moderate-income tracts is excellent compared to the percentage of home ownership in those areas and when compared to aggregate peer data.

The geographic distribution of home mortgage loans for 2017-2018 is excellent when compared to the percentage of home ownership in the moderate-income tracts and when compared to aggregate peer data.

QCB's overall geographic distribution of business loans is reasonable. The geographic distribution for 2016 was excellent as the percent of bank loans originated in low-income tracts exceeded the percentage of business loans in those tracts. The bank's performance was satisfactory when compared to aggregate peer data. The geographic distribution of business loans to moderate-income tracts was excellent when compared

to percentage of businesses located in moderate-income tracts and when compared to aggregate peer data.

The geographic distribution of business loans for 2017-2018 in low-income tracts was excellent when compared to the percentage of small business loans in low-income areas and when compared to aggregate peer data. The distribution to moderate-income tracts was adequate when compared to the percentage of businesses in moderate-income tracts and reasonable when compared to aggregate peer data.

Responses to Complaints

There have been no consumer complaints regarding QCB's Community Reinvestment Act performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test is rated "Outstanding." QCB's CD performance demonstrates excellent responsiveness to the CD needs of its AA. A majority of the AA is comprised of metropolitan, high-density areas that include Oklahoma City, Edmond, and Yukon. Opportunities are available for qualified CD loans and services. Qualified investments opportunities are available but considerably more limited.

QCB is active in the communities they serve. This is evidenced by their leadership roles on various civic and non-profit organizations that provide services to LMI individuals. The bank is also involved with, invests in, or lends to organizations whose focus is on affordable housing, community services, or economic development.

Number and Amount of Community Development Loans

Qualifying CD loans are those that meet the definition of CD, as defined in the CRA regulations. QCB's level of CD loans indicates excellent responsiveness to the needs of the bank's AA.

During the evaluation period, the bank originated or renewed 98 loans totaling \$109.6 million that qualify as CD loans.

QCB extended fifty-seven loans totaling \$94.9 million to businesses that promoted economic development by creating or maintaining LMI jobs. Thirty-five loans totaling \$12.5 million were extended in the Oklahoma City Empowerment Zone contributing to revitalization/stabilization or economic development of the area. Six loans totaling \$2.2 million provided affordable housing. Following are details on some of the CD loans originated by the bank during the evaluation period.

QCB has taken a leadership role in supporting and funding economic development projects by extending or renewing 57 loans to 44 different borrowers for \$94.9 million that created or retained LMI jobs. CD loans made to local businesses created or maintained an estimated 740 LMI jobs. Of those loans, 20 loans totaling \$68.9 million were extended to renew, refinance and/or renovate hotels that primarily employ LMI persons. The bank originated several loans to purchase, refinance, or renovate retail shopping centers and restaurants. The majority of the jobs in the retail spaces and restaurants are LMI jobs.

QCB has also extended 35 revitalization/stabilization loans to 30 borrowers in the Oklahoma City Empowerment Zone. The loans were extended to purchase, refinance, construct and/or make improvements to a variety of businesses. Businesses included apartment complexes, hotels, commercial warehouses, office buildings, and a convenience store. Two of the 35 loans were to community service non-profit organizations. One loan funded improvements to a facility that focuses on substance abuse rehabilitation for disabled veterans and the other loan was to expand the facilities of a non-profit that provides child abuse response and evaluation services. All of the businesses are located in the Oklahoma City Empowerment Zone. The financing of many of these businesses also provided economic development through job creation and retention of LMI jobs.

QCB extended or renewed six loans to five different borrowers who own and operate multi-family housing complexes that provide affordable housing in the Oklahoma City area. Loans were to purchase, repair, and maintain the apartment complexes. All of the units rent for rates that are below the fair market rents in the area, thus providing housing for LMI individuals.

Number and Amount of Qualified Investments

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose CD, as defined in the CRA regulations. QCB's level of CD investments, including donations, reflects adequate responsiveness to the needs of the bank's AA.

During the evaluation period, CD investments and donations totaled \$3.0 million. The bank invested in two qualified school bonds totaling \$900,000 for the purpose of capital improvements to an elementary school in the Western Heights District. An additional \$1.0 million represents prior period investments in a school bond for capital improvements in the Oklahoma City Public Schools. The bonds were issued by Oklahoma County ISD, where the majority of the student's parents have incomes less than 80 percent of the area's medium income and are eligible for the free and/or reduced lunch program.

The bank also made an equity investment of \$164,000 in MetaFund; a CDFI. MetaFund finances projects with companies which create or sustain quality jobs, facilitate tax credit

programs to encourage economic development in low-income communities, partner with banks to make unbankable deals bankable, and to purchase portfolios of mortgage loans from Habitat for Humanity to free up liquidity for additional projects.

The bank made 110 qualified donations totaling \$337,000 during the evaluation period. QCB made donations to local non-profit organizations that provide a wide variety of social services, medical services, youth programs for the at-risk and homeless, alcohol and drug recovery programs, and literacy programs that are targeted to LMI individuals. The bank has purchased the financial literacy class materials for nine areas schools where the majority of families are LMI.

Extent to Which the Bank Provides Community Development Services

The level of qualified CD services indicates adequate responsiveness to the needs of the bank's AA. Several bank officers serve in leadership positions in organizations that provide community services to LMI families. They provide technical and financial assistance to these organizations. The following are examples of qualified CD services.

- ***Banking and Financial Literacy Program***

QCB is committed to promoting financial literacy in its local schools by providing/funding the "*Foundations in Personal Finance*" curriculum published by Dave Ramsey. This curriculum provides educators with comprehensive lesson plans, video lessons, and supporting activities which help students understand the concepts of financial responsibility and sound decision making. QCB's effort was in response to the added burden and costs associated with the state of Oklahoma's financial literacy requirements enacted with the passage of the Passport to Financial Literacy Act of 2007. This legislation requires high school students to demonstrate a "satisfactory knowledge level" of personal financial literacy in order to graduate from a public high school. QCB has partnered with 19 area middle and high schools to provide and fund class materials (Dave Ramsey Financial Literacy Program), conduct bank tours, and assist the students in understanding basic banking and credit fundamentals. Nine of the 19 schools that the bank partners with are considered LMI based on free and or reduced lunch eligibility percentages.

- ***United Way Central Oklahoma***

A bank officer has served on various committees and is now Co-Chair of the Allocation Committee that is responsible for completing agency reviews and making funding recommendations. The bank officer provided financial expertise by reviewing financial statements of agencies that are requesting United Way funding. This officer also assists with budget recommendations for future participants. The United Way works to help improve the health, safety, education, and economic well-being of at-risk individuals and families in central Oklahoma. The services and funding provided by United Way help support numerous agencies that primarily benefit LMI persons.

- **YMCA of Greater Oklahoma City**

A bank officer serves as Board member of the local YMCA and has held that position for several years. This officer is responsible for administering the financial resources of the organization to better meet its goals. The YMCA offers a wide variety of services that includes many that benefit LMI persons. The focus is youth development, healthy living, and social responsibility.

- **City Cares**

A bank officer has served as Board member, Treasurer, and Finance Committee member since 2015. This officer uses his banking and finance knowledge to assist City Care in managing its funds in order to more effectively meet its goals. City Cares offers various supportive housing programs, and tutoring and mentoring programs for kids in areas with the highest drop-out rates and lowest socio-economic levels in Oklahoma City.

- ***Santa's Cause***

A bank officer is the founder and President of Santa's Cause. This officer manages the financial contributions and distributions of this non-profit organization. This organization provides clothing, shoes, toys, and other needs for children of LMI families.

Responsiveness to Community Development Needs

QCB has demonstrated excellent responsiveness to identified needs within their AA. The level of CD lending is outstanding and has been responsive to the need for LMI jobs and affordable housing. LMI jobs and affordable housing, both owner occupied and rental, have been identified as critical needs within the bank's AA. Bank officers have taken on leadership positions with local organizations that provide a wide variety of community services. The bank has also made a substantial commitment to providing financial literacy to schools. Financial literacy among youth has also been identified as a critical need.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (1/1/2016 to 12/31/18) Investment and Service Tests and CD Loans: (6/1/15 to 12/31/18)	
Financial Institution	Products Reviewed	
Quail Creek Bank, N.A. (QCB), Oklahoma City, OK	Home Mortgage Loans Small Business Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>[Instructions: Provide only if affiliate products are reviewed.]</i> (Name of Affiliate (Abbreviation))	N/A	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
OKC Partial MSA	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: OKC 2016 Partial MSA AA, 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	270	11.48	29.63	33.70	24.07	1.11
Population by Geography	834,174	8.06	28.49	33.85	29.48	0.12
Housing Units by Geography	361,650	7.78	30.60	34.28	27.28	0.06
Owner-Occupied Units by Geography	203,508	4.86	22.01	37.19	35.94	0.0
Occupied Rental Units by Geography	116,045	11.12	41.98	30.54	16.25	0.10
Vacant Units by Geography	42,097	12.66	40.80	30.51	15.85	0.18
Businesses by Geography	63,677	7.40	22.08	33.11	35.71	1.71
Farms by Geography	1,553	3.86	16.29	37.03	42.50	0.32
Family Distribution by Income Level	204,072	22.87	17.88	20.12	39.13	0.0
Household Distribution by Income Level	319,553	7.13	29.26	34.78	28.79	0.04
Median Family Income Non-MSAs - OK	67,300	\$58,775	Median Housing Value			121,466
			Median Gross Rent			697
			Households Below Poverty			14.18
<i>Source: 2010 U.S. Census and 2016 D&B Data</i> Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: 2017-2018 OKC Partial MSA AA, 2015 ACS						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	270	10.37	32.59	33.33	20.74	2.96
Population by Geography	880,673	1.7	10.2	60.7	27.4	0.0
Housing Units by Geography	373,738	2.0	11.2	62.3	24.5	0.0
Owner-Occupied Units by Geography	204,142	1.0	7.6	63.1	28.3	0.0
Occupied Rental Units by Geography	130,311	3.5	19.6	59.7	17.2	0.0
Vacant Units by Geography	39,285	5.6	17.9	62.1	14.4	0.0
Businesses by Geography	67,697	5.87	23.98	33.73	32.42	4.0
Farms by Geography	1,662	3.91	17.99	38.81	38.27	1.02
Family Distribution by Income Level	213,275	22.76	17.76	19.83	39.65	0.0
Household Distribution by Income Level	334,453	8.35	29.70	34.56	27.00	0.38
Median Family Income Non-MSAs - OK	69,300	\$64,058	Median Housing Value			\$136,383
			Median Gross Rent			\$801
			Households Below Poverty Level			15.11
<i>Source: 2015 ACS Census and 2017 D&B Data</i> Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

The AA adopted by QCB consists of whole geographies, does not reflect illegal discrimination, and does not arbitrarily exclude LMI geographies. It meets the requirements of the CRA regulation. One AA was considered in evaluating QCB's CRA performance. These AA is defined as the OKC Partial MSA AA.

The OKC Partial MSA AA consists of 270 census tracts in the OKC MSA. The AA includes the entirety of Oklahoma and Canadian counties. Based on 2010 Census data, there are 31 low-income census tracts, 80 moderate-income census tracts, 91 middle-income census tracts, 65 upper-income census tracts and three census tracts designated as not applicable. QCB has one location and it is located in northwest Oklahoma City and is in an upper-income tract.

Based on the updated ACS Census Data, the total number of census tracts in the two county AA remained unchanged but the tract incomes changed as follows: low income tracts declined by three, moderate-income tracts increased by eight, middle-income tracts reduced by one and upper-income tracts declined by nine. Based on the 2015 ACS Census Data, total population of the AA is 880,673. Of the 373,738 total housing units, 204,142, or 55 percent, are owner occupied. Households below the poverty level total 50,542, or 15 percent, and households that receive public assistance total 11,249, or 3 percent, of the total number of households. The tables on the previous page describe major demographic and economic characteristics of the OKC Partial MSA AA, based on 2010 US Census Data and the updated ASC Census Data.

Local banking competition within the AA is aggressive and includes several community, regional, and national banks and branches of these financial institutions. Major employers include the State of Oklahoma, Tinker AFB, University of Oklahoma, and Integris Health.

In conducting the assessment of the bank's performance, community contacts were made within QCB's AA. The contacts indicated that the needs in the community are affordable housing, assistance for the area schools, and financial literacy training. The contacts indicated that the local financial institutions are involved in the local community activities and are meeting the credit needs of the community.

Appendix C: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue - Compares the percentage distribution of the number of

small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.

Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. The table also presents aggregate peer data for the years the data is available.

Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.

Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
OKC Partial MSA	200	40,750	100.0	32,547	22.9	4.0	5.3	17.9	5.5	15.6	20.1	4.5	19.7	39.1	26.5	37.5	0.0	59.5	21.9
Total	200	40,750	100.0	32,547	22.9	4.0	5.3	17.9	5.5	15.6	20.1	4.5	19.7	39.1	26.5	37.5	0.0	59.5	21.9

Source: 2010 Census; 01/01/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0
The high percentage (59.5) of bank loans with income not available are residential investment properties.

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017-2018
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
OKC Partial MSA	418	75,947	100.0	29,602	22.8	6.0	6.3	17.8	6.7	16.9	19.8	8.6	18.8	39.6	29.2	34.6	0.0	49.5	23.3
Total	418	75,947	100.0	29,602	22.8	6.0	6.3	17.8	6.7	16.9	19.8	8.6	18.8	39.6	29.2	34.6	0.0	49.5	23.3

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0
The high percentage (49.5) of bank loans with income not available are residential investment properties.

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2016
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
OKC Partial MSA	25	5,798	100.0	16,760	83.3	80.0	43.2	6.2	20.0	10.5	0.0
Total	25	5,798	100.0	16,760	83.3	80.0	43.2	6.2	20.0	10.5	0.0
<i>Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data, 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017-2018
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
OKC Partial MSA	24	10,259	100.0	16,678	83.3	70.8	46.9	6.0	29.2	10.7	0.0
Total	24	10,259	100.0	16,678	83.3	70.8	46.9	6.0	29.2	10.7	0.0
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2018 Bank Data, 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>											

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
OKC Partial MSA	200	40,750	100.0	32,547	4.9	2.0	1.8	22.0	32.5	14.7	37.2	32.5	36.2	35.9	33.0	47.3	0.0	0.0	0.0
Total	200	40,750	100.0	32,547	4.9	2.0	1.8	22.0	32.5	14.7	37.2	32.5	36.2	35.9	33.0	47.3	0.0	0.0	0.0

Source: 2010 Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-2018
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
OKC Partial MSA	418	75,947	100.0	29,602	5.1	4.8	2.7	22.5	29.2	17.1	37.3	28.0	37.4	35.0	37.1	42.6	0.1	1.0	0.2
Total	418	75,947	100.0	29,602	5.1	4.8	2.7	22.5	29.2	17.1	37.3	28.0	37.4	35.0	37.1	42.6	0.1	1.0	0.2

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2018 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2016**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
OKC Partial MSA	25	4,716	100.0	16,760	7.4	8.0	8.2	22.1	32.0	20.3	33.1	40.0	30.1	35.7	20.0	40.0	1.7	0.0	1.3
Total	25	4,716	100.0	16,760	7.4	8.0	8.2	22.1	32.0	20.3	33.1	40.0	30.1	35.7	20.0	40.0	1.7	0.0	1.3

Source: 2016 D&B Data; 01/01/2016 - 12/31/2016 Bank Data, 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017-2018**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
OKC Partial MSA	24	8,768	100.0	16,678	6.0	8.3	6.0	24.1	16.7	22.6	33.8	45.8	33.0	32.2	29.2	34.8	4.0	0.0	3.5
Total	24	8,768	100.0	16,678	6.0	8.3	6.0	24.1	16.7	22.6	33.8	45.8	33.0	32.2	29.2	34.8	4.0	0.0	3.5

Source: 2017 D&B Data; 01/01/2017 - 12/31/2018 Bank Data, 2017CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0