

PUBLIC DISCLOSURE

May 20, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank OZK
Certificate Number: 110

17901 Chenal Parkway
Little Rock, Arkansas 72223

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Region – Memphis Area Office

6060 Primacy Parkway, Suite 300
Memphis, Tennessee 38119

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

INSTITUTION’S COMMUNITY REINVESTMENT ACT (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, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following table indicates the performance level of **Bank OZK** with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	<u>BANK OZK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		
Low Satisfactory			X
Needs to Improve			
Substantial Noncompliance			

**Note – The Lending Test receives heavier weighting than the other two tests when arriving at an overall rating.*

The following points summarize conclusions regarding the factors supporting the tests’ ratings.

Lending Test is rated High Satisfactory

- The bank exhibited an adequate record regarding its lending activity.
- The institution originated a high percentage of its loans inside its assessment areas.
- The bank established an adequate record regarding its borrower profile loan distribution.
- The institution achieved a good record regarding its geographic loan distribution.
- The institution is a leader in making community development loans.
- The institution made limited use of innovative or flexible lending practices.

Investment Test is rated Outstanding

- The bank made use of an excellent level of qualified investments.
- The institution’s investments reflect excellent responsiveness to area needs.
- The bank made significant use of innovative or complex investments.

Service Test is rated Low Satisfactory

- The bank exhibited an adequate record regarding its retail banking services.
- The institution established an adequate level of community development services.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from September 14, 2015, to May 20, 2019, the date of the previous evaluation to the current evaluation date. To assess performance, examiners applied the Federal Financial Institutions Examination Council (FFIEC) Large Institution CRA Examination Procedures, which include the Lending, Investment, and Service Tests. Appendix B lists the applicable tests' criteria.

Lending Test

Loan Categories Reviewed

For the Lending Test, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, and small farm loans since the last evaluation, as well as all reported community development loans originated since the prior evaluation. Consequently, this evaluation considers the following loans reported either according to the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 2,222 loans totaling \$544,721,000
- 2016: 2,622 loans totaling \$410,326,000
- 2017: 2,177 loans totaling \$365,512,000
- 2018: 1,628 loans totaling \$242,665,000

Small Business Loans:

- 2015: 1,110 loans totaling \$129,873,000
- 2016: 869 loans totaling \$137,482,000
- 2017: 1,676 loans totaling \$311,444,000
- 2018: 1,372 loans totaling \$282,351,000

Small Farm Loans:

- 2015: 295 loans totaling \$16,132,000
- 2016: 213 loans totaling \$13,839,000
- 2017: 296 loans totaling \$24,449,000
- 2018: 223 loans totaling \$21,022,000

Community Development Loans:

September 14, 2015-May 20, 2019: 235 loans totaling \$1,201,363,000

Since consumer loans do not represent a substantial majority of the bank's loans by dollar volume and number, representing only 14.5 percent of the dollar volume of loans originated and purchased during 2018, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending. Based on the data above, small farm loans only account for 2.6 percent of the dollar volume and 5.9 percent of the number of the total loans for the first three loan categories. Therefore, other than for Assessment Area Concentration performance factor, examiners did not

analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 HMDA data and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 American Community Survey (ACS) and 2017 D&B data for the applicable lending tables. Given the very limited data for small farm loans, this evaluation does not present that loan data.

Loan Category Weighting

For the Lending Test's Lending Activity and Assessment Area Concentration performance factors, examiners considered the universes of the number and dollar volume of the bank's reported home mortgage and small business loans reported in 2015 through 2018, as well as management's stated business strategy, to determine the weighting applied to those loan categories.

The following table shows that home mortgage loans account for majorities of the percentages of the number and dollar volume of all reported loans. Consequently, examiners used these percentages to weigh home mortgage loans heavier than small business loans when arriving at the Assessment Area Concentration conclusion.

Loan Category Weighting – Assessment Area Concentration Institution (Total Loans)				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	8,649	63.2	1,563,224	68.0
Small Business	5,027	36.8	736,170	32.0
Total Reviewed Categories	13,676	100.0	2,299,394	100.0

Source: HMDA & CRA data (2015-2018).

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number and dollar volume of the bank's reported 2015-2018 home mortgage and small business loans reported as originated and purchased in the bank's assessment areas to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank's assessment areas.

The following table shows that home mortgage loans account for a majority of the number and dollar of all reported loans originated and purchased inside the bank's assessment areas. Consequently, examiners used these percentages to weigh home mortgage loans heavier than small business loans when arriving at the Borrower Profile and Geographic Distribution conclusions.

Loan Category Weighting – Borrower Profile & Geographic Distributions Institution (Loans Inside the Assessment Area)				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	7,867	63.7	1,319,427	64.2
Small Business	4,475	36.3	736,170	35.8
Total Reviewed Categories	12,342	100.0	2,055,597	100.0

Source: HMDA & CRA data (2015-2018).

Rated Area Weighting

As more fully described under Description of Institution, Bank OZK operates in eight states – Alabama, Arkansas, Florida, Georgia, New York, North Carolina, South Carolina, and Texas. This includes one multi-state MSA, the Texarkana, TX-AR MSA. Given the evaluation period and the nature of Bank OZK’s operations, examiners evaluated and assigned ratings for each state in which the institution operated up until the evaluation date.

The following table shows that the State of Arkansas generated a majority of the bank’s loans, as well as the highest percentage of deposits gathered and offices operated in any rated area. Consequently, examiners weighed records in the State of Arkansas notably heavier when arriving at applicable conclusions and ratings.

Rated Area Distribution Institution					
Rated Area	Loans (% of #)			Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Total		
Texarkana, TX-AR MSA	1.4	2.6	1.8	0.6	1.2
State of Alabama	1.4	1.4	1.4	0.7	1.2
State of Arkansas	48.8	58.8	52.4	32.1	33.6
State of Florida	7.0	6.6	6.9	14.2	17.5
State of Georgia	16.0	15.6	15.9	24.8	27.4
State of New York	<0.1	0.1	<0.1	9.9	0.4
State of North Carolina	10.8	11.0	10.9	5.7	10.0
State of South Carolina	0.3	0.5	0.3	0.5	0.8
State of Texas	14.3	3.4	10.4	11.5	7.9

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period community development (CD) activities, including qualified investments and CD services. Current period activities, including CD loans considered under the Lending Test, involve those generated since the previous evaluation. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION

Background

Bank OZK began operations in 1903 in Jasper, Arkansas, until it started a growth strategy in 1994 and moved its headquarters to Little Rock in 1995. It held its initial public stock offering in 1997. In 2017, Bank OZK merged its holding company into the bank. Bank OZK also owns numerous non-lending subsidiaries. In addition, the bank changed its name from Bank of the Ozarks to Bank OZK on July 16, 2018. Bank OZK received a Satisfactory rating at the prior September 14, 2015, FDIC CRA Performance Evaluation based on CRA Interagency Large Institution Procedures. As of December 31, 2018, Bank OZK reported total assets of \$22.4 billion, which is a significant increase from the last evaluation when it had \$8.7 billion in total assets.

Operations

Bank OZK functions as a retail commercial bank operating 242 full-service offices in 39 assessment areas located throughout the States of Alabama, Arkansas, Florida, Georgia, New York, North Carolina, South Carolina, and Texas. Since the last evaluation, the bank acquired or opened 76 full-service offices and closed, consolidated, or relocated 13 branches. This was primarily the result of purchasing two financial institutions since the last evaluation – Community & Southern Bank, Atlanta, Georgia, on July 20, 2016, and C1 Bank, St. Petersburg, Florida, on July 21, 2016. The individual rated area sections and applicable assessment area discussions depict all of the offices' specific locations.

The bank offers a variety of loan products including credit cards as well as commercial, residential, construction, consumer, and agricultural loans. The bank also offers a variety of deposit services including consumer and commercial checking and savings accounts, debit and gift cards, and merchant processing for commercial customers. Alternative delivery systems include online banking, a mobile banking application, telephone banking, and 256 automated teller machines (ATMs).

Ability and Capacity

The following table shows that Net Loans & Leases constitutes the largest asset category and a majority of the bank's March 31, 2019, total assets. Since the previous evaluation, on average per year, total assets increased 38.9 percent, net loans increased 41.4 percent, and total deposits increased 40.1 percent. As of March 31, 2019, the bank reported a Return on Average Assets of 2.0 percent and a Tier 1 Leverage Capital ratio of 14.5 percent.

For the 15 quarters since the previous evaluation, the bank recorded an average net loan-to-deposit ratio of 94.4 percent, thereby reflecting some capacity to respond to future loan growth through core deposits.

Asset Distribution Institution		
Asset Category	\$(000s)	%
Cash	607,698	2.7
Securities	2,769,602	12.0
Net Loans & Leases	17,369,442	75.5
Premises & Fixed Assets	647,032	2.8
Other Real Estate Owned	13,619	0.1
Investments in Unconsolidated Subsidiaries and Associated Companies	26,981	0.1
Intangible Assets	693,316	3.0
Other Assets	877,962	3.8
Total Assets	23,005,652	100.0
<i>Source: Report of Condition (3/31/19).</i>		

As seen in the following table, the mix of outstanding loans as of March 31, 2019, shows that construction and land development loans at 38.5 percent, commercial loans (Secured by Commercial Real Estate and Commercial and Industrial) at 28.3 percent, and consumer loans at 14.0 percent represent the three largest loan categories. The loan category weighting discussed under Scope of Evaluation considers small business loans, while the figures below include all commercial loans.

Loans Outstanding Institution		
Loan Category	\$(000s)	%
Construction & Land Development	6,719,941	38.5
Secured by Farmland	180,653	1.0
Secured by 1-4 Family Residential	1,030,062	5.9
Secured by Multi-Family Residential	1,357,890	7.8
Secured by Commercial Real Estate	4,196,446	24.0
Agricultural Production	6,302	<0.0
Commercial and Industrial	748,466	4.3
Consumer	2,439,891	14.0
Obligations of State and Political Subdivisions	52,428	0.3
Other Loans	743,318	4.2
Gross Loans	17,475,397	100.00
<i>Source: Report of Condition (3/31/19).</i>		

Based on the information discussed in this section, as well as other regulatory data, the institution's financial condition, size, product offerings, prior performance, and status of any legal impediments did not affect its ability to meet the assessment areas' credit needs.

CONCLUSIONS ON PERFORMANCE CRITERIA

Format

This section presents information for the bank as a whole and relies on that data when arriving at conclusions regarding the Lending Activity, Assessment Area Concentration, Community Development Lending, and Innovative and Flexible Lending Practices factors under the Lending Test, and regarding the Investment and Service Tests. This evaluation contains detailed information regarding the Lending Test's borrower profile and geographic loan distribution performance factors in the individual rated area sections.

LENDING TEST

Bank OZK demonstrated a high satisfactory record for the bank as a whole regarding the Lending Test. The bank is a leader in making community development loans, the high percentage of loans inside the bank's assessment areas, and good geographic distribution of loans outweighed the adequate lending activity, borrower profile, and innovative or flexible lending to support this conclusion. Appendix B lists the Lending Test's criteria.

For the CRA Large Bank Lending Test, typically, examiners will first determine whether the presence of any weaker lending activity or assessment area concentration performance, separately and on their own, warrants downgrading the overall Lending Test rating. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending records when arriving at the overall Lending Test rating.

Lending Activity

The bank exhibited an adequate record for the bank as a whole regarding its lending activity. Adequate performance regarding both home mortgage and small business loans support this conclusion. Home mortgage loans received a 68.0 percent weighting for this factor while small business loans received a 32.0 percent weighting. Examiners considered the bank's size, business strategy, and capacity relative to the assessment areas' credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects an adequate record for the bank as a whole. For 2017, the bank originated 1,971 total reportable home mortgage loans totaling over \$330.1 million in its assessment areas. Bank OZK captured a 0.2 percent market share of the total number of home mortgage loans and a 0.1 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 109th out of 2,441 total lenders and 1,339 lenders granting at least 10 home mortgage loans in the bank's assessment areas. This ranking lands the bank in the top 10.0 percent of the second group of lenders reporting such loans in the bank's assessment area, at 8.1 percent. The ranking considers the total number and dollar amount of loans made by each institution.

Although the market share and lending levels noted above typically represent a higher level of performance, examiners noted a decline in the overall level of home mortgage lending since the prior evaluation. Since the last evaluation, the bank's home mortgage lending decreased from 2,222 loans totaling \$544.7 million in 2015 to 1,628 loans totaling \$242.7 million in 2018. Given this downward trend in home mortgage lending since the last evaluation, the bank's lending activity performance reflects an adequate record regarding home mortgage loans.

Small Business Loans

The level of small business lending activity reflects an adequate record for the bank as a whole. For 2017, the bank originated 1,504 total reportable small business loans totaling over \$273.6 million inside its assessment areas. Bank OZK captured a 0.2 percent market share of the total number of small business loans and a 0.8 percent market share of the total dollar volume of loans.

This volume of activity ranks the bank 47th out of 457 total lenders and 241 lenders granting at least 10 small business loans in the bank's assessment areas. This ranking lands the bank in the top 20.0 percent of the second group of lenders reporting such loans in the bank's assessment area, at 19.5 percent. The ranking considers the total number and dollar amount of loans made by each institution.

Although the market share and lending levels noted above typically represent a higher level of performance, examiners noted a decline in the overall level of small business lending since the last evaluation. Since the prior evaluation, the bank's small business lending fluctuated greatly year over year but has decreased the last two years. Although the bank had 1,676 loans totaling \$311.4 million in 2017, that level decreased to 1,327 loans totaling \$282.4 million in 2018. Given the downward trend in small business lending since the last evaluation, the bank's lending activity performance reflects an adequate record regarding small business loans.

Consequently, considering the loan categories' relative overall performances and weightings, the bank exhibited an adequate record for the bank as a whole regarding its lending activity. Adequate performance regarding both home mortgage and small business loans support this conclusion.

Assessment Area Concentration

The institution originated a high percentage of loans inside its assessment areas for the bank as a whole. A high level of both home mortgage loans and small business loans originated in the assessment areas supports this conclusion. As previously noted, home mortgage loans received a 64.2 percent weighting for this factor while small business loans received a 35.8 percent weighting. Examiners considered the bank's asset size and office structure as well as the loan categories reviewed relative to the areas' combined size and economy when arriving at this conclusion.

Home Mortgage Loans

The institution originated a high percentage of home mortgage loans inside its assessment areas. The following table shows that for home mortgage loans by both measures, the percentages of the number and dollar volume, the bank originated a high percentage inside its assessment areas. Weighing both measures equally, combined they show that the bank originated a high percentage

of its home mortgage loans inside its assessment areas.

Small Business Loans

The institution originated a high percentage of its small business loans inside its assessment areas. The following table shows that for small business loans by both measures, the percentages of the number and dollar volume of loans, the bank originated a high percentage inside its assessment areas. Weighing both measures equally, combined they show that the bank originated a high percentage of its small business loans inside its assessment areas.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2015	2,013	90.6	209	9.4	2,222	414,769	76.1	129,952	23.9	544,721
2016	2,379	90.7	243	9.3	2,622	359,438	87.6	50,888	12.4	410,326
2017	1,971	90.5	206	9.5	2,177	330,168	90.3	35,344	9.7	365,512
2018	1,504	92.4	124	7.6	1,628	215,052	88.6	27,613	11.4	242,665
Subtotal	7,867	91.0	782	9.0	8,649	1,319,427	84.4	243,797	15.6	1,563,224
Small Business										
2015	988	89.0	122	11.0	1,110	110,951	85.4	18,922	14.6	129,873
2016	772	88.8	97	11.2	869	118,334	86.1	19,148	13.9	137,482
2017	1,504	89.7	172	10.3	1,676	273,609	87.9	37,835	12.1	311,444
2018	1,211	88.3	161	11.7	1,372	233,276	82.6	49,075	17.4	282,351
Subtotal	4,475	89.0	552	11.0	5,027	736,170	85.5	124,980	14.5	861,150
Small Farm										
2015	230	78.0	65	22.0	295	12,169	75.4	3,963	24.6	16,132
2016	178	83.6	35	16.4	213	11,042	79.8	2,797	20.2	13,839
2017	247	83.4	49	16.6	296	19,626	80.3	4,823	19.7	24,449
2018	173	77.6	50	22.4	223	16,459	78.3	4,563	21.7	21,022
Subtotal	828	80.6	199	19.4	1,027	59,296	78.6	16,146	21.4	75,442

Source: Evaluation Period: 1/1/2015 - 12/31/2018 Bank Data. Due to rounding, totals may not equal 100.0.

Consequently, considering the loan categories' relative overall performances and weightings, the institution originated a high percentage of its loans inside its assessment areas for the bank as a whole.

Borrower Profile Distribution

The bank established an adequate record for the bank as a whole regarding its borrower profile loan distribution. An adequate record regarding both home mortgage and small business loans supports this conclusion. As previously noted, home mortgage loans received a 64.2 percent

weighting for this factor while small business loans received a 35.8 percent weighting.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans originated inside the bank's assessment areas.

Home Mortgage Loans

The borrower profile distribution of home mortgage loans reflects an adequate record for the bank as a whole. An adequate record in the State of Arkansas primarily supports this conclusion since the highest percentage (48.8 percent) of the bank's home mortgage loans were in this state. Although Bank OZK had good records in the States of Georgia, North Carolina, and Texas (the states with the next highest levels of home mortgage loans), this did not outweigh the adequate record in the State of Arkansas. Combined, these states originated 41.1 percent of the bank's home mortgage loans.

Small Business Loans

The borrower profile distribution of small business loans reflects an adequate record for the bank as a whole. Adequate records in the States of Arkansas, Florida, Georgia, South Carolina, Texas, as well as in the Texarkana Multi-state MSA, outweighed the good records in Alabama and North Carolina to support this conclusion. The States of Arkansas, Florida, Georgia, South Carolina, Texas, as well as the Texarkana Multi-state MSA account for 87.5 percent of the 2015-2018 small business loans originated inside the bank's assessment areas.

Consequently, considering the loan categories' relative overall performances and weightings, overall the bank established an adequate record for the bank as a whole regarding its borrower profile loan distribution.

Geographic Distribution

The institution achieved a good record for the bank as a whole regarding its geographic loan distribution. Good records regarding home mortgage loans outweighed adequate records regarding small business loans to support this conclusion. As previously noted, home mortgage loans received a 64.2 percent weighting for this factor while small business loans received a 35.8 percent weighting.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a good record for the bank as a whole. The good records in the States of Alabama and North Carolina combined with the excellent records in the Texarkana Multi-state MSA, and the States of Georgia and Texas lifted the adequate records in the State of Arkansas to support this conclusion. While the State of Arkansas accounts for 48.8 percent of the home mortgage lending, the States of Alabama and North Carolina

account for 12.2 percent of the 2015-2018 home mortgage loans originated inside the bank's assessment areas when Texarkana Multi-state MSA, Georgia, and Texas represented 31.7 percent.

Small Business Loans

The geographic distribution of small business loans reflects an adequate record for the bank as a whole. An adequate record in the Texarkana Multi-state MSA and the States of Arkansas, Florida, and Texas support this conclusion. These rated areas account for 71.4 percent of the small business loans originated inside the bank's assessment areas.

Consequently, considering the loan categories' relative overall performances and weightings, overall the bank established a good record for the bank as a whole regarding its geographic loan distribution.

Community Development Lending

The institution is a leader in making community development loans for the bank as a whole. Bank OZK's leadership in making community development loans and its excellent responsiveness to community development needs support this conclusion. Appendix A defines community development (CD), and Appendix B lists the criteria considered under this performance factor.

Regarding the overall level of CD loans, the following table shows that, since the previous evaluation the bank granted 235 CD loans totaling over \$1.2 billion. This level equates to 6.6 percent of average total assets of \$18,211,462,000 since the last performance evaluation and 8.6 percent of average net loans of \$13,914,339,000 for the same period, thereby reflecting excellent levels. These levels reflect increases from the 1.4 percent of average assets and 2.0 percent of average net loans reported at the previous evaluation.

In addition to reflecting an excellent level of loans, the CD loans reflect excellent responsiveness to the assessment areas' community development needs. As seen in the following table, 59.7 percent of the dollar volume of all CD loans promote revitalization and stabilization of qualifying geographies (including designated disaster areas). In addition, another 19.6 percent promote affordable housing and 18.0 percent benefits economic development.

As noted under the applicable Description of Assessment Areas, activities that promote affordable housing reflect a primary CD need in the assessment areas. In addition, activities that revitalize or stabilize qualifying geographies also represent a CD need. Therefore, relative to the bank's capacity and the extent of CD lending opportunities and needs in its assessment areas, the bank exhibits an excellent level in originating CD loans.

Community Development Loans Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texarkana MS MSA	3	2,066	0	0	0	0	0	0	3	2,066
State of Alabama	2	574	0	0	1	2,813	0	0	3	3,387
State of Arkansas	37	46,540	5	15,054	15	56,103	3	4,163	60	121,860
State of Florida	14	11,265	4	8,850	15	78,109	11	216,816	44	315,040
State of Georgia	22	118,865	3	1,180	7	13,090	7	98,022	39	231,157
State of New York	2	14,020	0	0	1	50,000	2	333,500	5	397,520
State of North Carolina	11	14,378	1	3,000	2	9,974	2	9,513	16	36,865
State of South Carolina	1	1,360	0	0	1	1,040	0	0	2	2,400
State of Texas	53	26,749	1	3,700	5	5,500	4	55,119	63	91,068
Total	145	235,817	14	31,784	47	216,629	29	717,133	235	1,201,363

Source: Bank records.

The following points provide examples of the bank’s CD lending activities:

- **Revitalize or Stabilize** – The bank originated an \$81.0 million loan to finance the refinancing of land and to develop rentable commercial space in a low-income geography in Miami, Florida. The property development will help to attract new businesses in a low-income census tract. The property is also located in the Wynwood Arts Neighborhood Redevelopment District, created by the City of Miami’s Planning and Zoning Department. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.
- **Affordable Housing** – The bank originated a \$14.5 million loan for the construction of a 162-unit senior living facility in Fulton County, Georgia, which is in the Atlanta MSA. All one- and two-bedroom units are under the fair market rents for the area. In addition, all units have project-based rental assistance and affordable to those of low- and moderate-income. Thus, the activity provides affordable housing to the areas low- and moderate-income families.
- **Economic Development** – The bank granted a \$2.8 million loan to finance the purchase of a shopping center with three primary anchor stores in Mobile, Alabama. The loan helps to maintain jobs in a moderate-income census tract and for which the majority of employees at the anchor stores have wages that are less than 80 percent of the median family income figures for the area.

Innovative or Flexible Lending Practices

The institution made limited use of innovative or flexible lending practices for the bank as a whole considering the bank’s size, capacity, and opportunities within its assessment areas. These practices’ adequate success, as primarily measured by the dollar volume of such loans and by their

adequate degree of serving low- and moderate-income borrowers, supports this conclusion. Appendix B lists the criteria considered under this performance factor.

The table below shows that, since the previous evaluation, the bank originated 1,656 innovative or flexible loans totaling approximately \$297.4 million. This dollar figure equates to 1.6 percent of average total assets of \$18,211,462,000 since the last performance evaluation and 2.1 percent of average net loans of \$13,914,339,000 for the same period, thereby reflecting adequate levels.

As the table illustrates, a portion of the bank’s flexible loan products consist of loans granted through government programs, such as the Small Business Administration (SBA), U.S. Department of Agriculture’s (USDA) home mortgage program, Federal Housing Administration (FHA), and Veterans Administration (VA). The bank also offers a program tailored to low- and moderate-income individuals and for properties located in low- and moderate-income census tracts (Freedom Advantage Affordable Loan Product). This program assists low- and moderate-income individuals, as well as borrowers purchasing homes in low- or moderate-income census tracts, in qualifying for loans through flexible terms, such as lower down payments and flexible underwriting terms.

Innovative or Flexible Loans								
Institution								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texarkana MS MSA	0	0	12	1,965	5	330	17	2,295
State of Alabama	0	0	2	312	0	0	2	312
State of Arkansas	37	18,658	434	60,221	228	25,063	699	103,852
State of Florida	31	12,308	31	5,773	46	7,637	108	25,718
State of Georgia	19	8,364	97	15,736	235	39,702	351	63,802
State of New York	0	0	0	0	0	0	0	0
State of North Carolina	4	630	89	13,223	27	3,520	120	17,373
State of South Carolina	0	0	1	193	2	323	3	516
State of Texas	17	14,024	91	19,977	248	49,520	356	83,521
Total	108	53,984	757	117,400	791	126,095	1,656	297,389

Source: Bank records.

Since the last evaluation, Bank OZK established a Government Guaranteed Lending (“GGL”) Division in July 2016 to provide financing for higher risk profile small businesses and start-ups. Bank OZK uses various GGL programs to meet the needs of small businesses in the communities it serves. The bank offers various small business loan programs through the SBA: SBA Express, SBA Express-Veterans Advantage, SBA 7(a), and SBA 504. Flexible features of these SBA programs help small businesses obtain financing and small dollar loans that they may not have otherwise been eligible through normal lending channels. Examples of flexible features for these programs are higher SBA guaranties and lower down payments.

As expected due to the bank’s growth in asset size since the last evaluation, all segments of the innovative and flexible loan programs increased. Growth occurred in all categories, with 582

innovative or flexible loans totaling \$82.1 million noted at the last evaluation.

INVESTMENT TEST

Bank OZK demonstrated an outstanding record for the bank as a whole regarding the Investment Test. An excellent level and excellent responsiveness to community development needs primarily support this conclusion. The significant use of complex qualified investments further support this conclusion. Appendix B lists the criteria considered under this test.

Investment Activity

The institution has an excellent level of qualified investments and grants. The bank made 604 qualified investments (QIs) and donations totaling approximately \$304.8 million. The 604 QIs include current and prior period investments, donations, and grants. The bank provided 489 grants and donations totaling \$1.8 million, which included seven bank-wide donations totaling \$442,500. There were 88 prior period investments totaling \$50.2 million. The total dollar amount of qualified investments equates to 1.7 percent of average total assets (\$18.2 billion) and 16.8 percent of average total securities (\$1.8 billion). The dollar amount reflects a significant increase since the prior evaluation's \$132.3 million and a slight decrease in the number (786). Overall, the current evaluation's QI figures reflect an excellent level.

In addition, Bank OZK also has several QIs in nationwide investments that benefited multiple assessment areas in multiple states. Of the 40 total nationwide or regional QIs, the bank holds 22 mortgage-backed securities (MBS) totaling \$106.1 million, as well as 1 CRA Fund investment totaling \$1.0 million. For these multi-state QIs, the number counts are included in the table below under nationwide or regional for the institution as a whole. Then, for each rated area, only the dollar amounts made in the respective areas are included since including the numbers would distort the actual number of investments made overall.

Qualified Investments Institution										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texarkana MS MSA	2	1,072	4	6	0	0	0	0	6	1,078
State of Alabama	4	3,741*	9	9	3	3	0	0	16	3,753
State of Arkansas	41	28,324*	192	19,513	20	616	6	7	259	48,460
State of Florida	19	30,204*	11	2,532	18	136	0	128*	48	33,000
State of Georgia	25	45,552*	77	67	12	473	0	0	114	46,092
State of North Carolina	15	29,895*	23	24	5	42	0	0	43	29,961
State of New York	6	16,491*	5	43	3	25	0	896*	14	17,455
State of South Carolina	5	6,622*	1	2	3	30	1	10	10	6,664
State of Texas	14	73,843	25	14,361	13	5,084	2	25	54	93,313
Nationwide or Regional	24*	18	3	375	5	19,050	8*	5,587	40	25,030
Total	155	235,762	350	36,932	82	25,459	17	6,653	604	304,806

Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing and revitalization/stabilization

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community economic development needs. The above table shows excellent responsiveness to all the community development categories, both by number and dollar. Bank OZK achieved excellent responsiveness, primarily in affordable housing activities, by supporting organizations that provide affordable housing and rent to low- and moderate-income families and individuals. Additionally, the bank equally supported economic development for small businesses and revitalization and stabilization efforts in low- and moderate-income areas. These included the CRA Fund, as well as various QIs to economic development corporations. The qualitative analysis of these investments over multiple years evidences the long-term benefit to the assessment areas.

The following highlight some of the excellent responsiveness by Bank OZK:

- **Community Service:** Bank OZK collaborated with an online platform provider that leverages innovative technology to deliver financial literacy and understanding money modules to economically disadvantaged students and un-banked and under-banked individuals. For the financial literacy component, the bank collaborated with the online platform provider to place modules in 30 schools in the Alabama, Arkansas, Florida, Georgia, North Carolina, and Texas markets. Thus, this activity provides community services, in the form of financial educational services, targeted to low- and moderate-income individuals.
- **Community Service:** Bank OZK continued to provide office space free of charge to an Arkansas community foundation that supports charitable programs and partners with others to create new initiatives that address the gaps in low- and moderate-income services. As there was no rent charged, the space was well below market value. Thus, this activity benefits organizations that provides community services, in the form of social services, targeted to low- and moderate-income individuals.
- **Economic Development:** The bank also provided a \$50,000 emergency grant in Florida after Hurricane Irma affected the small and micro-business owners along the coastline so that the businesses could continue providing service jobs and economic growth despite the devastation. Thus, this activity promotes economic development by supporting entities that meet the size eligibility standards of the regulation and by supporting permanent job creation, retention, or improvement to hundreds of low- or moderate-income individuals in the food service, transportation, and hospitality industry.

Innovativeness or Complexity of Qualified Investments

Bank OZK made significant use of complex qualified investments, primarily through MBSs. These investments provided affordable housing for low- and moderate-income borrowers. The bank also utilized CRA Funds and economic development investments that facilitated small business investment companies (SBICs) to expand capital to small businesses in the Southeastern United States and nationwide, including the bank's assessment areas. Many of the investments are

complex and not routinely purchased by community banks. Therefore, the QIs reflect a good degree of complexity.

Therefore, relative to its capacity and the areas' opportunities, Bank OZK demonstrated an excellent record for the bank as a whole regarding the Investment Test. The following points list examples of the bank's qualified investments.

- **Affordable Housing** – The bank invested over \$222.7 million into MBSs, bonds, low-income housing tax credits, and revenue bonds issued to finance single and multi-family residential properties in the bank's assessment areas. Allocated funds include Government National Mortgage Association (Ginnie Mae), Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), as well as, several assessment area housing finance authorities that issued revenue bonds. These investments primarily provide affordable housing for low- and moderate-income families and individuals throughout the assessment areas within the eight states and multi-state area served by the bank.
- **Community Service** – The bank made 350 qualified investments, grants, and donations totaling \$36.9 million to organizations throughout the assessment areas in the eight states and multi-state area served by the bank that provide community services targeted to low- and moderate-income individuals and families. These community services include medical and healthcare services, financial education, youth programs for economically disadvantaged students, and elderly care.
- **Economic Development** – The bank made a \$15.0 million investment into a fund designed to facilitate economic development in low- and moderate-income communities primarily through job creation efforts. Secondarily, the fund also helps to revitalize and stabilize low- and moderate-income areas. Primarily, the fund directly finances businesses in various industries that meet the SBA size eligibility standards needing capital in the Southeastern United States and nationwide. Some of the projects have directly benefitted North Carolina, Texas, and Alabama AAs.
- **Revitalization or Stabilization** – The bank continued to hold prior period investments that provided revitalization or stabilization efforts including eight bank-wide investments totaling \$5.6 million. Thus, the activity revitalizes and stabilizes a qualifying geography by helping to attract new, or retain existing, businesses or residents.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record for the bank as a whole regarding the Service Test. An adequate level of community development services and an adequate record of providing retail banking services support this conclusion. Appendix B lists all the criteria considered under this test. For the institution, minor changes occurred in the percentages in the tract income levels from the previous evaluation.

Retail Banking Services

The bank exhibited an adequate record for the bank as a whole regarding its retail banking services. Accessible delivery systems, hours and services that do not inconvenience portions of the areas’ need, and changes in branch locations that generally are not adverse to low- and moderate-income areas or individuals support this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment areas for the bank as a whole. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

Branch Distribution

The bank’s branch distribution provides reasonable accessibility to essentially all portions of the bank’s assessment areas. Reasonable accessibility of branches in low- and moderate-income geographies primarily supports this conclusion.

The following table shows that in low-income census tracts the percentage of full-service offices lands below, but within an adequate range of the population percentage. The bank’s level falls 6.4 percentage points lower than the population percentage, thereby reflecting an adequate level. A net increase of three branches occurred in low-income tracts.

The table further shows that in moderate-income census tracts the percentage of full-service offices again lands slightly below the population percentage. The bank’s level, at 23.1 percent falls 2.3 percentage points lower than the population percentage, thereby reflecting an adequate level. A net increase of thirteen branches occurred in moderate-income tracts.

Branch and ATM Distribution by Geography Income Level Institution												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	778	10.3	3,318,992	8.9	6	2.5	6	2.3	3	3.9	0	0.0
Moderate	1,963	26.0	9,472,179	25.4	56	23.1	62	24.2	15	19.7	1	7.6
Middle	2,320	30.7	12,194,498	32.7	96	39.7	101	39.5	29	38.2	6	46.2
Upper	2,379	31.5	12,194,498	32.7	84	34.7	86	33.6	29	38.2	6	46.2
NA	109	1.5	111,877	0.3	0	0.0	1	0.4	0	0.0	0	0.0
Totals	7,549	100.0	37,292,044	100.0	242	100.0	256	100.0	76	100.0	13	100.0

Source: 2010 U.S. Census & 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible to essentially portions of its assessment areas. Reasonably accessible of ATMs and alternative delivery systems to low- and

moderate-income individuals supports this conclusion.

The previous table shows that in low-income census tracts the percentage of ATMs lands within an adequate range of the population percentage, given the ratios' overall levels. The bank's level falls 6.6 percentage points lower than the population percentage, thereby reflecting reasonable accessibility.

The table further shows that in moderate-income census tracts the percentage of ATMs is similar to the population percentage in those areas, given the ratios' overall levels. The bank's level falls just 1.2 percentage points lower than the population percentage, again reflecting reasonable accessibility.

Bank OZK offers other alternative delivery systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking. Online banking through the bank's website allows customers to review deposit and loan balances; view statement histories, pending transactions, and checks; and perform transactional capabilities such as bill pay, fund transfers within accounts, and pay loans. Online banking also allows customers to locate branches and ATMs through an interactive map and zip code search. The mobile application accessible on smartphones and tablets affords customers the ability to remotely deposit checks, pay bills, payment, and transfer funds within accounts. The bank offers free, 24-hour customer access to accounts and service via a toll free number.

Consequently, considering the relative performances and weightings, the bank's delivery systems prove reasonably accessible to essentially all portions of the bank's assessment areas for the bank as a whole, including to low- and moderate-income geographies and individuals.

Changes in Branch Locations

The institution's record of opening and closing of branches has generally not adversely affected low- and moderate- income geographies or individuals for the bank as a whole. Greater percentage changes in middle- and upper-income census tracts as compared to changes in low- and moderate-income tracts supports this conclusion.

Excluding branches acquired and not retained during the evaluation, the bank increased its total full-service branch presence by a net of 63 offices. Of the net branch changes by tract income category, branches increased by 3 in low-income tracts, 14 in moderate-income tracts, 23 in middle-income tracts, and 23 in upper-income tracts. All of the branch additions in low-income tracts occurred through the acquisition of a bank. Bank OZK opened one branch in a moderate-income tract while the other 13 additions were the result of an acquisition.

Consequently, given the relative changes in the discussed census tract income categories, the institution's record of opening and closing of branches proved to generally not adversely affect low- and moderate-income geographies or individuals.

Reasonableness of Hours and Services

The institution's hours and services do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies or individuals.

The institution maintains reasonable hours relative to the areas served and the industry. Most locations maintain at least 8-hour lobby hours Monday thru Thursday and extended hours on Friday. Saturday hours are available at most locations. Hours of operation did not materially vary for offices in low- and moderate-income tracts compared with those in middle- and upper-income tracts.

As previously discussed, the bank provides many services designed to meet the needs of low- and moderate-income areas and individuals as well as smaller-sized businesses. The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans.

For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the reasonable hours of operation and services, the institution offers its hours and services in a way as to not inconvenience the portions of the assessment areas.

Community Development Services

The institution established an adequate level of community development services. An adequate extent of community development services provided and the responsiveness of community development services to available opportunities primarily support this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 746 CD services since the last evaluation. This number equates to an average of 0.9 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The bank averaged 223.9 full-service offices for the 3.7 years since the last evaluation. The average figure reflects a decrease from the average of 1.8 CD services, per office, per year, recorded at the prior evaluation. The current level reflects adequate performance regarding the extent, or number, of CD services provided.

The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition, to their extent, CD services reflect an adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank's assessment areas. The following table shows that 78.0 percent of the bank's CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Assessment Areas, such community services represent a primary community development need for many of the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank established an adequate level in providing CD services.

Community Development Services Institution					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Texarkana MS MSA	3	12	0	0	15
State of Alabama	0	66	2	0	68
State of Arkansas	49	151	4	1	205
State of Florida	9	33	24	1	67
State of Georgia	7	119	16	0	142
State of New York	0	13	1	0	14
State of North Carolina	9	106	3	0	118
State of South Carolina	6	0	0	0	6
State of Texas	8	82	16	2	108
Statewide or Regional	3	0	0	0	3
Total	94	582	66	4	746

Source: Bank records.

Bank OZK offers grant application assistance for grants from the Federal Home Loan Bank of Dallas. As a result of the assistance on applications, grant awards totaled \$6 million since the last evaluation. Bank OZK’s participation in other Federal Home Loan Bank programs have affected over 190 low- and moderate-income families with repairs to homes or affordable first time home buying.

The following points describe examples of the bank’s CD services:

- **Community Services** – The bank had 22 employees lend their financial expertise in partnership with Junior Achievement of Arkansas to provide financial literacy targeted to low- and moderate-income individuals throughout the community. Employee involvement is extensive as evidenced by over 308 hours of financial education teaching conducted by bank employees.
- **Affordable Housing** – Bank employees provided homebuyer education for organizations throughout the State of Arkansas, including HUD-approved counseling agencies and launching a nationwide wealth building initiative focused on increasing homeownership for low- and moderate-income individuals.
- **Community Services** – Employees volunteered their financial expertise in hosting a financial simulation to help students build, save, and invest for their future at a high school in the State of Georgia where student populations are primarily from low- and moderate-income families.

- **Economic Development** – Bank employees provide financial literacy and utilize financial expertise in assisting small business development organizations serving the State of Texas. The organization’s mission is to assist small businesses by providing financial resources such as access to credit, workforce development, and small business education.
- **Community Services** – Employees in the State of North Carolina used their financial expertise and capacity on the Board of community organizations to direct projects that provided services for low- and moderate-income families.
- **Community Services** – Employees taught various financial education sessions, amounting to over 557 hours to help students understand, save, and invest for their future at more than 50 schools with student populations consisting primarily of students from low- and moderate-income families. These schools are located across all states within the bank’s assessment areas. For some sessions, youth learned from employees teaching principles in the FDIC’s Money Smart modules.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices for the bank as a whole inconsistent with helping to meet community credit needs. Therefore, this consideration did not affect the overall rating.

TEXARKANA, TX-AR METROPOLITAN STATISTICAL AREA

TEXARKANA, TX-AR MSA'S CRA RATING¹: Satisfactory.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: Low Satisfactory.

Low satisfactory Lending Test and Service Test records and the High Satisfactory Investment Test record support this rated area's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the Texarkana, TX-AR Multi-state MSA. The following headings summarize the bank's performance in this multi-state rated area regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited an adequate record regarding its lending activity.
- The institution established an adequate record regarding its borrower profile loan distribution.
- The bank achieved an excellent record regarding its geographic loan distribution.
- The institution granted a relatively high level of community development loans.
- The bank made limited use of innovative or flexible lending practices.

Investment Test

- The bank made use of a significant level of qualified investments.
- The institution's investments reflect good responsiveness to area needs.
- The bank made occasional use of innovative or complex investments.

Service Test

- The bank exhibited an adequate record regarding its retail banking services.
- The institution provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the Texarkana, TX-AR Multi-state MSA (Texarkana MS MSA) remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole and, thus, do not evaluate it for each rated area. Examiners applied full-scope procedures to the only assessment area in the Texarkana MS MSA.

¹ This rating reflects performance within the Texarkana, TX-AR Metropolitan Statistical Area. This evaluation adjusts the statewide evaluations of Texas and Arkansas, and does not reflect performance in the parts of those states contained within the Texarkana, TX-AR Metropolitan Statistical Area.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm loans, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 45 loans totaling \$6,849,000
- 2016: 30 loans totaling \$3,605,000
- 2017: 29 loans totaling \$7,153,000
- 2018: 5 loans totaling \$617,000

Small Business Loans:

- 2015: 45 loans totaling \$3,134,000
- 2016: 30 loans totaling \$3,029,000
- 2017: 24 loans totaling \$2,763,000
- 2018: 18 loans totaling \$1,931,000

Small Farm Loans:

- 2015: 11 loans totaling \$481,000
- 2016: 8 loans totaling \$212,000
- 2017: No originations
- 2018: No originations

Since consumer loans do not represent a substantial majority of the bank's Texarkana MS MSA AA loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for 2.3 percent of the dollar volume and 7.8 percent of the number of the total loans from 2015 through 2018. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 American Community Survey (ACS) and 2017 D&B data for the applicable lending tables.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number of the bank's reported 2015-2018 home mortgage and small business loans originated in the bank's assessment area to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank's assessment areas.

The following table shows that for the bank’s activities for the loan categories reviewed, considering number percentages, home mortgage and small business loans each account for one-half of the loans originated or purchased in the bank’s assessment areas. However, by dollar volume, the bank originated more home mortgage loans than small business loans. Consequently, the bank’s record of home mortgage lending contributed slightly more weight than the small business lending when arriving at the applicable conclusions for this rated area.

Loan Category Weighting Texarkana MS MSA				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	109	48.2	18,224	62.7
Small Business	117	51.8	10,857	37.3
Total Reviewed Categories	226	100.0	29,081	100.0
<i>Source: HMDA & CRA data (2015-2018).</i>				

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD (community development) activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation until the current evaluation date, for the Texarkana MS MSA. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE TEXARKANA MS MSA

Overall Description

As noted, the bank designated one assessment area in the Texarkana MS MSA. The Texarkana MS MSA AA consists of the contiguous Bowie County, in northeast Texas and Miller County in southwest Arkansas. The bank’s assessment area in the Texarkana MS MSA conforms to the CRA regulatory requirements.

Operations

The bank’s activity levels in Texarkana MS MSA ranked 6th out of the bank’s nine rated areas. As noted, this state originated 1.8 percent of the bank’s reviewed loans while also gathering 0.6 percent of the bank’s total deposits and operating 1.2 percent of its offices. The bank operated 3 offices and 3 ATMs in this area. The bank did not open or close any offices in this area during the review period. The following discussion describes the bank’s operations in the Texarkana MS MSA.

Office Locations Texarkana MS MSA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Bowie County:</i>				
Texarkana Richmond Road	Branch	0109.02	Middle	No
Texarkana Summerhill	Branch	0109.01	Upper	No
<i>Miller County:</i>				
Texarkana Arkansas Boulevard	Branch	0201.00	Moderate	No
<i>Source: Bank records; ACS Data (2015).</i>				

Demographic and Economic Data

As of the 2015 ACS, the Texarkana MS MSA assessment area contained 30 total census tracts, which reflected the following income designations: 1 low-, 9 moderate-, 14 middle-, 5 upper-income tracts, and 1 tract with no income designation. Appendix E contains a table noting certain demographic data for the area.

With a population of 136,807, based on 2015 ACS data, the area includes 34,302 families, of which 22.5 percent reported low incomes, 16.2 percent reported moderate incomes, 19.2 percent reported middle incomes, and 42.1 percent reported upper incomes. Approximately 16.4 percent of the area’s families reported incomes below the poverty level. The area reflected a 2015 MFI of \$51,151 and a 2017 FFIEC-adjusted MFI of \$53,000.

The area presents a fairly stable economy driven by manufacturing, and healthcare. Leading industries by employment include retail trade, transportation, healthcare, and manufacturing. Currently, major employers in the area consist of Red River Army Depot, St Michael Health System, and Cooper Tire & Rubber. The area’s unemployment rate of 4.7 percent for April of 2019 is higher than the 3.7 percent rate for the State of Texas, the 3.6 percent rate for the State of Arkansas, and the U.S. rate of 3.6 percent for the same period.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 47 offices from its 14 institutions serving about 2,911 people, on average. Bank OZK ranks 9th in market share by capturing 4.3 percent of the area’s deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Credit Needs and Opportunities

Consistent with other metropolitan districts, the Texarkana MS MSA AA creates varied loan demand for commercial, residential real estate, and consumer loans. Considering information obtained from bank management, as well as demographic and economic information, examiners concluded that the primary credit needs of the assessment area include home mortgage loans and small business loans.

With respect to the area’s community development needs, the higher unemployment rates indicate a need for workforce development and financial education for low- or moderate- income

individuals. Demographic data showing that 38.7 percent of the area's families reported low or moderate incomes, with 16.4 percent below the poverty level. This further signifies a continued need for activities that benefit projects or organizations that provide community services targeted to these families and affordable housing in this area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE TEXARKANA MS MSA

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Texarkana MS MSA.

LENDING TEST

Bank OZK demonstrated a low satisfactory record in the Texarkana MS MSA regarding the Lending Test. The adequate level of lending activity and borrower profile distribution, as well as the limited use of innovative or flexible lending practices, primarily support this conclusion. This outweighed the excellent geographic distribution and a relatively high level of community development loans.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the reviewed assessment area when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited an adequate record in the Texarkana MS MSA regarding its lending activity. Adequate performance regarding home mortgage loans lifted the poor performance to small business loans to support this conclusion. As noted, home mortgage loans account for 62.7 percent of the Texarkana loan categories reviewed while small business loans account for 37.3 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects adequate performance. A near poor overall market ranking and share support this conclusion. For 2017, the bank originated 29 total reportable home mortgage loans totaling over \$7.1 million. Bank OZK captured a 1.0 percent market share of the total number of home mortgage loans and a 1.6 percent market share of the total dollar volume of loans.

The bank's activity ranks it 21st out of 181 total lenders and 45 lenders originating at least 10 such loans in the bank's Texas assessment area. This ranking lands the bank in the top half of the second group of lenders reporting such loans in the bank's assessment area, at 46.7 percent, thereby reflecting an adequate level of lending. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects adequate performance for home mortgage loans.

Small Business Loans

The level of small business lending activity reflects poor performance. Poor overall market ranking and share support this conclusion. For 2017, the bank originated 24 total reportable small business loans totaling over \$2.7 million. Bank OZK captured a 1.0 percent market share of the total number of small business loans and a 2.2 percent market share of the total dollar volume of loans.

The bank's activity ranks it 17th out of 68 total lenders and 25 lenders originating at least 10 such loans in the bank's Texarkana assessment area. This ranking lands the bank in the bottom third of the second group of lenders reporting such loans in the bank's assessment area, at 68.0 percent, thereby reflecting a poor level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects poor performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited an adequate overall record in the Texarkana MS MSA regarding its lending activity. Adequate performance regarding home mortgage loans lifted the poor performance regarding small business loans to support this conclusion.

Borrower Profile Distribution

The institution established an adequate record in the Texarkana MS MSA regarding its borrower profile loan distribution. Adequate records regarding both home mortgage and small business loans support this conclusion. As noted, examiners placed slightly more weight on home mortgage loans when forming conclusions in this rated area.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects an adequate record in the Texarkana MS MSA. Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Adequate performance to both low- and moderate-income borrowers supports this conclusion. As indicated by Appendix E, in the Texarkana MS MSA, to low-income borrowers, the bank's

3.4 percent level is in line with the 3.2 percent aggregate figure. The bank's level rises 0.2 percentage points higher than the aggregate figure, thereby reflecting an adequate level.

The table further shows that, to moderate-income borrowers, the bank's 10.3 percent level is also in line with the 10.6 percent aggregate figure. The bank's level is just 0.3 percentage points lower, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects adequate performance in the Texarkana MS MSA.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects an adequate record in the Texarkana MS MSA. Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis.

As indicated by Appendix E, for the Texarkana MS MSA, the bank granted 58.3 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is comparable to the aggregate figure of 49.9 percent. The bank's level lands 8.4 percentage points higher than the aggregate figure, thereby reflecting an adequate level. Thus, the borrower profile distribution of small business loans reflects adequate performance in the Texarkana MS MSA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established an adequate overall record in the Texarkana MS MSA regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved an excellent record in the Texarkana MS MSA regarding its geographic loan distribution. Excellent records regarding home mortgage loans outweighed adequate records regarding small business loans to support this conclusion. As noted, examiners placed slightly more weight on home mortgage loans when forming conclusions in this rated area.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an excellent record in the Texarkana MS MSA. Excellent performance in moderate-income geographies outweighed the poor performance in the low-income geographies to support this conclusion. Examiners placed more weight on performance in moderate-income geographies, given the more limited opportunity with only 0.2 percent of aggregate lending represented in the low-income geographies.

As seen in Appendix E, for the Texarkana MS MSA, in low-income census tracts the bank did not have any loans as compared to the 0.2 percent aggregate figure, thereby reflecting a poor level. However, the table further shows that, in moderate-income census tracts, the bank's 24.1 percent level lands within an excellent range as compared to the 11.5 percent aggregate figure given the ratios' overall levels. The bank's level rises 12.6 percentage points higher, thereby reflecting an excellent level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of home mortgage loans reflects excellent performance in the Texarkana MS MSA.

Small Business Loans

The geographic distribution of small business loans reflects an adequate record in the Texarkana MS MSA. Adequate performance in moderate-income geographies outweighed poor performance in low-income geographies to support this conclusion. Examiners placed more weight on performance in moderate-income geographies, given that only 1.0 percent of aggregate lending was in the low-income geographies.

As seen in Appendix E for the Texarkana MS MSA, in low-income census tracts the bank did not have any loans as compared to the 1.0 percent aggregate level, thereby reflecting a poor level. However, the table further shows that, in moderate-income tracts, the bank's 25.0 percent level lands within an adequate range of the 22.4 percent aggregate figure. The bank's level is 2.6 percentage points higher, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects adequate performance in the Texarkana MS MSA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved an excellent overall record in the Texarkana MS MSA regarding its geographic loan distribution.

Community Development Lending

The institution made a relatively high level of community development loans in the Texarkana MS MSA. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion. Appendix A defines community development, and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 3 CD loans totaling \$2.1 million in the Texarkana MS MSA. The dollar amount equates to 0.2 percent of the bank's overall good level of CD loans. This rated area's level lands within an adequate range of its contribution of 1.8 percent of the bank's total loans originated in the Texarkana MS MSA. Although this rated area's CD lending level falls slightly lower than its total loan figure, it still reflects an adequate level of lending, especially when considering that the bank made a significant volume of its CD lending in the State of New York, which skewed the remaining figures for the other rated areas.

Examiners also noted at the last evaluation that the bank did not have any CD loans in this rated area. As a result, considering the improvement noted at the current evaluation as well as the

overall CD lending level, the bank made a relatively high level of CD loans in the Texarkana MS MSA.

Besides their extent, the CD loans reflect adequate responsiveness to the rated area’s community development needs. As seen in the following table, all of the state’s CD loans are for affordable housing. As noted under the applicable Description of Institution’s Operations for this assessment area, activities that provide affordable housing and community services targeted to low- and moderate-income individuals represent CD needs in this rated area. Therefore, relative to the bank’s capacity and the extent of CD lending opportunities and needs in this rated area, the bank has adequate responsiveness to the CD needs in the Texarkana MS MSA.

Therefore, given the level displayed regarding the extent and responsiveness of its CD lending, the bank made a relatively high level of CD loans in the Texarkana MS MSA.

Community Development Loans Texarkana MS MSA										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texarkana MSA AA	3	2,066	0	0	0	0	0	0	3	2,066

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made limited use of innovative or flexible lending practices in the Texarkana MS MSA. These practices reflect adequate success, as measured by the adequate dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank’s contribution of such loans made in this rated area relative to its other activity levels in this area, as well as the bank’s overall innovative or flexible lending practices’ record, when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that, since the previous evaluation, the bank granted 17 innovative or flexible loans totaling approximately \$2.3 million in the Texarkana MS MSA. The dollar amount equates to 0.8 percent of the bank’s overall adequate level of such loans. This rated area’s level of lending falls within an adequate range of its contribution of 1.8 percent of the bank’s total loans originated in the Texarkana MS MSA, given the overall ratio’s levels. This state’s innovative or flexible lending level is 1.0 percentage points lower than its total loan figure, thereby reflecting an adequate level of lending.

Thus, considering this rated area’s fair share contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made limited use of innovative or flexible lending practices with respect to their dollar volume, or level.

A majority of the bank’s innovative or flexible loan products consist of loans granted through government programs, such as the USDA, FHA, and VA loan programs. These programs also demonstrate various degrees of serving low- and moderate-income individuals. Given the level

and the degree of serving low- and moderate-income borrowers, the bank made limited use of innovative or flexible lending practices in the Texarkana MS MSA.

Innovative or Flexible Loans Texarkana MS MSA								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texarkana MS MSA	0	0	12	1,965	5	330	17	2,295

Source: Bank records.

INVESTMENT TEST

Bank OZK demonstrated a high satisfactory record in the Texarkana MS MSA regarding the Investment Test. A significant level of QIs and good responsiveness to community development needs outweighed the occasional use of complex QIs to support this conclusion. Examiners considered the bank’s contribution of QIs in this rated area relative to its other rated area activity levels, including the bank’s overall Investment Test record, and qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of six QIs totaling \$1.0 million in this area, of which four are donations and grants totaling \$5,500. The dollar amount equates to 0.4 percent of the bank’s excellent overall level. However, the dollar amount reflects a slight decrease from the prior evaluation’s \$1.5 million. This multi-state area held 0.6 percent of the bank’s total deposits. The level of QIs is slightly below the deposit figure, but within a comparable range, thereby reflecting good performance.

Qualified Investments Texarkana MS MSA										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Texarkana MS MSA	2	1,072	4	6	0	0	0	0	6	1,078

Source: Bank records.

Bank OZK made occasional use of complex QIs that exhibit good responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank continued to hold a prior period investment in a Fannie Mae Delegated Underwriting and Servicing (DUS) bond backed by loans on multi-family properties with a minimum of five units. The 48 unit multi-family complex is in Texarkana, with all of the rents designated for low-income families and individuals.

Therefore, considering this multi-state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of a significant level of QIs with good responsiveness and occasional use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the Texarkana MS MSA regarding the Service Test. The institution provides an adequate level of community development services and provides adequate performance regarding retail banking services to support this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited an adequate record in the Texarkana MS MSA regarding its retail banking services. Accessible delivery systems, hours and services that do not inconvenience portions of low- or moderate-income areas or individuals, and changes in branch locations that generally are not adverse to low- or moderate-income areas or individuals support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to portions of the bank's Texarkana MS MSA. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

Branch Distribution

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution's assessment area in the Texarkana MS MSA. Although the following table shows there are no branches in low-income census tracts, only 1.5 percent of the population resides in those tracts. Consequently, examiners placed more weight on moderate-income tracts, where the bank's locations were consistent with the percentage of population, when arriving at conclusions on branch accessibility.

Branch and ATM Distribution by Geography Income Level Texarkana MS MSA												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	1	3.3	2,052	1.5	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	9	30.0	29,414	21.5	1	33.3	1	33.3	0	0.0	0	0.0
Middle	14	46.7	73,465	53.7	1	33.3	1	33.3	0	0.0	0	0.0
Upper	5	16.7	31,876	23.3	1	33.3	1	33.3	0	0.0	0	0.0
NA	1	3.3	0	0.0	0	0	0	0.0	0	0.0	0	0.0
Totals	30	100.0	136,807	100.0	3	100.0	3	100.0	0	0.0	0	0.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank's assessment areas in the Texarkana MS MSA.

As seen in the preceding table, the bank did not operate any ATMs in low-income census tracts, and there is only one ATM in moderate-income tracts. However, since only three total ATMs are located in this assessment area, examiners applied less weight to the ATM distribution.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the Texarkana MS MSA as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Thus, given the bank's ATM distribution and its other delivery systems, the bank makes its alternative delivery systems reasonably accessible to all portions of the bank's assessment areas in the Texarkana MS MSA, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Changes in Branch Locations

Since the previous evaluation, the bank did not make any changes in branch locations in the Texarkana MS MSA. Therefore, examiners afforded no weight to changes in branch locations in arriving at conclusions.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals. The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. All three locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution provides an adequate level of community development services. The extent of community development services provided and the responsiveness of community development services to available opportunities support this conclusion. Appendix A defines CD (community development) and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 15 CD services since the last evaluation in the Texarkana MS MSA. Considering the length of time since the last evaluation and the average

number of offices operated in this area, this number equates to an average of 1.4 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The average figure reflects a decrease from the average of 2.1 CD services, per office, per year, recorded at the prior evaluation.

A majority of the services involve bank personnel’s use of their technical expertise to provide financial literacy at organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank’s assessment areas. The following table shows that 80.0 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Institution’s Operations for this assessment area, such community services represent a high community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank provides an adequate level of CD services.

Community Development Services Texarkana MS MSA					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Total
	#	#	#	#	#
Texarkana MS MSA	3	12	0	0	15
<i>Source: Bank Records.</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the Texarkana MS MSA inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this rated area’s overall rating.

STATE OF ALABAMA

STATE OF ALABAMA'S CRA RATING: Satisfactory.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: High Satisfactory.

Low Satisfactory Lending Test record combined with a High Satisfactory Investment and Service Test records, support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of Alabama. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited a poor record regarding its lending activity.
- The institution established a good record regarding its borrower profile loan distribution.
- The bank achieved a good record regarding its geographic loan distribution.
- The institution made a relatively high level of community development loans.
- The bank made little use of innovative or flexible lending practices.

Investment Test

- The institution has a significant level of qualified investments.
- The institution's investments reflect good responsiveness to area needs.
- The bank made occasional use of innovative or complex investments.

Service Test

- The bank exhibited a poor record regarding its retail banking services.
- The institution is a leader in providing community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of Alabama remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in two separate assessment areas in the State of Alabama, as more fully described under the Description of Institution's Operations in the State of Alabama.

Of the two reviewed areas, examiners applied full-scope procedures to the Mobile MSA AA after contemplating all considerations in outstanding guidance. Examiners chose the Mobile MSA AA since it generated the largest percentage, and more than a majority, of the bank's

Alabama loans, consistent with its larger percentage of deposits and offices. Examiners applied limited-scope procedures to the Dothan MSA AA for this evaluation.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm loans, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 47 loans totaling \$3,431,000
- 2016: 27 loans totaling \$1,880,000
- 2017: 24 loans totaling \$1,242,000
- 2018: 12 loans totaling \$845,000

Small Business Loans:

- 2015: 13 loans totaling \$2,165,000
- 2016: 8 loans totaling \$2,119,000
- 2017: 24 loans totaling \$3,574,000
- 2018: 20 loans totaling \$3,838,000

Small Farm Loans:

- 2015: 7 loans totaling \$365,000
- 2016: 3 loans totaling \$414,000
- 2017: 2 loans totaling \$87,000
- 2018: 3 loans totaling \$171,000

Since consumer loans do not represent a substantial majority of the bank's Alabama loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for 5.1 percent of the dollar volume and 7.9 percent of the number of the total loans from 2015 through 2018. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 American Community Survey (ACS) and 2017 D&B data for the applicable lending tables.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number of the bank's reported 2015-2018 home mortgage and small business loans

originated in the bank’s assessment area to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank’s assessment areas.

The following table shows that for the bank’s activities for the loan categories reviewed, considering number percentages, home mortgage loans account for a majority of the loans originated or purchased in the bank’s assessment areas. However, by dollar volume, the bank originated more small business loans than home mortgage loans. Consequently, examiners attributed relatively equal weighting to both products when arriving at the applicable conclusions for this rated area.

Loan Category Weighting State of Alabama				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	110	62.9	7,398	38.8
Small Business	65	37.1	11,696	61.2
Total Reviewed Categories	175	100.0	19,094	100.0

Source: HMDA & CRA data (2015-2018).

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in two reviewed areas in the State of Alabama. The following table shows that the Mobile MSA AA generated the largest percentage of the bank’s Alabama loans, generally consistent with the deposits gathered and offices operated by this area. Consequently, examiners weighed records in the Mobile MSA AA heavier when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area’s lending level as reflected in the following table.

Assessment Area Distribution – State of Alabama						
Assessment Area	Loans (% of #)				Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Small Farm	Total		
Dothan MSA	29.1	26.2	93.3	33.2	58.2	33.3
Mobile MSA	70.9	73.8	6.7	66.8	41.8	66.7

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD (community development) activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE STATE OF ALABAMA

Overall Description

Bank OZK designated two assessment areas in Alabama: 1) Mobile MSA AA, and 2) Dothan MSA AA.

As of the 2015 ACS, the State of Alabama assessment areas contained 121 total census tracts, which reflected the following income designations: 19 low-, 28 moderate-, 42 middle-, 30 upper-income tracts, and 2 tracts with no income designation. All of the bank’s assessment areas in the State of Alabama conform to the CRA regulatory requirements.

Operations

The bank’s activity levels in Alabama ranked 7th out of the bank’s nine rated areas. As noted, this state originated 1.4 percent of the bank’s reviewed loans while also gathering 0.7 percent of the bank’s total deposits and operating 1.2 percent of its offices. The bank operated 3 offices and 3 ATMs in this state. The bank did not open or close any offices during the review period.

The following discussion describes the bank’s operations in the full scope area reviewed in this state. Demographic data and deposit market share information for the limited scope assessment areas is in Appendix F.

Mobile MSA AA

The Mobile MSA AA consists of all 115 census tracts in Mobile County, Alabama. Mobile County is the only county located in the Mobile, Alabama MSA. Examiners used full-scope procedures for this area.

Operations

As previously noted, this area ranks 1st out of the reviewed areas in Alabama by accounting for 66.8 percent of the bank’s Alabama loans, while gathering 41.8 percent of its deposits and operating 66.7 percent of its offices. The following table shows that the bank operates two full-service offices in this area. The bank did not open or close any offices or participate in any merger or acquisition activities in this area since the last evaluation. It also maintains two ATMs in this area.

Office Locations Mobile MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Mobile County:</i>				
Mobile – Royal Street	Branch	0002.00	Upper	No
Mobile – Airport	Branch	0037.04	Upper	No

Source: Bank records; ACS Data (2015).

Demographic and Economic Data

The assessment area's 115 census tracts reflect the following income designations based on 2015 ACS data: 19 low-, 27 moderate-, 37 middle-, 30 upper-income tracts, and 2 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

On November 16, 2017, FEMA declared Mobile County as a major disaster area due to Hurricane Nate. This designation expires November 16, 2020.

With a population of 414,251, based on 2015 ACS data, the area includes 103,554 families, of which 24.0 percent reported low incomes, 15.6 percent reported moderate incomes, 19.0 percent reported middle incomes, and 41.4 percent reported upper incomes. Approximately 15.7 percent of the area's households reported incomes below the poverty level. The area reflected a 2015 MFI of \$54,215 and a 2017 FFIEC-adjusted MFI of \$55,100.

The area presents a recovering economy largely driven by logistics and manufacturing. Leading industries by employment include educational and health services, government, professional and business services, retail trade, and manufacturing. According to Moody's Analytics, the area generally reflects an economy that trails the state's overall economy due to a slow decline in population and higher housing prices compared to other areas in the state.

Currently, major employers in the area consist of USA Health System, Infirmiry Health, Austal, CPSI, and AM/NS Calvert. The area's unemployment rate of 4.7 percent for April 2019 rises above the 3.8 percent rate for the State of Alabama and the U.S. rate of 3.6 percent.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 113 offices from its 21 institutions serving about 3,665 people, on average. Bank OZK ranks 15th in market share by capturing 0.8 percent of the area's deposits based on the June 30, 2018, FDIC Deposit Market Share Report. The top 3 financial institutions account for 55.9 percent of the total deposit market share. In addition, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners reviewed a contact with a community member knowledgeable about the area's business environment to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the assessment area. The contact described the local economic conditions as strong with a low cost of living, low unemployment rates, and several large employers. The contact noted several housing options throughout the area, including new housing developments. However, they also detailed blighted areas in need of improvement, noting opportunities for affordable housing and revitalization in the downtown area. The contact listed a number of community needs and opportunities for local financial institutions to participate in, including small business education, credit counseling, and small loans to assist entrepreneurs and small business owners.

Community Credit Needs and Opportunities

Consistent with other metropolitan areas, the Mobile MSA AA created varied loan demand for small business, residential real estate, and consumer loans. Considering information from the community contact, bank management, and demographic and economic information, examiners ascertained that the primary credit needs of the area include small business loans, home mortgage loans, home improvement loans, and down payment assistance.

With respect to the area's community development needs, the higher housing prices suggests a need for affordable housing for low- and moderate-income individuals. Demographic data showing that 39.6 percent of the area's families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, the fact that 40.0 percent of the area's census tracts have low- or moderate-income designations as well as the designation of federal disaster areas since the last evaluation suggests a need for activities that revitalize or stabilize qualifying geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF ALABAMA

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Mobile MSA AA and limited-scope procedures for the Dothan MSA AA.

Conclusions Regarding the Dothan MSA

The IBBEA requires, for multistate banks, separate conclusions for each MSA and for the combined nonmetropolitan areas within a state where a bank operates a branch. Also, examination procedures require conclusions for assessment areas reviewed using limited-scope procedures.

The following table summarizes the conclusions for this rated area's AA reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution's CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Dothan MSA	Below	Below	Consistent

Facts and data supporting conclusions for the limited-scope AA follow, including a summary of Bank OZK's operations and activities. The geographic distribution and borrower profile tables for the limited-scope AA are in Appendix E, while demographic data for the limited-scope AA is in Appendix F.

Dothan MSA AA

Bank OZK operates one branch in this AA in a middle-income CT. The bank originated and

engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	17	649,000
HMDA Loans	31	1,401,000
Small Farm Loans	14	888,000
Community Development Loans	0	0
Qualified Investments	10	311,000
Community Development Services	48	-

LENDING TEST

Bank OZK demonstrated a low satisfactory record in the State of Alabama regarding the Lending Test. The good borrower profile, geographic loan distribution, and the relatively high level of community development lending outweighed the poor lending activity and little use of innovative or flexible lending practices to support this conclusion.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the two reviewed assessment areas when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited a poor record in the State of Alabama regarding its lending activity. Poor performances regarding both small business and home mortgage loans support this conclusion. As noted under the Scope of Evaluation section, the analysis of small business loans and the home mortgage loans weighed equally to arrive at this conclusion. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Small Business Loans

The level of small business lending activity reflects poor performance. Poor overall market ranking and share support this conclusion. For 2017, the bank originated 24 total reportable small business loans totaling over \$3.5 million. Bank OZK captured a 0.3 percent market share of the total number of small business loans and a 0.7 percent market share of the total dollar volume of loans.

The bank's activity ranks it 29th out of 87 total lenders and 39 lenders originating at least 10 such loans in the bank's Alabama assessment areas. This ranking lands the bank in the bottom third percent of the second group of lenders reporting such loans in the bank's assessment area, at 74.4

percent, thereby reflecting a poor level of lending. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects poor performance for small business loans.

Home Mortgage Loans

The level of home mortgage lending activity reflects poor performance. Poor overall market ranking and share support this conclusion. For 2017, the bank originated 24 total reportable home mortgage loans totaling over \$1.2 million. Bank OZK captured a 0.2 percent market share of the total number of home mortgage loans and a 0.1 percent market share of the total dollar volume of loans.

The bank's activity ranks it 80th out of 323 total lenders and 117 lenders originating at least 10 such loans in the bank's Alabama assessment areas. This ranking lands the bank in the bottom third of the second group of lenders reporting such loans in the bank's assessment area, at 68.4 percent, thereby reflecting a poor level of lending. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects poor performance for home mortgage loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited a poor overall record in the State of Alabama regarding its lending activity. Poor performances regarding small business and home mortgage loans support this conclusion.

Borrower Profile Distribution

The institution established an adequate record in the State of Alabama regarding its borrower profile loan distribution. Good records regarding small business loans lifted poor performance regarding home mortgage loans to support this conclusion. As noted, small business loans and home mortgage loans were weighed equally to arrive the conclusion.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects a good record in the State of Alabama. Good performance in the Mobile MSA AA outweighed excellent performance in the Dothan MSA AA to support this conclusion.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment area.

Mobile MSA AA

The distribution of small business loans based on the borrowers' profiles reflects good performance in the Mobile MSA AA. Good performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of Alabama, in the Mobile MSA AA the bank granted 85.0 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is higher than the aggregate figure of 43.2 percent given the ratios' overall levels. The bank's level lands 41.8 percentage points higher than the aggregate figure, thereby reflecting a good level. Thus, the borrower profile distribution of small business loans reflects good performance in the Mobile MSA AA.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects a poor record in the State of Alabama. Poor performance in the Mobile MSA AA outweighed the adequate performance in the Dothan MSA AA to support this conclusion.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Mobile MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects poor performance in the Mobile MSA AA. Poor performance to both low- and moderate-income borrowers supports this conclusion.

As indicated by Appendix E, for the State of Alabama, in the Mobile MSA AA during 2017, to low-income borrowers, the bank's 21.7 percent level lands within an excellent range of the 5.4 percent aggregate figure given the ratios' overall levels. The bank's level rises 16.3 percentage points higher than the aggregate figure, thereby reflecting an excellent level. The table further shows that to moderate-income borrowers, the bank's 4.3 percent level is poor compared to the 16.3 percent aggregate figure given the ratios' overall levels. The bank's level is lower by 12.0 percentage points, thereby reflecting a poor level. Thus, given the relative performances for the discussed income levels and weighting given to the level of opportunity and performance to moderate-income borrowers, the borrower profile distribution of home mortgage loans reflects adequate performance 2017.

However, for all other years considered in this evaluation, the bank's performance was poor to low- and moderate-income borrowers. Bank OZK made one loan to a low-income borrower in 2016 but no other loans to LMI individuals in 2015, 2016, and 2018 combined. As a result, considering all of the bank's performance and trends throughout the evaluation period, the distribution of home mortgage loans based on the borrowers' profiles reflects a poor overall record in the State of Alabama.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established an adequate overall record in the State of Alabama regarding its borrower

profile loan distribution.

Geographic Distribution

The bank achieved a good record in the State of Alabama regarding its geographic loan distribution. Good records regarding small business and home mortgage loans support this conclusion.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Small Business Loans

The geographic distribution of small business loans reflects a good record in the State of Alabama. Good performances in the Mobile MSA AA and Dothan MSA AA support this conclusion.

Mobile MSA AA

The geographic distribution of small business loans reflects good performance in the Mobile MSA AA. Good performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E for the State of Alabama, in the Mobile MSA AA in low-income census tracts the bank's 15.0 percent level lands within a good range of the 7.0 percent aggregate figure given the ratios' overall levels. The bank's level rises 8.0 percentage points higher than the aggregate figure, thereby reflecting a good level.

The table further shows that in moderate-income tracts the bank's 30.0 percent level lands within a good range of the 17.9 percent aggregate figure given the ratios' overall levels. The bank's level rises 12.1 percentage points higher, thereby reflecting a good level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects good performance in the Mobile MSA AA.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a good record in the State of Alabama. Good performances in the Mobile MSA AA and Dothan MSA AA support this conclusion.

Mobile MSA AA

The geographic distribution of home mortgage loans reflects good performance in the Mobile MSA AA. Good overall performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E, for the State of Alabama, in the Mobile MSA AA in low-income census tracts the bank's 4.3 percent level lands within an adequate range of the 1.5 percent aggregate figure given the ratios' overall levels. The bank's level rises 2.8 percentage points higher than

the aggregate figure, thereby reflecting a good level. The table further shows that in moderate-income census tracts the bank's 52.2 percent level lands within an excellent range of the 8.3 percent aggregate figure given the ratios' overall levels. The bank's level rises 43.9 percentage points higher, thereby reflecting an excellent level in 2017. Considering the weight given to the level of opportunity and performance to moderate-income geographies, the borrower profile distribution of small business loans, reflects overall excellent performance for 2017.

However, the bank did not have excellent performance for the remaining years of the evaluation period. The bank achieved excellent performance in the low- and moderate-income geographies in 2015 and adequate performance in 2016. In addition, Bank OZK did not make any loans in low- or moderate-income geographies in 2018, thereby resulting in poor performance for this year. As a result, considering all of the bank's and trends throughout the evaluation period, the distribution of home mortgage loans based on the borrowers' profiles reflects a good overall record in the Mobile MSA AA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved a good overall record in the State of Alabama regarding its geographic loan distribution.

Community Development Lending

The institution made a relatively high level of community development loans in the State of Alabama. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that since the previous evaluation, the bank granted 3 CD loans totaling over \$3.4 million in this state. The dollar amount equates to 0.3 percent of the bank's overall level of CD loans. This level lands within an adequate range of its contribution of 1.4 percent of the bank's total loans originated by the State of Alabama given the ratios' overall levels. This state's CD lending level is 0.9 percentage points lower than its total loan figure, thereby reflecting an adequate level of lending.

Thus, considering this state's fair share contribution of CD loans to the bank's overall good CD lending record, the bank made a good level of loans regarding the extent, or dollar volume, of CD loans in the State of Alabama.

Besides their extent, the CD loans reflect adequate responsiveness to the community development needs of the state's assessment areas. As seen in the following table, 83.1 percent of the dollar volume of the state's CD loans promote economic development. An additional 16.9 percent of loans promote affordable housing.

As noted under the applicable Description of Assessment Areas, activities that provide community services targeted to low- and moderate-income individuals as well as those that promote affordable housing represent CD needs in the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD lending opportunities and needs in its assessment areas, the bank established an adequate level in originating CD loans.

Therefore, given the level of CD loans displayed regarding the extent and responsiveness of its CD lending, the bank demonstrated a good effort in granting CD loans in the State of Alabama.

Community Development Loans State of Alabama										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dothan MSA AA	0	0	0	0	0	0	0	0	0	0
Mobile MSA AA	2	574	0	0	1	2,812	0	0	3	3,386
Statewide or Regional	0	0	0	0	0	0	0	0	0	0
Total	2	574	0	0	1	2,812	0	0	3	3,386

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made little use of innovative or flexible lending practices in the State of Alabama. These practices reflect poor success, as measured by the poor dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank’s contribution of such loans made in the state relative to its other activity levels in this area as well as the bank’s overall innovative or flexible lending practices’ record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that since the previous evaluation, the bank granted two innovative or flexible loans totaling over \$312,000 in the State of Alabama. The dollar amount equates to 0.1 percent of the bank’s overall adequate level of such loans. This state’s level of lending falls significantly below its contribution of 1.4 percent of the bank’s total loans originated in the State of Alabama, given the overall ratio’s levels. This state’s innovative or flexible lending level falls 1.3 percentage points lower than its total loan figure, thereby reflecting a poor level of lending.

Innovative or Flexible Loans State of Alabama								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Alabama	0	0	2	312	0	0	2	312

Source: Bank records.

Thus, considering this state’s fair share contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made little use of innovative or flexible lending practices with respect to their dollar volume, or level.

INVESTMENT TEST

Bank OZK demonstrated a high satisfactory record in the State of Alabama regarding the Investment Test. A significant level of QIs and good responsiveness to community development needs outweighed the occasional use of complex QIs to support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 16 QIs totaling nearly \$3.8 million in this state, of which 14 are donations and grants totaling \$19,300. The dollar amount equates to 1.2 percent of the bank’s excellent overall level. The dollar amount also reflects a significant increase from the prior evaluation’s dollar amount of \$1.1 million. This state held 0.7 percent of the bank’s total deposits. The level of QIs is slightly above the deposit figure, thereby reflecting good performance.

Qualified Investments State of Alabama										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Dothan MSA	1	311*	9	9	0	0	0	0	10	320
Mobile MSA	3	3,430*	0	0	3	3	0	0	6	3,433
Statewide	0	0	0	0	0	0	0	0	0	0
Total	4	3,741	9	9	3	3	0	0	16	3,753

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made occasional use of complex QIs that exhibit good responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$2.4 million in two Fannie Mae Delegated Underwriting and Servicing (DUS) bonds backed by loans on multi-family properties with a minimum of five units. The two multi-family apartments have Section 8 designation. In addition, both of the complexes are located in Mobile, with 98 and 100 percent of the rents designated for low-income families, respectively. In addition, the bank shows responsiveness through a significant dollar amount to affordable housing, primarily through investments in MBSs.

Therefore, considering this state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of a significant level of QIs with good responsiveness and occasional complex investments.

SERVICE TEST

Bank OZK demonstrated a high satisfactory record in the State of Alabama regarding the Service Test. Bank OZK's poor record of retail banking services hampered the bank's leadership in providing community development services to support this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited a poor record in the State of Alabama regarding its retail banking services. Accessible delivery systems to limited portions areas, and hours and services that do not inconvenience portions of low- or moderate-income areas or individuals support this conclusion.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the bank's assessment areas in the State of Alabama. Examiners noted similar accessibility in branch distribution and alternative delivery systems.

Branch Distribution

The bank makes its full-service offices accessible to limited portions of the institution's assessment areas in the State of Alabama.

The following table shows that in both low- and moderate-income census tracts, the bank does not operate any full-service offices, representing poor branch dispersion. The table further shows that 8.7 percent of the area's population resides in the 15.7 percent of tracts that are low-income. In addition, 18.2 percent of the area's population lives in the 23.1 percent of tracts designated moderate-income. Consequently, 26.9 percent, nearly a third of the population, and 38.8 percent of the census tracts have limited access to full service offices.

Branch and ATM Distribution by Geography Income Level State of Alabama												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	19	15.7	38,436	8.7	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	28	23.1	80,334	18.2	0	0.0	0	0.0	0	0.0	0	0.0
Middle	42	34.7	173,380	39.3	1	33.3	1	33.3	0	0.0	0	0.0
Upper	30	24.8	148,282	33.6	2	66.7	2	66.7	0	0.0	0	0.0
NA	2	1.7	634	0.2	0	0.0	0	0.0	0	0.0	0	0.0
Totals	121	100.0	441,066	100.0	3	100.0	3	100.0	0	0.0	0	0.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems accessible to limited portions of the bank's assessment areas in the State of Alabama.

The preceding table also shows that the bank did not operate any ATMs in low or moderate-income census tracts, demonstrating limited accessibility to ATMs throughout the assessment areas in the State of Alabama.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of Alabama as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Consequently, considering the limited accessibility of both alternative delivery systems and branch distribution, the delivery systems are accessible to limited portions of the bank's assessment areas in the State of Alabama. Considering the low number of both branches and ATM, examiners afforded community service activities more weight.

Changes in Branch Locations

Since the previous evaluation, the bank did not make any changes in branch locations in the State of Alabama. Therefore, examiners did not evaluate this criterion.

Reasonableness of Business Hours and Services

The institution's hours and services do not vary in a way that inconveniences low- and moderate-income geographies or individuals.

The bank maintains lobby and motor bank hours of at least eight hours a day throughout the bank's assessment areas in the State of Alabama. All 3 locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution is a leader in providing community development services. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 68 CD services since the last evaluation in the State of Alabama. This number equates to an average of 6.1 CD services, per office, per year,

since the last evaluation, thereby reflecting a relatively high level. The bank operated 3 full-service offices for the 3.7 years since the last evaluation for the State of Alabama. The average figure reflects an increase over the average of 4.9 CD services, per office, per year, recorded at the prior evaluation.

The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect a good responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank’s assessment areas. The following table shows that 97.1 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Assessment Areas, such community services represent a high community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank is a leader in providing CD services.

Community Development Services State of Alabama					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Dothan MSA	0	48	0	0	48
Mobile MSA	0	18	2	0	20
Total	0	66	2	0	68

Source: Bank Records.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of Alabama inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state’s overall rating.

STATE OF ARKANSAS

STATE OF ARKANSAS CRA RATING: Satisfactory.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: Low Satisfactory.

High Satisfactory Investment Test records, combined with a Low Satisfactory Lending Test and Service Test record, support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of Arkansas. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited an adequate record regarding its lending activity.
- The institution established an adequate record regarding its borrower profile loan distribution.
- The bank achieved an adequate record regarding its geographic loan distribution.
- The institution is a leader in making community development loans.
- The bank made limited use of innovative or flexible lending practices.

Investment Test

- The bank made use of an adequate level of qualified investments.
- The institution's investments reflect good responsiveness to area needs.
- The bank made significant use of innovative or complex investments.

Service Test

- The bank exhibited an adequate record regarding its retail banking services.
- The institution provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of Arkansas remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in five separate assessment areas in the State of Arkansas, as more fully described under the Description of Institution's Operations in the State of Arkansas.

Of the five reviewed areas, examiners applied full-scope procedures to one of the MSA AAs after contemplating all considerations in outstanding guidance. Examiners chose the Little Rock

MSA AA since it generated the largest percentage, nearly one-half, of the bank's Arkansas loans, consistent with its larger percentage of deposits and offices. Examiners applied limited-scope procedures to the Fayetteville MSA AA, Fort Smith MSA AA, Hot Springs MSA AA, and Arkansas Non-MSA AA (AR Non-MSA AA) for this evaluation.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 1,243 loans totaling \$173,249,000
- 2016: 1,268 loans totaling \$168,352,000
- 2017: 842 loans totaling \$114,457,000
- 2018: 486 loans totaling \$59,771,000

Small Business Loans:

- 2015: 738 loans totaling \$71,612,000
- 2016: 489 loans totaling \$55,018,000
- 2017: 808 loans totaling \$128,546,000
- 2018: 596 loans totaling \$103,919,000

Small Farm Loans:

- 2015: 196 loans totaling \$10,631,000
- 2016: 156 loans totaling \$9,200,000
- 2017: 218 loans totaling \$15,159,000
- 2018: 151 loans totaling \$13,538,000

Since consumer loans do not represent a substantial majority of the bank's Arkansas loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for 5.3 percent of the dollar volume and 10.0 percent of the number of the total loans from 2015 through 2018. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS and 2017 D&B data for the applicable lending tables. Given the very limited data for small farm loans, this evaluation does not present that loan data.

Loan Category Weighting

For the Lending Test’s loan distribution performance factors, examiners considered the universes of the number and dollar volume of the bank’s reported home mortgage and small business loans reported from 2015 through 2018 originated or purchased in the bank’s assessment areas to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank’s assessment areas.

The following table shows that, for the loan categories reviewed, by dollar volume, home mortgage loans account for 59.0 percent while home mortgage loans account for 41.0 percent of the loans originated or purchased in the bank’s assessment areas. By number, examiners noted similar percentages. Consequently, the bank’s record of home mortgage lending contributed more weight than the small business lending when arriving at the applicable conclusions for the State of Arkansas.

Loan Category Weighting State of Arkansas				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Small Business	2,631	40.7	359,095	41.0
Home Mortgage	3,839	59.3	515,829	59.0
Total Reviewed Categories	6,470	100.0	874,924	100.0

Source: HMDA & CRA data (2015-2018)

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in five reviewed areas in the State of Arkansas. The following table shows that the Little Rock MSA AA generated the largest percentage of the bank’s Arkansas loans, generally consistent with the deposits gathered and offices operated by this area. Consequently, examiners weighed records in the Little Rock MSA AA heavier when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area’s lending level as reflected in the following table.

Assessment Area Distribution – State of Arkansas						
Assessment Area	Loans (% of #)				Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Small Farm	Total		
Fayetteville MSA	8.8	4.4	2.6	6.6	6.6	16.2
Fort Smith AR-OK MSA	8.2	13.3	8.2	10.1	3.0	8.6
Hot Springs MSA	11.4	15.4	2.8	12.0	6.6	8.6
Little Rock MSA	49.1	42.3	12.5	42.9	71.2	33.3
AR Non-MSA	22.5	24.6	73.9	28.4	12.6	33.3

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation. The Investment Test's scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF ARKANSAS

Overall Description

Bank OZK designated five assessment areas in Arkansas: 1) Fayetteville MSA AA, 2) Fort Smith AR-OK MSA AA, 3) Hot Springs MSA AA, 4) Little Rock MSA AA, and 5) Arkansas Non-MSA AA.

As of the 2015 ACS, the State of Arkansas assessment areas contained 373 total census tracts which reflected the following income designations: 15 low-, 74 moderate-, 182 middle-, 100 upper-income tracts, and 2 tracts with no income designation. All of the bank's assessment areas in the State of Arkansas conform to the CRA regulatory requirements.

Operations

The bank's activity levels in Arkansas ranked 1st out of the bank's 9 rated areas. As noted, this state originated 52.4 percent of the bank's reviewed loans while also gathering 32.1 percent of the bank's total deposits and operating 33.6 percent of its offices. The bank operated 81 offices and 81 ATMs in this state. The bank did not open any offices; however, the bank closed one full service office during the review period.

The following discussion describes the bank's operations in the full scope area reviewed in this state. Demographic data and deposit market share information for the limited scope assessment areas is in Appendix F.

Little Rock MSA AA

The Little Rock MSA AA consists of all 157 census tracts of Faulkner, Lonoke, Pulaski, and Saline Counties. These counties are four of the six counties that constitute the Little Rock-North Little Rock-Conway, Arkansas MSA. Examiners used full-scope procedures for this area.

Operations

As noted, this area ranks 1st out of the five reviewed areas in Arkansas by accounting for 42.9 percent of the bank's Arkansas loans, while gathering 71.2 percent of its deposits and operating 33.3 percent of its offices. The following table shows that the bank operates 27 full-service offices in this area. The bank did not open any offices but did close one office since the last evaluation. The bank did not participate in any merger or acquisition activities in this area since

the last evaluation. It also maintains 28 ATMs.

Office Locations Little Rock MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Faulkner County:</i>				
Conway East Branch	Branch	0304.03	Moderate	No
Conway Main Branch	Branch	0307.02	Moderate	No
Conway North Branch	Branch	0305.02	Middle	No
Conway Salem Branch	Branch	0308.00	Middle	No
<i>Lonoke County</i>				
Cabot Main Branch	Branch	0202.04	Middle	No
Cabot South Branch	Branch	0202.04	Middle	No
Lonoke Branch	Branch	0205.00	Moderate	No
<i>Pulaski County</i>				
Bank OZK- Main	Main Office	0042.13	Upper	No
Cantrell Road Branch	Branch	0049.00	Upper	No
Capitol Branch	Branch	0044.00	Upper	No
Chenal Parkway Branch	Branch	0042.18	Upper	No
Chester Branch	Branch	0044.00	Upper	No
East McCain Branch	Branch	0038.00	Moderate	No
Levy Branch	Branch	0032.02	Middle	No
Little Rock –Heights Branch	Branch	0016.00	Upper	No
Markham & Rodney Parham Branch	Branch	0021.04	Upper	No
Maumelle Branch	Branch	0043.06	Upper	No
North Hills Branch	Branch	0033.03	Upper	No
Otter Creek Branch	Branch	0042.20	Middle	No
Rodney Parham Branch	Branch	0022.04	Upper	No
Sherwood Branch	Branch	0037.10	Upper	No
Taylor Loop Branch	Branch	0042.12	Upper	No
<i>Saline County</i>				
Benton Alcoa Branch	Branch	0101.02	Middle	No
Benton Hwy 35 Branch	Branch	0106.00	Middle	No
Benton Military Branch	Branch	0101.02	Middle	Closed 12/31/2015
Benton Military Rd Branch	Branch	0101.01	Middle	No
Bryant Highway 5 Branch	Branch	0105.10	Upper	No
Hot Springs Village Hwy 5 Branch	Branch	0105.08	Upper	No

Source: Bank records; ACS Data (2015).

Demographic and Economic Data

The assessment area’s 157 census tracts reflect the following income designations based on 2015 ACS data: 11 low-, 37 moderate-, 59 middle-, 48 upper-income tracts, and 2 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

On June 15, 2017, FEMA made a major disaster declaration affecting, among other counties, Faulkner, Pulaski, and Saline Counties within the little Rock MSA AA due to severe storms.

With a population of 694,330, based on 2015 ACS data, the area includes 171,347 families, of which 21.1 percent reported low incomes, 17.5 percent reported moderate incomes, 19.8 percent reported middle incomes, and 41.5 percent reported upper incomes. Approximately 10.4 percent

of the area's families reported incomes below the poverty level. The area reflected a 2015 MFI of \$63,400 and a 2017 FFIEC-adjusted MFI of \$62,100.

The area presents an expanding economy largely driven by education, healthcare, and business/professional services. Leading industries by employment include educational and health services, government, professional and business services, retail trade, and manufacturing. According to Moody's Analytics, the area generally reflects an expanding economy with private services propelling job and income growth.

Currently, major employers in the area consist of University of Arkansas for Medical Services, Baptist Health, Little Rock Air Force Base, Arkansas Children's Hospital, and the Central Arkansas Veterans Healthcare System. The area's average unemployment rate of 3.3 percent for April 2019 trends below the 3.6 percent rate for the State of Arkansas and the U.S. rate of 3.6 percent.

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 295 offices from its 32 institutions, each serving about 2,354 people, on average. Bank OZK ranks 1st in market share by capturing 20.3 percent of the area's deposits based on the June 30, 2018, FDIC Deposit Market Share Report. In addition, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners reviewed a contact with a community member knowledgeable about the area's business environment to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the assessment area. The contact described the local economic conditions as fair and characterized the area as middle-income with a growing aging population. The contact expressed a primary need for small business lending, specifically to start-up businesses, and noted a need for improvements to local infrastructures and affordable housing for low- and moderate-income individuals. The contact stated that local financial institutions are proactive in developing relationships with community organizations in an effort to support community development needs.

Community Credit Needs and Opportunities

Consistent with other metropolitan areas, the Little Rock MSA AA created varied loan demand for small business, residential real estate, and consumer loans. Considering information from the community contact, bank management, and demographic and economic information, examiners ascertained that the primary credit needs of the area include small business loans, home mortgage loans, and home improvement loans.

With respect to the area's community development needs, an expanding economy suggests a need for economic development and affordable housing for low- and moderate-income individuals. In addition, three of the four counties were included in federal designated disaster declarations suggesting a need for activities that revitalize or stabilize qualifying geographies. The demographic data shows that 38.6 percent of the area's families report either low- or

moderate income, and 10.4 percent report income below poverty level. These figures suggest a need for activities that benefit organizations or programs that provide community services to low- or moderate-income families.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF ARKANSAS

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Little Rock MSA AA and limited-scope procedures for the remaining areas.

Conclusions on Performance Criteria in the Limited-Scope Review AAs

The following table summarizes the conclusions for this rated area's AAs reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution's CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Fayetteville MSA	Consistent	Consistent	Above
Fort Smith MSA	Consistent	Consistent	Consistent
Hot Springs MSA	Consistent	Consistent	Consistent
AR Non-MSA	Consistent	Below	Consistent

Facts and data supporting conclusions for each limited-scope AA follow, including a summary of Bank OZK's operations and activities. The geographic distribution and borrower profile tables for the limited-scope AAs are in Appendix E, while demographic data for the limited-scope AAs is in Appendix F.

Fayetteville MSA AA

Bank OZK operates 13 branches in this AA: one in a moderate-income CT, four in middle-income CTs, and eight in upper-income CTs. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	116	23,352,000
HMDA Loans	337	65,335,000
Small Farm Loans	19	2,373,000
Community Development Loans	10	11,474,351
Qualified Investments	18	7,424,000
Community Development Services	102	-

Fort Smith MSA AA

Bank OZK operates seven branches in this AA: one in a moderate-income CT, four in middle-

income CTs, and two in upper-income CTs. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	351	35,181,000
HMDA Loans	315	50,755,000
Small Farm Loans	59	3,065,000
Community Development Loans	11	12,097,281
Qualified Investments	33	9,551,000
Community Development Services	8	-

Hot Springs MSA AA

Bank OZK operates seven branches in this AA: two in moderate-income CTs, three in middle-income CTs, and two in upper-income CTs. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	405	49,833,000
HMDA Loans	439	57,152,000
Small Farm Loans	20	2,312,000
Community Development Loans	3	6,366,420
Qualified Investments	18	5,272,000
Community Development Services	5	-

AR Non-MSA AA

Bank OZK operates 27 branches in this AA: one in a low-income CT, nine in moderate-income CTs, and 17 in middle-income CTs. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	647	63,729,000
HMDA Loans	862	68,444,000
Small Farm Loans	533	32,303,000
Community Development Loans	4	5,122,890
Qualified Investments	77	5,473,000
Community Development Services	32	-

LENDING TEST

Bank OZK demonstrated a low satisfactory record in the State of Arkansas regarding the Lending Test. The adequate lending activity, adequate borrower profile, adequate geographic distribution, and limited use of innovative or flexible lending outweighed excellent community development lending to support this conclusion.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the four reviewed assessment areas when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited an adequate record in the State of Arkansas regarding its lending activity. Adequate performance regarding home mortgage loans and adequate performance regarding small business loans support this conclusion. As noted, home mortgage loans account for 59.0 percent of the 2015 through 2018 Arkansas loan categories reviewed while small business loans account for 41.0 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects adequate performance. For 2017, the bank originated 842 total reportable home mortgage loans totaling over \$114.4 million. Bank OZK captured a 1.4 percent market share of the total number of home mortgage loans and a 1.2 percent market share of the total dollar volume of loans.

The bank's activity ranks it 15th out of 524 total lenders and 220 lenders originating at least 10 such loans in the bank's Arkansas assessment areas. This ranking lands the bank in the top 10.0 percent of the second group of lenders, at 6.8 percent. The ranking considers the total number and dollar amount of loans made by each institution.

Although the market share and lending levels noted about typically represent a higher level of performance, examiners noted a decline in the overall level of home mortgage lending since the last evaluation. Since the last evaluation, the bank's home mortgage lending has decreased from 1,243 loans totaling \$173.2 million in 2015 to 486 loans totaling \$59.8 million in 2018. Given this downward trend in home mortgage lending since the last evaluation, the bank's lending activity performance reflects an adequate record regarding home mortgage loans.

Small Business Loans

The level of small business lending activity reflects adequate performance. Adequate overall market ranking and share support this conclusion. For 2017, the bank originated 808 total reportable small business loans totaling over \$128.5 million. Bank OZK captured a 2.4 percent market share of the total number of small business loans and a 7.4 percent market share of the total dollar volume of loans.

The bank's activity ranks it 13th out of 141 total lenders and 59 lenders originating at least 10 such loans in the bank's Arkansas assessment areas. This ranking lands the bank in the top third

of the second group of lenders reporting such loans in the bank's assessment area, at 22.0 percent. The ranking considers the total number and dollar amount of loans made by each institution.

Since the last evaluation, the bank's small business lending has fluctuated. However, overall the lending decreased from 738 loans totaling \$71.6 million in 2015 to 596 loans totaling \$104.0 million in 2018. Given this downward trend in small business lending since the last evaluation, the bank's lending activity performance reflects an adequate record regarding small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited an adequate overall record in the State of Arkansas regarding its lending activity. Adequate performances regarding home mortgage loans and small business loans support this conclusion.

Borrower Profile Distribution

The institution established an adequate record in the State of Arkansas regarding its borrower profile loan distribution. Adequate records regarding both small business and home mortgage loans support this conclusion. As noted, home mortgage loans account for 59.0 percent of the Arkansas loan categories reviewed while small business loans account for 41.0 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects an adequate record in the State of Arkansas. Adequate performances in the Little Rock MSA AA, Fayetteville MSA AA, Fort Smith MSA AA, Hot Springs MSA AA, and the AR Non-MSA AA support this conclusion.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Little Rock MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate performance in the Little Rock MSA AA. Adequate performances to both low- and moderate-income borrowers support this conclusion.

As indicated by Appendix E, for the State of Arkansas, in the Little Rock MSA AA, to low-income borrowers, the bank's 6.9 percent level lands within an adequate range of the 5.8 percent aggregate figure given the ratios' overall levels. The bank's level rises 1.1 percentage points higher than the aggregate figure, thereby reflecting an adequate level.

The table further shows that, to moderate-income borrowers, the bank's 21.4 percent level lands in an adequate range of the 15.3 percent aggregate figure given the ratios' overall levels. The bank's level rises 6.1 percentage points, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects adequate performance in the Little Rock MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the distribution of home mortgage loans based on the borrowers' profiles reflects an adequate overall record in the State of Arkansas.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects an adequate record in the State of Arkansas. Adequate performances in each of the Arkansas AAs support this conclusion.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment areas.

Little Rock MSA AA

The distribution of small business loans based on the borrowers' profiles reflects adequate performance in the Little Rock MSA AA. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of Arkansas, in the Little Rock MSA AA the bank granted 53.2 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is comparable to the aggregate figure of 45.8 percent given the ratios' overall levels. The bank's level lands 7.4 percentage points higher than the aggregate figure, thereby reflecting an adequate level. Thus, the borrower profile distribution of small business loans reflects adequate performance in the Little Rock MSA AA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established adequate overall record in the State of Arkansas regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved an adequate record in the State of Arkansas regarding its geographic loan distribution. Adequate records regarding home mortgage loans and small business loans supports this conclusion. As noted, home mortgage loans account for 59.0 percent of the Arkansas loan categories reviewed while small business loans account for 41.0 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans

granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an adequate record in the State of Arkansas. Adequate performances in the Little Rock MSA, Hot Springs MSA, Fort Smith MSA, and the AR Non-MSA AAs outweighed the excellent performance in the Fayetteville MSA AA to support this conclusion.

Little Rock MSA AA

The geographic distribution of home mortgage loans reflects adequate performance in the Little Rock MSA AA. Adequate performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E, for the State of Arkansas, in the Little Rock MSA AA in low-income census tracts the bank's 3.6 percent level lands within an good range of the 1.4 percent aggregate figure given the ratios' overall levels. The bank's level rises 2.2 percentage points higher than the aggregate figure, thereby reflecting an good level.

The table further shows that in moderate-income census tracts the bank's 18.6 percent level lands within an adequate range of the 11.6 percent aggregate figure given the ratios' overall levels. The bank's level rises 7.0 percentage points higher, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of home mortgage loans reflects adequate performance in the Little Rock MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of home mortgage loans reflects an overall adequate record in the State of Arkansas.

Small Business Loans

The geographic distribution of small business loans reflects an adequate record in the State of Arkansas. Adequate performances in the Little Rock MSA, Fort Smith MSA, Hot Springs MSA and AR Non-MSA AAs outweighed the good performances in the Fayetteville MSA AA to support this conclusion.

Little Rock MSA AA

The geographic distribution of small business loans reflects adequate performance in the Little Rock MSA AA. Adequate performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E for the State of Arkansas, in the Little Rock MSA AA in low-income census tracts the bank's 3.4 percent level lands within an adequate range of the 4.6 percent aggregate figure given the ratios' overall levels. The bank's level is 1.2 percentage points lower than the aggregate figure, thereby reflecting an adequate level.

The table further shows that in moderate-income tracts the bank's 18.6 percent level lands within

an adequate range of the 18.8 percent aggregate figure given the ratios' overall levels. The bank's level is just 0.2 percentage points lower, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects adequate performance in the Little Rock MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of small business loans reflects an adequate overall record in the State of Arkansas.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved an adequate overall record in the State of Arkansas regarding its geographic loan distribution.

Community Development Lending

The institution is a leader in making community development loans in the State of Arkansas. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 60 CD loans totaling approximately \$121.9 million in this state. The dollar amount equates to 10.1 percent of the bank's overall excellent level of CD loans. This CD lending level is significantly less than the percentage of overall HMDA and CRA loans in this state (52.4 percent of the bank's total loans). However, this CD lending level is significantly higher than the \$56.5 million noted at the last evaluation, when the level was rated good. Although the bank's total assets have grown significantly during the evaluation period, the bank's level of CD lending in the State of Arkansas increased at a higher rate.

Thus, considering this state's significant increase in CD lending, the bank made an excellent level of loans regarding the extent, or dollar volume, of CD loans in the State of Arkansas.

Besides their extent, the CD loans reflect good responsiveness to the state's community development needs. As seen in the following table, 46.0 percent of the dollar volume of the state's CD loans promote economic development. An additional 38.2 percent of loans benefit promote affordable housing, and 3.4 percent help revitalize or stabilize low- and moderate-income geographies.

As noted under the applicable Description of Assessment Areas, activities that promote affordable housing, provide economic development, and revitalize or stabilize qualifying geographies represent CD needs in the bank's assessment areas. Therefore, relative to the bank's capacity and

the extent of CD lending opportunities and needs in its assessment areas, the bank established an excellent level in originating CD loans.

Therefore, given the level of CD loans displayed regarding the extent and responsiveness of its CD lending, the bank is a leader in granting CD loans in the State of Arkansas.

Community Development Loans State of Arkansas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fayetteville MSA	6	6,930	0	0	4	4,544	0	0	10	11,474
Fort Smith MSA	10	11,067	0	0	0	0	1	1,030	11	12,097
Hot Springs MSA	2	4,566	0	0	1	1,800	0	0	3	6,366
Little Rock MSA	17	22,287	5	15,053	9	48,259	1	1,200	32	86,799
AR Non-MSA	2	1,690	0	0	1	1,500	1	1,933	4	5,123
Statewide or Regional	0	0	0	0	0	0	0	0	0	0
Total	37	46,540	5	15,053	15	56,103	3	4,163	60	121,859

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made limited use of innovative or flexible lending practices in the State of Arkansas. These practices reflect adequate success, as measured by the adequate dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank’s contribution of such loans made in the state relative to its other activity levels in this area as well as the bank’s overall innovative or flexible lending practices’ record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that since the previous evaluation, the bank granted 699 innovative or flexible loans totaling over \$103.8 million in the State of Arkansas. The dollar amount equates to 34.9 percent of the bank’s overall adequate level of such loans. This state’s level of lending falls within an adequate range of its contribution of 52.4 percent of the bank’s total loans originated in the State of Arkansas, given the overall ratio’s levels. This state’s innovative or flexible lending level falls 17.5 percentage points lower than its total loan figure, thereby reflecting an adequate level of lending.

Innovative or Flexible Loans State of Arkansas								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Arkansas	37	18,658	434	60,221	228	25,063	699	103,852

Source: Bank records.

A majority of the bank’s innovative or flexible loan products consist of loans granted through government programs, such as the SBA, USDA, FHA, and VA loan programs. These programs

also demonstrate various degrees of serving low- and moderate-income individuals. In addition, the bank originated 24.1 percent of its innovative or flexible loans in its Freedom Advantage program, which assists in granting home loans to individuals of low- or moderate-income or for properties that are located in low- or moderate-income geographies. Given the level and the degree of serving low- and moderate-income borrowers, the bank made limited use of innovative or flexible lending practices in the State of Arkansas.

Thus, considering this state’s fair share contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made limited use of innovative or flexible lending practices with respect to their dollar volume, or level.

INVESTMENT TEST

Bank OZK demonstrated a high satisfactory record in the State of Arkansas regarding the Investment Test. Good responsiveness to community development needs and the significant use of complex QIs outweighed the adequate level of QIs to support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 259 QIs totaling nearly \$48.5 million in this state, of which 230 are donations and grants totaling \$483,823. The dollar amount equates to 15.9 percent of the bank’s excellent overall level. While the dollar amount decreased since the prior evaluation’s \$71.1 million, the bank has experienced significant growth from merger and acquisitions activities. As such, bank management has split its investments out from Arkansas to benefit multiple assessment areas, primarily in the MBSs. This state held 32.1 percent of the bank’s total deposits. While the level of QIs is below the deposit figure, considering the investment splits, the level of QIs reflects adequate performance.

Qualified Investments State of Arkansas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Fayetteville MSA	4	7,412*	12	9	2	3	0	0	18	7,424
Fort Smith MSA	7	342*	23	9,202	1	2	2	5	33	9,551
Hot Springs MSA	1	4,765	17	507	0	0	0	0	18	5,272
Little Rock MSA	22	14,745*	76	5,633	12	361	3	1	113	20,740
AR Non-MSA	7	1,060*	64	4,162	5	250	1	1	77	5,473
Statewide	0	0	0	0	0	0	0	0	0	0
Total	41	28,324	192	19,513	20	616	6	7	259	48,460

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made significant use of complex QIs that exhibit good responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested nearly \$10.9 million in two Low-Income Housing Tax Credit (LIHTC) investments. The LIHTC

is the federal government's primary program for encouraging the investment of private equity in the development, construction, and improvement of affordable rental housing and apartment complexes for low-income households. For both investments, the projects were new constructions for two multi-family apartments in the Fayetteville and Hot Springs AAs. The two multi-family complexes were Section 8 designated, with 100 and 80 percent of the rents designated for low-income families, respectively. In addition, the above table shows responsiveness through a significant distribution by dollar amount to affordable housing through prior period investments in MBSs.

Bank OZK also invested \$5.4 million in a school refunding bond for a school district located in the Little Rock AA. The school district is in financial distress due to declining cash balances and designated as "financially distressed" by the Arkansas Department of Education. The proceeds helped with the district's cash flow funding. In addition, 54 percent of the district's student body represent economically disadvantaged according to the Arkansas Department of Education.

Therefore, considering this state's fair share contribution of QIs to the bank's overall excellent level, the bank made use of an adequate level of QIs in the State of Arkansas with good responsiveness and significant use of complex investments. Thus, Bank OZK demonstrated a high satisfactory record in the State of Arkansas regarding the Investment Test.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of Arkansas regarding the Service Test. An adequate level of community development services and an adequate record of providing retail banking services supports this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited an adequate record in the State of Arkansas regarding its retail banking services. Delivery systems are reasonably accessible to essentially all portions of the assessment areas, hours and services that do not inconvenience portions of low- or moderate-income areas or individuals, and changes in branch locations generally do not adversely affect low- or moderate-income areas or individuals to support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to essentially all portions of the bank's assessment areas in the State of Arkansas. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

Branch Distribution

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution's assessment areas in the State of Arkansas.

The following table shows that in low-income census tracts, the bank operates one full-service

office, representing 1.2 percent branches, which is comparable to the 2.5 percent of the population residing in those tracts. The table further shows that in moderate-income geographies the bank’s percentage of full-service offices at 21.0 percent is slightly higher than the 18.2 percent of the population percentage, reflecting reasonable accessibility.

Thus, given the noted distributions in the discussed income levels, the bank makes its full-service offices reasonably accessible to essentially all portions of the institution’s assessment areas in the State of Arkansas.

Branch and ATM Distribution by Geography Income Level State of Arkansas												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	15	4.0	45,502	2.5	1	1.2	1	1.2	0	0.0	0	0.0
Moderate	74	19.9	326,508	18.2	17	21.0	17	20.5	0	0.0	0	0.0
Middle	182	48.8	882,546	19.2	37	45.7	38	45.8	0	0.0	1	100.0
Upper	100	26.8	536,246	29.9	26	32.1	27	32.5	0	0.0	0	0.0
NA	2	0.5	3,234	0.2	0	0.0	0	0.0	0	0.0	0	0.0
Totals	373	100.0	1,794,036	100.0	81	100.0	83	100.0	0	0.0	1	100.0

Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible to all portions of the bank’s assessment areas in the State of Arkansas. The adequate use and accessibility of alternative delivery systems support this conclusion.

The preceding table shows that in low-income census tracts, the percentage of ATMs lands within an adequate range of the population percentage given the ratios’ overall levels. The bank’s level at 1.2 percent falls just 1.3 percentage points below the population percentage, thereby reflecting reasonable accessibility. The table further shows that in moderate-income geographies, the bank’s percentage of ATMs at 20.5 percent is 2.3 percentage points higher than the population percentages, further reflecting reasonable accessibility.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of Arkansas as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Thus, given the bank’s ATM distribution and its other delivery systems, the bank makes its alternative delivery systems reasonably accessible to essentially all portions of the bank’s assessment areas in the State of Arkansas, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Changes in Branch Locations

The institution's record of opening and closing of branches in the State of Arkansas has generally not adversely affected low- and moderate- income geographies or individuals of geographies. The bank closed a single full service office in a middle-income tract. Consequently, given the relative changes in the discussed income tracts, the institution's record of opening and closing of branches proved generally not adverse to low- and moderate-income geographies or individuals.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. All 81 locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution provides an adequate level of community development services. Appendix A defines CD and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 205 CD services since the last evaluation in the State of Arkansas. This number equates to an average of 0.7 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The bank operated 81 full-service offices for the 3.7 years since the last evaluation for the State of Arkansas. The average figure reflects a slight decrease from the average of 1.01 CD services, per office, per year, recorded at the prior evaluation.

The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect an adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank's assessment areas. The following table shows that 73.7 percent of the bank's CD services benefitted projects or organizations that provide community services targeted to low- and

moderate-income individuals, while 23.9 directing affect affordable housing throughout the assessment areas.

As noted under the applicable Description of Assessment Areas, such community services represent a community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank provides and adequate level of CD services.

Community Development Services State of Arkansas					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Fayetteville MSA	2	99	1	0	102
Fort Smith MSA	2	6	0	0	8
Hot Springs MSA	1	4	0	0	5
Little Rock MSA	12	42	3	1	58
AR Non MSA	32	0	0	0	32
Statewide or Regional	0	0	0	0	0
Total	49	151	4	1	205
<i>Source: Bank Records.</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of Arkansas inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state’s overall rating.

STATE OF FLORIDA

STATE OF FLORIDA' CRA RATING: Satisfactory.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: Outstanding.

The Service Test is rated: Low Satisfactory.

The Outstanding Investment Test record combined with the Low Satisfactory Lending Test and Service Test records, support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of Florida. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited an adequate record regarding its lending activity.
- The institution established an adequate record regarding its borrower profile loan distribution.
- The bank achieved an adequate record regarding its geographic loan distribution.
- The institution is a leader in making community development loans.
- The bank made limited use of innovative or flexible lending practices.

Investment Test

- The institution has an excellent level of qualified investments.
- The institution's investments reflect excellent responsiveness to area needs.
- The bank made occasional use of innovative or complex investments.

Service Test

- The bank exhibited an adequate record regarding its retail banking services.
- The institution provided an adequate level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of Florida remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in eight separate assessment areas in the State of Florida, as more fully described under the Description of Institution's Operations in the State of Florida. Of the eight reviewed areas, examiners applied full-scope procedures to the Tampa-St. Petersburg-Clearwater, FL MSA AA (Tampa MSA AA) after contemplating all considerations in outstanding guidance. Examiners chose the Tampa MSA AA since this area generated the largest percentage of the bank's Florida loans.

Examiners applied limited-scope procedures to the Cape Coral MSA, Fort Lauderdale MSA, Jacksonville MSA, Miami MSA, North Port MSA, Ocala MSA, and Punta Gorda MSA AAs for this evaluation.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm loans, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 25 loans totaling \$4,743,000
- 2016: 90 loans totaling \$19,574,000
- 2017: 119 loans totaling \$30,212,000
- 2018: 317 loans totaling \$59,513,000

Small Business Loans:

- 2015: 5 loans totaling \$2,959,000
- 2016: 34 loans totaling \$8,761,000
- 2017: 130 loans totaling \$33,309,000
- 2018: 125 loans totaling \$31,419,000

Small Farm Loans:

- 2015: No loans originated
- 2016: No loans originated
- 2017: 1 loan for \$79,000
- 2018: No loans originated

Since consumer loans do not represent a substantial majority of the bank's Florida loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for less than 0.1 percent of the dollar volume and for 0.1 percent of the number of the total loans. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since few trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS data and 2017 D&B data for the applicable lending tables. Given the very limited data for small farm loans, this evaluation does not present that loan data.

Loan Category Weighting

For the Lending Test’s loan distribution performance factors examiners considered the universes of the number of the bank’s 2015 through 2018 home mortgage and small business loans originated or purchased in the bank’s assessment areas to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank’s assessment areas.

The following table shows that, for the loan categories reviewed, considering both the dollar and number volume percentages, small business loans account for 40.1 percent while home mortgage loans account for 59.9 percent of the loans originated or purchased in the bank’s assessment areas. Consequently, the bank’s record of home mortgage lending contributed more weight than the small business lending when arriving at the applicable conclusions for the State of Florida.

Loan Category Weighting State of Florida				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Small Business	294	34.8	76,448	40.1
Home Mortgage	551	65.2	114,042	59.9
Total Reviewed Categories	845	100.0	190,490	100.0

Source: HMDA & CRA data (2015-2018)

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in eight reviewed areas in the State of Florida. The following table shows that the Tampa MSA AA generated the largest percentage of the bank’s Florida loans consistent with the deposits gathered and offices operated by this area. Consequently, examiners weighed records in the Tampa MSA AA heavier when arriving at applicable conclusions and ratings. Examiners weighed performance in each area consistent with that area’s lending level as reflected in the following table.

Assessment Area Distribution – State of Florida						
Assessment Area	Loans (% of #)				Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Small Farm	Total		
Cape Coral MSA	8.2	11.6	0.0	9.3	6.7	14.6
Ft. Lauderdale MSA	3.1	5.1	0.0	3.8	1.3	2.4
Jacksonville MSA	2.0	1.7	0.0	1.9	5.7	2.4
Miami MSA	6.5	14.3	0.0	9.2	22.3	9.8
North Port MSA	24.5	21.4	100.0	23.5	12.5	19.5
Ocala MSA	5.6	0.3	0.0	3.8	7.0	2.4
Punta Gorda MSA	3.8	6.1	0.0	4.6	3.0	7.4
Tampa MSA	46.3	39.5	0.0	43.9	41.5	41.5

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD (community development) activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation until the current evaluation date, for the State of Florida. The Investment Test's scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF FLORIDA

Overall Description

Bank OZK designated eight assessment areas in Florida: 1) Cape Coral MSA AA, 2) Ft Lauderdale MSA AA, 3) Jacksonville MSA AA, 4) Miami MSA AA, 5) Northport-Bradenton MSA AA, 6) Ocala MSA AA, 7) Punta Gorda MSA AA, and 8) Tampa MSA AA.

As of the 2015 ACS, the State of Florida assessment areas contained 2,199 total census tracts, which reflected the following income designations: 124 low-, 583 moderate-, 770 middle-, 678 upper-income tracts, and 44 tracts with no income designation. All of the bank's assessment areas in the State of Florida conform to the CRA regulatory requirements.

Operations

The bank's activity levels in Florida ranked 5th out of the bank's 9 rated areas. As noted, this state originated 6.9 percent of the bank's reviewed loans while also gathering 14.2 percent of the bank's total deposits and operating 17.5 percent of its offices. The bank operated 42 offices and 45 ATMs in this state. The bank acquired 33 offices through mergers and closed three offices in this state during the review period.

The following discussion describes the bank's operations in the full-scope area reviewed in this state. Demographic data and deposit market share information for the limited-scope assessment areas is in Appendix F.

Tampa MSA AA

The Tampa MSA AA consists of all 701 census tracts in the following 3 Florida counties: Hillsborough, Pasco, and Pinellas. These counties are three of four counties that make up the Tampa MSA. Examiners used full-scope procedures for this area.

Operations

As noted, this area ranks 1st out of the 8 reviewed areas in Florida by accounting for 43.9 percent of the bank's Florida loans, while gathering 41.5 percent of its deposits and operating 41.5 percent of its offices. The following table shows that the bank operates 17 full-service offices in

this area, 13 of which Bank OZK acquired through merger. The bank closed 3 offices since the last evaluation. It also maintains 21 ATMs.

Office Locations Tampa MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
Hillsborough County:				
Apollo Beach Branch	Branch	0141.06	Moderate	Acquired 7/22/2016
Brandon-Riverview Branch	Branch	0138.06	Middle	Acquired 7/22/2016
Dale Mabry Branch	Branch	0133.01	Upper	Acquired 7/22/2016
Davis Islands Branch	Branch	0054.01	Upper	Acquired 7/22/2016
Hyde Park Branch	Branch	0050.00	Low	Acquired 7/22/2016
MacDill Branch	Branch	0060.00	Upper	Acquired 7/22/2016
West Shore Branch	Branch	0065.01	Upper	Acquired 7/22/2016
Pasco County:				
Zephyrhills Branch	Branch	0328.04	Moderate	Acquired 7/22/2016
Pinellas County:				
Beach Drive Branch	Branch	0215.00	Upper	Acquired 7/22/2016
Belcher Road Branch	Branch	0267.02	Middle	No
Belle Air Branch	Branch	0256.03	Low	Acquired 7/22/2016
C1 St Petersburg Branch	Branch	0286.00	Upper	Closed 12/31/2016
Central Ave Branch	Branch	0223.01	Middle	Acquired 7/22/2016
Court Street Branch	Branch	0259.00	Moderate	No
Gulfport Boulevard Branch	Branch	0281.03	Upper	No
Mandalay Branch	Branch	0260.02	Upper	Closed 9/16/2015
Nursery Road Branch	Branch	0254.01	Upper	No
Pinellas Park Branch	Branch	0250.04	Middle	Acquired 7/22/2016
Saint Petersburg Branch	Branch	0244.03	Moderate	Acquired 7/22/2016
Ulmerton Road Branch	Branch	0245.09	Upper	Closed 10/05/2018
<i>Source: Bank records; ACS Data (2015).</i>				

Demographic and Economic Data

The assessment area’s 701 census tracts reflect the following income designations based on 2015 ACS data: 41 low-, 174 moderate-, 248 middle-, 222 upper-income tracts, and 16 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

On September 28, 2016, Pasco and Pinellas Counties were included as counties affected by the FEMA declared major disaster due to Hurricane Hermine. The designation expires September 28, 2019. Additionally, on September 10, 2017, FEMA declared all three counties in the assessment area as major disaster areas due to Hurricane Irma. This designation expires September 10, 2020.

With a population of 2,713,649 based on 2015 ACS data, the area includes 654,604 families, of which 21.3 percent reported low incomes, 17.6 percent reported moderate incomes, 18.8 percent reported middle incomes, and 42.3 percent reported upper incomes. Approximately 11.2 percent of the area’s families reported incomes below the poverty level. The area reflected a 2015 MFI of \$61,300 and a 2018 FFIEC-adjusted MFI of \$63,900.

The area is experiencing economic expansion largely driven by logistics and strong population

growth. Leading industries by employment include professional and business services, educational and health services, retail trade, government, and leisure and hospitality services. According to Moody's Analytics, the area generally reflects a growing economy with a strong population growth and slightly higher housing prices compared to other areas in the state.

Currently, major employers in the area consist of Publix Super Markets, Inc., BayCare Health System, HCA Holdings, MacDill Air Force Base, and Verizon Communications. The area's unemployment rate of 3.5 percent for April 2019 falls below the 3.4 percent rate for the State of Florida and the U.S. rate of 3.6 percent.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 661 offices from its 53 institutions serving about 4,105 people, on average. Bank OZK ranks 13th in market share by capturing 1.3 percent of the area's deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners reviewed a previous contact with a community member knowledgeable of the area's economic, demographic, and business environments, to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the area.

The community contact stated the area is growing noting a number of major employers and a decrease in average cost of living with the exception of housing. Economic strengths include a business friendly environment and a high quality of life. The area's economy benefits from serving as a popular destination for corporate and financial headquarters, tourism, and retirement. Economic weaknesses including a relatively dense population that causes expensive new projects that are difficult to build in addition to the impact of environmental concerns, such as sea level rise and hurricanes.

The contact stated the median residential structure in Pinellas County is the oldest age among all Florida counties. As a result, area residents need more loans for home renovation projects. The contact noted that financial institutions, such as community banks and credit unions, expanded access to credit in the community over the past few years, and the perception is good.

Community Credit Needs and Opportunities

Consistent with other metropolitan areas, the Tampa MSA AA created varied loan demand for small business, residential real estate, and consumer loans. Considering information from the community contact, bank management, and demographic and economic information, examiners ascertained that the primary credit needs of the area include home mortgage loans, home improvement loans, and small business loans.

With respect to the area's community development needs, the higher housing prices suggests a need for affordable housing for low- and moderate-income individuals. While housing prices

increased from the rehabilitation of units after foreclosure in the Tampa market, these higher prices could create an increased need in the area for more affordable housing targeted to low- and moderate-income individuals. Demographic data showing that 38.9 percent of the area’s families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, over one-fourth, nearly one third of the area’s census tracts receiving low- or moderate-income designations, all counties included in federal designated disaster areas, and the community contact’s identification of the most economically distressed communities suggests a need for activities that revitalize or stabilize qualifying geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF FLORIDA

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Tampa MSA AA and limited-scope procedures for the remaining areas.

Conclusions on Performance Criteria in the Limited-Scope Review AAs

The following table summarizes the conclusions for this rated area’s AAs reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Cape Coral MSA	Consistent	Below	Consistent
Ft. Lauderdale MSA	Consistent	Above	Consistent
Jacksonville MSA	Consistent	Consistent	Below
Miami MSA	Consistent	Above	Consistent
North Port MSA	Consistent	Below	Consistent
Ocala MSA	Consistent	Consistent	Consistent
Punta Gorda MSA	Consistent	Below	Consistent

Facts and data supporting conclusions for each limited-scope AA follow, including a summary of Bank OZK’s operations and activities. The geographic distribution and borrower profile tables for the limited-scope AAs are in Appendix E, while demographic data for the limited-scope AAs is in Appendix F.

Cape Coral MSA AA

Bank OZK operates seven branches in this AA, one in a moderate -income CT, three in middle-income CTs, and three in upper-income CTs. The bank originated and engaged in the following activities in the AA during the review period of four years.

Activity	#	\$
Small Business Loans	34	8,649,000
HMDA Loans	45	16,225,000
Small Farm Loans	0	0
Community Development Loans	2	3,510,000
Qualified Investments	5	449,000
Community Development Services	6	-

Ft. Lauderdale MSA AA

Bank OZK operates one branch in this AA located in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	15	5,148,000
HMDA Loans	17	8,170,000
Small Farm Loans	0	0
Community Development Loans	1	28,480,000
Qualified Investments	3	4,888,000
Community Development Services	2	-

Jacksonville MSA AA

Bank OZK operates one branch in this AA in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	5	2,124,000
HMDA Loans	11	1,656,000
Small Farm Loans	0	0
Community Development Loans	1	1,950,000
Qualified Investments	3	1,210,000
Community Development Services	0	-

Miami MSA AA

Bank OZK operates four branches in this AA, one in a low-income CT, and one in a middle-income CT, and two in upper-income CTs. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	42	16,682,000
HMDA Loans	36	17,643,000
Small Farm Loans	0	0
Community Development Loans	20	243,112,455
Qualified Investments	11	9,796,000
Community Development Services	10	-

North Port MSA AA

Bank OZK operates eight branches in this AA: two within moderate-income CTs, three in middle-income CTs, and two in upper-income CTs. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	63	15,763,000
HMDA Loans	135	20,038,000
Small Farm Loans	1	79
Community Development Loans	3	5,550,000
Qualified Investments	10	2,931,000
Community Development Services	9	-

Ocala MSA AA

Bank OZK operates three branches in this AA: two in middle-income CTs and one in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	1	415,000
HMDA Loans	135	20,038,000
Small Farm Loans	0	0
Community Development Loans	0	0
Qualified Investments	2	250,000
Community Development Services	3	-

Punta Gorda MSA AA

Bank OZK operates one branch in this AA in a middle-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	18	4,594,000
HMDA Loans	21	1,771,000
Small Farm Loans	0	0
Community Development Loans	4	200,000
Qualified Investments	2	8,000
Community Development Services	4	-

LENDING TEST

Bank OZK demonstrated a low satisfactory record in the State of Florida regarding the Lending Test. The adequate lending activity, adequate borrower profile, adequate geographic distribution, and limited use of innovative or flexible lending outweighed excellent community development lending to support this conclusion.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the eight reviewed assessment areas when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited an adequate record in the State of Florida regarding its lending activity. Adequate performance regarding home mortgage loans lifted poor performance regarding small business loans to support this conclusion. As noted, home mortgage loans account for 59.9 percent of the Florida loan categories reviewed while small business loans account for 40.1 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects adequate performance. Adequate overall market ranking and share support this conclusion. For 2017, the bank originated 119 total reportable home mortgage loans totaling over \$30.2 million. BANK OZK captured a 0.04 percent market share of the total number and total dollar volume of home mortgage loans.

The bank's activity by number of loans ranks it 263rd out of 1,415 total lenders and 640 lenders originating at least 10 such loans in the bank's Florida assessment areas. This ranking lands the bank in the middle third percent of the second group of lenders reporting such loans in the bank's assessment areas, at 41.1 percent, thereby reflecting an adequate level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects adequate performance for home mortgage loans.

Small Business Loans

The level of small business lending activity reflects poor performance. Poor overall market ranking and share support this conclusion. For 2017, the bank originated 130 total reportable small business loans totaling over \$33.3 million. Bank OZK captured less than 0.1 percent market share of the total number of home mortgage loans and a 0.4 percent market share of the total dollar volume of loans.

The bank's activity by number of loans ranks it 68th out of 295 total lenders and 113 lenders originating at least 10 such loans in the bank's Florida assessment areas. This ranking lands the bank in the bottom half of the second group of lenders, at 60.2 percent, thereby reflecting a poor level. The ranking considers the total number and dollar volume of loans made by each institution. Given the considerations previously noted, the activity level reflects poor performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited an adequate overall record in the State of Florida regarding its lending activity. Adequate performance regarding home mortgage loans lifted the poor performance regarding small business loans to support this conclusion.

Borrower Profile Distribution

The institution established an adequate record in the State of Florida regarding its borrower profile loan distribution. Adequate records regarding both home mortgage and small business loans support this conclusion. As noted, home mortgage loans account for 59.9 percent of the reviewed loans made in the State of Florida from 2015 through 2018, while small business loans account for 40.1 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects an adequate record in the State of Florida for the review period. Adequate performances in the Tampa MSA, Cape Coral MSA, Fort Lauderdale MSA, and Jacksonville MSA AAs outweighed the excellent performance in the North Port MSA and good performances in the Ocala MSA and Punta Gorda MSA AAs to support this conclusion. Examiners also noted poor performance in the Miami MSA AA. The areas with adequate performance account for 48.3 percent of the bank's home mortgage loans originated in Florida from 2015 through 2018, whereas the areas with good and excellent performance accounted for 33.9 percent.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Tampa MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate performance in the Tampa MSA AA. Adequate performance to low-income borrowers and to moderate-income borrowers supports this conclusion.

As indicated by Appendix E, for the State of Florida, in the Tampa MSA AA to low-income borrowers, the bank's 5.9 percent level lands within an adequate range of the 3.8 percent aggregate figure given the ratios' overall levels. The bank's level rises 2.1 percentage points above the aggregate figure, thereby reflecting an adequate level.

The table further shows, that to moderate-income borrowers, the bank's 11.8 percent level is slightly lower than the 13.8 percent aggregate figure given the ratios' overall levels. The bank's level is lower by 2.0 percentage points, thereby reflecting an adequate level. Thus, given the

relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects adequate performance in the Tampa MSA AA.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects an adequate record in the State of Florida for the review period. Adequate performances in the Cape Coral MSA, Miami MSA, North Port MSA, and Punta Gorda MSA AAs, as well as poor performances in the Fort Lauderdale MSA and Jacksonville MSA AAs, outweighed good performance in the Tampa MSA AA to support this conclusion. The areas with adequate or poor performance account for 60.5 percent of the bank's small business loans originated in Florida from 2015 through 2018. The area with good performance accounts for 39.5 percent.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment area.

Tampa MSA AA

The distribution of small business loans based on the borrowers' profiles reflects good performance in the Tampa MSA AA for the review period. Good performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of Florida, in the Tampa MSA AA the bank granted 54.7 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is within an adequate range of the aggregate figure of 52.0 percent given the ratios' overall levels. The bank's level is 2.7 percentage points higher than the aggregate figure, thereby reflecting an adequate level.

However, the bank's performance in this AA in 2016 was good, as the bank granted 66.7 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is within a good range of the aggregate figure of 48.3 percent given the ratios' overall levels. In addition, the bank's performance in 2018 was good, as the bank granted 79.6 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. Thus, when considering these years in the overall conclusion, the borrower profile distribution of small business loans reflects good performance in the Tampa MSA AA.

Consequently, considering the loan categories' relative overall performances and weightings, the institution established an adequate overall record in the State of Florida regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved an adequate record in the State of Florida regarding its geographic loan distribution. Adequate records regarding home mortgage and small business loans support this conclusion. As noted, home mortgage loans account for 59.9 percent of the reviewed loans made in the State of Florida from 2015 through 2018, while small business loans account for 40.1

percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an adequate record in the State of Florida. Adequate performances in the Jacksonville MSA, Miami MSA, Ocala MSA, and Tampa MSA AAs outweigh good or excellent performances in the Cape Coral MSA, Fort Lauderdale MSA, North Port MSA, and Punta Gorda MSA AAs to support this conclusion. The areas reflecting adequate performance account for 60.4 percent of the bank's home mortgage loans originated in the State of Florida from 2015 through 2017. The areas with good or excellent performance account for 39.6 percent.

Tampa MSA AA

The geographic distribution of home mortgage loans reflects adequate performance in the Tampa MSA AA. Adequate performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E, for the State of Florida, in the Tampa MSA AA the bank does not have any loans in low-income CTs, as compared to the 1.6 percent aggregate figure. However, in both 2016 and 2018, the bank's performance was adequate in the low-income CTs given the ratios' overall levels. In 2016, the bank's lending of 1.9 percent in the low-income CTs was slightly higher than the aggregate figure of 1.3 percent. In addition, the bank's 2018 lending increased from the 2017 level with 1.4 percent of its lending in the low-income CTs. As a result, considering the bank's performance from all three years indicates adequate overall performance in the low-income CTs.

The table further shows that in moderate-income census tracts the bank's 17.6 percent level lands within an adequate range of the 16.3 percent aggregate figure given the ratios' overall levels. The bank's level rises 1.3 percentage points, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of home mortgage loans reflects adequate performance in the Tampa MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of home mortgage loans reflects an adequate overall record in the State of Florida.

Small Business Loans

The geographic distribution of small business loans reflects an adequate record in the State of Florida. Adequate performances in the Cape Coral MSA, North Port MSA, Punta Gorda MSA, and Tampa MSA AAs outweigh the good performances in the Fort Lauderdale MSA and Miami MSA AAs to support this conclusion.

The areas reflecting adequate performance account for 67.0 percent of the bank's small business loans originated in the State of Florida from 2015 through 2018. The areas with good performance account for 14.3 percent.

Tampa MSA AA

The geographic distribution of small business loans reflects adequate performance in the Tampa MSA AA. Adequate performance in low-income geographies and adequate performance in moderate-income geographies support this conclusion.

As seen in Appendix E, for the State of Florida, in the Tampa MSA AA, in low-income census tracts the bank's 5.7 percent lands within an adequate range of the 4.8 percent aggregate figure given the ratios' overall levels. The bank's level rises 0.9 percentage points higher than the aggregate figure, thereby reflecting adequate performance.

The table further shows that, in moderate-income census tracts, the bank's 26.4 percent level lands higher than the 19.5 percent aggregate figure given the ratios' overall levels. The bank's level rises 6.9 percentage points higher, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects adequate performance in the Tampa MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of small business loans reflects an adequate overall record in the State of Florida.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved an adequate overall record in the State of Florida regarding its geographic loan distribution.

Community Development Lending

The institution is a leader in making community development loans in the State of Florida. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 44 CD loans totaling over \$315.0 million in this state. The dollar amount equates to 26.2 percent of the bank's overall excellent level of CD loans. This state's level lands within an excellent range of its contribution of 6.9 percent of the bank's total reviewed loans originated by the State of Florida given the ratios' overall levels. This state's CD lending level is 19.3 percentage points higher than its total loan figure, thereby reflecting an excellent level of lending.

Thus, considering this state’s contribution of CD loans to the bank’s overall excellent CD lending record, the bank is a leader in making CD loans in the State of Florida.

In addition, the CD loans reflect good responsiveness to the community development needs of the state’s assessment areas. As seen in the following table, 68.8 percent of the dollar volume of the state’s CD loans revitalize or stabilize qualifying geographies, and 24.8 percent of the dollar volume represents economic development. An additional 3.6 percent promote affordable housing, and 2.8 percent provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Institution’s Operations, activities that promote affordable housing, revitalize or stabilize qualifying geographies, and provide community services to low- or moderate-income individuals represent CD needs in the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD lending opportunities and needs in its assessment areas, the bank’s level is good in originating CD loans.

Therefore, given the level of CD loans displayed regarding the extent and responsiveness of its CD lending, the bank is a leader in making CD loans in the State of Florida.

Community Development Loans State of Florida										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Cape Coral MSA	0	0	0	0	2	3,510	0	0	2	3,510
Fort Lauderdale MSA	0	0	0	0	0	0	1	28,480	1	28,480
Jacksonville MSA	0	0	0	0	0	0	1	1,950	1	1,950
Miami MSA	3	1,594	0	0	10	57,970	7	183,549	20	243,113
North Port MSA	2	1,650	0	0	1	3,900	0	0	3	5,550
Ocala MSA	0	0	0	0	0	0	0	0	0	0
Punta Gorda MSA	1	50	3	150	0	0	0	0	4	200
Tampa MSA	8	7,971	1	8,700	2	12,729	2	2,837	13	32,237
Statewide	0	0	0	0	0	0	0	0	0	0
Total	14	11,265	4	8,850	15	78,109	11	216,816	44	315,040

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made limited use of innovative or flexible lending practices in the State of Florida. These practices reflect adequate success, as measured by the adequate dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank’s contribution of such loans made in the state relative to its other activity levels in this area as well as the bank’s overall innovative or flexible lending practices’ record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that, since the previous evaluation, the bank granted 108 innovative or flexible loans totaling over \$25.7 million in the State of Florida. The dollar amount equates to 8.6 percent in the State of Florida, which is within an adequate range of its contribution of 6.9 percent of the bank’s total reviewed loans originated in the State of Florida, given the overall ratio’s levels. This state’s innovative or flexible lending level rises 1.7 percentage points higher than its total loan figure, thereby reflecting an adequate level of lending.

Innovative or Flexible Loans State of Florida								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Florida	31	12,308	31	5,773	46	7,637	108	25,718
<i>Source: Bank records.</i>								

Thus, considering this state’s fair share contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made limited use of innovative or flexible lending practices with respect to their dollar volume, or level.

INVESTMENT TEST

Bank OZK demonstrated an outstanding record in the State of Florida regarding the Investment Test. An excellent level of QIs and excellent responsiveness to community development needs outweighed the occasional use of complex QIs to support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 48 QIs totaling \$33.0 million in this state, of which 40 are donations and grants totaling \$210,550. The dollar amount equates to 10.8 percent of the bank’s excellent overall level. However, the dollar amount increased significantly since the prior evaluation’s \$7.2 million. This state held 14.2 percent of the bank’s total deposits. While the level of QIs is slightly below the deposit figure, examiners considered the significant increase in dollar amount, thereby reflecting excellent performance.

Qualified Investments State of Florida										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Cape Coral MSA AA	2	429*	0	0	3	20	0	0	5	449
Ft. Lauderdale MSA AA	1	4,879*	0	0	2	9	0	0	3	4,888
Jacksonville MSA AA	2	1,208*	0	0	1	2	0	0	3	1,210
Miami MSA AA	2	9,694*	2	15	7	87	0	0	11	9,796
North Port MSA AA	5	2,926*	4	4	1	1	0	0	10	2,931
Ocala MSA AA	*	247	1	1	1	2	0	0	2	250
Punta Gorda MSA AA	0	0	1	5	1	3	0	0	2	8
Tampa MSA AA	6	10,818*	1	2	2	11	0	128*	9	10,959
FL Non-MSA AA	0	0	0	0	0	0	0	0	0	0
Subtotal	18	30,201	9	27	18	135	0	128*	45	30,491
Statewide	1	3	2	2,506	0	0	0	0	3	2,509
Total	19	30,204	11	2,533	18	135	0	128*	48	33,000

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made occasional use of complex QIs that exhibit excellent responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$7.7 million in a LIHTC investment in the Miami AA. The LIHTC is the federal government’s primary program for encouraging the investment of private equity in the development, construction, and improvement of affordable rental housing for low-income households. The project was for the construction of a 90-unit multi-family complex, also located in a low-income tract, with 100 percent of the units designated for low-income families and individuals. In addition, the above table shows responsiveness through a significant distribution by dollar amount to affordable housing through prior period investments in MBSs.

Bank OZK also invested \$2.5 million in Florida’s Step Up program; the proceeds invested in the income-based scholarship programs designed to assure that low-income children have more learning options. The need-based scholarships further allow families to choose between financial assistance toward private school tuition and fees, or with transportation costs to attend a public school in another district. As noted earlier, CD needs primarily relate to activities that promote affordable housing, revitalize or stabilize qualifying geographies, and provide community services to low- or moderate-income individuals.

Therefore, considering this state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of an excellent level of QIs in the State of Florida with excellent responsiveness and occasional use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of Florida regarding the Service Test. Bank OZK provides an adequate level of community development services and an adequate record of retail banking services. Appendix B lists all the criteria considered under the

Service Test.

Retail Banking Services

The bank exhibited an adequate record in the State of Florida regarding its retail banking services. Reasonably accessible delivery systems, hours and services that do not inconvenience portions of low- or moderate-income areas or individuals, and changes in branch locations that improved accessibility to low- or moderate-income areas or individuals support this conclusion.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the bank’s assessment areas in the State of Florida.

Branch Distribution

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution’s assessment areas in the State of Florida. Adequate accessibility of branches in low- and moderate-income geographies increased through the acquisition of branches in both low- and moderate-income tracts support this conclusion.

The following table shows that in low-income census tracts, the percentage of full-service offices exceeds the population percentage given the ratios’ overall levels. The bank’s level rises 2.1 percentage points above, thereby reflecting reasonable accessibility. The table further shows that in moderate-income geographies, the bank’s percentage of full-service offices falls below the population percentage by 9.7 percentage points, thereby reflecting limited accessibility. However, the bank significantly increased branch presence in moderate-income tracts since the last evaluation when none of the branches were located in these geographies. Thus, given the increased presence to meet this population of low- and moderate-income geographies, examiners deemed the overall branch distribution reasonably accessible.

Branch and ATM Distribution by Geography Income Level State of Florida												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	124	5.7	500,962	5.0	3	7.1	3	6.7	3	9.1	0	0.0
Moderate	583	26.5	2,633,057	26.4	7	16.7	7	15.5	4	12.1	0	0.0
Middle	770	35.0	3,730,152	37.3	14	33.3	13	28.9	10	30.3	0	0.0
Upper	678	30.8	3,094,330	31.0	18	42.9	21	46.7	16	48.5	3	100.0
NA	44	2.0	30,051	0.3	0.0	0.0	1	2.2	0	0.0	0	0.0
Totals	2,199	100.0	9,988,552	100.0	42	100.0	45	100.0	33	100.0	3	100.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible to all portions of the bank's assessment areas in the State of Florida. Adequate accessibility of alternative delivery systems in low-income geographies offset the accessibility to limited portions of the moderate-income geographies to support this conclusion

The preceding table shows that in low-income census tracts, the percentage of ATMs rises 1.7 percentage points higher, thereby reflecting reasonable accessibility. The table further shows that in moderate-income geographies the bank's level falls 10.9 percentage points below the population percentage, thereby reflecting limited accessibility.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of Florida as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking. Thus, given the bank's ATM distribution and its other delivery systems, the bank makes its alternative delivery systems reasonably accessible to all portions of the bank's assessment areas in the State of Florida, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Consequently, considering the reasonably accessible alternative delivery systems and branch distribution, the delivery systems prove reasonably accessible to essentially all portions of the bank's assessment areas in the State of Florida.

Changes in Branch Locations

The institution's record of opening and closing of branches has improved the accessibility of its delivery systems to low- and moderate- income geographies or individuals. The previous table shows that the bank increased its total branch presence by 33 offices. Seven of the branches affected low- or moderate- income geographies. The bank did not close any branches in low- or moderate-income tracts, thus resulting in an overall net increase of delivery systems in such geographies.

Consequently, given the relative changes in the discussed income tracts, the institution's record of opening and closing of branches improved the accessibility of its delivery systems to low- and moderate-income geographies or individuals.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. All locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution provides an adequate level of community development services. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 67 CD services since the last evaluation. This number equates to an average of 0.5 CD services, per office, per year, since the last evaluation. The bank averaged 34.5 full-service offices for the 3.7 years since the last evaluation for the State of Florida. The average figure reflects a decrease over the average of 1.0 CD services, per office, per year, recorded at the prior evaluation. Typically, the level of 0.5 CD services reflects a poor level of performance; however, given the significant change in branches since the prior evaluation, the current level is considered an adequate level. The 2016 bank merger increased the number of branches from the prior five branches in Florida.

The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect a good responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank's assessment areas. The following table shows that 13.4 percent of the banks CD provided for affordable housing efforts in the state and 49.3 percent of the bank's CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Institution's Operations, such community services represent a high community development need for the bank's Florida assessment areas. Therefore, relative to the bank's capacity and the extent of CD service opportunities and needs in its assessment areas, the bank established an adequate level in providing CD services.

Community Development Services State of Florida					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Cape Coral MSA	0	4	2	0	6
Ft. Lauderdale MSA	0	2	0	0	2
Jacksonville MSA	0	0	0	0	0
Miami MSA	0	5	5	0	10
North Port MSA	3	1	4	1	9
Ocala MSA	0	3	0	0	3
Punta Gorda MSA	0	3	1	0	4
Tampa MSA	6	14	9	0	29
Statewide or Regional	0	1	3	0	4
Total	9	33	24	1	67
<i>Source: Bank Records.</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of Florida inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state's overall rating.

STATE OF GEORGIA

STATE OF GEORGIA'S CRA RATING: Satisfactory.

The Lending Test is rated: High Satisfactory.

The Investment Test is rated: Outstanding.

The Service Test is rated: Low Satisfactory.

The Outstanding Investment Test record, combined with the High Satisfactory Lending Test record and Low Satisfactory Service Test record, support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of Georgia. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited an adequate record regarding its lending activity.
- The institution established a good record regarding its borrower profile loan distribution.
- The bank achieved an excellent record regarding its geographic loan distribution.
- The institution is a leader in making community development loans.
- The bank made limited use of innovative or flexible lending practices.

Investment Test

- The bank made use of an excellent level of qualified investments.
- The institution's investments reflect excellent responsiveness to area needs.
- The bank made significant use of innovative or complex investments.

Service Test

- The bank exhibited an adequate record regarding its retail banking services.
- The institution provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of Georgia remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in 11 separate assessment areas in the State of Georgia, as more fully described under the Description of Institution's Operations in the State of Georgia. Examiners chose the Atlanta MSA AA since it generated the largest percentage of the bank's Georgia loans, consistent with its larger percentage of deposits and offices. Examiners applied limited-scope procedures to the Athens MSA, Brunswick MSA, Columbus MSA, Dalton MSA, Gainesville

MSA, Macon MSA, Rome MSA, Savannah MSA, Valdosta MSA, and the Georgia Non-MSA (GA Non-MSA) AAs for this evaluation.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the Home Mortgage Disclosure Act (HMDA) or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 137 loans totaling \$15,737,000
- 2016: 265 loans totaling \$38,640,000
- 2017: 447 loans totaling \$65,433,000
- 2018: 413 loans totaling \$43,808,000

Small Business Loans:

- 2015: 77 loans totaling \$9,452,000
- 2016: 71 loans totaling \$14,161,000
- 2017: 288 loans totaling \$56,938,000
- 2018: 262 loans totaling \$50,421,000

Small Farm Loans:

- 2015: 9 loans totaling \$474,000
- 2016: 6 loans totaling \$449,000
- 2017: 18 loans totaling \$2,625,000
- 2018: 14 loans totaling \$2,205,000

Since consumer loans do not represent a substantial majority of the bank's Georgia loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for 1.9 percent of the dollar volume and 2.3 percent of the number of the total loans from 2015 through 2017. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS data and 2017 D&B data for the applicable lending tables. Given the very limited data for small farm loans, this evaluation does not present that loan data.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes

of the number of the bank’s reported home mortgage and small business loans reported from 2015 through 2018 and originated in the bank’s assessment areas to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank’s assessment areas.

The following table shows that, for the loan categories reviewed, considering both the dollar and number volume percentages, home mortgage loans account for 55.5 percent while small business loans account for 38.9 percent of the loans home mortgage lending contributed more weight than the small business lending when arriving at the applicable conclusions for the State of Georgia.

Loan Category Weighting State of Georgia				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	1,262	64.4	163,618	55.5
Small Business	698	35.6	130,972	44.5
Total Reviewed Categories	1,960	100.0	294,590	100.0

Source: HMDA & CRA data (2015-2018).

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in 11 reviewed areas in the State of Georgia. The following table shows that the Atlanta MSA AA generated the largest percentage of the bank’s Georgia loans, consistent with the deposits gathered and offices operated by this area. Consequently, examiners weighed records in the Atlanta MSA AA heavier when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area’s lending level as reflected in the following table.

Assessment Area Distribution – State of Georgia						
Assessment Area	Loans (% of #)				Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Small Farm	Total		
Athens MSA	1.2	3.1	0.0	1.8	1.6	3.0
Atlanta MSA	59.8	63.9	51.1	61.1	64.9	57.6
Brunswick MSA	2.1	4.6	0.0	2.9	1.5	3.0
Columbus MSA	1.0	0.6	0.0	0.9	0.9	1.5
Dalton MSA	3.5	6.6	0.0	4.5	7.3	3.0
Gainesville MSA	1.7	4.0	0.0	2.5	0.3	1.5
Macon MSA	1.7	1.6	0.0	1.6	2.5	4.6
Rome MSA	1.1	1.1	0.0	1.1	1.3	1.5
Savannah MSA	2.7	0.9	0.0	2.0	2.2	1.5
Valdosta MSA	4.8	2.4	0.0	3.8	3.1	6.1
GA Non-MSA	20.4	11.2	48.9	17.8	14.4	16.7

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation. The Investment Test's scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation's date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF GEORGIA

Overall Description

Bank OZK designated eleven assessment areas in Georgia: 1) Athens MSA AA, 2) Atlanta MSA AA, 3) Brunswick MSA AA, 4) Columbus MSA AA, 5) Dalton MSA AA, 6) Gainesville MSA AA, 7) Macon MSA AA, 8) Rome MSA AA, 9) Savannah MSA AA, 10) Valdosta MSA AA, and 11) GA Non-MSA AA.

As of the 2015 ACS, the State of Georgia assessment areas contained 1,230 total census tracts, which reflected the following income designations: 134 low-, 294 moderate-, 387 middle-, 402 upper-income tracts, and 13 tracts with no income designation. All of the bank's assessment areas in the State of Georgia conform to the CRA regulatory requirements.

Operations

The bank's activity levels in Georgia ranked 2nd out of the bank's 9 rated areas. As noted, this state originated 15.9 percent of the bank's reviewed loans while also garnering 24.8 percent of the bank's total deposits and operating 27.4 percent of its offices. The bank operated 66 offices and 76 ATMs in this state during the review period. The bank closed eight offices in this state during the review period and acquired 42 offices through a merger in this state during the review period.

The following discussion describes the bank's operations in the full-scope area reviewed in this state. Demographic data and deposit market share information for the limited-scope assessment areas is in Appendix F.

Atlanta MSA AA

The Atlanta MSA AA consists of all 834 tracts of 19 of the 29 counties that comprise the full Atlanta MSA. The assessment area contains the following counties: Barrow, Bartow, Carroll, Cherokee, Cobb, Coweta, Dawson, DeKalb, Douglas, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Paulding, Pickens, Rockdale, and Walton.

Operations

As noted, this area ranks 1st out of the 11 reviewed areas in Georgia by accounting for 61.1 percent of the bank's Georgia loans, while gathering 64.9 percent of its deposits and operating 57.6 percent of its offices. The following table shows that the bank operates 38 full-service

offices in this area. The bank did not open or close any offices in this assessment area but it did acquire 26 branches from merger activity in this state during the review period. It also maintains 45 ATMs.

Office Locations Atlanta MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
Barrow County:				
Auburn Branch	Branch	1801.04	Middle	Acquired 7/21/2016
Braselton Branch	Branch	1801.03	Upper	Acquired 7/21/2016
Holly Hill Branch	Branch	1802.05	Moderate	Acquired 7/21/2016
Statham Branch	Branch	1804.02	Moderate	Acquired 7/21/2016
Verity Bank Branch	Branch	1802.05	Moderate	Acquired 7/21/2016
Bartow County:				
Adairsville Branch	Branch	9602.00	Moderate	No
Cartersville Henderson Branch	Branch	9606.00	Middle	No
Cartersville Main Branch	Branch	9604.01	Middle	No
Carroll County:				
Carrollton Branch	Branch	9111.00	Middle	Acquired 7/21/2016
Maple Branch	Branch	9106.00	Middle	Acquired 7/21/2016
Villa Rica Branch	Branch	9101.01	Moderate	Acquired 7/21/2016
Cherokee County:				
Canton Branch	Branch	0904.00	Moderate	Acquired 7/21/2016
Woodstock Branch	Branch	0910.01	Middle	Acquired 7/21/2016
Cobb County:				
North Marietta Branch	Branch	0306.02	Upper	Acquired 7/21/2016
Riverwood Parkway Branch	Branch	0312.07	Upper	Acquired 7/21/2016
Coweta County:				
Newnan Downtown Branch	Branch	1703.05	Moderate	No
Senoia Branch	Branch	1705.03	Upper	No
Sharpsburg Branch	Branch	1705.01	Middle	No
Dawson County:				
Dawsonville Main Branch	Branch	9702.01	Upper	No
DeKalb County:				
Brookhaven Branch	Branch	0211.02	Upper	Acquired 7/21/2016
Douglas County:				
Chapel Hill Branch	Branch	0805.08	Middle	Acquired 7/21/2016
Douglasville- Hospital Drive	Branch	0803.04	Middle	No
Forsyth County:				
Cumming -Market Place	Branch	1305.09	Middle	Acquired 7/21/2016
Cumming-Freedom Pkwy	Branch	1305.06	Upper	No
Cumming- Peachtree Pkwy	Branch	1306.05	Upper	Acquired 7/21/2016
Fulton County:				
Roswell Branch	Branch	0114.19	Upper	Acquired 7/21/2016
Gwinnett County:				
Buford Branch	Branch	0501.06	Middle	Acquired 7/21/2016
Essex Bank Grayson Branch	Branch	0507.24	Middle	Acquired 7/21/2016
Snellville Branch	Branch	0507.21	Middle	Acquired 7/21/2016
Haralson County:				
Bremen Financial Center	Branch	0104.00	Moderate	Acquired 7/21/2016
Buchanan Branch	Branch	0103.02	Moderate	Acquired 7/21/2016
Tallapoosa Branch	Branch	0102.00	Middle	Acquired 7/21/2016

Heard County: Franklin Branch	Branch	9701.00	Moderate	Acquired 7/21/2016
Henry County: McDonough Branch	Branch	0703.04	Moderate	No
Paulding County: Dallas, GA Branch	Branch	1202.02	Middle	No
Pickens County: Marble Hill Branch	Branch	0506.00	Moderate	No
Rockdale County: Eastside Commercial Bank Branch	Branch	0603.05	Moderate	Acquired 7/21/2016
Walton County: Essex Bank Loganville Branch	Branch	1105.07	Middle	Acquired 7/21/2016
<i>Source: Bank records; ACS Data (2015).</i>				

Demographic and Economic Data

The assessment area's 834 census tracts reflect the following income designations based on 2015 ACS data: 86 low-, 204 moderate-, 254 middle-, 283 upper-income tracts, and 7 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

On September 15, 2017, FEMA declared all the counties in the Atlanta MSA AA as major disaster areas due Hurricane Irma. This designation expires September 15, 2020. Additionally, on February 26, 2016, FEMA included Carroll, Douglas, Haralson, and Pickens counties in a declaration of major disaster areas due to severe storms and flooding. This designation expires February 16, 2019.

With a population of 4,881,269, based on 2015 ACS data, the area includes 1,172,734 families, of which 22.2 percent reported low incomes, 16.5 percent reported moderate incomes, 18.1 percent reported middle incomes, and 43.3 percent reported upper incomes. Approximately 11.5 percent of the area's families reported incomes below the poverty level. The area reflected a 2015 MFI of \$70,700 and a 2018 FFIEC-adjusted MFI of \$74,400.

The area presents strong economic expansion largely driven by logistics and technology industries. Leading industries by employment include Computer systems design, management o companies, government, and health services. According to Moody's Analytics, the area generally reflects a growing economy with an increasing population and rising housing prices compared to other areas in the state.

Currently, major employers in the area consist of Delta Airlines Inc., Wal-Mart Stores Inc., The Home Depot Inc., Emory University, and WellStar Health System Inc. The area's unemployment rate of 3.7 percent as of April of 2019 falls slightly below the 3.8 percent rate for the State of Georgia but rises above the U.S. rate of 3.6 percent.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 1,150 offices from its 83 institutions serving about 4,245 people, on average. Bank OZK ranks 11th in market share by capturing 1.7 percent of the area's deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level.

Overall, the competition level allows for lending opportunities.

Community Contact

Examiners reviewed three contacts with community members knowledgeable about the area's business and housing environment to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the assessment area. One of the contacts stated that the local economy continues to improve since the end of the financial crisis. The contact noted that families still struggle with the effects of the crisis, namely owing more than their homes are worth and disinvestment in the local communities. The contact also noted displacement as a growing concern due to gentrification of urban areas. This has led to an increase in poverty in surrounding communities.

The contact noted ample opportunities for local financial institutions to assist in affordable housing programs to meet the needs of the community. They stated that financial institutions do a good job at participating in the community, but noted the opportunity for more involvement through funding and community development services. The other contacts noted a large number of businesses with new companies relocating to the area. The contacts noted a need for small business education; affordable and diversification of housing, including single-family and multifamily residences; and infrastructure improvements, including water and sewage.

Community Credit Needs and Opportunities

Consistent with other metropolitan areas, the Atlanta MSA AA created varied loan demand for small business, residential real estate, and consumer loans. Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business loans, home mortgage loans, and home improvement loans represent the assessment areas' primary credit needs.

With respect to the area's community development needs, rising housing prices suggests a need for affordable housing for low- and moderate-income individuals. Demographic data showing that 38.7 percent of the area's families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, over one-third, 34.8 percent, of the area's census tracts receiving low- or moderate-income designations and federal designated disaster areas also suggests a need for activities that revitalize or stabilize qualifying geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF GEORGIA

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Atlanta MSA AA and limited-scope procedures for the remaining areas.

Conclusions on Performance Criteria in the Limited-Scope Review AAs

The following table summarizes the conclusions for this rated area's AAs reviewed using

limited-scope examination procedures. Examiners drew conclusions regarding the institution's CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Athens MSA	Below	Consistent	Consistent
Brunswick MSA	Below	Consistent	Consistent
Columbus MSA	Consistent	Below	Below
Dalton MSA	Consistent	Below	Consistent
Gainesville MSA	Consistent	Above	Consistent
Macon MSA	Consistent	Below	Below
Rome MSA	Below	Consistent	Consistent
Savannah MSA	Consistent	Consistent	Consistent
Valdosta MSA	Consistent	Below	Consistent
GA Non-MSA	Consistent	Below	Consistent

Facts and data supporting conclusions for each limited-scope AA follow, beginning with a summary of Bank OZK's operations and activities, followed by geographic distribution and borrower profile tables by loan type. The geographic distribution and borrower profile tables for the limited-scope AAs are in Appendix E, while demographic data for the limited-scope AAs is in Appendix F.

Athens MSA AA

Bank OZK operates two branches in this AA, both in upper-income CTs. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	22	4,230,000
HMDA Loans	15	2,072,000
Small Farm Loans	0	0
Community Development Loans	0	0
Qualified Investments	5	191,000
Community Development Services	6	-

Brunswick MSA AA

Bank OZK operates two branches in this AA: one within a moderate-income CT and one within an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	32	3,237,000
HMDA Loans	27	3,762,000
Small Farm Loans	0	0
Community Development Loans	0	0
Qualified Investments	3	179,000
Community Development Services	9	-

Columbus MSA AA

Bank OZK operates one branch in this AA in a middle-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	4	537,000
HMDA Loans	13	1,004,000
Small Farm Loans	0	0
Community Development Loans	1	5,100,000
Qualified Investments	1	1,000
Community Development Services	0	-

Dalton MSA AA

Bank OZK operates two branches in this AA: one in a middle-income CT and one in an upper-income CT. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	46	10,074,000
HMDA Loans	44	3,467,000
Small Farm Loans	0	0
Community Development Loans	2	2,696,471
Qualified Investments	1	1,000
Community Development Services	3	-

Gainesville MSA AA

Bank OZK operates one branch in this AA in a moderate-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	28	5,739,000
HMDA Loans	22	3,921,000
Small Farm Loans	0	0
Community Development Loans	0	0
Qualified Investments	3	11,141,000
Community Development Services	2	-

Macon MSA AA

Bank OZK operates three branches in this AA: two in middle-income CTs and one in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	11	1,619
HMDA Loans	21	2,374,000
Small Farm Loans	0	0
Community Development Loans	3	130,000
Qualified Investments	3	4,000
Community Development Services	0	-

Rome MSA AA

Bank OZK operates one branch in this AA in a moderate-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	8	1,241,000
HMDA Loans	14	2,394,000
Small Farm Loans	0	0
Community Development Loans	0	0
Qualified Investments	4	110,000
Community Development Services	2	-

Savannah MSA AA

Bank OZK operates one branch in this AA in a moderate-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	6	1,311,000
HMDA Loans	34	3,198,000
Small Farm Loans	0	0
Community Development Loans	2	17,150,177
Qualified Investments	5	1,157,000
Community Development Services	1	-

Valdosta MSA AA

Bank OZK operates four branches in this AA: three in moderate-income CTs and one in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	17	2,686,000
HMDA Loans	60	4,210,000
Small Farm Loans	0	0
Community Development Loans	0	0
Qualified Investments	4	55,000
Community Development Services	3	-

GA Non-MSA AA

Bank OZK operates 11 branches in this AA: 3 in moderate-income CTs, 5 in middle-income CTs, and 3 in upper-income CTs. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	78	9,214,000
HMDA Loans	257	24,755,000
Small Farm Loans	23	3,475
Community Development Loans	2	10,036,912
Qualified Investments	18	2,216,000
Community Development Services	31	-

LENDING TEST

Bank OZK demonstrated a high satisfactory record in the State of Georgia regarding the Lending Test. The adequate lending activity and good borrower profile records, combined with the limited use of innovative or flexible lending practices, outweighed the excellent geographic loan distribution and excellent community development loans to support this conclusion.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the seven reviewed assessment areas when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited an adequate record in the State of Georgia regarding its lending activity. As noted, home mortgage loans account for 55.5 percent of the Georgia loan categories reviewed while small business loans account for 45.5 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects adequate performance. For 2017, the bank originated 447 total reportable home mortgage loans totaling over \$65.4 million. Bank OZK captured a 0.2 percent market share of the total number of home mortgage loans and a 0.1 percent market share of the total dollar volume of loans.

The bank's activity ranks it 97th out of 920 total lenders and 490 lenders originating at least 10 such loans in the bank's Georgia assessment areas. This ranking lands the bank in the top third percent of the second group of lenders reporting such loans in the bank's assessment areas, at 19.8 percent. The ranking considers the total number and dollar amount of loans made by each institution.

Since the last evaluation, the bank's home mortgage lending fluctuated with the addition of several new branch offices in the State of Georgia. However, home mortgage lending has decreased over the last two years, from 447 loans totaling \$65.4 million in 2017 to 413 loans totaling \$43.8 million in 2018. Given this downward trend in home mortgage lending since the last evaluation, the bank's lending activity performance reflects an adequate record regarding home mortgage loans.

Small Business Loans

The level of small business lending activity reflects adequate performance. Adequate overall market ranking and share support this conclusion. For 2017, the bank originated 288 total reportable small business loans totaling over \$56.9 million. Bank OZK captured a 0.2 percent market share of the total number of small business loans and a 1.0 percent market share of the total dollar volume of loans.

The bank's activity ranks it 43rd out of 216 total lenders and 95 lenders originating at least 10 such loans in the bank's Georgia assessment areas. This ranking lands the bank in the top half of the second group of lenders, at 45.3 percent, thereby reflecting an adequate level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects adequate performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited an adequate overall record in the State of Georgia regarding its lending activity. Adequate performances regarding home mortgage loans and small business loans support this conclusion.

Borrower Profile Distribution

The institution established a good record in the State of Georgia regarding its borrower profile loan distribution. Good records regarding home mortgage loans outweigh adequate records for small business loans to support this conclusion. As noted, home mortgage loans account for 55.5 percent of the Georgia loan categories reviewed while small business loans account for 45.5 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects a good record in the State of Georgia. Good performances in the Athens MSA, Atlanta MSA, Savannah MSA, and GA Non-MSA AAs outweigh adequate performance in the Brunswick MSA, Dalton MSA, Gainesville MSA, Macon MSA, and Rome MSA AA to support this conclusion. Examiners also noted poor performance in the Columbus MSA AA and excellent performance in the Valdosta MSA AA. The areas with good performance account for 84.1 percent of the bank's home mortgage loans originated in Georgia from 2015 through 2018. The areas with adequate performance account for 10.1 percent.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Atlanta MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects good performance in the Atlanta MSA AA. The good performance to low-income borrowers combined with the excellent performance to moderate-income borrowers supports this conclusion.

As indicated by Appendix E, for the State of Georgia during 2017, in the Atlanta MSA AA, to low-income borrowers, the bank's 11.0 percent level lands within a good range of the 5.2 percent aggregate figure given the ratios' overall levels. The bank's level rises 5.8 percentage points higher than the aggregate figure, thereby reflecting a good level.

The table further shows that to moderate-income borrowers, the bank's 29.7 percent level lands in an excellent range of the 16.2 percent aggregate figure given the ratios' overall levels. The bank's level rises 13.5 percentage points higher than the aggregate figure, thereby reflecting an excellent level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects good performance in the Atlanta MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the distribution of home mortgage loans based on the borrowers' profiles reflects a good overall record in the State of Georgia.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects an adequate record in the State of Georgia. Adequate performances in the Athens MSA, Atlanta MSA, Dalton MSA, and GA Non-MSA AAs support this conclusion outweighed excellent or good performances in the Brunswick MSA, Columbus MSA, Gainesville MSA, Macon MSA, Rome MSA, Savannah MSA, and Valdosta MSA AAs to support this conclusion. The areas with

adequate performance accounts for 84.8 percent of the bank's small business loans originated in Georgia from 2015 through 2018. The areas with good performance account for 10.2 percent, whereas the areas with excellent performance account for 5.0 percent.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment area.

Atlanta MSA AA

The distribution of small business loans based on the borrowers' profiles reflects adequate performance in the Atlanta MSA AA. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of Georgia, in the Atlanta MSA AA the bank granted 59.1 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level exceeds the aggregate figure of 52.7 percent given the ratios' overall levels. The bank's level lands 6.4 percentage points above the aggregate figure, thereby reflecting an adequate level. Thus, the borrower profile distribution of small business loans reflects adequate performance in the Atlanta MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the distribution of small business loans based on the borrowers' profiles reflects an overall adequate record in the State of Georgia.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established an overall adequate record in the State of Georgia regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved an excellent record in the State of Georgia regarding its geographic loan distribution. Excellent records regarding home mortgage loans outweighed good performance regarding small business loans to support this conclusion. As noted, home mortgage loans account for 55.5 percent of the Georgia loan categories reviewed while small business loans account for 45.5 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an excellent record in the State of Georgia. Excellent performances in the Atlanta MSA, Columbus MSA, Savannah MSA and Valdosta MSA AAs support this conclusion. The areas reflecting excellent performance account

for 68.3 percent of the bank's home mortgage loans originated in the State of Georgia from 2015 through 2018.

Atlanta MSA AA

The geographic distribution of home mortgage loans reflects excellent performance in the Atlanta MSA AA. Excellent performance in the moderate-income geographies outweighed the good performance in the low-income geographies to support this conclusion.

As seen in Appendix E, for the State of Georgia in 2017, in the Atlanta MSA AA in low-income census tracts the bank's 7.2 percent level lands within a good range of the 2.7 percent aggregate figure given the ratios' overall levels. The bank's level rises 4.5 percentage points higher than the aggregate figure, thereby reflecting a good level.

The table further shows that in moderate-income census tracts the bank's 35.4 percent level lands within an excellent range of the 16.9 percent aggregate figure given the ratios' overall levels. The bank's level rises 18.5 percentage points higher, thereby reflecting an excellent level. Given the greater demand and opportunity within moderate-income geographies, more weight was allotted to performance in those census tracts than in low-income geographies. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of home mortgage loans reflects excellent performance in the Atlanta MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of home mortgage loans reflects an excellent overall record in the State of Georgia.

Small Business Loans

The geographic distribution of small business loans reflects a good record in the State of Georgia. Good performances in the Atlanta MSA, Dalton MSA, and Macon MSA AAs outweigh the adequate or excellent performances noted in the Athens MSA, Brunswick MSA, Dalton MSA, Gainesville MSA, Macon MSA, Rome MSA, Savannah MSA, Valdosta MSA, and GA Non-MSA AAs to support this conclusion. Examiners also noted poor performance in the Columbus MSA AA. The areas reflecting good performance account for 72.1 percent of the bank's small business loans originated in the State of Georgia from 2015 through 2018.

Atlanta MSA AA

The geographic distribution of small business loans reflects good performance in the Atlanta MSA AA. Excellent performance in moderate-income geographies lifted the adequate performance in the low-income geographies to support this conclusion.

As seen in Appendix E for the State of Georgia, in the Atlanta MSA AA in low-income census tracts the bank's 2.6 percent level lands within an adequate range of the 4.1 percent aggregate figure given the ratios' overall levels. The bank's level is 1.5 percentage points lower than the aggregate figure, thereby reflecting an adequate level.

The table further shows that in moderate-income tracts the bank's 43.5 percent level lands within an excellent range of the 19.7 percent aggregate figure given the ratios' overall levels. The bank's

level rises 23.8 percentage points higher, thereby reflecting an excellent level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects overall good performance in the Atlanta MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of small business loans reflects a good overall record in the State of Georgia.

Community Development Lending

The institution is a leader in making community development loans in the State of Georgia. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 39 CD loans totaling approximately \$231.2 million in this state. The dollar amount equates to 19.2 percent of the bank's overall level of CD loans. At the prior evaluation, the bank originated \$3.2 million CD loans in this state. The current level within this state lands within a good range of its contribution of 15.9 percent of the bank's total loans originated by the State of Georgia given the ratios' overall levels. This state's CD lending level rises 3.3 percentage points higher than its total loan figure, thereby reflecting a good level of lending.

Besides their extent, the CD loans reflect good responsiveness to the community development needs of the state's assessment areas. As seen in the following table, 51.4 percent of the dollar volume of the state's CD loans promote affordable housing, and 42.4 percent revitalize or stabilize qualifying geographies. In addition, 0.5 percent of the CD loans provide community services targeted to low- and moderate-income individuals. As noted under the applicable Description of Institution's Operations for this states assessment areas, activities that promote affordable housing, provide community services targeted to low- and moderate-income individuals, and revitalize or stabilize qualifying geographies represent CD needs in the bank's assessment areas.

Therefore, given the level of CD loans regarding the extent and responsiveness of its CD lending, the bank is a leader in granting CD loans in the State of Georgia.

Community Development Loans State of Georgia										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Athens MSA	0	0	0	0	0	0	0	0	0	0
Atlanta MSA	16	87,228	1	1,100	5	10,394	6	87,672	28	186,394
Brunswick MSA	0	0	0	0	0	0	0	0	0	0
Columbus MSA	1	5,100	0	0	0	0	0	0	1	5,100
Dalton MSA	0	0	0	0	2	2,696	0	0	2	2,696
Gainesville MSA	0	0	0	0	0	0	0	0	0	0
Macon MSA	1	50	2	80	0	0	0	0	3	130
Rome MSA	0	0	0	0	0	0	0	0	0	0
Savannah MSA	1	6,800	0	0	0	0	1	10,350	2	17,150
Valdosta MSA	0	0	0	0	0	0	0	0	0	0
GA Non-MSA	2	10,037	0	0	0	0	0	0	2	10,037
Statewide	1	9,650	0	0	0	0	0	0	1	9,650
Total	22	118,865	3	1,180	7	13,090	7	98,022	39	231,157

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made limited use of innovative or flexible lending practices in the State of Georgia. These practices reflect adequate success, as measured by low dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank's contribution of such loans made in the state relative to its other activity levels in this area as well as the bank's overall innovative or flexible lending practices' record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that, since the previous evaluation, the bank granted 351 innovative or flexible loans totaling over \$63.8 million in the State of Georgia. The dollar amount equates to 21.5 percent of the bank's overall adequate level of such loans. This state's level of lending falls within an adequate range of its contribution of 15.9 percent of the bank's total loans originated in the State of Georgia, given the overall ratio's levels. This state's innovative or flexible lending level rises 5.6 percentage points higher than its total loan figure, thereby reflecting an adequate level.

Innovative or Flexible Loans State of Georgia								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Georgia	19	8,364	97	15,736	235	39,702	351	63,802

Source: Bank records.

Thus, considering this state’s fair share contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made limited use of innovative or flexible lending practices with respect to their dollar volume, or level.

INVESTMENT TEST

Bank OZK demonstrated an outstanding record in the State of Georgia regarding the Investment Test. An excellent level of QIs and excellent responsiveness to community development needs primarily support this conclusion. The significant use of complex QIs further support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 114 QIs totaling nearly \$46.1 million in this state, of which 100 are donations or grants totaling \$216,894. The dollar amount equates to 15.1 percent of the bank’s excellent overall level. However, the dollar amount increased significantly since the prior evaluation’s \$13.2 million. This state held 24.8 percent of the bank’s total deposits. While the level of QIs is moderately below the deposit figure, examiners considered the significant increase in dollar amount, thereby reflecting excellent performance.

Qualified Investments State of Georgia										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Athens MSA	0	175*	4	6	1	10	0	0	5	191
Atlanta MSA	12	21,650*	40	44	8	92	0	0	60	21,786
Brunswick MSA	0	178*	3	1	0	0	0	0	3	179
Columbus MSA	0	0	1	1	0	0	0	0	1	1
Dalton MSA	0	0	1	1	0	0	0	0	1	1
Gainesville MSA	1	11,139*	2	2	0	0	0	0	3	11,141
Macon MSA	2	3	1	1	0	0	0	0	3	4
Rome MSA	0	108*	4	2	0	0	0	0	4	110
Savannah MSA	2	1,146*	2	1	1	10	0	0	5	1,157
Valdosta MSA	0	53*	4	2	0	0	0	0	4	55
GA Non-MSA	1	2,209*	15	6	1	1	0	0	17	2,216
Subtotal	18	36,661*	77	67	11	113	0	0	106	36,841
Statewide	7	8,891	0	0	1	360	0	0	8	9,251
Total	25	45,552	77	67	12	473	0	0	114	46,092

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made significant use of complex QIs that exhibit excellent responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$15.4 million in three Fannie Mae DUS bonds backed by loans on multi-family properties with a minimum of five units. The three multi-family apartments were in the

Gainesville, Atlanta, and the Non-MSA AAs, respectively. The multi-family complex in the Gainesville AA had 292 units, of which 100 percent of the rents were restricted for low-income families and individuals. The property in the Atlanta AA related to construction of 324 units, of which 82 percent were income restricted for low-income families and individuals. The Non-MSA AA apartment was Section 8 designated with all units income restricted.

Bank OZK also invested \$8.8 million in revenue bonds with Georgia's Housing Finance Authority. The purpose of the bonds facilitated mortgages for low- and moderate-income borrowers in the State of Georgia. In addition, the bank shows responsiveness through a significant distribution by dollar amount to affordable housing through investments in MBSs.

The bank also invested \$360 thousand in the Georgia HEART hospital program. The State of Georgia created the program due to demographic, economic, and health care industry challenges Georgia's rural hospitals have been facing. This crisis jeopardizes the access of rural Georgians to adequate health care. Individual and corporate taxpayers who contribute to qualified rural hospital organizations ("RHOs") located in Georgia receive tax credits. The funds benefitted the State of Georgia.

Therefore, considering this state's fair share contribution of QIs to the bank's overall excellent level, the bank made use of an excellent level of QIs in the State of Georgia with excellent responsiveness and significant use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of Georgia regarding the Service Test. Bank OZK provides an adequate level of community development services while demonstrating an adequate record of retail banking services to support this conclusion. Examiners placed more weight on the bank's community development services relative to its retail banking services when arriving at this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited an adequate record in the State of Georgia regarding its retail banking services. Accessible delivery systems and hours and services that do not inconvenience portions of low- or moderate-income areas or individuals and changes in branch locations that improve accessibility to low- or moderate-income areas or individuals to support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove accessible to essentially all portions of the bank's assessment areas in the State of Georgia. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

Branch Distribution

The bank makes its full-service offices reasonably accessible to essentially all portions of the

institution’s assessment areas in the State of Georgia. Reasonable accessibility of branches in moderate-income geographies supports this conclusion.

The following table shows that there are no branches in low-income census tracts, representing limited availability. However, the table further shows that in moderate-income geographies, the bank’s percentage of full-service offices at 34.8 percent is 11.7 percentage points above the population percentage given the ratios’ overall levels, reflecting reasonable accessibility. Given the percentages of population residing in low-income tracts relative to moderate-income tracts, examiners placed more weight on performance in moderate-income tracts.

Thus, the bank makes its full-service offices reasonably accessible to essentially all portions of the institution’s assessment areas in the State of Georgia.

Branch and ATM Distribution by Geography Income Level State of Georgia												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	134	10.9	485,828	7.3	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	294	23.9	1,531,427	23.1	23	34.8	29	38.2	10	23.8	1	12.5
Middle	387	31.5	2,323,712	35.1	25	37.9	29	38.2	19	45.2	4	50.0
Upper	402	32.7	2,260,643	34.1	18	27.3	18	23.6	13	31.0	3	37.5
NA	13	1.0	26,092	0.4	0	0.0	0	0.0	0	0.0	0	0.0
Totals	1,230	100.0	6,627,702	100.0	66	100.0	76	100.0	42	100.0	8	100.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible to all portions of the bank’s assessment areas in the State of Georgia. The adequate use and accessibility of alternative delivery systems in moderate-income areas support this conclusion.

The preceding table shows that in low-income census tracts, the bank did not operate any ATMs reflecting limited accessibility. However, the table further shows that in moderate-income geographies the bank’s percentage of ATMs at 38.2 percent is higher than the population percentage of 23.1 percent, reflecting accessibility. Thus, the limited accessibility in low-income was lifted by the accessibility in moderate-income geographies to reflect reasonably accessible to all portions of the assessment areas.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of Georgia as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Thus, given the bank's ATM distribution and its other delivery systems, the bank makes its alternative delivery systems reasonably accessible to all portions of the bank's assessment areas in the State of Georgia, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Changes in Branch Locations

The institution's record of opening and closing of branches has improved the accessibility of its delivery systems to low- and moderate- income geographies or individuals. The increase in the bank's branch presence in moderate-income tracts, mostly through the purchase of existing branch locations through acquisitions, supports this conclusion.

The previous table shows that the bank increased its total branch presence in moderate-income tracts. During the review period, the bank opened 10 offices in moderate-income geographies while only closing one office. The impact from the closing of this office is limited considering the bank's expansion in moderate-income tracts from the acquired branches. There were no office openings or closing in low-income geographies.

Consequently, given the relative changes in the discussed income tracts, the institution's record of opening and closing of branches improved the accessibility of its delivery systems to low- and moderate-income geographies or individuals.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. All three locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution established an adequate level in providing community development services that were responsive to the identified needs of the assessment areas. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 142 CD services since the last evaluation. This number equates to an average of 0.7 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The bank averaged 56.5 full-service offices for the 3.7 years since the last evaluation for the State of Georgia. The average figure reflects a significant decrease from the 3.8 CD services, per office, per year, recorded at the prior evaluation. The decrease in level results from significant growth in branches in the State of Georgia during the examination.

The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect a good responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank’s assessment areas. The following table shows that 83.8 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Assessment Areas, such community services represent a high community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank established a relatively high level in providing CD services.

Community Development Services State of Georgia					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Athens MSA	2	1	3	0	6
Atlanta MSA	4	69	12	0	85
Brunswick MSA	0	9	0	0	9
Columbus MSA	0	0	0	0	0
Dalton MSA	1	1	1	0	3
Gainesville MSA	0	2	0	0	2
Macon MSA	0	0	0	0	0
Rome MSA	0	2	0	0	2
Savannah MSA	0	1	0	0	1
Valdosta MSA	0	3	0	0	3
GA Non MSA	0	31	0	0	31
Total	7	119	16	0	142

Source: Bank Records.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of Georgia inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state’s overall rating.

STATE OF NEW YORK

STATE OF NEW YORK'S CRA RATING: Satisfactory.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: High Satisfactory.

The Service Test is rated: Low Satisfactory.

The Low Satisfactory Lending Test and Service Test records combined with the High Satisfactory Investment Test record, support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of New York. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited a very poor record regarding its lending activity.
- The institution established a very poor record regarding its borrower profile loan distribution.
- The bank achieved a very poor record regarding its geographic loan distribution.
- The institution is a leader in making community development loans.
- The bank made no use of innovative or flexible lending practices.

Investment Test

- The bank made use of a significant level of qualified investments.
- The institution's investments reflect good responsiveness to area needs.
- The bank made occasional use of innovative or complex investments.

Service Test

- The bank exhibited a poor record regarding its retail banking services.
- The institution provides a relatively high level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of New York remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Area

The bank operates in one assessment area in the State of New York, as more fully described under the Description of Institution's Operations. Examiners applied full-scope procedures to the New

York-Jersey-City-White Plains, NY-NJ MD (New York MD) AA after contemplating all considerations in outstanding guidance.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported either according to the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 2 loans totaling \$68,250,000
- 2016: No loans originated
- 2017: No loans originated
- 2018: No loans originated

Small Business Loans:

- 2015: No loans originated
- 2016: No loans originated
- 2017: 3 loans totaling \$1,367,000
- 2018: No loans originated

Small Farm Loans:

- 2015: No loans originated
- 2016: No loans originated
- 2017: No loans originated
- 2018: No loans originated

Since consumer loans do not represent a substantial majority of the bank's New York loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. The bank did not originate any small farm loans in this state, so examiners did not consider this loan type.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage data and 2017 small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS data and 2017 D&B data for the applicable lending tables.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number of the bank's reported 2015 through 2018 home mortgage and small business loans and originated in the bank's assessment area to determine the weighting applied to those

loan categories. These factors only considered loans originated inside the bank’s assessment area.

The following table shows that, for the loan categories reviewed, considering both the dollar and number volume percentages, home mortgage loans account for 98.0 percent while small business loans account for 2.0 percent of the loans originated or purchased in the bank’s assessment area. Consequently, the bank’s record of home mortgage lending contributed more weight than the small business lending when arriving at the applicable conclusions for the State of New York.

Loan Category Weighting State of New York				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	2	40.0	68,250	98.0
Small Business	3	60.0	1,367	2.0
Total Reviewed Categories	5	100.0	69,617	100.0

Source: HMDA & CRA data (2015-2018).

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in one reviewed area in the State of New York. The following table shows that the New York MD AA generated all of the bank’s New York loans consistent with the deposits gathered and offices operated by this area.

Assessment Area Distribution State of New York					
Assessment Area	Loans (% of #)			Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Total		
New York MD	100.0	100.0	100.0	100.0	100.0

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD (community development) activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation until the current evaluation date, for the State of New York. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE STATE OF NEW YORK

Overall Description

Bank OZK designated one assessment area in the State of New York, all of New York County in the New York MD. New York County is one of eight counties that comprise the New York MD.

Operations

The bank's activity levels in the New York MD AA ranked 9th out of the bank's nine rated areas. As noted, this state originated less than 0.1 percent of the bank's reviewed loans while also gathering 9.9 percent of the bank's total deposits and operating 0.4 percent of its offices. The bank operated one office and no ATMs in this state during the review period. The following discussion describes the bank's operations in the New York MD AA.

New York MD AA

The New York MD AA consists of all 288 census tracts in New York County, which is one of eight counties that make up the New York-Jersey City-White Plains MD. Examiners used full-scope procedures for this area.

Operations

The following table shows that the bank operates one full-service office in this area. The bank did not open or close any offices in this area since the last evaluation. The bank did not participate in any merger or acquisition activities in this area since the last evaluation.

Office Locations New York MD AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>New York County:</i> New York Branch	Branch	0096.00	Upper	No
<i>Source: Bank records (2018); ACS Data (2015).</i>				

Demographic and Economic Data

The assessment area's 288 census tracts reflect the following income designations based on 2015 ACS data: 44 low-, 51 moderate-, 20 middle-, 158 upper-income tracts, and 15 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

With a population of 1,629,507, based on 2015 ACS data, the area includes 310,166 families, of which 26.7 percent reported low incomes, 11.5 percent reported moderate incomes, 10.6 percent reported middle incomes, and 51.1 percent reported upper incomes. Approximately 14.1 percent of the area's families reported incomes below the poverty level. The area reflected a 2015 MFI of \$71,300 and a 2018 FFIEC-adjusted MFI of \$78,000.

The area presents a growing economy largely driven by tourism, financial services, and medical centers. Leading industries by employment include General Medical and Surgical Hospitals, Brokerages companies, Management companies, offices of physicians, and local government.

According to Moody's Analytics, the area generally reflects a strong economy with steady population growth and rising housing prices compared to other areas in the state. Recent local resistance to the Amazon headquarters expansion signals a slowing of industrial and retail growth in the area affecting job opportunities.

Currently, major employers in the area consist of Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Co, Bank of America, and the New York-Presbyterian Healthcare System. The area's unemployment rate of 3.9 percent for April 2019 is consistent with the 3.9 percent rate for the State of New York and rises above the U.S. rate of 3.6 percent.

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 673 offices from its 90 institutions serving about 2,421 people, on average. Bank OZK ranks 31th in market share by capturing 0.2 percent of the area's deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Contact

Examiners reviewed a contact with a community member knowledgeable about the area to help assess the current economic conditions, community credit needs, and potential opportunities for bank involvement in the assessment area. The contact expressed primary needs for affordable housing and small business lending. The contact specifically noted that the demand for affordable housing stock significantly exceeds the supply of affordable housing. They further stated that, on average, affordable housing is higher in the New York MD AA than it is in the state and the nation. The contact noted that local financial institutions have been generally receptive to community credit needs through grants and other funding.

Community Credit Needs and Opportunities

Consistent with other metropolitan districts, the New York MD AA creates varied loan demand for commercial, residential real estate, and consumer loans. With rising housing prices and decreasing residential stock, there is an increased need in the area for more affordable housing targeted to low- and moderate-income individuals. Considering information obtained from the community contact, bank management, as well as demographic and economic information, examiners concluded that the primary credit needs of the assessment area include home mortgage loans, small business loans, and affordable housing.

With respect to the area's community development needs, the rising housing prices suggests a need for affordable housing for low- and moderate-income individuals. Recent shifts in large retail entities could signal a need for job creation efforts particularly for small businesses. Demographic data showing that 38.2 percent of the area's families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, over one-third of the area's census tracts receiving low- or moderate-income designations also suggests a need for activities that revitalize or stabilize qualifying geographies or designated disaster areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF NEW YORK

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the New York MD AA.

LENDING TEST

Bank OZK demonstrated a Low Satisfactory record in the State of New York regarding the Lending Test. Though the bank demonstrated very poor lending records regarding lending activity, borrower profile distribution, and geographic loan distribution, and lack of innovative or flexible lending practices, the bank proved as a leader in making community development loans. The excellent level of community development loans compensated for the weak performance of the other lending performance factors.

Lending Activity

The bank exhibited a very poor record in the State of New York regarding its lending activity. Very poor performance regarding both home mortgage and small business loans support this conclusion. As noted, home mortgage loans account for 98.0 percent of the 2015 through 2018 New York loan categories reviewed while small business loans account for 2.0 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects very poor performance. Very poor overall market ranking and share support this conclusion. The bank did not originate any home mortgage loans in 2017. There were 258 total lenders and 70 lenders originating at least 10 such loans in the bank's New York assessment area. Given the bank's lack of home mortgage lending in its New York assessment area, the activity level reflects very poor performance for home mortgage loans.

Small Business Loans

The level of small business lending activity reflects very poor performance. Very poor overall market ranking and share support this conclusion. For 2017, the bank originated three total reportable small business loans totaling over \$1.3 million. Bank OZK captured less than 0.1 percent market share of the total number of small business loans and less than 0.1 percent market share of the total dollar volume of loans.

The bank's activity ranks it 99th out of 180 total lenders and 76 lenders originating at least 10 such loans in the bank's New York assessment area. The bank's rank lands it outside of the second group of lenders reporting such loans in the bank's assessment area, thereby reflecting a very poor level. The ranking considers the total number and dollar amount of loans made by

each institution. Given the considerations previously noted, the activity level reflects very poor performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited a very poor overall record in the State of New York regarding its lending activity. Very poor performance regarding home mortgage and small business loans support this conclusion.

Borrower Profile Distribution

The institution established a very poor record in the State of New York regarding its borrower profile loan distribution. Very poor records regarding home mortgage loans outweighed the good records regarding small business loans to support this conclusion. As noted, home mortgage loans account for 98.0 percent of the reviewed loans made in the State of New York, while small business loans account for 2.0 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects a very poor record in the State of New York. Very poor performance in the New York MD AA supports this conclusion. Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

As indicated by Appendix E, for the State of New York, in the New York MD AA the bank granted no home mortgage loans in 2017. Bank OZK also had no home mortgage loans in 2016 or 2018. However, in 2015, the bank originated 2 home mortgage loans in the New York MD AA. Both those loans were to customers that reported income as NA. As a result, the bank made no home mortgage loans in the State of New York to low- or moderate-income borrowers since the last evaluation. This is indicative of very poor penetration among retail customers of different income levels.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects a good record in the State of New York. Good performance to businesses with gross annual revenues of \$1 million or less in the New York MD AA supports this conclusion. Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis.

As indicated by Appendix E, for the State of New York, in the New York MD AA the bank granted 66.7 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is higher than the aggregate figure of 46.3 percent given the ratios' overall levels. The bank's level lands 20.4 percentage points higher than the aggregate figure, thereby reflecting a good level. Thus, the borrower profile distribution of small business loans reflects good performance in the New York MD AA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established a very poor overall record in the State of New York regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved a very poor record in the State of New York regarding its geographic loan distribution. Very poor records regarding home mortgage and outweighed the poor records small business loans to support this conclusion. As noted, home mortgage loans account for 98.0 percent of the reviewed loans made in the State of New York while small business loans account for 2.0 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a very poor record in the State of New York. Very poor performance regarding both low- and moderate-income geographies supports this conclusion.

As seen in Appendix E, for the State of New York, in the New York MD AA in low-income census tracts the bank did not have any loans in the low-income geographies, as compared to the 3.1 percent aggregate figure. The table further shows that in moderate-income census tracts the bank also did not have any loans, as compared to the 7.8 percent aggregate figure. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of home mortgage loans reflects very poor performance in the New York MD AA.

Small Business Loans

The geographic distribution of small business loans reflects a very poor record in the State of New York. Very poor performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E for the State of New York, in the New York MD AA in low-income census tracts the bank did not have any small business loans, as compared to the 5.1 percent aggregate figure. The table further shows that in moderate-income tracts the bank also did not have any small business loans, as compared to the 5.9 percent aggregate figure. Thus, given the

relative performances and weightings for the income levels, the geographic distribution of small business loans reflects very poor performance in the New York MD AA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved a very poor overall record in the State of New York regarding its geographic loan distribution.

Community Development Lending

The institution is a leader in making community development loans in the State of New York. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD (community development), and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 5 CD loans totaling over \$397.5 million in this state. The dollar amount equates to 33.1 percent of the bank's overall excellent level of CD loans. This state's level significantly exceeds its contribution of less than 0.1 percent of the bank's total loans originated by the State of New York given the ratios' overall levels.

Community Development Loans State of New York										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New York MSA AA	2	14,020	0	0	1	50,000	2	333,500	5	397,520
Statewide or Regional	0	0	0	0	0	0	0	0	0	0
Total	2	14,020	0	0	1	50,000	2	333,500	5	397,520

Source: Bank records.

Thus, considering this state's limited share contribution of CD loans to the bank's overall excellent CD lending record, the bank made an excellent level of CD loans regarding the extent, or dollar volume, of CD loans in the State of New York.

Besides their extent, the CD loans reflect good responsiveness to the state's community development needs. As seen in the following table, 96.5 percent of the dollar volume of the state's CD loans revitalizes or stabilizes qualifying geographies. The other 3.5 percent benefit affordable housing for low- or moderate-income individuals.

As noted under the applicable Description of Institution’s Operations for this state’s assessment areas, activities that provide community services targeted to low- and moderate-income individuals, as well as those that revitalize or stabilize qualifying geographies represent CD needs in the bank’s assessment areas. In addition, there is also a need for activities that promote affordable housing and economic development. Therefore, relative to the bank’s capacity and the extent of CD lending opportunities and needs in its assessment areas, the bank has a good level in originating CD loans.

Therefore, given the level displayed regarding the extent and responsiveness of its CD lending, the bank is a leader in granting CD loans in the State of New York.

Innovative or Flexible Lending Practices

The bank made no use of innovative or flexible lending practices in the State of New York. These practices reflect very poor success. Examiners considered the lack of such loans made in the state relative to its other activity levels in this area as well as the bank’s overall innovative or flexible lending practices’ record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that, since the previous evaluation, the bank granted no innovative or flexible loans in the State of New York. Although this state represents less than 0.1 percent of the bank’s total HMDA and CRA loans from 2015 through 2018, Bank OZK made no use of innovative or flexible lending practices in order to serve assessment area credit needs.

Innovative or Flexible Loans State of New York								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of New York	0	0	0	0	0	0	0	0

Source: Bank records.

Thus, considering this state’s lack of innovative or flexible loans to the bank’s overall adequate record, the bank made no use of innovative or flexible lending practices in the State of New York.

INVESTMENT TEST

Bank OZK demonstrated a high satisfactory record in the State of New York regarding the Investment Test. A significant level of QIs and good responsiveness to community development needs outweighed the occasional use of complex QIs to support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 14 QIs totaling nearly \$17.5 million in this state, of which nine are donations or grants totaling \$78,000. The dollar amount equates to 5.7 percent of the bank’s excellent overall level. This area is new since the prior evaluation. This state held 9.9 percent of the bank’s total deposits. While the level of QIs is moderately below the deposit figure, it is within an acceptable range, thereby reflecting good performance.

Qualified Investments State of New York										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New York MSA AA	6	16,491*	5	43	3	25	0	640*	14	17,199
Statewide	0	0	0	0	0	0	0	256*	0	256
Total	6	16,491	5	43	3	25	0	896	14	17,455

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made occasional use of complex QIs that exhibit good responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$5.0 million in a LIHTC investment in New York City. The LIHTC is the federal government's primary program for encouraging the investment of private equity in the development, construction, and improvement of affordable rental housing for low-income households. The construction project involved a 199-unit multi-family complex, also located in a moderate-income tract, with 100 percent of the units designated for low-income families, seniors, and the homeless. In addition, the bank invested \$2.6 million in two Fannie Mae DUS bonds backed by loans on multifamily properties with a minimum of five units. The two multi-family apartments were all income restricted for low-income families and individuals and located in New York City.

Bank OZK also invested \$8.5 million in two revenue bonds with New York City’s Housing Development Corporation, which facilitates investment of private capital for safe and sanitary housing for low- and moderate-income families and individuals. In the assessment area, the properties were public assistance housing projects and the funds provided continued maintenance for the properties.

Therefore, considering this state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of a significant level of QIs in the State of New York with good responsiveness and occasional use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of New York regarding the Service Test. Bank OZK provides a relatively high level of community development services and poor performance regarding retail banking services to support this conclusion. Examiners placed more weight on the bank’s community development services relative to its retail banking

services when arriving at this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited a poor record in the State of New York regarding its retail banking services. Delivery systems are accessible to limited portions of the area; however, hours and services do not vary in a way that inconveniences portions of low- or moderate-income areas or individuals, and there have been no changes in branch locations.

Accessibility of Delivery Systems

Delivery systems are accessible to limited portions of the bank’s assessment area in the State of New York.

Branch Distribution

The bank makes its full-service office accessible to limited portions of the institution’s assessment area in the State of New York. The table below notes that the institutions singular office in this state is located in an upper-income tract, reflecting limited accessibility by low- and moderate-income geographies and individuals.

Branch and ATM Distribution by Geography Income Level State of New York												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	44	15.3	299,829	18.4	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	51	17.7	316,124	19.4	0	0.0	0	0.0	0	0.0	0	0.0
Middle	20	6.9	102,659	6.3	0	0.0	0	0.0	0	0.0	0	0.0
Upper	158	54.9	894,599	54.9	1	100.0	0	0.0	0	0.0	0	0.0
NA	15	5.2	16,296	1.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	288	100.0	1,629,507	100.0	1	100.0	0	0.0	0	0.0	0	0.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible in the bank’s assessment areas in the State of New York. Examiners placed less weight on ATMs given the small number of total ATMs in this assessment area. The variety of alternative systems other than ATMs, including online banking, supports this conclusion.

As seen in the preceding table, the bank did not operate any ATMs in low- or moderate-income census tracts. However, since the bank did not operate any ATMs in this area, examiners applied significantly less weight to the ATM distribution.

The bank also offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of New York as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Consequently, considering the limited accessibility of branch distribution and the nominal weight provided to alternative delivery systems, the delivery systems are accessible to limited portions of the bank's assessment areas in the State of New York. Considering the low number of both branches and ATMs, examiners afforded community service activities more weight.

Changes in Branch Locations

Since the previous evaluation, the bank did not make any changes in branch locations in the State of New York. Therefore, examiners did not evaluate this criterion.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. Lobby hours are at least eight hours a day and the branch provides extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution provides a relatively high level of community development services. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 14 CD services since the last evaluation in the State of New York. This number equates to an average of 3.7 CD services, per office, per year, since the last evaluation, thereby reflecting a relatively high level. The bank operated one full-service office since the last evaluation in the State of New York.

The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank’s assessment areas. The following table shows that 85.7 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Assessment Areas, such community services represent a community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank provides a relatively high level of CD services.

Community Development Services State of New York					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
New York MD	0	13	1	0	14
<i>Source: Bank Records.</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of New York inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state’s overall rating.

STATE OF NORTH CAROLINA

STATE OF NORTH CAROLINA'S CRA RATING: **Satisfactory**.

The Lending Test is rated: Low Satisfactory.

The Investment Test is rated: Outstanding.

The Service Test is rated: Low Satisfactory.

The Outstanding Investment Test record combined with the Low Satisfactory records for the Lending Test and Service Test support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of North Carolina. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited an adequate record regarding its lending activity.
- The institution established an adequate record regarding its borrower profile loan distribution.
- The bank achieved an excellent record regarding its geographic loan distribution.
- The institution made a relatively high level of community development loans.
- The bank made limited use of innovative or flexible lending practices.

Investment Test

- The bank made use of an excellent level of qualified investments.
- The institution's investments reflect good responsiveness to area needs.
- The bank made occasional use of innovative or complex investments.

Service Test

- The bank exhibited an adequate record regarding its retail banking services.
- The institution established an adequate level in providing community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of North Carolina remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in five separate assessment areas in the State of North Carolina, as more fully described under the Description of Institution's Operations in the State of North Carolina.

Of the five reviewed areas, examiners applied full-scope procedures to the Charlotte-Concord-Gastonia, NC-SC MSA AA (Charlotte MSA AA) and the North Carolina Non-MSA AA (NC Non-MSA AA) after contemplating all considerations in outstanding guidance. Examiners chose the Charlotte MSA AA since it generated the largest percentage, consistent with its larger percentage of deposits and offices. In addition, in accordance with outstanding guidance, examiners performed full-scope procedures in the NC Non-MSA AA after randomly selecting one assessment area that had not been review in the previous two evaluations. Examiners applied limited-scope procedures to the Greensboro MSA, Wilmington MSA, and Winston Salem AAs.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage loans, small business loans, small farm loans, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 177 loans totaling \$22,951,000
- 2016: 324 loans totaling \$35,817,000
- 2017: 189 loans totaling \$24,259,000
- 2018: 156 loans totaling \$16,688,000

Small Business Loans:

- 2015: 64 loans totaling \$12,575,000
- 2016: 106 loans totaling \$22,344,000
- 2017: 189 loans totaling \$33,892,000
- 2018: 134 loans totaling \$23,763,000

Small Farm Loans:

- 2015: 3 loans totaling \$137,000
- 2016: 4 loans totaling \$474,000
- 2017: 6 loans totaling \$1,266,000
- 2018: 4 loans totaling \$540,000

Since consumer loans do not represent a substantial majority of the bank's North Carolina loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for 1.2 percent of the dollar volume and 1.2 percent of the number of the total loans from 2015 through 2018. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends existed between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS data and 2017 D&B data for the applicable lending tables. Given the very limited data for small farm loans, this evaluation does not present that loan data.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number of the bank's reported home mortgage and small business loans reported from 2015 through 2018 and originated in the bank's assessment areas to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank's assessment areas.

The following table shows that for the bank's activities for the loan categories reviewed, considering both the dollar and number volume percentages, home mortgage loans account for 51.9 percent while small business loans account for 48.1 percent of the loans originated or purchased in the bank's assessment areas. Consequently, the bank's record of home mortgage lending contributed more weight than the home mortgage lending when arriving at the applicable conclusions for the State of North Carolina.

Loan Category Weighting State of North Carolina				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Small Business	493	36.8	92,547	48.1
Home Mortgage	846	63.2	99,715	51.9
Total Reviewed Categories	1,339	100.0	192,262	100.0

Source: HMDA & CRA data (2015-2018).

Assessment Area Weighting

As described under Description of Institution's Operations, Bank OZK operated in five reviewed areas in the State of North Carolina. The following table shows that the Charlotte MSA AA generated the largest percentage of the bank's North Carolina loans, generally consistent with the deposits gathered and offices operated by this area. Consequently, examiners weighed records in the Charlotte MSA AA heavier when arriving at applicable conclusions and ratings. Examiners weighed performance in each reviewed area consistent with that area's lending level as reflected in the following table.

Assessment Area Distribution – State of North Carolina						
Assessment Area	Loans (% of #)				Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Small Farm	Total		
Charlotte MSA	39.0	34.3	23.5	37.1	31.9	37.5
Greensboro MSA	7.2	4.7	5.9	6.3	4.2	4.2
Wilmington MSA	11.0	2.2	0.0	7.7	10.1	4.2
Winston Salem MSA	13.2	25.1	0.0	17.4	17.3	16.6
NC Non-MSA	29.6	33.7	70.6	31.5	36.5	37.5

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE STATE OF NORTH CAROLINA

Overall Description

Bank OZK designated five assessment areas in North Carolina: 1) Charlotte MSA AA, 2) Greensboro MSA AA, 3) Wilmington MSA AA, 4) Winston-Salem MSA AA, and 5) NC Non-MSA AA.

As of the 2015 ACS, the State of North Carolina assessment areas contained 625 total census tracts which reflected the following income designations: 61 low-, 157 moderate-, 212 middle-, 187 upper-income tracts, and 8 tracts with no income designation. All of the bank’s assessment areas in the State of North Carolina conform to the CRA regulatory requirements.

Operations

The bank’s activity levels in North Carolina ranked 3rd out of the bank’s nine rated areas. As noted, this state originated 10.9 percent of the bank’s reviewed loans while also gathering 5.7 percent of the bank’s total deposits and operating 10.0 percent of its offices. The bank operated 24 offices and 25 ATMs in this state. The bank did not open or close any offices in this state during the review period.

The following discussion describes the bank’s operations in the full scope area reviewed in this state. Demographic data and deposit market share information for the limited scope assessment areas is in Appendix F.

Charlotte MSA AA

The Charlotte MSA AA consists of all 383 census tracts in the following five counties: Cabarrus, Gaston, Lincoln, Mecklenburg, and Rowan. These are five of the seven counties that make up the Charlotte MSA. Examiners used full-scope procedures for this area.

Operations

As noted, this area ranks 1st out of the five reviewed areas in North Carolina by accounting for 37.1 percent of the bank’s North Carolina loans, while gathering 31.9 percent of its deposits and operating 37.5 percent of its offices. The following table shows that the bank operates 9 full-service offices in this area. The bank did not open or close any offices or participate in any merger or acquisition activities in this area since the last evaluation. It also maintains 9 ATMs.

Office Locations Charlotte MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Cabarrus County:</i> Concord Branch Harrisburg Branch	Branch Branch	0424.01 0415.01	Upper Upper	No No
<i>Gaston County:</i> Bessemer City Branch Cramerton Branch Gastonia Branch	Branch Branch Branch	0308.02 0323.01 0327.03	Low Middle Middle	No No No
<i>Lincoln County:</i> Lincolnton Branch	Branch	0702.01	Moderate	No
<i>Mecklenburg County:</i> Charlotte Park Road Branch Cornelius Branch	Branch Branch	0032.04 0062.03	Upper Upper	No No
<i>Rowan County:</i> Landis Branch	Branch	0516.00	Moderate	No

Source: Bank records; ACS Data (2015).

Demographic and Economic Data

The assessment area’s 383 census tracts reflect the following income designations based on 2015 ACS data: 37 low-, 117 moderate-, 106 middle-, 119 upper-income tracts, and 4 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

With a population of 1,606,409, based on 2015 ACS data, the area includes 395,952 families, of which 23.3 percent reported low incomes, 17.1 percent reported moderate incomes, 18.2 percent reported middle incomes, and 41.4 percent reported upper incomes. Approximately 11.7 percent of the area’s families reported incomes below the poverty level. The area reflected a 2015 MFI of \$57,600 and a 2017 FFIEC-adjusted MFI of \$63,700.

The area presents a strong economy largely driven by manufacturing, logistics, healthcare, and technology. Leading industries by employment include management of companies, depository credit intermediation, technological and mechanical consultation services, offices of physicians,

and government. According to Moody’s Analytics, the area generally reflects a strong economy with a stable population and rising job opportunities compared to other areas in the state.

Currently, major employers in the area consist of Atrium Health, Wells Fargo, Wal-Mart Stores Inc., Bank of America Corp, and American Airlines. The area’s unemployment rate of 3.7 percent for April 2019 falls below the 4.0 percent rate for the State of North Carolina and above the U.S. rate of 3.6 percent.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 370 offices from its 32 institutions serving about 4,342 people, on average. Bank OZK ranks 14th in market share by capturing 0.2 percent of the area’s deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Credit Needs and Opportunities

Consistent with other metropolitan areas, the Charlotte MSA AA created varied loan demand for small business, residential real estate, and consumer loans. Considering information from the community contact, bank management, and demographic and economic information, examiners ascertained that the primary credit needs of the area include small business and home mortgage.

With respect to the area’s community development needs, rising job opportunities and economic growth is expected to continue to bring population to the area thus creating a need for affordable housing for low- and moderate-income individuals. Demographic data showing that 40.4 percent of the area’s families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, 40.2 percent, of the area’s census tracts receiving low- or moderate-income designations suggests a need for activities that revitalize or stabilize qualifying geographies.

NC Non-MSA AA

The NC Non-MSA AA consists of all 22 census tracts in Cleveland County and 13 census tracts in Rutherford County in North Carolina. Examiners also used full-scope procedures for this area.

Operations

As noted, this area ranks 2nd out of the five reviewed areas in North Carolina by accounting for 31.5 percent of the bank’s North Carolina loans, while gathering 36.5 percent of its deposits and operating 37.5 percent of its offices. The following table shows that the bank operates nine full-service offices in this area. The bank did not open or close any offices in this area since the last evaluation. It did not participate in any merger or acquisition activities in this area since the last evaluation. The bank also operates 10 ATMs in this area.

Office Locations NC Non-MSA AA

County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Cleveland County:</i>				
Boiling Springs Branch	Branch	9515.01	Upper	No
Kings Mountain Branch	Branch	9504.00	Middle	No
Lawndale Branch	Branch	9502.00	Middle	No
Shelby Main Branch	Branch	9511.00	Middle	No
Shelby East Branch	Branch	9507.00	Middle	No
Shelby Highlands Branch	Branch	9510.00	Middle	No
Shelby North Branch	Branch	9509.00	Moderate	No
Shelby South Branch	Branch	9511.00	Middle	No
<i>Rutherford County:</i>				
Forest City Branch	Branch	9609.00	Middle	No

Source: Bank records; ACS Data (2015).

Demographic and Economic Data

The assessment area’s 35 census tracts reflect the following income designations based on 2015 ACS data: 5 moderate-, 26 middle-, and 4 upper-income tracts. Appendix E contains a table noting certain demographic data for the area.

With a population of 164,043, based on 2015 ACS data, the area includes 43,258 families, of which 21.5 percent reported low incomes, 18.3 percent reported moderate incomes, 21.6 percent reported middle incomes, and 38.7 percent reported upper incomes. Approximately 15.2 percent of the area’s families reported incomes below the poverty level. The area reflected a 2015 MFI of \$50,000 and a 2018 FFIEC-adjusted MFI of \$52,300.

The area presents a largely rural economy largely driven by small business and small farm activity as well as tourism. Major employers in the Cleveland County are Cleveland County Board of Education, Cleveland Regional Medical Center, Wal-Mart, and Gardner-Webb University. Major employers for Rutherford County include Rutherford Board of Education, County of Rutherford, and Rutherford Regional Health System. The unemployment rate of Cleveland County at 4.1 percent and the unemployment rate for Rutherford County at 5.6 percent for April 2019 both exceed the 4.0 percent rate for the State of North Carolina and the U.S. rate of 3.6 percent.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 40 offices from its 14 institutions serving about 4,101 people, on average. Bank OZK ranks 2nd in market share by capturing 20.5 percent of the area’s deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Credit Needs and Opportunities

Consistent with other rural and non-metropolitan areas, the NC Non-MSA AA created more loan demand for small business and small farm lending, and to a lesser degree residential real estate lending. Considering information obtained from bank management, as well as demographic and economic information, examiners concluded that the primary credit needs of this assessment area include small business, small farm, and residential real estate loans. The community development needs include innovative small business lending that fuels job creation, and the revitalization and stabilization of rural areas to attract and maintain residents and businesses.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF NORTH CAROLINA

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Charlotte MSA and NC Non-MSA AAs and limited-scope procedures for the remaining areas.

Conclusions on Performance Criteria in the Limited-Scope Review AAs

The following table summarizes the conclusions for this rated area's AAs reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution's CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank's overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Greensboro MSA	Consistent	Below	Below
Wilmington MSA	Consistent	Consistent	Consistent
Winston Salem MSA	Consistent	Consistent	Below

Facts and data supporting conclusions for each limited-scope AA follow, beginning with a summary of Bank OZK's operations and activities, followed by geographic distribution and borrower profile tables by loan type. The geographic distribution and borrower profile tables for the limited-scope AAs are in Appendix E, while demographic data for the limited-scope AAs is in Appendix F.

Greensboro MSA AA

Bank OZK operates one branch in this AA in a moderate-income CT. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	23	2,012,000
HMDA Loans	61	5,839,000
Small Farm Loans	1	150,000
Community Development Loans	1	139,000
Qualified Investments	2	159,000

Community Development Services	1	-
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Wilmington MSA AA

Bank OZK operates one branch in this AA within an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	11	2,031,000
HMDA Loans	93	6,167,000
Small Farm Loans	0	0
Community Development Loans	2	9,513,000
Qualified Investments	8	1,525,000
Community Development Services	6	-

Winston Salem MSA AA

BOA operates four branches in this AA: one in a moderate-income CT, two in middle-income CTs, and one in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	124	21,268,000
HMDA Loans	112	13,191,000
Small Farm Loans	0	0
Community Development Loans	1	439,000
Qualified Investments	5	3,621,000
Community Development Services	8	-

LENDING TEST

Bank OZK demonstrated a low satisfactory record in the State of North Carolina regarding the Lending Test. The adequate borrower profile distribution, adequate lending activity, and the limited use of innovative or flexible lending practices outweighed the relatively high level of community development loans and good geographic loan distribution to support this conclusion.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the four reviewed assessment areas when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited an adequate record in the State of North Carolina regarding its lending activity. Adequate performances regarding both home mortgage and small business loans support this conclusion. As noted, home mortgage loans account for 51.9 percent of the 2015 through 2018 North Carolina loan categories reviewed while small business loans account for 48.1 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects adequate performance. Adequate overall market ranking and share support this conclusion. For 2017, the bank originated 189 total reportable home mortgage loans totaling over \$24.2 million. Bank OZK captured a 0.2 percent market share of the total number of home mortgage loans and a 0.1 percent market share of the total dollar volume of loans.

The bank's activity ranks it 86th out of 687 total lenders and 335 lenders originating at least 10 such loans in the bank's North Carolina assessment areas. This ranking lands the bank in the top third of the second group of lenders reporting such loans in the bank's assessment area, at 25.7 percent, thereby reflecting an adequate level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects adequate performance for home mortgage loans.

Small Business Loans

The level of small business lending activity reflects adequate performance. Adequate overall market ranking and share support this conclusion. For 2017, the bank originated 189 total reportable small business loans totaling over \$33.8 million. Bank OZK captured a 0.4 percent market share of the total number of small business loans and a 1.4 percent market share of the total dollar volume of loans.

The bank's activity ranks it 28th out of 163 total lenders and 72 lenders originating at least 10 such loans in the bank's North Carolina assessment areas. This ranking lands the bank in the top half of the second group of lenders reporting such loans in the bank's assessment area, at 38.9 percent, thereby reflecting an adequate level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects adequate performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited an adequate overall record in the State of North Carolina regarding its lending activity. Adequate performances regarding home mortgage and small business loans support this conclusion.

Borrower Profile Distribution

The institution established an adequate record in the State of North Carolina regarding its borrower profile loan distribution. Adequate records regarding home mortgage loans and good

records regarding small business loans support this conclusion. As noted, home mortgage loans account for 51.9 percent of the reviewed loans made in the State of North Carolina while small business loans account for 48.1 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects an adequate record in the State of North Carolina for the review period. Adequate performances in the Greensboro MSA, Wilmington MSA, Winston Salem MSA, and NC Non-MSA AAs outweighed good performance in the Charlotte MSA AA to support this conclusion. The areas with adequate performance account for 61.0 percent of the bank's home mortgage loans originated in North Carolina from 2015 through 2018. The area with good performance accounts for 39.0 percent.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Charlotte MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects good performance in the Charlotte MSA AA. Good performance to moderate-income borrowers enhanced the adequate performance to low-income borrowers to support this conclusion.

As indicated by Appendix E, for the State of North Carolina during 2017, in the Charlotte MSA AA, to low-income borrowers, the bank's 9.9 percent level lands within adequate range of the 6.1 percent aggregate figure given the ratios' overall levels. The bank's level rises 3.8 percentage points higher than the aggregate figure, thereby reflecting an adequate level.

The table further shows that, to moderate-income borrowers, the bank's 25.4 percent level lands in an adequate range of the 17.7 percent aggregate figure given the ratios' overall levels. The bank's level rises 7.7 percentage points, thereby reflecting a good level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects good performance in the Charlotte MSA AA.

NC Non-MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects adequate performance in the NC Non-MSA AA. Adequate performance to low- and moderate-income borrowers support this conclusion.

As indicated by Appendix E, for the State of North Carolina during 2017, in the NC Non-MSA AA, to low-income borrowers, the bank's 1.5 percent level lands within an adequate range of the 3.6 percent aggregate figure given the ratios' overall levels. The bank's level falls 2.1

percentage points below the aggregate figure, but still reflecting an adequate level.

The table further shows that, to moderate-income borrowers, the bank's 20.0 percent level lands in an adequate range of the 14.3 percent aggregate figure given the ratios' overall levels. The bank's level rises 5.7 percentage points above aggregate, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects adequate performance in the NC Non-MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the distribution of home mortgage loans based on the borrowers' profiles reflects an adequate overall record in the State of North Carolina.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects a good record in the State of North Carolina. For the time period 2015 to 2018, the excellent performance in the Greensboro MSA and NC Non-MSA AAs, as well as good performance in the Charlotte MSA AA outweigh the adequate performances in the Wilmington MSA and Winston Salem MSA AAs to support this conclusion. The areas with excellent or good performance account for 72.7 percent of the bank's small business loans originated in North Carolina from 2015 through 2018.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment areas.

Charlotte MSA AA

The distribution of small business loans based on the borrowers' profiles reflects good performance in the Charlotte MSA AA. Good performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of North Carolina during 2017, in the Charlotte MSA AA the bank granted 72.9 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. The bank's level rises above the aggregate figure of 51.0 percent by 21.9 percent, thereby reflecting a good level. Thus, the borrower profile distribution of small business loans reflects good performance in the Charlotte MSA AA.

NC Non-MSA AA

The distribution of small business loans based on the borrowers' profiles reflects excellent performance in the NC Non-MSA AA. Excellent performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of North Carolina during 2017, in the NC Non-MSA AA the bank granted 74.3 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is significantly higher than the aggregate figure of 48.5

percent given the ratios' overall levels. The bank's level lands 25.8 percentage points higher than the aggregate figure, thereby reflecting an excellent level. Thus, the borrower profile distribution of small business loans reflects excellent performance in the NC Non-MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the distribution of small business loans based on the borrowers' profiles reflects a good overall record in the State of North Carolina.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established an adequate overall record in the State of North Carolina regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved an excellent record in the State of North Carolina regarding its geographic loan distribution for the review period. Excellent records regarding home mortgage loans outweighed adequate records regarding small business loans to support this conclusion. As noted, home mortgage loans account for 51.9 percent of the reviewed loans made in the State of North Carolina while small business loans account for 48.1 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects an excellent record in the State of North Carolina for the review period. Excellent performances in the Charlotte MSA, Wilmington MSA, and Winston Salem MSA AAs primarily support this conclusion. Examiners also noted good performance in the Greensboro MSA AA and adequate performance in the NC Non-MSA AA. The areas reflecting excellent performance account for 63.2 percent of the bank's home mortgage loans originated in the State of North Carolina from 2015 through 2018.

Charlotte MSA AA

The geographic distribution of home mortgage loans reflects excellent performance in the Charlotte MSA AA. Excellent performance in moderate-income geographies outweighed adequate performance in low-income geographies to support this conclusion.

As seen in Appendix E, for the State of North Carolina during 2017, in the Charlotte MSA AA in low-income census tracts the bank's 4.2 percent level lands within an adequate range of the 2.9 percent aggregate figure given the ratios' overall levels. The bank's level rises 1.3 percentage points higher than the aggregate figure, thereby reflecting an adequate level.

The table further shows that in moderate-income census tracts the bank's 45.1 percent level lands within an excellent range of the 21.7 percent aggregate figure given the ratios' overall levels.

The bank's level rises 23.4 percentage points higher, thereby reflecting an excellent level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of home mortgage loans reflects excellent performance in the Charlotte MSA AA.

NC Non-MSA AA

The geographic distribution of home mortgage loans reflects adequate performance in the NC Non-MSA AA. Adequate performances in the moderate-income geographies support this conclusion. This assessment area did not have any low-income geographies in 2017 and 2018.

As seen in Appendix E, for the State of North Carolina during 2017, in the NC Non-MSA AA in moderate-income census tracts the bank's 1.5 percent level is significantly less than the aggregate data of 9.3 percent. This is indicative of poor performance. However, the bank's lending in the moderate-income geographies in 2015 and 2016 was much more in line with the aggregate data. In 2015, the bank's 6.7 percent level was within an adequate range of the 5.9 percent aggregate figure in moderate-income geographies. In addition, in 2016, the bank's 5.1 percent level was within an adequate range of the 4.5 percent aggregate figure. Furthermore, in 2018, the bank's lending in the moderate-income geographies increased to 7.8 percent. Collectively, this level of lending throughout the evaluation is indicative of adequate performance in the NC Non-MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of home mortgage loans reflects an excellent overall record in the State of North Carolina.

Small Business Loans

The geographic distribution of small business loans reflects an adequate record in the State of North Carolina. Adequate performances in the NC Non-MSA and Winston Salem MSA AAs outweighed the combined good performances in the Greensboro MSA AA and the excellent performance in the Charlotte MSA AA to support this conclusion. Examiners also noted poor performance in the Wilmington MSA AA. The areas reflecting adequate performance account for 58.8 percent of the bank's small business loans originated in the State of North Carolina from 2015 through 2018. The areas with good and excellent performance account for 39.0 percent, and the area with poor performance accounts for 2.2 percent.

Charlotte MSA AA

The geographic distribution of small business loans reflects excellent performance in the Charlotte MSA AA. The excellent performance in the moderate-income geographies lifted the good performance within the low-income geographies to support this conclusion.

As seen in Appendix E for the State of North Carolina, in the Charlotte MSA AA in low-income census tracts the bank's 15.3 percent level lands within a good range of the 7.6 percent aggregate figure given the ratios' overall levels. The bank's level rises 7.7 percentage points higher than the aggregate figure, thereby reflecting a good level.

The table further shows that in moderate-income tracts the bank's 40.7 percent level lands within an excellent range of the 22.0 percent aggregate figure given the ratios' overall levels. The bank's level rises 18.7 percentage points higher, thereby reflecting an excellent level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects an excellent performance in the Charlotte MSA AA.

NC Non-MSA AA

The geographic distribution of small business loans reflects adequate performance in the NC Non-MSA AA. Adequate performance in the moderate-income geographies support this conclusion.

As seen in Appendix E for the State of North Carolina, in the NC Non-MSA AA in moderate-income tracts the bank's 16.2 percent level lands within an adequate range of the 14.1 percent aggregate figure given the ratios' overall levels. The bank's level rises 2.1 percentage points higher, thereby reflecting an adequate level. Thus, considering that there were no low-income geographies in this assessment area during 2017 and 2018, the geographic distribution of small business loans reflects adequate performance in the NC Non-MSA AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of small business loans reflects an adequate overall record in the State of North Carolina.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved an excellent overall record in the State of North Carolina regarding its geographic loan distribution.

Community Development Lending

The institution made a relatively high level of community development loans in the State of North Carolina. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD (community development), and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 16 CD loans totaling approximately \$36.9 million in this state. The dollar amount equates to 3.1 percent of the bank's overall excellent level of CD loans. This state's level is lower than its contribution of 10.9 percent of the bank's total loans. However, the bank made 33.1 percent of all its CD loans in the State of New York, which comprises less than 0.1 percent of the bank's total loans. Examiners also considered that the bank's level of CD lending in the State of North Carolina increased significantly from the \$5.4 million level noted at the last evaluation.

Thus, considering the factors above as well as this state’s fair share contribution of CD loans to the bank’s overall excellent CD lending record, the bank made a relatively high level of CD loans in the State of North Carolina.

In addition, the CD loans reflect good responsiveness to the community development needs of the state’s assessment areas. As seen in the following table, 39.0 percent of the dollar volume of the state’s CD loans promote affordable housing, 25.8 percent help to revitalize or stabilize low- and moderate-income geographies, 8.1 percent benefits organizations or projects that provide community services targeted to low- and moderate-income individuals. An additional 27.1 percent promotes economic development.

As noted under the applicable the Description of Institution’s Operations for this state’s assessment areas, activities that revitalize or stabilize qualifying geographies, provide community services targeted to low- and moderate-income individuals, and that provide affordable housing to low- or moderate-income families represent CD needs in the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD lending opportunities and needs in its assessment areas, the bank’s level is good in originating CD loans.

Therefore, given the level displayed regarding the extent and responsiveness of its CD lending, the bank made a relatively high level of CD loans in the State of North Carolina.

Community Development Loans State of North Carolina										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Charlotte MSA	8	13,707	0	0	2	9,974	0	0	10	23,681
Greensboro MSA	1	138	0	0	0	0	0	0	1	138
Wilmington MSA	0	0	0	0	0	0	2	9,513	2	9,513
Winston Salem MSA	1	439	0	0	0	0	0	0	1	439
NC Non-MSA	1	94	1	3,000	0	0	0	0	2	3,094
Statewide or Regional	0	0	0	0	0	0	0	0	0	0
Total	11	14,378	1	3,000	2	9,974	2	9,513	16	36,865

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made limited use of innovative or flexible lending practices in the State of North Carolina. These practices reflect adequate success, as measured by the adequate dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank’s contribution of such loans made in the state relative to its other activity levels in this area as well as the bank’s overall innovative or flexible lending practices’ record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that since the previous evaluation, the bank granted 120 innovative or flexible loans totaling approximately \$17.4 million in the State of North Carolina. The dollar amount equates to 5.8 percent of the bank’s overall adequate level of such loans. This state’s level of lending falls within an adequate range of its contribution of 10.9 percent of the bank’s total loans originated in the State of North Carolina, given the overall ratio’s levels. This state’s innovative or flexible lending level falls 5.1 percentage points lower than its total loan figure, thereby reflecting an adequate level of lending.

Innovative or Flexible Loans State of North Carolina								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of North Carolina	4	630	89	13,223	27	3,520	120	17,373
<i>Source: Bank records.</i>								

Thus, considering this state’s fair share contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made limited use of innovative or flexible lending practices with respect to their dollar volume, or level.

INVESTMENT TEST

Bank OZK demonstrated an outstanding record in the State of North Carolina regarding the Investment Test. An excellent level of QIs and good responsiveness to community development needs primarily support this conclusion. The occasional use of complex QIs further support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 43 QIs totaling \$29.9 million in this state, of which 40 are donations or grants totaling \$90,525. The dollar amount equates to 9.9 percent of the bank’s excellent overall level. However, the dollar amount increased significantly since the prior evaluation’s \$8.6 million. This state held 5.7 percent of the bank’s total deposits. The level of QIs is above the deposit figure, thereby reflecting excellent performance.

Qualified Investments State of North Carolina										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Charlotte MSA	5	12,314*	5	5	3	21	0	0	13	12,340
Greensboro MSA	0	155*	2	4	0	0	0	0	2	159
Wilmington MSA	3	1,523*	5	2	0	0	0	0	8	1,525
Winston Salem MSA	4	3,616*	1	5	0	0	0	0	5	3,621
NC Non-MSA	2	1,287	9	7	1	1	0	0	12	1,295
Subtotal	14	18,895*	22	23	4	22	0	0	40	18,940
Statewide	1	11,000	1	1	1	20	0	0	3	11,021
Totals	15	29,895	23	24	5	42	0	0	43	29,961

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made occasional use of complex QIs that provide good responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$4.3 million in two Fannie Mae DUS bonds backed by loans on multi-family properties with a minimum of five units. The two multi-family apartments were all income restricted and located in the Winston-Salem and Non-MSA AAs. The multi-family apartment in the Winston-Salem AA has 144 units, of which 100 percent of the rents were low-income restricted. The property in the Non-MSA AA was for the acquisition of a 48 unit multi-family apartment, of which 50 percent would be income restricted for low-income families and individuals.

Bank OZK also invested \$11.0 million in a revenue bond with North Carolina’s Housing Finance Agency. The purpose of the bond facilitated mortgages for low- and moderate-income borrowers in the State of North Carolina. In addition, the bank shows responsiveness through a significant distribution by dollar amount to affordable housing through investments in MBSs.

Therefore, considering this state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of an excellent level of QIs in the State of North Carolina with good responsiveness and occasional use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of North Carolina regarding the Service Test. Bank OZK’s adequate level of community development services and the adequate performance regarding retail banking services to support this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited an adequate record in the State of North Carolina regarding its retail banking services. Delivery systems are reasonably accessible to essentially all portions of the assessment areas, hours and services that do not inconvenience portions of low- or moderate-income areas or individuals, and there were no changes in branch locations that affect low- or moderate-income

areas or individuals to support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to essentially all portions of the bank’s assessment areas in the State of North Carolina. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

Branch Distribution

The bank makes its full-service offices reasonably accessible to essentially all portions of the institution’s assessment areas in the State of North Carolina. The following table shows that the bank operates 4.2 percent of its offices in low-income census tracts, which falls within a reasonable range of the percent of population residing in such tracts, 8.0 percent. The percentage of offices in low-income tracts falls just 3.8 percentage points below the population percentage. The table further shows that in moderate-income geographies the bank’s percentage of full-service offices also lands within an adequate range of the population percentage. The bank’s level at 20.8 falls just 3.8 percentage points below the population percentage of 24.6, thereby reflecting a reasonable accessibility level.

Examiners placed more weight on moderate-income tracts since these have more than double the population compared to the low-income tracts to support the overall conclusion for this performance factor.

Branch and ATM Distribution by Geography Income Level State of North Carolina												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	61	9.8	215,629	8.0	1	4.2	1	4.0	0	0.0	0	0.0
Moderate	157	25.1	661,487	24.6	5	20.8	5	20.0	0	0.0	0	0.0
Middle	212	33.9	973,076	36.1	11	45.8	12	48.0	0	0.0	0	0.0
Upper	187	29.9	833,414	31.0	7	29.2	7	28.0	0	0.0	0	0.0
NA	8	1.3	9,305	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Totals	625	100.0	2,692,911	100.0	24	100.0	25	100.0	0	0.0	0	0.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible to all portions of the bank’s assessment areas in the State of North Carolina. The adequate use and accessibility of alternative delivery systems support this conclusion.

The preceding table shows that in low-income census tracts, the percentage of ATMs lands within an adequate range of the population percentage given the ratios' overall levels. The bank's level falls 4.0 percentage points lower, thereby reflecting reasonable accessibility. The table further shows that in moderate-income geographies the bank's percentage of ATMs again lands within an adequate range of the population percentage given the ratios' overall levels. The bank's level falls 4.6 percent below the population percentage, thereby reflecting reasonable accessibility.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of North Carolina as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Thus, given the bank's ATM distribution and its other delivery systems, the bank makes its alternative delivery systems reasonably accessible to all portions of the bank's assessment areas in the State of North Carolina, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Changes in Branch Locations

The institution did not have any changes to branch locations in the State of North Carolina; therefore, examiners did not evaluate this criterion.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. All locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution established an adequate level in providing community development services. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 118 CD services since the last evaluation in the State of North Carolina. This number equates to an average of 1.32 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The bank operated 24 full-service offices for the 3.7 years since the last evaluation for the State of North Carolina. The average figure reflects a decrease over the average of 3.07 CD services, per office, per year, recorded at the prior evaluation.

The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect an adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank’s assessment areas. The following table shows that 89.8 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Institution’s Operations for this state’s assessment areas, such community services represent a community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank established an adequate level in providing CD services.

Community Development Services State of North Carolina					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Charlotte MSA	7	15	0	0	22
Greensboro MSA	0	1	0	0	1
Wilmington MSA	0	6	0	0	6
Winston-Salem MSA	2	6	0	0	8
NC Non-MSA	0	78	3	0	81
Statewide or Regional	0	0	0	0	0
Total	9	106	3	0	118
<i>Source: Bank Records.</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of North Carolina inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state’s overall rating.

STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA'S CRA RATING: Needs to Improve.

The Lending Test is rated: Needs to Improve.

The Investment Test is rated: Outstanding.

The Service Test is rated: Low Satisfactory.

The Needs to Improve Lending Test record outweighed the Outstanding Investment Test record and the Low Satisfactory Service Test record to support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of South Carolina. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited a very poor record regarding its lending activity.
- The institution established a good record regarding its borrower profile loan distribution.
- The bank achieved a poor record regarding its geographic loan distribution.
- The institution granted a relatively high level of community development loans.
- The bank made limited use of innovative or flexible lending practices.

Investment Test

- The bank made use of an excellent level of qualified investments.
- The institution's investments reflect excellent responsiveness to area needs.
- The bank made occasional use of innovative or complex investments.

Service Test

- The bank exhibited a poor record regarding its retail banking services.
- The institution provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of South Carolina remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in one separate assessment areas in the State of South Carolina, as more fully described under the Description of Institution's Operations in the State of Carolina. Examiners

applied full-scope procedures to the Hilton Head Island-Bluffton-Beaufort MSA AA (Hilton Head MSA AA) after contemplating all considerations in outstanding guidance.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm loans, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 5 loans totaling \$1,571,000
- 2016: 9 loans totaling \$2,001,000
- 2017: 3 loans totaling \$619,000
- 2018: 4 loans totaling \$558,000

Small Business Loans:

- 2015: 7 loans totaling \$1,595,000
- 2016: 6 loans totaling \$1,657,000
- 2017: 3 loans totaling \$466,000
- 2018: 4 loans totaling \$520,000

Small Farm Loans:

- 2015-2018: No loans originated

Since consumer loans do not represent a substantial majority of the bank's South Carolina loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS data and 2017 D&B data for the applicable lending tables.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number of the bank's reported 2015 through 2018 home mortgage and small business loans, as well as those originated in the bank's assessment areas, to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank's assessment areas.

The following table shows that, for the loan categories reviewed, considering both the dollar and number volume percentages, small business loans account for 52.8 percent while home mortgage loans account for 47.2 percent of the loans originated or purchased in the bank’s assessment areas. Consequently, the bank’s record of home mortgage lending contributed slightly more weight than the small business lending when arriving at the applicable conclusions for the State of South Carolina.

Loan Category Weighting State of South Carolina				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	21	51.2	4,749	52.8
Small Business	20	48.8	4,238	47.2
Total Reviewed Categories	41	100.0	8,987	100.0

Source: HMDA & CRA data (2015-2018).

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in one assessment area in the State of South Carolina. The following table shows that the Hilton Head MSA AA generated all of the bank’s South Carolina loans consistent with the deposits gathered and offices operated by this area.

Assessment Area Distribution State of South Carolina					
Assessment Area	Loans (% of #)			Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Total		
Hilton Head MSA	100.0	100.0	100.0	100.0	100.0

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD (community development) activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation until the current evaluation date, for the State of South Carolina. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE STATE OF SOUTH CAROLINA

Overall Description

Bank OZK designated one assessment area in South Carolina, the Hilton Head MSA AA. All of the bank’s assessment areas in the State of South Carolina conform to the CRA regulatory requirements.

Operations

The bank’s activity levels in South Carolina ranked 8th out of the bank’s nine rated areas. As noted, this state originated 0.3 percent of the bank’s reviewed loans while also gathering 0.5 percent of the bank’s total deposits and operating 0.8 percent of its offices. The bank operated two offices and two ATMs in this state. The bank did not open or close any offices in this state during the review period. The following discussion describes the bank’s operations in the State of South Carolina.

Hilton Head MSA AA

The Hilton Head MSA AA consists of all 41 tracts of Beaufort County, which is one of two counties that comprise the Hilton Head MSA. Examiners used full-scope procedures for this area.

Operations

The following table shows that the bank operates two full-service offices in this area. The bank did not open or close any offices in this area since the last evaluation. The bank did not participate in any merger or acquisition activities in this area since the last evaluation. It also maintains two ATMs.

Office Locations Hilton Head MSA AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
Beaufort County:				
Bluffton Branch	Branch	0022.01	Upper	No
Hilton Head Island Branch	Branch	0103.00	Middle	No
<i>Source: Bank records; ACS Data (2015).</i>				

Demographic and Economic Data

The assessment area’s 41 census tracts reflect the following income designations based on 2015 ACS data: 11 moderate-, 16 middle-, 13 upper-income tracts, and 1 tract with no income designation. Appendix E contains a table noting certain demographic data for the area.

Beaufort County was included in the following FEMA major disaster declarations during the review period: On October 5, 2015 due to severe storms and flooding, this designation expired October 5, 2018; On October 11, 2016 due to Hurricane Matthew, this designation expires October 11, 2019; and on October 16, 2017 due to Hurricane Irma, this designation expires October 16, 2020.

With a population of 171,420, based on 2015 ACS data, the area includes 44,911 families, of which 17.7 percent reported low incomes, 18.2 percent reported moderate incomes, 21.2 percent reported middle incomes, and 42.9 percent reported upper incomes. Approximately 8.7 percent of the area’s families reported incomes below the poverty level. The area reflected a 2015 MFI of \$67,000 and a 2018 FFIEC-adjusted MFI of \$70,600.

The area presents a booming economy largely driven by Tourism, and medical businesses. Leading industries by employment include government, offices of physicians, Legal Services, leisure and hospitality services, and retail trade.

According to Moody's Analytics, the area generally reflects a strong economy with steady population growth and increasing housing stock compared to other areas in the state. An increase in the construction of single-family homes has created some overvaluing of homes resulting in a need for affordable housing.

Currently, major employers in the area consist of Beaufort Memorial Hospital, Naval Hospital Beaufort, SERG Group Restaurants, Wal-Mart Stores Inc., and Sea Pines Resort. The area's unemployment rate of 3.1 percent for April 2019 falls below the 3.4 percent rate for the State of South Carolina and the U.S. rate of 3.6 percent.

Competition

The area contains a moderate level of competition from other chartered banks based on its population, with each of the 63 offices from its 22 institutions serving about 2,721 people, on average. Bank OZK ranks 12th in market share by capturing 2.2 percent of the area's deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level. Overall, the competition level allows for lending opportunities.

Community Credit Needs and Opportunities

Consistent with other metropolitan districts, the Hilton Head MSA AA creates varied loan demand for commercial, residential real estate, and consumer loans. Rising housing prices could create an increased need in the area for more affordable housing targeted to low- and moderate-income individuals. Considering information obtained from bank management, as well as demographic and economic information, examiners concluded that the primary credit needs of the assessment area include home mortgage loans, small business loans, home improvement, down payment assistance, and affordable rental housing.

With respect to the area's community development needs, the rising housing prices suggests a need for affordable housing for low- and moderate-income individuals. Demographic data showing that 35.9 percent of the area's families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, multiple major disaster declarations suggest a need for activities that revitalize or stabilize qualifying geographies or designated disaster areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF SOUTH CAROLINA

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Hilton Head MSA AA.

LENDING TEST

Bank OZK demonstrated a poor record in the State of South of Carolina regarding the Lending Test. The very poor lending activity and poor geographic loan distribution outweighed the good borrower profile distribution, relatively high level of community development loans, and limited use of innovative of flexible lending practices to support this conclusion.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area. In the State of South Carolina, Bank OZK had very poor lending activity, which affected the overall rating for the Lending Test. As a result, examiner placed more weight on this factor in considering the overall Lending Test rating in the State of South Carolina.

This evaluation relied on all reported home mortgage, small business, and community development loans in the reviewed assessment area when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited a very poor record in the State of South Carolina regarding its lending activity. Very poor performance regarding both home mortgage and small business loans support this conclusion. As noted, home mortgage loans account for 52.8 percent of the South Carolina loan categories reviewed while small business loans account for 47.2 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects very poor performance. Very poor overall market ranking and share support this conclusion. For 2017, the bank originated 3 total reportable home mortgage loans totaling over \$619,000. Bank OZK captured less than 0.1 percent market share of the total number of home mortgage loans and less than 0.1 percent market share of the total dollar volume of loans.

The bank's activity ranks it 186th out of 417 total lenders and 91 lenders originating at least 10 such loans in the bank's South Carolina assessment area. This ranking lands the bank outside of the second group of lenders reporting such loans in the bank's South Carolina assessment area, thereby reflecting a very poor level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects very poor performance for home mortgage loans.

Small Business Loans

The level of small business lending activity reflects very poor performance. Very poor overall

market ranking and share support this conclusion. For 2017, the bank originated 3 total reportable small business loans totaling over \$466,000. Bank OZK captured a 0.1 percent market share of the total number of small business loans and a 0.3 percent market share of the total dollar volume of loans.

The bank's activity ranks it 38th out of 76 total lenders and 28 lenders originating at least 10 such loans in the bank's South Carolina assessment area. This ranking lands the bank outside of the second group of lenders reporting such loans in the bank's South Carolina assessment area, thereby reflecting a very poor level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects very poor performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited a very poor overall record in the State of South Carolina regarding its lending activity. Very poor performance regarding home mortgage and small business loans support this conclusion.

Borrower Profile Distribution

The institution established a good record in the State of South Carolina regarding its borrower profile loan distribution for the review period. Good records regarding home mortgage outweighed the adequate records regarding small business loans to support this conclusion. As noted, home mortgage loans account for 52.8 percent of the reviewed loans made in the State of South Carolina while small business loans account for 47.2 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment areas.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects a good record in the State of South Carolina for the review period. The poor lending record to low-income borrowers somewhat hampered the excellent lending performance to the moderate-income borrowers to support this conclusion.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Hilton Head MSA AA

The distribution of home mortgage loans based on the borrowers' profiles reflects good performance in the Hilton Head MSA AA. Excellent performance to moderate-income borrowers was somewhat hampered by the poor performance to low-income borrowers to support this conclusion.

As indicated by Appendix E, for the State of South Carolina during 2017, in the Hilton Head MSA AA, the bank did not originate any loans to low-income borrowers as compared to the 2.9 percent aggregate figure. The lack of lending reflects poor performance. However, the table further shows that, to moderate-income borrowers, the bank's 33.3 percent level lands in an excellent range of the 12.9 percent aggregate figure given the ratios' overall levels. The bank's level rises 20.4 percentage points, thereby reflecting an excellent level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects an overall good performance in the Hilton Head MSA AA.

Therefore, considering the relative performances and weightings for the borrower income levels, the distribution of home mortgage loans based on the borrowers' profiles reflects a good overall record in the State of South Carolina.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects an adequate record in the State of South Carolina. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment area.

Hilton Head MSA AA

The distribution of small business loans based on the borrowers' profiles reflects adequate performance in the Hilton Head MSA AA. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of South Carolina during 2017, in the Hilton Head MSA AA the bank granted 33.3 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level typically reflects poor performance based on the comparison to aggregate data of 51.6 percent in 2017; however, the bank's performance in all other years during the review period was adequate. In 2015, the bank's lending level of 57.1 percent to businesses with gross annual revenues of \$1 million or less was slightly higher than the aggregate figure of 54.1 percent. In addition, in 2016, the bank's lending level of 50.0 percent was slightly higher than the aggregate figure of 47.6 percent. Furthermore, the bank made 50.0 percent of its 2018 loans to businesses with gross annual revenues of \$1 million or less.

Therefore, considering the relative performances for the borrower income levels throughout the evaluation period, the distribution of home mortgage loans based on the borrowers' profiles reflects an adequate overall record in the State of South Carolina.

Consequently, considering the loan categories' relative overall performances and weightings, the

bank established a good overall record in the State of South Carolina regarding its borrower profile loan distribution.

Geographic Distribution

The bank achieved a poor record in the State of South Carolina regarding its geographic loan distribution. Poor records regarding home mortgage loans outweighed good records regarding small business loans to support this conclusion. As noted, home mortgage loans account for 52.8 percent of the reviewed loans made in the State of South Carolina while small business loans account for 47.2 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a poor record in the State of South Carolina. Poor performance in moderate-income geographies supports this conclusion. There were no low-income geographies in this assessment area in 2017 or 2018.

Hilton Head MSA AA

The geographic distribution of home mortgage loans reflects poor performance in the Hilton Head MSA AA. Poor performance in the moderate-income geographies supports this conclusion.

As seen in Appendix E, for the State of South Carolina during 2017, in the Hilton Head MSA AA the bank had no loans in the moderate-income census tracts as compared to the 10.4 percent aggregate figure, thereby reflecting a poor level. Therefore, the geographic distribution of home mortgage loans reflects a poor overall record in the State of South Carolina.

Small Business Loans

The geographic distribution of small business loans reflects a good record in the State of South Carolina. Excellent performance in the moderate-income geographies outweighed the poor performance in low-income geographies to support this conclusion.

Hilton Head MSA AA

The geographic distribution of small business loans reflects good performance in the Hilton Head MSA AA. Excellent performance in the moderate-income geographies in 2017 outweighed the poor lending levels in 2018 to support this conclusion. There were no low-income geographies in this assessment area in 2017 or 2018.

As seen in Appendix E for the State of South Carolina, in the Hilton Head MSA AA the bank had 66.7 percent of its small business loans in moderate-income census tracts as compared to the 14.8 percent aggregate figure given the ratios' overall levels. The bank's level rises 51.9 percentage points higher than the aggregate figure, thereby reflecting an excellent level. However, the bank

did not have any small business loans in 2018 in moderate-income geographies, indicating a downward trend. Therefore, considering the relative performances throughout the evaluation period, the geographic distribution of small business loans reflects a good overall record in the State of South Carolina.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved a poor overall record in the State of South Carolina regarding its geographic loan distribution.

Community Development Lending

The institution made a relatively high level of community development loans in the State of South Carolina. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that since the previous evaluation, the bank granted 2 CD loans totaling \$2.4 million in this state. The dollar amount equates to 0.2 percent of the bank's overall excellent level of CD loans. This state's level lands within a good range of its contribution of 0.3 percent of the bank's total loans originated by the State of South Carolina. In addition, the bank's level of CD lending in the State of South Carolina increased from the last evaluation when it had no CD loans in this rated area.

Thus, considering this state's contribution of CD loans to the bank's overall excellent CD lending record, the bank made a good level of CD loans in the State of South Carolina.

Besides their extent, the CD loans reflect adequate responsiveness to the state's community development needs. As seen in the following table, 56.7 percent of the dollar volume of the state's CD loans benefit affordable housing for low- or moderate-income individuals. The other 43.3 percent promote economic development of low- or moderate-income geographies.

As noted under the applicable Description of Institution's Operations for this state's assessment areas, activities that promote affordable housing, provide community services targeted to low- and moderate-income individuals, and that revitalize or stabilize qualifying geographies represent CD needs in the bank's assessment area.

Therefore, given the level displayed regarding the extent and responsiveness of its CD lending, the bank demonstrated a good effort in granting CD loans in the State of South Carolina.

Community Development Loans State of South Carolina										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Hilton Head MSA	1	1,360	0	0	1	1,040	0	0	2	2,400
Statewide or Regional	0	0	0	0	0	0	0	0	0	0
Total	1	1,360	0	0	1	1,040	0	0	2	2,400

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made limited use of innovative or flexible lending practices in the State of South Carolina. These practices reflect adequate success, as measured by the adequate dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank's contribution of such loans made in the state relative to its other activity levels in this area as well as the bank's overall innovative or flexible lending practices' record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that, since the previous evaluation, the bank granted 3 innovative or flexible loans totaling \$516,000 in the State of South Carolina. The dollar amount equates to 0.2 percent of the bank's overall adequate level of such loans. This state's level of lending falls within an adequate range of its contribution of 0.3 percent of the bank's total loans originated in the State of South Carolina, given the overall ratio's levels. This state's innovative or flexible lending level falls 0.1 percentage points lower than its total loan figure, thereby reflecting an adequate level of lending.

Innovative or Flexible Loans State of South Carolina								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of South Carolina	0	0	1	193	2	323	3	516

Source: Bank records.

Thus, considering this state's fair share contribution of innovative or flexible loans to the bank's overall adequate record, the bank made limited use of innovative or flexible lending practices with respect to their dollar volume, or level.

INVESTMENT TEST

Bank OZK demonstrated an outstanding record in the State of South Carolina regarding the Investment Test. An excellent level of QIs and excellent responsiveness to community development needs primarily support this conclusion. The occasional use of complex QIs further

support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 10 QIs totaling \$6.6 million in this state, of which nine are donations or grants totaling \$51,510. The dollar amount equates to 2.2 percent of the bank’s excellent overall level. However, the dollar amount increased significantly since the prior evaluation’s \$1.3 million. This state held 0.6 percent of the bank’s total deposits. The level of QIs is above the deposit figure, thereby reflecting excellent performance.

Qualified Investments State of South Carolina										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Hilton Head MSA AA	4*	6,617	1	2	3	30	1	10	9	6,659
Statewide	1	5	0	0	0	0	0	0	1	5
Total	5*	6,622	1	2	3	30	1	10	10	6,664

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made occasional use of complex QIs that provide excellent responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$4.7 million in a LIHTC investment in the assessment area. The LIHTC is the federal government’s primary program for encouraging the investment of private equity in the development, construction, and improvement of affordable rental housing for low-income households. The project’s funds improved and renovated a 40-unit multi-family complex with all of the units designated for low-income families and individuals.

Therefore, considering this state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of an excellent level of QIs in the State of South Carolina with excellent responsiveness and occasional use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of South Carolina regarding the Service Test. Bank OZK provides an adequate level of community development services that lifted the poor performance regarding retail banking services to support this conclusion. Examiners placed more weight on the bank’s community development services relative to its retail banking services when arriving at this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited a poor record in the State of South Carolina regarding its retail banking services. Delivery systems are accessible to limited portions of the assessment area, hours and

services that do not inconvenience portions of low- or moderate-income areas or individuals, and there were no changes in branch locations to affect low- or moderate-income areas or individuals.

Accessibility of Delivery Systems

Delivery systems prove accessible to limited portions of the bank’s assessment areas in the State of South Carolina. There were no low-income census tracts in the State of South Carolina assessment area; therefore, examiners considered performance in moderate-income census tracts.

Branch Distribution

The bank makes its full-service offices accessible to limited portions of the institution’s assessment area in the State of South Carolina. The table below shows that the bank did not operate any offices in moderate-income census tracts throughout the assessment area despite 26.8 percent of the population residing in such tracts.

Branch and ATM Distribution by Geography Income Level State of South Carolina												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	11	26.8	45,598	26.6	0	0.0	0	0.0	0	0.0	0	0.0
Middle	16	39.0	86,224	50.3	1	50.0	1	50.0	0	0.0	0	0.0
Upper	13	31.7	39,598	23.1	1	50.0	1	50.0	0	0.0	0	0.0
NA	1	2.4	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	41	100.0	171,420	100.0	2	100.0	2	100.0	0	0.0	0	0.0

Source: 2015 ACS Census & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank also makes its alternative delivery systems accessible to limited portions of the bank’s assessment areas in the State of South Carolina. The variety of alternative systems other than ATMs, including through digital devices, improves the banks alternative delivery systems.

As seen in the preceding table, the bank did not operate any ATMs in moderate-income census tracts. In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of South Carolina as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Thus, given the bank’s ATM distribution and its other delivery systems, the bank makes its alternative delivery systems accessible to limited portions of the bank’s assessment areas in the State

of South Carolina, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Changes in Branch Locations

Since the previous evaluation, the bank did not make any changes in branch locations in the State of South Carolina. Therefore, examiners did not evaluate this criterion.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

As discussed in the Branch Distribution section, the bank does not operate any branches in low- or moderate-income geographies. The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. Both locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution provides an adequate level of community development services. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 6 CD services since the last evaluation in the State of South Carolina. This number equates to an average of 0.8 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The average figure reflects a significant decrease over the average of 2.7 CD services, per office, per year, recorded at the prior evaluation. The current level reflects an adequate level of CD services provided.

The services all involve bank personnel's use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank's assessment areas. The following table shows all of the bank's CD services benefitted projects or organizations that promote affordable housing.

As noted under the applicable Description of Institution's Operations for this state's assessment areas, such community services represent a community development need for the bank's assessment areas, as well as those for revitalization and/or stabilization, and community development services to low- or moderate-income individuals. Therefore, relative to the bank's capacity and the extent of CD service opportunities and needs in its assessment areas, the bank provides an adequate level of CD services.

Community Development Services State of South Carolina					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Hilton Head MSA AA	6	0	0	0	6
<i>Source: Bank Records.</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of South Carolina inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state's overall rating.

STATE OF TEXAS

STATE OF TEXAS' CRA RATING: **Satisfactory**.

*The Lending Test is rated: **High Satisfactory**.*

*The Investment Test is rated: **Outstanding**.*

*The Service Test is rated: **Low Satisfactory**.*

The Outstanding Investment Test record, combined with the High Satisfactory Lending Test record and Low Satisfactory Service Test record, support this state's overall rating. Examiners did not identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the overall rating for the State of Texas. The following headings summarize the bank's performance in this state regarding each test. Detailed discussions appear under Conclusions within this section.

Lending Test

- The bank exhibited an adequate record regarding its lending activity.
- The institution established a good record regarding its borrower profile loan distribution.
- The bank achieved a good record regarding its geographic loan distribution.
- The institution is a leader in making community development loans.
- The bank made extensive use of innovative or flexible lending practices.

Investment Test

- The bank made use of an excellent level of qualified investments.
- The institution's investments reflect excellent responsiveness to area needs.
- The bank made significant use of innovative or complex investments.

Service Test

- The bank exhibited an adequate record regarding its retail banking services.
- The institution provides an adequate level of community development services.

SCOPE OF EVALUATION

General Information

The period covered and the procedures used to evaluate performance for the State of Texas remained consistent with those used for the bank as a whole with the following exception. As previously noted, examiners evaluate the Assessment Area Concentration performance factor under the Lending Test for the bank as a whole, and thus do not evaluate it for each rated area.

Full-Scope Assessment Areas

The bank operates in five separate assessment areas in the State of Texas, as more fully described under the Description of Institution's Operations in the State of Texas. Examiners applied full-scope procedures to the Dallas-Plano-Irving MD AA (Dallas MD AA) after contemplating all considerations in outstanding guidance.

Lending Test

Loan Categories Reviewed

As noted, CRA Large Bank procedures require examiners to consider a bank's reported home mortgage, small business, small farm loans, and all reported community development loans granted since the prior evaluation. Consequently, this evaluation considers the following loans granted inside the bank's assessment areas as reported according to either the HMDA or CRA data collection reporting requirements:

Home Mortgage Loans:

- 2015: 332 loans totaling \$117,988,000
- 2016: 366 loans totaling \$89,569,000
- 2017: 318 loans totaling \$86,793,000
- 2018: 111 loans totaling \$33,251,000

Small Business Loans:

- 2015: 39 loans totaling \$7,459,000
- 2016: 28 loans totaling \$11,245,000
- 2017: 35 loans totaling \$12,754,000
- 2018: 52 loans totaling \$17,465,000

Small Farm Loans:

- 2015: 4 loans totaling \$81,000
- 2016: 1 loan totaling \$293,000
- 2017: 2 loans totaling \$410,000
- 2018: 1 loan totaling \$5,000

Since consumer loans do not represent a substantial majority of the bank's Texas loans by dollar volume and number, examiners did not consider them. In addition, this evaluation does not consider any affiliate lending for this state. Based on the data above, small farm loans only account for 0.2 percent of the dollar volume and 0.6 percent of the number of the total loans. Therefore, examiners did not analyze small farm loans since conclusions regarding them would not materially affect any conclusions or ratings.

Since no trends exist between the different years' data that materially affect applicable conclusions or ratings, unless otherwise noted, this evaluation only presents the 2017 home mortgage and small business data, the most recent year for which aggregate data exists as of this evaluation date. Consequently, Appendix E presents census demographic data based on the 2015 ACS data and 2017 D&B data for the applicable lending tables. Given the very limited data for small farm loans, this evaluation does not present that loan data.

Loan Category Weighting

For the Lending Test's loan distribution performance factors, examiners considered the universes of the number of the bank's reported 2015 through 2018 home mortgage and small business loans and originated in the bank's assessment areas to determine the weighting applied to those loan categories. These factors only considered loans originated inside the bank's assessment

areas.

The following table shows that, for the bank’s activities for the loan categories reviewed, considering both the dollar and number volume percentages, home mortgage loans account for 87.0 percent while small business loans account for 13.0 percent of the loans originated or purchased in the bank’s assessment areas. Consequently, the bank’s record of home mortgage lending contributed more weight than the small business lending when arriving at the applicable conclusions for the State of Texas.

Loan Category Weighting State of Texas				
Loan Category Reviewed	Universes of Loan Categories Reviewed			
	#	%	\$(000s)	%
Home Mortgage	1,127	88.0	327,601	87.0
Small Business	154	12.0	48,923	13.0
Total Reviewed Categories	1,281	100.0	376,524	100.0

Source: HMDA & CRA data (2015-2018).

Assessment Area Weighting

As described under Description of Institution’s Operations, Bank OZK operated in five assessment areas in the State of Texas. The following table shows that the Dallas MD AA generated the highest percentage of the bank’s Texas loans consistent with the deposits gathered and offices operated by this area.

Assessment Area Distribution – State of Texas						
Assessment Area	Loans (% of #)				Deposits (% of \$)	Offices (% of #)
	Home Mortgage	Small Business	Small Farm	Total		
Austin MSA	15.6	24.7	12.5	16.7	12.9	15.8
Dallas MD	67.1	30.5	37.5	62.5	59.6	47.4
Fort Worth MD	11.2	12.3	37.5	11.5	7.1	10.5
Houston MSA	5.1	27.3	12.5	7.8	16.2	21.0
San Antonio MSA	1.0	5.2	0.0	1.5	4.2	5.3

Source: HMDA & CRA data (2015-2018); FDIC Summary of Deposits (6/30/18); Bank office data.

Investment and Service Tests

The scopes for the Investment and Service Tests consider applicable current period CD (community development) activities, including qualified investments and CD services. Current period activities, including community development loans considered under the Lending Test, involve those generated since the previous evaluation until the current evaluation date, for the State of Texas. The Investment Test’s scope further encompasses all prior period qualified investments. Prior period qualified investments involve those purchased prior to the previous evaluation, but still outstanding as of this evaluation’s date. Examiners use the book value as of the current evaluation date for all prior period qualified investments.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE STATE OF TEXAS

Overall Description

Bank OZK designated five assessment areas in Texas: 1) Austin MSA AA, 2) Dallas MD AA, 3) Fort Worth MD AA, 4) Houston MSA AA, and 5) San Antonio MSA AA.

As of the 2015 ACS, the State of Texas assessment areas contained 2,642 total census tracts, which reflected the following income designations: 380 low-, 756 moderate-, 677 middle-, 806 upper-income tracts, and 23 tracts with no income designation. All of the bank's assessment areas in the State of Texas conform to the CRA regulatory requirements.

Operations

The bank's activity levels in Texas ranked 4th out of the bank's nine rated areas. As noted, this state originated 10.4 percent of the bank's reviewed loans while also gathering 11.5 percent of the bank's total deposits and operating 7.9 percent of its offices. The bank operated 20 offices and 19 ATMs in this state. The bank did not open or close any offices in this state during the review period.

The following discussion describes the bank's operations in the full scope area reviewed in this state. Demographic data and deposit market share information for the limited scope assessment areas is in Appendix F.

Dallas MD AA

The Dallas MD AA consists of all 818 census tracts in the following three Texas counties: Collin, Dallas, and Denton. These counties are three of seven counties that make up the Dallas-Plano-Irving, TX MD. Examiners used full-scope procedures for this area.

Operations

The following table shows that the bank operates 9 full-service offices in this area. The bank did not open or close any offices in this area since the last evaluation. The bank did not participate in any merger or acquisition activities in this area since the last evaluation. It also maintains 8 ATMs.

Office Locations Dallas MD AA				
County/City/Office	Office Type	Census Tract Number	Census Tract Income Level	Office Opened or Closed Since Last Evaluation
<i>Collin County:</i>				
Allen Branch	Branch	0315.05	Upper	No
Frisco Preston/Lebanon Branch	Branch	0304.05	Middle	No
Frisco Tollway Branch	Branch	0305.04	Upper	No
McKinney	Branch	0315.03	Upper	No
Plano Branch	Branch	0316.48	Upper	No
<i>Dallas County:</i>				
Dallas	Branch	0073.01	Upper	No
<i>Denton County:</i>				
Carrollton Branch	Branch	0216.32	Upper	No
Lewisville Branch	Branch	0217.36	Middle	No
The Colony Branch	Branch	0215.19	Middle	No
<i>Source: Bank records; ACS Data (2015).</i>				

Demographic and Economic Data

The assessment area’s 818 census tracts reflect the following income designations based on 2015 ACS data: 115 low-, 218 moderate-, 189 middle-, 290 upper-income tracts, and 6 tracts with no income designation. Appendix E contains a table noting certain demographic data for the area.

With a population of 4,079,069, based on 2015 ACS data, the area includes 985,933 families, of which 24.0 percent reported low incomes, 16.4 percent reported moderate incomes, 17.3 percent reported middle incomes, and 42.3 percent reported upper incomes. Approximately 11.7 percent of the area’s families reported incomes below the poverty level. The area reflected a 2015 MFI of \$70,500 and a 2018 FFIEC-adjusted MFI of \$77,200.

The area presents a growing economy largely driven by technology, financial services, and logistics. Leading industries by employment include professional and business services, government, and health services.

According to Moody’s Analytics, the area generally reflects a strong economy with steady population growth and lower housing prices compared to other areas in the state due to the supply of new construction homes.

Currently, major employers in the area consist of Wal-Mart Stores Inc., AT&T, Baylor Scott & White Health, Bank of America Corp., Texas Instruments Inc., and JPMorgan Chase & Co. The area’s unemployment rate of 3.5 percent for April 2019 falls below the 3.7 percent rate for the State of Texas and the U.S. rate of 3.6 percent.

Competition

The area contains a low level of competition from other chartered banks based on its population, with each of the 1,024 offices from its 130 institutions serving about 3,984 people, on average. Bank OZK ranks 18th in market share by capturing 0.6 percent of the area’s deposits based on the June 30, 2018, FDIC Deposit Market Share Report. However, credit unions, mortgage companies, and finance companies also operate in the area, heightening the competition level.

Overall, the competition level allows for lending opportunities.

Community Credit Needs and Opportunities

Consistent with other metropolitan districts, the Dallas MD AA creates varied loan demand for commercial, residential real estate, and consumer loans. While housing prices are below the state and national levels, high housing prices could create an increased need in the area for more affordable housing targeted to low- and moderate-income individuals. Considering information obtained from bank management, as well as demographic and economic information, examiners concluded that the primary credit needs of the assessment area include home mortgage loans, small business loans, and affordable rental housing.

With respect to the area’s community development needs, the housing prices suggests a need for affordable housing for low- and moderate-income individuals. Demographic data showing that 40.4 percent of the area’s families reported low or moderate incomes also suggest a need for activities that benefit projects or organizations that provide community services targeted to these families. In addition, over one-third, 40.8 percent, of the area’s census tracts receiving low- or moderate-income designations also suggests a need for activities that revitalize or stabilize qualifying geographies or designated disaster areas.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE STATE OF TEXAS

Format

As previously noted, this evaluation presents information for the bank as a whole under the Institution section regarding the Assessment Area Concentration Lending Test performance factor. Examiners used full-scope procedures for the Dallas MD AA and limited-scope procedures for the remaining assessment areas.

Conclusions on Performance Criteria in the Limited-Scope Review AAs

The following table summarizes the conclusions for this state’s assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance from reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. The conclusions did not alter the bank’s overall performance rating.

Assessment Area	Lending Test	Investment Test	Service Test
Austin MSA	Consistent	Consistent	Consistent
Fort Worth MD	Consistent	Consistent	Consistent
Houston MSA	Consistent	Consistent	Below
San Antonio MSA	Below	Above	Below

Facts and data supporting conclusions for each limited-scope AA follow, beginning with a summary of Bank OZK’s operations and activities, followed by geographic distribution and borrower profile tables by loan type. The geographic distribution and borrower profile tables for the limited-scope AAs are in Appendix E, while demographic data for the limited-scope AAs is in Appendix F.

Austin MSA AA

Bank OZK operates three branches in this AA, two in middle -income CTs and one in an upper-income CT. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	38	10,829,000
HMDA Loans	176	45,259,000
Small Farm Loans	1	14
Community Development Loans	43	14,695,000
Qualified Investments	5	15,305,000
Community Development Services	10	-

Fort Worth MD AA

Bank OZK operates three branches in this AA: one within moderate-income, one within a middle-income CT and one within an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	19	9,321,000
HMDA Loans	126	30,054,000
Small Farm Loans	3	503,000
Community Development Loans	3	7,095,000
Qualified Investments	6	4,254,000
CD Services	11	-

Houston MSA AA

Bank OZK operates four branches in this AA: one in a low-income CT, two in moderate-income CTs, and one in an upper-income CT. The bank originated and engaged in the following activities in this AA during the review period.

Activity	#	\$
Small Business Loans	42	11,651,000
HMDA Loans	58	55,225,000
Small Farm Loans	1	205,000
Community Development Loans	1	34,948,000
Qualified Investments	7	6,755,000
Community Development Services	4	-

San Antonio MSA AA

Bank OZK operates one branch in this AA in an upper-income CT. The bank originated and engaged in the following activities in the AA during the review period.

Activity	#	\$
Small Business Loans	8	2,511,000
HMDA Loans	11	2,433,000
Small Farm Loans	0	0
Community Development Loans	3	14,377,000
Qualified Investments	3	12,147,000
CD Services	0	-

LENDING TEST

Bank OZK demonstrated a high satisfactory record in the State of Texas regarding the Lending Test. The good borrower profile and geographic loan distributions outweighed the excellent levels of community development loans and innovative or flexible lending practices to support this conclusion. The bank also demonstrated adequate lending activity.

For the CRA Large Bank Lending Test for each rated area, typically, examiners will first determine whether any weaker lending activity warrants downgrading the overall Lending Test rating for that rated area. Absent any such downgrading, examiners will then place more weight on the bank's borrower profile and geographic loan distributions as well as on its community development lending when arriving at the overall Lending Test rating for the rated area.

This evaluation relied on all reported home mortgage, small business, and community development loans in the assessment areas when arriving at applicable conclusions. Appendix B lists the criteria used to evaluate the Lending Test.

Lending Activity

The bank exhibited an adequate record in the State of Texas regarding its lending activity. Adequate performance regarding home mortgage loans lifted the poor performance to small business loans to support this conclusion. As noted, home mortgage loans account for 87.0 percent of the Texas loan categories reviewed while small business loans account for 13.0 percent. Examiners considered the bank's size, business strategy, and capacity in this state relative to its credit needs when arriving at this conclusion.

Home Mortgage Loans

The level of home mortgage lending activity reflects adequate performance. Adequate overall market ranking and share support this conclusion. For 2017, the bank originated 318 total reportable home mortgage loans totaling over \$86.7 million. Bank OZK captured a 0.1 percent market share of the total number and dollar volume of home mortgage loans.

The bank's activity ranks it 194th out of 1,141 total lenders and 698 lenders originating at least 10 such loans in the bank's Texas assessment area. This ranking lands the bank in the top third of the second group of lenders reporting such loans in the bank's assessment area, at 27.8 percent, thereby reflecting an adequate level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects adequate performance for home mortgage loans.

Small Business Loans

The level of small business lending activity reflects poor performance. Poor overall market ranking and share support this conclusion. For 2017, the bank originated 35 total reportable small business loans totaling over \$12.7 million. Bank OZK captured less than 0.1 percent market share of the total number of small business loans and a 0.1 percent market share of the total dollar volume of loans.

The bank's activity ranks it 115th out of 288 total lenders and 148 lenders originating at least 10 such loans in the bank's Texas assessment area. This ranking lands the bank in bottom third percent of the second group of lenders reporting such loans in the bank's assessment area, at 77.7 percent, thereby reflecting a poor level. The ranking considers the total number and dollar amount of loans made by each institution. Given the considerations previously noted, the activity level reflects poor performance for small business loans.

Consequently, given the loan categories' relative performances and weightings, the bank exhibited an adequate overall record in the State of Texas regarding its lending activity. Adequate performance regarding home mortgage loans lifted the poor performance regarding small business loans to support this conclusion.

Borrower Profile Distribution

The institution established a good record in the State of Texas regarding its borrower profile loan distribution for the review period. Good records regarding home mortgage outweighed the adequate records regarding small business loans to support this conclusion. As noted, home mortgage loans account for 87.0 percent of the Texas loan categories reviewed while small business loans account for 13.0 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The distribution of home mortgage loans based on the borrowers' profiles reflects a good record in the State of Texas. Good performances in the Dallas MD, Houston MSA, and San Antonio MSA AAs outweigh adequate performances in the Austin MSA and Fort Worth MD AAs to support this conclusion. The areas with good performance account for 73.2 percent of the bank's home mortgage loans originated in Texas from 2015 through 2018. The areas with adequate performance account for 26.8 percent.

Examiners focused on the bank's lending to low- and moderate-income borrowers relative to the aggregate data when arriving at conclusions. The borrowers' income designations define the borrowers' profiles for this analysis.

Dallas MD AA

The distribution of home mortgage loans based on the borrowers' profiles reflects good

performance in the Dallas MSA AA. Good performance to moderate-income borrowers outweighed the adequate performance to low-income borrowers to support this conclusion.

As indicated by Appendix E, for the State of Texas, in the Dallas MD AA, to low-income borrowers, the bank's 3.0 percent level is slightly less than the 3.2 percent aggregate figure given the ratios' overall levels. The bank's level falls just 0.2 percentage points lower than the aggregate figure, thereby reflecting an adequate level.

The table further shows that, to moderate-income borrowers, the bank's 21.6 percent level lands in a good range of the 11.1 percent aggregate figure given the ratios' overall levels. The bank's level rises 10.5 percentage points, thereby reflecting a good level. Thus, given the relative performances and weightings for the discussed income levels, the borrower profile distribution of home mortgage loans reflects good performance in the Dallas MD AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the distribution of home mortgage loans based on the borrowers' profiles reflects a good overall record in the State of Texas.

Small Business Loans

The distribution of small business loans based on the borrowers' profiles reflects an adequate record in the State of Texas. Adequate performances in the Austin MSA, Dallas MD, and Fort Worth MD AAs outweighed the poor performance in the Houston MSA AA and very poor performance in the San Antonio MSA AA to support this conclusion. The areas with adequate performance account for 67.5 percent of the bank's small business loans originated in Texas from 2015 through 2018. The areas with poor or very poor performances account for 32.5 percent.

Examiners focused on the bank's lending to businesses with gross annual revenues of \$1 million or less relative to the aggregate data when arriving at conclusions. The businesses' gross annual revenues define the borrowers' profiles for this analysis. The following analyses discuss the bank's performances in the full-scope assessment area.

Dallas MD AA

The distribution of small business loans based on the borrowers' profiles reflects adequate performance in the Dallas MD AA. Adequate performance to businesses with gross annual revenues of \$1 million or less supports this conclusion.

As indicated by Appendix E, for the State of Texas during 2017, in the Dallas MD AA the bank granted 61.5 percent of its small business loans to businesses with gross annual revenues of \$1 million or less. This level is comparable to the aggregate figure of 47.2 percent given the ratios' overall levels. The bank's level lands 14.3 percentage points higher than the aggregate figure, thereby reflecting an adequate level. Thus, the borrower profile distribution of small business loans reflects adequate performance in the Dallas MD AA.

Consequently, considering the loan categories' relative overall performances and weightings, the bank established a good overall record in the State of Texas regarding its borrower profile loan

distribution.

Geographic Distribution

The bank achieved a good record in the State of Texas regarding its geographic loan distribution for the review period. Good records regarding home mortgage loans outweighed adequate records regarding small business loans to support this conclusion. As noted, home mortgage loans account for 87.0 percent of the Texas loan categories reviewed while small business loans account for 13.0 percent.

Examiners considered the loan categories reviewed relative to the available comparative data and any performance context issues. They focused on the percentages by the number of loans granted in low- and moderate-income geographies when arriving at this conclusion. This factor only considered loans granted inside the bank's assessment area.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects a good record in the State of Texas. Good performance in the Dallas MD outweighed excellent performances in the Austin MSA and Houston MSA AAs to support this conclusion. The bank also had adequate performances in the Fort Worth MD and San Antonio MD AAs. The area with good performance accounts for 67.1 percent of the bank's home mortgage loans originated in Texas from 2015 through 2018. The areas with excellent performance account for 20.7 percent and adequate performances account for 12.2 percent.

Dallas MD AA

The geographic distribution of home mortgage loans reflects good performance in the Dallas MD AA. The good performance in moderate-income geographies outweighed adequate performance in the low-income geographies to support this conclusion.

As seen in Appendix E, for the State of Texas during 2017, in the Dallas MD AA in low-income census tracts the bank's 8.5 percent level exceeds the 3.5 percent aggregate figure given the ratios' overall levels. The bank's level rises 5.0 percentage points higher than the aggregate figure, thereby reflecting an adequate level.

The table further shows that, in moderate-income census tracts, the bank's 24.1 percent level lands within a good range of the 13.2 percent aggregate figure given the ratios' overall levels. The bank's level rises 10.9 percentage points higher, thereby reflecting a good level. Thus, given the relative performances and consideration regarding the overall income levels, the geographic distribution of home mortgage loans reflects good performance in the Dallas MD AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of home mortgage loans reflects a good overall record in the State of Texas.

Small Business Loans

The geographic distribution of small business loans reflects an adequate record in the State of Texas. Adequate performances in the Austin MSA, Dallas MD, and Fort Worth MD AAs outweighed the good performance in the Houston MSA AA and very poor performance in the San Antonio MSA AA to support this conclusion. The areas with adequate performance account for 67.5 percent of the bank's small business loans originated in Texas from 2015 through 2018. The area with good performance accounts for 27.3 percent and the area with very poor performance accounts for 5.2 percent.

Dallas MD AA

The geographic distribution of small business loans reflects adequate performance in the Dallas MD AA. Adequate performances in low- and moderate-income geographies support this conclusion.

As seen in Appendix E for the State of Texas during 2017, in the Dallas MD AA in low-income census tracts the bank's 7.7 percent level lands within an adequate range of the 7.9 percent aggregate figure given the ratios' overall levels. The bank's level falls just 0.2 percentage points lower than the aggregate figure, thereby reflecting an adequate level.

The table further shows that, in moderate-income tracts, the bank's 15.4 percent level lands within an adequate range of the 19.5 percent aggregate figure given the ratios' overall levels. The bank's level falls 4.1 percentage points lower, thereby reflecting an adequate level. Thus, given the relative performances and weightings for the discussed income levels, the geographic distribution of small business loans reflects adequate performance in the Dallas MD AA.

Therefore, considering the relative performances and weightings for all of the bank's assessment areas, the geographic distribution of small business loans reflects an adequate overall record in the State of Texas.

Consequently, considering the loan categories' relative overall performances and weightings, the bank achieved a good overall record in the State of Texas regarding its geographic loan distribution.

Community Development Lending

The institution is a leader in making community development loans in the State of Texas. Its extent, or dollar volume, of community development loans and the CD loans' responsiveness support this conclusion.

Examiners considered the bank's contribution of such loans made in this state relative to its other activity levels in this area, the bank's overall community development lending record, and the community development loans' qualitative characteristics when arriving at this conclusion. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that, since the previous evaluation, the bank granted 63 CD loans totaling approximately \$91.1 million in this state. The dollar amount equates to 7.6 percent of

the bank's overall excellent level of CD loans. On the surface, this state's level lands within only an adequate range of its contribution of 10.4 percent of the bank's total loans originated by the State of Texas given the ratios' overall levels. However, as mentioned previously, the bank originated a substantial percentage (33.1 percent) of its overall CD loans in the State of New York, when that rated area accounted for less than 0.1 percent of the bank's total loans. In addition, examiners considered that the bank had a significant increase in its CD loans within Texas since the previous evaluation, when it had a good volume of CD loans (12 CD loans totaling \$11.1 million).

Thus, considering this state's excellent contribution of CD loans to the bank's overall excellent CD lending record, the bank made an excellent level of CD loans regarding the extent, or dollar volume, of CD loans in the State of Texas.

Besides their extent, the CD loans reflect good responsiveness to community development needs of the assessment areas in the state. As seen in the following table, 60.5 percent of the dollar volume of the state's CD loans revitalizes or stabilizes qualifying geographies, 29.4 percent benefit affordable housing for low- or moderate-income individuals, and 4.1 percent benefit community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Assessment Areas, activities that provide community services targeted to low- and moderate-income individuals, promote affordable housing, and revitalize or stabilize qualifying geographies represent CD needs in the bank's assessment areas. Therefore, relative to the bank's capacity and the extent of CD lending opportunities and needs in its assessment areas, the bank has good responsiveness to the community development needs of the assessment areas.

Therefore, given the level displayed regarding the extent and responsiveness of its CD lending, the bank is a leader in granting CD loans in the State of Texas.

Community Development Loans State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Austin MSA	38	5,976	0	0	4	2,500	1	6,219	43	14,695
Dallas MD	11	13,253	1	3,700	1	3,000	0	0	13	19,953
Fort Worth MD	3	7,095	0	0	0	0	0	0	3	7,095
Houston MSA	0	0	0	0	0	0	1	34,948	1	34,948
San Antonio MSA	1	425	0	0	0	0	2	13,952	3	14,377
Statewide or Regional	0	0	0	0	0	0	0	0	0	0
Total	53	26,749	1	3,700	5	5,500	4	55,119	63	91,068

Source: Bank records.

Innovative or Flexible Lending Practices

The bank made extensive use of innovative or flexible lending practices in the State of Texas. These practices reflect excellent success, as measured by the excellent dollar volume and degree of serving low- and moderate-income borrowers, which support this conclusion. Examiners considered the bank’s contribution of such loans made in the state relative to its other activity levels in this area as well as the bank’s overall innovative or flexible lending practices’ record when arriving at this conclusion. Appendix B lists the criteria considered under this factor.

The following table shows that, since the previous evaluation, the bank granted 356 innovative or flexible loans totaling over \$83.5 million in the State of Texas. The dollar amount equates to 28.1 percent of the bank’s overall adequate level of such loans. This state’s level of lending falls within an excellent range of its contribution of 10.4 percent of the bank’s total loans originated in the State of Texas, given the overall ratio’s levels. This state’s innovative or flexible lending level rises 17.7 percentage points higher than its total loan figure, thereby reflecting an excellent level of lending.

Innovative or Flexible Loans State of Texas								
Rated Area	SBA		USDA/FHA/VA		Freedom Advantage		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Texas	17	14,024	91	19,977	248	49,250	356	83,521
<i>Source: Bank records.</i>								

Thus, considering this state’s excellent contribution of innovative or flexible loans to the bank’s overall adequate record, the bank made extensive use of innovative or flexible lending practices with respect to their dollar volume, or level, in the State of Texas.

INVESTMENT TEST

Bank OZK demonstrated an outstanding record in the State of Texas regarding the Investment Test. An excellent level of QIs and excellent responsiveness to community development needs primarily support this conclusion. The significant use of complex QIs further support this conclusion. Examiners considered the bank’s contribution of QIs in this state relative to its other state activity levels, including the bank’s overall Investment Test record, and the qualitative characteristics of the QIs when arriving at this conclusion. Appendix B lists the criteria used to evaluate the Investment Test.

The following table shows that the bank made use of 54 QIs totaling \$93.3 million in this state, of which 36 donations and grants totaled \$181,835. The dollar amount equates to 30.6 percent of the bank’s excellent overall level. However, the dollar amount increased significantly since the prior evaluation’s \$16.4 million. This state held 11.4 percent of the bank’s total deposits. The level of QIs is significantly above the deposit figure, thereby reflecting excellent performance.

Qualified Investments State of Texas										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Austin MSA	1*	15,266	0	0	4	39	0	0	5	15,305
Dallas MD	5*	34,295	16	7,698	7	2,035	0	0	28	44,028
Fort Worth MD	*	4,243	6	11	0	0	0	0	6	4,254
Houston MSA	3*	6,720	2	10	0	0	2	25	7	6,755
San Antonio MSA	1*	5,495	1	6,642	1	10	0	0	3	12,147
Subtotal	10*	66,019	25	14,361	12	2,084	2	25	49	82,489
Statewide	4	7,824	0	0	1	3,000	0	0	5	10,824
Total	14*	73,843	25	14,361	13	5,084	2	25	54	93,313

*Source: Bank records; *includes dollar portion of MBS allocated to multiple assessment areas in affordable housing*

Bank OZK made significant use of complex QIs that provide excellent responsiveness to the AA’s community development needs, particularly affordable housing. For example, the bank invested \$15.1 million in three Fannie Mae DUS bonds backed by loans on multifamily properties with a minimum of five units. Of that, \$7.3 million represents new investment in a 172-unit multi-family complex, located in a low-income tract, in the Dallas AA. The funds provided renovation and improvement for the buildings built in 1972. All the units represent below fair market rent for the area. The remaining \$7.8 million are two prior period investments where the units are 100 percent income restricted to low- and moderate-income families and individuals.

The institution also invested \$3.2 million in a revenue bond with Texas Department of Housing and Community Affairs. The department provides housing and community development opportunities for low-income individuals, non-profit organizations, and private companies and contractors. The bond helps fund the permanent loan for a 318-unit multi-family apartment complex funded in part through a LIHTC. The construction phase of the complex included renovation and rehabilitation. All of the units are restricted to tenants of low to moderate-income. In addition, the bank shows responsiveness through a significant distribution by dollar amount to affordable housing MBSs.

Bank OZK also invested \$6.6 million in a school bond for a school district located in the San Antonio AA. According to the Texas Education Agency, 65 percent of the district’s student body is economically disadvantaged. The bond issuance helped provide new facilities including school buildings and renovations to existing buildings.

Therefore, considering this state’s fair share contribution of QIs to the bank’s overall excellent level, the bank made use of an excellent level of QIs in the State of Texas with excellent responsiveness and significant use of complex investments.

SERVICE TEST

Bank OZK demonstrated a low satisfactory record in the State of Texas regarding the Service

Test. Bank OZK provides an adequate level of community development services and the adequate performance regarding retail banking services support this conclusion. Appendix B lists all the criteria considered under the Service Test.

Retail Banking Services

The bank exhibited an adequate record in the State of Texas regarding its retail banking services. Accessible delivery systems, hours and services that do not inconvenience portions of low- or moderate-income areas or individuals, and changes in branch locations that generally are not adverse to low- or moderate-income areas or individuals support this conclusion.

Accessibility of Delivery Systems

Delivery systems prove reasonably accessible to portions of the bank’s assessment areas in the State of Texas. Reasonably accessible branch distribution and alternative delivery systems support this conclusion.

Branch Distribution

The bank makes its full-service offices reasonably accessible to portions of the institution’s assessment area in the State of Texas. The following table shows that the bank operates 5.0 percent of its offices in low-income census tracts, which falls below the percent of population residing in such tracts, 12.4 percent. The percentage of offices in low-income tracts falls 6.4 percentage points below but within adequate range to the population percentage reflecting reasonable accessibility.

The table further shows that in moderate-income geographies the bank’s percentage of full-service offices at 15.0 percent falls 12.9 percentage points below the population percentage of 27.9. This difference typically reflects limited accessibility. However, the bank increased the branch presence in moderate-income tracts since the last evaluation when none of the branches were located in these geographies. Also, the current level of branches in moderate-income areas represents just over one-half the population of such geographies, reflecting a reasonable accessibility. Thus, given the increased presence in the moderate-income geographies since the prior evaluation, examiners deemed the overall branch distribution reasonably accessible.

Branch and ATM Distribution by Geography Income Level State of Texas												
Tract Income Level	Census Tracts		Population		Branches		ATMs		Open Branches		Closed Branches	
	#	%	#	%	#	%	#	%	#	%	#	%
Low	380	14.4	1,714,616	12.4	1	5.0	1	5.2	0	0.0	0	0.0
Moderate	756	28.6	3,852,458	27.9	3	15.0	3	15.8	1	100.0	0	0.0
Middle	677	25.6	3,835,933	27.8	6	30.0	6	31.6	0	0.0	0	0.0
Upper	806	30.5	4,361,569	31.6	10	50.0	9	47.4	0	0.0	0	0.0
NA	23	0.9	45,467	0.3	0	0.0	0	0.0	0	0.0	0	0.0
Totals	2,642	100.0	13,810,043	100.0	20	100.0	19	100.0	1	100.0	0	0.0

Source: 2015 ACS & Bank Data. Due to rounding, totals may not equal 100.0

Alternative Delivery Systems

The bank makes its alternative delivery systems reasonably accessible in the bank's assessment areas in the State of Texas. The variety of alternative systems other than ATMs, including through digital devices, primarily supports this conclusion.

As seen in the preceding table, the bank operates one ATM in a low-income tract, which falls below the percentage of the population at 12.4 percent. Similarly, for moderate-income census tracts, the bank's percent of ATMs at 15.8 percent also falls below a reasonable range of the percent of population of 27.9 percent, reflecting limited accessibility.

In addition to its ATMs, the bank offers a variety of alternative systems that deliver retail banking services in low- and moderate-income geographies or to low- and moderate-income individuals. The institution provides the same alternative delivery systems in the State of Texas as previously discussed in the Institution section for the bank as a whole. Such systems include online banking, a mobile banking application, mobile payment by phone, and telephone banking.

Thus, given the bank's limited accessibility of ATM distribution and the accessible other delivery systems, the bank makes its delivery systems reasonably accessible to all portions of the bank's assessment areas in the State of Texas, including in low- and moderate-income geographies or to low- and moderate-income individuals.

Changes in Branch Locations

The institution's record of opening and closing of branch improved the accessibility to low- and moderate- income geographies or individuals. The one branch opened in a moderate-income tract combined with no branch changes in low-income tracts supports this conclusion.

The previous table shows that the bank increased its total branch presence by one office in a moderate-income tract resulting in a net increase in branches for low- and moderate- income geographies. Consequently, given the relative changes in the discussed income tracts, the institution's record of opening and closing of branches improved the accessibility of branches.

Reasonableness of Business Hours and Services

The institution's hours and services do not inconvenience low- and moderate-income geographies or individuals.

The bank maintains lobby hours that do not inconvenience individuals, including low- and moderate-income individuals. All locations have lobby hours of at least eight hours a day and extended Friday and Saturday hours.

The range of services covers a wide variety of products and services including consumer checking, savings, money market, certificates of deposit, and IRA accounts as well as debit and credit cards, home equity, consumer, and mortgage loans. For businesses, including small

businesses, the bank provides products and services including checking and savings accounts, treasury management, merchant services, and SBA lending.

Consequently, given the hours of operation and provided services, the institution’s hours and services do not inconvenience low- and moderate-income geographies or individuals.

Community Development Services

The institution provides an adequate level of community development services. Appendix A defines CD, and Appendix B lists the criteria considered under this performance factor.

The following table shows that the bank provided 108 CD services since the last evaluation in the State of Texas. This number equates to an average of 1.5 CD services, per office, per year, since the last evaluation, thereby reflecting an adequate level. The bank averaged 19.1 full-service offices for the 3.7 years since the last evaluation for the State of Texas. The average figure reflects a decrease over the average of 3.0 CD services, per office, per year, recorded at the prior evaluation.

The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by CRA regulations.

In addition to their extent, CD services reflect adequate responsiveness to available opportunities as illustrated by their level of addressing identified CD needs in the bank’s assessment areas. The following table shows that 75.9 percent of the bank’s CD services benefitted projects or organizations that provide community services targeted to low- and moderate-income individuals.

As noted under the applicable Description of Assessment Areas, such community services represent a community development need for the bank’s assessment areas. Therefore, relative to the bank’s capacity and the extent of CD service opportunities and needs in its assessment areas, the bank provides an adequate level of CD services.

Community Development Services State of Texas					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Austin MSA	1	0	9	0	10
Dallas MD	4	71	7	1	83
Fort Worth MD	0	11	0	0	11
Houston MSA	3	0	0	1	4
San Antonio MSA	0	0	0	0	0
Total	8	82	16	2	108

Source: Bank Records.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices in the State of Texas inconsistent with helping to meet community credit needs. Therefore, this issue did not affect this state's overall rating.

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.

Area Median Income: The median family income for the MSA, for persons or geographies located in an MSA; or the statewide non-metropolitan median family income, for persons or geographies 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. Census tract boundaries always follow state and county boundaries, when applicable.

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;
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type 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:
 - a. 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
 - b. 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).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and non-metropolitan 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: Performance under the applicable tests is analyzed considering performance context, quantitative factors (geographic loan distribution, borrower profile loan distribution, and total number and dollar amount of investments), and qualitative factors (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 Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multi-family (five or more families)

dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

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.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

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: Performance under the applicable tests is analyzed using only quantitative factors (for example, geographic loan distribution, borrower profile loan 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.

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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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: All areas outside of metropolitan areas. The definition of non-metropolitan 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 non-metropolitan 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent 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.

APPENDIX B

LARGE BANK TESTS' PERFORMANCE CRITERIA

LENDING TEST

The Lending Test evaluates the institution's record of helping to meet the credit needs of its AA(s) by considering an institution's home mortgage, small business, small farm, and community development lending. Performance under the Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating. The institution's lending performance is evaluated pursuant to the following criteria:

- 1) The volume of lending activity;
- 2) The proportion of lending within the AA(s);
- 3) The dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the AA(s);
- 4) The distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes;
- 5) The volume of community development lending; and
- 6) The use of innovative or flexible lending practices.

Community Development Lending

The institution's community development lending activities are evaluated pursuant to the following criteria:

- 1) The extent to which community development lending opportunities have been made available to the institution;
- 2) The responsiveness of the institution's community development lending; and
- 3) The extent of leadership the institution has demonstrated in community development lending.

Innovative and Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria:

- 1) The degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and
- 2) The success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

INVESTMENT TEST

The Investment Test evaluates the institution's record of helping to meet the credit needs of its AA(s) through its use of qualified investments that benefit the AA(s) or a broader statewide or regional area that includes the institution's AA(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of investments to credit and community development needs; and
- 4) The degree to which the qualified investments are not routinely provided by private investors.

SERVICE TEST

The Service Test evaluates the institution's record of helping to meet the credit needs of its AA(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria:

- 1) The distribution of the institution's branches among geographies of different income levels;
- 2) The record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals;
- 3) The availability and effectiveness of alternate systems for delivering retail banking services; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria:

- 1) The extent of community development services offered and used;
- 2) The innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups not previously served;
- 3) The degree to which they serve low- and moderate-income areas or individuals; and
- 4) Their responsiveness to available opportunities for community development services.

APPENDIX C

SCOPE OF EVALUATION TABLES

BANK OZK	
SCOPE OF EXAMINATION:	
The following assessment areas received full-scope reviews within the noted rate areas:	
<div style="margin-left: 40px;">Texarkana Multi-state MSA</div>	
<div style="margin-left: 40px;">State of Alabama:</div>	<div style="margin-left: 40px;">Mobile MSA</div>
<div style="margin-left: 40px;">State of Arkansas:</div>	<div style="margin-left: 40px;">Little Rock MSA</div>
<div style="margin-left: 40px;">State of Florida:</div>	<div style="margin-left: 40px;">Tampa MSA</div>
<div style="margin-left: 40px;">State of Georgia:</div>	<div style="margin-left: 40px;">Atlanta MSA</div>
<div style="margin-left: 40px;">State of New York:</div>	<div style="margin-left: 40px;">New York City MSA</div>
<div style="margin-left: 40px;">State of North Carolina:</div>	<div style="margin-left: 40px;">Charlotte MSA NC Non-MSA</div>
<div style="margin-left: 40px;">State of South Carolina:</div>	<div style="margin-left: 40px;">Hilton Head MSA</div>
<div style="margin-left: 40px;">State of Texas:</div>	<div style="margin-left: 40px;">Dallas MD</div>
TIME PERIOD REVIEWED:	9/15/2015-5/20/2019
PRODUCTS REVIEWED:	
<div style="margin-left: 40px;">Home Mortgage Loans: 1/1/15 -12/31/18</div>	
<div style="margin-left: 40px;">Small Business Loans: 1/1/15 -12/31/18</div>	
<div style="margin-left: 40px;">Community Development Activities: 9/15/2015-5/20/2019</div>	

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
RATED AREA/ ASSESSMENT AREA	TYPE OF EVALUATION	BRANCHES VISITED	OTHER INFORMATION
Texarkana, TX-AR Multi-state MSA AA	Full-scope	None	None
State of Alabama: Dothan MSA AA Mobile MSA AA	Limited-scope Full-scope	None None	None None
State of Arkansas: Fayetteville MSA AA Fort Smith MSA AA Hot Springs MSA AA Little Rock MSA AA AR Non-MSA AA	Limited-scope Limited-scope Limited-scope Full-scope Limited-scope	None None None Main Office None	None None None None None
State of Florida: Cape Coral MSA AA Ft. Lauderdale MSA AA Jacksonville MSA AA Miami MSA AA North Port MSA AA Ocala MSA AA Punta Gorda MSA AA Tampa MSA AA	Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Full-scope	None None None None None None None None	None None None None None None None None
State of Georgia: Athens MSA AA Atlanta MSA AA Brunswick MSA AA Columbus MSA AA Dalton MSA AA Gainesville MSA AA Macon County MSA AA Rome MSA AA Savannah MSA AA Valdosta MSA AA GA Non-MSA AA	Limited-scope Full-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope Limited-scope	None None None None None None None None None None None	None None None None None None None None None None None
State of New York: New York MD AA	Full-scope	None	None
State of North Carolina: Charlotte MSA AA Greensboro MSA AA Wilmington MSA AA Winston Salem MSA AA NC Non-MSA AA	Full-scope Limited-scope Limited-scope Limited-scope Full-scope	None None None None None	None None None None None
State of South Carolina: Hilton Head Island MSA AA	Full-scope	None	None
State of Texas: Austin MSA AA Dallas MD AA Fort Worth MD AA Houston MSA AA San Antonio MSA AA	Limited-scope Full-scope Limited-scope Limited-scope Limited-scope	None None None None None	None None None None None

APPENDIX D

SUMMARY OF RATED AREAS' RATINGS

RATED AREAS' RATINGS				
Rated Area's Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall Rating
Texarkana MS MSA	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of Alabama	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Arkansas	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of Florida	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of Georgia	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of New York	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory
State of North Carolina	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of South Carolina	Needs to Improve	Outstanding	Low Satisfactory	Needs to Improve
State of Texas	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory

APPENDIX E

CRA TABLES & DEMOGRAPHIC DATA FOR FULL-SCOPE ASSESSMENT AREAS

TEXARKANA MULTI-STATE MSA

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Texarkana MSA	29	7,153	100.0	2,984	22.5	3.4	3.2	16.2	10.3	10.6	19.2	13.8	19.8	42.1	34.5	45.8	0.0	37.9	20.6
<i>Source: 2015 ACS Census ; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																			

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
Texarkana MSA	24	2,763	100.0	2,478	79.9	58.3	49.9	5.5	41.7	14.6	0.0	
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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
Texarkana MSA	29	7,153	100.0	2,984	0.9	0.0	0.2	14.7	24.1	11.5	57.4	31.0	54.4	27.0	44.8	33.8	0.0	0.0	0.1
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>																			

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017
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
Texarkana MSA	24	2,763	100.0	2,478	0.9	0.0	1.0	26.4	25.0	22.4	48.6	29.2	46.4	23.9	45.8	30.2	0.2	0.0	0.1

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

Demographic Information of the Assessment Area						
Assessment Area: Texarkana Multi-state MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	30	3.3	30.0	46.7	16.7	3.3
Population by Geography	136,807	1.5	21.5	53.6	23.3	0.0
Housing Units by Geography	58,383	1.6	22.6	54.2	21.6	0.0
Owner-Occupied Units by Geography	32,975	0.9	14.7	57.4	27.0	0.0
Occupied Rental Units by Geography	17,408	3.2	35.2	47.8	13.7	0.0
Vacant Units by Geography	8,000	1.1	27.3	54.8	16.8	0.0
Businesses by Geography	8,285	0.9	26.4	48.6	23.9	0.2
Farms by Geography	279	0.0	9.7	61.3	29.0	0.0
Family Distribution by Income Level	34,302	22.5	16.2	19.2	42.1	0.0
Household Distribution by Income Level	50,383	25.1	15.4	16.9	42.5	0.0
Median Family Income MSA - 45500 Texarkana, TX-AR MSA		\$51,151	Median Housing Value			\$100,557
			Median Gross Rent			\$711
			Families Below Poverty Level			16.4%

Source: 2015 ACS Census and 2017 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.

STATE OF ALABAMA

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Dothan MSA	1	4	4.2	569	27.7	0.0	10.4	18.0	0.0	13.0	18.1	0.0	21.1	36.3	100.0	36.2	0.0	0.0	19.3
Mobile MSA	23	1,238	95.8	9,421	24.0	21.7	5.4	15.6	4.3	16.3	19.0	0.0	22.5	41.4	17.4	35.5	0.0	56.5	20.3
Total	24	1,242	100.0	9,990	24.3	20.8	5.7	15.8	4.2	16.1	18.9	0.0	22.4	41.0	20.8	35.6	0.0	54.2	20.3

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
Dothan MSA	4	160	16.7	270	82.8	100.0	49.3	4.5	0.0	12.7	0.0	
Mobile MSA	20	3,414	83.3	7,698	78.9	85.0	43.2	7.3	15.0	13.8	0.0	
Total	24	3,574	100.0	7,968	79.1	87.5	43.4	7.1	12.5	13.8	0.0	

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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
Dothan MSA	1	4	4.2	569	0.0	0.0	0.0	17.9	0.0	17.6	82.1	100.0	82.4	0.0	0.0	0.0	0.0	0.0	0.0
Mobile MSA	23	1,238	95.8	9,421	5.7	4.3	1.5	15.0	52.2	8.3	38.5	30.4	36.5	40.9	13.0	53.7	0.0	0.0	0.0
Total	24	1,242	100.0	9,990	5.2	4.2	1.4	15.2	50.0	8.8	41.7	33.3	39.1	37.9	12.5	50.6	0.0	0.0	0.0

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017
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
Dothan MSA	4	160	16.7	270	0.0	0.0	0.0	17.9	0.0	13.0	82.1	100.0	87.0	0.0	0.0	0.0	0.0	0.0	0.0
Mobile MSA	20	3,414	83.3	7,698	7.2	15.0	7.0	20.0	30.0	17.9	31.6	20.0	31.2	41.0	35.0	43.8	0.1	0.0	0.1
Total	24	3,574	100.0	7,968	6.9	12.5	6.7	19.9	25.0	17.7	34.2	33.3	33.1	38.9	29.2	42.4	0.1	0.0	0.1

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

Demographic Information of the Assessment Area						
Assessment Area: Mobile MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	115	16.5	23.5	32.2	26.1	1.7
Population by Geography	414,251	9.3	18.2	36.5	35.8	0.2
Housing Units by Geography	180,932	9.2	19.3	36.7	34.9	0.0
Owner-Occupied Units by Geography	102,608	5.7	15.0	38.5	40.9	0.0
Occupied Rental Units by Geography	51,580	13.1	24.8	33.4	28.7	0.0
Vacant Units by Geography	26,744	14.9	25.0	36.3	23.8	0.0
Businesses by Geography	22,127	7.2	20.0	31.6	41.0	0.1
Farms by Geography	499	4.4	10.4	42.9	42.1	0.2
Family Distribution by Income Level	103,554	24.0	15.6	19.0	41.4	0.0
Household Distribution by Income Level	154,188	26.5	15.0	15.9	42.5	0.0
Median Family Income MSA - 33660 Mobile, AL MSA		\$54,215	Median Housing Value			\$125,900
			Median Gross Rent			\$781
			Families Below Poverty Level			15.7%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 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>						

STATE OF ARKANSAS

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Fayetteville MSA	79	18,378	9.4	18,940	19.5	1.3	7.0	18.2	15.2	15.5	20.2	19.0	18.5	42.0	36.7	40.2	0.0	27.8	18.8
Fort Smith MSA	80	8,981	9.5	4,945	21.2	8.8	5.0	17.6	11.3	13.7	19.0	21.3	19.9	42.3	45.0	42.4	0.0	13.8	19.0
Hot Springs MSA	96	13,128	11.4	3,017	23.2	9.4	6.9	16.8	16.7	15.1	19.6	18.8	19.6	40.4	41.7	40.1	0.0	13.5	18.3
Little Rock MSA	393	61,004	46.7	23,501	21.1	6.9	5.8	17.5	21.4	15.3	19.8	17.3	20.2	41.5	32.3	35.7	0.0	22.1	23.0
AR Non-MSA	194	12,966	23.0	8,180	19.4	12.4	6.2	18.2	20.1	15.5	20.5	18.6	19.0	41.9	36.6	41.7	0.0	12.4	17.6
Total	842	114,457	100.0	58,583	20.5	8.1	6.2	17.8	19.0	15.2	20.0	18.3	19.4	41.7	36.0	38.8	0.0	18.6	20.3

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
Fayetteville MSA	32	6,046	4.0	8,709	80.5	65.6	51.2	5.7	18.8	13.7	15.6	
Fort Smith MSA	109	11,731	13.5	2,972	76.5	62.4	44.7	8.3	24.8	15.2	12.8	
Hot Springs MSA	148	20,845	18.3	2,321	83.2	58.8	42.3	5.2	30.4	11.5	10.8	
Little Rock MSA	355	65,014	43.9	13,298	81.5	53.2	45.8	6.5	38.0	12.1	8.7	
AR Non-MSA	164	24,910	20.3	5,797	79.6	76.2	52.8	5.2	14.6	15.1	9.1	
Total	808	128,546	100.0	33,097	80.6	60.6	48.1	6.2	29.3	13.2	10.0	

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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
Fayetteville MSA	79	18,378	9.4	18,940	0.4	0.0	0.3	13.0	27.8	10.7	47.2	32.9	41.4	39.5	39.2	47.7	0.0	0.0	0.0
Fort Smith MSA	80	8,981	9.5	4,945	0.0	0.0	0.0	16.9	17.5	15.4	52.8	63.8	51.2	30.3	18.8	33.4	0.0	0.0	0.0
Hot Springs MSA	96	13,128	11.4	3,017	3.4	1.0	2.8	11.8	14.6	8.6	49.1	44.8	47.2	35.6	39.6	41.4	0.0	0.0	0.0
Little Rock MSA	393	61,004	46.7	23,501	2.6	3.6	1.4	16.2	18.6	11.6	42.9	39.2	41.7	38.2	35.4	45.2	0.3	3.3	0.2
AR Non-MSA	194	12,966	23.0	8,180	0.5	0.0	0.4	7.6	7.2	7.1	74.3	77.3	73.4	17.6	15.5	19.2	0.0	0.0	0.0
Total	842	114,457	100.0	58,583	1.4	1.8	0.8	13.3	16.3	10.8	52.3	50.4	47.1	32.9	30.0	41.2	0.1	1.5	0.1

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017
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
Fayetteville MSA	32	6,046	4.0	8,709	1.1	3.1	0.9	16.2	21.9	13.6	48.5	37.5	47.3	34.1	37.5	38.2	0.0	0.0	0.0
Fort Smith MSA	109	11,731	13.5	2,972	0.0	0.0	0.0	28.9	22.9	29.5	40.4	67.0	41.6	30.6	10.1	29.0	0.0	0.0	0.0
Hot Springs MSA	148	20,845	18.3	2,321	6.5	6.8	5.9	19.9	23.6	19.1	45.0	32.4	41.8	28.6	37.2	33.2	0.0	0.0	0.0
Little Rock MSA	355	65,014	43.9	13,298	5.0	3.4	4.6	20.9	18.6	18.8	32.1	36.9	32.9	41.8	41.1	43.6	0.2	0.0	0.1
AR Non-MSA	164	24,910	20.3	5,797	2.3	2.4	3.3	12.6	17.7	10.9	71.3	59.1	68.3	13.8	20.7	17.5	0.0	0.0	0.0
Total	808	128,546	100.0	33,097	3.3	3.3	3.1	19.1	20.1	17.0	44.2	44.7	44.3	33.4	31.9	35.6	0.1	0.0	0.0

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

Demographic Information of the Assessment Area						
Assessment Area: Little Rock MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	157	7.0	23.6	37.6	30.6	1.3
Population by Geography	694,330	4.7	19.8	40.5	34.6	0.5
Housing Units by Geography	303,002	5.2	20.8	39.6	33.9	0.5
Owner-Occupied Units by Geography	170,961	2.6	16.2	42.9	38.2	0.3
Occupied Rental Units by Geography	94,691	8.2	26.8	35.3	29.0	0.8
Vacant Units by Geography	37,350	9.8	26.9	35.5	26.9	0.9
Businesses by Geography	44,677	5.0	20.9	32.1	41.8	0.2
Farms by Geography	1,467	1.8	16.4	43.9	37.8	0.1
Family Distribution by Income Level	171,347	21.1	17.5	19.8	41.5	0.0
Household Distribution by Income Level	265,652	24.1	16.1	18.0	41.8	0.0
Median Family Income MSA - 30780 Little Rock-North Little Rock-Conway, AR MSA		\$61,339	Median Housing Value			\$145,985
			Median Gross Rent			\$767
			Families Below Poverty Level			10.4%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 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>						

STATE OF FLORIDA

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Cape Coral MSA	12	9,591	10.1	27,858	20.7	0.0	2.9	18.5	25.0	14.3	19.7	25.0	19.8	41.1	16.7	46.5	0.0	33.3	16.5
Ft Lauderdale MSA	6	1,020	5.0	50,011	22.3	0.0	2.9	17.3	50.0	12.2	18.7	33.3	20.2	41.7	16.7	48.0	0.0	0.0	16.7
Jacksonville MSA	4	650	3.4	30,912	25.1	0.0	6.5	18.1	25.0	17.9	19.7	50.0	21.6	37.2	25.0	31.7	0.0	0.0	22.3
Miami MSA	16	5,326	13.4	48,646	24.0	0.0	1.3	16.6	12.5	5.8	16.9	25.0	16.8	42.6	25.0	57.1	0.0	37.5	19.1
North Port MSA	24	3,643	20.2	29,217	19.4	8.3	4.6	19.1	37.5	15.9	21.0	4.2	20.9	40.5	37.5	47.4	0.0	12.5	11.2
Ocala MSA	2	251	1.7	9,919	19.3	0.0	5.4	19.5	50.0	17.4	21.6	50.0	22.0	39.7	0.0	36.5	0.0	0.0	18.7
Punta Gorda MSA	4	585	3.4	7,034	17.3	0.0	4.4	20.7	50.0	14.5	21.8	25.0	22.2	40.2	0.0	45.6	0.0	25.0	13.4
Tampa MSA	51	9,146	42.9	100,127	21.3	5.9	3.8	17.6	11.8	13.8	18.8	11.8	20.4	42.3	64.7	43.9	0.0	5.9	18.2
Total	119	30,212	100.0	303,724	22.1	4.2	3.6	17.7	22.7	13.1	18.8	16.8	20.0	41.4	42.0	45.8	0.0	14.3	17.6

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2017**

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
Cape Coral MSA	16	4,540	12.3	17,664	90.0	56.3	49.2	3.5	37.5	6.4	6.3
Ft Lauderdale MSA	6	899	4.6	71,615	91.2	33.3	52.6	3.7	33.3	5.1	33.3
Jacksonville MSA	0	0	0.0	18,780	87.0	0.0	49.9	4.6	0.0	8.4	0.0
Miami MSA	20	8,421	15.4	101,118	90.9	30.0	53.0	4.2	45.0	5.0	25.0
North Port MSA	25	6,756	19.2	21,744	90.6	56.0	53.0	3.5	40.0	5.9	4.0
Ocala MSA	1	415	0.8	6,279	89.0	100.0	50.8	3.7	0.0	7.3	0.0
Punta Gorda MSA	9	2,466	6.9	3,946	92.0	33.3	53.2	2.6	22.2	5.4	44.4
Tampa MSA	53	9,812	40.8	71,126	89.5	54.7	52.0	3.9	28.3	6.6	17.0
Total	130	33,309	100.0	312,272	90.2	49.2	52.3	3.9	33.8	5.9	16.9

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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
Cape Coral MSA	12	9,591	10.1	27,858	2.1	0.0	1.6	18.6	33.3	20.4	44.2	50.0	46.2	35.1	16.7	31.7	0.0	0.0	0.1
Ft Lauderdale MSA	6	1,020	5.0	50,011	2.8	16.7	2.6	24.8	33.3	21.8	34.0	50.0	35.3	38.4	0.0	40.3	0.0	0.0	0.0
Jacksonville MSA	4	650	3.4	30,912	5.8	25.0	2.2	23.6	50.0	21.3	39.8	25.0	41.3	30.8	0.0	35.2	0.0	0.0	0.0
Miami MSA	16	5,326	13.4	48,646	2.0	6.3	1.5	21.4	25.0	19.0	31.9	18.8	31.6	44.4	50.0	47.0	0.2	0.0	0.9
North Port MSA	24	3,643	20.2	29,217	1.0	16.7	0.6	18.3	25.0	13.4	50.7	50.0	47.7	29.9	8.3	38.3	0.0	0.0	0.0
Ocala MSA	2	251	1.7	9,919	0.6	0.0	0.2	14.5	50.0	11.0	69.6	50.0	71.5	15.3	0.0	17.3	0.0	0.0	0.0
Punta Gorda MSA	4	585	3.4	7,034	0.0	0.0	0.0	10.7	25.0	10.3	70.6	75.0	71.6	18.6	0.0	18.0	0.0	0.0	0.0
Tampa MSA	51	9,146	42.9	100,127	2.1	0.0	1.6	20.2	17.6	16.3	38.2	43.1	37.3	39.4	39.2	44.7	0.1	0.0	0.1
Total	119	30,212	100.0	303,724	2.3	5.9	1.7	20.8	24.4	17.9	40.1	42.9	40.2	36.7	26.9	40.0	0.1	0.0	0.2

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017**

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
Cape Coral MSA	16	4,540	12.3	17,664	2.7	12.5	2.2	21.7	18.8	22.3	40.1	62.5	39.0	35.3	6.3	36.5	0.2	0.0	0.0
Ft Lauderdale MSA	6	899	4.6	71,615	5.0	16.7	6.0	23.6	33.3	22.9	30.5	0.0	29.5	41.0	50.0	41.6	0.0	0.0	0.0
Jacksonville MSA	0	0	0.0	18,780	6.6	0.0	6.8	25.5	0.0	24.5	33.4	0.0	31.8	34.5	0.0	36.9	0.0	0.0	0.0
Miami MSA	20	8,421	15.4	101,118	3.1	20.0	3.0	21.3	5.0	21.0	25.9	35.0	25.1	47.4	25.0	48.6	2.3	15.0	2.4
North Port MSA	25	6,756	19.2	21,744	1.3	0.0	1.3	19.3	24.0	18.0	45.2	32.0	43.7	34.2	44.0	37.1	0.0	0.0	0.0
Ocala MSA	1	415	0.8	6,279	1.9	0.0	1.9	16.7	0.0	16.9	64.2	100.0	63.2	17.2	0.0	18.0	0.0	0.0	0.0
Punta Gorda MSA	9	2,466	6.9	3,946	0.0	0.0	0.0	15.5	22.2	16.9	67.1	55.6	65.9	17.4	22.2	17.2	0.0	0.0	0.0
Tampa MSA	53	9,812	40.8	71,126	4.2	5.7	4.8	19.5	26.4	19.5	34.1	34.0	33.9	41.9	34.0	41.5	0.3	0.0	0.3
Total	130	33,309	100.0	312,272	3.8	7.7	4.1	21.3	21.5	21.0	33.3	37.7	31.9	40.8	30.8	42.2	0.8	2.3	0.8

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

Demographic Information of the Assessment Area						
Assessment Area: Tampa MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	701	5.8	24.8	35.4	31.7	2.3
Population by Geography	2,713,649	4.8	23.1	36.9	34.8	0.4
Housing Units by Geography	1,284,294	4.6	24.1	38.2	32.9	0.2
Owner-Occupied Units by Geography	682,598	2.1	20.2	38.2	39.4	0.1
Occupied Rental Units by Geography	392,451	8.8	28.4	38.2	24.1	0.4
Vacant Units by Geography	209,245	5.1	28.7	38.0	28.1	0.1
Businesses by Geography	284,597	4.2	19.5	34.1	41.9	0.3
Farms by Geography	7,076	2.6	22.0	38.8	36.4	0.1
Family Distribution by Income Level	654,604	21.3	17.6	18.8	42.3	0.0
Household Distribution by Income Level	1,075,049	23.8	16.1	17.3	42.8	0.0
Median Family Income MSA - 45300 Tampa-St. Petersburg-Clearwater, FL MSA		\$58,916	Median Housing Value			\$158,005
			Median Gross Rent			\$983
			Families Below Poverty Level			11.2%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

STATE OF GEORGIA

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Athens MSA	9	1,627	2.0	4,612	25.2	0.0	4.4	13.8	22.2	12.3	16.9	33.3	17.3	44.1	11.1	49.2	0.0	33.3	16.9
Atlanta MSA	263	45,366	58.8	191,143	22.2	11.0	5.2	16.5	29.7	16.2	18.1	27.4	20.0	43.3	20.9	41.2	0.0	11.0	17.4
Brunswick MSA	6	607	1.3	2,937	21.2	16.7	2.8	15.3	0.0	8.5	19.6	0.0	15.0	43.9	66.7	55.4	0.0	16.7	18.2
Columbus MSA	2	119	0.4	3,887	23.8	0.0	4.2	17.4	0.0	11.9	18.0	50.0	18.4	40.8	50.0	39.2	0.0	0.0	26.2
Dalton MSA	23	1,713	5.1	2,598	20.4	4.3	4.5	19.5	26.1	23.5	20.0	43.5	21.4	40.2	21.7	30.7	0.0	4.3	20.0
Gainesville MSA	7	1,966	1.6	6,878	20.6	0.0	5.0	18.0	42.9	16.9	20.3	14.3	19.3	41.0	42.9	40.0	0.0	0.0	18.8
Macon MSA	12	2,050	2.7	2,573	29.4	0.0	3.5	14.1	8.3	10.2	16.0	0.0	20.2	40.5	41.7	41.2	0.0	50.0	24.9
GA Non-MSA	84	9,392	18.8	11,585	18.6	1.2	2.1	16.2	19.0	9.8	19.5	21.4	16.6	45.7	56.0	54.0	0.0	2.4	17.5
Rome MSA	6	293	1.3	2,129	22.3	16.7	4.7	17.5	16.7	14.8	18.9	16.7	18.0	41.3	50.0	42.3	0.0	0.0	20.3
Savannah MSA	22	1,663	4.9	8,665	25.1	13.6	4.5	16.6	13.6	13.6	20.2	0.0	20.7	38.2	0.0	38.6	0.0	72.7	22.6
Valdosta MSA	13	637	2.9	3,126	23.9	0.0	2.0	16.3	23.1	9.1	16.8	53.8	16.0	42.9	15.4	45.0	0.0	7.7	28.0
Total	447	65,433	100.0	240,133	22.3	8.1	4.9	16.5	25.3	15.5	18.3	25.3	19.6	42.9	28.2	41.9	0.0	13.2	18.1

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017
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
Athens MSA	10	2,336	3.5	2,974	82.8	70.0	49.2	4.8	20.0	12.3	10.0
Atlanta MSA	193	40,758	67.0	134,126	87.6	59.1	52.7	4.7	33.7	7.7	7.3
Brunswick MSA	6	207	2.1	1,984	83.8	83.3	47.6	4.9	0.0	11.3	16.7
Columbus MSA	2	186	0.7	2,858	80.7	100.0	48.0	6.0	0.0	13.3	0.0
Dalton MSA	21	5,243	7.3	1,513	79.5	66.7	45.4	7.6	23.8	12.9	9.5
Gainesville MSA	8	853	2.8	4,124	85.6	75.0	47.9	5.8	25.0	8.5	0.0
Macon MSA	9	1,516	3.1	2,576	79.9	77.8	48.9	6.4	22.2	13.7	0.0
GA Non-MSA	33	4,081	11.5	5,382	85.9	81.8	52.0	3.9	15.2	10.2	3.0
Rome MSA	3	581	1.0	1,153	82.3	100.0	49.6	5.2	0.0	12.5	0.0
Savannah MSA	1	177	0.3	5,971	81.9	100.0	46.7	5.8	0.0	12.3	0.0
Valdosta MSA	2	1,000	0.7	1,946	81.6	100.0	44.1	5.4	0.0	13.0	0.0
Total	288	56,938	100.0	164,607	86.6	65.3	51.8	4.9	28.1	8.5	6.6

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017

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
Athens MSA	9	1,627	2.0	4,612	9.1	0.0	6.1	6.8	0.0	5.4	30.1	33.3	31.1	53.9	66.7	57.3	0.0	0.0	0.1
Atlanta MSA	263	45,366	58.8	191,143	3.0	7.2	2.7	18.6	35.4	16.9	36.7	40.3	37.8	41.7	17.1	42.5	0.0	0.0	0.0
Brunswick MSA	6	607	1.3	2,937	2.0	0.0	0.7	20.0	16.7	11.0	31.1	0.0	25.6	46.9	83.3	62.7	0.0	0.0	0.0
Columbus MSA	2	119	0.4	3,887	4.5	50.0	1.6	24.5	0.0	16.7	30.5	0.0	27.8	40.5	50.0	53.9	0.0	0.0	0.0
Dalton MSA	23	1,713	5.1	2,598	0.0	0.0	0.0	16.1	13.0	10.9	50.2	43.5	51.1	33.8	43.5	38.0	0.0	0.0	0.0
Gainesville MSA	7	1,966	1.6	6,878	1.2	0.0	0.7	12.4	14.3	13.5	44.6	28.6	41.6	41.8	57.1	44.2	0.0	0.0	0.0
Macon MSA	12	2,050	2.7	2,573	14.9	16.7	4.6	15.7	8.3	9.8	13.2	8.3	13.7	56.2	66.7	71.9	0.0	0.0	0.0
GA Non-MSA	84	9,392	18.8	11,585	0.0	0.0	0.0	6.6	4.8	4.2	55.1	63.1	48.0	38.3	32.1	47.8	0.0	0.0	0.0
Rome MSA	6	293	1.3	2,129	1.4	0.0	1.1	19.4	16.7	18.7	44.0	33.3	45.6	35.2	50.0	34.6	0.0	0.0	0.0
Savannah MSA	22	1,663	4.9	8,665	5.6	36.4	2.9	21.2	40.9	15.5	33.5	13.6	33.3	39.8	9.1	48.3	0.0	0.0	0.0
Valdosta MSA	13	637	2.9	3,126	6.2	0.0	3.4	17.0	38.5	15.3	29.9	38.5	27.5	46.9	23.1	53.8	0.0	0.0	0.0
Total	447	65,433	100.0	240,133	3.2	6.7	2.5	17.6	26.4	15.7	37.4	41.4	37.6	41.8	25.5	44.1	0.0	0.0	0.0

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017**

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
Athens MSA	10	2,336	3.5	2,974	12.9	10.0	10.5	7.0	10.0	7.2	29.2	40.0	28.2	49.1	40.0	53.7	1.8	0.0	0.4
Atlanta MSA	193	40,758	67.0	134,126	4.9	2.6	4.1	21.2	43.5	19.7	30.9	32.6	29.2	42.3	21.2	46.6	0.6	0.0	0.4
Brunswick MSA	6	207	2.1	1,984	7.5	0.0	4.6	29.9	16.7	25.4	19.7	0.0	18.3	42.9	83.3	51.8	0.0	0.0	0.0
Columbus MSA	2	186	0.7	2,858	9.7	0.0	9.7	21.0	0.0	18.0	36.2	50.0	32.0	33.0	50.0	40.4	0.1	0.0	0.0
Dalton MSA	21	5,243	7.3	1,513	0.0	0.0	0.0	17.0	33.3	17.5	51.5	33.3	54.5	31.5	33.3	28.0	0.0	0.0	0.0
Gainesville MSA	8	853	2.8	4,124	9.6	0.0	8.4	17.4	50.0	15.7	40.7	12.5	43.3	32.2	37.5	32.5	0.0	0.0	0.0
Macon MSA	9	1,516	3.1	2,576	18.7	11.1	15.7	14.8	33.3	13.0	23.1	0.0	25.2	43.3	55.6	46.1	0.0	0.0	0.0
GA Non-MSA	33	4,081	11.5	5,382	0.0	0.0	0.0	10.1	6.1	8.7	55.7	78.8	52.9	34.2	15.2	38.4	0.0	0.0	0.0
Rome MSA	3	581	1.0	1,153	3.1	0.0	2.9	43.1	33.3	41.8	32.0	66.7	32.6	21.8	0.0	22.7	0.0	0.0	0.0
Savannah MSA	1	177	0.3	5,971	8.9	100.0	9.8	23.7	0.0	21.8	33.9	0.0	33.5	33.2	0.0	34.7	0.4	0.0	0.2
Valdosta MSA	2	1,000	0.7	1,946	11.0	50.0	8.8	32.2	0.0	29.8	19.1	0.0	21.9	37.7	50.0	39.5	0.0	0.0	0.0
Total	288	56,938	100.0	164,607	5.6	3.1	4.7	20.8	35.8	19.3	32.1	36.1	30.5	41.0	25.0	45.2	0.5	0.0	0.3

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

Demographic Information of the Assessment Area						
Assessment Area: Atlanta MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	834	10.3	24.5	30.5	33.9	0.8
Population by Geography	4,881,269	7.0	24.1	34.3	34.3	0.3
Housing Units by Geography	1,943,958	7.9	24.8	32.9	34.3	0.1
Owner-Occupied Units by Geography	1,102,700	3.0	18.6	36.7	41.7	0.0
Occupied Rental Units by Geography	637,185	14.1	33.6	27.6	24.4	0.3
Vacant Units by Geography	204,073	15.1	30.8	28.7	25.3	0.2
Businesses by Geography	441,608	4.9	21.2	30.9	42.3	0.6
Farms by Geography	8,373	3.2	19.3	39.0	38.4	0.1
Family Distribution by Income Level	1,172,734	22.2	16.5	18.1	43.3	0.0
Household Distribution by Income Level	1,739,885	23.1	16.2	17.4	43.3	0.0
Median Family Income MSA - 12060 Atlanta-Sandy Springs-Roswell, GA MSA		\$67,322	Median Housing Value			\$192,794
			Median Gross Rent			\$1,011
			Families Below Poverty Level			11.5%
<p><i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i></p> <p><i>Due to rounding, totals may not equal 100.0</i></p> <p><i>(*) The NA category consists of geographies that have not been assigned an income classification.</i></p>						

STATE OF NEW YORK

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
New York MD	0	0	0.0	13,120	26.7	0.0	0.3	11.5	0.0	1.2	10.6	0.0	5.8	51.1	0.0	80.5	0.0	0.0	12.2

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
New York MD	3	1,367	100.0	86,794	79.0	66.7	46.3	12.0	0.0	9.0	33.3	

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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
New York MD	0	0	0.0	13,120	3.0	0.0	3.1	6.8	0.0	7.8	5.1	0.0	5.0	84.0	0.0	83.2	1.1	0.0	0.8

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017**

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
New York MD	3	1,367	100.0	86,794	5.7	0.0	5.1	6.1	0.0	5.9	3.0	0.0	3.2	78.8	100.0	81.0	6.4	0.0	4.9

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

Demographic Information of the Assessment Area						
Assessment Area: New York MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	288	15.3	17.7	6.9	54.9	5.2
Population by Geography	1,629,507	18.4	19.4	6.3	54.9	0.9
Housing Units by Geography	862,289	13.5	14.9	6.5	64.1	1.0
Owner-Occupied Units by Geography	172,079	3.0	6.8	5.1	84.0	1.1
Occupied Rental Units by Geography	578,340	18.0	18.5	7.1	55.4	1.0
Vacant Units by Geography	111,870	6.7	8.8	5.1	78.4	0.9
Businesses by Geography	195,384	5.7	6.1	3.0	78.8	6.4
Farms by Geography	767	6.3	5.7	3.9	80.6	3.5
Family Distribution by Income Level	310,166	26.7	11.5	10.6	51.1	0.0
Household Distribution by Income Level	750,419	26.8	10.9	12.4	49.8	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ MD		\$72,047	Median Housing Value			\$764,242
			Median Gross Rent			\$1,649
			Families Below Poverty Level			14.1%

Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.

STATE OF NORTH CAROLINA

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Charlotte MSA	71	10,521	37.6	59,973	23.3	9.9	6.1	17.1	25.4	17.7	18.2	16.9	19.7	41.4	28.2	40.6	0.0	19.7	15.8
Greensboro MSA	11	991	5.8	3,091	23.0	9.1	7.2	20.3	18.2	20.5	19.8	9.1	23.8	36.8	36.4	31.4	0.0	27.3	17.0
NC Non-MSA	65	7,998	34.4	3,513	21.5	1.5	3.6	18.3	20.0	14.3	21.6	27.7	23.6	38.7	44.6	41.5	0.0	6.2	17.0
Wilmington MSA	3	594	1.6	9,175	22.2	0.0	4.3	16.7	33.3	15.8	18.1	33.3	19.7	43.0	33.3	46.4	0.0	0.0	13.7
Winston Salem MSA	39	4,155	20.6	15,064	21.8	5.1	5.3	17.1	12.8	16.4	18.7	10.3	21.7	42.4	28.2	39.3	0.0	43.6	17.3
Total	189	24,259	100.0	90,816	22.7	5.8	5.7	17.3	20.6	17.3	18.6	19.0	20.4	41.3	34.4	40.7	0.0	20.1	15.9

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
Charlotte MSA	59	15,484	31.2	34,487	83.4	72.9	51.0	5.9	20.3	10.6	6.8	
Greensboro MSA	11	1,123	5.8	1,932	84.8	72.7	53.2	5.8	18.2	9.4	9.1	
NC Non-MSA	74	11,026	39.2	1,944	81.2	74.3	48.5	6.2	21.6	12.6	4.1	
Wilmington MSA	1	25	0.5	5,869	83.4	100.0	50.2	5.8	0.0	10.8	0.0	
Winston Salem MSA	44	6,234	23.3	9,232	83.3	59.1	53.6	6.1	31.8	10.6	9.1	
Total	189	33,892	100.0	53,464	83.4	70.4	51.3	6.0	23.3	10.7	6.3	

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2017

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
Charlotte MSA	71	10,521	37.6	59,973	3.5	4.2	2.9	25.3	45.1	21.7	31.6	33.8	30.4	39.6	16.9	45.0	0.0	0.0	0.1
Greensboro MSA	11	991	5.8	3,091	0.0	0.0	0.0	20.4	27.3	17.4	66.5	63.6	68.4	13.1	9.1	14.2	0.0	0.0	0.0
NC Non-MSA	65	7,998	34.4	3,513	0.0	0.0	0.0	13.1	1.5	9.3	78.2	76.9	76.8	8.7	21.5	14.0	0.0	0.0	0.0
Wilmington MSA	3	594	1.6	9,175	5.2	33.3	5.4	4.9	0.0	4.4	45.9	33.3	47.5	44.0	33.3	42.7	0.0	0.0	0.0
Winston Salem MSA	39	4,155	20.6	15,064	3.9	7.7	2.4	12.5	20.5	10.9	42.6	33.3	40.7	41.0	38.5	45.9	0.1	0.0	0.1
Total	189	24,259	100.0	90,816	3.3	3.7	2.9	19.7	23.3	17.5	40.4	50.3	36.9	36.6	22.8	42.6	0.0	0.0	0.1

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography 2017

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
Charlotte MSA	59	15,484	31.2	34,487	7.8	15.3	7.6	23.7	40.7	22.0	23.7	23.7	23.5	43.7	20.3	46.1	1.0	0.0	0.8
Greensboro MSA	11	1,123	5.8	1,932	0.0	0.0	0.0	30.1	54.5	27.5	58.9	36.4	57.6	10.9	9.1	14.9	0.0	0.0	0.0
NC Non-MSA	74	11,026	39.2	1,944	0.0	0.0	0.0	15.4	16.2	14.1	75.6	79.7	75.3	9.0	4.1	10.6	0.0	0.0	0.0
Wilmington MSA	1	25	0.5	5,869	14.9	0.0	12.2	8.6	0.0	7.4	31.9	100.0	35.5	44.3	0.0	44.6	0.3	0.0	0.3
Winston Salem MSA	44	6,234	23.3	9,232	6.7	6.8	5.5	15.9	13.6	13.8	36.3	54.5	37.1	40.5	25.0	42.8	0.6	0.0	0.8
Total	189	33,892	100.0	53,464	7.7	6.3	7.2	20.7	25.4	18.9	30.4	54.0	30.3	40.4	14.3	43.0	0.8	0.0	0.7

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

Demographic Information of the Assessment Area						
Assessment Area: Charlotte MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	383	9.7	30.5	27.7	31.1	1.0
Population by Geography	1,606,409	8.3	29.7	28.3	33.4	0.3
Housing Units by Geography	670,835	8.3	30.1	28.5	33.0	0.1
Owner-Occupied Units by Geography	376,585	3.5	25.3	31.6	39.6	0.0
Occupied Rental Units by Geography	231,228	15.1	36.4	23.6	24.6	0.2
Vacant Units by Geography	63,022	11.8	35.9	27.9	24.1	0.2
Businesses by Geography	113,577	7.8	23.7	23.7	43.7	1.0
Farms by Geography	2,354	5.0	24.6	37.0	33.0	0.5
Family Distribution by Income Level	395,952	23.3	17.1	18.2	41.4	0.0
Household Distribution by Income Level	607,813	24.0	16.4	17.4	42.2	0.0
Median Family Income MSA - 16740 Charlotte-Concord-Gastonia, NC-SC MSA		\$64,993	Median Housing Value			\$184,830
			Median Gross Rent			\$900
			Families Below Poverty Level			11.7%
<p>Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.</p>						

Demographic Information of the Assessment Area						
Assessment Area: NC Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	35	0.0	14.3	74.3	11.4	0.0
Population by Geography	164,043	0.0	15.6	76.5	7.9	0.0
Housing Units by Geography	77,151	0.0	15.0	74.9	10.1	0.0
Owner-Occupied Units by Geography	44,416	0.0	13.1	78.2	8.7	0.0
Occupied Rental Units by Geography	19,463	0.0	19.6	74.7	5.6	0.0
Vacant Units by Geography	13,272	0.0	14.7	63.7	21.6	0.0
Businesses by Geography	7,383	0.0	15.4	75.6	9.0	0.0
Farms by Geography	353	0.0	7.9	83.6	8.5	0.0
Family Distribution by Income Level	43,258	21.5	18.3	21.6	38.7	0.0
Household Distribution by Income Level	63,879	25.6	15.7	17.9	40.8	0.0
Median Family Income Non-MSAs - NC		\$47,794	Median Housing Value			\$112,015
			Median Gross Rent			\$639
			Families Below Poverty Level			15.2%
<p>Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.</p>						

STATE OF SOUTH CAROLINA

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Hilton Head MSA	3	619	100.0	8,313	17.7	0.0	2.9	18.2	33.3	12.9	21.2	0.0	19.8	42.9	66.7	52.9	0.0	0.0	11.5

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
Hilton Head MSA	3	466	100.0	4,148	84.4	33.3	51.6	5.7	0.0	9.9	66.7	

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017
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
Hilton Head MSA	3	619	100.0	8,313	0.0	0.0	0.0	16.9	0.0	10.4	51.4	33.3	60.5	31.6	66.7	29.1	0.0	0.0	0.0

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017**

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
Hilton Head MSA	3	466	100.0	4,148	0.0	0.0	0.0	17.0	66.7	14.8	54.4	0.0	53.4	28.7	33.3	31.8	0.0	0.0	0.0

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

Demographic Information of the Assessment Area						
Assessment Area: Hilton Head MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	0.0	26.8	39.0	31.7	2.4
Population by Geography	171,420	0.0	26.6	50.3	23.1	0.0
Housing Units by Geography	93,858	0.0	21.6	45.2	33.2	0.0
Owner-Occupied Units by Geography	46,204	0.0	16.9	51.4	31.6	0.0
Occupied Rental Units by Geography	19,771	0.0	34.4	49.0	16.6	0.0
Vacant Units by Geography	27,883	0.0	20.2	32.1	47.6	0.0
Businesses by Geography	11,245	0.0	17.0	54.4	28.7	0.0
Farms by Geography	321	0.0	24.0	56.7	19.3	0.0
Family Distribution by Income Level	44,911	17.7	18.2	21.2	42.9	0.0
Household Distribution by Income Level	65,975	20.6	16.5	18.3	44.5	0.0
Median Family Income MSA - 25940 Hilton Head Island-Bluffton-Beaufort, SC MSA		\$63,345	Median Housing Value			\$312,936
			Median Gross Rent			\$1,054
			Families Below Poverty Level			8.7%

Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.

STATE OF TEXAS

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2017
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
Austin MSA	53	13,718	16.7	70,319	22.4	5.7	3.6	16.5	17.0	14.5	19.6	20.8	20.2	41.5	45.3	48.9	0.0	11.3	12.9
Dallas MD	199	53,408	62.6	141,213	24.0	3.0	3.2	16.4	21.6	11.1	17.3	21.6	18.1	42.3	38.7	52.5	0.0	15.1	15.0
Fort Worth MD	39	12,157	12.3	64,312	23.1	2.6	3.8	16.3	28.2	13.3	19.3	17.9	21.1	41.3	35.9	43.4	0.0	15.4	18.5
Houston MSA	23	6,685	7.2	98,357	27.7	4.3	4.2	17.1	21.7	13.9	17.0	17.4	19.4	38.1	47.8	42.8	0.0	8.7	19.7
San Antonio MSA	4	825	1.3	55,279	24.1	25.0	3.5	17.7	25.0	11.8	19.3	25.0	21.2	39.0	0.0	40.7	0.0	25.0	22.7
Total	318	86,793	100.0	429,480	24.9	3.8	3.6	16.8	21.7	12.7	18.0	20.8	19.6	40.3	39.6	46.8	0.0	14.2	17.2

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

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017
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	
Austin MSA	6	1,842	17.1	44,869	85.8	50.0	50.3	4.9	33.3	9.3	16.7	
Dallas MD	13	3,582	37.1	101,908	86.0	61.5	47.2	5.5	38.5	8.6	0.0	
Fort Worth MD	3	1,923	8.6	39,139	85.5	33.3	46.0	4.8	0.0	9.7	66.7	
Houston MSA	11	4,798	31.4	103,231	84.1	27.3	44.4	6.7	72.7	9.2	0.0	
San Antonio MSA	2	609	5.7	29,209	84.4	0.0	46.0	5.1	0.0	10.5	100.0	
Total	35	12,754	100.0	318,356	85.2	42.9	46.5	5.6	42.9	9.2	14.3	

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

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2017
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	
Austin MSA	53	13,718	16.7	70,319	4.2	7.5	3.8	16.8	28.3	13.7	37.2	37.7	41.0	41.6	26.4	41.3	0.2	0.0	0.2	
Dallas MD	199	53,408	62.6	141,213	5.7	8.5	3.5	20.9	24.1	13.2	25.9	28.1	28.1	47.5	38.2	55.1	0.2	1.0	0.1	
Fort Worth MD	39	12,157	12.3	64,312	5.7	2.6	2.2	18.3	20.5	13.3	36.0	41.0	35.9	39.9	35.9	48.6	0.0	0.0	0.0	
Houston MSA	23	6,685	7.2	98,357	7.5	4.3	3.8	25.8	60.9	16.9	27.9	13.0	31.7	38.8	21.7	47.4	0.1	0.0	0.1	
San Antonio MSA	4	825	1.3	55,279	5.3	0.0	1.4	27.8	25.0	15.6	27.5	50.0	32.1	39.4	25.0	50.8	0.0	0.0	0.0	
Total	318	86,793	100.0	429,480	6.0	7.2	3.2	22.4	27.0	14.5	29.6	30.5	32.7	42.0	34.6	49.6	0.1	0.6	0.1	

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

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2017
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	
Austin MSA	6	1,842	17.1	44,869	6.9	0.0	7.4	13.3	0.0	13.9	31.6	33.3	32.7	46.7	66.7	45.1	1.5	0.0	0.9	
Dallas MD	13	3,582	37.1	101,908	7.6	7.7	7.9	19.4	15.4	19.5	24.5	7.7	23.2	47.7	61.5	48.4	0.9	7.7	1.0	
Fort Worth MD	3	1,923	8.6	39,139	7.4	0.0	7.8	21.0	33.3	21.7	30.1	0.0	29.3	41.4	66.7	41.2	0.1	0.0	0.1	
Houston MSA	11	4,798	31.4	103,231	13.4	36.4	13.6	22.6	18.2	22.5	21.3	0.0	22.0	42.4	45.5	41.7	0.3	0.0	0.2	
San Antonio MSA	2	609	5.7	29,209	5.3	0.0	4.7	24.7	0.0	23.6	28.2	100.0	27.1	41.4	0.0	44.3	0.3	0.0	0.3	
Total	35	12,754	100.0	318,356	9.0	14.3	9.4	20.3	14.3	20.3	25.6	14.3	25.3	44.5	54.3	44.5	0.6	2.9	0.6	

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

Demographic Information of the Assessment Area						
Assessment Area: Dallas MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	818	14.1	26.7	23.1	35.5	0.7
Population by Geography	4,079,069	12.5	26.8	24.8	35.7	0.2
Housing Units by Geography	1,558,907	13.2	24.9	25.5	36.2	0.3
Owner-Occupied Units by Geography	820,462	5.7	20.9	25.9	47.5	0.2
Occupied Rental Units by Geography	623,919	21.2	29.7	25.5	23.1	0.5
Vacant Units by Geography	114,526	23.2	27.3	22.9	26.2	0.5
Businesses by Geography	354,365	7.6	19.4	24.5	47.7	0.9
Farms by Geography	6,190	5.9	18.1	28.5	47.0	0.5
Family Distribution by Income Level	985,933	24.0	16.4	17.3	42.3	0.0
Household Distribution by Income Level	1,444,381	24.0	16.6	17.4	41.9	0.0
Median Family Income MSA - 19124 Dallas-Plano-Irving, TX MD		\$71,149	Median Housing Value			\$191,530
			Median Gross Rent			\$998
			Families Below Poverty Level			11.7%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

APPENDIX F

DESCRIPTION OF INSTITUTION'S LIMITED-SCOPE ASSESSMENT AREAS

STATE OF ALABAMA

Limited-Scope Assessment Area: Dothan MSA AA

The Dothan MSA AA in the State of Alabama includes all 6 tracts within Geneva County, Alabama. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Dothan MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	6	0.0	16.7	83.3	0.0	0.0
Population by Geography	26,815	0.0	18.0	82.0	0.0	0.0
Housing Units by Geography	12,658	0.0	20.7	79.3	0.0	0.0
Owner-Occupied Units by Geography	8,043	0.0	17.9	82.1	0.0	0.0
Occupied Rental Units by Geography	2,711	0.0	24.5	75.5	0.0	0.0
Vacant Units by Geography	1,904	0.0	26.8	73.2	0.0	0.0
Businesses by Geography	1,222	0.0	17.9	82.1	0.0	0.0
Farms by Geography	190	0.0	25.3	74.7	0.0	0.0
Family Distribution by Income Level	7,522	27.7	18.0	18.1	36.3	0.0
Household Distribution by Income Level	10,754	29.2	16.4	17.6	36.8	0.0
Median Family Income MSA - 20020 Dothan, AL MSA		\$51,581	Median Housing Value			\$78,033
			Median Gross Rent			\$534
			Families Below Poverty Level			18.0%
<small>Source: 2010 U.S. Census & 2015 ACS Census and 2017 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.</small>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, five institutions operated 9 offices within this AA. Of these institutions, Bank OZK ranked 3rd with 18.7 percent deposit market share.

STATE OF ARKANSAS

Limited-Scope Assessment Area: Fayetteville MSA AA

The Fayetteville MSA AA in the State of Arkansas includes Benton and Washington Counties in their entirety. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Fayetteville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	81	1.2	16.0	50.6	32.1	0.0
Population by Geography	454,630	0.8	19.4	45.9	33.8	0.0
Housing Units by Geography	185,720	0.9	19.1	45.5	34.6	0.0
Owner-Occupied Units by Geography	102,054	0.4	13.0	47.2	39.4	0.0
Occupied Rental Units by Geography	65,338	1.6	29.1	41.6	27.6	0.0
Vacant Units by Geography	18,328	0.7	17.1	49.9	32.2	0.0
Businesses by Geography	23,940	1.1	16.2	48.5	34.1	0.0
Farms by Geography	871	1.0	10.4	55.2	33.3	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 - 22220 Fayetteville-Springdale- Rogers, AR-MO MSA		\$60,032	Median Housing Value			\$157,293
			Median Gross Rent			\$757
			Families Below Poverty Level			10.9%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 31 institutions operated 190 offices within this AA. Of these institutions, Bank OZK ranked 6th with 3.7 percent deposit market share. The top 3 financial institutions account for 59.4 percent of the total deposit market share.

Limited-Scope Assessment Area: Fort Smith MSA AA

The Fort Smith MSA AA is a contiguous area that includes all tracts within Crawford and Sebastian County, Arkansas which are the Arkansas portions of the Fort Smith Arkansas and Oklahoma Multistate MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Fort Smith MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	37	0.0	29.7	43.2	27.0	0.0
Population by Geography	189,021	0.0	26.0	47.2	26.8	0.0
Housing Units by Geography	82,136	0.0	26.0	47.2	26.8	0.0
Owner-Occupied Units by Geography	48,250	0.0	16.9	52.8	30.3	0.0
Occupied Rental Units by Geography	24,978	0.0	40.7	36.1	23.2	0.0
Vacant Units by Geography	8,908	0.0	33.5	48.1	18.4	0.0
Businesses by Geography	9,234	0.0	28.9	40.4	30.6	0.0
Farms by Geography	241	0.0	13.7	52.7	33.6	0.0
Family Distribution by Income Level	50,195	21.2	17.6	19.0	42.3	0.0
Household Distribution by Income Level	73,228	23.8	15.5	16.9	43.7	0.0
Median Family Income MSA - 22900 Fort Smith, AR-OK MSA		\$48,075	Median Housing Value			\$113,735
			Median Gross Rent			\$627
			Families Below Poverty Level			16.9%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 17 institutions operated 88 offices within this AA. Of these institutions, Bank OZK ranked 6th with 4.7 percent deposit market share.

Limited-Scope Assessment Area: Hot Springs MSA AA

The Hot Springs MSA AA consists of all tracts of Garland County, Arkansas, which comprises the entire Hot Springs MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Hot Springs MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	20	10.0	20.0	45.0	25.0	0.0
Population by Geography	96,954	5.8	14.1	46.1	34.0	0.0
Housing Units by Geography	50,518	5.8	15.7	47.6	30.9	0.0
Owner-Occupied Units by Geography	27,113	3.4	11.8	49.1	35.6	0.0
Occupied Rental Units by Geography	13,177	10.8	23.0	42.0	24.2	0.0
Vacant Units by Geography	10,228	5.9	16.5	50.8	26.8	0.0
Businesses by Geography	6,137	6.5	19.9	45.0	28.6	0.0
Farms by Geography	180	0.0	10.6	40.0	49.4	0.0
Family Distribution by Income Level	25,951	23.2	16.8	19.6	40.4	0.0
Household Distribution by Income Level	40,290	24.5	15.7	16.8	43.0	0.0
Median Family Income MSA - 26300 Hot Springs, AR MSA		\$49,707	Median Housing Value			\$128,580
			Median Gross Rent			\$697
			Families Below Poverty Level			14.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 13 institutions operated 52 offices within this AA. Of these institutions, Bank OZK ranked 3rd with 19.1 percent deposit market share.

Limited-Scope Assessment Area: Arkansas Non-MSA AA

The Arkansas Non-MSA AA consists of the following non-contiguous counties throughout the State of Arkansas: Baxter, Boone, Clark, Columbia, Franklin, Hempstead, Hot Spring, Johnson, Logan, Marion, Newton, Pope, Searcy, and Van Buren. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: AR Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	78	1.3	11.5	73.1	14.1	0.0
Population by Geography	359,101	1.0	10.6	72.0	16.4	0.0
Housing Units by Geography	170,718	1.3	9.9	74.4	14.4	0.0
Owner-Occupied Units by Geography	100,057	0.5	7.6	74.3	17.6	0.0
Occupied Rental Units by Geography	39,516	2.8	15.1	72.0	10.1	0.0
Vacant Units by Geography	31,145	1.9	10.7	77.6	9.8	0.0
Businesses by Geography	17,430	2.3	12.6	71.3	13.8	0.0
Farms by Geography	961	0.9	6.8	73.2	19.1	0.0
Family Distribution by Income Level	94,592	19.4	18.2	20.5	41.9	0.0
Household Distribution by Income Level	139,573	23.5	15.9	17.9	42.7	0.0
Median Family Income Non-MSAs - AR		\$45,060	Median Housing Value			\$99,242
			Median Gross Rent			\$602
			Families Below Poverty Level			15.1%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 40 institutions operated 181 offices within this AA. Of these institutions, Bank OZK ranked 2nd with 11.0 percent deposit market share.

STATE OF FLORIDA

Limited-Scope Assessment Area: Cape Coral MSA AA

The Cape Coral MSA AA consists of Lee County, Florida in its entirety, which constitutes the full Cape Coral MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Cape Coral MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	167	4.2	25.1	35.9	33.5	1.2
Population by Geography	663,675	4.7	27.1	42.3	25.9	0.0
Housing Units by Geography	374,333	3.5	21.3	40.9	34.4	0.0
Owner-Occupied Units by Geography	174,162	2.1	18.6	44.2	35.1	0.0
Occupied Rental Units by Geography	78,125	8.5	32.9	38.0	20.5	0.0
Vacant Units by Geography	122,046	2.3	17.6	38.0	42.1	0.0
Businesses by Geography	72,229	2.7	21.7	40.1	35.3	0.2
Farms by Geography	2,342	2.9	25.5	46.2	25.3	0.0
Family Distribution by Income Level	165,635	20.7	18.5	19.7	41.1	0.0
Household Distribution by Income Level	252,287	22.6	17.2	18.8	41.4	0.0
Median Family Income MSA - 15980 Cape Coral-Fort Myers, FL MSA		\$57,627	Median Housing Value			\$192,233
			Median Gross Rent			\$970
			Families Below Poverty Level			11.1%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 34 institutions operated 200 offices within this AA. Of these institutions, Bank OZK ranked 18th with 1.1 percent deposit market share. The top 3 financial institutions account for 43.8 percent of the total deposit market share.

Limited-Scope Assessment Area: Fort Lauderdale MSA AA

The Fort Lauderdale MSA AA consists of 362 tracts of Broward County, which makes up the entire MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Fort Lauderdale MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	362	5.5	29.3	32.3	32.3	0.6
Population by Geography	1,843,152	5.1	28.9	32.7	33.3	0.0
Housing Units by Geography	814,454	5.4	28.7	33.2	32.7	0.0
Owner-Occupied Units by Geography	425,691	2.8	24.8	34.0	38.4	0.0
Occupied Rental Units by Geography	244,593	9.4	34.6	33.2	22.9	0.0
Vacant Units by Geography	144,170	6.6	30.2	30.7	32.4	0.0
Businesses by Geography	256,330	5.0	23.6	30.5	41.0	0.0
Farms by Geography	3,771	5.1	28.8	28.4	37.7	0.0
Family Distribution by Income Level	425,680	22.3	17.3	18.7	41.7	0.0
Household Distribution by Income Level	670,284	24.4	16.1	17.3	42.2	0.0
Median Family Income MSA - 22744 Fort Lauderdale-Pompano Beach-Deerfield Beach, FL		\$61,809	Median Housing Value			\$206,124
			Median Gross Rent			\$1,233
			Families Below Poverty Level			11.2%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 47 institutions operated 452 offices within this AA. Of these institutions, Bank OZK ranked 42nd with less than 0.1 percent deposit market share. The top 3 financial institutions account for 52.2 percent of the total deposit market share.

Limited-Scope Assessment Area: Jacksonville MSA AA

The Jacksonville MSA AA includes all of Duval County, which is one of five counties that make up the Jacksonville MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Jacksonville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	174	11.5	30.5	33.9	23.6	0.6
Population by Geography	890,673	8.1	28.1	39.4	24.4	0.0
Housing Units by Geography	393,571	9.1	28.3	37.4	25.2	0.0
Owner-Occupied Units by Geography	200,029	5.8	23.6	39.8	30.8	0.0
Occupied Rental Units by Geography	137,871	11.0	33.9	36.1	19.0	0.0
Vacant Units by Geography	55,671	16.1	31.3	31.7	20.9	0.0
Businesses by Geography	88,840	6.6	25.5	33.4	34.5	0.0
Farms by Geography	1,967	5.3	23.1	41.2	30.3	0.0
Family Distribution by Income Level	209,958	25.1	18.1	19.7	37.2	0.0
Household Distribution by Income Level	337,900	26.4	17.6	17.5	38.5	0.0
Median Family Income MSA - 27260 Jacksonville, FL MSA		\$64,042	Median Housing Value			\$151,543
			Median Gross Rent			\$954
			Families Below Poverty Level			13.4%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 26 institutions operated 179 offices within this AA. Of these institutions, Bank OZK ranked 16th with 0.3 percent deposit market share. The top 3 financial institutions account for 84.6 percent of the total deposit market share.

Limited-Scope Assessment Area: Miami MSA AA

The Miami MSA AA in the state of Florida includes all 519 tracts within Miami-Dade County, Florida, which constitutes the Miami- Miami Beach-Kendall MSA. Demographic data for the AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Miami MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	519	5.8	27.7	28.9	34.1	3.5
Population by Geography	2,639,042	5.5	29.7	30.9	33.2	0.7
Housing Units by Geography	998,833	5.3	27.5	29.3	37.2	0.6
Owner-Occupied Units by Geography	452,826	2.0	21.4	31.9	44.4	0.2
Occupied Rental Units by Geography	389,327	9.6	37.8	28.2	23.5	0.8
Vacant Units by Geography	156,680	4.3	19.4	24.6	50.4	1.3
Businesses by Geography	344,520	3.1	21.3	25.9	47.4	2.3
Farms by Geography	4,185	3.3	22.7	27.0	46.4	0.7
Family Distribution by Income Level	572,388	24.0	16.6	16.9	42.5	0.0
Household Distribution by Income Level	842,153	26.1	15.1	15.9	42.9	0.0
Median Family Income MSA - 33124 Miami-Miami Beach-Kendall, FL MD		\$49,264	Median Housing Value			\$244,010
			Median Gross Rent			\$1,155
			Families Below Poverty Level			16.9%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 63 institutions operated 649 offices within this AA. Of these institutions, Bank OZK ranked 28th with 0.4 percent deposit market share. The top 3 financial institutions account for 36.2 percent of the total deposit market share.

Limited-Scope Assessment Area: North Port MSA AA

The North Port MSA AA in the state of Florida includes both Manatee and Sarasota Counties in their entireties, which comprise the entire Northport-Sarasota-Bradenton, FL MSA.

Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: North Port MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	174	2.3	24.7	45.4	26.4	1.1
Population by Geography	735,767	2.8	23.7	47.5	26.0	0.0
Housing Units by Geography	407,196	1.8	22.5	47.5	28.2	0.0
Owner-Occupied Units by Geography	221,993	1.0	18.3	50.7	29.9	0.0
Occupied Rental Units by Geography	87,917	4.5	33.8	43.7	18.1	0.0
Vacant Units by Geography	97,286	1.2	21.6	43.5	33.7	0.0
Businesses by Geography	87,679	1.3	19.3	45.2	34.2	0.0
Farms by Geography	2,585	1.8	19.0	43.6	35.6	0.0
Family Distribution by Income Level	194,874	19.4	19.1	21.0	40.5	0.0
Household Distribution by Income Level	309,910	23.1	17.1	18.1	41.7	0.0
Median Family Income MSA - 35840 North Port-Sarasota-Bradenton, FL MSA		\$62,814	Median Housing Value			\$210,725
			Median Gross Rent			\$1,020
			Families Below Poverty Level			8.4%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is highly competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 53 institutions operated 661 offices within this AA. Of these institutions, Bank OZK ranked 13th with 1.3 percent deposit market share. The top 3 financial institutions account for 52.2 percent of the total deposit market share.

Limited-Scope Assessment Area: Ocala MSA AA

The Ocala MSA AA in the state of Florida includes all 63 tracts within Marion County, Florida. Marion County is the only county comprising the full MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Ocala MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	63	3.2	23.8	54.0	15.9	3.2
Population by Geography	336,811	2.3	18.5	63.6	15.7	0.0
Housing Units by Geography	163,687	2.0	17.9	66.6	13.6	0.0
Owner-Occupied Units by Geography	99,961	0.6	14.5	69.6	15.3	0.0
Occupied Rental Units by Geography	32,326	5.6	26.3	56.5	11.6	0.0
Vacant Units by Geography	31,400	2.6	20.0	67.3	10.1	0.0
Businesses by Geography	26,991	1.9	16.7	64.2	17.2	0.0
Farms by Geography	1,747	0.9	17.6	68.2	13.3	0.0
Family Distribution by Income Level	86,114	19.3	19.5	21.6	39.7	0.0
Household Distribution by Income Level	132,287	21.4	17.5	19.4	41.7	0.0
Median Family Income MSA - 36100 Ocala, FL MSA		\$48,128	Median Housing Value			\$115,544
			Median Gross Rent			\$802
			Families Below Poverty Level			13.2%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 21 institutions operated 77 offices within this AA. Of these institutions, Bank OZK ranked 8th with 2.9 percent deposit market share. The top 3 financial institutions account for 46.5 percent of the total deposit market share.

Limited-Scope Assessment Area: Punta Gorda MSA AA

The Punta Gorda MSA AA in the state of Florida includes all 39 tracts within Charlotte County, Florida that makes up the Punta Gorda MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area Assessment Area: Punta Gorda MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	39	0.0	15.4	59.0	23.1	2.6
Population by Geography	165,783	0.0	14.4	69.7	15.8	0.0
Housing Units by Geography	101,195	0.0	13.1	66.8	20.1	0.0
Owner-Occupied Units by Geography	56,019	0.0	10.7	70.6	18.6	0.0
Occupied Rental Units by Geography	15,837	0.0	23.5	66.1	10.4	0.0
Vacant Units by Geography	29,339	0.0	12.1	59.9	28.1	0.0
Businesses by Geography	18,759	0.0	15.5	67.1	17.4	0.0
Farms by Geography	613	0.0	26.8	61.7	11.6	0.0
Family Distribution by Income Level	46,876	17.3	20.7	21.8	40.2	0.0
Household Distribution by Income Level	71,856	21.4	17.9	19.3	41.4	0.0
Median Family Income MSA - 39460 Punta Gorda, FL MSA		\$54,478	Median Housing Value			\$160,661
			Median Gross Rent			\$912
			Families Below Poverty Level			8.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 16 institutions operated 51 offices within this AA. Of these institutions, Bank OZK ranked 12th with 2.0 percent deposit market share. The top 3 financial institutions account for 50.5 percent of the total deposit market share.

STATE OF GEORGIA

Limited-Scope Assessment Area: Athens MSA AA

The Athens MSA AA in the state of Georgia includes Clarke and Oconee Counties, two of the four counties that comprise the Athens-Clarke County, GA MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Bank OZK Athens Clarke County GA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	19.4	11.1	27.8	38.9	2.8
Population by Geography	155,305	17.1	10.0	28.4	39.5	5.0
Housing Units by Geography	64,376	17.7	10.4	32.4	39.0	0.5
Owner-Occupied Units by Geography	27,002	9.1	6.8	30.1	53.9	0.0
Occupied Rental Units by Geography	28,234	24.2	13.3	34.3	27.2	1.0
Vacant Units by Geography	9,140	23.0	12.2	33.1	31.1	0.7
Businesses by Geography	10,959	12.9	7.0	29.2	49.1	1.8
Farms by Geography	413	3.9	6.3	20.1	68.8	1.0
Family Distribution by Income Level	30,336	25.2	13.8	16.9	44.0	0.0
Household Distribution by Income Level	55,236	29.9	13.5	14.3	42.3	0.0
Median Family Income MSA - 12020 Athens-Clarke County, GA MSA		\$57,116	Median Housing Value			\$173,689
			Median Gross Rent		\$809	
			Families Below Poverty Level		16.8%	
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 16 institutions operated 43 offices within this AA. Of these institutions, Bank OZK ranked 12th with 1.5 percent deposit market share. The top 3 financial institutions account for 60.4 percent of the total deposit market share.

Limited-Scope Assessment Area: Brunswick MSA AA

The Brunswick MSA AA in the state of Georgia includes all 16 tracts within Glynn County, which is one of three counties in the Brunswick Georgia MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Brunswick MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	6.3	25.0	25.0	37.5	6.3
Population by Geography	81,743	5.0	26.2	33.8	34.9	0.0
Housing Units by Geography	41,471	4.2	24.5	27.5	43.9	0.0
Owner-Occupied Units by Geography	19,709	2.0	20.0	31.1	46.9	0.0
Occupied Rental Units by Geography	12,602	7.8	37.4	30.3	24.4	0.0
Vacant Units by Geography	9,160	3.9	16.3	15.6	64.2	0.0
Businesses by Geography	7,075	7.5	29.9	19.7	42.9	0.0
Farms by Geography	159	3.1	17.6	24.5	54.7	0.0
Family Distribution by Income Level	21,755	21.2	15.3	19.6	43.9	0.0
Household Distribution by Income Level	32,311	23.9	14.8	17.4	43.9	0.0
Median Family Income MSA - 15260 Brunswick, GA MSA		\$52,987	Median Housing Value			\$192,495
			Median Gross Rent			\$864
			Families Below Poverty Level			14.7%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 14 institutions operated 31 offices within this AA. Of these institutions, Bank OZK ranked 10th with 3.5 percent deposit market share. The top 3 financial institutions account for 40.7 percent of the total deposit market share.

Limited-Scope Assessment Area: Columbus MSA AA

The Columbus MSA AA in the state of Georgia includes all 53 tracts within Muscogee County, Georgia. The Columbus, GA-AL MSA consists of 3 other counties. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Columbus MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	53	18.9	30.2	28.3	20.8	1.9
Population by Geography	200,285	11.0	24.8	33.4	29.6	1.2
Housing Units by Geography	83,503	12.9	26.1	30.7	30.3	0.0
Owner-Occupied Units by Geography	36,266	4.5	24.5	30.5	40.5	0.0
Occupied Rental Units by Geography	36,494	19.4	25.7	32.3	22.6	0.0
Vacant Units by Geography	10,743	18.9	32.8	26.0	22.1	0.2
Businesses by Geography	11,221	9.7	21.0	36.2	33.0	0.1
Farms by Geography	251	4.0	21.5	32.3	41.4	0.8
Family Distribution by Income Level	46,385	23.8	17.4	18.0	40.8	0.0
Household Distribution by Income Level	72,760	25.4	15.2	16.6	42.9	0.0
Median Family Income MSA - 17980 Columbus, GA-AL MSA		\$53,554	Median Housing Value			\$131,583
			Median Gross Rent			\$831
			Families Below Poverty Level			15.8%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 13 institutions operated 40 offices within this AA. Of these institutions, Bank OZK ranked 9th with 0.5 percent deposit market share. The top 3 financial institutions account for 91.7 percent of the total deposit market share.

Limited-Scope Assessment Area: Dalton MSA AA

The Dalton MSA AA in the state of Georgia includes Murray and Whitfield Counties which comprises the Dalton MSA in its entirety. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Dalton MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	26	0.0	19.2	53.8	26.9	0.0
Population by Geography	142,857	0.0	19.2	49.8	30.9	0.0
Housing Units by Geography	55,549	0.0	18.2	50.1	31.7	0.0
Owner-Occupied Units by Geography	31,866	0.0	16.1	50.2	33.8	0.0
Occupied Rental Units by Geography	16,945	0.0	21.1	49.6	29.3	0.0
Vacant Units by Geography	6,738	0.0	20.8	50.9	28.3	0.0
Businesses by Geography	7,251	0.0	17.0	51.5	31.5	0.0
Farms by Geography	196	0.0	5.6	62.2	32.1	0.0
Family Distribution by Income Level	35,878	20.4	19.5	20.0	40.2	0.0
Household Distribution by Income Level	48,811	21.9	18.0	17.8	42.2	0.0
Median Family Income MSA - 19140 Dalton, GA MSA		\$47,062	Median Housing Value			\$113,247
			Median Gross Rent			\$664
			Families Below Poverty Level			15.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 11 institutions operated 30 offices within this AA. Of these institutions, Bank OZK ranked 4th with 12.0 percent deposit market share. The top 3 financial institutions account for 49.4 percent of the total deposit market share.

Limited-Scope Assessment Area: Gainesville MSA AA

The Gainesville MSA AA in the state of Georgia includes all 36 tracts within Hall County, Georgia. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Gainesville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	36	5.6	19.4	41.7	33.3	0.0
Population by Geography	187,916	6.1	18.9	42.3	32.8	0.0
Housing Units by Geography	69,302	5.4	16.2	45.4	33.0	0.0
Owner-Occupied Units by Geography	41,434	1.2	12.4	44.6	41.8	0.0
Occupied Rental Units by Geography	20,558	13.1	25.1	43.7	18.1	0.0
Vacant Units by Geography	7,310	7.3	12.4	55.0	25.3	0.0
Businesses by Geography	12,868	9.6	17.4	40.7	32.2	0.0
Farms by Geography	417	3.4	14.4	43.9	38.4	0.0
Family Distribution by Income Level	45,810	20.6	18.0	20.3	41.0	0.0
Household Distribution by Income Level	61,992	22.5	17.0	18.8	41.7	0.0
Median Family Income MSA - 23580 Gainesville, GA MSA		\$58,558	Median Housing Value			\$161,600
			Median Gross Rent			\$908
			Families Below Poverty Level			14.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 18 institutions operated 46 offices within this AA. Of these institutions, Bank OZK ranked 18th with 0.3 percent deposit market share. The top 3 financial institutions account for 43.5 percent of the total deposit market share.

Limited-Scope Assessment Area: Macon County MSA AA

The Macon County MSA AA in the state of Georgia includes all 44 tracts within Bibb County, Georgia. Bibb county is one of 5 counties that comprises the Macon Bibb County, GA MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Macon MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	44	31.8	18.2	15.9	34.1	0.0
Population by Geography	154,816	24.2	20.3	12.9	42.7	0.0
Housing Units by Geography	70,071	24.5	20.6	14.3	40.6	0.0
Owner-Occupied Units by Geography	30,268	14.9	15.7	13.2	56.2	0.0
Occupied Rental Units by Geography	26,843	30.7	23.1	15.7	30.5	0.0
Vacant Units by Geography	12,960	34.1	26.9	14.2	24.7	0.0
Businesses by Geography	11,375	18.7	14.8	23.1	43.3	0.0
Farms by Geography	192	7.8	8.9	17.7	65.6	0.0
Family Distribution by Income Level	35,607	29.4	14.1	16.0	40.5	0.0
Household Distribution by Income Level	57,111	29.8	15.2	14.2	40.8	0.0
Median Family Income MSA - 31420 Macon-Bibb County, GA MSA		\$51,727	Median Housing Value			\$115,534
			Median Gross Rent			\$727
			Families Below Poverty Level			22.7%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 13 institutions operated 39 offices within this AA. Of these institutions, Bank OZK ranked 6th with 3.5 percent deposit market share. The top 3 financial institutions account for 65.7 percent of the total deposit market share.

Limited-Scope Assessment Area: Rome MSA AA

The Rome MSA AA in the state of Georgia includes all 20 tracts within Floyd County that comprises the Rome, GA MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Rome MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	20	5.0	30.0	40.0	25.0	0.0
Population by Geography	96,169	3.6	28.1	40.6	27.7	0.0
Housing Units by Geography	40,458	4.0	27.6	40.2	28.1	0.0
Owner-Occupied Units by Geography	21,182	1.4	19.4	44.0	35.2	0.0
Occupied Rental Units by Geography	13,692	7.1	40.0	35.0	17.9	0.0
Vacant Units by Geography	5,584	6.2	28.8	38.8	26.2	0.0
Businesses by Geography	5,504	3.1	43.1	32.0	21.8	0.0
Farms by Geography	163	1.2	16.6	44.2	38.0	0.0
Family Distribution by Income Level	23,513	22.3	17.5	18.9	41.3	0.0
Household Distribution by Income Level	34,874	25.4	15.4	16.3	42.8	0.0
Median Family Income MSA - 40660 Rome, GA MSA		\$51,379	Median Housing Value			\$115,813
			Median Gross Rent			\$678
			Families Below Poverty Level			16.4%
<p><i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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></p>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 9 institutions operated 20 offices within this AA. Of these institutions, Bank OZK ranked 9th with 3.8 percent deposit market share. The top 3 financial institutions account for 49.9 percent of the total deposit market share.

Limited-Scope Assessment Area: Savannah MSA AA

The Savannah MSA AA in the state of Georgia includes all 72 tracts within Chatham County, Georgia which is one of three counties in the entire Savannah MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Savannah MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	72	13.9	37.5	22.2	22.2	4.2
Population by Geography	279,290	10.1	29.8	29.0	31.1	0.0
Housing Units by Geography	121,877	9.8	29.7	29.2	31.3	0.0
Owner-Occupied Units by Geography	57,315	5.6	21.2	33.5	39.8	0.0
Occupied Rental Units by Geography	47,597	13.4	39.5	24.3	22.7	0.0
Vacant Units by Geography	16,965	13.8	31.2	28.4	26.6	0.1
Businesses by Geography	20,864	8.9	23.7	33.9	33.2	0.4
Farms by Geography	380	5.3	23.9	39.2	31.6	0.0
Family Distribution by Income Level	64,069	25.1	16.6	20.2	38.2	0.0
Household Distribution by Income Level	104,912	26.9	16.5	17.6	39.0	0.0
Median Family Income MSA - 42340 Savannah, GA MSA		\$61,754	Median Housing Value			\$188,202
			Median Gross Rent			\$955
			Families Below Poverty Level			14.4%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 19 institutions operated 83 offices within this AA. Of these institutions, Bank OZK ranked 10th with 1.5 percent deposit market share. The top 3 financial institutions account for 61.9 percent of the total deposit market share.

Limited-Scope Assessment Area: Valdosta MSA AA

The Valdosta MSA AA in the state of Georgia includes all 25 tracts within Lowndes County, Georgia. Lowndes County is one of the four counties that comprise the full Valdosta MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Valdosta MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	25	12.0	28.0	24.0	36.0	0.0
Population by Geography	113,203	9.6	28.8	26.4	35.2	0.0
Housing Units by Geography	45,399	10.4	30.8	25.0	33.9	0.0
Owner-Occupied Units by Geography	20,190	6.2	17.0	29.9	46.9	0.0
Occupied Rental Units by Geography	19,138	14.2	44.7	18.8	22.4	0.0
Vacant Units by Geography	6,071	12.4	32.8	27.9	26.9	0.0
Businesses by Geography	6,865	11.0	32.2	19.1	37.7	0.0
Farms by Geography	225	5.8	17.3	25.8	51.1	0.0
Family Distribution by Income Level	24,591	23.9	16.3	16.8	42.9	0.0
Household Distribution by Income Level	39,328	25.1	15.7	16.1	43.1	0.0
Median Family Income MSA - 46660 Valdosta, GA MSA		\$47,592	Median Housing Value			\$124,338
			Median Gross Rent			\$751
			Families Below Poverty Level			18.8%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 17 institutions operated 38 offices within this AA. Of these institutions, Bank OZK ranked 4th with 7.0 percent deposit market share. The top 3 financial institutions account for 45.5 percent of the total deposit market share.

Limited-Scope Assessment Area: GA Non-MSA AA

The GA Non-MSA AA consists of the following non-contiguous counties throughout the State of Georgia: Barrow, Bartow, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Paulding, Pickens, Rockdale, and Walton. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: GA Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	68	0.0	8.8	55.9	35.3	0.0
Population by Geography	334,849	0.0	9.3	57.4	33.4	0.0
Housing Units by Geography	156,214	0.0	8.3	58.0	33.7	0.0
Owner-Occupied Units by Geography	86,192	0.0	6.6	55.1	38.3	0.0
Occupied Rental Units by Geography	35,788	0.0	15.4	62.5	22.1	0.0
Vacant Units by Geography	34,234	0.0	5.2	60.7	34.1	0.0
Businesses by Geography	21,471	0.0	10.1	55.7	34.2	0.0
Farms by Geography	1,153	0.0	9.2	57.4	33.4	0.0
Family Distribution by Income Level	86,462	18.6	16.2	19.5	45.7	0.0
Household Distribution by Income Level	121,980	21.4	14.4	16.5	47.7	0.0
Median Family Income Non-MSAs - GA		\$45,816	Median Housing Value			\$150,446
			Median Gross Rent			\$701
			Families Below Poverty Level			15.3%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 32 institutions operated 84 offices within this AA. Of these institutions, Bank OZK ranked 3rd with 10.14 percent deposit market share.

STATE OF NORTH CAROLINA

Limited-Scope Assessment Area: Greensboro MSA AA

The Greensboro MSA AA in the state of North Carolina includes Guilford and Randolph Counties in their entirety, which is two of the three counties in the Greensboro-High Point MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Greensboro MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	28	0.0	28.6	60.7	10.7	0.0
Population by Geography	142,370	0.0	25.5	63.4	11.1	0.0
Housing Units by Geography	61,221	0.0	26.2	62.8	11.0	0.0
Owner-Occupied Units by Geography	39,612	0.0	20.4	66.5	13.1	0.0
Occupied Rental Units by Geography	14,895	0.0	39.5	54.5	6.1	0.0
Vacant Units by Geography	6,714	0.0	30.6	59.5	9.9	0.0
Businesses by Geography	7,470	0.0	30.1	58.9	10.9	0.0
Farms by Geography	405	0.0	15.6	72.8	11.6	0.0
Family Distribution by Income Level	38,074	23.0	20.3	19.8	36.8	0.0
Household Distribution by Income Level	54,507	23.5	18.2	18.2	40.1	0.0
Median Family Income MSA - 24660 Greensboro-High Point, NC MSA		\$55,218	Median Housing Value			\$120,801
			Median Gross Rent			\$646
			Families Below Poverty Level			13.6%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is highly competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 19 institutions operated 149 offices within this AA. Of these institutions, Bank OZK ranked 15th with 0.4 percent deposit market share. The top 3 financial institutions account for 53.9 percent of the total deposit market share.

Limited-Scope Assessment Area: Wilmington MSA AA

The Wilmington MSA AA in the state of North Carolina includes all 45 tracts within New Hanover County, North Carolina. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Wilmington MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	45	17.8	8.9	31.1	37.8	4.4
Population by Geography	213,091	15.5	8.6	41.3	34.6	0.0
Housing Units by Geography	104,141	14.8	8.4	38.5	38.3	0.0
Owner-Occupied Units by Geography	50,638	5.2	4.9	45.9	44.0	0.0
Occupied Rental Units by Geography	37,765	28.1	14.4	34.7	22.7	0.0
Vacant Units by Geography	15,738	13.6	5.0	23.6	57.7	0.0
Businesses by Geography	18,014	14.9	8.6	31.9	44.3	0.3
Farms by Geography	376	8.8	7.4	44.1	39.4	0.3
Family Distribution by Income Level	51,829	22.1	16.7	18.1	43.0	0.0
Household Distribution by Income Level	88,403	24.7	14.9	17.5	42.9	0.0
Median Family Income MSA - 48900 Wilmington, NC MSA		\$64,357	Median Housing Value			\$234,632
			Median Gross Rent			\$930
			Families Below Poverty Level			11.4%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 20 institutions operated 66 offices within this AA. Of these institutions, Bank OZK ranked 13th with 1.3 percent deposit market share. The top 3 financial institutions account for 63.5 percent of the total deposit market share.

Limited-Scope Assessment Area: Winston Salem MSA AA

The Winston Salem MSA AA in the state of North Carolina includes Davidson, Davie, and Forsyth Counties, three of the five counties that make up the full MSA, in their entirety.

Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Winston Salem MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	134	11.9	17.2	36.6	32.8	1.5
Population by Geography	566,998	8.8	18.3	37.9	34.2	0.7
Housing Units by Geography	250,848	8.9	18.6	38.8	33.3	0.4
Owner-Occupied Units by Geography	147,684	3.9	12.5	42.6	41.0	0.1
Occupied Rental Units by Geography	75,635	17.7	28.5	31.5	21.4	0.9
Vacant Units by Geography	27,529	11.2	24.2	39.0	25.2	0.4
Businesses by Geography	32,074	6.7	15.9	36.3	40.5	0.6
Farms by Geography	1,021	2.6	8.3	48.1	40.7	0.2
Family Distribution by Income Level	146,359	21.8	17.1	18.7	42.4	0.0
Household Distribution by Income Level	223,319	23.0	16.5	17.0	43.4	0.0
Median Family Income MSA - 49180 Winston-Salem, NC MSA		\$56,536	Median Housing Value			\$149,749
			Median Gross Rent			\$715
			Families Below Poverty Level			13.0%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 17 institutions operated 128 offices within this AA. Of these institutions, Bank OZK ranked 11th with 0.5 percent deposit market share. The top 3 financial institutions account for 87.6 percent of the total deposit market share.

Limited-Scope Assessment Area: NC Non-MSA AA

The NC Non-MSA AA in the state of North Carolina includes the following contiguous counties: Cleveland and Rutherford. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: NC Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	35	0.0	14.3	74.3	11.4	0.0
Population by Geography	164,043	0.0	15.6	76.5	7.9	0.0
Housing Units by Geography	77,151	0.0	15.0	74.9	10.1	0.0
Owner-Occupied Units by Geography	44,416	0.0	13.1	78.2	8.7	0.0
Occupied Rental Units by Geography	19,463	0.0	19.6	74.7	5.6	0.0
Vacant Units by Geography	13,272	0.0	14.7	63.7	21.6	0.0
Businesses by Geography	7,383	0.0	15.4	75.6	9.0	0.0
Farms by Geography	353	0.0	7.9	83.6	8.5	0.0
Family Distribution by Income Level	43,258	21.5	18.3	21.6	38.7	0.0
Household Distribution by Income Level	63,879	25.6	15.7	17.9	40.8	0.0
Median Family Income Non-MSAs - NC		\$47,794	Median Housing Value			\$112,015
			Median Gross Rent			\$639
			Families Below Poverty Level			15.2%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 14 institutions operated 40 offices within this AA. Of these institutions, Bank OZK ranked 2nd with 20.5 percent deposit market share.

STATE OF TEXAS

Limited-Scope Assessment Area: Austin MSA AA

The Austin MSA AA in the state of Texas includes Caldwell, Travis, and Williamson counties, three of five that make up the full Austin-Round Rock MSA, in their entirety. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Austin MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	315	11.1	21.6	34.9	30.5	1.9
Population by Geography	1,634,584	10.9	21.1	34.8	31.9	1.3
Housing Units by Geography	650,174	10.8	19.0	36.2	33.0	1.0
Owner-Occupied Units by Geography	340,424	4.2	16.8	37.2	41.6	0.2
Occupied Rental Units by Geography	262,040	18.9	21.8	35.3	22.1	1.9
Vacant Units by Geography	47,710	13.4	19.6	33.8	31.3	1.8
Businesses by Geography	141,216	6.9	13.3	31.6	46.7	1.5
Farms by Geography	2,889	5.1	18.1	36.0	40.5	0.3
Family Distribution by Income Level	370,649	22.4	16.5	19.6	41.5	0.0
Household Distribution by Income Level	602,464	22.9	16.7	18.0	42.4	0.0
Median Family Income MSA - 12420 Austin-Round Rock, TX MSA		\$78,997	Median Housing Value			\$244,580
			Median Gross Rent			\$1,076
			Families Below Poverty Level			9.4%

Source: 2010 U.S. Census & 2015 ACS Census and 2017 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 AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 59 institutions operated 379 offices within this AA. Of these institutions, Bank OZK ranked 19th with 0.7 percent deposit market share. The top 3 financial institutions account for 57.6 percent of the total deposit market share.

Limited-Scope Assessment Area: Fort Worth MD AA

The Fort Worth MD AA in the state of Texas includes all 357 tracts within Tarrant County, Texas. Tarrant County is one of five counties that comprise the Fort Worth –Arlington MD. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Fort Worth MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	357	14.0	24.9	33.3	27.5	0.3
Population by Geography	1,914,526	10.6	23.9	33.9	31.7	0.0
Housing Units by Geography	732,985	10.6	23.9	34.6	30.9	0.0
Owner-Occupied Units by Geography	410,486	5.7	18.3	36.0	39.9	0.0
Occupied Rental Units by Geography	263,251	16.2	31.3	33.6	18.9	0.0
Vacant Units by Geography	59,248	19.2	30.1	28.8	21.9	0.0
Businesses by Geography	141,061	7.4	21.0	30.1	41.4	0.1
Farms by Geography	2,603	5.5	17.4	32.9	44.3	0.0
Family Distribution by Income Level	466,070	23.1	16.3	19.3	41.3	0.0
Household Distribution by Income Level	673,737	24.0	16.3	18.3	41.4	0.0
Median Family Income MSA - 23104 Fort Worth-Arlington, TX MD		\$69,817	Median Housing Value			\$155,983
			Median Gross Rent			\$946
			Families Below Poverty Level			11.6%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 64 institutions operated 425 offices within this AA. Of these institutions, Bank OZK ranked 30th with 0.4 percent deposit market share. The top 3 financial institutions account for 49.6 percent of the total deposit market share.

Limited-Scope Assessment Area: Houston MSA AA

The Houston MSA AA in the state of Texas includes all 786 tracts within Harris County, Texas, one of nine counties that make up the Houston-The Woodlands-Sugar Land MSA. Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: Houston MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	786	18.7	31.8	21.2	27.5	0.8
Population by Geography	4,356,362	15.8	30.7	25.3	27.9	0.4
Housing Units by Geography	1,660,235	16.5	29.0	24.1	30.0	0.4
Owner-Occupied Units by Geography	823,646	7.5	25.8	27.9	38.8	0.1
Occupied Rental Units by Geography	675,882	25.1	32.4	21.0	20.9	0.7
Vacant Units by Geography	160,707	26.3	31.6	18.6	23.2	0.4
Businesses by Geography	319,053	13.4	22.6	21.3	42.4	0.3
Farms by Geography	4,350	8.5	20.4	25.4	45.6	0.1
Family Distribution by Income Level	1,024,967	27.7	17.1	17.0	38.1	0.0
Household Distribution by Income Level	1,499,528	27.2	16.9	17.0	38.9	0.0
Median Family Income MSA - 26420 Houston-The Woodlands-Sugar Land, TX MSA		\$69,373	Median Housing Value			\$171,147
			Median Gross Rent			\$954
			Families Below Poverty Level			14.9%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 77 institutions operated 934 offices within this AA. Of these institutions, Bank OZK ranked 37th with 0.2 percent deposit market share. The top 3 financial institutions account for 65.5 percent of the total deposit market share.

Limited-Scope Assessment Area: San Antonio MSA AA

The San Antonio MSA AA in the state of Texas comprises of all 366 tracts within Bexar County, which is one of eight counties within the San Antonio-New Braunfels, Texas MSA.

Demographic data for this AA follows:

Demographic Information of the Assessment Area						
Assessment Area: San Antonio MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	366	9.0	35.8	25.1	29.0	1.1
Population by Geography	1,825,502	7.4	34.0	27.7	30.9	0.0
Housing Units by Geography	675,208	7.1	33.9	27.9	31.0	0.0
Owner-Occupied Units by Geography	361,851	5.3	27.8	27.5	39.4	0.0
Occupied Rental Units by Geography	256,980	8.7	41.0	28.8	21.5	0.0
Vacant Units by Geography	56,377	11.3	41.1	26.7	21.0	0.0
Businesses by Geography	110,654	5.3	24.7	28.2	41.4	0.3
Farms by Geography	2,195	3.2	20.1	28.2	48.3	0.1
Family Distribution by Income Level	419,295	24.1	17.7	19.3	39.0	0.0
Household Distribution by Income Level	618,831	25.6	16.3	18.0	40.1	0.0
Median Family Income MSA - 41700 San Antonio-New Braunfels, TX MSA		\$62,228	Median Housing Value			\$146,871
			Median Gross Rent			\$893
			Families Below Poverty Level			13.8%
<i>Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data</i> <i>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>						

The AA is competitive in the financial services market. According to the FDIC Deposit Market Share data as of June 30, 2018, 41 institutions operated 296 offices within this AA. Of these institutions, Bank OZK ranked 23rd with 0.1 percent deposit market share. The top 3 financial institutions account for 80.9 percent of the total deposit market share.