PUBLIC DISCLOSURE

November 5, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Central Bank of Lake of the Ozarks
RSSD #1015243

3848 Osage Beach Parkway
Osage Beach, Missouri 65065

Federal Reserve Bank of St. Louis

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

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

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INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: Outstanding
The Community Development Test is rated: Satisfactory

Central Bank of Lake of the Ozarks meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of loans and other lending-related activities are in the assessment area.
- The borrower's profile analysis reveals excellent penetration among businesses of different revenue sizes and individuals of different income levels, including low- and moderate-income (LMI).
- The geographic distribution of loans reflects excellent dispersion throughout the assessment area.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area. The bank has responded to these needs through community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Intermediate Small Bank Examination Procedures, which entail two performance tests: the Lending Test and the Community Development Test. Residential real estate, small business, and consumer motor vehicle loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy.[1] Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. However, as the bank has a particular emphasis on home mortgage lending, performance based on the 1–4 family residential real estate loan category carried the most significance toward the bank's overall

[1] 1–4 family residential real estate, small business, and consumer motor vehicle loan types were sampled for this review according to CA Letter 01-8, "CRA Sampling Procedures."

performance conclusions. The following table details the performance criterion and the corresponding time period used in each analysis.

Performance Criterion	Time Period
LTD Ratio	September 30, 2015 – June 30, 2018
Assessment Area Concentration	January 1, 2017 – December 31, 2017
Loan Distribution by Borrower's Profile	January 1, 2017 – December 31, 2017
Geographic Distribution of Loans	January 1, 2017 – December 31, 2017
Response to Written CRA Complaints	August 10, 2015 – November 4, 2018
Community Development Activities	August 10, 2015 – November 4, 2018

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2010 U.S. Census data; certain business and farm demographics are based on 2017 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders in an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $485.2 million to $2.3 billion as of June 30, 2018.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area:

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were considered.

To augment this evaluation, two community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. Information from these interviews assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from the community contact interviews are included in the *Description of Assessment Area* section.

DESCRIPTION OF INSTITUTION

Central Bank of Lake of the Ozarks is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is one of 13 Central Bancompany affiliate banks wholly owned by Central Bancompany, Inc., a bank holding company headquartered in Jefferson City, Missouri. The bank's branch network consists of eight branches (including the main office), all of which offer full banking services and automated teller machines (ATMs) on site. In addition, the bank operates ten stand-alone ATMs throughout the assessment area. During the review period, the bank opened a loan production office in Osage Beach, Missouri, in April 2018. Based on this branch network and other service delivery systems, such as full-service online banking capabilities, the bank is positioned to deliver services to nearly all of its assessment area. The bank may face some difficulty serving the northern portion of Morgan County, which includes a moderate-income census tract around the city of Versailles, Missouri, as the nearest bank branch is nearly 20 miles away and a substantial majority of the deposit dollars in the census tract are held by three institutions with a branch presence in the tract.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting assessment area credit needs based on its available resources and financial products. As of June 30, 2018, the bank reported total assets of $727.8 million. As of the same date, loans and leases outstanding were $406.7 million (55.9 percent of total assets), and deposits totaled $653.6 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2018		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$48,462	11.9%
Commercial Real Estate	$129,488	31.8%
Multifamily Residential	$4,378	1.1%
1–4 Family Residential	$147,226	36.2%
Farmland	$4,802	1.2%
Farm Loans	$2,308	0.6%
Commercial and Industrial	$33,509	8.2%
Loans to Individuals	$30,046	7.4%
Total Other Loans	$6,790	1.7%
Less: Unearned Income	($354)	-0.1%
TOTAL	**$406,655**	**100%**

As indicated in the table above, a significant portion of the bank's lending resources is directed to loans secured by 1–4 family residential properties and commercial real estate loans. Although not reflected in the previous table, loans to individuals (such as consumer motor vehicle loans), by number of loans originated, represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on August 10, 2015, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area is comprised of the entirety of Camden, Miller, and Morgan Counties, which are located in the nonmetropolitan statistical area (nonMSA) portion of central Missouri. The total assessment area population is 89,108, with Camden County being the most populous (43,927), followed by Miller County (24,956) and Morgan County (20,225). The bank's assessment area includes the Lake of the Ozarks, a major tourist attraction that supports a wide variety of tourism and service-related businesses, although largely on a seasonal basis. The seasonal nature of the area's economy impacts housing, as many homes in the assessment area have been purchased or built as vacation homes or secondary residences by wealthier borrowers; this trend towards higher priced homes has placed an upward pressure on housing prices, making the affordability of housing a challenge for many LMI residents in the area. Therefore, as noted by community contacts, both small business lending and affordable housing, along with a standard blend of consumer loan products, represent credit needs in the assessment area.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2018, the bank has the highest deposit market share of the 18 FDIC-insured depository institutions with a branch presence in the assessment area, accounting for 35.9 percent of the total assessment area deposit dollars.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level

Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	0	3	12	6	0	**21**
	0.0%	14.3%	57.1%	28.6%	0.0%	**100%**
Family Population	0	3,200	13,966	6,124	0	**23,290**
	0.0%	13.7%	60.0%	26.3%	0.0%	**100%**

As shown above, there are no low-income census tracts and three moderate-income census tracts in the assessment area. The portion of assessment area census tracts that are moderate-income (14.3 percent) aligns closely with the family population within those tracts (13.7 percent). Furthermore, of the 12 middle-income census tracts in the assessment area, 4—all of which are in Morgan County—were designated by the FFIEC as distressed due to poverty or underserved due to remote rural location during the review period.

Based on 2010 U.S. Census data, the median family income for the assessment area was $49,552. According to the same data, the median family income for all of nonMSA Missouri was $48,553. More recently, the FFIEC estimates the 2017 median family income for nonMSA Missouri to be $50,800. The following table displays the distribution of families by income level in the assessment area compared to nonMSA Missouri as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	4,723	4,272	4,666	9,629	**23,290**
	20.3%	18.3%	20.0%	41.3%	**100%**
NonMSA Missouri	81,501	72,180	84,266	159,541	**397,488**
	20.5%	18.2%	21.2%	40.1%	**100%**

When compared with the first table in this section, a significantly higher percentage of families in the assessment area are LMI (38.6 percent) than reside in LMI census tracts (13.7 percent). As shown in the table above, the percentage of families in the assessment area that are LMI is nearly identical to the LMI family population in nonMSA Missouri as a whole. Similarly, the percentage of families living below the poverty line in the assessment area (14.4 percent) is closely aligned with the figure for all of nonMSA Missouri (14.2 percent). Based on these factors, the assessment area is similarly affluent to nonMSA Missouri as a whole.

Housing Demographics

The following table displays housing demographics, including the affordability ratio, which measures the extent to which a family earning the median family income can afford a median-priced home in the assessment area, compared to nonMSA Missouri as a whole.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$146,452	27.6%	$645
NonMSA Missouri	$100,700	38.0%	$612

While income levels in the assessment area align closely with that of nonMSA Missouri, housing in the assessment area is much less affordable than in nonMSA Missouri, as reflected by a higher median home value and lower affordability ratio in the assessment area than in nonMSA

Missouri as a whole. Median housing values varied greatly by county in the assessment area, with the lowest value in Morgan County ($109,300) and highest median value in Camden County ($169,700); overall, housing is least affordable in Camden County, evidenced by an affordability ratio of 26.4 percent. Similarly, the percentage of renters with rental costs greater than 30 percent of monthly income is greater in the assessment area (42.3 percent) than in nonMSA Missouri (40.6 percent).

Based on this data and information gained from community contacts, homeownership may be out of reach for many residents in the assessment area, particularly in Camden County. According to community contacts, an influx of wealthy retirees and high volume of vacation and secondary homes have increased housing prices throughout the assessment area and created a shortage of affordable housing. This is consistent with housing demographic data, which reveals that owner-occupied housing levels in the assessment area (38.2 percent) are far below the figure for nonMSA Missouri (54.7 percent).

Industry and Employment Demographics

The assessment area supports a strong small business sector driven primarily by the tourism and service-related industries associated with the Lake of the Ozarks. County business patterns indicate that there are 22,890 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are retail trade (26.1 percent), accommodation and food services (15.8 percent), and health care and social assistance (14.2 percent). The table below details unemployment data from the U.S. Department of Labor Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Missouri as a whole.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	**Assessment Area**	**NonMSA Missouri**
2015	6.4%	5.9%
2016	5.6%	5.5%
2017	4.8%	4.5%

As shown in the table above, unemployment levels in the assessment area remained slightly higher than in nonMSA Missouri as a whole throughout the review period, although both experienced a generally decreasing trend.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank’s activities in this assessment area were evaluated. One interview was conducted with an individual specializing in small business development and the other with a representative of a community and economic development organization.

Both contacts characterized the economy as good and growing due to growth in the tourism industry. Demographics in the assessment area, according to the contacts, are largely homogenous and stable, although both contacts noted that younger, working-age individuals were leaving the area in higher numbers for education purposes and job opportunities. Slightly offsetting this population loss, however, is an increase in retirement-age individuals moving to the area, which has increased the need for health care-related jobs. Although the community contacts described the local economy as improving, poor credit history was identified as a barrier faced by many LMI individuals and small businesses in the assessment area. Additionally, both contacts noted the impact of substance abuse on the local labor market, as many LMI residents have struggled to obtain employment and many small businesses have struggled to fill open positions as a result of drug testing requirements.

Regarding credit needs in the assessment area, both contacts pointed to the need for financial literacy training and credit counseling for families and businesses. One contact went on to state that more flexible or innovative lending to small businesses, such as small business loan funds, was an opportunity for further participation by financial institutions in the area. Additionally, one contact described the need for affordable housing in the assessment area as urgent. According to the contact, the influx of wealthy retirees and high amount of housing stock sold as vacation homes has increased the cost of homes in the area and made homeownership out of reach for many LMI residents, especially due to higher down payment requirements. The contact noted affordable housing development as an opportunity for participation by area banks and described a particular organization as being active in working toward a solution to address the need for affordable housing, although no actionable plan is currently in place. When describing the performance of local financial institutions, both community contacts stated that there was room for improvement but identified Central Bank of Lake of the Ozarks as being active in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The chart below displays the bank's average LTD ratio compared to those of regional peers. The average LTD ratio represents a 12-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of June 30, 2018**	**Average LTD Ratio**
Central Bank of Lake of the Ozarks	Osage Beach, Missouri	$727,794	61.6%
Regional Banks	Springfield, Missouri	$914,110	99.7%
	Sullivan, Missouri	$485,216	100.1%
	Jefferson City, Missouri	$2,333,498	57.2%

Based on data from the above table, the bank's level of lending is below that of several of the other banks in the region. The bank's LTD ratio was relatively stable during the review period, ranging from a low of 58.3 percent to a high of 64.7 percent. In comparison, two peer banks experienced similarly stable LTD ratios throughout the review period while one peer experienced a generally increasing trend. As previously mentioned, the bank is the market leader in deposit market share in the assessment area, accounting for 35.9 percent of all assessment area deposit dollars. Furthermore, compared to 2017 HMDA and CRA aggregate reports, the bank had a larger number of 1–4 family residential real estate and small business loan originations in the assessment area than any institution required to report HMDA or CRA data. Considering these factors, along with the bank's size, financial condition, and assessment area credit needs, the bank's average LTD ratio is reasonable.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside of Assessment Area January 1, 2017 through December 31, 2017						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
1–4 Family Residential Real Estate	105	76.1%	33	23.9%	**138**	**100%**
	$15,424	74.5%	$5,282	25.5%	**$20,706**	**100%**
Small Business	148	90.8%	15	9.2%	**163**	**100%**
	$15,682	93.0%	$1,180	7.0%	**$16,862**	**100%**
Consumer	137	91.9%	12	8.1%	**149**	**100%**
	$1,320	86.7%	$203	13.3%	**$1,523**	**100%**
TOTAL LOANS	**390**	**86.7%**	**60**	**13.3%**	**450**	**100%**
	$32,426	**83.0%**	**$6,665**	**17.1%**	**$39,091**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 86.7 percent of the total loans were made inside the assessment area, accounting for 83.0 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is excellent, based on performance from all three loan categories reviewed. When determining overall conclusions, performance in the 1–4 family residential real estate loan category received the most weight, followed by small business lending and consumer motor vehicle lending.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($50,800 for nonMSA Missouri as of 2017). The following table shows the distribution of 1–4 family residential real estate loans by borrower income level compared to the distribution of assessment area families by income level, along with 2017 aggregate data for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
1–4 Family Residential Real Estate	8	7.6%	12	11.4%	22	21.0%	48	45.7%	15	14.3%	**105**	**100%**
Family Population	20.3%		18.3%		20.0%		41.3%		0.0%		**100%**	
2017 HMDA Aggregate	2.4%		7.9%		13.4%		62.0%		14.3%		**100%**	

The bank's lending performance to low-income borrowers (7.6 percent) is below the low-income family population figure (20.3 percent) but is considered reasonable when compared to aggregate lending performance (2.4 percent) and in light of assessment area housing demographics. As previously discussed, homeownership is out of reach for many LMI residents in the assessment area due to relatively high housing costs; the disparity between the lending performance of the bank and other lenders in the area and the low-income family population is due in part to the lack of affordable housing, described by community contacts. Rising housing prices are exacerbated by vacation and secondary homes in the assessment area, which further increase real estate values and reduce owner-occupied housing levels. Given these economic and demographic factors, mortgage lending to low-income borrowers is likely a challenge for financial institutions.

When measuring lending performance to moderate-income borrowers, the bank's level of lending (11.4 percent) is in line with aggregate lending performance (7.9 percent) and below the percentage of assessment area families that are moderate-income (18.3 percent). This reflects reasonable performance lending to moderate-income borrowers.

Combined, the bank's distribution of 1–4 family residential real estate lending to LMI borrowers (19.0 percent) is above the combined aggregate performance (10.3 percent) but well below the LMI family population figure (38.6 percent), reflecting reasonable overall performance.

Next, small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2017 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2017 through December 31, 2017								
Gross Revenue	**Loan Amounts in $000s**						**TOTAL**	
	≤$100		**>$100 and ≤$250**		**>$250 and ≤$1,000**			
$1 Million or Less	94	63.5%	26	17.6%	13	8.8%	**133**	**89.9%**
Greater than $1 Million/Unknown	6	4.1%	4	2.7%	5	3.4%	**15**	**10.1%**
TOTAL	**100**	**67.6%**	**30**	**20.3%**	**18**	**12.2%**	**148**	**100%**
Dun & Bradstreet Businesses ≤ $1 Million							**91.4%**	
2017 CRA Aggregate Data							**52.4%**	

Of the bank's total small business loans, 89.9 percent were made to businesses with annual revenues of $1 million or less, which aligns closely with the demographic estimate of businesses in the assessment area with annual revenues of $1 million or less (91.4 percent). In comparison, the bank's level of lending to small businesses far exceeded the aggregate lending level (52.4 percent). According to one community contact, greater access to capital is a key need of small businesses in the assessment area. The bank's willingness to meet this credit need is evidenced by the fact that 70.7 percent of the bank's loans to small businesses were in amounts of $100,000 or less. Given this context and the bank's strong performance relative to other lenders in the assessment area, the bank's level of lending to small businesses is considered excellent.

Lastly, consumer motor vehicle lending was analyzed by borrower income level compared to the distribution of households by income level, as shown in the following table.

Distribution of Loans Inside Assessment Area by Income Level of Borrower January 1, 2017 through December 31, 2017												
	Borrower Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Consumer Motor Vehicle Loans	34	24.8%	30	21.9%	29	21.2%	43	31.4%	1	0.7%	**137**	**100 %**
Household Population	22.2%		16.6%		17.2%		43.9%		0.0%		**100%**	

As displayed in the above table, the bank's percentage of consumer motor vehicle loans made to low-income borrowers (24.8 percent) is in line with the low-income household population level (22.2 percent). While demographic data for the assessment area shows that 22.2 percent of households in the assessment area are low-income, performance context from community contacts and assessment area demographics indicate that the bank may struggle to serve a significant portion of the low-income household population. Of the total households in the assessment area, 18.3 percent fall below the poverty line and are unlikely to qualify for credit; in addition, community contacts pointed to poor credit history as a barrier for many LMI residents in the assessment area. In light of these factors, the bank's consumer motor vehicle lending to low-income borrowers is considered excellent.

Similarly, lending to moderate-income borrowers is considered excellent, as the bank's percentage of consumer motor vehicle loans made to moderate-income borrowers (21.9 percent) is well above the moderate-income household population level (16.6 percent). Combined, the bank's distribution of consumer vehicle loans to LMI borrowers (46.7 percent) is also well above the LMI household population (38.8 percent), reflecting excellent overall distribution of consumer vehicle loans by borrower's profile.

Geographic Distribution of Loans

As noted previously, the assessment area includes three moderate-income census tracts, accounting for 14.3 percent of all assessment area census tracts, and no low-income census tracts. Consequently, the bank's geographic distribution for each loan product is based entirely on performance in moderate-income census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects excellent penetration throughout these moderate-income census tracts, based on all three loan categories reviewed. As previously stated, performance in the 1–4 family residential real estate loan category carried the most significance in the overall geographic distribution rating, followed by small business lending and consumer motor vehicle lending.

The following table displays the geographic distribution of 2017 1–4 family residential real estate loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Distribution of Loans Inside Assessment Area by Geography Income Level

January 1, 2017 through December 31, 2017

	Geography Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
1–4 Family Residential Real Estate	0	0.0%	17	16.2%	59	56.2%	29	27.6%	0	0.0%	**105**	**100%**
Owner-Occupied Housing	0.0%		14.0%		59.7%		26.4%		0.0%		**100%**	
2017 HMDA Aggregate	0.0%		10.7%		50.3%		38.9%		0.1%		**100%**	

The bank's lending in moderate-income census tracts by number of loans (16.2 percent) is well above other lenders in the assessment area, based on 2017 aggregate data, which indicates that 10.7 percent of aggregate HMDA loans inside the assessment area were made in moderate-income census tracts. When compared with demographic data, the bank's level of lending is in line with the percentage of all assessment area owner-occupied housing units located in moderate-income census tracts (14.0 percent). Of the owner-occupied housing units available in moderate-income census tracts, 20.0 percent are located in the moderate-income census tract surrounding the city of Versailles, Missouri, in Morgan County; as previously discussed, the bank is likely unable to serve this area of Morgan County due to the lack of a branch presence and minimal deposit market share in the census tract. The bank's ability to make home loans in moderate-income tracts is further limited by the fact that of all housing units in moderate-income census tracts, only 40.0 percent are owner-occupied, indicating that much of the housing in these tracts are vacant secondary homes. In light of this context, which indicates that portions of the owner-occupied housing stock in moderate-income census tracts is inaccessible to the bank, and in comparison to aggregate performance, the bank's level of lending is considered excellent.

The bank's geographic distribution of small business loans was also reviewed. The following table compares the bank's 2017 small business loan activity by census tract income level to the location of businesses throughout the bank's assessment area and 2017 small business aggregate data.

Distribution of Loans Inside Assessment Area by Geography Income Level
January 1, 2017 through December 31, 2017

	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	0	0.0%	30	20.3%	102	68.9%	16	10.8%	0	0.0%	**148**	**100%**
Business Institutions	0.0%		16.1%		60.5%		23.4%		0.0%		**100%**	
2017 Small Business Aggregate	0.0%		11.8%		62.6%		22.6%		3.1%		**100%**	

Based on data in the preceding table, the bank's small business lending in moderate-income census tracts (20.3 percent) is well above comparison data, which shows that only 11.8 percent of aggregate small business loans were made in moderate-income census tracts, while an estimated 16.1 percent of assessment area businesses are located in these tracts. Based on this performance, the bank's geographic distribution of small business loans is excellent.

The bank's geographic distribution of consumer motor vehicle loans was also reviewed and is compared to distribution of households by geography income level, shown in the following table.

Distribution of Bank Loans Inside Assessment Area by Income Level of Geography
January 1, 2017 through December 31, 2017

	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Consumer Motor Vehicle Loans	0	0.0%	17	12.4%	90	65.7%	30	21.9%	0	0.0%	**137**	**100%**
Household Population	0.0%		16.0%		59.6%		24.4%		0.0%		**100%**	

The bank's percentage of consumer motor vehicle loans made to borrowers residing in moderate-income census tracts (12.4 percent) is in line with the household population residing in these census tracts (16.0 percent). The bank is likely unable to serve all of the population residing in moderate-income tracts, however, as 31.2 percent of households located in moderate-income tracts are below the poverty level and are unlikely to qualify for credit. Therefore, the bank's geographic distribution of consumer motor vehicle loans is considered reasonable.

Lastly, based on reviews from all three loan categories, the bank had loan activity in all but one of the assessment area census tracts, including each of the three moderate-income census tracts. This analysis revealed no conspicuous lending gaps in LMI areas and supports that the bank's overall geographic distribution of loans is excellent.

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (August 10, 2015 through November 4, 2018).

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank made 15 qualifying loans totaling approximately $7.4 million. Of those loans, four qualified for affordable housing, five had a purpose of revitalizing or stabilizing LMI geographies, and six were for economic development. A summary of the most impactful community development loans is given below.

- Four loans totaling $2.6 million were made to organizations providing affordable housing in the assessment area. The loans provided for the upkeep of apartment units being rented at below fair market value rates, primarily to LMI residents.

- Six loans totaling $3.6 million were made for a purpose of economic development, including five loans through the Small Business Administration (SBA) loan program. These loans are responsive to a credit need in the assessment area, identified by one community contact, for flexible small business loans.

Community development investments and donations made in the assessment area totaled $2.5 million. This amount included one prior period investment for $160,000 and five qualified investments made during the current review period, totaling $2.3 million. These qualified investments included two municipal bonds issued by qualifying school districts, three municipal bonds for community services in LMI geographies, and one investment in a mortgage-backed security pool secured by affordable housing in the assessment area. In addition, the bank made 145 donations and grants totaling $328,115 to 32 separate organizations providing a variety of community services to LMI individuals and families or in LMI geographies in the assessment area. The following donations and grants were noted as being the most impactful in the assessment area.

- The bank made eight grants totaling $34,760 through the Federal Home Loan Bank's HomeStart and homeownership grant programs to LMI borrowers in the assessment area. These grants provide funds to eligible borrowers for closing costs and down payment assistance. As noted by community contacts, rising housing costs have made homeownership a challenge for many LMI residents, especially due to higher down payment requirements.

- A total of 14 donations for $52,375 were made to three organizations that were approved for Missouri's Department of Economic Development Neighborhood Assistance Program (NAP) in the assessment area. Organizations approved under NAP were identified as strengthening economic development through community services. The three organizations consist of two food pantries and a child advocacy center.

Lastly, bank employees contributed a total of 28 community development services totaling 952 hours to 10 different organizations operating in the assessment area. The following community development services were noted as being the most impactful based on information obtained from community contacts.

- One bank employee provided financial expertise to an organization promoting several economic development initiatives throughout the assessment area. The employee serves on the organization's workforce development and housing committees. This organization was identified by a community contact as being active in addressing the need for affordable housing in the assessment area.

- Two bank employees serve on the board of directors for two separate small business development organizations that help area businesses obtain small business loans through the SBA loan program. As one community contact pointed to the need for more small business counseling and greater access to capital for small businesses, these services are responsive to a credit need in the assessment area.

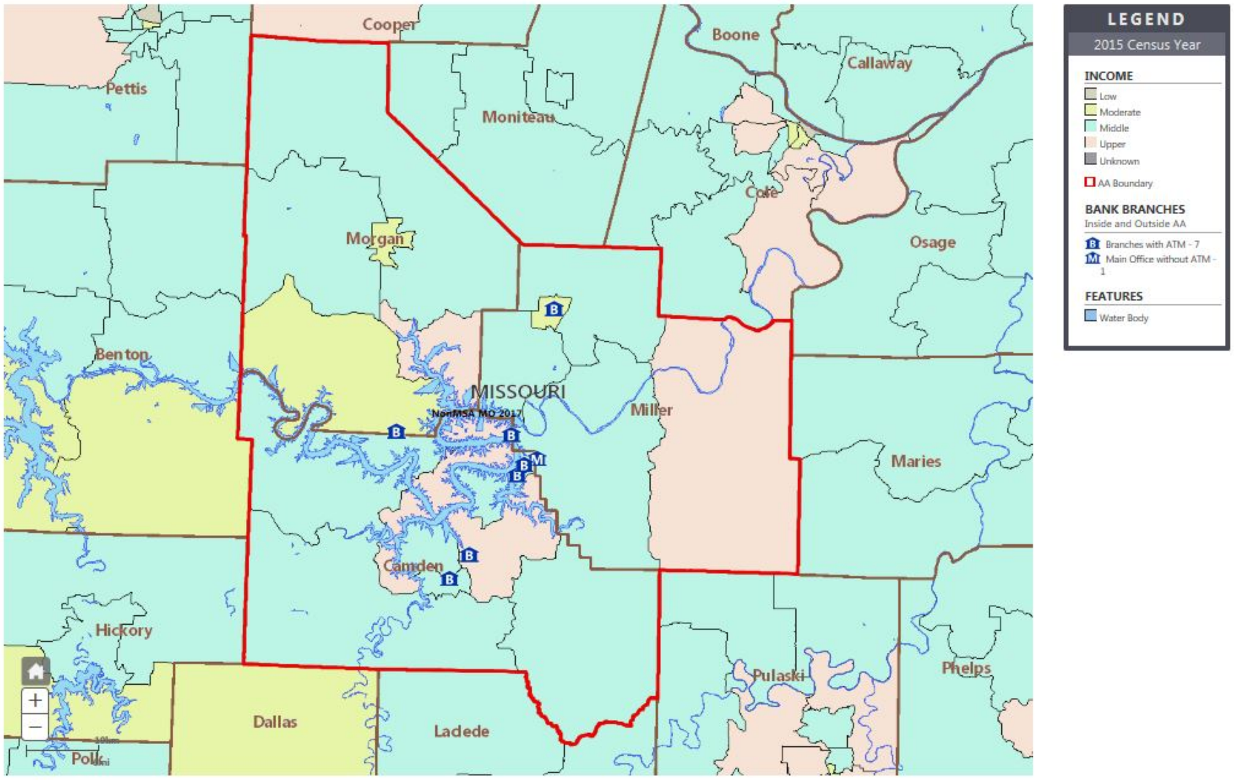
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

ASSESSMENT AREA DETAIL

Central Bank Lake of the Ozarks - Osage Beach, MO

NonMSA MO AA



PE Map

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- and moderate-income (LMI) individuals; (2) community services targeted to LMI individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in 'loans to small businesses' as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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