



# Annual Report 2019



## NOTICE OF **ANNUAL MEETING**

The annual meeting of Quail Creek Bancshares, Inc., stockholders will be held at 8:30 a.m., \_\_\_\_\_ in the J. David Davenport Board Room, 2nd floor of Quail Creek Bank, 12201 N. May Avenue, Oklahoma City, Oklahoma.



# To Our Shareholders

Banking seems to be filled with many “milestones”. As a business, we are constantly setting goals and objectives to achieve. For myself, I achieved a personal “milestone” as I have now served 40 years in the banking industry dating back to January 14, 1980 when I began my banking career with First National Bank of Oklahoma in Oklahoma City.

Within the year, on December 1, 1980 I was assigned to the Energy Lending department. Six years later, after surviving the boom/bust of the oil & gas cycle, I was appointed manager of the bank’s energy department, followed by the real estate department in 1987. I subsequently was employed by First Interstate Bank, Founder’s Bank and Bank of Oklahoma which were all critical in shaping me to become the community banker I am today.

As I can personally attest, it takes years of experience and training to become that trusted financial advisor our customers seek. I am blessed to be able to work with so many “top notch” experienced bankers that make Quail Creek Bank so unique in today’s world. Last year we dedicated the annual report to our board of directors. This year, I dedicate this report to our talented employees.

Quail Creek Bank continues as one of the “Top Performing Banks” in the nation. For the most recent year available, we were ranked 118 out of 2,919 banks in the US with assets between \$100 million and \$1 billion based on the last 3-year average return on equity (ROE). Our 3-year average pre-tax ROE was 15.0%. For 2019 loans increased to \$\_\_\_ million, assets reached \$\_\_\_ million and earnings for the year were \$\_\_\_ million.

As always, I would like to thank our valued shareholders, board of directors, employees and customers for their support and loyalty to Quail Creek Bank.



**Doug Fuller**  
President & CEO







PAM • LAURYN • ELISABETH • CARLEE • SHAQUITA • LACEY • DIANNA

## ACCOUNT SERVICES

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



JENNIFER • ALAN • CORI

## INVESTMENT CENTER

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



ASHLEY • DONNELL • AUSTIN • SHARON

## TELLERS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



JOHN • LAURA • TYLER • JOBI • MICHAEL • LORRI

## MORTGAGE

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



TIM • TAHNA • CHRIS • BLAKE • SUMMER • PHIL

## AUDIT & COMPLIANCE

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



CASADY • MONICA • FRANKLIN • CAROL • VIVIAN

## TELLERS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.





LD • KAYE • KATHY • DEREK

## COMMERCIAL LENDING

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



SUE • RYAN • DIANE • ADAM • JERIKA • CHRIS

## LOAN OPERATIONS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



JEFF • LAUREL • MIKE • ALICE • KELLY • RANDY • SHELLI • JOHN

## LOAN OFFICERS & ASSISTANTS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



CHRISTIAN • RICHELLE • BRYAN • JENNIFER • JAMES • MEGAN • LAUREN

## DEPOSIT OPS | CUSTOMER SERVICE

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



CAROLE • JEANNIE • DA'RON • TERRI • KT

## LOAN OPERATIONS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.

# CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2019

2019

2018

## ASSETS

CASH AND DUE FROM BANKS	\$ 7,866,883	6,107,923
INTEREST-BEARING DEPOSITS WITH BANKS	70,590,946	94,615,148
SECURITIES AVAILABLE FOR SALE	97,045,574	76,177,500
LOANS, NET OF ALLOWANCE FOR POSSIBLE LOAN LOSSES OF \$5,850,334 AND \$5,761,941 AT DECEMBER 31, 2019 AND 2018, RESPECTIVELY	506,767,555	503,015,668
PREMISES AND EQUIPMENT, NET	5,177,010	5,251,291
DEFERRED TAXES, NET	288,462	-
INTEREST RECEIVABLE AND OTHER ASSETS	3,844,985	3,257,180
	<hr/>	<hr/>
TOTAL ASSETS	\$ 691,581,415	688,424,710
	<hr/>	<hr/>

## LIABILITIES AND STOCKHOLDERS' EQUITY

DEPOSITS:		
NONINTEREST-BEARING	\$ 141,742,214	78,912,507
INTEREST-BEARING	478,358,238	541,069,331
TOTAL DEPOSITS	<hr/> 620,100,452	<hr/> 619,981,838
INCOME TAX PAYABLE, NET	500,000	-
INTEREST PAYABLE AND OTHER LIABILITIES	3,060,816	2,367,645
TOTAL LIABILITIES	<hr/> 623,661,268	<hr/> 622,349,483
STOCKHOLDERS' EQUITY:		
COMMON STOCK	98,266	98,266
ADDITIONAL PAID-IN CAPITAL	2,040,504	1,910,651
RETAINED EARNINGS	65,162,252	65,009,752
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	1,071,919	(450,722)
TREASURY STOCK AT COST	(452,794)	(492,720)
TOTAL STOCKHOLDERS' EQUITY	<hr/> 67,920,147	<hr/> 66,075,227
	<hr/>	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 691,581,415	688,424,710
	<hr/>	<hr/>

# CONSOLIDATED STATEMENTS OF INCOME

DECEMBER 31, 2019

2019

2018

## INTEREST INCOME:

LOANS	\$ 27,612,181	26,349,028
SECURITIES (INCLUDES \$0 AND \$(26,400) IN 2019 AND 2018, RESPECTIVELY, IN COMPREHENSIVE INCOME RECLASSIFICATION FOR REALIZED NET LOSS ON SECURITIES AVAILABLE FOR SALE)	2,173,827	2,006,959
OTHER	1,883,162	905,804
TOTAL INTEREST INCOME	<u>31,669,170</u>	<u>29,261,791</u>

## INTEREST EXPENSE:

DEPOSITS	6,189,665	3,825,101
BORROWINGS	214	105,331
TOTAL INTEREST EXPENSE	<u>6,189,879</u>	<u>3,930,432</u>
NET INTEREST INCOME	<u>25,479,291</u>	<u>25,331,359</u>
PROVISION FOR POSSIBLE LOAN LOSSES	900,000	850,000
NET INTEREST INCOME AFTER PROVISION FOR POSSIBLE LOAN LOSSES	<u>24,579,291</u>	<u>24,481,359</u>

## NONINTEREST INCOME:

SERVICE CHARGES ON DEPOSIT ACCOUNTS	631,253	698,689
OTHER SERVICE CHARGES AND FEES	1,310,058	1,094,374
TOTAL NONINTEREST INCOME	<u>1,941,311</u>	<u>1,793,063</u>

## NONINTEREST EXPENSE:

SALARIES AND EMPLOYEE BENEFITS	8,973,827	8,933,811
OCCUPANCY	396,986	416,720
FURNITURE AND EQUIPMENT	340,827	500,095
OTHER REAL ESTATE OWNED	1,332,563	35,791
COMPUTER SERVICES	735,029	674,576
OTHER	3,485,663	3,559,241
TOTAL NONINTEREST EXPENSE	<u>15,264,895</u>	<u>14,120,234</u>
NET INCOME BEFORE TAXES	<u>11,255,707</u>	<u>12,154,188</u>
INCOME TAX EXPENSE	<u>211,538</u>	<u>-</u>

## NET INCOME

\$ 11,044,169	12,154,188
---------------	------------





KELLY • BRENDA • LAUREL • KATHY • SHELLI • LINDSAY • ALICE • BRITTANY • KAYE

## LOAN SERVICES

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



ELISABETH • JOHN • PHYLLIS • MARK • JULIE • HANK • FAY

## OPERATIONS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



BRENDA • STEPHANIE

## CONSUMER LENDING

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



SUSAN • KENTON • SHELLI • JOHN • BRITTANY • JIM

## COMMERCIAL LENDING

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



ERIN • NOK • REGAN • KATHY

## CASH MANAGEMENT | ADVERTISING

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



LD • KAYE • KATHY • DEREK

## COMMERCIAL LENDING

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.

SUE • RYAN • DIANE • ADAM • JERIKA • CHRIS

## LOAN OPERATIONS

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



## WE ARE QUAIL CREEK BANK

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.

CHRISTIAN • RICHELLE • BRYAN • JENNIFER • JAMES • MEGAN • LAUREN

## DEPOSIT OPS | CUSTOMER SERVICE

Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.



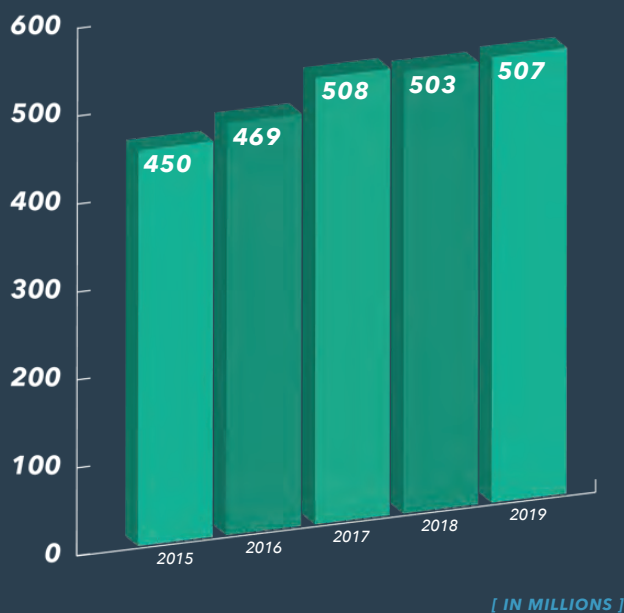
LAUREN • RYAN • KT • REGAN • ADAM • DIANNA • JULIE • JERIKA • CHRIS • LAURYN • KATHY • CAROLE

## FINANCIAL LITERACY

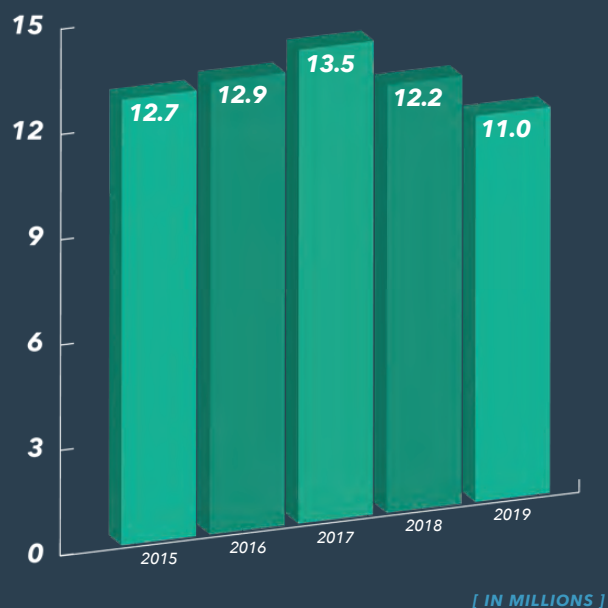
Did you know the bank has a Business Continuity Plan? We do and we discuss pandemics as well as other potential natural disasters that could happen and we formulate business continuity plans for occurrences.

# GRAPHS

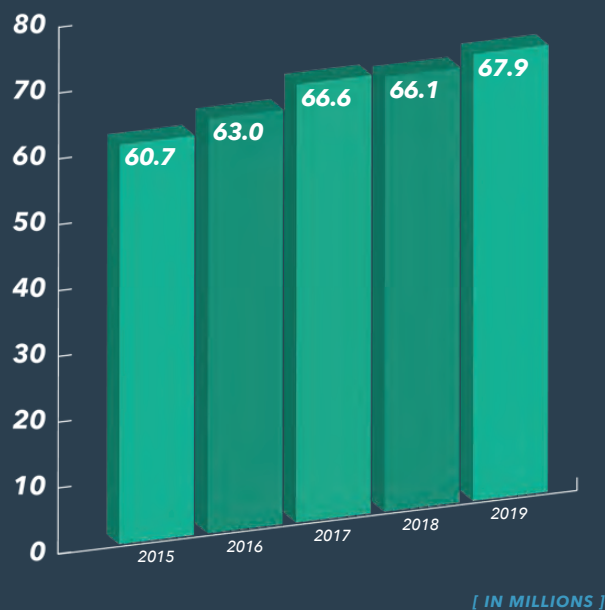
## TOTAL LOANS



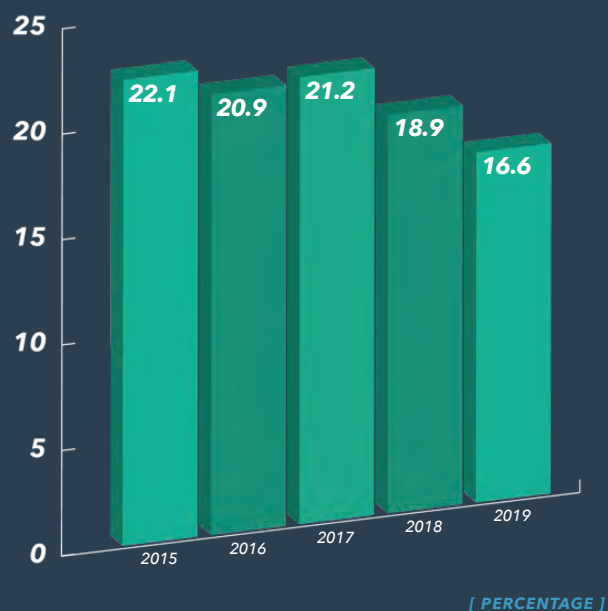
## NET INCOME



## CAPITAL



## RETURN ON AVERAGE EQUITY





# OFFICERS

Doug Fuller

PRESIDENT & CHIEF EXECUTIVE OFFICER

John A. Workun

EXECUTIVE VICE PRESIDENT / CLO

Carol Fehrle

EXECUTIVE VICE PRESIDENT / COO

James Griffith

SENIOR VICE PRESIDENT / CFO

Erin D. Batey

SENIOR VICE PRESIDENT / CCIO

Steve Boyd

SENIOR VICE PRESIDENT

Randy Corp

SENIOR VICE PRESIDENT

Pamela Korth

SENIOR VICE PRESIDENT

Jeffrey Massad

SENIOR VICE PRESIDENT

Kenton Owens

SENIOR VICE PRESIDENT

Michael D. Spann

SENIOR VICE PRESIDENT

Michael Thagard

SENIOR VICE PRESIDENT

Phil Thompson

SENIOR VICE PRESIDENT

Jim Trent

SENIOR VICE PRESIDENT

Alan Webb

SENIOR VICE PRESIDENT

Lacey L. Biffle

VICE PRESIDENT

Summer Blades

VICE PRESIDENT

Derek Briggs

VICE PRESIDENT

Jerika Coffman

VICE PRESIDENT

Stephanie Crawford

VICE PRESIDENT

Julie Crowell

VICE PRESIDENT

L.D. Ferguson

VICE PRESIDENT

Phyllis Ford

VICE PRESIDENT

Randy Hook

VICE PRESIDENT

Laura Nunnery

VICE PRESIDENT

Bryan Petty

VICE PRESIDENT

Dianna Pritchett

VICE PRESIDENT

Ellen Robison

VICE PRESIDENT

Bryan Scott

VICE PRESIDENT

John Crabtree

ASSISTANT VICE PRESIDENT

Carole Johnson

ASSISTANT VICE PRESIDENT

Regan Robinett

ASSISTANT VICE PRESIDENT

Tyler Stroud

ASSISTANT VICE PRESIDENT

Elisabeth Acosta

OPERATIONS OFFICER

Adam Howell

CREDIT OFFICER



**Quail Creek Bank**  
MEMBER FDIC

12201 N MAY AVENUE  
405.755.1000

OKLAHOMA CITY, OK 73120  
QUAILCREEK.BANK