



Bank OZK

MANAGEMENT COMMENTS

For the Second Quarter
& First Six Months
2025

July 17, 2025

FORWARD-LOOKING STATEMENTS

This presentation and other communications by the Bank and its management may include certain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “intends,” “plans,” “goals,” “believes,” “continue” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.” Forward-looking statements represent the Bank’s current expectations, plans or forecasts of its future results, revenues, liquidity, net interest income, provision for credit losses, expenses, efficiency ratio, capital measures, strategy, deposits, assets, and future business and economic conditions more generally, and other future matters. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank’s growth, expansion and acquisition strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices, or integrating any acquisitions; the availability of and access to capital; possible downgrades in the Bank’s credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank’s net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; conditions within the banking industry; recently enacted and potential new federal or state laws and regulatory requirements or changes to existing federal or state laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks, changes in the interpretation and enforcement of such laws and requirements, changes as a result of the recent U.S. presidential, congressional, state and local elections, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies and changes in state and local tax laws, regulations and policies; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; Federal Deposit Insurance Corporation (“FDIC”) special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of any failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business or others, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or our customers or others; natural disasters; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflicts; the competition for and costs of recruiting and retaining qualified personnel; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings “Forward-Looking Information” and “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K for the year ended December 31, 2024 and in Item 2 of Part I and Item 2A of Part II of the Bank’s Quarterly Report(s) on Form 10-Q filed after the Annual Report, which are available on the Bank’s website (<https://ir.ozk.com/filings/documents>) and on the FDIC’s website (<https://efr.fdic.gov/fcxweb/efr/index.html>). Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

MANAGEMENT COMMENTS FOR THE SECOND QUARTER OF 2025

We are pleased to report our second quarter 2025 results. Highlights include:

- **Net Income & EPS.** Net income available to common stockholders for the quarter just ended was a record \$178.9 million and diluted earnings per common share (“EPS”) were a record \$1.58.
- **Net Interest Income.** Net interest income for the quarter just ended was a record \$396.7 million.
- **Loans.** Loans grew to a record \$33.01 billion, an increase of \$1.90 billion, or 6.1% not annualized, in the quarter just ended. This was our best ever quarter of organic loan growth.
- **Deposits.** Deposits grew to a record \$33.52 billion, an increase of \$1.60 billion, or 5.0% not annualized, in the quarter just ended.
- **Asset Quality.** Our low leverage and conservative underwriting practices resulted in an annualized net charge-off ratio of 0.10% for the quarter just ended.
- **ACL Build.** Over the last 12 quarters since the Fed started increasing rates, we have more than doubled our Allowance for Credit Losses (“ACL”) from \$300 million to \$666 million, including a \$27 million increase in the quarter just ended. We believe this ACL build has been a prudent and appropriate response to the constantly shifting mix of risk factors that have driven the challenging and uncertain macroeconomic environment over those 12 quarters.
- **Efficiency Ratio.** Our efficiency ratio in the quarter just ended was 35.5%.
- **Return on Average Assets (“ROAA”).** We achieved an annualized ROAA of 1.81% in the quarter just ended.
- **Capital.**¹ At June 30, 2025, our ratios of total common stockholders’ equity to total assets and total tangible common stockholders’ equity to tangible assets (“TCE ratio”) were 13.47% and 12.07%, respectively.
- **Book Value and Tangible Book Value Per Common Share.**¹ Our book value and tangible book value per common share at June 30, 2025 were \$49.59 and \$43.72, respectively, increases of \$1.30 and \$1.24 during the quarter just ended and \$4.92 and \$4.87 over the last four quarters. Over the last ten years we have consistently increased book value and tangible book value per common share resulting in compounded annual growth rates of 13.5% and 13.6%, respectively.
- **Dividends.** We recently increased our dividend on our common stock for the 60th consecutive quarter.
- **Share Repurchases.** During the quarter just ended, we repurchased 1.12 million shares of common stock for \$43.2 million, or approximately \$38.69 per share, and we announced a new \$200 million stock repurchase program effective July 1, 2025.

¹ The calculations of the Bank’s non-GAAP financial measures and the reconciliations to generally accepted accounting principles (“GAAP”) are included in the schedules in Appendix A.

Profitability and Earnings Metrics

Net income available to common stockholders for the second quarter of 2025 was a record \$178.9 million, a 3.1% increase from \$173.5 million for the second quarter of 2024. For the first six months of 2025, net income available to common stockholders was \$346.8 million, a 0.5% increase from \$345.0 million for the first six months of 2024.

EPS for the second quarter of 2025 were a record \$1.58, a 3.9% increase from \$1.52 for the second quarter of 2024. EPS for the first six months of 2025 were \$3.05, a 0.7% increase from \$3.03 for the first six months of 2024.

Pre-tax pre-provision net revenue² ("PPNR") for the second quarter of 2025 was \$274.9 million, a 1.6% decrease from \$279.3 million for the second quarter of 2024. For the first six months of 2025, PPNR was \$537.2 million, a 2.7% decrease from \$552.0 million for the first six months of 2024.

Our annualized ROAA for the second quarter of 2025 was 1.81% compared to 1.92% for the second quarter of 2024. Our annualized ROAA for the first six months of 2025 was 1.79% compared to 1.94% for the first six months of 2024.

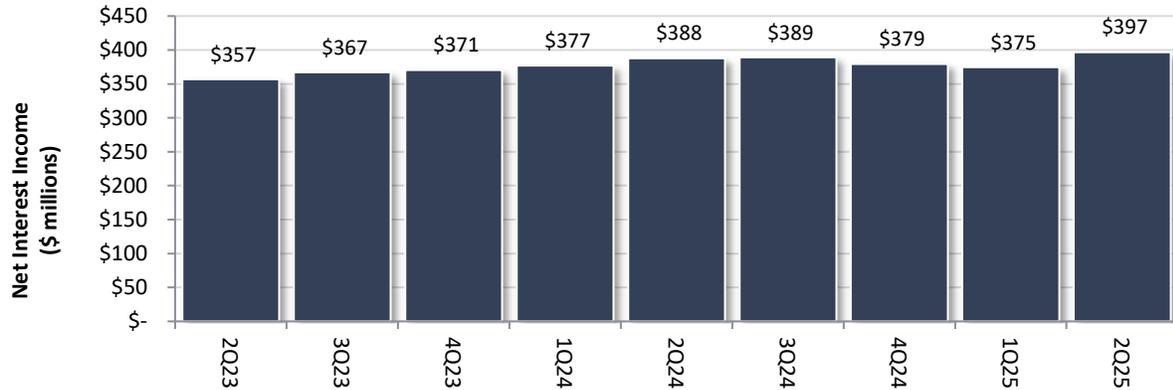
Our annualized returns on average common stockholders' equity² ("ROACE") and average tangible common stockholders' equity² ("ROATCE") for the second quarter of 2025 were 12.98% and 14.75%, respectively, compared to 13.98% and 16.11%, respectively, for the second quarter of 2024. Our annualized ROACE and ROATCE for the first six months of 2025 were 12.75% and 14.50%, respectively, compared to 14.07% and 16.24%, respectively, for the first six months of 2024.

² The calculations of the Bank's non-GAAP financial measures and the reconciliations to GAAP are included in the schedules in Appendix A.

Net Interest Income

Our net interest income for the second quarter of 2025 was a record \$396.7 million, a 2.3% increase from the second quarter of 2024, as shown in Figure 1. Our net interest income for the first six months of 2025 was \$771.3 million, a 0.8% increase from \$764.9 million for the first six months of 2024.

Figure 1: Quarterly Net Interest Income



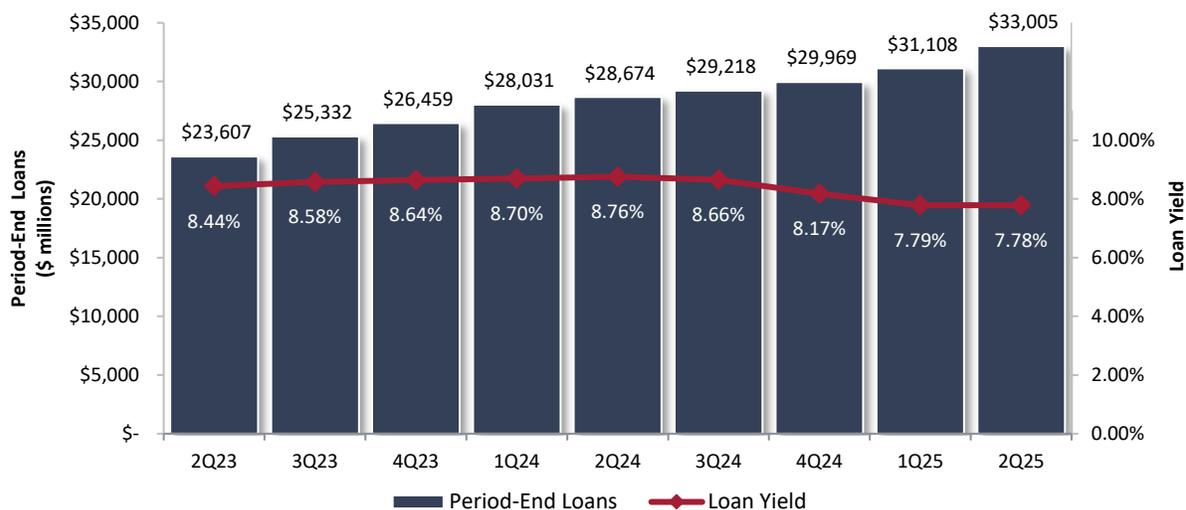
Our record net interest income in the quarter just ended was consistent with our previous guidance which anticipated record net interest income in one or more quarters of 2025. We continue to expect to achieve record net interest income for the full year of 2025. Of course, future net interest income will depend on numerous factors, including the timing and magnitude of growth in earning assets and Fed interest rate changes, if any.

Loans

Our loans were a record \$33.01 billion at June 30, 2025, having increased \$1.90 billion, or 6.1% not annualized, from March 31, 2025 and \$3.04 billion, or 10.1%, from December 31, 2024, as shown in Figure 2. This was our twelfth consecutive quarterly record for loan balances and our best ever quarter of organic loan growth.

Our excellent year-to-date loan growth exceeded our previous full-year loan growth guidance. Accordingly, we are revising higher our full-year loan growth guidance to approximately 11% to 13%. Slower loan growth is expected in the second half of the year, primarily due to anticipated elevated loan repayments. Loan growth may vary significantly from quarter to quarter and may be impacted by the volume of loan originations and repayments, interest rates, economic conditions, competition or other factors.

Figure 2: Loan Balances and Yields

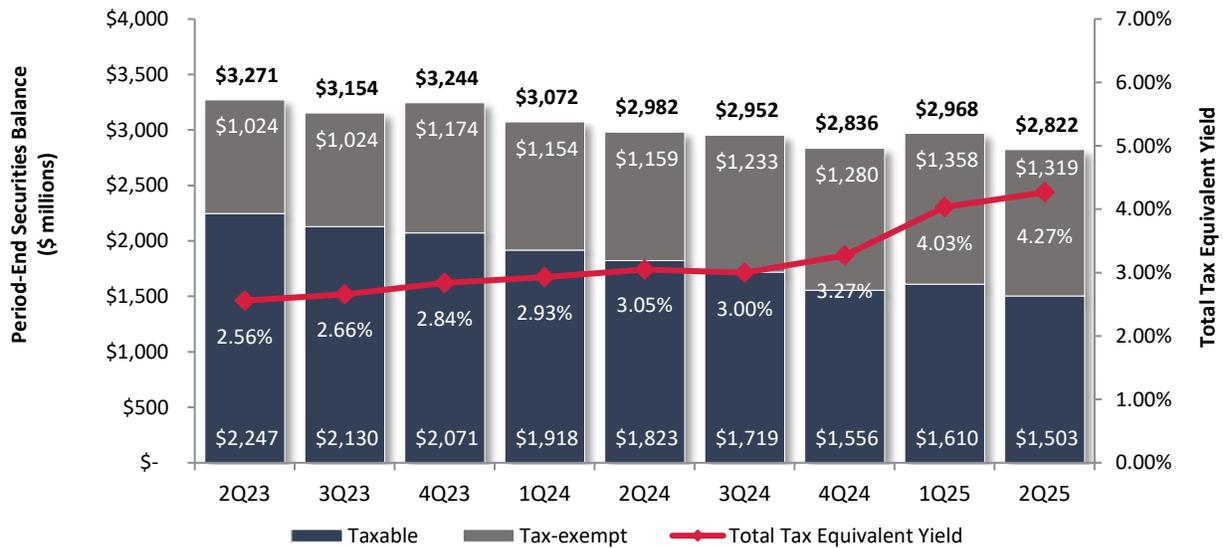


In the second quarter of 2025, our yield on loans was 7.78%, a decrease of one basis point from the first quarter of 2025 and a decrease of 98 basis points (“bps”) from the second quarter of 2024, reflecting the impact of the cumulative 100 basis point decrease in the Fed funds rate during the last four months of 2024 on our predominately variable-rate loan portfolio.

Investment Securities

Our investment securities, all of which are categorized as available-for-sale, were \$2.82 billion at June 30, 2025, decreases of \$0.15 billion, or 4.9% not annualized, from March 31, 2025 and \$0.01 billion, or 0.5% not annualized, from December 31, 2024, as shown in Figure 3. At June 30, 2025, our investment securities had an average effective duration of approximately 5.27 years.

Figure 3: Investment Securities Balances and Yields

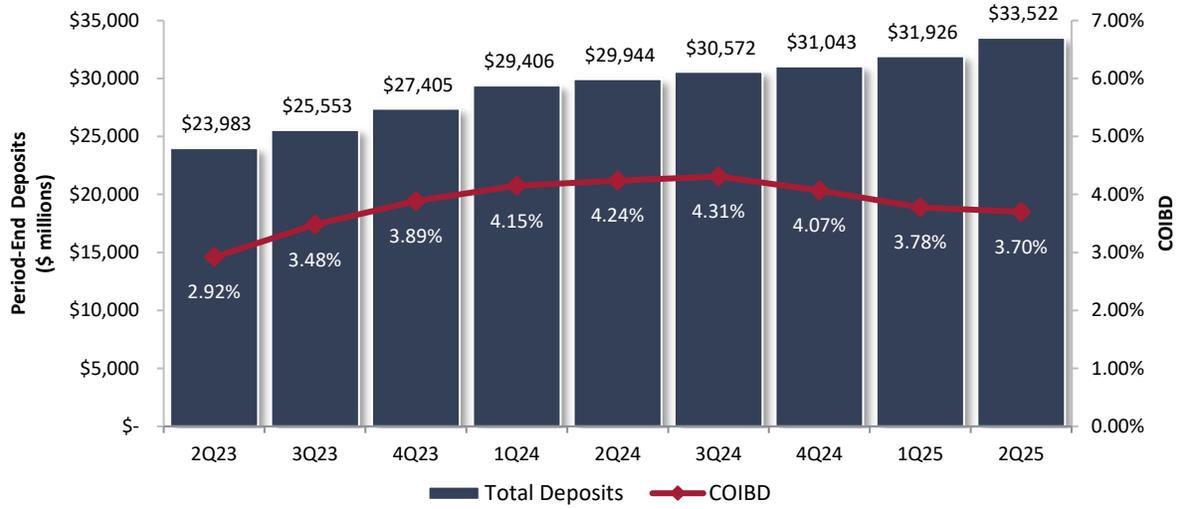


In the second quarter of 2025, our tax-equivalent yield on investment securities was 4.27%, increasing 24 and 122 bps, respectively, from the first quarter of 2025 and the second quarter of 2024. Over the last three quarters our portfolio yield benefited from a significant volume of lower yielding bond maturities and new purchases at more favorable rates.

Deposits

Our deposits were a record \$33.52 billion at June 30, 2025, having increased \$1.60 billion, or 5.0% not annualized, from March 31, 2025 and \$2.48 billion, or 8.0% not annualized, from December 31, 2024, as shown in Figure 4. This was our eleventh consecutive quarterly record for deposit balances.

Figure 4: Deposit Balances and Cost of Interest Bearing Deposits (“COIBD”)

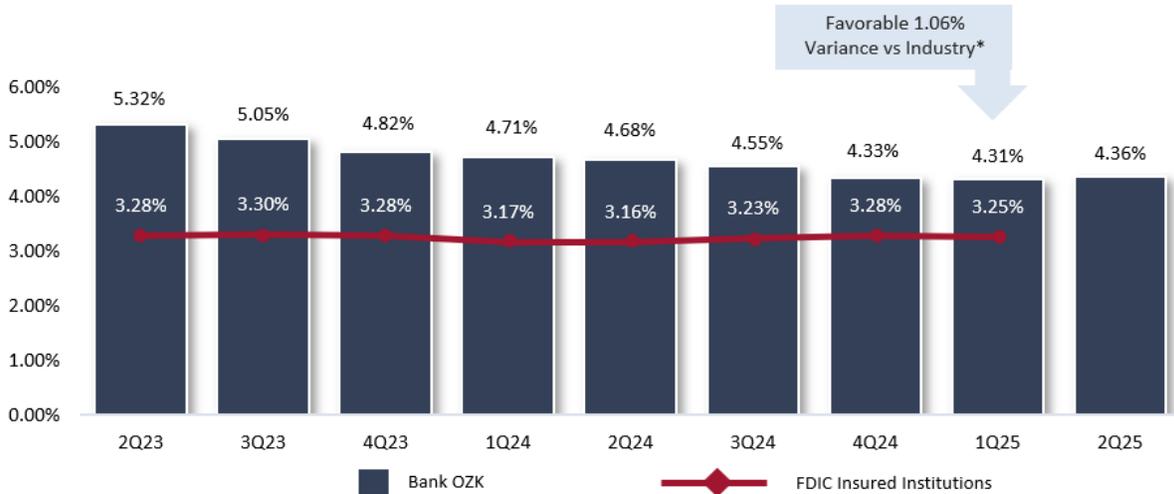


In the second quarter of 2025, our COIBD was 3.70%, decreases of 8 and 54 bps, respectively, from the first quarter of 2025 and the second quarter of 2024. These decreases reflect our COIBD catching up with earlier reductions in variable rate loan yields. Any further reductions in our COIBD will likely be minimal until the Fed funds target rate is cut again.

Net Interest Margin

During the quarter just ended, our net interest margin was 4.36%, increasing five bps from the first quarter of 2025 but decreasing 32 bps from the second quarter of 2024. As shown in Figure 5, in the first quarter of 2025, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 106 bps, continuing our long record of outperformance.

Figure 5: Quarterly Net Interest Margin (%)



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2025.

If the Fed leaves interest rates unchanged, we believe our net interest margin should remain in or near the range of the last three quarters. If the Fed reduces interest rates in 2025, we anticipate our loan yields would decrease faster than our deposit costs, likely resulting in some decrease in our net interest margin, at least until time deposits reprice and/or floor rates are reached on more variable rate loans (see Figure 20). If the Fed increases interest rates in 2025, we anticipate our loan yields would increase faster than our deposit costs, likely resulting in some increase in our net interest margin until time deposits reprice.

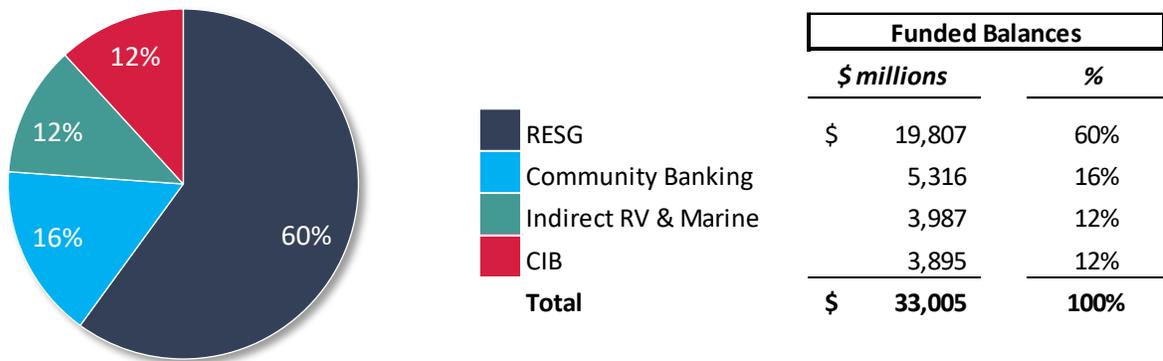
Loan Portfolio Details

Growth, Growth and Diversification

Our “growth, growth and diversification” strategy is achieving greater portfolio diversification through growth in our Corporate & Institutional Banking (“CIB”), Indirect RV & Marine and Community Banking portfolios while continuing to capitalize on the unique strengths and expertise of Real Estate Specialties Group (“RESG”) to contribute to longer term growth. We expect these other lending teams will continue to contribute meaningfully to further growth and diversification, especially as RESG is likely to have elevated repayments during the remainder of 2025 and in 2026. Implicit in this diversification strategy is an unwavering focus on asset quality from each of these lending teams.

Even as our funded balance of RESG loans has reached record levels, greater diversification has resulted in RESG’s percentage of loans having declined to 60% as of June 30, 2025, compared to 62% at March 31, 2025 and an all-time high of 70%. With much of our growth in the remainder of 2025 and 2026 expected to come from our other lending teams, RESG’s percentage of loans should continue to decline in the remainder of 2025 and 2026.

Figure 6: Loan Composition (As of June 30, 2025)



Funded Loan Balances

Figures 7 and 8 reflect the mix in our loan growth in the second quarter and first six months of 2025. During the quarter just ended, CIB and RESG contributed 47% and 32% of our loan growth, respectively, clearly reflecting our focus on greater portfolio diversification. We expect this diversification trend to continue in future quarters.

Figure 7: Loan Growth – 2Q25 (\$ millions)

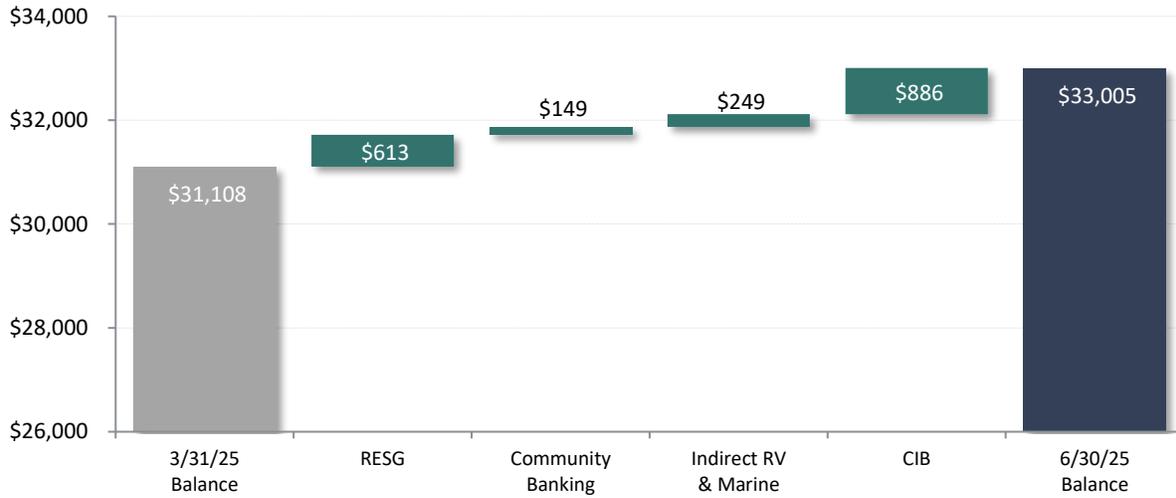
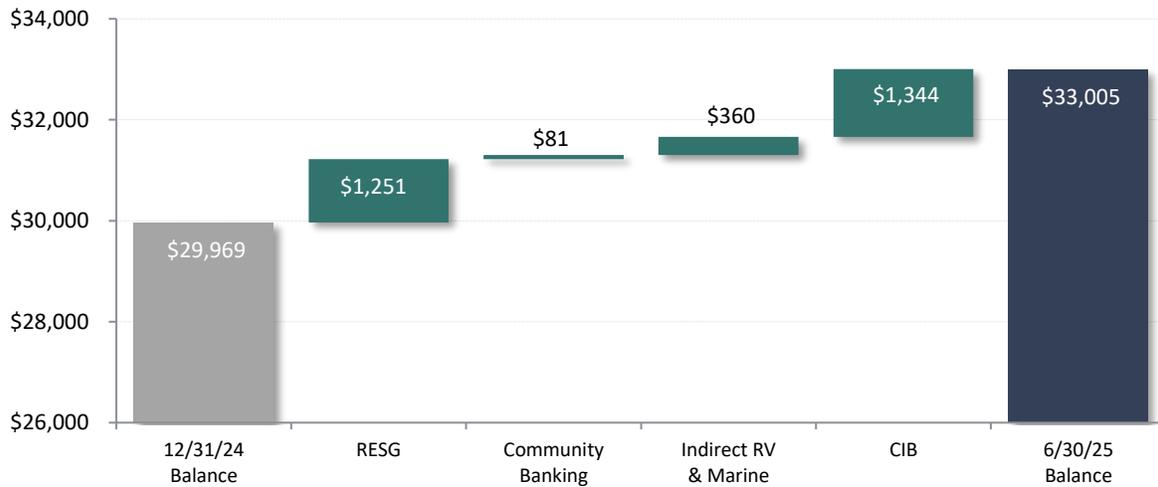


Figure 8: Loan Growth – 6M25 (\$ millions)



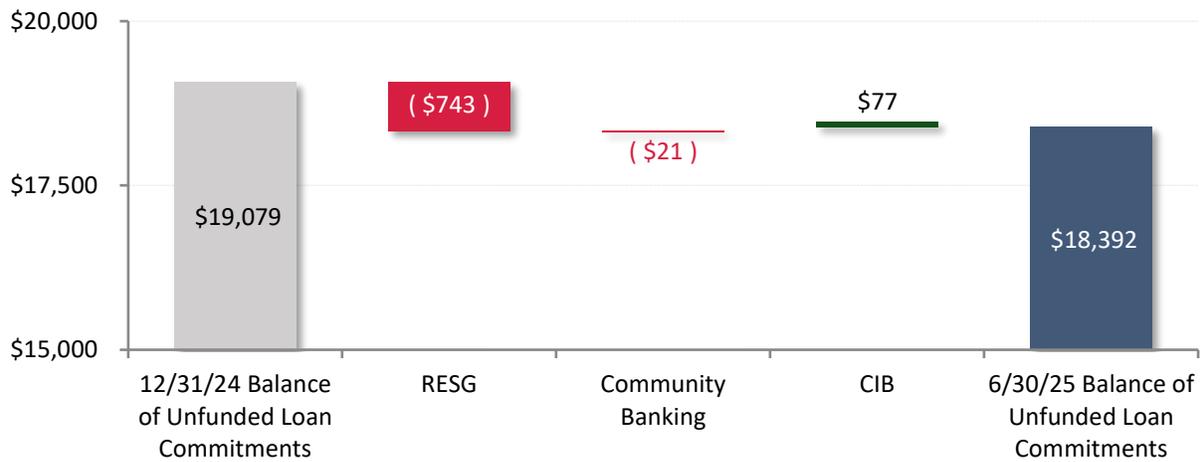
Unfunded Loan Commitments

Figures 9 and 10 reflect the activity in unfunded loan commitments in the second quarter and the first six months of 2025. Consistent with our strategy of greater portfolio diversification, RESG’s percentage of the unfunded loan commitments decreased 2% to 70%, while CIB increased 2% to 23% in the first six months of 2025.

Figure 9: Activity in Unfunded Loan Commitments – 2Q25 (\$ millions)



Figure 10: Activity in Unfunded Loan Commitments – 6M25 (\$ millions)



RESG Loan Originations and Repayments

As shown in Figure 11, RESG loan originations totaled \$1.51 billion in the second quarter and \$2.72 billion for the first six months of 2025. We were pleased to see RESG originations increase modestly in the quarter just ended compared to the subdued level in the previous three quarters. Of course, many sponsors remain appropriately cautious regarding new projects given the heightened level of macroeconomic uncertainty and the continued tight Fed monetary policy. Origination volume may vary significantly from quarter to quarter and may be impacted by economic conditions, interest rates, competition or other factors.

As shown in Figure 12, RESG's loan repayments and other activity were \$0.95 billion in the quarter just ended and \$1.80 billion for the first six months of 2025. We expect RESG loan repayments in the coming quarters will likely be significantly higher than in the first two quarters of this year, as suggested by repayments of \$0.47 billion in the first 15 days of July. Loan repayments may vary substantially from quarter to quarter based on a variety of factors including interest rate levels and refinancing alternatives.

Elevated RESG loan repayments coupled with the lower origination volume have resulted in RESG total commitments, both funded and unfunded, receding by \$1.6 billion from a peak of \$34.5 billion at March 31, 2024 to \$32.9 billion at June 30, 2025. This moderately decreasing trend in RESG total commitments is likely to continue for several more quarters.

Figure 11: RESG Quarterly Loan Originations
(\$ billions)

	Q1	Q2	Q3	Q4	Total*
FY2020	\$1.76	\$1.67	\$1.40	\$1.77	\$6.59
FY2021	\$1.28	\$1.46	\$2.21	\$2.99	\$7.94
FY2022	\$3.14	\$3.53	\$4.35	\$2.81	\$13.82
FY2023	\$1.81	\$1.41	\$1.95	\$2.05	\$7.22
FY2024	\$1.58	\$1.60	\$1.23	\$1.00	\$5.41
FY2025	\$1.21	\$1.51			\$2.72

*6M25 Not Annualized

Figure 12: RESG Quarterly Loan Repayments & Other Activity (\$ billions)

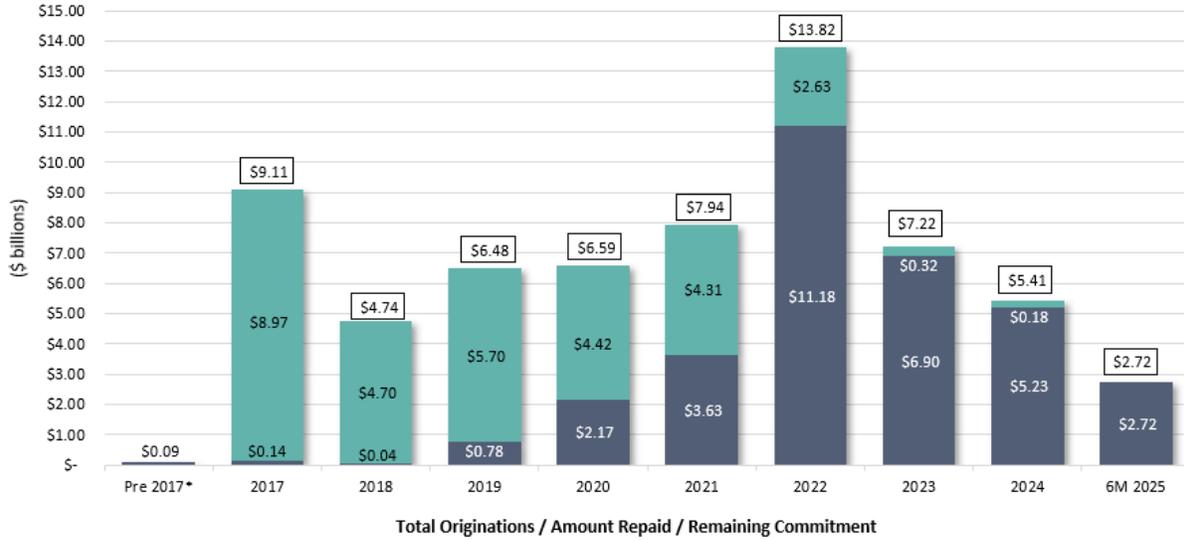
	Q1	Q2	Q3	Q4	Total*
FY2020	\$1.00	\$0.69	\$0.65	\$1.19	\$3.54
FY2021	\$1.48	\$1.68	\$1.34	\$1.72	\$6.22
FY2022	\$1.31	\$2.34	\$1.28	\$0.72	\$5.65
FY2023	\$0.91	\$1.03	\$1.10	\$0.97	\$4.01
FY2024	\$0.79	\$1.84	\$1.60	\$1.83	\$6.06
FY2025	\$0.85	\$0.95			\$1.80

*6M25 Not Annualized

RESG Origination and Repayment Cadence

Figure 13 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year’s originations which have been repaid and which remain as outstanding commitments, both funded and unfunded.

Figure 13: RESG Origination and Repayment Trends by Year of Origination (Total Commitment)
(As of June 30, 2025)



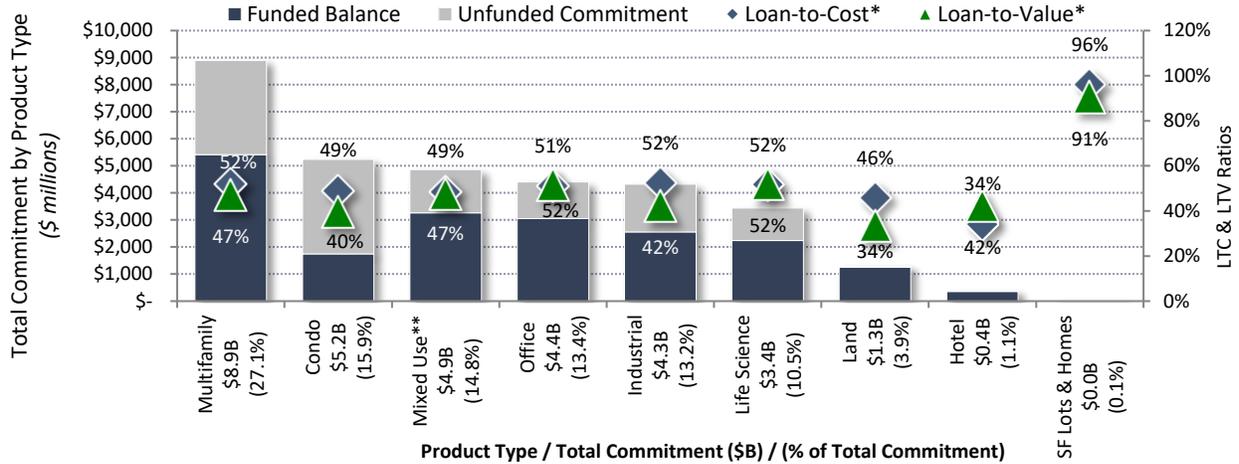
	2017	2018	2019	2020	2021	2022	2023	2024	6M 2025
\$ Remaining Commitment	\$0.14B	\$0.04B	\$0.78B	\$2.17B	\$3.63B	\$11.18B	\$6.90B	\$5.23B	\$2.72B
\$ Amount Funded	\$0.14B	\$0.02B	\$0.71B	\$1.89B	\$3.01B	\$8.58B	\$4.02B	\$1.14B	\$0.22B
\$ Amount Unfunded	\$0.00B	\$0.02B	\$0.07B	\$0.28B	\$0.63B	\$2.60B	\$2.88B	\$4.09B	\$1.50B

* Amounts repaid and total annual originations are not shown for pre-2017 originations.

RESG Portfolio Diversification

Figure 14 shows the product type diversification within the RESG portfolio.

Figure 14: RESG Portfolio Diversification by Product Type (As of June 30, 2025)

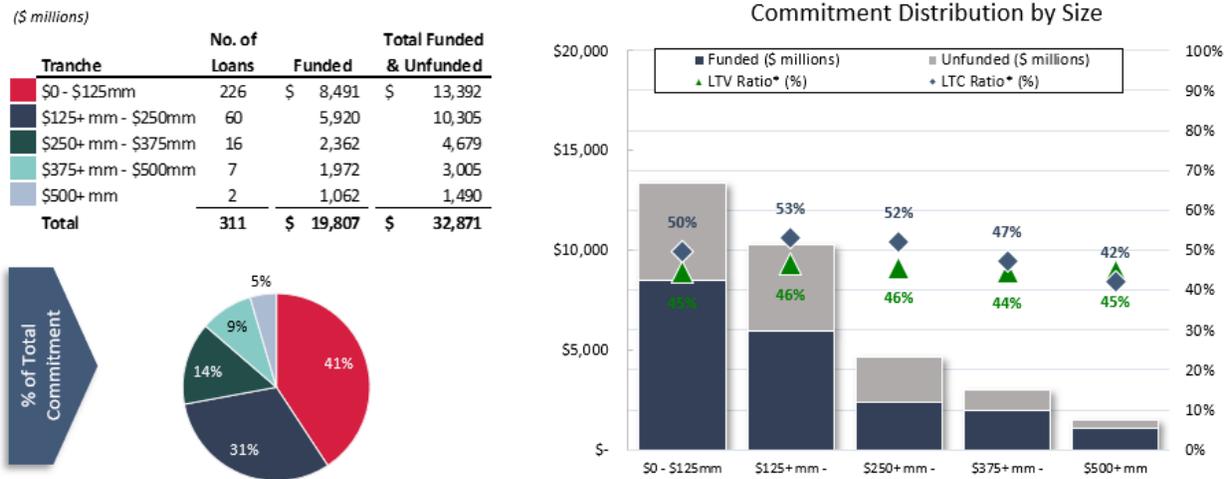


* LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.

** Mixed use projects contain multiple property types, none of which individually contribute 75% or more of the project value.

The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 15.

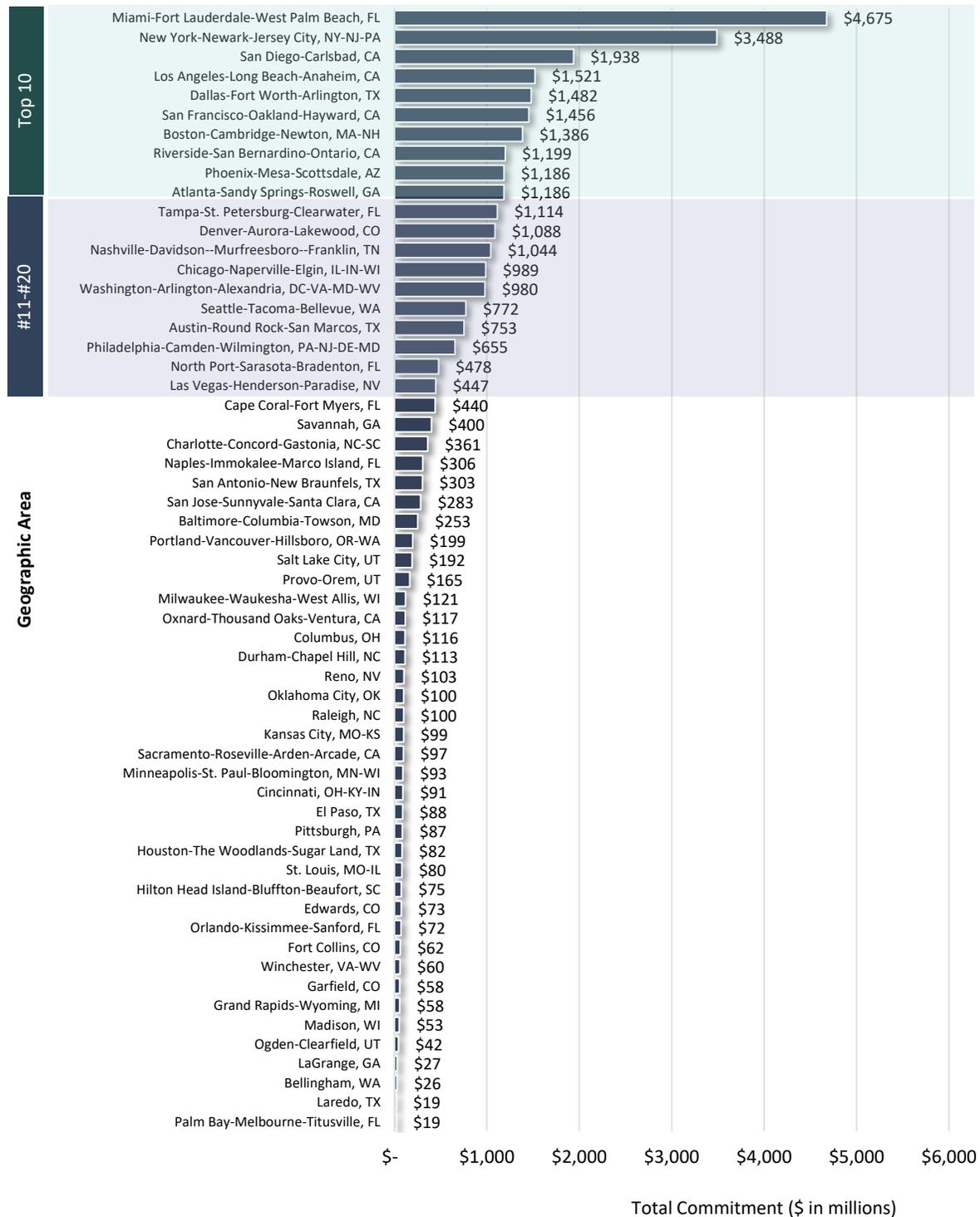
Figure 15: RESG Portfolio Stratification by Loan Size – Total Commitment (As of June 30, 2025)



* Weighted average; assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.

Figure 16 shows RESG’s total commitments in each geographic area in which it currently has loans, reflecting the national scope and significant geographic diversification in RESG’s business.

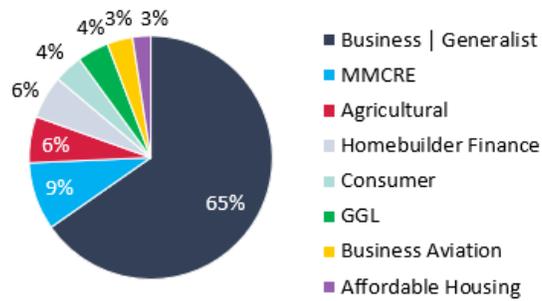
Figure 16: RESG Portfolio Diversification – All Geographies (As of June 30, 2025)



Community Banking

Community Banking accounted for 16% of the funded balance of loans as of June 30, 2025, and included consumer and small business loans, business banking loans, loans originated by our commercial (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which included our government guaranteed (“GGL”), agricultural (including poultry), business aviation, affordable housing, middle market CRE (“MMCRE”) and homebuilder finance lending teams.

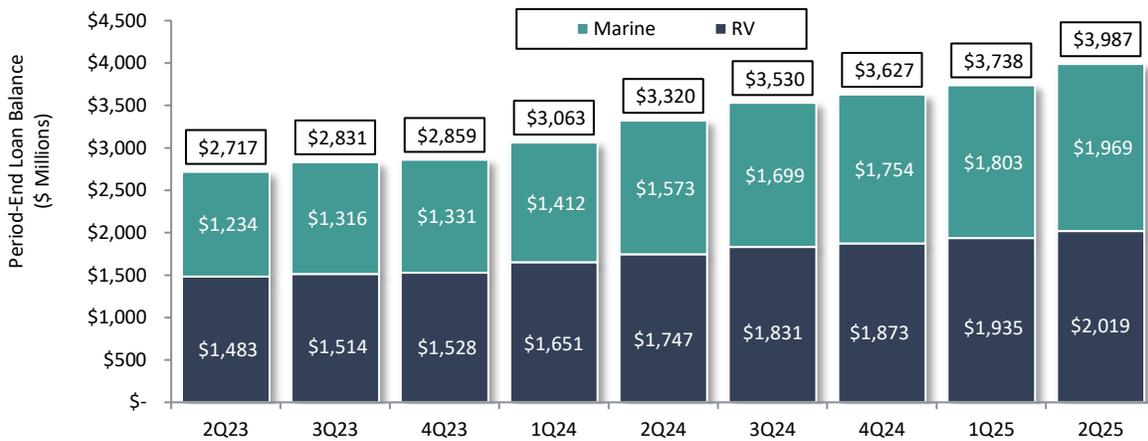
**Figure 17: Community Banking Loan Composition
(As of June 30, 2025)**



Indirect RV & Marine

Indirect RV & Marine lending is a nationwide business which accounted for 12% of the funded balance of loans as of June 30, 2025. Our objective is to maintain this portfolio within a range of 10% to 15% of our loans. As of June 30, 2025, the indirect portfolio had a 30+ day delinquency ratio of 0.19%. For the second quarter and first six months of 2025, our annualized net charge-off ratio for the indirect portfolio was 0.30% and 0.34%, respectively. Figure 18 provides additional details regarding this portfolio.

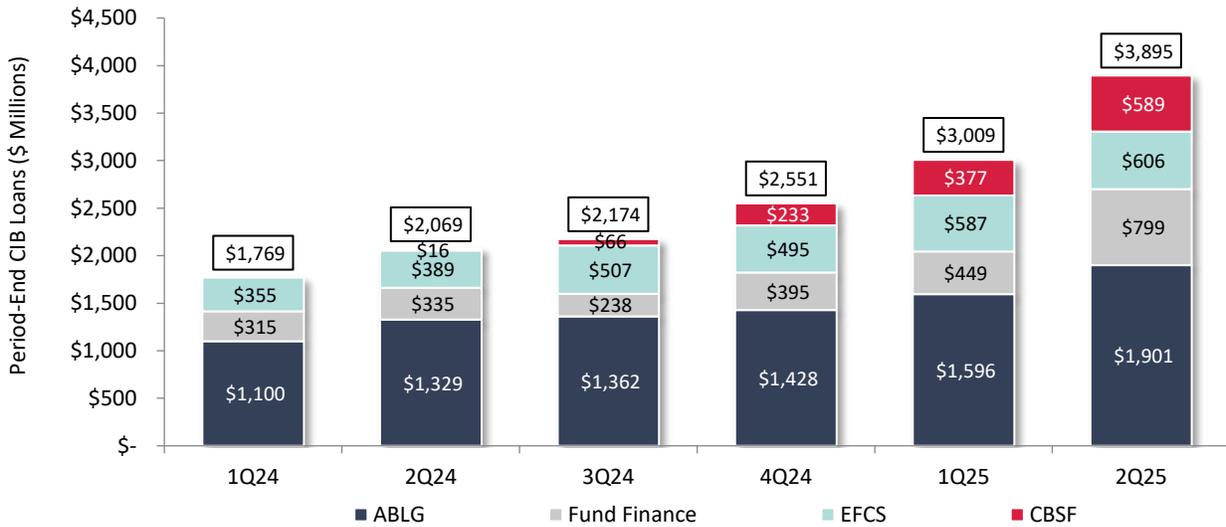
Figure 18: Indirect RV & Marine Loan Balances



Corporate & Institutional Banking

CIB accounted for 12% of the funded balance of loans as of June 30, 2025, an increase from 10% as of March 31, 2025 and 7% as of June 30, 2024. CIB includes loans from Asset Based Lending Group (“ABLG”), Equipment Finance & Capital Solutions (“EFCS”), Fund Finance and Corporate Banking & Sponsor Finance (“CBSF”), and will soon include loans from its newly launched Natural Resources Group (“NRG”).

Figure 19: CIB Loan Composition (Funded Balance)

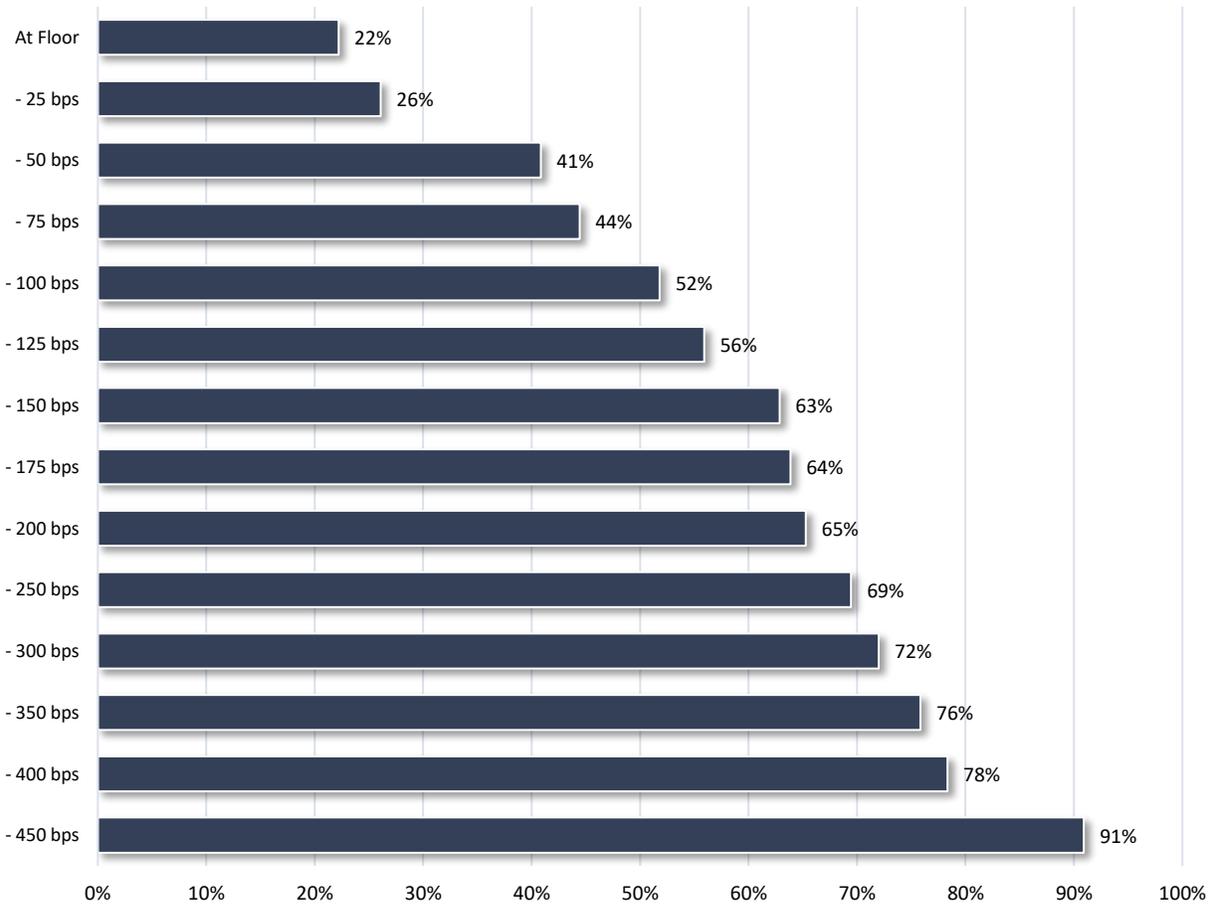


Variable Rate Loans and Loan Floors

At June 30, 2025, 87% of our total commitment of loans had variable rates, of which 84% were tied to 1-month term SOFR, 13% to WSJ Prime and 3% to other indexes. At June 30, 2025, 95% of our total commitment of variable rate loans had floor rates.

Figure 20 illustrates the percentage of our total commitment of variable rate loans at June 30, 2025 that were at their floor rate or would have been at their floor rate following various hypothetical decreases in the applicable index rates.

Figure 20: Variable Rate Loans at Floors as Rates Decline – Total Commitments as of June 30, 2025



Asset Quality Details

Net Charge-Offs

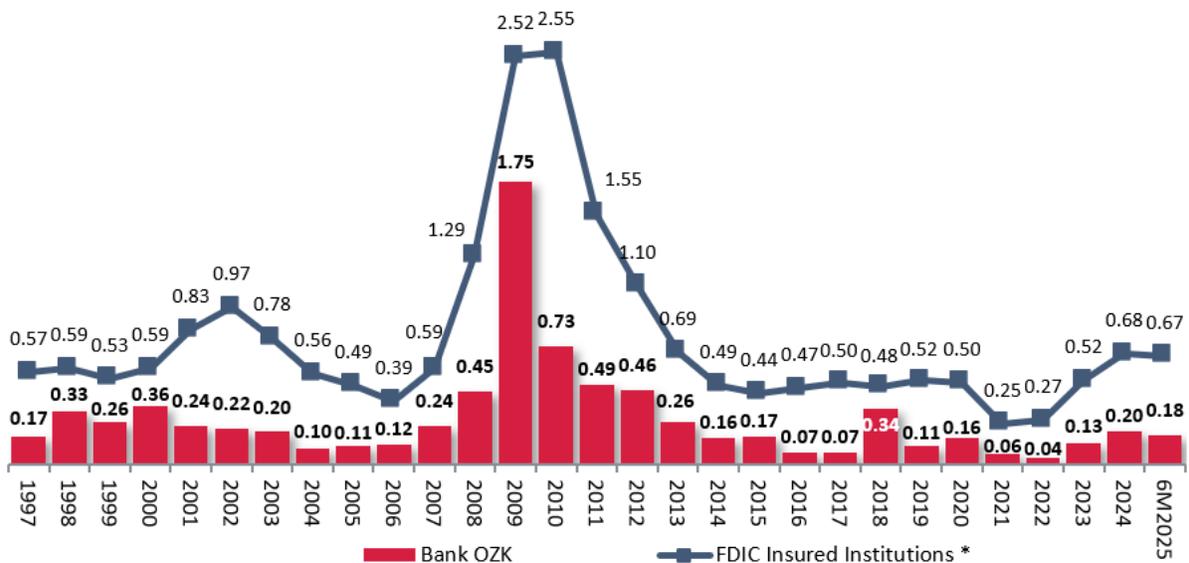
We have continued our long record of having a net charge-off ratio well below the industry average, as shown in Figure 21. In the quarter just ended, our annualized net charge-off ratio was 0.10%. For the first six months of 2025, our annualized net charge-off ratio was 0.18%.

Notwithstanding our excellent net charge-off ratio in the first half of 2025, we continue to expect that our full-year 2025 net charge-off ratio may increase compared to 2024's 20 bps ratio while still remaining well below the industry average. Our net charge-off ratio may vary significantly from quarter to quarter.

We have built our portfolio with the goal that it will perform well in adverse conditions, and that discipline has been evident in our recent results through the pandemic, the Fed's increasing interest rates, higher rates of inflation leading to "higher for longer" interest rate policy, and numerous other sources of macroeconomic, political and geo-political turbulence.

In our 28 years as a public company, our net charge-off ratio has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

Figure 21: Annualized Net Charge-off Ratio vs. the Industry



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2025. Annualized when appropriate.

RESG Net Charge-Offs

Our RESG portfolio has a long tradition of excellent asset quality. As shown in Figure 22, we have had relatively low charge-offs in the RESG portfolio as that portfolio has benefitted from the fact that most of its loans are on newly constructed properties with strong sponsorship, low leverage and protective loan structures. In fact, the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 22-year history has been only 11 bps.

Figure 22 - RESG Historical Net charge-offs (\$ Thousands)

Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio**
2003	\$ 5,106	\$ 780	\$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	537,597	-	0.00%
2011	649,806	592,782	2,905	0.49%
2012	848,441	737,136	-	0.00%
2013	1,270,768	1,085,799	-	0.00%
2014	2,308,573	1,680,919	-	0.00%
2015	4,263,800	2,953,934	-	0.00%
2016	6,741,249	5,569,287	-	0.00%
2017	8,169,581	7,408,367	842	0.01%
2018	9,077,616	8,685,191	45,490	0.52%
2019	9,391,096	9,427,266	-	0.00%
2020	11,591,147	10,651,549	-	0.00%
2021	11,367,505	11,149,098	1,891	0.02%
2022	12,598,957	11,590,988	-	0.00%
2023	16,922,002	14,531,838	4,955	0.03%
2024	18,555,626	18,312,665	43,855	0.24%
6/30/25	19,806,812	19,176,184	12,335	0.13%
Total			\$ 119,804	

Weighted Average	0.11%
-------------------------	--------------

* Net charge-offs shown in this column reflect both net charge-offs and OREO write-downs.

** Annualized when appropriate.

Allowance for Credit Losses (“ACL”) and Provision

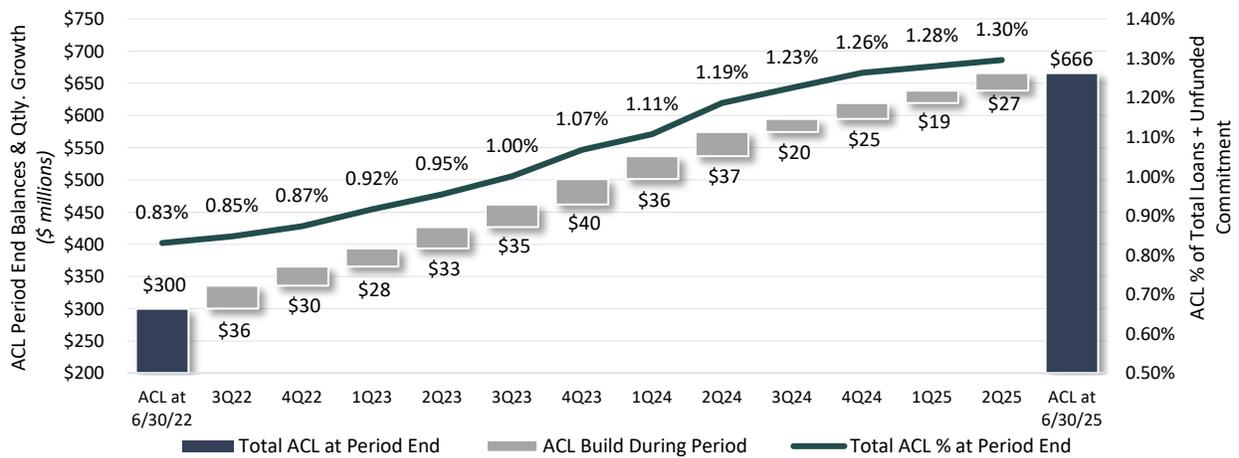
As of June 30, 2025, our ACL had increased to \$666 million, or 1.30% of loans and unfunded loan commitments. This consisted of our allowance for loan losses (“ALL”) at \$519 million, or 1.57% of loans, and our reserve for losses on unfunded loan commitments at \$147 million, or 0.80% of unfunded loan commitments.

Our provision for credit losses was \$35.2 million and \$73.6 million, respectively, for the second quarter and first six months of 2025, while our net charge-offs were \$8.2 million and \$27.2 million, respectively, for the second quarter and first six months of 2025.

As shown in Figure 23, over the last 12 quarters we have prudently increased our ACL by a net \$366 million. This large increase is attributable to both our \$15.28 billion combined growth in loans and unfunded loan commitments over those 12 quarters and our consistently cautious outlook on macroeconomic conditions. Of course, this outlook and ACL build initially reflected, among other factors, the Fed steadily increasing interest rates, and then the likelihood that rates would remain higher for longer, both of which contributed to elevated economic risks. Our continued ACL build reflects numerous ongoing elevated macroeconomic risks and uncertainties. Our cautious outlook and growth have resulted in cumulative provision expense of \$487 million over the past 12 quarters, or 4.0 times our cumulative net charge-offs of \$121 million.

Viewed another way, in percentage terms, over those 12 quarters, our ACL has increased from 0.83% to 1.30% of loans and unfunded loan commitments at June 30, 2025. We believe this ACL build has been a prudent and appropriate response to the constantly shifting mix of risk factors that have driven the challenging and uncertain macroeconomic environment over those 12 quarters.

Figure 23: ACL Build – Last 12 Quarters



The calculations of our provision for credit losses for the second quarter of 2025 and our ACL at June 30, 2025 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in June 2025.

Our selection of macroeconomic scenarios over the last 12 quarters has been consistently weighted to downside scenarios. Considering ongoing elevated macroeconomic risks and uncertainties, our cautious outlook and the resulting build in our ACL reflected in Figure 23 seem very prudent.

In the quarter just ended, the weightings we assigned to each of the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded the weighting we assigned to the Moody's Baseline scenario. Our selection and weightings of these scenarios reflected our assessment of conditions and the potential for changes in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including risks from: U.S. fiscal policy actions; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; changes in the Fed funds target rate and Fed balance sheet; a possible recession; inflationary pressures; global trade and geopolitical matters; supply chain disruptions; and various other factors. Our ACL calculations include certain qualitative adjustments to capture items not included in our modeled results or other assumptions.

Loan Portfolio Credit Quality

We have seen a reasonably well-contained migration of risk ratings and credit quality metrics since the Federal Reserve initiated its most recent tightening cycle.

Figure 24: Risk Categories and Asset Quality Metrics – Last Five Quarters (\$ in millions)

	As of				
	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Pass	\$ 27,735	\$ 28,217	\$ 29,057	\$ 30,426	\$ 32,132
Special Mention	603	693	654	455	631
Substandard	336	308	258	227	242
Total Loans	\$ 28,674	\$ 29,218	\$ 29,969	\$ 31,108	\$ 33,005
Loans Past Due	\$ 48	\$ 40	\$ 50	\$ 45	\$ 50
<i>Loans Past Due % of Total Loans</i>	0.17%	0.14%	0.17%	0.14%	0.15%
Nonperforming Loans	\$ 85	\$ 176	\$ 131	\$ 63	\$ 59
<i>Nonperforming Loans % of Total Loans</i>	0.30%	0.60%	0.44%	0.20%	0.18%
Foreclosed Assets	\$ 71	\$ 78	\$ 69	\$ 151	\$ 160
Nonperforming Assets	\$ 156	\$ 254	\$ 201	\$ 214	\$ 218
<i>Nonperforming Assets % of Total Assets</i>	0.42%	0.68%	0.53%	0.55%	0.53%

Detailed disclosures on risk categories can be found in Appendix B.

At June 30, 2025, our ratio of loans 30 or more days past due to total loans was 0.15% compared to 0.14% at March 31, 2025 and 0.17% at June 30, 2024; our ratio of nonperforming loans to total loans was 0.18% compared to 0.20% at March 31, 2025 and 0.30% at June 30, 2024; and our ratio of nonperforming assets to total assets was 0.53% compared to 0.55% at March 31, 2025 and 0.42% at June 30, 2024. At June 30, 2025, our nonperforming assets consisted of (i) nonperforming loans of \$59 million (down \$4 million in the quarter) and (ii) foreclosed assets of \$160 million (up \$9 million in the quarter).

Our \$160 million in foreclosed assets consists principally of four assets as follows:

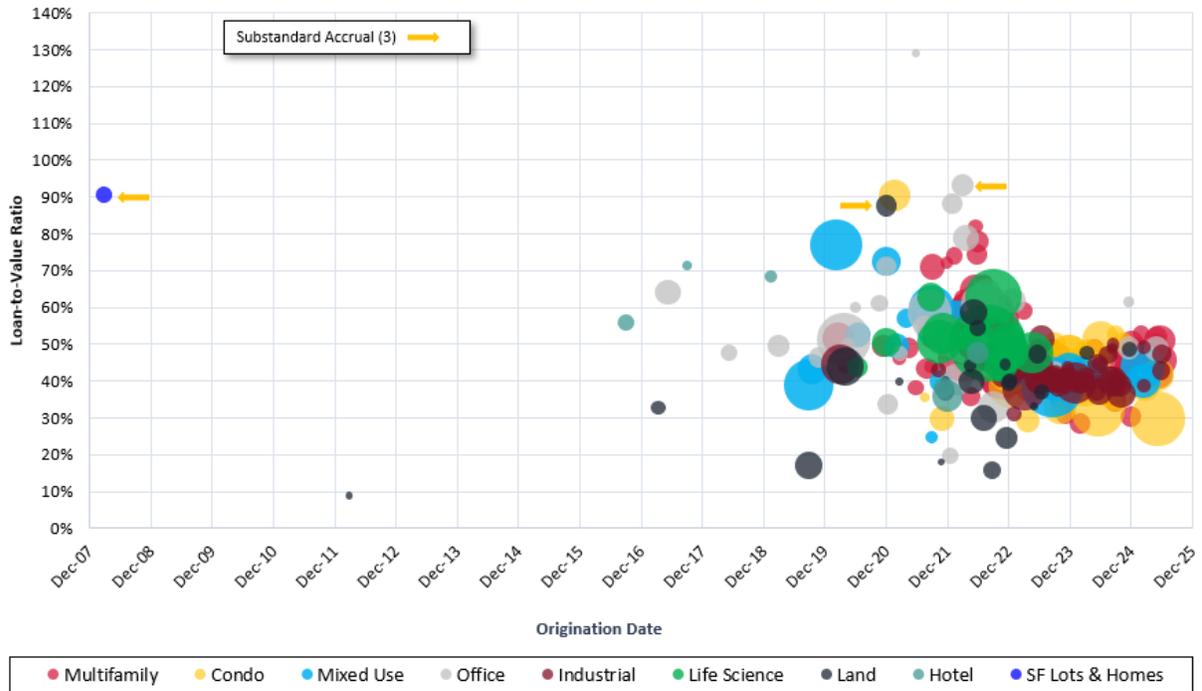
- **Chicago Land - \$83.95 million; Under Contract to Sell.** On May 2, 2025, the Bank entered into a contract to sell this property, which includes \$2.0 million of non-refundable earnest money and is subject to typical closing conditions. If this sale closes, closing should occur on or before September 30, 2025, and should result in substantially no gain or loss.
- **Los Angeles Land - \$56.95 million; Under Contract to Sell.** The prospective purchaser recently paid us an additional \$1.0 million fee and a \$1.0 million non-refundable earnest money deposit to extend the purchase contract to a closing date on or before September 30, 2025. Since March 2024, the prospective purchaser has paid us \$6.5 million in contract extension fees and deposited \$5.5 million in non-refundable earnest money (\$3.0 million of which was previously applied to our carrying value). If this sale closes, it should result in a small gain.
- **Boston Office - \$9.36 million; 80% of May 2025 Appraised Value.**
- **Seattle Office - \$6.84 million; 61% of November 2024 Appraised Value.**

RESG Portfolio Bubble Chart

The loan-to-value (“LTV”) metrics on each of the 311 credits within the RESG portfolio as of June 30, 2025, are illustrated in Figure 25. The significant protection provided by RESG’s conservative loan-to-cost (“LTC”) and LTV metrics is always important, and especially so in the current macroeconomic environment. Assuming every RESG loan is fully funded, the weighted average LTC for the RESG portfolio was 50% and the weighted average LTV was 45% as of June 30, 2025. Notwithstanding approximately 243 new appraisals obtained on existing loans in the past six quarters, RESG’s weighted average LTV increased only 2% from 43% to 45%. RESG collateral valuations benefit from the fact that the majority of RESG loans are for new construction, which provides a distinct competitive advantage compared to older, less desirable properties.

RESG’s three substandard credits are pointed out in Figure 25, and additional information on each is provided in Figure 26.

Figure 25: RESG Portfolio by LTV & Origination Date (As of June 30, 2025)
Bubble Size Reflects Total Funded and Unfunded Commitment Amount



LTV ratios assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.

RESG Substandard Credits

RESG substandard credits, all of which were current and accruing as of June 30, 2025, are summarized in Figure 26.

Figure 26: RESG Substandard Credits (As of June 30, 2025)

Location	Property Type	Total Commitment	Outstanding Balance	Unfunded	"Good News" TI/LC Included in Unfunded	ACL Reserve	LTV *	Appraisal Date
<i>(\$ millions)</i>								
<u>Substandard Accrual</u>								
Seattle, WA Current	Office	\$ 72.5	\$ 56.0	\$ 16.5	\$ 13.1	\$ 16.1	93%	Dec. '24
Maryland Current	Land	\$ 66.1	\$ 66.1	\$ -	\$ -	\$ 24.2	88%	June ' 25
Near Lake Tahoe, CA Current	SF Lots & Homes	\$ 43.2	\$ 31.9	\$ 11.3	\$ -	\$ 15.5	91%	Sep. '24
<p><i>* LTV on Seattle Office reflects "as-stabilized" value and assumes loan is fully funded. LTV on property near Lake Tahoe reflects the discounted sellout value of lots and homes currently securing the loan and assumes additional loan advances sufficient to fully complete construction in progress.</i></p>								

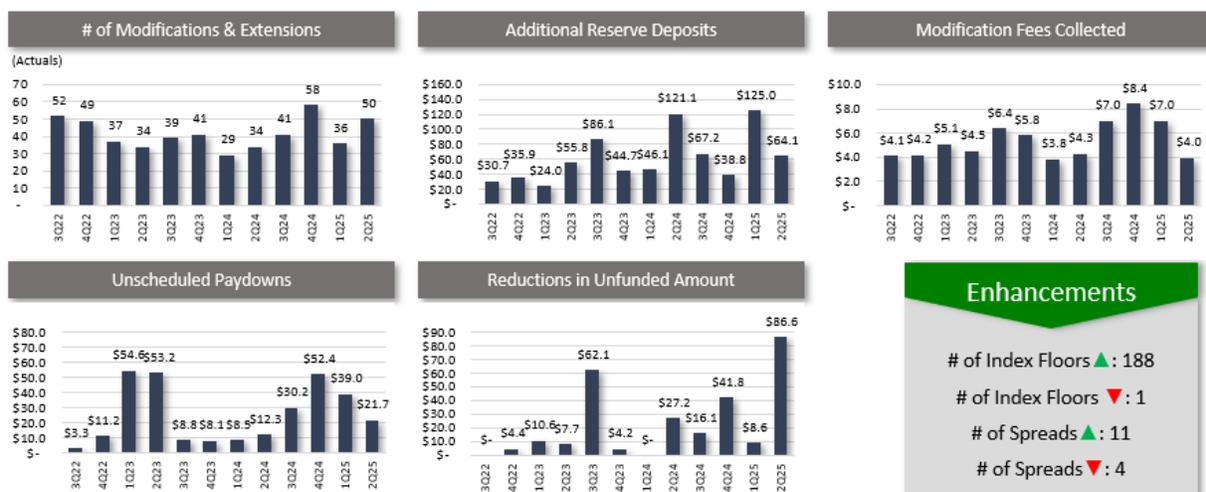
RESG Sponsor/Capital Partner Support

The current heightened level of macroeconomic uncertainty is the latest in a series of challenges sponsors/capital partners have faced since the COVID-19 pandemic began in 2020. As we have said previously, we expect most RESG sponsors/capital partners will continue to support their properties, if needed, through times of economic stress until business or economic conditions and property performance normalize. This strong support is one of the reasons we have had relatively few RESG substandard credits or foreclosed assets despite the challenging macroeconomic environment.

An important element of our business model is to structure loans so that sponsors/capital partners are highly incentivized to support the loans, even in challenging times. To achieve this, we obtain sizable equity investments relative to our low leverage loans, ensuring that sponsors/capital partners are likely to have too much invested to walk away. Additionally, we focus on loans secured by high quality assets that have good long-term prospects, which motivates sponsors to stay engaged, even if sales or leasing take more time than expected.

The effectiveness of our approach is evident in our results since the Federal Reserve started increasing the Fed funds target rate. As shown in Figure 27, we have seen significant support by sponsors/capital partners for our RESG loans, evidenced by the \$1.0 billion of total additional equity contributions (\$739 million of additional reserve deposits and \$303 million of unscheduled paydowns) received related to the 500 modifications/extensions. Additionally, we enhanced our floor rates and spreads on 188 loans and 11 loans, respectively, while granting one floor reduction and four spread reductions over the last 12 quarters.

Figure 27: Demonstrated Sponsor/Capital Partner Support of RESG Loans (\$ millions)



RESG Appraisal Updates

During the second quarter of 2025, RESG obtained new appraisals for 40 existing loans with a total commitment of \$4.33 billion. Figure 28 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value and the previous total loan commitment for each of these loans. LTVs were little changed (plus or minus 10%) for 29 loans, LTVs decreased by more than 10% for 1 loan and LTVs increased more than 10% for 10 loans.

Figure 28: RESG New Appraisals - 2Q25 (\$ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 6/30/25	Δ in LTV	Property Type	Total Commitment	Previous LTV	LTV @ 6/30/25	Δ in LTV
Office ⁽¹⁾	\$ 10	69.3%	129.0%	59.7%	Multifamily	\$ 66	40.9%	48.5%	7.6%
Condo ⁽²⁾	149	106.6%	90.4%	-16.2%	Multifamily	53	45.9%	48.1%	2.3%
Land ⁽³⁾	66	50.7%	87.7%	37.0%	Life Science	265	36.8%	47.7%	11.0%
Multifamily	31	45.7%	82.1%	36.5%	Mixed Use	117	41.7%	47.6%	5.9%
Mixed Use	127	65.3%	72.7%	7.4%	Land	49	44.7%	47.3%	2.6%
Office	60	57.4%	71.2%	13.8%	Multifamily	160	43.1%	44.6%	1.5%
Life Science	125	52.8%	62.9%	10.1%	Multifamily	53	34.4%	44.3%	9.9%
Mixed Use	313	57.2%	60.0%	2.8%	Land	25	45.0%	44.2%	-0.8%
Multifamily	47	46.0%	59.2%	13.2%	Industrial	125	42.9%	44.1%	1.3%
Mixed Use	241	57.2%	59.1%	1.9%	Land	219	49.4%	44.0%	-5.5%
Multifamily	32	48.2%	56.1%	7.9%	Condo	188	47.8%	43.8%	-4.0%
Multifamily	85	54.6%	55.6%	1.1%	Life Science	60	42.0%	43.8%	1.8%
Industrial	67	53.7%	54.6%	0.8%	Multifamily	23	33.3%	43.6%	10.2%
Land	41	54.4%	54.4%	0.0%	Industrial	97	39.3%	40.4%	1.1%
Multifamily	50	52.9%	53.0%	0.1%	Industrial	90	38.0%	40.3%	2.3%
Mixed Use	100	52.2%	52.0%	-0.2%	Multifamily	50	38.7%	40.3%	1.6%
Life Science	149	39.6%	51.9%	12.3%	Mixed Use	575	35.0%	38.4%	3.4%
Industrial	105	36.1%	51.5%	15.4%	Multifamily	130	38.5%	38.2%	-0.2%
Office	34	51.7%	49.8%	-1.9%	Land	35	46.4%	37.1%	-9.3%
Industrial	54	40.0%	49.5%	9.5%	Office	66	36.6%	33.8%	-2.8%

(1) This loan is risk rated special mention. During the quarter just ended, in connection with a 12-month loan extension, the borrower made a \$1.5 million principal reduction, curtailed \$10.1 million of the unfunded balance of the loan, deposited \$1.1 million in carry reserves and paid a customary extension fee and all closing costs. The sponsor is evaluating alternatives for the property.

(2) This pass-rated condo loan was previously a multifamily project built to condo standards, and in the quarter just ended the sponsor elected to convert it to a condo project. In connection with the conversion and a 36-month loan extension, the borrower contributed \$6.5 million of new equity.

(3) This land loan (also previously listed in Figure 26) is risk rated substandard accrual. During the quarter just ended, in connection with a 3-month loan extension, the borrower deposited \$4.1 million in carry reserves and paid a customary extension fee and all closing costs. The sponsor is working toward a recapitalization.

As of June 30, 2025, 98% of the loans and 99% of the dollar volume of the RESG portfolio had appraisals dated on or after December 15, 2022, which is the date that the Fed initially increased the Fed funds target rate to the current 4.25%-4.50% range. Stated another way, 305 RESG loans (out of 311) with total commitments of \$32.46 billion (out of \$32.87 billion) have been appraised in the current or the recent higher interest rate environment.

Deposit and Liquidity Details

Deposits

Most of our deposits are generated through our network of 242 retail branches in Arkansas, Georgia, Florida, North Carolina, Texas and Tennessee. During the quarter just ended, we opened eight retail branches (seven new and one replacement branch), bringing the number of branches opened in the first half of 2025 to 11 (nine new and two replacement branches). We expect to open approximately 15 more branches in the second half of 2025 and approximately 25 more branches in 2026.

Because of the substantial “retail” nature of our deposit base, 78% of our deposits are either insured (63% at June 30, 2025) or, in the case of public funds and certain other deposits, collateralized (15% at June 30, 2025). As of June 30, 2025, our average account balance was approximately \$48,000. The diversity of our deposit base is an important factor in the demonstrated stability of our deposits.

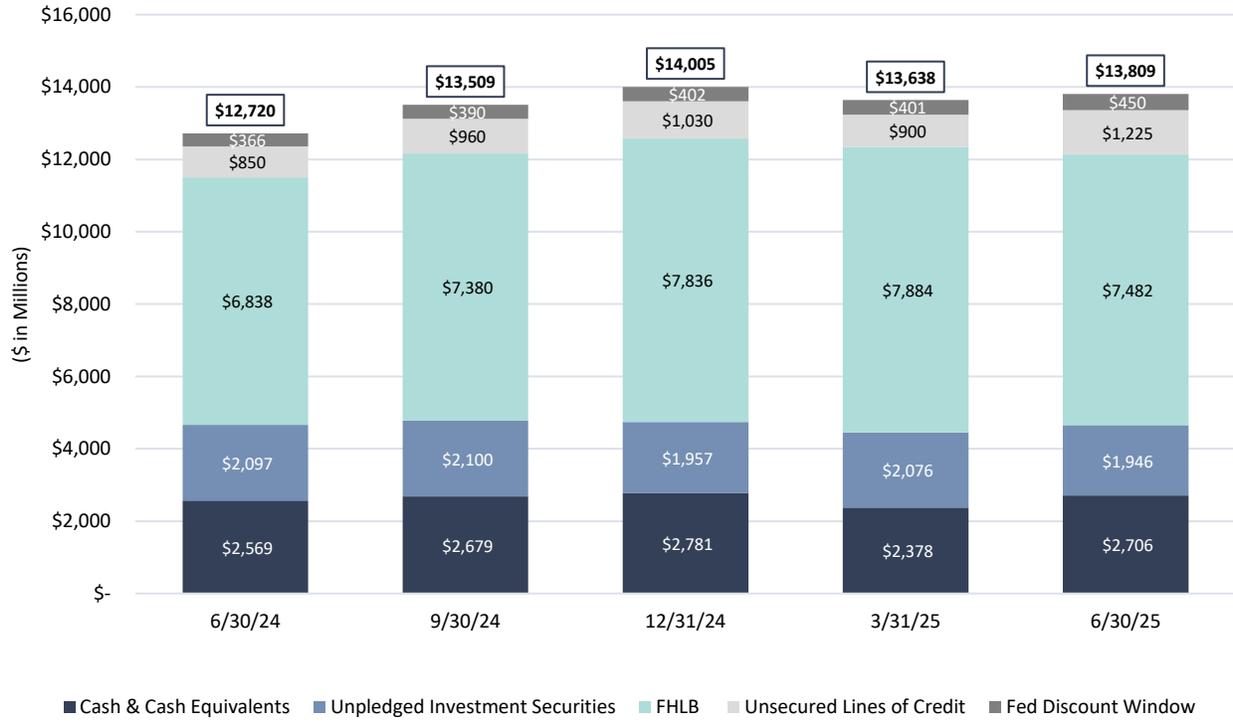
Figure 29: Deposit Composition (\$ millions)

	Period Ended									
	6/30/2024		9/30/2024		12/31/2024		3/31/2025		6/30/2025	
Noninterest Bearing	\$ 4,046	13.5%	\$ 3,855	12.6%	\$ 3,770	12.1%	\$ 3,868	12.1%	\$ 3,836	11.4%
Consumer and Commercial										
Interest Bearing:										
Consumer - Non-time	2,832	9.5%	2,854	9.3%	2,983	9.6%	3,177	10.0%	3,145	9.4%
Consumer - Time	12,188	40.7%	13,133	43.0%	13,447	43.3%	13,940	43.7%	14,746	44.0%
Commercial - Non-time	2,781	9.3%	2,819	9.2%	2,728	8.8%	2,601	8.1%	3,071	9.2%
Commercial - Time	906	3.0%	972	3.2%	970	3.1%	914	2.9%	981	2.9%
Public Funds	3,761	12.6%	3,629	11.9%	3,964	12.8%	4,369	13.7%	4,403	13.1%
Brokered	2,860	9.6%	2,716	8.9%	2,611	8.4%	2,562	8.0%	2,850	8.5%
Reciprocal	570	1.8%	594	1.9%	569	1.9%	495	1.5%	490	1.5%
Total	<u>\$ 29,944</u>	<u>100.0%</u>	<u>\$ 30,572</u>	<u>100.0%</u>	<u>\$ 31,043</u>	<u>100.0%</u>	<u>\$ 31,926</u>	<u>100.0%</u>	<u>\$ 33,522</u>	<u>100.0%</u>

Primary and Secondary Liquidity

We maintain substantial and diverse sources of available primary and secondary liquidity as reflected in Figure 30.

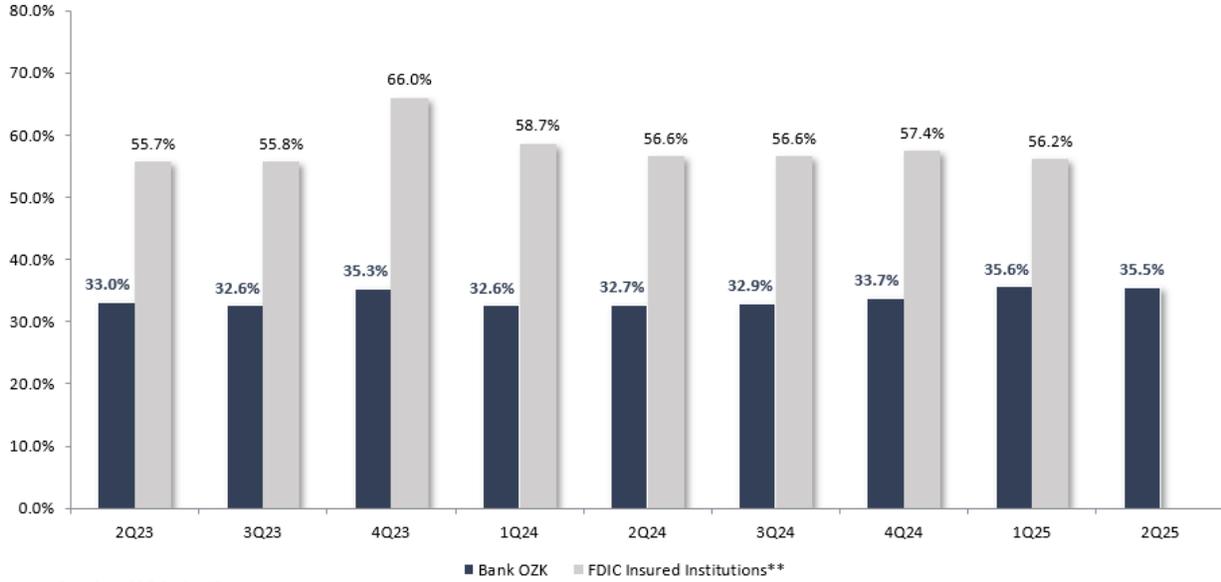
Figure 30: Available Primary and Secondary Liquidity – Last Five Quarters (\$ millions)



Efficiency Ratio

Our efficiency ratio was 35.5% for both the quarter just ended and the first half of 2025. Our efficiency ratio has been in the top decile of the industry for 23 consecutive years.*

Figure 31: Quarterly Efficiency Ratio (%)



* Data from S&P Capital IQ.

** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2025.

Non-interest Income

Non-interest income for the second quarter of 2025 was \$31.3 million, an increase of 8.7% from the second quarter of 2024. For the first six months of 2025, non-interest income was \$66.0 million, an increase of 14.1% from \$57.9 million for the first six months of 2024. Figures 32 and 33, respectively, summarize non-interest income for the most recent five quarters and year-over-year trends for the second quarter of 2025.

Figure 32: Quarterly Trends in Non-interest Income (\$ thousands)

	For the Three Months Ended				
	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025
Deposit-related fees:					
Overdraft fees	\$ 3,364	\$ 3,563	\$ 3,488	\$ 3,282	\$ 3,310
All other service charges	7,558	7,561	7,537	7,224	7,717
Loan-related fees	6,481	6,534	8,786	8,985	7,925
BOLI income:					
Increase in cash surrender value	5,606	5,758	5,807	5,744	5,854
Death benefit	-	1,344	-	-	-
Trust income	2,082	2,529	2,632	2,514	2,946
Gains on sales of other assets	1,073	1,303	582	769	514
Net gains on investment securities	125	25	-	-	-
Other	2,493	4,988	4,110	6,206	3,025
Total non-interest income	\$ 28,782	\$ 33,605	\$ 32,942	\$ 34,724	\$ 31,291

Figure 33: Trends in Non-interest Income – 2024 vs. 2025 (\$ thousands)

	For the Three Months Ended			For the Six Months Ended		
	6/30/2024	6/30/2025	% Change	6/30/2024	6/30/2025	% Change
Deposit-related fees:						
Overdraft fees	\$ 3,364	\$ 3,310	-1.6%	\$ 6,790	\$ 6,592	-2.9%
All other service charges	7,558	7,717	2.1%	14,397	14,941	3.8%
Loan-related fees	6,481	7,925	22.3%	12,824	16,910	31.9%
BOLI income:						
Increase in cash surrender value	5,606	5,854	4.4%	11,112	11,598	4.4%
Death benefit	-	-	NA	-	-	NA
Trust income	2,082	2,946	41.5%	4,406	5,460	23.9%
Gains on sales of other assets	1,073	514	-52.1%	1,532	1,283	-16.3%
Net gains on investment securities	125	-	-100.0%	535	-	-100.0%
Other	2,493	3,025	21.3%	6,271	9,232	47.2%
Total non-interest income	\$ 28,782	\$ 31,291	8.7%	\$ 57,867	\$ 66,016	14.1%

Non-interest Expense

Non-interest expense for the second quarter of 2025 was \$153.2 million, an increase of 11.4% from the second quarter of 2024. Non-interest expense for the first six months of 2025 was \$300.1 million, an increase of 10.8% from the first six months of 2024.

We have been very pleased with opportunities provided by the current environment to augment our team with numerous high-quality team members and with our success in identifying and opening strategic new branches. During the quarter just ended, our headcount increased by a larger than expected 109 employees to 3,205 FTE employees at June 30, 2025, an increase of 375 FTE employees, or 13.3%, compared to June 30, 2024.

We expect further growth in headcount to support our anticipated growth in deposits, loans and other aspects of our business, including the continued expansion of CIB, consumer and small business lending, and secondary market mortgage lending. Based on this accelerated growth of our business, we are revising our full-year 2025 guidance for total non-interest expense, which we now expect to increase approximately 12% compared to the full year of 2024.

Figures 34 and 35, respectively, summarize non-interest expense for the most recent five quarters and year-over-year trends for the second quarter and first six months of 2025.

Figure 34: Quarterly Trends in Non-interest Expense (\$ thousands)

	For the Three Months Ended				
	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025
Salaries & employee benefits	\$ 73,409	\$ 75,324	\$ 77,719	\$ 82,200	\$ 86,224
Net occupancy and equipment	18,421	17,380	17,901	18,445	18,677
Software and data processing	12,159	12,742	10,964	9,876	11,008
Deposit insurance and assessments	5,309	6,050	5,975	6,775	6,605
Professional and outside services	6,683	5,620	6,600	6,309	6,473
Advertising and public relations	6,888	6,089	3,702	4,051	4,572
Other	14,582	17,196	17,266	19,298	19,604
Total non-interest expense	\$ 137,451	\$ 140,401	\$ 140,127	\$ 146,954	\$ 153,163

Figure 35: Trends in Non-interest Expense – 2024 vs. 2025 (\$ thousands)

	For the Three Months Ended			For the Six Months Ended		
	6/30/2024	6/30/2025	% Change	6/30/2024	6/30/2025	% Change
Salaries & employee benefits	\$ 73,409	\$ 86,224	17.5%	\$ 142,973	\$ 168,424	17.8%
Net occupancy and equipment	18,421	18,677	1.4%	36,395	37,122	2.0%
Software and data processing	12,159	11,008	-9.5%	23,274	20,885	-10.3%
Deposit insurance and assessments	5,309	6,605	24.4%	13,559	13,380	-1.3%
Professional and outside services	6,683	6,473	-3.1%	12,652	12,782	1.0%
Advertising and public relations	6,888	4,572	-33.6%	10,785	8,623	-20.0%
Other expenses	14,582	19,604	34.4%	31,126	38,901	25.0%
Total non-interest expense	\$ 137,451	\$ 153,163	11.4%	\$ 270,764	\$ 300,117	10.8%

Effective Tax Rate

Our effective tax rate was 23.6% for the quarter just ended and was 23.4% for the first six months of 2025. Assuming no changes in applicable state or federal income tax rates, we continue to expect our effective tax rate for the full year of 2025 to be between 23% and 24%.

Stock Repurchase Program

During the quarter just ended, we repurchased 1.12 million shares of common stock for \$43.2 million, or approximately \$38.69 per share. These purchases were pursuant to our previous stock repurchase program which expired July 1, 2025.

In June 2025, our Board authorized a new stock repurchase program for up to \$200 million of our outstanding common stock, which was effective July 1, 2025, and expires on July 1, 2026, unless extended, shortened or suspended by the Board.

In establishing our parameters for repurchase price and share volume, management considers a variety of factors including our stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors.

Capital and Dividends

Our record earnings in the quarter just ended allowed us to maintain robust capital ratios even as we grew total assets \$2.29 billion, repurchased \$43 million of common stock and increased our dividend. Our strong earnings and earnings retention rate should allow us to continue to maintain capital ratios near or above current levels.

This strong capital position provides significant capacity to grow, add new business lines, increase our dividend, and, as appropriate, repurchase stock and pursue acquisitions.

Figure 36: Regulatory Capital Ratios

	Estimated 6/30/2025 ³	Regulatory Minimum Required To Be Considered Well Capitalized	Capital in Excess of Well Capitalized Minimum
CET 1 Ratio*	11.13%	6.50%	4.63%
Tier 1 Ratio*	11.89%	8.00%	3.89%
Total RBC Ratio*	14.17%	10.00%	4.17%
Tier 1 Leverage	13.59%	5.00%	8.59%

* Ratios are risk-based

We have increased our common stock cash dividend in each of the last 60 quarters and every year since going public in 1997. We expect that we will continue to increase our common stock cash dividend in future quarters.

³ Ratios as of June 30, 2025 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Book Value and Tangible Book Value

During the quarter just ended, our book value per common share increased \$1.30 or 2.7% not annualized, to \$49.59. Over the last four quarters, our book value per common share increased \$4.92, or 11.0%. Over the last 10 years, we increased book value per common share by a cumulative 256%, resulting in a compound annual growth rate of 13.5%, as shown in Figure 37.

Figure 37: Book Value per Common Share (Period End)



During the quarter just ended, our tangible book value per common share increased \$1.24, or 2.9% not annualized, to \$43.72. Over the last four quarters, our tangible book value per common share increased \$4.87, or 12.5%. Over the last 10 years, we increased tangible book value per common share by a cumulative 259%, resulting in a compound annual growth rate of 13.6%, as shown in Figure 38.

Figure 38: Tangible Book Value per Common Share (Period End) ⁴



⁴ See the schedule in Appendix A at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable GAAP measure.

Final Thoughts

One of our goals for 2025 is to improve on our record 2024 net income and EPS. Our strong results for the first half of the year put us in a great position to achieve that goal.

Our talented, entrepreneurial and veteran team is well suited for the very dynamic environment in which we operate today. Our excellent results for the quarter included record net income, record EPS, record net interest income, excellent growth in loans and deposits, and solid asset quality. These results demonstrate our team's ability to proactively and effectively manage the various challenges of this environment while capitalizing on numerous opportunities.

APPENDIX A

Non-GAAP Reconciliations

Calculation of Average Common Stockholders' Equity, Average Tangible Common Stockholders' Equity and the Annualized Returns on Average Common Stockholders' Equity and Average Tangible Common Stockholders' Equity

Unaudited (Dollars in Thousands)

	Three Months Ended *		Six Months Ended*	
	6/30/2024	6/30/2025	6/30/2024	6/30/2025
Net Income Available To Common Stockholders	\$ 173,496	\$ 178,931	\$ 344,987	\$ 346,843
Average Stockholders' Equity Before Noncontrolling Interest	5,330,984	5,866,660	5,270,700	5,822,853
Less Average Preferred Stock	(338,980)	(338,980)	(338,980)	(338,980)
Total Average common stockholders' equity	4,992,004	5,527,680	4,931,720	5,483,873
Less Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Average Tangible Common Stockholders' Equity	\$ 4,331,215	\$ 4,866,891	\$ 4,270,931	\$ 4,823,084
Return On Average Common Stockholders' Equity	13.98%	12.98%	14.07%	12.75%
Return On Average Tangible Common Stockholders' Equity	16.11%	14.75%	16.24%	14.50%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended		Six Months Ended	
	6/30/2024	6/30/2025	6/30/2024	6/30/2025
Net income available to common stockholders	\$ 173,496	\$ 178,931	\$ 344,987	\$ 346,843
Preferred stock dividends	4,047	4,047	8,094	8,094
Earnings attributable to noncontrolling interest	(8)	25	10	37
Provision for income taxes	52,778	56,656	107,005	108,548
Provision for credit losses	49,012	35,215	91,935	73,632
Pre-tax pre-provision net revenue	\$ 279,325	\$ 274,874	\$ 552,031	\$ 537,154

Calculation of Total Common Stockholders' Equity, Total Tangible Common Stockholders' Equity and Tangible

Book Value per Common Share

Unaudited (Dollars in Thousands, Except per Share)

	As of June 30,					
	2015	2016	2017	2018	2019	2020
Total stockholders' equity before noncontrolling interest	\$ 1,209,254	\$ 1,556,921	\$ 3,260,123	\$ 3,613,903	\$ 3,993,247	\$ 4,110,666
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	1,209,254	1,556,921	3,260,123	3,613,903	3,993,247	4,110,666
Less intangible assets:						
Goodwill	(122,884)	(126,289)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(28,266)	(23,615)	(54,541)	(41,962)	(29,515)	(18,377)
Total intangibles	(151,150)	(149,904)	(715,330)	(702,751)	(690,304)	(679,166)
Total tangible common stockholders' equity	<u>\$ 1,058,104</u>	<u>\$ 1,407,017</u>	<u>\$ 2,544,793</u>	<u>\$ 2,911,152</u>	<u>\$ 3,302,943</u>	<u>\$ 3,431,500</u>
Common shares outstanding (thousands)	<u>86,811</u>	<u>90,745</u>	<u>128,190</u>	<u>128,616</u>	<u>128,947</u>	<u>129,350</u>
Book value per common share	<u>\$ 13.93</u>	<u>\$ 17.16</u>	<u>\$ 25.43</u>	<u>\$ 28.10</u>	<u>\$ 30.97</u>	<u>\$ 31.78</u>
Tangible book value per common share	<u>\$ 12.19</u>	<u>\$ 15.51</u>	<u>\$ 19.85</u>	<u>\$ 22.63</u>	<u>\$ 25.61</u>	<u>\$ 26.53</u>

	As of June 30,					As of
	2021	2022	2023	2024	2025	Mar. 31, 2025
Total stockholders' equity before noncontrolling interest	\$ 4,501,676	\$ 4,606,782	\$ 4,809,891	\$ 5,407,800	\$ 5,924,875	\$ 5,831,336
Less preferred stock	-	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	4,501,676	4,267,802	4,470,911	5,068,820	5,585,895	5,492,356
Less intangible assets:						
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(11,336)	(5,240)	(377)	-	-	-
Total intangibles	(672,125)	(666,029)	(661,166)	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	<u>\$ 3,829,551</u>	<u>\$ 3,601,773</u>	<u>\$ 3,809,745</u>	<u>\$ 4,408,031</u>	<u>\$ 4,925,106</u>	<u>\$ 4,831,567</u>
Common shares outstanding (thousands)	<u>129,720</u>	<u>118,996</u>	<u>113,145</u>	<u>113,465</u>	<u>112,641</u>	<u>113,727</u>
Book value per common share	<u>\$ 34.70</u>	<u>\$ 35.87</u>	<u>\$ 39.51</u>	<u>\$ 44.67</u>	<u>\$ 49.59</u>	<u>\$ 48.29</u>
Tangible book value per common share	<u>\$ 29.52</u>	<u>\$ 30.27</u>	<u>\$ 33.67</u>	<u>\$ 38.85</u>	<u>\$ 43.72</u>	<u>\$ 42.48</u>

**Calculation of Total Common Stockholders' Equity, Total Tangible Common Stockholders' Equity and the Ratio of
Total Tangible Common Stockholders' Equity to Total Tangible Assets**

Unaudited (Dollars in Thousands, Except per Share)

	June 30, 2025
Total stockholders' equity before noncontrolling interest	\$ 5,924,875
Less preferred stock	(338,980)
Total common stockholders' equity	5,585,895
Less Goodwill	(660,789)
Total tangible common stockholders' equity	\$ 4,925,106
Total assets	\$ 41,454,390
Less Goodwill	(660,789)
Total tangible assets	40,793,601
Ratio of total common stockholders' equity to total assets	13.47%
Ratio of total tangible common stockholders' equity to total tangible assets	12.07%

APPENDIX B
Risk Categories

(\$ in thousands)

	<u>Pass</u>	<u>Special Mention</u>	<u>Substandard Accrual</u>	<u>Substandard Nonaccrual</u>	<u>Total</u>
June 30, 2025:					
Real Estate:					
Construction/land development	\$ 8,578,760	\$ 6,439	\$ 98,085	\$ 1,663	\$ 8,684,947
Other commercial real estate	7,982,098	603,304	1,292	13,192	8,599,886
Multifamily residential	4,335,683	-	71	349	4,336,103
Residential 1-4 family ⁽¹⁾	1,492,619	8,147	2	27,406	1,528,174
Agricultural	305,157	560	-	204	305,921
Total real estate	22,694,317	618,450	99,450	42,814	23,455,031
Consumer ⁽¹⁾	4,008,304	5,515	-	8,134	4,021,953
Commercial and industrial	2,293,665	6,882	29,172	424	2,330,143
Other ⁽¹⁾	3,135,593	-	56,048	6,286	3,197,927
Total loans	<u>\$ 32,131,879</u>	<u>\$ 630,847</u>	<u>\$ 184,670</u>	<u>\$ 57,658</u>	<u>\$ 33,005,054</u>
March 31, 2025:					
Real Estate:					
Construction/land development	\$ 9,088,765	\$ 13,259	\$ 105,078	\$ 1,517	\$ 9,208,619
Other commercial real estate	7,823,655	157,463	2,110	13,914	7,997,142
Multifamily residential	3,629,442	233,521	85	2,532	3,865,580
Residential 1-4 family ⁽¹⁾	1,294,374	11,960	-	26,533	1,332,867
Agricultural	299,681	503	-	204	300,388
Total real estate	22,135,917	416,706	107,273	44,700	22,704,596
Consumer ⁽¹⁾	3,754,402	5,612	-	9,375	3,769,389
Commercial and industrial	2,030,996	32,726	1,099	1,469	2,066,290
Other ⁽¹⁾	2,504,280	134	56,009	7,175	2,567,598
Total loans	<u>\$ 30,425,595</u>	<u>\$ 455,178</u>	<u>\$ 164,381</u>	<u>\$ 62,719</u>	<u>\$ 31,107,873</u>

(1) The Bank does not risk rate its residential 1-4 family (including consumer construction loans and 1-4 family properties), consumer loans, certain small business and "other" loans. However, for purposes of the table above, the Bank generally considers such loans to be (i) pass – if they are performing and less than 30 days past due, (ii) special mention – if they are performing and 30-89 days past due or (iii) substandard – if they are nonperforming or 90 days or more past due.