# Bank OZK Announces Record Fourth Quarter and Full Year 2021 Earnings

January 20, 2022

LITTLE ROCK, Arkansas, Jan. 20, 2022 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the fourth quarter of 2021 was $149.8 million, a 24.3% increase from $120.5 million for the fourth quarter of 2020. Diluted earnings per common share for the fourth quarter of 2021 were a quarterly record $1.17, a 25.8% increase from $0.93 for the fourth quarter of 2020.

For the full year of 2021, net income was a record $579.0 million, a 98.4% increase from $291.9 million for the full year of 2020. Diluted earnings per common share for the full year of 2021 were a record $4.47, a 97.8% increase from $2.26 for the full year of 2020.

As a result of improved economic conditions and prospects for improvement in the U. S. economy, management recorded negative provision for credit losses of $8.0 million during the fourth quarter and $77.9 million for the full year of 2021, reducing the Bank's total allowance for credit losses ("ACL") from $377.3 million at December 31, 2020 to $289.0 million at December 31, 2021. The Bank's provision for credit losses was $6.8 million during the fourth quarter and $203.6 million for the full year of 2020.

Pre-tax pre-provision net revenue ("PPNR") was $186.0 million for the fourth quarter of 2021, a 14.2% increase from $162.9 million for the fourth quarter of 2020. PPNR was $675.0 million for the full year of 2021, a 16.4% increase from $579.8 million for the full year of 2020. The calculation of PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the fourth quarter of 2021 were 2.25%, 13.08% and 15.34%, respectively, compared to 1.79%, 11.36% and 13.53%, respectively, for the fourth quarter of 2020. The Bank's returns on average assets, average common stockholder's equity and average tangible common stockholders' equity for the full year of 2021 were 2.17%, 13.01% and 15.32%, respectively, compared to 1.13%, 7.04% and 8.41%, respectively, for the full year of 2020. The calculation of the Bank's returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "We are pleased to report our excellent results for the fourth quarter and full year of 2021 – results that were record setting in many respects. We were particularly pleased to report our highest ever level of quarterly RESG loan originations, as organic growth is an important component of our long-term strategy to increase shareholder value. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the future."

**KEY BALANCE SHEET METRICS**

Total loans were $18.31 billion at December 31, 2021, a 4.7% decrease from $19.21 billion at December 31, 2020. Non-purchased loans were $17.79 billion at December 31, 2021, a 3.3% decrease from $18.40 billion at December 31, 2020. Purchased loans, which consist of loans acquired in previous acquisitions, were $0.52 billion at December 31, 2021, a 36.1% decrease from $0.81 billion at December 31, 2020.

Deposits were $20.21 billion at December 31, 2021, a 5.8% decrease from $21.45 billion at December 31, 2020. Total assets were $26.53 billion at December 31, 2021, a 2.3% decrease from $27.16 billion at December 31, 2020.

Common stockholders' equity was $4.50 billion at December 31, 2021, a 5.3% increase from $4.27 billion at December 31, 2020. Tangible common stockholders' equity was $3.83 billion at December 31, 2021, a 6.4% increase from $3.60 billion at December 31, 2020. Book value per common share was $35.85 at December 31, 2021, an 8.5% increase from $33.03 at December 31, 2020. Tangible book value per common share was $30.52 at December 31, 2021, a 9.7% increase from $27.81 at December 31, 2020. The calculations of the Bank's common stockholders' equity, tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets was 16.95% at December 31, 2021, compared to 15.73% at December 31, 2020. Its ratio of total tangible common stockholders' equity to total tangible assets was 14.80% at December 31, 2021, compared to 13.58% at December 31, 2020. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

**PREFERRED STOCK OFFERING**

On November 4, 2021, the Bank completed its public offering of 14,000,000 shares of its 4.625% Series A Non-Cumulative Perpetual Preferred Stock ("Preferred Stock"), par value $0.01 per share, with a liquidation preference of $25 per share, which represents $350 million in aggregate liquidation preference. The Bank received net proceeds from the Preferred Stock, after deducting the initial purchaser discount and offering expenses, of $339.0 million.

**SUBORDINATED DEBT REDEMPTION AND OFFERING**

In July 2021, the Bank redeemed all of its $225 million of 5.50% Fixed-to-Floating rate Subordinated Notes at a redemption price equal to 100% of the principal amount of the subordinated notes plus accrued and unpaid interest. As a result of the subordinated debt redemption, the Bank recognized approximately $0.8 million in remaining unamortized debt issue cost as non-interest expense during the third quarter of 2021.

In September 2021, the Bank completed its public offering of $350 million in aggregate principal amount of its 2.75% Fixed-to-Floating rate Subordinated Notes (the "2.75% Notes") due 2031, which bear interest at a fixed rate of 2.75% per annum until September 30, 2026. On October 1, 2026, the 2.75% Notes will bear interest at a floating rate equal to a benchmark (which is expected to be three-month SOFR) plus 209 basis points. The 2.75% Notes are unsecured, subordinated debt obligations and mature on October 1, 2031. As of December 31, 2021, the 2.75% Notes had a carrying value of $346.1 million and remaining unamortized debt issuance cost of $3.9 million.

**STOCK REPURCHASE PROGRAM**

In July 2021, the Bank adopted a stock repurchase program. In conjunction with the Bank's Preferred Stock offering, its Board of Directors increased the size of its stock repurchase program from $300 million up to $650 million of the Bank's outstanding common stock. During the quarter just ended, the Bank repurchased 3,387,421 shares at a weighted average cost of $46.16, for a total of $156.4 million. During 2021, the Bank repurchased 4,275,988 shares at a weighted average cost of $45.21, for a total of $193.4 million. The timing and amount of future repurchases will be determined by management based on a variety of factors such as the Bank's capital position, liquidity, financial performance and alternative uses of capital, stock price, regulatory requirements and general market and economic conditions. The repurchase program may be suspended by the Bank at any time.

**MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS**

In connection with this release, the Bank released management's comments on its quarterly results, which are available at http://ir.ozk.com. This release should be read in conjunction with management's comments on the quarterly results.

Management will conduct a conference call to take questions on these quarterly results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on January 21, 2022. Interested parties may listen to this call by dialing 1-844-818-5110 (U.S. and Canada) or 210-229-8841 (internationally) and asking for the Bank OZK conference call. A recorded playback of the call will be available for one week following the call at 1-855-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The conference ID for this playback is 5324497. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

The Bank files with the Federal Deposit Insurance Corporation ("FDIC") annual, quarterly and current reports, proxy materials and other information required by the Securities Exchange Act of 1934, copies of which are available electronically at the FDIC's website at https://efr.fdic.gov/fcxweb/efr/index.html and are also available on the Bank's Investor Relations website at http://ir.ozk.com. To receive automated email alerts for these materials, please visit http://ir.ozk.com/EmailNotification to sign up.

**NON-GAAP FINANCIAL MEASURES**

This release contains certain non-GAAP financial measures. The Bank uses these non-GAAP financial measures, specifically return on average tangible common stockholders' equity, tangible book value per common share, total common stockholders' equity, total tangible common stockholders' equity, the ratio of total tangible common stockholders' equity to total tangible assets, and PPNR, to assess the strength of its capital, its ability to generate earnings on tangible capital invested by its shareholders and trends in its net revenue. These measures typically adjust GAAP financial measures to exclude intangible assets or provision for credit losses. Management believes presentation of these non-GAAP financial measures provides useful supplemental information which contributes to a proper understanding of the financial results and capital levels of the Bank. These non-GAAP disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP performance measures that may be presented by other banks. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the tables at the end of this release under the caption "Reconciliation of Non-GAAP Financial Measures."

**FORWARD-LOOKING STATEMENTS**

This release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. 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 implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional 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 or acquired 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; the potential impact of the phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; 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; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief and Economic Security Act, the Consolidated Appropriations Act of 2021, the American Rescue Plan Act of 2021, and any similar or related laws, rules and regulations; the impact of any future federal government shutdown and uncertainty regarding the federal government's debt limit or changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Bank's operational or security systems or infrastructure, or those of third parties with whom it does business, 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 its customers; natural disasters or acts of war or terrorism; the adverse effects of the COVID-19 pandemic, including the duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the Bank's staff, the global economy and financial markets; potential impact of supply chain disruptions or inflation; national, international or political instability; impairment of the Bank's goodwill or other intangible assets; 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 press release or as detailed from time to time in the other public reports the Bank files with the FDIC, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form 10-K for the year ended December 31, 2020 and its quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected 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.

**GENERAL INFORMATION**

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations with over 240 offices in eight states including Arkansas, Georgia, Florida, North Carolina, Texas, California, New York and Mississippi. Bank OZK can be found at www.ozk.com and on Facebook, Twitter and LinkedIn or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.


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|---|---|
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**Bank OZK**
**Consolidated Balance Sheets**
Unaudited

| | December 31, 2021 | December 31, 2020 |
|---|---|---|
| | (Dollars in thousands, except per share amounts) | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 2,053,829 | $ 2,393,662 |
| Investment securities — available for sale ("AFS") | 3,916,733 | 3,405,351 |
| Investment securities — trading | 14,957 | — |
| Federal Home Loan Bank of Dallas and other bankers' bank stocks | 40,788 | 38,486 |
| Non-purchased loans | 17,791,610 | 18,401,495 |
| Purchased loans | 516,215 | 807,673 |

| | | |
|---|---|---|
| Allowance for loan losses | (217,380) | (295,824) |
| Net loans | 18,090,445 | 18,913,344 |
| Premises and equipment, net | 695,857 | 738,842 |
| Foreclosed assets | 5,744 | 11,085 |
| Accrued interest receivable | 83,025 | 88,077 |
| Bank owned life insurance ("BOLI") | 774,822 | 758,071 |
| Goodwill and other intangible assets, net | 669,063 | 675,458 |
| Other, net | 185,167 | 140,220 |
| Total assets | $ 26,530,430 | $ 27,162,596 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Deposits: | | |
| Demand non-interest bearing | $ 4,983,788 | $ 3,996,546 |
| Savings and interest bearing transaction | 9,245,727 | 8,160,982 |
| Time | 5,979,619 | 9,292,828 |
| Total deposits | 20,209,134 | 21,450,356 |
| Repurchase agreements with customers | 6,115 | 8,013 |
| Other borrowings | 750,206 | 750,928 |
| Subordinated notes | 346,133 | 224,047 |
| Subordinated debentures | 121,033 | 120,475 |
| Reserve for losses on unfunded loan commitments | 71,609 | 81,481 |
| Accrued interest payable and other liabilities | 186,840 | 251,940 |
| Total liabilities | 21,691,070 | 22,887,240 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock; $0.01 par value; 100,000,000 shares authorized; 14,000,000 and no shares issued and outstanding at December 31, 2021 and 2020, respectively | 338,980 | — |
| Common stock; $0.01 par value; 300,000,000 shares authorized; 125,443,748 and 129,350,448 shares issued and outstanding at December 31, 2021 and 2020, respectively | 1,254 | 1,294 |
| Additional paid-in capital | 2,093,702 | 2,265,850 |
| Retained earnings | 2,378,466 | 1,946,875 |
| Accumulated other comprehensive income | 23,841 | 58,252 |
| Total stockholders' equity before noncontrolling interest | 4,836,243 | 4,272,271 |
| Noncontrolling interest | 3,117 | 3,085 |
| Total stockholders' equity | 4,839,360 | 4,275,356 |
| Total liabilities and stockholders' equity | $ 26,530,430 | $ 27,162,596 |

**Bank OZK**
**Consolidated Statements of Income**
Unaudited

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (Dollars in thousands, except per share amounts) | | | |
| Interest income: | | | | |
| Non-purchased loans | $ 256,021 | $ 243,064 | $ 972,660 | $ 944,354 |
| Purchased loans | 11,190 | 16,069 | 46,174 | 70,812 |
| Investment securities: | | | | |
| Taxable | 9,448 | 9,066 | 36,234 | 40,547 |
| Tax-exempt | 2,869 | 4,767 | 13,729 | 19,403 |
| Deposits with banks and federal funds sold | 953 | 428 | 2,510 | 5,665 |
| Total interest income | 280,481 | 273,394 | 1,071,307 | 1,080,781 |
| Interest expense: | | | | |
| Deposits | 9,514 | 30,607 | 64,422 | 171,813 |
| Repurchase agreements with customers | 3 | 6 | 17 | 23 |
| Other borrowings | 1,017 | 1,011 | 4,012 | 3,179 |
| Subordinated notes | 2,631 | 3,207 | 9,386 | 12,758 |
| Subordinated debentures | 935 | 963 | 3,750 | 4,384 |
| Total interest expense | 14,100 | 35,794 | 81,587 | 192,157 |
| Net interest income | 266,381 | 237,600 | 989,720 | 888,624 |
| Provision for credit losses | (7,992) | 6,750 | (77,938) | 203,639 |
| Net interest income after provision for credit losses | 274,373 | 230,850 | 1,067,658 | 684,985 |

| | | | | |
|---|---|---|---|---|
| Non-interest income: | | | | |
| Service charges on deposit accounts: | | | | |
| NSF/Overdraft fees | 4,315 | 4,024 | 14,962 | 14,782 |
| All other service charges | 7,149 | 5,959 | 27,656 | 22,917 |
| Trust income | 2,141 | 1,909 | 8,506 | 7,544 |
| BOLI income: | | | | |
| Increase in cash surrender value | 4,901 | 5,034 | 19,640 | 20,239 |
| Death benefits | 618 | — | 2,028 | 608 |
| Loan service, maintenance and other fees | 3,148 | 3,797 | 13,959 | 14,257 |
| Gains on sales of other assets | 1,330 | 5,189 | 9,962 | 6,863 |
| Net gains on investment securities | 504 | — | 504 | 4,467 |
| Other | 5,589 | 2,749 | 18,321 | 12,931 |
| Total non-interest income | 29,695 | 28,661 | 115,538 | 104,608 |
| Non-interest expense: | | | | |
| Salaries and employee benefits | 55,034 | 53,832 | 214,567 | 206,834 |
| Net occupancy and equipment | 17,004 | 15,617 | 66,801 | 63,379 |
| Other operating expenses | 38,068 | 33,945 | 148,907 | 143,200 |
| Total non-interest expense | 110,106 | 103,394 | 430,275 | 413,413 |
| Income before taxes | 193,962 | 156,117 | 752,921 | 376,180 |
| Provision for income taxes | 44,197 | 35,607 | 173,888 | 84,314 |
| Net income | 149,765 | 120,510 | 579,033 | 291,866 |
| Earnings attributable to noncontrolling interest | (5) | 3 | (32) | 32 |
| Net income available to common stockholders | $ 149,760 | $ 120,513 | $ 579,001 | $ 291,898 |
| Basic earnings per common share | $ 1.17 | $ 0.93 | $ 4.49 | $ 2.26 |
| Diluted earnings per common share | $ 1.17 | $ 0.93 | $ 4.47 | $ 2.26 |

**Bank OZK**
**Consolidated Statements of Stockholders' Equity**
Unaudited

| | Preferred Stock | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|---|
| | (Dollars in thousands, except per share amounts) | | | | | | |
| **Three months ended December 31, 2021:** | | | | | | | |
| Balances – September 30, 2021 | $ — | $ 1,288 | $ 2,245,012 | $ 2,266,234 | $ 40,706 | $ 3,112 | $ 4,556,352 |
| Net income | — | — | — | 149,765 | — | — | 149,765 |
| Earnings attributable to noncontrolling interest | — | — | — | (5) | — | 5 | — |
| Total other comprehensive loss | — | — | — | — | (16,865) | — | (16,865) |
| Common stock dividends, $0.29 per share | — | — | — | (37,528) | — | — | (37,528) |
| Issuance of 14,000,000 shares of preferred stock, net of offering costs | 338,980 | — | — | — | — | — | 338,980 |
| Issuance of 31,400 shares of common stock for exercise of stock options | — | — | 1,131 | — | — | — | 1,131 |
| Repurchase and cancellation of 3,387,421 shares of common stock under share repurchase program | — | (34) | (156,410) | — | — | — | (156,444) |
| Stock-based compensation expense | — | — | 3,969 | — | — | — | 3,969 |
| Forfeitures of 18,050 shares of unvested restricted common stock | — | — | — | — | — | — | — |
| Balances – December 31, 2021 | $ 338,980 | $ 1,254 | $ 2,093,702 | $ 2,378,466 | $ 23,841 | $ 3,117 | $ 4,839,360 |
| **Year ended December 31, 2021:** | | | | | | | |
| Balances – December 31, 2020 | $ — | $ 1,294 | $ 2,265,850 | $ 1,946,875 | $ 58,252 | $ 3,085 | $ 4,275,356 |
| Net income | — | — | — | 579,033 | — | — | 579,033 |
| Earnings attributable to noncontrolling interest | — | — | — | (32) | — | 32 | — |
| Total other comprehensive loss | — | — | — | — | (34,411) | — | (34,411) |
| Common stock dividends, $1.1325 per share | — | — | — | (147,410) | — | — | (147,410) |
| Issuance of 14,000,000 shares of preferred stock, net of offering costs | 338,980 | — | — | — | — | — | 338,980 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Issuance of 207,650 shares of common stock for exercise of stock options | — | 2 | 7,224 | — | — | — | 7,226 |
| Issuance of 332,831 shares of unvested restricted common stock | — | 3 | (3) | — | — | — | — |
| Repurchase and cancellation of 4,275,988 shares of common stock under share repurchase program | — | (43) | (193,401) | — | — | — | (193,444) |
| Repurchase and cancellation of 55,893 shares of common stock withheld for taxes pursuant to restricted stock vesting | — | (1) | (1,976) | — | — | — | (1,977) |
| Stock-based compensation expense | — | — | 16,007 | — | — | — | 16,007 |
| Forfeitures of 115,300 shares of unvested restricted common stock | — | (1) | 1 | — | — | — | — |
| Balances – December 31, 2021 | $ 338,980 | $ 1,254 | $ 2,093,702 | $ 2,378,466 | $ 23,841 | $ 3,117 | $ 4,839,360 |

**Bank OZK**
**Consolidated Statements of Stockholders' Equity**
Unaudited

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|
| | (Dollars in thousands, except per share amounts) | | | | | |
| **Three months ended December 31, 2020:** | | | | | | |
| Balances – September 30, 2020 | $ 1,293 | $ 2,261,864 | $ 1,862,012 | $ 61,116 | $ 3,088 | $ 4,189,373 |
| Net income | — | — | 120,510 | — | — | 120,510 |
| Earnings attributable to noncontrolling interest | — | — | 3 | — | (3) | — |
| Total other comprehensive loss | — | — | — | (2,864) | — | (2,864) |
| Common stock dividends, $0.275 per share | — | — | (35,650) | — | — | (35,650) |
| Issuance of 39,900 shares of common stock for exercise of stock options | — | 991 | — | — | — | 991 |
| Stock-based compensation expense | — | 2,996 | — | — | — | 2,996 |
| Forfeitures of 31,525 shares of unvested restricted common stock | 1 | (1) | — | — | — | — |
| Balances – December 31, 2020 | $ 1,294 | $ 2,265,850 | $ 1,946,875 | $ 58,252 | $ 3,085 | $ 4,275,356 |
| **Year ended December 31, 2020:** | | | | | | |
| Balances – December 31, 2019 | $ 1,289 | $ 2,251,824 | $ 1,869,983 | $ 27,255 | $ 3,117 | $ 4,153,468 |
| Cumulative effect of change in accounting principle | — | — | (75,344) | — | — | (75,344) |
| Balances – January 1, 2020 | 1,289 | 2,251,824 | 1,794,639 | 27,255 | 3,117 | 4,078,124 |
| Net income | — | — | 291,866 | — | — | 291,866 |
| Earnings attributable to noncontrolling interest | — | — | 32 | — | (32) | — |
| Total other comprehensive income | — | — | — | 30,997 | — | 30,997 |
| Common stock dividends, $1.0775 per share | — | — | (139,662) | — | — | (139,662) |
| Issuance of 44,200 shares of common stock for exercise of stock options | — | 1,036 | — | — | — | 1,036 |
| Issuance of 493,761 shares of unvested restricted common stock | 5 | (5) | — | — | — | — |
| Repurchase and cancellation of 61,873 shares of common stock withheld for taxes pursuant to restricted stock vesting | (1) | (1,852) | — | — | — | (1,853) |
| Stock-based compensation expense | — | 14,848 | — | — | — | 14,848 |
| Forfeitures of 76,664 shares of unvested restricted common stock | 1 | (1) | — | — | — | — |
| Balances – December 31, 2020 | $ 1,294 | $ 2,265,850 | $ 1,946,875 | $ 58,252 | $ 3,085 | $ 4,275,356 |

**Bank OZK**
**Summary of Non-Interest Expense**
Unaudited

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (Dollars in thousands) | | | |
| Salaries and employee benefits | $ 55,034 | $ 53,832 | $ 214,567 | $ 206,834 |

| | | | | |
|---|---|---|---|---|
| Net occupancy and equipment | 17,004 | 15,617 | 66,801 | 63,379 |
| Other operating expenses: | | | | |
| Professional and outside services | 7,880 | 6,988 | 29,013 | 29,605 |
| Software and data processing | 6,165 | 5,729 | 23,860 | 21,279 |
| Deposit insurance and assessments | 2,125 | 3,647 | 11,185 | 15,247 |
| Telecommunication services | 2,064 | 2,296 | 8,427 | 9,159 |
| Postage and supplies | 1,909 | 1,709 | 6,627 | 7,462 |
| ATM expense | 1,639 | 1,490 | 6,255 | 5,256 |
| Travel and meals | 1,883 | 835 | 5,694 | 4,336 |
| Writedowns of foreclosed and other assets | 985 | 1,582 | 3,461 | 3,669 |
| Loan collection and repossession expense | 587 | 481 | 2,044 | 3,062 |
| Advertising and public relations | 1,151 | 1,086 | 2,772 | 6,050 |
| Amortization of intangibles | 1,517 | 1,794 | 6,394 | 9,085 |
| Amortization of CRA and tax credit investments | 2,755 | 821 | 15,078 | 8,279 |
| Other | 7,408 | 5,487 | 28,097 | 20,711 |
| Total non-interest expense | $ 110,106 | $ 103,394 | $ 430,275 | $ 413,413 |

**Bank OZK**
**Summary of Total Loans Outstanding**
Unaudited

| | December 31, | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | (Dollars in thousands) | | | |
| Real estate: | | | | |
| Residential 1-4 family | $ 887,024 | 4.8 % | $ 911,115 | 4.7 % |
| Non-farm/non-residential | 3,782,892 | 20.7 | 4,267,147 | 22.2 |
| Construction/land development | 8,246,674 | 45.0 | 7,993,467 | 41.6 |
| Agricultural | 247,727 | 1.4 | 204,868 | 1.1 |
| Multifamily residential | 934,845 | 5.1 | 856,297 | 4.5 |
| Total real estate | 14,099,162 | 77.0 | 14,232,894 | 74.1 |
| Commercial and industrial | 510,784 | 2.8 | 842,206 | 4.4 |
| Consumer | 2,185,429 | 11.9 | 2,393,964 | 12.5 |
| Other | 1,512,450 | 8.3 | 1,740,104 | 9.0 |
| Total loans | 18,307,825 | 100.0 % | 19,209,168 | 100.0 % |
| Allowance for loan losses | (217,380) | | (295,824) | |
| Net loans | $ 18,090,445 | | $ 18,913,344 | |

**Bank OZK**
**Allowance for Credit Losses**
Unaudited

| | Allowance for Loan Losses | Reserve for Losses on Unfunded Loan Commitments | Total Allowance for Credit Losses |
|---|---|---|---|
| | | (Dollars in thousands) | |
| **Three months ended December 31, 2021:** | | | |
| Balances – September 30, 2021 | $ 237,722 | $ 61,076 | $ 298,798 |
| Net charge-offs | (1,817) | — | (1,817) |
| Provision for credit losses | (18,525) | 10,533 | (7,992) |
| Balances – December 31, 2021 | $ 217,380 | $ 71,609 | $ 288,989 |
| **Year ended December 31, 2021:** | | | |
| Balances – December 31, 2020 | $ 295,824 | $ 81,481 | $ 377,305 |
| Net charge-offs | (10,378) | — | (10,378) |
| Provision for credit losses | (68,066) | (9,872) | (77,938) |
| Balances – December 31, 2021 | $ 217,380 | $ 71,609 | $ 288,989 |
| **Three months ended December 31, 2020:** | | | |
| Balances – September 30, 2020 | $ 308,847 | $ 68,426 | $ 377,273 |
| Net charge-offs | (6,718) | — | (6,718) |
| Provision for credit losses | (6,305) | 13,055 | 6,750 |
| Balances – December 31, 2020 | $ 295,824 | $ 81,481 | $ 377,305 |
| **Year ended December 31, 2020:** | | | |
| Balances – December 31, 2019 | $ 108,525 | $ — | $ 108,525 |
| Adoption of CECL [(1)] methodology | 39,588 | 54,924 | 94,512 |

| | | | |
|---|---|---|---|
| Balances – January 1, 2020 | 148,113 | 54,924 | 203,037 |
| Net charge-offs | (29,371) | — | (29,371) |
| Provision for credit losses | 177,082 | 26,557 | 203,639 |
| Balances – December 31, 2020 | $ 295,824 | $ 81,481 | $ 377,305 |

(1) Current Expected Credit Loss.

**Bank OZK**
**Summary of Deposits – By Account Type**
Unaudited

| | December 31, | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | (Dollars in thousands) | | | |
| Non-interest bearing | $ 4,983,788 | 24.7 % | $ 3,996,546 | 18.6 % |
| Interest bearing: | | | | |
| Transaction (NOW) | 3,412,369 | 16.9 | 3,124,007 | 14.6 |
| Savings and money market | 5,833,358 | 28.9 | 5,036,975 | 23.5 |
| Time deposits less than $100 | 1,801,454 | 8.9 | 3,075,845 | 14.3 |
| Time deposits of $100 or more | 4,178,165 | 20.6 | 6,216,983 | 29.0 |
| Total deposits | $ 20,209,134 | 100.0 % | $ 21,450,356 | 100.0 % |

**Summary of Deposits – By Customer Type**
Unaudited

| | December 31, | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | (Dollars in thousands) | | | |
| Non-Interest Bearing | $ 4,983,788 | 24.7 % | $ 3,996,546 | 18.6 % |
| Interest Bearing: | | | | |
| Consumer and Commercial: | | | | |
| Consumer – Non-Time | 4,334,378 | 21.4 | 3,506,014 | 16.3 |
| Consumer – Time | 4,318,742 | 21.4 | 6,511,664 | 30.4 |
| Commercial – Non-Time | 2,634,817 | 13.0 | 2,178,253 | 10.2 |
| Commercial – Time | 905,347 | 4.5 | 1,137,040 | 5.3 |
| Public Funds | 2,094,800 | 10.4 | 2,004,593 | 9.3 |
| Brokered | 452,137 | 2.2 | 1,600,116 | 7.5 |
| Reciprocal | 485,125 | 2.4 | 516,130 | 2.4 |
| Total deposits | $ 20,209,134 | 100.0 % | $ 21,450,356 | 100.0 % |

**Bank OZK**
**Selected Consolidated Financial Data**
Unaudited

| | Three Months Ended December 31, | | | Year Ended December 31, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | % Change | 2021 | 2020 | % Change |
| | (Dollars in thousands, except per share amounts) | | | | | |
| **Income statement data:** | | | | | | |
| Net interest income | $ 266,381 | $ 237,600 | 12.1 % | $ 989,720 | $ 888,624 | 11.4 % |
| Provision for credit losses | (7,992) | 6,750 | (218.4) | (77,938) | 203,639 | (138.3) |
| Non-interest income | 29,695 | 28,661 | 3.6 | 115,538 | 104,608 | 10.4 |
| Non-interest expense | 110,106 | 103,394 | 6.5 | 430,275 | 413,413 | 4.1 |
| Net income available to common stockholders | 149,760 | 120,513 | 24.3 | 579,001 | 291,898 | 98.4 |
| Pre-tax pre-provision net revenue (1) | 185,970 | 162,867 | 14.2 | 674,983 | 579,819 | 16.4 |
| **Common share and per common share data:** | | | | | | |
| Net income per share − diluted | $ 1.17 | $ 0.93 | 25.8 % | $ 4.47 | $ 2.26 | 97.8 % |
| Net income per share − basic | 1.17 | 0.93 | 25.8 | 4.49 | 2.26 | 98.7 |
| Dividends per share | 0.29 | 0.275 | 5.5 | 1.1325 | 1.0775 | 5.1 |
| Book value per share | 35.85 | 33.03 | 8.5 | 35.85 | 33.03 | 8.5 |
| Tangible book value per share (1) | 30.52 | 27.81 | 9.7 | 30.52 | 27.81 | 9.7 |
| Weighted-average diluted shares outstanding (thousands) | 128,246 | 129,523 | (1.0) | 129,618 | 129,435 | 0.1 |
| End of period shares outstanding (thousands) | 125,444 | 129,350 | (3.0) | 125,444 | 129,350 | (3.0) |
| **Balance sheet data at period end:** | | | | | | |
| Total assets | $ 26,530,430 | $ 27,162,596 | (2.3)% | $ 26,530,430 | $ 27,162,596 | (2.3)% |
| Total loans | 18,307,825 | 19,209,168 | (4.7) | 18,307,825 | 19,209,168 | (4.7) |
| Non-purchased loans | 17,791,610 | 18,401,495 | (3.3) | 17,791,610 | 18,401,495 | (3.3) |
| Purchased loans | 516,215 | 807,673 | (36.1) | 516,215 | 807,673 | (36.1) |
| Allowance for loan losses | 217,380 | 295,824 | (26.5) | 217,380 | 295,824 | (26.5) |

| | | | | | | |
|---|---|---|---|---|---|---|
| Foreclosed assets | 5,744 | 11,085 | (48.2) | 5,744 | 11,085 | (48.2) |
| Investment securities − AFS | 3,916,733 | 3,405,351 | 15.0 | 3,916,733 | 3,405,351 | 15.0 |
| Goodwill and other intangible assets, net | 669,063 | 675,458 | (0.9) | 669,063 | 675,458 | (0.9) |
| Deposits | 20,209,134 | 21,450,356 | (5.8) | 20,209,134 | 21,450,356 | (5.8) |
| Other borrowings | 750,206 | 750,928 | (0.1) | 750,206 | 750,928 | (0.1) |
| Subordinated notes | 346,133 | 224,047 | 54.5 | 346,133 | 224,047 | 54.5 |
| Subordinated debentures | 121,033 | 120,475 | 0.5 | 121,033 | 120,475 | 0.5 |
| Unfunded balance of closed loans | 13,619,578 | 11,847,117 | 15.0 | 13,619,578 | 11,847,117 | 15.0 |
| Reserve for losses on unfunded loan commitments | 71,609 | 81,481 | (12.11) | 71,609 | 81,481 | (12.11) |
| Preferred stock | 338,980 | — | NM | 338,980 | — | NM |
| Total common stockholders' equity (1) | 4,497,263 | 4,272,271 | 5.3 | 4,497,263 | 4,272,271 | 5.3 |
| Net unrealized gains on investment securities AFS included in stockholders' equity | 23,841 | 58,252 | | 23,841 | 58,252 | |
| Loan (including purchased loans) to deposit ratio | 90.59% | 89.55% | | 90.59% | 89.55% | |
| **Selected ratios:** | | | | | | |
| Return on average assets (2) | 2.25% | 1.79% | | 2.17% | 1.13% | |
| Return on average common stockholders' equity (1) (2) | 13.08 | 11.36 | | 13.01 | 7.04 | |
| Return on average tangible common stockholders' equity (1) (2) | 15.34 | 13.53 | | 15.32 | 8.41 | |
| Net interest margin – FTE (2) | 4.41 | 3.88 | | 4.09 | 3.81 | |
| Efficiency ratio | 37.06 | 38.61 | | 38.76 | 41.37 | |
| Net charge-offs to average non-purchased loans (2) (3) | 0.05 | 0.14 | | 0.06 | 0.09 | |
| Net charge-offs to average total loans (2) | 0.04 | 0.14 | | 0.06 | 0.16 | |
| Nonperforming loans to total loans (4) | 0.19 | 0.25 | | 0.19 | 0.25 | |
| Nonperforming assets to total assets (4) | 0.15 | 0.21 | | 0.15 | 0.21 | |
| Allowance for loan losses to total loans (5) | 1.19 | 1.54 | | 1.19 | 1.54 | |
| **Other information:** | | | | | | |
| Non-accrual loans (4) | $ 33,274 | $ 44,402 | | $ 33,274 | $ 44,402 | |
| Accruing loans − 90 days past due (4) | — | — | | — | — | |
| Troubled and restructured non-purchased loans − accruing (4) | 1,285 | 1,483 | | 1,285 | 1,483 | |

(1) Calculations of pre-tax pre-provision net revenue, total common stockholders' equity, tangible book value per common share and returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.
(5) Excludes reserve for losses on unfunded loan commitments.
NM – Not meaningful

**Selected Consolidated Financial Data (continued)**
Unaudited

| | Three Months Ended | | |
|---|---|---|---|
| | December 31, 2021 | September 30, 2021 | % Change |
| | (Dollars in thousands, except per share amounts) | | |
| **Income statement data:** | | | |
| Net interest income | $ 266,381 | $ 247,957 | 7.4% |
| Provision for credit losses | (7,992) | (7,454) | 7.2 |
| Non-interest income | 29,695 | 25,984 | 14.3 |
| Non-interest expense | 110,106 | 110,397 | (0.3) |
| Net income available to common stockholders | 149,760 | 130,290 | 14.9 |
| Pre-tax pre-provision net revenue (1) | 185,970 | 163,544 | 13.7 |
| **Common share and per common share data:** | | | |
| Earnings per share − diluted | $ 1.17 | $ 1.00 | 17.0% |
| Earnings per share − basic | 1.17 | 1.01 | 15.8 |
| Dividends per share | 0.29 | 0.285 | 1.8 |
| Book value per share | 35.85 | 35.35 | 1.4 |
| Tangible book value per share (1) | 30.52 | 30.14 | 1.3 |
| Weighted-average diluted shares outstanding (thousands) | 128,246 | 129,929 | (1.3) |
| End of period shares outstanding (thousands) | 125,444 | 128,818 | (2.6) |
| **Balance sheet data at period end:** | | | |
| Total assets | $ 26,530,430 | $ 26,143,367 | 1.5% |
| Total loans | 18,307,825 | 18,305,303 | 0.1 |
| Non-purchased loans | 17,791,610 | 17,707,452 | 0.5 |
| Purchased loans | 516,215 | 597,851 | (13.7) |

| | | | |
|---|---|---|---|
| Allowance for loan losses | 217,380 | 237,722 | (8.6) |
| Foreclosed assets | 5,744 | 9,444 | (39.2) |
| Investment securities − AFS | 3,916,733 | 3,846,496 | 1.8 |
| Goodwill and other intangible assets, net | 669,063 | 670,580 | (0.2) |
| Deposits | 20,209,134 | 20,102,440 | 0.5 |
| Other borrowings | 750,206 | 750,217 | (0.1) |
| Subordinated notes | 346,133 | 345,927 | 0.1 |
| Subordinated debentures | 121,033 | 120,892 | 0.1 |
| Unfunded balance of closed loans | 13,619,578 | 12,385,369 | 10.0 |
| Reserve for losses on unfunded loan commitments | 71,609 | 61,076 | 17.2 |
| Preferred stock | 338,980 | — | NM |
| Total common stockholders' equity [1] | 4,497,263 | 4,553,240 | (1.2) |
| Net unrealized gains on investment securities AFS included in stockholders' equity | 23,841 | 40,706 | |
| Loan (including purchased loans) to deposit ratio | 90.59% | 91.06% | |
| **Selected ratios:** | | | |
| Return on average assets [2] | 2.25% | 1.98% | |
| Return on average common stockholders' equity [1] [2] | 13.08 | 11.41 | |
| Return on average tangible common stockholders' equity [1] [2] | 15.34 | 13.39 | |
| Net interest margin – FTE [2] | 4.41 | 4.16 | |
| Efficiency ratio | 37.06 | 40.14 | |
| Net charge-offs to average non-purchased loans [2] [3] | 0.05 | 0.04 | |
| Net charge-offs to average total loans [2] | 0.04 | 0.03 | |
| Nonperforming loans to total loans [4] | 0.19 | 0.20 | |
| Nonperforming assets to total assets [4] | 0.15 | 0.17 | |
| Allowance for loan losses to total loans [5] | 1.19 | 1.30 | |
| **Other information:** | | | |
| Non-accrual loans [4] | $ 33,274 | $ 34,920 | |
| Accruing loans − 90 days past due [4] | — | — | |
| Troubled and restructured non-purchased loans − accruing [4] | 1,285 | 1,253 | |

[1] Calculations of pre-tax pre-provision net revenue, total common stockholders' equity, tangible book value per common share and returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.

[2] Ratios for interim periods annualized based on actual days.

[3] Excludes purchased loans and net charge-offs related to such loans.

[4] Excludes purchased loans, except for their inclusion in total assets.

[5] Excludes reserve for losses on unfunded loan commitments.

NM – Not meaningful

**Bank OZK**
**Supplemental Quarterly Financial Data**
Unaudited

| | 3/31/20 | 6/30/20 | 9/30/20 | 12/31/20 | 3/31/21 | 6/30/21 | 9/30/21 | 12/31/21 |
|---|---|---|---|---|---|---|---|---|
| | (Dollars in thousands) | | | | | | | |
| **Earnings Summary:** | | | | | | | | |
| Net interest income | $ 209,775 | $ 216,593 | $ 224,657 | $ 237,600 | $ 234,636 | $ 240,746 | $ 247,957 | $ 266,381 |
| Federal tax (FTE) adjustment | 1,133 | 1,753 | 1,605 | 1,533 | 1,275 | 1,355 | 1,106 | 1,009 |
| Net interest income (FTE) | 210,908 | 218,346 | 226,262 | 239,133 | 235,911 | 242,101 | 249,063 | 267,390 |
| Provision for credit losses | (117,663) | (72,026) | (7,200) | (6,750) | 31,559 | 30,932 | 7,454 | 7,992 |
| Non-interest income | 27,680 | 21,591 | 26,676 | 28,661 | 32,117 | 27,742 | 25,984 | 29,695 |
| Non-interest expense | (103,425) | (100,953) | (105,641) | (103,394) | (106,059) | (103,711) | (110,397) | (110,106) |
| Pretax income (FTE) | 17,500 | 66,958 | 140,097 | 157,650 | 193,528 | 197,064 | 172,104 | 194,971 |
| FTE adjustment | (1,133) | (1,753) | (1,605) | (1,533) | (1,275) | (1,355) | (1,106) | (1,009) |
| Provision for income taxes | (4,509) | (14,948) | (29,251) | (35,607) | (43,818) | (45,161) | (40,713) | (44,197) |
| Noncontrolling interest | 8 | 9 | 12 | 3 | (19) | (13) | 5 | (5) |
| Net income available to common stockholders | $ 11,866 | $ 50,266 | $ 109,253 | $ 120,513 | $ 148,416 | $ 150,535 | $ 130,290 | $ 149,760 |
| Earnings per common share – diluted | $ 0.09 | $ 0.39 | $ 0.84 | $ 0.93 | $ 1.14 | $ 1.16 | $ 1.00 | $ 1.17 |
| PPNR | 134,030 | 137,231 | 145,692 | 162,867 | 160,694 | 164,777 | 163,544 | 185,970 |
| **Non-interest Income:** | | | | | | | | |
| Service charges on deposit accounts: | | | | | | | | |
| NSF/Overdraft fees | $ 4,562 | $ 2,702 | $ 3,494 | $ 4,024 | $ 3,323 | $ 3,244 | $ 4,080 | $ 4,315 |
| All other service charges | 5,447 | 5,579 | 5,933 | 5,959 | 6,342 | 7,067 | 7,097 | 7,149 |
| Trust income | 1,939 | 1,759 | 1,936 | 1,909 | 2,206 | 1,911 | 2,247 | 2,141 |
| BOLI income: | | | | | | | | |
| Increase in cash surrender value | 5,067 | 5,057 | 5,081 | 5,034 | 4,881 | 4,919 | 4,940 | 4,901 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Death benefits | 608 | — | — | — | 1,409 | — | — | 618 |
| Loan service, maintenance and other fees | 3,716 | 3,394 | 3,351 | 3,797 | 3,551 | 3,953 | 3,307 | 3,148 |
| Gains on sales of other assets | 161 | 621 | 891 | 5,189 | 5,828 | 2,341 | 463 | 1,330 |
| Net gains on investment securities | 2,223 | — | 2,244 | — | — | — | — | 504 |
| Other | 3,957 | 2,479 | 3,746 | 2,749 | 4,577 | 4,307 | 3,850 | 5,589 |
| Total non-interest income | $ 27,680 | $ 21,591 | $ 26,676 | $ 28,661 | $ 32,117 | $ 27,742 | $ 25,984 | $ 29,695 |
| **Non-interest Expense:** | | | | | | | | |
| Salaries and employee benefits | $ 51,473 | $ 48,410 | $ 53,119 | $ 53,832 | $ 53,645 | $ 52,119 | $ 53,769 | $ 55,034 |
| Net occupancy and equipment | 15,330 | 15,756 | 16,676 | 15,617 | 16,468 | 16,168 | 17,161 | 17,004 |
| Other operating expenses | 36,622 | 36,787 | 35,846 | 33,945 | 35,946 | 35,424 | 39,467 | 38,068 |
| Total non-interest expense | $ 103,425 | $ 100,953 | $ 105,641 | $ 103,394 | $ 106,059 | $ 103,711 | $ 110,397 | $ 110,106 |
| **Balance Sheet Data:** | | | | | | | | |
| Total assets | $ 24,565,810 | $ 26,380,409 | $ 26,888,308 | $ 27,162,596 | $ 27,276,892 | $ 26,605,938 | $ 26,143,367 | $ 26,530,430 |
| Non-purchased loans | 17,030,378 | 18,247,431 | 18,419,958 | 18,401,495 | 17,979,435 | 17,611,848 | 17,707,452 | 17,791,610 |
| Purchased loans | 1,197,826 | 1,063,647 | 938,485 | 807,673 | 735,630 | 659,822 | 597,851 | 516,215 |
| Investment securities – AFS | 2,816,556 | 3,299,944 | 3,468,243 | 3,405,351 | 4,162,479 | 4,693,396 | 3,846,496 | 3,916,733 |
| Deposits | 18,809,190 | 20,723,598 | 21,287,405 | 21,450,356 | 21,296,442 | 20,706,777 | 20,102,440 | 20,209,134 |
| Unfunded balance of closed loans | 11,334,737 | 11,411,441 | 11,604,614 | 11,847,117 | 11,780,099 | 11,709,818 | 12,385,369 | 13,619,578 |
| Preferred stock | — | — | — | — | — | — | — | 338,980 |
| Total stockholders' equity before noncontrolling interest | 4,083,150 | 4,110,666 | 4,186,285 | 4,272,271 | 4,383,205 | 4,501,676 | 4,553,240 | 4,836,243 |

**Bank OZK**
**Supplemental Quarterly Financial Data (Continued)**
Unaudited

| | 3/31/20 | 6/30/20 | 9/30/20 | 12/31/20 | 3/31/21 | 6/30/21 | 9/30/21 | 12/31/21 |
|---|---|---|---|---|---|---|---|---|
| | (Dollars in thousands) | | | | | | | |
| **Allowance for Credit Losses:** | | | | | | | | |
| Balance at beginning of period | $ 108,525 | $ 316,409 | $ 374,494 | $ 377,273 | $ 377,305 | $ 342,307 | $ 307,564 | $ 298,798 |
| Adoption of CECL [1] methodology | 94,512 | — | — | — | — | — | — | — |
| Net charge-offs | (4,291) | (13,941) | (4,421) | (6,718) | (3,439) | (3,811) | (1,312) | (1,817) |
| Provision for credit losses | 117,663 | 72,026 | 7,200 | 6,750 | (31,559) | (30,932) | (7,454) | (7,992) |
| Balance at end of period | $ 316,409 | $ 374,494 | $ 377,273 | $ 377,305 | $ 342,307 | $ 307,564 | $ 298,798 | $ 288,989 |
| Allowance for loan losses | $ 238,737 | $ 306,196 | $ 308,847 | $ 295,824 | $ 268,077 | $ 248,753 | $ 237,722 | $ 217,380 |
| Reserve for losses on unfunded loan commitments | 77,672 | 68,298 | 68,426 | 81,481 | 74,230 | 58,811 | 61,076 | 71,609 |
| Total allowance for credit losses | $ 316,409 | $ 374,494 | $ 377,273 | $ 377,305 | $ 342,307 | $ 307,564 | $ 298,798 | $ 288,989 |
| **Selected Ratios:** | | | | | | | | |
| Net interest margin – FTE [2] | 3.96 % | 3.74 % | 3.69 % | 3.88 % | 3.86 % | 3.95 % | 4.16 % | 4.41 % |
| Efficiency ratio | 43.35 | 42.07 | 41.77 | 38.61 | 39.57 | 38.43 | 40.14 | 37.06 |
| Net charge-offs to average non-purchased loans [2] [3] | 0.08 | 0.05 | 0.09 | 0.14 | 0.08 | 0.09 | 0.04 | 0.05 |
| Net charge-offs to average total loans [2] | 0.10 | 0.29 | 0.09 | 0.14 | 0.07 | 0.08 | 0.03 | 0.04 |
| Nonperforming loans to total loans [4] | 0.16 | 0.18 | 0.15 | 0.25 | 0.25 | 0.22 | 0.20 | 0.19 |
| Nonperforming assets to total assets [4] | 0.19 | 0.19 | 0.17 | 0.21 | 0.19 | 0.18 | 0.17 | 0.15 |
| Allowance for loan losses to total loans [5] | 1.31 | 1.59 | 1.60 | 1.54 | 1.43 | 1.36 | 1.30 | 1.19 |
| Loans past due 30 days or more, including past due non-accrual loans, to total loans [4] | 0.18 | 0.13 | 0.13 | 0.16 | 0.13 | 0.10 | 0.13 | 0.15 |

(1) Current Expected Credit Loss.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.

(5) Excludes reserve for losses on unfunded loan commitments.

**Bank OZK**
**Average Consolidated Balance Sheets and Net Interest Analysis – FTE**
Unaudited

| | Three Months Ended December 31, | | | | | | Year Ended December 31, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | | 2021 | | | 2020 | | |
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| | (Dollars in thousands) | | | | | | | | | | | |
| **ASSETS** | | | | | | | | | | | | |
| Interest earning assets: | | | | | | | | | | | | |
| Interest earning deposits and federal funds sold | $ 2,106,395 | $ 953 | 0.18 % | $ 1,762,810 | $ 428 | 0.10 % | $ 1,871,388 | $ 2,510 | 0.13 % | $ 1,535,977 | $ 5,665 | 0.37 % |
| Investment securities: | | | | | | | | | | | | |
| Taxable | 3,375,895 | 9,448 | 1.11 | 2,036,253 | 9,066 | 1.77 | 3,207,485 | 36,234 | 1.13 | 1,993,667 | 40,547 | 2.03 |
| Tax-exempt – FTE | 593,242 | 3,632 | 2.43 | 1,485,224 | 6,034 | 1.62 | 864,432 | 17,378 | 2.01 | 1,080,459 | 24,561 | 2.27 |
| Non-purchased loans – FTE | 17,449,281 | 256,267 | 5.83 | 18,378,050 | 243,330 | 5.27 | 17,683,033 | 973,755 | 5.51 | 17,797,684 | 945,222 | 5.31 |
| Purchased loans | 551,917 | 11,190 | 8.04 | 881,372 | 16,069 | 7.25 | 662,434 | 46,174 | 6.97 | 1,069,250 | 70,812 | 6.62 |
| Total earning assets – FTE | 24,076,730 | 281,490 | 4.64 | 24,543,709 | 274,927 | 4.46 | 24,288,772 | 1,076,051 | 4.43 | 23,477,037 | 1,086,807 | 4.63 |
| Non-interest earning assets | 2,370,349 | | | 2,258,105 | | | 2,335,412 | | | 2,291,135 | | |
| Total assets | $ 26,447,079 | | | $ 26,801,814 | | | $ 26,624,184 | | | $ 25,768,172 | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | | | | | | | | | |
| Interest bearing liabilities: | | | | | | | | | | | | |
| Deposits: | | | | | | | | | | | | |
| Savings and interest bearing transaction | $ 9,178,225 | $ 2,641 | 0.11 % | $ 7,669,913 | $ 4,483 | 0.23 % | $ 8,788,200 | $ 12,481 | 0.14 % | $ 7,724,528 | $ 37,428 | 0.48 % |
| Time deposits of $100 or more | 4,358,217 | 4,638 | 0.42 | 6,314,394 | 17,144 | 1.08 | 5,218,981 | 35,375 | 0.68 | 5,524,751 | 83,956 | 1.52 |
| Other time deposits | 1,898,687 | 2,235 | 0.47 | 3,294,323 | 8,980 | 1.08 | 2,315,263 | 16,566 | 0.72 | 3,511,220 | 50,429 | 1.44 |
| Total interest bearing deposits | 15,435,129 | 9,514 | 0.24 | 17,278,630 | 30,607 | 0.70 | 16,322,444 | 64,422 | 0.39 | 16,760,499 | 171,813 | 1.03 |
| Repurchase agreements with customers | 7,558 | 3 | 0.16 | 8,239 | 6 | 0.29 | 7,027 | 17 | 0.24 | 7,825 | 23 | 0.29 |
| Other borrowings (1) | 750,226 | 1,017 | 0.54 | 750,961 | 1,011 | 0.54 | 750,276 | 4,012 | 0.53 | 721,350 | 3,179 | 0.44 |
| Subordinated notes | 346,025 | 2,631 | 3.02 | 223,996 | 3,207 | 5.70 | 212,600 | 9,386 | 4.42 | 223,850 | 12,758 | 5.70 |
| Subordinated debentures (1) | 120,956 | 935 | 3.07 | 120,400 | 963 | 3.18 | 120,751 | 3,750 | 3.11 | 120,190 | 4,384 | 3.65 |
| Total interest bearing liabilities | 16,659,894 | 14,100 | 0.34 | 18,382,226 | 35,794 | 0.77 | 17,413,098 | 81,587 | 0.47 | 17,833,714 | 192,157 | 1.08 |
| Non-interest bearing liabilities: | | | | | | | | | | | | |
| Non-interest bearing deposits | 4,651,656 | | | 3,907,955 | | | 4,380,850 | | | 3,521,066 | | |
| Other non-interest bearing liabilities | 376,706 | | | 289,298 | | | 321,583 | | | 261,169 | | |
| Total liabilities | 21,688,256 | | | 22,579,479 | | | 22,115,531 | | | 21,615,949 | | |
| Total common stockholders' equity before noncontrolling interest | 4,755,706 | | | 4,219,249 | | | 4,505,544 | | | 4,149,123 | | |
| Noncontrolling interest | 3,117 | | | 3,086 | | | 3,109 | | | 3,100 | | |
| Total liabilities and stockholders' equity | $ 26,447,079 | | | $ 26,801,814 | | | $ 26,624,184 | | | $ 25,768,172 | | |
| Net interest income – FTE | | $ 267,390 | | | $ 239,133 | | | $ 994,464 | | | $ 894,650 | |
| Net interest margin – FTE | | | 4.41 % | | | 3.88 % | | | 4.09 % | | | 3.81 % |
| Core spread (2) | | | 5.59 % | | | 4.57 % | | | 5.12 % | | | 4.28 % |

(1) The interest expense and the rates for "other borrowings" and for "subordinated debentures" were affected by capitalized interest. Capitalized interest included in other borrowings for the fourth quarter and for the full year of 2021 was not material compared to $0.03 million for the fourth quarter and $0.68 million for the full year of 2020. In the absence of this interest capitalization, the rates on other borrowings would have been 0.55% for the fourth quarter and 0.53% for the full year of 2020. Capitalized interest included in subordinated debentures totaled $0.01 million for the fourth quarter and $0.18 million for the full year of 2020 (none in the fourth quarter or full year of 2021). In the absence of this interest capitalization, the rates on subordinated debentures would have been 3.20% for the fourth quarter and 3.80% for the full year of 2020.

(2) Core spread is the difference between the yield on the Bank's non-purchased loans-FTE and the rate on its interest bearing deposits.

**Bank OZK**
**Reconciliation of Non-GAAP Financial Measures**

**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

| | Three Months Ended | | | Year Ended December 31, | |
|---|---|---|---|---|---|
| | December 31, | | September 30, | | |
| | 2021 | 2020 | 2021 | 2021 | 2020 |
| | (Dollars in thousands) | | | | |
| Net income available to common stockholders | $ 149,760 | $ 120,513 | $ 130,290 | $ 579,001 | $ 291,898 |
| Average stockholders' equity before noncontrolling interest | $ 4,755,706 | $ 4,219,249 | $ 4,530,995 | $ 4,505,544 | $ 4,149,123 |
| Less average preferred stock | (213,693) | — | — | (53,862) | — |
| Total average common stockholders' equity | 4,542,013 | 4,219,249 | 4,530,995 | 4,451,682 | 4,149,123 |
| Less average intangible assets: | | | | | |
| Goodwill | (660,789) | (660,789) | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (9,032) | (15,578) | (10,617) | (11,398) | (18,741) |
| Total average intangibles | (669,821) | (676,367) | (671,406) | (672,187) | (679,530) |
| Average tangible common stockholders' equity | $ 3,872,192 | $ 3,542,882 | $ 3,859,589 | $ 3,779,495 | $ 3,469,593 |
| Return on average common stockholders' equity (1) | 13.08 % | 11.36 % | 11.41 % | 13.01 % | 7.04 % |
| Return on average tangible common stockholders' equity (1) | 15.34 % | 13.53 % | 13.39 % | 15.32 % | 8.41 % |

(1) Ratios for interim periods annualized based on actual days.

**Calculation of Total Common Stockholders' Equity,**
**Total Tangible Common Stockholders' Equity**
**and Tangible Book Value per Common Share**
Unaudited

| | December 31, | | September 30, |
|---|---|---|---|
| | 2021 | 2020 | 2021 |
| | (In thousands, except per share amounts) | | |
| Total stockholders' equity before noncontrolling interest | $ 4,836,243 | $ 4,272,271 | $ 4,553,240 |
| Less preferred stock | (338,980) | — | — |
| Total common stockholders' equity | 4,497,263 | 4,272,271 | 4,553,240 |
| Less intangible assets: | | | |
| Goodwill | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (8,274) | (14,669) | (9,791) |
| Total intangibles | (669,063) | (675,458) | (670,580) |
| Total tangible common stockholders' equity | $ 3,828,200 | $ 3,596,813 | $ 3,882,660 |
| Shares of common stock outstanding | 125,444 | 129,350 | 128,818 |
| Book value per common share | $ 35.85 | $ 33.03 | $ 35.35 |
| Tangible book value per common share | $ 30.52 | $ 27.81 | $ 30.14 |

**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

| | December 31, |
|---|---|

| | 2021 | 2020 |
|---|---|---|
| | (Dollars in thousands) | |
| Total stockholders' equity before noncontrolling interest | $ 4,836,243 | $ 4,272,271 |
| Less preferred stock | (338,980) | — |
| Total common stockholders' equity | 4,497,263 | 4,272,271 |
| Less intangible assets: | | |
| Goodwill | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (8,274) | (14,669) |
| Total intangibles | (669,063) | (675,458) |
| Total tangible common stockholders' equity | $ 3,828,200 | $ 3,596,813 |
| Total assets | $ 26,530,430 | $ 27,162,596 |
| Less intangible assets: | | |
| Goodwill | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (8,274) | (14,669) |
| Total intangibles | (669,063) | (675,458) |
| Total tangible assets | $ 25,861,367 | $ 26,487,138 |
| Ratio of total common stockholders' equity to total assets | 16.95 % | 15.73 % |
| Ratio of total tangible common stockholders' equity to total tangible assets | 14.80 % | 13.58 % |

**Calculation of Pre-Tax Pre-Provision Net Revenue**
Unaudited

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
| | (Dollars in thousands) | | | | |
| Income before taxes | $ 193,962 | $ 170,998 | $ 195,709 | $ 192,253 | $ 156,117 |
| Provision for credit losses | (7,992) | (7,454) | (30,932) | (31,559) | 6,750 |
| Pre-tax pre-provision net revenue | $ 185,970 | $ 163,544 | $ 164,777 | $ 160,694 | $ 162,867 |

| | Three Months Ended | | | Year Ended December 31, | |
|---|---|---|---|---|---|
| | September 30, 2020 | June 30, 2020 | March 31, 2020 | 2021 | 2020 |
| | (Dollars in thousands) | | | | |
| Income before taxes | $ 138,492 | $ 65,205 | $ 16,367 | $ 752,921 | $ 376,180 |
| Provision for credit losses | 7,200 | 72,026 | 117,663 | (77,938) | 203,639 |
| Pre-tax pre-provision net revenue | $ 145,692 | $ 137,231 | $ 134,030 | $ 674,983 | $ 579,819 |

Source: Bank OZK