



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](https://www.facebook.com/bankozk), [Twitter](https://twitter.com/bankozk) and [LinkedIn](https://www.linkedin.com/company/bankozk) or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

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Bank OZK Consolidated Balance Sheets Unaudited

	December 31,	
	2021	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	<u>\$ 26,530,430</u>	<u>\$ 27,162,596</u>

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	<u>21,691,070</u>	<u>22,887,240</u>

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	<u>4,839,360</u>	<u>4,275,356</u>
Total liabilities and stockholders' equity	<u>\$ 26,530,430</u>	<u>\$ 27,162,596</u>

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	<u>280,481</u>	<u>273,394</u>	<u>1,071,307</u>	<u>1,080,781</u>
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	<u>14,100</u>	<u>35,794</u>	<u>81,587</u>	<u>192,157</u>
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	<u>274,373</u>	<u>230,850</u>	<u>1,067,658</u>	<u>684,985</u>

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	<u>\$ 1,294</u>	<u>\$ 2,265,850</u>	<u>\$ 1,946,875</u>	<u>\$ 58,252</u>	<u>\$ 3,085</u>	<u>\$ 4,275,356</u>
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	<u>\$ 1,294</u>	<u>\$ 2,265,850</u>	<u>\$ 1,946,875</u>	<u>\$ 58,252</u>	<u>\$ 3,085</u>	<u>\$ 4,275,356</u>

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	<u>\$ 217,380</u>	<u>\$ 71,609</u>	<u>\$ 288,989</u>
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	<u>\$ 217,380</u>	<u>\$ 71,609</u>	<u>\$ 288,989</u>
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	<u>\$ 295,824</u>	<u>\$ 81,481</u>	<u>\$ 377,305</u>
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			Year Ended		
	December 31,			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**

	<u>3/31/20</u>	<u>6/30/20</u>	<u>9/30/20</u>	<u>12/31/20</u>	<u>3/31/21</u>	<u>6/30/21</u>	<u>9/30/21</u>	<u>12/31/21</u>
	(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	<u>\$ 11,866</u>	<u>\$ 50,266</u>	<u>\$ 109,253</u>	<u>\$ 120,513</u>	<u>\$ 148,416</u>	<u>\$ 150,535</u>	<u>\$ 130,290</u>	<u>\$ 149,760</u>
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	<u>\$ 27,680</u>	<u>\$ 21,591</u>	<u>\$ 26,676</u>	<u>\$ 28,661</u>	<u>\$ 32,117</u>	<u>\$ 27,742</u>	<u>\$ 25,984</u>	<u>\$ 29,695</u>

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	<u>\$ 103,425</u>	<u>\$ 100,953</u>	<u>\$ 105,641</u>	<u>\$ 103,394</u>	<u>\$ 106,059</u>	<u>\$ 103,711</u>	<u>\$ 110,397</u>	<u>\$ 110,106</u>

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

	<u>3/31/20</u>	<u>6/30/20</u>	<u>9/30/20</u>	<u>12/31/20</u>	<u>3/31/21</u>	<u>6/30/21</u>	<u>9/30/21</u>	<u>12/31/21</u>
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(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	<u>\$ 316,409</u>	<u>\$ 374,494</u>	<u>\$ 377,273</u>	<u>\$ 377,305</u>	<u>\$ 342,307</u>	<u>\$ 307,564</u>	<u>\$ 298,798</u>	<u>\$ 288,989</u>
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	<u>\$ 316,409</u>	<u>\$ 374,494</u>	<u>\$ 377,273</u>	<u>\$ 377,305</u>	<u>\$ 342,307</u>	<u>\$ 307,564</u>	<u>\$ 298,798</u>	<u>\$ 288,989</u>

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	<u>\$26,447,079</u>			<u>\$26,801,814</u>			<u>\$26,624,184</u>			<u>\$25,768,172</u>		
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	<u>\$26,447,079</u>			<u>\$26,801,814</u>			<u>\$26,624,184</u>			<u>\$25,768,172</u>		
Net interest income – FTE		<u>\$ 267,390</u>			<u>\$ 239,133</u>			<u>\$ 994,464</u>			<u>\$ 894,650</u>	
Net interest margin – FTE			<u>4.41 %</u>			<u>3.88 %</u>			<u>4.09 %</u>			<u>3.81 %</u>
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	
	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,

	<u>2021</u>	<u>2020</u>
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	\$ 4,836,243	\$ 4,272,271
Less preferred stock	<u>(338,980)</u>	<u>—</u>
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	<u>(8,274)</u>	<u>(14,669)</u>
Total intangibles	<u>(669,063)</u>	<u>(675,458)</u>
Total tangible common stockholders' equity	<u>\$ 3,828,200</u>	<u>\$ 3,596,813</u>
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	<u>(8,274)</u>	<u>(14,669)</u>
Total intangibles	<u>(669,063)</u>	<u>(675,458)</u>
Total tangible assets	<u>\$ 25,861,367</u>	<u>\$ 26,487,138</u>
Ratio of total common stockholders' equity to total assets	<u>16.95 %</u>	<u>15.73 %</u>
Ratio of total tangible common stockholders' equity to total tangible assets	14.80 %	13.58 %

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	<u>Three Months Ended</u>				
	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>June 30, 2021</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>
	(Dollars in thousands)				
Income before taxes	\$ 193,962	\$ 170,998	\$ 195,709	\$ 192,253	\$ 156,117
Provision for credit losses	<u>(7,992)</u>	<u>(7,454)</u>	<u>(30,932)</u>	<u>(31,559)</u>	<u>6,750</u>
Pre-tax pre-provision net revenue	<u>\$ 185,970</u>	<u>\$ 163,544</u>	<u>\$ 164,777</u>	<u>\$ 160,694</u>	<u>\$ 162,867</u>
	<u>Three Months Ended</u>			<u>Year Ended December 31,</u>	
	<u>September 30, 2020</u>	<u>June 30, 2020</u>	<u>March 31, 2020</u>	<u>2021</u>	<u>2020</u>
	(Dollars in thousands)				
Income before taxes	\$ 138,492	\$ 65,205	\$ 16,367	\$ 752,921	\$ 376,180
Provision for credit losses	<u>7,200</u>	<u>72,026</u>	<u>117,663</u>	<u>(77,938)</u>	<u>203,639</u>
Pre-tax pre-provision net revenue	<u>\$ 145,692</u>	<u>\$ 137,231</u>	<u>\$ 134,030</u>	<u>\$ 674,983</u>	<u>\$ 579,819</u>



Source: Bank OZK