



Bank OZK Announces First Quarter 2022 Earnings

April 21, 2022

LITTLE ROCK, Ark., April 21, 2022 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common shareholders for the first quarter of 2022 was \$128.0 million, a 13.7% decrease from \$148.4 million for the first quarter of 2021. Diluted earnings per common share for the first quarter of 2022 were \$1.02, a 10.5% decrease from \$1.14 for the first quarter of 2021.

The Bank's provision for credit losses was \$4.2 million for the first quarter of 2022 compared to negative provision for credit losses of \$31.6 million for the first quarter of 2021. Its total allowance for credit losses ("ACL") was \$293.5 million at March 31, 2022. The calculations of the Bank's provision expense for the first quarter of 2022 and its total ACL at March 31, 2022 were based on a number of key estimates, assumptions and economic forecasts. The Bank's provision for the first quarter of 2022 and its ACL at March 31, 2022 included certain qualitative adjustments to capture risks that management thought were not fully reflected in its modeled results.

During the fourth quarter of 2021, the Bank completed its public offering of 4.625% Series A Non-Cumulative Perpetual Preferred Stock ("Series A Preferred Stock") and, during the first quarter of 2022, the Bank paid a Series A Preferred Stock dividend of \$4.5 million.

Non-interest income for the first quarter of 2022 included gains on sales of other assets of \$7.0 million, of which \$1.8 million was a gain from the sale of the Bank's Magnolia, Arkansas branch. The Bank had \$0.3 million of Bank Owned Life Insurance ("BOLI") death benefits in the first quarter of 2022. Non-interest income for the first quarter of 2021 included gains on sales of other assets of \$5.8 million, of which \$4.4 million was from the sale of the Bank's South Carolina branches. The Bank had \$1.4 million in BOLI death benefits in the first quarter of 2021.

Pre-tax pre-provision net revenue ("PPNR") was \$173.1 million for the first quarter of 2022, a 7.7% increase from \$160.7 million for the first quarter of 2021. 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 first quarter of 2022 were 1.97%, 11.67% and 13.73%, respectively, compared to 2.23%, 13.97% and 16.57%, respectively, for the first quarter of 2021. 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 first quarter of 2022. Our results were highlighted by our second consecutive quarter of record RESG loan originations, reflecting the importance of organic growth in our long-term strategy. 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 \$18.93 billion at March 31, 2022, a 1.2% increase from \$18.72 billion at March 31, 2021. Non-purchased loans were \$18.45 billion at March 31, 2022, a 2.6% increase from \$17.98 billion at March 31, 2021. Purchased loans, which consist of loans acquired in previous acquisitions, were \$0.48 billion at March 31, 2022, a 34.6% decrease from \$0.74 billion at March 31, 2021.

Deposits were \$20.33 billion at March 31, 2022, a 4.5% decrease from \$21.30 billion at March 31, 2021. Total assets were \$26.56 billion at March 31, 2022, a 2.6% decrease from \$27.28 billion at March 31, 2021.

Common stockholders' equity was \$4.35 billion at March 31, 2022, a 0.7% decrease from \$4.38 billion at March 31, 2021. Tangible common stockholders' equity was \$3.68 billion at March 31, 2022, a 0.7% decrease from \$3.71 billion at March 31, 2021. Book value per common share was \$35.47 at March 31, 2022, a 5.0% increase from \$33.79 at March 31, 2021. Tangible book value per common share was \$30.03 at March 31, 2022, a 5.0% increase from \$28.60 at March 31, 2021. 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 16.38% at March 31, 2022, compared to 16.07% at March 31, 2021. Its ratio of total tangible common stockholders' equity to total tangible assets was 14.22% at March 31, 2022, compared to 13.94% at March 31, 2021. 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.

STOCK REPURCHASES

During the quarter just ended, the Bank repurchased approximately 2.9 million of its common shares at a weighted average repurchase price of \$45.61, for a total of \$131.6 million. In evaluating its plans for future stock repurchases, the Bank considers a variety of factors including its capital position, alternative uses of capital, liquidity, financial performance, stock price, regulatory requirements and other factors. The Bank may suspend its stock repurchase program 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 April 22, 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 8028109. 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 presentation 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 in 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 transition from the London Interbank Offered Rate ("LIBOR") as a reference rate; 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 actions in response to the coronavirus ("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; 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, our operational or security systems or infrastructure, or those of third parties with whom we do 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 ongoing global 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 the financial markets; potential impact of supply chain disruptions or inflation; national, international or political instability or military conflict, including the ongoing war in Ukraine; the competition and costs of recruiting and retaining human talent; impairment of our 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 communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2021 and our 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 described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

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.

Bank OZK
Consolidated Balance Sheets
Unaudited

March 31, 2022	December 31, 2021
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(Dollars in thousands, except per share amounts)

ASSETS

Cash and cash equivalents	\$ 1,605,812	\$ 2,053,829
Investment securities — available for sale (“AFS”)	3,728,284	3,916,733
Investment securities — trading	—	14,957
Federal Home Loan Bank of Dallas and other bankers’ bank stocks	40,876	40,788
Non-purchased loans	18,449,723	17,791,610
Purchased loans	481,299	516,215
Allowance for loan losses	(204,213)	(217,380)
Net loans	18,726,809	18,090,445
Premises and equipment, net	693,748	695,857
Foreclosed assets	3,417	5,744
Accrued interest receivable	83,114	83,025
Bank owned life insurance (“BOLI”)	779,271	774,822
Goodwill and other intangible assets, net	667,546	669,063
Other, net	233,476	185,167
Total assets	<u>\$ 26,562,353</u>	<u>\$ 26,530,430</u>

LIABILITIES AND STOCKHOLDERS’ EQUITY

Deposits:		
Demand non-interest bearing	\$ 5,008,742	\$ 4,983,788
Savings and interest bearing transaction	9,753,148	9,245,727
Time	5,567,772	5,979,619
Total deposits	20,329,662	20,209,134
Other borrowings	756,347	756,321
Subordinated notes	346,333	346,133
Subordinated debentures	121,171	121,033
Reserve for losses on unfunded loan commitments	89,327	71,609
Accrued interest payable and other liabilities	226,344	186,840
Total liabilities	<u>21,869,184</u>	<u>21,691,070</u>

Commitments and contingencies

Stockholders’ equity:

Preferred stock; \$0.01 par value; 100,000,000 shares authorized; 14,000,000 issued and outstanding at March 31, 2022 and December 31, 2021	338,980	338,980
Common stock; \$0.01 par value; 300,000,000 shares authorized; 122,677,195 and 125,443,748 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	1,227	1,254
Additional paid-in capital	1,962,126	2,093,702
Retained earnings	2,468,652	2,378,466
Accumulated other comprehensive (loss) income	(80,928)	23,841
Total stockholders’ equity before noncontrolling interest	4,690,057	4,836,243
Noncontrolling interest	3,112	3,117
Total stockholders’ equity	<u>4,693,169</u>	<u>4,839,360</u>
Total liabilities and stockholders’ equity	<u>\$ 26,562,353</u>	<u>\$ 26,530,430</u>

Bank OZK
Consolidated Statements of Income
Unaudited

Three Months Ended
March 31,

<u>2022</u>	<u>2021</u>
(Dollars in thousands, except per share amounts)	

Interest income:		
Non-purchased loans	\$ 239,995	\$ 239,827
Purchased loans	8,170	11,935
Investment securities:		
Taxable	10,611	8,083

Tax-exempt	2,986	3,681
Deposits with banks and federal funds sold	609	538
Total interest income	<u>262,371</u>	<u>264,064</u>
Interest expense:		
Deposits	8,492	24,350
Other borrowings	998	990
Subordinated notes	2,574	3,146
Subordinated debentures	964	942
Total interest expense	<u>13,028</u>	<u>29,428</u>
Net interest income	249,343	234,636
Provision for credit losses	4,190	(31,559)
Net interest income after provision for credit losses	<u>245,153</u>	<u>266,195</u>
Non-interest income:		
Service charges on deposit accounts:		
NSF/Overdraft fees	4,201	3,323
All other service charges	6,690	6,342
Trust income	2,094	2,206
BOLI income:		
Increase in cash surrender value	4,793	4,881
Death benefits	297	1,409
Loan service, maintenance and other fees	3,018	3,551
Gains on sales of other assets	6,992	5,828
Net (losses) gains on investment securities	(90)	—
Other	3,480	4,577
Total non-interest income	<u>31,475</u>	<u>32,117</u>
Non-interest expense:		
Salaries and employee benefits	54,648	53,645
Net occupancy and equipment	17,215	16,468
Other operating expenses	35,852	35,946
Total non-interest expense	<u>107,715</u>	<u>106,059</u>
Income before taxes	168,913	192,253
Provision for income taxes	36,410	43,818
Net income	132,503	148,435
Earnings attributable to noncontrolling interest	5	(19)
Preferred stock dividends	4,480	—
Net income available to common stockholders	<u>\$ 128,028</u>	<u>\$ 148,416</u>
Basic earnings per common share	<u>\$ 1.03</u>	<u>\$ 1.15</u>
Diluted earnings per common share	\$ 1.02	\$ 1.14

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	<u>Preferred Stock</u>	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive (Loss) Income</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
(Dollars in thousands, except per share amounts)							
Three months ended March 31, 2022:							
Balances – December 31, 2021	\$ 338,980	\$ 1,254	\$ 2,093,702	\$ 2,378,466	\$ 23,841	\$ 3,117	\$ 4,839,360
Net income	—	—	—	132,503	—	—	132,503
Earnings attributable to noncontrolling interest	—	—	—	5	—	(5)	—

Total other comprehensive loss	—	—	—	—	(104,769)	—	(104,769)
Preferred stock dividends, \$0.32 per share	—	—	—	(4,480)	—	—	(4,480)
Common stock dividends, \$0.30 per share	—	—	—	(37,842)	—	—	(37,842)
Issuance of 49,020 shares of common stock for exercise of stock options	—	1	1,486	—	—	—	1,487
Issuance of 199,406 shares of unvested restricted common stock	—	2	(2)	—	—	—	—
Repurchase and cancellation of 2,883,013 shares of common stock under share repurchase program	—	(29)	(131,536)	—	—	—	(131,565)
Repurchase and cancellation of 112,974 shares of common stock withheld for taxes pursuant to restricted stock vesting	—	(1)	(5,398)	—	—	—	(5,399)
Stock-based compensation expense	—	—	3,874	—	—	—	3,874
Forfeitures of 18,992 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – March 31, 2022	<u>\$ 338,980</u>	<u>\$ 1,227</u>	<u>\$ 1,962,126</u>	<u>\$ 2,468,652</u>	<u>\$ (80,928)</u>	<u>\$ 3,112</u>	<u>\$ 4,693,169</u>

Three months ended March 31, 2021:

Balances – December 31, 2020	\$ —	\$ 1,294	\$ 2,265,850	\$ 1,946,875	\$ 58,252	\$ 3,085	\$ 4,275,356
Net income	—	—	—	148,435	—	—	148,435
Earnings attributable to noncontrolling interest	—	—	—	(19)	—	19	—
Total other comprehensive loss	—	—	—	—	(7,788)	—	(7,788)
Common stock dividends, \$0.2775 per share	—	—	—	(35,893)	—	—	(35,893)
Issuance of 128,100 shares of common stock for exercise of stock options	—	1	4,492	—	—	—	4,493
Issuance of 312,503 shares of unvested restricted common stock	—	3	(3)	—	—	—	—
Repurchase and cancellation of 55,740 shares of common stock withheld for taxes pursuant to restricted stock vesting	—	(1)	(1,970)	—	—	—	(1,971)
Stock-based compensation expense	—	—	3,677	—	—	—	3,677
Forfeitures of 16,405 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – March 31, 2021	\$ —	\$ 1,297	\$ 2,272,046	\$ 2,059,398	\$ 50,464	\$ 3,104	\$ 4,386,309

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended	
	March 31,	
	2022	2021
	(Dollars in thousands)	
Salaries and employee benefits	\$ 54,648	\$ 53,645
Net occupancy and equipment	17,215	16,468
Other operating expenses:		
Professional and outside services	7,082	6,326
Software and data processing	5,921	5,792
Deposit insurance and assessments	2,150	3,520
Telecommunication services	2,010	2,232
Travel and meals	1,758	774
Postage and supplies	1,698	1,645
ATM expense	1,509	1,283
Advertising and public relations	1,259	308
Loan collection and repossession expense	325	509
Writedowns of foreclosed and other assets	258	1,363
Amortization of intangibles	1,517	1,730
Amortization of CRA and tax credit investments	5,102	4,125
Other	5,263	6,339
Total non-interest expense	<u>\$ 107,715</u>	<u>\$ 106,059</u>

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
(Dollars in thousands)				
Real estate:				
Residential 1-4 family	\$ 921,310	4.9 %	\$ 887,024	4.8 %
Non-farm/non-residential	3,942,133	20.8	3,782,892	20.7
Construction/land development	8,752,873	46.2	8,246,674	45.0
Agricultural	256,462	1.4	247,727	1.4
Multifamily residential	761,634	4.0	934,845	5.1
Total real estate	<u>14,634,412</u>	<u>77.3</u>	<u>14,099,162</u>	<u>77.0</u>
Commercial and industrial	440,203	2.3	510,784	2.8
Consumer	2,257,909	11.9	2,185,429	11.9
Other	1,598,498	8.5	1,512,450	8.3
Total loans	<u>18,931,022</u>	<u>100.0 %</u>	<u>18,307,825</u>	<u>100.0 %</u>
Allowance for loan losses	<u>(204,213)</u>		<u>(217,380)</u>	
Net loans	<u>\$ 18,726,809</u>		<u>\$ 18,090,445</u>	

Bank OZK
Allowance for Credit Losses
Unaudited

	<u>Allowance for Loan Losses</u>	<u>Reserve for Losses on Unfunded Loan Commitments</u>	<u>Total Allowance for Credit Losses</u>
(Dollars in thousands)			
Three months ended March 31, 2022:			
Balances – December 31, 2021	\$ 217,380	\$ 71,609	\$ 288,989
Net charge-offs	361	—	361
Provision for credit losses	(13,528)	17,718	4,190
Balances – March 31, 2022	<u>\$ 204,213</u>	<u>\$ 89,327</u>	<u>\$ 293,540</u>
Three months ended March 31, 2021:			
Balances – December 31, 2020	\$ 295,824	\$ 81,481	\$ 377,305
Net charge-offs	(3,439)	—	(3,439)
Provision for credit losses	(24,308)	(7,251)	(31,559)
Balances – March 31, 2021	<u>\$ 268,077</u>	<u>\$ 74,230</u>	<u>\$ 342,307</u>

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
(Dollars in thousands)				
Non-interest bearing	\$ 5,008,742	24.6 %	\$ 4,983,788	24.7 %
Interest bearing:				
Transaction (NOW)	3,434,321	16.9	3,412,369	16.9
Savings and money market	6,318,827	31.1	5,833,358	28.9
Time deposits	<u>5,567,772</u>	<u>27.4</u>	<u>5,979,619</u>	<u>29.5</u>
Total deposits	<u>\$ 20,329,662</u>	<u>100.0 %</u>	<u>\$ 20,209,134</u>	<u>100.0 %</u>

Summary of Deposits – By Customer Type

Unaudited

	<u>March 31, 2022</u>		<u>December 31, 2021</u>	
	(Dollars in thousands)			
Non-Interest Bearing	\$ 5,008,742	24.6 %	\$ 4,983,788	24.7 %
Interest Bearing:				
Consumer and Commercial:				
Consumer – Non-Time	4,491,178	22.1	4,334,378	21.4
Consumer – Time	4,089,074	20.1	4,318,742	21.4
Commercial – Non-Time	2,645,789	13.0	2,634,817	13.0
Commercial – Time	792,562	3.9	905,347	4.5
Public Funds	2,043,667	10.1	2,094,800	10.4
Brokered	754,979	3.7	452,137	2.2
Reciprocal	503,671	2.5	485,125	2.4
Total deposits	\$ 20,329,662	100.0 %	\$ 20,209,134	100.0 %

Bank OZK
Selected Consolidated Financial Data
Unaudited

	<u>Three Months Ended</u> <u>March 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>% Change</u>
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	\$ 249,343	\$ 234,636	6.3 %
Provision for credit losses	4,190	(31,559)	NM
Non-interest income	31,475	32,117	(2.0)
Non-interest expense	107,715	106,059	1.6
Net income	132,503	148,435	(10.7)
Preferred stock dividends	4,480	—	NM
Net income available to common stockholders	128,028	148,416	(13.7)
Pre-tax pre-provision net revenue ⁽¹⁾	173,103	160,694	7.7
Common share and per common share data:			
Diluted earnings per common share	\$ 1.02	\$ 1.14	(10.5)%
Basic earnings per common share	1.03	1.15	(10.4)
Common stock dividends per share	0.30	0.2775	8.1
Book value per share	35.47	33.79	5.0
Tangible book value per share ⁽¹⁾	30.03	28.60	5.0
Weighted-average diluted shares outstanding (thousands)	125,004	129,816	(3.7)
End of period shares outstanding (thousands)	122,677	129,719	(5.4)
Balance sheet data at period end:			
Total assets	\$ 26,562,353	\$ 27,276,892	(2.6)%
Total loans	18,931,022	18,715,065	1.2
Non-purchased loans	18,449,723	17,979,435	2.6
Purchased loans	481,299	735,630	(34.6)
Allowance for loan losses	204,213	268,077	(23.8)
Foreclosed assets	3,417	8,436	(59.5)
Investment securities – AFS	3,728,284	4,162,479	(10.4)
Goodwill and other intangible assets, net	667,546	673,728	(0.9)
Deposits	20,329,662	21,296,442	(4.5)
Other borrowings	756,347	756,297	0.0
Subordinated notes	346,333	224,141	54.5
Subordinated debentures	121,171	120,613	0.5
Unfunded balance of closed loans	14,954,367	11,780,099	26.9
Reserve for losses on unfunded loan commitments	89,327	74,230	20.3
Preferred stock	338,980	—	NM
Total common stockholders' equity ⁽¹⁾	4,351,077	4,383,205	(0.7)

Net unrealized (losses) gains on investment securities AFS included in stockholders' equity	(80,928)	50,464
Loan (including purchased loans) to deposit ratio	93.12 %	87.88 %
Selected ratios:		
Return on average assets ⁽²⁾	1.97 %	2.23 %
Return on average common stockholders' equity ^{(1) (2)}	11.67	13.97
Return on average tangible common stockholders' equity ^{(1) (2)}	13.73	16.57
Average common equity to total average assets	16.86	15.93
Net interest margin – FTE ⁽²⁾	4.24	3.86
Efficiency ratio	38.22	39.57
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.08	0.08
Net charge-offs to average total loans ⁽²⁾	(0.01)	0.07
Nonperforming loans to total loans ⁽⁴⁾	0.21	0.25
Nonperforming assets to total assets ⁽⁴⁾	0.16	0.19
Allowance for loan losses to total loans ⁽⁵⁾	1.08	1.43
Other information:		
Non-accrual loans ⁽⁴⁾	\$ 37,363	\$ 43,059
Accruing loans – 90 days past due ⁽⁴⁾	—	—
Troubled and restructured non-purchased loans – accruing ⁽⁴⁾	1,263	1,380

(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		
	March 31, 2022	December 31, 2021	% Change
(Dollars in thousands, except per share amounts)			
Income statement data:			
Net interest income	\$ 249,343	\$ 266,381	(6.4)%
Provision for credit losses	4,190	(7,992)	NM
Non-interest income	31,475	29,695	6.0
Non-interest expense	107,715	110,106	(2.2)
Net income	132,503	149,765	(11.5)
Preferred stock dividends	4,480	—	NM
Net income available to common stockholders	128,028	149,760	(14.5)
Pre-tax pre-provision net revenue ⁽¹⁾	173,103	185,970	(6.9)
Common share and per common share data:			
Diluted earnings per common share	\$ 1.02	\$ 1.17	(12.8)%
Basic earnings per common share	1.03	1.17	(12.0)
Dividends per share	0.30	0.290	3.4
Book value per share	35.47	35.85	(1.1)
Tangible book value per share ⁽¹⁾	30.03	30.52	(1.6)
Weighted-average diluted shares outstanding (thousands)	125,004	128,246	(2.5)
End of period shares outstanding (thousands)	122,677	125,444	(2.2)
Balance sheet data at period end:			
Total assets	\$ 26,562,353	\$ 26,530,430	0.1 %
Total loans	18,931,022	18,307,825	3.4
Non-purchased loans	18,449,723	17,791,610	3.7
Purchased loans	481,299	516,215	(6.8)

Allowance for loan losses	204,213	217,380	(6.1)
Foreclosed assets	3,417	5,744	(40.5)
Investment securities – AFS	3,728,284	3,916,733	(4.8)
Goodwill and other intangible assets, net	667,546	669,063	(0.2)
Deposits	20,329,662	20,209,134	0.6
Other borrowings	756,347	756,321	0.0
Subordinated notes	346,333	346,133	0.1
Subordinated debentures	121,171	121,033	0.1
Unfunded balance of closed loans	14,954,367	13,619,578	9.8
Reserve for losses on unfunded loan commitments	89,327	71,609	24.7
Preferred stock	338,980	338,980	—
Total common stockholders' equity ⁽¹⁾	4,351,077	4,497,263	(3.3)
Net unrealized gains on investment securities AFS included in stockholders' equity	(80,928)	23,841	
Loan (including purchased loans) to deposit ratio	93.12 %	90.59 %	
Selected ratios:			
Return on average assets ⁽²⁾	1.97 %	2.25 %	
Return on average common stockholders' equity ^{(1) (2)}	11.67	13.08	
Return on average tangible common stockholders' equity ^{(1) (2)}	13.73	15.34	
Net interest margin – FTE ⁽²⁾	4.24	4.41	
Efficiency ratio	38.22	37.06	
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.08	0.05	
Net charge-offs to average total loans ⁽²⁾	(0.01)	0.04	
Nonperforming loans to total loans ⁽⁴⁾	0.21	0.19	
Nonperforming assets to total assets ⁽⁴⁾	0.16	0.15	
Allowance for loan losses to total loans ⁽⁵⁾	1.08	1.19	
Other information:			
Non-accrual loans ⁽⁴⁾	\$ 37,363	\$ 33,274	
Accruing loans – 90 days past due ⁽⁴⁾	—	—	
Troubled and restructured non-purchased loans – accruing ⁽⁴⁾	1,263	1,285	

(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>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>	<u>03/31/22</u>
	(Dollars in thousands, except per share amounts)							
Earnings Summary:								
Net interest income	\$ 216,593	\$ 224,657	\$ 237,600	\$ 234,636	\$ 240,746	\$ 247,957	\$ 266,381	\$ 249,343
Federal tax (FTE) adjustment	1,753	1,605	1,533	1,275	1,355	1,106	1,009	1,017
Net interest income (FTE)	218,346	226,262	239,133	235,911	242,101	249,063	267,390	250,360
Provision for credit losses	(72,026)	(7,200)	(6,750)	31,559	30,932	7,454	7,992	(4,190)
Non-interest income	21,591	26,676	28,661	32,117	27,742	25,984	29,695	31,475
Non-interest expense	(100,953)	(105,641)	(103,394)	(106,059)	(103,711)	(110,397)	(110,106)	(107,715)
Pretax income (FTE)	66,958	140,097	157,650	193,528	197,064	172,104	194,971	169,930
FTE adjustment	(1,753)	(1,605)	(1,533)	(1,275)	(1,355)	(1,106)	(1,009)	(1,017)

Provision for income taxes	(14,948)	(29,251)	(35,607)	(43,818)	(45,161)	(40,713)	(44,197)	(36,410)
Noncontrolling interest	9	12	3	(19)	(13)	5	(5)	5
Preferred stock dividend	—	—	—	—	—	—	—	(4,480)
Net income available to common stockholders	<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>	<u>\$ 128,028</u>
Earnings per common share – diluted	\$ 0.39	\$ 0.84	\$ 0.93	\$ 1.14	\$ 1.16	\$ 1.00	\$ 1.17	\$ 1.02
PPNR	\$ 137,231	\$ 145,692	\$ 162,867	\$ 160,694	\$ 164,777	\$ 163,544	\$ 185,970	\$ 173,103
Non-interest Income:								
Service charges on deposit accounts:								
NSF/Overdraft fees	\$ 2,702	\$ 3,494	\$ 4,024	\$ 3,323	\$ 3,244	\$ 4,080	\$ 4,315	\$ 4,201
All other service charges	5,579	5,933	5,959	6,342	7,067	7,097	7,149	6,690
Trust income	1,759	1,936	1,909	2,206	1,911	2,247	2,141	2,094
BOLI income:								
Increase in cash surrender value	5,057	5,081	5,034	4,881	4,919	4,940	4,901	4,793
Death benefits	—	—	—	1,409	—	—	618	297
Loan service, maintenance and other fees	3,394	3,351	3,797	3,551	3,953	3,307	3,148	3,018
Gains on sales of other assets	621	891	5,189	5,828	2,341	463	1,330	6,992
Net gains (losses) on investment securities	—	2,244	—	—	—	—	504	(90)
Other	<u>2,479</u>	<u>3,746</u>	<u>2,749</u>	<u>4,577</u>	<u>4,307</u>	<u>3,850</u>	<u>5,589</u>	<u>3,480</u>
Total non-interest income	<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>	<u>\$ 31,475</u>
Non-interest Expense:								
Salaries and employee benefits	\$ 48,410	\$ 53,119	\$ 53,832	\$ 53,645	\$ 52,119	\$ 53,769	\$ 55,034	\$ 54,648
Net occupancy and equipment	15,756	16,676	15,617	16,468	16,168	17,161	17,004	17,215
Other operating expenses	<u>36,787</u>	<u>35,846</u>	<u>33,945</u>	<u>35,946</u>	<u>35,424</u>	<u>39,467</u>	<u>38,068</u>	<u>35,852</u>
Total non-interest expense	<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>	<u>\$ 107,715</u>
Balance Sheet Data:								
Total assets	\$ 26,380,409	\$ 26,888,308	\$ 27,162,596	\$ 27,276,892	\$ 26,605,938	\$ 26,143,367	\$ 26,530,430	\$ 26,562,353
Non-purchased loans	18,247,431	18,419,958	18,401,495	17,979,435	17,611,848	17,707,452	17,791,610	18,449,723
Purchased loans	1,063,647	938,485	807,673	735,630	659,822	597,851	516,215	481,299
Investment securities – AFS	3,299,944	3,468,243	3,405,351	4,162,479	4,693,396	3,846,496	3,916,733	3,728,284
Deposits	20,723,598	21,287,405	21,450,356	21,296,442	20,706,777	20,102,440	20,209,134	20,329,662
Unfunded balance of closed loans	11,411,441	11,604,614	11,847,117	11,780,099	11,709,818	12,385,369	13,619,578	14,954,367
Preferred stock	—	—	—	—	—	—	338,980	338,980
Total stockholders' equity before noncontrolling interest	4,110,666	4,186,285	4,272,271	4,383,205	4,501,676	4,553,240	4,836,243	4,690,057

Bank OZK
Supplemental Quarterly Financial Data (Continued)
Unaudited

	<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>	<u>03/31/22</u>
	(Dollars in thousands, except per share amounts)							
Allowance for Credit Losses:								
Balance at beginning of period	\$ 316,409	\$ 374,494	\$ 377,273	\$ 377,305	\$ 342,307	\$ 307,564	\$ 298,798	\$ 288,989
Net charge-offs	(13,941)	(4,421)	(6,718)	(3,439)	(3,811)	(1,312)	(1,817)	361
Provision for credit losses	72,026	7,200	6,750	(31,559)	(30,932)	(7,454)	(7,992)	4,190
Balance at end of period	<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>	<u>\$ 293,540</u>
Allowance for loan losses	\$ 306,196	\$ 308,847	\$ 295,824	\$ 268,077	\$ 248,753	\$ 237,722	\$ 217,380	\$ 204,213
Reserve for losses on unfunded loan commitments	68,298	68,426	81,481	74,230	58,811	61,076	71,609	89,327
Total allowance for credit losses	<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>	<u>\$ 293,540</u>
Selected Ratios:								
Net interest margin – FTE ⁽¹⁾	3.74 %	3.69 %	3.88 %	3.86 %	3.95 %	4.16 %	4.41 %	4.24 %
Efficiency ratio	42.07	41.77	38.61	39.57	38.43	40.14	37.06	38.22
Net charge-offs to average non-purchased loans ^{(1) (2)}	0.05	0.09	0.14	0.08	0.09	0.04	0.05	0.08
Net charge-offs to average total loans ⁽¹⁾	0.29	0.09	0.14	0.07	0.08	0.03	0.04	(0.01)
Nonperforming loans to total loans ⁽³⁾	0.18	0.15	0.25	0.25	0.22	0.20	0.19	0.21
Nonperforming assets to total assets ⁽³⁾	0.19	0.17	0.21	0.19	0.18	0.17	0.15	0.16
Allowance for loan losses to total loans ⁽⁴⁾	1.59	1.60	1.54	1.43	1.36	1.30	1.19	1.08
Loans past due 30 days or more, including past due non-accrual loans, to total loans ⁽³⁾	0.13	0.13	0.16	0.13	0.10	0.13	0.15	0.14

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

(2) Excludes purchased loans and net charge-offs related to such loans.

(3) Excludes purchased loans, except for their inclusion in total assets.

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

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

	Three Months Ended March 31,					
	2022			2021		
	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	\$ 1,359,510	\$ 609	0.18 %	\$ 2,212,680	\$ 538	0.10 %
Investment securities:						
Taxable	3,378,613	10,611	1.27	2,422,127	8,083	1.35
Tax-exempt – FTE	570,987	3,779	2.68	1,167,827	4,659	1.62
Non-purchased loans – FTE	18,154,626	240,219	5.37	18,188,269	240,124	5.35
Purchased loans	499,418	8,170	6.63	776,097	11,935	6.24
Total earning assets – FTE	23,963,154	263,388	4.46	24,767,000	265,339	4.34
Non-interest earning assets	2,421,122			2,279,477		
Total assets	<u>\$ 26,384,276</u>			<u>\$ 27,046,477</u>		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Deposits:						

Savings and interest bearing transaction	\$ 9,522,195	\$ 2,783	0.12 %	\$ 8,337,990	\$ 3,616	0.18 %
Time deposits	<u>5,760,998</u>	<u>5,709</u>	0.40	<u>8,996,193</u>	<u>20,734</u>	0.93
Total interest bearing deposits	15,283,193	8,492	0.23	17,334,183	24,350	0.57
Other borrowings	756,115	998	0.54	756,184	990	0.53
Subordinated notes	346,227	2,574	3.02	224,092	3,146	5.69
Subordinated debentures	<u>121,097</u>	<u>964</u>	3.23	<u>120,540</u>	<u>942</u>	3.17
Total interest bearing liabilities	16,506,632	13,028	0.32	18,434,999	29,428	0.65
Non-interest bearing liabilities:						
Non-interest bearing deposits	4,773,827			3,972,815		
Other non-interest bearing liabilities	<u>312,408</u>			<u>328,401</u>		
Total liabilities	21,592,867			22,736,215		
Total stockholders' equity before noncontrolling interest	4,788,294			4,307,174		
Noncontrolling interest	<u>3,114</u>			<u>3,088</u>		
Total liabilities and stockholders' equity	<u>\$ 26,384,275</u>			<u>\$ 27,046,477</u>		
Net interest income – FTE		<u>\$ 250,360</u>			<u>\$ 235,911</u>	
Net interest margin – FTE			<u>4.24 %</u>			<u>3.86 %</u>
Core spread ⁽¹⁾			5.14 %			4.78 %

⁽¹⁾ 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		
	March 31,		December 31,
	2022	2021	2021
	(Dollars in thousands)		
Net income available to common stockholders	\$ 128,028	\$ 148,416	\$ 149,760
Average stockholders' equity before noncontrolling interest	\$ 4,788,294	\$ 4,307,174	\$ 4,755,706
Less average preferred stock	(338,980)	—	(213,693)
Total average common stockholders' equity	4,449,314	4,307,174	4,542,013
Less average intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(7,572)	(13,828)	(9,032)
Total average intangibles	(668,361)	(674,617)	(669,821)
Average tangible common stockholders' equity	<u>\$ 3,780,953</u>	<u>\$ 3,632,557</u>	<u>\$ 3,872,192</u>
Return on average common stockholders' equity ⁽¹⁾	<u>11.67 %</u>	<u>13.97 %</u>	<u>13.08 %</u>
Return on average tangible common stockholders' equity ⁽¹⁾	13.73 %	16.57 %	15.34 %

⁽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

	March 31,		December 31,
	2022	2021	2021
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	\$ 4,690,057	\$ 4,383,205	\$ 4,836,243
Less preferred stock	(338,980)	—	(338,980)
Total common stockholders' equity	4,351,077	4,383,205	4,497,263

Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	<u>(6,757)</u>	<u>(12,939)</u>	<u>(8,274)</u>
Total intangibles	<u>(667,546)</u>	<u>(673,728)</u>	<u>(669,063)</u>
Total tangible common stockholders' equity	<u>\$ 3,683,531</u>	<u>\$ 3,709,477</u>	<u>\$ 3,828,200</u>
Shares of common stock outstanding	<u>122,677</u>	<u>129,719</u>	<u>125,444</u>
Book value per common share	<u>\$ 35.47</u>	<u>\$ 33.79</u>	<u>\$ 35.85</u>
Tangible book value per common share	<u>\$ 30.03</u>	<u>\$ 28.60</u>	<u>\$ 30.52</u>

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

Unaudited

	March 31,	
	2022	2021
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	\$ 4,690,057	\$ 4,383,205
Less preferred stock	<u>(338,980)</u>	<u>—</u>
Total common stockholders' equity	4,351,077	4,383,205
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	<u>(6,757)</u>	<u>(12,939)</u>
Total intangibles	<u>(667,546)</u>	<u>(673,728)</u>
Total tangible common stockholders' equity	<u>\$ 3,683,531</u>	<u>\$ 3,709,477</u>
Total assets	\$ 26,562,353	\$ 27,276,892
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	<u>(6,757)</u>	<u>(12,939)</u>
Total intangibles	<u>(667,546)</u>	<u>(673,728)</u>
Total tangible assets	<u>\$ 25,894,807</u>	<u>\$ 26,603,164</u>
Ratio of total common stockholders' equity to total assets	<u>16.38 %</u>	<u>16.07 %</u>
Ratio of total tangible common stockholders' equity to total tangible assets	14.22 %	13.94 %

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited

	Three Months Ended		
	March 31,		December 31,
	2022	2021	2021
	(Dollars in thousands)		
Income before taxes	\$ 168,913	\$ 192,253	\$ 193,962
Provision for credit losses	<u>4,190</u>	<u>(31,559)</u>	<u>(7,992)</u>
Pre-tax pre-provision net revenue	<u>\$ 173,103</u>	<u>\$ 160,694</u>	<u>\$ 185,970</u>

Investor Contact: Tim Hicks (501) 978-2336
Media Contact: Candace Graham (501) 320-4165



Source: Bank OZK