



Bank OZK Announces Second Quarter 2022 Earnings

July 21, 2022

LITTLE ROCK, Ark., July 21, 2022 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the second quarter of 2022 was \$132.4 million, a 12.1% decrease from \$150.5 million for the second quarter of 2021. Diluted earnings per common share for the second quarter of 2022 were \$1.10, a 5.2% decrease from \$1.16 for the second quarter of 2021.

For the six months ended June 30, 2022, net income available to common stockholders was \$260.4 million, a 12.9% decrease from \$299.0 million for the first six months of 2021. Diluted earnings per common share for the first six months of 2022 were \$2.12, a 7.8% decrease from \$2.30 for the first six months of 2021.

The Bank's provision for credit losses was \$7.0 million for the second quarter and \$11.2 million for the first six months of 2022 compared to negative provision for credit losses of \$30.9 million for the second quarter and \$62.5 million for the first six months of 2021. The Bank's total allowance for credit losses ("ACL") was \$299.9 million at June 30, 2022. The calculations of the Bank's provision expense for the second quarter and first six months of 2022 and its total ACL at June 30, 2022 were based on a number of key estimates, assumptions and economic forecasts. The Bank's provision expense for the second quarter and first six months of 2022 and its ACL at June 30, 2022 included certain qualitative adjustments to capture items that management believed were not fully reflected in its modeled results.

Pre-tax pre-provision net revenue ("PPNR") was \$182.8 million for the second quarter of 2022, a 10.9% increase from \$164.8 million for the second quarter of 2021. For the six months ended June 30, 2022, PPNR was \$355.9 million, a 9.4% increase from \$325.5 million for the first six months 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 second quarter of 2022 were 2.02%, 12.40% and 14.69%, respectively, compared to 2.24%, 13.65% and 16.10%, respectively, for the second quarter of 2021. The Bank's annualized returns on average assets, average common stockholder's equity and average tangible common stockholders' equity for the first six months of 2022 were 2.00%, 12.03%, and 14.20%, respectively, compared to 2.23%, 13.81%, and 16.33%, respectively, for the first six months 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 second quarter of 2022. Our results were highlighted by our third consecutive quarter of record RESG loan originations and solid contributions from Community Banking and other lending teams, reflecting the importance of organic growth and increased portfolio diversification 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 \$18.74 billion at June 30, 2022, a 2.6% increase from \$18.27 billion at June 30, 2021. Non-purchased loans were \$18.30 billion at June 30, 2022, a 3.9% increase from \$17.61 billion at June 30, 2021. Purchased loans, which consist of loans acquired in previous acquisitions, were \$0.45 billion at June 30, 2022, a 32.5% decrease from \$0.66 billion at June 30, 2021.

Deposits were \$19.98 billion at June 30, 2022, a 3.5% decrease from \$20.71 billion at June 30, 2021. Total assets were \$25.92 billion at June 30, 2022, a 2.6% decrease from \$26.61 billion at June 30, 2021.

Common stockholders' equity was \$4.27 billion at June 30, 2022, a 5.2% decrease from \$4.50 billion at June 30, 2021. Tangible common stockholders' equity was \$3.60 billion at June 30, 2022, a 5.9% decrease from \$3.83 billion at June 30, 2021. Book value per common share was \$35.87 at June 30, 2022, a 3.4% increase from \$34.70 at June 30, 2021. Tangible book value per common share was \$30.27 at June 30, 2022, a 2.5% increase from \$29.52 at June 30, 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 16.47% at June 30, 2022, compared to 16.92% at June 30, 2021. Its ratio of total tangible common stockholders' equity to total tangible assets was 14.26% at June 30, 2022, compared to 14.77% at June 30, 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 3.7 million shares of its common stock at a weighted average price of \$39.93, for a total of \$147.4 million. During the first six months of 2022, the Bank repurchased approximately 6.6 million shares of its common stock at a weighted average price of \$42.42, for a total of \$279.0 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 July 22, 2022. Interested parties may access the conference call live via webcast on the Bank's investor relations website at <https://ir.ozk.com/news/event-calendar>, or may participate via telephone by registering using [this online form](#). Upon registration, all telephone participants will receive the dial-in number along with a unique PIN number that can be used to access the call. A replay of the conference call webcast will be archived on the Bank's website for at least 30 days.

The Bank files annual, quarterly and current reports, proxy materials, and other information required by the Securities Exchange Act of 1934 with the Federal Deposit Insurance Corporation ("FDIC"), 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 ir.ozk.com. To receive automated email alerts for these materials please visit <https://ir.ozk.com/other/email-alerts> 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 common stockholders' equity, 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; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; 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. Established in 1903, Bank OZK conducts banking operations with over 240 offices in eight states including Arkansas, Georgia, Florida, North Carolina, Texas, New York, California and Mississippi and had \$25.92 billion in total assets as of June 30, 2022. Bank OZK can be found at www.ozk.com and on [Facebook](https://www.facebook.com/ozk), [Twitter](https://twitter.com/ozk) and [LinkedIn](https://www.linkedin.com/company/ozk) or contacted at (501) 978-2265 or P.O. Box 8811, Little Rock, Arkansas 72231-8811.

Bank OZK Consolidated Balance Sheets Unaudited

	June 30, 2022	December 31, 2021
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	\$ 1,140,448	\$ 2,053,829
Investment securities — available for sale (“AFS”)	3,705,807	3,916,733
Investment securities — trading	4,080	14,957
Federal Home Loan Bank of Dallas and other bankers’ bank stocks	36,654	40,788
Non-purchased loans	18,297,638	17,791,610
Purchased loans	445,080	516,215
Allowance for loan losses	(190,795)	(217,380)
Net loans	18,551,923	18,090,445
Premises and equipment, net	687,093	695,857
Foreclosed assets	2,593	5,744
Accrued interest receivable	82,756	83,025
Bank owned life insurance (“BOLI”)	784,117	774,822
Goodwill and other intangible assets, net	666,029	669,063
Other, net	258,465	185,167
Total assets	<u>\$ 25,919,965</u>	<u>\$ 26,530,430</u>
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	\$ 5,117,961	\$ 4,983,788
Savings and interest bearing transaction	9,655,436	9,245,727
Time	5,210,790	5,979,619
Total deposits	19,984,187	20,209,134
Other borrowings	505,221	756,321
Subordinated notes	346,536	346,133
Subordinated debentures	121,310	121,033
Reserve for losses on unfunded loan commitments	109,143	71,609
Accrued interest payable and other liabilities	243,666	186,840

Total liabilities	21,310,063	21,691,070
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 100,000,000 shares authorized; 14,000,000 issued and outstanding at June 30, 2022 and December 31, 2021	338,980	338,980
Common stock; \$0.01 par value; 300,000,000 shares authorized; 118,996,021 and 125,443,748 shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively	1,190	1,254
Additional paid-in capital	1,817,650	2,093,702
Retained earnings	2,563,130	2,378,466
Accumulated other comprehensive (loss) income	(114,168)	23,841
Total stockholders' equity before noncontrolling interest	4,606,782	4,836,243
Noncontrolling interest	3,120	3,117
Total stockholders' equity	4,609,902	4,839,360
Total liabilities and stockholders' equity	\$ 25,919,965	\$ 26,530,430

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	\$ 256,264	\$ 238,554	\$ 496,259	\$ 478,381
Purchased loans	8,982	11,699	17,152	23,635
Investment securities:				
Taxable	10,367	9,467	20,978	17,550
Tax-exempt	4,020	3,883	7,006	7,563
Deposits with banks and federal funds sold	1,855	496	2,464	1,033
Total interest income	281,488	264,099	543,859	528,162
Interest expense:				
Deposits	10,855	18,231	19,347	42,582
Other borrowings	1,042	1,002	2,039	1,982
Subordinated notes	2,603	3,181	5,177	6,326
Subordinated debentures	1,195	939	2,159	1,881
Total interest expense	15,695	23,353	28,722	52,771
Net interest income	265,793	240,746	515,137	475,381
Provision for credit losses	7,025	(30,932)	11,215	(62,491)
Net interest income after provision for credit losses	258,768	271,678	503,922	537,872
Non-interest income:				
Service charges on deposit accounts:				
NSF/Overdraft fees	4,247	3,244	8,449	6,567
All other service charges	7,184	7,067	13,874	13,409
Trust income	1,911	1,911	4,005	4,118
BOLI income:				
Increase in cash surrender value	4,846	4,919	9,639	9,799
Death benefits	—	—	297	1,409
Loan service, maintenance and other fees	3,603	3,953	6,621	7,504
Gains on sales of other assets	784	2,341	7,776	8,169
Net (losses) gains on investment securities	531	—	441	—
Other	3,214	4,307	6,694	8,884
Total non-interest income	26,320	27,742	57,796	59,859
Non-interest expense:				
Salaries and employee benefits	54,412	52,119	109,060	105,764
Net occupancy and equipment	17,014	16,168	34,230	32,636
Other operating expenses	37,874	35,424	73,726	71,371
Total non-interest expense	109,300	103,711	217,016	209,771
Income before taxes	175,788	195,709	344,702	387,960
Provision for income taxes	39,375	45,161	75,786	88,978

Net income	136,413	150,548	268,916	298,982
Earnings attributable to noncontrolling interest	(8)	(13)	(3)	(32)
Preferred stock dividends	4,047	—	8,527	—
Net income available to common stockholders	<u>\$ 132,358</u>	<u>\$ 150,535</u>	<u>\$ 260,386</u>	<u>\$ 298,950</u>
Basic earnings per common share	<u>\$ 1.10</u>	<u>\$ 1.16</u>	<u>\$ 2.13</u>	<u>\$ 2.31</u>
Diluted earnings per common share	\$ 1.10	\$ 1.16	\$ 2.12	\$ 2.30

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 June 30, 2022:							
Balances – March 31, 2022	\$ 338,980	\$ 1,227	\$ 1,962,126	\$ 2,468,652	\$ (80,928)	\$ 3,112	\$ 4,693,169
Net income	—	—	—	136,413	—	—	136,413
Earnings attributable to noncontrolling interest	—	—	—	(8)	—	8	—
Total other comprehensive loss	—	—	—	—	(33,240)	—	(33,240)
Preferred stock dividends, \$0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, \$0.31 per share	—	—	—	(37,880)	—	—	(37,880)
Issuance of 20,087 shares of common stock for exercise of stock options	—	—	594	—	—	—	594
Issuance of 21,416 shares of unvested restricted common stock	—	—	—	—	—	—	—
Repurchase and cancellation of 3,689,819 shares of common stock under share repurchase program	—	(37)	(147,396)	—	—	—	(147,433)
Stock-based compensation expense	—	—	2,326	—	—	—	2,326
Forfeitures of 32,858 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – June 30, 2022	<u>\$ 338,980</u>	<u>\$ 1,190</u>	<u>\$ 1,817,650</u>	<u>\$ 2,563,130</u>	<u>\$ (114,168)</u>	<u>\$ 3,120</u>	<u>\$ 4,609,902</u>
Six months ended June 30, 2022:							
Balances – December 31, 2021	\$ 338,980	\$ 1,254	\$ 2,093,702	\$ 2,378,466	\$ 23,841	\$ 3,117	\$ 4,839,360
Net income	—	—	—	268,916	—	—	268,916
Earnings attributable to noncontrolling interest	—	—	—	(3)	—	3	—
Total other comprehensive loss	—	—	—	—	(138,009)	—	(138,009)
Preferred stock dividends, \$0.60906 per share	—	—	—	(8,527)	—	—	(8,527)
Common stock dividends, \$0.61 per share	—	—	—	(75,722)	—	—	(75,722)
Issuance of 69,107 shares of common stock for exercise of stock options	—	1	2,079	—	—	—	2,080
Issuance of 220,822 shares of unvested restricted common stock	—	2	(2)	—	—	—	—
Repurchase and cancellation of 6,572,832 shares of common stock under share repurchase program	—	(65)	(278,932)	—	—	—	(278,997)
Repurchase and cancellation of 112,974 of shares of common stock withheld for tax pursuant to restricted stock vesting	—	(1)	(5,398)	—	—	—	(5,399)
Stock-based compensation expense	—	—	6,200	—	—	—	6,200
Forfeitures of 51,850 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances – June 30, 2022	<u>\$ 338,980</u>	<u>\$ 1,190</u>	<u>\$ 1,817,650</u>	<u>\$ 2,563,130</u>	<u>\$ (114,168)</u>	<u>\$ 3,120</u>	<u>\$ 4,609,902</u>

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
	(Dollars in thousands, except per share amounts)					
Three months ended June 30, 2021:						

Balances – March 31, 2021	\$	1,297	\$	2,272,046	\$	2,059,398	\$	50,464	\$	3,104	\$	4,386,309
Net income		—		—		150,548		—		—		150,548
Earnings attributable to noncontrolling interest		—		—		(13)		—		13		—
Total other comprehensive loss		—		—		—		(337)		—		(337)
Common stock dividends, \$0.28 per share		—		—		(36,819)		—		—		(36,819)
Issuance of 14,300 shares of common stock for exercise of stock options		—		515		—		—		—		515
Issuance of 20,328 shares of unvested restricted common stock		—		—		—		—		—		—
Repurchase and cancellation of 153 shares of common stock		—		(6)		—		—		—		(6)
Stock-based compensation expense		—		4,583		—		—		—		4,583
Forfeitures of 33,241 shares of unvested restricted common stock		—		—		—		—		—		—
Balances – June 30, 2021	\$	<u>1,297</u>	\$	<u>2,277,138</u>	\$	<u>2,173,114</u>	\$	<u>50,127</u>	\$	<u>3,117</u>	\$	<u>4,504,793</u>

Six months ended June 30, 2021:

Balances – December 31, 2020	\$	1,294	\$	2,265,850	\$	1,946,875	\$	58,252	\$	3,085	\$	4,275,356
Net income		—		—		298,982		—		—		298,982
Earnings attributable to noncontrolling interest		—		—		(32)		—		32		—
Total other comprehensive income		—		—		—		(8,125)		—		(8,125)
Common stock dividends, \$0.5575 per share		—		—		(72,711)		—		—		(72,711)
Issuance of 142,400 shares of common stock for exercise of stock options		1		5,007		—		—		—		5,008
Issuance of 332,831 shares of unvested restricted common stock		3		(3)		—		—		—		—
Repurchase and cancellation of 55,893 shares of common stock		(1)		(1,976)		—		—		—		(1,977)
Stock-based compensation expense		—		8,260		—		—		—		8,260
Forfeitures of 49,646 shares of unvested restricted common stock		—		—		—		—		—		—
Balances – June 30, 2021	\$	<u>1,297</u>	\$	<u>2,277,138</u>	\$	<u>2,173,114</u>	\$	<u>50,127</u>	\$	<u>3,117</u>	\$	<u>4,504,793</u>

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(Dollars in thousands)			
Salaries and employee benefits	\$ 54,412	\$ 52,119	\$ 109,060	\$ 105,764
Net occupancy and equipment	17,014	16,168	34,230	32,636
Other operating expenses:				
Professional and outside services	8,461	7,724	15,543	14,050
Software and data processing	6,223	6,006	12,144	11,798
Travel and meals	2,186	1,419	3,944	2,194
Deposit insurance and assessments	2,100	2,885	4,250	6,405
Telecommunication services	1,921	2,165	3,931	4,397
Postage and supplies	1,507	1,544	3,205	3,188
ATM expense	1,488	1,486	2,997	2,769
Advertising and public relations	1,103	593	2,362	902
Loan collection and repossession expense	353	540	678	1,050
Writedowns of foreclosed and other assets	—	123	258	1,486
Amortization of intangibles	1,516	1,602	3,033	3,332
Amortization of CRA and tax credit investments	4,628	3,227	9,730	7,352
Other	6,388	6,110	11,651	12,448
Total non-interest expense	\$ 109,300	\$ 103,711	\$ 217,016	\$ 209,771

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	June 30, 2022	December 31, 2021
	(Dollars in thousands)	
Real estate:		
Residential 1-4 family	\$ 975,794	5.2% \$ 887,024 4.8%

Non-farm/non-residential	4,201,587	22.4	3,782,892	20.7
Construction/land development	7,810,223	41.7	8,246,674	45.0
Agricultural	238,610	1.3	247,727	1.4
Multifamily residential	1,123,955	6.0	934,845	5.1
Total real estate	14,350,169	76.6	14,099,162	77.0
Commercial and industrial	696,105	3.7	510,784	2.8
Consumer	2,332,202	12.4	2,185,429	11.9
Other	1,364,242	7.3	1,512,450	8.3
Total loans	18,742,718	100.0%	18,307,825	100.0%
Allowance for loan losses	(190,795)		(217,380)	
Net loans	\$ 18,551,923		\$ 18,090,445	

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 June 30, 2022:			
Balances – March 31, 2022	\$ 204,213	\$ 89,327	\$ 293,540
Net charge-offs	(627)	—	(627)
Provision for credit losses	(12,791)	19,816	7,025
Balances – June 30, 2022	<u>\$ 190,795</u>	<u>\$ 109,143</u>	<u>\$ 299,938</u>
Six months ended June 30, 2022:			
Balances – December 31, 2021	\$ 217,380	\$ 71,609	\$ 288,989
Net charge-offs	(266)	—	(266)
Provision for credit losses	(26,319)	37,534	11,215
Balances – June 30, 2022	<u>\$ 190,795</u>	<u>\$ 109,143</u>	<u>\$ 299,938</u>
Three months ended June 30, 2021:			
Balances – March 31, 2021	\$ 268,077	\$ 74,230	\$ 342,307
Net charge-offs	(3,811)	—	(3,811)
Provision for credit losses	(15,513)	(15,419)	(30,932)
Balances – June 30, 2021	<u>\$ 248,753</u>	<u>\$ 58,811</u>	<u>\$ 307,564</u>
Six months ended June 30, 2021:			
Balances – December 31, 2020	\$ 295,824	\$ 81,481	\$ 377,305
Net charge-offs	(7,250)	—	(7,250)
Provision for credit losses	(39,821)	(22,670)	(62,491)
Balances – June 30, 2021	<u>\$ 248,753</u>	<u>\$ 58,811</u>	<u>\$ 307,564</u>

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	June 30, 2022	December 31, 2021	
	(Dollars in thousands)		
Non-interest bearing	\$ 5,117,961	25.6%	\$ 4,983,788
Interest bearing:			
Transaction (NOW)	3,393,659	17.0	3,412,369
Savings and money market	6,261,777	31.3	5,833,358
Time deposits	5,210,790	26.1	5,979,619
Total deposits	<u>\$ 19,984,187</u>	100.0%	<u>\$ 20,209,134</u>

Summary of Deposits – By Customer Type
Unaudited

	June 30, 2022	December 31, 2021	
	(Dollars in thousands)		
Non-Interest Bearing	\$ 5,117,961	25.6%	\$ 4,983,788

Interest Bearing:

Consumer and Commercial:

Consumer – Non-Time	4,462,108	22.3	4,334,378	21.4
Consumer – Time	3,939,342	19.7	4,318,742	21.4
Commercial – Non-Time	2,788,061	14.0	2,634,817	13.0
Commercial – Time	641,777	3.2	905,347	4.5
Public Funds	1,828,026	9.1	2,094,800	10.4
Brokered	814,633	4.1	452,137	2.2
Reciprocal	392,279	2.0	485,125	2.4
Total deposits	\$ 19,984,187	100.0%	\$ 20,209,134	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	%	2022	2021	%
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	\$ 265,793	\$ 240,746	10.4%	\$ 515,137	\$ 475,381	8.4%
Provision for credit losses	7,025	(30,932)	NM	11,215	(62,491)	NM
Non-interest income	26,320	27,742	(5.1)	57,796	59,859	(3.4)
Non-interest expense	109,300	103,711	5.4	217,016	209,771	3.5
Net income	136,413	150,548	(9.4)	268,916	298,982	(10.1)
Preferred stock dividends	4,047	—	NM	8,527	—	NM
Net income available to common stockholders	132,358	150,535	(12.1)	260,386	298,950	(12.9)
Pre-tax pre-provision net revenue ⁽¹⁾	182,813	164,777	10.9	355,917	325,469	9.4
Common share and per common share data:						
Diluted earnings per common share	\$ 1.10	\$ 1.16	(5.2)%	\$ 2.12	\$ 2.30	(7.8)%
Basic earnings per common share	1.10	1.16	(5.2)	2.13	2.31	(7.8)
Common stock dividends per share	0.31	0.28	10.7	0.61	0.5575	9.4
Book value per share	35.87	34.70	3.4	35.87	34.70	3.4
Tangible book value per common share ⁽¹⁾	30.27	29.52	2.5	30.27	29.52	2.5
Weighted-average diluted shares outstanding (thousands)	120,827	130,255	(7.2)	122,905	130,109	(5.5)
End of period shares outstanding (thousands)	118,996	129,720	(8.3)	118,996	129,720	(8.3)
Balance sheet data at period end:						
Total assets	\$ 25,919,965	\$ 26,605,938	(2.6)%	\$ 25,919,965	\$ 26,605,938	(2.6)%
Total loans	18,742,718	18,271,670	2.6	18,742,718	18,271,670	2.6
Non-purchased loans	18,297,638	17,611,848	3.9	18,297,638	17,611,848	3.9
Purchased loans	445,080	659,822	(32.5)	445,080	659,822	(32.5)
Allowance for loan losses	190,795	248,753	(23.3)	190,795	248,753	(23.3)
Foreclosed assets	2,593	7,542	(65.6)	2,593	7,542	(65.6)
Investment securities – AFS	3,705,807	4,693,396	(21.0)	3,705,807	4,693,396	(21.0)
Goodwill and other intangible assets, net	666,029	672,125	(0.9)	666,029	672,125	(0.9)
Deposits	19,984,187	20,706,777	(3.5)	19,984,187	20,706,777	(3.5)
Other borrowings	505,221	758,677	(33.4)	505,221	758,677	(33.4)
Subordinated notes	346,536	224,236	54.5	346,536	224,236	54.5
Subordinated debentures	121,310	120,752	0.5	121,310	120,752	0.5
Unfunded balance of closed loans	17,369,767	11,709,818	48.3	17,369,767	11,709,818	48.3
Reserve for losses on unfunded loan commitments	109,143	58,811	85.6	109,143	58,811	85.6
Preferred stock	338,980	—	NM	338,980	—	NM
Total common stockholders' equity ⁽¹⁾	4,267,802	4,501,676	(5.2)	4,267,802	4,501,676	(5.2)
Net unrealized (losses) gains on investment securities						
AFS included in stockholders' equity	(114,168)	50,127	NM	(114,168)	50,127	NM
Loan (including purchased loans) to deposit ratio	93.79%	88.24%	5.6	93.79%	88.24%	5.6
Selected ratios:						
Return on average assets ⁽²⁾	2.02%	2.24%		2.00%	2.23%	
Return on average common stockholders' equity ^{(1) (2)}	12.40	13.65		12.03	13.81	
Return on average tangible common stockholders' equity ^{(1) (2)}	14.69	16.10		14.20	16.33	
Average common equity to total average assets	16.32	16.42		16.60	16.17	
Net interest margin – FTE ⁽²⁾	4.52	3.95		4.38	3.91	
Efficiency ratio	37.25	38.43		37.73	39.00	
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.03	0.09		0.05	0.08	
Net charge-offs to average total loans ⁽²⁾	0.01	0.08		0.00	0.08	
Nonperforming loans to total loans ⁽⁴⁾	0.16	0.22		0.16	0.22	

Nonperforming assets to total assets ⁽⁴⁾	0.12	0.18	0.12	0.18
Allowance for loan losses to total loans ⁽⁵⁾	1.02	1.36	1.02	1.36
Other information:				
Non-accrual loans ⁽⁴⁾	\$ 28,171	\$ 38,195	\$ 28,171	\$ 38,195
Accruing loans – 90 days past due ⁽⁴⁾	—	—	—	—
Troubled and restructured non-purchased loans – accruing ⁽⁴⁾	1,033	1,365	1,033	1,365

- (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		
	June 30, 2022	March 31, 2022	% Change
(Dollars in thousands, except per share amounts)			
Income statement data:			
Net interest income	\$ 265,793	\$ 249,343	6.6%
Provision for credit losses	7,025	4,190	67.7
Non-interest income	26,320	31,475	(16.4)
Non-interest expense	109,300	107,715	1.5
Net income	136,413	132,503	3.0
Preferred stock dividends	4,047	4,480	(9.7)
Net income available to common stockholders	132,358	128,028	3.4
Pre-tax pre-provision net revenue ⁽¹⁾	182,813	173,103	5.6
Common share and per common share data:			
Diluted earnings per common share	\$ 1.10	\$ 1.02	7.8%
Basic earnings per common share	1.10	1.03	6.8
Common stock dividends per share	0.31	0.300	3.3
Book value per share	35.87	35.47	1.1
Tangible book value per common share ⁽¹⁾	30.27	30.03	0.8
Weighted-average diluted shares outstanding (thousands)	120,827	125,004	(3.3)
End of period shares outstanding (thousands)	118,996	122,677	(3.0)
Balance sheet data at period end:			
Total assets	\$ 25,919,965	\$ 26,562,353	(2.4)%
Total loans	18,742,718	18,931,022	(1.0)
Non-purchased loans	18,297,638	18,449,723	(0.8)
Purchased loans	445,080	481,299	(7.5)
Allowance for loan losses	190,795	204,213	(6.6)
Foreclosed assets	2,593	3,417	(24.1)
Investment securities – AFS	3,705,807	3,728,284	(0.6)
Goodwill and other intangible assets, net	666,029	667,546	(0.2)
Deposits	19,984,187	20,329,662	(1.7)
Other borrowings	505,221	756,347	(33.2)
Subordinated notes	346,536	346,333	0.1
Subordinated debentures	121,310	121,171	0.1
Unfunded balance of closed loans	17,369,767	14,954,367	16.2
Reserve for losses on unfunded loan commitments	109,143	89,327	22.2
Preferred stock	338,980	338,980	—
Total common stockholders' equity ⁽¹⁾	4,267,802	4,351,077	(1.9)
Net unrealized gains on investment securities AFS included in stockholders' equity	(114,168)	(80,928)	(41.1)
Loan (including purchased loans) to deposit ratio	93.79%	93.12%	0.7
Selected ratios:			
Return on average assets ⁽²⁾	2.02%	1.97%	
Return on average common stockholders' equity ^{(1) (2)}	12.40	11.67	
Return on average tangible common stockholders' equity ^{(1) (2)}	14.69	13.73	
Average common equity to average assets	16.32	16.86	
Net interest margin – FTE ⁽²⁾	4.52	4.24	
Efficiency ratio	37.25	38.22	
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.03	0.08	
Net charge-offs to average total loans ⁽²⁾	0.01	(0.01)	

Nonperforming loans to total loans ⁽⁴⁾	0.16	0.21
Nonperforming assets to total assets ⁽⁴⁾	0.12	0.16
Allowance for loan losses to total loans ⁽⁵⁾	1.02	1.08
Other information:		
Non-accrual loans ⁽⁴⁾	\$ 28,171	\$ 37,363
Accruing loans – 90 days past due ⁽⁴⁾	—	—
Troubled and restructured non-purchased loans – accruing ⁽⁴⁾	1,033	1,263

- (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.

Bank OZK
Supplemental Quarterly Financial Data
Unaudited

	<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>	<u>06/30/22</u>
(Dollars in thousands, except per share amounts)								
Earnings Summary:								
Net interest income	\$ 224,657	\$ 237,600	\$ 234,636	\$ 240,746	\$ 247,957	\$ 266,381	\$ 249,343	\$ 265,793
Federal tax (FTE) adjustment	1,605	1,533	1,275	1,355	1,106	1,009	1,017	1,300
Net interest income (FTE)	226,262	239,133	235,911	242,101	249,063	267,390	250,360	267,093
Provision for credit losses	(7,200)	(6,750)	31,559	30,932	7,454	7,992	(4,190)	(7,025)
Non-interest income	26,676	28,661	32,117	27,742	25,984	29,695	31,475	26,320
Non-interest expense	(105,641)	(103,394)	(106,059)	(103,711)	(110,397)	(110,106)	(107,715)	(109,300)
Pretax income (FTE)	140,097	157,650	193,528	197,064	172,104	194,971	169,930	177,088
FTE adjustment	(1,605)	(1,533)	(1,275)	(1,355)	(1,106)	(1,009)	(1,017)	(1,300)
Provision for income taxes	(29,251)	(35,607)	(43,818)	(45,161)	(40,713)	(44,197)	(36,410)	(39,375)
Noncontrolling interest	12	3	(19)	(13)	5	(5)	5	(8)
Preferred stock dividend	—	—	—	—	—	—	(4,480)	(4,047)
Net income available to common stockholders	<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>	<u>\$ 132,358</u>
Earnings per common share – diluted	\$ 0.84	\$ 0.93	\$ 1.14	\$ 1.16	\$ 1.00	\$ 1.17	\$ 1.02	\$ 1.10
PPNR	\$ 145,692	\$ 162,867	\$ 160,694	\$ 164,777	\$ 163,544	\$ 185,970	\$ 173,103	\$ 182,813
Non-interest Income:								
Service charges on deposit accounts:								
NSF/Overdraft fees	\$ 3,494	\$ 4,024	\$ 3,323	\$ 3,244	\$ 4,080	\$ 4,315	\$ 4,201	\$ 4,247
All other service charges	5,933	5,959	6,342	7,067	7,097	7,149	6,690	7,184
Trust income	1,936	1,909	2,206	1,911	2,247	2,141	2,094	1,911
BOLI income:								
Increase in cash surrender value	5,081	5,034	4,881	4,919	4,940	4,901	4,793	4,846
Death benefits	—	—	1,409	—	—	618	297	—
Loan service, maintenance and other fees	3,351	3,797	3,551	3,953	3,307	3,148	3,018	3,603
Gains on sales of other assets	891	5,189	5,828	2,341	463	1,330	6,992	784
Net gains (losses) on investment securities	2,244	—	—	—	—	504	(90)	531
Other	3,746	2,749	4,577	4,307	3,850	5,589	3,480	3,214
Total non-interest income	<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>	<u>\$ 26,320</u>
Non-interest Expense:								
Salaries and employee benefits	\$ 53,119	\$ 53,832	\$ 53,645	\$ 52,119	\$ 53,769	\$ 55,034	\$ 54,648	\$ 54,412
Net occupancy and equipment	16,676	15,617	16,468	16,168	17,161	17,004	17,215	17,014
Other operating expenses	35,846	33,945	35,946	35,424	39,467	38,068	35,852	37,874
Total non-interest expense	<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>	<u>\$ 109,300</u>
Balance Sheet Data:								
Total assets	\$ 26,888,308	\$ 27,162,596	\$ 27,276,892	\$ 26,605,938	\$ 26,143,367	\$ 26,530,430	\$ 26,562,353	\$ 25,919,965
Non-purchased loans	18,419,958	18,401,495	17,979,435	17,611,848	17,707,452	17,791,610	18,449,723	18,297,638
Purchased loans	938,485	807,673	735,630	659,822	597,851	516,215	481,299	445,080
Investment securities – AFS	3,468,243	3,405,351	4,162,479	4,693,396	3,846,496	3,916,733	3,728,284	3,705,807
Deposits	21,287,405	21,450,356	21,296,442	20,706,777	20,102,440	20,209,134	20,329,662	19,984,187
Unfunded balance of closed loans	11,604,614	11,847,117	11,780,099	11,709,818	12,385,369	13,619,578	14,954,367	17,369,767
Preferred stock	—	—	—	—	—	338,980	338,980	338,980

Total stockholders' equity before noncontrolling interest	4,186,285	4,272,271	4,383,205	4,501,676	4,553,240	4,836,243	4,690,057	4,606,782
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Bank OZK
Supplemental Quarterly Financial Data (Continued)
Unaudited

	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21	03/31/22	06/30/22
(Dollars in thousands)								
Allowance for Credit Losses:								
Balance at beginning of period	\$ 374,494	\$ 377,273	\$ 377,305	\$ 342,307	\$ 307,564	\$ 298,798	\$ 288,989	\$ 293,540
Net charge-offs	(4,421)	(6,718)	(3,439)	(3,811)	(1,312)	(1,817)	361	(627)
Provision for credit losses	7,200	6,750	(31,559)	(30,932)	(7,454)	(7,992)	4,190	7,025
Balance at end of period	<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>	<u>\$ 299,938</u>
Allowance for loan losses	\$ 308,847	\$ 295,824	\$ 268,077	\$ 248,753	\$ 237,722	\$ 217,380	\$ 204,213	\$ 190,795
Reserve for losses on unfunded loan commitments	68,426	81,481	74,230	58,811	61,076	71,609	89,327	109,143
Total allowance for credit losses	<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>	<u>\$ 299,938</u>
Selected Ratios:								
Net interest margin – FTE ⁽¹⁾	3.69%	3.88%	3.86%	3.95%	4.16%	4.41%	4.24%	4.52%
Efficiency ratio	41.77	38.61	39.57	38.43	40.14	37.06	38.22	37.25
Net charge-offs to average non-purchased loans ^{(1) (2)}	0.09	0.14	0.08	0.09	0.04	0.05	0.08	0.03
Net charge-offs to average total loans ⁽¹⁾	0.09	0.14	0.07	0.08	0.03	0.04	(0.01)	0.01
Nonperforming loans to total loans ⁽³⁾	0.15	0.25	0.25	0.22	0.20	0.19	0.21	0.16
Nonperforming assets to total assets ⁽³⁾	0.17	0.21	0.19	0.18	0.17	0.15	0.16	0.12
Allowance for loan losses to total loans ⁽⁴⁾	1.60	1.54	1.43	1.36	1.30	1.19	1.08	1.02
Loans past due 30 days or more, including past due non-accrual loans, to total loans ⁽³⁾	0.13	0.16	0.13	0.10	0.13	0.15	0.14	0.11

(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 June 30,						Six Months Ended June 30,					
	2022			2021			2022			2021		
	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	\$ 1,019,374	\$ 1,856	0.73%	\$ 1,886,166	\$ 496	0.11%	\$ 1,188,502	\$ 2,465	0.42%	\$ 2,048,521	\$ 1,033	0.10%
Investment securities:												
Taxable	3,060,097	10,367	1.36	3,508,655	9,467	1.08	3,218,475	20,978	1.31	2,968,393	17,550	1.19
Tax-exempt – FTE	637,235	5,088	3.20	963,522	4,915	2.05	604,295	8,868	2.96	1,065,110	9,574	1.81
Non-purchased loans – FTE	18,535,726	256,495	5.55	17,544,405	238,877	5.46	18,346,228	496,714	5.46	17,864,558	479,001	5.41
Purchased loans	464,655	8,982	7.75	697,136	11,699	6.73	481,941	17,152	7.18	736,399	23,635	6.47
Total earning assets – FTE	23,717,087	282,788	4.78	24,599,884	265,454	4.33	23,839,441	546,177	4.62	24,682,981	530,793	4.34
Non-interest earning assets	2,507,837			2,345,169			2,453,085			2,312,504		
Total assets	<u>\$ 26,224,924</u>			<u>\$ 26,945,053</u>			<u>\$ 26,292,526</u>			<u>\$ 26,995,485</u>		
LIABILITIES AND STOCKHOLDERS' EQUITY												

Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	\$ 9,697,128	\$ 5,379	0.22%	\$ 8,735,178	\$ 3,338	0.15%	\$ 9,610,145	\$ 8,162	0.17%	\$ 8,537,681	\$ 6,954	0.16%
Time deposits	<u>5,404,880</u>	<u>5,476</u>	0.41	<u>8,000,214</u>	<u>14,893</u>	0.75	<u>5,581,955</u>	<u>11,185</u>	0.40	<u>8,495,453</u>	<u>35,628</u>	0.85
Total interest bearing deposits	15,102,008	10,855	0.29	16,735,392	18,231	0.44	15,192,100	19,347	0.26	17,033,134	42,582	0.50
Other borrowings	670,599	1,042	0.62	757,435	1,002	0.53	713,121	2,040	0.58	756,813	1,992	0.53
Subordinated notes	346,426	2,603	3.01	224,188	3,181	5.69	346,327	5,177	3.01	224,140	6,326	5.69
Subordinated debentures	<u>121,234</u>	<u>1,195</u>	3.95	<u>120,680</u>	<u>939</u>	3.12	<u>121,166</u>	<u>2,159</u>	3.59	<u>120,610</u>	<u>1,881</u>	3.14
Total interest bearing liabilities	16,240,267	15,695	0.39	17,837,695	23,353	0.53	16,372,714	28,723	0.35	18,134,697	52,781	0.59
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,970,380			4,366,380			4,872,646			4,170,685		
Other non-interest bearing liabilities	<u>392,126</u>			<u>314,768</u>			<u>340,854</u>			<u>321,546</u>		
Total liabilities	21,602,773			22,518,843			21,586,214			22,626,928		
Total stockholders' equity before noncontrolling interest	4,619,033			4,423,093			4,703,196			4,365,454		
Noncontrolling interest	<u>3,118</u>			<u>3,117</u>			<u>3,116</u>			<u>3,103</u>		
Total liabilities and stockholders' equity	<u>\$ 26,224,924</u>			<u>\$ 26,945,053</u>			<u>\$ 26,292,526</u>			<u>\$ 26,995,485</u>		
Net interest income – FTE		<u>\$ 267,093</u>			<u>\$ 242,101</u>			<u>\$ 517,454</u>			<u>\$ 478,012</u>	
Net interest margin – FTE			<u>4.52%</u>			<u>3.95%</u>			<u>4.38%</u>			<u>3.91%</u>
Core spread ⁽¹⁾			5.26%			5.02%			5.20%			4.91%

(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			Six Months Ended	
	June 30, 2022	June 30, 2021	March 31, 2022	June 30, 2022	June 30, 2021
	(Dollars in thousands)				
Net income available to common stockholders	\$ 132,358	\$ 150,535	\$ 128,028	\$ 260,386	\$ 298,950
Average stockholders' equity before noncontrolling interest	\$ 4,619,033	\$ 4,423,093	\$ 4,788,294	\$ 4,703,196	\$ 4,365,454
Less average preferred stock	(338,980)	—	(338,980)	(338,980)	—
Total average common stockholders' equity	4,280,053	4,423,093	4,449,314	4,364,216	4,365,454
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	(6,084)	(12,175)	(7,572)	(6,824)	(12,997)
Total average intangibles	(666,873)	(672,964)	(668,361)	(667,613)	(673,786)
Average tangible common stockholders' equity	<u>\$ 3,613,180</u>	<u>\$ 3,750,129</u>	<u>\$ 3,780,953</u>	<u>\$ 3,696,603</u>	<u>\$ 3,691,668</u>
Return on average common stockholders' equity ⁽¹⁾	<u>12.40%</u>	<u>13.65%</u>	<u>11.67%</u>	<u>12.03%</u>	<u>13.81%</u>
Return on average tangible common stockholders' equity ⁽¹⁾	14.69%	16.10%	13.73%	14.20%	16.33%

(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**

	June 30,		March 31,
	2022	2021	2022
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	\$ 4,606,782	\$ 4,501,676	\$ 4,690,057
Less preferred stock	(338,980)	—	(338,980)
Total common stockholders' equity	4,267,802	4,501,676	4,351,077
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(5,240)	(11,336)	(6,757)
Total intangibles	(666,029)	(672,125)	(667,546)
Total tangible common stockholders' equity	<u>\$ 3,601,773</u>	<u>\$ 3,829,551</u>	<u>\$ 3,683,531</u>
Shares of common stock outstanding	<u>118,996</u>	<u>129,720</u>	<u>122,677</u>
Book value per common share	<u>\$ 35.87</u>	<u>\$ 34.70</u>	<u>\$ 35.47</u>
Tangible book value per common share	<u>\$ 30.27</u>	<u>\$ 29.52</u>	<u>\$ 30.03</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

	June 30,	
	2022	2021
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	\$ 4,606,782	\$ 4,501,676
Less preferred stock	(338,980)	—
Total common stockholders' equity	4,267,802	4,501,676
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(5,240)	(11,336)
Total intangibles	(666,029)	(672,125)
Total tangible common stockholders' equity	<u>\$ 3,601,773</u>	<u>\$ 3,829,551</u>
Total assets	<u>\$ 25,919,965</u>	<u>\$ 26,605,938</u>
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(5,240)	(11,336)
Total intangibles	(666,029)	(672,125)
Total tangible assets	<u>\$ 25,253,936</u>	<u>\$ 25,933,813</u>
Ratio of total common stockholders' equity to total assets	<u>16.47%</u>	<u>16.92%</u>
Ratio of total tangible common stockholders' equity to total tangible assets	<u>14.26%</u>	<u>14.77%</u>

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended			Six Months Ended	
	June 30, 2022	June 30, 2021	March 31, 2022	June 30, 2022	June 30, 2021
	(Dollars in thousands)				
Income before taxes	\$ 175,788	\$ 195,709	\$ 168,913	\$ 344,702	\$ 387,960
Provision for credit losses	7,025	(30,932)	4,190	11,215	(62,491)
Pre-tax pre-provision net revenue	<u>\$ 182,813</u>	<u>\$ 164,777</u>	<u>\$ 173,103</u>	<u>\$ 355,917</u>	<u>\$ 325,469</u>

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Source: Bank OZK