



Bank OZK Announces Third Quarter 2022 Earnings

October 20, 2022

LITTLE ROCK, Ark., Oct. 20, 2022 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the third quarter of 2022 was \$128.3 million, a 1.5% decrease from \$130.3 million for the third quarter of 2021. Diluted earnings per common share for the third quarter of 2022 were \$1.08, an 8.0% increase from \$1.00 for the third quarter of 2021.

For the nine months ended September 30, 2022, net income available to common stockholders was \$388.7 million, a 9.4% decrease from \$429.2 million for the first nine months of 2021. Diluted earnings per common share for the first nine months of 2022 were \$3.20, a 3.0% decrease from \$3.30 for the first nine months of 2021.

The Bank's provision for credit losses was \$39.8 million for the third quarter and \$51.0 million for the first nine months of 2022 compared to negative provisions for credit losses of \$7.5 million for the third quarter and \$69.9 million for the first nine months of 2021. The growth in both funded and unfunded loan balances during the quarter contributed to the higher provision for credit losses, which impacted net income. The Bank's total allowance for credit losses ("ACL") was \$335.6 million at September 30, 2022. The calculations of the Bank's provision expense for the third quarter and first nine months of 2022 and its total ACL at September 30, 2022 were based on a number of key estimates, assumptions and economic forecasts and included certain qualitative adjustments to capture items not fully reflected in the modeled results.

Pre-tax pre-provision net revenue ("PPNR") was \$208.1 million for the third quarter of 2022, a 27.2% increase from \$163.5 million for the third quarter of 2021. For the nine months ended September 30, 2022, PPNR was \$564.0 million, a 15.3% increase from \$489.0 million for the first nine 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 third quarter of 2022 were 1.97%, 11.85% and 14.02%, respectively, compared to 1.98%, 11.41% and 13.39%, respectively, for the third 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 nine months of 2022 were 1.99%, 11.97%, and 14.14%, respectively, compared to 2.15%, 12.98%, and 15.31%, respectively, for the first nine 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 strong results for the third quarter of 2022. Our results were highlighted by our fourth consecutive quarter of record RESG loan originations and solid growth in RESG's funded loans, along with meaningful contributions to growth from our Community Banking and other lending teams. This reflects our dual focus on both organic loan growth and increased portfolio diversification. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the current environment and the longer term."

KEY BALANCE SHEET METRICS

Total loans were \$19.51 billion at September 30, 2022, a 6.6% increase from \$18.31 billion at September 30, 2021. Non-purchased loans were \$19.10 billion at September 30, 2022, a 7.9% increase from \$17.71 billion at September 30, 2021. Purchased loans, which consist of loans acquired in previous acquisitions, were \$0.41 billion at September 30, 2022, a 31.4% decrease from \$0.60 billion at September 30, 2021.

Deposits were \$20.40 billion at September 30, 2022, a 1.5% increase from \$20.10 billion at September 30, 2021. Total assets were \$26.23 billion at September 30, 2022, a 0.3% increase from \$26.14 billion at September 30, 2021.

Common stockholders' equity was \$4.20 billion at September 30, 2022, a 7.7% decrease from \$4.55 billion at September 30, 2021. Tangible common stockholders' equity was \$3.54 billion at September 30, 2022, an 8.9% decrease from \$3.88 billion at September 30, 2021. Book value per common share was \$35.67 at September 30, 2022, a 0.9% increase from \$35.35 at September 30, 2021. Tangible book value per common share was \$30.02 at September 30, 2022, a 0.4% decrease from \$30.14 at September 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 16.01% at September 30, 2022, compared to 17.42% at September 30, 2021. Its ratio of total tangible common stockholders' equity to total tangible assets was 13.83% at September 30, 2022, compared to 15.24% at September 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 1.23 million shares of its common stock at a weighted average price of \$38.96, for a total of \$47.7 million. During the first nine months of 2022, the Bank repurchased approximately 7.80 million shares of its common stock at a weighted average price of \$41.90, for a total of \$326.7 million. Our current stock repurchase program expires November 4, 2022. In evaluating any plans for stock repurchases after expiration of the current program, the Bank will consider a variety of factors including its capital position, expected growth, alternative uses of capital, liquidity, financial performance, stock price, current and expected macro economic environment, regulatory requirements and other factors.

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 October 21, 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, common stockholders' equity, 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 hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in identifying satisfactory sites, 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; recently enacted and potential laws and regulatory requirements, including those actions in response to the coronavirus (“COVID-19”) pandemic, or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry or changes in the interpretation and enforcement of such laws and requirements, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; 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 \$26.23 billion in total assets as of September 30, 2022. 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

	September 30, 2022	December 31, 2021
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	\$ 895,824	\$ 2,053,829
Investment securities — available for sale (“AFS”)	3,528,077	3,916,733
Investment securities — trading	2,481	14,957
Federal Home Loan Bank of Dallas and other bankers’ bank stocks	31,841	40,788
Non-purchased loans	19,103,546	17,791,610
Purchased loans	410,166	516,215
Allowance for loan losses	(200,098)	(217,380)
Net loans	19,313,614	18,090,445
Premises and equipment, net	684,930	695,857
Foreclosed assets	6,559	5,744
Accrued interest receivable	97,564	83,025
Bank owned life insurance (“BOLI”)	784,926	774,822
Goodwill and other intangible assets, net	664,732	669,063
Other, net	221,571	185,167
Total assets	\$ 26,232,119	\$ 26,530,430
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	\$ 4,824,209	\$ 4,983,788
Savings and interest bearing transaction	9,763,638	9,245,727
Time	5,814,029	5,979,619
Total deposits	20,401,876	20,209,134
Other borrowings	456,466	756,321
Subordinated notes	346,741	346,133
Subordinated debentures	121,450	121,033
Reserve for losses on unfunded loan commitments	135,537	71,609
Accrued interest payable and other liabilities	227,505	186,840
Total liabilities	21,689,575	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 September 30, 2022 and December 31, 2021	338,980	338,980
Common stock; \$0.01 par value; 300,000,000 shares authorized; 117,761,605 and 125,443,748 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	1,178	1,254
Additional paid-in capital	1,773,562	2,093,702
Retained earnings	2,653,377	2,378,466
Accumulated other comprehensive (loss) income	(227,673)	23,841
Total stockholders' equity before noncontrolling interest	4,539,424	4,836,243
Noncontrolling interest	3,120	3,117
Total stockholders' equity	4,542,544	4,839,360
Total liabilities and stockholders' equity	\$ 26,232,119	\$ 26,530,430

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
(Dollars in thousands, except per share amounts)				
Interest income:				
Non-purchased loans	\$ 295,054	\$ 238,258	\$ 791,313	\$ 716,639
Purchased loans	7,148	11,350	24,300	34,985
Investment securities:				
Taxable	10,269	9,236	31,246	26,786
Tax-exempt	7,126	3,296	14,132	10,860
Deposits with banks and federal funds sold	3,690	523	6,155	1,556
Total interest income	323,287	262,663	867,146	790,826
Interest expense:				
Deposits	21,997	12,326	41,343	54,908
Other borrowings	2,460	1,017	4,500	3,010
Subordinated notes	2,631	429	7,808	6,755
Subordinated debentures	1,582	934	3,741	2,814
Total interest expense	28,670	14,706	57,392	67,487
Net interest income	294,617	247,957	809,754	723,339
Provision for credit losses	39,771	(7,454)	50,986	(69,946)
Net interest income after provision for credit losses	254,846	255,411	758,768	793,285
Non-interest income:				
Service charges on deposit accounts:				
NSF/Overdraft fees	4,808	4,080	13,257	10,647
All other service charges	7,089	7,097	20,963	20,507
Trust income	2,007	2,247	6,012	6,365
BOLI income:				
Increase in cash surrender value	4,940	4,940	14,579	14,739
Death benefits	510	—	807	1,409
Loan service, maintenance and other fees	3,418	3,307	10,039	10,811
Gains on sales of other assets	3,182	463	10,957	8,632
Net gains on investment securities	321	—	762	—
Other	2,888	3,850	9,583	12,733
Total non-interest income	29,163	25,984	86,959	85,843
Non-interest expense:				
Salaries and employee benefits	57,367	53,769	166,427	159,533
Net occupancy and equipment	18,244	17,161	52,474	49,797
Other operating expenses	40,080	39,467	113,807	110,840
Total non-interest expense	115,691	110,397	332,708	320,170
Income before taxes	168,318	170,998	513,019	558,958
Provision for income taxes	35,969	40,713	111,754	129,691
Net income	132,349	130,285	401,265	429,267
Earnings attributable to noncontrolling interest	—	5	(3)	(27)
Preferred stock dividends	4,047	—	12,574	—
Net income available to common stockholders	\$ 128,302	\$ 130,290	\$ 388,688	\$ 429,240
Basic earnings per common share	\$ 1.08	\$ 1.01	\$ 3.21	\$ 3.31

Diluted earnings per common share	\$	1.08	\$	1.00	\$	3.20	\$	3.30
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Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
(Dollars in thousands, except per share amounts)							
Three months ended September 30, 2022:							
Balances – June 30, 2022	\$ 338,980	\$ 1,190	\$ 1,817,650	\$ 2,563,130	\$ (114,168)	\$ 3,120	\$ 4,609,902
Net income	—	—	—	132,349	—	—	132,349
Earnings attributable to noncontrolling interest	—	—	—	—	—	—	—
Total other comprehensive loss	—	—	—	—	(113,505)	—	(113,505)
Preferred stock dividends, \$0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, \$0.32 per share	—	—	—	(38,055)	—	—	(38,055)
Issuance of 5,414 shares of common stock for exercise of stock options	—	—	172	—	—	—	172
Repurchase and cancellation of 1,225,688 shares of common stock under share repurchase program	—	(12)	(47,735)	—	—	—	(47,747)
Stock-based compensation expense	—	—	3,475	—	—	—	3,475
Forfeitures of 14,142 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – September 30, 2022	<u>\$ 338,980</u>	<u>\$ 1,178</u>	<u>\$ 1,773,562</u>	<u>\$ 2,653,377</u>	<u>\$ (227,673)</u>	<u>\$ 3,120</u>	<u>\$ 4,542,544</u>

Nine months ended September 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	—	—	—	401,265	—	—	401,265
Earnings attributable to noncontrolling interest	—	—	—	(3)	—	3	—
Total other comprehensive loss	—	—	—	—	(251,514)	—	(251,514)
Preferred stock dividends, \$0.89812 per share	—	—	—	(12,574)	—	—	(12,574)
Common stock dividends, \$0.93 per share	—	—	—	(113,777)	—	—	(113,777)
Issuance of 74,521 shares of common stock for exercise of stock options	—	1	2,251	—	—	—	2,252
Issuance of 220,822 shares of unvested restricted common stock	—	2	(2)	—	—	—	—
Repurchase and cancellation of 7,798,520 shares of common stock under share repurchase program	—	(77)	(326,667)	—	—	—	(326,744)
Repurchase and cancellation of 112,974 shares of common stock withheld for tax pursuant to restricted stock vesting	—	(1)	(5,398)	—	—	—	(5,399)
Stock-based compensation expense	—	—	9,675	—	—	—	9,675
Forfeitures of 65,992 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances – September 30, 2022	<u>\$ 338,980</u>	<u>\$ 1,178</u>	<u>\$ 1,773,562</u>	<u>\$ 2,653,377</u>	<u>\$ (227,673)</u>	<u>\$ 3,120</u>	<u>\$ 4,542,544</u>

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 September 30, 2021:						
Balances – June 30, 2021	\$ 1,297	\$ 2,277,138	\$ 2,173,114	\$ 50,127	\$ 3,117	\$ 4,504,793
Net income	—	—	130,285	—	—	130,285
Earnings attributable to noncontrolling interest	—	—	5	—	(5)	—
Total other comprehensive loss	—	—	—	(9,421)	—	(9,421)
Common stock dividends, \$0.285 per share	—	—	(37,170)	—	—	(37,170)
Issuance of 33,850 shares of common stock for exercise of stock options	1	1,085	—	—	—	1,086

Repurchase and cancellation of 888,567 shares of common stock under share repurchase program	(9)	(36,990)	—	—	—	(36,999)
Stock-based compensation expense	—	3,778	—	—	—	3,778
Forfeitures of 47,604 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – September 30, 2021	<u>\$ 1,288</u>	<u>\$ 2,245,012</u>	<u>\$ 2,266,234</u>	<u>\$ 40,706</u>	<u>\$ 3,112</u>	<u>\$ 4,556,352</u>

Nine months ended September 30, 2021:

Balances – December 31, 2020	\$ 1,294	\$ 2,265,850	\$ 1,946,875	\$ 58,252	\$ 3,085	\$ 4,275,356
Net income	—	—	429,267	—	—	429,267
Earnings attributable to noncontrolling interest	—	—	(27)	—	27	—
Total other comprehensive income	—	—	—	(17,546)	—	(17,546)
Common stock dividends, \$0.8425 per share	—	—	(109,881)	—	—	(109,881)
Issuance of 176,250 shares of common stock for exercise of stock options	2	6,092	—	—	—	6,094
Issuance of 332,831 shares of unvested restricted common stock	3	(3)	—	—	—	—
Repurchase and cancellation of 888,567 shares of common stock under share repurchase program	(9)	(36,990)	—	—	—	(36,999)
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	—	12,038	—	—	—	12,038
Forfeitures of 97,250 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – September 30, 2021	<u>\$ 1,288</u>	<u>\$ 2,245,012</u>	<u>\$ 2,266,234</u>	<u>\$ 40,706</u>	<u>\$ 3,112</u>	<u>\$ 4,556,352</u>

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(Dollars in thousands)			
Salaries and employee benefits	\$ 57,367	\$ 53,769	\$ 166,427	\$ 159,533
Net occupancy and equipment	18,244	17,161	52,474	49,797
Other operating expenses:				
Professional and outside services	8,059	7,084	23,602	21,134
Software and data processing	6,044	5,897	18,188	17,695
Advertising and public relations	3,448	719	5,810	1,621
Deposit insurance and assessments	2,650	2,655	6,900	9,060
Postage and supplies	2,035	1,530	5,240	4,718
Travel and meals	1,962	1,617	5,906	3,811
Telecommunication services	1,921	1,966	5,852	6,363
ATM expense	1,500	1,846	4,497	4,615
Loan collection and repossession expense	402	407	1,081	1,456
Writedowns of foreclosed and other assets	87	990	345	2,476
Amortization of intangibles	1,298	1,545	4,331	4,878
Amortization of CRA and tax credit investments	5,155	4,972	14,885	12,324
Other	5,519	8,239	17,170	20,689
Total non-interest expense	<u>\$ 115,691</u>	<u>\$ 110,397</u>	<u>\$ 332,708</u>	<u>\$ 320,170</u>

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	September 30, 2022		December 31, 2021	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	\$ 968,369	5.0 %	\$ 887,024	4.8 %
Non-farm/non-residential	4,609,068	23.6	3,782,892	20.7
Construction/land development	7,367,128	37.8	8,246,674	45.0
Agricultural	231,730	1.2	247,727	1.4
Multifamily residential	1,341,639	6.9	934,845	5.1
Total real estate	14,517,934	74.5	14,099,162	77.0
Commercial and industrial	804,000	4.1	510,784	2.8
Consumer	2,427,361	12.4	2,185,429	11.9
Other	1,764,417	9.0	1,512,450	8.3
Total loans	19,513,712	100.0 %	18,307,825	100.0 %

Allowance for loan losses	(200,098)	(217,380)
Net loans	\$ 19,313,614	\$ 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 September 30, 2022:			
Balances – June 30, 2022	\$ 190,795	\$ 109,143	\$ 299,938
Net charge-offs	(4,074)	—	(4,074)
Provision for credit losses	13,377	26,394	39,771
Balances – September 30, 2022	<u>\$ 200,098</u>	<u>\$ 135,537</u>	<u>\$ 335,635</u>
Nine months ended September 30, 2022:			
Balances – December 31, 2021	\$ 217,380	\$ 71,609	\$ 288,989
Net charge-offs	(4,340)	—	(4,340)
Provision for credit losses	(12,942)	63,928	50,986
Balances – September 30, 2022	<u>\$ 200,098</u>	<u>\$ 135,537</u>	<u>\$ 335,635</u>
Three months ended September 30, 2021:			
Balances – June 30, 2021	\$ 248,753	\$ 58,811	\$ 307,564
Net charge-offs	(1,312)	—	(1,312)
Provision for credit losses	(9,719)	2,265	(7,454)
Balances – September 30, 2021	<u>\$ 237,722</u>	<u>\$ 61,076</u>	<u>\$ 298,798</u>
Nine months ended September 30, 2021:			
Balances – December 31, 2020	\$ 295,824	\$ 81,481	\$ 377,305
Net charge-offs	(8,561)	—	(8,561)
Provision for credit losses	(49,541)	(20,405)	(69,946)
Balances – September 30, 2021	<u>\$ 237,722</u>	<u>\$ 61,076</u>	<u>\$ 298,798</u>

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	September 30, 2022		December 31, 2021	
	(Dollars in thousands)			
Non-interest bearing	\$ 4,824,209	23.6 %	\$ 4,983,788	24.7 %
Interest bearing:				
Transaction (NOW)	3,723,109	18.2	3,412,369	16.9
Savings and money market	6,040,529	29.6	5,833,358	28.9
Time deposits	5,814,029	28.6	5,979,619	29.5
Total deposits	\$ 20,401,876	100.0 %	\$ 20,209,134	100.0 %

Summary of Deposits – By Customer Type
Unaudited

	September 30, 2022		December 31, 2021	
		(Dollars in thousands)		
Non-interest bearing	\$ 4,824,209	23.6 %	\$ 4,983,788	24.7 %
Interest bearing:				
Consumer and commercial:				
Consumer – non-time	4,197,997	20.6	4,334,378	21.4
Consumer – time	4,127,269	20.2	4,318,742	21.4
Commercial – non-time	2,891,061	14.2	2,634,817	13.0
Commercial – time	557,130	2.7	905,347	4.5
Public funds	2,054,727	10.1	2,094,800	10.4
Brokered	1,322,297	6.5	452,137	2.2
Reciprocal	427,186	2.1	485,125	2.4
Total deposits	\$ 20,401,876	100.0 %	\$ 20,209,134	100.0 %

Bank OZK
Selected Consolidated Financial Data
Unaudited

Three Months Ended September 30,			Nine Months Ended September 30,		
2022	2021	% Change	2022	2021	% Change

(Dollars in thousands, except per share amounts)

Income statement data:

Net interest income	\$ 294,617	\$ 247,957	18.8 %	\$ 809,754	\$ 723,339	11.9 %
Provision for credit losses	39,771	(7,454)	NM	50,986	(69,946)	NM
Non-interest income	29,163	25,984	12.2	86,959	85,843	1.3
Non-interest expense	115,691	110,397	4.8	332,708	320,170	3.9
Net income	132,349	130,285	1.6	401,265	429,267	(6.5)
Preferred stock dividends	4,047	—	NM	12,574	—	NM
Net income available to common stockholders	128,302	130,290	(1.5)	388,688	429,240	(9.4)
Pre-tax pre-provision net revenue ⁽¹⁾	208,089	163,544	27.2	564,005	489,012	15.3

Common share and per common share data:

Diluted earnings per common share	\$ 1.08	\$ 1.00	8.0 %	\$ 3.20	\$ 3.30	(3.0) %
Basic earnings per common share	1.08	1.01	6.9	3.21	3.31	(3.0)
Common stock dividends per share	0.32	0.285	12.3	0.93	0.8425	10.4
Book value per share	35.67	35.35	0.9	35.67	35.35	0.9
Tangible book value per common share ⁽¹⁾	30.02	30.14	(0.4)	30.02	30.14	(0.4)
Weighted-average diluted shares outstanding (thousands)	118,856	129,929	(8.5)	121,539	130,063	(6.6)
End of period shares outstanding (thousands)	117,762	128,818	(8.6)	117,762	128,818	(8.6)

Balance sheet data at period end:

Total assets	\$ 26,232,119	\$ 26,143,367	0.3 %	\$ 26,232,119	\$ 26,143,367	0.3 %
Total loans	19,513,712	18,305,303	6.6	19,513,712	18,305,303	6.6
Non-purchased loans	19,103,546	17,707,452	7.9	19,103,546	17,707,452	7.9
Purchased loans	410,166	597,851	(31.4)	410,166	597,851	(31.4)
Allowance for loan losses	200,098	237,722	(15.8)	200,098	237,722	(15.8)
Foreclosed assets	6,559	9,444	(30.5)	6,559	9,444	(30.5)
Investment securities – AFS	3,528,077	3,846,496	(8.3)	3,528,077	3,846,496	(8.3)
Goodwill and other intangible assets, net	664,732	670,580	(0.9)	664,732	670,580	(0.9)
Deposits	20,401,876	20,102,440	1.5	20,401,876	20,102,440	1.5
Other borrowings	456,466	750,217	(39.2)	456,466	750,217	(39.2)
Subordinated notes	346,741	345,927	0.2	346,741	345,927	0.2
Subordinated debentures	121,450	120,892	0.5	121,450	120,892	0.5
Unfunded balance of closed loans	20,091,101	12,385,369	62.2	20,091,101	12,385,369	62.2
Reserve for losses on unfunded loan commitments	135,537	61,076	121.9	135,537	61,076	121.9
Preferred stock	338,980	—	NM	338,980	—	NM
Total common stockholders' equity ⁽¹⁾	4,200,444	4,553,240	(7.7)	4,200,444	4,553,240	(7.7)
Net unrealized (losses) gains on investment securities AFS included in stockholders' equity	(227,673)	40,706	NM	(227,673)	40,706	NM
Loan (including purchased loans) to deposit ratio	95.65 %	91.06 %	5.0	95.65 %	91.06 %	5.0

Selected ratios:

Return on average assets ⁽²⁾	1.97 %	1.98 %		1.99 %	2.15 %
Return on average common stockholders' equity ^{(1) (2)}	11.85	11.41		11.97	12.98
Return on average tangible common stockholders' equity ^{(1) (2)}	14.02	13.39		14.14	15.31
Average common equity to total average assets	16.61	17.38		16.60	16.57
Net interest margin – FTE ⁽²⁾	5.03	4.16		4.60	3.99
Efficiency ratio	35.50	40.14		36.92	39.39
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.09	0.04		0.07	0.07
Net charge-offs to average total loans ⁽²⁾	0.09	0.03		0.03	0.06
Nonperforming loans to total loans ⁽⁴⁾	0.14	0.20		0.14	0.20
Nonperforming assets to total assets ⁽⁴⁾	0.13	0.17		0.13	0.17
Allowance for loan losses to total loans ⁽⁵⁾	1.03	1.30		1.03	1.30

Other information:

Non-accrual loans ⁽⁴⁾	\$ 24,633	\$ 34,920	\$ 24,633	\$ 34,920
Accruing loans – 90 days past due ⁽⁴⁾	—	—	—	—
Troubled and restructured non-purchased loans – accruing ⁽⁴⁾	1,610	1,253	1,610	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

Selected Consolidated Financial Data (continued)

Unaudited

Three Months Ended

	September 30, 2022	June 30, 2022	% Change
(Dollars in thousands, except per share amounts)			

Income statement data:

Net interest income	\$	294,617	\$	265,793	10.8 %
Provision for credit losses		39,771		7,025	466.1
Non-interest income		29,163		26,320	10.8
Non-interest expense		115,691		109,300	5.8
Net income		132,349		136,413	(3.0)
Preferred stock dividends		4,047		4,047	—
Net income available to common stockholders		128,302		132,358	(3.1)
Pre-tax pre-provision net revenue ⁽¹⁾		208,089		182,813	13.8

Common share and per common share data:

Diluted earnings per common share	\$	1.08	\$	1.10	(1.8)%
Basic earnings per common share		1.08		1.10	(1.8)
Common stock dividends per share		0.32		0.31	3.2
Book value per share		35.67		35.87	(0.6)
Tangible book value per common share ⁽¹⁾		30.02		30.27	(0.8)
Weighted-average diluted shares outstanding (thousands)		118,856		120,827	(1.6)
End of period shares outstanding (thousands)		117,762		118,996	(1.0)

Balance sheet data at period end:

Total assets	\$	26,232,119	\$	25,919,965	1.2 %
Total loans		19,513,712		18,742,718	4.1
Non-purchased loans		19,103,546		18,297,638	4.4
Purchased loans		410,166		445,080	(7.8)
Allowance for loan losses		200,098		190,795	4.9
Foreclosed assets		6,559		2,593	153.0
Investment securities – AFS		3,528,077		3,705,807	(4.8)
Goodwill and other intangible assets, net		664,732		666,029	(0.2)
Deposits		20,401,876		19,984,187	2.1
Other borrowings		456,466		505,221	(9.7)
Subordinated notes		346,741		346,536	0.1
Subordinated debentures		121,450		121,310	0.1
Unfunded balance of closed loans		20,091,101		17,369,767	15.7
Reserve for losses on unfunded loan commitments		135,537		109,143	24.2
Preferred stock		338,980		338,980	—
Total common stockholders' equity ⁽¹⁾		4,200,444		4,267,802	(1.6)
Net unrealized losses on investment securities AFS included in stockholders' equity		(227,673)		(114,168)	99.4
Loan (including purchased loans) to deposit ratio		95.65 %		93.79 %	2.0

Selected ratios:

Return on average assets ⁽²⁾	1.97 %	2.02 %
Return on average common stockholders' equity ^{(1) (2)}	11.85	12.40
Return on average tangible common stockholders' equity ^{(1) (2)}	14.02	14.69
Average common equity to average assets	16.61	16.32
Net interest margin – FTE ⁽²⁾	5.03	4.52
Efficiency ratio	35.50	37.25
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.09	0.03
Net charge-offs to average total loans ⁽²⁾	0.09	0.01
Nonperforming loans to total loans ⁽⁴⁾	0.14	0.16
Nonperforming assets to total assets ⁽⁴⁾	0.13	0.12
Allowance for loan losses to total loans ⁽⁵⁾	1.03	1.02

Other information:

Non-accrual loans ⁽⁴⁾	\$	24,633	\$	28,171
Accruing loans – 90 days past due ⁽⁴⁾		—		—
Troubled and restructured non-purchased loans – accruing ⁽⁴⁾		1,610		1,033

⁽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>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>	<u>09/30/22</u>
	(Dollars in thousands)							

Earnings Summary:

Net interest income	\$	237,600	\$	234,636	\$	240,746	\$	247,957	\$	266,381	\$	249,343	\$	265,793	\$	294,617
Federal tax (FTE) adjustment		<u>1,533</u>		<u>1,275</u>		<u>1,355</u>		<u>1,106</u>		<u>1,009</u>		<u>1,017</u>		<u>1,300</u>		<u>2,151</u>

Net interest income (FTE)	239,133	235,911	242,101	249,063	267,390	250,360	267,093	296,768
Provision for credit losses	(6,750)	31,559	30,932	7,454	7,992	(4,190)	(7,025)	(39,771)
Non-interest income	28,661	32,117	27,742	25,984	29,695	31,475	26,320	29,163
Non-interest expense	<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>	<u>(115,691)</u>
Pretax income (FTE)	157,650	193,528	197,064	172,104	194,971	169,930	177,088	170,469
FTE adjustment	(1,533)	(1,275)	(1,355)	(1,106)	(1,009)	(1,017)	(1,300)	(2,151)
Provision for income taxes	(35,607)	(43,818)	(45,161)	(40,713)	(44,197)	(36,410)	(39,375)	(35,969)
Noncontrolling interest	3	(19)	(13)	5	(5)	5	(8)	—
Preferred stock dividend	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,480)</u>	<u>(4,047)</u>	<u>(4,047)</u>
Net income available to common stockholders	<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>	<u>\$ 128,302</u>
Earnings per common share – diluted	\$ 0.93	\$ 1.14	\$ 1.16	\$ 1.00	\$ 1.17	\$ 1.02	\$ 1.10	\$ 1.08
PPNR	\$ 162,867	\$ 160,694	\$ 164,777	\$ 163,544	\$ 185,970	\$ 173,103	\$ 182,813	\$ 208,089

Non-interest Income:

Service charges on deposit accounts:								
NSF/Overdraft fees	\$ 4,024	\$ 3,323	\$ 3,244	\$ 4,080	\$ 4,315	\$ 4,201	\$ 4,247	\$ 4,808
All other service charges	5,959	6,342	7,067	7,097	7,149	6,690	7,184	7,089
Trust income	1,909	2,206	1,911	2,247	2,141	2,094	1,911	2,007
BOLI income:								
Increase in cash surrender value	5,034	4,881	4,919	4,940	4,901	4,793	4,846	4,940
Death benefits	—	1,409	—	—	618	297	—	510
Loan service, maintenance and other fees	3,797	3,551	3,953	3,307	3,148	3,018	3,603	3,418
Gains on sales of other assets	5,189	5,828	2,341	463	1,330	6,992	784	3,182
Net gains (losses) on investment securities	—	—	—	—	504	(90)	531	321
Other	2,749	4,577	4,307	3,850	5,589	3,480	3,214	2,888
Total non-interest income	<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>	<u>\$ 29,163</u>

Non-interest Expense:

Salaries and employee benefits	\$ 53,832	\$ 53,645	\$ 52,119	\$ 53,769	\$ 55,034	\$ 54,648	\$ 54,412	\$ 57,367
Net occupancy and equipment	15,617	16,468	16,168	17,161	17,004	17,215	17,014	18,244
Other operating expenses	33,945	35,946	35,424	39,467	38,068	35,852	37,874	40,080
Total non-interest expense	<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>	<u>\$ 115,691</u>

Balance Sheet Data:

Total assets	\$ 27,162,596	\$ 27,276,892	\$ 26,605,938	\$ 26,143,367	\$ 26,530,430	\$ 26,562,353	\$ 25,919,965	\$ 26,232,119
Non-purchased loans	18,401,495	17,979,435	17,611,848	17,707,452	17,791,610	18,449,723	18,297,638	19,103,546
Purchased loans	807,673	735,630	659,822	597,851	516,215	481,299	445,080	410,166
Investment securities – AFS	3,405,351	4,162,479	4,693,396	3,846,496	3,916,733	3,728,284	3,705,807	3,528,077
Deposits	21,450,356	21,296,442	20,706,777	20,102,440	20,209,134	20,329,662	19,984,187	20,401,876
Unfunded balance of closed loans	11,847,117	11,780,099	11,709,818	12,385,369	13,619,578	14,954,367	17,369,767	20,091,101
Preferred stock	—	—	—	—	338,980	338,980	338,980	338,980
Total stockholders' equity before noncontrolling interest	4,272,271	4,383,205	4,501,676	4,553,240	4,836,243	4,690,057	4,606,782	4,539,424

Bank OZK
Supplemental Quarterly Financial Data (Continued)
Unaudited

	<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>06/30/2022</u>	<u>09/30/22</u>
	(Dollars in thousands)							
Allowance for Credit Losses:								
Balance at beginning of period	\$ 377,273	\$ 377,305	\$ 342,307	\$ 307,564	\$ 298,798	\$ 288,989	\$ 293,540	\$ 299,938
Net charge-offs	(6,718)	(3,439)	(3,811)	(1,312)	(1,817)	361	(627)	(4,074)
Provision for credit losses	<u>6,750</u>	<u>(31,559)</u>	<u>(30,932)</u>	<u>(7,454)</u>	<u>(7,992)</u>	<u>4,190</u>	<u>7,025</u>	<u>39,771</u>
Balance at end of period	<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>	<u>\$ 335,635</u>
Allowance for loan losses	\$ 295,824	\$ 268,077	\$ 248,753	\$ 237,722	\$ 217,380	\$ 204,213	\$ 190,795	\$ 200,098
Reserve for losses on unfunded loan commitments	81,481	74,230	58,811	61,076	71,609	89,327	109,143	135,537
Total allowance for credit losses	<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>	<u>\$ 335,635</u>
Selected Ratios:								
Net interest margin – FTE ⁽¹⁾	3.88 %	3.86 %	3.95 %	4.16 %	4.41 %	4.24 %	4.52 %	5.03 %
Efficiency ratio	38.61	39.57	38.43	40.14	37.06	38.22	37.25	35.50
Net charge-offs to average non-purchased loans ^{(1) (2)}	0.14	0.08	0.09	0.04	0.05	0.08	0.03	0.09
Net charge-offs to average total loans ⁽¹⁾	0.14	0.07	0.08	0.03	0.04	(0.01)	0.01	0.09
Nonperforming loans to total loans ⁽³⁾	0.25	0.25	0.22	0.20	0.19	0.21	0.16	0.14
Nonperforming assets to total assets ⁽³⁾	0.21	0.19	0.18	0.17	0.15	0.16	0.12	0.13
Allowance for loan losses to total loans ⁽⁴⁾	1.54	1.43	1.36	1.30	1.19	1.08	1.02	1.03
Loans past due 30 days or more, including past due non-accrual loans, to total loans ⁽³⁾	0.16	0.13	0.10	0.13	0.15	0.14	0.11	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 September 30,						Nine Months Ended September 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	\$ 699,489	\$ 3,690	2.09 %	\$ 1,287,890	\$ 523	0.16 %	\$ 1,023,707	\$ 6,155	0.80 %	\$ 1,792,191	\$ 1,556	0.12 %
Investment securities:												
Taxable	2,809,479	10,269	1.45	3,509,465	9,236	1.04	3,080,645	31,246	1.36	3,150,732	26,786	1.14
Tax-exempt – FTE	907,955	9,020	3.94	740,809	4,172	2.23	706,628	17,889	3.38	955,822	13,747	1.92
Non-purchased loans – FTE	18,544,681	295,311	6.32	17,559,654	238,488	5.39	18,413,106	792,025	5.75	17,761,807	717,488	5.40
Purchased loans	429,312	7,148	6.61	627,436	11,350	7.18	464,205	24,300	7.00	699,678	34,985	6.69
Total earning assets – FTE	23,390,916	325,438	5.52	23,725,254	263,769	4.41	23,688,291	871,615	4.92	24,360,230	794,562	4.36
Non-interest earning assets	2,474,862			2,348,740			2,460,424			2,324,716		
Total assets	<u>\$ 25,865,778</u>			<u>\$ 26,073,994</u>			<u>\$ 26,148,715</u>			<u>\$ 26,684,946</u>		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	\$ 9,614,806	\$ 13,639	0.56 %	\$ 8,891,042	\$ 2,885	0.13 %	\$ 9,611,716	\$ 21,801	0.30 %	\$ 8,656,762	\$ 9,840	0.15 %
Time deposits	5,232,727	8,358	0.63	6,920,513	9,441	0.54	5,464,267	19,542	0.48	7,964,704	45,068	0.76
Total interest bearing deposits	14,847,533	21,997	0.59	15,811,555	12,326	0.31	15,075,983	41,343	0.37	16,621,466	54,908	0.44
Other borrowings	517,161	2,460	1.89	757,786	1,017	0.53	647,083	4,500	0.93	757,141	3,010	0.53
Subordinated notes	346,642	2,631	3.01	56,468	429	3.01	346,433	7,808	3.01	167,636	6,755	5.39
Subordinated debentures	121,382	1,582	5.17	120,822	934	3.07	121,239	3,741	4.13	120,681	2,814	3.12
Total interest bearing liabilities	15,832,718	28,670	0.72	16,746,631	14,706	0.35	16,190,738	57,392	0.47	17,666,924	67,487	0.51
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,998,392			4,523,521			4,915,023			4,289,589		
Other non-interest bearing liabilities	395,671			269,733			359,327			304,086		
Total liabilities	21,226,781			21,539,885			21,465,088			22,260,599		
Total stockholders' equity before noncontrolling interest	4,635,887			4,530,995			4,680,513			4,421,240		
Noncontrolling interest	3,110			3,114			3,114			3,107		
Total liabilities and stockholders' equity	<u>\$ 25,865,778</u>			<u>\$ 26,073,994</u>			<u>\$ 26,148,715</u>			<u>\$ 26,684,946</u>		
Net interest income – FTE		<u>\$ 296,768</u>			<u>\$ 249,063</u>			<u>\$ 814,223</u>			<u>\$ 727,075</u>	
Net interest margin – FTE			<u>5.03 %</u>			<u>4.16 %</u>			<u>4.60 %</u>			<u>3.99 %</u>
Core spread ⁽¹⁾			5.73 %			5.08 %			5.38 %			4.96 %

(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			Nine Months Ended	
	September 30, 2022	September 30, 2021	June 30, 2022	September 30, 2022	September 30, 2021
	(Dollars in thousands)				
Net income available to common stockholders	\$ 128,302	\$ 130,290	\$ 132,358	\$ 388,688	\$ 429,240
Average stockholders' equity before noncontrolling interest	\$ 4,635,887	\$ 4,530,995	\$ 4,619,033	\$ 4,680,513	\$ 4,421,240
Less average preferred stock	(338,980)	—	(338,980)	(338,980)	—
Total average common stockholders' equity	4,296,907	4,530,995	4,280,053	4,341,533	4,421,240
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	(4,747)	(10,617)	(6,084)	(6,124)	(12,195)
Total average intangibles	(665,536)	(671,406)	(666,873)	(666,913)	(672,984)
Average tangible common stockholders' equity	\$ 3,631,371	\$ 3,859,589	\$ 3,613,180	\$ 3,674,620	\$ 3,748,256
Return on average common stockholders' equity ⁽¹⁾	11.85 %	11.41 %	12.40 %	11.97 %	12.98 %
Return on average tangible common stockholders' equity ⁽¹⁾	14.02 %	13.39 %	14.69 %	14.14 %	15.31 %

⁽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

	September 30,		June 30,
	2022	2021	2022
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	\$ 4,539,424	\$ 4,553,240	\$ 4,606,782
Less preferred stock	(338,980)	—	(338,980)
Total common stockholders' equity	4,200,444	4,553,240	4,267,802
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(3,943)	(9,791)	(5,240)
Total intangibles	(664,732)	(670,580)	(666,029)
Total tangible common stockholders' equity	\$ 3,535,712	\$ 3,882,660	\$ 3,601,773
Shares of common stock outstanding	117,762	128,818	118,996
Book value per common share	\$ 35.67	\$ 35.35	\$ 35.87
Tangible book value per common share	\$ 30.02	\$ 30.14	\$ 30.27

**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

	September 30,	
	2022	2021
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	\$ 4,539,424	\$ 4,553,240
Less preferred stock	(338,980)	—
Total common stockholders' equity	4,200,444	4,553,240
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(3,943)	(9,791)
Total intangibles	(664,732)	(670,580)
Total tangible common stockholders' equity	\$ 3,535,712	\$ 3,882,660
Total assets	\$ 26,232,119	\$ 26,143,367
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(3,943)	(9,791)
Total intangibles	(664,732)	(670,580)
Total tangible assets	\$ 25,567,387	\$ 25,472,787

Ratio of total common stockholders' equity to total assets	<u>16.01 %</u>	<u>17.42 %</u>
Ratio of total tangible common stockholders' equity to total tangible assets	13.83 %	15.24 %

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended			Nine Months Ended	
	September 30, 2022	September 30, 2021	June 30, 2022	September 30, 2022	September 30, 2021
	(Dollars in thousands)				
Income before taxes	\$ 168,318	\$ 170,998	\$ 175,788	\$ 513,019	\$ 558,958
Provision for credit losses	<u>39,771</u>	<u>(7,454)</u>	<u>7,025</u>	<u>50,986</u>	<u>(69,946)</u>
Pre-tax pre-provision net revenue	\$ 208,089	\$ 163,544	\$ 182,813	\$ 564,005	\$ 489,012

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Source: Bank OZK