Bank OZK Announces Record Fourth Quarter and Full Year 2023 Earnings

January 18, 2024

LITTLE ROCK, Ark., Jan. 18, 2024 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the fourth quarter of 2023 was a record $171.1 million, a 7.7% increase from $158.8 million for the fourth quarter of 2022. Diluted earnings per common share for the fourth quarter of 2023 were a record $1.50, an 11.9% increase from $1.34 for the fourth quarter of 2022.

For the full year of 2023, net income available to common stockholders was $674.6 million, a 23.2% increase from $547.5 million for the full year of 2022. Diluted earnings per common share for the full year of 2023 were $5.87, a 29.3% increase from $4.54 for the full year of 2022.

Pre-tax pre-provision net revenue ("PPNR") was $262.6 million for the fourth quarter of 2023, an 8.9% increase from $241.0 million for the fourth quarter of 2022. For the full year of 2023, PPNR was $1.03 billion, a 28.3% increase from $0.81 billion for the full year of 2022. The calculation of PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the fourth quarter of 2023 were 2.04%, 14.58% and 16.99%, respectively, compared to 2.35%, 14.76% and 17.48%, respectively, for the fourth quarter of 2022. The Bank's returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the full year of 2023 were 2.20%, 14.93% and 17.50%, respectively, compared to 2.08%, 12.66% and 14.97%, respectively, for the full year of 2022. The results for the fourth quarter and full year of 2023 include the impact of a $9.9 million FDIC special assessment recorded during the fourth quarter of 2023. 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 have reported record net income and record diluted earnings per share in each quarter of 2023, resulting in net income available to common stockholders for the year of $674.6 million and diluted earnings per common share of $5.87. Our goal for 2024 is to continue to improve our record annual net income and diluted earnings per common share achieved in 2023, and we believe that is a reasonable goal, notwithstanding what appears likely to remain a challenging macroeconomic environment. We feel that we are well positioned for the coming year, and we look forward to capitalizing on new opportunities."

KEY BALANCE SHEET METRICS

Total loans were $26.46 billion at December 31, 2023, a 27.3% increase from $20.78 billion at December 31, 2022. Deposits were $27.41 billion at December 31, 2023, a 27.5% increase from $21.50 billion at December 31, 2022. Total assets were $34.24 billion at December 31, 2023, a 23.8% increase from $27.66 billion at December 31, 2022.

Common stockholders' equity was $4.80 billion at December 31, 2023, a 10.3% increase from $4.35 billion at December 31, 2022. Tangible common stockholders' equity was $4.14 billion at December 31, 2023, a 12.3% increase from $3.69 billion at December 31, 2022. The Bank did not repurchase any shares during the three months ended December 31, 2023. During the full year of 2023, the Bank repurchased 4.3 million shares for $151.5 million, which equates to a weighted average cost of approximately $35.19 per share.

Book value per common share was $42.42 at December 31, 2023, a 14.2% increase from $37.13 at December 31, 2022. Tangible book value per common share was $36.58 at December 31, 2023, a 16.2% increase from $31.47 at December 31, 2022.

The Bank's ratio of total common stockholders' equity to total assets was 14.02% at December 31, 2023, compared to 15.73% at December 31, 2022. Its ratio of total tangible common stockholders' equity to total tangible assets was 12.33% at December 31, 2023, compared to 13.66% at December 31, 2022. The calculations of the Bank's total common stockholders' equity, tangible common stockholders' equity, tangible book value per common share, and ratio of total tangible common stockholders' equity to total tangible assets and the reconciliations to GAAP are included in the schedules accompanying this release.

ASSET QUALITY

The Bank's ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.23% at December 31, 2023, compared to 0.22% as of December 31, 2022. The Bank's ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.36% at December 31, 2023, compared to 0.19% as of December 31, 2022. The Bank's annualized ratio of net charge-offs of total loans to average total loans was 0.06% for the fourth quarter and 0.13% for the twelve months ended December 31, 2023, compared to 0.06% for the fourth quarter and 0.04% for the twelve months ended December 31, 2022.

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 https://ir.ozk.com. This release should be read in conjunction with management's comments on the fourth quarter and full year 2023 results.

Management will conduct a conference call to take questions at 10:00 a.m. CT (11:00 a.m. ET) on Friday, January 19, 2024. 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, return on average tangible common stockholders' equity, tangible book value per common share, total common stockholders' equity, total tangible common stockholders' equity, the ratio of total tangible common stockholders' equity to total tangible assets, and PPNR, to assess the strength of its capital, its ability to generate earnings on tangible capital invested by its shareholders and trends in its net revenue. These measures typically adjust GAAP financial measures to exclude intangible assets or provision for credit losses. Management believes presentation of these non-GAAP financial measures provides useful supplemental information which contributes to a proper understanding of the financial results and capital levels of the Bank. These non-GAAP disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP performance measures that may be presented by other banks. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the tables at the end of this release under the caption "Reconciliation of Non-GAAP Financial Measures."

FORWARD-LOOKING STATEMENTS

This press release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth, expansion and acquisition strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in acquiring satisfactory sites,

obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; integrating any 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 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; 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; conditions within the banking industry, including the effects of recent failures of other financial institutions; recently enacted and potential laws and regulatory requirements or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks 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; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and 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 or others, 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, its customers or others; natural disasters; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflict, including the conflict in the Middle East and the ongoing war in Ukraine; the competition and costs of recruiting and retaining human talent; impairment of our goodwill; 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, 2022 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 in approximately 240 offices in eight states including Arkansas, Georgia, Florida, North Carolina, Texas, New York, California and Mississippi and had $34.24 billion in total assets as of December 31, 2023. For more information, visit www.ozk.com.

Bank OZK
Consolidated Balance Sheets
Unaudited

	December 31,	
	2023	**2022**
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 2,149,529	$ 1,033,454
Investment securities – available for sale ("AFS")	3,244,371	3,491,613
Investment securities – trading	—	8,817
Federal Home Loan Bank of Dallas ("FHLB") and other bankers' bank stocks	50,400	42,406
Non-purchased loans	26,195,030	20,400,154
Purchased loans	264,045	378,637
Allowance for loan losses	(339,394)	(208,858)
Net Loans	26,119,681	20,569,933
Premises and equipment, net	676,821	678,405
Foreclosed assets	61,720	6,616
Accrued interest receivable	170,110	125,130
Bank owned life insurance ("BOLI")	808,490	789,805
Goodwill and other intangible assets, net	660,789	663,543
Other, net	295,546	246,846
Total assets	$ 34,237,457	$ 27,656,568
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	$ 4,095,874	$ 4,658,451
Savings and interest bearing transaction	9,074,296	9,905,717
Time	14,234,973	6,935,975
Total deposits	27,405,143	21,500,143
Other borrowings	805,318	606,666
Subordinated notes	347,761	346,947
Subordinated debentures	121,652	121,591
Reserve for losses on unfunded loan commitments	161,834	156,419
Accrued interest payable and other liabilities	255,773	233,864
Total liabilities	$ 29,097,481	$ 22,965,630
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock: $0.01 par value; 100,000,000 shares authorized; 14,000,000 issued and outstanding at December 31, 2023 and December 31, 2022	338,980	338,980
Common Stock: $0.01 par value; 300,000,000 shares authorized; 113,148,672 and 117,176,928 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	1,131	1,172
Additional paid-in capital	1,612,446	1,753,941
Retained earnings	3,283,818	2,773,135

Accumulated other comprehensive loss	(97,374)	(177,649)
Total stockholders' equity before noncontrolling interest	5,139,001	4,689,579
Noncontrolling interest	975	1,359
Total stockholders' equity	5,139,976	4,690,938
Total liabilities and stockholders' equity	$ 34,237,457	$ 27,656,568

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 557,844	$ 367,019	$ 1,968,289	$ 1,158,332
Purchased loans	5,412	7,141	23,257	31,441
Investment securities:				
Taxable	9,667	10,280	39,429	41,526
Tax-exempt	10,670	8,521	38,957	22,653
Deposits with banks	21,901	5,961	58,241	12,116
Total interest income	605,494	398,922	2,128,173	1,266,068
Interest expense:				
Deposits	218,474	53,230	627,050	94,574
Other borrowings	11,329	8,534	41,669	13,033
Subordinated notes	2,631	2,631	10,439	10,439
Subordinated debentures	2,512	2,039	9,530	5,780
Total interest expense	234,946	66,434	688,688	123,826
Net interest income	370,548	332,488	1,439,485	1,142,242
Provision for credit losses	43,832	32,508	165,470	83,494
Net interest income after provision for credit losses	326,716	299,980	1,274,015	1,058,748
Non-interest income:				
Service charges on deposit accounts:				
NSF and overdraft fees	4,700	4,467	18,059	17,724
All other service charges	7,333	7,138	27,995	28,102
Trust income	2,165	1,977	8,524	7,990
BOLI income:				
Increase in cash surrender value	5,401	4,953	20,696	19,532
Death benefits	2,966	—	2,966	807
Loan service, maintenance and other fees	6,755	3,780	18,920	13,819
Gains on sales of other assets	3,288	510	9,029	11,467
Net gains on investment securities	1,177	1,256	3,243	2,019
Other	3,242	3,463	13,117	13,043
Total non-interest income	37,027	27,544	122,549	114,503
Non-interest expense:				
Salaries and employee benefits	66,270	59,946	258,846	226,373
Net occupancy and equipment	17,234	17,584	72,591	70,058
Other operating expenses	61,507	41,483	198,124	155,290
Total non-interest expense	145,011	119,013	529,561	451,721
Income before taxes	218,732	208,511	867,003	721,530
Provision for income taxes	43,600	45,686	176,164	157,440
Net income	175,132	162,825	690,839	564,090
Earnings attributable to noncontrolling interest	(6)	54	(56)	51
Preferred stock dividends	4,047	4,047	16,187	16,621
Net income available to common stockholders	$ 171,079	$ 158,832	$ 674,596	$ 547,520
Basic earnings per common share	$ 1.51	$ 1.35	$ 5.89	$ 4.55
Diluted earnings per common share	$ 1.50	$ 1.34	$ 5.87	$ 4.54

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 December 31, 2023:							
Balances - September 30, 2023	$ 338,980	$ 1,131	$ 1,607,510	$ 3,154,869	$ (198,986)	$ 1,409	$ 4,904,913
Net income	—	—	—	175,132	—	—	175,132
Earnings attributable to noncontrolling interest	—	—	—	(6)	—	6	—
Total other comprehensive income	—	—	—	—	101,612	—	101,612
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.37 per share	—	—	—	(42,130)	—	—	(42,130)
Return of capital paid to non-controlling interest	—	—	—	—	—	(440)	(440)
Issuance of 17,018 shares of common stock pursuant to stock-based compensation plans	—	—	547	—	—	—	547
Stock-based compensation expense	—	—	4,389	—	—	—	4,389
Forfeitures of 4,578 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - December 31, 2023	$ 338,980	$ 1,131	$ 1,612,446	$ 3,283,818	$ (97,374)	$ 975	$ 5,139,976
Year ended December 31, 2023:							
Balances - December 31, 2022	$ 338,980	$ 1,172	$ 1,753,941	$ 2,773,135	$ (177,649)	$ 1,359	$ 4,690,938
Net income	—	—	—	690,839	—	—	690,839
Earnings attributable to noncontrolling interest	—	—	—	(56)	—	56	—
Total other comprehensive income	—	—	—	—	80,275	—	80,275
Preferred stock dividends, $1.15624 per share	—	—	—	(16,187)	—	—	(16,187)
Common stock dividends, $1.42 per share	—	—	—	(163,913)	—	—	(163,913)
Return of capital paid to non-controlling interest						(440)	(440)
Issuance of 522,651 shares of common stock pursuant to stock-based compensation plans	—	5	1,166	—	—	—	1,171
Repurchase and cancellation of 4,304,239 shares of common stock under share repurchase program, including excise taxes	—	(44)	(151,421)	—	—	—	(151,465)
Repurchase and cancellation of 215,362 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(8,672)	—			(8,674)
Stock-based compensation expense	—	—	17,432	—	—	—	17,432
Forfeitures of 31,306 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - December 31, 2023	$ 338,980	$ 1,131	$ 1,612,446	$ 3,283,818	$ (97,374)	$ 975	$ 5,139,976

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 December 31, 2022:							
Balances - September 30, 2022	$ 338,980	$ 1,178	$ 1,773,562	$ 2,653,377	$ (227,673)	$ 3,120	$ 4,542,544
Net income	—	—	—	162,825	—	—	162,825
Earnings attributable to noncontrolling interest	—	—	—	54	—	(54)	—
Total other comprehensive income	—	—	—	—	50,024	—	50,024
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.33 per share	—	—	—	(39,074)	—	—	(39,074)
Return of capital to non-controlling interest	—	—	—	—	—	(1,707)	(1,707)
Issuance of 10,496 shares of common stock pursuant to stock-based compensation plans	—	—	241	—	—	—	241
Repurchase and cancellation of 574,878 shares of common stock under share repurchase program	—	(6)	(23,219)	—	—	—	(23,225)
Repurchase and cancellation of 3,890 shares of common stock withheld for tax pursuant to restricted stock vesting	—	—	(174)	—	—	—	(174)
Stock-based compensation expense	—	—	3,531	—	—	—	3,531
Forfeitures of 16,405 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - December 31, 2022	$ 338,980	$ 1,172	$ 1,753,941	$ 2,773,135	$ (177,649)	$ 1,359	$ 4,690,938
Year ended December 31, 2022:							
Balances - December 31, 2021	$ 338,980	$ 1,254	$ 2,093,702	$ 2,378,466	$ 23,841	$ 3,117	$ 4,839,360
Net income	—	—	—	564,090	—	—	564,090
Earnings attributable to noncontrolling interest	—	—	—	51	—	(51)	—
Total other comprehensive loss	—	—	—	—	(201,490)	—	(201,490)
Preferred stock dividends, $1.187 per share	—	—	—	(16,621)	—	—	(16,621)
Common stock dividends, $1.26 per share	—	—	—	(152,851)	—	—	(152,851)
Return of capital to non-controlling interest	—	—	—	—	—	(1,707)	(1,707)
Issuance of 305,839 shares of common stock pursuant to stock-based compensation plans	—	3	2,490	—	—	—	2,493
Repurchase and cancellation of 8,373,398 shares of common stock under share repurchase program	—	(83)	(349,886)	—	—	—	(349,969)
Repurchase and cancellation of 116,864 shares of common stock withheld for tax pursuant to stock-based compensation plans.	—	(1)	(5,572)	—	—	—	(5,573)

Stock-based compensation expense	—	—	13,206	—	—	—	13,206
Forfeitures of 82,397 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances - December 31, 2022	$ 338,980	$ 1,172	$ 1,753,941	$ 2,773,135	$ (177,649)	$ 1,359	$ 4,690,938

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Salaries and employee benefits	$ 66,270	$ 59,946	$ 258,846	$ 226,373
Net occupancy and equipment	17,234	17,584	72,591	70,058
Other operating expenses:				
Deposit insurance and assessments	15,803	2,710	30,351	9,610
Software and data processing	10,577	9,512	39,212	35,373
Professional and outside services	6,233	5,652	21,423	21,581
Advertising and public relations	5,153	2,987	16,150	8,797
Telecommunication services	2,251	2,134	8,865	7,986
Postage and supplies	2,121	1,906	7,981	7,146
ATM expense	1,957	1,834	7,681	6,331
Travel and meals	1,938	1,755	7,582	7,661
Amortization of CRA and tax credit investments	7,618	5,408	27,768	20,293
Other	7,856	7,585	31,111	30,512
Total non-interest expense	$ 145,011	$ 119,013	$ 529,561	$ 451,721

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	December 31,			
	2023		2022	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 961,338	3.6%	$ 981,567	4.7%
Non-farm/non-residential	5,309,239	20.1	4,665,268	22.5
Construction/land development	11,653,487	44.0	8,215,056	39.5
Agricultural	256,423	1.0	239,689	1.2
Multifamily residential	2,064,106	7.8	1,503,398	7.2
Total real estate	20,244,593	76.5	15,604,978	75.1
Commercial and industrial	1,269,610	4.8	902,321	4.3
Consumer	2,965,042	11.2	2,445,851	11.8
Other	1,979,830	7.5	1,825,641	8.8
Total loans	26,459,075	100.0%	20,778,791	100.0%
Allowance for loan losses	(339,394)		(208,858)	
Net loans	$ 26,119,681		$ 20,569,933	

Bank OZK
Allowance for Credit Losses
Unaudited

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended December 31, 2023:			
Balances – September 30, 2023	$ 303,358	$ 158,128	$ 461,486
Net charge-offs	(4,090)	—	(4,090)
Provision for credit losses	40,126	3,706	43,832
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228

Year ended December 31, 2023:

Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(29,519)	—	(29,519)
Provision for credit losses	160,055	5,415	165,470
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Three months ended December 31, 2022:			
Balances – September 30, 2022	$ 200,098	$ 135,537	$ 335,635
Net charge-offs	(2,866)	—	(2,866)
Provision for credit losses	11,626	20,882	32,508
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Year ended December 31, 2022:			
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Net charge-offs	(7,206)	—	(7,206)
Provision for credit losses	(1,316)	84,810	83,494
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	December 31,			
	2023		2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,095,874	14.9%	$ 4,658,451	21.7%
Interest bearing:				
Transaction (NOW)	4,486,372	16.4	4,097,532	19.1
Savings and money market	4,587,924	16.7	5,808,185	27.0
Time deposits	14,234,973	52.0	6,935,975	32.2
Total deposits	$ 27,405,143	100.0%	$ 21,500,143	100.0%

Bank OZK
Summary of Deposits – By Customer Type
Unaudited

	December 31,			
	2023		2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,095,874	14.9%	$ 4,658,451	21.7%
Interest bearing:				
Consumer and commercial:				
Consumer – Non-Time	2,792,199	10.2	3,916,078	18.2
Consumer – Time	10,216,217	37.3	4,936,061	23.0
Commercial – Non-Time	2,439,175	8.9	2,741,007	12.7
Commercial – Time	767,566	2.8	516,477	2.4
Public funds	3,725,766	13.6	2,103,392	9.8
Brokered	2,655,317	9.7	2,050,294	9.5
Reciprocal	713,029	2.6	578,383	2.7
Total deposits	$ 27,405,143	100.0%	$ 21,500,143	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended December 31,			Year Ended December 31,		
	2023	2022	% Change	2023	2022	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 370,548	$ 332,488	11.4%	$ 1,439,485	$ 1,142,242	26.0%
Provision for credit losses	43,832	32,508	34.8	165,470	83,494	98.2
Non-interest income	37,027	27,544	34.4	122,549	114,503	7.0
Non-interest expense	145,011	119,013	21.8	529,561	451,721	17.2
Net income	175,132	162,825	7.6	690,839	564,090	22.5
Preferred stock dividends	4,047	4,047	—	16,187	16,621	(2.6)
Net income available to common stockholders	171,079	158,832	7.7	674,596	547,520	23.2
Pre-tax pre-provision net revenue [(1)]	262,564	241,019	8.9	1,032,473	805,024	28.3

Common share and per common share data:						
Diluted earnings per common share	$ 1.50	$ 1.34	11.9%	$ 5.87	$ 4.54	29.3%
Basic earnings per common share	1.51	1.35	11.9	5.89	4.55	29.5
Common stock dividends per share	0.37	0.33	12.1	1.42	1.26	12.7
Book value per share	42.42	37.13	14.2	42.42	37.13	14.2
Tangible book value per common share (1)	36.58	31.47	16.2	36.58	31.47	16.2
Weighted-average diluted shares outstanding (thousands)	113,756	118,201	(3.8)	114,833	120,700	(4.9)
End of period shares outstanding (thousands)	113,149	117,177	(3.4)	113,149	117,177	(3.4)
Balance sheet data at period end:						
Total assets	$ 34,237,457	$ 27,656,568	23.8%	$ 34,237,457	$ 27,656,568	23.8%
Total loans	26,459,075	20,778,791	27.3	26,459,075	20,778,791	27.3
Non-purchased loans	26,195,030	20,400,154	28.4	26,195,030	20,400,154	28.4
Purchased loans	264,045	378,637	(30.3)	264,045	378,637	(30.3)
Allowance for loan losses	339,394	208,858	62.5	339,394	208,858	62.5
Foreclosed assets	61,720	6,616	832.9	61,720	6,616	832.9
Investment securities – AFS	3,244,371	3,491,613	(7.1)	3,244,371	3,491,613	(7.1)
Goodwill and other intangible assets, net	660,789	663,543	(0.4)	660,789	663,543	(0.4)
Deposits	27,405,143	21,500,143	27.5	27,405,143	21,500,143	27.5
Other borrowings	805,318	606,666	32.7	805,318	606,666	32.7
Subordinated notes	347,761	346,947	0.2	347,761	346,947	0.2
Subordinated debentures	121,652	121,591	0.1	121,652	121,591	0.1
Unfunded balance of closed loans	20,573,029	21,062,733	(2.3)	20,573,029	21,062,733	(2.3)
Reserve for losses on unfunded loan commitments	161,834	156,419	3.5	161,834	156,419	3.5
Preferred stock	338,980	338,980	—	338,980	338,980	—
Total common stockholders' equity (1)	4,800,021	4,350,599	10.3	4,800,021	4,350,599	10.3
Net unrealized losses on investment securities AFS included in stockholders' equity	(97,374)	(177,649)		(97,374)	(177,649)	
Loan (including purchased loans) to deposit ratio	96.55%	96.64%		96.55%	96.64%	
Selected ratios:						
Return on average assets (2)	2.04%	2.35%		2.20%	2.08%	
Return on average common stockholders' equity (1) (2)	14.58	14.76		14.93	12.66	
Return on average tangible common stockholders' equity (1) (2)	16.99	17.48		17.50	14.97	
Average common equity to total average assets	13.99	15.90		14.74	16.42	
Net interest margin – FTE (2)	4.82	5.46		5.16	4.82	
Efficiency ratio	35.33	32.84		33.67	35.75	
Net charge-offs to average non-purchased loans (2) (3)	0.07	0.09		0.11	0.07	
Net charge-offs to average total loans (2)	0.06	0.06		0.13	0.04	
Nonperforming loans to total loans (4)	0.23	0.22		0.23	0.22	
Nonperforming assets to total assets (4)	0.36	0.19		0.36	0.19	
Allowance for loan losses to total loans (5)	1.28	1.01		1.28	1.01	
Allowance for credit losses to total loans and unfunded loan commitments	1.07	0.87		1.07	0.87	
Other information:						
Non-accrual loans (4)	$ 60,982	$ 43,411		$ 60,982	$ 43,411	
Accruing loans - 90 days past due (4)	—	—		—	—	

(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
Selected Consolidated Financial Data (continued)
Unaudited

	Three Months Ended		
	December 31, 2023	September 30, 2023	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 370,548	$ 367,261	0.9%
Provision for credit losses	43,832	44,036	(0.5)
Non-interest income	37,027	25,727	43.9
Non-interest expense	145,011	128,978	12.4

Net income	175,132	173,830	0.7
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	171,079	169,746	0.8
Pre-tax pre-provision net revenue [1]	262,564	264,010	(0.5)
Common share and per common share data:			
Diluted earnings per common share	$ 1.50	$ 1.49	0.7%
Basic earnings per common share	1.51	1.50	0.7
Common stock dividends per share	0.37	0.36	2.8
Book value per share	42.42	40.35	5.1
Tangible book value per common share [1]	36.58	34.50	6.0
Weighted-average diluted shares outstanding (thousands)	113,756	113,770	—
End of period shares outstanding (thousands)	113,149	113,136	—
Balance sheet data at period end:			
Total assets	$ 34,237,457	$ 32,767,328	4.5%
Total loans	26,459,075	25,331,740	4.5
Non-purchased loans	26,195,030	25,051,214	4.6
Purchased loans	264,045	280,526	(5.9)
Allowance for loan losses	339,394	303,358	11.9
Foreclosed assets	61,720	68,738	(10.2)
Investment securities – AFS	3,244,371	3,153,817	2.9
Goodwill and other intangible assets, net	660,789	660,789	—
Deposits	27,405,143	25,552,856	7.2
Other borrowings	805,318	1,430,192	(43.7)
Subordinated notes	347,761	347,556	0.1
Subordinated debentures	121,652	121,652	—
Unfunded balance of closed loans	20,573,029	20,625,371	(0.3)
Reserve for losses on unfunded loan commitments	161,834	158,128	2.3
Preferred stock	338,980	338,980	—
Total common stockholders' equity [1]	4,800,021	4,564,524	5.2
Net unrealized losses on investment securities AFS included in stockholders' equity	(97,374)	(198,986)	
Loan (including purchased loans) to deposit ratio	96.55%	99.13%	
Selected ratios:			
Return on average assets [2]	2.04%	2.13%	
Return on average common stockholders' equity [1] [2]	14.58	14.81	
Return on average tangible common stockholders' equity [1] [2]	16.99	17.33	
Average common equity to total average assets	13.99	14.38	
Net interest margin – FTE [2]	4.82	5.05	
Efficiency ratio	35.33	32.60	
Net charge-offs to average non-purchased loans [2] [3]	0.07	0.17	
Net charge-offs to average total loans [2]	0.06	0.15	
Nonperforming loans to total loans [4]	0.23	0.25	
Nonperforming assets to total assets [4]	0.36	0.40	
Allowance for loan losses to total loans [5]	1.28	1.20	
Allowance for credit losses to total loans and unfunded loan commitments	1.07	1.00	
Other information:			
Non-accrual loans [4]	$ 60,982	$ 62,648	
Accruing loans - 90 days past due [4]	—	—	

[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

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22
			(Dollars in thousands)		
Earnings summary:					
Net interest income	$ 370,548	$ 367,261	$ 356,824	$ 344,852	$ 332,488
Federal tax (FTE) adjustment	2,925	2,632	2,602	2,603	2,383
Net interest income (FTE)	373,473	369,893	359,426	347,455	334,871
Provision for credit losses	(43,832)	(44,036)	(41,774)	(35,829)	(32,508)
Non-interest income	37,027	25,727	31,987	27,809	27,544
Non-interest expense	(145,011)	(128,978)	(129,355)	(126,217)	(119,013)
Pre-tax income (FTE)	221,657	222,606	220,284	213,218	210,894
FTE adjustment	(2,925)	(2,632)	(2,602)	(2,603)	(2,383)

Provision for income taxes	(43,600)	(46,144)	(45,717)	(40,703)	(45,686)
Noncontrolling interest	(6)	(37)	(1)	(12)	54
Preferred stock dividend	(4,047)	(4,047)	(4,047)	(4,047)	(4,047)
Net income available to common stockholders	$ 171,079	$ 169,746	$ 167,917	$ 165,853	$ 158,832
Earnings per common share – diluted	$ 1.50	$ 1.49	$ 1.47	$ 1.41	$ 1.34
Pre-tax pre-provision net revenue [1]	$ 262,564	$ 264,010	$ 259,456	$ 246,444	$ 241,019
Selected balance sheet data at period end:					
Total assets	$ 34,237,457	$ 32,767,328	$ 30,761,870	$ 28,971,170	$ 27,656,568
Non-purchased loans	26,195,030	25,051,214	23,291,785	21,700,941	20,400,154
Purchased loans	264,045	280,526	315,661	361,065	378,637
Investment securities – AFS	3,244,371	3,153,817	3,262,366	3,422,031	3,491,613
Deposits	27,405,143	25,552,856	23,983,397	22,282,983	21,500,143
Unfunded balance of closed loans	20,573,029	20,625,371	21,119,761	20,965,040	21,062,733
Allowance for credit losses:					
Balance at beginning of period	$ 461,486	$ 426,820	$ 393,767	$ 365,277	$ 335,635
Net charge-offs	(4,090)	(9,370)	(8,721)	(7,339)	(2,866)
Provision for credit losses	43,832	44,036	41,774	35,829	32,508
Balance at end of period	$ 501,228	$ 461,486	$ 426,820	$ 393,767	$ 365,277
Allowance for loan losses	$ 339,394	$ 303,358	$ 263,188	$ 222,025	$ 208,858
Reserve for losses on unfunded loan commitments	161,834	158,128	163,632	171,742	156,419
Total allowance for credit losses	$ 501,228	$ 461,486	$ 426,820	$ 393,767	$ 365,277
Selected ratios:					
Net interest margin – FTE [2]	4.82%	5.05%	5.32%	5.54%	5.46%
Efficiency ratio	35.33	32.60	33.05	33.63	32.84
Net charge-offs to average non-purchased loans [2] [3]	0.07	0.17	0.03	0.15	0.09
Net charge-offs to average total loans [2]	0.06	0.15	0.15	0.14	0.06
Nonperforming loans to total loans [4]	0.23	0.25	0.15	0.15	0.22
Nonperforming assets to total assets [4]	0.36	0.40	0.32	0.34	0.19
Allowance for loan losses to total loans [5]	1.28	1.20	1.11	1.01	1.01
Allowance for credit losses to total loans and unfunded loan commitments	1.07	1.00	0.95	0.92	0.87
Loans past due 30 days or more, including past due non-accrual loans, to total loans [4]	0.20	0.21	0.14	0.15	0.13

(1) Calculations of pre-tax pre-provision net revenue and the reconciliation 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
Average Consolidated Balance Sheets and Net Interest Analysis – FTE
Unaudited

	Three Months Ended December 31,						Year Ended December 31,					
	2023			2022			2023			2022		
	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	$ 1,637,395	$ 21,902	5.31%	$ 692,066	$ 5,961	3.42%	$ 1,164,595	$ 58,241	5.00%	$ 940,116	$ 12,116	1.29%
Investment securities:												
Taxable	2,143,606	9,667	1.79	2,566,011	10,280	1.59	2,299,254	39,429	1.71	2,950,929	41,526	1.41
Tax-exempt – FTE	1,097,750	13,506	4.88	974,070	10,786	4.39	1,049,642	49,313	4.70	774,038	28,675	3.70
Non-purchased loans – FTE	25,590,389	557,932	8.65	19,728,477	367,136	7.38	23,258,595	1,968,696	8.46	18,744,652	1,159,161	6.18
Purchased loans	271,222	5,412	7.92	391,801	7,141	7.23	321,570	23,257	7.23	445,955	31,441	7.05
Total earning assets – FTE	30,740,362	608,419	7.85	24,352,425	401,304	6.54	28,093,656	2,138,936	7.61	23,855,690	1,272,919	5.34
Non-interest earning assets	2,538,592			2,508,505			2,550,276			2,472,672		
Total assets	$33,278,954			$26,860,930			$30,643,932			$26,328,362		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,004,724	$ 64,165	2.83%	$ 9,519,104	$ 26,543	1.11%	$ 9,152,060	$ 211,498	2.31%	$ 9,588,372	$ 48,344	0.50%

Time deposits	13,280,889	154,309	4.61	6,321,731	26,687	1.67	10,543,800	415,552	3.94	5,680,395	46,229	0.81
Total interest bearing deposits	22,285,613	218,474	3.89	15,840,835	53,230	1.33	19,695,860	627,050	3.18	15,268,767	94,573	0.62
Other borrowings	863,828	11,329	5.20	753,605	8,533	4.49	803,797	41,669	5.18	673,932	13,034	1.93
Subordinated notes	347,661	2,631	3.00	346,847	2,631	3.01	347,356	10,439	3.01	346,538	10,439	3.01
Subordinated debentures	121,652	2,512	8.19	121,523	2,039	6.66	121,648	9,530	7.83	121,310	5,780	4.76
Total interest bearing liabilities	23,618,754	234,946	3.95	17,062,810	66,433	1.54	20,968,661	688,688	3.28	16,410,547	123,826	0.75
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,150,323			4,751,644			4,315,200			4,873,842		
Other non-interest bearing liabilities	513,326			435,108			502,732			378,471		
Total liabilities	28,282,403			22,249,562			25,786,593			21,662,860		
Total stockholders' equity before noncontrolling interest	4,995,217			4,608,570			4,855,976			4,662,467		
Noncontrolling interest	1,334			2,798			1,363			3,035		
Total liabilities and stockholders' equity	$33,278,954			$26,860,930			$30,643,932			$26,328,362		
Net interest income – FTE		$373,473			$334,871			$1,450,248			$1,149,093	
Net interest margin – FTE			4.82%			5.46%			5.16%			4.82%
Core spread [1]			4.76%			6.05%			5.28%			5.56%

[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				
	December 31,		September 30,	Year Ended December 31,	
	2023	2022	2023	2023	2022
			(Dollars in thousands)		
Net income available to common stockholders	$ 171,079	$ 158,832	$ 169,746	$ 674,596	$ 547,520
Average stockholders' equity before noncontrolling interest	$ 4,995,217	$ 4,608,570	$ 4,885,620	$ 4,855,976	$ 4,662,467
Less average preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	4,656,237	4,269,590	4,546,640	4,516,996	4,323,487
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	—	(3,421)	—	(821)	(5,443)
Total average intangibles	(660,789)	(664,210)	(660,789)	(661,610)	(666,232)
Average tangible common stockholders' equity	$ 3,995,448	$ 3,605,380	$ 3,885,851	$ 3,855,386	$ 3,657,255
Return on average common stockholders' equity [1]	14.58%	14.76%	14.81%	14.93%	12.66%
Return on average tangible common stockholders' equity [1]	16.99%	17.48%	17.33%	17.50%	14.97%

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

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

Unaudited

	December 31,		September 30,
	2023	2022	2023
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 5,139,001	$ 4,689,579	$ 4,903,504
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 4,800,021	$ 4,350,599	$ 4,564,524
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(2,754)	—
Total intangibles	(660,789)	(663,543)	(660,789)
Total tangible common stockholders' equity	$ 4,139,232	$ 3,687,056	$ 3,903,735

Shares of common stock outstanding	113,149	117,177	113,136
Book value per common share	$ 42.42	$ 37.13	$ 40.35
Tangible book value per common share	$ 36.58	$ 31.47	$ 34.50

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

	December 31,	
	2023	2022
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	$ 5,139,001	$ 4,689,579
Less preferred stock	(338,980)	(338,980)
Total common stockholders' equity	$ 4,800,021	$ 4,350,599
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(2,754)
Total intangibles	(660,789)	(663,543)
Total tangible common stockholders' equity	4,139,232	3,687,056
Total assets	$ 34,237,457	$ 27,656,568
Less intangible assets:		
Goodwill	$ (660,789)	$ (660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(2,754)
Total intangibles	(660,789)	(663,543)
Total tangible assets	$ 33,576,668	$ 26,993,025
Ratio of total common stockholders' equity to total assets	14.02%	15.73%
Ratio of total tangible common stockholders' equity to total tangible assets	12.33%	13.66%

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended					Year Ended December 31,	
	Dec 31, 2023	Sept 30, 2023	June 30, 2023	March 31, 2023	Dec 31, 2022	2023	2022
	(Dollars in thousands)						
Net income available to common stockholders	$ 171,079	$ 169,746	$ 167,917	$ 165,853	$ 158,832	$ 674,596	$ 547,520
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047	16,187	16,621
Earnings attributable to noncontrolling interest	6	37	1	12	(54)	56	(51)
Provision for income taxes	43,600	46,144	45,717	40,703	45,686	176,164	157,440
Provision for credit losses	43,832	44,036	41,774	35,829	32,508	165,470	83,494
Pre-tax pre-provision net revenue	$ 262,564	$ 264,010	$ 259,456	$ 246,444	$ 241,019	$ 1,032,473	$ 805,024

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Source: Bank OZK