Bank OZK Announces Record First Quarter 2024 Earnings

April 17, 2024

LITTLE ROCK, Ark., April 17, 2024 (GLOBE NEWSWIRE) -- Bank OZK (the “Bank”) (Nasdaq: OZK) today announced that net income available to common stockholders for the first quarter of 2024 was a record $171.5 million, a 3.4% increase from $165.9 million for the first quarter of 2023. Diluted earnings per common share for the first quarter of 2024 were a record $1.51, a 7.1% increase from $1.41 for the first quarter of 2023.

Pre-tax pre-provision net revenue (“PPNR”) was a record $272.7 million for the first quarter of 2024, a 10.7% increase from $246.4 million for the first quarter of 2023. The calculation of PPNR and the reconciliation to generally accepted accounting principles (“GAAP”) are included in the schedules accompanying this release.

Provision for credit losses was $42.9 million for the first quarter of 2024 compared to $35.8 million for the first quarter of 2023. The Bank’s total allowance for credit losses (“ACL”) was $536.9 million at March 31, 2024 compared to $393.8 million at March 31, 2023.

The Bank’s annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity for the first quarter of 2024 were 1.96%, 14.16% and 16.38%, respectively, compared to 2.41%, 15.24% and 17.94%, respectively, for the first 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, “Our record net income and record diluted earnings per share in the quarter just ended are an excellent start to 2024. We feel that we are well positioned for the year, and we look forward to capitalizing on new opportunities.”

KEY BALANCE SHEET METRICS

Total loans were $28.03 billion at March 31, 2024, a 27.1% increase from $22.06 billion at March 31, 2023. Deposits were $29.41 billion at March 31, 2024, a 32.0% increase from $22.28 billion at March 31, 2023. Total assets were $36.03 billion at March 31, 2024, a 24.4% increase from $28.97 billion at March 31, 2023.

Common stockholders’ equity was $4.93 billion at March 31, 2024, an 11.4% increase from $4.42 billion at March 31, 2023. Tangible common stockholders’ equity was $4.27 billion at March 31, 2024, a 13.5% increase from $3.76 billion at March 31, 2023. The Bank’s ratio of total common stockholders’ equity to total assets was 13.68% at March 31, 2024, compared to 15.27% at March 31, 2023. The Bank's ratio of total tangible common stockholders’ equity to total tangible assets was 12.06% at March 31, 2024, compared to 13.28% at March 31, 2023.

Book value per common share was $43.44 at March 31, 2024, a 13.0% increase from $38.43 at March 31, 2023. Tangible book value per common share was $37.62 at March 31, 2024, a 15.1% increase from $32.68 at March 31, 2023.

The calculations of the Bank’s total common stockholders’ equity, tangible common stockholders’ equity, ratio of total tangible common stockholders’ equity to total tangible assets and tangible book value per common share, 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 0.20% at March 31, 2024, compared to 0.15% as of March 31, 2023. The Bank’s ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.33% at March 31, 2024, compared to 0.34% as of March 31, 2023. The Bank's annualized ratio of net charge-offs to average total loans was 0.11% for the quarter ended March 31, 2024, compared to 0.14% for the quarter ended March 31, 2023.

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 at 9:00 a.m. CT (10:00 a.m. ET) on Thursday, April 18, 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 obtaining regulatory or other approvals, delays in acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices, relocating, selling or closing existing offices, or 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; recently enacted and potential new 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 any 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 cyberattacks 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; competition for and costs of recruiting and retaining qualified personnel; 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, 2023 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 $36.03 billion in total assets as of March 31, 2024. For more information, visit www.ozk.com.

Bank OZK
Consolidated Balance Sheets
Unaudited

	March 31, 2024	December 31, 2023
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 2,323,813	$ 2,149,529
Investment securities – available for sale (“AFS”)	3,072,391	3,244,371
Federal Home Loan Bank of Dallas (“FHLB”) and other bankers’ bank stocks	14,484	50,400
Non-purchased loans	27,781,091	26,195,030
Purchased loans	250,257	264,045
Allowance for loan losses	(365,935)	(339,394)
Net Loans	27,665,413	26,119,681
Premises and equipment, net	681,865	676,821
Foreclosed assets	60,782	61,720
Accrued interest receivable	175,201	170,110
Bank owned life insurance (“BOLI”)	813,996	808,490
Goodwill	660,789	660,789
Other, net	561,170	295,546
Total assets	$ 36,029,904	$ 34,237,457

LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	$ 4,046,054	$ 4,095,874
Savings and interest bearing transaction	9,504,445	9,074,296
Time	15,855,571	14,234,973
Total deposits	29,406,070	27,405,143
Other borrowings	202,009	805,318
Subordinated notes	347,961	347,761
Subordinated debentures	121,652	121,652
Reserve for losses on unfunded loan commitments	170,952	161,834
Accrued interest payable and other liabilities	513,420	255,773
Total liabilities	$ 30,762,064	$ 29,097,481
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock: $0.01 par value; 100,000,000 shares authorized; 14,000,000 issued and outstanding at March 31, 2024 and December 31, 2023	338,980	338,980
Common Stock: $0.01 par value; 300,000,000 shares authorized; 113,434,816 and 113,148,672 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	1,134	1,131
Additional paid-in capital	1,609,268	1,612,446
Retained earnings	3,424,672	3,283,818
Accumulated other comprehensive loss	(107,207)	(97,374)
Total stockholders' equity before noncontrolling interest	5,266,847	5,139,001
Noncontrolling interest	993	975
Total stockholders' equity	5,267,840	5,139,976
Total liabilities and stockholders' equity	$ 36,029,904	$ 34,237,457

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended March 31,	
	2024	**2023**
	(Dollars in thousands, except per share amounts)	
Interest income:		
Non-purchased loans	$ 586,981	$ 414,896
Purchased loans	4,960	6,518
Investment securities:		
Taxable	9,333	10,171
Tax-exempt	11,173	9,264
Deposits with banks	24,606	7,870
Total interest income	637,053	448,719
Interest expense:		
Deposits	254,323	93,632
Other borrowings	750	5,422
Subordinated notes	2,574	2,574
Subordinated debentures	2,472	2,239
Total interest expense	260,119	103,867
Net interest income	376,934	344,852
Provision for credit losses	42,923	35,829
Net interest income after provision for credit losses	334,011	309,023
Non-interest income:		

Service charges on deposit accounts:		
NSF fees	—	991
Overdraft fees	3,427	3,287
All other service charges	6,839	6,502
Trust income	2,324	2,033
BOLI income	5,506	4,974
Loan service, maintenance and other fees	6,343	4,076
Gains on sales of other assets	459	343
Net gains on investment securities	410	1,716
Other	3,776	3,887
Total non-interest income	29,084	27,809
Non-interest expense:		
Salaries and employee benefits	69,564	63,249
Net occupancy and equipment	17,974	17,870
Other operating expenses	45,776	45,098
Total non-interest expense	133,314	126,217
Income before taxes	229,781	210,615
Provision for income taxes	54,226	40,703
Net income	175,555	169,912
Earnings attributable to noncontrolling interest	(18)	(12)
Preferred stock dividends	4,047	4,047
Net income available to common stockholders	$ 171,490	$ 165,853
Basic earnings per common share	$ 1.51	$ 1.42
Diluted earnings per common share	$ 1.51	$ 1.41

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 March 31, 2024:							
Balances - December 31, 2023	$ 338,980	$ 1,131	$ 1,612,446	$ 3,283,818	$ (97,374)	$ 975	$ 5,139,976
Cumulative effect of change in accounting principle				12,690			12,690
Balances - January 1, 2024	338,980	1,131	1,612,446	3,296,508	(97,374)	975	5,152,666
Net income	—	—	—	175,555	—	—	175,555
Earnings attributable to noncontrolling interest	—	—	—	(18)	—	18	—
Total other comprehensive loss	—	—	—	—	(9,833)	—	(9,833)
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.38 per share	—	—	—	(43,326)	—	—	(43,326)
Issuance of 484,818 shares of common stock pursuant to stock-based compensation plans	—	5	179	—	—	—	184
Repurchase and cancellation of 184,415 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(8,008)	—	—	—	(8,010)
Stock-based compensation expense	—	—	4,651	—	—	—	4,651

Forfeitures of 14,259 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - March 31, 2024	$ 338,980	$ 1,134	$ 1,609,268	$ 3,424,672	$ (107,207)	$ 993	$ 5,267,840

Three months ended March 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	—	—	—	169,912	—	—	169,912
Earnings attributable to noncontrolling interest	—	—	—	(12)	—	12	—
Total other comprehensive income	—	—	—	—	35,972	—	35,972
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—		(4,047)
Common stock dividends, $0.34 per share	—	—	—	(40,084)	—	—	(40,084)
Issuance of 473,039 shares of common stock pursuant to stock-based compensation plans	—	5	518	—	—	—	523
Repurchase and cancellation of 2,348,138 shares of common stock under share repurchase program	—	(24)	(85,315)	—	—	—	(85,339)
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	—	—	4,097	—	—	—	4,097
Forfeitures of 6,359 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - March 31, 2023	$ 338,980	$ 1,151	$ 1,664,569	$ 2,898,904	$ (141,677)	$ 1,371	$ 4,763,298

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended March 31,	
	2024	**2023**
	(Dollars in thousands)	
Salaries and employee benefits	$ 69,564	$ 63,249
Net occupancy and equipment	17,974	17,870
Other operating expenses:		
Software and data processing	11,115	9,283
Deposit insurance and assessments	8,250	4,148
Professional and outside services	5,970	5,105
Advertising and public relations	3,897	4,036
Amortization of CRA and tax credit investments [(1)]	—	6,414
Other	16,544	16,112
Total non-interest expense	$ 133,314	$ 126,217

(1) Effective January 1, 2024, the Bank adopted ASU 2023-02, *Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method,* which resulted in the amortization of the Bank's CRA and tax credit investments being included in income tax expense instead of non-interest expense.

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	March 31, 2024		December 31, 2023	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 967,941	3.5%	$ 961,338	3.6%
Non-farm/non-residential	5,590,632	19.9	5,309,239	20.1
Construction/land development	12,322,321	44.0	11,653,487	44.0
Agricultural	252,232	0.9	256,423	1.0
Multifamily residential	2,408,875	8.6	2,064,106	7.8
Total real estate	21,542,001	76.9	20,244,593	76.5
Commercial and industrial	1,355,125	4.8	1,269,610	4.8
Consumer	3,169,016	11.3	2,965,042	11.2
Other	1,965,206	7.0	1,979,830	7.5
Total loans	28,031,348	100.0%	26,459,075	100.0%
Allowance for loan losses	(365,935)		(339,394)	
Net loans	$ 27,665,413		$ 26,119,681	

Bank OZK
Allowance for Credit Losses
Unaudited

	Allowance for Loan Losses	Reserve for Losses on Outstanding Credit Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended March 31, 2024:			
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Net charge-offs	(7,264)	—	(7,264)
Provision for credit losses	33,805	9,118	42,923
Balances – March 31, 2024	$ 365,935	$ 170,952	$ 536,887
Three months ended March 31, 2023:			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(7,339)	—	(7,339)
Provision for credit losses	20,506	15,323	35,829
Balances – March 31, 2023	$ 222,025	$ 171,742	$ 393,767

Bank OZK
Deposits – By Customer Type
Unaudited

	March 31, 2024		December 31, 2023	
	(Dollars in thousands)			
Non-interest bearing	$ 4,046,054	13.8%	$ 4,095,874	14.9%
Interest bearing:				
Consumer and commercial:				
Consumer – Non-Time	2,807,465	9.5	2,792,199	10.2
Consumer – Time	11,545,695	39.3	10,216,217	37.3
Commercial – Non-Time	2,860,322	9.7	2,439,175	8.9
Commercial – Time	868,118	3.0	767,566	2.8
Public funds	3,631,328	12.3	3,725,766	13.6
Brokered	2,842,124	9.7	2,655,317	9.7
Reciprocal	804,964	2.7	713,029	2.6
Total deposits	$ 29,406,070	100.0%	$ 27,405,143	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended March 31,		
	2024	2023	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 376,934	$ 344,852	9.3%
Provision for credit losses	42,923	35,829	19.8
Non-interest income	29,084	27,809	4.6
Non-interest expense	133,314	126,217	5.6
Net income	175,555	169,912	3.3
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	171,490	165,853	3.4
Pre-tax pre-provision net revenue (1)	272,704	246,444	10.7
Common share and per common share data:			
Diluted earnings per common share	$ 1.51	$ 1.41	7.1%
Basic earnings per common share	1.51	1.42	6.3
Common stock dividends per share	0.38	0.34	11.8
Book value per share	43.44	38.43	13.0
Tangible book value per common share (1)	37.62	32.68	15.1
Weighted-average diluted shares outstanding (thousands)	113,883	117,405	(3.0)
End of period shares outstanding (thousands)	113,435	115,080	(1.4)
Balance sheet data at period end:			
Total assets	$ 36,029,904	$ 28,971,170	24.4%
Total loans	28,031,348	22,062,006	27.1
Non-purchased loans	27,781,091	21,700,941	28.0
Purchased loans	250,257	361,065	(30.7)
Allowance for loan losses	365,935	222,025	64.8
Foreclosed assets	60,782	66,227	(8.2)
Investment securities – AFS	3,072,391	3,422,031	(10.2)
Goodwill and intangibles	660,789	662,354	(0.2)
Deposits	29,406,070	22,282,983	32.0
Other borrowings	202,009	994,079	(79.7)
Subordinated notes	347,961	347,147	0.2
Subordinated debentures	121,652	121,652	—
Unfunded balance of outstanding credit commitments	20,458,796	20,965,040	(2.4)
Reserve for losses on unfunded loan commitments	170,952	171,742	(0.5)
Preferred stock	338,980	338,980	—
Total common stockholders' equity (1)	4,927,867	4,422,947	11.4
Net unrealized losses on investment securities AFS included in stockholders' equity	(107,207)	(141,677)	
Loan (including purchased loans) to deposit ratio	95.33%	99.01%	
Selected ratios:			
Return on average assets (2)	1.96%	2.41%	
Return on average common stockholders' equity (1) (2)	14.16	15.24	
Return on average tangible common stockholders' equity (1) (2)	16.38	17.94	
Average common equity to total average assets	13.84	15.78	
Net interest margin – FTE (2)	4.71	5.54	
Efficiency ratio	32.59	33.63	
Net charge-offs to average non-purchased loans (2) (3)	0.11	0.15	
Net charge-offs to average total loans (2)	0.11	0.14	
Nonperforming loans to total loans (4)	0.20	0.15	
Nonperforming assets to total assets (4)	0.33	0.34	
Allowance for loan losses to total loans (5)	1.31	1.01	

Allowance for credit losses to total loans and unfunded credit commitments		1.11		0.92
Other information:				
Non-accrual loans [4]	$	56,341	$	33,371
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		
	March 31, 2024	December 31, 2023	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 376,934	$ 370,548	1.7%
Provision for credit losses	42,923	43,832	(2.1)
Non-interest income	29,084	37,027	(21.5)
Non-interest expense	133,314	145,011	(8.1)
Net income	175,555	175,132	0.2
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	171,490	171,079	0.2
Pre-tax pre-provision net revenue [1]	272,704	262,564	3.9
Common share and per common share data:			
Diluted earnings per common share	$ 1.51	$ 1.50	0.7%
Basic earnings per common share	1.51	1.51	—
Common stock dividends per share	0.38	0.37	2.7
Book value per share	43.44	42.42	2.4
Tangible book value per common share [1]	37.62	36.58	2.8
Weighted-average diluted shares outstanding (thousands)	113,883	113,756	0.1
End of period shares outstanding (thousands)	113,435	113,149	0.3
Balance sheet data at period end:			
Total assets	$ 36,029,904	$ 34,237,457	5.2%
Total loans	28,031,348	26,459,075	5.9
Non-purchased loans	27,781,091	26,195,030	6.1
Purchased loans	250,257	264,045	(5.2)
Allowance for loan losses	365,935	339,394	7.8
Foreclosed assets	60,782	61,720	(1.5)
Investment securities – AFS	3,072,391	3,244,371	(5.3)
Goodwill and intangibles	660,789	660,789	—
Deposits	29,406,070	27,405,143	7.3
Other borrowings	202,009	805,318	(74.9)
Subordinated notes	347,961	347,761	0.1
Subordinated debentures	121,652	121,652	—
Unfunded balance of outstanding credit commitments	20,458,796	20,561,029	(0.5)
Reserve for losses on unfunded loan commitments	170,952	161,834	5.6
Preferred stock	338,980	338,980	—
Total common stockholders' equity [1]	4,927,867	4,800,021	2.7
Net unrealized losses on investment securities AFS included in stockholders' equity	(107,207)	(97,374)	
Loan (including purchased loans) to deposit ratio	95.33%	96.55%	
Selected ratios:			
Return on average assets [2]	1.96%	2.04%	

Return on average common stockholders' equity [1] [2]	14.16	14.58
Return on average tangible common stockholders' equity [1] [2]	16.38	16.99
Average common equity to total average assets	13.84	13.99
Net interest margin – FTE [2]	4.71	4.82
Efficiency ratio	32.59	35.33
Net charge-offs to average non-purchased loans [2] [3]	0.11	0.07
Net charge-offs to average total loans [2]	0.11	0.06
Nonperforming loans to total loans [4]	0.20	0.23
Nonperforming assets to total assets [4]	0.33	0.36
Allowance for loan losses to total loans [5]	1.31	1.28
Allowance for credit losses to total loans and unfunded credit commitments	1.11	1.07
Other information:		
Non-accrual loans [4]	$ 56,341	$ 60,982
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

	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
	(Dollars in thousands)				
Earnings summary:					
Net interest income	$ 376,934	$ 370,548	$ 367,261	$ 356,824	$ 344,852
Federal tax (FTE) adjustment	3,030	2,925	2,632	2,602	2,603
Net interest income (FTE)	379,964	373,473	369,893	359,426	347,455
Provision for credit losses	(42,923)	(43,832)	(44,036)	(41,774)	(35,829)
Non-interest income	29,084	37,027	25,727	31,987	27,809
Non-interest expense	(133,314)	(145,011)	(128,978)	(129,355)	(126,217)
Pre-tax income (FTE)	232,811	221,657	222,606	220,284	213,218
FTE adjustment	(3,030)	(2,925)	(2,632)	(2,602)	(2,603)
Provision for income taxes	(54,226)	(43,600)	(46,144)	(45,717)	(40,703)
Noncontrolling interest	(18)	(6)	(37)	(1)	(12)
Preferred stock dividend	(4,047)	(4,047)	(4,047)	(4,047)	(4,047)
Net income available to common stockholders	$ 171,490	$ 171,079	$ 169,746	$ 167,917	$ 165,853
Earnings per common share – diluted	$ 1.51	$ 1.50	$ 1.49	$ 1.47	$ 1.41
Pre-tax pre-provision net revenue [1]	$ 272,704	$ 262,564	$ 264,010	$ 259,456	$ 246,444
Selected balance sheet data at period end:					
Total assets	$ 36,029,904	$ 34,237,457	$ 32,767,328	$ 30,761,870	$ 28,971,170
Non-purchased loans	27,781,091	26,195,030	25,051,214	23,291,785	21,700,941
Purchased loans	250,257	264,045	280,526	315,661	361,065
Investment securities – AFS	3,072,391	3,244,371	3,153,817	3,262,366	3,422,031
Deposits	29,406,070	27,405,143	25,552,856	23,983,397	22,282,983
Unfunded balance of outstanding credit commitments	20,458,796	20,561,029	20,625,371	21,119,761	20,965,040
Allowance for credit losses:					
Balance at beginning of period	$ 501,228	$ 461,486	$ 426,820	$ 393,767	$ 365,277
Net charge-offs	(7,264)	(4,090)	(9,370)	(8,721)	(7,339)
Provision for credit losses	42,923	43,832	44,036	41,774	35,829
Balance at end of period	$ 536,887	$ 501,228	$ 461,486	$ 426,820	$ 393,767
Allowance for loan losses	$ 365,935	$ 339,394	$ 303,358	$ 263,188	$ 222,025

Reserve for losses on unfunded loan commitments	170,952	161,834	158,128	163,632	171,742
Total allowance for credit losses	$ 536,887	$ 501,228	$ 461,486	$ 426,820	$ 393,767
Selected ratios:					
Net interest margin – FTE [2]	4.71%	4.82%	5.05%	5.32%	5.54%
Efficiency ratio	32.59	35.33	32.60	33.05	33.63
Net charge-offs to average non-purchased loans [2] [3]	0.11	0.07	0.17	0.03	0.15
Net charge-offs to average total loans [2]	0.11	0.06	0.15	0.15	0.14
Nonperforming loans to total loans [4]	0.20	0.23	0.25	0.15	0.15
Nonperforming assets to total assets [4]	0.33	0.36	0.40	0.32	0.34
Allowance for loan losses to total loans [5]	1.31	1.28	1.20	1.11	1.01
Allowance for credit losses to total loans and unfunded credit commitments	1.11	1.07	1.00	0.95	0.92
Loans past due 30 days or more, including past due non-accrual loans, to total loans [4]	0.17	0.20	0.21	0.14	0.15

(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 March 31,					
	2024			2023		
	Average Balance	Income/ Expense	Yield/Rate	Average Balance	Income/ Expense	Yield/Rate
	(Dollars in thousands)					
ASSETS						
Interest earning assets:						
Interest earning deposits	$ 1,861,871	$ 24,606	5.32%	$ 739,521	$ 7,870	4.32%
Investment securities:						
Taxable	2,052,980	9,333	1.83	2,450,756	10,171	1.68
Tax-exempt – FTE	1,172,116	14,144	4.85	1,027,806	11,727	4.63
Non-purchased loans – FTE	27,116,207	587,040	8.71	20,850,529	415,037	8.07
Purchased loans	257,788	4,960	7.74	370,887	6,518	7.13
Total earning assets – FTE	32,460,962	640,083	7.93	25,439,499	451,323	7.19
Non-interest earning assets	2,747,337			2,517,047		
Total assets	$ 35,208,299			$ 27,956,546		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Deposits:						
Savings and interest bearing transaction	$ 9,182,745	$ 66,902	2.93%	$ 9,733,499	$ 42,515	1.77%
Time deposits	15,476,373	187,421	4.87	7,563,013	51,117	2.74
Total interest bearing deposits	24,659,118	254,323	4.15	17,296,512	93,632	2.20
Other borrowings	85,041	750	3.55	467,098	5,422	4.71
Subordinated notes	347,864	2,574	2.98	347,049	2,574	3.01
Subordinated debentures	121,652	2,472	8.18	121,638	2,239	7.47
Total interest bearing liabilities	25,213,675	260,119	4.15	18,232,297	103,867	2.31
Non-interest bearing liabilities:						
Non-interest bearing deposits	4,100,769			4,471,407		
Other non-interest bearing liabilities	682,455			499,997		
Total liabilities	29,996,899			23,203,701		
Total stockholders' equity before noncontrolling interest	5,210,418			4,751,481		
Noncontrolling interest	982			1,364		

Total liabilities and stockholders' equity	$ 35,208,299			$ 27,956,546		
Net interest income – FTE		$ 379,964			$ 347,456	
Net interest margin – FTE			4.71%			5.54%
Core spread [1]			4.56%			5.87%

[1] Core spread is the difference between the yield on the Bank's non-purchased loans-FTE and the rate on its interest bearing deposits.

Bank OZK
Reconciliation of Non-GAAP Financial Measures

Calculation of Average Common Stockholders' Equity, Average Tangible Common Stockholders' Equity and the Annualized Returns on Average Common Stockholders' Equity and Average Tangible Common Stockholders' Equity

Unaudited

	Three Months Ended March 31,		Three Months Ended December 31,
	2024	2023	2023
	(Dollars in thousands)		
Net income available to common stockholders	$ 171,490	$ 165,853	$ 171,079
Average stockholders' equity before noncontrolling interest	$ 5,210,418	$ 4,751,481	$ 4,995,217
Less average preferred stock	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	4,871,438	4,412,501	4,656,237
Less average intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(2,243)	—
Total average intangibles	(660,789)	(663,032)	(660,789)
Average tangible common stockholders' equity	$ 4,210,649	$ 3,749,469	$ 3,995,448
Return on average common stockholders' equity [1]	14.16%	15.24%	14.58%
Return on average tangible common stockholders' equity [1]	16.38%	17.94%	16.99%

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

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

Unaudited

	March 31,		December 31,
	2024	2023	2023
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 5,266,847	$ 4,761,927	$ 5,139,001
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 4,927,867	$ 4,422,947	$ 4,800,021
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(1,565)	—
Total intangibles	(660,789)	(662,354)	(660,789)
Total tangible common stockholders' equity	$ 4,267,078	$ 3,760,593	$ 4,139,232
Shares of common stock outstanding	113,435	115,080	113,149
Book value per common share	$ 43.44	$ 38.43	$ 42.42
Tangible book value per common share	$ 37.62	$ 32.68	$ 36.58

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

Unaudited

	March 31,	
	2024	**2023**
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	$ 5,266,847	$ 4,761,927
Less preferred stock	(338,980)	(338,980)
Total common stockholders' equity	$ 4,927,867	$ 4,422,947
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(1,565)
Total intangibles	(660,789)	(662,354)
Total tangible common stockholders' equity	4,267,078	3,760,593
Total assets	$ 36,029,904	$ 28,971,170
Less intangible assets:		
Goodwill	$ (660,789)	$ (660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(1,565)
Total intangibles	(660,789)	(662,354)
Total tangible assets	$ 35,369,115	$ 28,308,816
Ratio of total common stockholders' equity to total assets	13.68%	15.27%
Ratio of total tangible common stockholders' equity to total tangible assets	12.06%	13.28%

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended				
	March 31, 2024	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
	(Dollars in thousands)				
Net income available to common stockholders	$ 171,490	$ 171,079	$ 169,746	$ 167,917	$ 165,853
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047
Earnings attributable to noncontrolling interest	18	6	37	1	12
Provision for income taxes	54,226	43,600	46,144	45,717	40,703
Provision for credit losses	42,923	43,832	44,036	41,774	35,829
Pre-tax pre-provision net revenue	$ 272,704	$ 262,564	$ 264,010	$ 259,456	$ 246,444

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Source: Bank OZK