



Bank OZK Announces Record Second Quarter 2024 Earnings and \$200 Million Stock Repurchase Program

July 17, 2024

LITTLE ROCK, Ark., July 17, 2024 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the second quarter of 2024 was a record \$173.5 million, a 3.3% increase from \$167.9 million for the second quarter of 2023. For the first six months of 2024, net income available to common stockholders was \$345.0 million, a 3.4% increase from \$333.8 million for the first six months of 2023.

Diluted earnings per common share for the second quarter of 2024 were a record \$1.52, a 3.4% increase from \$1.47 for the second quarter of 2023. For the first six months of 2024, diluted earnings per common share were \$3.03, a 5.2% increase from \$2.88 for the first six months of 2023.

Pre-tax pre-provision net revenue ("PPNR") was a record \$279.3 million for the second quarter of 2024, a 7.7% increase from \$259.5 million for the second quarter of 2023. For the first six months of 2024, PPNR was \$552.0 million, a 9.1% increase from the \$505.9 million for the first six months 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 \$49.0 million for the second quarter of 2024 compared to \$41.8 million for the second quarter of 2023, while our net charge-offs were only \$11.8 million and \$8.7 million, respectively, for those quarters. For the first six months of 2024, provision for credit losses was \$91.9 million compared to \$77.6 million for the first six months of 2023, while our net charge-offs were only \$19.1 million and \$16.1 million, respectively, for those six-month periods. The Bank's total allowance for credit losses ("ACL") was \$574.1 million at June 30, 2024, an increase of \$147.3 million compared to \$426.8 million at June 30, 2023.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the second quarter of 2024 were 1.92%, 13.98% and 16.11%, respectively, compared to 2.27%, 15.14% and 17.78%, respectively, for the second quarter of 2023. For the first six months of 2024, the Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity were 1.94%, 14.07%, and 16.24%, respectively, compared to 2.34%, 15.19%, and 17.86%, respectively, for the first six months 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 very pleased with our record results for the quarter just ended giving us our seventh consecutive quarter of record net income and earnings per share and eighth consecutive quarter of record net interest income. These record results have allowed us to consistently increase dividends, significantly grow capital and opportunistically repurchase shares, all while almost doubling our allowance for credit losses."

KEY BALANCE SHEET METRICS

Total loans were \$28.67 billion at June 30, 2024, a 21.5% increase from \$23.61 billion at June 30, 2023. Deposits were \$29.94 billion at June 30, 2024, a 24.9% increase from \$23.98 billion at June 30, 2023. Total assets were \$36.84 billion at June 30, 2024, a 19.7% increase from \$30.76 billion at June 30, 2023.

Common stockholders' equity was \$5.07 billion at June 30, 2024, a 13.4% increase from \$4.47 billion at June 30, 2023. Tangible common stockholders' equity was \$4.41 billion at June 30, 2024, a 15.7% increase from \$3.81 billion at June 30, 2023.

Book value per common share was \$44.67 at June 30, 2024, a \$5.16 increase from \$39.51 at June 30, 2023. Tangible book value per common share was \$38.85 at June 30, 2024, a \$5.18 increase from \$33.67 at June 30, 2023.

The Bank's strong profitability has allowed it to maintain strong capital ratios even as it has achieved significant growth. The Bank's ratio of total common stockholders' equity to total assets was 13.76% at June 30, 2024, compared to 14.53% at June 30, 2023. The Bank's ratio of total tangible common stockholders' equity to total tangible assets was 12.19% at June 30, 2024, compared to 12.66% at June 30, 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.

The Bank's Board recently approved a stock repurchase program authorizing the purchase of up to \$200 million of outstanding common stock through expiration of the program on July 1, 2025. In evaluating stock repurchases, management will consider a variety of factors including the Bank's stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, current and expected macroeconomic environment, regulatory requirements and other factors.

ASSET QUALITY

The Bank's various asset quality ratios for the quarter just ended continued to perform well compared to the industry, notwithstanding the challenging macroeconomic environment. This reflects the Bank's long-term focus on asset quality. The Bank's ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.28% at June 30, 2024, compared to 0.15% as of June 30, 2023. The Bank's ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.41% at June 30, 2024, compared to 0.32% as of June 30, 2023. The Bank's annualized ratio of net charge-offs to average total loans was 0.17% for the quarter and 0.14% for the six months ended June 30, 2024, compared to 0.15% for both the second quarter and six months ended June 30, 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 10:00 a.m. CT (11:00 a.m. ET) on Thursday, July 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/fcweb/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, changes as a result of the U.S. presidential and congressional elections, 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 nine states including Arkansas, Georgia, Florida, North Carolina, Tennessee, Texas, New York, California and Mississippi and had \$36.84 billion in total assets as of June 30, 2024. For more information, visit www.ozk.com.

Bank OZK Consolidated Balance Sheets Unaudited

	June 30, 2024		December 31, 2023	
	(Dollars in thousands)			
ASSETS				
Cash and cash equivalents	\$	2,568,813	\$	2,149,529
Investment securities – available for sale ("AFS")		2,981,929		3,244,371
Federal Home Loan Bank of Dallas ("FHLB") and other bankers' bank stocks		24,453		50,400
Non-purchased loans		28,455,342		26,195,030
Purchased loans		218,343		264,045
Allowance for loan losses		(407,079)		(339,394)
Net Loans		28,266,606		26,119,681
Premises and equipment, net		702,505		676,821
Foreclosed assets		71,023		61,720
Accrued interest receivable		177,403		170,110
Bank owned life insurance ("BOLI")		819,602		808,490
Goodwill		660,789		660,789
Other, net		563,050		295,546
Total assets	\$	36,836,173	\$	34,237,457
LIABILITIES AND STOCKHOLDERS' EQUITY				
Deposits:				
Demand non-interest bearing	\$	4,045,666	\$	4,095,874
Savings and interest bearing transaction		9,209,732		9,074,296
Time		16,688,265		14,234,973
Total deposits		29,943,663		27,405,143
Other borrowings		400,943		805,318
Subordinated notes		348,164		347,761
Subordinated debentures		121,652		121,652
Reserve for losses on unfunded credit commitments		167,022		161,834
Accrued interest payable and other liabilities		445,944		255,773
Total liabilities	\$	31,427,388	\$	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 June 30, 2024 and December 31, 2023		338,980		338,980
Common Stock: \$0.01 par value; 300,000,000 shares authorized; 113,465,238 and 113,148,672 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively		1,135		1,131
Additional paid-in capital		1,615,101		1,612,446
Retained earnings		3,553,523		3,283,818
Accumulated other comprehensive loss		(100,939)		(97,374)
Total stockholders' equity before noncontrolling interest		5,407,800		5,139,001
Noncontrolling interest		985		975
Total stockholders' equity		5,408,785		5,139,976
Total liabilities and stockholders' equity	\$	36,836,173	\$	34,237,457

Bank OZK Consolidated Statements of Income Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	\$ 616,648	\$ 472,524	\$ 1,203,629	\$ 887,420
Purchased loans	4,644	5,322	9,604	11,840
Investment securities:				
Taxable	8,793	9,704	18,126	19,875
Tax-exempt	11,147	9,489	22,321	18,753
Deposits with banks	26,604	11,407	51,210	19,277
Total interest income	667,836	508,446	1,304,890	957,165
Interest expense:				
Deposits	270,804	136,122	525,126	229,754
Other borrowings	3,964	10,591	4,715	16,013
Subordinated notes	2,603	2,603	5,177	5,177
Subordinated debentures	2,471	2,306	4,944	4,545
Total interest expense	279,842	151,622	539,962	255,489
Net interest income	387,994	356,824	764,928	701,676
Provision for credit losses	49,012	41,774	91,935	77,602

Net interest income after provision for credit losses	338,982	315,050	672,993	624,074
Non-interest income:				
Service charges on deposit accounts:				
NSF fees	—	1,004	—	1,995
Overdraft fees	3,364	3,369	6,790	6,656
All other service charges	7,558	7,187	14,397	13,688
Trust income	2,082	2,113	4,406	4,146
BOLI income	5,606	5,069	11,112	10,043
Loan service, maintenance and other fees	6,481	4,095	12,824	8,170
Gains on sales of other assets	1,073	5,033	1,532	5,377
Net gains on investment securities	125	620	535	2,336
Other	2,493	3,497	6,271	7,384
Total non-interest income	28,782	31,987	57,867	59,795
Non-interest expense:				
Salaries and employee benefits	73,409	65,219	142,973	128,468
Net occupancy and equipment	18,421	19,476	36,395	37,560
Other operating expenses	45,621	44,660	91,396	89,543
Total non-interest expense	137,451	129,355	270,764	255,571
Income before taxes	230,313	217,682	460,096	428,298
Provision for income taxes	52,778	45,717	107,005	86,420
Net income	177,535	171,965	353,091	341,878
Earnings attributable to noncontrolling interest	8	(1)	(10)	(13)
Preferred stock dividends	4,047	4,047	8,094	8,094
Net income available to common stockholders	\$ 173,496	\$ 167,917	\$ 344,987	\$ 333,771
Basic earnings per common share	\$ 1.53	\$ 1.47	\$ 3.04	\$ 2.89
Diluted earnings per common share	\$ 1.52	\$ 1.47	\$ 3.03	\$ 2.88

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 June 30, 2024:							
Balances – March 31, 2024	\$ 338,980	\$ 1,134	\$ 1,609,268	\$ 3,424,672	\$ (107,207)	\$ 993	\$ 5,267,840
Net income	—	—	—	177,535	—	—	177,535
Earnings attributable to noncontrolling interest	—	—	—	8	—	(8)	—
Total other comprehensive income	—	—	—	—	6,268	—	6,268
Preferred stock dividends, \$0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, \$0.39 per share	—	—	—	(44,645)	—	—	(44,645)
Issuance of 33,636 shares of common stock pursuant to stock-based compensation plans	—	1	232	—	—	—	233
Stock-based compensation expense	—	—	5,601	—	—	—	5,601
Forfeitures of 3,214 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – June 30, 2024	\$ 338,980	\$ 1,135	\$ 1,615,101	\$ 3,553,523	\$ (100,939)	\$ 985	\$ 5,408,785
Six months ended June 30, 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	—	—	—	353,091	—	—	353,091
Earnings attributable to noncontrolling interest	—	—	—	(10)	—	10	—
Total other comprehensive loss	—	—	—	—	(3,565)	—	(3,565)
Preferred stock dividends, \$0.57812 per share	—	—	—	(8,094)	—	—	(8,094)
Common stock dividends, \$0.77 per share	—	—	—	(87,972)	—	—	(87,972)
Issuance of 518,454 shares of common stock pursuant to stock-based compensation plans	—	6	411	—	—	—	417
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	—	—	10,252	—	—	—	10,252
Forfeitures of 17,473 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – June 30, 2024	\$ 338,980	\$ 1,135	\$ 1,615,101	\$ 3,553,523	\$ (100,939)	\$ 985	\$ 5,408,785

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 June 30, 2023:							

Balances – March 31, 2023	\$	338,980	\$	1,151	\$	1,664,569	\$	2,898,904	\$	(141,677)	\$	1,371	\$	4,763,298
Net income		—		—		—		171,965		—		—		171,965
Earnings attributable to noncontrolling interest		—		—		—		(1)		—		1		—
Total other comprehensive income (loss)		—		—		—		—		(17,754)		—		(17,754)
Preferred stock dividends, \$0.28906 per share		—		—		—		(4,047)		—		—		(4,047)
Common stock dividends, \$0.35 per share		—		—		—		(40,574)		—		—		(40,574)
Issuance of 30,148 shares of common stock pursuant to stock-based compensation plans		—		—		23		—		—		—		23
Repurchase and cancellation of 1,956,101 shares of common stock under share repurchase program, including excise tax		—		(20)		(66,106)		—		—		—		(66,126)
Stock-based compensation expense		—		—		4,478		—		—		—		4,478
Forfeitures of 8,706 shares of unvested restricted common stock		—		—		—		—		—		—		—
Balances – June 30, 2023	\$	338,980	\$	1,131	\$	1,602,964	\$	3,026,247	\$	(159,431)	\$	1,372	\$	4,811,263

Six months ended June 30, 2023:

Balances – December 31, 2022	\$	338,980	\$	1,172	\$	1,753,941	\$	2,773,135	\$	(177,649)	\$	1,359	\$	4,690,938
Net income		—		—		—		341,878		—		—		341,878
Earnings attributable to noncontrolling interest		—		—		—		(13)		—		13		—
Total other comprehensive income		—		—		—		—		18,218		—		18,218
Preferred stock dividends, \$0.57812 per share		—		—		—		(8,094)		—		—		(8,094)
Common stock dividends, \$0.69 per share		—		—		—		(80,659)		—		—		(80,659)
Issuance of 503,187 shares of common stock pursuant to stock-based compensation plans		—		5		541		—		—		—		546
Repurchase and cancellation of 4,304,239 shares of common stock under share repurchase program, including excise tax		—		(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		—		—		8,575		—		—		—		8,575
Forfeitures of 15,065 shares of unvested restricted common stock		—		—		—		—		—		—		—
Balances – June 30, 2023	\$	338,980	\$	1,131	\$	1,602,964	\$	3,026,247	\$	(159,431)	\$	1,372	\$	4,811,263

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
	(Dollars in thousands)			
Salaries and employee benefits	\$ 73,409	\$ 65,219	\$ 142,973	\$ 128,468
Net occupancy and equipment	18,421	19,476	36,395	37,560
Other operating expenses:				
Software and data processing	12,159	9,768	23,274	19,051
Deposit insurance and assessments	5,309	4,900	13,559	9,048
Professional and outside services	6,683	5,445	12,652	10,550
Advertising and public relations	6,888	3,184	10,785	7,219
Amortization of CRA and tax credit investments ⁽¹⁾	—	5,566	—	11,980
Other	14,582	15,797	31,126	31,695
Total non-interest expense	\$ 137,451	\$ 129,355	\$ 270,764	\$ 255,571

(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

	June 30, 2024		December 31, 2023	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	\$ 1,001,809	3.5%	\$ 961,338	3.6%
Non-farm/non-residential	6,479,285	22.6	5,309,239	20.1
Construction/land development	11,491,193	40.1	11,653,487	44.0
Agricultural	276,785	1.0	256,423	1.0
Multifamily residential	2,359,446	8.2	2,064,106	7.8
Total real estate	21,608,518	75.4	20,244,593	76.5
Commercial and industrial	1,499,489	5.2	1,269,610	4.8
Consumer	3,419,053	11.9	2,965,042	11.2
Other	2,146,625	7.5	1,979,830	7.5
Total loans	28,673,685	100.0%	26,459,075	100.0%
Allowance for loan losses	(407,079)		(339,394)	
Net loans	\$ 28,266,606		\$ 26,119,681	

Bank OZK
Allowance for Credit Losses
Unaudited

	Allowance for Loan Losses	Reserve for Losses on Unfunded Credit Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended June 30, 2024:			
Balances – March 31, 2024	\$ 365,935	\$ 170,952	\$ 536,887
Net charge-offs	(11,798)	—	(11,798)
Provision for credit losses	52,942	(3,930)	49,012
Balances – June 30, 2024	<u>\$ 407,079</u>	<u>\$ 167,022</u>	<u>\$ 574,101</u>
Six months ended June 30, 2024:			
Balances – December 31, 2023	\$ 339,394	\$ 161,834	\$ 501,228
Net charge-offs	(19,062)	—	(19,062)
Provision for credit losses	86,747	5,188	91,935
Balances – June 30, 2024	<u>\$ 407,079</u>	<u>\$ 167,022</u>	<u>\$ 574,101</u>
Three months ended June 30, 2023:			
Balances – March 31, 2023	\$ 222,025	\$ 171,742	\$ 393,767
Net charge-offs	(8,721)	—	(8,721)
Provision for credit losses	49,884	(8,110)	41,774
Balances – June 30, 2023	<u>\$ 263,188</u>	<u>\$ 163,632</u>	<u>\$ 426,820</u>
Six months ended June 30, 2023:			
Balances – December 31, 2022	\$ 208,858	\$ 156,419	\$ 365,277
Net charge-offs	(16,059)	—	(16,059)
Provision for credit losses	70,389	7,213	77,602
Balances – June 30, 2023	<u>\$ 263,188</u>	<u>\$ 163,632</u>	<u>\$ 426,820</u>

Bank OZK
Deposits – By Customer Type
Unaudited

	June 30, 2024		December 31, 2023	
		(Dollars in thousands)		
Non-interest bearing	\$ 4,045,666	13.5%	\$ 4,095,874	14.9%
Interest bearing:				
Consumer and commercial:				
Consumer – Non-Time	2,832,203	9.5	2,792,199	10.2
Consumer – Time	12,188,301	40.7	10,216,217	37.3
Commercial – Non-Time	2,780,634	9.3	2,439,175	8.9
Commercial – Time	906,077	3.0	767,566	2.8
Public funds	3,760,669	12.6	3,725,766	13.6
Brokered	2,860,164	9.6	2,655,317	9.7
Reciprocal	569,949	1.8	713,029	2.6
Total deposits	<u>\$ 29,943,663</u>	<u>100.0%</u>	<u>\$ 27,405,143</u>	<u>100.0%</u>

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	\$ 387,994	\$ 356,824	8.7%	\$ 764,928	\$ 701,676	9.0%
Provision for credit losses	49,012	41,774	17.3	91,935	77,602	18.5
Non-interest income	28,782	31,987	(10.0)	57,867	59,795	(3.2)
Non-interest expense	137,451	129,355	6.3	270,764	255,571	5.9
Net income	177,535	171,965	3.2	353,091	341,878	3.3
Preferred stock dividends	4,047	4,047	—	8,094	8,094	—
Net income available to common stockholders	173,496	167,917	3.3	344,987	333,771	3.4
Pre-tax pre-provision net revenue ⁽¹⁾	279,325	259,456	7.7	552,031	505,900	9.1
Common share and per common share data:						
Diluted earnings per common share	\$ 1.52	\$ 1.47	3.4%	\$ 3.03	\$ 2.88	5.2%
Basic earnings per common share	1.53	1.47	4.1	3.04	2.89	5.2
Common stock dividends per share	0.39	0.35	11.4	0.77	0.69	11.6
Book value per share	44.67	39.51	13.1	44.67	39.51	13.1
Tangible book value per common share ⁽¹⁾	38.85	33.67	15.4	38.85	33.67	15.4
Weighted-average diluted shares outstanding (thousands)	113,995	114,284	(0.3)	113,954	115,871	(1.7)
End of period shares outstanding (thousands)	113,465	113,145	0.3	113,465	113,145	0.3
Balance sheet data at period end:						
Total assets	\$ 36,836,173	\$ 30,761,870	19.7%	\$ 36,836,173	\$ 30,761,870	19.7%
Total loans	28,673,685	23,607,446	21.5	28,673,685	23,607,446	21.5
Non-purchased loans	28,455,342	23,291,785	22.2	28,455,342	23,291,785	22.2
Purchased loans	218,343	315,661	(30.8)	218,343	315,661	(30.8)
Allowance for loan losses	407,079	263,188	54.7	407,079	263,188	54.7
Foreclosed assets	71,023	62,048	14.5	71,023	62,048	14.5
Investment securities – AFS	2,981,929	3,262,366	(8.6)	2,981,929	3,262,366	(8.6)
Deposits	29,943,663	23,983,397	24.9	29,943,663	23,983,397	24.9
Other borrowings	400,943	1,104,478	(63.7)	400,943	1,104,478	(63.7)
Unfunded credit commitments	19,737,557	21,119,761	(6.5)	19,737,557	21,119,761	(6.5)

Reserve for losses on unfunded credit commitments	167,022	163,632	2.1	167,022	163,632	2.1
Preferred stock	338,980	338,980	—	338,980	338,980	—
Total common stockholders' equity ⁽¹⁾	5,068,820	4,470,911	13.4	5,068,820	4,470,911	13.4
Total tangible common stockholders' equity ⁽¹⁾	4,408,031	3,809,745	15.7	4,408,031	3,809,745	15.7
Net unrealized losses on investment securities AFS included in stockholders' equity	(100,939)	(159,431)		(100,939)	(159,431)	
Loan (including purchased loans) to deposit ratio	95.76%	98.43%		95.76%	98.43%	
Selected ratios:						
Return on average assets ⁽²⁾	1.92%	2.27%		1.94%	2.34%	
Return on average common stockholders' equity ^{(1) (2)}	13.98	15.14		14.07	15.19	
Return on average tangible common stockholders' equity ^{(1) (2)}	16.11	17.78		16.24	17.86	
Total tangible common stockholders' equity to total tangible assets ⁽¹⁾	12.19	12.66		12.19	12.66	
Net interest margin – FTE ⁽²⁾	4.68	5.32		4.70	5.43	
Efficiency ratio	32.74	33.05		32.67	33.33	
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.18	0.03		0.14	0.09	
Net charge-offs to average total loans ⁽²⁾	0.17	0.15		0.14	0.15	
Nonperforming loans to total loans ⁽⁴⁾	0.28	0.15		0.28	0.15	
Nonperforming assets to total assets ⁽⁴⁾	0.41	0.32		0.41	0.32	
Allowance for loan losses to total loans ⁽⁵⁾	1.42	1.11		1.42	1.11	
Allowance for credit losses to total loans and unfunded credit commitments	1.19	0.95		1.19	0.95	
Other information:						
Non-accrual loans ⁽⁴⁾	\$ 80,523	\$ 35,320		\$ 80,523	\$ 35,320	

- (1) See accompanying schedules for reconciliation of non-GAAP financial measures.
- (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		
	June 30, 2024	March 31, 2024	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	\$ 387,994	\$ 376,934	2.9%
Provision for credit losses	49,012	42,923	14.2
Non-interest income	28,782	29,084	(1.0)
Non-interest expense	137,451	133,314	3.1
Net income	177,535	175,555	1.1
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	173,496	171,490	1.2
Pre-tax pre-provision net revenue ⁽¹⁾	279,325	272,704	2.4
Common share and per common share data:			
Diluted earnings per common share	\$ 1.52	\$ 1.51	0.7%
Basic earnings per common share	1.53	1.51	1.3
Common stock dividends per share	0.39	0.38	2.6
Book value per share	44.67	43.44	2.8
Tangible book value per common share ⁽¹⁾	38.85	37.62	3.3
Weighted-average diluted shares outstanding (thousands)	113,995	113,883	0.1
End of period shares outstanding (thousands)	113,465	113,435	—
Balance sheet data at period end:			
Total assets	\$ 36,836,173	\$ 36,029,904	2.2%
Total loans	28,673,685	28,031,348	2.3
Non-purchased loans	28,455,342	27,781,091	2.4
Purchased loans	218,343	250,257	(12.8)
Allowance for loan losses	407,079	365,935	11.2
Foreclosed assets	71,023	60,782	16.8
Investment securities – AFS	2,981,929	3,072,391	(2.9)
Deposits	29,943,663	29,406,070	1.8
Other borrowings	400,943	202,009	98.5
Unfunded credit commitments	19,737,557	20,458,796	(3.5)
Reserve for losses on unfunded credit commitments	167,022	170,952	(2.3)
Total common stockholders' equity ⁽¹⁾	5,068,820	4,927,867	2.9
Total tangible common stockholders' equity ⁽¹⁾	4,408,031	4,267,078	3.3
Net unrealized losses on investment securities AFS included in stockholders' equity	(100,939)	(107,207)	
Loan (including purchased loans) to deposit ratio	95.76%	95.33%	
Selected ratios:			
Return on average assets ⁽²⁾	1.92%	1.96%	
Return on average common stockholders' equity ^{(1) (2)}	13.98	14.16	
Return on average tangible common stockholders' equity ^{(1) (2)}	16.11	16.38	
Total tangible common stockholders' equity to total tangible assets ⁽¹⁾	12.19	12.06	
Net interest margin – FTE ⁽²⁾	4.68	4.71	
Efficiency ratio	32.74	32.59	
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.18	0.11	
Net charge-offs to average total loans ⁽²⁾	0.17	0.11	

- (1) See accompanying schedules for reconciliation of non-GAAP financial measures.
- (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.

6/30/24	3/31/24	12/31/23	9/30/23	6/30/23
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- (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.

Three Months Ended June 30,						Six months ended June 30,					
2024			2023			2024			2023		
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	\$	2,013,116	\$	26,604	5.32%	\$	957,439	\$	11,407	4.78%	\$	1,937,493	\$	51,210	5.32%	\$	849,082	\$	19,277	4.58%
Investment securities:																				
Taxable		1,877,176		8,793	1.88		2,363,265		9,704	1.65		1,965,078		18,126	1.85		2,406,769		19,875	1.67
Tax-exempt – FTE		1,143,254		14,111	4.96		1,040,757		12,011	4.63		1,157,685		28,254	4.91		1,034,317		23,738	4.63
Non-purchased loans – FTE		28,303,265		616,720	8.76		22,368,771		472,604	8.47		27,709,736		1,203,762	8.74		21,613,844		887,640	8.28
Purchased loans		240,778		4,644	7.76		346,696		5,322	6.16		249,283		9,604	7.75		358,725		11,840	6.66
Total earning assets – FTE		33,577,589		670,872	8.04		27,076,928		511,048	7.57		33,019,275		1,310,956	7.98		26,262,737		962,370	7.39
Non-interest earning assets		2,761,795					2,587,338					2,750,997					2,552,387			
Total assets	\$	36,339,384					\$	29,664,266				\$	35,770,272				\$	28,815,124		
LIABILITIES AND STOCKHOLDERS' EQUITY																				
Interest bearing liabilities:																				
Deposits:																				
Savings and interest bearing transaction	\$	9,277,131	\$	68,593	2.97%	\$	9,075,132	\$	48,650	2.15%	\$	9,229,938	\$	135,494	2.95%	\$	9,402,496	\$	91,164	1.96%
Time deposits		16,385,329		202,211	4.96		9,650,599		87,472	3.64		15,930,851		389,632	4.92		8,612,573		138,590	3.24
Total interest bearing deposits		25,662,460		270,804	4.24		18,725,731		136,122	2.92		25,160,789		525,126	4.20		18,015,069		229,754	2.57
Other borrowings (2)		321,521		3,964	4.96		828,644		10,591	5.13		203,281		4,715	4.66		648,870		16,013	4.98
Subordinated notes		348,066		2,603	3.01		347,251		2,603	3.01		347,965		5,177	2.99		347,151		5,177	3.01
Subordinated debentures		121,652		2,471	8.17		121,652		2,306	7.60		121,652		4,944	8.17		121,645		4,545	7.54
Total interest bearing liabilities		26,453,699		279,842	4.25		20,023,278		151,622	3.04		25,833,687		539,962	4.20		19,132,735		255,489	2.69
Non-interest bearing liabilities:																				
Non-interest bearing deposits		3,893,094					4,348,639					3,996,931					4,409,684			
Other non-interest bearing liabilities		660,618					502,394					667,969					501,203			
Total liabilities		31,007,411					24,874,311					30,498,587					24,043,622			
Total stockholders' equity before noncontrolling interest		5,330,984					4,788,584					5,270,700					4,770,135			
Noncontrolling interest		989					1,371					985					1,367			
Total liabilities and stockholders' equity	\$	36,339,384					\$	29,664,266				\$	35,770,272				\$	28,815,124		
Net interest income – FTE			\$	391,030			\$	359,426				\$	770,994				\$	706,881		
Net interest margin – FTE					4.68%					5.32%					4.70%					5.43%
Core spread (1)					4.52%					5.55%					4.54%					5.71%

- (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.
- (2) The interest expense and the rates paid "other borrowings" include capitalized interest which totaled \$0.5 million and \$0.8 million for the second quarter and first six months of 2024. Capitalized interest was not material for the second quarter and first six months of 2023.

Bank OZK
Reconciliation of Non-GAAP Financial Measures
Calculation of Average Common Stockholders' Equity,
Average Tangible Common Stockholders' Equity
and the Annualized Returns on Average Common Stockholders' Equity and
Average Tangible Common Stockholders' Equity

Unaudited

	Three Months Ended			Six Months Ended	
	June 30, 2024	June 30, 2023	March 31, 2024	June 30, 2024	June 30, 2023
	(Dollars in thousands)				
Net income available to common stockholders	\$ 173,496	\$ 167,917	\$ 171,490	\$ 344,987	\$ 333,771
Average stockholders' equity before noncontrolling interest	\$ 5,330,984	\$ 4,788,584	\$ 5,210,418	\$ 5,270,700	\$ 4,770,135
Less average preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	4,992,004	4,449,604	\$ 4,871,438	4,931,720	4,431,155
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	—	(999)	—	(1,618)
Total average intangibles	(660,789)	(661,788)	(660,789)	(662,407)
Average tangible common stockholders' equity	\$ 4,331,215	\$ 3,787,816	\$ 4,210,649	\$ 4,270,931
Return on average common stockholders' equity ⁽¹⁾	13.98%	15.14%	14.16%	14.07%
Return on average tangible common stockholders' equity ⁽¹⁾	16.11%	17.78%	16.38%	16.24%
				17.86%

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

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

	June 30,		March 31,	
	2024	2023	2024	
	(In thousands, except per share amounts)			
Total stockholders' equity before noncontrolling interest	\$ 5,407,800	\$ 4,809,891	\$ 5,266,847	
Less preferred stock	(338,980)	(338,980)	(338,980)	
Total common stockholders' equity	\$ 5,068,820	\$ 4,470,911	\$ 4,927,867	
Less intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	
Core deposit and other intangible assets, net of accumulated amortization	—	(377)	—	
Total intangibles	(660,789)	(661,166)	(660,789)	
Total tangible common stockholders' equity	\$ 4,408,031	\$ 3,809,745	\$ 4,267,078	
Shares of common stock outstanding	113,465	113,145	113,435	
Book value per common share	44.67	39.51	43.44	
Tangible book value per common share	\$ 38.85	\$ 33.67	\$ 37.62	

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

	June 30,		March 31,	
	2024	2023	2024	
	(Dollars in thousands)			
Total stockholders' equity before noncontrolling interest	\$ 5,407,800	\$ 4,809,891	\$ 5,266,847	
Less preferred stock	(338,980)	(338,980)	(338,980)	
Total common stockholders' equity	\$ 5,068,820	\$ 4,470,911	\$ 4,927,867	
Less intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	
Core deposit and other intangible assets, net of accumulated amortization	—	(377)	—	
Total intangibles	(660,789)	(661,166)	(660,789)	
Total tangible common stockholders' equity	4,408,031	3,809,745	4,267,078	
Total assets	\$ 36,836,173	\$ 30,761,870	\$ 36,029,904	
Less intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	
Core deposit and other intangible assets, net of accumulated amortization	—	(377)	—	
Total intangibles	(660,789)	(661,166)	(660,789)	
Total tangible assets	\$ 36,175,384	\$ 30,100,704	\$ 35,369,115	
Ratio of total common stockholders' equity to total assets	13.76%	14.53%	13.68%	
Ratio of total tangible common stockholders' equity to total tangible assets	12.19%	12.66%	12.06%	

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended					Six Months Ended	
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	June 30, 2024	2023
	(Dollars in thousands)						
Net income available to common stockholders	\$ 173,496	\$ 171,490	\$ 171,079	\$ 169,746	\$ 167,917	\$ 344,987	\$ 333,771
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047	8,094	8,094
Earnings attributable to noncontrolling interest	(8)	18	6	37	1	10	13
Provision for income taxes	52,778	54,226	43,600	46,144	45,717	107,005	86,420
Provision for credit losses	49,012	42,923	43,832	44,036	41,774	91,935	77,602
Pre-tax pre-provision net revenue	\$ 279,325	\$ 272,704	\$ 262,564	\$ 264,010	\$ 259,456	\$ 552,031	\$ 505,900

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Source: Bank OZK