Bank OZK Announces Record Third Quarter 2024 Earnings

October 17, 2024

LITTLE ROCK, Ark., Oct. 17, 2024 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the third quarter of 2024 was $177.1 million, its eighth consecutive quarterly record and a 4.4% increase from $169.7 million for the third quarter of 2023. For the first nine months of 2024, net income available to common stockholders was $522.1 million, a 3.7% increase from $503.5 million for the first nine months of 2023.

Diluted earnings per common share for the third quarter of 2024 were $1.55, its eighth consecutive quarterly record and a 4.0% increase from $1.49 for the third quarter of 2023. For the first nine months of 2024, diluted earnings per common share were $4.58, a 4.8% increase from $4.37 for the first nine months of 2023.

Pre-tax pre-provision net revenue ("PPNR") was a record $282.6 million for the third quarter of 2024, a 7.0% increase from $264.0 million for the third quarter of 2023. For the first nine months of 2024, PPNR was $834.6 million, an 8.4% increase from $769.9 million for the first nine 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 $46.4 million for the third quarter of 2024 compared to $44.0 million for the third quarter of 2023, while our net charge-offs were only $26.0 million and $9.4 million, respectively, for those quarters. For the first nine months of 2024, provision for credit losses was $138.4 million compared to $121.6 million for the first nine months of 2023, while our net charge-offs were only $45.1 million and $25.4 million, respectively, for those nine month periods. The Bank's total allowance for credit losses ("ACL") was $594.5 million at September 30, 2024, an increase of $133.1 million or 28.8% compared to $461.5 million at September 30, 2023.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the third quarter of 2024 were 1.90%, 13.65% and 15.65%, respectively, compared to 2.13%, 14.81% and 17.33%, respectively, for the third quarter of 2023. For the first nine months of 2024, the Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity were 1.93%, 13.92%, and 16.04%, respectively, compared to 2.26%, 15.06%, and 17.68%, respectively, for the first nine 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 results for the quarter just ended giving us our eighth consecutive quarter of record net income and earnings per share and ninth consecutive quarter of record net interest income. This consistent achievement of record results has allowed us to consistently increase dividends, significantly grow capital and opportunistically repurchase shares, all while significantly increasing our allowance for credit losses."

KEY BALANCE SHEET METRICS

Loans were $29.22 billion at September 30, 2024, a 15.3% increase from $25.33 billion at September 30, 2023. Deposits were $30.57 billion at September 30, 2024, a 19.6% increase from $25.55 billion at September 30, 2023. Total assets were $37.44 billion at September 30, 2024, a 14.3% increase from $32.77 billion at September 30, 2023.

Common stockholders' equity was $5.25 billion at September 30, 2024, a 15.1% increase from $4.56 billion at September 30, 2023. Tangible common stockholders' equity was $4.59 billion at September 30, 2024, a 17.7% increase from $3.90 billion at September 30, 2023.

Book value per common share was $46.31 at September 30, 2024, a $5.96 increase from $40.35 at September 30, 2023. Tangible book value per common share was $40.49 at September 30, 2024, a $5.99 increase from $34.50 at September 30, 2023.

The Bank's strong earnings and earning retention rate, among other factors, have contributed to our robust capital ratios. The Bank's ratio of total common stockholders' equity to total assets was 14.03% at September 30, 2024, compared to 13.93% at September 30, 2023. The Bank's ratio of total tangible common stockholders' equity to total tangible assets was 12.49% at September 30, 2024, compared to 12.16% at September 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.

ASSET QUALITY

The Bank's ratio of nonperforming loans to total loans was 0.60% at September 30, 2024, compared to 0.30% at June 30, 2024 and 0.27% as of September 30, 2023. The Bank's ratio of nonperforming assets to total assets was 0.68% at September 30, 2024, compared to 0.42% at June 30, 2024 and September 30, 2023. The Bank's annualized ratio of net charge-offs to average total loans was 0.36% for the quarter and 0.21% for the first nine months of 2024, compared to 0.15% for both the third quarter and first nine months of 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 Friday, October 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, 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 $37.44 billion in total assets as of September 30, 2024. For more information, visit www.ozk.com.

Bank OZK
Consolidated Balance Sheets
Unaudited

	September 30, 2024	December 31, 2023
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 2,678,726	$ 2,149,529
Investment securities – available for sale (“AFS”)	2,952,022	3,244,371
Federal Home Loan Bank of Dallas (“FHLB”) and other bankers’ bank stocks	13,808	50,400
Loans	29,218,144	26,459,075
Allowance for loan losses	(420,058)	(339,394)
Net Loans	28,798,086	26,119,681
Premises and equipment, net	712,787	676,821
Foreclosed assets	77,949	61,720
Accrued interest receivable	173,246	170,110
Bank owned life insurance (“BOLI”)	823,598	808,490
Goodwill	660,789	660,789
Other, net	550,793	295,546
Total assets	$ 37,441,804	$ 34,237,457
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 3,855,214	$ 4,095,874
Savings and interest bearing transaction	9,303,466	9,074,296
Time	17,412,933	14,234,973
Total deposits	30,571,613	27,405,143
Other borrowings	151,035	805,318
Subordinated notes	348,370	347,761
Subordinated debentures	121,652	121,652
Reserve for losses on unfunded credit commitments	174,479	161,834
Accrued interest payable and other liabilities	481,100	255,773
Total liabilities	31,848,249	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 September 30, 2024 and December 31, 2023	338,980	338,980
Common stock: $0.01 par value; 300,000,000 shares authorized; 113,449,886 and 113,148,672 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1,135	1,131
Additional paid-in capital	1,619,832	1,612,446
Retained earnings	3,684,869	3,283,818
Accumulated other comprehensive loss	(51,957)	(97,374)
Total stockholders' equity before noncontrolling interest	5,592,859	5,139,001
Noncontrolling interest	696	975
Total stockholders' equity	5,593,555	5,139,976
Total liabilities and stockholders' equity	$ 37,441,804	$ 34,237,457

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(Dollars in thousands, except per share amounts)			
Interest income:				
Loans	$ 629,934	$ 529,031	$ 1,843,167	$ 1,428,291
Investment securities:				
Taxable	7,874	9,887	26,000	29,761
Tax-exempt	11,555	9,534	33,876	28,288
Deposits with banks	32,689	17,061	83,899	36,338
Total interest income	682,052	565,513	1,986,942	1,522,678
Interest expense:				
Deposits	286,608	178,823	811,735	408,577
Other borrowings	953	14,326	5,668	30,339
Subordinated notes	2,631	2,631	7,808	7,808
Subordinated debentures	2,462	2,472	7,405	7,017
Total interest expense	292,654	198,252	832,616	453,741
Net interest income	389,398	367,261	1,154,326	1,068,937
Provision for credit losses	46,443	44,036	138,378	121,638
Net interest income after provision for credit losses	342,955	323,225	1,015,948	947,299
Non-interest income:				
Service charges on deposit accounts:				
NSF fees	—	1,102	—	3,097
Overdraft fees	3,563	3,606	10,354	10,262
All other service charges	7,561	6,973	21,958	20,662
Trust income	2,529	2,213	6,935	6,358
BOLI income:				
Increase in cash surrender value	5,758	5,252	16,870	15,295
Death benefits	1,344	—	1,344	—
Loan service, maintenance and other fees	6,534	3,995	19,358	12,165
Gains on sales of other assets	1,303	364	2,835	5,740
Net gains (losses) on investment securities	25	(270)	560	2,066
Other	4,988	2,492	11,257	9,877
Total non-interest income	33,605	25,727	91,471	85,522
Non-interest expense:				
Salaries and employee benefits	75,324	64,107	218,297	192,576
Net occupancy and equipment	17,380	17,797	53,775	55,357
Other operating expenses	47,697	47,074	139,092	136,616
Total non-interest expense	140,401	128,978	411,164	384,549
Income before taxes	236,159	219,974	696,255	648,272
Provision for income taxes	54,953	46,144	161,958	132,564
Net income	181,206	173,830	534,297	515,708
Earnings attributable to noncontrolling interest	(12)	(37)	(22)	(50)
Preferred stock dividends	4,047	4,047	12,141	12,141
Net income available to common stockholders	$ 177,147	$ 169,746	$ 522,134	$ 503,517

Basic earnings per common share	$ 1.56	$ 1.50	$ 4.60	$ 4.39
Diluted earnings per common share	$ 1.55	$ 1.49	$ 4.58	$ 4.37

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended September 30, 2024:							
Balances – June 30, 2024	$ 338,980	$ 1,135	$1,615,101	$3,553,523	$ (100,939)	$ 985	$5,408,785
Net income	—	—	—	181,206	—	—	181,206
Earnings attributable to noncontrolling interest	—	—	—	(12)	—	12	—
Total other comprehensive income	—	—	—	—	48,982	—	48,982
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.40 per share	—	—	—	(45,801)	—	—	(45,801)
Return of capital paid to noncontrolling interest	—	—	—	—	—	(301)	(301)
Issuance of 3,197 shares of common stock pursuant to stock-based compensation plans	—	—	28	—	—	—	28
Repurchase and cancellation of 11,903 shares of common stock under share repurchase program	—	—	(462)	—	—	—	(462)
Stock-based compensation expense	—	—	5,165	—	—	—	5,165
Forfeitures of 6,646 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – September 30, 2024	$ 338,980	$ 1,135	$1,619,832	$3,684,869	$ (51,957)	$ 696	$5,593,555
Nine months ended September 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	—	—	—	534,297	—	—	534,297
Earnings attributable to noncontrolling interest	—	—	—	(22)	—	22	—
Total other comprehensive income	—	—	—	—	45,417	—	45,417
Preferred stock dividends, $0.86718 per share	—	—	—	(12,141)	—	—	(12,141)
Common stock dividends, $1.17 per share	—	—	—	(133,773)	—	—	(133,773)
Return of capital paid to noncontrolling interest	—	—	—	—	—	(301)	(301)
Issuance of 521,651 shares of common stock pursuant to stock-based compensation plans	—	6	439	—	—	—	445
Repurchase and cancellation of 11,903 shares of common stock under share repurchase program	—	—	(462)	—	—	—	(462)
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	—	—	15,417	—	—	—	15,417
Forfeitures of 24,119 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – September 30, 2024	$ 338,980	$ 1,135	$1,619,832	$3,684,869	$ (51,957)	$ 696	$5,593,555

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended September 30, 2023:							
Balances – June 30, 2023	$ 338,980	$ 1,131	$1,602,964	$3,026,247	$ (159,431)	$ 1,372	$4,811,263
Net income	—	—	—	173,830	—	—	173,830
Earnings attributable to noncontrolling interest	—	—	—	(37)	—	37	—
Total other comprehensive loss	—	—	—	—	(39,555)	—	(39,555)

Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—		(4,047)
Common stock dividends, $0.36 per share	—	—	—	(41,124)	—	—	(41,124)
Issuance of 2,446 shares of common stock pursuant to stock-based compensation plans	—	—	77	—	—	—	77
Stock-based compensation expense	—	—	4,469	—	—	—	4,469
Forfeitures of 11,663 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – September 30, 2023	$ 338,980	$ 1,131	$1,607,510	$3,154,869	$ (198,986)	$ 1,409	$4,904,913
Nine months ended September 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	—	—	—	515,708	—	—	515,708
Earnings attributable to noncontrolling interest	—	—	—	(50)	—	50	—
Total other comprehensive loss	—	—	—	—	(21,337)	—	(21,337)
Preferred stock dividends, $0.86718 per share	—	—	—	(12,141)	—		(12,141)
Common stock dividends, $1.05 per share	—	—	—	(121,783)	—	—	(121,783)
Issuance of 505,633 shares of common stock pursuant to stock-based compensation plans	—	5	618	—	—	—	623
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	—	—	13,044	—	—	—	13,044
Forfeitures of 26,728 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – September 30, 2023	$ 338,980	$ 1,131	$1,607,510	$3,154,869	$ (198,986)	$ 1,409	$4,904,913

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(Dollars in thousands)			
Salaries and employee benefits	$ 75,324	$ 64,107	$ 218,297	$ 192,576
Net occupancy and equipment	17,380	17,797	53,775	55,357
Other operating expenses:				
Software and data processing	12,742	9,584	36,016	28,634
Deposit insurance and assessments	6,050	5,500	19,609	14,548
Professional and outside services	5,620	4,640	18,272	15,190
Advertising and public relations	6,089	3,779	16,874	10,998
Amortization of CRA and tax credit investments[(1)]	—	8,171	—	20,151
Other	17,196	15,400	48,321	47,095
Total non-interest expense	$ 140,401	$ 128,978	$ 411,164	$ 384,549

(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

	September 30, 2024		December 31, 2023	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,075,912	3.7%	$ 961,338	3.6%
Non-farm/non-residential	7,924,453	27.1	5,309,239	20.1
Construction/land development	9,827,974	33.6	11,653,487	44.0
Agricultural	274,703	0.9	256,423	1.0
Multifamily residential	3,058,056	10.5	2,064,106	7.8
Total real estate	22,161,098	75.8	20,244,593	76.5
Commercial and industrial	1,632,110	5.6	1,269,610	4.8
Consumer	3,565,400	12.2	2,965,042	11.2
Other	1,859,536	6.4	1,979,830	7.5
Total loans	29,218,144	100.0%	26,459,075	100.0%

Allowance for loan losses	(420,058)	(339,394)
Net loans	$ 28,798,086	$ 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 September 30, 2024:			
Balances – June 30, 2024	$ 407,079	$ 167,022	$ 574,101
Net charge-offs	(26,007)	—	(26,007)
Provision for credit losses	38,986	7,457	46,443
Balances – September 30, 2024	$ 420,058	$ 174,479	$ 594,537
Nine months ended September 30, 2024:			
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Net charge-offs	(45,069)	—	(45,069)
Provision for credit losses	125,733	12,645	138,378
Balances – September 30, 2024	$ 420,058	$ 174,479	$ 594,537
Three months ended September 30, 2023:			
Balances – June 30, 2023	$ 263,188	$ 163,632	$ 426,820
Net charge-offs	(9,370)	—	(9,370)
Provision for credit losses	49,540	(5,504)	44,036
Balances – September 30, 2023	$ 303,358	$ 158,128	$ 461,486
Nine months ended September 30, 2023:			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(25,429)	—	(25,429)
Provision for credit losses	119,929	1,709	121,638
Balances – September 30, 2023	$ 303,358	$ 158,128	$ 461,486

Bank OZK
Deposits – By Customer Type
Unaudited

	September 30, 2024		December 31, 2023	
	(Dollars in thousands)			
Non-interest bearing	$ 3,855,214	12.6%	$ 4,095,874	14.9%
Interest bearing:				
Consumer and commercial:				
Consumer – non-time	2,854,094	9.3	2,792,199	10.2
Consumer – time	13,133,060	43.0	10,216,217	37.3
Commercial – non-time	2,819,146	9.2	2,439,175	8.9
Commercial – time	971,632	3.2	767,566	2.8
Public funds	3,628,461	11.9	3,725,766	13.6
Brokered	2,716,206	8.9	2,655,317	9.7
Reciprocal	593,800	1.9	713,029	2.6
Total deposits	$ 30,571,613	100.0%	$ 27,405,143	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended September 30,	Nine Months Ended September 30,

	2024	2023	% Change	2024	2023	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 389,398	$ 367,261	6.0%	$ 1,154,326	$ 1,068,937	8.0%
Provision for credit losses	46,443	44,036	5.5	138,378	121,638	13.8
Non-interest income	33,605	25,727	30.6	91,471	85,522	7.0
Non-interest expense	140,401	128,978	8.9	411,164	384,549	6.9
Net income	181,206	173,830	4.2	534,297	515,708	3.6
Preferred stock dividends	4,047	4,047	—	12,141	12,141	—
Net income available to common stockholders	177,147	169,746	4.4	522,134	503,517	3.7
Pre-tax pre-provision net revenue(1)	282,602	264,010	7.0	834,633	769,910	8.4
Common share and per common share data:						
Diluted earnings per common share	$ 1.55	$ 1.49	4.0%	$ 4.58	$ 4.37	4.8%
Basic earnings per common share	1.56	1.50	4.0	4.60	4.39	4.8
Common stock dividends per share	0.40	0.36	11.1	1.17	1.05	11.4
Book value per share	46.31	40.35	14.8	46.31	40.35	14.8
Tangible book value per common share(1)	40.49	34.50	17.4	40.49	34.50	17.4
Weighted-average diluted shares outstanding (thousands)	114,031	113,770	0.2	113,988	115,226	(1.1)
End of period shares outstanding (thousands)	113,450	113,136	0.3	113,450	113,136	0.3
Balance sheet data at period end:						
Total assets	$ 37,441,804	$ 32,767,328	14.3%	$ 37,441,804	$ 32,767,328	14.3%
Loans	29,218,144	25,331,740	15.3	29,218,144	25,331,740	15.3
Allowance for loan losses	420,058	303,358	38.5	420,058	303,358	38.5
Foreclosed assets	77,949	68,738	13.4	77,949	68,738	13.4
Investment securities – AFS	2,952,022	3,153,817	(6.4)	2,952,022	3,153,817	(6.4)
Deposits	30,571,613	25,552,856	19.6	30,571,613	25,552,856	19.6
Other borrowings	151,035	1,430,192	(89.4)	151,035	1,430,192	(89.4)
Unfunded credit commitments	19,307,972	20,625,371	(6.4)	19,307,972	20,625,371	(6.4)
Reserve for losses on unfunded credit commitments	174,479	158,128	10.3	174,479	158,128	10.3
Preferred stock	338,980	338,980	—	338,980	338,980	—
Total common stockholders' equity (1)	5,253,879	4,564,524	15.1	5,253,879	4,564,524	15.1
Total tangible common stockholders' equity(1)	4,593,090	3,903,735	17.7	4,593,090	3,903,735	17.7
Net unrealized losses on investment securities AFS included in stockholders' equity	(51,957)	(198,986)		(51,957)	(198,986)	
Loan to deposit ratio	95.57%	99.13%		95.57%	99.13%	
Selected ratios:						
Return on average assets(2)	1.90%	2.13%		1.93%	2.26%	
Return on average common stockholders' equity (1)(2)	13.65	14.81		13.92	15.06	
Return on average tangible common stockholders' equity (1)(2)	15.65	17.33		16.04	17.68	
Total tangible common stockholders' equity to total tangible assets(1)	12.49	12.16		12.49	12.16	
Net interest margin – FTE(2)	4.55	5.05		4.64	5.29	
Efficiency ratio	32.95	32.60		32.76	33.09	
Net charge-offs to average total loans(2)	0.36	0.15		0.21	0.15	
Nonperforming loans to total loans	0.60	0.27		0.60	0.27	
Nonperforming assets to total assets	0.68	0.42		0.68	0.42	
Allowance for loan losses to total loans	1.44	1.20		1.44	1.20	
Allowance for credit losses to total loans and unfunded credit commitments	1.23	1.00		1.23	1.00	
Other information:						
Non-accrual loans	$ 175,665	$ 68,233		$ 175,665	$ 68,233	

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

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

Bank OZK
Selected Consolidated Financial Data (continued)
Unaudited

	Three Months Ended		
	September 30, 2024	June 30, 2024	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 389,398	$ 387,994	0.4%
Provision for credit losses	46,443	49,012	(5.2)
Non-interest income	33,605	28,782	16.8
Non-interest expense	140,401	137,451	2.1
Net income	181,206	177,535	2.1

Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	177,147	173,496	2.1
Pre-tax pre-provision net revenue[1]	282,602	279,325	1.2
Common share and per common share data:			
Diluted earnings per common share	$ 1.55	$ 1.52	2.0%
Basic earnings per common share	1.56	1.53	2.0
Common stock dividends per share	0.40	0.39	2.6
Book value per share	46.31	44.67	3.7
Tangible book value per common share[1]	40.49	38.85	4.2
Weighted-average diluted shares outstanding (thousands)	114,031	113,995	—
End of period shares outstanding (thousands)	113,450	113,465	—
Balance sheet data at period end:			
Total assets	$ 37,441,804	$ 36,836,173	1.6%
Loans	29,218,144	28,673,685	1.9
Allowance for loan losses	420,058	407,079	3.2
Foreclosed assets	77,949	71,023	9.8
Investment securities – AFS	2,952,022	2,981,929	(1.0)
Deposits	30,571,613	29,943,663	2.1
Other borrowings	151,035	400,943	(62.3)
Unfunded credit commitments	19,307,972	19,737,557	(2.2)
Reserve for losses on unfunded credit commitments	174,479	167,022	4.5
Total common stockholders' equity [1]	5,253,879	5,068,820	3.7
Total tangible common stockholders' equity[1]	4,593,090	4,408,031	4.2
Net unrealized losses on investment securities AFS included in stockholders' equity	(51,957)	(100,939)	
Loan to deposit ratio	95.57%	95.76%	
Selected ratios:			
Return on average assets[2]	1.90%	1.92%	
Return on average common stockholders' equity [1][2]	13.65	13.98	
Return on average tangible common stockholders' equity [1][2]	15.65	16.11	
Total tangible common stockholders' equity to total tangible assets[1]	12.49	12.19	
Net interest margin – FTE[2]	4.55	4.68	
Efficiency ratio	32.95	32.74	
Net charge-offs to average total loans[2]	0.36	0.17	
Nonperforming loans to total loans	0.60	0.30	
Nonperforming assets to total assets	0.68	0.42	
Allowance for loan losses to total loans	1.44	1.42	
Allowance for credit losses to total loans and unfunded credit commitments	1.23	1.19	
Other information:			
Non-accrual loans	$ 175,665	$ 85,265	

[1] See accompanying schedules for reconciliation of non-GAAP financial measures.

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

Bank OZK
Supplemental Quarterly Financial Data
Unaudited

	9/30/24	6/30/24	3/31/24	12/31/23	9/30/23
	(Dollars in thousands, except per share amounts)				
Earnings summary:					
Net interest income	$ 389,398	$ 387,994	$ 376,934	$ 370,548	$ 367,261
Fully taxable equivalent – FTE adjustment	3,151	3,037	3,030	2,925	2,632
Net interest income – FTE	392,549	391,031	379,964	373,473	369,893
Provision for credit losses	(46,443)	(49,012)	(42,923)	(43,832)	(44,036)
Non-interest income	33,605	28,782	29,084	37,027	25,727
Non-interest expense	(140,401)	(137,451)	(133,314)	(145,011)	(128,978)
Pre-tax income – FTE	239,310	233,350	232,811	221,657	222,606
FTE adjustment	(3,151)	(3,037)	(3,030)	(2,925)	(2,632)
Provision for income taxes	(54,953)	(52,778)	(54,226)	(43,600)	(46,144)
Noncontrolling interest	(12)	8	(18)	(6)	(37)
Preferred stock dividend	(4,047)	(4,047)	(4,047)	(4,047)	(4,047)
Net income available to common stockholders	$ 177,147	$ 173,496	$ 171,490	$ 171,079	$ 169,746
Earnings per common share – diluted	$ 1.55	$ 1.52	$ 1.51	$ 1.50	$ 1.49
Pre-tax pre-provision net revenue[1]	$ 282,602	$ 279,325	$ 272,704	$ 262,564	$ 264,010
Selected balance sheet data at period end:					
Total assets	$ 37,441,804	$ 36,836,173	$ 36,029,904	$ 34,237,457	$ 32,767,328
Loans	29,218,144	28,673,685	28,031,348	26,459,075	25,331,740
Investment securities – AFS	2,952,022	2,981,929	3,072,391	3,244,371	3,153,817

Deposits	30,571,613	29,943,663	29,406,070	27,405,143	25,552,856
Unfunded credit commitments	19,307,972	19,737,557	20,458,796	20,561,029	20,625,371
Allowance for credit losses:					
Balance at beginning of period	$ 574,101	$ 536,887	$ 501,228	$ 461,486	$ 426,820
Net charge-offs	(26,007)	(11,798)	(7,264)	(4,090)	(9,370)
Provision for credit losses	46,443	49,012	42,923	43,832	44,036
Balance at end of period	$ 594,537	$ 574,101	$ 536,887	$ 501,228	$ 461,486
Allowance for loan losses	$ 420,058	$ 407,079	$ 365,935	$ 339,394	$ 303,358
Reserve for losses on unfunded credit commitments	174,479	167,022	170,952	161,834	158,128
Total allowance for credit losses	$ 594,537	$ 574,101	$ 536,887	$ 501,228	$ 461,486
Selected ratios:					
Net interest margin – FTE[2]	4.55%	4.68%	4.71%	4.82%	5.05%
Efficiency ratio	32.95	32.74	32.59	35.33	32.60
Net charge-offs to average total loans	0.36	0.17	0.11	0.06	0.15
Nonperforming loans to total loans	0.60	0.30	0.22	0.25	0.27
Nonperforming assets to total assets	0.68	0.42	0.34	0.38	0.42
Allowance for loan losses to total loans	1.44	1.42	1.31	1.28	1.20
Allowance for credit losses to total loans and unfunded credit commitments	1.23	1.19	1.11	1.07	1.00
Loans past due 30 days or more, including past due non-accrual loans, to total loans	0.14	0.17	0.18	0.21	0.22

(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.

Bank OZK
Average Consolidated Balance Sheets and Net Interest Analysis – FTE
Unaudited

	Three Months Ended September 30,						Nine Months Ended September 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	$ 2,411,007	$ 32,689	5.39%	$ 1,312,533	$ 17,061	5.16%	$ 2,096,483	$ 83,899	5.35%	$ 1,005,263	$ 36,338	4.83%
Investment securities:												
Taxable	1,779,675	7,874	1.76	2,243,378	9,887	1.75	1,902,826	26,000	1.83	2,351,707	29,761	1.69
Tax-exempt – FTE	1,204,528	14,627	4.83	1,031,685	12,068	4.64	1,173,413	42,882	4.88	1,033,430	35,807	4.63
Total loans - FTE	28,957,386	630,013	8.66	24,461,488	529,129	8.58	28,294,238	1,843,379	8.70	22,811,326	1,428,609	8.37
Total earning assets – FTE	34,352,596	685,203	7.94	29,049,084	568,145	7.76	33,466,960	1,996,160	7.97	27,201,726	1,530,515	7.52
Non-interest earning assets	2,713,462			2,557,808			2,738,394			2,554,214		
Total assets	$37,066,058			$31,606,892			$36,205,354			$29,755,940		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,156,941	$ 68,903	2.99%	$ 8,806,690	$ 56,169	2.53%	$ 9,205,428	$ 204,398	2.97%	$ 9,201,712	$ 147,334	2.14%
Time deposits	17,286,964	217,705	5.01	11,606,189	122,654	4.19	16,386,188	607,337	4.95	9,621,410	261,243	3.63
Total interest bearing deposits	26,443,905	286,608	4.31	20,412,879	178,823	3.48	25,591,616	811,735	4.24	18,823,122	408,577	2.90
Other borrowings[1]	120,203	953	3.15	1,048,566	14,326	5.42	175,386	5,668	4.32	783,566	30,339	5.20
Subordinated notes	348,270	2,631	3.01	347,456	2,631	3.00	348,067	7,808	3.00	347,254	7,808	3.01
Subordinated debentures	121,652	2,462	8.05	121,652	2,472	8.06	121,652	7,405	8.13	121,647	7,017	7.71
Total interest bearing liabilities	27,034,030	292,654	4.31	21,930,553	198,252	3.59	26,236,721	832,616	4.24	20,075,589	453,741	3.02

Non-interest bearing liabilities:								
Non-interest bearing deposits	3,866,808		4,294,191		3,953,241		4,370,763	
Other non-interest bearing liabilities	661,754		495,147		665,882		499,163	
Total liabilities	31,562,592		26,719,891		30,855,844		24,945,515	
Total stockholders' equity before noncontrolling interest	5,502,526		4,885,620		5,348,540		4,809,053	
Noncontrolling interest	940		1,381		970		1,372	
Total liabilities and stockholders' equity	$37,066,058		$31,606,892		$36,205,354		$29,755,940	
Net interest income – FTE		$392,549		$369,893		$1,163,544		$1,076,774
Net interest margin – FTE		4.55%		5.05%		4.64%		5.29%

(1) The interest expense and the rates paid related to "other borrowings" include capitalized interest which totaled $0.7 million and $1.5 million for the third quarter and first nine months of 2024. Capitalized interest was not material
for the third quarter and first nine months of 2023. Excluding capitalized interest from the "other borrowings" expense calculation would result in a rate of 5.42% and 5.46% for the third quarter and first nine months of 2024.

Bank OZK
Reconciliation of Non-GAAP Financial Measures

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

Unaudited

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2024	Sept. 30, 2023	June 30 2024	Sept. 30, 2024	Sept. 30, 2023
	(Dollars in thousands)				
Net income available to common stockholders	$ 177,147	$ 169,746	$ 173,496	$ 522,134	$ 503,517
Average stockholders' equity before noncontrolling interest	$ 5,502,526	$ 4,885,620	$ 5,330,984	$ 5,348,540	$ 4,809,053
Less average preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	5,163,546	4,546,640	4,992,004	5,009,560	4,470,073
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	—	—	—	—	(1,098)
Total average intangibles	(660,789)	(660,789)	(660,789)	(660,789)	(661,887)
Average tangible common stockholders' equity	$ 4,502,757	$ 3,885,851	$ 4,331,215	$ 4,348,771	$ 3,808,186
Return on average common stockholders' equity (1)	13.65%	14.81%	13.98%	13.92%	15.06%
Return on average tangible common stockholders' equity (1)	15.65%	17.33%	16.11%	16.04%	17.68%

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

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

	September 30,		June 30,
	2024	2023	2024
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 5,592,859	$ 4,903,504	$ 5,407,800
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 5,253,879	$ 4,564,524	$ 5,068,820
Less goodwill	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 4,593,090	$ 3,903,735	$ 4,408,031
Shares of common stock outstanding	113,450	113,136	113,465

Book value per common share	$ 46.31	$ 40.35	$ 44.67
Tangible book value per common share	$ 40.49	$ 34.50	$ 38.85

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

Unaudited

	September 30,		June 30,
	2024	2023	2024
	(Dollars in thousands)		
Total stockholders' equity before noncontrolling interest	$ 5,592,859	$ 4,903,504	$ 5,407,800
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 5,253,879	$ 4,564,524	$ 5,068,820
Less goodwill	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	4,593,090	3,903,735	4,408,031
Total assets	$ 37,441,804	$ 32,767,328	$ 36,836,173
Less goodwill	$ (660,789)	$ (660,789)	$ (660,789)
Total tangible assets	$ 36,781,015	$ 32,106,539	$ 36,175,384
Ratio of total common stockholders' equity to total assets	14.03%	13.93%	13.76%
Ratio of total tangible common stockholders' equity to total tangible assets	12.49%	12.16%	12.19%

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended					Nine Months Ended	
	Sept 30, 2024	June 30, 2024	Mar 31, 2024	Dec 31, 2023	Sept 30, 2023	September 30, 2024	2023
	(Dollars in thousands)						
Net income available to common stockholders	$ 177,147	$ 173,496	$ 171,490	$ 171,079	$ 169,746	$ 522,134	$ 503,517
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047	12,141	12,141
Earnings attributable to noncontrolling interest	12	(8)	18	6	37	22	50
Provision for income taxes	54,953	52,778	54,226	43,600	46,144	161,958	132,564
Provision for credit losses	46,443	49,012	42,923	43,832	44,036	138,378	121,638
Pre-tax pre-provision net revenue	$ 282,602	$ 279,325	$ 272,704	$ 262,564	$ 264,010	$ 834,633	$ 769,910

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Source: Bank OZK