Bank OZK Announces Second Quarter 2020 Earnings

July 23, 2020

LITTLE ROCK, Ark., July 23, 2020 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the second quarter of 2020 was $50.3 million, a 54.5% decrease from $110.5 million for the second quarter of 2019. Diluted earnings per common share for the second quarter of 2020 were $0.39, a 54.7% decrease from $0.86 for the second quarter of 2019.

For the six months ended June 30, 2020, net income was $62.1 million, a 71.9% decrease from $221.2 million for the first six months of 2019. Diluted earnings per common share for the first six months of 2020 were $0.48, a 71.9% decrease from $1.71 for the first six months of 2019.

The COVID-19 pandemic significantly affected the global economy in the first half of 2020. The sudden and severe economic downturn, combined with the implementation of the current expected credit losses ("CECL") method to calculate the Bank's allowance for credit losses ("ACL") and uncertain future economic projections, resulted in the Bank incurring provision for credit losses of $72.0 million in the second quarter and $189.7 million in the first six months of 2020, resulting in a total ACL of $374.5 million at June 30, 2020.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the second quarter of 2020 were 0.78%, 4.92% and 5.89%, respectively, compared to 1.95%, 11.29% and 13.70%, respectively, for the second quarter of 2019. The Bank's annualized returns on average assets, average common stockholder's equity and average tangible stockholders' equity for the first six months of 2020 were 0.50%, 3.04% and 3.64%, respectively, compared to 1.97%, 11.52%, and 14.04%, respectively, for the first six months of 2019. The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "We have continued our long-standing focus on our team members, our customers, serving the communities in which we operate and delivering favorable returns for shareholders. Our strong credit culture and consistent discipline have been important ingredients in our success, and we believe they have positioned us well for the current economic environment."

KEY BALANCE SHEET METRICS

Total loans were $19.31 billion at June 30, 2020, a 10.4% increase from $17.49 billion at June 30, 2019. Non-purchased loans, which exclude loans acquired in previous acquisitions, were $18.25 billion at June 30, 2020, a 15.6% increase from $15.79 billion at June 30, 2019. Purchased loans, which consist of loans acquired in previous acquisitions, were $1.06 billion at June 30, 2020, a 37.4% decrease from $1.70 billion at June 30, 2019.

Deposits were $20.72 billion at June 30, 2020, a 14.0% increase from $18.19 billion at June 30, 2019. Total assets were $26.38 billion at June 30, 2020, a 14.9% increase from $22.96 billion at June 30, 2019.

Common stockholders' equity was $4.11 billion at June 30, 2020, a 2.9% increase from $3.99 billion at June 30, 2019. Tangible common stockholders' equity was $3.43 billion at June 30, 2020, a 3.9% increase from $3.30 billion at June 30, 2019. Book value per common share was $31.78 at June 30, 2020, a 2.6% increase from $30.97 at June 30, 2019. Tangible book value per common share was $26.53 at June 30, 2020, a 3.6% increase from $25.61 at June 30, 2019. The calculations of the Bank's tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets was 15.58% at June 30, 2020 compared to 17.39% at June 30, 2019. Its ratio of total tangible common stockholders' equity to total tangible assets was 13.35% at June 30, 2020 compared to 14.83% at June 30, 2019. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

In connection with this release, the Bank released management's comments on its quarterly results, which are available at http://ir.ozk.com. This release should be read in conjunction with management's comments on the quarterly results.

Management will conduct a conference call to take questions on these quarterly results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on July 24, 2020. Interested parties may listen to this call by dialing 1-844-818-5110 (U.S. and Canada) or 210-229-8841 (internationally) and asking for the Bank OZK conference call. A recorded playback of the call will be available for one week following the call at 1-855-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The passcode for this playback is 4695153. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

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 http://ir.ozk.com. To receive automated email alerts for these materials, please visit http://ir.ozk.com/EmailNotification 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 tangible common stockholders' equity, tangible book value per common share, total tangible common stockholders' equity, the ratio of total tangible common stockholders' equity to total tangible assets and pre-tax pre-provision net revenue, to assess the strength of its capital, its ability to generate earnings on tangible capital invested by its shareholders and trends in its core earnings. These measures typically adjust GAAP financial measures to exclude intangible assets and 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, nor are they 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."

STATEMENT REGARDING IMPACT OF COVID-19 PANDEMIC

The Bank prioritizes the health and safety of its employees and customers, and it will continue to do so throughout the duration of the pandemic. At the same time, the Bank remains focused on improving shareholder value, managing credit exposure, managing expenses, enhancing the customer experience and supporting the communities it serves.

In management's comments on its quarterly results (released simultaneously with this news release) and in its earnings conference call, the Bank has sought and will seek to describe the historical and future impact of the COVID-19 pandemic on the Bank's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, including the information and discussions regarding the increases in its provision and allowance for credit losses and the discussion regarding negative pressure to its net interest margin. Although the Bank believes that the statements that pertain to future events, results and trends and their impact on the Bank's business are reasonable at the present time, those statements are not historical facts and are based upon current assumptions, expectations, estimates and projections, many of which, by their nature, are beyond the Bank's control. Accordingly, all discussions regarding future events, results and trends and their impact on the Bank's business, even in the near term, are necessarily uncertain given the fluid and evolving nature of the pandemic.

If the health, logistical or economic effects of the pandemic worsen, or if the assumptions, expectations, estimates or projections that underlie the Bank's statements regarding future effects or trends prove to be incorrect, then the Bank's actual assets, business, cash flows, financial condition, liquidity, prospects and results of operations may be materially and adversely impacted in ways that the Bank cannot reasonably forecast. Accordingly, when reading this news release and the accompanying prepared remarks from management on its quarterly results and when listening to the earnings conference call, undue reliance should not be placed upon any statement pertaining to future events, results and trends and their impact on the Bank's business in future periods.

FORWARD-LOOKING STATEMENTS

This 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 implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the proposed phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; 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; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those in response to the coronavirus (COVID-19) pandemic; changes in U.S. Government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Bank's operational or security systems or infrastructure, or those of third parties with whom it does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the global economy and financial markets; international or political instability; impairment of our goodwill or other intangible assets; adoption of new accounting standards, including the effects from the adoption of the CECL model on January 1, 2020, 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 press release or as detailed from time to time in the other public reports the Bank files with the FDIC, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form 10-K for the year ended December 31, 2019 and its 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 projected 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. Bank OZK is the #1 capitalized bank among the nation's top 100 largest publicly traded U.S. banks by asset size, based on Tier 1 Leverage Capital Ratio at March 31, 2020, according to data obtained from S&P Global Market Intelligence. Bank OZK was named Best Bank in the South for 2019-2020 by Money, the personal finance news and advice brand. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations through more than 250 offices in Arkansas, Georgia, Florida, North Carolina, Texas, Alabama, South Carolina, California, New York and Mississippi. Bank OZK can be found at www.ozk.com and on Facebook, Twitter and LinkedIn or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

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Bank OZK
Consolidated Balance Sheets
Unaudited

	June 30, 2020	December 31, 2019
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 1,646,070	$ 1,495,757
Investment securities — available for sale ("AFS")	3,299,944	2,277,389
Federal Home Loan Bank of Dallas and other banker's bank stocks	50,742	21,855
Non-purchased loans	18,247,431	16,224,539
Purchased loans	1,063,647	1,307,504
Allowance for loan losses	(306,196)	(108,525)
Net loans	19,004,882	17,423,518
Premises and equipment, net	732,674	711,541
Foreclosed assets	18,328	19,096
Accrued interest receivable	82,729	75,208
Bank owned life insurance ("BOLI")	748,193	738,860
Goodwill and intangible assets, net	679,166	684,542
Other, net	117,681	107,962
Total assets	$ 26,380,409	$ 23,555,728
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	$ 3,696,306	$ 2,795,251
Savings and interest bearing transaction	7,447,640	8,307,607
Time	9,579,652	7,371,401
Total deposits	20,723,598	18,474,259
Repurchase agreements with customers	9,277	11,249
Other borrowings	903,696	351,387
Subordinated notes	223,854	223,663
Subordinated debentures	120,194	119,916
Reserve for losses on unfunded loan commitments	68,298	—
Accrued interest payable and other liabilities	217,726	221,786
Total liabilities	22,266,643	19,402,260
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; $0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at June 30, 2020 or December 31, 2019	—	—
Common stock; $0.01 par value; 300,000,000 shares authorized; 129,350,301 and 128,951,024 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	1,293	1,289
Additional paid-in capital	2,257,867	2,251,824
Retained earnings	1,788,329	1,869,983
Accumulated other comprehensive income	63,177	27,255

Total stockholders' equity before noncontrolling interest	4,110,666	4,150,351
Noncontrolling interest	3,100	3,117
Total stockholders' equity	4,113,766	4,153,468
Total liabilities and stockholders' equity	$ 26,380,409	$ 23,555,728

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 232,816	$ 250,081	$ 464,669	$ 495,946
Purchased loans	17,087	28,519	38,474	58,714
Investment securities:				
Taxable	11,055	13,585	21,814	28,481
Tax-exempt	5,846	3,693	9,443	7,567
Deposits with banks and federal funds sold	330	941	4,706	1,354
Total interest income	267,134	296,819	539,106	592,062
Interest expense:				
Deposits	45,251	67,392	102,933	130,479
Repurchase agreements with customers	6	11	13	33
Other borrowings	963	19	1,013	1,408
Subordinated notes	3,172	3,181	6,344	6,326
Subordinated debentures	1,149	1,680	2,436	3,392
Total interest expense	50,541	72,283	112,739	141,638
Net interest income	216,593	224,536	426,367	450,424
Provision for credit losses	72,026	6,769	189,689	13,450
Net interest income after provision for loan losses	144,567	217,767	236,678	436,974
Non-interest income:				
Service charges on deposit accounts	8,281	10,291	18,290	20,014
Trust income	1,759	1,839	3,698	3,569
BOLI income:				
Increase in cash surrender value	5,057	5,178	10,124	10,340
Death benefits	—	—	608	—
Loan service, maintenance and other fees	3,394	4,565	7,110	9,438
Other income from purchased loans	—	1,455	—	2,251
Gains on sales of other assets	621	402	783	686
Net gains on investment securities	—	713	2,223	713
Other	2,479	2,160	6,435	3,664
Total non-interest income	21,591	26,603	49,271	50,675
Non-interest expense:				
Salaries and employee benefits	48,410	47,558	99,883	92,425
Net occupancy and equipment	15,756	14,587	31,086	29,338
Other operating expenses	36,787	36,986	73,409	74,046
Total non-interest expense	100,953	99,131	204,378	195,809
Income before taxes	65,205	145,239	81,571	291,840
Provision for income taxes	14,948	34,726	19,456	70,615
Net income	50,257	110,513	62,115	221,225
Earnings attributable to noncontrolling interest	9	(10)	17	(16)
Net income available to common stockholders	$ 50,266	$ 110,503	$ 62,132	$ 221,209
Basic earnings per common share	$ 0.39	$ 0.86	$ 0.48	$ 1.72
Diluted earnings per common share	$ 0.39	$ 0.86	$ 0.48	$ 1.71

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Three months ended June 30, 2020:						
Balances – March 31, 2020	$ 1,293	$ 2,253,991	$ 1,772,978	$ 54,888	$ 3,109	$ 4,086,259
Net income	—	—	50,257	—	—	50,257
Earnings attributable to noncontrolling interest	—	—	9	—	(9)	—
Total other comprehensive income	—	—	—	8,289	—	8,289
Common stock dividends paid, $0.27 per share	—	—	(34,915)	—	—	(34,915)
Issuance of 46,676 shares of unvested restricted common stock	—	—	—	—	—	—
Stock-based compensation expense	—	3,876	—	—	—	3,876
Forfeitures of 20,810 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – June 30, 2020	$ 1,293	$ 2,257,867	$ 1,788,329	$ 63,177	$ 3,100	$ 4,113,766
Six months ended June 30, 2020:						
Balances – December 31, 2019	$ 1,289	$ 2,251,824	$ 1,869,983	$ 27,255	$ 3,117	$ 4,153,468
Cumulative effect of change in accounting principle	—	—	(75,344)	—	—	(75,344)
Balances – January 1, 2020	1,289	2,251,824	1,794,639	27,255	3,117	4,078,124
Net income	—	—	62,115	—	—	62,115
Earnings attributable to noncontrolling interest	—	—	17	—	(17)	—
Total other comprehensive income	—	—	—	35,922	—	35,922
Common stock dividends paid, $0.53 per share	—	—	(68,442)	—	—	(68,442)
Issuance of 4,300 shares of common stock for exercise of stock options	—	45	—	—	—	45
Issuance of 493,761 shares of unvested restricted common stock	5	(5)	—	—	—	—
Repurchase and cancellation of 61,873 shares of common stock	(1)	(1,852)	—	—	—	(1,853)
Stock-based compensation expense	—	7,855	—	—	—	7,855
Forfeitures of 36,911 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – June 30, 2020	$ 1,293	$ 2,257,867	$ 1,788,329	$ 63,177	$ 3,100	$ 4,113,766

Bank OZK
Consolidated Statements of Stockholders' Equity (Continued)
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Three months ended June 30, 2019:						
Balances – March 31, 2019	$ 1,289	$ 2,239,404	$ 1,647,626	$ (5,676)	$ 3,121	$ 3,885,764
Net income	—	—	110,513	—	—	110,513
Earnings attributable to noncontrolling interest	—	—	(10)	—	10	—
Total other comprehensive income	—	—	—	25,369	—	25,369
Common stock dividends paid, $0.23 per share	—	—	(29,643)	—	—	(29,643)
Issuance of 27,250 shares of common stock for exercise of stock options	1	489	—	—	—	490
Issuance of 22,200 shares of unvested restricted common stock	—	—	—	—	—	—
Stock-based compensation expense	—	3,885	—	—	—	3,885
Forfeiture of 50,262 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – June 30, 2019	$ 1,289	$ 2,243,779	$ 1,728,486	$ 19,693	$ 3,131	$ 3,996,378
Six months ended June 30, 2019:						
Balances – December 31, 2018	$ 1,286	$ 2,237,948	$ 1,565,201	$ (34,105)	$ 3,035	$ 3,773,365
Net income	—	—	221,225	—	—	221,225
Earnings attributable to noncontrolling interest	—	—	(16)	—	16	—
Total other comprehensive income	—	—	—	53,798	—	53,798
Common stock dividends paid, $0.45 per share	—	—	(57,924)	—	—	(57,924)
Noncontrolling interest cash contribution	—	—	—	—	80	80

Issuance of 56,550 shares of common stock for exercise of stock options	1	876	—	—	—	877
Issuance of 406,074 shares of unvested restricted common stock	4	(4)	—	—	—	—
Repurchase and cancellation of 62,742 shares of common stock	(1)	(1,646)	—	—	—	(1,647)
Stock-based compensation expense	—	6,604	—	—	—	6,604
Forfeiture of 64,215 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – June 30, 2019	$ 1,289	$ 2,243,779	$ 1,728,486	$ 19,693	$ 3,131	$ 3,996,378

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Dollars in thousands)			
Salaries and employee benefits	$ 48,410	$ 47,558	$ 99,883	$ 92,425
Net occupancy and equipment	15,756	14,587	31,086	29,338
Other operating expenses:				
Professional and outside services	7,939	8,105	14,982	16,669
Software and data processing	5,145	4,757	10,119	9,466
Deposit insurance and assessments	4,585	3,488	8,005	7,140
Telecommunication services	2,334	2,810	4,511	6,154
Postage and supplies	1,892	2,058	3,945	4,161
Advertising and public relations	1,704	1,671	3,407	3,353
Travel and meals	710	2,939	2,812	5,608
ATM expense	1,002	1,099	2,162	2,086
Loan collection and repossession expense	857	918	1,551	1,901
Writedowns of foreclosed assets	720	594	1,599	1,155
Amortization of intangibles	2,582	3,012	5,377	6,157
Other	7,317	5,535	14,939	10,196
Total non-interest expense	$ 100,953	$ 99,131	$ 204,378	$ 195,809

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	June 30, 2020		December 31, 2019	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,002,627	5.2%	$ 998,632	5.7%
Non-farm/non-residential	4,383,137	22.7	3,956,579	22.6
Construction/land development	7,030,963	36.4	6,391,429	36.4
Agricultural	232,121	1.2	230,076	1.3
Multifamily residential	1,371,449	7.1	1,194,192	6.8
Total real estate	14,020,297	72.6	12,770,908	72.8
Commercial and industrial	1,005,900	5.2	661,952	3.8
Consumer	2,843,396	14.7	2,934,534	16.8
Other	1,441,485	7.5	1,164,649	6.6
Total loans	19,311,078	100.0%	17,532,043	100.0%
Allowance for loan losses	(306,196)		(108,525)	
Net loans	$ 19,004,882		$ 17,423,518	

Bank OZK
Allowance for Credit Losses
Unaudited

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses

		(Dollars in thousands)	
Three months ended June 30, 2020:			
Balances – March 31, 2020	$ 238,737	$ 77,672	$ 316,409
Net charge-offs	(13,941)	—	(13,941)
Provision for credit losses	81,400	(9,374)	72,026
Balances – June 30, 2020	$ 306,196	$ 68,298	$ 374,494
Six months ended June 30, 2020:			
Balances – December 31, 2019	$ 108,525	$ —	$ 108,525
Adoption of Current Expected Credit Loss (CECL) methodology	39,588	54,924	94,512
Balances – January 1, 2020	148,113	54,924	203,037
Net charge-offs	(18,232)	—	(18,232)
Provision for credit losses	176,315	13,374	189,689
Balances – June 30, 2020	$ 306,196	$ 68,298	$ 374,494
Three months ended June 30, 2019:			
Balances – March 31, 2019	$ 105,954	$ —	$ 105,954
Net charge-offs	(6,081)	—	(6,081)
Provision for credit losses	6,769	—	6,769
Balances – June 30, 2019	$ 106,642	$ —	$ 106,642
Six months ended June 30, 2019:			
Balances – December 31, 2018	$ 102,264	$ —	$ 102,264
Net charge-offs	(9,072)	—	(9,072)
Provision for credit losses	13,450	—	13,450
Balances – June 30, 2019	$ 106,642	$ —	$ 106,642

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	June 30, 2020		December 31, 2019	
	(Dollars in thousands)			
Non-interest bearing	$ 3,696,306	17.8%	$ 2,795,251	15.1%
Interest bearing:				
Transaction (NOW)	2,929,462	14.1	2,706,426	14.7
Savings and money market	4,518,178	21.8	5,601,181	30.3
Time deposits less than $100	3,783,621	18.3	3,321,446	18.0
Time deposits of $100 or more	5,796,031	28.0	4,049,955	21.9
Total deposits	$ 20,723,598	100.0%	$ 18,474,259	100.0%

Summary of Deposits – By Customer Type
Unaudited

	June 30, 2020		December 31, 2019	
	(Dollars in thousands)			
Consumer	$ 10,083,452	48.7%	$ 7,526,014	40.7%
Commercial	5,439,295	26.2	4,334,366	23.5
Public Funds	2,545,778	12.3	3,782,415	20.5
Brokered	2,018,331	9.7	2,115,193	11.4
Reciprocal	636,742	3.1	716,271	3.9
Total deposits	$ 20,723,598	100.0%	$ 18,474,259	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

Three Months Ended June 30,			Six Months Ended June 30,		
2020	**2019**	**% Change**	**2020**	**2019**	**% Change**

(Dollars in thousands, except per share amounts)

Income statement data:						
Net interest income	$ 216,593	$ 224,536	(3.5)%	$ 426,367	$ 450,424	(5.3)%
Provision for credit losses	72,026	6,769	964.1	189,689	13,450	1,310.3
Non-interest income	21,591	26,603	(18.8)	49,271	50,675	(2.8)
Non-interest expense	100,953	99,131	1.8	204,378	195,809	4.4
Net income available to common stockholders	50,266	110,503	(54.5)	62,132	221,209	(71.9)
Pre-tax pre-provision net revenue [(1)]	137,231	152,008	(9.7)	271,260	305,290	(11.1)
Common share and per common share data:						
Net income per share − diluted	$ 0.39	$ 0.86	(54.7)%	$ 0.48	$ 1.71	(71.9)%
Net income per share − basic	0.39	0.86	(54.7)	0.48	1.72	(72.1)
Cash dividends per share	0.27	0.23	17.4	0.53	0.45	17.8
Book value per share	31.78	30.97	2.6	31.78	30.97	2.6
Tangible book value per share[(1)]	26.53	25.61	3.6	26.53	25.61	3.6
Weighted-average diluted shares outstanding (thousands)	129,399	129,079		129,349	129,022	
End of period shares outstanding (thousands)	129,350	128,947		129,350	128,947	
Balance sheet data at period end:						
Total assets	$ 26,380,409	$ 22,960,731	14.9 %	$ 26,380,409	$ 22,960,731	14.9 %
Total loans	19,311,078	17,485,205	10.4	19,311,078	17,485,205	10.4
Non-purchased loans	18,247,431	15,786,809	15.6	18,247,431	15,786,809	15.6
Purchased loans	1,063,647	1,698,396	(37.4)	1,063,647	1,698,396	(37.4)
Allowance for loan losses	306,196	106,642	187.1	306,196	106,642	187.1
Foreclosed assets	18,328	33,467	(45.2)	18,328	33,467	(45.2)
Investment securities − AFS	3,299,944	2,548,489	29.5	3,299,944	2,548,489	29.5
Goodwill and other intangible assets, net	679,166	690,304	(1.6)	679,166	690,304	(1.6)
Deposits	20,723,598	18,186,215	14.0	20,723,598	18,186,215	14.0
Other borrowings	903,696	201,455	348.6	903,696	201,455	348.6
Subordinated notes	223,854	223,471	0.2	223,854	223,471	0.2
Subordinated debentures	120,194	119,635	0.5	120,194	119,635	0.5
Unfunded balance of closed loans	11,411,441	11,167,055	2.2	11,411,441	11,167,055	2.2
Reserve for losses on unfunded loan commitments	68,298	—	NM	68,298	—	NM
Total common stockholders' equity	4,110,666	3,993,247	2.9	4,110,666	3,993,247	2.9
Net unrealized gains on investment securities AFS included in common stockholders' equity	63,177	19,693		63,177	19,693	
Loan (including purchased loans) to deposit ratio	93.18 %	96.15 %		93.18 %	96.15 %	
Selected ratios:						
Return on average assets[(2)]	0.78 %	1.95 %		0.50 %	1.97 %	
Return on average common stockholders' equity [(2)]	4.92	11.29		3.04	11.52	
Return on average tangible common stockholders' equity [(1) (2)]	5.89	13.70		3.64	14.04	
Average common equity to total average assets	15.93	17.31		16.59	17.12	
Net interest margin – FTE[(2)]	3.74	4.45		3.84	4.49	
Efficiency ratio	42.07	39.30		42.71	38.89	
Net charge-offs to average non-purchased loans[(2) (3)]	0.05	0.12		0.06	0.09	
Net charge-offs to average total loans[(2)]	0.29	0.14		0.20	0.10	
Nonperforming loans to total loans[(4)]	0.18	0.15		0.18	0.15	
Nonperforming assets to total assets[(4)]	0.19	0.25		0.19	0.25	
Allowance for loan losses to total loans [(5)]	1.59	0.61		1.59	0.61	
Other information:						
Non-accrual loans[(4)]	$ 31,083	$ 22,860		$ 31,083	$ 22,860	
Accruing loans − 90 days past due[(4)]	—	—		—	—	
Troubled and restructured non-purchased loans − accruing[(4)]	934	1,399		934	1,399	

[(1)] Calculations of pre-tax pre-provision net revenue, tangible book value per common share and return on average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.

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

[(3)] Excludes purchased loans and net charge-offs related to such loans.

[(4)] Excludes purchased loans, except for their inclusion in total assets.

[(5)] Excludes reserve for losses on unfunded loan commitments.

NM – Not meaningful

Selected Consolidated Financial Data (continued)
Unaudited

	Three Months Ended		
	June 30, 2020	March 31, 2020	% Change
	(Dollars in thousands, except per share amounts)		

Income statement data:			
Net interest income	$ 216,593	$ 209,775	3.3 %
Provision for credit losses	72,026	117,663	(38.8)
Non-interest income	21,591	27,680	(22.0)
Non-interest expense	100,953	103,425	(2.4)
Net income available to common stockholders	50,266	11,866	323.6
Pre-tax pre-provision net revenue [1]	137,231	134,030	2.4
Common share and per common share data:			
Net income per share − diluted	$ 0.39	$ 0.09	333.3 %
Net income per share − basic	0.39	0.09	333.3
Cash dividends per share	0.27	0.26	3.8
Book value per share	31.78	31.57	0.7
Tangible book value per share [1]	26.53	26.30	0.9
Weighted-average diluted shares outstanding (thousands)	129,399	129,307	
End of period shares outstanding (thousands)	129,350	129,324	
Balance sheet data at period end:			
Total assets	$ 26,380,409	$ 24,565,810	7.4 %
Total loans	19,311,078	18,228,204	5.9
Non-purchased loans	18,247,431	17,030,378	7.1
Purchased loans	1,063,647	1,197,826	(11.2)
Allowance for loan losses	306,196	238,737	28.3
Foreclosed assets	18,328	20,616	(11.1)
Investment securities − AFS	3,299,944	2,816,556	17.2
Goodwill and other intangible assets, net	679,166	681,747	(0.4)
Deposits	20,723,598	18,809,190	10.2
Other borrowings	903,696	1,051,353	(14.0)
Subordinated notes	223,854	223,759	—
Subordinated debentures	120,194	120,055	0.1
Unfunded balance of closed loans	11,411,441	11,334,737	0.7
Reserve for losses on unfunded loan commitments	68,298	77,672	(12.1)
Total common stockholders' equity	4,110,666	4,083,150	0.7
Net unrealized gains on investment securities AFS included in common stockholders' equity	63,177	54,888	
Loan (including purchased loans) to deposit ratio	93.18 %	96.91 %	
Selected ratios:			
Return on average assets[2]	0.78 %	0.20 %	
Return on average common stockholders' equity [2]	4.92	1.16	
Return on average tangible common stockholders' equity [1] [2]	5.89	1.39	
Average common equity to total average assets	15.93	17.31	
Net interest margin – FTE[2]	3.74	3.96	
Efficiency ratio	42.07	43.35	
Net charge-offs to average non-purchased loans[2] [3]	0.05	0.08	
Net charge-offs to average total loans[2]	0.29	0.10	
Nonperforming loans to total loans[4]	0.18	0.16	
Nonperforming assets to total assets[4]	0.19	0.19	
Allowance for loan losses to total loans [5]	1.59	1.31	
Other information:			
Non-accrual loans[4]	$ 31,083	$ 25,681	
Accruing loans − 90 days past due[4]	—	—	
Troubled and restructured non-purchased loans − accruing[4]	934	757	

[1] Calculations of pre-tax pre-provision net revenue, tangible book value per common share and return on 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

	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
	(Dollars in thousands, except per share amounts)							
Earnings Summary:								
Net interest income	$ 220,614	$ 228,382	$ 225,888	$ 224,536	$ 218,780	$ 214,977	$ 209,775	$ 216,593
Federal tax (FTE) adjustment	1,132	1,219	1,207	1,136	1,038	1,028	1,133	1,753

Net interest income (FTE)	221,746	229,601	227,095	225,672	219,818	216,005	210,908	218,346
Provision for credit losses	(41,949)	(7,271)	(6,681)	(6,769)	(7,854)	(4,938)	(117,663)	(72,026)
Non-interest income	24,121	27,560	24,072	26,603	26,446	30,406	27,680	21,591
Non-interest expense	(102,942)	(94,893)	(96,678)	(99,131)	(100,914)	(104,406)	(103,425)	(100,953)
Pretax income (FTE)	100,976	154,997	147,808	146,375	137,496	137,067	17,500	66,958
FTE adjustment	(1,132)	(1,219)	(1,207)	(1,136)	(1,038)	(1,028)	(1,133)	(1,753)
Provision for income taxes	(25,665)	(38,750)	(35,889)	(34,726)	(32,574)	(35,240)	(4,509)	(14,948)
Noncontrolling interest	1	3	(6)	(10)	7	7	8	9
Net income available to common stockholders	$ 74,180	$ 115,031	$ 110,706	$ 110,503	$ 103,891	$ 100,806	$ 11,866	$ 50,266
Earnings per common share – diluted	$ 0.58	$ 0.89	$ 0.86	$ 0.86	$ 0.81	$ 0.78	$ 0.09	$ 0.39
Non-interest Income:								
Service charges on deposit accounts	$ 9,730	$ 10,585	$ 9,722	$ 10,291	$ 10,827	$ 10,933	$ 10,009	$ 8,281
Trust income	1,730	1,821	1,730	1,839	1,975	2,010	1,939	1,759
BOLI income:								
Increase in cash surrender value	5,321	5,269	5,162	5,178	5,208	5,167	5,067	5,057
Death benefits	—	482	—	—	206	2,989	608	—
Loan service, maintenance and other fees	4,724	5,245	4,874	4,565	4,197	4,282	3,716	3,394
Other income from purchased loans	1,418	2,370	795	1,455	674	759	—	—
Gains (losses) on sales of other assets	(518)	465	284	402	189	1,358	161	621
Net gains on investment securities	—	—	—	713	—	—	2,223	—
Other	1,716	1,323	1,505	2,160	3,170	2,908	3,957	2,479
Total non-interest income	$ 24,121	$ 27,560	$ 24,072	$ 26,603	$ 26,446	$ 30,406	$ 27,680	$ 21,591
Non-interest Expense:								
Salaries and employee benefits	$ 41,477	$ 41,837	$ 44,868	$ 47,558	$ 48,376	$ 52,050	$ 51,473	$ 48,410
Net occupancy and equipment	14,358	14,027	14,750	14,587	14,825	14,855	15,330	15,756
Other operating expenses	47,107	39,029	37,060	36,986	37,713	37,501	36,622	36,787
Total non-interest expense	$ 102,942	$ 94,893	$ 96,678	$ 99,131	$ 100,914	$ 104,406	$ 103,425	$ 100,953
Balance Sheet Data:								
Total assets	$ 22,086,539	$ 22,388,030	$ 23,005,652	$ 22,960,731	$ 23,402,679	$ 23,555,728	$ 24,565,810	$ 26,380,409
Non-purchased loans	14,440,623	15,073,791	15,610,681	15,786,809	16,307,621	16,224,539	17,030,378	18,247,431
Purchased loans	2,285,168	2,044,032	1,864,715	1,698,396	1,427,230	1,307,504	1,197,826	1,063,647
Investment securities – AFS	2,669,877	2,862,340	2,769,602	2,548,489	2,414,722	2,277,389	2,816,556	3,299,944
Deposits	17,822,915	17,938,415	18,476,868	18,186,215	18,440,078	18,474,259	18,809,190	20,723,598
Unfunded balance of closed loans	11,891,247	11,364,975	11,544,218	11,167,055	11,429,918	11,325,598	11,334,737	11,411,441
Common stockholders' equity	3,653,596	3,770,330	3,882,643	3,993,247	4,078,324	4,150,351	4,083,150	4,110,666

Bank OZK
Supplemental Quarterly Financial Data (Continued)
Unaudited

	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
	(Dollars in thousands, except per share amounts)							
Allowance for Credit Losses:								
Balance at beginning of period	$ 104,638	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 316,409
Adoption of CECL[1] methodology	—	—	—	—	—	—	94,512	—
Net charge-offs	(48,387)	(3,207)	(2,991)	(6,081)	(5,495)	(5,414)	(4,291)	(13,941)
Provision for credit losses	41,949	7,271	6,681	6,769	7,854	4,938	117,663	72,026
Balance at end of period	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 316,409	$ 374,494
Allowance for loan losses	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 238,737	$ 306,196
Reserve for losses on unfunded loan commitments	—	—	—	—	—	—	77,672	68,298
Total allowance for credit losses	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 316,409	$ 374,494
Selected Ratios:								
Net interest margin – FTE[2]	4.47%	4.55%	4.53%	4.45%	4.26%	4.15%	3.96%	3.74%
Efficiency ratio	41.87	36.90	38.49	39.30	40.98	42.37	43.35	42.07
Net charge-offs to average non-purchased loans[2] [3]	1.32	0.06	0.05	0.12	0.07	0.10	0.08	0.05
Net charge-offs to average total loans[2]	1.14	0.07	0.07	0.14	0.12	0.12	0.10	0.29
Nonperforming loans to total loans[4]	0.23	0.23	0.22	0.15	0.17	0.15	0.16	0.18
Nonperforming assets to total assets[4]	0.23	0.23	0.21	0.25	0.26	0.18	0.19	0.19
Allowance for loan losses to total loans [5]	0.59	0.60	0.61	0.61	0.61	0.62	1.31	1.59
Loans past due 30 days or more, including past due non-accrual loans, to total loans[4]	0.17	0.28	0.28	0.13	0.14	0.19	0.18	0.13

[1] Current Expected Credit Loss methodology.
[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 June 30,						Six Months Ended June 30,					
	2020			2019			2020			2019		
	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												
Earning assets:												
Interest earning deposits and federal funds sold	$ 1,303,791	$ 330	0.10 %	$ 118,761	$ 941	3.18 %	$ 1,335,544	$ 4,706	0.71 %	$ 93,031	$ 1,354	2.94 %
Investment securities:												
Taxable	1,923,362	11,055	2.31	2,172,732	13,585	2.51	1,859,711	21,814	2.36	2,241,370	28,481	2.56
Tax-exempt – FTE	1,151,492	7,400	2.58	509,119	4,675	3.68	818,777	11,953	2.94	512,348	9,579	3.77
Non-purchased loans – FTE	17,963,230	233,015	5.22	15,760,582	250,235	6.37	17,244,750	465,046	5.42	15,622,442	496,276	6.41
Purchased loans	1,133,611	17,087	6.06	1,785,374	28,519	6.41	1,199,512	38,474	6.45	1,866,130	58,714	6.34
Total earning assets – FTE	23,475,486	268,887	4.61	20,346,568	297,955	5.87	22,458,294	541,993	4.85	20,335,321	594,404	5.89
Non-interest earning assets	2,318,334			2,342,995			2,335,832			2,280,063		
Total assets	$ 25,793,820			$ 22,689,563			$ 24,794,126			$ 22,615,384		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 7,517,260	$ 7,702	0.41 %	$ 9,640,727	$ 37,510	1.56 %	$ 7,824,330	$ 27,449	0.71 %	$ 9,586,233	$ 73,613	1.55 %
Time deposits of $100 or more	5,279,716	23,765	1.81	3,137,419	16,698	2.13	4,834,026	45,955	1.91	3,153,873	32,252	2.06
Other time deposits	3,752,793	13,784	1.48	2,580,584	13,184	2.05	3,543,161	29,529	1.68	2,508,405	24,614	1.98
Total interest bearing deposits	16,549,769	45,251	1.10	15,358,730	67,392	1.76	16,201,517	102,933	1.28	15,248,511	130,479	1.73
Repurchase agreements with customers	8,087	6	0.30	11,101	11	0.41	7,985	13	0.31	16,616	33	0.40
Other borrowings (1)	1,043,004	963	0.37	70,390	19	0.11	669,987	1,013	0.30	169,439	1,408	1.68
Subordinated notes	223,793	3,172	5.70	223,419	3,181	5.71	223,752	6,344	5.70	223,370	6,326	5.71
Subordinated debentures (1)	120,120	1,149	3.85	119,559	1,680	5.64	120,052	2,436	4.08	119,486	3,392	5.72
Total interest bearing liabilities	17,944,773	50,541	1.13	15,783,199	72,283	1.84	17,223,293	112,739	1.32	15,777,422	141,638	1.81
Non-interest bearing liabilities:												
Non-interest bearing deposits	3,478,030			2,723,657			3,202,663			2,740,291		
Other non-interest bearing liabilities	257,874			252,062			251,026			223,491		
Total liabilities	21,680,677			18,758,918			20,676,982			18,741,204		
Common stockholders' equity	4,110,038			3,927,522			4,114,035			3,871,065		
Noncontrolling interest	3,105			3,123			3,109			3,115		
Total liabilities and stockholders' equity	$ 25,793,820			$ 22,689,563			$ 24,794,126			$ 22,615,384		
Net interest income – FTE		$ 218,346			$ 225,672			$ 429,254			$ 452,766	
Net interest margin – FTE			3.74 %			4.45 %			3.84 %			4.49 %

(1) The interest expense and the rates for "other borrowings" and for "subordinated debentures" were affected by capitalized interest. Capitalized interest included in other borrowings totaled $0.27 million for the second quarter and $0.62 million for the first six months of 2020 compared to $0.40 million for the second quarter and $0.75 million for the first six months of 2019. In the absence of this

interest capitalization, the rates on other borrowings would have been 0.47% for the second quarter and 0.49% for the first six months of 2020 compared to 2.36% for the second quarter and 2.56% for the first six months of 2019. Capitalized interest included in subordinated debentures totaled $0.03 million for the second quarter and $0.18 million for the first six months of 2020 (none in the second quarter or first six months of 2019). In the absence of this interest capitalization, the rates on subordinated debentures would have been 3.95% for the second quarter and 4.37% for the first six months of 2020.

Bank OZK
Reconciliation of Non-GAAP Financial Measures

Calculation of Average Tangible Common Stockholders' Equity
and the Annualized Return on Average Tangible Common Stockholders' Equity
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Dollars in thousands)			
Net income available to common stockholders	$ 50,266	$ 110,503	$ 62,132	$ 221,209
Average common stockholders' equity before noncontrolling interest	$ 4,110,038	$ 3,927,522	$ 4,114,035	$ 3,871,065
Less average intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(19,563)	(31,225)	(20,987)	(32,822)
Total average intangibles	(680,352)	(692,014)	(681,776)	(693,611)
Average tangible common stockholders' equity	$ 3,429,686	$ 3,235,508	$ 3,432,259	$ 3,177,454
Return on average common stockholders' equity [1]	4.92%	11.29%	3.04%	11.52%
Return on average tangible common stockholders' equity [1]	5.89%	13.70%	3.64%	14.04%

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

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

	June 30,		March 31,
	2020	2019	2020
	(In thousands, except per share amounts)		
Total common stockholders' equity before noncontrolling interest	$ 4,110,666	$ 3,993,247	$ 4,083,150
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(18,377)	(29,515)	(20,958)
Total intangibles	(679,166)	(690,304)	(681,747)
Total tangible common stockholders' equity	$ 3,431,500	$ 3,302,943	$ 3,401,403
Shares of common stock outstanding	129,350	128,947	129,324
Book value per common share	$ 31.78	$ 30.97	$ 31.57
Tangible book value per common share	$ 26.53	$ 25.61	$ 26.30

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

	June 30,	
	2020	2019
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	$ 4,110,666	$ 3,993,247
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(18,377)	(29,515)
Total intangibles	(679,166)	(690,304)
Total tangible common stockholders' equity	$ 3,431,500	$ 3,302,943
Total assets	$ 26,380,409	$ 22,960,731
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(18,377)	(29,515)
Total intangibles	(679,166)	(690,304)
Total tangible assets	$ 25,701,243	$ 22,270,427

Ratio of total common stockholders' equity to total assets	15.58%	17.39%
Ratio of total tangible common stockholders' equity to total tangible assets	13.35%	14.83%

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended			Six Months Ended	
	June 30, 2020	June 30, 2019	March 31, 2020	June 30, 2020	June 30, 2019
			(Dollars in thousands)		
Income before taxes	$ 65,205	$ 145,239	$ 16,367	$ 81,571	$ 291,840
Provision for credit losses	72,026	6,769	117,663	189,689	13,450
Pre-tax pre-provision net revenue	$ 137,231	$ 152,008	$ 134,030	$ 271,260	$ 305,290

Source: Bank OZK