



## Bank OZK Announces Third Quarter 2020 Earnings

October 22, 2020

LITTLE ROCK, Ark., Oct. 22, 2020 (GLOBE NEWSWIRE) -- Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the third quarter of 2020 was \$109.3 million, a 5.2% increase from \$103.9 million for the third quarter of 2019. Diluted earnings per common share for the third quarter of 2020 were \$0.84, a 3.7% increase from \$0.81 for the third quarter of 2019.

For the nine months ended September 30, 2020, net income was \$171.4 million, a 47.3% decrease from \$325.1 million for the first nine months of 2019. Diluted earnings per common share for the first nine months of 2020 were \$1.32, a 47.6% decrease from \$2.52 for the first nine months of 2019.

Pre-tax pre-provision net revenue ("PPNR") was \$145.7 million for the third quarter of 2020, a 1.0% increase from \$144.3 million for the third quarter of 2019. PPNR was \$417.0 million for the first nine months of 2020, a 7.3% decrease from \$449.6 million for the first nine months of 2019. The calculation of PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

The COVID-19 pandemic significantly affected the global economy in the first nine months 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 \$7.2 million in the third quarter and \$196.9 million in the first nine months of 2020, resulting in a total ACL of \$377.3 million at September 30, 2020.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the third quarter of 2020 were 1.63%, 10.48% and 12.52%, respectively, compared to 1.81%, 10.22% and 12.33%, respectively, for the third quarter of 2019. The Bank's annualized returns on average assets, average common stockholder's equity and average tangible common stockholders' equity for the first nine months of 2020 were 0.90%, 5.55% and 6.65%, respectively, compared to 1.92%, 11.07%, and 13.44%, respectively, for the first nine months of 2019. The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to GAAP are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "Our strong credit culture and consistent discipline are important ingredients in our long-term success, and we believe they have positioned us well for the current economic environment and beyond. This is clearly evident in our excellent asset quality and earnings for the quarter just ended."

### KEY BALANCE SHEET METRICS

Total loans were \$19.36 billion at September 30, 2020, a 9.2% increase from \$17.73 billion at September 30, 2019. Non-purchased loans, which exclude loans acquired in previous acquisitions, were \$18.42 billion at September 30, 2020, a 13.0% increase from \$16.31 billion at September 30, 2019. Purchased loans, which consist of loans acquired in previous acquisitions, were \$0.94 billion at September 30, 2020, a 34.2% decrease from \$1.43 billion at September 30, 2019.

Deposits were \$21.29 billion at September 30, 2020, a 15.4% increase from \$18.44 billion at September 30, 2019. Total assets were \$26.89 billion at September 30, 2020, a 14.9% increase from \$23.40 billion at September 30, 2019.

Common stockholders' equity was \$4.19 billion at September 30, 2020, a 2.6% increase from \$4.08 billion at September 30, 2019. Tangible common stockholders' equity was \$3.51 billion at September 30, 2020, a 3.5% increase from \$3.39 billion at September 30, 2019. Book value per common share was \$32.37 at September 30, 2020, a 2.3% increase from \$31.63 at September 30, 2019. Tangible book value per common share was \$27.13 at September 30, 2020, a 3.2% increase from \$26.30 at September 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 15.57% at September 30, 2020 compared to 17.43% at September 30, 2019. Its ratio of total tangible common stockholders' equity to total tangible assets was 13.39% at September 30, 2020 compared to 14.93% at September 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 October 23, 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 4644917. The call will be available live or in a recorded version on the Bank's Investor Relations website at [ir.ozk.com](http://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/cxweb/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 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 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 increasing 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 its provision and allowance for credit losses and the discussion regarding 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, including any changes that result from the upcoming elections in November; 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 the Bank's goodwill or other intangible assets; adoption of new accounting standards, including the effects from the adoption of the CECL methodology 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 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](http://www.ozk.com) and on [Facebook](https://www.facebook.com/ozk), [Twitter](https://twitter.com/ozk) and [LinkedIn](https://www.linkedin.com/company/ozk) or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

Investor Contact: Tim Hicks (501) 978-2336

Media Contact: Susan Blair (501) 978-2217

#### Bank OZK Consolidated Balance Sheets Unaudited

	September 30, 2020	December 31, 2019
(Dollars in thousands, except per share amounts)		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,934,095	\$ 1,495,757
Investment securities — available for sale ("AFS")	3,468,243	2,277,389
Federal Home Loan Bank of Dallas and other bankers' bank stocks	38,388	21,855
Non-purchased loans	18,419,958	16,224,539
Purchased loans	938,485	1,307,504
Allowance for loan losses	(308,847)	(108,525)
Net loans	19,049,596	17,423,518
Premises and equipment, net	739,066	711,541
Foreclosed assets	16,543	19,096
Accrued interest receivable	85,858	75,208
Bank owned life insurance ("BOLI")	753,038	738,860
Goodwill and other intangible assets, net	677,251	684,542
Other, net	126,230	107,962
Total assets	<u>\$ 26,888,308</u>	<u>\$ 23,555,728</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Deposits:		
Demand non-interest bearing	\$ 3,908,207	\$ 2,795,251
Savings and interest bearing transaction	7,585,032	8,307,607
Time	9,794,166	7,371,401
Total deposits	21,287,405	18,474,259
Repurchase agreements with customers	4,994	11,249
Other borrowings	750,949	351,387
Subordinated notes	223,950	223,663
Subordinated debentures	120,335	119,916
Reserve for losses on unfunded loan commitments	68,426	—
Accrued interest payable and other liabilities	242,876	221,786
Total liabilities	22,698,935	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 September 30, 2020 or December 31, 2019	—	—
Common stock; \$0.01 par value; 300,000,000 shares authorized; 129,342,073 and 128,951,024 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	1,293	1,289
Additional paid-in capital	2,261,864	2,251,824
Retained earnings	1,862,012	1,869,983
Accumulated other comprehensive income	61,116	27,255
Total stockholders' equity before noncontrolling interest	4,186,285	4,150,351
Noncontrolling interest	3,088	3,117
Total stockholders' equity	4,189,373	4,153,468
Total liabilities and stockholders' equity	<u>\$ 26,888,308</u>	<u>\$ 23,555,728</u>

#### Bank OZK Consolidated Statements of Income Unaudited

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

	2020	2019	2020	2019
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	\$ 236,621	\$ 244,954	\$ 701,290	\$ 740,900
Purchased loans	16,269	26,042	54,743	84,756
Investment securities:				
Taxable	9,666	12,511	31,480	40,992
Tax-exempt	5,193	3,363	14,636	10,930
Deposits with banks and federal funds sold	532	2,647	5,237	4,001
Total interest income	<u>268,281</u>	<u>289,517</u>	<u>807,386</u>	<u>881,579</u>
Interest expense:				
Deposits	38,273	66,248	141,206	196,727
Repurchase agreements with customers	4	5	17	39
Other borrowings	1,156	90	2,168	1,497
Subordinated notes	3,207	3,216	9,551	9,542
Subordinated debentures	984	1,178	3,420	4,570
Total interest expense	<u>43,624</u>	<u>70,737</u>	<u>156,362</u>	<u>212,375</u>
Net interest income	224,657	218,780	651,024	669,204
Provision for credit losses	7,200	7,854	196,889	21,303
Net interest income after provision for credit losses	<u>217,457</u>	<u>210,926</u>	<u>454,135</u>	<u>647,901</u>
Non-interest income:				
Service charges on deposit accounts	9,427	10,827	27,717	30,841
Trust income	1,936	1,975	5,635	5,544
BOLI income:				
Increase in cash surrender value	5,081	5,208	15,205	15,547
Death benefits	—	206	608	206
Loan service, maintenance and other fees	3,351	4,197	10,461	13,636
Other income from purchased loans	—	674	—	2,925
Gains on sales of other assets	891	189	1,674	875
Net gains on investment securities	2,244	—	4,467	713
Other	3,746	3,170	10,180	6,834
Total non-interest income	<u>26,676</u>	<u>26,446</u>	<u>75,947</u>	<u>77,121</u>
Non-interest expense:				
Salaries and employee benefits	53,119	48,376	153,003	140,801
Net occupancy and equipment	16,676	14,825	47,761	44,163
Other operating expenses	35,846	37,713	109,255	111,760
Total non-interest expense	<u>105,641</u>	<u>100,914</u>	<u>310,019</u>	<u>296,724</u>
Income before taxes	138,492	136,458	220,063	428,298
Provision for income taxes	29,251	32,574	48,707	103,189
Net income	109,241	103,884	171,356	325,109
Earnings attributable to noncontrolling interest	12	7	29	(9)
Net income available to common stockholders	<u>\$ 109,253</u>	<u>\$ 103,891</u>	<u>\$ 171,385</u>	<u>\$ 325,100</u>
Basic earnings per common share	<u>\$ 0.84</u>	<u>\$ 0.81</u>	<u>\$ 1.33</u>	<u>\$ 2.52</u>
Diluted earnings per common share	<u>\$ 0.84</u>	<u>\$ 0.81</u>	<u>\$ 1.32</u>	<u>\$ 2.52</u>

**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)					
<b>Three months ended September 30, 2020:</b>						
Balances – June 30, 2020	\$ 1,293	\$ 2,257,867	\$ 1,788,329	\$ 63,177	\$ 3,100	\$ 4,113,766
Net income	—	—	109,241	—	—	109,241
Earnings attributable to noncontrolling interest	—	—	12	—	(12)	—
Total other comprehensive loss	—	—	—	(2,061)	—	(2,061)
Common stock dividends, \$0.2725 per share	—	—	(35,570)	—	—	(35,570)
Stock-based compensation expense	—	3,997	—	—	—	3,997
Forfeitures of 8,228 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – September 30, 2020	<u>\$ 1,293</u>	<u>\$ 2,261,864</u>	<u>\$ 1,862,012</u>	<u>\$ 61,116</u>	<u>\$ 3,088</u>	<u>\$ 4,189,373</u>

**Nine months ended September 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	—	—	171,356	—	—	171,356
Earnings attributable to noncontrolling interest	—	—	29	—	(29)	—
Total other comprehensive income	—	—	—	33,861	—	33,861
Common stock dividends, \$0.8025 per share	—	—	(104,012)	—	—	(104,012)
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	—	11,852	—	—	—	11,852
Forfeitures of 45,139 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – September 30, 2020	<u>\$ 1,293</u>	<u>\$ 2,261,864</u>	<u>\$ 1,862,012</u>	<u>\$ 61,116</u>	<u>\$ 3,088</u>	<u>\$ 4,189,373</u>

**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)						
<b>Three months ended September 30, 2019:</b>						
Balances – June 30, 2019	\$ 1,289	\$ 2,243,779	\$ 1,728,486	\$ 19,693	\$ 3,131	\$ 3,996,378
Net income	—	—	103,884	—	—	103,884
Earnings attributable to noncontrolling interest	—	—	7	—	(7)	—
Total other comprehensive income	—	—	—	7,955	—	7,955
Common stock dividends, \$0.24 per share	—	—	(30,963)	—	—	(30,963)
Issuance of 10,800 shares of common stock for exercise of stock options	—	242	—	—	—	242
Repurchase and cancellation of 974 shares of common stock	—	(28)	—	—	—	(28)
Stock-based compensation expense	—	3,980	—	—	—	3,980
Forfeitures of 10,183 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – September 30, 2019	<u>\$ 1,289</u>	<u>\$ 2,247,973</u>	<u>\$ 1,801,414</u>	<u>\$ 27,648</u>	<u>\$ 3,124</u>	<u>\$ 4,081,448</u>

**Nine months ended September 30, 2019:**

Balances – December 31, 2018	\$ 1,286	\$ 2,237,948	\$ 1,565,201	\$ (34,105)	\$ 3,035	\$ 3,773,365
Net income	—	—	325,109	—	—	325,109
Earnings attributable to noncontrolling interest	—	—	(9)	—	9	—
Total other comprehensive income	—	—	—	61,753	—	61,753
Common stock dividends, \$0.69 per share	—	—	(88,887)	—	—	(88,887)
Noncontrolling interest cash contribution	—	—	—	—	80	80
Issuance of 67,350 shares of common stock for exercise of stock options	1	1,118	—	—	—	1,119
Issuance of 406,074 shares of unvested restricted common stock	4	(4)	—	—	—	—
Repurchase and cancellation of 63,716 shares of common stock	(1)	(1,674)	—	—	—	(1,675)
Stock-based compensation expense	—	10,584	—	—	—	10,584
Forfeiture of 74,398 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – September 30, 2019	<u>\$ 1,289</u>	<u>\$ 2,247,973</u>	<u>\$ 1,801,414</u>	<u>\$ 27,648</u>	<u>\$ 3,124</u>	<u>\$ 4,081,448</u>

**Bank OZK**  
**Summary of Non-Interest Expense**  
Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
(Dollars in thousands)				
Salaries and employee benefits	\$ 53,119	\$ 48,376	\$ 153,003	\$ 140,801
Net occupancy and equipment	16,676	14,825	47,761	44,163
Other operating expenses:				
Professional and outside services	8,647	9,204	23,629	25,874

Software and data processing	5,431	5,095	15,550	14,561
Deposit insurance and assessments	3,595	2,505	11,600	9,645
Telecommunication services	2,352	2,094	6,863	8,248
Postage and supplies	1,808	2,040	5,753	6,201
Advertising and public relations	1,557	2,067	4,964	5,421
ATM expense	1,604	1,277	3,766	3,363
Travel and meals	689	2,777	3,501	8,385
Loan collection and repossession expense	1,030	317	2,581	2,218
Writedowns of foreclosed and other assets	488	354	2,087	1,509
Amortization of intangibles	1,914	2,907	7,291	9,064
Other	6,731	7,076	21,670	17,271
Total non-interest expense	<u>\$ 105,641</u>	<u>\$ 100,914</u>	<u>\$ 310,019</u>	<u>\$ 296,724</u>

**Bank OZK**  
**Summary of Total Loans Outstanding**  
Unaudited

	<u>September 30, 2020</u>		<u>December 31, 2019</u>	
		(Dollars in thousands)		
Real estate:				
Residential 1-4 family	\$ 966,462	5.0 %	\$ 998,632	5.7 %
Non-farm/non-residential	4,415,477	22.8	3,956,579	22.6
Construction/land development	7,406,447	38.2	6,391,429	36.4
Agricultural	227,143	1.2	230,076	1.3
Multifamily residential	<u>1,346,385</u>	<u>7.0</u>	<u>1,194,192</u>	<u>6.8</u>
Total real estate	14,361,914	74.2	12,770,908	72.8
Commercial and industrial	944,490	4.9	661,952	3.8
Consumer	2,581,035	13.3	2,934,534	16.8
Other	<u>1,471,004</u>	<u>7.6</u>	<u>1,164,649</u>	<u>6.6</u>
Total loans	19,358,443	<u>100.0 %</u>	17,532,043	<u>100.0 %</u>
Allowance for loan losses	<u>(308,847)</u>		<u>(108,525)</u>	
Net loans	<u>\$ 19,049,596</u>		<u>\$ 17,423,518</u>	

**Bank OZK**  
**Allowance for Credit Losses**  
Unaudited

	<u>Allowance for Loan Losses</u>		<u>Reserve for Losses on Unfunded Loan Commitments</u>		<u>Total Allowance for Credit Losses</u>
		(Dollars in thousands)			
<b>Three months ended September 30, 2020:</b>					
Balances – June 30, 2020	\$ 306,196		\$ 68,298		\$ 374,494
Net charge-offs	(4,421)		—		(4,421)
Provision for credit losses	<u>7,072</u>		<u>128</u>		<u>7,200</u>
Balances – September 30, 2020	<u>\$ 308,847</u>		<u>\$ 68,426</u>		<u>\$ 377,273</u>
<b>Nine months ended September 30, 2020:</b>					
Balances – December 31, 2019	\$ 108,525		\$ —		\$ 108,525
Adoption of Current Expected Credit Loss (CECL) methodology	<u>39,588</u>		<u>54,924</u>		<u>94,512</u>
Balances – January 1, 2020	148,113		54,924		203,037
Net charge-offs	(22,653)		—		(22,653)
Provision for credit losses	<u>183,387</u>		<u>13,502</u>		<u>196,889</u>
Balances – September 30, 2020	<u>\$ 308,847</u>		<u>\$ 68,426</u>		<u>\$ 377,273</u>
<b>Three months ended September 30, 2019:</b>					
Balances – June 30, 2019	\$ 106,642		\$ —		\$ 106,642
Net charge-offs	(5,495)		—		(5,495)
Provision for credit losses	<u>7,854</u>		<u>—</u>		<u>7,854</u>
Balances – September 30, 2019	<u>\$ 109,001</u>		<u>\$ —</u>		<u>\$ 109,001</u>
<b>Nine months ended September 30, 2019:</b>					
Balances – December 31, 2018	\$ 102,264		\$ —		\$ 102,264
Net charge-offs	(14,566)		—		(14,566)
Provision for credit losses	<u>21,303</u>		<u>—</u>		<u>21,303</u>
Balances – September 30, 2019	<u>\$ 109,001</u>		<u>\$ —</u>		<u>\$ 109,001</u>

**Bank OZK**  
**Summary of Deposits – By Account Type**  
Unaudited

September 30, 2020      December 31, 2019  
(Dollars in thousands)

Non-interest bearing	\$ 3,908,207	18.4 %	\$ 2,795,251	15.1 %
Interest bearing:				
Transaction (NOW)	2,973,192	14.0	2,706,426	14.7
Savings and money market	4,611,840	21.7	5,601,181	30.3
Time deposits less than \$100	3,483,557	16.4	3,321,446	18.0
Time deposits of \$100 or more	6,310,609	29.5	4,049,955	21.9
Total deposits	<u>\$21,287,405</u>	<u>100.0 %</u>	<u>\$ 18,474,259</u>	<u>100.0 %</u>

**Summary of Deposits – By Customer Type**  
Unaudited

	<b>September 30, 2020</b>		<b>December 31, 2019</b>	
	(Dollars in thousands)			
Consumer	\$ 10,909,452	51.2 %	\$ 7,526,014	40.7 %
Commercial	5,963,072	28.0	4,334,366	23.5
Public Funds	2,330,726	10.9	3,782,415	20.5
Brokered	1,580,165	7.4	2,115,193	11.4
Reciprocal	503,990	2.5	716,271	3.9
Total deposits	<u>\$21,287,405</u>	<u>100.0 %</u>	<u>\$ 18,474,259</u>	<u>100.0 %</u>

**Bank OZK**  
**Selected Consolidated Financial Data**  
Unaudited

	<b>Three Months Ended</b>			<b>Nine Months Ended</b>		
	<b>September 30,</b>			<b>September 30,</b>		
	<b>2020</b>	<b>2019</b>	<b>% Change</b>	<b>2020</b>	<b>2019</b>	<b>% Change</b>
	(Dollars in thousands, except per share amounts)					
<b>Income statement data:</b>						
Net interest income	\$ 224,657	\$ 218,780	2.7 %	\$ 651,024	\$ 669,204	(2.7)%
Provision for credit losses	7,200	7,854	(8.3)	196,889	21,303	824.2
Non-interest income	26,676	26,446	0.9	75,947	77,121	(1.5)
Non-interest expense	105,641	100,914	4.7	310,019	296,724	4.5
Net income available to common stockholders	109,253	103,891	5.2	171,385	325,100	(47.3)
Pre-tax pre-provision net revenue <sup>(1)</sup>	145,692	144,312	1.0	416,952	449,601	(7.3)
<b>Common share and per common share data:</b>						
Net income per share – diluted	\$ 0.84	\$ 0.81	3.7 %	\$ 1.32	\$ 2.52	(47.6)%
Net income per share – basic	0.84	0.81	3.7	1.33	2.52	(47.2)
Dividends per share	0.2725	0.24	13.5	0.8025	0.69	16.3
Book value per share	32.37	31.63	2.3	32.37	31.63	2.3
Tangible book value per share <sup>(1)</sup>	27.13	26.30	3.2	27.13	26.30	3.2
Weighted-average diluted shares outstanding (thousands)	129,470	129,012		129,398	128,995	
End of period shares outstanding (thousands)	129,342	128,946		129,342	128,946	
<b>Balance sheet data at period end:</b>						
Total assets	\$26,888,308	\$23,402,679	14.9 %	\$26,888,308	\$23,402,679	14.9 %
Total loans	19,358,443	17,734,851	9.2	19,358,443	17,734,851	9.2
Non-purchased loans	18,419,958	16,307,621	13.0	18,419,958	16,307,621	13.0
Purchased loans	938,485	1,427,230	(34.2)	938,485	1,427,230	(34.2)
Allowance for loan losses	308,847	109,001	183.3	308,847	109,001	183.3
Foreclosed assets	16,543	33,319	(50.3)	16,543	33,319	(50.3)
Investment securities – AFS	3,468,243	2,414,722	43.6	3,468,243	2,414,722	43.6
Goodwill and other intangible assets, net	677,251	687,397	(1.5)	677,251	687,397	(1.5)
Deposits	21,287,405	18,440,078	15.4	21,287,405	18,440,078	15.4
Other borrowings	750,949	301,421	149.1	750,949	301,421	149.1
Subordinated notes	223,950	223,567	0.2	223,950	223,567	0.2
Subordinated debentures	120,335	119,775	0.5	120,335	119,775	0.5
Unfunded balance of closed loans	11,604,614	11,429,918	1.5	11,604,614	11,429,918	1.5
Reserve for losses on unfunded loan commitments	68,426	—	NM	68,426	—	NM
Total common stockholders' equity	4,186,285	4,078,324	2.6	4,186,285	4,078,324	2.6
Net unrealized gains on investment securities AFS included in common stockholders' equity	61,116	27,648		61,116	27,648	
Loan (including purchased loans) to deposit ratio	90.94 %	96.18 %		90.94 %	96.18 %	
<b>Selected ratios:</b>						
Return on average assets <sup>(2)</sup>	1.63 %	1.81 %		0.90 %	1.92 %	
Return on average common stockholders' equity <sup>(2)</sup>	10.48	10.22		5.55	11.07	
Return on average tangible common stockholders' equity <sup>(1) (2)</sup>	12.52	12.33		6.65	13.44	
Average common equity to total average assets	15.56	17.69		16.23	17.31	
Net interest margin – FTE <sup>(2)</sup>	3.69	4.26		3.79	4.41	
Efficiency ratio	41.77	40.98		42.38	39.58	
Net charge-offs to average non-purchased loans <sup>(2) (3)</sup>	0.09	0.07		0.07	0.08	
Net charge-offs to average total loans <sup>(2)</sup>	0.09	0.12		0.16	0.11	
Nonperforming loans to total loans <sup>(4)</sup>	0.15	0.17		0.15	0.17	
Nonperforming assets to total assets <sup>(4)</sup>	0.17	0.26		0.17	0.26	
Allowance for loan losses to total loans <sup>(5)</sup>	1.60	0.61		1.60	0.61	

**Other information:**

Non-accrual loans <sup>(4)</sup>	\$	27,181	\$	25,552	\$	27,181	\$	25,552
Accruing loans – 90 days past due <sup>(4)</sup>		—		—		—		—
Troubled and restructured non-purchased loans – accruing <sup>(4)</sup>		1,251		1,510		1,251		1,510

<sup>(1)</sup> 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.

<sup>(2)</sup> Ratios for interim periods annualized based on actual days.

<sup>(3)</sup> Excludes purchased loans and net charge-offs related to such loans.

<sup>(4)</sup> Excludes purchased loans, except for their inclusion in total assets.

<sup>(5)</sup> Excludes reserve for losses on unfunded loan commitments.

NM – Not meaningful

**Selected Consolidated Financial Data (continued)**  
Unaudited

	<b>Three Months Ended</b>		
	<b>September 30,</b>	<b>June 30,</b>	<b>% Change</b>
	<b>2020</b>	<b>2020</b>	
(Dollars in thousands, except per share amounts)			
<b>Income statement data:</b>			
Net interest income	\$ 224,657	\$ 216,593	3.7%
Provision for credit losses	7,200	72,026	(90.0)
Non-interest income	26,676	21,591	23.6
Non-interest expense	105,641	100,953	4.6
Net income available to common stockholders	109,253	50,266	117.3
Pre-tax pre-provision net revenue <sup>(1)</sup>	145,692	137,231	6.2
<b>Common share and per common share data:</b>			
Net income per share – diluted	\$ 0.84	\$ 0.39	115.4%
Net income per share – basic	0.84	0.39	115.4
Dividends per share	0.2725	0.27	0.9
Book value per share	32.37	31.78	1.9
Tangible book value per share <sup>(1)</sup>	27.13	26.53	2.3
Weighted-average diluted shares outstanding (thousands)	129,470	129,399	
End of period shares outstanding (thousands)	129,342	129,350	
<b>Balance sheet data at period end:</b>			
Total assets	\$ 26,888,308	\$ 26,380,409	1.9%
Total loans	19,358,443	19,311,078	0.2
Non-purchased loans	18,419,958	18,247,431	0.9
Purchased loans	938,485	1,063,647	(11.8)
Allowance for loan losses	308,847	306,196	0.9
Foreclosed assets	16,543	18,328	(9.7)
Investment securities – AFS	3,468,243	3,299,944	5.1
Goodwill and other intangible assets, net	677,251	679,166	(0.3)
Deposits	21,287,405	20,723,598	2.7
Other borrowings	750,949	903,696	(16.9)
Subordinated notes	223,950	223,854	0.1
Subordinated debentures	120,335	120,194	0.1
Unfunded balance of closed loans	11,604,614	11,411,441	1.7
Reserve for losses on unfunded loan commitments	68,426	68,298	0.2
Total common stockholders' equity	4,186,285	4,110,666	1.8
Net unrealized gains on investment securities AFS included in common stockholders' equity	61,116	63,177	
Loan (including purchased loans) to deposit ratio	90.94%	93.18%	
<b>Selected ratios:</b>			
Return on average assets <sup>(2)</sup>	1.63%	0.78%	
Return on average common stockholders' equity <sup>(2)</sup>	10.48	4.92	
Return on average tangible common stockholders' equity <sup>(1) (2)</sup>	12.52	5.89	
Average common equity to total average assets	15.56	15.93	
Net interest margin – FTE <sup>(2)</sup>	3.69	3.74	
Efficiency ratio	41.77	42.07	
Net charge-offs to average non-purchased loans <sup>(2) (3)</sup>	0.09	0.05	
Net charge-offs to average total loans <sup>(2)</sup>	0.09	0.29	
Nonperforming loans to total loans <sup>(4)</sup>	0.15	0.18	
Nonperforming assets to total assets <sup>(4)</sup>	0.17	0.19	
Allowance for loan losses to total loans <sup>(5)</sup>	1.60	1.59	
<b>Other information:</b>			
Non-accrual loans <sup>(4)</sup>	\$ 27,181	\$ 31,083	
Accruing loans – 90 days past due <sup>(4)</sup>	—	—	
Troubled and restructured non-purchased loans – accruing <sup>(4)</sup>	1,251	934	

<sup>(1)</sup> 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

	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20
	(Dollars in thousands, except per share amounts)							
<b>Earnings Summary:</b>								
Net interest income	\$ 228,382	\$ 225,888	\$ 224,536	\$ 218,780	\$ 214,977	\$ 209,775	\$ 216,593	\$ 224,657
Federal tax (FTE) adjustment	1,219	1,207	1,136	1,038	1,028	1,133	1,753	1,605
Net interest income (FTE)	229,601	227,095	225,672	219,818	216,005	210,908	218,346	226,262
Provision for credit losses	(7,271)	(6,681)	(6,769)	(7,854)	(4,938)	(117,663)	(72,026)	(7,200)
Non-interest income	27,560	24,072	26,603	26,446	30,406	27,680	21,591	26,676
Non-interest expense	(94,893)	(96,678)	(99,131)	(100,914)	(104,406)	(103,425)	(100,953)	(105,641)
Pretax income (FTE)	154,997	147,808	146,375	137,496	137,067	17,500	66,958	140,097
FTE adjustment	(1,219)	(1,207)	(1,136)	(1,038)	(1,028)	(1,133)	(1,753)	(1,605)
Provision for income taxes	(38,750)	(35,889)	(34,726)	(32,574)	(35,240)	(4,509)	(14,948)	(29,251)
Noncontrolling interest	3	(6)	(10)	7	7	8	9	12
Net income available to common stockholders	<u>\$ 115,031</u>	<u>\$ 110,706</u>	<u>\$ 110,503</u>	<u>\$ 103,891</u>	<u>\$ 100,806</u>	<u>\$ 11,866</u>	<u>\$ 50,266</u>	<u>\$ 109,253</u>
Earnings per common share – diluted	\$ 0.89	\$ 0.86	\$ 0.86	\$ 0.81	\$ 0.78	\$ 0.09	\$ 0.39	\$ 0.84
<b>Non-interest Income:</b>								
Service charges on deposit accounts	\$ 10,585	\$ 9,722	\$ 10,291	\$ 10,827	\$ 10,933	\$ 10,009	\$ 8,281	\$ 9,427
Trust income	1,821	1,730	1,839	1,975	2,010	1,939	1,759	1,936
<b>BOLI income:</b>								
Increase in cash surrender value	5,269	5,162	5,178	5,208	5,167	5,067	5,057	5,081
Death benefits	482	—	—	206	2,989	608	—	—
Loan service, maintenance and other fees	5,245	4,874	4,565	4,197	4,282	3,716	3,394	3,351
Other income from purchased loans	2,370	795	1,455	674	759	—	—	—
Gains on sales of other assets	465	284	402	189	1,358	161	621	891
Net gains on investment securities	—	—	713	—	—	2,223	—	2,244
Other	1,323	1,505	2,160	3,170	2,908	3,957	2,479	3,746
Total non-interest income	<u>\$ 27,560</u>	<u>\$ 24,072</u>	<u>\$ 26,603</u>	<u>\$ 26,446</u>	<u>\$ 30,406</u>	<u>\$ 27,680</u>	<u>\$ 21,591</u>	<u>\$ 26,676</u>
<b>Non-interest Expense:</b>								
Salaries and employee benefits	\$ 41,837	\$ 44,868	\$ 47,558	\$ 48,376	\$ 52,050	\$ 51,473	\$ 48,410	\$ 53,119
Net occupancy and equipment	14,027	14,750	14,587	14,825	14,855	15,330	15,756	16,676
Other operating expenses	39,029	37,060	36,986	37,713	37,501	36,622	36,787	35,846
Total non-interest expense	<u>\$ 94,893</u>	<u>\$ 96,678</u>	<u>\$ 99,131</u>	<u>\$ 100,914</u>	<u>\$ 104,406</u>	<u>\$ 103,425</u>	<u>\$ 100,953</u>	<u>\$ 105,641</u>
<b>Balance Sheet Data:</b>								
Total assets	\$22,388,030	\$23,005,652	\$22,960,731	\$23,402,679	\$23,555,728	\$24,565,810	\$26,380,409	\$26,888,308
Non-purchased loans	15,073,791	15,610,681	15,786,809	16,307,621	16,224,539	17,030,378	18,247,431	18,419,958
Purchased loans	2,044,032	1,864,715	1,698,396	1,427,230	1,307,504	1,197,826	1,063,647	938,485
Investment securities – AFS	2,862,340	2,769,602	2,548,489	2,414,722	2,277,389	2,816,556	3,299,944	3,468,243
Deposits	17,938,415	18,476,868	18,186,215	18,440,078	18,474,259	18,809,190	20,723,598	21,287,405
Unfunded balance of closed loans	11,364,975	11,544,218	11,167,055	11,429,918	11,325,598	11,334,737	11,411,441	11,604,614
Common stockholders' equity	3,770,330	3,882,643	3,993,247	4,078,324	4,150,351	4,083,150	4,110,666	4,186,285

**Bank OZK**  
**Supplemental Quarterly Financial Data (Continued)**  
Unaudited

	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20	9/30/20
	(Dollars in thousands, except per share amounts)							
<b>Allowance for Credit Losses:</b>								
Balance at beginning of period	\$ 98,200	\$ 102,264	\$ 105,954	\$ 106,642	\$ 109,001	\$ 108,525	\$ 316,409	\$ 374,494
Adoption of CECL <sup>(1)</sup> methodology	—	—	—	—	—	94,512	—	—
Net charge-offs	(3,207)	(2,991)	(6,081)	(5,495)	(5,414)	(4,291)	(13,941)	(4,421)
Provision for credit losses	7,271	6,681	6,769	7,854	4,938	117,663	72,026	7,200
Balance at end of period	<u>\$ 102,264</u>	<u>\$ 105,954</u>	<u>\$ 106,642</u>	<u>\$ 109,001</u>	<u>\$ 108,525</u>	<u>\$ 316,409</u>	<u>\$ 374,494</u>	<u>\$ 377,273</u>
Allowance for loan losses	\$ 102,264	\$ 105,954	\$ 106,642	\$ 109,001	\$ 108,525	\$ 238,737	\$ 306,196	\$ 308,847
Reserve for losses on unfunded loan commitments	—	—	—	—	—	77,672	68,298	68,426
Total allowance for credit losses	<u>\$ 102,264</u>	<u>\$ 105,954</u>	<u>\$ 106,642</u>	<u>\$ 109,001</u>	<u>\$ 108,525</u>	<u>\$ 316,409</u>	<u>\$ 374,494</u>	<u>\$ 377,273</u>
<b>Selected Ratios:</b>								
Net interest margin – FTE <sup>(2)</sup>	4.55%	4.53%	4.45%	4.26%	4.15%	3.96%	3.74%	3.69%
Efficiency ratio	36.90	38.49	39.30	40.98	42.37	43.35	42.07	41.77
Net charge-offs to average non-purchased loans <sup>(2) (3)</sup>	0.06	0.05	0.12	0.07	0.10	0.08	0.05	0.09
Net charge-offs to average total loans <sup>(2)</sup>	0.07	0.07	0.14	0.12	0.12	0.10	0.29	0.09
Nonperforming loans to total loans <sup>(4)</sup>	0.23	0.22	0.15	0.17	0.15	0.16	0.18	0.15
Nonperforming assets to total assets <sup>(4)</sup>	0.23	0.21	0.25	0.26	0.18	0.19	0.19	0.17
Allowance for loan losses to total loans <sup>(5)</sup>	0.60	0.61	0.61	0.61	0.62	1.31	1.59	1.60

Loans past due 30 days or more, including past due non-accrual loans, to total loans<sup>(4)</sup>

0.28      0.28      0.13      0.14      0.19      0.18      0.13      0.13

- (1) Current Expected Credit Loss.  
(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 September 30,						Nine Months Ended September 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)												
<b>ASSETS</b>												
Earning assets:												
Interest earning deposits and federal funds sold	\$ 1,705,652	\$ 532	0.12%	\$ 486,174	\$ 2,647	2.16%	\$ 1,459,814	\$ 5,237	0.48%	\$ 242,476	\$ 4,001	2.21%
Investment securities:												
Taxable	2,216,041	9,666	1.74	2,027,267	12,511	2.45	1,979,368	31,480	2.12	2,169,218	40,992	2.53
Tax-exempt – FTE	1,193,407	6,573	2.19	462,927	4,256	3.65	944,552	18,527	2.62	495,694	13,835	3.73
Non-purchased loans – FTE	18,311,166	236,846	5.15	15,934,033	245,099	6.10	17,602,817	701,892	5.33	15,727,447	741,375	6.30
Purchased loans	999,438	16,269	6.48	1,553,398	26,042	6.65	1,132,334	54,743	6.46	1,760,740	84,756	6.44
Total earning assets – FTE	24,425,704	269,886	4.40	20,463,799	290,555	5.63	23,118,885	811,879	4.69	20,395,575	884,959	5.80
Non-interest earning assets	2,235,853			2,323,028			2,302,225			2,277,584		
Total assets	<u>\$ 26,661,557</u>			<u>\$ 22,786,827</u>			<u>\$ 25,421,110</u>			<u>\$ 22,673,159</u>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	\$ 7,581,707	\$ 5,496	0.29%	\$ 8,792,998	\$ 30,108	1.36%	\$ 7,742,865	\$ 32,945	0.57%	\$ 9,318,915	\$ 103,721	1.49%
Time deposits of \$100 or more	6,101,542	20,858	1.36	3,564,862	19,803	2.20	5,259,616	66,813	1.70	3,292,375	52,056	2.11
Other time deposits	3,664,931	11,919	1.29	3,069,997	16,337	2.11	3,584,047	41,448	1.54	2,697,660	40,950	2.03
Total interest bearing deposits	17,348,180	38,273	0.88	15,427,857	66,248	1.70	16,586,528	141,206	1.14	15,308,950	196,727	1.72
Repurchase agreements with customers	7,093	4	0.24	9,037	5	0.24	7,686	17	0.29	14,062	39	0.37
Other borrowings <sup>(1)</sup>	793,350	1,156	0.58	29,422	90	1.21	711,408	2,168	0.41	122,254	1,497	1.64
Subordinated notes	223,899	3,207	5.70	223,516	3,216	5.71	223,801	9,551	5.70	223,419	9,542	5.71
Subordinated debentures <sup>(1)</sup>	120,253	984	3.26	119,700	1,178	3.90	120,119	3,420	3.80	119,558	4,570	5.11
Total interest bearing liabilities	18,492,775	43,624	0.94	15,809,532	70,737	1.78	17,649,542	156,362	1.18	15,788,243	212,375	1.80
Non-interest bearing liabilities:												
Non-interest bearing deposits	3,764,063			2,728,596			3,391,162			2,736,350		
Other non-interest bearing liabilities	253,211			213,505			251,723			220,126		
Total liabilities	22,510,049			18,751,633			21,292,427			18,744,719		
Common stockholders' equity	4,148,409			4,032,066			4,125,578			3,925,321		
Noncontrolling interest	3,099			3,128			3,105			3,119		
Total liabilities and stockholders' equity	<u>\$ 26,661,557</u>			<u>\$ 22,786,827</u>			<u>\$ 25,421,110</u>			<u>\$ 22,673,159</u>		
Net interest income – FTE		<u>\$ 226,262</u>			<u>\$ 219,818</u>			<u>\$ 655,517</u>			<u>\$ 672,584</u>	
Net interest margin – FTE			<u>3.69%</u>			<u>4.26%</u>			<u>3.79%</u>			<u>4.41%</u>

<sup>(1)</sup> 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 \$0.03 million for the third quarter and \$0.65 million for the first nine months of 2020 compared to \$0.11 million for the third quarter and \$0.86 million for the first nine months of 2019. In the absence of this interest capitalization, the rates on other borrowings would have been 0.59% for the third quarter and 0.53% for the first nine months of 2020 and 2.69% for the third quarter and 2.57% for the first nine months of 2019. Capitalized interest included in subordinated debentures totaled \$0.01 million for the third quarter and \$0.18 million for the first nine months of 2020, compared to \$0.45 million for both the third quarter and first nine months of 2019. In the absence of this interest capitalization, the rates on subordinated debentures would have been 3.27% for the third quarter and 4.00% for the first nine months of 2020 and 5.39% for the third quarter and 5.61% for the first nine months of 2019.

**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			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2020	2019	2020	2020	2019
	(Dollars in thousands)				
Net income available to common stockholders	\$ 109,253	\$ 103,891	\$ 50,266	\$ 171,385	\$ 325,100
Average common stockholders' equity before noncontrolling interest	\$ 4,148,409	\$ 4,032,066	\$ 4,110,038	\$ 4,125,578	\$ 3,925,321
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	(17,461)	(28,275)	(19,563)	(19,803)	(31,290)
Total average intangibles	(678,250)	(689,064)	(680,352)	(680,592)	(692,079)
Average tangible common stockholders' equity	\$ 3,470,159	\$ 3,343,002	\$ 3,429,686	\$ 3,444,986	\$ 3,233,242
Return on average common stockholders' equity <sup>(1)</sup>	10.48%	10.22%	4.92%	5.55%	11.07%
Return on average tangible common stockholders' equity <sup>(1)</sup>	12.52%	12.33%	5.89%	6.65%	13.44%

<sup>(1)</sup> Ratios for interim periods annualized based on actual days.

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

	September 30,		June 30,
	2020	2019	2020
	(In thousands, except per share amounts)		
Total common stockholders' equity before noncontrolling interest	\$ 4,186,285	\$ 4,078,324	\$ 4,110,666
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(16,462)	(26,608)	(18,377)
Total intangibles	(677,251)	(687,397)	(679,166)
Total tangible common stockholders' equity	\$ 3,509,034	\$ 3,390,927	\$ 3,431,500
Shares of common stock outstanding	129,342	128,946	129,350
Book value per common share	\$ 32.37	\$ 31.63	\$ 31.78
Tangible book value per common share	\$ 27.13	\$ 26.30	\$ 26.53

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

	September 30,	
	2020	2019
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	\$ 4,186,285	\$ 4,078,324
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(16,462)	(26,608)
Total intangibles	(677,251)	(687,397)
Total tangible common stockholders' equity	\$ 3,509,034	\$ 3,390,927
Total assets	\$ 26,888,308	\$ 23,402,679
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(16,462)	(26,608)
Total intangibles	(677,251)	(687,397)
Total tangible assets	\$ 26,211,057	\$ 22,715,282
Ratio of total common stockholders' equity to total assets	15.57%	17.43%
Ratio of total tangible common stockholders' equity to total tangible assets	13.39%	14.93%

**Calculation of Pre-Tax Pre-Provision Net Revenue**

Unaudited

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	(Dollars in thousands)			
Income before taxes	\$ 138,492	\$ 136,458	\$ 65,205	\$ 220,063
Provision for credit losses	7,200	7,854	72,026	196,889
Pre-tax pre-provision net revenue	\$ 145,692	\$ 144,312	\$ 137,231	\$ 416,952
	\$ 449,601	\$ 449,601	\$ 416,952	\$ 449,601



**Bank OZK**

Source: Bank OZK