UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C. 20429

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________.

FDIC Certificate No. 110

BANK OZK

(Exact name of registrant as specified in its charter)

ARKANSAS	**71-0130170**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
18000 CANTRELL ROAD, LITTLE ROCK, ARKANSAS	**72223**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (501) 978-2265

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	OZK	Nasdaq Global Select Market
4.625% Series A Non-Cumulative Perpetual Preferred Stock, $0.01 par value per share	OZKAP	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Emerging growth company	☐
Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked prices of such common equity as of the last business day of the registrant's most recently completed second fiscal quarter: $4.4 billion.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practical date.

Class	Outstanding at February 28, 2025
Common Stock, $0.01 par value per share	113,603,501

Documents incorporated by reference: Portions of the Registrant's Proxy Statement for the 2025 Annual Meeting of Shareholders, scheduled to be held on May 5, 2025 are incorporated by reference into Part III of this Annual Report on Form 10-K.

BANK OZK
ANNUAL REPORT ON FORM 10-K
DECEMBER 31, 2024

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PART I

Unless the context otherwise requires, references in this Annual Report on Form 10-K to terms such as "Bank," "we," "us," and "our" refer to Bank OZK and its consolidated subsidiaries.

FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K, including Management's Discussion and Analysis of Financial Condition and Results of Operations, other public filings made by us and other oral and written statements or reports by us and our management include certain forward-looking statements within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as such may involve risks and uncertainties. These forward-looking statements are intended to be subject to the safe harbor provided by Section 27A of the Securities Act, Section 21E of the Exchange Act and 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. Forward-looking statements include, without limitation, statements and discussions about economic, real estate market, competitive, employment, credit market and interest rate conditions, including expectations for further changes in monetary and interest rate policy by the Federal Reserve System; our plans, goals, beliefs, expectations, thoughts, estimates and outlook for the future with respect to our revenue growth; net income and earnings per common share; net interest margin; net interest income; non-interest income, including deposit-related fees, trust income, bank owned life insurance income, loan-related fees, and gains (losses) on investment securities and sales of other assets; non-interest expense; efficiency ratio; future federal, state and local effective income tax rates; anticipated future operating results and financial performance; expectations regarding future loan originations or loan repayments; asset quality and asset quality ratios, including the effects of current economic and real estate market conditions; nonperforming loans; nonperforming assets; net charge-offs and net charge-off ratios; provision and allowance for credit losses; past due loans; current or future litigation; interest rate sensitivity, including the effects of possible interest rate changes; future growth and expansion opportunities, including plans for making additional acquisitions; problems with obtaining regulatory approval of or integrating or managing acquisitions; plans for opening new offices or relocating, selling or closing existing offices; opportunities and goals for future market share growth; expected capital expenditures; loan and deposit growth, including growth from unfunded closed loans; changes in the volume, yield and value of our investment securities portfolio; availability of unused borrowings; descriptions of plans or other expectations for future operations, products, services and/or new business lines; any issuance of debt or equity securities and other similar forecasts and statements of expectation. Words such as "anticipate," "assume," "believe," "could," "designed," "estimate," "expect," "forecast," "goal," "hope," "intend," "likely," "look," "may," "plan," "project," "seek," "target," "trend," "will," "would," and similar words and expressions, identify forward-looking statements.

Actual future performance, outcomes and results may differ materially from those expressed in, or implied by, forward-looking statements made by us and our management due to certain risks, uncertainties and other assumptions. Certain factors that may affect our future results include, but are not limited to, potential delays or other problems in implementing our growth, expansion and acquisition strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices, or integrating any acquisitions; the availability of and access to capital; possible downgrades in our credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on our net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; conditions within the banking industry; recently enacted and potential new laws and regulatory requirements or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry; changes intended to manage or mitigate climate and related environmental risks, or changes in the interpretation and enforcement of such laws and requirements; changes as a result of the recent U.S. presidential and congressional elections; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; the costs and expenses to comply with new and/or existing legislation and regulatory requirements; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; Federal Deposit Insurance Corporation ("FDIC") special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business or others, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting us or our customers or others; natural disasters, acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflicts; the competition for and costs of recruiting and retaining qualified personnel; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this Annual Report on Form 10-K or as detailed from time to time in our public filings. See also Part I, Item 1A. Risk Factors in this Annual Report on Form 10-K.

Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. We disclaim any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Item 1. BUSINESS

The disclosures set forth in this item are qualified by "Item 1A. Risk Factors," the section captioned "Forward-Looking Information" and other cautionary statements set forth elsewhere in this Annual Report on Form 10-K.

General

Bank OZK, chartered in 1903, is a full-service Arkansas state-chartered bank, headquartered in Little Rock, Arkansas with deposits insured by the FDIC. We provide a wide range of retail and commercial banking services through more than 240 offices (as of December 31, 2024) in Arkansas, Georgia, Florida, North Carolina, Texas, Tennessee, New York, California and Mississippi. We offer deposit services including checking, savings, money market, time deposit and individual retirement accounts. We offer loan services including various types of real estate, consumer, commercial and industrial loans. We also provide, among other products and services, treasury management services for businesses, non-profits and governmental entities; trust and wealth services for individuals, businesses, and non-profit and governmental entities (including financial planning, money management, custodial services and corporate trust services, among other services); ATMs; online and mobile banking services (including electronic bill pay and mobile deposits); telephone banking; debit cards and safe deposit boxes. Through third-party providers, we offer credit cards for consumers and businesses and processing of merchant debit and credit card transactions. We currently operate in one business segment and do not have foreign operations. At December 31, 2024, we had total assets of $38.26 billion, total loans of $29.97 billion, total deposits of $31.04 billion and total common stockholders' equity of $5.37 billion. For 2024, net interest income was a record $1.53 billion, net income available to common stockholders was a record $700 million and diluted earnings per common share were a record $6.14.

Our Mission

Our mission is to (i) maximize long-term shareholder returns by compounding short-term growth and achievements, (ii) provide exceptional customer experiences and (iii) prioritize culture, continuous improvement and efficiencies.

Business Strategy

We believe that stable long-term growth and profitability are the result of developing comprehensive, strong banking relationships with our customers by offering a wide range of products and services and delivering excellent customer service while maintaining disciplined underwriting standards. We are focused on originating high-quality loans and growing a stable deposit base through our emphasis on relationship-based banking and believe that the following strategies will assist us in growing our loan portfolio responsibly, managing our deposit sources to appropriately fund growth in our earning assets, maintaining favorable asset quality compared to industry averages and sustaining our strong profitability.

- We are focused on growing and diversifying our loan portfolio while remaining committed to our conservative credit culture. Historically, a significant portion of our loan portfolio growth has been attributable to our Real Estate Specialties Group ("RESG"), which focuses primarily on acquisition, development and construction lending of commercial real estate ("CRE"). We expect to continue to pursue meaningful loan growth, including growth within RESG, while diversifying our growth to achieve more balance between CRE lending and other types of loan originations through our Corporate and Institutional Banking ("CIB"), Community Banking and Indirect Lending groups. Our CIB group includes asset-based lending, corporate banking and sponsor finance, fund finance, equipment finance and capital solutions, and loan syndications and corporate services. Our Community Banking group includes consumer finance, small business, government guaranteed, business aviation, affordable housing, middle market CRE and homebuilder finance. Our indirect lending business primarily focuses on recreational vehicle ("RV") and marine lending nation-wide. We believe this "growth, growth and diversification" strategy will allow us to achieve greater portfolio diversification through growth in CIB, Indirect Lending and Community Banking, while continuing to capitalize on RESG's unique strengths and expertise to grow longer term.

- As we continue to grow and diversify our loan portfolio, we intend to employ, and enhance as appropriate, the same disciplined underwriting standards and credit risk management processes that have contributed to our consistently favorable asset quality compared to industry averages.
- Our reputation, expertise and banking model enable us to build and expand our banking relationships. We remain committed to growing our business in a disciplined manner. We intend to focus on expanding our business by offering an array of financial products and services, which we believe will allow us to continue to achieve long-term and profitable growth in a safe and sound manner.
- We are focused on generating primary deposit relationships with our personal, business and public funds clients throughout our footprint. We strive to offer competitive deposit products, services and rates that provide value to our customers, while generating a fair return for the Bank. One of our priorities is developing and promoting deposit products and tools that encourage positive savings habits and help our customers improve their financial security.
- We continue to focus on the evolving role and importance of technology in our business. This focus is critical in today's rapidly evolving banking environment where technology is becoming increasingly important in driving efficiency, speed and quality of service.
- Our focus on long-term operational efficiency is a key factor in achieving our profitability and future growth goals and objectives. We believe that pursuing a business model that generates strong revenue allows us to be highly efficient while also constantly improving our products and technology for our customers and providing competitive pay and benefits for our teammates. We believe that our expanded and enhanced infrastructure, including our focus on technology and risk management, will allow us to maintain good operational efficiencies over the long term as we grow our business.
- Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building capital ratios well above the minimum to be considered "well capitalized." We are focused on strategies to utilize our capital that are in the best long-term interest of our shareholders. Options for deploying our capital may include, among others, organic loan growth, adding additional new business lines, continuing to increase our cash dividend, stock repurchases, and if appropriate, acquisitions.

Lending Activities

We offer a variety of commercial and consumer lending products to our customers, including most types of real estate loans, consumer and small business loans, indirect lending primarily for RV and marine loans, asset-based commercial lending, equipment financing, lender and structured finance, enterprise value lending, net asset value ("NAV") lending, subscription financing, sponsor and fund financing, loan syndications, commercial and industrial loans, government guaranteed loans, agricultural loans, business aviation financing, homebuilder loans and affordable housing loans, among others. Interest rates charged by us vary with degree of risk, type, size, complexity, repricing frequency and other relevant factors associated with the loan or financing arrangement. Competition from other lending providers also affects the interest rates we charge.

Real Estate Loans. Real estate loans are a significant portion of our loan portfolio and include loans secured by residential 1-4 family, non-farm/non-residential, agricultural, construction/land development, multifamily properties and other land loans. Non-farm/non-residential loans include those secured by real estate mortgages on commercial buildings of various types, including office, industrial, life science, hotels, mixed use and other properties. Agricultural real estate loans include loans secured by farmland and related improvements, including some loans guaranteed by the Farm Service Agency ("FSA") and the Small Business Administration ("SBA"). Real estate construction/land development loans include loans secured by unimproved land, loans to finance land acquisition, development or construction of residential, multifamily, industrial, commercial, mixed use, manufacturing, life science, or office buildings or additions or alterations to existing structures. Included in our residential 1-4 family loans are home equity lines of credit. Our real estate loan products are generally payable in monthly or other periodic installments of principal and/or interest, and due and payable in full (unless renewed) at a balloon maturity generally within one to seven years. A significant portion of our real estate loans are structured as term loans with adjustable interest rates (adjustable daily, monthly, quarterly, semi-annually, annually, or at other regular adjustment intervals), and the vast majority of such adjustable rate loans have established "floor" interest rates.

Commercial and Industrial Loans. Our commercial and industrial loan portfolio consists of loans for commercial, industrial and professional purposes including loans to fund working capital requirements (such as inventory, floor plan and receivables financing), purchases of machinery and equipment and other purposes. Also included in commercial and industrial loans are our enterprise value lending, NAV lending, subscription credit facilities and asset-backed facilities, our business aviation financing, and our equipment finance, lender finance and structured finance solutions. We offer a variety of commercial and industrial loan and financing arrangements, including term loans, balloon loans, lines of credit, and lease structures, including some loans guaranteed by the SBA, with the purpose and collateral supporting a particular loan determining its structure. These arrangements are offered to businesses and professionals for short and medium terms. As a general practice, we obtain as loan collateral a lien on furniture, fixtures, equipment, inventory, receivables, unfunded capital commitments or other assets.

Indirect Consumer Loans. Our portfolio of indirect consumer loans includes loans to individuals primarily for the purchase of RVs and marine vessels, generated largely through relationships with dealers and correspondent lenders. These loans are generally collateralized by the purchased asset and have terms ranging up to 240 months. These loans are underwritten based on a combination of borrower credit score, documented debt service coverage, previous asset ownership, experience and borrower liquidity, among other factors.

Consumer Loans. In addition to our indirect consumer loans, our portfolio of consumer loans includes loans to fund the purchase of automobiles, equipment (including agricultural equipment), ATVs, mobile homes and other similar purposes for consumer needs. These loans are generally collateralized and have terms ranging up to 120 months, depending upon the nature of the collateral, size of the loan, and other relevant factors.

Government Guaranteed Loans. Our portfolio of government guaranteed loans is comprised mainly of SBA, FSA and U.S. Department of Agriculture guaranteed loans. These loans are commercial in nature and are typically for the refinance or origination of credit facilities secured by, but not limited to, commercial real estate, agricultural real estate, equipment and various other assets.

Small Business Loans. Our portfolio of small business loans includes loans to businesses with less than $1 million in annual revenues. Such loans generally include loans for the purchase (or refinance) of commercial or residential real estate, equipment (including agricultural equipment), lines of credit and various other business purposes. These loans are centrally underwritten and are based on the borrower's ability to make repayment from the cash flow of its business with collateral or guarantor support being a secondary source of repayment.

Mortgage Lending. We offer a broad array of residential mortgage products. We recently launched a secondary market residential mortgage team to serve our customers' residential mortgage banking needs, which is now operational across our branch footprint and originates long-term residential mortgage loans to be sold on a servicing-released basis in the secondary mortgage market. In addition to these long-term secondary market loans, we offer a small number of fixed rate loan products which balloon periodically, typically eight to nine years, which we retain in our loan portfolio.

Lending Approvals and Process

Our Board of Directors ("Board") and Portfolio Oversight Committee ("POC"), which is chaired by our Chief Executive Officer ("CEO"), oversee and provide policy direction for our lending operations, which are primarily administered by our Loan Committee, which is comprised of our CEO, President, Chief Credit Officer ("CCO") and Chief Lending Officer ("CLO"). We maintain a tiered loan limit authorization system that grants lending authority commensurate with the lending officer's skill level and knowledge. Our lending policies contain various measures to limit concentration exposures, including customer and CRE exposures for both funded balances and total commitment (comprised of both funded and unfunded balance), as well as by property type and geography.

We have detailed, comprehensive standards for evaluating credit risk, both at the point of origination and thereafter, as well as a comprehensive internal grading system that is used to identify credit risk at the individual loan level. Oversight of credit risk is provided through loan policy, and various other credit-related policies, clearly defined processes and detailed procedures. These policies, processes and procedures emphasize strong underwriting standards and early detection of potential credit problems in order to develop and implement any necessary action plan(s) on a timely basis to mitigate potential losses and are carried out on a daily basis by our lenders and lending support personnel, our credit administration group, our underwriters and various other officers and personnel that have credit management responsibilities.

Deposits

We offer an array of deposit products consisting of non-interest bearing checking accounts, interest bearing transaction accounts, business sweep accounts, savings accounts, money market accounts, time deposits, including individual retirement accounts, among others. We also make available, through various deposit placement networks, reciprocal deposits to our consumer, commercial and public funds deposit customers who want to make large deposit balances eligible for FDIC insurance beyond the traditional $250,000 per insured bank, per depositor. Rates paid on deposits vary by banking market and deposit category due to different terms and conditions, individual deposit size, services rendered and rates paid by competitors on similar deposit products. Our customers include state and local governments and government agencies or instrumentalities, and such public funds deposits are often subject to competitive bidding and generally must be secured by pledging a portion of our investment securities or a letter of credit.

Deposit balances are generally influenced by national, regional and local economic conditions, changes in prevailing interest rates, internal pricing decisions, perceived stability of financial institutions and competition, among other factors. Our deposits come primarily from within our trade area, except that brokered deposits, listing service deposits, certain of our public funds deposits and deposits from our RESG and CIB customers, and certain deposit accounts opened online are from outside our primary trade area and may vary from time to time depending on competitive interest rate conditions, funding needs and other factors.

In addition to our deposit base, we have access to other sources of funding, including Federal Home Loan Bank of Dallas ("FHLB") advances, borrowings from the Federal Reserve Bank ("FRB"), repurchase agreements and secured and unsecured federal funds lines of credit from correspondent banks. In recent years, we have also accessed the capital markets through subordinated debt and common and preferred stock offerings. For additional information concerning the Bank's deposits and other funding sources, see Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Risk Elements – Liquidity Risk Management to this Annual Report on Form 10-K.

Other Banking Services

Trust and Wealth Services. We offer a broad array of trust and wealth services from our headquarters in Little Rock, Arkansas, and elsewhere in Arkansas, Texas, North Carolina, Georgia, Florida and Mississippi. These services include personal trusts, custodial accounts, investment management accounts, retirement accounts, corporate trust services including trustee, paying agent and registered transfer agent services, and other incidental services. At December 31, 2024, total trust and wealth assets were approximately $2.68 billion compared to approximately $2.55 billion at December 31, 2023 and approximately $2.38 billion at December 31, 2022.

Treasury Management Services. We offer treasury management services designed to provide a high level of customized solutions to business, non-profit and governmental customers. Our treasury management services include automated clearing house, or ACH, services (e.g., direct deposit, direct payment and electronic cash concentration and disbursement), wire transfer, zero balance accounts, current and prior day transaction reporting, wholesale lockbox services, remote deposit capture services, automated credit line transfer, investment sweep accounts, reconciliation services, positive pay services, and commercial card, among other services.

Market Areas and Competition

At December 31, 2024, we conducted operations through more than 240 offices in Arkansas, Georgia, Florida, North Carolina, Texas, Tennessee, New York, California and Mississippi. Our business is impacted by the trends of the regional and local economies in the market areas we serve.

The banking industry in our market areas is highly competitive. In addition to competing with other financial institutions, we compete with finance companies, leasing companies, mortgage companies, fintech companies, insurance companies, brokerage and investment banking firms, private equity funds (including asset-based non-bank lenders) and many other financial service firms and intermediaries. Competition is based on interest rates offered on deposit accounts, interest rates charged on loans, fees and service charges, the quality and scope of products offered and services rendered, including technology-driven solutions and the convenience of banking facilities, among other factors.

A number of competitors in our market areas are part of larger regional or national banking companies and as a result may have greater resources and lower costs of funds than we have, may have greater access to capital markets, and may offer a broader range of financial services than we currently provide. Additionally, we face competition from a large number of smaller community banks in the markets we serve. Some of our competitors may have more liberal lending policies and processes. Competition among providers of financial products and services continues to increase as technology advances have lowered the barriers to entry for financial technology companies, with consumers having the opportunity to select from a growing variety of traditional and nontraditional alternatives. The ability of non-banking financial institutions to provide services previously limited to commercial banks has intensified competition. Because non-banking financial institutions are not subject to many of the same regulatory restrictions as banks, they can often operate with greater flexibility and lower cost structures. Despite the highly competitive environment, we believe we will continue to be competitive because of our expertise in real estate lending and various other types of lending, strong commitment to quality customer service, active community involvement and competitive products and pricing.

Information Technology

The ability to access and use technology is an increasingly competitive factor in the financial services industry. Technology is not only important with respect to delivering financial services and protection of the security of customer information but also in processing information. We must continually make technology investments to remain competitive in the financial services industry. The performance of our technology partners is managed and monitored in accordance with our internal policies, processes and procedures. Additionally, we have various technology applications developed or under development within our technology group to address the needs of our customers, our lending groups and our employees, among others, by using technology to provide solutions, create additional operational efficiencies and provide greater privacy and security protection for our and our customers' data.

Business Resilience

We have developed and implemented a business resilience program to provide employees, customers, and stakeholders with reasonable assurance of resilience and recovery capabilities prior to, during and following a disruption. This program aligns with industry standards and leading practices, complies with regulatory requirements, including those of the Federal Financial Institutions Examination Council, and is subject to periodic review by the FDIC and Arkansas State Bank Department ("ASBD"), as well as internal audits.

The key elements of the program are business continuity, disaster recovery and crisis management. These include planning, monitoring for new or adapting threats, adjustments to meet the needs of a dynamic and growing organization, verification of recovery capabilities through tests and exercises, and continuous process improvement. The program is actively managed, includes various plans and teams trained and available around-the-clock to respond to disruptions and is designed to provide appropriate response during a disruption affecting our employees, customers, assets, business operations, technology infrastructure, brand and/or third-party relationships. The plans and program are supported by a governance framework and are reviewed no less than annually to ensure strategies are effective, scalable, and current.

Employees and Human Capital Resources

At December 31, 2024, we had 3,028 full-time equivalent employees. None of our employees is represented by a union, collective bargaining agreement or similar arrangement, and we have not experienced any labor disputes or strikes arising from any organized labor groups.

Our Culture. We believe culture is critical to our success. The "OZK Way" reflects our guiding principles for driving success. These are the standards we expect every Bank team member to strive to achieve:

- *Better Character*. We conduct ourselves and our business with the highest standards of honesty, ethics, integrity and fair dealing.

- *Better Experiences*. We provide exceptional service, develop meaningful products and leverage technology to serve our clients effectively while fostering relationships rooted in trust.

- *Better^{X}*. We relentlessly pursue excellence through continuous innovation and improvement, realizing that many small incremental enhancements can compound mightily over time.

- *Better Together*. We champion teamwork and collaboration, and appreciate that our collective accomplishments lead to exponentially greater results.

Compensation and Benefits. We provide and continually review competitive compensation and benefits programs to help meet the needs of our employees and their families. In addition to base wages, these programs include a 401(k) plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, family and paid parental leave, family care resources, and employee assistance programs, among many others. All employees are compensated based on their individual merit and performance without regard to race, color, national origin, religion, sex (including gender, pregnancy, sexual orientation or gender identity), age, disability, genetic information, veteran status or any other protected status under federal, state or local law.

Employee Health, Wellness and Safety. The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our employees. We provide our employees and their families with access to a variety of innovative, flexible and convenient health and wellness programs, including benefits that support their physical and mental health by providing tools and resources to help them improve or maintain their health status and encourage engagement in healthy behaviors.

Training, Talent Development and Employee Engagement. We aim to help each member of our corporate family grow, develop and achieve their career objectives and potential. In return, we expect all employees to advance our interests through their hard work, loyalty, positive attitudes and performance. Because continuous learning is essential to our success and the success of our employees, we invest significantly in employee education and development, not only to ensure our employees are knowledgeable about regulatory requirements and corporate policies, but also to build the skills and capabilities necessary for employees to advance professionally over the long-term. We continue to assess and enhance our programs and offerings to enable our employees to improve competencies through online and micro-learning and guided discussion sessions.

We believe strengthening the connection employees feel to the work they do, their teams and the overall organization is at the core of employee well being, customer satisfaction and organizational success. We periodically conduct formal employee engagement surveys, with our most recent survey completed in the fall of 2024. In addition, we actively promote and support a dedicated internal portal referred to as "Better^X" for employees to provide suggestions on how we can improve our processes, procedures, policies and practices. Providing our employees with platforms to voice their ideas and concerns enables us to develop and implement action plans to enhance employee satisfaction and to ensure alignment with our overall human capital strategy.

Talent Acquisition. We believe team performance can be significantly enhanced if our team members have a diverse and complimentary range of skills, experiences, and perspectives. This ultimately can better address the varied needs of our customers and the communities in which we serve. We seek diverse talent at all levels by casting a wide net for prospective employees, which includes working with a diverse cross-section of educational institutions, community organizations, and other recruiting sources. Our talent acquisition practices are designed to attract top talent in the financial services industry and foster an inclusive, respectful and rewarding workplace. Our talent acquisition professionals guide supervisors in the proper recruitment and selection of talent, and our employee referral programs serve to reward current employees for identifying top talent who choose to apply and accept employment with us.

Information about our Executive Officers

The following is a list of our executive officers.

George Gleason, age 71, Chairman and Chief Executive Officer. Mr. Gleason has served the Bank as Chairman, Chief Executive Officer and/or President since 1979. He holds a B.A. in Business and Economics from Hendrix College and a J.D. from the University of Arkansas.

Brannon Hamblen, age 59, President. Mr. Hamblen joined the Bank in 2008. Prior to assuming the role of President in 2021, he served as President and Chief Operating Officer – Real Estate Specialties Group ("RESG") from 2018 to 2021, Chief Operating Officer – RESG from 2017 to 2018, Director of Asset Management – RESG from 2012 to 2017, and Senior Vice President, Originations from 2008 to 2012. Earlier in his career, Mr. Hamblen worked in the real estate consulting practices of Ernst & Young/ Kenneth Leventhal and KPMG, and in acquisitions, development, asset management, and capital markets with R.M. Crowe Company, a large Dallas-based, privately owned real estate owner/operator. Mr. Hamblen holds a B.S. in Agricultural Economics and a M.S. in Land Economics & Real Estate from Texas A&M University.

Tim Hicks, age 52, Chief Financial Officer. Mr. Hicks joined the Bank in 2009. Prior to assuming the role of Chief Financial Officer in 2022, he served as Chief Credit and Administrative Officer from 2020 to 2022, Chief Administrative Officer and Executive Director of Investor Relations from 2017 to 2020, Executive Vice President and Chief of Staff from 2016 to 2017, Executive Vice President, Corporate Finance from 2012 to 2016, and Senior Vice President, Corporate Finance from 2009 to 2012. Earlier in his career, Mr. Hicks served as director of investor relations and assistant treasurer of a publicly traded telecommunications company and held various positions with a big-four public accounting firm, leaving as a senior audit manager. Mr. Hicks is a C.P.A. (inactive) and holds a B.A. in Business and Economics from Hendrix College.

Cindy Wolfe, age 59, Chief Operating Officer. Ms. Wolfe joined the Bank in 1997. Prior to assuming the role of Chief Operating Officer in 2022, she served as Chief Banking Officer from 2018 to 2022, Deputy Director of Community Banking from 2015 to 2018, Carolinas Division President from 2014 to 2018, Charlotte Market President from 2012 to 2014, Executive Vice President – Lending from 2005 to 2012, Senior Vice President – Lending from 2001 to 2005, and opened the Bank's Charlotte loan production office in 2001. Earlier in her career, Ms. Wolfe held various leadership positions with national banks in commercial lending, operations, project management and internal audit. Ms. Wolfe holds a B.A. in Business Administration from Queens University of Charlotte and is a Certified Commercial Investment Member.

Alan Jessup, age 52, Chief Lending Officer. Mr. Jessup joined the Bank in 2008. Prior to assuming the role of Chief Lending Officer in 2018, he served as Deputy Director of Community Banking from 2015 to 2020, South Arkansas President from 2011 to 2015 and Saline County President from 2008 to 2011. Earlier in his career, Mr. Jessup held various leadership positions with other financial institutions in commercial lending, retail banking and marketing. Mr. Jessup holds a B.S. in Finance from Arkansas State University.

John Carter, age 44, Chief Credit Officer. Mr. Carter rejoined the Bank in 2023 after serving as the Chief Investment Officer and then Chief Executive Officer for Huffman & Co., a real estate development company, from 2020 to 2023. From 2009 to 2020, he worked for the Bank in a variety of roles, including as Chief Credit Officer, Director of Community Banking, Deputy Director of Community Bank Lending, Little Rock Market President and Senior Vice President. Mr. Carter holds a B.S. in Economics and Finance from Arkansas Tech University and a Master of Business Administration from the University of Arkansas at Little Rock.

Jason Cathey, age 44, Chief Information Officer. Mr. Cathey joined the Bank in 2015. Prior to assuming the role of Chief Information Officer in 2022, he served as Chief Information Security Officer from 2018 to 2022, Information Systems Security Officer from 2016 to 2018 and Cybersecurity Intelligence Analyst from 2015 to 2016. Mr. Cathey has over twenty years of professional technology experience with various leadership positions in information technology, information security, and banking operations. He is actively involved in the financial and technology communities, serving on multiple advisory and executive boards, including as past president for the Infragard Arkansas Members Alliance. Mr. Cathey holds a B.S. in Management Information Systems from Arkansas State University.

Arindam Majumdar, age 46, Chief Risk Officer. Mr. Majumdar joined the Bank in 2016. Prior to assuming the role of Chief Risk Officer in 2025, he served as Deputy Chief Risk Officer from 2023 to 2025, Managing Director – Enterprise Risk Analytics from 2019 to 2023, Director – ERM Analytics and Reporting from 2018 to 2019, and Enterprise Risk Management Officer from 2016 to 2018. Earlier in his career, Mr. Majumdar held senior risk management roles with other financial institutions including Discover Financial Services and JPMorgan Chase and worked as an investment analyst, portfolio manager and consultant. Mr. Majumdar holds an M.B.A. from the University of Iowa and a Bachelor of Engineering from Jadavpur University, a Masters in Banking and Leadership from the ABA Stonier School of Banking and the Wharton School of Business and a Risk Management Certification from Harvard Business School.

Stan Thomas, age 53, Chief Accounting Officer. Mr. Thomas joined the Bank in 2011. Prior to assuming the role of Chief Accounting Officer in 2020, he served as Executive Vice President/Director of Financial Reporting from 2015 to 2019 and Senior Vice President/Director of Financial Reporting from 2011 to 2015. Earlier in his career, Mr. Thomas was a senior audit manager with a regional and big-four accounting firms. Mr. Thomas is a C.P.A and holds a B.S. in Accounting and an M.B.A from Louisiana Tech University.

Helen W. Brown, age 47, General Counsel and Corporate Secretary. Ms. Brown joined the Bank in 2013. Prior to assuming the role of General Counsel in 2020, she served as the General Counsel Corporate Governance and Corporate Secretary from 2018 to 2020 and General Counsel Corporate Finance from 2013 to 2018. Earlier in her career, Ms. Brown was a Partner at Bass, Berry & Sims PLC in the firm’s Corporate and Securities practice group, where she focused on capital markets transactions, mergers and acquisitions and strategic investments, as well as advising companies on a variety of corporate governance and securities law matters. Ms. Brown received her Juris Doctor degree from the University of Arkansas School of Law and her Bachelor of Arts degree from the University of Arkansas.

Tamara Gotham, age 41, Chief Administrative Officer. Ms. Gotham joined the Bank in 2016. Prior to assuming the role of Chief Administrative Officer in 2022, Ms. Gotham served as Managing Director, Resilience and Learning and Development from 2021 to 2022, Director of Corporate Security and Resilience from 2019 to 2021 and Director of Business Resilience from 2016 to 2019. Earlier in her career, Ms. Gotham held various leadership positions in business continuity and disaster recovery with other financial institutions. She holds a B.S. in Finance from John Carroll University.

Patrick Carr, age 53, Managing Director – Corporate Finance Data and Technology. Prior to joining the Bank in 2021, Mr. Carr served as Senior Vice President and Chief Accounting Officer of Hanmi Financial Corporation (Nasdaq: HAFC) and its wholly owned subsidiary, Hanmi Bank, from 2020 to 2021. He previously held several roles in finance, accounting and risk management at JPMorgan Chase, most recently serving as Managing Director, Consumer Risk Analytics and Forecasting. Mr. Carr is a certified public accountant and spent the first nine years of his career at big-four accounting firms. Mr. Carr earned his B.S. degree in business administration in accountancy from John Carroll University.

SUPERVISION AND REGULATION

We are subject to extensive regulation under federal and state laws that establish a comprehensive framework for our operations. This regulatory framework may materially impact our growth and financial performance and is intended primarily for the protection of depositors, customers, the deposit insurance fund (“DIF”) and the U.S. banking system as a whole, not for the protection of our shareholders or creditors. Material elements of certain statutes, regulations and policies applicable to us are described below, but the following discussion is a summary and does not purport to be complete. This description is qualified in its entirety by reference to the full text of the statutes, regulations and policies described herein.

Overview

We are examined, supervised and regulated by the ASBD and the FDIC, which is our primary federal regulator. The laws enforced by, and regulations and policies of, these agencies affect almost every aspect of our business. We are also subject to the laws and regulations of the states in which we do business, certain regulations of the Federal Reserve, the examination and enforcement authority of the Consumer Financial Protection Bureau (“CFPB”) with respect to consumer financial laws, and various other regulatory authorities, as well as the information reporting requirements under the Exchange Act and the FDIC rules relating thereto, as administered and enforced by the FDIC. We file periodic and current reports and other materials required to be filed under the Exchange Act with the FDIC and are subject to the rules of the Nasdaq Global Select Market ("Nasdaq") for listed companies.

With few exceptions, state and federal banking laws have as their principal objective either the maintenance of the safety and soundness of the DIF or the protection of customers, depositors, other classes of consumers and the banking system as a whole, rather than the specific protection of our non-deposit creditors or shareholders. Banks that fail to conduct their operations in a safe and sound manner or in compliance with applicable laws can be compelled by the regulators to change the way they do business and may be subject to regulatory enforcement actions, including civil monetary penalties and restrictions imposed on their operations, including in extraordinary circumstances, closure of the banks.

Permissible Activities

Our business is generally limited to activities permitted by Arkansas law and any applicable federal laws. Under the Arkansas Banking Code of 1997 (the "Arkansas Banking Code"), we may generally engage in all usual banking activities, including, among other activities, taking deposits, lending money, issuing letters of credit, buying, discounting and negotiating promissory notes, bonds, drafts and other forms of indebtedness, and buying and selling certain investment securities. Subject to the authorization of the Arkansas State Bank Commissioner (the "Bank Commissioner"), we may also engage in any activity permissible for national banks.

In addition, under the Gramm-Leach-Bliley Act of 1999 (the "GLBA"), state banks like ours may invest in financial subsidiaries that engage as the principal in activities that would only be permissible for a national bank to conduct in a financial subsidiary. This authority is generally subject to the same conditions that apply to national bank investments in financial subsidiaries.

Dodd-Frank Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), as modified by the Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018 (the "EGRRCPA"), fundamentally restructured federal banking regulation by shifting from prudential regulation of individual institutions to a systemic view of regulations, resulting in significant regulatory change. Aspects of the Dodd-Frank Act that have had or may have a material effect on our business include, among others: changing the assessment base for federal deposit insurance; making permanent the $250,000 limit for federal deposit insurance; eliminating the requirement that the FDIC pay dividends from the DIF in certain cases; repealing the federal prohibitions on the payment of interest on demand deposits; heightening corporate governance requirements for all public companies (including "say-on-pay" shareholder votes, compensation clawback policy requirements, expanded executive compensation disclosures and enhanced director independence requirements); creation of the CFPB; imposing additional underwriting standards and other requirements for mortgage lending; permitting the establishment of *de novo* interstate branches; limiting debit card interchange fee charges for banks with $10 billion or more in assets; and incentivizing and protecting whistleblowers who report violations of the federal securities laws.

Because our total assets exceed $10 billion, we are subject to certain additional requirements created by the Dodd-Frank Act, including enhanced prudential oversight requirements and a more frequent and enhanced regulatory examination regime. Failure to comply with these requirements could result in regulatory enforcement actions, could negatively impact our business, financial condition or results of operations and could limit our growth or expansion activities. The changes resulting from the Dodd-Frank Act have had and may continue to have an adverse effect on the profitability of our business activities, require further changes to certain of our business practices, impose upon us more stringent capital, liquidity and leverage requirements or otherwise adversely affect our business. These changes have required and may continue to require us to invest significant management attention and resources to evaluate and take any actions necessary to comply with new statutory and regulatory requirements.

Capital Stress Testing. As a result of the EGRRCPA, we are no longer required to prepare annual capital stress tests pursuant to the Dodd-Frank Act. However, we continue to utilize internal stress testing as part of our capital planning and risk management processes and monitor our capital consistent with the safety and soundness expectations of the federal regulators.

The Volcker Rule. Section 619 of the Dodd-Frank Act, also known as the Volcker Rule, prohibits banks and their affiliates from engaging in proprietary trading or acquiring or retaining an ownership interest in, sponsoring, or having certain relationships with a hedge fund or private equity fund. We may incur costs if we are required to adopt additional policies and systems to ensure compliance with the Volcker Rule, although any such costs are not expected to be material. Unanticipated effects of the Volcker Rule's provisions or future regulatory or court interpretations may have an adverse effect on our business.

Deposit Premiums and Assessments

Our deposits are insured by the FDIC's DIF to the fullest extent permissible by law, and we are subject to deposit insurance assessments to maintain the DIF. Our assessments are based on our average consolidated total assets minus our average tangible equity. The FDIC determines our initial assessment rate using a performance score and a loss-severity score, and in calculating these scores the FDIC uses our capital level, supervisory ratings and certain financial measures to assess our ability to withstand asset-related and funding-related stress. The FDIC has the ability to make discretionary adjustments to the total score based upon its determination of the existence of significant risk factors that are not adequately captured in the calculations.

The Dodd-Frank Act increased the minimum target DIF reserve ratio from 1.15% to 1.35% of estimated insured deposits. The reserve ratio fell below 1.35% as of June 30, 2020. On October 18, 2022, the FDIC finalized a rule increasing initial base deposit insurance assessment rates uniformly by two basis points, beginning with the first quarterly assessment period of 2023, in order to restore the DIF to the 1.35% minimum ratio by the September 30, 2028 statutory deadline.

In addition to ordinary assessments, the FDIC has the ability to impose special assessments in certain instances to recover any losses to the DIF as a result of protecting uninsured depositors. In November 2023, the FDIC finalized a special assessment to recover the loss to the DIF arising from the bank failures that occurred in 2023, which we fully accrued and expensed in the fourth quarter of 2023 and in February 2024, the FDIC finalized a second special assessment, which we fully accrued and expensed in the first quarter of 2024. The FDIC retains the ability with respect to this special assessment to cease collection early, extend the collection period and impose a final shortfall special assessment on a one-time basis.

Insurance of deposits may be terminated by the FDIC upon a finding that an institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

Capital Requirements

We are subject to various regulatory capital requirements administered by federal and state banking agencies, including the risk-based capital requirements established by the FDIC and other federal banking regulators consistent with agreements reached by the Basel Committee on Banking Supervision (“Basel III”) and certain provisions of the Dodd-Frank Act (the “Basel III Rules”). See “Capital Management – Regulatory Capital” under Part III, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations of this Annual Report on Form 10-K for a discussion of the Basel III Rules.

Information Security, Cybersecurity, and Privacy

Information security and cybersecurity are high-priority items for legislators and regulators at the federal and state levels, as well as internationally. State and federal banking regulators have issued various policy statements and, in some cases, regulations emphasizing the importance of technology risk management and supervision. Such policy statements and regulations require that we design multiple layers of security controls to establish lines of defense and ensure that our risk management processes address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing our internet-based services. We are expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption and maintenance of our operations after a cyber-attack involving destructive malware. We are also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if we or our critical service providers fall victim to this type of cyber-attack. These requirements may cause us to incur significant additional compliance costs and, in some cases, may impact our growth prospects. Additionally, if we fail to observe federal or state regulatory guidance, we could be subject to various regulatory sanctions, including financial penalties which could be substantial.

Federal statutes and regulations, including the GLBA and the Right to Financial Privacy Act of 1978, limit our ability to disclose non-public information about consumers, customers and employees to nonaffiliated third parties. Specifically, the GLBA requires us to disclose our privacy policies and practices relating to sharing non-public information and enables retail customers to opt out of the sharing of information with unaffiliated third parties under certain circumstances. The GLBA also requires us to implement a comprehensive information security program that includes administrative, technical and physical safeguards to ensure the security and confidentiality of customer records and information and, if applicable state law is more protective of customer privacy than the GLBA, we are required to comply with such state law. Other laws and regulations similarly impact our ability to share certain information with affiliates and non-affiliates for marketing and/or non-marketing purposes. These regulations affect how consumer information is transmitted through diversified financial companies and conveyed to outside vendors. In connection with the regulations governing the privacy of consumer financial information, the federal banking agencies, including the FDIC, have adopted guidelines for establishing information security standards and programs to protect such information.

At the state level, we are subject to laws and regulations such as the California Consumer Privacy Act (as amended by the California Privacy Rights Act, collectively, the “CCPA”), which broadly defines personal information and gives California residents expanded privacy rights and protections, such as affording them the right to access and request deletion of their information and to opt out of certain sharing and sales of personal information. Numerous other states also have enacted, or are in the process of enacting or considering, comprehensive state-level data privacy and cybersecurity laws and regulations that share similarities with the CCPA.

Moreover, laws in all 50 U.S. states require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach.

There has been an increase in legislative and regulatory efforts to protect the privacy of consumer data, and we must constantly monitor legal and regulatory requirements that apply to existing and future subsets of our customer base for protection against legal, reputational, and financial risk due to compliance failures. There are several proposals that have either recently been adopted or are currently pending before federal, state, and foreign legislative and regulatory bodies. In October 2024, the CFPB issued a final rule to implement Section 1033 of the Dodd-Frank Act, sometimes referred to as the Dodd Frank Act's "open banking" provision, which requires certain entities, including us, to comply with an established framework to govern consumer access to electronic financial data. We are monitoring ongoing litigation related to this rule while continuing to evaluate the impact it could have on our business. These laws, along with those either recently passed or currently pending in other states, impose additional obligations on companies regarding the handling of personal data while also providing enhanced individual privacy rights to persons whose data is stored. Proposed or new legislation or regulations related to data privacy may limit how we use customer data, limit our ability to develop new products or grow into specific markets, and result in significant compliance costs and the costs of litigation, regulatory fines and enforcement actions.

In the event of a data breach, there are mandatory reporting requirements that may hamper our ability to fully assess an incident prior to external reporting; for example, in 2021 the federal banking agencies approved a final rule requiring financial institutions to notify their primary federal regulator of any significant computer-security incident as soon as possible and no later than 36 hours after the institution determines that a cyber incident has occurred. Risks and exposures related to cybersecurity attacks, including litigation and enforcement risks, are expected to be elevated for the foreseeable future due to the rapidly evolving nature and sophistication of these threats, as well as due to the expanding use of Internet banking, mobile banking and other technology-based products and services. See Item 1A. Risk Factors and Item 1C. Cybersecurity of this Annual Report on Form 10-K for further discussion of this topic.

Community Reinvestment Act and Fair Lending

The Community Reinvestment Act of 1977 ("CRA") requires that federal banking regulators, in connection with their examinations of financial institutions, evaluate the record of financial institutions in meeting the credit needs of their local communities, including low and moderate-income individuals and neighborhoods, consistent with the safe and sound operations of the banks. Failure to adequately meet these criteria could impose additional requirements and limitations on us. Regulations under the CRA also provide for regulatory assessment of a bank's record in meeting the needs of its service areas, and this record is taken into account by the regulators when considering applications to, among other things, establish branches or merge with or acquire another bank or its assets or liabilities. An unsatisfactory performance record can substantially delay or block the transactions contemplated by such applications. In October 2023, the FDIC and other federal banking regulators issued a joint final rule extensively amending the regulations implementing the CRA. These amendments include the delineation of assessment areas, overall evaluation framework and performance standards and metrics, the definition of community development activities and data collection and reporting, and require significant new lending by banks to low- and moderate-income communities. The rule generally becomes effective on January 1, 2026, with its additional data collection and reporting requirements taking effect January 1, 2027. We are monitoring ongoing litigation related to this rule while continuing to evaluate the impact it could have on our business. If the rule becomes effective as promulgated, compliance with the final rule may lead to increased compliance costs.

We are also subject to certain fair lending laws and regulations, including the Equal Credit Opportunity Act of 1974 and the Fair Housing Act of 1968, which (among other things) prohibit discrimination in credit and residential real estate transactions, including discrimination on the basis of, among other factors, race or color, national origin, gender, marital or familial status, age, handicap or disability, and religion. We are required to have a fair lending program of sufficient depth and breadth to monitor fair lending risks and appropriately remediate identified risks. Bank regulators have increasingly focused on the enforcement of these laws, and fair lending weaknesses can result in significant supervision and/or enforcement actions, along with fines, penalties, or financial remediation; reputational damage; CRA rating downgrade; investigation and enforcement actions by the U.S. Department of Justice ("DOJ"); or restrictions on our growth, revenue or expansion opportunities. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation.

Anti-Money Laundering, the USA PATRIOT Act and the Office of Foreign Assets Control Regulation

A major focus of governmental policy on financial institutions is aimed at combatting money laundering and terrorist financing. Under the Bank Secrecy Act ("BSA"), we are required, among other things, to establish and maintain a risk-based anti-money laundering ("AML") program reasonably designed to prevent and detect money laundering and terrorist financing and comply with the recordkeeping and reporting requirements of the BSA, including the requirement to report suspicious activity. The USA PATRIOT Act of 2001 (the "Patriot Act") substantially broadened the scope of AML laws and regulations by imposing significant new compliance and due diligence obligations on financial institutions, creating new crimes and penalties and expanding the extraterritorial jurisdiction of the United States. Financial institutions, including banks, are required under final rules implementing Section 326 of the Patriot Act to establish procedures for collecting standard information from customers opening new accounts and verifying the identity of these new account holders within a reasonable period of time. Financial institutions are also prohibited from entering into specified financial transactions and account relationships and must take certain steps to assist government agencies in detecting and preventing money laundering and to report certain types of suspicious transactions.

We are subject to the customer due diligence rules issued by the U.S. Department of the Treasury's (the "Treasury") Financial Crimes Enforcement Network ("FinCEN") under the BSA, which require financial institutions to identify the beneficial owners who own or control certain legal entity customers at the time an account is opened and to update their AML compliance programs to include risk-based policies and procedures for conducting ongoing customer due diligence, including policies and procedures that are reasonably designed to (i) identify and verify the identity of customers; (ii) identify and verify the identity of the beneficial owners of companies opening accounts; (iii) understand the nature and purpose of customer relationships to develop customer risk profiles; and (iv) conduct ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information. As part of the requirement to obtain beneficial ownership information, we must identify and verify the identity of any individuals who own 25% or more of a legal entity, and an individual who controls the legal entity.

The Anti-Money Laundering Act of 2020 (the "AMLA") significantly amends the BSA to, among other things, increase the duties and powers of FinCEN and require certain companies to report beneficial ownership information to FinCEN that will be made available to financial institutions to conduct customer due diligence. Among other things, AMLA's provisions clarify that cryptocurrency and other digital assets are within the scope of the regulatory requirements of the BSA and codify existing guidance from FinCEN to resolve any doubts raised by some industry participants regarding Congress' delegation of authority intended to regulate this sector. AMLA also updates and expands whistleblower rewards and anti-retaliation protections contained in the BSA and imposes enhanced applicable penalties for BSA violators and persons convicted of repeat violations or committing an "egregious violation" of the BSA.

FinCEN and the federal banking agencies continue to issue regulations and guidance with respect to the application and requirements of the BSA and their expectations for effective AML programs. Any failure by us to maintain and implement adequate programs to combat money laundering and terrorist financing, to comply with United States sanctions that affect transactions with designated foreign countries, nationals and others, or to comply with any other relevant laws or regulations, could have serious legal, economic and reputational consequences, including causing bank regulators not to approve any applications, including branch openings and mergers or acquisitions, where regulatory approval is required or to prohibit such transactions even if approval is not required.

Safety and Soundness

The federal banking agencies have adopted a set of guidelines prescribing general safety and soundness standards related to, among other things, internal controls, information systems and information security, internal audit systems, loan underwriting and documentation, compensation, interest rate exposure, and asset growth. For example, these standards limit the interest rates paid on deposits by undercapitalized institutions, restrict the use of brokered deposits, and limit the aggregate extensions of credit by a depository institution to an executive officer, director, principal shareholder or related interest. If the FDIC determines that we fail to meet these standards, the FDIC may require us to submit an acceptable compliance plan or, alternatively, pursue other courses of action depending on the specific circumstances and severity of the noncompliance.

Oversight and Enforcement

Financial regulators have broad, discretionary prudential and supervisory authority over insured state banks, and they have assumed an active oversight, examination and enforcement role at both the federal and state levels. Insured banks are subject to potential enforcement actions of varying levels of severity by the financial regulators for unsafe or unsound practices or violations of laws, rules, regulations or conditions imposed in writing by applicable federal banking agencies.

Informal actions may include board resolutions approved by the applicable regulators, supervisory letters or memoranda of understanding. Formal actions may include consent orders, cease-and-desist orders, requiring an increase in capital, termination of deposit insurance and civil money penalties. Informal actions are generally a confidential part of the regulators' examination and supervisory process and may not be disclosed without the permission of the regulators. Formal actions, however, are publicly disclosed.

The Federal Deposit Insurance Corporation Improvement Act ("FDICIA") requires federal banking regulators to take "prompt corrective action" for undercapitalized depository institutions. Under this system, the federal banking regulators have established capital measures (including both a leverage measure and a risk-based capital measure) and specified for each capital measure the levels at which depository institutions will be considered well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized or critically undercapitalized. At each successive lower capital category, an insured depository institution is subject to more restrictions and prohibitions, including restrictions limiting or suspending the institution's ability to effect actions such as capital distributions, certain deposit gathering activities, acquisitions of assets, establishing new branches, entering into new lines of business, or using brokered deposits.

Examination. Consistent with their supervision practices for banks of our size, the FDIC and ASBD utilize a joint examination team. The examination team conducts regular examinations of us throughout the year, reviewing such matters as the overall safety and soundness of our institution, the adequacy of our allowance for credit losses, the quality of our loans and investments, the appropriateness of management practices, risk management, interest rate exposure, internal controls, internal audit, compliance with laws and regulations, and other aspects of our operations. These examinations are designed for the protection of our depositors, rather than our shareholders. The Dodd-Frank Act gives the CFPB the authority to include its examiners, on a sampling basis, in examinations performed by primary federal regulators such as the FDIC, in order to assess compliance with consumer financial protection laws.

Mergers and Acquisitions. Under the Bank Merger Act and the Arkansas Banking Code, the prior approval of the FDIC and the ASBD is required for us to merge with another depository institution or purchase all or substantially all of the assets or assume any of the deposits of another FDIC-insured depository institution. In reviewing applications for merger and acquisition transactions, bank regulators consider, among other things, the competitive effect and public benefits of the transactions, the capital position and managerial resources of the combined organization, the risks to the stability of the U.S. banking or financial system, the applicant's CRA performance record, the applicant's compliance with fair housing and other consumer protection laws and the effectiveness of all organizations involved in combatting money laundering activities. Failure to implement or maintain adequate compliance programs could cause bank regulators not to approve an acquisition where regulatory approval is required or to prohibit an acquisition even if approval is not required. The adoption of more expansive or prescriptive standards may have an impact on our future acquisition activities. See Item 1A. Risk Factors of this Annual Report on Form 10-K for a more extensive discussion of this topic.

Change in Bank Control. Federal law restricts the amount of voting stock of a bank that a person may acquire without the prior approval of banking regulators. Under the Change in Bank Control Act of 1978 and the regulations promulgated thereunder, a person or group must give advance notice to the FDIC before acquiring control of the Bank. Upon receipt of such notice, the FDIC may approve or disapprove the acquisition. The Change in Bank Control Act of 1978 creates a rebuttable presumption of control if a person or group acquires the power to vote 10% or more of our outstanding common stock. The overall effect of such laws is to make it more difficult to acquire a bank by tender offer or similar means than it might be to acquire control of another type of corporation. Under the Bank Holding Company Act of 1956, as amended (the "BHCA"), any company that is not an existing bank holding company would be required to obtain prior approval from the Federal Reserve before it could obtain "control" of us (and thereby become a bank holding company) within the meaning of the BHCA. An existing bank holding company would be required to obtain the Federal Reserve's prior approval under the BHCA before acquiring more than 5% of any class of our voting securities.

CRE Lending Concentrations. The federal banking agencies, including the FDIC, have promulgated guidance governing financial institutions with concentrations in CRE lending. The guidance indicates that a bank has a concentration in CRE lending if (i) total reported loans for construction, land development and other land represent 100% or more of the bank's total capital or (ii) total reported loans secured by multifamily and non-owner occupied non-farm/non-residential properties and loans for construction, land development and other land represent 300% or more of the bank's total capital and the bank's CRE loan portfolio has increased 50% or more during the prior 36 months. If a concentration is present, management must employ heightened risk management practices that address key elements, including board and management oversight and strategic planning, portfolio management, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing, and maintenance of increased capital levels as needed to support the level of CRE lending. We have determined that we have a concentration in CRE lending, and while we believe we have implemented policies and procedures with respect to our CRE lending consistent with the regulatory guidance, bank regulators could require us to implement additional policies and procedures consistent with their interpretation of the guidance that may result in additional costs to us.

Consumer Financial Protection

We are subject to a number of federal and state consumer protection laws that extensively govern our relationship with our customers. These laws include, among others, the Truth in Lending Act, the Home Mortgage Disclosure Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Home Ownership and Equity Protection Act, the Electronic Fund Transfer Act, the Fair and Accurate Credit Transactions Act, the Fair Debt Collection Practices Act, the Fair Housing Act, the Real Estate Settlement Procedures Act, the Truth in Savings Act, the Expedited Funds Availability Act, the Check Clearing for the 21st Century Act, the Servicemembers' Civil Relief Act, the Telephone Consumer Protection Act, the CAN-SPAM Act, and similar state laws, as well as state usury laws and other state consumer protection laws. These and other laws, among other things, require disclosures of the cost of credit and terms of deposit accounts, provide substantive consumer rights, prohibit discrimination in credit transactions, regulate the use of credit report information, provide financial privacy protections, prohibit unfair, deceptive and abusive acts and practices, restrict our ability to raise interest rates and subject us to significant regulatory oversight. Failure to comply with these and other consumer protection requirements may result in significant liability in private civil actions or enforcement actions by federal and state bank regulators or consumer protection agencies or state attorney generals, and may prevent us from engaging in merger or acquisition transactions or other activities requiring regulatory approval or that regulators may prohibit even if approval is not required.

The CFPB is responsible for implementing, enforcing, and examining compliance with federal consumer financial protection laws. As an insured depository institution with more than $10 billion in total assets, the CFPB has direct supervision and enforcement authority over us, including the authority to investigate possible violations of federal consumer financial laws, commence civil litigation, and establish applicable examination, enforcement and reporting requirements.

The CFPB may issue regulations that impact the products and services we offer. The regulations could reduce the fees that we receive, require that we provide additional consumer disclosures, alter the way we provide our products and services, impair our ability to compete with other providers of financial products or services, or expose us to greater risk of private litigation or regulatory enforcement action. The CFPB has engaged in rulemakings that affect, among other things, consumer remittance transfers and the qualified mortgage definition under the Truth in Lending Act, the Home Mortgage Disclosure Act and the Fair Debt Collection Practices Act, and may establish, or modify, rules governing other aspects of consumer financial products or services in the future. For example, in December 2024, the CFPB issued a final rule eliminating the overdraft exemption from the Truth in Lending Act and other lending laws and restricting overdraft fees charged by banks like us with more than $10 billion in assets. The review of products and practices to prevent unfair, deceptive or abusive acts and practices is a continuing focus of the CFPB, and of banking regulators more broadly. This heightened scrutiny, as well as any adoption by our regulators of new rules or more aggressive examination and enforcement policies in respect of banks' service charges on accounts could result in changes to our pricing, practices, products and procedures in ways that may have a negative impact on our revenue and earnings. It could also result in increased costs related to regulatory oversight, supervision and examination, additional remediation efforts and possible penalties.

Arkansas Law

We are subject to examination and regulation by the ASBD. Under the Arkansas Banking Code, the acquisition of more than 25% of any class of the outstanding capital stock of any bank requires approval of the Bank Commissioner. The Bank Commissioner's approval is required in order for us to make acquisitions, amend our articles of incorporation, repurchase shares of our capital stock (other than payments to dissenting shareholders in a transaction), issue debt, increase, reduce or retire any part of our capital stock, retire debt instruments, or conduct certain types of activities that are incidental or closely related to banking.

Other Regulations and Restrictions

We are subject to a wide range of other requirements and restrictions contained in both federal and state laws. These regulations include, but are not limited to, the following:

- Limitations on our ability to pay dividends on our common and preferred stock, which are subject to regulatory restrictions and certain covenants contained in the indentures governing our trust preferred securities, subordinated debentures, and subordinated notes. See Note 18 of the consolidated financial statements under Part II, Item 8, Financial Statements and Supplementary Data of this Annual Report on Form 10-K for a discussion of dividend restrictions.
- Limits on interchange fees for debit card transactions.
- Limitations on the dollar amount of loans made to a borrower and its affiliates.
- Limitations on transactions with affiliates.
- Requirements regarding the time, manner, and form of compensation given to key executives and other personnel receiving incentive compensation, including requirements related to the SEC's 2022 rule on clawback policies and the Nasdaq's responsive listing standard.

Any deficiencies in compensation practices may be incorporated into supervisory ratings, which can affect our ability to make acquisitions or engage in certain other activities, or could result in regulatory enforcement actions.

Effect of Governmental Monetary Policies

Our earnings are affected by domestic economic conditions and the monetary and fiscal policies of the U.S. government and its agencies. The monetary policies of the Federal Reserve have had, and are likely to continue to have, an important impact on the operating results of commercial banks through the Federal Reserve's statutory power to implement national monetary policy in order, among other things, to curb inflation or combat a recession. The Federal Reserve, through its monetary and fiscal policies, affects the levels of bank loans, investments and deposits through its control over the issuance of U.S. government securities, its regulation of the discount rate applicable to member banks and its influence over reserve requirements to which member banks are subject. We cannot predict the nature or impact of future changes in the Federal Reserve's monetary and fiscal policies.

Future Legislation and Regulation

Banking regulators, federal and state governments and other bodies routinely consider and enact new laws, regulations and policies, and may have differing interpretations regarding certain laws, regulations and policies, regulating the banking industry and public companies generally. Regulatory, supervisory and investigatory activity has increased in recent years, and the recent U.S. federal elections could result in changes to the regulatory environment, although we cannot predict the exact changes or quantify their potential impacts. Changes in key personnel at the federal agencies that regulate us, including the federal banking regulators and the CFPB, may result in differing interpretations of existing rules and guidelines and potentially more stringent enforcement and more severe penalties than previously in place, along with new areas of supervisory and regulatory focus. The Trump administration may seek to implement a regulatory reform agenda that is significantly different than that of the Biden administration, which would impact the rulemaking, supervision, examination and enforcement priorities of the federal banking regulators.

We cannot predict whether or in what form any proposed regulation or statute will be adopted or the extent to which our business may be affected by any new regulation (or regulatory interpretation) or statute. However, given our growth and the extensive and comprehensive regulation of our industry, we expect that our regulatory compliance costs will continue to increase over time. While changes in applicable laws or regulations, and in their interpretation and application by regulatory agencies and other governmental authorities, cannot be predicted, any of such changes may have an adverse effect on our business, financial condition or results of operations.

AVAILABLE INFORMATION

We file annual, periodic and current reports, proxy statements and other information required by the Exchange Act with the FDIC, copies of which are available electronically at the FDIC's website at http://www.fdic.gov. In addition, we make available, free of charge, through the Investor Relations section of our Internet website at http://ir.ozk.com under "Filings," our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such reports with or furnish them to the FDIC. You may also inspect and copy any document we file with the FDIC at the public reference facilities maintained at the FDIC, Accounting and Securities Disclosure Section, Division of Risk Management Supervision, 550 17th Street, NW, Washington, DC 20429.

Our Corporate Governance Guidelines, Board committee charters and other corporate governance related documents are also posted on our website, and available in print upon request from any shareholder to our Investor Relations Department.

Information contained on or accessible through our website or any other website referenced in this report is not incorporated into, or otherwise made a part of, this report. References to websites in this report are intended to be inactive textual references only.

Shareholders may obtain a copy of any of the above-referenced corporate governance documents by writing to our Investor Relations Department at Investor Relations, Bank OZK, P. O. Box 8811, Little Rock, Arkansas 72231-8811 or by calling (501) 978-2265. Pursuant to Section 350.3 of the FDIC rules and regulations, each bank is required to make available on request an annual disclosure statement. Our Annual Report on Form 10-K serves as our annual disclosure statement.

Item 1A. RISK FACTORS

An investment in shares of our common or preferred stock involves a variety of risks, some of which are specific to us and some of which are inherent to the financial services industry. The following risks and other information in this report or incorporated in this report by reference, including our consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," should be carefully considered before investing in our securities. These risks may adversely affect our financial condition, results of operations or liquidity. Many of these risks are out of our direct control, though efforts are made to manage those risks while optimizing financial results. These risks are not the only ones we face. Additional risks and uncertainties that we are not aware of or focused on or that we currently deem immaterial may also adversely affect our business and operation. This Annual Report on Form 10-K is qualified in its entirety by all these risk factors.

SUMMARY

The following is a summary of the principal risks that could adversely affect our business, financial condition and results of operations.

Economic and Credit Risks

- Our business has been, and may continue to be, adversely affected by conditions in the financial markets and economic conditions generally and in our markets in particular.
- If our allowance for credit losses is not sufficient to cover actual loan losses, our earnings could decrease.
- Credit risk and concentrations of risk, including our concentration in CRE lending, can increase the potential for us to incur significant losses and may subject us to additional scrutiny.
- Our business may suffer if there are significant declines in the value of real estate.
- The appraisals and other valuation techniques we use in evaluating and monitoring loans secured by real property may not accurately describe the fair value of the collateral that we can realize.
- Inflation could negatively impact our business and our profitability.
- We face strong competition in our markets.

Operational Risks

- We depend on key personnel for our success.
- We rely on certain third-party vendors.
- We need to stay current on technological changes in order to compete and meet customer demands.
- Failures or interruptions in or breaches to our computer systems, or other cyber threats or information security incidents, could materially and adversely affect our business and operations.
- We may incur losses as a result of unforeseen or catastrophic events, extreme weather events, or other natural disasters and other unexpected events due to climate change.
- Climate change-related legislative and regulatory initiatives may result in operational changes or reputational damage that could significantly impact our business.
- New lines of business, products, product enhancements or services may subject us to additional risks.
- Ineffective techniques for managing risk, maintaining data quality, or failures or circumvention of our internal controls, may expose us to material unanticipated losses.
- The use of new technologies, including artificial intelligence ("AI") and machine learning, may result in reputational harm, increased regulatory scrutiny and increased liability.
- Our accounting estimates and risk management processes rely on accurate data and various analytical and forecasting models and tools. Errors or inaccuracies in our data or models may expose us to material unanticipated losses.
- Our selection of accounting policies and methods may affect our reported financial results.
- We depend on the accuracy and completeness of information about customers.
- We are subject to environmental liability risks.

Legal, Compliance and Regulatory Risks

- We are subject to extensive and evolving government regulation and supervision, which could increase our cost of doing business, limit or restrict our activities and adversely affect our operations.
- Existing and proposed legislation and regulations and any new laws and regulations may affect our operations and growth.
- We are involved in legal proceedings and may be the subject of additional litigation and/or investigations in the future.
- We may be subject to claims and litigation pertaining to fiduciary responsibility.
- We are subject to litigation risk pertaining to intellectual property.
- Changes in accounting standards could materially impact how we report our financial results.

- We are subject to changes in federal, state and local tax laws, interpretation of existing laws and examinations and challenges by taxing authorities.

Liquidity and Market Risks

- Our operations are significantly affected by interest rate levels.
- We may not be able to meet the cash flow requirements of our depositors, borrowers, or creditors, or the cash needs for expansion or other corporate activities.
- If we lose a significant portion of our core deposits or our cost of funding deposits increases significantly, our liquidity and/or profitability could be adversely impacted.
- We use brokered deposits which may be an unstable and/or expensive deposit source to fund earning asset growth.
- We may need to raise additional capital in the future to continue to grow, but that capital may not be available when needed.
- We cannot guarantee that we will pay dividends on our common or preferred stock in the future.
- The performance of our investment securities portfolio is subject to fluctuation due to changes in interest rates and market conditions, including credit deterioration of the issuers of individual securities.
- We currently invest in bank owned life insurance and may continue to do so in the future.
- Our investments and/or financings in certain tax-advantaged projects may not generate returns as anticipated and may have an adverse impact on our financial results.
- We and/or the holders of certain classes of our securities could be adversely affected by unfavorable ratings from rating agencies.
- The holders of our subordinated debentures, subordinated notes and preferred stock have rights that are senior to those of our common shareholders.
- The price of our common stock and preferred stock is affected by a variety of factors, many of which are outside our control.
- Our common stock and preferred stock trading volume may not provide adequate liquidity for investors.
- Future issuances of additional equity securities could result in dilution of existing shareholders' equity ownership and may adversely affect the market price of our stock.
- Our capital stock is not an insured deposit.

Strategic, Reputational and Other Risks

- Our recent results may not be indicative of our future results.
- If we do not manage our growth effectively, our business, future prospects, financial condition, results of operations and liquidity could be adversely affected.
- We may be adversely affected by risks associated with any potential future acquisition.
- Reputational risk and social factors may impact our results.
- The soundness of other financial institutions could adversely affect us.
- If our goodwill becomes impaired, we could be required to record impairment charges.

ECONOMIC AND CREDIT RISKS

Our business has been, and may continue to be, adversely affected by conditions in the financial markets and economic conditions generally and in our markets in particular.

We provide traditional commercial, retail and mortgage banking services, as well as other financial services including trust and wealth services. All of our products and services are materially affected by conditions in the financial markets and economic conditions in the principal markets in the United States in which we conduct business. A large number of our banking offices are located in south central and southeastern portions of the United States. In addition, at December 31, 2024, we had a significant amount of loans secured by real estate in the Miami–Fort Lauderdale–West Palm Beach, FL Metropolitan Statistical Area ("MSA") and New York–Newark–Jersey City, NY–NJ–PA MSA. As a result, our financial condition and results of operations may be significantly impacted by changes in the economies of the states where we currently have most of our banking offices, or the markets in which our assets are geographically located. Slowdown in economic activity in any of these markets, including deterioration in housing or real estate markets or increases in unemployment and under-employment, may have a significant and disproportionate effect on consumer and business confidence and the demand for our products and services, result in an increase in problem assets, foreclosures, charge-offs, delinquencies or non-payment of loans and a decrease in collateral value (especially real estate) and significantly affect our deposit funding sources. Any of these events could have an adverse effect on our financial position, results of operations and liquidity.

Global economic and geopolitical conditions, including the impact of trade negotiations, trade policies and tariffs (including retaliatory tariffs), and the current or anticipated impact of global wars/military conflicts could affect our operating results because these conditions influence the U.S. economic conditions. Additionally, there is uncertainty regarding the impact of changes in the U.S.

presidential administration and Congress on fiscal, monetary and regulatory policy. Concern regarding the ability of Congress and the President collectively to reach agreement on federal budgetary matters (including the debt ceiling), or prolonged stalemates leading to total or partial governmental shutdowns, also can have adverse economic consequences and create the risk of economic instability or market volatility, with potential adverse consequences to our business and financial performance. The specific impact on us of unfavorable or uncertain economic or market conditions is difficult to predict, could be long or short term, and may be direct or indirect. A worsening of business and economic conditions generally or specifically in the principal markets in which we conduct business could have adverse effects, including, but not limited to, the following:

- a decrease in the demand for, or the availability of, loans and other products and services offered by us;
- a decrease in deposit balances, including low-cost and non-interest-bearing deposits, and changes in our interest rate mix toward higher-cost deposits;
- an increase in the number of borrowers who become delinquent, file for protection under bankruptcy laws or default on their loans or other obligations to us, which could lead to higher levels of past due loans, nonperforming assets, net charge-offs and provisions for credit losses;
- a decrease in the value of loans and other assets secured by consumer or commercial real estate;
- a decrease in net interest income from our lending and deposit gathering activities;
- an increase in borrowing costs in excess of changes in the rate at which we reinvest funds;
- an impairment of goodwill; and
- an increase in competition resulting from increasing consolidation within the financial services industry.

If our allowance for credit losses is not sufficient to cover actual loan losses, our earnings could decrease.

As a lender, we are exposed to the risk that our customers will be unable to repay their loans according to their terms and that any collateral securing the payment of their loans may not be sufficient to assure repayment. Credit losses are inherent in the business of making loans and could have a material adverse effect on our operating results. Because we must use assumptions to establish our allowance for credit losses, the current allowance for credit losses may not be sufficient to cover actual credit losses, and increases in the allowance, which may be significant, may be necessary. Although we believe that we maintain our ACL at a level adequate to absorb lifetime expected losses in our loan portfolio, estimates of credit losses are subjective and their accuracy may depend on the outcome of future events that are difficult to predict. Our experience in the banking industry indicates that some portion of our loans may only be partially repaid or may never be repaid at all. Credit losses occur for many reasons beyond our control. Accordingly, we may incur charge-offs or otherwise be required to make significant and unanticipated increases in our ACL during future periods which could materially affect our financial position and results of operations. Additionally, bank regulatory authorities, as an integral part of their supervisory functions, periodically review our ACL and our methodologies for calculating the ACL. These regulatory authorities may require adjustments to the ACL or ACL methodology or may require recognition of additional credit losses or charge-offs based upon their judgment. Any increase in the ACL, credit losses or charge-offs required by bank regulatory authorities could have a material adverse effect on our financial condition, results of operations and liquidity.

Credit risk and concentrations of risk, including our concentration in CRE lending, can increase the potential for us to incur significant losses and may subject us to additional scrutiny.

Our loan portfolio is comprised of a significant amount of real estate loans, including a large number of construction/land development and non-farm/non-residential loans. Our real estate loans comprised 74.3% of our total loans at December 31, 2024 (76.5% at December 31, 2023). In addition, our construction/land development and non-farm/non-residential loans, which are components of our real estate loans, comprised 31.8% and 26.2%, respectively, of our total loan portfolio at December 31, 2024 (44.0% and 20.1%, respectively, at December 31, 2023).

Real estate construction, acquisition and land development loans have certain risks not present in other types of loans, including, among others, risks associated with uncertainty of total construction costs, including the potential for construction cost overruns in excess of original estimates (as a result of, for instance, shortages in labor and raw materials and supplies), market deterioration during construction, project completion risk, general contractor credit risk, lack of permanent take-out financing, and risks associated with the ultimate sale, lease or use of the completed construction. These loans often involve the disbursement of funds with repayment substantially dependent on the success of the ultimate project and the ability of the borrower to sell or lease the property or obtain permanent take-out financing, rather than the ability of the borrower or guarantor to repay principal and interest. If our appraisal of the value of a completed project proves to be overstated, we may have inadequate security for the repayment of the loan upon completion of construction of the project and may incur a loss. Increases in market rates of interest may have an effect on construction loans by increasing the end-purchaser's borrowing costs, thereby possibly reducing the overall demand for the project. Properties under construction are often difficult to sell and typically must be completed in order to be successfully sold which also complicates the process of working out problem construction loans. This may require us to advance additional funds and/or contract with another builder to complete construction and assume the market risk of selling the project at a future market price, which may or may not enable us to fully recover unpaid loan funds and associated construction and liquidation costs. Land development loans can also pose additional risk because of the lack of income being produced by the property and potential illiquid nature of the collateral. These risks can be significantly impacted by supply and demand conditions.

In addition, many of our real estate construction, acquisition and development loans typically involve large balances and may be to single borrowers or groups of related borrowers. If a decline in economic conditions or other issues cause difficulties for our borrowers of these types of loans, if we fail to accurately evaluate the credit risk of these loans when we underwrite them or if we do not continue to adequately monitor the performance of these loans, the underlying construction projects that collateralize our loans may have material adverse deviations from projected construction plans and budgets, resulting in the potential that our loan portfolio could experience delinquencies, defaults and credit losses that could have a material adverse effect on our business, financial condition or results of operations.

Our non-farm/non-residential real estate loan portfolio includes commercial real estate loans, which are secured by office, industrial, life science, hotels and other types of commercial properties. Our non-farm/non-residential real estate loan portfolio and multifamily portfolio may carry more risk as compared to other types of lending, because they typically involve larger loan balances and may be to single borrowers or groups of related borrowers. This may result in larger charge-offs on commercial real estate loans on a per loan basis than those incurred with our consumer loan portfolio. The payment experience on commercial real estate loans that are secured by income producing properties are typically dependent on the successful operation of the related real estate project and thus, may subject us to adverse conditions in the real estate market or to the general economy. In addition, certain commercial real estate sectors, particularly office and life science, remain at risk as a result of shifts in demand and tighter financial and credit conditions. Any unexpected deterioration in the credit quality of our commercial real estate loan portfolio would require us to increase our provision for credit losses, which would reduce our profitability and could materially adversely affect our business, financial condition, results of operations and prospects. In addition, the collateral securing these loans typically cannot be liquidated as easily as residential real estate. If we foreclose on these loans, our holding period for the collateral typically is longer than residential properties because there are fewer potential purchasers of the collateral.

We believe we have established appropriate underwriting and ongoing monitoring policies and procedures for our real estate loans, including construction/land development, multifamily and non-farm/non-residential loans, and have established appropriate ACL levels for such loans. However, there can be no assurance that such underwriting and ongoing monitoring policies and procedures are, or will continue to be, appropriate or that losses on real estate loans, including construction/land development, multifamily and non-farm/non-residential loans, will not require additions to our ACL, which could have an adverse effect on our financial position and results of operations.

In addition, the federal banking agencies, including the FDIC, have promulgated guidance on sound risk management practices for financial institutions with concentrations in construction/land development and/or CRE lending. The guidance states that if a concentration is present, management must employ heightened risk management practices that address key elements, including board and management oversight and strategic planning, portfolio management, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing, and maintenance of increased capital levels as needed to support the level of CRE lending. While we believe we have implemented policies, procedures and appropriate risk management practices with respect to our construction/land development and CRE loan portfolio consistent with this guidance, bank regulators could require us to implement additional policies, procedures or risk management practices, or require us to maintain increased capital levels, consistent with their interpretation of the guidance that may result in additional costs to us.

Our business may suffer if there are significant declines in the value of real estate.

The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located, whether locally, regionally or nationally, and numerous other factors. If the value of the real estate serving as collateral for our loan portfolio were to decline materially, a significant part of our loan portfolio could become under-collateralized. If the loans that are collateralized by real estate become troubled during a time when market conditions are declining or have declined, we may not be able to realize the value of the security anticipated when we originated the loan, which in turn could have an adverse effect on our net charge-offs, our allowance and provision for credit losses and our financial condition, results of operations and liquidity.

The appraisals and other valuation techniques we use in evaluating and monitoring loans secured by real property may not accurately describe the fair value of the collateral that we can realize.

Our underwriting and ongoing monitoring policies and processes for real estate loans generally utilize appraisals of the real property. However, an appraisal is only an estimate of the value of the property at the time the appraisal is made, and, as real estate values may change significantly in relatively short periods of time (especially in periods of heightened economic uncertainty), this estimate may not accurately describe the fair value of the real property collateral after the loan is made. As a result, we may obtain subsequent appraisals that differ materially from prior appraisals regarding the value of the property, which could have an adverse effect on the loan's credit quality or risk rating, and we may not be able to realize the full amount of any remaining indebtedness when we foreclose on and sell the relevant property. This could have a material adverse effect on our business, financial condition or results of operations.

Inflation could negatively impact our business and our profitability.

Prolonged periods of inflation may impact our profitability by negatively impacting our non-interest expenses, including increasing expense related to hiring and retaining qualified team members. Additionally, inflation may lead to a decrease in consumer and client purchasing power and negatively affect the need or demand for our products and services. If significant inflation continues, our business could be negatively affected by, among other things, increased default rates leading to credit losses which could decrease our appetite for new credit extensions. These inflationary pressures could adversely affect our results of operations or financial condition.

We face strong competition in our markets.

Competition in many of our banking markets is intense. In addition to competing with other financial institutions, we compete with consumer finance companies, securities brokerage and investment banking firms, insurance companies, mortgage companies, fintech companies, money market mutual funds, private equity funds (including asset-based non-bank lenders) and other financial service firms and intermediaries, as well as non-financial institutions offering payroll, debit card and other services. Some of these competitors have an advantage over us through greater financial resources, lending limits and larger distribution networks, and may be able to offer a broader range of products and services. Other competitors may be either privately held or non-banks that are not subject to the same extensive regulations that govern our activities and thus benefit from greater flexibility than we have in adopting or modifying growth or operational strategies. Some of our competitors may have more liberal lending policies and processes. If we fail to compete effectively for deposits, loans and other banking customers in our markets, we could lose substantial market share, suffer a slower growth rate or no growth and our financial condition, results of operations and liquidity could be adversely affected.

In addition, technology and other changes are allowing parties to compete, through alternative methods and delivery channels, for financial transactions that historically have involved banks. For example, consumers can now maintain funds that would have historically been held as bank deposits in brokerage accounts, with an Internet-only bank, or with virtually any other bank in the country through online or mobile banking. Consumers can also complete transactions such as purchasing goods and services, paying bills and/or transferring funds directly without the assistance of banks by transacting through non-bank enterprises or through the use of emerging payment technologies. The process of eliminating banks as intermediaries could result in the loss of fee income, as well as the loss of customer deposits and the related income generated from those deposits. The loss of these revenue streams and the lower-cost deposits as a source of funds could have an adverse effect on our financial condition, results of operations and liquidity.

OPERATIONAL RISKS

We depend on key personnel for our success.

Our operating results and ability to execute our strategic plans and minimize credit losses are highly dependent on the services, managerial abilities and performance of our current executive officers and other key personnel. We have an experienced management team that our Board believes is capable of managing and growing our business and executing those strategic plans. Losses of or changes in our current executive officers or other key personnel and their responsibilities may disrupt our business and could adversely affect our financial condition and results of operations. Competition for the most qualified people in many activities engaged in by us is intense, including with respect to compensation, emerging workplace practices, accommodations and remote work options, and we may not be able to hire sufficiently skilled people or to retain them. Additionally, our ability to retain our current executive officers and other key personnel may be further impacted by existing or new legislation and regulations regarding incentive compensation that is affecting or may affect the financial services industry. There can be no assurance that we will be successful in retaining our current executive officers or other key personnel or hiring additional key personnel to assist in executing our business strategies. Our ability to execute our business strategy will suffer if we unexpectedly lose one or more of our key personnel, as will our ability to provide high quality service if we are unable to recruit or retain a sufficient number of qualified personnel or the costs of employee compensation or benefits increase substantially.

We rely on certain third-party vendors.

We rely on certain third-party vendors to provide products and services necessary to maintain our day-to-day operations. These third-party vendors provide certain key operational components, such as cloud-based computing, storage services, payment and card processing services and internet connections and network access, data processing, recording and monitoring services, and online banking, among others, but the Bank does not control their actions. Our third-party vendors are sources of operational, cybersecurity, and informational security risk for us, including risks associated with operational and coding errors, information system failures, interruptions or breaches and unauthorized disclosures of sensitive or confidential client or customer information. Any complications caused by these third parties, including those resulting from disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, cyber-attacks and security breaches at a vendor, failure of a vendor to provide services for any reason or poor performance of services, could adversely affect our ability to deliver products and services to our customers and otherwise conduct our business. Financial or operational difficulties of a third-party vendor could also hurt our operations if those difficulties interfere with the vendor's ability to provide services. Replacing these third-party vendors could also create significant delay and expense. These failures could also expose us to significant litigation or regulatory action that could limit our activities or impose significant fines or other financial losses. While we maintain a system of policies and procedures designed to monitor vendor risks, the failure of an external vendor to perform in accordance with applicable contractual or the service level agreements could be disruptive to our operations, which could have a material adverse effect on our business and our financial condition and results of operations.

We need to stay current on technological changes in order to compete and meet customer demands.

The financial services industry is undergoing rapid technological changes with frequent introductions of new technology-driven solutions, and as customer preferences and expectations continue to evolve, technology has lowered barriers to entry and made it possible for non-banks to offer products and services traditionally provided by banks, such as automatic transfer and automatic payment systems. Our future success will depend, in part, upon our ability to address the needs of our customers by using technology to provide solutions through various delivery channels that will satisfy customer demands for product functionality and convenience, including our ability to fully deploy and leverage the technology applications under development from our technology groups, and to create additional operational efficiencies and greater privacy and security protection for customers and their personal information. Some of our competitors have substantially greater resources to invest in technological improvements. We may not be able to effectively implement new technology-driven solutions or be successful in marketing these products and services to our customers. Failure to successfully keep pace with technological change affecting the financial services industry could impair our ability to retain or acquire new customers and could have an adverse effect on our business, financial position, results of operations and liquidity.

Failures or interruptions in or breaches to our computer systems, or other cyber threats or information security incidents, could materially and adversely affect our business and operations.

We are dependent upon information technologies, computer systems and networks, including those maintained by us and those maintained and provided to us by third parties (e.g., cloud solutions and "software-as-a-service"), to conduct operations and are reliant on technology to help increase efficiency in our business. These systems could become unavailable or impaired from a variety of causes, including, among others, storms and other natural disasters, terrorist attacks, fires, utility outages, internal or external theft or fraud, design defects, human error or complications encountered as existing systems are maintained, replaced or upgraded. We maintain a system of internal controls and security for many systems we maintain, including redundancy and/or back-up technologies, to mitigate the risks of these occurrences, and we maintain insurance coverage for certain risks. However, should an event occur that is not prevented or detected by our internal controls, causes an interruption in service where we do not have an effective redundant or back-up system, or is uninsured against or in excess of applicable insurance limits, such occurrence could have an adverse effect on our business and our reputation, which, in turn, could have a material adverse effect on our financial condition, results of operations and liquidity.

In addition, our operations require us to protect our information systems, technology infrastructure and data. Cybersecurity incidents and other disruptions could jeopardize the security of information stored in and transmitted through our information systems and networks and result in the transmission, theft, unauthorized disclosure and/or destruction of our confidential information, including customer information, corporate information or other assets. We proactively monitor our network and deploy security personnel, processes and technologies to identify, protect, detect, respond and recover from damage or unauthorized access to our information systems and network; however, there can be no assurance that these security measures or procedures will be completely successful against every threat, every time, or that we will discover a breach in a timely fashion, especially as the methods used become increasingly complex and sophisticated and change frequently. We have experienced security breaches and cyber attacks in the past, and it is inevitable that additional breaches and attacks will occur in the future. While such breaches and attacks have not materially impacted us to date, future security breaches and cyber attacks could result in serious and harmful consequences for us or our clients and customers. Our risk and exposure to cyber threats and other information security breaches is heightened as we expand our use of cloud technology and internet and mobile banking delivery channels for our products and services.

We also face the risk of operational disruption, failure, termination, or capacity constraints of any of the third parties that facilitate our business activities, including vendors, exchanges, and other financial intermediaries. Such parties could also be the source or cause of an attack on, or breach of, our operational systems, data or infrastructure, and could disclose such an attack or breach to us in a delayed manner or not at all. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats and the continued uncertain global economic environment.

As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures, investigate and remediate any information security vulnerabilities, or respond to any changes to state or federal regulations, policy statements or laws concerning information systems or security. Any failure to maintain adequate security over our information systems, our technology-driven products and services or our customers' personal and transactional information could negatively affect our business and our reputation and result in fines, penalties, or other costs, including litigation expense and/or additional compliance costs, all of which could have a material adverse effect on our financial condition, results of operations and liquidity. See Item 1C. Cybersecurity of this Annual Report on Form 10-K for further discussion of our process for assessing, identifying and managing material risks from cybersecurity threats.

We may incur losses as a result of unforeseen or catastrophic events, extreme weather events, or other natural disasters and other unexpected events due to climate change.

The occurrence of unforeseen or catastrophic events, extreme weather events or other natural disasters, could create economic and financial disruptions, and could lead to operational difficulties (including travel limitations) that could impair our ability to manage our business. Our operations and customer base are located in markets where natural disasters, including tornadoes, severe storms, fires, floods, hurricanes, earthquakes and other extreme weather conditions often occur. Such natural disasters could significantly impact the local population and economies and our business and could pose physical risks to our properties and/or employees and could increase the risk that many of our borrowers may experience losses or sustained job interruption, which may materially impair their ability to satisfy their loan obligations. A significant natural disaster in or near one or more of our markets could have a material adverse effect on our business, financial condition or results of operations.

There is an increasing concern over the risks of climate change and related environmental sustainability matters. The physical risks of climate change include discrete events, such as flooding and wildfires, and long-term shifts in climate patterns, such as extreme heat, sea level rise, and more frequent and prolonged drought. Such events could disrupt our operations or those of our customers or third parties on which we rely, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility. Our markets could experience symptomatic effects which over time, could result in declining demand for certain types of business that we finance, including commercial real estate projects, or decrease the value of our loans and other assets secured by real estate that might be impacted. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable. Additionally, transitioning to a low carbon economy may entail extensive policy, legal, technology, and market initiatives. Transition risks, including changes in consumer preferences and additional regulatory requirements or taxes, could increase our expenses and undermine our strategies. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our clients' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change.

We have incorporated a climate related macroeconomic shock scenario in our internal stress testing activities. However, because the timing and impact of climate change has limited predictability, our risk management strategies may not be effective in mitigating climate risk exposure.

Climate change-related legislative and regulatory initiatives may result in operational changes or reputational damage that could significantly impact our business.

The current and anticipated effects of climate change are creating an increasing level of concern for the state of the global environment. As a result, political and social attention to the issue of climate change has increased. In recent years, governments across the world have entered into international agreements to attempt to reduce global temperatures, in part by limiting GHG emissions. The U.S. Congress, state legislatures and federal and state regulatory agencies have continued to propose and advance numerous legislative and regulatory initiatives seeking to mitigate the effects of climate change, including mandatory disclosure and/or substantive requirements regarding climate change. These measures may result in the imposition of taxes and fees, the required purchase of emission credits, and the implementation of significant operational changes. Changes in federal and state legislation and regulation on climate change could result in increased capital expenditures to, among other things, improve the energy efficiency of properties we own in order to comply with such regulations. In addition, the federal banking agencies may address climate-related issues in their agendas in various ways, including by increasing supervisory expectations with respect to banks' risk management practices, accounting for the effects of climate change in stress testing scenarios and systemic risk assessments, revising expectations for credit portfolio concentrations based on climate-related factors, and encouraging investment by banks in climate-related initiatives and lending to communities disproportionately impacted by the effects of climate change. Each of the above-described initiatives, as well as other similar initiatives, may require us to expend significant capital and incur compliance, operating, maintenance and remediation costs.

Increasing governmental, investor and societal attention to environmental, social and governance matters, including expanding mandatory and/or voluntary reporting, diligence, and disclosure on topics such as climate change, human capital, labor and risk oversight, among others, could expand the nature, scope, and complexity of matters that we are required to control, assess and report. For example, certain federal and state laws and regulations related to environmental, social and governance issues may include provisions that conflict with other laws and regulations, which may increase our costs or limit our ability to conduct business in certain jurisdictions. These factors may alter the environment in which we do business and may increase the ongoing costs of compliance and adversely impact our results of operations, reputation and cash flows. In addition, as a publicly traded financial institution, we have multiple constituencies, including our shareholders, customers, employees, federal and state regulators, and other interested parties, all of which have diverse and often conflicting views, priorities and expectations regarding environmental, social and governance issues. If we take action inconsistent with the expectations of one or another of these parties, we could experience an increase in client complaints, a loss of business, or reputational harm. We could also face negative publicity or reputational harm based on the identity of those with whom we choose to do business. If we are unable to adequately address such environmental, social and governance matters, receive adverse publicity in connection with such matters, or we or our borrowers fail or are perceived to fail to comply with applicable laws, regulations, policies and related interpretations, it could negatively impact our reputation, our ability to attract and retain customers and employees, compete effectively and grow our business, and our business results.

New lines of business, products, product enhancements or services may subject us to additional risks.

We have, and expect to continue to, implement or acquire new lines of business or offer new products and product enhancements as well as new services within our existing lines of business. There are substantial risks and uncertainties associated with these efforts. In acquiring, developing or marketing new lines of business, products, product enhancements or services, we may invest significant time and resources, although there is no guarantee that these new lines of business, products, product enhancements or services will be successful or that we will realize their expected benefits. Further, initial timetables for the introduction, development and delivery of new lines of business, products, product enhancements or services may not be achieved, and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the ultimate implementation and success of new lines of business or offerings of new products, product enhancements or services. Furthermore, any new line of business, product, product enhancement or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or offerings of new products, product enhancements or services could have a material adverse effect on our business, financial condition or results of operations.

Ineffective techniques for managing risk, maintaining data quality, or failures or circumvention of our internal controls, may expose us to material unanticipated losses.

In order to manage the significant risks inherent in our business, we must maintain effective policies, procedures and systems that enable us to identify, monitor and control our exposure to material risks, such as credit, market, operational, legal and reputational risks, among other risks. Additionally, data is key to the decision-making processes used throughout our Bank. We maintain data management standards, frameworks and processes to help ensure that data and data elements are accurately identified, securely stored, accessed appropriately and utilized in compliance with internal policies and procedures. Our risk management methods and data standards may prove to be ineffective due to their design, their implementation or the degree to which we adhere to them, the lack of adequate, accurate or timely information, inappropriate use of data or various other factors. If our risk management or data management efforts are ineffective, we could suffer losses that could have a material adverse effect on our financial condition, results of operations and liquidity, and we could be subject to litigation from customers or sanctions or fines from regulators. Our techniques for managing the risks we face may not fully mitigate the risk exposure in all economic or market environments, including exposure to risks that we might fail to identify or anticipate.

Our internal controls, disclosure controls, processes and procedures, and corporate governance policies and procedures are based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls, processes and procedures or failure to comply with regulations related to controls, processes and procedures could necessitate changes in those controls, processes and procedures, which may increase our compliance costs, divert management attention from our business or subject us to regulatory actions and increased regulatory scrutiny. Any of these could have an adverse effect on our financial condition, results of operations and liquidity.

The use of new technologies, including AI and machine learning, may result in reputational harm, increased regulatory scrutiny and increased liability.

The banking industry is subject to rapid and significant technological change. To compete effectively, we or our third-party vendors, clients or counterparties may incorporate new and evolving technologies, including AI and machine learning, to help improve our customer service and products and to automate certain business decisions or risk management practices. The development and use of AI presents a number of risks and challenges to our business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the U.S. and internationally, and includes regulatory scrutiny targeted specifically at AI as well as provisions in intellectual property, privacy, consumer protection, employment, and other laws applicable to the use of AI. Evolving laws and regulations may necessitate changes in our AI technology implementation, leading to increased compliance costs and additional risk of non-compliance. Limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding and monitoring the capabilities of the AI models, reducing erroneous output, eliminating bias, and complying with regulations that require documentation or explanation of the basis on which decisions are made. Further, we may rely on AI models developed by third parties, and, to that extent, would be dependent in part on the manner in which those third parties develop and train their models, including risks arising from the inclusion of any unauthorized material in the training data for their models. Any of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures or other consequences that we may not be able to predict, any of which could negatively affect our financial condition and results of operations.

Our accounting estimates and risk management processes rely on accurate data and various analytical and forecasting models and tools. Errors or inaccuracies in our data or models may expose us to material unanticipated losses.

The processes we use to estimate our ACL, to measure the fair value of financial instruments, and to measure and monitor risk throughout the Bank, as well as the processes used to estimate the effects of changing interest rates and other measures of our financial condition and results of operations, depend upon the use of analytical and forecasting models and tools. These models and tools reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Even if these assumptions are accurate, the models and tools may prove to be inadequate or inaccurate because of other flaws in their design or their implementation. Any such failure in our analytical or forecasting models and tools could have a material adverse effect on our business, financial condition and results of operations.

Our selection of accounting policies and methods may affect our reported financial results.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Our management must exercise judgment in selecting and applying many of these accounting policies and methods so they comply with accounting principles generally accepted in the U.S. (“GAAP”) and reflect management’s judgment of the most appropriate manner to report our financial condition and results of operations. In some cases, management must select the accounting policy or method to apply from two or more alternatives, any of which may be reasonable under the circumstances, yet which may result in our reporting materially different results than would have been reported under a different alternative.

Certain accounting estimates have been determined by management to be critical to presenting our financial condition and results of operations. They require management to make difficult, subjective or complex judgments about matters that are uncertain. Materially different amounts could be reported under different conditions or using different assumptions or estimates. Because of the uncertainty of estimates involved in these matters, we may be required to do one or more of the following: significantly increase the ACL or sustain credit losses that are significantly higher than the ACL allocation provided; recognize an ACL on our portfolio of investment securities; or significantly increase our accrued tax liability. Any of these could have a material adverse effect on our business, financial condition, or results of operations. For a discussion of our critical accounting estimates, see Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates included in this Annual Report on Form 10-K.

We depend on the accuracy and completeness of information about customers.

In deciding whether to extend credit or enter into certain transactions, we rely on information furnished by or on behalf of customers, including financial statements, credit reports, tax returns and other financial information. We may also rely on representations of those customers or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading information, financial statements, credit reports, tax returns or other financial information, including information falsely provided as a result of identity theft, could have an adverse effect on our business, financial condition and results of operations.

We are subject to environmental liability risks.

A significant portion of our loan portfolio is secured by real property. In the ordinary course of business, we may foreclose on and take title to real properties securing certain loans. In doing so, there is a risk that hazardous or toxic substances could be found on these properties. Additionally, we have acquired a number of retail banking facilities and other real properties, any of which may contain hazardous or toxic substances. If hazardous or toxic substances are found, we may be liable for remediation costs, as well as for personal injury and property damage. Environmental laws may require us to incur substantial expenses and may materially reduce the affected property's value or limit our ability to use or sell the affected property. In addition, future laws or more stringent interpretations or enforcement policies with respect to existing laws may increase our exposure to environmental liability. We have policies and procedures that require either formal or informal evaluation of environmental risks and liabilities on real property (i) before originating any loan or foreclosure action, except for certain loans where the real estate collateral is second lien collateral or (ii) prior to the completion of any acquisition of retail banking facilities, real property for future development of retail banking facilities or any other real property, including any real property to be acquired in a merger and acquisition transaction. These policies, procedures and evaluations may not be sufficient to detect all potential environmental hazards. The remediation costs and any other financial liabilities associated with an environmental hazard, including any fines or penalties levied for noncompliance with environmental laws, could have an adverse effect on our financial condition, results of operations and liquidity.

LEGAL, COMPLIANCE AND REGULATORY RISKS

We are subject to extensive and evolving government regulation and supervision, which could increase our cost of doing business, limit or restrict our activities and adversely affect our operations.

We are subject to extensive state and federal regulation, supervision and examination governing almost all aspects of our operations, which limits the businesses in which we may permissibly engage. The Bank, and other larger financial institutions, have become subject to increased scrutiny and more intense supervision and regulation, which creates a higher risk of supervisory findings and enforcement actions. We expect that our business will remain subject to extensive regulation and supervision. The financial services industry also continues to face a stricter and more aggressive enforcement of laws at federal, state, and local levels—particularly in connection with business and other practices that may harm or appear to harm consumers or affect the financial system more broadly. Financial institutions often are less inclined to litigate with governmental authorities because of the regulatory and supervisory framework. We expect that our business will remain subject to extensive regulation and supervision. Any potential new regulations or modifications to existing regulations would likely necessitate changes to our existing regulatory compliance and risk management infrastructure.

A failure to comply with regulatory requirements and expectations could expose us to fines, regulatory penalties, other costs, reputational damage and regulatory or enforcement actions, such as limitations on engaging in new activities or expanding geographically. In some cases, governmental authorities have required criminal pleas or other extraordinary terms as part of such settlements, which could have significant consequences for a financial institution, including loss of clients, restrictions on the ability to access the capital markets and the inability to operate certain businesses or offer certain products for a period of time. Violations of laws and regulations or deemed deficiencies in risk management practices also may be incorporated into our confidential supervisory ratings. A downgrade in these ratings or these or other regulatory actions and settlements, could limit our ability to conduct expansionary activities for a period of time and require new or additional regulatory approvals before engaging in certain other business activities. Any future enforcement action could have a material adverse impact. See Item 1. Business – Supervision and Regulation of this Annual Report on Form 10-K for additional discussion of the extensive regulation and supervision to which we are subject.

Existing and proposed legislation and regulations and any new laws and regulations may affect our operations and growth.

Proposals to change the laws and regulations governing the operations of banks and other financial institutions are frequently raised in the U.S. Congress, state legislatures and before bank regulatory authorities. The election of a new President together with changes in the membership of Congress, including change in control of the Senate, will likely lead to changes in the laws or policies applicable to us and the agencies that regulate us, including their interpretations of rules and guidelines. These changes may subject financial institutions like us to changes in regulation, supervision and enforcement that are difficult to predict and uncertain for a period of time and may create the possibility of significant impacts on business activity in the U.S. and globally, including impacts relating to the trade policies (including tariffs) of the U.S. or other countries. Further, some of the laws and regulations finalized in the prior administration that are applicable to financial institutions are subject to ongoing litigation creating further uncertainty. New laws and regulations, modifications and changes to existing regulations or regulatory policies, or their interpretation or implementation, may significantly affect the markets in which we do business and the markets for and value of our loans and securities, limit the types of financial services and products we may offer, alter the investments we make, affect the manner in which we operate our businesses, increase our litigation and regulatory costs should we fail to appropriately comply with new or modified laws and regulatory requirements and increase the ability of non-banks to offer competing financial services and products.

We are involved in legal proceedings and may be the subject of additional litigation and/or investigations in the future.

In the normal course of business, from time to time, we are or have been subject to claims and proceedings related to our operations, business activities and acquisitions. These claims and legal actions could include supervisory or enforcement actions by our regulators, criminal proceedings by prosecutorial authorities, arbitrations, or civil claims by our customers, former customers, contractual counterparties, and current and former employees. We have in the past and may in the future face class action lawsuits for alleged violations of employment, state wage and hour and consumer protection laws. Certain legal actions may include claims for substantial compensatory or punitive damages or indeterminate amounts of damages. A number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. We have been and, in the future, could become subject to claims based on this or other evolving legal theories.

We cannot predict with certainty the cost of defense, the cost of prosecution or the ultimate outcome of litigation and other proceedings filed by or against us, our directors, management or employees, including remedies or damage awards. On a quarterly basis, we assess our liabilities and contingencies in connection with outstanding legal proceedings as well as certain threatened claims (which are not considered incidental to the ordinary conduct of our business) utilizing the latest and most reliable information available. The actual cost of any outstanding legal proceedings or threatened claims, however, may turn out to be substantially higher than the amount accrued. Further, our insurance may not cover all litigation, other proceedings or claims, or the costs of defense. Future developments could result in an unfavorable outcome for any existing or new lawsuits or investigations in which we are, or may become, involved, which may have a material adverse effect on our business and our results of operations.

We may be subject to claims and litigation pertaining to fiduciary responsibility.

From time to time as part of our normal course of business, customers may make claims and take legal action against us based on actions or inactions related to the fiduciary responsibilities of our Trust and Wealth Division. If such claims and legal actions are not resolved in a manner favorable to us, they may result in financial liability and/or adversely affect our reputation or our products and services. Any financial liability or reputational damage could have a material adverse effect on our business, which, in turn, could have a material adverse effect on our financial condition and results of operations.

We are subject to litigation risk pertaining to intellectual property.

We rely on third-party companies to provide information technology products and services that support our day-to-day operations. These third parties frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. Competitors of our vendors, or other individuals or companies, have from time to time claimed to hold intellectual property sold to us by our vendors or in use by us and we are, and may in the future be, named as defendants in various related legal claims. Such claims may increase in the future as the financial services industry becomes more reliant on information technology vendors. The plaintiffs in these actions frequently seek injunctions and substantial damages and may also seek to enter into licensing agreements with us to obtain ongoing fees. Any such litigation or claims brought against us or our vendors, whether with or without merit, could result in substantial costs to us, require us to seek licenses and pay royalties which may only be available on unfavorable terms, if at all, and ultimately harm our business and results of operations.

Changes in accounting standards could materially impact how we report our financial results.

The Financial Accounting Standards Board, the SEC and other bodies that establish and/or interpret accounting standards periodically change the financial accounting and reporting standards that govern the preparation of our consolidated financial statements or may change prior interpretations or positions on how these standards should be applied. These changes may be difficult to predict and may materially affect how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, which would result in changes to previously reported financial results.

We are subject to changes in federal, state and local tax laws, interpretation of existing laws and examinations and challenges by taxing authorities.

Our financial performance is impacted by federal, state and local tax laws. Given the current economic and political environment, and ongoing budgetary pressures, the enactment of additional new federal or state tax legislation may occur or interpretations of existing tax laws could change. The enactment of such legislation or changes in the interpretation of existing law may have a material adverse effect on our financial condition, results of operations and liquidity.

In the normal course of business, we are routinely subjected to examinations and audits from federal, state and local taxing authorities regarding tax positions taken by us and the determination of the amount of tax due. These examinations may relate to income, franchise, gross receipts, payroll, property, sales and use, unclaimed property or other tax returns filed, or not filed, by us. The challenges made by taxing authorities may result in adjustments to the amount of taxes due, and may result in the imposition of penalties and interest. If any such challenges are not resolved in our favor, they could have a material adverse effect on our financial condition, results of operations and liquidity.

LIQUIDITY AND MARKET RISKS

Our operations are significantly affected by interest rate levels.

Our profitability is dependent to a large extent on net interest income, which is the difference between interest income earned on loans and investment securities and interest expense paid on deposits, other borrowings, subordinated debentures and subordinated notes. Because of the differences in maturities and repricing characteristics of our interest-earning assets and interest-bearing liabilities, changes in interest rates do not produce equivalent changes in interest income earned on interest-earning assets and interest paid on interest-bearing liabilities. Accordingly, fluctuations in interest rates could adversely affect our interest rate spread, and, in turn, our profitability. If the Federal Reserve were to lower the target federal funds rate rapidly, these actions could constrain our interest rate spread and may adversely affect our results of operation. All else being equal, if the interest rates on our interest-earning assets decrease at a faster pace than the interest rates on our interest-bearing liabilities, the result could be a reduction in net interest income and with it, a reduction in net income. On the other hand, increases in interest rates, to combat inflation or otherwise, may result in interest rates on our interest-earning assets increasing at a faster pace than the interest rates on our interest-bearing liabilities, the result could be an increase in net interest income. However, the increased interest rates could also adversely affect the ability of our floating-rate borrowers to meet their higher payment obligations. If this occurred, it could cause an increase in nonperforming assets and charge offs, which could adversely affect our business.

We are unable to predict changes in interest rates, which are affected by factors beyond our control, including inflation, deflation, recession, unemployment, money supply and other changes in financial markets. We rely primarily on an earnings simulation model and economic value of equity (“EVE”) to analyze our interest rate risk and our sensitivity to interest rate changes. This earnings simulation model projects a baseline net interest income and estimated changes to such baseline from changes in interest rates and incorporates a number of assumptions. The assumptions and inputs used in our interest simulation model and EVE are difficult to accurately predict. Should these assumptions prove to be inaccurate, our interest simulation model and EVE results may not accurately project our interest rate risk and our sensitivity to interest rate changes. As a result, we may incur increased or unexpected losses due to changes in interest rates which could materially and adversely affect our net interest income, net interest margin and results of operations.

We may not be able to meet the cash flow requirements of our depositors, borrowers, or creditors, or the cash needs for expansion or other corporate activities.

Liquidity represents our ability to provide funds to satisfy demands from depositors, borrowers and other creditors by either converting assets into cash or accessing new or existing sources of incremental funds. Liquidity risk is the potential that we will be unable to meet our obligations as they become due because of an inability to liquidate assets or obtain adequate funding (referred to as “funding liquidity risk”) or that we cannot easily unwind or offset specific expenses without significantly lowering market prices because of inadequate market depth or market disruptions (referred to as “market liquidity risk”). The objective of managing liquidity risk is to ensure that our cash flow requirements resulting from depositor, borrower (including our ability to fund our significant balance of closed but unfunded loan commitments), and other creditor demands are met, as well as our operating cash needs, and that our cost of funding such requirements and needs is reasonable. We maintain an asset/liability and interest rate risk policy and a liquidity and funds management policy, including a contingency funding plan that, among other things, include policies and procedures for managing and monitoring liquidity risk. Generally, we rely on deposits, repayments of loans and cash flows from our investment securities as our primary sources of funds. Our principal deposit sources include consumer and commercial customers in our markets. We have used these funds, together with deposits for public funds customers, brokered deposits, FHLB advances, federal funds purchased and other sources of short-term borrowings to make loans, acquire investment securities and other assets and to fund continuing operations.

Deposit levels may be affected by a number of factors, including rates paid by competitors, general interest rate levels, returns available to customers on alternative investments, general economic and market conditions and other factors. Loan repayments are generally a relatively stable source of funds but are subject to the borrowers' ability to repay loans, which can be adversely affected by a number of factors including changes in general economic conditions, adverse trends or events affecting business industry groups or specific businesses, declines in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters and other factors. Furthermore, loans may not be readily convertible to cash.

We anticipate we will continue to rely primarily on deposits, loan repayments, and cash flows from our investment securities, as well as other funding sources as appropriate, to provide liquidity. Additionally, where necessary, the secondary sources of borrowed funds described above will be used to augment our primary funding sources. If we are unable to access any of these secondary funding sources when needed, or if we otherwise experience an increase in funding liquidity risk or an increase in market liquidity risk, we might be unable to meet our depositors', borrowers' or creditors' needs, which would adversely affect our financial condition, results of operations and liquidity.

If we lose a significant portion of our core deposits or our cost of funding deposits increases significantly, our liquidity and/or profitability could be adversely impacted.

Our profitability depends in part on successfully attracting and retaining a stable base of relatively low-cost deposits, as deposits have traditionally served as our largest, least costly source of funding. The competition for these deposits in our markets is strong, and deposit trends can shift with economic conditions. Our deposit levels might fall if an improving economy, rising market rates, or increased competition causes depositors to become more comfortable with risk and to demand higher interest rates on their deposits or seek other investments or vehicles offering higher rates of return. If customers move money out of bank deposits, we would lose a relatively low-cost source of funds, which could have an adverse effect on our financial position, results of operations and liquidity.

We sometimes offer credit enhancements to depositors, such as FHLB letters of credit and, for certain deposits of public monies, pledges of collateral in the form of readily marketable securities. Any event or circumstance that interferes with or limits our ability to offer these products to customers that require greater security for their deposits, such as a significant regulatory enforcement action or a significant decline in our capital levels, could negatively impact our ability to attract and retain deposits. If we were to lose a significant portion of our low-cost deposits, we would be required to borrow from other sources at higher rates and our liquidity and profitability could be adversely impacted.

We use brokered deposits which may be an unstable and/or expensive deposit source to fund earning asset growth.

We use brokered deposits, subject to certain limitations and requirements, as a source of funding to augment deposits generated from our branch network. Our Board has established policies and procedures with respect to the use of brokered deposits. Such policies and procedures require, among other things, that (i) we limit the amount of brokered deposits as a percentage of total deposits and (ii) our ALCO monitors our use of brokered deposits on a regular basis, including interest rates and the total volume of such deposits in relation to our total deposits. At December 31, 2024 we had $2.6 billion in brokered deposits compared to $2.7 billion at December 31, 2023. In the event that our funding strategies call for the increased use of brokered deposits, there can be no assurance that such sources will be available, or will remain available, or that the cost of such funding sources will be reasonable. Additionally, should we no longer be considered well-capitalized, our ability to access new brokered deposits or retain existing brokered deposits could be adversely affected by market conditions, regulatory requirements or a combination thereof, which could result in most, if not all, brokered deposit sources being unavailable. The inability to utilize brokered deposits as a source of funding could have an adverse effect on our financial position, results of operations and liquidity.

We may need to raise additional capital in the future to continue to grow, but that capital may not be available when needed.

Federal and state bank regulators require us to maintain adequate levels of capital to support operations. At December 31, 2024, our regulatory capital ratios were above the minimum to be considered "well-capitalized" under regulatory guidelines. However, our business strategy calls for continued growth in our existing lending verticals and banking markets and to expand into new lines of business and new markets as appropriate opportunities arise. Growth in assets at rates in excess of the rate at which our capital is increased through retained earnings will reduce our capital ratios unless we continue to increase capital through other means. If our capital ratios were to fall below "well-capitalized" levels, the FDIC insurance assessment rate would increase until capital is restored and maintained at a "well-capitalized" level. Additionally, should our capital ratios fall below "well-capitalized" levels, certain funding sources could become more costly or could cease to be available to us until such time as capital is restored and maintained at a “well-capitalized” level. A higher assessment rate resulting in an increase in FDIC insurance premiums, increased cost of funding or loss of funding sources could have an adverse effect on our financial condition, results of operations and liquidity.

We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs. As a publicly traded company, a likely source of additional funds is the capital markets, accomplished generally through the issuance of equity, including common stock, preferred stock, warrants, depository shares, stock purchase contracts or stock purchase units, and the issuance of senior or subordinated debt. Our ability to raise additional capital, including senior or subordinated debt, if needed, will depend, among other things, on conditions in the equity and/or debt markets at that time, which are outside of our control, and our financial performance. In addition, any issuance of preferred stock or debt by us may be accompanied by time delays associated with obtaining any required regulatory approvals. If market conditions change during any time delays associated with obtaining regulatory approval, we may not be able to issue equity or debt on as favorable terms as were contemplated at the time of commencement of the process, or at all.

We cannot be assured that access to additional capital will be available to us on acceptable terms or at all. Any occurrence that may limit our access to the capital markets, such as a decline in the confidence of debt purchasers, our depositors or counterparties participating in the capital markets, may materially and adversely affect our capital costs and our ability to raise capital and/or debt and, in turn, our liquidity. If we cannot raise additional capital when needed, our ability to continue to grow in our existing lending verticals and banking markets and to expand into new business lines and new markets could be impaired.

We cannot guarantee that we will pay dividends on our common or preferred stock in the future.

Our shareholders are only entitled to receive dividends on our common or preferred stock as our Board may declare out of funds legally available for such payments. Although we have historically declared such dividends, we are not required to do so and may reduce or eliminate our common and/or preferred stock dividends in the future. Our ability to pay dividends on our capital stock is subject to the restrictions set forth in Arkansas law, by the FDIC, and by certain covenants contained in the indentures governing our trust preferred securities, our subordinated debentures, our subordinated notes and the terms and conditions of our 4.625% Series A Non-Cumulative Perpetual Preferred Stock (“preferred stock”). For example, in the event we become subject to an enforcement action or depending upon our regulatory status, our regulators may prevent us from paying dividends to our shareholders. Further, we cannot declare or pay dividends on our common stock or redeem or repurchase our common stock for any period for which we have not declared and paid in full dividends on our preferred stock. Our capital planning and risk management is subject to supervisory review, and, as a result of that review, our discretion to pay dividends or determine the amount of any dividend could be limited. Accordingly, there can be no assurance that we will continue to pay dividends on our common or preferred stock in the future. Our Board will continue to evaluate the payment of dividends based on our results of operations, financial condition, capital requirements, regulatory and contractual restrictions, our business strategy and other factors our Board deems relevant. See Note 18 of the consolidated financial statements under Part II, Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K for a discussion of dividend restrictions.

The performance of our investment securities portfolio is subject to fluctuation due to changes in interest rates and market conditions, including credit deterioration of the issuers of individual securities.

Changes in interest rates can negatively affect the performance of most of our investment securities. Interest rate volatility can reduce unrealized gains or increase unrealized losses in our portfolio. Interest rates are highly sensitive to many factors including monetary policies, domestic and international economic and political issues, and other factors beyond our control. Fluctuations in interest rates can materially affect both the returns on and market value of our investment securities. Additionally, actual investment income and cash flows from investment securities that carry prepayment risk, such as mortgage-backed securities and callable securities, may materially differ from those anticipated at the time of investment or subsequently as a result of changes in interest rates and market conditions.

Our investment securities portfolio consists of several securities whose trading markets are “not active.” As a result, we utilize alternative methodologies for pricing these securities that include various estimates and assumptions. There can be no assurance that we can sell these investment securities at the price derived by these methodologies, or that we can sell these investment securities at all, which could have an adverse effect on our financial position, results of operations and liquidity.

We have had in the past, and may in the future, have securities in our investment portfolio that are designated as “trading.” These securities are typically bought and sold over a relatively short period with the intent of generating gains on such transactions. However, there can be no assurance that we will be able to generate such gains in future periods. Additionally, any trading securities that are not sold as of the end of any reporting period must be marked to market with such unrealized gains and losses recorded in current period earnings. Mark-to-market adjustments on these investments may reduce our profitability or cause our net income to vary from period to period. We may be unable to generate gains from trading securities activity in future periods or have unrealized losses that are recorded in earnings, which could have an adverse effect on our financial position and our results of operations.

We monitor the financial position of the various issues of investment securities in our portfolio, including each of the state and local governments and other political subdivisions where we have exposure. To the extent we have securities in our portfolio from issuers that have experienced a deterioration of financial condition, or that may experience future deterioration of financial condition, the value of such securities may decline and could result in the need to establish an ACL recorded as a provision for credit loss, which could have an adverse effect on our financial condition, results of operations and liquidity.

We currently invest in bank owned life insurance ("BOLI") and may continue to do so in the future.

We have general, hybrid and separate account BOLI contracts, which had a book value of $829.4 million at December 31, 2024. BOLI is an illiquid long-term asset that provides tax savings because cash value growth and life insurance proceeds are not taxable. However, if we needed additional liquidity and converted the BOLI to cash, such transaction would be subject to ordinary income tax and applicable penalties. We are also exposed to the credit risk of the underlying securities in the investment portfolio and to the insurance carrier's credit risk (in a general account contract). If BOLI was exchanged to another carrier, additional fees would be incurred and a tax-free exchange could only be done for insureds that were still actively employed by us at that time. There is also interest rate risk relating to the market value of the underlying investment securities associated with the BOLI in that there is no assurance that the market value of these securities will not decline. Investing in BOLI exposes us to liquidity, credit and interest rate risk, among other risks, which could adversely affect our financial condition, results of operation and liquidity.

Our investments and/or financings in certain tax-advantaged projects may not generate returns as anticipated and may have an adverse impact on our financial results.

We invest in and/or finance certain tax-advantaged projects promoting affordable housing and renewable energy sources. Our investments in these projects are designed to generate a return primarily through the realization of federal and state income tax credits, and other tax benefits, over specified time periods. We are subject to the risk that previously recorded tax credits, which remain subject to recapture by taxing authorities based on compliance features required to be met at the project level, will fail to meet certain government compliance requirements and will not be able to be fully realized. The possible inability to realize these tax credits and other tax benefits can have a negative impact on our financial results. The risk of not being able to realize the tax credits and other tax benefits depends on many factors outside of our control, including changes in the applicable provisions of the tax code and the ability of the projects to be completed and properly managed.

We and/or the holders of certain classes of our securities could be adversely affected by unfavorable ratings from rating agencies.

The ratings agencies regularly evaluate us, and their ratings of our long-term debt are based on a number of factors, including our financial strength, as well as factors not entirely within our control, including conditions affecting the financial services industry in general. There can be no assurance that we will not receive adverse changes in our ratings in the future, which could adversely affect the cost and other terms upon which we are able to obtain funding, and the way in which we are perceived in the capital markets. Actual or anticipated changes, or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could adversely affect the market value and liquidity of our securities, increase our borrowing costs and negatively impact our profitability. Additionally, a downgrade of the credit rating of any particular security issued by us could negatively affect the ability of the holders of that security to sell the securities and the prices at which any such securities may be sold.

The holders of our subordinated debentures, subordinated notes and preferred stock have rights that are senior to those of our common shareholders.

At December 31, 2024, we had an aggregate principal amount of $350 million of outstanding subordinated notes and $110 million of outstanding subordinated debentures that are held by statutory trusts which issued trust preferred securities to investors. We guarantee payment of the principal and interest on the trust preferred securities, and our subordinated notes and subordinated debentures are senior to our common stock and preferred stock in right of payment of dividends and other distributions. In the event of our bankruptcy, dissolution or liquidation, the holders of our subordinated notes and subordinated debentures would receive distributions from our available assets before any distributions could be made to the holders of common stock and preferred stock. We have the right to defer distributions on our subordinated debentures and the related trust preferred securities for up to five years, during which time no dividends may be paid to holders of our common stock and preferred stock, and under the terms of our preferred stock, in the event that we do not declare and pay dividends on the preferred stock for the most recent dividend period, we may not, with certain exceptions, declare or pay dividends on, or purchase, redeem or otherwise acquire, shares of our common stock or any of our securities that rank junior to the preferred stock. In addition, in the event of our bankruptcy, dissolution or liquidation, the holders of our preferred stock would receive a distribution from our available assets before any distribution could be made to the holders of common stock.

The price of our common stock and preferred stock is affected by a variety of factors, many of which are outside our control.

Stock price volatility may make it more difficult for investors to sell shares of our common stock and preferred stock at times and prices they find attractive. Our common stock and preferred stock prices can fluctuate significantly, over a short period of time, in response to a variety of factors, including, among other things:

- actual or anticipated variations in quarterly results of operations;
- recommendations or changes in recommendations by securities analysts regarding our securities;
- operating and stock price performance of other companies that investors deem comparable to us;
- news reports relating to trends, concerns and other issues in the financial services industry;
- perceptions in the marketplace about us and/or our competitors, including failures of other financial institutions;
- new technology used, or products and services offered, by competitors;
- changes in the political climate, including any changes as a result of the recent U.S. presidential and congressional elections;
- changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or real estate valuations or volatility and other geopolitical, regulatory or judicial events, including current or anticipated military conflicts or other geopolitical events;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving us or our competitors; and
- changes in, or proposed changes to, governmental regulations.

General market fluctuations, industry factors and general economic and political conditions and events such as economic slowdowns, expected or incurred interest rate changes, credit loss trends, and various other factors and events could adversely affect the price of our common stock and preferred stock.

Our common stock and preferred stock trading volume may not provide adequate liquidity for investors.

Although shares of our common stock and preferred stock are listed on the Nasdaq Global Select Market, the average daily trading volume in the common stock or preferred stock may be less than that of larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of a sufficient number of willing buyers and sellers of our capital stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Significant sales of our capital stock in a brief period of time, or the expectation of these sales, could cause a decline in the price of our capital stock.

Future issuances of additional equity securities could result in dilution of existing shareholders' equity ownership and may adversely affect the market price of our stock.

We have issued, and may issue in the future, shares of our capital stock in connection with our acquisition of other financial institutions or to support expected growth. We may determine from time to time to issue additional equity securities to raise additional capital, support growth, or to make acquisitions. Further, we have, and may continue to, issue stock options, grant restricted stock awards or other stock grants, awards or units in order to retain, compensate and/or motivate our employees and directors. These issuances of our securities could dilute the voting and economic interests of existing shareholders. In addition, resales of substantial amounts of capital stock in the public market and the potential of such sales could adversely affect the prevailing market price of our capital stock and impair our ability to raise additional capital through the sale of equity securities.

Our capital stock is not an insured deposit.

Shares of our common stock and preferred stock are not bank deposits and, therefore, losses in value are not insured by the FDIC, any other deposit insurance fund or by any other public or private entity. Investment in shares of our capital stock is inherently risky for the reasons described in this "Risk Factors" section of this Annual Report on Form 10-K, and is subject to the same market forces and investment risks that affect the price of capital stock in any other company, including the possible loss of some or all principal invested.

STRATEGIC, REPUTATIONAL AND OTHER RISKS

Our recent results may not be indicative of our future results.

We may not be able to grow our business at the same rate of growth achieved in recent years or even grow our business at all. Additionally, in the future we may not have the benefit of several factors that have been favorable to our business in past years, such as an interest rate environment where changes in rates occur at a relatively orderly and modest pace, the ability to find suitable expansion opportunities, or otherwise to capitalize on opportunities presented by economic turbulence, or other factors and conditions. Numerous factors, such as weakening or deteriorating economic conditions, regulatory restrictions or actions, legislative considerations, and competition may impede or restrict our ability to expand our market presence and could adversely affect our future operating results.

If we do not manage our growth effectively, our business, future prospects, financial condition, results of operations and liquidity could be adversely affected.

Our reputation, expertise and banking model enable us to build and expand our banking relationships with customers in the markets we serve. We remain committed to growing our business in a disciplined manner. Our growth prospects must be considered in light of the risks, expenses and difficulties frequently encountered by banking companies pursuing such strategies. In order to successfully expand our banking relationships in our current or new markets, we must, among other things:

- attract and retain qualified bank management and staff;
- build and retain a substantial customer base;
- expand our loan portfolio while maintaining favorable asset quality;
- attract sufficient deposits and capital to fund anticipated loan growth;
- identify and expand into suitable markets;
- identify and acquire suitable sites for new banking offices;
- obtain regulatory and other approvals;
- maintain adequate common equity and regulatory capital;
- sustain employee productivity while pursuing various organizational initiatives; and
- maintain sufficient qualified staffing, infrastructure and organizational capacity to support growth and compliance with increasing regulatory requirements.

In addition to the foregoing factors, there are considerable costs involved in opening banking offices, and such new offices generally do not generate sufficient revenues to offset their costs until they have been in operation for some time. Therefore, any new banking offices we open can be expected to negatively affect our operating results until those offices reach a size at which they become profitable. We could also experience an increase in expenses if we encounter delays in opening any new banking offices. Moreover, we cannot give any assurances that any new banking offices we open will be successful, even after they have become established, or that we can hire and retain qualified bank management and staff to achieve our growth and profitability goals. If we do not manage our growth effectively, our business, future prospects, financial condition, results of operations and liquidity could be adversely affected.

We may be adversely affected by risks associated with any potential future acquisition.

We plan to continue to grow our business organically. However, we have pursued and may continue to pursue additional acquisition opportunities in the future that we believe support our business strategy and may enhance our profitability. Acquisitions involve numerous risks, including, among others:

- incurring time and expense associated with identifying and evaluating potential acquisitions and negotiating potential transactions, resulting in our attention being diverted from the operation of our existing business;
- using inaccurate estimates, assumptions and judgments to evaluate credit, operations, management and market risks with respect to the target institution or assets;
- the risk that the acquired business will not perform to our expectations;
- difficulties, inefficiencies or cost overruns in integrating and assimilating the organizational cultures, operations, technologies, products and services of the acquired business with ours;
- the risk of key vendors not fulfilling our expectations or not accurately converting data or operating systems;
- entering geographic and product markets in which we have limited or no direct prior experience;
- the potential loss of key employees, vendors, customers and depositors of the acquired business;

- the potential for liabilities, claims and/or other contingencies arising out of the acquired business; and
- the risk of not receiving required regulatory approvals or such approvals being restrictively conditional.

Acquisitions of financial institutions also involve operational risks and uncertainties, and acquired companies may have unknown or contingent liabilities with no corresponding accounting reserve or allowance, exposure to unexpected asset quality problems that require write downs or write-offs (as well as restructuring and impairment or other charges), difficulty retaining key employees and customers and other issues that could negatively affect our business. We may not be able to realize the expected level of, or any, projected cost savings, synergies or other benefits associated with any such acquisition we complete. Any acquisition may involve the payment of a premium over book and/or market value and, therefore, some dilution of our tangible book value and diluted earnings per common share may occur in connection with any such future acquisition. Failure to successfully integrate any entities that we may acquire into our existing operations could significantly increase our operating costs and have a material adverse effect on our business, financial condition and results of operations.

We must generally satisfy a number of meaningful conditions prior to completing any acquisition, including, in certain cases, federal and state regulatory approval. Bank regulators consider a number of factors when determining whether to approve a proposed transaction, including the effect of the transaction on financial stability and the ratings and compliance history of all institutions involved, including the CRA examination results and BSA/AML compliance records of all institutions involved. The process for obtaining required regulatory approvals may be difficult. We may fail to pursue, evaluate or complete strategic acquisition opportunities as a result of our inability, or our perceived inability, to obtain any required regulatory approvals in a timely manner or at all.

In addition, we face significant competition from numerous other financial services institutions, some of which have greater financial resources than we do, when considering acquisition opportunities. Accordingly, attractive acquisition opportunities may not be available to us. There can be no assurance that we will be successful in identifying or completing any potential future acquisitions.

Reputational risk and social factors may impact our results.

Our ability to originate and maintain accounts is highly dependent upon consumer and other external perceptions of our business practices and/or our financial health. Adverse perceptions or developments regarding our business, practices and/or financial health, our competitors, or the banking industry as a whole, could damage our reputation and business prospects, leading to difficulties in originating and retaining loans and deposits, particularly uninsured deposits. These perceptions could stem from a variety of sources, including negative posts or communications on social media, non-mainstream news services or other parts of the Internet, or the disclosure of non-public information or negative comments regarding us or our business from employees or others on social media or other websites. This risk is magnified by the speed and pervasiveness with which information is disseminated through those channels. Adverse reputational effects on third parties with whom we have important relationships may also adversely affect our reputation. Adverse effects on our reputation, or the reputation of the industry, may also result in greater regulatory and/or legislative scrutiny, which may lead to laws or regulations that may change or constrain the manner in which we engage with our customers and the products and services we offer and can also increase litigation risk. Any of these factors could have an adverse effect on our ability to achieve our business objectives, which could have an adverse effect on our financial conditions, results of operations and liquidity.

The soundness of other financial institutions could adversely affect us.

Our ability to engage in routine funding transactions could be adversely affected by the actions, or inactions, and financial stability of other financial institutions. Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We have exposure to various counterparties, including brokers and dealers, commercial and correspondent banks, and others. As a result, defaults by, or rumors or questions about, one or more other financial services institutions, or the financial services industry generally, may result in market and customer perception of the risk of similar problems at other institutions, which could lead to market-wide liquidity problems and losses or defaults by such other institutions. Such occurrences could expose us to credit risk in the event of default of one or more counterparties and could have a material adverse effect on our financial position, results of operations and liquidity. Furthermore, as we and other regional banks experienced in 2023, the failure of other financial institutions may cause deposit outflows as customers spread deposits among several different banks to maximize their amount of FDIC insurance, move deposits to larger banks, or remove deposits from the banking system entirely.

If our goodwill becomes impaired, we could be required to record impairment charges.

Goodwill represents the amount by which the acquisition cost exceeds the fair value of net assets we acquire in an acquisition. We review goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate the carrying value might be impaired. At December 31, 2024, our goodwill totaled $661 million. While our previous evaluations of goodwill have not resulted in any impairment charges or write downs of our goodwill, there can be no assurance that future evaluations of goodwill will not result in findings of impairment and related write downs, which could have a material adverse effect on our financial condition and results of operations.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

Risk Management and Strategy

We face significant cybersecurity threats and risks due to the breadth, complexity and widespread use of our systems, products and processes, our use of third-party products and services, and the substantial level of harm that could occur to us and our customers were we to suffer a material cybersecurity incident. Our processes for assessing, identifying, and managing material cybersecurity risks are integrated into our enterprise risk management.

Our risk management program is designed to identify, assess, and mitigate risks across various aspects of our Bank, including strategic, credit, market, liquidity, operational (including cybersecurity, information technology and third-party vendor risks), reputational and compliance and regulatory (including BSA/AML) risks. Cybersecurity is a critical component of this program, given the increasing reliance on technology and potential of cyber threats. Our Chief Information Security Officer ("CISO") is primarily responsible for managing this cybersecurity component and is a key member of the risk management organization, reporting directly to our Chief Risk Officer ("CRO") and, as discussed below, periodically to our management Executive Risk Council ("ERC"), Board Risk Committee ("BRC") and the full Board. For a discussion of our overall risk management program, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Risk Elements of this Annual Report on Form 10-K.

Our objective for managing cybersecurity risk is to avoid or minimize the impacts of external threat events or other efforts to penetrate, disrupt or misuse our systems or information. The structure of our information security program aligns with industry standards and leading practices, complies with regulatory requirements, and is designed around various frameworks of the National Institute of Standards and Technology and the Center for Internet Security. In addition, we leverage certain industry and government associations, third-party benchmarking, audits, and threat intelligence feeds to facilitate and promote program effectiveness. Our CISO and our Chief Information Officer ("CIO"), who report directly to our CEO, along with key members of their teams, regularly collaborate with peer banks, industry groups, and policymakers to discuss cybersecurity trends and issues and identify best practices. The information security program is periodically reviewed by such personnel with the goal of addressing changing threats and conditions, and we closely monitor information security and cybersecurity trends and new threats, including cyber risks, in an effort to continuously improve the security and privacy of our systems and data.

We employ an in-depth, layered, defensive approach that leverages people, processes, and technology as part of our efforts to manage and maintain cybersecurity controls. We also employ a variety of preventative and detective tools designed to monitor, block, and provide alerts regarding suspicious activity and report on suspected, advanced and persistent threats. We have established processes and systems designed to mitigate cyber risk, including regular and on-going education and training for employees, preparedness simulations and tabletop exercises, phishing campaigns, and recovery and resilience tests. We engage in regular assessments of our infrastructure, software systems, and network architecture, using internal cybersecurity experts and third-party specialists. We also maintain a third-party risk management program designed to identify, assess, and manage risks, including cybersecurity risks, associated with external service providers and our supply chain. We also actively monitor our email gateways for malicious phishing email campaigns and monitor remote connections. We leverage internal and external auditors and independent external partners to periodically review our processes, systems, and controls, including with respect to our information security program, to assess their design and operating effectiveness and make recommendations to strengthen our risk management program.

We maintain a Cyber Incident Response Plan that provides a documented framework for responding to actual or potential cybersecurity incidents, including timely notification and escalation of the incident to the appropriate persons or groups. The Cyber Incident Response Plan is coordinated through the CISO and key members of management are embedded into the plan by its design. Security events and data incidents are identified, ranked by severity and prioritized for response and remediation, and evaluated to determine materiality as well as operational, business, privacy and regulatory impact. The Cyber Incident Response Plan facilitates coordination across multiple parts of our organization and is evaluated at least annually.

Notwithstanding our defensive measures and processes, the threat posed by cyber-attacks is severe. Our internal systems, processes, and controls are designed to mitigate loss from cyber-attacks and, while we have experienced cybersecurity incidents in the past, to date, risks from cybersecurity threats have not materially affected our Bank. For further discussion of risks from cybersecurity threats, see Item 1A. Risk Factors of this Annual Report on Form 10-K.

Governance

Our CISO is accountable for managing our enterprise information security department and delivering our information security program. The responsibilities of this department include cybersecurity risk assessment, defense operations, incident response, vulnerability assessment, threat intelligence, identity access governance, and third-party risk management. The foregoing responsibilities are covered on a day-to-day basis by a first line of defense function, and our second line of defense function, including the CISO, provides guidance, oversight, monitoring and challenge of the first line's activities. The second line of defense function is separated from the first line of defense function through organizational structure and ultimately reports directly to the CRO. The department, as a whole, consists of information security professionals with varying degrees of education and experience. In particular, our CISO has substantial formal training and relevant experience in the military and private sectors in the areas of information security and cybersecurity risk management, as well as multiple degrees in cybersecurity and numerous industry certifications.

Our Board has approved management groups including the Information Systems Steering Committee, which focuses on technology impact and the alignment of technology and information security, and the Information Security Advisory Council, which reports to the Information Systems Steering Committee on information security and cybersecurity matters. These groups provide governance of the technology program and the information security program and are chaired by and comprised of managers within the enterprise information security and technology departments, including the CIO and CISO as well as their direct reports and other key departmental managers from throughout the Bank. These groups meet no less than quarterly to monitor and review the risk management strategy, standards, policies, practices, controls, and mitigation and prevention efforts employed to manage security risks. More frequent meetings occur from time to time in accordance with the Cyber Incident Response Plan in order to facilitate timely informing and monitoring efforts.

The BRC is responsible for overseeing our information security program, including management's actions to identify, assess, mitigate, and remediate or prevent material cybersecurity issues and risks. Our CISO provides quarterly reports to the ERC, the BRC and the full Board regarding the information security program, key enterprise cybersecurity initiatives, and other matters relating to cybersecurity processes. The BRC and the full Board review and approve our operational risk appetite, including cybersecurity, technology and third-party vendor management, at least annually. Additionally, the BRC and the full Board review our cybersecurity risk profile on a quarterly basis.

Item 2. <u>PROPERTIES</u>

Our principal executive office is located in Little Rock, Arkansas. At December 31, 2024, we conducted banking operations in 244 offices in nine states, including 232 banking offices and 12 loan production offices ("LPO"). Such offices include both owned and leased facilities.

The following table sets forth specific information about our banking facilities, by state, at December 31, 2024.

	Retail Branches		LPO		Total	
State	**Owned**	**Leased**	**Owned**	**Leased**	**Owned**	**Leased**
Arkansas	71 [(1)]	4	—	—	71	4
Georgia	59	8	1	1	60	9
Florida	34	7	—	2	34	9
North Carolina	24	—	—	2	24	2
Texas	19	5	—	1	19	6
California	—	—	—	3	—	3
New York	—	—	—	1	—	1
Tennessee	1	—	—	—	1	—
Mississippi	—	—	—	1	—	1
Total	208	24	1	11	209	35

(1) Includes our corporate headquarters in Little Rock.

Item 3. LEGAL PROCEEDINGS

In the ordinary course of business, we are or may be involved in various legal or regulatory proceedings and/or claims, including claims related to employment, wage-hour and labor law claims, consumer and privacy claims, lender liability claims, breach of contract, and other similar lending-related claims encountered on a routine basis, some of which may be styled as "class action" or representative cases. While the ultimate resolution of these claims and proceedings cannot be determined at this time, management believes that such claims and proceedings, individually or in the aggregate, will not have a material adverse effect on the Bank's financial condition or results of operations.

Item 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Bank's common stock is listed on the Nasdaq Global Select Market under the symbol "OZK" and at December 31, 2024, the Bank had approximately 1,068 shareholders of record. On December 31, 2024, the closing price of our common stock was $44.53 per share.

Recent Sales of Unregistered Securities

During the fourth quarter of 2024, the Bank issued 10,549 shares of common stock in connection with the exercise of stock options issued to certain participants under the Bank's equity compensation plans. The shares were issued in reliance on the exemption provided by Section 3(a)(2) of the Securities Act of 1933, as amended ("Securities Act") because the sales involved securities issued by a bank.

During the fourth quarter of 2024, the Bank issued an aggregate of 741 shares of restricted common stock to certain officers pursuant to the Bank's 2019 Omnibus Equity Incentive Plan. The Bank did not receive any cash consideration in connection with these grants. These grants were exempt from registration pursuant to Section (3)(a)(2) of the Securities Act because the grants involved securities issued by a bank.

Repurchase of Equity Securities by Issuer

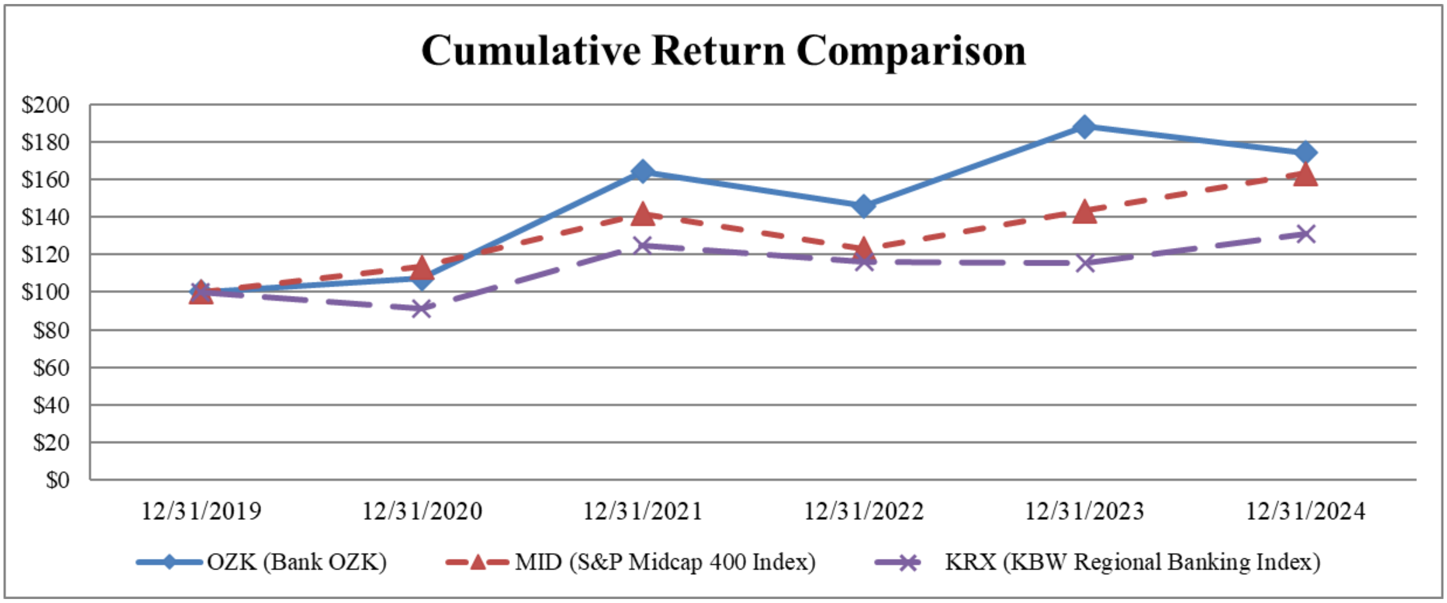
On July 17, 2024, we announced that our Board approved a stock repurchase program authorizing the repurchase of up to $200 million of our outstanding shares of common stock (the "2024 Stock Repurchase Program"). The 2024 Stock Repurchase Program will expire on July 1, 2025, unless extended or shortened by the Board, and may be suspended by the Bank at any time. Under this program, repurchases may be made from time to time in open market transactions, through privately negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The timing and amount of repurchases will be determined by management based on a variety of factors including the Bank's stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, current and expected macroeconomic environment, regulatory requirements and other factors. No shares of common stock were purchased during the fourth quarter of 2024 under the 2024 Stock Repurchase Program.

Dividends

The determination of future cash dividends on our capital stock will depend on conditions existing at that time and approval of our Board. Our Board will continue to evaluate the payment of cash dividends based on our results of operations, financial condition, capital requirements, regulatory and contractual restrictions, our business strategy and other factors our Board deems relevant. See "Common Stock Dividend Policy" and "Preferred Stock Dividend Policy" under "Item 7 – Management's Discussion and Analysis of the Financial Condition and Results of Operations – Capital Management" and Note 18 of the consolidated financial statements under "Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for restrictions on our present or future ability to pay dividends, particularly those restrictions arising under federal and state banking laws.

Stock Performance Graph

The graph below shows a comparison for the period commencing December 31, 2019 through December 31, 2024 of the cumulative total stockholder returns (assuming reinvestment of dividends) for our common stock, the S&P Midcap 400 Index and the KBW Regional Banking Index, assuming a $100 investment on December 31, 2019. The comparisons in this graph are required by the SEC and are not intended to forecast or be indicative of possible future performance of our common stock.



	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
OZK (Bank OZK)	$ 100	$ 107	$ 164	$ 146	$ 188	$ 174
MID (S&P Midcap 400 Index)	$ 100	$ 114	$ 142	$ 123	$ 143	$ 163
KRX (KBW Regional Banking Index)	$ 100	$ 91	$ 125	$ 116	$ 116	$ 131

The information included under the heading “Stock Performance Graph” shall not be deemed to be “soliciting material” or to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any of our filings under the Securities Act or the Exchange Act, whether made before or after the date of this Annual Report on Form 10-K, except to the extent that we specifically incorporate such information by reference.

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following is a discussion of our financial condition at December 31, 2024 and 2023 and our results of operations for each of the years in the three-year period ended December 31, 2024. The purpose of this management's discussion and analysis of financial condition and results of operations ("MD&A") is to focus on the most relevant information about our financial condition and results of operations that is not otherwise apparent from the consolidated financial statements and footnotes. This discussion should be read in conjunction with the disclosure regarding "Forward-Looking Information" in Part I as well as the risks discussed under Part I, Item 1A. Risk Factors, and our consolidated financial statements and notes thereto included under Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Bank OZK (the "Bank") is subject to regulation by the Arkansas State Bank Department ("ASBD") and because the Bank is an insured depository institution that is not a member bank of the Federal Reserve System (the "Federal Reserve"), our primary federal regulator is the Federal Deposit Insurance Corporation ("FDIC"). We are not subject to the Federal Reserve's regulation and supervision (except such regulations as are made applicable to the Bank by law and regulation of the FDIC). Shares of the Bank's common stock are listed in the Nasdaq Global Select Market under the symbol "OZK." Shares of the Bank's preferred stock are listed in the Nasdaq Global Select Market under the symbol "OZKAP."

Our primary business is commercial banking conducted by the Bank and various subsidiaries of the Bank. The Bank operates in only one segment. Our results of operations depend primarily on net interest income, which is the difference between the interest income from earning assets, such as loans and investments, and the interest expense incurred on interest bearing liabilities, such as deposits, borrowings, subordinated debentures and subordinated notes. We also generate non-interest income, including, among others, deposit-related fees; loan-related fees; trust income; bank owned life insurance ("BOLI") income; and gains (losses) from sales of investment securities and other assets.

Our non-interest expense consists primarily of employee compensation and benefits, net occupancy and equipment and other operating expenses. Our results of operations are significantly affected by our provision for credit losses and our provision for income taxes.

Critical Accounting Estimates

Our consolidated financial statements and related notes presented in Item 8. Financial Statements and Supplementary Data in this Annual Report on Form 10-K have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Our significant accounting policies and methods are discussed in Note 1 to the consolidated financial statements. Certain accounting estimates involve a significant level of estimation uncertainty and require management to make difficult, subjective or complex judgments about matters that are uncertain and have had, or are reasonably likely to have, a material impact on our financial condition or results of operations. Because of the uncertainty involved in these estimates, materially different amounts could be reported under different assumptions or estimates. Our determination of (i) the provisions to and the adequacy of the allowance for credit losses ("ACL"), (ii) the fair value of our investment securities portfolio, and (iii) accounting for our income taxes all involve a higher degree of judgment and complexity than our other significant accounting policies. Accordingly, we consider each of these to be critical accounting estimates.

Provisions to and adequacy of the ACL. Our ACL estimate is established through a provision for credit losses charged against income. Our ACL estimate is subject to uncertainty due to various assumptions and judgments utilized in forming our ACL estimate. In estimating our ACL, we utilize various score cards which use quantitative models and for commercial risk ratings, incorporate qualitative factors in determining our estimated ACL. In addition, various qualitative adjustments are applied to our ACL estimate to capture items not included in the modeled results or other assumptions.

The ACL is maintained at a level that we believe will be adequate to absorb expected credit losses in future periods associated with our loan portfolio and unfunded loan commitments. Provisions to and the adequacy of the ACL are based on evaluations of the loan portfolio utilizing objective and subjective criteria. The objective criteria primarily includes estimated losses that are modeled from the respective score cards and the outputs from our CECL platform that considers various economic forecasts and scenarios, a reasonable and supportable forecast of two years followed by a systematic reversion to our historical losses, and other factors. In addition to these objective criteria, we subjectively assess the adequacy of the ACL and the need for changes thereto, with consideration given to the nature and mix of the portfolio, national, regional and local business and economic conditions that may affect borrowers' ability to pay, concentrations of credit, changes in the experience, ability and depth of lending management and other relevant staff, changes in the nature and volume of the portfolio and in the terms of the loans, overall portfolio quality, historical loss experience and other relevant factors. In addition, for loans that do not share risk characteristics similar to those contained within their respective loan segments, we may perform an individual assessment of the ACL utilizing expected cash flows, collateral values or a combination thereof. On an ongoing basis, we evaluate the underlying collateral on certain collateral dependent loans and, if needed, due to changes in market or property conditions, the underlying collateral is reassessed, and the estimated collateral value is revised. The determination of collateral value includes any adjustments considered necessary related to estimated holding periods, estimated liquidation discounts and estimated selling costs. While an individual assessment and related ACL has been calculated for certain loans, no portion of our ACL is restricted to any individual loan or group of loans, and the entire ACL is available to absorb losses from any and all loans, including unfunded loan commitments.

Changes in the criteria used or the availability of new information could cause the ACL to be increased or decreased in future periods. To the extent that our reasonable and supportable forecast varies from actual economic conditions and/or our actual losses vary from our historical losses, we could experience significant fluctuation in our provision for credit losses and our ACL. In addition, our qualitative factors, including our estimate of qualitative adjustments, may change or vary considering the change in our assumptions or expectations for future loan losses. Also, bank regulatory agencies, as part of their examination process, may require adjustments to the ACL based on their judgment and estimates.

Fair value of the investment securities portfolio. We determine the appropriate classification of investment securities at the time of purchase and reevaluate such designation as of each balance sheet date. At December 31, 2024 and December 31, 2023 all of our investment securities were classified as available for sale ("AFS").

Investment securities are reported at estimated fair value, with the unrealized gains and losses determined on a specific identification basis. We utilize independent third parties as our principal pricing sources for determining fair value of investment securities which are measured on a recurring basis. For investment securities traded in an active market, fair values are based on quoted market prices if available. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities, broker quotes or comprehensive interest rate tables, pricing matrices or a combination thereof. For investment securities that are not traded or that are traded in a market that is not active, fair value is determined using unobservable inputs.

The fair values of our investment securities traded in both active and inactive markets can be volatile and may be influenced by a number of factors including market interest rates, prepayment speeds, discount rates, credit quality of the issuer, general market conditions including market liquidity conditions and other factors.

Changes in fair value of our investment securities are recorded in accumulated other comprehensive income. Fair values could be subject to material variations that may significantly affect our financial condition, results of operations and liquidity.

Accounting for income taxes. We are subject to federal, state and local tax laws. We utilize the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based upon the difference between the values of the assets and liabilities as reflected in the financial statements and their related tax basis using enacted tax rates in effect for the year or years in which the differences are expected to be recovered or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

Tax laws are complex and subject to different interpretations by the taxpayer and the relevant government taxing authorities. In the normal course of business, we are routinely subjected to examinations and audits from federal, state and local taxing authorities regarding tax positions taken by us and the determination of the amount of tax due. Challenges made by taxing authorities may result in adjustments to the amount of taxes due and may result in the imposition of penalties and interest. If any such challenges are not resolved in our favor, they could have a material adverse effect on our financial condition, results of operations and liquidity.

Analysis of Results of Operations

Financial Highlights

The following selected financial highlights are derived from our audited financial statements as of and for each of the years indicated and should be read in conjunction with this MD&A and Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K. The calculations of non-GAAP measures pre-tax pre-provision net revenue ("PPNR"), and the reconciliations to GAAP are included in this MD&A under "Analysis of Results of Operations" and the calculations of tangible book value per common share, returns on average common stockholders' equity and returns on average tangible common stockholders' equity, total tangible common stockholders' equity to total tangible assets and the reconciliations to GAAP are included in this MD&A under "Capital Management."

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 1,533,724	$ 1,439,485	$ 1,142,242
Provision for credit losses	175,552	165,470	83,494
Non-interest income	124,413	122,549	114,503
Non-interest expense	551,293	529,561	451,721
Net income	716,503	690,839	564,090
Preferred stock dividends	16,187	16,187	16,621
Net income available to common stockholders	700,269	674,596	547,520
PPNR	1,106,844	1,032,473	805,024
Common share and per common share data:			
Diluted earnings per common share	$ 6.14	$ 5.87	$ 4.54
Book value per common share	47.30	42.42	37.13
Tangible book value per common share	41.48	36.58	31.47
Common stock dividends per share	1.58	1.42	1.26
Weighted-average diluted shares outstanding (thousands)	114,015	114,833	120,700
End of period shares outstanding (thousands)	113,458	113,149	117,177
Balance sheet data at period end:			
Total assets	$ 38,258,852	$ 34,237,457	$ 27,656,568
Loans	29,968,867	26,459,075	20,778,791
Allowance for loan losses	465,547	339,394	208,858
Foreclosed assets	69,381	61,720	6,616
Investment securities – AFS	2,836,150	3,244,371	3,491,613
Deposits	31,043,072	27,405,143	21,500,143
Other borrowings	420,813	805,318	606,666
Unfunded loan commitments	19,078,633	20,561,029	21,062,733
Reserve for losses on unfunded loan commitments	153,813	161,834	156,419
Total common stockholders' equity	5,366,643	4,800,021	4,350,599
Total tangible common stockholders' equity	4,705,854	4,139,232	3,687,056
Loan to deposit ratio	96.54%	96.55%	96.64%
Average balance sheet data:			
Total average assets	$ 36,615,788	$ 30,643,932	$ 26,328,362
Total average common stockholders' equity	5,086,678	4,516,996	4,323,487
Performance ratios:			
Return on average assets	1.91%	2.20%	2.08%
Return on average common stockholders' equity	13.77	14.93	12.66
Return on average tangible common stockholders' equity	15.82	17.50	14.97
Total tangible common stockholders' equity to total tangible assets	12.52	12.33	13.66
Net interest margin - FTE	4.56	5.16	4.82
Efficiency ratio	33.00	33.67	35.75
Asset Quality ratios:			
Net charge-offs to average loans	0.20%	0.13%	0.04%
Nonperforming loans to loans	0.44	0.25	0.25
Nonperforming assets to total assets	0.53	0.38	0.21
Allowance for loan losses to loans [(1)]	1.55	1.28	1.01
Allowance for credit losses to loans and unfunded loan commitments	1.26	1.07	0.87
Capital ratios at period end:			
Common equity tier 1	11.34%	10.79%	11.54%
Tier 1 risk based capital	12.15	11.66	12.55
Total risk based capital	14.49	14.10	14.97
Tier 1 leverage	13.73	13.91	15.90

[(1)] Excludes reserves for losses on unfunded loan commitments.

Highlights from 2024 include the following:

- Total assets increased 11.7% to $38.26 billion at December 31, 2024;
- Loans increased 13.3% to $29.97 billion at December 31, 2024;
- Investment securities AFS decreased 12.6% to $2.84 billion at December 31, 2024;
- Deposits increased 13.3% to $31.04 billion at December 31, 2024;
- ACL increased $118.1 million during 2024 to $619.4 million at December 31, 2024;
- Provision for credit losses of $175.6 million for 2024 compared to $165.5 million for 2023;
- Net income available to common stockholders of $700.3 million for 2024, a 3.8% increase compared to 2023;
- PPNR of $1.11 billion for 2024, a 7.2% increase compared to 2023 (the calculations of PPNR are included in this MD&A under the section "Analysis of Results of Operations – Pre-Tax Pre-Provision Net Revenue");
- Diluted EPS of $6.14 for 2024 compared to $5.87 in 2023;
- Return on average assets of 1.91% for 2024;
- Returns on average common stockholders' equity and average tangible common stockholders' equity of 13.77% and 15.82%, respectively, for 2024 (the calculations of our return on average common stockholders' equity and average tangible common stockholders' equity and the reconciliation to GAAP are included in this MD&A under the section "Capital Management");
- Net interest income of $1.53 billion for 2024;
- Net interest margin, on a fully taxable equivalent ("FTE") basis, of 4.56% for 2024;
- An efficiency ratio (non-interest expense divided by the sum of net interest income, on an FTE basis, and non-interest income) of 33.00% for 2024;
- Net charge-offs to average loans of 0.20% for 2024; and
- At December 31, 2024, our ratio of nonperforming loans to total loans was 0.44%, and our ratio of nonperforming assets to total assets was 0.53%.

Net Interest Income

Net interest income is our largest source of revenue and represents the amount by which interest income from interest earning assets exceeds the interest expense incurred on interest bearing liabilities. Net interest income is affected by many factors, including our volume and mix of average earning assets; our volume and mix of deposits and other interest bearing liabilities; our net interest margin; our core spread, which is how we describe the difference between the yield on our loans and our cost of interest bearing deposits ("COIBD"); and other factors.

Net interest income and net interest margin are analyzed in this discussion on an FTE basis. The adjustment to convert net interest income to an FTE basis consists of dividing tax-exempt interest income by one minus the statutory federal income tax rate of 21%. The FTE adjustments to net interest income were $12.5 million in 2024, $10.8 million in 2023 and $6.9 million in 2022. No adjustments have been made in this analysis for income exempt from state income taxes or for interest expense deductions disallowed under the provisions of the Internal Revenue Code ("IRC") as a result of investments in certain tax-exempt securities.

2024 compared to 2023

Net interest income for 2024 increased 6.62% to $1.55 billion compared to $1.45 billion for 2023. The increase in our net interest income for 2024 compared to 2023 was primarily due to an increase in average earning assets, which increased 20.64% to $33.89 billion, partially offset by a decrease in our net interest margin, which decreased 60 basis points ("bps") to 4.56% for 2024 compared to 5.16% for 2023. The decrease in net interest margin was primarily due to an increase of 92 bps in the rates paid on our total interest bearing liabilities, partially offset by an increase of 24 bps in the rates earned on our total interest bearing assets.

Yields on average earning assets were 7.85% for 2024 compared to 7.61% for 2023. The increase in the yields on average earning assets for 2024 compared to 2023 was driven by the increases in yields on loans, interest-earning deposits and investment securities.

The yield on our interest earning deposits increased 15 bps to 5.15% for 2024 compared to 5.00% for 2023. The yield on our aggregate investment securities portfolio increased 41 bps to 3.06% for 2024 compared to 2.65% for 2023.

The yield on our loan portfolio increased 11 bps to 8.56% for 2024 compared to 8.45% for 2023. At December 31, 2024, approximately 80% of our funded balance of loans were variable interest rate loans and generally reprice with movements in the 1-month term Secured Overnight Funding Rate ("SOFR"), the Wall Street Journal Prime Rate ("WSJ Prime") and other indexes. At December 31, 2024, approximately 98% of our total commitment of variable rates had floor rates, and the vast majority of such total loan commitments were above their floor rates. If the Federal Reserve cuts the federal funds rate in 2025, the impact of declining rates on our net interest margin should be somewhat mitigated by a combination of (1) floor rates on variable loans (2) repayments of lower yielding investment securities and (3) the relatively short duration of our time deposits.

The overall increase in rates on average interest bearing liabilities, which increased 92 bps to 4.20% for 2024 compared to 3.28% for 2023, was primarily due to increases in rates on interest bearing deposits, the largest component of our interest bearing liabilities, which increased 101 bps to 4.19% for 2024 compared to 3.18% for 2023. The increase in rates on our interest bearing deposits was primarily due to increases in the rates paid on time deposits and, to a lesser extent, savings and interest bearing transaction deposits. Like many in the industry, we have seen a shift in the mix of deposits away from non-interest bearing and lower cost deposits to more time deposits as many customers have been taking advantage of time deposit rates. Changes in expected deposit levels necessary to fund future potential growth in our earning assets, changes in our level of on-balance sheet liquidity, or changes in competitive conditions, among other factors, could significantly affect our deposit composition and COIBD in future periods.

Our other borrowing sources include (i) other borrowings comprised primarily of FHLB advances and federal funds purchased, (ii) subordinated notes and (iii) subordinated debentures. The rates on other borrowings decreased 97 bps to 4.21% in 2024 compared to 5.18% for 2023 primarily due to decreases in the federal funds rate and capitalized interest related to the construction of new branches during 2024. The rates paid on our subordinated debentures increased 18 bps to 8.01% for 2024 compared to 7.83% for 2023 primarily due to higher average 3-month term SOFR rates in 2024 compared to the applicable rates in 2023.

The increase in average earning assets for 2024 compared to 2023 was primarily due to increases in the average balance of loans, and interest earning deposits partially offset by a decrease in the average balance of investment securities. Average loans increased $5.13 billion, or 21.8% to $28.71 billion for 2024 compared to 2023 primarily due to growth in our various lending groups. Average interest earning deposits increased $0.97 billion, or 83.6% to $2.14 billion for 2024 compared to 2023. Average investment securities decreased $0.31 billion, or 9.1% to $3.04 billion for 2024 compared to 2023.

The increase in average interest bearing liabilities for 2024 compared to 2023 was due to an increase in the average balance of interest bearing deposits partially offset by a decline in other borrowings. Average interest bearing deposits increased $6.17 billion or 31.3% to $25.87 billion for 2024 compared to $19.70 billion for 2023 primarily due to an increase in the average balance of time deposits.

2023 compared to 2022

Net interest income for 2023 increased 26.2% to $1.45 billion compared to $1.15 billion for 2022. The increase in our net interest income for 2023 compared to 2022 was primarily due to an increase in average earning assets, which increased 17.8%, and an increase in our net interest margin, which increased 34 bps to 5.16% for 2023 compared to 4.82% for 2022. The increase in net interest margin was primarily due to a change in the mix of interest earning assets and interest bearing liabilities as well as a 227 bps increase in the yields on our total earning assets partially offset by a 253 bps increase in the rate on our total interest bearing liabilities.

Yields on average earning assets were 7.61% for 2023 compared to 5.34% for 2022. The increase in the yields on average earning assets for 2023 compared to 2022 was primarily driven by the increases in yields on loans, interest-earning deposits and investment securities.

The yield on our interest earning deposits increased 371 bps to 5.00% for 2023 compared to 1.29% for 2022. The yield on our aggregate investment securities portfolio for 2023 increased 77 bps to 2.65% compared to 1.88% for 2022.

The yield on our loan portfolio increased 224 bps to 8.45% for 2023 compared to 6.20% for 2022. At December 31, 2023, approximately 81% of our funded balance of total loans were variable interest rate loans and generally repriced with movements in the 1-month term SOFR, WSJ Prime and other indexes.

The overall increase in rates on average interest bearing liabilities, which increased 253 bps to 3.28% for 2023 compared to 0.75% for 2022, was primarily due to increases in rates on interest bearing deposits, which increased 256 bps to 3.18% for 2023 compared to 0.62% for 2022. The increase in rates on our interest bearing deposits, the largest component of our interest bearing liabilities, was primarily due to increases in the rates paid on time deposits and, to a lesser extent, savings and interest bearing transaction deposits.

Our other borrowing sources include (i) other borrowings comprised primarily of FHLB advances, (ii) subordinated notes and(iii) subordinated debentures. The rates on other borrowings increased 325 bps to 5.18% in 2023 compared to 1.93% for 2022 primarily due to increases in the federal funds rate that began in March 2022. Beginning July 1, 2023, the rates paid on our subordinated debentures were tied to spreads over the 3-month term SOFR. Prior to July 1, 2023, the rates paid on our subordinated debentures were tied to spreads over the 90-day LIBOR. The rates paid on our subordinated debentures increased 307 bps to 7.83% for 2023 compared to 4.76% for 2022 primarily due to increases in 90-day LIBOR and 3-month term SOFR, compared to 2022.

The increase in average earning assets for 2023 compared to 2022 was primarily due to increases in the average balance of loans, partially offset by a decrease in the average balance of investment securities. Average loans increased $4.39 billion, or 22.9% to

$23.58 billion for 2023 compared to 2022 primarily due to growth in our various lending groups. Average investment securities decreased $0.38 billion, or 10.1% to $3.35 billion for 2023 compared to 2022.

The increase in average interest bearing liabilities for 2023 compared to 2022 was primarily due to an increase in the average balance of interest bearing deposits. Average interest bearing deposits increased $4.43 billion or 29.0% to $19.70 billion for 2023 compared to $15.27 billion for 2022 primarily due to an increase in the average balance of time deposits.

The following table sets forth certain information relating to our average balances of assets and liabilities and our net interest income for the years indicated.

Average Consolidated Balance Sheets and Net Interest Analysis – FTE

	Year Ended December 31,								
	2024			2023			2022		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)								
ASSETS									
Interest earning assets:									
Interest earning deposits	$ 2,138,560	$ 110,223	5.15%	$ 1,164,595	$ 58,241	5.00%	$ 940,116	$ 12,116	1.29%
Investment securities:									
Taxable	1,846,639	34,736	1.88	2,299,254	39,429	1.71	2,950,929	41,526	1.41
Tax-exempt – FTE	1,195,851	58,312	4.88	1,049,642	49,313	4.70	774,038	28,675	3.70
Total loans – FTE	28,711,132	2,458,847	8.56	23,580,165	1,991,953	8.45	19,190,607	1,190,602	6.20
Total earning assets – FTE	33,892,182	2,662,118	7.85	28,093,656	2,138,936	7.61	23,855,690	1,272,919	5.34
Non-interest earning assets	2,723,606			2,550,276			2,472,672		
Total assets	$ 36,615,788			$ 30,643,932			$ 26,328,362		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest bearing liabilities:									
Deposits:									
Savings and interest bearing transaction	$ 9,247,175	$ 269,072	2.91%	$ 9,152,060	$ 211,498	2.31%	$ 9,588,372	$ 48,344	0.50%
Time deposits	16,622,440	815,783	4.91	10,543,800	415,552	3.94	5,680,395	46,229	0.81
Total interest bearing deposits	25,869,615	1,084,855	4.19	19,695,860	627,050	3.18	15,268,767	94,573	0.62
Other borrowings [(1)]	257,055	10,819	4.21	803,797	41,669	5.18	673,932	13,034	1.93
Subordinated notes	348,170	10,439	3.00	347,356	10,439	3.01	346,538	10,439	3.01
Subordinated debentures	121,630	9,740	8.01	121,648	9,530	7.83	121,310	5,780	4.76
Total interest bearing liabilities	26,596,470	1,115,853	4.20	20,968,661	688,688	3.28	16,410,547	123,826	0.75
Non-interest bearing liabilities:									
Non-interest bearing deposits	3,917,887			4,315,200			4,873,842		
Other non-interest bearing liabilities	674,873			502,732			378,471		
Total liabilities	31,189,230			25,786,593			21,662,860		
Total stockholders' equity before noncontrolling interest	5,425,658			4,855,976			4,662,467		
Noncontrolling interest	900			1,363			3,035		
Total liabilities and stockholders' equity	$ 36,615,788			$ 30,643,932			$ 26,328,362		
Net interest income – FTE		$1,546,265			$1,450,248			$1,149,093	
Net interest margin – FTE			4.56%			5.16%			4.82%

(1) The interest expense and the rates paid related to "other borrowings" include capitalized interest which totaled $2.3 million for 2024. Excluding capitalized interest from the "other borrowings" expense calculation for 2024 would result in an "other borrowings" rate of 5.12%. Capitalized interest was not material for 2023 and 2022.

Average balances in the previous table are derived from daily average balances for such assets and liabilities. The yields and rates are derived by dividing interest income or interest expense by the average balance of the related assets or liabilities, respectively. The average balances of investment securities are computed based on amortized cost adjusted for unrealized gains and losses on investment securities. The yields on investment securities include amortization of premiums and accretion of discounts. The average balance of loans includes loans on which we have discontinued accruing interest. The yields on loans include late fees, any prepayment penalties, yield maintenance or minimum interest provisions on loan repayments and amortization or accretion of certain deferred fees, origination costs, and dealer fees. Interest expense and rates on our other borrowing sources, our subordinated debentures and our subordinated notes are presented net of interest capitalized, if any, on construction projects and include the amortization of debt issuance costs, if any. The interest expense on the subordinated debentures assumed through an acquisition includes the amortization of any purchase accounting adjustments.

The following table reflects how changes in the volume of interest earning assets and interest bearing liabilities and changes in interest rates have affected our interest income – FTE, interest expense and net interest income – FTE for the years indicated. Information is provided in each category with respect to changes attributable to (1) changes in volume (changes in volume multiplied by prior yield/rate); (2) changes in yield/rate (changes in yield/rate multiplied by prior volume); and (3) changes in both yield/rate and volume (changes in yield/rate multiplied by changes in volume). The changes attributable to the combined impact of yield/rate and volume have all been allocated to the changes due to volume.

Analysis of Changes in Net Interest Income – FTE

	2024 Over 2023			2023 over 2022		
	Volume	Yield/Rate	Net Change	Volume	Yield/Rate	Net Change
	(Dollars in thousands)					
Increase (decrease) in:						
Interest income – FTE:						
Interest earning deposits	$ 50,198	$ 1,784	$ 51,982	$ 11,226	$ 34,899	$ 46,125
Investment securities:						
Taxable	(8,515)	3,822	(4,693)	(11,175)	9,078	(2,097)
Tax-exempt – FTE	7,129	1,870	8,999	12,948	7,690	20,638
Loans – FTE	439,421	27,473	466,894	373,081	428,270	801,351
Total interest income – FTE	488,233	34,949	523,182	386,080	479,937	866,017
Interest expense:						
Savings and interest bearing transaction	2,767	54,807	57,574	(10,084)	173,238	163,154
Time deposits	298,324	101,907	400,231	191,677	177,646	369,323
Other borrowings	(23,012)	(7,838)	(30,850)	6,706	21,929	28,635
Subordinated notes	24	(24)	—	25	(25)	—
Subordinated debentures	(2)	212	210	26	3,724	3,750
Total interest expense	278,101	149,064	427,165	188,350	376,512	564,862
Increase (decrease) in net interest income – FTE	$ 210,132	$(114,115)	$ 96,017	$ 197,730	$ 103,425	$ 301,155

Non-Interest Income

Our non-interest income consists primarily of, among others, deposit-related fees, loan-related fees, BOLI income, trust income and net gains on sales of investment securities and on sales of other assets.

2024 compared to 2023

Non-interest income for 2024 increased 1.5% to $124.4 million compared to $122.5 million for 2023.

Deposit-related fees, the largest component of non-interest income, decreased 5.9% to $43.3 million in 2024 compared to $46.1 million in 2023. Consistent with the industry trend, the Bank eliminated non-sufficient funds (“NSF”) fees effective January 1, 2024, which totaled approximately $4.2 million in 2023.

Loan-related fees, which includes fees that are not considered yield adjustments, increased 48.8% to $28.1 million in 2024 compared to $18.9 million in 2023. The increase in loan-related fees for 2024 was primarily due to the increase in unused line fees, letter of credit fees, the increase in our loan portfolio, and our continued focus on generating loan-related fee income.

BOLI income from the increase in cash surrender value increased 9.6% to $22.7 million in 2024 compared to $20.7 million in 2023. BOLI income from death benefits was $1.3 million in 2024 compared to $3.0 million in 2023. BOLI income in the form of increases in cash surrender value and death benefits helps to offset a portion of employee benefit costs.

Trust income increased 12.2% to $9.6 million in 2024 compared to $8.5 million in 2023.

Gains on sales of other assets were $3.4 million in 2024 compared to $9.0 million in 2023. Gains on sale of other assets may vary significantly from period to period.

We had net gains on investment securities of $0.6 million in 2024 compared to $3.2 million in 2023. Gains or losses on sales of investment securities may vary significantly from period to period.

2023 compared to 2022

Non-interest income for 2023 increased 7.0% to $122.5 million compared to $114.5 million for 2022.

Deposit-related fees, which includes both NSF and overdraft fees and all other service charges, is the largest component of our non-interest income and increased 0.5% to $46.1 million in 2023 compared to $45.8 million in 2022. This increase was primarily due to an increase in customer activity and transaction volumes, partially offset by the elimination of certain fees charged on deposit accounts. Included within service charges on deposit accounts are NSF fees that totaled approximately $4.2 million and $4.3 million for 2023 and 2022, respectively.

Trust income increased 6.7% to $8.5 million in 2023 compared to $8.0 million in 2022.

BOLI income from the increase in cash surrender value increased 6.0% to $20.7 million in 2023 compared to $19.5 million in 2022. BOLI income from death benefits was $3.0 million in 2023 compared to $0.8 million in 2022. BOLI income in the form of increases in cash surrender value and death benefits helps to offset a portion of employee benefit costs.

Loan-related fees, which includes fees that are not considered yield adjustments, increased 36.9% to $18.9 million in 2023 compared to $13.8 million in 2022. Income from these items may vary significantly from period to period.

We had net gains on investment securities of $3.2 million in 2023 compared to $2.0 million in 2022.

Gains on sales of other assets were $9.0 million in 2023 compared to $11.5 million in 2022. Gains on sale of other assets may vary significantly from period to period.

The following table presents non-interest income for the years indicated.

Non-Interest Income

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Deposit-related fees:			
NSF fees	$ —	$ 4,228	$ 4,337
Overdraft fees	13,842	13,831	13,387
All other service charges	29,495	27,995	28,102
Loan-related fees	28,144	18,920	13,819
BOLI income:			
Increase in cash surrender value	22,677	20,696	19,532
Death benefits	1,344	2,966	807
Trust income	9,567	8,524	7,990
Gains on sales of other assets	3,417	9,029	11,467
Net gains (losses) on investment securities	560	3,243	2,019
Other	15,367	13,117	13,043
Total non-interest income	$ 124,413	$ 122,549	$ 114,503

Non-Interest Expense

Our non-interest expense consists of salaries and employee benefits, net occupancy and equipment and other operating expenses.

2024 compared to 2023

Non-interest expense increased 4.1% to $551.3 million in 2024 compared to $529.6 million in 2023.

Salaries and employee benefits, the largest component of non-interest expense, increased 14.4% to $296.0 million in 2024 compared to $258.8 million in 2023 and was the primary reason for the increase in total non-interest expense. The increase in salaries and benefits expense was due to competitive labor market conditions and our expanding staff which increased by 284 FTEs to 3,028 FTEs at December 31, 2024. We expect further growth in headcount to support our anticipated growth in deposits, loans and other aspects of our business, including the continued expansion of our CIB team, an increased focus on consumer and small business lending, our recently launched secondary market mortgage lending business and staff to support our planned new branches.

Net occupancy and equipment expense decreased 1.3% to $71.7 million in 2024 compared to $72.6 million in 2023. In 2025, we expect to increase our current branch count of 232 by approximately 10% primarily in the states in which we currently have branches. We expect this will result in an increase in our net occupancy and equipment expense in future periods.

Other operating expenses decreased 7.3% to $183.6 million in 2024 compared to $198.1 million in 2023. The decrease in other operating expense in 2024 compared to 2023 was primarily due to the impact of the change in accounting method described in the paragraph below and the smaller FDIC special assessment in 2024 compared to 2023, offset by increases in software and data processing, professional and outside services and advertising and public relations expenses.

Effective January 1, 2024, we made an election to account for our tax credit investments using the proportional amortization method under *Accounting Standards Update 2023-02 ("ASU 2023-02"), Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method.* We adopted this new standard on a modified retrospective basis for all of our tax credit investments. Prior to the adoption of this standard, we accounted for the amortization of our tax credit investments in non-interest expenses and the impact of the associated income tax credits were accounted for as a component of income tax expense. Under the newly-adopted proportional amortization method, both the amortization and income tax benefits received are included as components of income tax expense. As seen in our results for the year, this change in accounting method resulted in a reduction of non-interest expenses and an increase in income tax expense compared to our previous method.

Our efficiency ratio (non-interest expense divided by the sum of net interest income–FTE and non-interest income) was 33.0% for 2024 compared to 33.7% for 2023.

2023 compared to 2022

Non-interest expense increased 17.2% to $529.6 million in 2023 compared to $451.7 million in 2022.

Salaries and employee benefits, our largest component of non-interest expense, increased 14.3% to $258.8 million in 2023 compared to $226.4 million in 2022 and represented the most significant contribution to increased non-interest expense. Our escalation in salaries and benefits expense was driven by competitive labor market conditions and our expanding staff.

Net occupancy and equipment expense increased 3.6% to $72.6 million in 2023 compared to $70.1 million in 2022.

Other operating expenses increased 27.6% to $198.1 million in 2023 compared to $155.3 million in 2022. The increase in other operating expense in 2023 compared to 2022 was primarily due to increases in our deposit insurance and assessments, which included the FDIC special assessment of $9.9 million, increases in our advertising and public relations expenses and amortization of CRA and tax credit investments.

Our efficiency ratio (non-interest expense divided by the sum of net interest income–FTE and non-interest income) was 33.7% for 2023 compared to 35.8% for 2022.

The following table presents non-interest expense for the years indicated.

Non-Interest Expense

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Salaries and employee benefits	$ 296,016	$ 258,846	$ 226,373
Net occupancy and equipment	71,676	72,591	70,058
Other operating expenses:			
Software and data processing	46,980	39,212	35,373
Deposit insurance and assessments	25,584	30,351	9,610
Professional and outside services	24,872	21,423	21,581
Advertising and public relations	20,576	16,150	8,797
Amortization of CRA and tax credit investments(1)	—	27,768	20,293
Other	65,589	63,220	59,636
Total non-interest expense	$ 551,293	$ 529,561	$ 451,721

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

Pre-Tax Pre-Provision Net Revenue ("PPNR")

PPNR is a measure of earnings before provision for credit losses and income tax expense. We use PPNR, which is a non-GAAP financial measure, to measure our core earnings and trends thereof. The increase in PPNR in 2024 compared to 2023 and in 2023 compared to 2022 was primarily due to the increase in net interest income previously discussed in this MD&A. This non-GAAP financial measure should not be viewed as a substitute for financial measures determined in accordance with GAAP, nor is it necessarily comparable to similar non-GAAP financial measures that may be presented by other companies.

The reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is included in the following table for the years indicated.

Calculation of Pre-Tax Pre-Provision Net Revenue

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Net income available to common stockholders	$ 700,269	$ 674,596	$ 547,520
Preferred stock dividends	16,187	16,187	16,621
Earnings attributable to noncontrolling interest	47	56	(51)
Provision for income taxes	214,789	176,164	157,440
Provision for credit losses	175,552	165,470	83,494
Pre-tax pre-provision net revenue	$ 1,106,844	$ 1,032,473	$ 805,024

Income Taxes

Our provision for income taxes was $214.8 million in 2024 compared to $176.2 million in 2023 and $157.4 million in 2022. Our effective income tax rates were 23.1% for 2024, 20.3% for 2023 and 21.8% for 2022. The increase in our effective income tax rate for 2024 compared to 2023 was primarily due to the adoption of ASU 2023-02 effective January 1, 2024 as previously disclosed in the MD&A under the caption "Non-Interest Expense." The decrease in our effective income tax rate for 2023 compared to 2022 was primarily due to increases in federal income tax credits and changes in non-taxable income and non-deductible expenses.

Accounting for our income taxes utilizes the criteria discussed in the Critical Accounting Estimates section of this MD&A. A reconciliation between the statutory federal income tax rates and our effective income tax rates for 2024, 2023 and 2022 is included in Note 13 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

RISK ELEMENTS

Risk is inherent in substantially all of the Bank's operations, and our business exposes us to strategic, credit, market (including interest rate), liquidity, operational, reputational, compliance and regulatory (including BSA/AML) risks. We use an enterprise-wide risk management framework to identify, measure, monitor, manage and report risks that affect or could affect the achievement of our strategic, financial and other goals and objectives. Accordingly, risk management is an essential element in managing our operations and is a key determinant of our overall performance. Our Board of Directors (the "Board") is responsible for approving our overall risk management framework, including our risk appetite for the aforementioned risk categories and risk tolerances for each of our key risks. The Board Risk Committee ("BRC"), which is a board-level committee, has been assigned oversight responsibility for our risk management processes. The BRC meets at least quarterly to monitor and review our various enterprise risk management policies and activities, review and approve our overall risk posture, and perform such other actions as detailed in its charter document. The BRC has appointed the Executive Risk Council ("ERC"), which is comprised of senior executives of the Bank and is chaired by our Chief Risk Officer ("CRO"), to assist BRC in the oversight of our enterprise risk management activities. The ERC, pursuant to its charter, has responsibility for reviewing and approving detailed risk management processes and procedures, monitoring the Bank's risk profile through each of our key performance and key risk indicators against our Board-approved risk thresholds and overall risk appetite, assessing current and emerging risks, monitoring our risk culture, overseeing compliance with regulatory expectations and requirements, and various other risk management functions and activities.

Our most significant risk exposure has traditionally been, and continues to be, credit risk from the extension of credit to our customers. In addition to credit risk, we are also exposed to risk from various other areas including liquidity risk, market and interest rate risks, strategic risk, compliance risk (including regulatory and BSA/AML risk), reputational risk and operational risk (including, among others, information technology risk, business resilience risk, model and data risk, third party vendor risk, fraud risk, legal risk and cybersecurity risk). Our BRC and/or our ERC review the framework, policies, procedures and processes employed by us to manage and monitor each of these risks, including strategies for reducing such risks to appropriate levels consistent with Board-approved risk appetite. Additionally, we use various other committees and management councils to monitor these risk categories.

Clearly defined roles and responsibilities are critical to the effective management of risk. We utilize the three lines of defense concept to clearly designate risk management activities throughout the Bank.

- First line of defense activities provide for the identification, acceptance and ownership of risks. These defense activities are typically executed by various lines of business personnel and owners.

- Second line of defense activities provide for objective oversight of our risk-taking activities and assessment of our aggregate risk levels. These defense activities are executed under the leadership and guidance of our Corporate Risk Management Group ("CRMG") and our CRO, who reports directly to our BRC.

- Third line of defense activities provide for independent reviews and assessments of first and second line of defense processes across the Bank, including those activities of our CRMG. These defense activities are executed by our Internal Audit department, which is led by our Chief Audit Executive, who reports directly to our Audit Committee.

While these various risk management activities help us to identify, measure, monitor, manage and report risks, such activities are not intended to, nor can they, eliminate all risk. Additionally, there is no assurance that such activities will identify or have identified all risks to which we are or might be exposed.

Credit Risk Management

Overview. Credit risk is defined as the risk that arises from the potential that a borrower or counterparty will fail to perform its financial or contractual obligations. Credit risk arises primarily from our lending activities, including our unfunded loan commitments comprised primarily of the unfunded balance of construction loans that have closed but have not yet funded. The Board is responsible for approving overall credit policies relating to the management of credit risk and the Bank's overall credit risk appetite, along with overseeing and monitoring credit risk. Our lending policies also contain various measures to limit concentration exposures, including customer and commercial real estate ("CRE") exposures for both funded balances and total commitment balances, as well as by property type and geography.

Our Loan Committee ("LC") has primary responsibility for monitoring our credit approval process. The LC consists of our Chairman & Chief Executive Officer ("CEO"), President, Chief Credit Officer ("CCO") and Chief Lending Officer ("CLO"). Loans and aggregate loan relationships exceeding $20 million up to the limits established by our Board must be approved by the LC. The Portfolio Oversight Committee ("POC") oversees the performance and overall quality of our loan portfolio. The POC is comprised of three directors and is chaired by our CEO. At least quarterly, our Board and/or POC review various reports regarding our credit management activities including, but not limited to, summary reports of past due loans, internally classified and criticized loans, lending concentration reports, and various other loan and credit management reports.

Credit Management. The daily administration of our lending function is the responsibility of our LC. We maintain a tiered loan limit authorization system that grants lending authority commensurate with the officer's skill level and knowledge.

Oversight of credit risk is provided through loan policy and various other credit-related policies, clearly defined processes and detailed procedures in conjunction with our credit risk appetite. These policies, processes and procedures place emphasis on strong underwriting standards and detection of potential credit problems in order to develop and implement any necessary action plan(s) on a timely basis to mitigate potential losses and are carried out by our lenders and lending support personnel, our credit administration group, our underwriters and various other officers and personnel in the Bank that have credit management responsibilities. Additionally, our policies, processes and procedures are subject to review by our Credit Risk Management ("CRM") group (second line oversight), our BRC and periodic audits by our Internal Audit group (third line oversight). Our Board approved credit risk appetite is monitored at least on a quarterly basis through our credit risk profile which is further categorized into default risk (risk of loss arising from a debtor being unlikely to pay its loan obligations in full) and concentration risk (risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten the Bank's core operations).

Our CRM function is separate from our lending function and provides second line oversight. CRM is responsible for providing an independent evaluation of credit risk in new lending products and for our loan portfolio. This responsibility includes detailed credit reviews performed for the purpose of reviewing the adequacy of documentation, compliance with loan policy and other credit policies, reviewing individual loan grading, evaluating asset quality, performing and reporting to ERC and BRC credit risk analytics (which includes assessing the trend of credit risk metrics which inform our credit risk profile, assessing any trends or material transitions or migrations of our internal risk ratings or credit grading of individual loan portfolios, and various other risk analytics), and reviewing the effectiveness of credit administration, among other items. CRM prepares reports that document their credit risk oversight activities, including identification of underwriting or other deficiencies in the loan approval or credit monitoring process, establishing recommendations for improvement and outlining management's proposed action plan(s) and timeline(s) for curing any identified deficiencies, among other findings and recommendations. Internal oversight of the CRM function is provided by the Credit Risk Management Council ("CRMC"), which is comprised of senior officers of the Bank and chaired by the Managing Director of CRM. The reports provided by CRM are provided to and reviewed by CRMC. Additionally, key trends or significant issues identified in such reports that might impact credit risk are reported to ERC, BRC and the Board.

As part of our underwriting and ongoing monitoring policies and processes for real estate loans, the Bank requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and the Bank's loan policy and on an as-needed basis when market conditions justify. The Bank maintains an Appraisal Services team within the CRM function, which is independent of the loan origination function. The Appraisal Services team is responsible for ordering appraisals from qualified independent, external appraisers, and, reviewing and approving such appraisals to ensure compliance with Bank policy, regulatory standards and the Uniform Standards of Professional Appraisal Practice.

Our Internal Audit group performs periodic audits of various lending and credit-related activities, including underwriting, closing and funding procedures, credit and asset administration and CRM activities, among others. Internal Audit prepares reports documenting such audits, including recommendations for improvement and management's proposed action plan(s) and timeline(s) for remediating such recommendations. These reports are provided to and reviewed by our Audit Committee.

Loan Portfolio. At December 31, 2024, our total loan portfolio was $29.97 billion, an increase of 13.3% from $26.46 billion at December 31, 2023. At December 31, 2024, our total loan portfolio consisted of 74.3% real estate loans, 5.8% commercial and industrial loans, 12.2% consumer loans and 7.7% other loans. Real estate loans, the largest category of loans, include loans secured by real estate as evidenced by mortgages or other liens, including loans made to finance the development of real property construction projects.

The amount and type of loans outstanding, as of the dates indicated, are reflected in the following table.

Loan Portfolio

	December 31,			
	2024		2023	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,323,435	4.4%	$ 961,338	3.6%
Non-farm/non-residential	7,842,692	26.2	5,309,239	20.1
Construction/land development	9,522,676	31.8	11,653,487	44.0
Agricultural	296,898	1.0	256,423	1.0
Multifamily residential	3,272,635	10.9	2,064,106	7.8
Total real estate	22,258,336	74.3	20,244,593	76.5
Commercial and industrial	1,728,801	5.8	1,269,610	4.8
Consumer	3,659,713	12.2	2,965,042	11.2
Other	2,322,017	7.7	1,979,830	7.5
Total loans	$ 29,968,867	100.0%	$ 26,459,075	100.0%

Included in "other" loans at December 31, 2024 and 2023 are loans originated by our Real Estate Specialties Group ("RESG") with a funded balance totaling approximately $1.06 billion and $1.24 billion, respectively, that were made to non-depository financial institutions and typically collateralized by an assignment of a promissory note and all related note documents including mortgages, deeds of trust, or other documents ("debt-on-debt" loans). While such loans are considered "other" loans in accordance with FDIC instructions for the Federal Financial Institutions Examination Council 041 Consolidated Reports of Condition and Income ("Call Report"), we underwrite these lending transactions based on the fundamentals of the underlying collateral, repayment sources and guarantors, among other factors, consistent with other similar lending transactions.

Our credit risk management strategies include efforts to avoid risk of undue concentrations of credit in a particular collateral type, geography or with an individual customer. While we do have concentrations in CRE lending, our CRE loan portfolio is diversified by geography and collateral type. Our Board has adopted and we adhere to various concentration limits on CRE lending, including limits on CRE lending in particular collateral types and in various geographies and Metropolitan Statistical Areas ("MSAs"). All of these limits are monitored and revised as necessary based on the results of our stress testing activities and other factors.

The amount of both the funded and unfunded balances of our top ten largest geographies and MSAs for real estate loans, as of the dates indicated, are included in the following table.

Top Ten Geographies and MSAs for Real Estate Loans

Geography or MSA	Funded Balance	Unfunded Balance	Total Commitment
		(Dollars in thousands)	
December 31, 2024:			
Miami–Fort Lauderdale–West Palm Beach, FL MSA	$ 1,575,417	$ 2,425,355	$ 4,000,772
New York–Newark–Jersey City, NY–NJ–PA MSA	2,162,659	1,086,146	3,248,805
Atlanta–Sandy Springs–Roswell, GA MSA	1,624,524	454,878	2,079,402
San Diego–Chula Vista–Carlsbad, CA MSA	1,072,692	866,616	1,939,308
Dallas–Fort Worth–Arlington, TX MSA	1,199,316	449,938	1,649,254
Los Angeles–Long Beach–Anaheim, CA MSA	1,205,645	223,764	1,429,409
San Francisco–Oakland–Fremont, CA MSA	818,408	526,216	1,344,624
Tampa–St. Petersburg–Clearwater, FL MSA	752,493	530,880	1,283,373
Boston–Cambridge–Newton, MA MSA	642,218	598,449	1,240,667
Phoenix–Mesa–Chandler, AZ MSA	544,496	634,261	1,178,757
All other geographies	10,660,468	6,508,590	17,169,058
Total real estate loans	$ 22,258,336	$ 14,305,093	$ 36,563,429
December 31, 2023:			
New York–Newark–Jersey City, NY–NJ–PA MSA	$ 2,422,053	$ 1,801,635	$ 4,223,688
Miami–Fort Lauderdale–Pompano Beach, FL MSA	1,511,970	2,009,347	3,521,317
San Diego–Chula Vista–Carlsbad, CA MSA	862,634	1,133,910	1,996,544
Atlanta–Sandy Springs–Alpharetta, GA MSA	1,271,596	669,262	1,940,858
Los Angeles–Long Beach–Anaheim, CA MSA	1,426,251	418,205	1,844,456
Dallas–Fort Worth–Arlington, TX MSA	1,060,705	717,813	1,778,518
San Francisco–Oakland–Berkeley, CA MSA	780,616	760,914	1,541,530
Chicago–Naperville–Elgin, IL–IN–WI MSA	1,010,023	485,375	1,495,398
Phoenix–Mesa–Chandler, AZ MSA	341,898	1,014,478	1,356,376
Washington–Arlington–Alexandria, DC–VA–MD–WV MSA	563,014	706,173	1,269,187
All other geographies	8,993,833	7,482,624	16,476,457
Total real estate loans	$ 20,244,593	$ 17,199,736	$ 37,444,329

"Debt-on-debt" loans are reported as "other" loans in accordance with Call Report instructions and are excluded from the above table.

In addition to the top ten geographies and MSAs shown above, as of December 31, 2024, we had 92 additional geographies and MSAs that contain total committed balances (both funded and unfunded) of $10 million or more, compared to 81 additional geographies and MSAs at December 31, 2023.

Given that we have substantial balances of certain categories of CRE lending (i.e., non-farm/non-residential and construction/ land development lending), we have provided further detail on these two categories of loans.

The funded amount and type of total non-farm/non-residential loans, as of the dates indicated, and their respective percentage of the total non-farm/non-residential loan portfolio are reflected in the following table.

Total Non-Farm/Non-Residential Loans

	December 31,			
	2024		2023	
	Amount	%	Amount	%
	(Dollars in thousands)			
Office, including medical offices	$ 3,395,263	43.3%	$ 2,215,736	41.7%
Industrial and warehouse facilities	1,800,075	23.0	691,124	13.0
Life science	996,519	12.7	164,326	3.1
Hotels	603,760	7.7	894,055	16.8
Retail, including shopping centers and strip centers	234,803	3.0	313,794	5.9
Churches and schools	212,015	2.7	220,907	4.2
Mini storage	118,918	1.5	124,576	2.3
Restaurants and bars	107,128	1.4	115,458	2.2
Gasoline stations and convenience stores	100,510	1.3	90,226	1.7
Mixed use properties	40,537	0.5	223,809	4.2
Other non-farm/non-residential	233,164	2.9	255,228	4.9
Total	$ 7,842,692	100.0%	$ 5,309,239	100.0%

The funded amount and type of total construction/land development loans, as of the dates indicated, and their respective percentage of the total construction/land development loan portfolio are reflected in the following table.

Total Construction/Land Development Loans

	December 31,			
	2024		2023	
	Amount	%	Amount	%
	(Dollars in thousands)			
Unimproved land	$ 654,562	6.9%	$ 814,301	7.0%
Land development and lots:				
1-4 family residential and multifamily	617,797	6.5	573,696	4.9
Non-residential	325,400	3.4	381,906	3.3
Construction:				
1-4 family residential:				
Owner occupied	5,997	0.1	7,397	0.1
Non-owner occupied	1,439,838	15.1	1,713,754	14.7
Multifamily	2,566,417	27.0	3,040,681	26.1
Industrial, commercial and other:				
Mixed use properties	1,423,301	14.9	1,946,036	16.7
Industrial and warehouse facilities	979,423	10.3	976,884	8.4
Life science	851,104	8.9	1,093,159	9.4
Office, including medical offices	480,798	5.0	852,966	7.3
Other	178,039	1.9	252,707	2.1
Total	$ 9,522,676	100.0%	$ 11,653,487	100.0%

Many of our construction and development loans provide for the use of interest reserves. When we underwrite construction and development loans, we consider the expected total project costs, including hard costs such as land, site work and construction costs and soft costs such as architectural and engineering fees, closing costs, leasing commissions and construction period interest, among others. For any construction and development loan with interest reserves, we also consider the construction period interest in our underwriting process (otherwise, our underwriting of such loans with and without interest reserves is virtually identical). Based on the total project costs and other factors, we determine the required borrower cash equity contribution and the maximum amount we are willing to lend. In the majority of cases, we require that all of the borrower's equity and all other required subordinated elements of the capital structure be fully funded prior to any significant loan advance. As a result of this practice, the borrower's cash equity typically goes toward the purchase of the land and early stage hard costs and soft costs. This results in our funding the loan later as the project progresses, and accordingly, we typically fund the majority of the construction period interest through loan advances.

Generally, capital sources other than our loans, total an amount sufficient to cover all soft costs, including construction period interest and portion of the hard costs. While we advance interest reserves as part of the funding process, this has been considered in determining the borrower's initial equity contribution. During the years ended December 31, 2024, 2023 and 2022 there were no situations where interest reserves were advanced outside of the terms of the contractual loan agreement to avoid such loan from becoming nonperforming.

During the years ended December 31, 2024, 2023 and 2022, we recognized approximately $504 million, $411 million and $340 million, respectively, of interest income on construction and development loans from the advance of interest reserves. We advanced construction period interest on construction and development loans totaling approximately $524 million, $391 million and $332 million, respectively, during the years ended December 31, 2024, 2023 and 2022.

The maximum committed balance of all construction and development loans which provide for the use of interest reserves at December 31, 2024 was approximately $19.8 billion, of which $8.6 billion was outstanding at December 31, 2024 and $11.2 billion remained to be advanced. The weighted-average loan-to-cost ("LTC") on such loans, assuming such loans are ultimately fully advanced, was approximately 50%, which means that the weighted-average cash equity contributed on such loans, assuming such loans are ultimately fully advanced, was approximately 50%. The weighted-average LTV ratio on such loans, based on the most recent appraisals and assuming such loans are ultimately fully advanced, was approximately 43%.

Nonperforming Assets

Nonperforming Assets. Our nonperforming assets consist of (1) nonaccrual loans, (2) accruing loans 90 days or more past due and (3) real estate or other assets that have been acquired in partial or full satisfaction of loan obligations or upon foreclosure or former branches which are no longer being utilized for banking purposes.

The accrual of interest on loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. We generally place a loan on nonaccrual status when such loan is (i) deemed nonperforming or (ii) 90 days or more past due, or earlier when doubt exists as to the ultimate collection of payments. We may continue to accrue interest on certain loans contractually past due 90 days or more if such loans are both well secured and in the process of collection. At the time a loan is placed on nonaccrual status, interest previously accrued but uncollected is reversed and charged against interest income. Nonaccrual loans are generally returned to accrual status when payments are no longer past due, the loan has performed in accordance with its contractual terms for a reasonable period of time (generally at least six months) and is expected to continue to perform in accordance with its contractual terms. If a loan is determined to be uncollectible, the portion of the principal determined to be uncollectible is charged against the ACL.

The following table presents information concerning nonperforming assets as of the dates indicated.

Nonperforming Assets

	December 31,	
	2024	2023
	(Dollars in thousands)	
Nonaccrual loans	$ 131,494	$ 66,677
Accruing loans 90 days or more past due	—	—
Total nonperforming loans	131,494	66,677
Foreclosed assets	69,381	61,720
Total nonperforming assets	$ 200,875	$ 128,397
Nonaccrual loans to total loans	0.44%	0.25%
Nonperforming assets to total assets	0.53%	0.38%
ALL to nonaccrual loans [1]	354%	509%
ACL to nonaccrual loans	471%	752%

(1) Excludes reserve for losses on unfunded loan commitments.

For loans that are individually evaluated and for which we utilize the loan's collateral in determining the ACL, we seek to establish an appropriate value for the collateral. This assessment may include (i) obtaining an updated appraisal, (ii) obtaining one or more broker price opinions or comprehensive market analyses, (iii) internal evaluations or (iv) other methods deemed appropriate considering the size and complexity of the loan and the underlying collateral. On an ongoing basis, we evaluate the underlying collateral on all individually evaluated collateral dependent nonperforming loans and, if needed, due to changes in market or property conditions, the underlying collateral is reassessed and the estimated fair value is revised. The determination of collateral value includes any adjustments considered necessary related to estimated holding period and estimated selling costs.

The following table presents information concerning the geographic location of nonperforming assets at December 31, 2024. Nonperforming loans are reported in the physical location of the principal collateral. Foreclosed assets are reported in the physical location of the asset. Repossessions are reported at the physical location where the borrower resided or had its principal place of business at the time of repossession.

Geographic Distribution of Nonperforming Assets

	Total Nonperforming Loans	Foreclosed Assets and Repossessions	Total Nonperforming Assets
		(Dollars in thousands)	
Illinois	$ 88,545	$ —	$ 88,545
California	1,302	60,010	61,312
Arkansas	13,917	—	13,917
Georgia	9,338	39	9,377
Washington	74	7,840	7,914
Texas	6,945	135	7,080
Florida	4,153	834	4,987
North Carolina	2,581	46	2,627
All other	4,639	477	5,116
Total	$ 131,494	$ 69,381	$ 200,875

Allowance for Credit Losses

Our provision for credit losses for 2024 was $175.6 million, including $183.6 million related to our allowance for loan losses ("ALL") for funded loans and a negative $8.0 million related to our reserve for losses on unfunded loan commitments. Our total provision for credit losses for 2023 was $165.5 million, including $160.1 million related to our ALL for funded loans and $5.4 million related to our reserve for losses on unfunded loan commitments. During 2024, our ALL on funded loans increased to $465.5 million, or 1.55% of total loans, and our reserve for losses on unfunded loan commitments decreased to $153.8 million, or 0.81% of unfunded loan commitments, bringing our total ACL to $619.4 million at December 31, 2024. At December 31, 2023, our ALL for funded loans was $339.4 million, or 1.28% of total loans, and our reserve on unfunded loan commitments was $161.8 million, or 0.79% of unfunded loan commitments, bringing our total ACL to $501.2 million at December 31, 2023.

The calculations of our provision for credit losses during 2024 and our total ACL at December 31, 2024 were based on a number of key estimates, assumptions and economic forecasts. The Bank utilized recent economic forecasts provided by Moody's, including their updates released in December 2024. In selecting the weightings for the various economic scenarios for purposes of determining the ACL at December 31, 2024, our combined weightings assigned to Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody's Baseline scenario. Our selection and weightings of these scenarios reflected our assessment of conditions in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including risks from: U.S. fiscal policy actions; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; changes in the federal funds target rate; quantitative tightening; a possible recession; inflationary pressures; the conflict in the Middle East; the ongoing war in Ukraine; global trade and geopolitical matters; supply chain disruptions; labor disputes and strikes; and various other factors. For purposes of the forecasts used in the calculation of our ACL, management utilized a reasonable and supportable forecast period of two years, followed by a reversion, on a systematic basis, of estimated losses back to our historical mean. Management also utilized certain qualitative adjustments to our ACL estimates to capture items not included in our modeled results or other assumptions.

The following table is a summary of activity within our ACL for the periods indicated.

Allowance for Credit Losses

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Year Ended December 31, 2024:			
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Net charge-offs	(57,420)	—	(57,420)
Provision for credit losses	183,573	(8,021)	175,552
Balances – December 31, 2024	$ 465,547	$ 153,813	$ 619,360
Year Ended December 31, 2023:			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(29,519)	—	(29,519)
Provision for credit losses	160,055	5,415	165,470
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Year Ended December 31, 2022:			
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Net charge-offs	(7,206)	—	(7,206)
Provision for credit losses	(1,316)	84,810	83,494
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277

The amount of and provision to the ACL is based on our analysis of the adequacy of the ACL utilizing the criteria discussed in the Critical Accounting Estimates section of this MD&A.

Additional information regarding net charge-offs (recoveries) for the years indicated is presented in the table below.

	Net Charge-Offs (Recoveries)	Net Charge-Off (Recovery) Ratio
	(Dollars in thousands)	
December 31, 2024:		
Real estate:		
Residential 1-4 family	$ 534	0.05%
Non-farm/non-residential	4,099	0.06
Construction/land development	38,419	0.36
Agricultural	(28)	(0.01)
Multifamily residential	—	0.01
Commercial and industrial	112	0.01
Consumer	10,998	0.33
Other	3,286	0.15
Total	$ 57,420	0.20%
December 31, 2023:		
Real estate:		
Residential 1-4 family	$ (911)	(0.09)%
Non-farm/non-residential	20,316	0.38
Construction/land development	(234)	(0.01)
Agricultural	—	—
Multifamily residential	4	0.01
Commercial and industrial	(635)	(0.05)
Consumer	7,593	0.26
Other	3,386	0.17
Total	$ 29,519	0.13%
December 31, 2022:		
Real estate:		
Residential 1-4 family	$ (593)	(0.06)%
Non-farm/non-residential	452	0.01
Construction/land development	(122)	(0.01)
Agricultural	22	0.01
Multifamily residential	(89)	(0.01)
Commercial and industrial	730	0.08
Consumer	3,632	0.15
Other	3,174	0.17
Total	$ 7,206	0.04%

The following is a summary of our net charge-off and various ALL and ACL ratios as of and for the years indicated.

Net Charge-Off, and ACL/ALL Ratios

	For the Year Ended December 31,		
	2024	2023	2022
Net charge-offs to average total loans	0.20%	0.13%	0.04%
ALL to total loans (1)	1.55	1.28	1.01
Reserve for losses on unfunded loan commitments	0.81	0.79	0.74
ACL to total loans	2.07	1.89	1.76
ACL to total loans and unfunded loan commitments	1.26	1.07	0.87

(1) Excludes reserve for losses on unfunded loan commitments.

The following table sets forth the sum of the amounts of the ALL and the percentage of loans to total loans as of the dates indicated. The amounts shown in the following table are not necessarily indicative of the actual future losses that may occur within particular categories or in the aggregate.

Allocation of the ALL

	December 31,							
	2024				2023			
	ALL	% of ALL to Loans	Total Loans	% of Loans to Total Loans	ALL	% of ALL to Loans	Total Loans	% of Loans to Total Loans
	(Dollars in thousands)							
ALL for loans:								
Real estate:								
Residential 1-4 family	$ 31,107	2.35%	$ 1,323,435	4.4%	$ 23,151	2.40%	$ 961,338	3.6%
Non-farm/non-residential	124,339	1.59	7,842,692	26.2	44,250	0.80	5,309,239	20.1
Construction/land development	85,183	0.89	9,522,676	31.8	127,320	1.10	11,653,487	44.0
Agricultural	6,860	2.31	296,898	1.0	4,732	1.80	256,423	1.0
Multifamily residential	58,262	1.78	3,272,635	10.9	15,469	0.70	2,064,106	7.8
Commercial and industrial	7,157	0.41	1,728,801	5.8	7,626	0.60	1,269,610	4.8
Consumer	119,551	3.27	3,659,713	12.2	98,974	3.30	2,965,042	11.2
Other	33,088	1.42	2,322,017	7.7	17,872	0.90	1,979,830	7.5
Total ALL	$465,547	1.55%	$29,968,867	100.0%	$339,394	1.28%	$26,459,075	100.0%

The following table sets forth the sum of the amounts of the ACL as of the dates indicated. The amounts shown in this table are not necessarily indicative of the actual future losses that may occur within particular categories or in the aggregate.

Allocation of ACL

	ALL	Reserve for Losses on Unfunded Loan Commitments	Total ACL
		(Dollars in thousands)	
December 31, 2024:			
Real estate:			
Residential 1-4 family	$ 31,107	$ 7,553	$ 38,660
Non-farm/non-residential	124,339	20,244	144,583
Construction/land development	85,183	54,300	139,483
Agricultural	6,860	19	6,879
Multifamily residential	58,262	4,681	62,943
Commercial and industrial	7,157	43,039	50,196
Consumer	119,551	147	119,698
Other	33,088	23,830	56,918
Total	$ 465,547	$ 153,813	$ 619,360
December 31, 2023:			
Real estate:			
Residential 1-4 family	$ 23,151	$ 5,252	$ 28,403
Non-farm/non-residential	44,250	3,605	47,855
Construction/land development	127,320	108,525	235,845
Agricultural	4,732	66	4,798
Multifamily residential	15,469	1,021	16,490
Commercial and industrial	7,626	16,680	24,306
Consumer	98,974	134	99,108
Other	17,872	26,551	44,423
Total	$ 339,394	$ 161,834	$ 501,228

Liquidity Risk Management

Overview. Liquidity risk is the potential that we will be unable to meet our obligations as they come due because of an inability to obtain adequate funding or liquidate assets (referred to as "funding liquidity risk") or that we cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions (referred to as "market liquidity risk"). Our Board-approved liquidity risk appetite, which is monitored through our liquidity risk profile, is further categorized into the following risks: liquid asset management risk (risk of acute funding stress related to insufficient levels of liquid assets), funding diversity and stability risk (risk of loss of a single large funding source that may lead to an inability to fund our business strategy and require us to sell assets or curtail growth) and funding capacity/contingency planning risk (risk of unanticipated growth from lending businesses or unexpected customer activity may lead to unexpected increases in demands on liquidity). Our Assets and Liability Committee ("ALCO") has primary responsibility for oversight of, among other responsibilities, our liquidity, funds management, asset/liability (interest rate risk) position, capital and our investment portfolio functions.

The objective of managing liquidity risk is to ensure the cash flow requirements resulting from depositor, borrower (including our ability to fund our significant balance of closed but unfunded loans) and other creditor demands are met, as well as our operating cash needs, and the cost of funding such requirements and needs is reasonable. We maintain a liquidity and funds management policy, including a contingency funding plan that, among other things, includes policies and procedures for managing and monitoring liquidity risk. On a quarterly basis, we perform a comprehensive liquidity stress test. This stress test is intended to identify and quantify sources of potential liquidity strain and vulnerabilities related to liquidity and to analyze possible impacts on the Bank for a variety of institution-specific and market-wide events across multiple time horizons. Also, pursuant to our liquidity and funds management policy, we maintain a buffer of highly liquid assets to protect against cash outflows in the event of a liquidity crisis.

Liquidity Management. Generally, we rely on deposits, repayments of loans, and cash flows from our investment securities as our primary sources of funds. Our principal deposit sources include consumer and commercial customers in our markets. We have used these funds, together with public funds customers, brokered deposits, FHLB advances, federal funds purchased and other sources of short-term borrowings to make loans, acquire investment securities and other assets and to fund continuing operations.

Deposits. In recent years, we have worked to improve the mix and quality of our deposit base by focusing significant efforts on growing our core relationships. Like many in the industry, we have seen a shift in the mix of deposits away from non-interest bearing and lower cost deposits to more time deposits as many customers have been taking advantage of time deposit rates. Most of our deposits are generated through our network of 232 retail branches in Arkansas, Georgia, Florida, North Carolina, Texas and Tennessee and are primarily used to fund our growth in loans. Our total deposits increased $3.63 billion, or 13.3%, to $31.04 billion at December 31, 2024 compared to $27.41 billion at December 31, 2023. Our loan-to-deposit ratio was 96.5% at December 31, 2024 and 2023.

The amount of deposits by account type as of the dates indicated and their respective percentage of total deposits are reflected in the following table.

Deposits – By Account Type

	December 31,			
	2024		2023	
	(Dollars in thousands)			
Non-interest bearing	$ 3,769,543	12.1%	$ 4,095,874	14.9%
Interest bearing:				
Transaction (NOW)	4,955,895	16.0	4,486,372	16.4
Savings and money market	4,998,828	16.1	4,587,924	16.7
Time deposits	17,318,806	55.8	14,234,973	52.0
Total deposits	$ 31,043,072	100.0%	$ 27,405,143	100.0%

The amount of deposits by customer type, as of the dates indicated, and their respective percentage of total deposits are reflected in the following table.

Deposits – By Customer Type

	December 31,			
	2024		2023	
	(Dollars in thousands)			
Non-interest bearing	$ 3,769,543	12.1%	$ 4,095,874	14.9%
Interest bearing:				
Consumer and commercial:				
Consumer – non-time	2,983,401	9.6	2,792,199	10.2
Consumer – time	13,446,545	43.3	10,216,217	37.3
Commercial – non-time	2,728,307	8.8	2,439,175	8.9
Commercial – time	970,320	3.1	767,566	2.8
Public funds	3,964,350	12.8	3,725,766	13.6
Brokered	2,611,464	8.4	2,655,317	9.7
Reciprocal	569,142	1.9	713,029	2.6
Total deposits	$ 31,043,072	100.0%	$ 27,405,143	100.0%

At December 31, 2024, brokered deposits totaled $2.61 billion, or approximately 8.4% of total deposits, compared to $2.66 billion, or 9.7% of total deposits, at December 31, 2023. We use brokered deposits, subject to certain limitations and requirements, as a source of funding to augment deposits generated from our branch network, which are our primary source of funding. Our Board has established policies and procedures with respect to the use of brokered deposits. Such policies and procedures require, among other things, that (i) we limit the amount of brokered deposits as a percentage of total deposits and (ii) ALCO monitor our use of brokered deposits on a regular basis, including interest rates and the volume of such deposits in relation to our total deposits.

The amount and percentage of our deposits by state, as of the dates indicated, are reflected in the following table.

Deposits by State

	December 31,			
	2024		2023	
Deposits Attributable to Offices In	Amount	%	Amount	%
	(Dollars in thousands)			
Arkansas	$ 10,886,498	35.1%	$ 10,315,992	37.6%
Georgia	8,848,945	28.5	7,739,622	28.2
Florida	5,295,410	17.1	4,471,030	16.3
Texas	3,871,021	12.5	3,020,420	11.0
North Carolina	2,135,478	6.8	1,858,079	6.9
Tennessee	5,720	—	—	—
Total	$ 31,043,072	100.0%	$ 27,405,143	100.0%

Deposit levels may be affected by a number of factors including rates paid by competitors, general interest rate levels, returns available to customers on alternative investments, general economic and market conditions and other factors.

The following table reflects the average balance and average rate paid for each deposit category shown for the periods indicated.

Average Deposit Balances and Rates

	Year Ended December 31,					
	2024		2023		2022	
	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
	(Dollars in thousands)					
Interest bearing:						
Transaction (NOW)	$ 4,575,336	3.10%	$ 4,197,394	2.70%	$ 3,487,423	0.58%
Savings and money market	4,671,839	2.72	4,954,666	1.98	6,100,949	0.46
Time deposits	16,622,440	4.91	10,543,800	3.94	5,680,395	0.81
Total interest bearing deposits	25,869,615	4.19	19,695,860	3.18	15,268,767	0.62
Non-interest bearing	3,917,887	—	4,315,200	—	4,873,842	—
Total deposits	$ 29,787,502	3.64%	$ 24,011,060	2.61%	$ 20,142,609	0.47%

The calculation of the average rate paid on total interest bearing deposits of 4.19% for 2024, 3.18% for 2023 and 0.62% for 2022 includes interest paid and average balances of all categories of interest bearing deposits. The average rate paid for all deposits, including both interest bearing and non-interest bearing deposits, was 3.64% for 2024, 2.61% for 2023 and 0.47% for 2022. In 2025, we expect our average rate paid on interest-bearing deposits to decrease, as our time deposits mature and renew or are replaced with new time deposits at lower rates. Future increases or decreases in the rates paid on our interest bearing deposits will depend on funding needs to support growth in our earning assets, changes in the federal funds rate and other interest rates, the level of on-balance sheet liquidity, competitive conditions and other factors.

We maintain substantial and diverse sources of available primary and secondary liquidity as disclosed in the table below.

Available Primary and Secondary Liquidity Sources

	December 31, 2024		
	Total Capacity	Outstanding	Available Liquidity
	(Dollars in thousands)		
Cash & cash equivalents	$ 2,781,101	$ —	$ 2,781,101
Unpledged investment securities	1,956,968	—	1,956,968
FHLB (1)	11,961,145	4,125,410	7,835,735
Unsecured lines of credit	1,150,000	120,000	1,030,000
Fed discount window	401,635	—	401,635
Total	$ 18,250,849	$ 4,245,410	$ 14,005,439

(1) FHLB borrowings outstanding included $0.3 billion of borrowings outstanding and $3.8 billion of outstanding letters of credit at December 31, 2024.

As of December 31, 2024, approximately 81% of our deposits are either insured (66% at December 31, 2024) or, in the case of public funds and certain other deposits, collateralized (15% at December 31, 2024). As of December 31, 2024, our average deposit account balance was approximately $49,000. The diversity of our deposit base is an important factor in the demonstrated stability of our deposits. The estimated amount of uninsured deposits at December 31, 2024 was $10.62 billion. Estimated uninsured deposits exclude intercompany deposits that are eliminated in financial consolidation. Estimated uninsured deposits do not necessarily reflect an evaluation of all scenarios that potentially would determine the availability of deposit insurance to individual accounts or customers based on FDIC regulations.

The following table presents the aggregate amount of time deposits by year of maturity as of the dates indicated.

	December 31, 2024	December 31, 2023
	(Dollars in thousands)	
2025	$ 16,702,130	$ 13,090,697
2026	591,734	1,095,652
2027	9,890	30,472
2028	8,300	8,729
2029	6,651	9,242
Thereafter	101	181
Total time deposits	$ 17,318,806	$ 14,234,973

The following table presents the maturity distribution of time deposits greater than $250,000 as of December 31, 2024.

Maturity Distribution of Time Deposits Greater Than $250,000
(Dollars in thousands)

December 31, 2024:	
3 months or less	$ 2,053,633
Over 3 to 6 months	1,388,478
Over 6 to 12 months	1,273,339
Over 12 months	141,947
Total	$ 4,857,397

Loan Portfolio. In addition to customer deposits, cash flows from our loan portfolio provide us with a significant source of liquidity. The following table reflects total loans grouped by remaining maturities at December 31, 2024 by type and by fixed or floating interest rates. This table is based on actual maturities and does not reflect amortizations, projected paydowns or the earliest repricing for floating rate loans. Many loans have principal paydowns scheduled in periods prior to the period in which they mature. In addition, many floating rate loans are subject to repricing in periods prior to the period in which they mature.

Loan Maturities

	1 Year or Less	Over 1 Through 5 Years	Over 5 Through 15 Years	Over 15 Years	Total
			(Dollars in thousands)		
Real estate	$ 9,453,939	$ 11,142,489	$ 676,127	$ 985,781	$ 22,258,336
Commercial and industrial	1,096,693	550,902	68,254	12,952	1,728,801
Consumer	15,852	24,496	737,746	2,881,619	3,659,713
Other	977,413	1,337,304	2,642	4,658	2,322,017
Total	$ 11,543,897	$ 13,055,191	$ 1,484,769	$ 3,885,010	$ 29,968,867
Fixed rate	$ 298,032	$ 1,437,973	$ 814,667	$ 3,353,141	$ 5,903,813
Floating rate (not at a floor or ceiling rate) (1)	10,328,628	9,715,109	218,272	284,894	20,546,903
Floating rate (at floor rate) (1)	878,200	1,880,231	436,991	243,284	3,438,706
Floating rate (at ceiling rate)	39,037	21,878	14,839	3,691	79,445
Total	$ 11,543,897	$ 13,055,191	$ 1,484,769	$ 3,885,010	$ 29,968,867

(1) We have included a floor rate in 98% of our floating rate loans. At December 31, 2024, the majority of our floating rate loans were above their floor rate. In a declining rate environment, such loans will reprice at their next reset date until they reach their floor rate.

The following table reflects loans by fixed or floating interest rates with maturities after one year.

Loans Maturing After One Year

	Fixed Interest Rate	Floating Interest Rate	Total
		(Dollars in thousands)	
Real estate	$ 1,709,443	$ 11,094,954	$ 12,804,397
Commercial and industrial	241,653	390,455	632,108
Consumer	3,638,427	5,434	3,643,861
Other	16,258	1,328,346	1,344,604
Total	$ 5,605,781	$ 12,819,189	$ 18,424,970

Loan repayments are generally a relatively stable source of funds but are subject to the borrowers' ability to repay the loans, which can be adversely affected by a number of factors including changes in general economic and market conditions, adverse trends or events affecting business industry groups or specific businesses, declines in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters and other factors. Furthermore, loans generally are not readily convertible to cash.

At December 31, 2024, we had $19.08 billion in unfunded balances on loans already closed, the vast majority of which are attributable to construction and development loans. In most cases the borrower's equity and all or most other required subordinated elements of the capital structure must be fully funded before we advance funds. In many cases we do not advance funds on construction and development loans for many months after closing because the borrower's equity and a majority of other funding sources must fund first. This conservative practice for handling construction loans has led to the large unfunded balance of closed loans. As a result, we maintain a detailed 36-month forward funding forecast projecting loan fundings and loan repayments. Our ability to project periodic net portfolio growth with a reasonable degree of accuracy is an important part of our liquidity management process.

Investment Securities AFS. We classify all of our securities as available for sale; thus, we have no securities classified as held-to-maturity. Cash flows from our investment securities portfolio also provide us with an additional source of liquidity. The following table reflects the expected maturity distribution of our investment securities AFS, at estimated fair value, at December 31, 2024 and weighted-average yields (for tax-exempt obligations on an FTE basis) of such securities.

Expected Maturity Distribution of Investment Securities AFS

	1 Year Or Less	Weighted Average Yield-FTE	Over 1 Through 5 Years	Weighted Average Yield-FTE	Over 5 Through 10 Years	Weighted Average Yield-FTE	Over 10 Years	Weighted Average Yield-FTE	Total	Weighted Average Yield-FTE
				(Dollars in thousands)						
Obligations of state and political subdivisions	$ 99,328	2.75%	$ 80,307	5.69%	$ 237,487	4.46%	$1,008,574	5.46%	$1,425,696	5.11%
U.S. Government agency mortgage-backed securities	336,458	1.96	701,197	2.08	178,974	3.68	39,842	4.68	1,256,471	2.35
Other U.S. Government agency securities	129,718	1.30	—	—	—	—	—	—	129,718	1.30
Corporate obligations	—	—	15,326	4.51	2,290	3.62	6,649	4.93	24,265	4.55
Total	$ 565,504	1.95%	$ 796,830	2.47%	$ 418,751	4.12%	$1,055,065	5.42%	$2,836,150	3.69%
Percentage of total	19.9%		28.1%		14.9%		37.1%		100.0%	
Cumulative percentage of total	19.9%		48.0%		62.9%		100.0%			

The maturity for all investment securities is shown based on each security's contractual maturity date, except (1) mortgage-backed securities, which are allocated among various maturities based on an estimated repayment schedule utilizing third-party median prepayment speeds or other estimates of prepayment speeds and interest rate levels at December 31, 2024 and (2) callable investment securities for which we have received notification of call, which are included in the maturity category in which the call occurs or is expected to occur. Actual maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. The weighted-average yields – FTE are calculated based on the coupon rate and amortized cost for such securities and includes any projected discount accretion or premium amortization.

Other Interest Bearing Liabilities. Given that deposit levels, loan repayments and cash flow from our investment securities portfolio may be affected by a number of factors, we may be required from time to time to rely on other sources of liquidity to meet growth in loans and deposit withdrawal demands or otherwise fund operations. Such other sources include, FHLB advances, federal funds purchased, secured and unsecured federal funds lines of credit from correspondent banks, FRB borrowings, subordinated notes, subordinated debentures and/or accessing the capital markets.

The following table reflects the average balance and average rate paid for each category of other interest bearing liabilities for the years indicated.

Average Balances and Rates of Other Interest Bearing Liabilities

	Year Ended December 31,					
	2024		2023		2022	
	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
	(Dollars in thousands)					
Other borrowings	$ 257,055	4.21%	$ 803,797	5.18%	$ 673,932	1.93%
Subordinated notes	348,170	3.00	347,356	3.01	346,538	3.01
Subordinated debentures	121,630	8.01	121,648	7.83	121,310	4.76
Total other interest bearing liabilities	$ 726,855	4.26%	$ 1,272,801	4.84%	$ 1,141,780	2.56%

We utilize FHLB advances and federal funds purchased to support our funding sources and provide additional on-balance sheet liquidity. Details of those outstanding FHLB advances and federal funds purchased, at December 31, 2024, are shown in the following table.

FHLB Advances and Federal Funds Purchased

Borrowing Type	Balance	Interest Rate	Maturity Date
		(Dollars in thousands)	
FHLB advances	$ 300,000	4.38%	1/2/2025
Federal funds purchased	$ 120,000	4.42%	1/2/2025

At December 31, 2024, we had substantial unused borrowing availability. This availability was primarily comprised of the following four options: (1) $7.84 billion of available blanket borrowing capacity with the FHLB, (2) $1.96 billion of investment securities available to pledge for federal funds or other borrowings, (3) $1.03 billion of available unsecured federal funds borrowing lines and (4) up to $0.40 billion of available borrowing capacity from borrowing programs of the FRB.

We anticipate we will continue to rely primarily on deposits, repayments of loans and cash flows from our investment securities to provide liquidity, as well as other funding sources as appropriate. Additionally, where necessary, the other funding sources described above, including the use of FHLB advances, will be used to augment our primary funding sources.

Sources and Uses of Funds. Operating activities provided net cash of $0.83 billion in 2024, $0.88 billion in 2023 and $0.76 billion in 2022. Net cash provided by operating activities is comprised primarily of net income, adjusted for certain non-cash items and for changes in various operating assets and liabilities.

Investing activities used net cash of $3.25 billion in 2024, $5.53 billion in 2023 and $2.43 billion in 2022. The decrease in net cash used by investing activities in 2024 compared to 2023 was primarily the result of a smaller increase in our loan portfolio in 2024, which used $3.58 billion in 2024 compared to $5.78 billion in 2023. The increase in net cash used by investing activities in 2023 compared to the net cash provided by investing activities in 2022 was primarily the result of an increase in our loan portfolio which used $5.78 billion in 2023 compared to $2.48 billion in 2022, and decreased proceeds from maturities, calls and paydowns of investment securities AFS which provided $0.57 billion in 2023 compared to $1.09 billion in 2022, offset by purchases of investment securities AFS which used $0.24 billion in 2023 compared to $0.96 billion in 2022.

Financing activities provided net cash of $3.05 billion in 2024, $5.77 billion in 2023 and $0.64 billion in 2022. The decrease in the net cash provided by financing activity in 2024 compared to 2023 was primarily the result of a smaller increase in our deposits in 2024, which provided $3.64 billion in 2024 compared to $5.91 billion in 2023. The increase in the net cash provided by financing activity in 2023 compared to the net cash used by financing activities in 2022 was primarily the result of changes in our deposits, which provided $5.91 billion during 2023 compared to $1.32 billion in 2022, partially offset by repurchase and cancellation of shares of our common stock under our share repurchase program which used $0.15 billion in 2023 compared to $0.35 billion in 2022.

Material Cash Requirements, Contractual Obligations, Commitments and Off-Balance Sheet Arrangements. Our material cash requirements include commitments for contractual obligations (both short-term and long-term), commitments to extend credit, and off-balance sheet arrangements. Our material cash requirements for the next 12 months are primarily to fund loan growth. Additionally, we will utilize cash to fund deposit maturities and withdrawals that may occur in the next 12 months. Other contractual obligations, purchase commitments, lease obligations, and unfunded commitments may require cash payments by us within the next 12 months, and these, along with longer-term obligations, are discussed below.

The following table presents, as of December 31, 2024, significant fixed and determinable contractual obligations to third parties by contractual date with no consideration given to earlier call or prepayment features. Other obligations consist primarily of contractual obligations for capital expenditures, software contracts, employee benefits and various other contractual obligations.

Contractual Obligations

	1 Year Or Less	Over 1 Through 3 Years	Over 3 Through 5 Years	Over 5 Years	Total
			(Dollars in thousands)		
Time deposits (1)	$ 16,913,743	$ 606,911	$ 15,352	$ 354	$ 17,536,360
Deposits without a stated maturity (2)	13,727,081	—	—	—	13,727,081
Other borrowings (1)	420,886	—	—	—	420,886
Subordinated notes (1)	9,759	36,534	46,764	416,585	509,642
Subordinated debentures (1)	8,109	16,218	16,240	161,655	202,222
Lease obligations	7,814	12,465	11,452	61,246	92,977
Other obligations	277,910	33,798	456	13,469	325,633
Total contractual obligations	$ 31,365,302	$ 705,926	$ 90,264	$ 653,309	$ 32,814,801

(1) Includes unpaid interest through the contractual maturity on both fixed and variable rate obligations. The interest included on variable rate obligations is based upon interest rates in effect at December 31, 2024. The contractual amounts to be paid on variable rate obligations are affected by changes in interest rates. Future changes in interest rates could materially affect the contractual amounts to be paid.

(2) Includes interest accrued and unpaid through December 31, 2024.

In the normal course of business, various commitments and contingent liabilities arise that are not required to be recorded on the balance sheet. The most significant of these are loan commitments that are primarily comprised of closed but unfunded loans totaling $19.08 billion at December 31, 2024. These loan commitments are agreements to lend to a customer as long as there is no violation of any condition established in the contract and, for unfunded construction loans, based on the achievement of certain construction milestones. We evaluate each customer's creditworthiness on a case-by-case basis and the amount of collateral obtained is based on management's credit evaluation of the customer and underlying property, among other factors. Loan commitments generally have fixed expiration dates and may or may not be drawn upon in whole or in part prior to their maturity, depending on a number of factors including economic conditions, real estate market conditions and competitive factors, among others. Management does not anticipate any material losses from these loan commitments and standby letters of credit that have not been previously considered in establishing our ACL and believes there are no material commitments to extend credit that represent risks of an unusual nature.

The following table details the amounts and expected maturities of our outstanding loan commitments as of December 31, 2024.

Outstanding Loan Commitments

	1 Year Or Less	Over 1 Through 3 Years	Over 3 Through 5 Years	Over 5 Years	Total
			(Dollars in thousands)		
Commitments to extend credit	$ 3,972,368	$ 11,351,627	$ 3,512,690	$ 241,948	$ 19,078,633

We have investments in certain tax credits and partnerships generally within the areas we serve. The majority of these investments provide funds for the construction and development of affordable housing, which provide low income housing tax credits ("LIHTC") that are normally recognized over approximately ten years and are an important part in the anticipated yield from these investments. We are a limited partner or non-managing member in each LIHTC limited partnership or limited liability company. Each of these entities is managed by an unrelated third-party general partner or managing member who exercises significant control over the operations and finances of the entity. The general partner or managing member has all the rights, powers and authority granted or permitted to be granted to a general partner of a limited partnership or managing member of a limited liability company. We also have investments in renewable energy and other tax credits. As of December 31, 2024, the carrying value of tax credit investments and renewable energy partnerships was approximately $460.3 million and is included in other assets on our consolidated balance sheet. The portion of the tax credit investments that are unfunded and included in other liabilities totaled approximately $210.3 million at December 31, 2024 and are expected to be funded over the terms of the agreements ranging from 2025 to 2041.

We also have investments in Small Business Investment Companies ("SBIC") that provide funds to qualifying small businesses, and Community Development Companies ("CDC") that provide funding for the purpose of community development through investments, lending, and credit assistance. As of December 31, 2024, the carrying value of our investments in SBICs and CDCs was approximately $71.3 million and is included in other assets on our consolidated balance sheet. The portion of our investments in SBICs and CDCs that are unfunded totaled approximately $112.5 million at December 31, 2024 and are expected to be funded over the terms of the agreements ranging from 2025 to 2030.

The following table shows the expected payments for unfunded tax credit investments, SBICs and CDCs as of December 31, 2024.

Expected Payments at December 31, 2024

(Dollars in thousands)	Amount
2025	$ 153,244
2026	87,085
2027	57,723
2028	14,291
2029	6,267
Thereafter	4,207
Total	$ 322,817

In addition, we pay cash dividends on our preferred stock when, as, and if declared by our Board, which on an annual basis, is expected to result in approximately $16.2 million in cash dividends paid on our preferred stock.

Market and Interest Rate Risk Management

Overview. Market risk is the risk to a financial institution's condition resulting from adverse movements in market rates or prices, including, but not limited to, interest rates, foreign exchange rates, commodity prices, or security prices. We are exposed to both interest rate risk and price risk. Interest rate risk is the risk that arises from increased volatility in net interest income due to a change of interest rates. There are different types of risk exposures that can arise when there is a change of interest rates, such as basis risk, options risk, term structure and repricing risk. Price risk is the risk that arises from security price volatility – the risk of a decline in the value of a security or a portfolio. Price risk can be either systemic or non-systemic risk. Non-systemic risk can be mitigated through diversification, whereas systemic risk cannot. In a global economic crisis, price risk is systemic because it affects multiple asset classes.

Interest Rate Risk Management. Our Board is responsible for approving the overall policies related to the management of market risks, including interest rate risk and price risk. The Board has delegated to ALCO, which is chaired by our Chief Financial Officer, the responsibility of managing interest rate and price risk consistent with Board-approved policies and limits.

ALCO regularly reviews our exposure to changes in interest rates. Among the factors considered are changes in the mix of interest earning assets and interest bearing liabilities, interest rate spreads and repricing periods. ALCO uses an earnings simulation model, which analyzes the expected change in near term (one year) net interest income in response to changes in interest rates, and economic value of equity ("EVE"), which measures the expected change in the fair value of equity in response to changes in interest rates, to analyze our interest rate risk and interest rate sensitivity.

Earnings Simulation Model. Our earnings simulation modeling process projects a baseline net interest income, which uses a dynamic balance sheet and assumes no changes in interest rate levels. We estimate changes to that baseline net interest income resulting from changes in interest rate levels. We rely primarily on the results of this model in evaluating our interest rate risk.

This model incorporates a number of additional factors including: (1) the expected growth in various interest earning assets and interest bearing liabilities and the expected interest rates on new assets and liabilities, (2) the expected rates at which various rate sensitive assets and rate sensitive liabilities will reprice, (3) the expected exercise of call features on various assets and liabilities, (4) the expected relative movements in different interest rate indices which are used as the basis for pricing or repricing various assets and liabilities, (5) existing and expected contractual ceiling and floor rates on various assets and liabilities, (6) expected changes in administered rates on interest bearing transaction, savings, money market and time deposit accounts and the expected impact of competition on the pricing or repricing of such accounts, (7) the timing and amount of cash flows expected to be received on investment securities, (8) the timing and amount of repayments that are anticipated from our loan portfolio, (9) the need, if any, for additional capital and/or debt to support continued growth and (10) other relevant factors. Inclusion of these factors in the model is intended to more accurately project our expected changes in net interest income resulting from interest rate changes.

We model our change in net interest income in various interest rate scenarios, including scenarios where interest rates go up 100 bps, up 200 bps, up 300 bps, down 100 bps, down 200 bps, and down 300 bps. For purposes of these scenarios, we have assumed that the change in interest rates phases in over a 12-month period. While we believe this model provides a reasonably accurate projection of our interest rate risk, the model includes a number of assumptions and predictions which may or may not be correct and may impact the model results. These assumptions and predictions include inputs to compute baseline net interest income, growth rates, prepayment assumptions, expected changes in rates on interest bearing deposit accounts, competition and a variety of other factors that are difficult to accurately predict. Accordingly, there can be no assurance the earnings simulation model will accurately reflect future results. Our earnings simulation model is governed by our model risk framework.

The following table presents the earnings simulation model's projected impact of a change in interest rates on the projected baseline net interest income for the 12-month period commencing January 1, 2025. This change in interest rates is assumed to occur ratably over that 12-month period. This change in interest rates also assumes parallel shifts in the yield curve and does not take into account changes in the slope of the yield curve.

Earnings Simulation Model Results

Change in Interest Rates (in bps)	% Change in Projected Baseline Net Interest Income
+300	15.8%
+200	10.4
+100	5.1
-100	(3.9)
-200	(5.9)
-300	(7.3)

In the event of a shift in interest rates, we may take certain actions intended to mitigate the negative impact to net interest income or to maximize the positive impact to net interest income. These actions may include, but are not limited to, restructuring of interest earning assets and interest bearing liabilities, seeking alternative funding sources or investment opportunities and modifying the pricing, or terms of loans and deposits.

The consolidated financial statements and related notes presented in Item 8. Financial Statements and Supplementary Data in this Annual Report on Form 10-K have been prepared in accordance with GAAP. This requires the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. Unlike industrial companies, the vast majority of our assets and liabilities are monetary in nature. As a result, interest rates have a greater impact on our performance than do the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

EVE Model. EVE is calculated as the fair value of all assets minus the fair value of liabilities and incorporates a number of assumptions including (1) the timing and amount of cash flows expected to be received or paid on various assets and liabilities, (2) the expected exercise of call features on various assets and liabilities, (3) estimated discount rates and (4) other relevant factors. We measure changes in the dollar amount of EVE for parallel shifts in interest rates. Due to embedded optionality and asymmetric rate risk, changes in EVE can be useful in quantifying risks not apparent for small rate changes.

The following table presents our EVE results as of December 31, 2024.

EVE Model Results

Change in Interest Rates (in bps)	% Change in Projected Baseline EVE
+200	(3.4%)
+100	(1.6)
-100	1.5
-200	2.6

Variable Rate Loans and Loan Repricing. At December 31, 2024, approximately 80% of our funded balance of total loans had variable rates and generally reprice with movements in the 1-month term SOFR, WSJ Prime and other indexes. Additionally, approximately 98% of our variable rate total loans had floor rates, and the vast majority of such loans were above their floor rates.

The following table reflects total loans as of December 31, 2024 grouped by expected amortizations, expected paydowns or the earliest repricing opportunity for floating rate loans. This cash flow or repricing schedule approximates our ability to reprice the outstanding principal of loans either by adjusting rates on existing loans or reinvesting principal cash flow into new loans.

Loan Cash Flows or Repricing

	1 Year Or Less	Over 1 Through 2 Years	Over 2 Through 3 Years	Over 3 Through 5 Years	Over 5 Years	Total
			(Dollars in thousands)			
Fixed rate	$ 521,619	$ 604,082	$ 657,171	$ 763,522	$ 3,357,419	$ 5,903,813
Floating rate (not at a floor or ceiling rate) (1)	20,297,859	82,720	76,715	89,049	560	20,546,903
Floating rate (at floor rate) (1)	2,783,661	216,106	223,739	198,391	16,809	3,438,706
Floating rate (at ceiling rate)	69,947	1,143	306	8,049	—	79,445
Total	$23,673,086	$ 904,051	$ 957,931	$1,059,011	$3,374,788	$29,968,867
Percentage of total	79.0%	3.0%	3.2%	3.5%	11.3%	100.0%
Cumulative percentage of total	79.0%	82.0%	85.2%	88.7%	100.0%	

(1) We have included a floor rate in 98% of our floating rate loans. At December 31, 2024, the majority of our floating rate loans were above their floor rate. In a declining rate environment, such loans will reprice at their next reset date until they reach their floor rate.

The following table is a summary of our floating rate loan portfolio and contractual interest rate indices at December 31, 2024.

Contractual Indices of Floating Rate Loans

Contractual Interest Rate Index	Floating Rate (at floor rate)	Floating Rate (not at a floor or ceiling rate)	Floating Rate (at ceiling rate)	Total Floating Rate
		(Dollars in thousands)		
1-month term SOFR	$ 1,670,603	$ 18,894,790	$ —	$ 20,565,393
Wall Street Journal Prime	1,709,609	1,013,333	79,445	2,802,387
Other contractual interest rate indices	58,494	638,780	—	697,274
Total	$ 3,438,706	$ 20,546,903	$ 79,445	$ 24,065,054

While changes in these contractual interest rate indices are typically affected by changes in the federal funds target rate, in a declining rate environment, such loans will reprice at their next reset date until they reach their floor rate.

Market Risk Management. We are exposed to market risk primarily through changes in fair value of our fixed income investment securities portfolio. Investment portfolio strategies are set by senior management and are subject to the oversight and direction of ALCO. At December 31, 2024 and 2023, we classified all of our investment securities portfolio as AFS. Our investment securities AFS are reported at estimated fair value with the unrealized gains and losses, net of related income tax, reported as a separate component of stockholders' equity and included in other comprehensive income. At December 31, 2024, we had $99.4 million of net unrealized losses in our investment securities AFS portfolio that was reported, net of applicable income taxes, in AOCI.

The following table presents the amortized cost and estimated fair value of investment securities – AFS as of the dates indicated.

Investment Securities – AFS

	December 31,			
	2024		2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(Dollars in thousands)			
U.S. Government agency mortgage-backed securities	$ 1,327,396	$ 1,256,471	$ 1,272,015	$ 1,174,429
Obligations of state and political subdivisions	1,451,430	1,425,696	1,406,617	1,400,888
Other U.S. Government agency securities	130,000	129,718	658,851	638,272
Corporate obligations	26,718	24,265	34,341	30,782
Total	$ 2,935,544	$ 2,836,150	$ 3,371,824	$ 3,244,371

Our investment securities AFS are reported at estimated fair value, which included gross unrealized gains of $8.8 million and gross unrealized losses of $108.2 million at December 31, 2024 and gross unrealized gains of $22.7 million and gross unrealized losses of $150.2 million at December 31, 2023. We believe that the vast majority of the unrealized losses on individual investment securities at December 31, 2024 and 2023 are the result of fluctuations in interest rates.

If we intend to sell an AFS security in an unrealized loss position, or if it is more likely than not that we will be required to sell an AFS security in an unrealized loss position before recovery of its amortized cost basis, the security's amortized cost basis is written down to fair value through current period expense. If we do not intend to sell an AFS security in an unrealized loss position or if it is more likely than not that we will not sell an AFS security that is in an unrealized loss position, we are required to assess whether the decline in fair value has resulted from credit losses or non-credit factors. If our assessment determines a credit loss exists, the present value of cash flows expected to be collected from the AFS security is compared to the amortized cost basis of the security and if the present value cash flows expected to be collected is less than amortized cost, an allowance for credit losses and a provision for credit loss expense is recorded. If our assessment determines that a credit loss does not exist, we record the decline in fair value through other comprehensive income, net of related tax effects, with such decline included in accumulated other comprehensive income.

The following table presents the unaccreted discount and unamortized premium of our investment securities AFS as of the dates indicated.

Unaccreted Discount and Unamortized Premium

	Amortized Cost	Unaccreted Discount	Unamortized Premium	Par Value
	(Dollars in thousands)			
December 31, 2024:				
U.S. Government agency mortgage-backed securities	$ 1,327,396	$ 1,090	$ (20,127)	$ 1,308,359
Obligations of state and political subdivisions	1,451,430	26,974	(17,272)	1,461,132
Other U.S. Government agency securities	130,000	—	—	130,000
Corporate obligations	26,718	162	(1,230)	25,650
Total	$ 2,935,544	$ 28,226	$ (38,629)	$ 2,925,141
December 31, 2023:				
U.S. Government agency mortgage-backed securities	$ 1,272,015	$ 31	$ (30,528)	$ 1,241,518
Obligations of state and political subdivisions	1,406,617	28,595	(23,263)	1,411,949
Other U.S. Government agency securities	658,851	9	—	658,860
Corporate obligations	34,341	191	(1,617)	32,915
Total	$ 3,371,824	$ 28,826	$ (55,408)	$ 3,345,242

We recognized premium amortization, net of discount accretion, of $15.0 million during 2024, $20.2 million during 2023 and $32.2 million during 2022. Any premium amortization or discount accretion is considered an adjustment to the yield of our investment securities.

Investment securities AFS totaling $1.0 billion in 2024, $0.57 billion in 2023 and $1.09 billion in 2022 matured, were called or were otherwise paid down by the issuer. We purchased approximately $0.58 billion of investment securities AFS in 2024, compared to $0.24 billion in 2023 and $0.96 billion in 2022.

We invest in securities we believe offer good relative value at the time of purchase, and we will, from time to time, reposition our investment securities portfolio. In making decisions to sell or purchase securities, we consider credit quality, call features, maturity dates, relative yields, corporate tax rates, current market factors, interest rate risk and interest rate environment, current and projected liquidity needs and other relevant factors.

At December 31, 2024, approximately 94% of our investment securities had an investment grade credit rating and approximately 6% of our investment securities were not rated. For those securities that were not rated, we have performed our own evaluation of the security and/or the underlying issuer and believe that such security or its issuer has credit characteristics equivalent to those which would warrant an investment grade credit rating.

Capital Management

Overview. The primary function of capital is to support our operations, including growth expectations, and act as a cushion to absorb unanticipated losses. Accordingly, our management has developed and our Board has approved a detailed capital policy that addresses, among other things, capital adequacy, considers capital planning strategies for expected future growth, provides plans and actions for capital contingency needs, provides a capital distribution strategy and includes provisions and procedures for developing, reviewing and modifying our capital strategy and our internal capital guidelines and limits based on the results of budgeting and forecasting activities, capital stress testing results and other factors. Oversight of our capital management plan and capital monitoring activities has been delegated to our ALCO.

Capital Management. We primarily rely on our stockholders' equity, comprised of preferred and common stock, additional paid-in capital, retained earnings and accumulated other comprehensive income (loss) to support our operations and act as a cushion to absorb unanticipated losses. Our common stockholders' equity totaled $5.37 billion at December 31, 2024, compared to $4.80 billion at December 31, 2023. Included below in this Capital Management section of our MD&A is the calculation and reconciliation of our common stockholders' equity to the most directly comparable GAAP measure. Additionally, our common stockholders' equity is augmented by our preferred stock, our subordinated notes, our subordinated debentures, and our ACL.

Common Stock Repurchase Program. In July 2024, our Board authorized a stock repurchase program for up to $200 million of our outstanding common stock, with an expiration on July 1, 2025, unless extended, shortened or suspended by the Board. During 2024, we purchased 11,903 shares of common stock for $0.46 million. In evaluating stock repurchases including the parameters for price and share value, management will consider a variety of factors including stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors.

Preferred Stock. At December 31, 2024, we had 14,000,000 shares of 4.625% Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, with a liquidation preference of $25 per share (the "preferred stock") issued and outstanding. Our preferred stock offering generated total net proceeds of $339.0 million after deducting the initial purchaser discount and estimated offering expenses. We pay cash dividends on our preferred stock, when, as, and if declared by our Board. Subject to declaration by our Board, cash dividends accrue and are payable from the original date of issuance at a rate of 4.625% per annum, payable quarterly, in arrears, on February 15, May 15, August 15, and November 15 (or the next business day) of each year. Dividends on our preferred stock are not cumulative or mandatory. The preferred stock is treated as additional Tier 1 regulatory capital.

Subordinated Notes. At December 31, 2024, we had $350 million in aggregate principal amount of our 2.75% Fixed-to-Floating rate subordinated notes (the "2.75% Notes") due 2031, which bear interest at a fixed rate of 2.75% per annum until September 30, 2026. On October 1, 2026, the 2.75% Notes will bear interest at a floating rate equal to three-month term SOFR plus 209 basis points. The 2.75% Notes are unsecured, subordinated debt obligations and mature on October 1, 2031. At December 31, 2024, the 2.75% Notes had a carrying value of $348.6 million and remaining unamortized debt issuance costs of $1.4 million.

We may, beginning with the interest payment date on October 1, 2026, and on any interest payment date thereafter, redeem the 2.75% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2.75% Notes to be redeemed plus accrued and unpaid interest to, but excluding, the date of redemption. We may also redeem the 2.75% Notes at any time, including prior to October 1, 2026, at our option, in whole but not in part, if: (i) a change or prospective change in law occurs that could prevent us from deducting interest payable on the 2.75% Notes for U.S. federal income tax purposes; (ii) a subsequent event occurs that could preclude the 2.75% Notes from being recognized as Tier 2 capital for regulatory capital purposes; or (iii) we are required to register as an investment company under the Investment Company Act of 1940, as amended; in each case, at a redemption price equal to 100% of the principal amount of the 2.75% Notes plus any accrued and unpaid interest to, but excluding, the redemption date. The 2.75% Notes are treated as Tier 2 regulatory capital.

Subordinated Debentures. We own eight 100%-owned finance subsidiary business trusts–Ozark Capital Statutory Trust II ("Ozark II"), Ozark Capital Statutory Trust III ("Ozark III"), Ozark Capital Statutory Trust IV ("Ozark IV"), Ozark Capital Statutory Trust V ("Ozark V"), Intervest Statutory Trust II ("Intervest II"), Intervest Statutory Trust III ("Intervest III"), Intervest Statutory Trust IV ("Intervest IV") and Intervest Statutory Trust V ("Intervest V") (collectively, the "Trusts"). At December 31, 2024, we had the following issues of trust preferred securities and subordinated debentures owed to the Trusts.

Trust Preferred Securities and Subordinated Debentures

	Subordinated Debentures Owed to Trusts	Carrying Value of Subordinated Debentures	Trust Preferred Securities of the Trusts	Contractual Interest Rate	Final Maturity Date
	(Dollars in thousands)				
Ozark II	$ 14,433	$ 14,433	$ 14,000	7.49%	September 29, 2033
Ozark III [(1)]	6,434	6,434	6,000	7.87	September 25, 2033
Ozark IV	15,464	15,464	15,000	7.00	September 28, 2034
Ozark V	20,619	20,619	20,000	6.22	December 15, 2036
Intervest II	15,464	15,464	15,000	7.56	September 17, 2033
Intervest III	15,464	15,464	15,000	7.40	March 17, 2034
Intervest IV	15,464	15,464	15,000	7.02	September 20, 2034
Intervest V	10,310	10,310	10,000	6.27	December 15, 2036
Total	$ 113,652	$ 113,652	$ 110,000		

(1) In December 2024, we repurchased $8.0 million of our outstanding Trust Preferred Securities for $7.0 million which resulted in $1.0 million of pre-tax non-interest income.

Other Sources of Capital. We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs. As a publicly traded bank, a likely source of additional funds is the capital markets, which can provide us with funds through the public issuance of equity, both common and preferred stock, and the issuance of senior debt and/or subordinated debentures. Our ability to raise additional capital, if needed, will depend on, among other things, conditions in the capital markets at that time, which are outside of our control, and our financial performance. Other than common stock, any issuance of equity or debt by us will require the prior approval of the ASBD and may be accompanied by time delays associated with obtaining such approval. If market conditions change during any time delays associated with obtaining regulatory approval, we may not be able to issue equity or debt on as favorable terms as were contemplated at the time of commencement of the process, or at all.

Common Stockholders' Equity and Reconciliation of Non-GAAP Financial Measures. We use non-GAAP financial measures, specifically total common stockholders' equity, tangible common stockholders' equity, ratio of tangible common stockholders' equity to total tangible assets, tangible book value per common share, return on average common stockholders' equity and return on average tangible common stockholders' equity as important measures of the strength of our capital and our ability to generate earnings on tangible common equity invested by our shareholders. We believe presentation of these non-GAAP financial measures provides useful supplemental information that contributes to a proper understanding of our financial results and capital levels. 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 companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the following tables.

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

	December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Total stockholders' equity before noncontrolling interest	$ 5,705,623	$ 5,139,001	$ 4,689,579
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 5,366,643	$ 4,800,021	$ 4,350,599
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	—	(2,754)
Total intangibles	(660,789)	(660,789)	(663,543)
Total tangible common stockholders' equity	$ 4,705,854	$ 4,139,232	$ 3,687,056
Shares of common stock outstanding	113,458	113,149	117,177
Book value per common share	$ 47.30	$ 42.42	$ 37.13
Tangible book value per common share	$ 41.48	$ 36.58	$ 31.47

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

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Net income available to common stockholders	$ 700,269	$ 674,596	$ 547,520
Average stockholders' equity before noncontrolling interest	$ 5,425,658	$ 4,855,976	$ 4,662,467
Less average preferred stock	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	$ 5,086,678	$ 4,516,996	$ 4,323,487
Less average intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(821)	(5,443)
Total average intangibles	(660,789)	(661,610)	(666,232)
Average tangible common stockholders' equity	$ 4,425,889	$ 3,855,386	$ 3,657,255
Return on average common stockholders' equity	13.77%	14.93%	12.66%
Return on average tangible common stockholders' equity	15.82%	17.50%	14.97%

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

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Total stockholders' equity before noncontrolling interest	$ 5,705,623	$ 5,139,001	$ 4,689,579
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	5,366,643	4,800,021	4,350,599
Less intangible assets:			
Less goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	—	(2,754)
Total intangibles	(660,789)	(660,789)	(663,543)
Total tangible common stockholders' equity	$ 4,705,854	$ 4,139,232	$ 3,687,056
Total assets	$38,258,852	$34,237,457	$27,656,568
Less intangible assets:			
Less goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	—	(2,754)
Total intangibles	(660,789)	(660,789)	(663,543)
Total tangible assets	$37,598,063	$33,576,668	$26,993,025
Ratio of total common stockholders' equity to total assets	14.03%	14.02%	15.73%
Ratio of total tangible common stockholders' equity to total tangible assets	12.52%	12.33%	13.66%

Goodwill. Between 2010 and 2016, we made fifteen acquisitions, including seven FDIC-assisted transactions and eight traditional merger and acquisition ("M&A") transactions. In conjunction with several of the traditional M&A transactions, our purchase price exceeded the fair value of the net assets acquired, resulting in the recording of goodwill. At December 31, 2024 and 2023, we had goodwill totaling $661 million. We review goodwill annually, or more frequently if events or changes in circumstances indicate the carrying value might be impaired. This impairment analysis compares the estimated fair value of our operations (the reporting unit) with net book value. We performed our annual impairment test of goodwill as of September 30, 2024 which indicated no potential impairment of our goodwill.

Common Stock Dividend Policy. During 2024, we paid cash dividends of $1.58 per common share compared to cash dividends of $1.42 per common share in 2023 and $1.26 per common share in 2022. On January 2, 2025, our Board approved a cash dividend of $0.42 per common share that was paid on January 21, 2025. The determination of future dividends on our common stock will depend on conditions existing at that time and approval of our Board. In addition, our ability to pay common stock dividends to our shareholders is subject to the restrictions set forth in Arkansas law, by our federal regulator, the relative powers, preferences and other rights of the holders of our preferred stock and by certain covenants contained in the indentures governing the trust preferred securities, the subordinated debentures and the 2.75% Notes. See Note 18 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K for a discussion of dividend restrictions.

Preferred Stock Dividend Policy. As previously disclosed in this Capital Management section of the MD&A, 14,000,000 shares of our 4.625% non-cumulative perpetual preferred stock are issued and outstanding. We will pay cash dividends on the preferred stock, when, as, and if declared by our Board. On January 2, 2025, our Board approved a cash dividend of $0.28906 per share that was paid on February 18, 2025 for the period covering November 15, 2024 through, but excluding, February 15, 2025. Future quarterly dividends on shares of the preferred stock, if declared, are expected to be approximately $4.0 million per quarter. The determination of future dividends on the preferred stock will depend on conditions at that time and approval by our Board. In addition, our ability to pay dividends on our preferred shares is subject to the restrictions set forth in Arkansas law and by our federal regulator.

Regulatory Capital. We are subject to various regulatory capital requirements administered by federal and state banking agencies. These capital requirements are consistent with agreements reached by the Basel Committee on Banking Supervision ("Basel III") and certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Basel III Rules"). The Basel III Rules require the maintenance of minimum amounts and ratios of common equity tier 1 capital, tier 1 capital and total capital to risk-weighted assets, and of tier 1 capital to adjusted quarterly average assets. Failure to meet minimum capital requirements can initiate certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material effect on our financial condition and results of operations. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, we must meet specific capital guidelines that involve quantitative measures of our assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Our capital amounts and classification are also subject to qualitative judgments and adjustments by the regulators about component risk weightings and other factors.

Under the Basel III Rules, common equity tier 1 capital consists of common stock and paid-in capital (net of treasury stock) and retained earnings. Common equity tier 1 capital is reduced by goodwill, certain intangible assets, net of associated deferred tax liabilities, deferred tax assets that arise from tax credit and net operating loss carryforwards, net of any valuation allowance, and certain other items as specified by the Basel III Rules.

Tier 1 capital includes common equity tier 1 capital and certain additional tier 1 items as provided under the Basel III Rules. Our tier 1 capital at December 31, 2024 and 2023 includes both our common equity tier 1 capital and our preferred stock.

Total capital includes tier 1 capital and tier 2 capital. Tier 2 capital includes, among other things, the allowable portion of the ACL, the trust preferred securities and the 2.75% Notes.

The common equity tier 1 capital, tier 1 capital and total capital ratios are calculated by dividing the respective capital amounts by risk-weighted assets. The leverage ratio is calculated by dividing tier 1 capital by adjusted quarterly average total assets.

Basel III Rules allowed for insured depository institutions to make a one-time election not to include most elements of accumulated other comprehensive income in regulatory capital. We made this opt-out election to avoid significant variations in the level of capital depending upon the impact of interest rate fluctuations on the fair value of our investments securities portfolio.

The Basel III Rules limit capital distributions and certain discretionary bonus payments if the banking organization does not hold a “capital conservation buffer” in addition to the amount necessary to meet minimum risk-based capital requirements for common equity tier 1 capital, tier 1 capital and total capital to risk-weighted assets. At December 31, 2024 and 2023, the Basel III Rules required us to maintain (i) a minimum ratio of common equity tier 1 capital to risk-weighted assets of at least 4.5%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 7.0%, (ii) a minimum ratio of tier 1 capital to risk-weighted assets of at least 6.0%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 8.5%, (iii) a minimum ratio of total capital to risk-weighted assets of at least 8.0%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 10.5%, and (iv) a minimum leverage ratio of 4.0%. Additionally, in order to be considered well-capitalized under the Basel III Rules, we must maintain (i) a ratio of common equity tier 1 capital to risk-weighted assets of at least 6.5%, (ii) a ratio of tier 1 capital to risk-weighted assets of at least 8.0%, (iii) a ratio of total capital to risk-weighted assets of at least 10.0% and (iv) a leverage ratio of at least 5.0%.

The following table presents actual and required capital ratios as of the dates indicated under the Basel III Rules. The minimum required capital amounts presented include the minimum required capital levels, plus the capital conservation buffer. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Rules. At December 31, 2024 and 2023, our capital levels exceeded all minimum capital requirements under the Basel III Rules. Additionally, our capital levels at December 31, 2024 and 2023 exceeded all capital requirements to be considered well capitalized based upon prompt corrective action regulations, as amended by the Basel III Rules.

Regulatory Capital Ratios

	Actual		Minimum Capital Required - Basel III		Required to be Considered Well Capitalized	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
			(Dollars in thousands)			
December 31, 2024:						
Common equity tier 1 to risk-weighted assets	$ 4,776,712	11.34%	$ 2,947,797	7.00%	$ 2,737,240	6.50%
Tier 1 capital to risk-weighted assets	5,115,692	12.15	3,579,468	8.50	3,368,911	8.00
Total capital to risk-weighted assets	6,103,224	14.49	4,421,696	10.50	4,211,139	10.00
Tier 1 leverage to average assets	5,115,692	13.73	1,490,141	4.00	1,862,676	5.00
December 31, 2023:						
Common equity tier 1 to risk-weighted assets	$ 4,230,243	10.79%	$ 2,743,864	7.00%	$ 2,547,873	6.50%
Tier 1 capital to risk-weighted assets	4,569,223	11.66	3,331,835	8.50	3,135,844	8.00
Total capital to risk-weighted assets	5,527,326	14.10	4,115,796	10.50	3,919,805	10.00
Tier 1 leverage to average assets	4,569,223	13.91	1,313,917	4.00	1,642,396	5.00

Capital Stress Testing. We completed our annual capital stress tests during the third quarter of 2024 utilizing multiple economic scenarios, including an adverse idiosyncratic scenario unique to our Bank. The results of our stress tests reflected that we would maintain well-capitalized status for all capital ratios over the stress test time horizon.

Our historically strong earnings and earnings retention rate, among other factors, have contributed to our maintaining capital ratios well above the minimum to be considered "well capitalized." Our strong capital position and strong earnings gives us significant optionality and are expected to support organic loan growth, adding additional new business lines, increases in our quarterly cash dividend, stock repurchases and, if appropriate, acquisitions.

Growth and Branching. In 2025, we expect to increase our current branch count of 232 by approximately 10% primarily in the states in which we currently have branches. Additionally, as we have done in recent years, we may relocate offices, sell offices and/or close certain offices and consolidate the business of such offices into other offices. Opening new offices is subject to local banking market conditions, availability of satisfactory sites, hiring qualified personnel, obtaining regulatory and other approvals and many other conditions and contingencies that we cannot predict with certainty. We may increase or decrease our expected number of new office openings or relocate, sell or close current offices as a result of a variety of factors including our financial results, changes in economic or competitive conditions, strategic opportunities, individual office profitability metrics or other factors.

Capital Expenditures. During 2024, we spent $98.3 million on capital expenditures for premises and equipment. Our capital expenditures for 2025 are expected to be in the range of $75 million to $135 million, including progress payments on construction projects expected to be completed in 2025 or 2026, furniture and equipment costs, network equipment and other information technology costs and acquisition of sites for future development. Actual expenditures may vary significantly from those expected, depending on the number and cost of additional branch offices acquired or constructed and sites acquired for future development, progress or delays encountered on ongoing and new construction projects, delays in obtaining or inability to obtain required approvals, potential premises and equipment expenditures associated with acquisitions, if any, and other factors.

Operational Risk Management

Operational risk is the risk to current or anticipated earnings or capital arising from inadequate or failed internal processes or systems, human errors or misconduct, reputational damage or other adverse internal or external events. Operational risk is inherent in all of our businesses. To assist in our operational risk management, in addition to monitoring our operational risk profile against our Board-approved risk appetite using key performance and risk metrics, we utilize risk control self-assessments across the Bank to identify key operational risks and associated key internal controls. We have in place a number of controls that assist in the management of operational risk including, but not limited to, transactional documentation requirements; systems and procedures to monitor transactions; systems and procedures to detect and mitigate attempts to commit fraud, penetrate our systems, access customer data, and/or deny access to our systems by legitimate customers; regulatory compliance reviews; and periodic reviews by various components of our CRMG and our Internal Audit function. Reconciliation procedures have also been established to ensure that data processing systems accurately capture data and transactions. Further, we have programs and procedures to maintain contingency and business continuity plans for operational support in the event of disruptions to our business. We also mitigate certain operational risks through the purchase of insurance. Our Operational Risk Management group, which reports to our CRO, has responsibilities for assisting the business units in identifying, managing and monitoring operational risks including risks resulting from the use of technology, cybersecurity risk, third-party vendor management risk, risks associated with the introduction of new products and services, and various other operational risks.

Model Risk. Model risk is the risk that the various models utilized throughout the Bank do not provide accurate results, particularly in times of market stress or other unforeseen circumstances or prove to be inadequate or inaccurate because of flaws in their design or implementation. We have an internal Model Risk Management group (second line oversight), which reports to our CRO, that has developed and implemented a model framework, in compliance with Federal Reserve Supervision and Regulation Letter SR 11-7: Guidance on Model Risk Management, whereby all models used throughout the Bank are inventoried, assessed, and validated in accordance with this framework. Ownership of our internal models resides with our quantitative modeling team (first line oversight), who, along with our business units, manages the use of such models in accordance with our model framework.

Data Risk. Data risk is the exposure to loss of value or reputation caused by issues or limitations to an organization's ability to acquire, store, transform, move, and use its data assets in an accurate and timely fashion. The Data Risk Management group works closely with the Bank's key data stakeholders to monitor and execute on the Bank's data governance and data quality mandate.

Legal Risk. As part of our operational risk management program, we also actively monitor our legal risk exposure. Legal risk arises from the potential that unenforceable contracts, lawsuits or adverse judgments can disrupt or otherwise negatively affect our operations or condition. These risks are inherent in all of our businesses. Legal risk exposures are actively and primarily managed by our business units in conjunction with our legal department.

Strategic Risk Management

Strategic risk is the risk to current or anticipated earnings or capital, or franchise or enterprise value arising from, among other items, adverse business decisions, poor implementation of business decisions, and adverse competitive business and macroeconomic environment affecting the Bank's business model. The assessment of strategic risk includes more than an analysis of our written strategic plan. It focuses on opportunity costs and how plans, systems, and implementation affect, or could affect, our franchise or enterprise value. It also incorporates how management analyzes external factors, such as economic, technological, competitive, regulatory, and other environmental changes that affect our strategic direction. Our strategic risk profile is measured against our Board-approved strategic risk appetite by our CRMG, which monitors our performance against our strategic objectives in addition to measuring our financial performance against our peer group. Also, as part of our strategic risk monitoring process, the current and expected systemic macroeconomic environment is monitored using a combination of metrics, models and various other tools.

Compliance Risk Management

Compliance risk is the risk of legal or regulatory sanctions, financial loss or damage to reputation resulting from failure to comply with laws, regulations, rules, other regulatory requirements, or codes of conduct and other standards of self-regulatory organizations applicable to us. Risks related to compliance matters are heightened by the heavily regulated environment in which we operate. We have designed our processes and systems and provided education of applicable regulatory standards to our employees in an effort to comply with these requirements. Compliance risk exposures are actively and primarily managed by our business units in conjunction with our Corporate Compliance group, our legal department and the associated compliance programs operated under our compliance framework and our compliance management system that govern the management of compliance risk. Our ERC and BRC oversee our compliance program.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 1 to the consolidated financial statements included in Item 8. Financial Statements and Supplementary Data in this Annual Report on Form 10-K for a discussion of certain recently issued accounting pronouncements.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information required by this Item is included in “Market and Interest Rate Risk Management” in the MD&A of this Annual Report on Form 10-K beginning on page 65 and is hereby incorporated by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Bank OZK

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Bank OZK and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of income, of comprehensive income, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Report of Management on the Bank's Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses

As described in Notes 1 and 4 to the consolidated financial statements, management assesses the adequacy of the allowance for credit losses ("ACL") based on evaluations of the loan portfolio utilizing objective and subjective criteria. The Company had a total ACL of $619.4 million on a total loan balance of $30.0 billion as of December 31, 2024. The objective criteria primarily includes estimated losses that are modeled from the respective score cards and the outputs from the Company's Current Expected Credit Loss ("CECL") platform. The score cards and the Company's CECL platform incorporate varying future economic forecasts in estimating the Company's ACL. Management selects and weights several economic forecasts provided by an external vendor for purposes of determining the Company's ACL. For purposes of the forecasts used in the Company's CECL methodology, management utilizes a reasonable and supportable forecast period of two years, followed by a reversion of estimated losses on a systematic basis back to the Company's historical mean.

The principal considerations for our determination that performing procedures relating to the allowance for credit losses is a critical audit matter are (i) the significant judgment by management in determining the allowance for credit losses, which in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the selection and weightings of economic forecast scenarios; and (ii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's process for determining the allowance for credit losses, including controls over the selection and weightings of economic forecast scenarios. These procedures also included, among others, testing management's process for determining the allowance for credit losses by (i) evaluating the appropriateness of management's methodology; (ii) testing the data used in the estimate; and (iii) evaluating the reasonableness of the selection and weightings of the economic forecast scenarios, which also involved the use of professionals with specialized skill and knowledge to assist in performing these procedures to test management's process.

/s/ PricewaterhouseCoopers LLP
Little Rock, Arkansas
March 3, 2025

We have served as the Company’s auditor since 2016.

BANK OZK
CONSOLIDATED BALANCE SHEETS

	December 31, 2024	December 31, 2023
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 2,781,101	$ 2,149,529
Investment securities – available for sale (“AFS”)	2,836,150	3,244,371
Federal Home Loan Bank of Dallas (“FHLB”) and other bankers’ bank stocks	39,930	50,400
Loans	29,968,867	26,459,075
Allowance for loan losses	(465,547)	(339,394)
Net Loans	29,503,320	26,119,681
Premises and equipment, net	739,111	676,821
Foreclosed assets	69,381	61,720
Accrued interest receivable	174,025	170,110
Bank owned life insurance (“BOLI”)	829,405	808,490
Goodwill	660,789	660,789
Other, net	625,640	295,546
Total assets	$ 38,258,852	$ 34,237,457
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 3,769,543	$ 4,095,874
Savings and interest bearing transaction	9,954,723	9,074,296
Time	17,318,806	14,234,973
Total deposits	31,043,072	27,405,143
Other borrowings	420,813	805,318
Subordinated notes	348,575	347,761
Subordinated debentures	113,652	121,652
Reserve for losses on unfunded loan commitments	153,813	161,834
Accrued interest payable and other liabilities	472,733	255,773
Total liabilities	32,552,658	29,097,481
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock, $0.01 par value; 100,000,000 shares authorized; 14,000,000 shares issued and outstanding at December 31, 2024 and 2023	338,980	338,980
Common stock, $0.01 par value; 300,000,000 shares authorized; 113,457,726 and 113,148,672 shares issued and outstanding, at December 31, 2024 and 2023, respectively	1,135	1,131
Additional paid-in capital	1,625,506	1,612,446
Retained earnings	3,816,138	3,283,818
Accumulated other comprehensive loss	(76,136)	(97,374)
Total stockholders’ equity before noncontrolling interest	5,705,623	5,139,001
Noncontrolling interest	571	975
Total stockholders’ equity	5,706,194	5,139,976
Total liabilities and stockholders’ equity	$ 38,258,852	$ 34,237,457

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands, except per share amounts)		
Interest income:			
Loans	$ 2,458,551	$ 1,991,546	$ 1,189,773
Investment securities:			
Taxable	34,736	39,429	41,526
Tax-exempt	46,067	38,957	22,653
Deposits with banks	110,223	58,241	12,116
Total interest income	2,649,577	2,128,173	1,266,068
Interest expense:			
Deposits	1,084,855	627,050	94,574
Other borrowings	10,819	41,669	13,033
Subordinated notes	10,439	10,439	10,439
Subordinated debentures	9,740	9,530	5,780
Total interest expense	1,115,853	688,688	123,826
Net interest income	1,533,724	1,439,485	1,142,242
Provision for credit losses	175,552	165,470	83,494
Net interest income after provision for credit losses	1,358,172	1,274,015	1,058,748
Non-interest income:			
Deposit-related fees:			
NSF fees	—	4,228	4,337
Overdraft fees	13,842	13,831	13,387
All other service charges	29,495	27,995	28,102
Loan-related fees	28,144	18,920	13,819
BOLI income:			
Increase in cash surrender value	22,677	20,696	19,532
Death benefits	1,344	2,966	807
Trust income	9,567	8,524	7,990
Gains on sales of other assets	3,417	9,029	11,467
Net gains on investment securities	560	3,243	2,019
Other	15,367	13,117	13,043
Total non-interest income	124,413	122,549	114,503
Non-interest expense:			
Salaries and employee benefits	296,016	258,846	226,373
Net occupancy and equipment	71,676	72,591	70,058
Other operating expenses	183,601	198,124	155,290
Total non-interest expense	551,293	529,561	451,721
Income before taxes	931,292	867,003	721,530
Provision for income taxes	214,789	176,164	157,440
Net income	716,503	690,839	564,090
Earnings attributable to noncontrolling interest	(47)	(56)	51
Preferred stock dividends	16,187	16,187	16,621
Net income available to common stockholders	$ 700,269	$ 674,596	$ 547,520
Basic earnings per common share	$ 6.16	$ 5.89	$ 4.55
Diluted earnings per common share	$ 6.14	$ 5.87	$ 4.54

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,		
	2024	2023	2022
		(Dollars in thousands)	
Net income	$ 716,503	$ 690,839	$ 564,090
Other comprehensive income (loss):			
Unrealized gains and (losses) on investment securities AFS	28,059	106,203	(265,121)
Tax effect of unrealized gains and losses on investment securities AFS	(6,821)	(25,928)	63,631
Total other comprehensive income (loss)	21,238	80,275	(201,490)
Total comprehensive income	$ 737,741	$ 771,114	$ 362,600

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Balances – December 31, 2023	$ 338,980	$ 1,131	$ 1,612,446	$3,283,818	$ (97,374)	$ 975	$ 5,139,976
Cumulative effect of change in accounting principle	—	—	—	12,690	—	—	12,690
Balances – January 1, 2024	338,980	1,131	1,612,446	3,296,508	(97,374)	975	5,152,666
Net income	—	—	—	716,503	—	—	716,503
Earnings attributable to noncontrolling interest	—	—	—	(47)	—	47	—
Total other comprehensive income	—	—	—	—	21,238	—	21,238
Preferred stock dividends, $1.15624 per share	—	—	—	(16,187)	—	—	(16,187)
Common stock dividends, $1.58 per share	—	—	—	(180,639)	—	—	(180,639)
Return of capital to non-controlling interest	—	—	—	—	—	(451)	(451)
Issuance of 532,941 shares of common stock pursuant to stock-based compensation plans	—	6	856	—	—	—	862
Repurchase and cancellation of 11,903 shares of common stock under share repurchase program, including excise taxes	—	—	(462)	—	—	—	(462)
Repurchase and cancellation of 184,415 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(8,008)	—	—	—	(8,010)
Stock-based compensation expense	—	—	20,674	—	—	—	20,674
Forfeitures of 27,569 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – December 31, 2024	$ 338,980	$ 1,135	$ 1,625,506	$3,816,138	$ (76,136)	$ 571	$ 5,706,194

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Balances – December 31, 2022	$ 338,980	$ 1,172	$ 1,753,941	$2,773,135	$ (177,649)	$ 1,359	$ 4,690,938
Net income	—	—	—	690,839	—	—	690,839
Earnings attributable to noncontrolling interest	—	—	—	(56)	—	56	—
Total other comprehensive income	—	—	—	—	80,275	—	80,275
Preferred stock dividends $1.15624 per share	—	—	—	(16,187)	—	—	(16,187)
Common stock dividends, $1.42 per share	—	—	—	(163,913)	—	—	(163,913)
Return of capital to noncontrolling interest	—	—	—	—	—	(440)	(440)
Issuance of 522,651 shares of common stock pursuant to stock-based compensation plans	—	5	1,166	—	—	—	1,171
Repurchase and cancellation of 4,304,239 shares of common stock under share repurchase program	—	(44)	(151,421)	—	—	—	(151,465)
Repurchase and cancellation of 215,362 shares of common stock withheld for taxes pursuant to restricted stock vesting	—	(2)	(8,672)	—	—	—	(8,674)
Stock-based compensation expense	—	—	17,432	—	—	—	17,432
Forfeitures of 31,306 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – December 31, 2023	$ 338,980	$ 1,131	$ 1,612,446	$3,283,818	$ (97,374)	$ 975	$ 5,139,976

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Balances – December 31, 2021	$ 338,980	$ 1,254	$2,093,702	$2,378,466	$ 23,841	$ 3,117	$4,839,360
Net income	—	—	—	564,090	—	—	564,090
Earnings attributable to noncontrolling interest	—	—	—	51	—	(51)	—
Total other comprehensive loss	—	—	—	—	(201,490)	—	(201,490)
Preferred stock dividends $1.187 per share				(16,621)	—	—	(16,621)
Common stock dividends, $1.26 per share	—	—	—	(152,851)	—	—	(152,851)
Return of capital to noncontrolling interest	—	—	—	—	—	(1,707)	(1,707)
Issuance of 305,839 shares of common stock pursuant to stock-based compensation plans	—	3	2,490	—	—	—	2,493
Repurchase and cancellation of 8,373,398 shares of common stock under share repurchase program	—	(83)	(349,886)	—	—	—	(349,969)
Repurchase and cancellation of 116,864 shares of common stock withheld for taxes pursuant to restricted stock vesting	—	(1)	(5,572)	—	—	—	(5,573)
Stock-based compensation expense	—	—	13,206	—	—	—	13,206
Forfeitures of 82,397 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances – December 31, 2022	$ 338,980	$ 1,172	$1,753,941	$2,773,135	$ (177,649)	$ 1,359	$4,690,938

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2024	2023	2022
		(Dollars in thousands)	
Cash flows from operating activities:			
Net income	$ 716,503	$ 690,839	$ 564,090
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	27,250	30,083	30,067
Amortization, net of accretion	55,391	26,406	18,419
Earnings attributable to noncontrolling interest	(47)	(56)	51
Provision for credit losses	175,552	165,470	83,494
Provision for losses on foreclosed and other assets	3,467	1,268	1,055
Originations of mortgage loans held for sale	(28,909)	—	—
Proceeds from sales of mortgage loans held for sale	26,966	—	—
Net amortization of investment securities AFS	15,019	20,189	32,198
Net gains on investment securities	(560)	(3,243)	(2,019)
Amortization of operating lease right-of-use assets	6,601	7,313	7,031
Gains on sales of other assets	(3,417)	(9,029)	(11,467)
Deferred income tax expense (benefit)	56,368	(52,933)	63,825
Increase in cash surrender value of BOLI	(22,677)	(20,696)	(19,532)
BOLI death benefits in excess of cash surrender value	(1,344)	(2,966)	(807)
Stock-based compensation expense	20,674	17,432	13,206
Changes in assets and liabilities:			
Accrued interest receivable	(3,957)	(44,980)	(42,240)
Other assets, net	(27,615)	31,222	(19,310)
Accrued interest payable and other liabilities	(180,800)	25,232	46,885
Net cash provided by operating activities	834,465	881,551	764,946
Cash flows from investing activities:			
Proceeds from sales of FHLB and other bankers' bank stock	73,161	14,264	37,211
Purchases of FHLB and other bankers' bank stock	(62,691)	(22,257)	(38,829)
Proceeds from maturities/calls/paydowns of investment securities AFS	996,186	569,596	1,088,141
Proceeds from sales of investment securities AFS	948	5,310	24
Purchases of investment securities AFS	(575,854)	(241,650)	(960,358)
Proceeds from sale of loans	28,370	31,614	71,960
Net increase in loans	(3,613,162)	(5,811,407)	(2,554,547)
Purchases of premises and equipment	(95,617)	(29,139)	(29,852)
Proceeds from BOLI death benefits	3,106	4,947	5,155
Proceeds from sales of other assets	18,317	40,363	25,159
Net cash invested in unconsolidated investments	(25,377)	(92,190)	(52,963)
Net cash paid in branch divestiture transaction	—	—	(21,346)
Net cash (used) provided by investing activities	(3,252,613)	(5,530,549)	(2,430,245)
Cash flows from financing activities:			
Net increase in deposits	3,637,929	5,905,000	1,318,191
Net proceeds (repayments) of other borrowings	(384,505)	198,652	(149,655)
Proceeds from issuance of common stock pursuant to stock-based compensation plans	862	1,171	2,493
Return of capital to non-controlling interest	(451)	(440)	(1,707)
Cash dividends paid on common stock	(179,456)	(162,984)	(152,235)
Cash dividends paid on preferred stock	(16,187)	(16,187)	(16,621)
Repurchase and cancellation of shares of common stock – share repurchase program	(462)	(151,465)	(349,969)
Repurchase and cancellation of shares of common stock – withheld for taxes	(8,010)	(8,674)	(5,573)
Net cash provided by financing activities	3,049,720	5,765,073	644,924
Net increase (decrease) in cash and cash equivalents	631,572	1,116,075	(1,020,375)
Cash and cash equivalents – beginning of period	2,149,529	1,033,454	2,053,829
Cash and cash equivalents – end of period	$ 2,781,101	$ 2,149,529	$ 1,033,454

See accompanying notes to the consolidated financial statements.

1. Organization, Regulation and Summary of Significant Accounting Policies

Bank OZK (the "Bank") is headquartered in Little Rock, Arkansas and provides a wide range of retail and commercial banking services. At December 31, 2024, the Bank conducted operations through more than 240 offices in nine states, including offices in Arkansas, Georgia, Florida, North Carolina, Texas, Tennessee, California, New York and Mississippi. The Bank owns 100% of eight finance subsidiary business trusts - Ozark Capital Statutory Trust II ("Ozark II"), Ozark Capital Statutory Trust III ("Ozark III"), Ozark Capital Statutory Trust IV ("Ozark IV"), Ozark Capital Statutory Trust V ("Ozark V"), Intervest Statutory Trust II ("Intervest II"), Intervest Statutory Trust III ("Intervest III"), Intervest Statutory Trust IV ("Intervest IV") and Intervest Statutory Trust V ("Intervest V") (collectively, the "Trusts"). In addition, the Bank owns a subsidiary that holds its investment securities, a subsidiary engaged in the development of real estate, a subsidiary that holds an ownership interest in a private aircraft, a subsidiary that owns a renewable energy facility and various other entities that hold foreclosed assets or tax credits or engage in other activities.

The Bank is an Arkansas state banking corporation and is subject to regulation by the Arkansas State Bank Department ("ASBD"). Because the Bank is an insured depository institution that is not a member bank of the Federal Reserve System, its primary federal regulator is the Federal Deposit Insurance Corporation ("FDIC").

Basis of presentation, use of estimates and principles of consolidation – The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates, assumptions and judgments that affect the amounts reported in these consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

These consolidated financial statements include the accounts of the Bank, the investment subsidiary, the real estate subsidiary, the aircraft subsidiary, the renewable energy subsidiary and various other entities in accordance with GAAP. In addition, subsidiaries in which the Bank has a majority voting interest principally defined as owning a voting or economic interest greater than 50% or where the Bank exercises control over the operating and financial policies of the subsidiary through an operating agreement or other means are consolidated. Investments in companies that are not variable interest entity ("VIEs") and which the Bank does not have a majority voting interest or the Bank does not exercise control over the operating and financial policies are generally accounted for utilizing the cost or equity methods of accounting. Significant intercompany transactions and amounts have been eliminated in consolidation.

The voting interest approach is not applicable for entities that are not controlled through voting interests or in which the equity investors do not bear the residual economic risk. In such instances, management makes a determination, based on its review of applicable GAAP, on when the assets, liabilities and activities of the VIE should be included in the Bank's consolidated financial statements. GAAP requires a VIE to be consolidated by a company if that company has a controlling financial interest with both (1) the power to direct the activities of the entity that most significantly affects the entity's economic performance and (2) the obligation to absorb losses of the entity that could potentially be significant to the entity or the right to receive benefits from the entity that could potentially be significant to the entity. The Bank has determined that the 100%-owned finance subsidiary Trusts are VIEs, but that the Bank is not the primary beneficiary of the Trusts. Accordingly, the Bank does not consolidate the activities of the Trusts into its financial statements, but instead reports its ownership interests in the Trusts as other assets and reports the subordinated debentures issued to the Trusts as a liability in its consolidated balance sheets. The distributions on the subordinated debentures are reported as interest expense in the Bank's consolidated statements of income.

Cash and cash equivalents – For cash flow purposes, cash and cash equivalents include cash on hand, amounts due from banks, interest earning deposits with banks, and amounts on deposit with the Federal Reserve.

Investment securities – Management determines the appropriate classification of investment securities at the time of purchase and reevaluates such designation as of each balance sheet date. At December 31, 2024 and 2023, all of the Bank's investment securities were classified as available for sale ("AFS").

Investment securities AFS are reported at estimated fair value, with the unrealized gains and losses determined on a specific identification basis. Realized gains or losses on the sale of investment securities AFS are recognized on the specific identification method at the time of sale and are included in non-interest income. The Bank utilizes independent third parties as its principal pricing sources for determining fair value of investment securities which are measured on a recurring basis. As a result, the Bank receives estimates of fair value from at least two independent pricing sources for the majority of its individual securities within its investment portfolio. For investment securities traded in an active market, fair values are based on quoted market prices if available. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities, broker quotes or comprehensive interest rate tables, pricing matrices or a combination thereof. For investment securities traded in a market that is not active, fair value is determined using unobservable inputs. All fair value estimates of the Bank's investment securities are reviewed on a quarterly basis.

Investment securities AFS with unrealized gains are reported as a separate component of stockholders' equity, included in accumulated other comprehensive income (loss), are adjusted for changes in unrealized gains, net of related income tax, and are included in accumulated other comprehensive income (loss), on a specific identification basis. Investment securities AFS with unrealized losses require the Bank to evaluate its intent or likelihood of disposing of such investment securities. If the Bank intends to sell an investment security AFS in an unrealized loss position, or if it is more likely than not that it will be required to sell an investment security AFS in an unrealized loss position before recovery of its amortized cost basis, the investment security's amortized cost basis is written down to fair value through current period expense. If the Bank does not intend to sell an investment security AFS in an unrealized loss position, or if it is more likely than not that the Bank will not sell an investment security AFS that is in an unrealized loss position, the Bank is required to assess whether the decline in fair value has resulted from credit losses or non-credit factors. Factors considered during such review include the credit quality, finance condition and near term prospects of the issuer, the nature and cause of the unrealized loss and various other factors. If the Bank's assessment determines a material credit loss exists, the present value of cash flows expected to be collected from the investment security AFS is compared to the amortized cost basis of the investment security and if the present value of cash flows expected to be collected is less than amortized cost, an allowance for credit losses and a provision for credit loss expense may be recorded. If the Bank's assessment determines that a credit loss does not exist, the Bank records the decline in fair value through other comprehensive income (loss), net of related income tax effects with such decline included in accumulated other comprehensive income (loss).

The fair values of the Bank's investment securities traded in both active and inactive markets can be volatile and may be influenced by a number of factors including market interest rates, prepayment speeds, discount rates, credit quality of the issuer, general market conditions including market liquidity conditions and other factors. Factors and conditions are constantly changing, and fair values could be subject to material variations that may significantly affect the Bank's financial condition, results of operations and liquidity.

At December 31, 2024 and 2023, the Bank owned shares in the FHLB, First National Banker's Bankshares, Inc. and certain other bankers' bank stock, which do not have readily determinable fair values and are carried at cost.

Interest and dividends on investment securities, including the amortization of premiums and accretion of discounts are included in interest income. Any discount or premium on investment securities is accreted or amortized through maturity, or in the case of mortgage-backed securities over the estimated life of the security, except for premiums on callable securities are amortized to the earliest call date. Purchases and sales of investment securities are recorded on a trade-date basis.

Loans – Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balance adjusted for any charge-offs and accretion or amortization of deferred fees or costs. Interest on loans is recognized on an accrual basis and is calculated using the simple interest method on daily balances of the principal amount outstanding. Loan origination fees and costs are generally deferred and recognized over the life of the loan as an adjustment to yield on the related loan. Minimum interest, yield maintenance income and prepayment penalties are recorded as adjustments to yield on the related loan when such items are earned. Loan-related fees that are not considered yield adjustments are recorded as non-interest income when such items are earned and collection appears likely.

In the ordinary course of business, the Bank has entered into off-balance sheet financial instruments consisting of commitments to extend credit and letters of credit. Such financial instruments are recorded in the financial statements when they are funded. Related fees are generally recognized when collected.

Allowance for credit losses ("ACL") – The Bank utilizes the current expected credit loss ("CECL") methodology to determine its ACL, whereby a provision for credit losses is charged against income. The portion of loans that are deemed to be uncollectible are charged against the ACL when the Bank believes that collectability of all, or some portion of the outstanding amortized cost is unlikely. Subsequent recoveries, if any, of loans previously charged off are credited to the ACL. For credit risk related to a contractual obligation to extend credit, the Bank estimates expected credit losses over the contractual period considering the likelihood that funding will occur. On the Bank's consolidated balance sheet, the portion of the ACL related to the outstanding balance of the Bank's loan portfolio is a contra-asset valuation account that is reported as Allowance for Loan Losses ("ALL") and the portion of ACL related to the reserve for losses on unfunded loan commitments is reported as a liability.

The Bank utilizes a dual risk rating system that incorporates credit score cards, which utilize quantitative models and qualitative factors, in determining the risk rating for its commercial loans. This dual risk rating methodology incorporates an obligor risk rating ("ORR") and a facility risk rating ("FRR") which are combined to create a two-dimensional risk rating for commercial loans. The ORR is influenced by a loan's probability of default ("PD") as determined from the score cards, with such PDs affected by various financial metrics, such as projected cash flow, loan-to-value ("LTV"), property and/or market characteristics, borrower financial strength and other financial and loan characteristics. Thus, the higher a loan's PD, the more adverse the loan's ORR. The FRR is influenced by a loan's loss given default ("LGD") as determined from the score cards. LGDs are affected by the estimated loss when a borrower cannot or will not repay the loan. Estimated losses take into consideration the Bank's underwriting standards and protections including collateral and collateral margin requirements, lien position, compliance with any loan covenants, support required from guarantors, insurance and other factors. The higher a loan's LGD, the more adverse the loan's FRR. The combined dual risk rating provides an annual expected loss estimate for each commercial loan, and based on such loss estimates, a regulatory risk rating is assigned. Additionally, the Bank may apply risk rating "overrides" whereby management may further adjust a loan's risk rating to the extent it believes there is additional information about a loan or a borrower that is not fully reflected in the ORR and/or FRR. The Bank utilizes risk ratings from the scorecards in assigning and evaluating the credit quality of its commercial loans. The Bank's consumer loans and certain small business loans to individuals are not risk rated in the same manner as its commercial loans. Instead, these loans are risk rated based on performance and past due status with all such loans that are less than 30 days past due typically assigned a "pass rating" and all loans that are 30 days or more past due assigned a more adverse risk rating commensurate with each loan's perceived risk.

Outputs from the scorecards, including PD and LGD outputs, are utilized in determining the necessary ACL for all loans that contain similar risk characteristics. In determining the ACL, the Bank separates loans into similar risk characteristics and utilizes score card estimates of credit loss that categorize loans based on loan type. The loan types segregated by score card are as follows:

- Construction Real Estate – In assessing estimated credit losses on construction real estate loans, the Bank utilizes various project and borrower metrics, including, but not limited to, projected cash flow, LTV, property and/or market characteristics, and borrower financial strength.
- Commercial and Industrial – In assessing estimated credit losses on commercial and industrial loans, the Bank utilizes various borrower and loan metrics, including, but not limited to, borrower's financial position and results from operations, LTV, and borrower and/or guarantor financial strength.
- Consumer Mortgages – In assessing estimated credit losses on consumer mortgage loans, the Bank utilizes borrower information such as borrower's cash flow, credit score and LTV, among others.
- Consumer Recreational Vehicle ("RV") and Marine – In assessing estimated credit losses on RV and marine loans, the Bank utilizes various borrower information such as payment-to-income, credit score and LTV, among others.
- Other Consumer – In assessing estimated credit losses on other consumer loans, the Bank utilizes various borrower origination information such as vintage, credit score and product, among others.

The score cards utilized in determining the ACL use quantitative data related to the Bank's loans and unfunded loan commitments. In determining the estimated loss, the quantitative data utilized by the score card models includes, but is not limited to, estimated debt service coverage ratios, LTV ratios, total assets, total revenue and margin, and for consumer loans, individual credit scores. In addition, the score cards and the Bank's CECL platform incorporate varying future economic forecasts in estimating the Bank's ACL. While the Bank's score cards and CECL platform produce an estimated lifetime loss for all loans not individually evaluated, the score cards and CECL platform may have certain limitations. To address potential limitations, the Bank's methodology considers additional qualitative adjustments that are applied to its CECL calculations. In determining the ACL, the Bank utilizes a reasonable and supportable forecast period of two years followed by a reversion of estimated losses on a systematic basis back to its historical mean. Expected credit losses are estimated over the contractual term of the loan, adjusted for anticipated or expected prepayments. The contractual term of the loan excludes expected extensions or modifications.

The ACL is maintained at a level that the Bank believes will be adequate to absorb expected credit losses in future periods associated with its loan portfolio and unfunded loan commitments. Provisions to and the adequacy of the ACL are based on evaluations of the loan portfolio utilizing objective and subjective criteria. The objective criteria primarily includes estimated losses that are modeled from the respective score cards and the outputs from the Bank's CECL platform. In addition to these objective criteria, the Bank subjectively assesses the adequacy of the ACL and the need for changes thereto, with consideration given to the nature and mix of the portfolio, national, regional and local business and economic conditions that may affect borrowers' ability to pay, concentrations of credit, changes in the experience, ability and depth of lending management and other relevant staff, changes in the nature and volume of the portfolio and in the terms of the loans, overall portfolio quality, historical loss experience and other relevant factors. In addition, for loans that do not share risk characteristics similar to those contained within their respective loan segments, the Bank may perform an individual assessment of the ACL utilizing expected cash flows, collateral values or a combination thereof. On an ongoing basis, the Bank evaluates the underlying collateral on certain collateral dependent loans and, if needed, due to changes in market or property conditions, the underlying collateral is reassessed and the estimated collateral value is revised. The determination of collateral value includes any adjustments considered necessary related to estimated holding periods, estimated liquidation discounts and estimated selling costs. While an individual assessment and related ACL has been calculated for certain loans, no portion of the Bank's ACL is restricted to any individual loan or group of loans, and the entire ACL is available to absorb losses from any and all loans, including unfunded loan commitments.

Changes in the criteria used in this evaluation or the availability of new information could cause the ACL to be increased or decreased in future periods. In addition, bank regulatory agencies, as part of their examination process, may require adjustments to the ACL based on their judgment and estimates.

The accrual of interest on loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. The Bank generally places a loan on nonaccrual status when such loan is (i) nonperforming or (ii) 90 days or more past due, or earlier when doubt exists as to the ultimate collection of payments. The Bank may continue to accrue interest on certain loans contractually past due 90 days or more if such loans are both well secured and in the process of collection. At the time a loan is placed on nonaccrual status, interest previously accrued but uncollected is reversed and charged against interest income. Nonaccrual loans are generally returned to accrual status when payments are no longer past due, the loan has performed in accordance with its contractual terms for a reasonable period of time (generally at least six months) and is expected to continue to perform in accordance with its contractual terms. If a loan is determined to be uncollectible, the portion of the principal determined to be uncollectible is charged against the ACL. Income on nonaccrual loans is recognized on a cash basis when and if actually collected.

Foreclosed assets – Repossessed personal properties and real estate acquired through or in lieu of foreclosure are recorded at fair value less estimated cost to sell at the date of repossession or foreclosure.

Valuations of all foreclosed assets are periodically reviewed by management with the carrying value of such assets adjusted through non-interest expense to the then estimated fair value, generally based on third-party appraisals, broker price opinions or other valuations of the property, net of estimated selling costs. Gains and losses from the sale of such repossessions and real estate acquired through or in lieu of foreclosure are recorded in non-interest income and expenses to maintain the properties are included in non-interest expense.

Premises and equipment – Premises and equipment are reported at cost less accumulated depreciation and amortization. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the asset's estimated useful life or the term of the lease. Accelerated depreciation methods are used for income tax purposes. Maintenance and repair charges are expensed as incurred.

Income taxes – The Bank utilizes the asset and liability method in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based upon the difference between the values of the assets and liabilities as reflected in the financial statements and their related tax basis using enacted tax rates in effect for the year or years in which the differences are expected to be recovered or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

As a result of recording, at fair value, acquired assets and assumed liabilities pursuant to business combinations, differences in amounts reported for financial statement purposes and their related basis for federal and state income tax purposes are created. Such differences are recorded as deferred tax assets and liabilities using enacted tax rates in effect for the year or years in which the differences are expected to be recovered or settled. To the extent that information becomes available that results in a change in management's estimates and assumptions, an increase or decrease of the deferred tax asset or liability is recorded as an adjustment to deferred income tax expense (benefit).

The Bank recognizes a tax position as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Bank files consolidated tax returns. The Bank and the other consolidated entities provide for income taxes on a separate return basis and remit to the Bank amounts determined to be currently payable. The Bank recognizes interest related to income tax matters as interest income or expense, and penalties related to income tax matters are recognized as non-interest expense. The Bank is no longer subject to income tax examinations by U.S. federal, state and local tax authorities for years prior to 2019.

Bank owned life insurance ("BOLI") – BOLI consists of life insurance purchased by the Bank on (i) a qualifying group of officers with the Bank designated as owner and beneficiary of the policies and (ii) one of the Bank's executive officers with the Bank designated as owner and both the Bank and the executive officer designated as beneficiaries of the policies. The increases in the cash surrender values on BOLI policies help to offset a portion of employee benefit costs or to offset a portion of the costs of a supplemental executive retirement plan for one of the Bank's executive officers. BOLI is carried at the policies' realizable cash surrender values with changes in cash surrender values and death benefits received in excess of cash surrender values reported in non-interest income.

Goodwill – Goodwill represents the excess purchase price over the fair value of net assets acquired in business acquisitions. The Bank had goodwill of $660.8 million at both December 31, 2024 and 2023. The Bank reviews goodwill annually, or more frequently if events or changes in circumstances indicate the carrying value might be impaired. The Bank performed its annual impairment test of goodwill as of September 30, 2024, which included comparing the estimated fair value of the Bank's operations (the reporting unit) with net book value. The September 30, 2024 impairment test did not indicate an impairment of goodwill.

Service charges on deposit accounts – Service charges on deposit accounts typically represent fees for monthly account maintenance and transaction activity, including overdraft fees. This revenue is generally recognized when the performance obligation has been achieved, the transaction is completed and/or the fee is incurred and payment is generally received when the performance obligation has been satisfied or the fee has been incurred.

Stock-based compensation – The Bank has an equity incentive plan for officers and employees and non-employee directors, which is described more fully in Note 15. The Bank measures the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award and, in the case of certain long-term incentive agreements, based on the expected performance achievement levels over the term of the agreements. Such cost is recognized over the vesting period of the award.

Earnings per common share – Earnings per common share ("EPS") are computed using the two-class method. Basic EPS are computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS are computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding after consideration of the dilutive effect, if any, of the Bank's common stock options using the treasury stock method and the Bank's non-vested performance stock units under its long-term incentive agreements. The Bank has determined that its outstanding non-vested restricted stock awards that were granted to its employees and non-employee directors are participating securities. The calculations of basic and diluted EPS are included in Note 23.

Segment disclosures – The Bank operates in only one segment with the Bank's Chairman of the Board and Chief Executive Officer being the chief operating decision maker ("CODM") for the Bank. The Bank's CODM evaluates the Bank's consolidated net income and net interest income, among other consolidated metrics, in managing the Bank's resources and assessing performance. The Bank's consolidated net income and net interest income are disclosed on the face of the Consolidated Statements of Net Income on page 80. Accordingly, there is no requirement to report segment information in the Bank's consolidated financial statements. The Bank operates in only one business segment.

Recent accounting pronouncements – On March 29, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-02, *Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* ("ASU 2023-02"). ASU 2023-02 permits reporting entities to elect to account for equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. The Bank adopted ASU 2023-02 on January 1, 2024 using the modified retrospective method and, at adoption, the Bank recorded as a cumulative effect from the change in accounting principle a $12.7 million increase to the Bank's retained earnings. At adoption, the Bank increased the carrying value of its tax credit investments, which are included in other assets, and increased other liabilities by $210 million to account for uncalled capital commitments that are unconditional and legally binding.

On November 27, 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). ASU 2023-07 amends the disclosure requirements related to segment reporting primarily through enhanced disclosure about significant segment expenses and by requiring disclosure of segment information on an annual and interim basis. ASU 2023-07 was effective for annual periods beginning after December 15, 2023 and subsequent interim periods beginning after December 15, 2024. The Bank adopted ASU 2023-07 effective December 31, 2024 with no material impact on the Bank's financial statement disclosures. The Bank operates in only one business segment and does not have foreign operations.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 requires public business entities to, on an annual basis, disclose a tabular rate reconciliation using both percentage and reporting currency amounts with additional qualitative disclosures of individually significant reconciling items, if needed. ASU 2023-09 also requires all entities on an annual basis to disclose income taxes paid, net of refunds, disaggregated by jurisdiction (federal, state, and foreign). For public business entities, ASU 2023-09 is effective for annual periods beginning after December 15, 2024, though early adoption is permitted. The Bank is currently assessing the potential impact of ASU 2023-09 but does not expect it to have a significant impact on our financial statement disclosures.

On November 4, 2024, the FASB issued ASU 2024-03, *Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"). ASU 2024-03 will require public business entities to disclose disaggregated information about certain expense categories in the notes to the financial statements at interim and annual reporting periods. For public business entities, ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Bank is currently assessing the potential impact of ASU 2024-03 but does not expect it to have a significant impact on our financial statement disclosures.

Reclassifications – Certain reclassifications of prior years' amounts have been made to conform with the 2024 financial statements presentation. These reclassifications had no impact on prior years' net income, as previously reported.

2. Investment Securities

The following table presents the amortized cost and estimated fair value of investment securities AFS as of the dates indicated.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(Dollars in thousands)			
December 31, 2024:				
U.S. Government agency mortgage-backed securities	$ 1,327,396	$ 3	$ (70,928)	$ 1,256,471
Obligations of state and political subdivisions	1,451,430	8,825	(34,559)	1,425,696
Other U.S. Government agency securities	130,000	—	(282)	129,718
Corporate obligations	26,718	—	(2,453)	24,265
Total investment securities AFS	$ 2,935,544	$ 8,828	$ (108,222)	$ 2,836,150
December 31, 2023:				
U.S. Government agency mortgage-backed securities	$ 1,272,015	$ 1	$ (97,587)	$ 1,174,429
Obligations of state and political subdivisions	1,406,617	22,727	(28,456)	1,400,888
Other U.S. Government agency securities	658,851	—	(20,579)	638,272
Corporate obligations	34,341	—	(3,559)	30,782
Total investment securities AFS	$ 3,371,824	$ 22,728	$ (150,181)	$ 3,244,371

The following table shows the estimated fair value of investment securities AFS having gross unrealized losses and the amount of such unrealized losses, aggregated by investment category and length of time that individual investment securities have been in a continuous unrealized loss position, as of the dates indicated.

	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
	(Dollars in thousands)					
December 31, 2024:						
U.S. Government agency mortgage-backed securities	$ 398,325	$ 1,383	$ 857,891	$ 69,545	$ 1,256,216	$ 70,928
Obligations of state and political subdivisions	376,957	5,413	411,147	29,146	788,104	34,559
Other U.S. Government agency securities	—	—	129,718	282	129,718	282
Corporate obligations	536	2	23,729	2,451	24,265	2,453
Total investment securities AFS	$ 775,818	$ 6,798	$ 1,422,485	$ 101,424	$ 2,198,303	$ 108,222
December 31, 2023:						
U.S. Government agency mortgage-backed securities	$ 771	$ 8	$ 1,173,593	$ 97,579	$ 1,174,364	$ 97,587
Obligations of state and political subdivisions	218,365	2,822	455,862	25,634	674,227	28,456
Other U.S. Government agency securities	—	—	638,272	20,579	638,272	20,579
Corporate obligations	—	—	30,782	3,559	30,782	3,559
Total investment securities AFS	$ 219,136	$ 2,830	$ 2,298,509	$ 147,351	$ 2,517,645	$ 150,181

In evaluating the Bank's unrealized loss positions for credit losses of its investment securities portfolio, management considers the credit quality, financial condition and near terms prospects of the issuer, the nature and cause of the unrealized loss and other factors. While the Bank periodically evaluates its investment strategy relative to current economic and business conditions, at the present time, the Bank does not have the intent to sell these investment securities with unrealized losses and, more likely than not, will not sell these investment securities before fair value recovers to amortized cost. In addition, for the vast majority of investment securities AFS in an unrealized loss position, the Bank does not believe the unrealized losses are the result of issues with credit quality.

The following table shows the amortized cost and estimated fair value of investment securities AFS by maturity or estimated date of repayment as of December 31, 2024.

Maturity or Estimated Repayment	Amortized Costs	Estimated Fair Value
	(Dollars in thousands)	
One year or less	$ 584,798	$ 565,504
After one year to five years	842,583	796,830
After five years to ten years	436,070	418,751
After ten years	1,072,093	1,055,065
Total	$ 2,935,544	$ 2,836,150

For purposes of this maturity or estimated repayment distribution, all investment securities AFS are shown based on their contractual maturity date or estimated date of repayment, except (i) U.S. Government agency mortgage-backed securities are allocated among various maturities or repayment categories based on an estimated repayment schedule utilizing third-party median prepayment speeds or other estimates of prepayment speeds and interest rate levels at the measurement date and (ii) callable investment securities for which the Bank has received notification of call are included in the maturity or repayment category in which the call occurs or is expected to occur. Expected maturities may differ from contractual maturities because issuers have the right to call or prepay obligations with or without call or prepayment penalties.

Investment securities with carrying values of $0.79 billion and $0.92 billion at December 31, 2024 and 2023, respectively, were pledged to secure public funds and trust deposits and for other purposes required or permitted by law.

At December 31, 2024, mortgage-backed securities issued by the Federal National Mortgage Association were the only holdings of investment securities in an amount greater than 10% of total stockholders' equity. At December 31, 2023, mortgage-backed securities issued by the Federal National Mortgage Association and callable debentures issued by the FHLB were the only holdings of investment securities in an amount greater than 10% of total stockholders' equity.

3. Loans

The following table is a summary of the Bank's loan portfolio by principal category as of the dates indicated.

	December 31,			
	2024		2023	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,323,435	4.4%	$ 961,338	3.6%
Non-farm/non-residential	7,842,692	26.2	5,309,239	20.1
Construction/land development	9,522,676	31.8	11,653,487	44.0
Agricultural	296,898	1.0	256,423	1.0
Multifamily residential	3,272,635	10.9	2,064,106	7.8
Total real estate	22,258,336	74.3	20,244,593	76.5
Commercial and industrial	1,728,801	5.8	1,269,610	4.8
Consumer	3,659,713	12.2	2,965,042	11.2
Other	2,322,017	7.7	1,979,830	7.5
Total loans	$ 29,968,867	100.0%	$ 26,459,075	100.0%

At December 31, 2024, the Bank's loan portfolio consisted of 74.3% real estate loans, 5.8% commercial and industrial loans, 12.2% consumer loans and 7.7% other loans. Real estate loans, the largest category of loans, include loans secured by real estate as evidenced by mortgages or other liens, including loans made to finance the development of real property construction projects.

4. Allowance for Credit Losses ("ACL") and Credit Quality Indicators

Allowance for Credit Losses

The following table is a summary of activity within the ACL for the periods indicated.

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Year ended December 31, 2024			
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Net charge-offs	(57,420)	—	(57,420)
Provision for credit losses	183,573	(8,021)	175,552
Balances – December 31, 2024	$ 465,547	$ 153,813	$ 619,360
Year ended December 31, 2023			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(29,519)	—	(29,519)
Provision for credit losses	160,055	5,415	165,470
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Year ended December 31, 2022			
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Net charge-offs	(7,206)	—	(7,206)
Provision for credit losses	(1,316)	84,810	83,494
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277

The calculations of the Bank's provision for credit losses for 2024 and total ACL at December 31, 2024 were based on a number of key estimates, assumptions and economic forecasts. The Bank utilized recent economic forecasts provided by Moody's, including their updates released in December 2024. In selecting the weightings for the various economic scenarios for purposes of determining the ACL at December 31, 2024, the combined weightings assigned to Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody's Baseline scenario. The Bank's selection and weightings of these scenarios reflected its assessment of conditions in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including risks from: U.S. fiscal policy actions; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; changes in the federal funds target rate; quantitative tightening; a possible recession; inflationary pressures; the conflict in the Middle East; the ongoing war in Ukraine; global trade and geopolitical matters; supply chain disruptions; labor disputes and strikes; and various other factors. For purposes of the forecasts used in the calculation of the ACL, management utilized a reasonable and supportable forecast period of two years, followed by a reversion, on a systematic basis, of estimated losses back to the Bank's historical mean. Management also utilized certain qualitative adjustments to the ACL estimates to capture items not included in the modeled results or other assumptions.

The following table is a summary of the Bank's ACL for the periods indicated.

	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
	(Dollars in thousands)				
Year ended December 31, 2024					
Real estate:					
Residential 1-4 family	$ 23,151	$ (1,121)	$ 587	$ 8,490	$ 31,107
Non-farm/non-residential	44,250	(15,693)	11,594	84,188	124,339
Construction/land development	127,320	(38,547)	128	(3,718)	85,183
Agricultural	4,732	—	28	2,100	6,860
Multifamily residential	15,469	—	—	42,793	58,262
Commercial and industrial	7,626	(277)	165	(357)	7,157
Consumer	98,974	(13,233)	2,235	31,575	119,551
Other	17,872	(3,930)	644	18,502	33,088
Total ALL for funded loans	339,394	(72,801)	15,381	183,573	465,547
Reserve for losses on unfunded loan commitments	161,834	—	—	(8,021)	153,813
Total ACL	$ 501,228	$ (72,801)	$ 15,381	$ 175,552	$ 619,360
Year ended December 31, 2023					
Real estate:					
Residential 1-4 family	$ 19,506	$ (108)	$ 1,019	$ 2,734	$ 23,151
Non-farm/non-residential	43,605	(22,633)	2,317	20,961	44,250
Construction/land development	66,467	—	234	60,619	127,320
Agricultural	3,512	(36)	36	1,220	4,732
Multifamily residential	5,345	(4)	—	10,128	15,469
Commercial and industrial	8,728	(340)	975	(1,737)	7,626
Consumer	50,202	(9,387)	1,794	56,365	98,974
Other	11,493	(3,990)	604	9,765	17,872
Total ALL for funded loans	208,858	(36,498)	6,979	160,055	339,394
Reserve for losses on unfunded loan commitments	156,419	—	—	5,415	161,834
Total ACL	$ 365,277	$ (36,498)	$ 6,979	$ 165,470	$ 501,228
Year ended December 31, 2022					
Real estate:					
Residential 1-4 family	$ 18,675	$ (519)	$ 1,112	$ 238	$ 19,506
Non-farm/non-residential	79,524	(7,780)	7,328	(35,467)	43,605
Construction/land development	54,036	(3)	125	12,309	66,467
Agricultural	3,070	(36)	14	464	3,512
Multifamily residential	6,424	—	89	(1,168)	5,345
Commercial and industrial	8,017	(1,156)	426	1,441	8,728
Consumer	37,430	(4,797)	1,165	16,404	50,202
Other	10,204	(3,901)	727	4,463	11,493
Total ALL for funded loans	217,380	(18,192)	10,986	(1,316)	208,858
Reserve for losses on unfunded loan commitments	71,609	—	—	84,810	156,419
Total ACL	$ 288,989	$ (18,192)	$ 10,986	$ 83,494	$ 365,277

The following table presents a summary of the Bank's loans on nonaccrual status with ALL and loans on nonaccrual status with no ALL as of the dates indicated.

	Nonaccrual Loans with ALL	Nonaccrual Loans with no ALL	Total Nonaccrual Loans
		(Dollars in thousands)	
December 31, 2024:			
Real estate:			
Residential 1-4 family	$ 26,100	$ 1,048	$ 27,148
Non-farm/non-residential	945	2,387	3,332
Construction/land development	88,672	—	88,672
Agricultural	267	—	267
Multifamily residential	—	3,031	3,031
Commercial and industrial	1,107	—	1,107
Consumer	7,933	4	7,937
Total	$ 125,024	$ 6,470	$ 131,494
December 31, 2023:			
Real estate:			
Residential 1-4 family	$ 26,884	$ 1,438	$ 28,322
Non-farm/non-residential	21,498	2,335	23,833
Construction/land development	1,798	—	1,798
Agricultural	270	—	270
Multifamily residential	—	3,089	3,089
Commercial and industrial	1,551	—	1,551
Consumer	7,726	—	7,726
Other	88	—	88
Total	$ 59,815	$ 6,862	$ 66,677

Interest income on nonperforming loans is recognized on a cash basis when and if actually collected. Total interest income recognized on nonperforming loans during 2024, 2023 and 2022 was not material.

Credit Quality Indicators

The following table provides the credit quality indicators for the Bank's total loans by loan segment and period of origination as of the date indicated. At December 31, 2024, the Bank had no outstanding loans risk rated as doubtful or loss. Loans are presented on an amortized cost basis which includes unamortized fees and costs but excludes accrued interest.

	Period of Origination						Revolving Loans Amortized Cost Basis	Total
	Year Ended December 31,					Prior to January 1, 2020		
	2024	2023	2022	2021	2020			
	(Dollars in thousands)							
December 31, 2024:								
Residential 1-4 family								
Pass	$ 348,828	$ 88,374	$ 220,384	$ 138,099	$ 84,974	$ 212,531	$ 193,027	$1,286,217
Special Mention	835	316	1,892	837	1,392	4,036	192	9,500
Substandard [2]	21	813	673	2,346	5,676	18,001	188	27,718
Total residential 1-4 family	349,684	89,503	222,949	141,282	92,042	234,568	193,407	1,323,435
Non-farm/non-residential								
Pass	134,909	918,907	2,593,532	1,696,937	1,501,649	674,666	29,007	7,549,607
Special Mention	383	724	133,966	59,681	5,735	67,337	—	267,826
Substandard [2]	—	—	88	23,381	227	1,563	—	25,259
Total non-farm/non-residential	135,292	919,631	2,727,586	1,779,999	1,507,611	743,566	29,007	7,842,692
Construction/land development								
Pass	1,030,999	2,527,475	4,027,524	692,484	300,059	481,174	114,411	9,174,126
Special Mention	453	498	6,281	217,545	3,185	149	—	228,111
Substandard [2]	—	—	288	59	—	88,502	31,590	120,439
Total construction/land development	1,031,452	2,527,973	4,034,093	910,088	303,244	569,825	146,001	9,522,676
Agricultural								
Pass	40,312	40,871	57,951	55,282	26,515	74,458	1,126	296,515
Special Mention	—	—	—	116	—	—	—	116
Substandard [2]	—	—	—	—	—	267	—	267
Total agricultural	40,312	40,871	57,951	55,398	26,515	74,725	1,126	296,898
Multifamily residential								
Pass	5,631	153,735	1,194,000	1,231,801	395,912	144,824	9,227	3,135,130
Special Mention	—	—	—	120,222	—	—	—	120,222
Substandard [2]	—	—	—	1,516	1,748	14,019	—	17,283
Total multifamily residential	5,631	153,735	1,194,000	1,353,539	397,660	158,843	9,227	3,272,635
Commercial and industrial								
Pass	317,768	57,387	62,368	41,429	10,852	22,657	1,205,700	1,718,161
Special Mention	—	141	4,012	482	—	1,227	1,992	7,854
Substandard [2]	—	15	1,377	—	1,236	158	—	2,786
Total commercial and industrial	317,768	57,543	67,757	41,911	12,088	24,042	1,207,692	1,728,801
Consumer								
Pass	1,216,928	791,072	519,315	283,517	92,355	730,973	6,982	3,641,142
Special Mention	966	2,447	2,995	1,425	228	2,572	—	10,633
Substandard [2]	143	891	1,400	441	302	4,761	—	7,938
Total consumer	1,218,037	794,410	523,710	285,383	92,885	738,306	6,982	3,659,713
Other								
Pass	72,233	20,629	824,570	2,218	359	126,103	1,210,350	2,256,462
Special Mention	—	—	68	7	—	94	9,424	9,593
Substandard [2]	—	—	55,962	—	—	—	—	55,962
Total other	72,233	20,629	880,600	2,225	359	126,197	1,219,774	2,322,017
Total	$3,170,409	$4,604,295	$9,708,646	$4,569,825	$2,432,404	$2,670,072	$2,813,216	$29,968,867
Gross charge-offs [1]	$ 4,761	$ 3,497	$ 4,049	$ 6,296	$ 9,816	$ 44,382	$ —	$ 72,801

(1) Gross charge-offs for the year ended December 31, 2024.
(2) Includes both substandard accrual loans and substandard nonaccrual loans.

The following table is a summary of credit quality indicators for the Bank's total loans as of the dates indicated.

	Pass	Special Mention	Substandard Accrual	Substandard Nonaccrual	Total
			(Dollars in thousands)		
December 31, 2024:					
Real estate:					
Residential 1-4 family	$ 1,286,217	$ 9,500	$ 570	$ 27,148	$ 1,323,435
Non-farm/non-residential	7,549,607	267,826	21,927	3,332	7,842,692
Construction/land development	9,174,126	228,111	31,767	88,672	9,522,676
Agricultural	296,515	116	—	267	296,898
Multifamily residential	3,135,130	120,222	14,252	3,031	3,272,635
Commercial and industrial	1,718,161	7,854	1,679	1,107	1,728,801
Consumer	3,641,142	10,633	1	7,937	3,659,713
Other	2,256,462	9,593	55,962	—	2,322,017
Total	$ 29,057,360	$ 653,855	$ 126,158	$ 131,494	$ 29,968,867
December 31, 2023:					
Real estate:					
Residential 1-4 family	$ 919,956	$ 12,838	$ 222	$ 28,322	$ 961,338
Non-farm/non-residential	5,237,576	37,653	10,177	23,833	5,309,239
Construction/land development	11,461,269	22,895	167,525	1,798	11,653,487
Agricultural	255,885	268	—	270	256,423
Multifamily residential	2,061,001	—	16	3,089	2,064,106
Commercial and industrial	1,263,198	4,422	439	1,551	1,269,610
Consumer	2,951,522	5,794	—	7,726	2,965,042
Other	1,977,986	1,756	—	88	1,979,830
Total	$ 26,128,393	$ 85,626	$ 178,379	$ 66,677	$ 26,459,075

At December 31, 2024, the Bank's loans categorized as special mention totaled $653.9 million and primarily consisted of loans collateralized by life science, multifamily, office and hotel properties.

At December 31, 2024, the Bank had substandard loans totaling $126.2 million that were on accrual status and therefore were not designated as nonperforming, including three credits originated by the Bank's Real Estate Specialties Group with a total balance of $104.6 million which were collateralized by office properties and single family lots and homes.

At December 31, 2024, the Bank had substandard nonaccrual loans totaling $131.5 million, which included a construction/land development loan collateralized by vacant land in Chicago, Illinois. During 2024, the Bank placed this loan on nonaccrual status and recognized charge-offs totaling $37.7 million. As of December 31, 2024, this loan had a book balance of $88.4 million, which represented less than 1% of the Bank's total construction/land development loans. Subsequent to the initial charge-off, the Bank executed two short-term maturity extensions which resulted in the Bank receiving $1.9 million in payments that were applied to the loan balance. At December 31, 2024, the loan was current as a result of such payments, and the Bank had no additional commitments to advance funds on this loan.

The following categories of credit quality indicators are utilized by the Bank for its internal loan grading purposes.

Pass – Loans in this category exhibit minimal or moderate levels of risk and are not expected to result in loss.

Special Mention – Loans in this category have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Bank's credit position at some future date.

Substandard – Loans in this category are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard loans are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

Doubtful – Loans in this category have all the weaknesses inherent in those classified as substandard with the added characteristics that weaknesses make collection in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable.

Loss – Loans in this category are considered uncollectible. Loans classified as loss do not mean the loan has absolutely no recovery or salvaged value but rather it is not practical or desirable to delay charging off.

The Bank considers its residential 1-4 family loans (including consumer construction loans and 1-4 family properties), consumer loans, and certain small business loans to be (i) pass – if they are performing and less than 30 days past due, (ii) special mention – if they are performing and 30 to 89 days past due or (iii) substandard – if they are nonperforming or 90 days or more past due.

The following table is an aging analysis of past due loans as of the dates indicated.

	30-59 Days Past Due (1)	60-89 Days Past Due (2)	90 Days or More (3)	Total Past Due	Current (4)	Total
	(Dollars in thousands)					
December 31, 2024:						
Real estate:						
Residential 1-4 family	$ 11,763	$ 6,156	$ 6,066	$ 23,985	$ 1,299,450	$ 1,323,435
Non-farm/non-residential	1,614	2,387	216	4,217	7,838,475	7,842,692
Construction/land development	286	—	142	428	9,522,248	9,522,676
Agricultural	—	—	202	202	296,696	296,898
Multifamily residential	—	—	3,031	3,031	3,269,604	3,272,635
Commercial and industrial	4,498	639	956	6,093	1,722,708	1,728,801
Consumer	7,482	3,709	353	11,544	3,648,169	3,659,713
Other	—	7	—	7	2,322,010	2,322,017
Total	$ 25,643	$ 12,898	$ 10,966	$ 49,507	$ 29,919,360	$ 29,968,867
December 31, 2023:						
Real estate:						
Residential 1-4 family	$ 9,649	$ 7,737	$ 4,136	$ 21,522	$ 939,816	$ 961,338
Non-farm/non-residential	786	295	19,173	20,254	5,288,985	5,309,239
Construction/land development	—	167	1,588	1,755	11,651,732	11,653,487
Agricultural	—	—	205	205	256,218	256,423
Multifamily residential	—	—	3,089	3,089	2,061,017	2,064,106
Commercial and industrial	187	126	1,034	1,347	1,268,263	1,269,610
Consumer	5,584	980	38	6,602	2,958,440	2,965,042
Other	—	88	—	88	1,979,742	1,979,830
Total	$ 16,206	$ 9,393	$ 29,263	$ 54,862	$ 26,404,213	$ 26,459,075

(1) Includes $6.2 million and $4.8 million of loans on nonaccrual status at December 31, 2024 and 2023, respectively.
(2) Includes $6.7 million and $4.9 million of loans on nonaccrual status at December 31, 2024 and 2023, respectively.
(3) All loans greater than 90 days past due were on nonaccrual status at December 31, 2024 and 2023, respectively.
(4) Includes $107.6 million and $27.7 million of loans on nonaccrual status at December 31, 2024 and 2023, respectively.

5. Foreclosed Assets

The following table is a summary of the amount and type of foreclosed assets as of the dates indicated.

	December 31, 2024	December 31, 2023
	(Dollars in thousands)	
Real estate:		
Non-farm/non-residential	$ 8,318	$ 515
Construction/land development	59,964	59,975
Agricultural	—	76
Total real estate	68,282	60,566
Consumer	1,099	1,154
Total foreclosed assets	$ 69,381	$ 61,720

The following table is a summary of activity within foreclosed assets during the years indicated.

	Year Ended December 31, 2024	2023	2022
	(Dollars in thousands)		
Balance – beginning of period	$ 61,720	$ 6,616	$ 5,744
Loans and other assets transferred into foreclosed assets	29,674	75,299	13,151
Sales of foreclosed assets	(18,546)	(18,927)	(11,224)
Writedowns of foreclosed assets	(3,467)	(1,268)	(1,055)
Balance – end of period	$ 69,381	$ 61,720	$ 6,616

6. Premises and Equipment

The following table is a summary of premises and equipment as of the dates indicated.

	December 31, 2024	December 31, 2023
	(Dollars in thousands)	
Land	$ 181,538	$ 147,992
Buildings and improvements	499,834	474,465
Leasehold improvements	32,544	19,123
Equipment	169,928	168,019
Lease right-of-use assets	102,779	102,633
Gross premises and equipment	986,623	912,232
Accumulated depreciation and amortization	(247,512)	(235,411)
Premises and equipment, net	$ 739,111	$ 676,821

Interest capitalized by the Bank on construction projects totaled $2.3 million during 2024 and $0.5 million during 2023.

7. Leases

The Bank's right-of-use asset (net of accumulated depreciation), which totaled $59.5 million and $66.0 million at December 31, 2024 and 2023, respectively, is included in premises and equipment, and the Bank's lease liability, which totaled $64.0 million and $69.9 million at December 31, 2024 and 2023, respectively, is included in accrued interest payable and other liabilities on the Bank's consolidated balance sheet. At both December 31, 2024 and 2023, the Bank's leases were comprised primarily of building and ground leases associated with certain branch locations or loan production offices. A portion of the Bank's leases include rent escalations, some of which are tied to the consumer price index, and are measured on a periodic basis. The majority of the Bank's lease agreements do not contain residual value guarantees or restricted covenants. In addition, many of the Bank's leases contain renewal options. If the Bank is reasonably certain that such options will be exercised, the Bank has included the effects of extending these leases in the determination of the lease term.

The Bank incurred $11.3 million, $10.6 million and $10.1 million during 2024, 2023 and 2022, respectively, in lease operating cost that is included in net occupancy and equipment expense in the Bank's consolidated statements of income. The Bank's variable lease costs were not material for the year ended December 31, 2024, 2023 or 2022. The Bank's weighted average remaining life for its right-of-use lease assets were 17.3 years, 16.4 years and 17.3 years at December 31, 2024, 2023 and 2022, respectively. The Bank's weighted average interest rate for its lease liability was 3.9%, 3.6% and 3.1% at December 31, 2024, 2023 and 2022, respectively.

The following table is a summary, as of the date indicated, of future amounts due under these non-cancelable leases.

	December 31, 2024
	(Dollars in thousands)
2025	$ 7,814
2026	6,299
2027	6,166
2028	6,087
2029	5,365
Thereafter	61,246
Total minimum lease payments	92,977
Less imputed interest	(28,992)
Total operating lease liabilities	$ 63,985

8. Deposits

The following table presents time deposits by maturity and composition as of the dates indicated.

	December 31,	
	2024	2023
	(Dollars in thousands)	
2025	$ 16,702,130	$ 13,090,697
2026	591,734	1,095,652
2027	9,890	30,472
2028	8,300	8,729
2029	6,651	9,242
Thereafter	101	181
Total time deposits	$ 17,318,806	$ 14,234,973
Time deposits $250,000 and less	$ 12,461,409	$ 10,265,125
Time deposits greater than $250,000	4,857,397	3,969,848
Total time deposits	$ 17,318,806	$ 14,234,973

9. Short-Term Borrowings

Short-term borrowings with original maturities less than one year include FHLB advances, federal funds purchased and to a lesser extent, repurchase agreements with customers. The following table is a summary of information relating to the Bank's short-term borrowings as of the dates indicated. The following table excludes repurchase agreements.

	December 31,	
	2024	2023
	(Dollars in thousands)	
Average annual balance	$ 255,165	$ 798,727
December 31 balance	420,000	800,000
Maximum month-end balance during year	950,000	1,425,000
Interest rate:		
Weighted-average – year	5.06%	5.26%
Weighted-average – December 31	4.39%	5.48%

At December 31, 2024, the Bank had FHLB advances and federal funds purchased with original maturities less than one year, as shown in the following table.

Borrowing Type	Balance		Interest Rate	Maturity Date
		(Dollars in thousands)		
FHLB advances	$	300,000	4.38%	1/2/2025
Federal funds purchased	$	120,000	4.42%	1/2/2025

The Bank's FHLB advances are collateralized by a blanket lien on a substantial portion of the Bank's real estate loans. At December 31, 2024, the Bank had $7.84 billion of unused FHLB borrowing availability.

10. Subordinated Notes

On September 16, 2021, the Bank issued $350 million in aggregate principal amount of Fixed-to-Floating rate Subordinated Notes due 2031, which bear interest at a fixed rate of 2.75% per annum until September 30, 2026 (the "2.75% Notes"). On October 1, 2026, the 2.75% Notes will bear interest at a floating rate equal to three-month term SOFR plus 209 basis points. The 2.75% Notes are unsecured, subordinated debt obligations and mature on October 1, 2031. The underwriting discounts and offering expenses for these notes totaled $4.1 million and are being amortized over the estimated holding period of five years as an increase to interest expense on the 2.75% Notes. As of December 31, 2024, the 2.75% Notes had a carrying value of $348.6 million and remaining unamortized debt issuance cost of $1.4 million.

The Bank may, beginning with the interest payment date of October 1, 2026, and on any interest payment date thereafter, redeem the 2.75% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2.75% Notes to be redeemed plus accrued and unpaid interest to, but excluding, the date of redemption. The Bank may also redeem the 2.75% Notes at any time, including prior to October 1, 2026, at its option, in whole but not in part, if: (i) a change or prospective change in law occurs that could prevent it from deducting interest payable on the 2.75% Notes for U.S. federal income tax purposes; (ii) a subsequent event occurs that could preclude the 2.75% Notes from being recognized as Tier 2 capital for regulatory capital purposes; or (iii) the Bank is required to register as an investment company under the Investment Company Act of 1940, as amended; in each case, at a redemption price equal to 100% of the principal amount of the 2.75% Notes plus any accrued and unpaid interest to, but excluding, the redemption date.

11. Subordinated Debentures

At December 31, 2024, the Bank had the following issues of trust preferred securities outstanding and subordinated debentures owed to the Trusts.

	Subordinated Debentures Owed to Trusts		Carrying Value of Subordinated Debentures		Trust Preferred Securities of the Trusts		Contractual Interest Rate	Final Maturity Date
				(Dollars in thousands)				
Ozark II	$	14,433	$	14,433	$	14,000	7.49%	September 29, 2033
Ozark III (1)		6,434		6,434		6,000	7.87	September 25, 2033
Ozark IV		15,464		15,464		15,000	7.00	September 28, 2034
Ozark V		20,619		20,619		20,000	6.22	December 15, 2036
Intervest II		15,464		15,464		15,000	7.56	September 17, 2033
Intervest III		15,464		15,464		15,000	7.40	March 17, 2034
Intervest IV		15,464		15,464		15,000	7.02	September 20, 2034
Intervest V		10,310		10,310		10,000	6.27	December 15, 2036
	$	113,652	$	113,652	$	110,000		

(1) In 2024, the Bank repurchased $8.0 million of the Ozark III outstanding Trust Preferred Securities for $7.0 million which resulted in $1.0 million of pre-tax non-interest income.

On September 25, 2003, Ozark III sold to investors in a private placement offering $14 million of adjustable rate trust preferred securities, and on September 29, 2003, Ozark II sold to investors in a private placement offering $14 million of adjustable rate trust preferred securities (collectively, "2003 Securities"). The 2003 Securities bear interest, adjustable quarterly, at, a three-month term SOFR plus 3.21% for Ozark III and three-month term SOFR plus 3.16% for Ozark II. The aggregate proceeds of $28 million from the 2003 Securities were used to purchase an equal principal amount of adjustable rate subordinated debentures of the Bank that bear interest, adjustable quarterly, at three-month term SOFR plus 3.21% for Ozark III and three-month term SOFR plus 3.16% for Ozark II (collectively, "2003 Debentures").

On September 28, 2004, Ozark IV sold to investors in a private placement offering $15 million of adjustable rate trust preferred securities ("2004 Securities"). The 2004 Securities bear interest, adjustable quarterly, at three-month term SOFR plus 2.48%. The $15 million proceeds from the 2004 Securities were used to purchase an equal principal amount of adjustable rate subordinated debentures of the Bank that bear interest, adjustable quarterly, at three-month term SOFR plus 2.48% ("2004 Debentures").

On September 29, 2006, Ozark V sold to investors in a private placement offering $20 million of adjustable rate trust preferred securities ("2006 Securities"). The 2006 Securities bear interest, adjustable quarterly, at three-month term SOFR plus 1.86%. The $20 million proceeds from the 2006 Securities were used to purchase an equal principal amount of adjustable rate subordinated debentures of the Bank that bear interest, adjustable quarterly, at three-month term SOFR plus 1.86% ("2006 Debentures").

In addition to the issuance of these adjustable rate securities, Ozark II and Ozark III collectively sold $0.9 million, Ozark IV sold $0.4 million and Ozark V sold $0.6 million of trust common equity to the Bank. The proceeds from the sales of the trust common equity were used, respectively, to purchase $0.9 million of 2003 Debentures, $0.4 million of 2004 Debentures and $0.6 million of 2006 Debentures issued by the Bank.

On February 10, 2015, in conjunction with the acquisition of Intervest Bancshares Corporation ("Intervest"), the Bank acquired Intervest II, Intervest III, Intervest IV and Intervest V with outstanding subordinated debentures totaling $56.7 million and related trust preferred securities totaling $55.0 million. In addition to subordinated debentures, the Bank also acquired $1.7 million of trust common equity.

The trust preferred securities issued by Intervest II and the related subordinated debentures bear interest, adjustable quarterly, at three-month term SOFR plus 3.21%. The trust preferred securities issued by Intervest III and the related subordinated debentures bear interest, adjustable quarterly, at three-month term SOFR plus 3.05%. The trust preferred securities issued by Intervest IV and the related subordinated debentures bear interest, adjustable quarterly, at three-month term SOFR plus 2.66%. The trust preferred securities issued by Intervest V and the related subordinated debentures bear interest, adjustable quarterly, at three-month term SOFR plus 1.91%.

At December 31, 2024, the Bank had an aggregate of $113.7 million of subordinated debentures outstanding (with an aggregate carrying value of $113.7 million) and had an asset of $3.7 million representing its investment in the common equity issued by the Trusts. The sole assets of the Trusts are the adjustable rate debentures and the liabilities of the Trusts are the trust preferred securities.

At both December 31, 2024 and 2023, the Trusts had aggregate common equity of $3.7 million and did not have any restricted net assets. The Bank has, through various contractual arrangements or by operation of law, fully and unconditionally guaranteed all obligations of the Trusts with respect to the trust preferred securities. Additionally, there are no restrictions on the ability of the Trusts to transfer funds to the Bank in the form of cash dividends, loans or advances. The Bank has the option to defer interest payments on the subordinated debentures from time to time for a period not to exceed five consecutive years. These trust preferred securities generally mature at or near the 30th anniversary date of each issuance. However, the trust preferred securities and related subordinated debentures may be prepaid at par value, subject to regulatory approval.

12. Preferred Stock

On November 4, 2021 the Bank issued 14,000,000 shares of 4.625% Series A Non-Cumulative Perpetual Preferred Stock (the "Preferred Stock"), par value $0.01 per share, with a liquidation preference of $25 per share, which represents $350 million in aggregate liquidation preference. The preferred stock offering generated net proceeds, after deducting the initial purchaser discount and offering expenses, of $339.0 million. Subject to declaration by the Bank's Board of Directors, dividends will accrue and be payable from the original date of issuance at a rate of 4.625% per annum, payable quarterly, in arrears, on February 15, May 15, August 15, and November 15 (or the next business day) of each year, beginning on February 15, 2022. Dividends on the preferred stock will not be cumulative or mandatory. During 2024, the Bank paid dividends totaling $16.2 million on the preferred stock.

The Bank may redeem the preferred stock at its option, subject to regulatory approval, at a redemption price equal to $25 per share, plus any declared and unpaid dividends (without regard to any undeclared dividends), to, but excluding, the redemption date, (i) in whole or in part, from time to time, on any Dividend Payment Date on or after November 15, 2026, or (ii) in whole, but not in part, at any time within 90 calendar days following a regulatory capital treatment event (as defined in the Bank's articles of amendment regarding the preferred stock).

With respect to payment of dividends and rights upon the Bank's liquidation, dissolution or winding up, the preferred stock ranks (i) senior to the Bank's common stock and any other class or series of preferred stock that, by its terms, ranks junior to the preferred stock, (ii) equally with any future class or series of preferred stock that does not by its terms rank junior or senior to the preferred stock, and (iii) junior to existing and future indebtedness and other liabilities and any class or series of preferred stock that expressly provides in the articles of amendment creating such class or series of preferred stock that it ranks senior to the preferred stock (subject to any requisite consents or approvals prior to issuance). The preferred stock will not have voting rights, except in certain limited circumstances and as otherwise required by applicable law. The preferred stock is included in tier 1 capital. The preferred stock shares are listed on the Nasdaq Global Select Market under the symbol "OZKAP."

13. Income Taxes

The following table is a summary of the components of the provision (benefit) for income taxes for the years indicated.

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Current:			
Federal	$ 120,203	$ 177,334	$ 67,568
State	38,218	51,763	26,048
Total current	158,421	229,097	93,616
Deferred:			
Federal	45,126	(40,071)	49,024
State	11,242	(12,862)	14,800
Total deferred	56,368	(52,933)	63,824
Provision for income taxes	$ 214,789	$ 176,164	$ 157,440

The following table is a summary of the reconciliation between the statutory federal income tax rate and effective income tax rate for the years indicated.

	Year Ended December 31,		
	2024	2023	2022
Statutory federal income tax rate	21.0%	21.0%	21.0%
Increase (decrease) in taxes resulting from:			
State income taxes, net of federal benefit	4.1	3.7	4.4
Effect of tax-exempt interest income	(1.1)	(0.9)	(0.7)
Effect of BOLI and other tax-exempt income	(0.5)	(0.6)	(0.6)
Federal income tax credits	(6.2)	(3.3)	(2.6)
Proportional amortization expense (1)	6.0	—	—
Passthrough losses, net of tax (1)	(0.9)	—	—
Other, net	0.7	0.4	0.3
Effective income tax rate	23.1%	20.3%	21.8%

(1) Effective January 1, 2024, the Bank adopted ASU 2023-02, *Investments Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method,* which resulted in the amortization and passthrough losses of the Bank's Community Reinvestment Act of 1977 ("CRA") and tax credit investments being included in income tax expense instead of noninterest expense.

At December 31, 2024, current income taxes receivable of $39.3 million was included in other assets. At December 31, 2023 current income taxes payable of $42.5 million was included in other liabilities.

The following table is a summary, as of the dates indicated, of the types of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts that give rise to deferred income tax assets and liabilities and their approximate tax effects.

	December 31, 2024	December 31, 2023
	(Dollars in thousands)	
Deferred tax assets:		
Investment securities AFS	$ 22,918	$ 29,716
Differences in amounts reflected in the financial statements and income tax basis for loans	—	33,596
Differences in amounts reflected in the financial statements and income tax basis for research and development costs	4,435	3,500
Operating lease liability	16,070	17,643
Stock-based compensation	11,336	11,109
Net operating loss and tax credit carryforwards	5,785	6,899
Other, net	7,954	2,911
Total gross deferred tax assets	68,498	105,374
Less valuation allowance	(1,390)	(536)
Deferred tax asset, net of valuation allowance	67,108	104,838
Deferred tax liabilities:		
Differences in amounts reflected in the financial statements and income tax basis for loans	13,809	—
Accelerated depreciation on premises and equipment	30,108	28,885
Deferred loan costs	52,168	44,652
Operating lease right-of-use asset	14,944	16,656
Other, net	4,194	12,260
Total gross deferred tax liabilities	115,223	102,453
Net deferred tax assets (liabilities)	$ (48,115)	$ 2,385

Federal net operating loss carryforwards were acquired in certain of the Bank's acquisitions. Such federal net operating loss carryforwards acquired totaled $80.9 million, of which $25.4 million remained to be utilized as of December 31, 2024, and will expire at various dates beginning in 2029 to 2034.

State net operating loss carryforwards were acquired in previous acquisitions. Such state net operating loss carryforwards acquired totaled $116.2 million, of which $22.8 million remained to be utilized as of December 31, 2024 and will expire at various dates beginning in 2025 to 2031.

At December 31, 2024 and 2023, the Bank had a deferred tax valuation allowance of $1.4 million and $0.5 million, respectively, to reflect its assessment that the realization of the benefits from the recovery of certain acquired net operating loss carryforwards are expected to be subject to the limitations pursuant to Section 382 of the Internal Revenue Code ("IRC"), or the equivalent state statute and the impact of expiration of vested, unexercised stock options within 30 days of year-end.

14. Employee Benefit Plans

The Bank maintains a qualified retirement plan (the "401(k) Plan") with a salary deferral feature designed to qualify under Section 401 of the IRC. The 401(k) Plan permits employees of the Bank to defer a portion of their compensation in accordance with the provisions of Section 401(k) of the IRC. The Bank's 401(k) Plan qualifies as a Safe-Harbor Cost or Deferred Arrangement ("Safe-Harbor CODA"). As a result, (i) certain key employees are eligible to make salary deferrals into the 401(k) Plan, (ii) the 401(k) Plan is not subject to any provisions of the average deferral percentage test described in IRC Section 401(k)(3) or the average contribution percentage test described in IRC Section 401(m)(2), (iii) the basic matching contribution is (a) 100% of the amount of the employee's deferrals that do not exceed 3% of the employee's compensation for the year plus (b) 50% of the amount of the employee's elective deferrals that exceed 3% but do not exceed 5% of the employee's compensation for the year, and (iv) all employer matching contributions made under the provisions of the Safe-Harbor CODA are non-forfeitable. Certain other statutory limitations with respect to the Bank's contribution under the 401(k) Plan also apply.

Contributions to the 401(k) Plan are invested in accordance with participant elections among certain investment options. Distributions from participant accounts are not permitted before age 65, except in the event of death, permanent disability, or termination of employment. The Bank made matching cash contributions to the 401(k) Plan during 2024, 2023 and 2022 of $8.0 million, $6.9 million and $6.3 million, respectively. The 401(k) Plan also provides for participant loans, subject to certain provision and limitations.

The Bank also maintains the Bank OZK Deferred Compensation Plan (the "Plan"), which is an unfunded deferred compensation arrangement for the group of employees designated as key employees, including certain of the Bank's executive officers and is considered a general obligation of the Bank. Under the terms of the Plan, eligible participants may elect to defer a portion of their compensation. Such deferred compensation is distributable in lump sum or specified installments upon separation from service with the Bank or upon other specified events as defined in the Plan. The Bank does not make any contribution to the Plan for the benefit of each participant or otherwise. Amounts deferred under the Plan are invested in certain approved investments (excluding securities of the Bank or its affiliates). At December 31, 2024 and 2023, respectively, the Bank had Plan assets, along with an equal amount of liabilities, totaling $8.3 million and $6.9 million, recorded on the accompanying consolidated balance sheet.

15. Stock-Based Compensation

On May 6, 2019 (the "Effective Date"), the Bank's shareholders approved the Bank OZK 2019 Omnibus Equity Incentive Plan (the "Omnibus Plan"). The Omnibus Plan replaced the Nonqualified Stock Option Plan for officers and employees ("Option Plan"), the Restricted Stock and Incentive Plan for officers and employees ("2009 Plan") and the Non-Employee Director Stock Plan ("Director Plan" and together with the Option Plan and the 2009 Plan, the "Prior Plans"). After the Effective Date of the Omnibus Plan, no new awards may be granted under the Prior Plans, it being understood that (i) outstanding awards will continue to be governed by the terms and conditions of the Prior Plan under which they were granted, and (ii) to the extent that any outstanding award under the Prior Plans is forfeited, terminates, expires or lapses without shares being issued, the shares subject to such award not delivered as a result thereof will be available for awards under the Omnibus Plan. Directors, executive officers and employees are eligible to participate in the Omnibus Plan, and the total number of shares available for grant is 3,400,000, subject to adjustment as described in the Omnibus Plan. Awards granted under the Omnibus Plan may be in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, or other stock-based awards and must contain a minimum vesting period of at least one year from the date of grant (provided that awards for up to 5% of the shares of common stock authorized for issuance under the Omnibus Plan may provide for a shorter vesting period at the time of grant). The Omnibus Plan provides that a non-employee director may not receive stock awards with a grant date fair market value in excess of $100,000 worth of shares during any calendar year. The benefits received by or allocated to directors, executive officers or employees under the Omnibus Plan are determined within the discretion of the Governance and Compensation Committee ("Compensation Committee") of the Board of Directors.

The Bank previously had a nonqualified stock option plan for non-employee directors. All options previously granted under this plan were exercisable immediately and expire ten years after issuance.

All employee options previously granted under the Option Plan and outstanding at December 31, 2024 were issued with a vesting date three years after issuance and an expiration date seven years after issuance. No stock options were granted under the Omnibus Plan during the year ended December 31, 2024.

The following table summarizes stock option activity for the year indicated.

	Options	Weighted-Average Exercise Price/Share	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding – January 1, 2024	658,211	$ 48.71		
Granted	—	—		
Exercised	(25,576)	33.68		
Forfeited/Expired	(284,154)	51.84		
Outstanding – December 31, 2024	348,481	47.27	0.25	$ 878 (1)
Fully vested and exercisable – December 31, 2024	348,481	$ 47.27	0.25	$ 878 (1)

(1) Based on closing price of $44.53 per share on December 31, 2024.

Intrinsic value for stock options is defined as the amount by which the current market price of the underlying stock exceeds the exercise price. For those stock options where the exercise price exceeds the current market price of the underlying stock, the intrinsic value is zero. The total intrinsic value of options exercised during 2024 and 2023 was $0.1 million and $0.7 million, respectively.

During 2024, the Bank issued 267,633 shares of restricted common stock with a weighted-average grant date fair value of $42.64 to employees and non-employee directors under the Omnibus Plan. These grants of restricted stock cliff vest 100% three years after issuance, assuming continuous employment by the participant during this period. The fair value of the restricted stock awards is amortized to compensation expense over the vesting period and is based on the market price of the Bank's common stock at the date of grant multiplied by the number of shares granted. Stock-based compensation expense for restricted stock included in non-interest expense was $9.6 million, $9.3 million and $9.0 million for 2024, 2023 and 2022, respectively. Unrecognized compensation expense for non-vested restricted stock awards was $11.7 million at December 31, 2024 and is expected to be recognized over a weighted-average period of 1.7 years.

The following table summarizes restricted stock activity related to the Omnibus Plan for the year indicated.

	Omnibus Plan
Outstanding – January 1, 2024	653,314
Granted	267,633
Forfeited	(27,569)
Vested	(257,237)
Outstanding – December 31, 2024	636,141
Weighted-average grant date fair value	$ 44.98

In January 2022, 2023 and 2024, pursuant to the Omnibus Plan, the Compensation Committee awarded to its executive officers an aggregate of 135,625 PSUs, 175,480 PSUs and 209,112 PSUs respectively. All PSU grants are based on target performance, with each PSU representing the right to receive one share of common stock at a future date. The PSUs granted contain both performance and market conditions. The PSUs will be earned and vest depending on the Bank's relative performance with respect to total shareholder return ("TSR"), return on average common equity ("ROAE") and return on average assets ("ROAA"), over a three-year period, compared to the companies that comprise the KBW Regional Banking Index ("KRX") at January 1 of the respective award year (for the TSR component) and compared to the Bank's executive compensation peer group in the fiscal year prior to the award (for the ROAE and ROAA component) over a three-year period. Measurement is determined on a percentile basis relative to the KRX or the Bank's peer group. For each metric, if the Bank's performance over the performance period is: (i) at or below the 25th percentile compared to the applicable peer group, no PSUs for that metric would be earned; (ii) at threshold performance (26th percentile), 4% of the target would be earned; (iii) at target performance (50th percentile), 100% of the target would be earned; (iv) at the 75th percentile, 150% of the target would be earned; and (v) at maximum performance (95th percentile), 200% of the target would be earned. Achievement of results between levels previously described will result in award payouts determined based on a linear interpolation between payout levels. In the event the Bank's TSR over the performance period is negative, no more than 100% of the target PSUs for the relative TSR component will be earned, and the value of a PSU earned at the end of the performance period for the relative TSR component cannot exceed six times (6x) the grant date stock price. The PSUs contain a three-year vesting period followed by a one-year post-vest hold period and are eligible to accrue dividend equivalents that are subject to the same vesting criteria as the underlying PSUs.

The fair value of the PSUs granted is amortized to compensation expense over the vesting period. In determining PSUs fair value, since the PSUs granted contain a one-year post-vest hold period, an estimated discount for illiquidity was applied to the market price of the Bank's stock. The fair value of each PSU grant is estimated on the date of grant using various valuation and liquidity models. The following table is a summary of the key assumptions used in those models.

	Year Ended December 31,		
	2024	2023	2022
Risk-free interest rate	4.70%	4.63%	0.70%
Expected dividend yield	3.13%	3.04%	2.52%
Expected stock volatility	42.31%	33.69%	29.85%
Post-vest hold period	1 year	1 year	1 year

The following table summarizes PSU activity at target levels for the year indicated.

	PSUs
Outstanding – January 1, 2024	398,783
Granted	209,112
Forfeited	—
Vested	(105,876)
Outstanding – December 31, 2024	502,019

The following table is a summary of the valuation date stock price index and the weighted average grant date fair values for TSR, ROAE and ROAA for the PSUs granted in the years indicated.

	Year Ended December 31,		
	2024	2023	2022
TSR	$ 43.89	$ 43.65	$ 41.78
ROAE	42.92	39.77	42.14
ROAA	42.92	39.77	42.14
Valuation stock price index – TSR	100%	100%	99%
Valuation stock price index – ROAE & ROAA	100%	100%	100%
Estimated discount for illiquidity [(1)]	11.5%	11.0%	11.5%

(1) Because of the expected stock price volatility on shares of OZK and the one-year post-vest holding period associated with the PSUs, the Bank has estimated an illiquidity discount using widely accepted option pricing models.

Compensation expense for PSU awards included in non-interest expense was $11.1 million for 2024, $8.1 million for 2023 and $4.2 million for 2022. Unrecognized compensation expense for non-vested PSU awards was $13.8 million at December 31, 2024 and is expected to be recognized over a weighted-average period of 1.8 years.

On January 23, 2025, the Bank's Compensation Committee awarded its executive officers an aggregate of 217,187 PSUs that contain both performance and market conditions. The PSUs will be earned and vest depending on the Bank's relative performance with respect to TSR, ROAE and ROAA, over a three-year period, compared to the companies that comprise the KRX at January 1, 2025 (for the TSR component) and compared to the Bank's 2024 executive compensation peer group (for the ROAE and ROAA component) over the same three-year period. Measurement is determined on a percentile basis relative to the KRX or the Bank's peer group. For each metric, if the Bank's performance over the performance period is: (i) at or below the 25th percentile compared to the applicable peer group, no PSUs for that metric would be earned; (ii) at threshold performance (26th percentile), 4% of the target would be earned; (iii) at target performance (50th percentile), 100% of the target would be earned; (iv) at the 75th percentile, 150% of the target would be earned; and (v) at maximum performance (95th percentile), 200% of the target would be earned. Achievement of results between levels previously described will result in award payouts determined based on a linear interpolation between payout levels. In the event the Bank's TSR over the performance period is negative, no more than 100% of the target PSUs for the relative TSR component will be earned, and the value of a PSU earned at the end of the performance period for the relative TSR component cannot exceed six times (6x) the grant date stock price. The PSUs contain a three-year vesting period followed by a one-year post-vest hold period and are eligible to accrue dividend equivalents that are subject to the same vesting criteria as the underlying PSUs. The total compensation expense for the PSUs granted is expected to be approximately $13.6 million and is expected to be recognized over the three-year vesting period.

On February 20, 2025, the Compensation Committee approved the issuance of restricted stock awards for 210,965 shares of restricted stock that vest on February 20, 2028. Total compensation expense for the restricted stock awards is expected to be approximately $10.4 million and is expected to be recognized ratably over the three-year vesting period.

16. Commitments and Contingencies

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments primarily include standby letters of credit and commitments to extend credit.

Outstanding standby letters of credit are contingent commitments issued by the Bank generally to guarantee the performance of a customer in third-party borrowing arrangements. The maximum amount of future payments the Bank could be required to make under these guarantees at December 31, 2024 and 2023 is $177.7 million and $24.3 million, respectively. The Bank holds collateral to support guarantees when deemed necessary. Collateralized commitments at December 31, 2024 and 2023 totaled $177.0 million and $23.7 million, respectively.

The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Bank has the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses, may require payment of a fee and may expire without being drawn upon. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. The type of collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and other real or personal property.

At December 31, 2024, the Bank had outstanding commitments totaling $19.08 billion to extend credit, consisting primarily of loans closed but not yet funded. These commitments may or may not fund in whole or part prior to maturity; however, such funding is subject to a number of factors, including, among others, economic conditions, real estate market conditions and competitive factors.

The following table shows the contractual maturities of such outstanding loan commitments as of the date indicated.

Contractual Maturities at December 31, 2024

Maturity	(Dollars in thousands)	Amount
2025		$ 3,972,368
2026		6,188,732
2027		5,162,895
2028		2,670,385
2029		842,305
Thereafter		241,948
Total		$ 19,078,633

The Bank is a party as both plaintiff and defendant in various legal or regulatory proceedings or claims, including claims related to employment, wage-hour and labor law claims, consumer and privacy claims, as well as claims of lender liability, breach of contract, and other similar lending-related claims encountered on a routine basis, some of which may be styled as "class action" or representative cases. While the ultimate resolution of these ordinary course claims and proceedings cannot be determined at this time, management believes that such claims and proceedings, individually or in the aggregate, will not have a material adverse effect on the Bank's financial condition or results of operations.

17. Investments in Tax Credits and SBICs

The Bank invests in certain tax credit investments and partnerships generally within the areas we serve. The majority of these investments provide funds for the construction and development of affordable housing, which provide low income housing tax credits ("LIHTC") that are normally recognized over approximately ten years and are an important part in the anticipated yield from these investments. The Bank is a limited partner or non-managing member in each LIHTC limited partnership or limited liability company. Each of these entities is managed by an unrelated third-party general partner or managing member who exercises significant control over the operations and finances of the entity. The general partner or managing member has all the rights, powers and authority granted or permitted to be granted to a general partner of a limited partnership or managing member of a limited liability company. In addition to our LIHTC investments, we also have investments in renewable energy and other tax credits. As of December 31, 2024, the carrying value of tax credit investments and renewable energy partnerships was approximately $460.3 million and is included in other assets on the consolidated balance sheet. The portion of the tax credit investments that are unfunded and included in other liabilities totaled approximately $210.3 million at December 31, 2024 and are expected to be funded over the terms of the agreements ranging from 2025 to 2041.

The Bank also has investments in Small Business Investment Companies ("SBIC") that provide funds to qualifying small businesses, and Community Development Companies ("CDC") that provide funding for the purpose of community development through investments, lending, and credit assistance. As of December 31, 2024, the carrying value of the Bank's investments in SBICs and CDCs was approximately $71.3 million and is included in other assets on the consolidated balance sheet. The portion of the investments in SBICs and CDCs that are unfunded and included in other liabilities totaled approximately $112.5 million at December 31, 2024 and are expected to be funded over the terms of the agreements ranging from 2025 to 2030.

The following table shows the expected payments for unfunded tax credit investments, SBICs and CDCs as of December 31, 2024.

Expected Payments at December 31, 2024

(Dollars in thousands)	Amount
2025	$ 153,244
2026	87,085
2027	57,723
2028	14,291
2029	6,267
Thereafter	4,207
Total	$ 322,817

Effective January 1, 2024, the Bank adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2023-02, *Investments Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method,* utilizing the modified retrospective method. ASU 2023-02 permits entities to elect to account for equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. While the adoption of ASU 2023-02 did not have a material impact on the Bank's results of operations, the amortization of the Bank's Community Reinvestment Act ("CRA") and tax credit investments are included in income tax expense instead of non-interest expense beginning January 1, 2024. Additionally, the Bank increased the carrying value of its tax credit investments, which are included in other assets, and increased other liabilities by $210 million to account for uncalled capital commitments that are unconditional and legally binding.

During 2024, the Bank's provision for income taxes included the recognition of amortization expense on tax credit investments of $59.2 million and tax credits and other benefits of $70.5 million.

18. Regulatory Capital and Other Matters

The Bank is subject to various regulatory capital requirements administered by federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's financial condition and results of operations. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments and adjustments by the regulators about component weightings and other factors.

The FDIC and other federal banking regulators administer the risk-based capital requirements applicable to insured depository institutions, including the Bank, to make them consistent with agreements that were reached by the Basel Committee on Banking Supervision ("Basel III") and certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Basel III Rules"). The Basel III Rules require the maintenance of minimum amounts and ratios of common equity tier 1 capital, tier 1 capital and total capital to risk-weighted assets, and of tier 1 capital to adjusted quarterly average assets.

Under the Basel III Rules, common equity tier 1 capital consists of common stock and paid-in capital (net of treasury stock) and retained earnings. Common equity tier 1 capital is reduced by goodwill, certain intangible assets, net of associated deferred tax liabilities, deferred tax assets that arise from tax credit and net operating loss carryforwards, net of any valuation allowance, and certain other items as specified by the Basel III Rules.

Tier 1 capital includes common equity tier 1 capital and certain additional tier 1 items as provided under the Basel III Rules. At December 31, 2024 and 2023, the Bank's preferred stock was counted as tier 1 capital, but not as common equity tier 1 capital.

Total capital includes tier 1 capital and tier 2 capital. Tier 2 capital includes, among other things, the allowable portion of the ACL, the trust preferred securities and the 2.75% Notes.

The common equity tier 1 capital, tier 1 capital and total risk-based capital ratios are calculated by dividing the respective capital amounts by risk-weighted assets. The leverage ratio is calculated by dividing tier 1 capital by adjusted quarterly average total assets.

The Basel III Rules limit capital distributions and certain discretionary bonus payments if the banking organization does not hold a "capital conservation buffer" in addition to the amount necessary to meet minimum risk-based capital requirements for common equity tier 1 capital, tier 1 capital and total capital to risk-weighted assets. At December 31, 2024 and December 31, 2023, the Basel

III Rules required the Bank to maintain (i) a minimum ratio of common equity tier 1 capital to risk-weighted assets of at least 4.5%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 7.0%, (ii) a minimum ratio of tier 1 capital to risk-weighted assets of at least 6.0%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 8.5%, (iii) a minimum ratio of total capital to risk-weighted assets of at least 8.0%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 10.5%, and (iv) a minimum leverage ratio of 4.0%. Additionally, in order to be considered well-capitalized under the Basel III Rules, the Bank must maintain (i) a ratio of common equity tier 1 capital to risk-weighted assets of at least 6.5%, (ii) a ratio of tier 1 capital to risk-weighted assets of at least 8.0%, (iii) a ratio of total capital to risk-weighted assets of at least 10.0% and (iv) a leverage ratio of at least 5.0%.

The following table presents actual and required capital ratios as of the dates indicated under the Basel III Rules. The minimum required capital amounts presented include the minimum required capital levels, plus the capital conservation buffer. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Rules. At December 31, 2024 and 2023, the Bank's capital levels exceeded all minimum capital requirements under the Basel III Rules.

	Actual		Minimum Capital Required - Basel III		Required to be Considered Well Capitalized	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
			(Dollars in thousands)			
December 31, 2024:						
Common equity tier 1 to risk-weighted assets	$ 4,776,712	11.34%	$ 2,947,797	7.00%	$ 2,737,240	6.50%
Tier 1 capital to risk-weighted assets	5,115,692	12.15	3,579,468	8.50	3,368,911	8.00
Total capital to risk-weighted assets	6,103,224	14.49	4,421,696	10.50	4,211,139	10.00
Tier 1 leverage to average assets	5,115,692	13.73	1,490,141	4.00	1,862,676	5.00
December 31, 2023:						
Common equity tier 1 to risk-weighted assets	$ 4,230,243	10.79%	$ 2,743,864	7.00%	$ 2,547,873	6.50%
Tier 1 capital to risk-weighted assets	4,569,223	11.66	3,331,835	8.50	3,135,844	8.00
Total capital to risk-weighted assets	5,527,326	14.10	4,115,796	10.50	3,919,805	10.00
Tier 1 leverage to average assets	4,569,223	13.91	1,313,917	4.00	1,642,396	5.00

As of December 31, 2024 and 2023, the most recent notification from the regulators categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

Regulations of the ASBD and the FDIC limit the Bank's ability to pay dividends without the prior approval of such agencies. The ASBD currently limits the amount of dividends the Bank can pay shareholders to 75% of net profits after taxes for the current year plus 75% of retained net profits after taxes for the immediately preceding year. FDIC regulations prevent insured state banks from paying any dividends from capital and allow the payment of dividends only from net profits then on hand after deduction for losses and bad debts. The FDIC also has the authority to prohibit the Bank from engaging in business practices that the FDIC considers to be unsafe or unsound, which, depending on the Bank's financial condition, could include the payment of dividends. Additionally, the Bank's ability to pay dividends may be restricted by certain covenants in the indentures governing its trust preferred securities, its subordinated debentures and its subordinated notes, and the relative powers, preferences and other rights of the holders of the Bank's preferred stock.

Under federal banking regulation, the Bank is also limited as to the amount it may loan to its affiliates, and such loans must be collateralized by specific types of collateral. The maximum amount available for loans from the Bank to its affiliates is limited to 10% of the Bank's capital and surplus.

19. Fair Value Measurements

The Bank measures certain of its assets and liabilities on a fair value basis using various valuation techniques and assumptions, depending on the nature of the asset or liability. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, fair value is used either on a periodic basis, typically at least quarterly, or on a non-recurring basis to evaluate certain assets and liabilities for impairment or for disclosure purposes. At December 31, 2024 and 2023, the Bank had no material liabilities that were accounted for at fair value.

The Bank applies the following fair value hierarchy.

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model derived valuations whose inputs are observable.

Level 3 - Instruments whose inputs are unobservable.

The following table sets forth the Bank's assets that are accounted for at fair value as of the dates indicated.

	Level 1	Level 2	Level 3	Total
		(Dollars in thousands)		
December 31, 2024:				
Investment securities:				
U.S. Government agency mortgage-backed securities	$ —	$ 1,256,471	$ —	$ 1,256,471
Obligations of state and political subdivisions	—	1,419,053	6,643	1,425,696
Other U.S. Government agency securities	—	129,718	—	129,718
Corporate obligations	—	24,265	—	24,265
Total investment securities	—	2,829,507	6,643	2,836,150
Nonaccrual loans	—	—	115,706	115,706
Foreclosed assets	—	—	69,381	69,381
Total	$ —	$ 2,829,507	$ 191,730	$ 3,021,237
December 31, 2023:				
Investment securities:				
U.S. Government agency mortgage-backed securities	$ —	$ 1,174,429	$ —	$ 1,174,429
Obligations of state and political subdivisions	—	1,393,568	7,320	1,400,888
Other U.S. Government agency securities	—	638,272	—	638,272
Corporate obligations	—	30,782	—	30,782
Total investment securities	—	3,237,051	7,320	3,244,371
Nonaccrual loans	—	—	51,450	51,450
Foreclosed assets	—	—	61,720	61,720
Total	$ —	$ 3,237,051	$ 120,490	$ 3,357,541

The following table presents information on Level 3 non-recurring fair value measurements related to the Level 3 non-accrual loans above.

Description	Fair Value at December 31, 2024	Technique	Unobservable Inputs
		(Dollars in thousands)	
Nonaccrual Loans	$ 115,706	Third-party appraisal (1) or discounted cash flows	1. Management discount based on underlying collateral characteristics and market conditions 2. Life of loan
Foreclosed Assets	$ 69,381	Third-party appraisal, (1) broker price opinions and/or discounted cash flows	1. Management discount based on underlying collateral characteristics and market conditions 2. Discount rate 3. Holding period

(1) The Bank utilizes valuation techniques consistent with the market, cost, and income approaches, or a combination thereof in determining fair value.

The following methods and assumptions are used to estimate the fair value of the Bank's assets that are accounted for at fair value.

Investment securities – The Bank utilizes independent third parties as its principal pricing sources for determining fair value of investment securities which are measured on a recurring basis. As a result, the Bank considers estimates of fair value from at least two independent pricing sources for the majority of its individual securities within its investment portfolio. For investment securities traded in an active market, fair values are based on quoted market prices if available. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities, broker quotes, comprehensive interest rate tables and pricing matrices or a combination thereof. For investment securities traded in a market that is not active, fair value is determined using unobservable inputs. All fair value estimates of the Bank's investment securities are reviewed on a quarterly basis.

The Bank has determined that certain of its investment securities AFS had a limited to non-existent trading market at December 31, 2024 and 2023. As a result, the Bank considers these investments as Level 3 in the fair value hierarchy. Specifically, the fair values of certain obligations of state and political subdivisions consisting primarily of certain unrated private placement bonds in the amount of $6.6 million and $7.3 million at December 31, 2024 and 2023, respectively, were calculated using Level 3 hierarchy inputs and assumptions as the trading market for such securities was determined to be "not active."

Nonaccrual loans – Fair values are measured on a non-recurring basis and are based on the underlying collateral value of the nonaccrual loan, reduced for holding and selling costs, or the estimated discounted cash flows for such loan. At December 31, 2024, the Bank had reduced the carrying value of its nonaccrual loans to the estimated fair value of $115.7 million. The adjustment to reduce the carrying value of such nonaccrual loans to the estimated fair value included $15.8 million of ACL allocations.

Foreclosed assets - Repossessed personal properties and real estate acquired through or in lieu of foreclosure are measured on a non-recurring basis and are initially recorded at fair value less estimated cost to sell at the date of repossession or foreclosure. Valuations of these assets are periodically reviewed by management with the carrying value of such assets adjusted through non-interest expense to the then estimated fair value net of estimated selling costs.

20. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of financial instruments.

Cash and cash equivalents – For these short-term instruments, the carrying amount of cash and cash equivalents, including interest earning deposits and due from banks, is a reasonable estimate of fair value.

Investment securities – The Bank utilizes independent third parties as its principal pricing sources for determining fair value of investment securities which are measured on a recurring basis. As a result, the Bank receives estimates of fair value from at least two independent pricing sources for the majority of its individual securities within its investment portfolio. For investment securities traded in an active market, fair values are based on quoted market prices if available. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities, broker quotes, comprehensive interest rate tables, pricing matrices or a combination thereof. For investment securities traded in a market that is not active, fair value is determined using unobservable inputs. All fair value estimates of the Bank's investment securities are reviewed on a quarterly basis.

Loans – The fair value of loans is estimated by discounting the expected future cash flows using the current rate at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Deposit liabilities – The fair value of demand deposits, savings accounts, money market deposits and other transaction accounts is the amount payable on demand at the reporting date. The fair value of fixed maturity time deposits is estimated discounting the expected future cash flows using the current rates available for deposits of similar remaining maturities.

Other borrowed funds – For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

Subordinated notes - The fair values of these instruments are based upon observable market inputs.

Subordinated debentures – The fair values of these instruments are based primarily upon discounted cash flows using rates for securities with similar terms and remaining maturities.

Off-balance sheet instruments – The fair values of outstanding commitments and letters of credit are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements. The fair values of outstanding commitments and letters of credit were not material at December 31, 2024 or 2023.

The fair values of certain of these instruments were calculated by discounting expected cash flows, which contain numerous uncertainties and involve significant judgments by management. Fair value is the estimated amount at which financial assets or liabilities could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments, the Bank does not know whether these fair values represent values at which the respective financial instruments could be sold individually or in the aggregate.

The following table presents the carrying amounts, estimated fair values and the fair value hierarchy of the Bank's financial instruments, as of the dates indicated.

		December 31,			
		2024		2023	
	Fair Value Hierarchy	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(Dollars in thousands)			
Financial assets:					
Cash and cash equivalents	Level 1	$ 2,781,101	$ 2,781,101	$ 2,149,529	$ 2,149,529
Investment securities	Levels 2 and 3	2,836,150	2,836,150	3,244,371	3,244,371
Loans, net of ALL [(1)]	Level 3	29,503,320	29,295,969	26,119,681	26,085,968
Financial liabilities:					
Demand, savings and interest bearing transaction deposits	Level 1	$ 13,724,266	$ 13,724,266	$ 13,170,170	$ 13,170,170
Time deposits	Level 2	17,318,806	17,314,401	14,234,973	14,219,112
Other borrowings	Level 2	420,813	420,813	805,318	805,318
Subordinated notes	Level 2	348,575	292,809	347,761	284,740
Subordinated debentures	Level 2	113,652	101,637	121,652	112,419

(1) Excludes reserve for losses on unfunded loan commitments.

21. Supplemental Cash Flow Information

The following table provides supplemental cash flow information for the periods indicated.

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Cash paid during the period for:			
Interest	$ 1,107,384	$ 665,209	$ 113,573
Income taxes	175,636	213,783	69,989
Supplemental schedule of non-cash activities:			
Net change in unrealized gains (losses) on investment securities AFS	28,059	106,203	(265,121)
Loans and other assets transferred to foreclosed assets	29,674	75,299	13,151
Lease liabilities cancelled for right of use assets	(231)	(19,949)	(910)
Increase in tax credit and other investments	128,113	—	—
Retirement of subordinated debentures	(7,000)	—	—

22. Other Operating Expenses

The following table is a summary of other operating expenses for the periods indicated.

	Year Ended December 31, 2024	2023	2022
	(Dollars in thousands)		
Software and data processing	$ 46,980	$ 39,212	$ 35,373
Deposit insurance and assessments	25,584	30,351	9,610
Professional and outside services	24,872	21,423	21,581
Advertising and public relations	20,576	16,150	8,797
Amortization of CRA and tax credit investments[(1)]	—	27,768	20,293
Other	65,589	63,220	59,636
Total other operating expenses	$ 183,601	$ 198,124	$ 155,290

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

23. Earnings Per Common Share ("EPS") and Share Repurchase Program

The following table presents the computation of basic and diluted EPS for the periods indicated.

	Year Ended December 31, 2024	2023	2022
	(Dollars in thousands, except per share amounts)		
Numerator:			
Net income available to common stockholders	$ 700,269	$ 674,596	$ 547,520
Denominator:			
Denominator for basic EPS – weighted-average common shares	113,625	114,460	120,275
Effect of dilutive securities – stock options and PSUs	390	373	425
Denominator for diluted EPS – weighted-average common shares and assumed conversions	114,015	114,833	120,700
Basic EPS	$ 6.16	$ 5.89	$ 4.55
Diluted EPS	$ 6.14	$ 5.87	$ 4.54

Options to purchase 301,785 shares, 583,152 shares and 904,442 shares, respectively, of the Bank's common stock at a weighted-average exercise price of $51.11 per share, $51.52 per share and $51.94 per share, respectively, were outstanding during 2024, 2023 and 2022, but were excluded from the diluted EPS calculations as inclusion of such options would have been anti-dilutive. There were no anti-dilutive PSUs for any of the periods presented in the previous table.

During 2024, 2023 and 2022, the Bank repurchased 11,903, 4,304,239 and 8,373,398 shares of its common stock at a weighted average cost of $38.81, $35.19 and $41.80 for a total of $0.5 million, $151.5 million and $350.0 million, respectively, under its stock repurchase plans. In July 2024, the Bank's Board authorized a new stock repurchase program for up to $200 million of outstanding common stock, with an expiration on July 1, 2025, unless extended, shortened or suspended by the Board. In evaluating stock repurchases, including the parameters for repurchase price and share value, management will consider a variety of factors including stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors.

24. Changes In and Reclassification From Accumulated Other Comprehensive Income (Loss) ("AOCI")

The following table presents changes in AOCI for the periods indicated.

	Year Ended December 31,		
	2024	2023	2022
	(Dollars in thousands)		
Beginning balance of AOCI – unrealized gains and (losses) on investment securities AFS	$ (97,374)	$ (177,649)	$ 23,841
Other comprehensive income (loss):			
Unrealized gains and (losses) on investment securities AFS	28,059	106,203	(265,121)
Tax effect of unrealized gains and losses on investment securities AFS	(6,821)	(25,928)	63,631
Total other comprehensive income (loss)	21,238	80,275	(201,490)
Ending balance of AOCI – unrealized gains and (losses) on investment securities AFS	$ (76,136)	$ (97,374)	$ (177,649)

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this report, our management carried out an evaluation, under the supervision and with the participation of the Bank's Chairman and Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures as defined in SEC Rule 13a-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures designed to ensure that the information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow for timely decisions regarding required disclosure. Based on that evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Bank's disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting.

The Bank's management, including the Bank's Chairman and Chief Executive Officer and its Chief Financial Officer, have evaluated any changes in the Bank's internal control over financial reporting that occurred during the Bank's fourth quarter ended December 31, 2024 and have concluded that there was no change during the Bank's fourth quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Bank's internal control over financial reporting.

(c) Report of Management on the Bank's Internal Control Over Financial Reporting

March 3, 2025

Management of Bank OZK is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are made only in accordance with authorizations of management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management of Bank OZK, including the Chief Executive Officer and the Chief Financial Officer, has assessed the effectiveness of the Bank's internal control over financial reporting as of December 31, 2024, based on criteria for effective internal control over financial reporting described in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that the Bank's internal control over financial reporting was effective as of December 31, 2024, based on the specified criteria.

PricewaterhouseCoopers, LLP, the independent registered public accounting firm that audited the Bank's consolidated financial statements included in this Annual Report on Form 10-K, has also audited the effectiveness of the Bank's internal control over financial reporting as of December 31, 2024. Their report is included in Item 8 under the heading Report of Independent Registered Public Accounting Firm.

/s/ George Gleason	/s/ Tim Hicks
George Gleason *Chairman and Chief Executive Officer* *(Principal Executive Officer)*	Tim Hicks *Chief Financial Officer* *(Principal Financial Officer)*

Item 9B. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the quarter ended December 31, 2024, no director or Section 16 officer of the Bank adopted or terminated any Rule 10b5-1 trading arrangement (as defined in Item 408(a) of Regulation S-K) or non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Bank has adopted an insider trading policy governing the purchase, sale, and/or other dispositions of the Bank's securities by all directors, officers and employees of the Bank, as well as other covered persons, including the Bank itself. The Bank believes that its insider trading policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, as well as applicable Nasdaq listing standards. It is the Bank's policy to comply with all applicable securities and state laws (including appropriate approvals by the Bank's board of directors or appropriate committee, if required) when engaging in transactions in the Bank's securities. A copy of the Bank's insider trading policy is filed as Exhibit 19 to this Annual Report on Form 10-K.

The information required by Item 401 of Regulation S-K regarding directors is incorporated herein by this reference to the caption "2025 Director Nominees" of the Bank's Proxy Statement to be filed with the FDIC within 120 days of the Bank's fiscal year-end.

The information required by Item 405, Item 407(c)(3), Item 407(d)(4) and Item 407(d)(5) of Regulation S-K is incorporated herein by this reference to the captions "Board Composition and Nomination Process" and "Board and Committees" of the Bank's Proxy Statement to be filed with the FDIC within 120 days of the Bank's fiscal year-end.

The Bank has adopted a Code of Business Conduct and Ethics (the "Code") that applies to its directors, officers and employees and is available on the Bank's Investor Relations website at http://ir.ozk.com under the "Corporate – Governance Documents" section or, for print copies, by writing to the Bank's Investor Relations department at Bank OZK, P.O. Box 8811, Little Rock, Arkansas 72231-8811, Attention: Investor Relations. The Bank intends to provide any required disclosure of any amendment to or waiver of the Code that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, in the Governance Documents section of the Investor Relations page of the Bank's website at http://ir.ozk.com promptly following the amendment or waiver. The information contained on or connected to the Bank's website is not incorporated by reference in this Annual Report on Form 10-K and should not be considered part of this or any other report or document that we file or furnish to the FDIC pursuant to the Exchange Act.

Item 11. EXECUTIVE COMPENSATION

The information required by Item 402, Item 407(e)(4) and Item 407(e)(5) of Regulation S-K is incorporated herein by this reference to the captions "2024 Director Compensation," "Compensation Discussion and Analysis," "Executive Compensation Tables," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" of the Bank's Proxy Statement to be filed with the FDIC within 120 days of the Bank's fiscal year-end.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 403 of Regulation S-K is incorporated herein by this reference to the caption "Security Ownership of Management and Principal Shareholders" of the Bank's Proxy Statement to be filed with the FDIC within 120 days of the Bank's fiscal year-end.

The following table gives information about the common stock that may be issued upon the exercise of options, warrants and rights under all of the Bank's existing equity compensation plans as of December 31, 2024.

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights**	**Weighted-average exercise price of outstanding options, warrants and rights**	**Number of securities remaining available for future issuance under equity compensation plans**
Equity compensation plans approved by stockholders:			
2019 Omnibus Equity Incentive Plan	—	—	2,489,234
Stock Option Plan [1]	348,481	$ 47.27	—
Equity compensation plans not approved by stockholders	—	—	—
Total	348,481	$ 47.27	2,489,234

[1] The 2019 Omnibus Equity Incentive Plan became effective on May 6, 2019. After that date, no new awards may be granted under the Stock Option Plan.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 404 and Item 407(a) of Regulation S-K is incorporated herein by this reference to the captions "Related Person Transactions" and "Board Composition and Nomination Process" of the Bank's Proxy Statement to be filed with the FDIC within 120 days of the Bank's fiscal year-end.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 9(e) of Schedule 14A regarding audit fees, audit committee pre-approval policies, and related information is incorporated herein by this reference to the caption "Fees of Independent Registered Public Accounting Firm" of the Bank's Proxy Statement to be filed with the FDIC within 120 days of the Bank's fiscal year-end.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List the following documents filed as a part of this report:

(1) The Consolidated Financial Statements of the Registrant.

Reference is made to Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules.

Financial Statement schedules are omitted either because they are not required or are not applicable, or because the required information is shown in the Financial Statements or notes thereto.

(3) Exhibits.

The exhibits to this Annual Report on Form 10-K are listed in the Exhibit Index which immediately follows Item 16 below.

(b) Exhibits. The exhibits to this Annual Report on Form 10-K are listed in the Exhibit Index which immediately follows Item 16 below.

(c) Financial Statement Schedules. See Item 15(a)(2) above.

Item 16. FORM 10-K SUMMARY

None.

EXHIBIT INDEX

The following exhibits are filed with this report or are incorporated by reference to previously filed material.

Exhibit No.	
3.1	Amended and Restated Articles of Incorporation of Bank of the Ozarks, effective as of April 10, 2017 (previously filed as Exhibit 3.1 to the Bank's Current Report on Form 8-K filed with the FDIC on June 26, 2017, and incorporated herein by reference)
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Bank OZK (previously filed as Exhibit 3.1 to the Bank's Current Report on Form 8-K filed with the FDIC on July 16, 2018, and incorporated herein by reference)
3.3	Articles of Amendment to the Amended and Restated Articles of Incorporation of Bank OZK (previously filed as Exhibit 3.3 to the Bank's Registration Statement on Form 8-A filed with the FDIC on November 4, 2021, and incorporated herein by reference)
3.4	Second Amended and Restated Bylaws of Bank OZK, effective August 10, 2018 (previously filed as Exhibit 3.1 to the Bank's Current Report on Form 8-K filed with the FDIC on August 10, 2018, and incorporated herein by reference)
4.1	Form of Common Stock Certificate (previously filed as Exhibit 4.2 to the Bank's Current Report on Form 8-K filed with the FDIC on July 16, 2018, and incorporated herein by reference)
4.2	Form of Certificate Representing Series A Preferred Stock (previously filed as Exhibit 4.1 to the Bank's Registration Statement on Form 8-A filed with the FDIC on November 4, 2021, and incorporated herein by reference)
4.3	Instruments defining the rights of security holders, including indentures. The Bank hereby agrees to furnish to the FDIC upon request copies of instruments defining the rights of holders of long-term debt of the Bank and its consolidated subsidiaries; no issuance of debt exceeds ten percent of the assets of the Bank and its subsidiaries on a consolidated basis
4.4	Description of Bank OZK's common stock registered under Section 12 of the Securities Exchange Act of 1934 (previously filed as Exhibit 4.3 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 28, 2020, and incorporated herein by reference)
4.5	Description of Bank OZK's Series A Preferred Stock registered under Section 12 of the Securities Exchange Act of 1934 (previously filed as Exhibit 4.4 to the Bank's Quarterly Report on Form 10-Q filed with the FDIC on November 9, 2021, and incorporated herein by reference)
10.1*	Form of Indemnification Agreement for directors and executive officers (previously filed as Exhibit 10.1 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.2*	Bank OZK Non-Qualified Deferred Compensation Plan, as amended and restated effective January 1, 2021 (previously filed as Exhibit 10.8 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 25, 2021, and incorporated herein by reference)
10.3*	Split Dollar Insurance Agreement with Bank OZK (previously Bank of the Ozarks) as Trustee of the Linda and George Gleason Insurance Trust, effective as of May 4, 2010 (previously filed as Exhibit 10.3 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.4*	Split Dollar Insurance Agreement with George G. Gleason, II, effective as of May 4, 2010 (previously filed as Exhibit 10.4 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.5*	Split Dollar Designation by Bank OZK (previously Bank of the Ozarks), dated as of May 4, 2010 in respect of George G. Gleason, II as the insured (previously filed as Exhibit 10.5 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.6*	Supplemental Executive Retirement Plan ("SERP") for George G. Gleason, II, effective May 4, 2010 (previously filed as Exhibit 10.6 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.7*	Amendment to SERP effective November 2, 2020, (previously filed as Exhibit 10.7 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 25, 2021, and incorporated herein by reference)
10.8*	Third Amended and Restated Non-Employee Director Stock Option Plan as of April 15, 2013 (previously filed as Exhibit 10.9 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.9*	Form of Stock Option Agreement for Non-Employee Directors (previously filed as Exhibit 10.10 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.10*	Bank of the Ozarks, Inc. Amended and Restated Stock Option Plan, effective May 18, 2015 (previously filed as Exhibit 10.11 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)
10.11*	Form of Stock Option Grant Agreement for employees under the Amended and Restated Stock Option Plan, effective May 18, 2015 (previously filed as Exhibit 10.12 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2018, and incorporated herein by reference)

10.12* Bank OZK 2019 Omnibus Equity Incentive Plan dated May 6, 2019 (previously filed as Exhibit 10.1 to the Bank's Current Report on Form 8-K filed with the FDIC on May 7, 2019, and incorporated herein by reference)

10.13* Form of Restricted Stock Award Agreement for Employees under the 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.15 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 26, 2024, and incorporated herein by reference)

10.14* Form of Restricted Stock Award Agreement for Non-Employee Directors under the 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.3 to the Bank's Current Report on Form 8-K filed with the FDIC on May 7, 2019, and incorporated herein by reference)

10.15* Form of Stock Option Award Agreement for Employees under the 2019 Omnibus Equity Incentive Plan (previously filed as Exhibit 10.4 to the Bank's Current Report on Form 8-K filed with the FDIC on May 7, 2019, and incorporated herein by reference)

10.16* Form of 2021 Performance Based Restricted Stock Unit Award Agreement for Executive Officers ("2021 LTIP Award") (previously filed as Exhibit 10.27 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 25, 2021, and incorporated herein by reference)

10.17* Form of 2022 Performance Based Restricted Stock Unit Award Agreement for Executive Officers ("2022 LTIP Award") (previously filed as Exhibit 10.28 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 28, 2022, and incorporated herein by reference)

10.18* Form of 2023 Performance Based Restricted Stock Unit Award Agreement for Executive Officers ("2023 LTIP Award") (previously filed as Exhibit 10.27 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2023, and incorporated herein by reference)

10.19* Bank OZK 2023 Executive Management Cash Incentive Plan (previously filed as Exhibit 10.28 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 27, 2023, and incorporated herein by reference)

10.20* Form of 2024 Performance Based Restricted Stock Unit Award Agreement for Executive Officers ("2024 LTIP Award") (previously filed as Exhibit 10.25 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 26, 2024, and incorporated herein by

10.21* Bank OZK 2024 Executive Officer Cash Incentive Plan (previously filed as Exhibit 10.26 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 26, 2024, and incorporated herein by reference)

10.22* Form of 2025 Performance Based Restricted Stock Unit Award Agreement for Executive Officers ("2025 LTIP Award"), filed herewith

10.23* Bank OZK 2025 Executive Officer Cash Incentive Plan, filed herewith

19 Bank OZK Insider Trading Policy and Guidelines, filed herewith

21.1 List of Subsidiaries of the Registrant, filed herewith

31.1 Certification of Chairman and Chief Executive Officer, filed herewith

31.2 Certification of Chief Financial Officer, filed herewith

32.1 Certification of Chairman and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith

97 Bank OZK Executive Officer Incentive Compensation Clawback Policy, (previously filed as Exhibit 97 to the Bank's Annual Report on Form 10-K filed with the FDIC on February 26, 2024, and incorporated herein by reference)

*Management contract or a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bank OZK

By: /s/ Tim Hicks
Chief Financial Officer
(Principal Financial Officer and Authorized Officer)

DATE: March 3, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ George Gleason George Gleason	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 3, 2025
/s/ Tim Hicks Tim Hicks	Chief Financial Officer (Principal Financial Officer)	March 3, 2025
/s/ Stan Thomas Stan Thomas	Chief Accounting Officer (Principal Accounting Officer)	March 3, 2025
/s/ Nicholas Brown Nicholas Brown	Director	March 3, 2025
/s/ Paula Cholmondeley Paula Cholmondeley	Director	March 3, 2025
/s/ Beverly Cole Beverly Cole	Director	March 3, 2025
/s/ Robert East Robert East	Director	March 3, 2025
/s/ Kathleen Franklin Kathleen Franklin	Director	March 3, 2025
/s/ Jeff Gearhart Jeff Gearhart	Director	March 3, 2025
/s/ Peter Kenny Peter Kenny	Director	March 3, 2025
/s/ William Koefoed William Koefoed	Director	March 3, 2025
/s/ Elizabeth Musico Elizabeth Musico	Director	March 3, 2025
/s/ Chris Orndorff Chris Orndorff	Director	March 3, 2025
/s/ Steven Sadoff Steven Sadoff	Director	March 3, 2025
/s/ Ross Whipple Ross Whipple	Director	March 3, 2025

Exhibit 10.22

Notice of Grant of Performance-Based Restricted Stock Units And Award Agreement

This Performance-Based Restricted Stock Unit Agreement (this "**Agreement**") is made and entered into as of January 23, 2025 (the "**Grant Date**") by and between Bank OZK, an Arkansas state bank (the "**Company**"), and [●] (the "**Participant**"). Capitalized terms used in this Agreement that are not otherwise defined in this Agreement are used as defined in the Plan.

WHEREAS, the Board of Directors and shareholders of the Company previously adopted the 2019 Omnibus Equity Incentive Plan effective May 6, 2019 (the "**Plan**") pursuant to which performance-based Restricted Stock Units ("**PSUs**") may be granted; and

WHEREAS, the Governance and Compensation Committee of the Board of Directors (the "**Committee**") has determined that it is in the best interests of the Company and its shareholders to grant an award of PSUs (the "**Award**") as provided for herein.

THIS PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD IS SUBJECT TO ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION THE ADDITIONAL PROMISES SET FORTH IN SECTION 1.2 HEREIN BELOW. BY SIGNING THIS AGREEMENT, YOU HEREBY CONFIRM YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AGREEMENT

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Award; Additional Promises.

1.1 Grant of Performance-Based Restricted Stock Units. The Company hereby grants to the Participant an Award of [●] PSUs (the "**Target Award Amount**"). Each PSU represents the right to receive one share of common stock, par value $0.01 per share, of the Company (the "**Common Stock**") at a future date and time and the right to accrue cash Dividend Equivalents thereon, each as settled as set forth in this Agreement, subject to the terms and conditions set forth in this Agreement and the Plan. "**Dividend Equivalent**" means a right that entitles the Participant to receive an amount equal to any dividends (or other distributions) paid on a share of Common Stock, which dividends have a record date between the Grant Date and the date any earned and vested PSUs are settled in accordance with Section 10. The number of PSUs that the Participant shall actually earn, if any, (up to a maximum of [●] PSUs – 200% of the Target Award Amount) will be determined during the performance period by the level of achievement of the performance goals as set forth in Exhibit A attached hereto (the "**Performance Goals**").

1.2 Additional Promises. The parties hereto agree to certain additional promises as part of this Agreement, which are set forth in Exhibit B to this Agreement and is incorporated herein by reference (the "**Restrictive Covenant Agreement**"). Participant acknowledges and agrees that the Participant's consent to these additional promises is a necessary and vital part of the consideration given for this Agreement and that the Participant would not receive this Award but for the Participant's agreement to the additional promises stated therein.

2. Performance Period. For purposes of this Agreement, the term "**Performance Period**" shall be the period commencing on January 1, 2025 and ending on December 31, 2027.

3. Performance Goals.

3.1 The number of PSUs earned by the Participant will be determined at the end of the Performance Period (or earlier for purposes of Sections 5.2(i) and 5.3(i)) based on the level of achievement of the Performance Goals in accordance with Exhibit A, as determined by the Committee in its sole discretion and, except as otherwise expressly provided in this Agreement, continued employment.

3.2 Following completion of the Performance Period (or earlier for purposes of Sections 5.2(i) and 5.3(i)), the Committee will review and certify in writing (a) whether, and to what extent, the Performance Goals for the Performance Period have been achieved, and (b) the number of PSUs that the Participant shall earn, if any, subject to compliance with the requirements of Section 4 of this Agreement. Such certification shall be final, conclusive and binding on the Participant, and on all other persons, to the maximum extent permitted by law.

4. Vesting of PSUs.

4.1 Except as otherwise provided in Sections 5 and 6 of this Agreement, the PSUs will vest and become non-forfeitable on the date in the year immediately following the end of the Performance Period (or earlier pursuant to Sections 5.2(i) and 5.3(i)) that the Committee certifies the level of achievement of the Performance Goals in accordance with Section 3.2 (the "**PSU Vesting Date**"), subject to (a) the achievement of the minimum threshold Performance Goals for payout set forth in Exhibit A, and (b) the Participant's continued employment from the Grant Date through the PSU Vesting Date.

4.2 The number of PSUs that vest under this Agreement and the corresponding Dividend Equivalents on such vested PSUs, shall be determined by the Committee based on the level of achievement of the Performance Goals set forth in Exhibit A, and shall be rounded down to the nearest whole PSU. All determinations of whether Performance Goals have been achieved (and at what level), the number of PSUs earned by the Participant, and all other matters related to this Agreement shall be made by the Committee in its sole discretion.

4.3 Except in the event of death, Disability or a Change in Control, the earned and vested PSUs will be settled by delivery of Common Stock one year after the PSU Vesting Date or Involuntary Termination Vesting Date (defined below), as applicable (the "**Post-Vest Holding Period**"); except that if the Participant is terminated for Cause on or prior to the end of the Post-Vest Holding Period, the vested PSUs shall be forfeited, and the Company shall have no obligation to issue any shares of Common Stock.

5. Termination of Service.

5.1 Any Reason other than Death, Disability, Involuntary Termination or Retirement. Except as otherwise expressly provided in this Agreement, in the event of a Termination of Service at any time before the PSU Vesting Date the PSUs and any accrued but unpaid Dividend Equivalents shall be automatically forfeited upon such Termination of Service and neither the Company nor any Subsidiary shall have any further obligations to the Participant under this Agreement.

5.2 Death and Disability. Notwithstanding Section 5.1:

(i) If a Termination of Service occurs during the Performance Period as a result of the Participant's death or Disability, the Participant will vest in PSUs at the greater of: (a) the number of PSUs that would have been earned (if any) if the Performance Period ended on the date of the death or Disability (based on the actual level of achievement of the Performance Goals as of the end of the most recent quarterly financial period in the Performance Period prior to the date of the death or Disability), or (b) the Target Award Amount. In determining actual performance under this Section 5.2(i), the Committee shall consider all fiscal quarters completed since the first day of the Performance Period prior to the date of death or Disability. In the event that the date of the death or Disability occurs during the first quarter of the Performance Period, the PSUs and any accrued but unpaid Dividend Equivalents shall be automatically forfeited upon such date of death or Disability and neither the Company nor any Subsidiary shall have any further obligations to the Participant under this Agreement. For purposes of this Section 5.2(i), the date such PSUs will vest will be the date the Committee determines the number of PSUs earned pursuant to the previous sentence, which shall be as soon as practicable following such date of death or Disability. The Participant shall also become entitled to any accrued but unpaid Dividend Equivalents on such vested PSUs. In such case, the Award shall be settled within 30 days of the Participant's death or Disability; and

(ii) If a Termination of Service occurs as a result of the Participant's death or Disability on or after the end of the Performance Period but prior to the PSU Vesting Date, the Participant will vest on the PSU Vesting Date in the number of PSUs earned (if any) in accordance with Exhibit A and shall also vest on the PSU Vesting Date in any accrued but unpaid Dividend Equivalents on such vested PSUs and in such case the Award shall be settled within the year of death or Disability but in no event earlier than 30 days of the PSU Vesting Date.

5.3 Involuntary Termination. Notwithstanding Section 5.1:

(i) if a Termination of Service occurs during the Performance Period as a result of the Participant's termination by the Company or a Subsidiary other than for Cause (as defined in the Plan) (an "**Involuntary Termination**") and provided the Participant signs and does not revoke a release and waiver of claims in favor of the

Company in a form provided by the Company or a Subsidiary, as applicable, the Participant will vest in a pro rata portion of the PSUs earned, if any, based on the actual level of achievement of the Performance Goals (as of the end of the most recent quarterly financial period in the Performance Period prior to the date of Involuntary Termination) calculated by multiplying the PSUs earned by a fraction, the numerator of which equals the number of days between the first day of the Performance Period and the date of the Involuntary Termination and the denominator of which equals the total number of days in the Performance Period. The Participant shall also become entitled to any accrued but unpaid Dividend Equivalents on the pro rata portion of such earned and vested PSUs pursuant to the previous sentence. In determining actual performance under this Section 5.3(i), the Committee shall consider all fiscal quarters completed since the first day of the Performance Period prior to the date of Involuntary Termination. In the event that the date of the Involuntary Termination occurs during the first quarter of the Performance Period, the PSUs and any accrued but unpaid Dividend Equivalents shall be automatically forfeited upon such Involuntary Termination and neither the Company nor any Subsidiary shall have any further obligations to the Participant under this Agreement. For purposes of this Section 5.3(i), the PSUs earned, if any, will vest and become non-forfeitable on such date (the "**Involuntary Termination Vesting Date**") that the Committee certifies the actual level of achievement of the Performance Goals and provided the Participant has executed the release and waiver of claims in favor of the Company as described above. The earned and vested PSUs, if any, will be settled by delivery of Common Stock one year after the Involuntary Termination Vesting Date as set forth in Section 10; and

(ii) if an Involuntary Termination occurs on or after the end of the Performance Period but prior to the PSU Vesting Date, the Participant will vest on the PSU Vesting Date in the number of PSUs earned (if any) in accordance with Exhibit A and shall also vest on the PSU Vesting Date in any accrued but unpaid Dividend Equivalents on such earned PSUs which shall be settled as set forth in Section 10.

5.4 Retirement. Notwithstanding Section 5.1, if a Termination of Service occurs during the Performance Period as a result of the Participant's retirement: (i) at or after such Participant has attained age 60 and completed at least 15 years of service with the Company or a Subsidiary and (ii) upon at least three months' advance written notice to the Company (a "**Retirement**"), the Participant will vest in a pro rata portion of the number of PSUs earned (if any) in accordance with Exhibit A as of the PSU Vesting Date calculated by multiplying the number of shares earned on the PSU Vesting Date by a fraction, the numerator of which equals the number of days between the first day of the Performance Period and the Retirement date and the denominator of which equals the total number of days in the Performance Period. The Participant shall also become entitled to any accrued but unpaid Dividend Equivalents on the pro rata portion of such vested PSUs pursuant to the previous sentence. The Award shall be settled as set forth in Section 10. If a Retirement occurs on or after the end of the Performance Period but prior to the PSU Vesting Date, the Participant will vest on the PSU Vesting Date in the number of PSUs earned (if any) in accordance with Exhibit A and shall also vest on the PSU Vesting Date in any accrued but unpaid Dividend Equivalents on such earned PSUs which shall be settled as set forth in Section 10.

6. Effect of a Change in Control.

6.1 If the Participant is employed with the Company or a Subsidiary upon the closing of a Change in Control, all unvested PSUs that are not replaced by a Replacement Award (as defined by the Plan) by the successor to the Company in such Change in Control or an affiliate of such successor (a "**Surviving Entity**"), shall vest based on the greater of: (a) the number of PSUs that would have vested (if any) if the Performance Period ended on the date of the Change in Control (based on the actual level of performance achieved through such date as determined in accordance with Exhibit A), or (b) the Target Award Amount and which shall settle on the date of the Change in Control. The Participant shall also become immediately vested in any accrued but unpaid Dividend Equivalents on such vested PSUs pursuant to the previous sentence, which shall be settled on the date of the Change in Control.

6.2 Any Replacement Awards shall be adjusted as to the shares into which such PSUs shall convert in accordance with the Plan. If, within 24 months following a Change in Control, the Participant's service with the Company or a Surviving Entity is terminated by the Company or the Surviving Entity for a reason other than gross negligence or deliberate misconduct which demonstrably harms the Company, or the Participant resigns for Good Reason (as defined in the Plan), then such Participant's Replacement Award shall immediately vest based on the greater of: (a) the number of PSUs that would have vested (if any) if the Performance Period ended on the date of the Change in Control (based on the actual level of performance achieved through such date as determined in accordance with Exhibit A), or (b) the Target Award Amount and shall be settled not later than thirty 30 days following the termination of the Participant's employment or resignation for Good Reason. The Participant shall also become immediately vested in any accrued but unpaid Dividend Equivalents on such vested PSUs pursuant to the previous sentence, which shall be settled not later than thirty 30 days following the termination of the Participant's employment or resignation for Good Reason. The Committee and/or the Board's determination with respect to any adjustments will be conclusive. Any Replacement Award shares or other securities received as a result of the foregoing will be subject to the same terms and conditions as set forth under this Agreement.

7. Payment of Dividend Equivalents. During the period beginning on the Grant Date and ending on the date that shares of Common Stock are issued in settlement of any earned and vested PSUs, the Participant will accrue Dividend Equivalents on PSUs equal to the cash dividend or distribution that would have been paid on the PSUs had the PSU been an issued and outstanding share of Common Stock on the record date for the dividend or distribution. Dividend Equivalents will be subject to the same vesting criteria as the underlying Award and settled in cash (without interest or earnings), to the extent the underlying earned PSUs vest, if any, pursuant to this Agreement. Dividend Equivalents that have accrued from the Grant Date until the date the underlying earned PSUs vest, if any, will be paid to the Participant on the date the PSUs vest (i.e., the PSU Vesting Date, the Involuntary Termination Vesting Date, or the date any earned PSUs vest pursuant to Section 5.2(i), as applicable), and thereafter, any such Dividend Equivalents on any earned and vested PSUs after the date such PSUs vest until the Settlement Date shall be paid to the Participant in cash on the dividend payment date. Dividend Equivalent payments will be net of applicable federal, state, and local income and social insurance withholding taxes.

8. Transferability of PSUs. Subject to any exceptions set forth in the Plan, the PSUs or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant, except by will or the laws of descent and distribution, and upon any such transfer by will or the laws of descent and distribution, the transferee shall hold such PSUs subject to all of the terms and conditions that were applicable to the Participant immediately prior to such transfer.

9. Rights as Shareholder. The Participant shall have no rights as a shareholder with respect to the PSUs, including voting rights and the right to any dividends.

10. Settlement of PSUs.

10.1 Payment in respect of the PSUs earned for the Performance Period shall be made in shares of Common Stock and, except as set forth in Sections 5.2 and 6 of this Agreement, settled as set forth in this Section 10.

10.2 Notwithstanding the vesting of the PSUs in accordance with Sections 4, 5 and 6 of this Agreement, the settlement (but not the vesting) of the PSUs shall be deferred automatically except as set forth in Sections 5.2 and 6, after the PSU Vesting Date (or Involuntary Termination Vesting Date, as applicable) until, and subject to Section 6, settlement shall be made in shares of Common Stock, upon the earliest to occur of:

(i) one year after the Involuntary Termination Vesting Date;
(ii) one year after the PSU Vesting Date;
(iii) thirty days after the date of the Participant's death or Disability; and
(iv) the date of a Change in Control.

The first of 10.2(i), (ii), (iii) and (iv) to occur (or the date set forth in Sections 5.2 or 6) shall be the "**Settlement Date**."

10.3 The Company shall not be required to issue any shares of Common Stock hereunder prior to fulfillment of all the following conditions: (i) the admission of such shares to listing on all stock exchanges on which such class of stock is then listed; (ii) the completion of any registration or other qualification of such shares under any State or Federal law or under the rulings or regulations of the Securities and Exchange Commission, the Federal Deposit Insurance Corporation, or any other governmental regulatory body, which the Company shall, in its absolute discretion, deem necessary or advisable; (iii) the obtaining of any approval or other clearance from any State or Federal governmental agency, which the Company shall, in its absolute discretion, determine to be necessary or advisable; and (iv) the lapse of such reasonable period of time following the date of grant or vesting date as the Company may establish from time to time for legal or other administrative reasons.

10.4 Upon the settlement under Section 10.2, on the first payroll date following the Settlement Date but within the taxable year of such Settlement Date (however, in cases where such Settlement Date is after December 15th, distribution will occur on the first payroll date of the subsequent calendar year), the Company shall deliver to the

Participant (or the Participant's estate in the event of Participant's death) the number of shares of Common Stock equal to the number of vested PSUs.

10.5 It is intended that the PSUs and the exercise of authority or discretion hereunder shall comply with Section 409A of the Code so as not to subject Participant to the payment of any interest or additional tax imposed under Section 409A of the Code. In furtherance of this intent, to the extent that any United States Department of the Treasury regulations, guidance, interpretations, or changes to Section 409A of the Code would result in Participant becoming subject to interest and additional taxes under the Section 409A of the Code, the Company and the Participant agree to amend this Agreement to bring the PSUs into compliance with Section 409A of the Code.

10.6 In the event the Participant is considered a "specified employee" within the meaning of Section 409A of the Code at the time of his or her separation from service, any payment (including Dividend Equivalents) will take place on the first payroll date that follows the date that is six months after the Participant's separation from service if such delay is required in order to comply with Section 409A of the Code.

10.7 As a condition to the receipt of the shares of Common Stock covered by this Agreement, the Company may require Participant to make any representation and warranty to the Company as may be required by any applicable law or regulation.

10.8 If a Termination of Service occurs for any reason other than Cause between the PSU Vesting Date and the Settlement Date, the Participant (or the Participant's estate in the event of Participant's death) shall still be entitled to receipt of the shares of Common Stock covered by this Agreement upon the Settlement Date.

11. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Participant any right to be retained in any position, as an Employee, consultant or director of the Company or any Subsidiary. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company or any Subsidiary to terminate the Participant at any time, with or without Cause.

12. Adjustments. If any change is made to the outstanding Common Stock or the capital structure of the Company, if required, the PSUs shall be adjusted or terminated in any manner as contemplated by the Plan.

13. Tax Liability and Withholding.

13.1 The Participant shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Participant pursuant to the Plan, the amount of any required withholding taxes in respect of the PSUs and Dividend Equivalents and the distribution of shares of Common Stock and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Committee may permit the Participant to satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means:

(i) tendering a cash payment;
(ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable or deliverable to the Participant; *provided, however*, that no shares of Common Stock shall be withheld with a value exceeding the maximum amount of tax required to be withheld by law; or
(iii) delivering to the Company previously owned and unencumbered shares of Common Stock.

13.2 The Company shall collect the employee portion of the FICA taxes (Social Security and Medicare) with respect to the PSUs and Dividend Equivalents earned on the PSU Vesting Date and if such Participant is retirement eligible such additional amounts owed as interest as may be required under the Code. The FICA taxes shall be based on the Fair Market Value of the Common Stock on the PSU Vesting Date and the amount of cash owed for the Dividend Equivalents earned. Unless the Participant delivers a separate check payable to the Company in the amount of the FICA taxes required to be withheld from the Participant, the Company shall withhold those taxes from the cash to be paid with respect to the Dividend Equivalents and, if necessary, the Participant's wages.

13.3 Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent sale of any shares, and (b) does not commit to structure the PSUs to reduce or eliminate the Participant's liability for Tax-Related Items.

14. Compliance with Law. The issuance and transfer of shares of Common Stock in connection with the PSUs shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

15. Notices. Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Participant under this Agreement shall be in writing and addressed to the Participant at the Participant's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

16. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Arkansas without regard to conflict of law principles.

17. Entire Agreement. This Agreement, including the Restrictive Covenant Agreement set forth on Exhibit B, contains the entire agreement and understanding of the parties hereto with respect to the matters covered hereby except that any post-employment restrictions set forth in the Restrictive Covenant Agreement are in addition to and independent of, and not a replacement for, any other post-employment restrictions to which Participant previously may have agreed.

18. Interpretation. Any dispute regarding the interpretation of the Plan or this Agreement shall be submitted by the Participant or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Participant and the Company.

19. PSUs Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference.

20. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

21. Severability and Reformation. Should any provision of this Agreement (including Exhibit B) be declared or be determined by any court to be illegal, invalid, or unenforceable, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal and invalid part, term, or provision shall be deemed not to be a part of this Agreement. Participant agrees that if any provision contained in the Restrictive Covenant Agreement is found by a court of competent jurisdiction to contain limitations as to time, geographical area, or scope of activity that are not reasonable and impose a greater restraint than is necessary to protect the goodwill or other business interest of the Company, then the court shall reform and modify the covenant to the extent necessary to cause the limitations contained in the covenant as to time, geographical area, and scope of activity to be restrained to be reasonable and to impose a restraint that is not greater than necessary to protect the goodwill and other business interests of the Company and to enforce the covenant as reformed. If the covenant cannot be so reformed or modified, it will be deemed severed from this Agreement.

22. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the PSUs in this Agreement does not create any contractual right or other right to receive any PSUs or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Company.

23. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel the PSUs, prospectively or retroactively; *provided, that*, no such amendment shall adversely affect the Participant's material rights under this Agreement without the Participant's consent.

24. Section 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations

that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. With respect to the time of payments of any deferred compensation payable upon a termination of employment hereunder, references in this Agreement to "termination of employment" (and substantially similar phrases) mean "separation from service" within the meaning of Section 409A.

25. General Assets. All amounts credited in respect of the PSUs to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.

26. No Impact on Other Benefits. The value of the Participant's PSUs is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

27. Application of Company Clawback Policy. The PSUs and any shares of Common Stock, cash or other property acquired in connection with this Award, whether or not subject to the Post-Vest Holding Period set forth in Section 4, will be subject to the terms and conditions of the Company's Executive Officer Incentive Compensation Clawback Policy, Employee Incentive Compensation Clawback Policy, and any other clawback or recoupment policy adopted by the Company and as may be in effect from time to time.

28. Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or to request consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system that may be established and maintained by the Company or a third party designated by the Company.

29. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

30. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan, the Plan prospectus and this Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the PSUs subject to all of the terms and conditions of the Plan and this Agreement, including, without limitation, the additional promises set forth in Section 1.2 above and in Exhibit B hereto. The Participant acknowledges that there may be adverse tax consequences upon the vesting or settlement of the PSUs or disposition of the underlying shares and that the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

BANK OZK	**PARTICIPANT**
By: ____________________________	By: ____________________________
Name:	Name:

<u>EXHIBIT A</u>

Performance Period

The Performance Period shall commence on January 1, 2025 and end on December 31, 2027.

Performance Goals

The number of PSUs earned shall be determined by reference to the following performance metrics:

<u>Relative TSR</u> (1/3 weighting):

The Company's Total Shareholder Return ("**TSR**") relative to the TSR ("**Relative TSR**") of the companies included in the KBW Regional Banking Index on January 1, 2025 (all such companies as of such date, excluding the Company, is the "**KRX Index**") as measured over the Performance Period. TSR will be calculated based on the stock price appreciation during the Performance Period plus the value of dividends paid on such stock during the Performance Period (which shall be deemed to have been reinvested in the underlying stock). TSR shall be calculated using the average stock prices for the month in both the beginning and ending values (i.e., the average closing price per share during the month of January 2025 compared to the average closing price per share during the month of December 2027). Notwithstanding the foregoing, the number of PSUs earned for the Relative TSR Performance Goal will be capped at the Target Award Amount in the event the Company's TSR is negative but above the median of the KRX Index. In no event shall the value of PSUs earned for the Relative TSR Performance Goal (and corresponding Dividend Equivalents that have been earned) on the PSU Vesting Date exceed six times (6x) the Company's Grant Date Fair Market Value.

Relative TSR will be determined by ranking each company in the KRX Index (as in effect on January 1, 2025), excluding the Company, from the highest to lowest. The company ranked highest will be assigned the one hundred percentile (100%) rank and the company ranked lowest will be assigned a zero percentile (0%) rank. Each company ranked in between would be assigned a percentile equal to one hundred (100) divided by n minus one (100/(n-1)), plus the percentile assigned to the company ranked directly below it, where "n" is the total number of companies in the KRX Index. The Company's percentile ranking is then interpolated based on the Company's TSR.

<u>Relative ROAE</u> (1/3 weighting):

The Company's Return on Average Common Equity ("**ROAE**") relative to the ROAE for the peer financial institutions identified in <u>Schedule 1</u> attached hereto (hereinafter referred to as the "**Peer Financial Institutions**") which calculation shall be computed by taking the average of the Company's ROAE for each year in the Performance Period and comparing that to the average ROAE for the Peer Financial Institutions for each year in the Performance Period ("**Relative ROAE**"). ROAE for the Peer Financial Institutions will be based on the ROAE metric disclosed by such institution in its publicly filed financials. In the event that a Peer Financial Institution does not disclose ROAE in its publicly filed financials, ROAE will be calculated by taking the sum of the Peer Financial Institution's net income available to common shareholders, divided by average common shareholders' equity. For the Company, ROAE for a year is based on the fiscal year ending December 31. For Peer Financial Institutions, ROAE for a year is based on the last four (4) quarters of data available on the PSU Vesting Date from the Company's independent data service.

<u>Relative ROAA</u> (1/3 weighting):

The Company's Return on Average Assets ("**ROAA**") relative to the ROAA for the Peer Financial Institutions which calculation shall be computed by taking the average of the Company's ROAA for each year in the Performance Period and comparing that to the average ROAA for the Peer Financial Institutions for each year in the Performance Period ("**Relative ROAA**"). ROAA for the Peer Financial Institutions will be based on the ROAA metric disclosed by such institution in its publicly filed financials. In the event that a Peer Financial Institution does not disclose ROAA in its publicly filed financials, ROAA will be calculated by taking the sum of the Peer Financial Institution's net income available to common shareholders divided by average total assets. For the Company, ROAA for a year is based on the fiscal year ending December 31. For Peer Financial Institutions, ROAA for a year is based on the last four (4) quarters of data available on the PSU Vesting Date from the Company's independent data service.

Relative ROAE and ROAA will be determined by ranking each Peer Financial Institution (excluding the Company) from the highest to lowest. The Peer Financial Institution ranked highest will be assigned the one hundred percentile (100%) rank and the Peer Financial Institution ranked lowest will be assigned a zero percentile (0%) rank. Each Peer Financial Institution ranked in between would be assigned a percentile equal to one hundred (100) divided by n minus one (100/(n-1)), plus the percentile assigned to the Peer Financial Institution ranked directly below it, where "n" is the total number of Peer Financial Institutions. The Company's percentile ranking is then interpolated based on the Company's ROAE or ROAA as applicable.

Number of PSUs Earned

The total number of PSUs earned by the Participant shall equal the sum of the Relative TSR PSUs earned, the Relative ROAE PSUs earned and the Relative ROAA PSUs earned for the Performance Period (with linear interpolation for earning between levels) pursuant to the following table:

Performance Goal Achieved[(1)]	**Percent of PSU Target Award Earned (payout percentage)**
At or below the 25^{th} percentile:	0%
At 26^{th} percentile (Threshold):	4%
At 50^{th} percentile (Target):	100%
At 75^{th} percentile:	150%
At 95^{th} percentile (Maximum):	200%

(1) Percentile performance shall be rounded, if necessary, to the nearest whole percentile by application of regular rounding.

The percentage of PSUs that become earned for the Performance Period for each Performance Goal shall be interpolated between payout levels for performance between each performance level set forth above. The number of PSUs earned shall, to the extent necessary, be rounded down to the next whole unit in order to avoid the issuance of a fractional unit.

Adjustments

The Peer Financial Institutions may be changed as follows:

(i) In the event of a merger, acquisition, or business combination transaction of a Peer Financial Institution with or by another Peer Financial Institution, the surviving entity shall remain a Peer Financial Institution.

(ii) In the event of a merger of a Peer Financial Institution with an entity that is not a Peer Financial Institution, or the acquisition or business combination transaction by or with a Peer Financial Institution, or with an entity that is not a Peer Financial Institution, in each case where the Peer Financial Institution is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Financial Institution.

(iii) In the event of a merger, acquisition, or business combination transaction of a Peer Financial Institution by or with an entity that is not a Peer Financial Institution or a "going private" transaction involving a Peer Financial Institution where the Peer Financial Institution is not the surviving entity or is otherwise no longer publicly traded, the company shall no longer be a Peer Financial Institution.

(iv) In the event of a bankruptcy, liquidation, or delisting of a Peer Financial Institution, such company shall remain a Peer Financial Institution. Such Peer Financial Institution's ROAE and ROAA will be 0.

(v) the Committee shall have the authority to make other appropriate adjustments in response to a change in circumstances that results in a Peer Financial Institution no longer satisfying the criteria for which such company was originally selected.

The Company may make changes to the companies in the KRX Index in a similar fashion.

The Committee may adjust the Performance Goals with respect to the Company or any other Peer Financial Institution for any year during the Performance Period, to recognize (i) any unusual and/or non-recurring items, (ii) the after-tax impact of any bargain purchase gains, acquisition-related costs, liquidation charges related to contract terminations, information technology systems de-conversion and conversion costs, and any other similar costs or expenses, and (iii) the effects of changes in international, federal and state tax law, accounting principles or other such laws or provisions affecting reported results.

<u>Schedule 1 to Exhibit A</u>
Peer Financial Institutions

1.	Ameris Bancorp	ABCB	Atlanta GA
2.	Atlantic Union Bankshares Corp.	AUB	Glen Allen VA
3.	Bank of Hawaii Corp.	BOH	Honolulu HI
4.	Cathay General Bancorp	CATY	Los Angeles CA
5.	Columbia Banking System Inc.	COLB	Tacoma WA
6.	Commerce Bancshares Inc.	CBSH	Kansas City MO
7.	Cullen/Frost Bankers Inc.	CFR	San Antonio TX
8.	Customers Bancorp Inc	CUBI	West Reading PA
9.	East West Bancorp Inc.	EWBC	Pasadena CA
10.	F.N.B. Corp.	FNB	Pittsburgh PA
11.	First Horizon Corp.	FHN	Memphis TN
12.	Fulton Financial Corp.	FULT	Lancaster PA
13.	Hancock Whitney Corp.	HWC	Gulfport MS
14.	Home Bancshares	HOMB	Conway AR
15.	Old National Bancorp	ONB	Evansville IN
16.	Pinnacle Financial Partners	PNFP	Nashville TN
17.	SouthState Corp.	SSB	Winter Haven FL
18.	Synovus Financial Corp.	SNV	Columbus GA
19.	UMB Financial Corp.	UMBF	Kansas City MO
20.	United Bankshares Inc.	UBSI	Charleston WV
21.	United Community Banks Inc.	UCBI	Blairsville GA
22.	WaFd, Inc.	WAFD	Seattle WA
23.	Webster Financial Corp.	WBS	Stamford CT
24.	Western Alliance Bancorp	WAL	Phoenix AZ
25.	Wintrust Financial Corp.	WTFC	Rosemont IL

<u>EXHIBIT B</u>
Restrictive Covenant Agreement

In consideration of Bank OZK ("**Company**"), or one or more of its Subsidiaries or Affiliates disclosing Confidential Information, as defined and more fully described in Section 4 below, on and after the date hereof, the grant of PSUs set forth in Section 1.1 of the Performance-Based Restricted Stock Unit Agreement (hereinafter "**Award Agreement**"), the undersigned employee's ("**Employee**") continued employment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employee and Company, intending to be legally bound, agree as follows:

1. ***Full-Time Efforts***. While Employee is employed by the Company, Employee will devote his or her full business time, energy, best efforts, and skills to the service of the Company. Employee's employment shall be at will and nothing in this Restrictive Covenant Agreement shall interfere with or limit in any way the right of the Company or any Subsidiary or Affiliate to terminate Employee's employment or service at any time, nor confer upon Employee any right to continue in the employ or service of the Company or any Subsidiary or Affiliate. Except as provided in Section 4(a) of the Award Agreement, any unvested portions of the equity award granted under the Award Agreement shall be forfeited upon the termination of Employee's employment with the Company.

2. ***Non-Solicitation of Customers***. Employee understands and agrees that the Company's relationships with its customers are a key driver of its success. Those relationships are built over time, with the Company's resources and by making use of the Company's good will. Employee also understands and agrees that his or her efforts in establishing, developing, and enhancing customer relationships are made on behalf of the Company and that those relationships belong to the Company, not to Employee. Accordingly, to protect those relationships, Employee will not, during the term of his or her employment with the Company and for a period of one (1) year after termination of his or her employment with the Company for any reason, solicit or attempt to solicit business, directly or indirectly, from the Company's current customers with whom Employee had material contact during employment for the purpose of providing products or services that are competitive with those provided by the Company, or otherwise solicit, induce or divert, or attempt to solicit, induce or divert, such customers from doing business with the Company. For purposes of this Section 2, "material contact" exists between an Employee and each customer with whom Employee dealt, whose dealings were coordinated or supervised by Employee, about whom Employee obtained confidential information as a result of Employee's association with the Company, or who receives products and services from the Company and for which Employee received compensation, commissions, or earnings during the two-year period prior to the termination of Employee's employment. "Products or services that are competitive with those provided by the Company" includes anything of commercial value that is the same as or similar to the products or services of the Company.

3. ***Non-Solicitation of Employees***. Employee understands and agrees that the Company's relationships with its employees and the maintenance of a stable workforce are also key drivers of its success. Those relationships are also built over time and with the Company's resources. Employee also understands and agrees that his or her efforts in establishing and developing employees' relationships with the Company are made on behalf of the Company, and that those relationships are a valuable asset of the Company. Further, Employee understands and agrees that a stable workforce is a valuable asset of the Company. Accordingly, to protect these employee assets, Employee will not, during the term of his or her employment with the Company and for a period of one (1) year after termination of his or her employment with the Company for any reason, directly or indirectly, either individually or on behalf of another person or entity, solicit, recruit, attempt to lure away, or assist others in soliciting, recruiting, or attempting to lure away any employee of the Company to leave their employment with the Company for any reason or to apply for employment elsewhere.

4. ***Protection of Confidential Information***. During the term of Employee's employment with the Company, the Company shall provide Confidential Information (as defined below) to Employee, and Employee agrees, during the term of his or her employment and thereafter, not to use, divulge, or furnish or make accessible to any third party, company, corporation or other organization (including, but not limited to, customers or competitors) any Confidential Information without the Company's prior written consent or, during the term of his or her employment, except as explicitly permitted by the Company's Code of Business Conduct and Ethics and other applicable policies. For purposes of this Restrictive Covenant Agreement, "**Confidential Information**" includes any and all information in any way relating to the Company's business and its Affiliates and not generally known outside the Company, including but not limited to, any trade secrets, customer lists, information regarding customers, information regarding the Company's relationships with specific existing or prospective customers, customer goodwill associated with the Company's trade name, and valuable confidential and proprietary information concerning the Company or its business such as confidential methods of operation and organization, confidential

matters related to pricing, markups, commissions, marketing plans, business strategies, strategic alliances, anticipated or actual expansion of contraction of, or changes in operations and/or services, non-public financial information (including but not limited to revenues, expenses, assets, liabilities and profitability), real estate transactions, securities transactions, management or personnel changes, design of computer systems and software, innovations and security measures. Employee warrants and agrees that every customer whom Employee services in any way while employed at the Company is a customer of the Company and not a customer of Employee, individually. Promptly after termination of his or her employment for any reason or at any time upon the Company's request, Employee agrees to return to the Company all Confidential Information which is in tangible form and in Employee's possession, and to execute a written statement certifying his or her compliance with this requirement. Employee agrees that such information remains confidential even if committed to Employee's memory. Both Company and Employee acknowledge that nothing in this Section 4 restricts or prohibits either party, where applicable, from reporting conduct such party believes to be in violation of the law or the Company's Code of Business Conduct and Ethics or filing or participating in an investigative proceeding of any federal, state or local governmental agency or self-regulatory agency.

5. ***Non-Disparagement***. Employee will not, during the term of his or her employment or thereafter, make or encourage others to make any public statement or release any information in verbal, written, electronic or any other form through any medium (including, but not limited to, electronic mail, television or radio, computer networks or Internet bulletin boards, blogs, social media, such as Facebook, LinkedIn, or Twitter, or any other form of communication), that is intended to, or reasonably could be foreseen to, disparage, embarrass or criticize the Company or its employees, officers, directors, or shareholders as a group; *provided*, that this Section 5 shall not preclude Employee from reporting conduct he or she believes to be in violation of the law or the Company's Code of Business Conduct and Ethics or filing or participating in an investigative proceeding of any federal, state or local governmental agency or self-regulatory agency.

6. ***Cooperation and Compliance with this Restrictive Covenant Agreement***. Employee agrees to provide the Company with any information reasonably requested by the Company to determine Employee's compliance with this Restrictive Covenant Agreement and authorizes the Company to disclose the terms of this Restrictive Covenant Agreement to any third party who might be affected thereby, including prospective employers of Employee.

7. ***Assignment***. Employee and Company recognize that the provisions of this Restrictive Covenant Agreement inure to the benefit of the Company's successors and assign and that any subsidiaries or affiliates of Company which employ Employee are third-party beneficiaries to this Restrictive Covenant Agreement and are intended to be protected by the covenants set forth herein.

8. ***Miscellaneous***. Employee agrees that the covenants contained herein are necessary and reasonable for the protection of the legitimate business interests and goodwill of the Company described above, and Employee agrees that any breach of these covenants will cause the Company substantial and irrevocable damage and, therefore, the Company shall have the right, in addition to any other remedies it may have, to seek specific performance and injunctive relief without the need to post a bond or other security. Employee agrees that the period during which the covenants set forth above shall be effective, shall be extended by the length of time during which Employee is in violation of any provision of the covenants above, so that the Company actually receives the full period of protection called for under the covenant. Employee further agrees that, should all or any part of Sections 2, 3, 4, or 5 above be held or found invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction in an action between Employee and Company, or an affiliate, and should such court decline to reform or modify the restriction so as to render it enforceable, then Employee agrees to repay to the Company, at its election, all portions of the Award received by Employee under the Award Agreement. Neither the right of election nor the exercise of any election by the Company hereunder constitutes or reflects a waiver of Company, or an Affiliate of its rights to seek equitable and/or monetary relief for violations of this Restrictive Covenant Agreement. Capitalized terms used but not defined in this Restrictive Covenant Agreement shall have the meanings ascribed to such terms in the Award Agreement or, if not defined in the Award Agreement, the meanings ascribed to such terms in the Company's 2019 Omnibus Equity Incentive Plan, as the same may be amended from time to time.

EMPLOYEE:

Print Name	Date

Exhibit 10.23

2025 Executive Officer Cash Incentive Plan

1. Introduction

In order to encourage outstanding performance from its officers, the Governance and Compensation Committee (the "**Committee**") of the Board of Directors ("**Board**") of Bank OZK (the "**Company**") has established the following plan relating to 2025 cash incentive awards for specified officers (the "**Plan**"). While risk is an inherent aspect of our business, this Plan is designed to reward eligible employees for certain levels of performance without encouraging undue risk taking that could materially threaten the safety and soundness of the Company.

Subject to applicable law, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any award shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons. This document and the Plan described herein is not a contract and all amounts are payable at the discretion of the Committee. Designations, determinations, interpretations, and other decisions made by the Committee with respect to the Plan or any award need not be uniform and may be made selectively among participants, whether or not such participants are similarly situated.

The Plan was approved by the Governance and Compensation Committee of the Board on February 20, 2025.

2. Definitions

The following terms and definitions are applicable to the Plan:

"**Committee**" shall mean the Governance and Compensation Committee of the Board, or such other committee designated by the Board to administer the Plan.

"**Company**" collectively means Bank OZK or any successor or assignee corporation(s) into which the Company may be merged, changed or consolidated; any corporation for whose securities the securities of the Company shall be exchanged; and any assignee of or successor to substantially all of the assets of the Company.

"Efficiency Ratio" means the Company's non-interest expense divided by the sum of net interest income (fully taxable equivalent, or "**FTE**") and non-interest income and adjusted to exclude (i) any unusual and/or non-recurring items, (ii) the after-tax impact of any bargain purchase gains, acquisition-related costs (including any day-1 provision expense for purchased non-credit deteriorated loans), liquidation charges related to contract terminations, information technology systems de-conversion and conversion costs, and any other similar costs or expenses, and (iii) the effects of changes in tax law, accounting principles or other such laws or provisions affecting reported results.

"**EPS**" means the Company's diluted earnings per share computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding after consideration of the dilutive effect, if any, of the Company's outstanding common stock options using the treasury stock method and the Company's non-vested performance-based restricted stock units. Net income for purposes of calculating EPS under the Plan means the Company's after tax net income available to common shareholders, determined in accordance with GAAP, adjusted to exclude (i) any unusual and/or non-recurring items, (ii) the after-tax impact of any bargain purchase gains, acquisition-related costs (including any day-1 provision expense for purchased non-credit deteriorated loans), liquidation charges related to contract terminations, information technology systems de-conversion and conversion costs, and any other similar costs or expenses, and (iii) the effects of changes in tax law, accounting principles or other such laws or provisions affecting reported results.

"**Net Charge-off Ratio**" means the Company's net charge-off ratio for total loans (non-purchased and purchased loans).

"**NIM**" means the Company's net interest margin on a fully taxable equivalent, or FTE, basis.

"**Nonperforming Asset Ratio**" means the ratio of the Company's nonperforming assets (excluding purchased loans) to total assets, calculated by taking the average of each quarter end ratio during the Performance Period.

"**Performance Period**" means the period beginning on January 1, 2025 and ending on December 31, 2025.

3. Plan Business Objectives

The business objectives of the Plan are to encourage outstanding performance from officers of the Company.

4. Eligible Participants

The Committee shall designate those officers of the Company that will be eligible to receive an award pursuant to the Plan (each a "**Participant**").

5. Plan Components and Payment

5.1 Performance Metrics

The Company performance metrics (each a "Performance Metric") and the relative weighting of each Performance Metric ("Weight") for the Plan are set forth in the table below.

Performance Metrics	Payout Percentage	Documentation	Payment Frequency
This Plan is comprised of the following components:	*Payouts are measured and calculated as follows:*	*The following reports are required to support the calculation of the amounts:*	
EPS (20%) Efficiency Ratio (20%) Net Charge-Off Ratio (20%) NIM (20%) Nonperforming Asset Ratio (20%)	No later than 90 days following the commencement of the Performance Period, the Committee shall approve the performance level that must be attained with respect to each Performance Metric. Each Performance Metric will include multiple ranges of possible performance and each level contains a corresponding payout percentage (ranging from 0% to 100%).	As soon as practicable following the end of the Performance Period, the Chief Financial Officer shall prepare a report for the Committee reflecting the Company's performance for the Performance Period with respect to each Performance Metric and the related calculations and adjustments.	Annual, to be paid within 75 days following the end of the Performance Period.

5.2 Award Opportunities

No later than 90 days following the commencement of the Performance Period, the Committee shall approve the performance level that must be attained with respect to each Performance Metric before payout using various levels of performance. The Committee shall approve the maximum incentive award opportunity for each Participant based on the level of performance attained for the particular Performance Metric over the Performance Period. Payouts under each Performance Metric will depend on the level of performance achieved with respect to the particular metric. If the Company's performance is below the threshold amount set for the particular Performance Metric, the payout related to the particular metric is zero. Company performance that is at or above the maximum level set for the particular Performance Metric may result in payment up to the maximum amount of the incentive opportunity for that particular Performance Metric.

5.3 Payment of Cash Awards

As soon as practicable following the end of the Performance Period, the Committee shall determine (such date, the "**Determination Date**") whether and to what extent each Performance Metric has been achieved and the final dollar amount ("**Cash Award**"), if any, payable to each Participant under the Plan. Each Cash Award shall be paid solely in cash within 75 days after the end of the Performance Period and assuming Participant is an employee in good standing at the Company.

In determining the amount earned by the Participant for the Performance Period, the Committee shall have the right to increase or decrease the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant to the assessment of individual or Company performance for the Performance Period, including the Company's overall performance, the individual Participant's specific contributions and performance throughout the Performance Period and any actual or perceived inappropriate risks taken by Participants.

Except as the Committee may otherwise determine in its sole and absolute discretion, termination of a Participant's employment prior to the end of the Performance Period will result in the forfeiture of any right to a Cash Award for the applicable year.

This Plan is not a contract and all amounts are payable at the discretion of the Plan Administrator.

6. Limits and Caps

The Company and the Committee believe that uncapped opportunities may lead to the pursuit of short-term objectives to the detriment of long-term performance. Except as otherwise provided in the Plan, Participants may be paid a Cash Award equal to no more than the maximum Cash Award established for the Participant.

7. Discretion

Plans that payout without the opportunity for qualitative adjustments by management (strictly formula driven) have a higher risk profile. Discretion in this Plan is accomplished as follows:

- While the Committee approves maximum Cash Award opportunities for each Participant, it is anticipated that only superior performance will warrant the approval of the maximum Cash Award amount for any Participant.

- The Committee retains authority to adjust Cash Award amounts, in its sole and absolute discretion.

8. Risk Management

Although profitability is a key driver for compensation opportunities, the Company discourages the taking of imprudent or excessive risk. The Company's pay structure and programs are designed to appropriately reward the returns from acceptable risk-taking through a careful balance of compensation, performance metrics, calibration and timing.

9. Administrative Provisions

9.1 Plan Administrator

The Company may designate one or more committees, officers, or managers of the Company, a third party administrator, or such other department within the Company, as it deems appropriate ("**Plan Administrator**") to administer the Plan. The Plan Administrator has authority to interpret the Plan and to make or nullify any rules and procedures, as necessary, for proper administration.

9.2 Clawback

Incentive compensation paid (or payable) under the Plan will be subject to deduction, forfeiture, and/or recoupment: (i) as provided pursuant to any compensation recovery (or "clawback") policies adopted or maintained by the Company, including, without limitation, the Company's Employee Incentive Compensation Clawback Policy and Executive Officer Incentive Compensation Clawback Policy, as applicable, or (ii) as required by law, government regulation, or stock exchange listing requirement applicable to the Company, in each case, as in effect from time to time.

9.3 Taxability of Compensation

This Plan is not a "qualified" plan for federal income tax purposes, and any payments are subject to applicable tax withholding requirements. Compensation will be considered taxable income to employees in the year paid and will be subject to withholding for required income and other applicable taxes and withholdings. The Company is authorized to withhold from any payment under the Plan, amounts of withholding, and other taxes due in connection with a payment made under the Plan, and to take such other action as the Plan Administrator may deem advisable to enable the Company and employees to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any payment.

9.4 Application of Section 409A of the Internal Revenue Code

The Plan is intended to comply with Section 409A of the Code and will be interpreted in a manner intended to comply with Section 409A of the Code.

9.5 Limitations on Rights Conferred under Plan

No Right to Employment. Nothing contained in the Plan or in any documents related to the Plan will confer upon any employee any right to continue as an employee or in the employ of the Company or constitute any contract or agreement of employment, or interfere in any way with the right of the Company to reduce such person's compensation, to change the position held by such person or to terminate the employment of such employee, with or without cause, but nothing contained in the Plan or any document related thereto will affect any other contractual right of any employee. No benefit payable under, or interest in, the Plan will be transferable by an employee except by will or the laws of descent and distribution or otherwise be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge.

No Trust or Fund Created. Neither the Plan nor any award hereunder shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company, any of its subsidiaries or affiliates and a Participant or any other person. To the extent that any person acquires a right to receive payments from the Company or any of its subsidiaries or affiliates pursuant to an award, such right shall be no greater than the right of any unsecured general creditor of the Company or any of its subsidiaries or affiliates.

No Rights to Awards. No person shall have any claim to be granted any award and there is no obligation for uniformity of treatment among Participants. The terms and conditions of the awards, if any, need not be the same with respect to each Participant. The Company reserves the right to terminate or suspend the Plan at any time in the Company's sole discretion.

9.6 Plan Changes, Termination or Adjustments

The Committee may terminate, modify, or amend this Plan. In addition to any adjustments enumerated by the Committee when setting the Performance Metrics, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, awards in recognition of unusual or nonrecurring events affecting any Participant, the Company, or any subsidiary or affiliate, or the financial statements of the Company or of any subsidiary or affiliate; in the event of changes in applicable laws, regulations or accounting principles; or in the event the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The Committee is also authorized to adjust performance targets or awards downward to avoid unwarranted windfalls. Any adjustments to the financial performance results utilized in this Plan must be approved by the Committee.

Any decisions made or actions taken by the Committee or the Plan Administrator in connection with the administration, interpretation, and effect of the Plan shall be at the Plan Administrator's absolute discretion and will be conclusive and binding on all parties.

This Plan has been designed and approved to be in full compliance with all relevant laws, regulations and guidelines. However, in recognition of the fluid regulatory and legal environment, in the event and to the extent that any component of this Plan is found to be non-compliant with existing or newly created laws, regulatory guidelines or interpretation of regulatory guidelines, affected Participants will be immediately ineligible for payment under this Plan, and may instead be eligible through an alternate ad hoc plan at the discretion of the Committee. All payouts under any ad hoc plan will be made at the discretion of the Committee.

9.7 Confidential Information, Non-Solicitation, and Non-Hire

Participants shall forfeit and cease to have any right to or interest in any award granted under the Plan, whether or not vested, upon the Participant's breach of the promises set forth in the restrictive covenant agreement, if applicable, included in any award agreement under the Plan, or any other non-disclosure, non-competition, or non-solicitation restrictive covenant obligations owed to the Company.

Nothing in the Plan is intended to be inconsistent with the terms, conditions and restrictions set forth in any Company policy and/or such other confidentiality, non-solicitation and non-hire obligations.

9.8 Severability

Each provision in the Plan is severable, and if any provision is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not, in any way, be affected or impaired thereby.

9.9 Successors and Assigns

The provisions of the Plan will be binding upon the Company and its successors and upon the employees and their legal representatives.

9.10 Governing Law

The validity, construction, and effect of the Plan, any rules and regulations relating to the Plan, and any payment made under the Plan will be determined in accordance with the laws of Arkansas, without giving effect to principles of conflicts of laws, and applicable federal law.

Exhibit 19

INSIDER TRADING POLICY
(Last Revised Effective February 24, 2025)

Statement of Company Policy
With Respect to Certain Transactions in Company Securities

This Statement of Company Policy (our "***Insider Trading Policy***" or "***Policy***") provides guidelines to all employees, officers and directors of Bank OZK and any of its subsidiaries or affiliate companies (the "***Company***") with respect to transactions in the Company's securities. This Policy supersedes any previous policy of the Company concerning stock trading. In the event of any conflict or inconsistency between this Policy and any other materials previously distributed by the Company, this Policy shall govern. The Company's designated Compliance Officers are responsible for the administration of this Policy.[1]

THE NEED FOR A POLICY STATEMENT

The Company has adopted and has periodically updated and revised this Insider Trading Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about our Company from: (i) trading in the Company's securities or (ii) providing material nonpublic information to other persons who may trade on the basis of that information.

We maintain our Insider Trading Policy to not only comply with insider trading and related laws, but to also avoid even the appearance of improper conduct on the part of anyone employed by or associated with our Company (not just so-called "insiders"). We have all worked hard over the years to establish our reputation for integrity and ethical conduct. We cannot afford to have it damaged.

OUR INSIDER TRADING POLICY – TO WHOM DOES IT APPLY?

Our Insider Trading Policy applies to all directors, officers and employees of Bank OZK and its subsidiaries and affiliate companies. This Policy also applies to family members, other members of a person's household and entities controlled by a person covered by this Policy, as described below. Every person associated with the Company in one or more of these positions will be required to observe this Policy – it has universal application; no one is exempt. In addition, the Company may also determine that other persons should be subject to this Policy, such as consultants who have access to material nonpublic information. The Company may not, directly or indirectly, transact in its own securities except in compliance with applicable federal and state securities laws.

WHAT IS OUR INSIDER TRADING POLICY?

Transactions Subject to the Policy

This Policy applies to transactions in the Company's securities (collectively referred to as "***Company Securities***"), including the Company's common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, derivative securities that are not issued by the Company (e.g. put or call options or swaps), or debt securities of the Company (e.g. debentures, bonds and notes).

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[1] For purposes of this Policy, a "Compliance Officer" means the Chief Financial Officer, the General Counsel, or one or more of their designees. All determinations and interpretations by a Compliance Officer shall be final and not subject to further review.

Policy Statement

It is the policy of the Company that no director, officer or other employee of the Company (or any other person designated as subject to this Policy) who is aware of material, nonpublic information relating to our Company may, directly, or indirectly through family members or other persons or entities:

- buy or sell Company Securities or otherwise engage in transactions in Company Securities, except as otherwise specified in this Policy under the headings "*Transactions Under Company Plans*," "*Transactions Not Involving a Purchase or Sale*" and "*Rule 10b5-1 Plans*;"
- recommend the purchase or sale of Company Securities or engage in any other action to take advantage of, or pass on to others, that information;
- disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company; or
- assist anyone engaged in the above activities.

This prohibition applies independently of any other restriction or prohibition on trading in Company Securities, so long as the information remains material and nonpublic. Prohibitions on unauthorized dissemination of material nonpublic information or any of the Company's confidential information apply equally to communications made through social media.

Transactions in Company Securities that may be otherwise necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) or small transactions are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Tipping Information to Others

You must not communicate material nonpublic information of the Company to other persons (a practice known as "tipping") before its public disclosure and dissemination by the Company. Therefore, you should exercise care when speaking with other personnel who do not have a "need to know" and when communicating with family, friends and others who are not associated with us, even if they are subject to this Policy. To avoid even the appearance of impropriety, please refrain from discussing our business or prospects or making recommendations about buying or selling Company Securities or the securities of other companies with which we have a relationship. This concept of unlawful tipping includes passing on information to friends, family members or acquaintances under circumstances that suggest that you were trying to help them make a profit or avoid a loss. The penalties discussed in this Policy apply, whether or not you derive any benefit from another's actions.

Trading in Other Companies Securities

No employee, officer or director should place a purchase or sale order, or recommend that another person place a purchase or sale order, in the securities of another corporation, if the employee, officer or director becomes aware of confidential or material nonpublic information about the other corporation that is likely to affect the value of those securities. For example, it would be a violation of securities laws if an employee, officer or director learned through Company sources that the Company, or any of our affiliates, intended to purchase assets from another corporation, and then bought or sold stock in that other corporation because of the likely increase or decrease in the value of its securities.

DEFINITION OF MATERIAL NONPUBLIC INFORMATION

Material Information

Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock or other securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- Financial results, including adjustments to past financial statements;
- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset or subsidiary;
- A Company restructuring;
- Significant related party transactions;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- Significant financing transactions out of the ordinary course;
- The establishment of a repurchase program for Company Securities;
- A change in auditors or notification that the auditor's reports may no longer be relied upon;
- Changes in management or other key personnel;
- Development of a significant new product, process, or service;
- Pending or threatened significant litigation, or the resolution of such litigation;
- Adverse results from regulatory examinations or other significant regulatory developments;
- A significant disruption in the Company's operations or loss, potential loss, breach or unauthorized access of its property or assets, including its facilities and information technology infrastructure;
- Impending bankruptcy or the existence of severe liquidity problems; or
- The gain or loss of a substantial customer.

When Material Information Becomes Public

Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the Dow Jones "broad tape," newswire services, a broadcast on widely available radio or television programs, published in a widely available newspaper, magazine or news website, or disclosed in documents filed with the Federal Deposit Insurance Corporation ("***FDIC***") that are available on the FDIC's website. By contrast, information would likely not be considered widely disseminated if it's available only to the Company's employees, or if it is only available to a select group of analysts, brokers and institutional investors. Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information.

As a rule of thumb, information should not be considered fully absorbed by the marketplace until after the second full trading day following the Company's widespread public release of such information. If, for example, the

Company were to make an announcement on a Monday morning before the market opens, you should not trade in Company Securities until Wednesday. If an announcement is made on a Friday after the market closes, Wednesday generally would be the first day on which you should trade. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

If you are unsure whether information of which you are aware is material or nonpublic, you should consult with a Compliance Officer prior to trading. If you inadvertently disclose material nonpublic information regarding the Company (or discover inadvertent disclosure by another person), no matter what the circumstances, you should immediately report the facts of such disclosure to a Compliance Officer.

If you are a director or an "executive officer" for FDIC reporting purposes (individually and collectively referred to as "***Section 16 Reporting Persons***"), you must **always** consult with a Compliance Officer before trading, as outlined in this Policy under "*Pre-Clearance Procedures*" below.

TRANSACTIONS BY FAMILY MEMBERS

The very same restrictions that apply to you also apply to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (referred to as "***Family Members***"). All directors, officers and employees are responsible for their Family Members' transactions and therefore should make them aware of the need to confer with you before they trade in the Company Securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account.

TRANSACTIONS BY ENTITIES THAT YOU INFLUENCE OR CONTROL

This Policy applies to any entities that any director, officer or employee influences or controls, including any corporations, limited liability companies, partnerships or trusts, and transactions by these controlled entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

TRANSACTIONS UNDER COMPANY PLANS

This Insider Trading Policy does not apply in the case of the following transactions under certain Company plans, except as specifically noted:

- **Stock Option Exercises.** This Policy does not apply to the exercise of any stock option granted pursuant to the Company's plans. This Policy **does apply**, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.
- **Restricted Stock Awards.** This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy **does apply**, however, to any market sale of restricted stock.
- **Bank OZK 401(k) Plan.** This Policy does not apply to purchases of Company Securities in the Company's 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy **does apply**, however, to certain elections you may make under the 401(k) plan, including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

- **Other Similar Transactions**. Any other purchase of Company Securities directly from the Company or sales of Company Securities to the Company are not subject to this Policy.

TRANSACTIONS NOT INVOLVING A PURCHASE OR SALE

This Policy does not apply to *bona fide* gifts of Company Securities; however Section 16 Reporting Persons must seek prior approval for any *bona fide* gift in accordance with the pre-clearance procedures described below. Whether a gift is truly *bona fide* will depend on the circumstances surrounding a specific gift. The more unrelated the donee is to the donor, the more likely the gift would be considered "bona fide" and not a "transaction." For example, gifts to charities, churches or non-profit organizations would generally not be deemed to be "transactions." However, gifts to dependent children followed by a sale of the gifted securities in close proximity to the time of the gift may imply some economic benefit to the donor and, therefore, may be deemed to be a "transaction" and not a "bona fide gift."

Further, transactions in mutual funds that are invested in Company Securities are not transactions subject to this Policy. Any other exceptions to this Policy must be approved by a Compliance Officer.

SECTION 16 LIABILITY - DIRECTORS AND OFFICERS

Directors and certain officers of the Company must also comply with the reporting obligations and limitations on short- swing profit transactions set forth in Section 16 of the Exchange Act. The practical effect of these provisions is that these officers and directors who purchase and sell the Company's Securities within a six-month period must disgorge "all profits" to the Company. Under these provisions, and so long as certain other criteria are met, neither the receipt of stock, including stock options, under the Company's stock plans, nor the exercise of options nor the receipt of stock under the Company's 401(k) retirement plan is deemed a purchase that can be matched against a sale for Section 16(b) short swing profit disgorgement purposes; however, the sale of any such shares so obtained is a sale for these purposes. Moreover, no such director or officer may ever make a short sale of the Company's common stock which is unlawful under Section 16(c) of the Exchange Act. The rules on recovery of short swing profits are absolute and do not depend on whether a person has material nonpublic information. The rules for computing "profits" are also absolute and large amounts may be deemed profits even when a trader has not received any economic benefit.

The Company has notified its directors and executive officers who have been designated by the Board of Directors as subject to the reporting provisions and trading restrictions of Section 16 of the Exchange Act, and the underlying rules and regulations promulgated by the Securities and Exchange Commission ("***SEC***") and the FDIC (such persons being referred to herein as Section 16 Reporting Persons). As noted above, Section 16 Reporting Persons must obtain prior approval of all trades in Company Securities from the Compliance Officer in accordance with the additional procedures set forth under "*Pre-Clearance Procedures*" below.

ADDITIONAL PROCEDURES

Pre-Clearance Procedures

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), Section 16 Reporting Persons (including their respective Family Members and controlled entities) must first obtain pre-clearance from a Compliance Officer **before** engaging in any transaction in Company Securities (i.e., acquisitions, dispositions, transfers, gifts).

When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any material nonpublic information about the Company, and should describe fully those circumstances to the Compliance Officer. If you are a Section 16 Reporting Person, you must also indicate whether you have effected any non-exempt "opposite-way" transactions within the past six months and should be prepared to report the proposed transaction on an appropriate Form 4 or Form 5.

Quarterly Trading Restrictions

The "***Window Group***" is comprised of the following individuals:

- Section 16 Reporting Persons, including their respective Family Members and controlled entities; and
- Certain other employees who may be designated in writing by the Company from time to time.

Members of the Window Group are subject to the following extra restrictions on trading in Company Securities:

- Members of the Window Group may trade only during the period beginning on the third trading day after an earnings release for the preceding fiscal quarter and ending at the opening of business on the 15th day of the last month of the current fiscal quarter (the "***Window***");
- There shall be no trading outside the Window except for reasons of exceptional personal hardship; and
- Individuals in the Window Group are also subject to the general restrictions on all employees.

Repurchase Program Blackout Periods

Beginning four business days before the Company publicly announces a share repurchase plan or program (or publicly announces an increase to an existing share repurchase plan or program) and ending four business days after such public announcement, Section 16 Reporting Persons are prohibited from purchasing, selling, or otherwise acquiring or transferring any type of equity security of the Company that is the subject of such share repurchase plan or program.

Other Event-Specific Trading Restriction Periods

From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Compliance Officer may not trade in Company Securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, designated persons should refrain from trading in Company Securities even sooner than when the typical Window period closes. In that situation, the Compliance Officer may notify these persons that they should not trade in Company Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or shortening the Window will not be announced to the Company as a whole, and should not be communicated to any other person.

Even if the Compliance Officer has not designated you as a person who should not trade due to an event-specific restriction, you are prohibited from trading in Company Securities or those of another publicly-traded company if you are aware of material nonpublic information about the Company or any such other publicly-traded company, respectively.

Plan Blackout Periods

Consistent with the requirements of federal law, no Section 16 Reporting Person shall purchase, sell, or otherwise acquire or transfer any equity security of the Company during a "blackout period" in which participants in the Company's 401(k) Plan (or other equity based plan that may be maintained by the Company from time to time in which participants have individual accounts that can be invested in Company Securities) are prohibited from effecting transactions in Company Securities.

Exceptions

The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the heading "*Transactions Under Company Plans*" and "*Transactions Not Involving a Purchase or Sale*." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-driven trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans, described below under the heading "*Rule 10b5-1 Plans*."

RULE 10b5-1 PLANS

Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") prohibit the purchase or sale of Company Securities "on the basis" of material nonpublic information. Rule 10b5-1 also provides an affirmative defense to Rule 10b-5 insider trading liability for individuals and entities in the form of what is commonly known as a Rule 10b5-1 trading plan (a "***Rule 10b5-1 Plan***"). A Rule 10b5-1 plan is a written plan for buying and/or selling Company Securities that comports with the requirements of Rule 10b5-1(c). It permits trading in circumstances where it's clear that material nonpublic information is not a factor in the trading decision.

To comply with the Policy, a Rule 10b5-1 Plan must be approved by a Compliance Officer and meet the requirements of Rule 10b5-1 and the Company's "*Guidelines for Rule 10b5-1 Plans*," (which may be obtained from the Compliance Officer, or by clicking on the following link: 10b-5-1 Trading Plan Guidelines). In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information, and the person will be required to certify at the time of adoption of the Rule 10b5-1 Plan (typically as a representation in the plan itself) that they are not aware of material nonpublic information and that they adopted the plan in good faith and not as part of a plan or scheme to evade Section 10(b) of the Exchange Act or Rule 10b-5. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Rule 10b5-1 Plans must also include a "cooling-off" period before trades can be made under the plan. For Section 16 Reporting Persons, trades may not be initiated under the Rule 10b5-1 Plan until the later of (a) 90 days following adoption of the plan or changes to the amount, price or timing of the purchase or sale of securities under the plan, and (b) the earlier of (i) two business days after the release of financial results on Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or (ii) 120 days after adopting the plan. The cooling off period for non-Section 16 Reporting Persons is 30 days following adoption of the plan or changes to the amount, price or timing of the purchase or sale of securities under the plan.

Any Rule 10b5-1 Plan must be submitted for approval by a Compliance Officer five (5) days prior to the entry into the Rule 10b5-1 Plan. No such approval by the Compliance Officer shall be considered the Compliance Officer's or the Company's approval that the Rule 10b5-1 Plan satisfies the requirements of Rule 10b5-1. It shall be the sole responsibility of the person establishing the Rule 10b5-1 Plan to ensure that such plan complies with the requirements of Rule 10b5-1. The Company reserves the right to require that additional provisions be included in a Rule 10b5-1 Plan with the objective of complying with Rule 10b5-1. The Company also reserves the right to require that transactions under a Rule 10b5-1 Plan be suspended during periods when the Company believes that legal, contractual or regulatory restrictions could prohibit such transactions or make them undesirable. These might include periods during which persons subject to this Policy have agreed with underwriters that they will not sell securities of the Company for specified periods before and after a public offering, or periods in proximity to a public offering during which Regulation M under the Exchange Act prohibits purchases by affiliates. See "*Additional Restrictions on Purchases During a Distribution*" below.

The Company will publicly disclose, on a quarterly basis on Form 10-Q and Form 10-K, as applicable, the information listed in Item 408 to Regulation S-K regarding the adoption, termination and material terms of any Rule 10b5-1 trading plan or other preplanned trading arrangements by a Section 16 Reporting Person.

SPECIAL AND PROHIBITED TRANSACTIONS

Prohibited Hedging Transactions

The Company is dedicated to growing its business and enhancing shareholder value in all that we do in an ethical way and being mindful of the need to avoid taking actions that pose undue risk or have the appearance of posing undue risk to the institution. Our goal is to grow shareholder value in both the short term and in the longer term, and we expect our directors, officers and employees to have the same goals as the Company that are reflected in their trading activities in Company Securities. Accordingly, it is our policy that any of the enumerated hedging activities (as identified in the following paragraph) in Company Securities by any of our directors, officers or employees is absolutely prohibited. Any other hedging activities, such as forward sales contracts, "cashless" collars and other risk hedging transactions in Company Securities are prohibited without the prior express consent of the Board of Directors.

Hedging activities are any trading activities or strategies that seek to hedge the risk of ownership of Company Securities, including its common stock, or that seek to profit from a decline in the value of any Company Security, including its common stock. Hedging activities that are absolutely prohibited by this Policy include the following:

- short selling of Company stock, or short selling "against the box" (where the seller actually owns the stock, but does not want to close out the position); and
- transactions in puts, calls or other derivative Company Securities on an exchange or in any other organized market.

In addition to a prohibition on hedging transactions involving Company Securities, Section 16 Reporting Persons should request that their broker not lend shares of Company stock held for the benefit of the Section 16 Reporting Person to other brokers as such "lending" arrangements are generally undertaken to short-sell the stock.

Policy on Margin Accounts and Pledged Securities

Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, Section 16 Reporting Persons are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan. Pledges of Company Securities arising from certain types of hedging transactions are governed by this Policy's prohibition on hedging transactions, as described above.

An exception to this prohibition may be granted under limited circumstances. In the event a person covered by this Policy wishes to pledge Company Securities as collateral for a loan (not including margin debt), such person will be required to provide supporting documents that would clearly demonstrate the financial capacity to repay the loan without resort to the pledged securities. Any person seeking an exception from this provision must submit a request for preapproval to the Compliance Officer at least two (2) weeks prior to the contemplated transaction and the person should be advised that any sale of stock by the pledgee will be deemed a sale by the pledgor for purposes of the short-swing profit recovery provisions of Section 16 of the Exchange Act and the prohibition on insider trading in Rule 10b-5 under the Exchange Act.

Short Sales

Short sales of Company Securities (i.e., the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. Short sales arising from certain types of hedging transactions are governed by the paragraph above captioned "*Prohibited Hedging Transactions*." In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. Section 16(c) of the Exchange Act prohibits Section 16 Reporting Persons from engaging in short sales.

Additional Restrictions on Purchases During a "Distribution"

In order to prevent market manipulation, the SEC has adopted Regulation M under the Exchange Act. Regulation M generally prohibits the Company, its "affiliated purchasers," and its selling security holders from buying Company stock in the open market during certain periods (i.e., the "restricted period" referred to below) while a public offering is taking place, which would include the offer and delivery of shares of the Company's common stock to shareholders of a target institution in connection with a merger or acquisition.

An affiliated purchaser is similar to what is often referred to as an "affiliate." We consider all Section 16 Reporting Persons as affiliated purchasers covered by Regulation M. To the extent any other employee has the authority to control purchases of Company Securities or is coordinating his or her purchases of Company Securities with the Company, that individual will also be considered an affiliated purchaser. A "selling security holder" is any person on whose behalf the Company enters into an offering of its securities.

The restricted period for purposes of Regulation M is based on multiple facts and circumstances to which most directors, officers and employees will not have access. This includes such facts as the average daily trading volume of Company Securities, the timing of pricing securities offered in a distribution, and, in the case of a distribution involving a merger, acquisition or exchange offer, the period from the date the proxy statement/ prospectus is first mailed to the target's shareholders to the date that the transaction is voted upon by the target's shareholders or the end of the valuation period, whichever is later.

Due to the complex process of determining when Regulation M applies, during any period in which the Company is engaged in a distribution, **all purchases** of Company Securities by Section 16 Reporting Persons and other employees who may be deemed affiliated purchasers as discussed above **must be pre-cleared** with a Compliance Officer as noted above. If you contemplate purchasing Company Securities and are unsure whether the Company is involved in a distribution, you should contact a Compliance Officer in advance.

THE CONSEQUENCES OF INSIDER TRADING VIOLATIONS

The consequences of insider trading violations can be serious. Penalties for trading on or tipping material, nonpublic information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The SEC and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times (3x) the amount of profit gained or loss avoided;
- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of $1 million or three times (3x) the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to $5 million ($25 million for an entity); and
- Jail sentences of up to 25 years.

Keep in mind that there are no limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past occasioned SEC investigations and lawsuits.

In addition to the possible imposition of civil damages and criminal penalties on violators and their controlling persons, any appearance of impropriety could not only damage our reputation for integrity and ethical conduct but also impair investor confidence in us. For this reason, if you violate this Policy, then we may take disciplinary action against you, including dismissal or removal for cause. Needless to say, any of the above consequences, even an SEC investigation that does not result in prosecution, can tarnish one's reputation and damage a career.

If you believe that a violation of this Policy has taken place, you should report such potential violation promptly to a Compliance Officer.

INDIVIDUAL RESPONSIBILITY

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not trade in Company Securities (or the securities of another public company) while in possession of material nonpublic information. In all cases, **the ultimate responsibility for adhering to this Policy and avoiding improper trading rests with you**, and any action on the part of the Company, a Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. In this regard, it is imperative that you use your best good faith judgment at all times. If you violate this Policy, the Company may take disciplinary action, including dismissal for cause. You may also be subject to severe legal penalties under applicable securities laws.

POST-TERMINATION TRANSACTIONS

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company Securities until that information has become public or is no longer material.

COMPANY ASSISTANCE

Any person who has any questions about specific transactions may obtain additional guidance from the Compliance Officer.

CERTIFICATIONS

All directors, officers and employees will be required to certify their understanding of and intent to comply with this Policy.

Guidelines for Rule 10b5-1 Plans

Last revised May 8, 2023

Rule 10b5-1 under the Securities Exchange Act of 1934 ("***Exchange Act***") provides an affirmative defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to the Company's Insider Trading Policy ("***Policy***") must enter into a Rule 10b5-1 plan for transactions in Company Securities (as defined in the Policy) that meets certain conditions specified in the Rule (a "***Rule 10b5-1 Plan***"). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions.

In general, a Rule 10b5-1 Plan must be in writing and entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the Rule 10b5-1 Plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The Rule 10b5-1 Plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

The following guidelines apply to <u>all</u> Rule 10b5-1 Plans:

- You may not enter into, modify or terminate a trading program pursuant to a Rule 10b5-1 Plan during a blackout period or while in possession of material nonpublic information about the Company.
- Cooling Off-Period:
  - If you are a director or executive officer of the Company (i.e., a ***Section 16 Reporting Person***), you may not trade under any Rule 10b5-1 Plan for the longer of (a) 90 days after adopting the plan or changing the amount, price or timing of transactions under the plan and (b) the earlier of (i) two business days after the release of the Company's Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or (ii) 120 days after adopting the plan.
  - If you are a non-executive officer employee, you may not trade under any Rule 10b5-1 Plan for 30 days after adopting the plan or changing the amount, price or timing of transactions under the plan.
- As specified in the Policy, a Rule 10b5-1 Plan must be approved by a Compliance Officer and meet the requirements of Rule 10b5-1 and these guidelines. Any Rule 10b5-1 Plan must be submitted for approval five (5) days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.
- All Rule 10b5-1 Plans must have a duration of at least 6 months and no more than 2 years.
- You must act in good faith with respect to the adoption and execution of any Rule 10b5-1 Plan. If you are a Section 16 Reporting Person, you must certify at the time of adoption of the Rule 10b5-1 Plan (through representations made in the written plan document), that at the time of its adoption, you are not aware of material nonpublic information about the Company or its securities and that you adopted the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Section 10(b) of the Exchange Act and Rule 10b-5.

- All Rule 10b5-1 Plans must allow for the cancellation of a transaction and/or suspension of the plan upon notice and request by the Company to the extent the Plan would create material adverse consequences for the Company (e.g., due to the imposition of lock-up agreements on the Company officers).
- Section 16 Reporting Persons must file Form 4s reporting all transactions in Company Securities. In order to facilitate Section 16 reporting, Rule 10b5-1 Plans for Section 16 Reporting Persons should provide for prompt notification to the Company of all transactions executed under the plan. In particular, Section 16 Reporting Persons must indicate whether a reported transaction on a Form 4 was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) by clicking the appropriate box on the Form and disclosing the date of adoption of the plan.
- If you have a Rule 10b5-1 Plan in place, you may not trade Company Securities outside the scope of such plan.
- A modification or a change to the amount, price or timing of the transactions under a Rule 10b5-1 plan (or modifications to a written formula or algorithm, or a computer program affecting the amount, price or timing of the transactions) will be deemed a termination of the existing plan and the adoption of a new plan (which would trigger a new cooling-off period). Modifications and terminations of Rule 10b5-1 Plans should be minimal and infrequent, if at all. You must notify the designated Compliance Officer promptly if you terminate a Rule 10b5-1 Plan early.
- You may only have one Rule 10b5-1 Plan (including any contract, instruction, or plan that would qualify for the affirmative defense under Section 10(b) of the Exchange Act) in place at a time.
- If a Rule 10b5-1 Plan is terminated, you must wait at least 30 days before trading outside of the Rule 10b5-1 Plan.
- If a trading program is terminated, you must wait until the commencement of the next Window period (as defined in the Policy) before a new Rule 10b5-1 Plan may be adopted.

Each Section 16 Reporting Person understands that the approval or adoption of a preplanned selling program in no way reduces or eliminates such person's obligations under Section 16 of the Exchange Act, including such person's disclosure and short-swing trading liabilities thereunder. If any questions arise, such person should consult with their own counsel in implementing a Rule 10b5-1 Plan.

The Company shall not have any liability to any person as a result of the establishment of a Rule 10b5-1 plan, any Company disclosure with respect thereto, or any cancellation or transactions and/ or suspension of a Rule 10b5-1 Plan discussed above.

Exhibit 21.1

SUBSIDIARIES OF THE BANK

1. Ozark Capital Statutory Trust II, a Connecticut business trust
2. Ozark Capital Statutory Trust III, a Delaware business trust
3. Ozark Capital Statutory Trust IV, a Delaware business trust
4. Ozark Capital Statutory Trust V, a Delaware business trust
5. The Highlands Group, Inc., a 100% owned Arkansas subsidiary of Bank OZK
6. Arlington Park, LLC, a 50% owned Arkansas subsidiary of The Highlands Group, Inc.
7. BOTO, LLC, a 100% owned Arkansas subsidiary of Bank OZK
8. BOTO FL Properties LLC, a 100% owned Florida subsidiary of Bank OZK
9. FCB Properties LLC, a 100% owned Georgia subsidiary of Bank OZK
10. BOTO NC Properties, LLC, a 100% owned North Carolina subsidiary of Bank OZK
11. BOTO GA Properties, LLC, a 100% owned Georgia subsidiary of Bank OZK
12. BOTO-AR Properties, LLC, a 100% owned Arkansas subsidiary of Bank OZK
13. BOTO SC Properties, LLC, a 100% owned South Carolina subsidiary of Bank OZK
14. Omnibank Center Business Condominium Owners Association, Inc., a 75.2% owned Texas subsidiary of Bank OZK
15. Intervest Statutory Trust II, a Connecticut business trust
16. Intervest Statutory Trust III, a Connecticut business trust
17. Intervest Statutory Trust IV, a Delaware business trust
18. Intervest Statutory Trust V, a Delaware business trust
19. BOTO Holdings, Inc., a 100% owned Texas subsidiary of Bank OZK
20. East Atlantic Properties, LLC, a 100% owned North Carolina subsidiary of BOTO NC Properties, LLC
21. Twin Points Road Clubhouse Properties, LLC, a 100% owned Arkansas subsidiary of Bank OZK
22. Highway 7 Properties, LLC, a 100% owned Arkansas subsidiary of Bank OZK
23. Elizabeth Station, LLC, a 33.34% owned Georgia subsidiary of Bank OZK
24. OZK Renewable Energy, LLC, a 100% owned Arkansas subsidiary of Bank OZK
25. NEC Sunset Crescent Owner, LLC, a 100% owned Delaware subsidiary of Bank OZK
26. OZK NMTC I, LLC, a 100% owned Arkansas subsidiary of Bank OZK

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, George Gleason, certify that:

1. I have reviewed this annual report on Form 10-K of Bank OZK;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2025

/s/ George Gleason

George Gleason
Chairman and Chief Executive Officer

Exhibit 31.2

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY
ACT OF 2002**

I, Tim Hicks, certify that:

1. I have reviewed this annual report on Form 10-K of Bank OZK;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 3, 2025

/s/ Tim Hicks

Tim Hicks
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Bank OZK (the Bank) on Form 10-K for the period ended December 31, 2024, as filed with the Federal Deposit Insurance Corporation on the date hereof (the Report), I, George Gleason, Chairman and Chief Executive Officer of the Bank, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

Date: March 3, 2025

/s/ George Gleason
George Gleason
Chairman and Chief Executive Officer

In accordance with SEC Release No. 34-47986, this Exhibit 32.1 is furnished to the FDIC as an accompanying document and is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Annual Report of Bank OZK (the Bank) on Form 10-K for the period ended December 31, 2024, as filed with the Federal Deposit Insurance Corporation on the date hereof (the Report), I, Tim Hicks, Chief Financial Officer of the Bank, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

Date: March 3, 2025

/s/ Tim Hicks

Tim Hicks
Chief Financial Officer

In accordance with SEC Release No. 34-47986, this Exhibit 32.2 is furnished to the FDIC as an accompanying document and is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.