MANAGEMENT COMMENTS FOR THE SECOND QUARTER & FIRST SIX MONTHS OF 2021

JULY 22, 2021

Forward Looking Statements

This presentation and other communications by Bank OZK (the "Bank") include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those actions in response to the coronavirus ("COVID-19") pandemic such as the Coronavirus Aid, Relief and Economic Security Act, the Consolidated Appropriations Act of 2021, the American Rescue Plan Act of 2021, and any similar or related laws, rules and regulations; changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the Bank's staff, the global economy and the financial markets; national, international or political instability; impairment of our goodwill or other intangible assets; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2020 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Summary

We are pleased to report our results for the second quarter of 2021. Highlights of the quarter are as follows:

- ***Record Net Income.*** Our $150.5 million of net income and our $1.16 of diluted earnings per common share for the quarter just ended were both our best quarterly results ever.
- ***Record Net Interest Income and Improvement in Core Spread.*** Our net interest income for the quarter was a record $240.7 million, an increase of $24.2 million, or 11.2%, from the second quarter of 2020, and a $6.1 million, or 2.6% not annualized, increase from the level achieved in the first quarter of 2021. In the quarter just ended, our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest bearing deposits ("COIBD"), increased 90 and 24 basis points ("bps") compared to the second quarter of 2020 and first quarter of 2021, respectively, helping offset the effect of the high level of net loan repayments in the quarter just ended.
- ***Excellent Asset Quality.*** Our focus on asset quality was again evident, as reflected in our annualized net charge-off ratios for the quarter just ended of 0.09% for non-purchased loans and 0.08% for total loans. Our June 30, 2021 ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[1] were just 0.22% and 0.18%, respectively.
- ***Efficiency Among the Industry's Best.*** Our efficiency ratio for the quarter was 38.4%.
- ***Dividend Growth.*** We recently increased our regular quarterly dividend for the 44th consecutive quarter.
- ***Multiple Options for Increasing Shareholder Value.*** Our combination of strong earnings and robust capital gives us great optionality to increase shareholder value. Options for deploying our excess capital include organic loan growth, adding new business lines, continuing to increase our cash dividend, financially attractive acquisitions for cash or some combination of cash and stock, and stock repurchases pursuant to our recently adopted stock repurchase program.

Profitability and Earnings Metrics

Net income for the second quarter of 2021 was a record $150.5 million, a 199% increase from $50.3 million for the second quarter of 2020. Diluted earnings per common share for the second quarter of 2021 were $1.16, a 197% increase from $0.39 for the second quarter of 2020. For the six months ended June 30, 2021, net income was $299.0 million, a 381% increase from $62.1 million for the first six months of 2020. Diluted earnings per common share for the first six months of 2021 were $2.30, a 379% increase from $0.48 for the first six months of 2020.

Our results for the second quarter and first six months of 2020 reflected the substantial build of our allowance for credit losses ("ACL") associated with the COVID-19 pandemic and the related actual and expected economic

[1] Excludes purchased loans, except for their inclusion in total assets.

impacts at that time, and our results for the second quarter and first six months of 2021 reflect some release of our ACL as a result of improving economic conditions and prospects for improvement in the U.S. economy.

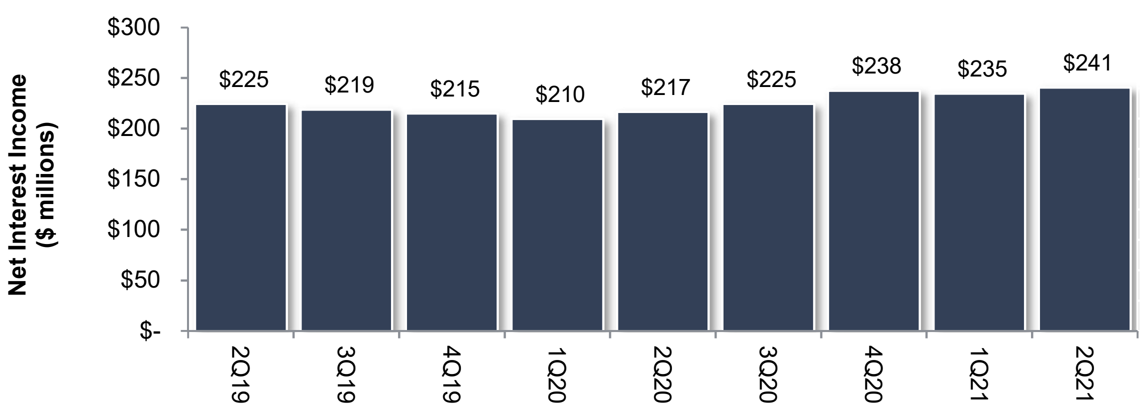
Our annualized return on average assets was 2.24% for the second quarter of 2021 compared to 0.78% for the second quarter of 2020. Our annualized returns on average common stockholders' equity and average tangible common stockholders' equity[2] for the second quarter of 2021 were 13.65% and 16.10%, respectively, compared to 4.92% and 5.89%, respectively, for the second quarter of 2020. Our annualized returns on average assets, average common stockholders' equity, and average tangible common stockholders' equity for the first six months of 2021 were 2.23%, 13.81%, and 16.33%, respectively, compared to 0.50%, 3.04%, and 3.64%, respectively, for the first six months of 2020.

Net Interest Income

Net interest income is our largest category of revenue. It is affected by many factors, including our volume and mix of earning assets; volume and mix of deposits and other liabilities; net interest margin; core spread; and other factors.

As shown in Figure 1 below, our net interest income for the second quarter of 2021 was a record $240.7 million, a $24.2 million, or 11.2%, increase from the second quarter of 2020, and a $6.1 million, or 2.6% not annualized, increase from the level achieved in the first quarter of 2021. In the quarter just ended, our core spread increased 90 bps and 24 bps, compared to the second quarter of 2020 and first quarter of 2021, respectively, helping offset the effect of the high level of net loan repayments in the quarter just ended.

Figure 1: Quarterly Net Interest Income



[2] The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedule at the end of this presentation.

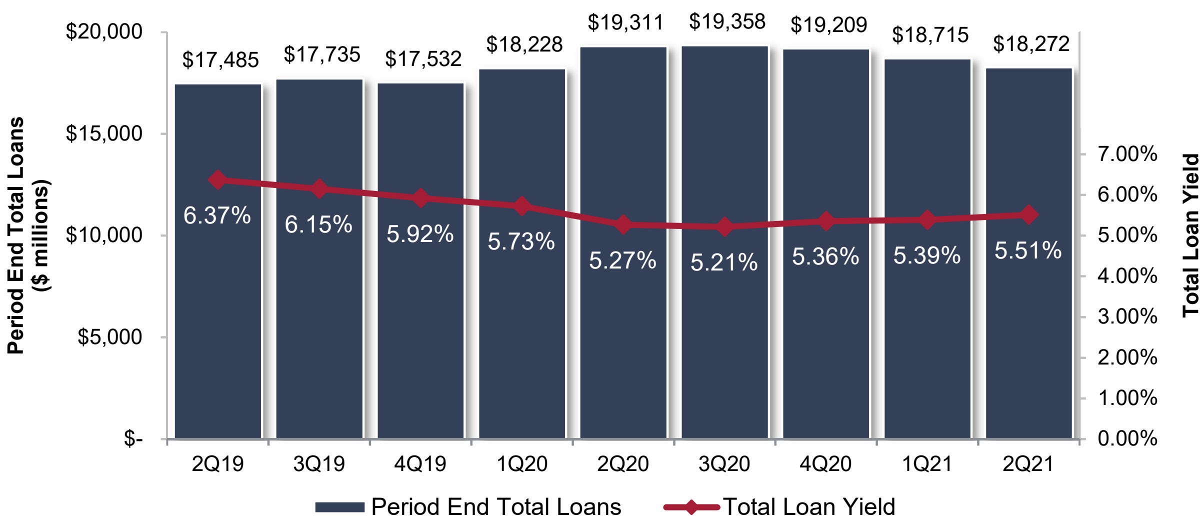
Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled $24.6 billion, a 4.8% increase from $23.5 billion for the second quarter of 2020, but a 0.7% decrease from $24.8 billion for the first quarter of 2021. Average earning assets were $24.7 billion for the first six months of 2021, a 9.9% increase from $22.5 billion for the first six months of 2020.

Total Loans

Our outstanding balance of total loans at June 30, 2021 decreased $1.04 billion, or 5.4%, from June 30, 2020, and decreased $0.44 billion, or 2.4% not annualized, from March 31, 2021, as illustrated in Figure 2. For the first six months of 2021, our outstanding balance of total loans decreased $0.94 billion, or 4.9% not annualized. During the first and second quarters of 2021, we experienced a high level of net loan repayments in non-purchased loans following delays in the completion, sale and refinancing of many real estate projects during 2020 due to the COVID-19 pandemic.

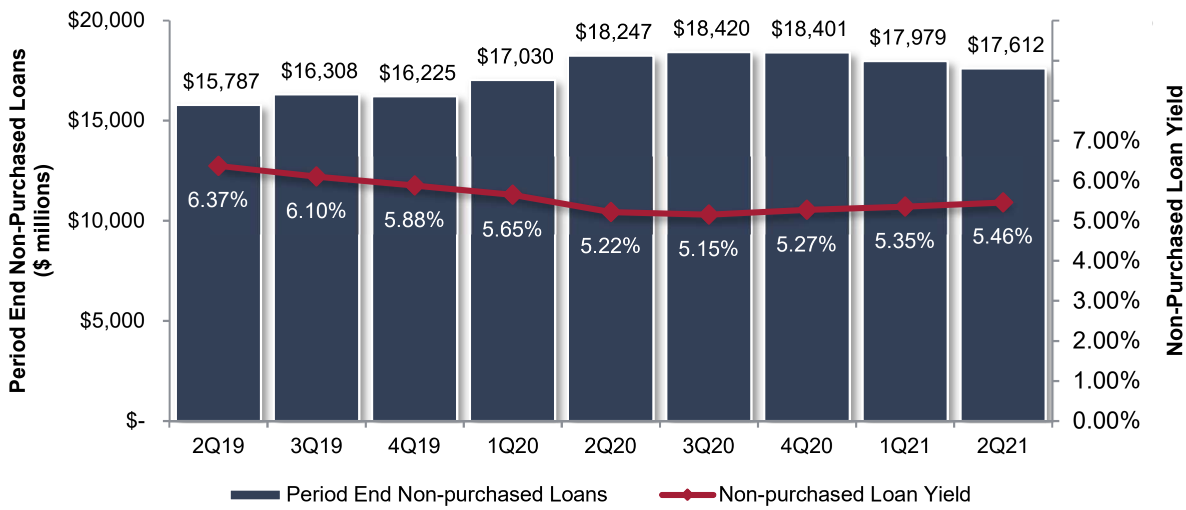
Figure 2: Total Loan Balances and Yields



Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from our 15 acquisitions, accounted for 96.2% of our average total loans and 71.3% of our average earning assets in the quarter just ended. Non-purchased loans at June 30, 2021 decreased $0.64 billion, or 3.5%, as compared to June 30, 2020, and our outstanding balance of non-purchased loans decreased by $0.37 billion, or 2.0% not annualized, as compared to March 31, 2021, as illustrated in Figure 3. For the first six months of 2021, our outstanding balance of non-purchased loans decreased $0.79 billion, or 4.3% not annualized.

Figure 3: Non-Purchased Loan Balances and Yields



In the second quarter of 2021, our yield on non-purchased loans was 5.46%, an increase of 24 bps from the second quarter of 2020, and an increase of 11 bps from the first quarter of 2021. During the quarter just ended, we benefitted from an unusually high level of collections of minimum interest and other interest income resulting from repayments and short-term extensions. For the first six months of 2021 our yield on non-purchased loans was 5.41%, a decrease of one basis point from the first six months of 2020. During the first six months of 2021, we benefitted from recognition of previously deferred fees on prepayments of loans originated under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). Due to the current interest rate and competitive environment, most of our recently originated loans have contractual interest rates that are lower than the 5.46% yield on non-purchased loans for the quarter just ended. We expect this will contribute to lower non-purchased loan yields in future quarters.

Our Real Estate Specialties Group ("RESG") accounted for 63% of the funded balance of non-purchased loans as of June 30, 2021. RESG's funded balance of non-purchased loans decreased $0.26 billion and $0.43 billion during the second quarter and first six months of 2021, respectively. Figures 4 and 5 reflect the changes in the funded balance of RESG loans for second quarter and first six months 2021, respectively.

Figure 4: Activity in RESG Funded Balances – 2Q21 ($ billions)

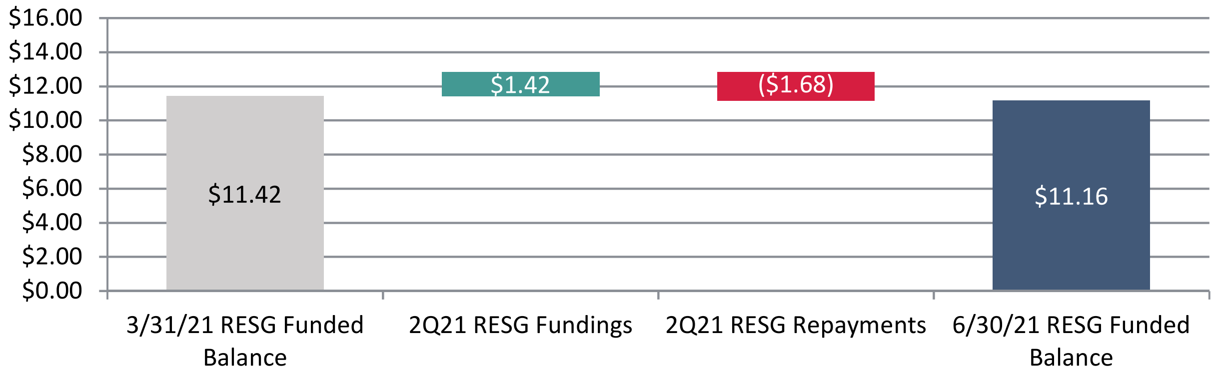


Figure 5: Activity in RESG Funded Balances – 6M21 ($ billions)

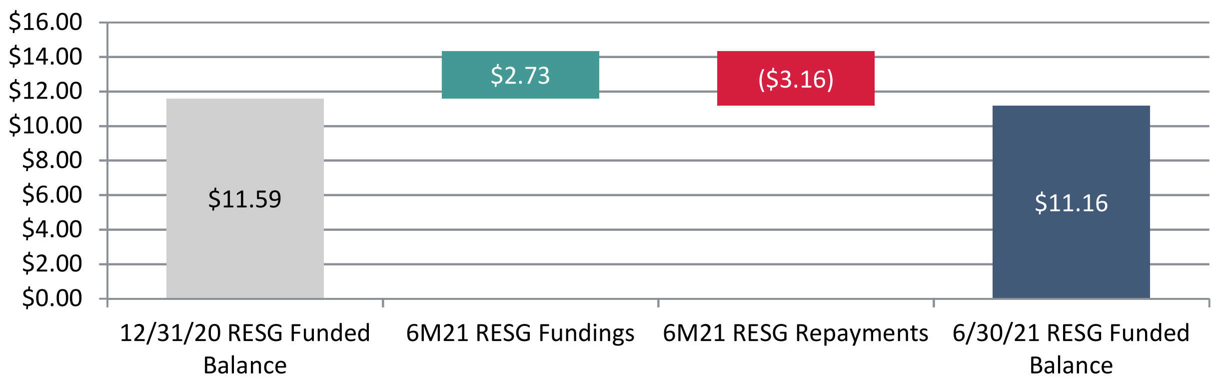


Figure 6 shows RESG's loan repayments for each of the last 22 quarters. After being restrained for much of 2020 by the various impacts of the COVID-19 pandemic, RESG loan repayments in the quarter just ended were $1.68 billion, up slightly from the previous quarterly high of $1.66 billion in the fourth quarter of 2019. RESG loan repayments for the first six months of 2021 were $3.16 billion. As we have previously stated, we expect RESG loan repayments in 2021 will likely be above the record annual $5.67 billion level in 2019, making RESG loan repayments a meaningful headwind to 2021 loan growth.

Figure 6: RESG Quarterly Loan Repayments ($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2016	$0.21	$0.41	$0.69	$0.48	$1.79
FY2017	$0.57	$0.98	$0.87	$1.45	$3.86
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68			$3.16

**6M21 Not Annualized*

Based on current estimates, we anticipate loan repayments in the third quarter of 2021 will again be meaningful, possibly resulting in another quarter of negative RESG and total loan growth. However, we expect to resume positive loan growth for RESG and total loans sometime in 2021, most likely in the fourth quarter of 2021.

The level of repayments may vary substantially from quarter to quarter and may have an outsized impact in one or more quarters.

Figure 7 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded.

Figure 7: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*

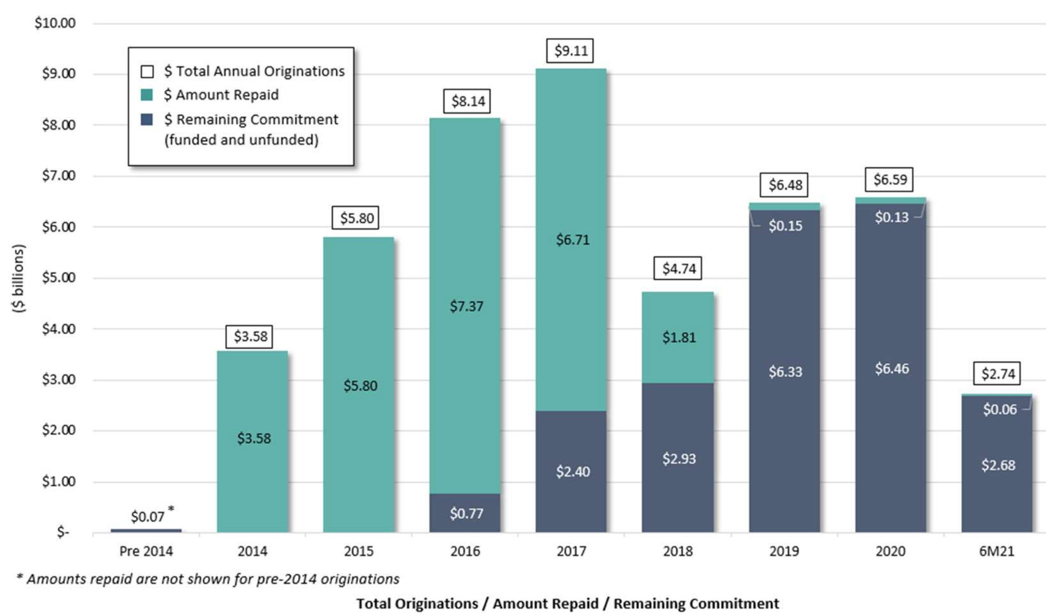


Figure 8 shows RESG's loan originations for each of the last 22 quarters. RESG loan originations for the second quarter and first six months of 2021 were $1.46 billion and $2.74 billion, respectively. We are very pleased with the job our team is doing in finding good opportunities. In the quarter just ended, our RESG team closed 24 loans, which was an increase from 17 loans closed in the second quarter of 2020. In the first six months of 2021, our RESG team closed 48 loans, which was an increase from 30 loans closed in the first six months of 2020. However, the average commitment of the RESG loans closed in the quarter just ended was $61 million, which was a decrease from an average commitment of $98 million for loans closed in the second quarter of 2020. The average commitment of the RESG loans closed in the first six months of 2021 was $57 million, which was a decrease from an average commitment of $114 million for loans closed in the first six months of 2020.

Figure 8: RESG Quarterly Loan Originations
($ billions)

	Q1	Q2	Q3	Q4	Total
FY2016	$1.81	$1.98	$1.79	$2.56	$8.14
FY2017	$2.30	$2.04	$2.21	$2.56	$9.11
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67	$1.40	$1.77	$6.59
FY2021	$1.28	$1.46			$2.74

**6M21 Not Annualized*

The smaller size of our RESG loans closed in the first six months of 2021 impacted our total origination dollar volume and reflects (i) the fact that fewer large mixed use projects were launched during the first six months of 2021 in the aftermath of the COVID-19 pandemic and (ii) the fact that we saw fewer origination opportunities meeting our standards in the very large urban markets, such as New York City, where transaction sizes tend to be larger. We expect these factors will tend to somewhat normalize in the second half of 2021 and in 2022.

During the quarter just ended, we saw an increase in our RESG pipeline of future loan origination opportunities, both in number and size. We are cautiously optimistic that this apparent trend could result in increased loan origination volume in the remainder of 2021 and in 2022. RESG's origination volume may vary significantly from quarter to quarter and may be impacted by economic conditions, competition or other factors.

At June 30, 2021, RESG accounted for 89% of our $11.71 billion of unfunded balance of loans already closed. Figures 9 and 10 reflects the changes in the unfunded balance of our loans already closed, both RESG and others, for the second quarter and the first six months of 2021, respectively. The total unfunded balance decreased by approximately $0.07 billion during the second quarter of 2021, and decreased by approximately $0.14 billion during the first six months of 2021. Future quarterly changes in this unfunded balance will vary based on a variety of factors.

Figure 9: Activity in Unfunded Balances – 2Q21 ($ billions)

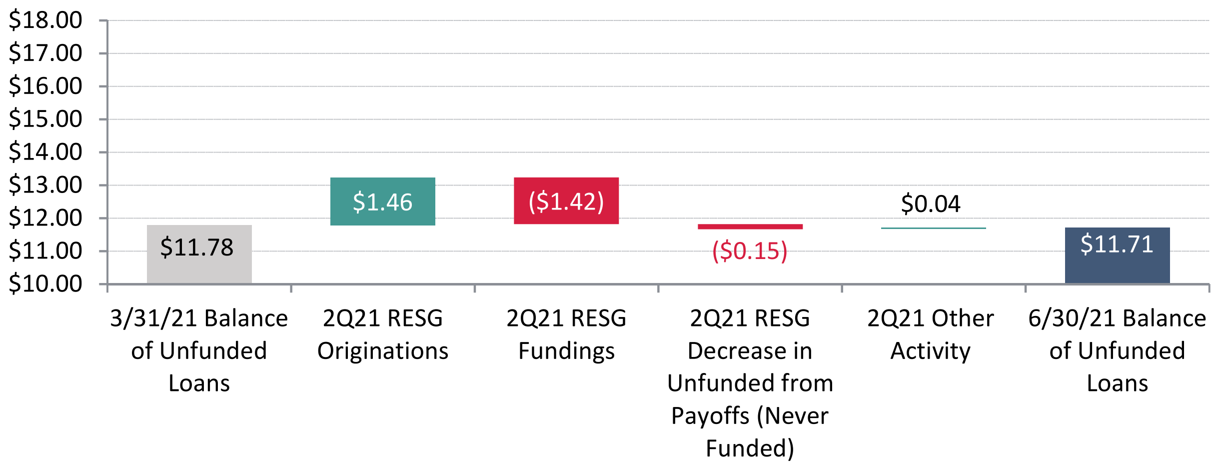
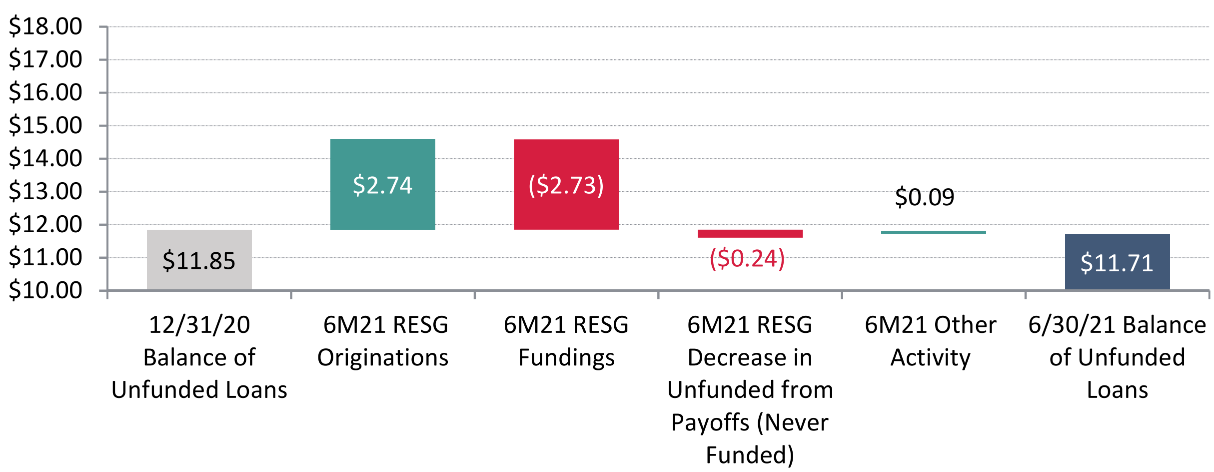


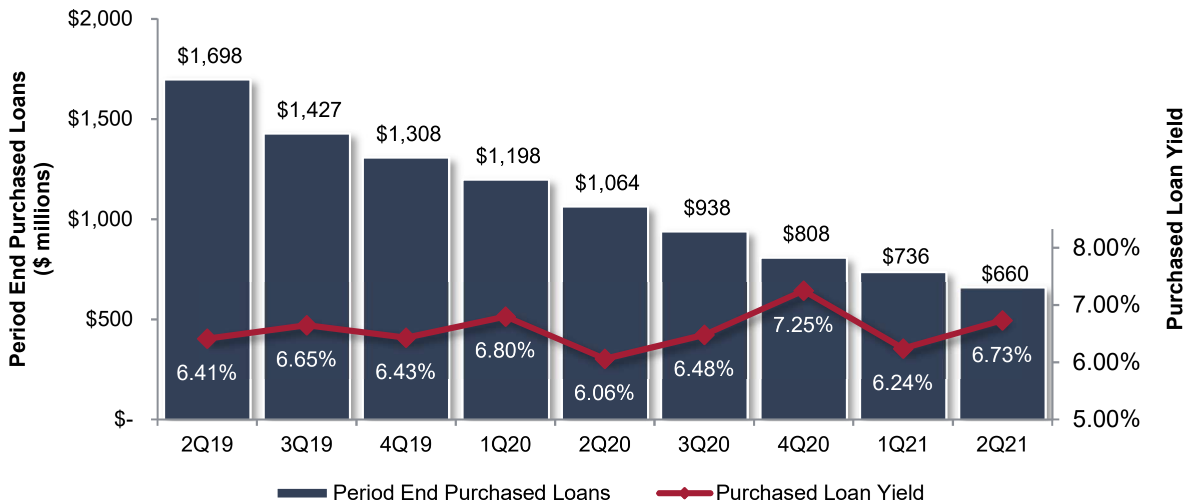
Figure 10: Activity in Unfunded Balances – 6M21 ($ billions)



Purchased Loans

Purchased loans, which are the remaining loans from our 15 acquisitions, accounted for 3.8% of average total loans and 2.8% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.08 billion, or 10.3% not annualized, to $0.66 billion at June 30, 2021. For the first six months of 2021, our purchased loan portfolio decreased by $0.15 billion, or 18.3% not annualized. Purchased loan runoff will continue to be a headwind to total loan growth. Figure 11 shows our recent purchased loan portfolio trends.

Figure 11: Purchased Loan Balances and Yields

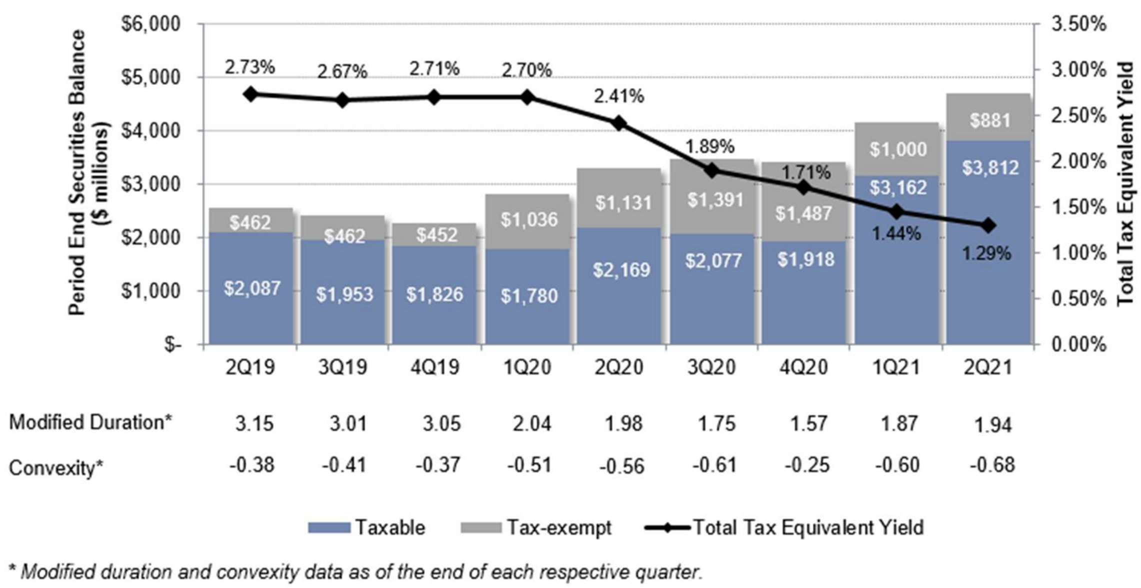


In the second quarter of 2021, our yield on purchased loans was 6.73%, a 67 bps increase from the second quarter of 2020, and a 49 bps increase from the first quarter of 2021. For the first six months of 2021 our yield on purchased loans was 6.47%, a two bps increase from the first six months of 2020.

Investment Securities

At June 30, 2021, our investment securities portfolio was $4.69 billion, which was an increase of $0.53 billion, or 12.8% not annualized, as compared to March 31, 2021, and an increase of $1.29 billion, or 37.8% not annualized, as compared to December 31, 2020, as illustrated in Figure 12. As our liquidity position has increased, we have purchased high-quality, mostly very short-term securities, which have relatively low yields reflective of their quality and short-term nature. As shown below, this, among other factors, has had a dilutive effect on our investment portfolio yield over the past five quarters, and, in turn, a dilutive effect on our net interest margin. In the second quarter of 2021, the yield on our investment portfolio, on a fully taxable equivalent basis, was 1.29%, a decrease of 112 bps and 15 bps from the second quarter of 2020 and from the first quarter of 2021, respectively. Reflecting the current interest rate environment and market conditions, we expect the yield on our investment portfolio to continue to decrease, but likely at a slower pace, in the coming quarters.

Figure 12: Investment Portfolio Loan Balances and Yields



We may increase or decrease our investment securities portfolio in future quarters based on changes in our liquidity position, prevailing market conditions and other factors.

Net Interest Margin

Our net interest margin was 3.95% for the quarter just ended, an increase of 21 bps and nine bps, respectively, from the second quarter of 2020 and first quarter of 2021. In addition to the factors previously mentioned which affected our loan yields and net interest margin in the first six months of 2021, we held increased amounts of liquidity in the form of cash balances and very short-term securities, which had a dilutive impact on our net interest margin.

Non-purchased Loan Yield

As previously shown in Figure 3, our yield on non-purchased loans was 5.46% for the quarter just ended, up 24 bps and 11 bps, respectively, from the second quarter of 2020 and first quarter of 2021.

As of June 30, 2021, we continued to have outstanding \$0.13 billion of the \$0.46 billion of SBA PPP loans we originated in 2020 ("PPP1 loans"), which have a contractual interest rate of 1%. During the quarter just ended, we recognized \$2.5 million of previously un-accreted net deferred fees from \$0.15 billion of PPP1 loans that received forgiveness and paid off. Recognition of this \$2.5 million in previously deferred fees contributed approximately six bps to our yield on non-purchased loans in the second quarter of 2021. During the first six months of 2021, we recognized \$6.1 million of previously un-accreted net deferred fees from \$0.31 billion of PPP1 loans that received forgiveness and paid off. Recognition of this \$6.1 million in previously deferred fees contributed approximately seven bps to our yield on non-purchased loans in the first six months of 2021. As of June 30, 2021, we had \$1.9 million of un-accreted net deferred fees associated with the remaining \$0.13 billion balance of our PPP1 loans. While the timing for the forgiveness or repayment of our remaining PPP1 loans may vary, our current expectation is that a large portion of such remaining loans will be forgiven and repaid by the SBA during the second half of 2021.

During the second quarter of 2021, we originated \$0.03 billion of loans under the SBA's PPP. As of June 30, 2021, our outstanding balance of such loans originated in 2021 ("PPP2 loans") was \$0.14 billion with a contractual interest rate of 1%. At June 30, 2021, we had \$5.9 million of un-accreted net deferred fees associated with our outstanding PPP2 loans. We ceased accepting applications for PPP2 loans in mid-May 2021, and our last PPP2 loans were closed and funded in June 2021. While the timing for the forgiveness or repayment of our PPP2 loans may vary, our current expectation is that such loans should be forgiven and repaid by the SBA starting in late 2021 and concluding in 2022.

Variable Rate Loans

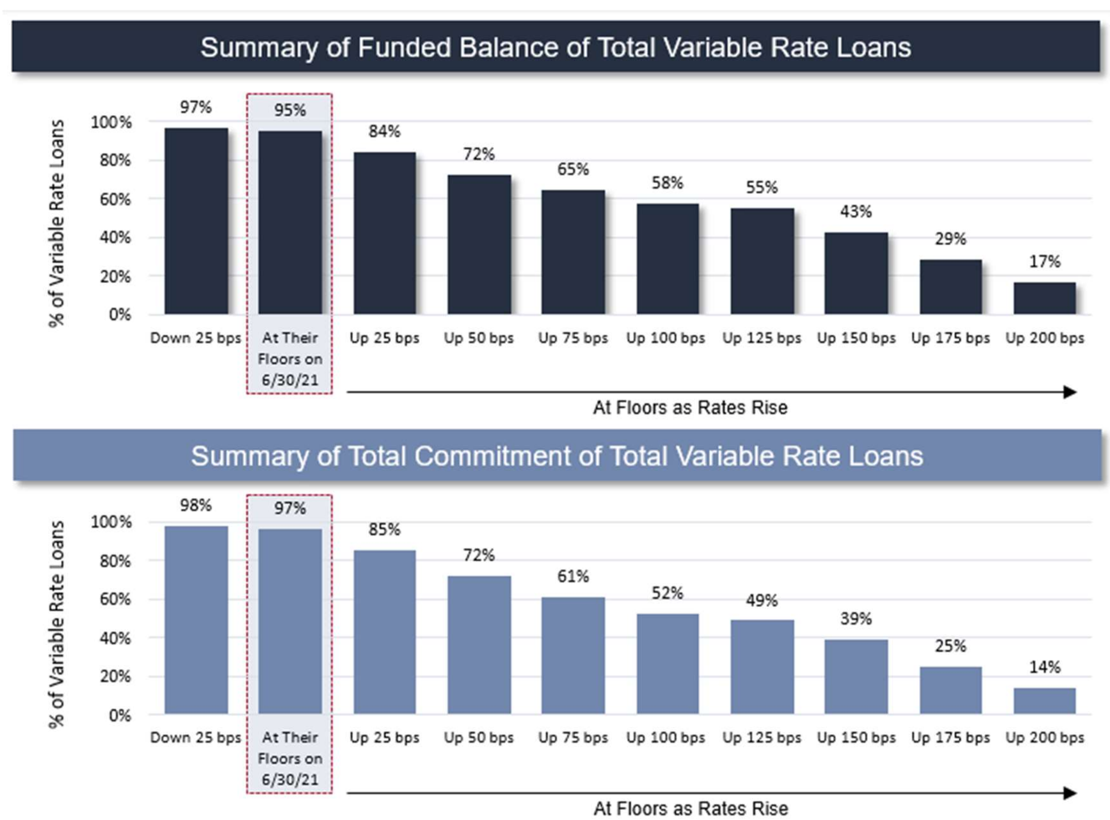
At June 30, 2021, 78% of our funded balance of non-purchased loans and 34% of our funded balance of purchased loans had variable rates. As shown in Figure 13, at June 30, 2021, 82.7% of our total funded balance of variable rate loans were tied to 1-month LIBOR, 0.8% were tied to 3-month LIBOR and 15.1% were tied to WSJ Prime.

Figure 13: Summary of Funded Balance of Variable Rate Loan Indexes as of June 30, 2021

% of Variable Rate Non-Purchased Loan Portfolio Tied to Index		% of Variable Rate Purchased Loan Portfolio Tied to Index		% of Variable Rate Total Loan Portfolio Tied to Index	
1-Month LIBOR	83.8%	1-Month LIBOR	19.2%	1-Month LIBOR	82.7%
3-Month LIBOR	0.8%	3-Month LIBOR	0.0%	3-Month LIBOR	0.8%
WSJ PRIME	14.5%	WSJ PRIME	52.5%	WSJ PRIME	15.1%
Other	0.9%	Other	28.3%	Other	1.4%

At June 30, 2021, 99% of our funded variable rate total loans (non-purchased and purchased) had floor rates. As of June 30, 2021, 95% of the funded balance of total loans in our variable rate loan portfolio were at their floors, and 97% of the total commitment of variable rate loans were at their floors. Figure 14 illustrates the volume of our funded balance and our total commitments, respectively, of total variable rate loans that would be expected to be at their floors with future moves, either up or down, in interest rates.

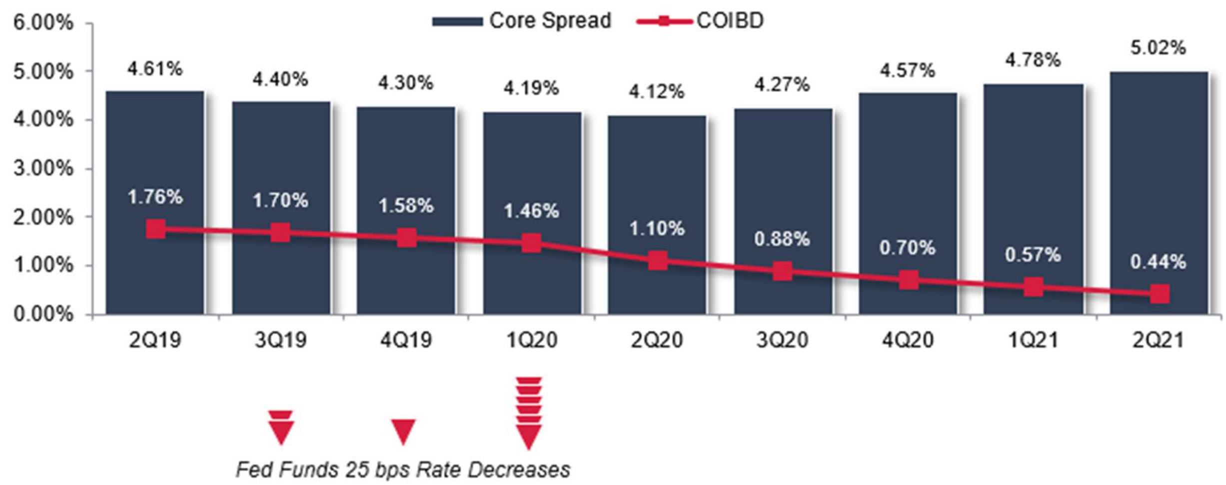
Figure 14: Impact of Floors in Variable Rate Loans (Funded Balance and Total Commitment) as of June 30, 2021



Core Spread

Our core spread improved in the quarter just ended to 5.02%, increasing 90 bps from the second quarter of 2020 and 24 bps from the first quarter of 2021. As reflected in Figure 15, in the quarter just ended, our COIBD decreased 66 bps from the second quarter of 2020 and 13 bps from the first quarter of 2021. Decreasing our COIBD has been a significant factor in our recent improvements in core spread. While further quarterly decreases in our COIBD may be less than we have achieved in recent quarters, continuing to decrease our COIBD is an important element in our strategy to mitigate the expected downward pressure on total loan yields.

Figure 15: COIBD and Core Spread



We expect we can achieve some further improvements in our COIBD. Figure 16 shows our volume and average interest rates on time deposits maturing over the next four quarters and thereafter compared to our results for new and renewed time deposits in the second quarter of 2021. The impact of any further reductions in our COIBD on our core spread will depend on a number of factors, including our ability to mitigate downward pressure on our loan pricing in an increasingly competitive environment.

Figure 16: Time Deposit Maturity Schedule

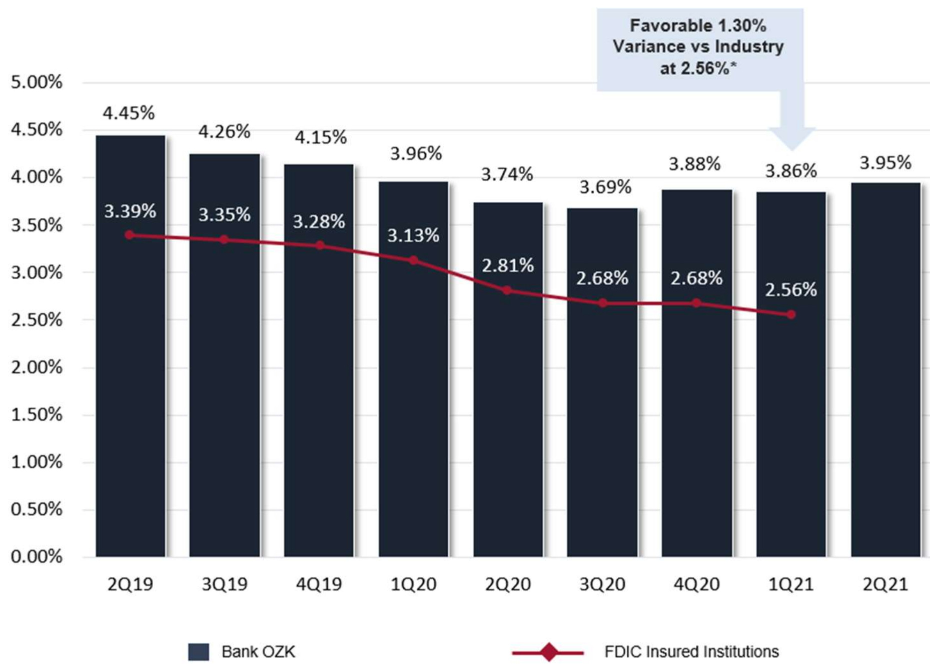
($ millions)	Time Deposits	Wtd. Avg. Rate at 6/30/2021
3Q21	$ 2,349	0.82%
4Q21	1,588	0.58%
1Q22	1,154	0.44%
2Q22	957	0.56%
3Q22 & Beyond	1,313	0.54%
Total	**$ 7,360**	**0.62%**

New and Renewed Time Deposits		
2nd Quarter 2021	**$ 1,894**	**0.37%**

Net Interest Margin

During the quarter just ended, our net interest margin increased 21 bps from the second quarter of 2020 and nine bps from the first quarter of 2021. We continue to outperform the industry on net interest margin, as shown in Figure 17. In fact, in the first quarter of 2021, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 130 bps.

Figure 17: Quarterly Net Interest Margin (%)



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2021.

Non-interest Income

Non-interest income for the second quarter of 2021 was $27.7 million, a 28.5% increase from $21.6 million for the second quarter of 2020, but a 13.6% decrease from $32.1 million for the first quarter of 2021. For the first six months of 2021, non-interest income was $59.9 million, a 21.5% increase from $49.3 million for the first six months of 2020. The COVID-19 pandemic significantly impacted customer activity which reduced certain categories of non-interest income, including income from service charges on deposit accounts. Figures 18 and 19, respectively, summarize non-interest income for the most recent nine quarters and year-over-year trends for the second quarter and first six months of 2021.

Figure 18: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended								
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
Service charges on deposit accounts	$ 10,291	$ 10,827	$ 10,933	$ 10,009	$ 8,281	$ 9,427	$ 9,983	$ 9,665	$ 10,311
Trust income	1,839	1,975	2,010	1,939	1,759	1,936	1,909	2,206	1,911
BOLI income									
Increase in cash surrender value	5,178	5,208	5,167	5,067	5,057	5,081	5,034	4,881	4,919
Death benefit	-	206	2,989	608	-	-	-	1,409	-
Loan service, maintenance and other fees	4,565	4,197	4,282	3,716	3,394	3,351	3,797	3,551	3,953
Net gains on investment securities	713	-	-	2,223	-	2,244	-	-	-
Gains (losses) on sales of other assets	402	189	1,358	161	621	891	5,189	5,828	2,341
Other	3,615	3,844	3,667	3,957	2,479	3,746	2,749	4,577	4,307
Total non-interest income	$ 26,603	$ 26,446	$ 30,406	$ 27,680	$ 21,591	$ 26,676	$ 28,661	$ 32,117	$ 27,742

Figure 19: Trends in Non-interest Income – 2020 vs. 2021 *($ thousands)*

	For the Six Months Ended			For the Three Months Ended		
	6/30/2020	6/30/2021	% Change	6/30/2020	6/30/2021	% Change
Service charges on deposit accounts	$ 18,290	$ 19,976	9.2%	$ 8,281	$ 10,311	24.5%
Trust income	3,698	4,118	11.4%	1,759	1,911	8.6%
BOLI income						
Increase in cash surrender value	10,124	9,799	-3.2%	5,057	4,919	-2.7%
Death benefit	608	1,409	131.7%	-	-	NM
Loan service, maintenance and other fees	7,110	7,504	5.5%	3,394	3,953	16.5%
Net gains on investment securities	2,223	-	NM	-	-	NM
Gains (losses) on sales of other assets	783	8,169	NM	621	2,341	NM
Other	6,435	8,884	38.1%	2,479	4,307	73.7%
Total non-interest income	$ 49,271	$ 59,859	21.5%	$ 21,591	$ 27,742	28.5%

Non-interest Expense

Non-interest expense for the second quarter of 2021 was $103.7 million, a 2.7% increase from $101.0 million in the second quarter of 2020, but a 2.2% decrease from $106.1 million in the first quarter of 2021. For the first six months of 2021, non-interest expense was $209.8 million, a 2.6% increase from $204.4 million for the first six months of 2020.

The unique operating environment of 2020 caused many changes in our expense base. We believe some of these changes to our business will be more permanent, as we have adjusted many aspects of branch operations and staffing, accelerated our already important emphasis on mobile banking and other technology solutions, adjusted certain product offerings, and made many other changes that we feel are more appropriate for the current and expected future operating environment. In recent quarters, we eliminated dozens of positions that were no longer needed or productive, while adding new headcount to address the changing needs and expectations of our customers in this rapidly evolving environment.

We have evaluated and will continue to evaluate our branches to ensure we have an optimal branch network. In the second quarter of 2021, we closed two branches in Arkansas and one branch in Florida. In the third quarter of 2021, we expect to close three branches – two in Georgia and our only deposit-taking branch in New York. We will retain our RESG loan production office in New York. We expect these branch closures to result in charges of approximately $2 million during the third quarter of 2021.

Subsequent to quarter-end, we signed an agreement for the sale of our Magnolia, Arkansas branch, including, as of June 30, 2021, loans totaling approximately $4 million and deposits totaling approximately $37 million. Pending regulatory approval, the sale of this branch is expected to close in the fourth quarter of 2021 or first quarter of 2022 and result in a gain on sale of approximately $2 million depending on the deposit level at this branch and other factors at the time of closing.

During the first six months of 2021, we have seen increasing competition for talent in the midst of a broad-based national shortage of workers. This is resulting in increased wage inflation, which may increase our salary and benefit expense. Our ongoing efforts to close unprofitable and marginally profitable branches and eliminate redundant and inefficient activities should help us to mitigate, to some extent, the impacts of increasing wage pressures.

Figures 20 and 21, respectively, summarize non-interest expense for the most recent nine quarters and year-over-year trends for the second quarter and first six months of 2021.

Figure 20: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended								
	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
Salaries & employee benefits	$ 47,558	$ 48,376	$ 52,050	$ 51,473	$ 48,410	$ 53,119	$ 53,832	$ 53,645	$ 52,119
Net occupancy and equipment	14,587	14,825	14,855	15,330	15,756	16,676	15,617	16,468	16,168
Professional and outside services	7,801	8,898	6,869	6,764	7,629	8,320	7,026	6,326	7,724
Advertising and public relations	1,671	2,067	1,822	1,703	1,704	1,557	1,086	308	593
Telecommunication services	2,810	2,094	2,335	2,177	2,334	2,352	2,296	2,232	2,165
Software and data processing	4,757	5,095	4,974	4,974	5,145	5,431	5,729	5,792	6,006
Travel and meals	2,939	2,777	2,845	2,102	710	689	835	774	1,419
FDIC insurance and state assessments	3,488	2,505	3,780	3,420	4,585	3,595	3,647	3,520	2,885
Amortization of intangibles	3,012	2,907	2,854	2,795	2,582	1,914	1,794	1,730	1,602
Postage and supplies	2,058	2,040	2,483	2,053	1,892	1,808	1,709	1,645	1,544
ATM expense	1,099	1,277	1,263	1,160	1,002	1,604	1,490	1,283	1,486
Loan collection and repossession expense	918	317	600	694	857	1,030	481	509	540
Writedowns of foreclosed assets	594	354	910	879	720	488	1,582	1,363	123
Amortization of CRA and tax credit investments	878	725	581	2,740	3,107	1,611	823	4,125	3,227
Other expenses	4,961	6,657	6,185	5,161	4,520	5,447	5,447	6,339	6,110
Total non-interest expense	$ 99,131	$ 100,914	$ 104,406	$ 103,425	$ 100,953	$ 105,641	$ 103,394	$ 106,059	$ 103,711

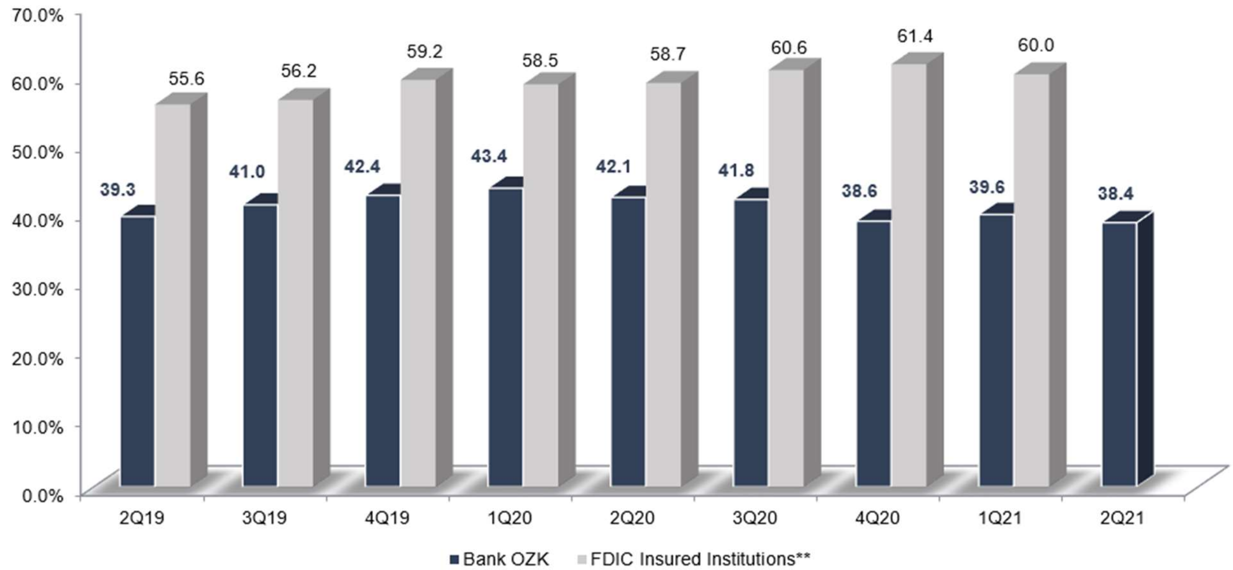
Figure 21: Trends in Non-interest Expense – 2020 vs. 2021 *($ thousands)*

	For the Six Months Ended			For the Three Months Ended		
	6/30/2020	6/30/2021	% Change	6/30/2020	6/30/2021	% Change
Salaries & employee benefits	$ 99,883	$ 105,764	5.9%	$ 48,410	$ 52,119	7.7%
Net occupancy and equipment	31,086	32,636	5.0%	15,756	16,168	2.6%
Professional and outside services	14,393	14,050	-2.4%	7,629	7,724	1.2%
Advertising and public relations	3,407	902	-73.5%	1,704	593	-65.2%
Telecommunication services	4,511	4,397	-2.5%	2,334	2,165	-7.2%
Software and data processing	10,119	11,798	16.6%	5,145	6,006	16.7%
Travel and meals	2,812	2,194	-22.0%	710	1,419	99.9%
FDIC insurance and state assessments	8,005	6,405	-20.0%	4,585	2,885	-37.1%
Amortization of intangibles	5,377	3,332	-38.0%	2,582	1,602	-38.0%
Postage and supplies	3,945	3,188	-19.2%	1,892	1,544	-18.4%
ATM expense	2,162	2,769	28.1%	1,002	1,486	48.3%
Loan collection and repossession expense	1,551	1,050	-32.3%	857	540	-37.0%
Writedowns of foreclosed assets	1,599	1,486	-7.1%	720	123	-82.9%
Amortization of CRA and tax credit investments	5,847	7,352	25.7%	3,107	3,227	3.9%
Other expenses	9,681	12,447	28.6%	4,520	6,110	35.2%
Total non-interest expense	$ 204,378	$ 209,770	2.6%	$ 100,953	$ 103,711	2.7%

Efficiency Ratio

As shown in Figure 22, in the quarter just ended, our efficiency ratio was 38.4%. Our efficiency ratio remains among the best in the industry, having now been among the top decile of the industry for 19 consecutive years.*

Figure 22: Quarterly Efficiency Ratio (%)



** Data from S&P Global Market Intelligence.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2021.*

Provision and Allowance for Credit Losses ("ACL")

Our total provision expense for the quarter just ended was a negative $30.9 million. As of June 30, 2021, our allowance for loan losses ("ALL") for outstanding loans was $248.8 million, or 1.36% of total outstanding loans, and our reserve for potential losses on unfunded loan commitments was $58.8 million, or 0.50% of unfunded loan commitments, bringing our total ACL, which includes the ALL and the reserve for potential losses on our unfunded loans commitments, to $307.6 million.

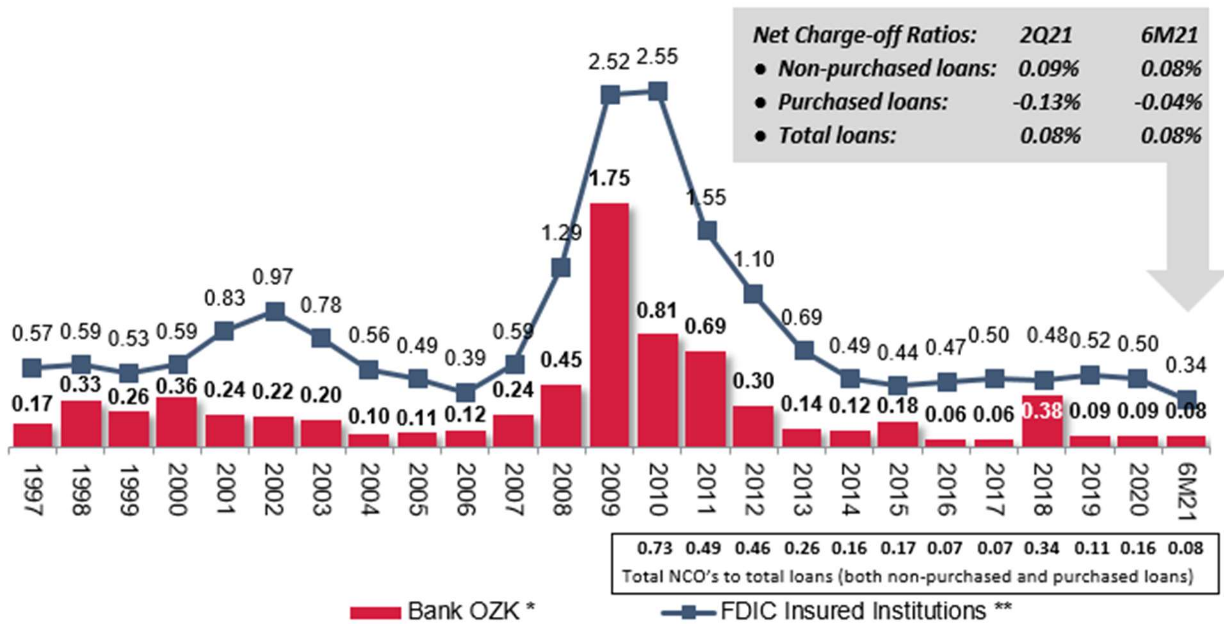
The calculations of our provision expense for the second quarter of 2021 and our total ACL at June 30, 2021 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in June 2021. In our selection of macroeconomic scenarios, we assigned our largest weighting to the Moody's S3 (Moderate Recession) scenario, a slightly lower weighting to the Moody's baseline scenario, and the lowest weighting to the Moody's S4 (Protracted Slump) scenario. Our selection and weightings of these scenarios reflected improving conditions in and prospects for the U.S. economy, but were tempered by the reality that uncertainty remains about future U.S. economic conditions, including uncertainty about the COVID-19 pandemic, COVID-19 variants, the rate and effectiveness of vaccination programs in the United States and globally, the timing and magnitude of any additional U.S. fiscal policy actions, global trade and geopolitical matters, and various other factors. Our ACL at June 30, 2021 included adjustments to capture certain risks that we thought were not fully reflected in our modeled results.

Our loan portfolio has performed very well in recent quarters, as our net charge-off ratio for total loans has remained excellent and continued to be in the lower end of the range experienced over the last eight years. We have built our portfolio in a conservative manner with the goal that it would perform well in adverse economic conditions, and our consistent discipline has been evident in recent results. Because of the quality of our portfolio and the significant federal monetary and fiscal policy response to the economic impacts of the COVID-19 pandemic, our net charge-offs in recent quarters have outperformed our previous estimates.

Asset Quality

In the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.09%, for purchased loans was -0.13%, and for total loans was 0.08%, continuing our long-standing track record of having net charge-off ratios well below industry averages, as shown in Figure 23. In our 24 years as a public company, our net charge-off ratio for non-purchased loans has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

Figure 23: Annualized Net Charge-off Ratio vs. the Industry



*Unless otherwise indicated, Bank OZK data excludes purchased loans and net charge-offs related to such loans.
**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2021.
Annualized when appropriate.

As shown in Figure 24, in RESG's 18 year history, we have incurred losses on only a small number of credits. During the quarter just ended, we recognized a $1.9 million charge-off in connection with the sale of a $21.6 million note collateralized by a suburban Chicago hotel. Our ACL for this loan at March 31, 2021 slightly exceeded the charge-off amount. It is our understanding that this loan was on track to refinance in early 2020, but that refinance fell through due to the COVID-19 pandemic. Recently the sponsor was in the late stages of another refinance that also failed to close. The loan became past due during the quarter just ended after the sponsor ceased to support the project. While there appeared to be potential upside to us in taking the property via foreclosure and supporting the project through stabilization, we concluded that our time would be better spent working on new business opportunities as opposed to devoting the time, energy and attention to foreclose on and then stabilize this project. As of March 31, 2021, the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 18 year history was 11 bps, and after the recent charge-off such ratio remained at 11 bps.

Figure 24 - RESG Historical Net charge-offs *($ Thousands)*

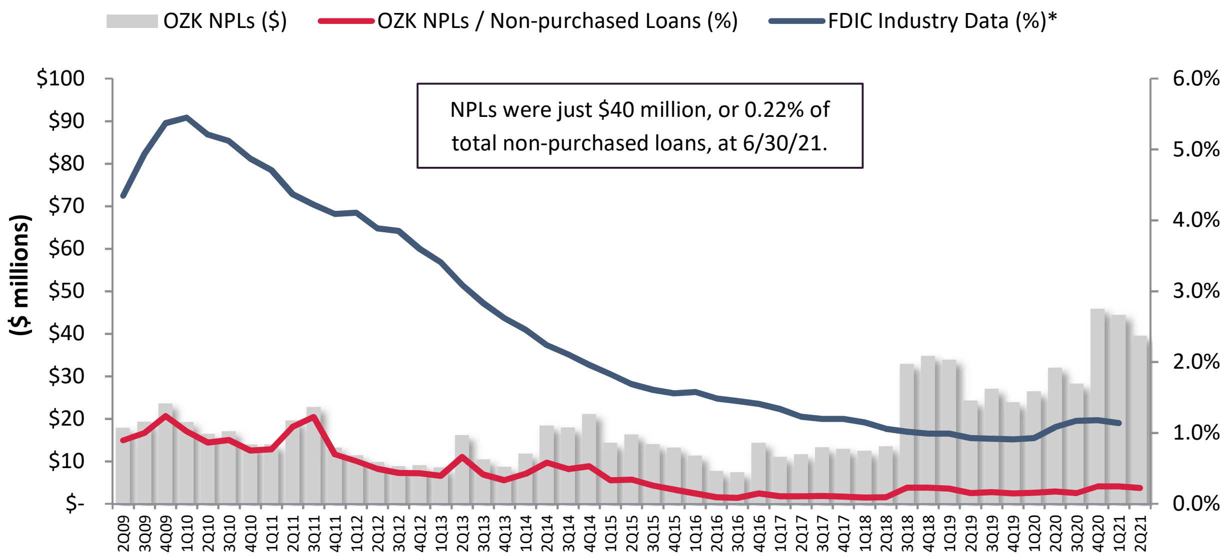
Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio**
2003	$ 5,106	$ 780	$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	537,597	-	0.00%
2011	649,806	592,782	2,905	0.49%
2012	848,441	737,136	-	0.00%
2013	1,270,768	1,085,799	-	0.00%
2014	2,308,573	1,680,919	-	0.00%
2015	4,263,800	2,953,934	-	0.00%
2016	6,741,249	5,569,287	-	0.00%
2017	8,169,581	7,408,367	842	0.01%
2018	9,077,616	8,685,191	45,490	0.52%
2019	9,391,096	9,427,266	-	0.00%
2020	11,591,147	10,651,549	-	0.00%
6/30/2021	11,157,563	11,241,604	1,891	0.03%
Total			**$ 58,659**	

Weighted Average	0.11%

** Net charge-offs shown in this column reflect both net charge-offs and OREO write-downs.*
*** Annualized.*

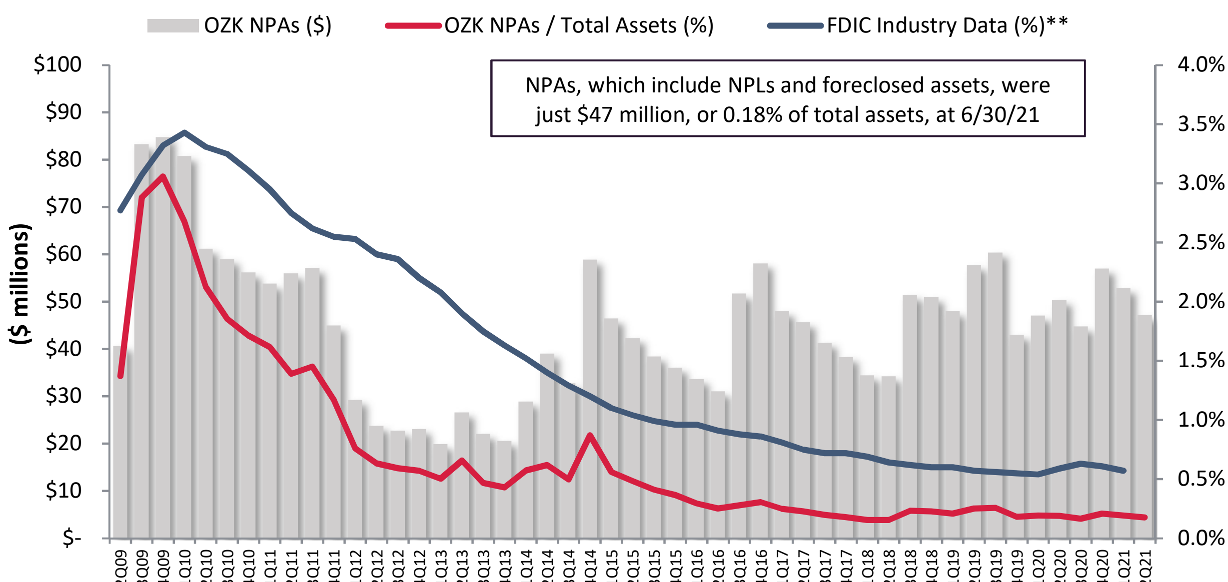
As shown in Figures 25, 26 and 27, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of outperforming industry averages. We expect our asset quality to continue our long tradition of outperforming industry averages.

Figure 25: Nonperforming Non-purchased Loans ("NPLs")



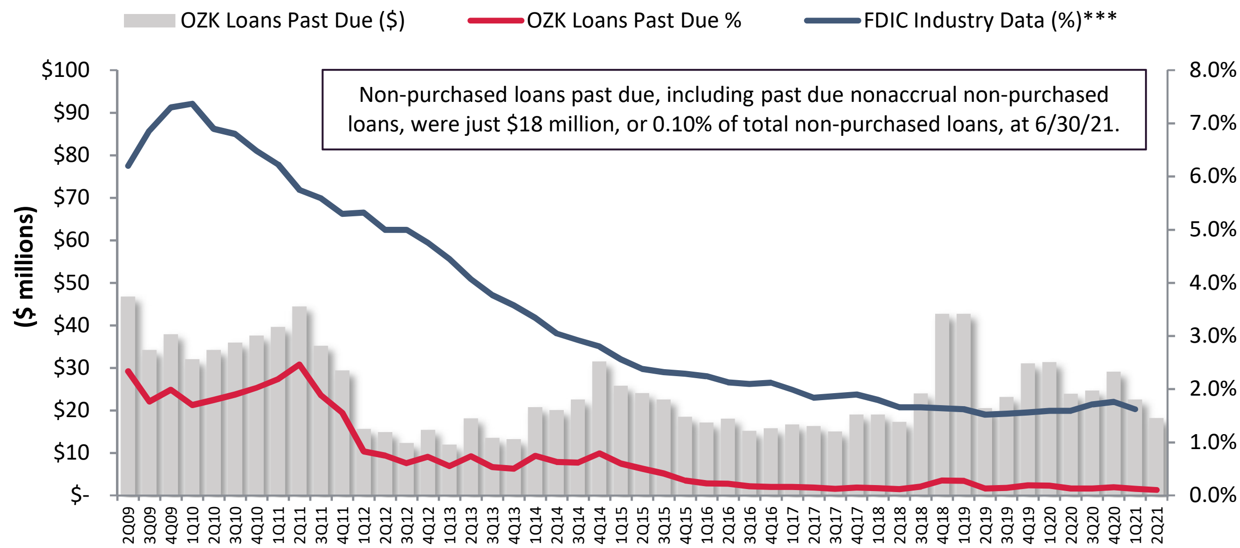
** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2021. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

Figure 26: Nonperforming Assets ("NPAs")



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2021. Noncurrent assets plus other real estate owned to assets (%).*

Figure 27: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2021. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

As shown in Figure 28, our dollar volume of non-purchased loans designated as being in the "Substandard" category of our credit quality indicators has remained favorable. Our ratio of substandard non-purchased loans as a percentage of our total risk-based capital ("TRBC") at June 30, 2021 remains at a very low level.

Figure 28: Substandard Non-purchased Loan Trends ($ millions)

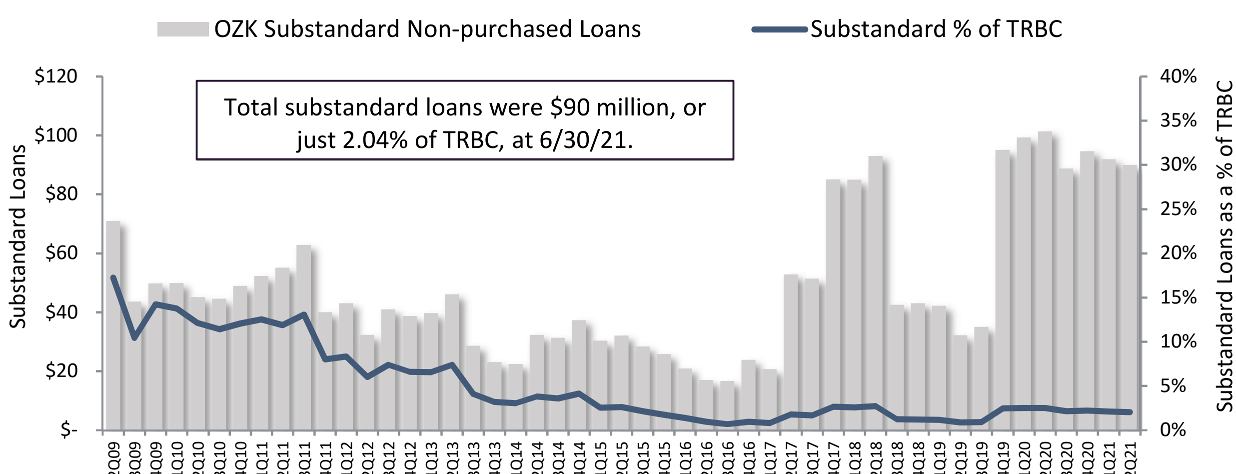
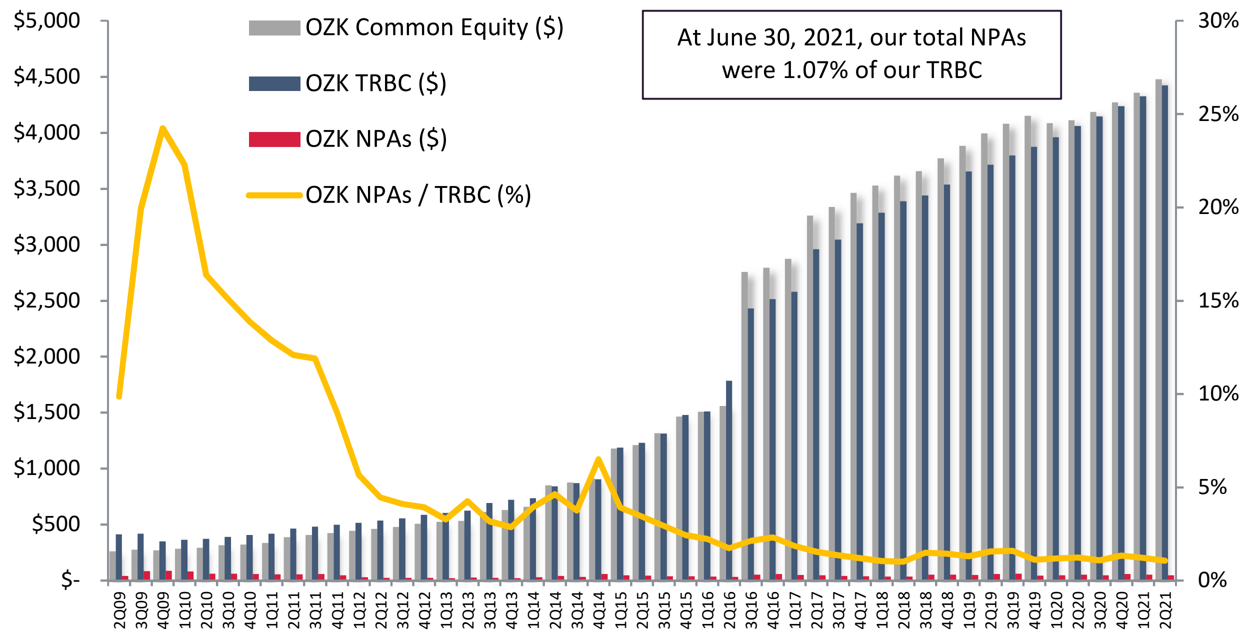


Figure 29 shows the tremendous growth in our common equity and TRBC over the last 12 years, while our volume of total nonperforming assets has generally declined to relatively nominal levels.

Figure 29: Capital vs. NPAs – ($ millions)



Loan Portfolio Diversification & Leverage

Figures 30 and 31 reflect the mix in our non-purchased loan growth in the second quarter and the first six months of 2021.

Figure 30: Non-purchased Loan Growth – 2Q21 ($ millions)

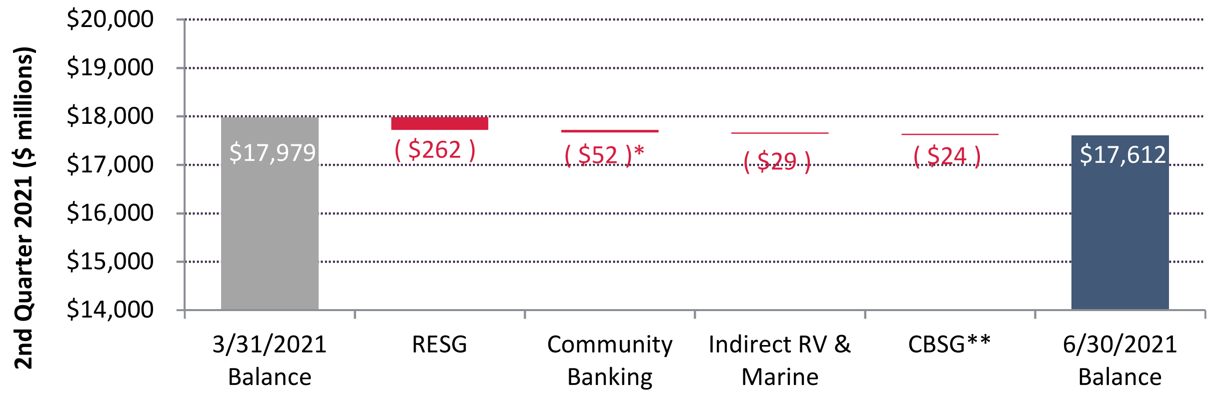
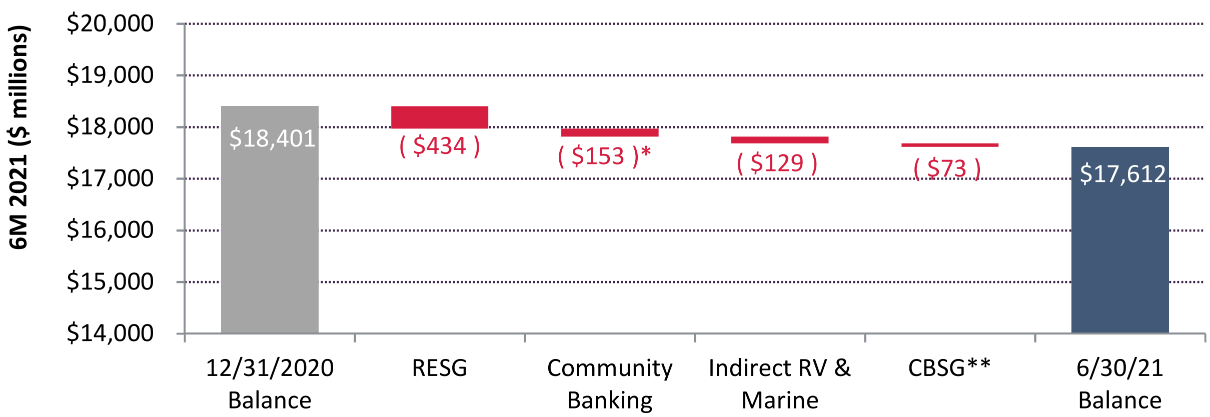


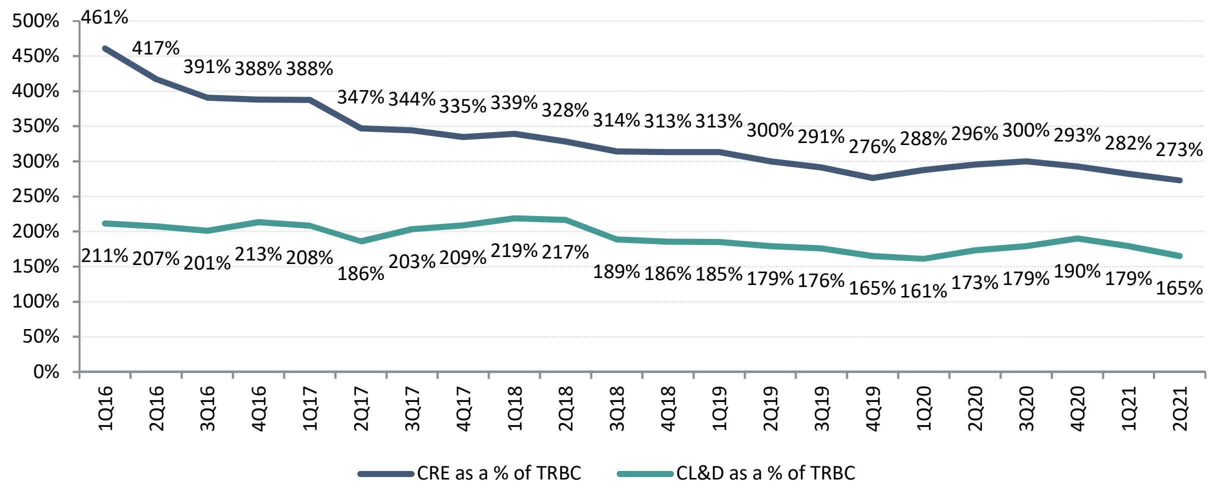
Figure 31: Non-purchased Loan Growth – 6M21 ($ millions)



** Includes the net balance of loans originated through the SBA's PPP. For the second quarter of 2021 and first six months of 2021, that includes payoffs net of originations of $118 million and $168 million, respectively.*
*** Corporate & Business Specialties Group ("CBSG") is a team focused on subscription finance and other secured non-real estate lending opportunities and also servicing our shared national credit portfolio.*

Total commercial real estate ("CRE") and construction, land development and other land ("CL&D") lending are areas in which we have substantial expertise and enjoy competitive advantages. The generally declining trend in our CRE and CL&D concentrations for most of 2016-2019 and in recent quarters, as shown in Figure 32, is primarily due to growth in our TRBC and not the result of any strategic shift in focus away from these important areas. We expect to continue lending in these asset classes.

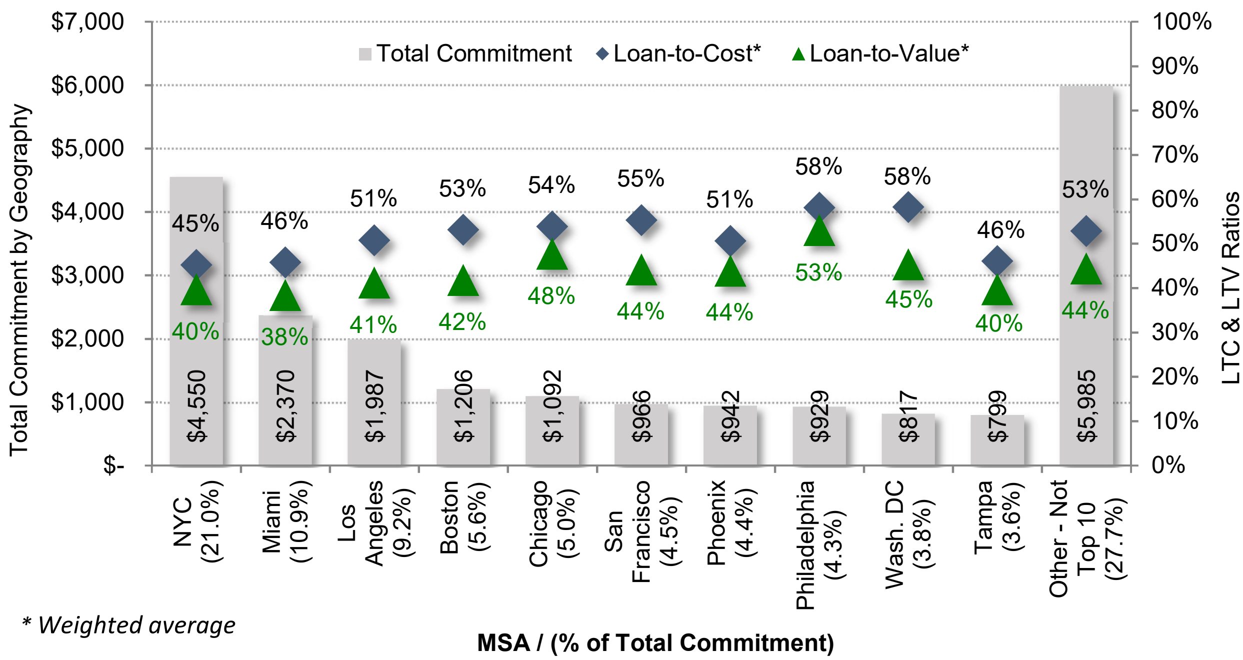
Figure 32: Declining Regulatory CRE and CL&D Concentration Ratios



Note: Concentration ratios exclude loans included in the "other" category on the FDIC call report which were originated to non-depository financial institutions and are typically collateralized by an assignment of a promissory note and related documents, collateral and guaranties.

Within the RESG portfolio, we benefit from substantial geographic diversification, as well as low loan-to-cost ("LTC") and loan-to-value ("LTV") ratios, as shown in Figures 33 and 34.

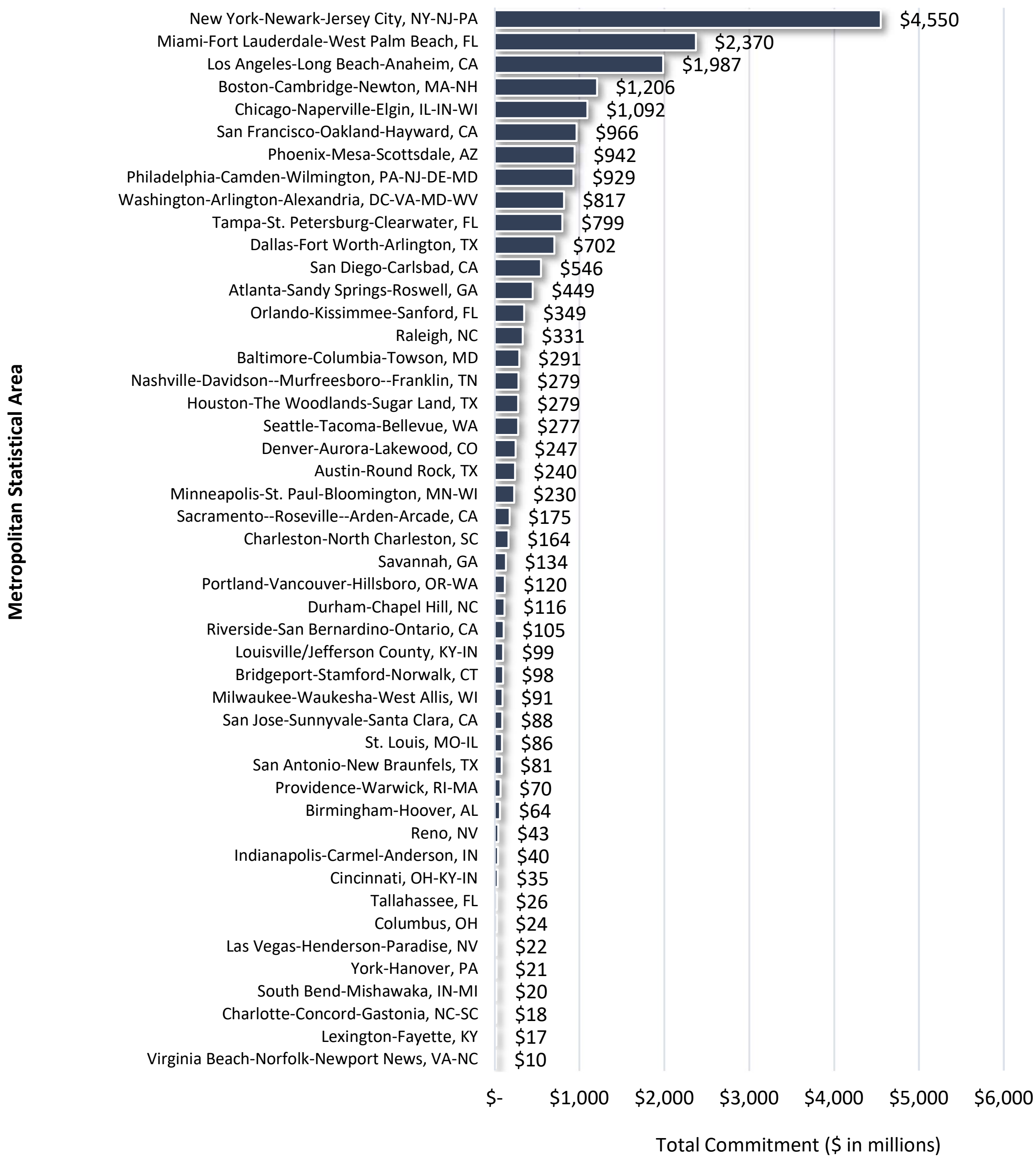
Figure 33: RESG Portfolio Diversity – Top 10 Geographies (As of June 30, 2021) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

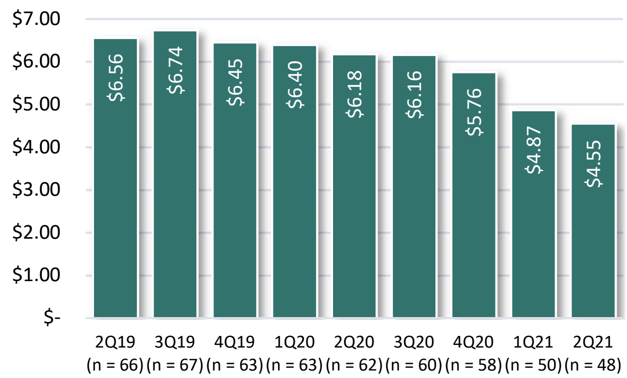
Figure 34 shows RESG's total commitments in each MSA in which it currently has loans. As RESG's total commitments have decreased in recent quarters in some of its largest markets (e.g., New York), its business has increased in many other markets. This has enhanced the portfolio's already significant geographic diversification.

Figure 34: RESG's Portfolio Diversity - All Geographies (As of June 30, 2021) ($ millions)



Our dollar volume of RESG total commitments in the NYC MSA peaked in the fourth quarter of 2018 at $6.95 billion and 81 loans. Despite our continued positive long-term view on that MSA, and our desire to originate loans there, the volume of new opportunities meeting our standards in the market has not been as great in recent years. Accordingly, as shown in Figure 35, as earlier originations have paid off, our balance of total commitments in the market has declined to $4.55 billion at June 30, 2021. In the near term, we may see some further declines in our balance of total commitments in this market, but the NYC MSA will continue to be one of our most important and largest markets, and we expect to return to positive growth there as market opportunities for new construction improve.

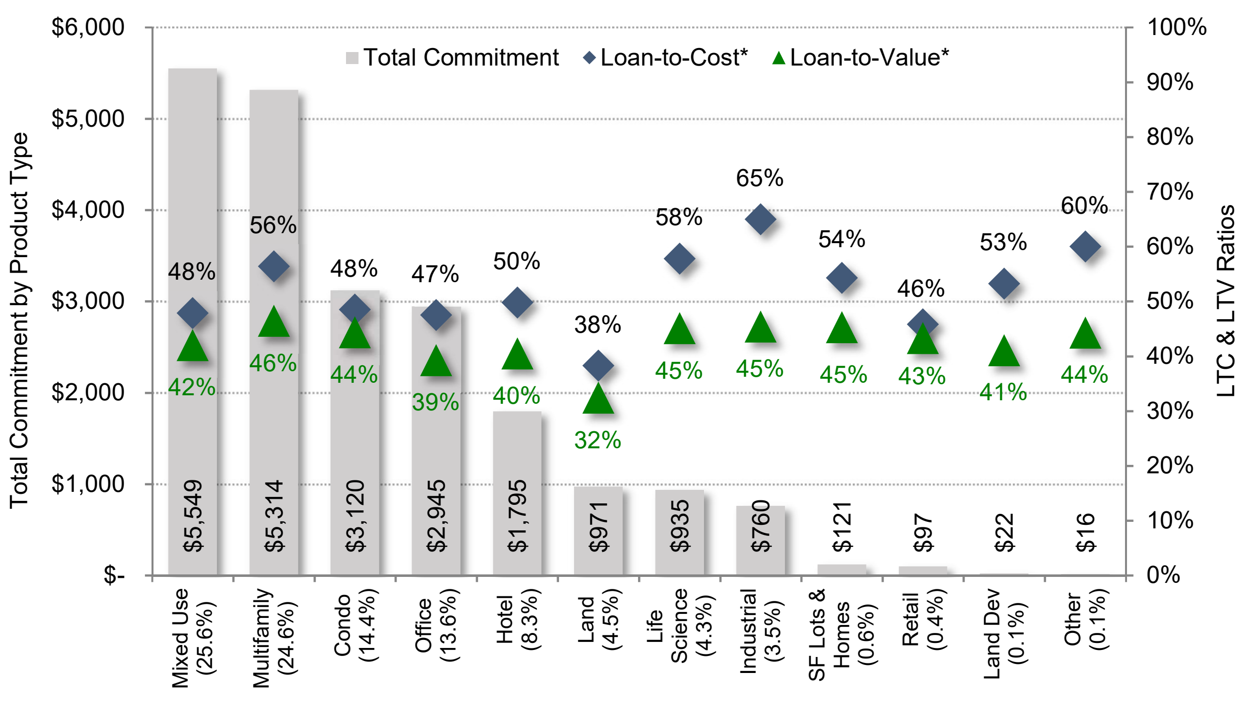
Figure 35: RESG NYC MSA Portfolio Total Commitment and Loan Count Recent Trends ($ billions)



Within the RESG portfolio, we also benefit from substantial diversification by product type as shown in Figure 36.

Figure 36: RESG Portfolio Diversity by Product Type (As of June 30, 2021) ($ millions)

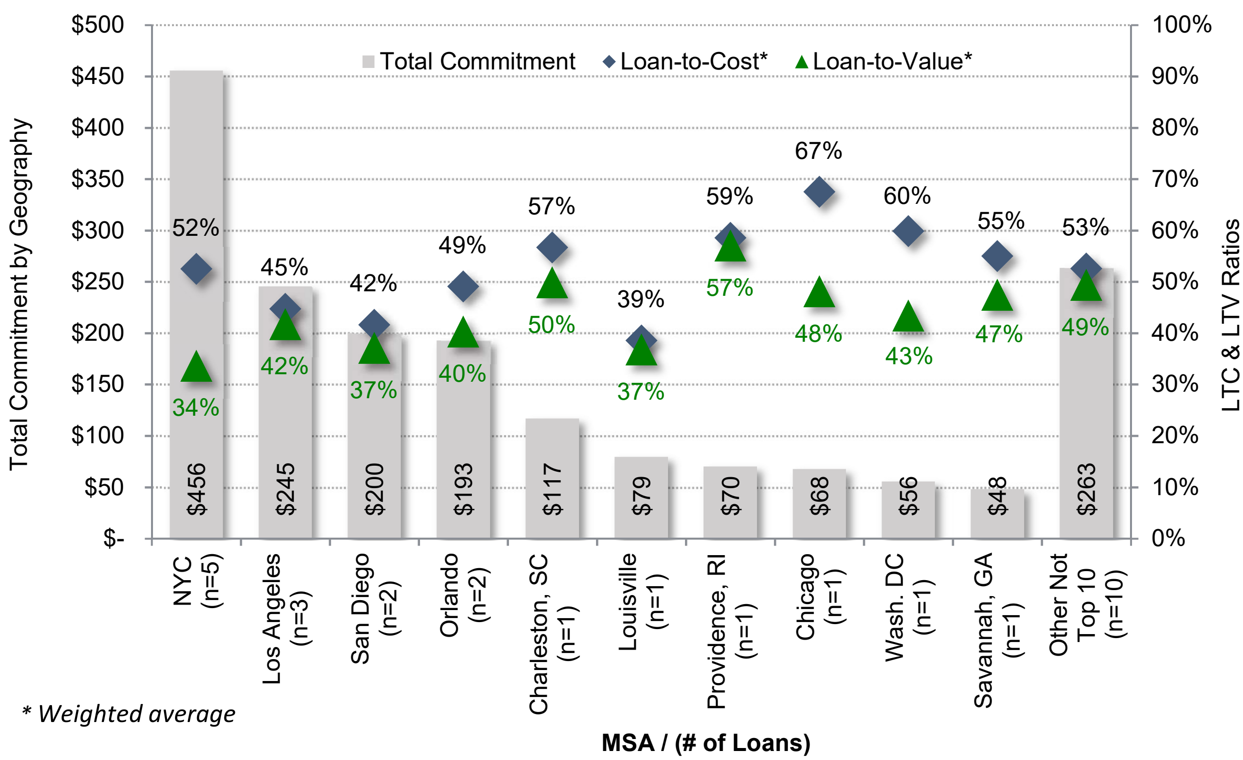
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

The COVID-19 pandemic has had a significant impact on the travel and leisure sectors, including the hospitality industry. As shown in Figure 36 above, hotels were the fifth largest component of RESG's portfolio at June 30, 2021, comprising about 8.3% of RESG's total commitments. In addition, at June 30, 2021, 14 of RESG's 34 loans on mixed use projects included a hotel component, with a total commitment amount allocated to hotels being approximately 17% of the total mixed use portfolio. We remain cautiously optimistic about the performance of this portfolio, largely due to the quality and experience of our sponsors, the quality of these properties, and our low weighted average LTC and LTV ratios at 49.8% and 40.5%, respectively, as of June 30, 2021. We expect most sponsors will continue to support these assets, if needed, until property performance returns to more normal levels. Figures 37 and 38 respectively, show the geographic distribution of RESG's hotel portfolio (excluding hotels in mixed use projects) and other information as of June 30, 2021. During the quarter just ended, one of the 28 hotels in the portfolio received a new appraisal, with the LTV ratio increasing by 1.3% for this property. During the quarter just ended, in the RESG portfolio, five hotel loans paid off, one hotel loan was sold, and no new hotel loans were originated.

Figure 37: RESG Hotel Portfolio Diversity by Geography (As of June 30, 2021) ($ millions)

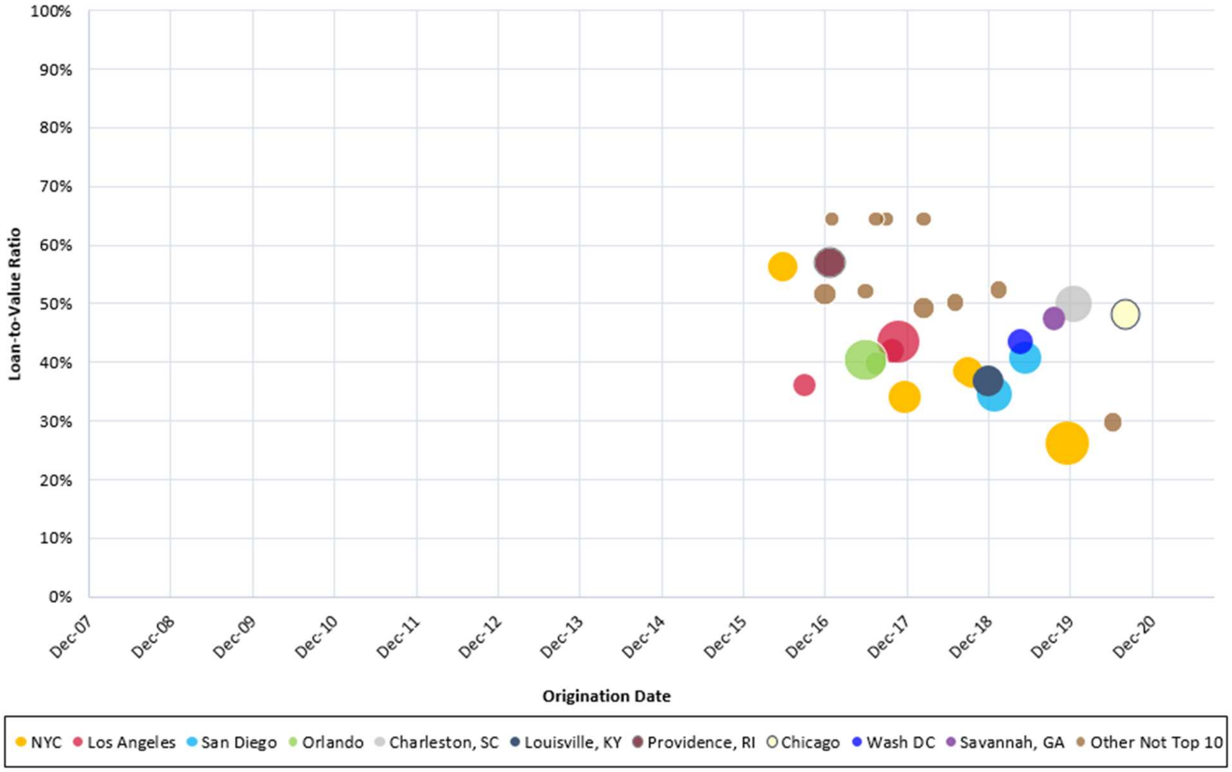


** Weighted average*

Figure 38: RESG Hotel Portfolio by LTV & Origination Date (As of June 30, 2021)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded

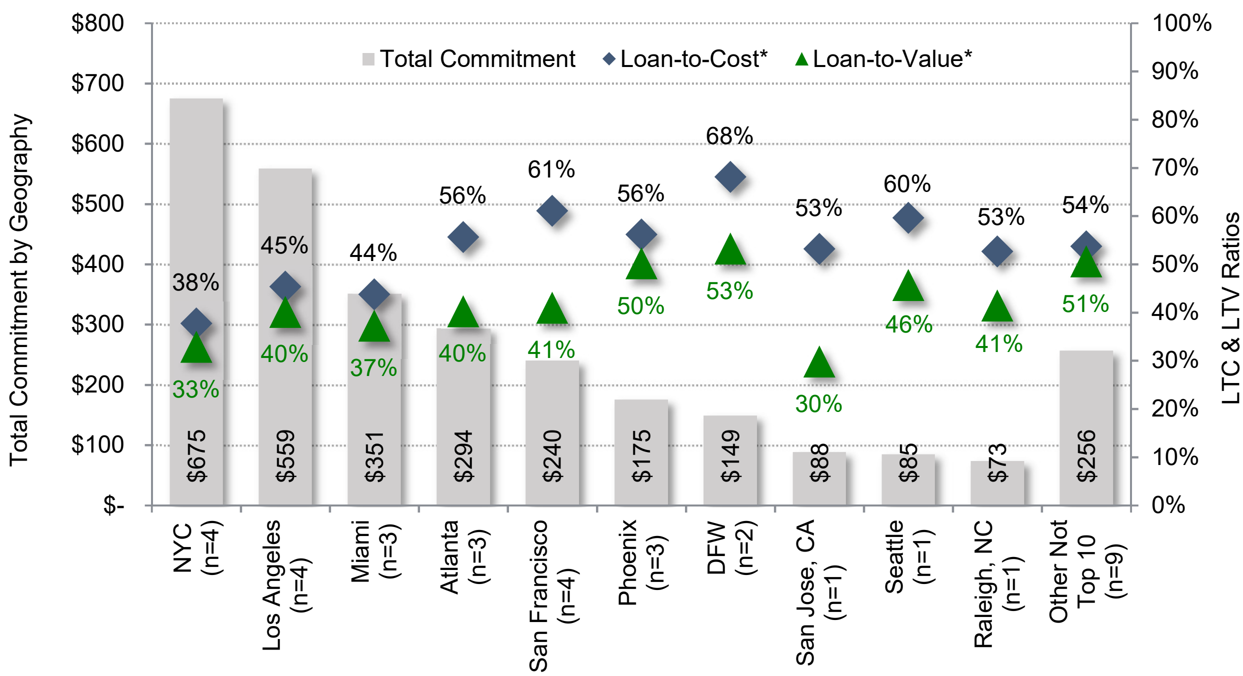


Note: The four RESG hotel loans with the highest 64.5% LTV ratio have recent appraisals, a full repayment guaranty from the individual sponsor, and are cross-collateralized and cross-defaulted. Disregarding the cross-collateralization, the LTVs of the four separate loans would be 57.6%, 58.4%, 64.0% and 81.3%.

As shown in Figure 38 above, all RESG hotel loans have LTV ratios of less than 65% based on the most recent appraisals.

The COVID-19 pandemic has also had an impact on the office sector. As shown in Figure 36 above, offices were the fourth largest component of RESG's portfolio at June 30, 2021, comprising about 13.6% of RESG's total commitments. In addition, at June 30, 2021, 17 of RESG's 34 loans on mixed use projects include an office component, with a total commitment amount allocated to offices being approximately 23% of the total mixed use portfolio. We remain cautiously optimistic about the performance of this portfolio, largely due to the quality and experience of our sponsors, the quality of these properties, the substantial leasing or pre-leasing on certain properties, and our low weighted average LTC and LTV ratios at 47.5% and 39.3%, respectively, as of June 30, 2021. We expect most sponsors will continue to support these assets, if needed, until property performance returns to more normal levels. Figures 39 and 40, respectively, show the geographic distribution of RESG's office portfolio (excluding offices in mixed use projects) and other information as of June 30, 2021. During the quarter just ended, two of the 35 offices in the portfolio received new appraisals, with the weighted average LTV ratio decreasing by 11.9% for these properties. Both properties showed a reduction in their LTV ratios. During the quarter just ended, in the RESG portfolio, two office loans paid off and two new office loans were originated.

Figure 39: RESG Office Portfolio Diversity by Geography (As of June 30, 2021) ($ millions)



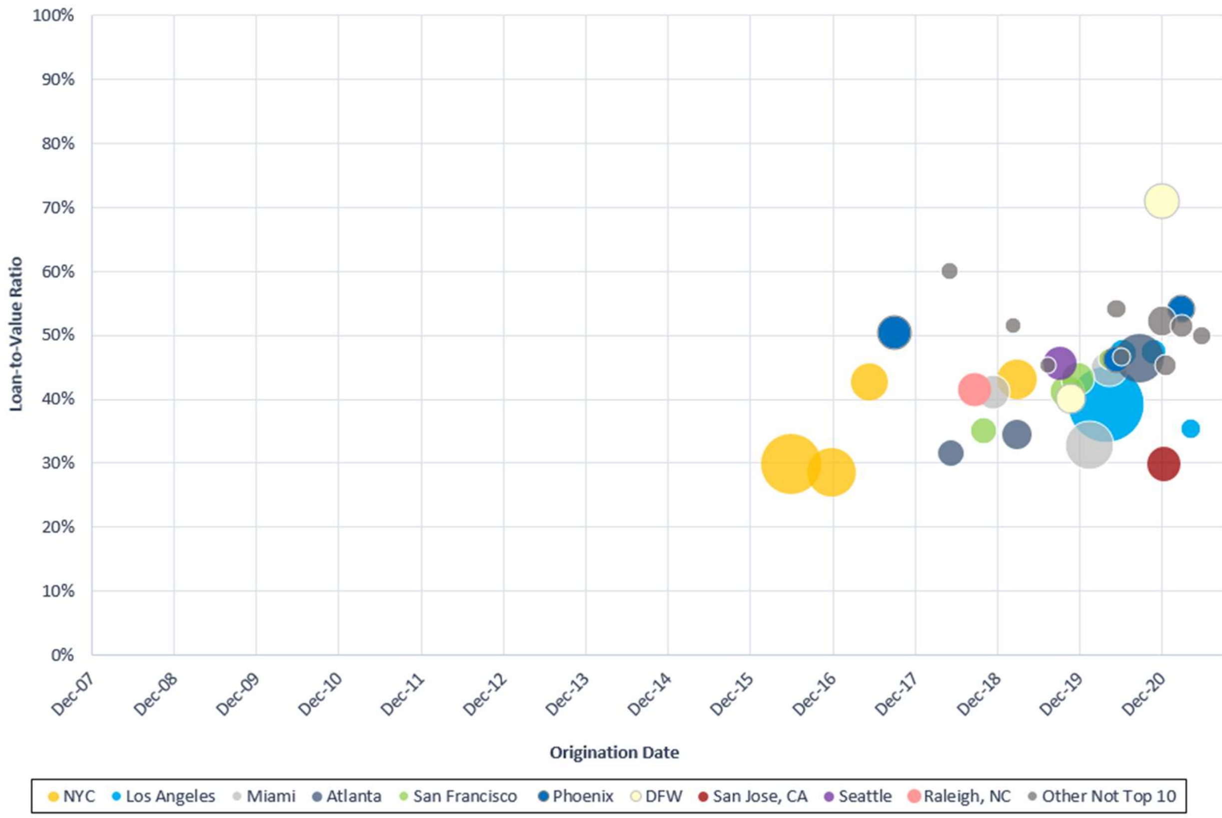
** Weighted average*

MSA / (# of Loans)

Figure 40: RESG Office Portfolio by LTV & Origination Date (As of June 30, 2021)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded



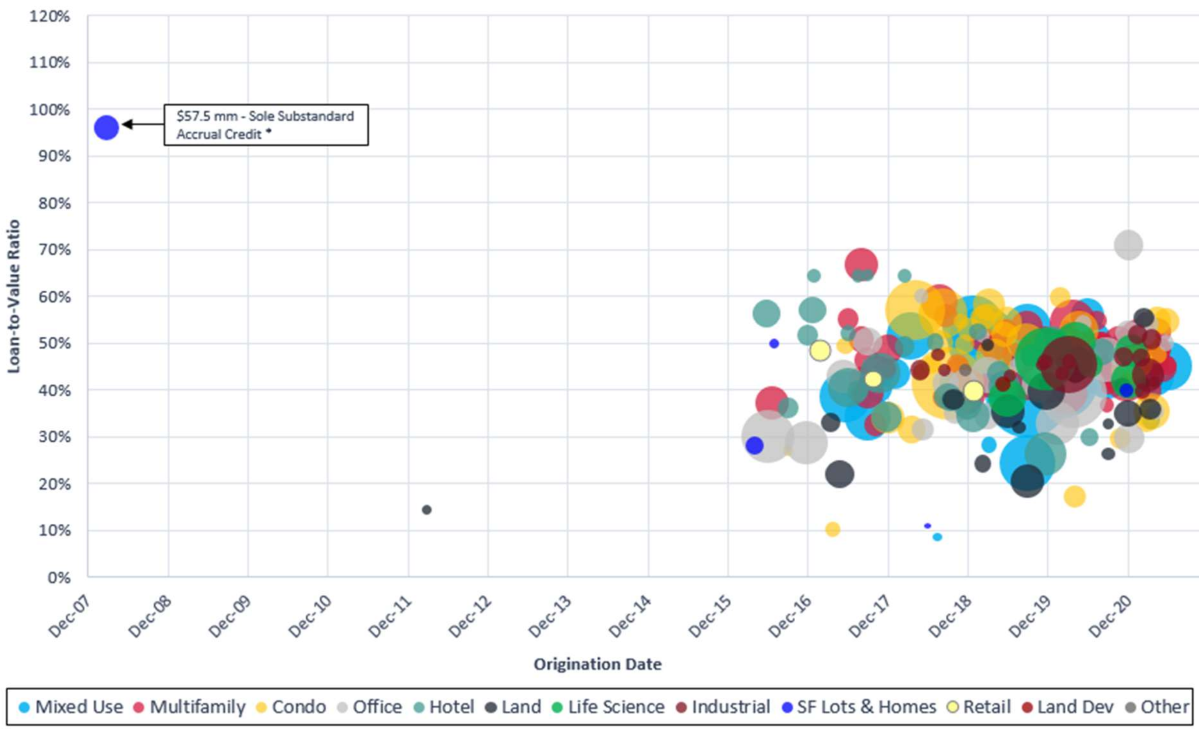
As shown in Figure 40 above, based on the most recent appraisals, one RESG office loan shows a LTV ratio of 71.0%. All other RESG office loans have LTV ratios of less than 61% based on their most recent appraisals.

Assuming full funding of every RESG loan, as of June 30, 2021, the weighted average LTC for the RESG portfolio was a conservative 50.2%, and the weighted average LTV was even lower at just 42.5%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 41. Other than the one substandard-accruing credit specifically referenced in the figure below and one office loan (71.0% LTV) previously discussed, all other credits in the RESG portfolio have LTV ratios less than 67%.

Figure 41: RESG Portfolio by LTV & Origination Date (As of June 30, 2021)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded



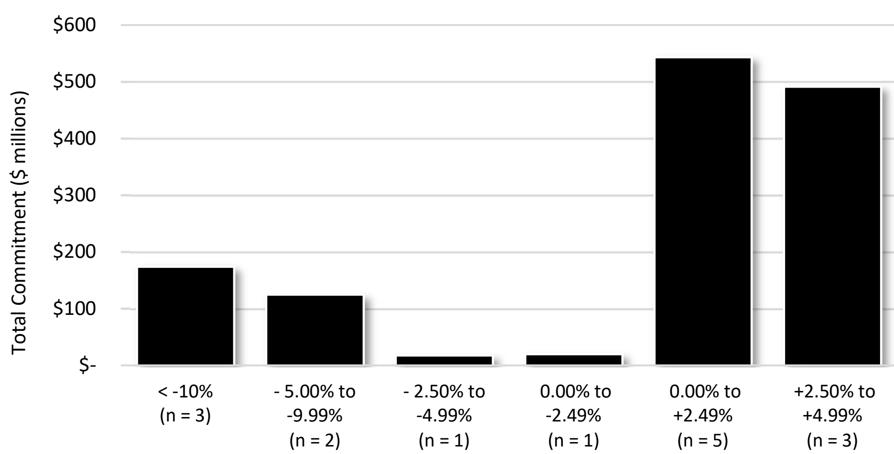
**During the second quarter of 2021, the borrower closed 2 lot sales with gross proceeds of $1.1 million. At June 30, 2021, the borrower had 2 lots under contract and 18 townhomes under contract for $1.2 million and $31.3 million, respectively. At June 30, 2021, the Bank had a total ACL of $14.0 million, or approximately 24.4% of the total commitment, related to this credit.*

As summarized in Figure 42, during the second quarter of 2021, updated appraisals were obtained by RESG on 15 loans with a total commitment of $1.37 billion, which were mostly loans for which a renewal or an extension was being considered. Figures 42 and 43 show the distribution of such loans, including the resulting changes in LTV as compared to the LTV as reflected at March 31, 2021 based on the previous appraised value. In summary, LTVs were relatively unchanged (plus or minus 5%) for 10 loans and LTVs decreased more than 5% for five loans. It is important to note that (i) in some cases, the June 30, 2021 LTV ratios were positively influenced by pay-downs and/or loan curtailments associated with a loan renewal or an extension and (ii) the previous LTVs as of March 31, 2021 were based on earlier valuations, in some cases up to three years old, that may have been low relative to market conditions existing immediately prior to the onset of the COVID-19 pandemic.

Figure 42: Property Type Breakdown of Appraisals Obtained in 2Q21 ($ in millions)

Property Type	# of Loans	Total Commitment	Weighted Average LTV @ 3/31/21	Weighted Average LTV @ 6/30/21	Δ in Wtd. Avg. LTV
Condo	4	$ 515	46.3%	49.1%	2.8%
Mixed Use	1	300	23.6%	24.4%	0.8%
Land	3	209	32.7%	29.0%	-3.7%
Multifamily	2	152	39.9%	37.5%	-2.4%
Hotel	1	71	37.3%	38.6%	1.3%
Office	2	67	48.7%	36.8%	-11.9%
Industrial	2	58	46.1%	45.2%	-0.9%
Total	**15**	**$ 1,372**	**36.2%**	**35.2%**	**-1.0%**

Figure 43: Distribution of RESG LTV Changes Following Appraisals Obtained in 2Q21 ($ in millions)

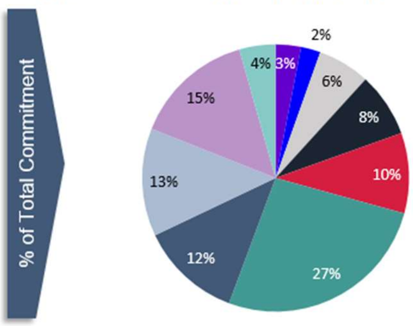


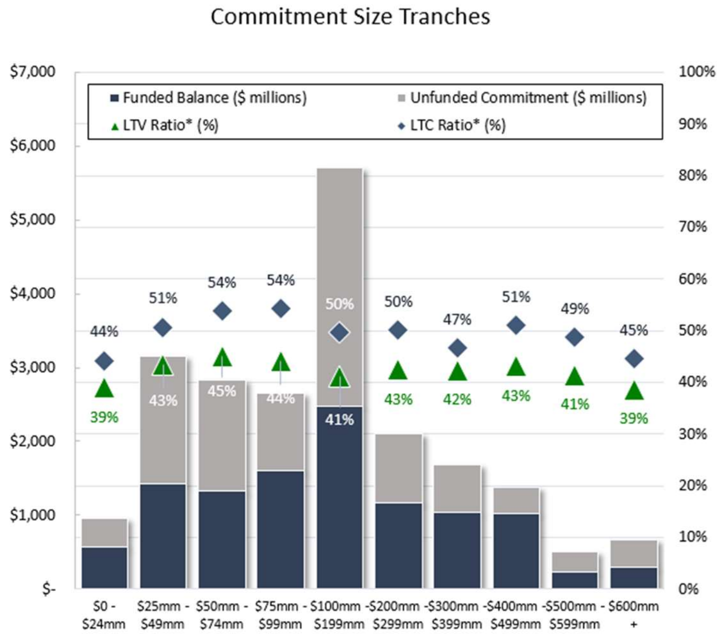
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 44.

Figure 44: RESG Portfolio Stratification by Loan Size - Total Commitment (As of June 30, 2021)

($ millions)

Tranche	No. of Loans	Funded Balance	Total Commitment
$600mm +	1	$ 298	$ 664
$500mm - $599mm	1	231	512
$400mm - $499mm	3	1,029	1,373
$300mm - $399mm	5	1,034	1,681
$200mm - $299mm	9	1,169	2,105
$100mm - $199mm	43	2,469	5,716
$75mm - $99mm	31	1,601	2,657
$50mm - $74mm	46	1,331	2,824
$25mm - $49mm	85	1,430	3,161
$0 - $24mm	54	566	950
Total	**278**	**$ 11,158**	**$ 21,643**





** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

Our Community Banking loans include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated through our specialty lending channels in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, affordable housing, middle market CRE and home builder finance loan teams. Although growth for many of these lending channels has been limited recently by competitive factors and the COVID-19 pandemic, we have recently seen some positive signs in the pipelines of many of our lenders. We are cautiously optimistic about our ability to achieve positive growth in the second half of 2021 and in 2022 in community bank lending (excluding PPP loan repayments). Growth in these units is an important part of our broader strategy for portfolio diversification, both in terms of product types and geography.

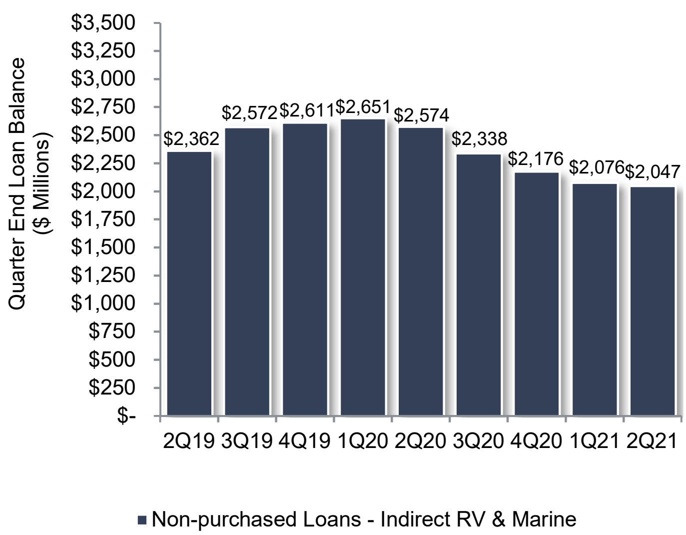
As discussed in last quarter's Management Comments, to continue to increase diversification of our loan portfolio and expand our lending team, we have hired a seasoned banking leader to build our new Asset Based Lending Group. This unit is based in Dallas, Texas and reports to Brannon Hamblen. We expect this unit will begin to contribute to loan originations at a modest level in the final half of 2021 with the expectation that its growth will accelerate to a more meaningful level in 2022 and beyond.

Our Corporate & Business Specialties Group ("CBSG"), which also reports to Brannon Hamblen, is a small team focused on subscription finance and other secured non-real estate lending opportunities, and also services our shared national credit portfolio, which we have been winding down over the past couple of years. We expect to grow our subscription finance business and expand other secured non-real estate lending opportunities that have structures, terms and other attributes similar to our RESG business model. We are seeing positive trends in the origination volume of this unit, and we expect it will become a meaningful contributor to growth in 2022, although its growth for the remainder of 2021 may be offset by continued pay downs in our remaining $86 million of shared national credits. We have been steadily reducing our shared national credit portfolio from a peak of $483 million at September 30, 2018 to the current $86 million.

Indirect RV & Marine lending is a nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards. It was the largest contributor to our loan growth in 2018 and 2019, but we allowed this portfolio to shrink in 2020. During 2020, we implemented enhancements to our underwriting and pricing and are now increasing new originations with the expectation that we will maintain or improve on the portfolio's already excellent credit quality while increasing margins and lowering premiums paid to dealers. We are slowly gaining momentum with this enhanced business plan, and we expect to see net growth in this portfolio resuming in either late 2021 or in 2022. We believe that our indirect portfolio will continue to be an important part of our lending business, and our objective is to maintain it within a range of at or near 10% of our total loans up to 15% of our total loans.

As of June 30, 2021, the non-purchased indirect portfolio had an average loan size of approximately $90,000 and a 30+ day delinquency ratio of seven bps. For the second quarter and first six months of 2021, our annualized net charge-off ratio for the non-purchased indirect portfolio was 22 bps and 31 bps, respectively. Figure 45 provides additional details regarding this portfolio.

Figure 45: Indirect RV & Marine Outstanding Non-purchased Loan Balances



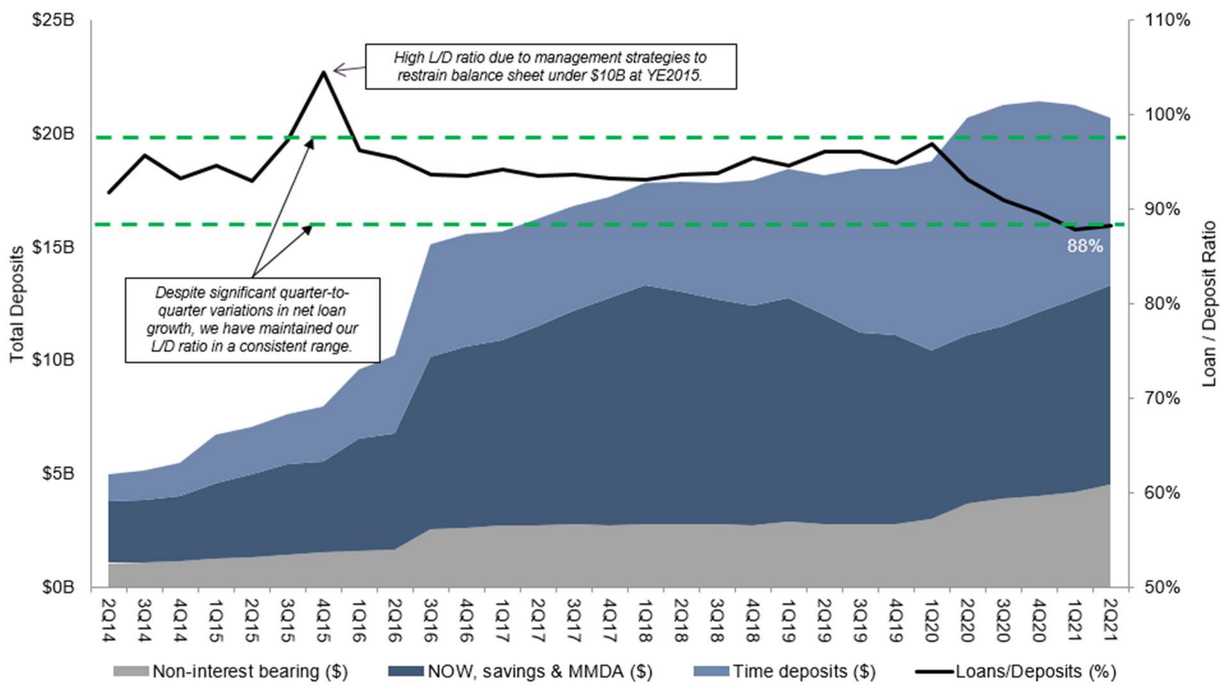
	RV Portfolio		
Loan Size	**Total #**		**$ thousands**
$1 million +	-	$	-
$750k - $999k	-		-
$250k - $749k	454		140,738
$50k - $249k	9,563		1,020,326
< $50k	6,217		157,862
Total	**16,234**	**$**	**1,318,926**

	Marine Portfolio		
Loan Size	**Total #**		**$ thousands**
$1 million +	37	$	68,409
$750k - $999k	24		20,512
$250k - $749k	332		127,017
$50k - $249k	4,066		432,353
< $50k	2,636		80,002
Total	**7,095**	**$**	**728,295**

Liquidity

We believe that we have significant capacity for future deposit growth in our existing network of 235 branches. We have successfully increased our overall deposits as needed to fund our earning asset growth. Our loan-to-deposit ratio was 88% at June 30, 2021, slightly below our historical range of 89% to 99%. As Figure 46 shows, we have consistently maintained our loan-to-deposit ratio within or near that range over the last seven years, even as our total assets grew approximately 322% from $6.3 billion at June 30, 2014 to $26.6 billion at June 30, 2021.

Figure 46: Maintaining a Consistent Loan / Deposit Ratio While Achieving Substantial Growth



The amount of deposits by customer type as of the dates indicated and their respective percentage of total deposits are reflected in Figure 47. As shown below, over the last four quarters, we have improved the quality of our deposit base as we have significantly grown our consumer and commercial deposits and reduced our public funds, brokered and reciprocal deposits.

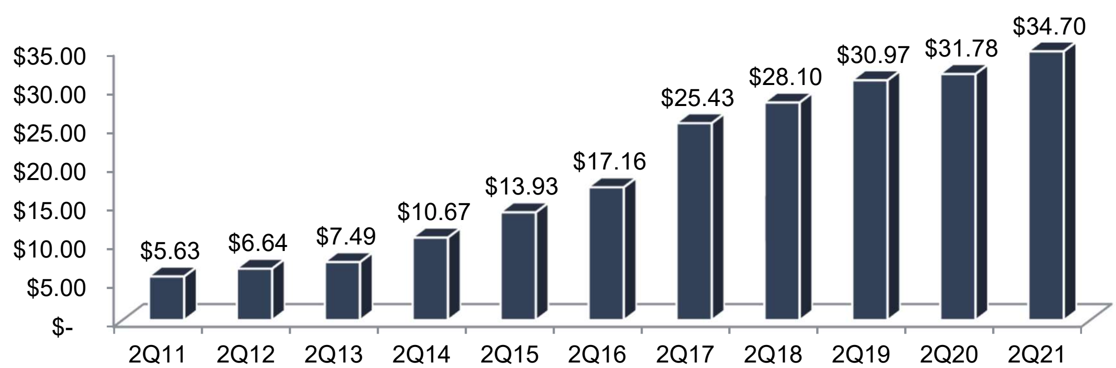
Figure 47: Deposits by Customer Type ($ millions)

	Period Ended					
	6/30/2020		12/31/2020		6/30/2021	
Consumer	$ 10,084	48.7%	$ 11,166	52.1%	$ 10,680	51.6%
Commercial	5,439	26.2%	6,057	28.2%	6,566	31.7%
Public Funds	2,546	12.3%	2,112	9.8%	2,083	10.1%
Brokered	2,018	9.7%	1,600	7.5%	915	4.4%
Reciprocal	637	3.1%	516	2.4%	463	2.2%
Total	$ 20,724	100.0%	$ 21,451	100.0%	$ 20,707	100.0%

Capital and Dividends

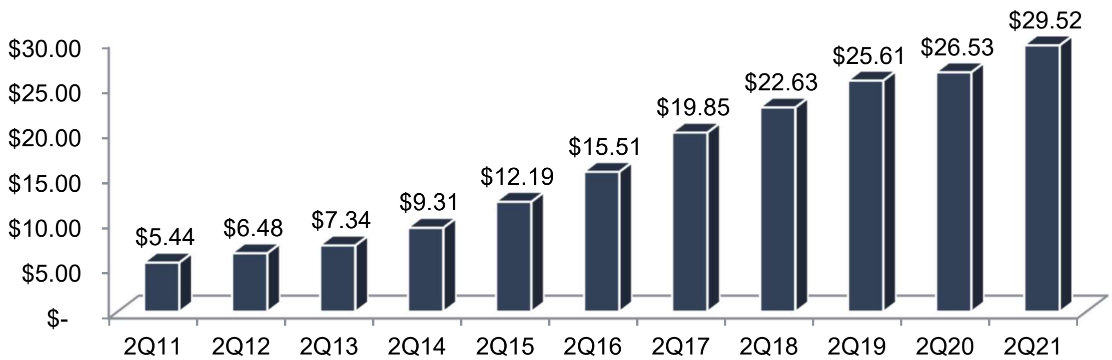
During the quarter just ended, our book value per common share increased to $34.70 compared to $33.79 as of March 31, 2021 and $31.78 as of June 30, 2020. Over the last 10 years, we have increased book value per common share by a cumulative 516%, resulting in a compound annual growth rate of 19.9%, as shown in Figure 48.

Figure 48: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $29.52 compared to $28.60 as of March 31, 2021 and $26.53 as of June 30, 2020. Over the last 10 years, we have increased tangible book value per common share by a cumulative 443%, resulting in a compound annual growth rate of 18.4%, as shown in Figure 49.

Figure 49: Tangible Book Value per Share (Period End) [3]



Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building robust capital ratios, as shown in Figure 50, which are among the strongest within the industry. We are focused on strategies to utilize our excess capital that are in the best long-term interest of our shareholders. Options for deploying our excess capital include organic loan growth, adding new business lines, continuing to increase our cash dividend, financially attractive acquisitions for cash or some combination of cash and stock, and stock repurchases pursuant to our recently adopted stock repurchase program. Although we may have no or even negative net growth in our total loans for the full year of 2021 because of the expected high level of net loan repayments, organic loan growth will continue to be our top growth priority, and we are optimistic about our growth prospects in 2022 and beyond.

Figure 50: Capital Ratios

	Estimated 6/30/2021 [4]	Regulatory Minimum Required To Be Considered Well Capitalized	Excess Capital
CET 1 Ratio	14.50%	6.50%	8.00%
Tier 1 Ratio	14.50%	8.00%	6.50%
Total RBC Ratio	16.80%	10.00%	6.80%
Tier 1 Leverage	14.40%	5.00%	9.40%

[3] See the schedule at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable GAAP measure.
[4] Ratios as of June 30, 2021 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

We have increased our cash dividend in each of the last 44 quarters and every year since going public in 1997. We expect to continue to increase our cash dividend in future quarters.

Approval of Stock Repurchase Authorization

In July 2021, our board of directors voted to adopt a stock repurchase program for a maximum amount of $300 million, and we have received all necessary regulatory approvals to commence such stock repurchase program. The timing and amount of repurchases made pursuant to the repurchase program will be determined by management based on a variety of factors, including the Bank's capital position, liquidity, financial performance and alternative uses of capital, stock trading price, regulatory requirements and general market conditions. The repurchase program may be suspended by the Bank at any time.

Subordinated Debt Redemption & Expected New Issuance

We redeemed all of our outstanding Fixed-to-Floating Rate Subordinated Notes due in 2026 (the "Sub Debt") on July 1, 2021, at a redemption price equal to 100% of the principal amount of the Sub Debt plus any accrued and unpaid interest. We had approximately $0.8 million of remaining unamortized deferred issuance costs associated with the Sub Debt at the date of redemption, which will be recognized as other non-interest expense in the third quarter of 2021 and is expected to be more than offset from the interest savings from not having subordinated debt outstanding for part, or all, of the third quarter of 2021. Subject to favorable market conditions and other factors, we expect to issue new subordinated notes during the third quarter of 2021, which may have different terms and be in a lesser, equal or greater amount than the $225 million subordinated debt we just redeemed.

Effective Tax Rate

Our effective tax rate for the quarter just ended was 23.1%, and for the first six months of 2021 was 22.9%. We expect our effective tax rate for the full year of 2021 to be between 23% and 24%, assuming no changes in applicable state or federal income tax rates.

Brannon Hamblen Named President

Effective July 21, 2021, Brannon Hamblen's title changed to President from President and Chief Operating Officer – RESG. This title change and his broader bank-wide responsibilities reflect the steady advancement of Mr. Hamblen's role. Mr. Hamblen joined the Bank in 2008, and advanced in various roles within RESG, becoming President and Chief Operating Officer – RESG in 2018. Subsequently, Mr. Hamblen's responsibilities expanded further to include oversight of the Bank's Analytics and Modeling group; the Data, Innovation and Technology group; the Corporate and Business Specialties Group; and, most recently, the newly formed Asset Based Lending Group.

Chairman and Chief Executive Officer, George Gleason, has stated numerous times that he expects to work many more years and serve in his current capacity as long as the board of directors considers him to be the best person for the job. Mr. Hamblen's title change should not be viewed as indicating any change in Mr. Gleason's plans to continue as Chairman and Chief Executive Officer. In addition, Mr. Hamblen is one of several individuals identified as a potential successor to Mr. Gleason in the Bank's Management Succession and Development Plan, and his title change should not be viewed as an indication that he has been designated as the only potential successor.

Final Thoughts

We are pleased to report record results for the quarter just ended. Our strong capital and liquidity, our disciplined credit culture and our exceptional team have us well positioned for the future.

Non-GAAP Reconciliations

Calculation of Average Tangible Common Stockholders’ Equity and the Return on Average Tangible Common Stockholders’ Equity

Unaudited (Dollars in Thousands)

	Three Months Ended *		Six Months Ended *	
	6/30/2020	6/30/2021	6/30/2020	6/30/2021
Net Income Available To Common Stockholders	$ 50,266	$ 150,535	$ 62,132	$ 298,950
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 4,110,038	$ 4,423,093	$ 4,114,035	$ 4,365,454
Less Average Intangible Assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(19,563)	(12,175)	(20,987)	(12,997)
Total Average Intangibles	(680,352)	(672,964)	(681,776)	(673,786)
Average Tangible Common Stockholders' Equity	$ 3,429,686	$ 3,750,129	$ 3,432,259	$ 3,691,668
Return On Average Common Stockholders' Equity	4.92%	13.65%	3.04%	13.81%
Return On Average Tangible Common Stockholders' Equity	5.89%	16.10%	3.64%	16.33%

* Ratios for interim periods annualized based on actual days

Calculation of Tangible Book Value per Share

Unaudited (Dollars in Thousands, Except per Share)

	As of June 30,					
	2011	2012	2013	2014	2015	2016
Total common stockholders' equity before noncontrolling interest	$ 385,683	$ 459,590	$ 531,125	$ 850,204	$ 1,209,254	$ 1,556,921
Less intangible assets:						
Goodwill	(5,243)	(5,243)	(5,243)	(78,669)	(122,884)	(126,289)
Core deposit and other intangibles, net of accumulated amortization	(7,977)	(5,946)	(5,447)	(29,971)	(28,266)	(23,615)
Total intangibles	(13,220)	(11,189)	(10,690)	(108,640)	(151,150)	(149,904)
Total tangible common stockholders' equity	$ 372,463	$ 448,401	$ 520,435	$ 741,564	$ 1,058,104	$ 1,407,017
Common shares outstanding (thousands)	68,474	69,188	70,876	79,662	86,811	90,745
Book value per common share	$ 5.63	$ 6.64	$ 7.49	$ 10.67	$ 13.93	$ 17.16
Tangible book value per common share	$ 5.44	$ 6.48	$ 7.34	$ 9.31	$ 12.19	$ 15.51

	As of June 30,				
	2017	2018	2019	2020	2021
Total common stockholders' equity before noncontrolling interest	$ 3,260,123	$ 3,613,903	$ 3,993,247	$ 4,110,666	$ 4,501,676
Less intangible assets:					
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(54,541)	(41,962)	(29,515)	(18,377)	(11,336)
Total intangibles	(715,330)	(702,751)	(690,304)	(679,166)	(672,125)
Total tangible common stockholders' equity	$ 2,544,793	$ 2,911,152	$ 3,302,943	$ 3,431,500	$ 3,829,551
Common shares outstanding (thousands)	128,190	128,616	128,947	129,350	129,720
Book value per common share	$ 25.43	$ 28.10	$ 30.97	$ 31.78	$ 34.70
Tangible book value per common share	$ 19.85	$ 22.63	$ 25.61	$ 26.53	$ 29.52

Note: All share and per share data adjusted to reflect impact of 2-for-1 stock splits on August 16, 2011 and June 23, 2014.