# UNITED STATES
# FEDERAL DEPOSIT INSURANCE CORPORATION
**WASHINGTON, DC 20429**

**FORM 8-K**
**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the**
**Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **October 21, 2021**

# BANK OZK
(Exact name of registrant as specified in its charter)

**Arkansas**
(State or other jurisdiction of incorporation)

| | |
|---|---|
| **110** | **71-0130170** |
| (FDIC Certificate Number) | (IRS Employer Identification No.) |
| **18000 Cantrell Road, Little Rock, Arkansas** | **72223** |
| (Address of principal executive offices) | (Zip Code) |

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

**Not Applicable**
(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

( ) Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

( ) Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

( ) Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

( ) Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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 |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth 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. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On October 21, 2021, Bank OZK (the "Bank") issued a press release announcing its financial results for the third quarter ended September 30, 2021 and made available management's comments on the results for the third quarter of 2021. The materials contain forward-looking statements regarding the Bank and include cautionary language identifying important factors that could cause actual results to differ materially from those anticipated. The third quarter of 2021 earnings press release and management's comments with respect thereto are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are available on the Bank's investor relations website.

As previously reported, on October 22, 2021, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the third quarter of 2021.

The information furnished pursuant to this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing of the Bank under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such filing. All information in the third quarter 2021 earnings press release and management's comments with respect thereto speaks as of the date thereof, and the Bank does not assume any obligation to update such information in the future.

**Item 7.01 Regulation FD Disclosures.**

See Item 2.02 Results of Operations and Financial Condition.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits: The following exhibits are being furnished to this Current Report on Form 8-K.

| | |
|---|---|
| 99.1 | Press Release dated October 21, 2021: Bank OZK Announces Third Quarter 2021 Earnings |
| 99.2 | Management Comments for the Third Quarter of 2021 – dated October 21, 2021 |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**BANK OZK**

| | |
|---|---|
| Date: October 21, 2021 | By: /s/ Greg L. McKinney<br>Name: Greg L. McKinney<br>Title: Chief Financial Officer |

| **Exhibit No.** | **Document Description** |
|---|---|
| 99.1 | Press Release dated October 21, 2021: Bank OZK Announces Third Quarter 2021 Earnings |
| 99.2 | Management Comments for the Third Quarter of 2021 – dated October 21, 2021 |

**Exhibit 99.1**

## NEWS RELEASE

| | |
|---|---|
| Date: | October 21, 2021 |
| Release Time: | 3:01 p.m. (CT) |
| Investor Contact: | Tim Hicks (501) 978-2336 |
| Media Contact: | Susan Blair (501) 978-2217 |

# Bank OZK Announces Third Quarter 2021 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the “Bank”) (Nasdaq: OZK) today announced that net income for the third quarter of 2021 was $130.3 million, a 19.3% increase from $109.3 million for the third quarter of 2020. Diluted earnings per common share for the third quarter of 2021 were $1.00, a 19.0% increase from $0.84 for the third quarter of 2020.

For the nine months ended September 30, 2021, net income was $429.2 million, a 150.5% increase from $171.4 million for the first nine months of 2020. Diluted earnings per common share for the first nine months of 2021 were $3.30, a 150.0% increase from $1.32 for the first nine months of 2020.

As a result of improved economic conditions and prospects for improvement in the U.S. economy, management recorded negative provision for credit losses of $7.5 million during the third quarter and $69.9 million during the first nine months of 2021, reducing the Bank’s total allowance for credit losses (“ACL”) from $377.3 million at December 31, 2020 to $298.8 million at September 30, 2021. The Bank’s provision for credit losses was $7.2 million during the third quarter and $196.9 million during the first nine months of 2020, reflecting significant economic uncertainty at that time.

The Bank’s results for the first nine months of 2021 included pretax gains of $4.4 million from the sale of its South Carolina branches and $1.4 million of tax-exempt bank-owned life insurance (“BOLI”) death benefits, both of which were recognized during the first quarter of 2021. The Bank had no gains from branch sales and had $0.6 million of tax-exempt BOLI death benefits during the first nine months of 2020.

Pre-tax pre-provision net revenue (“PPNR”) was $163.5 million for the third quarter of 2021, a 12.3% increase from $145.7 million for the third quarter of 2020. For the nine months ended September 30, 2021, PPNR was $489.0 million, a 17.3% increase from $417.0 million for the first nine months of 2020. The calculation of PPNR and the reconciliation to generally accepted accounting principles (“GAAP”) are included in the schedules accompanying this release.

The Bank’s annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity for the third quarter of 2021 were 1.98%, 11.41% and 13.39%, respectively, compared to 1.63%, 10.48% and 12.52%, respectively, for the third quarter of 2020. The Bank’s annualized returns on average assets, average common stockholder’s equity and average tangible common stockholders’ equity for the first nine months of 2021 were 2.15%, 12.98% and 15.31%, respectively, compared to 0.90%, 5.55%, and 6.65%, respectively, for the first nine months of 2020. The calculation of the Bank’s return on average tangible common stockholders' equity and the reconciliation to GAAP are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "We are pleased to report our highest level of quarterly RESG loan originations since 2017 along with record net interest income for the quarter just ended. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the future."

## KEY BALANCE SHEET METRICS

Total loans were $18.31 billion at September 30, 2021, a 5.4% decrease from $19.36 billion at September 30, 2020. Non-purchased loans were $17.71 billion at September 30, 2021, a 3.9% decrease from $18.42 billion at September 30, 2020, but a 0.5% increase from $17.61 billion at June 30, 2021. Purchased loans, which consist of loans acquired in previous acquisitions, were $0.60 billion at September 30, 2021, a 36.3% decrease from $0.94 billion at September 30, 2020.

Deposits were $20.10 billion at September 30, 2021, a 5.6% decrease from $21.29 billion at September 30, 2020. Total assets were $26.14 billion at September 30, 2021, a 2.8% decrease from $26.89 billion at September 30, 2020.

Common stockholders' equity was $4.55 billion at September 30, 2021, an 8.8% increase from $4.19 billion at September 30, 2020. Tangible common stockholders' equity was $3.88 billion at September 30, 2021, a 10.6% increase from $3.51 billion at September 30, 2020. Book value per common share was $35.35 at September 30, 2021, a 9.2% increase from $32.37 at September 30, 2020. Tangible book value per common share was $30.14 at September 30, 2021, an 11.1% increase from $27.13 at September 30, 2020. The calculations of the Bank's tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets was 17.42% at September 30, 2021 compared to 15.57% at September 30, 2020. Its ratio of total tangible common stockholders' equity to total tangible assets was 15.24% at September 30, 2021 compared to 13.39% at September 30, 2020. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

## SUBORDINATED DEBT REDEMPTION AND OFFERING

On July 1, 2021, the Bank redeemed all of its $225 million of 5.50% Fixed-to-Floating rate Subordinated Notes at a redemption price equal to 100% of the principal amount of the subordinated notes plus accrued and unpaid interest. As a result of the subordinated debt redemption, the Bank recognized approximately $0.8 million in remaining unamortized debt issue cost as non-interest expense during the third quarter of 2021.

On September 16, 2021, the Bank completed its public offering of $350 million in aggregate principal amount of its 2.75% Fixed-to-Floating rate Subordinated Notes (the "2.75% Notes") due 2031, which will initially 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 a benchmark (which is expected to be three-month SOFR) plus 209 basis points. The 2.75% Notes are unsecured, subordinated debt obligations and mature on October 1, 2031, and the Bank expects to use the net proceeds from the offering for general corporate purposes, which may include, among other things, financing organic growth or strategic acquisitions, repurchase of shares of the Bank's common stock, supporting the Bank's regulatory capital levels and ongoing working capital needs. As of September 30, 2021, the Bank's subordinated debt had a carrying value of $345.9 million and remaining unamortized debt issuance cost of $4.1 million.

## STOCK REPURCHASE PROGRAM

In July 2021, the Bank adopted a stock repurchase program authorizing the purchase of up to $300 million of the Bank's outstanding shares of common stock. During the quarter just ended, the Bank repurchased 888,567 shares at a weighted average cost of $41.61, for a total of $37.0 million. The timing and amount of future repurchases will be determined by management based on a variety of factors such as the Bank's capital position, liquidity, financial performance and alternative uses of capital, stock price, regulatory requirements and general market and economic conditions. The repurchase program may be suspended by the Bank at any time.

## MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

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

Management will conduct a conference call to take questions on these quarterly results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on October 22, 2021. Interested parties may listen to this call by dialing 1-844-818-5110 (U.S. and Canada) or 210-229-8841 (internationally) and asking for the Bank OZK conference call. A recorded playback of the call will be available for one week following the call at 1-855-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The conference ID for this playback is 8870579. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

The Bank files with the Federal Deposit Insurance Corporation ("FDIC") annual, quarterly and current reports, proxy materials and other information required by the Securities Exchange Act of 1934, copies of which are available electronically at the FDIC's website at https://efr.fdic.gov/fcxweb/efr/index.html and are also available on the Bank's Investor Relations website at http://ir.ozk.com. To receive automated email alerts for these materials, please visit https://ir.ozk.com/other/email-alerts to sign up.

## NON-GAAP FINANCIAL MEASURES

This release contains certain non-GAAP financial measures. The Bank uses these non-GAAP financial measures, specifically return on average tangible common stockholders' equity, tangible book value per common share, total tangible common stockholders' equity, the ratio of total tangible common stockholders' equity to total tangible assets, and PPNR, to assess the strength of its capital, its ability to generate earnings on tangible capital invested by its shareholders and trends in its net revenue. These measures typically adjust GAAP financial measures to exclude intangible assets or provision for credit losses. Management believes presentation of these non-GAAP financial measures provides useful supplemental information which contributes to a proper understanding of the financial results and capital levels of the Bank. These non-GAAP disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP performance measures that may be presented by other banks. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the tables at the end of this release under the caption "Reconciliation of Non-GAAP Financial Measures."

## FORWARD-LOOKING STATEMENTS

This release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs 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 in response to the 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; the impact of any future federal government shutdown and uncertainty regarding the federal government's debt limit or changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Bank's operational or security systems or infrastructure, or those of third parties with whom it does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the 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 financial markets; potential impact of supply chain disruptions; national, international or political instability; impairment of the Bank's 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 press release or as detailed from time to time in the other public reports the Bank files with the FDIC, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form 10-K for the year ended December 31, 2020 and its quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

## GENERAL INFORMATION

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations through 249 offices in eight states, including Arkansas, Georgia, Florida, North Carolina, Texas, California, New York and Mississippi. Bank OZK can be found at www.ozk.com and on Facebook, Twitter and LinkedIn or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

**Bank OZK**
**Consolidated Balance Sheets**
Unaudited

| | September 30, 2021 | December 31, 2020 |
|---|---|---|
| | (Dollars in thousands, except per share amounts) | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,782,503 | $ 2,393,662 |
| Investment securities — available for sale ("AFS") | 3,846,496 | 3,405,351 |
| Federal Home Loan Bank of Dallas and other bankers' bank stocks | 40,698 | 38,486 |
| Non-purchased loans | 17,707,452 | 18,401,495 |
| Purchased loans | 597,851 | 807,673 |
| Allowance for loan losses | (237,722) | (295,824) |
| Net loans | 18,067,581 | 18,913,344 |
| Premises and equipment, net | 699,427 | 738,842 |
| Foreclosed assets | 9,444 | 11,085 |
| Accrued interest receivable | 84,358 | 88,077 |
| Bank owned life insurance ("BOLI") | 770,829 | 758,071 |
| Goodwill and other intangible assets, net | 670,580 | 675,458 |
| Other, net | 171,451 | 140,220 |
| Total assets | $ 26,143,367 | $ 27,162,596 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Deposits: | | |
| Demand non-interest bearing | $ 4,586,163 | $ 3,996,546 |
| Savings and interest bearing transaction | 8,961,316 | 8,160,982 |
| Time | 6,554,961 | 9,292,828 |
| Total deposits | 20,102,440 | 21,450,356 |
| Repurchase agreements with customers | 7,735 | 8,013 |
| Other borrowings | 750,217 | 750,928 |
| Subordinated notes | 345,927 | 224,047 |
| Subordinated debentures | 120,892 | 120,475 |
| Reserve for losses on unfunded loan commitments | 61,076 | 81,481 |
| Accrued interest payable and other liabilities | 198,728 | 251,940 |
| Total liabilities | 21,587,015 | 22,887,240 |
| | | |
| Commitments and contingencies | | |
| | | |
| Stockholders' equity: | | |
| Preferred stock; $0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at September 30, 2021 or December 31, 2020 | — | — |
| Common stock; $0.01 par value; 300,000,000 shares authorized; 128,817,819 and 129,350,448 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively | 1,288 | 1,294 |
| Additional paid-in capital | 2,245,012 | 2,265,850 |
| Retained earnings | 2,266,234 | 1,946,875 |
| Accumulated other comprehensive income | 40,706 | 58,252 |
| Total stockholders' equity before noncontrolling interest | 4,553,240 | 4,272,271 |
| Noncontrolling interest | 3,112 | 3,085 |
| Total stockholders' equity | 4,556,352 | 4,275,356 |
| Total liabilities and stockholders' equity | $ 26,143,367 | $ 27,162,596 |

**Bank OZK**

**Consolidated Statements of Income**

Unaudited

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (Dollars in thousands, except per share amounts) | | | |
| Interest income: | | | | |
| Non-purchased loans | $ 238,258 | $ 236,621 | $ 716,639 | $ 701,290 |
| Purchased loans | 11,350 | 16,269 | 34,985 | 54,743 |
| Investment securities: | | | | |
| Taxable | 9,236 | 9,666 | 26,786 | 31,480 |
| Tax-exempt | 3,296 | 5,193 | 10,860 | 14,636 |
| Deposits with banks and federal funds sold | 523 | 532 | 1,556 | 5,237 |
| Total interest income | 262,663 | 268,281 | 790,826 | 807,386 |
| Interest expense: | | | | |
| Deposits | 12,326 | 38,273 | 54,908 | 141,206 |
| Repurchase agreements with customers | 4 | 4 | 14 | 17 |
| Other borrowings | 1,013 | 1,156 | 2,996 | 2,168 |
| Subordinated notes | 429 | 3,207 | 6,755 | 9,551 |
| Subordinated debentures | 934 | 984 | 2,814 | 3,420 |
| Total interest expense | 14,706 | 43,624 | 67,487 | 156,362 |
| Net interest income | 247,957 | 224,657 | 723,339 | 651,024 |
| Provision for credit losses | (7,454) | 7,200 | (69,946) | 196,889 |
| Net interest income after provision for credit losses | 255,411 | 217,457 | 793,285 | 454,135 |
| Non-interest income: | | | | |
| Service charges on deposit accounts | 11,177 | 9,427 | 31,154 | 27,717 |
| Trust income | 2,247 | 1,936 | 6,365 | 5,635 |
| BOLI income: | | | | |
| Increase in cash surrender value | 4,940 | 5,081 | 14,739 | 15,205 |
| Death benefits | — | — | 1,409 | 608 |
| Loan service, maintenance and other fees | 3,307 | 3,351 | 10,811 | 10,461 |
| Gains on sales of other assets | 463 | 891 | 8,632 | 1,674 |
| Net gains on investment securities | — | 2,244 | — | 4,467 |
| Other | 3,850 | 3,746 | 12,733 | 10,180 |
| Total non-interest income | 25,984 | 26,676 | 85,843 | 75,947 |
| Non-interest expense: | | | | |
| Salaries and employee benefits | 53,769 | 53,119 | 159,533 | 153,003 |
| Net occupancy and equipment | 17,161 | 16,676 | 49,797 | 47,761 |
| Other operating expenses | 39,467 | 35,846 | 110,840 | 109,255 |
| Total non-interest expense | 110,397 | 105,641 | 320,170 | 310,019 |
| Income before taxes | 170,998 | 138,492 | 558,958 | 220,063 |
| Provision for income taxes | 40,713 | 29,251 | 129,691 | 48,707 |
| Net income | 130,285 | 109,241 | 429,267 | 171,356 |
| Earnings attributable to noncontrolling interest | 5 | 12 | (27) | 29 |
| Net income available to common stockholders | $ 130,290 | $ 109,253 | $ 429,240 | $ 171,385 |
| Basic earnings per common share | $ 1.01 | $ 0.84 | $ 3.31 | $ 1.33 |
| Diluted earnings per common share | $ 1.00 | $ 0.84 | $ 3.30 | $ 1.32 |

**Bank OZK**
**Consolidated Statements of Stockholders' Equity**
Unaudited

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|
| | (Dollars in thousands, except per share amounts) | | | | | |
| **Three months ended September 30, 2021:** | | | | | | |
| Balances – June 30, 2021 | $ 1,297 | $2,277,138 | $2,173,114 | $ 50,127 | $ 3,117 | $4,504,793 |
| Net income | — | — | 130,285 | — | — | 130,285 |
| Earnings attributable to noncontrolling interest | — | — | 5 | — | (5) | — |
| Total other comprehensive loss | — | — | — | (9,421) | — | (9,421) |
| Common stock dividends, $0.285 per share | — | — | (37,170) | — | — | (37,170) |
| Issuance of 33,850 shares of common stock for exercise of stock options | 1 | 1,085 | — | — | — | 1,086 |
| Repurchase and cancellation of 888,567 shares of common stock | (9) | (36,990) | — | — | — | (36,999) |
| Stock-based compensation expense | — | 3,778 | — | — | — | 3,778 |
| Forfeitures of 47,604 shares of unvested restricted common stock | (1) | 1 | — | — | — | — |
| Balances – September 30, 2021 | $ 1,288 | $2,245,012 | $2,266,234 | $ 40,706 | $ 3,112 | $4,556,352 |
| | | | | | | |
| **Nine months ended September 30, 2021:** | | | | | | |
| Balances – December 31, 2020 | $ 1,294 | $2,265,850 | $1,946,875 | $ 58,252 | $ 3,085 | $4,275,356 |
| Net income | — | — | 429,267 | — | — | 429,267 |
| Earnings attributable to noncontrolling interest | — | — | (27) | — | 27 | — |
| Total other comprehensive loss | — | — | — | (17,546) | — | (17,546) |
| Common stock dividends, $0.8425 per share | — | — | (109,881) | — | — | (109,881) |
| Issuance of 176,250 shares of common stock for exercise of stock options | 2 | 6,092 | — | — | — | 6,094 |
| Issuance of 332,831 shares of unvested restricted common stock | 3 | (3) | — | — | — | — |
| Repurchase and cancellation of 944,460 shares of common stock | (10) | (38,966) | — | — | — | (38,976) |
| Stock-based compensation expense | — | 12,038 | — | — | — | 12,038 |
| Forfeitures of 97,250 shares of unvested restricted common stock | (1) | 1 | — | — | — | — |
| Balances – September 30, 2021 | $ 1,288 | $2,245,012 | $2,266,234 | $ 40,706 | $ 3,112 | $4,556,352 |

## Bank OZK
## Consolidated Statements of Stockholders' Equity
Unaudited

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Income | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|
| | (Dollars in thousands, except per share amounts) | | | | | |
| **Three months ended September 30, 2020:** | | | | | | |
| Balances – June 30, 2020 | $ 1,293 | $2,257,867 | $1,788,329 | $ 63,177 | $ 3,100 | $4,113,766 |
| Net income | — | — | 109,241 | — | — | 109,241 |
| Earnings attributable to noncontrolling interest | — | — | 12 | — | (12) | — |
| Total other comprehensive loss | — | — | — | (2,061) | — | (2,061) |
| Common stock dividends, $0.2725 per share | — | — | (35,570) | — | — | (35,570) |
| Stock-based compensation expense | — | 3,997 | — | — | — | 3,997 |
| Forfeitures of 8,228 shares of unvested restricted common stock | — | — | — | — | — | — |
| Balances – September 30, 2020 | $ 1,293 | $2,261,864 | $1,862,012 | $ 61,116 | $ 3,088 | $4,189,373 |
| | | | | | | |
| **Nine months ended September 30, 2020:** | | | | | | |
| Balances – December 31, 2019 | $ 1,289 | $2,251,824 | $1,869,983 | $ 27,255 | $ 3,117 | $4,153,468 |
| Cumulative effect of change in accounting principle | — | — | (75,344) | — | — | (75,344) |
| Balances – January 1, 2020 | 1,289 | 2,251,824 | 1,794,639 | 27,255 | 3,117 | 4,078,124 |
| Net income | — | — | 171,356 | — | — | 171,356 |
| Earnings attributable to noncontrolling interest | — | — | 29 | — | (29) | — |
| Total other comprehensive income | — | — | — | 33,861 | — | 33,861 |
| Common stock dividends, $0.8025 per share | — | — | (104,012) | — | — | (104,012) |
| Issuance of 4,300 shares of common stock for exercise of stock options | — | 45 | — | — | — | 45 |
| Issuance of 493,761 shares of unvested restricted common stock | 5 | (5) | — | — | — | — |
| Repurchase and cancellation of 61,873 shares of common stock | (1) | (1,852) | — | — | — | (1,853) |
| Stock-based compensation expense | — | 11,852 | — | — | — | 11,852 |
| Forfeitures of 45,139 shares of unvested restricted common stock | — | — | — | — | — | — |
| Balances – September 30, 2020 | $ 1,293 | $2,261,864 | $1,862,012 | $ 61,116 | $ 3,088 | $4,189,373 |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (Dollars in thousands) | | | |
| Salaries and employee benefits | $ 53,769 | $ 53,119 | $ 159,533 | $ 153,003 |
| Net occupancy and equipment | 17,161 | 16,676 | 49,797 | 47,761 |
| Other operating expenses: | | | | |
| Professional and outside services | 7,084 | 8,263 | 21,134 | 22,618 |
| Software and data processing | 5,897 | 5,431 | 17,695 | 15,550 |
| Deposit insurance and assessments | 2,655 | 3,595 | 9,060 | 11,600 |
| Telecommunication services | 1,966 | 2,352 | 6,363 | 6,863 |
| Postage and supplies | 1,530 | 1,808 | 4,718 | 5,753 |
| ATM expense | 1,846 | 1,604 | 4,615 | 3,766 |
| Travel and meals | 1,617 | 689 | 3,811 | 3,501 |
| Writedowns of foreclosed and other assets | 990 | 488 | 2,476 | 2,087 |
| Loan collection and repossession expense | 407 | 1,030 | 1,456 | 2,581 |
| Advertising and public relations | 719 | 1,557 | 1,621 | 4,964 |
| Amortization of intangibles | 1,545 | 1,914 | 4,878 | 7,291 |
| Amortization of CRA and tax credit investments | 4,972 | 1,611 | 12,324 | 7,458 |
| Other | 8,239 | 5,504 | 20,689 | 15,223 |
| Total non-interest expense | $ 110,397 | $ 105,641 | $ 320,170 | $ 310,019 |

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

| | September 30, 2021 | | December 31, 2020 | |
|---|---|---|---|---|
| | (Dollars in thousands) | | | |
| Real estate: | | | | |
| Residential 1-4 family | $ 887,769 | 4.8% | $ 911,115 | 4.7% |
| Non-farm/non-residential | 4,080,616 | 22.3 | 4,267,147 | 22.2 |
| Construction/land development | 7,718,567 | 42.2 | 7,993,467 | 41.6 |
| Agricultural | 237,073 | 1.3 | 204,868 | 1.1 |
| Multifamily residential | 1,242,202 | 6.8 | 856,297 | 4.5 |
| Total real estate | 14,166,227 | 77.4 | 14,232,894 | 74.1 |
| Commercial and industrial | 528,866 | 2.9 | 842,206 | 4.4 |
| Consumer | 2,168,307 | 11.8 | 2,393,964 | 12.5 |
| Other | 1,441,903 | 7.9 | 1,740,104 | 9.0 |
| Total loans | 18,305,303 | 100.0% | 19,209,168 | 100.0% |
| Allowance for loan losses | (237,722) | | (295,824) | |
| Net loans | $ 18,067,581 | | $ 18,913,344 | |

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

| | Allowance for Loan Losses | Reserve for Losses on Unfunded Loan Commitments | Total Allowance for Credit Losses |
|---|---|---|---|
| | | (Dollars in thousands) | |
| **Three months ended September 30, 2021:** | | | |
| Balances – June 30, 2021 | $ 248,753 | $ 58,811 | $ 307,564 |
| Net charge-offs | (1,312) | — | (1,312) |
| Provision for credit losses | (9,719) | 2,265 | (7,454) |
| Balances – September 30, 2021 | $ 237,722 | $ 61,076 | $ 298,798 |
| **Nine months ended September 30, 2021:** | | | |
| Balances – December 31, 2020 | $ 295,824 | $ 81,481 | $ 377,305 |
| Net charge-offs | (8,561) | — | (8,561) |
| Provision for credit losses | (49,541) | (20,405) | (69,946) |
| Balances – September 30, 2021 | $ 237,722 | $ 61,076 | $ 298,798 |
| **Three months ended September 30, 2020:** | | | |
| Balances – June 30, 2020 | $ 306,196 | $ 68,298 | $ 374,494 |
| Net charge-offs | (4,421) | — | (4,421) |
| Provision for credit losses | 7,072 | 128 | 7,200 |
| Balances – September 30, 2020 | $ 308,847 | $ 68,426 | $ 377,273 |
| **Nine months ended September 30, 2020:** | | | |
| Balances – December 31, 2019 | $ 108,525 | $ — | $ 108,525 |
| Adoption of CECL[1] methodology | 39,588 | 54,924 | 94,512 |
| Balances – January 1, 2020 | 148,113 | 54,924 | 203,037 |
| Net charge-offs | (22,653) | — | (22,653) |
| Provision for credit losses | 183,387 | 13,502 | 196,889 |
| Balances – September 30, 2020 | $ 308,847 | $ 68,426 | $ 377,273 |

(1) Current Expected Credit Loss.

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

| | September 30, 2021 | | December 31, 2020 | |
|---|---|---|---|---|
| | (Dollars in thousands) | | | |
| Non-interest bearing | $ 4,586,163 | 22.8% | $ 3,996,546 | 18.6% |
| Interest bearing: | | | | |
| Transaction (NOW) | 3,188,840 | 15.9 | 3,124,007 | 14.6 |
| Savings and money market | 5,772,476 | 28.7 | 5,036,975 | 23.5 |
| Time deposits less than $100 | 1,994,503 | 9.9 | 3,075,845 | 14.3 |
| Time deposits of $100 or more | 4,560,458 | 22.7 | 6,216,983 | 29.0 |
| Total deposits | $ 20,102,440 | 100.0% | $ 21,450,356 | 100.0% |

## Summary of Deposits – By Customer Type
Unaudited

| | September 30, 2021 | | December 31, 2020 | |
|---|---|---|---|---|
| | (Dollars in thousands) | | | |
| Consumer | $ 10,186,211 | 50.7% | $ 11,165,603 | 52.1% |
| Commercial | 6,502,287 | 32.3 | 6,056,536 | 28.2 |
| Public Funds | 2,028,243 | 10.1 | 2,111,971 | 9.8 |
| Brokered | 894,791 | 4.5 | 1,600,116 | 7.5 |
| Reciprocal | 490,908 | 2.4 | 516,130 | 2.4 |
| Total deposits | $ 20,102,440 | 100.0% | $ 21,450,356 | 100.0% |

# Bank OZK
## Selected Consolidated Financial Data
Unaudited

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | % Change | 2021 | 2020 | % Change |
| | (Dollars in thousands, except per share amounts) | | | | | |
| **Income statement data:** | | | | | | |
| Net interest income | $ 247,957 | $ 224,657 | 10.4% | $ 723,339 | $ 651,024 | 11.1% |
| Provision for credit losses | (7,454) | 7,200 | (203.5) | (69,946) | 196,889 | (135.5) |
| Non-interest income | 25,984 | 26,676 | (2.6) | 85,843 | 75,947 | 13.0 |
| Non-interest expense | 110,397 | 105,641 | 4.5 | 320,170 | 310,019 | 3.3 |
| Net income available to common stockholders | 130,290 | 109,253 | 19.3 | 429,240 | 171,385 | 150.5 |
| Pre-tax pre-provision net revenue(1) | 163,544 | 145,692 | 12.3 | 489,012 | 416,952 | 17.3 |
| **Common share and per common share data:** | | | | | | |
| Earnings per share – diluted | $ 1.00 | $ 0.84 | 19.0% | $ 3.30 | $ 1.32 | 150.0% |
| Earnings per share – basic | 1.01 | 0.84 | 20.2 | 3.31 | 1.33 | 148.9 |
| Dividends per share | 0.285 | 0.2725 | 4.6 | 0.8425 | 0.8025 | 5.0 |
| Book value per share | 35.35 | 32.37 | 9.2 | 35.35 | 32.37 | 9.2 |
| Tangible book value per share(1) | 30.14 | 27.13 | 11.1 | 30.14 | 27.13 | 11.1 |
| Weighted-average diluted shares outstanding (thousands) | 129,929 | 129,470 | 0.4 | 130,063 | 129,398 | 0.5 |
| End of period shares outstanding (thousands) | 128,818 | 129,342 | (0.4) | 128,818 | 129,342 | (0.4) |
| **Balance sheet data at period end:** | | | | | | |
| Total assets | $26,143,367 | $26,888,308 | (2.8)% | $26,143,367 | $26,888,308 | (2.8)% |
| Total loans | 18,305,303 | 19,358,443 | (5.4) | 18,305,303 | 19,358,443 | (5.4) |
| Non-purchased loans | 17,707,452 | 18,419,958 | (3.9) | 17,707,452 | 18,419,958 | (3.9) |
| Purchased loans | 597,851 | 938,485 | (36.3) | 597,851 | 938,485 | (36.3) |
| Allowance for loan losses | 237,722 | 308,847 | (23.0) | 237,722 | 308,847 | (23.0) |
| Foreclosed assets | 9,444 | 16,543 | (42.9) | 9,444 | 16,543 | (42.9) |
| Investment securities – AFS | 3,846,496 | 3,468,243 | 10.9 | 3,846,496 | 3,468,243 | 10.9 |
| Goodwill and other intangible assets, net | 670,580 | 677,251 | (1.0) | 670,580 | 677,251 | (1.0) |
| Deposits | 20,102,440 | 21,287,405 | (5.6) | 20,102,440 | 21,287,405 | (5.6) |
| Other borrowings | 750,217 | 750,949 | (0.1) | 750,217 | 750,949 | (0.1) |
| Subordinated notes | 345,927 | 223,950 | 54.5 | 345,927 | 223,950 | 54.5 |
| Subordinated debentures | 120,892 | 120,335 | 0.5 | 120,892 | 120,335 | 0.5 |
| Unfunded balance of closed loans | 12,385,369 | 11,604,614 | 6.7 | 12,385,369 | 11,604,614 | 6.7 |
| Reserve for losses on unfunded loan commitments | 61,076 | 68,426 | (10.7) | 61,076 | 68,426 | (10.7) |
| Total common stockholders' equity | 4,553,240 | 4,186,285 | 8.8 | 4,553,240 | 4,186,285 | 8.8 |
| Net unrealized gains on investment securities AFS included in common stockholders' equity | 40,706 | 61,116 | | 40,706 | 61,116 | |
| Loan (including purchased loans) to deposit ratio | 91.06% | 90.94% | | 91.06% | 90.94% | |
| **Selected ratios:** | | | | | | |
| Return on average assets(2) | 1.98% | 1.63% | | 2.15% | 0.90% | |
| Return on average common stockholders' equity(2) | 11.41 | 10.48 | | 12.98 | 5.55 | |
| Return on average tangible common stockholders' equity(1) (2) | 13.39 | 12.52 | | 15.31 | 6.65 | |
| Average common equity to total average assets | 17.38 | 15.56 | | 16.57 | 16.23 | |
| Net interest margin – FTE(2) | 4.16 | 3.69 | | 3.99 | 3.79 | |
| Efficiency ratio | 40.14 | 41.77 | | 39.39 | 42.38 | |
| Net charge-offs to average non-purchased loans(2) (3) | 0.04 | 0.09 | | 0.07 | 0.07 | |
| Net charge-offs to average total loans(2) | 0.03 | 0.09 | | 0.06 | 0.16 | |
| Nonperforming loans to total loans(4) | 0.20 | 0.15 | | 0.20 | 0.15 | |
| Nonperforming assets to total assets(4) | 0.17 | 0.17 | | 0.17 | 0.17 | |
| Allowance for loan losses to total loans(5) | 1.30 | 1.60 | | 1.30 | 1.60 | |
| **Other information:** | | | | | | |
| Non-accrual loans(4) | $ 34,920 | $ 27,181 | | $ 34,920 | $ 21,181 | |
| Accruing loans – 90 days past due(4) | — | — | | — | — | |
| Troubled and restructured non-purchased loans – accruing(4) | 1,253 | 1,251 | | 1,253 | 1,251 | |

(1) Calculations of pre-tax pre-provision net revenue, tangible book value per common share and return on average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.
(5) Excludes reserve for losses on unfunded loan commitments.

## Selected Consolidated Financial Data (continued)
Unaudited

| | Three Months Ended | | |
|---|---|---|---|
| | September 30, 2021 | June 30, 2021 | % Change |
| | (Dollars in thousands, except per share amounts) | | |
| **Income statement data:** | | | |
| Net interest income | $ 247,957 | $ 240,746 | 3.0 % |
| Provision for credit losses | (7,454 ) | (30,932 ) | (75.9 ) |
| Non-interest income | 25,984 | 27,742 | (6.3 ) |
| Non-interest expense | 110,397 | 103,711 | 6.4 |
| Net income available to common stockholders | 130,290 | 150,535 | (13.4 ) |
| Pre-tax pre-provision net revenue[(1)] | 163,544 | 164,777 | (0.7 ) |
| **Common share and per common share data:** | | | |
| Earnings per share − diluted | $ 1.00 | $ 1.16 | (13.8 )% |
| Earnings per share − basic | 1.01 | 1.16 | (12.9 ) |
| Dividends per share | 0.285 | 0.28 | 1.8 |
| Book value per share | 35.35 | 34.70 | 1.9 |
| Tangible book value per share[(1)] | 30.14 | 29.52 | 2.1 |
| Weighted-average diluted shares outstanding (thousands) | 129,929 | 130,255 | (0.3 ) |
| End of period shares outstanding (thousands) | 128,818 | 129,720 | (0.7 ) |
| **Balance sheet data at period end:** | | | |
| Total assets | $ 26,143,367 | $ 26,605,938 | (1.7 )% |
| Total loans | 18,305,303 | 18,271,670 | 0.2 |
| Non-purchased loans | 17,707,452 | 17,611,848 | 0.5 |
| Purchased loans | 597,851 | 659,822 | (9.4 ) |
| Allowance for loan losses | 237,722 | 248,753 | (4.4 ) |
| Foreclosed assets | 9,444 | 7,542 | 25.2 |
| Investment securities − AFS | 3,846,496 | 4,693,396 | (18.0 ) |
| Goodwill and other intangible assets, net | 670,580 | 672,125 | (0.2 ) |
| Deposits | 20,102,440 | 20,706,777 | (2.9 ) |
| Other borrowings | 750,217 | 750,228 | (0.1 ) |
| Subordinated notes | 345,927 | 224,236 | 54.3 |
| Subordinated debentures | 120,892 | 120,752 | 0.1 |
| Unfunded balance of closed loans | 12,385,369 | 11,709,818 | 5.8 |
| Reserve for losses on unfunded loan commitments | 61,076 | 58,811 | 3.9 |
| Total common stockholders’ equity | 4,553,240 | 4,501,676 | 1.1 |
| Net unrealized gains on investment securities AFS included in common stockholders' equity | 40,706 | 50,127 | |
| Loan (including purchased loans) to deposit ratio | 91.06 % | 88.24 % | |
| **Selected ratios:** | | | |
| Return on average assets[(2)] | 1.98 % | 2.24 % | |
| Return on average common stockholders’ equity[(2)] | 11.41 | 13.65 | |
| Return on average tangible common stockholders’ equity[(1)] [(2)] | 13.39 | 16.10 | |
| Average common equity to total average assets | 17.38 | 16.42 | |
| Net interest margin − FTE[(2)] | 4.16 | 3.95 | |
| Efficiency ratio | 40.14 | 38.43 | |
| Net charge-offs to average non-purchased loans[(2)] [(3)] | 0.04 | 0.09 | |
| Net charge-offs to average total loans[(2)] | 0.03 | 0.08 | |
| Nonperforming loans to total loans[(4)] | 0.20 | 0.22 | |
| Nonperforming assets to total assets[(4)] | 0.17 | 0.18 | |
| Allowance for loan losses to total loans[(5)] | 1.30 | 1.36 | |
| **Other information:** | | | |
| Non-accrual loans[(4)] | $ 34,920 | $ 38,195 | |
| Accruing loans − 90 days past due[(4)] | — | — | |
| Troubled and restructured non-purchased loans − accruing[(4)] | 1,253 | 1,365 | |

(1) Calculations of pre-tax pre-provision net revenue, tangible book value per common share and return on average tangible common stockholders’ equity and the reconciliations to GAAP are included in the schedules accompanying this release.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.
(5) Excludes reserve for losses on unfunded loan commitments.

# Bank OZK
## Supplemental Quarterly Financial Data
Unaudited

(Dollar in thousands)

| | 12/31/19 | 3/31/20 | 6/30/20 | 9/30/20 | 12/31/20 | 3/31/21 | 6/30/21 | 9/30/21 |
|---|---|---|---|---|---|---|---|---|
| **Earnings Summary:** | | | | | | | | |
| Net interest income | $ 214,977 | $ 209,775 | $ 216,593 | $ 224,657 | $ 237,600 | $ 234,636 | $ 240,746 | $ 247,957 |
| Federal tax (FTE) adjustment | 1,028 | 1,133 | 1,753 | 1,605 | 1,533 | 1,275 | 1,355 | 1,106 |
| Net interest income (FTE) | 216,005 | 210,908 | 218,346 | 226,262 | 239,133 | 235,911 | 242,101 | 249,063 |
| Provision for credit losses | (4,938) | (117,663) | (72,026) | (7,200) | (6,750) | 31,559 | 30,932 | 7,454 |
| Non-interest income | 30,406 | 27,680 | 21,591 | 26,676 | 28,661 | 32,117 | 27,742 | 25,984 |
| Non-interest expense | (104,406) | (103,425) | (100,953) | (105,641) | (103,394) | (106,059) | (103,711) | (110,397) |
| Pretax income (FTE) | 137,067 | 17,500 | 66,958 | 140,097 | 157,650 | 193,528 | 197,064 | 172,104 |
| FTE adjustment | (1,028) | (1,133) | (1,753) | (1,605) | (1,533) | (1,275) | (1,355) | (1,106) |
| Provision for income taxes | (35,240) | (4,509) | (14,948) | (29,251) | (35,607) | (43,818) | (45,161) | (40,713) |
| Noncontrolling interest | 7 | 8 | 9 | 12 | 3 | (19) | (13) | 5 |
| Net income available to common stockholders | $ 100,806 | $ 11,866 | $ 50,266 | $ 109,253 | $ 120,513 | $ 148,416 | $ 150,535 | $ 130,290 |
| Earnings per common share – diluted | $ 0.78 | $ 0.09 | $ 0.39 | $ 0.84 | $ 0.93 | $ 1.14 | $ 1.16 | $ 1.00 |
| **Non-interest Income:** | | | | | | | | |
| Service charges on deposit accounts | $ 10,933 | $ 10,009 | $ 8,281 | $ 9,427 | $ 9,983 | $ 9,665 | $ 10,311 | $ 11,177 |
| Trust income | 2,010 | 1,939 | 1,759 | 1,936 | 1,909 | 2,206 | 1,911 | 2,247 |
| BOLI income: | | | | | | | | |
| Increase in cash surrender value | 5,167 | 5,067 | 5,057 | 5,081 | 5,034 | 4,881 | 4,919 | 4,940 |
| Death benefits | 2,989 | 608 | — | — | — | 1,409 | — | — |
| Loan service, maintenance and other fees | 4,282 | 3,716 | 3,394 | 3,351 | 3,797 | 3,551 | 3,953 | 3,307 |
| Gains on sales of other assets | 1,358 | 161 | 621 | 891 | 5,189 | 5,828 | 2,341 | 463 |
| Net gains on investment securities | — | 2,223 | — | 2,244 | — | — | — | — |
| Other | 3,667 | 3,957 | 2,479 | 3,746 | 2,749 | 4,577 | 4,307 | 3,850 |
| Total non-interest income | $ 30,406 | $ 27,680 | $ 21,591 | $ 26,676 | $ 28,661 | $ 32,117 | $ 27,742 | $ 25,984 |
| **Non-interest Expense:** | | | | | | | | |
| Salaries and employee benefits | $ 52,050 | $ 51,473 | $ 48,410 | $ 53,119 | $ 53,832 | $ 53,645 | $ 52,119 | $ 53,769 |
| Net occupancy and equipment | 14,855 | 15,330 | 15,756 | 16,676 | 15,617 | 16,468 | 16,168 | 17,161 |
| Other operating expenses | 37,501 | 36,622 | 36,787 | 35,846 | 33,945 | 35,946 | 35,424 | 39,467 |
| Total non-interest expense | $ 104,406 | $ 103,425 | $ 100,953 | $ 105,641 | $ 103,394 | $ 106,059 | $ 103,711 | $ 110,397 |
| **Balance Sheet Data:** | | | | | | | | |
| Total assets | $ 23,555,728 | $ 24,565,810 | $ 26,380,409 | $ 26,888,308 | $ 27,162,596 | $ 27,276,892 | $ 26,605,938 | $ 26,143,367 |
| Non-purchased loans | 16,224,539 | 17,030,378 | 18,247,431 | 18,419,958 | 18,401,495 | 17,979,435 | 17,611,848 | 17,707,452 |
| Purchased loans | 1,307,504 | 1,197,826 | 1,063,647 | 938,485 | 807,673 | 735,630 | 659,822 | 597,851 |
| Investment securities – AFS | 2,277,389 | 2,816,556 | 3,299,944 | 3,468,243 | 3,405,351 | 4,162,479 | 4,693,396 | 3,846,496 |
| Deposits | 18,474,259 | 18,809,190 | 20,723,598 | 21,287,405 | 21,450,356 | 21,296,442 | 20,706,777 | 20,102,440 |
| Unfunded balance of closed loans | 11,325,598 | 11,334,737 | 11,411,441 | 11,604,614 | 11,847,117 | 11,780,099 | 11,709,818 | 12,385,369 |
| Common stockholders' equity | 4,150,351 | 4,083,150 | 4,110,666 | 4,186,285 | 4,272,271 | 4,383,205 | 4,501,676 | 4,553,240 |

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

| | 12/31/19 | 3/31/20 | 6/30/20 | 9/30/20 | 12/31/20 | 3/31/21 | 6/30/21 | 9/30/21 |
|---|---|---|---|---|---|---|---|---|
| | (Dollars in thousands) | | | | | | | |
| **Allowance for Credit Losses:** | | | | | | | | |
| Balance at beginning of period | $ 109,001 | $ 108,525 | $ 316,409 | $ 374,494 | $ 377,273 | $ 377,305 | $ 342,307 | $ 307,564 |
| Adoption of CECL[(1)] methodology | — | 94,512 | — | — | — | — | — | — |
| Net charge-offs | (5,414) | (4,291) | (13,941) | (4,421) | (6,718) | (3,439) | (3,811) | (1,312) |
| Provision for credit losses | 4,938 | 117,663 | 72,026 | 7,200 | 6,750 | (31,559) | (30,932) | (7,454) |
| Balance at end of period | $ 108,525 | $ 316,409 | $ 374,494 | $ 377,273 | $ 377,305 | $ 342,307 | $ 307,564 | $ 298,798 |
| Allowance for loan losses | $ 108,525 | $ 238,737 | $ 306,196 | $ 308,847 | $ 295,824 | $ 268,077 | $ 248,753 | $ 237,722 |
| Reserve for losses on unfunded loan commitments | — | 77,672 | 68,298 | 68,426 | 81,481 | 74,230 | 58,811 | 61,076 |
| Total allowance for credit losses | $ 108,525 | $ 316,409 | $ 374,494 | $ 377,273 | $ 377,305 | $ 342,307 | $ 307,564 | $ 298,798 |
| **Selected Ratios:** | | | | | | | | |
| Net interest margin – FTE[(2)] | 4.15% | 3.96% | 3.74% | 3.69% | 3.88% | 3.86% | 3.95% | 4.16% |
| Efficiency ratio | 42.37 | 43.35 | 42.07 | 41.77 | 38.61 | 39.57 | 38.43 | 40.14 |
| Net charge-offs to average non-purchased loans[(2) (3)] | 0.10 | 0.08 | 0.05 | 0.09 | 0.14 | 0.08 | 0.09 | 0.04 |
| Net charge-offs to average total loans[(2)] | 0.12 | 0.10 | 0.29 | 0.09 | 0.14 | 0.07 | 0.08 | 0.03 |
| Nonperforming loans to total loans[(4)] | 0.15 | 0.16 | 0.18 | 0.15 | 0.25 | 0.25 | 0.22 | 0.20 |
| Nonperforming assets to total assets[(4)] | 0.18 | 0.19 | 0.19 | 0.17 | 0.21 | 0.19 | 0.18 | 0.17 |
| Allowance for loan losses to total loans [(5)] | 0.62 | 1.31 | 1.59 | 1.60 | 1.54 | 1.43 | 1.36 | 1.30 |
| Loans past due 30 days or more, including past due non-accrual loans, to total loans[(4)] | 0.19 | 0.18 | 0.13 | 0.13 | 0.16 | 0.13 | 0.10 | 0.13 |

(1) Current Expected Credit Loss.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.
(5) Excludes reserve for losses on unfunded loan commitments.

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

| | Three Months Ended September 30, | | | | | | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | | 2021 | | | 2020 | | |
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| | (Dollars in thousands) | | | | | | | | | | | |
| **ASSETS** | | | | | | | | | | | | |
| Earning assets: | | | | | | | | | | | | |
| Interest earning deposits and federal funds sold | $ 1,287,890 | $ 523 | 0.16% | $ 1,705,652 | $ 532 | 0.12% | $ 1,792,191 | $ 1,556 | 0.12% | $ 1,459,814 | $ 5,237 | 0.48% |
| Investment securities: | | | | | | | | | | | | |
| Taxable | 3,509,465 | 9,236 | 1.04 | 2,216,041 | 9,666 | 1.74 | 3,150,732 | 26,786 | 1.14 | 1,979,368 | 31,480 | 2.12 |
| Tax-exempt – FTE | 740,809 | 4,172 | 2.23 | 1,193,407 | 6,573 | 2.19 | 955,822 | 13,747 | 1.92 | 944,552 | 18,527 | 2.62 |
| Non-purchased loans – FTE | 17,559,654 | 238,488 | 5.39 | 18,311,166 | 236,846 | 5.15 | 17,761,807 | 717,488 | 5.40 | 17,602,817 | 701,892 | 5.33 |
| Purchased loans | 627,436 | 11,350 | 7.18 | 999,438 | 16,269 | 6.48 | 699,678 | 34,985 | 6.69 | 1,132,334 | 54,743 | 6.46 |
| Total earning assets – FTE | 23,725,254 | 263,769 | 4.41 | 24,425,704 | 269,886 | 4.40 | 24,360,230 | 794,562 | 4.36 | 23,118,885 | 811,879 | 4.69 |
| Non-interest earning assets | 2,348,740 | | | 2,235,853 | | | 2,324,716 | | | 2,302,225 | | |
| Total assets | $ 26,073,994 | | | $ 26,661,557 | | | $ 26,684,946 | | | $ 25,421,110 | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | | | | | | | | | |
| Interest bearing liabilities: | | | | | | | | | | | | |
| Deposits: | | | | | | | | | | | | |
| Savings and interest bearing transaction | $ 8,891,042 | $ 2,885 | 0.13% | $ 7,581,707 | $ 5,496 | 0.29% | $ 8,656,762 | $ 9,840 | 0.15% | $ 7,742,865 | $ 32,945 | 0.57% |
| Time deposits of $100 or more | 4,852,566 | 6,508 | 0.53 | 6,101,542 | 20,858 | 1.36 | 5,509,055 | 30,737 | 0.75 | 5,259,616 | 66,813 | 1.70 |
| Other time deposits | 2,067,947 | 2,933 | 0.56 | 3,664,931 | 11,919 | 1.29 | 2,455,649 | 14,331 | 0.78 | 3,584,047 | 41,448 | 1.54 |
| Total interest bearing deposits | 15,811,555 | 12,326 | 0.31 | 17,348,180 | 38,273 | 0.88 | 16,621,466 | 54,908 | 0.44 | 16,586,528 | 141,206 | 1.14 |
| Repurchase agreements with customers | 7,565 | 4 | 0.21 | 7,093 | 4 | 0.24 | 6,849 | 14 | 0.27 | 7,686 | 17 | 0.29 |
| Other borrowings[(1)] | 750,221 | 1,013 | 0.54 | 793,350 | 1,156 | 0.58 | 750,292 | 2,996 | 0.53 | 711,408 | 2,168 | 0.41 |
| Subordinated notes | 56,468 | 429 | 3.01 | 223,899 | 3,207 | 5.70 | 167,636 | 6,755 | 5.39 | 223,801 | 9,551 | 5.70 |
| Subordinated debentures[(1)] | 120,822 | 934 | 3.07 | 120,253 | 984 | 3.26 | 120,681 | 2,814 | 3.12 | 120,119 | 3,420 | 3.80 |
| Total interest bearing liabilities | 16,746,631 | 14,706 | 0.35 | 18,492,775 | 43,624 | 0.94 | 17,666,924 | 67,487 | 0.51 | 17,649,542 | 156,362 | 1.18 |
| Non-interest bearing liabilities: | | | | | | | | | | | | |
| Non-interest bearing deposits | 4,523,521 | | | 3,764,063 | | | 4,289,589 | | | 3,391,162 | | |
| Other non-interest bearing liabilities | 269,733 | | | 253,211 | | | 304,086 | | | 251,723 | | |
| Total liabilities | 21,539,885 | | | 22,510,049 | | | 22,260,599 | | | 21,292,427 | | |
| Common stockholders' equity | 4,530,995 | | | 4,148,409 | | | 4,421,240 | | | 4,125,578 | | |
| Noncontrolling interest | 3,114 | | | 3,099 | | | 3,107 | | | 3,105 | | |
| Total liabilities and stockholders' equity | $ 26,073,994 | | | $ 26,661,557 | | | $ 26,684,946 | | | $ 25,421,110 | | |
| Net interest income – FTE | | $ 249,063 | | | $ 226,262 | | | $ 727,075 | | | $ 655,517 | |
| Net interest margin – FTE | | | 4.16% | | | 3.69% | | | 3.99% | | | 3.79% |
| Core spread[(2)] | | | 5.08% | | | 4.27% | | | 4.96% | | | 4.19% |

(1) The interest expense and the rates for "other borrowings" and for "subordinated debentures" were affected by capitalized interest. Capitalized interest included in other borrowings totaled $0.02 million for the third quarter $0.07 million for the first nine months of 2021 compared to $0.03 million for the third quarter and $0.65 million for the first nine months of 2020. In the absence of this interest capitalization, the rates on other borrowings would have been 0.54% for the third quarter and 0.55% for the first nine months of 2021 compared to 0.59% for the third quarter and 0.53% for the first nine months of 2020. Capitalized interest included in subordinated debentures totaled $0.01 million for the third quarter and $0.18 million for the first nine months of 2020 (none in the third quarter or first nine months of 2021). In the absence of this interest capitalization, the rates on subordinated debentures would have been 3.27% for the third quarter and 4.00% for the first nine months of 2020.

(2) Core spread is the difference between the yield on the Bank's non-purchased loans-FTE and the rate on its interest bearing deposits.

**Bank OZK**
**Reconciliation of Non-GAAP Financial Measures**

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

| | Three Months Ended | | | Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, | | June 30, | September 30, | |
| | 2021 | 2020 | 2021 | 2021 | 2020 |
| | (Dollars in thousands) | | | | |
| Net income available to common stockholders | $ 130,290 | $ 109,253 | $ 150,535 | $ 429,240 | $ 171,385 |
| Average common stockholders' equity before noncontrolling interest | $4,530,995 | $4,148,409 | $4,423,093 | $4,421,240 | $4,125,578 |
| Less average intangible assets: | | | | | |
| Goodwill | (660,789) | (660,789) | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (10,617) | (17,461) | (12,175) | (12,195) | (19,803) |
| Total average intangibles | (671,406) | (678,250) | (672,964) | (672,984) | (680,592) |
| Average tangible common stockholders' equity | $3,859,589 | $3,470,159 | $3,750,129 | $3,748,256 | $3,444,986 |
| Return on average common stockholders' equity[(1)] | 11.41% | 10.48% | 13.65% | 12.98% | 5.55% |
| Return on average tangible common stockholders' equity[(1)] | 13.39% | 12.52% | 16.10% | 15.31% | 6.65% |

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

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

| | September 30, | | June 30, |
|---|---|---|---|
| | 2021 | 2020 | 2021 |
| | (In thousands, except per share amounts) | | |
| Total common stockholders' equity before noncontrolling interest | $ 4,553,240 | $ 4,186,285 | $ 4,501,676 |
| Less intangible assets: | | | |
| Goodwill | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (9,791) | (16,462) | (11,336) |
| Total intangibles | (670,580) | (677,251) | (672,125) |
| Total tangible common stockholders' equity | $ 3,882,660 | $ 3,509,034 | $ 3,829,551 |
| Shares of common stock outstanding | 128,818 | 129,342 | 129,720 |
| Book value per common share | $ 35.35 | $ 32.37 | $ 34.70 |
| Tangible book value per common share | $ 30.14 | $ 27.13 | $ 29.52 |

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

Unaudited

| | September 30, 2021 | September 30, 2020 |
|---|---|---|
| | (Dollars in thousands) | |
| Total common stockholders' equity before noncontrolling interest | $ 4,553,240 | $ 4,186,285 |
| Less intangible assets: | | |
| Goodwill | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (9,791) | (16,462) |
| Total intangibles | (670,580) | (677,251) |
| Total tangible common stockholders' equity | $ 3,882,660 | $ 3,509,034 |
| Total assets | $ 26,143,367 | $ 26,888,308 |
| Less intangible assets: | | |
| Goodwill | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (9,791) | (16,462) |
| Total intangibles | (670,580) | (677,251) |
| Total tangible assets | $ 25,472,787 | $ 26,211,057 |
| Ratio of total common stockholders' equity to total assets | 17.42% | 15.57% |
| Ratio of total tangible common stockholders' equity to total tangible assets | 15.24% | 13.39% |

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

Unaudited

| | Three Months Ended September 30, 2021 | Three Months Ended September 30, 2020 | Three Months Ended June 30, 2021 | Nine Months Ended September 30, 2021 | Nine Months Ended September 30, 2020 |
|---|---|---|---|---|---|
| | (Dollars in thousands) | | | | |
| Income before taxes | $ 170,998 | $ 138,492 | $ 195,709 | $ 558,958 | $ 220,063 |
| Provision for credit losses | (7,454) | 7,200 | (30,932) | (69,946) | 196,889 |
| Pre-tax pre-provision net revenue | $ 163,544 | $ 145,692 | $ 164,777 | $ 489,012 | $ 416,952 |

Exhibit 99.2

Bank OZK

# MANAGEMENT COMMENTS FOR THE THIRD QUARTER & FIRST NINE MONTHS OF 2021

OCTOBER 21, 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; the impact of any future federal government shutdown and uncertainty regarding the federal government's debt limit or 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; potential impact of supply chain disruptions; 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 third quarter of 2021. Highlights of the quarter include:

- ***Strong Net Income.*** Our $130.3 million of net income and our $1.00 of diluted earnings per common share for the quarter just ended were among our best quarterly results ever.
- ***Record Net Interest Income and Further Improvement in Core Spread and Net Interest Margin.*** Our net interest income for the quarter was a record $248.0 million, an increase of $23.3 million, or 10.4%, from the third quarter of 2020, and a $7.2 million, or 3.0% not annualized, increase from the level achieved in the second 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 81 and six basis points ("bps"), respectively, compared to the third quarter of 2020 and second quarter of 2021. Likewise, our net interest margin increased 47 and 21 bps, respectively, from the third quarter of 2020 and second quarter of 2021.
- ***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 0.04% for non-purchased loans and 0.03% for total loans. Our September 30, 2021 ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[1] were just 0.20% and 0.17%, respectively.
- ***Efficiency Among the Industry's Best.*** Our efficiency ratio for the quarter was 40.1%.
- ***Increased Origination Volume.*** Our Real Estate Specialties Group ("RESG") closed $2.21 billion of new loans during the quarter, which was the highest level of RESG originations since the fourth quarter of 2017. This contributed to the $0.68 billion increase in our unfunded loan commitments to $12.39 billion as of September 30, 2021, which was our highest quarter-end balance since March 31, 2018.
- ***Dividend Growth.*** We recently increased our regular quarterly dividend for the 45th consecutive quarter.
- ***Subordinated Debt.*** On September 16, 2021, we issued $350 million of 2.75% Fixed-to-Floating Rate Subordinated Notes Due 2031 (the "2.75% Notes"), which replaced our previously outstanding $225 million of 5.50% Subordinated Notes Due 2026 (the "5.50% Notes"), that we redeemed on July 1. These transactions should result in annual pre-tax interest savings of approximately $2.3 million, while also providing us an additional $125 million of Tier 2 capital.
- ***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 continued stock repurchases pursuant to our stock repurchase program.

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

**Profitability and Earnings Metrics**

Net income for the third quarter of 2021 was $130.3 million, a 19.3% increase from $109.3 million for the third quarter of 2020. Diluted earnings per common share for the third quarter of 2021 were $1.00, a 19.0% increase from $0.84 for the third quarter of 2020. For the nine months ended September 30, 2021, net income was $429.2 million, a 150% increase from $171.4 million for the first nine months of 2020. Diluted earnings per common share for the first nine months of 2021 were $3.30, a 150% increase from $1.32 for the first nine months of 2020.

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

Our annualized return on average assets was 1.98% for the third quarter of 2021 compared to 1.63% for the third quarter of 2020. Our annualized returns on average common stockholders' equity and average tangible common stockholders' equity[2] for the third quarter of 2021 were 11.41% and 13.39%, respectively, compared to 10.48% and 12.52%, respectively, for the third quarter of 2020. Our annualized returns on average assets, average common stockholders' equity, and average tangible common stockholders' equity for the first nine months of 2021 were 2.15%, 12.98%, and 15.31%, respectively, compared to 0.90%, 5.55%, and 6.65%, respectively, for the first nine months of 2020.

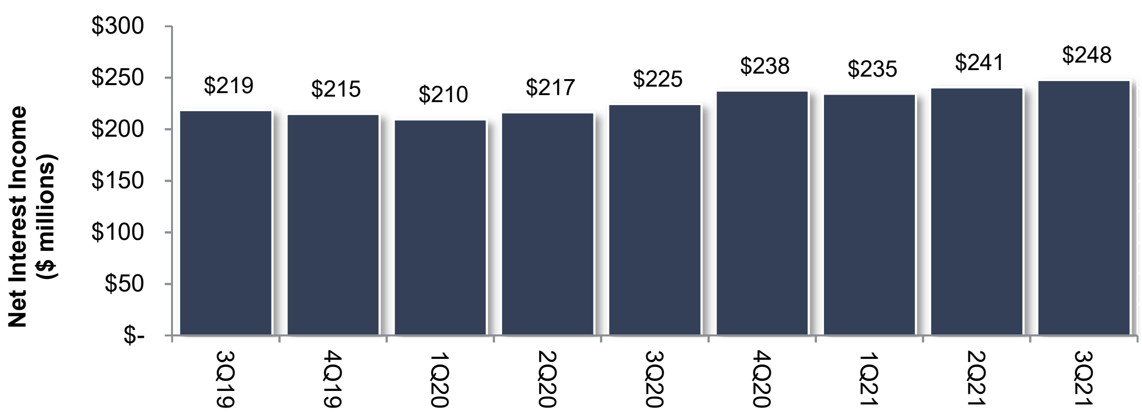
[2] The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedule at the end of this presentation.

**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 third quarter of 2021 was a record $248.0 million, a $23.3 million, or 10.4%, increase from the third quarter of 2020, and a $7.2 million, or 3.0% not annualized, increase from the second quarter of 2021. In the quarter just ended, our core spread increased 81 bps and six bps, respectively, compared to the third quarter of 2020 and second quarter of 2021. This helped offset the effect of the high level of net loan repayments in recent quarters.

**Figure 1: Quarterly Net Interest Income**

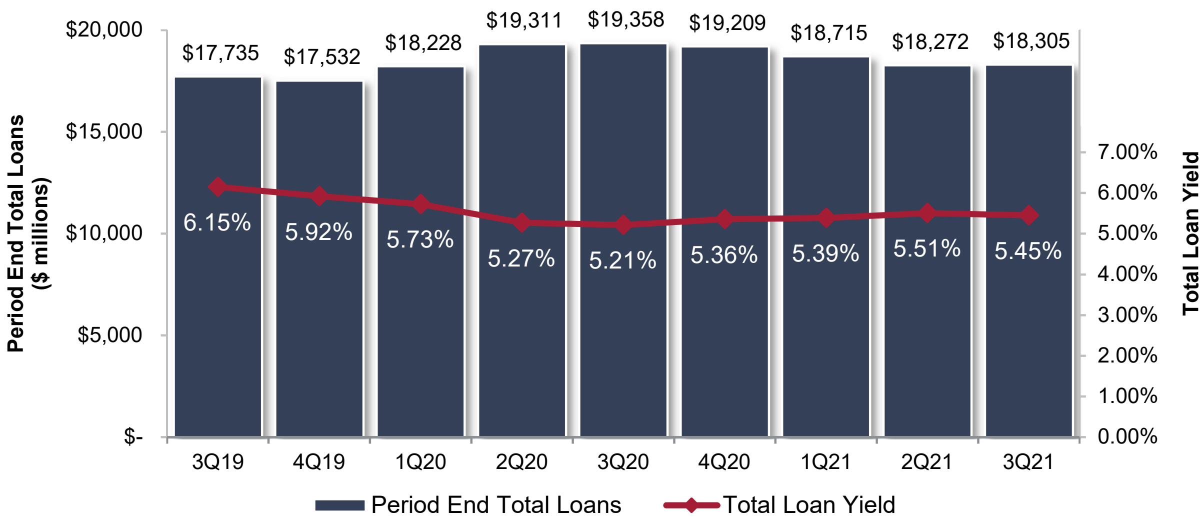



**Average Earning Assets – Volume and Mix**

Our average earning assets for the quarter just ended totaled $23.7 billion, a 2.9% decrease from $24.4 billion for the third quarter of 2020, and a 3.6% decrease from $24.6 billion for the second quarter of 2021. Average earning assets were $24.4 billion for the first nine months of 2021, a 5.4% increase from $23.1 billion for the first nine months of 2020.

Loans are the largest part of our earning assets. Our outstanding balance of total loans at September 30, 2021 decreased $1.05 billion, or 5.4%, from September 30, 2020, but increased $0.03 billion, or 0.2% not annualized, from June 30, 2021, as illustrated in Figure 2. For the first nine months of 2021, our outstanding balance of total loans decreased $0.90 billion, or 4.7% not annualized. Pandemic-related delays during 2020 pushed the completion, sale and refinancing of many real estate projects into 2021, which contributed to loan growth in 2020 but has been a significant factor in the high level of net repayments of non-purchased loans this year.

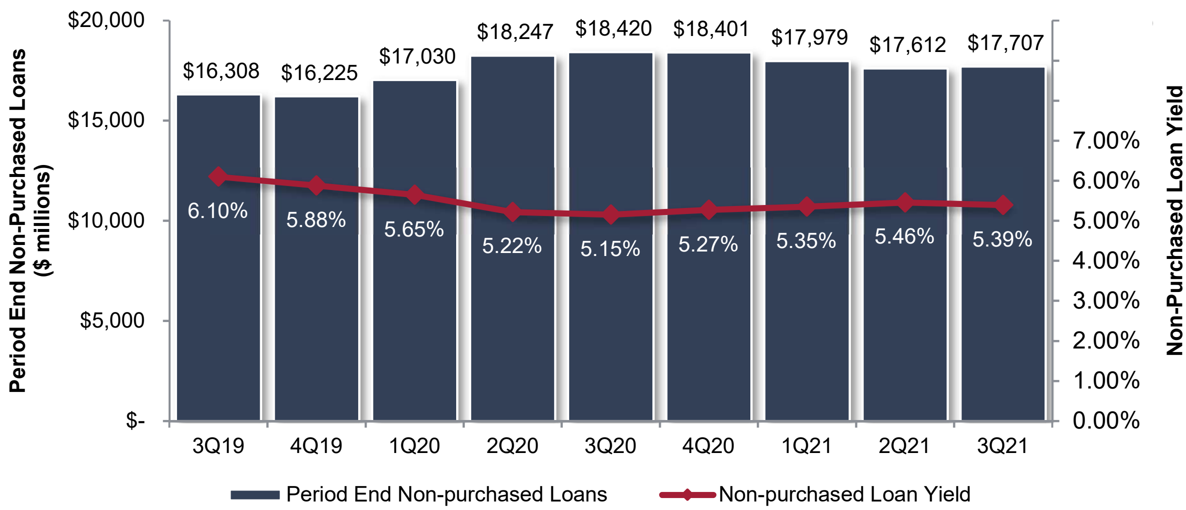
**Figure 2: Total Loan Balances and Yields**



*Non-purchased Loans*

Non-purchased loans, which are all loans excluding the remaining loans from our 15 acquisitions, accounted for 96.6% of our average total loans and 74.0% of our average earning assets in the quarter just ended. Non-purchased loans at September 30, 2021 decreased $0.71 billion, or 3.9%, as compared to September 30, 2020, but increased by $0.10 billion, or 0.5% not annualized, as compared to June 30, 2021, as illustrated in Figure 3. For the first nine months of 2021, our outstanding balance of non-purchased loans decreased $0.69 billion, or 3.8% not annualized.

**Figure 3: Non-Purchased Loan Balances and Yields**




In the third quarter of 2021, our yield on non-purchased loans was 5.39%, an increase of 24 bps from the third quarter of 2020, but a decrease of seven bps from the second quarter of 2021. For the first nine months of 2021 our yield on non-purchased loans was 5.40%, an increase of seven bps from the first nine months of 2020. During the first nine 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") and favorable levels of collection of minimum interest and other interest income resulting from loan repayments and short-term extensions. Due to the current interest rate and competitive environment, most of our recently originated loans have contractual interest rates that are lower than the 5.39% yield on non-purchased loans for the quarter just ended. We expect this will contribute to lower non-purchased loan yields in the future, and particularly in future years.

Our Real Estate Specialties Group accounted for 64% of the funded balance of non-purchased loans as of September 30, 2021. RESG's funded balance of non-purchased loans increased $0.12 billion during the quarter just ended, but decreased $0.31 billion during the first nine months of 2021. Figures 4 and 5 reflect the changes in the funded balance of RESG loans for third quarter and first nine months 2021, respectively.

**Figure 4: Activity in RESG Funded Balances – 3Q21 ($ billions)**

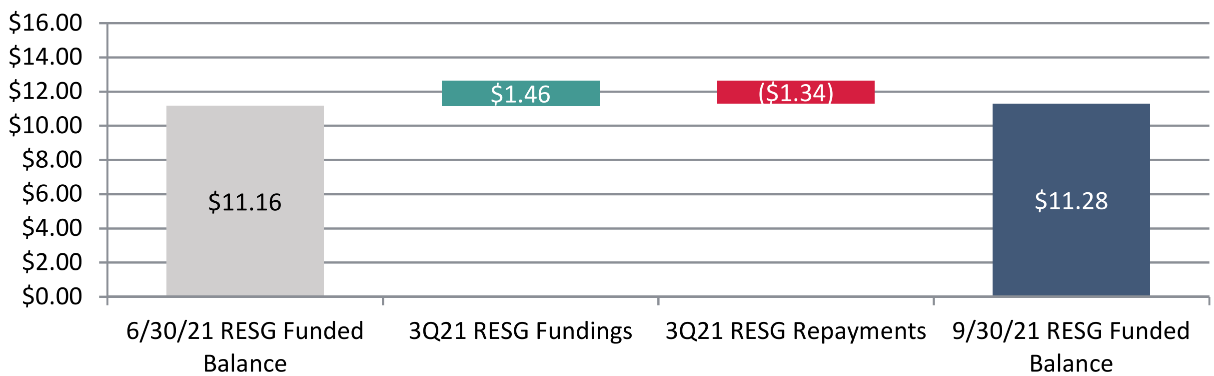



**Figure 5: Activity in RESG Funded Balances – 9M21 ($ billions)**

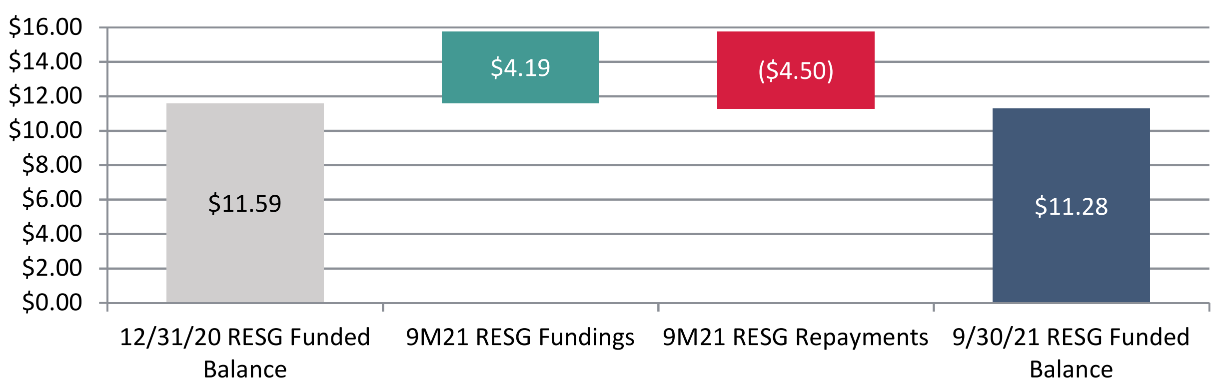


Figure 6 shows RESG's loan repayments for each of the last 23 quarters. Such repayments were restrained for much of 2020 by the various impacts of the COVID-19 pandemic. RESG loan repayments in the quarter just ended were $1.34 billion, down from each of the first two quarters of 2021, but still above the quarterly repayment levels of 2020. RESG loan repayments for the first nine months of 2021 were $4.50 billion, up substantially from $2.34 billion in the first nine months of 2020. 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 | $1.34 | | $4.50 |

**9M21 Not Annualized*

Based on current estimates, we anticipate RESG loan repayments in the fourth quarter of 2021 will again be meaningful, possibly resulting in negative RESG and total loan growth for the quarter. Some loan repayments previously expected to occur in the third quarter of 2021 have pushed into the fourth quarter of 2021. However, we expect to resume positive loan growth for RESG and total loans during 2022.

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)***

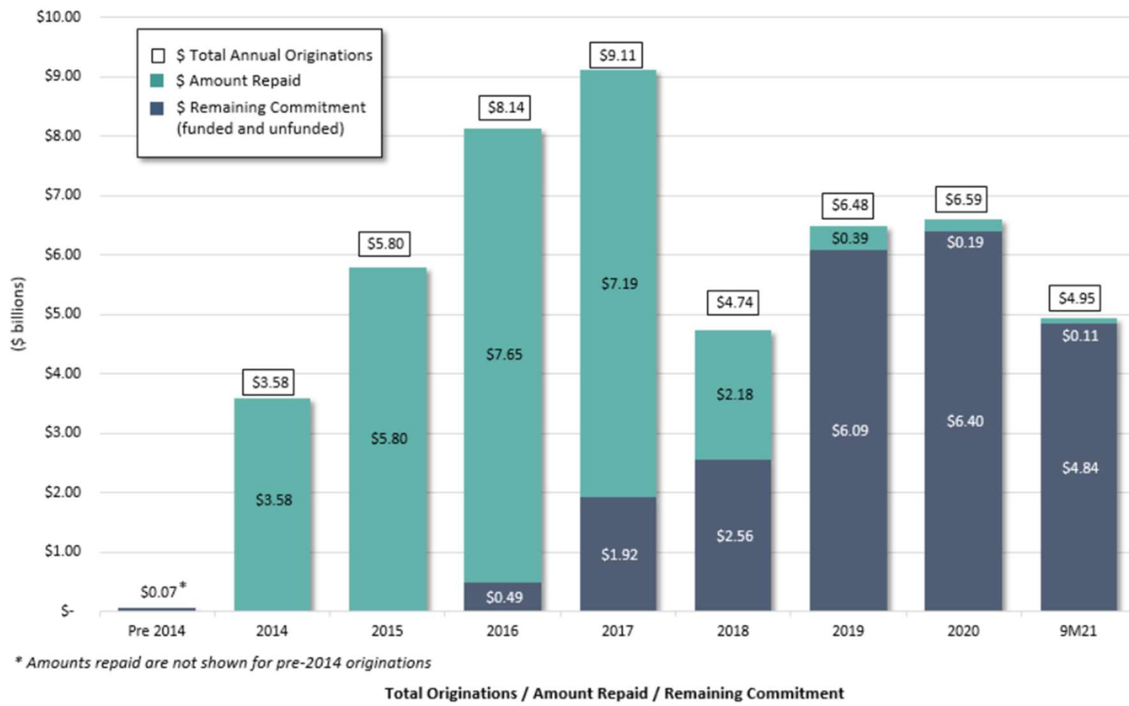



Figure 8 shows RESG's loan originations for each of the last 23 quarters. RESG loan originations for the third quarter of 2021 totaled $2.21 billion, which was the highest quarterly origination volume since the fourth quarter of 2017. The average size of the 23 RESG loans closed in the quarter just ended was $96 million, reflecting a positive trend in loan size as compared to recent quarters. For the first nine months of 2021, RESG loan originations totaled $4.95 billion, with an average loan size of $70 million.

**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 | $2.21 | | $4.95 |

**9M21 Not Annualized*

We are very pleased with the job our RESG team is doing in finding good loan opportunities in a highly competitive environment. We currently have a strong pipeline, which makes us cautiously optimistic about our potential loan origination volume in the fourth quarter 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 September 30, 2021, RESG accounted for 89% of our $12.39 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 third quarter and the first nine months of 2021, respectively. The total unfunded balance increased by approximately $0.68 billion during the third quarter of 2021, and increased by approximately $0.54 billion during the first nine months of 2021. Future quarterly changes in this unfunded balance will vary based on a variety of factors.

**Figure 9: Activity in Unfunded Balances – 3Q21 ($ billions)**

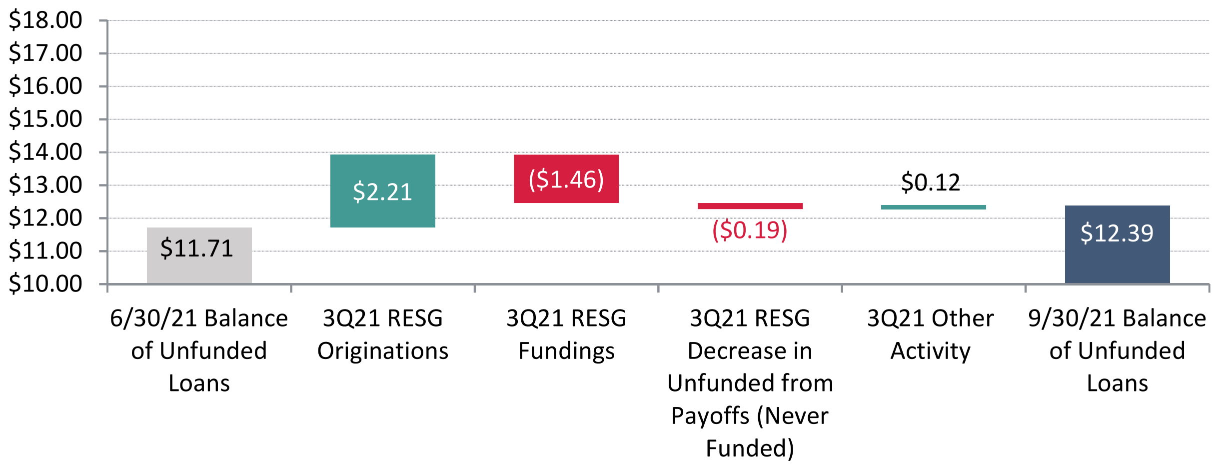
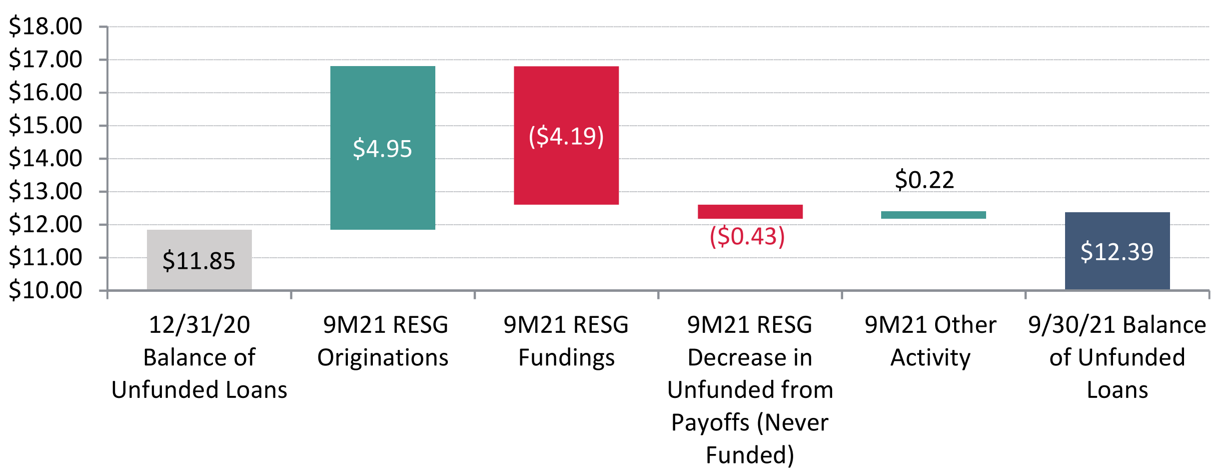


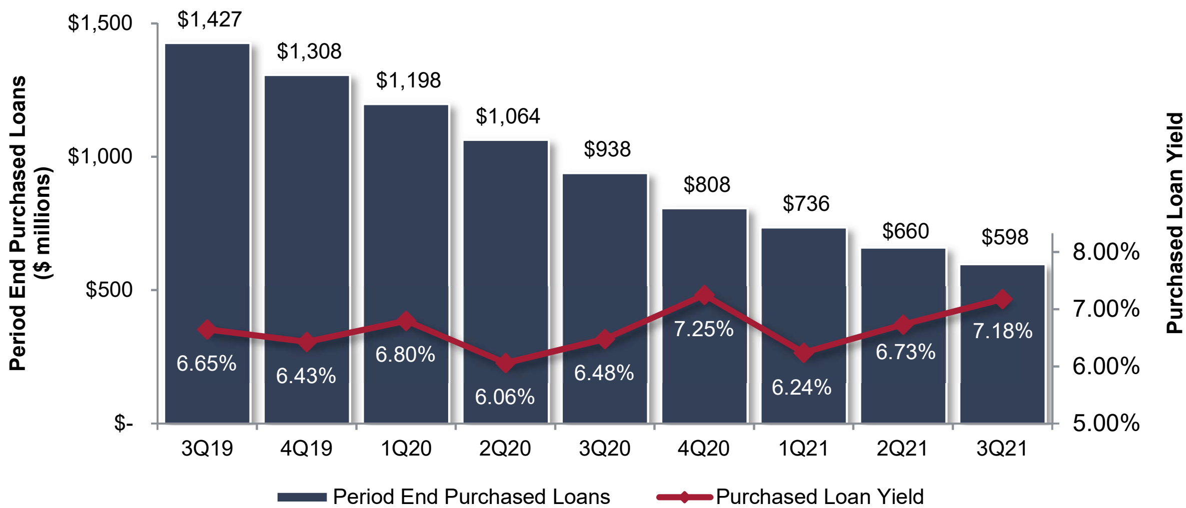

**Figure 10: Activity in Unfunded Balances – 9M21 ($ billions)**



*Purchased Loans*

Purchased loans, which are the remaining loans from our 15 acquisitions, accounted for 3.4% of average total loans and 2.6% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.06 billion, or 9.4% not annualized, to $0.60 billion at September 30, 2021. For the first nine months of 2021, our purchased loan portfolio decreased by $0.21 billion, or 26.0% not annualized. Purchased loan runoff will continue to be a headwind to total loan growth, although the impact of this runoff is diminishing with the decrease in the size of this portfolio. Figure 11 shows our recent purchased loan portfolio trends.

**Figure 11: Purchased Loan Balances and Yields**

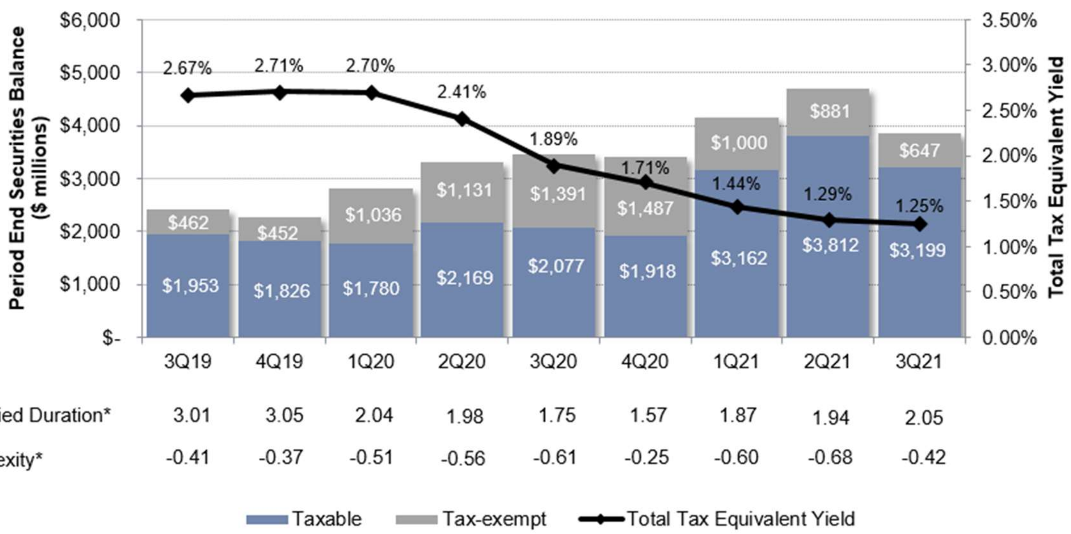



In the third quarter of 2021, our yield on purchased loans was 7.18%, an increase of 70 bps from the third quarter of 2020, and an increase of 45 bps from the second quarter of 2021. For the first nine months of 2021, our yield on purchased loans was 6.69%, a 23 bps increase from the first nine months of 2020.

*Investment Securities*

At September 30, 2021, our investment securities portfolio was $3.85 billion, which was a decrease of $0.85 billion, or 18.0% not annualized, as compared to June 30, 2021, but an increase of $0.44 billion, or 13.0% 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 six quarters, and, in turn, a dilutive effect on our net interest margin. In the third quarter of 2021, the yield on our investment portfolio, on a fully taxable equivalent basis, was 1.25%, a decrease of 64 bps and four bps, respectively, from the third quarter of 2020 and from the second quarter of 2021. Reflecting current interest rate and market conditions, we expect further declines, if any, in the yield of our investment portfolio in the coming quarters to be minimal.

**Figure 12: Investment Portfolio Balances and Yields**




| | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|---|---|---|---|
| Modified Duration* | 3.01 | 3.05 | 2.04 | 1.98 | 1.75 | 1.57 | 1.87 | 1.94 | 2.05 |
| Convexity* | -0.41 | -0.37 | -0.51 | -0.56 | -0.61 | -0.25 | -0.60 | -0.68 | -0.42 |

** Modified duration and convexity data as of the end of each respective quarter.*

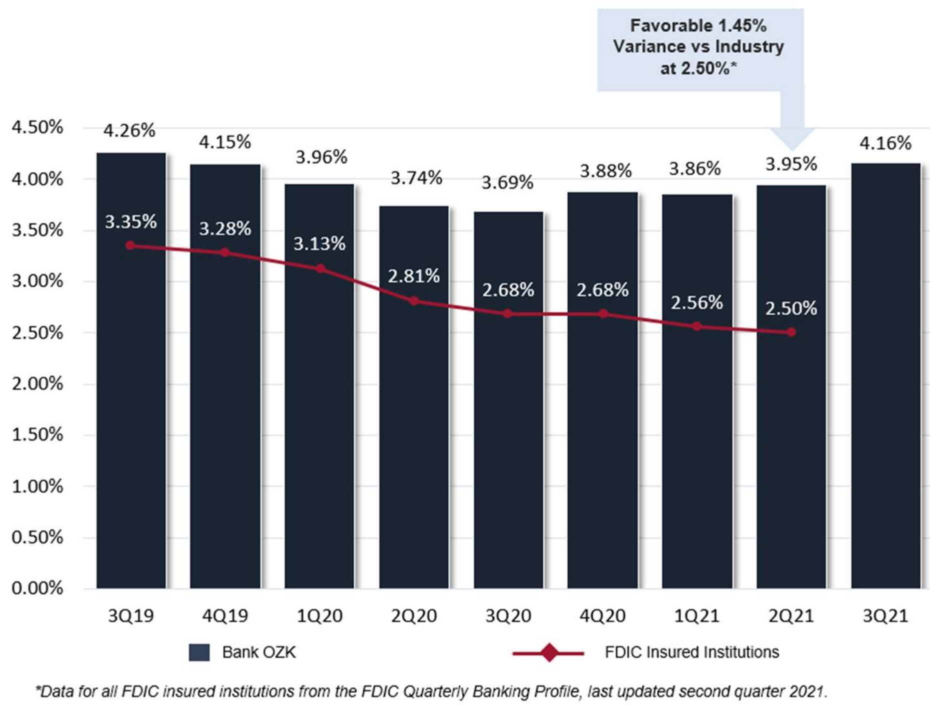
During the quarter just ended, our investment securities portfolio declined $0.85 billion from June 30, 2021 as we did not find many compelling investment opportunities and had significant paydowns, calls and maturities. We may increase or decrease our investment securities portfolio in future quarters based on changes in our liquidity position, prevailing market conditions and other factors. Early in the fourth quarter of 2021, we added another veteran investment portfolio officer to our already accomplished investment team. This addition is intended to help us capitalize on additional investment and trading opportunities.

**Net Interest Margin**

Our net interest margin was 4.16% for the quarter just ended, an increase of 47 bps and 21 bps, respectively, from the third quarter of 2020 and second quarter of 2021. In addition to the factors previously mentioned which affected our loan yields and net interest margin, in the first nine 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.

We continue to outperform the industry on net interest margin, as shown in Figure 13. In fact, in the second quarter of 2021, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 145 bps.

**Figure 13: Quarterly Net Interest Margin (%)**




As previously discussed, on July 1, 2021, we redeemed all of our outstanding 5.50% Notes, and, on September 16, 2021, we issued $350 million of 2.75% Notes. The 2.75% Notes were outstanding for only 15 days of the quarter just ended. If the 2.75% Notes had been outstanding for the entire quarter, our net interest margin would have been lower by approximately three bps.

*Non-purchased Loan Yield*

As previously shown in Figure 3, our yield on non-purchased loans was 5.39% for the quarter just ended, up 24 bps from the third quarter of 2020, but down seven basis points from the second quarter of 2021.

As of September 30, 2021, we had outstanding $0.15 billion of SBA PPP loans (previously identified as our PPP1 and PPP2 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 $0.11 billion of PPP loans that received forgiveness and paid off, which contributed approximately six bps to our yield on non-purchased loans in the third quarter of 2021. During the first nine months of 2021, we recognized $8.7 million of previously un-accreted net deferred fees from $0.42 billion of PPP loans that received forgiveness and paid off, which contributed approximately seven bps to our yield on non-purchased loans in the first nine months of 2021.  As of September 30, 2021, we had $4.7 million of un-accreted net deferred fees associated with the remaining $0.15 billion balance of our PPP loans.  While the timing for the forgiveness or repayment of our remaining PPP loans may vary, our current expectation is that the vast majority of such loans will be forgiven and repaid during the remainder of 2021 and in 2022.  While the recognition of deferred fees from repayment of PPP loans has had a positive impact on our net interest margin in 2021 (approximately five bps year-to-date), that benefit will diminish in 2022.

*Variable Rate Loans*

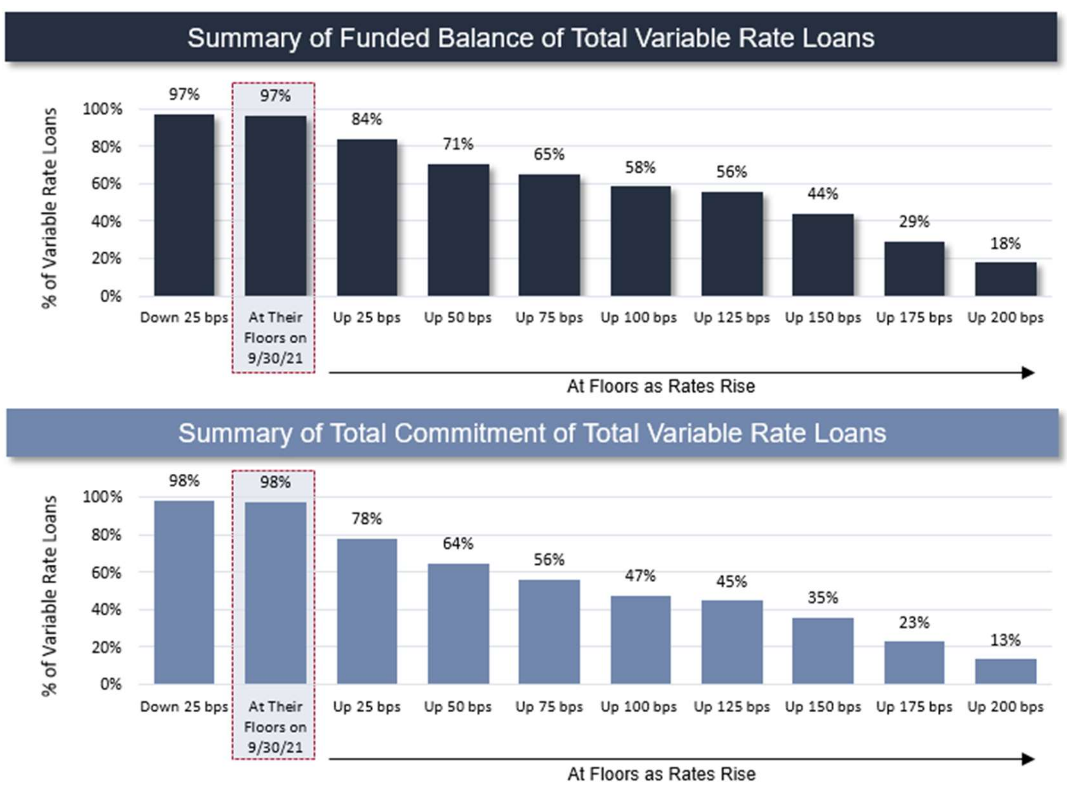
At September 30, 2021, 79% of our funded balance of non-purchased loans and 34% of our funded balance of purchased loans had variable rates. As shown in Figure 14, at September 30, 2021, 83.3% of our total funded balance of variable rate loans were tied to 1-month LIBOR, 0.3% were tied to 3-month LIBOR and 14.9% were tied to WSJ Prime.

**Figure 14: Summary of Funded Balance of Variable Rate Loan Indexes as of September 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 | 84.2% | 1-Month LIBOR | 19.6% | 1-Month LIBOR | 83.3% |
| 3-Month LIBOR | 0.3% | 3-Month LIBOR | 0.0% | 3-Month LIBOR | 0.3% |
| WSJ PRIME | 14.4% | WSJ PRIME | 51.7% | WSJ PRIME | 14.9% |
| Other | 1.1% | Other | 28.7% | Other | 1.5% |

At September 30, 2021, 99% of our funded variable rate total loans (non-purchased and purchased) had floor rates. As of September 30, 2021, 97% of the funded balance of total loans in our variable rate loan portfolio were at their floors, and 98% of the total commitment of variable rate loans were at their floors. Figure 15 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.

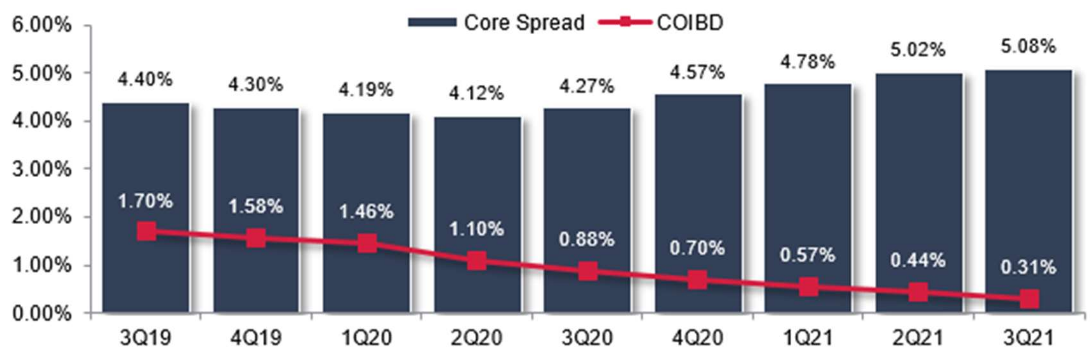
**Figure 15: Impact of Variable Rate Loan Floors (Funded Balance and Total Commitment) at September 30, 2021**



*Core Spread*

Our core spread improved in the quarter just ended to 5.08%, increasing 81 bps from the third quarter of 2020 and six bps from the second quarter of 2021. As reflected in Figure 16, in the quarter just ended, our COIBD decreased 57 bps from the third quarter of 2020 and 13 bps from the second quarter of 2021. Decreasing our COIBD has been a significant factor in our recent improvements in core spread.

**Figure 16: COIBD and Core Spread**




| | 3Q19 | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 | 2Q21 | 3Q21 |
|---|---|---|---|---|---|---|---|---|---|
| *Yield on Non-purchased loans* | *6.10%* | *5.88%* | *5.65%* | *5.22%* | *5.15%* | *5.27%* | *5.35%* | *5.46%* | *5.39%* |
| *COIBD* | *1.70%* | *1.58%* | *1.46%* | *1.10%* | *0.88%* | *0.70%* | *0.57%* | *0.44%* | *0.31%* |
| *Core Spread* | *4.40%* | *4.30%* | *4.19%* | *4.12%* | *4.27%* | *4.57%* | *4.78%* | *5.02%* | *5.08%* |

Continuing to decrease our COIBD is an important element in our strategy to mitigate the expected downward pressure on loan yields. We expect we can achieve further improvement in our COIBD in the near term, although such improvements will likely be less than in recent quarters. Figure 17 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 third 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 the downward pressure on our loan pricing in an increasingly competitive environment.

**Figure 17: Time Deposit Maturity Schedule**

| *($ millions)* | Time Deposits | Wtd. Avg. Rate at 9/30/2021 |
|---|---|---|
| 4Q21 | $ 1,603 | 0.57% |
| 1Q22 | 1,285 | 0.41% |
| 2Q22 | 1,368 | 0.47% |
| 3Q22 | 1,083 | 0.42% |
| 4Q22 & Beyond | 1,216 | 0.47% |
| **Total** | **$ 6,555** | **0.48%** |

| **New and Renewed Time Deposits** | | |
|---|---|---|
| **3rd Quarter 2021** | **$ 1,551** | **0.30%** |

## Non-interest Income

Non-interest income for the third quarter of 2021 was $26.0 million, a 2.6% decrease from $26.7 million for the third quarter of 2020, and a 6.3% decrease from $27.7 million for the second quarter of 2021. For the first nine months of 2021, non-interest income was $85.8 million, a 13.0% increase from $75.9 million for the first nine months of 2020. Figures 18 and 19, respectively, summarize non-interest income for the most recent nine quarters and year-over-year trends for the third quarter and first nine months of 2021.

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

| | For the Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 9/30/2019 | 12/31/2019 | 3/31/2020 | 6/30/2020 | 9/30/2020 | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 |
| Service charges on deposit accounts | $ 10,827 | $ 10,933 | $ 10,009 | $ 8,281 | $ 9,427 | $ 9,983 | $ 9,665 | $ 10,311 | $ 11,177 |
| Trust income | 1,975 | 2,010 | 1,939 | 1,759 | 1,936 | 1,909 | 2,206 | 1,911 | 2,247 |
| BOLI income | | | | | | | | | |
| Increase in cash surrender value | 5,208 | 5,167 | 5,067 | 5,057 | 5,081 | 5,034 | 4,881 | 4,919 | 4,940 |
| Death benefit | 206 | 2,989 | 608 | - | - | - | 1,409 | - | - |
| Loan service, maintenance and other fees | 4,197 | 4,282 | 3,716 | 3,394 | 3,351 | 3,797 | 3,551 | 3,953 | 3,307 |
| Net gains on investment securities | - | - | 2,223 | - | 2,244 | - | - | - | - |
| Gains (losses) on sales of other assets | 189 | 1,358 | 161 | 621 | 891 | 5,189 | 5,828 | 2,341 | 463 |
| Other | 3,844 | 3,667 | 3,957 | 2,479 | 3,746 | 2,749 | 4,577 | 4,307 | 3,850 |
| Total non-interest income | $ 26,446 | $ 30,406 | $ 27,680 | $ 21,591 | $ 26,676 | $ 28,661 | $ 32,117 | $ 27,742 | $ 25,984 |

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

| | For the Nine Months Ended | | | For the Three Months Ended | | |
|---|---|---|---|---|---|---|
| | 9/30/2020 | 9/30/2021 | % Change | 9/30/2020 | 9/30/2021 | % Change |
| Service charges on deposit accounts | $ 27,717 | $ 31,154 | 12.4% | $ 9,427 | $ 11,177 | 18.6% |
| Trust income | 5,635 | 6,365 | 13.0% | 1,936 | $ 2,247 | 16.1% |
| BOLI income | | | | | | |
| Increase in cash surrender value | 15,205 | 14,739 | -3.1% | 5,081 | 4,940 | -2.8% |
| Death benefit | 608 | 1,409 | 131.7% | - | - | NM |
| Loan service, maintenance and other fees | 10,461 | 10,811 | 3.3% | 3,351 | 3,307 | -1.3% |
| Net gains on investment securities | 4,467 | - | NM | 2,244 | - | NM |
| Gains (losses) on sales of other assets | 1,674 | 8,632 | NM | 891 | 463 | -48.0% |
| Other | 10,180 | 12,733 | 25.1% | 3,746 | 3,850 | 2.8% |
| Total non-interest income | $ 75,947 | $ 85,843 | 13.0% | $ 26,676 | $ 25,984 | -2.6% |

**Non-interest Expense**

Non-interest expense for the third quarter of 2021 was $110.4 million, a 4.5% increase from $105.6 million in the third quarter of 2020, and a 6.4% increase from $103.7 million in the second quarter of 2021. For the first nine months of 2021, non-interest expense was $320.2 million, a 3.3% increase from $310.0 million for the first nine months of 2020.

Non-interest expense for the quarter just ended included charges of approximately $2.0 million for branch closures and $0.8 million related to previously unamortized deferred origination costs of the 5.50% Notes redeemed in July. We expect upward pressure on salaries and benefit costs in future quarters as we continue to respond to the current competitive conditions in the labor market, fill currently unfilled positions, and add team members to support future growth. Accordingly, we expect that our non-interest expense in coming quarters will continue to be near or above the $110 million level incurred in the quarter just ended.

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. We have evaluated and will continue to evaluate our branches to ensure we have an optimal branch network. In the third quarter of 2021, we closed three branches – two in Georgia and our only deposit-taking branch in New York. We retained our RESG loan production office in New York. As already mentioned, these branch closures resulted in charges of approximately $2.0 million during the third quarter of 2021. In the fourth quarter, we expect to open one branch in Florida and close a total of three branches, two in Arkansas and one in Florida. The planned fourth quarter closure of these three branches is not expected to result in significant non-interest expense.

During the second quarter of 2021, we signed an agreement for the sale of our Magnolia, Arkansas branch, including, as of September 30, 2021, loans totaling approximately $3 million and deposits totaling approximately $36 million. The sale of this branch is expected to close in the 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.

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

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

| | For the Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 9/30/2019 | 12/31/2019 | 3/31/2020 | 6/30/2020 | 9/30/2020 | 12/31/2020 | 3/31/2021 | 6/30/2021 | 9/30/2021 |
| Salaries & employee benefits | $ 48,376 | $ 52,050 | $ 51,473 | $ 48,410 | $ 53,119 | $ 53,832 | $ 53,645 | $ 52,119 | $ 53,769 |
| Net occupancy and equipment | 14,825 | 14,855 | 15,330 | 15,756 | 16,676 | 15,617 | 16,468 | 16,168 | 17,161 |
| Professional and outside services | 8,898 | 6,869 | 6,764 | 7,629 | 8,320 | 7,026 | 6,326 | 7,724 | 7,084 |
| Advertising and public relations | 2,067 | 1,822 | 1,703 | 1,704 | 1,557 | 1,086 | 308 | 593 | 719 |
| Telecommunication services | 2,094 | 2,335 | 2,177 | 2,334 | 2,352 | 2,296 | 2,232 | 2,165 | 1,966 |
| Software and data processing | 5,095 | 4,974 | 4,974 | 5,145 | 5,431 | 5,729 | 5,792 | 6,006 | 5,897 |
| Travel and meals | 2,777 | 2,845 | 2,102 | 710 | 689 | 835 | 774 | 1,419 | 1,617 |
| FDIC insurance and state assessments | 2,505 | 3,780 | 3,420 | 4,585 | 3,595 | 3,647 | 3,520 | 2,885 | 2,655 |
| Amortization of intangibles | 2,907 | 2,854 | 2,795 | 2,582 | 1,914 | 1,794 | 1,730 | 1,602 | 1,545 |
| Postage and supplies | 2,040 | 2,483 | 2,053 | 1,892 | 1,808 | 1,709 | 1,645 | 1,544 | 1,530 |
| ATM expense | 1,277 | 1,263 | 1,160 | 1,002 | 1,604 | 1,490 | 1,283 | 1,486 | 1,846 |
| Loan collection and repossession expense | 317 | 600 | 694 | 857 | 1,030 | 481 | 509 | 540 | 407 |
| Writedowns of foreclosed assets | 354 | 910 | 879 | 720 | 488 | 1,582 | 1,363 | 123 | 990 |
| Amortization of CRA and tax credit investments | 725 | 581 | 2,740 | 3,107 | 1,611 | 823 | 4,125 | 3,227 | 4,972 |
| Other expenses | 6,657 | 6,185 | 5,161 | 4,520 | 5,447 | 5,447 | 6,339 | 6,110 | 8,239 |
| Total non-interest expense | $ 100,914 | $ 104,406 | $ 103,425 | $ 100,953 | $ 105,641 | $ 103,394 | $ 106,059 | $ 103,711 | $ 110,397 |

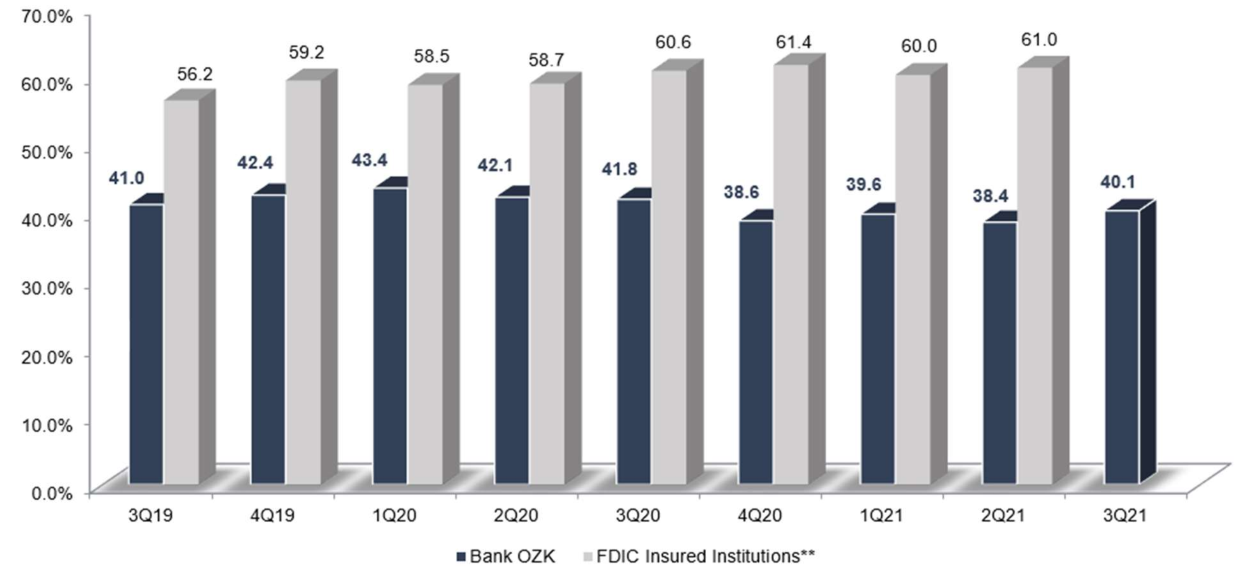
### Figure 21: Trends in Non-interest Expense – 2020 vs. 2021 *($ thousands)*

| | For the Nine Months Ended | | | For the Three Months Ended | | |
|---|---|---|---|---|---|---|
| | 9/30/2020 | 9/30/2021 | % Change | 9/30/2020 | 9/30/2021 | % Change |
| Salaries & employee benefits | $ 153,003 | $ 159,533 | 4.3% | $ 53,119 | $ 53,769 | 1.2% |
| Net occupancy and equipment | 47,761 | 49,797 | 4.3% | 16,676 | 17,161 | 2.9% |
| Professional and outside services | 22,618 | 21,134 | -6.6% | 8,320 | 7,084 | -14.9% |
| Advertising and public relations | 4,964 | 1,621 | -67.3% | 1,557 | 719 | -53.8% |
| Telecommunication services | 6,863 | 6,363 | -7.3% | 2,352 | 1,966 | -16.4% |
| Software and data processing | 15,550 | 17,695 | 13.8% | 5,431 | 5,897 | 8.6% |
| Travel and meals | 3,501 | 3,811 | 8.9% | 689 | 1,617 | 134.7% |
| FDIC insurance and state assessments | 11,600 | 9,060 | -21.9% | 3,595 | 2,655 | -26.1% |
| Amortization of intangibles | 7,291 | 4,878 | -33.1% | 1,914 | 1,545 | -19.3% |
| Postage and supplies | 5,753 | 4,718 | -18.0% | 1,808 | 1,530 | -15.4% |
| ATM expense | 3,766 | 4,615 | 22.5% | 1,604 | 1,846 | 15.1% |
| Loan collection and repossession expense | 2,581 | 1,456 | -43.6% | 1,030 | 407 | -60.5% |
| Writedowns of foreclosed assets | 2,087 | 2,476 | 18.6% | 488 | 990 | 102.9% |
| Amortization of CRA and tax credit investments | 7,458 | 12,324 | 65.2% | 1,611 | 4,972 | 208.6% |
| Other expenses | 15,223 | 20,689 | 35.9% | 5,447 | 8,239 | 51.3% |
| Total non-interest expense | $ 310,019 | $ 320,170 | 3.3% | $ 105,641 | $ 110,397 | 4.5% |

**Efficiency Ratio**

As shown in Figure 22, in the quarter just ended, our efficiency ratio was 40.1%. 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 Capital IQ.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2021.*

**Provision and Allowance for Credit Losses (“ACL”)**

Our total provision expense for the quarter just ended was a negative $7.5 million. As of September 30, 2021, our allowance for loan losses (“ALL”) for outstanding loans was $237.7 million, or 1.30% of total outstanding loans, and our reserve for losses on unfunded loan commitments was $61.1 million, or 0.49% of unfunded loan commitments, bringing our total ACL, which includes the ALL and the reserve for losses on our unfunded loans commitments, to $298.8 million.

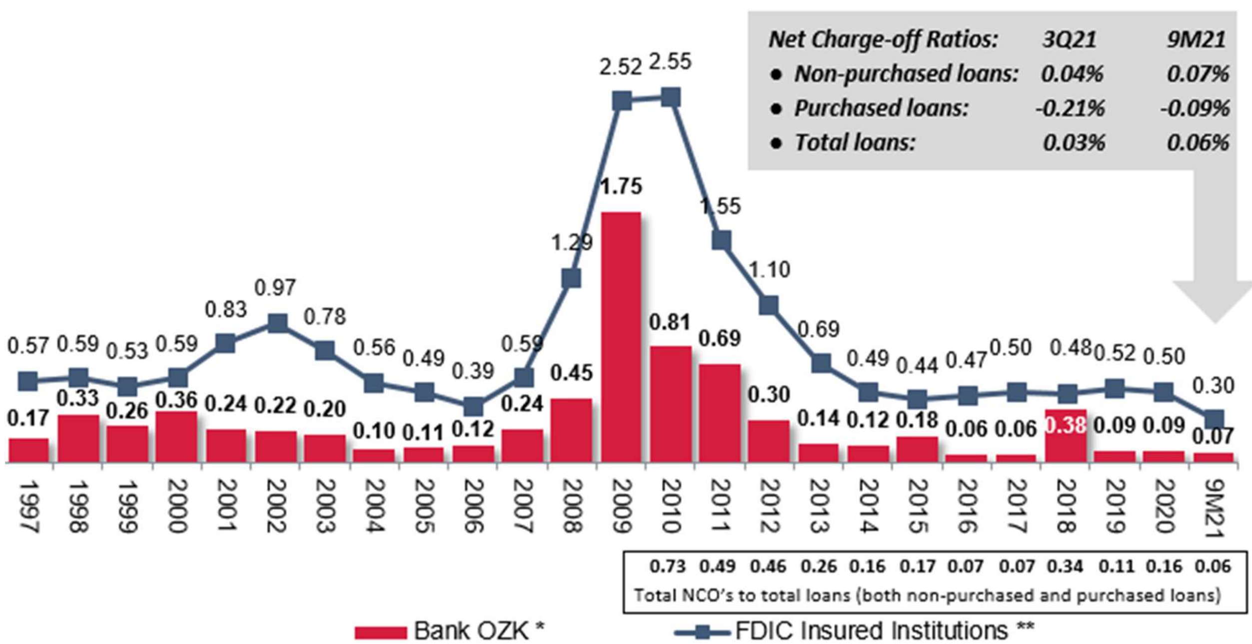
The calculations of our provision expense for the third quarter of 2021 and our total ACL at September 30, 2021 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody’s, including their updates released in September 2021. In our selection of macroeconomic scenarios, we assigned our largest weightings to the Moody’s baseline and the Moody’s S3 (Moderate Recession) scenarios and a small weighting to the Moody’s S4 (Protracted Slump) scenario. Our selection and weightings of these scenarios reflected improved conditions in and prospects for the U.S. economy in recent quarters, 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 longer-term 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, the potential impact of supply chain disruptions, and various other factors. Our ACL at September 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 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 0.04%, for purchased loans was -0.21%, and for total loans was 0.03%, 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 second 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. As of September 30, 2021 the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 18 year history was 10 bps.

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

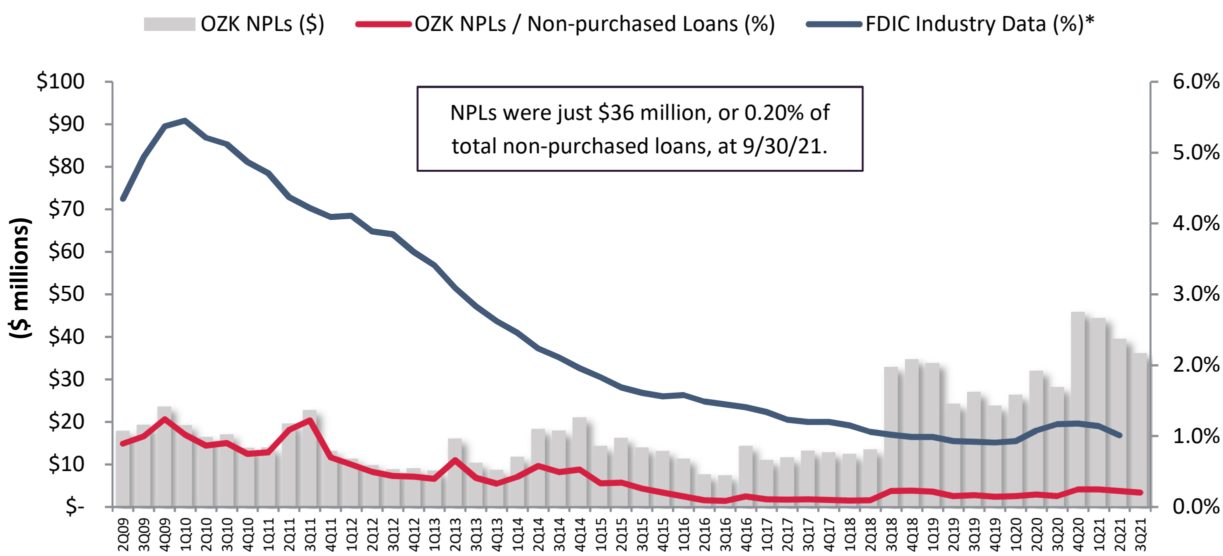
| Year-end | Ending Loan Balance | YTD Average Loan Balance | Net charge-offs ("NCO")* | NCO Ratio** |
|---|---|---|---|---|
| 2003 | $ 5,106 | $ 780 | $ - | 0.00% |
| 2004 | 52,658 | 34,929 | - | 0.00% |
| 2005 | 51,056 | 56,404 | - | 0.00% |
| 2006 | 61,323 | 58,969 | - | 0.00% |
| 2007 | 209,524 | 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% |
| 9/30/2021 | 11,275,501 | 11,193,380 | 1,891 | 0.02% |
| **Total** | | | **$ 58,659** | |

| | |
|---|---|
| **Weighted Average** | **0.10%** |

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

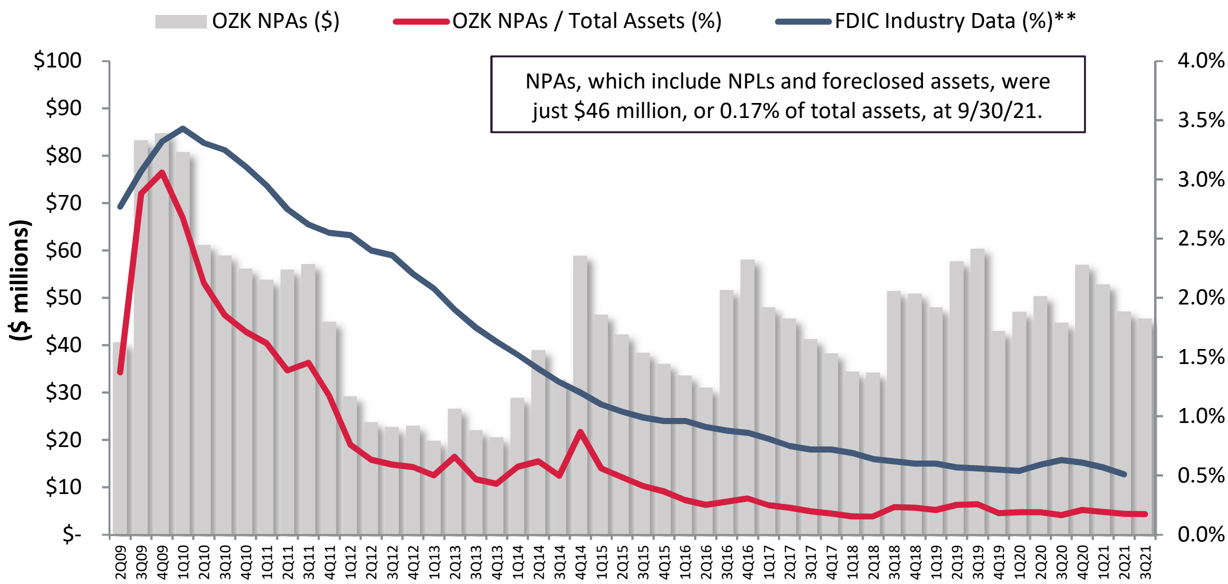
As shown in Figures 25, 26 and 27, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of outperforming industry averages. We expect our asset quality to continue our long tradition of outperforming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

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



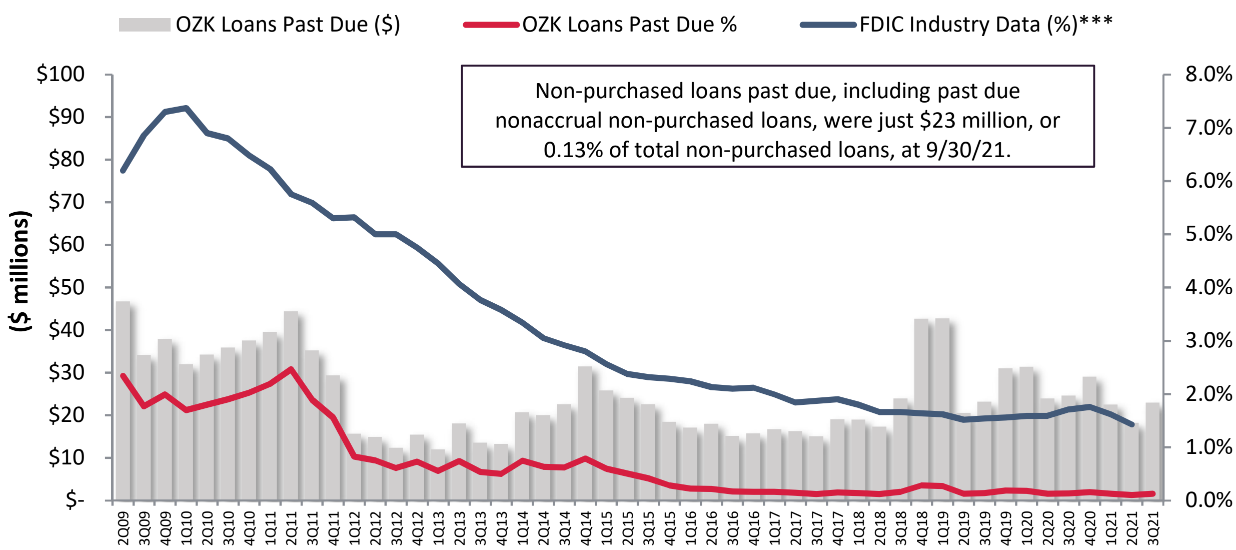

** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2021. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

**Figure 26: Nonperforming Assets ("NPAs")**




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

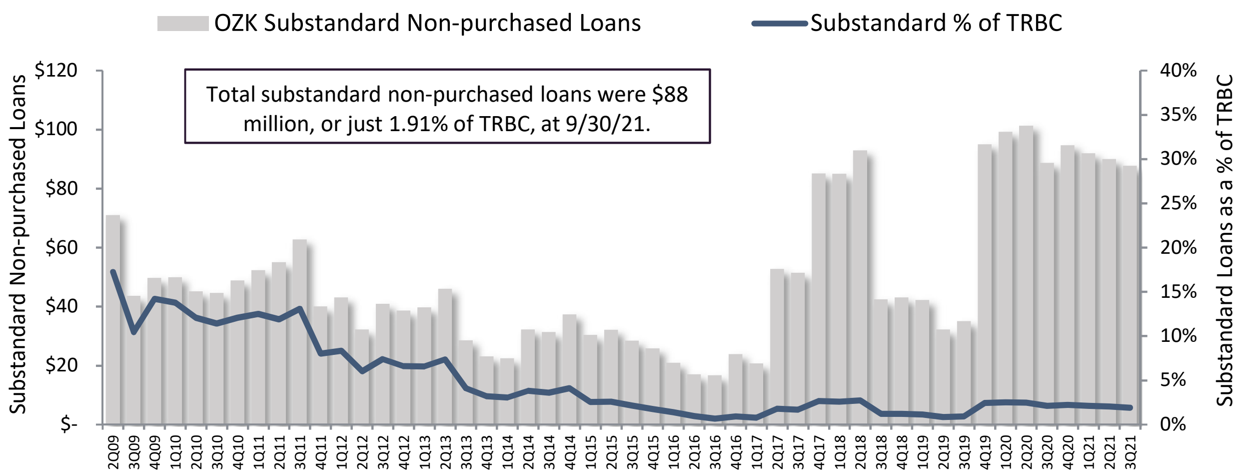
**Figure 27: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")**




**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second 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 September 30, 2021 remains at a very low level.

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



**Loan Portfolio Diversification & Leverage**

Figures 29 and 30 reflect the mix in our non-purchased loan growth in the third quarter and the first nine months of 2021.

**Figure 29: Non-purchased Loan Growth – 3Q21 ($ millions)**

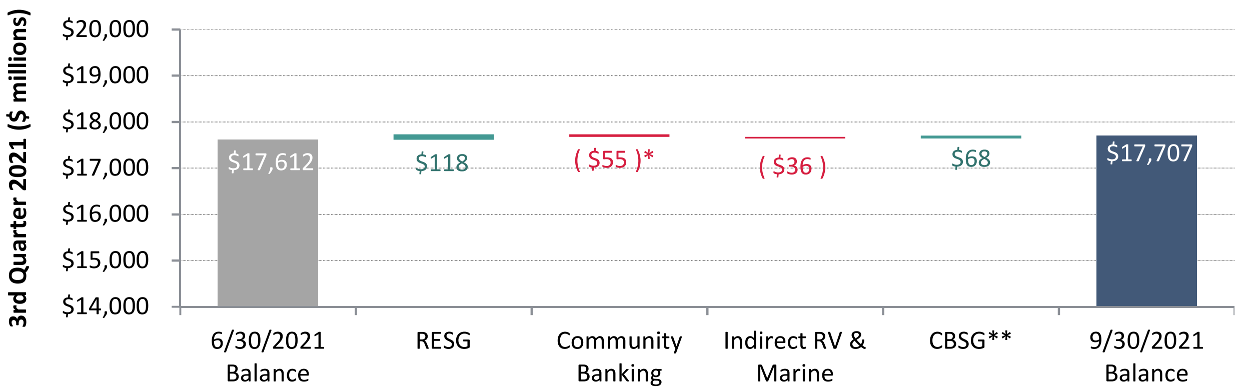
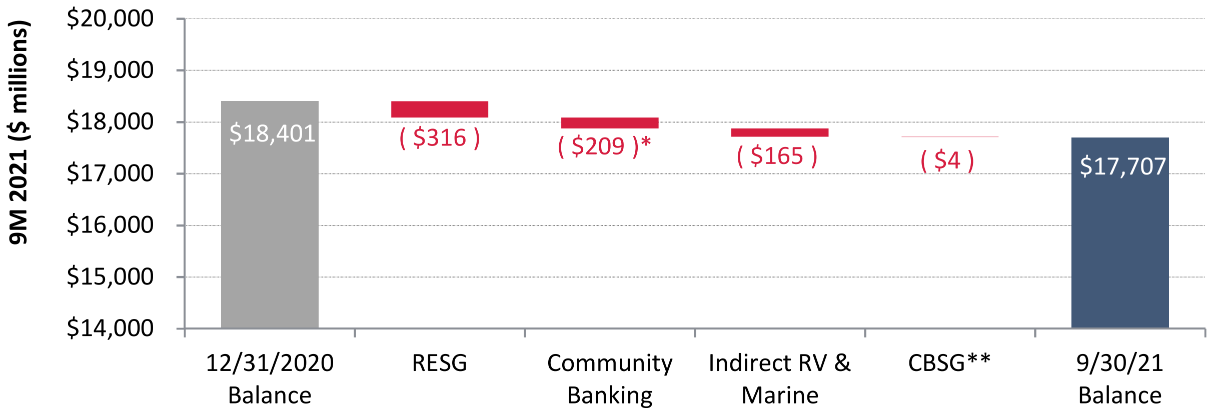



**Figure 30: Non-purchased Loan Growth – 9M21 ($ millions)**

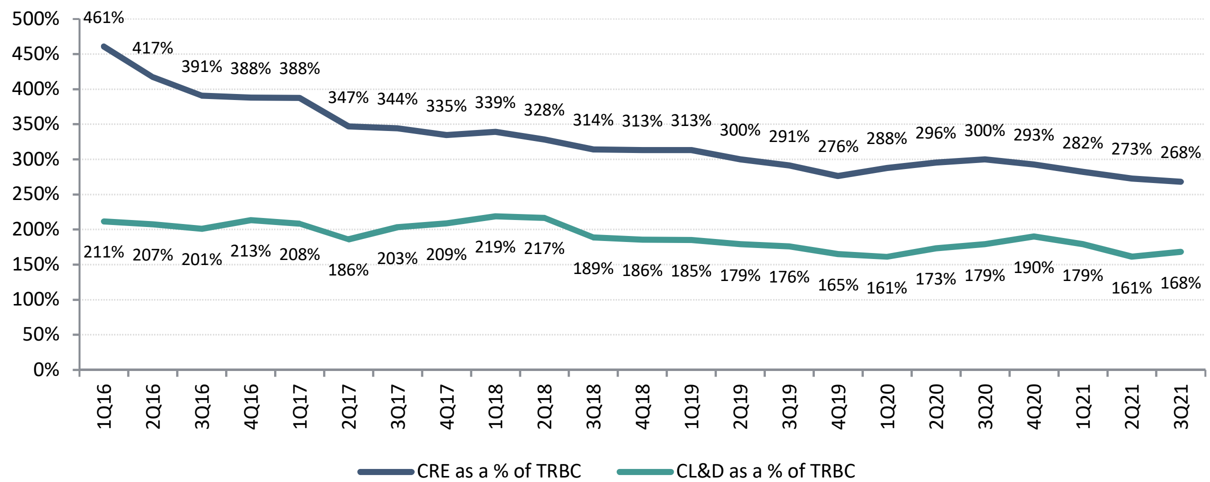



** Includes the net balance of loans originated through the SBA's PPP. For the third quarter of 2021 and first nine months of 2021, that includes payoffs net of originations of SBA PPP loans of $113 million and $280 million, respectively.*

*** 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 31, 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.

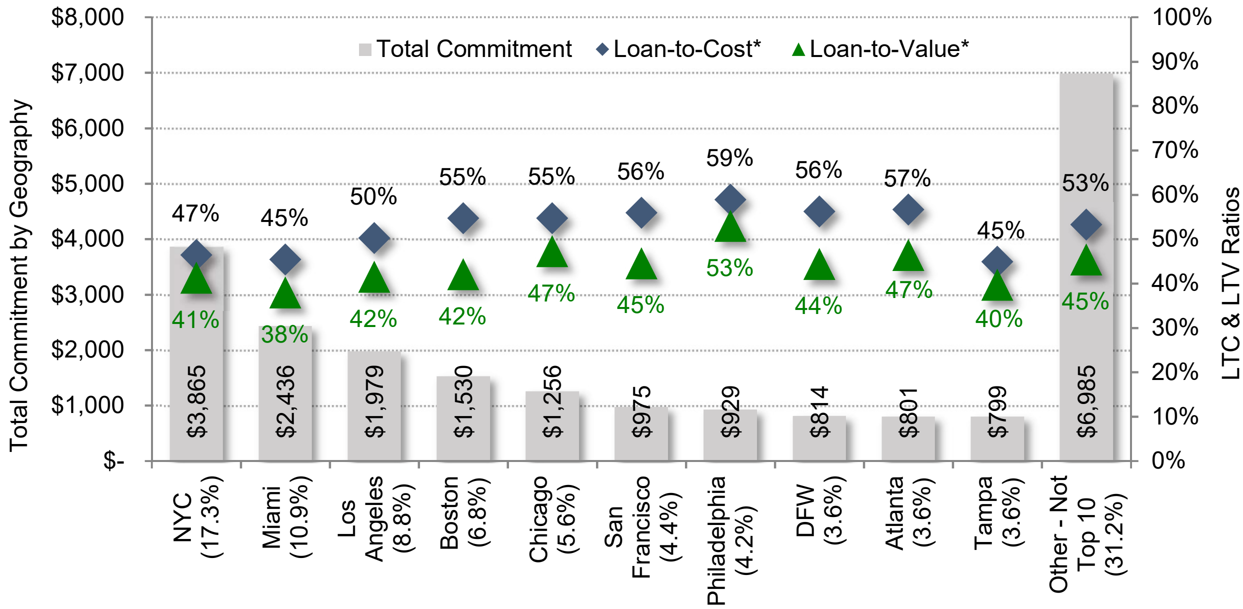
**Figure 31: Declining Regulatory CRE and CL&D Concentration Ratios**




*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 guarantees.*

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 32 and 33.

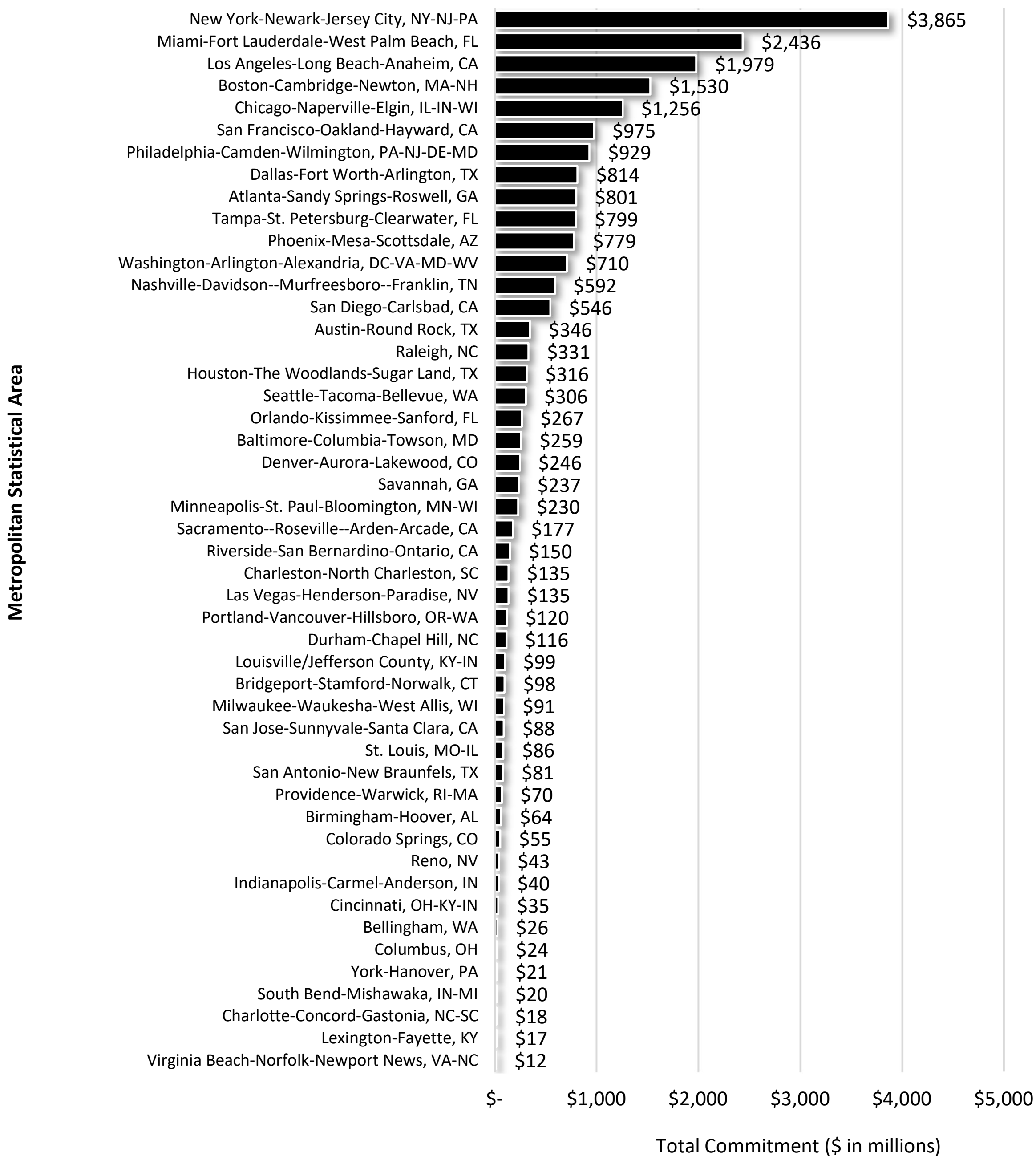
**Figure 32: RESG Portfolio Diversity – Top 10 Geographies (As of September 30, 2021) ($ millions)**
*(LTC and LTV ratios assume all loans are fully funded)*




** Weighted average*

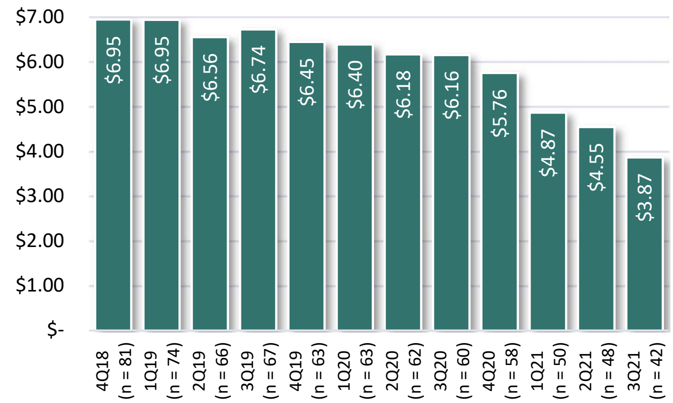
Figure 33 shows RESG's total commitments in each MSA in which it currently has loans. As RESG's total commitments have decreased in recent quarters in some of its largest markets, primarily New York, its business has increased in many other markets. This has enhanced the portfolio's already significant geographic diversification.

**Figure 33: RESG's Portfolio Diversity - All Geographies (As of September 30, 2021) ($ millions)**



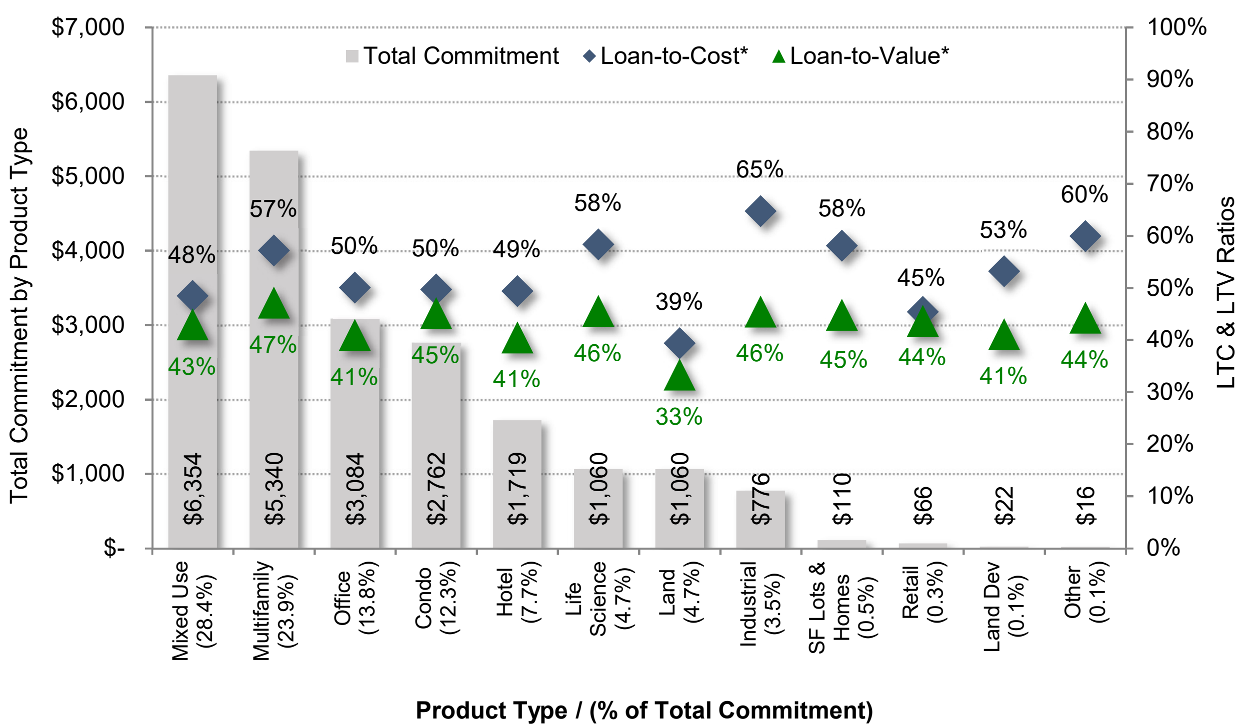
Our dollar volume of RESG total commitments in the NYC MSA peaked in the fourth quarter of 2018 at $6.95 billion and 81 loans. Despite our continued positive long-term view on that MSA, and our desire to originate loans there, the volume of new opportunities meeting our standards in the market has not been as great in recent years. Accordingly, as shown in Figure 34, as earlier originations have paid off, our balance of total commitments in the market has declined to $3.87 billion at September 30, 2021. In the near term, we may see some further declines in our balance of total commitments in this market, but we expect the NYC MSA will continue to be one of our most important and largest markets, and we expect to return to positive growth there some time in the next few quarters.

**Figure 34: 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 35.

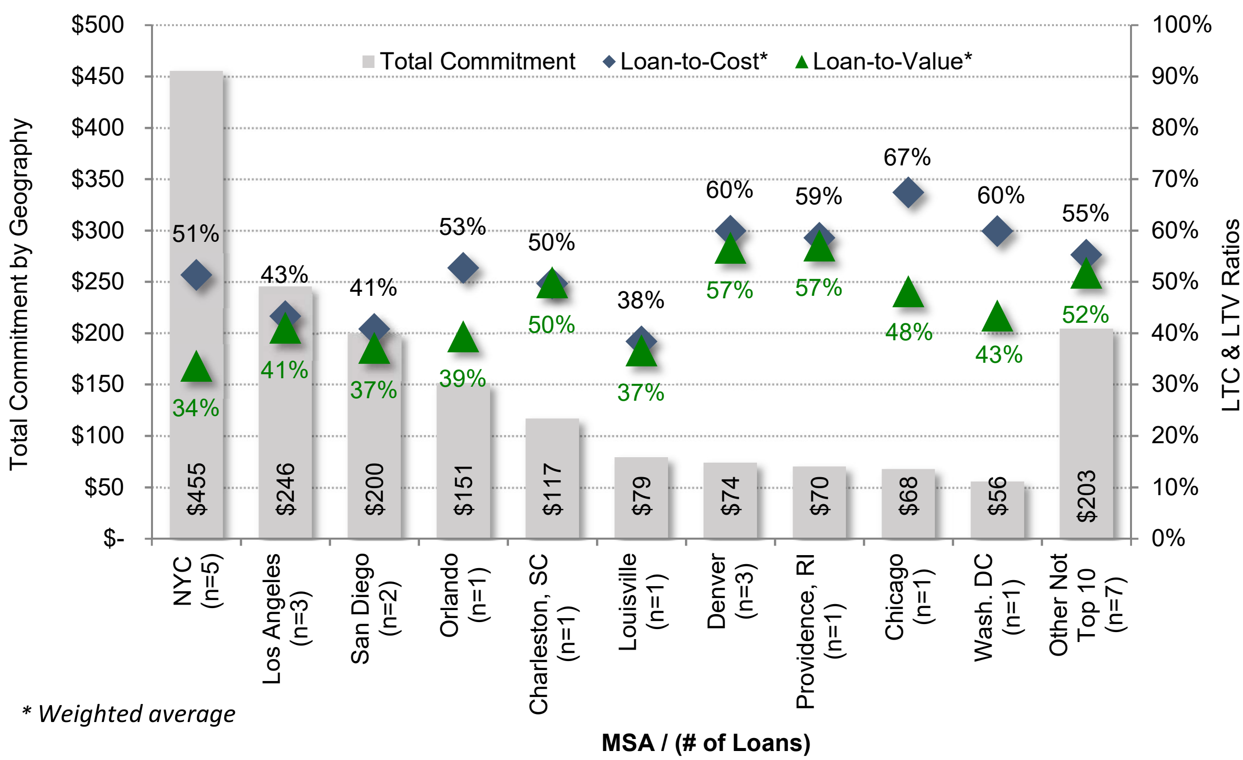
**Figure 35: RESG Portfolio Diversity by Product Type (As of September 30, 2021) ($ millions)**
*(LTC and LTV ratios assume all loans are fully funded)*




** 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 35 above, hotels were the fifth largest component of RESG's portfolio at September 30, 2021, comprising about 7.7% of RESG's total commitments.  In addition, at September 30, 2021, 14 of RESG's 37 loans on mixed use projects included a hotel component, with a total commitment amount allocated to hotels being approximately 15% of the total mixed use portfolio.  We remain cautiously optimistic about the performance of our hotel 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 49.4% and 40.5%, respectively, as of September 30, 2021.  We expect most sponsors will continue to support these assets, if needed, until property performance returns to more normal levels.  Figures 36 and 37 respectively, show the geographic distribution of RESG's hotel portfolio (excluding hotels in mixed use projects) and other information as of September 30, 2021.  During the quarter just ended, two of the 26 hotels in the portfolio received a new appraisal, with the weighted average LTV ratio decreasing by 1.6% for these properties.  During the quarter just ended, in the RESG portfolio, two hotel loans paid off and no new hotel loans were originated.

**Figure 36: RESG Hotel Portfolio Diversity by Geography (As of September 30, 2021) ($ millions)**

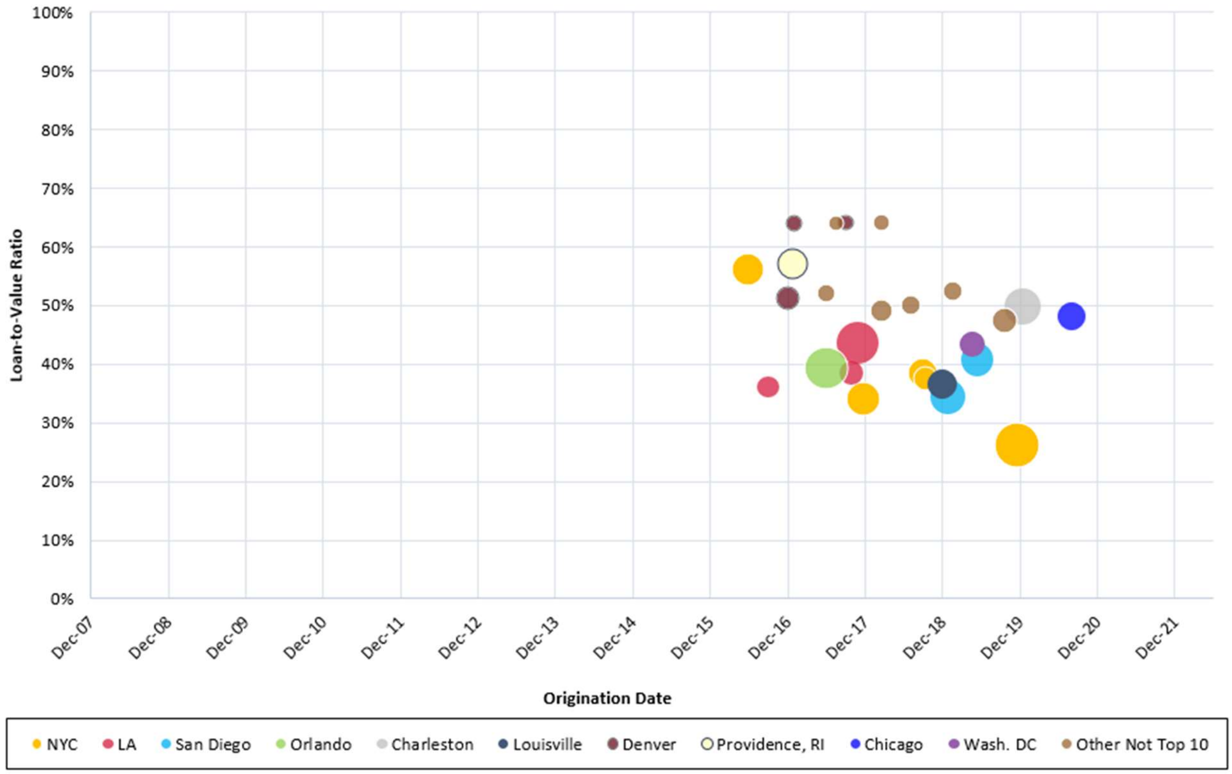



** Weighted average*

**Figure 37: RESG Hotel Portfolio by LTV & Origination Date (As of September 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 64.1% 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 57.3%, 58.1%, 65.9% and 80.9%.*

As shown in Figure 37 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 35 above, offices were the third largest component of RESG's portfolio at September 30, 2021, comprising about 13.8% of RESG's total commitments. In addition, at September 30, 2021, 21 of RESG's 37 loans on mixed use projects include an office component, with a total commitment amount allocated to offices being approximately 25% of the total mixed use portfolio. We remain cautiously optimistic about the performance of our office 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 50.1% and 41.0%, respectively, as of September 30, 2021. We expect most sponsors will continue to support these assets, if needed, until property performance returns to more normal levels. Figures 38 and 39, respectively, show the geographic distribution of RESG's office portfolio (excluding offices in mixed use projects) and other information as of September 30, 2021. During the quarter just ended, two of the 38 offices in the portfolio received new appraisals, with the weighted average LTV ratio decreasing by 2.4% for these properties. During the quarter just ended, in the RESG portfolio, two office loans paid off and five new office loans were originated.

**Figure 38: RESG Office Portfolio Diversity by Geography (As of September 30, 2021) ($ millions)**

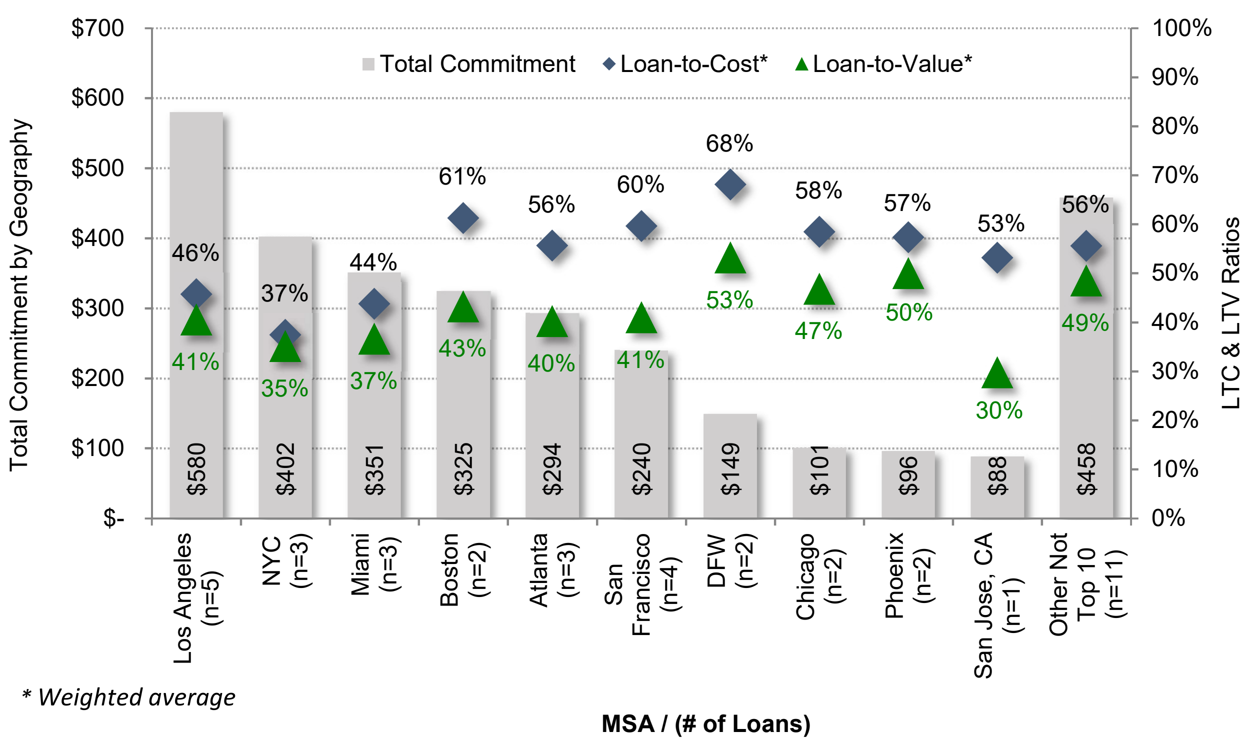
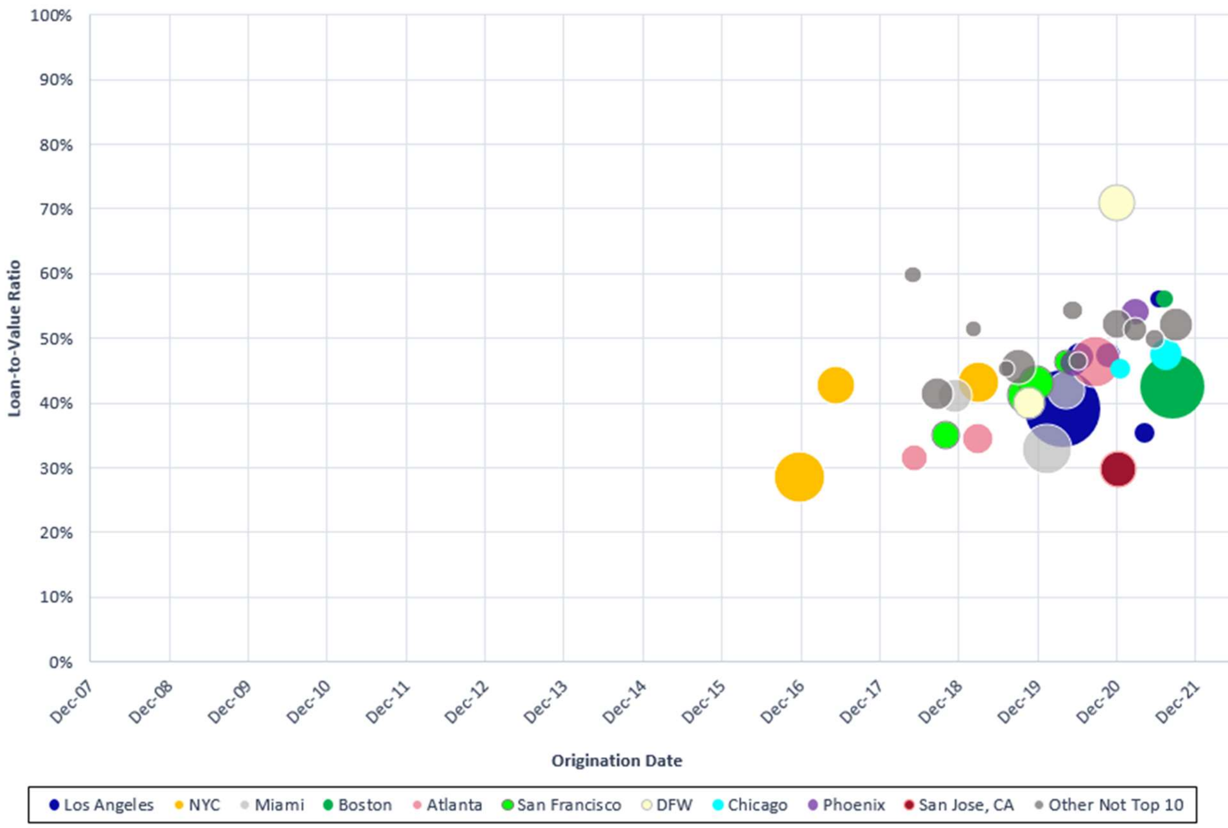


**Figure 39: RESG Office Portfolio by LTV & Origination Date (As of September 30, 2021)**

*Bubble Size Reflects Total Funded and Unfunded Commitment Amount*

*LTV Ratios Assume All Loans Are Fully Funded*



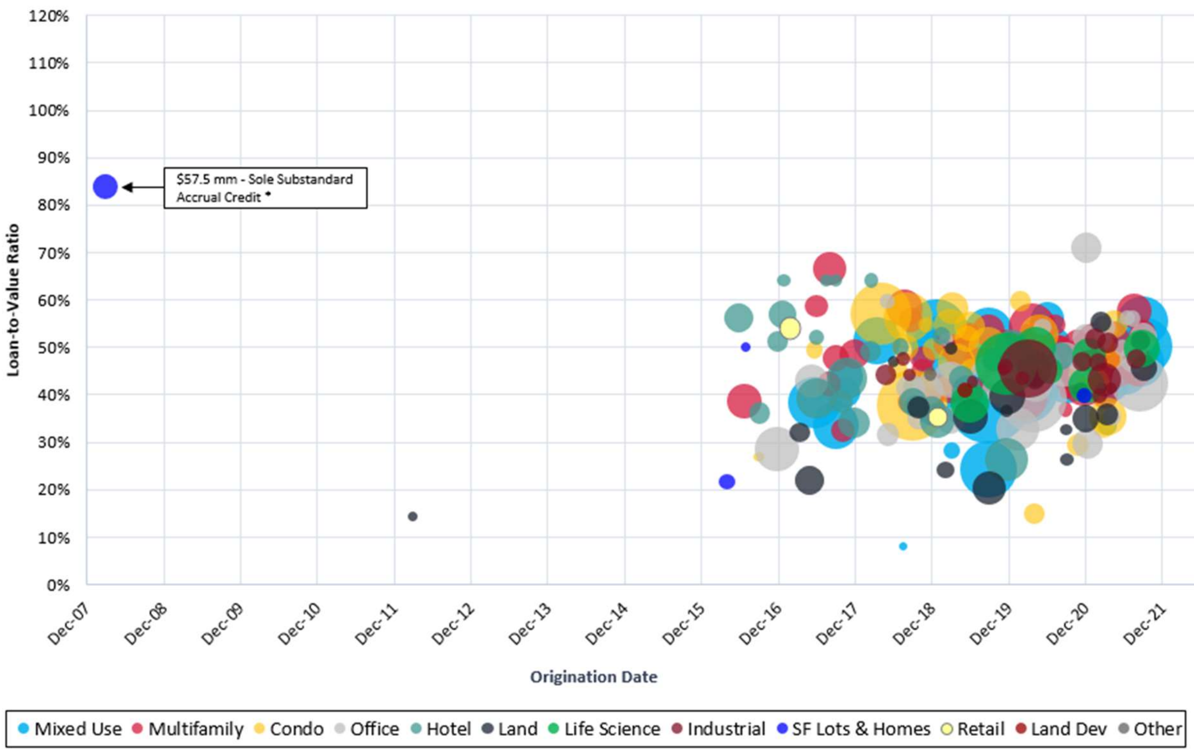

As shown in Figure 39 above, based on the most recent appraisals, one RESG office loan shows a LTV ratio of 71.0%. All other RESG office loans have LTV ratios of less than 60% based on their most recent appraisals.

Assuming full funding of every RESG loan, as of September 30, 2021, the weighted average LTC for the RESG portfolio was a conservative 51.1%, and the weighted average LTV was even lower at just 43.3%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 40. 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 40: RESG Portfolio by LTV & Origination Date (As of September 30, 2021)**

*Bubble Size Reflects Total Funded and Unfunded Commitment Amount*

*LTV Ratios Assume All Loans Are Fully Funded*



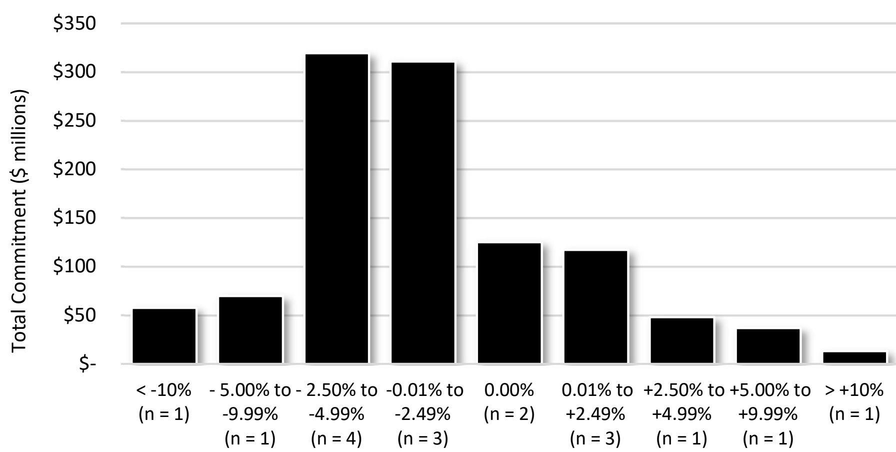

**During the third quarter of 2021, the borrower closed 1 lot sale with gross proceeds of $0.57 million. At September 30, 2021, the borrower had 21 townhomes under contract for $38.0 million. At September 30, 2021, the Bank had a total ACL of $11.5 million, or approximately 20% of the total commitment, related to this credit.*

As summarized in Figure 41, during the third quarter of 2021, updated appraisals were obtained by RESG on 17 loans with a total commitment of $1.10 billion, which were mostly loans for which a renewal or an extension was being considered. Figures 41 and 42 show the distribution of such loans, including the resulting changes in LTV as compared to the LTV as reflected at June 30, 2021 based on the previous appraised value. In summary, LTVs were relatively unchanged (plus or minus 5%) for 13 loans, LTVs decreased more than 5% for two loans and LTVs increased more than 5% for two loans. It is important to note that (i) in some cases, the September 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 June 30, 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 41: Property Type Breakdown of Appraisals Obtained in 3Q21 ($ in millions)**

| | | | Weighted Average | | |
|---|---|---|---|---|---|
| **Property Type** | **# of Loans** | **Total Commitment** | **LTV @ 6/30/21** | **LTV @ 9/30/21** | **Δ in Wtd. Avg. LTV** |
| Multifamily | 4 | $ 300 | 51.9% | 51.8% | -0.1% |
| Hotel | 2 | 201 | 40.8% | 39.2% | -1.6% |
| Office | 2 | 122 | 46.6% | 44.2% | -2.4% |
| Condo | 2 | 137 | 45.3% | 42.9% | -2.4% |
| Land | 3 | 156 | 22.0% | 23.4% | 1.4% |
| Mixed Use | 1 | 70 | 48.3% | 40.7% | -7.6% |
| SF Homes & Lots | 1 | 58 | 96.1% | 83.9% | -12.2% |
| Retail | 1 | 37 | 48.4% | 54.1% | 5.7% |
| Industrial | 1 | 18 | 47.5% | 47.5% | 0.0% |
| **Total** | **17** | **$ 1,098** | **41.6%** | **40.7%** | **-0.9%** |

**Figure 42: Distribution of RESG LTV Changes Following Appraisals Obtained in 3Q21 ($ in millions)**

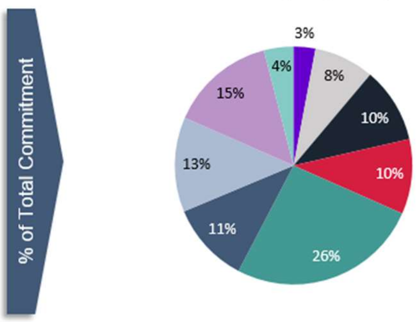


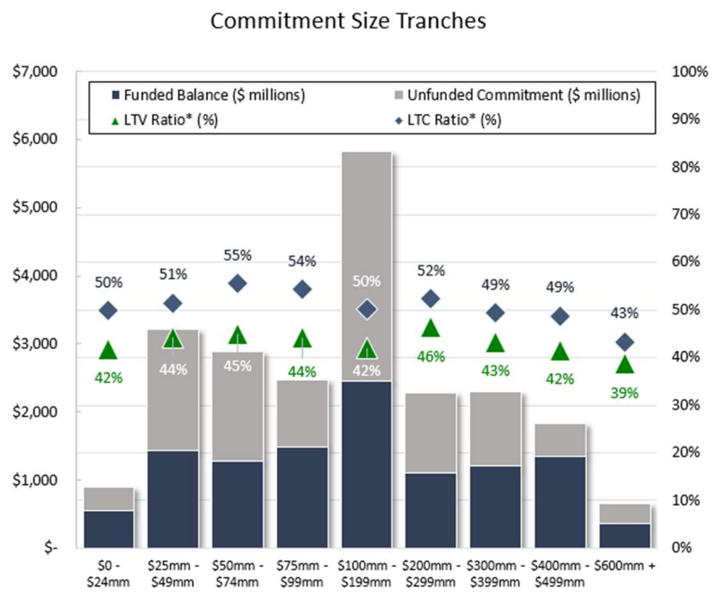
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 43.

**Figure 43: RESG Portfolio Stratification by Loan Size - Total Commitment (As of September 30, 2021)**

*($ millions)*

| Tranche | No. of Loans | Funded Balance | Total Commitment |
|---|---|---|---|
| $600mm + | 1 | $ 371 | $ 664 |
| $400mm - $499mm | 4 | 1,348 | 1,833 |
| $300mm - $399mm | 7 | 1,212 | 2,296 |
| $200mm - $299mm | 10 | 1,113 | 2,280 |
| $100mm - $199mm | 44 | 2,463 | 5,826 |
| $75mm - $99mm | 29 | 1,493 | 2,466 |
| $50mm - $74mm | 47 | 1,280 | 2,882 |
| $25mm - $49mm | 87 | 1,437 | 3,222 |
| $0 - $24mm | 51 | 559 | 900 |
| **Total** | **280** | **$ 11,276** | **$ 22,369** |




** 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 fourth quarter 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.

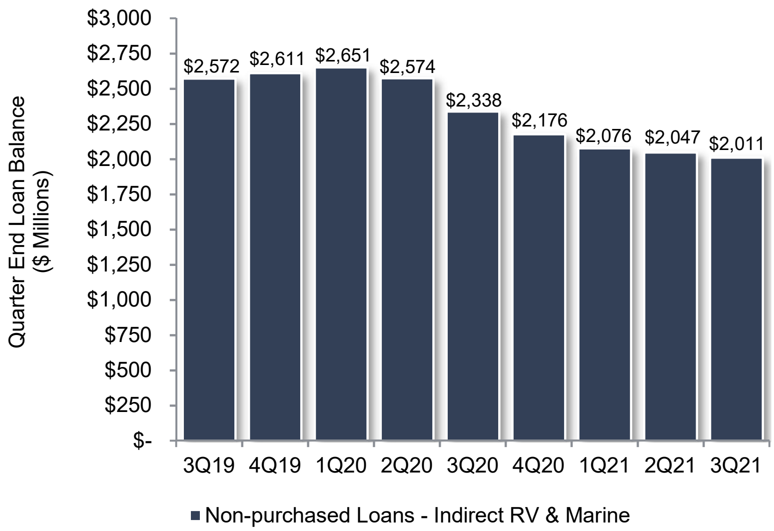
As we have discussed in recent quarters, we continue to look for ways to increase the diversification of our loan portfolio and expand our lending team. During the third quarter, we hired a seasoned banking leader to build our new Equipment Finance and Capital Solutions Group. This new group will provide a full array of equipment-oriented collateral products, including equipment finance and lease structures. This group is in addition to the new Asset Based Lending Group that we started in the second quarter of 2021. We expect both new lending groups will continue to build out their teams, and that they will begin to contribute to loan originations at a modest level in coming quarters with the expectation that their growth will accelerate to a more meaningful level in future years.

Our Corporate & Business Specialties Group ("CBSG") 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 more meaningful contributor to growth in 2022, although its growth may be somewhat offset by continued pay downs in our remaining $71 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 $71 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 and so far in 2021. Specifically, during 2020 the portfolio balance decreased $435 million, or 16.7%, and, for the first nine months of 2021, the portfolio balance decreased $165 million, or 7.6% not annualized. During 2020, we implemented enhancements to our underwriting and pricing with the expectation that we will maintain or improve on the portfolio's already excellent credit quality while increasing our profit margins. We have slowly gained momentum with this enhanced business plan, and we hope to see net growth in this portfolio resuming sometime 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 September 30, 2021, the non-purchased indirect portfolio had an average loan size of approximately $90,000 and a 30+ day delinquency ratio of nine bps. For the third quarter and first nine months of 2021, our annualized net charge-off ratio for the non-purchased indirect portfolio was 10 bps and 24 bps, respectively. Figure 44 provides additional details regarding this portfolio.

**Figure 44: Indirect RV & Marine Outstanding Non-purchased Loan Balances**



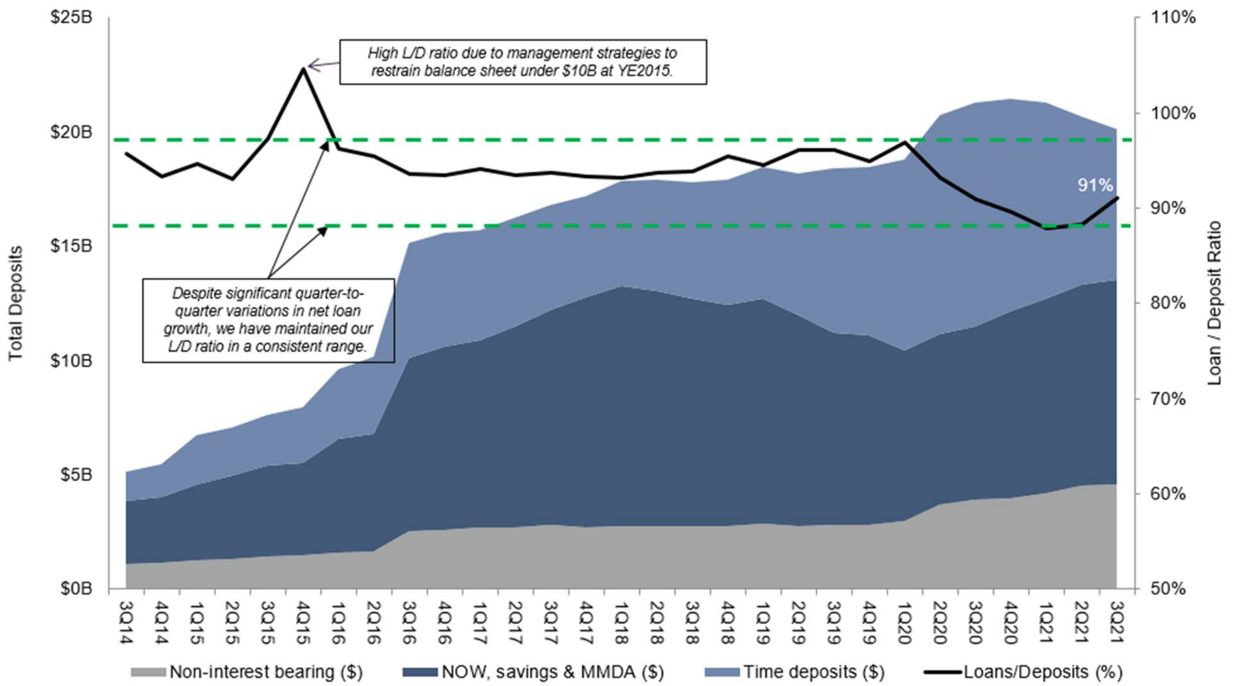

| RV Portfolio - as of 9/30/21 | | |
|---|---|---|
| **Loan Size** | **Total #** | **$ thousands** |
| $1 million + | - | $ - |
| $750k - $999k | - | - |
| $250k - $749k | 416 | 128,690 |
| $50k - $249k | 9,143 | 974,056 |
| < $50k | 6,052 | 153,782 |
| **Total** | **15,611** | **$ 1,256,528** |

| Marine Portfolio - as of 9/30/21 | | |
|---|---|---|
| **Loan Size** | **Total #** | **$ thousands** |
| $1 million + | 38 | $ 71,564 |
| $750k - $999k | 28 | 24,030 |
| $250k - $749k | 351 | 136,281 |
| $50k - $249k | 4,135 | 444,235 |
| < $50k | 2,585 | 78,267 |
| **Total** | **7,137** | **$ 754,379** |

**Liquidity**

We believe that we have significant capacity for future deposit growth in our existing network of 232 branches. We have successfully increased our overall deposits as needed to fund our earning asset growth. Our loan-to-deposit ratio was 91% at September 30, 2021, within our historical range of 89% to 99%. As Figure 45 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 297% from $6.6 billion at September 30, 2014 to $26.1 billion at September 30, 2021.

**Figure 45: 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 46. As shown below, 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 46: Deposits by Customer Type ($ millions)**

| | Period Ended | | | | | |
|---|---|---|---|---|---|---|
| | 9/30/2020 | | 12/31/2020 | | 9/30/2021 | |
| Consumer | $ 10,909 | 51.2% | $ 11,166 | 52.1% | $ 10,186 | 50.7% |
| Commercial | 5,963 | 28.0% | 6,057 | 28.2% | 6,502 | 32.3% |
| Public Funds | 2,331 | 10.9% | 2,112 | 9.8% | 2,028 | 10.1% |
| Brokered | 1,580 | 7.4% | 1,600 | 7.5% | 895 | 4.5% |
| Reciprocal | 504 | 2.5% | 516 | 2.4% | 491 | 2.4% |
| Total | $ 21,287 | 100.0% | $ 21,451 | 100.0% | $ 20,102 | 100.0% |

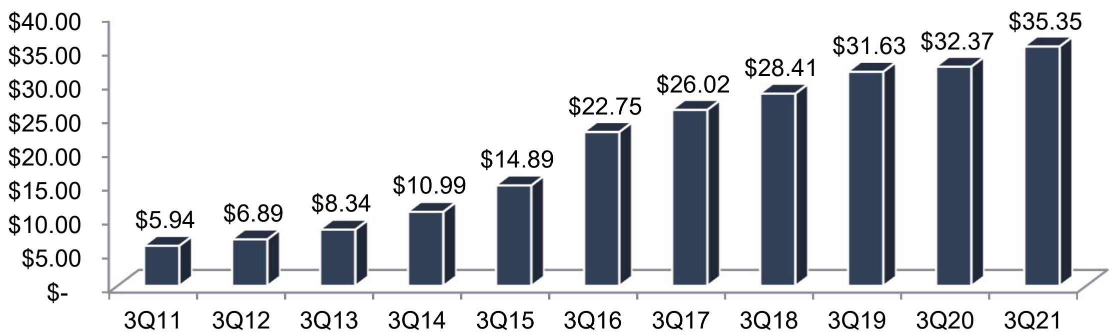
**Stock Repurchase Program**

In July 2021, we adopted a stock repurchase program for a maximum amount of $300 million. We implemented the share repurchase program on July 27, 2021 and, during the quarter just ended, repurchased 888,567 shares at a weighted average cost of $41.61, for a total of $37.0 million. We will likely be more active with our stock repurchase program during the fourth quarter of 2021, since our program will be in effect for the entire quarter. Of course, the timing and amount of additional repurchases made pursuant to the repurchase program will be determined by management based on a variety of factors, including general market conditions, the Bank’s capital position, liquidity, financial performance and alternative uses of capital, stock trading price, regulatory requirements and other factors. The repurchase program may be suspended by the Bank at any time.

**Capital and Dividends**

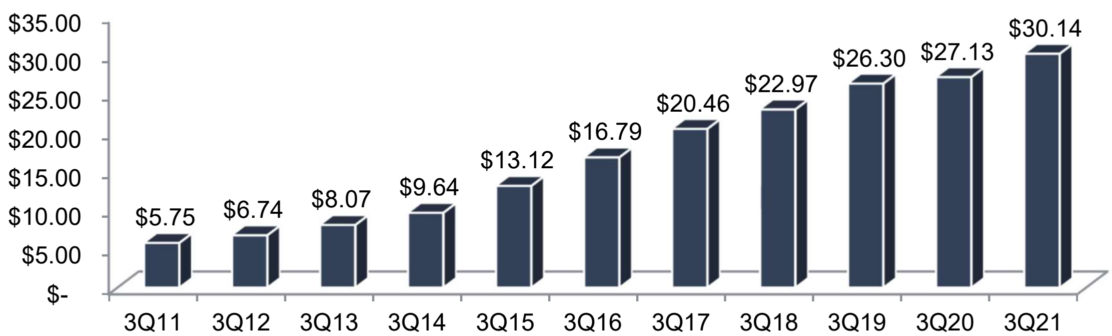
During the quarter just ended, our book value per common share increased to $35.35 compared to $34.70 as of June 30, 2021 and $32.37 as of September 30, 2020. Over the last 10 years, we have increased book value per common share by a cumulative 495%, resulting in a compound annual growth rate of 19.5%, as shown in Figure 47.

**Figure 47: Book Value per Share (Period End)**




During the quarter just ended, our tangible book value per common share increased to $30.14 compared to $29.52 as of June 30, 2021 and $27.13 as of September 30, 2020. Over the last 10 years, we have increased tangible book value per common share by a cumulative 424%, resulting in a compound annual growth rate of 18.0%, as shown in Figure 48.

**Figure 48: 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 49, which are among the strongest in 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

[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.

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 continued stock repurchases. Even though our total loan balances will likely decline 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 49: Capital Ratios**

| | Estimated 9/30/2021 [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 | 17.30% | 10.00% | 7.30% |
| Tier 1 Leverage | 15.20% | 5.00% | 10.20% |

We have increased our cash dividend in each of the last 45 quarters and every year since going public in 1997. We expect that we will likely continue to increase our cash dividend in future quarters.

### Effective Tax Rate

Our effective tax rate for the quarter just ended was 23.8%, and for the first nine months of 2021 was 23.2%. 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.

### Final Thoughts

We are pleased to report our highest level of quarterly RESG loan originations since 2017 along with record net interest income for the quarter just ended. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the future.

[4] Ratios as of September 30, 2021 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

## 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 * | | | Nine Months Ended * | |
|---|---|---|---|---|---|
| | 9/30/2020 | 6/30/2021 | 9/30/2021 | 9/30/2020 | 9/30/2021 |
| Net Income Available To Common Stockholders | $ 109,253 | $ 150,535 | $ 130,290 | $ 171,385 | $ 429,240 |
| Average Common Stockholders' Equity Before Noncontrolling Interest | $ 4,148,409 | $ 4,423,093 | $ 4,530,995 | $ 4,125,578 | $ 4,421,240 |
| Less Average Intangible Assets: | | | | | |
| Goodwill | (660,789) | (660,789) | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangibles, net of accumulated amortization | (17,461) | (12,175) | (10,617) | (19,803) | (12,195) |
| Total Average Intangibles | (678,250) | (672,964) | (671,406) | (680,592) | (672,984) |
| Average Tangible Common Stockholders' Equity | $ 3,470,159 | $ 3,750,129 | $ 3,859,589 | $ 3,444,986 | $ 3,748,256 |
| Return On Average Common Stockholders' Equity | 10.48% | 13.65% | 11.41% | 5.55% | 12.98% |
| Return On Average Tangible Common Stockholders' Equity | 12.52% | 16.10% | 13.39% | 6.65% | 15.31% |

## Calculation of Tangible Book Value per Share

Unaudited (Dollars in Thousands, Except per Share)

| | As of September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Total common stockholders' equity before noncontrolling interest | $ 406,945 | $ 477,851 | $ 612,338 | $ 875,578 | $ 1,314,517 | $ 2,756,346 |
| Less intangible assets: | | | | | | |
| Goodwill | (5,243) | (5,243) | (5,243) | (78,669) | (128,132) | (657,806) |
| Core deposit and other intangibles, net of accumulated amortization | (7,473) | (5,437) | (14,796) | (28,439) | (28,624) | (64,347) |
| Total intangibles | (12,716) | (10,680) | (20,039) | (107,108) | (156,756) | (722,153) |
| Total tangible common stockholders' equity | $ 394,229 | $ 467,171 | $ 592,299 | $ 768,470 | $ 1,157,761 | $ 2,034,193 |
| Common shares outstanding (thousands) | 68,554 | 69,330 | 73,404 | 79,705 | 88,265 | 121,134 |
| Book value per common share | $ 5.94 | $ 6.89 | $ 8.34 | $ 10.99 | $ 14.89 | $ 22.75 |
| Tangible book value per common share | $ 5.75 | $ 6.74 | $ 8.07 | $ 9.64 | $ 13.12 | $ 16.79 |

| | As of September 30, | | | | | As of |
|---|---|---|---|---|---|---|
| | 2017 | 2018 | 2019 | 2020 | 2021 | June 30, 2021 |
| Total common stockholders' equity before noncontrolling interest | $ 3,334,740 | $ 3,653,596 | $ 4,078,324 | $ 4,186,285 | $ 4,553,240 | $ 4,501,676 |
| Less intangible assets: | | | | | | |
| Goodwill | (660,789) | (660,789) | (660,789) | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangibles, net of accumulated amortization | (51,396) | (38,817) | (26,608) | (16,462) | (9,791) | (11,336) |
| Total intangibles | (712,185) | (699,606) | (687,397) | (677,251) | (670,580) | (672,125) |
| Total tangible common stockholders' equity | $ 2,622,555 | $ 2,953,990 | $ 3,390,927 | $ 3,509,034 | $ 3,882,660 | $ 3,829,551 |
| Common shares outstanding (thousands) | 128,174 | 128,609 | 128,946 | 129,342 | 128,818 | 129,720 |
| Book value per common share | $ 26.02 | $ 28.41 | $ 31.63 | $ 32.37 | $ 35.35 | $ 34.70 |
| Tangible book value per common share | $ 20.46 | $ 22.97 | $ 26.30 | $ 27.13 | $ 30.14 | $ 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.*