Bank OZK

Nasdaq: OZK | November 9, 2023

# *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 hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices, or integrating any acquisitions; the availability of and access to capital; possible downgrades in 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 deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on 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; conditions within the banking industry, including the effects of recent failures of other financial institutions; recently enacted and potential laws and regulatory requirements or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks or changes in the interpretation and enforcement of such laws and requirements, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business or others, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank, its customers or others; natural disasters; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflict, including the conflict in the Middle East and the ongoing war in Ukraine; the competition and costs of recruiting and retaining human talent; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this 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, 2022 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.*

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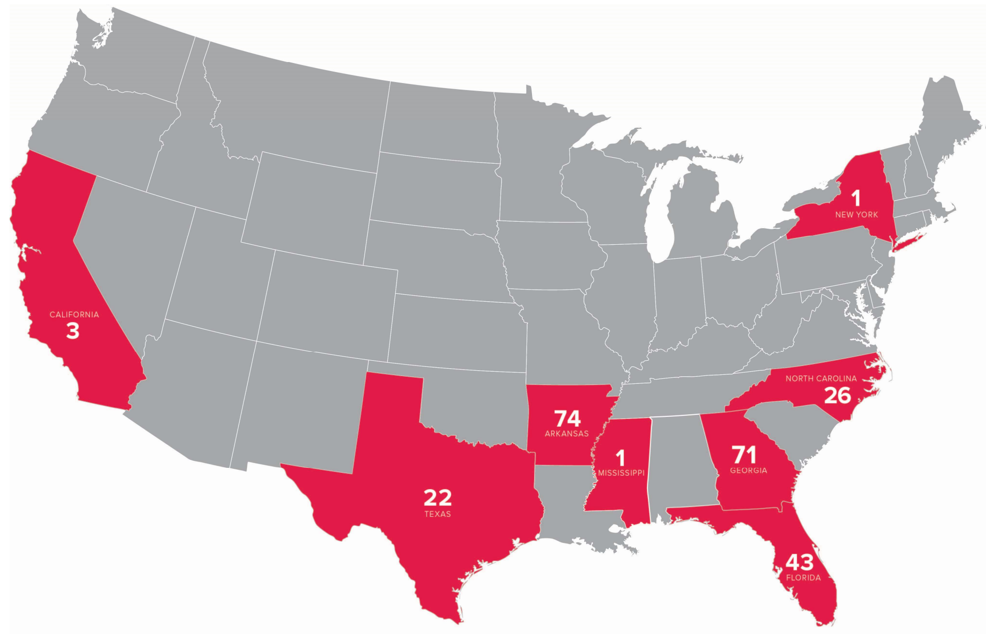
# Bank OZK (Nasdaq: OZK) – At a Glance

Bank OZK is a high-performing regional bank with deep expertise in specialized lending businesses nationwide. It operates through 229 retail branches in Arkansas, Georgia, Florida, North Carolina and Texas and 12 loan production offices.

## Recent Financial Highlights*

| | |
|---|---|
| ▪ Total Assets | $32.8 billion |
| ▪ Total Loans | $25.3 billion |
| ▪ Total Deposits | $25.6 billion |
| ▪ Total Common Stockholders' Equity | $4.56 billion |
| ▪ 9M23 Net Interest Margin | 5.29% |
| ▪ 9M23 Efficiency Ratio | 33.1% |
| ▪ 9M23 Net Charge-off Ratio** | 0.15% |
| ▪ 9M23 Return on Average Assets** | 2.26% |
| ▪ 9M23 Return on Average TCE**+ | 17.7% |
| ▪ TCE / TA Ratio+ | 12.2% |




* As of September 30, 2023
** Annualized
+ The calculation of the Bank's tangible common stockholders' equity ("TCE") and the reconciliation to GAAP are included in the schedule at the end of this presentation.

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# Third Quarter 2023 Key Highlights

- **Record Quarterly Net Income Available to Common Stockholders & Diluted Earnings Per Common Share** of $169.7 million and $1.49, increases of 32.3% and 38.0%, respectively, compared to the third quarter of 2022.
- **Record Quarterly Pre-tax Pre-provision Net Revenue* ("PPNR")** of $264.0 million.
- **Record Quarterly Net Interest Income** of $367.3 million.
- **Record Loan Balances** – Outstanding loans were $25.33 billion, increasing $1.72 billion, or 7.3% not annualized, during the quarter.
- **Record Deposit Balances** – Deposits were $25.55 billion, increasing $1.57 billion, or 6.5% not annualized, during the quarter.
- **Liquidity** – Available primary and secondary liquidity sources totaled $10.3 billion.
- **Asset Quality** – Our annualized net charge-off ratio for total loans was 0.15% and our quarter end ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets were 0.25% and 0.40%, respectively.
- **Efficiency Ratio** of 32.6%, among the best in the industry.
- **Capital** – Our common stockholders' equity ratio and tangible common stockholders' equity ratio** were 13.9% and 12.2%, respectively, at September 30, 2023. At September 30, 2023, our book value and tangible book value per common shares were $40.35 and $34.50, respectively, increases of 13.1% and 14.9% from September 30, 2022.
- **Dividends** – We recently increased our dividend on common stock for the 53rd consecutive quarter.

** The calculation of the Bank's PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedule at the end of this presentation.*
*** The calculation of the Bank's tangible common stockholders' equity and tangible book value per share and the reconciliation to GAAP are included in the schedule at the end of this presentation.*

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# Expertise in Key Lending Verticals Contributes to Our Favorable Asset Quality

We conduct extensive lending operations through our network of 229 branches and 12 loan production offices:

- Real Estate Specialties Group (“RESG”) is a nationally recognized leader in commercial real estate construction and development finance.
- Our Community Bank originates loans through commercial (generalist) lenders and specialty lending teams.
- Indirect RV & Marine lending is a nationwide business originating consumer loans through an extensive dealer network.
- Other lending teams with a national focus include our Asset Based Lending Group (“ABLG”) and our Corporate and Business Specialties Group (“CBSG”).



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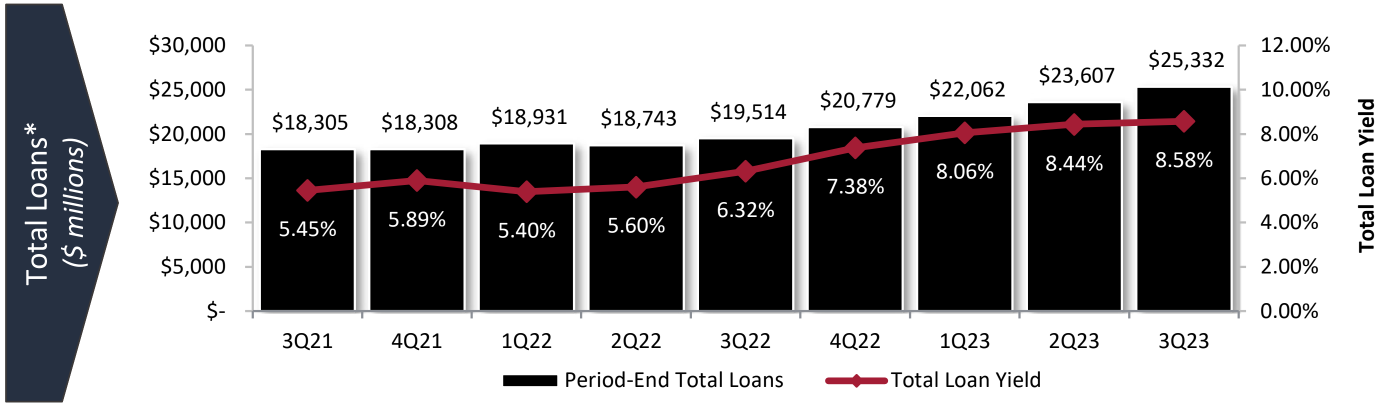
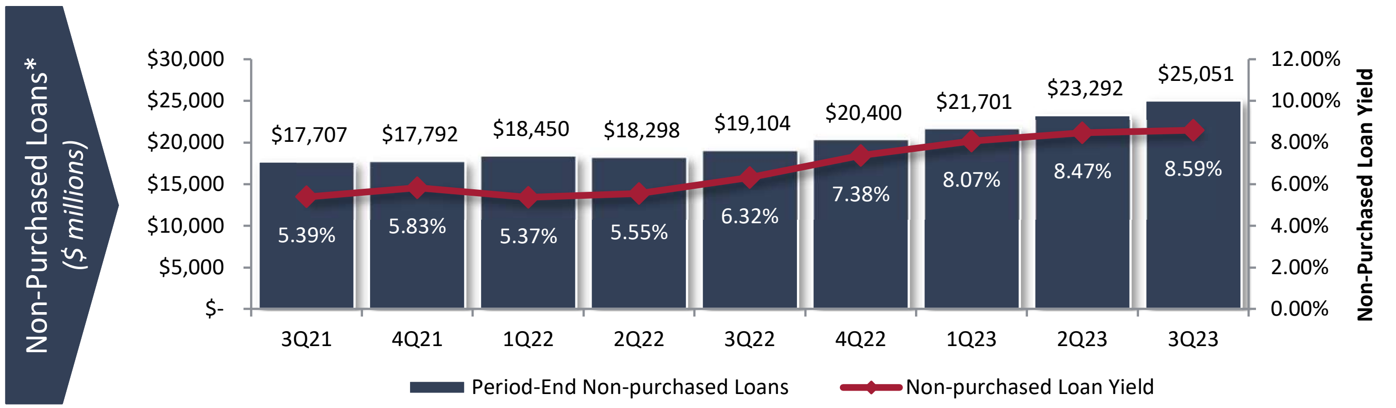
# Loans Are Our Largest Category of Earning Assets

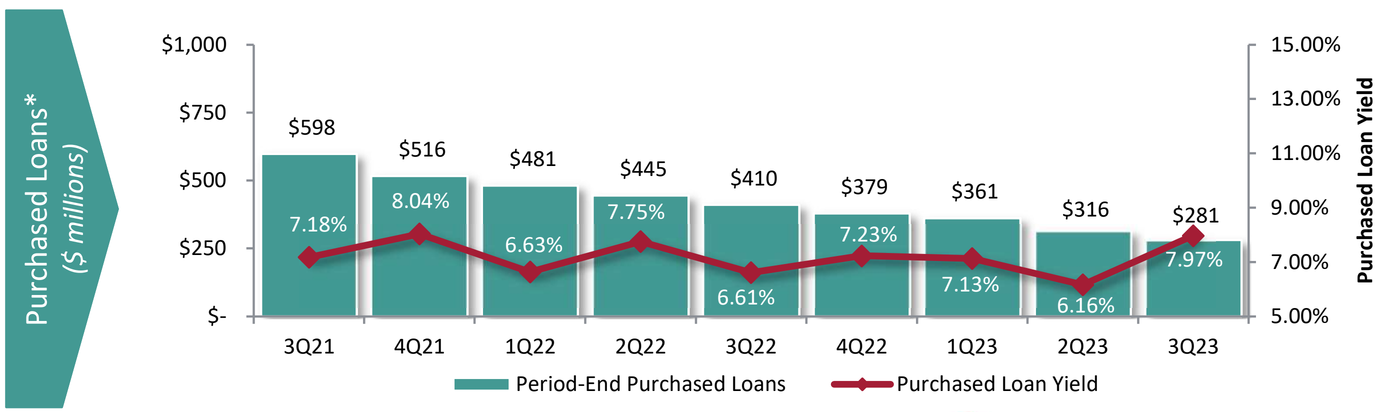
**Strong Loan Portfolio Growth Combined with Excellent Yields and Favorable Asset Quality**

Our period-end balance of total loans at September 30, 2023 was a record $25.33 billion, having increased $5.82 billion, or 29.8%, from September 30, 2022 and $1.72 billion, or 7.3% not annualized, from June 30, 2023.

During the first nine months of this year, our total loans grew $4.55 billion, or 21.9% not annualized, and we expect continued growth in total loans in the fourth quarter of 2023.




** Period End Totals*

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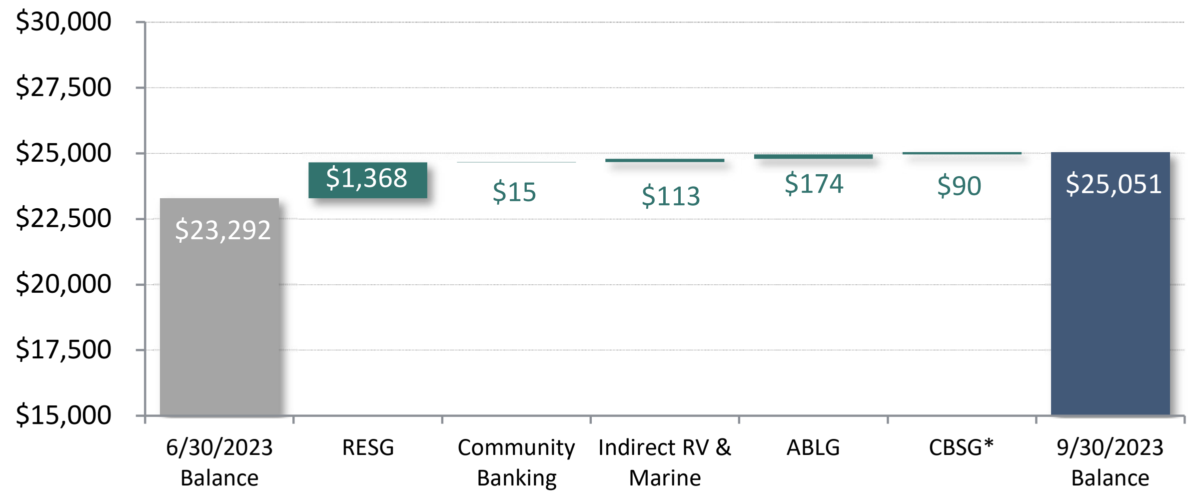
# Expert Lending Teams Driving Diversified Growth

## Non-purchased Loans by Lending Group

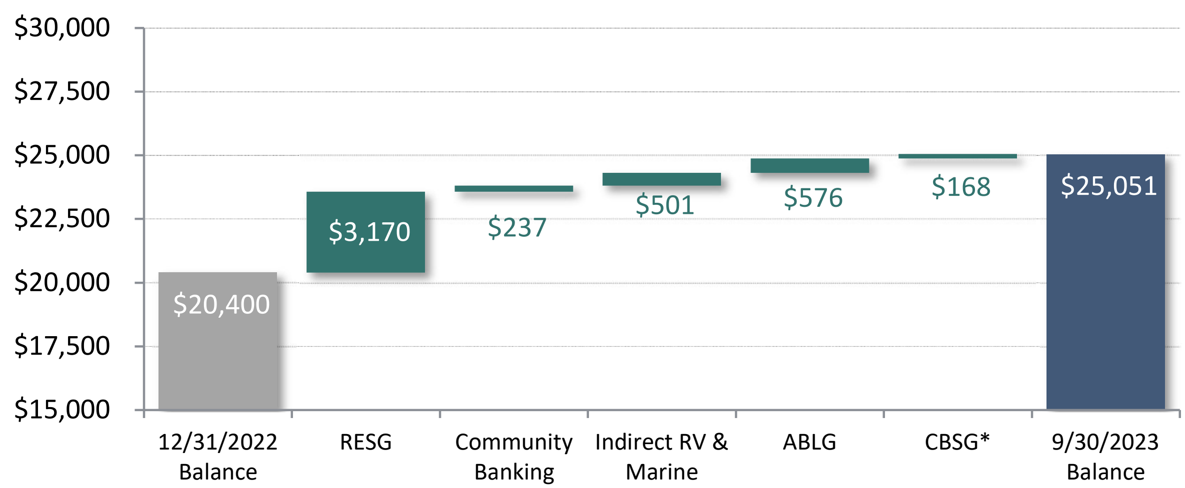
In the quarter just ended, Real Estate Specialties Group ("RESG") was the largest contributor to non-purchased loan growth. Community Banking, Indirect RV & Marine, Asset Based Lending Group ("ABLG") and Corporate and Business Specialties Group ("CBSG"), collectively, continued to contribute to our long-term growth and portfolio diversification.

| | 9/30/2023 Balances | |
|---|---|---|
| | *$ millions* | *%* |
| RESG | $ 15,769 | 63% |
| Community Banking | 5,029 | 20% |
| Indirect Lending | 2,831 | 11% |
| ABLG | 1,058 | 4% |
| CBSG | 365 | 2% |
| **Total** | **$ 25,051** | **100%** |

3rd Quarter of 2023
*($ millions)*




First Nine Months of 2023
*($ millions)*




** CBSG is a team focused on subscription finance, other secured non-real estate lending opportunities, and our small shared national credit portfolio.*

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# Growth, Growth & Diversification

*Our "**Growth, Growth & Diversification**" strategy allows us to capitalize on the unique strengths and expertise of RESG, while continuing to ramp up growth in other lending teams contributing to long-term portfolio diversification.*

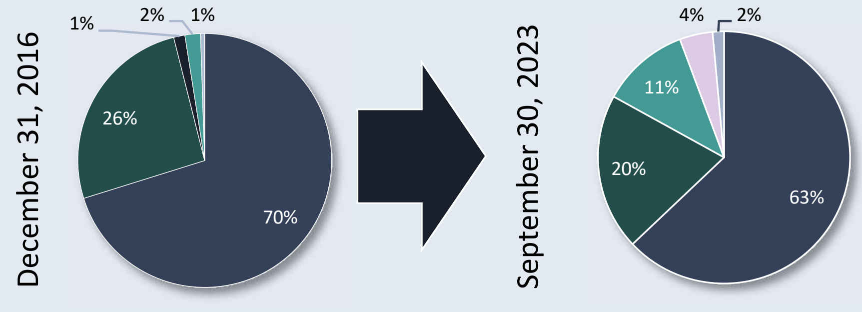
***Growth** in RESG - We want to continue to grow our RESG portfolio.*

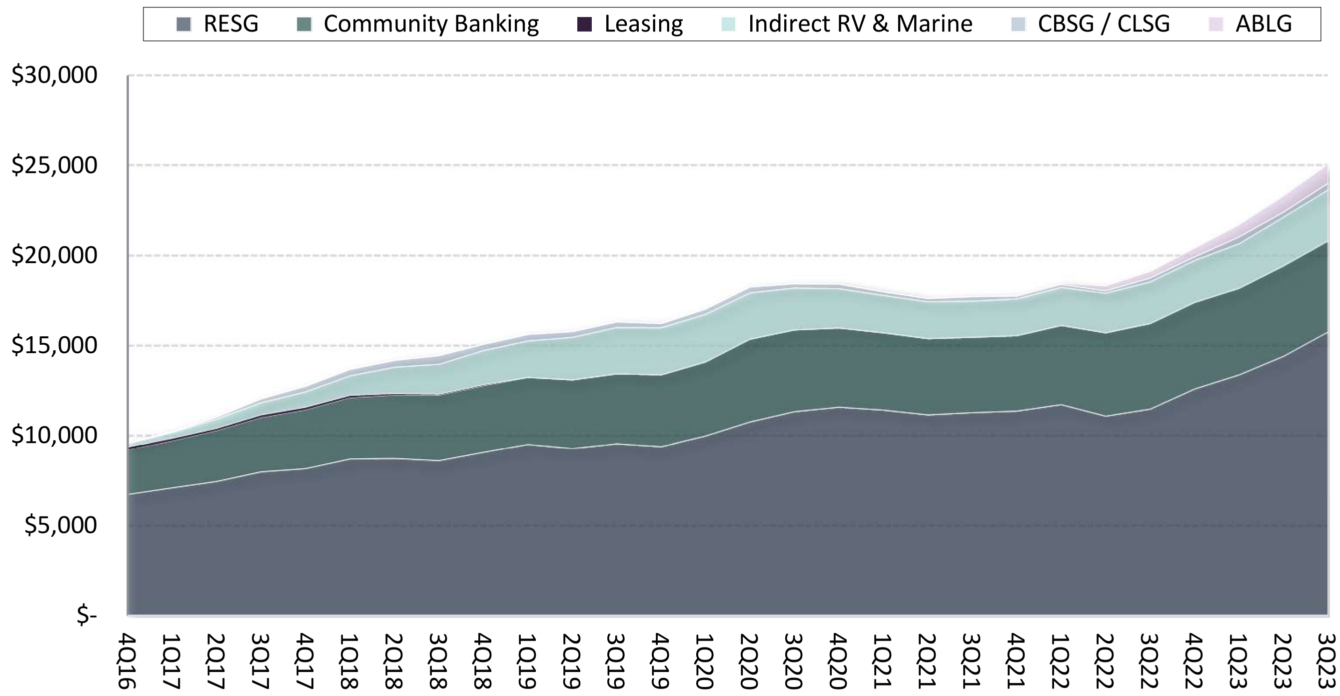
***Growth** in Other Portfolios - We also want to continue to achieve greater portfolio diversification through growth in our Community Banking, Indirect RV & Marine, CBSG and ABLG portfolios. We have good momentum with each of those teams.*

***Diversification** - While RESG's percentage of our total loans may increase in the near term due to a combination of factors, including funding of RESG's record 2022 level of originations and slower loan repayments in the current high-interest rate environment, we expect to achieve greater portfolio diversification in future years.*

*We want to continue to enhance long-term loan portfolio diversification while not limiting RESG's excellent loan growth potential.*

Even as our outstanding balance of RESG loans has continued to reach record levels in recent quarters, RESG's percentage of our total non-purchased loans has declined from a peak of 70% at year-end 2016 to 63% as of September 30, 2023.



# RESG – Nationally Recognized Industry Leader

## Portfolio Importance

RESG Loans at September 30, 2023 accounted for:

- 63% of our funded non-purchased loans
- 81% of our unfunded closed loans
- 71% of our total funded and unfunded balances of non-purchased loans

## RESG Business Model Reduces Credit Risk

- We are the sole senior secured lender giving us the lowest risk position in the capital stack
- Our transactions typically include some combination of four important factors:
  - Strong & capable sponsors, preferred equity and mezz debt providers
  - Marquee projects
  - Low leverage with substantial equity and mezz debt (all "equity" relative to our senior secured position)
  - Defensive loan structure providing substantial protection to the bank
- Over RESG's 20-year history, asset quality has been excellent with a weighted average annual net charge-off ratio (including OREO write-downs) of only 8 bps.

## Portfolio Statistics – as of September 30, 2023

| | |
|---|---|
| Total funded | $15.77 Billion |
| Total funded & unfunded | $32.64 Billion |
| Loan-to-cost ("LTC") ratio | 53% * |
| Loan-to-value ("LTV") ratio | 43% * |

**Weighted average; assumes all loans are fully funded; LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties*

## RESG's Life of Loan Focus

- **Thorough underwriting** including detailed modeling and testing for economic stress, interest rate stress, exit refinancing stress and cap rate stress
- **Rigorous economic analysis** including supply and demand metrics for the relevant market, submarket and micro-market, as appropriate
- **Comprehensive and consistent documentation** under the supervision of RESG's in-house legal team in coordination with outside counsel
- An emphasis on **precision at closing** handled by RESG's team of closers and paralegals
- Thorough **life-of-loan asset management** by teams of skilled asset managers

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# Recent Trends in RESG Loan Originations and Repayments

## Quarterly RESG Originations ($ billions)

| | Q1 | Q2 | Q3 | Q4 | Total* |
|---|---|---|---|---|---|
| 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 | $2.99 | $7.94 |
| FY2022 | $3.14 | $3.53 | $4.35 | $2.81 | $13.82 |
| FY2023 | $1.81 | $1.41 | $1.95 | | $5.17 |

**9M23 Not Annualized*

- RESG loan originations were $1.95 billion in the third quarter of 2023.
- RESG loan originations for the first nine months of 2023 were $5.17 billion following record origination volume in 2022.
- Given the typical lag between RESG originations and the funding of such loans, the record 2022 origination volume should continue to contribute meaningfully to funded loan growth in the remainder of 2023 and 2024.
- RESG origination volume in the fourth quarter of 2023 is expected to be the highest of the year, with full year origination volume likely to be around the level achieved in 2021.
- Origination volume may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

## Quarterly RESG Loan Repayments & Other Activity ($ billions)

| | Q1 | Q2 | Q3 | Q4 | Total* |
|---|---|---|---|---|---|
| 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 | $1.72 | $6.22 |
| FY2022 | $1.31 | $2.34 | $1.28 | $0.72 | $5.65 |
| FY2023 | $0.91 | $1.03 | $1.10 | | $3.04 |

**9M23 Not Annualized*

- RESG's loan repayments and other activity were $1.10 billion in the quarter just ended and $3.04 billion for the first nine months of 2023.
- RESG loan repayments have been subdued for the first nine months of 2023 as many sponsors have been carefully monitoring interest rates and refinance market conditions to determine when to move projects from construction financing to bridge or permanent loans.
- RESG loan repayments may vary substantially from quarter to quarter and may have an outsized impact on our outstanding loan balances in one or more quarters.

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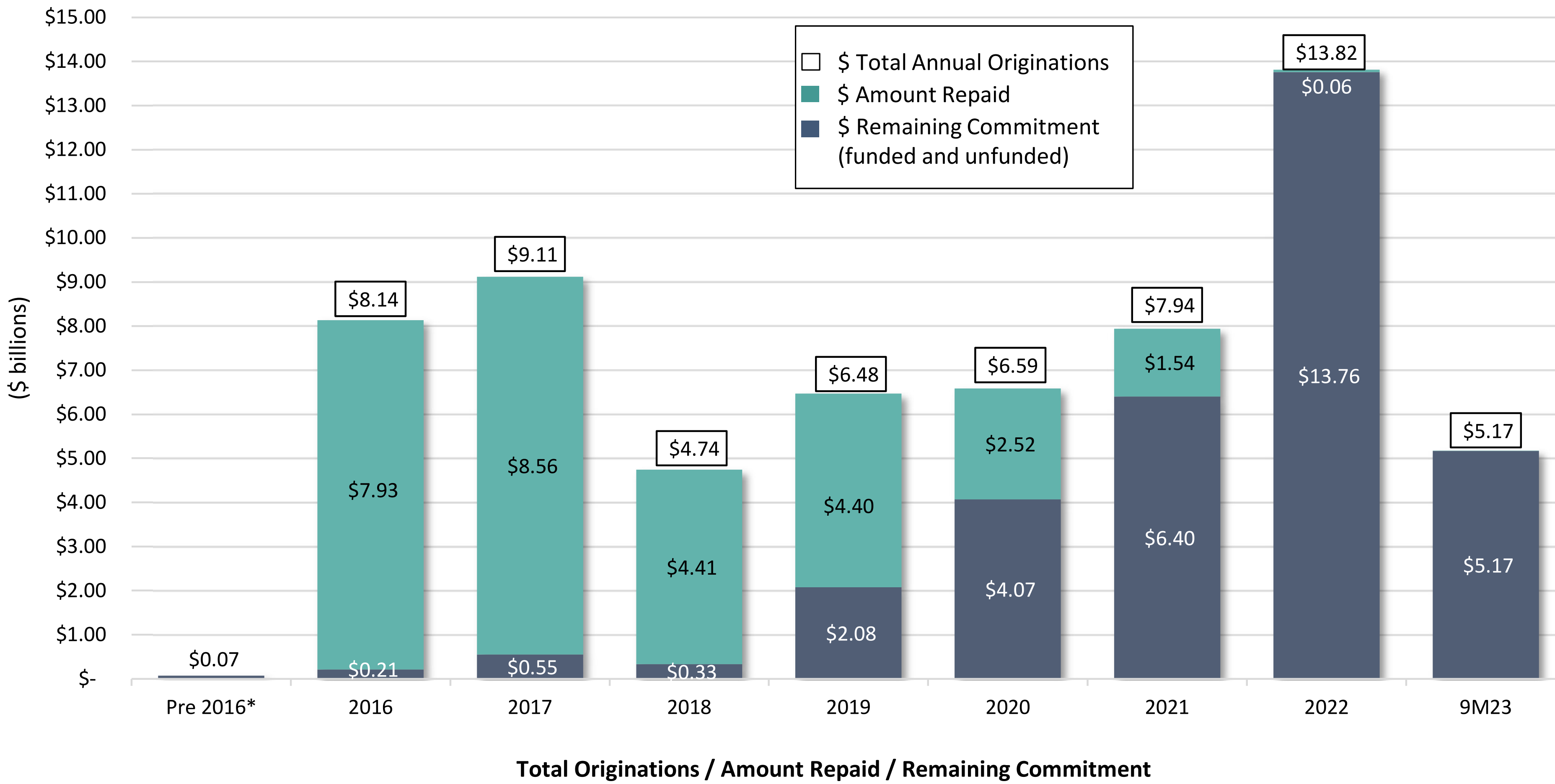
# Cadence of RESG Originations and Repayments - by Year of Origination

The table below shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded, as of September 30, 2023.



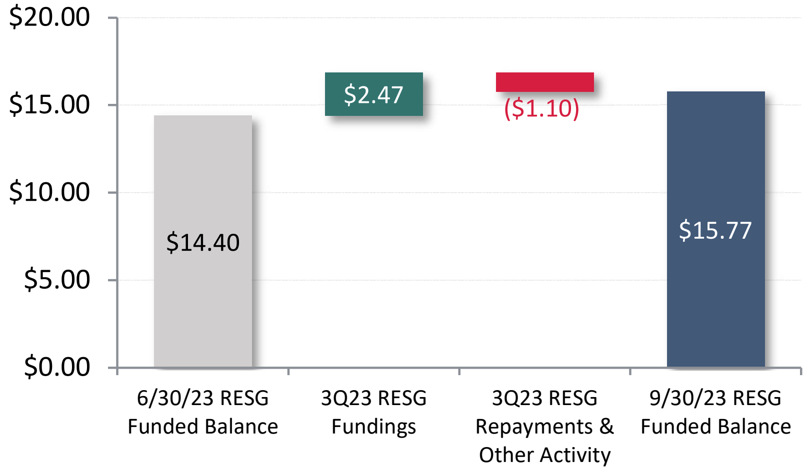

** Amounts repaid are not shown for pre-2016 originations*

# Changes in the Funded Balance of RESG Loans and Our Total Unfunded Balance for the Third Quarter and First Nine Months of 2023

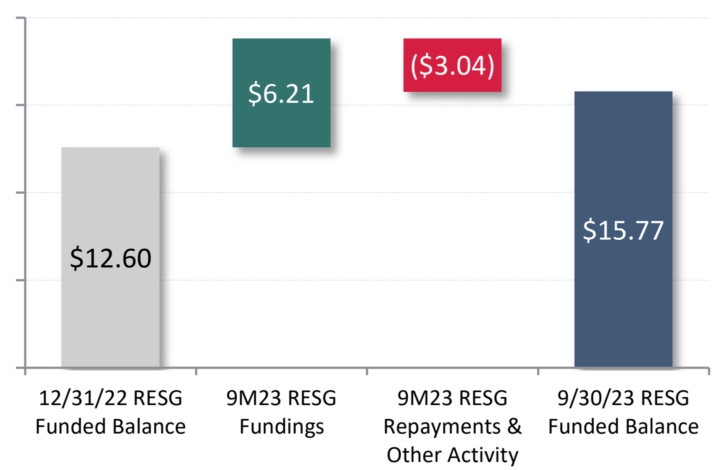
## Activity in RESG Funded Balances

*($ billions)*

### Third Quarter of 2023



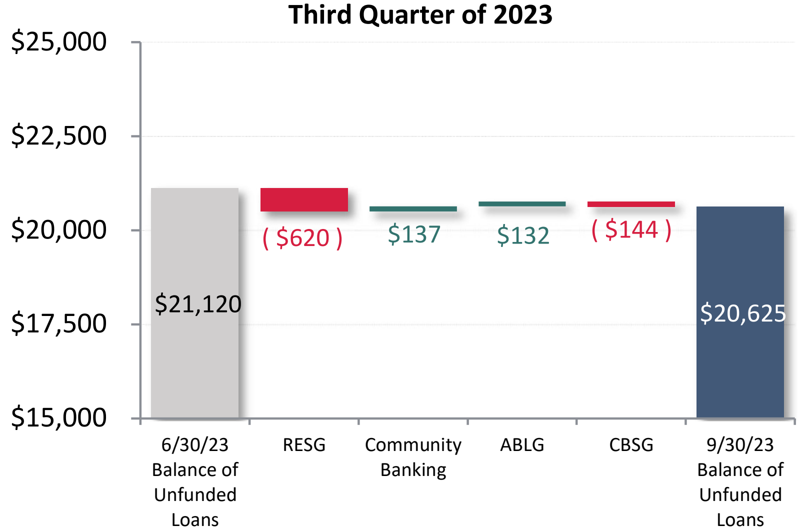

### First Nine Months of 2023



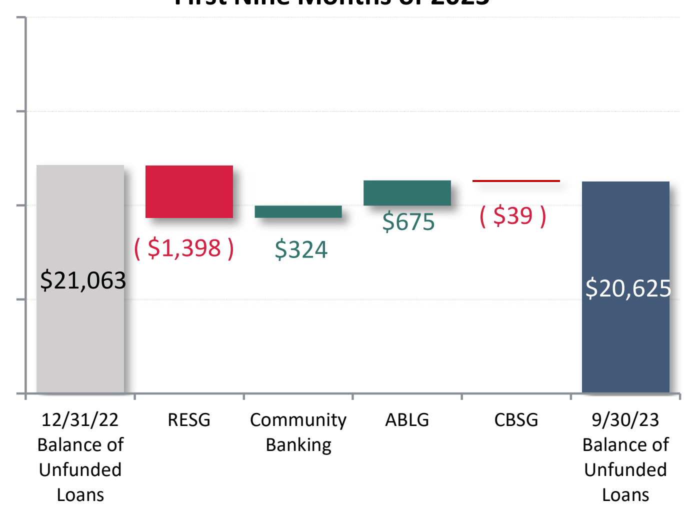

## Activity in Total Unfunded Balances

*($ millions)*

### Third Quarter of 2023



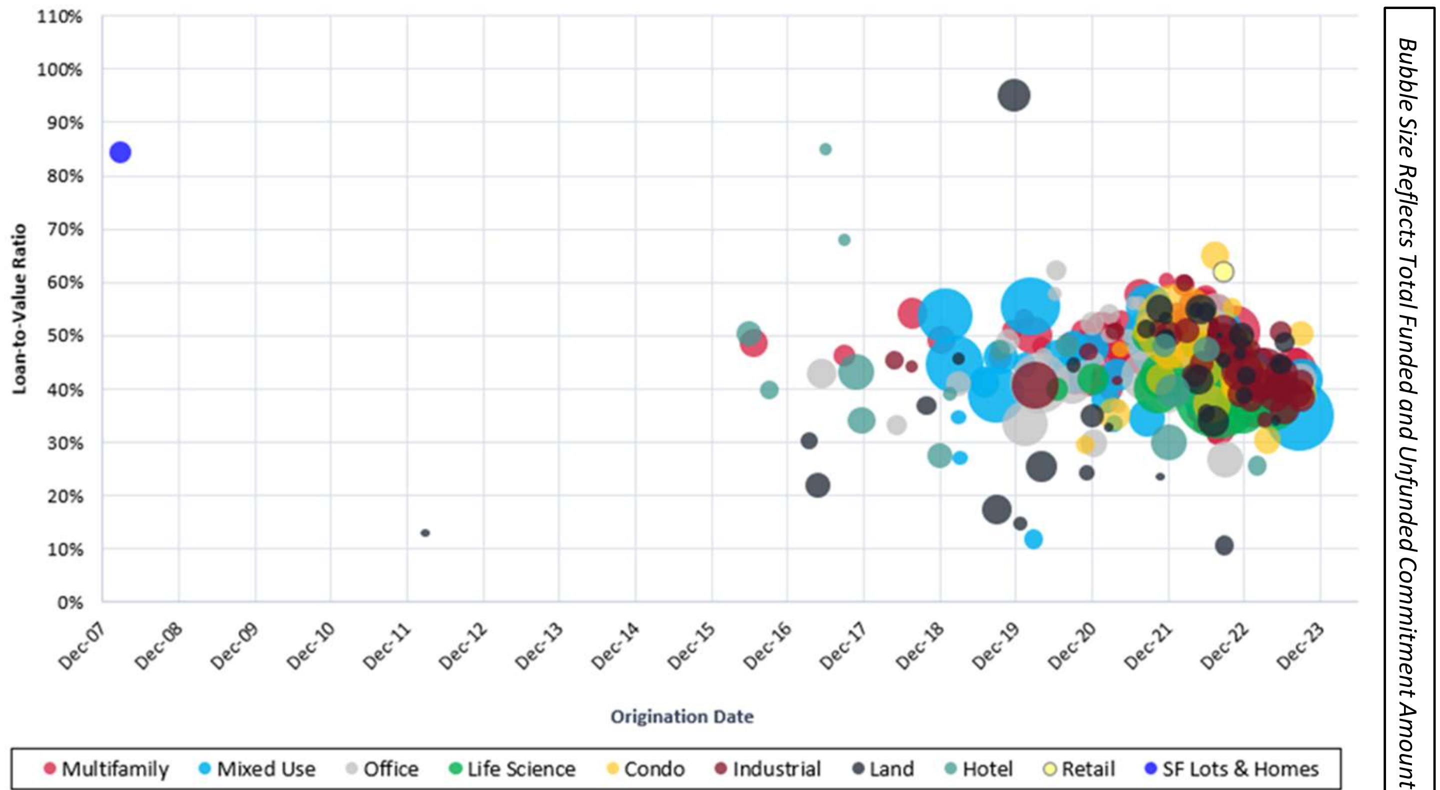

### First Nine Months of 2023



# RESG Portfolio By Origination Date & LTV (As of September 30, 2023)

The loan-to-value ("LTV") metrics on individual loans within the RESG portfolio as of September 30, 2023, are illustrated below. All credits had LTV ratios of 68% or less, except for three credits which have been discussed in previous Management Comments documents, and are as follows:

- *Development near Lake Tahoe.* A $56 million performing credit which has been substandard accrual since 2019 and has an 84% LTV.
- *Minneapolis hotel.* A $19.98 million credit which became past due during the quarter just ended, resulting in a downgrade from substandard-accrual to substandard-nonaccrual and a $3.78 million charge-off. This credit is subject to ongoing collection efforts and is carried at 85% of "as-is" appraised value.
- *Chicago land.* A $128 million performing credit which is special mention and has a 95% LTV. The sponsor is working to bring in new capital, is considering a potential extension and, at quarter end, had a cash reserve with us of approximately $8.0 million that is not included in the LTV calculation.

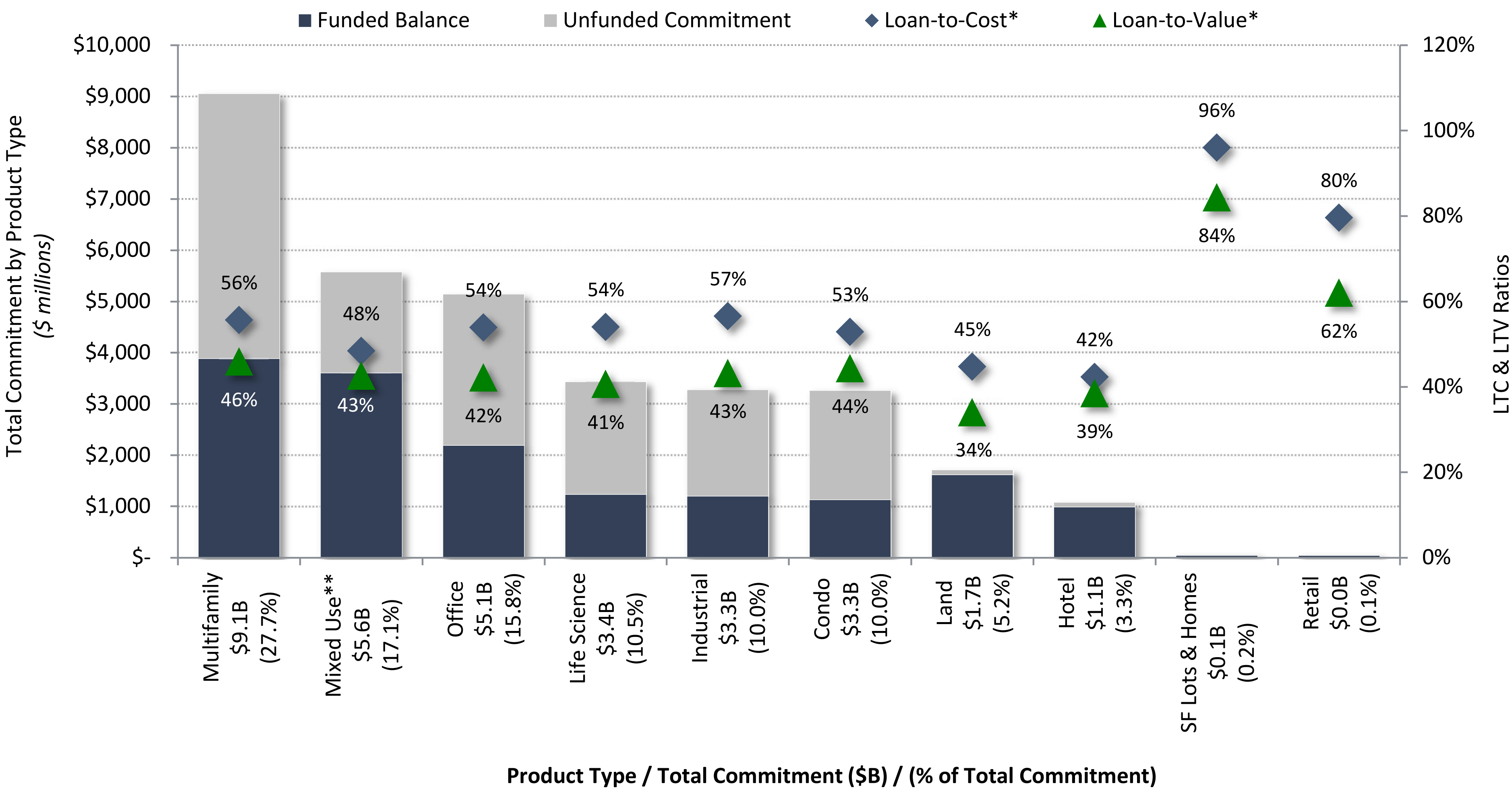



*LTV ratios assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

# RESG's Nationwide Influence Across Multiple Product Types Provides Exceptional Portfolio Diversification

RESG Portfolio Diversity by Product Type – as of September 30, 2023

*Total Commitment ($ millions) and Leverage*

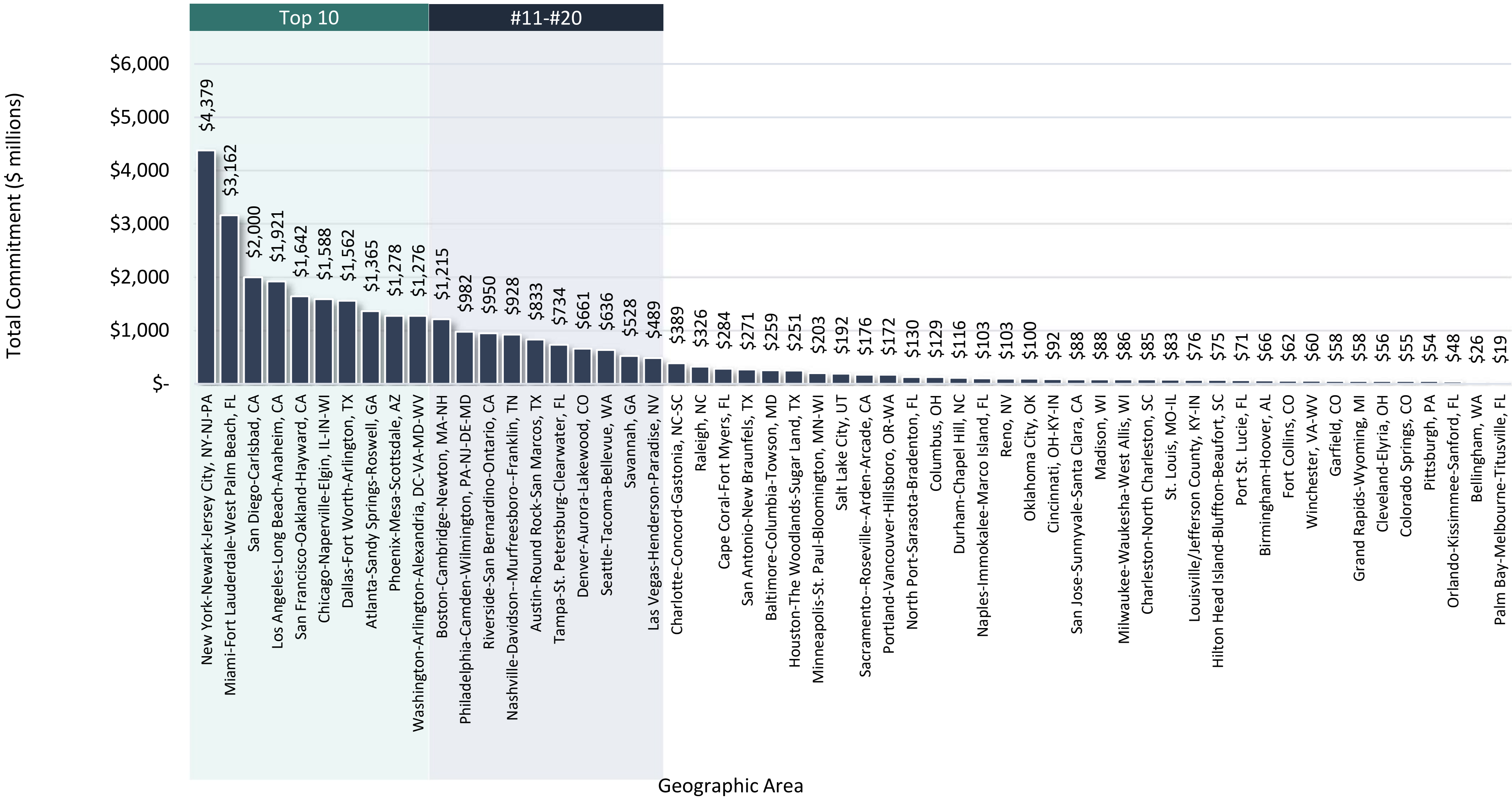



** Weighted average; assumes all loans are fully funded; LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

*** Mixed use projects contain multiple property types, none of which individually contribute 75% or more of the project value.*

# RESG's Portfolio Diversity By Geography

RESG's total commitments in each geographic area in which it had loans at September 30, 2023 reflect the national scope and significant geographic diversity in RESG's business.

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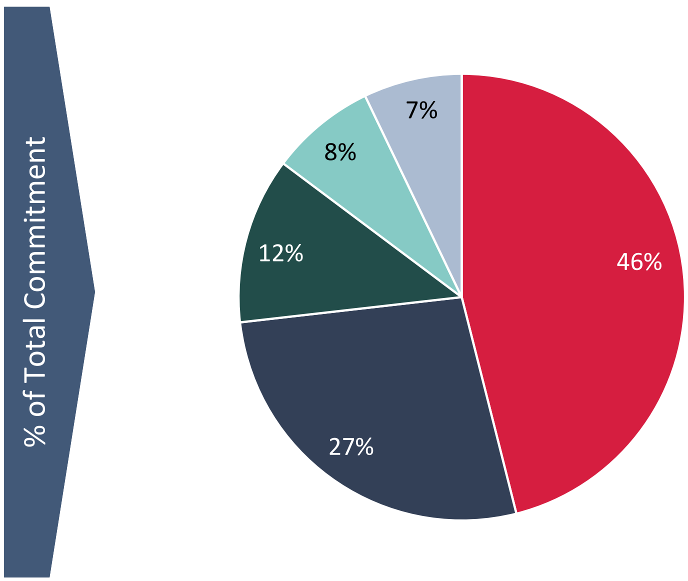
# The RESG Portfolio Includes Loans of Many Different Sizes

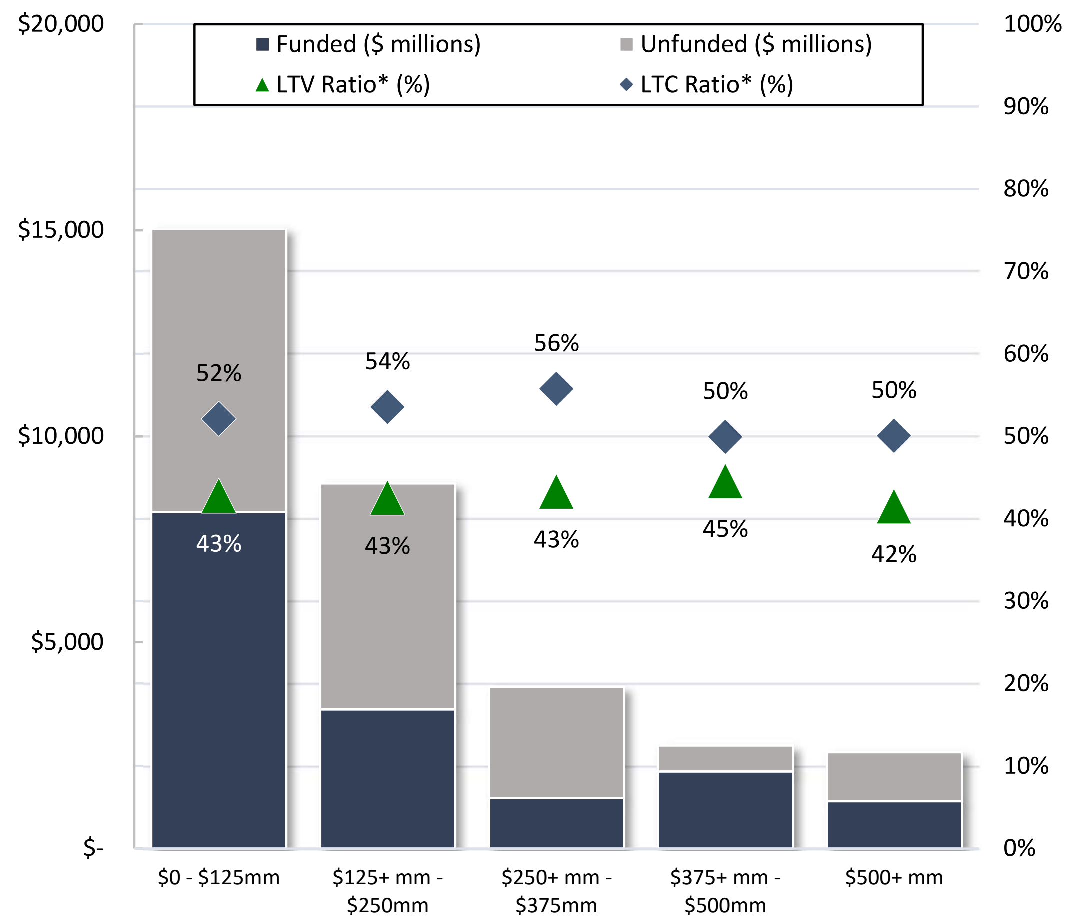
*RESG Portfolio Stratification by Total Commitment – As of September 30, 2023*

*($ millions)*

| Tranche | No. of Loans | Funded | Total Funded & Unfunded |
|---|---|---|---|
| $0 - $125mm | 263 | $ 8,169 | $ 15,037 |
| $125+ mm - $250mm | 52 | 3,372 | 8,855 |
| $250+ mm - $375mm | 13 | 1,219 | 3,924 |
| $375+ mm - $500mm | 6 | 1,866 | 2,494 |
| $500+ mm | 3 | 1,143 | 2,330 |
| **Total** | **337** | **$ 15,769** | **$ 32,640** |




Commitment Distribution by Size




** 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.*

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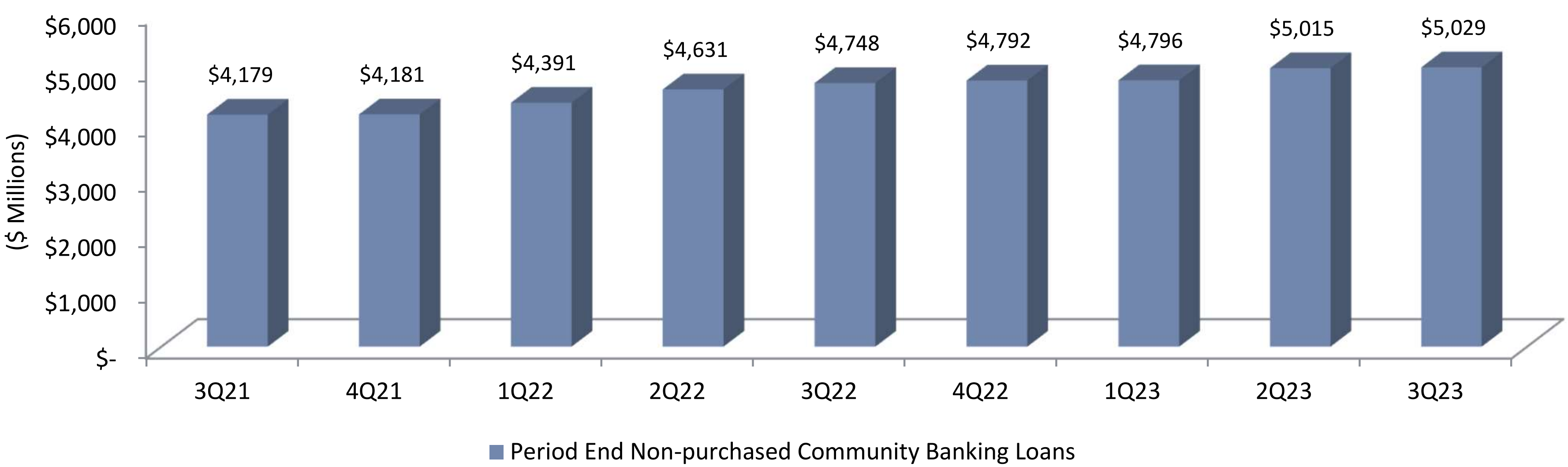
# Community Bank Lending – An Important & Well-Established Business

## Community Banking Business Model

- Our Community Banking loans, which accounted for 20% of the funded balance of non-purchased loans as of September 30, 2023, include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, affordable housing, middle market CRE, home builder finance and equipment finance/capital solutions lending teams.

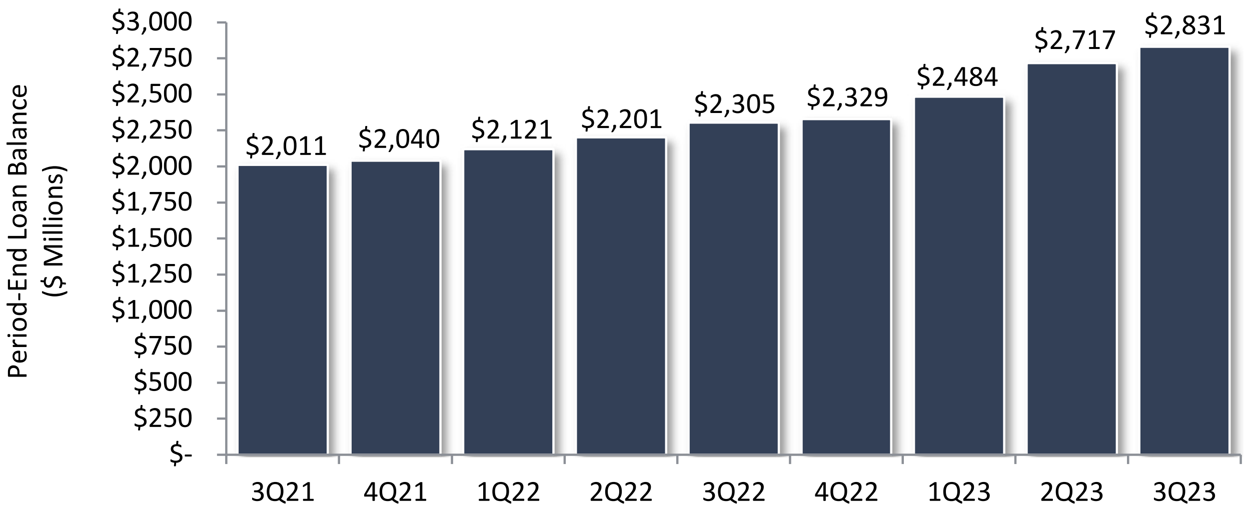
- Growth in these units is an important part of our broader strategy for portfolio diversification, both in terms of product types and geography.

## Community Banking's Non-purchased Loans

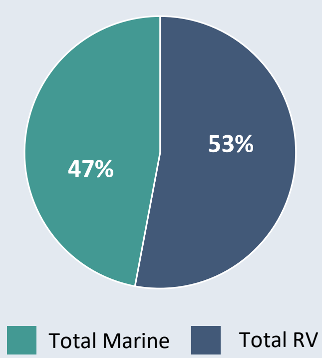


# Indirect RV & Marine Lending – A Nationwide Business

*Indirect RV & Marine lending ("ILD") is a nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards.*




## ILD Portfolio Mix*




## ILD Non-purchased Loans By Loan Size*

| | RV Portfolio | | Marine Portfolio | |
|---|---|---|---|---|
| **Loan Size** | **Total #** | **$ thousands** | **Total #** | **$ thousands** |
| $1 million + | 1 | $ 1,602 | 64 | $ 134,163 |
| $750k - $999k | - | - | 48 | 41,608 |
| $250k - $749k | 569 | 178,133 | 691 | 257,473 |
| $50k - $249k | 10,473 | 1,169,981 | 6,646 | 785,012 |
| < $50k | 6,490 | 164,527 | 3,248 | 98,180 |
| **Total** | **17,533** | **$ 1,514,243** | **10,697** | **$ 1,316,436** |

## ILD Trends

- This portfolio accounted for 11% of the funded balance of non-purchased loans as of September 30, 2023. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans.
- As of September 30, 2023, the non-purchased indirect portfolio had a 30+ day past due ratio of 14 bps.
- For the third quarter and first nine months of 2023, our annualized net charge-off ratio for the non-purchased indirect portfolio was 31 bps and 27 bps, respectively.

** At September 30, 2023*

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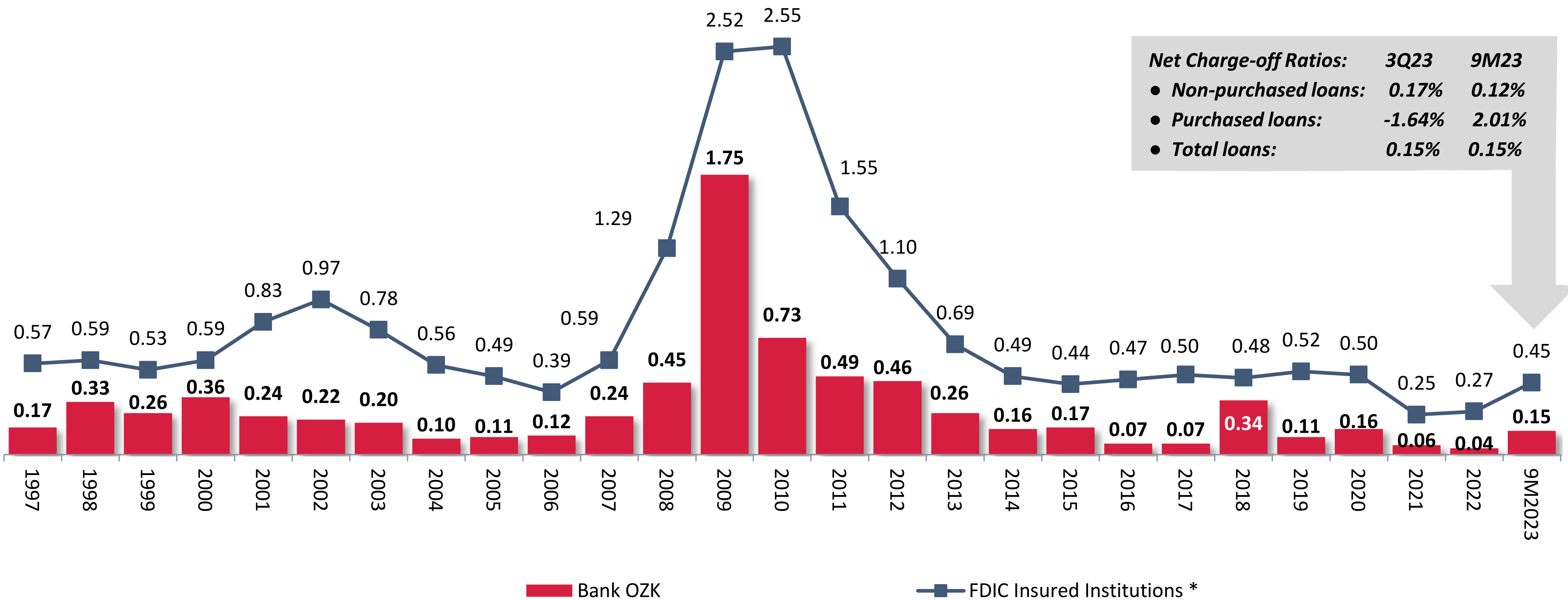
# Asset Quality Consistently Better than the Industry Average

## Net Charge-Off Ratio (%)

*(All data annualized where appropriate)*

| *Net Charge-off Ratios:* | *3Q23* | *9M23* |
|---|---|---|
| • *Non-purchased loans:* | *0.17%* | *0.12%* |
| • *Purchased loans:* | *-1.64%* | *2.01%* |
| • *Total loans:* | *0.15%* | *0.15%* |




*Since going public in 1997, our average annual net charge-off ratio has outperformed the industry in EVERY year, and it has been approximately 35% of the industry's ratio. More recently, over the last ten years our average annual net charge-off ratio has been approximately 14 bps, or approximately 31% of the industry's ratio.*

** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023. Annualized when appropriate.*

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# Our Favorable Ratios of Nonperforming Loans, Nonperforming Assets and Loans Past Due Provide Meaningful Data Points on our Asset Quality

## Asset Quality Overview

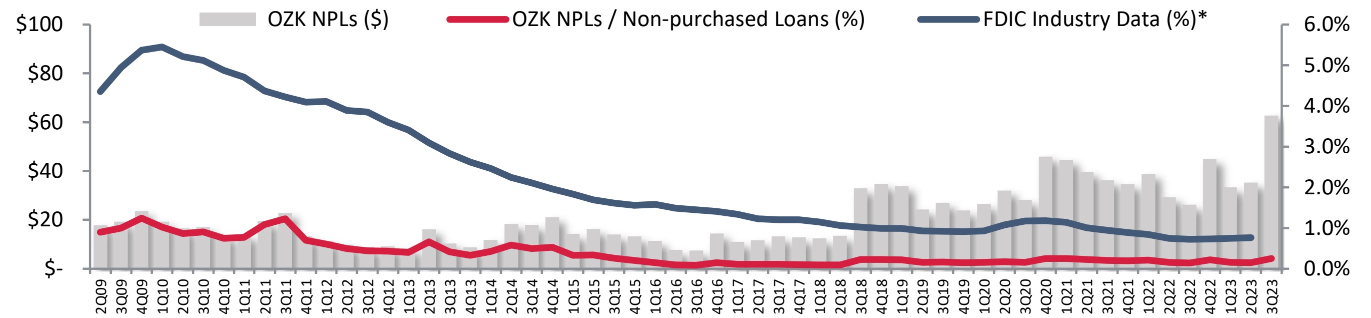
Our ratios for nonperforming non-purchased loans (“NPLs”), nonperforming assets, excluding purchased loans (“NPAs”) and non-purchased loans past due 30+ days, including nonaccrual non-purchased loans (“Loans Past Due”) continued our longstanding track record of performing well relative to industry averages, and we expect that favorable performance to continue.

NPLs were $63 million, or 0.25% of total non-purchased loans, at 9/30/2023.

NPAs, which include NPLs and foreclosed assets, were $131 million, or 0.40% of total assets, at 9/30/2023.

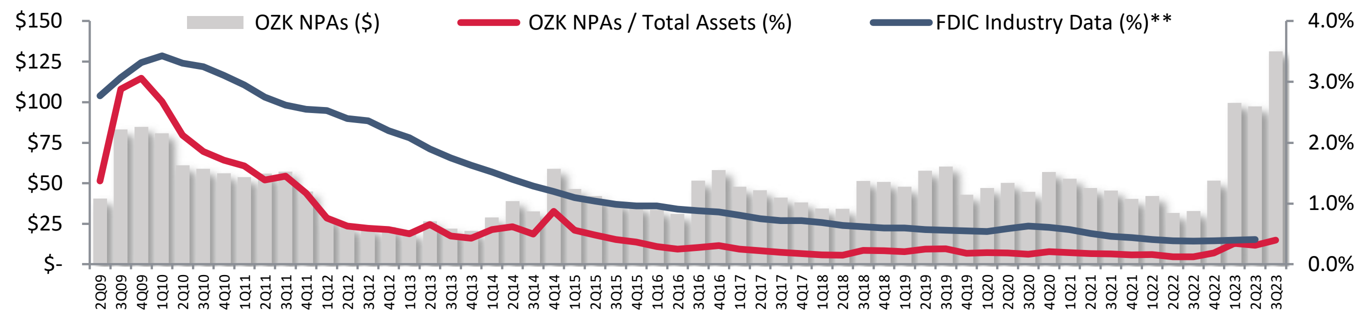
Loans Past Due, including past due nonaccrual non-purchased loans, were $53 million, or 0.21% of total non-purchased loans, at 9/30/2023.

### NPLs
*($ millions)*



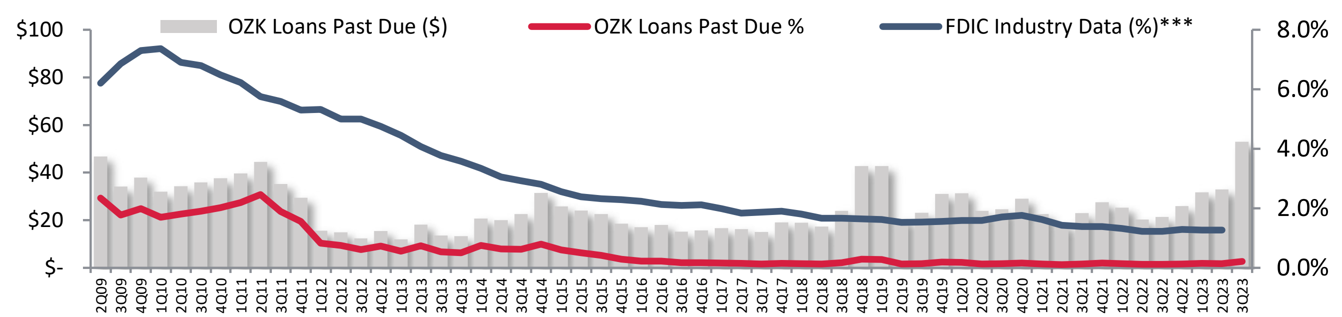

** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

### NPAs
*($ millions)*




*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023. Noncurrent assets plus other real estate owned to assets (%).*

### Loans Past Due
*($ millions)*

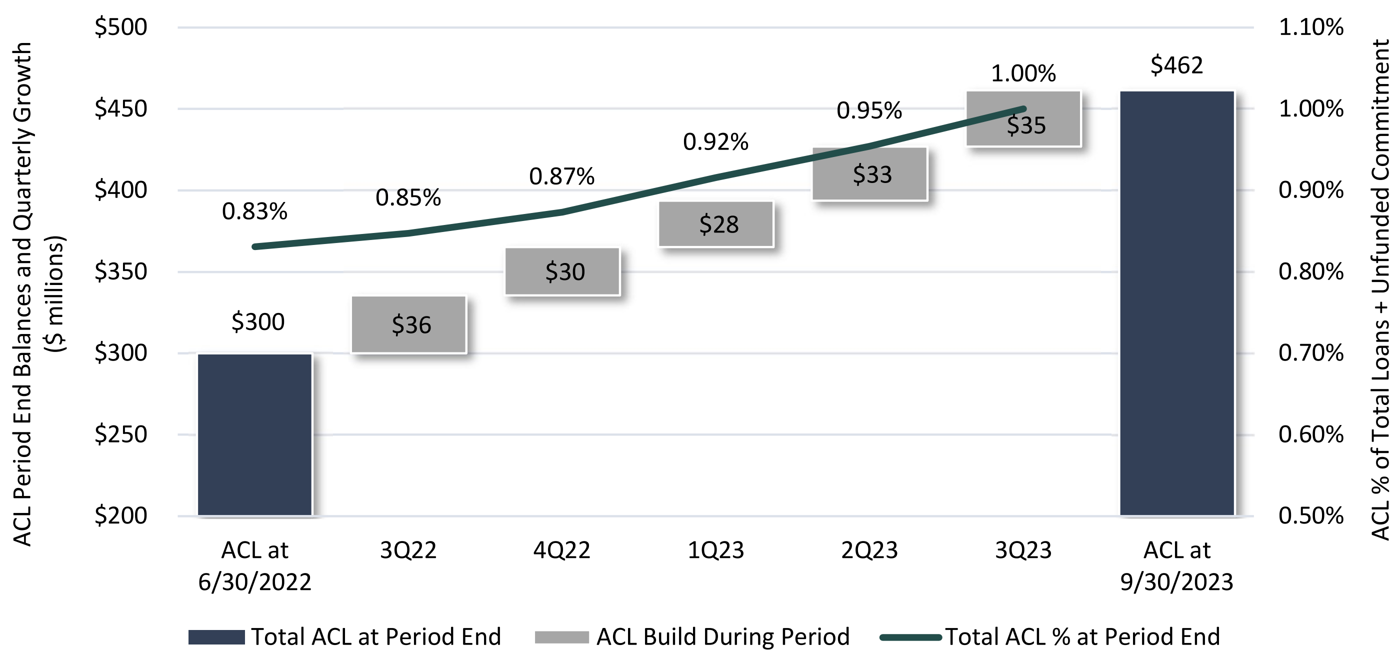



**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

Bank OZK

# Allowance for Credit Losses ("ACL") Build Over the Last Four Quarters

*Over the last five quarters we have increased our total ACL by a net $162 million. A large part of this increase was attributable to our $9.8 billion cumulative combined growth in total outstanding loans and unfunded loan commitments. The increase in our overall ACL percentage from 0.83% of total outstanding loans and unfunded loan commitments at June 30, 2022 to 1.00% at September 30, 2023 primarily reflected changes in economic assumptions as the Fed increased the Fed funds target rate by 525 bps. Over the last five quarters, we maintained a cautious outlook on macroeconomic conditions. Accordingly, in calculating our ACL, we have more heavily weighted the collective downside scenarios, specifically Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios, than Moody's Baseline scenario. All of this has resulted in cumulative provision expense of $194 million even as our cumulative net charge-offs were only $32 million.*

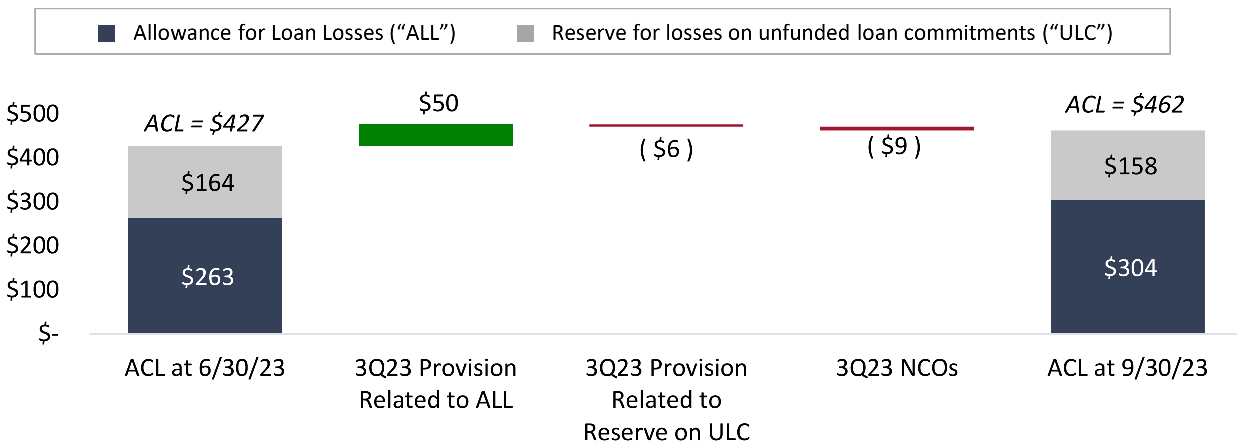



*We are particularly pleased to have reported record net income and record diluted earnings per share in each of the last four quarters while achieving a substantial build in our ACL.*

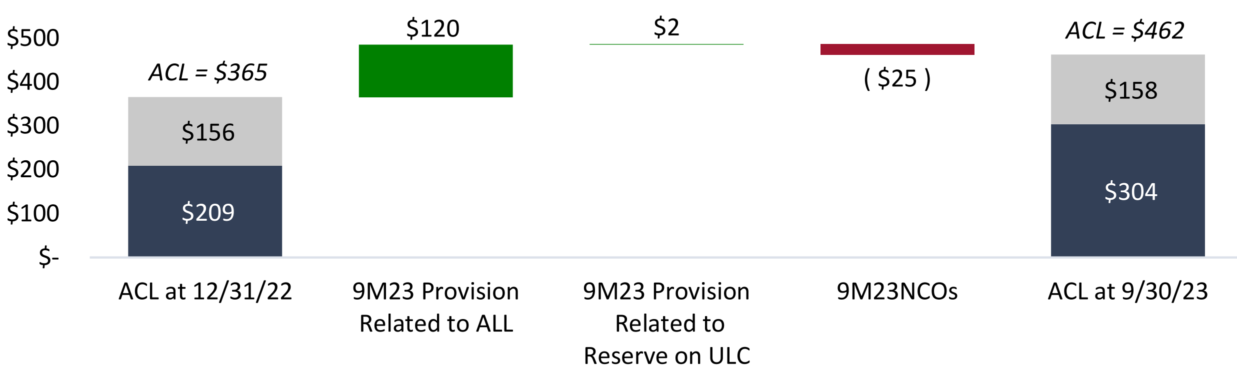
# Provision and ACL

*Our provision for credit losses was $44.0 million and $121.6 million, respectively, for the third quarter and first nine months of 2023, while our net charge-offs were $9.4 million and $25.4 million, respectively, for the third quarter and first nine months of 2023. As of September 30, 2023, our total ACL was $461.5 million, or 1.00% of total outstanding loans and unfunded loan commitments. This included our allowance for loan losses ("ALL"), which was $303.4 million, or 1.20% of total outstanding loans, and our reserve for losses on our unfunded loan commitments, which was $158.1 million, or 0.77% of unfunded loan commitments.*

3Q23 ACL Activity
*($ millions)*




9M23 ACL Activity
*($ millions)*




### Scenario Forecast Overview

*The calculations of our provision for credit losses for the third quarter of 2023 and our total ACL at September 30, 2023 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 2023.*

*In our selection of macroeconomic scenarios, we have more heavily weighted the collective downside scenarios, specifically the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios, than the Moody's Baseline scenario.*

Bank OZK

# Robust Stress Testing

*Even though the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018 repealed portions of the Dodd-Frank Act stress testing requirements, we continue to conduct robust stress tests.*

Capital stress testing, including the most severe annual Federal Reserve stress scenario and six other scenarios, is completed annually

Liquidity stress testing with five different scenarios is completed quarterly

Commercial Real Estate ("CRE") stress testing is completed quarterly utilizing at least seven different scenarios

*These tests provide us excellent insight into our expected performance under a broad range of stress scenarios.*

Bank OZK

# High Performing Regional Branch Network Provides Diverse and Stable Deposits

# Substantial and Diverse Sources of Liquidity

# Well-Positioned Securities Portfolio

# Diverse & Stable Deposit Base and Liquidity Sources

In recent years, we have worked to improve the mix and quality of our deposit base by focusing significant efforts on growing our core relationships. This groundwork has been very helpful in the current environment, allowing us to continue to grow deposits even as many banks have seen deposit outflows. Like many in the industry, we have seen a shift in the mix of deposits away from noninterest bearing and lower cost deposits to more time deposits as many customers have been taking advantage of increases in time deposit rates.

## Deposit Composition Overview

*($ millions)*

| | Period Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 9/30/2022 | | 12/31/2022 | | 3/31/2023 | | 6/30/2023 | | 9/30/2023 | |
| Noninterest Bearing | $ 4,824 | 23.6% | $ 4,658 | 21.7% | $ 4,420 | 19.8% | $ 4,535 | 18.9% | $ 4,284 | 16.8% |
| Consumer and Commercial Interest Bearing: | | | | | | | | | | |
| Consumer - Non-time | 4,198 | 20.6% | 3,916 | 18.2% | 3,490 | 15.7% | 3,143 | 13.1% | 2,928 | 11.5% |
| Consumer - Time | 4,127 | 20.2% | 4,936 | 23.0% | 6,155 | 27.6% | 7,499 | 31.3% | 8,756 | 34.3% |
| Commercial - Non-time | 2,891 | 14.2% | 2,741 | 12.7% | 2,487 | 11.2% | 2,334 | 9.7% | 2,321 | 9.1% |
| Commercial - Time | 557 | 2.7% | 516 | 2.4% | 560 | 2.5% | 621 | 2.6% | 684 | 2.7% |
| Public Funds | 2,055 | 10.1% | 2,103 | 9.8% | 2,325 | 10.4% | 2,595 | 10.8% | 2,992 | 11.7% |
| Brokered | 1,322 | 6.5% | 2,050 | 9.5% | 2,104 | 9.5% | 2,356 | 9.8% | 2,775 | 10.9% |
| Reciprocal | 428 | 2.1% | 578 | 2.7% | 743 | 3.3% | 901 | 3.8% | 813 | 3.0% |
| Total | $ 20,402 | 100.0% | $ 21,500 | 100.0% | $ 22,283 | 100.0% | $ 23,983 | 100.0% | $ 25,553 | 100.0% |

## Available Primary & Secondary Liquidity Sources as of September 30, 2023

*($ millions)*

| | Total Capacity | Outstanding | Available Liquidity |
|---|---|---|---|
| Cash & Cash Equivalents | $ 1,864 | $ | $ 1,864 |
| Unpledged Investment Securities | 2,339 | | 2,339 |
| FHLB | 8,919 | 4,068 * | 4,850 |
| Unsecured Lines of Credit | 975 | 125 | 850 |
| Fed Discount Window** | 364 | - | 364 |
| Total | $ 14,461 | $ 4,193 | $ 10,267 |

* *FHLB Borrowings outstanding included $1.30 billion of borrowings outstanding and $2.77 billion of outstanding letters of credit at 9/30/23.*

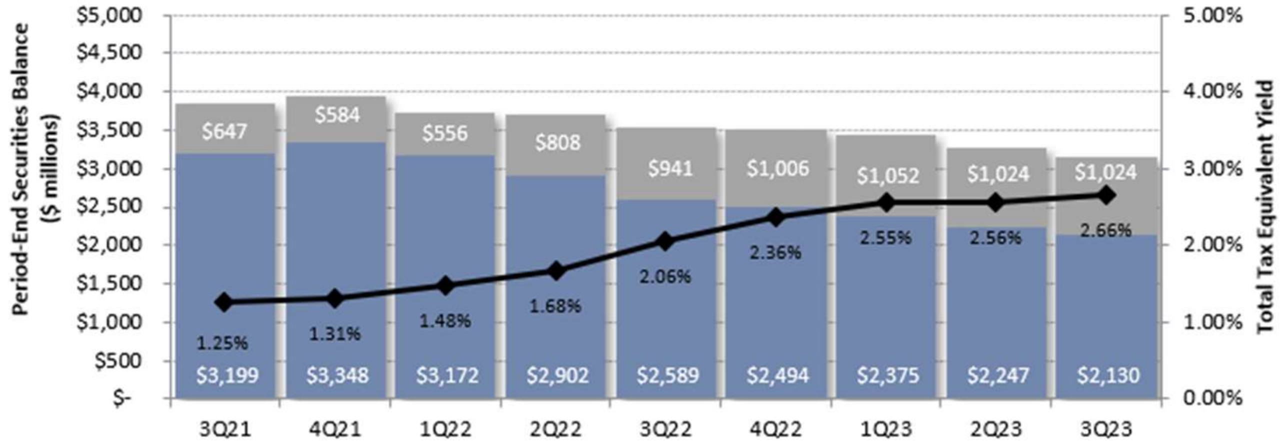
** *Funds available through Fed discount window does not include any enhanced borrowing capacity resulting from the Bank Term Funding Program.*

Most of our deposits are generated through our network of 229 retail branches in Arkansas, Georgia, Florida, North Carolina, and Texas. Because of the substantial "retail" nature of our deposit base, the majority of our deposits are insured (67% at September 30, 2023) and, in the case of public funds and certain other deposits, collateralized (14% at September 30, 2023). As of September 30, 2023, our average account balance was approximately $42,000. The diversity of our deposit base is an important factor in the stability of our deposits, as demonstrated in recent quarters.

Bank OZK

# Well-Positioned Investment Securities Portfolio

- We have a well-positioned investment securities portfolio.
  - ➢ We have no held-to-maturity ("HTM") securities
  - ➢ Our securities portfolio has a short effective duration
  - ➢ Securities are a low percentage of total assets




| | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 |
|---|---|---|---|---|---|---|---|---|---|
| Effective Duration* | 2.05 | 2.23 | 2.64 | 3.16 | 3.59 | 3.63 | 3.64 | 3.62 | 3.79 |
| Convexity* | -0.42 | -0.63 | -0.09 | -0.02 | 0.08 | 0.05 | 0.04 | 0.04 | 0.12 |

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

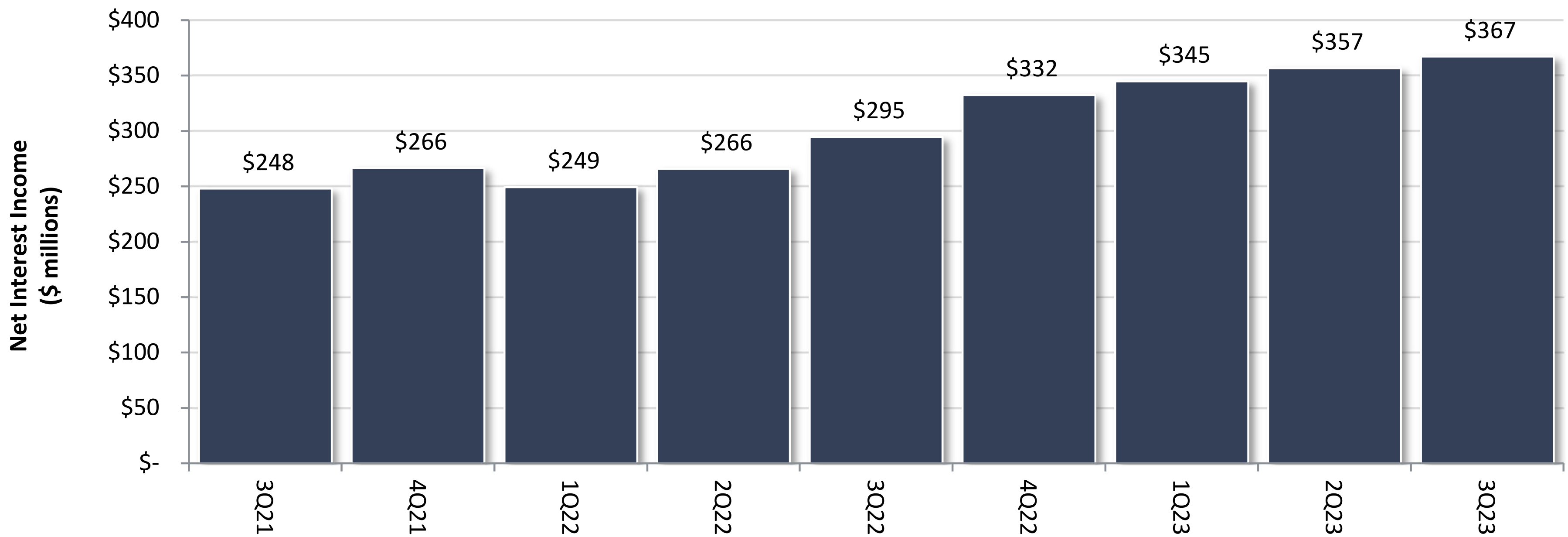
- At September 30, 2023, our investment securities portfolio was $3.15 billion, a decrease of $0.38 billion, or 10.6%, from September 30, 2022 and $0.12 billion, or 3.3% not annualized, as compared to June 30, 2023.
- Our investment securities portfolio contains a number of short-term securities providing us cash flow to reinvest at current interest rates or otherwise redeploy. Principal cash flow from maturities and other principal repayments in the fourth quarter of 2023 is expected to be approximately $0.14 billion, or about 4.3% of the portfolio. Cumulative principal cash flow for the next four quarters through September 30, 2024, is expected to be approximately $0.56 billion, or about 17.3% of the portfolio.
- In the quarter just ended, our investment portfolio yield on a fully taxable equivalent basis was 2.66%, an increase of 60 bps from the third quarter of 2022 and 10 bps from the second quarter of 2023.

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

# Our Industry Leading Net Interest Margin and Efficiency Ratio result in Dominant Profitability

# Net Interest Income Is Our Largest Category of Revenue

As shown below, our net interest income for the third quarter of 2023 was a record $367 million, a 24.7% increase from the third quarter of 2022. Our net interest income for the first nine months of 2023 was $1.07 billion, a 32.0% increase from $810 million million for the first nine months of 2022.



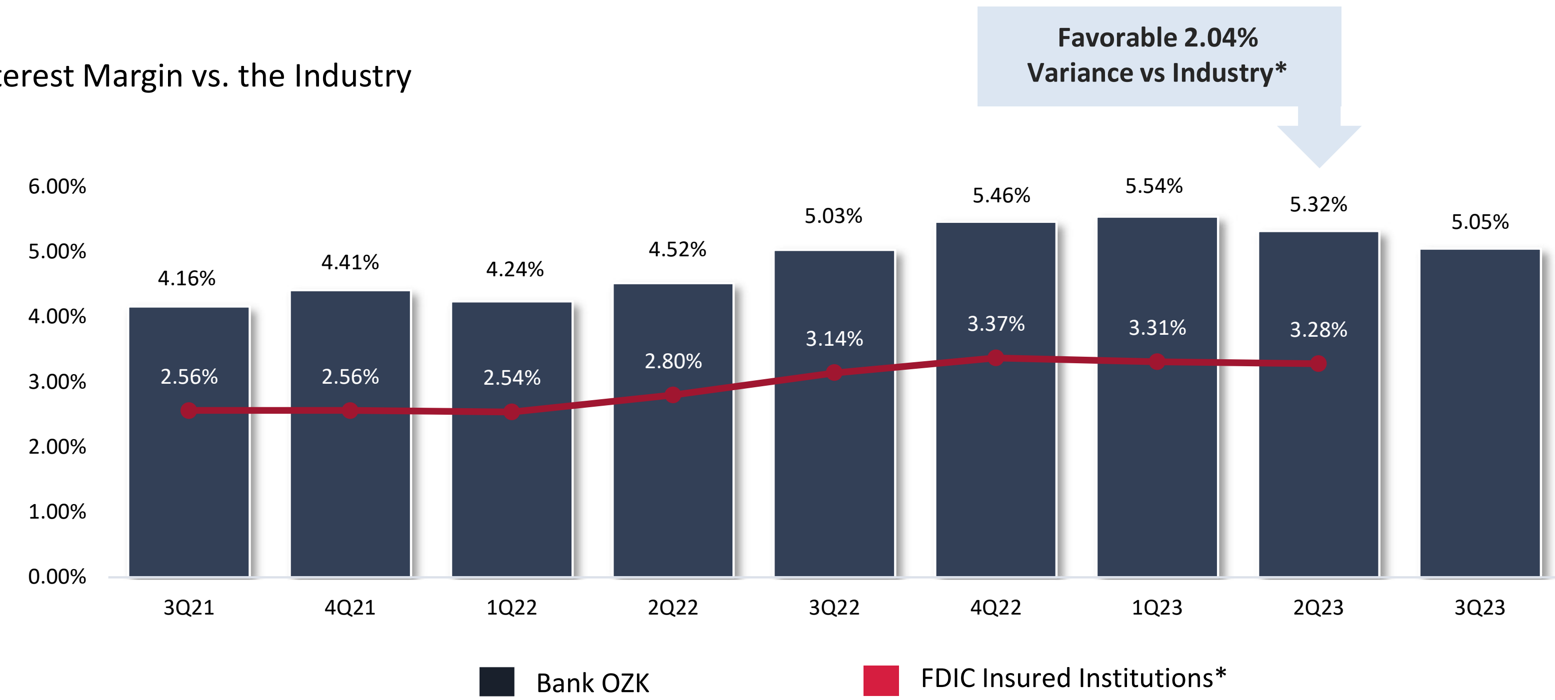

*Our net interest income in the quarter just ended was our fifth consecutive record and resulted from our increased revenue from growth in average earning assets more than offsetting the impact of the decrease in our net interest margin. In the fourth quarter of 2023, we expect further growth in average earning assets and further decreases in our net interest margin, with the interplay between these two metrics, along with Fed interest rate decisions, primarily determining whether net interest income increases or decreases from the level achieved in the quarter just ended.*

Bank OZK

# Net Interest Margin Trends

- During the quarter just ended, our net interest margin was 5.05%, decreasing 27 bps from the second quarter of 2023, but increasing two bps from the third quarter of 2022.
- Compared to the second quarter of 2023, our yield on average earning assets in the quarter just ended increased 19 bps to 7.76%, and our cost of interest bearing liabilities increased 55 bps to 3.59%. Compared to the third quarter of 2022, our yield on average earning assets increased 224 bps and our cost of interest bearing liabilities increased 287 bps.

Net Interest Margin vs. the Industry



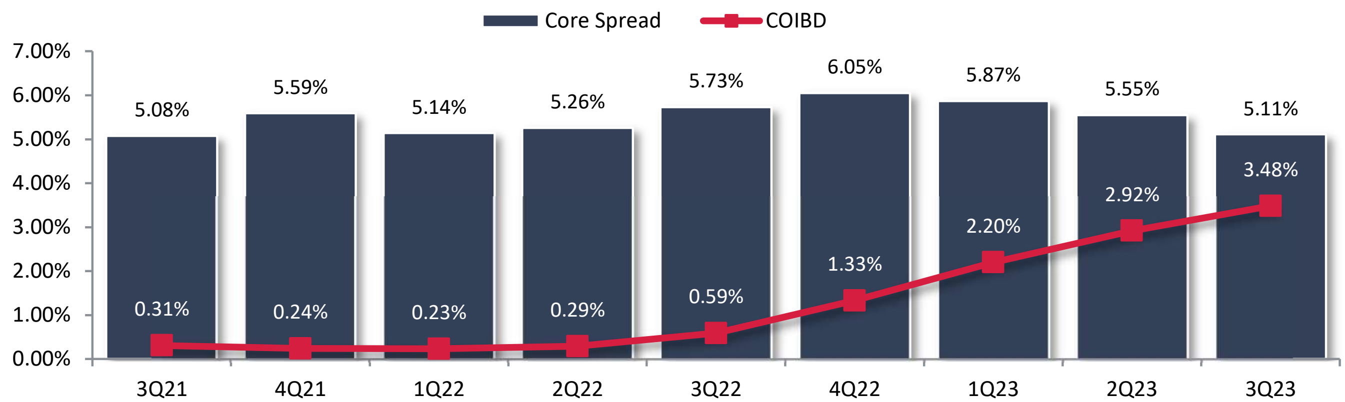

*We continue to outperform the industry on net interest margin. In fact, in the second quarter of 2023, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 204 bps.*

** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023.*

Bank OZK

# Our Core Spread and Cost of Interest Bearing Deposits ("COIBD")

- During the quarter just ended, our core spread, which is how we describe the difference between our yield on non-purchased loans and our COIBD, was 5.11%, a decrease of 44 bps and 62 bps from the second quarter of 2023 and third quarter of 2022, respectively.



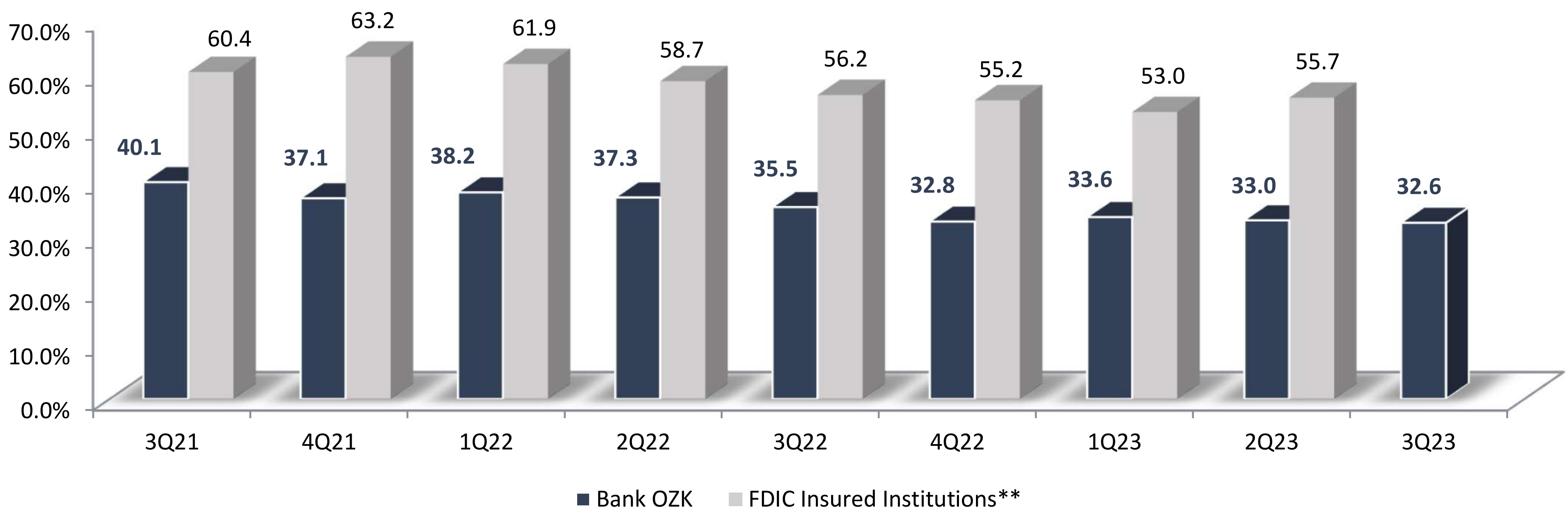

| | 3Q21 | 4Q21 | 1Q22 | 2Q22 | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 |
|---|---|---|---|---|---|---|---|---|---|
| *Yield on Non-purchased loans* | *5.39%* | *5.83%* | *5.37%* | *5.55%* | *6.32%* | *7.38%* | *8.07%* | *8.47%* | *8.59%* |
| *COIBD* | *0.31%* | *0.24%* | *0.23%* | *0.29%* | *0.59%* | *1.33%* | *2.20%* | *2.92%* | *3.48%* |
| *Core Spread* | *5.08%* | *5.59%* | *5.14%* | *5.26%* | *5.73%* | *6.05%* | *5.87%* | *5.55%* | *5.11%* |

- Over the last six quarters since the Fed started increasing the Fed funds target rate, our non-purchased loan yields increased 322 bps while our COIBD increased 325 bps, resulting in a cumulative decrease in our core spread of 3 bps. Over that same period, our net interest margin increased 81 bps primarily due to a change in the mix of our average earning assets, among other factors. During the last three quarters, our COIBD increased more than our yield on non-purchased loans, as deposit rates began to catch up with changes in variable-rate loan yields.
- Assuming that the Fed is at or near the end of its tightening cycle, we expect our COIBD will continue to increase in the coming quarters at a faster rate than increases, if any, in our loan yields, resulting in further decreases in our core spread and net interest margin.

# Efficiency Ratio Among the Best in the Industry

- Most banks with a good efficiency ratio focus relentlessly on controlling costs. We take a different approach. We achieve our excellent efficiency ratio by pursuing a business model that generates strong revenue. This allows us to be highly efficient while also constantly improving our products and technology for our customers and providing competitive pay and benefits for our teammates.
- As shown below, in the quarter just ended, our efficiency ratio was 32.6%.

**Efficiency Ratio (%) vs. the Industry**




*We have consistently been among the nation's most efficient banks, having ranked in the top decile of the industry for 21 consecutive years.***

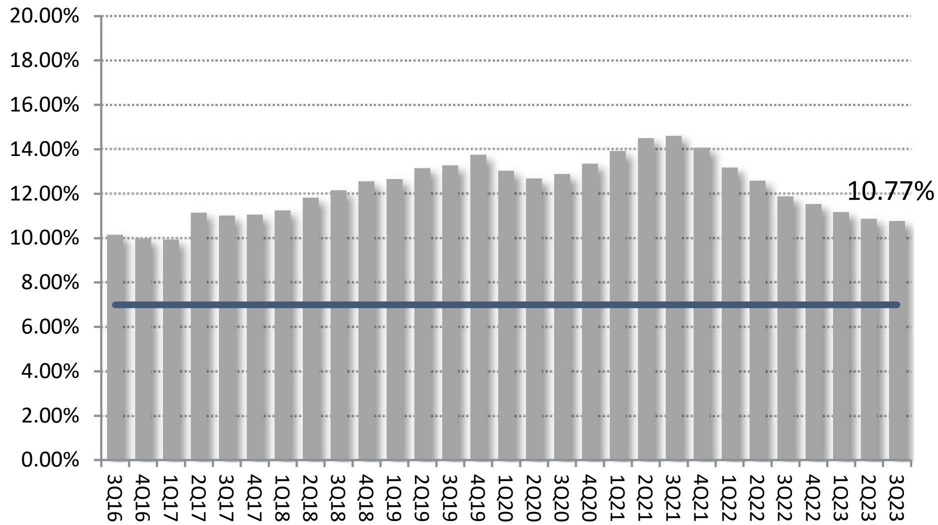
** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023.*
*** Data from S&P Global CapIQ.*

Bank OZK

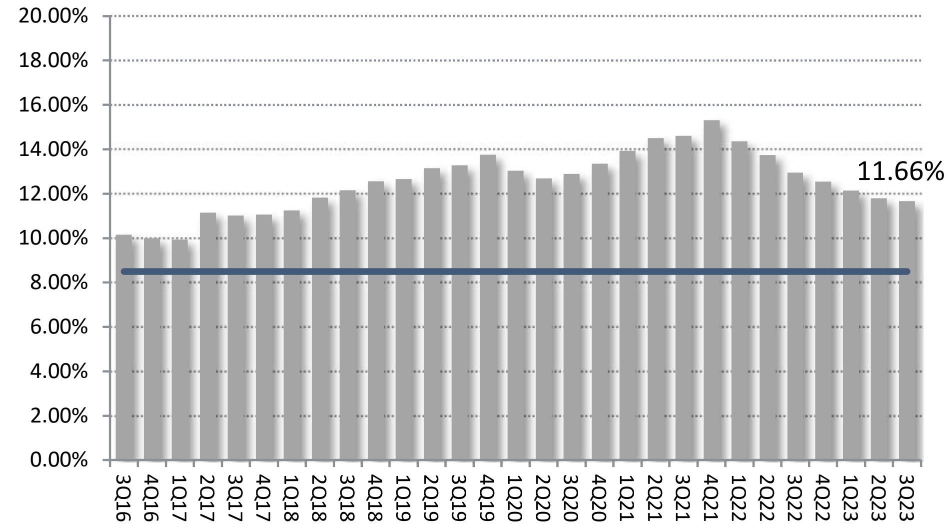
# Our Strong Capital Provides Maximum Optionality and Shareholder Returns

# Strong Capital Position Maximizes Optionality

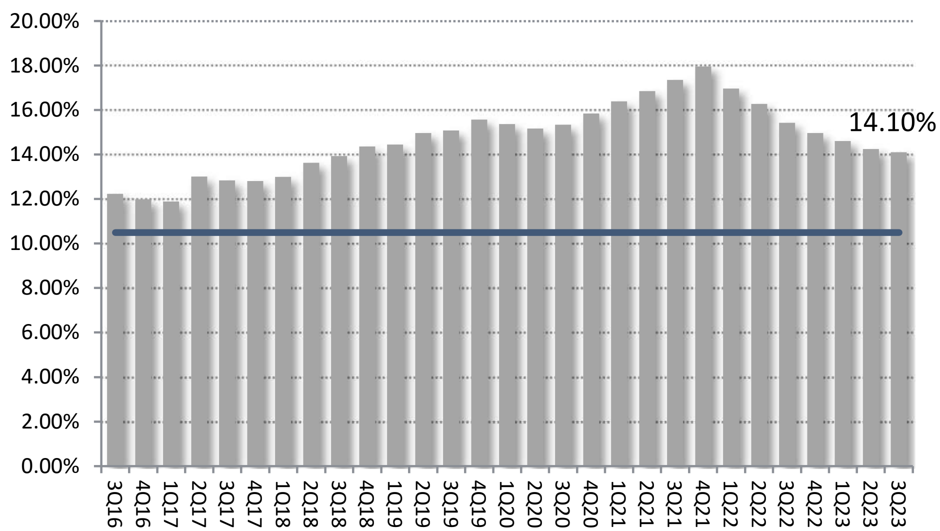
## CET 1 Capital Ratio



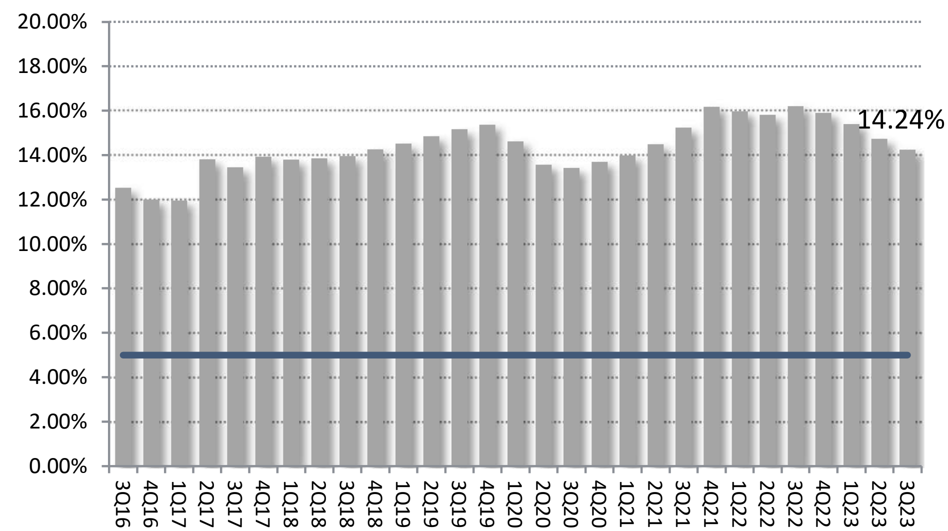

## Tier 1 Capital Ratio




## Total Risk Based Capital Ratio



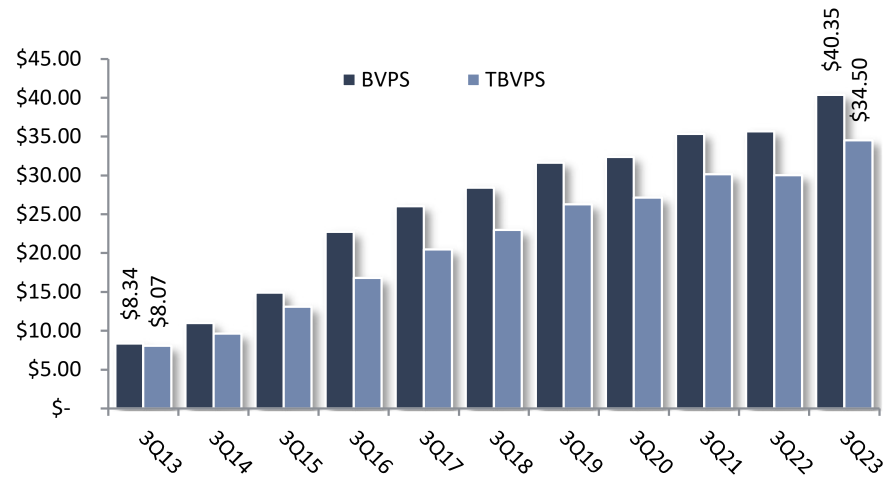

## Tier 1 Leverage Ratio




*Basel III Regulatory Capital Minimum to be considered well capitalized*

# Building Capital and Delivering for Shareholders

**Book Value and Tangible Book Value Per Share***
*(Period end)*

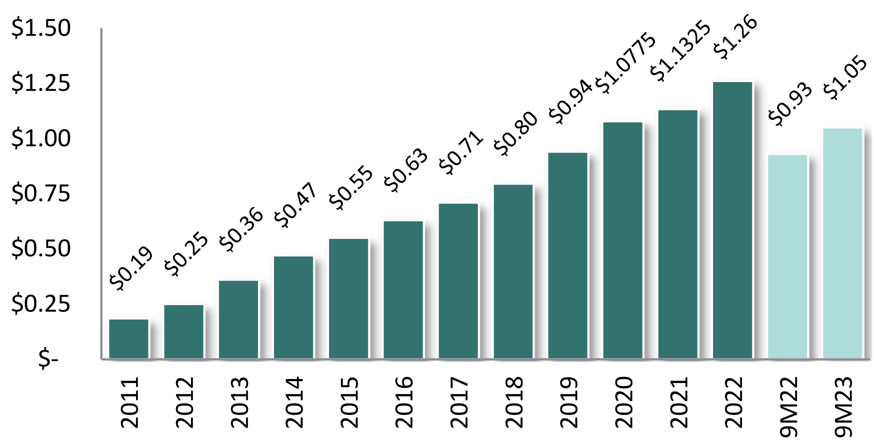



Over the last 10 years, we have increased book value and tangible book value per common share by a cumulative 384% and 328%, respectively, resulting in compound annual growth rates of 17.1% and 15.6%, respectively.

As of September 30, 2023, our book value and tangible book value per share were $40.35 and $34.50, respectively.

**Common Dividend Payments and Stock Repurchase Program**

*We have increased our common stock cash dividend in each of the last 53 quarters and every year since our IPO in 1997. We expect to continue to increase our common stock cash dividend in future quarters.*




**Stock Repurchase Program Details**

- At September 30, 2023, our current stock repurchase program had $133.5 million authorization remaining, as we did not repurchase any shares during the quarter just ended.
- During the first nine months of 2023, we repurchased 4.3 million shares for $151.5 million, which equates to a weighted average cost of approximately $35.19 per share.
- The market price of our shares will likely be the primary factor in the timing and volume of additional stock repurchases, if any, between now and the November 9, 2023 expiration of our current program.

*Calculation of the Bank's tangible book value per common share, including the reconciliation to the most directly comparable GAAP financial measure is included in the schedule at the end of this presentation. Management believes presentation of the non-GAAP financial measures provides useful supplemental information that contributes to a proper understanding of the financial results and capital levels of the Bank.

Bank OZK

# Strong Results, Driven by Strong Leadership

# Deep and Talented Executive Management Team

*Our management team has on average 14 years of experience with Bank OZK.*

*Executive Name | Title | Years of OZK Service | Years of Relevant Experience*

**George Gleason**
Chairman & CEO
44 years with OZK
46 years

**Brannon Hamblen**
President
15 years with OZK
33 years

**Tim Hicks**
Chief Financial Officer
14 years with OZK
29 years

**Cindy Wolfe**
Chief Operating Officer
25 years with OZK
35 years

**Alan Jessup**
Chief Lending Officer
15 years with OZK
29 years

**John Carter**
Chief Credit Officer
11 years with OZK
21 years

**Scott Trapani**
Chief Risk Officer
4 years with OZK
35 years

**Helen Brown**
General Counsel and Corporate Secretary
9 years with OZK
21 years

**Stan Thomas**
Chief Accounting Officer
12 years with OZK
21 years

**Tamara Gotham**
Chief Administrative Officer
7 years with OZK
15 years

**Jason Cathey**
Chief Information Officer
7 years with OZK
19 years

**Patrick Carr**
Managing Director – Corporate Finance Data & Technology
1 year with OZK
28 years

Bank OZK

# We Have a Strong and Diverse Board of Directors

*Our Board of Directors consists of 13 members, 12 of whom are independent. Our directors possess high levels of technical skill and significant and diverse business experience. Active engagement is encouraged, which creates an atmosphere of effective challenge and collaboration with management.*

*Director Name & Principal Occupation*

**Nicholas Brown**
Retired President
Southwest Power Pool

**Paula Cholmondeley**
Principal
The Sorrell Group

**Beverly Cole**
CEO
Cole Renwick, LLC

**Robert East**
Chairman
Robert East Company, Inc.

**Kathleen Franklin**
Global Ethics & Compliance Strategy Leader
Sony Group Corporation

**Jeffrey Gearhart**
Retired EVP, Global Governance & Corporate Secretary
Walmart, Inc.

**George Gleason**
Chairman & CEO
Bank OZK

**Peter Kenny**
Independent Market Strategist
Kenny's Commentary LLC

**William A. Koefoed, Jr.**
CFO
OneStream Software LLC

**Elizabeth Musico**
VP, Human Resources
McKesson Corporation

**Christopher Orndorff**
CEO and Chief Investment Officer
Cercano Management LLC

**Steven Sadoff**
Chief Information Officer
Cantor Fitzgerald L.P.

**Ross Whipple**
President
Horizon Timber Services, Inc.

- Four female members (31%)
- Four directors self identified as racially or ethnically diverse (31%)
- Average age of 64 years, with a range of 46 to 75 years
- Average independent tenure of 7.5 years

*Our Governance Committee takes a long-term approach to Board composition. By retaining some longer-serving directors and periodically refreshing the composition of the Board, the Governance Committee seeks a blend of Board tenure that preserves institutional knowledge of the Company, our industry and our culture – a key element of our long-term success – while also injecting fresh perspectives and maintaining effective strategic direction and independence.*

*Note: All statistics referenced on this page are as of the Annual Shareholder Meeting on May 8, 2023.*

Bank OZK

# Non-GAAP Reconciliations

Bank OZK

# Non-GAAP Reconciliations

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

*Unaudited (Dollars in Thousands, Except per Share)*

| | As of September 30, 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| Total stockholders' equity before noncontrolling interest | $ 612,338 | $ 875,578 | $ 1,314,517 | $ 2,756,346 | $ 3,334,740 | $ 3,653,596 |
| Less preferred stock | - | - | - | - | - | - |
| Total common stockholders' equity | 612,338 | 875,578 | 1,314,517 | 2,756,346 | 3,334,740 | 3,653,596 |
| Less intangible assets: | | | | | | |
| Goodwill | (5,243) | (78,669) | (128,132) | (657,806) | (660,789) | (660,789) |
| Core deposit and other intangibles, net of accumulated amortization | (14,796) | (28,439) | (28,624) | (64,347) | (51,396) | (38,817) |
| Total intangibles | (20,039) | (107,108) | (156,756) | (722,153) | (712,185) | (699,606) |
| Total tangible common stockholders' equity | $ 592,299 | $ 768,470 | $ 1,157,761 | $ 2,034,193 | $ 2,622,555 | $ 2,953,990 |
| Common shares outstanding (thousands) | 73,404 | 79,705 | 88,265 | 121,134 | 128,174 | 128,609 |
| Book value per common share | $ 8.34 | $ 10.99 | $ 14.89 | $ 22.75 | $ 26.02 | $ 28.41 |
| Tangible book value per common share | $ 8.07 | $ 9.64 | $ 13.12 | $ 16.79 | $ 20.46 | $ 22.97 |

| | As of September 30, 2019 | 2020 | 2021 | 2022 | 2023 | As of June 30, 2023 |
|---|---|---|---|---|---|---|
| Total stockholders' equity before noncontrolling interest | $ 4,078,324 | $ 4,186,285 | $ 4,553,240 | $ 4,539,424 | $ 4,903,504 | $ 4,809,891 |
| Less preferred stock | - | - | - | (338,980) | (338,980) | (338,980) |
| Total common stockholders' equity | 4,078,324 | 4,186,285 | 4,553,240 | 4,200,444 | 4,564,524 | 4,470,911 |
| 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 | (26,608) | (16,462) | (9,791) | (3,943) | - | (377) |
| Total intangibles | (687,397) | (677,251) | (670,580) | (664,732) | (660,789) | (661,166) |
| Total tangible common stockholders' equity | $ 3,390,927 | $ 3,509,034 | $ 3,882,660 | $ 3,535,712 | $ 3,903,735 | $ 3,809,745 |
| Common shares outstanding (thousands) | 128,946 | 129,342 | 128,818 | 117,762 | 113,136 | 113,145 |
| Book value per common share | $ 31.63 | $ 32.37 | $ 35.35 | $ 35.67 | $ 40.35 | $ 39.51 |
| Tangible book value per common share | $ 26.30 | $ 27.13 | $ 30.14 | $ 30.02 | $ 34.50 | $ 33.67 |

*Note: All share and per share data adjusted to reflect impact of 2-for-1 stock split on June 23, 2014.*

Represents ending balances, as determined in accordance with accounting principles generally accepted in the U.S., ending shares outstanding and tangible book value per share as of the date indicated.
Unaudited, financial data in thousands, except per share amounts.

Bank OZK

# Non-GAAP Reconciliations

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

*Unaudited (Dollars in Thousands)*

| | September 30, 2023 |
|---|---|
| Total stockholders' equity before noncontrolling interest | $ 4,903,504 |
| Less preferred stock | (338,980) |
| Total common stockholders' equity | 4,564,524 |
| Less intangible assets: | |
| Goodwill | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | - |
| Total intangibles | (660,789) |
| Total tangible common stockholders' equity | $ 3,903,735 |
| Total assets | $ 32,767,328 |
| Less intangible assets: | |
| Goodwill | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | - |
| Total intangibles | (660,789) |
| Total tangible assets | 32,106,539 |
| Ratio of total common stockholders' equity to total assets | 13.93% |
| Ratio of total tangible common stockholders' equity to total tangible assets | 12.16% |

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

*Unaudited (Dollars in Thousands)*

| | Three Months Ended * | | Nine Months Ended * | |
|---|---|---|---|---|
| | 9/30/2022 | 9/30/2023 | 9/30/2022 | 9/30/2023 |
| Net Income Available To Common Stockholders | $ 128,302 | $ 169,746 | $ 388,688 | $ 503,517 |
| Average Stockholders' Equity Before Noncontrolling Interest | 4,635,887 | 4,885,620 | 4,680,513 | 4,809,053 |
| Less Average Preferred Stock | (338,980) | (338,980) | (338,980) | (338,980) |
| Total Average common stockholders' equity | 4,296,907 | 4,546,640 | 4,341,533 | 4,470,073 |
| Less Average Intangible Assets: | | | | |
| Goodwill | (660,789) | (660,789) | (660,789) | (660,789) |
| Core deposit and other intangible assets, net of accumulated amortization | (4,747) | - | (6,124) | (1,098) |
| Total Average Intangibles | (665,536) | (660,789) | (666,913) | (661,887) |
| Average Tangible Common Stockholders' Equity | $ 3,631,371 | $ 3,885,851 | $ 3,674,620 | $ 3,808,186 |
| Return On Average Common Stockholders' Equity | 11.85% | 14.81% | 11.97% | 15.06% |
| Return On Average Tangible Common Stockholders' Equity | 14.02% | 17.33% | 14.14% | 17.68% |

* Ratios for interim periods annualized based on actual days

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

*Unaudited (Dollars in Thousands)*

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | 9/30/2022 | 9/30/2023 | 9/30/2022 | 9/30/2023 |
| Net income available to common stockholders | $ 128,302 | $ 169,746 | $ 388,688 | $ 503,517 |
| Preferred stock dividends | 4,047 | 4,047 | 12,574 | 12,141 |
| Earnings attributable to noncontrolling interest | - | 37 | 3 | 50 |
| Provision for income taxes | 35,969 | 46,144 | 111,754 | 132,564 |
| Provision for credit losses | 39,771 | 44,036 | 50,986 | 121,638 |
| Pre-tax pre-provision net revenue | $ 208,089 | $ 264,010 | $ 564,005 | $ 769,910 |

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