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): **January 18, 2024**

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
4.625% Series A Non-Cumulative Perpetual Preferred Stock, $0.01 par value per share	OZKAP	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 January 18, 2024, Bank OZK (the "Bank") issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2023 and made available management's comments on the results for the fourth quarter and full year of 2023. 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 fourth quarter and full year 2023 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 January 19, 2024, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the fourth quarter and full year of 2023.

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 fourth quarter and full year 2023 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 January 18, 2024: Bank OZK Announces Record Fourth Quarter and Full Year 2023 Earnings
99.2	Management Comments for the Fourth Quarter and Full Year of 2023 - dated January 18, 2024

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: January 18, 2024

By: /s/ Tim Hicks

Name: Tim Hicks
Title: Chief Financial Officer

Exhibit No.	**Document Description**
99.1	Press Release dated January 18, 2024: Bank OZK Announces Record Fourth Quarter and Full Year 2023 Earnings
99.2	Management Comments for the Fourth Quarter and Full Year of 2023 - dated January 18, 2024

Exhibit 99.1

NEWS RELEASE

Date:	January 18, 2024
Release Time:	3:01 p.m. (CT)
Investor Contact:	Jay Staley (501) 906-7842
Media Contact:	Michelle Rossow (501) 906-3922

Bank OZK Announces Record
Fourth Quarter and Full Year 2023 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the fourth quarter of 2023 was a record $171.1 million, a 7.7% increase from $158.8 million for the fourth quarter of 2022. Diluted earnings per common share for the fourth quarter of 2023 were a record $1.50, an 11.9% increase from $1.34 for the fourth quarter of 2022.

For the full year of 2023, net income available to common stockholders was $674.6 million, a 23.2% increase from $547.5 million for the full year of 2022. Diluted earnings per common share for the full year of 2023 were $5.87, a 29.3% increase from $4.54 for the full year of 2022.

Pre-tax pre-provision net revenue ("PPNR") was $262.6 million for the fourth quarter of 2023, an 8.9% increase from $241.0 million for the fourth quarter of 2022. For the full year of 2023, PPNR was $1.03 billion, a 28.3% increase from $0.81 billion for the full year of 2022. 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 fourth quarter of 2023 were 2.04%, 14.58% and 16.99%, respectively, compared to 2.35%, 14.76% and 17.48%, respectively, for the fourth quarter of 2022. The Bank's returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the full year of 2023 were 2.20%, 14.93% and 17.50%, respectively, compared to 2.08%, 12.66% and 14.97%, respectively, for the full year of 2022. The results for the fourth quarter and full year of 2023 include the impact of a $9.9 million FDIC special assessment recorded during the fourth quarter of 2023. The calculation of the Bank's returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "We are pleased to have reported record net income and record diluted earnings per share in each quarter of 2023, resulting in net income available to common stockholders for the year of $674.6 million and diluted earnings per common share of $5.87. Our goal for 2024 is to continue to improve our record annual net income and diluted earnings per common share achieved in 2023, and we believe that is a reasonable goal, notwithstanding what appears likely to remain a challenging macroeconomic environment. We feel that we are well positioned for the coming year, and we look forward to capitalizing on new opportunities."

KEY BALANCE SHEET METRICS

Total loans were $26.46 billion at December 31, 2023, a 27.3% increase from $20.78 billion at December 31, 2022. Deposits were $27.41 billion at December 31, 2023, a 27.5% increase from $21.50 billion at December 31, 2022. Total assets were $34.24 billion at December 31, 2023, a 23.8% increase from $27.66 billion at December 31, 2022.

Common stockholders' equity was $4.80 billion at December 31, 2023, a 10.3% increase from $4.35 billion at December 31, 2022. Tangible common stockholders' equity was $4.14 billion at December 31, 2023, a 12.3% increase from $3.69 billion at December 31, 2022. The Bank did not repurchase any shares during the three months ended December 31, 2023. During the full year of 2023, the Bank repurchased 4.3 million shares for $151.5 million, which equates to a weighted average cost of approximately $35.19 per share.

Book value per common share was $42.42 at December 31, 2023, a 14.2% increase from $37.13 at December 31, 2022. Tangible book value per common share was $36.58 at December 31, 2023, a 16.2% increase from $31.47 at December 31, 2022.

The Bank's ratio of total common stockholders' equity to total assets was 14.02% at December 31, 2023, compared to 15.73% at December 31, 2022. Its ratio of total tangible common stockholders' equity to total tangible assets was 12.33% at December 31, 2023, compared to 13.66% at December 31, 2022. The calculations of the Bank's total common stockholders' equity, tangible common stockholders' equity, tangible book value per common share, and ratio of total tangible common stockholders' equity to total tangible assets and the reconciliations to GAAP are included in the schedules accompanying this release.

ASSET QUALITY

The Bank's ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.23% at December 31, 2023, compared to 0.22% as of December 31, 2022. The Bank's ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.36% at December 31, 2023, compared to 0.19% as of December 31, 2022. The Bank's annualized ratio of net charge-offs of total loans to average total loans was 0.06% for the fourth quarter and 0.13% for the twelve months ended December 31, 2023, compared to 0.06% for the fourth quarter and 0.04% for the twelve months ended December 31, 2022.

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 https://ir.ozk.com. This release should be read in conjunction with management's comments on the fourth quarter and full year 2023 results.

Management will conduct a conference call to take questions at 10:00 a.m. CT (11:00 a.m. ET) on Friday, January 19, 2024. Interested parties may access the conference call live via webcast on the Bank's investor relations website at https://ir.ozk.com/news/event-calendar, or may participate via telephone by registering using this online form. Upon registration, all telephone participants will receive the dial-in number along with a unique PIN number that can be used to access the call. A replay of the conference call webcast will be archived on the Bank's website for at least 30 days.

The Bank files annual, quarterly and current reports, proxy materials, and other information required by the Securities Exchange Act of 1934 with the Federal Deposit Insurance Corporation ("FDIC"), copies of which are available electronically at the FDIC's website at https://efr.fdic.gov/fcxweb/efr/index.html and are also available on the Bank's investor relations website at 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 common stockholders' equity, return on average tangible common stockholders' equity, tangible book value per common share, total common stockholders' equity, 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 press 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 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; 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.

GENERAL INFORMATION

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Established in 1903, Bank OZK conducts banking operations in approximately 240 offices in eight states including Arkansas, Georgia, Florida, North Carolina, Texas, New York, California and Mississippi and had $34.24 billion in total assets as of December 31, 2023. For more information, visit www.ozk.com.

Bank OZK
Consolidated Balance Sheets
Unaudited

	December 31, 2023	December 31, 2022
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 2,149,529	$ 1,033,454
Investment securities – available for sale (“AFS”)	3,244,371	3,491,613
Investment securities – trading	—	8,817
Federal Home Loan Bank of Dallas (“FHLB”) and other bankers’ bank stocks	50,400	42,406
Non-purchased loans	26,195,030	20,400,154
Purchased loans	264,045	378,637
Allowance for loan losses	(339,394)	(208,858)
Net Loans	26,119,681	20,569,933
Premises and equipment, net	676,821	678,405
Foreclosed assets	61,720	6,616
Accrued interest receivable	170,110	125,130
Bank owned life insurance (“BOLI”)	808,490	789,805
Goodwill and other intangible assets, net	660,789	663,543
Other, net	295,546	246,846
Total assets	$ 34,237,457	$ 27,656,568
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 4,095,874	$ 4,658,451
Savings and interest bearing transaction	9,074,296	9,905,717
Time	14,234,973	6,935,975
Total deposits	27,405,143	21,500,143
Other borrowings	805,318	606,666
Subordinated notes	347,761	346,947
Subordinated debentures	121,652	121,591
Reserve for losses on unfunded loan commitments	161,834	156,419
Accrued interest payable and other liabilities	255,773	233,864
Total liabilities	$ 29,097,481	$ 22,965,630
Commitments and contingencies		
Stockholders’ equity:		
Preferred Stock: $0.01 par value; 100,000,000 shares authorized; 14,000,000 issued and outstanding at December 31, 2023 and December 31, 2022	338,980	338,980
Common Stock: $0.01 par value; 300,000,000 shares authorized; 113,148,672 and 117,176,928 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	1,131	1,172
Additional paid-in capital	1,612,446	1,753,941
Retained earnings	3,283,818	2,773,135
Accumulated other comprehensive loss	(97,374)	(177,649)
Total stockholders’ equity before noncontrolling interest	5,139,001	4,689,579
Noncontrolling interest	975	1,359
Total stockholders’ equity	5,139,976	4,690,938
Total liabilities and stockholders’ equity	$ 34,237,457	$ 27,656,568

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 557,844	$ 367,019	$ 1,968,289	$ 1,158,332
Purchased loans	5,412	7,141	23,257	31,441
Investment securities:				
Taxable	9,667	10,280	39,429	41,526
Tax-exempt	10,670	8,521	38,957	22,653
Deposits with banks	21,901	5,961	58,241	12,116
Total interest income	605,494	398,922	2,128,173	1,266,068
Interest expense:				
Deposits	218,474	53,230	627,050	94,574
Other borrowings	11,329	8,534	41,669	13,033
Subordinated notes	2,631	2,631	10,439	10,439
Subordinated debentures	2,512	2,039	9,530	5,780
Total interest expense	234,946	66,434	688,688	123,826
Net interest income	370,548	332,488	1,439,485	1,142,242
Provision for credit losses	43,832	32,508	165,470	83,494
Net interest income after provision for credit losses	326,716	299,980	1,274,015	1,058,748
Non-interest income:				
Service charges on deposit accounts:				
NSF and overdraft fees	4,700	4,467	18,059	17,724
All other service charges	7,333	7,138	27,995	28,102
Trust income	2,165	1,977	8,524	7,990
BOLI income:				
Increase in cash surrender value	5,401	4,953	20,696	19,532
Death benefits	2,966	—	2,966	807
Loan service, maintenance and other fees	6,755	3,780	18,920	13,819
Gains on sales of other assets	3,288	510	9,029	11,467
Net gains on investment securities	1,177	1,256	3,243	2,019
Other	3,242	3,463	13,117	13,043
Total non-interest income	37,027	27,544	122,549	114,503
Non-interest expense:				
Salaries and employee benefits	66,270	59,946	258,846	226,373
Net occupancy and equipment	17,234	17,584	72,591	70,058
Other operating expenses	61,507	41,483	198,124	155,290
Total non-interest expense	145,011	119,013	529,561	451,721
Income before taxes	218,732	208,511	867,003	721,530
Provision for income taxes	43,600	45,686	176,164	157,440
Net income	175,132	162,825	690,839	564,090
Earnings attributable to noncontrolling interest	(6)	54	(56)	51
Preferred stock dividends	4,047	4,047	16,187	16,621
Net income available to common stockholders	$ 171,079	$ 158,832	$ 674,596	$ 547,520
Basic earnings per common share	$ 1.51	$ 1.35	$ 5.89	$ 4.55
Diluted earnings per common share	$ 1.50	$ 1.34	$ 5.87	$ 4.54

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended December 31, 2023:							
Balances - September 30, 2023	$ 338,980	$ 1,131	$1,607,510	$3,154,869	$ (198,986)	$ 1,409	$ 4,904,913
Net income	—	—	—	175,132	—	—	175,132
Earnings attributable to noncontrolling interest	—	—	—	(6)	—	6	—
Total other comprehensive income	—	—	—	—	101,612	—	101,612
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.37 per share	—	—	—	(42,130)	—	—	(42,130)
Return of capital paid to non-controlling interest	—	—	—	—	—	(440)	(440)
Issuance of 17,018 shares of common stock pursuant to stock-based compensation plans	—	—	547	—	—	—	547
Stock-based compensation expense	—	—	4,389	—	—	—	4,389
Forfeitures of 4,578 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - December 31, 2023	$ 338,980	$ 1,131	$1,612,446	$3,283,818	$ (97,374)	$ 975	$ 5,139,976
Year ended December 31, 2023:							
Balances - December 31, 2022	$ 338,980	$ 1,172	$1,753,941	$2,773,135	$ (177,649)	$ 1,359	$ 4,690,938
Net income	—	—	—	690,839	—	—	690,839
Earnings attributable to noncontrolling interest	—	—	—	(56)	—	56	—
Total other comprehensive income	—	—	—	—	80,275	—	80,275
Preferred stock dividends, $1.15624 per share	—	—	—	(16,187)	—	—	(16,187)
Common stock dividends, $1.42 per share	—	—	—	(163,913)	—	—	(163,913)
Return of capital paid to non-controlling interest						(440)	(440)
Issuance of 522,651 shares of common stock pursuant to stock-based compensation plans	—	5	1,166	—	—	—	1,171
Repurchase and cancellation of 4,304,239 shares of common stock under share repurchase program, including excise taxes	—	(44)	(151,421)	—	—	—	(151,465)
Repurchase and cancellation of 215,362 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(8,672)	—			(8,674)
Stock-based compensation expense	—	—	17,432	—	—	—	17,432
Forfeitures of 31,306 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - December 31, 2023	$ 338,980	$ 1,131	$1,612,446	$3,283,818	$ (97,374)	$ 975	$ 5,139,976

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended December 31, 2022:							
Balances - September 30, 2022	$ 338,980	$ 1,178	$1,773,562	$2,653,377	$ (227,673)	$ 3,120	$ 4,542,544
Net income	—	—	—	162,825	—	—	162,825
Earnings attributable to noncontrolling interest	—	—	—	54	—	(54)	—
Total other comprehensive income	—	—	—	—	50,024	—	50,024
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.33 per share	—	—	—	(39,074)	—	—	(39,074)
Return of capital to non-controlling interest	—	—	—	—	—	(1,707)	(1,707)
Issuance of 10,496 shares of common stock pursuant to stock-based compensation plans	—	—	241	—	—	—	241
Repurchase and cancellation of 574,878 shares of common stock under share repurchase program	—	(6)	(23,219)	—	—	—	(23,225)
Repurchase and cancellation of 3,890 shares of common stock withheld for tax pursuant to restricted stock vesting	—	—	(174)	—	—	—	(174)
Stock-based compensation expense	—	—	3,531	—	—	—	3,531
Forfeitures of 16,405 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - December 31, 2022	$ 338,980	$ 1,172	$1,753,941	$2,773,135	$ (177,649)	$ 1,359	$ 4,690,938
Year ended December 31, 2022:							
Balances - December 31, 2021	$ 338,980	$ 1,254	$2,093,702	$2,378,466	$ 23,841	$ 3,117	$ 4,839,360
Net income	—	—	—	564,090	—	—	564,090
Earnings attributable to noncontrolling interest	—	—	—	51	—	(51)	—
Total other comprehensive loss	—	—	—	—	(201,490)	—	(201,490)
Preferred stock dividends, $1.187 per share	—	—	—	(16,621)	—	—	(16,621)
Common stock dividends, $1.26 per share	—	—	—	(152,851)	—	—	(152,851)
Return of capital to non-controlling interest	—	—	—	—	—	(1,707)	(1,707)
Issuance of 305,839 shares of common stock pursuant to stock-based compensation plans	—	3	2,490	—	—	—	2,493
Repurchase and cancellation of 8,373,398 shares of common stock under share repurchase program	—	(83)	(349,886)	—	—	—	(349,969)
Repurchase and cancellation of 116,864 shares of common stock withheld for tax pursuant to stock-based compensation plans.	—	(1)	(5,572)	—	—	—	(5,573)
Stock-based compensation expense	—	—	13,206	—	—	—	13,206
Forfeitures of 82,397 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances - December 31, 2022	$ 338,980	$ 1,172	$1,753,941	$2,773,135	$ (177,649)	$ 1,359	$ 4,690,938

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Salaries and employee benefits	$ 66,270	$ 59,946	$ 258,846	$ 226,373
Net occupancy and equipment	17,234	17,584	72,591	70,058
Other operating expenses:				
Deposit insurance and assessments	15,803	2,710	30,351	9,610
Software and data processing	10,577	9,512	39,212	35,373
Professional and outside services	6,233	5,652	21,423	21,581
Advertising and public relations	5,153	2,987	16,150	8,797
Telecommunication services	2,251	2,134	8,865	7,986
Postage and supplies	2,121	1,906	7,981	7,146
ATM expense	1,957	1,834	7,681	6,331
Travel and meals	1,938	1,755	7,582	7,661
Amortization of CRA and tax credit investments	7,618	5,408	27,768	20,293
Other	7,856	7,585	31,111	30,512
Total non-interest expense	$ 145,011	$ 119,013	$ 529,561	$ 451,721

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	December 31,			
	2023		2022	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 961,338	3.6%	$ 981,567	4.7%
Non-farm/non-residential	5,309,239	20.1	4,665,268	22.5
Construction/land development	11,653,487	44.0	8,215,056	39.5
Agricultural	256,423	1.0	239,689	1.2
Multifamily residential	2,064,106	7.8	1,503,398	7.2
Total real estate	20,244,593	76.5	15,604,978	75.1
Commercial and industrial	1,269,610	4.8	902,321	4.3
Consumer	2,965,042	11.2	2,445,851	11.8
Other	1,979,830	7.5	1,825,641	8.8
Total loans	26,459,075	100.0%	20,778,791	100.0%
Allowance for loan losses	(339,394)		(208,858)	
Net loans	$ 26,119,681		$ 20,569,933	

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 December 31, 2023:			
Balances – September 30, 2023	$ 303,358	$ 158,128	$ 461,486
Net charge-offs	(4,090)	—	(4,090)
Provision for credit losses	40,126	3,706	43,832
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Year ended December 31, 2023:			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(29,519)	—	(29,519)
Provision for credit losses	160,055	5,415	165,470
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Three months ended December 31, 2022:			
Balances – September 30, 2022	$ 200,098	$ 135,537	$ 335,635
Net charge-offs	(2,866)	—	(2,866)
Provision for credit losses	11,626	20,882	32,508
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Year ended December 31, 2022:			
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Net charge-offs	(7,206)	—	(7,206)
Provision for credit losses	(1,316)	84,810	83,494
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	December 31,			
	2023		2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,095,874	14.9%	$ 4,658,451	21.7%
Interest bearing:				
Transaction (NOW)	4,486,372	16.4	4,097,532	19.1
Savings and money market	4,587,924	16.7	5,808,185	27.0
Time deposits	14,234,973	52.0	6,935,975	32.2
Total deposits	$ 27,405,143	100.0%	$ 21,500,143	100.0%

Bank OZK
Summary of Deposits – By Customer Type
Unaudited

	December 31,			
	2023		2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,095,874	14.9%	$ 4,658,451	21.7%
Interest bearing:				
Consumer and commercial:				
Consumer – Non-Time	2,792,199	10.2	3,916,078	18.2
Consumer – Time	10,216,217	37.3	4,936,061	23.0
Commercial – Non-Time	2,439,175	8.9	2,741,007	12.7
Commercial – Time	767,566	2.8	516,477	2.4
Public funds	3,725,766	13.6	2,103,392	9.8
Brokered	2,655,317	9.7	2,050,294	9.5
Reciprocal	713,029	2.6	578,383	2.7
Total deposits	$ 27,405,143	100.0%	$ 21,500,143	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	% Change	Year Ended December 31, 2023	Year Ended December 31, 2022	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 370,548	$ 332,488	11.4%	$ 1,439,485	$ 1,142,242	26.0%
Provision for credit losses	43,832	32,508	34.8	165,470	83,494	98.2
Non-interest income	37,027	27,544	34.4	122,549	114,503	7.0
Non-interest expense	145,011	119,013	21.8	529,561	451,721	17.2
Net income	175,132	162,825	7.6	690,839	564,090	22.5
Preferred stock dividends	4,047	4,047	—	16,187	16,621	(2.6)
Net income available to common stockholders	171,079	158,832	7.7	674,596	547,520	23.2
Pre-tax pre-provision net revenue (1)	262,564	241,019	8.9	1,032,473	805,024	28.3
Common share and per common share data:						
Diluted earnings per common share	$ 1.50	$ 1.34	11.9%	$ 5.87	$ 4.54	29.3%
Basic earnings per common share	1.51	1.35	11.9	5.89	4.55	29.5
Common stock dividends per share	0.37	0.33	12.1	1.42	1.26	12.7
Book value per share	42.42	37.13	14.2	42.42	37.13	14.2
Tangible book value per common share (1)	36.58	31.47	16.2	36.58	31.47	16.2
Weighted-average diluted shares outstanding (thousands)	113,756	118,201	(3.8)	114,833	120,700	(4.9)
End of period shares outstanding (thousands)	113,149	117,177	(3.4)	113,149	117,177	(3.4)
Balance sheet data at period end:						
Total assets	$ 34,237,457	$ 27,656,568	23.8%	$ 34,237,457	$ 27,656,568	23.8%
Total loans	26,459,075	20,778,791	27.3	26,459,075	20,778,791	27.3
Non-purchased loans	26,195,030	20,400,154	28.4	26,195,030	20,400,154	28.4
Purchased loans	264,045	378,637	(30.3)	264,045	378,637	(30.3)
Allowance for loan losses	339,394	208,858	62.5	339,394	208,858	62.5
Foreclosed assets	61,720	6,616	832.9	61,720	6,616	832.9
Investment securities – AFS	3,244,371	3,491,613	(7.1)	3,244,371	3,491,613	(7.1)
Goodwill and other intangible assets, net	660,789	663,543	(0.4)	660,789	663,543	(0.4)
Deposits	27,405,143	21,500,143	27.5	27,405,143	21,500,143	27.5
Other borrowings	805,318	606,666	32.7	805,318	606,666	32.7
Subordinated notes	347,761	346,947	0.2	347,761	346,947	0.2
Subordinated debentures	121,652	121,591	0.1	121,652	121,591	0.1
Unfunded balance of closed loans	20,573,029	21,062,733	(2.3)	20,573,029	21,062,733	(2.3)
Reserve for losses on unfunded loan commitments	161,834	156,419	3.5	161,834	156,419	3.5
Preferred stock	338,980	338,980	—	338,980	338,980	—
Total common stockholders' equity (1)	4,800,021	4,350,599	10.3	4,800,021	4,350,599	10.3
Net unrealized losses on investment securities AFS included in stockholders' equity	(97,374)	(177,649)		(97,374)	(177,649)	
Loan (including purchased loans) to deposit ratio	96.55%	96.64%		96.55%	96.64%	
Selected ratios:						
Return on average assets (2)	2.04%	2.35%		2.20%	2.08%	
Return on average common stockholders' equity (1) (2)	14.58	14.76		14.93	12.66	
Return on average tangible common stockholders' equity (1) (2)	16.99	17.48		17.50	14.97	
Average common equity to total average assets	13.99	15.90		14.74	16.42	
Net interest margin – FTE (2)	4.82	5.46		5.16	4.82	
Efficiency ratio	35.33	32.84		33.67	35.75	
Net charge-offs to average non-purchased loans (2) (3)	0.07	0.09		0.11	0.07	
Net charge-offs to average total loans (2)	0.06	0.06		0.13	0.04	
Nonperforming loans to total loans (4)	0.23	0.22		0.23	0.22	
Nonperforming assets to total assets (4)	0.36	0.19		0.36	0.19	
Allowance for loan losses to total loans (5)	1.28	1.01		1.28	1.01	
Allowance for credit losses to total loans and unfunded loan commitments	1.07	0.87		1.07	0.87	
Other information:						
Non-accrual loans (4)	$ 60,982	$ 43,411		$ 60,982	$ 43,411	
Accruing loans - 90 days past due (4)	—	—		—	—	

(1) Calculations of pre-tax pre-provision net revenue, total common stockholders' equity, tangible book value per common share and returns on average common stockholders' equity and 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
Selected Consolidated Financial Data (continued)
Unaudited

	Three Months Ended December 31, 2023	Three Months Ended September 30, 2023	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 370,548	$ 367,261	0.9%
Provision for credit losses	43,832	44,036	(0.5)
Non-interest income	37,027	25,727	43.9
Non-interest expense	145,011	128,978	12.4
Net income	175,132	173,830	0.7
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	171,079	169,746	0.8
Pre-tax pre-provision net revenue (1)	262,564	264,010	(0.5)
Common share and per common share data:			
Diluted earnings per common share	$ 1.50	$ 1.49	0.7%
Basic earnings per common share	1.51	1.50	0.7
Common stock dividends per share	0.37	0.36	2.8
Book value per share	42.42	40.35	5.1
Tangible book value per common share (1)	36.58	34.50	6.0
Weighted-average diluted shares outstanding (thousands)	113,756	113,770	—
End of period shares outstanding (thousands)	113,149	113,136	—
Balance sheet data at period end:			
Total assets	$ 34,237,457	$ 32,767,328	4.5%
Total loans	26,459,075	25,331,740	4.5
Non-purchased loans	26,195,030	25,051,214	4.6
Purchased loans	264,045	280,526	(5.9)
Allowance for loan losses	339,394	303,358	11.9
Foreclosed assets	61,720	68,738	(10.2)
Investment securities – AFS	3,244,371	3,153,817	2.9
Goodwill and other intangible assets, net	660,789	660,789	—
Deposits	27,405,143	25,552,856	7.2
Other borrowings	805,318	1,430,192	(43.7)
Subordinated notes	347,761	347,556	0.1
Subordinated debentures	121,652	121,652	—
Unfunded balance of closed loans	20,573,029	20,625,371	(0.3)
Reserve for losses on unfunded loan commitments	161,834	158,128	2.3
Preferred stock	338,980	338,980	—
Total common stockholders' equity (1)	4,800,021	4,564,524	5.2
Net unrealized losses on investment securities AFS included in stockholders' equity	(97,374)	(198,986)	
Loan (including purchased loans) to deposit ratio	96.55%	99.13%	
Selected ratios:			
Return on average assets (2)	2.04%	2.13%	
Return on average common stockholders' equity (1) (2)	14.58	14.81	
Return on average tangible common stockholders' equity (1) (2)	16.99	17.33	
Average common equity to total average assets	13.99	14.38	
Net interest margin – FTE (2)	4.82	5.05	
Efficiency ratio	35.33	32.60	
Net charge-offs to average non-purchased loans (2) (3)	0.07	0.17	
Net charge-offs to average total loans (2)	0.06	0.15	
Nonperforming loans to total loans (4)	0.23	0.25	
Nonperforming assets to total assets (4)	0.36	0.40	
Allowance for loan losses to total loans (5)	1.28	1.20	
Allowance for credit losses to total loans and unfunded loan commitments	1.07	1.00	
Other information:			
Non-accrual loans (4)	$ 60,982	$ 62,648	
Accruing loans - 90 days past due (4)	—	—	

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

Bank OZK
Supplemental Quarterly Financial Data
Unaudited

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22
			(Dollars in thousands)		
Earnings summary:					
Net interest income	$ 370,548	$ 367,261	$ 356,824	$ 344,852	$ 332,488
Federal tax (FTE) adjustment	2,925	2,632	2,602	2,603	2,383
Net interest income (FTE)	373,473	369,893	359,426	347,455	334,871
Provision for credit losses	(43,832)	(44,036)	(41,774)	(35,829)	(32,508)
Non-interest income	37,027	25,727	31,987	27,809	27,544
Non-interest expense	(145,011)	(128,978)	(129,355)	(126,217)	(119,013)
Pre-tax income (FTE)	221,657	222,606	220,284	213,218	210,894
FTE adjustment	(2,925)	(2,632)	(2,602)	(2,603)	(2,383)
Provision for income taxes	(43,600)	(46,144)	(45,717)	(40,703)	(45,686)
Noncontrolling interest	(6)	(37)	(1)	(12)	54
Preferred stock dividend	(4,047)	(4,047)	(4,047)	(4,047)	(4,047)
Net income available to common stockholders	$ 171,079	$ 169,746	$ 167,917	$ 165,853	$ 158,832
Earnings per common share – diluted	$ 1.50	$ 1.49	$ 1.47	$ 1.41	$ 1.34
Pre-tax pre-provision net revenue [(1)]	$ 262,564	$ 264,010	$ 259,456	$ 246,444	$ 241,019
Selected balance sheet data at period end:					
Total assets	$ 34,237,457	$ 32,767,328	$ 30,761,870	$ 28,971,170	$ 27,656,568
Non-purchased loans	26,195,030	25,051,214	23,291,785	21,700,941	20,400,154
Purchased loans	264,045	280,526	315,661	361,065	378,637
Investment securities – AFS	3,244,371	3,153,817	3,262,366	3,422,031	3,491,613
Deposits	27,405,143	25,552,856	23,983,397	22,282,983	21,500,143
Unfunded balance of closed loans	20,573,029	20,625,371	21,119,761	20,965,040	21,062,733
Allowance for credit losses:					
Balance at beginning of period	$ 461,486	$ 426,820	$ 393,767	$ 365,277	$ 335,635
Net charge-offs	(4,090)	(9,370)	(8,721)	(7,339)	(2,866)
Provision for credit losses	43,832	44,036	41,774	35,829	32,508
Balance at end of period	$ 501,228	$ 461,486	$ 426,820	$ 393,767	$ 365,277
Allowance for loan losses	$ 339,394	$ 303,358	$ 263,188	$ 222,025	$ 208,858
Reserve for losses on unfunded loan commitments	161,834	158,128	163,632	171,742	156,419
Total allowance for credit losses	$ 501,228	$ 461,486	$ 426,820	$ 393,767	$ 365,277
Selected ratios:					
Net interest margin – FTE [(2)]	4.82%	5.05%	5.32%	5.54%	5.46%
Efficiency ratio	35.33	32.60	33.05	33.63	32.84
Net charge-offs to average non-purchased loans [(2)(3)]	0.07	0.17	0.03	0.15	0.09
Net charge-offs to average total loans [(2)]	0.06	0.15	0.15	0.14	0.06
Nonperforming loans to total loans [(4)]	0.23	0.25	0.15	0.15	0.22
Nonperforming assets to total assets [(4)]	0.36	0.40	0.32	0.34	0.19
Allowance for loan losses to total loans [(5)]	1.28	1.20	1.11	1.01	1.01
Allowance for credit losses to total loans and unfunded loan commitments	1.07	1.00	0.95	0.92	0.87
Loans past due 30 days or more, including past due non-accrual loans, to total loans [(4)]	0.20	0.21	0.14	0.15	0.13

[(1)] Calculations of pre-tax pre-provision net revenue and the reconciliation 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
Average Consolidated Balance Sheets and Net Interest Analysis – FTE
Unaudited

	Three Months Ended December 31,						Year Ended December 31,					
	2023			2022			2023			2022		
	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												
Interest earning assets:												
Interest earning deposits and federal funds sold	$ 1,637,395	$ 21,902	5.31%	$ 692,066	$ 5,961	3.42%	$ 1,164,595	$ 58,241	5.00%	$ 940,116	$ 12,116	1.29%
Investment securities:												
Taxable	2,143,606	9,667	1.79	2,566,011	10,280	1.59	2,299,254	39,429	1.71	2,950,929	41,526	1.41
Tax-exempt – FTE	1,097,750	13,506	4.88	974,070	10,786	4.39	1,049,642	49,313	4.70	774,038	28,675	3.70
Non-purchased loans – FTE	25,590,389	557,932	8.65	19,728,477	367,136	7.38	23,258,595	1,968,696	8.46	18,744,652	1,159,161	6.18
Purchased loans	271,222	5,412	7.92	391,801	7,141	7.23	321,570	23,257	7.23	445,955	31,441	7.05
Total earning assets – FTE	30,740,362	608,419	7.85	24,352,425	401,304	6.54	28,093,656	2,138,936	7.61	23,855,690	1,272,919	5.34
Non-interest earning assets	2,538,592			2,508,505			2,550,276			2,472,672		
Total assets	$33,278,954			$26,860,930			$30,643,932			$26,328,362		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,004,724	$ 64,165	2.83%	$ 9,519,104	$ 26,543	1.11%	$ 9,152,060	$ 211,498	2.31%	$ 9,588,372	$ 48,344	0.50%
Time deposits	13,280,889	154,309	4.61	6,321,731	26,687	1.67	10,543,800	415,552	3.94	5,680,395	46,229	0.81
Total interest bearing deposits	22,285,613	218,474	3.89	15,840,835	53,230	1.33	19,695,860	627,050	3.18	15,268,767	94,573	0.62
Other borrowings	863,828	11,329	5.20	753,605	8,533	4.49	803,797	41,669	5.18	673,932	13,034	1.93
Subordinated notes	347,661	2,631	3.00	346,847	2,631	3.01	347,356	10,439	3.01	346,538	10,439	3.01
Subordinated debentures	121,652	2,512	8.19	121,523	2,039	6.66	121,648	9,530	7.83	121,310	5,780	4.76
Total interest bearing liabilities	23,618,754	234,946	3.95	17,062,810	66,433	1.54	20,968,661	688,688	3.28	16,410,547	123,826	0.75
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,150,323			4,751,644			4,315,200			4,873,842		
Other non-interest bearing liabilities	513,326			435,108			502,732			378,471		
Total liabilities	28,282,403			22,249,562			25,786,593			21,662,860		
Total stockholders' equity before noncontrolling interest	4,995,217			4,608,570			4,855,976			4,662,467		
Noncontrolling interest	1,334			2,798			1,363			3,035		
Total liabilities and stockholders' equity	$33,278,954			$26,860,930			$30,643,932			$26,328,362		
Net interest income – FTE		$ 373,473			$ 334,871			$1,450,248			$1,149,093	
Net interest margin – FTE			4.82%			5.46%			5.16%			4.82%
Core spread [1]			4.76%			6.05%			5.28%			5.56%

[1] 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 Common Stockholders' Equity, Average Tangible Common Stockholders' Equity and the Annualized Returns on Average Common Stockholders' Equity and Average Tangible Common Stockholders' Equity

Unaudited

	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Three Months Ended September 30, 2023	Year Ended December 31, 2023	Year Ended December 31, 2022
	(Dollars in thousands)				
Net income available to common stockholders	$ 171,079	$ 158,832	$ 169,746	$ 674,596	$ 547,520
Average stockholders' equity before noncontrolling interest	$ 4,995,217	$ 4,608,570	$ 4,885,620	$ 4,855,976	$ 4,662,467
Less average preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	4,656,237	4,269,590	4,546,640	4,516,996	4,323,487
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	—	(3,421)	—	(821)	(5,443)
Total average intangibles	(660,789)	(664,210)	(660,789)	(661,610)	(666,232)
Average tangible common stockholders' equity	$ 3,995,448	$ 3,605,380	$ 3,885,851	$ 3,855,386	$ 3,657,255
Return on average common stockholders' equity[(1)]	14.58%	14.76%	14.81%	14.93%	12.66%
Return on average tangible common stockholders' equity[(1)]	16.99%	17.48%	17.33%	17.50%	14.97%

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

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

Unaudited

	December 31, 2023	December 31, 2022	September 30, 2023
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 5,139,001	$ 4,689,579	$ 4,903,504
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 4,800,021	$ 4,350,599	$ 4,564,524
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(2,754)	—
Total intangibles	(660,789)	(663,543)	(660,789)
Total tangible common stockholders' equity	$ 4,139,232	$ 3,687,056	$ 3,903,735
Shares of common stock outstanding	113,149	117,177	113,136
Book value per common share	$ 42.42	$ 37.13	$ 40.35
Tangible book value per common share	$ 36.58	$ 31.47	$ 34.50

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

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

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited

	Three Months Ended					Year Ended December 31,	
	Dec 31, 2023	Sept 30, 2023	June 30, 2023	March 31, 2023	Dec 31, 2022	2023	2022
	(Dollars in thousands)						
Net income available to common stockholders	$ 171,079	$ 169,746	$ 167,917	$ 165,853	$ 158,832	$ 674,596	$ 547,520
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047	16,187	16,621
Earnings attributable to noncontrolling interest	6	37	1	12	(54)	56	(51)
Provision for income taxes	43,600	46,144	45,717	40,703	45,686	176,164	157,440
Provision for credit losses	43,832	44,036	41,774	35,829	32,508	165,470	83,494
Pre-tax pre-provision net revenue	$ 262,564	$ 264,010	$ 259,456	$ 246,444	$ 241,019	$ 1,032,473	$ 805,024

Exhibit 99.2

Bank OZK

MANAGEMENT COMMENTS FOR THE FOURTH QUARTER & FULL YEAR 2023

JANUARY 18, 2024

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; 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.

<u>MANAGEMENT COMMENTS FOR THE FOURTH QUARTER AND FULL YEAR OF 2023</u>

We are pleased to report our results for the fourth quarter and full year of 2023. Highlights include:

- ***Net Income & Earnings Per Share.*** Net income available to common stockholders for the quarter just ended was a record $171.1 million and diluted earnings per common share were a record $1.50, increases of 7.7% and 11.9%, respectively, compared to the fourth quarter of 2022. For the full year 2023, net income available to common stockholders was a record $674.6 million and diluted earnings per common share were a record $5.87, increases of 23.2% and 29.3%, respectively, compared to 2022.
- ***Pre-tax Pre-provision Net Revenue[1] ("PPNR").*** PPNR for the quarter just ended was $262.6 million, an increase of 8.9% compared to the fourth quarter of 2022, and for the full year 2023 was a record $1.03 billion, an increase of 28.3% compared to 2022.
- ***Net Interest Income.*** Net interest income for the quarter just ended was a record $370.5 million, an increase of 11.4% compared to the fourth quarter of 2022, and for the full year 2023 was a record $1.44 billion, an increase of 26.0% compared to 2022.
- ***Loans.*** Total loans outstanding grew to a record $26.46 billion, increasing $1.13 billion, or 4.5% not annualized, in the quarter just ended, and increasing $5.68 billion, or 27.3% for the full year 2023.
- ***Deposits.*** Deposits grew to a record $27.41 billion, increasing $1.85 billion, or 7.2% not annualized, in the quarter just ended, and increasing $5.91 billion, or 27.5% for the full year 2023.
- ***Liquidity.*** We maintained robust available primary and secondary sources of liquidity which increased to $10.9 billion at December 31, 2023.
- ***Asset Quality.*** Our annualized net charge-off ratio for total loans was 0.06% for the quarter just ended and 0.13% for the full year 2023. Nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[2] were 0.23% and 0.36%, respectively, at December 31, 2023.
- ***Return on Average Assets ("ROAA") and ACL Build.*** We achieved an annualized ROAA of 2.04% in the quarter just ended, while building our Allowance for Credit Losses ("ACL") by a net $39.7 million. For the full year 2023, we achieved a ROAA of 2.20% while building our ACL by a net $136.0 million.
- ***Efficiency Ratio.*** Our efficiency ratio in the quarter just ended was 35.3% and for the full year was 33.7%.
- ***Capital.*** At December 31, 2023, our ratios of common stockholders' equity and tangible common stockholders' equity[3] were 14.0% and 12.3%, respectively, and our book value and tangible book value per common share were $42.42 and $36.58, respectively, 14.2% and 16.2% increases from year-end 2022.
- ***Dividends.*** We recently increased our dividend on our common stock for the 54th consecutive quarter.

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[1] 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.
[2] Excludes purchased loans, except for their inclusion in total assets.
[3] 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 at the end of this presentation.

Profitability and Earnings Metrics

Net income available to common stockholders for the fourth quarter of 2023 was a record \$171.1 million, a 7.7% increase from \$158.8 million for the fourth quarter of 2022. Diluted earnings per common share for the fourth quarter of 2023 were a record \$1.50, an 11.9% increase from \$1.34 for the fourth quarter of 2022. For the full year of 2023, net income available to common stockholders was \$674.6 million, a 23.2% increase from \$547.5 million for the full year of 2022. Diluted earnings per common share for the full year of 2023 were \$5.87, a 29.3% increase from \$4.54 for the full year of 2022.

PPNR for the fourth quarter of 2023 was \$262.6 million, an 8.9% increase from \$241.0 million for the fourth quarter of 2022. For the full year of 2023, PPNR was \$1.03 billion, a 28.3% increase from \$805.0 million for the full year of 2022. During the quarter just ended, the Federal Deposit Insurance Corporation (the "FDIC") approved a special assessment applicable to banks generally. We fully accrued and expensed our \$9.9 million special assessment during the quarter just ended.

Our annualized ROAA was 2.04% for the fourth quarter of 2023 compared to 2.35% for the fourth quarter of 2022. Our annualized returns on average common stockholders' equity ("ROACE") and average tangible common stockholders' equity[4] ("ROATCE") for the fourth quarter of 2023 were 14.58% and 16.99%, respectively, compared to 14.76% and 17.48%, respectively, for the fourth quarter of 2022. Our ROAA, ROACE and ROATCE for the full year of 2023 were 2.20%, 14.93% and 17.50%, respectively, compared to 2.08%, 12.66% and 14.97%, respectively, for the full year of 2022.

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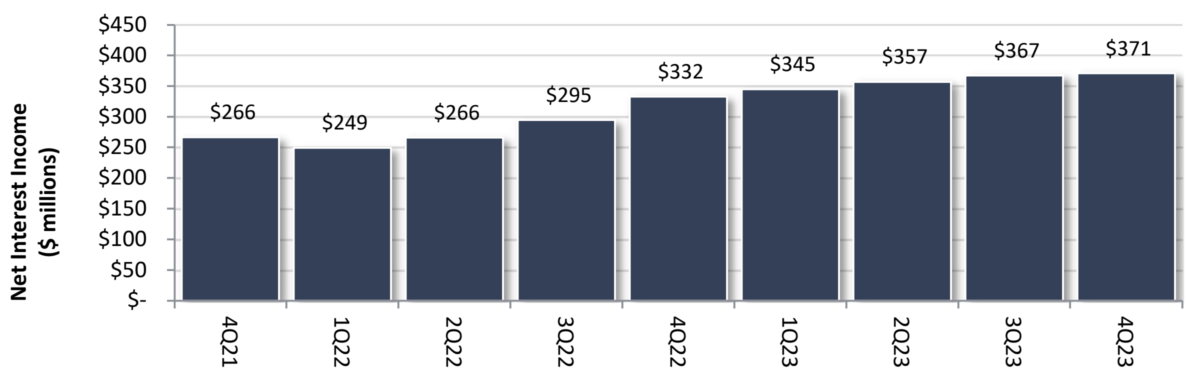
[4] The calculation of the Bank's annualized returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliation to GAAP are included in the schedule at the end of this presentation.

Net Interest Income

Our net interest income for the fourth quarter of 2023 was a record $371 million, an 11.4% increase from $332 million for the fourth quarter of 2022, as shown in Figure 1. Our net interest income for the full year of 2023 was $1.44 billion, a 26.0% increase from $1.14 billion for the full year of 2022.

Our net interest income in the quarter just ended was our sixth 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 2024, 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 in each quarter from the level achieved in the quarter just ended.

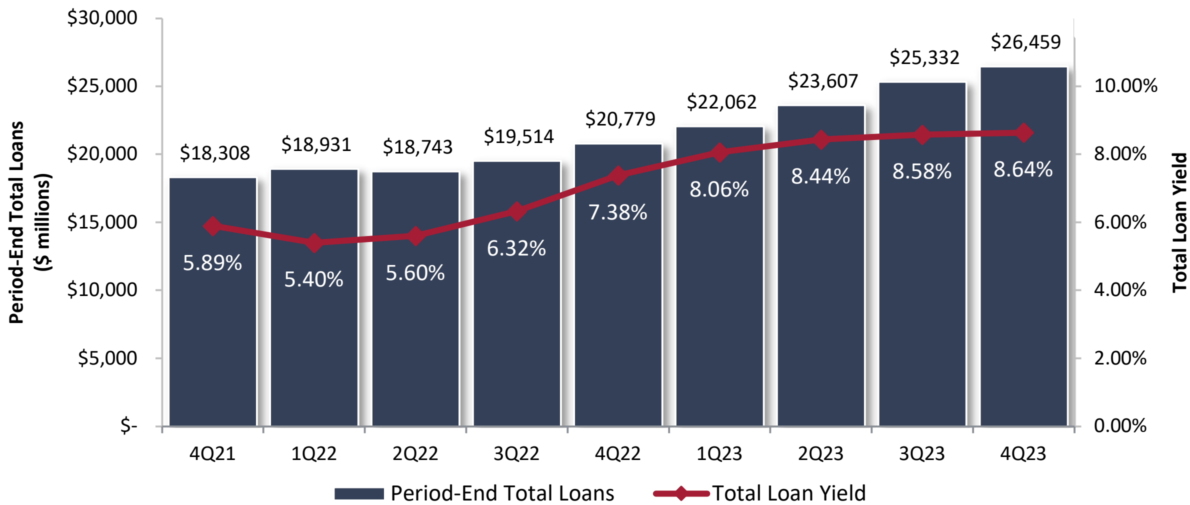
Figure 1: Quarterly Net Interest Income



Earning Assets

Our total loans at December 31, 2023 were a record $26.46 billion, having increased $5.68 billion, or 27.3%, from December 31, 2022 and $1.13 billion, or 4.5% not annualized, from September 30, 2023, as illustrated in Figure 2. We expect good loan growth in 2024, but less than the $5.68 billion achieved in 2023. Loan growth in 2024 may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

Figure 2: Total Loan Balances and Yields

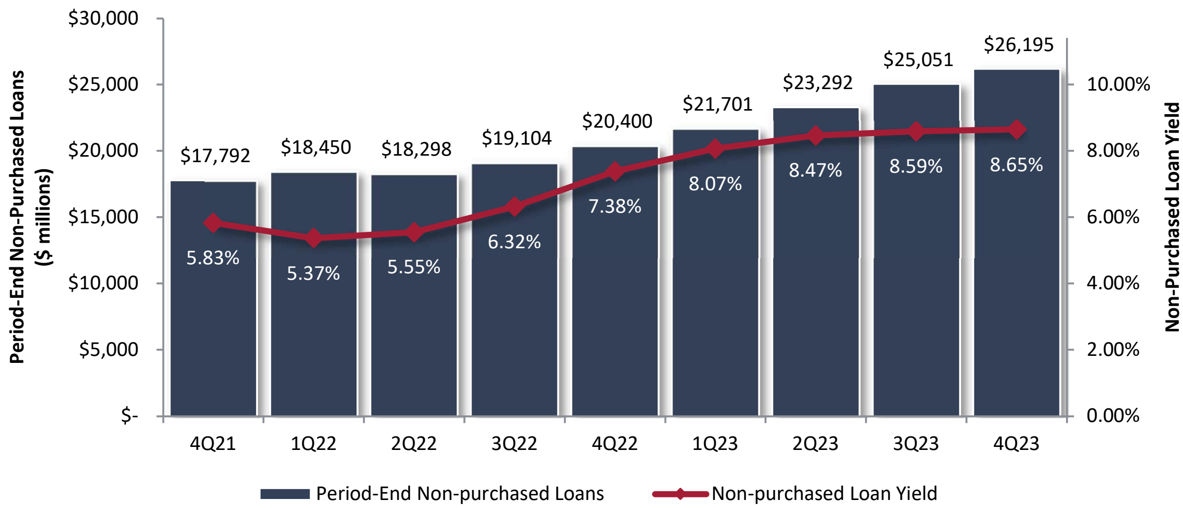


In the fourth quarter of 2023, our yield on total loans was 8.64%, an increase of 126 basis points ("bps") from the fourth quarter of 2022 and six bps from the third quarter of 2023. For the full year of 2023, our yield on total loans was 8.45%, an increase of 225 bps from the full year of 2022.

Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from acquisitions, accounted for 83.2% of our average earning assets in the quarter just ended. As illustrated in Figure 3, non-purchased loans were a record $26.20 billion at December 31, 2023, having increased $5.79 billion, or 28.4%, from December 31, 2022, and $1.14 billion, or 4.6% not annualized, from September 30, 2023.

Figure 3: Non-purchased Loan Balances and Yields



In the fourth quarter of 2023, our yield on non-purchased loans was 8.65%, an increase of 127 bps from the fourth quarter of 2022 and six bps from the third quarter of 2023. In the full year of 2023, our yield on non-purchased loans was 8.46%, an increase of 228 bps from the full year of 2022.

Loan Portfolio Diversification

Figures 4 and 5 reflect the mix in our non-purchased loan growth in the fourth quarter and full year of 2023. Real Estate Specialties Group ("RESG") was the largest contributor to this non-purchased loan growth. Community Banking, Indirect RV & Marine, Asset Based Lending Group ("ABLG") and Corporate and Business Specialties Group ("CBSG"), collectively, contributed $1.47 billion to non-purchased loan growth in 2023.

Figure 4: Non-purchased Loan Growth – 4Q23 ($ millions)

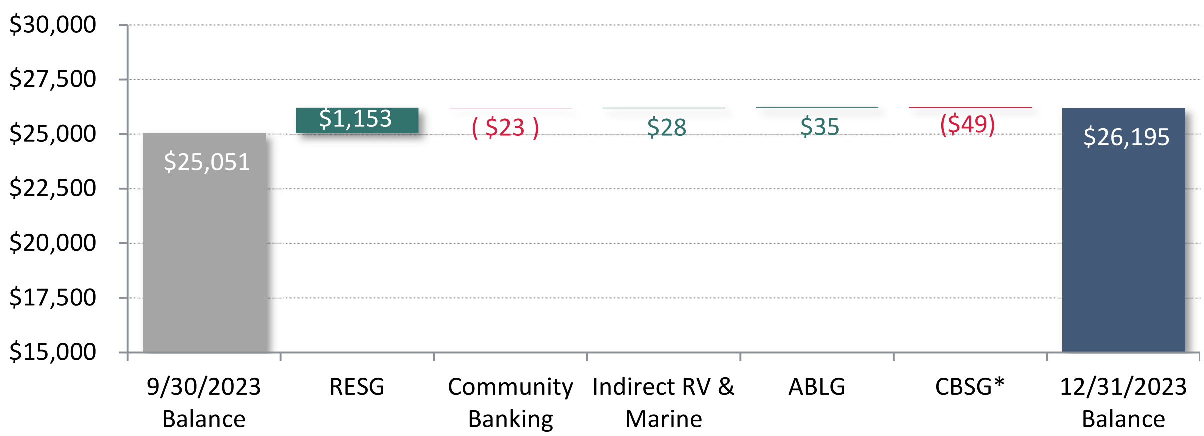
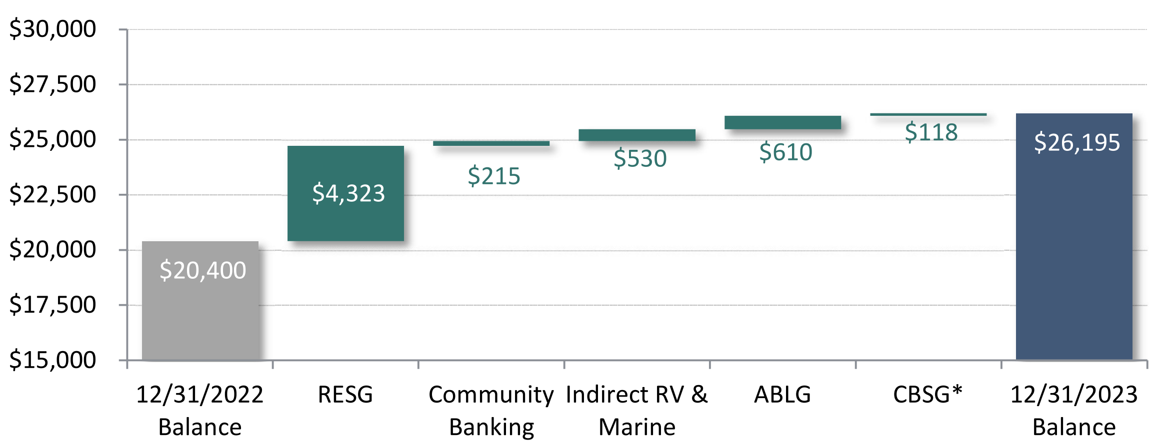


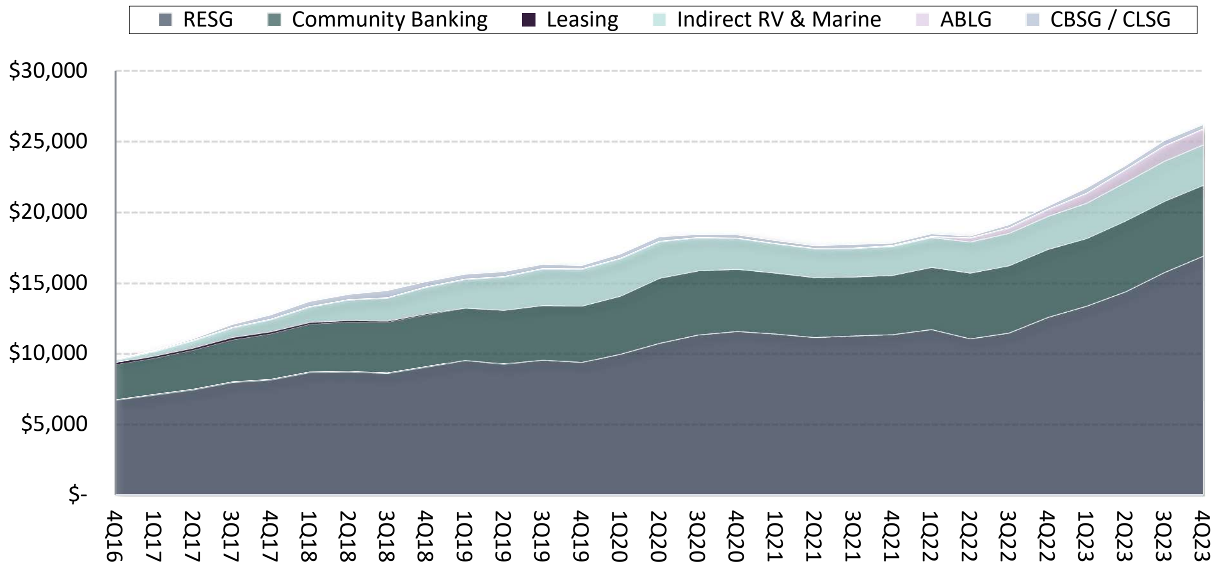
Figure 5: Non-purchased Loan Growth – FY23 ($ millions)



** CBSG is a team focused on subscription finance, NAV finance, and other secured non-real estate lending opportunities.*

Figure 6 illustrates our growth in non-purchased loans from $9.61 billion at year end 2016 to $26.20 billion at year end 2023, as well as the increased diversification.

Figure 6: Non-purchased Loan Growth Trends ($ millions)



Even as our outstanding balance of RESG loans has reached record levels, RESG's percentage of our non-purchased loans has declined from a peak of 70% at year end 2016 to 65% as of December 31, 2023, as illustrated in Figure 7.

Figure 7: Non-purchased Loan Composition Comparison ($ millions)

	12/31/2023 Balances	
	$ millions	*%*
RESG	$ 16,922	65%
Community Banking	5,006	19%
Indirect Lending	2,859	11%
ABLG	1,092	4%
CBSG	315	1%
Total	**$ 26,195**	**100%**

We want to continue to grow our RESG portfolio while also achieving 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. While RESG's percentage of our total loans may increase in 2024 due primarily to continued funding of RESG's record 2022 level of originations, we expect our other lending teams will contribute meaningfully to growth, especially in 2025 and 2026 when RESG is likely to have elevated levels of repayments, all of which should allow us to achieve greater portfolio diversification. This "growth, growth and diversification" strategy allows us to capitalize on the unique strengths and expertise of RESG, while also continuing to ramp up growth in other lending teams contributing to long-term growth and portfolio diversification.

As reflected in Figures 8 and 9, RESG's funded balance of non-purchased loans increased $1.15 billion and $4.32 billion during the fourth quarter and full year of 2023, respectively.

Figure 8: Activity in RESG Funded Balances – 4Q23 ($ billions)

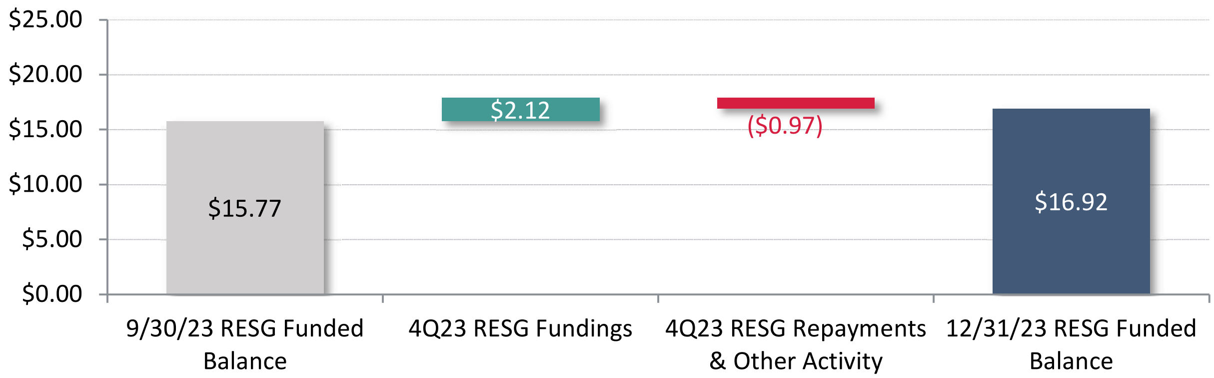
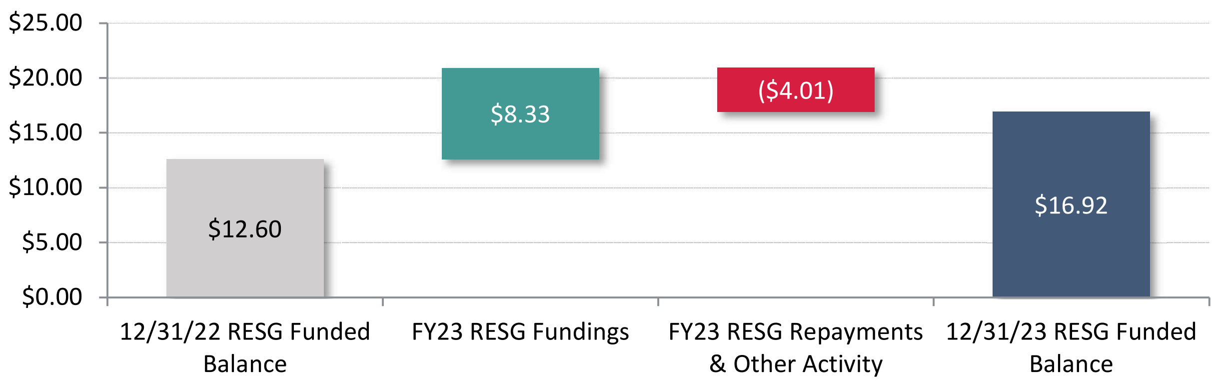


Figure 9: Activity in RESG Funded Balances – FY23 ($ billions)



As shown in Figure 10, in the fourth quarter of 2023 RESG loan originations were $2.05 billion, our highest of the year. RESG loan originations for the full year of 2023 were $7.22 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 2024.

Figure 10: RESG Quarterly Loan 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	$2.05	$7.22

RESG origination volume in 2024 is expected to be at or somewhat above the $7.22 billion achieved during 2023. Origination volume may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

As shown in Figure 11, RESG's loan repayments and other activity were $0.97 billion in the quarter just ended and $4.01 billion for the full year of 2023.

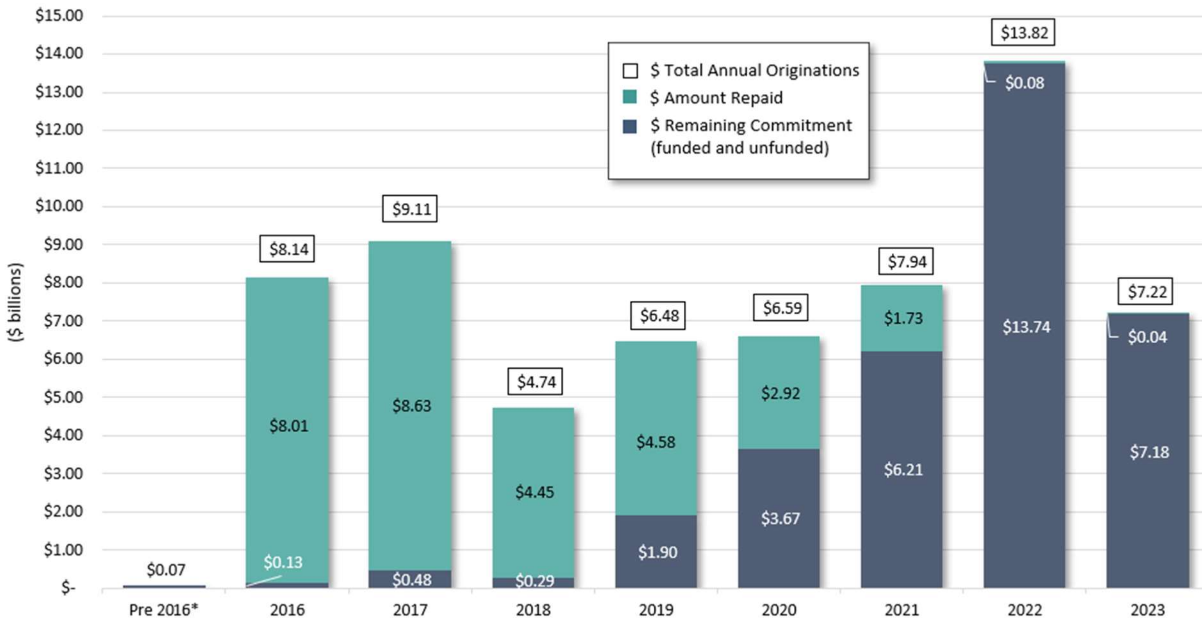
Figure 11: RESG Quarterly Loan Repayments & Other Activity
($ billions)

	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	$0.97	$4.01

During 2023, RESG loan repayments were subdued as many sponsors carefully monitored interest rates and refinance market conditions to determine when to move projects from construction financing to bridge or permanent loans. Lower interest rates in 2024 may result in an increased level of loan repayments for the full year of 2024 as compared to 2023. 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.

Figure 12 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, as of December 31, 2023.

Figure 12: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*



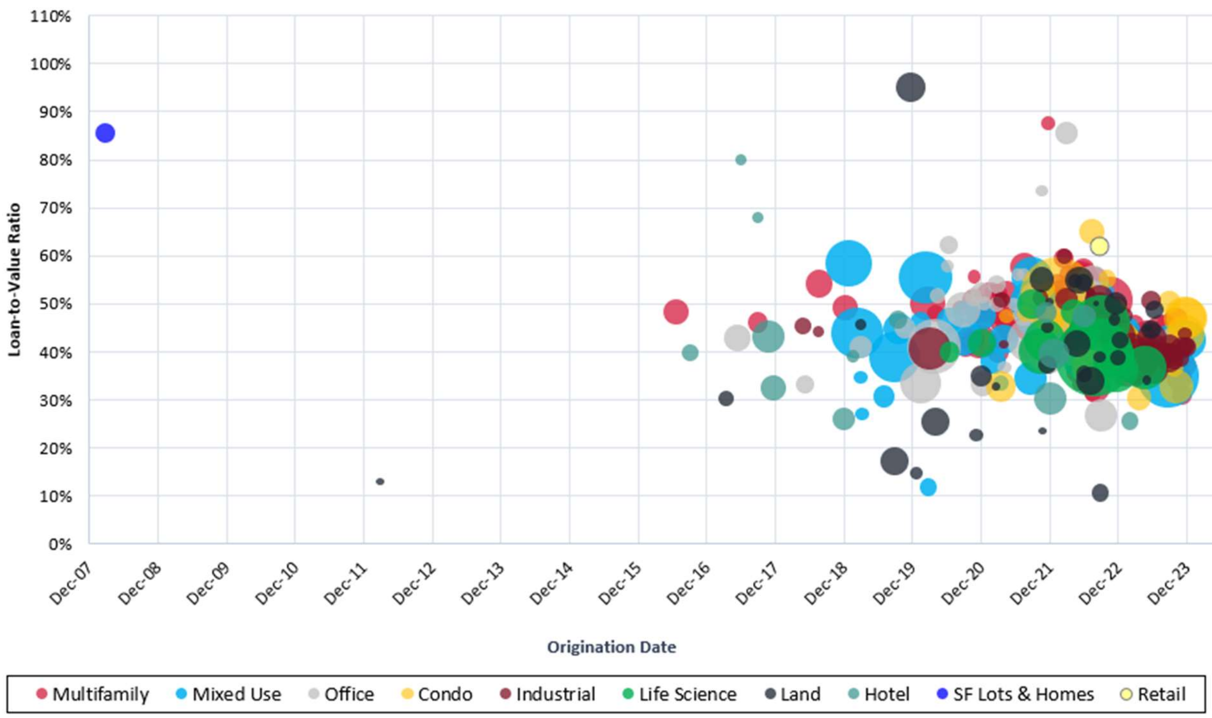
** Amounts repaid are not shown for pre-2016 originations*

Total Originations / Amount Repaid / Remaining Commitment

The loan-to-value ("LTV") metrics on individual loans within the RESG portfolio as of December 31, 2023, are illustrated in Figure 13. The significant protection provided by RESG's conservative loan-to-cost ("LTC") and LTV metrics is always important, and especially so in the current macroeconomic environment. Assuming full funding of every RESG loan, the weighted average LTC for the RESG portfolio was 52%, and the weighted average LTV was 43%, as of December 31, 2023. RESG collateral valuations are supported by the fact that the majority of RESG loans are for new construction featuring current design and amenity packages, which provides a distinct competitive advantage compared to older, less desirable properties.

Figure 13: RESG Portfolio by LTV & Origination Date (As of December 31, 2023)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount



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.

As of December 31, 2023, the RESG portfolio has three credits that are rated substandard and no credits rated special mention. These three credits have been discussed in previous Management Comments and updates on these credits are as follows:

- *Development near Lake Tahoe.* A $54.5 million performing credit which has been substandard accrual since 2019 and has an 86% LTV. The total commitment related to this credit was reduced from $56 million to $54.5 million in the quarter just ended.
- *Minneapolis hotel.* An $18.8 million substandard-nonaccrual credit which is past due. During the quarter just ended, we recognized an additional $1.18 million charge-off based on our revised estimates related

to the timing and cost of liquidating this asset. This credit is subject to ongoing collection efforts and is now carried at 80% of "as-is" appraised value.

- *Chicago land.* A $128 million substandard-accrual credit that has a 95% LTV. During the quarter just ended, this credit was downgraded from special mention to substandard accrual based on the pace of the sponsor's recapitalization initiative. The sponsor continues to pursue opportunities to bring in new capital, and we will continue to monitor their efforts closely. The sponsor maintains a cash reserve with us, which was approximately $4.3 million at December 31, 2023, which was not included in the LTV calculation.

As of December 31, 2023, our ACL allocations for the three credits above were $16.5 million, $1.9 million and $32.8 million, respectively.

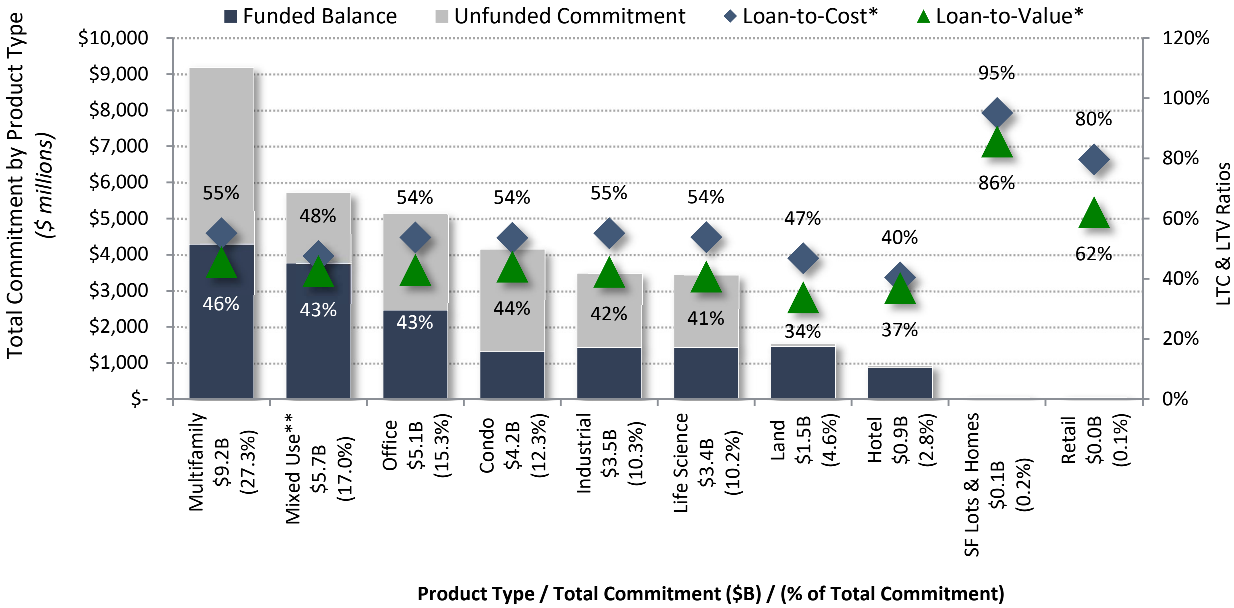
During the fourth quarter of 2023, RESG obtained updated appraisals on 20 loans with a total commitment of $1.51 billion. Figure 14 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value and the previous total loan commitment for each of these loans. Principal paydowns received on several loans helped maintain LTVs at favorable levels. In summary, LTVs were little changed (plus or minus 10%) for 16 loans, LTVs decreased more than 10% for one loan and LTVs increased more than 10% for three loans.

Figure 14: Appraisals Obtained in 4Q23 ($ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 12/31/23	Δ in LTV
Office	$ 72	46.4%	85.5%	39.2%
Multifamily	30	60.4%	87.7%	27.4%
Office	22	49.5%	73.6%	24.1%
Multifamily	36	40.0%	49.8%	9.8%
Office	180	40.8%	48.7%	7.9%
Office	44	43.7%	51.4%	7.7%
Multifamily	26	49.9%	55.7%	5.8%
Office	34	46.3%	51.7%	5.4%
Office	30	45.3%	50.0%	4.7%
Mixed Use	321	53.8%	58.4%	4.6%
Office	88	29.8%	33.4%	3.6%
Multifamily	26	49.8%	51.8%	2.0%
Mixed Use	69	44.5%	46.0%	1.4%
Mixed Use	137	46.0%	44.9%	-1.1%
Hotel	76	27.5%	26.1%	-1.4%
Hotel	93	34.1%	32.5%	-1.6%
Land	26	24.3%	22.7%	-1.6%
Condo	128	35.4%	32.8%	-2.6%
Land	19	53.4%	45.0%	-8.4%
Land	52	49.5%	37.4%	-12.1%

Figure 15 shows the product type diversification within the RESG portfolio.

Figure 15: RESG Portfolio Diversification by Product Type (As of December 31, 2023)

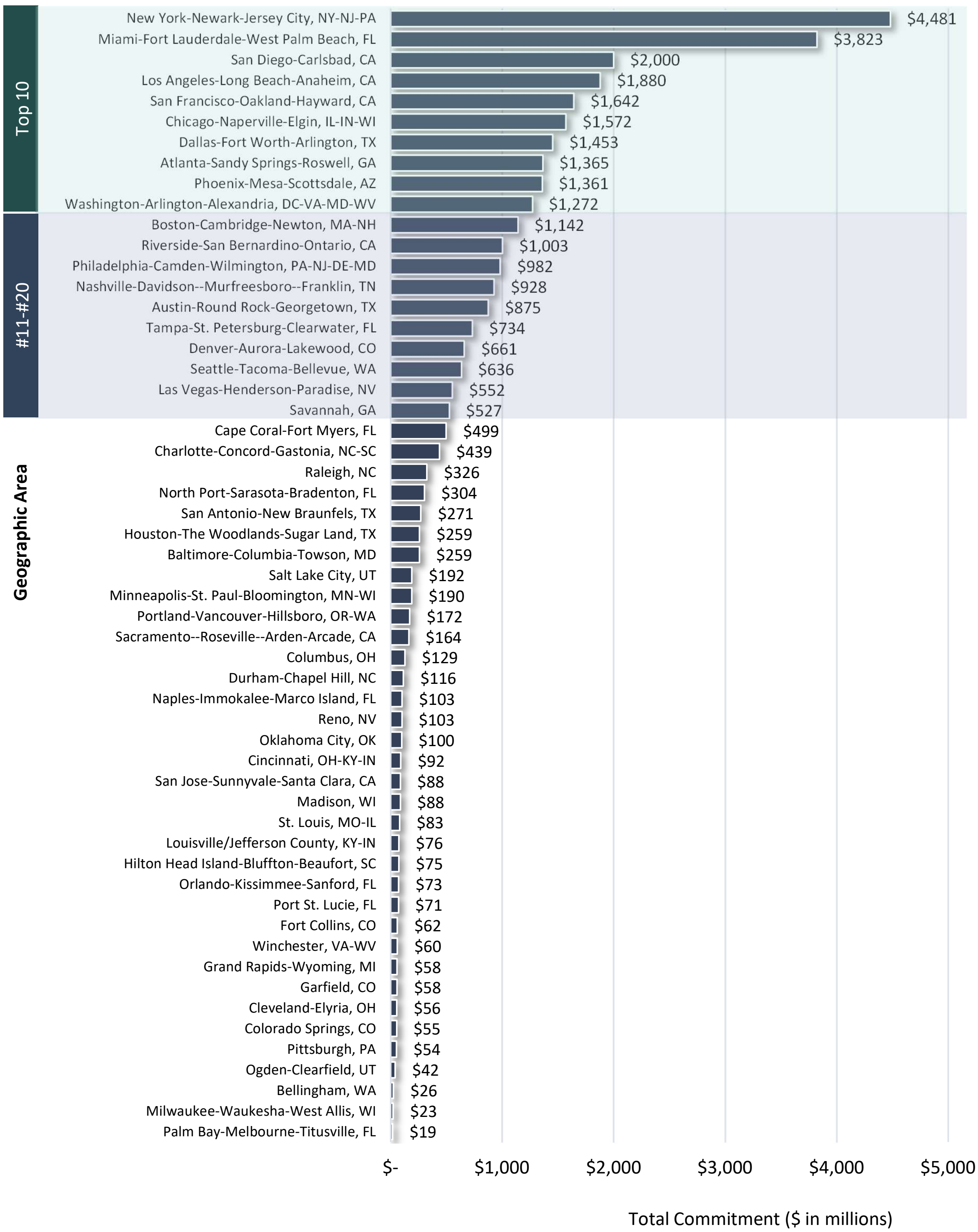


** LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

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

Figure 16 shows RESG's total commitments in each geographic area in which it currently has loans, reflecting the national scope and significant geographic diversification in RESG's business.

Figure 16: RESG Portfolio Diversification – All Geographies (As of December 31, 2023)

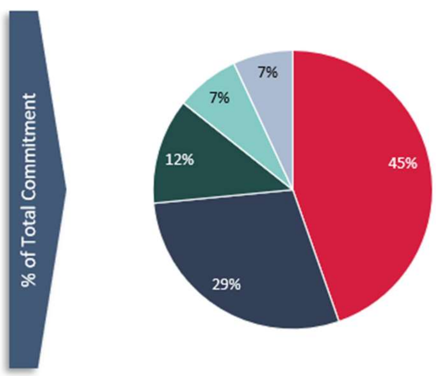


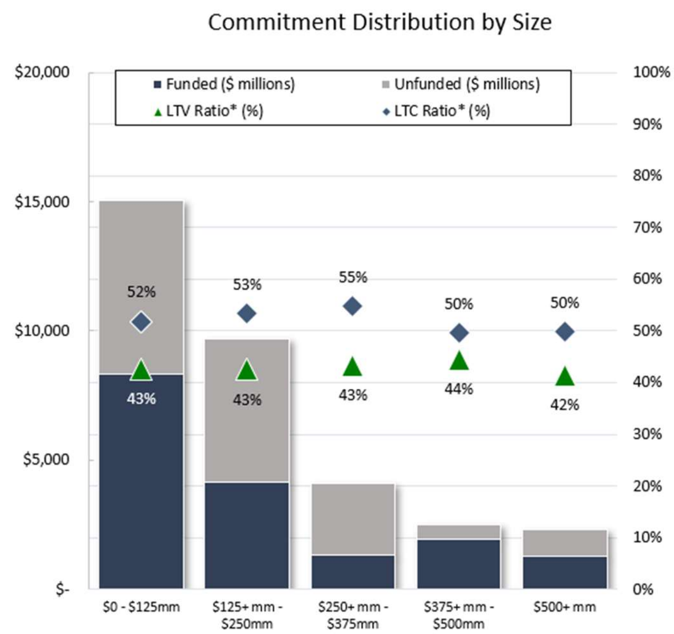
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 17.

Figure 17: RESG Portfolio Stratification by Loan Size – Total Commitment (As of December 31, 2023)

($ millions)

Tranche	No. of Loans	Funded	Total Funded & Unfunded
$0 - $125mm	262	$ 8,307	$ 15,035
$125+ mm - $250mm	56	4,110	9,702
$250+ mm - $375mm	14	1,310	4,118
$375+ mm - $500mm	6	1,930	2,488
$500+ mm	3	1,265	2,330
Total	**341**	**$ 16,922**	**$ 33,674**





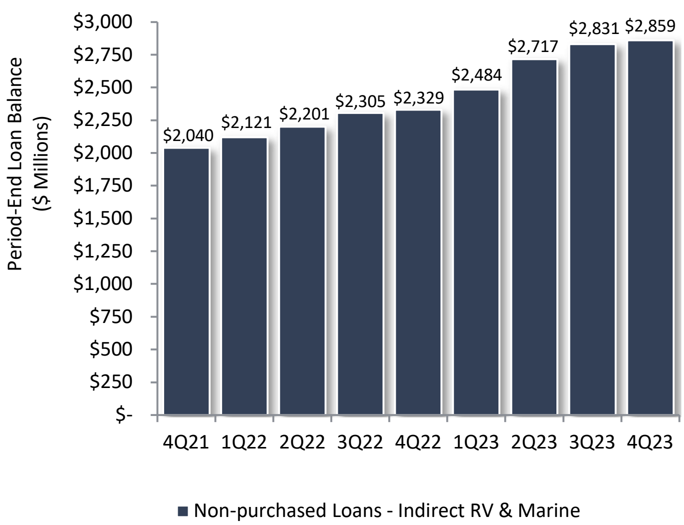
** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

Our Community Banking loans, which accounted for 19% of the funded balance of non-purchased loans as of December 31, 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.

Indirect RV & Marine lending is a nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards. This portfolio accounted for 11% of the funded balance of non-purchased loans as of December 31, 2023. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans.

As of December 31, 2023, the non-purchased indirect portfolio had a 30+ day delinquency ratio of 0.22%. For the fourth quarter and full year of 2023, our annualized net charge-off ratio for the non-purchased indirect portfolio was 0.31% and 0.28%, respectively. Figure 18 provides additional details regarding this portfolio.

Figure 18: Indirect RV & Marine Non-purchased Loan Balances



RV Portfolio at 12/31/23			
Loan Size	**Total #**		**$ thousands**
$1 million +	1	$	1,589
$750k - $999k	1		989
$250k - $749k	588		184,301
$50k - $249k	10,543		1,177,698
< $50k	5,879		163,847
Total	**17,012**	**$**	**1,528,424**

Marine Portfolio at 12/31/23			
Loan Size	**Total #**		**$ thousands**
$1 million +	63	$	130,702
$750k - $999k	52		44,768
$250k - $749k	708		263,445
$50k - $249k	6,694		793,371
< $50k	3,223		98,500
Total	**10,740**	**$**	**1,330,787**

Unfunded Balances of Loans Already Closed

At December 31, 2023, RESG accounted for 81% of our $20.57 billion unfunded balance of loans already closed, followed by Community Banking at 10%, ABLG at 6% and CBSG at 3%. Our total unfunded balance decreased slightly during the quarter just ended, bringing the decrease for the full year of 2023 to $0.49 billion, or 2.3%, as shown in Figures 19 and 20. The mix of our unfunded balance of loans has continued to diversify with RESG accounting for 81% of the unfunded balance as of December 31, 2023, compared to 86% at December 31, 2022.

Figure 19: Activity in Unfunded Balances – 4Q23 ($ millions)

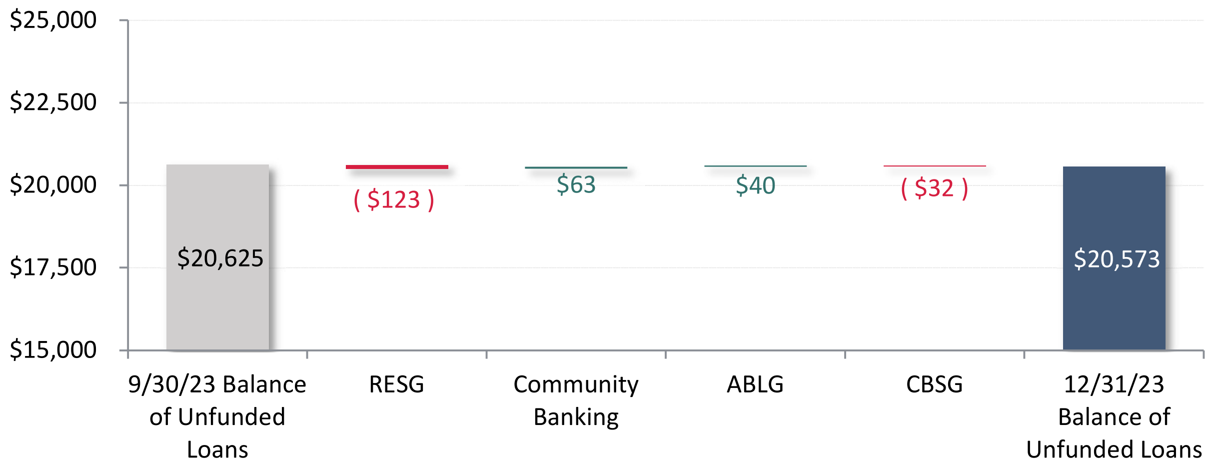
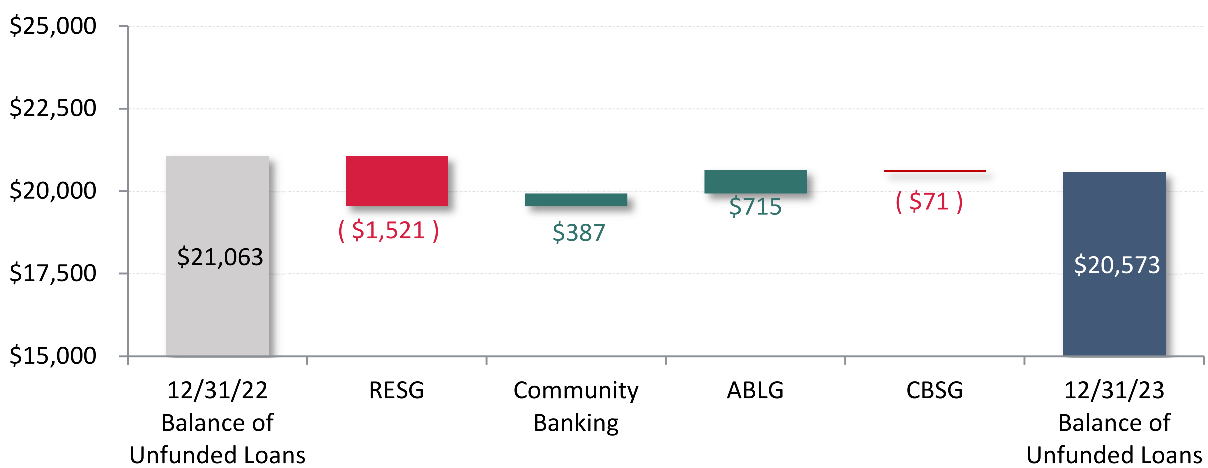


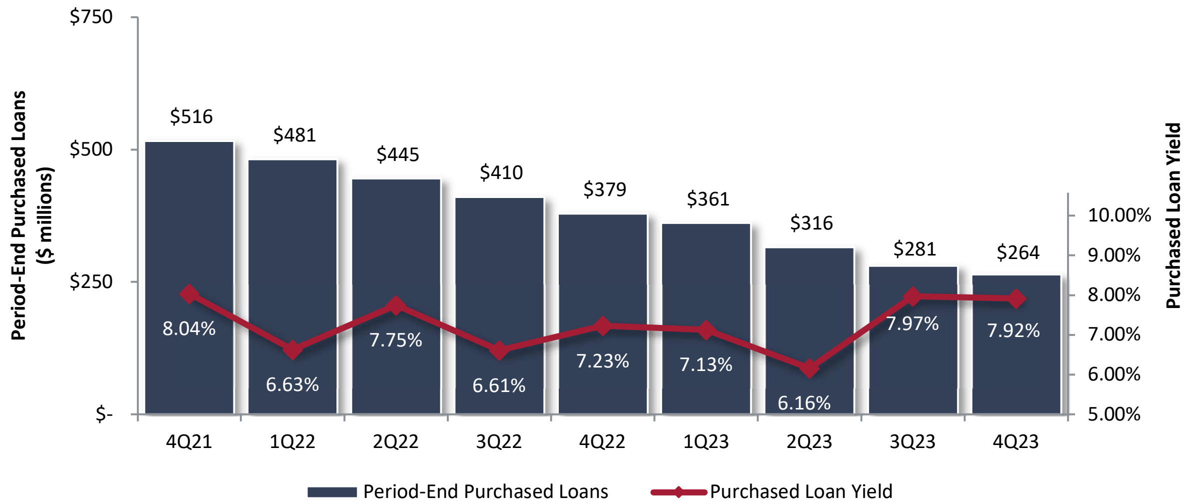
Figure 20: Activity in Unfunded Balances – FY23 ($ millions)



Purchased Loans

Purchased loans, which are the remaining loans from acquisitions, accounted for 0.9% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.02 billion, or 5.9% not annualized, to $0.26 billion at December 31, 2023. For the full year of 2023, our purchased loan portfolio decreased by $0.11 billion, or 30.3%. Figure 21 shows recent purchased loan portfolio trends.

Figure 21: Purchased Loan Balances and Yields

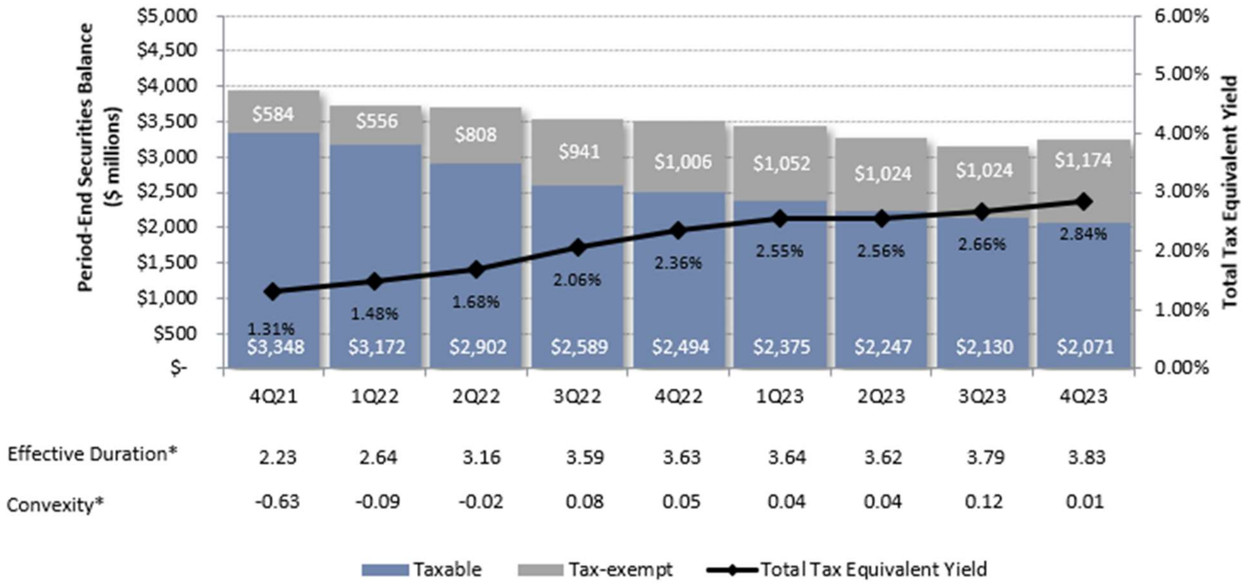


In the fourth quarter of 2023, our yield on purchased loans was 7.92%, an increase of 69 bps from the fourth quarter of 2022, but a decrease of five bps from the third quarter of 2023. In the full year of 2023, our yield on purchased loans was 7.23%, an increase of 18 bps from the full year of 2022.

Investment Securities Portfolio

As illustrated in Figure 22, at December 31, 2023, our investment securities portfolio was $3.24 billion, a decrease of $0.26 billion, or 7.3%, from December 31, 2022, but an increase of $0.09 billion, or 2.9% not annualized, from September 30, 2023, as better mark-to-market adjustments more than offset portfolio net paydowns during the quarter just ended. In the quarter just ended, our investment portfolio yield on a fully taxable equivalent basis was 2.84%, an increase of 48 bps from the fourth quarter of 2022 and 18 bps from the third quarter of 2023.

Figure 22: Investment Securities Portfolio Balances and Yields



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

We have no investment securities categorized as held-to-maturity. We have long believed that holding our securities as available-for-sale or trading provides us maximum liquidity and flexibility to manage our balance sheet, while most accurately reflecting our financial position. Thus, we have no unrecognized mark-to-market adjustments on securities. Additionally, our investment securities portfolio comprises a relatively low percentage of our total assets, and, as shown above, had a short effective duration of 3.83 years as of quarter end. It contains a number of short-term securities providing us cash flow to reinvest or otherwise redeploy. Principal cash flow from maturities and other principal repayments in the first quarter of 2024 is expected to be approximately $0.18 billion, or about 5.5% of the portfolio. Cumulative principal cash flow for 2024 is expected to be approximately $1.00 billion, or about 30.6% of the portfolio.

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.

Deposits and Liquidity

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.

During the quarter just ended, our deposits grew to a record $27.41 billion, increasing $1.85 billion, or 7.2% not annualized. During the full year of 2023, our deposits increased $5.91 billion, or 27.5%, compared to December 31, 2022.

Most of our deposits are generated through our network of 228 retail branches in Arkansas, Georgia, Florida, North Carolina and Texas. Because of the substantial "retail" nature of our deposit base, 82% of our deposits are either insured (66% at December 31, 2023) or, in the case of public funds and certain other deposits, collateralized (16% at December 31, 2023). As of December 31, 2023, our average account balance was approximately $43,000. The diversity of our deposit base is an important factor in the stability of our deposits, as demonstrated in recent quarters.

Figure 23: Deposit Composition ($ millions)

	Period Ended									
	12/31/2022		3/31/2023		6/30/2023		9/30/2023		12/31/2023	
Noninterest Bearing	$ 4,658	21.7%	$ 4,420	19.8%	$ 4,535	18.9%	$ 4,284	16.8%	$ 4,096	14.9%
Consumer and Commercial Interest Bearing:										
Consumer - Non-time	3,916	18.2%	3,490	15.7%	3,143	13.1%	2,928	11.5%	2,792	10.2%
Consumer - Time	4,936	23.0%	6,155	27.6%	7,499	31.3%	8,756	34.3%	10,216	37.3%
Commercial - Non-time	2,741	12.7%	2,487	11.2%	2,334	9.7%	2,321	9.1%	2,439	8.9%
Commercial - Time	516	2.4%	560	2.5%	621	2.6%	684	2.7%	768	2.8%
Public Funds	2,103	9.8%	2,325	10.4%	2,595	10.8%	2,992	11.7%	3,726	13.6%
Brokered	2,050	9.5%	2,104	9.5%	2,356	9.8%	2,775	10.9%	2,655	9.7%
Reciprocal	578	2.7%	743	3.3%	901	3.8%	813	3.0%	713	2.6%
Total	$ 21,500	100.0%	$ 22,283	100.0%	$ 23,983	100.0%	$ 25,553	100.0%	$ 27,405	100.0%

We maintain substantial and diverse sources of available primary and secondary liquidity as reflected in Figure 24, which provides us adequate liquidity to operate at a high loan-to-deposit ratio.

Figure 24: Available Primary and Secondary Liquidity Sources as of December 31, 2023 *($ millions)*

	Total Capacity	Outstanding	Available Liquidity
Cash & Cash Equivalents	$ 2,150	$	$ 2,150
Unpledged Investment Securities	2,237		2,237
FHLB	9,633	4,390 *	5,243
Unsecured Lines of Credit	950	-	950
Fed Discount Window**	357	-	357
Total	$ 15,327	$ 4,390	$ 10,937

* *FHLB Borrowings outstanding included $800 million of borrowings outstanding and $3.59 billion of outstanding letters of credit at 12/31/23.*

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

As shown in Figure 25, in 2023 our aggregate sources of primary and secondary liquidity increased from year end 2022.

Figure 25: Available Primary and Secondary Liquidity – Last Five Quarters *($ millions)*

	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Cash & Cash Equivalents	$ 1,033	$ 1,039	$ 1,455	$ 1,864	$ 2,150
Unpledged Investment Securities	2,616	2,665	2,373	2,339	2,237
FHLB	5,059	4,782	5,054	4,850	5,243
Unsecured Lines of Credit	1,065	1,065	875	850	950
Fed Discount Window*	401	404	376	364	357
Total	$ 10,174	$ 9,956	$ 10,133	$ 10,267	$ 10,937

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

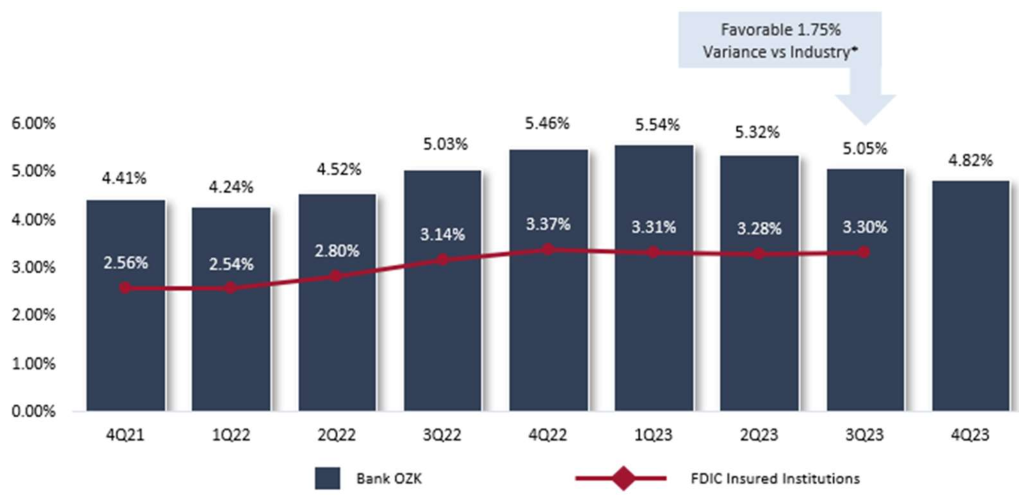
Net Interest Margin and Core Spread

During the quarter just ended, our net interest margin was 4.82%, decreasing 23 bps and 64 bps from the third quarter of 2023 and fourth quarter of 2022, respectively.

Compared to the third quarter of 2023, our yield on average earning assets in the quarter just ended increased nine bps to 7.85%, and our cost of interest bearing liabilities increased 36 bps to 3.95%. Compared to the fourth quarter of 2022, our yield on average earning assets increased 131 bps and our cost of interest bearing liabilities increased 241 bps.

As shown in Figure 26, in the third quarter of 2023, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 175 bps.

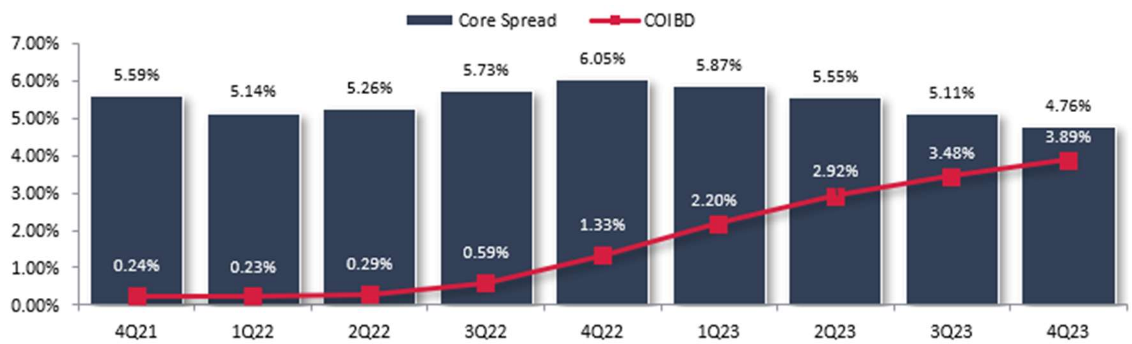
Figure 26: Quarterly Net Interest Margin (%)



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

As reflected in Figure 27, during 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”), was 4.76%, a decrease of 35 bps and 129 bps from the third quarter of 2023 and fourth quarter of 2022, respectively.

Figure 27: Core Spread and COIBD



Yield on Non-purchased loans	*5.83%*	*5.37%*	*5.55%*	*6.32%*	*7.38%*	*8.07%*	*8.47%*	*8.59%*	*8.65%*
COIBD	*0.24%*	*0.23%*	*0.29%*	*0.59%*	*1.33%*	*2.20%*	*2.92%*	*3.48%*	*3.89%*
Core Spread	*5.59%*	*5.14%*	*5.26%*	*5.73%*	*6.05%*	*5.87%*	*5.55%*	*5.11%*	*4.76%*

Over the last seven quarters since the Fed started increasing the Fed funds target rate, our non-purchased loan yields increased 328 bps while our COIBD increased 366 bps, resulting in a cumulative decrease in our core spread of 38 bps. Over that same period, our net interest margin increased 58 bps primarily due to a change in the mix of our average earning assets, among other factors. During 2023, 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.

We expect our COIBD will continue to increase over the next few quarters, albeit at a slowing pace of increase, likely resulting in some further decreases in our core spread and net interest margin. If the Fed begins to cut rates some time in 2024, we would expect that our loan yields will initially decline more quickly than our COIBD, which could result in some further short term pressure on our core spread and net interest margin.

Variable Rate Loans

At December 31, 2023, 81% of our funded balance of total loans had variable rates, of which 84% were tied to 1-month term SOFR, 14% to WSJ Prime and 2% to other indexes. At December 31, 2023, 98% of our variable rate total loans (non-purchased and purchased) had floor rates, and the vast majority of such loans were above their floor rates.

Provision and Allowance for Credit Losses ("ACL")

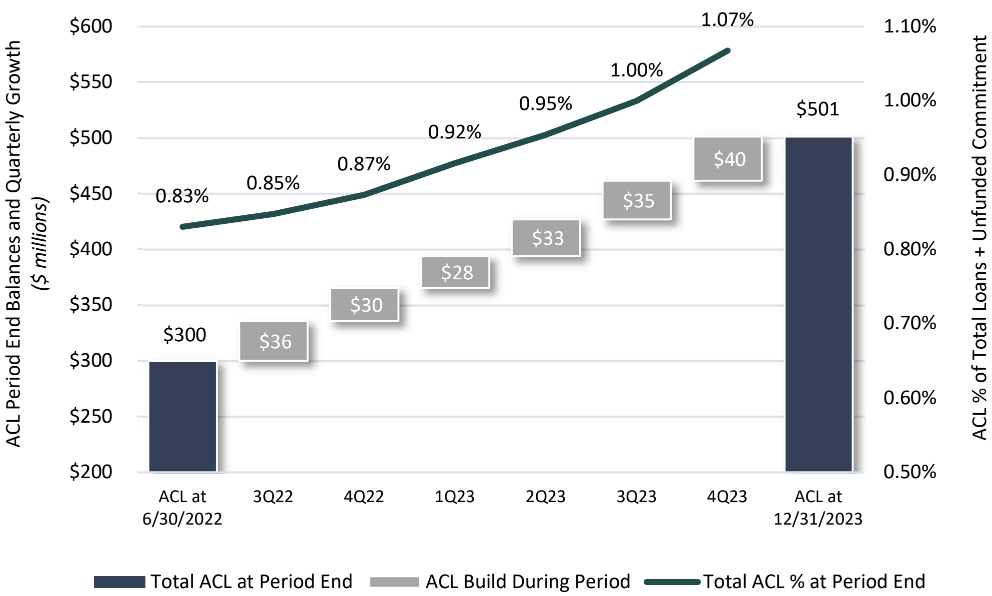
Our provision for credit losses was $43.8 million and $165.5 million, respectively, for the fourth quarter and full year of 2023, while our net charge-offs were $4.1 million and $29.5 million, respectively, for the fourth quarter and full year of 2023.

As of December 31, 2023, our total ACL was $501.2 million, or 1.07% of total outstanding loans and unfunded loan commitments. This included our allowance for loan losses ("ALL"), which was $339.4 million, or 1.28% of total outstanding loans, and our reserve for losses on our unfunded loan commitments, which was $161.8 million, or 0.79% of unfunded loan commitments.

As shown in Figure 28, over the last six quarters we have increased our total ACL by a net $201 million. This large increase reflects both our $10.9 billion combined growth in total outstanding loans and unfunded loan commitments and our cautious outlook on macroeconomic conditions. This has resulted in cumulative provision expense of $238 million even as our cumulative net charge-offs were only $36 million.

Likewise, over those six quarters, our overall ACL percentage has increased from 0.83% to 1.07% of total outstanding loans and unfunded loan commitments at December 31, 2023. This ACL percentage increase primarily reflects (i) changes in economic assumptions as the Fed has increased the Fed funds target rate by 525 bps and (ii) our more heavily weighting the Moody's downside macroeconomic scenarios than the Moody's Baseline scenario.

Figure 28: ACL Build – Last Six Quarters



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

Activity in our ACL for the fourth quarter and full year of 2023 is summarized in Figures 29 and 30.

Figure 29: Activity in ACL – 4Q23 *($ millions)*

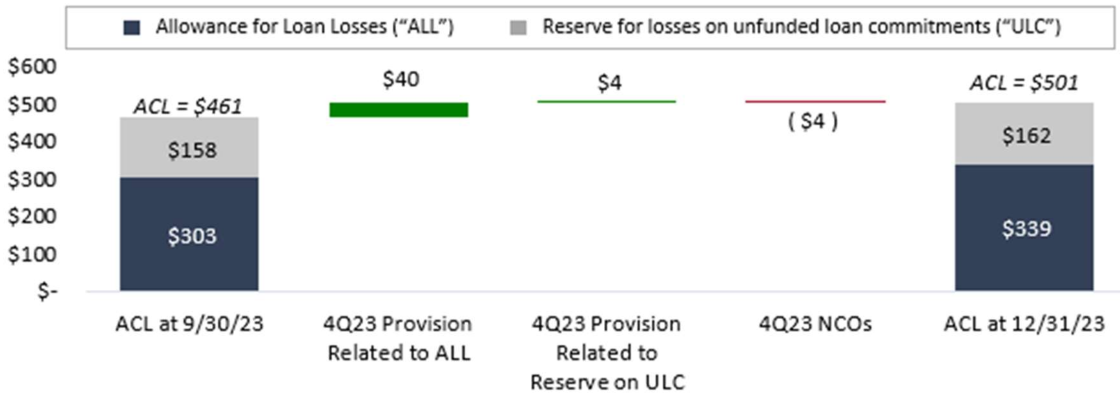
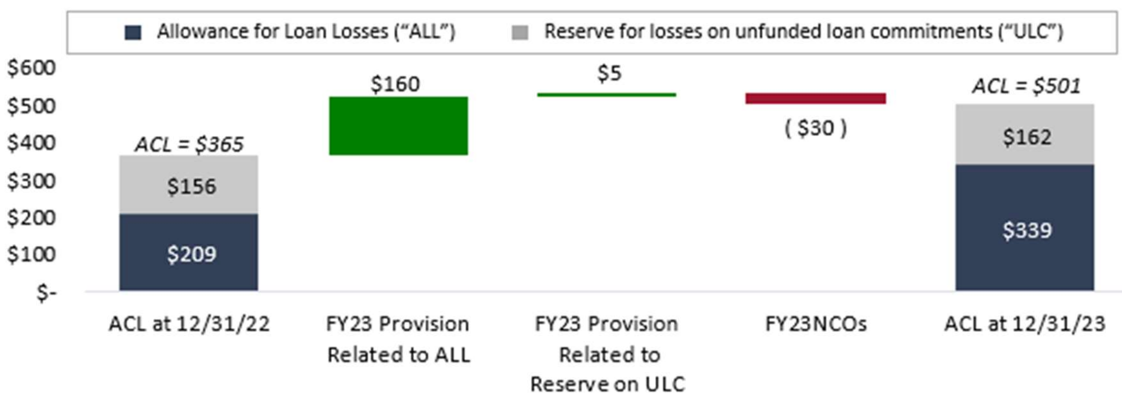


Figure 30: Activity in ACL – FY23 *($ millions)*



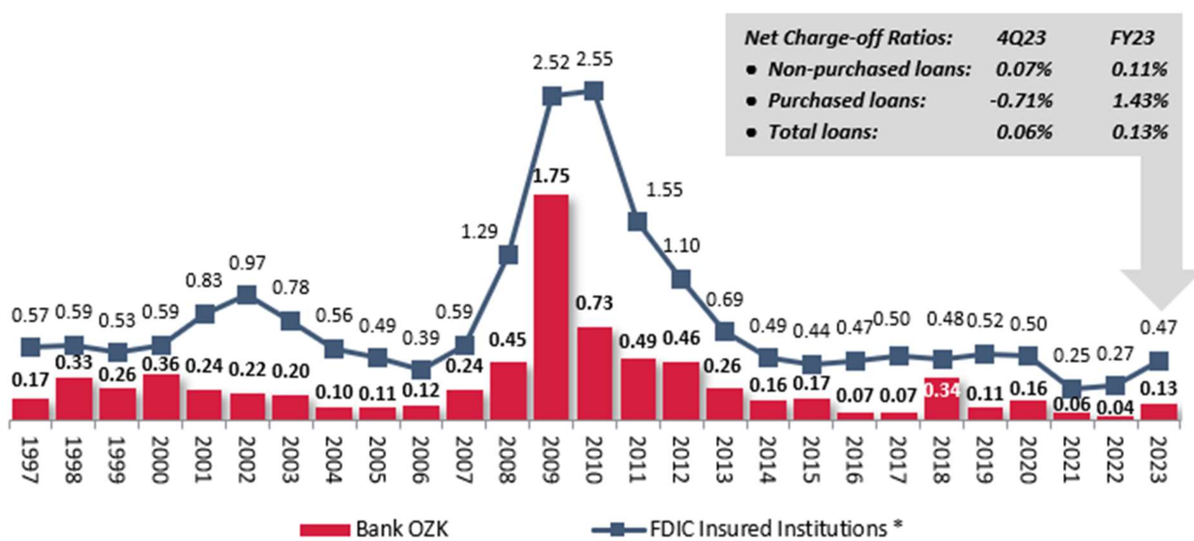
The calculations of our provision for credit losses for the fourth quarter of 2023 and our total ACL at December 31, 2023 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in December 2023. In our selection of macroeconomic scenarios, we remained weighted to the downside as the combined weightings assigned to the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody's Baseline scenario. Our selection and weightings of these scenarios reflected our assessment of conditions in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including the elevated risks from: a possible recession, inflationary pressures, U.S. fiscal policy actions, quantitative tightening, changes in the Fed funds target rate, the conflict in the Middle East, the ongoing war in Ukraine, global trade and geopolitical matters, supply chain disruptions and various other factors. Our ACL calculations include certain qualitative adjustments to capture items not fully reflected in our modeled results.

Net Charge-Offs

We have continued our long-standing track record of having net charge-off ratios well below industry averages, as shown in Figure 31. In the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.07%, for purchased loans was -0.71%, and for total loans was 0.06%. For the full year of 2023, our net charge-off ratio for non-purchased loans was 0.11%, for purchased loans was 1.43%, and for total loans was 0.13%, in line with our 6 to 16 bps guidance provided at the beginning of 2023. In our 26 years as a public company, our net charge-off ratio 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.

We have built our portfolio with the goal that it will perform well in adverse conditions, and that discipline has been evident in our recent results through the pandemic, the Fed's increasing interest rates, higher rates of inflation, and numerous other sources of macroeconomic, political and geo-political turbulence. Given our cautious outlook regarding uncertainty with U.S. economic conditions, and consistent with recent industry trends, we expect we may see some increase in net charge-offs in 2024, but we expect to remain well below the industry average. Our net charge-off ratio may vary significantly from quarter to quarter.

Figure 31: Annualized Net Charge-off Ratio (Total Loans) vs. the Industry



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

Our RESG portfolio has a long tradition of excellent asset quality. As shown in Figure 32, we have had only occasional charge-offs in the RESG portfolio as that portfolio has benefitted from the fact that most of its loans are on newly constructed properties with strong sponsorship, low leverage and protective loan structures. In fact, the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 20-year history is seven bps.

With occasional exceptions, we expect most sponsors will continue to support their properties, if needed, through times of economic stress until business or economic conditions normalize.

Figure 32 - RESG Historical Net charge-offs *($ Thousands)*

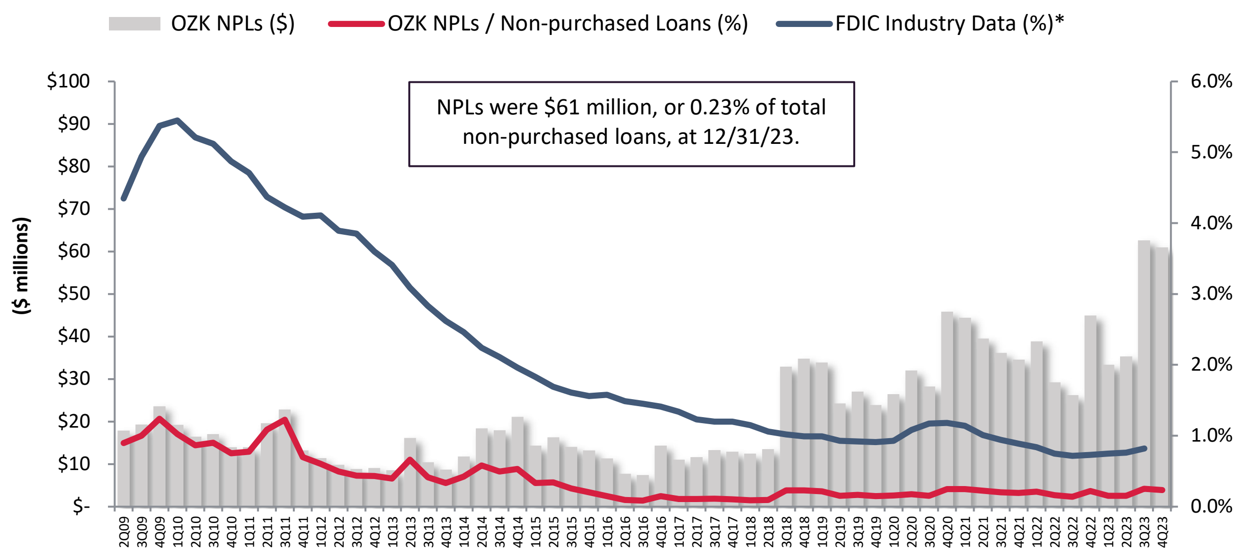
Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio
2003	$ 5,106	$ 780	$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	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%
2021	11,367,505	11,149,098	1,891	0.02%
2022	12,598,957	11,590,988	-	0.00%
2023	16,922,002	14,531,838	4,955	0.03%
Total			**$ 63,614**	
		Weighted Average		**0.07%**

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

Other Asset Quality Measures

As shown in Figures 33, 34 and 35, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of performing well relative to industry averages, and we expect that favorable performance to continue.

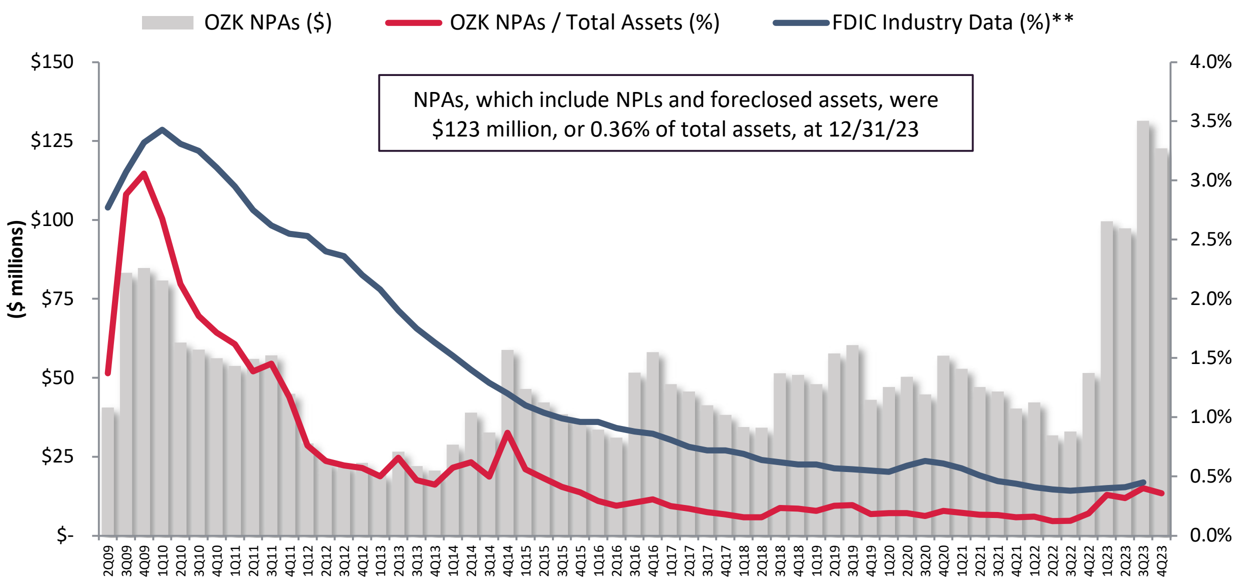
Figure 33: Nonperforming Non-purchased Loans ("NPLs")



** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third 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.*

At December 31, 2023, our ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.23% compared to 0.25% as of September 30, 2023 and 0.22% as of December 31, 2022.

Figure 34: Nonperforming Assets ("NPAs")

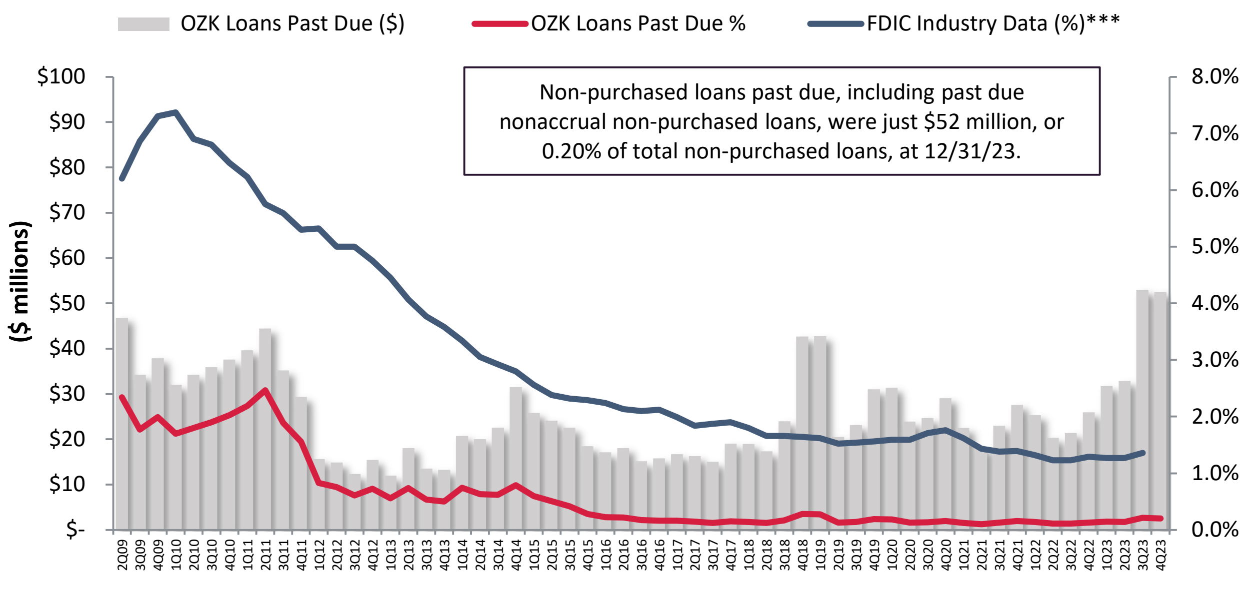


*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2023. Noncurrent assets plus other real estate owned to assets (%).*

At December 31, 2023, our ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.36% compared to 0.40% as of September 30, 2023 and 0.19% as of December 31, 2022. Our NPAs at December 31, 2023 consisted of $61.0 million of NPLs and $61.7 million of foreclosed assets.

In our October 2023 Management Comments, we noted that we had pending sales contracts on three properties covering 99% of our September 30, 2023 foreclosed assets. Sales closed on two of those properties in the quarter just ended resulting in net proceeds in excess of our book value. The remaining contract is on the largest property. Consistent with our previous disclosures, closing of this contract is subject to typical due diligence and closing conditions, has an expected closing date before March 31, 2024, and, if closed, is expected to result in no loss on sale.

Figure 35: 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 third quarter 2023. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

At December 31, 2023, our ratio of non-purchased loans past due to total non-purchased loans was 0.20%, compared to 0.21% at September 30, 2023 and 0.13% as of December 31, 2022.

Non-interest Income

Non-interest income for the fourth quarter of 2023 was $37.0 million, an increase of 34.4% from the fourth quarter of 2022 and 43.9% from the third quarter of 2023. Non-interest income for the quarter just ended benefitted from $3.3 million in gains on sales of other assets, $3.0 million in BOLI death benefits, and somewhat higher than normal loan service, maintenance and other fees. For the full year of 2023, non-interest income was $122.5 million, an increase of 7.0% from $114.5 million for the full year of 2022. Figures 36 and 37, respectively, summarize non-interest income for the most recent five quarters and year-over-year trends for the fourth quarter and full year of 2023.

Figure 36: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended				
	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Service charges on deposit accounts:					
NSF fees	$ 1,025	$ 991	$ 1,004	$ 1,102	$ 1,129
Overdraft fees	3,442	3,287	3,369	3,606	3,571
All other service charges	7,138	6,502	7,187	6,973	7,333
Trust income	1,977	2,033	2,113	2,213	2,165
BOLI income:					
Increase in cash surrender value	4,953	4,974	5,069	5,252	5,401
Death benefit	-	-	-	-	2,966
Loan service, maintenance and other fees	3,780	4,076	4,095	3,995	6,755
Net gains / (loss) on investment securities - Trading	1,256	1,716	620	(270)	1,177
Gains on sales of other assets	510	343	5,033	364	3,288
Other	3,463	3,887	3,497	2,492	3,242
Total non-interest income	$ 27,544	$ 27,809	$ 31,987	$ 25,727	$ 37,027

Figure 37: Trends in Non-interest Income – 2022 vs. 2023 *($ thousands)*

	For the Three Months Ended			For the Twelve Months Ended		
	12/31/2022	12/31/2023	% Change	12/31/2022	12/31/2023	% Change
Service charges on deposit accounts:						
NSF fees	$ 1,025	$ 1,129	10.1%	$ 4,338	$ 4,226	-2.6%
Overdraft fees	3,442	3,571	3.7%	13,387	13,833	3.3%
All other service charges	7,138	7,333	2.7%	28,102	27,995	-0.4%
Trust income	1,977	2,165	9.5%	7,990	8,524	6.7%
BOLI income:						
Increase in cash surrender value	4,953	5,401	9.0%	19,532	20,696	6.0%
Death benefit	-	2,966	NM	807	2,966	NM
Loan service, maintenance and other fees	3,780	6,755	78.7%	13,819	18,920	36.9%
Net gains / (loss) on investment securities - Trading	1,256	1,177	-6.3%	2,019	3,243	60.6%
Gains on sales of other assets	510	3,288	NM	11,467	9,029	-21.3%
Other	3,463	3,242	-6.4%	13,043	13,117	0.6%
Total non-interest income	$ 27,544	$ 37,027	34.4%	$ 114,503	$ 122,549	7.0%

Consistent with the industry trend, we have recently decided to eliminate non-sufficient funds ("NSF") fees effective January 1, 2024, which we expect to result in a reduction in our service charges on deposit accounts by approximately $1 million per quarter.

Non-interest Expense

Non-interest expense for the fourth quarter and full year of 2023 was $145.0 million and $529.6 million, increases of 21.8% and 17.2%, respectively, from the fourth quarter and full year of 2022. The results for the quarter just ended and full year of 2023 included the impact of the previously mentioned $9.9 million FDIC special assessment. Excluding the impact of the FDIC special assessment, non-interest expense for the fourth quarter and full year of 2023 would have increased 13.6% and 15.1%, respectively, compared to fourth quarter and full year of 2022.

During 2022 and 2023, increases in salaries and employee benefits expense were significant contributors to increased non-interest expense. This escalation in salaries and benefits expense has been driven by competitive labor market conditions and our expanding staff. We expect further growth in headcount to support our anticipated growth in deposits, loans and other aspects of our business. Also, we believe that current economic conditions may present opportunities to add additional high-quality members to a number of our teams, which may result in further increases in salaries and benefits expense, while also providing future growth opportunities.

We expect total non-interest expense for the full year 2024 to increase at a percentage rate in the low-single-digits compared to full year 2023. We expect most categories of non-interest expense will continue increasing during 2024 due to a combination of expected growth in our business and inflationary macroeconomic conditions. However, the increases will be mostly offset by decreases in several expense categories, including:

- recategorization of the amortization expense related to our CRA and tax credit investments resulting from the adoption of a new accounting standard, more fully described below;
- the expectation that there will be no additional FDIC special assessments in 2024; and
- the elimination of the amortization of our intangibles, which were fully amortized in 2023.

Figures 38 and 39, respectively, summarize non-interest expense for the most recent five quarters and year-over-year trends for the fourth quarter and full year of 2023.

Figure 38: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended				
	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
Salaries & employee benefits	$ 59,946	$ 63,249	$ 65,219	$ 64,107	$ 66,270
Net occupancy and equipment	17,584	18,084	19,476	17,797	17,234
Deposit insurance and assessments	2,710	4,148	4,900	5,500	15,803
Software and data processing	9,512	9,283	9,768	9,584	10,577
Professional and outside services	5,652	5,105	5,445	4,640	6,233
Advertising and public relations	2,987	4,036	3,184	3,779	5,153
Telecommunication services	2,134	2,273	2,398	1,943	2,251
Postage and supplies	1,906	1,712	2,431	1,716	2,121
ATM expense	1,834	2,139	1,659	1,927	1,957
Travel and meals	1,755	1,815	1,903	1,926	1,938
Amortization of CRA and tax credit investments	5,408	6,414	5,566	8,171	7,618
Other	7,585	7,959	7,407	7,888	7,856
Total non-interest expense	$ 119,013	$ 126,217	$ 129,355	$ 128,978	$ 145,011

Figure 39: Trends in Non-interest Expense – 2022 vs. 2023 *($ thousands)*

	For the Three Months Ended			For the Year Ended		
	12/31/2022	12/31/2023	% Change	12/31/2022	12/31/2023	% Change
Salaries & employee benefits	$ 59,946	$ 66,270	10.5%	$ 226,373	$ 258,846	14.3%
Net occupancy and equipment	17,584	17,234	-2.0%	70,058	72,591	3.6%
Deposit insurance and assessments	2,710	15,803	483.1%	9,610	30,351	215.8%
Software and data processing	9,512	10,577	11.2%	35,373	39,212	10.9%
Professional and outside services	5,652	6,233	10.3%	21,581	21,423	-0.7%
Advertising and public relations	2,987	5,153	72.5%	8,797	16,150	83.6%
Telecommunication services	2,134	2,251	5.5%	7,986	8,865	11.0%
Postage and supplies	1,906	2,121	11.3%	7,146	7,981	11.7%
ATM expense	1,834	1,957	6.7%	6,331	7,681	21.3%
Travel and meals	1,755	1,938	10.4%	7,661	7,582	-1.0%
Amortization of CRA and tax credit investments	5,408	7,618	40.9%	20,293	27,768	36.8%
Other	7,585	7,856	3.6%	30,512	31,111	2.0%
Total non-interest expense	$ 119,013	$ 145,011	21.8%	$ 451,721	$ 529,561	17.2%

On January 1, 2024, we made an election to account for our tax credit investments using the proportional amortization method under *Accounting Standards Update 2023-02*, *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. We adopted this new standard on a prospective basis for all of our tax credit investments. Prior to the adoption of this standard, we accounted for the amortization of our CRA and tax credit investments in non-interest expense and the impact of the associated income tax credits were accounted for as a component of income tax expense. Under the newly-adopted proportional amortization method, both the amortization and income tax benefits received will be included as components of income tax expense. The impact of this change in accounting method will result in a reduction of non-interest expense and an increase in income tax expense compared to our previous methodology. If we had adopted this new standard in

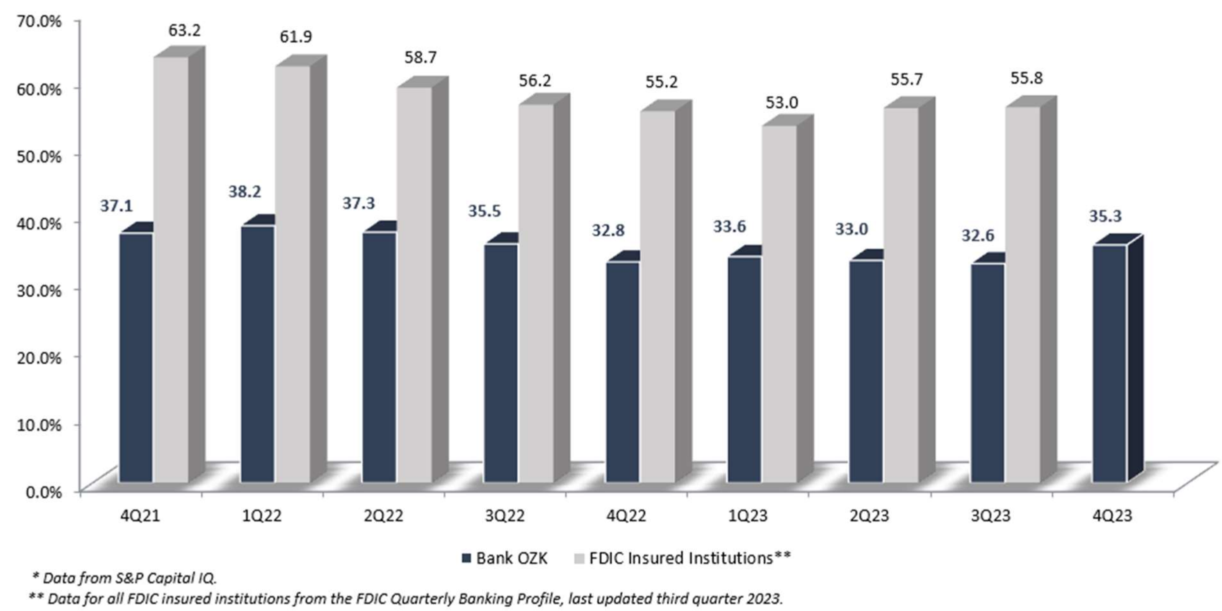
2023, our non-interest expense would have been lower and our income tax expense would have been higher by approximately $27.8 million.

Efficiency Ratio

As shown in Figure 40, in the quarter just ended, our efficiency ratio was 35.3%. For the full year of 2023, our efficiency ratio was 33.7%. Our efficiency ratio has been in the top decile of the industry for 21 consecutive years.*

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.

Figure 40: Quarterly Efficiency Ratio (%)



Effective Tax Rate

Our effective tax rate for the quarter just ended was 20.0% and for the full year of 2023 was 20.3%. Assuming no changes in applicable state or federal income tax rates, we expect our effective tax rate for the full year of 2024 to be between 23% and 24%. Our expected effective tax rate for 2024 is higher than our effective tax rate in 2023 primarily due to the change in accounting methodology, described above, related to the amortization of our investments in low-income housing, renewable energy and other tax credits.

Capital and Dividends

Our strong earnings and earnings retention rate, among other factors, have contributed to our robust capital ratios, as shown in Figure 41, even with our 24% growth in total assets in 2023. Our Tier 1 Leverage and tangible common equity ratios remain among the highest in the industry. Even with our expected growth in 2024, our strong earnings and earnings retention should contribute to maintaining our risk-based capital ratios near or above current levels.

Our strong capital position gives us significant optionality and is expected to support organic loan growth, adding new business lines, increases in our quarterly cash dividend, and, if appropriate, acquisitions or stock repurchases.

Figure 41: Capital Ratios

	Estimated 12/31/2023 [5]	Regulatory Minimum Required To Be Considered Well Capitalized	Capital in Excess of Well Capitalized Minimum
CET 1 Ratio*	10.79%	6.50%	4.29%
Tier 1 Ratio*	11.65%	8.00%	3.65%
Total RBC Ratio*	14.10%	10.00%	4.10%
Tier 1 Leverage	13.91%	5.00%	8.91%
Tangible Common Equity Ratio	12.33%	---	---

** Ratios are risk-based*

We have increased our cash dividend in each of the last 54 quarters and every year since going public in 1997. We expect that we will continue to increase our cash dividend in future quarters.

[5] Ratios as of December 31, 2023 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Stock Repurchase Program

During the full year 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. During the quarter just ended, we did not repurchase any shares and our recent stock repurchase program expired on November 9, 2023.

Our substantial growth in 2023 helped us profitably deploy capital. We expect further growth in 2024. In evaluating whether or not we will pursue future stock repurchases, management will consider a variety of factors including our expected growth, stock price, capital position, regulatory requirements and other factors.

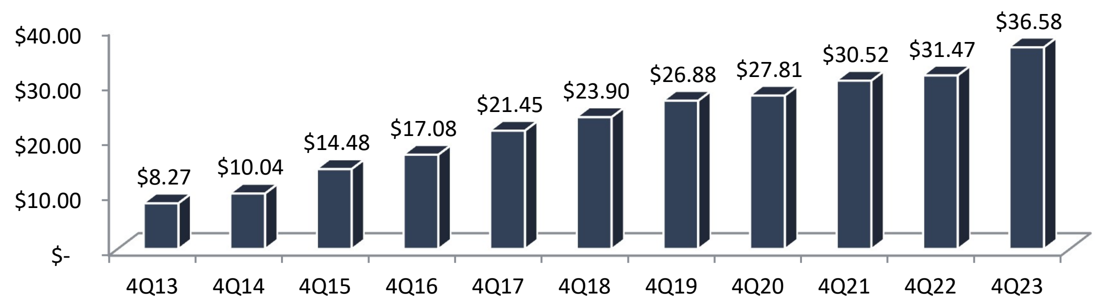
Book Value and Tangible Book Value

During the quarter just ended, our book value per common share increased to $42.42, a 14.3% increase from December 31, 2022. Over the last 10 years, we have increased book value per common share by a cumulative 397%, resulting in a compound annual growth rate of 17.4%, as shown in Figure 42.

Figure 42: Book Value per Share (Period End)

During the quarter just ended, our tangible book value per common share increased to $36.58, a 16.3% increase from December 31, 2022. Over the last 10 years, we have increased tangible book value per common share by a cumulative 342%, resulting in a compound annual growth rate of 16.0%, as shown in Figure 43.

Figure 43: Tangible Book Value per Share (Period End) [6]



Secondary Market Mortgage Lending

In our October 2022 Management Comments, we discussed that we were beginning to build a secondary market mortgage business to serve our customers' mortgage banking needs. We have taken a measured approach to building this business, including the team, technology, compliance, governance and risk infrastructure. We are now moving toward production and expect our first originations late in the first quarter of 2024, with our team and production volume growing steadily throughout 2024 and 2025. We believe mortgage banking will provide additional service to our customers and eventually contribute to our profitability.

Final Thoughts

We are pleased to have reported record net income and record diluted earnings per share in each quarter of 2023, resulting in net income available to common stockholders for the year of $674.6 million and diluted earnings per share of $5.87. Our goal for 2024 is to continue to improve our record annual net income and diluted earnings per share achieved in 2023, and we believe that is a reasonable goal, notwithstanding what appears likely to remain a challenging macroeconomic environment. We feel that we are well positioned for the coming year, and we look forward to capitalizing on new opportunities.

[6] 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.

Non-GAAP Reconciliations

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 *		Twelve Months Ended	
	12/31/2022	12/31/2023	12/31/2022	12/31/2023
Net Income Available To Common Stockholders	$ 158,832	$ 171,079	$ 547,520	$ 674,596
Average Stockholders' Equity Before Noncontrolling Interest	4,608,570	4,995,217	4,662,467	4,855,976
Less Average Preferred Stock	(338,980)	(338,980)	(338,980)	(338,980)
Total Average common stockholders' equity	4,269,590	4,656,237	4,323,487	4,516,996
Less Average Intangible Assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(3,421)	-	(5,443)	(821)
Total Average Intangibles	(664,210)	(660,789)	(666,232)	(661,610)
Average Tangible Common Stockholders' Equity	$ 3,605,380	$ 3,995,448	$ 3,657,255	$ 3,855,386
Return On Average Common Stockholders' Equity	14.76%	14.58%	12.66%	14.93%
Return On Average Tangible Common Stockholders' Equity	17.48%	16.99%	14.97%	17.50%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended		Twelve Months Ended	
	12/31/2022	12/31/2023	12/31/2022	12/31/2023
Net income available to common stockholders	$ 158,832	$ 171,079	$ 547,520	$ 674,596
Preferred stock dividends	4,047	4,047	16,621	16,187
Earnings attributable to noncontrolling interest	(54)	6	(51)	56
Provision for income taxes	45,686	43,600	157,440	176,164
Provision for credit losses	32,508	43,832	83,494	165,470
Pre-tax pre-provision net revenue	$ 241,019	$ 262,564	$ 805,024	$ 1,032,473

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

Unaudited (Dollars in Thousands, Except per Share)

	For the period ended December 31,					
	2013	2014	2015	2016	2017	2018
Total stockholders' equity before noncontrolling interest	$ 629,060	$ 908,390	$ 1,464,631	$ 2,791,607	$ 3,460,728	$ 3,770,330
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	629,060	908,390	1,464,631	2,791,607	3,460,728	3,770,330
Less intangible assets:						
Goodwill	(5,243)	(78,669)	(125,442)	(660,119)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(13,915)	(26,907)	(26,898)	(60,831)	(48,251)	(35,672)
Total intangibles	(19,158)	(105,576)	(152,340)	(720,950)	(709,040)	(696,461)
Total tangible common stockholders' equity	$ 609,902	$ 802,814	$ 1,312,291	$ 2,070,657	$ 2,751,688	$ 3,073,869
Common shares outstanding (thousands)	73,712	79,924	90,612	121,268	128,288	128,611
Book value per common share	$ 8.53	$ 11.37	$ 16.16	$ 23.02	$ 26.98	$ 29.32
Tangible book value per common share	$ 8.27	$ 10.04	$ 14.48	$ 17.08	$ 21.45	$ 23.90

	For the period ended December 31,					As of
	2019	2020	2021	2022	2023	Sep. 30, 2023
Total stockholders' equity before noncontrolling interest	$ 4,150,351	$ 4,272,271	$ 4,836,243	$ 4,689,579	$ 5,139,001	$ 4,903,504
Less preferred stock	-	-	(338,980)	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	4,150,351	4,272,271	4,497,263	4,350,599	4,800,021	4,564,524
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	(23,753)	(14,669)	(8,274)	(2,754)	-	-
Total intangibles	(684,542)	(675,458)	(669,063)	(663,543)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 3,465,809	$ 3,596,813	$ 3,828,200	$ 3,687,056	$ 4,139,232	$ 3,903,735
Common shares outstanding (thousands)	128,951	129,350	125,444	117,177	113,149	113,136
Book value per common share	$ 32.19	$ 33.03	$ 35.85	$ 37.13	$ 42.42	$ 40.35
Tangible book value per common share	$ 26.88	$ 27.81	$ 30.52	$ 31.47	$ 36.58	$ 34.50

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

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, Except per Share)

	December 31, 2023
Total stockholders' equity before noncontrolling interest	$ 5,139,001
Less preferred stock	(338,980)
Total common stockholders' equity	4,800,021
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	$ 4,139,232
Total assets	$ 34,237,457
Less intangible assets:	
Goodwill	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	-
Total intangibles	(660,789)
Total tangible assets	33,576,668
Ratio of total common stockholders' equity to total assets	14.02%
Ratio of total tangible common stockholders' equity to total tangible assets	12.33%