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): **July 23, 2020**

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)

17901 Chenal Parkway, Little Rock, Arkansas 72223
(Former name or former address, if changed since last report)

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

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value per share	OZK	Nasdaq Global Select Market

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On July 23, 2020, Bank OZK (the "Bank") issued a press release announcing its financial results for the second quarter ended June 30, 2020 and made available management's comments on the results for the second quarter of 2020. The press release and management's comments are available on the Bank's investor relations website. A copy of the press release announcing the Bank's results for the second quarter ended June 30, 2020 and management's comments on the second quarter results are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

On July 24, 2020, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the second quarter ended June 30, 2020.

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.

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 July 23, 2020: Bank OZK Announces Second Quarter 2020 Earnings
99.2	Second Quarter 2020 Management's Comments dated July 23, 2020

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: July 23, 2020

By: /s/ Greg L. McKinney
Name: Greg L. McKinney
Title: Chief Financial Officer

Exhibit No.	Document Description
99.1	Press Release dated July 23, 2020: Bank OZK Announces Second Quarter 2020 Earnings
99.2	Second Quarter 2020 Management's Comments dated July 23, 2020

NEWS RELEASE **EXHIBIT 99.1**

Date:	July 23, 2020
Release Time:	3:01 p.m. (CT)
Investor Contact:	Tim Hicks (501) 978-2336
Media Contact:	Susan Blair (501) 978-2217

Bank OZK Announces
Second Quarter 2020 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the second quarter of 2020 was $50.3 million, a 54.5% decrease from $110.5 million for the second quarter of 2019. Diluted earnings per common share for the second quarter of 2020 were $0.39, a 54.7% decrease from $0.86 for the second quarter of 2019.

For the six months ended June 30, 2020, net income was $62.1 million, a 71.9% decrease from $221.2 million for the first six months of 2019. Diluted earnings per common share for the first six months of 2020 were $0.48, a 71.9% decrease from $1.71 for the first six months of 2019.

The COVID-19 pandemic significantly affected the global economy in the first half of 2020. The sudden and severe economic downturn, combined with the implementation of the current expected credit losses ("CECL") method to calculate the Bank's allowance for credit losses ("ACL") and uncertain future economic projections, resulted in the Bank incurring provision for credit losses of $72.0 million in the second quarter and $189.7 million in the first six months of 2020, resulting in a total ACL of $374.5 million at June 30, 2020.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the second quarter of 2020 were 0.78%, 4.92% and 5.89%, respectively, compared to 1.95%, 11.29% and 13.70%, respectively, for the second quarter of 2019. The Bank's annualized returns on average assets, average common stockholder's equity and average tangible stockholders' equity for the first six months of 2020 were 0.50%, 3.04% and 3.64%, respectively, compared to 1.97%, 11.52%, and 14.04%, respectively, for the first six months of 2019. The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "We have continued our long-standing focus on our team members, our customers, serving the communities in which we operate and delivering favorable returns for shareholders. Our strong credit culture and consistent discipline have been important ingredients in our success, and we believe they have positioned us well for the current economic environment."

KEY BALANCE SHEET METRICS

Total loans were $19.31 billion at June 30, 2020, a 10.4% increase from $17.49 billion at June 30, 2019. Non-purchased loans, which exclude loans acquired in previous acquisitions, were $18.25 billion at June 30, 2020, a 15.6% increase from $15.79 billion at June 30, 2019. Purchased loans, which consist of loans acquired in previous acquisitions, were $1.06 billion at June 30, 2020, a 37.4% decrease from $1.70 billion at June 30, 2019.

Deposits were $20.72 billion at June 30, 2020, a 14.0% increase from $18.19 billion at June 30, 2019. Total assets were $26.38 billion at June 30, 2020, a 14.9% increase from $22.96 billion at June 30, 2019.

Common stockholders' equity was $4.11 billion at June 30, 2020, a 2.9% increase from $3.99 billion at June 30, 2019. Tangible common stockholders' equity was $3.43 billion at June 30, 2020, a 3.9% increase from $3.30 billion at June 30, 2019. Book value per common share was $31.78 at June 30, 2020, a 2.6% increase from $30.97 at June 30, 2019. Tangible book value per common share was $26.53 at June 30, 2020, a 3.6% increase from $25.61 at June 30, 2019. The calculations of the Bank's tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets was 15.58% at June 30, 2020 compared to 17.39% at June 30, 2019. Its ratio of total tangible common stockholders' equity to total tangible assets was 13.35% at June 30, 2020 compared to 14.83% at June 30, 2019. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

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

Management will conduct a conference call to take questions on these quarterly results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on July 24, 2020. Interested parties may listen to this call by dialing 1-844-818-5110 (U.S. and Canada) or 210-229-8841 (internationally) and asking for the Bank OZK conference call. A recorded playback of the call will be available for one week following the call at 1-855-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The passcode for this playback is 4695153. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

The Bank files 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 http://ir.ozk.com. To receive automated email alerts for these materials, please visit http://ir.ozk.com/EmailNotification to sign up.

NON-GAAP FINANCIAL MEASURES

This release contains certain non-GAAP financial measures. The Bank uses these non-GAAP financial measures, specifically return on average tangible common stockholders' equity, tangible book value per common share, total tangible common stockholders' equity, the ratio of total tangible common stockholders' equity to total tangible assets and pre-tax pre-provision net revenue, to assess the strength of its capital, its ability to generate earnings on tangible capital invested by its shareholders and trends in its core earnings. These measures typically adjust GAAP financial measures to exclude intangible assets and 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, nor are they 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."

STATEMENT REGARDING IMPACT OF COVID-19 PANDEMIC

The Bank prioritizes the health and safety of its employees and customers, and it will continue to do so throughout the duration of the pandemic. At the same time, the Bank remains focused on improving shareholder value, managing credit exposure, managing expenses, enhancing the customer experience and supporting the communities it serves.

In management's comments on its quarterly results (released simultaneously with this news release) and in its earnings conference call, the Bank has sought and will seek to describe the historical and future impact of the COVID-19 pandemic on the Bank's assets, business, cash flows, financial condition, liquidity, prospects and results of operations, including the information and discussions regarding the increases in its provision and allowance for credit losses and the discussion regarding negative pressure to its net interest margin. Although the Bank believes that the statements that pertain to future events, results and trends and their impact on the Bank's business are reasonable at the present time, those statements are not historical facts and are based upon current assumptions, expectations, estimates and projections, many of which, by their nature, are beyond the Bank's control. Accordingly, all discussions regarding future events, results and trends and their impact on the Bank's business, even in the near term, are necessarily uncertain given the fluid and evolving nature of the pandemic.

If the health, logistical or economic effects of the pandemic worsen, or if the assumptions, expectations, estimates or projections that underlie the Bank's statements regarding future effects or trends prove to be incorrect, then the Bank's actual assets, business, cash flows, financial condition, liquidity, prospects and results of operations may be materially and adversely impacted in ways that the Bank cannot reasonably forecast. Accordingly, when reading this news release and the accompanying prepared remarks from management on its quarterly results and when listening to the earnings conference call, undue reliance should not be placed upon any statement pertaining to future events, results and trends and their impact on the Bank's business in future periods.

FORWARD-LOOKING STATEMENTS

This release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the proposed phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those in response to the coronavirus (COVID-19) pandemic; changes in U.S. Government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Bank's operational or security systems or infrastructure, or those of third parties with whom it does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the global economy and financial markets; international or political instability; impairment of our goodwill or other intangible assets; adoption of new accounting standards, including the effects from the adoption of the CECL model on January 1, 2020, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this press release or as detailed from time to time in the other public reports the Bank files with the FDIC, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form 10-K for the year ended December 31, 2019 and its quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

GENERAL INFORMATION

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Bank OZK is the #1 capitalized bank among the nation's top 100 largest publicly traded U.S. banks by asset size, based on Tier 1 Leverage Capital Ratio at March 31, 2020, according to data obtained from S&P Global Market Intelligence. Bank OZK was named Best Bank in the South for 2019-2020 by Money, the personal finance news and advice brand. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations through more than 250 offices in Arkansas, Georgia, Florida, North Carolina, Texas, Alabama, South Carolina, California, New York and Mississippi. Bank OZK can be found at www.ozk.com and on Facebook, Twitter and LinkedIn or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

Bank OZK
Consolidated Balance Sheets
Unaudited

	June 30, 2020	December 31, 2019
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 1,646,070	$ 1,495,757
Investment securities — available for sale ("AFS")	3,299,944	2,277,389
Federal Home Loan Bank of Dallas and other banker's bank stocks	50,742	21,855
Non-purchased loans	18,247,431	16,224,539
Purchased loans	1,063,647	1,307,504
Allowance for loan losses	(306,196)	(108,525)
Net loans	19,004,882	17,423,518
Premises and equipment, net	732,674	711,541
Foreclosed assets	18,328	19,096
Accrued interest receivable	82,729	75,208
Bank owned life insurance (“BOLI”)	748,193	738,860
Goodwill and intangible assets, net	679,166	684,542
Other, net	117,681	107,962
Total assets	$ 26,380,409	$ 23,555,728
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 3,696,306	$ 2,795,251
Savings and interest bearing transaction	7,447,640	8,307,607
Time	9,579,652	7,371,401
Total deposits	20,723,598	18,474,259
Repurchase agreements with customers	9,277	11,249
Other borrowings	903,696	351,387
Subordinated notes	223,854	223,663
Subordinated debentures	120,194	119,916
Reserve for losses on unfunded loan commitments	68,298	—
Accrued interest payable and other liabilities	217,726	221,786
Total liabilities	22,266,643	19,402,260
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock; $0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at June 30, 2020 or December 31, 2019	—	—
Common stock; $0.01 par value; 300,000,000 shares authorized; 129,350,301 and 128,951,024 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	1,293	1,289
Additional paid-in capital	2,257,867	2,251,824
Retained earnings	1,788,329	1,869,983
Accumulated other comprehensive income	63,177	27,255
Total stockholders’ equity before noncontrolling interest	4,110,666	4,150,351
Noncontrolling interest	3,100	3,117
Total stockholders’ equity	4,113,766	4,153,468
Total liabilities and stockholders’ equity	$ 26,380,409	$ 23,555,728

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 232,816	$ 250,081	$ 464,669	$ 495,946
Purchased loans	17,087	28,519	38,474	58,714
Investment securities:				
Taxable	11,055	13,585	21,814	28,481
Tax-exempt	5,846	3,693	9,443	7,567
Deposits with banks and federal funds sold	330	941	4,706	1,354
Total interest income	267,134	296,819	539,106	592,062
Interest expense:				
Deposits	45,251	67,392	102,933	130,479
Repurchase agreements with customers	6	11	13	33
Other borrowings	963	19	1,013	1,408
Subordinated notes	3,172	3,181	6,344	6,326
Subordinated debentures	1,149	1,680	2,436	3,392
Total interest expense	50,541	72,283	112,739	141,638
Net interest income	216,593	224,536	426,367	450,424
Provision for credit losses	72,026	6,769	189,689	13,450
Net interest income after provision for loan losses	144,567	217,767	236,678	436,974
Non-interest income:				
Service charges on deposit accounts	8,281	10,291	18,290	20,014
Trust income	1,759	1,839	3,698	3,569
BOLI income:				
Increase in cash surrender value	5,057	5,178	10,124	10,340
Death benefits	—	—	608	—
Loan service, maintenance and other fees	3,394	4,565	7,110	9,438
Other income from purchased loans	—	1,455	—	2,251
Gains on sales of other assets	621	402	783	686
Net gains on investment securities	—	713	2,223	713
Other	2,479	2,160	6,435	3,664
Total non-interest income	21,591	26,603	49,271	50,675
Non-interest expense:				
Salaries and employee benefits	48,410	47,558	99,883	92,425
Net occupancy and equipment	15,756	14,587	31,086	29,338
Other operating expenses	36,787	36,986	73,409	74,046
Total non-interest expense	100,953	99,131	204,378	195,809
Income before taxes	65,205	145,239	81,571	291,840
Provision for income taxes	14,948	34,726	19,456	70,615
Net income	50,257	110,513	62,115	221,225
Earnings attributable to noncontrolling interest	9	(10)	17	(16)
Net income available to common stockholders	$ 50,266	$ 110,503	$ 62,132	$ 221,209
Basic earnings per common share	$ 0.39	$ 0.86	$ 0.48	$ 1.72
Diluted earnings per common share	$ 0.39	$ 0.86	$ 0.48	$ 1.71

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Three months ended June 30, 2020:						
Balances – March 31, 2020	$ 1,293	$2,253,991	$1,772,978	$ 54,888	$ 3,109	$4,086,259
Net income	—	—	50,257	—	—	50,257
Earnings attributable to noncontrolling interest	—	—	9	—	(9)	—
Total other comprehensive income	—	—	—	8,289	—	8,289
Common stock dividends paid, $0.27 per share	—	—	(34,915)	—	—	(34,915)
Issuance of 46,676 shares of unvested restricted common stock	—	—	—	—	—	—
Stock-based compensation expense	—	3,876	—	—	—	3,876
Forfeitures of 20,810 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – June 30, 2020	$ 1,293	$2,257,867	$1,788,329	$ 63,177	$ 3,100	$4,113,766
Six months ended June 30, 2020:						
Balances – December 31, 2019	$ 1,289	$2,251,824	$1,869,983	$ 27,255	$ 3,117	$4,153,468
Cumulative effect of change in accounting principle	—	—	(75,344)	—	—	(75,344)
Balances – January 1, 2020	1,289	2,251,824	1,794,639	27,255	3,117	4,078,124
Net income	—	—	62,115	—	—	62,115
Earnings attributable to noncontrolling interest	—	—	17	—	(17)	—
Total other comprehensive income	—	—	—	35,922	—	35,922
Common stock dividends paid, $0.53 per share	—	—	(68,442)	—	—	(68,442)
Issuance of 4,300 shares of common stock for exercise of stock options	—	45	—	—	—	45
Issuance of 493,761 shares of unvested restricted common stock	5	(5)	—	—	—	—
Repurchase and cancellation of 61,873 shares of common stock	(1)	(1,852)	—	—	—	(1,853)
Stock-based compensation expense	—	7,855	—	—	—	7,855
Forfeitures of 36,911 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – June 30, 2020	$ 1,293	$2,257,867	$1,788,329	$ 63,177	$ 3,100	$4,113,766

Bank OZK
Consolidated Statements of Stockholders' Equity (Continued)
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Three months ended June 30, 2019:						
Balances – March 31, 2019	$ 1,289	$2,239,404	$1,647,626	$ (5,676)	$ 3,121	$3,885,764
Net income	—	—	110,513	—	—	110,513
Earnings attributable to noncontrolling interest	—	—	(10)	—	10	—
Total other comprehensive income	—	—	—	25,369	—	25,369
Common stock dividends paid, $0.23 per share	—	—	(29,643)	—	—	(29,643)
Issuance of 27,250 shares of common stock for exercise of stock options	1	489	—	—	—	490
Issuance of 22,200 shares of unvested restricted common stock	—	—	—	—	—	—
Stock-based compensation expense	—	3,885	—	—	—	3,885
Forfeiture of 50,262 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – June 30, 2019	$ 1,289	$2,243,779	$1,728,486	$ 19,693	$ 3,131	$3,996,378
Six months ended June 30, 2019:						
Balances – December 31, 2018	$ 1,286	$2,237,948	$1,565,201	$ (34,105)	$ 3,035	$3,773,365
Net income	—	—	221,225	—	—	221,225
Earnings attributable to noncontrolling interest	—	—	(16)	—	16	—
Total other comprehensive income	—	—	—	53,798	—	53,798
Common stock dividends paid, $0.45 per share	—	—	(57,924)	—	—	(57,924)
Noncontrolling interest cash contribution	—	—	—	—	80	80
Issuance of 56,550 shares of common stock for exercise of stock options	1	876	—	—	—	877
Issuance of 406,074 shares of unvested restricted common stock	4	(4)	—	—	—	—
Repurchase and cancellation of 62,742 shares of common stock	(1)	(1,646)	—	—	—	(1,647)
Stock-based compensation expense	—	6,604	—	—	—	6,604
Forfeiture of 64,215 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – June 30, 2019	$ 1,289	$2,243,779	$1,728,486	$ 19,693	$ 3,131	$3,996,378

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(Dollars in thousands)			
Salaries and employee benefits	$ 48,410	$ 47,558	$ 99,883	$ 92,425
Net occupancy and equipment	15,756	14,587	31,086	29,338
Other operating expenses:				
Professional and outside services	7,939	8,105	14,982	16,669
Software and data processing	5,145	4,757	10,119	9,466
Deposit insurance and assessments	4,585	3,488	8,005	7,140
Telecommunication services	2,334	2,810	4,511	6,154
Postage and supplies	1,892	2,058	3,945	4,161
Advertising and public relations	1,704	1,671	3,407	3,353
Travel and meals	710	2,939	2,812	5,608
ATM expense	1,002	1,099	2,162	2,086
Loan collection and repossession expense	857	918	1,551	1,901
Writedowns of foreclosed assets	720	594	1,599	1,155
Amortization of intangibles	2,582	3,012	5,377	6,157
Other	7,317	5,535	14,939	10,196
Total non-interest expense	$ 100,953	$ 99,131	$ 204,378	$ 195,809

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	June 30, 2020		December 31, 2019	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,002,627	5.2%	$ 998,632	5.7%
Non-farm/non-residential	4,383,137	22.7	3,956,579	22.6
Construction/land development	7,030,963	36.4	6,391,429	36.4
Agricultural	232,121	1.2	230,076	1.3
Multifamily residential	1,371,449	7.1	1,194,192	6.8
Total real estate	14,020,297	72.6	12,770,908	72.8
Commercial and industrial	1,005,900	5.2	661,952	3.8
Consumer	2,843,396	14.7	2,934,534	16.8
Other	1,441,485	7.5	1,164,649	6.6
Total loans	19,311,078	100.0%	17,532,043	100.0%
Allowance for loan losses	(306,196)		(108,525)	
Net loans	$ 19,004,882		$ 17,423,518	

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 June 30, 2020:			
Balances – March 31, 2020	$ 238,737	$ 77,672	$ 316,409
Net charge-offs	(13,941)	—	(13,941)
Provision for credit losses	81,400	(9,374)	72,026
Balances – June 30, 2020	$ 306,196	$ 68,298	$ 374,494
Six months ended June 30, 2020:			
Balances – December 31, 2019	$ 108,525	$ —	$ 108,525
Adoption of Current Expected Credit Loss (CECL) methodology	39,588	54,924	94,512
Balances – January 1, 2020	148,113	54,924	203,037
Net charge-offs	(18,232)	—	(18,232)
Provision for credit losses	176,315	13,374	189,689
Balances – June 30, 2020	$ 306,196	$ 68,298	$ 374,494
Three months ended June 30, 2019:			
Balances – March 31, 2019	$ 105,954	$ —	$ 105,954
Net charge-offs	(6,081)	—	(6,081)
Provision for credit losses	6,769	—	6,769
Balances – June 30, 2019	$ 106,642	$ —	$ 106,642
Six months ended June 30, 2019:			
Balances – December 31, 2018	$ 102,264	$ —	$ 102,264
Net charge-offs	(9,072)	—	(9,072)
Provision for credit losses	13,450	—	13,450
Balances – June 30, 2019	$ 106,642	$ —	$ 106,642

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	June 30, 2020		December 31, 2019	
	(Dollars in thousands)			
Non-interest bearing	$ 3,696,306	17.8%	$ 2,795,251	15.1%
Interest bearing:				
Transaction (NOW)	2,929,462	14.1	2,706,426	14.7
Savings and money market	4,518,178	21.8	5,601,181	30.3
Time deposits less than $100	3,783,621	18.3	3,321,446	18.0
Time deposits of $100 or more	5,796,031	28.0	4,049,955	21.9
Total deposits	$ 20,723,598	100.0%	$ 18,474,259	100.0%

Summary of Deposits – By Customer Type
Unaudited

	June 30, 2020		December 31, 2019	
	(Dollars in thousands)			
Consumer	$ 10,083,452	48.7%	$ 7,526,014	40.7%
Commercial	5,439,295	26.2	4,334,366	23.5
Public Funds	2,545,778	12.3	3,782,415	20.5
Brokered	2,018,331	9.7	2,115,193	11.4
Reciprocal	636,742	3.1	716,271	3.9
Total deposits	$ 20,723,598	100.0%	$ 18,474,259	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	% Change	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 216,593	$ 224,536	(3.5)%	$ 426,367	$ 450,424	(5.3)%
Provision for credit losses	72,026	6,769	964.1	189,689	13,450	1,310.3
Non-interest income	21,591	26,603	(18.8)	49,271	50,675	(2.8)
Non-interest expense	100,953	99,131	1.8	204,378	195,809	4.4
Net income available to common stockholders	50,266	110,503	(54.5)	62,132	221,209	(71.9)
Pre-tax pre-provision net revenue [(1)]	137,231	152,008	(9.7)	271,260	305,290	(11.1)
Common share and per common share data:						
Net income per share – diluted	$ 0.39	$ 0.86	(54.7)%	$ 0.48	$ 1.71	(71.9)%
Net income per share – basic	0.39	0.86	(54.7)	0.48	1.72	(72.1)
Cash dividends per share	0.27	0.23	17.4	0.53	0.45	17.8
Book value per share	31.78	30.97	2.6	31.78	30.97	2.6
Tangible book value per share[(1)]	26.53	25.61	3.6	26.53	25.61	3.6
Weighted-average diluted shares outstanding (thousands)	129,399	129,079		129,349	129,022	
End of period shares outstanding (thousands)	129,350	128,947		129,350	128,947	
Balance sheet data at period end:						
Total assets	$26,380,409	$22,960,731	14.9%	$26,380,409	$22,960,731	14.9%
Total loans	19,311,078	17,485,205	10.4	19,311,078	17,485,205	10.4
Non-purchased loans	18,247,431	15,786,809	15.6	18,247,431	15,786,809	15.6
Purchased loans	1,063,647	1,698,396	(37.4)	1,063,647	1,698,396	(37.4)
Allowance for loan losses	306,196	106,642	187.1	306,196	106,642	187.1
Foreclosed assets	18,328	33,467	(45.2)	18,328	33,467	(45.2)
Investment securities – AFS	3,299,944	2,548,489	29.5	3,299,944	2,548,489	29.5
Goodwill and other intangible assets, net	679,166	690,304	(1.6)	679,166	690,304	(1.6)
Deposits	20,723,598	18,186,215	14.0	20,723,598	18,186,215	14.0
Other borrowings	903,696	201,455	348.6	903,696	201,455	348.6
Subordinated notes	223,854	223,471	0.2	223,854	223,471	0.2
Subordinated debentures	120,194	119,635	0.5	120,194	119,635	0.5
Unfunded balance of closed loans	11,411,441	11,167,055	2.2	11,411,441	11,167,055	2.2
Reserve for losses on unfunded loan commitments	68,298	—	NM	68,298	—	NM
Total common stockholders' equity	4,110,666	3,993,247	2.9	4,110,666	3,993,247	2.9
Net unrealized gains on investment securities AFS included in common stockholders' equity	63,177	19,693		63,177	19,693	
Loan (including purchased loans) to deposit ratio	93.18%	96.15%		93.18%	96.15%	
Selected ratios:						
Return on average assets[(2)]	0.78%	1.95%		0.50%	1.97%	
Return on average common stockholders' equity[(2)]	4.92	11.29		3.04	11.52	
Return on average tangible common stockholders' equity[(1)] [(2)]	5.89	13.70		3.64	14.04	
Average common equity to total average assets	15.93	17.31		16.59	17.12	
Net interest margin – FTE[(2)]	3.74	4.45		3.84	4.49	
Efficiency ratio	42.07	39.30		42.71	38.89	
Net charge-offs to average non-purchased loans[(2)] [(3)]	0.05	0.12		0.06	0.09	
Net charge-offs to average total loans[(2)]	0.29	0.14		0.20	0.10	
Nonperforming loans to total loans[(4)]	0.18	0.15		0.18	0.15	
Nonperforming assets to total assets[(4)]	0.19	0.25		0.19	0.25	
Allowance for loan losses to total loans [(5)]	1.59	0.61		1.59	0.61	
Other information:						
Non-accrual loans[(4)]	$ 31,083	$ 22,860		$ 31,083	$ 22,860	
Accruing loans – 90 days past due[(4)]	—	—		—	—	
Troubled and restructured non-purchased loans – accruing[(4)]	934	1,399		934	1,399	

(1) Calculations of pre-tax pre-provision net revenue, tangible book value per common share and return on average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.
(5) Excludes reserve for losses on unfunded loan commitments.
NM – Not meaningful

Selected Consolidated Financial Data (continued)

Unaudited

	Three Months Ended		
	June 30, 2020	March 31, 2020	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 216,593	$ 209,775	3.3%
Provision for credit losses	72,026	117,663	(38.8)
Non-interest income	21,591	27,680	(22.0)
Non-interest expense	100,953	103,425	(2.4)
Net income available to common stockholders	50,266	11,866	323.6
Pre-tax pre-provision net revenue (1)	137,231	134,030	2.4
Common share and per common share data:			
Net income per share – diluted	$ 0.39	$ 0.09	333.3%
Net income per share – basic	0.39	0.09	333.3
Cash dividends per share	0.27	0.26	3.8
Book value per share	31.78	31.57	0.7
Tangible book value per share (1)	26.53	26.30	0.9
Weighted-average diluted shares outstanding (thousands)	129,399	129,307	
End of period shares outstanding (thousands)	129,350	129,324	
Balance sheet data at period end:			
Total assets	$ 26,380,409	$ 24,565,810	7.4%
Total loans	19,311,078	18,228,204	5.9
Non-purchased loans	18,247,431	17,030,378	7.1
Purchased loans	1,063,647	1,197,826	(11.2)
Allowance for loan losses	306,196	238,737	28.3
Foreclosed assets	18,328	20,616	(11.1)
Investment securities – AFS	3,299,944	2,816,556	17.2
Goodwill and other intangible assets, net	679,166	681,747	(0.4)
Deposits	20,723,598	18,809,190	10.2
Other borrowings	903,696	1,051,353	(14.0)
Subordinated notes	223,854	223,759	—
Subordinated debentures	120,194	120,055	0.1
Unfunded balance of closed loans	11,411,441	11,334,737	0.7
Reserve for losses on unfunded loan commitments	68,298	77,672	(12.1)
Total common stockholders' equity	4,110,666	4,083,150	0.7
Net unrealized gains on investment securities AFS included in common stockholders' equity	63,177	54,888	
Loan (including purchased loans) to deposit ratio	93.18%	96.91%	
Selected ratios:			
Return on average assets(2)	0.78%	0.20%	
Return on average common stockholders' equity(2)	4.92	1.16	
Return on average tangible common stockholders' equity(1) (2)	5.89	1.39	
Average common equity to total average assets	15.93	17.31	
Net interest margin – FTE(2)	3.74	3.96	
Efficiency ratio	42.07	43.35	
Net charge-offs to average non-purchased loans(2) (3)	0.05	0.08	
Net charge-offs to average total loans(2)	0.29	0.10	
Nonperforming loans to total loans(4)	0.18	0.16	
Nonperforming assets to total assets(4)	0.19	0.19	
Allowance for loan losses to total loans (5)	1.59	1.31	
Other information:			
Non-accrual loans(4)	$ 31,083	$ 25,681	
Accruing loans – 90 days past due(4)	—	—	
Troubled and restructured non-purchased loans – accruing(4)	934	757	

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

Bank OZK
Supplemental Quarterly Financial Data
Unaudited

(Dollars in thousands, except per share amounts)

	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
Earnings Summary:								
Net interest income	$ 220,614	$ 228,382	$ 225,888	$ 224,536	$ 218,780	$ 214,977	$ 209,775	$ 216,593
Federal tax (FTE) adjustment	1,132	1,219	1,207	1,136	1,038	1,028	1,133	1,753
Net interest income (FTE)	221,746	229,601	227,095	225,672	219,818	216,005	210,908	218,346
Provision for credit losses	(41,949)	(7,271)	(6,681)	(6,769)	(7,854)	(4,938)	(117,663)	(72,026)
Non-interest income	24,121	27,560	24,072	26,603	26,446	30,406	27,680	21,591
Non-interest expense	(102,942)	(94,893)	(96,678)	(99,131)	(100,914)	(104,406)	(103,425)	(100,953)
Pretax income (FTE)	100,976	154,997	147,808	146,375	137,496	137,067	17,500	66,958
FTE adjustment	(1,132)	(1,219)	(1,207)	(1,136)	(1,038)	(1,028)	(1,133)	(1,753)
Provision for income taxes	(25,665)	(38,750)	(35,889)	(34,726)	(32,574)	(35,240)	(4,509)	(14,948)
Noncontrolling interest	1	3	(6)	(10)	7	7	8	9
Net income available to common stockholders	$ 74,180	$ 115,031	$ 110,706	$ 110,503	$ 103,891	$ 100,806	$ 11,866	$ 50,266
Earnings per common share – diluted	$ 0.58	$ 0.89	$ 0.86	$ 0.86	$ 0.81	$ 0.78	$ 0.09	$ 0.39
Non-interest Income:								
Service charges on deposit accounts	$ 9,730	$ 10,585	$ 9,722	$ 10,291	$ 10,827	$ 10,933	$ 10,009	$ 8,281
Trust income	1,730	1,821	1,730	1,839	1,975	2,010	1,939	1,759
BOLI income:								
Increase in cash surrender value	5,321	5,269	5,162	5,178	5,208	5,167	5,067	5,057
Death benefits	—	482	—	—	206	2,989	608	—
Loan service, maintenance and other fees	4,724	5,245	4,874	4,565	4,197	4,282	3,716	3,394
Other income from purchased loans	1,418	2,370	795	1,455	674	759	—	—
Gains (losses) on sales of other assets	(518)	465	284	402	189	1,358	161	621
Net gains on investment securities	—	—	—	713	—	—	2,223	—
Other	1,716	1,323	1,505	2,160	3,170	2,908	3,957	2,479
Total non-interest income	$ 24,121	$ 27,560	$ 24,072	$ 26,603	$ 26,446	$ 30,406	$ 27,680	$ 21,591
Non-interest Expense:								
Salaries and employee benefits	$ 41,477	$ 41,837	$ 44,868	$ 47,558	$ 48,376	$ 52,050	$ 51,473	$ 48,410
Net occupancy and equipment	14,358	14,027	14,750	14,587	14,825	14,855	15,330	15,756
Other operating expenses	47,107	39,029	37,060	36,986	37,713	37,501	36,622	36,787
Total non-interest expense	$ 102,942	$ 94,893	$ 96,678	$ 99,131	$ 100,914	$ 104,406	$ 103,425	$ 100,953
Balance Sheet Data:								
Total assets	$ 22,086,539	$ 22,388,030	$ 23,005,652	$ 22,960,731	$ 23,402,679	$ 23,555,728	$ 24,565,810	$ 26,380,409
Non-purchased loans	14,440,623	15,073,791	15,610,681	15,786,809	16,307,621	16,224,539	17,030,378	18,247,431
Purchased loans	2,285,168	2,044,032	1,864,715	1,698,396	1,427,230	1,307,504	1,197,826	1,063,647
Investment securities – AFS	2,669,877	2,862,340	2,769,602	2,548,489	2,414,722	2,277,389	2,816,556	3,299,944
Deposits	17,822,915	17,938,415	18,476,868	18,186,215	18,440,078	18,474,259	18,809,190	20,723,598
Unfunded balance of closed loans	11,891,247	11,364,975	11,544,218	11,167,055	11,429,918	11,325,598	11,334,737	11,411,441
Common stockholders' equity	3,653,596	3,770,330	3,882,643	3,993,247	4,078,324	4,150,351	4,083,150	4,110,666

Bank OZK
Supplemental Quarterly Financial Data (Continued)
Unaudited

(Dollars in thousands, except per share amounts)

	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
Allowance for Credit Losses:								
Balance at beginning of period	$ 104,638	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 316,409
Adoption of CECL[1] methodology	—	—	—	—	—	—	94,512	—
Net charge-offs	(48,387)	(3,207)	(2,991)	(6,081)	(5,495)	(5,414)	(4,291)	(13,941)
Provision for credit losses	41,949	7,271	6,681	6,769	7,854	4,938	117,663	72,026
Balance at end of period	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 316,409	$ 374,494
Allowance for loan losses	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 238,737	$ 306,196
Reserve for losses on unfunded loan commitments	—	—	—	—	—	—	77,672	68,298
Total allowance for credit losses	$ 98,200	$ 102,264	$ 105,954	$ 106,642	$ 109,001	$ 108,525	$ 316,409	$ 374,494
Selected Ratios:								
Net interest margin – FTE[2]	4.47%	4.55%	4.53%	4.45%	4.26%	4.15%	3.96%	3.74%
Efficiency ratio	41.87	36.90	38.49	39.30	40.98	42.37	43.35	42.07
Net charge-offs to average non-purchased loans[2] [3]	1.32	0.06	0.05	0.12	0.07	0.10	0.08	0.05
Net charge-offs to average total loans[2]	1.14	0.07	0.07	0.14	0.12	0.12	0.10	0.29
Nonperforming loans to total loans[4]	0.23	0.23	0.22	0.15	0.17	0.15	0.16	0.18
Nonperforming assets to total assets[4]	0.23	0.23	0.21	0.25	0.26	0.18	0.19	0.19
Allowance for loan losses to total loans [5]	0.59	0.60	0.61	0.61	0.61	0.62	1.31	1.59
Loans past due 30 days or more, including past due non-accrual loans, to total loans[4]	0.17	0.28	0.28	0.13	0.14	0.19	0.18	0.13

[1] Current Expected Credit Loss methodology.
[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 June 30,						Six Months Ended June 30,					
	2020			2019			2020			2019		
	Average Balance	**Income/ Expense**	**Yield/ Rate**	**Average Balance**	**Income/ Expense**	**Yield/ Rate**	**Average Balance**	**Income/ Expense**	**Yield/ Rate**	**Average Balance**	**Income/ Expense**	**Yield/ Rate**
	(Dollars in thousands)											
ASSETS												
Earning assets:												
Interest earning deposits and federal funds sold	$ 1,303,791	$ 330	0.10%	$ 118,761	$ 941	3.18%	$ 1,335,544	$ 4,706	0.71%	$ 93,031	$ 1,354	2.94%
Investment securities:												
Taxable	1,923,362	11,055	2.31	2,172,732	13,585	2.51	1,859,711	21,814	2.36	2,241,370	28,481	2.56
Tax-exempt – FTE	1,151,492	7,400	2.58	509,119	4,675	3.68	818,777	11,953	2.94	512,348	9,579	3.77
Non-purchased loans – FTE	17,963,230	233,015	5.22	15,760,582	250,235	6.37	17,244,750	465,046	5.42	15,622,442	496,276	6.41
Purchased loans	1,133,611	17,087	6.06	1,785,374	28,519	6.41	1,199,512	38,474	6.45	1,866,130	58,714	6.34
Total earning assets – FTE	23,475,486	268,887	4.61	20,346,568	297,955	5.87	22,458,294	541,993	4.85	20,335,321	594,404	5.89
Non-interest earning assets	2,318,334			2,342,995			2,335,832			2,280,063		
Total assets	$25,793,820			$22,689,563			$24,794,126			$22,615,384		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 7,517,260	$ 7,702	0.41%	$ 9,640,727	$ 37,510	1.56%	$ 7,824,330	$ 27,449	0.71%	$ 9,586,233	$ 73,613	1.55%
Time deposits of $100 or more	5,279,716	23,765	1.81	3,137,419	16,698	2.13	4,834,026	45,955	1.91	3,153,873	32,252	2.06
Other time deposits	3,752,793	13,784	1.48	2,580,584	13,184	2.05	3,543,161	29,529	1.68	2,508,405	24,614	1.98
Total interest bearing deposits	16,549,769	45,251	1.10	15,358,730	67,392	1.76	16,201,517	102,933	1.28	15,248,511	130,479	1.73
Repurchase agreements with customers	8,087	6	0.30	11,101	11	0.41	7,985	13	0.31	16,616	33	0.40
Other borrowings [(1)]	1,043,004	963	0.37	70,390	19	0.11	669,987	1,013	0.30	169,439	1,408	1.68
Subordinated notes	223,793	3,172	5.70	223,419	3,181	5.71	223,752	6,344	5.70	223,370	6,326	5.71
Subordinated debentures [(1)]	120,120	1,149	3.85	119,559	1,680	5.64	120,052	2,436	4.08	119,486	3,392	5.72
Total interest bearing liabilities	17,944,773	50,541	1.13	15,783,199	72,283	1.84	17,223,293	112,739	1.32	15,777,422	141,638	1.81
Non-interest bearing liabilities:												
Non-interest bearing deposits	3,478,030			2,723,657			3,202,663			2,740,291		
Other non-interest bearing liabilities	257,874			252,062			251,026			223,491		
Total liabilities	21,680,677			18,758,918			20,676,982			18,741,204		
Common stockholders' equity	4,110,038			3,927,522			4,114,035			3,871,065		
Noncontrolling interest	3,105			3,123			3,109			3,115		
Total liabilities and stockholders' equity	$25,793,820			$22,689,563			$24,794,126			$22,615,384		
Net interest income – FTE		$218,346			$225,672			$429,254			$452,766	
Net interest margin – FTE			3.74%			4.45%			3.84%			4.49%

(1) The interest expense and the rates for "other borrowings" and for "subordinated debentures" were affected by capitalized interest. Capitalized interest included in other borrowings totaled $0.27 million for the second quarter and $0.62 million for the first six months of 2020 compared to $0.40 million for the second quarter and $0.75 million for the first six months of 2019. In the absence of this interest capitalization, the rates on other borrowings would have been 0.47% for the second quarter and 0.49% for the first six months of 2020 compared to 2.36% for the second quarter and 2.56% for the first six months of 2019. Capitalized interest included in subordinated debentures totaled $0.03 million for the second quarter and $0.18 million for the first six months of 2020 (none in the second quarter or first six months of 2019). In the absence of this interest capitalization, the rates on subordinated debentures would have been 3.95% for the second quarter and 4.37% for the first six months of 2020.

Bank OZK
Reconciliation of Non-GAAP Financial Measures

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(Dollars in thousands)			
Net income available to common stockholders	$ 50,266	$ 110,503	$ 62,132	$ 221,209
Average common stockholders' equity before noncontrolling interest	$ 4,110,038	$ 3,927,522	$4,114,035	$ 3,871,065
Less average intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(19,563)	(31,225)	(20,987)	(32,822)
Total average intangibles	(680,352)	(692,014)	(681,776)	(693,611)
Average tangible common stockholders' equity	$ 3,429,686	$ 3,235,508	$3,432,259	$ 3,177,454
Return on average common stockholders' equity[(1)]	4.92%	11.29%	3.04%	11.52%
Return on average tangible common stockholders' equity[(1)]	5.89%	13.70%	3.64%	14.04%

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

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

	June 30,		March 31,
	2020	2019	2020
	(In thousands, except per share amounts)		
Total common stockholders' equity before noncontrolling interest	$ 4,110,666	$ 3,993,247	$ 4,083,150
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(18,377)	(29,515)	(20,958)
Total intangibles	(679,166)	(690,304)	(681,747)
Total tangible common stockholders' equity	$ 3,431,500	$ 3,302,943	$ 3,401,403
Shares of common stock outstanding	129,350	128,947	129,324
Book value per common share	$ 31.78	$ 30.97	$ 31.57
Tangible book value per common share	$ 26.53	$ 25.61	$ 26.30

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

Unaudited

	June 30, 2020	June 30, 2019
	(Dollars in thousands)	
Total common stockholders′ equity before noncontrolling interest	$ 4,110,666	$ 3,993,247
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(18,377)	(29,515)
Total intangibles	(679,166)	(690,304)
Total tangible common stockholders' equity	$ 3,431,500	$ 3,302,943
Total assets	$ 26,380,409	$ 22,960,731
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(18,377)	(29,515)
Total intangibles	(679,166)	(690,304)
Total tangible assets	$ 25,701,243	$ 22,270,427
Ratio of total common stockholders′ equity to total assets	15.58%	17.39%
Ratio of total tangible common stockholders′ equity to total tangible assets	13.35%	14.83%

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited

	Three Months Ended			Six Months Ended	
	June 30, 2020	June 30, 2019	March 31, 2020	June 30, 2020	June 30, 2019
			(Dollars in thousands)		
Income before taxes	$ 65,205	$ 145,239	$ 16,367	$ 81,571	$ 291,840
Provision for credit losses	72,026	6,769	117,663	189,689	13,450
Pre-tax pre-provision net revenue	$ 137,231	$ 152,008	$ 134,030	$ 271,260	$ 305,290

EXHIBIT 99.2

Bank OZK

MANAGEMENT COMMENTS FOR THE SECOND QUARTER & FIRST SIX MONTHS OF 2020

JULY 23, 2020

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 implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices, relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the proposed phase-out of LIBOR or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those in response to the coronavirus (COVID-19) pandemic such as the Coronavirus Aid, Relief and Economic Security Act and any similar or related rules and regulations; changes in U.S. government monetary and fiscal policy; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; FDIC special assessments or changes to regular assessments; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the magnitude and duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the global economy and financial markets; international or political instability; impairment of our goodwill or other intangible assets; adoption of new accounting standards, including the effects from the adoption of the current expected credit loss ("CECL") model on January 1, 2020, 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, 2019 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 projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Summary

We are pleased to report our results for the second quarter of 2020. The COVID-19 pandemic was a significant factor throughout the quarter, but our results reflect solid fundamental performance and include a number of significant achievements. Our people demonstrated that they are among the best in the industry throughout the quarter and continued to assist our customers during these trying times. We couldn't be more proud of them and thankful for every one of their efforts. Some of our accomplishments and highlights of the quarter just ended are as follows:

- Our ongoing focus on asset quality showed very well in the current environment as demonstrated by our annualized net charge-off ratio for the second quarter of 2020 of 0.05% for non-purchased loans (loans we originated). Our June 30, 2020 ratios of non-performing non-purchased loans to total non-purchased loans and non-performing assets to total assets[1] were just 0.18% and 0.19%, respectively.
- We achieved total loan growth of $1.08 billion in the second quarter, despite seeing continued payoffs in our Real Estate Specialties Group ("RESG") and purchased loan portfolios, while also increasing our on-balance sheet liquidity by increasing cash and cash equivalents by $298 million and increasing our investment securities portfolio by $483 million.
- Our commitment to our customers and communities, combined with our reputation for strength, stability and service, allowed us to achieve a record $1.9 billion of organic deposit growth during the quarter.
- Our balance sheet strength continues to be industry leading. As of March 31, 2020, we had the highest Tier-1 Leverage Capital Ratio ("Leverage Ratio") among the 100 largest U.S. banks[2]. At June 30, 2020, our Leverage Ratio was again very strong at 13.5%, which is over 2.5 times the Basel III Leverage Ratio required to be considered "well-capitalized." This positions us well to navigate the current economic environment and to capitalize on future opportunities.
- Our net interest income for the quarter was $216.6 million, sequentially an increase of $6.8 million, or 3.3%, from the first quarter of 2020. This reverses what has recently been a declining trend in net interest income, and is a result of both our strong loan origination volume and slower loan repayments.
- Subsequent to June 30, 2020, we announced three purchase and assumption ("P&A") agreements to sell our four branches in Alabama and South Carolina. As the Bank has grown in size and complexity, it has become more difficult to efficiently operate in Alabama and South Carolina with just two branches in each state.

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[1] *Excludes purchased loans, except for their inclusion in total assets.*
[2] *Source: Tier 1 Leverage Ratio data from S&P Global Market Intelligence for 100 largest publicly traded U.S. banks by asset size (excluding banks headquartered in Puerto Rico).*

Allowance for Credit Losses (“ACL”) and Current Expected Credit Losses (“CECL”)

Our total provision expense for the quarter just ended was $72.0 million, including $81.4 million related to our allowance for loan losses (“ALL”) for outstanding loans and a $9.4 million reduction of our reserve for potential losses on unfunded loan commitments. Similar to challenges being felt across the banking industry, this was the second consecutive quarter in which our provision expense has been elevated due to the actual and expected economic impact of the COVID-19 pandemic. As of June 30, 2020, our ALL for outstanding loans was $306.2 million, or 1.59% of total outstanding loans, and our reserve for potential losses on unfunded loan commitments was $68.3 million, or 0.60% of unfunded loan commitments, bringing our total ACL, which includes the ALL and the reserve for potential losses in our unfunded loans commitments, to $374.5 million.

The calculations of our provision expense for the second quarter of 2020 and our total ACL at June 30, 2020 were based on a number of key estimates, assumptions and economic forecasts. We utilized several economic forecasts provided by Moody’s, including their baseline forecast that was updated on July 7, 2020 and certain of their other economic scenarios, including forecasts with both more and less severe outcomes than their baseline forecast. We primarily relied on Moody’s baseline forecast, but also increased our weighting to the more severe scenario this quarter as compared to last quarter given the higher reported COVID-19 cases as the quarter ended. We also included certain adjustments to increase our ACL to capture items that we thought were not fully reflected in the various economic forecasts we utilized and our modeled results.

The current situation surrounding the COVID-19 pandemic continues to evolve, and the ultimate depth and duration of resulting economic impacts are not yet fully known. We believe we have been appropriate in our ACL build over the first two quarters of 2020, but, if economic conditions deteriorate further relative to our underlying assumptions as of June 30, 2020, then our provision expense in future quarters may again be unusually large. If future economic conditions align with our projections, then our provision expense in future quarters should primarily reflect provision expense needed to cover loan growth. If economic conditions improve relative to our projections, then our provision expense in some future quarters could be zero or negative.

Profitability and Earnings Metrics

In addition to our unusually large provision expense related to the COVID-19 pandemic, our net income for the second quarter of 2020 was also significantly impacted by the Federal Reserve’s (“Fed’s”) quick actions in March in cutting the Fed funds target rate to near zero. This caused our loan yields to drop much faster than we could adjust deposit rates, adversely impacting our net interest margin. Because these changes in the Fed funds target rate occurred late in the first quarter, the impact was not fully reflected until the second quarter of 2020.

Net income for the second quarter of 2020 was $50.3 million, a 54.5% decrease from $110.5 million for the second quarter of 2019, but a 323.6% increase from $11.9 million for the first quarter of 2020. Diluted earnings per common share for the second quarter of 2020 were $0.39, a 54.7% decrease from $0.86 for the second quarter of 2019, but a 333.3% increase from $0.09 for the first quarter of 2020. For the six months ended June 30, 2020, net income was $62.1 million, a 71.9% decrease from $221.2 million for the first six months of 2019. Diluted earnings per common share for the first six months of 2020 were $0.48, a 71.9% decrease from $1.71 for the first six months of 2019.

Our annualized return on average assets was 0.78% for the second quarter of 2020 compared to 1.95% in the second quarter of 2019. Our annualized returns on average common stockholders' equity and average tangible common stockholders' equity[3] for the second quarter of 2020 were 4.92% and 5.89%, respectively, compared to 11.29% and 13.70%, respectively, for the second quarter of 2019. Our annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the first six months of 2020 were 0.50%, 3.04% and 3.64%, respectively, compared to 1.97%, 11.52% and 14.04%, respectively, for the first six months of 2019.

Net Interest Income

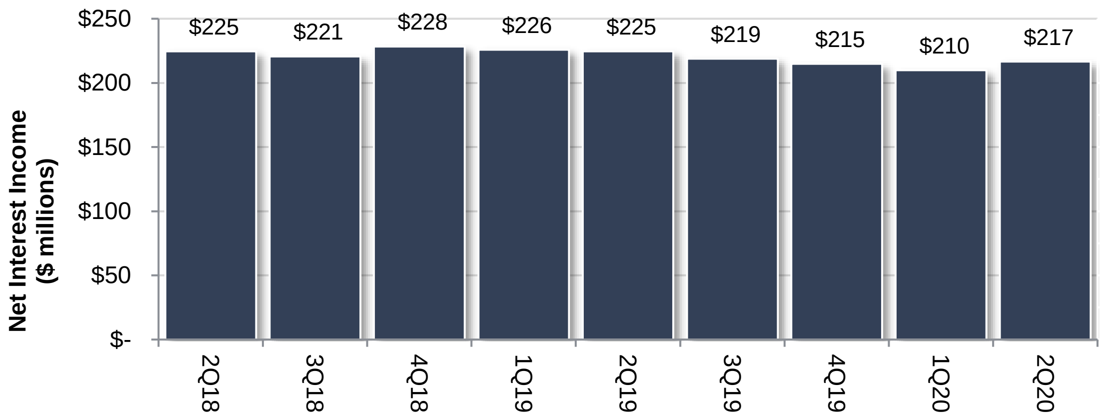
Net interest income is our largest category of revenue. It is affected by many factors, including our volume and mix of earning assets; our volume and mix of deposits and other liabilities; our net interest margin; our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest-bearing deposits ("COIBD"); and other factors.

All things considered, net interest income in the second quarter of 2020 held up reasonably well. Net interest income was $216.6 million, a decrease of 3.5% from $224.5 million in the second quarter of 2019. Net interest income for the first six months of 2020 was $426.4 million, a decrease of 5.3% from $450.4 million in the first six months of 2019. However, net interest income for the quarter just ended increased $6.8 million, or 3.3%, from the first quarter of 2020, reversing what has recently been a declining trend in net interest income.

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

Figure 1 shows our net interest income for the last nine quarters. Growth of our net interest income in recent years has been challenging due to a number of factors, including the large volume of loan repayments and pay-downs, intense competition for loans and deposits, and declining interest rates – all resulting in our yield on loans declining faster than our interest rates on deposits. We are encouraged that some of those factors began to moderate or reverse in the quarter just ended, including the fact that we achieved a strong volume of loan originations at better spreads in the quarter just ended and had slower loan repayments.

Figure 1: Quarterly Net Interest Income - Last Nine Quarters



We are cautiously optimistic regarding the potential to improve our net interest margin and core spread in coming quarters. Specifically, we expect we can continue to adjust some of our deposit rates downward to align more closely with the reductions already incurred in our loan yields. Figure 2 shows our volume and average interest rates on time deposits maturing over the next four quarters and thereafter compared to our results for new and renewed time deposits in the month of June 2020.

Figure 2: Time Deposit Maturity Schedule

($ millions)		Time Deposits	Wtd. Avg. Rate at 6/30/2020
3Q20	$	2,676	1.78%
4Q20		2,183	1.61%
1Q21		1,370	1.34%
2Q21		2,296	1.23%
3Q21 & Beyond		1,054	1.09%
Total	**$**	**9,579**	**1.47%**
New and Renewed Time Deposits in June 2020	**$**	**795**	**1.00%**

During the second quarter of 2020, we retained approximately 90% of our consumer time deposits that matured at approximately 100 bps, on average, below the previously paid average rate. We also renewed brokered deposits at rates significantly below rates previously paid. As a result, during the quarter just ended, our balance of time deposits increased by $1.24 billion, while our weighted average rate for all outstanding time deposits at June 30, 2020 declined by 39 bps from March 31, 2020.

Additionally, our spreads on many newly originated loans are now wider compared to the relevant indexes (e.g., LIBOR) than during 2019. Successfully continuing to both lower our COIBD and achieve wider spreads on newly originated loans could go a long way to reversing the recent declining trend in our net interest margin and core spread. Of course, in the case of most newly originated construction loans, the benefit of the wider spreads we are getting may not be realized until those loans begin to fund in future quarters or years.

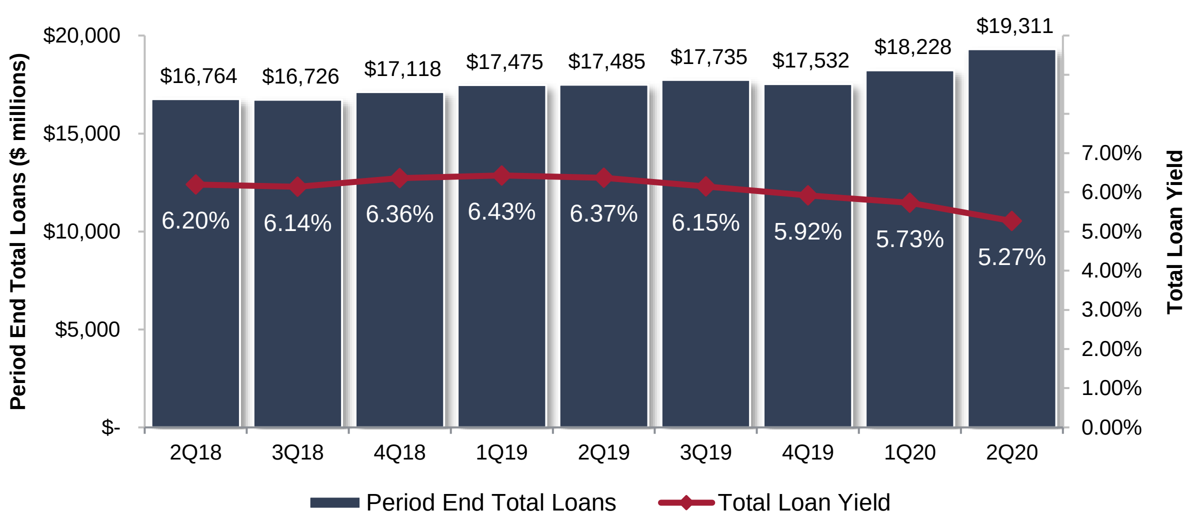
Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled $23.5 billion, a 15.4% increase from $20.3 billion for the second quarter of 2019. Average earning assets were $22.5 billion for the first six months of 2020, a 10.4% increase from $20.3 billion for the first six months of 2019.

Total Loans

During the quarter just ended, our outstanding balance of total loans increased $1.08 billion from March 31, 2020, or 5.9% not annualized, as illustrated in Figure 3. For the first six months of 2020, our outstanding balance of total loans increased $1.78 billion, or 10.1% not annualized.

Figure 3: Total Loan Balances and Yields – Last Nine Quarters

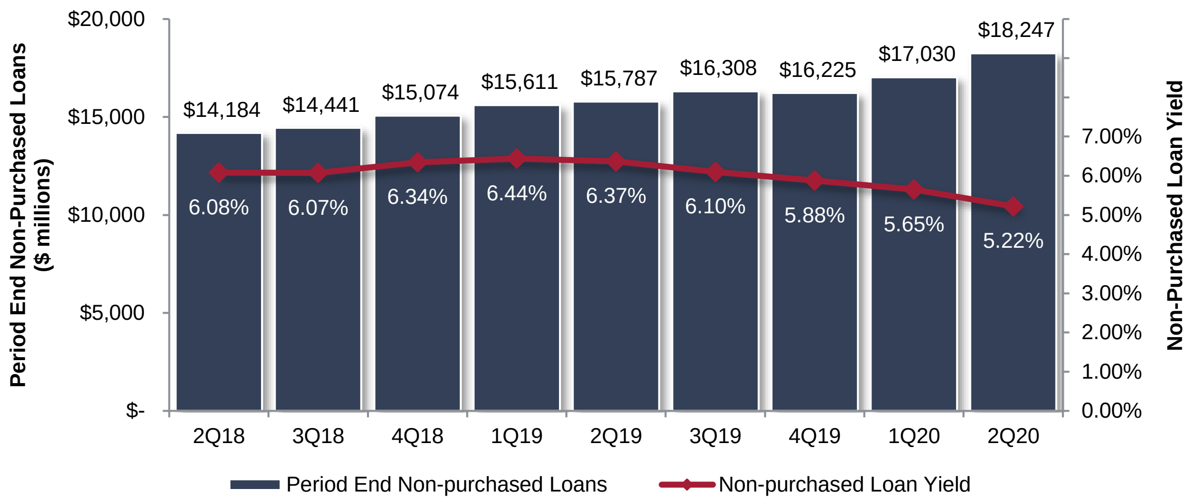


Our loan growth may vary widely quarter-to-quarter, particularly due to uncertainty surrounding current economic conditions. We expect our RESG to be the largest contributor to 2020 total loan growth, and we expect our various Community Banking teams to be secondary contributors. Our Indirect RV & Marine portfolio is expected to continue to shrink in 2020. In addition, our purchased loan portfolio is expected to continue to pay down.

Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from our 15 acquisitions, accounted for 94.1% of our average total loans and 76.5% of our average earning assets in the quarter just ended. During the quarter, our outstanding balance of non-purchased loans increased $1.22 billion, or 7.1% not annualized, as illustrated in Figure 4. For the first six months of 2020, our outstanding balance of non-purchased loans increased $2.02 billion, or 12.5% not annualized.

Figure 4: Non-Purchased Loan Balances and Yields - Last Nine Quarters



RESG accounted for 59% of the funded balance of non-purchased loans as of June 30, 2020. RESG's funded balance of non-purchased loans increased $0.78 billion in the second quarter and increased $1.37 billion during the first six months of 2020. Figures 5 and 6, respectively, reflect the changes in the funded balance of RESG loans for the second quarter and first six months of 2020.

Figure 5: Activity in RESG Funded Balances – 2Q20 ($ billions)

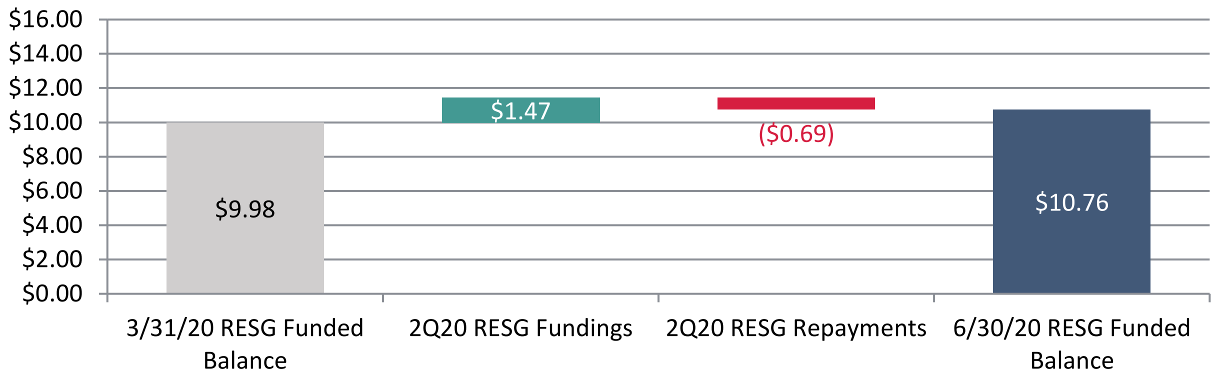


Figure 6: Activity in RESG Funded Balances – December 31, 2019 vs. June 30, 2020 ($ billions)

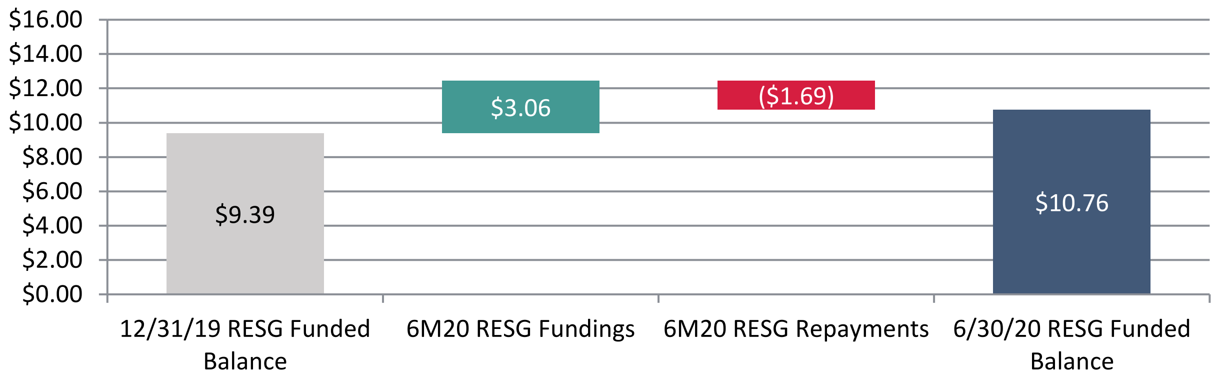


Figure 7: RESG Quarterly Loan Repayments ($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2016	$0.21	$0.41	$0.69	$0.48	$1.79
FY2017	$0.57	$0.98	$0.87	$1.45	$3.86
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69			$1.69

**6M20 Not Annualized*

Figure 7 shows RESG's quarterly loan repayments for each of the last 18 quarters. In recent years, our growth in non-purchased loans has been limited by, among other factors, the high level of RESG loan repayments, including a record annual level of repayments in 2019. RESG loan repayments were $0.69 billion in the quarter just ended, below the quarterly repayment volume experienced over the previous 12 quarters. RESG loan repayments for the first six months of 2020 were $1.69 billion. We expect RESG loan repayments to (i) remain significant in 2020 due to property sales and refinancing activity, (ii) be more heavily weighted toward the fourth quarter of the year, but (iii) be less than the record level of repayments in 2019. The level of repayments may vary substantially from quarter-to-quarter and may have an outsized impact in one or more quarters.

Construction delays are one factor affecting the volume and timing of RESG loan repayments in 2020. As a result of shelter-in-place orders which have been in effect in many U.S. cities during much of the second quarter, construction was temporarily delayed on many projects RESG is financing. While these orders have delayed the completion of such projects and their ultimate sale or refinancing, we do not presently view this as a significant issue. By the end of the second quarter, construction and development activity had returned to normal or near normal levels on most of the projects RESG is financing. We are relatively indifferent as to whether a project completes on its original schedule or months later, unless there are delivery date requirements in sales or lease contracts which would allow those contracts to be cancelled due to delayed completion. Typically our loans have sufficient cushions in the timelines to allow for such moderate, or even longer, construction delays. Likewise, project budgets usually have sufficient contingency reserves to cover the additional interest and other carry costs resulting from moderate delays. On the positive side, project delays should allow us to earn additional interest on our loans as the balances will be outstanding somewhat longer.

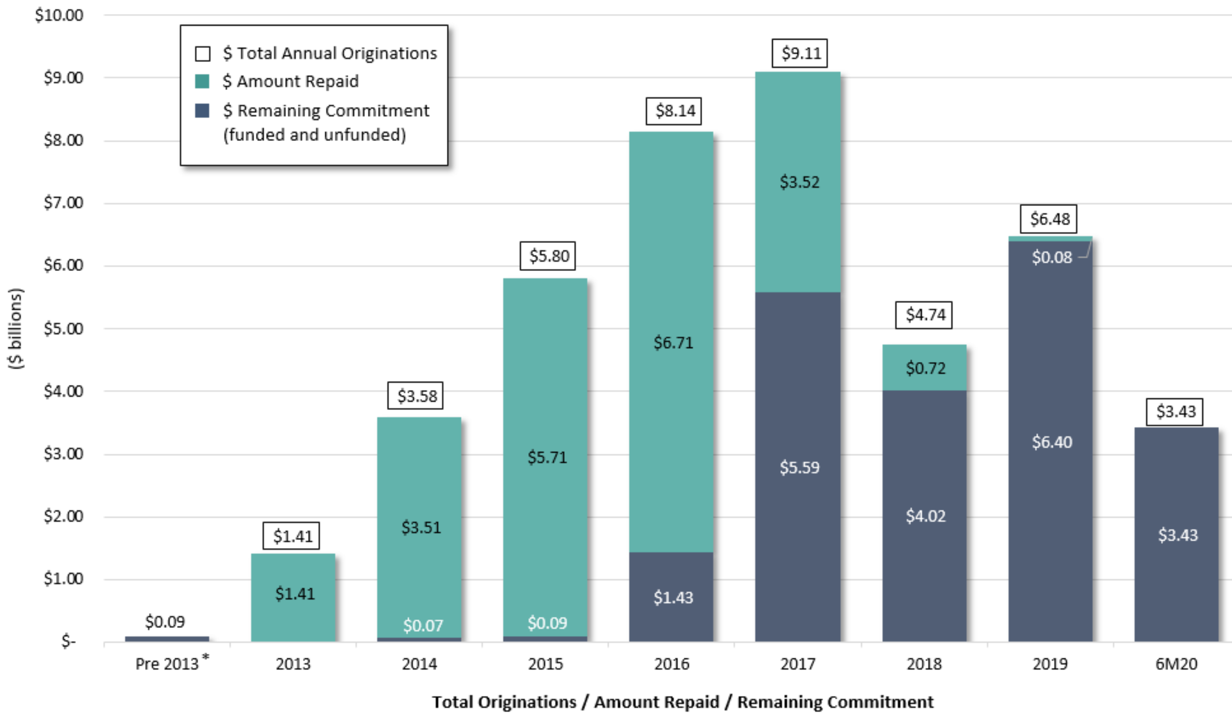
Recent disruptions in financial markets are another factor affecting the volume and timing of RESG loan repayments in 2020. With the onset of the COVID-19 pandemic, some bridge and permanent lenders (which would typically provide our sponsors much higher leverage and lower rates and pay off our loans soon after completion of construction) pulled back from the market. We view this as mostly positive, as it affords us an opportunity to continue to maintain many good-yielding, high-quality, low-leverage loans in our portfolio for additional months or quarters. We have recently seen signs that some of these bridge and permanent lenders are easing back into the market, and we expect others to return when there is greater clarity about economic conditions. For example, in the first 22 calendar days of July, we had seven RESG loans either pay off through sales or refinance with permanent or bridge lenders as shown in Figure 8. In the meantime, we are benefitting from the earnings on increased loan balances.

Figure 8: RESG Repayment Activity from July 1, 2020 through July 22, 2020

		Total Commitment		
Property Type	**MSA**	**Maximum**	**Remaining @ 6/30/20**	**Source of Repayment**
Condo	Miami	$ 53,568,000	$ 2,437,704	sell-out
Hotel	Orlando	19,580,000	1,067	other
Condo	Miami	112,100,000	20,142,305	sell-out
Multifamily	Boulder, CO	42,250,000	42,250,000	refi-3rd-party
Land	Miami	9,420,000	8,949,000	sale
Multifamily	Denver	58,627,100	58,356,737	refi-3rd-party
Multifamily	Portland, OR	36,500,000	35,875,000	refi-3rd-party
	Total	**$ 332,045,100**	**$ 168,011,813**	

Figure 9 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded.

Figure 9: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*



** Amounts paid down are not shown for pre-2013 originations*

Figure 10 shows RESG's quarterly loan originations for each of the last 18 quarters. RESG loan originations for the second quarter and first six months of 2020 were $1.67 billion and $3.43 billion, respectively. Our focus has been, and will continue to be, on maintaining our credit quality and return standards, even if maintaining those standards affects our origination volume and loan growth.

Figure 10: RESG Quarterly Loan Originations ($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2016	$1.81	$1.98	$1.79	$2.56	$8.14
FY2017	$2.30	$2.04	$2.21	$2.56	$9.11
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67			$3.43

**6M20 Not Annualized*

Even though some sponsors have elected to pause commencement of new projects until future conditions clarify, our RESG pipeline of potential originations remains favorable for the third quarter of 2020. RESG's origination volume may vary significantly from quarter-to-quarter and may be impacted by economic conditions, competition or other factors. RESG originations may not be as robust in the second half of 2020 as in the first half.

At June 30, 2020, RESG accounted for 90% of our $11.4 billion of unfunded balance of loans already closed. Figures 11 and 12, respectively, reflect the changes in the unfunded balance of our loans already closed, both RESG and others, for the second quarter and first six months of 2020. The total unfunded balance increased $0.1 billion during the quarter just ended after being unchanged in the first quarter of 2020. Future quarterly increases or decreases in this unfunded balance will vary based on a variety of factors.

Figure 11: Activity in Unfunded Balances – 2Q20 ($ billions)

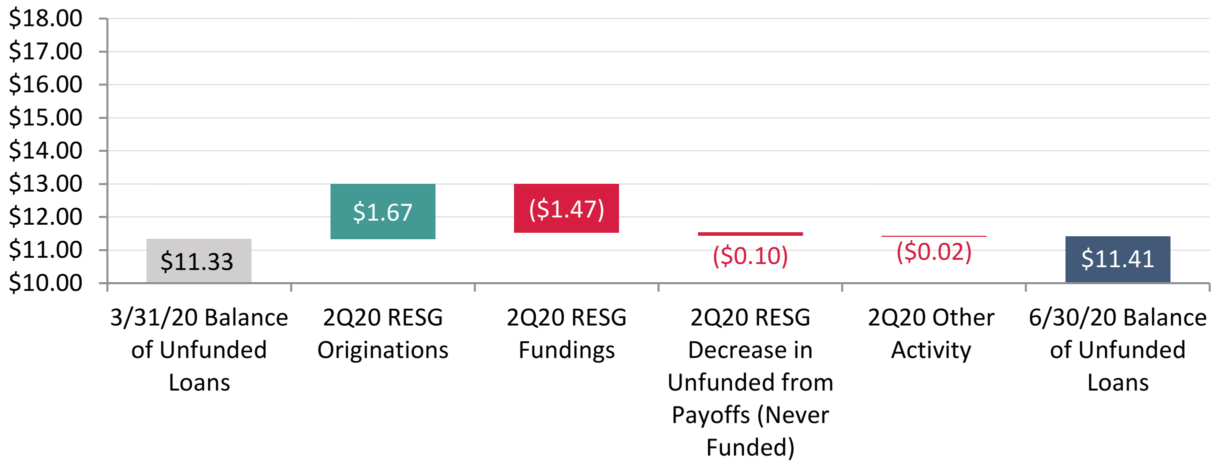
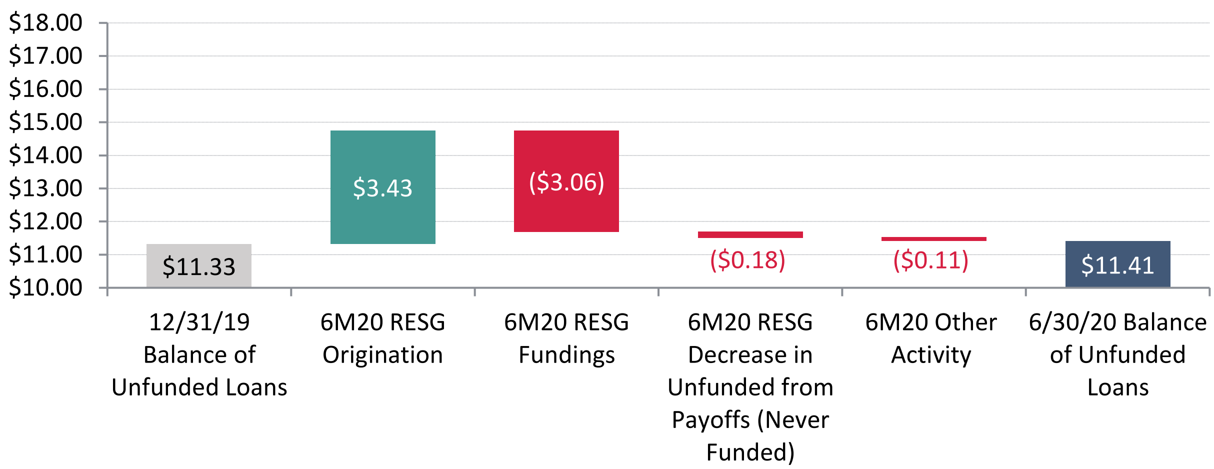


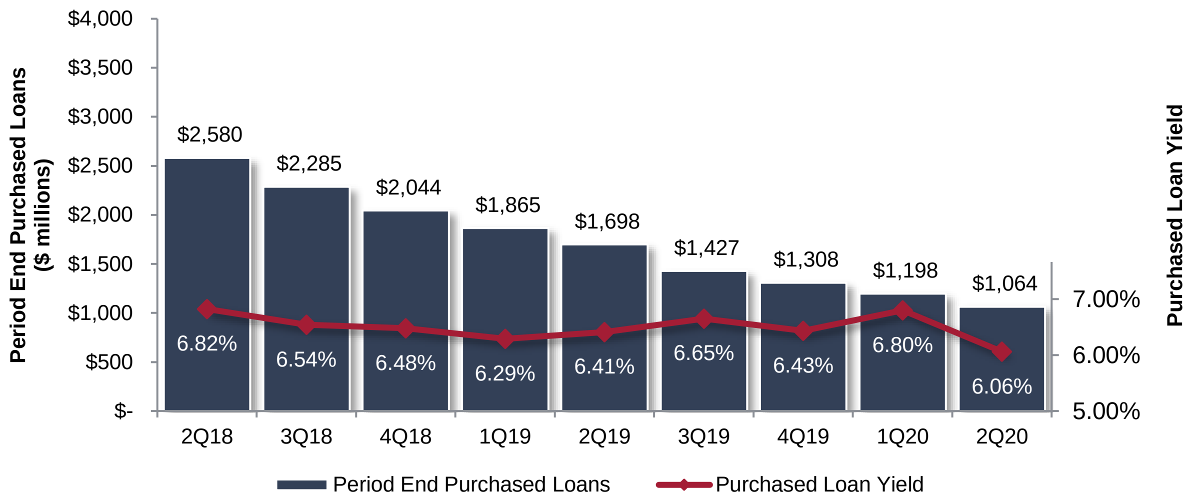
Figure 12: Activity in Unfunded Balances – December 31, 2019 vs. June 30, 2020 ($ billions)



Purchased Loans

Purchased loans, which are the remaining loans from our 15 acquisitions, accounted for 5.9% of average total loans and 4.8% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.13 billion, or 11.2% not annualized, to $1.06 billion at June 30, 2020. For the first six months of 2020, our purchased loan portfolio decreased by $0.24 billion, or 18.7% not annualized. Purchased loan runoff will continue to be a headwind to overall growth. Figure 13 shows our recent purchased loan portfolio trends.

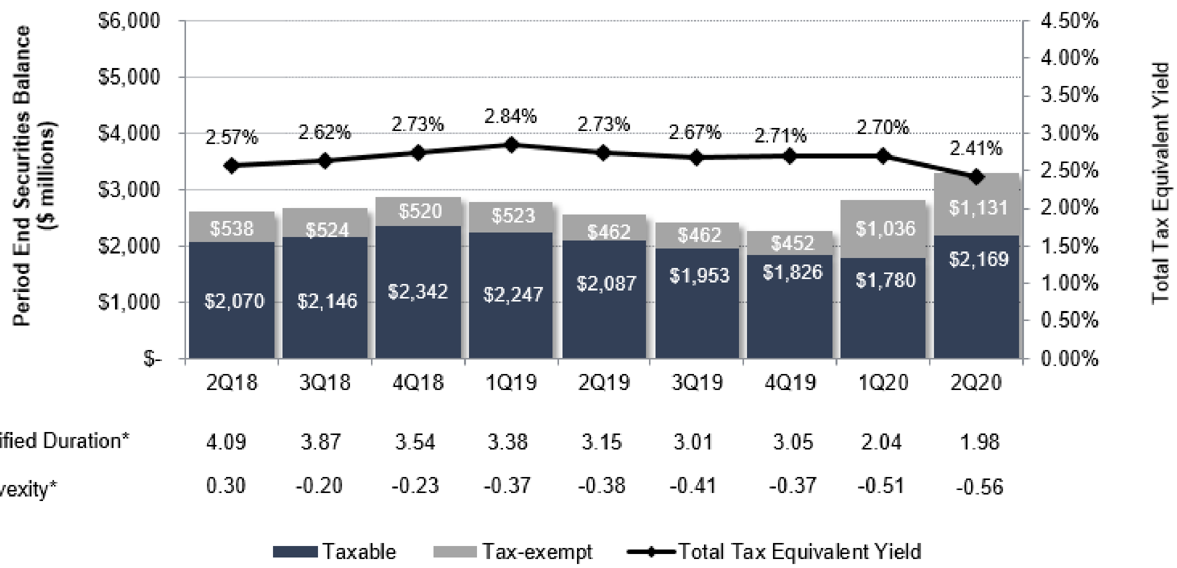
Figure 13: Purchased Loan Balances and Yields - Last Nine Quarters



Investment Securities

During the second quarter and first six months of 2020 our investment securities portfolio increased $0.48 billion and $1.02 billion, respectively, as illustrated in Figure 14. Late in the first quarter of 2020, we were able to capitalize on market disruptions to purchase a number of high quality, short-term municipal bonds at very favorable yields. That market opportunity passed quickly. During the second quarter, our liquidity position continued to grow, and we continued to purchase high-quality, very short-term securities, although the rates were much less attractive than we achieved on our opportunistic purchases in the first quarter. We may increase or decrease our investment securities portfolio in future quarters, based on prevailing market conditions, including our ability to make additional purchases or sales at what we believe to be favorable prices, and other factors.

Figure 14: Investment Portfolio Loan Balances and Yields - Last Nine Quarters



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

Net Interest Margin

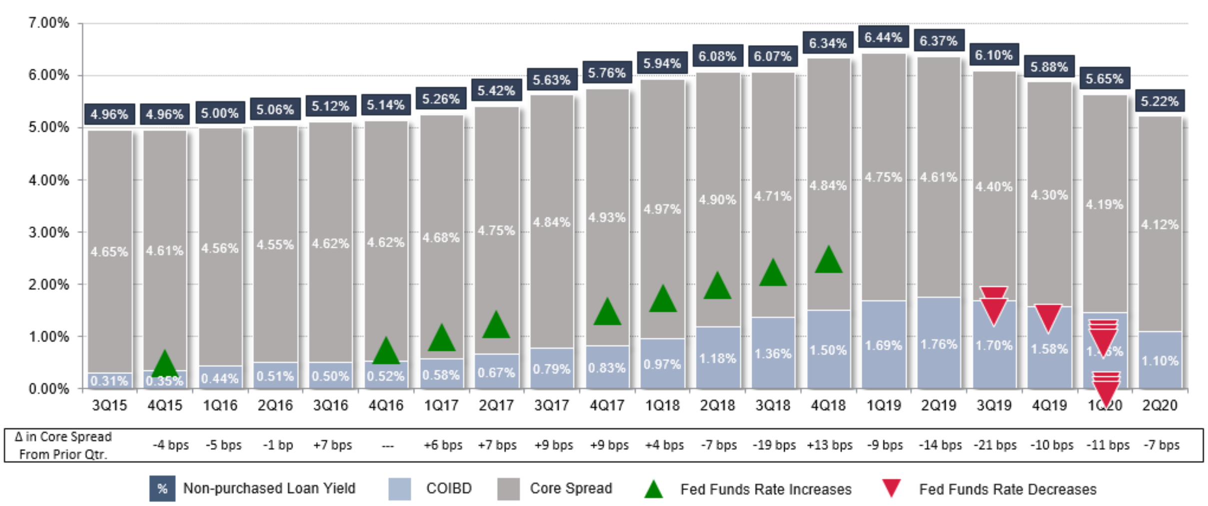
Our net interest margin was 3.74% for the quarter just ended, down 71 bps from the second quarter of 2019 and down 22 bps from the first quarter of 2020. The Fed's substantial and rapid cuts in the Fed funds target rate in the first quarter of 2020 caused our loan yields to drop much more rapidly than we have been able to adjust our deposit rates so far. We expect it will take us several more quarters to adjust our deposit rates downward to more closely align with the reduction in loan yields. In addition, throughout 2020, we have continued to hold more liquidity in the form of cash balances and very short-term securities, and this liquidity build has had a negative impact on our net interest margin because of both the increased combined volume of cash and securities and their relatively low yields.

Non-purchased Loan Yield

Our yield on non-purchased loans was 5.22% for the quarter just ended, a decrease of 115 bps from the second quarter of 2019 and 43 bps from the first quarter of 2020. Our yield on non-purchased loans was 5.42% for the first six months of 2020, a decline of 99 bps from the first six months of 2019. During the quarter just ended, our average outstanding balance of loans originated under the Small Business Administration's Paycheck Protection Program ("PPP") was $0.37 billion, and the total balance at June 30, 2020 was $0.46 billion. Such PPP loans have an interest rate of 1%. We are accreting the fees associated with these loans into income over the life of the loans, resulting in a total effective annualized yield on such loans of approximately 2.8% during the quarter just ended, which was negligibly dilutive to our net interest margin.

As shown in Figure 15, our yield on non-purchased loans generally tended to increase as the Federal Reserve increased the Fed funds target rate. More recently, as shown in Figure 15, decreases in the Fed funds target rate have significantly contributed to our decreasing yield on non-purchased loans.

Figure 15: Trends in Non-purchased Loan Yield, COIBD and Core Spread



Variable Rate Loans

At June 30, 2020, 75% of our funded balance of non-purchased loans and 37% of our funded balance of purchased loans had variable rates.

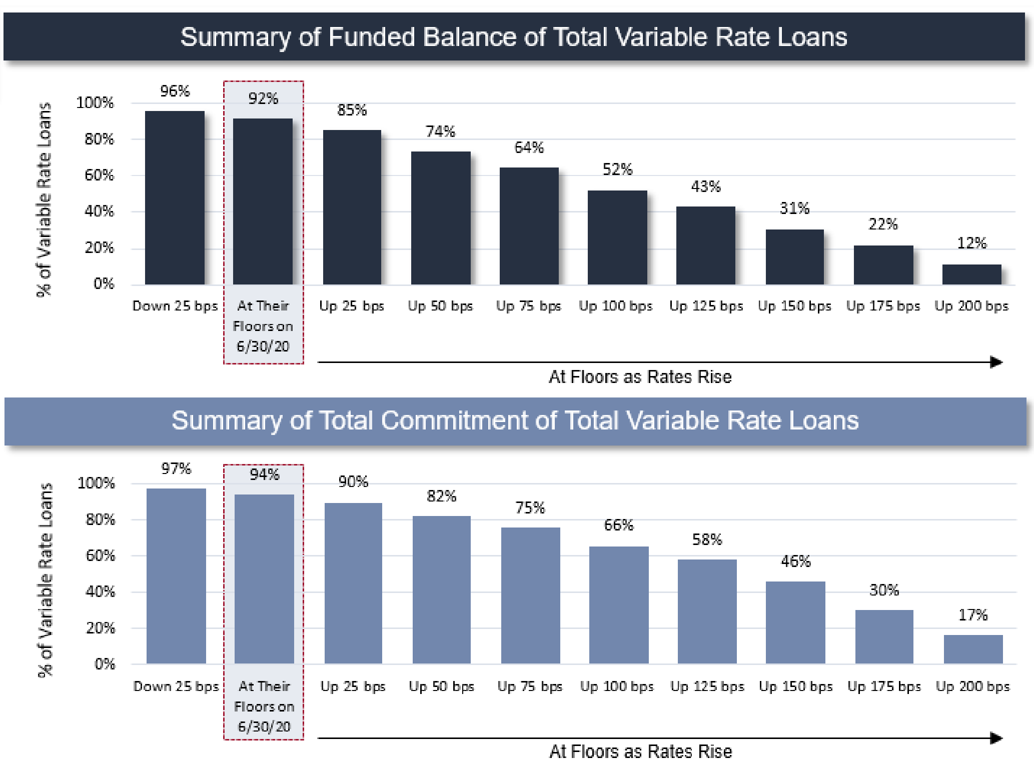
As shown in Figure 16, at June 30, 2020, 78.7% of our total funded balance of variable rate loans were tied to 1-month LIBOR, 2.2% were tied to 3-month LIBOR and 17.1% were tied to WSJ Prime.

Figure 16: Summary of Funded Balance of Variable Rate Loan Indexes as of June 30, 2020

% of Variable Rate Non-Purchased Loan Portfolio Tied to Index		% of Variable Rate Purchased Loan Portfolio Tied to Index		% of Variable Rate Total Loan Portfolio Tied to Index	
1-Month LIBOR	80.5%	1-Month LIBOR	18.6%	1-Month LIBOR	78.7%
3-Month LIBOR	2.2%	3-Month LIBOR	0.0%	3-Month LIBOR	2.2%
WSJ PRIME	16.0%	WSJ PRIME	54.4%	WSJ PRIME	17.1%
Other	1.3%	Other	27.0%	Other	2.0%

At June 30, 2020, 98% of our funded variable rate total loans (non-purchased and purchased) had floor rates. As of June 30, 2020, 92% of the funded balance of total loans in our variable rate loan portfolio were at their floors, and 94% of the total commitment of variable rate loans were at their floors. Figure 17 illustrates the volume of our funded balance and our total commitments, respectively, of total variable rate loans that would be at their floors with future moves, either up or down, in interest rates.

Figure 17: Impact of Floors in Variable Rate Loans (Funded Balance and Total Commitment) as of June 30, 2020



Investment Portfolio Yield

As previously shown in Figure 14, in the second quarter of 2020, the yield on our investment portfolio was 2.41%, on a fully taxable equivalent ("FTE") basis, a 32 bps decrease from the second quarter of 2019, and a 29 basis point decrease from the first quarter of 2020. Based on our purchases in the quarter just ended, which resulted in an increase in the outstanding balances of our securities portfolio and a reduction in the average yield, we estimate the tax equivalent yield on our portfolio for the third quarter of 2020 will be between approximately 2.05% and 2.15%. Of course, additional purchases, unexpected calls or repayments and a variety of other factors may cause our actual results to differ materially from this expected range.

Core Spread

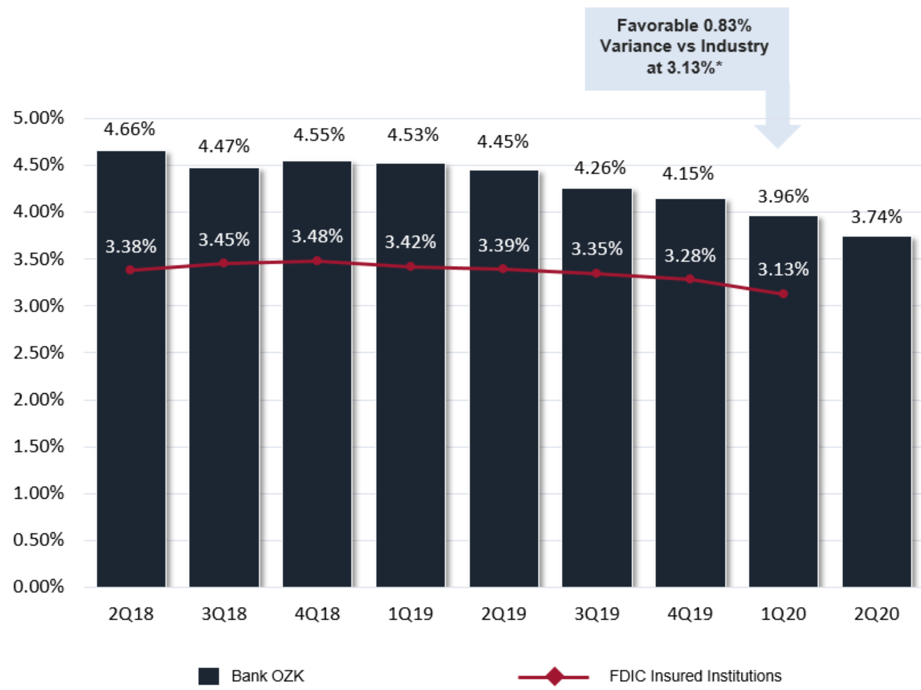
From the fourth quarter of 2015 through the second quarter of 2019, the Federal Reserve increased the Fed funds target rate nine times for a total of 225 bps. These actions increased our yield on variable rate loans and newly originated loans, and increased our COIBD and cost of borrowings. During that period, our yield on non-purchased loans increased 141 bps, substantially offsetting the 145 basis point increase in our COIBD.

In the last four quarters, the Federal Reserve completely reversed course and decreased the Fed funds target rate a total of 225 bps, including an unanticipated 150 bps in March 2020 in response to the pandemic. As a result, our loan yields have declined more quickly than we could lower our COIBD so far during 2020, resulting in reductions in both our net interest margin and core spread. For example, our core spread decreased seven bps in the quarter just ended even though our COIBD decreased 36 bps. We expect our COIBD will continue to decrease throughout the second half of 2020 and well into the first half of 2021, which we believe will allow us over time to more closely align the reduction of our COIBD with the recent reduction in loan yields.

Net Interest Margin

Despite the recent declining trend, we continue to perform well versus the industry on net interest margin, as shown in Figure 18. As discussed previously, we are cautiously optimistic regarding the potential to improve our net interest margin and core spread in coming quarters.

Figure 18: Quarterly Net Interest Margin (%) – Last Nine Quarters



**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2020.*

Non-interest Income

Non-interest income for the second quarter of 2020 was $21.6 million, an 18.8% decrease from $26.6 million for the second quarter of 2019. For the first six months of 2020, non-interest income was $49.3 million, a 2.8% decrease from $50.7 million for the first six months of 2019. The COVID-19 pandemic has significantly changed customer activity which reduced non-interest income in the quarter just ended, including income from service charges on deposit accounts. Figures 19 and 20, respectively, summarize non-interest income for the most recent nine quarters and year-over-year trends for the second quarter and first six months of 2020.

Figure 19: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended								
	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
Service charges on deposit accounts	$ 9,704	$ 9,730	$ 10,585	$ 9,722	$ 10,291	$ 10,827	$ 10,933	$ 10,009	$ 8,281
Trust income	1,591	1,730	1,821	1,730	1,839	1,975	2,010	1,939	1,759
BOLI income									
Increase in cash surrender value	5,259	5,321	5,269	5,162	5,178	5,208	5,167	5,067	5,057
Death benefit	-	-	482	-	-	206	2,989	608	-
Other income from purchased loans	2,744	1,418	2,370	795	1,455	674	759	-	-
Loan service, maintenance and other fees	5,641	4,724	5,245	4,874	4,565	4,197	4,282	3,716	3,394
Net gains on investment securities	-	-	-	-	713	-	-	2,223	-
Gains (losses) on sales of other assets	844	(518)	465	284	402	189	1,358	161	621
Other	1,603	1,716	1,323	1,505	2,160	3,170	2,908	3,957	2,479
Total non-interest income	$ 27,386	$ 24,121	$ 27,560	$ 24,072	$ 26,603	$ 26,446	$ 30,406	$ 27,680	$ 21,591

Figure 20: Year-to-Date Trends in Non-interest Income - 2019 vs. 2020 *($ thousands)*

	For the Six Months Ended			For the Three Months Ended		
	6/30/2019	6/30/2020	% Change	6/30/2019	6/30/2020	% Change
Service charges on deposit accounts	$ 20,014	$ 18,290	-8.6%	$ 10,291	$ 8,281	-19.5%
Trust income	3,569	3,698	3.6%	1,839	1,759	-4.4%
BOLI income						
Increase in cash surrender value	10,340	10,124	-2.1%	5,178	5,057	-2.3%
Death benefit	-	608	NM	-	-	NM
Other income from purchased loans	2,251	-	NM	1,455	-	NM
Loan service, maintenance and other fees	9,438	7,110	-24.7%	4,565	3,394	-25.7%
Net gains on investment securities	713	2,223	NM	713	-	NM
Gains (losses) on sales of other assets	686	783	14.1%	402	621	54.5%
Other	3,664	6,435	75.6%	2,160	2,479	14.8%
Total non-interest income	$ 50,675	$ 49,271	-2.8%	$ 26,603	$ 21,591	-18.8%

Non-interest Expense

Non-interest expense for the second quarter of 2020 was $101.0 million, a 1.8% increase from $99.1 million in the second quarter of 2019, but a 2.4% decrease from the first quarter of 2020. For the first six months of 2020, non-interest expense was $204.4 million, a 4.4% increase from $195.8 million for the first six months of 2019. Dealing with the COVID-19 pandemic has increased certain expenses, which have been offset by reduced travel expenses, slower rates of filling open positions and other factors. It is not yet clear if this restrained growth in non-interest expense is temporary or a change which will affect future quarters. In June of 2020 we opened our new headquarters in Little Rock, Arkansas, which we expect to increase occupancy expense by approximately $0.7 million per quarter as compared to the quarter just ended. Longer term, we believe the new headquarters will increase the productivity and efficiency of our staff and provide capacity for future growth.

Figures 21 and 22, respectively, summarize non-interest expense for the most recent nine quarters and year-over-year trends for the second quarter and first six months of 2020.

Figure 21: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended								
	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020
Salaries & employee benefits	$ 41,665	$ 41,477	$ 41,837	$ 44,868	$ 47,558	$ 48,376	$ 52,050	$ 51,473	$ 48,410
Net occupancy and equipment	13,827	14,358	14,027	14,750	14,587	14,825	14,855	15,330	15,756
Professional and outside services	9,112	9,725	8,325	8,564	8,105	9,204	7,156	7,043	7,939
Advertising and public relations	1,777	6,977	1,472	1,683	1,671	2,067	1,822	1,703	1,704
Telecommunication services	3,487	3,373	3,023	3,344	2,810	2,094	2,335	2,177	2,334
Software and data processing	3,110	3,336	3,943	4,709	4,757	5,095	4,974	4,974	5,145
Travel and meals	2,498	2,517	2,482	2,669	2,939	2,777	2,845	2,102	710
FDIC insurance and state assessments	3,558	3,948	3,672	3,652	3,488	2,505	3,780	3,420	4,585
Amortization of intangibles	3,145	3,145	3,144	3,145	3,012	2,907	2,854	2,795	2,582
Postage and supplies	2,218	2,517	2,214	2,103	2,058	2,040	2,483	2,053	1,892
ATM expense	1,118	1,202	544	987	1,099	1,277	1,263	1,160	1,002
Loan collection and repossession expense	503	932	1,077	984	918	317	600	694	857
Writedowns of foreclosed assets	460	544	1,841	562	594	354	910	879	720
Writedown of signage due to strategic rebranding	-	4,915	-	-	-	-	-	-	-
Other expenses	2,629	3,976	7,292	4,658	5,535	7,076	6,479	7,622	7,317
Total non-interest expense	$ 89,107	$102,942	$ 94,893	$ 96,678	$ 99,131	$100,914	$104,406	$103,425	$100,953
Total expenses related to strategic rebranding *	621	10,772	271	-	-	-	-	-	-
Total non-interest expenses excluding expenses related to strategic rebranding	$ 88,486	$ 92,170	$ 94,622	$ 96,678	$ 99,131	$100,914	$104,406	$103,425	$100,953

** During 2018, the Bank incurred pre-tax expenses of $11.7 million related to its name change to Bank OZK and related strategic rebranding.*

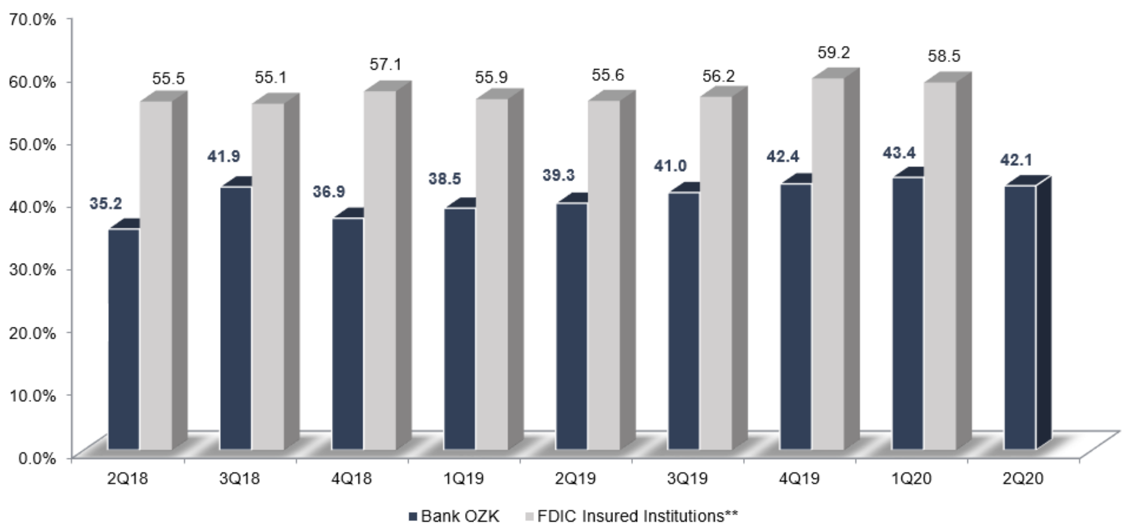
Figure 22: Year-to-Date Trends in Non-interest Expense - 2019 vs. 2020 *($ thousands)*

	For the Six Months Ended			For the Three Months Ended		
	6/30/2019	6/30/2020	%Change	6/30/2019	6/30/2020	%Change
Salaries & employee benefits	$ 92,425	$ 99,883	8.1%	$ 47,558	$ 48,410	1.8%
Net occupancy and equipment	29,338	31,086	6.0%	14,587	15,756	8.0%
Professional and outside services	16,669	14,982	-10.1%	8,105	7,939	-2.0%
Advertising and public relations	3,353	3,407	1.6%	1,671	1,704	2.0%
Telecommunication services	6,154	4,511	-26.7%	2,810	2,334	-16.9%
Software and data processing	9,466	10,119	6.9%	4,757	5,145	8.2%
Travel and meals	5,608	2,812	-49.9%	2,939	710	-75.8%
FDIC insurance and state assessments	7,140	8,005	12.1%	3,488	4,585	31.5%
Amortization of intangibles	6,157	5,377	-12.7%	3,012	2,582	-14.3%
Postage and supplies	4,161	3,945	-5.3%	2,058	1,892	-8.1%
ATM expense	2,086	2,162	3.6%	1,099	1,002	-8.8%
Loan collection and repossession expense	1,901	1,551	-18.4%	918	857	-6.6%
Writedowns of foreclosed assets	1,155	1,599	38.4%	594	720	21.2%
Writedown of signage due to strategic rebranding	-	-	---	-	-	---
Other expenses	10,196	14,939	46.5%	5,535	7,317	32.2%
Total non-interest expense	$ 195,809	$ 204,378	4.4%	$ 99,131	$ 100,953	1.8%
Total expenses related to strategic rebranding *	-	-	---	-	-	---
Total non-interest expenses excluding expenses related to strategic rebranding	$ 195,809	$ 204,378	4.4%	$ 99,131	$ 100,953	1.8%

Efficiency Ratio

In the quarter just ended, our efficiency ratio was 42.1% as shown in Figure 23. Our efficiency ratio remains among the best in the industry, having now been among the top decile of the industry for 18 consecutive years.*

Figure 23: Quarterly Efficiency Ratio (%) – Last Nine Quarters



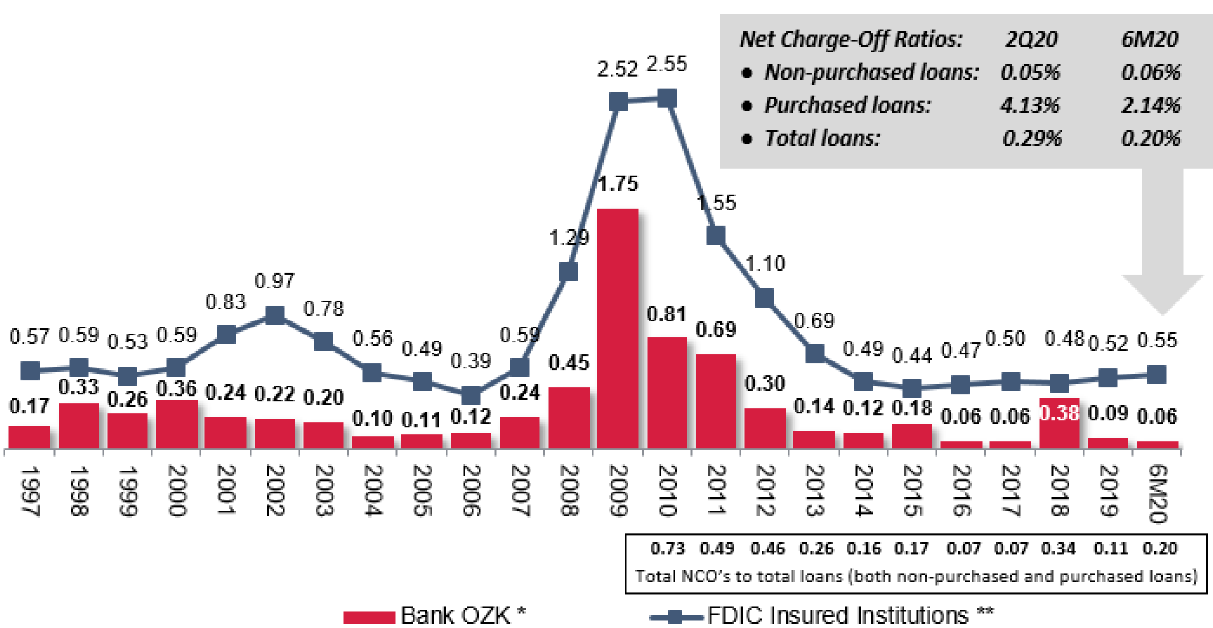
** Data from S&P Global Market Intelligence.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2020.*

Asset Quality

Our asset quality has continued to hold up well. Our annualized net charge-off ratio for non-purchased loans in the quarter just ended was 0.05% and for purchased loans was 4.13%. Our elevated net charge-off ratio for purchased loans in the quarter just ended was primarily attributable to one credit. As we have previously said, some of the loans in our purchased loan portfolio were not underwritten by the previous institutions to our high standards. This may be reflected, from time-to-time, in increases in the net charge-off ratio for our purchased loan portfolio, as we saw in the quarter just ended. At June 30, 2020, purchased loans accounted for just 5.5% of our total loans and that portfolio has been steadily shrinking for several years and should continue to pay down. Our annualized net charge-off ratio for total loans in the quarter just ended was 0.29%, continuing our long-standing trend of having net charge-off ratios well below industry averages, as shown in Figure 24. In our 23 years as a public company, our net charge-off ratio for non-purchased loans has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

For the first six months of 2020, our annualized net charge-off ratio for non-purchased loans was 0.06%, for purchased loans was 2.14%, and for total loans was 0.20%.

Figure 24: Annualized Net Charge-off Ratio vs. the Industry



*Unless otherwise indicated, Bank OZK data excludes purchased loans and net charge-offs related to such loans.
**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2020.
Annualized when appropriate.

As shown in Figure 25, in RESG's 17+ year history, we have incurred losses on only a small number of credits, resulting in a weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio of 13 bps.

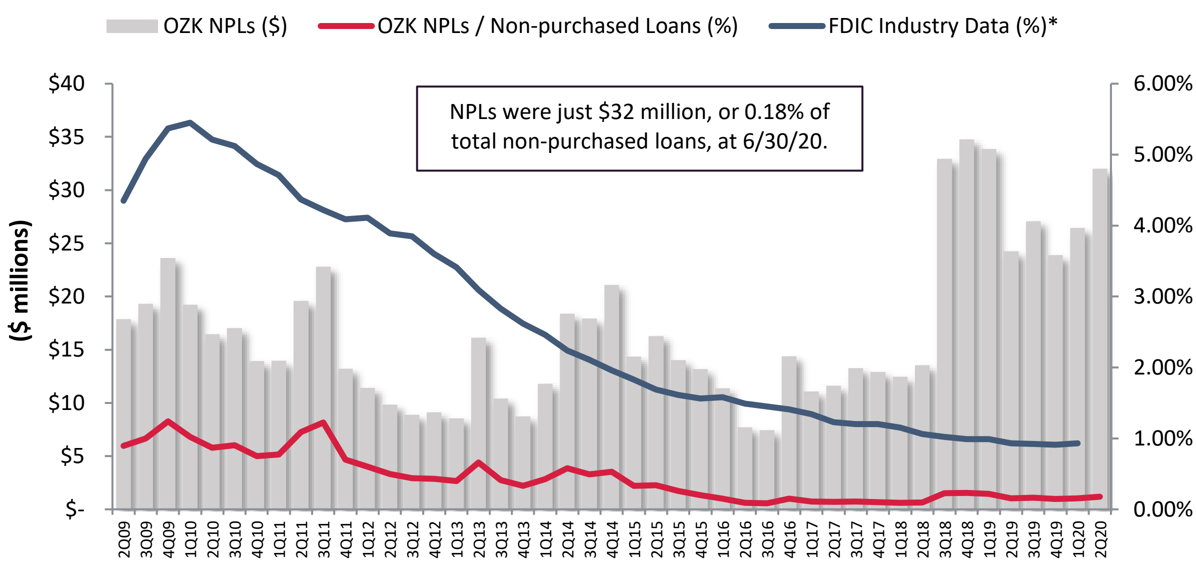
As shown in Figures 26, 27 and 28, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans have been relatively stable, even as our total non-purchased loans and total assets have grown many-fold. Our ratios for nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans have generally improved and have consistently outperformed the industry's ratios.

Figure 25 - 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%
6/30/2020	10,757,714	10,068,042	-	0.00%
Total			**$ 56,768**	
		Weighted Average		**0.13%**

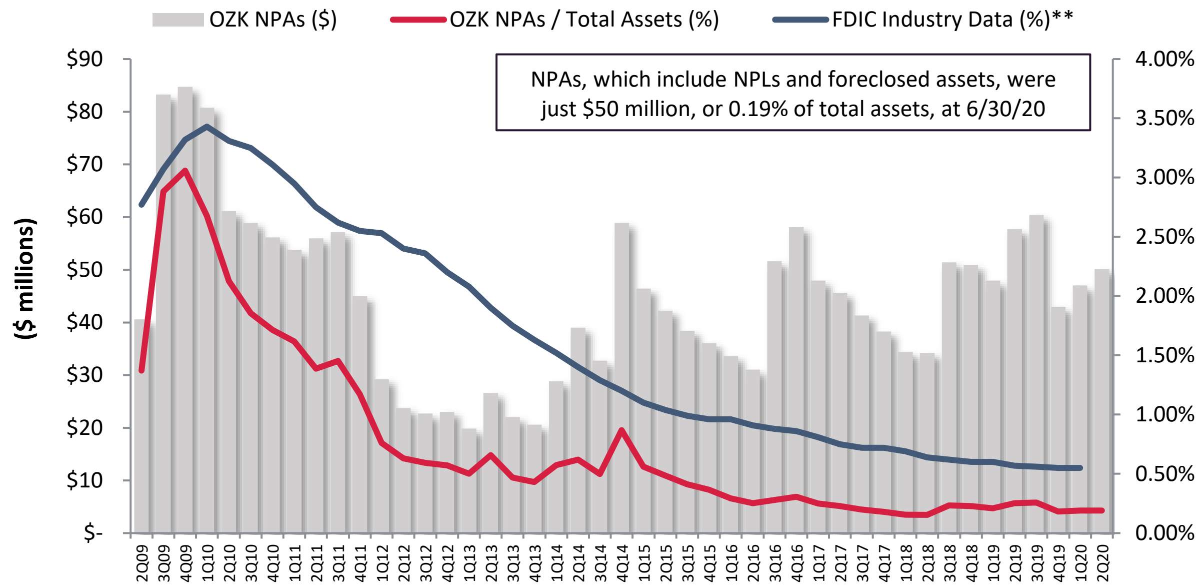
** Net charge-offs shown in this column reflect both net charge-offs and OREO write-downs.*
*** Annualized.*

Figure 26: Nonperforming Non-purchased Loans ("NPLs")



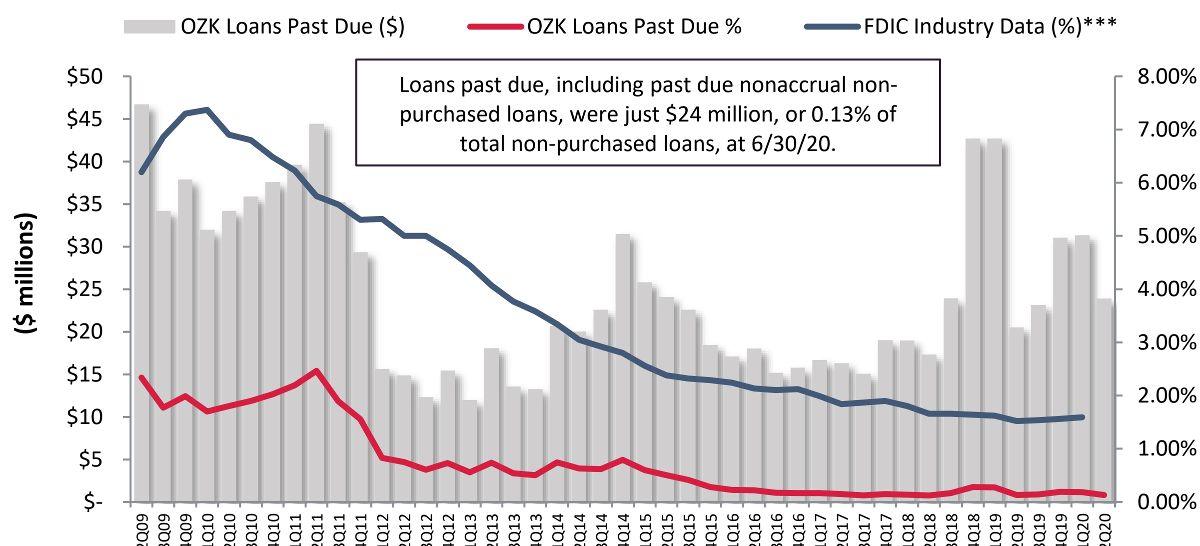
** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2020. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

Figure 27: Nonperforming Assets ("NPAs")



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2020. Noncurrent assets plus other real estate owned to assets (%).*

Figure 28: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2020. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

While the magnitude of the current economic downturn will likely result in increases in our ratios of net charge-offs, nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans, we expect our asset quality to continue our long-standing tradition of outperforming industry averages.

As shown in Figure 29, our dollar volume of non-purchased loans designated as being in the "Substandard" category of our credit quality indicators has remained favorable. Our ratio of substandard non-purchased loans as a percentage of our total risk-based capital ("TRBC") at June 30, 2020 remains at a very low level.

Figure 29: Substandard Non-purchased Loan Trends ($ millions)

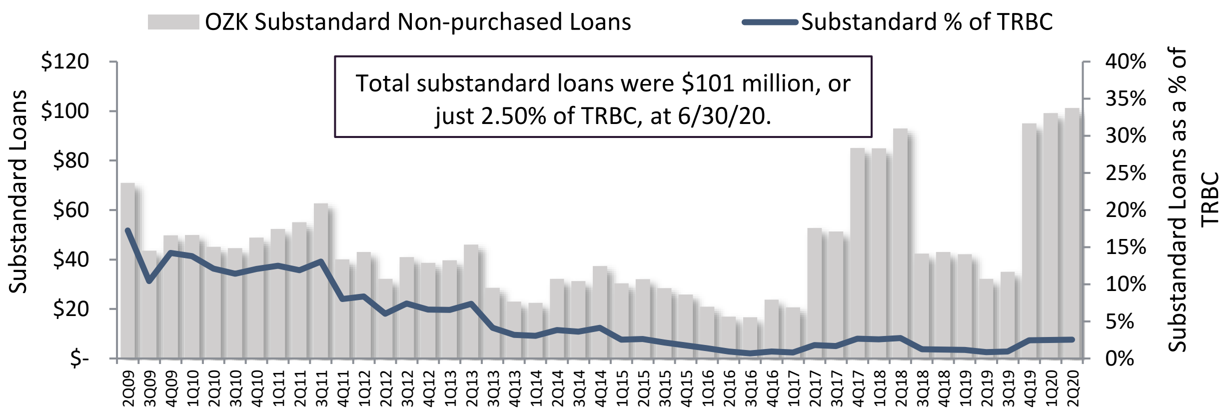
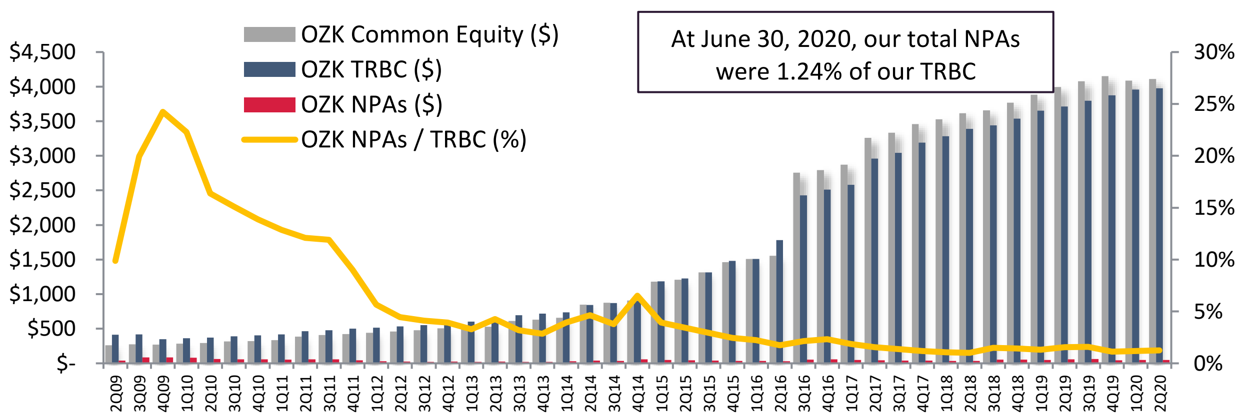


Figure 30 shows the tremendous growth in our common equity and TRBC over the last 11 years, while our volume of total nonperforming assets has generally declined to relatively nominal levels.

Figure 30: Capital vs. NPAs – ($ millions)



Loan Portfolio Diversification & Leverage

Figures 31 and 32 reflect the mix in our loan growth in the second quarter and first six months of 2020, respectively.

Figure 31: Non-purchased Loan Growth – 2Q20 ($ millions)

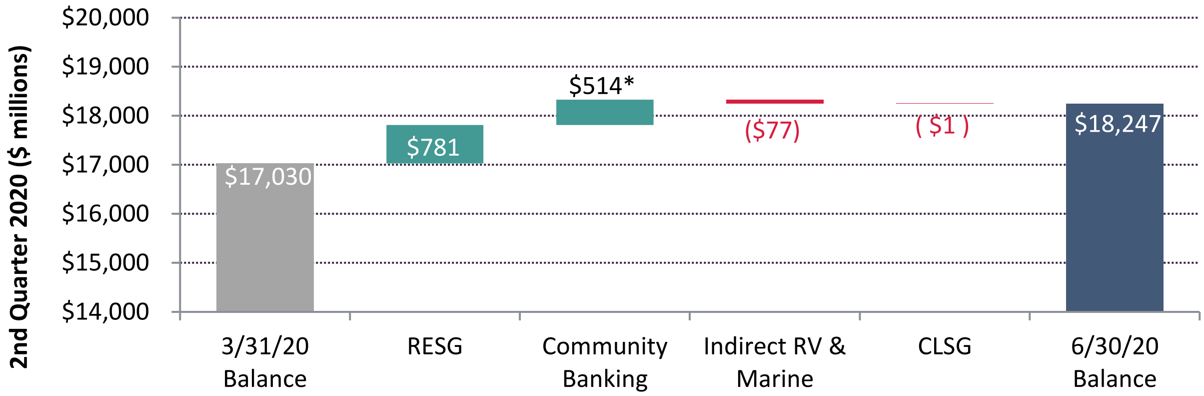
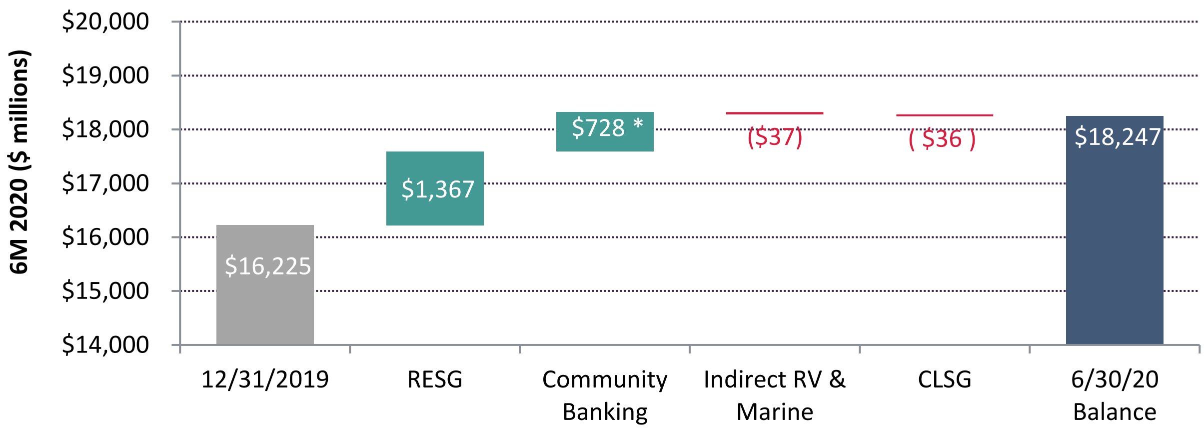


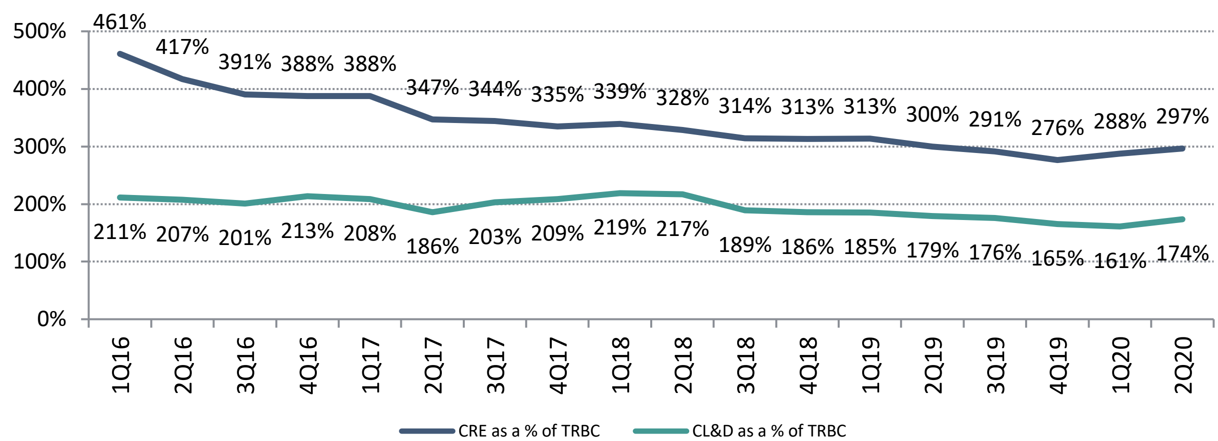
Figure 32: Non-purchased Loan Growth – December 31, 2019 vs. June 30, 2020 ($ millions)



**Includes $462 million in loans originated through the Small Business Administration's Paycheck Protection Program ("PPP") during the second quarter of 2020.*

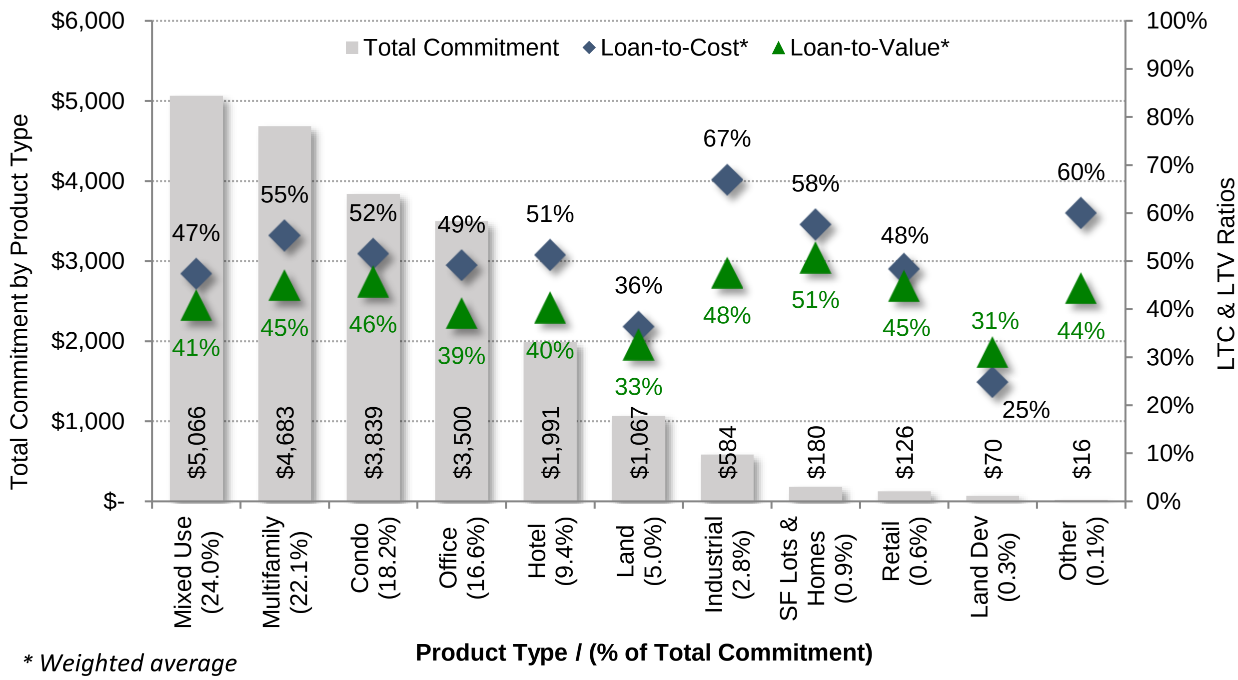
Total commercial real estate ("CRE") and construction, land development and other land ("CL&D") lending are areas in which we have substantial expertise and enjoy competitive advantages. The generally declining trend in our CRE and CL&D concentrations, as shown in Figure 33, is primarily due to growth in our TRBC and not the result of any strategic shift in focus away from these important areas. We expect to continue lending in these areas asset classes; however, growth in our TRBC may lower our CRE and CL&D concentration ratios over the longer term as it did for most of 2016-2019.

Figure 33: Declining Regulatory CRE and CL&D Concentration Ratios



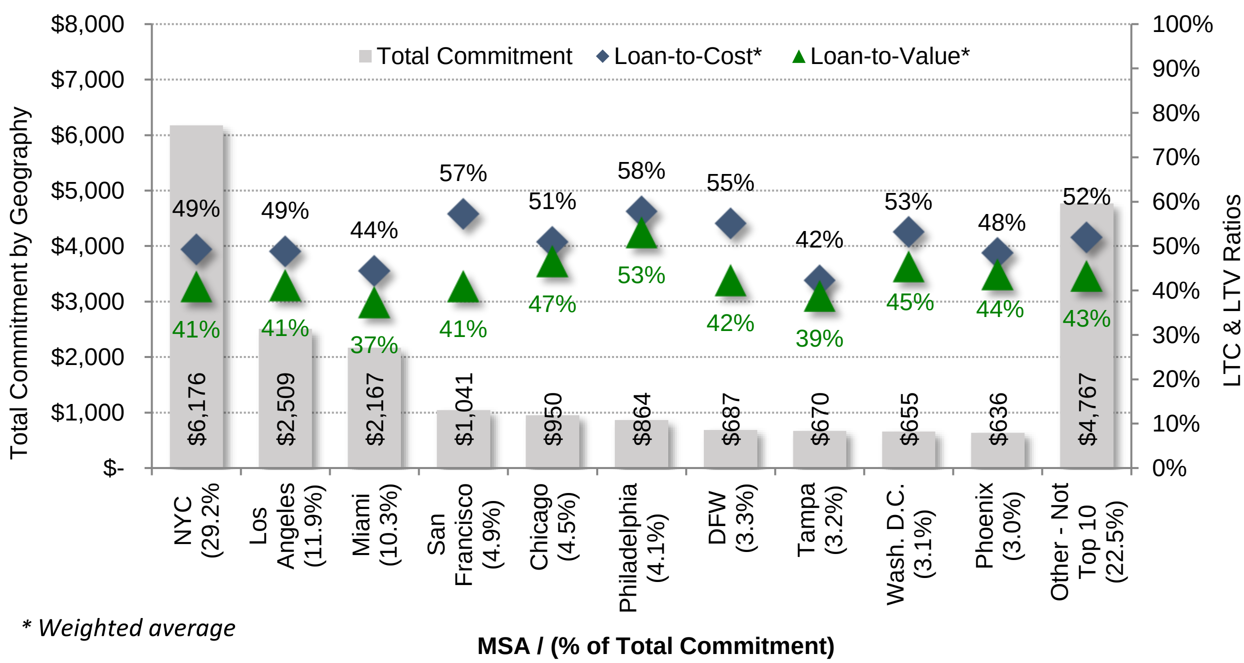
Within the RESG portfolio, we benefit from substantial diversification by both product type and geography, as well as low loan-to-cost ("LTC") and loan-to-value ("LTV") ratios, all as shown in Figures 34 and 35.

Figure 34: RESG Portfolio Diversity by Product Type (As of June 30, 2020) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

Figure 35: RESG Portfolio Diversity by Geography (As of June 30, 2020) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

The COVID-19 pandemic has had a significant impact on the travel and leisure sectors, including the hospitality industry. As shown in Figure 34 above, hotels were the fifth largest component of RESG's portfolio at June 30, 2020, comprising about 9.4% of RESG's total commitments. In addition, at June 30, 2020, 14 of RESG's 32 loans on mixed use projects include a hotel, with a total commitment amount allocated to hotels being approximately 21% of the total mixed use portfolio. Despite the challenges facing the hospitality industry, we remain cautiously optimistic about the performance of this portfolio, largely due to the quality and experience of our sponsors, the quality of these properties, and our low weighted average LTC and LTV ratios at 51.3% and 40.3%, respectively, as of June 30, 2020. We expect most sponsors will continue to support these assets until the COVID-19 pandemic passes and normal property performance returns. Figures 36 and 37, respectively, show the geographic distribution of RESG's hotel portfolio (excluding hotels in mixed use projects) and other information as of June 30, 2020. During the quarter just ended, 13 of the 42 hotels in the portfolio received new appraisals, with the weighted average LTV ratio increasing by 2.0% for these properties.

Figure 36: RESG Hotel Portfolio Diversity by Geography (As of June 30, 2020) ($ millions)

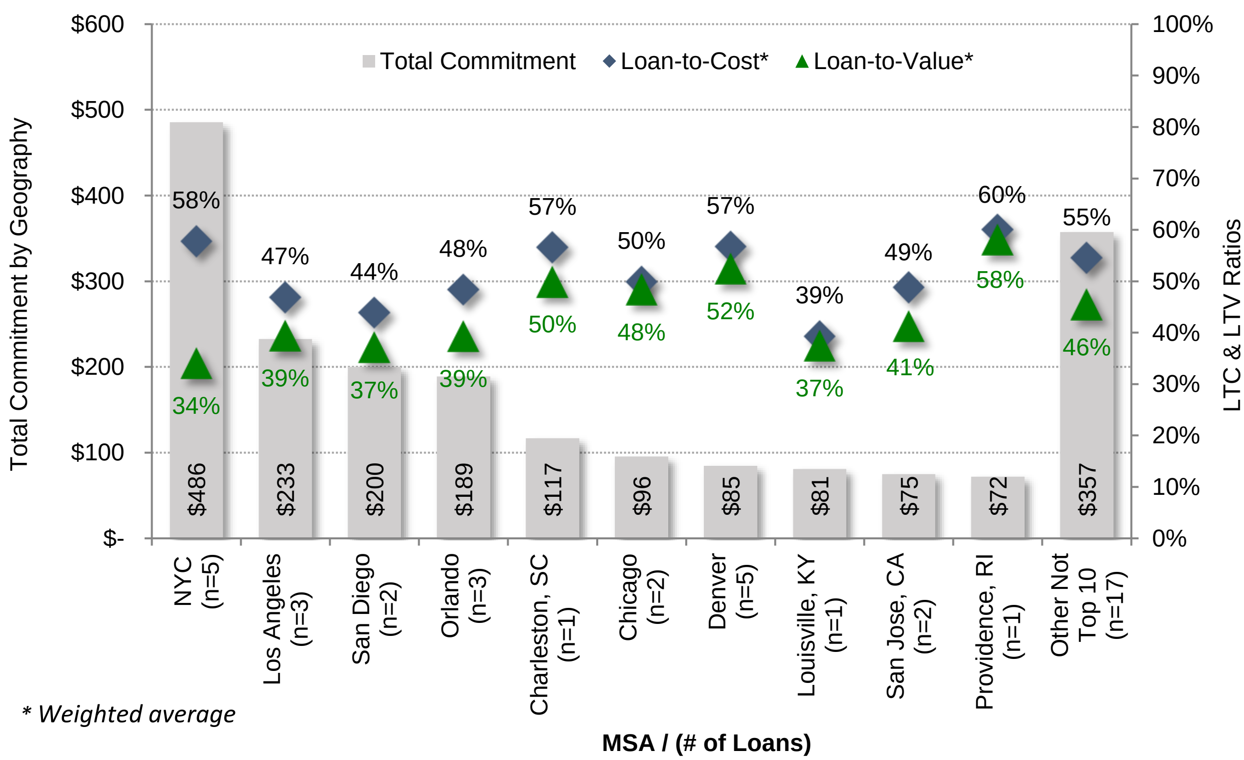
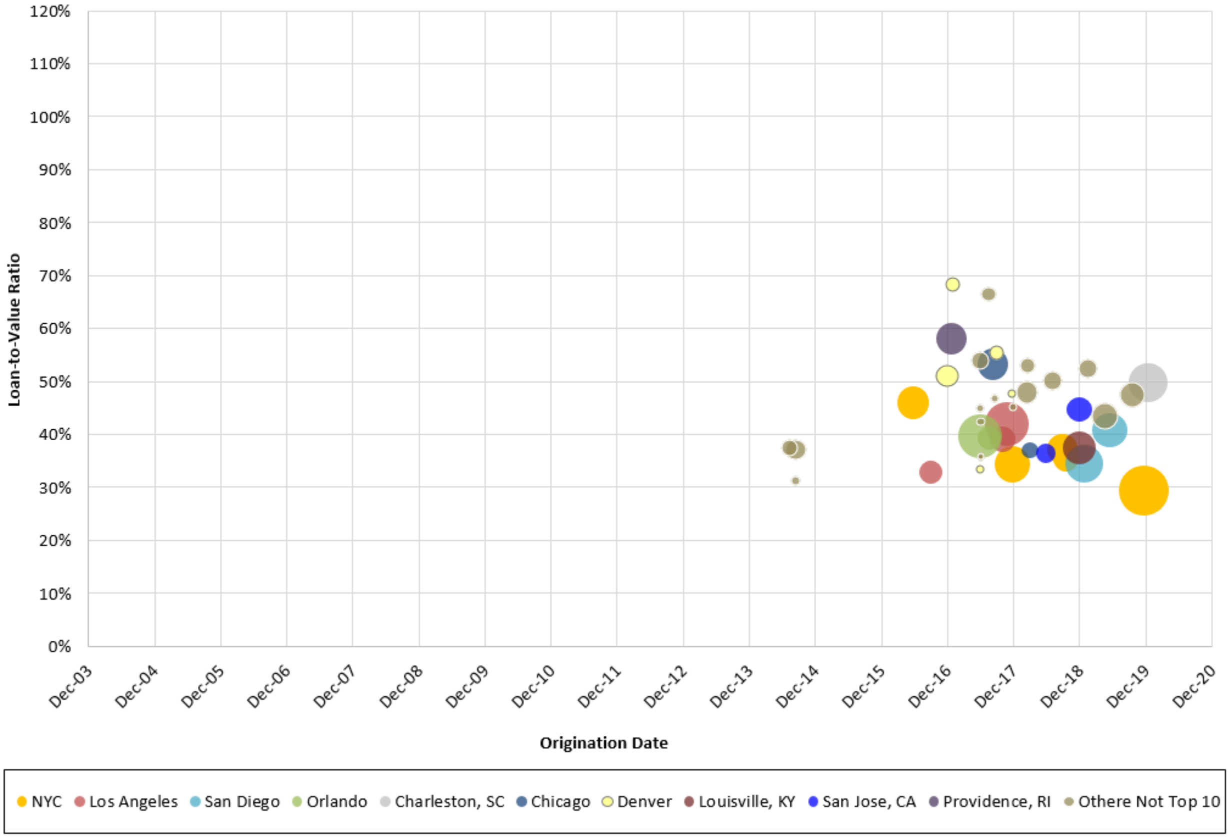


Figure 37: RESG Hotel Portfolio by LTV & Origination Date (As of June 30, 2020)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded

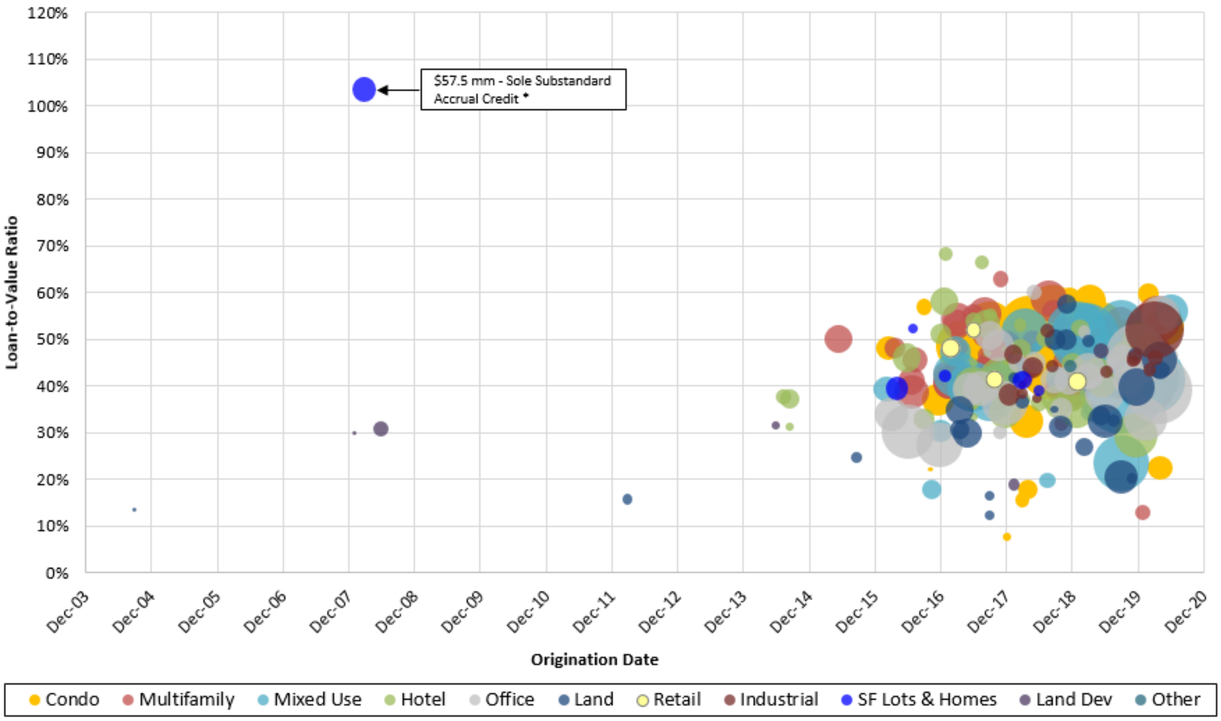


Assuming full funding of every RESG loan, as of June 30, 2020, the weighted average LTC for the RESG portfolio was a conservative 49.9%, and the weighted average LTV was even lower at just 41.8%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 38. Other than the one substandard-accruing credit specifically referenced, all other credits in the RESG portfolio have LTV ratios less than 69%.

Figure 38: RESG Portfolio by LTV & Origination Date (As of June 30, 2020)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded



**During the second quarter of 2020, the borrower closed five townhome sales and one lot sale with gross proceeds of $7.8 million and $0.4 million, respectively. At June 30, 2020, the borrower had four townhomes and two lots under contract for $6.3 million and $1.1 million, respectively. Three additional townhomes and two additional lots have been placed under contract in July for $4.4 million and $1.0 million, respectively. At June 30, 2020, the Bank had a combined ACL and reserve of $14.0 million, or approximately 24.4% of the total commitment, related to this credit.*

During the second quarter of 2020, updated appraisals were obtained by RESG on 36 loans with a total commitment of $1.90 billion, which were mostly loans for which a renewal was being considered. Figure 39 shows the distribution of such loans based on the resulting changes in LTV as compared to the LTV as reflected at March 31, 2020 based on the previous appraised value. In summary, LTVs were relatively unchanged (plus or minus 5%) for 24 loans, LTVs increased more than 5% for five loans, and LTVs decreased more than 5% for seven loans. It is important to note that (i) in some cases, the June 30, 2020 LTV ratios were positively influenced by pay-downs and/or loan curtailments associated with a loan extension and (ii) LTVs as of March 31, 2020 were based on earlier valuations, in some cases one to three years old, that may have been low relative to market conditions existing immediately prior to the onset of COVID-19.

Figure 39: Distribution of RESG LTV Changes Following Appraisals Obtained in 2Q20 ($ in millions)

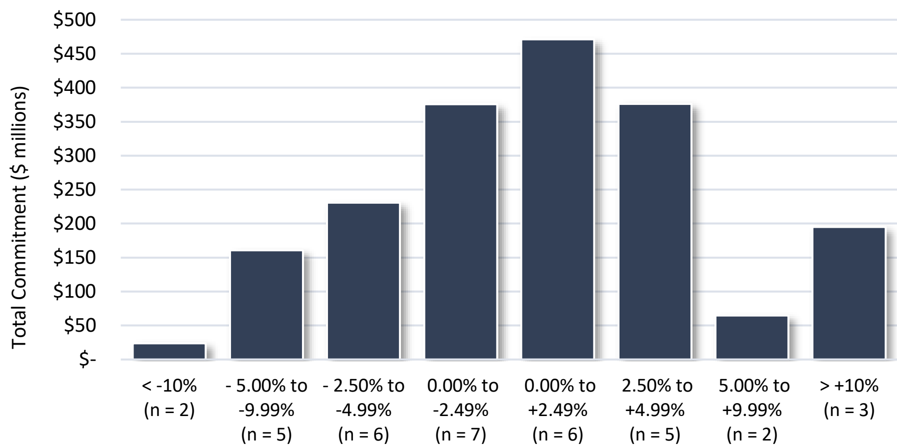


Figure 40: Property Type Breakdown of Appraisals Obtained in 2Q20 ($ in millions)

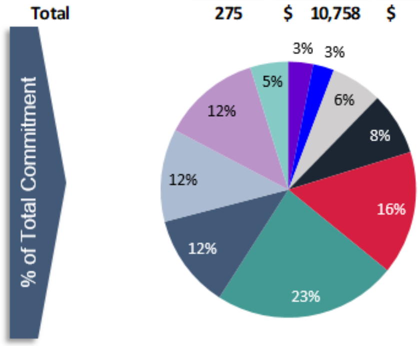
				Weighted Average		
Property Type	**# of Loans**		**Total Commitment**	**LTV @ 3/31/20**	**LTV @ 6/30/20**	**Δ in Wtd. Avg. LTV**
Multifamily	11	$	859	45.7%	47.6%	1.8%
Office	2		380	30.8%	32.3%	1.5%
Hotel	13		360	46.4%	48.4%	2.0%
Land	5		196	34.6%	31.0%	-3.6%
Retail	2		61	53.7%	49.5%	-4.1%
Mixed Use	1		22	46.6%	44.2%	-2.4%
SF Lots	1		14	48.1%	39.0%	-9.1%
Land Dev	1		6	32.6%	31.4%	-1.1%
Total	**36**	**$**	**1,898**	**40.6%**	**41.4%**	**0.8%**

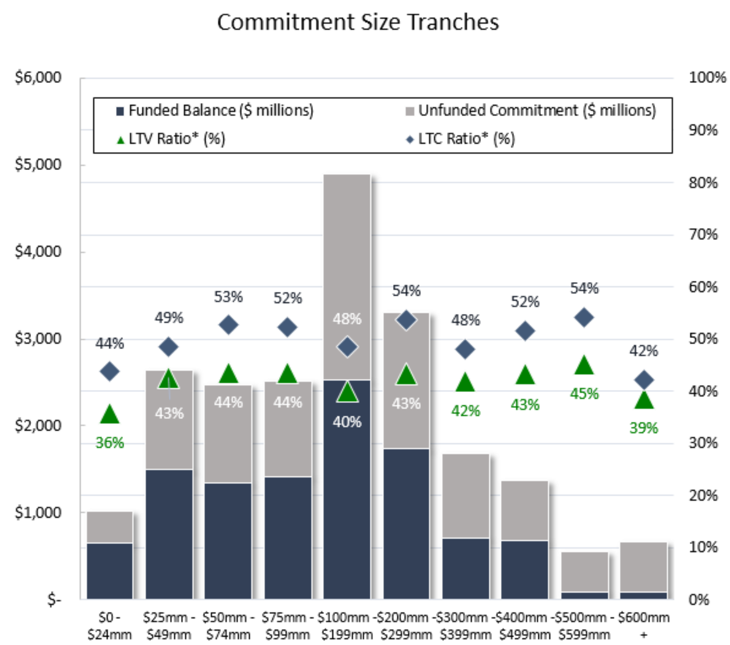
The RESG portfolio includes loans of many different sizes, and historically approximately 85%, on average, of our total commitment is actually funded before the loan is repaid. The stratification of the RESG portfolio by commitment size is reflected in Figure 41.

Figure 41: RESG Portfolio Stratification by Loan Size - Total Commitment (As of June 30, 2020) ($ millions)

($ millions)

Tranche	No. of Loans	Funded Balance	Total Commitment
$600mm +	1	$ 92	$ 664
$500mm - $599mm	1	88	558
$400mm - $499mm	3	684	1,373
$300mm - $399mm	5	703	1,681
$200mm - $299mm	14	1,738	3,300
$100mm - $199mm	39	2,526	4,901
$75mm - $99mm	29	1,420	2,511
$50mm - $74mm	41	1,348	2,475
$25mm - $49mm	71	1,501	2,641
$0 - $24mm	71	658	1,017
Total	**275**	**$ 10,758**	**$ 21,122**





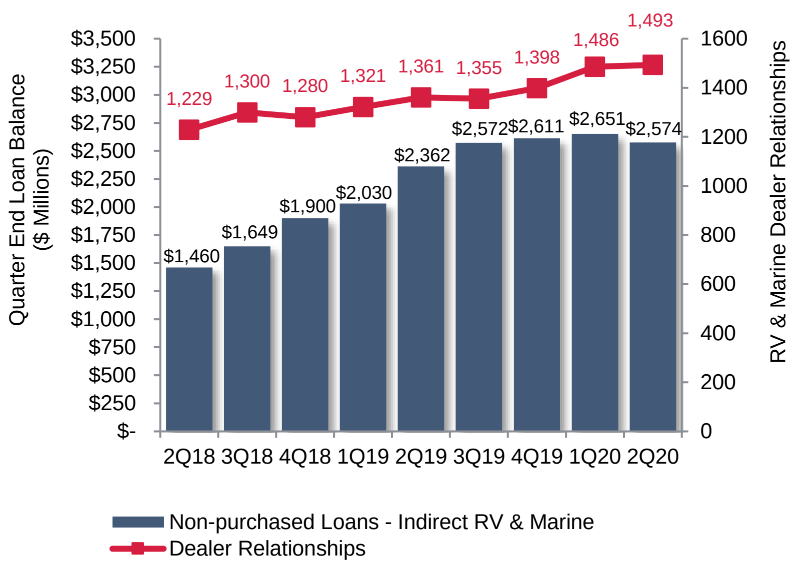
** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing "as stabilized" values for income producing properties.*

Our Community Banking loans include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated through our specialty lending channels in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, subscription finance, affordable housing, middle market CRE and home builder finance loan teams. We have been building a foundation for and refining many of these specialty-lending channels for years. Although achieving growth in 2020 for many of these lending channels will be limited by the current economic environment, we believe that we are in a good position to achieve more growth through these channels over the long term. Our portfolio diversification is enhanced by the wide variety of products and geographic diversity within our Community Banking businesses.

Indirect RV & Marine lending is another nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards. It was the largest contributor to our loan growth in 2018 and 2019, but we expect this portfolio will continue to shrink for the remainder of this year as payoffs significantly outpace origination volume. In recent quarters, our origination volume has declined due to competitors' aggressive credit and pricing standards. Despite an increase in overall market demand for RV & marine ownership, after considering the competitive environment and the increased risks from the COVID-19 pandemic, we continue to feel that the prudent course of action is to reduce our origination volume in this lending area. As such, we increased interest rates offered on our indirect loan products until we see more favorable market conditions. This strategic decision significantly diminished loan origination volume in the quarter just ended and may continue to do so. Specifically, this portfolio of non-purchased loans decreased $77 million in the quarter just ended.

As of June 30, 2020, the non-purchased indirect portfolio had an average loan size of approximately $95,000 and a 30+ day delinquency ratio of eight bps. For the second quarter of 2020 and the first six months of 2020, the annualized net charge-off ratios for the non-purchased indirect portfolio were 35 bps and 33 bps, respectively. Figure 42 provides additional details regarding this portfolio.

Figure 42: Growth in RV & Marine Dealers and Outstanding Non-purchased Loan Balances



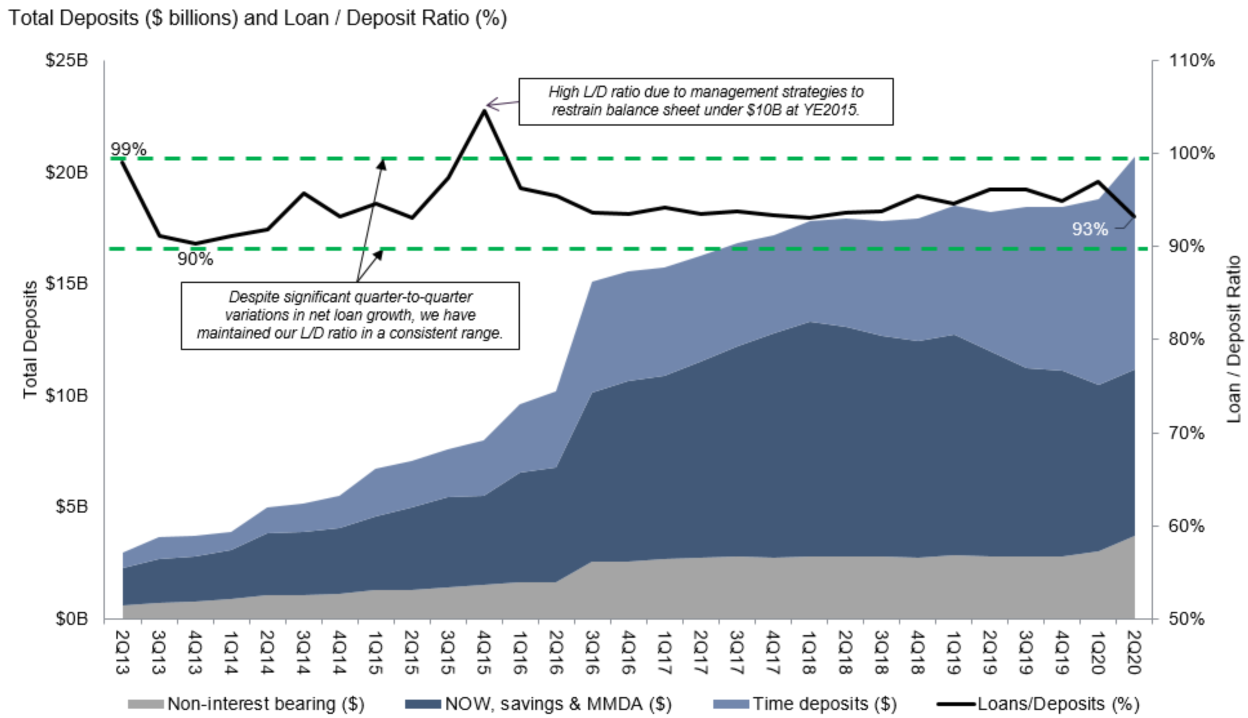
	RV Portfolio	
Loan Size	**Total #**	**$ thousands**
$1 million +	-	$ -
$750k - $999k	-	-
$250k - $749k	528	171,157
$50k - $249k	11,535	1,310,447
< $50k	7,156	201,512
Total	**19,219**	**$ 1,683,115**

	Marine Portfolio	
Loan Size	**Total #**	**$ thousands**
$1 million +	41	$ 66,444
$750k - $999k	45	40,960
$250k - $749k	521	212,625
$50k - $249k	4,384	474,466
< $50k	3,005	96,729
Total	**7,996**	**$ 891,224**

Liquidity

We believe that we have significant capacity for future deposit growth in our existing network of over 240 branches in eight states. This was demonstrated by the record $1.9 billion in organic deposit growth we achieved in the quarter just ended, which was partially aided by deposits from PPP loans and government stimulus payments to our customers. We have successfully increased our overall deposits as needed to fund our earning asset growth. Our loan-to-deposit ratio was 93% at June 30, 2020, within our historical range of 90% to 99%. As Figure 43 shows, we have consistently maintained our loan-to-deposit ratio within that range over the last seven years, even as our total assets grew 550% from $4.0 billion at June 30, 2013 to $26.4 billion at June 30, 2020.

Figure 43: Maintaining a Consistent Loan / Deposit Ratio While Achieving Substantial Growth



The amount of deposits by customer type as of the dates indicated and their respective percentage of total deposits are reflected in Figure 44. As shown below, recently we have generally grown our consumer and commercial deposits, and reduced our public funds, brokered and reciprocal deposits.

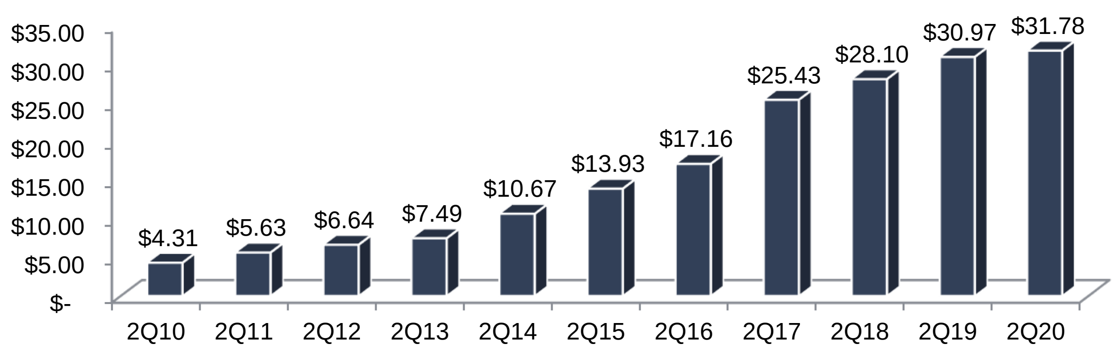
Figure 44: Deposits by Customer Type ($ millions)

	Period Ended					
	6/30/2020		12/31/2019		6/30/2019	
Consumer	$ 10,083	48.7%	$ 7,526	40.7%	$ 7,117	39.1%
Commercial	5,439	26.2%	4,334	23.5%	4,317	23.7%
Public Funds	2,546	12.3%	3,782	20.5%	3,445	18.9%
Brokered	2,018	9.7%	2,115	11.4%	2,113	11.6%
Reciprocal	637	3.1%	716	3.9%	1,194	6.7%
Total	$ 20,724	100.0%	$ 18,474	100.0%	$ 18,186	100.0%

Capital and Dividends

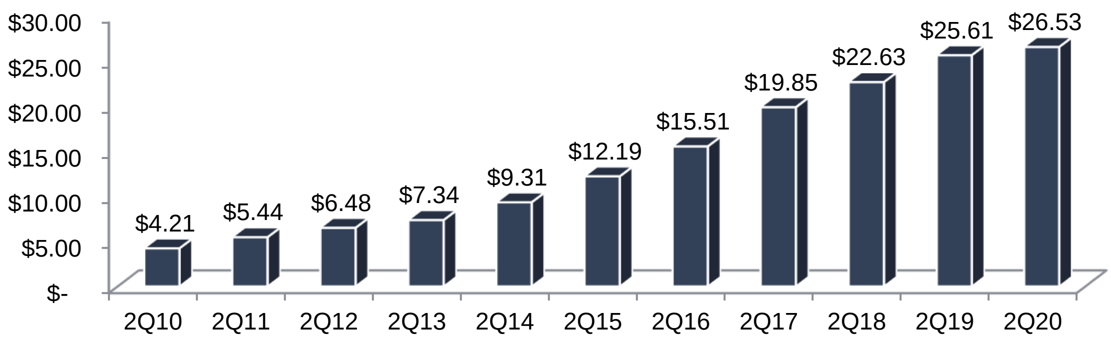
During the quarter just ended, our book value per common share increased to $31.78 compared to $31.57 as of March 31, 2020, but decreased compared to $32.19 as of December 31, 2019. Over the last 10 years, we have increased book value per common share by a cumulative 637%, resulting in a compound annual growth rate of 22.1%, as shown in Figure 45.

Figure 45: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $26.53 compared to $26.30 as of March 31, 2020, but decreased from $26.88 as of December 31, 2019. Over the last 10 years, we have increased tangible book value per common share by a cumulative 530%, resulting in a compound annual growth rate of 20.2%, as shown in Figure 46.

Figure 46: Tangible Book Value per Share (Period End) [4]



Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building robust capital ratios, as shown in Figure 47, which are among the strongest within the largest 100 U.S. banks. The reduction in our capital ratios for the first two quarters of 2020 was primarily due to factors that all banks are now facing – the adoption of CECL as of January 1, 2020, and the unusually large provision expense resulting from the economic impact of the COVID-19 pandemic.

Figure 47: Recent Trends in Regulatory Capital

	12/31/2017	12/31/2018	12/31/2019	Estimated 6/30/2020 [5]
CET 1 Ratio	11.06%	12.56% ↑	13.76% ↑	12.60% ↓
Tier 1 Ratio	11.06%	12.56% ↑	13.76% ↑	12.60% ↓
Total RBC Ratio	12.81%	14.37% ↑	15.57% ↑	15.10% ↓
Tier 1 Leverage	13.83%	14.25% ↑	15.36% ↑	13.50% ↓

We have increased our cash dividend in each of the most recent 40 quarters and every year since going public in 1997. We expect to maintain our current dividend, and may continue to increase it.

[4] 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.
[5] Ratios as of June 30, 2020 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Rationalization of Branch Network

We are continuously considering alternatives to enhance our performance. Since June 30, 2020, we have announced three P&A agreements to sell our four branches in Alabama and South Carolina, shown in Figure 48. As the Bank has grown in size and complexity, it has become more difficult to efficiently operate in Alabama and South Carolina with just two branches in each state. Pending regulatory approval, these transactions are expected to close in the fourth quarter of 2020 and are expected to result in cumulative gains on sale of approximately $7 to $9 million depending on the deposit levels and other factors at the time of close for each transaction.

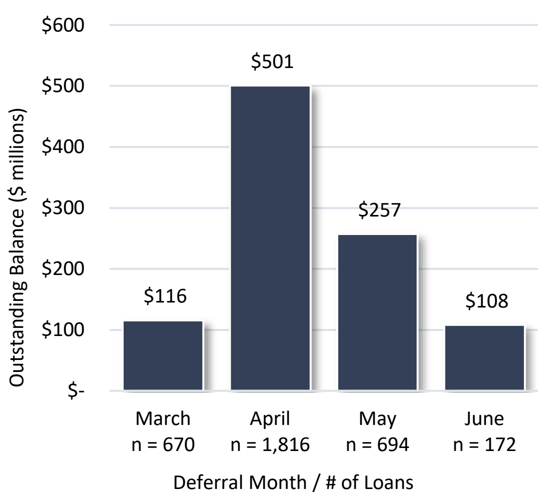
Figure 48: Summary of Branches Subject to P&A
As of June 30, 2020 - ($ millions)

	Loans	Deposits
Mobile, AL	$ 21.7	$ 26.5
Geneva, AL	8.3	74.2
Bluffton, SC	1.8	83.6
Hilton Head Island, SC	1.6	39.1
Total	**$ 33.3**	**$ 223.4**

Disaster Relief Loan Program

During the first quarter of 2020, and continuing in the quarter just ended, we implemented our disaster relief loan program, which, as of June 30, 2020, had provided short-term payment deferrals on 3,352 loans totaling $982 million, which was only 5.1% of our balance of total loans at June 30, 2020, as shown in Figure 49. As of June 30, 2020, 867 loans with a total outstanding balance of $151 million had a 1st Pandemic Deferral that had expired. Of those, 77 loans with a total outstanding balance of $8 million had received a second 90 day deferral. At June 30, 2020, the Bank had 2,562 loans totaling $839 million in total loans that remained in deferral.

Figure 49: Deferrals by Month and Lending Unit ($ millions)



	Loans with Deferrals		% of Portfolio By:	
	#	$ millions	#	$ balance
RESG	4	$ 164	1.5%	1.5%
Community Banking	1,369	566	7.3%	12.0%
Indirect RV & Marine	1,139	127	3.4%	4.9%
CLSG	-	-	0.0%	0.0%
Purchased Loans	840	125	7.5%	11.7%
Total	**3,352**	**$ 982**	**5.3%**	**5.1%**

PPP Loans

During the first quarter of 2020, and continuing through the second quarter of 2020, we deployed an OZK Labs designed process to handle loans under the PPP program. As of June 30, 2020, we had funded 6,352 PPP loans with a balance of $462 million. These PPP loans accounted for the majority of loan growth in our Community Banking portfolio in the first six months of 2020. Substantially all of our PPP loans were for existing customers, as we generally did not accept applications from non-customers.

Effective Tax Rate

Our effective tax rate during the quarter just ended was 22.9% and for the first six months of 2020 was 23.9%. We expect that our effective tax rate for the full year of 2020 will be between 23.5% and 24.5%.

Final Thoughts

In recent months, we have continued our long-standing focus on our team members, meeting the needs of our customers, serving the communities in which we operate and delivering favorable returns for our shareholders. Our strong credit culture and consistent discipline have been important ingredients in our long-term success, and we believe they have positioned us well for the current economic environment and beyond. Our goals are to successfully navigate challenges that arise from the current economic environment, and to identify and capitalize on opportunities which often come from such conditions. Our team of banking and technology professionals is well-positioned to lead the Bank to continued success.

Non-GAAP Reconciliations

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

Unaudited (Dollars in Thousands)

	Three Months Ended *		Six Months Ended *	
	6/30/2019	6/30/2020	6/30/2019	6/30/2020
Net Income Available To Common Stockholders	$ 110,503	$ 50,266	$ 221,209	$ 62,132
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 3,927,522	$ 4,110,038	$ 3,871,065	$ 4,114,035
Less Average Intangible Assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(31,225)	(19,563)	(32,822)	(20,987)
Total Average Intangibles	(692,014)	(680,352)	(693,611)	(681,776)
Average Tangible Common Stockholders' Equity	$ 3,235,508	$ 3,429,686	$ 3,177,454	$ 3,432,259
Return On Average Common Stockholders' Equity	11.29%	4.92%	11.52%	3.04%
Return On Average Tangible Common Stockholders' Equity	13.70%	5.89%	14.04%	3.64%

* Ratios for interim periods annualized based on actual days

Calculation of Tangible Book Value per Share

Unaudited (Dollars in Thousands, Except per Share)

	As of June 30,					
	2010	2011	2012	2013	2014	2015
Total common stockholders' equity before noncontrolling interest	$ 292,487	$ 385,683	$ 459,590	$ 531,125	$ 850,204	$ 1,209,254
Less intangible assets:						
Goodwill	(5,243)	(5,243)	(5,243)	(5,243)	(78,669)	(122,884)
Core deposit and other intangibles, net of accumulated amortization	(1,829)	(7,977)	(5,946)	(5,447)	(29,971)	(28,266)
Total intangibles	(7,072)	(13,220)	(11,189)	(10,690)	(108,640)	(151,150)
Total tangible common stockholders' equity	$ 285,415	$ 372,463	$ 448,401	$ 520,435	$ 741,564	$ 1,058,104
Common shares outstanding (thousands)	67,824	68,474	69,188	70,876	79,662	86,811
Book value per common share	$ 4.31	$ 5.63	$ 6.64	$ 7.49	$ 10.67	$ 13.93
Tangible book value per common share	$ 4.21	$ 5.44	$ 6.48	$ 7.34	$ 9.31	$ 12.19

	As of June 30,				
	2016	2017	2018	2019	2020
Total common stockholders' equity before noncontrolling interest	$ 1,556,921	$ 3,260,123	$ 3,613,903	$ 3,993,247	$ 4,110,666
Less intangible assets:					
Goodwill	(126,289)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(23,615)	(54,541)	(41,962)	(29,515)	(18,377)
Total intangibles	(149,904)	(715,330)	(702,751)	(690,304)	(679,166)
Total tangible common stockholders' equity	$ 1,407,017	$ 2,544,793	$ 2,911,152	$ 3,302,943	$ 3,431,500
Common shares outstanding (thousands)	90,745	128,190	128,616	128,947	129,350
Book value per common share	$ 17.16	$ 25.43	$ 28.10	$ 30.97	$ 31.78
Tangible book value per common share	$ 15.51	$ 19.85	$ 22.63	$ 25.61	$ 26.53

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