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 20, 2023**

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

Arkansas
(State or other jurisdiction of incorporation)

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

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

Not Applicable

(Former name or former address, if changed since last report)

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

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

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

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	OZK	Nasdaq Global Select Market
4.625% Series A Non-Cumulative Perpetual Preferred Stock, $0.01 par value per share	OZKAP	Nasdaq Global Select Market

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On July 20, 2023, Bank OZK (the "Bank") issued a press release announcing its financial results for the second quarter ended June 30, 2023 and made available management's comments on the results for the second quarter and first six months of 2023. The materials contain forward-looking statements regarding the Bank and include cautionary language identifying important factors that could cause actual results to differ materially from those anticipated. The second quarter 2023 earnings press release and management's comments with respect thereto are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are available on the Bank's investor relations website.

As previously reported, on July 21, 2023, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the second quarter of 2023.

The information furnished pursuant to this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing of the Bank under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such filing. All information in the second quarter 2023 earnings press release and management's comments with respect thereto speaks as of the date thereof, and the Bank does not assume any obligation to update such information in the future.

Item 7.01 Regulation FD Disclosures.

See Item 2.02 Results of Operations and Financial Condition.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:	The following exhibits are being furnished to this Current Report on Form 8-K.
99.1	Press Release dated July 20, 2023: Bank OZK Announces Record Second Quarter 2023 Earnings
99.2	Management Comments for the Second Quarter and First Six Months of 2023 - dated July 20, 2023

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 20, 2023

By: /s/Tim Hicks

Name: Tim Hicks

Title: Chief Financial Officer

Exhibit No.	Document Description
99.1	Press Release dated July 20, 2023: Bank OZK Announces Record Second Quarter 2023 Earnings
99.2	Management Comments for the Second Quarter and First Six Months of 2023 – dated July 20, 2023

Exhibit 99.1

NEWS RELEASE

Date:	July 20, 2023
Release Time:	3:01 p.m. (CT)
Investor Contact:	Jay Staley (501) 906-7842
Media Contact:	Michelle Rossow (501) 906-3922

Bank OZK Announces Record Second Quarter 2023 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the “Bank”) (Nasdaq: OZK) today announced that net income available to common stockholders for the second quarter of 2023 was a record $167.9 million, a 26.9% increase from $132.4 million for the second quarter of 2022. Diluted earnings per common share for the second quarter of 2023 were a record $1.47, a 33.6% increase from $1.10 for the second quarter of 2022.

For the six months ended June 30, 2023, net income available to common stockholders was $333.8 million, a 28.2% increase from $260.4 million for the first six months of 2022. Diluted earnings per common share for the first six months of 2023 were $2.88, a 35.8% increase from $2.12 for the first six months of 2022.

Pre-tax pre-provision net revenue (“PPNR”) was $259.5 million for the second quarter of 2023, a 41.9% increase from $182.8 million for the second quarter of 2022. For the first six months of 2023, PPNR was $505.9 million, a 42.1% increase from $355.9 million for the first six months of 2022. The calculation of PPNR and the reconciliation to generally accepted accounting principles (“GAAP”) are included in the schedules accompanying this release.

Provision for credit losses was $41.8 million for the second quarter and $77.6 million for the first six months of 2023 compared to $7.0 million for the second quarter of 2022 and $11.2 million for the first six months of 2022. The Bank’s total allowance for credit losses (“ACL”) was $426.8 million at June 30, 2023 compared to $299.9 million at June 30, 2022.

The Bank’s annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity for the second quarter of 2023 were 2.27%, 15.14% and 17.78%, respectively, compared to 2.02%, 12.40% and 14.69%, respectively, for the second quarter of 2022. The Bank’s annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity for the first six months of 2023 were 2.34%, 15.19% and 17.86%, respectively, compared to 2.00%, 12.03% and 14.20%, respectively, for the first six months of 2022. The calculation of the Bank’s returns on average common stockholders’ equity and average tangible common stockholders’ equity and the reconciliations to GAAP are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, “We are pleased to report our record results for the quarter just ended, which continued our long tradition of industry-leading performance. Our strong earnings and capital have us well-positioned to grow and capitalize on opportunities resulting from the current macroeconomic and industry environment.”

KEY BALANCE SHEET METRICS

Total loans were $23.61 billion at June 30, 2023, a 26.0% increase from $18.74 billion at June 30, 2022. Deposits were $23.98 billion at June 30, 2023, a 20.0% increase from $19.98 billion at June 30, 2022. Total assets were $30.76 billion at June 30, 2023, an 18.7% increase from $25.92 billion at June 30, 2022.

Common stockholders’ equity was $4.47 billion at June 30, 2023, a 4.8% increase from $4.27 billion at June 30, 2022. Tangible common stockholders’ equity was $3.81 billion at June 30, 2023, a 5.8% increase from $3.60 billion at June 30, 2022. During the quarter just ended, the Bank repurchased approximately 1.96 million shares for $66.1 million, which equates to a weighted average cost of approximately $33.80 per share. During the first six months of 2023, the Bank repurchased 4.3 million shares for $151.5 million, which equates to a weighted average cost of approximately $35.19 per share.

Book value per common share was $39.51 at June 30, 2023, a 10.1% increase from $35.87 at June 30, 2022. Tangible book value per common share was $33.67 at June 30, 2023, an 11.2% increase from $30.27 at June 30, 2022.

The Bank’s ratio of total common stockholders’ equity to total assets was 14.53% at June 30, 2023, compared to 16.47% at June 30, 2022. Its ratio of total tangible common stockholders’ equity to total tangible assets was 12.66% at June 30, 2023, compared to 14.26% at June 30, 2022. The calculations of the Bank’s total common stockholders’ equity, tangible common stockholders’ equity, tangible book value per common share, and ratio of total tangible common stockholders’ equity to total tangible assets and the reconciliations to GAAP are included in the schedules accompanying this release.

ASSET QUALITY

The Bank’s ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.15% at June 30, 2023, compared to 0.16% as of June 30, 2022. The Bank’s ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.32% at June 30, 2023, compared to 0.12% as of June 30, 2022. The Bank's annualized ratio of net charge-offs of total loans to average total loans was 0.15% for the second quarter and six months ended June 30, 2023 compared to 0.01% for the second quarter and 0.00% for the six months ended June 30, 2022.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

In connection with this release, the Bank released management's comments on its quarterly results, which are available at 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 at 10:00 a.m. CT (11:00 a.m. ET) on Friday, July 21, 2023. Interested parties may access the conference call live via webcast on the Bank's investor relations website at https://ir.ozk.com/news/event-calendar, or may participate via telephone by registering using this online form. Upon registration, all telephone participants will receive the dial-in number along with a unique PIN number that can be used to access the call. A replay of the conference call webcast will be archived on the Bank's website for at least 30 days.

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

NON-GAAP FINANCIAL MEASURES

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

FORWARD-LOOKING STATEMENTS

This press release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth and expansion strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in identifying satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; conditions within the banking industry, including the effects of recent failures of other financial institutions; recently enacted and potential laws and regulatory requirements, or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks, or changes in the interpretation and enforcement of such laws and requirements, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; uncertainty regarding changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyberattacks 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; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflict, including the ongoing war in Ukraine; the competition and costs of recruiting and retaining human talent;

impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2022 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

GENERAL INFORMATION

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Established in 1903, Bank OZK conducts banking operations with over 240 offices in eight states including Arkansas, Georgia, Florida, North Carolina, Texas, New York, California and Mississippi and had $30.76 billion in total assets as of June 30, 2023. 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, 2023	December 31, 2022
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 1,454,789	$ 1,033,454
Investment securities – available for sale ("AFS")	3,262,366	3,491,613
Investment securities – trading	8,991	8,817
Federal Home Loan Bank of Dallas ("FHLB") and other bankers' bank stocks	62,855	42,406
Non-purchased loans	23,291,785	20,400,154
Purchased loans	315,661	378,637
Allowance for loan losses	(263,188)	(208,858)
Net Loans	23,344,259	20,569,933
Premises and equipment, net	670,262	678,405
Foreclosed assets	62,048	6,616
Accrued interest receivable	144,842	125,130
Bank owned life insurance ("BOLI")	799,142	789,805
Goodwill and other intangible assets, net	661,166	663,543
Other, net	291,151	246,846
Total assets	$ 30,761,870	$ 27,656,568
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	$ 4,535,365	$ 4,658,451
Savings and interest bearing transaction	8,975,142	9,905,717
Time	10,472,890	6,935,975
Total deposits	23,983,397	21,500,143
Other borrowings	1,104,478	606,666
Subordinated notes	347,350	346,947
Subordinated debentures	121,652	121,591
Reserve for losses on unfunded loan commitments	163,632	156,419
Accrued interest payable and other liabilities	230,098	233,864
Total liabilities	$ 25,950,607	$ 22,965,630
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock: $0.01 par value; 100,000,000 shares authorized; 14,000,000 issued and outstanding at June 30, 2023 and December 31, 2022	338,980	338,980
Common Stock: $0.01 par value; 300,000,000 shares authorized; 113,145,449 and 117,176,928 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively	1,131	1,172
Additional paid-in capital	1,602,964	1,753,941
Retained earnings	3,026,247	2,773,135
Accumulated other comprehensive (loss) income	(159,431)	(177,649)
Total stockholders' equity before noncontrolling interest	4,809,891	4,689,579
Noncontrolling interest	1,372	1,359
Total stockholders' equity	4,811,263	4,690,938
Total liabilities and stockholders' equity	$ 30,761,870	$ 27,656,568

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 472,524	$ 256,264	$ 887,420	$ 496,259
Purchased loans	5,322	8,982	11,840	17,152
Investment securities:				
Taxable	9,704	10,367	19,875	20,978
Tax-exempt	9,489	4,020	18,753	7,006
Deposits with banks and federal funds sold	11,407	1,855	19,277	2,464
Total interest income	508,446	281,488	957,165	543,859
Interest expense:				
Deposits	136,122	10,855	229,754	19,347
Other borrowings	10,591	1,042	16,013	2,039
Subordinated notes	2,603	2,603	5,177	5,177
Subordinated debentures	2,306	1,195	4,545	2,159
Total interest expense	151,622	15,695	255,489	28,722
Net interest income	356,824	265,793	701,676	515,137
Provision for credit losses	41,774	7,025	77,602	11,215
Net interest income after provision for credit losses	315,050	258,768	624,074	503,922
Non-interest income:				
Service charges on deposit accounts:				
NSF and overdraft fees	4,373	4,247	8,651	8,449
All other service charges	7,187	7,184	13,688	13,874
Trust income	2,113	1,911	4,146	4,005
BOLI income:				
Increase in cash surrender value	5,069	4,846	10,043	9,639
Death benefits	—	—	—	297
Loan service, maintenance and other fees	4,095	3,603	8,170	6,621
Gains on sales of other assets	5,033	784	5,377	7,776
Net gains on investment securities	620	531	2,336	441
Other	3,497	3,214	7,384	6,694
Total non-interest income	31,987	26,320	59,795	57,796
Non-interest expense:				
Salaries and employee benefits	65,219	54,412	128,468	109,060
Net occupancy and equipment	19,476	17,060	37,560	34,309
Other operating expenses	44,660	37,828	89,543	73,647
Total non-interest expense	129,355	109,300	255,571	217,016
Income before taxes	217,682	175,788	428,298	344,702
Provision for income taxes	45,717	39,375	86,420	75,786
Net income	171,965	136,413	341,878	268,916
Earnings attributable to noncontrolling interest	(1)	(8)	(13)	(3)
Preferred stock dividends	4,047	4,047	8,094	8,527
Net income available to common stockholders	$ 167,917	$ 132,358	$ 333,771	$ 260,386
Basic earnings per common share	$ 1.47	$ 1.10	$ 2.89	$ 2.13
Diluted earnings per common share	$ 1.47	$ 1.10	$ 2.88	$ 2.12

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended June 30, 2023:							
Balances - March 31, 2023	$ 338,980	$ 1,151	$1,664,569	$2,898,904	$ (141,677)	$ 1,371	$ 4,763,298
Net income	—	—	—	171,965	—	—	171,965
Earnings attributable to noncontrolling interest	—	—	—	(1)	—	1	—
Total other comprehensive income (loss)	—	—	—	—	(17,754)	—	(17,754)
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.35 per share	—	—	—	(40,574)	—	—	(40,574)
Issuance of 30,148 shares of common stock pursuant to stock-based compensation plans	—	—	23	—	—	—	23
Repurchase and cancellation of 1,956,101 shares of common stock under share repurchase program, including excise taxes	—	(20)	(66,106)	—			(66,126)
Stock-based compensation expense	—	—	4,478	—	—	—	4,478
Forfeitures of 8,706 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - June 30, 2023	$ 338,980	$ 1,131	$1,602,964	$3,026,247	$ (159,431)	$ 1,372	$ 4,811,263
Six months ended June 30, 2023:							
Balances - December 31, 2022	$ 338,980	$ 1,172	$1,753,941	$2,773,135	$ (177,649)	$ 1,359	$ 4,690,938
Net income	—	—	—	341,878	—	—	341,878
Earnings attributable to noncontrolling interest	—	—	—	(13)	—	13	—
Total other comprehensive income	—	—	—	—	18,218	—	18,218
Preferred stock dividends, $0.57812 per share	—	—	—	(8,094)	—	—	(8,094)
Common stock dividends, $0.69 per share	—	—	—	(80,659)	—	—	(80,659)
Issuance of 503,187 shares of common stock pursuant to stock-based compensation plans	—	5	541	—	—	—	546
Repurchase and cancellation of 4,304,239 shares of common stock under share repurchase program, including excise taxes	—	(44)	(151,421)	—	—	—	(151,465)
Repurchase and cancellation of 215,362 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(8,672)	—			(8,674)
Stock-based compensation expense	—	—	8,575	—	—	—	8,575
Forfeitures of 15,065 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - June 30, 2023	$ 338,980	$ 1,131	$1,602,964	$3,026,247	$ (159,431)	$ 1,372	$ 4,811,263

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended June 30, 2022:							
Balances - March 31, 2022	$ 338,980	$ 1,227	$1,962,126	$2,468,652	$ (80,928)	$ 3,112	$ 4,693,169
Net income	—	—	—	136,413	—	—	136,413
Earnings attributable to noncontrolling interest	—	—	—	(8)	—	8	—
Total other comprehensive loss	—	—	—	—	(33,240)	—	(33,240)
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—		(4,047)
Common stock dividends, $0.31 per share	—	—	—	(37,880)	—	—	(37,880)
Issuance of 41,503 shares of common stock pursuant to stock-based compensation plans	—	—	594	—	—	—	594
Repurchase and cancellation of 3,689,819 shares of common stock under share repurchase program	—	(37)	(147,396)	—	—	—	(147,433)
Stock-based compensation expense	—	—	2,326	—	—	—	2,326
Forfeitures of 32,858 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - June 30, 2022	$ 338,980	$ 1,190	$1,817,650	$2,563,130	$ (114,168)	$ 3,120	$ 4,609,902
Six months ended June 30, 2022:							
Balances - December 31, 2021	$ 338,980	$ 1,254	$2,093,702	$2,378,466	$ 23,841	$ 3,117	$ 4,839,360
Net income	—	—	—	268,916	—	—	268,916
Earnings attributable to noncontrolling interest	—	—	—	(3)	—	3	—
Total other comprehensive loss	—	—	—	—	(138,009)	—	(138,009)
Preferred stock dividends, $0.60906 per share	—	—	—	(8,527)	—		(8,527)
Common stock dividends, $0.61 per share	—	—	—	(75,722)	—	—	(75,722)
Issuance of 289,929 shares of common stock pursuant to stock-based compensation plans	—	3	2,077	—	—	—	2,080
Repurchase and cancellation of 6,572,832 shares of common stock under share repurchase program	—	(65)	(278,932)	—	—	—	(278,997)
Repurchase and cancellation of 112,974 shares of common stock withheld for tax pursuant to stock-based compensation plans.	—	(1)	(5,398)	—	—	—	(5,399)
Stock-based compensation expense	—	—	6,200	—	—	—	6,200
Forfeitures of 51,850 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances - June 30, 2022	$ 338,980	$ 1,190	$1,817,650	$2,563,130	$ (114,168)	$ 3,120	$ 4,609,902

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(Dollars in thousands)			
Salaries and employee benefits	$ 65,219	$ 54,412	$ 128,468	$ 109,060
Net occupancy and equipment	19,476	17,060	37,560	34,309
Other operating expenses:				
Software and data processing	9,768	8,976	19,051	17,162
Professional and outside services	5,445	5,708	10,550	10,525
Deposit insurance and assessments	4,900	2,100	9,048	4,250
Advertising and public relations	3,184	1,103	7,219	2,362
Postage and supplies	2,431	1,461	4,144	3,126
Telecommunication services	2,398	1,921	4,671	3,931
Travel and meals	1,903	2,186	3,718	3,944
ATM expense	1,659	1,488	3,798	2,997
Amortization of intangibles	1,189	1,516	2,377	3,033
Loan collection and repossession expense	517	353	904	678
Writedowns of foreclosed and other assets	24	—	965	258
Amortization of CRA and tax credit investments	5,566	4,628	11,980	9,730
Other	5,676	6,388	11,118	11,651
Total non-interest expense	$ 129,355	$ 109,300	$ 255,571	$ 217,016

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	June 30, 2023		December 31, 2022	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 966,684	4.1%	$ 981,567	4.7%
Non-farm/non-residential	4,960,287	21.0	4,665,268	22.5
Construction/land development	9,446,030	40.0	8,215,056	39.5
Agricultural	243,798	1.0	239,689	1.2
Multifamily residential	1,988,764	8.4	1,503,398	7.2
Total real estate	17,605,563	74.5	15,604,978	75.1
Commercial and industrial	1,268,787	5.4	902,321	4.3
Consumer	2,825,552	12.0	2,445,851	11.8
Other	1,907,545	8.1	1,825,641	8.8
Total loans	23,607,447	100.0%	20,778,791	100.0%
Allowance for loan losses	(263,188)		(208,858)	
Net loans	$ 23,344,259		$ 20,569,933	

Bank OZK
Allowance for Credit Losses
Unaudited

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended June 30, 2023:			
Balances – March 31, 2023	$ 222,025	$ 171,742	$ 393,767
Net charge-offs	(8,721)	—	(8,721)
Provision for credit losses	49,884	(8,110)	41,774
Balances - June 30, 2023	$ 263,188	$ 163,632	$ 426,820
Six months ended June 30, 2023:			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(16,059)	—	(16,059)
Provision for credit losses	70,389	7,213	77,602
Balances - June 30, 2023	$ 263,188	$ 163,632	$ 426,820
Three months ended June 30, 2022:			
Balances – March 31, 2022	$ 204,213	$ 89,327	$ 293,540
Net charge-offs	(627)	—	(627)
Provision for credit losses	(12,791)	19,816	7,025
Balances - June 30, 2022	$ 190,795	$ 109,143	$ 299,938
Six months ended June 30, 2022:			
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Net charge-offs	(266)	—	(266)
Provision for credit losses	(26,319)	37,534	11,215
Balances - June 30, 2022	$ 190,795	$ 109,143	$ 299,938

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	June 30, 2023		December 31, 2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,535,365	18.9%	$ 4,658,451	21.7%
Interest bearing:				
Transaction (NOW)	4,208,777	17.5	4,097,532	19.1
Savings and money market	4,766,365	19.9	5,808,185	27.0
Time deposits	10,472,890	43.7	6,935,975	32.2
Total deposits	$ 23,983,397	100.0%	$ 21,500,143	100.0%

Bank OZK
Summary of Deposits – By Customer Type
Unaudited

	June 30, 2023		December 31, 2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,535,365	18.9%	$ 4,658,451	21.7%
Interest bearing:				
Consumer and commercial:				
Consumer – Non-Time	3,142,531	13.1	3,916,078	18.2
Consumer – Time	7,498,988	31.3	4,936,061	23.0
Commercial – Non-Time	2,333,786	9.7	2,741,007	12.7
Commercial – Time	621,105	2.6	516,477	2.4
Public funds	2,595,415	10.8	2,103,392	9.8
Brokered	2,355,647	9.8	2,050,294	9.5
Reciprocal	900,560	3.8	578,383	2.7
Total deposits	$ 23,983,397	100.0%	$ 21,500,143	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	% Change	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 356,824	$ 265,793	34.2%	$ 701,676	$ 515,137	36.2%
Provision for credit losses	41,774	7,025	494.6	77,602	11,215	591.9
Non-interest income	31,987	26,320	21.5	59,795	57,796	3.5
Non-interest expense	129,355	109,300	18.3	255,571	217,016	17.8
Net income	171,965	136,413	26.1	341,878	268,916	27.1
Preferred stock dividends	4,047	4,047	—	8,094	8,527	(5.1)
Net income available to common stockholders	167,917	132,358	26.9	333,771	260,386	28.2
Pre-tax pre-provision net revenue (1)	259,456	182,813	41.9	505,900	355,917	42.1
Common share and per common share data:						
Diluted earnings per common share	$ 1.47	$ 1.10	33.6%	$ 2.88	$ 2.12	35.8%
Basic earnings per common share	1.47	1.10	33.6	2.89	2.13	35.7
Common stock dividends per share	0.35	0.31	12.9	0.69	0.61	13.1
Book value per share	39.51	35.87	10.1	39.51	35.87	10.1
Tangible book value per common share (1)	33.67	30.27	11.2	33.67	30.27	11.2
Weighted-average diluted shares outstanding (thousands)	114,284	120,827	(5.4)	115,871	122,905	(5.7)
End of period shares outstanding (thousands)	113,145	118,996	(4.9)	113,145	118,996	(4.9)
Balance sheet data at period end:						
Total assets	$ 30,761,870	$ 25,919,965	18.7%	$ 30,761,870	$ 25,919,965	18.7%
Total loans	23,607,446	18,742,718	26.0	23,607,446	18,742,718	26.0
Non-purchased loans	23,291,785	18,297,638	27.3	23,291,785	18,297,638	27.3
Purchased loans	315,661	445,080	(29.1)	315,661	445,080	(29.1)
Allowance for loan losses	263,188	190,795	37.9	263,188	190,795	37.9
Foreclosed assets	62,048	2,593	2292.9	62,048	2,593	2292.9
Investment securities – AFS	3,262,366	3,705,807	(12.0)	3,262,366	3,705,807	(12.0)
Goodwill and other intangible assets, net	661,166	666,029	(0.7)	661,166	666,029	(0.7)
Deposits	23,983,397	19,984,187	20.0	23,983,397	19,984,187	20.0
Other borrowings	1,104,478	505,221	118.6	1,104,478	505,221	118.6
Subordinated notes	347,350	346,536	0.2	347,350	346,536	0.2
Subordinated debentures	121,652	121,310	0.3	121,652	121,310	0.3
Unfunded balance of closed loans	21,119,761	17,369,767	21.6	21,119,761	17,369,767	21.6
Reserve for losses on unfunded loan commitments	163,632	109,143	49.9	163,632	109,143	49.9
Preferred stock	338,980	338,980	—	338,980	338,980	—
Total common stockholders' equity	4,470,911	4,267,802	4.8	4,470,911	4,267,802	4.8
Net unrealized losses on investment securities AFS included in stockholders' equity	(159,431)	(114,168)		(159,431)	(114,168)	
Loan (including purchased loans) to deposit ratio	98.43%	93.79%		98.43%	93.79%	
Selected ratios:						
Return on average assets (2)	2.27%	2.02%		2.34%	2.00%	
Return on average common stockholders' equity (1) (2)	15.14	12.40		15.19	12.03	
Return on average tangible common stockholders' equity (1) (2)	17.78	14.69		17.86	14.20	
Average common equity to total average assets	15.00	16.32		15.38	16.60	
Net interest margin – FTE (2)	5.32	4.52		5.43	4.38	
Efficiency ratio	33.05	37.25		33.33	37.73	
Net charge-offs to average non-purchased loans (2) (3)	0.03	0.03		0.09	0.05	
Net charge-offs to average total loans (2)	0.15	0.01		0.15	0.00	
Nonperforming loans to total loans (4)	0.15	0.16		0.15	0.16	
Nonperforming assets to total assets (4)	0.32	0.12		0.32	0.12	
Allowance for loan losses to total loans (5)	1.11	1.02		1.11	1.02	
Allowance for credit losses to total loans and unfunded loan commitments	0.95	0.83		0.95	0.83	
Other information:						
Non-accrual loans (4)	$ 35,320	$ 28,171		$ 35,320	$ 28,171	
Accruing loans - 90 days past due (4)	—	—		—	—	

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

Bank OZK
Selected Consolidated Financial Data (continued)
Unaudited

	Three Months Ended		
	June 30, 2023	March 31, 2023	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 356,824	$ 344,852	3.5%
Provision for credit losses	41,774	35,829	16.6
Non-interest income	31,987	27,809	15.0
Non-interest expense	129,355	126,217	2.5
Net income	171,965	169,912	1.2
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	167,917	165,853	1.2
Pre-tax pre-provision net revenue [1]	259,456	246,444	5.3
Common share and per common share data:			
Diluted earnings per common share	$ 1.47	$ 1.41	4.3%
Basic earnings per common share	1.47	1.42	3.5
Common stock dividends per share	0.35	0.34	2.9
Book value per share	39.51	38.43	2.8
Tangible book value per common share [1]	33.67	32.68	3.0
Weighted-average diluted shares outstanding (thousands)	114,284	117,405	(2.7)
End of period shares outstanding (thousands)	113,145	115,080	(1.7)
Balance sheet data at period end:			
Total assets	$ 30,761,870	$ 28,971,170	6.2%
Total loans	23,607,446	22,062,006	7.0
Non-purchased loans	23,291,785	21,700,941	7.3
Purchased loans	315,661	361,065	(12.6)
Allowance for loan losses	263,188	222,025	18.5
Foreclosed assets	62,048	66,227	(6.3)
Investment securities – AFS	3,262,366	3,422,031	(4.7)
Goodwill and other intangible assets, net	661,166	662,354	(0.2)
Deposits	23,983,397	22,282,983	7.6
Other borrowings	1,104,478	994,079	11.1
Subordinated notes	347,350	347,147	0.1
Subordinated debentures	121,652	121,652	—
Unfunded balance of closed loans	21,119,761	20,965,040	0.7
Reserve for losses on unfunded loan commitments	163,632	171,742	(4.7)
Preferred stock	338,980	338,980	—
Total common stockholders' equity	4,470,911	4,422,947	1.1
Net unrealized losses on investment securities AFS included in stockholders' equity	(159,431)	(141,677)	
Loan (including purchased loans) to deposit ratio	98.43%	99.01%	
Selected ratios:			
Return on average assets [2]	2.27%	2.41%	
Return on average common stockholders' equity [1] [2]	15.14	15.24	
Return on average tangible common stockholders' equity [1] [2]	17.78	17.94	
Average common equity to total average assets	15.00	15.78	
Net interest margin – FTE [2]	5.32	5.54	
Efficiency ratio	33.05	33.63	
Net charge-offs to average non-purchased loans [2] [3]	0.03	0.15	
Net charge-offs to average total loans [2]	0.15	0.14	
Nonperforming loans to total loans [4]	0.15	0.15	
Nonperforming assets to total assets [4]	0.32	0.34	
Allowance for loan losses to total loans [5]	1.11	1.01	
Allowance for credit losses to total loans and unfunded loan commitments	0.95	0.92	
Other information:			
Non-accrual loans [4]	$ 35,320	$ 33,371	
Accruing loans - 90 days past due [4]	—	—	

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

Bank OZK
Supplemental Quarterly Financial Data
Unaudited

	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22
			(Dollars in thousands)		
Earnings summary:					
Net interest income	$ 356,824	$ 344,852	$ 332,488	$ 294,617	$ 265,793
Federal tax (FTE) adjustment	2,602	2,603	2,383	2,151	1,300
Net interest income (FTE)	359,426	347,455	334,871	296,768	267,093
Provision for credit losses	(41,774)	(35,829)	(32,508)	(39,771)	(7,025)
Non-interest income	31,987	27,809	27,544	29,163	26,320
Non-interest expense	(129,355)	(126,217)	(119,013)	(115,691)	(109,300)
Pre-tax income (FTE)	220,284	213,218	210,894	170,469	177,088
FTE adjustment	(2,602)	(2,603)	(2,383)	(2,151)	(1,300)
Provision for income taxes	(45,717)	(40,703)	(45,686)	(35,969)	(39,375)
Noncontrolling interest	(1)	(12)	54	—	(8)
Preferred stock dividend	(4,047)	(4,047)	(4,047)	(4,047)	(4,047)
Net income available to common stockholders	$ 167,917	$ 165,853	$ 158,832	$ 128,302	$ 132,358
Earnings per common share – diluted	$ 1.47	$ 1.41	$ 1.34	$ 1.08	$ 1.10
Pre-tax pre-provision net revenue [1]	$ 259,456	$ 246,444	$ 241,019	$ 208,089	$ 182,813
Selected balance sheet data at period end:					
Total assets	$ 30,761,870	$ 28,971,170	$ 27,656,568	$ 26,232,119	$ 25,919,965
Non-purchased loans	23,291,785	21,700,941	20,400,154	19,103,546	18,297,638
Purchased loans	315,661	361,065	378,637	410,166	445,080
Investment securities – AFS	3,262,366	3,422,031	3,491,613	3,528,077	3,705,807
Deposits	23,983,397	22,282,983	21,500,143	20,401,876	19,984,187
Unfunded balance of closed loans	21,119,761	20,965,040	21,062,733	20,091,101	17,369,767
Allowance for credit losses:					
Balance at beginning of period	$ 393,767	$ 365,277	$ 335,635	$ 299,938	$ 293,540
Net charge-offs	(8,721)	(7,339)	(2,866)	(4,074)	(627)
Provision for credit losses	41,774	35,829	32,508	39,771	7,025
Balance at end of period	$ 426,820	$ 393,767	$ 365,277	$ 335,635	$ 299,938
Allowance for loan losses	$ 263,188	$ 222,025	$ 208,858	$ 200,098	$ 190,795
Reserve for losses on unfunded loan commitments	163,632	171,742	156,419	135,537	109,143
Total allowance for credit losses	$ 426,820	$ 393,767	$ 365,277	$ 335,635	$ 299,938
Selected ratios:					
Net interest margin – FTE [2]	5.32%	5.54%	5.46%	5.03%	4.52%
Efficiency ratio	33.05	33.63	32.84	35.50	37.25
Net charge-offs to average non-purchased loans [2] [3]	0.03	0.15	0.09	0.09	0.03
Net charge-offs to average total loans [2]	0.15	0.14	0.06	0.09	0.01
Nonperforming loans to total loans [4]	0.15	0.15	0.22	0.14	0.16
Nonperforming assets to total assets [4]	0.32	0.34	0.19	0.13	0.12
Allowance for loan losses to total loans [5]	1.11	1.01	1.01	1.03	1.02
Allowance for credit losses to total loans and unfunded loan commitments	0.95	0.92	0.87	0.85	0.83
Loans past due 30 days or more, including past due non-accrual loans, to total loans [4]	0.14	0.15	0.13	0.11	0.11

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

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

	Three Months Ended June 30,						Six Months Ended June 30,					
	2023			2022			2023			2022		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)											
ASSETS												
Interest earning assets:												
Interest earning deposits and federal funds sold	$ 957,439	$ 11,407	4.78%	$ 1,019,374	$ 1,855	0.73%	$ 849,082	$ 19,277	4.58%	$ 1,188,502	$ 2,464	0.42%
Investment securities:												
Taxable	2,363,265	9,704	1.65	3,060,097	10,367	1.36	2,406,769	19,875	1.67	3,218,475	20,978	1.31
Tax-exempt – FTE	1,040,757	12,011	4.63	637,235	5,088	3.20	1,034,317	23,738	4.63	604,295	8,868	2.96
Non-purchased loans – FTE	22,368,771	472,604	8.47	18,535,726	256,495	5.55	21,613,844	887,640	8.28	18,346,228	496,714	5.46
Purchased loans	346,696	5,322	6.16	464,655	8,982	7.75	358,725	11,840	6.66	481,941	17,152	7.18
Total earning assets – FTE	27,076,928	511,048	7.57	23,717,087	282,787	4.78	26,262,737	962,370	7.39	23,839,441	546,176	4.62
Non-interest earning assets	2,587,338			2,507,837			2,552,387			2,453,085		
Total assets	$29,664,266			$26,224,924			$28,815,124			$26,292,526		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,075,132	$ 48,650	2.15%	$ 9,697,128	$ 5,379	0.22%	$ 9,402,496	$ 91,164	1.96%	$ 9,610,145	$ 8,162	0.17%
Time deposits	9,650,599	87,472	3.64	5,404,880	5,476	0.41	8,612,573	138,590	3.24	5,581,955	11,185	0.40
Total interest bearing deposits	18,725,731	136,122	2.92	15,102,008	10,855	0.29	18,015,069	229,754	2.57	15,192,100	19,347	0.26
Other borrowings	828,644	10,591	5.13	670,599	1,042	0.62	648,870	16,013	4.98	713,121	2,039	0.58
Subordinated notes	347,251	2,603	3.01	346,426	2,603	3.01	347,151	5,177	3.01	346,327	5,177	3.01
Subordinated debentures	121,652	2,306	7.60	121,234	1,195	3.95	121,645	4,545	7.54	121,166	2,159	3.59
Total interest bearing liabilities	20,023,278	151,622	3.04	16,240,267	15,695	0.39	19,132,735	255,489	2.69	16,372,714	28,722	0.35
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,348,639			4,970,380			4,409,684			4,872,646		
Other non-interest bearing liabilities	502,394			392,126			501,203			340,854		
Total liabilities	24,874,311			21,602,773			24,043,622			21,586,214		
Total stockholders' equity before noncontrolling interest	4,788,584			4,619,033			4,770,135			4,703,196		
Noncontrolling interest	1,371			3,118			1,367			3,116		
Total liabilities and stockholders' equity	$29,664,266			$26,224,924			$28,815,124			$26,292,526		
Net interest income – FTE		$ 359,427			$ 267,092			$ 706,881			$ 517,454	
Net interest margin – FTE			5.32%			4.52%			5.43%			4.38%
Core spread [1]			5.55%			5.26%			5.71%			5.20%

[1] Core spread is the difference between the yield on the Bank's non-purchased loans-FTE and the rate on its interest bearing deposits.

Bank OZK
Reconciliation of Non-GAAP Financial Measures

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

Unaudited

	Three Months Ended			Six Months Ended	
	June 30, 2023	June 30, 2022	March 31, 2023	June 30, 2023	June 30, 2022
			(Dollars in thousands)		
Net income available to common stockholders	$ 167,917	$ 132,358	$ 165,853	$ 333,771	$ 260,386
Average stockholders' equity before noncontrolling interest	$ 4,788,584	$ 4,619,033	$ 4,751,481	$ 4,770,135	$ 4,703,196
Less average preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total average common stockholders' equity	4,449,604	4,280,053	4,412,501	4,431,155	4,364,216
Less average intangible assets:					
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(999)	(6,084)	(2,243)	(1,618)	(6,824)
Total average intangibles	(661,788)	(666,873)	(663,032)	(662,407)	(667,613)
Average tangible common stockholders' equity	$ 3,787,816	$ 3,613,180	$ 3,749,469	$ 3,768,748	$ 3,696,603
Return on average common stockholders' equity[(1)]	15.14%	12.40%	15.24%	15.19%	12.03%
Return on average tangible common stockholders' equity[(1)]	17.78%	14.69%	17.94%	17.86%	14.20%

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

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

Unaudited

	June 30,		December 31,
	2023	2022	2022
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 4,809,891	$ 4,606,782	$ 4,689,579
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 4,470,911	$ 4,267,802	$ 4,350,599
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(377)	(5,240)	(2,754)
Total intangibles	(661,166)	(666,029)	(663,543)
Total tangible common stockholders' equity	$ 3,809,745	$ 3,601,773	$ 3,687,056
Shares of common stock outstanding	113,145	118,996	117,177
Book value per common share	$ 39.51	$ 35.87	$ 37.13
Tangible book value per common share	$ 33.67	$ 30.27	$ 31.47

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

	June 30, 2023	June 30, 2022
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	$ 4,809,891	$ 4,606,782
Less preferred stock	(338,980)	(338,980)
Total common stockholders' equity	$ 4,470,911	$ 4,267,802
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(377)	(5,240)
Total intangibles	(661,166)	(666,029)
Total tangible common stockholders' equity	3,809,745	3,601,773
Total assets	$ 30,761,870	$ 25,919,965
Less intangible assets:		
Goodwill	$ (660,789)	$ (660,789)
Core deposit and other intangible assets, net of accumulated amortization	(377)	(5,240)
Total intangibles	$ (661,166)	$ (666,029)
Total tangible assets	$ 30,100,704	$ 25,253,936
Ratio of total common stockholders' equity to total assets	14.53%	16.47%
Ratio of total tangible common stockholders' equity to total tangible assets	12.66%	14.26%

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended					Six Months Ended	
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	June 30, 2023	June 30, 2022
	(Dollars in thousands)						
Net income available to common stockholders	$ 167,917	$ 165,853	$ 158,832	$ 128,302	$ 132,358	$ 333,771	$ 260,386
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047	8,094	8,527
Earnings attributable to noncontrolling interest	1	12	(54)	—	8	13	3
Provision for income taxes	45,717	40,703	45,686	35,969	39,375	86,420	75,786
Provision for credit losses	41,774	35,829	32,508	39,771	7,025	77,602	11,215
Pre-tax pre-provision net revenue	$ 259,456	$ 246,444	$ 241,019	$ 208,089	$ 182,813	$ 505,900	$ 355,917

Exhibit 99.2

Bank OZK

MANAGEMENT COMMENTS FOR THE SECOND QUARTER & FIRST SIX MONTHS OF 2023

JULY 20, 2023

FORWARD-LOOKING STATEMENTS

This presentation and other communications by Bank OZK (the "Bank") include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth and expansion strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in identifying satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; conditions within the banking industry, including the effects of recent failures of other financial institutions; recently enacted and potential laws and regulatory requirements or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks or changes in the interpretation and enforcement of such laws and requirements, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; uncertainty regarding changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, 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; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflict, including the ongoing war in Ukraine; the competition and costs of recruiting and retaining human talent; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2022 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Management Comments for the Second Quarter of 2023

Summary

We are pleased to report our results for the second quarter of 2023, which we credit to the outstanding performance of our 2,700+ teammates. Highlights include:

- ***Net Income & Earnings Per Share.*** Net income available to common stockholders was a record $167.9 million and our diluted earnings per common share were a record $1.47, increases of 26.9% and 33.6%, respectively, compared to the second quarter of 2022.
- ***Pre-tax Pre-provision Net Revenue[1] ("PPNR")***. PPNR was a record $259.5 million, an increase of 41.9% compared to the second quarter of 2022.
- ***Net Interest Income.*** Net interest income increased 34.2% compared to last year's second quarter to a record $356.8 million, as our average earning assets grew $1.64 billion compared to the first quarter of 2023, more than offsetting the decrease in our net interest margin to 5.32% in the quarter.
- ***Loans.*** Total loans outstanding grew to a record $23.61 billion, increasing $1.55 billion, or 7.0% not annualized, during the quarter.
- ***Deposits.*** Deposits grew to a record $23.98 billion, increasing $1.70 billion, or 7.6% not annualized, during the quarter, including an increase of $116 million in non-interest bearing deposits.
- ***Liquidity.*** We continue to maintain robust available primary and secondary sources of liquidity which totaled $10.1 billion at June 30, 2023.
- ***Asset Quality.*** Asset quality continued to outperform the industry as reflected by our annualized net charge-off ratio for total loans of 0.15% and our quarter end ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[2] of 0.15% and 0.32%, respectively.
- **Return on Average Assets ("ROAA") and ACL Build.** Over the last four quarters, we have achieved an average ROAA of 2.25%, including a 2.27% ROAA in the quarter just ended, even as we have built our Allowance for Credit Losses ("ACL") by a net $127 million.
- ***Efficiency Ratio.*** Efficiency ratio for the quarter was 33.0%, among the best in the industry.
- ***Capital.*** Common stockholders' equity and tangible common stockholders' equity ratios[3] were 14.5% and 12.7%, respectively, at June 30, 2023.
- ***Stock Repurchases & Dividends.*** During the quarter, we repurchased approximately 1.96 million shares, or 1.7%, of our common stock for $66 million. We recently increased our quarterly dividend on our common stock for the 52nd consecutive quarter.

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[1] The calculation of the Bank's PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedule at the end of this presentation.
[2] Excludes purchased loans, except for their inclusion in total assets.
[3] The calculation of the Bank's tangible common stockholders' equity and the reconciliation to GAAP are included in the schedule at the end of this presentation.

Profitability and Earnings Metrics

Net income available to common stockholders for the second quarter of 2023 was a record $167.9 million, a 26.9% increase from $132.4 million for the second quarter of 2022. Diluted earnings per common share for the second quarter of 2023 were a record $1.47, a 33.6% increase from $1.10 for the second quarter of 2022. For the six months ended June 30, 2023, net income available to common stockholders was $333.8 million, a 28.2% increase from $260.4 million for the first six months of 2022. Diluted earnings per common share for the first six months of 2023 were $2.88, a 35.8% increase from $2.12 for the first six months of 2022.

PPNR for the second quarter of 2023 increased $76.6 million, or 41.9%, to a record $259.5 million compared to $182.8 million for the second quarter of 2022. For the six months ended June 30, 2023, PPNR increased $150.0 million, or 42.1%, to $505.9 million compared to $355.9 million for the first six months of 2023.

Our annualized ROAA was 2.27% for the second quarter of 2023 compared to 2.02% for the second quarter of 2022. Our annualized returns on average common stockholders' equity ("ROACE") and average tangible common stockholders' equity[4] ("ROATCE") for the second quarter of 2023 were 15.14% and 17.78%, respectively, compared to 12.40% and 14.69%, respectively, for the second quarter of 2022. Our annualized ROAA, ROACE and ROATCE for the first six months of 2023 were 2.34%, 15.19% and 17.86%, respectively, compared to 2.00%, 12.03% and 14.20%, respectively, for the first six months of 2022.

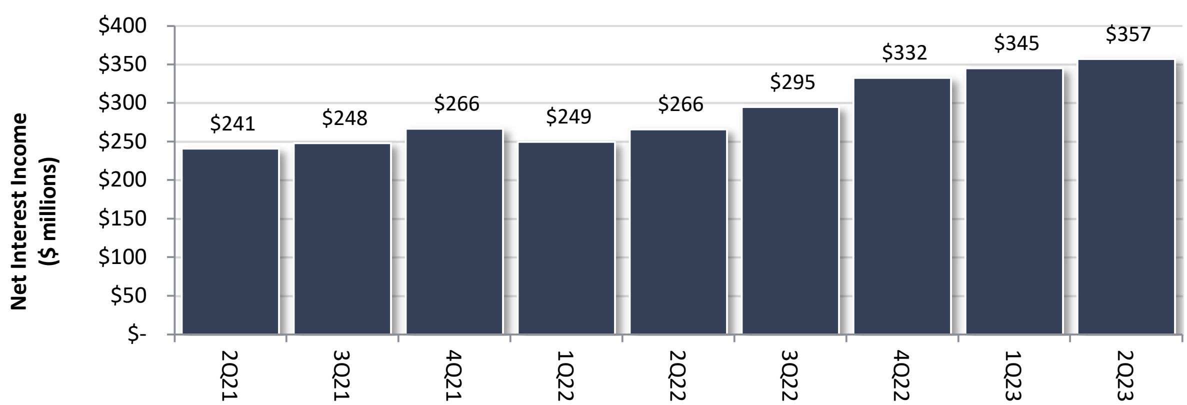
[4] The calculation of the Bank's annualized returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliation to GAAP are included in the schedule at the end of this presentation.

Net Interest Income

Net interest income is our largest category of revenue. As shown in Figure 1, our net interest income for the second quarter of 2023 was a record $357 million, a 34.2% increase from the second quarter of 2022. Our net interest income for the first six months of 2023 was $701.7 million, a 36.2% increase from $515.1 million for the first six months of 2022.

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

Figure 1: Quarterly Net Interest Income



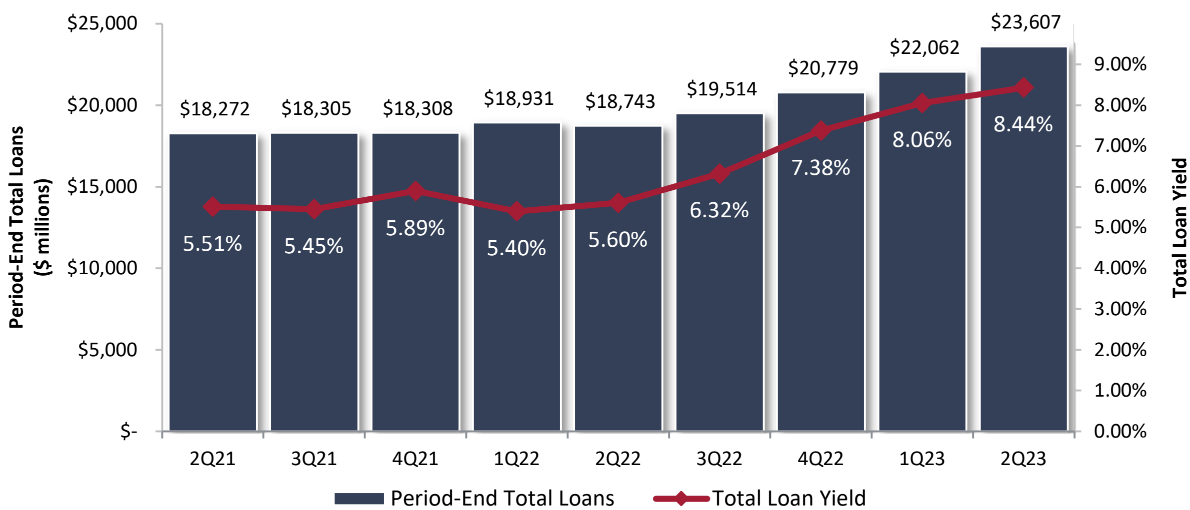
Earning Assets

Loans are the largest part of our earning assets. Our average balance of total loans for the quarter just ended was a record $22.72 billion, an increase of 19.6% from the second quarter of 2022 and 7.0%, not annualized, from the first quarter of 2023. For the first six months of 2023, our average balance of total loans was $21.97 billion, a 16.7% increase from $18.83 billion for the first six months of 2022.

As illustrated in Figure 2, our period-end balance of total loans at June 30, 2023 was a record $23.61 billion, having increased $4.86 billion, or 26.0%, from June 30, 2022 and $1.55 billion, or 7.0% not annualized, from March 31, 2023.

During the first half of this year, our total loans grew $2.83 billion, and we expect continued growth in total loans in the second half of 2023.

Figure 2: Total Loan Balances and Yields

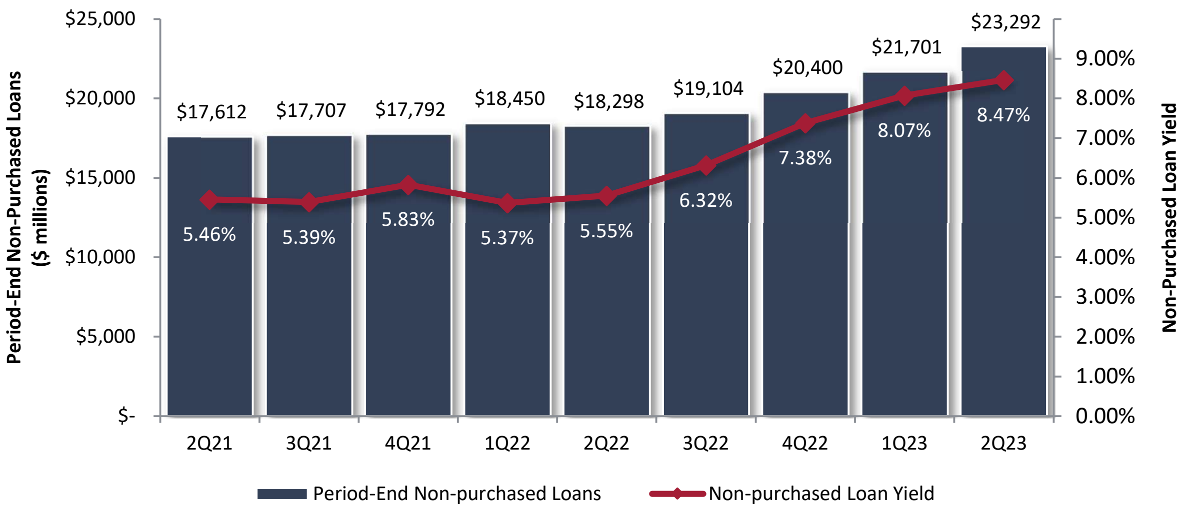


In the second quarter of 2023, our yield on total loans was 8.44%, an increase of 284 basis points (“bps”) from the second quarter of 2022 and 38 bps from the first quarter of 2023. In the first six months of 2023, our yield on total loans was 8.26%, an increase of 276 bps from the first six months of 2022.

Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from acquisitions, accounted for 82.6% of our average earning assets in the quarter just ended. As illustrated in Figure 3, non-purchased loans were a record $23.29 billion at June 30, 2023, having increased $4.99 billion, or 27.3%, from June 30, 2022, and $1.59 billion, or 7.3% not annualized, from March 31, 2023. For the first six months of 2023 our outstanding balance of non-purchased loans increased $2.89 billion, or 14.2% not annualized.

Figure 3: Non-purchased Loan Balances and Yields



In the second quarter of 2023, our yield on non-purchased loans was 8.47%, an increase of 292 bps from the second quarter of 2022 and 40 bps from the first quarter of 2023. In the first six months of 2023, our yield on non-purchased loans was 8.28%, an increase of 282 bps from the first six months of 2022.

Loan Portfolio Diversification

Figures 4 and 5 reflect the mix in our non-purchased loan growth in the second quarter and first six months of 2023. In the quarter just ended, Real Estate Specialties Group ("RESG") was the largest contributor to non-purchased loan growth. We were pleased to see that Community Banking, Indirect RV & Marine, Asset Based Lending Group ("ABLG") and Corporate and Business Specialties Group ("CBSG"), collectively, contributed meaningfully to non-purchased loan growth in the first six months of the year. We expect these teams to continue to contribute to our long-term growth and portfolio diversification.

Figure 4: Non-purchased Loan Growth – 2Q23 ($ millions)

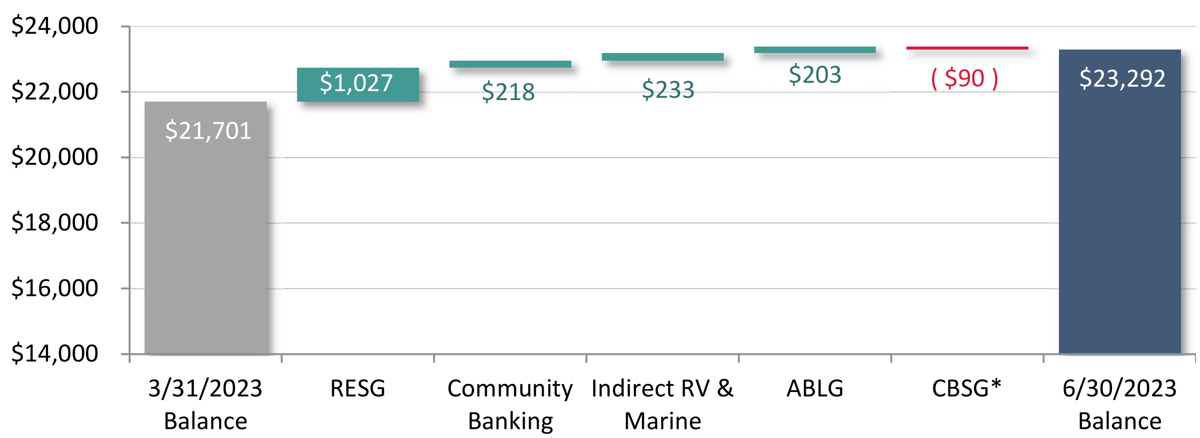
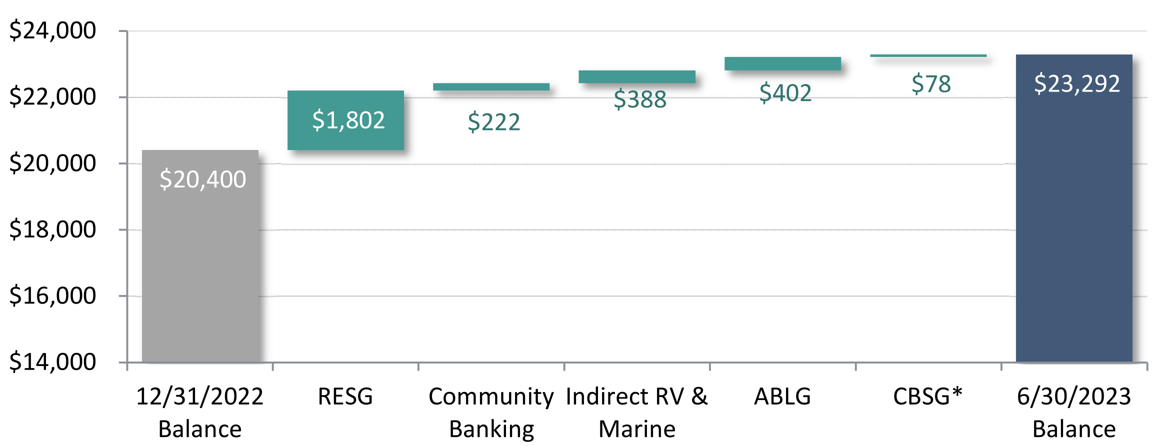


Figure 5: Non-purchased Loan Growth – 6M23 ($ millions)



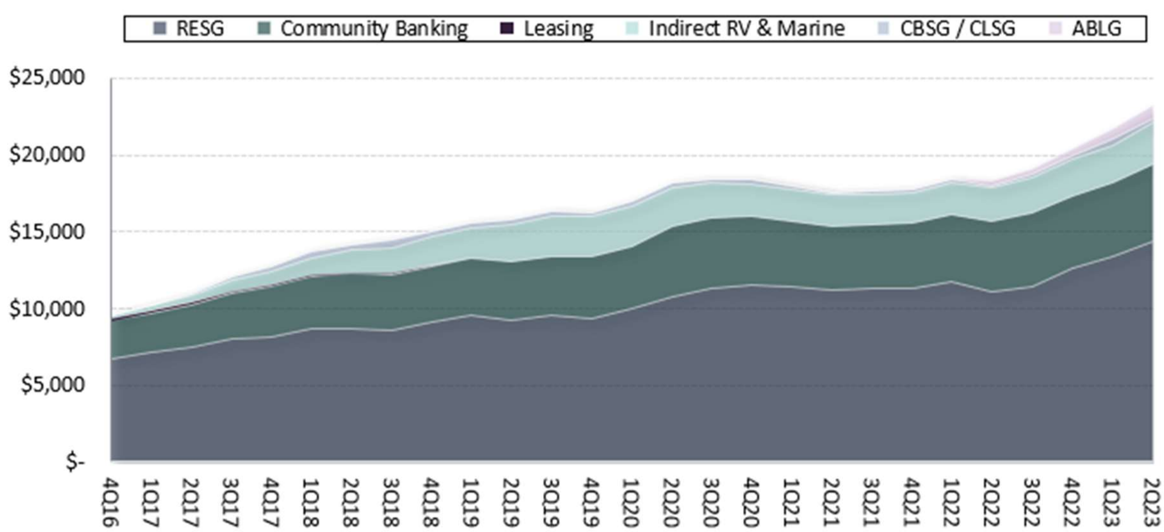
** CBSG is a team focused on subscription finance, NAV finance, and other secured non-real estate lending opportunities.*

Even as our outstanding balance of RESG loans has reached record levels, RESG's percentage of our non-purchased loans has declined from a peak of 70% at year end 2016 to 62% as of June 30, 2023, as illustrated in Figure 6. Figure 7 illustrates the growth and mix of our lending groups since 2016.

Figure 6: Non-purchased Loan Composition Comparison ($ millions)

	12/31/16	6/30/23
RESG	$ 6,741	$ 14,401
Community Banking	2,487	5,015
Leasing	137	-
Indirect Lending	188	2,717
CBSG	51	275
ABLG	-	884
Total	**$ 9,605**	**$ 23,292**

Figure 7: Non-purchased Loan Growth Trends ($ millions)



We want to continue to grow our RESG portfolio while also achieving greater portfolio diversification through growth in our community banking, Indirect RV & Marine, CBSG and ABLG portfolios. We have good momentum with each of those teams. While RESG's percentage of our total loans may increase in the near term due to a combination of factors, including funding of RESG's record 2022 level of originations and slower loan repayments in the current high interest rate environment, we expect to achieve greater portfolio diversification in future years. This "growth, growth and diversification" strategy allows us to capitalize on the unique strengths and expertise of RESG, while continuing to ramp up growth in other lending teams contributing to long-term portfolio diversification.

As reflected in Figures 8 and 9, RESG's funded balance of non-purchased loans increased $1.03 billion and $1.80 billion during the second quarter and first six months of 2023, respectively.

Figure 8: Activity in RESG Funded Balances – 2Q23 ($ billions)

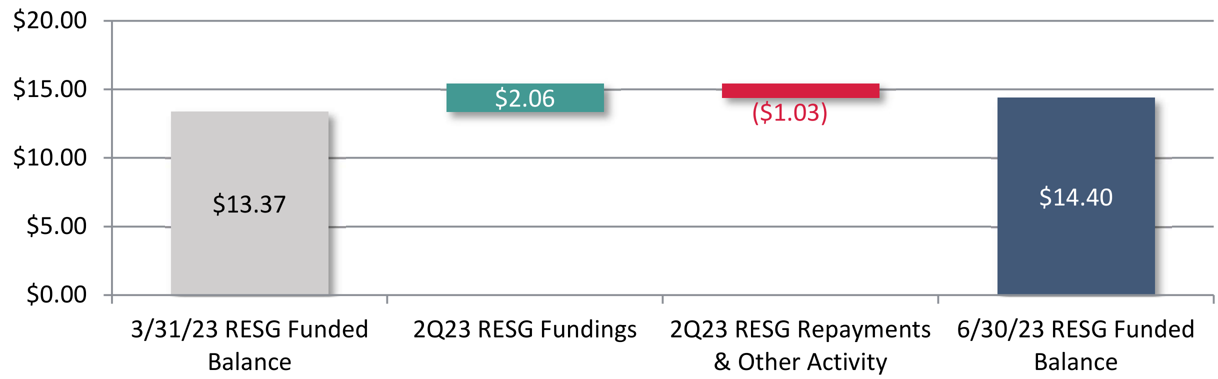
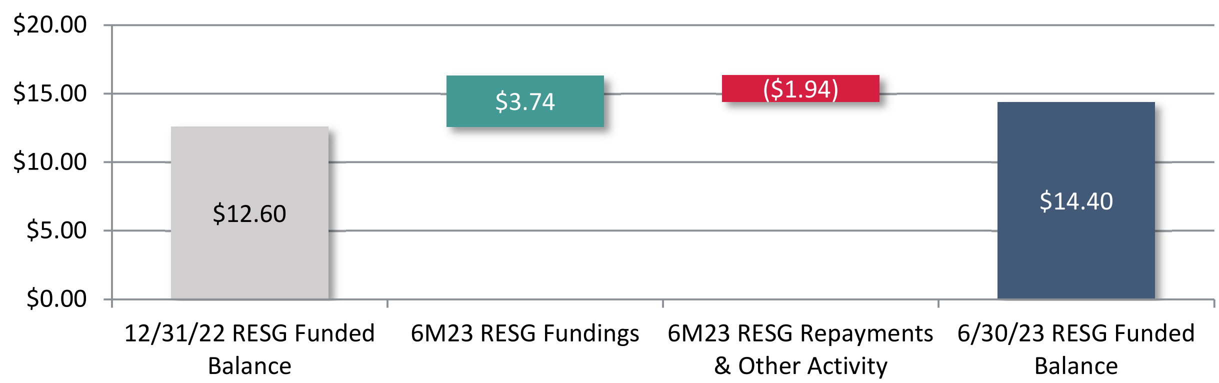


Figure 9: Activity in RESG Funded Balances – 6M23 ($ billions)



As shown in Figure 10, RESG loan originations were $1.41 billion in the second quarter of 2023. RESG loan originations for the first six months of 2023 were $3.22 billion. Given the typical lag between RESG originations and the funding of such loans, the record 2022 origination volume should continue to contribute meaningfully to funded loan growth in the remainder of 2023 and 2024.

Figure 10: RESG Quarterly Loan Originations

($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67	$1.40	$1.77	$6.59
FY2021	$1.28	$1.46	$2.21	$2.99	$7.94
FY2022	$3.14	$3.53	$4.35	$2.81	$13.82
FY2023	$1.81	$1.41			$3.22

**6M23 Not Annualized*

We have recently seen a moderate increase in the pipeline of new RESG origination opportunities. This is causing us to moderately increase our expectations for RESG origination volume for the full year of 2023, which we now expect to be at or somewhat above the level achieved in 2021. Origination volume may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

As shown in Figure 11, RESG's loan repayments and other activity were $1.03 billion in the quarter just ended and $1.94 billion for the first six months of 2023.

Figure 11: RESG Quarterly Loan Repayments & Other Activity

($ billions)

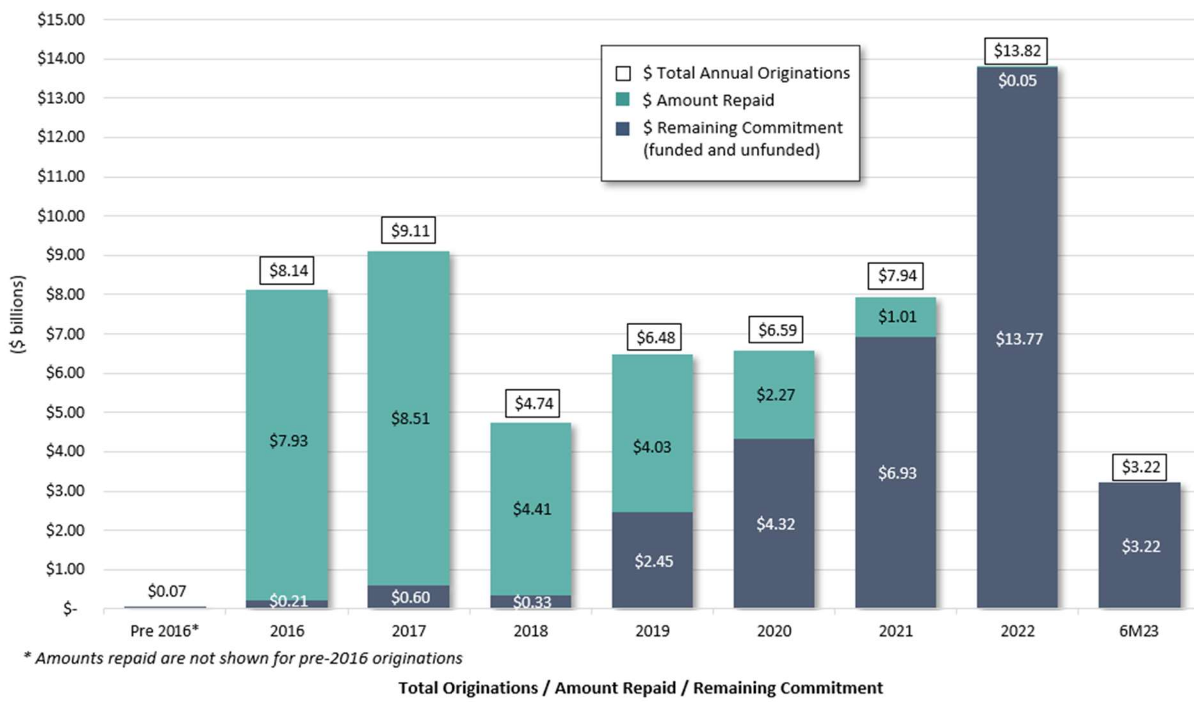
	Q1	Q2	Q3	Q4	Total*
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22
FY2022	$1.31	$2.34	$1.28	$0.72	$5.65
FY2023	$0.91	$1.03			$1.94

**6M23 Not Annualized*

We are also moderately revising our expectations for RESG loan repayments for the full year of 2023, which are now expected to be approximately in line with our average annual repayments over the last five years. Of course, many sponsors are carefully monitoring interest rates and refinance market conditions to determine when to move projects from construction financing to bridge or permanent loans. As seen in recent quarters, RESG loan repayments may vary substantially from quarter to quarter and may have an outsized impact on our outstanding loan balances in one or more quarters.

Figure 12 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded, as of June 30, 2023.

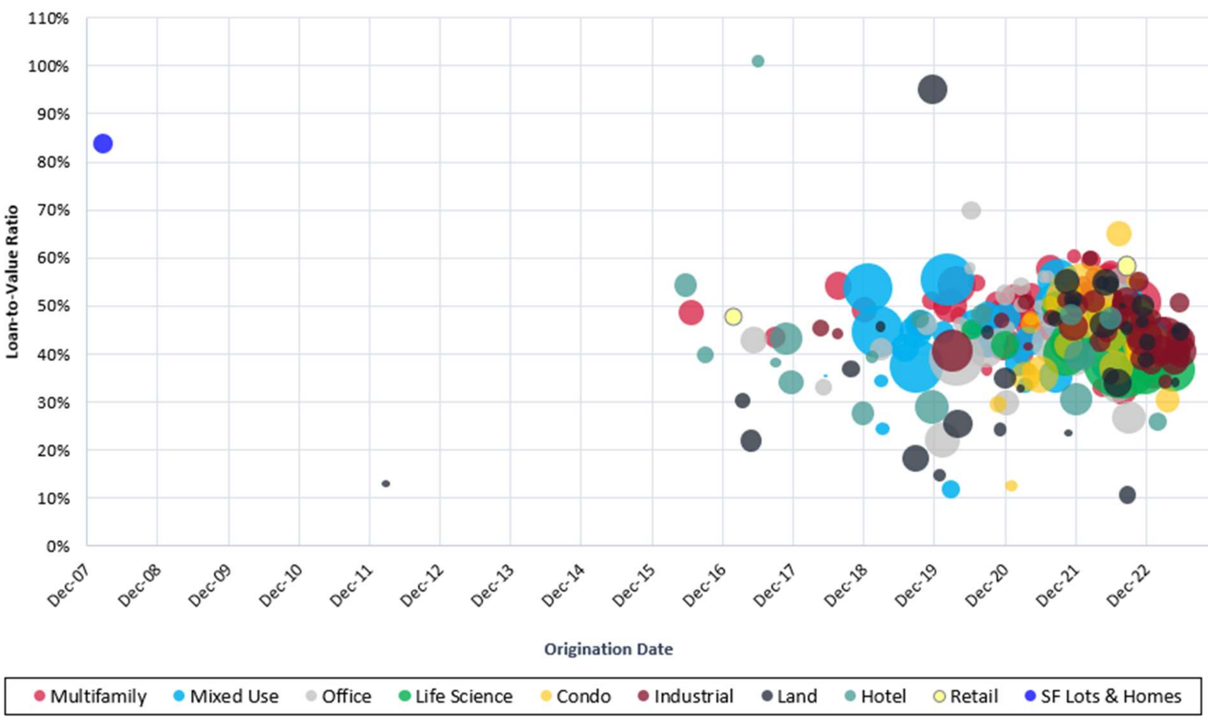
Figure 12: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*



The loan-to-value ("LTV") metrics on individual loans within the RESG portfolio are illustrated in Figure 13. The RESG portfolio included two substandard accrual rated credits and one special mention rated credit at June 30, 2023, all of which were current. A $56 million credit with an 84% LTV has been substandard accrual since 2019 and has shown marginal improvement in recent years. A $24 million substandard accrual (previously special mention) credit with a 101% LTV and a $128 million special mention (previously pass) credit with a 95% LTV were downgraded during the quarter just ended primarily due to LTV increases resulting from updated appraisals. The respective sponsor in each transaction is working to bring in new capital and considering a potential extension. All other credits in the RESG portfolio have LTV ratios of less than 70%.

Figure 13: RESG Portfolio by LTV & Origination Date (As of June 30, 2023)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount



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

The significant protection provided by RESG's conservative loan-to-cost ("LTC") and LTV metrics is always important, and especially so in the current macroeconomic environment. Assuming full funding of every RESG loan, as of June 30, 2023, the weighted average LTC for the RESG portfolio was 53%, and the weighted average LTV was 43%. RESG collateral valuations are supported by the fact that the majority of RESG loans are for new construction featuring the most current design and amenity packages, which provides a distinct competitive advantage compared to older, less desirable properties.

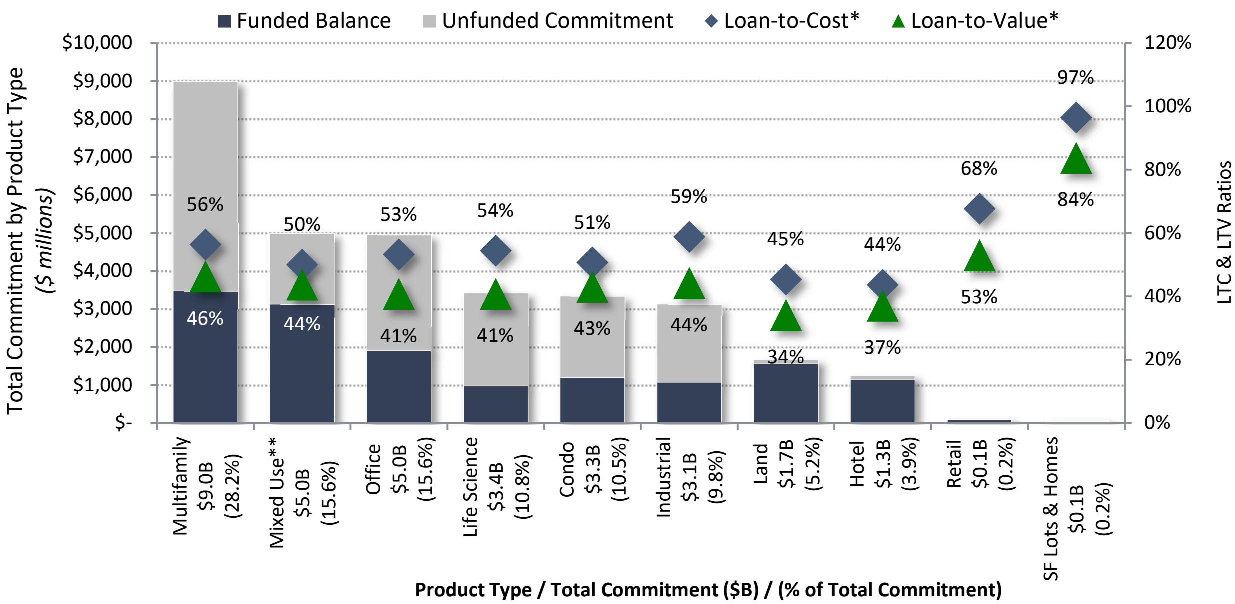
During the second quarter of 2023, RESG obtained updated appraisals on 15 loans with a total commitment of $1.07 billion. Figure 14 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value and the previous total loan commitment for each of these loans. Principal paydowns received on several of these loans were an important factor in keeping LTVs at favorable levels. In summary, LTVs were relatively unchanged (plus or minus 5%) for four loans, LTVs decreased more than 5% for four loans and LTVs increased more than 5% for seven loans.

Figure 14: Appraisals Obtained in 2Q23 ($ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 6/30/23	Δ in LTV
Land	$ 128	39.7%	95.0%	55.3%
Office	54	48.8%	69.9%	21.1%
Hotel	24	83.6%	101.1%	17.5%
Office	21	46.6%	57.9%	11.4%
Multifamily	94	37.5%	48.7%	11.1%
Multifamily	169	39.4%	50.0%	10.6%
Multifamily	56	44.7%	50.3%	5.6%
Office	74	37.3%	40.9%	3.7%
Office	44	31.6%	33.1%	1.5%
Condo	101	47.0%	46.3%	-0.7%
Mixed Use	47	12.8%	11.9%	-0.9%
Industrial	18	49.9%	44.3%	-5.5%
Multifamily	108	60.1%	54.2%	-5.9%
Land	12	60.0%	50.4%	-9.6%
Land	119	45.6%	25.5%	-20.0%

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

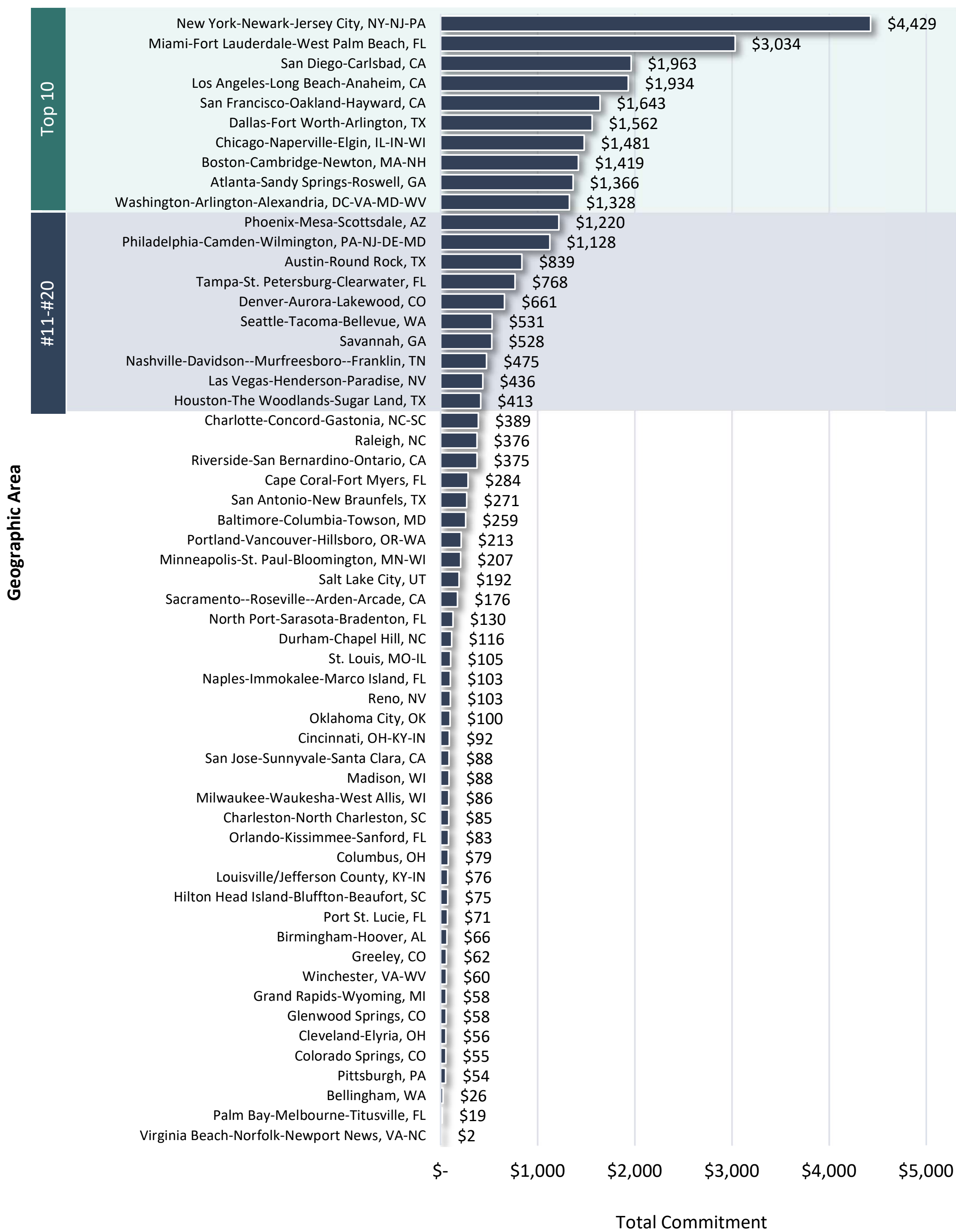
Figure 15: RESG Portfolio Diversification by Product Type (As of June 30, 2023)



** LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*
*** Mixed use projects contain multiple property types, none of which individually contribute 75% or more of the project value.*

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

Figure 16: RESG Portfolio Diversification – All Geographies (As of June 30, 2023) ($ millions)

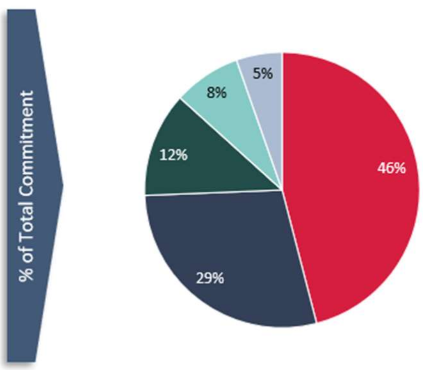


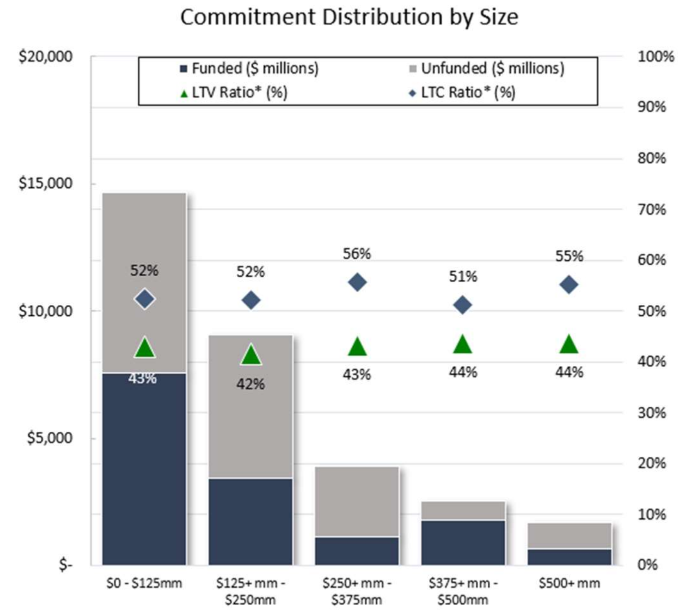
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 17.

Figure 17: RESG Portfolio Stratification by Loan Size – Total Commitment (As of June 30, 2023)

($ millions)

Tranche	No. of Loans	Funded	Total Funded & Unfunded
$0 - $125mm	266	$ 7,486	$ 14,660
$125+ mm - $250mm	54	3,366	9,063
$250+ mm - $375mm	13	1,116	3,924
$375+ mm - $500mm	6	1,775	2,534
$500+ mm	2	658	1,715
Total	**341**	**$ 14,401**	**$ 31,896**





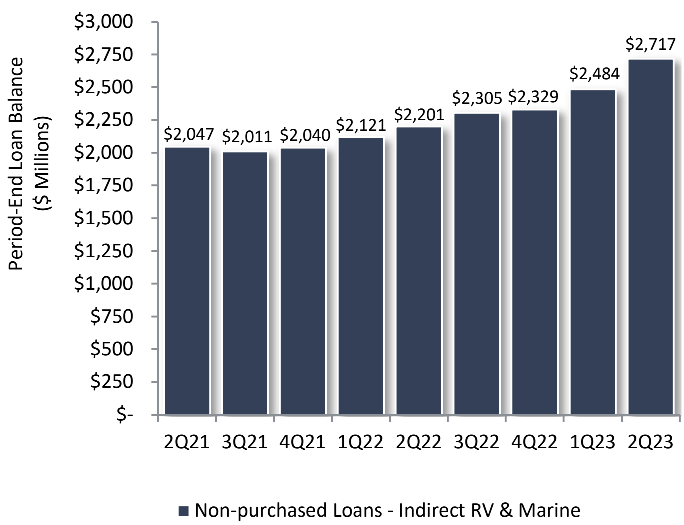
** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

Our Community Banking loans, which accounted for 21% of the funded balance of non-purchased loans as of June 30, 2023, include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, affordable housing, middle market CRE, home builder finance and equipment finance/capital solutions lending teams. Growth in these units is an important part of our broader strategy for portfolio diversification, both in terms of product types and geography.

Indirect RV & Marine lending is a nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards. This portfolio accounted for 12% of the funded balance of non-purchased loans as of June 30, 2023. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans.

As of June 30, 2023, the non-purchased indirect portfolio had a 30+ day delinquency ratio of 12 bps. For the second quarter and first six months of 2023, our annualized net charge-off ratio for the non-purchased indirect portfolio was 21 bps and 24 bps, respectively. Figure 18 provides additional details regarding this portfolio.

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



RV Portfolio at 6/30/23

Loan Size	Total #	$ thousands
$1 million +	1	$ 1,615
$750k - $999k	-	-
$250k - $749k	532	165,575
$50k - $249k	10,366	1,152,582
< $50k	6,429	163,614
Total	**17,328**	**$ 1,483,385**

Marine Portfolio at 6/30/23

Loan Size	Total #	$ thousands
$1 million +	53	$ 114,194
$750k - $999k	49	42,448
$250k - $749k	653	243,724
$50k - $249k	6,307	737,484
< $50k	3,182	96,145
Total	**10,244**	**$ 1,233,995**

Unfunded Balances of Loans Already Closed

At June 30, 2023, RESG accounted for 82% of our $21.12 billion unfunded balance of loans already closed, followed by Community Banking at 9%, CBSG at 4%, and ABLG at 5%. Our total unfunded balance has increased only slightly in the first half of 2023, as shown in Figures 19 and 20, although the mix has continued to diversify with RESG accounting for 82% of the unfunded balance compared to 86% at December 31, 2022.

Figure 19: Activity in Unfunded Balances – 2Q23 ($ millions)

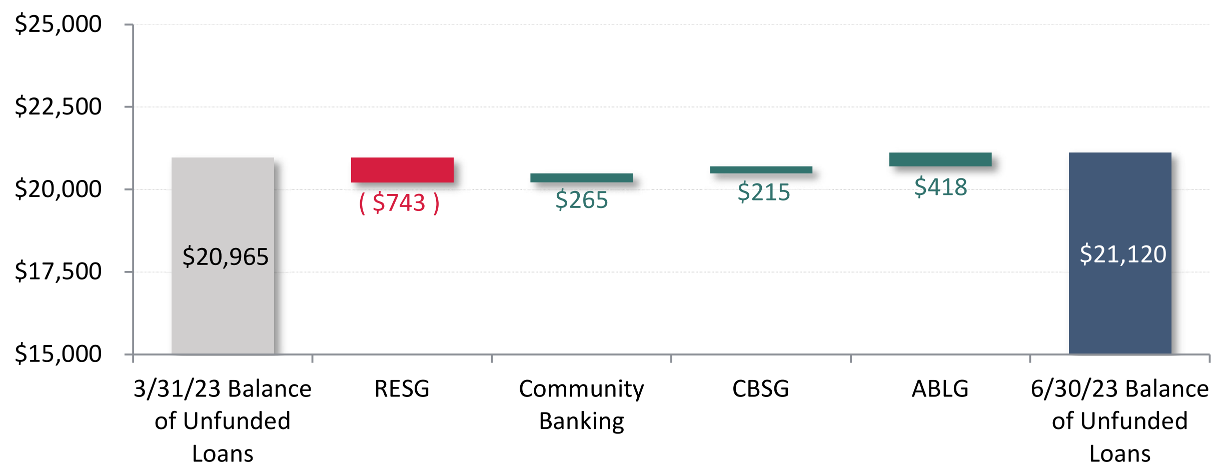
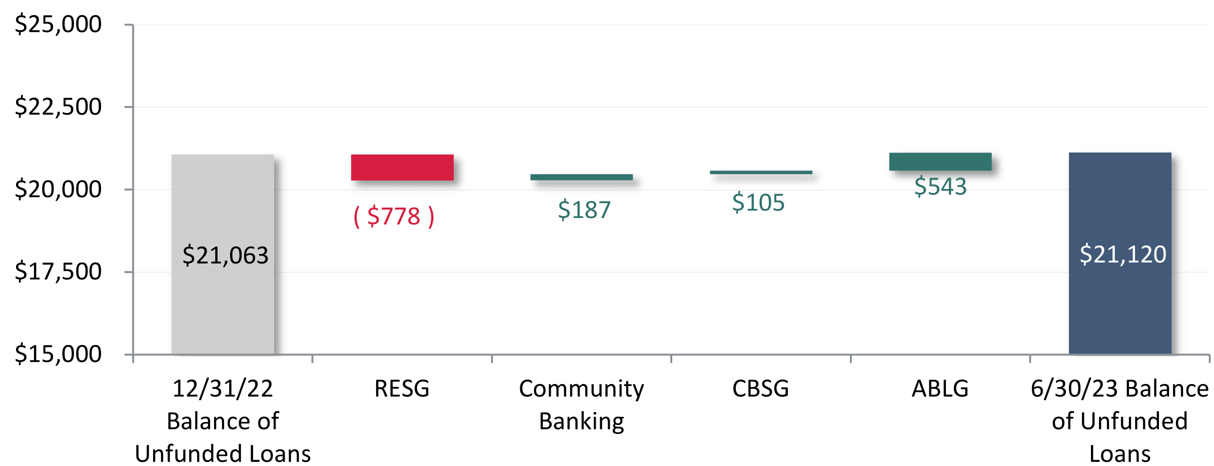


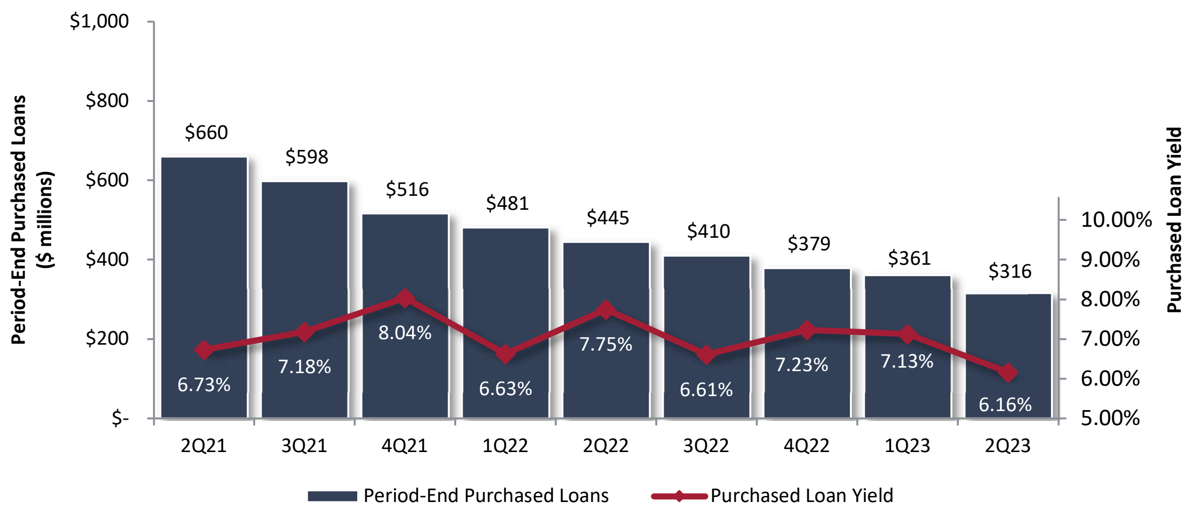
Figure 20: Activity in Unfunded Balances – 6M23 ($ millions)



Purchased Loans

Purchased loans, which are the remaining loans from acquisitions, accounted for 1.3% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.05 billion, or 12.6% not annualized, to $0.32 billion at June 30, 2023. For the first six months of 2023, our purchased loan portfolio decreased by $0.06 billion, or 16.6%. Figure 21 shows recent purchased loan portfolio trends.

Figure 21: Purchased Loan Balances and Yields

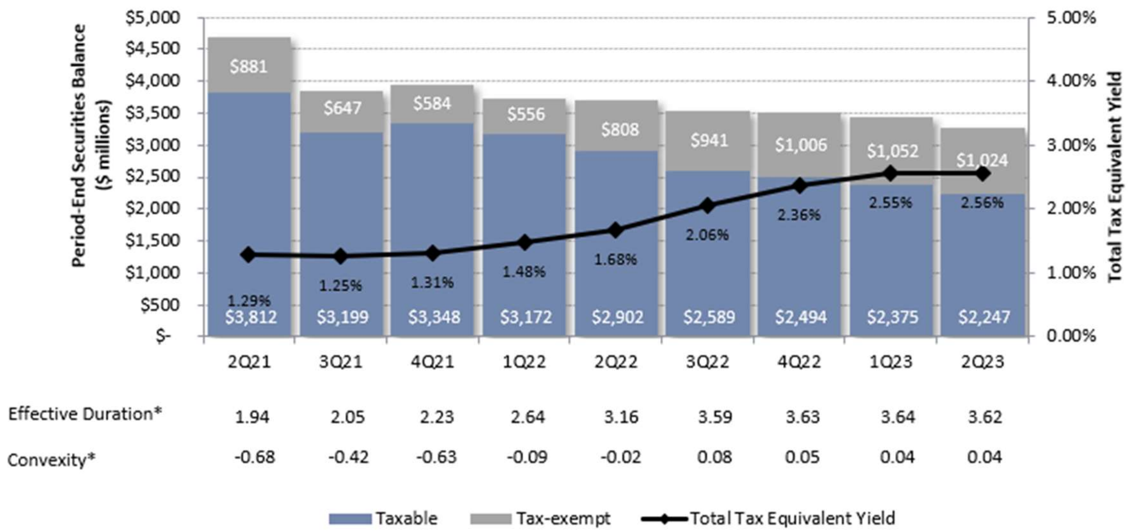


In the second quarter of 2023, our yield on purchased loans was 6.16%, a decrease of 159 bps and 97 bps from the second quarter of 2022 and the first quarter of 2023, respectively. In the first six months of 2023, our yield on purchased loans was 6.66%, a decrease of 52 bps from the first six months of 2022.

Investment Securities Portfolio

As illustrated in Figure 22, at June 30, 2023, our investment securities portfolio was $3.26 billion, a decrease of $0.44 billion, or 12.0%, from June 30, 2022 and $0.16 billion, or 4.7% not annualized, from March 31, 2023. In the quarter just ended, our investment portfolio yield on a fully taxable equivalent basis was 2.56%, an increase of 88 bps from the second quarter of 2022 and one basis point from the first quarter of 2023.

Figure 22: Investment Securities Portfolio Balances and Yields



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

As shown above, our portfolio had an effective duration of 3.62 years. It contains a number of short-term securities providing us cash flow to reinvest or otherwise redeploy. Principal cash flow from maturities and other principal repayments in the third quarter of 2023 is expected to be approximately $0.14 billion, or about 4.4% of the portfolio. Cumulative principal cash flow for the next four quarters through June 30, 2024, is expected to be approximately $0.56 billion, or about 17.1% of the portfolio.

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

Deposits and Liquidity

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

During the quarter just ended, our deposits grew to a record $23.98 billion, increasing $1.70 billion, or 7.6% not annualized. During the first six months of 2023, our deposits increased $2.48 billion, or 11.5% not annualized, compared to December 31, 2022.

Most of our deposits are generated through our network of 230 retail branches in Arkansas, Georgia, Florida, North Carolina, and Texas. Because of the substantial "retail" nature of our deposit base, the majority of our deposits are insured (68% at June 30, 2023) and, in the case of public funds and certain other deposits, collateralized (12% at June 30, 2023). As of June 30, 2023, our average account balance was approximately $37,000. The diversity of our deposit base is an important factor in the stability of our deposits, as demonstrated over the last two quarters.

Figure 23: Deposit Composition ($ millions)

	Period Ended									
	6/30/2022		9/30/2022		12/31/2022		3/31/2023		6/30/2023	
Noninterest Bearing	$ 5,118	25.6%	$ 4,824	23.6%	$ 4,658	21.7%	$ 4,420	19.8%	$ 4,535	18.9%
Consumer and Commercial Interest Bearing:										
Consumer - Non-time	4,462	22.3%	4,198	20.6%	3,916	18.2%	3,490	15.7%	3,143	13.1%
Consumer - Time	3,939	19.7%	4,127	20.2%	4,936	23.0%	6,155	27.6%	7,499	31.3%
Commercial - Non-time	2,788	14.0%	2,891	14.2%	2,741	12.7%	2,487	11.2%	2,334	9.7%
Commercial - Time	642	3.2%	557	2.7%	516	2.4%	560	2.5%	621	2.6%
Public Funds	1,828	9.1%	2,055	10.1%	2,103	9.8%	2,325	10.4%	2,595	10.8%
Brokered	815	4.1%	1,322	6.5%	2,050	9.5%	2,104	9.5%	2,356	9.8%
Reciprocal	392	2.0%	428	2.1%	578	2.7%	743	3.3%	901	3.8%
Total	$ 19,984	100.0%	$ 20,402	100.0%	$ 21,500	100.0%	$ 22,283	100.0%	$ 23,983	100.0%

We maintain substantial and diverse sources of available primary and secondary liquidity as reflected in Figure 24.

Figure 24: Available Primary and Secondary Liquidity Sources as of June 30, 2023 *($ millions)*

	Total Capacity	Outstanding	Available Liquidity
Cash & Cash Equivalents	$ 1,455	$	$ 1,455
Unpledged Investment Securities	2,373		2,373
FHLB	8,439	3,385 *	5,054
Unsecured Lines of Credit	1,000	125	875
Fed Discount Window**	376	-	376
Total	$ 13,643	$ 3,510	$ 10,133

* *FHLB Borrowings outstanding included $975 million of borrowings outstanding and $2.4 billion of outstanding letters of credit at 6/30/23.*

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

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

	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
Cash & Cash Equivalents	$ 1,140	$ 896	$ 1,033	$ 1,039	$ 1,455
Unpledged Investment Securities	2,862	2,565	2,616	2,665	2,373
FHLB	4,958	5,033	5,059	4,782	5,054
Unsecured Lines of Credit	1,075	1,075	1,065	1,065	875
Fed Discount Window*	446	400	401	404	376
Total	$ 10,482	$ 9,968	$ 10,174	$ 9,956	$ 10,133

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

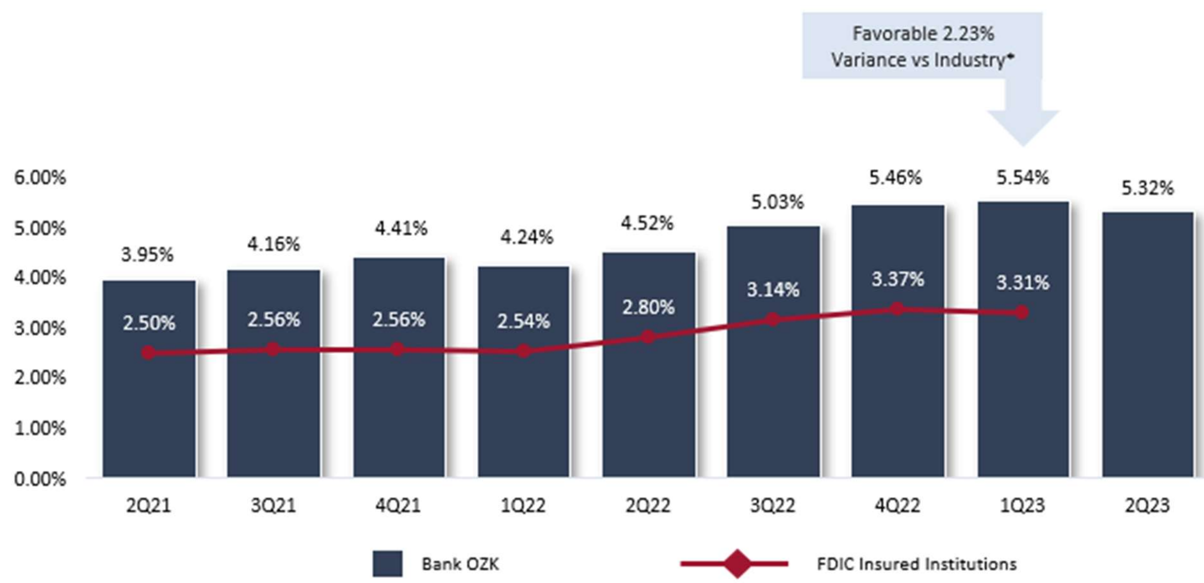
Net Interest Margin and Core Spread

During the quarter just ended, our net interest margin was 5.32%, decreasing 22 bps from the first quarter of 2023, but increasing 80 bps from the second quarter of 2022.

Compared to the first quarter of 2023, our yield on average earning assets in the quarter just ended was 7.57%, an increase of 38 bps, and our cost of interest bearing liabilities was 3.04%, an increase of 73 bps. Compared to the second quarter of 2022, our yield on average earning assets increased 279 bps and our cost of interest bearing liabilities increased 265 bps.

As shown in Figure 26, in the first quarter of 2023, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 223 bps.

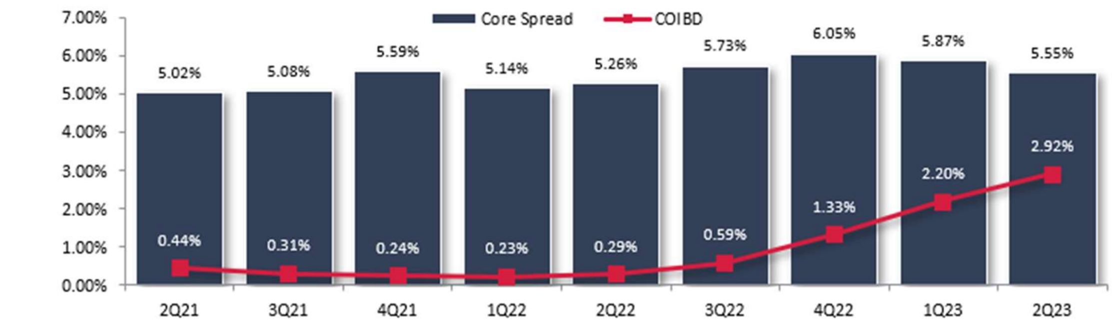
Figure 26: Quarterly Net Interest Margin (%)



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

As reflected in Figure 27, during the quarter just ended, our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest bearing deposits ("COIBD"), was 5.55%, a decrease of 32 bps from the first quarter of 2023, but an increase of 29 bps from the second quarter of 2022. In the quarter just ended, compared to the first quarter of 2023, our yield on non-purchased loans increased 40 bps and our COIBD increased 72 bps, but compared to the second quarter of 2022, our yield on non-purchased loans increased 292 bps and our COIBD increased 263 bps.

Figure 27: Core Spread and COIBD



Yield on Non-purchased loans	*5.46%*	*5.39%*	*5.83%*	*5.37%*	*5.55%*	*6.32%*	*7.38%*	*8.07%*	*8.47%*
COIBD	*0.44%*	*0.31%*	*0.24%*	*0.23%*	*0.29%*	*0.59%*	*1.33%*	*2.20%*	*2.92%*
Core Spread	*5.02%*	*5.08%*	*5.59%*	*5.14%*	*5.26%*	*5.73%*	*6.05%*	*5.87%*	*5.55%*

Over the last five quarters since the Fed started increasing the Fed funds target rate, our non-purchased loan yields have increased more than our COIBD, resulting in our net interest margin and core spread expanding 108 bps and 41 bps, respectively. However, during the last two quarters, our COIBD increased more than our yield on non-purchased loans, as deposit rates began to catch-up with changes in variable-rate loan yields. Assuming that the Fed is at or near the end of its tightening cycle, we expect our COIBD will continue to increase in the coming quarters at a faster rate than increases, if any, in our loan yields, resulting in further decreases in our core spread and net interest margin over the remainder of 2023.

In 2022 our growth in net interest income was most significantly a result of net interest margin expansion, and secondarily from growth in average earning assets. In 2023 we expect that continued growth in average earning assets will be the key to our efforts to maintain or increase our net interest income, as net interest margin is expected to continue to decline in the coming quarters.

Variable Rate Loans

At June 30, 2023, 79% of our funded balance of total loans had variable rates, of which 83% were tied to 1-month term SOFR, 15% to WSJ Prime and 2% to other indexes. At June 30, 2023, 99% of our variable rate total loans (non-purchased and purchased) had floor rates, and the vast majority of such loans were above their floor rates.

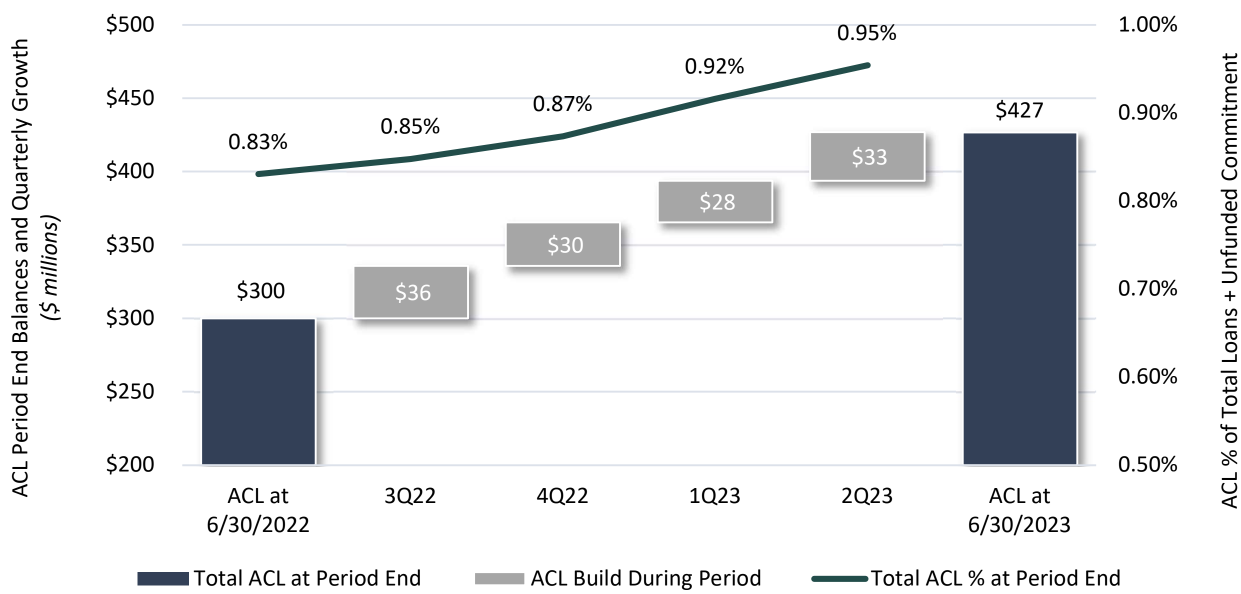
Provision and Allowance for Credit Losses ("ACL")

Our provision for credit losses was $41.8 million and $77.6 million, respectively, for the second quarter and first six months of 2023, while our net charge-offs were $8.7 million and $16.1 million, respectively, for the second quarter and first six months of 2023.

As of June 30, 2023, our total ACL was $426.8 million, or 0.95% of total outstanding loans and unfunded loan commitments. This included our allowance for loan losses ("ALL"), which was $263.2 million, or 1.11% of total outstanding loans, and our reserve for losses on our unfunded loan commitments, which was $163.6 million, or 0.77% of unfunded loan commitments.

As shown in Figure 28, over the last four quarters we have increased our total ACL by a net $127 million. A large part of this increase was due to our $8.62 billion combined growth in total outstanding loans and unfunded loan commitments. The increase in our overall ACL percentage from 0.83% at June 30, 2022 to 0.95% at June 30, 2023 primarily reflected changes in economic assumptions as the Fed increased the Fed funds target rate by 500 bps. Over the last four quarters, we maintained a cautious outlook on macroeconomic conditions with our weightings primarily to the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios resulting in cumulative provision expense of $150 million even as our cumulative net charge-offs were only $23 million.

Figure 28: ACL Build – Last Four Quarters



Activity in our ACL for the second quarter and first six months of 2023 is summarized in Figures 29 and 30.

Figure 29: Activity in ACL – 2Q23 *($ millions)*

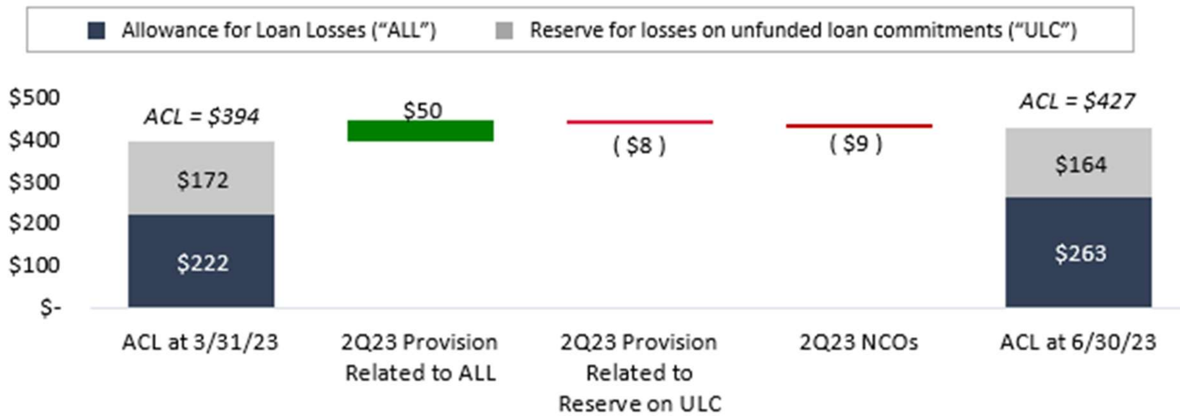
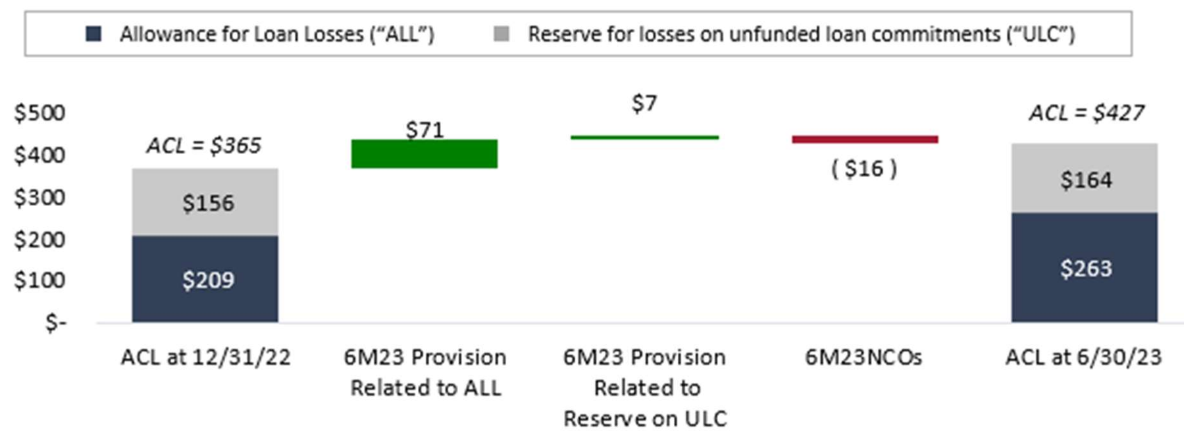


Figure 30: Activity in ACL – 6M23 *($ millions)*



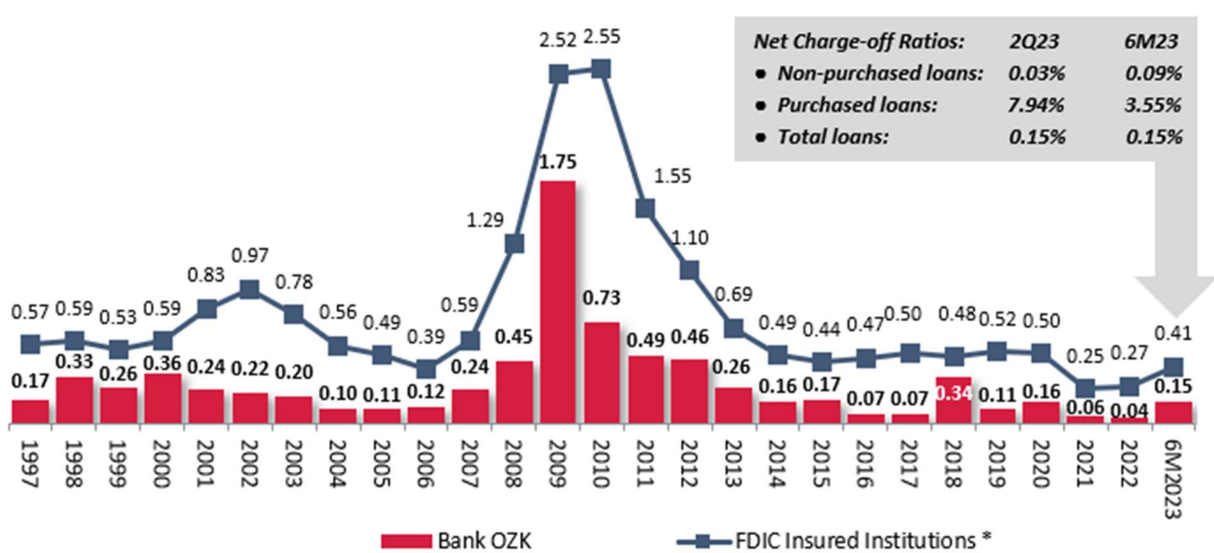
The calculations of our provision for credit losses for the second quarter of 2023 and our total ACL at June 30, 2023 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in June 2023. In our selection of macroeconomic scenarios, we remained weighted to the downside as the combined weightings assigned to the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody's Baseline scenario. Our selection and weightings of these scenarios reflected our assessment of conditions in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including the elevated risks from: a possible recession; inflationary pressures; increases in the Fed funds target rate and quantitative tightening; U.S. fiscal policy actions; banking industry turmoil; supply chain disruptions; global trade and geopolitical matters; the ongoing war in Ukraine; and various other factors. Our ACL calculations include certain qualitative adjustments to capture items not fully reflected in our modeled results.

Net Charge-Offs

We have continued our long-standing track record of having net charge-off ratios well below industry averages, as shown in Figure 31. In the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.03%, for purchased loans was 7.94%, and for total loans was 0.15%. For the first six months of 2023, our annualized net charge-off ratio for non-purchased loans was 0.09%, for purchased loans was 3.55%, and for total loans was 0.15%. In our 25 years as a public company, our net charge-off ratio has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

We have built our portfolio with the goal that it will perform well in adverse conditions, and that discipline has been evident in our recent results through the pandemic, the Fed's increasing interest rates, higher rates of inflation, and numerous other sources of macroeconomic, political and geo-political turbulence. As stated in our earnings call held in January 2023, we continue to expect our net charge-off ratio for the full year of 2023 will be in a range of 6 bps to 16 bps.

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



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

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

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

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

Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio**
2003	$ 5,106	$ 780	$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	537,597	-	0.00%
2011	649,806	592,782	2,905	0.49%
2012	848,441	737,136	-	0.00%
2013	1,270,768	1,085,799	-	0.00%
2014	2,308,573	1,680,919	-	0.00%
2015	4,263,800	2,953,934	-	0.00%
2016	6,741,249	5,569,287	-	0.00%
2017	8,169,581	7,408,367	842	0.01%
2018	9,077,616	8,685,191	45,490	0.52%
2019	9,391,096	9,427,266	-	0.00%
2020	11,591,147	10,651,549	-	0.00%
2021	11,367,505	11,149,098	1,891	0.02%
2022	12,598,957	11,590,988	-	0.00%
6/30/23	14,401,011	13,402,368	-	0.00%
Total			**$ 58,659**	

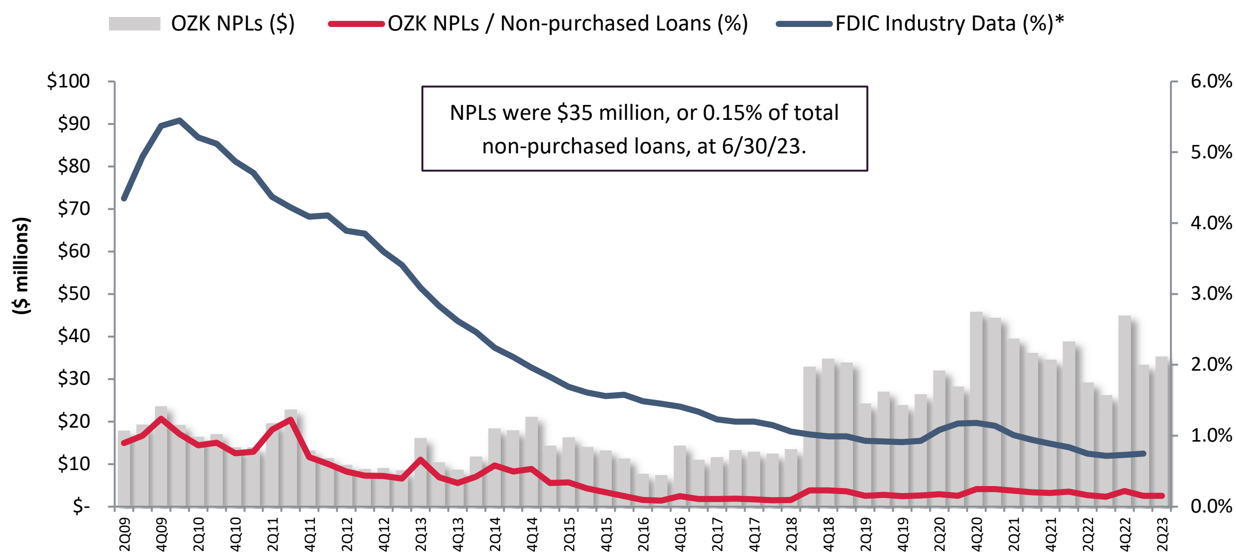
Weighted Average	**0.08%**

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

Other Asset Quality Measures

As shown in Figures 33, 34 and 35, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of outperforming industry averages. We expect our asset quality to continue to outperform industry averages.

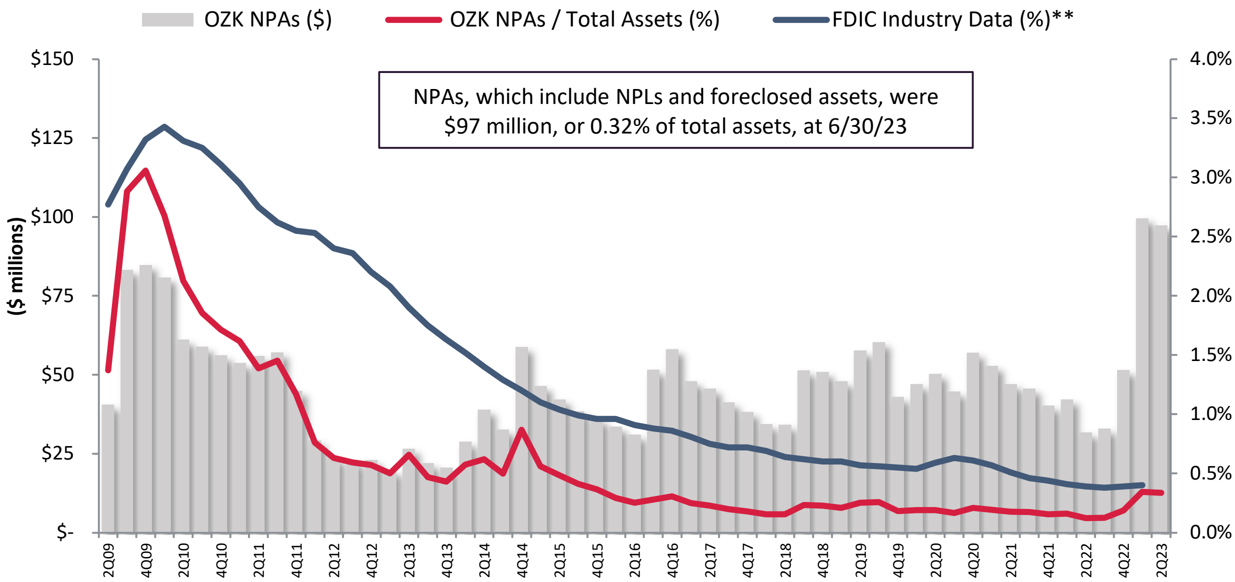
Figure 33: Nonperforming Non-purchased Loans ("NPLs")



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

At June 30, 2023, our ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.15%, unchanged from March 31, 2023.

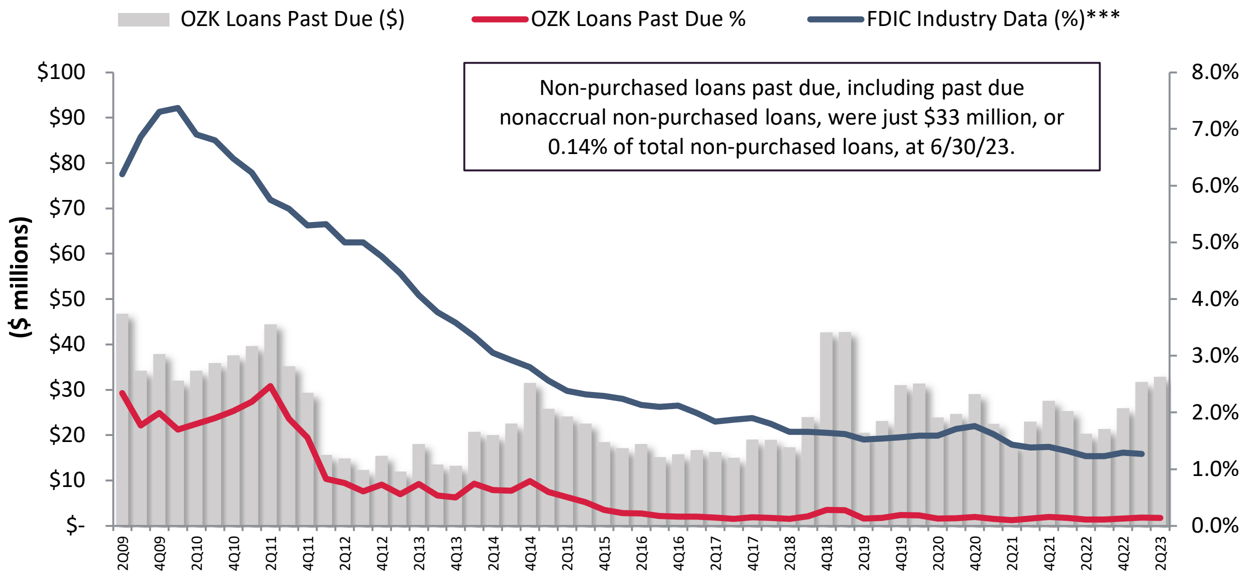
Figure 34: Nonperforming Assets ("NPAs")



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

At June 30, 2023, our ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.32% compared to 0.34% as of March 31, 2023. Our NPAs at June 30, 2023 consisted of $35.3 million of NPLs and $62.0 million of foreclosed assets, with $59.96 million of those foreclosed assets being a single tract of land discussed in our April 20, 2023 Management Comments document. As previously discussed, we do not expect to actively market this land until macroeconomic and market conditions normalize, which may be later this year or sometime in 2024.

Figure 35: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



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

At June 30, 2023, our ratio of non-purchased loans past due to total non-purchased loans was 0.14%, down slightly from 0.15% at March 31, 2023.

Non-interest Income

Non-interest income for the second quarter of 2023 was $32.0 million, an increase of 21.5% from the second quarter of 2022 and 15.0% from the first quarter of 2023. During the quarter just ended, gains on sales of other assets were $5.0 million compared to $0.8 million for the second quarter of 2022. For the first six months of 2023, non-interest income was $59.8 million, an increase of 3.5% from $57.8 million for the first six months of 2022. Figures 36 and 37, respectively, summarize non-interest income for the most recent five quarters and year-over-year trends for the second quarter and first six months of 2023.

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

	For the Three Months Ended				
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
Service charges on deposit accounts:					
NSF fees	$ 1,079	$ 1,152	$ 1,025	$ 991	$ 1,004
Overdraft fees	3,168	3,656	3,442	3,287	3,369
All other service charges	7,184	7,089	7,138	6,502	7,187
Trust income	1,911	2,007	1,977	2,033	2,113
BOLI income:					
Increase in cash surrender value	4,846	4,940	4,953	4,974	5,069
Death benefit	-	510	-	-	-
Loan service, maintenance and other fees	3,603	3,418	3,780	4,076	4,095
Net gains on investment securities - Trading	531	321	1,256	1,716	620
Gains on sales of other assets	784	3,182	510	343	5,033
Other	3,214	2,888	3,463	3,887	3,497
Total non-interest income	$ 26,320	$ 29,163	$ 27,544	$ 27,809	$ 31,987

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

	For the Three Months Ended			For the Six Months Ended		
	6/30/2022	6/30/2023	% Change	6/30/2022	6/30/2023	% Change
Service charges on deposit accounts:						
NSF fees	$ 1,079	$ 1,004	-6.9%	$ 2,159	$ 1,995	-7.6%
Overdraft fees	3,168	3,369	6.3%	6,290	6,656	5.8%
All other service charges	7,184	7,187	0.0%	13,874	13,688	-1.3%
Trust income	1,911	2,113	10.6%	4,005	4,146	3.5%
BOLI income:						
Increase in cash surrender value	4,846	5,069	4.6%	9,639	10,043	4.2%
Death benefit	-	-	-	297	-	NM
Loan service, maintenance and other fees	3,603	4,095	13.6%	6,621	8,170	23.4%
Net gains on investment securities - Trading	531	620	16.8%	441	2,336	NM
Gains on sales of other assets	784	5,033	NM	7,776	5,377	-30.9%
Other	3,214	3,497	8.8%	6,694	7,384	10.3%
Total non-interest income	$ 26,320	$ 31,987	21.5%	$ 57,796	$ 59,795	3.5%

Non-interest Expense

Non-interest expense for the second quarter of 2023 was $129.4 million, an increase of 18.3% from the second quarter of 2022. Non-interest expense for the first six months of 2023 was $255.6 million, an increase of 17.8% from the first six months of 2022.

During 2022 and the first six months of 2023, increases in salaries and employee benefits expense were significant contributors to increased non-interest expense. This escalation in salaries and benefits expense has been driven by competitive labor market conditions and our expanding staff, as illustrated in Figure 38. We expect further growth in headcount throughout 2023 to support our anticipated growth in deposits, loans and other aspects of our business, and this should result in further increases in non-interest expense in future quarters. Also, we believe that current economic conditions may present opportunities to add additional high-quality members to a number of our teams, which may result in further increases in salaries and benefits expense, while also providing future growth opportunities.

Figure 38: FTE Headcount and Salaries & Benefits Expense

	Approx. FTE Headcount *(Period End)*	**Salaries & Benefits Expense** *($ Thousands)*
2Q22	2,474	$ 54,412
3Q22	2,595	$ 57,367
4Q22	2,646	$ 59,946
1Q23	2,681	$ 63,249
2Q23	2,716	$ 65,219

We expect most categories of non-interest expense will continue to increase in 2023 due to a combination of expected growth in our business and inflationary macroeconomic conditions. Additional increases in FDIC deposit insurance expense are expected in future quarters because of our expected growth and the likelihood of one or more special assessments on the industry. Excluding any special FDIC deposit insurance assessments, we expect total non-interest expense for the full year 2023 to increase at a percentage rate in the mid to high teens compared to full year 2022, while maintaining an efficiency ratio in the mid-30’s percent range.

Figures 39 and 40, respectively, summarize non-interest expense for the most recent five quarters and year-over-year trends for the second quarter and first six months of 2023.

Figure 39: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended				
	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023
Salaries & employee benefits	$ 54,412	$ 57,367	$ 59,946	$ 63,249	$ 65,219
Net occupancy and equipment	17,060	18,288	17,597	18,084	19,476
Software and data processing	8,976	8,699	9,512	9,283	9,768
Professional and outside services	5,708	5,404	5,652	5,105	5,445
Advertising and public relations	1,103	3,448	2,987	4,036	3,184
Telecommunication services	1,921	1,921	2,134	2,273	2,398
Travel and meals	2,186	1,962	1,755	1,815	1,903
Deposit insurance and assessments	2,100	2,650	2,710	4,148	4,900
Amortization of intangibles	1,516	1,298	1,189	1,189	1,189
Postage and supplies	1,461	1,991	1,893	1,712	2,431
ATM expense	1,488	1,500	1,834	2,139	1,659
Loan collection and repossession expense	353	402	306	386	517
Writedowns of foreclosed assets	-	87	710	941	24
Amortization of CRA and tax credit investments	4,628	5,155	5,408	6,414	5,566
Other expenses	6,388	5,519	5,380	5,443	5,676
Total non-interest expense	$ 109,300	$ 115,691	$ 119,013	$ 126,217	$ 129,355

Figure 40: Trends in Non-interest Expense – 2022 vs. 2023 *($ thousands)*

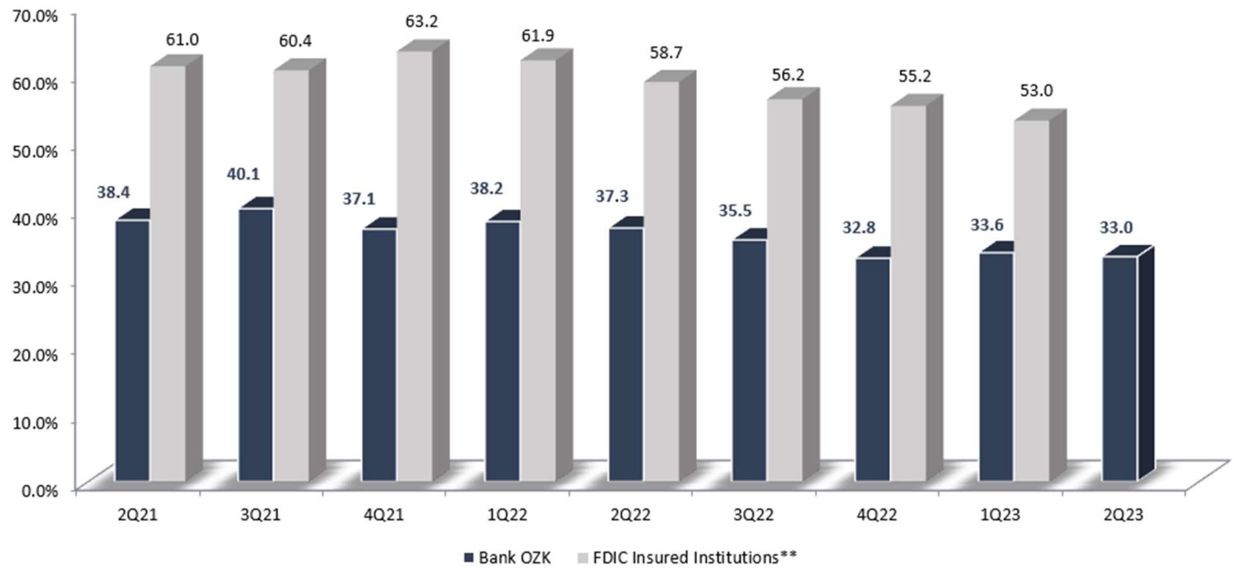
	For the Three Months Ended			For the Six Months Ended		
	6/30/2022	6/30/2023	% Change	6/30/2022	6/30/2023	% Change
Salaries & employee benefits	$ 54,412	$ 65,219	19.9%	$ 109,060	$ 128,468	17.8%
Net occupancy and equipment	17,060	19,476	14.2%	34,309	37,560	9.5%
Software and data processing	8,976	9,768	8.8%	17,162	19,051	11.0%
Professional and outside services	5,708	5,445	-4.6%	10,525	10,550	0.2%
Advertising and public relations	1,103	3,184	188.6%	2,362	7,219	205.6%
Telecommunication services	1,921	2,398	24.8%	3,931	4,671	18.8%
Travel and meals	2,186	1,903	-12.9%	3,944	3,718	-5.7%
FDIC insurance and state assessments	2,100	4,900	133.3%	4,250	9,048	112.9%
Amortization of intangibles	1,516	1,189	-21.6%	3,033	2,377	-21.6%
Postage and supplies	1,461	2,431	66.4%	3,126	4,144	32.6%
ATM expense	1,488	1,659	11.5%	2,997	3,798	26.7%
Loan collection and repossession expense	353	517	46.6%	678	904	33.3%
Writedowns of foreclosed assets	-	24	NM	258	965	273.9%
Amortization of CRA and tax credit investments	4,628	5,566	20.3%	9,730	11,980	23.1%
Other expenses	6,388	5,676	-11.1%	11,651	11,118	-4.6%
Total non-interest expense	$ 109,300	$ 129,355	18.3%	$ 217,016	$ 255,571	17.8%

Efficiency Ratio

As shown in Figure 41, in the quarter just ended, our efficiency ratio was 33.0%. Our efficiency ratio has been in the top decile of the industry for 21 consecutive years.*

Most banks with a good efficiency ratio focus relentlessly on controlling costs. We take a different approach. We achieve our excellent efficiency ratio by pursuing a business model that generates strong revenue. This allows us to be highly efficient while also constantly improving our products and technology for our customers and providing competitive pay and benefits for our teammates.

Figure 41: Quarterly Efficiency Ratio (%)



** Data from S&P Capital IQ.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2023.*

Effective Tax Rate

Our effective tax rate for the quarter just ended was 21.0% and for the first six months of 2023 was 20.2%. Assuming no changes in applicable state or federal income tax rates, we expect our effective tax rate for the full year of 2023 to be between 20.5% and 21.5%. Our expected effective tax rate for 2023 is lower than our effective tax rate in 2022 primarily due to our higher level of investments in low-income housing, renewable energy and other tax credits.

Capital and Dividends

Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building robust capital ratios, as shown in Figure 42, which are among the strongest in the industry. To achieve the best long-term interests of our shareholders, we continue to focus on strategies to deploy our excess capital, including organic loan growth, adding new business lines, continuing to increase our cash dividend, continued stock repurchases, and financially attractive acquisitions for cash or some combination of cash and stock. Our strong capital position gives us significant optionality. Organic loan growth has been and will continue to be our top growth priority, and we are optimistic about our growth prospects in the remainder of 2023 and 2024.

Figure 42: Capital Ratios

	Estimated 6/30/2023 [5]	Regulatory Minimum Required To Be Considered Well Capitalized	Excess Capital
CET 1 Ratio	10.80%	6.50%	4.30%
Tier 1 Ratio	11.70%	8.00%	3.70%
Total RBC Ratio	14.20%	10.00%	4.20%
Tier 1 Leverage	14.70%	5.00%	9.70%

We have increased our cash dividend in each of the last 52 quarters and every year since going public in 1997. We expect that we will continue to increase our cash dividend in future quarters.

Stock Repurchase Program

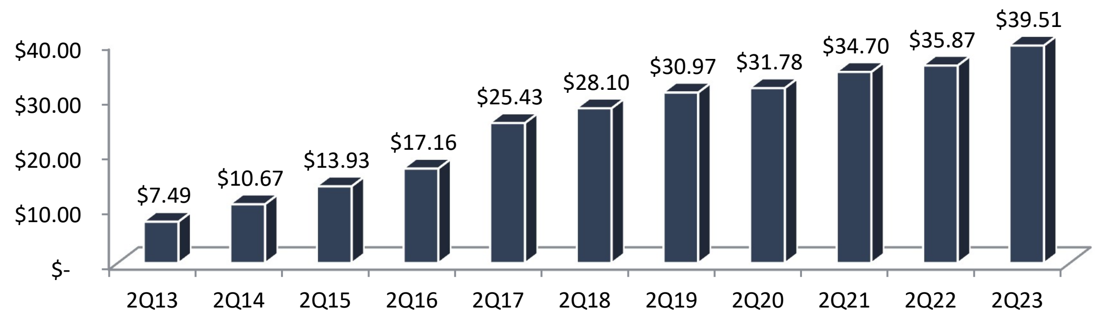
During the quarter just ended, we repurchased approximately 1.96 million shares for $66.1 million, which equates to a weighted average cost of approximately $33.80 per share. During the first six months of 2023, we repurchased 4.3 million shares for $151.5 million, which equates to a weighted average cost of approximately $35.19 per share.

At June 30, 2023, our current stock repurchase program had $133.5 million authorization remaining. The market price of our shares will likely be the primary factor in the timing and volume of additional stock repurchases, if any, between now and the November 9, 2023 expiration of our current program. In evaluating future stock repurchases, management will also consider a variety of other factors including our capital position, expected growth, alternative uses of capital, liquidity, financial performance, expected macroeconomic environment and regulatory requirements.

[5] Ratios as of June 30, 2023 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

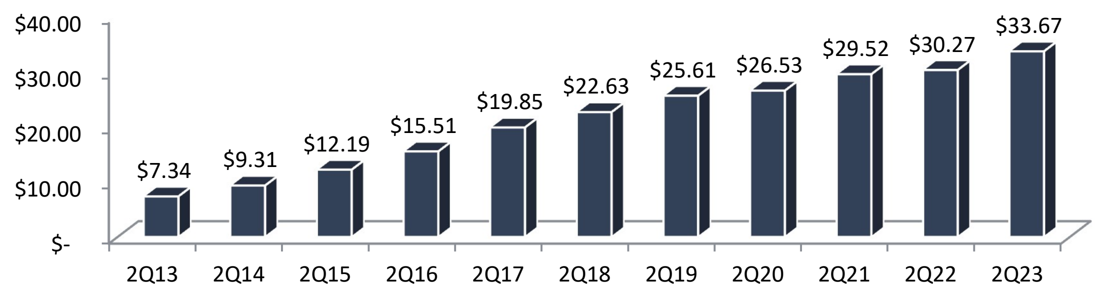
During the quarter just ended, our book value per common share increased to $39.51 compared to $38.43 as of March 31, 2023, and $35.87 as of June 30, 2022. Over the last 10 years, we have increased book value per common share by a cumulative 427%, resulting in a compound annual growth rate of 18.1%, as shown in Figure 43.

Figure 43: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $33.67 compared to $32.68 as of March 31, 2023 and $30.27 as of June 30, 2022. Over the last 10 years, we have increased tangible book value per common share by a cumulative 359%, resulting in a compound annual growth rate of 16.4%, as shown in Figure 44.

Figure 44: Tangible Book Value per Share (Period End) [6]

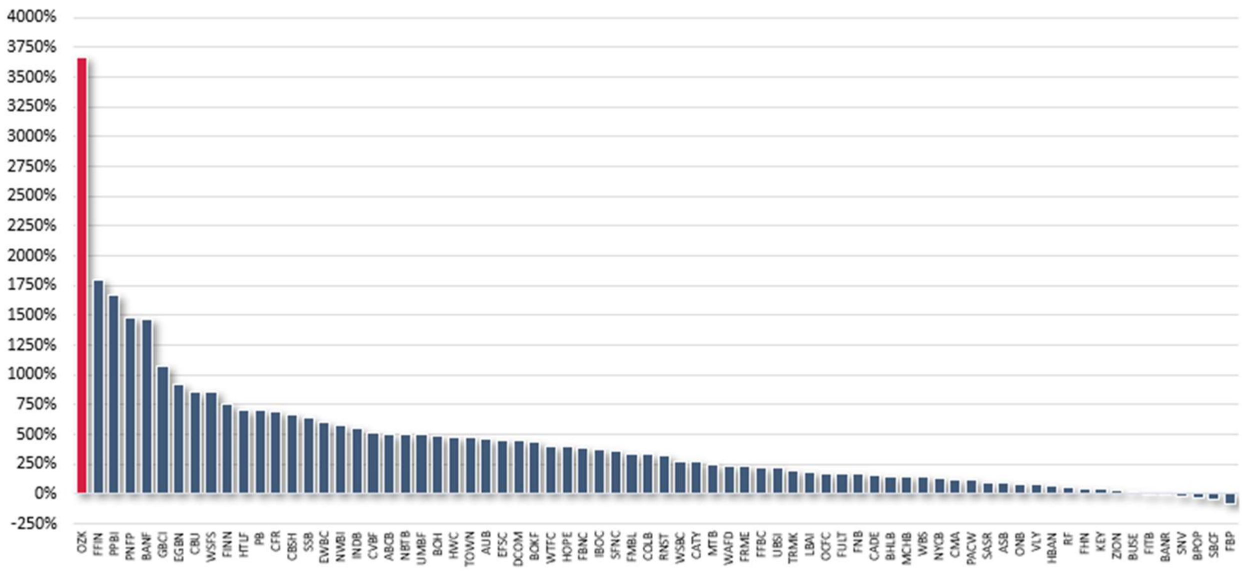


[6] See the schedule at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable GAAP measure.

Final Thoughts

The relentless pursuit of excellence is a foundational element of our culture. This fuels the energy to not only improve profits, but also to constantly get better at everything we do. The realization of this core principle was clearly evident in our record results for the quarter just ended, but it can perhaps best be viewed from a long-term perspective. The following Bloomberg chart highlights Team OZK's performance relative to peers over the 20-year period from January 1, 2003 through December 31, 2022 with a peer-leading total shareholder return[7] of 3,670%.

Total Shareholder Return – January 1, 2003 through December 31, 2022



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[7] Source: Bloomberg. Total shareholder return based on daily price changes from January 1, 2003 through December 31, 2022, inclusive of all reinvested dividends and stock-splits. Peer group includes U.S. publicly traded banks and bank holding companies with total assets between $10 billion and $250 billion at December 31, 2022, and which were publicly traded throughout the 20-year period.

Non-GAAP Reconciliations

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

Unaudited (Dollars in Thousands)

	Three Months Ended *		Six Months Ended *	
	6/30/2022	6/30/2023	6/30/2022	6/30/2023
Net Income Available To Common Stockholders	$ 132,358	$ 167,917	$ 260,386	$ 333,771
Average Stockholders' Equity Before Noncontrolling Interest	4,619,033	4,788,584	4,703,196	4,770,135
Less Average Preferred Stock	(338,980)	(338,980)	(338,980)	(338,980)
Total Average common stockholders' equity	4,280,053	4,449,604	4,364,216	4,431,155
Less Average Intangible Assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(6,084)	(999)	(6,824)	(1,618)
Total Average Intangibles	(666,873)	(661,788)	(667,613)	(662,407)
Average Tangible Common Stockholders' Equity	$ 3,613,180	$ 3,787,816	$ 3,696,603	$ 3,768,749
Return On Average Common Stockholders' Equity	12.40%	15.14%	12.03%	15.19%
Return On Average Tangible Common Stockholders' Equity	14.69%	17.78%	14.20%	17.86%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended		Six Months Ended	
	6/30/2022	6/30/2023	6/30/2022	6/30/2023
Net income available to common stockholders	$ 132,358	$ 167,917	$ 260,386	$ 333,771
Preferred stock dividends	4,047	4,047	8,527	8,094
Earnings attributable to noncontrolling interest	8	1	3	13
Provision for income taxes	39,375	45,717	75,786	86,420
Provision for credit losses	7,025	41,774	11,215	77,602
Pre-tax pre-provision net revenue	$ 182,813	$ 259,456	$ 355,917	$ 505,900

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

Unaudited (Dollars in Thousands, Except per Share)

	As of June 30,					
	2013	2014	2015	2016	2017	2018
Total stockholders' equity before noncontrolling interest	$ 531,125	$ 850,204	$ 1,209,254	$ 1,556,921	$ 3,260,123	$ 3,613,903
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	531,125	850,204	1,209,254	1,556,921	3,260,123	3,613,903
Less intangible assets:						
Goodwill	(5,243)	(78,669)	(122,884)	(126,289)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(5,447)	(29,971)	(28,266)	(23,615)	(54,541)	(41,962)
Total intangibles	(10,690)	(108,640)	(151,150)	(149,904)	(715,330)	(702,751)
Total tangible common stockholders' equity	$ 520,435	$ 741,564	$ 1,058,104	$ 1,407,017	$ 2,544,793	$ 2,911,152
Common shares outstanding (thousands)	70,876	79,662	86,811	90,745	128,190	128,616
Book value per common share	$ 7.49	$ 10.67	$ 13.93	$ 17.16	$ 25.43	$ 28.10
Tangible book value per common share	$ 7.34	$ 9.31	$ 12.19	$ 15.51	$ 19.85	$ 22.63

	As of June 30,					As of
	2019	2020	2021	2022	2023	Mar. 31, 2023
Total stockholders' equity before noncontrolling interest	$ 3,993,247	$ 4,110,666	$ 4,501,676	$ 4,606,782	$ 4,809,891	$ 4,761,927
Less preferred stock	-	-	-	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	3,993,247	4,110,666	4,501,676	4,267,802	4,470,911	4,422,947
Less intangible assets:						
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(29,515)	(18,377)	(11,336)	(5,240)	(377)	(1,565)
Total intangibles	(690,304)	(679,166)	(672,125)	(666,029)	(661,166)	(662,354)
Total tangible common stockholders' equity	$ 3,302,943	$ 3,431,500	$ 3,829,551	$ 3,601,773	$ 3,809,745	$ 3,760,593
Common shares outstanding (thousands)	128,947	129,350	129,720	118,996	113,145	115,080
Book value per common share	$ 30.97	$ 31.78	$ 34.70	$ 35.87	$ 39.51	$ 38.43
Tangible book value per common share	$ 25.61	$ 26.53	$ 29.52	$ 30.27	$ 33.67	$ 32.68

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

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

Unaudited (Dollars in Thousands, Except per Share)

	June 30, 2023
Total stockholders' equity before noncontrolling interest	$ 4,809,891
Less preferred stock	(338,980)
Total common stockholders' equity	4,470,911
Less intangible assets:	
Goodwill	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(377)
Total intangibles	(661,166)
Total tangible common stockholders' equity	$ 3,809,745
Total assets	$ 30,761,870
Less intangible assets:	
Goodwill	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(377)
Total intangibles	(661,166)
Total tangible assets	30,100,704
Ratio of total common stockholders' equity to total assets	14.53%
Ratio of total tangible common stockholders' equity to total tangible assets	12.66%