UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429

FORM 8-K
CURRENT REPORT

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

Date of report (Date of earliest event reported): **October 19, 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 October 19, 2023, Bank OZK (the "Bank") issued a press release announcing its financial results for the third quarter ended September 30, 2023 and made available management's comments on the results for the third quarter and first nine 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 third 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 October 20, 2023, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the third 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 third 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 October 19, 2023: Bank OZK Announces Record Third Quarter 2023 Earnings
99.2	Management Comments for the Third Quarter and First Nine Months of 2023 - dated October 19, 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: October 19, 2023

By: /s/ Tim Hicks

Name: Tim Hicks
Title: Chief Financial Officer

Exhibit No.	Document Description
99.1	Press Release dated October 19, 2023: Bank OZK Announces Record Third Quarter 2023 Earnings
99.2	Management Comments for the Third Quarter and First Nine Months of 2023 - dated October 19, 2023

Exhibit 99.1

NEWS RELEASE

Date:	October 19, 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 Third Quarter 2023 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income available to common stockholders for the third quarter of 2023 was a record $169.7 million, a 32.3% increase from $128.3 million for the third quarter of 2022. Diluted earnings per common share for the third quarter of 2023 were a record $1.49, a 38.0% increase from $1.08 for the third quarter of 2022.

For the nine months ended September 30, 2023, net income available to common stockholders was $503.5 million, a 29.5% increase from $388.7 million for the first nine months of 2022. Diluted earnings per common share for the first nine months of 2023 were $4.37, a 36.6% increase from $3.20 for the first nine months of 2022.

Pre-tax pre-provision net revenue ("PPNR") was $264.0 million for the third quarter of 2023, a 26.9% increase from $208.1 million for the third quarter of 2022. For the first nine months of 2023, PPNR was $769.9 million, a 36.5% increase from $564.0 million for the first nine 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 $44.0 million for the third quarter and $121.6 million for the first nine months of 2023 compared to $39.8 million for the third quarter of 2022 and $51.0 million for the first nine months of 2022. The Bank's total allowance for credit losses ("ACL") was $461.5 million at September 30, 2023 compared to $335.6 million at September 30, 2022.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the third quarter of 2023 were 2.13%, 14.81% and 17.33%, respectively, compared to 1.97%, 11.85% and 14.02%, respectively, for the third quarter of 2022. The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the first nine months of 2023 were 2.26%, 15.06% and 17.68%, respectively, compared to 1.99%, 11.97% and 14.14%, respectively, for the first nine 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 have been well positioned for rising interest rates and the turbulent environment of the last six quarters, and our preparation has been reflected in our record results. We believe we are well positioned for the coming quarters, and we look forward to capitalizing on new opportunities.”

KEY BALANCE SHEET METRICS

Total loans were $25.33 billion at September 30, 2023, a 29.8% increase from $19.51 billion at September 30, 2022. Deposits were $25.55 billion at September 30, 2023, a 25.2% increase from $20.40 billion at September 30, 2022. Total assets were $32.77 billion at September 30, 2023, a 24.9% increase from $26.23 billion at September 30, 2022.

Common stockholders’ equity was $4.56 billion at September 30, 2023, an 8.7% increase from $4.20 billion at September 30, 2022. Tangible common stockholders’ equity was $3.90 billion at September 30, 2023, a 10.4% increase from $3.54 billion at September 30, 2022. The Bank did not repurchase any shares during the three months ended September 30, 2023. During the first nine 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 $40.35 at September 30, 2023, a 13.1% increase from $35.67 at September 30, 2022. Tangible book value per common share was $34.50 at September 30, 2023, a 14.9% increase from $30.02 at September 30, 2022.

The Bank’s ratio of total common stockholders’ equity to total assets was 13.93% at September 30, 2023, compared to 16.01% at September 30, 2022. Its ratio of total tangible common stockholders’ equity to total tangible assets was 12.16% at September 30, 2023, compared to 13.83% at September 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 0.25% at September 30, 2023, compared to 0.14% as of September 30, 2022. The Bank’s ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.40% at September 30, 2023, compared to 0.13% as of September 30, 2022. The Bank's annualized ratio of net charge-offs of total loans to average total loans was 0.15% for the third quarter and nine months ended September 30, 2023, compared to 0.09% for the third quarter and 0.03% for the first nine months of September 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, October 20, 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, expansion and acquisition strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; or integrating any acquisitions; the availability of and access to capital; possible downgrades in the Bank’s credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank’s net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; conditions within the banking industry, including the effects of recent failures of other financial institutions; recently enacted and potential laws and regulatory requirements or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks or changes in the interpretation and enforcement of such laws and requirements, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business or others, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank, its customers or others; natural disasters; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflict, including the conflict in the Middle East and the ongoing war in Ukraine; the competition and costs of recruiting and retaining human talent; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2022 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

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 $32.77 billion in total assets as of September 30, 2023. For more information, visit www.ozk.com.

Bank OZK
Consolidated Balance Sheets
Unaudited

	September 30, 2023	December 31, 2022
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 1,864,300	$ 1,033,454
Investment securities – available for sale (“AFS”)	3,153,817	3,491,613
Investment securities – trading	—	8,817
Federal Home Loan Bank of Dallas (“FHLB”) and other bankers’ bank stocks	63,722	42,406
Non-purchased loans	25,051,214	20,400,154
Purchased loans	280,526	378,637
Allowance for loan losses	(303,358)	(208,858)
Net Loans	25,028,382	20,569,933
Premises and equipment, net	665,806	678,405
Foreclosed assets	68,738	6,616
Accrued interest receivable	154,244	125,130
Bank owned life insurance (“BOLI”)	804,394	789,805
Goodwill and other intangible assets, net	660,789	663,543
Other, net	303,136	246,846
Total assets	$ 32,767,328	$ 27,656,568
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 4,283,925	$ 4,658,451
Savings and interest bearing transaction	9,029,610	9,905,717
Time	12,239,321	6,935,975
Total deposits	25,552,856	21,500,143
Other borrowings	1,430,192	606,666
Subordinated notes	347,556	346,947
Subordinated debentures	121,652	121,591
Reserve for losses on unfunded loan commitments	158,128	156,419
Accrued interest payable and other liabilities	252,031	233,864
Total liabilities	$ 27,862,415	$ 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 September 30, 2023 and December 31, 2022	338,980	338,980
Common Stock: $0.01 par value; 300,000,000 shares authorized; 113,136,232 and 117,176,928 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	1,131	1,172
Additional paid-in capital	1,607,510	1,753,941
Retained earnings	3,154,869	2,773,135
Accumulated other comprehensive (loss) income	(198,986)	(177,649)
Total stockholders’ equity before noncontrolling interest	4,903,504	4,689,579
Noncontrolling interest	1,409	1,359
Total stockholders’ equity	4,904,913	4,690,938
Total liabilities and stockholders’ equity	$ 32,767,328	$ 27,656,568

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 523,026	$ 295,054	$ 1,410,446	$ 791,313
Purchased loans	6,005	7,148	17,845	24,300
Investment securities:				
Taxable	9,887	10,269	29,761	31,246
Tax-exempt	9,534	7,126	28,288	14,132
Deposits with banks and federal funds sold	17,061	3,690	36,338	6,155
Total interest income	565,513	323,287	1,522,678	867,146
Interest expense:				
Deposits	178,823	21,997	408,577	41,343
Other borrowings	14,326	2,460	30,339	4,500
Subordinated notes	2,631	2,631	7,808	7,808
Subordinated debentures	2,472	1,582	7,017	3,741
Total interest expense	198,252	28,670	453,741	57,392
Net interest income	367,261	294,617	1,068,937	809,754
Provision for credit losses	44,036	39,771	121,638	50,986
Net interest income after provision for credit losses	323,225	254,846	947,299	758,768
Non-interest income:				
Service charges on deposit accounts:				
NSF and overdraft fees	4,708	4,808	13,359	13,257
All other service charges	6,973	7,089	20,662	20,963
Trust income	2,213	2,007	6,358	6,012
BOLI income:				
Increase in cash surrender value	5,252	4,940	15,295	14,579
Death benefits	—	510	—	807
Loan service, maintenance and other fees	3,995	3,418	12,165	10,039
Gains on sales of other assets	364	3,182	5,740	10,957
Net gains (loss) on investment securities	(270)	321	2,066	762
Other	2,492	2,888	9,877	9,583
Total non-interest income	25,727	29,163	85,522	86,959
Non-interest expense:				
Salaries and employee benefits	64,107	57,367	192,576	166,427
Net occupancy and equipment	17,797	18,244	55,357	52,474
Other operating expenses	47,074	40,080	136,616	113,807
Total non-interest expense	128,978	115,691	384,549	332,708
Income before taxes	219,974	168,318	648,272	513,019
Provision for income taxes	46,144	35,969	132,564	111,754
Net income	173,830	132,349	515,708	401,265
Earnings attributable to noncontrolling interest	(37)	—	(50)	(3)
Preferred stock dividends	4,047	4,047	12,141	12,574
Net income available to common stockholders	$ 169,746	$ 128,302	$ 503,517	$ 388,688
Basic earnings per common share	$ 1.50	$ 1.08	$ 4.39	$ 3.21
Diluted earnings per common share	$ 1.49	$ 1.08	$ 4.37	$ 3.20

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 September 30, 2023:							
Balances - June 30, 2023	$ 338,980	$ 1,131	$1,602,964	$3,026,247	$ (159,431)	$ 1,372	$ 4,811,263
Net income	—	—	—	173,830	—	—	173,830
Earnings attributable to noncontrolling interest	—	—	—	(37)	—	37	—
Total other comprehensive loss	—	—	—	—	(39,555)	—	(39,555)
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.36 per share	—	—	—	(41,124)	—	—	(41,124)
Issuance of 2,446 shares of common stock pursuant to stock-based compensation plans	—	—	77	—	—	—	77
Stock-based compensation expense	—	—	4,469	—	—	—	4,469
Forfeitures of 11,663 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - September 30, 2023	$ 338,980	$ 1,131	$1,607,510	$3,154,869	$ (198,986)	$ 1,409	$ 4,904,913
Nine months ended September 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	—	—	—	515,708	—	—	515,708
Earnings attributable to noncontrolling interest	—	—	—	(50)	—	50	—
Total other comprehensive loss	—	—	—	—	(21,337)	—	(21,337)
Preferred stock dividends, $0.86718 per share	—	—	—	(12,141)	—	—	(12,141)
Common stock dividends, $1.05 per share	—	—	—	(121,783)	—	—	(121,783)
Issuance of 505,633 shares of common stock pursuant to stock-based compensation plans	—	5	618	—	—	—	623
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	—	—	13,044	—	—	—	13,044
Forfeitures of 26,728 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - September 30, 2023	$ 338,980	$ 1,131	$1,607,510	$3,154,869	$ (198,986)	$ 1,409	$ 4,904,913

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 September 30, 2022:							
Balances - June 30, 2022	$ 338,980	$ 1,190	$1,817,650	$2,563,130	$ (114,168)	$ 3,120	$ 4,609,902
Net income	—	—	—	132,349	—	—	132,349
Earnings attributable to noncontrolling interest	—	—	—	—	—	—	—
Total other comprehensive loss	—	—	—	—	(113,505)	—	(113,505)
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—		(4,047)
Common stock dividends, $0.32 per share	—	—	—	(38,055)	—	—	(38,055)
Issuance of 5,414 shares of common stock pursuant to stock-based compensation plans	—	—	172	—	—	—	172
Repurchase and cancellation of 1,225,688 shares of common stock under share repurchase program	—	(12)	(47,735)	—	—	—	(47,747)
Stock-based compensation expense	—	—	3,475	—	—	—	3,475
Forfeitures of 14,142 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances - September 30, 2022	$ 338,980	$ 1,178	$1,773,562	$2,653,377	$ (227,673)	$ 3,120	$ 4,542,544
Nine months ended September 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	—	—	—	401,265	—	—	401,265
Earnings attributable to noncontrolling interest	—	—	—	(3)	—	3	—
Total other comprehensive loss	—	—	—	—	(251,514)	—	(251,514)
Preferred stock dividends, $0.89812 per share	—	—	—	(12,574)	—		(12,574)
Common stock dividends, $0.93 per share	—	—	—	(113,777)	—	—	(113,777)
Issuance of 295,343 shares of common stock pursuant to stock-based compensation plans	—	3	2,249	—	—	—	2,252
Repurchase and cancellation of 7,798,520 shares of common stock under share repurchase program	—	(77)	(326,667)	—	—	—	(326,744)
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	—	—	9,675	—	—	—	9,675
Forfeitures of 65,992 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances - September 30, 2022	$ 338,980	$ 1,178	$1,773,562	$2,653,377	$ (227,673)	$ 3,120	$ 4,542,544

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
	(Dollars in thousands)			
Salaries and employee benefits	$ 64,107	$ 57,367	$ 192,576	$ 166,427
Net occupancy and equipment	17,797	18,244	55,357	52,474
Other operating expenses:				
Software and data processing	9,584	8,700	28,634	25,861
Deposit insurance and assessments	5,500	2,650	14,548	6,900
Professional and outside services	4,640	5,403	15,190	15,929
Advertising and public relations	3,779	3,448	10,998	5,810
Telecommunication services	1,943	1,921	6,614	5,852
ATM expense	1,927	1,500	5,725	4,497
Travel and meals	1,926	1,962	5,644	5,906
Postage and supplies	1,716	2,035	5,859	5,240
Loan collection and repossession expense	1,210	402	2,113	1,081
Amortization of intangibles	376	1,298	2,754	4,331
Writedowns of foreclosed and other assets	141	87	1,106	345
Amortization of CRA and tax credit investments	8,171	5,155	20,151	14,885
Other	6,161	5,519	17,280	17,170
Total non-interest expense	$ 128,978	$ 115,691	$ 384,549	$ 332,708

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	September 30, 2023		December 31, 2022	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 960,262	3.8%	$ 981,567	4.7%
Non-farm/non-residential	5,251,392	20.7	4,665,268	22.5
Construction/land development	10,743,850	42.4	8,215,056	39.5
Agricultural	254,147	1.0	239,689	1.2
Multifamily residential	2,045,927	8.1	1,503,398	7.2
Total real estate	19,255,578	76.0	15,604,978	75.1
Commercial and industrial	1,257,018	5.0	902,321	4.3
Consumer	2,936,455	11.6	2,445,851	11.8
Other	1,882,689	7.4	1,825,641	8.8
Total loans	25,331,740	100.0%	20,778,791	100.0%
Allowance for loan losses	(303,358)		(208,858)	
Net loans	$ 25,028,382		$ 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 September 30, 2023:			
Balances – June 30, 2023	$ 263,188	$ 163,632	$ 426,820
Net charge-offs	(9,370)	—	(9,370)
Provision for credit losses	49,540	(5,504)	44,036
Balances - September 30, 2023	$ 303,358	$ 158,128	$ 461,486
Nine months ended September 30, 2023:			
Balances – December 31, 2022	$ 208,858	$ 156,419	$ 365,277
Net charge-offs	(25,429)	—	(25,429)
Provision for credit losses	119,929	1,709	121,638
Balances - September 30, 2023	$ 303,358	$ 158,128	$ 461,486
Three months ended September 30, 2022:			
Balances – June 30, 2022	$ 190,795	$ 109,143	$ 299,938
Net charge-offs	(4,074)	—	(4,074)
Provision for credit losses	13,377	26,394	39,771
Balances - September 30, 2022	$ 200,098	$ 135,537	$ 335,635
Nine months ended September 30, 2022:			
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Net charge-offs	(4,340)	—	(4,340)
Provision for credit losses	(12,942)	63,928	50,986
Balances - September 30, 2022	$ 200,098	$ 135,537	$ 335,635

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	September 30, 2023		December 31, 2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,283,925	16.8%	$ 4,658,451	21.7%
Interest bearing:				
Transaction (NOW)	4,319,285	16.9	4,097,532	19.1
Savings and money market	4,710,325	18.4	5,808,185	27.0
Time deposits	12,239,321	47.9	6,935,975	32.2
Total deposits	$ 25,552,856	100.0%	$ 21,500,143	100.0%

Bank OZK
Summary of Deposits – By Customer Type
Unaudited

	September 30, 2023		December 31, 2022	
	(Dollars in thousands)			
Non-interest bearing	$ 4,283,925	16.8%	$ 4,658,451	21.7%
Interest bearing:				
Consumer and commercial:				
Consumer – Non-Time	2,928,352	11.5	3,916,078	18.2
Consumer – Time	8,756,078	34.3	4,936,061	23.0
Commercial – Non-Time	2,320,691	9.1	2,741,007	12.7
Commercial – Time	683,849	2.7	516,477	2.4
Public funds	2,992,447	11.7	2,103,392	9.8
Brokered	2,774,888	10.9	2,050,294	9.5
Reciprocal	812,626	3.0	578,383	2.7
Total deposits	$ 25,552,856	100.0%	$ 21,500,143	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	% Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 367,261	$ 294,617	24.7%	$ 1,068,937	$ 809,754	32.0%
Provision for credit losses	44,036	39,771	10.7	121,638	50,986	138.6
Non-interest income	25,727	29,163	(11.8)	85,522	86,959	(1.7)
Non-interest expense	128,978	115,691	11.5	384,549	332,708	15.6
Net income	173,830	132,349	31.3	515,708	401,265	28.5
Preferred stock dividends	4,047	4,047	—	12,141	12,574	(3.4)
Net income available to common stockholders	169,746	128,302	32.3	503,517	388,688	29.5
Pre-tax pre-provision net revenue (1)	264,010	208,089	26.9	769,910	564,005	36.5
Common share and per common share data:						
Diluted earnings per common share	$ 1.49	$ 1.08	38.0%	$ 4.37	$ 3.20	36.6%
Basic earnings per common share	1.50	1.08	38.9	4.39	3.21	36.8
Common stock dividends per share	0.36	0.32	12.5	1.05	0.93	12.9
Book value per share	40.35	35.67	13.1	40.35	35.67	13.1
Tangible book value per common share (1)	34.50	30.02	14.9	34.50	30.02	14.9
Weighted-average diluted shares outstanding (thousands)	113,770	118,856	(4.3)	115,226	121,539	(5.2)
End of period shares outstanding (thousands)	113,136	117,762	(3.9)	113,136	117,762	(3.9)
Balance sheet data at period end:						
Total assets	$ 32,767,328	$ 26,232,119	24.9%	$ 32,767,328	$ 26,232,119	24.9%
Total loans	25,331,740	19,513,712	29.8	25,331,740	19,513,712	29.8
Non-purchased loans	25,051,214	19,103,546	31.1	25,051,214	19,103,546	31.1
Purchased loans	280,526	410,166	(31.6)	280,526	410,166	(31.6)
Allowance for loan losses	303,358	200,098	51.6	303,358	200,098	51.6
Foreclosed assets	68,738	6,559	948.0	68,738	6,559	948.0
Investment securities – AFS	3,153,817	3,528,077	(10.6)	3,153,817	3,528,077	(10.6)
Goodwill and other intangible assets, net	660,789	664,732	(0.6)	660,789	664,732	(0.6)
Deposits	25,552,856	20,401,876	25.2	25,552,856	20,401,876	25.2
Other borrowings	1,430,192	456,466	213.3	1,430,192	456,466	213.3
Subordinated notes	347,556	346,741	0.2	347,556	346,741	0.2
Subordinated debentures	121,652	121,450	0.2	121,652	121,450	0.2
Unfunded balance of closed loans	20,625,371	20,091,101	2.7	20,625,371	20,091,101	2.7
Reserve for losses on unfunded loan commitments	158,128	135,537	16.7	158,128	135,537	16.7
Preferred stock	338,980	338,980	—	338,980	338,980	—
Total common stockholders' equity	4,564,524	4,200,444	8.7	4,564,524	4,200,444	8.7
Net unrealized losses on investment securities AFS included in stockholders' equity	(198,986)	(227,673)		(198,986)	(227,673)	
Loan (including purchased loans) to deposit ratio	99.13%	95.65%		99.13%	95.65%	
Selected ratios:						
Return on average assets (2)	2.13%	1.97%		2.26%	1.99%	
Return on average common stockholders' equity (1) (2)	14.81	11.85		15.06	11.97	
Return on average tangible common stockholders' equity (1) (2)	17.33	14.02		17.68	14.14	
Average common equity to total average assets	14.38	16.61		15.02	16.60	
Net interest margin – FTE (2)	5.05	5.03		5.29	4.60	
Efficiency ratio	32.60	35.50		33.09	36.92	
Net charge-offs to average non-purchased loans (2) (3)	0.17	0.09		0.12	0.07	
Net charge-offs to average total loans (2)	0.15	0.09		0.15	0.03	
Nonperforming loans to total loans (4)	0.25	0.14		0.25	0.14	
Nonperforming assets to total assets (4)	0.40	0.13		0.40	0.13	
Allowance for loan losses to total loans (5)	1.20	1.03		1.20	1.03	
Allowance for credit losses to total loans and unfunded loan commitments	1.00	0.85		1.00	0.85	
Other information:						
Non-accrual loans (4)	$ 62,648	$ 24,633		$ 62,648	$ 24,633	
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		
	September 30, 2023	June 30, 2023	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 367,261	$ 356,824	2.9%
Provision for credit losses	44,036	41,774	5.4
Non-interest income	25,727	31,987	(19.6)
Non-interest expense	128,978	129,355	(0.3)
Net income	173,830	171,965	1.1
Preferred stock dividends	4,047	4,047	—
Net income available to common stockholders	169,746	167,917	1.1
Pre-tax pre-provision net revenue (1)	264,010	259,456	1.8
Common share and per common share data:			
Diluted earnings per common share	$ 1.49	$ 1.47	1.4%
Basic earnings per common share	1.50	1.47	2.0
Common stock dividends per share	0.36	0.35	2.9
Book value per share	40.35	39.51	2.1
Tangible book value per common share (1)	34.50	33.67	2.5
Weighted-average diluted shares outstanding (thousands)	113,770	114,284	(0.4)
End of period shares outstanding (thousands)	113,136	113,145	—
Balance sheet data at period end:			
Total assets	$ 32,767,328	$ 30,761,870	6.5%
Total loans	25,331,740	23,607,446	7.3
Non-purchased loans	25,051,214	23,291,785	7.6
Purchased loans	280,526	315,661	(11.1)
Allowance for loan losses	303,358	263,188	15.3
Foreclosed assets	68,738	62,048	10.8
Investment securities – AFS	3,153,817	3,262,366	(3.3)
Goodwill and other intangible assets, net	660,789	661,166	(0.1)
Deposits	25,552,856	23,983,397	6.5
Other borrowings	1,430,192	1,104,478	29.5
Subordinated notes	347,556	347,350	0.1
Subordinated debentures	121,652	121,652	—
Unfunded balance of closed loans	20,625,371	21,119,761	(2.3)
Reserve for losses on unfunded loan commitments	158,128	163,632	(3.4)
Preferred stock	338,980	338,980	—
Total common stockholders' equity	4,564,524	4,470,911	2.1
Net unrealized losses on investment securities AFS included in stockholders' equity	(198,986)	(159,431)	
Loan (including purchased loans) to deposit ratio	99.13%	98.43%	
Selected ratios:			
Return on average assets (2)	2.13%	2.27%	
Return on average common stockholders' equity (1) (2)	14.81	15.14	
Return on average tangible common stockholders' equity (1) (2)	17.33	17.78	
Average common equity to total average assets	14.38	15.00	
Net interest margin – FTE (2)	5.05	5.32	
Efficiency ratio	32.60	33.05	
Net charge-offs to average non-purchased loans (2) (3)	0.17	0.03	
Net charge-offs to average total loans (2)	0.15	0.15	
Nonperforming loans to total loans (4)	0.25	0.15	
Nonperforming assets to total assets (4)	0.40	0.32	
Allowance for loan losses to total loans (5)	1.20	1.11	
Allowance for credit losses to total loans and unfunded loan commitments	1.00	0.95	
Other information:			
Non-accrual loans (4)	$ 62,648	$ 35,320	
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

	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22
			(Dollars in thousands)		
Earnings summary:					
Net interest income	$ 367,261	$ 356,824	$ 344,852	$ 332,488	$ 294,617
Federal tax (FTE) adjustment	2,632	2,602	2,603	2,383	2,151
Net interest income (FTE)	369,893	359,426	347,455	334,871	296,768
Provision for credit losses	(44,036)	(41,774)	(35,829)	(32,508)	(39,771)
Non-interest income	25,727	31,987	27,809	27,544	29,163
Non-interest expense	(128,978)	(129,355)	(126,217)	(119,013)	(115,691)
Pre-tax income (FTE)	222,606	220,284	213,218	210,894	170,469
FTE adjustment	(2,632)	(2,602)	(2,603)	(2,383)	(2,151)
Provision for income taxes	(46,144)	(45,717)	(40,703)	(45,686)	(35,969)
Noncontrolling interest	(37)	(1)	(12)	54	—
Preferred stock dividend	(4,047)	(4,047)	(4,047)	(4,047)	(4,047)
Net income available to common stockholders	$ 169,746	$ 167,917	$ 165,853	$ 158,832	$ 128,302
Earnings per common share – diluted	$ 1.49	$ 1.47	$ 1.41	$ 1.34	$ 1.08
Pre-tax pre-provision net revenue [1]	$ 264,010	$ 259,456	$ 246,444	$ 241,019	$ 208,089
Selected balance sheet data at period end:					
Total assets	$ 32,767,328	$ 30,761,870	$ 28,971,170	$ 27,656,568	$ 26,232,119
Non-purchased loans	25,051,214	23,291,785	21,700,941	20,400,154	19,103,546
Purchased loans	280,526	315,661	361,065	378,637	410,166
Investment securities – AFS	3,153,817	3,262,366	3,422,031	3,491,613	3,528,077
Deposits	25,552,856	23,983,397	22,282,983	21,500,143	20,401,876
Unfunded balance of closed loans	20,625,371	21,119,761	20,965,040	21,062,733	20,091,101
Allowance for credit losses:					
Balance at beginning of period	$ 426,820	$ 393,767	$ 365,277	$ 335,635	$ 299,938
Net charge-offs	(9,370)	(8,721)	(7,339)	(2,866)	(4,074)
Provision for credit losses	44,036	41,774	35,829	32,508	39,771
Balance at end of period	$ 461,486	$ 426,820	$ 393,767	$ 365,277	$ 335,635
Allowance for loan losses	$ 303,358	$ 263,188	$ 222,025	$ 208,858	$ 200,098
Reserve for losses on unfunded loan commitments	158,128	163,632	171,742	156,419	135,537
Total allowance for credit losses	$ 461,486	$ 426,820	$ 393,767	$ 365,277	$ 335,635
Selected ratios:					
Net interest margin – FTE [2]	5.05%	5.32%	5.54%	5.46%	5.03%
Efficiency ratio	32.60	33.05	33.63	32.84	35.50
Net charge-offs to average non-purchased loans [2] [3]	0.17	0.03	0.15	0.09	0.09
Net charge-offs to average total loans [2]	0.15	0.15	0.14	0.06	0.09
Nonperforming loans to total loans [4]	0.25	0.15	0.15	0.22	0.14
Nonperforming assets to total assets [4]	0.40	0.32	0.34	0.19	0.13
Allowance for loan losses to total loans [5]	1.20	1.11	1.01	1.01	1.03
Allowance for credit losses to total loans and unfunded loan commitments	1.00	0.95	0.92	0.87	0.85
Loans past due 30 days or more, including past due non-accrual loans, to total loans [4]	0.21	0.14	0.15	0.13	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 September 30,						Nine Months Ended September 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	$ 1,312,533	$ 17,061	5.16%	$ 699,489	$ 3,690	2.09%	$ 1,005,263	$ 36,338	4.83%	$ 1,023,707	$ 6,155	0.80%
Investment securities:												
Taxable	2,243,378	9,887	1.75	2,809,479	10,269	1.45	2,351,707	29,761	1.69	3,080,645	31,246	1.36
Tax-exempt – FTE	1,031,685	12,068	4.64	907,955	9,020	3.94	1,033,430	35,807	4.63	706,628	17,889	3.38
Non-purchased loans – FTE	24,162,671	523,124	8.59	18,544,681	295,311	6.32	22,472,789	1,410,764	8.39	18,413,106	792,025	5.75
Purchased loans	298,817	6,005	7.97	429,312	7,148	6.61	338,537	17,845	7.05	464,205	24,300	7.00
Total earning assets – FTE	29,049,084	568,145	7.76	23,390,916	325,438	5.52	27,201,726	1,530,515	7.52	23,688,291	871,615	4.92
Non-interest earning assets	2,557,808			2,474,862			2,554,214			2,460,424		
Total assets	$31,606,892			$25,865,778			$29,755,940			$26,148,715		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 8,806,690	$ 56,169	2.53%	$ 9,614,806	$ 13,639	0.56%	$ 9,201,712	$ 147,334	2.14%	$ 9,611,716	$ 21,801	0.30%
Time deposits	11,606,189	122,654	4.19	5,232,727	8,358	0.63	9,621,410	261,243	3.63	5,464,267	19,542	0.48
Total interest bearing deposits	20,412,879	178,823	3.48	14,847,533	21,997	0.59	18,823,122	408,577	2.90	15,075,983	41,343	0.37
Other borrowings	1,048,566	14,326	5.42	517,161	2,460	1.89	783,566	30,339	5.20	647,083	4,500	0.93
Subordinated notes	347,456	2,631	3.00	346,642	2,631	3.01	347,254	7,808	3.01	346,433	7,808	3.01
Subordinated debentures	121,652	2,472	8.06	121,382	1,582	5.17	121,647	7,017	7.71	121,239	3,741	4.13
Total interest bearing liabilities	21,930,553	198,252	3.59	15,832,718	28,670	0.72	20,075,589	453,741	3.02	16,190,738	57,392	0.47
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,294,191			4,998,392			4,370,763			4,915,023		
Other non-interest bearing liabilities	495,147			395,671			499,163			359,327		
Total liabilities	26,719,891			21,226,781			24,945,515			21,465,088		
Total stockholders' equity before noncontrolling interest	4,885,620			4,635,887			4,809,053			4,680,513		
Noncontrolling interest	1,381			3,110			1,372			3,114		
Total liabilities and stockholders' equity	$31,606,892			$25,865,778			$29,755,940			$26,148,715		
Net interest income – FTE		$ 369,893			$ 296,768			$ 1,076,774			$ 814,223	
Net interest margin – FTE			5.05%			5.03%			5.29%			4.60%
Core spread [(1)]			5.11%			5.73%			5.49%			5.38%

[(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			Nine Months Ended	
	September 30, 2023	September 30, 2022	June 30, 2023	September 30, 2023	September 30, 2022
			(Dollars in thousands)		
Net income available to common stockholders	$ 169,746	$ 128,302	$ 167,917	$ 503,517	$ 388,688
Average stockholders’ equity before noncontrolling interest	$ 4,885,620	$ 4,635,887	$ 4,788,584	$ 4,809,053	$ 4,680,513
Less average preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total average common stockholders’ equity	4,546,640	4,296,907	4,449,604	4,470,073	4,341,533
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	—	(4,747)	(999)	(1,098)	(6,124)
Total average intangibles	(660,789)	(665,536)	(661,788)	(661,887)	(666,913)
Average tangible common stockholders’ equity	$ 3,885,851	$ 3,631,371	$ 3,787,816	$ 3,808,186	$ 3,674,620
Return on average common stockholders’ equity[(1)]	14.81%	11.85%	15.14%	15.06%	11.97%
Return on average tangible common stockholders’ equity[(1)]	17.33%	14.02%	17.78%	17.68%	14.14%

[(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

	September 30,		December 31,
	2023	2022	2022
	(In thousands, except per share amounts)		
Total stockholders’ equity before noncontrolling interest	$ 4,903,504	$ 4,539,424	$ 4,689,579
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders’ equity	$ 4,564,524	$ 4,200,444	$ 4,350,599
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(3,943)	(2,754)
Total intangibles	(660,789)	(664,732)	(663,543)
Total tangible common stockholders’ equity	$ 3,903,735	$ 3,535,712	$ 3,687,056
Shares of common stock outstanding	113,136	117,762	117,177
Book value per common share	$ 40.35	$ 35.67	$ 37.13
Tangible book value per common share	$ 34.50	$ 30.02	$ 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

	September 30, 2023	September 30, 2022
	(Dollars in thousands)	
Total stockholders’ equity before noncontrolling interest	$ 4,903,504	$ 4,539,424
Less preferred stock	(338,980)	(338,980)
Total common stockholders’ equity	$ 4,564,524	$ 4,200,444
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(3,943)
Total intangibles	(660,789)	(664,732)
Total tangible common stockholders’ equity	3,903,735	3,535,712
Total assets	$ 32,767,328	$ 26,232,119
Less intangible assets:		
Goodwill	$ (660,789)	$ (660,789)
Core deposit and other intangible assets, net of accumulated amortization	—	(3,943)
Total intangibles	(660,789)	(664,732)
Total tangible assets	$ 32,106,539	$ 25,567,387
Ratio of total common stockholders’ equity to total assets	13.93%	16.01%
Ratio of total tangible common stockholders’ equity to total tangible assets	12.16%	13.83%

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited

	Three Months Ended					Nine Months Ended	
	Sept 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	Sept 30, 2022	September 30, 2023	September 30, 2022
	(Dollars in thousands)						
Net income available to common stockholders	$ 169,746	$ 167,917	$ 165,853	$ 158,832	$ 128,302	$ 503,517	$ 388,688
Preferred stock dividends	4,047	4,047	4,047	4,047	4,047	12,141	12,574
Earnings attributable to noncontrolling interest	37	1	12	(54)	—	50	3
Provision for income taxes	46,144	45,717	40,703	45,686	35,969	132,564	111,754
Provision for credit losses	44,036	41,774	35,829	32,508	39,771	121,638	50,986
Pre-tax pre-provision net revenue	$ 264,010	$ 259,456	$ 246,444	$ 241,019	$ 208,089	$ 769,910	$ 564,005

Exhibit 99.2

Bank OZK

MANAGEMENT COMMENTS FOR THE THIRD QUARTER & FIRST NINE MONTHS OF 2023

OCTOBER 19, 2023

Forward-Looking Statements

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

MANAGEMENT COMMENTS FOR THE THIRD QUARTER OF 2023

Summary

We are pleased to report our results for the third quarter of 2023, which we attribute 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 $169.7 million and our diluted earnings per common share were a record $1.49, increases of 32.3% and 38.0%, respectively, compared to the third quarter of 2022.
- ***Pre-tax Pre-provision Net Revenue[1] ("PPNR")***. PPNR was a record $264.0 million, an increase of 26.9% compared to the third quarter of 2022.
- ***Net Interest Income.*** Net interest income was a record $367.3 million, an increase of 24.7% compared to the third quarter of 2022.
- ***Loans.*** Total loans outstanding grew to a record $25.33 billion, increasing $1.72 billion, or 7.3% not annualized, during the quarter.
- ***Deposits.*** Deposits grew to a record $25.55 billion, increasing $1.57 billion, or 6.5% not annualized, during the quarter.
- ***Liquidity.*** We continue to maintain robust available primary and secondary sources of liquidity which totaled $10.3 billion at September 30, 2023.
- ***Asset Quality.*** Our annualized net charge-off ratio for total loans was 0.15% for both the quarter just ended and the first nine months of 2023, and our ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[2] were 0.25% and 0.40%, respectively, at September 30, 2023.
- ***Return on Average Assets ("ROAA") and ACL Build.*** As the Fed has increased rates, we have achieved an average ROAA of 2.22% over the last five quarters, including a 2.13% ROAA in the quarter just ended, even while we have built our Allowance for Credit Losses ("ACL") by a net $162 million.
- ***Efficiency Ratio.*** Our efficiency ratio for the quarter was 32.6%, among the best in the industry.
- ***Capital.*** Our quarter end ratios of common stockholders' equity and tangible common stockholders' equity[3] were 13.9% and 12.2%, respectively. At September 30, 2023, our book value and tangible book value per common shares were $40.35 and $34.50, respectively, increases of 13.1% and 14.9% from September 30, 2022.
- ***Dividends.*** We recently increased our dividend on our common stock for the 53rd consecutive quarter.

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

Profitability and Earnings Metrics

Net income available to common stockholders for the third quarter of 2023 was a record $169.7 million, a 32.3% increase from $128.3 million for the third quarter of 2022. Diluted earnings per common share for the third quarter of 2023 were a record $1.49, a 38.0% increase from $1.08 for the third quarter of 2022. For the nine months ended September 30, 2023, net income available to common stockholders was $503.5 million, a 29.5% increase from $388.7 million for the first nine months of 2022. Diluted earnings per common share for the first nine months of 2023 were $4.37, a 36.6% increase from $3.20 for the first nine months of 2022.

PPNR for the third quarter of 2023 was a record $264.0 million, a 26.9% increase from $208.1 million for the third quarter of 2022. For the nine months ended September 30, 2023, PPNR was $769.9 million, a 36.5% increase from $564.0 million for the first nine months of 2022.

Our annualized ROAA was 2.13% for the third quarter of 2023 compared to 1.97% for the third quarter of 2022. Our annualized returns on average common stockholders' equity ("ROACE") and average tangible common stockholders' equity[4] ("ROATCE") for the third quarter of 2023 were 14.81% and 17.33%, respectively, compared to 11.85% and 14.02%, respectively, for the third quarter of 2022. Our annualized ROAA, ROACE and ROATCE for the first nine months of 2023 were 2.26%, 15.06% and 17.68%, respectively, compared to 1.99%, 11.97% and 14.14%, respectively, for the first nine months of 2022.

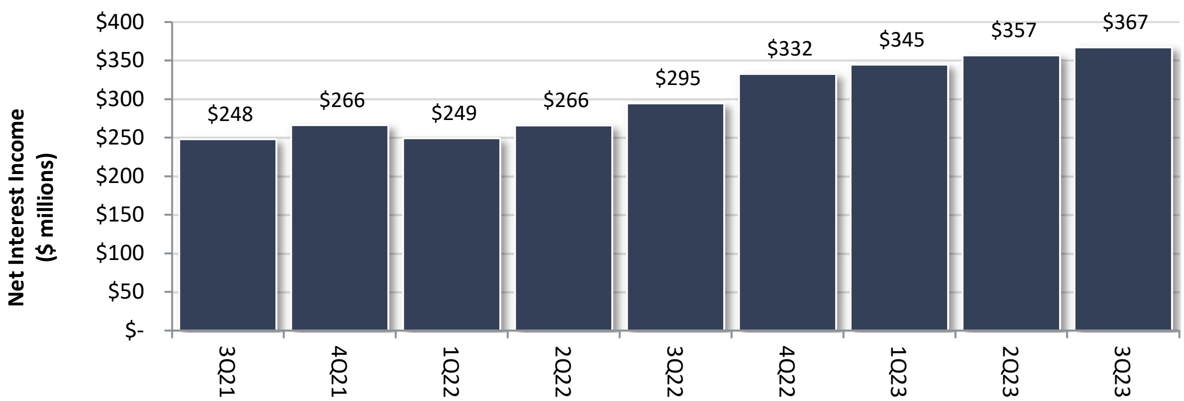
[4] The calculation of the Bank's annualized returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliation to GAAP are included in the schedule at the end of this presentation.

Net Interest Income

Our net interest income for the third quarter of 2023 was a record $367 million, a 24.7% increase from $295 million for the third quarter of 2022, as shown in Figure 1. Our net interest income for the first nine months of 2023 was $1.07 billion, a 32.0% increase from $810 million for the first nine months of 2022.

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

Figure 1: Quarterly Net Interest Income

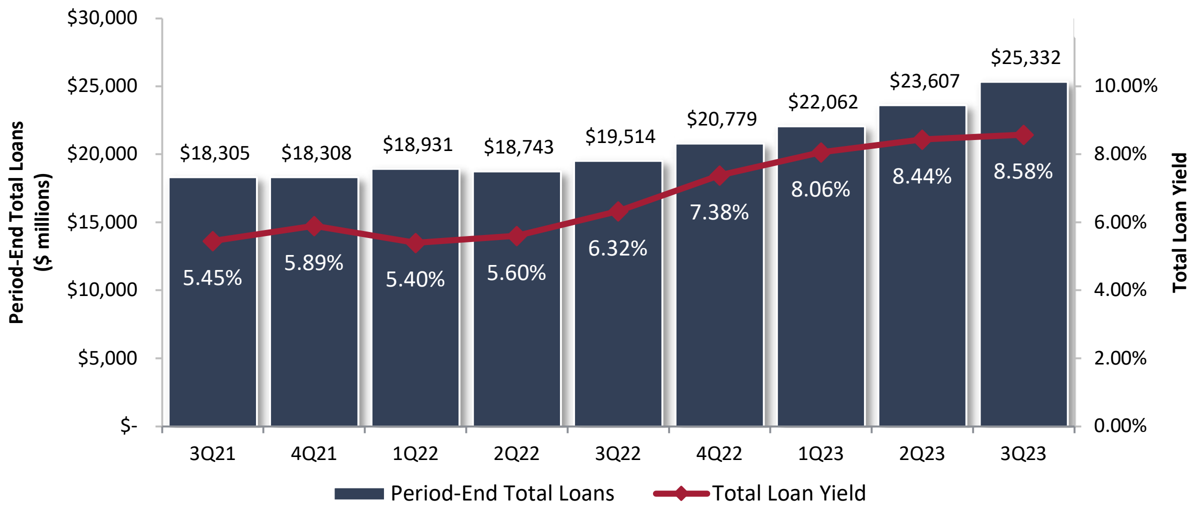


Earning Assets

Our total loans at September 30, 2023 were a record $25.33 billion, having increased $5.82 billion, or 29.8%, from September 30, 2022 and $1.72 billion, or 7.3% not annualized, from June 30, 2023, as illustrated in Figure 2.

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

Figure 2: Total Loan Balances and Yields

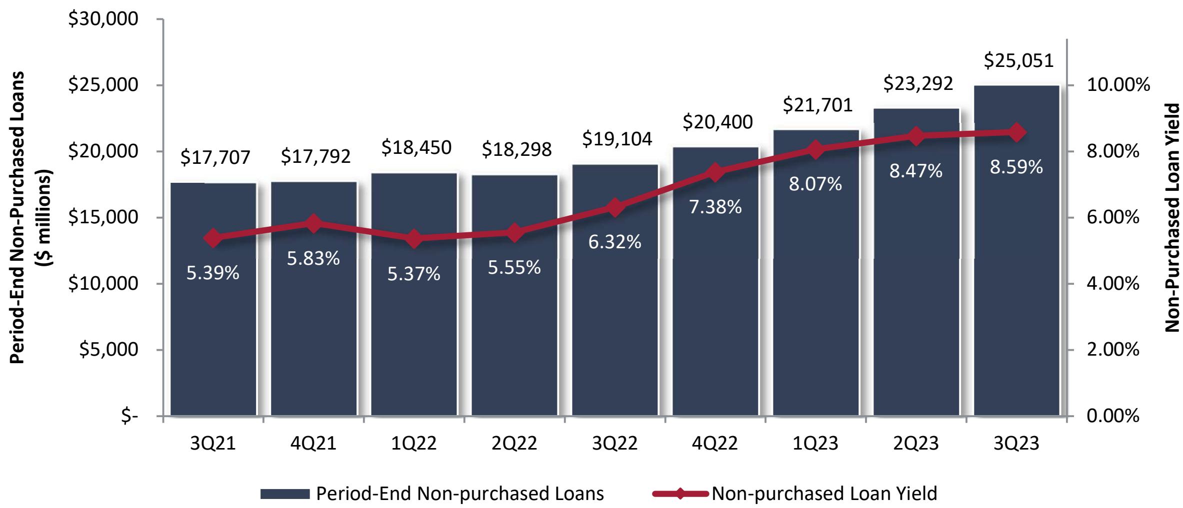


In the third quarter of 2023, our yield on total loans was 8.58%, an increase of 226 basis points ("bps") from the third quarter of 2022 and 14 bps from the second quarter of 2023. In the first nine months of 2023, our yield on total loans was 8.37%, an increase of 259 bps from the first nine months of 2022.

Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from acquisitions, accounted for 83.2% of our average earning assets in the quarter just ended. As illustrated in Figure 3, non-purchased loans were a record $25.05 billion at September 30, 2023, having increased $5.95 billion, or 31.1%, from September 30, 2022, and $1.76 billion, or 7.6% not annualized, from June 30, 2023. For the first nine months of 2023 our outstanding balance of non-purchased loans increased $4.65 billion, or 22.8% not annualized.

Figure 3: Non-purchased Loan Balances and Yields



In the third quarter of 2023, our yield on non-purchased loans was 8.59%, an increase of 227 bps from the third quarter of 2022 and 12 bps from the second quarter of 2023. In the first nine months of 2023, our yield on non-purchased loans was 8.39%, an increase of 264 bps from the first nine months of 2022.

Loan Portfolio Diversification

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

Figure 4: Non-purchased Loan Growth – 3Q23 ($ millions)

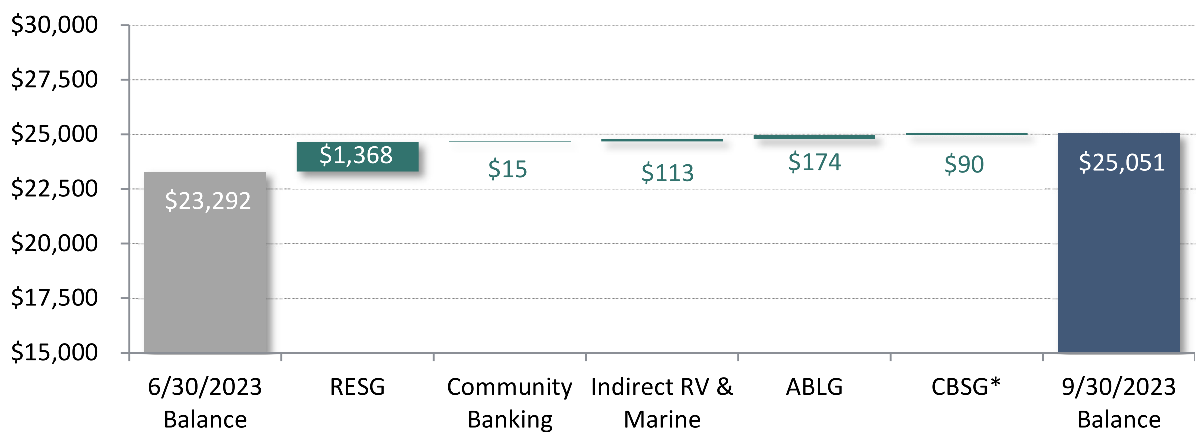
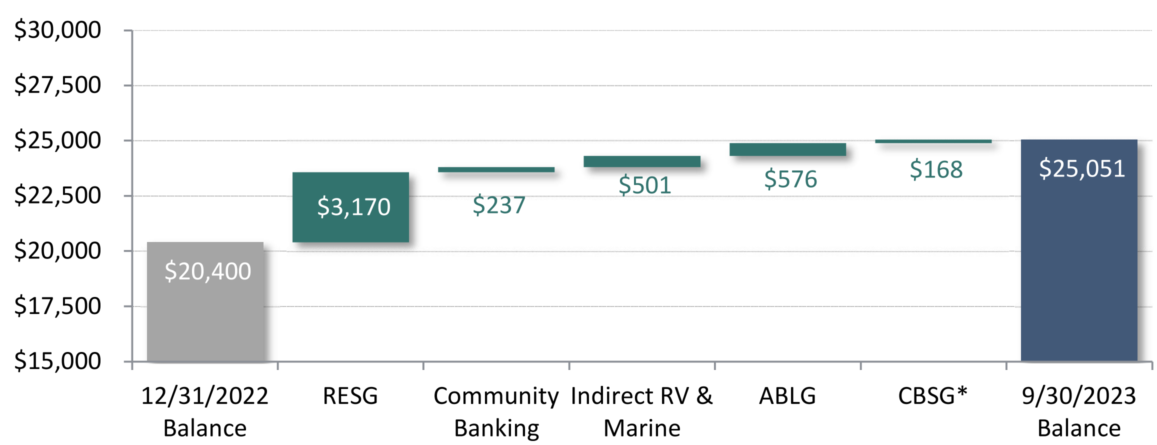


Figure 5: Non-purchased Loan Growth – 9M23 ($ millions)



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

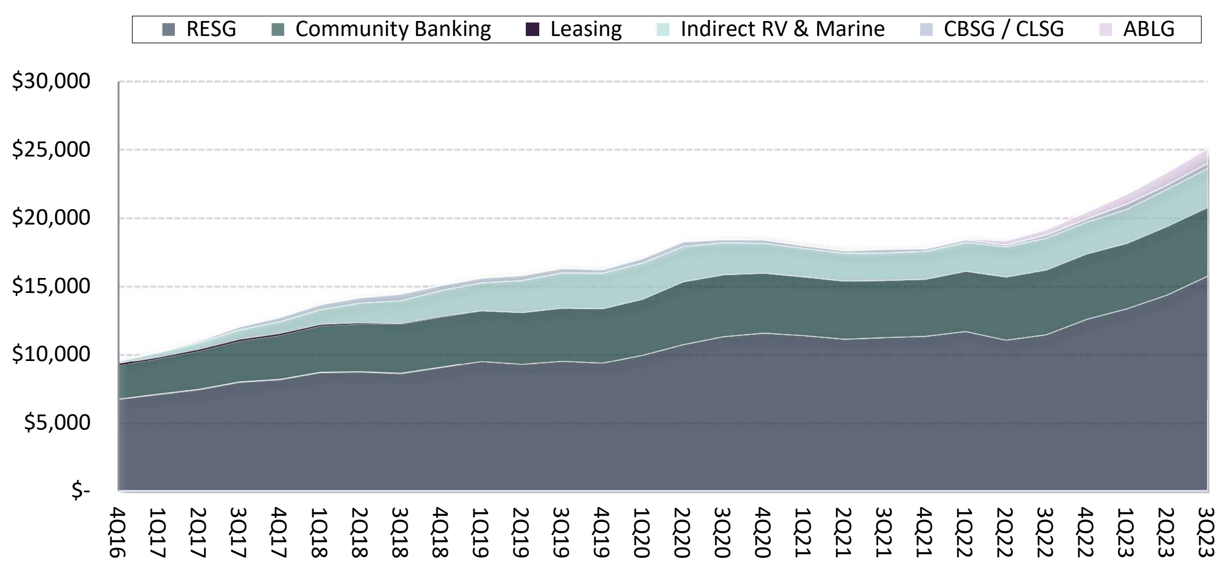
Even as our outstanding balance of RESG loans has reached record levels, RESG's percentage of our non-purchased loans has declined from a peak of 70% at year end 2016 to 63% as of September 30, 2023, as illustrated in Figure 6.

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

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

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 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 also continuing to ramp up growth in other lending teams contributing to long-term portfolio diversification. All of this is reflected in Figure 7, which illustrates our increased diversification and portfolio growth from $9.61 billion at year end 2016 to $25.05 billion at September 30, 2023.

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



As reflected in Figures 8 and 9, RESG's funded balance of non-purchased loans increased $1.37 billion and $3.17 billion during the third quarter and first nine months of 2023, respectively.

Figure 8: Activity in RESG Funded Balances – 3Q23 ($ billions)

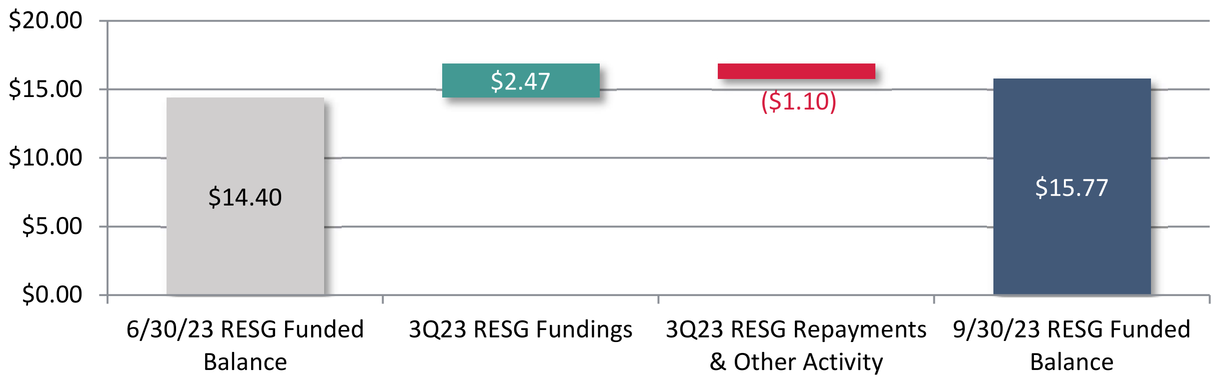
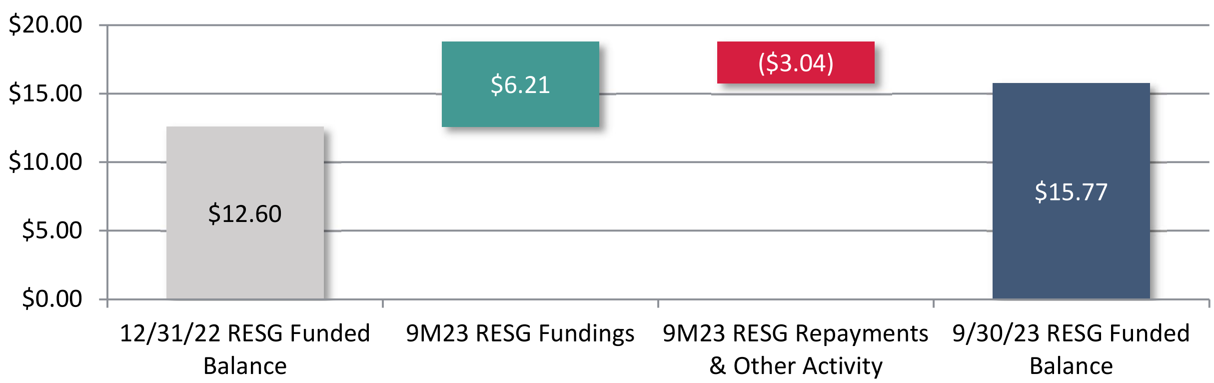


Figure 9: Activity in RESG Funded Balances – 9M23 ($ billions)



As shown in Figure 10, RESG loan originations were $1.95 billion in the third quarter of 2023. RESG loan originations for the first nine months of 2023 were $5.17 billion following record origination volume in 2022. Given the typical lag between RESG originations and the funding of such loans, the record 2022 origination volume should continue to contribute meaningfully to funded loan growth in the remainder of 2023 and 2024.

Figure 10: RESG Quarterly Loan Originations
($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67	$1.40	$1.77	$6.59
FY2021	$1.28	$1.46	$2.21	$2.99	$7.94
FY2022	$3.14	$3.53	$4.35	$2.81	$13.82
FY2023	$1.81	$1.41	$1.95		$5.17

**9M23 Not Annualized*

RESG origination volume in the fourth quarter of 2023 is expected to be the highest of the year, with full year origination volume likely to be around the level achieved in 2021. Origination volume may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

As shown in Figure 11, RESG's loan repayments and other activity were $1.10 billion in the quarter just ended and $3.04 billion for the first nine months of 2023.

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

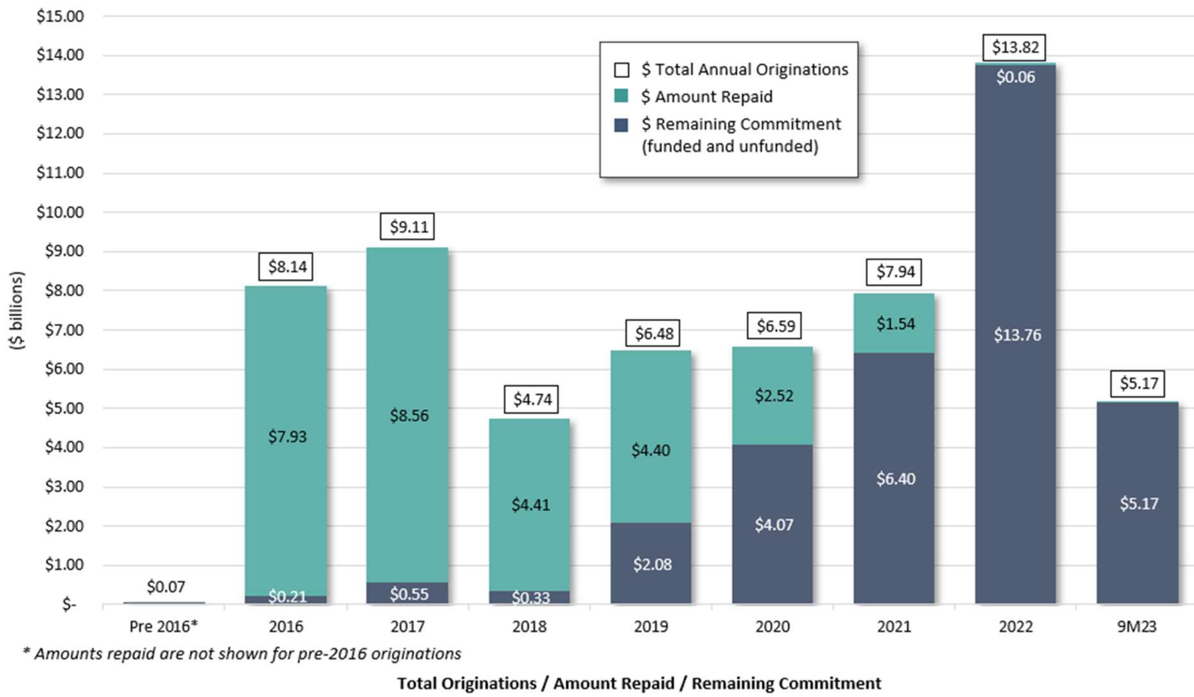
	Q1	Q2	Q3	Q4	Total*
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22
FY2022	$1.31	$2.34	$1.28	$0.72	$5.65
FY2023	$0.91	$1.03	$1.10		$3.04

**9M23 Not Annualized*

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

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 September 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 as of September 30, 2023, are illustrated in Figure 13. All credits had LTV ratios of 68% or less, except for three credits which have been discussed in previous Management Comments documents, and are as follows:

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

Figure 13: RESG Portfolio by LTV & Origination Date (As of September 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 September 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 current design and amenity packages, which provides a distinct competitive advantage compared to older, less desirable properties.

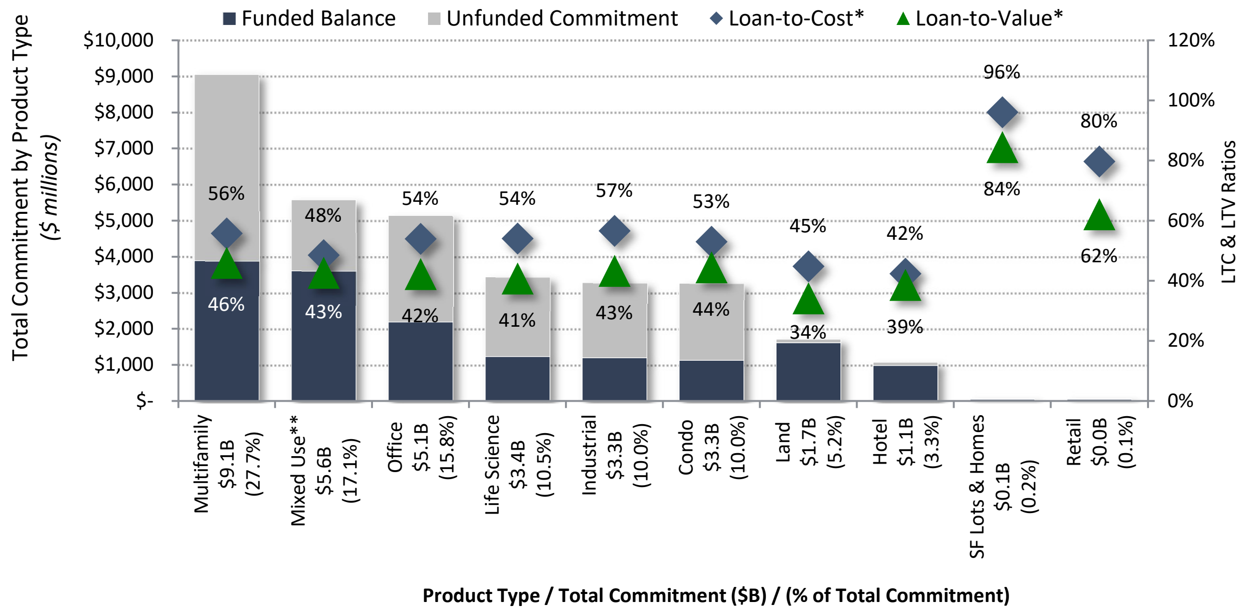
During the third quarter of 2023, RESG obtained updated appraisals on 20 loans with a total commitment of $2.37 billion. Figure 14 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value and the previous total loan commitment for each of these loans. Principal 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 16 loans, LTVs decreased more than 5% for two loans and LTVs increased more than 5% for two loans.

Figure 14: Appraisals Obtained in 3Q23 ($ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 9/30/23	Δ in LTV
Hotel	$ 16	38.2%	68.0%	29.8%
Office	250	22.2%	33.5%	11.3%
Retail	43	58.3%	62.1%	3.8%
Multifamily	41	50.1%	53.3%	3.2%
Office	70	46.2%	48.9%	2.7%
Multifamily	58	33.1%	35.8%	2.7%
Mixed Use	26	24.5%	27.1%	2.6%
Mixed Use	376	37.6%	39.0%	1.4%
SF Lots & Homes	56	83.8%	84.4%	0.7%
Condo	840	51.2%	51.9%	0.6%
Multifamily	50	52.4%	52.9%	0.5%
Land	33	30.4%	30.4%	0.0%
Land	26	44.6%	44.6%	0.0%
Hotel	48	47.4%	47.4%	0.0%
Multifamily	29	52.4%	51.7%	-0.7%
Land	104	18.3%	17.5%	-0.8%
Hotel	76	54.4%	50.5%	-3.9%
Land	105	46.1%	41.8%	-4.2%
Life Science	60	45.1%	40.0%	-5.1%
Multifamily	61	46.9%	41.2%	-5.7%

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

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

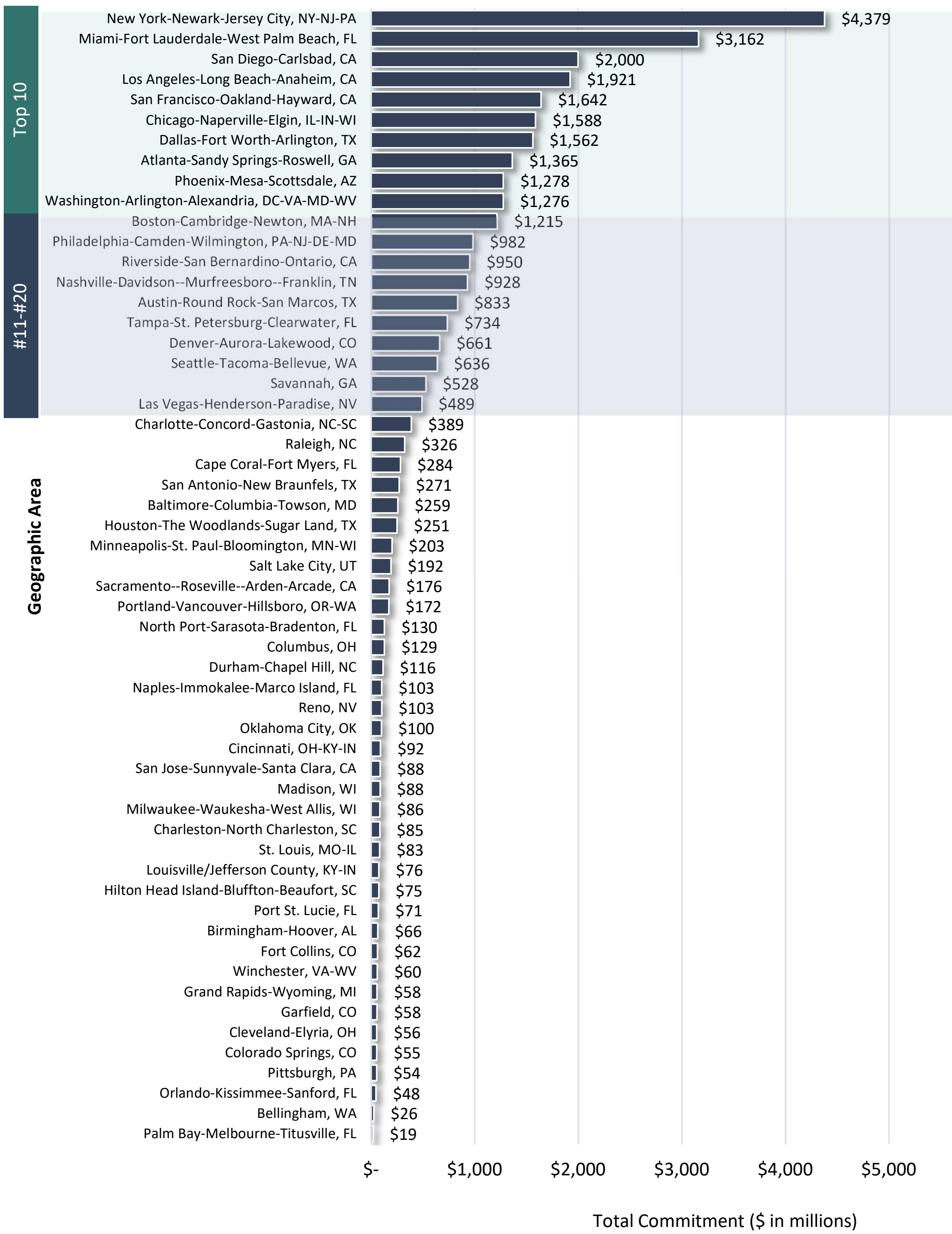


** LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

*** 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 September 30, 2023) ($ millions)

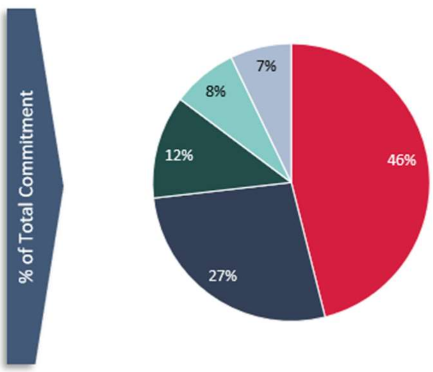


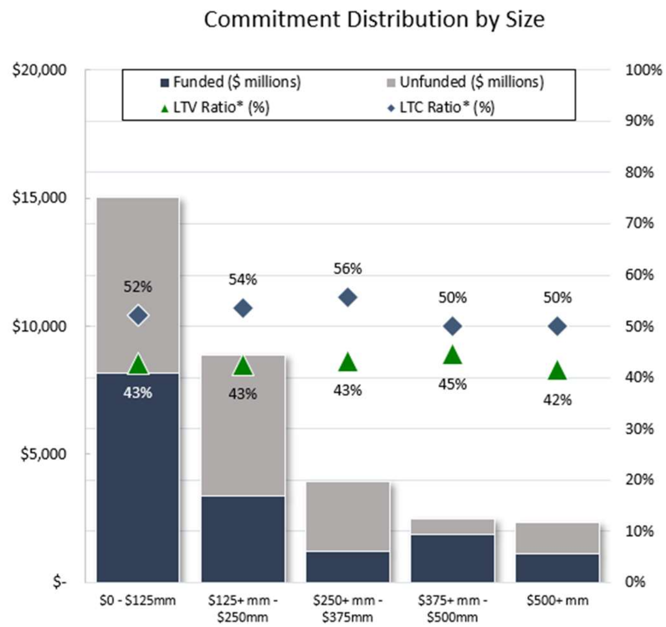
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 17.

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

($ millions)

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





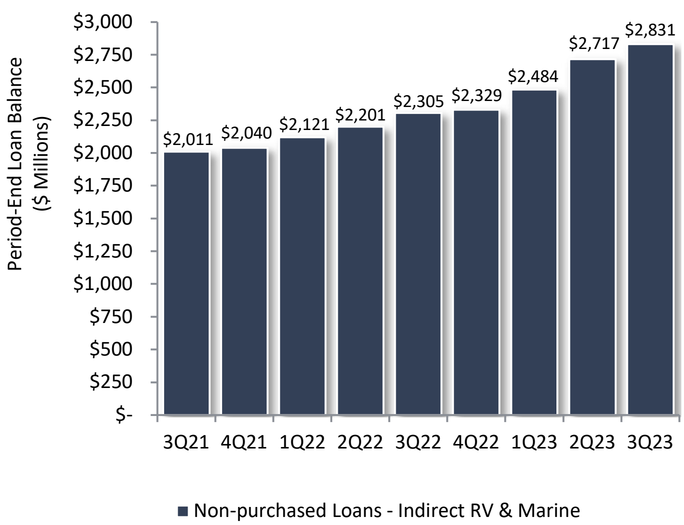
** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

Our Community Banking loans, which accounted for 20% of the funded balance of non-purchased loans as of September 30, 2023, include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, affordable housing, middle market CRE, home builder finance and equipment finance/capital solutions lending teams. Growth in these units is an important part of our broader strategy for portfolio diversification, both in terms of product types and geography.

Indirect RV & Marine lending is a nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards. This portfolio accounted for 11% of the funded balance of non-purchased loans as of September 30, 2023. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans.

As of September 30, 2023, the non-purchased indirect portfolio had a 30+ day delinquency ratio of 14 bps. For the third quarter and first nine months of 2023, our annualized net charge-off ratio for the non-purchased indirect portfolio was 31 bps and 27 bps, respectively. Figure 18 provides additional details regarding this portfolio.

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



RV Portfolio at 9/30/23			
Loan Size	**Total #**		**$ thousands**
$1 million +	1	$	1,602
$750k - $999k	-		-
$250k - $749k	569		178,133
$50k - $249k	10,473		1,169,981
< $50k	6,490		164,527
Total	**17,533**	**$**	**1,514,242**

Marine Portfolio at 9/30/23			
Loan Size	**Total #**		**$ thousands**
$1 million +	64	$	134,163
$750k - $999k	48		41,608
$250k - $749k	691		257,473
$50k - $249k	6,646		785,012
< $50k	3,248		98,180
Total	**10,697**	**$**	**1,316,436**

Unfunded Balances of Loans Already Closed

At September 30, 2023, RESG accounted for 81% of our $20.63 billion unfunded balance of loans already closed, followed by Community Banking at 9%, ABLG at 6% and CBSG at 4%. Our total unfunded balance decreased $0.50 billion, or 2.3% not annualized, in the first nine months of 2023, as shown in Figures 19 and 20, and the mix has continued to diversify with RESG accounting for 81% of the unfunded balance compared to 86% at December 31, 2022.

Figure 19: Activity in Unfunded Balances – 3Q23 ($ millions)

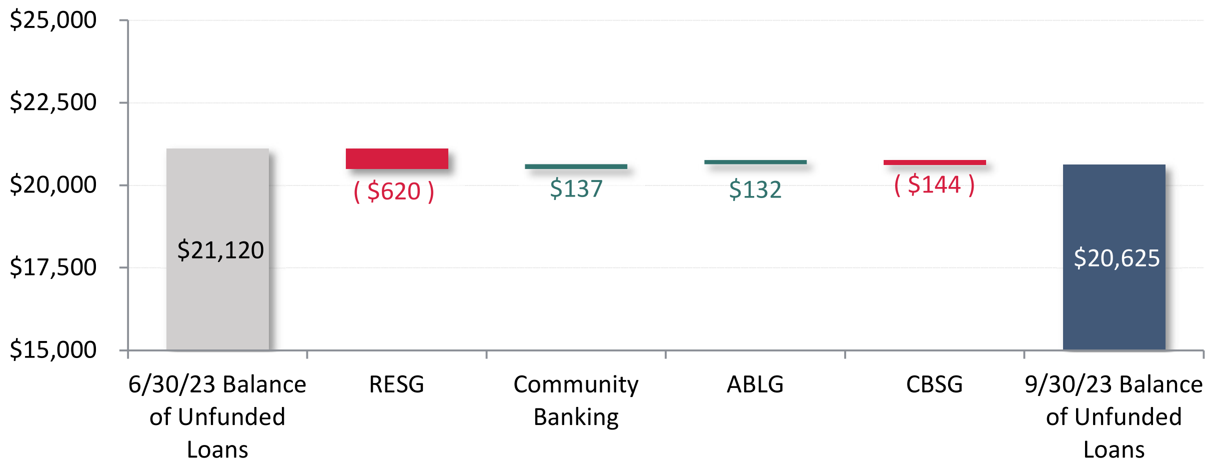
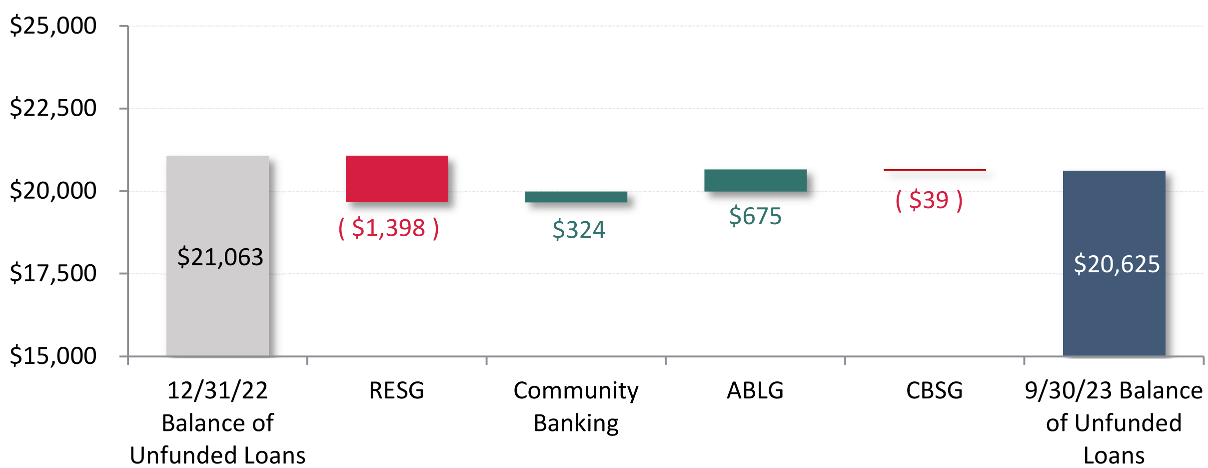


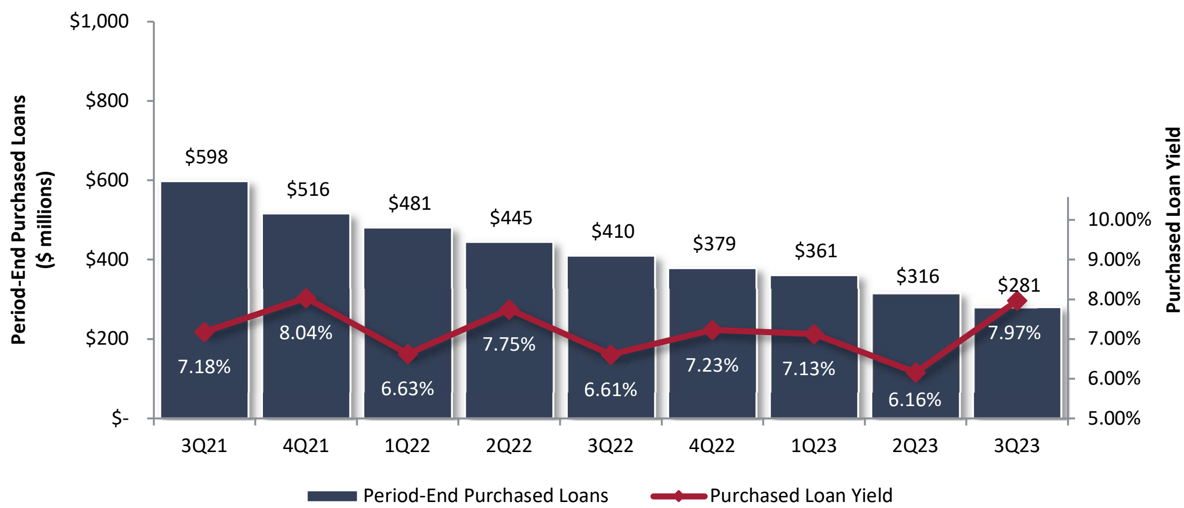
Figure 20: Activity in Unfunded Balances – 9M23 ($ millions)



Purchased Loans

Purchased loans, which are the remaining loans from acquisitions, accounted for 1.0% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.04 billion, or 11.1% not annualized, to $0.28 billion at September 30, 2023. For the first nine months of 2023, our purchased loan portfolio decreased by $0.10 billion, or 25.9%. Figure 21 shows recent purchased loan portfolio trends.

Figure 21: Purchased Loan Balances and Yields

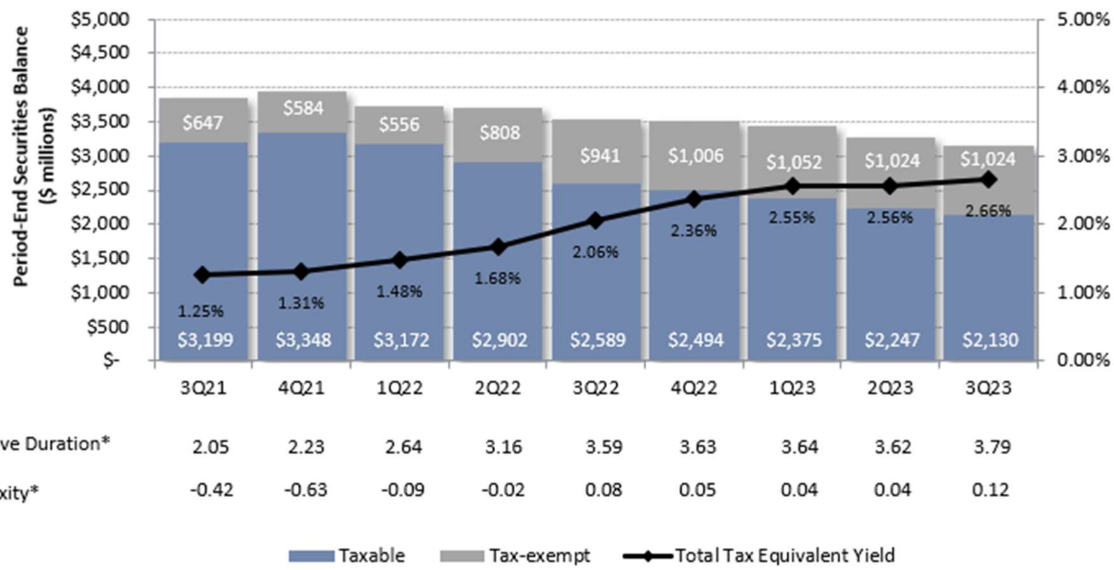


In the third quarter of 2023, our yield on purchased loans was 7.97%, an increase of 136 bps and 181 bps from the third quarter of 2022 and the second quarter of 2023, respectively. In the first nine months of 2023, our yield on purchased loans was 7.05%, an increase of five bps from the first nine months of 2022.

Investment Securities Portfolio

As illustrated in Figure 22, at September 30, 2023, our investment securities portfolio was $3.15 billion, a decrease of $0.38 billion, or 10.6%, from September 30, 2022 and $0.12 billion, or 3.3% not annualized, from June 30, 2023. In the quarter just ended, our investment portfolio yield on a fully taxable equivalent basis was 2.66%, an increase of 60 bps from the third quarter of 2022 and 10 bps from the second quarter of 2023.

Figure 22: Investment Securities Portfolio Balances and Yields



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

We have no investment securities categorized as held-to-maturity. We have long believed that holding our securities as available-for-sale or trading provides us maximum liquidity and flexibility to manage our balance sheet, while most accurately reflecting our financial position. Thus, we have no unrecognized mark-to-market adjustments on securities. Additionally, our investment securities portfolio comprises a relatively low percentage of our total assets, and, as shown above, had a short effective duration of 3.79 years as of quarter end. It contains a number of short-term securities providing us cash flow to reinvest or otherwise redeploy. Principal cash flow from maturities and other principal repayments in the fourth quarter of 2023 is expected to be approximately $0.14 billion, or about 4.3% of the portfolio. Cumulative principal cash flow for the next four quarters through September 30, 2024, is expected to be approximately $0.56 billion, or about 17.3% of the portfolio.

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 $25.55 billion, increasing $1.57 billion, or 6.5% not annualized. During the first nine months of 2023, our deposits increased $4.05 billion, or 18.8% not annualized, compared to December 31, 2022.

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

Figure 23: Deposit Composition ($ millions)

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

The increase in our percentage of brokered deposits during the quarter just ended was primarily due to the reclassification of one institutional deposit customer, which was advised late in the quarter that it would no longer qualify for a Primary Purpose Exemption. We expect our brokered deposits to be back near or below 10% of total deposits at year-end.

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

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

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

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

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

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

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Cash & Cash Equivalents	$ 896	$ 1,033	$ 1,039	$ 1,455	$ 1,864
Unpledged Investment Securities	2,565	2,616	2,665	2,373	2,339
FHLB	5,033	5,059	4,782	5,054	4,850
Unsecured Lines of Credit	1,075	1,065	1,065	875	850
Fed Discount Window*	400	401	404	376	364
Total	$ 9,968	$ 10,174	$ 9,956	$ 10,133	$ 10,267

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

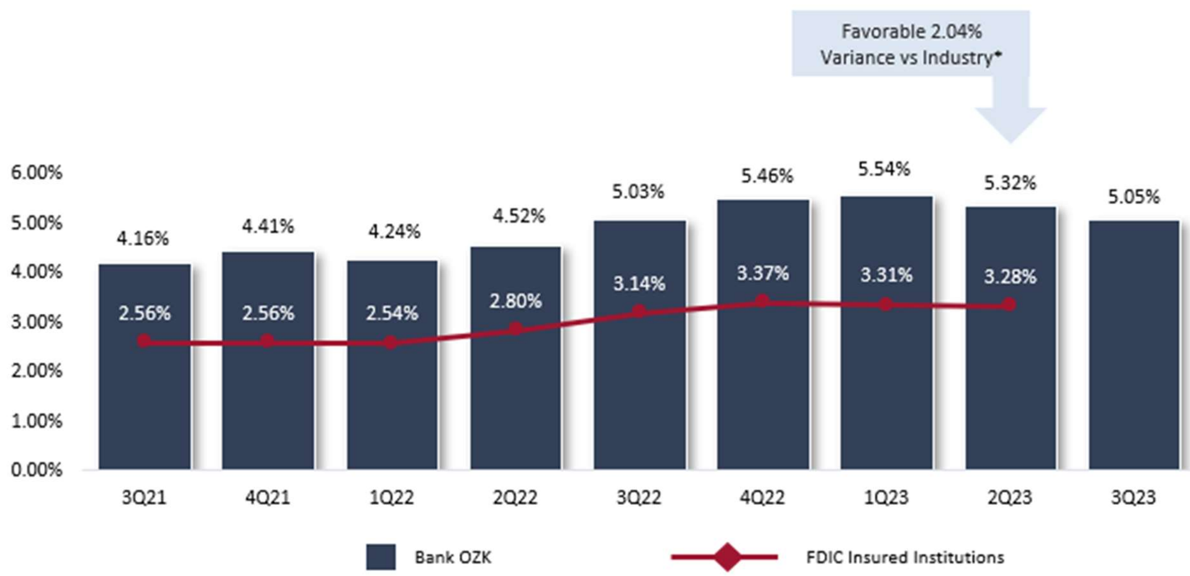
Net Interest Margin and Core Spread

During the quarter just ended, our net interest margin was 5.05%, decreasing 27 bps from the second quarter of 2023, but increasing two bps from the third quarter of 2022.

Compared to the second quarter of 2023, our yield on average earning assets in the quarter just ended increased 19 bps to 7.76%, and our cost of interest bearing liabilities increased 55 bps to 3.59%. Compared to the third quarter of 2022, our yield on average earning assets increased 224 bps and our cost of interest bearing liabilities increased 287 bps.

As shown in Figure 26, in the second quarter of 2023, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 204 bps.

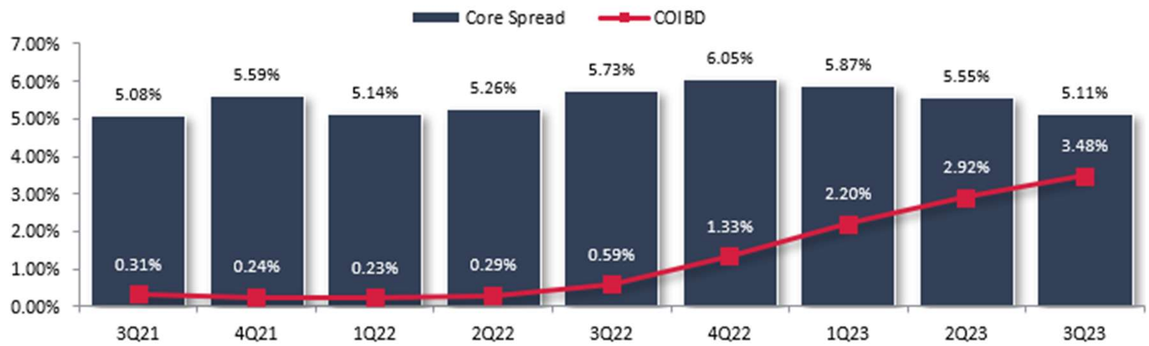
Figure 26: Quarterly Net Interest Margin (%)



**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second 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 5.11%, a decrease of 44 bps and 62 bps from the second quarter of 2023 and third quarter of 2022, respectively.

Figure 27: Core Spread and COIBD



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

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

Variable Rate Loans

At September 30, 2023, 80% of our funded balance of total loans had variable rates, of which 84% were tied to 1-month term SOFR, 14% to WSJ Prime and 2% to other indexes. At September 30, 2023, 98% of our variable rate total loans (non-purchased and purchased) had floor rates, and the vast majority of such loans were above their floor rates.

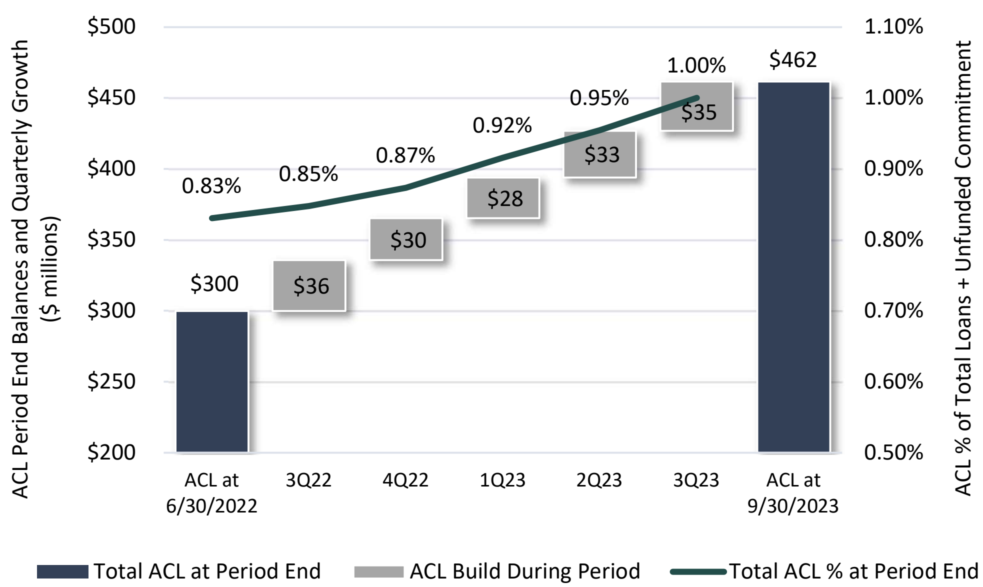
Provision and Allowance for Credit Losses ("ACL")

Our provision for credit losses was $44.0 million and $121.6 million, respectively, for the third quarter and first nine months of 2023, while our net charge-offs were $9.4 million and $25.4 million, respectively, for the third quarter and first nine months of 2023.

As of September 30, 2023, our total ACL was $461.5 million, or 1.00% of total outstanding loans and unfunded loan commitments. This included our allowance for loan losses ("ALL"), which was $303.4 million, or 1.20% of total outstanding loans, and our reserve for losses on our unfunded loan commitments, which was $158.1 million, or 0.77% of unfunded loan commitments.

As shown in Figure 28, over the last five quarters we have increased our total ACL by a net $162 million. A large part of this increase was attributable to our $9.8 billion cumulative combined growth in total outstanding loans and unfunded loan commitments. The increase in our overall ACL percentage from 0.83% of total outstanding loans and unfunded loan commitments at June 30, 2022 to 1.00% at September 30, 2023 primarily reflected changes in economic assumptions as the Fed increased the Fed funds target rate by 525 bps. Over the last five quarters, we maintained a cautious outlook on macroeconomic conditions. Accordingly, in calculating our ACL, we have more heavily weighted the collective downside scenarios, specifically Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios, than Moody's Baseline scenario. All of this has resulted in cumulative provision expense of $194 million even as our cumulative net charge-offs were only $32 million.

Figure 28: ACL Build – Last Five Quarters



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

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

Figure 29: Activity in ACL – 3Q23 *($ millions)*

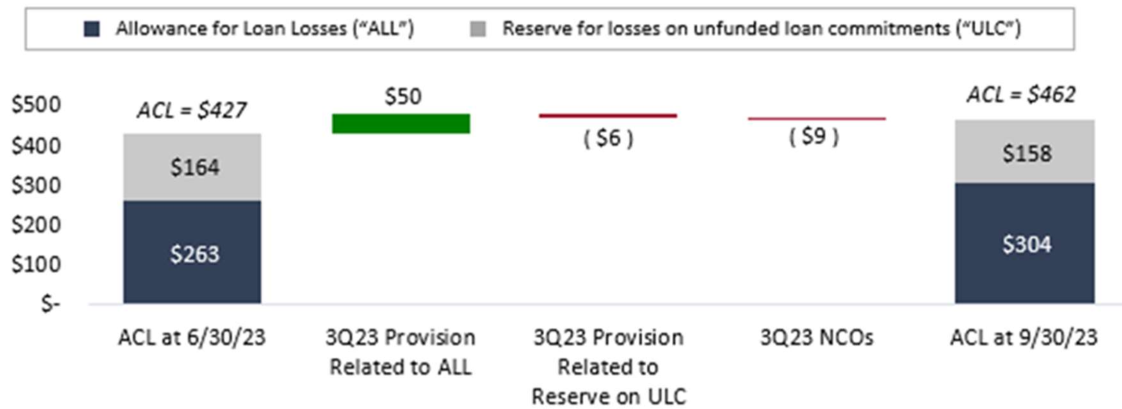
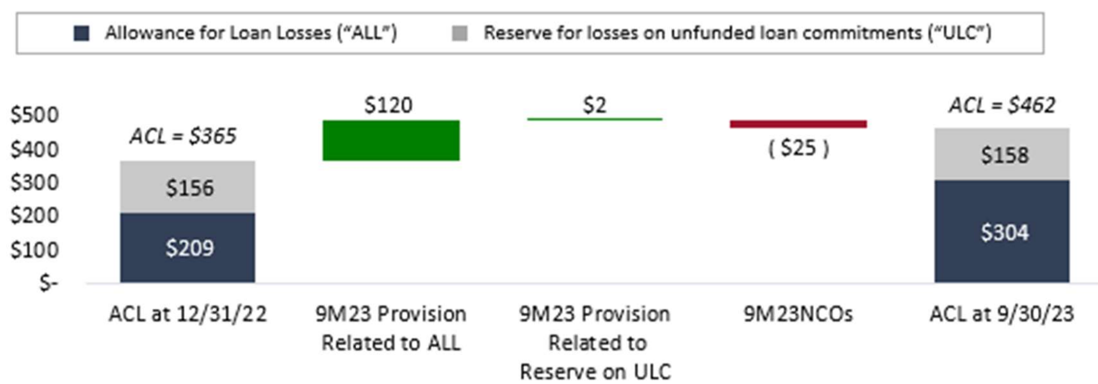


Figure 30: Activity in ACL – 9M23 *($ millions)*



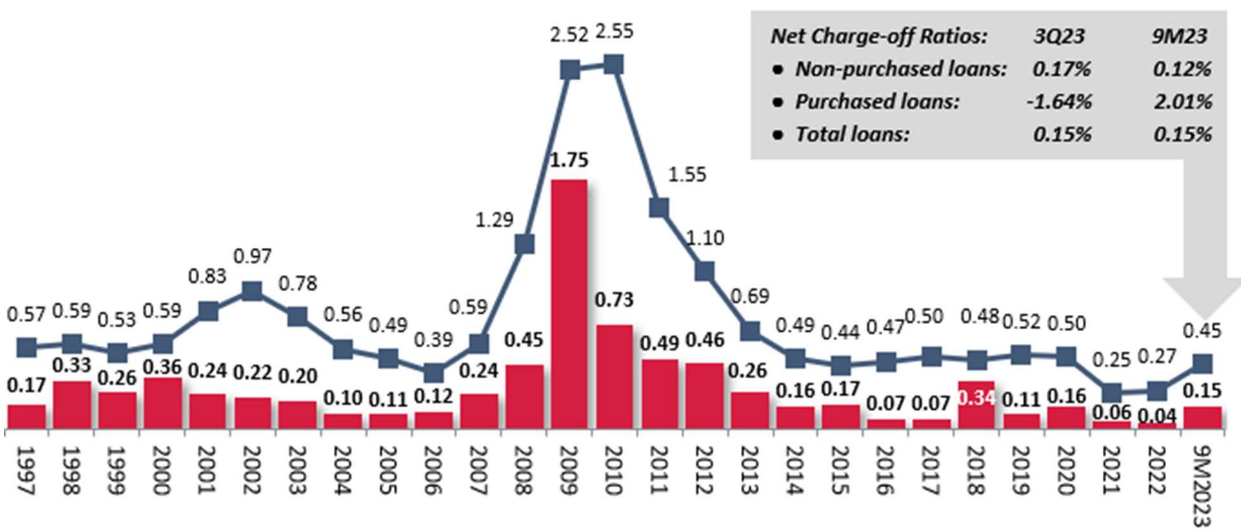
The calculations of our provision for credit losses for the third quarter of 2023 and our total ACL at September 30, 2023 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in September 2023. In our selection of macroeconomic scenarios, we 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; the conflict in the Middle East; 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 0.17%, for purchased loans was -1.64%, and for total loans was 0.15%. For the first nine months of 2023, our annualized net charge-off ratio for non-purchased loans was 0.12%, for purchased loans was 2.01%, and for total loans was 0.15%. In our 26 years as a public company, our net charge-off ratio has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

We have built our portfolio with the goal that it will perform well in adverse conditions, and that discipline has been evident in our recent results through the pandemic, the Fed's increasing interest rates, higher rates of inflation, and numerous other sources of macroeconomic, political and geo-political turbulence. 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 second 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%
9/30/23	15,768,665	13,929,767	3,780	0.04%
Total			**$ 62,439**	

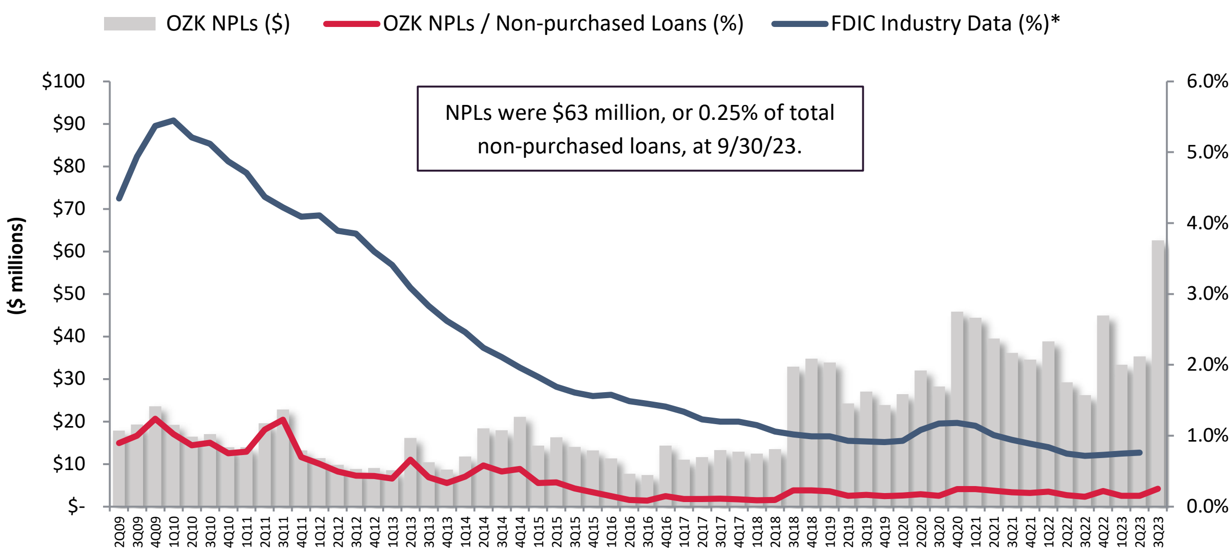
Weighted Average	0.08%

** 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 performing well relative to industry averages, and we expect that favorable performance to continue.

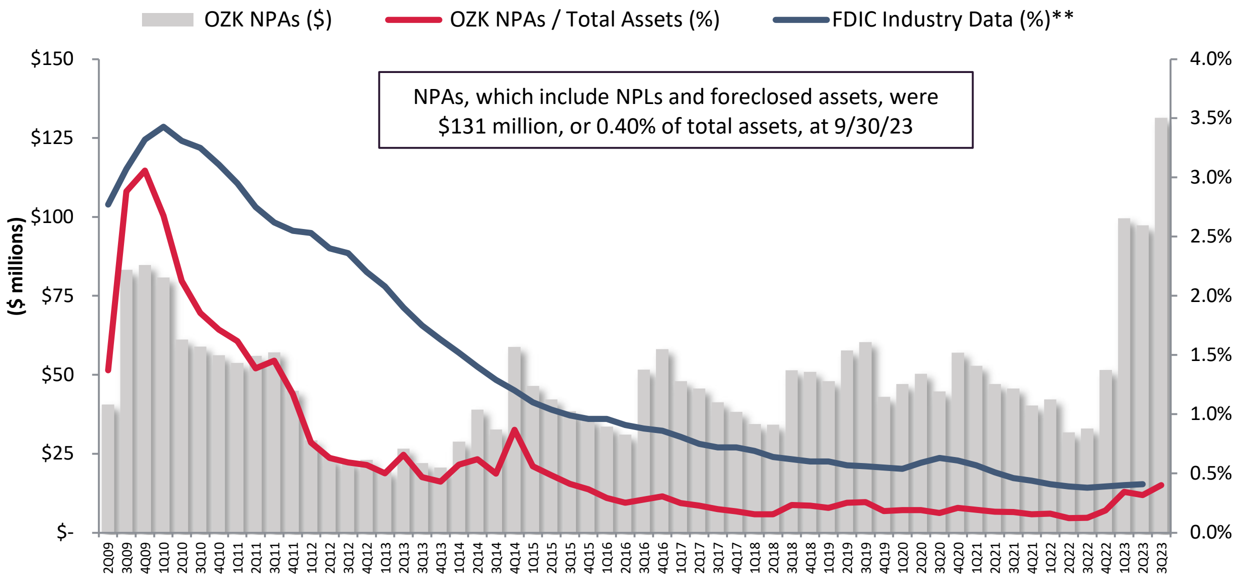
Figure 33: Nonperforming Non-purchased Loans ("NPLs")



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

At September 30, 2023, our ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.25% compared to 0.15% as of June 30, 2023.

Figure 34: Nonperforming Assets (“NPAs”)

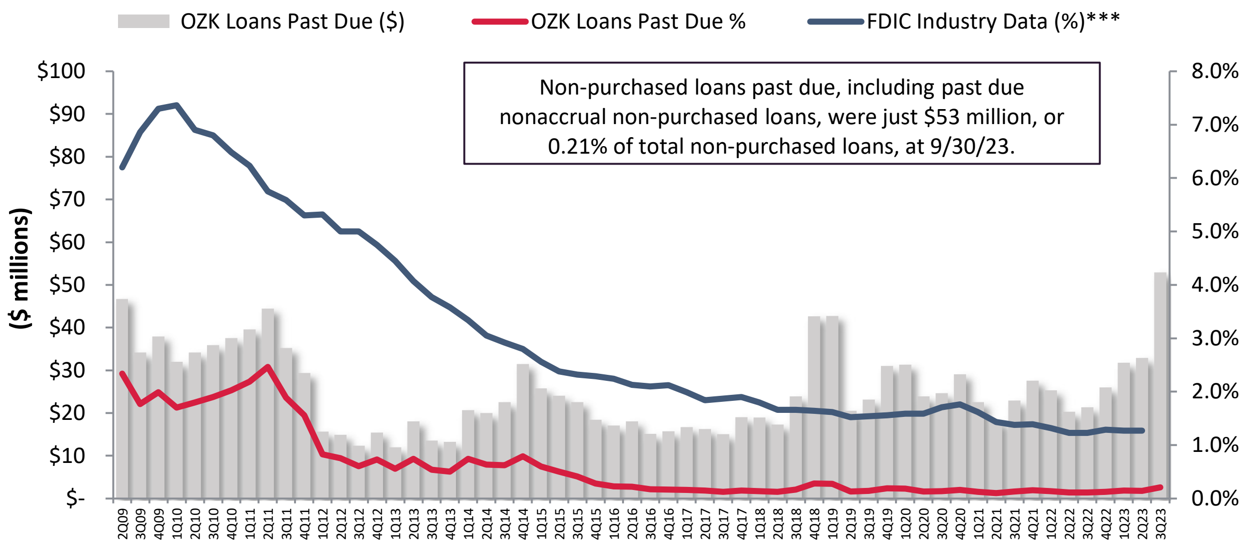


*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2023. Noncurrent assets plus other real estate owned to assets (%).*

At September 30, 2023, our ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.40% compared to 0.32% as of June 30, 2023. Our NPAs at September 30, 2023 consisted of $62.6 million of NPLs and $68.7 million of foreclosed assets.

We are pleased to report that we currently have pending sales contracts on $67.7 million, or 99%, of our September 30, 2023 foreclosed assets. Each of these sales contracts is subject to typical due diligence and closing conditions, has an expected closing date before March 31, 2024, and would result in no loss on sale.

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



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

At September 30, 2023, our ratio of non-purchased loans past due to total non-purchased loans was 0.21%, compared to 0.14% at June 30, 2023. The increase in our ratio of non-purchased loans past due from June 30, 2023 to September 30, 2023 was due to the $19.98 million RESG loan, which was previously risk rated substandard and discussed in previous Management Comments, and which became past due and was placed on non-accrual status during the quarter just ended, as discussed above. Excluding that loan, our ratio of non-purchased loans past due to total non-purchased loans would have been 0.13% at September 30, 2023.

Non-interest Income

Non-interest income for the third quarter of 2023 was $25.7 million, a decrease of 11.8% from the third quarter of 2022 and 19.6% from the second quarter of 2023. For the first nine months of 2023, non-interest income was $85.5 million, a decrease of 1.7% from $87.0 million for the first nine 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 third quarter and first nine months of 2023.

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

	For the Three Months Ended				
	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Service charges on deposit accounts:					
NSF fees	$ 1,152	$ 1,025	$ 991	$ 1,004	$ 1,102
Overdraft fees	3,656	3,442	3,287	3,369	3,606
All other service charges	7,089	7,138	6,502	7,187	6,973
Trust income	2,007	1,977	2,033	2,113	2,213
BOLI income:					
Increase in cash surrender value	4,940	4,953	4,974	5,069	5,252
Death benefit	510	-	-	-	-
Loan service, maintenance and other fees	3,418	3,780	4,076	4,095	3,995
Net gains / (loss) on investment securities - Trading	321	1,256	1,716	620	(270)
Gains on sales of other assets	3,182	510	343	5,033	364
Other	2,888	3,463	3,887	3,497	2,492
Total non-interest income	$ 29,163	$ 27,544	$ 27,809	$ 31,987	$ 25,727

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

	For the Three Months Ended			For the Nine Months Ended		
	9/30/2022	9/30/2023	% Change	9/30/2022	9/30/2023	% Change
Service charges on deposit accounts:						
NSF fees	$ 1,152	$ 1,102	-4.3%	$ 3,311	$ 3,097	-6.5%
Overdraft fees	3,656	3,606	-1.4%	9,946	10,262	3.2%
All other service charges	7,089	6,973	-1.6%	20,963	20,662	-1.4%
Trust income	2,007	2,213	10.3%	6,012	6,358	5.8%
BOLI income:						
Increase in cash surrender value	4,940	5,252	6.3%	14,579	12,595	-13.6%
Death benefit	510	-	-	807	-	NM
Loan service, maintenance and other fees	3,418	3,995	16.9%	10,039	12,165	21.2%
Net gains / (loss) on investment securities - Trading	321	(270)	NM	762	2,066	171.1%
Gains on sales of other assets	3,182	364	NM	10,957	5,740	-47.6%
Other	2,888	2,492	-13.7%	9,583	9,877	3.1%
Total non-interest income	$ 29,163	$ 25,727	-11.8%	$ 86,959	$ 85,522	-1.7%

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

Non-interest Expense

Non-interest expense for the third quarter of 2023 was $129.0 million, an increase of 11.5% from the third quarter of 2022. Non-interest expense for the first nine months of 2023 was $384.5 million, an increase of 15.6% from the first nine months of 2022.

During 2022 and the first nine 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. We expect further growth in headcount 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.

We expect most categories of non-interest expense will continue increasing 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 38 and 39, respectively, summarize non-interest expense for the most recent five quarters and year-over-year trends for the third quarter and first nine months of 2023.

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

	For the Three Months Ended				
	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Salaries & employee benefits	$ 57,367	$ 59,946	$ 63,249	$ 65,219	$ 64,107
Net occupancy and equipment	18,244	17,597	18,084	19,476	17,797
Software and data processing	8,700	9,512	9,283	9,768	9,584
Deposit insurance and assessments	2,650	2,710	4,148	4,900	5,500
Professional and outside services	5,403	5,652	5,105	5,445	4,640
Advertising and public relations	3,448	2,987	4,036	3,184	3,779
Telecommunication services	1,921	2,134	2,273	2,398	1,943
ATM expense	1,500	1,834	2,139	1,659	1,927
Travel and meals	1,962	1,755	1,815	1,903	1,926
Postage and supplies	2,035	1,893	1,712	2,431	1,716
Loan collection and repossession expense	402	306	386	517	1,210
Amortization of intangibles	1,298	1,189	1,189	1,189	376
Writedowns of foreclosed assets	87	710	941	24	141
Amortization of CRA and tax credit investments	5,155	5,408	6,414	5,566	8,171
Other expenses	5,519	5,380	5,443	5,676	6,161
Total non-interest expense	$ 115,691	$ 119,013	$ 126,217	$ 129,355	$ 128,978

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

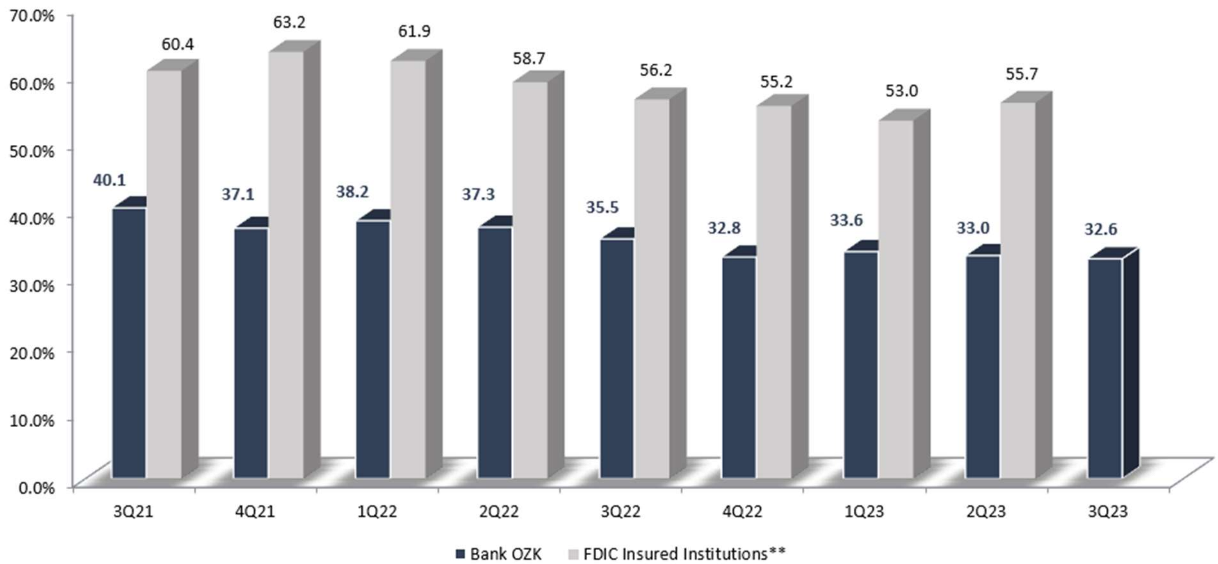
	For the Three Months Ended			For the Nine Months Ended		
	9/30/2022	9/30/2023	% Change	9/30/2022	9/30/2023	% Change
Salaries & employee benefits	$ 57,367	$ 64,107	11.7%	$ 166,427	$ 192,576	15.7%
Net occupancy and equipment	18,244	17,797	-2.5%	52,474	55,357	5.5%
Software and data processing	8,700	9,584	10.2%	25,861	28,634	10.7%
FDIC insurance and state assessments	2,650	5,500	107.5%	6,900	14,548	110.8%
Professional and outside services	5,403	4,640	-14.1%	15,929	15,190	-4.6%
Advertising and public relations	3,448	3,779	9.6%	5,810	10,998	89.3%
Telecommunication services	1,921	1,943	1.1%	5,852	6,614	13.0%
ATM expense	1,500	1,927	28.5%	4,497	5,725	27.3%
Travel and meals	1,962	1,926	-1.8%	5,906	5,644	-4.4%
Postage and supplies	2,035	1,716	-15.7%	5,240	5,859	11.8%
Loan collection and repossession expense	402	1,210	201.0%	1,081	2,113	95.5%
Amortization of intangibles	1,298	376	-71.0%	4,331	2,754	-36.4%
Writedowns of foreclosed assets	87	141	62.1%	345	1,106	220.5%
Amortization of CRA and tax credit investments	5,155	8,171	58.5%	14,885	20,151	35.4%
Other expenses	5,519	6,161	11.6%	17,170	17,280	0.6%
Total non-interest expense	$ 115,691	$ 128,978	11.5%	$ 332,708	$ 384,549	15.6%

Efficiency Ratio

As shown in Figure 40, in the quarter just ended, our efficiency ratio was 32.6%. Our efficiency ratio has been in the top decile of the industry for 21 consecutive years.*

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

Figure 40: Quarterly Efficiency Ratio (%)



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

Effective Tax Rate

Our effective tax rate for the quarter just ended was 21.0% and for the first nine months of 2023 was 20.4%. Assuming no changes in applicable state or federal income tax rates, we expect our effective tax rate for the fourth quarter 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 41, 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 capital, including organic loan growth, adding new business lines, continuing to increase our quarterly cash dividend, financially attractive acquisitions for cash or some combination of cash and stock and stock repurchases. 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 41: Capital Ratios

	Estimated 9/30/2023 [5]	Regulatory Minimum Required To Be Considered Well Capitalized	Excess Capital
CET 1 Ratio	10.70%	6.50%	4.20%
Tier 1 Ratio	11.60%	8.00%	3.60%
Total RBC Ratio	14.10%	10.00%	4.10%
Tier 1 Leverage	14.20%	5.00%	9.20%

We have increased our cash dividend in each of the last 53 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

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

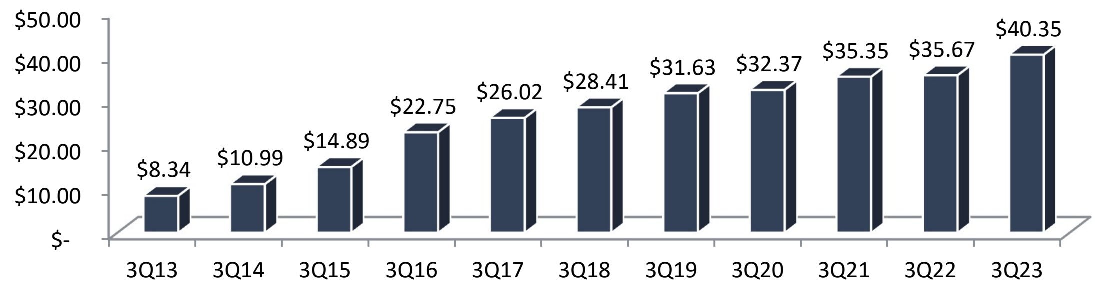
We have achieved substantial growth in recent quarters, which has helped us profitably deploy some of our excess capital. We expect further growth in 2024, likely resulting in less of a focus on stock repurchases. Notwithstanding this, we expect to pursue a new share repurchase authorization during 2024. In evaluating a future stock repurchase authorization, management will consider a variety of other factors including our capital position,

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

expected growth, alternative uses of capital, liquidity, financial performance, expected macroeconomic environment and regulatory requirements.

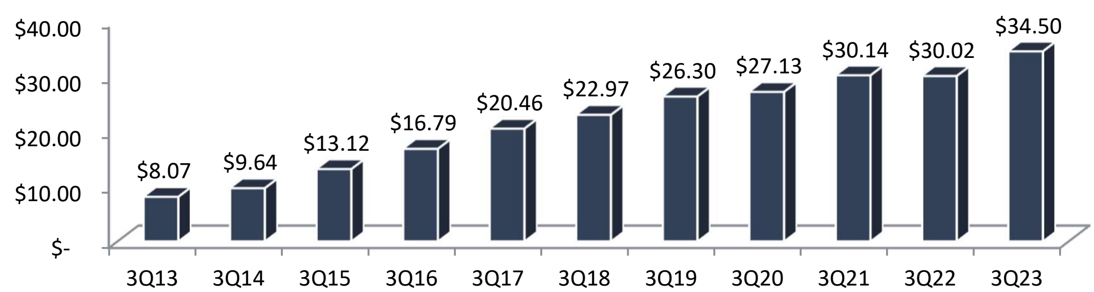
During the quarter just ended, our book value per common share increased to $40.35, a 13.1% increase from September 30, 2022. Over the last 10 years, we have increased book value per common share by a cumulative 384%, resulting in a compound annual growth rate of 17.1%, as shown in Figure 42.

Figure 42: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $34.50, a 14.9% increase from September 30, 2022. Over the last 10 years, we have increased tangible book value per common share by a cumulative 328%, resulting in a compound annual growth rate of 15.6%, as shown in Figure 43.

Figure 43: 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

We have been well positioned for rising interest rates and the turbulent environment of the last six quarters, and our preparation has been reflected in our record results. We believe we are well positioned for the coming quarters, and we look forward to capitalizing on new opportunities.

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

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

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

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

Unaudited (Dollars in Thousands, Except per Share)

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

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

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

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)

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