UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429

FORM 8-K
CURRENT REPORT

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

Date of report (Date of earliest event reported): **January 20, 2022**

BANK OZK

(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction of incorporation)

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

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

Not Applicable
(Former name or former address, if changed since last report)

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

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

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

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

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

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

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

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On January 20, 2022, Bank OZK (the "Bank") issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2021 and made available management's comments on the results for the fourth quarter and full year of 2021. The materials contain forward-looking statements regarding the Bank and include cautionary language identifying important factors that could cause actual results to differ materially from those anticipated. The fourth quarter and full year of 2021 earnings press release and management's comments with respect thereto are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are available on the Bank's investor relations website.

As previously reported, on January 21, 2022, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the fourth quarter and full year of 2021.

The information furnished pursuant to this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing of the Bank under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such filing. All information in the fourth quarter and full year ended December 31, 2021 earnings press release and management's comments with respect thereto speaks as of the date thereof, and the Bank does not assume any obligation to update such information in the future.

Item 7.01 Regulation FD Disclosures.

See Item 2.02 Results of Operations and Financial Condition.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits: The following exhibits are being furnished to this Current Report on Form 8-K.

99.1	Press Release dated January 20, 2022: Bank OZK Announces Record Fourth Quarter and Full Year 2021 Earnings
99.2	Management Comments for the Fourth Quarter and Full Year 2021 – dated January 20, 2022

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANK OZK

Date: January 20, 2022	By: /s/ Greg L. McKinney Name: Greg L. McKinney Title: Chief Financial Officer

Exhibit No.	**Document Description**
99.1	Press Release dated January 20, 2022: Bank OZK Announces Record Fourth Quarter and Full Year 2021 Earnings
99.2	Management Comments for the Fourth Quarter and Full Year 2021 – dated January 20, 2022

Exhibit 99.1

NEWS RELEASE

Date:	January 20, 2022
Release Time:	3:01 p.m. (CT)
Investor Contact:	Tim Hicks (501) 978-2336
Media Contact:	Candace Graham (501) 320-4165

Bank OZK Announces Record Fourth Quarter and Full Year 2021 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the fourth quarter of 2021 was $149.8 million, a 24.3% increase from $120.5 million for the fourth quarter of 2020. Diluted earnings per common share for the fourth quarter of 2021 were a quarterly record $1.17, a 25.8% increase from $0.93 for the fourth quarter of 2020.

For the full year of 2021, net income was a record $579.0 million, a 98.4% increase from $291.9 million for the full year of 2020. Diluted earnings per common share for the full year of 2021 were a record $4.47, a 97.8% increase from $2.26 for the full year of 2020.

As a result of improved economic conditions and prospects for improvement in the U. S. economy, management recorded negative provision for credit losses of $8.0 million during the fourth quarter and $77.9 million for the full year of 2021, reducing the Bank's total allowance for credit losses ("ACL") from $377.3 million at December 31, 2020 to $289.0 million at December 31, 2021. The Bank's provision for credit losses was $6.8 million during the fourth quarter and $203.6 million for the full year of 2020.

Pre-tax pre-provision net revenue ("PPNR") was $186.0 million for the fourth quarter of 2021, a 14.2% increase from $162.9 million for the fourth quarter of 2020. PPNR was $675.0 million for the full year of 2021, a 16.4% increase from $579.8 million for the full year of 2020. The calculation of PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the fourth quarter of 2021 were 2.25%, 13.08% and 15.34%, respectively, compared to 1.79%, 11.36% and 13.53%, respectively, for the fourth quarter of 2020. The Bank's returns on average assets, average common stockholder's equity and average tangible common stockholders' equity for the full year of 2021 were 2.17%, 13.01% and 15.32%, respectively, compared to 1.13%, 7.04% and 8.41%, respectively, for the full year of 2020. The calculation of the Bank's returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer stated, "We are pleased to report our excellent results for the fourth quarter and full year of 2021 – results that were record setting in many respects. We were particularly pleased to report our highest ever level of quarterly RESG loan originations, as organic growth is an important component of our long-term strategy to increase shareholder value. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the future."

KEY BALANCE SHEET METRICS

Total loans were $18.31 billion at December 31, 2021, a 4.7% decrease from $19.21 billion at December 31, 2020. Non-purchased loans were $17.79 billion at December 31, 2021, a 3.3% decrease from $18.40 billion at December 31, 2020. Purchased loans, which consist of loans acquired in previous acquisitions, were $0.52 billion at December 31, 2021, a 36.1% decrease from $0.81 billion at December 31, 2020.

Deposits were $20.21 billion at December 31, 2021, a 5.8% decrease from $21.45 billion at December 31, 2020. Total assets were $26.53 billion at December 31, 2021, a 2.3% decrease from $27.16 billion at December 31, 2020.

Common stockholders' equity was $4.50 billion at December 31, 2021, a 5.3% increase from $4.27 billion at December 31, 2020. Tangible common stockholders' equity was $3.83 billion at December 31, 2021, a 6.4% increase from $3.60 billion at December 31, 2020. Book value per common share was $35.85 at December 31, 2021, an 8.5% increase from $33.03 at December 31, 2020. Tangible book value per common share was $30.52 at December 31, 2021, a 9.7% increase from $27.81 at December 31, 2020. The calculations of the Bank's common stockholders' equity, tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets was 16.95% at December 31, 2021, compared to 15.73% at December 31, 2020. Its ratio of total tangible common stockholders' equity to total tangible assets was 14.80% at December 31, 2021, compared to 13.58% at December 31, 2020. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

PREFERRED STOCK OFFERING

On November 4, 2021, the Bank completed its public offering of 14,000,000 shares of its 4.625% Series A Non-Cumulative Perpetual Preferred Stock ("Preferred Stock"), par value $0.01 per share, with a liquidation preference of $25 per share, which represents $350 million in aggregate liquidation preference. The Bank received net proceeds from the Preferred Stock, after deducting the initial purchaser discount and offering expenses, of $339.0 million.

SUBORDINATED DEBT REDEMPTION AND OFFERING

In July 2021, the Bank redeemed all of its $225 million of 5.50% Fixed-to-Floating rate Subordinated Notes at a redemption price equal to 100% of the principal amount of the subordinated notes plus accrued and unpaid interest. As a result of the subordinated debt redemption, the Bank recognized approximately $0.8 million in remaining unamortized debt issue cost as non-interest expense during the third quarter of 2021.

In September 2021, the Bank completed its public offering of $350 million in aggregate principal amount of its 2.75% Fixed-to-Floating rate Subordinated Notes (the "2.75% Notes") due 2031, which bear interest at a fixed rate of 2.75% per annum until September 30, 2026. On October 1, 2026, the 2.75% Notes will bear interest at a floating rate equal to a benchmark (which is expected to be three-month SOFR) plus 209 basis points. The 2.75% Notes are unsecured, subordinated debt obligations and mature on October 1, 2031. As of December 31, 2021, the 2.75% Notes had a carrying value of $346.1 million and remaining unamortized debt issuance cost of $3.9 million.

STOCK REPURCHASE PROGRAM

In July 2021, the Bank adopted a stock repurchase program. In conjunction with the Bank's Preferred Stock offering, its Board of Directors increased the size of its stock repurchase program from $300 million up to $650 million of the Bank's outstanding common stock. During the quarter just ended, the Bank repurchased 3,387,421 shares at a weighted average cost of $46.16, for a total of $156.4 million. During 2021, the Bank repurchased 4,275,988 shares at a weighted average cost of $45.21, for a total of $193.4 million. The timing and amount of future repurchases will be determined by management based on a variety of factors such as the Bank's capital position, liquidity, financial performance and alternative uses of capital, stock price, regulatory requirements and general market and economic conditions. The repurchase program may be suspended by the Bank at any time.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

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

Management will conduct a conference call to take questions on these quarterly results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on January 21, 2022. Interested parties may listen to this call by dialing 1-844-818-5110 (U.S. and Canada) or 210-229-8841 (internationally) and asking for the Bank OZK conference call. A recorded playback of the call will be available for one week following the call at 1-855-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The conference ID for this playback is 5324497. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

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

NON-GAAP FINANCIAL MEASURES

This release contains certain non-GAAP financial measures. The Bank uses these non-GAAP financial measures, specifically return on average tangible common stockholders' equity, tangible book value per common share, total 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 release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those in response to the COVID-19 pandemic such as the Coronavirus Aid, Relief and Economic Security Act, the Consolidated Appropriations Act of 2021, the American Rescue Plan Act of 2021, and any similar or related laws, rules and regulations; the impact of any future federal government shutdown and uncertainty regarding the federal government's debt limit or changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, the Bank's operational or security systems or infrastructure, or those of third parties with whom it does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the COVID-19 pandemic, including the duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the Bank's staff, the global economy and financial markets; potential impact of supply chain disruptions or inflation; national, international or political instability; impairment of the Bank's goodwill or other intangible assets; 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 press release or as detailed from time to time in the other public reports the Bank files with the FDIC, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form 10-K for the year ended December 31, 2020 and its quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

GENERAL INFORMATION

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations with over 240 offices in eight states including Arkansas, Georgia, Florida, North Carolina, Texas, California, New York and Mississippi. Bank OZK can be found at www.ozk.com and on Facebook, Twitter and LinkedIn or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

Bank OZK
Consolidated Balance Sheets
Unaudited

	December 31, 2021	December 31, 2020
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 2,053,829	$ 2,393,662
Investment securities — available for sale ("AFS")	3,916,733	3,405,351
Investment securities — trading	14,957	—
Federal Home Loan Bank of Dallas and other bankers' bank stocks	40,788	38,486
Non-purchased loans	17,791,610	18,401,495
Purchased loans	516,215	807,673
Allowance for loan losses	(217,380)	(295,824)
Net loans	18,090,445	18,913,344
Premises and equipment, net	695,857	738,842
Foreclosed assets	5,744	11,085
Accrued interest receivable	83,025	88,077
Bank owned life insurance ("BOLI")	774,822	758,071
Goodwill and other intangible assets, net	669,063	675,458
Other, net	185,167	140,220
Total assets	$ 26,530,430	$ 27,162,596
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	$ 4,983,788	$ 3,996,546
Savings and interest bearing transaction	9,245,727	8,160,982
Time	5,979,619	9,292,828
Total deposits	20,209,134	21,450,356
Repurchase agreements with customers	6,115	8,013
Other borrowings	750,206	750,928
Subordinated notes	346,133	224,047
Subordinated debentures	121,033	120,475
Reserve for losses on unfunded loan commitments	71,609	81,481
Accrued interest payable and other liabilities	186,840	251,940
Total liabilities	21,691,070	22,887,240
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; $0.01 par value; 100,000,000 shares authorized; 14,000,000 and no shares issued and outstanding at December 31, 2021 and 2020, respectively	338,980	—
Common stock; $0.01 par value; 300,000,000 shares authorized; 125,443,748 and 129,350,448 shares issued and outstanding at December 31, 2021 and 2020, respectively	1,254	1,294
Additional paid-in capital	2,093,702	2,265,850
Retained earnings	2,378,466	1,946,875
Accumulated other comprehensive income	23,841	58,252
Total stockholders' equity before noncontrolling interest	4,836,243	4,272,271
Noncontrolling interest	3,117	3,085
Total stockholders' equity	4,839,360	4,275,356
Total liabilities and stockholders' equity	$ 26,530,430	$ 27,162,596

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2020
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 256,021	$ 243,064	$ 972,660	$ 944,354
Purchased loans	11,190	16,069	46,174	70,812
Investment securities:				
Taxable	9,448	9,066	36,234	40,547
Tax-exempt	2,869	4,767	13,729	19,403
Deposits with banks and federal funds sold	953	428	2,510	5,665
Total interest income	280,481	273,394	1,071,307	1,080,781
Interest expense:				
Deposits	9,514	30,607	64,422	171,813
Repurchase agreements with customers	3	6	17	23
Other borrowings	1,017	1,011	4,012	3,179
Subordinated notes	2,631	3,207	9,386	12,758
Subordinated debentures	935	963	3,750	4,384
Total interest expense	14,100	35,794	81,587	192,157
Net interest income	266,381	237,600	989,720	888,624
Provision for credit losses	(7,992)	6,750	(77,938)	203,639
Net interest income after provision for credit losses	274,373	230,850	1,067,658	684,985
Non-interest income:				
Service charges on deposit accounts:				
NSF/Overdraft fees	4,315	4,024	14,962	14,782
All other service charges	7,149	5,959	27,656	22,917
Trust income	2,141	1,909	8,506	7,544
BOLI income:				
Increase in cash surrender value	4,901	5,034	19,640	20,239
Death benefits	618	—	2,028	608
Loan service, maintenance and other fees	3,148	3,797	13,959	14,257
Gains on sales of other assets	1,330	5,189	9,962	6,863
Net gains on investment securities	504	—	504	4,467
Other	5,589	2,749	18,321	12,931
Total non-interest income	29,695	28,661	115,538	104,608
Non-interest expense:				
Salaries and employee benefits	55,034	53,832	214,567	206,834
Net occupancy and equipment	17,004	15,617	66,801	63,379
Other operating expenses	38,068	33,945	148,907	143,200
Total non-interest expense	110,106	103,394	430,275	413,413
Income before taxes	193,962	156,117	752,921	376,180
Provision for income taxes	44,197	35,607	173,888	84,314
Net income	149,765	120,510	579,033	291,866
Earnings attributable to noncontrolling interest	(5)	3	(32)	32
Net income available to common stockholders	$ 149,760	$ 120,513	$ 579,001	$ 291,898
Basic earnings per common share	$ 1.17	$ 0.93	$ 4.49	$ 2.26
Diluted earnings per common share	$ 1.17	$ 0.93	$ 4.47	$ 2.26

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
			(Dollars in thousands, except per share amounts)				
Three months ended December 31, 2021:							
Balances – September 30, 2021	$ —	$ 1,288	$2,245,012	$2,266,234	$ 40,706	$ 3,112	$4,556,352
Net income	—	—	—	149,765	—	—	149,765
Earnings attributable to noncontrolling interest	—	—	—	(5)	—	5	—
Total other comprehensive loss	—	—	—	—	(16,865)	—	(16,865)
Common stock dividends, $0.29 per share	—	—	—	(37,528)	—	—	(37,528)
Issuance of 14,000,000 shares of preferred stock, net of offering costs	338,980	—	—	—	—	—	338,980
Issuance of 31,400 shares of common stock for exercise of stock options	—	—	1,131	—	—	—	1,131
Repurchase and cancellation of 3,387,421 shares of common stock under share repurchase program	—	(34)	(156,410)	—	—	—	(156,444)
Stock-based compensation expense	—	—	3,969	—	—	—	3,969
Forfeitures of 18,050 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – December 31, 2021	$338,980	$ 1,254	$2,093,702	$2,378,466	$ 23,841	$ 3,117	$4,839,360
Year ended December 31, 2021:							
Balances – December 31, 2020	$ —	$ 1,294	$2,265,850	$1,946,875	$ 58,252	$ 3,085	$4,275,356
Net income	—	—	—	579,033	—	—	579,033
Earnings attributable to noncontrolling interest	—	—	—	(32)	—	32	—
Total other comprehensive loss	—	—	—	—	(34,411)	—	(34,411)
Common stock dividends, $1.1325 per share	—	—	—	(147,410)	—	—	(147,410)
Issuance of 14,000,000 shares of preferred stock, net of offering costs	338,980	—	—	—	—	—	338,980
Issuance of 207,650 shares of common stock for exercise of stock options	—	2	7,224	—	—	—	7,226
Issuance of 332,831 shares of unvested restricted common stock	—	3	(3)	—	—	—	—
Repurchase and cancellation of 4,275,988 shares of common stock under share repurchase program	—	(43)	(193,401)	—	—	—	(193,444)
Repurchase and cancellation of 55,893 shares of common stock withheld for taxes pursuant to restricted stock vesting	—	(1)	(1,976)	—	—	—	(1,977)
Stock-based compensation expense	—	—	16,007	—	—	—	16,007
Forfeitures of 115,300 shares of unvested restricted common stock	—	(1)	1	—	—	—	—
Balances – December 31, 2021	$338,980	$ 1,254	$2,093,702	$2,378,466	$ 23,841	$ 3,117	$4,839,360

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Three months ended December 31, 2020:						
Balances – September 30, 2020	$ 1,293	$2,261,864	$1,862,012	$ 61,116	$ 3,088	$4,189,373
Net income	—	—	120,510	—	—	120,510
Earnings attributable to noncontrolling interest	—	—	3	—	(3)	—
Total other comprehensive loss	—	—	—	(2,864)	—	(2,864)
Common stock dividends, $0.275 per share	—	—	(35,650)	—	—	(35,650)
Issuance of 39,900 shares of common stock for exercise of stock options	—	991	—	—	—	991
Stock-based compensation expense	—	2,996	—	—	—	2,996
Forfeitures of 31,525 shares of unvested restricted common stock	1	(1)	—	—	—	—
Balances – December 31, 2020	$ 1,294	$2,265,850	$1,946,875	$ 58,252	$ 3,085	$4,275,356
Year ended December 31, 2020:						
Balances – December 31, 2019	$ 1,289	$2,251,824	$1,869,983	$ 27,255	$ 3,117	$4,153,468
Cumulative effect of change in accounting principle	—	—	(75,344)	—	—	(75,344)
Balances – January 1, 2020	1,289	2,251,824	1,794,639	27,255	3,117	4,078,124
Net income	—	—	291,866	—	—	291,866
Earnings attributable to noncontrolling interest	—	—	32	—	(32)	—
Total other comprehensive income	—	—	—	30,997	—	30,997
Common stock dividends, $1.0775 per share	—	—	(139,662)	—	—	(139,662)
Issuance of 44,200 shares of common stock for exercise of stock options	—	1,036	—	—	—	1,036
Issuance of 493,761 shares of unvested restricted common stock	5	(5)	—	—	—	—
Repurchase and cancellation of 61,873 shares of common stock withheld for taxes pursuant to restricted stock vesting	(1)	(1,852)	—	—	—	(1,853)
Stock-based compensation expense	—	14,848	—	—	—	14,848
Forfeitures of 76,664 shares of unvested restricted common stock	1	(1)	—	—	—	—
Balances – December 31, 2020	$ 1,294	$2,265,850	$1,946,875	$ 58,252	$ 3,085	$4,275,356

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
	(Dollars in thousands)			
Salaries and employee benefits	$ 55,034	$ 53,832	$ 214,567	$ 206,834
Net occupancy and equipment	17,004	15,617	66,801	63,379
Other operating expenses:				
Professional and outside services	7,880	6,988	29,013	29,605
Software and data processing	6,165	5,729	23,860	21,279
Deposit insurance and assessments	2,125	3,647	11,185	15,247
Telecommunication services	2,064	2,296	8,427	9,159
Postage and supplies	1,909	1,709	6,627	7,462
ATM expense	1,639	1,490	6,255	5,256
Travel and meals	1,883	835	5,694	4,336
Writedowns of foreclosed and other assets	985	1,582	3,461	3,669
Loan collection and repossession expense	587	481	2,044	3,062
Advertising and public relations	1,151	1,086	2,772	6,050
Amortization of intangibles	1,517	1,794	6,394	9,085
Amortization of CRA and tax credit investments	2,755	821	15,078	8,279
Other	7,408	5,487	28,097	20,711
Total non-interest expense	$ 110,106	$ 103,394	$ 430,275	$ 413,413

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	December 31,			
	2021		2020	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 887,024	4.8%	$ 911,115	4.7%
Non-farm/non-residential	3,782,892	20.7	4,267,147	22.2
Construction/land development	8,246,674	45.0	7,993,467	41.6
Agricultural	247,727	1.4	204,868	1.1
Multifamily residential	934,845	5.1	856,297	4.5
Total real estate	14,099,162	77.0	14,232,894	74.1
Commercial and industrial	510,784	2.8	842,206	4.4
Consumer	2,185,429	11.9	2,393,964	12.5
Other	1,512,450	8.3	1,740,104	9.0
Total loans	18,307,825	100.0%	19,209,168	100.0%
Allowance for loan losses	(217,380)		(295,824)	
Net loans	$ 18,090,445		$ 18,913,344	

Bank OZK
Allowance for Credit Losses
Unaudited

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended December 31, 2021:			
Balances – September 30, 2021	$ 237,722	$ 61,076	$ 298,798
Net charge-offs	(1,817)	—	(1,817)
Provision for credit losses	(18,525)	10,533	(7,992)
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Year ended December 31, 2021:			
Balances – December 31, 2020	$ 295,824	$ 81,481	$ 377,305
Net charge-offs	(10,378)	—	(10,378)
Provision for credit losses	(68,066)	(9,872)	(77,938)
Balances – December 31, 2021	$ 217,380	$ 71,609	$ 288,989
Three months ended December 31, 2020:			
Balances – September 30, 2020	$ 308,847	$ 68,426	$ 377,273
Net charge-offs	(6,718)	—	(6,718)
Provision for credit losses	(6,305)	13,055	6,750
Balances – December 31, 2020	$ 295,824	$ 81,481	$ 377,305
Year ended December 31, 2020:			
Balances – December 31, 2019	$ 108,525	$ —	$ 108,525
Adoption of CECL [1] methodology	39,588	54,924	94,512
Balances – January 1, 2020	148,113	54,924	203,037
Net charge-offs	(29,371)	—	(29,371)
Provision for credit losses	177,082	26,557	203,639
Balances – December 31, 2020	$ 295,824	$ 81,481	$ 377,305

(1) Current Expected Credit Loss.

Bank OZK
Summary of Deposits – By Account Type
Unaudited

	December 31,			
	2021		2020	
	(Dollars in thousands)			
Non-interest bearing	$ 4,983,788	24.7%	$ 3,996,546	18.6%
Interest bearing:				
Transaction (NOW)	3,412,369	16.9	3,124,007	14.6
Savings and money market	5,833,358	28.9	5,036,975	23.5
Time deposits less than $100	1,801,454	8.9	3,075,845	14.3
Time deposits of $100 or more	4,178,165	20.6	6,216,983	29.0
Total deposits	$ 20,209,134	100.0%	$ 21,450,356	100.0%

Summary of Deposits – By Customer Type
Unaudited

	December 31,			
	2021		2020	
	(Dollars in thousands)			
Non-Interest Bearing	$ 4,983,788	24.7%	$ 3,996,546	18.6%
Interest Bearing:				
Consumer and Commercial:				
Consumer – Non-Time	4,334,378	21.4	3,506,014	16.3
Consumer – Time	4,318,742	21.4	6,511,664	30.4
Commercial – Non-Time	2,634,817	13.0	2,178,253	10.2
Commercial – Time	905,347	4.5	1,137,040	5.3
Public Funds	2,094,800	10.4	2,004,593	9.3
Brokered	452,137	2.2	1,600,116	7.5
Reciprocal	485,125	2.4	516,130	2.4
Total deposits	$ 20,209,134	100.0%	$ 21,450,356	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended December 31,			Year Ended December 31,		
	2021	2020	% Change	2021	2020	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 266,381	$ 237,600	12.1%	$ 989,720	$ 888,624	11.4%
Provision for credit losses	(7,992)	6,750	(218.4)	(77,938)	203,639	(138.3)
Non-interest income	29,695	28,661	3.6	115,538	104,608	10.4
Non-interest expense	110,106	103,394	6.5	430,275	413,413	4.1
Net income available to common stockholders	149,760	120,513	24.3	579,001	291,898	98.4
Pre-tax pre-provision net revenue [(1)]	185,970	162,867	14.2	674,983	579,819	16.4
Common share and per common share data:						
Net income per share – diluted	$ 1.17	$ 0.93	25.8%	$ 4.47	$ 2.26	97.8%
Net income per share – basic	1.17	0.93	25.8	4.49	2.26	98.7
Dividends per share	0.29	0.275	5.5	1.1325	1.0775	5.1
Book value per share	35.85	33.03	8.5	35.85	33.03	8.5
Tangible book value per share [(1)]	30.52	27.81	9.7	30.52	27.81	9.7
Weighted-average diluted shares outstanding (thousands)	128,246	129,523	(1.0)	129,618	129,435	0.1
End of period shares outstanding (thousands)	125,444	129,350	(3.0)	125,444	129,350	(3.0)
Balance sheet data at period end:						
Total assets	$26,530,430	$27,162,596	(2.3)%	$26,530,430	$27,162,596	(2.3)%
Total loans	18,307,825	19,209,168	(4.7)	18,307,825	19,209,168	(4.7)
Non-purchased loans	17,791,610	18,401,495	(3.3)	17,791,610	18,401,495	(3.3)
Purchased loans	516,215	807,673	(36.1)	516,215	807,673	(36.1)
Allowance for loan losses	217,380	295,824	(26.5)	217,380	295,824	(26.5)
Foreclosed assets	5,744	11,085	(48.2)	5,744	11,085	(48.2)
Investment securities – AFS	3,916,733	3,405,351	15.0	3,916,733	3,405,351	15.0
Goodwill and other intangible assets, net	669,063	675,458	(0.9)	669,063	675,458	(0.9)
Deposits	20,209,134	21,450,356	(5.8)	20,209,134	21,450,356	(5.8)
Other borrowings	750,206	750,928	(0.1)	750,206	750,928	(0.1)
Subordinated notes	346,133	224,047	54.5	346,133	224,047	54.5
Subordinated debentures	121,033	120,475	0.5	121,033	120,475	0.5
Unfunded balance of closed loans	13,619,578	11,847,117	15.0	13,619,578	11,847,117	15.0
Reserve for losses on unfunded loan commitments	71,609	81,481	(12.11)	71,609	81,481	(12.11)
Preferred stock	338,980	—	NM	338,980	—	NM
Total common stockholders' equity [(1)]	4,497,263	4,272,271	5.3	4,497,263	4,272,271	5.3
Net unrealized gains on investment securities AFS included in stockholders' equity	23,841	58,252		23,841	58,252	
Loan (including purchased loans) to deposit ratio	90.59%	89.55%		90.59%	89.55%	
Selected ratios:						
Return on average assets [(2)]	2.25%	1.79%		2.17%	1.13%	
Return on average common stockholders' equity [(1)] [(2)]	13.08	11.36		13.01	7.04	
Return on average tangible common stockholders' equity [(1)] [(2)]	15.34	13.53		15.32	8.41	
Net interest margin – FTE [(2)]	4.41	3.88		4.09	3.81	
Efficiency ratio	37.06	38.61		38.76	41.37	
Net charge-offs to average non-purchased loans [(2)] [(3)]	0.05	0.14		0.06	0.09	
Net charge-offs to average total loans [(2)]	0.04	0.14		0.06	0.16	
Nonperforming loans to total loans [(4)]	0.19	0.25		0.19	0.25	
Nonperforming assets to total assets [(4)]	0.15	0.21		0.15	0.21	
Allowance for loan losses to total loans [(5)]	1.19	1.54		1.19	1.54	
Other information:						
Non-accrual loans [(4)]	$ 33,274	$ 44,402		$ 33,274	$ 44,402	
Accruing loans – 90 days past due [(4)]	—	—		—	—	
Troubled and restructured non-purchased loans – accruing [(4)]	1,285	1,483		1,285	1,483	

(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.
NM – Not meaningful

Selected Consolidated Financial Data (continued)

Unaudited

	Three Months Ended		
	December 31, 2021	September 30, 2021	% Change
	(Dollars in thousands, except per share amounts)		
Income statement data:			
Net interest income	$ 266,381	$ 247,957	7.4%
Provision for credit losses	(7,992)	(7,454)	7.2
Non-interest income	29,695	25,984	14.3
Non-interest expense	110,106	110,397	(0.3)
Net income available to common stockholders	149,760	130,290	14.9
Pre-tax pre-provision net revenue (1)	185,970	163,544	13.7
Common share and per common share data:			
Earnings per share – diluted	$ 1.17	$ 1.00	17.0%
Earnings per share – basic	1.17	1.01	15.8
Dividends per share	0.29	0.285	1.8
Book value per share	35.85	35.35	1.4
Tangible book value per share (1)	30.52	30.14	1.3
Weighted-average diluted shares outstanding (thousands)	128,246	129,929	(1.3)
End of period shares outstanding (thousands)	125,444	128,818	(2.6)
Balance sheet data at period end:			
Total assets	$ 26,530,430	$ 26,143,367	1.5%
Total loans	18,307,825	18,305,303	0.1
Non-purchased loans	17,791,610	17,707,452	0.5
Purchased loans	516,215	597,851	(13.7)
Allowance for loan losses	217,380	237,722	(8.6)
Foreclosed assets	5,744	9,444	(39.2)
Investment securities – AFS	3,916,733	3,846,496	1.8
Goodwill and other intangible assets, net	669,063	670,580	(0.2)
Deposits	20,209,134	20,102,440	0.5
Other borrowings	750,206	750,217	(0.1)
Subordinated notes	346,133	345,927	0.1
Subordinated debentures	121,033	120,892	0.1
Unfunded balance of closed loans	13,619,578	12,385,369	10.0
Reserve for losses on unfunded loan commitments	71,609	61,076	17.2
Preferred stock	338,980	—	NM
Total common stockholders' equity (1)	4,497,263	4,553,240	(1.2)
Net unrealized gains on investment securities AFS included in stockholders' equity	23,841	40,706	
Loan (including purchased loans) to deposit ratio	90.59%	91.06%	
Selected ratios:			
Return on average assets (2)	2.25%	1.98%	
Return on average common stockholders' equity (1) (2)	13.08	11.41	
Return on average tangible common stockholders' equity (1) (2)	15.34	13.39	
Net interest margin – FTE (2)	4.41	4.16	
Efficiency ratio	37.06	40.14	
Net charge-offs to average non-purchased loans (2) (3)	0.05	0.04	
Net charge-offs to average total loans (2)	0.04	0.03	
Nonperforming loans to total loans (4)	0.19	0.20	
Nonperforming assets to total assets (4)	0.15	0.17	
Allowance for loan losses to total loans (5)	1.19	1.30	
Other information:			
Non-accrual loans (4)	$ 33,274	$ 34,920	
Accruing loans – 90 days past due (4)	—	—	
Troubled and restructured non-purchased loans – accruing (4)	1,285	1,253	

(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.
NM – Not meaningful

Bank OZK
Supplemental Quarterly Financial Data
Unaudited

(Dollars in thousands)

	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Earnings Summary:								
Net interest income	$ 209,775	$ 216,593	$ 224,657	$ 237,600	$ 234,636	$ 240,746	$ 247,957	$ 266,381
Federal tax (FTE) adjustment	1,133	1,753	1,605	1,533	1,275	1,355	1,106	1,009
Net interest income (FTE)	210,908	218,346	226,262	239,133	235,911	242,101	249,063	267,390
Provision for credit losses	(117,663)	(72,026)	(7,200)	(6,750)	31,559	30,932	7,454	7,992
Non-interest income	27,680	21,591	26,676	28,661	32,117	27,742	25,984	29,695
Non-interest expense	(103,425)	(100,953)	(105,641)	(103,394)	(106,059)	(103,711)	(110,397)	(110,106)
Pretax income (FTE)	17,500	66,958	140,097	157,650	193,528	197,064	172,104	194,971
FTE adjustment	(1,133)	(1,753)	(1,605)	(1,533)	(1,275)	(1,355)	(1,106)	(1,009)
Provision for income taxes	(4,509)	(14,948)	(29,251)	(35,607)	(43,818)	(45,161)	(40,713)	(44,197)
Noncontrolling interest	8	9	12	3	(19)	(13)	5	(5)
Net income available to common stockholders	$ 11,866	$ 50,266	$ 109,253	$ 120,513	$ 148,416	$ 150,535	$ 130,290	$ 149,760
Earnings per common share – diluted	$ 0.09	$ 0.39	$ 0.84	$ 0.93	$ 1.14	$ 1.16	$ 1.00	$ 1.17
PPNR	134,030	137,231	145,692	162,867	160,694	164,777	163,544	185,970
Non-interest Income:								
Service charges on deposit accounts:								
NSF/Overdraft fees	$ 4,562	$ 2,702	$ 3,494	$ 4,024	$ 3,323	$ 3,244	$ 4,080	$ 4,315
All other service charges	5,447	5,579	5,933	5,959	6,342	7,067	7,097	7,149
Trust income	1,939	1,759	1,936	1,909	2,206	1,911	2,247	2,141
BOLI income:								
Increase in cash surrender value	5,067	5,057	5,081	5,034	4,881	4,919	4,940	4,901
Death benefits	608	—	—	—	1,409	—	—	618
Loan service, maintenance and other fees	3,716	3,394	3,351	3,797	3,551	3,953	3,307	3,148
Gains on sales of other assets	161	621	891	5,189	5,828	2,341	463	1,330
Net gains on investment securities	2,223	—	2,244	—	—	—	—	504
Other	3,957	2,479	3,746	2,749	4,577	4,307	3,850	5,589
Total non-interest income	$ 27,680	$ 21,591	$ 26,676	$ 28,661	$ 32,117	$ 27,742	$ 25,984	$ 29,695
Non-interest Expense:								
Salaries and employee benefits	$ 51,473	$ 48,410	$ 53,119	$ 53,832	$ 53,645	$ 52,119	$ 53,769	$ 55,034
Net occupancy and equipment	15,330	15,756	16,676	15,617	16,468	16,168	17,161	17,004
Other operating expenses	36,622	36,787	35,846	33,945	35,946	35,424	39,467	38,068
Total non-interest expense	$ 103,425	$ 100,953	$ 105,641	$ 103,394	$ 106,059	$ 103,711	$ 110,397	$ 110,106
Balance Sheet Data:								
Total assets	$ 24,565,810	$ 26,380,409	$ 26,888,308	$ 27,162,596	$ 27,276,892	$ 26,605,938	$ 26,143,367	$ 26,530,430
Non-purchased loans	17,030,378	18,247,431	18,419,958	18,401,495	17,979,435	17,611,848	17,707,452	17,791,610
Purchased loans	1,197,826	1,063,647	938,485	807,673	735,630	659,822	597,851	516,215
Investment securities – AFS	2,816,556	3,299,944	3,468,243	3,405,351	4,162,479	4,693,396	3,846,496	3,916,733
Deposits	18,809,190	20,723,598	21,287,405	21,450,356	21,296,442	20,706,777	20,102,440	20,209,134
Unfunded balance of closed loans	11,334,737	11,411,441	11,604,614	11,847,117	11,780,099	11,709,818	12,385,369	13,619,578
Preferred stock	—	—	—	—	—	—	—	338,980
Total stockholders' equity before noncontrolling interest	4,083,150	4,110,666	4,186,285	4,272,271	4,383,205	4,501,676	4,553,240	4,836,243

Bank OZK
Supplemental Quarterly Financial Data (Continued)
Unaudited

(Dollars in thousands)

	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Allowance for Credit Losses:								
Balance at beginning of period	$ 108,525	$ 316,409	$ 374,494	$ 377,273	$ 377,305	$ 342,307	$ 307,564	$ 298,798
Adoption of CECL (1) methodology	94,512	—	—	—	—	—	—	—
Net charge-offs	(4,291)	(13,941)	(4,421)	(6,718)	(3,439)	(3,811)	(1,312)	(1,817)
Provision for credit losses	117,663	72,026	7,200	6,750	(31,559)	(30,932)	(7,454)	(7,992)
Balance at end of period	$ 316,409	$ 374,494	$ 377,273	$ 377,305	$ 342,307	$ 307,564	$ 298,798	$ 288,989
Allowance for loan losses	$ 238,737	$ 306,196	$ 308,847	$ 295,824	$ 268,077	$ 248,753	$ 237,722	$ 217,380
Reserve for losses on unfunded loan commitments	77,672	68,298	68,426	81,481	74,230	58,811	61,076	71,609
Total allowance for credit losses	$ 316,409	$ 374,494	$ 377,273	$ 377,305	$ 342,307	$ 307,564	$ 298,798	$ 288,989
Selected Ratios:								
Net interest margin – FTE (2)	3.96%	3.74%	3.69%	3.88%	3.86%	3.95%	4.16%	4.41%
Efficiency ratio	43.35	42.07	41.77	38.61	39.57	38.43	40.14	37.06
Net charge-offs to average non-purchased loans (2) (3)	0.08	0.05	0.09	0.14	0.08	0.09	0.04	0.05
Net charge-offs to average total loans (2)	0.10	0.29	0.09	0.14	0.07	0.08	0.03	0.04
Nonperforming loans to total loans (4)	0.16	0.18	0.15	0.25	0.25	0.22	0.20	0.19
Nonperforming assets to total assets (4)	0.19	0.19	0.17	0.21	0.19	0.18	0.17	0.15
Allowance for loan losses to total loans (5)	1.31	1.59	1.60	1.54	1.43	1.36	1.30	1.19
Loans past due 30 days or more, including past due non-accrual loans, to total loans (4)	0.18	0.13	0.13	0.16	0.13	0.10	0.13	0.15

(1) Current Expected Credit Loss.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes purchased loans and net charge-offs related to such loans.
(4) Excludes purchased loans, except for their inclusion in total assets.
(5) Excludes reserve for losses on unfunded loan commitments.

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

	Three Months Ended December 31,						Year Ended December 31,					
	2021			2020			2021			2020		
	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	$ 2,106,395	$ 953	0.18%	$ 1,762,810	$ 428	0.10%	$ 1,871,388	$ 2,510	0.13%	$ 1,535,977	$ 5,665	0.37%
Investment securities:												
Taxable	3,375,895	9,448	1.11	2,036,253	9,066	1.77	3,207,485	36,234	1.13	1,993,667	40,547	2.03
Tax-exempt – FTE	593,242	3,632	2.43	1,485,224	6,034	1.62	864,432	17,378	2.01	1,080,459	24,561	2.27
Non-purchased loans – FTE	17,449,281	256,267	5.83	18,378,050	243,330	5.27	17,683,033	973,755	5.51	17,797,684	945,222	5.31
Purchased loans	551,917	11,190	8.04	881,372	16,069	7.25	662,434	46,174	6.97	1,069,250	70,812	6.62
Total earning assets – FTE	24,076,730	281,490	4.64	24,543,709	274,927	4.46	24,288,772	1,076,051	4.43	23,477,037	1,086,807	4.63
Non-interest earning assets	2,370,349			2,258,105			2,335,412			2,291,135		
Total assets	$ 26,447,079			$ 26,801,814			$ 26,624,184			$ 25,768,172		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,178,225	$ 2,641	0.11%	$ 7,669,913	$ 4,483	0.23%	$ 8,788,200	$ 12,481	0.14%	$ 7,724,528	$ 37,428	0.48%
Time deposits of $100 or more	4,358,217	4,638	0.42	6,314,394	17,144	1.08	5,218,981	35,375	0.68	5,524,751	83,956	1.52
Other time deposits	1,898,687	2,235	0.47	3,294,323	8,980	1.08	2,315,263	16,566	0.72	3,511,220	50,429	1.44
Total interest bearing deposits	15,435,129	9,514	0.24	17,278,630	30,607	0.70	16,322,444	64,422	0.39	16,760,499	171,813	1.03
Repurchase agreements with customers	7,558	3	0.16	8,239	6	0.29	7,027	17	0.24	7,825	23	0.29
Other borrowings [(1)]	750,226	1,017	0.54	750,961	1,011	0.54	750,276	4,012	0.53	721,350	3,179	0.44
Subordinated notes	346,025	2,631	3.02	223,996	3,207	5.70	212,600	9,386	4.42	223,850	12,758	5.70
Subordinated debentures [(1)]	120,956	935	3.07	120,400	963	3.18	120,751	3,750	3.11	120,190	4,384	3.65
Total interest bearing liabilities	16,659,894	14,100	0.34	18,382,226	35,794	0.77	17,413,098	81,587	0.47	17,833,714	192,157	1.08
Non-interest bearing liabilities:												
Non-interest bearing deposits	4,651,656			3,907,955			4,380,850			3,521,066		
Other non-interest bearing liabilities	376,706			289,298			321,583			261,169		
Total liabilities	21,688,256			22,579,479			22,115,531			21,615,949		
Total common stockholders' equity before noncontrolling interest	4,755,706			4,219,249			4,505,544			4,149,123		
Noncontrolling interest	3,117			3,086			3,109			3,100		
Total liabilities and stockholders' equity	$ 26,447,079			$ 26,801,814			$ 26,624,184			$ 25,768,172		
Net interest income – FTE		$ 267,390			$ 239,133			$ 994,464			$ 894,650	
Net interest margin – FTE			4.41%			3.88%			4.09%			3.81%
Core spread [(2)]			5.59%			4.57%			5.12%			4.28%

(1) The interest expense and the rates for "other borrowings" and for "subordinated debentures" were affected by capitalized interest. Capitalized interest included in other borrowings for the fourth quarter and for the full year of 2021 was not material compared to $0.03 million for the fourth quarter and $0.68 million for the full year of 2020. In the absence of this interest capitalization, the rates on other borrowings would have been 0.55% for the fourth quarter and 0.53% for the full year of 2020. Capitalized interest included in subordinated debentures totaled $0.01 million for the fourth quarter and $0.18 million for the full year of 2020 (none in the fourth quarter or full year of 2021). In the absence of this interest capitalization, the rates on subordinated debentures would have been 3.20% for the fourth quarter and 3.80% for the full year of 2020.

(2) 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			Year Ended December 31,	
	December 31,		September 30,		
	2021	2020	2021	2021	2020
	(Dollars in thousands)				
Net income available to common stockholders	$ 149,760	$ 120,513	$ 130,290	$ 579,001	$ 291,898
Average stockholders' equity before noncontrolling interest	$ 4,755,706	$ 4,219,249	$ 4,530,995	$ 4,505,544	$ 4,149,123
Less average preferred stock	(213,693)	—	—	(53,862)	—
Total average common stockholders' equity	4,542,013	4,219,249	4,530,995	4,451,682	4,149,123
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	(9,032)	(15,578)	(10,617)	(11,398)	(18,741)
Total average intangibles	(669,821)	(676,367)	(671,406)	(672,187)	(679,530)
Average tangible common stockholders' equity	$ 3,872,192	$ 3,542,882	$ 3,859,589	$ 3,779,495	$ 3,469,593
Return on average common stockholders' equity [(1)]	13.08%	11.36%	11.41%	13.01%	7.04%
Return on average tangible common stockholders' equity [(1)]	15.34%	13.53%	13.39%	15.32%	8.41%

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

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

	December 31,		September 30,
	2021	2020	2021
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 4,836,243	$ 4,272,271	$ 4,553,240
Less preferred stock	(338,980)	—	—
Total common stockholders' equity	4,497,263	4,272,271	4,553,240
Less intangible assets:			
Goodwill	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(8,274)	(14,669)	(9,791)
Total intangibles	(669,063)	(675,458)	(670,580)
Total tangible common stockholders' equity	$ 3,828,200	$ 3,596,813	$ 3,882,660
Shares of common stock outstanding	125,444	129,350	128,818
Book value per common share	$ 35.85	$ 33.03	$ 35.35
Tangible book value per common share	$ 30.52	$ 27.81	$ 30.14

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

	December 31, 2021	December 31, 2020
	(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	$ 4,836,243	$ 4,272,271
Less preferred stock	(338,980)	—
Total common stockholders' equity	4,497,263	4,272,271
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(8,274)	(14,669)
Total intangibles	(669,063)	(675,458)
Total tangible common stockholders' equity	$ 3,828,200	$ 3,596,813
Total assets	$ 26,530,430	$ 27,162,596
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(8,274)	(14,669)
Total intangibles	(669,063)	(675,458)
Total tangible assets	$ 25,861,367	$ 26,487,138
Ratio of total common stockholders' equity to total assets	16.95%	15.73%
Ratio of total tangible common stockholders' equity to total tangible assets	14.80%	13.58%

Calculation of Pre-Tax Pre-Provision Net Revenue
Unaudited

	Three Months Ended				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
	(Dollars in thousands)				
Income before taxes	$ 193,962	$ 170,998	$ 195,709	$ 192,253	$ 156,117
Provision for credit losses	(7,992)	(7,454)	(30,932)	(31,559)	6,750
Pre-tax pre-provision net revenue	$ 185,970	$ 163,544	$ 164,777	$ 160,694	$ 162,867

	Three Months Ended			Year Ended December 31,	
	September 30, 2020	June 30, 2020	March 31, 2020	2021	2020
	(Dollars in thousands)				
Income before taxes	$ 138,492	$ 65,205	$ 16,367	$ 752,921	$ 376,180
Provision for credit losses	7,200	72,026	117,663	(77,938)	203,639
Pre-tax pre-provision net revenue	$ 145,692	$ 137,231	$ 134,030	$ 674,983	$ 579,819

Exhibit 99.2

Bank OZK

MANAGEMENT COMMENTS FOR THE FOURTH QUARTER & FULL YEAR 2021

JANUARY 20, 2022

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 delays in identifying satisfactory sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, including those actions in response to the coronavirus ("COVID-19") pandemic such as the Coronavirus Aid, Relief and Economic Security Act, the Consolidated Appropriations Act of 2021, the American Rescue Plan Act of 2021, and any similar or related laws, rules and regulations; changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the Bank's staff, the global economy and the financial markets; potential impact of supply chain disruptions or inflation; national, international or political instability; impairment of our goodwill or other intangible assets; 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, 2020 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.

Summary

We are pleased to report our results for the fourth quarter and full year of 2021. Highlights include:

- ***Strong Net Income.*** Our $149.8 million of net income for the quarter just ended was among our best ever, and our $1.17 diluted earnings per common share was a quarterly record. For the full year of 2021, our $579.0 million net income and $4.47 diluted earnings per common share were record results.
- ***Record Quarterly Origination Volume.*** Our Real Estate Specialties Group ("RESG") originated a quarterly record $2.99 billion of loans during the quarter. This contributed to the $1.23 billion increase in our unfunded loan commitments to a record $13.62 billion at December 31, 2021.
- ***Record Net Interest Income.*** Our discipline and expertise in structuring loans helped us achieve exceptional levels of minimum interest and other interest income from repayments and short-term extensions during the quarter just ended. This contributed to record net interest income of $266.4 million, an increase of $18.4 million from the third quarter of 2021. In 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"), increased 51 basis points ("bps") and our net interest margin increased 25 bps compared to the third quarter of 2021.
- ***Excellent Asset Quality.*** Our focus on asset quality was again evident, as reflected in our annualized net charge-off ratios for the quarter just ended of 0.05% for non-purchased loans and 0.04% for total loans. Our December 31, 2021 ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[1] were just 0.19% and 0.15%, respectively.
- ***Efficiency Among the Industry's Best.*** Our efficiency ratio for the quarter was 37.1%.
- ***Share Repurchases & Dividend Growth.*** During the quarter just ended, we repurchased 3.4 million shares of our common stock for a total of $156.4 million. We recently increased our regular quarterly common stock dividend for the 46th consecutive quarter.
- ***Preferred Stock Issuance.*** In October, we issued $350 million of 4.625% Series A Non-Cumulative Perpetual Preferred Stock, and our Board of Directors approved an equivalent increase in our common stock repurchase program (the "Stock Repurchase Program"). Our Stock Repurchase Program now totals $650 million (less the $193.4 million in repurchases made since the program was authorized in July 2021).
- ***Multiple Options for Increasing Shareholder Value.*** Our combination of strong earnings and robust capital gives us great optionality to increase shareholder value. Options for deploying our excess capital include organic loan growth, adding new business lines, continuing to increase our common stock dividend, financially attractive acquisitions for cash or some combination of cash and stock, and continued stock repurchases pursuant to our Stock Repurchase Program.

[1] Excludes purchased loans, except for their inclusion in total assets.

Profitability and Earnings Metrics

Net income for the fourth quarter of 2021 was $149.8 million, a 24.3% increase from $120.5 million for the fourth quarter of 2020. Diluted earnings per common share for the fourth quarter of 2021 were a record $1.17, a 25.8% increase from $0.93 for the fourth quarter of 2020. For the full year of 2021, net income was a record $579.0 million, a 98.4% increase from $291.9 million for the full year of 2020. Diluted earnings per common share for the full year of 2021 were a record $4.47, a 97.8% increase from $2.26 for the full year of 2020.

Our results for the full year of 2020 reflected the substantial build of our allowance for credit losses ("ACL") associated with the COVID-19 pandemic and the related actual and expected economic impacts at that time, and our results for the full year of 2021 reflect some release of our ACL as a result of improved economic conditions and prospects for improvement in the U.S. economy.

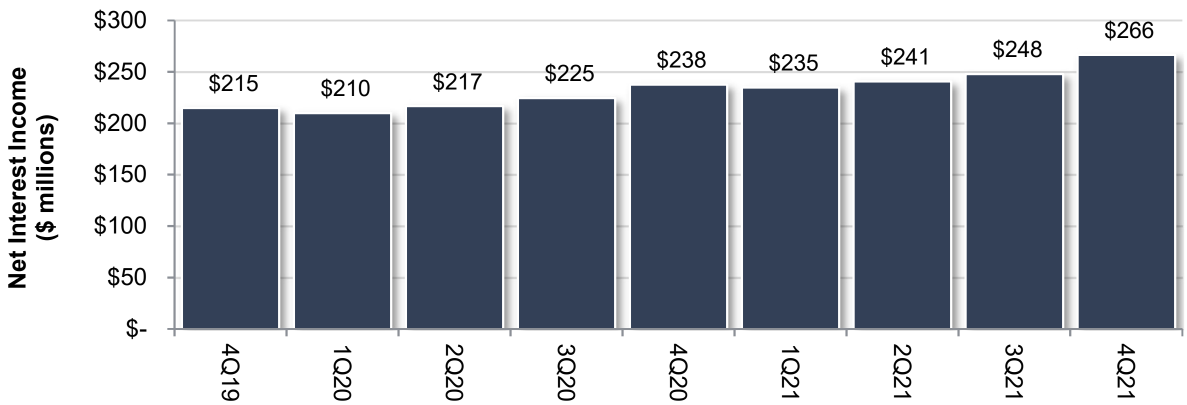
Our annualized return on average assets was 2.25% for the fourth quarter of 2021 compared to 1.79% for the fourth quarter of 2020. Our annualized returns on average common stockholders' equity and average tangible common stockholders' equity[2] for the fourth quarter of 2021 were 13.08% and 15.34%, respectively, compared to 11.36% and 13.53%, respectively, for the fourth quarter of 2020. Our annualized returns on average assets, average common stockholders' equity, and average tangible common stockholders' equity for the full year of 2021 were 2.17%, 13.01%, and 15.32%, respectively, compared to 1.13%, 7.04%, and 8.41%, respectively, for the full year of 2020.

[2] The calculation of the Bank's annualized returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedule at the end of this presentation.

Net Interest Income

Net interest income is our largest category of revenue. As shown in Figure 1, our net interest income for the fourth quarter of 2021 was a record $266.4 million, a $28.8 million, or 12.1%, increase from the fourth quarter of 2020, and an $18.4 million, or 7.4% not annualized, increase from the third quarter of 2021. Our net interest income for the quarter just ended benefitted from unusually high levels of minimum interest and other interest income from loan repayments and short-term extensions, favorable levels of accretion income from collections on previously charged-off and non-accrual purchased loans, recognition of net deferred fees on loans originated under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP") that received forgiveness or paid off, and reductions in our COIBD.

Figure 1: Quarterly Net Interest Income

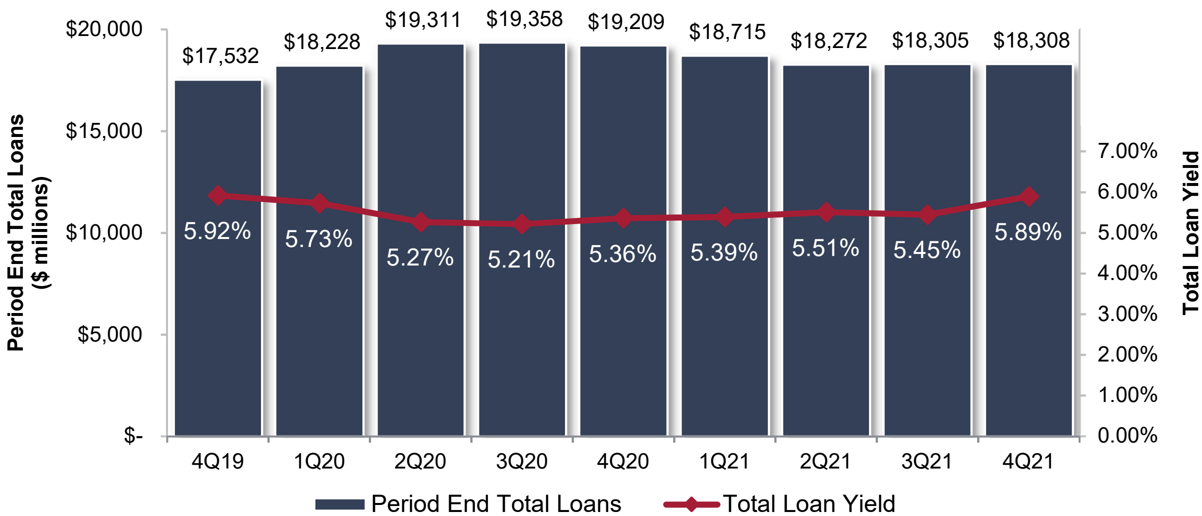


Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled $24.1 billion, a 1.9% decrease from $24.5 billion for the fourth quarter of 2020, but a 1.5% increase from $23.7 billion for the third quarter of 2021. Average earning assets were $24.3 billion for the full year of 2021, a 3.5% increase from $23.5 billion for the full year of 2020.

Loans are the largest part of our earning assets. Our outstanding balance of total loans at December 31, 2021 decreased $0.90 billion, or 4.7%, from December 31, 2020, and was essentially unchanged from September 30, 2021, as illustrated in Figure 2. Pandemic-related delays during 2020 pushed the completion, sale and refinancing of many real estate projects into 2021, which contributed to loan growth in 2020, but was a significant factor in the high level of net repayments of non-purchased loans in 2021.

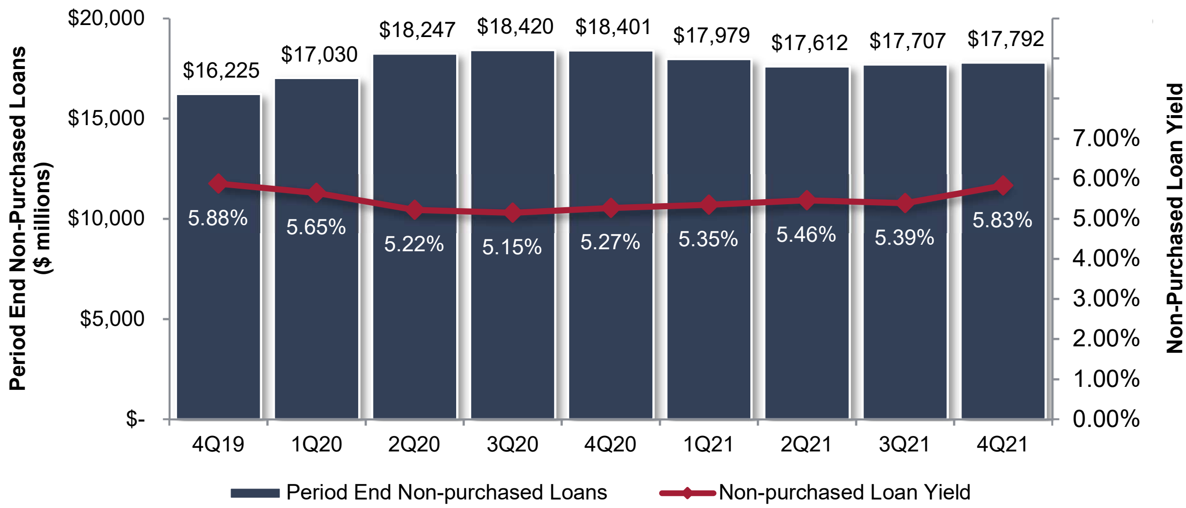
Figure 2: Total Loan Balances and Yields



Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from our 15 acquisitions, accounted for 96.9% of our average total loans and 72.5% of our average earning assets in the quarter just ended. Non-purchased loans at December 31, 2021 decreased $0.61 billion, or 3.3%, as compared to December 31, 2020, but increased by $0.08 billion, or 0.5% not annualized, compared to September 30, 2021, as illustrated in Figure 3.

Figure 3: Non-Purchased Loan Balances and Yields



In the fourth quarter of 2021, our yield on non-purchased loans was 5.83%, an increase of 56 bps from the fourth quarter of 2020, and an increase of 44 bps from the third quarter of 2021. During the quarter just ended, minimum interest and other interest income from repayments and short-term extensions totaled approximately $22 million, compared to an average of approximately $6 million per quarter for the previous three quarters.

For the full year of 2021 our yield on non-purchased loans was 5.51%, an increase of 20 bps from the full year of 2020.

As of December 31, 2021, we had a remaining outstanding balance of $0.08 billion of PPP loans. During the quarter just ended, we recognized $1.9 million of net deferred fees from $0.07 billion of PPP loans that received forgiveness and paid off. During the full year of 2021, we recognized $10.6 million of net deferred fees from $0.49 billion of PPP loans that received forgiveness and paid off. As of December 31, 2021, we had $2.4 million of unaccreted net deferred fees associated with the remaining $0.08 billion balance of our PPP loans. We expect most of our remaining PPP loans will be forgiven and repaid in 2022. While the recognition of deferred fees from repayment of PPP loans has had a positive impact on our net interest margin in 2021, that benefit will be less in 2022.

Due to the current interest rate and competitive environment, most of our recently originated loans have contractual interest rates that are lower than the 5.51% yield on non-purchased loans for 2021. We expect this will contribute to lower non-purchased loan yields in future quarters and years.

RESG accounted for 64% of the funded balance of non-purchased loans as of December 31, 2021. RESG's funded balance of non-purchased loans increased $0.09 billion during the quarter just ended, but decreased $0.22 billion during the full year of 2021. Figures 4 and 5 reflect the changes in the funded balance of RESG loans for the fourth quarter and full year of 2021, respectively.

Figure 4: Activity in RESG Funded Balances – 4Q21 ($ billions)

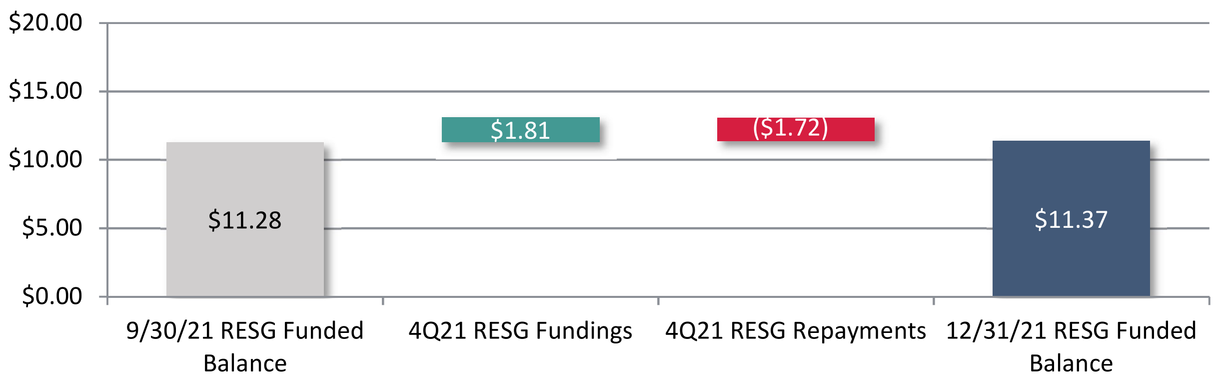


Figure 5: Activity in RESG Funded Balances – FY21 ($ billions)

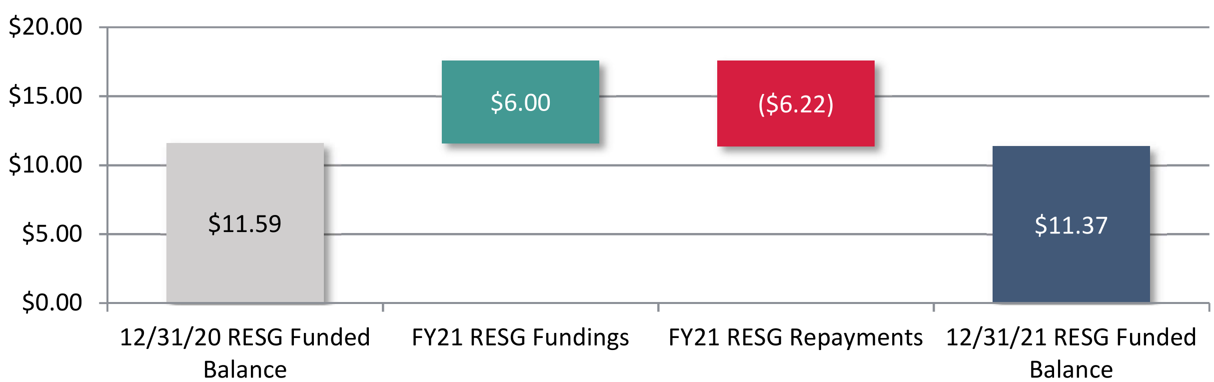


Figure 6 shows RESG's loan originations for each of the last 24 quarters. RESG loan originations for the fourth quarter of 2021 were a record of $2.99 billion. For the full year of 2021, RESG loan originations totaled $7.94 billion.

Figure 6: RESG Quarterly Loan Originations
($ billions)

	Q1	Q2	Q3	Q4	Total
FY2016	$1.81	$1.98	$1.79	$2.56	$8.14
FY2017	$2.30	$2.04	$2.21	$2.56	$9.11
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67	$1.40	$1.77	$6.59
FY2021	$1.28	$1.46	$2.21	$2.99	$7.94

We are very pleased with the job our RESG team is doing in finding good loan opportunities in an intensely competitive environment. We currently have a strong pipeline, which makes us cautiously optimistic about our potential loan origination volume in 2022. RESG's origination volume may vary significantly from quarter to quarter and may be impacted by economic conditions, competition or other factors.

Figure 7 shows RESG's loan repayments for each of the last 24 quarters. Such repayments were restrained for 2020 by the various impacts of the COVID-19 pandemic. RESG loan repayments in the quarter just ended were a record $1.72 billion and for the full year of 2021 were a record $6.22 billion.

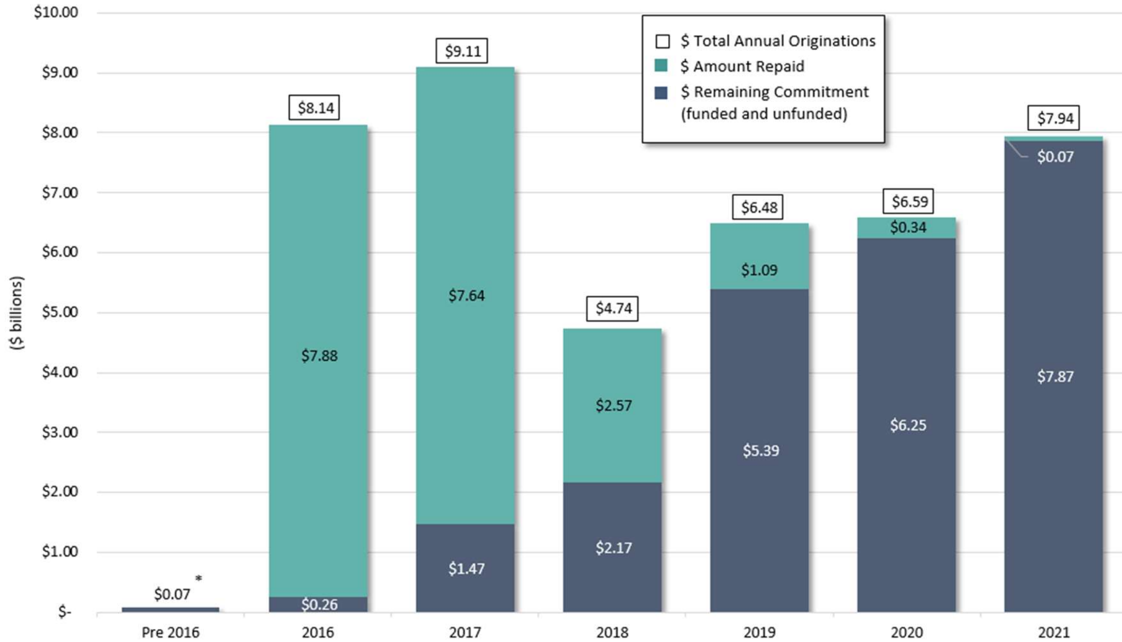
Figure 7: RESG Quarterly Loan Repayments
($ billions)

	Q1	Q2	Q3	Q4	Total
FY2016	$0.21	$0.41	$0.69	$0.48	$1.79
FY2017	$0.57	$0.98	$0.87	$1.45	$3.86
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22

We expect RESG loan repayments in 2022 will be substantial, and will probably exceed the record level of 2021. Notwithstanding the headwinds from expected loan repayments, we expect to achieve positive loan growth for RESG and total loans during 2022. The level of loan repayments may vary substantially from quarter to quarter and may have an outsized impact in one or more quarters.

Figure 8 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded.

Figure 8: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*



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

Total Originations / Amount Repaid / Remaining Commitment

At December 31, 2021, RESG accounted for 88% of our record $13.62 billion of unfunded balance of loans already closed. Figures 9 and 10 reflect the changes in the unfunded balance of our loans already closed, both RESG and others, for the fourth quarter and the full year of 2021, respectively. The total unfunded balance increased by approximately $1.23 billion during the fourth quarter of 2021, and increased by approximately $1.77 billion during the full year of 2021. This increased unfunded balance has positive implications for loan growth in future years.

Figure 9: Activity in Unfunded Balances – 4Q21 ($ billions)

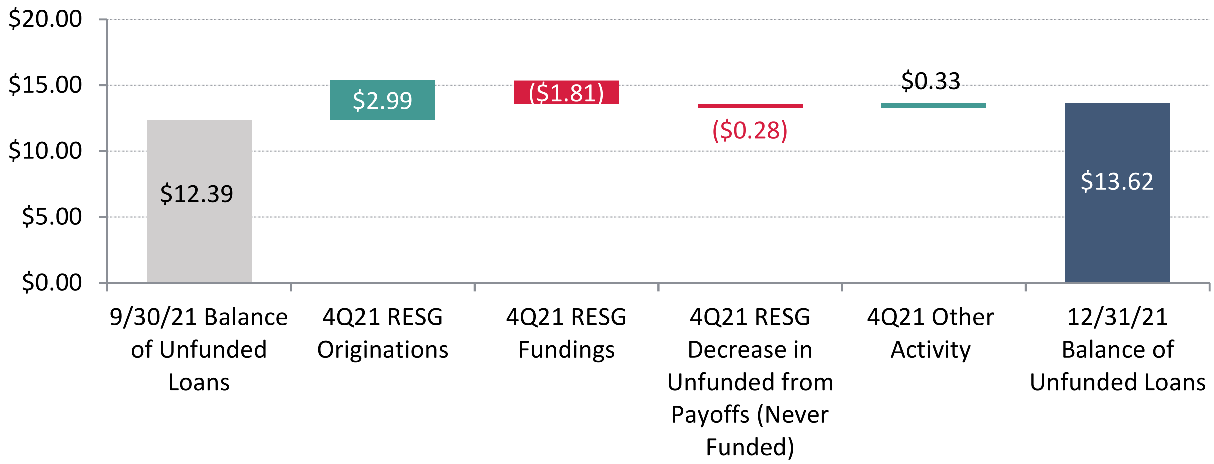
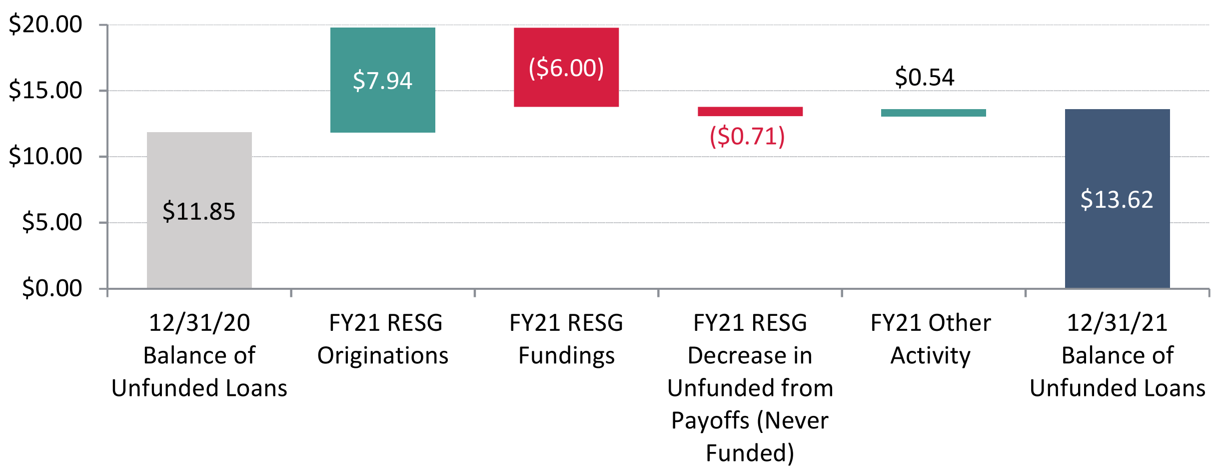


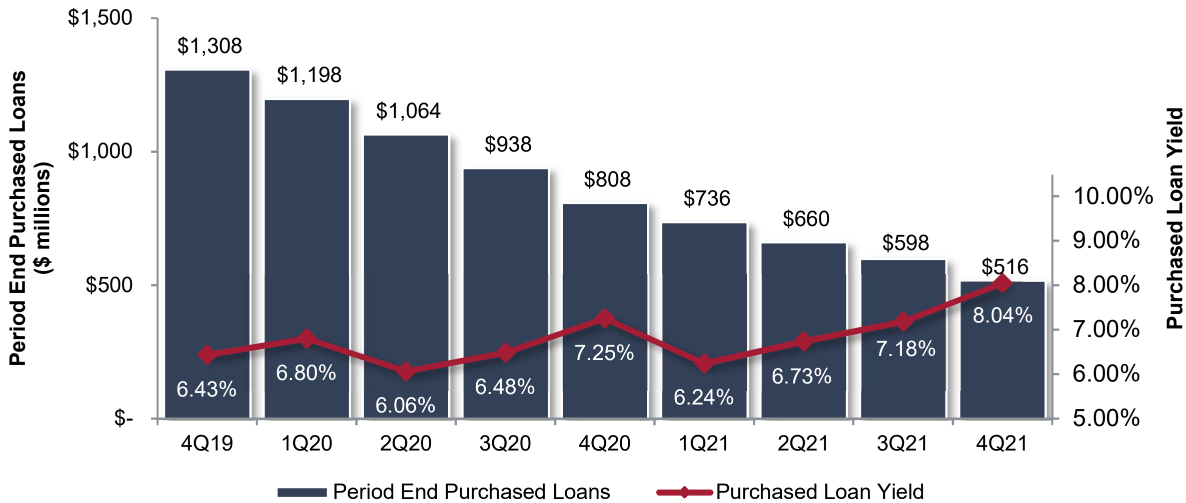
Figure 10: Activity in Unfunded Balances – FY21 ($ billions)



Purchased Loans

Purchased loans, which are the remaining loans from our 15 acquisitions, accounted for 3.1% of average total loans and 2.3% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.08 billion, or 13.7% not annualized, to $0.52 billion at December 31, 2021. For the full year of 2021, our purchased loan portfolio decreased by $0.29 billion, or 36.1%. Figure 11 shows recent purchased loan portfolio trends.

Figure 11: Purchased Loan Balances and Yields

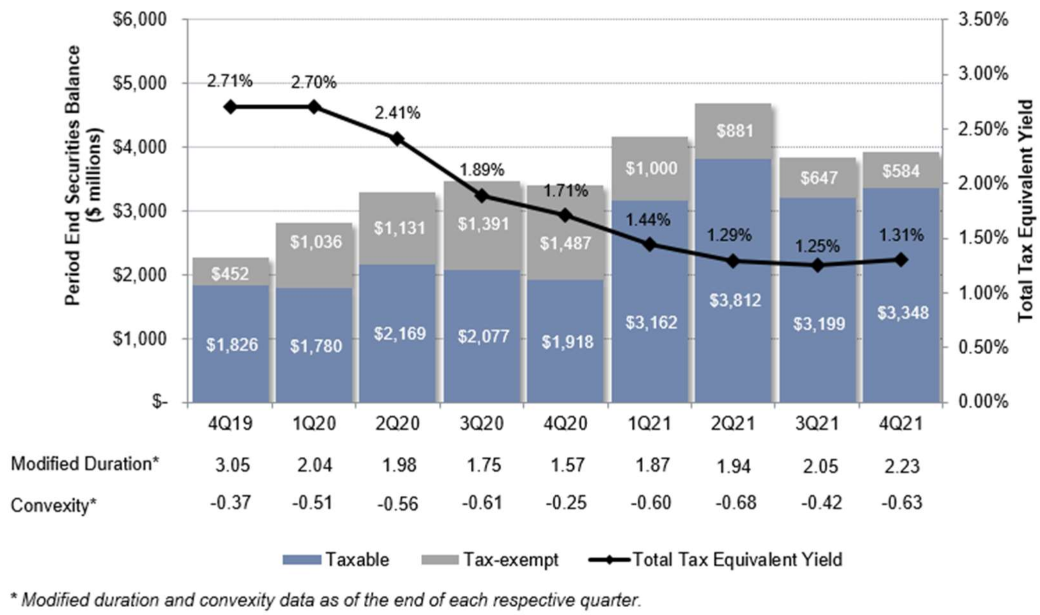


In the fourth quarter of 2021, our yield on purchased loans was unusually high at 8.04% due to high levels of accretion income from collections on previously charged-off and non-accrual purchased loans. For the full year of 2021, our yield on purchased loans was 6.97%, an increase of 35 bps from the full year of 2020.

Investment Securities

At December 31, 2021, our investment securities portfolio was $3.93 billion, which was an increase of $0.09 billion, or 2.2% not annualized, as compared to September 30, 2021, and an increase of $0.53 billion, or 15.5%, as compared to December 31, 2020, as illustrated in Figure 12. As our liquidity position has increased in recent years, we have purchased high-quality, mostly short-term securities, which have relatively low yields reflective of their quality and short-term nature. This, among other factors, has had a dilutive effect on our investment portfolio yield over the past seven quarters. In the fourth quarter of 2021, the yield on our investment portfolio, on a fully taxable equivalent basis, was 1.31%, a decrease of 40 bps from the fourth quarter of 2020, but an increase of six bps from the third quarter of 2021.

Figure 12: Investment Portfolio Balances and Yields



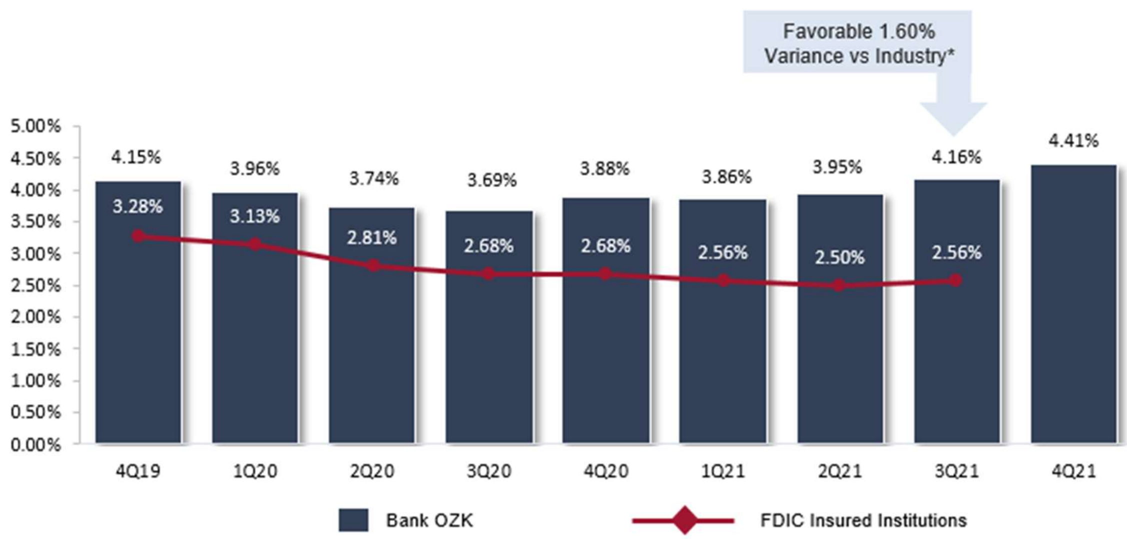
We may increase or decrease our investment securities portfolio in future quarters based on changes in our liquidity position, prevailing market conditions and other factors.

Net Interest Margin and Core Spread

During the quarter just ended, our net interest margin and core spread benefitted from unusually high levels of minimum interest and other interest income from loan repayments and short-term extensions, favorable levels of accretion income from collections on previously charged-off and non-accrual purchased loans, recognition of net deferred fees on PPP loans that received forgiveness or paid off, and reductions in our COIBD.

Our net interest margin was 4.41% for the quarter just ended, an increase of 53 bps and 25 bps, respectively, from the fourth quarter of 2020 and third quarter of 2021. We continue to outperform the industry on net interest margin, as shown in Figure 13. In fact, in the third quarter of 2021, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 160 bps.

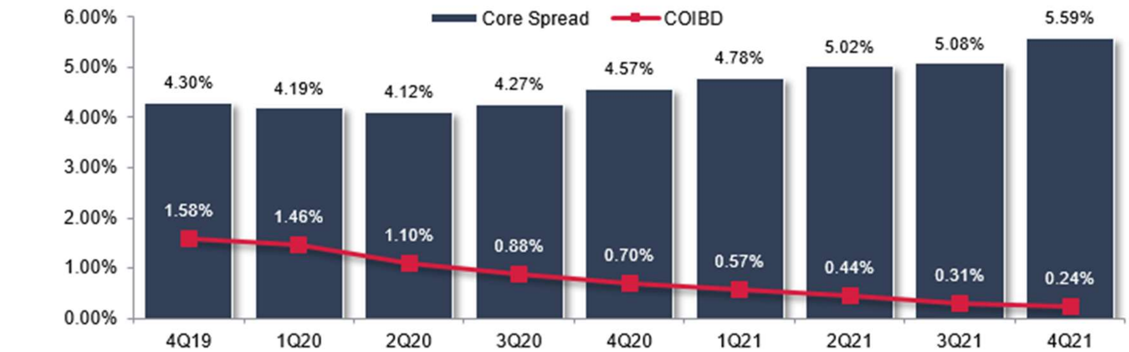
Figure 13: Quarterly Net Interest Margin (%)



**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2021.*

Our core spread improved in the quarter just ended to 5.59%, increasing 102 bps from the fourth quarter of 2020 and 51 bps from the third quarter of 2021. As reflected in Figure 14, in the quarter just ended, our COIBD decreased 46 bps from the fourth quarter of 2020 and seven bps from the third quarter of 2021. Decreasing our COIBD has been a significant factor in the improvement in our core spread over the last six quarters.

Figure 14: Core Spread and COIBD



Yield on Non-purchased loans	*5.88%*	*5.65%*	*5.22%*	*5.15%*	*5.27%*	*5.35%*	*5.46%*	*5.39%*	*5.83%*
COIBD	*1.58%*	*1.46%*	*1.10%*	*0.88%*	*0.70%*	*0.57%*	*0.44%*	*0.31%*	*0.24%*
Core Spread	*4.30%*	*4.19%*	*4.12%*	*4.27%*	*4.57%*	*4.78%*	*5.02%*	*5.08%*	*5.59%*

Variable Rate Loans

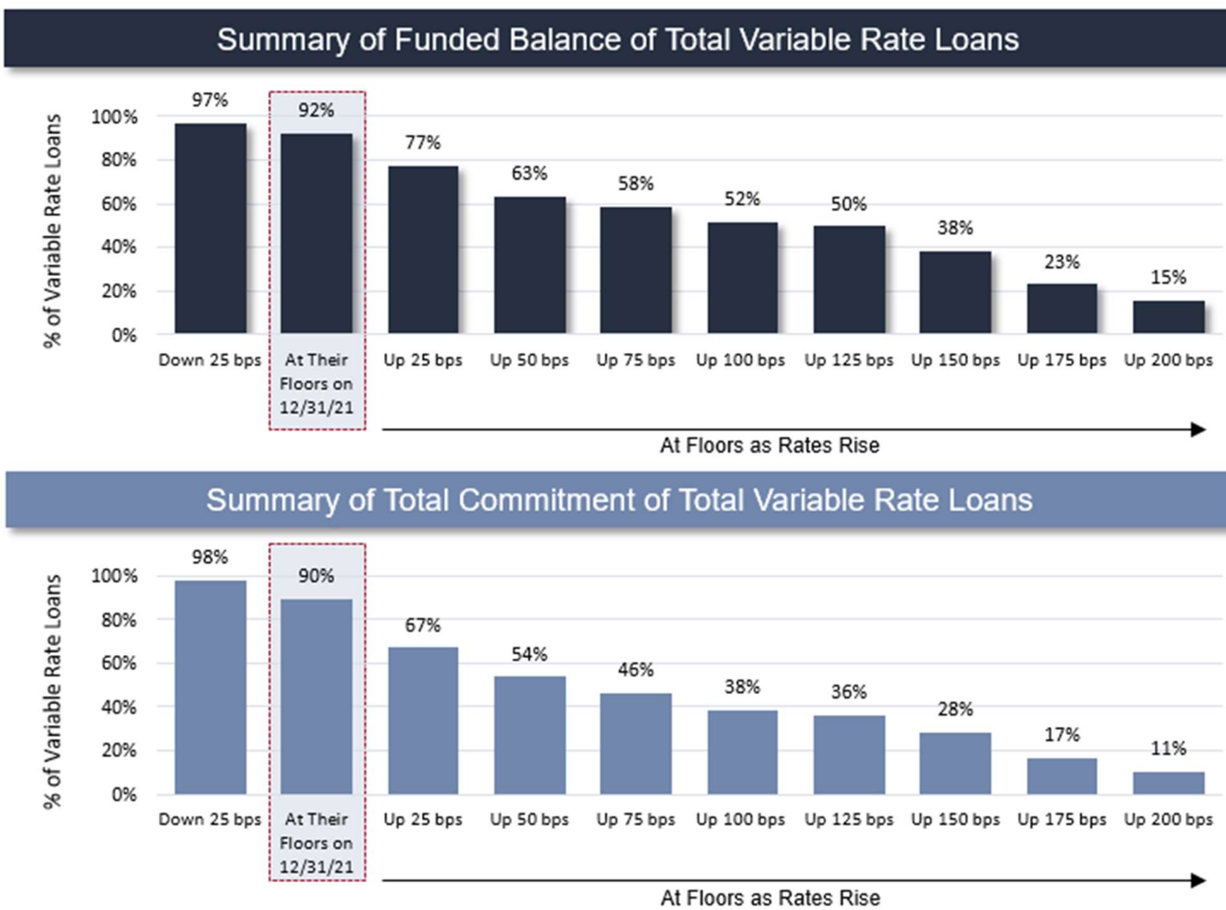
At December 31, 2021, 78% of our funded balance of total loans had variable rates. As shown in Figure 14, at December 31, 2021, 80.5% of our total funded balance of variable rate loans were tied to 1-month LIBOR, 15.0% were tied to WSJ Prime and 2.9% were tied to 1-month term SOFR.

Figure 14: Percentage of Variable Rate Total Loan Portfolio Tied to Index

1-Month LIBOR	80.5%
WSJ PRIME	15.0%
1-Month Term SOFR	2.9%
Other	1.6%

At December 31, 2021, 99% of our variable rate total loans (non-purchased and purchased) had floor rates. As of December 31, 2021, 92% of the funded balance of total loans in our variable rate loan portfolio were at their floors, and 90% of the total commitment of variable rate loans were at their floors. Figure 15 illustrates the volume of our funded balance and our total commitments, respectively, of total variable rate loans that would be expected to be at their floors with future moves, either up or down, in interest rates.

Figure 15: Impact of Variable Rate Loan Floors (Funded Balance and Total Commitment) at December 31, 2021



Non-interest Income

Non-interest income for the fourth quarter of 2021 was $29.7 million, a 3.6% increase from the fourth quarter of 2020, and a 14.3% increase from the third quarter of 2021. For the full year of 2021, non-interest income was $115.5 million, a 10.4% increase from 2020. Figures 17 and 18, respectively, summarize non-interest income for the most recent nine quarters and year-over-year trends for the fourth quarter and full year of 2021.

Figure 17: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended								
	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Service charges on deposit accounts:									
NSF / overdraft fees	$ 5,332	$ 4,562	$ 2,702	$ 3,494	$ 4,024	$ 3,323	$ 3,244	$ 4,080	$ 4,315
All other service charges	5,601	5,447	5,579	5,933	5,959	6,342	7,067	7,097	7,149
Trust income	2,010	1,939	1,759	1,936	1,909	2,206	1,911	2,247	2,141
BOLI income:									
Increase in cash surrender value	5,167	5,067	5,057	5,081	5,034	4,881	4,919	4,940	4,901
Death benefit	2,989	608	-	-	-	1,409	-	-	618
Loan service, maintenance and other fees	4,282	3,716	3,394	3,351	3,797	3,551	3,953	3,307	3,148
Net gains on investment securities - AFS	-	2,223	-	2,244	-	-	-	-	-
Net gains on investment securities - Trading	-	-	-	-	-	-	-	-	504
Gains (losses) on sales of other assets	1,358	161	621	891	5,189	5,828	2,341	463	1,330
Other	3,667	3,957	2,479	3,746	2,749	4,577	4,307	3,850	5,589
Total non-interest income	$ 30,406	$ 27,680	$ 21,591	$ 26,676	$ 28,661	$ 32,117	$ 27,742	$ 25,984	$ 29,695

Figure 18: Trends in Non-interest Income – 2020 vs. 2021 *($ thousands)*

	For the Year Ended			For the Three Months Ended		
	12/31/2020	12/31/2021	% Change	12/31/2020	12/31/2021	% Change
Service charges on deposit accounts:						
NSF / overdraft fees	$ 14,782	$ 14,962	1.2%	$ 4,024	$ 4,315	7.2%
All other service charges	22,917	27,656	20.7%	5,959	7,149	20.0%
Trust income	7,544	8,506	12.8%	1,909	2,141	12.2%
BOLI income:						
Increase in cash surrender value	20,239	19,640	-3.0%	5,034	4,901	-2.6%
Death benefit	608	2,028	NM	-	618	NM
Loan service, maintenance and other fees	14,257	13,959	-2.1%	3,797	3,148	-17.1%
Net gains on investment securities - AFS	4,467	-	NM	-	-	NM
Net gains on investment securities - Trading	-	504	NM	-	504	NM
Gains (losses) on sales of other assets	6,863	9,962	45.2%	5,189	1,330	-74.4%
Other	12,931	18,323	41.7%	2,749	5,589	103.3%
Total non-interest income	$ 104,608	$ 115,538	10.4%	$ 28,661	$ 29,695	3.6%

The previously announced sale of our small Magnolia, Arkansas branch is expected to close in the first quarter of 2022 and should result in a gain on sale of approximately $2 million depending on the deposit level at this branch and other factors at the time of closing.

Non-interest Expense

Non-interest expense for the fourth quarter of 2021 was $110.1 million, a 6.5% increase from the fourth quarter of 2020, but a 0.3% decrease from the third quarter of 2021. For the full year of 2021, non-interest expense was $430.3 million, a 4.1% increase from 2020.

In an effort to get ahead of the intense competition for human talent, from late July through October, 2021, we accelerated our annual review of salaries, benefits and performance for all team members and all open positions. This proactive approach increased salaries and employee benefits in the most recent two quarters but has also helped reduce turnover and enhance recruiting. Our efforts to close unprofitable and marginally profitable branches and eliminate redundant and inefficient activities have helped us mitigate the impact of increasing wage pressures. We expect additional upward pressure on salaries and benefit costs in future quarters as we continue to respond to the ongoing competitive conditions in the labor market, fill currently unfilled positions, and add team members to support future growth.

Figures 19 and 20, respectively, summarize non-interest expense for the most recent nine quarters and year-over-year trends for the fourth quarter and full year of 2021.

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

	For the Three Months Ended								
	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Salaries & employee benefits	$ 52,050	$ 51,473	$ 48,410	$ 53,119	$ 53,832	$ 53,645	$ 52,119	$ 53,769	$ 55,034
Net occupancy and equipment	14,855	15,330	15,756	16,676	15,617	16,468	16,168	17,161	17,004
Professional and outside services	6,869	6,764	7,629	8,320	7,026	6,326	7,724	7,084	7,880
Advertising and public relations	1,822	1,703	1,704	1,557	1,086	308	593	719	1,151
Telecommunication services	2,335	2,177	2,334	2,352	2,296	2,232	2,165	1,966	2,064
Software and data processing	4,974	4,974	5,145	5,431	5,729	5,792	6,006	5,897	6,165
Travel and meals	2,845	2,102	710	689	835	774	1,419	1,617	1,883
FDIC insurance and state assessments	3,780	3,420	4,585	3,595	3,647	3,520	2,885	2,655	2,125
Amortization of intangibles	2,854	2,795	2,582	1,914	1,794	1,730	1,602	1,545	1,517
Postage and supplies	2,483	2,053	1,892	1,808	1,709	1,645	1,544	1,530	1,909
ATM expense	1,263	1,160	1,002	1,604	1,490	1,283	1,486	1,846	1,639
Loan collection and repossession expense	600	694	857	1,030	481	509	540	407	587
Writedowns of foreclosed assets	910	879	720	488	1,582	1,363	123	990	985
Amortization of CRA and tax credit investments	581	2,740	3,107	1,611	823	4,125	3,227	4,972	2,755
Other expenses	6,185	5,161	4,520	5,447	5,447	6,339	6,110	8,239	7,408
Total non-interest expense	$ 104,406	$ 103,425	$ 100,953	$ 105,641	$ 103,394	$ 106,059	$ 103,711	$ 110,397	$ 110,106

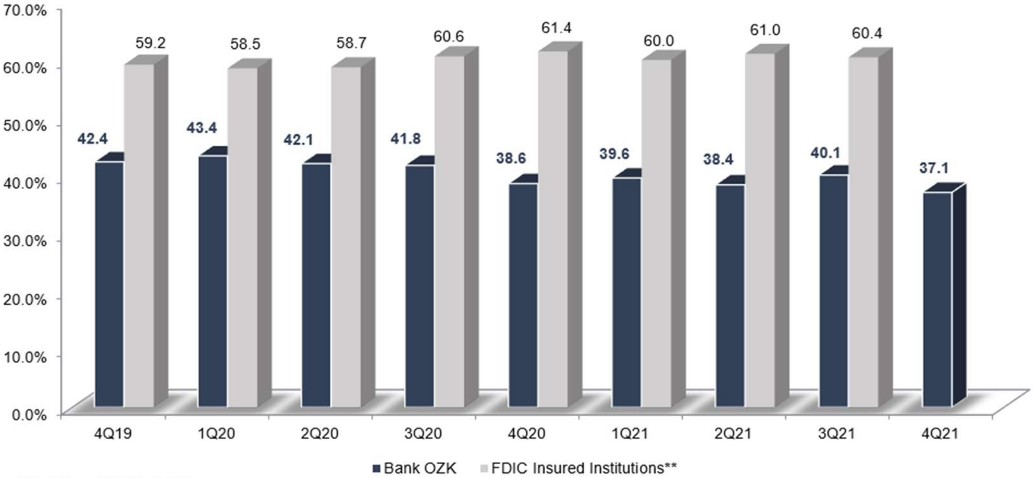
Figure 20: Trends in Non-interest Expense – 2020 vs. 2021 *($ thousands)*

	For the Year Ended			For the Three Months Ended		
	12/31/2020	12/31/2021	% Change	12/31/2020	12/31/2021	% Change
Salaries & employee benefits	$ 206,834	$ 214,567	3.7%	$ 53,832	$ 55,034	2.2%
Net occupancy and equipment	63,379	66,801	5.4%	15,617	17,004	8.9%
Professional and outside services	29,605	29,013	-2.0%	7,026	7,880	12.2%
Advertising and public relations	6,050	2,772	-54.2%	1,086	1,151	6.0%
Telecommunication services	9,159	8,427	-8.0%	2,296	2,064	-10.1%
Software and data processing	21,279	23,860	12.1%	5,729	6,165	7.6%
Travel and meals	4,336	5,694	31.3%	835	1,883	125.5%
FDIC insurance and state assessments	15,247	11,185	-26.6%	3,647	2,125	-41.7%
Amortization of intangibles	9,085	6,394	-29.6%	1,794	1,517	-15.4%
Postage and supplies	7,462	6,627	-11.2%	1,709	1,909	11.7%
ATM expense	5,256	6,255	19.0%	1,490	1,639	10.0%
Loan collection and repossession expense	3,062	2,044	-33.2%	481	587	22.0%
Writedowns of foreclosed assets	3,669	3,461	-5.7%	1,582	985	-37.7%
Amortization of CRA and tax credit investments	8,279	15,078	82.1%	823	2,755	234.8%
Other expenses	20,711	28,097	35.7%	5,447	7,408	36.0%
Total non-interest expense	$ 413,413	$ 430,275	4.1%	$ 103,394	$ 110,106	6.5%

Efficiency Ratio

As shown in Figure 21, in the quarter just ended, our efficiency ratio was 37.1%. For the full year of 2021, our efficiency ratio was 38.8%. Our efficiency ratio remains among the best in the industry, having now been among the top decile of the industry for 20 consecutive years.*

Figure 21: Quarterly Efficiency Ratio (%)



** Data from S&P Capital IQ.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2021.*

Provision and Allowance for Credit Losses ("ACL")

Our total provision expense for the quarter just ended was a negative $8.0 million. As of December 31, 2021, our allowance for loan losses ("ALL") for outstanding loans was $217.4 million, or 1.19% of total outstanding loans, and our reserve for losses on unfunded loan commitments was $71.6 million, or 0.53% of unfunded loan commitments, bringing our total ACL, which includes the ALL and the reserve for losses on our unfunded loans commitments, to $289.0 million.

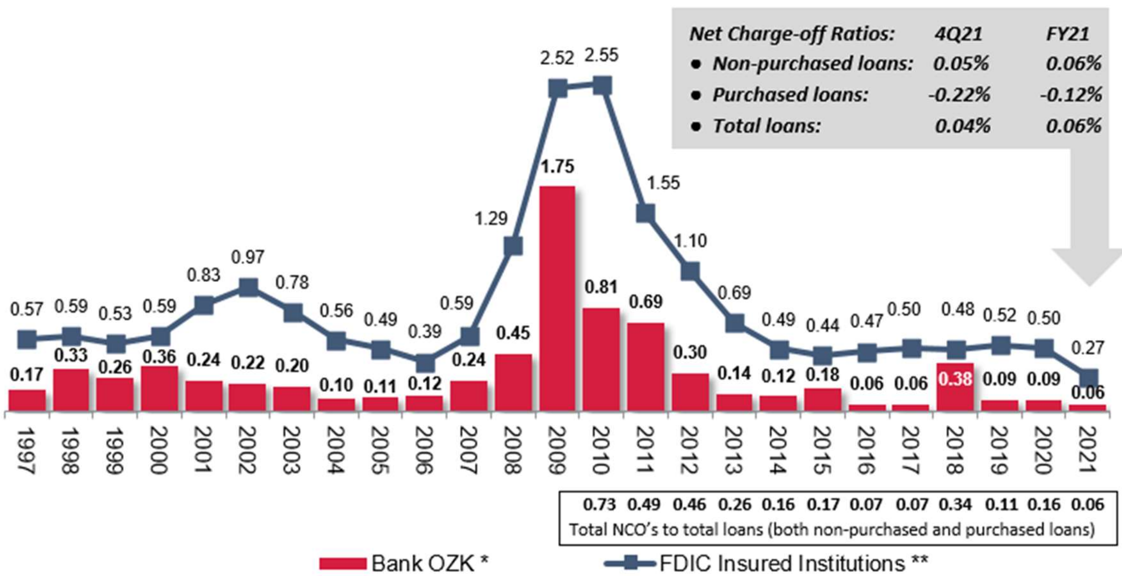
The calculations of our provision expense for the fourth quarter of 2021 and our total ACL at December 31, 2021 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in December 2021. In our selection of macroeconomic scenarios, we assigned our largest weighting to the Moody's S3 (Moderate Recession) scenario and smaller weightings to the Moody's S4 (Protracted Slump) and the Moody's baseline scenarios. Our selection and weightings of these scenarios reflected our assessment of conditions in the U.S. economy, and were tempered by the reality that uncertainty remains about future U.S. economic conditions, including uncertainty about the COVID-19 pandemic, Omicron and other potential COVID-19 variants, the rate and longer-term effectiveness of vaccination programs in the United States and globally, the timing and magnitude of any additional U.S. fiscal policy actions, accelerated tapering of Federal Reserve monthly asset purchases, potential increases in the Fed Funds Target Rate, prospects for a shrinking of the Federal Reserve balance sheet, heightened inflationary pressures, global trade and geopolitical matters, the impact of supply chain disruptions, and various other factors. Our ACL at December 31, 2021 included adjustments to capture certain risks that we thought were not fully reflected in our modeled results.

Our loan portfolio has performed very well in recent quarters, as our net charge-off ratio for total loans has continued to be in the lower end of our long-term historical range. We have built our portfolio with the goal that it would perform well in adverse economic conditions, and that discipline has been evident in our recent results.

Asset Quality

In the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.05%, for purchased loans was -0.22%, and for total loans was 0.04%, continuing our long-standing track record of having net charge-off ratios well below industry averages, as shown in Figure 22. In our 25 years as a public company, our net charge-off ratio for non-purchased loans has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

Figure 22: Annualized Net Charge-off Ratio vs. the Industry



**Unless otherwise indicated, Bank OZK data excludes purchased loans and net charge-offs related to such loans.*
***Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2021.*
Annualized when appropriate.

As shown in Figure 23, in RESG's 19 year history, we have incurred losses on only a small number of credits. As of December 31, 2021 the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 19 year history was 10 bps.

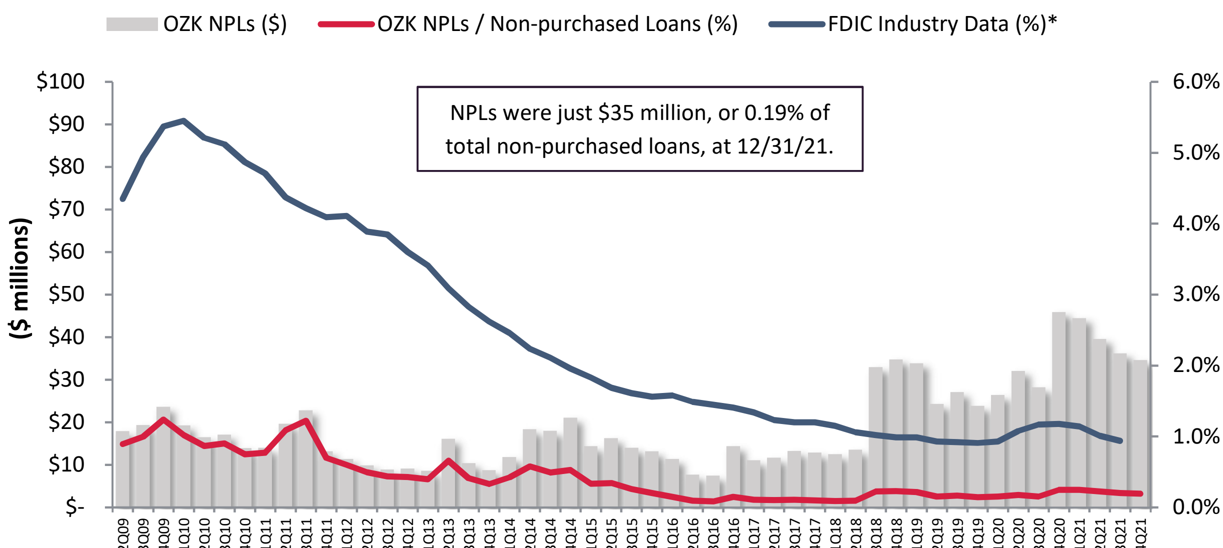
Figure 23 - RESG Historical Net charge-offs *($ Thousands)*

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%
Total			**$ 58,659**	
		Weighted Average		**0.10%**

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

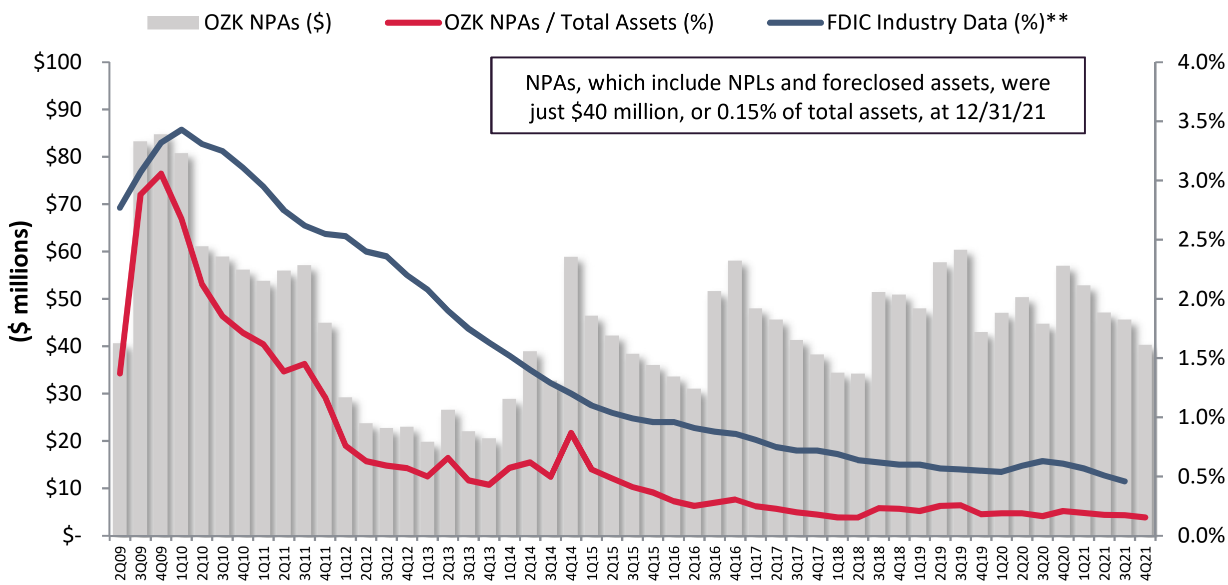
As shown in Figures 24, 25 and 26, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of outperforming industry averages. We expect our asset quality to continue our long tradition of outperforming industry averages.

Figure 24: Nonperforming Non-purchased Loans ("NPLs")



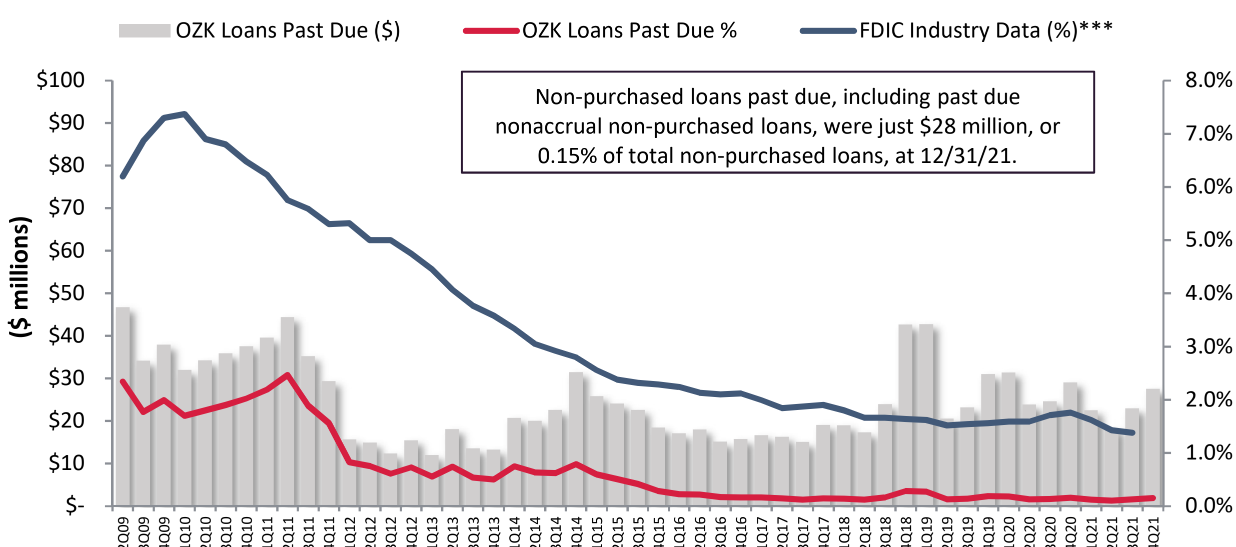
** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2021. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

Figure 25: Nonperforming Assets ("NPAs")



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2021. Noncurrent assets plus other real estate owned to assets (%).*

Figure 26: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2021. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

Loan Portfolio Diversification & Leverage

Figures 27 and 28 reflect the mix in our non-purchased loan growth in the fourth quarter and the full year of 2021.

Figure 27: Non-purchased Loan Growth – 4Q21 ($ millions)

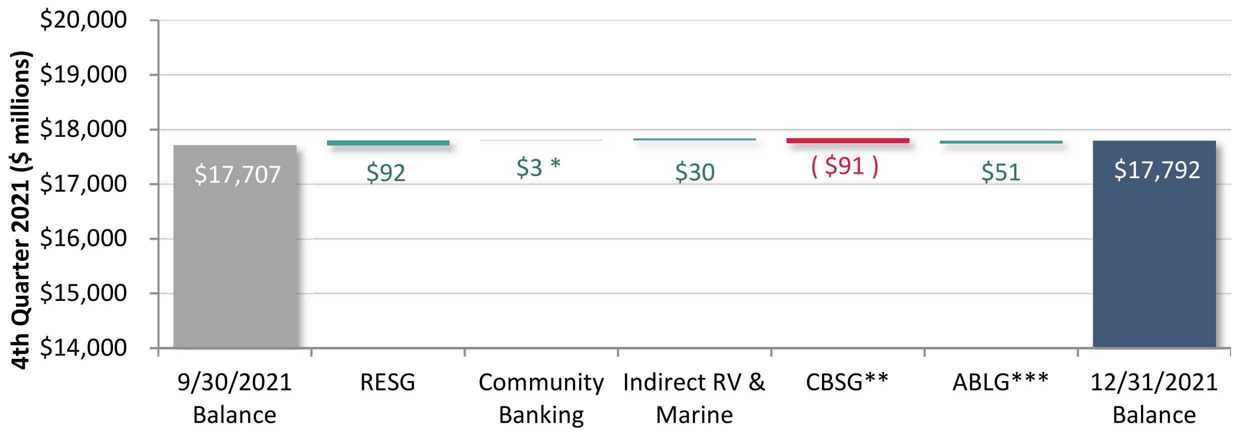
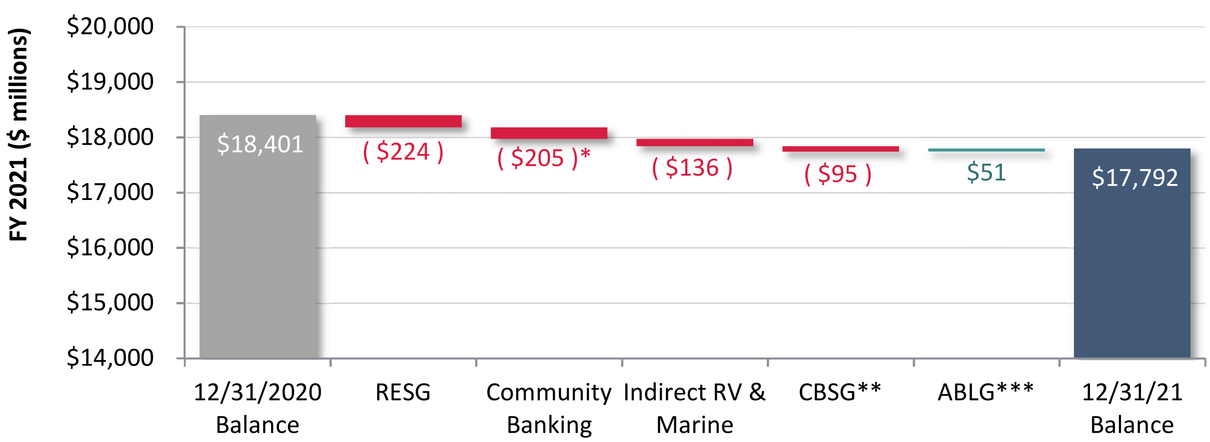


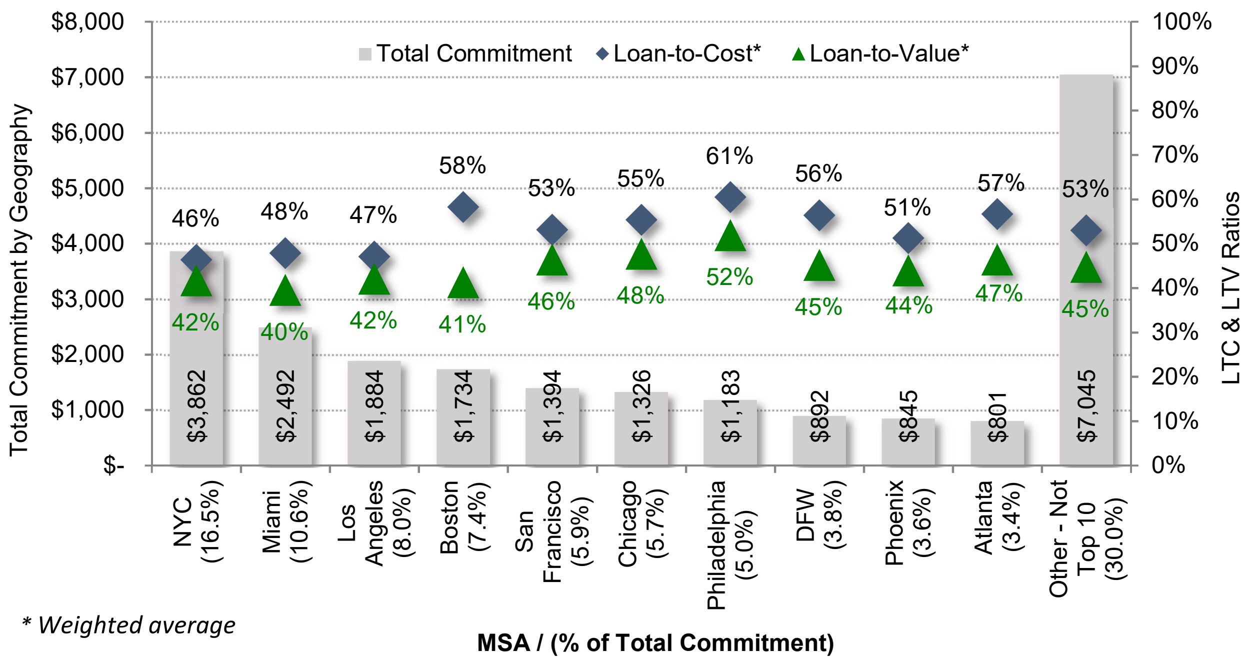
Figure 28: Non-purchased Loan Growth – FY21 ($ millions)



** Includes the net balance of loans originated through the SBA's PPP. For the fourth quarter and full year of 2021, that includes net payoffs of SBA PPP loans of $72 million and $488 million, respectively.*
*** Corporate & Business Specialties Group ("CBSG") is a team focused on subscription finance, other secured non-real estate lending opportunities, and our small shared national credit portfolio.*
**** Asset Based Lending Group ("ABLG").*

Within the RESG portfolio, we benefit from substantial geographic diversification, as well as low loan-to-cost ("LTC") and loan-to-value ("LTV") ratios, as shown in Figures 29 and 30.

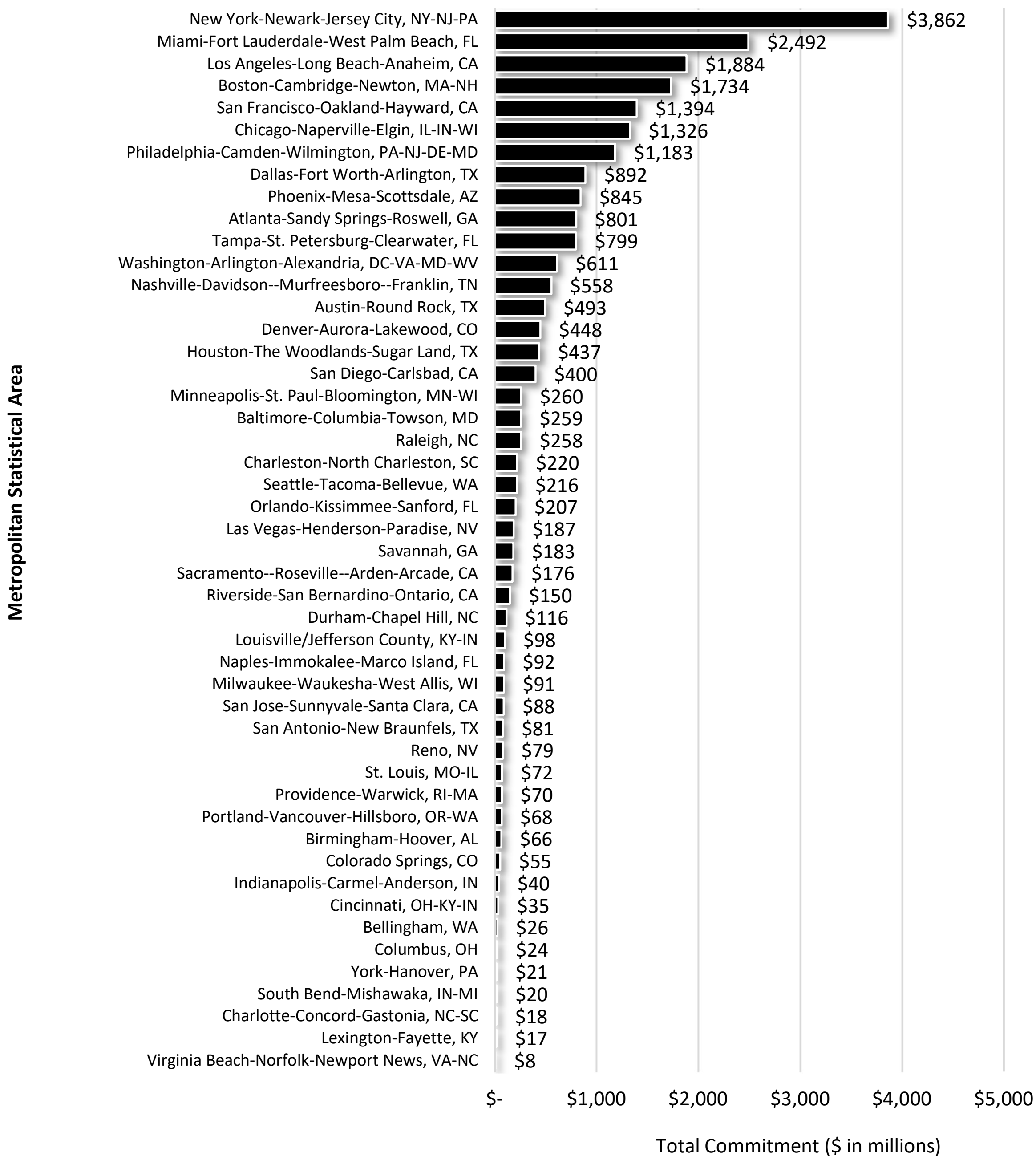
Figure 29: RESG Portfolio Diversity – Top 10 Geographies (As of December 31, 2021) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

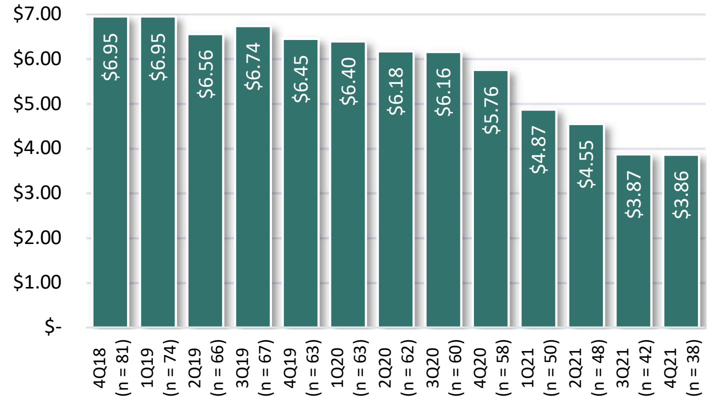
Figure 30 shows RESG's total commitments in each MSA in which it currently has loans. As RESG's total commitments have decreased in recent quarters in some of its largest markets, primarily New York, its business has increased in many other markets. This has enhanced the portfolio's already significant geographic diversification.

Figure 30: RESG's Portfolio Diversity - All Geographies (As of December 31, 2021) ($ millions)



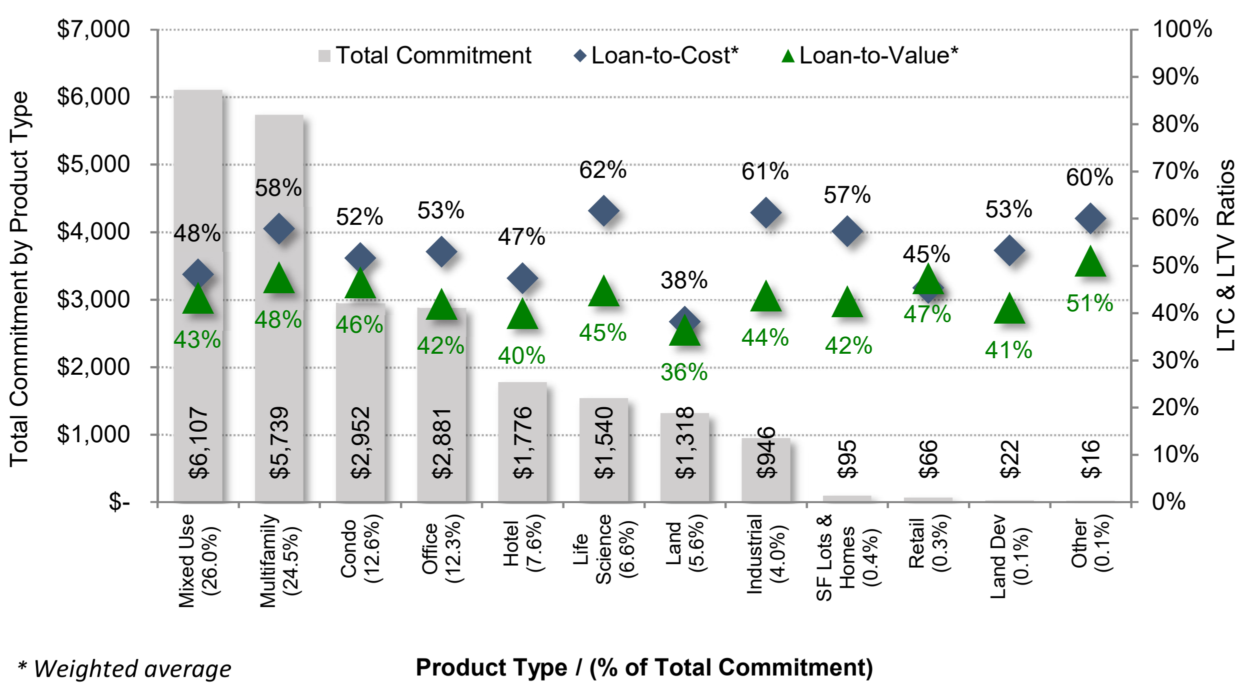
Our dollar volume of RESG total commitments in the NYC MSA peaked in the fourth quarter of 2018 at $6.95 billion and 81 loans. Despite our continued positive long-term view on the NYC MSA, and our desire to originate loans there, the volume of new opportunities meeting our standards in the market has not been as great in recent years. Accordingly, as shown in Figure 31, as earlier originations have paid off, our balance of total commitments in that market has declined to $3.86 billion at December 31, 2021. We expect the NYC MSA will continue to be one of our most important and largest markets and a source of long-term growth. While we expect significant loan repayments in that market in 2022, we also have a robust pipeline of origination opportunities there.

Figure 31: RESG NYC MSA Portfolio Total Commitment and Loan Count Recent Trends ($ billions)



Within the RESG portfolio, we also benefit from substantial diversification by product type as shown in Figure 32.

Figure 32: RESG Portfolio Diversity by Product Type (As of December 31, 2021) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

The COVID-19 pandemic has impacted many properties in the U.S. in the hospitality and office sectors. Our portfolio has performed very well in this environment, and we have benefited from the fact that most of our loans are on newly constructed, state-of-the-art properties. We expect most of our sponsors will continue to support their hotel and office properties, if needed, until the COVID-19 pandemic passes and business conditions normalize.

Hotel loans comprised about 7.6% of RESG's total commitments at December 31, 2021. In addition, at December 31, 2021, 13 of RESG's 37 loans on mixed use projects included a hotel component, with a total commitment amount allocated to hotels being approximately 15% of the total mixed use portfolio. We remain cautiously optimistic about the performance of our hotel portfolio, largely due to the quality and experience of our sponsors, the quality of these properties, and our low weighted average LTC and LTV ratios at 47.4% and 40.0%, respectively, based on our most recent appraisals at December 31, 2021. During the quarter just ended, in the RESG portfolio, four hotel loans paid off and two new hotel loans were originated.

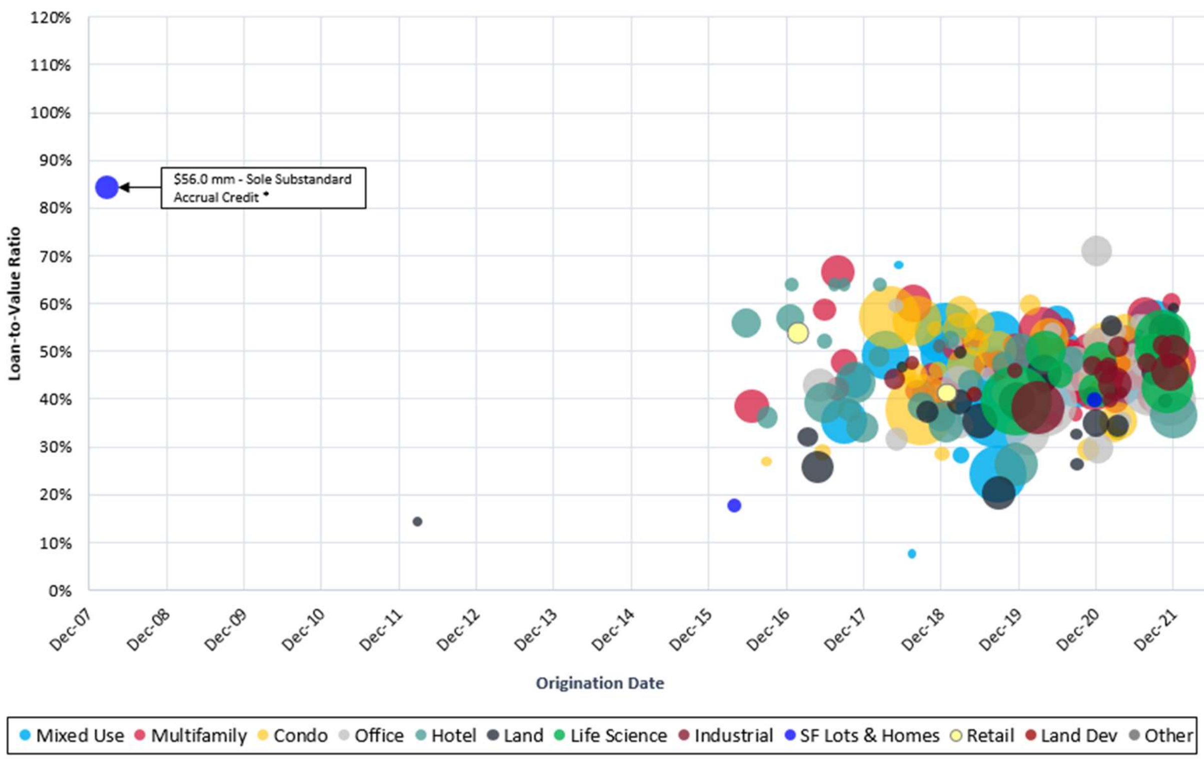
Office loans comprised about 12.3% of RESG's total commitments at December 31, 2021. In addition, at December 31, 2021, 21 of RESG's 37 loans on mixed use projects included an office component, with a total commitment amount allocated to offices being approximately 25% of the total mixed use portfolio. We remain cautiously optimistic about the performance of our office portfolio, largely due to the quality and experience of our sponsors, the quality of these properties, the substantial leasing or pre-leasing on certain properties, and our low weighted average LTC and LTV ratios at 53.0% and 42.0%, respectively, based on our most recent appraisals at December 31, 2021. During the quarter just ended, in the RESG portfolio, five office loans paid off and two new office loans were originated.

Assuming full funding of every RESG loan, as of December 31, 2021, the weighted average LTC for the RESG portfolio was a conservative 51.7%, and the weighted average LTV was even lower at just 43.8%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 33. Other than the one substandard-accruing credit specifically referenced in Figure 33 and one office loan with a 71.0% LTV, all other credits in the RESG portfolio have LTV ratios less than 69%.

Figure 33: RESG Portfolio by LTV & Origination Date (As of December 31, 2021)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded



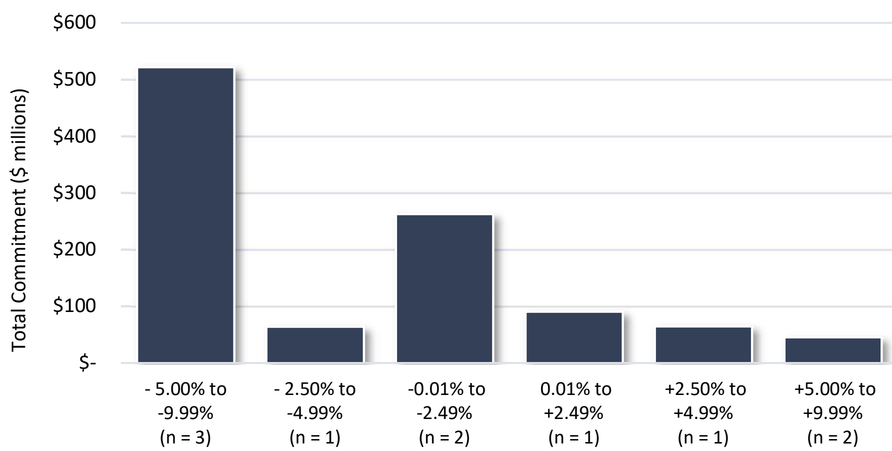
**During the fourth quarter of 2021, the borrower closed five townhome sales with gross proceeds of $9.1 million. At December 31, 2021, the borrower had 15 townhomes under contract for $26.6 million. At December 31, 2021, the Bank had a total ACL of $11.5 million, or approximately 20% of the total commitment, related to this credit.*

As summarized in Figure 34, during the fourth quarter of 2021, updated appraisals were obtained by RESG on 10 loans with a total commitment of $1.05 billion, which were mostly loans for which a renewal or an extension was being considered. Figures 34 and 35 show the distribution of such loans, including the resulting changes in LTV as compared to the LTV based on the previous appraised value. In summary, LTVs were relatively unchanged (plus or minus 5%) for five loans, LTVs decreased more than 5% for three loans and LTVs increased more than 5% for two loans.

Figure 34: Property Type Breakdown of Appraisals Obtained in 4Q21 ($ in millions)

Property Type	# of Loans	Total Commitment	Weighted Average Previous LTV	Weighted Average LTV @ 12/31/21	Δ in Wtd. Avg. LTV
Life Science	1	$ 451	46.6%	39.6%	-7.0%
Mixed Use	1	214	51.4%	49.3%	-2.1%
Condo	2	155	52.5%	50.8%	-1.7%
Multifamily	2	84	43.1%	43.1%	0.0%
Industrial	1	51	51.8%	45.7%	-6.1%
Hotel	1	49	38.6%	37.6%	-1.0%
Retail	1	30	35.3%	41.3%	6.0%
Other	1	16	44.3%	51.1%	6.8%
Total	**10**	**$ 1,049**	**47.3%**	**43.4%**	**-3.9%**

Figure 35: Distribution of RESG LTV Changes Following Appraisals Obtained in 4Q21 ($ in millions)

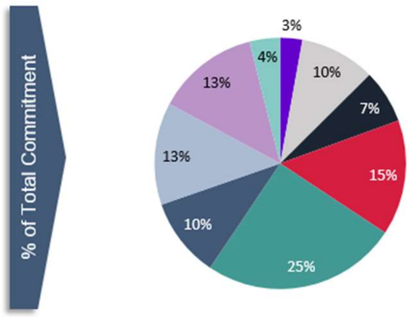


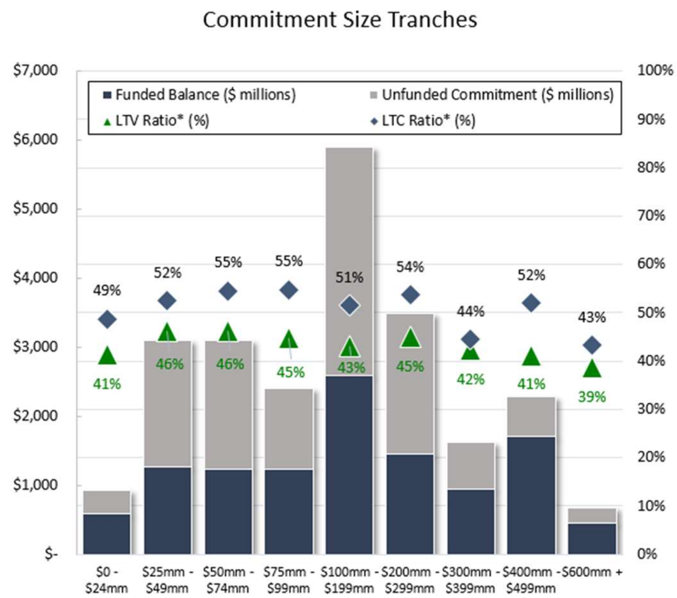
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 36.

Figure 36: RESG Portfolio Stratification by Loan Size - Total Commitment (As of December 31, 2021)

($ millions)

Tranche	No. of Loans	Funded Balance	Total Commitment
$600mm +	1	$ 453	$ 664
$400mm - $499mm	5	1,709	2,283
$300mm - $399mm	5	938	1,615
$200mm - $299mm	15	1,440	3,485
$100mm - $199mm	45	2,556	5,890
$75mm - $99mm	28	1,224	2,407
$50mm - $74mm	50	1,219	3,092
$25mm - $49mm	84	1,246	3,102
$0 - $24mm	51	583	922
Total	**284**	**$ 11,368**	**$ 23,458**





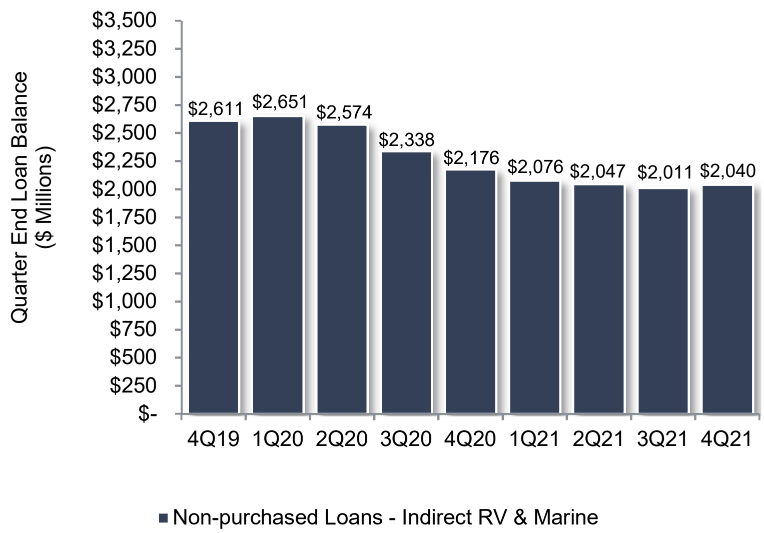
** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

Our Community Banking loans 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. Although growth for many of these lending channels has been limited recently by competitive factors and the COVID-19 pandemic, we are cautiously optimistic about our ability to achieve positive growth in 2022 in community bank lending. 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. It was the largest contributor to our loan growth in 2018 and 2019, but we allowed this portfolio to shrink in 2020 and in 2021. Specifically, during 2020 the portfolio balance decreased $0.44 billion, or 16.7%, and, for the full year of 2021, the portfolio balance decreased $0.14 billion, or 6.2%. During 2020, we implemented enhancements to our underwriting and pricing with the expectation that we will maintain or improve on the portfolio's already excellent credit quality while increasing our profit margins. We have slowly gained momentum with this enhanced business plan, and we expect to see net growth in this portfolio resuming in 2022. We believe that our indirect portfolio will continue to be an important part of our lending business, and our objective is to maintain it within a range of at or near 10% of our total loans up to 15% of our total loans.

As of December 31, 2021, the non-purchased indirect portfolio had a 30+ day delinquency ratio of nine bps. For the fourth quarter and full year of 2021, our annualized net charge-off ratio for the non-purchased indirect portfolio was 17 bps and 22 bps, respectively. Figure 37 provides additional details regarding this portfolio.

Figure 37: Indirect RV & Marine Outstanding Non-purchased Loan Balances



RV Portfolio - as of 12/31/21			
Loan Size	Total #		$ thousands
$1 million +	-	$	-
$750k - $999k	-		-
$250k - $749k	412		128,250
$50k - $249k	8,942		958,189
< $50k	5,959		150,772
Total	**15,313**	**$**	**1,237,211**
	-		-

Marine Portfolio - as of 12/31/21			
Loan Size	Total #		$ thousands
$1 million +	42	$	79,728
$750k - $999k	35		30,197
$250k - $749k	397		152,858
$50k - $249k	4,253		462,180
< $50k	2,601		78,186
Total	**7,328**	**$**	**803,148**

Our Corporate & Business Specialties Group ("CBSG") and Asset Based Lending Group ("ABLG") are also seeing positive trends in the origination volume, and we expect these groups will be more meaningful contributors to growth in 2022.

Deposits and Liquidity

We believe that we have significant capacity for future deposit growth in our existing network of 229 branches. We have successfully increased our overall deposits as needed to fund our earning asset growth, while we have significantly improved the mix and quality of our deposit base. We have grown our consumer and commercial noninterest bearing and other non-time deposits and reduced our time, public funds, brokered and reciprocal deposits, as shown in Figure 38.

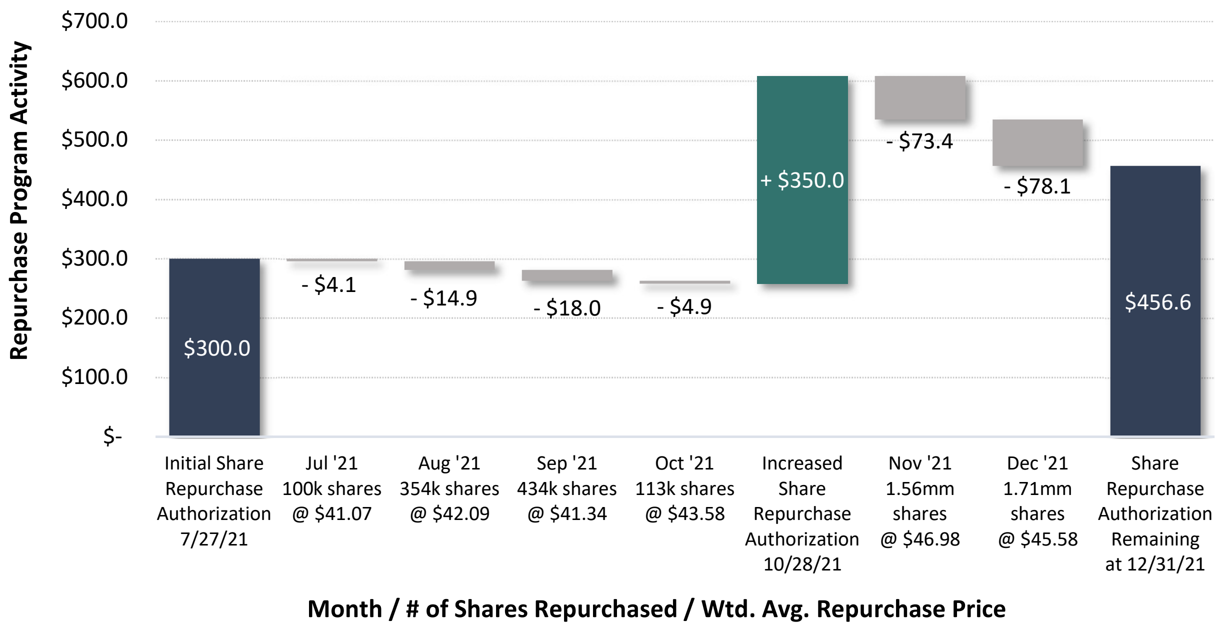
Figure 38: Deposit Composition ($ millions)

	As of December 31,					
	2019		2020		2021	
Noninterest Bearing	$ 2,795	15.1%	$ 3,997	18.6%	$ 4,984	24.7%
Consumer and Commercial						
Interest Bearing:						
Consumer - Non-time	2,729	14.8%	3,505	16.3%	4,334	21.4%
Consumer - Time	3,995	21.6%	6,512	30.4%	4,319	21.4%
Commercial - Non-time	1,801	9.7%	2,178	10.2%	2,635	13.0%
Commercial - Time	647	3.5%	1,137	5.3%	905	4.5%
Public Funds	3,687	20.0%	2,005	9.3%	2,095	10.4%
Brokered	2,115	11.4%	1,600	7.5%	452	2.2%
Reciprocal	705	3.8%	516	2.4%	485	2.4%
Total	$ 18,474	100.0%	$ 21,450	100.0%	$ 20,209	100.0%

Stock Repurchase Program

In July 2021, we authorized a Stock Repurchase Program of up to $300 million of our outstanding shares of common stock, which authorization was increased by $350 million to a maximum amount of $650 million in October 2021 with the expiration of the program being extended to November 4, 2022. During the third and fourth quarters of 2021, we repurchased shares of our common stock as indicated in Figure 39. The Stock Repurchase Program may be suspended by the Bank at any time.

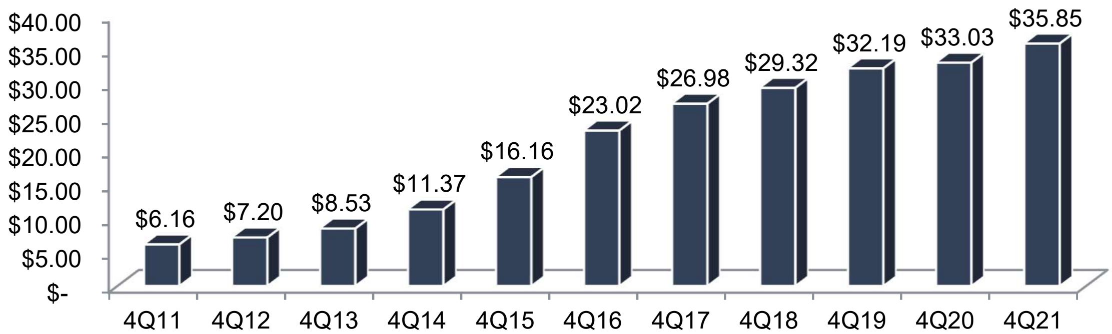
Figure 39: Stock Repurchase Program Activity ($ millions)



Capital and Dividends

During the quarter just ended, our book value per common share increased to $35.85 compared to $35.35 as of September 30, 2021 and $33.03 as of December 31, 2020. Over the last 10 years, we have increased book value per common share by a cumulative 482%, resulting in a compound annual growth rate of 19.3%, as shown in Figure 40.

Figure 40: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $30.52 compared to $30.14 as of September 30, 2021 and $27.81 as of December 31, 2020. Over the last 10 years, we have increased tangible book value per common share by a cumulative 410%, resulting in a compound annual growth rate of 17.7%, as shown in Figure 41.

Figure 41: Tangible Book Value per Share (Period End) [3]

[3] 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.

Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building robust capital ratios, as shown in Figure 42, which are among the strongest in the industry. We are focused on strategies to utilize our excess capital that are in the best long-term interest of our shareholders. Options for deploying our excess capital include organic loan growth, adding new business lines, continuing to increase our cash dividend, financially attractive acquisitions for cash or some combination of cash and stock, and continued stock repurchases. Because of our strong capital position, we can implement multiple capital deployment opportunities simultaneously. Even though our total loan balances declined for the full year of 2021 because of the record level of net loan repayments, organic loan growth will continue to be our top growth priority, and we are optimistic about our growth prospects in 2022 and beyond.

Figure 42: Capital Ratios

	Estimated 12/31/2021 [4]	Regulatory Minimum Required To Be Considered Well Capitalized	Excess Capital
CET 1 Ratio	14.00%	6.50%	7.50%
Tier 1 Ratio	15.30%	8.00%	7.30%
Total RBC Ratio	17.90%	10.00%	7.90%
Tier 1 Leverage	16.10%	5.00%	11.10%

We have increased our cash dividend in each of the last 46 quarters and every year since going public in 1997. We expect that we will likely continue to increase our cash dividend in future quarters, in tandem with continued use of our Stock Repurchase Program.

Effective Tax Rate

Our effective tax rate for the quarter just ended was 22.8%, and for the full year of 2021 was 23.1%. We expect our effective tax rate for 2022 to be between 23% and 24%, assuming no changes in applicable state or federal income tax rates.

[4] Ratios as of December 31, 2021 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Final Thoughts

We are pleased to report our excellent results for the fourth quarter and full year of 2021 – results that were record setting in many respects. We were particularly pleased to report our highest ever level of quarterly RESG loan originations, as organic growth is an important component of our long-term strategy to increase shareholder value. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the future.

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 *			Year Ended	
	12/31/2020	9/30/2021	12/31/2021	12/31/2020	12/31/2021
Net Income Available To Common Stockholders	$ 120,513	$ 130,290	$ 149,760	$ 291,898	$ 579,001
Average Stockholders' Equity Before Noncontrolling Interest	4,219,249	4,530,995	4,755,706	4,149,123	4,505,544
Less Average Preferred Stock	-	-	(213,693)	-	(53,862)
Total Average common stockholders' quity	4,219,249	4,530,995	4,542,013	4,149,123	4,451,682
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	(15,578)	(10,617)	(9,032)	(18,741)	(11,398)
Total Average Intangibles	(676,367)	(671,406)	(669,821)	(679,530)	(672,187)
Average Tangible Common Stockholders' Equity	$ 3,542,882	$ 3,859,589	$ 3,872,192	$ 3,469,593	$ 3,779,495
Return On Average Common Stockholders' Equity	11.36%	11.41%	13.08%	7.04%	13.01%
Return On Average Tangible Common Stockholders' Equity	13.53%	13.39%	15.34%	8.41%	15.32%

* 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 Share

Unaudited (Dollars in Thousands, Except per Share)

	For the period ended December 31,					
	2011	2012	2013	2014	2015	2016
Total common stockholders' equity before noncontrolling interest	$ 424,551	$ 507,664	$ 629,060	$ 908,390	$ 1,464,631	$ 2,791,607
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	424,551	507,664	629,060	908,390	1,464,631	2,791,607
Less intangible assets:						
Goodwill	(5,243)	(5,243)	(5,243)	(78,669)	(125,442)	(660,119)
Core deposit and other intangibles, net of accumulated amortization	(6,964)	(6,584)	(13,915)	(26,907)	(26,898)	(60,831)
Total intangibles	(12,207)	(11,827)	(19,158)	(105,576)	(152,340)	(720,950)
Total tangible common stockholders' equity	$ 412,344	$ 495,837	$ 609,902	$ 802,814	$ 1,312,291	$ 2,070,657
Common shares outstanding (thousands)	68,928	70,544	73,712	79,924	90,612	121,268
Book value per common share	$ 6.16	$ 7.20	$ 8.53	$ 11.37	$ 16.16	$ 23.02
Tangible book value per common share	$ 5.98	$ 7.03	$ 8.27	$ 10.04	$ 14.48	$ 17.08

	For the period ended December 31,					As of
	2017	2018	2019	2020	2021	Sep. 30, 2021
Total common stockholders' equity before noncontrolling interest	$ 3,460,728	$ 3,770,330	$ 4,150,351	$ 4,272,271	$ 4,836,243	$ 4,553,240
Less preferred stock	-	-	-	-	(338,980)	-
Total common stockholders' equity	3,460,728	3,770,330	4,150,351	4,272,271	4,497,263	4,553,240
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	(48,251)	(35,672)	(23,753)	(14,669)	(8,274)	(9,791)
Total intangibles	(709,040)	(696,461)	(684,542)	(675,458)	(669,063)	(670,580)
Total tangible common stockholders' equity	$ 2,751,688	$ 3,073,869	$ 3,465,809	$ 3,596,813	$ 3,828,200	$ 3,882,660
Common shares outstanding (thousands)	128,288	128,611	128,951	129,350	125,444	128,818
Book value per common share	$ 26.98	$ 29.32	$ 32.19	$ 33.03	$ 35.85	$ 35.35
Tangible book value per common share	$ 21.45	$ 23.90	$ 26.88	$ 27.81	$ 30.52	$ 30.14