Bank OZK

MANAGEMENT COMMENTS FOR THE THIRD QUARTER & FIRST NINE MONTHS OF 2024

OCTOBER 17, 2024

Forward-Looking Statements

This presentation and other communications by Bank OZK (the "Bank") include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth, expansion and acquisition strategies, including obtaining regulatory or other approvals, delays in acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices, relocating, selling or closing existing offices, or integrating any acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; conditions within the banking industry; recently enacted and potential new laws and regulatory requirements or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks or changes in the interpretation and enforcement of such laws and requirements, changes as a result of the U.S. presidential and congressional elections, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of any failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business or others, including as a result of cyberattacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank, its customers or others; natural disasters; acts of war or terrorism; the potential impact of continuing inflationary pressures; the potential impact of supply chain disruptions; national or international political instability or military conflict, including the conflict in the Middle East and the ongoing war in Ukraine; competition for and costs of recruiting and retaining qualified personnel; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2023 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

MANAGEMENT COMMENTS FOR THE THIRD QUARTER OF 2024

We are pleased to report our third quarter 2024 results, which once again include numerous record achievements. Highlights include:

- ***Net Income & Earnings Per Share.*** Net income available to common stockholders for the quarter just ended was a record $177.1 million and diluted earnings per common share ("EPS") were a record $1.55, increases of 4.4% and 4.0%, respectively, compared to the third quarter of 2023.
- ***Pre-tax Pre-provision Net Revenue[1] ("PPNR")***. PPNR for the quarter just ended was a record $282.6 million, an increase of 7.0% compared to the third quarter of 2023.
- ***Net Interest Income.*** Net interest income for the quarter just ended was a record $389.4 million, an increase of 6.0% compared to the third quarter of 2023.
- ***Efficiency Ratio.*** Our efficiency ratio in the quarter just ended was 32.9%.
- ***Return on Average Assets ("ROAA").*** We achieved an annualized ROAA of 1.90% in the quarter.
- ***Loans.*** Loans grew to a record $29.22 billion, increasing $0.54 billion, or 1.9% not annualized, in the quarter just ended. This growth was achieved even though Real Estate Specialties Group ("RESG") loan repayments in the quarter just ended were $1.60 billion.
- ***Deposits.*** Deposits grew to a record $30.57 billion, increasing $0.63 billion, or 2.1% not annualized, in the quarter just ended.
- ***Liquidity.*** We maintained robust available primary and secondary sources of liquidity which increased to $13.5 billion at September 30, 2024.
- ***Asset Quality.*** Despite some migration in credit quality and risk ratings since the Fed started increasing rates, our low leverage and conservative underwriting practices have kept our annualized net charge-off ratio (0.36% for the quarter just ended and 0.21% for the first nine months of 2024) well below the industry average.
- ***ACL Build.*** Over the last nine quarters since the Fed started increasing rates, we have nearly doubled our Allowance for Credit Losses ("ACL") from $300 million to $595 million, including a $20 million increase in the quarter just ended.
- ***Capital.*** At September 30, 2024, our ratios of total common stockholders' equity to total assets and total tangible common stockholders' equity[1] to tangible assets increased to 14.03% and 12.49%, respectively, and our book value and tangible book value[1] per common share were $46.31 and $40.49, respectively, increases of $5.96 and $5.99 over the last four quarters.
- ***Dividends.*** We recently increased our dividend on our common stock for the 57th consecutive quarter.

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[1] The calculations of the Bank's PPNR, tangible common stockholders' equity and tangible book value per common share and the reconciliations to generally accepted accounting principles ("GAAP") are included in the schedules in Appendix A.

Profitability and Earnings Metrics

Net income available to common stockholders for the third quarter of 2024 was $177.1 million, our eighth consecutive quarterly record and a 4.4% increase from $169.7 million for the third quarter of 2023. For the first nine months of 2024, net income available to common stockholders was $522.1 million, a 3.7% increase from $503.5 million for the first nine months of 2023.

EPS for the third quarter of 2024 were $1.55, our eighth consecutive quarterly record and a 4.0% increase from $1.49 for the third quarter of 2023. EPS for the first nine months of 2024 were $4.58, a 4.8% increase from $4.37 for the first nine months of 2023.

PPNR for the third quarter of 2024 was a record $282.6 million and a 7.0% increase from $264.0 million for the third quarter of 2023. For the first nine months of 2024, PPNR was $834.6 million, an 8.4% increase from $769.9 million for the first nine months of 2023.

Our annualized ROAA for the third quarter of 2024 was 1.90% compared to 2.13% for the third quarter of 2023. Our annualized ROAA for the first nine months of 2024 was 1.93% compared to 2.26% for the first nine months of 2023.

Our annualized returns on average common stockholders' equity ("ROACE") and average tangible common stockholders' equity[2] ("ROATCE") for the third quarter of 2024 were 13.65% and 15.65%, respectively, compared to 14.81% and 17.33%, respectively, for the third quarter of 2023. Our annualized ROACE and ROATCE for the first nine months of 2024 were 13.92% and 16.04%, respectively, compared to 15.06% and 17.68%, respectively, for the first nine months of 2023.

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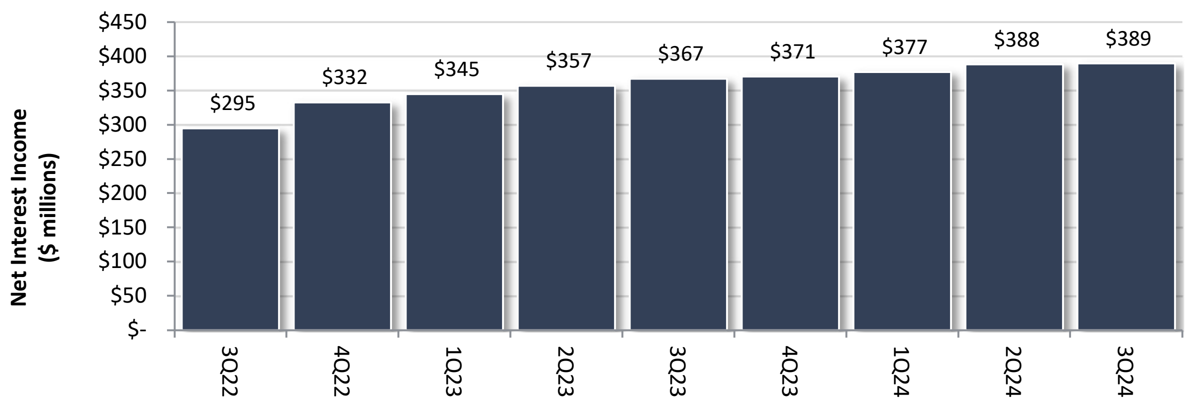
[2] The calculations of the Bank's annualized returns on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules in Appendix A.

Net Interest Income

Our net interest income for the third quarter of 2024 was $389.4 million, our ninth consecutive quarterly record and a 6.0% increase from $367.3 million for the third quarter of 2023, as shown in Figure 1. In the quarter just ended, our growth in average earning assets more than offset the impact of the 13 basis point decrease in our net interest margin. Our net interest income for the first nine months of 2024 was $1.15 billion, an 8.0% increase from $1.07 billion for the first nine months of 2023.

Figure 1: Quarterly Net Interest Income



We expect our net interest margin to decline further in the fourth quarter of 2024 and the first half of 2025 based on the assumption that the Fed will continue lowering the Fed funds target rate. Our net interest margin should stabilize in mid-2025 as more variable rate loans reach their floor and more time deposits reprice, and it should then improve later in 2025. The changes in our net interest margin will depend upon the timing and magnitude of Fed interest rate changes, among other factors.

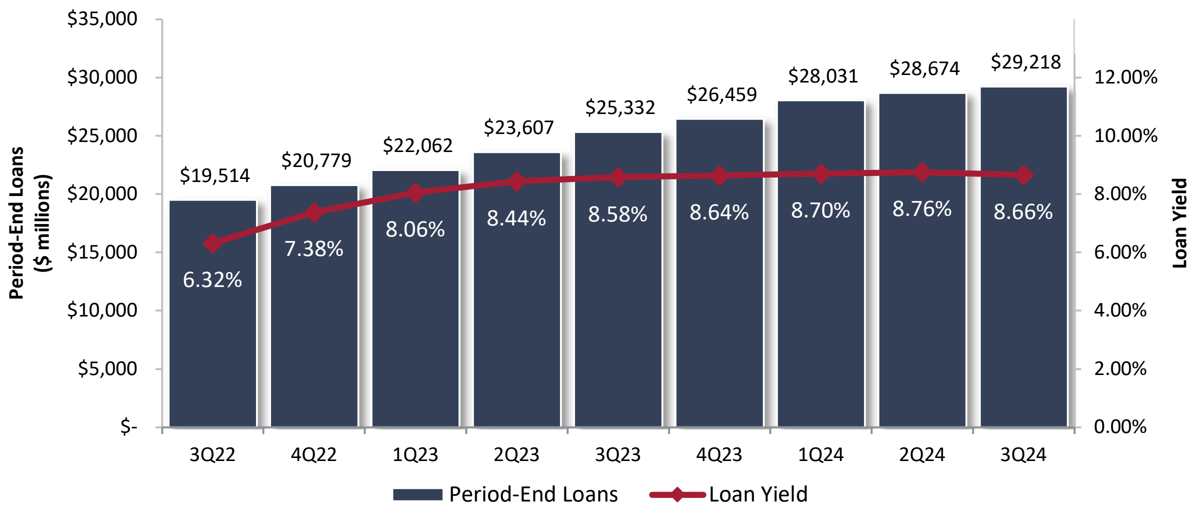
In the fourth quarter of 2024, we expect further growth in average earning assets along with the expected decrease in net interest margin. Achieving record quarterly net interest income for the fourth quarter of 2024 and the first quarter of 2025 is expected to be challenging.

We expect further growth in average earning assets in 2025, and we believe this growth will result in record net interest income for the full year and in one or more quarters of 2025. Prospects for achieving quarterly record net interest income should improve over the course of 2025.

Earning Assets

Our loans[3] at September 30, 2024 were $29.22 billion, our ninth consecutive quarterly record and having increased $0.54 billion, or 1.9% not annualized, from June 30, 2024 and $2.76 billion, or 10.4% not annualized, from December 31, 2023, as illustrated in Figure 2.

Figure 2: Loan Balances and Yields



In the third quarter of 2024, our yield on loans was 8.66%, an increase of eight basis points ("bps") from the third quarter of 2023, but a decrease of 10 bps from the second quarter of 2024 when higher than usual fees on RESG loan repayments benefitted loan yields. In the first nine months of 2024, our yield on loans was 8.70%, an increase of 33 bps from the first nine months of 2023.

[3] Because loans previously disclosed as "purchased loans" are not significant in amount, we have discontinued providing separate disclosures for purchased and non-purchased loans.

Figures 3 and 4 reflect the mix in our loan growth in the third quarter and first nine months of 2024. Reflecting our ongoing focus on greater portfolio diversification, Indirect RV & Marine, Corporate & Institutional Banking ("CIB") and Community Banking, collectively, contributed $0.32 billion to loan growth in the quarter just ended, while RESG grew just $0.22 billion due to elevated repayments. This was the second consecutive quarter that teams other than RESG collectively provided more than half of our loan growth.

Figure 3: Loan Growth – 3Q24 ($ millions)

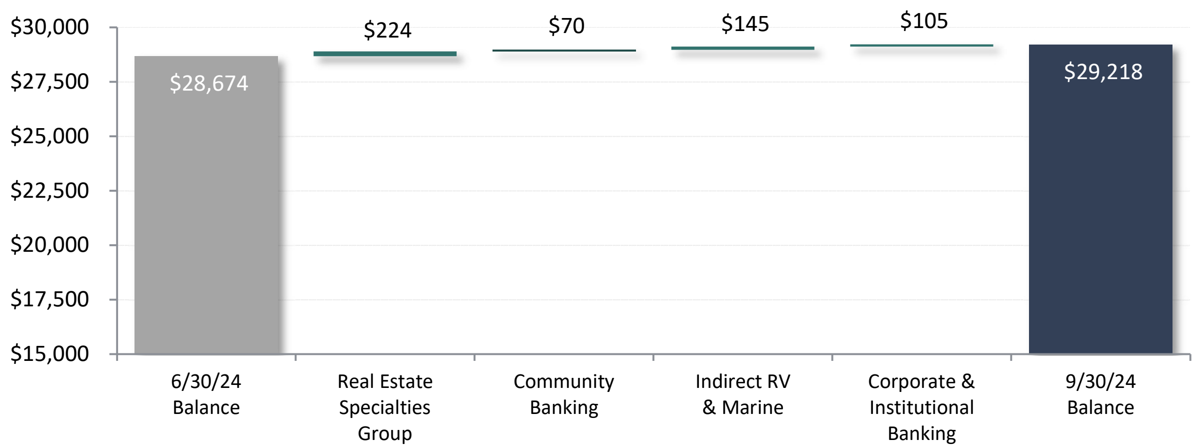
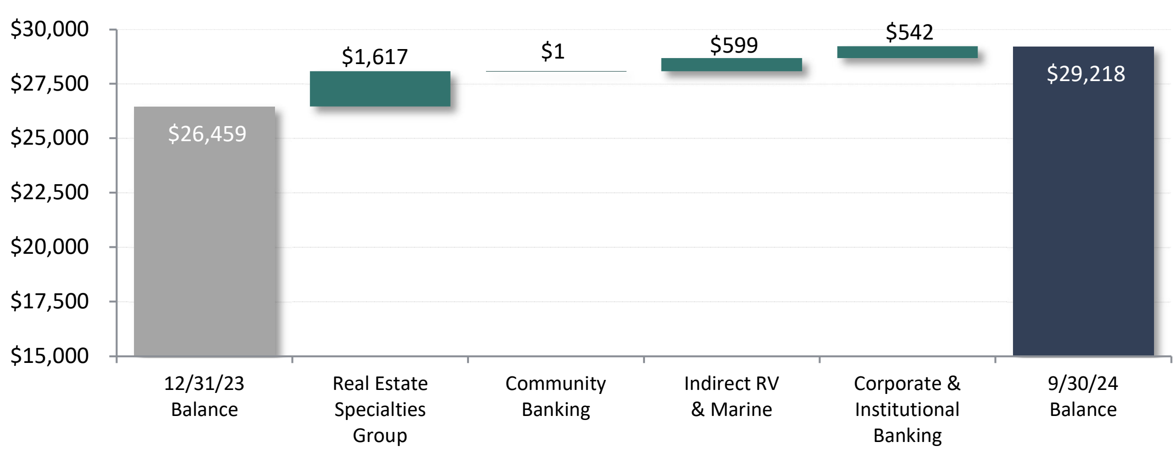


Figure 4: Loan Growth – 9M24 ($ millions)

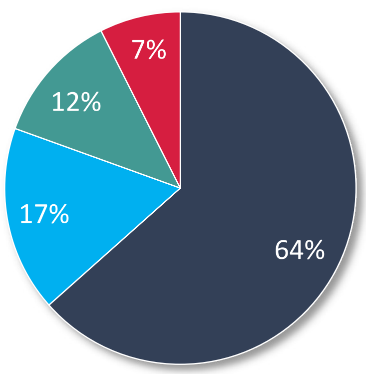


We expect further loan growth in the fourth quarter of 2024, and we expect loan growth in 2025 should be in the mid- to upper-single digit percentage range. Loan growth may vary significantly from quarter to quarter and may be impacted by loan repayments, interest rates, economic conditions, competition or other factors.

We want to continue to grow our RESG portfolio longer term, while also achieving greater portfolio diversification through growth in our CIB, Indirect RV & Marine and Community Banking portfolios. As seen in the two most recent quarters, we have good momentum with these other lending teams, which we expect to contribute meaningfully to future growth and diversification, especially while RESG is expected to continue to have elevated levels of repayments in the fourth quarter of 2024, in 2025 and in 2026.

Even as our funded balance of RESG loans has reached record levels, greater diversification has resulted in RESG's percentage of our loans declining to 64% as of September 30, 2024, as illustrated in Figure 5. With much of our growth expected to come from our other lending teams, RESG's percentage of loans should continue to decline into the upper-50's by year-end 2025 and further in 2026.

Figure 5: Loan Composition (As of September 30, 2024)



	Funded Balances	
	$ millions	***%***
RESG	$ 18,539	64%
Community Banking	4,976	17%
Indirect RV & Marine	3,529	12%
CIB	2,174	7%
Total	**$ 29,218**	**100%**

Our "growth, growth and diversification" strategy is intended to capitalize on RESG's unique strengths and expertise, while also achieving greater growth through our other lending teams and thus enhancing portfolio diversification.

As shown in Figure 6, RESG loan originations were $1.23 billion in the quarter just ended and $4.41 billion for the first nine months of 2024. The headwinds from higher rates and uncertain economic conditions have restrained origination volume this year, particularly in the quarter just ended which was our lowest quarterly origination volume since the second quarter of 2019. Origination volume may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

Figure 6: RESG Quarterly Loan Originations
($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67	$1.40	$1.77	$6.59
FY2021	$1.28	$1.46	$2.21	$2.99	$7.94
FY2022	$3.14	$3.53	$4.35	$2.81	$13.82
FY2023	$1.81	$1.41	$1.95	$2.05	$7.22
FY2024	$1.58	$1.60	$1.23		$4.41

**9M24 Not Annualized*

As shown in Figure 7, RESG's loan repayments and other activity were $1.60 billion in the quarter just ended and $4.23 billion for the first nine months of 2024. RESG loan repayments have been elevated in the two most recent quarters and are expected to continue to be elevated in coming quarters. Sponsors continue to carefully monitor interest rates and refinance market conditions to determine when to move projects from our portfolio to bridge or permanent financing. Lower interest rates should tend to encourage that movement. RESG loan repayments may vary substantially from quarter to quarter and may have an outsized impact on our outstanding loan balances in one or more quarters.

Figure 7: RESG Quarterly Loan Repayments & Other Activity
($ billions)

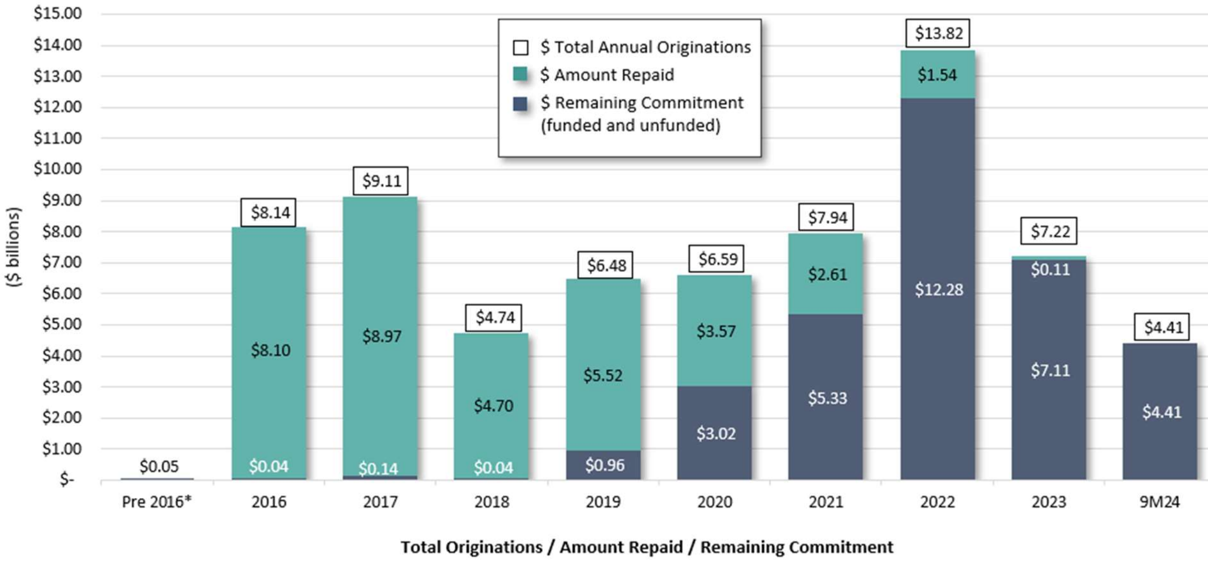
	Q1	Q2	Q3	Q4	Total*
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22
FY2022	$1.31	$2.34	$1.28	$0.72	$5.65
FY2023	$0.91	$1.03	$1.10	$0.97	$4.01
FY2024	$0.79	$1.84	$1.60		$4.23

**9M24 Not Annualized*

Over the last two quarters, elevated RESG repayments coupled with the lower volume of originations resulted in RESG total commitments, both funded and unfunded, receding by $1.1 billion from a peak of $34.5 billion at March 31, 2024 to $33.4 billion at September 30, 2024. This trend is expected to continue for several 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)* (As of September 30, 2024)



$ Remaining Commitment	*$0.04B*	*$0.14B*	*$0.04B*	*$0.96B*	*$3.02B*	*$5.33B*	*$12.28B*	*$7.11B*	*$4.41B*
$ Amount Funded	*$0.04B*	*$0.14B*	*$0.02B*	*$0.89B*	*$2.63B*	*$4.28B*	*$7.57B*	*$2.50B*	*$0.42B*
$ Amount Unfunded	*$0.00B*	*$0.00B*	*$0.02B*	*$0.07B*	*$0.39B*	*$1.05B*	*$4.71B*	*$4.61B*	*$3.99B*

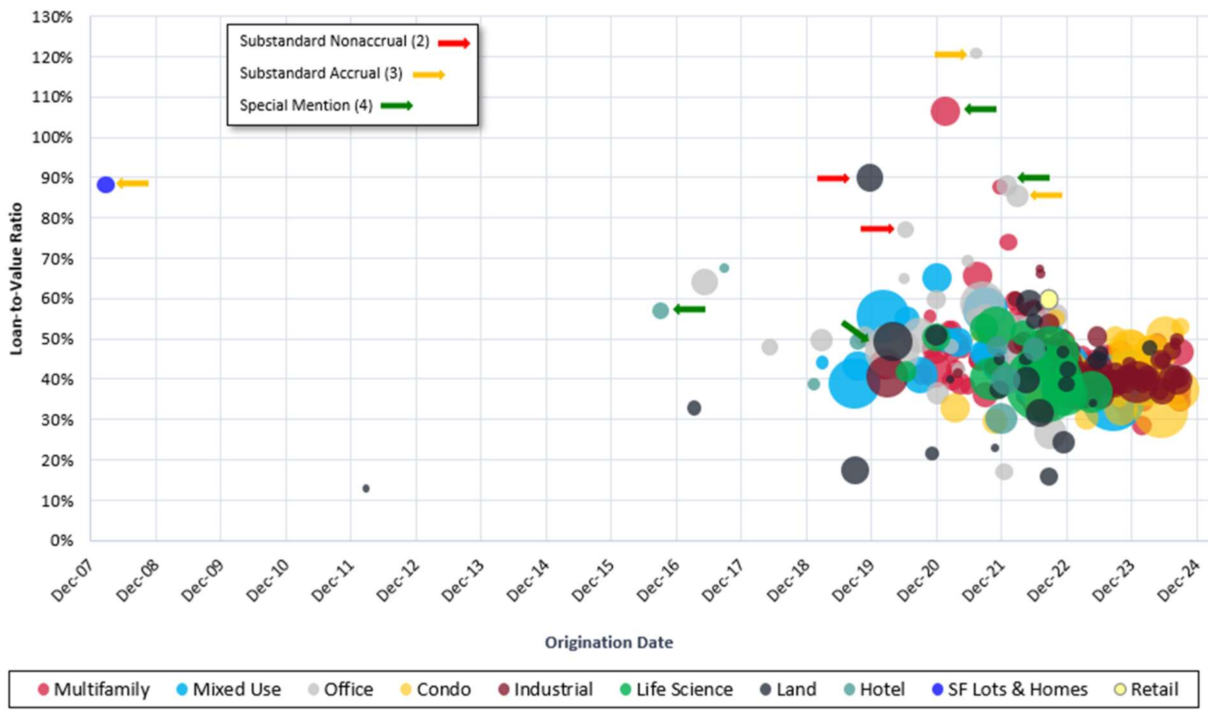
** Amounts repaid and total annual originations are not shown for pre-2016 originations.*

The loan-to-value ("LTV") metrics on each of the 333 individual loans within the RESG portfolio as of September 30, 2024, are illustrated in Figure 9. The significant protection provided by RESG's conservative loan-to-cost ("LTC") and LTV metrics is always important, and especially so in the current macroeconomic environment. Assuming every RESG loan is fully funded, the weighted average LTC for the RESG portfolio was 51% and the weighted average LTV was 43% as of September 30, 2024. RESG collateral valuations benefit from the fact that the majority of RESG loans are for new construction, which provides a distinct competitive advantage compared to older, less desirable properties.

RESG's two substandard non-accrual loans and three substandard accrual loans are pointed out in Figure 9, and additional information on each is provided in Figure 10.

Figure 9: RESG Portfolio by LTV & Origination Date (As of September 30, 2024)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount



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

Credit migrations to classified status within the RESG portfolio continued to be reasonably well contained with no additions of substandard credits during the quarter just ended and one migration from substandard accrual to non-accrual status. These credits are summarized in Figure 10.

Figure 10: RESG Substandard Credits (As of September 30, 2024)

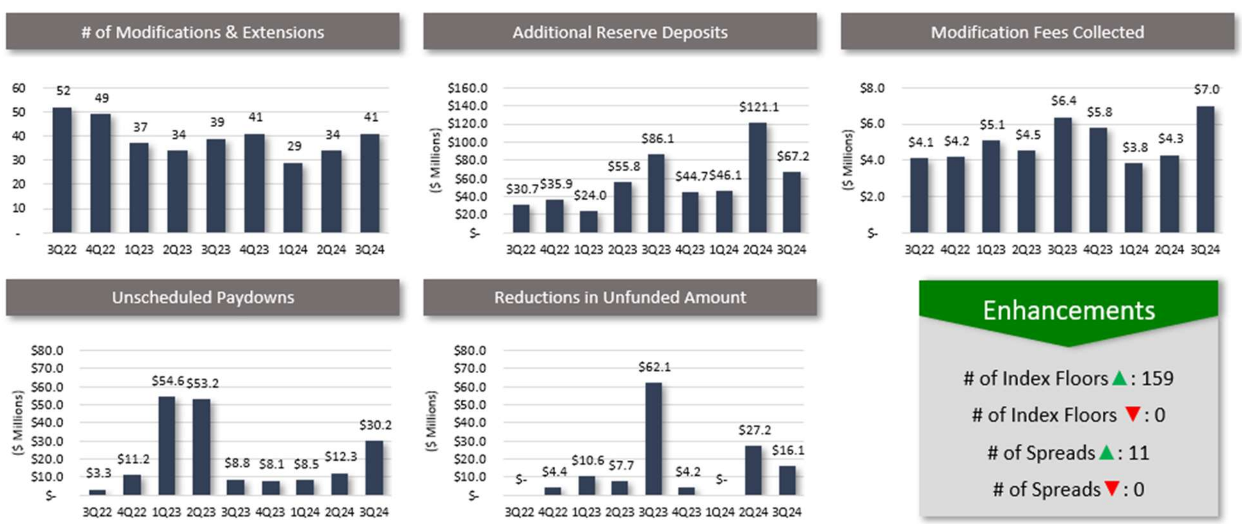
MSA / Submarket ($ millions)	Property Type	Total Loan Commitment	Outstanding Balance	Unfunded	"Good News" TI/LC Included in Unfunded	ACL Reserve	Sponsor / Capital Partner Investment to Date	LTV (As-Stabilized with Loan Fully Funded)	Appraisal Date
Substandard Non-accrual									
Los Angeles, CA / Arts District	Office	$ 38.1	$ 20.8	$ 17.3	$ 14.8	$ -	$ 46.3	77%	May '24
29 days past due. During the quarter just ended, the sponsor made total payments of $0.79 million which reduced the principal balance on this loan. The sponsor has entered into a contract to sell the property which, if closed, is expected to pay off the current $20.8 million balance and result in a substantial recovery of our previous $9.3 million charge-off.									
Chicago, IL	Land	$ 107.2	$ 107.2	-	---	$ 16.0	$ 42.7	90%	June '24
Current. During the quarter just ended, this loan moved from substandard accrual to substandard non-accrual based on our assessment of the sponsor's progress in recapitalizing this project. A charge-off of $20.8 million was recognized during the quarter reducing the balance from $128.0 million to $107.2 million, which is 90% of the recent appraised value. The sponsor continues to actively pursue recapitalization of the project, and as of September 30, 2024, the bank held a $1.9 million cash reserve.									
Substandard Accrual									
Seattle, WA / Pioneer Square	Office	$ 72.5	$ 55.9	$ 16.6	$ 13.1	$ 12.9	$ 48.5	86%	Dec. '23
Current. The underlying sponsor in this debt-on-debt transaction replenished reserves by $2 million during the quarter just ended, consistent with the loan requirements.									
Development Near Lake Tahoe, CA	SF Lots & Homes	$ 43.2	$ 32.5	$ 10.6	---	$ 6.5	---	88%	Sep. '24
Current. The borrower on this revolving credit continues to actively build and market townhomes and market the remaining single family lots.									
Boston, MA / Financial District	Office	$ 21.5	$ 17.0	$ 4.5	$ 4.1	$ 4.9	$ 15.7	121%	May '24
Current. During the quarter just ended, the borrower contributed $1.95 million of additional equity, which included a $1.00 million principal paydown, $0.80 million in additional reserves, and a $0.15 million extension fee, as a condition of a two year maturity extension.									

As we have said previously, we expect most RESG sponsors, along with their capital partners, will continue to support their properties, if needed, through times of economic stress until business or economic conditions and property performance normalize. This strong support is one of the reasons we have had relatively few RESG substandard credits and even fewer non-accrual credits or foreclosed assets.

An important element of our business model is to structure loans so that sponsors and their capital partners are highly incentivized to support the loans, even in challenging times. To achieve this, we obtain sizable equity investments relative to our low leverage loans, assuring that sponsors/capital partners are likely to have too much invested to walk away. Additionally, we focus on loans secured by high quality assets that have good long-term prospects, which motivates sponsors to stay engaged, even if sales or leasing take more time than expected.

The effectiveness of our approach is evident in our results since the Federal Reserve started increasing the Fed funds target rate. As shown in Figure 11, we have seen significant support by sponsors/capital partners for our RESG loans, evidenced by the $702 million of total additional equity contributions (additional reserve deposits ($512 million) & unscheduled paydowns ($190 million)) received related to the 356 modifications/extensions. Additionally, we enhanced our floor rates and spreads on 159 loans and 11 loans, respectively, while granting no floor or spread concessions over the last nine quarters.

Figure 11: Demonstrated Sponsor/Capital Partner Support of RESG Loans



During the third quarter of 2024, RESG obtained new appraisals for 46 existing loans with a total commitment of $4.11 billion. Figure 12 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value and the previous total loan commitment for each of these loans. LTVs were little changed (plus or minus 10%) for 34 loans, LTVs decreased more than 10% for 2 loans and LTVs increased more than 10% for 10 loans. The only credit with a LTV greater than 74% was on the development near Lake Tahoe and already risk rated substandard accrual.

As of September 30, 2024, 57% of the loans and 53% of the dollar volume of the RESG portfolio had appraisals dated on or after March 22, 2023, which is the date that the Fed increased the Fed funds target rate to the current 4.75%-5.00% range. Stated another way, 189 RESG loans with total commitments of $17.60 billion have been appraised in the current or the recent higher interest rate environment.

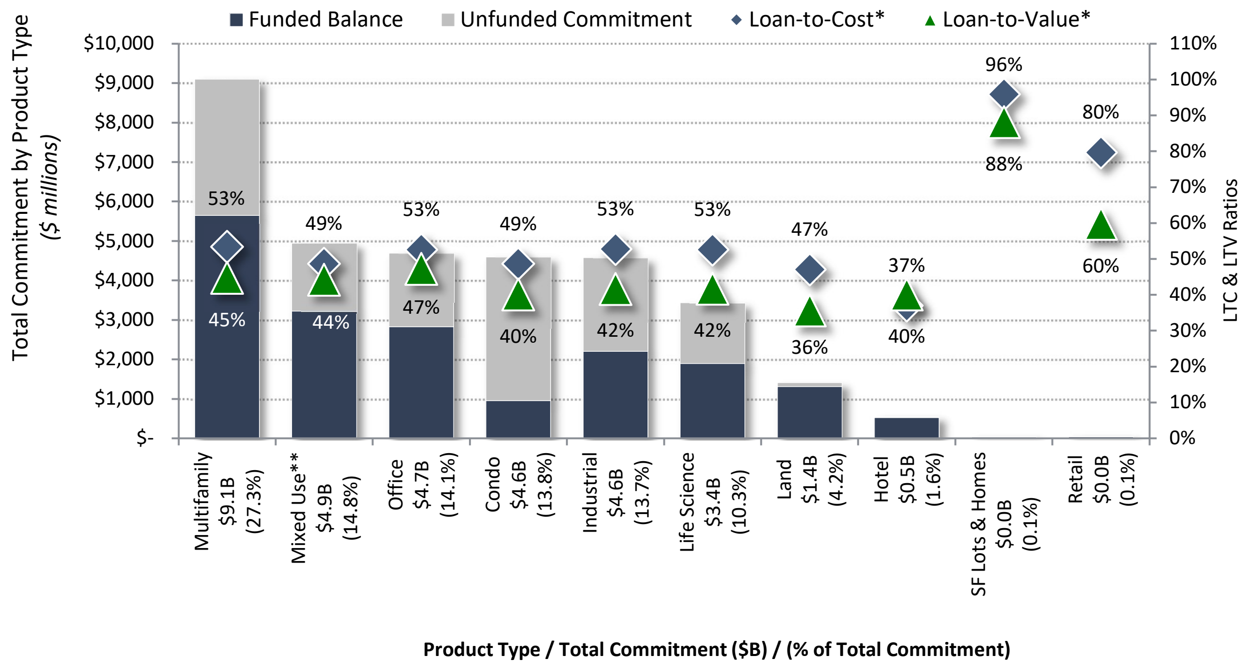
As of September 30, 2024, 290, or 87%, of RESG loans and $28.84 billion, or 84%, of the dollar volume of the RESG portfolio had their most recent appraisals subsequent to Fed interest rate increases beginning in March 2022.

Figure 12: RESG New Appraisals - 3Q24 ($ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 9/30/24	Δ in LTV
SF Lots & Homes	$ 43	88.1%	88.1%	0.0%
Multifamily	46	54.4%	74.0%	19.6%
Industrial	9	52.6%	67.3%	14.8%
Industrial	14	52.1%	66.1%	14.0%
Multifamily	117	57.6%	65.7%	8.1%
Multifamily	38	49.9%	60.2%	10.4%
Retail	43	62.1%	59.8%	-2.3%
Office	302	42.5%	58.8%	16.3%
Industrial	12	52.4%	58.2%	5.8%
Mixed Use	313	50.3%	57.2%	6.9%
Mixed Use	241	55.5%	57.2%	1.7%
Hotel	42	45.6%	57.1%	11.5%
Office	86	35.8%	55.8%	20.1%
Office	75	52.2%	55.8%	3.6%
Multifamily	62	48.4%	54.8%	6.5%
Industrial	67	50.3%	53.7%	3.5%
Office	28	42.4%	53.5%	11.1%
Multifamily	29	51.7%	53.3%	1.5%
Mixed Use	47	50.6%	53.2%	2.6%
Life Science	246	42.5%	53.0%	10.5%
Office	120	49.7%	52.7%	3.0%
Office	242	39.7%	52.5%	12.8%
Multifamily	60	53.1%	52.2%	-0.9%
Office	54	46.9%	51.5%	4.5%
Industrial	14	47.1%	51.2%	4.1%
Condo	26	44.4%	51.0%	6.5%
Multifamily	42	45.0%	50.9%	5.9%
Office	265	43.8%	50.8%	7.0%
Office	64	44.8%	50.6%	5.8%
Life Science	119	41.9%	50.5%	8.6%
Office	74	40.9%	49.7%	8.7%
Hotel	47	46.7%	49.4%	2.6%
Industrial	66	42.6%	49.1%	6.5%
Multifamily	60	45.7%	49.0%	3.2%
Land	4	50.0%	47.5%	-2.5%
Multifamily	45	46.9%	46.9%	0.0%
Multifamily	367	43.3%	46.7%	3.5%
Industrial	128	50.8%	46.0%	-4.8%
Industrial	19	49.5%	45.3%	-4.3%
Multifamily	26	44.3%	43.9%	-0.4%
Industrial	36	51.3%	43.1%	-8.1%
Life Science	60	40.0%	42.0%	2.0%
Multifamily	76	52.5%	39.0%	-13.5%
Land	74	50.0%	24.4%	-25.6%
Land	116	17.8%	17.3%	-0.5%
Land	45	10.7%	15.8%	5.1%

Figure 13 shows the product type diversification within the RESG portfolio.

Figure 13: RESG Portfolio Diversification by Product Type (As of September 30, 2024)

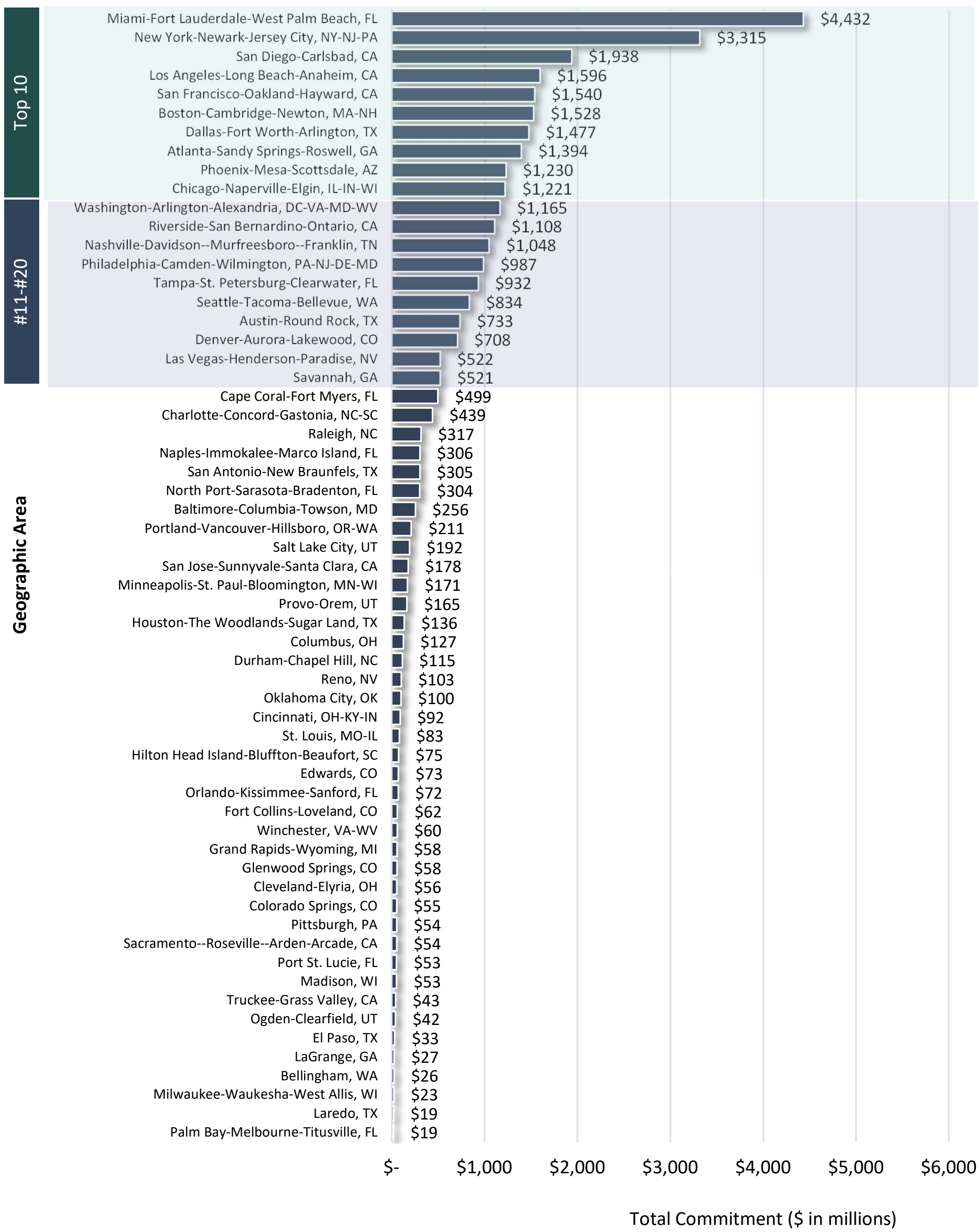


** LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

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

Figure 14 shows RESG's total commitments in each geographic area in which it currently has loans, reflecting the national scope and significant geographic diversification in RESG's business.

Figure 14: RESG Portfolio Diversification – All Geographies (As of September 30, 2024)

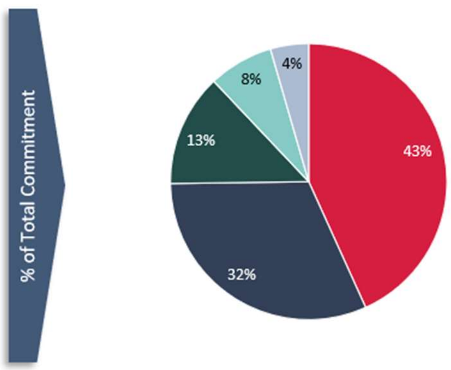


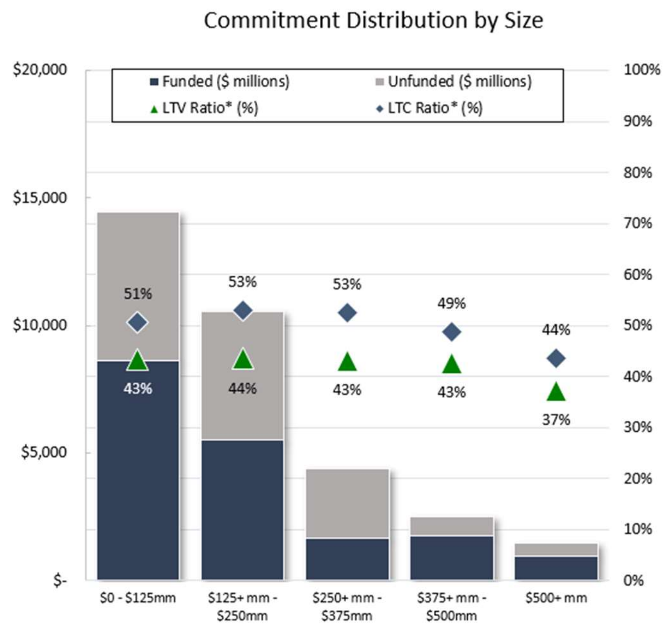
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 15.

Figure 15: RESG Portfolio Stratification by Loan Size – Total Commitment (As of September 30, 2024)

($ millions)

Tranche	No. of Loans	Funded	Total Funded & Unfunded
$0 - $125mm	250	$ 8,620	$ 14,436
$125+ mm - $250mm	60	5,510	10,528
$250+ mm - $375mm	15	1,672	4,399
$375+ mm - $500mm	6	1,770	2,530
$500+ mm	2	967	1,490
Total	**333**	**$ 18,539**	**$ 33,383**



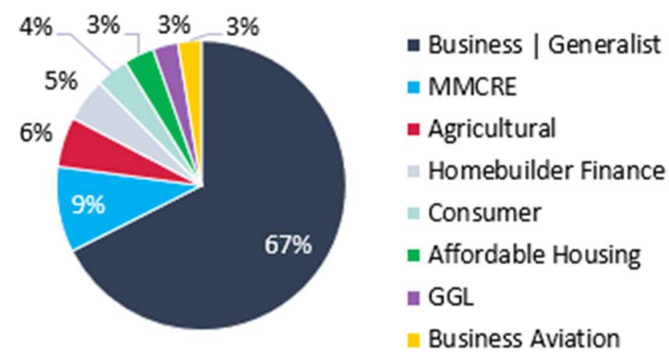


** Weighted average; assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

As part of the ongoing build out of CIB, we recently launched our Loan Syndications Desk with full buy- and sell-side capabilities. Concurrently, we strategically reduced our hold limit for newly originated loans to a maximum of $500 million, and we expect to syndicate any excess amounts with qualified lenders. We currently have only two remaining "grandfathered" loans above this threshold. We do not expect this new limit to materially impact future origination volume as (i) we have only originated five loans in our history above this limit and (ii) our syndication capabilities should actually enhance our ability to serve clients by leading the origination of loans previously deemed too large.

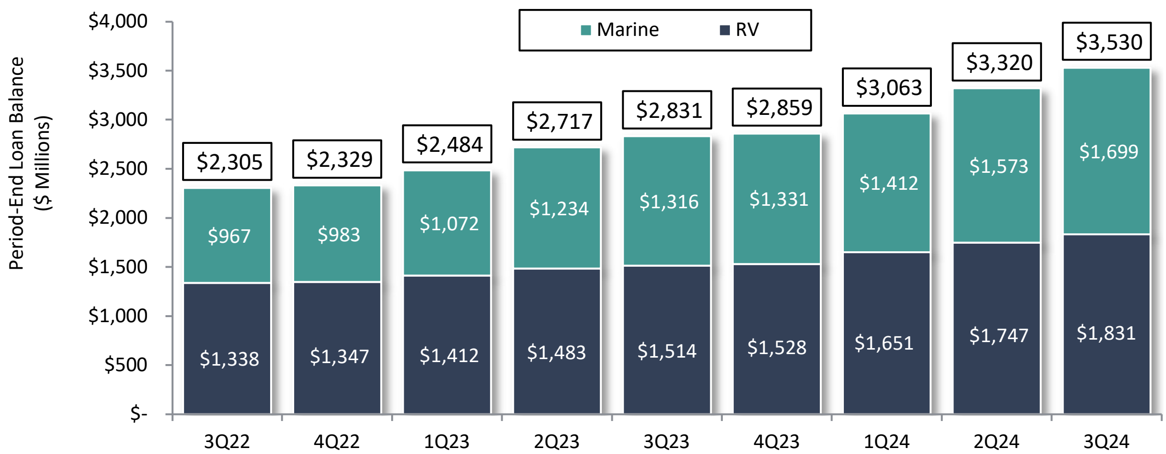
Community Banking accounted for 17% of the funded balance of loans as of September 30, 2024, and included consumer and small business loans, business banking loans, loans originated by our commercial (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which included our government guaranteed ("GGL"), agricultural (including poultry), business aviation, affordable housing, middle market CRE ("MMCRE") and homebuilder finance lending teams.

Figure 16: Community Banking Loan Composition (As of September 30, 2024)



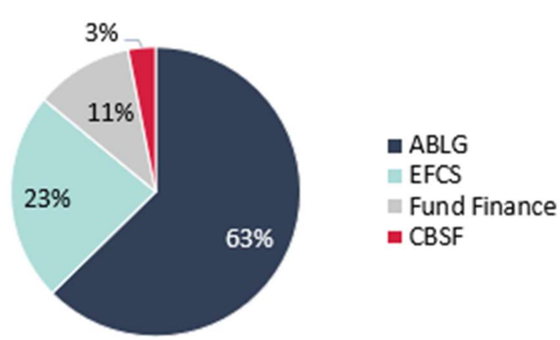
Indirect RV & Marine lending is a nationwide business which accounted for 12% of the funded balance of loans as of September 30, 2024. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans. As of September 30, 2024, the indirect portfolio had a 30+ day delinquency ratio of 0.27%. For the third quarter and first nine months of 2024, our annualized net charge-off ratio for the indirect portfolio was 0.27% and 0.32%, respectively. Figure 17 provides additional details regarding this portfolio.

Figure 17: Indirect RV & Marine Loan Balances



Corporate and Institutional Banking ("CIB") accounted for 7% of the funded balance of loans as of September 30, 2024, and included loans from Asset Based Lending Group ("ABLG"), Equipment Finance & Capital Solutions ("EFCS"), Fund Finance and Corporate Banking & Sponsor Finance ("CBSF").

Figure 18: CIB Loan Composition
(As of September 30, 2024)



Unfunded Balances of Loans Already Closed

The changes in the unfunded balance of our loans already closed for the third quarter and first nine months of 2024 are reflected in Figures 19 and 20, respectively.

At September 30, 2024, RESG's percentage of the unfunded balance of loans already closed decreased to 76% from 81% at December 31, 2023. Collectively, Community Banking at 7% and CIB at 17% have increased over the last three quarters, reflecting our trend toward greater portfolio diversification. This reflects our planned strategic "handoff" in which CIB, Indirect RV & Marine and Community Banking should take the mantle as larger contributors to portfolio growth as RESG is expected to have continued elevated loan repayments.

Figure 19: Activity in Unfunded Balances – 3Q24 ($ millions)

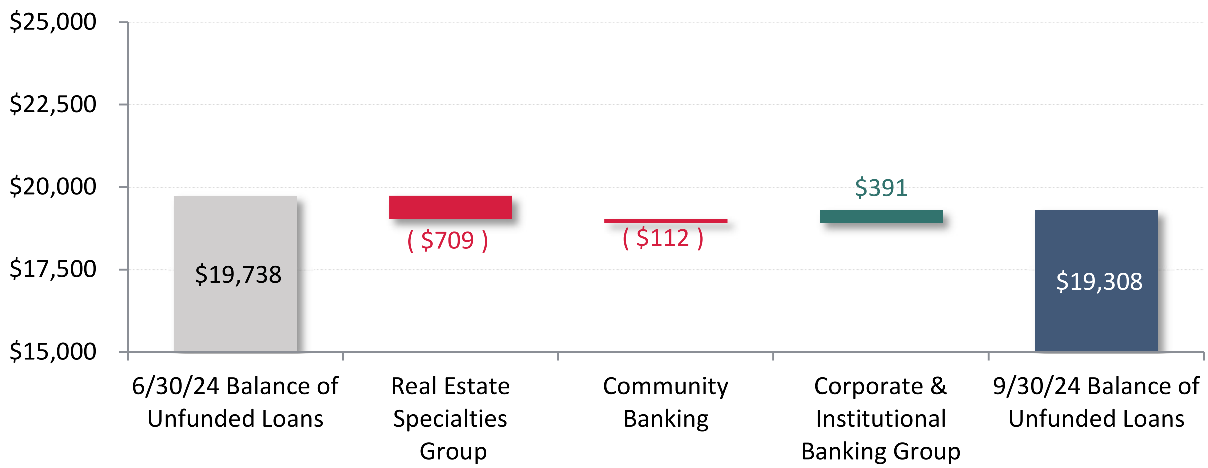
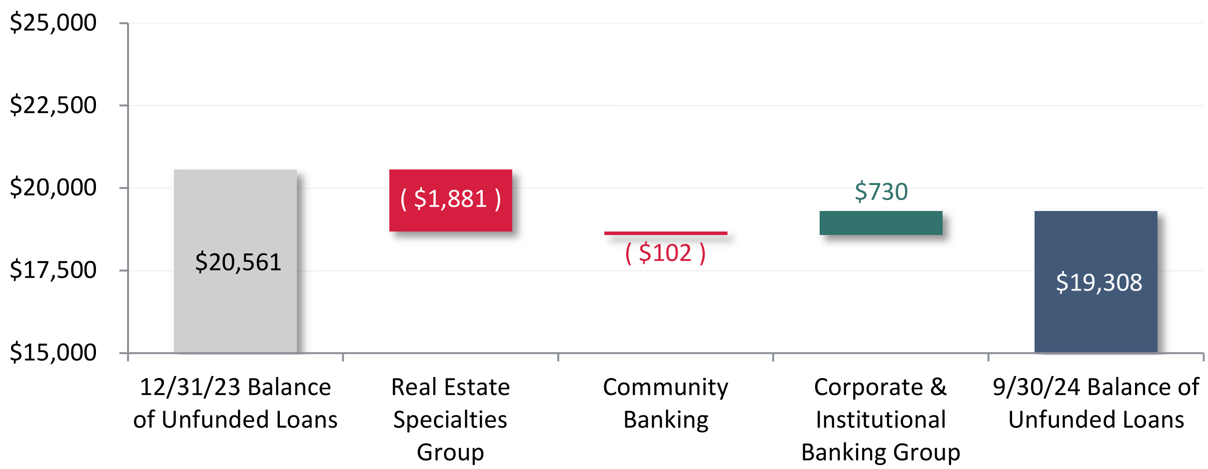


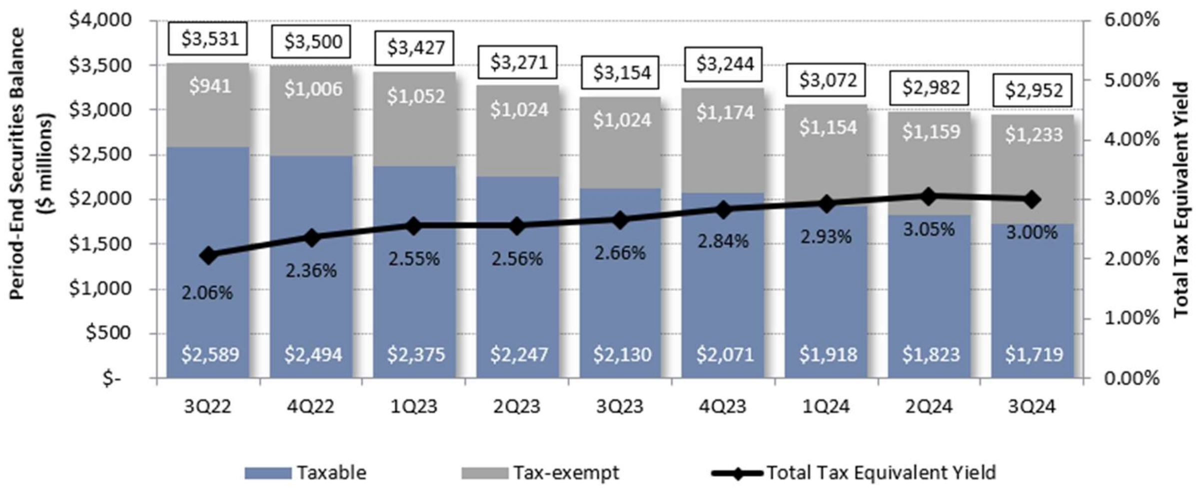
Figure 20: Activity in Unfunded Balances – 9M24 ($ millions)



Investment Securities Portfolio

As illustrated in Figure 21, at September 30, 2024, our investment securities portfolio was $2.95 billion, a decrease of $0.03 billion, or 1.0% not annualized, from June 30, 2024, and $0.29 billion, or 9.0% not annualized, from December 31, 2023. In the quarter just ended, our investment portfolio yield on a fully taxable equivalent basis was 3.00%, a decrease of five bps from the second quarter of 2024, but an increase of 34 bps from the third quarter of 2023.

Figure 21: Investment Securities Portfolio Balances and Yields



As of quarter end, our investment securities portfolio, all of which is categorized as available-for-sale, comprises a relatively low percentage of our total assets and had a short effective duration of 3.87 years, providing us cash flow to reinvest or otherwise redeploy.

Principal cash flow for the fourth quarter of 2024 is expected to be approximately $0.56 billion with a weighted average yield of approximately 1.34%. Cumulative principal cash flow for the next four quarters through September 30, 2025, is expected to be approximately $1.00 billion, or about 34% of the portfolio, with a weighted average yield of approximately 1.92%.

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

Deposits and Liquidity

In recent years we have worked to improve the mix and quality of our deposit base by focusing significant efforts on growing core relationships. This has helped us continue to grow deposits as many banks saw deposit outflows. Like many in the industry, we have seen a shift in the mix of deposits away from non-interest bearing and lower cost deposits to more time deposits as many customers have been taking advantage of time deposit rates.

During the quarter just ended, our deposits increased $0.63 billion, or 2.1% not annualized, to $30.57 billion, our eighth consecutive quarterly record. Over the first nine months of 2024, our deposits increased $3.17 billion, or 11.6% not annualized.

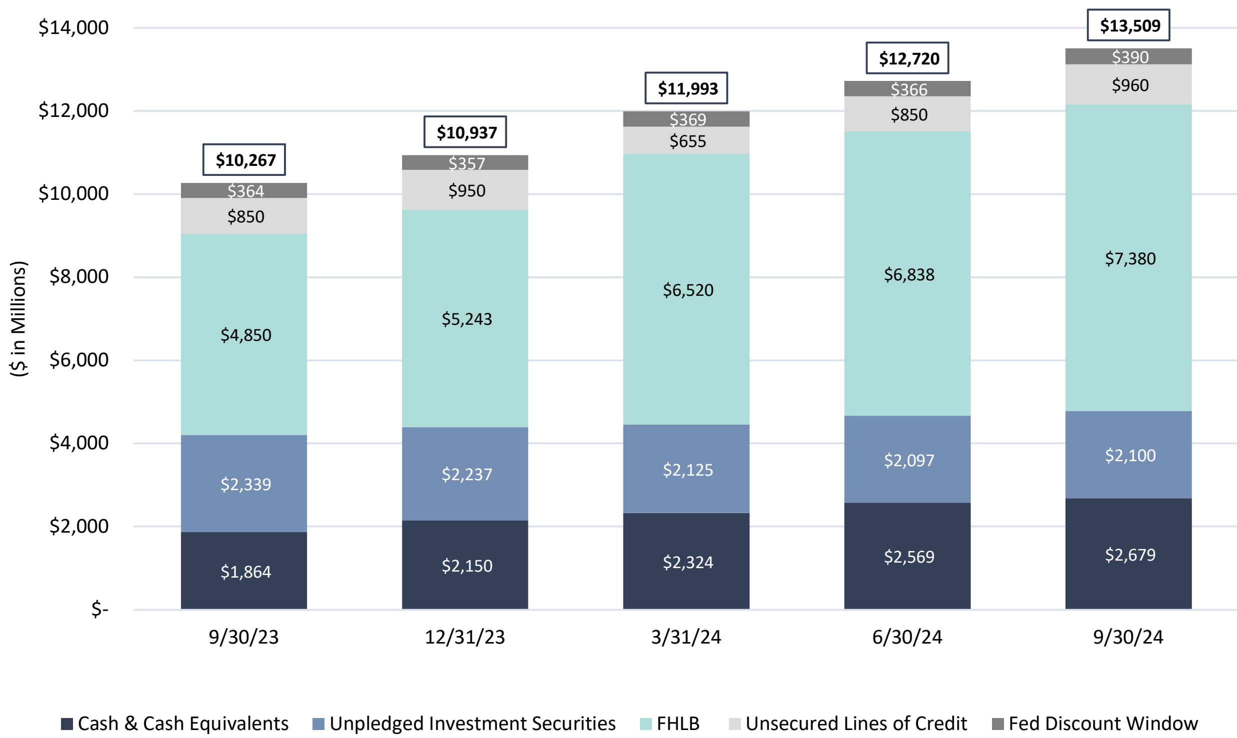
Most of our deposits are generated through our network of 230 retail branches in Arkansas, Georgia, Florida, North Carolina, Texas and Tennessee. Because of the substantial "retail" nature of our deposit base, 79% of our deposits are either insured (65% at September 30, 2024) or, in the case of public funds and certain other deposits, collateralized (14% at September 30, 2024). As of September 30, 2024, our average account balance was approximately $45,000. The diversity of our deposit base is an important factor in the demonstrated stability of our deposits.

Figure 22: Deposit Composition ($ millions)

	Period Ended									
	9/30/2023		12/31/2023		3/31/2024		6/30/2024		9/30/2024	
Noninterest Bearing	$ 4,284	16.8%	$ 4,096	14.9%	$ 4,046	13.8%	$ 4,046	13.5%	$ 3,855	12.6%
Consumer and Commercial										
Interest Bearing:										
Consumer - Non-time	2,928	11.5%	2,792	10.2%	2,807	9.5%	2,832	9.5%	2,854	9.3%
Consumer - Time	8,756	34.3%	10,216	37.3%	11,546	39.3%	12,188	40.7%	13,133	43.0%
Commercial - Non-time	2,321	9.1%	2,439	8.9%	2,860	9.7%	2,781	9.3%	2,819	9.2%
Commercial - Time	684	2.7%	768	2.8%	868	3.0%	906	3.0%	972	3.2%
Public Funds	2,992	11.7%	3,726	13.6%	3,631	12.3%	3,761	12.6%	3,628	11.9%
Brokered	2,775	10.9%	2,655	9.7%	2,842	9.7%	2,860	9.6%	2,716	8.9%
Reciprocal	813	3.0%	713	2.6%	805	2.7%	570	1.8%	594	1.9%
Total	$ 25,553	100.0%	$ 27,405	100.0%	$ 29,406	100.0%	$ 29,944	100.0%	$ 30,572	100.0%

We maintain substantial and diverse sources of available primary and secondary liquidity as reflected in Figure 23. Over the last four quarters our aggregate sources of primary and secondary liquidity have steadily increased.

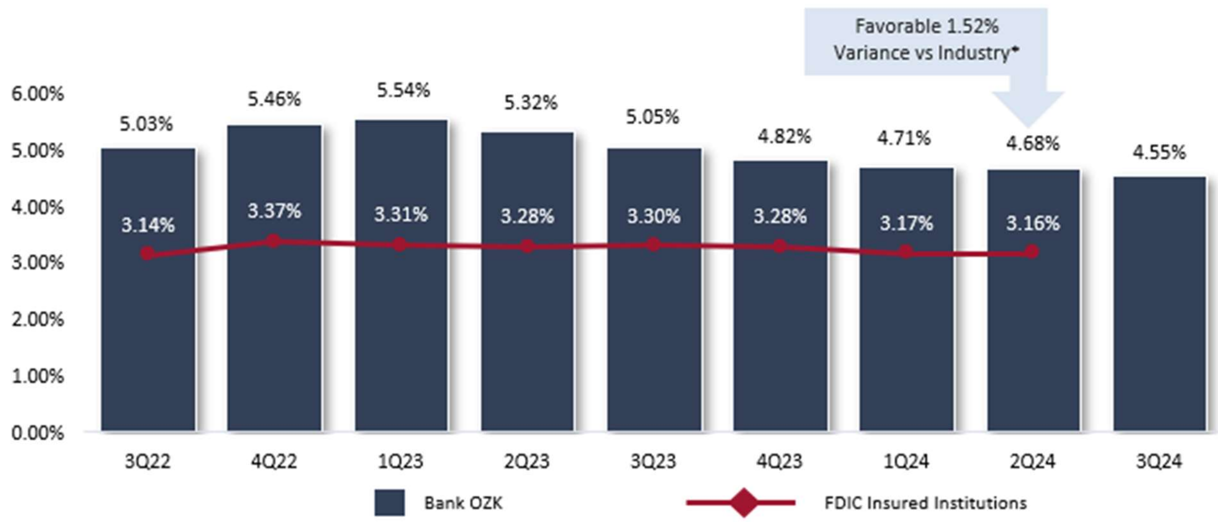
Figure 23: Available Primary and Secondary Liquidity – Last Five Quarters *($ millions)*



Net Interest Margin and Core Spread

During the quarter just ended, our net interest margin was 4.55%, decreasing 13 bps and 50 bps from the second quarter of 2024 and third quarter of 2023, respectively. As shown in Figure 24, in the second quarter of 2024, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 152 bps.

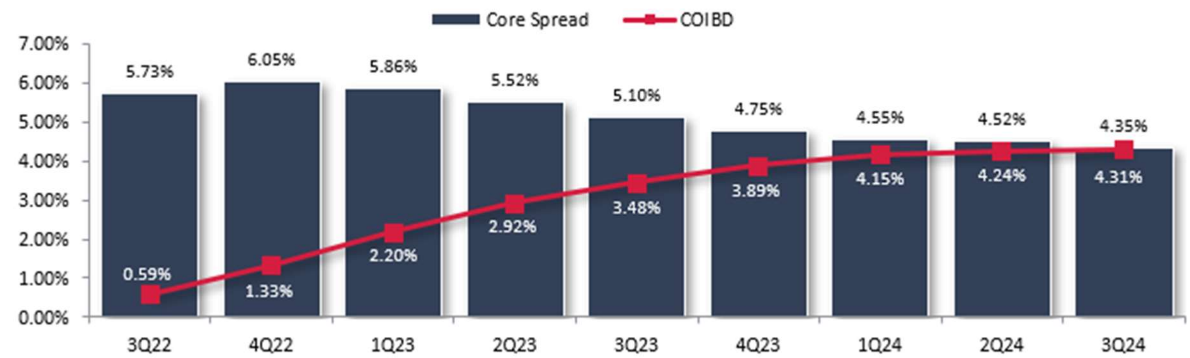
Figure 24: Quarterly Net Interest Margin (%)



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2024.

As reflected in Figure 25, during the quarter just ended, our core spread, which is how we describe the difference between our yield on loans and our cost of interest bearing deposits ("COIBD"), was 4.35%, decreases of 17 bps and 75 bps from the second quarter of 2024 and third quarter of 2023, respectively, as deposit rates were catching up with earlier increases in loan yields.

Figure 25: Core Spread and COIBD



	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Yield on Total Loans	*6.32%*	*7.38%*	*8.06%*	*8.44%*	*8.58%*	*8.64%*	*8.70%*	*8.76%*	*8.66%*
COIBD	*0.59%*	*1.33%*	*2.20%*	*2.92%*	*3.48%*	*3.89%*	*4.15%*	*4.24%*	*4.31%*
Core Spread	*5.73%*	*6.05%*	*5.86%*	*5.52%*	*5.10%*	*4.75%*	*4.55%*	*4.52%*	*4.35%*

In September we achieved an inflection point in our COIBD, which declined six bps compared to the month of August and was three bps below our COIBD for the quarter just ended. We expect our COIBD to continue to decline. Figure 26 shows our volume and average interest rates on time deposits maturing over the next four quarters and thereafter.

Figure 26: Time Deposit Maturity Schedule as of September 30, 2024 *($ millions)*

	Time Deposits	Wtd. Avg. Rate
4Q24	$ 5,863	5.19%
1Q25	6,286	5.10%
2Q25	2,715	4.46%
3Q25	1,892	4.49%
4Q25 & Beyond	657	2.69%
Total	**$ 17,413**	**4.87%**

With the Fed reducing the Fed funds rate, our loan yields may initially decline more quickly than our COIBD. However, the impact of declining rates on our net interest margin in the next few quarters should be somewhat mitigated by a combination of (i) floor rates on our variable rate loans, (ii) repayments of lower yielding investment securities and (iii) the relatively short duration of our time deposits. These same factors should lead to net interest margin improvement later in 2025.

Variable Rate Loans

At September 30, 2024, 81% of our funded balance of total loans had variable rates, of which 85% were tied to 1-month term SOFR, 12% to WSJ Prime and 3% to other indexes. At September 30, 2024, 98% of our total commitment of variable rate loans had floor rates.

Figure 27 illustrates the percentage of our total commitment of variable rate loans that would be at their floor rate following decreases in the applicable index rates, and it also shows the improvement in our floor rate profile over the first nine months of 2024. Some floor rates are high enough to already provide yield protection, and such protection becomes more prevalent as interest rates decline. We expect our average floor rate to increase as (i) new variable rate loans are originated with floor rates closer to current rates and (ii) older variable rate loans with lower floors are paid off or modified with increased floor rates.

Figure 27: Variable Rate Loans at Floors as Rates Decline – Total Commitments as of September 30, 2024

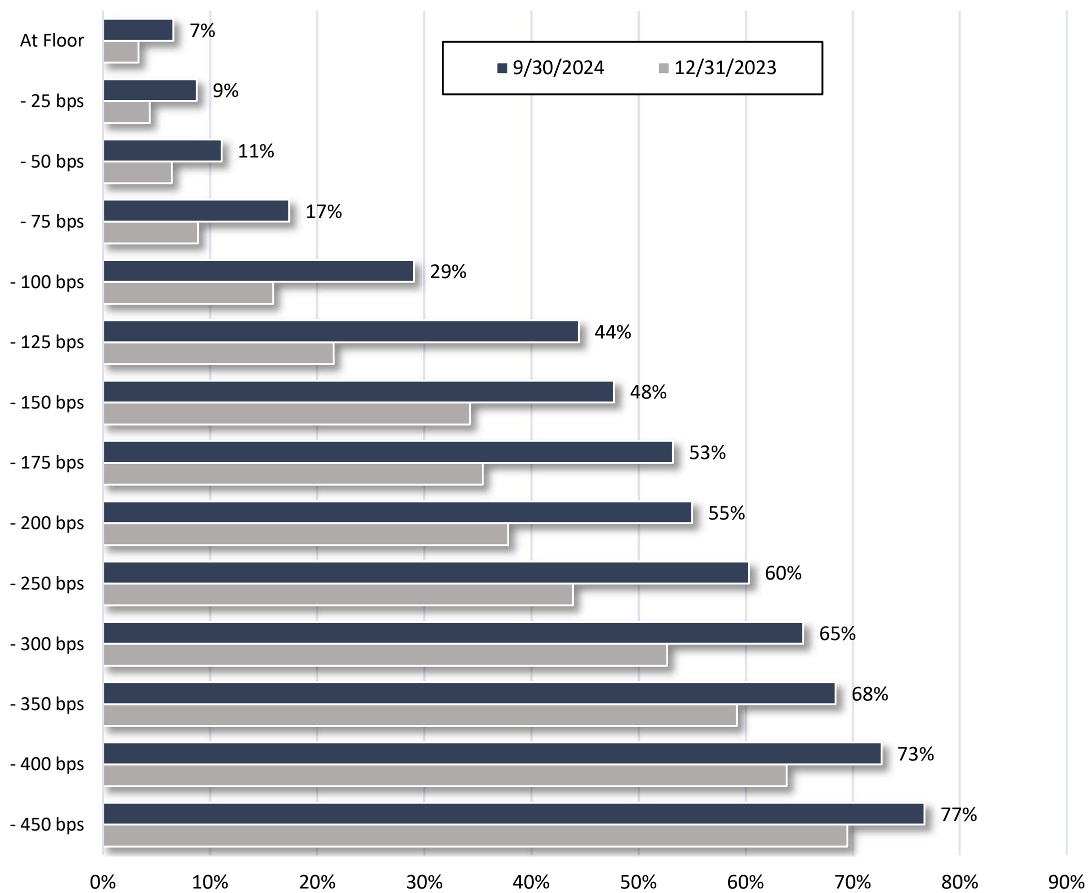


Figure 27 does not reflect the full impact of the September 18, 2024 decrease in the Fed funds target rate as the majority of RESG's loan rates reset monthly on either the first or tenth of each month.

Provision and Allowance for Credit Losses ("ACL")

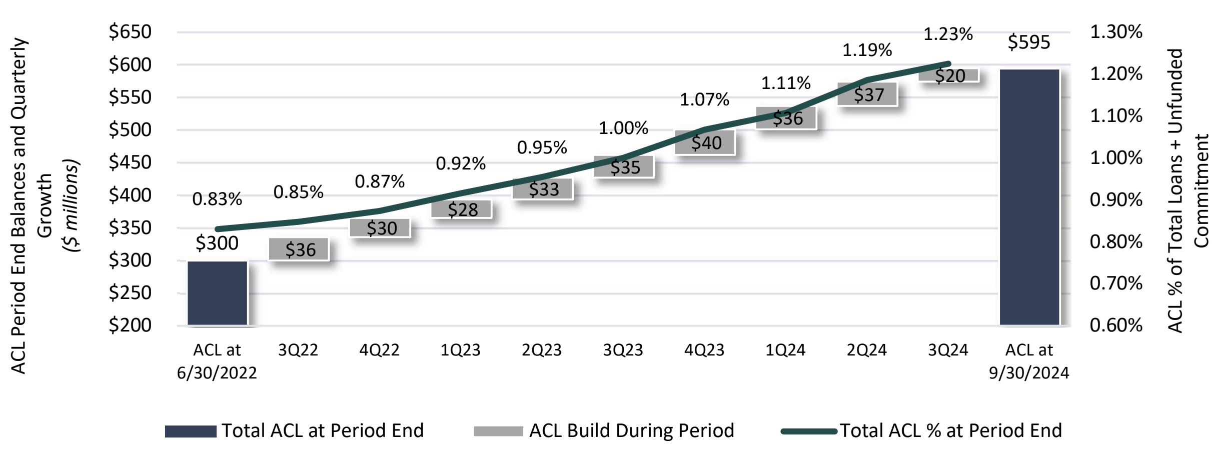
Our provision for credit losses was $46.4 million and $138.4 million, respectively, for the third quarter and first nine months of 2024, while our net charge-offs were $26.0 million and $45.1 million, respectively, for the third quarter and first nine months of 2024.

As of September 30, 2024, our total ACL had increased to $594.5 million, or 1.23% of total loans and unfunded credit commitments. This included our allowance for loan losses ("ALL"), which was $420.1 million, or 1.44% of total outstanding loans, and our reserve for losses on our unfunded loan commitments, which was $174.5 million, or 0.90% of unfunded credit commitments.

As shown in Figure 28, over the last nine quarters we have prudently increased our total ACL by a net $295 million. This large increase reflects both our $12.41 billion combined growth in total outstanding loans and unfunded loan commitments and our cautious outlook on macroeconomic conditions, including the migration of risk ratings within our portfolio as a result of Fed interest rate increases, increases in capitalization rates, decreases in appraised values, and higher-for-longer interest rates, which, among other factors, have increased challenges for some sponsors and stress on some projects. This has resulted in cumulative provision expense of $377 million over the past nine quarters even as our cumulative net charge-offs were only $82 million.

Likewise, over those nine quarters, our overall ACL percentage has increased from 0.83% to 1.23% of total outstanding loans and unfunded loan commitments at September 30, 2024. This ACL percentage increase primarily reflects (i) changes in economic assumptions, including the migration of risk ratings within our portfolio as the Fed increased the Fed funds target rate and (ii) our more heavily weighting the Moody's downside macroeconomic scenarios than the Moody's Baseline scenario.

Figure 28: ACL Build – Last Nine Quarters



The calculations of our provision for credit losses for the third quarter of 2024 and our total ACL at September 30, 2024 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in September 2024. In our selection of macroeconomic scenarios, we remained weighted to the downside as the combined weightings assigned to the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody's Baseline scenario. Our selection and weightings of these scenarios reflected our assessment of conditions in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including risks from: U.S. fiscal policy actions, changes in the Fed funds target rate, quantitative tightening, a possible recession, inflationary pressures, the conflict in the Middle East, the ongoing war in Ukraine, global trade and geopolitical matters, supply chain disruptions, labor disputes and strikes and various other factors. Our ACL calculations include certain qualitative adjustments to capture items not included in our modeled results or other assumptions.

Net Charge-Offs

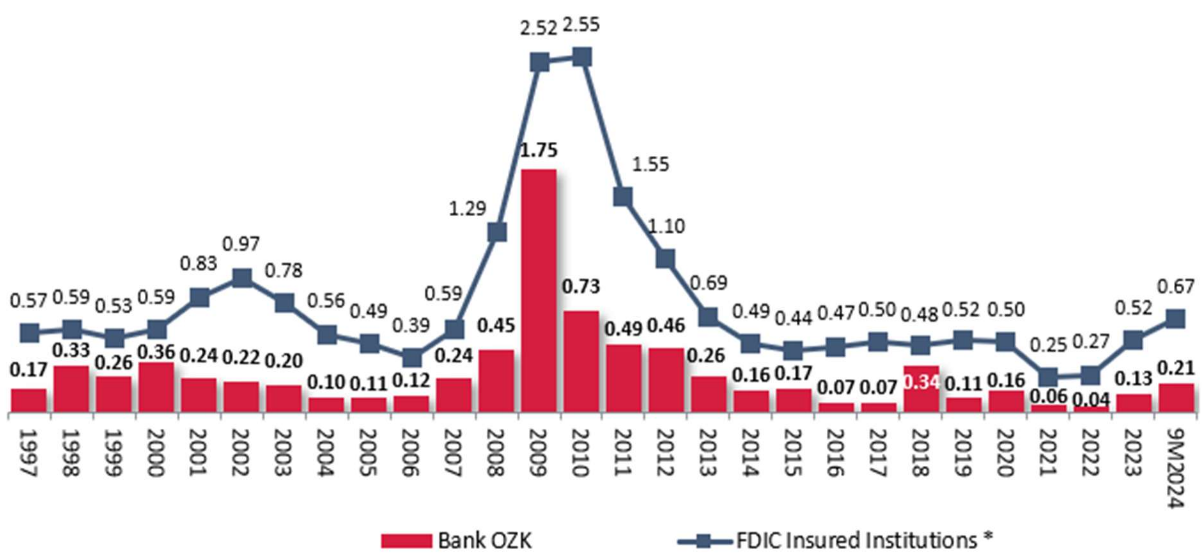
This year we have continued our long-standing track record of having a net charge-off ratio well below the industry average, as shown in Figure 29. Our annualized net charge-off ratios for total loans were 0.36% and 0.21% for the third quarter and first nine months of 2024, respectively.

Our net charge-off results through September 30, 2024 are consistent with our 2024 guidance, which anticipated increased net charge-offs for the full year of 2024 compared to 2023, while remaining below the industry average for the full year. Similarly, we expect annualized net charge-off ratios for the fourth quarter of 2024 and full year of 2025 to remain below the industry average net charge-off ratio. Our net charge-off ratio may vary significantly from quarter to quarter.

We have built our portfolio with the goal that it will perform well in adverse conditions, and that discipline has been evident in our recent results through the pandemic, the Fed's increasing interest rates, higher rates of inflation, and numerous other sources of macroeconomic, political and geo-political turbulence.

In our 27 years as a public company, our net charge-off ratio has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio, consistent with our results for the first nine months of 2024.

Figure 29: Annualized Net Charge-off Ratio (Total Loans) vs. the Industry



**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2024. Annualized when appropriate.*

Our RESG portfolio has a long tradition of excellent asset quality. As shown in Figure 30, we have had relatively low charge-offs in the RESG portfolio as that portfolio has benefitted from the fact that most of its loans are on newly constructed properties with strong sponsorship, low leverage and protective loan structures. In fact, the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 21-year history is 10 bps and, even in today's challenging macroeconomic environment, its net charge-off ratio was an annualized 26 bps for the first nine months of 2024.

Figure 30 - RESG Historical Net charge-offs *($ Thousands)*

Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio**
2003	$ 5,106	$ 780	$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	537,597	-	0.00%
2011	649,806	592,782	2,905	0.49%
2012	848,441	737,136	-	0.00%
2013	1,270,768	1,085,799	-	0.00%
2014	2,308,573	1,680,919	-	0.00%
2015	4,263,800	2,953,934	-	0.00%
2016	6,741,249	5,569,287	-	0.00%
2017	8,169,581	7,408,367	842	0.01%
2018	9,077,616	8,685,191	45,490	0.52%
2019	9,391,096	9,427,266	-	0.00%
2020	11,591,147	10,651,549	-	0.00%
2021	11,367,505	11,149,098	1,891	0.02%
2022	12,598,957	11,590,988	-	0.00%
2023	16,922,002	14,531,838	4,955	0.03%
9/30/2024	18,539,496	18,125,656	34,986	0.26%
Total			**$ 98,600**	

Weighted Average	0.10%

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

*** Annualized.*

As reflected in Figure 31, we have seen a reasonably well-contained migration of risk ratings and credit quality metrics. For example, in the quarter just ended, our total substandard loans (both accrual and non-accrual) declined $27.7 million while special mention loans increased $89.8 million. The cumulative $295 million increase in our ACL over the last nine quarters, as previously shown in Figure 28, reflects our prudent response to our credit migration.

Figure 31: Risk Categories[4] and Asset Quality Metrics – Last Five Quarters ($ in millions)

	As of 9/30/23	12/31/23	3/31/24	6/30/24	9/30/24
Pass	$ 25,013	$ 26,128	$ 27,708	$ 27,735	$ 28,217
Special Mention	198	86	78	603	693
Substandard	121	245	245	336	308
Total Loans	$ 25,332	$ 26,459	$ 28,031	$ 28,674	$ 29,218
Foreclosed Assets	$ 69	$ 62	$ 61	$ 71	$ 78
Loans Past Due	$ 56	$ 55	$ 51	$ 48	$ 40
Loans Past Due % of Total Loans	*0.22%*	*0.21%*	*0.18%*	*0.17%*	*0.14%*
Nonperforming Loans	$ 68	$ 67	$ 61	$ 85	$ 176
Nonperforming Loans % of Total Loans	*0.27%*	*0.25%*	*0.22%*	*0.30%*	*0.60%*
Nonperforming Assets	$ 137	$ 128	$ 122	$ 156	$ 254
Nonperforming Assets % of Total Assets	*0.42%*	*0.38%*	*0.34%*	*0.42%*	*0.68%*

At September 30, 2024, our ratio of loans 30 or more days past due to total loans was 0.14%, compared to 0.17% at June 30, 2024 and 0.22% as of September 30, 2023.

At September 30, 2024, our ratio of nonperforming loans to total loans increased to 0.60% compared to 0.30% as of June 30, 2024 and 0.27% as of September 30, 2023. The increase in the quarter just ended was due to our moving a single RESG loan, which continues to be current and was discussed above, from substandard accrual to substandard non-accrual. Excluding that single loan, our nonperforming loans ratio would have improved compared to both June 30, 2024 and September 30, 2023.

That loan also was solely responsible for the increase in our ratio of nonperforming assets to total assets to 0.68% at September 30, 2024 compared to 0.42% as of June 30, 2024 and September 30, 2023. At September 30, 2024, our nonperforming assets consisted of $176 million in nonperforming loans and $78 million in foreclosed assets.

[4] Detailed disclosures on risk categories as of September 30 and June 30, 2024, and December 31, 2023, can be found in Appendix B.

Our largest foreclosed asset ($59.96 million) remains under contract and the potential purchaser continues to pursue this transaction. The potential purchaser recently paid a third $1 million quarterly contract extension fee and deposited a third $1 million in non-refundable earnest money, bringing the total non-refundable earnest money to $3 million. The potential purchaser has one remaining three-month extension option which, like the first three extension options, requires a $1 million extension fee and a $1 million increase in the non-refundable earnest money. The contract is subject to typical due diligence and closing conditions. If this contract closes, closing could occur any time between now and March 2025 and should result in no loss on sale.

Non-interest Income

Non-interest income for the third quarter of 2024 was $33.6 million, an increase of 30.6% from the third quarter of 2023. For the first nine months of 2024, non-interest income was $91.5 million, an increase of 7.0% from $85.5 million for the first nine months of 2023. Figures 32 and 33, respectively, summarize non-interest income for the most recent five quarters and year-over-year trends for the third quarter and first nine months of 2024.

Figure 32: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended				
	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
Service charges on deposit accounts:					
NSF fees	$ 1,102	$ 1,129	$ -	$ -	$ -
Overdraft fees	3,606	3,571	3,427	3,364	3,563
All other service charges	6,973	7,333	6,839	7,558	7,561
Trust income	2,213	2,165	2,324	2,082	2,529
BOLI income:					
Increase in cash surrender value	5,252	5,401	5,506	5,606	5,758
Death benefit	-	2,966	-	-	1,344
Loan service, maintenance and other fees	3,995	6,755	6,343	6,481	6,534
Net gains / (loss) on investment securities	(270)	1,177	410	125	25
Gains on sales of other assets	364	3,288	459	1,073	1,303
Other	2,492	3,242	3,776	2,493	4,988
Total non-interest income	$ 25,727	$ 37,027	$ 29,084	$ 28,782	$ 33,605

Figure 33: Trends in Non-interest Income – 2023 vs. 2024 *($ thousands)*

	For the Three Months Ended			For the Nine Months Ended		
	9/30/2023	9/30/2024	% Change	9/30/2023	9/30/2024	% Change
Service charges on deposit accounts:						
NSF fees	$ 1,102	$ -	-100.0%	$ 3,097	$ -	-100.0%
Overdraft fees	3,606	3,563	-1.2%	10,262	10,354	0.9%
All other service charges	6,973	7,561	8.4%	20,662	21,958	6.3%
Trust income	2,213	2,529	14.3%	6,358	6,935	9.1%
BOLI income:						
Increase in cash surrender value	5,252	5,758	9.6%	15,295	16,870	10.3%
Death benefit	-	1,344	NM	-	1,344	NM
Loan service, maintenance and other fees	3,995	6,534	63.6%	12,165	19,358	59.1%
Net gains / (loss) on investment securities	(270)	25	-109.3%	2,066	560	-72.9%
Gains on sales of other assets	364	1,303	258.3%	5,740	2,835	-50.6%
Other	2,492	4,988	100.2%	9,877	11,257	14.0%
Total non-interest income	$ 25,727	$ 33,605	30.6%	$ 85,522	$ 91,471	7.0%

Non-interest Expense

Non-interest expense for the third quarter of 2024 was $140.4 million, an increase of 8.9% from the third quarter of 2023. Non-interest expense for the first nine months of 2024 was $411.2 million, an increase of 6.9% from the first nine months of 2023.

The recent increases in salaries and benefits expense are due to competitive labor market conditions and our expanding staff. As of September 30, 2024 our headcount was 2,963 FTE employees, an increase of 251 FTE employees compared to September 30, 2023. We expect further growth in headcount to support our anticipated growth in deposits, loans and other aspects of our business, including the significant expansion of our CIB team, an increased focus on consumer and small business lending, our recently launched secondary market mortgage lending business and plans to add new branches.

We continue to identify good opportunities to expand our retail branch network by adding new branches. While the timing of individual branch openings is subject to numerous variables, we expect to increase our current branch count of 230 by approximately 10% over the next five quarters.

Of course, the opportunities we are finding to add a number of high-quality team members, as well as new branches, are expected to result in further increases in non-interest expense, while providing future growth and portfolio diversification opportunities. We continue to expect total non-interest expense for the full year 2024 to increase at a percentage rate in the mid-single digits compared to the full year 2023. We expect total non-interest expense for the full year 2025 to increase approximately 10%, more or less, compared to full year of 2024.

Figures 34 and 35, respectively, summarize non-interest expense for the most recent five quarters and year-over-year trends for the third quarter and first nine months of 2024.

Figure 34: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended				
	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
Salaries & employee benefits	$ 64,107	$ 66,270	$ 69,564	$ 73,409	$ 75,324
Net occupancy and equipment	17,797	17,234	17,974	18,421	17,380
Deposit insurance and assessments	5,500	15,803	8,250	5,309	6,050
Software and data processing	9,584	10,577	11,115	12,159	12,742
Professional and outside services	4,640	6,233	5,970	6,683	5,620
Advertising and public relations	3,779	5,153	3,897	6,888	6,089
Amortization of CRA and tax credit investments	8,171	7,618	-	-	-
Other	15,400	16,123	16,544	14,582	17,196
Total non-interest expense	$ 128,978	$ 145,011	$ 133,314	$ 137,451	$ 140,401

Figure 35: Trends in Non-interest Expense – 2023 vs. 2024 *($ thousands)*

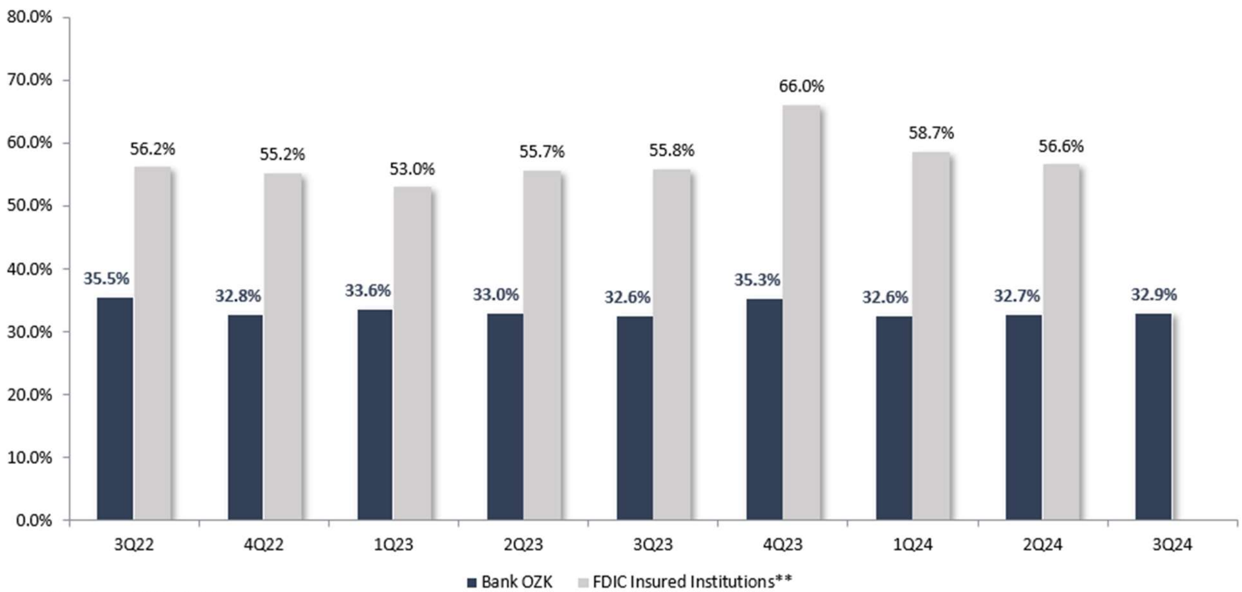
	For the Three Months Ended			For the Nine Months Ended		
	9/30/2023	9/30/2024	% Change	9/30/2023	9/30/2024	% Change
Salaries & employee benefits	$ 64,107	$ 75,324	17.5%	$ 192,576	$ 218,297	13.4%
Net occupancy and equipment	17,797	17,380	-2.3%	55,357	53,775	-2.9%
FDIC insurance and state assessments	5,500	6,050	10.0%	14,548	19,609	34.8%
Software and data processing	9,584	12,742	33.0%	28,634	36,016	25.8%
Professional and outside services	4,640	5,620	21.1%	15,190	18,272	20.3%
Advertising and public relations	3,779	6,089	61.1%	10,998	16,874	53.4%
Amortization of CRA and tax credit investments	8,171	-	-100.0%	20,151	-	-100.0%
Other expenses	15,400	17,196	11.7%	47,095	48,321	2.6%
Total non-interest expense	$ 128,978	$ 140,401	8.9%	$ 384,549	$ 411,164	6.9%

Efficiency Ratio

As shown in Figure 36, in the quarter just ended, our efficiency ratio was 32.9%. Our efficiency ratio has been in the top decile of the industry for 22 consecutive years.*

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

Figure 36: Quarterly Efficiency Ratio (%)



** Data from S&P Capital IQ.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2024.*

Effective Tax Rate

Our effective tax rate was 23.3% for both the quarter just ended and for the first nine months of 2024. Assuming no changes in applicable state or federal income tax rates, we expect our effective tax rate for the fourth quarter of 2024 to be between 23% and 24%.

Stock Repurchase Program

In July 2024, our Board authorized a new stock repurchase program for up to $200 million of our outstanding common stock, with an expiration on July 1, 2025, unless extended, shortened or suspended by the Board. Typically, we set our parameters for repurchase price and share volume on a quarterly basis. Our parameters for the quarter just ended were heavily influenced by the decline in our stock price in late May 2024. Accordingly, we set a low repurchase price range, and our stock only touched that range on two days during the quarter resulting in total purchases of just 11,903 shares for $0.46 million. We plan to set the current quarter's repurchase parameters in late October and expect to increase our repurchase price range.

In evaluating stock repurchases, including our parameters for repurchase price and share volume, management will consider a variety of factors including our stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors.

Capital and Dividends

Our strong earnings and earnings retention rate, among other factors, have contributed to our robust capital ratios, as shown in Figure 37, even with our excellent growth in total assets. Each of our risk-based capital ratios increased during the quarter just ended, led by our common equity tier 1 ("CET1") ratio which we estimate increased by roughly 30 bps to approximately 11.15%. Our strong earnings and earnings retention should contribute to maintaining our capital ratios near or somewhat above our recent levels, even with our anticipated organic growth and our recently approved stock repurchase program.

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

Figure 37: Capital Ratios

	Estimated 9/30/2024 [5]	Regulatory Minimum Required To Be Considered Well Capitalized	Capital in Excess of Well Capitalized Minimum
CET 1 Ratio*	11.15%	6.50%	4.65%
Tier 1 Ratio*	11.96%	8.00%	3.96%
Total RBC Ratio*	14.34%	10.00%	4.34%
Tier 1 Leverage	13.64%	5.00%	8.64%

** Ratios are risk-based*

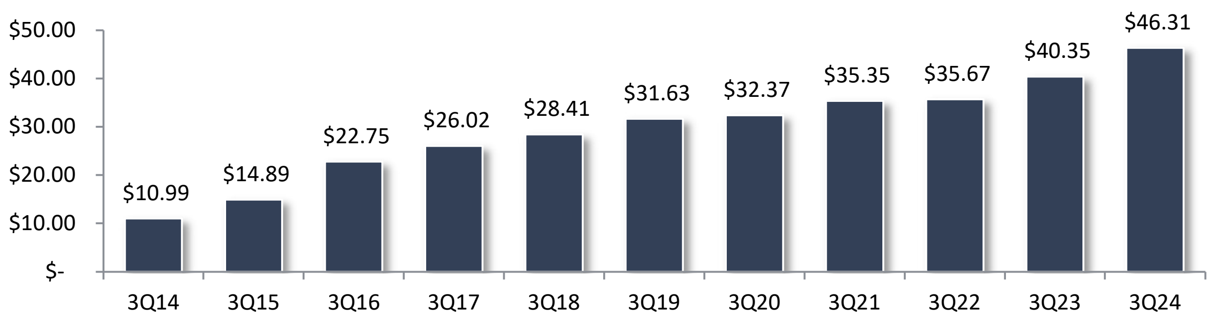
We have increased our cash dividend in each of the last 57 quarters and every year since going public in 1997. We expect that we will continue to increase our cash dividend in future quarters.

[5] Ratios as of September 30, 2024 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Book Value and Tangible Book Value

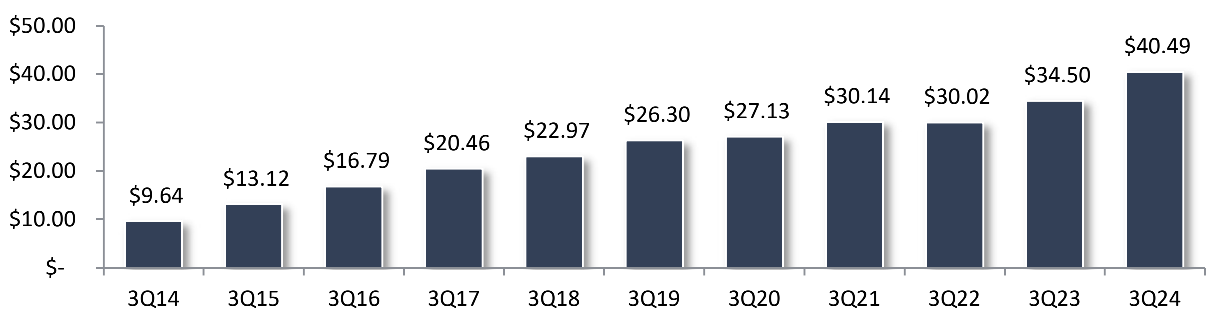
During the quarter just ended, our book value per common share increased $1.64, or 3.7% not annualized, to $46.31. Over the past four quarters, our book value per common share increased $5.96, or 14.8%. Over the last 10 years, we have increased book value per common share by a cumulative 321%, resulting in a compound annual growth rate of 15.5%, as shown in Figure 38.

Figure 38: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased $1.64, or 4.2% not annualized, to $40.49. Over the last four quarters, our tangible book value per common share increased $5.99, or 17.4%. Over the last 10 years, we have increased tangible book value per common share by a cumulative 320%, resulting in a compound annual growth rate of 15.4%, as shown in Figure 39.

Figure 39: Tangible Book Value per Share (Period End) [6]



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

Final Thoughts

We are very pleased with our results for the quarter just ended giving us our eighth consecutive quarter of record net income and EPS and ninth consecutive quarter of record net interest income. This consistent achievement of record results has allowed us to consistently increase dividends, significantly grow capital and opportunistically repurchase shares, all while almost doubling our allowance for credit losses.

As we stated in January, one of our goals for 2024 was to improve on our record 2023 annual net income and EPS. Our nine-month net income of $522.1 million and EPS of $4.58 seem to have us well on the way to achieving that goal.

Our talented, entrepreneurial and veteran management team is well suited for the very noisy and complicated environment in which we operate today. Our team has proactively and effectively managed the various challenges of this environment while capitalizing on numerous promising opportunities. We are excited about the future and continue to be laser-focused on improving our performance every day.

APPENDIX A

Non-GAAP Reconciliations

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

Unaudited (Dollars in Thousands)

	Three Months Ended *		Nine Months Ended*	
	9/30/2023	9/30/2024	9/30/2023	9/30/2024
Net Income Available To Common Stockholders	$ 169,746	$ 177,147	$ 503,517	$ 522,134
Average Stockholders' Equity Before Noncontrolling Interest	4,885,620	5,502,526	4,809,053	5,348,540
Less Average Preferred Stock	(338,980)	(338,980)	(338,980)	(338,980)
Total Average common stockholders' equity	4,546,640	5,163,546	4,470,073	5,009,560
Less Average Intangible Assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	-	-	(1,098)	-
Total Average Intangibles	(660,789)	(660,789)	(661,887)	(660,789)
Average Tangible Common Stockholders' Equity	$ 3,885,851	$ 4,502,757	$ 3,808,186	$ 4,348,771
Return On Average Common Stockholders' Equity	14.81%	13.65%	15.06%	13.92%
Return On Average Tangible Common Stockholders' Equity	17.33%	15.65%	17.68%	16.04%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended		Nine Months Ended	
	9/30/2023	9/30/2024	9/30/2023	9/30/2024
Net income available to common stockholders	$ 169,746	$ 177,147	$ 503,517	$ 522,134
Preferred stock dividends	4,047	4,047	12,141	12,141
Earnings attributable to noncontrolling interest	37	12	50	22
Provision for income taxes	46,144	54,953	132,564	161,958
Provision for credit losses	44,036	46,443	121,638	138,378
Pre-tax pre-provision net revenue	$ 264,010	$ 282,602	$ 769,910	$ 834,633

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

Unaudited (Dollars in Thousands, Except per Share)

	As of September 30,					
	2014	2015	2016	2017	2018	2019
Total stockholders' equity before noncontrolling interest	$ 875,578	$ 1,314,517	$ 2,756,346	$ 3,334,740	$ 3,653,596	$ 4,078,324
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	875,578	1,314,517	2,756,346	3,334,740	3,653,596	4,078,324
Less intangible assets:						
Goodwill	(78,669)	(128,132)	(657,806)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(28,439)	(28,624)	(64,347)	(51,396)	(38,817)	(26,608)
Total intangibles	(107,108)	(156,756)	(722,153)	(712,185)	(699,606)	(687,397)
Total tangible common stockholders' equity	$ 768,470	$ 1,157,761	$ 2,034,193	$ 2,622,555	$ 2,953,990	$ 3,390,927
Common shares outstanding (thousands)	79,705	88,265	121,134	128,174	128,609	128,946
Book value per common share	$ 10.99	$ 14.89	$ 22.75	$ 26.02	$ 28.41	$ 31.63
Tangible book value per common share	$ 9.64	$ 13.12	$ 16.79	$ 20.46	$ 22.97	$ 26.30

	As of September 30,					As of
	2020	2021	2022	2023	2024	June 30, 2024
Total stockholders' equity before noncontrolling interest	$ 4,186,285	$ 4,553,240	$ 4,539,424	$ 4,903,504	$ 5,592,859	$ 5,407,800
Less preferred stock	-	-	(338,980)	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	4,186,285	4,553,240	4,200,444	4,564,524	5,253,879	5,068,820
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	(16,462)	(9,791)	(3,943)	-	-	-
Total intangibles	(677,251)	(670,580)	(664,732)	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 3,509,034	$ 3,882,660	$ 3,535,712	$ 3,903,735	$ 4,593,090	$ 4,408,031
Common shares outstanding (thousands)	129,342	128,818	117,762	113,136	113,450	113,465
Book value per common share	$ 32.37	$ 35.35	$ 35.67	$ 40.35	$ 46.31	$ 44.67
Tangible book value per common share	$ 27.13	$ 30.14	$ 30.02	$ 34.50	$ 40.49	$ 38.85

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

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

Unaudited (Dollars in Thousands, Except per Share)

	September 30, 2024
Total stockholders' equity before noncontrolling interest	$ 5,592,859
Less preferred stock	(338,980)
Total common stockholders' equity	5,253,879
Less Goodwill	(660,789)
Total tangible common stockholders' equity	$ 4,593,090
Total assets	$ 37,441,804
Less Goodwill	(660,789)
Total tangible assets	36,781,015
Ratio of total common stockholders' equity to total assets	14.03%
Ratio of total tangible common stockholders' equity to total tangible assets	12.49%

APPENDIX B

Risk Categories

($ in thousands)

	Pass	Special Mention	Substandard	Total
September 30, 2024:				
Real Estate:				
Residential 1-4 family (1)	$ 1,040,325	$ 8,721	$ 26,866	$ 1,075,912
Non-farm/non-residential	7,386,928	485,890	51,635	7,924,453
Construction/land development	9,673,085	11,331	143,558	9,827,974
Agricultural	272,987	135	1,581	274,703
Multifamily residential	2,923,271	117,477	17,308	3,058,056
Commercial and industrial	1,625,752	4,634	1,724	1,632,110
Consumer (1)	3,547,935	8,158	9,307	3,565,400
Other (1)	1,746,699	56,922	55,915	1,859,536
Total	$ 28,216,982	$ 693,268	$ 307,894	$ 29,218,144
June 30, 2024:				
Real Estate:				
Residential 1-4 family (1)	$ 964,206	$ 7,470	$ 30,133	$ 1,001,809
Non-farm/non-residential	5,957,884	464,284	57,117	6,479,285
Construction/land development	11,309,035	6,410	175,748	11,491,193
Agricultural	275,121	120	1,544	276,785
Multifamily residential	2,239,209	115,666	4,571	2,359,446
Commercial and industrial	1,494,480	3,270	1,739	1,499,489
Consumer (1)	3,402,998	6,039	10,016	3,419,053
Other (1)	2,091,688	210	54,727	2,146,625
Total	$ 27,734,621	$ 603,469	$ 335,595	$ 28,673,685
December 31, 2023:				
Real Estate:				
Residential 1-4 family (1)	$ 919,956	$ 12,838	$ 28,544	$ 961,338
Non-farm/non-residential	5,237,576	37,653	34,010	5,309,239
Construction/land development	11,461,269	22,895	169,323	11,653,487
Agricultural	255,885	268	270	256,423
Multifamily residential	2,061,001	-	3,105	2,064,106
Commercial and industrial	1,263,198	4,422	1,990	1,269,610
Consumer (1)	2,951,522	5,795	7,725	2,965,042
Other (1)	1,977,986	1,756	88	1,979,830
Total	$ 26,128,393	$ 85,627	$ 245,055	$ 26,459,075

(1) The Bank does not risk rate its residential 1-4 family (including consumer construction loans and 1-4 family properties), consumer loans, certain small business and "other" loans. However, for purposes of the table above, the Bank generally considers such loans to be (i) pass – if they are performing and less than 30 days past due, (ii) special mention – if they are performing and 30-89 days past due or (iii) substandard – if they are nonperforming or 90 days or more past due.