UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C. 20429

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________.

FDIC Certificate No. 110

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

ARKANSAS	**71-0130170**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
18000 CANTRELL ROAD, LITTLE ROCK, ARKANSAS	**72223**
(Address of principal executive offices)	**(Zip Code)**

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

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Emerging growth company	☐
Smaller reporting 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2025
Common Stock, $0.01 par value per share	112,619,104

BANK OZK
FORM 10-Q
March 31, 2025

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BANK OZK
CONSOLIDATED BALANCE SHEETS
Unaudited

	March 31, 2025	December 31, 2024
	(Dollars in thousands)	
ASSETS		
Cash and cash equivalents	$ 2,377,689	$ 2,781,101
Investment securities – available for sale (“AFS”)	2,968,373	2,836,150
Federal Home Loan Bank of Dallas (“FHLB”) and other bankers’ bank stocks	14,186	39,930
Loans	31,107,873	29,968,867
Allowance for loan losses	(488,150)	(465,547)
Net Loans	30,619,723	29,503,320
Premises and equipment, net	767,784	739,111
Foreclosed assets	151,324	69,381
Accrued interest receivable	174,325	174,025
Bank owned life insurance (“BOLI”)	834,915	829,405
Goodwill	660,789	660,789
Other, net	596,307	625,640
Total assets	$ 39,165,415	$ 38,258,852
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 3,868,205	$ 3,769,543
Savings and interest bearing transaction	10,417,211	9,954,723
Time	17,640,250	17,318,806
Total deposits	31,925,666	31,043,072
Other borrowings	300,600	420,813
Subordinated notes	348,776	348,575
Subordinated debentures	113,652	113,652
Reserve for losses on unfunded loan commitments	150,609	153,813
Accrued interest payable and other liabilities	494,393	472,733
Total liabilities	33,333,696	32,552,658
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock, $0.01 par value; 100,000,000 shares authorized; 14,000,000 shares issued and outstanding at March 31, 2025 and December 31, 2024	338,980	338,980
Common stock, $0.01 par value; 300,000,000 shares authorized; 113,726,947 and 113,457,726 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	1,137	1,135
Additional paid-in capital	1,624,463	1,625,506
Retained earnings	3,936,031	3,816,138
Accumulated other comprehensive loss	(69,275)	(76,136)
Total stockholders’ equity before noncontrolling interest	5,831,336	5,705,623
Noncontrolling interest	383	571
Total stockholders’ equity	5,831,719	5,706,194
Total liabilities and stockholders’ equity	$ 39,165,415	$ 38,258,852

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF INCOME
Unaudited

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands, except per share amounts)	
Interest income:		
Loans	$ 588,561	$ 591,941
Investment securities:		
Taxable	13,188	9,333
Tax-exempt	13,056	11,173
Deposits with banks	20,933	24,606
Total interest income	635,738	637,053
Interest expense:		
Deposits	255,805	254,323
Other borrowings	866	750
Subordinated notes	2,574	2,574
Subordinated debentures	1,983	2,472
Total interest expense	261,228	260,119
Net interest income	374,510	376,934
Provision for credit losses	38,417	42,923
Net interest income after provision for credit losses	336,093	334,011
Non-interest income:		
Deposit-related fees		
Overdraft fees	3,282	3,427
All other service charges	7,224	6,839
Loan-related fees	8,985	6,343
BOLI income	5,744	5,506
Trust income	2,514	2,324
Gains on sales of other assets	769	459
Net gains on investment securities	—	410
Other	6,206	3,776
Total non-interest income	34,724	29,084
Non-interest expense:		
Salaries and employee benefits	82,200	69,564
Net occupancy and equipment	18,445	17,974
Other operating expenses	46,309	45,776
Total non-interest expense	146,954	133,314
Income before taxes	223,863	229,781
Provision for income taxes	51,892	54,226
Net income	171,971	175,555
Earnings attributable to noncontrolling interest	(12)	(18)
Preferred stock dividends	4,047	4,047
Net income available to common stockholders	$ 167,912	$ 171,490
Basic earnings per common share	$ 1.48	$ 1.51
Diluted earnings per common share	$ 1.47	$ 1.51

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Net income	$ 171,971	$ 175,555
Other comprehensive income (loss):		
Unrealized gains and (losses) on investment securities AFS	8,685	(12,815)
Tax effect of unrealized gains and losses on investment securities AFS	(1,824)	2,982
Total other comprehensive income (loss)	6,861	(9,833)
Total comprehensive income	$ 178,832	$ 165,722

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Unaudited

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)						
Three months ended March 31, 2025							
Balances – December 31, 2024	$ 338,980	$ 1,135	$1,625,506	$3,816,138	$ (76,136)	$ 571	$ 5,706,194
Net income	—	—	—	171,971	—	—	171,971
Earnings attributable to noncontrolling interest	—	—	—	(12)	—	12	—
Total other comprehensive income	—	—	—	—	6,861	—	6,861
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.42 per share	—	—	—	(48,019)	—	—	(48,019)
Return of capital paid to noncontrolling interest	—	—	—	—	—	(200)	(200)
Issuance of 428,973 shares of common stock pursuant to stock-based compensation plans	—	4	92	—	—	—	96
Repurchase and cancellation of 149,584 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(7,094)	—	—	—	(7,096)
Stock-based compensation expense	—	—	5,959	—	—	—	5,959
Forfeitures of 10,168 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – March 31, 2025	$ 338,980	$ 1,137	$1,624,463	$3,936,031	$ (69,275)	$ 383	$ 5,831,719
Three months ended March 31, 2024							
Balances – December 31, 2023	$ 338,980	$ 1,131	$1,612,446	$3,283,818	$ (97,374)	$ 975	$ 5,139,976
Cumulative effect of change in accounting	—	—	—	12,690	—	—	12,690
Balances – January 1, 2024	338,980	1,131	1,612,446	3,296,508	(97,374)	975	5,152,666
Net income	—	—	—	175,555	—	—	175,555
Earnings attributable to noncontrolling interest	—	—	—	(18)	—	18	—
Total other comprehensive loss	—	—	—	—	(9,833)	—	(9,833)
Preferred stock dividends, $0.28906 per share	—	—	—	(4,047)	—	—	(4,047)
Common stock dividends, $0.38 per share	—	—	—	(43,326)	—	—	(43,326)
Return of capital paid to noncontrolling interest	—	—	—	—	—	—	—
Issuance of 484,818 shares of common stock pursuant to stock-based compensation plans	—	5	179	—	—	—	184
Repurchase and cancellation of 184,415 shares of common stock withheld for tax pursuant to stock-based compensation plans	—	(2)	(8,008)	—	—	—	(8,010)
Stock-based compensation expense	—	—	4,651	—	—	—	4,651
Forfeitures of 14,259 shares of unvested restricted common stock	—	—	—	—	—	—	—
Balances – March 31, 2024	$ 338,980	$ 1,134	$1,609,268	$3,424,672	$ (107,207)	$ 993	$ 5,267,840

See accompanying notes to the consolidated financial statements.

BANK OZK
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited

	Three Months Ended March 31, 2025	2024
	(Dollars in thousands)	
Cash flows from operating activities:		
Net income	$ 171,971	$ 175,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	6,995	6,799
Amortization	12,764	10,906
Earnings attributable to noncontrolling interest	(12)	(18)
Provision for credit losses	38,417	42,923
Writedowns of foreclosed assets	350	472
Originations of mortgage loans held for sale	(14,554)	—
Proceeds from sales of mortgage loans held for sale	15,123	—
Net amortization of investment securities AFS	2,923	4,135
Net gains on investment securities	—	(410)
Gains on sales of other assets	(769)	(459)
Deferred income tax expense (benefit)	(32,201)	24,813
Increase in cash surrender value of BOLI	(5,744)	(5,506)
Stock-based compensation expense	5,959	4,651
Changes in assets and liabilities:		
Trading account securities	—	414
Accrued interest receivable	(300)	(5,091)
Other assets, net	40,338	(5,089)
Accrued interest payable and other liabilities	27,582	(14,559)
Cash provided by operating activities	268,842	239,536
Cash flows from investing activities:		
Proceeds from maturities/calls/paydowns of investment securities AFS	305,622	165,058
Purchases of investment securities AFS	(432,083)	(10,032)
Proceeds from sales of FHLB and other bankers' bank stock	26,197	36,859
Purchases of FHLB and other bankers' bank stock	(453)	(944)
Proceeds from sale of loans	13,588	143
Net increase in loans	(1,258,276)	(1,579,775)
Purchases of premises and equipment	(26,494)	(15,087)
Proceeds from BOLI death benefits	235	—
Proceeds from sales of other assets	6,020	2,199
Net cash invested in unconsolidated investments	(10,013)	(6,330)
Net cash used by investing activities	(1,375,657)	(1,407,909)
Cash flows from financing activities:		
Net increase in deposits	882,594	2,000,927
Net repayments of other borrowings	(120,213)	(603,309)
Return of capital to non-controlling interest	(200)	—
Cash dividends paid on common stock	(47,731)	(43,088)
Cash dividends paid on preferred stock	(4,047)	(4,047)
Proceeds from issuance of common stock pursuant to stock-based compensation plans	96	184
Repurchase and cancellation of shares of common stock – withheld for taxes	(7,096)	(8,010)
Net cash provided by financing activities	703,403	1,342,657
Net (decrease) increase in cash and cash equivalents	(403,412)	174,284
Cash and cash equivalents – beginning of period	2,781,101	2,149,529
Cash and cash equivalents – end of period	$ 2,377,689	$ 2,323,813

See accompanying notes to the consolidated financial statements.

1. Organization

Bank OZK ("the Bank") is headquartered in Little Rock, Arkansas and provides a wide range of retail and commercial banking services. At March 31, 2025, the Bank conducted operations through more than 240 offices in nine states, including offices in Arkansas, Georgia, Florida, North Carolina, Texas, Tennessee, New York, California and Mississippi. The Bank owns 100% of eight finance subsidiary business trusts - Ozark Capital Statutory Trust II ("Ozark II"), Ozark Capital Statutory Trust III ("Ozark III"), Ozark Capital Statutory Trust IV ("Ozark IV"), Ozark Capital Statutory Trust V ("Ozark V"), Intervest Statutory Trust II ("Intervest II"), Intervest Statutory Trust III ("Intervest III"), Intervest Statutory Trust IV ("Intervest IV") and Intervest Statutory Trust V ("Intervest V") (collectively, the "Trusts"). In addition, the Bank owns a subsidiary that holds its investment securities, a subsidiary engaged in the development of real estate, a subsidiary that holds an ownership interest in a private aircraft, a subsidiary that owns a renewable energy facility and various other entities that hold foreclosed assets or tax credits or engage in other activities.

The Bank is an Arkansas state banking corporation and is subject to regulation by the Arkansas State Bank Department. Because the Bank is an insured depository institution that is not a member bank of the Federal Reserve System, its primary federal regulator is the Federal Deposit Insurance Corporation ("FDIC").

2. Basis of Presentation and Significant Accounting Policy Changes

The accompanying interim consolidated financial statements have been prepared by the Bank, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") in Article 10 of Regulation S-X and in accordance with the instructions to Form 10-Q and accounting principles generally accepted in the United States ("GAAP") for interim financial information. Certain information, accounting policies and footnote disclosures normally included in complete financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with such rules and regulations. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Bank's Annual Report on Form 10-K filed with the FDIC for the year ended December 31, 2024.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates. In the opinion of management, all adjustments considered necessary, consisting of normal recurring items, have been included for a fair statement of the accompanying consolidated financial statements. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the full year or future periods. Certain reclassifications of prior year amounts have been made to conform to the 2025 financials statements presentation. These reclassifications had no impact on prior year net income, as previously reported.

The Bank operates in only one business segment with the Bank's Chairman of the Board and Chief Executive Officer being the chief operating decision maker ("CODM") for the Bank. The Bank's CODM evaluates the Bank's consolidated net income and net interest income, among other consolidated metrics, in managing the Bank's resources and assessing performance. The Bank's consolidated net income and net interest income are disclosed on the face of the Consolidated Statements of Income on page 4. Accordingly, there is no requirement to report segment information in the Bank's consolidated financial statements.

3. Earnings Per Common Share ("EPS") and Share Repurchase Program

Basic EPS is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding after consideration of the dilutive effect, if any, using the treasury stock method, of the Bank's common stock options and the non-vested performance stock units ("PSUs") under its long-term incentive agreements. Options to purchase 52,946 shares and 345,107 shares, respectively, of the Bank's common stock for the three months ended March 31, 2025 and 2024, respectively, were excluded from the diluted EPS calculations as inclusion of such options would have been anti-dilutive.

In July 2024, the Bank's Board authorized a 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. In evaluating stock repurchases including the parameters for price and share value, management will consider a variety of factors including stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors. Between April 1 and April 30, 2025 the Bank repurchased 1,117,000 shares of common stock for $43.2 million, or approximately $38.68 per share.

The following table presents the computation of basic and diluted EPS for the periods indicated.

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	(In thousands, except per share amounts)	
Numerator:		
Net income available to common stockholders	$ 167,912	$ 171,490
Denominator:		
Denominator for basic EPS – weighted-average common shares	113,808	113,559
Effect of dilutive securities – stock options and PSUs	408	324
Denominator for diluted EPS – weighted-average common shares and assumed conversions	114,216	113,883
Basic EPS	$ 1.48	$ 1.51
Diluted EPS	$ 1.47	$ 1.51

4. Investment Securities

The Bank's investment securities AFS are stated at estimated fair value in the consolidated financial statements with unrealized gains and losses, that do not include a credit component, reported net of related income tax as a separate component of stockholders' equity and included in accumulated other comprehensive income. Unrealized losses that include a credit component are considered in determining the Bank's allowance for credit losses ("ACL"). The Bank believes that the vast majority of unrealized losses on individual investment securities at March 31, 2025 and December 31, 2024 are the result of fluctuations in interest rates.

The following table presents the amortized cost and estimated fair value of investment securities AFS as of the dates indicated.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(Dollars in thousands)			
March 31, 2025:				
U.S. Government agency mortgage-backed securities	$ 1,490,966	$ 6,068	$ (56,099)	$ 1,440,935
Obligations of state and political subdivisions	1,542,079	5,231	(43,542)	1,503,768
Corporate obligations	26,037	—	(2,367)	23,670
Total investment securities AFS	$ 3,059,082	$ 11,299	$ (102,008)	$ 2,968,373
December 31, 2024:				
U.S. Government agency mortgage-backed securities	$ 1,327,396	$ 3	$ (70,928)	$ 1,256,471
Obligations of state and political subdivisions	1,451,430	8,825	(34,559)	1,425,696
Other U.S. Government agency securities	130,000	—	(282)	129,718
Corporate obligations	26,718	—	(2,453)	24,265
Total investment securities AFS	$ 2,935,544	$ 8,828	$ (108,222)	$ 2,836,150

The following table shows the estimated fair value of investment securities AFS having gross unrealized losses and the amount of such unrealized losses, aggregated by investment category and length of time that individual investment securities have been in a continuous unrealized loss position, as of the dates indicated.

	Less than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
	(Dollars in thousands)					
March 31, 2025:						
U.S. Government agency mortgage-backed securities	$ 466	$ 11	$ 787,315	$ 56,088	$ 787,781	$ 56,099
Obligations of state and political subdivisions	631,133	11,083	448,340	32,459	1,079,473	43,542
Corporate obligations	520	9	23,149	2,358	23,669	2,367
Total investment securities AFS	$ 632,119	$ 11,103	$ 1,258,804	$ 90,905	$ 1,890,923	$ 102,008
December 31, 2024:						
U.S. Government agency mortgage-backed securities	$ 398,325	$ 1,383	$ 857,891	$ 69,545	$ 1,256,216	$ 70,928
Obligations of state and political subdivisions	376,957	5,413	411,147	29,146	788,104	34,559
Other U.S. Government agency securities	—	—	129,718	282	129,718	282
Corporate obligations	536	2	23,729	2,451	24,265	2,453
Total investment securities AFS	$ 775,818	$ 6,798	$ 1,422,485	$ 101,424	$ 2,198,303	$ 108,222

In evaluating the Bank's unrealized loss positions for credit losses of its investment securities portfolio, management considers the credit quality, financial condition and near term prospects of the issuer, the nature and cause of the unrealized loss and other factors. While the Bank periodically evaluates its investment strategy relative to current economic and business conditions, at the present time, the Bank does not have the intent to sell these investment securities with unrealized losses and, more likely than not, will not sell these investment securities before fair value recovers to amortized cost. In addition, for the vast majority of investment securities AFS in an unrealized loss position, the Bank does not believe the unrealized losses are the result of issues with credit quality.

The following table shows the amortized cost and estimated fair value of investment securities AFS by maturity or estimated date of repayment as of March 31, 2025.

Maturity or Estimated Repayment	Amortized Costs	Estimated Fair Value
	(Dollars in thousands)	
One year or less	$ 465,246	$ 450,916
After one year to five years	930,553	896,825
After five years to ten years	446,321	432,665
After ten years	1,216,962	1,187,967
Total	$ 3,059,082	$ 2,968,373

For purposes of this maturity or estimated repayment distribution, all investment securities AFS are shown based on their contractual maturity date or estimated date of repayment, except (i) U.S. Government agency mortgage-backed securities are allocated among various maturities or repayment categories based on an estimated repayment schedule utilizing third-party median prepayment speeds or other estimates of prepayment speeds and interest rate levels at the measurement date and (ii) callable investment securities for which the Bank has received notification of call are included in the maturity or repayment category in which the call occurs or is expected to occur. Expected maturities may differ from contractual maturities because issuers have the right to call or prepay obligations with or without call or prepayment penalties.

At March 31, 2025 mortgage-backed securities issued by the Federal National Mortgage Association were the only holdings of investment securities in an amount greater than 10% of stockholders' equity. At March 31, 2024 mortgage-backed securities issued by the Federal National Mortgage Association and callable debentures issued by the FHLB were the only holdings of investment securities in an amount greater than 10% of stockholders' equity.

5. Allowance for Credit Losses (“ACL”) and Credit Quality Indicators

Allowance for Credit Losses

The following table is a summary of activity within the ACL for the periods indicated.

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended March 31, 2025:			
Balances – December 31, 2024	$ 465,547	$ 153,813	$ 619,360
Net charge-offs	(19,018)	—	(19,018)
Provision for credit losses	41,621	(3,204)	38,417
Balances – March 31, 2025	$ 488,150	$ 150,609	$ 638,759
Three months ended March 31, 2024:			
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Net charge-offs	(7,264)	—	(7,264)
Provision for credit losses	33,805	9,118	42,923
Balances – March 31, 2024	$ 365,935	$ 170,952	$ 536,887

The calculations of the Bank’s provision for credit losses for the first quarter of 2025 and its total ACL at March 31, 2025 were based on a number of key estimates, assumptions and economic forecasts. The Bank utilized recent economic forecasts provided by Moody’s, including their updates released in March 2025. In selecting the weightings for the various economic scenarios for purposes of determining the ACL at March 31, 2025, the Bank’s weightings assigned to each of the Moody’s S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody’s Baseline scenario. The Bank’s selection and weightings of these scenarios reflected its 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; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; changes in the federal funds target rate and Federal Reserve balance sheet, a possible recession, inflationary pressures, global trade and geopolitical matters, supply chain disruptions, and various other factors. These forecasts included a number of economic variables, including gross domestic product (“GDP”), unemployment rates, commercial and residential real estate prices, among others. For purposes of the forecasts used in the calculation of the ACL, management utilized a reasonable and supportable forecast period of two years, followed by a reversion, on a systematic basis, of estimated losses back to the Bank’s historical mean. Management also utilized certain qualitative adjustments to capture items not included in the Bank’s modeled results or other assumptions.

The following table is a summary of the Bank's ACL for the periods indicated.

	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
	(Dollars in thousands)				
Three months ended March 31, 2025:					
Real estate:					
Construction/land development	$ 85,183	$ (3,904)	$ 23	$ 26,827	$ 108,129
Other commercial real estate	124,339	(7,195)	44	(1,892)	115,296
Multifamily residential	58,262	(2,426)	—	16,365	72,201
Residential 1-4 family	31,107	(356)	141	492	31,384
Agricultural	6,860	(23)	—	764	7,601
Total real estate	305,751	(13,904)	208	42,556	334,611
Consumer	119,551	(4,270)	786	(12,076)	103,991
Commercial and industrial	7,157	(76)	32	4,590	11,703
Other	33,088	(1,953)	159	6,551	37,845
Total ALL for funded loans	465,547	(20,203)	1,185	41,621	488,150
Reserve for losses on unfunded loan commitments	153,813	—	—	(3,204)	150,609
Total ACL	$ 619,360	$ (20,203)	$ 1,185	$ 38,417	$ 638,759
Three months ended March 31, 2024:					
Real estate:					
Construction/land development	$ 127,320	$ —	$ 13	$ 2,891	$ 130,224
Other commercial real estate	44,250	(5,140)	388	7,884	47,382
Multifamily residential	15,469	—	—	6,435	21,904
Residential 1-4 family	23,151	(97)	217	987	24,258
Agricultural	4,732	—	28	455	5,215
Total real estate	214,922	(5,237)	646	18,652	228,983
Consumer	98,974	(2,666)	650	13,931	110,889
Commercial and industrial	7,626	—	132	1,613	9,371
Other	17,872	(992)	203	(391)	16,692
Total ALL for funded loans	339,394	(8,895)	1,631	33,805	365,935
Reserve for losses on unfunded loan commitments	161,834	—	—	9,118	170,952
Total ACL	$ 501,228	$ (8,895)	$ 1,631	$ 42,923	$ 536,887

The following table presents a summary of the Bank’s loans on nonaccrual status with ALL and loans on nonaccrual status with no ALL as of the dates indicated.

	Nonaccrual Loans with ALL	Nonaccrual Loans with no ALL	Total Nonaccrual Loans
		(Dollars in thousands)	
March 31, 2025:			
Real estate:			
Construction/land development	$ 1,517	$ —	$ 1,517
Other commercial real estate	829	13,085	13,914
Multifamily residential	262	2,270	2,532
Residential 1-4 family	25,458	1,075	26,533
Agricultural	204	—	204
Total real estate	28,270	16,430	44,700
Consumer	9,371	4	9,375
Commercial and industrial	1,469	—	1,469
Other	—	7,175	7,175
Total	$ 39,110	$ 23,609	$ 62,719
December 31, 2024:			
Real estate:			
Construction/land development	$ 88,672	$ —	$ 88,672
Other commercial real estate	945	2,387	3,332
Multifamily residential	—	3,031	3,031
Residential 1-4 family	26,100	1,048	27,148
Agricultural	267	—	267
Total real estate	115,984	6,466	122,450
Consumer	7,933	4	7,937
Commercial and industrial	1,107	—	1,107
Total	$ 125,024	$ 6,470	$ 131,494

Interest income on nonperforming loans as of March 31, 2025 and December 31, 2024 is recognized on a cash basis when and if actually collected. Total interest income recognized on nonperforming loans for the three months ended March 31, 2025 and 2024 was not material.

Credit Quality Indicators

The following table provides the credit quality indicators for the Bank's loans by loan segment and period of origination as of the date indicated. At March 31, 2025, the Bank had no loans with an outstanding balance that were risk rated as doubtful or loss. Loans are presented on an amortized cost basis which includes unamortized fees and costs but excludes accrued interest.

	Period of Origination							
	Three Months Ended March 31, 2025	Year Ended December 31, 2024	2023	2022	2021	Prior to January 1, 2021	Revolving Loans Amortized Cost Basis	Total
	(Dollars in thousands)							
March 31, 2025:								
Construction/land development								
Pass	$ 72,911	$1,251,160	$2,871,384	$3,286,787	$ 798,635	$ 719,909	$ 87,979	$ 9,088,765
Special Mention	—	1,257	814	1,196	299	4,696	4,997	13,259
Substandard (1)	—	441	1,859	4,638	57	66,350	33,250	106,595
Total construction/land development	72,911	1,252,858	2,874,057	3,292,621	798,991	790,955	126,226	9,208,619
Other commercial real estate								
Pass	47,078	132,390	1,071,008	2,819,893	1,726,699	1,992,393	34,194	7,823,655
Special Mention	—	379	4,581	54,889	61,009	36,605	—	157,463
Substandard (1)	—	—	—	87	12,511	3,426	—	16,024
Total other commercial real	47,078	132,769	1,075,589	2,874,869	1,800,219	2,032,424	34,194	7,997,142
Multifamily residential								
Pass	1,975	4,802	160,969	1,963,260	1,053,603	435,278	9,555	3,629,442
Special Mention	—	—	—	2,422	122,247	108,852	—	233,521
Substandard (1)	—	—	—	—	1,227	1,390	—	2,617
Total multifamily residential	1,975	4,802	160,969	1,965,682	1,177,077	545,520	9,555	3,865,580
Residential 1-4 family								
Pass	39,404	331,905	87,336	214,170	132,868	277,067	211,624	1,294,374
Special Mention	—	702	576	3,436	1,048	5,016	1,182	11,960
Substandard (1)	—	21	1,074	664	2,091	22,483	200	26,533
Total residential 1-4 family	39,404	332,628	88,986	218,270	136,007	304,566	213,006	1,332,867
Agricultural								
Pass	10,759	40,089	42,207	57,082	50,623	97,799	1,122	299,681
Special Mention	—	—	—	—	—	503	—	503
Substandard (1)	—	—	—	—	—	204	—	204
Total agricultural	10,759	40,089	42,207	57,082	50,623	98,506	1,122	300,388
Consumer								
Pass	274,562	1,168,877	747,033	501,895	271,350	785,381	5,304	3,754,402
Special Mention	—	492	978	1,759	769	1,613	1	5,612
Substandard (1)	575	382	965	1,970	657	4,826	—	9,375
Total consumer	275,137	1,169,751	748,976	505,624	272,776	791,820	5,305	3,769,389
Commercial and industrial								
Pass	182,907	311,257	46,465	62,300	37,865	31,903	1,358,299	2,030,996
Special Mention	—	307	131	—	257	310	31,721	32,726
Substandard (1)	—	515	15	1,099	34	905	—	2,568
Total commercial and industrial	182,907	312,079	46,611	63,399	38,156	33,118	1,390,020	2,066,290
Other								
Pass	23,909	83,382	33,568	878,323	2,079	125,573	1,357,446	2,504,280
Special Mention	—	—	—	64	—	70	—	134
Substandard (1)	—	—	—	56,012	—	—	7,172	63,184
Total other	23,909	83,382	33,568	934,399	2,079	125,643	1,364,618	2,567,598
Total	$ 654,080	$3,328,358	$5,070,963	$9,911,946	$4,275,928	$4,722,552	$3,144,046	$31,107,873
Gross charge-offs (2)	$ 700	$ 1,700	$ 1,534	$ 1,104	$ 6,907	$ 8,258	$ —	$ 20,203

(1) Includes both substandard accrual loans and substandard nonaccrual loans.
(2) Gross charge-offs for the three months ended March 31, 2025.

The following table is a summary of credit quality indicators for the Bank's total loans as of the dates indicated.

	Pass	Special Mention	Substandard Accrual	Substandard Nonaccrual	Total
			(Dollars in thousands)		
March 31, 2025:					
Real estate:					
Construction/land development	$ 9,088,765	$ 13,259	$ 105,078	$ 1,517	$ 9,208,619
Other commercial real estate	7,823,655	157,463	2,110	13,914	7,997,142
Multifamily residential	3,629,442	233,521	85	2,532	3,865,580
Residential 1-4 family	1,294,374	11,960	—	26,533	1,332,867
Agricultural	299,681	503	—	204	300,388
Total real estate	22,135,917	416,706	107,273	44,700	22,704,596
Consumer	3,754,402	5,612	—	9,375	3,769,389
Commercial and industrial	2,030,996	32,726	1,099	1,469	2,066,290
Other	2,504,280	134	56,009	7,175	2,567,598
Total	$ 30,425,595	$ 455,178	$ 164,381	$ 62,719	$ 31,107,873
December 31, 2024:					
Real estate:					
Construction/land development	$ 9,174,126	$ 228,111	$ 31,767	$ 88,672	$ 9,522,676
Other commercial real estate	7,549,607	267,826	21,927	3,332	7,842,692
Multifamily residential	3,135,130	120,222	14,252	3,031	3,272,635
Residential 1-4 family	1,286,217	9,500	570	27,148	1,323,435
Agricultural	296,515	116	—	267	296,898
Total real estate	21,441,595	625,775	68,516	122,450	22,258,336
Consumer	3,641,142	10,633	1	7,937	3,659,713
Commercial and industrial	1,718,161	7,854	1,679	1,107	1,728,801
Other	2,256,462	9,593	55,962	—	2,322,017
Total	$ 29,057,360	$ 653,855	$ 126,158	$ 131,494	$ 29,968,867

The following categories of credit quality indicators are utilized by the Bank for its internal loan grading purposes.

Pass – Loans in this category exhibit minimal or moderate levels of risk and are not expected to result in loss.

Special Mention – Loans in this category have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Bank's credit position at some future date.

Substandard – Loans in this category are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard loans are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

Doubtful – Loans in this category have all the weaknesses inherent in those classified as substandard with the added characteristics that weaknesses make collection in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable.

Loss – Loans in this category are considered uncollectible. Loans classified as loss do not mean the loan has absolutely no recovery or salvage value but rather it is not practical or desirable to delay charging off.

The Bank considers its residential 1-4 family loans (including consumer construction loans and 1-4 family properties), consumer loans, and certain small business 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 to 89 days past due or (iii) substandard – if they are nonperforming or 90 days or more past due.

The following table is an aging analysis of past due loans as of the dates indicated.

	30-59 Days Past Due[1]	60-89 Days Past Due[2]	90 Days or More[3]	Total Past Due	Current[4]	Total
			(Dollars in thousands)			
March 31, 2025:						
Real estate:						
Construction/land development	$ 5,908	$ 1,108	$ 109	$ 7,126	$ 9,201,493	$ 9,208,619
Other commercial real estate	2,199	—	791	2,990	7,994,152	7,997,142
Multifamily residential	—	—	2,504	2,504	3,863,076	3,865,580
Residential 1-4 family	15,227	3,212	4,457	22,896	1,309,971	1,332,867
Agricultural	—	—	179	179	300,209	300,388
Total real estate	23,334	4,320	8,040	35,695	22,668,901	22,704,596
Consumer	5,100	1,641	589	7,330	3,762,059	3,769,389
Commercial and industrial	500	265	1,238	2,004	2,064,286	2,066,290
Other	—	—	—	—	2,567,598	2,567,598
Total	$ 28,934	$ 6,226	$ 9,867	$ 45,029	$ 31,062,844	$ 31,107,873
December 31, 2024:						
Real estate:						
Construction/land development	$ 286	$ —	$ 142	$ 428	$ 9,522,248	$ 9,522,676
Other commercial real estate	1,614	2,387	216	4,217	7,838,475	7,842,692
Multifamily residential	—	—	3,031	3,031	3,269,604	3,272,635
Residential 1-4 family	11,763	6,156	6,066	23,985	1,299,450	1,323,435
Agricultural	—	—	202	202	296,696	296,898
Total real estate	13,663	8,543	9,657	31,863	22,226,473	22,258,336
Consumer	7,482	3,709	353	11,544	3,648,169	3,659,713
Commercial and industrial	4,498	639	956	6,093	1,722,708	1,728,801
Other	—	7	—	7	2,322,010	2,322,017
Total	$ 25,643	$ 12,898	$ 10,966	$ 49,507	$ 29,919,360	$ 29,968,867

(1) Includes $9.5 million and $6.2 million of loans on nonaccrual status at March 31, 2025 and December 31, 2024, respectively.
(2) Includes $3.9 million and $6.7 million of loans on nonaccrual status at March 31, 2025 and December 31, 2024, respectively.
(3) All loans greater than 90 days past due were on nonaccrual status at March 31, 2025 and December 31, 2024.
(4) Includes $39.4 million and $107.6 million of loans on nonaccrual status at March 31, 2025 and December 31, 2024, respectively.

6. Foreclosed Assets

The following table is a summary of the amount and type of foreclosed assets as of the dates indicated.

	March 31, 2025	December 31, 2024
	(Dollars in thousands)	
Real estate:		
Construction/land development	$ 140,930	$ 59,964
Other commercial real estate	8,318	8,318
Residential 1-4 family	297	—
Total real estate	149,545	68,282
Consumer	1,779	1,099
Total foreclosed assets	$ 151,324	$ 69,381

The following table is a summary of activity within foreclosed assets during the periods indicated.

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Balance – beginning	$ 69,381	$ 61,720
Loans and other assets transferred into foreclosed assets	87,379	1,263
Sales of foreclosed assets	(5,086)	(1,729)
Writedowns of foreclosed assets	(350)	(472)
Balance – ending	$ 151,324	$ 60,782

7. Supplemental Cash Flow Information

The following table provides supplemental cash flow information for the periods indicated.

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Cash paid during the period for:		
Interest	$ 257,373	$ 249,449
Income taxes	9,825	4,918
Supplemental schedule of non-cash investing and financing activities:		
Net change in unrealized gains/losses on investment securities AFS	8,685	(12,815)
Loans and other assets transferred to foreclosed assets	87,379	1,263
Increase in tax credit and other investments	13,149	—

8. Commitments and Contingencies

The Bank is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments primarily include standby letters of credit and commitments to extend credit.

Outstanding standby letters of credit are contingent commitments by the Bank generally to guarantee the performance of a customer in third party arrangements. The maximum amount of future payments the Bank could be required to make under these guarantees at March 31, 2025 is $166.6 million. The Bank holds collateral to support guarantees when deemed necessary. Collateralized commitments at March 31, 2025 totaled $165.9 million. The Bank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. The Bank has the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses, may require payment of a fee and may expire without being drawn upon. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank upon extension of credit, is based on management's credit evaluation of the counterparty. The type of collateral held varies but may include accounts receivable, inventory, property, plant and equipment, and other real or personal property.

At March 31, 2025, the Bank had outstanding commitments totaling $18.82 billion to extend credit, consisting primarily of loans closed but not yet funded. These commitments may or may not fund in whole or part prior to maturity; however, such funding is subject to a number of factors, including, among others, economic conditions, real estate market conditions and competitive factors.

The following table shows the contractual maturities of such outstanding loan commitments as of the date indicated.

Contractual Maturities at March 31, 2025

Year of Maturity	Amount
	(Dollars in thousands)
2025	$ 3,169,288
2026	5,537,208
2027	4,898,936
2028	2,978,938
2029	1,828,206
Thereafter	408,865
Total	$ 18,821,441

The Bank is a party as both plaintiff and defendant in various legal or regulatory proceedings or claims, including claims related to employment, wage-hour and labor law claims, consumer and privacy claims, as well as claims of lender liability, breach of contract, and other similar lending-related claims encountered on a routine basis, some of which may be styled as "class action" or representative cases. While the ultimate resolution of these claims and proceedings cannot be determined at this time, management believes that such claims and proceedings, individually or in the aggregate, will not have a material adverse effect on the Bank's financial condition or results of operations.

9. Investments in Tax Credits and SBICs

The Bank invests in certain tax credit investments and partnerships generally within the areas we serve. The majority of these investments provide funds for the construction and development of affordable housing, which provide low income housing tax credits ("LIHTC") that are normally recognized over approximately ten years and are an important part in the anticipated yield from these investments. The Bank is a limited partner or non-managing member in each LIHTC limited partnership or limited liability company. Each of these entities is managed by an unrelated third-party general partner or managing member who exercises significant control over the operations and finances of the entity. The general partner or managing member has all the rights, powers and authority granted or permitted to be granted to a general partner of a limited partnership or managing member of a limited liability company. In addition to our LIHTC investments, we also have investments in renewable energy and other tax credits. As of March 31, 2025, the carrying value of tax credit investments and renewable energy partnerships was approximately $461.2 million and is included in other assets on the consolidated balance sheet. The portion of tax credit investments that are unfunded and included in other liabilities totaled approximately $205.1 million and are expected to be funded over the terms of the agreements ranging from 2025 to 2041.

The Bank also has investments in Small Business Investment Companies ("SBIC") that provide funds to qualifying small businesses, and Community Development Companies ("CDC") that provide funding for the purpose of community development through investments, lending, and credit assistance. As of March 31, 2025, the carrying value of our investments in SBICs and CDCs was approximately $81.3 million and is included in other assets on our consolidated balance sheet. The portion of our investments in SBICs and CDCs that are unfunded totaled approximately $99.8 million and are expected to be funded over the terms of the agreements ranging from 2025 to 2030.

The following table shows the expected payments for unfunded tax credit, SBIC and CDC investments as of the date indicated.

Expected Payments at March 31, 2025

	Amount
	(Dollars in thousands)
2025	$ 110,481
2026	101,851
2027	66,943
2028	14,572
2029	6,274
Thereafter	4,771
Total	$ 304,892

For the three months ended March 31, 2025, the Bank's provision for income taxes included the recognition of amortization expense on tax credit investments of $12.2 million and tax credits and other benefits of $15.1 million.

10. Stock-Based Compensation

The Bank maintains a stock-based compensation plan ("Omnibus Plan") which allows the Bank to award stock options, stock appreciative rights, restricted stock, restricted stock units, or other stock-based awards to directors, executives and employees that are eligible to participate in the Omnibus Plan. The Bank has granted restricted stock and PSUs as its primary stock-based incentive awards.

Stock-based compensation expense for restricted stock awards and PSUs included in non-interest expense was $6.0 million and $4.7 million for the three months ended March 31, 2025 and 2024, respectively. Unrecognized compensation expense for non-vested restricted stock awards and PSUs was $43.1 million at March 31, 2025 and is expected to be recognized over a weighted-average period of approximately 2.2 years.

11. Fair Value Measurements

The Bank measures certain of its assets and liabilities on a fair value basis using various valuation techniques and assumptions, depending on the nature of the asset or liability. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, fair value is used either on a periodic basis, typically at least quarterly, or on a non-recurring basis to evaluate certain assets and liabilities for impairment or for disclosure purposes. At March 31, 2025 and December 31, 2024, the Bank had no material liabilities that were accounted for at fair value.

The Bank applies the following fair value hierarchy.

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model derived valuations whose inputs are observable.

Level 3 – Instruments whose inputs are unobservable.

The following table sets forth the Bank's assets that are accounted for at fair value as of the dates indicated.

	Level 1	Level 2	Level 3	Total
		(Dollars in thousands)		
March 31, 2025:				
Investment securities:				
U.S. Government agency mortgage-backed securities	$ —	$ 1,440,935	$ —	$ 1,440,935
Obligations of state and political subdivisions	—	1,497,935	5,833	1,503,768
Corporate obligations	—	23,670	—	23,670
Total investment securities	—	2,962,540	5,833	2,968,373
Nonaccrual loans	—	—	50,227	50,227
Foreclosed assets	—	—	151,324	151,324
Total	$ —	$ 2,962,540	$ 207,384	$ 3,169,924
December 31, 2024:				
Investment securities:				
U.S. Government agency mortgage-backed securities	$ —	$ 1,256,471	$ —	$ 1,256,471
Obligations of state and political subdivisions	—	1,419,053	6,643	1,425,696
Other U.S. Government agency securities	—	129,718	—	129,718
Corporate obligations	—	24,265	—	24,265
Total investment securities	—	2,829,507	6,643	2,836,150
Nonaccrual loans	—	—	115,706	115,706
Foreclosed assets	—	—	69,381	69,381
Total	$ —	$ 2,829,507	$ 191,730	$ 3,021,237

The following table presents information on Level 3 non-recurring fair value measurements as of the date indicated.

Description	Fair Value at March 31, 2025	Technique	Unobservable Inputs
	(Dollars in thousands)		
Nonaccrual Loans	$ 50,227	Third party appraisal[1] or discounted cash flows	1. Management discount based on underlying collateral characteristics and market conditions 2. Life of loan
Foreclosed Assets	$ 151,324	Third party appraisal,[1] broker price opinions and/or discounted cash flows	1. Management discount based on underlying collateral characteristics and market conditions 2. Discount rate 3. Holding period

[1] The Bank utilizes valuation techniques consistent with the market, cost, and income approaches, or a combination thereof in determining fair value.

The following table presents the carrying amounts, estimated fair values and the fair value hierarchy of the Bank's financial instruments as of the dates indicated.

		March 31, 2025		December 31, 2024	
	Fair Value Hierarchy	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		(Dollars in thousands)			
Financial assets:					
Cash and cash equivalents	Level 1	$ 2,377,689	$ 2,377,689	$ 2,781,101	$ 2,781,101
Investment securities	Levels 2 and 3	2,968,373	2,968,373	2,836,150	2,836,150
Loans, net of ALL[1]	Level 3	30,619,723	30,550,421	29,503,320	29,295,969
Financial liabilities:					
Demand, savings and interest bearing transaction deposits	Level 1	$ 14,285,416	$ 14,285,416	$ 13,724,266	$ 13,724,266
Time deposits	Level 2	17,640,250	17,631,279	17,318,806	17,314,401
Other borrowings	Level 2	300,600	300,600	420,813	420,813
Subordinated notes	Level 2	348,776	307,890	348,575	292,809
Subordinated debentures	Level 2	113,652	106,576	113,652	101,637

[1] Excludes reserve for losses on unfunded loan commitments.

The following methods and assumptions were used to estimate the fair value of the Bank's assets, liabilities and financial instruments.

Cash and cash equivalents – For these short-term instruments, the carrying amount of cash and cash equivalents, including interest earning deposits and due from banks, is a reasonable estimate of fair value.

Investment securities – The Bank utilizes independent third parties as its principal pricing sources for determining fair value of investment securities which are measured on a recurring basis. As a result, the Bank receives estimates of fair value from at least two independent pricing sources for the majority of its individual securities within its investment portfolio. For investment securities traded in an active market, fair values are based on quoted market prices if available. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities, broker quotes, comprehensive interest rate tables, pricing matrices or a combination thereof. For investment securities traded in a market that is not active, fair value is determined using unobservable inputs. All fair value estimates of the Bank's investment securities are reviewed on a quarterly basis.

The Bank has determined that certain of its investment AFS securities had a limited to non-existent trading market at March 31, 2025. As a result, the Bank considers these investments as Level 3 in the fair value hierarchy. Specifically, the fair values of certain obligations of state and political subdivisions consisting primarily of certain unrated private placement bonds in the amount of $5.8 million at March 31, 2025 were calculated using Level 3 hierarchy inputs and assumptions as the trading market for such securities was determined to be "not active."

Loans – The fair value of loans is estimated by discounting the expected future cash flows using the current rate at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities.

Nonaccrual loans – Fair values are measured on a non-recurring basis and are based on the estimated underlying collateral value of the nonaccrual loan, reduced for holding and selling costs, or the estimated discounted cash flows for such loan. At March 31, 2025, the Bank had reduced the carrying value of its nonaccrual loans, which totaled $62.7 million, to the estimated fair value of $50.2 million by including $12.5 million of ACL allocations.

Foreclosed assets – Repossessed personal properties and real estate acquired through or in lieu of foreclosure are measured on a non-recurring basis and are initially recorded at fair value less estimated cost to sell at the date of repossession or foreclosure. Valuations of these assets are periodically reviewed by management with the carrying value of such assets adjusted through non-interest expense to the then estimated fair value net of estimated selling costs.

Deposit liabilities – The fair value of demand deposits, savings accounts, money market deposits and other transaction accounts is the amount payable on demand at the reporting date. The fair value of fixed maturity time deposits is estimated discounting the expected future cash flows using the current rates available for deposits of similar remaining maturities.

Other borrowed funds – For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

Subordinated notes – The fair values of these instruments are based upon observable market inputs.

Subordinated debentures – The fair values of these instruments are based primarily upon discounted cash flows using rates for securities with similar terms and remaining maturities.

Off-balance sheet instruments – The fair values of letters of credit are based on fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements. The fair values of outstanding letters of credit were not material at March 31, 2025 or December 31, 2024.

The fair values of certain of these instruments were calculated by discounting expected cash flows, which contain numerous uncertainties and involve significant judgments by management. Fair value is the estimated amount at which financial assets or liabilities could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Because no market exists for certain of these financial instruments, the Bank does not know whether these fair values represent values at which the respective financial instruments could be sold individually or in the aggregate.

12. Changes In and Reclassifications From Accumulated Other Comprehensive Income ("AOCI")

The following table presents changes in AOCI for the periods indicated.

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Beginning balance of AOCI – unrealized gains and (losses) on investment securities AFS	$ (76,136)	$ (97,374)
Other comprehensive income (loss):		
Unrealized gains and (losses) on investment securities	8,685	(12,815)
Tax effect of unrealized gains and losses on investment securities AFS	(1,824)	2,982
Total other comprehensive income (loss)	6,861	(9,833)
Ending balance of AOCI – unrealized gains and (losses) on investment securities AFS	$ (69,275)	$ (107,207)

13. Other Operating Expenses

The following table is a summary of other operating expenses for the periods indicated.

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Software and data processing	$ 9,876	$ 11,115
Deposit insurance and assessments	6,775	8,250
Professional and outside services	6,309	5,970
Advertising and public relations	4,051	3,897
Other	19,298	16,544
Total other operating expenses	$ 46,309	$ 45,776

14. Recent Accounting Pronouncements

On December 14, 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* ASU 2023-09 requires public business entities to, on an annual basis, disclose a tabular rate reconciliation using both percentage and reporting currency amounts with additional qualitative disclosures of individually significant reconciling items, if needed. ASU 2023-09 also requires all entities on an annual basis to disclose income taxes paid, net of refunds, disaggregated by jurisdiction (federal, state, and foreign). For public business entities, ASU 2023-09 is effective for annual periods beginning after December 15, 2024, though early adoption is permitted. The Bank is currently assessing the potential impact of ASU 2023-09 but does not expect it to have a significant impact on our financial statement disclosures.

On November 4, 2024, the FASB issued ASU 2024-03, *Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)* ("ASU 2024-03"). ASU 2024-03 will require public business entities to disclose disaggregated information about certain expense categories in the notes to the financial statements at interim and annual reporting periods. For public business entities, ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Bank is currently assessing the potential impact of ASU 2024-03 but does not expect it to have a significant impact on our financial statement disclosures.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context otherwise requires, references in this quarterly report on Form 10-Q to terms such as "Bank," "we," "us," and "our" refer to Bank OZK (the "Bank") and its consolidated subsidiaries.

FORWARD-LOOKING INFORMATION

This quarterly report on Form 10-Q, including Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), other public filings made by us and other oral and written statements or reports by us and our management include certain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipates," "targets," "expects," "hopes," "estimates," "intends," "plans," "goals," "believes," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could." Forward-looking statements represent the Bank's current expectations, plans or forecasts of its future results, revenues, liquidity, net interest income, provision for credit losses, expenses, efficiency ratio, capital measures, strategy, deposits, assets, and future business and economic conditions more generally, and other future matters. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth, expansion and acquisition strategies, including hiring or retaining qualified personnel, obtaining regulatory or other approvals, delays in acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices, or integrating any acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank's net interest margin; 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 recent U.S. presidential and congressional elections, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; Federal Deposit Insurance Corporation ("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 cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or our 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 conflicts; the 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, 2024 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.

CURRENT MACROECONOMIC CONDITIONS

The recent increased uncertainty around trade, tariffs, immigration, geopolitical matters, and reducing the size and expenditures of the federal government, among other factors, has contributed to significant volatility in U.S. financial markets. The ultimate impact of this elevated uncertainty and market volatility on the U.S. economy, our customers and our business is not yet clear, but possible impacts include recession, inflationary pressures, supply chain disruptions, and various other outcomes. Our customers could be adversely impacted by these factors, which could affect the volume and profitability of the business they do with us, their willingness or ability to repay their loans, and the value of collateral securing their loans. This could have a material adverse effect on our business, financial condition and results of operations. We expect the macroeconomic environment to remain dynamic in the near-term.

FINANCIAL HIGHLIGHTS

The selected financial highlights are derived from our unaudited consolidated financial data as of and for the three months ended March 31, 2025 and 2024. These highlights are qualified in their entirety by our consolidated financial statements and related notes presented in Part I, Item 1 – Financial Statements in this quarterly report on Form 10-Q.

SELECTED FINANCIAL HIGHLIGHTS

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands, except per share amounts)	
Income statement data:		
Net interest income	$ 374,510	$ 376,934
Provision for credit losses	38,417	42,923
Non-interest income	34,724	29,084
Non-interest expense	146,954	133,314
Net income	171,971	175,555
Preferred stock dividends	4,047	4,047
Net income available to common stockholders	167,912	171,490
Pre-tax pre-provision net revenue (“PPNR”)[1]	262,280	272,704
Common share and per common share data:		
Diluted earnings per common share	$ 1.47	$ 1.51
Book value per common share	48.29	43.44
Tangible book value per common share[1]	42.48	37.62
Common stock dividends per share	0.42	0.38
Weighted-average diluted shares outstanding (thousands)	114,216	113,883
End of period shares outstanding (thousands)	113,727	113,435
Balance sheet data at period end:		
Total assets	$ 39,165,415	$ 36,029,904
Loans	31,107,873	28,031,348
Allowance for loan losses	488,150	365,935
Foreclosed assets	151,324	60,782
Investment securities – AFS	2,968,373	3,072,391
Deposits	31,925,666	29,406,070
Unfunded loan commitments	18,821,441	20,458,796
Reserve for losses on unfunded loan commitments	150,609	170,952
Total common stockholders’ equity[1]	5,492,356	4,927,867
Total tangible common stockholders’ equity[1]	4,831,567	4,267,078
Total tangible common stockholders’ equity to total tangible assets[1]	12.55%	12.06%
Loan to deposit ratio	97.44%	95.33%
Average balance sheet data:		
Total average assets	$ 38,381,451	$ 35,208,299
Total average common stockholders’ equity[1]	5,439,580	4,871,438
Performance ratios:		
Return on average assets[1][2]	1.77%	1.96%
Return on average common stockholders’ equity[1][2]	12.52	14.16
Return on average tangible common stockholders’ equity[1][2]	14.25	16.38
Net interest margin – FTE[2]	4.31	4.71
Efficiency ratio	35.60	32.59
Asset quality ratios:		
Net charge-offs to average loans[2]	0.25%	0.11%
Nonperforming loans to total loans	0.20	0.22
Nonperforming assets to total assets	0.55	0.34
Allowance for loan losses to loans[3]	1.57	1.31
Allowance for credit losses to loans and unfunded loan commitments	1.28	1.11
Capital ratios at period end:		
Common equity tier 1	11.32%	10.63%
Tier 1 risk based capital	12.11	11.45
Total risk based capital	14.43	13.84
Tier 1 leverage	13.85	13.58

(1) Reconciliation and calculations of non-GAAP financial measures are included within this MD&A.
(2) Ratios for interim periods annualized based on actual days.
(3) Excludes reserve for losses on unfunded loan commitments.

GENERAL

The following discussion explains our financial condition and results of operations as of and for the three months ended March 31, 2025. The purpose of this discussion is to focus on information about our financial condition and results of operations which is not otherwise apparent from the consolidated financial statements and related notes. The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes presented in Part 1, Item 1 – Financial Statements in this quarterly report on Form 10-Q and in our annual report on Form 10-K for the year ended December 31, 2024. Annualized results for these interim periods may not be indicative of results for the full year or future periods.

We provide a wide range of retail and commercial banking services through over 240 offices in Arkansas, Georgia, Florida, North Carolina, Texas, Tennessee, California, New York and Mississippi. Our results of operations depend primarily on net interest income, which is the difference between the interest income from earning assets, such as loans and investments, and the interest expense incurred on interest bearing liabilities, such as deposits, borrowings, subordinated notes and subordinated debentures. We also generate non-interest income, including, among others, deposit-related fees, loan-related fees, BOLI income, trust income, gains on sales of other assets and net gains (losses) on investment securities. Our non-interest expense consists primarily of employee compensation and benefits, net occupancy and equipment and other operating expenses. Our results of operations are significantly affected by our provision for credit losses and our provision for income taxes.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the consolidated financial statements. Our determination of (i) the provision for and the adequacy of our allowance for credit losses ("ACL"), (ii) the fair value of our investment securities portfolio, and (iii) accounting for our income taxes all involve a higher degree of judgment and complexity than our other significant accounting policies. Accordingly, we consider each of these to be critical accounting estimates. A detailed discussion of our critical accounting estimates is included in our annual report on Form 10-K for the year ended December 31, 2024. There has been no change in our critical accounting estimates and no material change in the application of critical accounting estimates as presented in our annual report on Form 10-K for the year ended December 31, 2024.

ANALYSIS OF RESULTS OF OPERATIONS

General

Net income available to our common stockholders was $167.9 million for the first quarter of 2025, compared to $171.5 million for the first quarter of 2024. Diluted earnings per common share were $1.47 for the first quarter of 2025, compared to $1.51 for the first quarter of 2024.

Our annualized return on average assets was 1.77% for the first quarter of 2025 compared to 1.96% for the first quarter of 2024. Our annualized return on average common stockholders' equity was 12.52% for the first quarter of 2025 compared to 14.16% for the first quarter of 2024. Our annualized return on average tangible common stockholders' equity was 14.25% for the first quarter of 2025 compared to 16.38% for the first quarter of 2024. The calculations of our average common stockholders' equity, average tangible common stockholders' equity and our annualized return on average common stockholders' equity and average tangible common stockholders' equity and the reconciliations to GAAP are included under the heading "Capital Management" in this MD&A.

Total assets were $39.17 billion at March 31, 2025 compared to $38.26 billion at December 31, 2024. Total loans were $31.11 billion at March 31, 2025 compared to $29.97 billion at December 31, 2024. Deposits were $31.93 billion at March 31, 2025 compared to $31.04 billion at December 31, 2024.

Common stockholders' equity was $5.49 billion at March 31, 2025 compared to $5.37 billion at December 31, 2024. Tangible common stockholders' equity was $4.83 billion at March 31, 2025 compared to $4.71 billion at December 31, 2024. Total common stockholders' equity to total assets was 14.02% at March 31, 2025, compared to 14.03% at December 31, 2024. Total tangible common stockholders' equity to total tangible assets was 12.55% at March 31, 2025, compared to 12.52% at December 31, 2024. Book value per common share was $48.29 at March 31, 2025 compared to $47.30 at December 31, 2024. Tangible book value per common share was $42.48 at March 31, 2025 compared to $41.48 at December 31, 2024. The calculations of our common stockholders' equity, tangible common stockholders' equity, ratio of total common stockholders' equity to total assets, ratio of total tangible common stockholders' equity to total tangible assets and tangible book value per common share and the reconciliations to GAAP are included under the heading "Capital Management" in this MD&A.

Net Interest Income

Net interest income is our largest source of revenue and represents the amount by which interest income from interest earning assets exceeds the interest expense incurred on interest bearing liabilities. Net interest income is affected by many factors, including our volume and mix of average earning assets; our volume and mix of deposits and other interest bearing liabilities; our net interest margin; and other factors.

Net interest income and net interest margin are analyzed in this discussion on a fully taxable equivalent ("FTE") basis. The adjustment to convert net interest income to an FTE basis consists of dividing tax-exempt interest income by one minus the statutory federal income tax rate of 21%. The FTE adjustments to net interest income were $3.6 million and $3.0 million for the three months ended March 31, 2025 and 2024, respectively. No adjustments have been made in this analysis for income exempt from state income taxes or for interest expense deductions disallowed under the provisions of the Internal Revenue Code as a result of investments in certain tax-exempt securities.

Net interest income for the first quarter of 2025 decreased 0.49% to $378.1 million compared to $380.0 million for the first quarter of 2024. The decrease in net interest income for the first quarter of 2025 was primarily due to the decrease in yield on our total interest earning assets which decreased 65 bps, partially offset by the decrease in rates paid on our total interest bearing liabilities which decreased 38 bps. However, the effect on our net interest income from the decrease in yields and rates paid was largely offset by the change in the volume and mix of our interest earning assets and interest bearing liabilities.

Our net interest margin was 4.31% for the first quarter of 2025 compared to 4.71% for the first quarter of 2024. The decrease in our net interest margin for the first quarter of 2025 was primarily due to the decrease in the yield on our total interest earning assets, partially offset by the decrease in rate paid on total interest bearing liabilities. If the Fed leaves rates unchanged, we believe our net interest margin should improve somewhat in the remaining quarters of 2025. If the Fed reduces interest rates in 2025, we anticipate our loan yields would decrease faster than our deposit costs, likely resulting in some decrease in our net interest margin at least until time deposits reprice and/or floor rates are reached on more variable rate loans. If the Fed increases interest rates in 2025, we anticipate our loan yields would increase faster than our deposits costs, likely resulting in some increase in our net interest margin until time deposits reprice.

The yield on our total earning assets was 7.28% for the first quarter of 2025 compared to 7.93% for the first quarter of 2024. The decrease in the yield on earning assets for the first quarter of 2025 was primarily attributable to the decreases in the yield on our loans, and, to a lesser extent, interest earning deposits, partially offset by an increase in the yield on investment securities compared to the same period in 2024.

The yield on our loan portfolio decreased 91 bps to 7.79% for the first quarter of 2025 compared to 8.70% for the first quarter of 2024. The decrease in the yield on our loan portfolio for the first quarter of 2025 compared to the first quarter of 2024, was due to the impact on our predominantly variable-rate loan portfolio of the cumulative 100 basis point decrease in the federal funds rate during the last four months of 2024. At March 31, 2025, approximately 88% of the total commitment of our loans had variable rates, of which 85% were tied to 1-month term Secured Overnight Financing Rate ("SOFR"), 13% to Wall Street Journal Prime Rate ("WSJ Prime") and 2% to other indexes. At March 31, 2025, approximately 96% of our total commitment of variable rate loans had floor rates.

The yield on our interest earning deposits decreased 99 bps to 4.33% for the first quarter of 2025 compared to 5.32% for the first quarter of 2024. The decrease in the yield on our interest earning deposits during the first quarter of 2025 compared to the first quarter of 2024 was due to a decrease in the federal funds rate during the second half of 2024.

The yield on our investment securities increased 110 bps to 4.03% for the first quarter of 2025 compared to 2.93% for the first quarter of 2024. The increase in the yield on our investment securities during the first quarter of 2025 compared to the first quarter of 2024 was due to maturities of lower yielding interest securities and higher yields on recent investment securities purchases. During the first quarter of 2025 and fourth quarter of 2024, the Bank purchased $432.1 million and $483.2 million, respectively, of investment securities.

The rates paid on our total interest bearing liabilities decreased 38 bps to 3.77% for the first quarter of 2025 compared to 4.15% for the first quarter of 2024. The decrease in rates on interest bearing liabilities for the first quarter of 2025 compared to the same period in 2024 was primarily due to a decrease in rates paid on our interest bearing deposits.

Our cost of interest bearing deposits ("COIBD") decreased 37 bps to 3.78% for the first quarter of 2025 compared to 4.15% for the first quarter of 2024. This decrease reflects the fact that deposit costs have been somewhat catching up with earlier reductions in variable rate loan yields. Changes in expected deposit levels necessary to fund future potential growth in earning assets, changes in our level of on-balance sheet liquidity, or competitive conditions, among other factors, could significantly affect our deposit composition and COIBD in future periods.

Our other borrowing sources include (i) other borrowings, comprised primarily of FHLB advances and federal funds purchased, (ii) subordinated notes and (iii) subordinated debentures. The rates on our other borrowings decreased 137 bps to 2.18% during the first quarter of 2025 compared to 3.55% for the first quarter of 2024. The decrease in the rates on our other borrowings is primarily due to decreases in the federal funds rate as well as an increase in capitalized interest related to the construction of new branches in 2025, which reduced the interest expense and rates paid on our other borrowings. The decrease in the rates paid on subordinated debentures for the first quarter of 2025 was due to a decrease in the 3-month term SOFR rates compared to the same period in 2024.

The increase in the average balance of total earning assets for the first quarter of 2025 compared to the same period in 2024 was primarily due to an increase in loans, and, to a lesser extent, interest earning deposits partially, offset by decreases in the average balance of investment securities. The increase in the average balance of total interest bearing liabilities for the first quarter of 2025 compared to the same period in 2024 was primarily due to an increase in the average balance of total interest bearing deposits and, to a lesser extent, other borrowings. We increased the average balance of total interest bearing liabilities during the first quarter in 2025 to fund the increase in our average total earning assets.

The following table sets forth certain information relating to our average balances of assets and liabilities and our net interest income for the periods indicated.

Average Consolidated Balance Sheets and Net Interest Analysis – FTE

	Three Months Ended March 31,					
	2025			2024		
	Average Balance	Income/ Expense	Yield/Rate	Average Balance	Income/ Expense	Yield/Rate
	(Dollars in thousands)					
ASSETS						
Interest earning assets:						
Interest earning deposits	$ 1,962,177	$ 20,933	4.33%	$ 1,861,871	$ 24,606	5.32%
Investment securities:						
Taxable	1,662,345	13,188	3.22	2,052,980	9,333	1.83
Tax-exempt – FTE	1,327,508	16,526	5.05	1,172,116	14,144	4.85
Loans - FTE	30,646,535	588,669	7.79	27,373,995	592,000	8.70
Total earning assets – FTE	35,598,565	639,316	7.28	32,460,962	640,083	7.93
Non-interest earning assets	2,782,886			2,747,337		
Total assets	$38,381,451			$35,208,299		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Deposits:						
Savings and interest bearing transaction	$10,258,837	$ 67,741	2.68%	$ 9,182,745	$ 66,902	2.93%
Time deposits	17,202,174	188,064	4.43	15,476,373	187,421	4.87
Total interest bearing deposits	27,461,011	255,805	3.78	24,659,118	254,323	4.15
Other borrowings[1]	161,668	866	2.18	85,041	750	3.55
Subordinated notes	348,677	2,574	2.99	347,864	2,574	2.98
Subordinated debentures	113,652	1,983	7.07	121,652	2,472	8.18
Total interest bearing liabilities	28,085,008	261,228	3.77	25,213,675	260,119	4.15
Non-interest bearing liabilities:						
Non-interest bearing deposits	3,826,688			4,100,769		
Other non-interest bearing liabilities	690,643			682,455		
Total liabilities	32,602,339			29,996,899		
Total stockholders' equity before noncontrolling interest	5,778,560			5,210,418		
Noncontrolling interest	552			982		
Total liabilities and stockholders' equity	$38,381,451			$35,208,299		
Net interest income – FTE		$ 378,088			$ 379,964	
Net interest margin – FTE			4.31%			4.71%

[1] The interest expense and the rates paid related to "other borrowings" include capitalized interest which totaled $1.0 million for the first quarter of 2025 compared to capitalized interest of $0.3 million for the first quarter of 2024. Excluding capitalized interest from the "other borrowings" expense calculation would result in a rate of 4.56% for the first quarter of 2025 and 4.96% for the first quarter of 2024.

Average balances in the previous table are derived from daily average balances for such assets and liabilities. The yields and rates are derived by dividing interest income or interest expense by the average balance of the related assets or liabilities, respectively. The average balances of investment securities are computed based on amortized cost adjusted for unrealized gains and losses on investment securities. The yields on investment securities include amortization of premiums and accretion of discounts. The average balance of loans includes loans on which we have discontinued accruing interest. The yields on loans include late fees, any prepayment penalties, yield maintenance or minimum interest provisions on loan repayments and amortization or accretion of certain deferred fees, origination costs, dealer fees (for indirect loans) and, accretion or amortization of any purchase accounting yield adjustment and accretion of non-credit discounts on purchased credit deteriorated loans. Interest expense on our other borrowing sources is presented net of interest capitalized on construction projects. Our subordinated debentures and our subordinated notes include the amortization of debt issuance costs, if any.

The following table reflects how changes in the volume of interest earning assets and interest bearing liabilities and changes in interest rates have affected our interest income – FTE, interest expense and net interest income – FTE for the periods indicated. Information is provided in each category with respect to changes attributable to (1) changes in volume (changes in volume multiplied by prior yield/rate); (2) changes in yield/rate (changes in yield/rate multiplied by prior volume); and (3) changes in both yield/rate and volume (changes in yield/rate multiplied by changes in volume). The changes attributable to the combined impact of yield/rate and volume have all been allocated to the changes due to volume.

Analysis of Changes in Net Interest Income – FTE

	Three Months Ended March 31, 2025 Over Three Months Ended March 31, 2024		
	Volume	**Yield/Rate**	**Net Change**
	(Dollars in thousands)		
Increase (decrease) in:			
Interest income – FTE:			
Interest earning deposits	$ 1,070	$ (4,743)	$ (3,673)
Investment securities:			
Taxable	(3,099)	6,954	3,855
Tax-exempt – FTE	1,934	448	2,382
Loans – FTE	62,860	(66,191)	(3,331)
Total interest income – FTE	62,765	(63,532)	(767)
Interest expense:			
Savings and interest bearing transaction	7,106	(6,267)	839
Time deposits	18,867	(18,224)	643
Other borrowings	410	(294)	116
Subordinated notes	6	(6)	—
Subordinated debentures	(138)	(351)	(489)
Total interest expense	26,251	(25,142)	1,109
Increase (decrease) in net interest income – FTE	$ 36,514	$ (38,390)	$ (1,876)

Non-Interest Income

Our non-interest income consists primarily of deposit-related fees, loan-related fees, BOLI income, trust income, gains on sales of other assets and net gains on investment securities. Non-interest income for the first quarter of 2025 was $34.7 million compared to $29.1 million for the first quarter of 2024.

Deposit-related fees, our largest component of non-interest income, increased 2.3% to $10.5 million for the first quarter of 2025 compared to $10.3 million for the first quarter of 2024.

Loan-related fees, which includes fees that are not considered yield adjustments, increased 41.7% to $9.0 million for the first quarter of 2025 compared to $6.3 million for the first quarter of 2024. The increase in loan-related fees for the first quarter of 2025 was due to an increase in unused line fees and fees generated from loan syndications, compared to the same period in 2024.

BOLI income increased 4.3% to $5.7 million for the first quarter of 2025 compared to $5.5 million for the first quarter of 2024.

Trust income increased 8.2% to $2.5 million for the first quarter of 2025 compared to $2.3 million for the first quarter of 2024.

Gains on sales of other assets were $0.8 million for the first quarter of 2025 compared to $0.5 million for the first quarter of 2024. Gains on sales of other assets may vary significantly from period to period.

We had no net gains or losses of investment securities for the first quarter of 2025 compared to net gains of $0.4 million during the first quarter of 2024. Gains or losses on sales of investment securities may vary significantly from period to period.

The following table presents non-interest income for the periods indicated.

Non-Interest Income

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Deposit-related fees:		
Overdraft fees	$ 3,282	$ 3,427
All other service charges	7,224	6,839
Loan-related fees	8,985	6,343
BOLI income	5,744	5,506
Trust income	2,514	2,324
Gains on sales of other assets	769	459
Net gains (losses) on investment securities	—	410
Other	6,206	3,776
Total non-interest income	$ 34,724	$ 29,084

Non-Interest Expense

Our non-interest expense consists of salaries and employee benefits, net occupancy and equipment and other operating expenses. Non-interest expense increased 10.2% to $147.0 million for the first quarter of 2025 compared to $133.3 million for the first quarter of 2024. We expect continued increases in our total non-interest expenses for the rest of 2025 due to a combination of adding high quality team members and growth in our retail branch locations.

Salaries and employee benefits, our largest component of non-interest expense, increased 18.2% to $82.2 million in the first quarter of 2025 compared to $69.6 million in the first quarter of 2024. During the first quarter of 2025, the increase in salaries and employee benefits was driven by competitive labor market conditions and our expanding staff. As of March 31, 2025, our employee headcount was 3,096 employees, on a full-time equivalent basis, an increase of 303 employees compared to March 31, 2024. We expect further growth in headcount to support our anticipated growth in deposits, loans and other aspects of our business, including the continued expansion of our corporate and institutional banking group, consumer and small business lending and secondary market mortgage lending.

Net occupancy and equipment expenses increased 2.6% to $18.4 million for the first quarter of 2025 compared to $18.0 million for the first quarter of 2024. Net occupancy and equipment expenses are expected to increase in future quarters as we expect to expand our retail branch network by adding new branches.

Our aggregate other operating expenses increased 1.2% to $46.3 million for the first quarter of 2025 compared to $45.8 million for the first quarter of 2024. The increase in our aggregate other operating expenses for the first quarter of 2025 was primarily due to increases in professional and outside services, advertising and public relations and various expense items contained within "other expenses," offset by a decrease in software and data processing and deposit insurance and assessments expenses.

Our efficiency ratio (non-interest expense divided by the sum of net interest income – FTE and non-interest income) was 35.6% for the first quarter of 2025 compared to 32.6% for the first quarter of 2024.

The following table presents non-interest expense for the periods indicated.

Non-Interest Expense

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Salaries and employee benefits	$ 82,200	$ 69,564
Net occupancy and equipment	18,445	17,974
Other operating expenses:		
Software and data processing	9,876	11,115
Deposit insurance and assessments	6,775	8,250
Professional and outside services	6,309	5,970
Advertising and public relations	4,051	3,897
Other	19,298	16,544
Total non-interest expense	$ 146,954	$ 133,314

Pre-Tax Pre-Provision Net Revenue ("PPNR")

PPNR is a measure of earnings before provision for credit losses and income tax expense. We use PPNR, which is a non-GAAP financial measure, to measure our core earnings and trends. PPNR decreased 3.8% to $262.3 million for the first quarter of 2025 compared to $272.7 million for the first quarter of 2024. The decrease in PPNR was primarily the result of decreased net interest income, which is analyzed in the MD&A under the caption "Net Interest Income." This non-GAAP financial measure should not be viewed as a substitute for financial measures determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be presented by other companies. The reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure is included in the following table for the periods indicated.

Calculation of Pre-Tax Pre-Provision Net Revenue

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Net income available to common stockholders	$ 167,912	$ 171,490
Preferred stock dividends	4,047	4,047
Earnings attributable to noncontrolling interest	12	18
Provision for income taxes	51,892	54,226
Provision for credit losses	38,417	42,923
Pre-tax pre-provision net revenue	$ 262,280	$ 272,704

Income Taxes

The provision for income taxes was $51.9 million for the first quarter of 2025 compared to $54.2 million for the first quarter of 2024. The effective income tax rate was 23.2% for the first quarter of 2025 compared to 23.6% for the first quarter of 2024. The decrease in the effective tax rate for the first quarter in 2025 compared to the same period in 2024 was primarily due to an increase in federal tax credits, a reduction of tax expense associated with the vesting of equity grants, and changes in non-taxable and non-deductible expenses.

ANALYSIS OF FINANCIAL CONDITION

RISK ELEMENTS

Risk is inherent in substantially all of the Bank's operations, and our business exposes us to strategic, credit, market (including interest rate), liquidity, operational, reputational, compliance and regulatory (including BSA/AML) risks. We use an enterprise-wide risk management framework to identify, measure, monitor, manage and report risks that affect or could affect the achievement of our strategic, financial and other goals and objectives. Accordingly, risk management is an essential element in managing our operations and is a key determinant of our overall performance. Our Board of Directors (the "Board") is responsible for approving our overall risk management framework, including our risk appetite for the aforementioned risk categories and risk tolerances for each of our key risks. The Board Risk Committee ("BRC"), which is a board-level committee, has been assigned oversight responsibility for our risk management processes. The BRC meets at least quarterly to monitor and review our various enterprise risk management policies and activities, review and approve our overall risk posture, and perform such other actions as detailed in its charter document. The BRC has appointed the Executive Risk Council ("ERC"), which is comprised of senior executives of the Bank and is chaired by our Chief Risk Officer ("CRO"), to assist BRC in the oversight of our enterprise risk management activities. The ERC, pursuant to its charter, has responsibility for reviewing and approving detailed risk management processes and procedures, monitoring the Bank's risk profile through each of our key performance and key risk indicators against our Board-approved risk thresholds and overall risk appetite, assessing current and emerging risks, monitoring our risk culture, overseeing compliance with regulatory expectations and requirements, and various other risk management functions and activities.

Our most significant risk exposure has traditionally been, and continues to be, credit risk from the extension of credit to our customers. In addition to credit risk, we are also exposed to risk from various other areas including liquidity risk, market and interest rate risks, strategic risk, compliance risk (including regulatory and BSA/AML risk), reputational risk and operational risk (including, among others, information technology risk, business resilience risk, model and data risk, third party vendor risk, fraud risk, legal risk and cybersecurity risk). Our BRC and/or our ERC review the framework, policies, procedures and processes employed by us to manage and monitor each of these risks, including strategies for reducing such risks to appropriate levels consistent with Board-approved risk appetite. Additionally, we use various other committees and management councils to monitor these risk categories.

Clearly defined roles and responsibilities are critical to the effective management of risk. We utilize the three lines of defense concept to clearly designate risk management activities throughout the Bank.

- First line of defense activities provide for the identification, acceptance and ownership of risks. These defense activities are typically executed by various lines of business personnel and owners.

- Second line of defense activities provide for objective oversight of our risk-taking activities and assessment of our aggregate risk levels. These defense activities are executed under the leadership and guidance of our Corporate Risk Management Group ("CRMG") and our CRO, who reports directly to our BRC.

- Third line of defense activities provide for independent reviews and assessments of first and second line of defense processes across the Bank, including those activities of our CRMG. These defense activities are executed by our Internal Audit department, which is led by our Chief Audit Executive, who reports directly to our Audit Committee.

While these various risk management activities help us to identify, measure, monitor, manage and report risks, such activities are not intended to, nor can they, eliminate all risk. Additionally, there is no assurance that such activities will identify or have identified all risks to which we are or might be exposed.

Credit Risk Management

Overview. Credit risk is defined as the risk that arises from the potential that a borrower or counterparty will fail to perform its financial or contractual obligations. Credit risk arises primarily from our lending activities, including our unfunded loan commitments comprised primarily of the unfunded balance of construction loans that have closed but have not yet funded. The Board is responsible for approving overall credit policies relating to the management of credit risk and the Bank's overall credit risk appetite, along with overseeing and monitoring credit risk. Our lending policies also contain various measures to limit concentration exposures, including customer and commercial real estate ("CRE") exposures for both funded balances and total commitment balances, as well as by property type and geography.

Our Loan Committee ("LC") has primary responsibility for monitoring our credit approval process. The LC consists of our Chairman & Chief Executive Officer ("CEO"), President, Chief Credit Officer ("CCO") and Chief Lending Officer ("CLO"). Loans and aggregate loan relationships exceeding $20 million up to the limits established by our Board must be approved by the LC. The Portfolio Oversight Committee ("POC") oversees the performance and overall quality of our loan portfolio. The POC is comprised of three directors and is chaired by our CEO. At least quarterly, our Board and/or POC review various reports regarding our credit management activities including, but not limited to, summary reports of past due loans, internally classified and criticized loans, lending concentration reports, and various other loan and credit management reports.

Credit Management. The daily administration of our lending function is the responsibility of our LC. We maintain a tiered loan limit authorization system that grants lending authority commensurate with the officer's skill level and knowledge.

Oversight of credit risk is provided through loan policy and various other credit-related policies, clearly defined processes and detailed procedures in conjunction with our credit risk appetite. These policies, processes and procedures place emphasis on strong underwriting standards and detection of potential credit problems in order to develop and implement any necessary action plan(s) on a timely basis to mitigate potential losses and are carried out by our lenders and lending support personnel, our credit administration group, our underwriters and various other officers and personnel in the Bank that have credit management responsibilities. Additionally, our policies, processes and procedures are subject to review by our second line councils, our BRC and periodic audits by our Internal Audit group (third line oversight). Our Board-approved credit risk appetite is monitored at least on a quarterly basis through our credit risk profile which is further categorized into default risk (risk of loss arising from a debtor being unlikely to pay its loan obligations in full) and concentration risk (risk associated with any single exposure or group of exposures with the potential to produce large enough losses to threaten the Bank's core operations).

Our Credit Risk Management ("CRM") function provides second line oversight and is independent of our lending function and reports to our CRO. CRM is responsible for providing an independent evaluation of credit risk in new lending products and for our loan portfolio. This responsibility includes detailed credit reviews performed for the purpose of reviewing the adequacy of documentation, compliance with loan policy and other credit policies, reviewing individual loan ratings, evaluating asset quality, performing and reporting to Credit Risk Management Council ("CRMC"), ERC and BRC credit risk analytics (which includes assessing the trend of credit risk metrics which inform our credit risk profile, assessing any trends or material transitions or migrations of our internal risk ratings or credit classifications of individual loan portfolios, and various other risk analytics), and reviewing the effectiveness of credit administration, among other items. CRM prepares reports that document their credit risk oversight activities, including identification of underwriting or other deficiencies in the loan approval or credit monitoring process, establishing recommendations for improvement and outlining management's proposed action plan(s) and timeline(s) for curing any identified deficiencies, among other findings and recommendations. The reports provided by CRM are provided to and reviewed by CRMC. Additionally, key trends or significant issues identified in such reports that might impact credit risk are reported to ERC, BRC and the Board.

As part of our underwriting and ongoing monitoring policies and processes for real estate loans, the Bank requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and the Bank's loan policy and on an as-needed basis when market conditions justify. The Bank maintains an independent Appraisal Services team within the CRM function. The Appraisal Services team is responsible for ordering appraisals from qualified independent, external appraisers, and, reviewing and approving such appraisals to ensure compliance with Bank policy, regulatory standards and the Uniform Standards of Professional Appraisal Practice.

Our Internal Audit group performs periodic audits of various lending and credit-related activities, including underwriting, closing and funding procedures, credit and asset administration and CRM activities, among others. Internal Audit prepares reports documenting such audits, including recommendations for improvement and management's proposed action plan(s) and timeline(s) for remediating such recommendations. These reports are provided to and reviewed by our Audit Committee.

Loan Portfolio. At March 31, 2025, the funded balance of our total loan portfolio was $31.11 billion, an increase of 3.8% from $29.97 billion at December 31, 2024. At March 31, 2025, our total loan portfolio consisted of 73.0% real estate loans, 12.1% consumer loans, 6.7% commercial and industrial loans and 8.2% other loans. Real estate loans, the largest category of loans, include loans secured by real estate as evidenced by mortgages or other liens, including loans made to finance the development of real property construction projects.

The amount and type of loans outstanding, as of the dates indicated, are reflected in the following table.

Loan Portfolio

	March 31, 2025		December 31, 2024	
	(Dollars in thousands)			
Real estate:				
Construction/land development	$ 9,208,619	29.6%	$ 9,522,676	31.8%
Other commercial real estate	7,997,142	25.7	7,842,692	26.2
Multifamily residential	3,865,580	12.4	3,272,635	10.9
Residential 1-4 family	1,332,867	4.3	1,323,435	4.4
Agricultural	300,388	1.0	296,898	1.0
Total real estate	22,704,596	73.0	22,258,336	74.3
Consumer	3,769,389	12.1	3,659,713	12.2
Commercial and industrial	2,066,290	6.7	1,728,801	5.8
Other	2,567,598	8.2	2,322,017	7.7
Total loans	$ 31,107,873	100.0%	$ 29,968,867	100.0%

Included in "other" loans at March 31, 2025 and December 31, 2024 are loans originated by our Real Estate Specialties Group ("RESG") with funded balances totaling approximately $1.13 billion and approximately $1.06 billion, respectively, that were made to non-depository financial institutions and typically collateralized by an assignment of a promissory note and all related note documents including mortgages, deeds of trust, or other documents ("debt-on-debt" loans). While such loans are considered "other" loans in accordance with FDIC instructions for the Federal Financial Institutions Examination Council 041 Consolidated Reports of Condition and Income ("Call Report"), we underwrite these lending transactions based on the fundamentals of the underlying collateral, repayment sources and guarantors, among other factors, consistent with other similar lending transactions.

Our credit risk management strategies include efforts to avoid risk of undue concentrations of credit in a particular collateral type, geography or with an individual customer. While we do have concentrations in CRE lending, our CRE loan portfolio is diversified by geography and collateral type. Our Board has adopted, and we adhere to various concentration limits on CRE lending, including limits on CRE lending in particular collateral types and in various geographies and Metropolitan Statistical Areas ("MSAs"). All of these limits are monitored and revised as necessary based on the results of our stress testing activities and other factors.

The amount of both the funded and unfunded balances of our top ten largest geographies and MSAs for real estate loans, as of the dates indicated, are included in the following table.

Top Ten Geographies and MSAs for Real Estate Loans

Geography or MSA	Funded Balance	Unfunded Balance	Total Commitment
		(Dollars in thousands)	
March 31, 2025:			
Miami–Fort Lauderdale–Pompano Beach, FL MSA	$ 1,589,683	$ 2,294,172	$ 3,883,855
New York–Newark–Jersey City, NY–NJ–PA MSA	2,146,605	1,037,107	3,183,712
San Diego–Chula Vista–Carlsbad, CA MSA	1,157,714	782,617	1,940,331
Atlanta–Sandy Springs–Alpharetta, GA MSA	1,533,181	375,215	1,908,396
Dallas–Fort Worth–Arlington, TX MSA	1,272,664	444,843	1,717,507
Tampa–St. Petersburg–Clearwater, FL MSA	804,785	645,095	1,449,880
Los Angeles–Long Beach–Anaheim, CA MSA	1,209,800	191,515	1,401,315
San Francisco–Oakland–Fremont, CA MSA	858,643	480,799	1,339,442
Phoenix–Mesa–Chandler, AZ MSA	663,675	605,344	1,269,019
Nashville–Davidson–Murfreesboro-Franklin, TN MSA	689,854	563,926	1,253,780
All other geographies	10,777,992	6,453,346	17,231,338
Total real estate loans	$ 22,704,596	$ 13,873,979	$ 36,578,575
December 31, 2024:			
Miami–Fort Lauderdale–Pompano Beach, FL MSA	$ 1,575,417	$ 2,425,355	$ 4,000,772
New York–Newark–Jersey City, NY–NJ–PA MSA	2,162,659	1,086,146	3,248,805
Atlanta–Sandy Springs–Alpharetta, GA MSA	1,624,524	454,878	2,079,402
San Diego–Chula Vista–Carlsbad, CA MSA	1,072,692	866,616	1,939,308
Dallas–Fort Worth–Arlington, TX MSA	1,199,316	449,938	1,649,254
Los Angeles–Long Beach–Anaheim, CA MSA	1,205,645	223,764	1,429,409
San Francisco–Oakland–Berkeley, CA MSA	818,408	526,216	1,344,624
Tampa–St. Petersburg–Clearwater, FL MSA	752,493	530,880	1,283,373
Boston–Cambridge–Newton, MA MSA	642,218	598,449	1,240,667
Phoenix–Mesa–Chandler, AZ MSA	544,496	634,261	1,178,757
All other geographies	10,660,468	6,508,590	17,169,058
Total real estate loans	$ 22,258,336	$ 14,305,093	$ 36,563,429

"Debt-on-debt" loans are reported as "other" loans in accordance with Call Report instructions and are excluded from the above table.

In addition to the top ten geographies and MSAs shown above, as of March 31, 2025 and December 31, 2024, we had 89 and 92 additional geographies and MSAs, respectively, that contain total committed balances (both funded and unfunded) of $10 million or more.

Given that we have substantial balances of certain categories of CRE lending (construction/land development and other commercial real estate), we have provided further detail on these two categories of loans.

The funded amount and type of total construction/land development loans, as of the dates indicated, and their respective percentage of the total construction/land development loan portfolio are reflected in the following table.

Total Construction/Land Development Loans

	March 31, 2025		December 31, 2024	
	Amount	%	Amount	%
	(Dollars in thousands)			
Unimproved land	$ 499,404	5.4%	$ 654,562	6.9%
Land development and lots:				
1-4 family residential and multifamily	598,363	6.5	617,797	6.5
Non-residential	325,677	3.5	325,400	3.4
Construction:				
1-4 family residential:				
Owner occupied	6,628	0.1	5,997	0.1
Non-owner occupied	1,609,867	17.5	1,439,838	15.1
Multifamily	2,181,914	23.7	2,566,417	27.0
Industrial, commercial and other:				
Mixed use properties	1,429,444	15.5	1,423,301	14.9
Industrial and warehouse facility	996,123	10.8	979,423	10.3
Life science	948,440	10.3	851,104	8.9
Offices, including medical offices	437,201	4.7	480,798	5.0
Other	175,558	2.0	178,039	1.9
Total	$ 9,208,619	100.0%	$ 9,522,676	100.0%

The funded amount and type of total other commercial real estate loans, as of the dates indicated, and their respective percentage of the total other real estate loan portfolio are reflected in the following table.

Other Commercial Real Estate

	March 31, 2025		December 31, 2024	
	Amount	%	Amount	%
	(Dollars in thousands)			
Office, including medical offices	$ 3,436,715	43.0%	$ 3,395,263	43.3%
Industrial and warehouse	2,003,891	25.1	1,800,075	23.0
Life Science	1,020,218	12.8	996,519	12.7
Hotels	468,353	5.9	603,760	7.7
Retail, including shopping centers and strip centers	223,021	2.8	234,803	3.0
Churches and schools	219,351	2.7	212,015	2.7
Mini storage	119,037	1.5	118,918	1.5
Other real estate	506,556	6.2	481,339	6.1
Total	$ 7,997,142	100.0%	$ 7,842,692	100.0%

Many of our construction and development loans provide for the use of interest reserves. When we underwrite construction and development loans, we consider the expected total project costs, including hard costs such as land, site work and construction costs and soft costs such as architectural and engineering fees, closing costs, leasing commissions and construction period interest, among others. For any construction and development loan with interest reserves, we also consider the construction period interest in our underwriting process (otherwise, our underwriting of such loans with and without interest reserves is virtually identical). Based on the total project costs and other factors, we determine the required borrower cash equity contribution and the maximum amount we are willing to lend. In the vast majority of cases, we require that all of the borrower’s equity and all other required subordinated elements of the capital structure be fully funded prior to any significant loan advance. As a result of this practice, the borrower’s cash equity typically goes toward the purchase of the land and early stage hard costs and soft costs. This results in our funding the loan later as the project progresses, and accordingly, we typically fund the majority of the construction period interest through loan advances.

Generally, capital sources other than our loans, total an amount sufficient to cover all soft costs, including construction period interest and a portion of the hard costs. While we advance interest reserves as part of the funding process, this has been considered in determining the borrower's initial equity contribution. During the three months ended March 31, 2025 and 2024, there were no situations where interest reserves were advanced outside of the terms of the contractual loan agreement to avoid such loan from becoming nonperforming.

During the first quarter of 2025, we recognized approximately $118.8 million of interest income on construction and development loans from the advance of interest reserves, compared to approximately $134.2 million during the comparable period in 2024. We advanced construction period interest on construction and development loans totaling approximately $119.3 million in the first quarter of 2025 compared to approximately $132.8 million in the first quarter of 2024.

The maximum committed balance of all construction and development loans which provide for the use of interest reserves at March 31, 2025 was approximately $19.37 billion, of which approximately $8.47 billion was outstanding at March 31, 2025 and approximately $10.90 billion remained to be advanced. The weighted-average loan-to-cost ("LTC") on such loans, assuming such loans are ultimately fully advanced, was approximately 49%, which means that the weighted-average cash equity contributed on such loans, assuming such loans are ultimately fully advanced, was approximately 51%. The weighted-average loan-to-value ("LTV") on such loans, based on the most recent appraisals and assuming such loans are ultimately fully advanced, was approximately 43%.

Nonperforming Assets. Our nonperforming assets consist of (1) nonaccrual loans, (2) accruing loans 90 days or more past due and (3) real estate or other assets that have been acquired in partial or full satisfaction of loan obligations or upon foreclosure or former branches which are no longer being utilized for banking purposes.

The accrual of interest on loans is discontinued when, in management's opinion, the borrower may be unable to meet payments as they become due. We generally place a loan on nonaccrual status when such loan is (i) deemed nonperforming or (ii) 90 days or more past due, or earlier when doubt exists as to the ultimate collection of payments. We may continue to accrue interest on certain loans contractually past due 90 days or more if such loans are both well secured and in the process of collection. At the time a loan is placed on nonaccrual status, interest previously accrued but uncollected is reversed and charged against interest income. Nonaccrual loans are generally returned to accrual status when payments are no longer past due, the loan has performed in accordance with its contractual terms for a reasonable period of time (generally at least six months) and is expected to continue to perform in accordance with its contractual terms. If a loan is determined to be uncollectible, the portion of the principal determined to be uncollectible is charged against the ACL.

The following table presents information concerning nonperforming assets as of the dates indicated.

Nonperforming Assets

	March 31, 2025	December 31, 2024
	(Dollars in thousands)	
Nonaccrual loans	$ 62,719	$ 131,494
Accruing loans 90 days or more past due	—	—
Total nonperforming loans	62,719	131,494
Foreclosed assets	151,324	69,381
Total nonperforming assets	$ 214,043	$ 200,875
Nonaccrual loans to total loans	0.20%	0.44%
Nonperforming assets to total assets	0.55%	0.53%
ALL to nonaccrual loans(1)	778%	354%
ACL to nonaccrual loans	1,018%	471%

(1) Excludes reserve for losses on unfunded loan commitments.

At March 31, 2025, the Bank had nonperforming loans totaling $62.7 million. This included a loan collateralized by an office property in Boston, Massachusetts on which the Bank incurred a $6.8 million charge-off during the quarter just ended resulting in an outstanding balance of $10.5 million at March 31, 2025. The decrease in nonperforming loans during the first quarter of 2025 was primarily due to the transfer to foreclosed assets at $84.0 million of land in Chicago, Illinois, which had secured a previous substandard nonaccrual loan. On May 2, 2025, the Bank entered into a contract to sell this land, which contract is subject to typical due diligence and closing conditions. If this contract closes, closing should occur on or before September 30, 2025, and should result in substantially no gain or loss on sale.

The following table presents information concerning the geographic location of nonperforming assets at March 31, 2025. Nonperforming loans are reported in the physical location of the principal collateral. Foreclosed assets are reported in the physical location of the asset. Repossessions are reported at the physical location where the borrower resided or had its principal place of business at the time of repossession.

Geographic Distribution of Nonperforming Assets

	Total Nonperforming Loans	Foreclosed Assets and Repossessions	Total Nonperforming Assets
		(Dollars in thousands)	
Illinois	$ 161	$ 83,950	$ 84,111
California	1,548	57,059	58,607
Arkansas	13,561	7	13,568
Georgia	10,421	576	10,997
Massachusetts	10,639	—	10,639
Washington	71	7,840	7,911
Texas	7,559	166	7,725
All other	18,759	1,726	20,485
Total	$ 62,719	$ 151,324	$ 214,043

Allowance for Credit Losses. Our ACL at March 31, 2025 was $638.8 million, an increase of $19.4 million or 3.1%, not annualized, compared to $619.4 million at December 31, 2024. This increase reflects both our $0.88 billion in net growth in the funded balance of our loans and unfunded loan commitments and our consistently cautious outlook on macroeconomic conditions.

Our provision for credit losses for the first quarter of 2025 was $38.4 million, including a provision expense of $41.6 million related to our allowance for loan losses (“ALL”) for outstanding loans and a negative provision of $3.2 million related to our reserve for losses on unfunded loan commitments. Our provision for credit losses for the first quarter of 2024 was $42.9 million, including a provision expense of $33.8 million related to our ALL for outstanding loans and a provision expense of $9.1 million related to our reserve for losses on unfunded loan commitments.

The calculations of our provision for credit losses for the first quarter of 2025 and our total ACL at March 31, 2025 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 March 2025. In selecting the weightings for the various economic scenarios for purposes of determining our ACL at March 31, 2025, the weightings we assigned to each of 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; impacts of potential changes in U.S. tax, tariff and immigration laws, regulations and policies; changes in the federal funds target rate and Fed balance sheet, a possible recession, inflationary pressures, global trade and geopolitical matters, supply chain disruptions, and various other factors. These forecasts included a number of economic variables, including gross domestic product (“GDP”), unemployment rates, commercial and residential real estate prices, among others. For purposes of the forecasts used in the calculation of our ACL, management utilized a reasonable and supportable forecast period of two years, followed by a reversion, on a systematic basis, of estimated losses back to our historical mean. Management also utilized certain qualitative adjustments to capture items not included in our modeled results or other assumptions.

The following table is a summary of activity within our ACL for the periods indicated.

Allowance for Credit Losses

	Allowance for Loan Losses	Reserve for Losses on Unfunded Loan Commitments	Total Allowance for Credit Losses
		(Dollars in thousands)	
Three months ended March 31, 2025:			
Balances – December 31, 2024	$ 465,547	$ 153,813	$ 619,360
Net charge-offs	(19,018)	—	(19,018)
Provision for credit losses	41,621	(3,204)	38,417
Balances – March 31, 2025	$ 488,150	$ 150,609	$ 638,759
Three months ended March 31, 2024:			
Balances – December 31, 2023	$ 339,394	$ 161,834	$ 501,228
Net charge-offs	(7,264)	—	(7,264)
Provision for credit losses	33,805	9,118	42,923
Balances – March 31, 2024	$ 365,935	$ 170,952	$ 536,887

The amount of our provision for credit losses is based on our analysis of the adequacy of the ACL utilizing the criteria discussed in the Critical Accounting Estimates section of our annual report on Form 10-K for the year ended December 31, 2024.

Additional information regarding net charge-offs (recoveries) for the periods indicated is presented in the table below.

	Net Charge-Offs (Recoveries)	Annualized Net Charge-Off (Recovery) Ratio
	(Dollars in thousands)	
Three months ended March 31, 2025:		
Real estate:		
Construction/land development	$ 3,881	0.17%
Other commercial real estate	7,151	0.37
Multifamily residential	2,426	0.28
Residential 1-4 family	215	0.07
Agricultural	23	0.03
Total real estate	13,696	0.25
Consumer	3,484	0.38
Commercial and industrial	44	0.01
Other	1,794	0.30
Total	$ 19,018	0.25%
Three months ended March 31, 2024:		
Real estate:		
Construction/land development	$ (13)	(0.01)%
Other commercial real estate	4,752	0.35
Multifamily residential	—	—
Residential 1-4 family	(120)	(0.05)
Agricultural	(28)	(0.04)
Total real estate	4,591	0.09
Consumer	2,016	0.27
Commercial and industrial	(132)	(0.04)
Other	789	0.16
Total	$ 7,264	0.11%

A summary of our net charge-off ratios and certain other ACL and ALL ratios, as of and for the periods indicated, is presented in the following table.

Net Charge-off and ACL/ALL Ratios

	As of and for the Three Months Ended March 31, 2025	As of and for the Three Months Ended March 31, 2024	As of and for the Year Ended December 31, 2024
Net charge-offs to average loans[(1)]	0.25%	0.11%	0.20%
ALL to total loans[(2)]	1.57	1.31	1.55
Reserve for losses on unfunded loan commitments	0.80	0.84	0.81
ACL to total loans	2.05	1.92	2.07
ACL to total loans and unfunded loan commitments	1.28	1.11	1.26

[(1)] Ratios for interim periods annualized.
[(2)] Excludes reserve for losses on unfunded loan commitments.

The following table sets forth the sum of the amounts of the ALL and the percentage of loans to total loans as of the dates indicated. The amounts shown in the following table are not necessarily indicative of the actual future losses that may occur within particular categories or in the aggregate.

Allocation of the ALL

	March 31, 2025				December 31, 2024			
	ALL	% of ALL to Loans	Total Loans	% of loans to Total Loans	ALL	% of ALL to Loans	Total Loans	% of loans to Total Loans
	(Dollars in thousands)							
Real estate:								
Construction/land development	$108,129	1.17%	$9,208,619	29.6%	$ 85,183	0.89%	$9,522,676	31.8%
Other commercial real estate	115,296	1.44	7,997,142	25.7	124,339	1.59	7,842,692	26.2
Multifamily residential	72,201	1.87	3,865,580	12.4	58,262	1.78	3,272,635	10.9
Residential 1-4 family	31,384	2.35	1,332,867	4.3	31,107	2.35	1,323,435	4.4
Agricultural	7,601	2.53	300,388	1.0	6,860	2.31	296,898	1.0
Total real estate	334,611	1.47	22,704,596	73.0	305,751	1.34	22,258,336	74.3
Consumer	103,991	2.76	3,769,389	12.1	119,551	3.27	3,659,713	12.2
Commercial and industrial	11,703	0.57	2,066,290	6.7	7,157	0.41	1,728,801	5.8
Other	37,845	1.47	2,567,598	8.2	33,088	1.42	2,322,017	7.7
Total ALL	$488,150	1.57%	$31,107,873	100.0%	$465,547	1.55%	$29,968,867	100.0%

The following table sets forth the sum of the amounts of the ACL as of the dates indicated. The amounts shown in this table are not necessarily indicative of the actual future losses that may occur within particular categories or in the aggregate.

Allocation of ACL

	ALL	Reserve for Losses on Unfunded Loan Commitments	Total ACL
		(Dollars in thousands)	
March 31, 2025:			
Real estate:			
Construction/land development	$ 108,129	$ 53,019	$ 161,148
Other commercial real estate	115,296	15,839	131,135
Multifamily residential	72,201	5,356	77,557
Residential 1-4 family	31,384	8,792	40,176
Agricultural	7,601	31	7,632
Total real estate	334,611	83,037	417,648
Consumer	103,991	138	104,129
Commercial and industrial	11,703	42,491	54,194
Other	37,845	24,943	62,788
Total	$ 488,150	$ 150,609	$ 638,759
December 31, 2024:			
Real estate:			
Construction/land development	$ 85,183	$ 54,300	$ 139,483
Other commercial real estate	124,339	20,244	144,583
Multifamily residential	58,262	4,681	62,943
Residential 1-4 family	31,107	7,553	38,660
Agricultural	6,860	19	6,879
Total real estate	305,751	86,797	392,548
Consumer	119,551	147	119,698
Commercial and industrial	7,157	43,039	50,196
Other	33,088	23,830	56,918
Total	$ 465,547	$ 153,813	$ 619,360

Liquidity Risk Management

Overview. Liquidity risk is the potential that we will be unable to meet our obligations as they come due because of an inability to obtain adequate funding or liquidate assets (referred to as “funding liquidity risk”) or that we cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions (referred to as “market liquidity risk”). Our Board-approved liquidity risk appetite, which is monitored through our liquidity risk profile, is further categorized into the following risks: liquid asset management risk (risk of acute funding stress related to insufficient levels of liquid assets), funding diversity and stability risk (risk of loss of a single large funding source that may lead to an inability to fund our business strategy and require us to sell assets or curtail growth) and funding capacity/contingency planning risk (risk of unanticipated growth from lending businesses or unexpected customer activity may lead to unexpected increases in demands on liquidity). Our Assets and Liability Committee (“ALCO”) has primary responsibility for oversight of, among other responsibilities, our liquidity, funds management, asset/liability (interest rate risk) position, capital and our investment portfolio functions. Additionally, liquidity risk is also monitored through an independent Liquidity Risk team which reports to the CRO. This team provides oversight and effective challenge of the Bank’s liquidity risk management practices.

The objective of managing liquidity risk is to ensure the cash flow requirements resulting from depositor, borrower (including our ability to fund our significant balance of closed but unfunded loans) and other creditor demands are met, as well as our operating cash needs, and the cost of funding such requirements and needs is reasonable. We maintain a liquidity and funds management policy, including a contingency funding plan that, among other things, includes policies and procedures for managing and monitoring liquidity risk. On a quarterly basis, we perform a comprehensive liquidity stress test. This stress test is intended to identify and quantify sources of potential liquidity strain and vulnerabilities related to liquidity and to analyze possible impacts on the Bank for a variety of institution-specific and market-wide events across multiple time horizons. Also, pursuant to our liquidity and funds management policy, we maintain a buffer of highly liquid assets to protect against cash outflows in the event of a liquidity crisis.

Liquidity Management. Generally, we rely on deposits, repayments of loans, and cash flows from our investment securities as our primary sources of funds. Our principal deposit sources include consumer and commercial customers in our markets. We have used these funds, together with public funds customers, brokered deposits, as well as FHLB advances, federal funds purchased and other sources of short-term borrowings to make loans, acquire investment securities and other assets and to fund continuing operations.

Deposits. Our total deposits increased $0.89 billion, or 2.8%, not annualized, to $31.93 billion at March 31, 2025 compared to $31.04 billion at December 31, 2024. Our loan-to-deposit ratio at March 31, 2025 was 97.4% compared to 96.5% at December 31, 2024.

The amount of deposits by account type, as of the dates indicated, and their respective percentage of total deposits are reflected in the following table.

Deposits – By Account Type

	March 31, 2025		December 31, 2024	
	(Dollars in thousands)			
Non-interest bearing	$ 3,868,205	12.1%	$ 3,769,543	12.1%
Interest bearing:				
Transaction (NOW)	5,054,038	15.8	4,955,895	16.0
Savings and money market	5,363,173	16.7	4,998,828	16.1
Time deposits	17,640,250	55.4	17,318,806	55.8
Total deposits	$ 31,925,666	100.0%	$ 31,043,072	100.0%

Deposit levels may be affected by a number of factors including rates paid by competitors, general interest rate levels, returns available to customers on alternative investments, general economic and market conditions and other factors.

The amount of deposits by customer type, as of the dates indicated, and their respective percentage of total deposits are reflected in the following table.

Deposits – By Customer Type

	March 31, 2025		December 31, 2024	
	(Dollars in thousands)			
Non-interest bearing	$ 3,868,205	12.1%	$ 3,769,543	12.1%
Interest bearing:				
Consumer and commercial:				
Consumer – non-time	3,176,819	10.0	2,983,401	9.6
Consumer – time	13,939,802	43.7	13,446,545	43.3
Commercial – non-time	2,601,185	8.1	2,728,307	8.8
Commercial – time	913,768	2.9	970,320	3.1
Public funds	4,369,384	13.7	3,964,350	12.8
Brokered	2,562,427	8.0	2,611,464	8.4
Reciprocal	494,076	1.5	569,142	1.9
Total deposits	$ 31,925,666	100.0%	$ 31,043,072	100.0%

Most of our deposits are generated through our network of 234 retail branches in Arkansas, Georgia, Florida, Texas, North Carolina and Tennessee. The amount and percentage of our deposits by state, as of the dates indicated, are reflected in the following table.

Deposits by State

Deposits Attributable to Offices In	March 31, 2025		December 31, 2024	
	(Dollars in thousands)			
Arkansas	$ 11,181,599	35.0%	$ 10,886,498	35.1%
Georgia	9,045,522	28.3	8,848,945	28.5
Florida	5,537,301	17.3	5,295,410	17.1
Texas	4,008,075	12.6	3,871,021	12.5
North Carolina	2,143,903	6.8	2,135,478	6.8
Tennessee	9,266	—	5,720	—
Total	$ 31,925,666	100.0%	$ 31,043,072	100.0%

At March 31, 2025, brokered deposits totaled $2.56 billion, compared to $2.61 billion at December 31, 2024. Brokered deposits totaled 8.0% of total deposits as of March 31, 2025 and 8.4% as of December 31, 2024. We use brokered deposits, subject to certain limitations and requirements, as a source of funding to augment deposits generated from our branch network, which are our primary source of funding. Our Board has established policies and procedures with respect to the use of brokered deposits. Such policies and procedures require, among other things, that (i) we limit the amount of brokered deposits as a percentage of total deposits and (ii) ALCO monitor our use of brokered deposits on a regular basis, including interest rates and the volume of such deposits in relation to our total deposits.

The following table reflects the average balance and average rate paid for each deposit category shown for the periods indicated.

Average Deposit Balances and Rates

	Three Months Ended March 31,			
	2025		2024	
	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
	(Dollars in thousands)			
Interest bearing:				
Transaction (NOW)	$ 5,134,695	2.68%	$ 4,439,848	3.27%
Savings and money market	5,124,142	2.68	4,742,897	2.61
Time deposits	17,202,174	4.43	15,476,373	4.87
Total interest bearing deposits	27,461,011	3.78	24,659,118	4.15
Non-interest bearing	3,826,688		4,100,769	
Total deposits	$ 31,287,699	3.32	$ 28,759,887	3.56

The calculation of the average rate paid on total interest bearing deposits of 3.78% for the three months ended March 31, 2025 and 4.15% for the three months ended March 31, 2024, includes interest paid and average balances of all categories of interest bearing deposits. The average rate paid for all deposits, including both interest bearing and non-interest bearing deposits, was 3.32% the three months ended March 31, 2025 and 3.56% for the three months ended March 31, 2024. Future increases or decreases in the rates paid on our interest bearing deposits will depend on funding needs to support growth in our earning assets, changes in the federal funds rate and other interest rates, the level of on-balance sheet liquidity, competitive conditions and other factors.

As of March 31, 2025, approximately 80% of our deposits are either insured (64% at March 31, 2025) or, in the case of public funds and certain other deposits, collateralized (16% at March 31, 2025). As of March 31, 2025, our average deposit account balance was approximately $47,000. The diversity of our deposit base is an important factor in the demonstrated stability of our deposits. The estimated amount of uninsured deposits at March 31, 2025 was $11.1 billion. Estimated uninsured deposits exclude intercompany deposits that are eliminated in financial consolidation. Estimated uninsured deposits do not necessarily reflect an evaluation of all scenarios that potentially would determine the availability of deposit insurance to individual accounts or customers based on FDIC regulations.

The following table presents the aggregate amount of time deposits by year of maturity as of the dates indicated.

	March 31, 2025	December 31, 2024
	(Dollars in thousands)	
2025	$ 17,259,797	$ 16,702,130
2026	355,388	591,734
2027	13,077	9,890
2028	5,493	8,300
2029	6,389	6,651
Thereafter	106	101
Total time deposits	$ 17,640,250	$ 17,318,806

The following table presents the maturity distribution of time deposits greater than $250,000 as of March 31, 2025.

Maturity Distribution of Time Deposits Greater Than $250,000
(Dollars in thousands)

March 31, 2025:	
3 months or less	$ 2,038,305
Over 3 to 6 months	2,179,713
Over 6 to 12 months	979,740
Over 12 months	92,504
Total	$ 5,290,262

Loan Portfolio. In addition to customer deposits, cash flows from our loan portfolio provide us with a significant source of liquidity. The following table reflects total loans grouped by remaining maturities at March 31, 2025 by type and by fixed or floating interest rates. This table is based on actual maturities and does not reflect amortizations, projected paydowns or the earliest repricing for floating rate loans. Many loans have principal paydowns scheduled in periods prior to the period in which they mature. In addition, many floating rate loans are subject to repricing in periods prior to the period in which they mature.

Loan Maturities

	1 Year or Less	Over 1 Through 5 Years	Over 5 Through 15 Years	Over 15 Years	Total
	(Dollars in thousands)				
Real estate	$ 10,622,699	$ 10,436,279	$ 712,053	$ 933,565	$ 22,704,596
Consumer	13,387	26,736	1,084,898	2,644,368	3,769,389
Commercial and industrial	1,106,130	846,080	90,899	23,181	2,066,290
Other	1,425,708	1,134,775	2,505	4,610	2,567,598
Total	$ 13,167,924	$ 12,443,870	$ 1,890,355	$ 3,605,724	$ 31,107,873
Fixed rate	$ 289,960	$ 1,467,632	$ 1,158,884	$ 3,093,597	$ 6,010,073
Floating rate (not at a floor or ceiling rate)[1]	10,661,363	8,577,532	264,300	309,300	19,812,495
Floating rate (at floor rate)[1]	2,176,072	2,377,240	437,612	199,488	5,190,412
Floating rate (at ceiling rate)	40,529	21,466	29,559	3,339	94,893
Total	$ 13,167,924	$ 12,443,870	$ 1,890,355	$ 3,605,724	$ 31,107,873

(1) At March 31, 2025, 96% of our total commitment of variable rate loans had floor rates and the majority of the rates on these loans were above their floor rate. In a declining rate environment, such loans will reprice at their next reset date until they reach their floor rate.

The following table reflects loans by fixed or floating interest rates with maturities after one year.

Loans Maturing After One Year

	Fixed Interest Rate	Floating Interest Rate	Total
		(Dollars in thousands)	
Real estate	$ 1,708,004	$ 10,373,893	$ 12,081,897
Consumer	3,750,517	5,485	3,756,002
Commercial and industrial	246,948	713,212	960,160
Other	14,644	1,127,246	1,141,890
Total	$ 5,720,113	$ 12,219,836	$ 17,939,949

Loan repayments are generally a relatively stable source of funds but are subject to the borrowers' ability to repay the loans, which can be adversely affected by a number of factors including changes in general economic and market conditions, adverse trends or events affecting business industry groups or specific businesses, declines in real estate values or markets, business closings or lay-offs, inclement weather, natural disasters and other factors. Furthermore, loans generally are not readily convertible to cash.

At March 31, 2025, we had $18.82 billion in unfunded balances on loans already closed, the vast majority of which is attributable to construction and development loans. In most cases the borrower's equity and all or most other required subordinated elements of the capital structure must be fully funded before we advance funds. In many cases we do not advance funds on construction and development loans for many months after closing because the borrower's equity and a majority of other funding sources must fund first. This conservative practice for handling construction loans has led to the large unfunded balance of closed loans. As a result, we maintain a detailed 36-month forward funding forecast projecting loan fundings and loan repayments. Our ability to project periodic net portfolio growth with a reasonable degree of accuracy is an important part of our liquidity management process.

Investment Securities AFS. As of March 31, 2025, we classified all of our securities as available for sale. Cash flows from our investment securities portfolio also provide us with an additional source of liquidity. The following table reflects the expected maturity distribution of our investment securities AFS, at estimated fair value, at March 31, 2025 and weighted average yields (for tax exempt obligations on an FTE basis) of such securities.

Expected Maturity Distribution of Investment Securities AFS

	1 Year Or Less	Weighted Average Yield-FTE	Over 1 Through 5 Years	Weighted Average Yield-FTE	Over 5 Through 10 Years	Weighted Average Yield-FTE	Over 10 Years	Weighted Average Yield-FTE	Total	Weighted Average Yield-FTE
					(Dollars in thousands)					
U.S. Government agency mortgage-backed securities	$381,731	2.44%	$819,974	2.68%	$188,636	4.12%	$ 50,594	4.84%	$1,440,935	2.87%
Obligations of state and political subdivisions	69,185	4.35	61,859	5.40	241,878	4.49	1,130,846	5.43	1,503,768	5.23
Corporate obligations	—		14,992	4.50	2,151	3.64	6,527	4.94	23,670	4.55
Total	$450,916	2.73%	$896,825	2.89%	$432,665	4.33%	$1,187,967	5.41%	$2,968,373	4.08%
Percentage of total	15.2%		30.2%		14.6%		40.0%		100.0%	
Cumulative percentage of total	15.2%		45.4%		60.0%		100.0%			

The maturity for all investment securities is shown based on each security's contractual maturity date, except (1) mortgage-backed securities, which are allocated among various maturities based on an estimated repayment schedule utilizing third party median prepayment speeds or other estimates of prepayment speeds and interest rate levels at March 31, 2025 and (2) callable investment securities for which we have received notification of call, which are included in the maturity category in which the call occurs or is expected to occur. Actual maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. The weighted-average yields-FTE are calculated based on the coupon rate and amortized cost for such securities and includes any projected discount accretion or premium amortization.

Other Interest Bearing Liabilities. Given that deposit levels, loan repayments and cash flow from our investment securities portfolio may be affected by a number of factors, we may be required from time to time to rely on other sources of liquidity to meet growth in loans and deposit withdrawal demands or otherwise fund operations. Such other sources include FHLB advances, federal funds purchased, secured and unsecured federal funds lines of credit from correspondent banks, Federal Reserve System (“FRB”) borrowings, subordinated notes, subordinated debentures and/or accessing the capital markets.

The following table reflects the average balance and average rate paid for each category of other interest bearing liabilities for the periods indicated.

Average Balances and Rates of Other Interest Bearing Liabilities

	Three Months Ended March 31,			
	2025		2024	
	Average Balance	Rate Paid	Average Balance	Rate Paid
	(Dollars in thousands)			
Other borrowings[1]	$ 161,668	2.18%	$ 85,041	3.55%
Subordinated notes	348,677	2.99	347,864	2.98
Subordinated debentures	113,652	7.07	121,652	8.18
Total other interest bearing liabilities	$ 623,997	3.52%	$ 554,557	4.20%

[1] The interest expense and the rates paid related to “other borrowings” include capitalized interest which totaled $1.0 million for the first quarter of 2025 compared to capitalized interest of $0.3 million for the first quarter of 2024. Excluding capitalized interest from the “other borrowings” expense calculation would result in a rate of 4.56% for the first quarter of 2025 and 4.96% for the first quarter of 2024.

From time to time, we utilize federal funds purchased and FHLB advances to support our funding sources and provide additional on-balance sheet liquidity. Details of those outstanding federal funds purchased, at March 31, 2025, are shown in the following table.

Federal Funds Purchased

Borrowing Type	Balance	Interest Rate	Maturity Date
		(Dollars in thousands)	
Federal funds purchased	$ 300,000	4.45%	4/1/2025

We maintain substantial and diverse sources of available primary and secondary liquidity as disclosed in the table below.

Available Primary and Secondary Liquidity Sources

	March 31, 2025		
	Total Capacity	Outstanding	Available Liquidity
	(Dollars in thousands)		
Cash & cash equivalents	$ 2,377,689	$ —	$ 2,377,689
Unpledged investment securities	2,076,025	—	2,076,025
FHLB[1]	12,082,511	4,198,690	7,883,821
Unsecured lines of credit	1,200,000	300,000	900,000
Fed discount window	400,817	—	400,817
Total	$ 18,137,042	$ 4,498,690	$ 13,638,352

[1] FHLB outstanding balance included $4.2 billion of outstanding letters of credit at March 31, 2025.

We anticipate we will continue to rely primarily on deposits, repayments of loans and cash flows from our investment securities to provide liquidity, as well as other funding sources as appropriate. Additionally, where necessary, the other funding sources described above, including the use of federal funds purchased and FHLB advances, will be used to augment our primary funding sources.

Sources and Uses of Funds. Operating activities provided net cash of $0.27 billion for the first three months of 2025 and $0.24 billion for the first three months of 2024, respectively. Net cash provided by operating activities is comprised primarily of net income, adjusted for certain non-cash items and for changes in various operating assets and liabilities.

Investing activities used net cash of $1.38 billion in the first three months of 2025 and $1.41 billion in the first three months of 2024. The decrease in net cash used by investing activities in the first three months of 2025 was primarily due to a smaller net increase in our loan portfolio in the first three months of 2025, which used $1.26 billion compared to $1.58 billion in the first three months of

2024. Additionally, maturities, calls and paydowns from our investments securities AFS provided net cash of $0.31 billion in the first three months of 2025 compared to $0.17 billion in the first three months of 2024, which were offset by the net cash used for purchases of investment securities, which used $0.43 billion for the first three months of 2025 compared to $0.10 billion for the first three months of 2024.

Financing activities provided net cash of $0.70 billion in the first three months of 2025 and $1.34 billion in the first three months of 2024. The decrease in net cash provided by financing activities was primarily the result of a smaller increase in our deposits in the first three months of 2025, which provided $0.88 billion compared to $2.00 billion in the first three months of 2024, partially offset by repayments of other borrowings which used $0.12 billion in the first three months of 2025 compared to $0.60 billion for the first three months of 2024.

Market and Interest Rate Risk Management

Overview. Market risk is the risk to a financial institution’s condition resulting from adverse movements in market rates or prices, including, but not limited to, interest rates, foreign exchange rates, commodity prices, or security prices. We are exposed to both interest rate risk and price risk. Interest rate risk is the risk that arises from increased volatility in net interest income due to a change of interest rates. There are different types of risk exposures that can arise when there is a change of interest rates, such as basis risk, options risk, term structure and repricing risk. Price risk is the risk that arises from security price volatility – the risk of a decline in the value of a security or a portfolio. Price risk can be either systemic or non-systemic risk. Non-systemic risk can be mitigated through diversification, whereas systemic risk cannot. In a global economic crisis, price risk is systemic because it affects multiple asset classes.

Interest Rate Risk Management. Our Board is responsible for approving the overall policies related to the management of market risks, including interest rate risk and price risk. The Board has delegated to ALCO, which is chaired by our Chief Financial Officer, the responsibility of managing interest rate and price risk consistent with Board-approved policies and limits.

ALCO regularly reviews our exposure to changes in interest rates. Among the factors considered are changes in the mix of interest earning assets and interest bearing liabilities, interest rate spreads and repricing periods. ALCO uses an earnings simulation model, which analyzes the expected change in near term (one year) net interest income in response to changes in interest rates, and economic value of equity (“EVE”), which measures the expected change in the fair value of equity in response to changes in interest rates, to analyze our interest rate risk and interest rate sensitivity. Additionally, market and interest rate risk is also monitored though an independent Market Risk team which reports to the CRO. This team provides oversight and effective challenge of the Bank's market and interest risk management practices.

Earnings Simulation Model. Our earnings simulation modeling process projects a baseline net interest income, which uses a dynamic balance sheet and assumes no changes in interest rate levels. We estimate changes to that baseline net interest income resulting from changes in interest rate levels. We rely primarily on the results of this model in evaluating our interest rate risk.

This model incorporates a number of additional factors including: (1) the expected growth in various interest earning assets and interest bearing liabilities and the expected interest rates on new assets and liabilities, (2) the expected rates at which various rate sensitive assets and rate sensitive liabilities will reprice, (3) the expected exercise of call features on various assets and liabilities, (4) the expected relative movements in different interest rate indices which are used as the basis for pricing or repricing various assets and liabilities, (5) existing and expected contractual ceiling and floor rates on various assets and liabilities, (6) expected changes in administered rates on interest bearing transaction, savings, money market and time deposit accounts and the expected impact of competition on the pricing or repricing of such accounts, (7) the timing and amount of cash flows expected to be received on investment securities, (8) the timing and amount of repayments that are anticipated from our loan portfolio, (9) the need, if any, for additional capital and/or debt to support continued growth and (10) other relevant factors. Inclusion of these factors in the model is intended to more accurately project our expected changes in net interest income resulting from interest rate changes.

We model our change in net interest income in various interest rate scenarios, including scenarios where interest rates go up 100 bps, up 200 bps, up 300 bps, down 100 bps, down 200 bps, and down 300 bps. For purposes of these scenarios, we have assumed that the change in interest rates phases in over a 12-month period. While we believe this model provides a reasonably accurate projection of our interest rate risk, the model includes a number of assumptions and predictions which may or may not be correct and may impact the model results. These assumptions and predictions include inputs to compute baseline net interest income, growth rates, prepayment assumptions, expected changes in rates on interest bearing deposit accounts, competition and a variety of other factors that are difficult to accurately predict. Accordingly, there can be no assurance the earnings simulation model will accurately reflect future results. Our earnings simulation model is governed by our model risk framework.

The following table presents the earnings simulation model's projected impact of a change in interest rates on the projected baseline net interest income for the 12-month period commencing April 1, 2025. This change in interest rates is assumed to occur ratably over that 12-month period. This change in interest rates also assumes parallel shifts in the yield curve and does not take into account changes in the slope of the yield curve.

Earnings Simulation Model Results

Change in Interest Rates (in bps)	% Change in Projected Baseline Net Interest Income
+300	14.9%
+200	9.7
+100	4.7
-100	(3.2)
-200	(4.4)
-300	(4.9)

In the event of a shift in interest rates, we may take certain actions intended to mitigate the negative impact to net interest income or to maximize the positive impact to net interest income. These actions may include, but are not limited to, restructuring of interest earning assets and interest bearing liabilities, seeking alternative funding sources or investment opportunities and modifying the pricing or terms of loans and deposits.

EVE Model. EVE is calculated as the fair value of all assets minus the fair value of liabilities and incorporates a number of assumptions including (1) the timing and amount of cash flows expected to be received or paid on various assets and liabilities, (2) the expected exercise of call features on various assets and liabilities, (3) estimated discount rates, and (4) other relevant factors. We measure changes in the dollar amount of EVE for parallel shifts in interest rates. Due to embedded optionality and asymmetric rate risk, changes in EVE can be useful in quantifying risks not apparent for small rate changes.

The following table presents our EVE results as of March 31, 2025.

EVE Model Results

Change in Interest Rates (in bps)	% Change in Projected Baseline EVE
+200	(3.4)%
+100	(1.9)
-100	1.7
-200	3.0

Variable Rate Loans and Loan Repricing. At March 31, 2025, approximately 81% of our funded balance of total loans had variable rates, of which approximately 85% were tied to 1-month term SOFR, 13% to WSJ Prime and 2% to other indexes. Additionally, approximately 96% of our total commitment of variable rate loans had floor rates.

The following table reflects total loans as of March 31, 2025 grouped by expected amortizations, expected paydowns or the earliest repricing opportunity for floating rate loans. This cash flow or repricing schedule approximates our ability to reprice the outstanding principal of loans either by adjusting rates on existing loans or reinvesting principal cash flow into new loans.

Loan Cash Flows or Repricing

	1 Year Or Less	Over 1 Through 2 Years	Over 2 Through 3 Years	Over 3 Through 5 Years	Over 5 Years	Total
			(Dollars in thousands)			
Fixed rate	$ 505,819	$ 705,732	$ 532,362	$ 839,338	$ 3,426,822	$ 6,010,073
Floating rate (not at a floor or ceiling rate)[(1)]	19,565,989	77,272	77,688	91,428	118	19,812,495
Floating rate (at floor rate)[(1)]	4,597,933	208,070	181,900	190,582	11,927	5,190,412
Floating rate (at ceiling rate)	84,609	712	422	9,150	—	94,893
Total	$24,754,350	$ 991,786	$ 792,372	$1,130,498	$3,438,867	$31,107,873
Percentage of total	79.6%	3.2%	2.5%	3.6%	11.1%	100.0%
Cumulative percentage of total	79.6%	82.8%	85.3%	88.9%	100.0%	

(1) We have included a floor rate in 96% of our floating rate loans. At March 31, 2025, the majority of our floating rate loans were above their floor rate. In a declining rate environment, such loans will reprice at their next reset date until they reach their floor rate.

The following table is a summary of our floating rate loan portfolio and contractual interest rate indices at March 31, 2025.

Contractual Indices of Floating Rate Loans

Contractual Interest Rate Index	Floating Rate (at floor rate)	Floating Rate (not at a floor or ceiling rate)	Floating Rate (at ceiling rate)	Total Floating Rate
	(Dollars in thousands)			
1-month term SOFR	$ 3,574,334	$ 17,916,556	$ —	$ 21,490,890
Wall Street Journal Prime	1,596,449	1,105,766	94,893	2,797,108
Other contractual interest rate indices	19,629	790,173	—	809,802
Total	$ 5,190,412	$ 19,812,495	$ 94,893	$ 25,097,800

While changes in these contractual interest rate indices are typically affected by changes in the federal funds target rate, in a declining rate environment, such loans will reprice at their next reset date until they reach their floor rate.

Market Risk Management. We are exposed to market risk primarily through changes in fair value of our fixed income investment securities portfolio. Investment portfolio strategies are set by senior management and are subject to the oversight and direction of ALCO. At March 31, 2025 and 2024, all of our investment securities were classified as AFS. Our investment securities AFS are reported at estimated fair value with the unrealized gains and losses, net of related income tax, reported as a separate component of stockholders' equity and included in other comprehensive income.

The following table presents the amortized cost and estimated fair value of investment securities AFS as of the dates indicated.

Investment Securities – AFS

	March 31, 2025		December 31, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(Dollars in thousands)			
U.S. Government agency mortgage-backed securities	$ 1,490,966	$ 1,440,935	$ 1,327,396	$ 1,256,471
Obligations of state and political subdivisions	1,542,079	1,503,768	1,451,430	1,425,696
Other U.S. Government agency securities	—	—	130,000	129,718
Corporate obligations	26,037	23,670	26,718	24,265
Total	$ 3,059,082	$ 2,968,373	$ 2,935,544	$ 2,836,150

Our investment securities portfolio is reported at estimated fair value, which included gross unrealized gains of $11.3 million and gross unrealized losses of $102.0 million at March 31, 2025 and gross unrealized gains of $8.8 million and gross unrealized losses of $108.2 million at December 31, 2024. We believe that the vast majority of unrealized losses on individual investment securities at March 31, 2025 and December 31, 2024 are the result of fluctuations in interest rates.

If we intend to sell an AFS security in an unrealized loss position, or if it is more likely than not that we will be required to sell an AFS security in an unrealized loss position before recovery of its amortized cost basis, the security's amortized cost basis is written down to fair value through current period expense. If we do not intend to sell an AFS security in an unrealized loss position or if it is more likely than not that we will not sell an AFS security that is in an unrealized loss position, we are required to assess whether the decline in fair value has resulted from credit losses or non-credit factors. If our assessment determines a credit loss exists, the present value of cash flows expected to be collected from the AFS security is compared to the amortized cost basis of the security and if the present value cash flows expected to be collected is less than amortized cost, an allowance for credit losses and a provision for credit loss expense is recorded. If our assessment determines that a credit loss does not exist, we record the decline in fair value through other comprehensive income, net of related tax effects, with such decline included in accumulated other comprehensive income.

The following table presents the unaccreted discount and unamortized premium of our investment securities as of the dates indicated.

Unaccreted Discount and Unamortized Premium

	Amortized Cost	Unaccreted Discount	Unamortized Premium	Par Value
	(Dollars in thousands)			
March 31, 2025:				
U.S. Government agency mortgage-backed securities	$ 1,490,966	$ 3,440	$ (17,984)	$ 1,476,422
Obligations of state and political subdivisions	1,542,079	26,630	(16,788)	1,551,921
Corporate obligations	26,037	154	(1,151)	25,040
Total	$ 3,059,082	$ 30,224	$ (35,923)	$ 3,053,383
December 31, 2024:				
U.S. Government agency mortgage-backed securities	$ 1,327,396	$ 1,090	$ (20,127)	$ 1,308,359
Obligations of state and political subdivisions	1,451,430	26,974	(17,272)	1,461,132
Other U.S. Government agency securities	130,000	—	—	130,000
Corporate obligations	26,718	162	(1,230)	25,650
Total	$ 2,935,544	$ 28,226	$ (38,629)	$ 2,925,141

We recognized premium amortization, net of discount accretion, of $2.9 million during the first quarter of 2025 compared to $4.1 million during the first quarter of 2024. Any premium amortization or discount accretion is considered an adjustment to the yield of our investment securities.

During the first quarter of 2025 investment securities AFS totaling $305.6 million matured, were called or were otherwise paid down by the issuer compared to $165.1 million during the first quarter of 2024. We purchased $432.1 million of investment securities AFS during the first quarter of 2025 compared to $10.0 million during the first quarter of 2024.

We invest in securities we believe offer good relative value at the time of purchase, and we will, from time to time, reposition our investment securities portfolio. In making decisions to sell or purchase securities, we consider credit quality, call features, maturity dates, relative yields, corporate tax rates, current market factors, interest rate risk and interest rate environment, current and projected liquidity needs and other relevant factors.

At March 31, 2025, approximately 96% of our investment securities had an investment grade credit rating and approximately 4% of our investment securities were not rated. For those securities that were not rated, we have performed our own evaluation of the security and/or the underlying issuer and believe that such security or its issuer has credit characteristics equivalent to those which would warrant an investment grade credit rating.

Capital Management

Overview. The primary function of capital is to support our operations, including growth expectations, and act as a cushion to absorb unanticipated losses. Accordingly, our management has developed and our Board has approved a detailed capital policy that addresses, among other things, capital adequacy, considers capital planning strategies for expected future growth, provides plans and actions for capital contingency needs, provides a capital distribution strategy and includes provisions and procedures for developing, reviewing and modifying our capital strategy and our internal capital guidelines and limits based on the results of budgeting and forecasting activities, capital stress testing results, and other factors. Oversight of our capital management plan and capital monitoring activities has been delegated to our ALCO.

Capital Management. We primarily rely on our total stockholders' equity, comprised of preferred and common stock, additional paid-in capital, our retained earnings and our accumulated other comprehensive income (loss) to support our operations and act as a cushion to absorb unanticipated losses. Our common stockholders' equity totaled $5.49 billion at March 31, 2025 compared to $5.37 billion at December 31, 2024. Included below in this Capital Management section of our MD&A is the calculation and reconciliation of our common stockholders' equity to the most directly comparable GAAP measure. Additionally, our common stockholders' equity is augmented by our preferred stock, our subordinated notes, our subordinated debentures and our ACL.

Common Stock Repurchase Program. In July 2024, our Board authorized a 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. In evaluating stock repurchases, management will consider a variety of factors including stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors. Between April 1 and April 30, 2025, we repurchased 1,117,000 shares of common stock for $43.2 million or approximately $38.68 per share.

Preferred Stock. At March 31, 2025, we had 14,000,000 shares issued and outstanding of 4.625% Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, with a liquidation preference of $25 per share (the "Preferred Stock"), totaling $339.0 million net of the initial purchaser discount and estimated offering expenses. We pay cash dividends on our Preferred Stock, when, as, and if declared by our Board. Subject to declaration by our Board, cash dividends accrue and are payable from the original date of issuance at a rate of 4.625% per annum, payable quarterly, in arrears, on February 15, May 15, August 15, and November 15 of each year. Dividends on our Preferred Stock are not cumulative or mandatory. During the first quarter of 2025, we paid dividends on our Preferred Stock of $4.0 million.

Subordinated Notes. At March 31, 2025, we had $350 million in aggregate principal amount of our 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 three-month term SOFR plus 209 basis points. The 2.75% Notes are unsecured, subordinated debt obligations and mature on October 1, 2031. As of March 31, 2025, the 2.75% Notes had a carrying value of $348.8 million and the remaining unamortized discounts and offering expenses totaled $1.2 million.

We may, beginning with the interest payment date on October 1, 2026, and on any interest payment date thereafter, redeem the 2.75% Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2.75% Notes to be redeemed plus accrued and unpaid interest to, but excluding, the date of redemption. We may also redeem the 2.75% Notes at any time, including prior to October 1, 2026, at our option, in whole but not in part, if: (i) a change or prospective change in law occurs that could prevent us from deducting interest payable on the 2.75% Notes for U.S. federal income tax purposes; (ii) a subsequent event occurs that could preclude the 2.75% Notes from being recognized as Tier 2 capital for regulatory capital purposes; or (iii) we are required to register as an investment company under the Investment Company Act of 1940, as amended; in each case, at a redemption price equal to 100% of the principal amount of the 2.75% Notes plus any accrued and unpaid interest to, but excluding, the redemption date. The 2.75% Notes provide us with additional Tier 2 regulatory capital.

Subordinated Debentures. We own eight 100%-owned finance subsidiary business trusts – Ozark Capital Statutory Trust II ("Ozark II"), Ozark Capital Statutory Trust III ("Ozark III"), Ozark Capital Statutory Trust IV ("Ozark IV"), Ozark Capital Statutory Trust V ("Ozark V"), Intervest Statutory Trust II ("Intervest II"), Intervest Statutory Trust III ("Intervest III"), Intervest Statutory Trust IV ("Intervest IV") and Intervest Statutory Trust V ("Intervest V"), (collectively, the "Trusts"). At March 31, 2025, we had the following issues of trust preferred securities and subordinated debentures owed to the Trusts.

Trust Preferred Securities and Subordinated Debentures

	Subordinated Debentures Owed to Trusts	Carrying Value of Subordinated Debentures at March 31, 2025	Trust Preferred Securities of the Trusts	Contractual Interest Rate at March 31, 2025 [1]	Final Maturity Date
			(Dollars in thousands)		
Ozark II	$ 14,433	$ 14,433	$ 14,000	7.46%	September 29, 2033
Ozark III	6,434	6,434	6,000	7.51	September 25, 2033
Ozark IV	15,464	15,464	15,000	6.81	September 28, 2034
Ozark V	20,619	20,619	20,000	6.16	December 15, 2036
Intervest II	15,464	15,464	15,000	7.51	September 17, 2033
Intervest III	15,464	15,464	15,000	7.35	March 17, 2034
Intervest IV	15,464	15,464	15,000	6.97	September 20, 2034
Intervest V	10,310	10,310	10,000	6.21	December 15, 2036
	$ 113,652	$ 113,652	$ 110,000		

(1) Our trust preferred securities and related subordinated debentures are tied to a spread over the three-month term SOFR. Our subordinated debentures and related trust preferred securities generally mature 30 years after issuance and may be prepaid at par, subject to regulatory approval. These subordinated debentures and the related trust preferred securities provide us additional tier 2 regulatory capital.

Other Sources of Capital. We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs. As a publicly traded bank, a likely source of additional funds is the capital markets, which can provide us with funds through the public issuance of equity, both common and preferred stock, and the issuance of senior debt and/or subordinated debentures. Our ability to raise additional capital, if needed, will depend on, among other things, conditions in the capital markets at that time, which are outside of our control, and our financial performance. Other than common stock, any issuance of equity or debt by the Bank will require the prior approval of the Arkansas State Bank Department and may be accompanied by time delays associated with obtaining such approval. If market conditions change during any time delays associated with obtaining regulatory approval, we may not be able to issue equity or debt on as favorable terms as were contemplated at the time of commencement of the process, or at all.

Common Stockholders' Equity and Reconciliation of Non-GAAP Financial Measures. We use non-GAAP financial measures, specifically total common stockholders' equity, tangible common stockholders' equity, ratio of tangible common stockholders' equity to total tangible assets, tangible book value per common share, return on average common stockholders' equity and return on average tangible common stockholders' equity as important measures of the strength of our capital and our ability to generate earnings on tangible common equity invested by our shareholders. We believe presentation of these non-GAAP financial measures provides useful supplemental information that contributes to a proper understanding of our financial results and capital levels. These non-GAAP disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the following tables.

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

	March 31, 2025	March 31, 2024	December 31, 2024
		(Dollars in thousands)	
Total stockholders' equity before noncontrolling interest	$ 5,831,336	$ 5,266,847	$ 5,705,623
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 5,492,356	$ 4,927,867	$ 5,366,643
Less goodwill	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 4,831,567	$ 4,267,078	$ 4,705,854
Total assets	$ 39,165,415	$ 36,029,904	$ 38,258,852
Less goodwill	(660,789)	(660,789)	(660,789)
Total tangible assets	$ 38,504,626	$ 35,369,115	$ 37,598,063
Ratio of total common stockholders' equity to total assets	14.02%	13.68%	14.03%
Ratio of total tangible common stockholders' equity to total tangible assets	12.55%	12.06%	12.52%

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

	March 31, 2025	March 31, 2024	December 31, 2024
	(In thousands, except per share amounts)		
Total stockholders' equity before noncontrolling interest	$ 5,831,336	$ 5,266,847	$ 5,705,623
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 5,492,356	$ 4,927,867	$ 5,366,643
Less goodwill	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 4,831,567	$ 4,267,078	$ 4,705,854
Shares of common stock outstanding	113,727	113,435	113,458
Book value per common share	$ 48.29	$ 43.44	$ 47.30
Tangible book value per common share	$ 42.48	$ 37.62	$ 41.48

**Calculation of Average Common Stockholders' Equity,
Average Tangible Common Stockholders' Equity and
Annualized Return on Average Common Stockholders' Equity, and
Average Tangible Common Stockholders' Equity**

	Three Months Ended March 31,	
	2025	2024
	(Dollars in thousands)	
Net income available to common stockholders	$ 167,912	$ 171,490
Average stockholders' equity before noncontrolling interest	$ 5,778,560	$ 5,210,418
Less average preferred stock	(338,980)	(338,980)
Total average common stockholders' equity	$ 5,439,580	$ 4,871,438
Less goodwill	(660,789)	(660,789)
Average tangible common stockholders' equity	$ 4,778,791	$ 4,210,649
Return on average common stockholders' equity(1)	12.52%	14.16%
Return on average tangible common stockholders' equity(1)	14.25%	16.38%

(1) Ratios annualized based on actual days.

Common Stock Dividend Policy. During the first quarter of 2025, we paid cash dividends of $0.42 per common share. On April 1, 2025, our Board approved a cash dividend of $0.43 per common share that was paid on April 21, 2025. The determination of future dividends on our common stock will depend on conditions existing at that time and approval of our Board. In addition, our ability to pay common stock dividends to our shareholders is subject to the restrictions set forth in Arkansas law, by our federal regulator, the relative powers, preferences and other rights of the holders of our preferred stock and by certain covenants contained in the indentures governing the trust preferred securities, the subordinated debentures and the 2.75% Notes.

Preferred Stock Dividend Policy. As previously disclosed in the Capital Management section, we have 14,000,000 shares issued and outstanding of 4.625% non-cumulative preferred stock totaling $339.0 million, net of the initial purchaser discount and offering expenses. During the first quarter of 2025, we paid cash dividends of $0.28906 million on our Preferred Stock. On April 1, 2025, our Board declared a quarterly cash dividend of $0.28906 per share on Preferred Stock for the period covering February 15, 2025 through, but excluding May 15, 2025. The Preferred Stock dividend is payable on May 15, 2025, to the holders of record of the Preferred Stock at the close of business on May 1, 2025. We will pay cash dividends on the Preferred Stock, when, as, and if declared by our Board. If declared, we would expect our cash dividends on shares of the Preferred Stock to be approximately $4.0 million per quarter. The determination of future dividends on our Preferred Stock will depend on conditions at that time and approval by our Board. In addition, our ability to pay dividends on our preferred shares is subject to the restrictions set forth in Arkansas law and by our federal regulator.

Regulatory Capital. We are subject to various regulatory capital requirements administered by federal and state banking agencies. These capital requirements are consistent with agreements reached by the Basel Committee on Banking Supervision ("Basel III") and certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Basel III Rules"). The Basel III Rules require the maintenance of minimum amounts and ratios of common equity tier 1 capital, tier 1 capital and total capital to risk-weighted assets, and of tier 1 capital to adjusted quarterly average assets. Failure to meet minimum capital requirements can initiate certain mandatory and discretionary actions by regulators that, if undertaken, could have a direct material effect on our financial condition and results of operations. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, we must meet specific capital guidelines that involve quantitative measures of our assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Our capital amounts and classification are also subject to qualitative judgments and adjustments by the regulators about component risk weightings and other factors.

Under the Basel III Rules, common equity tier 1 capital consists of common stock and paid-in capital (net of treasury stock) and retained earnings. Common equity tier 1 capital is reduced by goodwill, certain intangible assets, net of associated deferred tax liabilities, deferred tax assets that arise from tax credit and net operating loss carryforwards, net of any valuation allowance, and certain other items as specified by the Basel III Rules.

Tier 1 capital includes common equity tier 1 capital and certain additional tier 1 items as provided under the Basel III Rules. Our tier 1 capital at March 31, 2025 and December 31, 2024 includes both our common equity tier 1 capital and our preferred stock.

Total capital includes tier 1 capital and tier 2 capital. Tier 2 capital includes, among other things, the allowable portion of the ACL, the trust preferred securities and the 2.75% Notes.

The common equity tier 1 capital, tier 1 capital and total capital ratios are calculated by dividing the respective capital amounts by risk-weighted assets. The leverage ratio is calculated by dividing tier 1 capital by adjusted quarterly average total assets.

Basel III Rules allowed for insured depository institutions to make a one-time election not to include most elements of accumulated other comprehensive income in regulatory capital. We made this opt-out election to avoid significant variations in the level of capital depending upon the impact of interest rate fluctuations on the fair value of our investments securities portfolio.

The Basel III Rules limit capital distributions and certain discretionary bonus payments if the banking organization does not hold a "capital conservation buffer" in addition to the amount necessary to meet minimum risk-based capital requirements for common equity tier 1 capital, tier 1 capital and total capital to risk-weighted assets. At March 31, 2025 and December 31, 2024 Basel III Rules required us to maintain (i) a minimum ratio of common equity tier 1 capital to risk-weighted assets of at least 4.5%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 7.0%, (ii) a minimum ratio of tier 1 capital to risk-weighted assets of at least 6.0%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 8.5%, (iii) a minimum ratio of total capital to risk-weighted assets of at least 8.0%, plus a 2.5% capital conservation buffer, which effectively results in a minimum ratio of 10.5% and (iv) a minimum leverage ratio of 4.0%. Additionally, in order to be considered well-capitalized under the Basel III Rules, we must maintain (i) a ratio of common equity tier 1 capital to risk-weighted assets of at least 6.5%, (ii) a ratio of tier 1 capital to risk-weighted assets of at least 8.0%, (iii) a ratio of total capital to risk-weighted assets of at least 10.0% and (iv) a leverage ratio of at least 5.0%.

The following table presents actual and required capital ratios as of the dates indicated under the Basel III Rules. The minimum required capital amounts presented include the minimum required capital levels, plus the capital conservation buffer. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Rules. At March 31, 2025 and December 31, 2024, our capital levels exceeded all minimum capital requirements and requirements to be considered well capitalized under the Basel III Rules. Additionally, our capital levels at March 31, 2025 and December 31, 2024 exceeded all capital requirements to be considered well capitalized based upon prompt corrective action regulations, as amended by the Basel III rules.

Regulatory Capital Ratios

	Actual		Minimum Capital Required - Basel III		Required to be Considered Well Capitalized	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
			(Dollars in thousands)			
March 31, 2025:						
Common equity tier 1 to risk-weighted assets	$ 4,894,893	11.32%	$ 3,025,604	7.00%	$ 2,809,489	6.50%
Tier 1 capital to risk-weighted assets	5,233,873	12.11	3,673,948	8.50	3,457,833	8.00
Total capital to risk-weighted assets	6,235,367	14.43	4,538,406	10.50	4,322,291	10.00
Tier 1 leverage to average assets	5,233,873	13.85	1,511,985	4.00	1,889,981	5.00
December 31, 2024:						
Common equity tier 1 to risk-weighted assets	$ 4,776,712	11.34%	$ 2,947,797	7.00%	$ 2,737,240	6.50%
Tier 1 capital to risk-weighted assets	5,115,692	12.15	3,579,468	8.50	3,368,911	8.00
Total capital to risk-weighted assets	6,103,224	14.49	4,421,696	10.50	4,211,139	10.00
Tier 1 leverage to average assets	5,115,692	13.73	1,490,141	4.00	1,862,676	5.00

Capital Stress Testing. We completed our annual capital stress tests during the third quarter of 2024 utilizing multiple economic scenarios, including an adverse idiosyncratic scenario unique to our Bank. The results of our stress tests reflected that we would maintain well-capitalized status for all capital ratios over the stress test time horizon.

Our historically strong earnings and earnings retention rate, among other factors, have contributed to our maintaining capital ratios well above the minimum to be considered "well capitalized." 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.

Growth and Branching. In 2025, we expect to increase our current branch count of 234 by approximately 10% primarily in the states in which we currently have branches. Additionally, as we have done in recent years, we may relocate offices, sell offices and/or close certain offices and consolidate the business of such offices into other offices. Opening new offices is subject to local banking market conditions, availability of satisfactory sites, hiring qualified personnel, obtaining regulatory and other approvals and many other conditions and contingencies that we cannot predict with certainty. We may increase or decrease our expected number of new office openings or relocate, sell or close current offices as a result of a variety of factors including our financial results, changes in economic or competitive conditions, strategic opportunities, individual office profitability metrics or other factors.

Capital Expenditures. During the first quarter of 2025, we spent approximately $26.5 million on capital expenditures for premises and equipment. Our capital expenditures for the remainder of 2025 are expected to be in the range of $75 million to $110 million, including progress payments on construction projects expected to be completed in 2025 or 2026, furniture and equipment costs, network equipment and other information technology costs and acquisition of sites for future development. Actual expenditures may vary significantly from those expected, depending on the number and cost of additional branch offices acquired or constructed and sites acquired for future development, progress or delays encountered on ongoing and new construction projects, delays in obtaining or inability to obtain required approvals, potential premises and equipment expenditures associated with acquisitions, if any, and other factors.

Operational Risk Management

Operational risk is the risk to current or anticipated earnings or capital arising from inadequate or failed internal processes or systems, human errors or misconduct, reputational damage or other adverse internal or external events. Operational risk is inherent in all of our businesses. To assist in our operational risk management, in addition to monitoring our operational risk profile against our Board-approved risk appetite using key performance and risk metrics, we utilize risk control self-assessments across the Bank to identify key operational risks and associated key internal controls. We have in place a number of controls that assist in the management of operational risk including, but not limited to, transactional documentation requirements; systems and procedures to monitor transactions; systems and procedures to detect and mitigate attempts to commit fraud, penetrate our systems, access customer data, and/or deny access to our systems by legitimate customers; regulatory compliance reviews; and periodic reviews by various components of our CRMG and our Internal Audit function. Reconciliation procedures have also been established to ensure that data processing systems accurately capture data and transactions. Further, we have programs and procedures to maintain contingency and business continuity plans for operational support in the event of disruptions to our business. We also mitigate certain operational risks through the purchase of insurance. Our Operational Risk Management group, which reports to our CRO, has responsibilities for assisting the business units in identifying, managing and monitoring operational risks including risks resulting from the use of technology, cybersecurity risk, third-party vendor management risk, risks associated with the introduction of new products and services, and various other operational risks.

Model Risk. Model risk is the risk that the various models utilized throughout the Bank do not provide accurate results, particularly in times of market stress or other unforeseen circumstances or prove to be inadequate or inaccurate because of flaws in their design or implementation. We have an internal Model Risk Management group (second line oversight), which reports to our CRO, that has developed and implemented a model framework, in compliance with Federal Reserve Supervision and Regulation Letter *SR 11-7: Guidance on Model Risk Management,* whereby all models used throughout the Bank are inventoried, assessed, and validated in accordance with this framework. Ownership of our internal models resides with our quantitative modeling team (first line oversight), who, along with our business units, manages the use of such models in accordance with our model framework.

Data Risk. Data risk is the exposure to loss of value or reputation caused by issues or limitations to an organization's ability to acquire, store, transform, move, and use its data assets in an accurate and timely fashion. The Data Risk Management group works closely with the Bank's key data stakeholders to monitor and execute on the Bank's data governance and data quality mandate.

Legal Risk. As part of our operational risk management program, we also actively monitor our legal risk exposure. Legal risk arises from the potential that unenforceable contracts, lawsuits or adverse judgments can disrupt or otherwise negatively affect our operations or condition. These risks are inherent in all of our businesses. Legal risk exposures are actively and primarily managed by our business units in conjunction with our legal department.

Strategic Risk Management

Strategic risk is the risk to current or anticipated earnings or capital, or franchise or enterprise value arising from, among other items, adverse business decisions, poor implementation of business decisions, and adverse competitive business and macroeconomic environment affecting the Bank's business model. The assessment of strategic risk includes more than an analysis of our written strategic plan. It focuses on opportunity costs and how plans, systems, and implementation affect, or could affect, our franchise or enterprise value. It also incorporates how management analyzes external factors, such as economic, technological, competitive, regulatory, and other environmental changes that affect our strategic direction. Our strategic risk profile is measured against our Board-approved strategic risk appetite by our CRMG, which monitors our performance against our strategic objectives in addition to measuring our financial performance against our peer group. Also, as part of our strategic risk monitoring process, the current and expected systemic macroeconomic environment is monitored using a combination of metrics, models and various other tools.

Compliance Risk Management

Compliance risk is the risk of legal or regulatory sanctions, financial loss or damage to reputation resulting from failure to comply with laws, regulations, rules, other regulatory requirements, or codes of conduct and other standards of self-regulatory organizations applicable to us. Risks related to compliance matters are heightened by the heavily regulated environment in which we operate. We have designed our processes and systems and provided education of applicable regulatory standards to our employees in an effort to comply with these requirements. Compliance risk exposures are actively and primarily managed by our business units in conjunction with our Corporate Compliance group, our legal department and the associated compliance programs operated under our compliance framework and our compliance management system that govern the management of compliance risk. Our ERC and BRC oversee our compliance program.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 14 to the Consolidated Financial Statements for a discussion of certain recently issued and recently adopted accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information required by this Item is included in "Market and Interest Rate Risk Management" in the MD&A beginning on page 46 and is hereby incorporated by reference.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this report, our management carried out an evaluation, under the supervision and with the participation of the Bank's Chairman and Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures as defined in SEC Rule 13a-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures designed to ensure that the information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms applicable to the Bank pursuant to the Exchange Act, and that such information is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate, to allow for timely decisions regarding required disclosure. Based on that evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Bank's disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting.

There have been no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we are or may be involved in various legal or regulatory proceedings, claims, including claims related to employment, wage-hour and labor law claims, consumer and privacy claims, lender liability claims, breach of contract, and other similar lending-related claims encountered on a routine basis, some of which may be styled as "class action" or representative cases. While the ultimate resolution of these claims and proceedings cannot be determined at this time, management believes that such claims and proceedings, individually or in the aggregate, will not have a material adverse effect on the Bank's financial condition or results of operations.

Item 1A. Risk Factors

There are no material changes from the risk factors disclosed under Item 1A. of our annual report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

During the first quarter of 2025, the Bank issued 3,008 shares of common stock in connection with the exercise of outstanding stock options previously granted to certain officers. The shares were issued in reliance on the exemption provided by Section (3)(a)(2) of the Securities Act of 1933 because the sales involved securities issued by a bank.

During the first quarter of 2025, the Bank issued an aggregate of 210,965 shares of restricted common stock and 217,187 performance-based restricted stock units ("PSUs") to certain officers pursuant to the Bank's 2019 Omnibus Equity Incentive Plan. In addition, during the first quarter of 2025, the Bank issued 215,000 shares of common stock in connection with the settlement of vested PSUs granted in previous periods. The Bank did not receive any cash consideration in connection with these grants. These grants were exempt from registration pursuant to Section (3)(a)(2) of the Securities Act of 1933 because the grants involved securities issued by a bank.

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Program [2]
	(In thousands, except per share amounts)			
January 1-31, 2025	—	$ —	—	$ 199,538
February 1-28, 2025	64,206	51.45	—	199,538
March 1-31, 2025	85,378	44.41	—	$ 199,538
Total	149,584	$ 47.43	—	

(1) The Bank withheld 64,206 shares of common stock in February 2025 and 85,378 shares of common stock in March 2025 to satisfy federal and state tax withholding requirements related to the vesting of restricted stock and settlement of PSUs.

(2) On July 17, 2024, we announced that our Board approved a stock repurchase program authorizing the repurchase of up to $200 million of our outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program will expire on July 1, 2025, unless extended or shortened by the Board, and may be suspended by the Bank at any time. Under this program, repurchases may be made from time to time in open market transactions, through privately negotiated transactions or otherwise in accordance with applicable federal securities laws, including through Rule 10b5-1 trading plans and under Rule 10b-18 of the Exchange Act. The timing and amount of repurchases will be determined by management based on a variety of factors including the Bank's stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, current and expected macroeconomic environment, regulatory requirements and other factors. No shares of common stock were purchased during the first quarter of 2025 under the Stock Repurchase Program.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the quarter ended March 31, 2025, no director or Section 16 officer of the Bank adopted or terminated any Rule 10b5-1 trading arrangement (as defined in Item 408(a) of Regulation S-K) or non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits

Reference is made to the Exhibit Index set forth immediately following the signature page of this report.

SIGNATURE

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 thereunto duly authorized.

Bank OZK

DATE: May 6, 2025

/s/ Tim Hicks

Tim Hicks
Chief Financial Officer
(Principal Financial Officer and Authorized Officer)

Bank OZK
Exhibit Index

Exhibit Number	
3.1	Amended and Restated Articles of Incorporation of Bank of the Ozarks (previously filed as Exhibit 3.1 to the Bank's Current Report on Form 8-K filed with the FDIC on June 26, 2017, and incorporated herein by reference).
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Bank OZK (previously filed as Exhibit 3.1 to the Bank's Current Report on Form 8-K filed with the FDIC on July 16, 2018, and incorporated herein by reference).
3.3	Articles of Amendment to the Amended and Restated Articles of Incorporation of Bank OZK (previously filed as Exhibit 3.3 to the Bank's Registration Statement on Form 8-A filed with the FDIC on November 4, 2021, and incorporated herein by reference).
3.4	Second Amended and Restated Bylaws of Bank OZK (previously filed as Exhibit 3.1 to the Bank's Current Report on Form 8-K filed with the FDIC on August 10, 2018, and incorporated herein by reference).
4.1	Instruments defining the rights of security holders, including indentures. The Bank hereby agrees to furnish to the FDIC upon request copies of instruments defining the rights of holders of long-term debt of the Bank and its consolidated subsidiaries; no issuance of debt exceeds ten percent of the assets of the Bank and its subsidiaries on a consolidated basis.
4.2	Form of Common Stock Certificate (previously filed as Exhibit 4.2 to the Bank's Current Report on Form 8-K filed with the FDIC on July 16, 2018, and incorporated herein by reference).
4.3	Form of Certificate Representing Series A Preferred Stock (previously filed as Exhibit 4.1 to the Bank's Registration Statement on Form 8-A filed with the FDIC on November 4, 2021, and incorporated herein by reference).
19	Bank OZK Insider Trading Policy and Guidelines, filed herewith.
31.1	Certification of Chairman and Chief Executive Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002, filed herewith.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes Oxley Act of 2002, filed herewith.
32.1	Certification of Chairman and Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.

INSIDER TRADING POLICY

(Last Revised Effective May 5, 2025)

Statement of Company Policy
With Respect to Certain Transactions in Company Securities

This Statement of Company Policy (our "***Insider Trading Policy***" or "***Policy***") provides guidelines to all employees, officers and directors of Bank OZK and any of its subsidiaries or affiliate companies (the "***Company***") with respect to transactions in the Company's securities. This Policy supersedes any previous policy of the Company concerning stock trading. In the event of any conflict or inconsistency between this Policy and any other materials previously distributed by the Company, this Policy shall govern. The Company's designated Compliance Officers are responsible for the administration of this Policy.[1]

THE NEED FOR A POLICY STATEMENT

The Company has adopted and has periodically updated and revised this Insider Trading Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about our Company from: (i) trading in the Company's securities or (ii) providing material nonpublic information to other persons who may trade on the basis of that information.

We maintain our Insider Trading Policy to not only comply with insider trading and related laws, but to also avoid even the appearance of improper conduct on the part of anyone employed by or associated with our Company (not just so-called "insiders"). We have all worked hard over the years to establish our reputation for integrity and ethical conduct. We cannot afford to have it damaged.

OUR INSIDER TRADING POLICY – TO WHOM DOES IT APPLY?

Our Insider Trading Policy applies to all directors, officers and employees of Bank OZK and its subsidiaries and affiliate companies. This Policy also applies to family members, other members of a person's household and entities controlled by a person covered by this Policy, as described below. Every person associated with the Company in one or more of these positions will be required to observe this Policy – it has universal application; no one is exempt. In addition, the Company may also determine that other persons should be subject to this Policy, such as consultants who have access to material nonpublic information. The Company may not, directly or indirectly, transact in its own securities except in compliance with applicable federal and state securities laws.

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[1] For purposes of this Policy, a "Compliance Officer" means the Chief Financial Officer, the General Counsel, or one or more of their designees. All determinations and interpretations by a Compliance Officer shall be final and not subject to further review.

<u>WHAT IS OUR INSIDER TRADING POLICY?</u>

Transactions Subject to the Policy

This Policy applies to transactions in the Company's securities (collectively referred to as "***Company Securities***"), including the Company's common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, derivative securities that are not issued by the Company (e.g. put or call options or swaps), or debt securities of the Company (e.g. debentures, bonds and notes).

Policy Statement

It is the policy of the Company that no director, officer or other employee of the Company (or any other person designated as subject to this Policy) who is aware of material, nonpublic information relating to our Company may, directly, or indirectly through family members or other persons or entities:

- buy or sell Company Securities or otherwise engage in transactions in Company Securities, except as otherwise specified in this Policy under the headings "*Transactions Under Company Plans*," "*Transactions Not Involving a Purchase or Sale*" and "*Rule 10b5-1 Plans*;"
- recommend the purchase or sale of Company Securities or engage in any other action to take advantage of, or pass on to others, that information;
- disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with the Company's policies regarding the protection or authorized external disclosure of information regarding the Company; or
- assist anyone engaged in the above activities.

This prohibition applies independently of any other restriction or prohibition on trading in Company Securities, so long as the information remains material and nonpublic. Prohibitions on unauthorized dissemination of material nonpublic information or any of the Company's confidential information apply equally to communications made through social media.

Transactions in Company Securities that may be otherwise necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) or small transactions are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

Remember, if your securities transactions become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

Tipping Information to Others

You must not communicate material nonpublic information of the Company to other persons (a practice known as "tipping") before its public disclosure and dissemination by the Company. Therefore, you should exercise care when speaking with other personnel who do not have a "need to know" and when communicating with family, friends and others who are not associated with us, even if they are subject to this Policy. To avoid even the appearance of impropriety, please refrain from discussing our business or prospects or making recommendations about buying or selling Company Securities or the securities of other companies with which we have a relationship. This concept of unlawful tipping includes passing on information to friends, family members or acquaintances under circumstances that suggest that you were trying to help them make a profit or avoid a loss. The penalties discussed in this Policy apply, whether or not you derive any benefit from another's actions.

Trading in Other Companies Securities

No employee, officer or director should place a purchase or sale order, or recommend that another person place a purchase or sale order, in the securities of another corporation, if the employee, officer or director becomes aware of confidential or material nonpublic information about the other corporation that is likely to affect the value of those securities. For example, it would be a violation of securities laws if an employee, officer or director learned through Company sources that the Company, or any of our affiliates, intended to purchase assets from another corporation, and then bought or sold stock in that other corporation because of the likely increase or decrease in the value of its securities.

DEFINITION OF MATERIAL NONPUBLIC INFORMATION

Material Information

Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock or other securities. Any information that could be expected to affect the Company's stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- Financial results, including adjustments to past financial statements;
- Projections of future earnings or losses, or other earnings guidance;
- Changes to previously announced earnings guidance;
- A pending or proposed merger, acquisition or tender offer;
- A pending or proposed acquisition or disposition of a significant asset or subsidiary;
- A Company restructuring;
- Significant related party transactions;
- A change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- Significant financing transactions out of the ordinary course;
- The establishment of a repurchase program for Company Securities;
- A change in auditors or notification that the auditor's reports may no longer be relied upon;
- Changes in management or other key personnel;
- Development of a significant new product, process, or service;
- Pending or threatened significant litigation, or the resolution of such litigation;
- Adverse results from regulatory examinations or other significant regulatory developments;
- A significant disruption in the Company's operations or loss, potential loss, breach or unauthorized access of its property or assets, including its facilities and information technology infrastructure;
- Impending bankruptcy or the existence of severe liquidity problems; or
- The gain or loss of a substantial customer.

When Material Information Becomes Public

Information that has not been disclosed to the public is generally considered to be nonpublic information. In order to establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally would be considered widely disseminated if it has been disclosed through the Dow Jones "broad tape," newswire services, a broadcast on widely available radio or television programs, published in a widely available newspaper, magazine or news website, or disclosed in documents filed with the Federal Deposit Insurance Corporation ("***FDIC***") that are available on the FDIC's website. By contrast, information would likely not be considered widely disseminated if it's available only to the Company's employees, or if it is only available to a select group of analysts, brokers and institutional investors. Once information is widely disseminated, it is still necessary to afford the investing public with sufficient time to absorb the information.

As a rule of thumb, information should not be considered fully absorbed by the marketplace until after the second full trading day following the Company's widespread public release of such information. If, for example, the Company were to make an announcement on a Monday morning before the market opens, you should not trade in Company Securities until Wednesday. If an announcement is made on a Friday after the market closes, Wednesday generally would be the first day on which you should trade. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

If you are unsure whether information of which you are aware is material or nonpublic, you should consult with a Compliance Officer prior to trading. If you inadvertently disclose material nonpublic information regarding the Company (or discover inadvertent disclosure by another person), no matter what the circumstances, you should immediately report the facts of such disclosure to a Compliance Officer.

If you are a director or an "executive officer" for FDIC reporting purposes (individually and collectively referred to as "***Section 16 Reporting Persons***"), you must **always** consult with a Compliance Officer before trading, as outlined in this Policy under "*Pre-Clearance Procedures*" below.

TRANSACTIONS BY FAMILY MEMBERS

The very same restrictions that apply to you also apply to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (referred to as "***Family Members***"). All directors, officers and employees are responsible for their Family Members' transactions and therefore should make them aware of the need to confer with you before they trade in the Company Securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account.

TRANSACTIONS BY ENTITIES THAT YOU INFLUENCE OR CONTROL

This Policy applies to any entities that any director, officer or employee influences or controls, including any corporations, limited liability companies, partnerships or trusts, and transactions by these controlled entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

TRANSACTIONS UNDER COMPANY PLANS

This Insider Trading Policy does not apply in the case of the following transactions under certain Company plans, except as specifically noted:

- **Stock Option Exercises.** This Policy does not apply to the exercise of any stock option granted pursuant to the Company's plans. This Policy **does apply**, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

- **Restricted Stock Awards.** This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy **does apply**, however, to any market sale of restricted stock.
- **Bank OZK 401(k) Plan.** This Policy does not apply to purchases of Company Securities in the Company's 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. This Policy **does apply**, however, to certain elections you may make under the 401(k) plan, including: (a) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (b) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (c) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (d) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

- **Other Similar Transactions**. Any other purchase of Company Securities directly from the Company or sales of Company Securities to the Company are not subject to this Policy.

<u>TRANSACTIONS NOT INVOLVING A PURCHASE OR SALE</u>

This Policy does not apply to *bona fide* gifts of Company Securities; however Section 16 Reporting Persons must seek prior approval for any *bona fide* gift in accordance with the pre-clearance procedures described below. Whether a gift is truly *bona fide* will depend on the circumstances surrounding a specific gift. The more unrelated the donee is to the donor, the more likely the gift would be considered "bona fide" and not a "transaction." For example, gifts to charities, churches or non-profit organizations would generally not be deemed to be "transactions." However, gifts to dependent children followed by a sale of the gifted securities in close proximity to the time of the gift may imply some economic benefit to the donor and, therefore, may be deemed to be a "transaction" and not a "bona fide gift."

Further, transactions in mutual funds that are invested in Company Securities are not transactions subject to this Policy. Any other exceptions to this Policy must be approved by a Compliance Officer.

<u>SECTION 16 LIABILITY - DIRECTORS AND OFFICERS</u>

Directors and certain officers of the Company must also comply with the reporting obligations and limitations on short- swing profit transactions set forth in Section 16 of the Exchange Act. The practical effect of these provisions is that these officers and directors who purchase and sell the Company's Securities within a six-month period must disgorge "all profits" to the Company. Under these provisions, and so long as certain other criteria are met, neither the receipt of stock, including stock options, under the Company's stock plans, nor the exercise of options nor the receipt of stock under the Company's 401(k) retirement plan is deemed a purchase that can be matched against a sale for Section 16(b) short swing profit disgorgement purposes; however, the sale of any such shares so obtained is a sale for these purposes. Moreover, no such director or officer may ever make a short sale of the Company's common stock which is unlawful under Section 16(c) of the Exchange Act. The rules on recovery of short swing profits are absolute and do not depend on whether a person has material nonpublic information. The rules for computing "profits" are also absolute and large amounts may be deemed profits even when a trader has not received any economic benefit.

The Company has notified its directors and executive officers who have been designated by the Board of Directors as subject to the reporting provisions and trading restrictions of Section 16 of the Exchange Act, and the underlying rules and regulations promulgated by the Securities and Exchange Commission ("***SEC***") and the FDIC (such persons being referred to herein as Section 16 Reporting Persons). As noted above, Section 16 Reporting

Persons must obtain prior approval of all trades in Company Securities from the Compliance Officer in accordance with the additional procedures set forth under "*Pre-Clearance Procedures*" below.

ADDITIONAL PROCEDURES

Pre-Clearance Procedures

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), Section 16 Reporting Persons (including their respective Family Members and controlled entities) must first obtain pre-clearance from a Compliance Officer **before** engaging in any transaction in Company Securities (i.e., acquisitions, dispositions, transfers, gifts).

When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any material nonpublic information about the Company, and should describe fully those circumstances to the Compliance Officer. If you are a Section 16 Reporting Person, you must also indicate whether you have effected any non-exempt "opposite-way" transactions within the past six months and should be prepared to report the proposed transaction on an appropriate Form 4 or Form 5.

Quarterly Trading Restrictions

The "***Window Group***" is comprised of the following individuals:

- Section 16 Reporting Persons, including their respective Family Members and controlled entities; and
- Certain other employees who may be designated in writing by the Company from time to time.

Members of the Window Group are subject to the following extra restrictions on trading in Company Securities:

- Members of the Window Group may trade only during the period beginning on the third trading day after an earnings release for the preceding fiscal quarter and ending at the opening of business on the 15th day of the last month of the current fiscal quarter (the "***Window***");
- There shall be no trading outside the Window except for reasons of exceptional personal hardship; and
- Individuals in the Window Group are also subject to the general restrictions on all employees.

Other Event-Specific Trading Restriction Periods

From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the Compliance Officer may not trade in Company Securities. In addition, the Company's financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the Compliance Officer, designated persons should refrain from trading in Company Securities even sooner than when the typical Window period closes. In that situation, the Compliance Officer may notify these persons that they should not trade in Company Securities, without disclosing the reason for the restriction. The existence of an event-specific trading restriction period or shortening the Window will not be announced to the Company as a whole, and should not be communicated to any other person.

Even if the Compliance Officer has not designated you as a person who should not trade due to an event-specific restriction, you are prohibited from trading in Company Securities or those of another publicly-traded company if you are aware of material nonpublic information about the Company or any such other publicly-traded company, respectively.

Plan Blackout Periods

Consistent with the requirements of federal law, no Section 16 Reporting Person shall purchase, sell, or otherwise acquire or transfer any equity security of the Company during a "blackout period" in which participants in the Company's 401(k) Plan (or other equity based plan that may be maintained by the Company from time to time in which participants have individual accounts that can be invested in Company Securities) are prohibited from effecting transactions in Company Securities.

Exceptions

The quarterly trading restrictions and event-driven trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the heading "*Transactions Under Company Plans*" and "*Transactions Not Involving a Purchase or Sale*." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-driven trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans, described below under the heading "*Rule 10b5-1 Plans*."

RULE 10b5-1 PLANS

Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") prohibit the purchase or sale of Company Securities "on the basis" of material nonpublic information. Rule 10b5-1 also provides an affirmative defense to Rule 10b-5 insider trading liability for individuals and entities in the form of what is commonly known as a Rule 10b5-1 trading plan (a "***Rule 10b5-1 Plan***"). A Rule 10b5-1 plan is a written plan for buying and/or selling Company Securities that comports with the requirements of Rule 10b5-1(c). It permits trading in circumstances where it's clear that material nonpublic information is not a factor in the trading decision.

To comply with the Policy, a Rule 10b5-1 Plan must be approved by a Compliance Officer and meet the requirements of Rule 10b5-1 and the Company's "*Guidelines for Rule 10b5-1 Plans*," (which may be obtained from the Compliance Officer, or by clicking on the following link: 10b-5-1 Trading Plan Guidelines). In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information, and the person will be required to certify at the time of adoption of the Rule 10b5-1 Plan (typically as a representation in the plan itself) that they are not aware of material nonpublic information and that they adopted the plan in good faith and not as part of a plan or scheme to evade Section 10(b) of the Exchange Act or Rule 10b-5. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Rule 10b5-1 Plans must also include a "cooling-off" period before trades can be made under the plan. For Section 16 Reporting Persons, trades may not be initiated under the Rule 10b5-1 Plan until the later of (a) 90 days following adoption of the plan or changes to the amount, price or timing of the purchase or sale of securities under the plan, and (b) the earlier of (i) two business days after the release of financial results on Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or (ii) 120 days after adopting the plan. The cooling off period for non-Section 16 Reporting Persons is 30 days following adoption of the plan or changes to the amount, price or timing of the purchase or sale of securities under the plan.

Any Rule 10b5-1 Plan must be submitted for approval by a Compliance Officer five (5) days prior to the entry into the Rule 10b5-1 Plan. No such approval by the Compliance Officer shall be considered the Compliance Officer's or the Company's approval that the Rule 10b5-1 Plan satisfies the requirements of Rule 10b5-1. It shall be the sole responsibility of the person establishing the Rule 10b5-1 Plan to ensure that such plan complies with the requirements of Rule 10b5-1. The Company reserves the right to require that additional provisions be included in a Rule 10b5-1 Plan with the objective of complying with Rule 10b5-1. The Company also reserves the right to require that transactions under a Rule 10b5-1 Plan be suspended during periods when the Company believes that legal, contractual or regulatory restrictions could prohibit such transactions or make them undesirable. These might include periods during which persons subject to this Policy have agreed with underwriters that they will not sell securities of the Company for specified periods before and after a public offering, or periods in proximity to a public offering during which Regulation M under the Exchange Act prohibits purchases by affiliates. See "*Additional Restrictions on Purchases During a Distribution*" below.

The Company will publicly disclose, on a quarterly basis on Form 10-Q and Form 10-K, as applicable, the information listed in Item 408 to Regulation S-K regarding the adoption, termination and material terms of any Rule 10b5-1 trading plan or other preplanned trading arrangements by a Section 16 Reporting Person.

SPECIAL AND PROHIBITED TRANSACTIONS

Prohibited Hedging Transactions

The Company is dedicated to growing its business and enhancing shareholder value in all that we do in an ethical way and being mindful of the need to avoid taking actions that pose undue risk or have the appearance of posing undue risk to the institution. Our goal is to grow shareholder value in both the short term and in the longer term, and we expect our directors, officers and employees to have the same goals as the Company that are reflected in their trading activities in Company Securities. Accordingly, it is our policy that any of the enumerated hedging activities (as identified in the following paragraph) in Company Securities by any of our directors, officers or employees is absolutely prohibited. Any other hedging activities, such as forward sales contracts, "cashless" collars and other risk hedging transactions in Company Securities are prohibited without the prior express consent of the Board of Directors.

Hedging activities are any trading activities or strategies that seek to hedge the risk of ownership of Company Securities, including its common stock, or that seek to profit from a decline in the value of any Company Security, including its common stock. Hedging activities that are absolutely prohibited by this Policy include the following:

- short selling of Company stock, or short selling "against the box" (where the seller actually owns the stock, but does not want to close out the position); and
- transactions in puts, calls or other derivative Company Securities on an exchange or in any other organized market.

In addition to a prohibition on hedging transactions involving Company Securities, Section 16 Reporting Persons should request that their broker not lend shares of Company stock held for the benefit of the Section 16 Reporting Person to other brokers as such "lending" arrangements are generally undertaken to short-sell the stock.

Policy on Margin Accounts and Pledged Securities

Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, Section 16 Reporting Persons are prohibited from holding Company Securities in a margin account or otherwise pledging Company Securities as collateral for a loan. Pledges of Company Securities arising from certain types of hedging transactions are governed by this Policy's prohibition on hedging transactions, as described above.

An exception to this prohibition may be granted under limited circumstances. In the event a person covered by this Policy wishes to pledge Company Securities as collateral for a loan (not including margin debt), such person will be required to provide supporting documents that would clearly demonstrate the financial capacity to repay the loan without resort to the pledged securities. Any person seeking an exception from this provision must submit a request for preapproval to the Compliance Officer at least two (2) weeks prior to the contemplated transaction and the person should be advised that any sale of stock by the pledgee will be deemed a sale by the pledgor for purposes of the short-swing profit recovery provisions of Section 16 of the Exchange Act and the prohibition on insider trading in Rule 10b-5 under the Exchange Act.

Short Sales

Short sales of Company Securities (i.e., the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. Short sales arising from certain types of hedging transactions are governed by the paragraph above captioned "*Prohibited Hedging Transactions*." In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. Section 16(c) of the Exchange Act prohibits Section 16 Reporting Persons from engaging in short sales.

Additional Restrictions on Purchases During a "Distribution"

In order to prevent market manipulation, the SEC has adopted Regulation M under the Exchange Act. Regulation M generally prohibits the Company, its "affiliated purchasers," and its selling security holders from buying Company stock in the open market during certain periods (i.e., the "restricted period" referred to below) while a public offering is taking place, which would include the offer and delivery of shares of the Company's common stock to shareholders of a target institution in connection with a merger or acquisition.

An affiliated purchaser is similar to what is often referred to as an "affiliate." We consider all Section 16 Reporting Persons as affiliated purchasers covered by Regulation M. To the extent any other employee has the authority to control purchases of Company Securities or is coordinating his or her purchases of Company Securities with the Company, that individual will also be considered an affiliated purchaser. A "selling security holder" is any person on whose behalf the Company enters into an offering of its securities.

The restricted period for purposes of Regulation M is based on multiple facts and circumstances to which most directors, officers and employees will not have access. This includes such facts as the average daily trading volume of Company Securities, the timing of pricing securities offered in a distribution, and, in the case of a distribution involving a merger, acquisition or exchange offer, the period from the date the proxy statement/ prospectus is first mailed to the target's shareholders to the date that the transaction is voted upon by the target's shareholders or the end of the valuation period, whichever is later.

Due to the complex process of determining when Regulation M applies, during any period in which the Company is engaged in a distribution, **all purchases** of Company Securities by Section 16 Reporting Persons and other employees who may be deemed affiliated purchasers as discussed above **must be pre-cleared** with a Compliance Officer as noted above. If you contemplate purchasing Company Securities and are unsure whether the Company is involved in a distribution, you should contact a Compliance Officer in advance.

THE CONSEQUENCES OF INSIDER TRADING VIOLATIONS

The consequences of insider trading violations can be serious. Penalties for trading on or tipping material, nonpublic information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in such unlawful conduct and their employers. The SEC and Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the federal securities laws include:

- SEC administrative sanctions;
- Securities industry self-regulatory organization sanctions;
- Civil injunctions;
- Damage awards to private plaintiffs;
- Disgorgement of all profits;
- Civil fines for the violator of up to three times (3x) the amount of profit gained or loss avoided;

- Civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of $1 million or three times (3x) the amount of profit gained or loss avoided by the violator;
- Criminal fines for individual violators of up to $5 million ($25 million for an entity); and
- Jail sentences of up to 25 years.

Keep in mind that there are no limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past occasioned SEC investigations and lawsuits.

In addition to the possible imposition of civil damages and criminal penalties on violators and their controlling persons, any appearance of impropriety could not only damage our reputation for integrity and ethical conduct but also impair investor confidence in us. For this reason, if you violate this Policy, then we may take disciplinary action against you, including dismissal or removal for cause. Needless to say, any of the above consequences, even an SEC investigation that does not result in prosecution, can tarnish one's reputation and damage a career.

If you believe that a violation of this Policy has taken place, you should report such potential violation promptly to a Compliance Officer.

INDIVIDUAL RESPONSIBILITY

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not trade in Company Securities (or the securities of another public company) while in possession of material nonpublic information. In all cases, **the ultimate responsibility for adhering to this Policy and avoiding improper trading rests with you**, and any action on the part of the Company, a Compliance Officer or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. In this regard, it is imperative that you use your best good faith judgment at all times. If you violate this Policy, the Company may take disciplinary action, including dismissal for cause. You may also be subject to severe legal penalties under applicable securities laws.

POST-TERMINATION TRANSACTIONS

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not trade in Company Securities until that information has become public or is no longer material.

COMPANY ASSISTANCE

Any person who has any questions about specific transactions may obtain additional guidance from the Compliance Officer.

CERTIFICATIONS

All directors, officers and employees will be required to certify their understanding of and intent to comply with this Policy.

CERTIFICATION

I certify to the Company that:

- I have read and understand the policy on insider trading dated May 5, 2025;
- I agree to comply with the policy, including any amendments of which I receive notice at any time or from time to time during the duration of my employment or other relationship with the Company; and
- I understand that any violation of this policy by me, my family members or any other persons who are subject to this policy because of their relationships with me may result in disciplinary action against me, including the termination of my employment or other relationship with the Company and its subsidiaries, at the option of the Company.

Date: ___________________________

____
Signature

____
Name

____
Department/Title

Guidelines for Rule 10b5-1 Plans
Last revised May 8, 2023

Rule 10b5-1 under the Securities Exchange Act of 1934 ("***Exchange Act***") provides an affirmative defense from insider trading liability under Rule 10b-5. In order to be eligible to rely on this defense, a person subject to the Company's Insider Trading Policy ("***Policy***") must enter into a Rule 10b5-1 plan for transactions in Company Securities (as defined in the Policy) that meets certain conditions specified in the Rule (a "***Rule 10b5-1 Plan***"). If the plan meets the requirements of Rule 10b5-1, Company Securities may be purchased or sold without regard to certain insider trading restrictions.

In general, a Rule 10b5-1 Plan must be in writing and entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the Rule 10b5-1 Plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The Rule 10b5-1 Plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

The following guidelines apply to <u>all</u> Rule 10b5-1 Plans:

- You may not enter into, modify or terminate a trading program pursuant to a Rule 10b5-1 Plan during a blackout period or while in possession of material nonpublic information about the Company.
- Cooling Off-Period:
  - If you are a director or executive officer of the Company (i.e., a ***Section 16 Reporting Person***), you may not trade under any Rule 10b5-1 Plan for the longer of (a) 90 days after adopting the plan or changing the amount, price or timing of transactions under the plan and (b) the earlier of (i) two business days after the release of the Company's Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted or (ii) 120 days after adopting the plan.
  - If you are a non-executive officer employee, you may not trade under any Rule 10b5-1 Plan for 30 days after adopting the plan or changing the amount, price or timing of transactions under the plan.
- As specified in the Policy, a Rule 10b5-1 Plan must be approved by a Compliance Officer and meet the requirements of Rule 10b5-1 and these guidelines. Any Rule 10b5-1 Plan must be submitted for approval five (5) days prior to the entry into the Rule 10b5-1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.
- All Rule 10b5-1 Plans must have a duration of at least 6 months and no more than 2 years.
- You must act in good faith with respect to the adoption and execution of any Rule 10b5-1 Plan. If you are a Section 16 Reporting Person, you must certify at the time of adoption of the Rule 10b5-1 Plan (through representations made in the written plan document), that at the time of its adoption, you are not aware of material nonpublic information about the Company or its securities and that you adopted the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Section 10(b) of the Exchange Act and Rule 10b-5.
- All Rule 10b5-1 Plans must allow for the cancellation of a transaction and/or suspension of the plan upon notice and request by the Company to the extent the Plan would create material adverse consequences for the Company (e.g., due to the imposition of lock-up agreements on the Company officers).
- Section 16 Reporting Persons must file Form 4s reporting all transactions in Company Securities. In order to facilitate Section 16 reporting, Rule 10b5-1 Plans for Section 16 Reporting Persons should provide for prompt notification to the Company of all transactions executed under the plan. In particular, Section 16 Reporting Persons must indicate whether a reported transaction on a Form 4 was intended to satisfy the

affirmative defense conditions of Rule 10b5-1(c) by clicking the appropriate box on the Form and disclosing the date of adoption of the plan.

- If you have a Rule 10b5-1 Plan in place, you may not trade Company Securities outside the scope of such plan.
- A modification or a change to the amount, price or timing of the transactions under a Rule 10b5-1 plan (or modifications to a written formula or algorithm, or a computer program affecting the amount, price or timing of the transactions) will be deemed a termination of the existing plan and the adoption of a new plan (which would trigger a new cooling-off period). Modifications and terminations of Rule 10b5-1 Plans should be minimal and infrequent, if at all. You must notify the designated Compliance Officer promptly if you terminate a Rule 10b5-1 Plan early.
- You may only have one Rule 10b5-1 Plan (including any contract, instruction, or plan that would qualify for the affirmative defense under Section 10(b) of the Exchange Act) in place at a time.
- If a Rule 10b5-1 Plan is terminated, you must wait at least 30 days before trading outside of the Rule 10b5-1 Plan.
- If a trading program is terminated, you must wait until the commencement of the next Window period (as defined in the Policy) before a new Rule 10b5-1 Plan may be adopted.

Each Section 16 Reporting Person understands that the approval or adoption of a preplanned selling program in no way reduces or eliminates such person's obligations under Section 16 of the Exchange Act, including such person's disclosure and short-swing trading liabilities thereunder. If any questions arise, such person should consult with their own counsel in implementing a Rule 10b5-1 Plan.

The Company shall not have any liability to any person as a result of the establishment of a Rule 10b5-1 plan, any Company disclosure with respect thereto, or any cancellation or transactions and/or suspension of a Rule 10b5-1 Plan discussed above.

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY
ACT OF 2002

I, George Gleason, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bank OZK;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2025

/s/ George Gleason

George Gleason
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tim Hicks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bank OZK;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2025

/s/ Tim Hicks

Tim Hicks
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report of Bank OZK (the Bank) on Form 10-Q for the period ended March 31, 2025, as filed with the Federal Deposit Insurance Corporation on the date hereof (the Report), I, George Gleason, Chairman and Chief Executive Officer of the Bank, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

Date: May 6, 2025

/s/ George Gleason

George Gleason
Chairman and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report of Bank OZK (the Bank) on Form 10-Q for the period ended March 31, 2025, as filed with the Federal Deposit Insurance Corporation on the date hereof (the Report), I, Tim Hicks, Chief Financial Officer of the Bank, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

Date: May 6, 2025

/s/ Tim Hicks
Tim Hicks
Chief Financial Officer