Bank OZK

MANAGEMENT COMMENTS
FOR THE FIRST QUARTER 2023
APRIL 20, 2023

Forward-Looking Statements

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

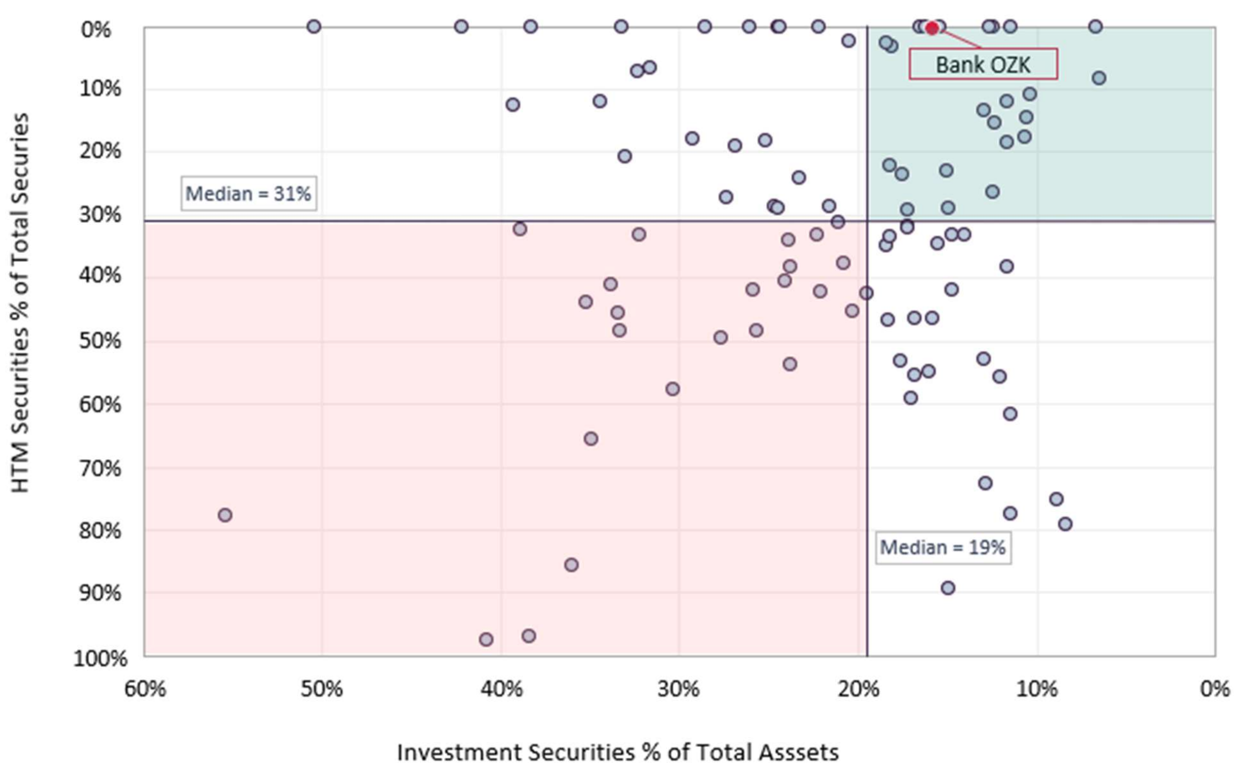
Preface

In light of recent attention given to regional banks, we thought it would be helpful to provide some important comparative data points before discussing our excellent results for the quarter. The following three graphs illustrate our favorable position and performance relative to the other 93 publicly traded U.S. banks and bank holding companies with $10 billion to $250 billion in total assets[1].

Well-Positioned Securities Portfolio

We have no investment securities categorized as held-to-maturity ("HTM"). We have long believed that holding our securities as available-for-sale or trading provides us maximum liquidity and flexibility to manage our balance sheet, while most accurately reflecting our financial position. Thus, we have no unrecognized mark-to-market adjustments on securities. Additionally, our investment securities portfolio comprises a relatively low percentage of our total assets and had a short effective duration of 3.64 years.

Securities Portfolio as of December 31, 2022

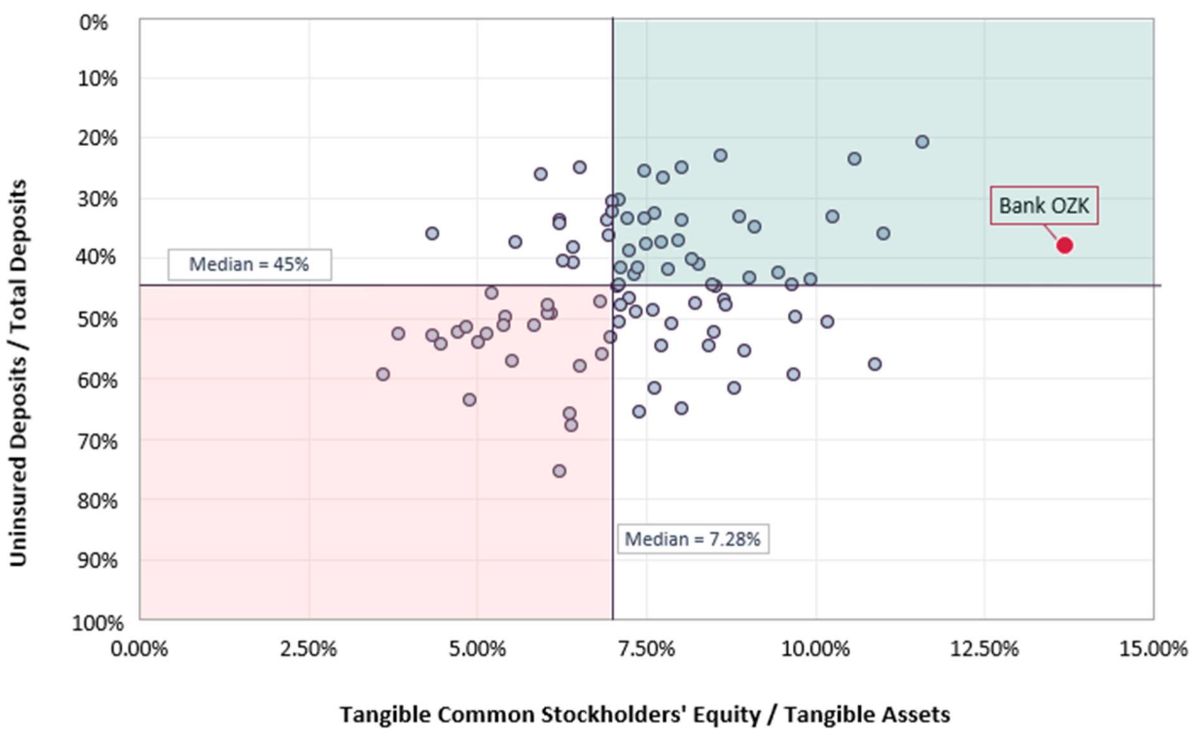


[1] Source: S&P Global CapIQ. Data as of December 31, 2022, and for the fourth quarter of 2022.

Strong and Resilient Balance Sheet

Our tangible common stockholders' equity ratio is the highest among this peer group. Our deposit base is heavily retail oriented with most of our deposits being generated through our network of 229 branches in Arkansas, Georgia, Florida, North Carolina and Texas. The majority of our deposits are insured, or, in the case of larger public funds deposits and certain other deposits, collateralized. This combination of our peer group-leading tangible common stockholders' equity ratio and our diverse and stable deposit base gives us a strong and resilient balance sheet.

Tangible Common Stockholders' Equity and Uninsured Deposits Ratios as of December 31, 2022



Dominant Profitability

Our high percentage of variable rate loans has helped us achieve the highest net interest margin in the peer group. The significant asset sensitivity of our loan portfolio had us well positioned to offset the rate sensitivity of our deposits as interest rates increased. We have focused on achieving a good match in the relative sensitivity and duration of assets and liabilities, which has been a cardinal principle of banking since the 1980's savings and loan crisis. Our adherence to this very simple, but highly important, principle has served us well through the recent aggressive Federal Reserve ("Fed") tightening cycle.

Our peer group leading net interest margin and our top-decile efficiency ratio give us dominant profitability, which is an excellent source of strength and protection in periods of economic adversity.

Efficiency Ratio and Net Interest Margin for the Fourth Quarter of 2022

Focus on Sound Banking Principles and Practices

Recent commentary has suggested that banks our size do not conduct stress tests. Even though the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018 repealed portions of the Dodd-Frank Act stress testing requirements, we continue to conduct robust stress tests. We conduct our capital stress tests (including the most severe annual Federal Reserve stress scenario and six other scenarios) annually, our liquidity stress tests (with five stress scenarios) quarterly and our commercial real estate ("CRE") stress tests (with at least seven scenarios) quarterly. These tests provide us excellent insight into our expected performance under a broad range of stress scenarios.

Our excellent results and consistent focus on sound banking principles and practices result from the individual and collective decades of experience of our management team, most of whom have been through multiple challenging economic cycles. We have team members whose careers include the Fed lifting interest rates dramatically in the early 1980's to quell the Great Inflation taking the prime rate to an historically high 21.5% in December 1980; the recessions of 1980, 1981-82, 1990-91, and 2001; the savings and loan crisis; the Great Financial Crisis (recession of 2007-2009); and the Covid-19 Pandemic (recession of 2020). Because we have paid attention to the fundamentals of the business and learned from the vast experiences of our management team, we have been profitable every year for decades and regularly among the industry's top performers.

For all these reasons, among many others, we are excited about our future and our ability to capitalize on opportunities resulting from periods of industry and macroeconomic turmoil.

Management Comments for the First Quarter of 2023

Summary

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

- ***Net Income & Earnings Per Share.*** Net income available to common stockholders was a record $165.9 million and our diluted earnings per common share were a record $1.41.
- ***Pre-tax Pre-provision Net Revenue[2] ("PPNR")***. PPNR was a record $246.4 million.
- ***Net Interest Income.*** Net interest income was a record $344.9 million resulting from a combination of net interest margin expansion and loan growth. Specifically, our net interest margin increased to 5.54% even though our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest bearing deposits ("COIBD"), decreased to 5.87%.
- ***Loans.*** Total loans outstanding grew to a record $22.06 billion, increasing $1.28 billion, or 6.2% not annualized, during the quarter.
- ***Deposits.*** Deposits grew to a record $22.28 billion, increasing $0.78 billion, or 3.6% not annualized, during the quarter.
- ***Liquidity.*** At March 31, 2023, available primary and secondary liquidity sources totaled $10.0 billion.
- ***Asset Quality.*** Asset quality continued to outperform the industry as reflected by our annualized net charge-off ratio for total loans of 0.14% and our quarter end ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[3] of 0.15% and 0.34%, respectively.
- ***Efficiency Ratio.*** Efficiency ratio for the quarter was 33.6%, among the best in the industry.
- ***Capital.*** Common stockholders' equity ratio and tangible common stockholders' equity ratio[4] were 15.3% and 13.3%, respectively, at March 31, 2023.
- ***Stock Repurchases & Dividends.*** During the quarter, we repurchased approximately 2.35 million shares, or 2.0%, of our common stock for $85 million. We recently increased our quarterly dividend on common stock for the 51st consecutive quarter.

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

Profitability and Earnings Metrics

Net income available to common stockholders for the first quarter of 2023 was a record $165.9 million, a 29.5% increase from $128.0 million for the first quarter of 2022. Diluted earnings per common share for the first quarter of 2023 were a record $1.41, a 38.2% increase from $1.02 for the first quarter of 2022.

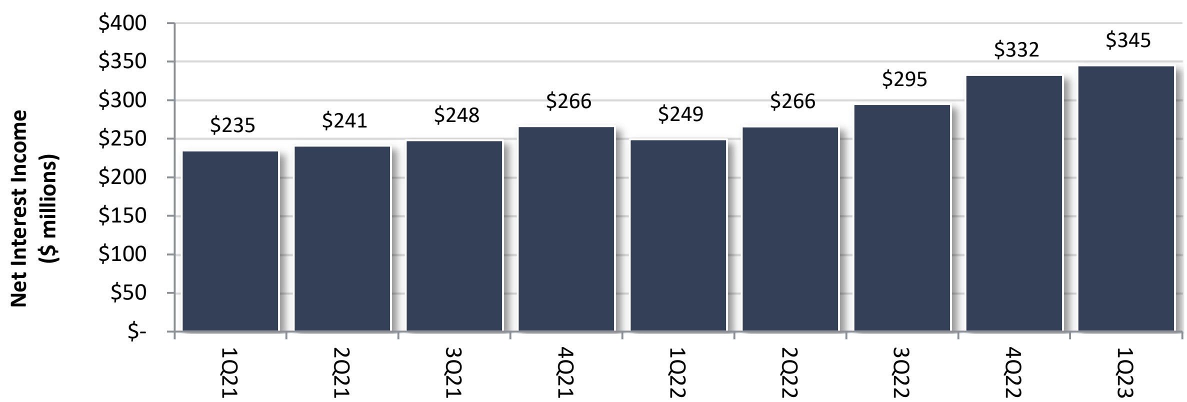
PPNR for the first quarter of 2023 increased $73.3 million, or 42.4%, to a record $246.4 million compared to $173.1 million for the first quarter of 2022.

Our annualized return on average assets was 2.41% for the first quarter of 2023 compared to 1.97% for the first quarter of 2022. Our annualized returns on average common stockholders' equity and average tangible common stockholders' equity[5] for the first quarter of 2023 were 15.24% and 17.94%, respectively, compared to 11.67% and 13.73%, respectively, for the first quarter of 2022.

Net Interest Income

Net interest income is our largest category of revenue. As shown in Figure 1, our net interest income for the first quarter of 2023 was a record $345 million, a 38.3% increase from the first quarter of 2022, and a 3.7% increase, not annualized, from the fourth quarter of 2022.

Figure 1: Quarterly Net Interest Income



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

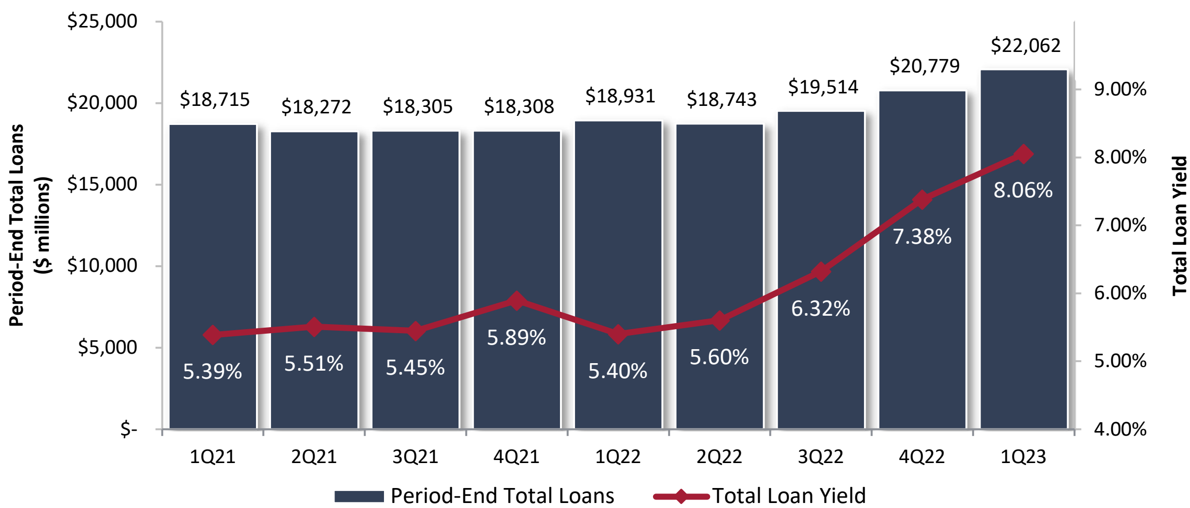
Earning Assets

Loans are the largest part of our earning assets. Our average balance of total loans for the quarter just ended was a record $21.2 billion, an increase of 13.8% from the first quarter of 2022 and 5.5%, not annualized, from the fourth quarter of 2022.

As illustrated in Figure 2, our period-end balance of total loans at March 31, 2023 was a record $22.06 billion, having increased $3.13 billion, or 16.5%, from March 31, 2022 and $1.28 billion, or 6.2% not annualized, from December 31, 2022.

We continue to expect our growth in total loans in 2023 will meet or exceed the $2.47 billion we achieved in 2022.

Figure 2: Total Loan Balances and Yields

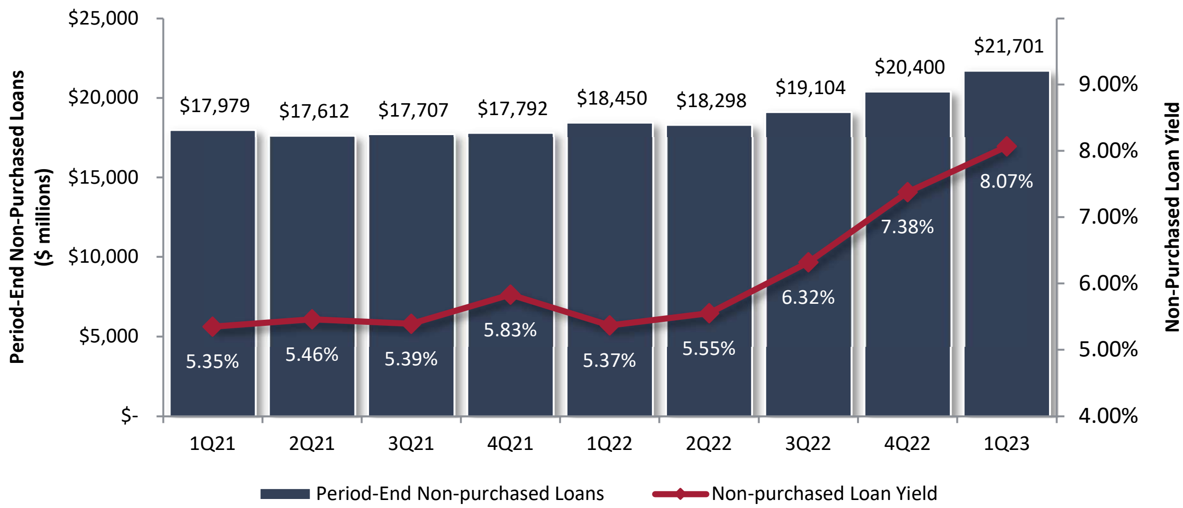


In the first quarter of 2023, our yield on total loans was 8.06%, an increase of 266 basis points ("bps") from the first quarter of 2022 and 68 bps from the fourth quarter of 2022.

Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from acquisitions, accounted for 98.3% of our average total loans and 82.0% of our average earning assets in the quarter just ended. As illustrated in Figure 3, non-purchased loans were a record $21.70 billion at March 31, 2023, having increased $3.25 billion, or 17.6%, from March 31, 2022, and $1.30 billion, or 6.4% not annualized, from December 31, 2022.

Figure 3: Non-purchased Loan Balances and Yields



In the first quarter of 2023, our yield on non-purchased loans was 8.07%, an increase of 270 bps from the first quarter of 2022 and 69 bps from the fourth quarter of 2022.

Loan Portfolio Diversification

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

Figure 4: Non-purchased Loan Growth – 1Q23 ($ millions)

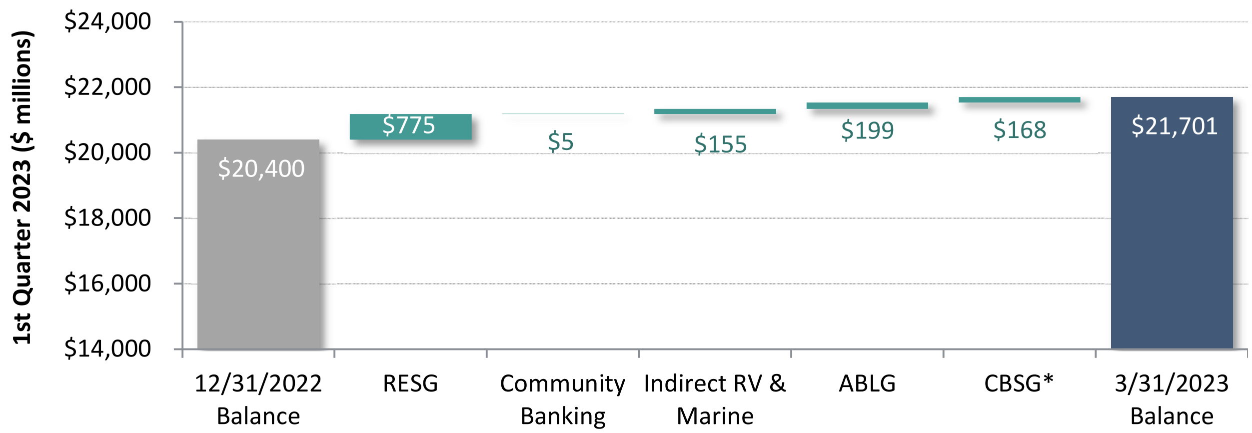
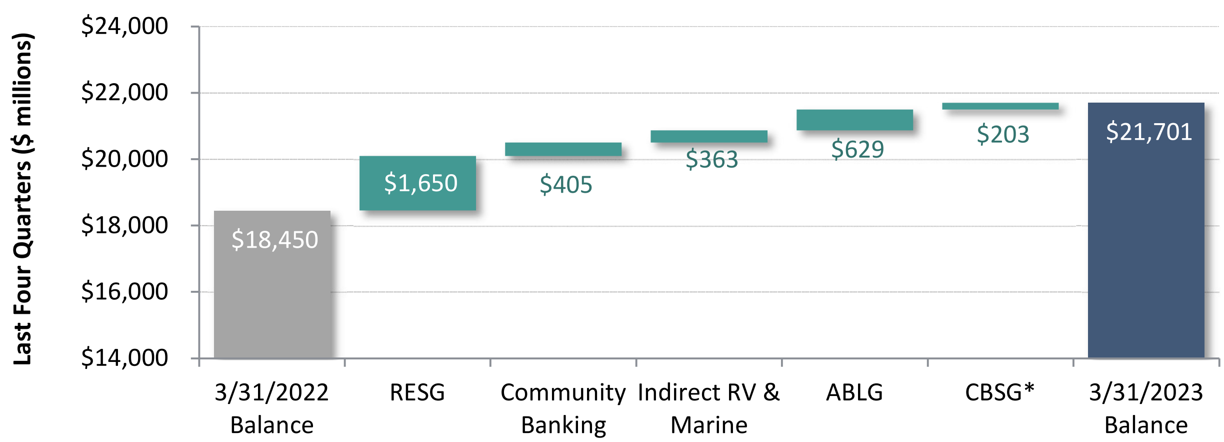


Figure 5: Non-purchased Loan Growth – Last Four Quarters ($ millions)



** CBSG is a team focused on subscription finance, other secured non-real estate lending opportunities, and our small shared national credit portfolio.*

Figure 6 reflects the breakdown of our non-purchased loans by lending group as of March 31, 2023.

As reflected in Figures 7 and 8, RESG's funded balance of non-purchased loans increased $0.77 billion and $1.65 billion during the first quarter of 2023 and for the last four quarters, respectively.

Figure 6: Non-purchased Loans by Lending Group

	3/31/2023 Balances		
		$ millions	*%*
RESG	$	13,374	62%
Community Banking		4,796	22%
Indirect Lending		2,484	11%
ABLG		681	3%
CBSG		366	2%
Total	**$**	**21,701**	**100%**

Figure 7: Activity in RESG Funded Balances – 1Q23 ($ billions)

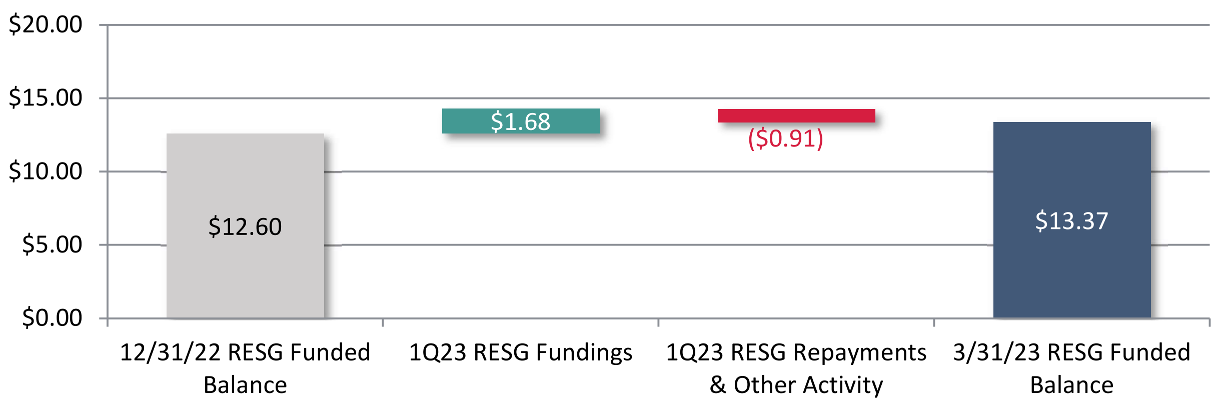
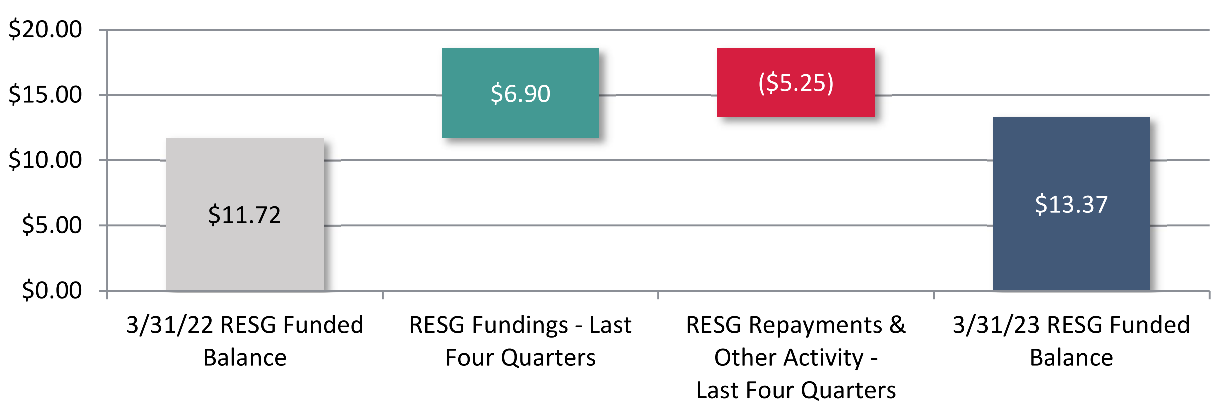


Figure 8: Activity in RESG Funded Balances – Last Four Quarters ($ billions)



As shown in Figure 9, RESG loan originations were $1.81 billion in the first quarter of 2023 and $12.49 billion for the last four quarters. Given the typical lag between RESG originations and the funding of such loans, the recent origination volumes should continue to contribute meaningfully to funded loan growth in the remainder of 2023 and 2024.

Figure 9: RESG Quarterly Loan Originations
($ billions)

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

**3M23 Not Annualized*

Because of the current uncertain macroeconomic environment, including the impact of recent increases in interest rates, RESG origination volume for the full year of 2023 is expected to be back in or around the range achieved during 2020 and 2021. Origination volume may vary significantly from quarter to quarter and may be impacted by interest rates, economic conditions, competition or other factors.

As shown in Figure 10, RESG's loan repayments and other activity were $0.91 billion in the quarter just ended and $5.25 billion for the last four quarters.

Figure 10: RESG Quarterly Loan Repayments & Other Activity
($ billions)

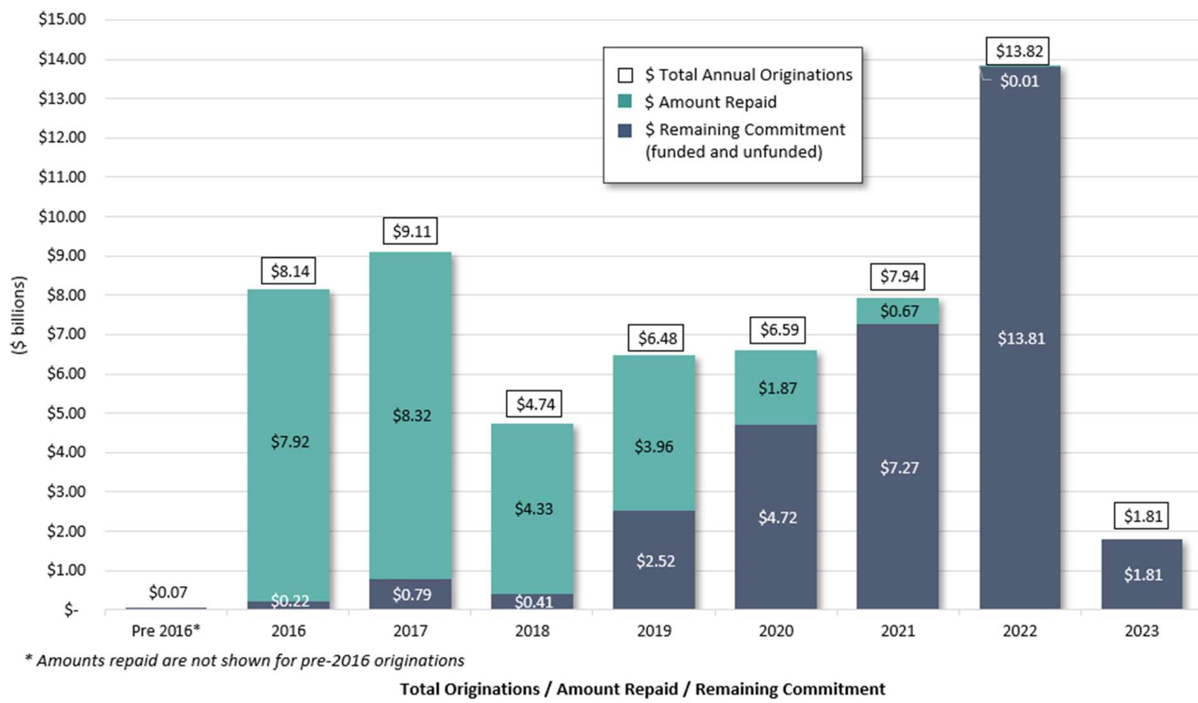
	Q1	Q2	Q3	Q4	Total*
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22
FY2022	$1.31	$2.34	$1.28	$0.72	$5.65
FY2023	$0.91				$0.91

**3M23 Not Annualized*

RESG loan repayments for the full year of 2023 are expected to remain approximately in the range achieved during 2021 and 2022. Of course, many sponsors are carefully monitoring interest rates and refinance market conditions to determine when to move projects from construction financing to bridge or permanent loans. As seen in recent quarters, RESG loan repayments may vary substantially from quarter to quarter and may have an outsized impact in one or more quarters.

Figure 11 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded, as of March 31, 2023.

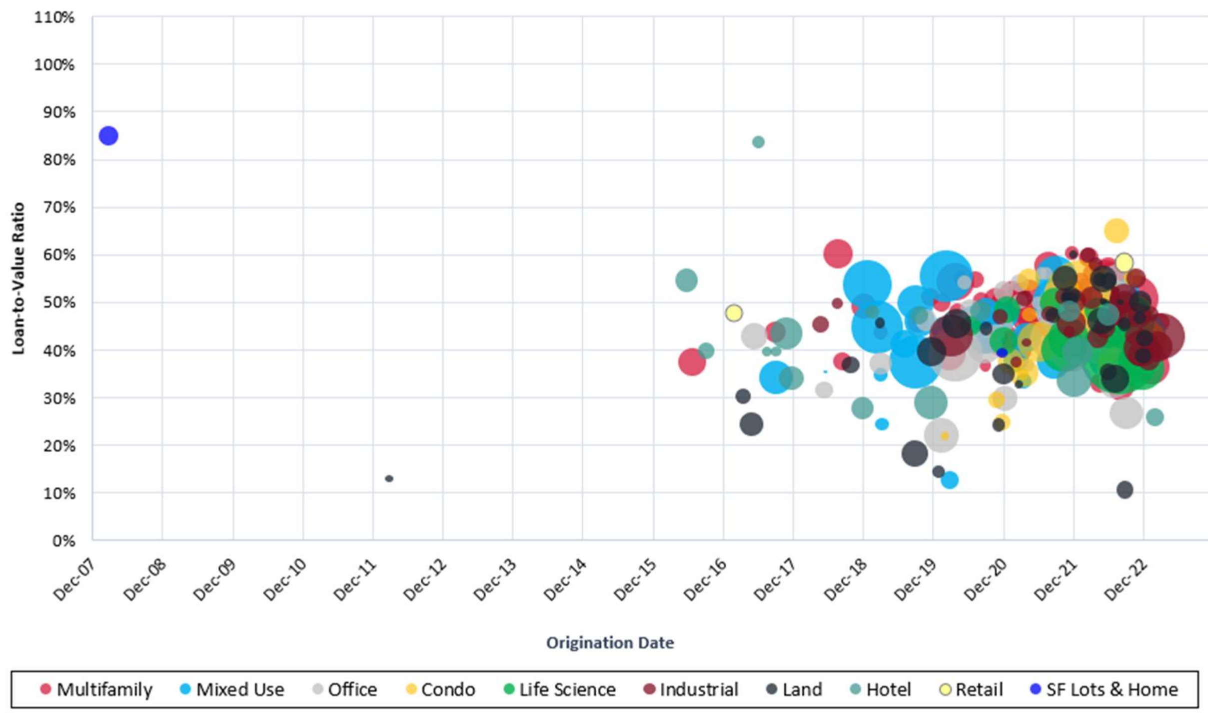
Figure 11: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*



The loan-to-value ("LTV") metrics on individual loans within the RESG portfolio are illustrated in Figure 12. Other than one $56 million substandard accrual rated credit with an 85% LTV and one $24 million special mention rated credit with an 84% LTV, all other credits in the RESG portfolio have LTV ratios of 65% or less.

Figure 12: RESG Portfolio by LTV & Origination Date (As of March 31, 2023)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount



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

In our earnings call held in January 2023, we discussed a RESG loan which was secured by land and rated special mention at December 31, 2022. The sponsor had recently decided to not proceed with the high-end multifamily development previously planned for the site due to increasing project costs and rising interest rates. Subsequently, the sponsor engaged in an expedited marketing process and received multiple bids, including one at a price above our loan basis, but that potential buyer withdrew following the recent banking industry turmoil. As a result, the sponsor elected to surrender the land to us on March 31, 2023. The land was appraised, as-is, in December 2022 at $100.4 million. On March 31, 2023, we booked the land into foreclosed assets, without loss, at our loan basis of $59.96 million. Given our basis relative to the recent appraised value and the high quality of this site, we do not expect a significant loss, if any, on the ultimate sale of this land. We expect to actively market the property when macroeconomic and market conditions normalize, which may be later this year or sometime in 2024.

The significant protection provided by RESG's conservative loan-to-cost ("LTC") and LTV metrics is always important, and especially so in the current macroeconomic environment. Assuming full funding of every RESG loan, as of March 31, 2023, the weighted average LTC for the RESG portfolio was 54%, and the weighted average LTV was 43%. RESG collateral valuations are supported by the fact that the majority of RESG loans are for new construction featuring the most current design and amenity packages, which provides a distinct competitive advantage compared to older, less desirable properties.

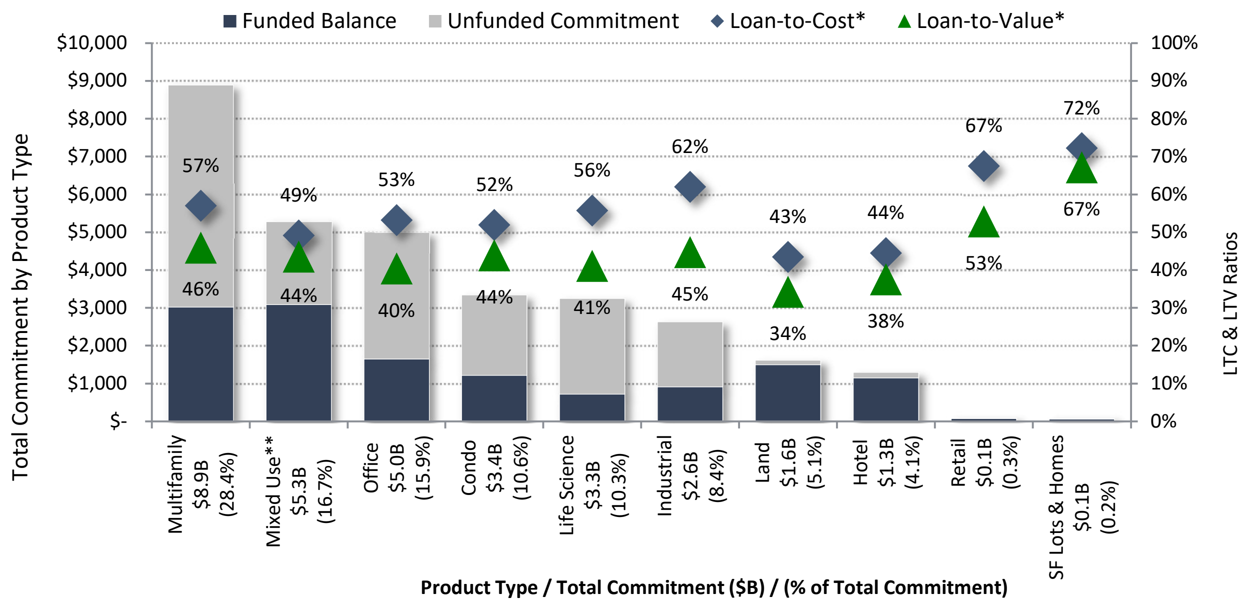
During the first quarter of 2023, RESG obtained updated appraisals on 15 loans with a total commitment of $1.24 billion. Figure 13 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value for each of these loans. In summary, LTVs were relatively unchanged (plus or minus 5%) for ten loans, LTVs decreased more than 5% for two loans and LTVs increased more than 5% for three loans.

Figure 13: Appraisals Obtained in 1Q23 ($ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 3/31/23	Δ in LTV
Mixed Use	$ 410	41.4%	55.5%	14.1%
Mixed Use	26	26.0%	34.8%	8.8%
Hotel	42	33.4%	39.8%	6.4%
Industrial	265	38.2%	43.2%	4.9%
Office	180	37.8%	40.8%	3.0%
Multifamily	32	44.0%	45.9%	1.9%
Industrial	40	44.2%	45.4%	1.2%
Land	9	12.2%	13.0%	0.8%
Multifamily	63	43.8%	43.8%	0.0%
Multifamily	42	48.5%	48.1%	-0.5%
Land	23	16.2%	14.4%	-1.9%
Land	36	51.4%	47.3%	-4.1%
Hotel	28	52.1%	48.0%	-4.1%
Multifamily	32	51.0%	43.9%	-7.1%
Land	11	41.4%	32.7%	-8.7%

Figure 14 shows the product type diversification within the RESG portfolio.

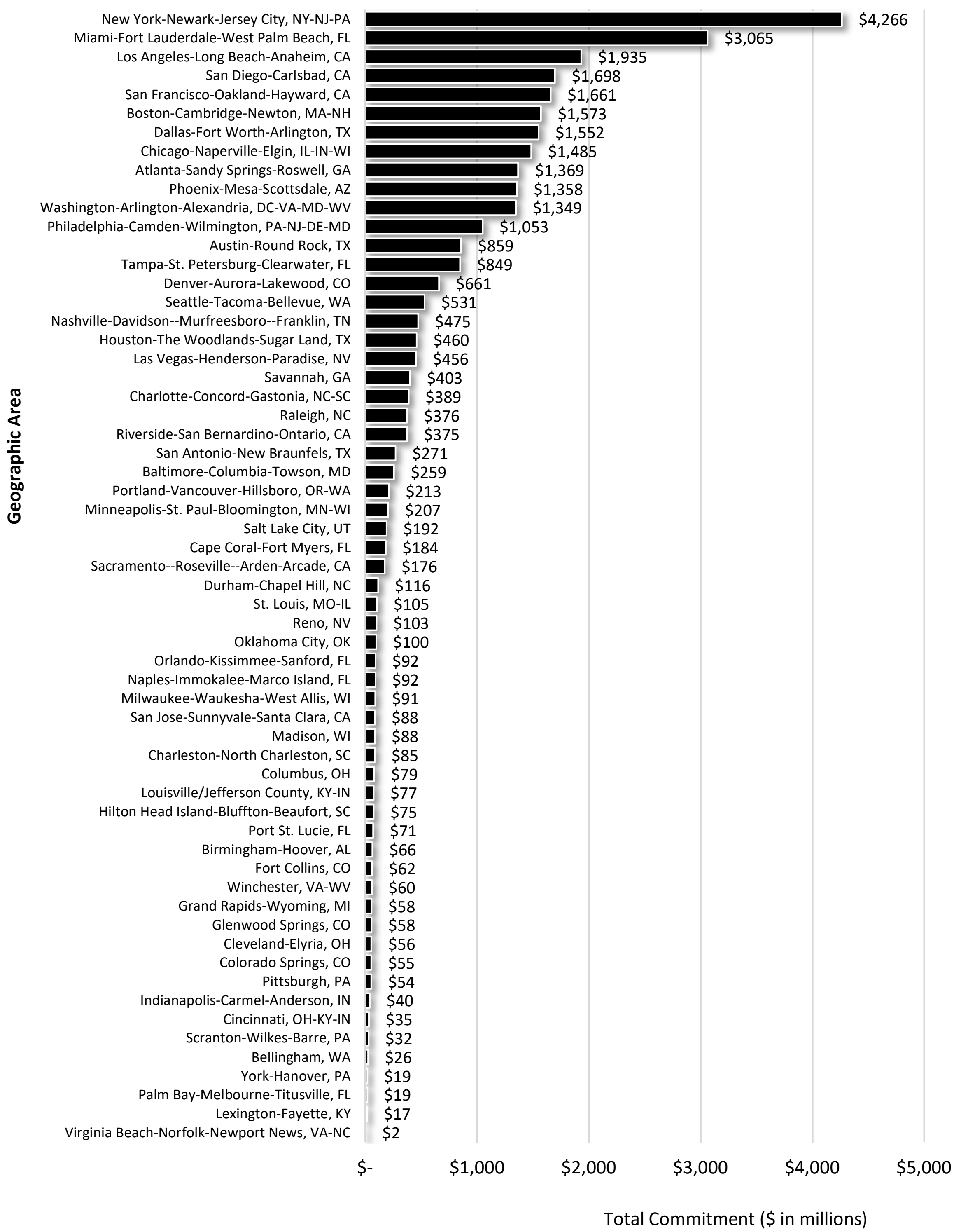
Figure 14: RESG Portfolio Diversification by Product Type (As of March 31, 2023) ($ millions)



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

Figure 15 shows RESG's total commitments in each geographic area in which it currently has loans, reflecting the national scope and significant geographic diversification in RESG's business.

Figure 15: RESG's Portfolio Diversification - All Geographies (As of March 31, 2023) ($ millions)

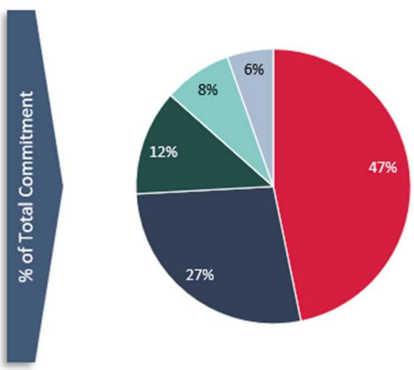


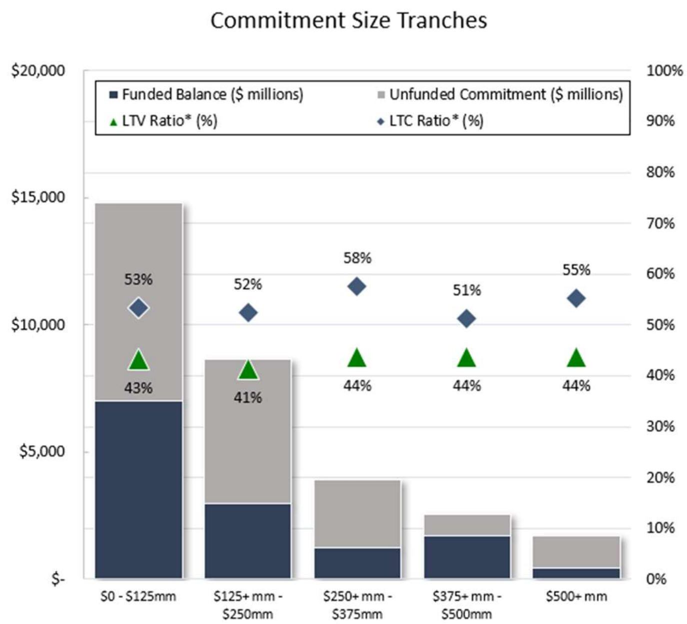
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 16.

Figure 16: RESG Portfolio Stratification by Loan Size - Total Commitment (As of March 31, 2023)

($ millions)

Tranche	No. of Loans	Funded Balance	Total Commitment
$0 - $125mm	276	$ 7,030	$ 14,790
$125+ mm - $250mm	51	2,961	8,652
$250+ mm - $375mm	13	1,228	3,924
$375+ mm - $500mm	6	1,701	2,538
$500+ mm	2	454	1,715
Total	**348**	**$ 13,374**	**$ 31,619**





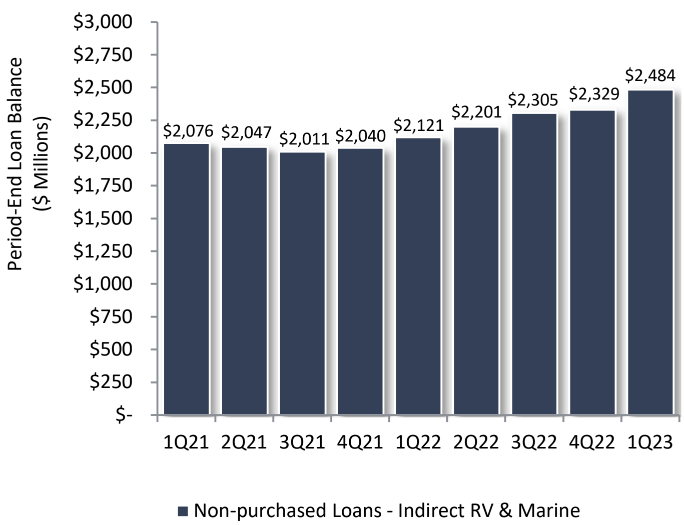
** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.*

Our Community Banking loans, which accounted for 22% of the funded balance of non-purchased loans as of March 31, 2023, include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, affordable housing, middle market CRE, home builder finance and equipment finance/capital solutions lending teams. Growth in these units is an important part of our broader strategy for portfolio diversification, both in terms of product types and geography.

Indirect RV & Marine lending is a nationwide business that has allowed us to originate consumer loans while maintaining our conservative credit-quality standards. This portfolio accounted for 11% of the funded balance of non-purchased loans as of March 31, 2023. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans.

As of March 31, 2023, the non-purchased indirect portfolio had a 30+ day delinquency ratio of 14 bps. For the first quarter of 2023, our annualized net charge-off ratio for the non-purchased indirect portfolio was 28 bps. Figure 17 provides additional details regarding this portfolio.

Figure 17: Indirect RV & Marine Non-purchased Loan Balances



RV Portfolio at 3/31/23		
Loan Size	**Total #**	**$ thousands**
$1 million +	-	$ -
$750k - $999k	-	-
$250k - $749k	493	154,332
$50k - $249k	9,934	1,098,796
< $50k	6,258	158,929
Total	**16,685**	**$ 1,412,058**

Marine Portfolio at 3/31/23		
Loan Size	**Total #**	**$ thousands**
$1 million +	48	$ 93,408
$750k - $999k	46	39,930
$250k - $749k	553	210,809
$50k - $249k	5,538	638,504
< $50k	2,967	89,401
Total	**9,152**	**$ 1,072,052**

Unfunded Balances of Loans Already Closed

At March 31, 2023, RESG accounted for 86% of our $20.97 billion unfunded balance of loans already closed, followed by Community Banking at 7%, CBSG at 4%, and ABLG at 3%. Figures 18 and 19 reflect the changes in the unfunded balance of our loans already closed for the first quarter of 2023 and over the last four quarters. The total unfunded balance decreased $0.09 billion during the first quarter of 2023, but increased $6.02 billion over the last four quarters. Our unfunded balance should continue to contribute meaningfully to funded loan growth in the remainder of 2023 and 2024.

Figure 18: Activity in Unfunded Balances – 1Q23 ($ billions)

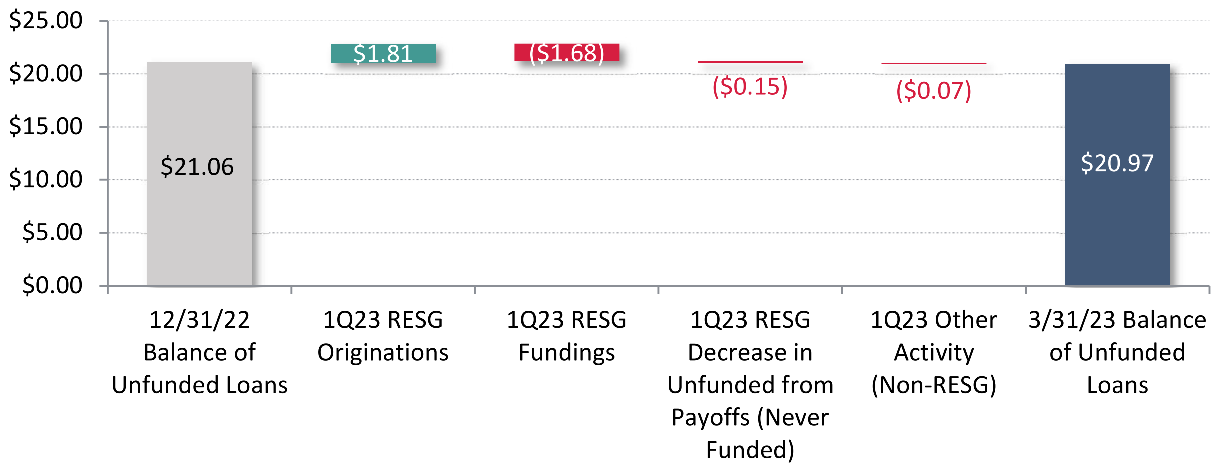
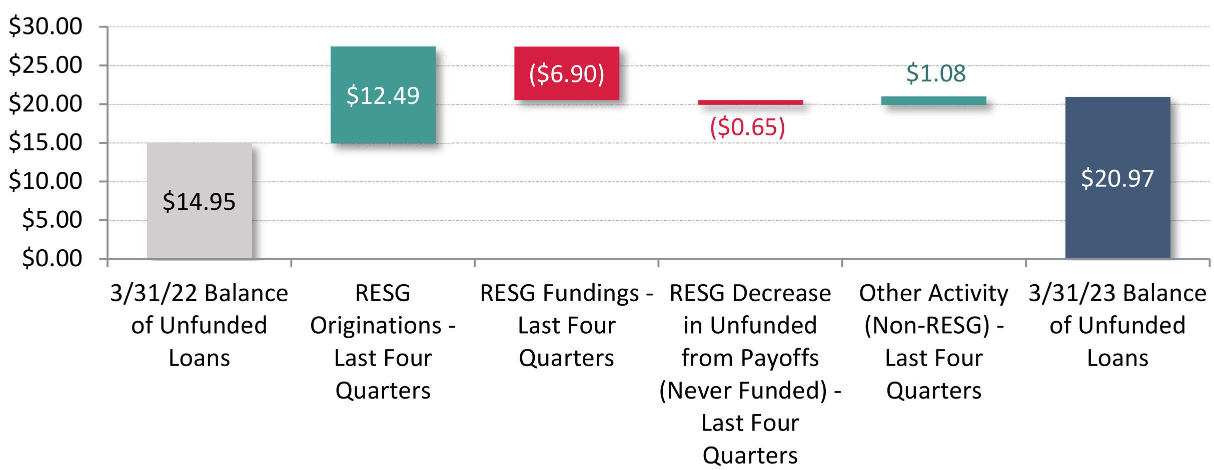


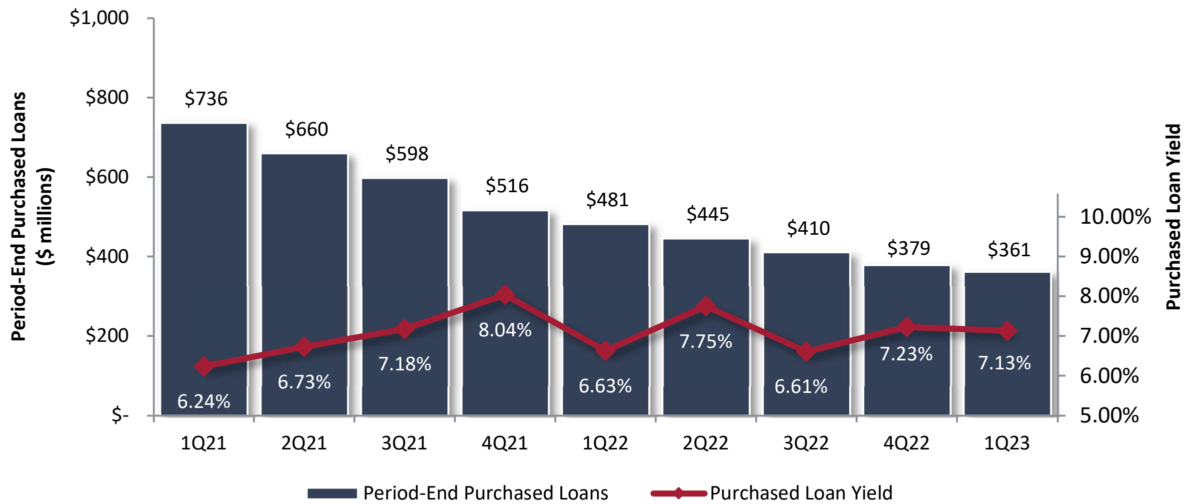
Figure 19: Activity in Unfunded Balances – Last Four Quarters ($ billions)



Purchased Loans

Purchased loans, which are the remaining loans from acquisitions, accounted for 1.7% of average total loans and 1.5% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.02 billion, or 4.6% not annualized, to $0.36 billion at March 31, 2023. Over the last four quarters, our purchased loan portfolio decreased by $0.12 billion, or 25.0%. Figure 20 shows recent purchased loan portfolio trends.

Figure 20: Purchased Loan Balances and Yields

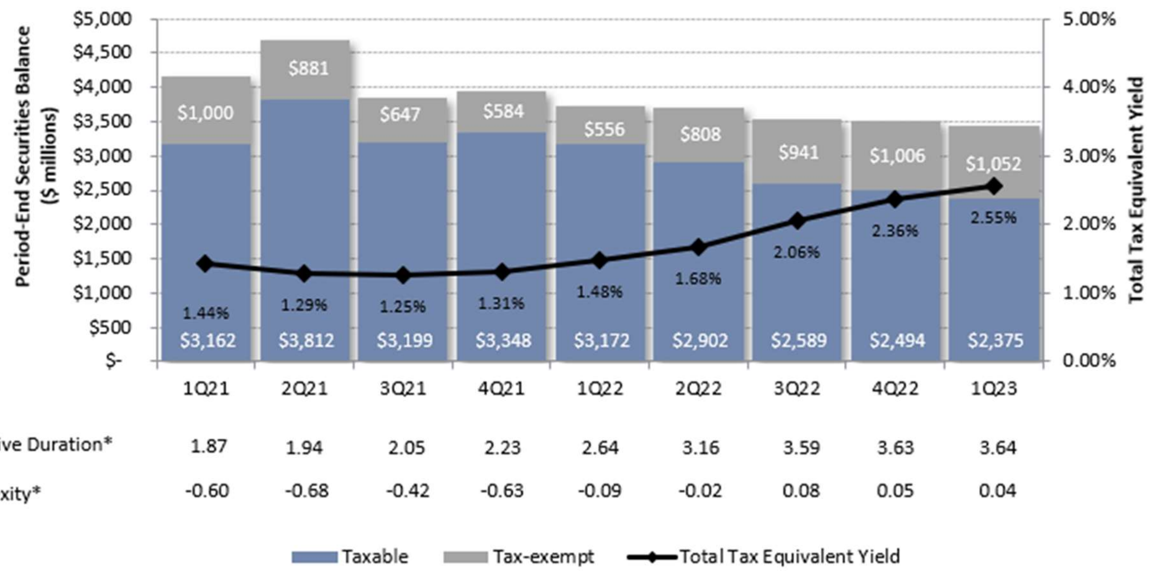


In the first quarter of 2023, our yield on purchased loans was 7.13%, an increase of 50 bps from the first quarter of 2022, but a decrease of 10 bps from the fourth quarter of 2022.

Investment Securities Portfolio

As illustrated in Figure 21, at March 31, 2023, our investment securities portfolio was $3.43 billion, a decrease of $0.30 billion, or 8.1%, from March 31, 2022 and $0.07 billion, or 2.1% not annualized, from December 31, 2022. In the quarter just ended, our investment portfolio yield on a fully taxable equivalent basis was 2.55%, an increase of 107 bps from the first quarter of 2022 and 19 bps from the fourth quarter of 2022.

Figure 21: Investment Securities Portfolio Balances and Yields



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

As shown above, our portfolio had an effective duration of 3.64 years. It contains a number of short-term securities providing us cash flow to reinvest at current interest rates or otherwise redeploy. Principal cash flow from maturities and other principal repayments in the second quarter of 2023 is expected to be approximately $0.19 billion, or about 5.5% of the portfolio. Cumulative principal cash flow for the next four quarters through March 31, 2024, is expected to be approximately $0.63 billion, or about 18.6% of the portfolio.

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

Deposits and Liquidity

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

During the quarter just ended, our deposits grew to a record $22.28 billion, increasing $0.78 billion, or 3.6% not annualized. Our average deposits for the quarter increased $1.18 billion, or 5.7% not annualized, compared to the fourth quarter of 2022.

Most of our deposits are generated through our network of 229 retail branches in Arkansas, Georgia, Florida, North Carolina, and Texas. Because of the substantial "retail" nature of our deposit base, the majority of our deposits are insured (67% at March 31, 2023) and, in the case of public funds and certain other deposits, collateralized (12% at March 31, 2023). As of March 31, 2023, our average account balance was approximately $37,000. The diversity of our deposit base is an important factor in the stability of our deposits, as demonstrated in the quarter just ended.

Figure 22: Deposit Composition ($ millions)

	Period Ended					
	3/31/2022		12/31/2022		3/31/2023	
Noninterest Bearing	$ 5,009	24.6%	$ 4,658	21.7%	$ 4,420	19.8%
Consumer and Commercial Interest Bearing:						
Consumer - Non-time	4,491	22.1%	3,916	18.2%	3,490	15.7%
Consumer - Time	4,089	20.1%	4,936	23.0%	6,155	27.6%
Commercial - Non-time	2,646	13.0%	2,741	12.7%	2,487	11.2%
Commercial - Time	793	3.9%	516	2.4%	560	2.5%
Public Funds	2,044	10.1%	2,103	9.8%	2,325	10.4%
Brokered	755	3.7%	2,050	9.5%	2,104	9.5%
Reciprocal	504	2.5%	578	2.7%	743	3.3%
Total	$ 20,330	100.0%	$ 21,500	100.0%	$ 22,283	100.0%

We maintain substantial and diverse sources of available primary and secondary liquidity, as reflected in Figure 23.

Figure 23: Available Primary and Secondary Liquidity Sources *($ millions)*

	As of March 31, 2023	
Cash & Cash Equivalents	$	1,039
Unpledged Investment Securities		2,665
FHLB Borrowing Availability		4,782
Unsecured Lines of Credit		1,065
Funds Available Through Fed Discount Window*		404
Total	**$**	**9,956**

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

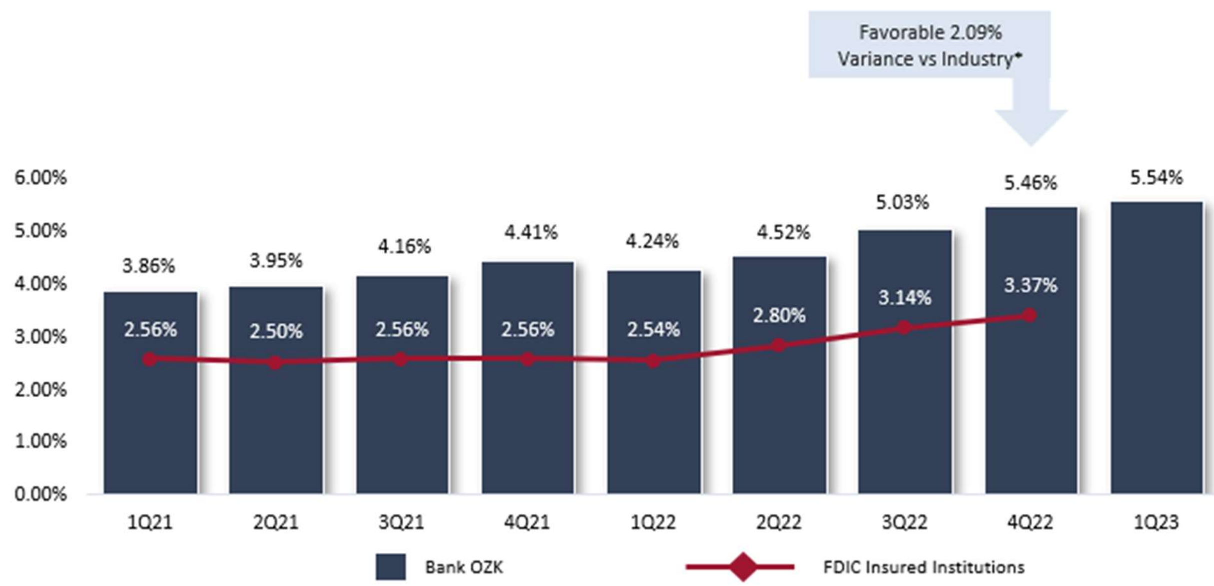
Net Interest Margin and Core Spread

During the quarter just ended, our net interest margin improved to 5.54%, an increase of eight bps from the fourth quarter of 2022 and 130 bps from the first quarter of 2022.

In the quarter just ended, compared to the fourth quarter of 2022, our yield on average earning assets was 7.19%, an increase of 66 bps, and our cost of interest bearing liabilities was 2.31%, an increase of 77 bps. Compared to the first quarter of 2022, our yield on average earning assets increased 273 bps and our cost of interest bearing liabilities increased 199 bps.

As shown in Figure 24, in the fourth quarter of 2022, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 209 bps.

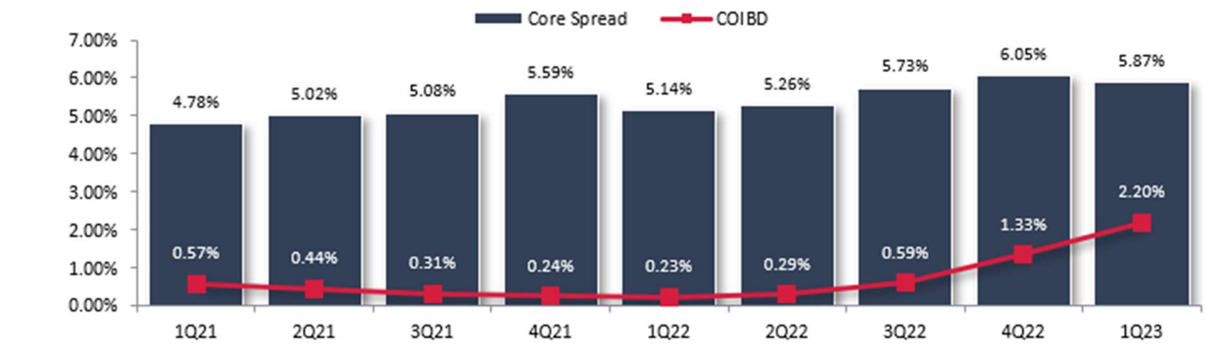
Figure 24: Quarterly Net Interest Margin (%)



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2022.

As reflected in Figure 25, during the quarter just ended, our core spread was 5.87%, a decrease of 18 bps from the fourth quarter of 2022, but an increase of 73 bps from the first quarter of 2022. In the quarter just ended, compared to the fourth quarter of 2022, our yield on non-purchased loans increased 69 bps and our COIBD increased 87 bps, and compared to the first quarter of 2022, our yield on non-purchased loans increased 270 bps and our COIBD increased 197 bps.

Figure 25: Core Spread and COIBD



	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Yield on Non-purchased loans	*5.35%*	*5.46%*	*5.39%*	*5.83%*	*5.37%*	*5.55%*	*6.32%*	*7.38%*	*8.07%*
COIBD	*0.57%*	*0.44%*	*0.31%*	*0.24%*	*0.23%*	*0.29%*	*0.59%*	*1.33%*	*2.20%*
Core Spread	*4.78%*	*5.02%*	*5.08%*	*5.59%*	*5.14%*	*5.26%*	*5.73%*	*6.05%*	*5.87%*

Over the last four quarters since the Fed started increasing the Fed funds target rate, our non-purchased loan yields have increased more than our COIBD, resulting in our net interest margin and core spread expanding 130 bps and 73 bps, respectively. However, in the quarter just ended, our COIBD increased more than our yield on non-purchased loans, as deposit rates began to catch-up with changes in variable-rate loan yields. Assuming that the Fed is at or near the end of its tightening cycle, we expect our COIBD will continue to increase in the coming quarters at a faster rate than increases in our loan yields, resulting in decreases in our core spread and net interest margin over the remainder of 2023.

In 2022 our growth in net interest income was most significantly a result of net interest margin expansion, and secondarily from growth in average earning assets. In 2023 we expect that continued growth in average earning assets will be the key to growth in net interest income as net interest margin and core spread are expected to decline from recent peaks.

Variable Rate Loans

At March 31, 2023, 79% of our funded balance of total loans had variable rates, of which 9% were tied to 1-month LIBOR, 73% to 1-month term SOFR, 16% to WSJ Prime and 2% to other indexes. At March 31, 2023, 99% of our variable rate total loans (non-purchased and purchased) had floor rates, and the vast majority of such loans were above their floor rates.

Provision and Allowance for Credit Losses ("ACL")

Our provision for credit losses was $35.8 million for the first quarter compared to $4.2 million for the first quarter of 2022 and $32.5 million for the fourth quarter of 2022.

As of March 31, 2023, our allowance for loan losses ("ALL") for outstanding loans was $222.0 million, or 1.01% of total outstanding loans, and our reserve for losses on unfunded loan commitments was $171.7 million, or 0.82% of unfunded loan commitments, bringing our total ACL, which includes the ALL and the reserve for losses on our unfunded loan commitments, to $393.8 million, or 0.92% of total outstanding loans and unfunded loan commitments.

Activity in our ACL for the first quarter of 2023 and for the last four quarters is summarized in Figures 26 and 27. Growth in loan balances was a significant factor in the growth in our ACL in both timeframes.

Figure 26: Activity in ACL – 1Q23 *($ millions)*

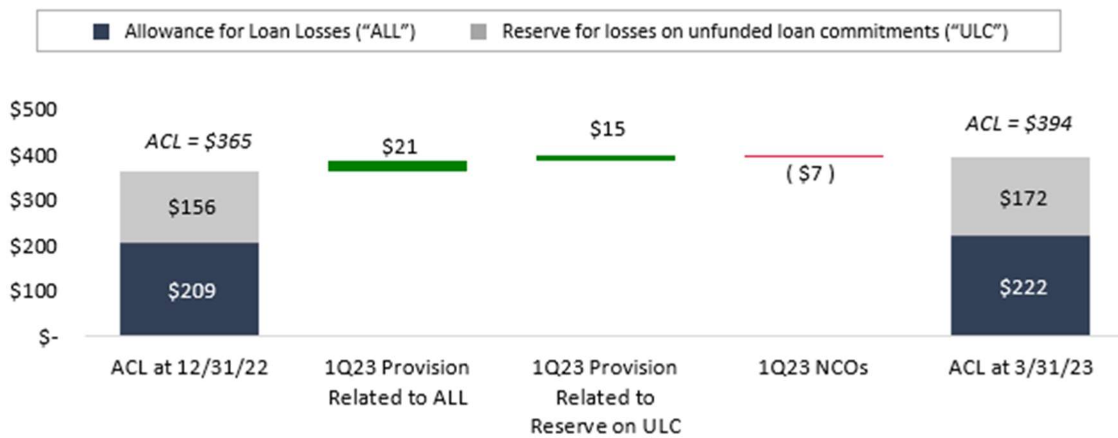
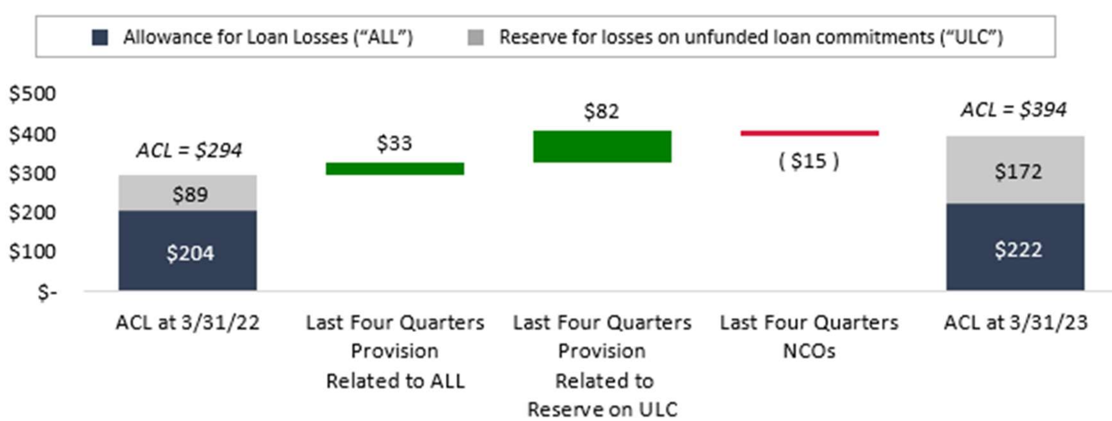


Figure 27: Activity in ACL – Last Four Quarters *($ millions)*



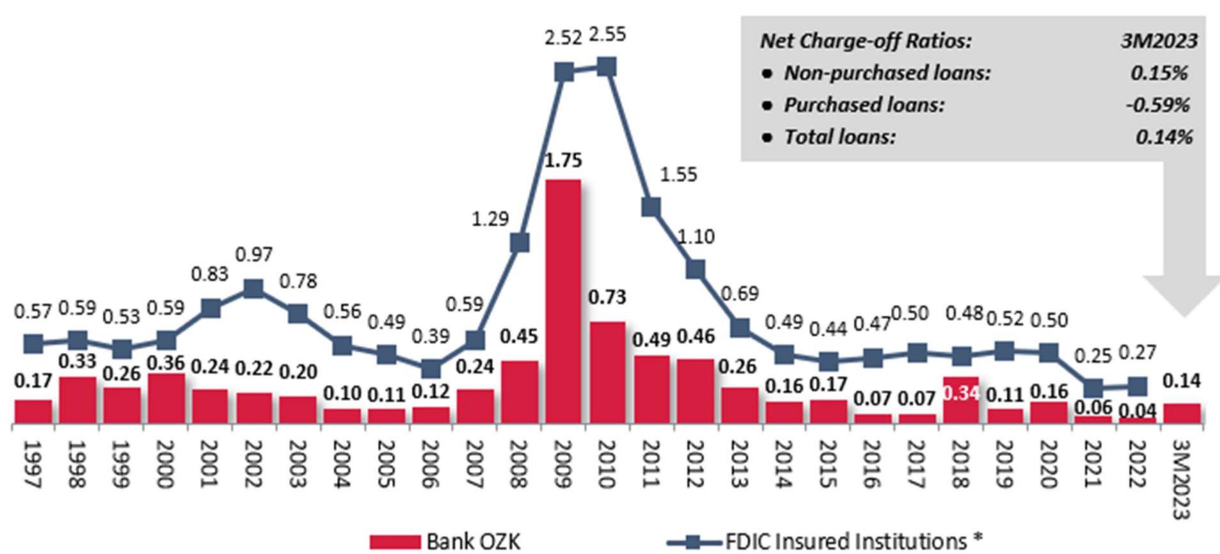
The calculations of our provision for credit losses for the first quarter of 2023 and our total ACL at March 31, 2023 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in March 2023. In our selection of macroeconomic scenarios, we remained weighted to the downside as the combined weightings assigned to the Moody's S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios exceeded that of the Moody's Baseline scenario. Our selection and weightings of these scenarios reflected our assessment of conditions in the U.S. economy, and acknowledged the uncertainty regarding future U.S. economic conditions, including the elevated risks from: a possible recession; inflationary pressures; increases in the Fed funds target rate and quantitative tightening; U.S. fiscal policy actions, including actions regarding the U.S. debt ceiling; banking industry turmoil; supply chain disruptions; global trade and geopolitical matters; the ongoing war in Ukraine; and various other factors. Our ACL calculations include certain qualitative adjustments to capture items not fully reflected in our modeled results.

Net Charge-Offs

We have continued our long-standing track record of having net charge-off ratios well below industry averages, as shown in Figure 28. In the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.15%, for purchased loans was -0.59%, and for total loans was 0.14%. In our 25 years as a public company, our net charge-off ratio has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

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

Figure 28: Annualized Net Charge-off Ratio (Total Loans) vs. the Industry



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2022. Annualized when appropriate.

Our RESG portfolio has a long tradition of excellent asset quality. As shown in Figure 29, we have had only occasional challenges in the RESG portfolio as that portfolio has benefitted from the fact that most of its loans are on newly constructed properties with strong sponsorship, low leverage and protective loan structures. In fact, the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 20-year history is eight bps.

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

Figure 29 - RESG Historical Net charge-offs *($ Thousands)*

Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio**
2003	$ 5,106	$ 780	$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	537,597	-	0.00%
2011	649,806	592,782	2,905	0.49%
2012	848,441	737,136	-	0.00%
2013	1,270,768	1,085,799	-	0.00%
2014	2,308,573	1,680,919	-	0.00%
2015	4,263,800	2,953,934	-	0.00%
2016	6,741,249	5,569,287	-	0.00%
2017	8,169,581	7,408,367	842	0.01%
2018	9,077,616	8,685,191	45,490	0.52%
2019	9,391,096	9,427,266	-	0.00%
2020	11,591,147	10,651,549	-	0.00%
2021	11,367,505	11,149,098	1,891	0.02%
2022	12,598,957	11,590,988	-	0.00%
3/31/23	13,373,754	12,929,348	-	0.00%
Total			**$ 58,659**	

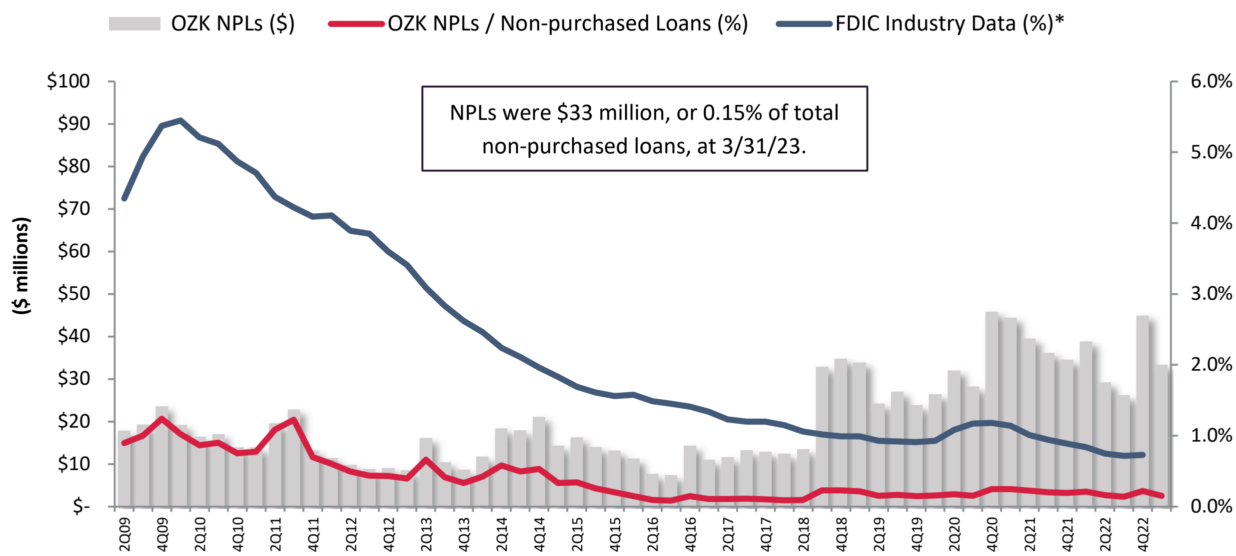
Weighted Average	**0.08%**

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

Other Asset Quality Measures

As shown in Figures 30, 31 and 32, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of outperforming industry averages. We expect our asset quality to continue to outperform industry averages.

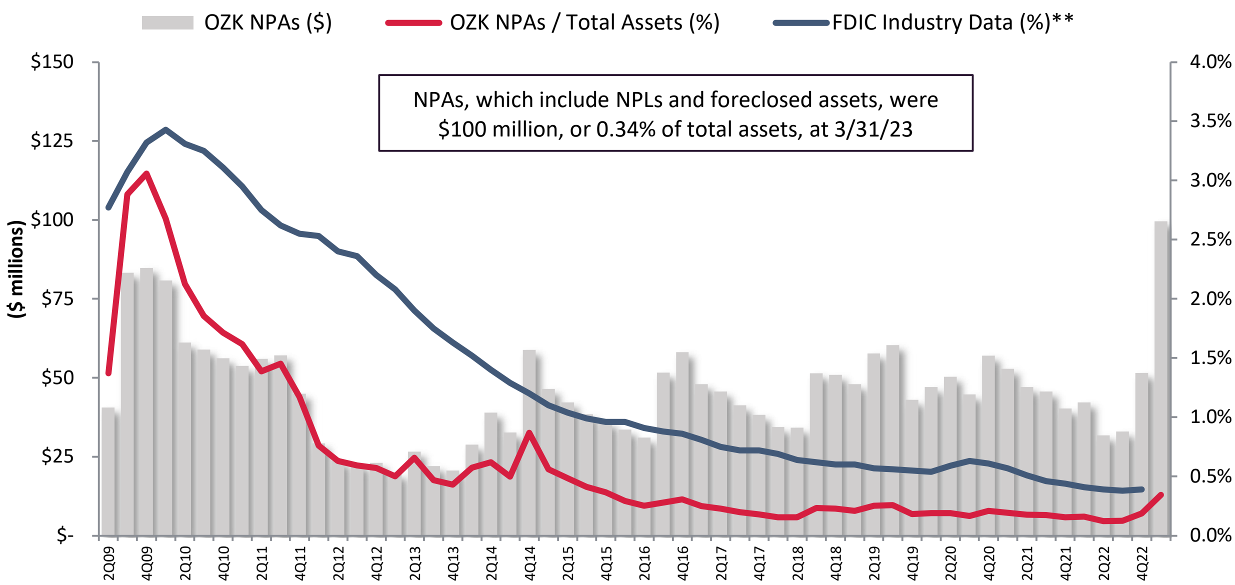
Figure 30: Nonperforming Non-purchased Loans ("NPLs")



** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2022. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

At March 31, 2023, our ratio of nonperforming non-purchased loans to total loans (excluding purchased loans) was 0.15% compared to 0.22% as of December 31, 2022.

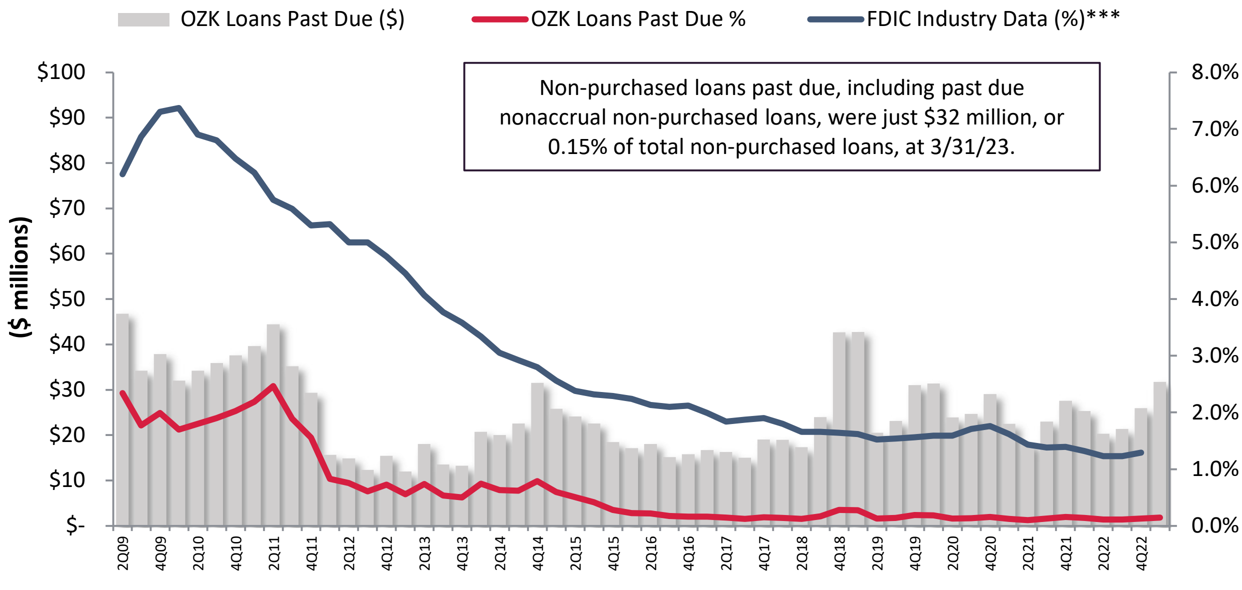
Figure 31: Nonperforming Assets ("NPAs")



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2022. Noncurrent assets plus other real estate owned to assets (%).*

At March 31, 2023, our ratio of nonperforming assets to total assets (excluding purchased loans, except for their inclusion in total assets) was 0.34% compared to 0.19% as of December 31, 2022. Excluding the previously discussed land that moved to foreclosed assets, such nonperforming assets ratio would have improved in the quarter just ended compared to December 31, 2022.

Figure 32: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2022. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

Non-interest Income

Non-interest income for the first quarter of 2023 was $27.8 million, a decrease of 11.6% from the first quarter of 2022, but a 0.9% increase from the fourth quarter of 2022. Figures 33 and 34, respectively, summarize non-interest income for the most recent nine quarters and year-over-year trends for the first quarter of 2023.

Figure 33: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended								
	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023
Service charges on deposit accounts:									
NSF fees	$ 862	$ 848	$ 1,045	$ 1,092	$ 1,080	$ 1,079	$ 1,152	$ 1,025	$ 991
Overdraft fees	2,461	2,396	3,035	3,223	3,121	3,168	3,656	3,442	3,287
All other service charges	6,342	7,067	7,097	7,149	6,690	7,184	7,089	7,138	6,502
Trust income	2,206	1,911	2,247	2,141	2,094	1,911	2,007	1,977	2,033
BOLI income:									
Increase in cash surrender value	4,881	4,919	4,940	4,901	4,793	4,846	4,940	4,953	4,974
Death benefit	1,409	-	-	618	297	-	510	-	-
Loan service, maintenance and other fees	3,551	3,953	3,307	3,148	3,018	3,603	3,418	3,780	4,076
Net gains (losses) on investment securities - Trading	-	-	-	504	(90)	531	321	1,256	1,716
Gains (losses) on sales of other assets	5,828	2,341	463	1,330	6,992	784	3,182	510	343
Other	4,577	4,307	3,850	5,589	3,480	3,214	2,888	3,463	3,887
Total non-interest income	$ 32,117	$ 27,742	$ 25,984	$ 29,695	$ 31,475	$ 26,320	$ 29,163	$ 27,544	$ 27,809

Figure 34: Trends in Non-interest Income – 2022 vs. 2023 *($ thousands)*

	For the Three Months Ended		
	3/31/2022	3/31/2023	% Change
Service charges on deposit accounts:			
NSF fees	$ 1,080	$ 991	-8.2%
Overdraft fees	3,121	3,287	5.3%
All other service charges	6,690	6,502	-2.8%
Trust income	2,094	2,033	-2.9%
BOLI income:			
Increase in cash surrender value	4,793	4,974	3.8%
Death benefit	297	-	NM
Loan service, maintenance and other fees	3,018	4,076	35.1%
Net gains (losses) on investment securities - Trading	(90)	1,716	NM
Gains (losses) on sales of other assets	6,992	343	-95.1%
Other	3,480	3,887	11.7%
Total non-interest income	$ 31,475	$ 27,809	-11.6%

Non-interest Expense

Non-interest expense for the first quarter of 2023 was $126.2 million, an increase of 17.2% from the first quarter of 2022 and 6.1% from the fourth quarter of 2022.

During 2022 and the first quarter of 2023, increases in salaries and employee benefits expense were significant contributors to increased non-interest expense. This escalation in salaries and benefits expense was driven by competitive labor market conditions and our expanding staff from pandemic-diminished levels, as illustrated in Figure 35. We expect further growth in headcount throughout 2023 to support our anticipated growth in deposits, loans and other aspects of our business, and this should result in further increases in non-interest expense in future quarters.

Figure 35: FTE Headcount and Salaries & Benefits Expense

	Approx. FTE Headcount *(Period End)*	**Salaries & Benefits Expense** *($ Thousands)*
1Q22	2,485	$ 54,648
2Q22	2,474	$ 54,412
3Q22	2,595	$ 57,367
4Q22	2,646	$ 59,946
1Q23	2,681	$ 63,249

FDIC deposit insurance assessment rates increased for all banks effective January 1, 2023, which contributed to our $1.4 million increase in this expense category in the quarter just ended compared to the fourth quarter of 2022. Additional increases in FDIC deposit insurance expense are expected in future quarters because of our expected growth and the likelihood of one or more special assessments on the industry as a result of recent bank failures. Advertising and public relations expense also increased $1.0 million in the quarter just ended compared to the fourth quarter of 2022, and it will likely continue to increase in future quarters. Amortization of CRA and tax credits investments increased $1.0 million in the quarter just ended compared to the fourth quarter of 2022 and will likely increase in future quarters as we continue to invest in low-income housing, renewable energy and other tax credits. Our effective income tax rate is reduced by the impact of the tax credits. We expect most categories of non-interest expense will continue to increase in 2023 due to a combination of growth expected in our business and inflationary macroeconomic conditions. We expect total non-interest expense for the full year 2023 to increase at a percentage rate in the mid-teens compared to full year 2022, while maintaining an efficiency ratio in the mid-30% range.

Figures 36 and 37, respectively, summarize non-interest expense for the most recent nine quarters and year-over-year trends for the first quarter of 2023.

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

	For the Three Months Ended								
	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023
Salaries & employee benefits	$ 53,645	$ 52,119	$ 53,769	$ 55,034	$ 54,648	$ 54,412	$ 57,367	$ 59,946	$ 63,249
Net occupancy and equipment	16,468	16,168	17,161	17,004	17,215	17,014	18,244	17,584	17,870
Software and data processing	7,985	8,334	8,134	8,544	8,186	8,976	8,699	9,512	9,283
Professional and outside services	4,133	5,396	4,847	5,501	4,817	5,708	5,404	5,652	5,105
Advertising and public relations	308	593	719	1,151	1,259	1,103	3,448	2,987	4,036
Telecommunication services	2,232	2,165	1,966	2,064	2,010	1,921	1,921	2,134	2,273
Travel and meals	774	1,419	1,617	1,883	1,758	2,186	1,962	1,755	1,815
Deposit insurance and assessments	3,520	2,885	2,655	2,125	2,150	2,100	2,650	2,710	4,148
Amortization of intangibles	1,730	1,602	1,545	1,517	1,517	1,516	1,298	1,189	1,189
Postage and supplies	1,645	1,544	1,530	1,909	1,698	1,507	2,035	1,906	1,926
ATM expense	1,283	1,486	1,846	1,639	1,509	1,488	1,500	1,834	2,139
Loan collection and repossession expense	509	540	407	587	325	353	402	306	386
Writedowns of foreclosed assets	1,363	123	990	985	258	-	87	710	941
Amortization of CRA and tax credit investments	4,125	3,227	4,972	2,755	5,102	4,628	5,155	5,408	6,414
Other expenses	6,339	6,110	8,239	7,408	5,263	6,388	5,519	5,380	5,443
Total non-interest expense	$ 106,059	$ 103,711	$ 110,397	$ 110,106	$ 107,715	$ 109,300	$ 115,691	$ 119,013	$ 126,217

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

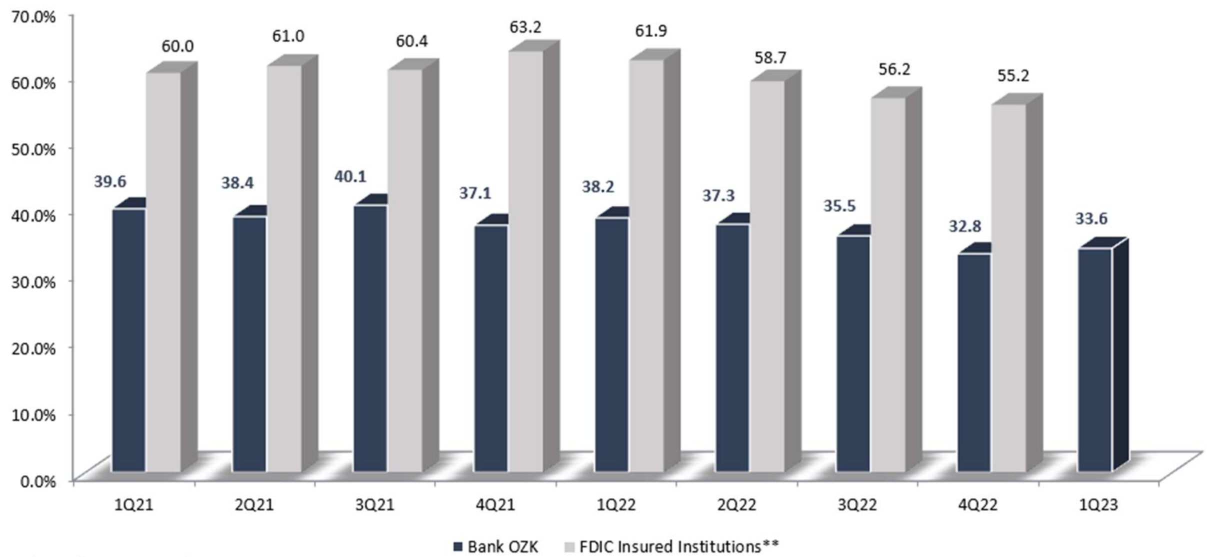
	For the Three Months Ended		
	3/31/2022	3/31/2023	% Change
Salaries & employee benefits	$ 54,648	$ 63,249	15.7%
Net occupancy and equipment	17,215	17,870	3.8%
Software and data processing	8,186	9,283	13.4%
Professional and outside services	4,817	5,105	6.0%
Advertising and public relations	1,259	4,036	220.5%
Telecommunication services	2,010	2,273	13.1%
Travel and meals	1,758	1,815	3.3%
Deposit insurance and assessments	2,150	4,148	92.9%
Amortization of intangibles	1,517	1,189	-21.6%
Postage and supplies	1,698	1,926	13.4%
ATM expense	1,509	2,139	41.8%
Loan collection and repossession expense	325	386	18.8%
Writedowns of foreclosed assets	258	941	264.6%
Amortization of CRA and tax credit investments	5,102	6,414	25.7%
Other expenses	5,263	5,443	3.4%
Total non-interest expense	$ 107,715	$ 126,217	17.2%

Efficiency Ratio

As shown in Figure 38, in the quarter just ended, our efficiency ratio was 33.6%. Our efficiency ratio has been in the top decile of the industry for 20 consecutive years.*

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

Figure 38: Quarterly Efficiency Ratio (%)



** Data from S&P Capital IQ.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2022.*

Effective Tax Rate

Our effective tax rate for the quarter just ended was 19.3%. Assuming no changes in applicable state or federal income tax rates, we expect our effective tax rate for the full year of 2023 to be between 20.5% and 21.5%. Our expected effective tax rate for 2023 is lower than our effective tax rate in 2022 primarily due to our higher level of investments in low-income housing, renewable energy and other tax credits.

Capital and Dividends

Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building robust capital ratios, as shown in Figure 39, which are among the strongest in the industry. We are focused on strategies to utilize our excess capital that are in the best long-term interest of our shareholders. Options for deploying our excess capital include organic loan growth, adding new business lines, continuing to increase our cash dividend, continued stock repurchases, and financially attractive acquisitions for cash or some combination of cash and stock. Because of our strong capital position, we can implement multiple capital deployment opportunities simultaneously. Organic loan growth will continue to be our top growth priority, and we are optimistic about our growth prospects in the remainder of 2023 and 2024.

Figure 39: Capital Ratios

	Estimated 3/31/2023 [6]	Regulatory Minimum Required To Be Considered Well Capitalized	Excess Capital
CET 1 Ratio	11.10%	6.50%	4.60%
Tier 1 Ratio	12.10%	8.00%	4.10%
Total RBC Ratio	14.60%	10.00%	4.60%
Tier 1 Leverage	15.30%	5.00%	10.30%

We have increased our cash dividend in each of the last 51 quarters and every year since going public in 1997. We expect that we will continue to increase our cash dividend in future quarters.

Stock Repurchase Program

In November 2022, our Board approved a stock repurchase program authorizing the purchase of up to $300 million of our outstanding common stock through expiration of the plan on November 9, 2023. During the quarter just ended, we repurchased approximately 2.35 million shares for $85.3 million. At March 31, 2023, our current stock repurchase program had $199.6 million authorization remaining, and we expect to continue to repurchase shares in the current and future quarters of this year.

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

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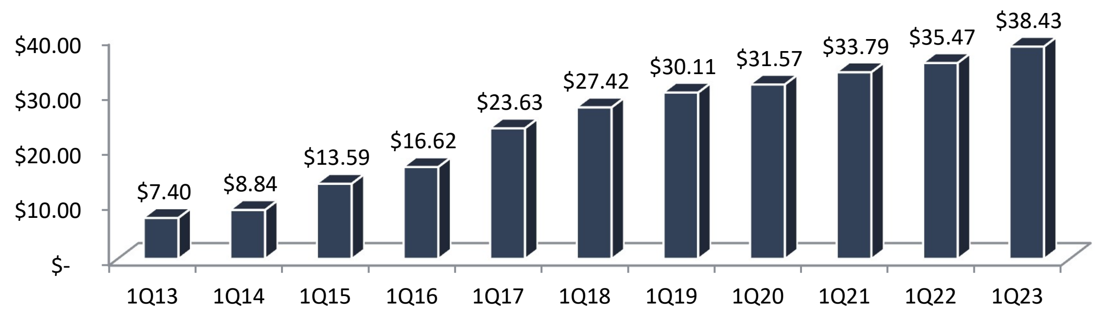
[6] Ratios as of March 31, 2023 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

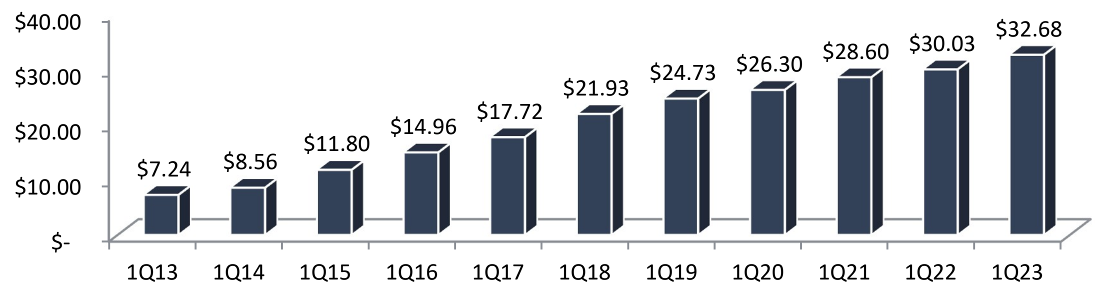
During the quarter just ended, our book value per common share increased to $38.43 compared to $37.13 as of December 31, 2022, and $35.47 as of March 31, 2022. Over the last 10 years, we have increased book value per common share by a cumulative 419%, resulting in a compound annual growth rate of 17.9%, as shown in Figure 40.

Figure 40: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $32.68 compared to $31.47 as of December 31, 2022 and $30.03 as of March 31, 2022. Over the last 10 years, we have increased tangible book value per common share by a cumulative 351%, resulting in a compound annual growth rate of 16.3%, as shown in Figure 41.

Figure 41: Tangible Book Value per Share (Period End) [7]



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

Final Thoughts

Our excellent results for the quarter just ended were consistent with our outlook for 2023. We always want to improve, and that constant improvement includes building in future quarters on our recent record results, including our record net income and earnings per share. We believe that is a reasonable goal. We continue to have a cautiously positive outlook for the coming quarters, even considering the likely near-term macroeconomic challenges. We believe we are well-positioned to capitalize on opportunities that those challenges may create.

Non-GAAP Reconciliations

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

Unaudited (Dollars in Thousands)

	Three Months Ended *	
	3/31/2022	3/31/2023
Net Income Available To Common Stockholders	$ 128,028	$ 165,853
Average Stockholders' Equity Before Noncontrolling Interest	4,788,294	4,751,481
Less Average Preferred Stock	(338,980)	(338,980)
Total Average common stockholders' equity	4,449,314	4,412,501
Less Average Intangible Assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(7,572)	(2,243)
Total Average Intangibles	(668,361)	(663,032)
Average Tangible Common Stockholders' Equity	$ 3,780,953	$ 3,749,469
Return On Average Common Stockholders' Equity	11.67%	15.24%
Return On Average Tangible Common Stockholders' Equity	13.73%	17.94%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended	
	3/31/2022	3/31/2023
Net income available to common stockholders	$ 128,028	$ 165,853
Preferred stock dividends	4,480	4,047
Earnings attributable to noncontrolling interest	(5)	12
Provision for income taxes	36,410	40,703
Provision for credit losses	4,190	35,829
Pre-tax pre-provision net revenue	$ 173,103	$ 246,444

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

Unaudited (Dollars in Thousands, Except per Share)

	As of March 31,					
	2013	2014	2015	2016	2017	2018
Total stockholders' equity before noncontrolling interest	$ 523,679	$ 653,208	$ 1,179,256	$ 1,508,080	$ 2,873,317	$ 3,526,605
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	523,679	653,208	1,179,256	1,508,080	2,873,317	3,526,605
Less intangible assets:						
Goodwill	(5,243)	(5,243)	(125,603)	(125,693)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(6,015)	(15,750)	(29,907)	(25,172)	(57,686)	(45,107)
Total intangibles	(11,258)	(20,993)	(155,510)	(150,865)	(718,475)	(705,896)
Total tangible common stockholders' equity	$ 512,421	$ 632,215	$ 1,023,746	$ 1,357,215	$ 2,154,842	$ 2,820,709
Common shares outstanding (thousands)	70,734	73,888	86,758	90,714	121,575	128,612
Book value per common share	$ 7.40	$ 8.84	$ 13.59	$ 16.62	$ 23.63	$ 27.42
Tangible book value per common share	$ 7.24	$ 8.56	$ 11.80	$ 14.96	$ 17.72	$ 21.93

	As of March 31,					As of
	2019	2020	2021	2022	2023	Dec. 31, 2022
Total stockholders' equity before noncontrolling interest	$ 3,882,643	$ 4,083,150	$ 4,383,205	$ 4,690,057	$ 4,761,927	$ 4,689,579
Less preferred stock	-	-	-	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	3,882,643	4,083,150	4,383,205	4,351,077	4,422,947	4,350,599
Less intangible assets:						
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(32,527)	(20,958)	(12,939)	(6,757)	(1,565)	(2,754)
Total intangibles	(693,316)	(681,747)	(673,728)	(667,546)	(662,354)	(663,543)
Total tangible common stockholders' equity	$ 3,189,327	$ 3,401,403	$ 3,709,477	$ 3,683,531	$ 3,760,593	$ 3,687,056
Common shares outstanding (thousands)	128,948	129,324	129,719	122,677	115,080	117,177
Book value per common share	$ 30.11	$ 31.57	$ 33.79	$ 35.47	$ 38.43	$ 37.13
Tangible book value per common share	$ 24.73	$ 26.30	$ 28.60	$ 30.03	$ 32.68	$ 31.47

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

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

Unaudited (Dollars in Thousands, Except per Share)

	March 31, 2023
Total stockholders' equity before noncontrolling interest	$ 4,761,927
Less preferred stock	(338,980)
Total common stockholders' equity	4,422,947
Less intangible assets:	
Goodwill	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(1,565)
Total intangibles	(662,354)
Total tangible common stockholders' equity	$ 3,760,593
Total assets	$ 28,971,170
Less intangible assets:	
Goodwill	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(1,565)
Total intangibles	(662,354)
Total tangible assets	28,308,816
Ratio of total common stockholders' equity to total assets	15.27%
Ratio of total tangible common stockholders' equity to total tangible assets	13.28%