Bank OZK

MANAGEMENT COMMENTS FOR THE THIRD QUARTER & FIRST NINE MONTHS OF 2022

OCTOBER 20, 2022

FORWARD-LOOKING STATEMENTS

This presentation and other communications by Bank OZK (the "Bank") include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth, expansion and acquisition strategies, including 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 ability to enter into and/or close additional acquisitions; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; the potential impact of the 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; recently enacted and potential laws and regulatory requirements, including those actions in response to the coronavirus ("COVID-19") pandemic, or changes to existing laws and regulatory requirements, including changes affecting oversight of the financial services industry 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; changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; natural disasters or acts of war or terrorism; the adverse effects of the ongoing global COVID-19 pandemic, including the duration of the pandemic and actions taken to contain or treat COVID-19, on the Bank, the Bank's customers, the Bank's staff, the global economy and the financial markets; 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, 2021 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Summary

We are pleased to report our results for the third quarter of 2022. Highlights include:

- ***Net Income.*** Our net income available to common stockholders was $128.3 million and our diluted earnings per common share were $1.08. Our growth in both funded and unfunded loan balances during the quarter contributed to a higher provision for credit losses, which impacted net income.
- ***Pre-tax Pre-provision Net Revenue[1] ("PPNR")***. Our PPNR was a quarterly record $208.1 million, an increase of $25.3 million from the second quarter of 2022.
- ***Net Interest Income.*** Our net interest income increased to a quarterly record $294.6 million due to a combination of net interest margin expansion and strong loan growth. Our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest bearing deposits ("COIBD"), increased to 5.73%, contributing to the increase in our net interest margin to 5.03%.
- ***Quarterly Origination Volume and Loan Growth.*** Our Real Estate Specialties Group ("RESG") originated $4.35 billion of loans during the quarter, which was its fourth consecutive quarter of record originations. This contributed to an increase in our unfunded loan commitments to $20.09 billion at September 30, 2022. In addition, our outstanding balance of total loans grew $0.77 billion, or 4.1% not annualized, during the quarter just ended.
- ***Asset Quality.*** Our ongoing focus on asset quality resulted in annualized net charge-off ratios for the quarter just ended of 0.09% for both non-purchased loans and total loans. Our September 30, 2022 ratios of nonperforming non-purchased loans to total non-purchased loans and nonperforming assets to total assets[2] were just 0.14% and 0.13%, respectively.
- ***Efficiency Ratio.*** Our efficiency ratio for the quarter was 35.5%, among the best in the industry.
- ***Stock Repurchases & Dividend Growth.*** During the quarter, we repurchased approximately 1.2 million shares of our common stock for a total of $47.7 million. Cumulatively, from adoption of our stock repurchase program in July 2021 through September 30, 2022, we have repurchased approximately 12.1 million, or over 9%, of outstanding shares of our common stock for $520.2 million. We recently increased the quarterly dividend on our common stock for the 49th consecutive quarter.

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[1] The calculation of the Bank's PPNR and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedule at the end of this presentation.

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

Profitability and Earnings Metrics

Net income available to common stockholders for the third quarter of 2022 was $128.3 million, a 1.5% decrease from $130.3 million for the third quarter of 2021. Diluted earnings per common share for the third quarter of 2022 were $1.08, an 8.0% increase from $1.00 for the third quarter of 2021. For the nine months ended September 30, 2022, net income available to common stockholders was $388.7 million, a 9.4% decrease from $429.2 million for the first nine months of 2021. Diluted earnings per common share for the first nine months of 2022 were $3.20, a 3.0% decrease from $3.30 for the first nine months of 2021. These decreases relative to the comparable periods in 2021 are primarily attributable to our provisions for credit losses in the first three quarters of 2022 compared to negative provisions for credit losses in each quarter of 2021.

PPNR for the third quarter of 2022 increased 27.2% to a quarterly record $208.1 million compared to $163.5 million for the third quarter of 2021. PPNR for the first nine months of 2022 increased 15.3% to $564.0 million compared to $489.0 million for the first nine months of 2021.

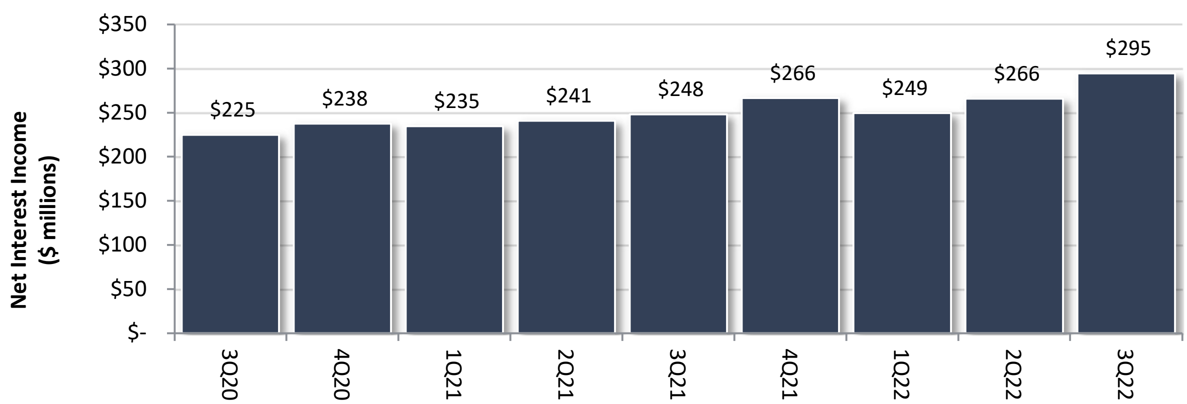
Our annualized return on average assets was 1.97% for the third quarter of 2022 compared to 1.98% for the third quarter of 2021. Our annualized returns on average common stockholders' equity and average tangible common stockholders' equity[3] for the third quarter of 2022 were 11.85% and 14.02%, respectively, compared to 11.41% and 13.39%, respectively, for the third quarter of 2021. Our annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the first nine months of 2022 were 1.99%, 11.97% and 14.14%, respectively, compared to 2.15%, 12.98% and 15.31%, respectively, for the first nine months of 2021.

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

Net Interest Income

Net interest income is our largest category of revenue. As shown in Figure 1, our net interest income for the third quarter of 2022 was $294.6 million, an 18.8% increase from the third quarter of 2021, and a 10.8% increase from the second quarter of 2022. Net interest income for the first nine months of 2022 was $809.8 million, an 11.9% increase from the first nine months of 2021.

Figure 1: Quarterly Net Interest Income

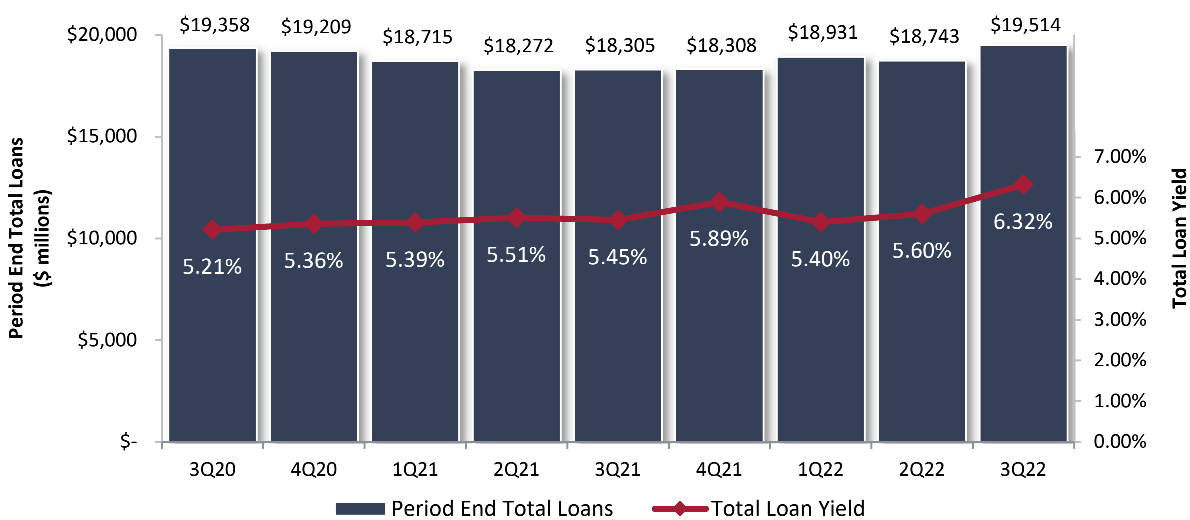


Earning Assets

Loans are the largest part of our earning assets. Our average balance of total loans for the quarter just ended was $19.0 billion, a 4.3% increase from $18.2 billion for the third quarter of 2021. For the first nine months of 2022, our average balance of total loans was $18.9 billion, a 2.3% increase from $18.5 billion for the first nine months of 2021.

As illustrated in Figure 2, our period-end balance of total loans at September 30, 2022 increased $1.21 billion, or 6.6% from September 30, 2021, and increased $0.77 billion, or 4.1%, from June 30, 2022. For the first nine months of 2022 our period-end balance of total loans increased $1.21 billion, or 6.6%.

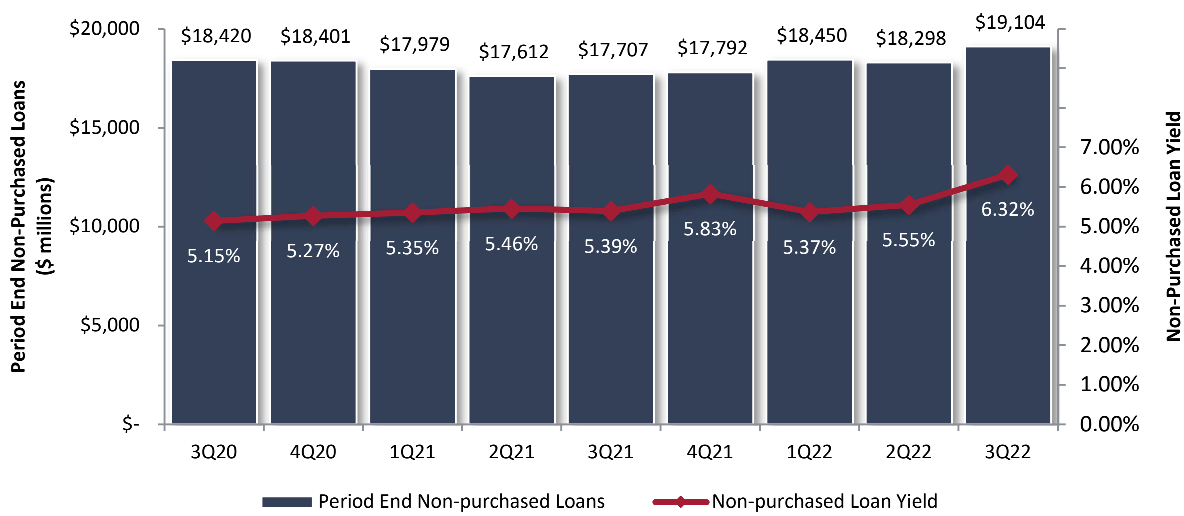
Figure 2: Total Loan Balances and Yields



Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans from acquisitions, accounted for 97.7% of our average total loans and 79.3% of our average earning assets in the quarter just ended. As illustrated in Figure 3, non-purchased loans were $19.10 billion at September 30, 2022, an increase of $1.40 billion, or 7.9%, from September 30, 2021, and an increase of $0.81 billion, or 4.4%, from June 30, 2022. For the first nine months of 2022, our outstanding balance of non-purchased loans increased $1.31 billion, or 7.4%.

Figure 3: Non-purchased Loan Balances and Yields



In the third quarter of 2022, our yield on non-purchased loans was 6.32%, an increase of 93 basis points ("bps") from the third quarter of 2021, and an increase of 77 bps from the second quarter of 2022. For the first nine months of 2022, our yield on non-purchased loans was 5.75%, an increase of 35 bps from the first nine months of 2021.

RESG accounted for 60% of the funded balance of non-purchased loans as of September 30, 2022. As reflected in Figures 4 and 5, RESG's funded balance of non-purchased loans increased $0.40 billion and $0.11 billion, respectively, during the third quarter and first nine months of 2022.

Figure 4: Activity in RESG Funded Balances – 3Q22 ($ billions)

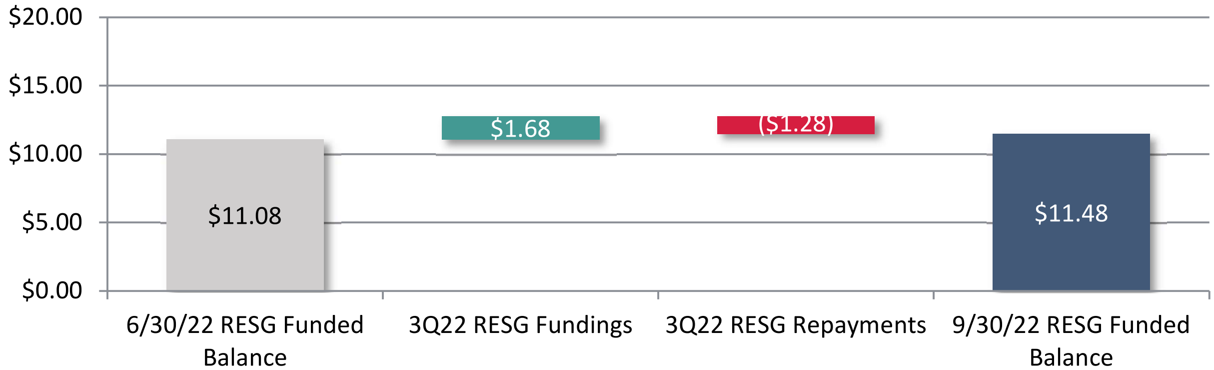
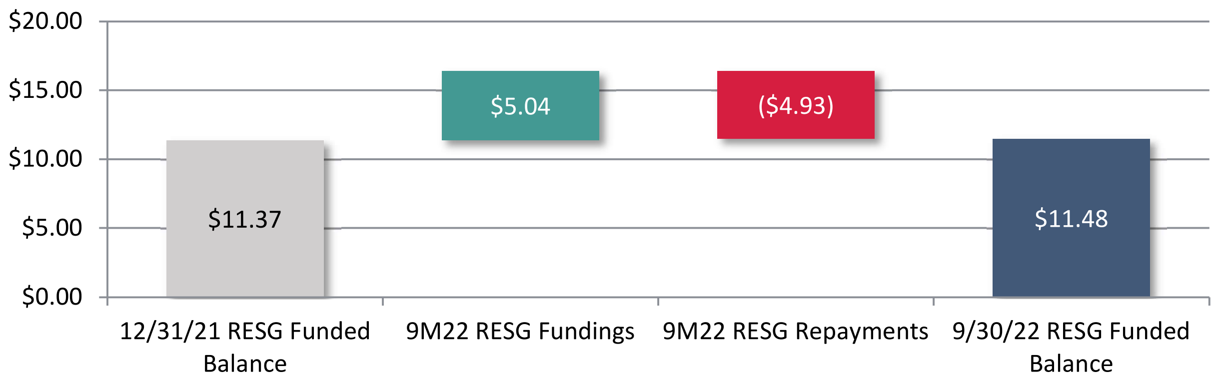


Figure 5: Activity in RESG Funded Balances – 9M22 ($ billions)



As shown in Figure 6, RESG had loan originations of $4.35 billion in the third quarter of 2022. We are pleased to report that this was RESG's fourth consecutive quarter of record originations. RESG loan originations for the first nine months of 2022 were $11.02 billion. Given the typical lag between RESG originations and the funding of such loans, the recent origination volumes should contribute meaningfully to funded loan growth in 2023 and 2024.

Figure 6: RESG Quarterly Loan Originations
($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2017	$2.30	$2.04	$2.21	$2.56	$9.11
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	$2.03	$1.44	$6.48
FY2020	$1.76	$1.67	$1.40	$1.77	$6.59
FY2021	$1.28	$1.46	$2.21	$2.99	$7.94
FY2022	$3.14	$3.53	$4.35		$11.02

**9M22 Not Annualized*

RESG currently has a good pipeline for the fourth quarter of 2022. Because of the current uncertain macroeconomic environment, origination volume for 2023 is harder to predict. RESG's 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 7, RESG's loan repayments were $1.28 billion in the quarter just ended and $4.93 billion for the first nine months of 2022. We had previously expected loan repayments in 2022 to be our highest annual volume, and that may or may not still occur. 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.

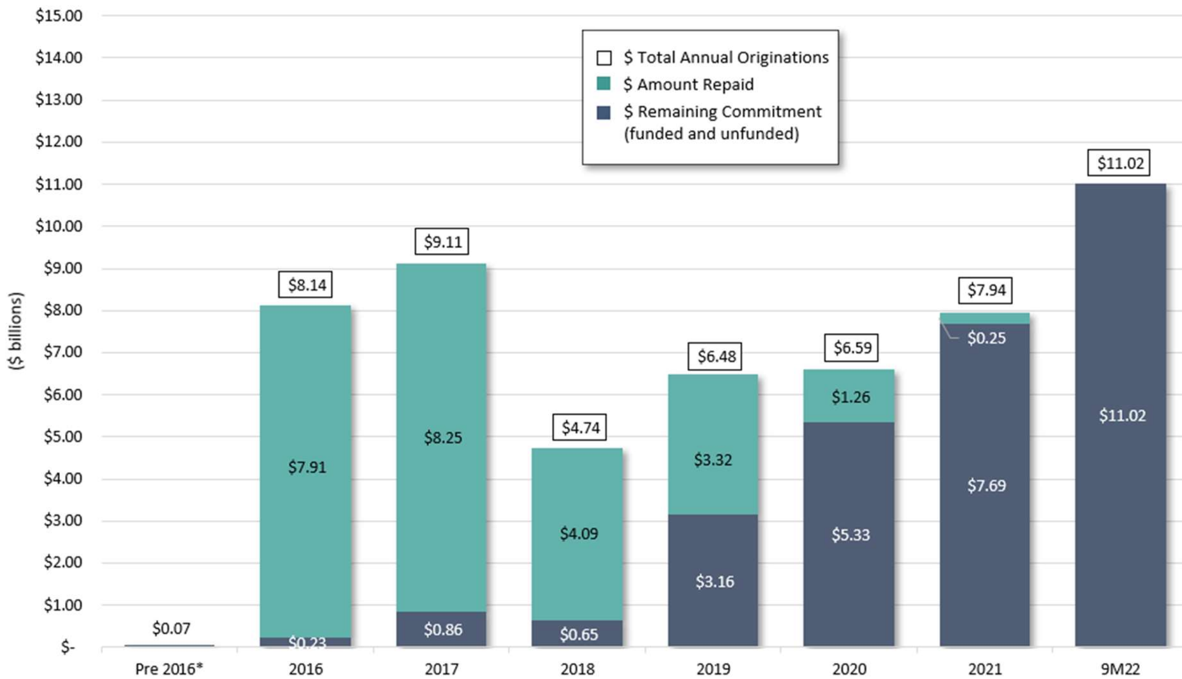
Figure 7: RESG Quarterly Loan Repayments
($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2017	$0.57	$0.98	$0.87	$1.45	$3.86
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	$1.34	$1.66	$5.67
FY2020	$1.00	$0.69	$0.65	$1.19	$3.54
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22
FY2022	$1.31	$2.34	$1.28		$4.93

**9M22 Not Annualized*

Figure 8 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded, as of September 30, 2022.

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



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

Total Originations / Amount Repaid / Remaining Commitment

At September 30, 2022, RESG accounted for 86.6% of our $20.09 billion of unfunded balance of loans already closed, followed by Community Banking at 7.9%, Corporate and Business Specialties Group ("CBSG") at 3.4%, and Asset Based Lending Group ("ABLG") at 2.1%. Figures 9 and 10 reflect the changes in the unfunded balance of our loans already closed for the third quarter and first nine months of 2022, respectively. The total unfunded balance increased $2.72 billion during the third quarter of 2022 and $6.47 billion over the first nine months of 2022. This increased unfunded balance should contribute meaningfully to funded loan growth in 2023 and 2024.

Figure 9: Activity in Unfunded Balances – 3Q22 ($ billions)

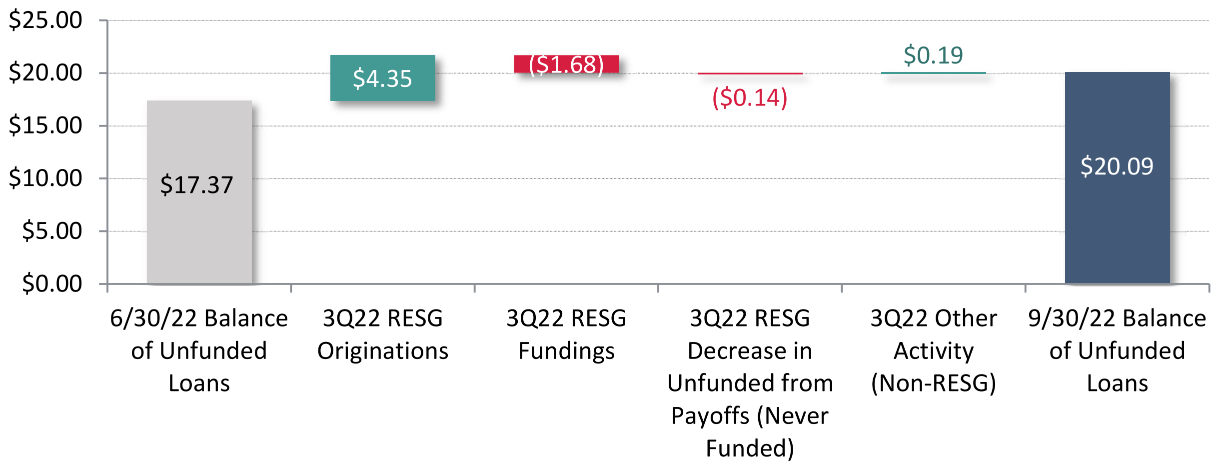
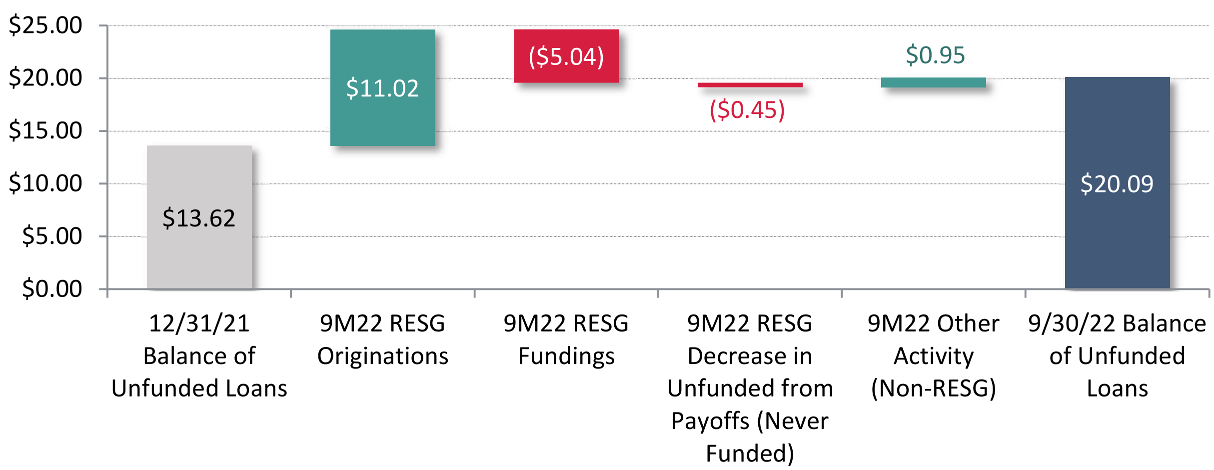


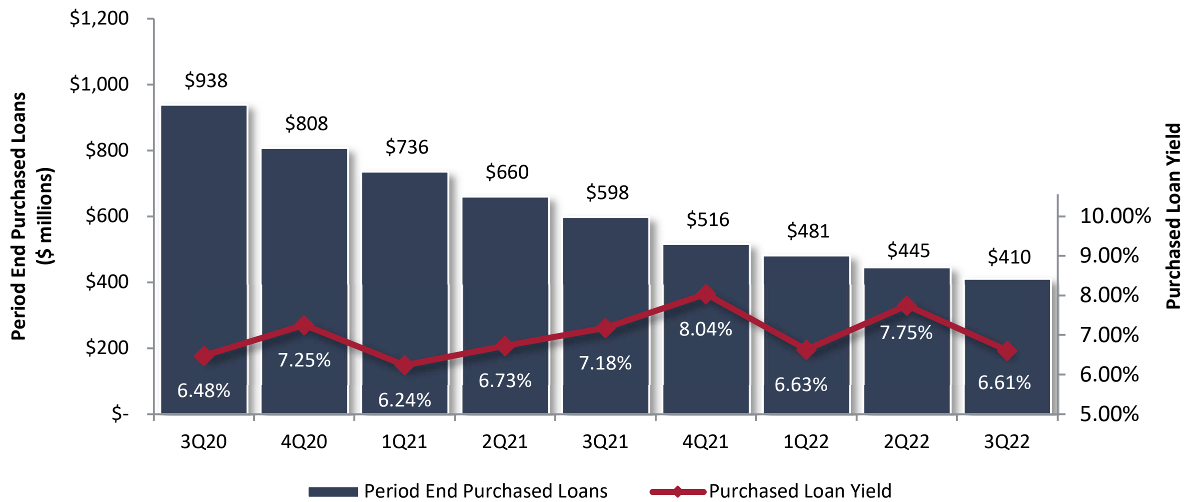
Figure 10: Activity in Unfunded Balances – 9M22 ($ billions)



Purchased Loans

Purchased loans, which are the remaining loans from acquisitions, accounted for 2.3% of average total loans and 1.8% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.04 billion, or 7.8%, to $0.41 billion at September 30, 2022. For the first nine months, our purchased loan portfolio decreased by $0.11 billion, or 20.5%. Figure 11 shows recent purchased loan portfolio trends.

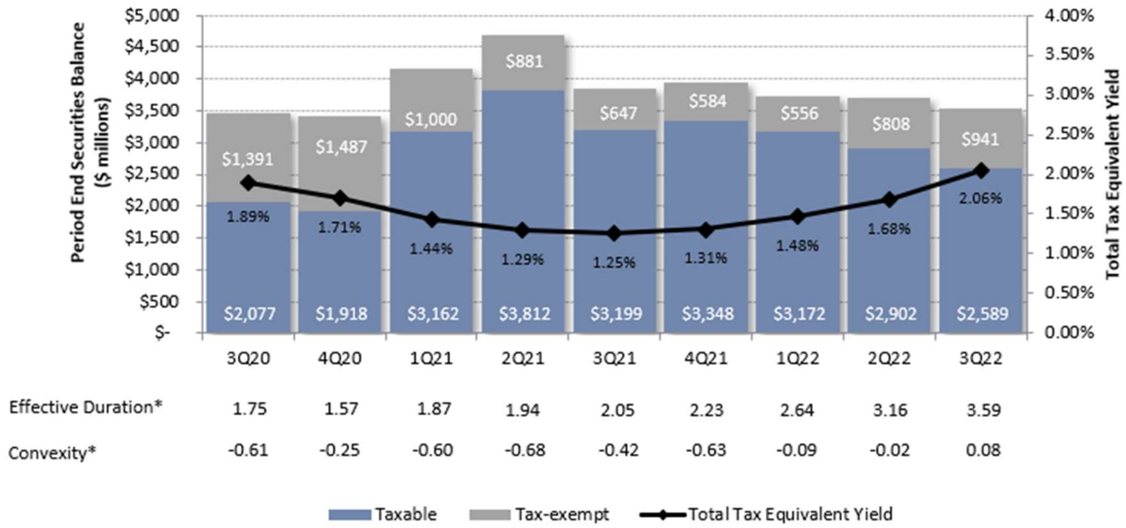
Figure 11: Purchased Loan Balances and Yields



Investment Securities Portfolio

As illustrated in Figure 12, at September 30, 2022, our investment securities portfolio was $3.53 billion, a decrease of $0.32 billion, or 8.3%, as compared to September 30, 2021 and $0.18 billion, or 4.8%, as compared to June 30, 2022. In the third quarter of 2022, the yield on our investment portfolio, on a fully taxable equivalent basis, was 2.06%, an increase of 81 bps from the third quarter of 2021 and 38 bps from the second quarter of 2022.

Figure 12: Investment Securities Portfolio Balances and Yields



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

Our investment securities portfolio contains a number of short-term securities, which should give us cash flow from the portfolio to reinvest at current interest rates or otherwise redeploy as needed. Principal cash flow from maturities and other principal repayments in the fourth quarter of 2022 is expected to be approximately $0.15 billion, or about 4.2% of our total investment securities portfolio. Cumulative principal cash flow for the next four quarters through September 30, 2023 is expected to be approximately $0.58 billion, or about 16.3% of our total investment securities portfolio. In the quarter just ended, we purchased bonds with moderately longer duration, which contributed to both the increase in our portfolio yield for the quarter and the increase in the effective duration of the portfolio as of September 30, 2022.

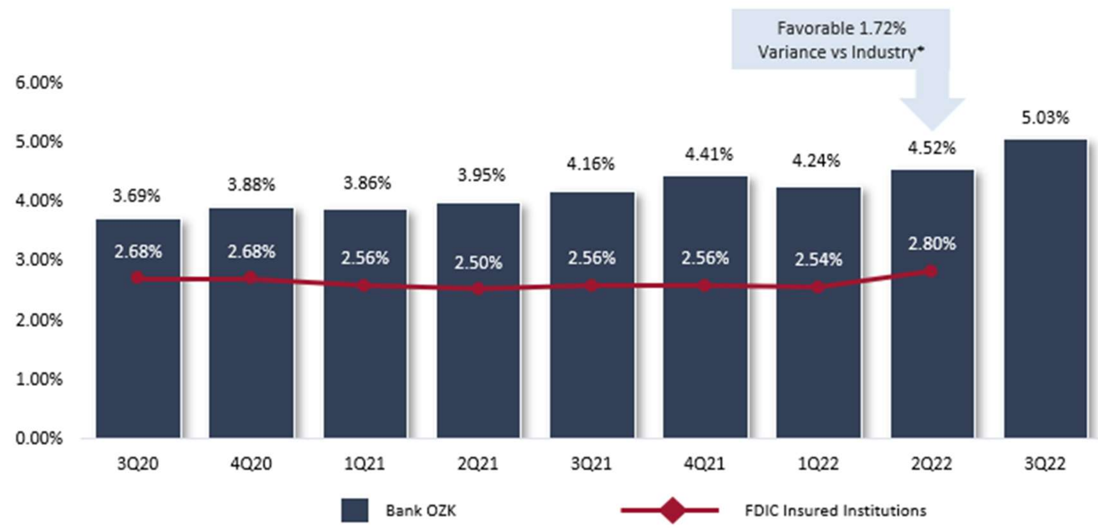
We may increase or decrease our investment securities portfolio in future quarters based on changes in our liquidity position, prevailing market conditions and other factors.

Net Interest Margin and Core Spread

During the quarter just ended, our yield on average earning assets increased more than our cost of interest bearing liabilities. As a result, our net interest margin improved to 5.03%, an increase of 51 bps from the second quarter of 2022.

As shown in Figure 13, in the second quarter of 2022, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 172 bps.

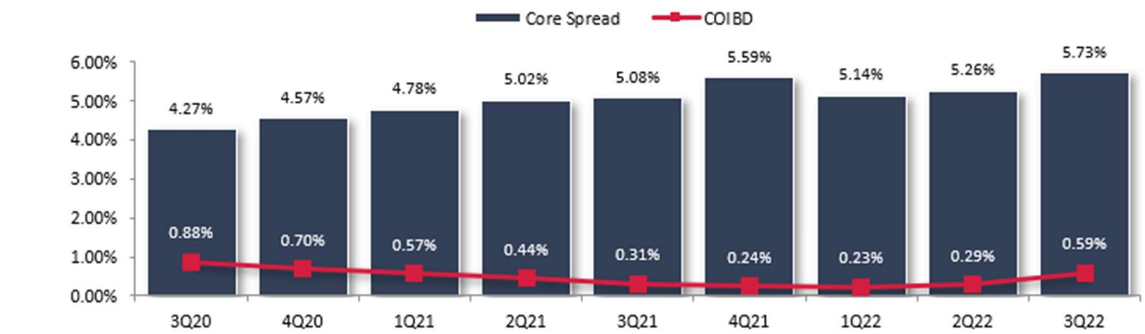
Figure 13: Quarterly Net Interest Margin (%)



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

Similarly, as reflected in Figure 14, our core spread in the quarter just ended improved to 5.73%, an increase of 47 bps from the second quarter of 2022. This resulted from our yield on non-purchased loans increasing 77 bps, while our COIBD increased just 30 bps.

Figure 14: Core Spread and COIBD



	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Yield on Non-purchased loans	*5.15%*	*5.27%*	*5.35%*	*5.46%*	*5.39%*	*5.83%*	*5.37%*	*5.55%*	*6.32%*
COIBD	*0.88%*	*0.70%*	*0.57%*	*0.44%*	*0.31%*	*0.24%*	*0.23%*	*0.29%*	*0.59%*
Core Spread	*4.27%*	*4.57%*	*4.78%*	*5.02%*	*5.08%*	*5.59%*	*5.14%*	*5.26%*	*5.73%*

Maintaining or improving our core spread in future quarters will depend on our ability to continue to increase our yield on non-purchased loans at a rate equal to or exceeding the increase in our COIBD. Given the high percentage of variable rate loans within our portfolio and considering that the vast majority of those loans are already above their floor rates, we expect our yield on non-purchased loans should continue to increase as long as the Federal Reserve (the "Fed") continues to increase the Fed funds target rate. We also expect our COIBD will continue to increase throughout the Fed tightening cycle.

In the two most recent quarters, our non-purchased loan yields have increased more than our COIBD, expanding our core spread and net interest margin. Of course, deposit rates naturally tend to lag early in the Fed tightening cycle. Given the magnitude and pace of the Fed funds target rate increases, we expect deposit rates may increase at a more meaningful pace going forward. Later in the Fed tightening cycle, when we also expect to be growing more deposits to fund loan growth, our COIBD may increase more than our non-purchased loan yields.

Variable Rate Loans

At September 30, 2022, 77% of our funded balance of total loans had variable rates, of which 56% were tied to 1-month LIBOR, 25% to 1-month term SOFR, 17% to WSJ Prime and 2% to other indexes. At September 30, 2022, 97% 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 $39.8 million for the third quarter and $51.0 million for the first nine months of 2022 compared to negative provision for credit losses of $7.5 million for the third quarter and $69.9 million for the first nine months of 2021. Our growth in both funded and unfunded loan balances during the quarter just ended contributed to the higher provision for credit losses.

As of September 30, 2022, our allowance for loan losses ("ALL") for outstanding loans was $200.1 million, or 1.03% of total outstanding loans, and our reserve for losses on unfunded loan commitments was $135.5 million, or 0.67% of unfunded loan commitments, bringing our total ACL, which includes the ALL and the reserve for losses on our unfunded loan commitments, to $335.6 million.

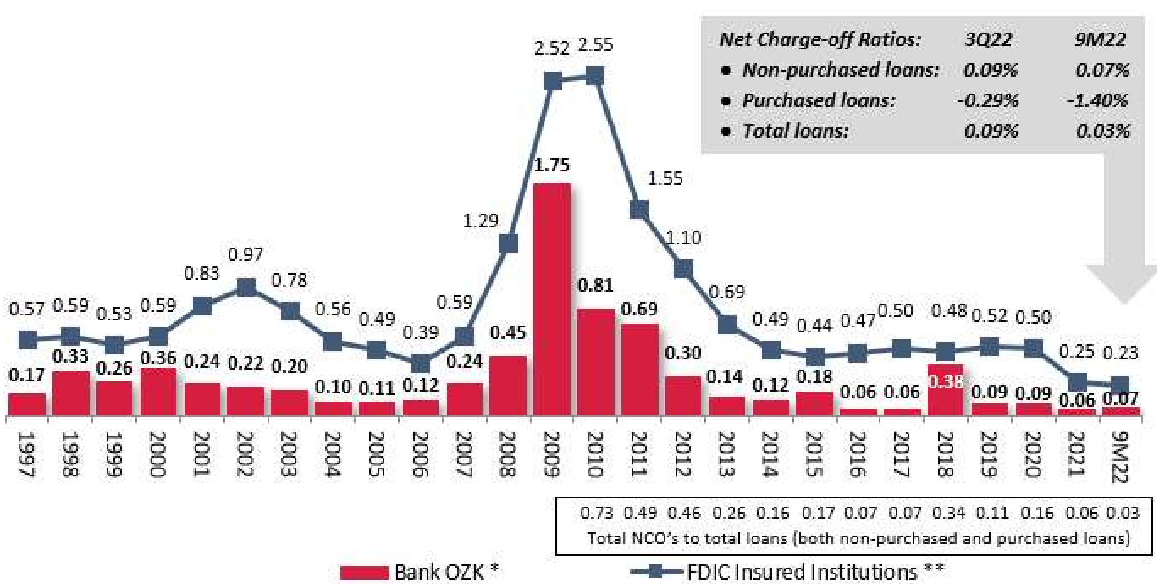
The calculations of our provision for credit losses for the third quarter of 2022 and our total ACL at September 30, 2022 were based on a number of key estimates, assumptions and economic forecasts. We utilized recent economic forecasts provided by Moody's, including their updates released in September 2022. In our selection of macroeconomic scenarios, we assigned our largest weighting to the Moody's S4 (Alternative Adverse Downside) scenario and smaller weightings to the Moody's S6 (Stagflation) and Baseline scenarios. 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 risk of a recession in the near-term, elevated inflationary pressures, increases in the Fed funds target rate, prospects for shrinking the Federal Reserve balance sheet, the impacts of the ongoing war in Ukraine, supply chain disruptions, global trade and geopolitical matters, the impacts of U.S. fiscal policy actions, uncertainties about the COVID-19 pandemic, and various other factors. Our ACL calculations include certain qualitative adjustments to capture items not fully reflected in our modeled results.

Asset Quality

We have continued our long-standing track record of having net charge-off ratios well below industry averages, as shown in Figure 15. In the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.09%, for purchased loans was -0.29%, and for total loans was 0.09%. For the first nine months of 2022, our annualized net charge-off ratio for non-purchased loans was 0.07%, for purchased loans was -1.40%, and for total loans was 0.03%. In our 25 years as a public company, our net charge-off ratio for non-purchased loans has outperformed the industry's net charge-off ratio every year and has averaged only about one-third of the industry's net charge-off ratio.

Our loan portfolio has performed very well in recent years, as our net charge-off ratio for total loans has continued to be in the lower end of our long-term historical range. We have built our portfolio with the goal that it will perform well in adverse economic conditions, and that discipline has been evident in our recent results. We continue to be cautiously optimistic as we closely monitor current economic conditions, the effects of recent and expected interest rate increases, increased recession risks and other economic uncertainties.

Figure 15: Annualized Net Charge-off Ratio vs. the Industry



*Unless otherwise indicated, Bank OZK data excludes purchased loans and net charge-offs related to such loans.
**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2022.
Annualized when appropriate.

As shown in Figure 16, in RESG's 19-year history, we have incurred losses on only a small number of credits. As of September 30, 2022, the weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio over its 19-year history was eight bps.

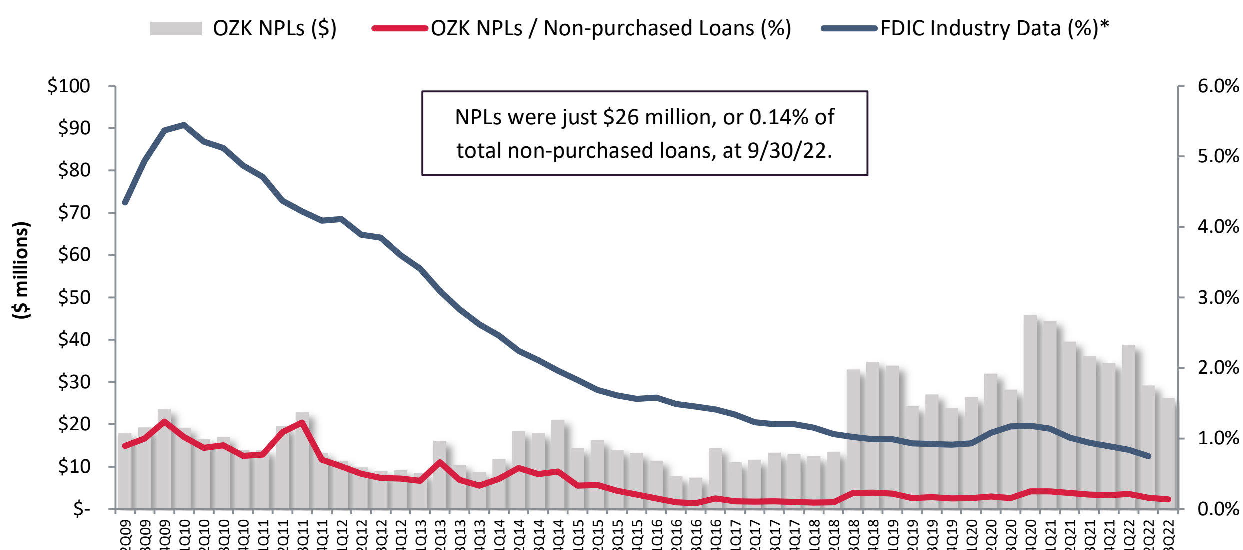
Figure 16 - RESG Historical Net charge-offs *($ Thousands)*

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%
9/30/2022	11,480,677	11,437,221	-	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.*

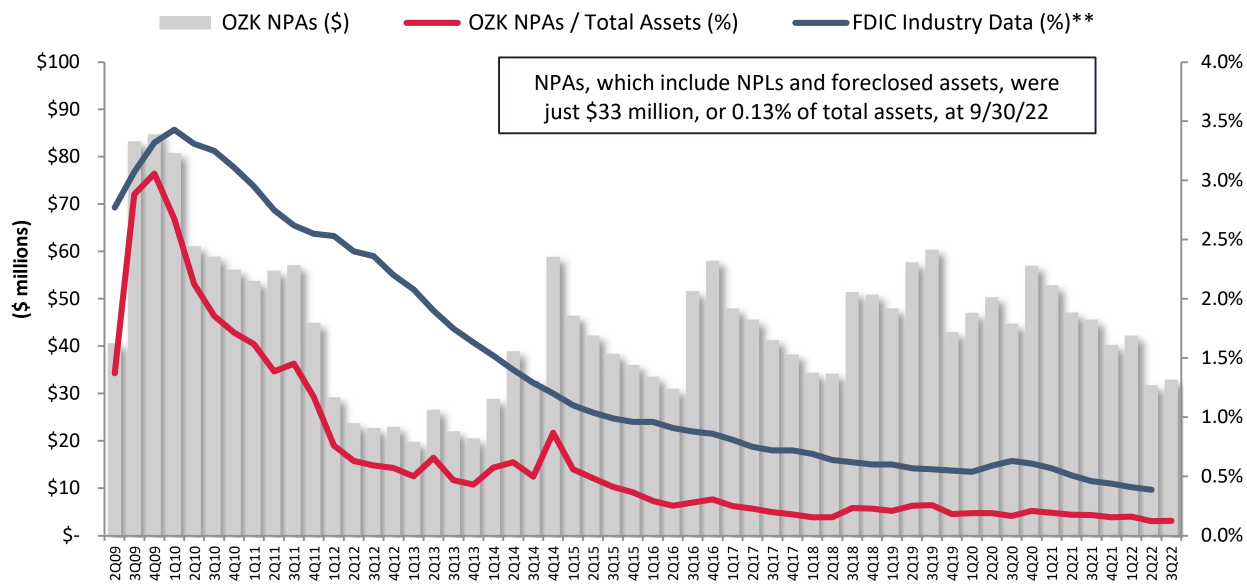
As shown in Figures 17, 18 and 19, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans continued our longstanding track record of outperforming industry averages. We expect our asset quality to continue our long tradition of outperforming industry averages.

Figure 17: Nonperforming Non-purchased Loans ("NPLs")



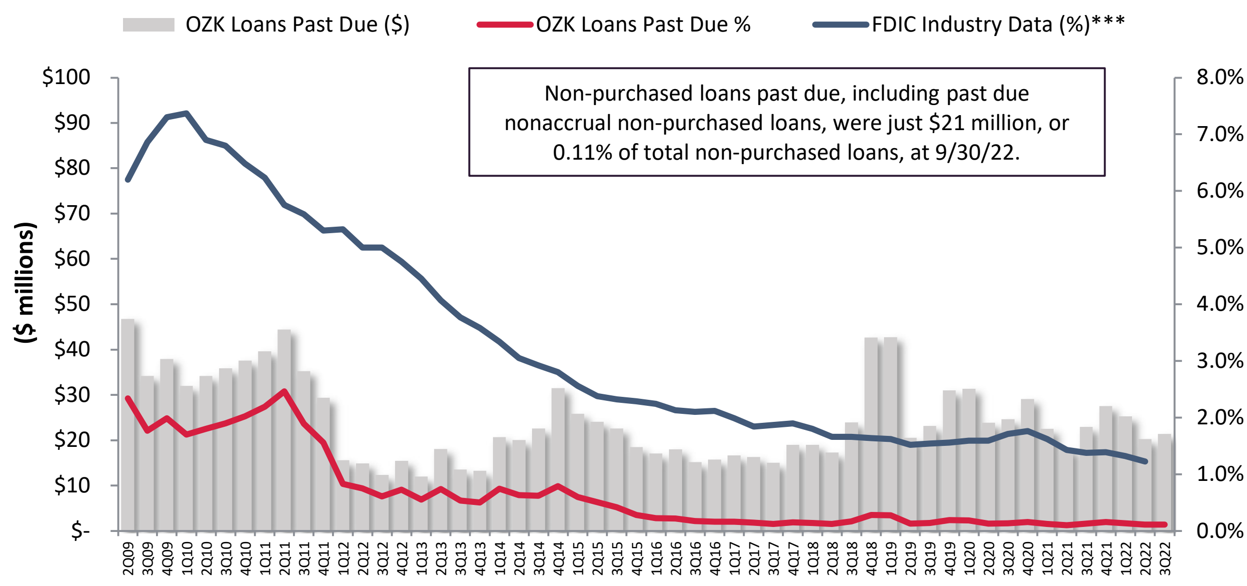
** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated second quarter 2022. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

Figure 18: Nonperforming Assets ("NPAs")



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

Figure 19: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



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

Loan Portfolio Diversification & Leverage

Figures 20 and 21 reflect the mix in our non-purchased loan growth in the third quarter and first nine months of 2022. We are pleased to see the growth year-to-date in Community Banking, Indirect RV & Marine, CBSG and ABLG and their contributions to greater portfolio diversification. We are cautiously optimistic regarding continued growth from these teams.

Figure 20: Non-purchased Loan Growth – 3Q22 ($ millions)

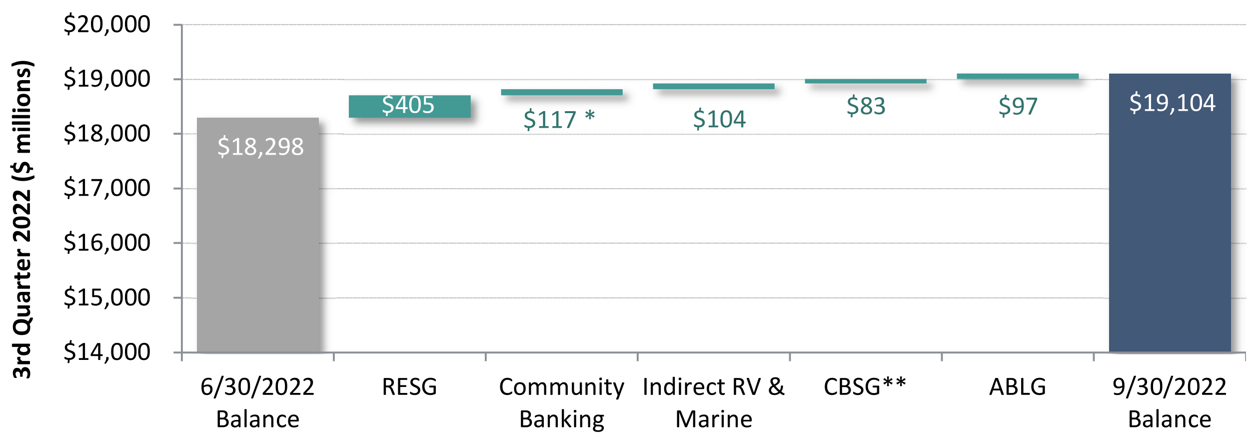
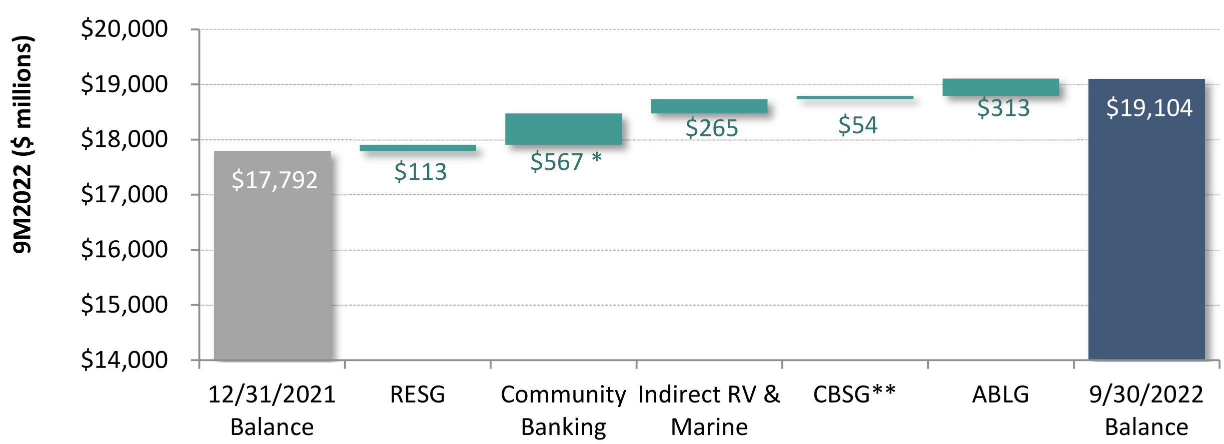


Figure 21: Non-purchased Loan Growth – 9M22 ($ millions)

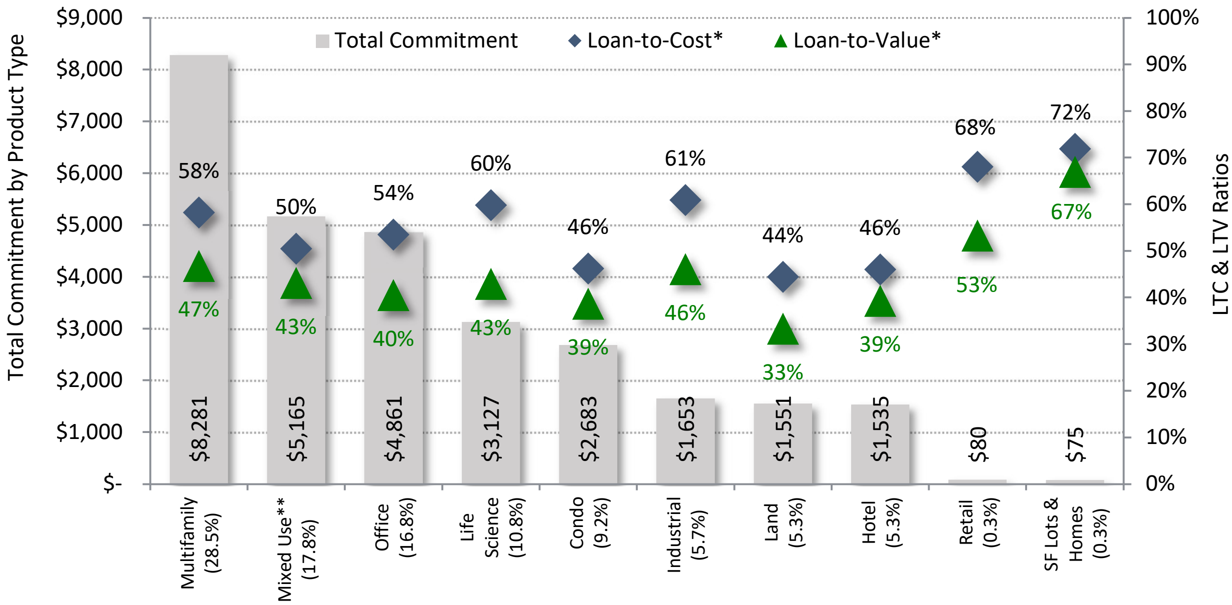


** For the third quarter and first nine months of 2022, growth figures are net of payoffs of SBA PPP loans of $15 million and $72 million, respectively.*

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

Within the RESG portfolio, we benefit from substantial product type and geographic diversification as shown in Figures 22 and 23. As shown in Figure 22, the RESG portfolio also benefits from low loan-to-cost ("LTC") and loan-to-value ("LTV") ratios.

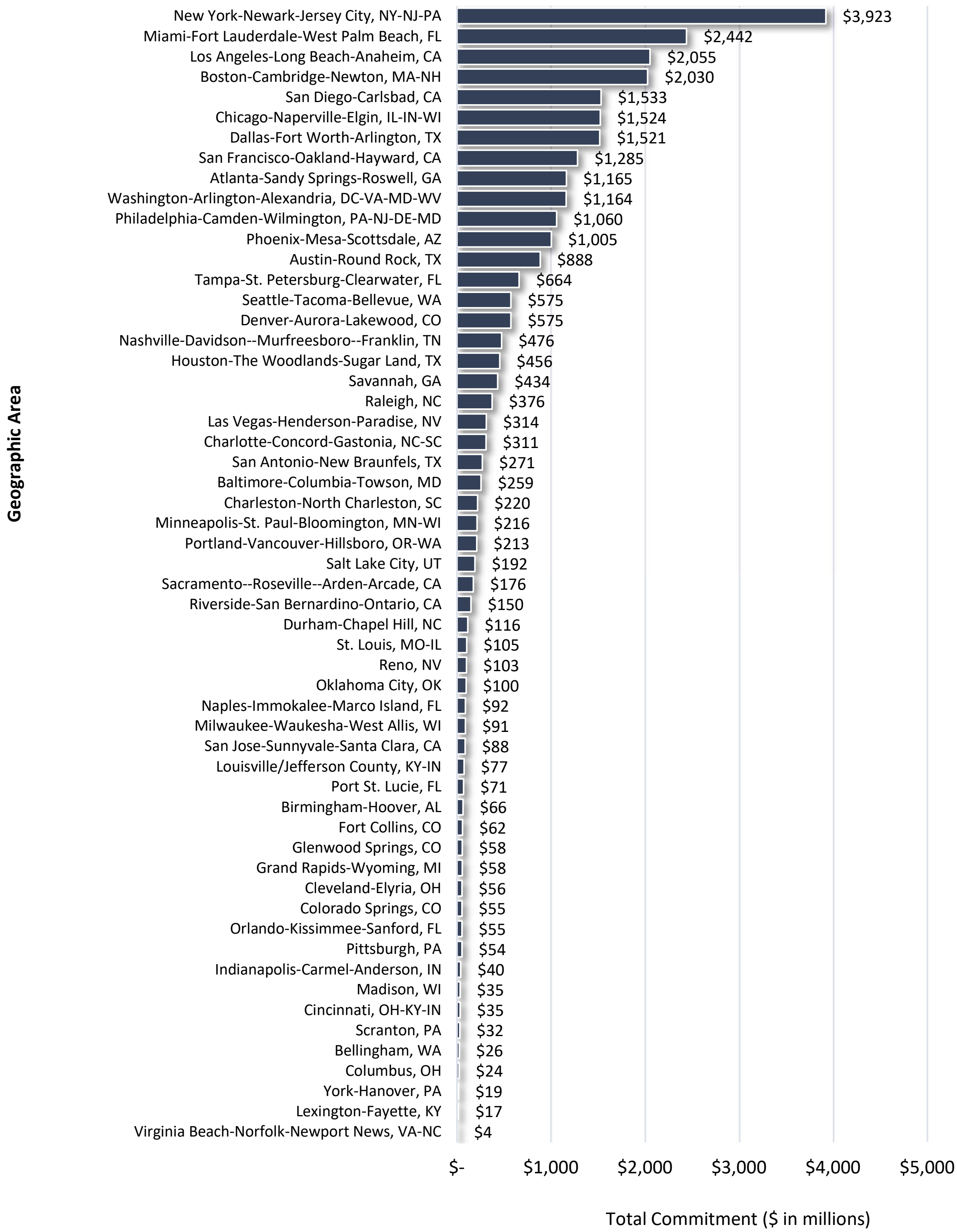
Figure 22: RESG Portfolio Diversity by Product Type (As of September 30, 2022) ($ millions)



** 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.*

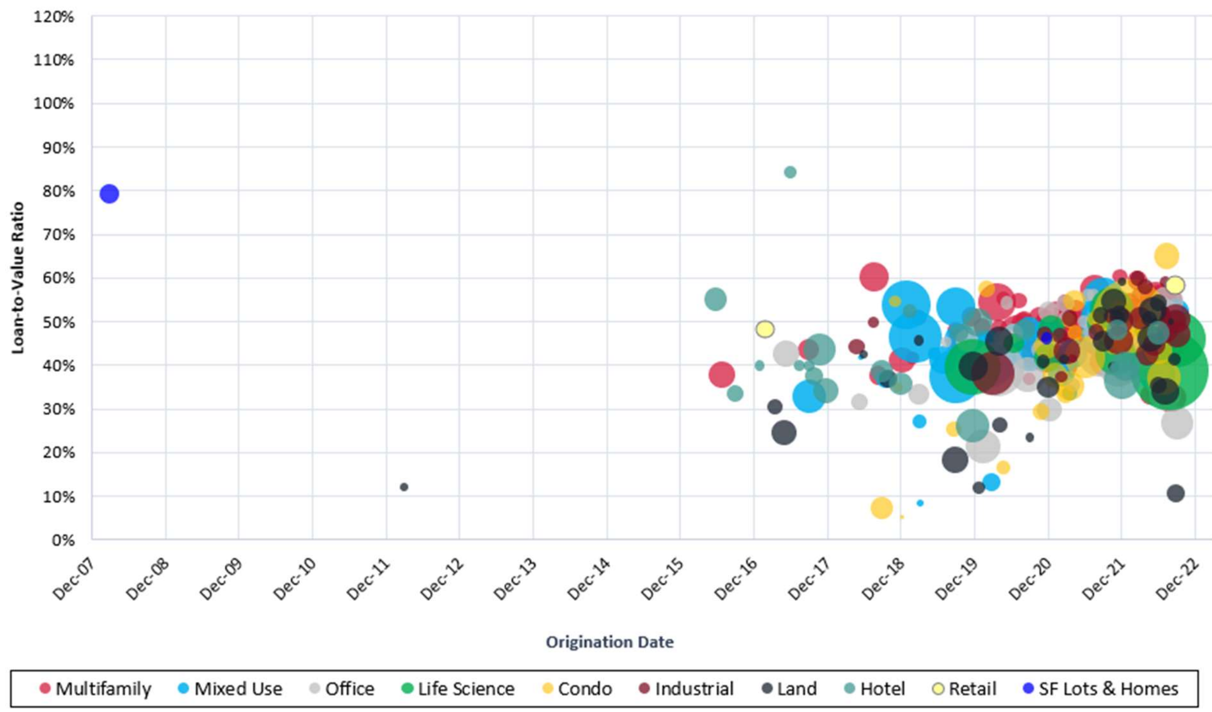
Figure 23 shows RESG's total commitments in each MSA in which it currently has loans, reflecting the national scope and diversity achieved in RESG's business.

Figure 23: RESG's Portfolio Diversity - All Geographies (As of September 30, 2022) ($ millions)



Assuming full funding of every RESG loan, as of September 30, 2022, the weighted average LTC for the RESG portfolio was a conservative 53.4%, and the weighted average LTV was even lower at just 42.5%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 24. Other than one credit with a 79% LTV ($56 million) and one credit with an 84% LTV ($24 million), all other credits in the RESG portfolio have LTV ratios of 65% or less.

Figure 24: RESG Portfolio by LTV & Origination Date (As of September 30, 2022)
Bubble Size Reflects Total Funded and Unfunded Commitment Amount



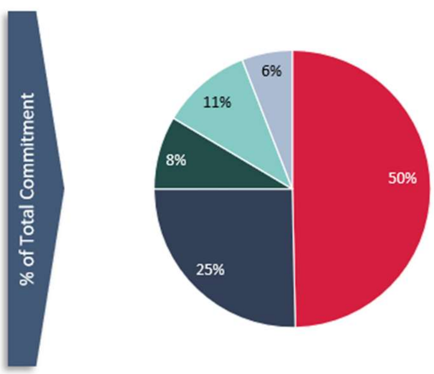
LTV ratios assume all loans are fully funded. LTV data based on most recent appraisals and utilizing, in most cases, "as stabilized" values for income producing properties.

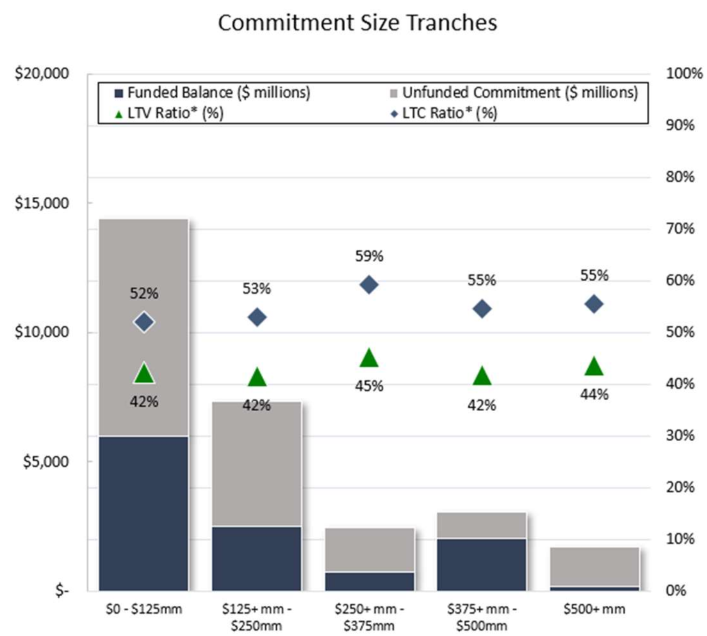
The RESG portfolio includes loans of many different sizes. The stratification of the RESG portfolio by commitment size is reflected in Figure 25.

Figure 25: RESG Portfolio Stratification by Loan Size - Total Commitment (As of September 30, 2022)

($ millions)

Tranche	No. of Loans	Funded Balance	Total Commitment
$0 - $125mm	276	$ 5,981	$ 14,407
$125+ mm - $250mm	43	2,504	7,351
$250+ mm - $375mm	8	734	2,475
$375+ mm - $500mm	7	2,055	3,063
$500+ mm	2	207	1,715
Total	**336**	**$ 11,481**	**$ 29,012**





** 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.*

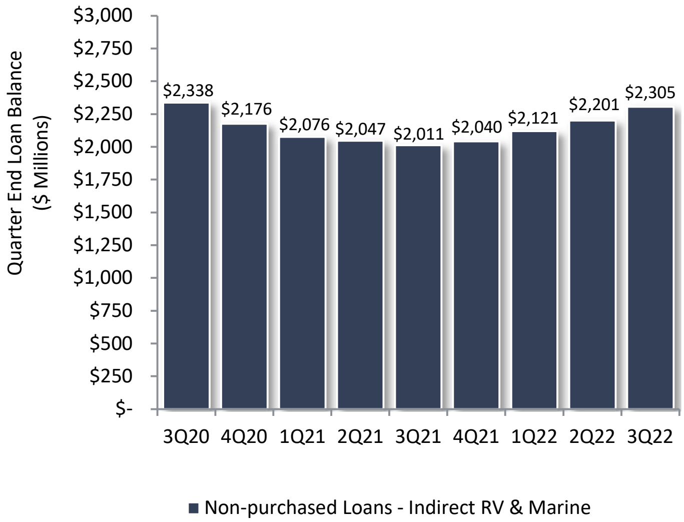
The COVID-19 pandemic impacted many properties in the U.S., particularly in the office and hospitality sectors. Likewise, recent interest rate increases and increasing risks of a recession in the U.S. are elevating the risk that some properties may experience economic stress. Our RESG portfolio has performed very well, and we expect it will continue to outperform the industry in this environment of increased economic turbulence. We have benefited, and expect to continue to benefit, from the fact that most of our loans are on newly constructed properties with strong sponsorship, low leverage and protective loan structures. We expect most of our sponsors will continue to support their properties, if needed, until business and economic conditions normalize.

Our Community Banking loans, which accounted for 25% of the funded balance of non-purchased loans as of September 30, 2022, 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 12% of the funded balance of non-purchased loans as of September 30, 2022. Our objective is to maintain this portfolio within a range of 10% to 15% of our total loans.

As of September 30, 2022, the non-purchased indirect portfolio had a 30+ day delinquency ratio of 11 bps. For the third quarter and first nine months of 2022, our annualized net charge-off ratio for the non-purchased indirect portfolio was eight bps and 11 bps, respectively. Figure 26 provides additional details regarding this portfolio.

Figure 26: Indirect RV & Marine Outstanding Non-purchased Loan Balances

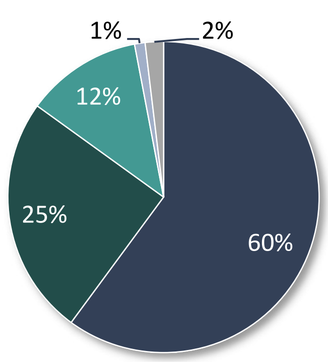


RV Portfolio at 9/30/22			
Loan Size	Total #		$ thousands
$1 million +	-	$	-
$750k - $999k	-		-
$250k - $749k	473		147,878
$50k - $249k	9,433		1,036,386
< $50k	6,033		153,511
Total	**15,939**	**$**	**1,337,775**

Marine Portfolio at 9/30/22			
Loan Size	Total #		$ thousands
$1 million +	39	$	77,078
$750k - $999k	40		34,535
$250k - $749k	499		188,071
$50k - $249k	5,101		583,159
< $50k	2,788		84,560
Total	**8,467**	**$**	**967,403**

Figure 27 reflects the breakdown of our non-purchased loans by lending group as of September 30, 2022.

Figure 27: Breakdown of Non-purchased Loans by Lending Group



	9/30/2022 Balances		
		$ millions	*%*
RESG	$	11,481	60%
Community Banking		4,748	25%
Indirect Lending		2,305	12%
CBSG		206	1%
ABLG		364	2%
Total	**$**	**19,104**	**100%**

Deposits and Liquidity

We have worked to improve the mix and quality of our deposit base by focusing significant efforts on growing our consumer and commercial noninterest bearing and other non-time deposits. As shown in Figure 28, over the last four quarters and year to date in 2022, we have achieved relatively stable, and in some cases, improving levels of non-interest bearing, consumer – non-time and commercial – non-time deposits. This was achieved through growth in both new and existing customer balances offsetting the effect of drawdowns in account balances from the deposit surge resulting from the Covid-19 pandemic stimulus programs. We believe that we have significant capacity for future deposit growth, including core deposit growth, in our existing network of 231 branches.

Figure 28: Deposit Composition ($ millions)

	Period Ended					
	9/30/2021		12/31/2021		9/30/2022	
Noninterest Bearing	$ 4,586	22.8%	$ 4,984	24.7%	$ 4,824	23.6%
Consumer and Commercial Interest Bearing:						
Consumer - Non-time	4,144	20.6%	4,334	21.4%	4,198	20.6%
Consumer - Time	4,712	23.4%	4,319	21.4%	4,127	20.2%
Commercial - Non-time	2,330	11.6%	2,635	13.0%	2,891	14.2%
Commercial - Time	1,016	5.1%	905	4.5%	557	2.7%
Public Funds	1,928	9.6%	2,095	10.4%	2,055	10.1%
Brokered	895	4.5%	452	2.2%	1,322	6.5%
Reciprocal	491	2.4%	485	2.4%	428	2.1%
Total	$ 20,102	100.0%	$ 20,209	100.0%	$ 20,402	100.0%

Non-interest Income

Non-interest income for the third quarter of 2022 was $29.2 million, an increase of 12.2% from the third quarter of 2021 and 10.8% from the second quarter of 2022. For the first nine months of 2022, non-interest income was $87.0 million, an increase of 1.3% from the first nine months of 2021. Figures 29 and 30, respectively, summarize non-interest income for the most recent nine quarters and year-over-year trends for the third quarter and first nine months of 2022.

Figure 29: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended								
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Service charges on deposit accounts:									
NSF fees	$ 819	$ 998	$ 862	$ 848	$ 1,045	$ 1,092	$ 1,080	$ 1,079	$ 1,152
Overdraft fees	2,675	3,026	2,461	2,396	3,035	3,223	3,121	3,168	3,656
All other service charges	5,933	5,959	6,342	7,067	7,097	7,149	6,690	7,184	7,089
Trust income	1,936	1,909	2,206	1,911	2,247	2,141	2,094	1,911	2,007
BOLI income:									
Increase in cash surrender value	5,081	5,034	4,881	4,919	4,940	4,901	4,793	4,846	4,940
Death benefit	-	-	1,409	-	-	618	297	-	510
Loan service, maintenance and other fees	3,351	3,797	3,551	3,953	3,307	3,148	3,018	3,603	3,418
Net gains on investment securities - AFS	2,244	-	-	-	-	-	-	-	-
Net gains (losses) on investment securities - Trading	-	-	-	-	-	504	(90)	531	321
Gains (losses) on sales of other assets	891	5,189	5,828	2,341	463	1,330	6,992	784	3,182
Other	3,746	2,749	4,577	4,307	3,850	5,589	3,480	3,214	2,888
Total non-interest income	$ 26,676	$ 28,661	$ 32,117	$ 27,742	$ 25,984	$ 29,695	$ 31,475	$ 26,320	$ 29,163

Figure 30: Trends in Non-interest Income – 2021 vs. 2022 *($ thousands)*

	For the Nine Months Ended			For the Three Months Ended		
	9/30/2021	9/30/2022	% Change	9/30/2021	9/30/2022	% Change
Service charges on deposit accounts:						
NSF fees	$ 2,754	$ 3,311	20.2%	$ 1,045	$ 1,152	10.2%
Overdraft fees	7,893	9,946	26.0%	3,035	3,656	20.5%
All other service charges	20,507	20,963	2.2%	7,097	7,089	-0.1%
Trust income	6,365	6,012	-5.5%	2,247	2,007	-10.7%
BOLI income:						
Increase in cash surrender value	14,739	14,579	-1.1%	4,940	4,940	0.0%
Death benefit	1,409	807	-42.7%	-	510	NM
Loan service, maintenance and other fees	10,811	10,039	-7.1%	3,307	3,418	3.4%
Net gains on investment securities - AFS	-	-	NM	-	-	NM
Net gains (losses) on investment securities - Trading	-	762	NM	-	321	NM
Gains (losses) on sales of other assets	8,632	10,957	26.9%	463	3,182	NM
Other	12,733	9,583	-24.7%	3,850	2,888	-25.0%
Total non-interest income	$ 85,843	$ 86,959	1.3%	$ 25,984	$ 29,163	12.2%

Non-interest Expense

Non-interest expense for the third quarter of 2022 was $115.7 million, an increase of 4.8% from the third quarter of 2021 and 5.8% from the second quarter of 2022. Increases in salaries and employee benefits and advertising and public relations expenses were the most significant contributors to increased non-interest expense in the quarter just ended. During the quarter, we made good progress in filling open positions.

For the first nine months of 2022, non-interest expense was $332.7 million, an increase of 3.9% from $320.2 million for the first nine months of 2021.

In the coming quarters, we expect further increases in non-interest expense, including salaries and benefit costs, as we deal with competitive labor market conditions, fill remaining unfilled positions, add team members to support future growth and operate in the current inflationary environment.

Figures 31 and 32, respectively, summarize non-interest expense for the most recent nine quarters and year-over-year trends for the third quarter and first nine months of 2022.

Figure 31: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended								
	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Salaries & employee benefits	$ 53,119	$ 53,832	$ 53,645	$ 52,119	$ 53,769	$ 55,034	$ 54,648	$ 54,412	$ 57,367
Net occupancy and equipment	16,676	15,617	16,468	16,168	17,161	17,004	17,215	17,014	18,244
Professional and outside services	8,320	7,026	6,326	7,724	7,084	7,880	7,082	8,461	8,059
Advertising and public relations	1,557	1,086	308	593	719	1,151	1,259	1,103	3,448
Telecommunication services	2,352	2,296	2,232	2,165	1,966	2,064	2,010	1,921	1,921
Software and data processing	5,431	5,729	5,792	6,006	5,897	6,165	5,921	6,223	6,044
Travel and meals	689	835	774	1,419	1,617	1,883	1,758	2,186	1,962
FDIC insurance and state assessments	3,595	3,647	3,520	2,885	2,655	2,125	2,150	2,100	2,650
Amortization of intangibles	1,914	1,794	1,730	1,602	1,545	1,517	1,517	1,516	1,298
Postage and supplies	1,808	1,709	1,645	1,544	1,530	1,909	1,698	1,507	2,035
ATM expense	1,604	1,490	1,283	1,486	1,846	1,639	1,509	1,488	1,500
Loan collection and repossession expense	1,030	481	509	540	407	587	325	353	402
Writedowns of foreclosed assets	488	1,582	1,363	123	990	985	258	-	87
Amortization of CRA and tax credit investments	1,611	823	4,125	3,227	4,972	2,755	5,102	4,628	5,155
Other expenses	5,447	5,447	6,339	6,110	8,239	7,408	5,263	6,388	5,519
Total non-interest expense	$ 105,641	$ 103,394	$ 106,059	$ 103,711	$ 110,397	$ 110,106	$ 107,715	$ 109,300	$ 115,691

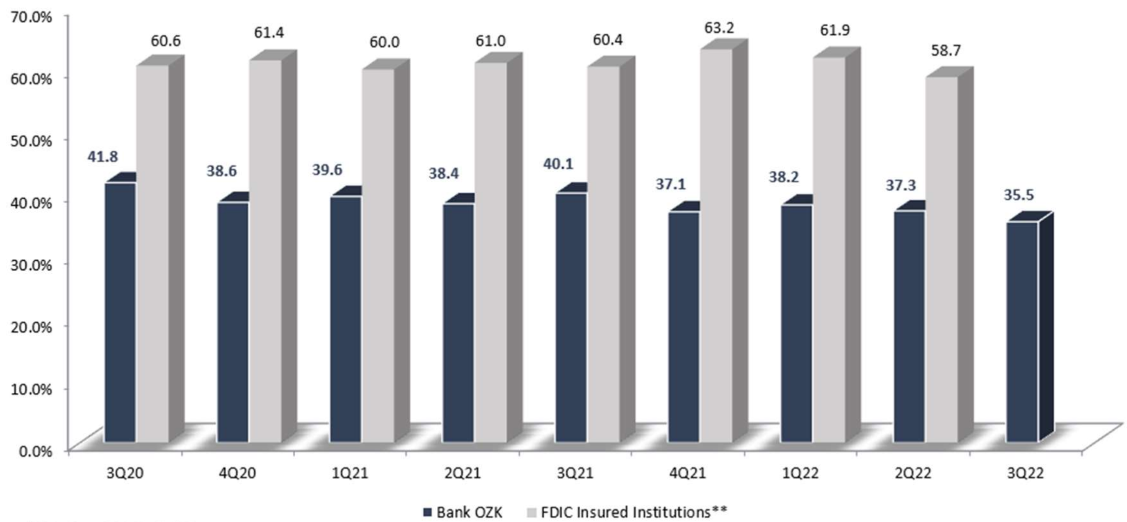
Figure 32: Trends in Non-interest Expense – 2021 vs. 2022 *($ thousands)*

	For the Nine Months Ended			For the Three Months Ended		
	9/30/2021	9/30/2022	% Change	9/30/2021	9/30/2022	% Change
Salaries & employee benefits	$ 159,533	$ 166,427	4.3%	$ 53,769	$ 57,367	6.7%
Net occupancy and equipment	49,797	52,474	5.4%	17,161	18,244	6.3%
Professional and outside services	21,134	23,602	11.7%	7,084	8,059	13.8%
Advertising and public relations	1,621	5,810	258.4%	719	3,448	379.6%
Telecommunication services	6,363	5,852	-8.0%	1,966	1,921	-2.3%
Software and data processing	17,695	18,188	2.8%	5,897	6,044	2.5%
Travel and meals	3,811	5,906	55.0%	1,617	1,962	21.3%
FDIC insurance and state assessments	9,060	6,900	-23.8%	2,655	2,650	-0.2%
Amortization of intangibles	4,878	4,331	-11.2%	1,545	1,298	-16.0%
Postage and supplies	4,718	5,240	11.1%	1,530	2,035	33.0%
ATM expense	4,615	4,497	-2.6%	1,846	1,500	-18.7%
Loan collection and repossession expense	1,456	1,081	-25.8%	407	402	-1.2%
Writedowns of foreclosed assets	2,476	345	-86.1%	990	87	-91.2%
Amortization of CRA and tax credit investments	12,324	14,885	20.8%	4,972	5,155	3.7%
Other expenses	20,689	17,170	-17.0%	8,239	5,519	-33.0%
Total non-interest expense	$ 320,170	$ 332,708	3.9%	$ 110,397	$ 115,691	4.8%

Efficiency Ratio

As shown in Figure 33, in the quarter just ended, our efficiency ratio was 35.5%. Our efficiency ratio has been in the top decile of the industry for 20 consecutive years.*

Figure 33: Quarterly Efficiency Ratio (%)



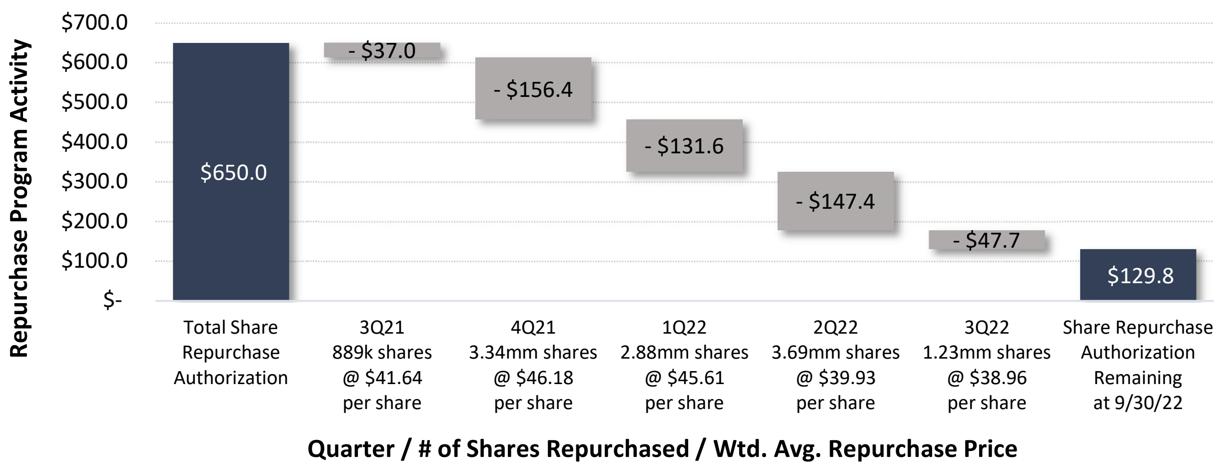
** Data from S&P Capital IQ.*

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

Stock Repurchase Program

In July 2021, we authorized a stock repurchase program of up to $300 million of our common stock, which authorization was increased to $650 million in October 2021 with an expiration date of November 4, 2022. As shown in Figure 34, since adoption of our stock repurchase program in July 2021 through September 30, 2022, we have repurchased approximately 12.1 million, or over 9%, of our outstanding shares of our common stock for a total of $520.2 million. We may have additional repurchases prior to the November 4th expiration of the current program. In evaluating any plans for stock repurchases after the expiration our current program, 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.

Figure 34: Stock Repurchase Program Activity ($ millions, unless otherwise noted)

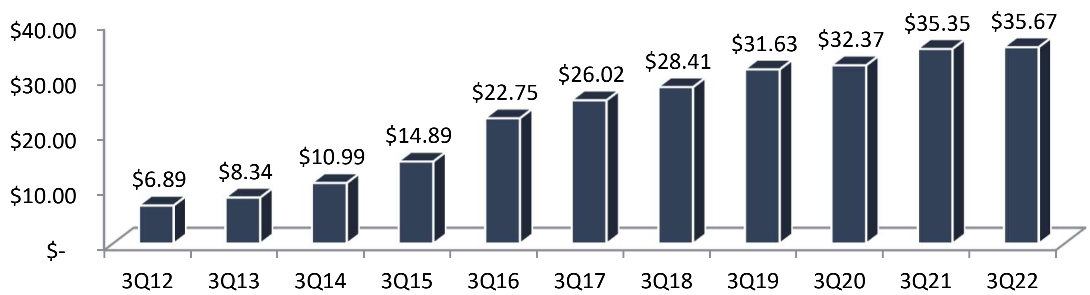


Capital and Dividends

During the quarter just ended, our book value and tangible book value per share reflected the change in the value of our securities portfolio as a result of movements in market interest rates.

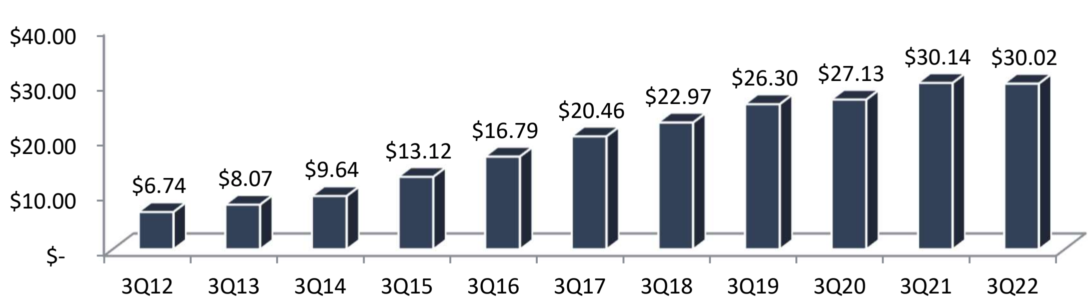
During the quarter just ended, our book value per common share decreased to $35.67 compared to $35.87 as of June 30, 2022, but increased compared to $35.35 as of September 30, 2021. Over the last 10 years, we have increased book value per common share by a cumulative 418%, resulting in a compound annual growth rate of 17.9%, as shown in Figure 35.

Figure 35: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share decreased to $30.02 compared to $30.27 as of June 30, 2022 and $30.14 as of September 30, 2021. Over the last 10 years, we have increased tangible book value per common share by a cumulative 346%, resulting in a compound annual growth rate of 16.1%, as shown in Figure 36.

Figure 36: Tangible Book Value per Share (Period End) [4]



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

Our historically strong earnings and earnings retention rate, among other factors, have contributed to our building robust capital ratios, as shown in Figure 37, 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 2023 and 2024.

Figure 37: Capital Ratios

	Estimated 9/30/2022 [5]	Regulatory Minimum Required To Be Considered Well Capitalized	Excess Capital
CET 1 Ratio	11.80%	6.50%	5.30%
Tier 1 Ratio	12.90%	8.00%	4.90%
Total RBC Ratio	15.40%	10.00%	5.40%
Tier 1 Leverage	16.20%	5.00%	11.20%

We have increased our cash dividend in each of the last 49 quarters and every year since going public in 1997. We expect that we will continue to increase our cash dividend in future quarters.

Secondary Market Mortgage Lending

During the quarter just ended, we hired an experienced mortgage lender to build a secondary market mortgage team, business and infrastructure to serve our customers' mortgage banking needs. We expect this new team will be operational on a limited basis during the first half of 2023, and we expect it to expand across much of our branch footprint in 2023 and 2024. As we build the initial team over the remainder of 2022 and begin operations in 2023, our expenses will exceed our revenues, but we believe mortgage banking will eventually provide a positive contribution to our profitability.

[5] Ratios as of September 30, 2022 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Effective Tax Rate

Our effective tax rate for the quarter just ended was 21.4%, and for the first nine months of 2022 was 21.8%. We expect our effective tax rate for the fourth quarter of 2022 to be between 21.5% and 22.5%, assuming no changes in applicable state or federal income tax rates.

Final Thoughts

We are pleased to report our strong results for the third quarter of 2022. Our results were highlighted by our fourth consecutive quarter of record RESG loan originations and solid growth in RESG's funded loans, along with meaningful contributions to growth from our Community Banking and other lending teams. This reflects our dual focus on both organic loan growth and increased portfolio diversification. Our strong capital and liquidity, disciplined credit culture and outstanding team have us well positioned for the current environment and the longer term. While the near-term economic environment may create some challenges, we are confident that we can manage those challenges effectively while also capitalizing on new opportunities that usually result from periods of economic turbulence. In the past, we have demonstrated our ability to capitalize on such opportunities, and we believe we are in an excellent position to do so again.

Non-GAAP Reconciliations

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

Unaudited (Dollars in Thousands)

	Three Months Ended *		Nine Months Ended*	
	9/30/2021	9/30/2022	9/30/2021	9/30/2022
Net Income Available To Common Stockholders	$ 130,290	$ 128,302	$ 429,240	$ 388,688
Average Stockholders' Equity Before Noncontrolling Interest	4,530,995	4,635,887	4,421,240	4,680,513
Less Average Preferred Stock	-	(338,980)	-	(338,980)
Total Average common stockholders' equity	4,530,995	4,296,907	4,421,240	4,341,533
Less Average Intangible Assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(10,617)	(4,747)	(12,195)	(6,124)
Total Average Intangibles	(671,406)	(665,536)	(672,984)	(666,913)
Average Tangible Common Stockholders' Equity	$ 3,859,589	$ 3,631,371	$ 3,748,256	$ 3,674,620
Return On Average Common Stockholders' Equity	11.41%	11.85%	12.98%	11.97%
Return On Average Tangible Common Stockholders' Equity	13.39%	14.02%	15.31%	14.14%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended			Nine Months Ended	
	9/30/2021	6/30/2022	9/30/2022	9/30/2021	9/30/2022
Income before taxes	$ 170,998	$ 175,788	$ 168,318	$ 558,958	$ 513,019
Provision for credit losses	(7,454)	7,025	39,771	(69,946)	50,986
Pre-tax pre-provision net revenue	$ 163,544	$ 182,813	$ 208,089	$ 489,012	$ 564,005

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

Unaudited (Dollars in Thousands, Except per Share)

	As of September 30,					
	2012	2013	2014	2015	2016	2017
Total stockholders' equity before noncontrolling interest	$ 477,851	$ 612,338	$ 875,578	$ 1,314,517	$ 2,756,346	$ 3,334,740
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	477,851	612,338	875,578	1,314,517	2,756,346	3,334,740
Less intangible assets:						
Goodwill	(5,243)	(5,243)	(78,669)	(128,132)	(657,806)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(5,437)	(14,796)	(28,439)	(28,624)	(64,347)	(51,396)
Total intangibles	(10,680)	(20,039)	(107,108)	(156,756)	(722,153)	(712,185)
Total tangible common stockholders' equity	$ 467,171	$ 592,299	$ 768,470	$ 1,157,761	$ 2,034,193	$ 2,622,555
Common shares outstanding (thousands)	69,330	73,404	79,705	88,265	121,134	128,174
Book value per common share	$ 6.89	$ 8.34	$ 10.99	$ 14.89	$ 22.75	$ 26.02
Tangible book value per common share	$ 6.74	$ 8.07	$ 9.64	$ 13.12	$ 16.79	$ 20.46

	As of September 30,					As of
	2018	2019	2020	2021	2022	June 30, 2022
Total stockholders' equity before noncontrolling interest	$ 3,653,596	$ 4,078,324	$ 4,186,285	$ 4,553,240	$ 4,539,424	$ 4,606,782
Less preferred stock	-	-	-	-	(338,980)	(338,980)
Total common stockholders' equity	3,653,596	4,078,324	4,186,285	4,553,240	4,200,444	4,267,802
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	(38,817)	(26,608)	(16,462)	(9,791)	(3,943)	(5,240)
Total intangibles	(699,606)	(687,397)	(677,251)	(670,580)	(664,732)	(666,029)
Total tangible common stockholders' equity	$ 2,953,990	$ 3,390,927	$ 3,509,034	$ 3,882,660	$ 3,535,712	$ 3,601,773
Common shares outstanding (thousands)	128,609	128,946	129,342	128,818	117,762	118,996
Book value per common share	$ 28.41	$ 31.63	$ 32.37	$ 35.35	$ 35.67	$ 35.87
Tangible book value per common share	$ 22.97	$ 26.30	$ 27.13	$ 30.14	$ 30.02	$ 30.27

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