



Bank OZK (OZK)

Updated October 17th, 2025, by Aristofanis Papadatos

Key Metrics

Current Price:	\$47	5 Year CAGR Estimate:	13.1%	Market Cap:	\$5.3 B
Fair Value Price:	\$69	5 Year Growth Estimate:	2.0%	Ex-Dividend Date:	10/14/25
% Fair Value:	68%	5 Year Valuation Multiple Estimate:	7.9%	Dividend Payment Date:	10/21/25
Dividend Yield:	3.8%	5 Year Price Target	\$76	Years Of Dividend Growth:	31
Dividend Risk Score:	B	Sector:	Financials	Rating:	Hold

Overview & Current Events

Bank OZK, previously Bank of the Ozarks, is a regional bank that offers services such as checking, business banking, commercial loans and mortgages to its customers in Arkansas, Florida, North Carolina, Texas, Alabama, South Carolina, New York and California. The \$5.3 billion market cap bank was founded in 1903 and is headquartered in Little Rock, AR.

On October 1st, 2025, Bank OZK announced a \$0.45 quarterly dividend, representing a 2.3% raise over the last quarter's payment and a 9.8% raise year-over-year. This marks the company's 61st consecutive quarter of raising its dividend.

In mid-October, Bank OZK reported (10/16/25) results for the third quarter of 2025. Total loans and deposits grew 10% and 1%, respectively, over the end of last year. Net interest income grew 6% over the prior year's quarter thanks to lower deposit costs. Provisions for credit losses increased 4%. Earnings-per-share grew 3%, from \$1.55 to a new all-time high of \$1.59, but missed the analysts' consensus by \$0.10. Bank OZK has exceeded the analysts' consensus in 19 of the last 22 quarters. The bank has posted record earnings-per-share in 11 of the last 12 quarters. Moreover, management remains confident in achieving all-time high net interest income in 2025. Nevertheless, as the bank missed the analysts' estimates by a wide margin due to high provisions for loan losses, the stock plunged -7% on the day after the earnings release. On the other hand, Bank OZK is an exemplary bank and hence we are confident in its prospects. We still expect 2% growth of earnings-per-share this year, to a new all-time high. The stock has rallied 27% in the last two years thanks to its strong business performance.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$2.09	\$2.58	\$3.35	\$3.24	\$3.30	\$2.26	\$4.49	\$4.54	\$5.87	\$6.14	\$6.25	\$6.90
DPS	\$0.55	\$0.63	\$0.71	\$0.80	\$0.94	\$1.08	\$1.13	\$1.26	\$1.42	\$1.58	\$1.80	\$2.45
Shares¹	90	121	128	129	129	129	128	118	114	113	110	100

Bank OZK had grown its profits per share in almost every year since the financial crisis, which was a strong feat for a bank. In the 2011 through 2019 stretch, earnings-per-share grew by nearly 11% per year. Moreover, Bank OZK has not only been growing organically, but over the last decade the bank has repeatedly made acquisitions which management viewed as suitable. Of course, 2020 proved to be a challenge with earnings down materially.

We believe that Bank OZK will remain on its growth trajectory. Factors like general economic growth, a low payout ratio and coming off a conservative base should help results. Non-interest income makes up just a small amount of the bank's profits. This makes Bank OZK relatively independent from factors such as market movements, whereas bigger banks - where trading revenues are more important - are more dependent on such factors.

Due to the record earnings-per-share expected this year, we expect 2% earnings-per-share growth over the next five years. This is much lower than the 12.7% average annual growth rate of Bank OZK over the last decade but it is warranted due to the high comparison base.

¹ In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Bank OZK (OZK)

Updated October 17th, 2025, by Aristofanis Papadatos

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	20.6	15.9	14.4	12.8	9.0	10.8	8.6	9.3	6.8	7.2	7.5	11.0
Avg. Yld.	1.3%	1.5%	1.5%	1.9%	3.2%	4.4%	2.9%	3.0%	3.6%	3.6%	3.8%	3.2%

The valuation of Bank OZK has moved in a relatively wide range over the last decade. The price-to-earnings ratio of the stock exceeded 20 in 2014-2015 whereas it has plunged below 10 in recent years. Our fair value estimate is 11 times earnings, in line with a typical bank. The stock is currently trading at a price-to-earnings ratio of 7.5, which is much lower than our assumed fair valuation level. If the stock trades at its fair valuation level in five years, it will enjoy a 7.9% annualized gain in its returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	26%	24%	21%	25%	28%	48%	25%	28%	24%	26%	29%	36%

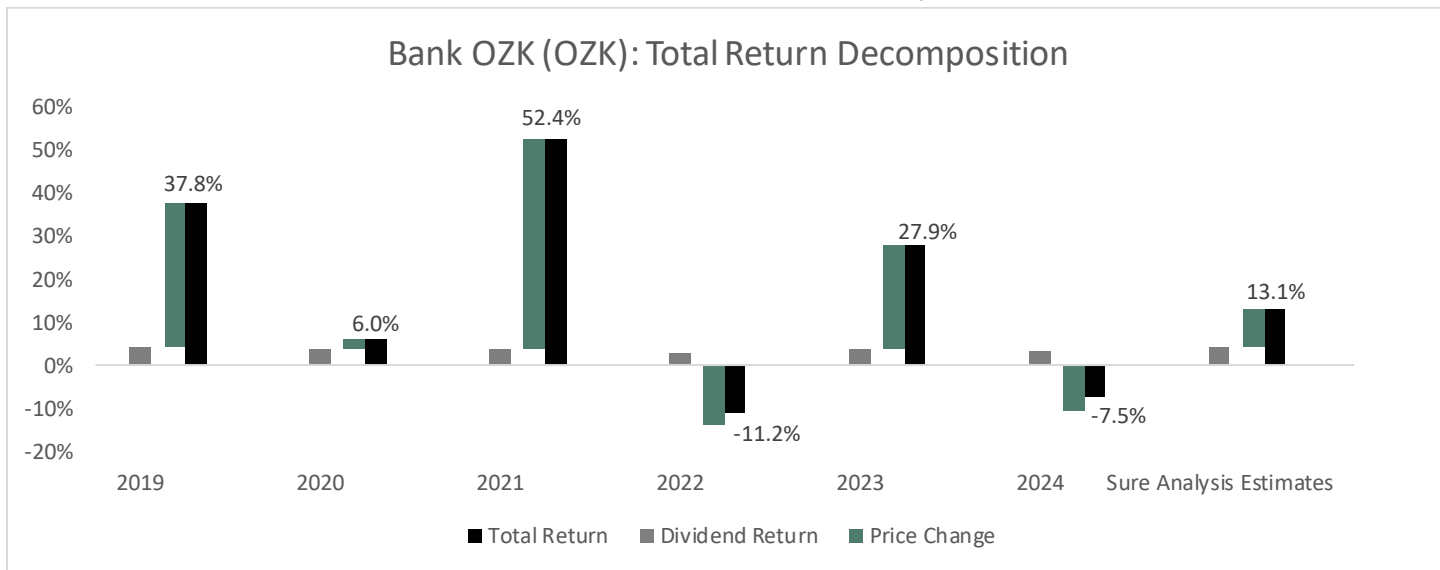
Bank OZK has raised its dividend at a very strong pace over the last decade, with multiple dividend raises each year. The dividend has been raised every quarter dating back to 2010, as an illustration. The payout ratio is still not elevated though, although 2020 saw a temporary uptick due to depressed earnings.

The bank is well positioned in its key markets, due to the opening of new branches and inorganic growth. Bank OZK is the largest bank in its home state of Arkansas. Given also a long history and strong performance during the last financial crisis, Bank OZK is an attractive financial stock. Bank OZK was very stable during the last financial crisis, as one of just a few banks which managed to grow profits.

Final Thoughts & Recommendation

Bank OZK is much smaller than the well-known banks but it has demonstrated strengths in its niche, partly thanks to its exemplary management. It has proved resilient to recessions and has exhibited above-average growth of earnings-per-share and dividend. The bank easily endured the downturn of regional banks caused by the collapse of Silicon Valley Bank, Credit Suisse and First Republic as well as nearly 23-year high interest rates. The stock has rallied 27% in the last two years, but it can still offer a 13.1% total annual return over the next five years thanks to 2.0% earnings-per-share growth, a 3.8% dividend yield and a 7.9% annualized valuation tailwind. It receives a hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



Bank OZK (OZK)

Updated October 17th, 2025, by Aristofanis Papadatos

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	479	695	930	992	984	985	1,097	1,249	1,562	1,658
SG&A Exp.	111	163	212	242	264	270	273	245	305	342
D&A Exp.	17	25	34	35	43	44	43	44	41	89
Net Profit	182	270	422	417	426	292	579	564	691	716
Net Margin	38.0%	38.9%	45.4%	42.1%	43.3%	29.6%	52.8%	45.2%	44.2%	43.2%
Free Cash Flow	184	197	346	619	326	502	509	735	852	739
Income Tax	94	154	159	137	138	84	174	157	176	215

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	9,879	18,890	21,276	22,388	23,556	27,163	26,530	27,657	34,237	38,259
Cash & Equivalents	91	866	440	291	1,496	2,394	2,054	1,033	2,150	2,781
Accounts Receivable	25	52	65	82	75	88	83	125	170	174
Goodwill & Int. Ass.	152	721	709	696	685	675	669	664	661	661
Total Liabilities	8,412	16,095	17,812	18,615	19,402	22,887	21,691	22,966	29,097	32,553
Long-Term Debt	322	383	364	439	695	1,095	1,217	1,075	1,275	883
Shareholder's Equity	1,465	2,792	3,461	3,770	4,150	4,272	4,497	4,351	4,800	5,367
LTD/E Ratio	0.22	0.14	0.11	0.12	0.17	0.26	0.25	0.23	0.25	0.15

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.2%	1.9%	2.1%	1.9%	1.9%	1.2%	2.2%	2.1%	2.2%	2.0%
Return on Equity	15.4%	12.7%	13.5%	11.5%	10.8%	6.9%	13.2%	12.8%	14.1%	13.2%
ROIC	12.3%	10.9%	12.0%	10.4%	9.4%	5.7%	10.1%	9.5%	11.3%	11.0%
Shares Out.	90	121	128	129	129	129	128	121	115	114
Revenue/Share	5.49	6.63	7.39	7.70	7.63	7.61	8.46	10.35	13.60	14.54
FCF/Share	2.11	1.88	2.75	4.80	2.53	3.88	3.92	6.09	7.42	6.48

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

Nothing presented herein is, or is intended to constitute, specific investment advice. Nothing in this research report should be construed as a recommendation to follow any investment strategy or allocation. Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No reliance should be placed on any such statements or forecasts when making any investment decision. While Sure Dividend has used reasonable efforts to obtain information from reliable sources, we make no representations or warranties as to the accuracy, reliability or completeness of third-party information presented herein. No guarantee of investment performance is being provided and no inference to the contrary should be made. There is a risk of loss from an investment in marketable securities. Past performance is not a guarantee of future performance.