



# Bank OZK (OZK)

Updated January 22<sup>nd</sup>, 2026, by Aristofanis Papadatos

## Key Metrics

<b>Current Price:</b>	\$48	<b>5 Year CAGR Estimate:</b>	13.4%	<b>Market Cap:</b>	\$5.4 B
<b>Fair Value Price:</b>	\$68	<b>5 Year Growth Estimate:</b>	3.0%	<b>Ex-Dividend Date<sup>1</sup>:</b>	4/13/26
<b>% Fair Value:</b>	70%	<b>5 Year Valuation Multiple Estimate:</b>	7.3%	<b>Dividend Payment Date:</b>	4/20/26
<b>Dividend Yield:</b>	3.8%	<b>5 Year Price Target</b>	\$79	<b>Years Of Dividend Growth:</b>	32
<b>Dividend Risk Score:</b>	B	<b>Sector:</b>	Financials	<b>Rating:</b>	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 \$5.4 billion market cap bank was founded in 1903 and is headquartered in Little Rock, AR.

On January 2<sup>nd</sup>, 2026, Bank OZK announced a \$0.46 quarterly dividend, representing a 2.2% raise over the last quarter's payment and a 9.5% raise year-over-year. This marks the company's 62<sup>nd</sup> consecutive quarter of raising its dividend.

In mid-January, Bank OZK reported (1/20/26) results for the fourth quarter of 2025. Total loans and deposits grew 8% each over the end of the prior year. Net interest income grew 7% over the prior year's quarter thanks to lower deposit costs. However, provisions for credit losses increased 36%. As a result, earnings-per-share dipped -2%, from \$1.56 to \$1.53, missing the analysts' consensus by \$0.05. Bank OZK has exceeded the analysts' consensus in 19 of the last 23 quarters. The bank has posted record earnings-per-share in 11 of the last 13 quarters. Despite a slight deceleration in the last two quarters, management stated that it expects to achieve record earnings-per-share this year, on top of the record earnings-per-share it has achieved in each of the last five years. Bank OZK is an exemplary bank and hence we are confident in its prospects. Given the recent deceleration in business momentum, we expect modest growth of earnings-per-share this year.

## Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>EPS</b>	\$2.58	\$3.35	\$3.24	\$3.30	\$2.26	\$4.49	\$4.54	\$5.87	\$6.14	\$6.18	<b>\$6.20</b>	<b>\$7.19</b>
<b>DPS</b>	\$0.63	\$0.71	\$0.80	\$0.94	\$1.08	\$1.13	\$1.26	\$1.42	\$1.58	\$1.74	<b>\$1.84</b>	<b>\$2.46</b>
<b>Shares<sup>2</sup></b>	121	128	129	129	129	128	118	114	113	112	<b>110</b>	<b>100</b>

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. The ongoing interest rate cutting cycle of the Fed is likely to enhance the net interest margin of the bank. 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 3% earnings-per-share growth over the next five years. This is much lower than the 10.2% average annual growth rate of Bank OZK over the last decade but it is warranted due to the high comparison base.

<sup>1</sup> Estimated date.

<sup>2</sup> 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.*



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## Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
<b>Avg. P/E</b>	15.9	14.4	12.8	9.0	10.8	8.6	9.3	6.8	7.2	7.7	<b>7.7</b>	<b>11.0</b>
<b>Avg. Yld.</b>	1.5%	1.5%	1.9%	3.2%	4.4%	2.9%	3.0%	3.6%	3.6%	3.7%	<b>3.8%</b>	<b>3.1%</b>

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 7.7, 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 7.3% annualized gain in its returns.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
<b>Payout</b>	24%	21%	25%	28%	48%	25%	28%	24%	26%	28%	<b>30%</b>	<b>34%</b>

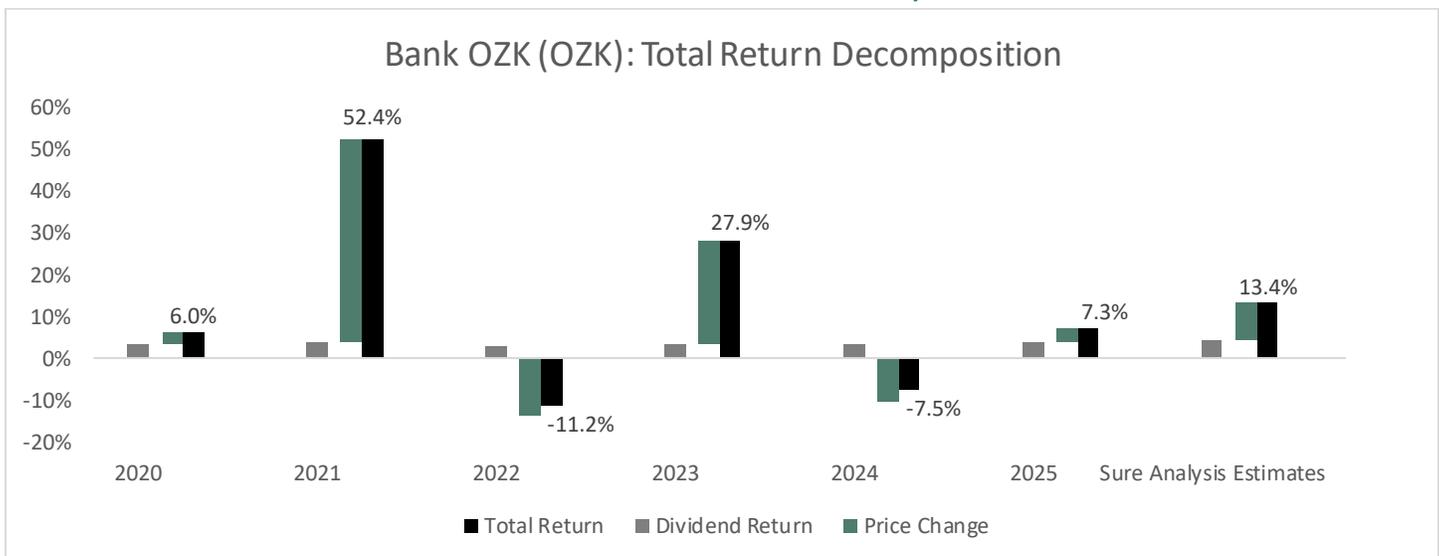
Bank OZK has raised its dividend at a very strong pace over the last decade, with multiple dividend raises each year. The dividend has been raised every quarter dating back to 2010, as an illustration. The payout ratio is still not elevated though, although 2020 saw a temporary uptick due to depressed 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 can offer a 13.4% total annual return over the next five years thanks to 3.0% earnings-per-share growth, a 3.8% dividend yield and a 7.3% annualized valuation tailwind. It receives a hold rating.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenue</b>	695	930	992	984	985	1,097	1,249	1,562	1,658	2,806
<b>SG&amp;A Exp.</b>	163	212	242	264	270	273	245	305	342	---
<b>D&amp;A Exp.</b>	25	34	35	43	44	43	44	41	89	---
<b>Net Profit</b>	270	422	417	426	292	579	564	691	716	715
<b>Net Margin</b>	38.9%	45.4%	42.1%	43.3%	29.6%	52.8%	45.2%	44.2%	43.2%	25.5%
<b>Free Cash Flow</b>	197	346	619	326	502	509	735	852	739	---
<b>Income Tax</b>	154	159	137	138	84	174	157	176	215	219

## Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Assets</b>	18,890	21,276	22,388	23,556	27,163	26,530	27,657	34,237	38,259	40786
<b>Cash &amp; Equivalents</b>	866	440	291	1,496	2,394	2,054	1,033	2,150	2,781	2834
<b>Accounts Receivable</b>	52	65	82	75	88	83	125	170	174	---
<b>Goodwill &amp; Int. Ass.</b>	721	709	696	685	675	669	664	661	661	661
<b>Total Liabilities</b>	16,095	17,812	18,615	19,402	22,887	21,691	22,966	29,097	32,553	34656
<b>Long-Term Debt</b>	383	364	439	695	1,095	1,217	1,075	1,275	883	464
<b>Shareholder's Equity</b>	2,792	3,461	3,770	4,150	4,272	4,497	4,351	4,800	5,367	5791
<b>LTD/E Ratio</b>	0.14	0.11	0.12	0.17	0.26	0.25	0.23	0.25	0.15	0.08

## Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Return on Assets</b>	1.9%	2.1%	1.9%	1.9%	1.2%	2.2%	2.1%	2.2%	2.0%	1.8%
<b>Return on Equity</b>	12.7%	13.5%	11.5%	10.8%	6.9%	13.2%	12.8%	14.1%	13.2%	12.1%
<b>ROIC</b>	10.9%	12.0%	10.4%	9.4%	5.7%	10.1%	9.5%	11.3%	11.0%	10.8%
<b>Shares Out.</b>	121	128	129	129	129	128	121	115	114	113
<b>Revenue/Share</b>	6.63	7.39	7.70	7.63	7.61	8.46	10.35	13.60	14.54	24.78
<b>FCF/Share</b>	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

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