

Ozarks Heritage Financial Group, Inc. - \$15 Million 10NC5 F2F Subordinated Debt

Lowest Coupon Subordinated Debt Financing for a Bank < \$2 Billion in Assets



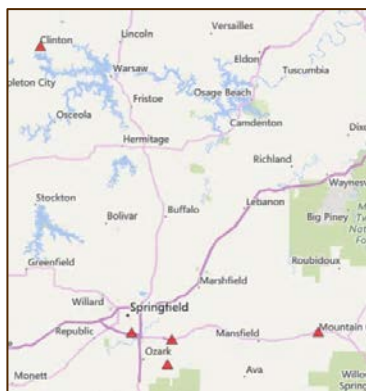
**\$15 Million 10 Year, Non-call 5
4.25% Subordinated Notes**

BBB+ by Egan-Jones Ratings Company

BREAN CAPITAL

Sole Placement Agent

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Issuance Rationale

- Proceeds will be used to support future growth and general corporate purposes.
- 10 year, non-call 5 fixed-to-floating subordinated debt at lowest coupon for banks < \$2B in assets.
- 2x oversubscribed and upsized to the maximum size desired by the issuer.

Transaction Highlights

- \$525M asset bank with five strategic branch locations across Southcentral Missouri.
- Excellent historical asset quality metrics – Evidence of strong credit underwriting while growing loans (ex-PPP) at an annual rate of ~26% over the last five years.
- SBA and USDA/FSA efforts along with a CDFI designation provide revenue diversity – As scale is being achieved, the Bank has moved to the Top 15% in fee income/avg. assets vs. peers.
- NIM ranks in the Top 10% relative to peers while ROA ranks in the Top 20%.
- Ranked in the Top 1% of community banks – per S&P Global Market Intelligence.

dollars in (000's)


Balance Sheet	2018Y	2019Y	2020Q1	2020Q2	2020Q3
Total Assets	\$252,063	\$302,387	\$341,097	\$449,389	\$524,997
<i>Annd. Asset Growth Rate (%)</i>	50.2	20.0	51.2	127.0	67.3
Total Loans	\$213,220	\$269,071	\$286,364	\$390,607	\$449,405
<i>Annd. Loan Growth Rate (%)</i>	41.6	26.2	25.7	145.6	60.2
Total Deposits	\$216,365	\$259,581	\$286,182	\$356,242	\$429,877
<i>Annd. Deposit Growth Rate (%)</i>	56.2	20.0	41.0	97.9	82.7
Loans/Deposits (%)	98.6	103.7	100.1	109.7	104.5

Profitability	2018Y	2019Y	2020Q1	2020Q2	2020Q3
Net Income	\$3,710	\$3,774	\$1,268	\$3,119	\$3,098
ROAA (%)	1.55	1.38	1.57	3.01	2.56
ROAE (%)	15.0	12.7	16.1	37.0	32.5
Net Interest Margin (%)	4.75	4.52	4.27	4.82	3.83
Yield/ Cost Spread (%)	4.32	4.11	4.67	3.70	4.15
Efficiency Ratio (FTE) (%)	57.1	58.8	55.3	36.1	34.9

Source: S&P Global Market Intelligence

Capital Markets Footprint

Brean has Raised \$500+ Million for its Community Bank Clients



\$100 Million 5.50% 10NC5 F2F

- BBB+ rating from KBRA
- Total Assets: \$7.3B



\$20 Million 6.25% 10NC5 F2F

- BBB+ rating HoldCo from EJR
- Total Assets: \$1.2B




\$12 Million 7.00% 5 Year Bullet

- BBB+ rating HoldCo from EJR
- Total Assets: \$980M




\$10 Million 5.75% 5 Year Bullet

- A- rating HoldCo from EJR
- Total Assets: \$1.1B



\$50 Million 4.25% 5 Year Bullet

- A- rating HoldCo from EJR
- Total Assets: \$4.9B



\$175 Million 4.00% 10NC5 F2F

- A- rating HoldCo from KBRA
- Total Assets: \$20.2B




\$10 Million 6.5% 10 Year Bullet

- A- rating HoldCo from EJR
- Total Assets: \$490M



\$15 Million 6.375% 10 NC5 FFL

- Nonrated
- Total Assets: \$1.3B



\$25 Million 7.00% 5 Year Bullet

- BBB rating HoldCo from EJR
- Total Assets: \$800M



\$15 Million 5.50% 10NC5 F2F

- BBB+ rating from EJR
- Total Assets: \$1.2B




\$5 Million 5.50% 10NC5 F2F

- Nonrated
- Total Assets: \$740M




\$20 Million 6.75% 5 Year Bullet

- BBB- rating from EJR
- Total Assets: \$1.3B



\$24 Million 5.25% 10NC5 F2F

- BBB rating from EJR
- Total Assets: \$650M



\$15 Million 4.25% 10NC5 F2F

- BBB+ rating from EJR
- Total Assets: \$525M



\$10 Million 5.00% 5 Year Bullet

- Nonrated
- Total Assets: \$420M



\$20 Million 5.25% 10NC5 F2F

- BBB+ rating from EJR
- Total Assets: \$480M

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