

Ozarks Heritage Financial Group, Inc. | \$29.5 Million 10NC5 F2F Subordinated Notes

Regulation D Private Placement of Subordinated Notes

\$29,500,000

10 Year, Non-call 5

7.25% Subordinated Notes



BBB+ by Egan-Jones Ratings Company

Sole Placement Agent

December 21, 2022



Issuance Rationale

- Proceeds will be used to support growth and general corporate purposes.
- 10 year, non-call 5 fixed to floating subordinated debt at attractive coupon.
- Only community bank sub debt deal priced below Prime rate in 2H22.

Transaction Highlights

- An innovative financial institution focused on community development.
- Seasoned, invested management team and Board of Directors with a proven track record.
- Consistently ranked as one of the top performing community banks in the country.
- Fortress balance sheet further enhanced with recent ECIP preferred equity investment.
- Excellent historical asset quality metrics – *A cumulative loss of 29 bps since 2015.*
- Top Tier operating profitability metrics.
- Well-positioned to expand mission-driven banking effort through acquisition of HUD company.

Balance Sheet (000's)	2018Y	2019Y	2020Y	2021Y	09/22 YTD
Total Assets	\$252,063	\$302,387	\$538,271	\$749,256	\$1,142,382
Total Loans	\$213,220	\$269,071	\$457,958	\$632,899	\$932,392
Total Deposits	\$216,366	\$259,581	\$462,256	\$657,332	\$1,002,939
Leverage Ratio	9.6%	9.4%	9.5%	9.2%	10.9%
Operating Metrics	2018Y	2019Y	2020Y	2021Y	09/22 YTD
ROAA	1.55%	1.38%	2.05%	1.46%	1.18%
ROAE	15.0%	12.7%	24.1%	15.0%	11.5%
Net Interest Margin	4.75%	4.52%	4.03%	3.90%	3.68%
Efficiency Ratio	57.1%	58.8%	43.0%	50.2%	53.8%
NPLs / Total Loans	0.14%	0.18%	0.04%	0.02%	0.01%
NCOs / Avg Loans	0.05%	0.05%	0.01%	0.00%	0.00%

Source: S&P Capital IQ

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Why Brean Capital?

Community Bank Focused | [Extensive Industry Experience](#)

Highlights:

- ❑ Our business is focused on growing **community banks** providing strategic franchise advice and full-service solutions
- ❑ **Structural Flexibility/Creativity**
 - Loan vs. Bond
 - Senior vs. Sub Debt
 - Bank Level Subordinated Debt
 - Preferred and Common Equity
 - Strategic Advisory and Valuation
- ❑ **Streamlined Capital Execution Strategy**
 - No paying agent
 - Single counsel
 - Lower cost execution
- ❑ **Fully-integrated balance sheet coverage** to provide the best advice for our clients
- ❑ Team of sales and trading professionals covering **over 1,200 institutional investors** across multiple offices gives us unique insight into institutional investor sentiment

\$100,000,000  5.50% 10NC5 F2F Co-Manager	\$10,000,000  5.75% 5 Year Bullet Sole Placement Agent	\$50,000,000  4.25% 5 Year Bullet Sole Placement Agent
\$10,000,000  6.50% 10 Year Bullet Sole Placement Agent	\$15,000,000 BANKFIRST 6.375% 10 NC5 FFL Sole Placement Agent	\$20,000,000  6.75% 5 Year Bullet Sole Placement Agent
\$10,000,000  5.00% 5 Year Bullet Sole Placement Agent	\$15,000,000  5.50% 10NC5 F2F Sole Placement Agent	\$20,000,000  5.25% 10NC5 F2F Sole Placement Agent
\$24,000,000  5.25% 10NC5 F2F Sole Placement Agent	\$15,000,000  4.25% 10NC5 F2F Sole Placement Agent	\$60,000,000  6.00% 5 Year Bullet Sole Placement Agent
\$30,000,000  4.00% 10NC5 F2F Sole Placement Agent	\$15,000,000  3.75% 10NC5 F2F Sole Placement Agent	\$60,000,000  4.00% 10NC5 F2F Sole Placement Agent
\$8,250,000  6.50% 10NC5 F2F Sole Placement Agent	\$11,000,000  7.50% 10NC5 F2F Sole Placement Agent	\$29,500,000  7.25% 10NC5 F2F Sole Placement Agent

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