

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.
- Attractive breadth of interest.

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

Brean Capital Team

Michael Coogan, CFA
 Managing Director
 (212) 702-6576
 MCoogan@breancapital.com

Blair Brantley, CFA
 Managing Director
 (804) 234-1299
 BBrantley@breancapital.com

Osnat Naporano
 Managing Director
 (212) 702-6614
 ONaporano@breancapital.com

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

<p>\$100,000,000</p>  <p>SOUTHSIDE BANK</p> <p>5.50% 10NC5 F2F</p> <p>Co-Manager</p>	<p>\$10,000,000</p>  <p>Opportunity Bank OF MONTANA</p> <p>5.75% 5 Year Bullet</p> <p>Sole Placement Agent</p>	<p>\$50,000,000</p>  <p>Centier BANK</p> <p>4.25% 5 Year Bullet</p> <p>Sole Placement Agent</p>
<p>\$10,000,000</p>  <p>EXECUTIVE National Bank SINCE 1892 SERVING THE CENTRAL REGION</p> <p>6.50% 10 Year Bullet</p> <p>Sole Placement Agent</p>	<p>\$15,000,000</p> <p>BANKFIRST</p> <p>6.375% 10 NC5 FFL</p> <p>Sole Placement Agent</p>	<p>\$20,000,000</p>  <p>CFSB COMMUNITY FINANCIAL SERVICES BANK</p> <p>6.75% 5 Year Bullet</p> <p>Sole Placement Agent</p>
<p>\$10,000,000</p>  <p>Dream First Bank</p> <p>5.00% 5 Year Bullet</p> <p>Sole Placement Agent</p>	<p>\$15,000,000</p>  <p>Opportunity Bank OF MONTANA</p> <p>5.50% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$20,000,000</p>  <p>AMERICAN BANK OF MISSOURI STRIVING FOR EXCELLENCE IN OUR COMMUNITY</p> <p>5.25% 10NC5 F2F</p> <p>Sole Placement Agent</p>
<p>\$24,000,000</p>  <p>Rio BANK</p> <p>5.25% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$15,000,000</p>  <p>LEGACY BANK & TRUST</p> <p>4.25% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$60,000,000</p>  <p>MBS MULTI-BANK SECURITIES, INC.®</p> <p>6.00% 5 Year Bullet</p> <p>Sole Placement Agent</p>
<p>\$30,000,000</p>  <p>CITIZENS BANK & TRUST</p> <p>4.00% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$15,000,000</p>  <p>Farmers State Bank</p> <p>3.75% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$60,000,000</p>  <p>Centier BANK</p> <p>4.00% 10NC5 F2F</p> <p>Sole Placement Agent</p>
<p>\$8,250,000</p>  <p>PEOPLES BANK CUSTOM • PERSONAL • HOMEOWNERS</p> <p>6.50% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$11,000,000</p>  <p>AMERICAN BANK OF MISSOURI STRIVING FOR EXCELLENCE IN OUR COMMUNITY</p> <p>7.50% 10NC5 F2F</p> <p>Sole Placement Agent</p>	<p>\$29,500,000</p>  <p>LEGACY BANK & TRUST</p> <p>7.25% 10NC5 F2F</p> <p>Sole Placement Agent</p>

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