

**UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): **April 17, 2019**

BANK OZK

(Exact name of registrant as specified in its charter)

Arkansas

(State or other jurisdiction of incorporation)

110

(FDIC Certificate Number)

71-0130170

(IRS Employer Identification No.)

**17901 Chenal Parkway, Little Rock,
Arkansas**

(Address of principal executive offices)

72223

(Zip Code)

(501) 978-2265

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- () Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- () Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- () Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- () Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On April 17, 2019, Bank OZK (the “Bank”) issued a press release announcing its financial results for the first quarter ended March 31, 2019 and made available management’s comments on the results for the first quarter of 2019. The press release and management’s comments are available on the Bank’s investor relations website. A copy of the press release announcing the Bank’s results for the first quarter ended March 31, 2019 and management’s comments on the first quarter results are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

On April 18, 2019, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank’s financial results for the first quarter ended March 31, 2019.

The information furnished pursuant to this Item 2.02, including Exhibits 99.1 and 99.2, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section, and shall not be deemed to be incorporated by reference into any filing of the Bank under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosures.

See Item 2.02 Results of Operations and Financial Condition.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits: The following exhibits are being furnished to this Current Report on Form 8-K.

99.1	Press Release dated April 17, 2019: Bank OZK Announces First Quarter 2019 Earnings
99.2	First Quarter 2019 Management’s Comments dated April 17, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANK OZK

Date: April 17, 2019

By: /s/ Greg L. McKinney

Name: Greg L. McKinney

Title: *Chief Financial Officer and Chief Accounting Officer*

Exhibit No.	Document Description
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99.1	Press Release dated April 17, 2019: Bank OZK Announces First Quarter 2019 Earnings
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99.2	First Quarter 2019 Management's Comments dated April 17, 2019
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NEWS RELEASE

EXHIBIT 99.1

Date: April 17, 2019
Release Time: 3:01 p.m. (CT)
Media Contact: Susan Blair (501) 978-2217
Investor Contact: Tim Hicks (501) 978-2336

Bank OZK Announces First Quarter 2019 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the “Bank”) (Nasdaq: OZK) today announced that net income for the first quarter of 2019 was \$110.7 million, a 2.2% decrease from net income of \$113.1 million for the first quarter of 2018. The Bank’s net income for the first quarter of 2019 included no tax-exempt bank owned life insurance (“BOLI”) death benefits compared to \$2.7 million in the first quarter of 2018. Diluted earnings per common share for the first quarter of 2019 were \$0.86, a 2.3% decrease from \$0.88 for the first quarter of 2018.

The Bank’s annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity for the first quarter of 2019 were 1.99%, 11.77% and 14.40%, respectively, compared to 2.16%, 13.17% and 16.53%, respectively, for the first quarter of 2018. The calculation of the Bank’s return on average tangible common stockholders’ equity and the reconciliation to generally accepted accounting principles (“GAAP”) are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer, stated, “We are pleased with our first quarter results. Our \$110.7 million net income, 1.99% annualized return on average assets, 4.53% net interest margin and 38.5% efficiency ratio provide an excellent start for 2019. Our team of industry and technology professionals is well-positioned to capitalize on opportunities throughout 2019 and beyond.”

KEY BALANCE SHEET METRICS

Total loans were \$17.48 billion at March 31, 2019, a 5.2% increase from \$16.61 billion at March 31, 2018. Non-purchased loans, which exclude loans acquired in previous acquisitions, were \$15.61 billion at March 31, 2019, a 14.2% increase from \$13.67 billion at March 31, 2018. Purchased loans, which consist of loans acquired in previous acquisitions, were \$1.86 billion at March 31, 2019, a 36.5% decrease from \$2.93 billion at March 31, 2018.

Deposits were \$18.48 billion at March 31, 2019, a 3.6% increase from \$17.83 billion at March 31, 2018. Total assets were \$23.01 billion at March 31, 2019, a 4.4% increase from \$22.04 billion at March 31, 2018.

Common stockholders' equity was \$3.88 billion at March 31, 2019, a 10.1% increase from \$3.53 billion at March 31, 2018. Tangible common stockholders' equity was \$3.19 billion at March 31, 2019, a 13.1% increase from \$2.82 billion at March 31, 2018. Book value per common share was \$30.11 at March 31, 2019, a 9.8% increase from \$27.42 at March 31, 2018. Tangible book value per common share was \$24.73 at March 31, 2019, a 12.8% increase from \$21.93 at March 31, 2018. The calculations of the Bank's tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets increased to 16.88% at March 31, 2019 compared to 16.00% at March 31, 2018. Its ratio of total tangible common stockholders' equity to total tangible assets increased to 14.29% at March 31, 2019 compared to 13.22% at March 31, 2018. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

In connection with this release, the Bank released management's comments on the results for the quarter just ended, which are available at <http://ir.ozk.com>. This release should be read in conjunction with management's comments on the results for the first quarter of 2019.

Management will conduct a conference call to take questions on these quarterly results and management's comments at 3:00 p.m. CT (4:00 p.m. ET) on April 18, 2019. Interested parties may listen to this call by dialing 1-844-818-5110 (U.S. and Canada) or 210-229-8841 (internationally) and asking for the Bank OZK conference call. A recorded playback of the call will be available for one week following the call at 1-855-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The passcode for this playback is 3885035. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

The Bank files annual, quarterly and current reports, proxy materials and other information required by the Securities Exchange Act of 1934 with the Federal Deposit Insurance Corporation ("FDIC"), copies of which are available electronically at the FDIC's website at <https://efr.fdic.gov/fcxweb/efr/index.html> and are also available on the Bank's Investor Relations website at <http://ir.ozk.com>. To receive automated email alerts for these materials, please visit <http://ir.ozk.com/EmailNotification> to sign up.

NON-GAAP FINANCIAL MEASURES

This release contains certain non-GAAP financial measures. The Bank uses these non-GAAP financial measures, specifically return on average tangible common stockholders' equity, tangible book value per common share, total tangible common stockholders' equity and the ratio of total tangible common stockholders' equity to total tangible assets, as important measures of the strength of its capital and its ability to generate earnings on its tangible capital invested by its shareholders. These measures typically adjust GAAP financial measures to exclude intangible assets. Management believes presentation of these non-GAAP financial measures provides useful supplemental information which contributes to a proper understanding of the financial results and capital levels of the Bank. These non-GAAP disclosures should not be viewed as a substitute for financial results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other banks. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are included in the tables at the end of this release under the caption "Reconciliation of Non-GAAP Financial Measures."

FORWARD-LOOKING STATEMENTS

This release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank's growth, expansion and acquisition strategies, including delays in identifying sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices; the ability to enter into and/or close additional acquisitions; problems with, or additional expenses relating to, integrating acquisitions; the inability to realize expected cost savings and/or synergies from acquisitions; problems with managing acquisitions; the effect of the announcements of any future acquisition on customer relationships and operating results; the availability of and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-

term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank's net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions; changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; adoption of new accounting standards or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this press release or as detailed from time to time in the other public reports the Bank files with the FDIC, including those factors included in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form 10-K for the year ended December 31, 2018 and its quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

GENERAL INFORMATION

Bank OZK (Nasdaq: OZK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Bank OZK has been recognized as the top performing bank in the nation in its asset size 13 times in the past eight years. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations through 254 offices in Arkansas, Georgia, Florida, North Carolina, Texas, Alabama, South Carolina, California, New York and Mississippi. Bank OZK can be found at www.ozk.com and on [Facebook](#), [Twitter](#) and [LinkedIn](#) or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

Bank OZK
Consolidated Balance Sheets
Unaudited

	March 31, 2019	December 31, 2018
(Dollars in thousands, except per share amounts)		
ASSETS		
Cash and cash equivalents	\$ 607,698	\$ 290,672
Investment securities - available for sale ("AFS")	2,769,602	2,862,340
Federal Home Loan Bank of Dallas and other banker's bank stocks	12,089	25,941
Non-purchased loans	15,610,681	15,073,791
Purchased loans	1,864,715	2,044,032
Allowance for loan losses	(105,954)	(102,264)
Net loans	17,369,442	17,015,559
Premises and equipment, net	647,032	567,189
Foreclosed assets	14,096	16,171
Accrued interest receivable	85,545	81,968
Bank owned life insurance ("BOLI")	726,165	721,238
Intangible assets, net	693,316	696,461
Other, net	80,667	110,491
Total assets	<u>\$ 23,005,652</u>	<u>\$ 22,388,030</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	\$ 2,865,213	\$ 2,748,273
Savings and interest bearing transaction	9,874,987	9,682,713
Time	5,736,668	5,507,429
Total deposits	18,476,868	17,938,415
Repurchase agreements with customers	25,517	20,564
Other borrowings	1,489	96,692
Subordinated notes	223,375	223,281
Subordinated debentures	119,496	119,358
Accrued interest payable and other liabilities	273,143	216,355
Total liabilities	<u>19,119,888</u>	<u>18,614,665</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at March 31, 2019 or December 31, 2018	—	—
Common stock; \$0.01 par value; 300,000,000 shares authorized; 128,947,528 and 128,611,049 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	1,289	1,286
Additional paid-in capital	2,239,404	2,237,948
Retained earnings	1,647,626	1,565,201
Accumulated other comprehensive loss	(5,676)	(34,105)
Total stockholders' equity before noncontrolling interest	3,882,643	3,770,330
Noncontrolling interest	3,121	3,035
Total stockholders' equity	3,885,764	3,773,365
Total liabilities and stockholders' equity	<u>\$ 23,005,652</u>	<u>\$ 22,388,030</u>

Bank OZK
Consolidated Statements of Income
Unaudited

	Three Months Ended March 31,	
	2019	2018
(Dollars in thousands, except per share amounts)		
Interest income:		
Non-purchased loans	\$ 245,864	\$ 190,426
Purchased loans	30,195	50,977
Investment securities:		
Taxable	14,897	11,431
Tax-exempt	3,873	4,160
Deposits with banks and federal funds sold	414	498
Total interest income	<u>295,243</u>	<u>257,492</u>
Interest expense:		
Deposits	63,087	34,392
Repurchase agreements with customers	22	159
Other borrowings	1,389	633
Subordinated notes	3,146	3,146
Subordinated debentures	1,711	1,386
Total interest expense	<u>69,355</u>	<u>39,716</u>
Net interest income	225,888	217,776
Provision for loan losses	6,681	5,567
Net interest income after provision for loan losses	<u>219,207</u>	<u>212,209</u>
Non-interest income:		
Service charges on deposit accounts	9,722	9,525
Trust income	1,730	1,793
BOLI income	5,162	7,580
Other income from purchased loans	795	1,251
Loan service, maintenance and other fees	4,874	4,743
Net gains on investment securities	—	17
Gains on sales of other assets	284	1,426
Other	1,505	2,372
Total non-interest income	<u>24,072</u>	<u>28,707</u>
Non-interest expense:		
Salaries and employee benefits	44,868	45,499
Net occupancy and equipment	14,750	14,150
Other operating expenses	37,060	34,161
Total non-interest expense	<u>96,678</u>	<u>93,810</u>
Income before taxes	146,601	147,106
Provision for income taxes	35,889	33,973
Net income	110,712	113,133
Earnings attributable to noncontrolling interest	(6)	11
Net income available to common stockholders	<u>\$ 110,706</u>	<u>\$ 113,144</u>
Basic earnings per common share	<u>\$ 0.86</u>	<u>\$ 0.88</u>
Diluted earnings per common share	<u>\$ 0.86</u>	<u>\$ 0.88</u>
Dividends declared per common share	<u>\$ 0.22</u>	<u>\$ 0.19</u>

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Non- Controlling Interest</u>	<u>Total</u>
	(Dollars in thousands, except per share amounts)					
Balances – December 31, 2018	\$ 1,286	\$2,237,948	\$1,565,201	\$ (34,105)	\$ 3,035	\$3,773,365
Net income	—	—	110,712	—	—	110,712
Earnings attributable to noncontrolling interest	—	—	(6)	—	6	—
Total other comprehensive income	—	—	—	28,429	—	28,429
Common stock dividends paid, \$0.22 per share	—	—	(28,281)	—	—	(28,281)
Noncontrolling interest cash contribution	—	—	—	—	80	80
Issuance of 29,300 shares of common stock for exercise of stock options	—	387	—	—	—	387
Issuance of 383,874 shares of unvested restricted common stock	4	(4)	—	—	—	—
Repurchase and cancellation of 62,742 shares of common stock	(1)	(1,646)	—	—	—	(1,647)
Stock-based compensation expense	—	2,719	—	—	—	2,719
Forfeiture of 13,953 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – March 31, 2019	\$ 1,289	\$2,239,404	\$1,647,626	\$ (5,676)	\$ 3,121	\$3,885,764
Balances – December 31, 2017	\$ 1,283	\$2,221,844	\$1,250,313	\$ (12,712)	\$ 3,060	\$3,463,788
Net income	—	—	113,133	—	—	113,133
Earnings attributable to noncontrolling interest	—	—	11	—	(11)	—
Total other comprehensive loss	—	—	—	(28,196)	—	(28,196)
Common stock dividends paid, \$0.19 per share	—	—	(24,408)	—	—	(24,408)
Issuance of 200,025 shares of common stock for exercise of stock options	2	5,323	—	—	—	5,325
Issuance of 198,268 shares of unvested restricted common stock	2	(2)	—	—	—	—
Repurchase and cancellation of 70,931 shares of common stock	(1)	(3,729)	—	—	—	(3,730)
Stock-based compensation expense	—	3,742	—	—	—	3,742
Forfeitures of 3,301 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – March 31, 2018	\$ 1,286	\$2,227,178	\$1,339,049	\$ (40,908)	\$ 3,049	\$3,529,654

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended March 31,	
	2019	2018
	(Dollars in thousands)	
Salaries and employee benefits	\$ 44,868	\$ 45,499
Net occupancy and equipment	14,750	14,150
Other operating expenses:		
Professional and outside services	8,564	8,705
Software and data processing	4,709	3,340
Deposit insurance and assessments	3,652	3,562
Telecommunication services	3,344	3,197
Travel and meals	2,669	2,153
Postage and supplies	2,103	2,195
Advertising and public relations	1,683	1,331
ATM expense	987	1,363
Loan collection and repossession expense	984	790
Writedowns of foreclosed and other assets	562	151
Amortization of intangibles	3,145	3,145
Other	4,658	4,229
Total non-interest expense	<u>\$ 96,678</u>	<u>\$ 93,810</u>

Bank OZK
Summary of Total Loans Outstanding
Unaudited

March 31, 2019 **December 31, 2018**

(Dollars in thousands)

	March 31, 2019		December 31, 2018	
Real estate:				
Residential 1-4 family	\$ 1,030,062	5.9%	\$ 1,049,460	6.1%
Non-farm/non-residential	4,196,446	24.0	4,319,388	25.2
Construction/land development	6,719,940	38.4	6,562,185	38.4
Agricultural	180,653	1.0	165,088	1.0
Multifamily residential	1,357,890	7.8	1,116,026	6.5
Total real estate	13,484,991	77.1	13,212,147	77.2
Commercial and industrial	748,466	4.3	823,417	4.8
Consumer	2,439,891	14.0	2,345,863	13.7
Other	802,048	4.6	736,396	4.3
Total loans	\$ 17,475,396	100.0%	\$ 17,117,823	100.0%

Summary of Deposits
Unaudited

March 31, 2019

December 31, 2018

(Dollars in thousands)

Non-interest bearing	\$ 2,865,213	15.5%	\$ 2,748,273	15.3%
Interest bearing:				
Transaction (NOW)	2,597,570	14.0	2,359,299	13.2
Savings and money market	7,277,417	39.4	7,323,414	40.8
Time deposits less than \$100	2,524,138	13.7	2,297,101	12.8
Time deposits of \$100 or more	3,212,530	17.4	3,210,328	17.9
Total deposits	\$ 18,476,868	100.0%	\$ 17,938,415	100.0%

Bank OZK
Selected Consolidated Financial Data
(Dollars in thousands, except per share amounts)
Unaudited

	Three Months Ended March 31,		
	2019	2018	% Change
Income statement data:			
Net interest income	\$ 225,888	\$ 217,776	3.7%
Provision for loan losses	6,681	5,567	20.0
Non-interest income	24,072	28,707	(16.1)
Non-interest expense	96,678	93,810	3.1
Net income available to common stockholders	110,706	113,144	(2.2)
Common stock data:			
Net income per share - diluted	\$ 0.86	\$ 0.88	(2.3)%
Net income per share - basic	0.86	0.88	(2.3)
Cash dividends per share	0.22	0.19	15.8
Book value per share	30.11	27.42	9.8
Tangible book value per share ⁽¹⁾	24.73	21.93	12.8
Diluted shares outstanding (thousands)	128,964	128,762	
End of period shares outstanding (thousands)	128,948	128,612	
Balance sheet data at period end:			
Total assets	\$ 23,005,652	\$ 22,039,439	4.4%
Total loans	17,475,396	16,609,096	5.2
Non-purchased loans	15,610,681	13,674,561	14.2
Purchased loans	1,864,715	2,934,535	(36.5)
Allowance for loan losses	105,954	98,097	8.0
Foreclosed assets	14,096	21,931	(35.7)
Investment securities	2,781,691	2,612,961	6.4
Goodwill and other intangible assets	693,316	705,896	(1.8)
Deposits	18,476,868	17,833,672	3.6
Repurchase agreements with customers	25,517	149,075	(82.9)
Other borrowings	1,489	1,942	(23.3)
Subordinated notes	223,375	222,993	0.2
Subordinated debentures	119,496	118,938	0.5
Unfunded balance of closed loans	11,544,218	12,551,032	(8.0)
Total common stockholders' equity	3,882,643	3,526,605	10.1
Net annualized losses on investment securities AFS included in common stockholders' equity	(5,676)	(40,908)	
Loan, including purchased loans, to deposit ratio	94.58%	93.13%	
Selected ratios:			
Return on average assets ⁽²⁾	1.99%	2.16%	
Return on average common stockholders' equity ⁽²⁾	11.77	13.17	
Return on average tangible common stockholders' equity ⁽¹⁾⁽²⁾	14.40	16.53	
Average common equity to total average assets	16.91	16.37	
Net interest margin – FTE ⁽²⁾	4.53	4.69	
Efficiency ratio	38.49	37.88	
Net charge-offs to average non-purchased loans ⁽²⁾⁽³⁾	0.05	0.04	
Net charge-offs to average total loans ⁽²⁾	0.07	0.04	
Nonperforming loans to total loans ⁽⁴⁾	0.22	0.09	
Nonperforming assets to total assets ⁽⁴⁾	0.21	0.16	
Allowance for loan losses to non-purchased loans ⁽⁵⁾	0.67	0.71	
Other information:			
Non-accrual loans ⁽⁴⁾	\$ 33,405	\$ 12,471	
Accruing loans - 90 days past due ⁽⁴⁾	—	—	
Troubled and restructured non-purchased loans - accruing ⁽⁴⁾	470	—	
Impaired purchased loans	16,695	6,849	

⁽¹⁾Calculations of tangible book value per common share and return on average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedules accompanying this release.

⁽²⁾Ratios for interim periods annualized based on actual days.

⁽³⁾Excludes purchased loans and net charge-offs related to such loans.

⁽⁴⁾Excludes purchased loans, except for their inclusion in total assets.

⁽⁵⁾Excludes purchased loans and any allowance for such loans.

Bank OZK
Supplemental Quarterly Financial Data
(Dollars in thousands, except per share amounts)
Unaudited

	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/2018	3/31/2019
Earnings Summary:								
Net interest income	\$ 202,105	\$ 209,722	\$ 214,831	\$ 217,776	\$ 224,661	\$ 220,614	\$ 228,382	\$ 225,888
Federal tax (FTE) adjustment	3,396	3,014	2,450	1,166	1,151	1,132	1,219	1,207
Net interest income (FTE)	205,501	212,736	217,281	218,942	225,812	221,746	229,601	227,095
Provision for loan losses	(6,103)	(7,777)	(9,279)	(5,567)	(9,610)	(41,949)	(7,271)	(6,681)
Non-interest income	31,840	32,747	30,213	28,707	27,386	24,121	27,560	24,072
Non-interest expense	(83,828)	(84,399)	(86,177)	(93,810)	(89,107)	(102,942)	(94,893)	(96,678)
Pretax income (FTE)	147,410	153,307	152,038	148,272	154,481	100,976	154,997	147,808
FTE adjustment	(3,396)	(3,014)	(2,450)	(1,166)	(1,151)	(1,132)	(1,219)	(1,207)
Provision for income taxes	(53,488)	(54,246)	(3,434)	(33,973)	(38,589)	(25,665)	(38,750)	(35,889)
Noncontrolling interest	6	(40)	10	11	10	1	3	(6)
Net income available to common stockholders	\$ 90,532	\$ 96,007	\$ 146,164	\$ 113,144	\$ 114,751	\$ 74,180	\$ 115,031	\$ 110,706
Earnings per common share – diluted	\$ 0.73	\$ 0.75	\$ 1.14	\$ 0.88	\$ 0.89	\$ 0.58	\$ 0.89	\$ 0.86
Non-interest Income:								
Service charges on deposit accounts	\$ 11,764	\$ 9,729	\$ 10,058	\$ 9,525	\$ 9,704	\$ 9,730	\$ 10,585	\$ 9,722
Trust income	1,577	1,755	1,729	1,793	1,591	1,730	1,821	1,730
BOLI income	4,594	4,453	5,166	7,580	5,259	5,321	5,751	5,162
Other income from purchased loans	4,777	2,933	2,009	1,251	2,744	1,418	2,370	795
Loan service, maintenance and other fees	3,427	5,274	4,289	4,743	5,641	4,724	5,245	4,874
Gains (losses) on sales of other assets	672	1,363	1,899	1,426	844	(518)	465	284
Net gains on investment securities	404	2,429	1,201	17	—	—	—	—
Other	4,625	4,811	3,862	2,372	1,603	1,716	1,323	1,505
Total non-interest income	\$ 31,840	\$ 32,747	\$ 30,213	\$ 28,707	\$ 27,386	\$ 24,121	\$ 27,560	\$ 24,072
Non-interest Expense:								
Salaries and employee benefits	\$ 39,892	\$ 35,331	\$ 38,417	\$ 45,499	\$ 41,665	\$ 41,477	\$ 41,837	\$ 44,868
Net occupancy expense	12,937	13,595	13,474	14,150	13,827	14,358	14,027	14,750
Other operating expenses	30,999	35,473	34,286	34,161	33,615	47,107	39,029	37,060
Total non-interest expense	\$ 83,828	\$ 84,399	\$ 86,177	\$ 93,810	\$ 89,107	\$ 102,942	\$ 94,893	\$ 96,678
Balance Sheet Data:								
Total assets	\$20,064,589	\$20,768,493	\$21,275,647	\$22,039,439	\$22,220,380	\$22,086,539	\$22,388,030	\$23,005,652
Non-purchased loans	11,025,203	12,047,094	12,733,937	13,674,561	14,183,533	14,440,623	15,073,791	15,610,681
Purchased loans	4,159,139	3,731,536	3,309,092	2,934,535	2,580,341	2,285,168	2,044,032	1,864,715
Investment securities	2,101,751	1,975,102	2,622,796	2,612,961	2,617,859	2,706,156	2,888,281	2,781,691
Deposits	16,241,440	16,823,359	17,192,345	17,833,672	17,897,085	17,822,915	17,938,415	18,476,868
Unfunded balance of closed loans	11,883,679	12,519,839	13,192,439	12,551,032	11,999,661	11,891,247	11,364,975	11,544,218
Common stockholders' equity	3,260,123	3,334,740	3,460,728	3,526,605	3,613,903	3,653,596	3,770,330	3,882,643
Allowance for Loan Losses:								
Balance at beginning of period	\$ 78,224	\$ 82,320	\$ 86,784	\$ 94,120	\$ 98,097	\$ 104,638	\$ 98,200	\$ 102,264
Net charge-offs	(2,007)	(3,313)	(1,943)	(1,590)	(3,069)	(48,387)	(3,207)	(2,991)
Provision for loan losses	6,103	7,777	9,279	5,567	9,610	41,949	7,271	6,681
Balance at end of period	\$ 82,320	\$ 86,784	\$ 94,120	\$ 98,097	\$ 104,638	\$ 98,200	\$ 102,264	\$ 105,954
Selected Ratios:								
Net interest margin – FTE ⁽¹⁾	4.99%	4.84%	4.72%	4.69%	4.66%	4.47%	4.55%	4.53%
Efficiency ratio	35.32	34.38	34.82	37.88	35.19	41.87	36.90	38.49
Net charge-offs to average non-purchased loans ⁽¹⁾⁽²⁾	0.03	0.08	0.08	0.04	0.05	1.32	0.06	0.05
Net charge-offs to average total loans ⁽¹⁾	0.05	0.09	0.05	0.04	0.07	1.14	0.07	0.07
Nonperforming loans to total loans ⁽³⁾	0.11	0.11	0.10	0.09	0.10	0.23	0.23	0.22
Nonperforming assets to total assets ⁽³⁾	0.23	0.20	0.18	0.16	0.15	0.23	0.23	0.21
Allowance for loan losses to total non-purchased loans ⁽⁴⁾	0.73	0.71	0.73	0.71	0.73	0.67	0.67	0.67
Loans past due 30 days or more, including past due non-accrual loans, to total loans ⁽³⁾	0.15	0.12	0.15	0.14	0.12	0.17	0.28	0.27

⁽¹⁾Ratios for interim periods annualized based on actual days.

⁽²⁾Excludes purchased loans and net charge-offs related to such loans.

⁽³⁾Excludes purchased loans, except for their inclusion in total assets.

⁽⁴⁾Excludes purchased loans and any allowance for such loans.

Bank OZK
Average Consolidated Balance Sheets and Net Interest Analysis – FTE
Unaudited

	Three Months Ended March 31,					
	2019			2018		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
(Dollars in thousands)						
ASSETS						
Earning assets:						
Interest earning deposits and federal funds sold	\$ 67,015	\$ 414	2.50%	\$ 110,085	\$ 498	1.83%
Investment securities:						
Taxable	2,310,770	14,897	2.61	2,062,358	11,431	2.25
Tax-exempt – FTE	515,613	4,903	3.86	556,776	5,265	3.84
Non-purchased loans – FTE	15,482,768	246,041	6.44	13,010,093	190,487	5.94
Purchased loans	1,947,783	30,195	6.29	3,181,740	50,977	6.50
Total earning assets – FTE	20,323,949	296,450	5.92	18,921,052	258,658	5.54
Non-interest earning assets	2,232,416			2,359,796		
Total assets	<u>\$ 22,556,365</u>			<u>\$ 21,280,848</u>		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Deposits:						
Savings and interest bearing transaction	\$ 9,531,133	\$ 36,103	1.54%	\$ 9,857,347	\$ 22,570	0.93%
Time deposits of \$100 or more	3,170,510	15,555	1.99	3,036,123	8,781	1.17
Other time deposits	2,435,425	11,429	1.90	1,445,948	3,041	0.85
Total interest bearing deposits	15,137,068	63,087	1.69	14,339,418	34,392	0.97
Repurchase agreements with customers	22,192	22	0.40	112,434	159	0.57
Other borrowings	269,588	1,389	2.09	165,943	633	1.55
Subordinated notes	223,321	3,146	5.71	222,947	3,146	5.72
Subordinated debentures	119,412	1,711	5.81	118,864	1,386	4.73
Total interest bearing liabilities	15,771,581	69,355	1.78	14,959,606	39,716	1.08
Non-interest bearing liabilities:						
Non-interest bearing deposits	2,757,110			2,666,111		
Other non-interest bearing liabilities	210,588			167,778		
Total liabilities	18,739,279			17,793,495		
Common stockholders' equity	3,813,979			3,484,297		
Noncontrolling interest	3,107			3,056		
Total liabilities and stockholders' equity	<u>\$ 22,556,365</u>			<u>\$ 21,280,848</u>		
Net interest income – FTE		<u>\$ 227,095</u>			<u>\$ 218,942</u>	
Net interest margin – FTE			<u>4.53%</u>			<u>4.69%</u>

Bank OZK
Reconciliation of Non-GAAP Financial Measures

**Calculation of Average Tangible Common
Stockholders' Equity and the Annualized Return on
Average Tangible Common Stockholders' Equity**
Unaudited

	Three Months Ended March 31,	
	2019	2018
	(Dollars in thousands)	
Net income available to common stockholders	\$ 110,706	\$ 113,144
Average common stockholders' equity before noncontrolling interest	\$ 3,813,979	\$ 3,484,297
Less average intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(34,437)	(47,122)
Total average intangibles	(695,226)	(707,911)
Average tangible common stockholders' equity	\$ 3,118,753	\$ 2,776,386
Return on average common stockholders' equity ⁽¹⁾	11.77%	13.17%
Return on average tangible common stockholders' equity ⁽¹⁾	14.40%	16.53%

⁽¹⁾Ratios for interim periods annualized based on actual days.

**Calculation of Total Tangible Common
Stockholders' Equity and Tangible
Book Value per Common Share**
Unaudited

	March 31,	
	2019	2018
	(In thousands, except per share amounts)	
Total common stockholders' equity before noncontrolling interest	\$ 3,882,643	\$ 3,526,605
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(32,527)	(45,107)
Total intangibles	(693,316)	(705,896)
Total tangible common stockholders' equity	\$ 3,189,327	\$ 2,820,709
Shares of common stock outstanding	128,948	128,612
Book value per common share	\$ 30.11	\$ 27.42
Tangible book value per common share	\$ 24.73	\$ 21.93

**Calculation of Total Tangible Common Stockholders'
Equity and the Ratio of Total Tangible Common
Stockholders' Equity to Total Tangible Assets**
Unaudited

	March 31,	
	2019	2018
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	\$ 3,882,643	\$ 3,526,605
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(32,527)	(45,107)
Total intangibles	(693,316)	(705,896)
Total tangible common stockholders' equity	<u>\$ 3,189,327</u>	<u>\$ 2,820,709</u>
Total assets	\$ 23,005,652	\$ 22,039,439
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(32,527)	(45,107)
Total intangibles	(693,316)	(705,896)
Total tangible assets	<u>\$ 22,312,336</u>	<u>\$ 21,333,543</u>
Ratio of total common stockholders' equity to total assets	<u>16.88%</u>	<u>16.00%</u>
Ratio of total tangible common stockholders' equity to total tangible assets	<u>14.29%</u>	<u>13.22%</u>



MANAGEMENT COMMENTS
FOR THE FIRST QUARTER 2019

APRIL 17, 2019

FORWARD LOOKING STATEMENTS

This presentation and other communications by Bank OZK (the “Bank”) include certain “forward-looking statements” regarding the Bank’s plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management’s expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank’s growth, expansion and acquisition strategies including delays in identifying sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices; the ability to enter into and/or close additional acquisitions; problems with, or additional expenses relating to, integrating acquisitions; the inability to realize expected cost savings and/or synergies from acquisitions; problems with managing acquisitions; the effect of the announcement of any future acquisition on customer relationships and operating results; the availability of and access to capital; possible downgrades in the Bank’s credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank’s net interest margin or core spread; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions; changes in U.S. government monetary and fiscal policy; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; FDIC special assessments or changes to regular assessments; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; adoption of new accounting standards or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors included in the disclosures under the headings “Forward-Looking Information” and “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K for the year ended December 31, 2018 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

Summary

We are pleased to report the results of the first quarter of 2019. Our net income of \$110.7 million provided a solid start to 2019. Our 1.99% annualized return on average assets, 38.5% efficiency ratio and 4.53% net interest margin continued to be among the best in the industry.

During the quarter, our non-purchased loans grew \$537 million, and we had \$1.86 billion of originations in our Real Estate Specialties Group (“RESG”). Our deep industry and market knowledge, our relationships with our sponsors and our service level and expertise give us a unique ability to win business without sacrificing our high standards. RESG is a national leader in commercial real estate finance, and the discipline we have demonstrated suggests that we will continue to be a strong leader in that field. Our Indirect RV & Marine lending business has given us another exceptional national lending platform, providing substantial growth, good asset quality and healthy portfolio diversification. Various teams within our Community Banking group are successfully growing, with the expectation that some of these units will contribute significantly to further portfolio diversification and may ultimately achieve national scale.

Our asset quality remains excellent. For the quarter just ended, our annualized net charge-off ratio for non-purchased loans was 0.05%, well below the recent industry average. At March 31, 2019, excluding purchased loans, our ratio of nonperforming loans to total loans was 0.22% and our ratio of nonperforming assets to total assets was 0.21%, both slightly improved from already favorable levels at year-end 2018.

We remain focused on delivering long-term value to our shareholders. At March 31, 2019, our book value per common share and our tangible book value per common share¹ were \$30.11 and \$24.73, respectively, reflecting increases of 9.8% and 12.8%, respectively, from March 31, 2018. Over the last 11 ¼ years, we have increased tangible book value per common share by a cumulative 799%, resulting in a compound annual growth rate of 21.6%.

On April 1, 2019, our Board of Directors approved a regular quarterly cash dividend of \$0.23 payable on April 22, 2019, representing a 4.55% increase over the dividend paid in January 2019 and a 17.9% increase over the dividend paid in April 2018. We have increased our dividend for 35 consecutive quarters.

We are pleased with our first quarter performance, and we believe we are well positioned for the remainder of 2019 and beyond.

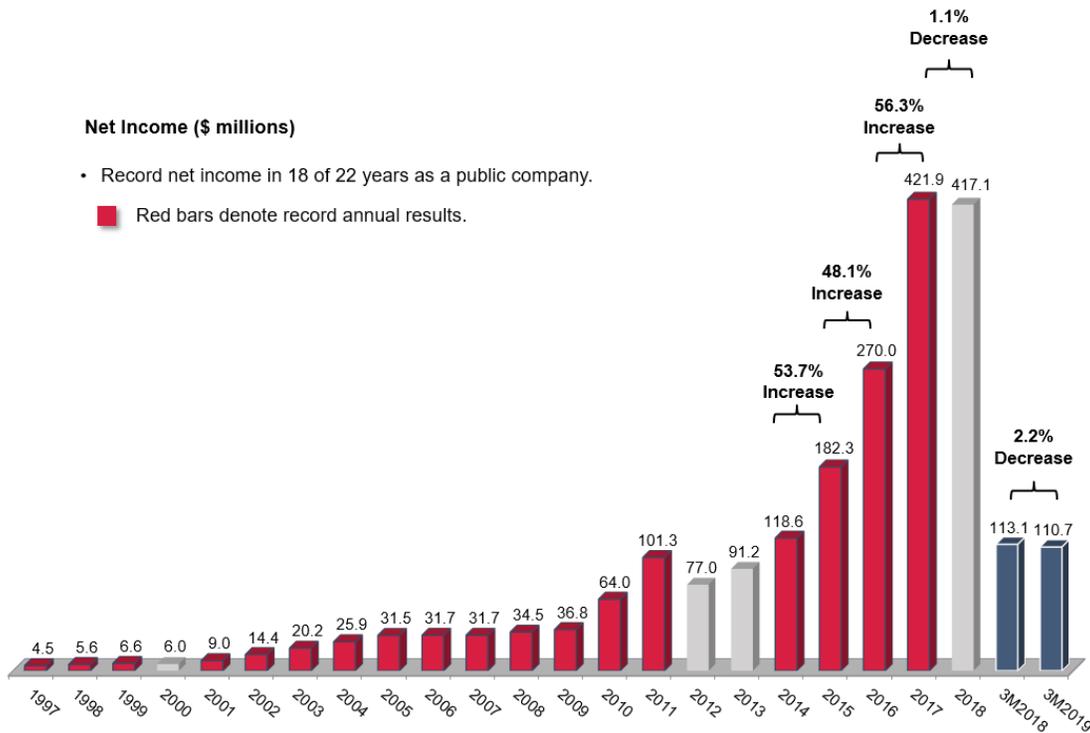
¹ See the schedule at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable generally accepted accounting principles (“GAAP”) measure.

Profitability and Earnings Metrics

Our net income for the first quarter of 2019 was \$110.7 million, a decrease of 2.2% from \$113.1 million for the first quarter of 2018. The largest factor in this difference was that we had no tax-exempt bank owned life insurance (“BOLI”) death benefit income in the first quarter of 2019 as compared to \$2.7 million in the first quarter of 2018. Our annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity² for the first quarter of 2019 were 1.99%, 11.77% and 14.40%, respectively, compared to 2.16%, 13.17% and 16.53%, respectively, in the first quarter of 2018.

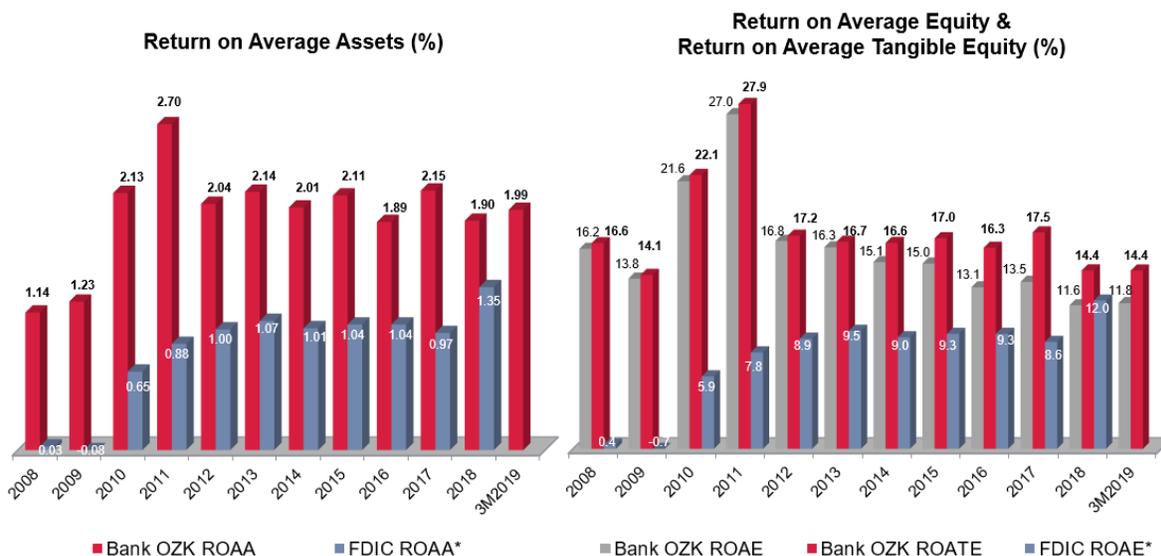
Figures 1 and 2 reflect our long history of excellent net income growth and favorable earnings metrics relative to industry averages.

Figure 1: Profitability and Earnings Growth



² The calculation of the Bank’s return on average tangible common stockholders’ equity and the reconciliation to GAAP are included in the schedule at the end of this presentation.

Figure 2: Earnings Metrics



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update fourth quarter 2018. Annualized when appropriate.

Calculations of return on average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedule at the end of this presentation.

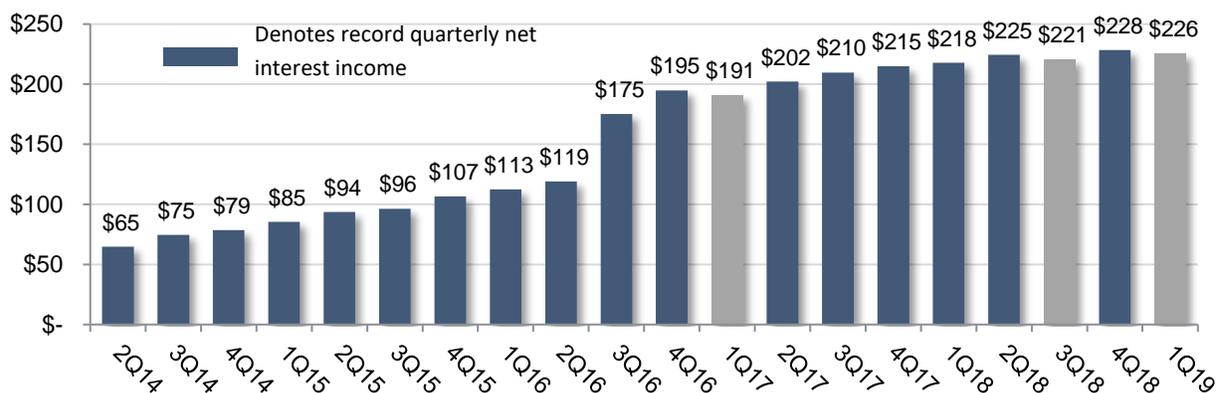
Net Interest Income

Net interest income is our largest category of revenue. It is affected by many factors, including our volume of average earning assets; our mix of average earning assets between non-purchased loans, purchased loans and investment securities; our volume and mix of deposits; our net interest margin; our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest-bearing deposits (“COIBD”); and other factors, including the number of days in each quarter.

Net interest income in the first quarter of 2019 was \$226 million, an increase of 3.7% from \$218 million in the first quarter of 2018, but a decrease of 1.1% from \$228 million in the fourth quarter of 2018. Except in leap years, the first quarter of each year has fewer calendar days than other quarters, providing a headwind to achieving record net interest income in the first quarter of the year.

We have achieved record net interest income in 17 of the last 20 quarters, as shown in Figure 3. Consistent with our historical results, we strive to increase net interest income through a combination of growth in earning assets and good yields on those assets.

Figure 3: Quarterly Net Interest Income Since 2Q14 (\$ millions)



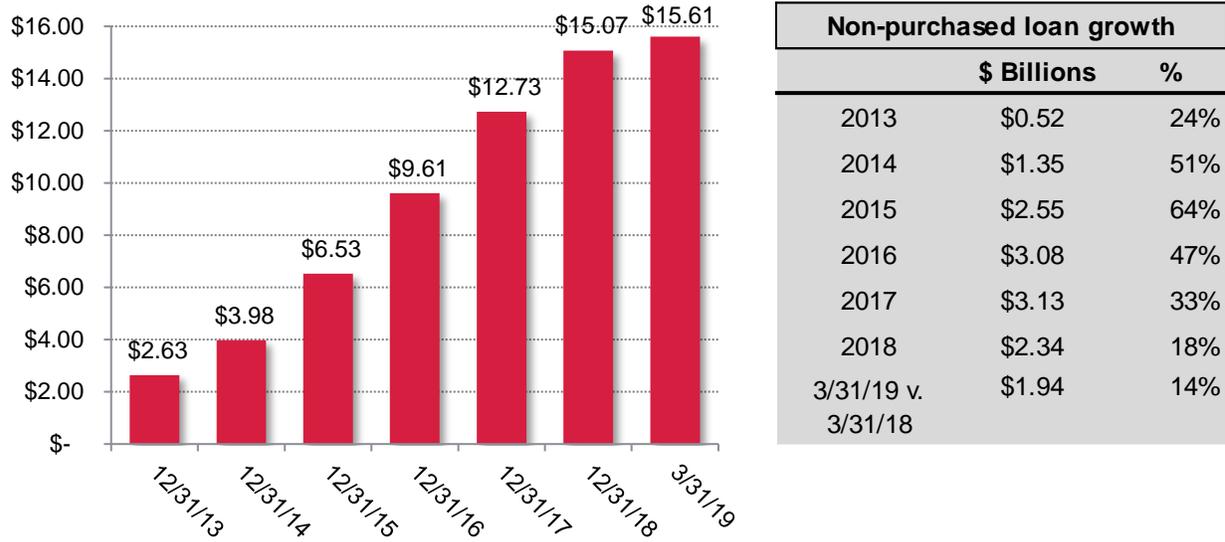
Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled \$20.3 billion, an increase of 7.4% compared to the first quarter of 2018. Our growth in average earning assets in recent quarters has been limited by (i) a high level of pay-downs of non-purchased loans and (ii) the ongoing pay-downs of purchased loans.

Non-purchased Loans

Non-purchased loans, which are all loans excluding the remaining loans acquired in our acquisitions, accounted for 76.2% of our average earning assets in the quarter just ended. During the quarter, the outstanding balance of our non-purchased loans grew \$537 million. We continue to expect our non-purchased loan growth percentage for 2019 to be in the low to mid-teens. Loan growth may vary widely quarter-to-quarter and our actual results for full-year 2019 could vary significantly from current expectations due to economic conditions, competition or other factors.

Figure 4: Funded Balance of Non-purchased Loans (\$ billions)



RESG accounted for 61% of the funded balance of non-purchased loans as of March 31, 2019. Figure 5 reflects the changes in the funded balance of RESG loans for the first quarter of 2019.

Figure 5: Activity in RESG Funded Balances – 1Q19 (\$ billions)

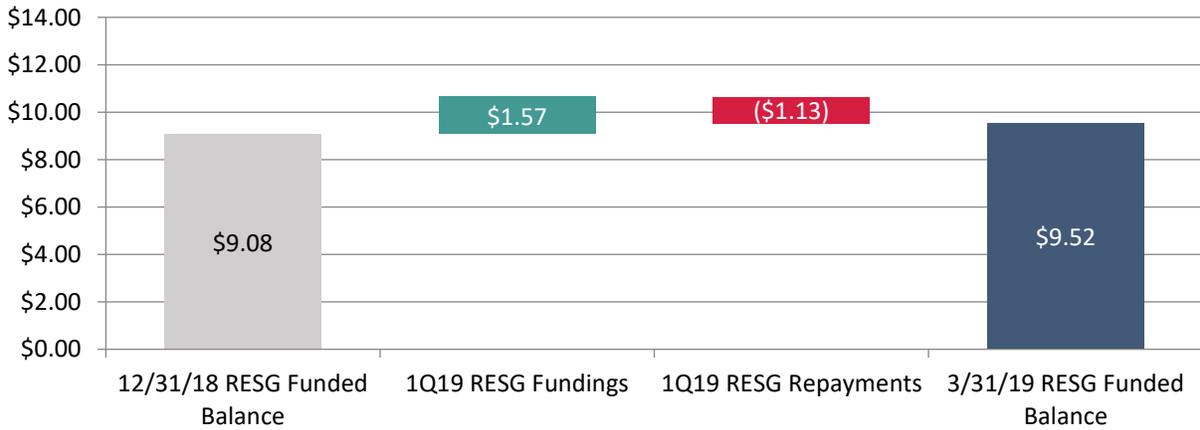


Figure 6 shows RESG’s quarterly loan repayments for each of the last 13 quarters. In recent quarters, our growth in non-purchased loans has been limited by the high level of RESG loan repayments.

RESG loan repayments are expected to continue at an elevated level during the remainder of 2019, and such repayments for the full year of 2019 will likely exceed the level of repayments in 2018, due to high levels of property sales, leasing and refinancing activity. Of course, the level of repayments will likely vary from quarter-to-quarter and may have an outsized impact in one or more quarters.

Figure 7 shows RESG’s quarterly loan originations for each of the last 13 quarters. RESG’s origination volume for the first quarter of 2019 of \$1.86 billion was the highest quarterly volume since the fourth quarter of 2017. Our focus has been, and will continue to be, on maintaining our credit quality and return standards, even if maintaining those standards adversely affects our origination volume and non-purchased loan growth. We continue to expect that our RESG loan originations for 2019 will likely equal or exceed the \$4.74 billion we achieved in 2018; however, originations may vary widely quarter-to-quarter and our actual results for 2019 could vary significantly from current expectations due to economic conditions, competition or other factors.

At March 31, 2019, RESG accounted for 91% of our \$11.5 billion unfunded balance of loans already closed. Figure 8 reflects the changes in the unfunded balance of our loans already closed, both RESG and others, for the first quarter of 2019. This unfunded balance increased \$0.18 billion during the first quarter of 2019, but will likely decrease for the full year of 2019. This unfunded balance will increase or decrease from quarter to quarter based on a combination of factors, including, among others, economic, real estate market and competitive conditions.

Figure 6: RESG Quarterly Loan Repayments
(\$ billions)

	Q1	Q2	Q3	Q4	Total *
FY2016	\$0.21	\$0.41	\$0.69	\$0.48	\$1.79
FY2017	\$0.57	\$0.98	\$0.87	\$1.45	\$3.86
FY2018	\$0.79	\$1.40	\$1.52	\$1.11	\$4.82
FY2019	\$1.13	---	---	---	\$1.13

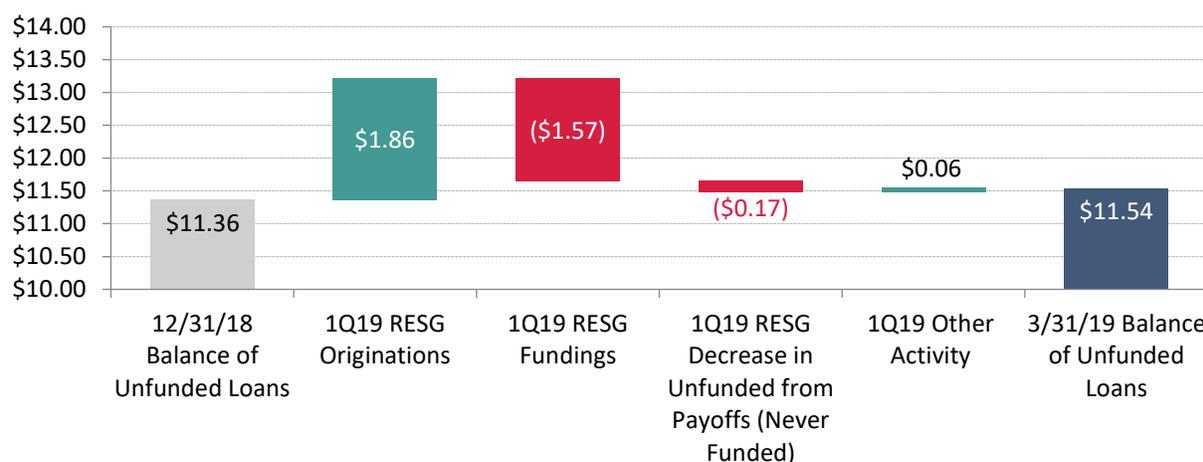
**3M19 Not Annualized*

Figure 7: RESG Quarterly Loan Originations
(\$ billions)

	Q1	Q2	Q3	Q4	Total *
FY2016	\$1.81	\$1.98	\$1.79	\$2.56	\$8.14
FY2017	\$2.30	\$2.04	\$2.21	\$2.56	\$9.11
FY2018	\$1.00	\$1.19	\$1.47	\$1.08	\$4.74
FY2019	\$1.86	---	---	---	\$1.86

**3M19 Not Annualized*

Figure 8: Activity in Unfunded Balances – 1Q19 (\$ billions)



As we have stated before, maintaining excellent asset quality is always our main priority. Return on allocated equity is another important consideration, as evidenced by our favorable net interest margin. We will not sacrifice our asset quality or return standards to achieve growth.

Investment Securities

Our investment securities portfolio is our second largest component of earning assets. In the past eight quarters, our investment securities portfolio has grown by \$1.30 billion from \$1.47 billion at March 31, 2017 to \$2.77 billion at March 31, 2019. This growth was primarily accomplished by purchasing highly liquid, short-duration government agency mortgage-backed pass-through securities. Because of the high quality and short duration of these securities, they have relatively low yields. We added these securities to enhance our balance sheet liquidity, while also trying to avoid any significant interest rate and market risks. During the quarter just ended, our investment securities portfolio decreased by \$0.12 billion, because we could not find sufficient securities meeting our requirements to replace securities repayments. We will continue to make adjustments in our portfolio, and we may increase or decrease our investment securities portfolio during the remainder of 2019, based on prevailing market conditions, including our ability to make additional purchases at what we believe to be favorable yields.

Purchased Loans

Purchased loans, which are the remaining loans from our fifteen acquisitions, are our third largest component of earning assets. Purchased loans accounted for 9.6% of our average earning assets in the quarter just ended. During the quarter just ended, our purchased loan portfolio decreased \$0.18 billion, or 8.8% not annualized. Purchased loan runoff will continue to be a headwind to overall earning asset growth in 2019.

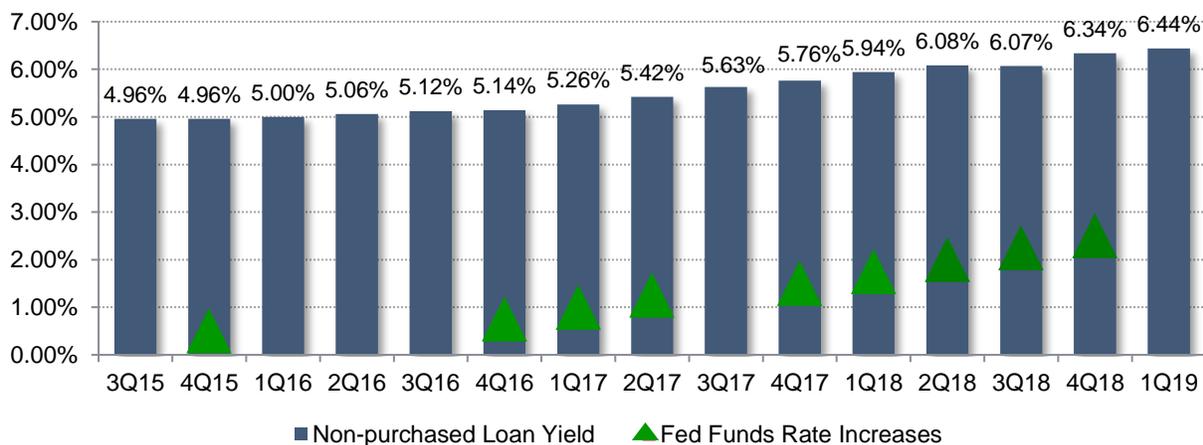
Net Interest Margin

Our net interest margin for the quarter just ended was 4.53%, down 16 basis points (“bps”) from the first quarter of 2018, but down only two bps from the fourth quarter of 2018. Our net interest margin is still among the best in the industry.

Non-purchased Loan Yield

As shown in Figure 9, our yield on non-purchased loans increased 10 bps in the quarter just ended, following a 27 basis point increase in the fourth quarter of 2018. Non-purchased loan yield includes various items such as amortization of deferred loan fees and deferred origination costs, minimum interest, prepayment penalties and other such items that vary from quarter-to-quarter. Such items were once again above average in the first quarter of 2019, which we estimate enhanced our non-purchased loan yield in the quarter by approximately six bps. These items were also above average in the fourth quarter of 2018, which we estimate enhanced non-purchased loan yield in that quarter by approximately four bps. As shown in Figure 9, our yield on non-purchased loans has generally tended to increase as the Federal Reserve has increased the Fed funds target rate.

Figure 9: Non-purchased Loan Yield Trends



At March 31, 2019, 76% of our non-purchased loans had variable rates. If the Federal Reserve increases the Fed funds target rate in 2019, and if our yield on non-purchased loans increases along with increases in the Fed funds target rate, we would expect our yield on non-purchased loans to increase in a manner similar to our historical results with previous Fed funds target rate increases, all as shown in Figure 9. Conversely, if the Federal Reserve decreases the Fed funds target rate in the future, we would expect our yield on non-purchased loans to decrease, even though we have endeavored to reduce the potential impact of any decreases in the Fed funds target rate by

placing floor rates in many of our variable rate loans. At March 31, 2019, 98.3% of our variable rate non-purchased loans had floor rates at some level.

Purchased Loan Yield

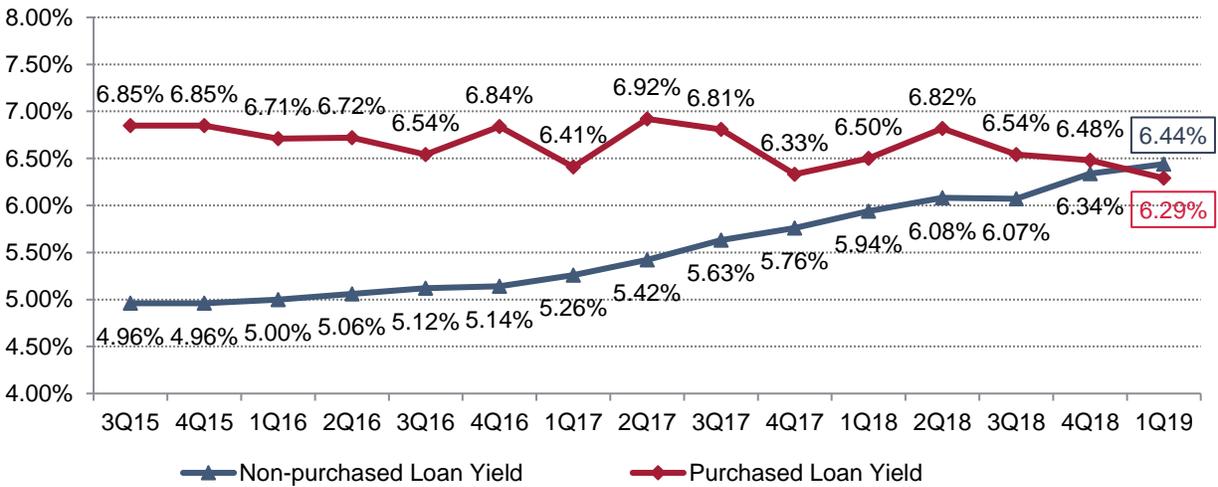
As shown in Figure 10, our purchased loan portfolio is paying down every quarter, and this ongoing reduction in this higher yielding portfolio has steadily put some downward pressure on our net interest margin in recent years.

Figure 10: Quarterly Purchased Loan Average Balances and Yields Since Closing Two Latest Acquisitions in July 2016 (\$ millions)



As shown in Figure 11, the differential in the yield between our purchased loan portfolio and our non-purchased loan portfolio has diminished over time and converged during the most recent quarter. Of course, our yield on purchased loans can vary significantly from quarter-to-quarter based on the volume and mix of prepayments within the purchased loan portfolio. Despite the quarterly variations, our yield on purchased loans has tended to decline as that portfolio has seasoned. As of March 31, 2019, 42% of our purchased loans had variable rates.

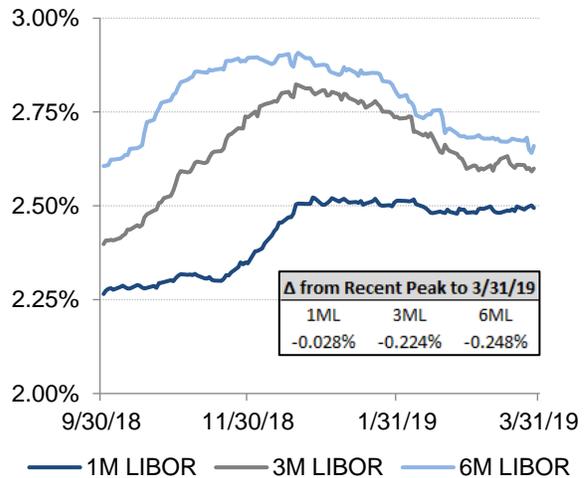
Figure 11: Convergence of Non-purchased and Purchased Loan Yields



During the quarter just ended, our yield on non-purchased loans surpassed our yield on purchased loans, eliminating one factor which has placed pressure on our net interest margin in recent years, specifically our “replacing” the runoff in our higher yielding purchased loans with new lower yielding non-purchased loans.

Other factors will provide challenges to our net interest margin for the foreseeable future. These factors include, among others, competitive pricing of loans; competitive pricing of deposits, which intensified throughout 2018 and has only shown modest signs of abating towards the close of the first quarter of 2019; recent decreases in LIBOR rates as shown in Figure 12; and the recent flattening of the yield curve.

Figure 12: LIBOR Rates

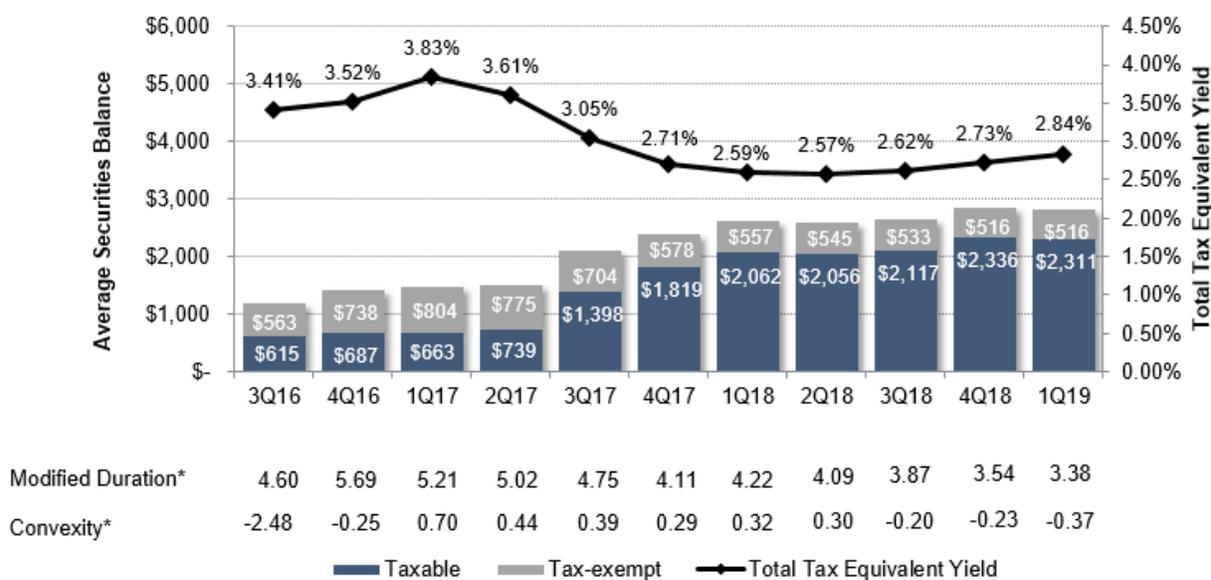


Source: Bloomberg.

Investment Portfolio Yield

As shown in Figure 13, the yield on our investment portfolio was 2.84%, on a fully taxable equivalent (“FTE”) basis, in the first quarter of 2019, which is an increase of 25 bps from 2.59% FTE in the first quarter of 2018. The average balance of tax-exempt securities decreased from \$557 million yielding 3.84% FTE in the first quarter of 2018 to \$516 million yielding 3.86% FTE in the first quarter of 2019. The average balance of taxable securities increased from \$2.06 billion yielding 2.25% in the first quarter of 2018 to \$2.31 billion yielding 2.61% in the first quarter of 2019.

Figure 13: Securities Portfolio Average Balance and FTE Yield (\$ millions)



* Modified duration and convexity data as of the end of each respective quarter.

Core Spread

Since the fourth quarter of 2015, when the Federal Reserve started the current round of interest rate increases, the Fed funds target rate has increased nine times. This has resulted in increases in our yield on variable rate loans and newly originated loans as well as increases in our costs of interest bearing deposits and borrowings. During that 14-quarter period, our yield on non-purchased loans has increased 148 bps, helping to offset the 138 bps increase in our COIBD, and resulting in an increase of 10 bps in our core spread. Our core spread decreased nine bps in the quarter just ended.

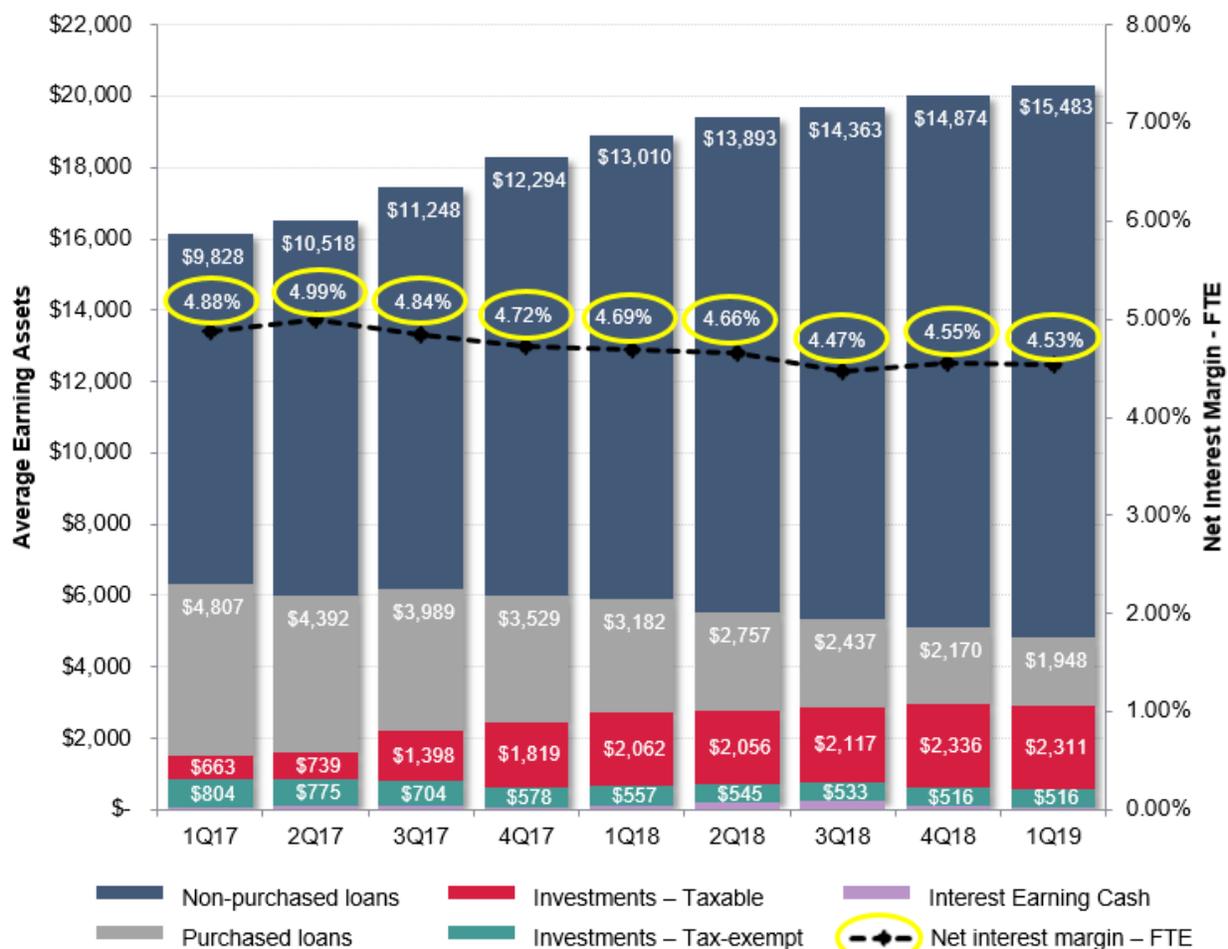
Starting in the third quarter of 2018, we increased our focus on our data, analytics, practices and strategies related to deposits and deposit pricing. We have identified a number of adjustments, some of which we have

implemented and some of which are still in development. This increased focus included the addition of a Chief Deposit Officer in December 2018. We plan to continue our focus on enhancing deposits and deposit pricing. While our results may vary from quarter-to-quarter, we believe that the increase in our COIBD for the full year of 2019 will be less than the 67 bps experienced in 2018, and we believe that the increase in our COIBD in the remaining quarters of 2019 will be significantly less than the 19 basis point increase in the quarter just ended.

Earning Asset Mix Impact on Net Interest Margin

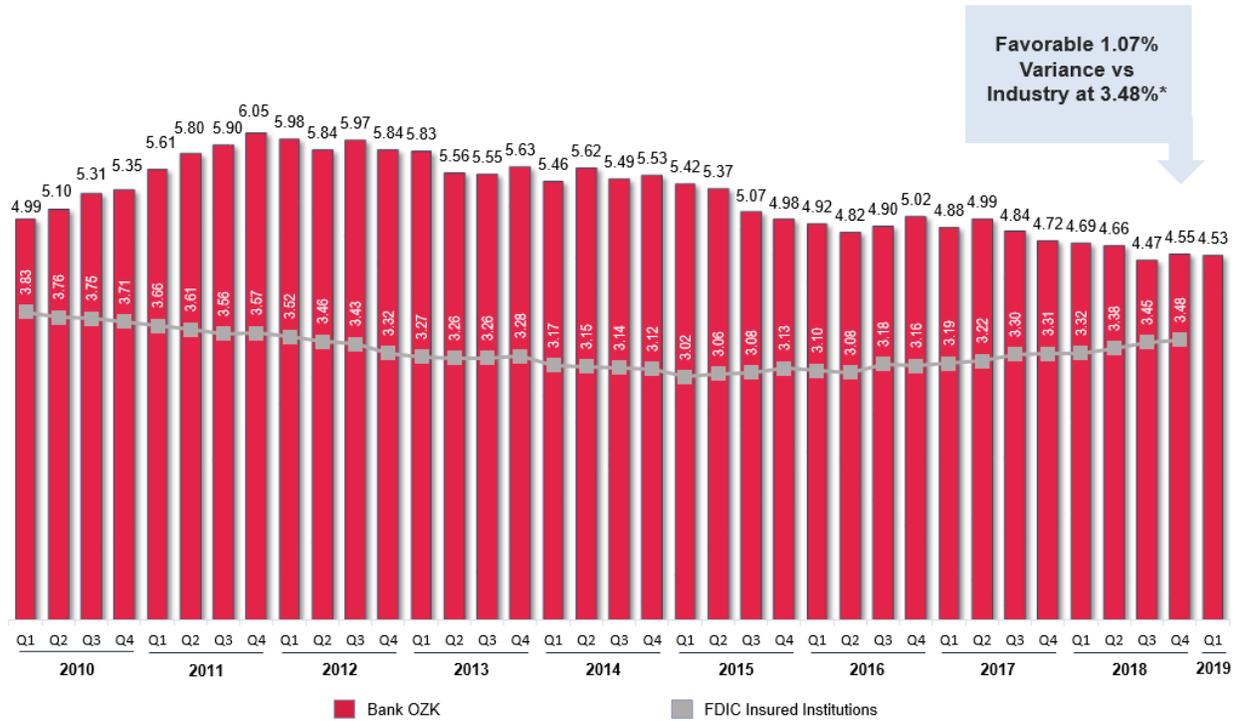
Figure 14 illustrates the dynamic nature of changes in our mix of earning assets, which have affected our net interest margin. This includes growth in our non-purchased loans and taxable investments partially offset by decreases in our volume of purchased loans and tax-exempt investments.

Figure 14: Trends in Average Earning Assets & Net Interest Margin (\$ millions)



We continue to perform well versus the industry on net interest margin, as shown in Figure 15.

Figure 15: Top-Decile Net Interest Margin (%)



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update fourth quarter 2018.

Non-interest Income

Non-interest income for the first quarter of 2019 was \$24.1 million, a 16.1% decrease from \$28.7 million for the first quarter of 2018. Non-interest income for the first quarter of 2018 included \$2.7 million of tax-exempt BOLI death benefit income compared to none in the first quarter of 2019. Additionally, gains on sales of other assets were \$1.4 million in the first quarter of 2018 compared to \$0.3 million in the first quarter of 2019. As shown in Figure 16, several categories of non-interest income vary significantly from quarter-to-quarter. We would expect non-interest income for the remaining quarters of 2019 to be in the range we have reported over the last several quarters.

Figure 16: Non-interest Income (\$ thousands)

	For the 3 months Ended									
	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	
Service charges on deposit accounts	\$ 11,301	\$ 11,764	\$ 9,729*	\$ 10,058	\$ 9,525	\$ 9,704	\$ 9,730	\$ 10,585	\$ 9,722	
Mortgage lending income	1,574	1,910	1,620	1,294**	492	1	24	20	-	
Trust income	1,631	1,577	1,755	1,729	1,793	1,591	1,730	1,821	1,730	
BOLI income	4,464	4,594	4,453	5,166	7,580	5,259	5,321	5,751	5,162	
Other income from purchased loans	3,737	4,777	2,933	2,009	1,251	2,744	1,418	2,370	795	
Loan service, maintenance and other fees	2,706	3,427	5,274	4,289	4,743	5,641	4,724	5,245	4,874	
Net gains on investment securities	-	404	2,429	1,201	17	-	-	-	-	
Gains (losses) on sales of other assets	1,619	672	1,363	1,899	1,426	844	(518)	465	284	
Other	2,026	2,715	3,191	2,568	1,880	1,602	1,692	1,303	1,505	
Total non-interest income	\$ 29,058	\$ 31,840	\$ 32,747	\$ 30,213	\$ 28,707	\$ 27,386	\$ 24,121	\$ 27,560	\$ 24,072	

* *Durbin Amendment was effective for Bank on July 1, 2017.*

** *Decision made to exit secondary market mortgage lending business in December of 2017.*

Non-interest Expense

Non-interest expense for the first quarter of 2019 was \$96.7 million, a 3.1% increase from \$93.8 million for the first quarter of 2018. Figure 17 summarizes non-interest expense for the most recent nine quarters.

Figure 17: Non-interest Expense (\$ thousands)

	For the 3 months Ended								
	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019
Salaries & employee benefits	\$ 38,554	\$ 39,892	\$ 35,331	\$ 38,417	\$ 45,499	\$ 41,665	\$ 41,477	\$ 41,837	\$ 44,868
Net occupancy and equipment	13,192	12,937	13,595	13,474	14,150	13,827	14,358	14,027	14,750
Professional and outside services	5,338	6,816	10,018	10,269	8,705	9,112	9,725	8,325	8,564
Advertising and public relations	1,190	1,258	1,907	1,634	1,331	1,777	6,977	1,472	1,683
Telecommunication services	3,970	3,107	3,321	3,537	3,197	3,487	3,373	3,023	3,344
Software and data processing	2,473	2,289	2,982	2,382	3,340	3,110	3,336	3,943	4,709
Travel and meals	1,855	2,061	2,223	2,338	2,153	2,498	2,517	2,482	2,669
FDIC insurance and state assessments	1,742	3,408	4,381	3,583	3,562	3,558	3,948	3,672	3,652
Amortization of intangibles	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,144	3,145
Writedown of signage due to strategic rebranding	-	-	-	-	-	-	4,915	-	-
Other expenses	6,809	8,915	7,496	7,398	8,728	6,928	9,171	12,968	9,294
Total non-interest expense	\$ 78,268	\$ 83,828	\$ 84,399	\$ 86,177	\$ 93,810	\$ 89,107	\$ 102,942	\$ 94,893	\$ 96,678
Total expenses related to strategic rebranding *	-	-	-	-	-	621	10,772	271	-
Total non-interest expenses excluding expenses related to strategic rebranding	\$ 78,268	\$ 83,828	\$ 84,399	\$ 86,177	\$ 93,810	\$ 88,486	\$ 92,170	\$ 94,622	\$ 96,678

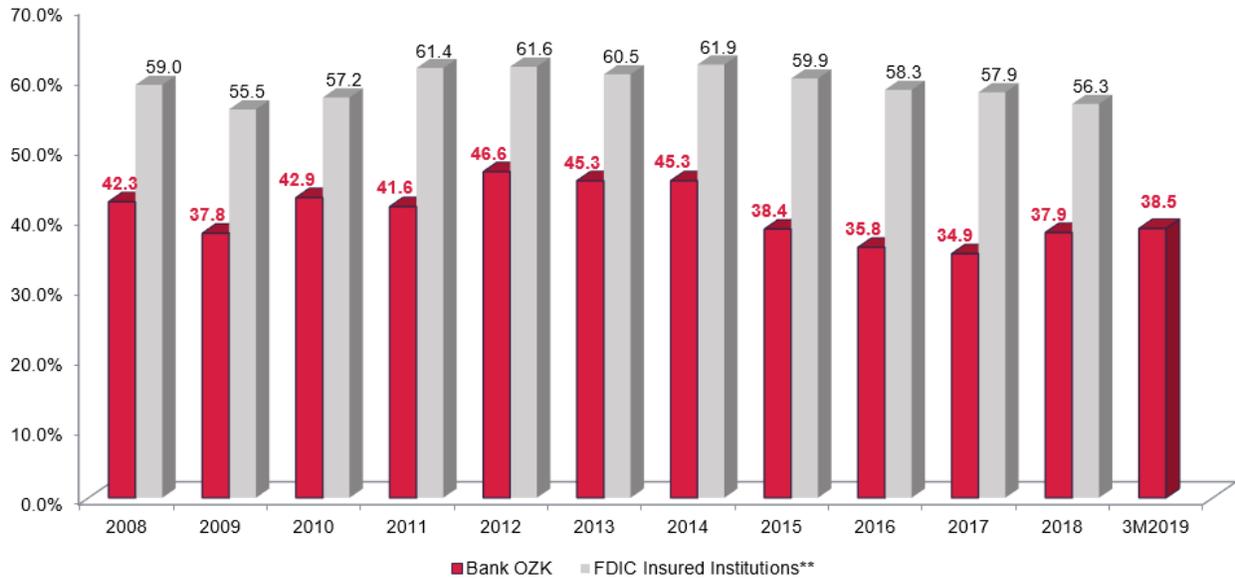
* During 2018, the Bank incurred pre-tax expenses of \$11.7 million related to its name change to Bank OZK and related strategic rebranding.

In recent years, a significant factor in our increased non-interest expense was our focus on enhancing our infrastructure for information technology, information systems, cybersecurity, business resilience, enterprise risk management, internal audit, compliance, BSA/AML monitoring, training and other important areas, as well as expanding our human and physical infrastructure to serve low-to-moderate income and majority-minority markets and customer segments. We consider all these initiatives to be important in preparing for future growth. We will continue to build our capabilities in these areas to keep pace with our growth and changing industry standards.

Efficiency Ratio

In the quarter just ended, our efficiency ratio was 38.5%, as shown in Figure 18. Our efficiency ratio has been among the top decile of the industry for 16 consecutive years.

Figure 18: Top Decile Efficiency (%) for 16 Consecutive Years*



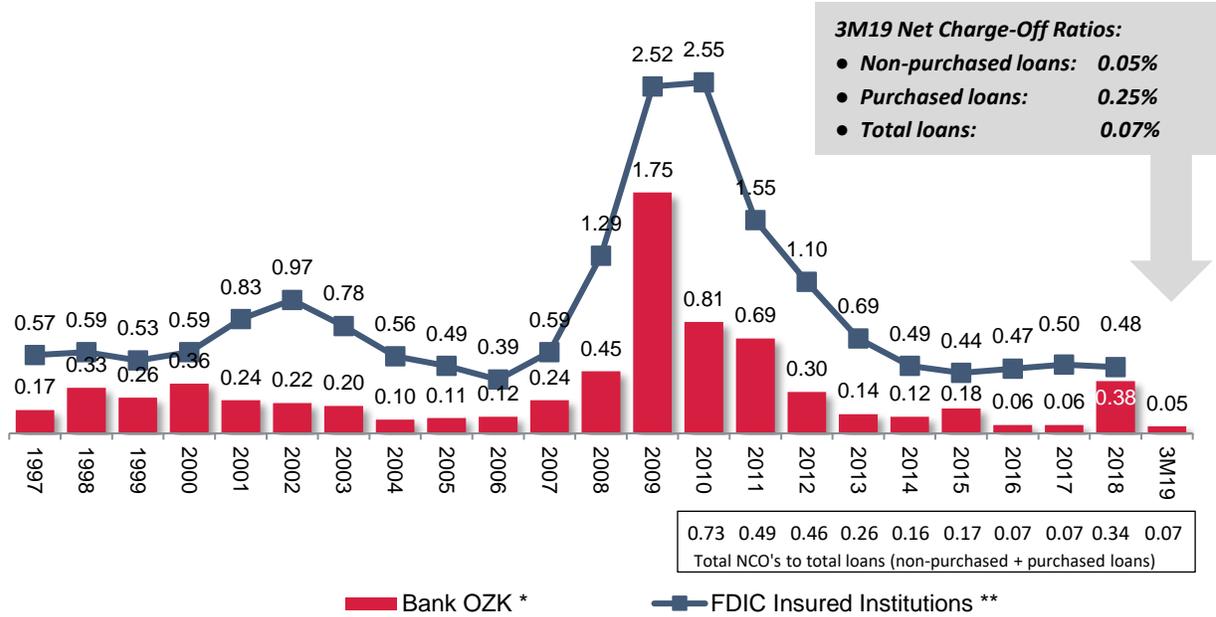
* Data from S&P Global Market Intelligence.

** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update fourth quarter 2018.

Asset Quality

We continue to have net charge-off ratios below industry averages, as shown in Figure 19. In our 21 years as a public company, our net charge-off ratio for non-purchased loans has beaten the industry's net charge-off ratio every year and has averaged about 36% of the industry's net charge-off ratio.

Figure 19: Annualized Net Charge-off Ratio vs. the Industry



*Unless otherwise indicated, Bank OZK data excludes purchased loans and net charge-offs related to such loans.

**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2018. Annualized when appropriate.

In RESG’s 16-year history, we have incurred losses on only five credits, resulting in a weighted average annual net charge-off ratio (including OREO write-downs) for the RESG portfolio of 18 bps. You can see those details in Figure 20.

As shown in Figures 21, 22 and 23, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans have been relatively stable, even as our total non-purchased loans and total assets have grown many-fold. Our ratios for nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans have generally improved and have been consistently better than the industry’s ratios.

Figure 20 - RESG Historical Net charge-offs (\$ Thousands)

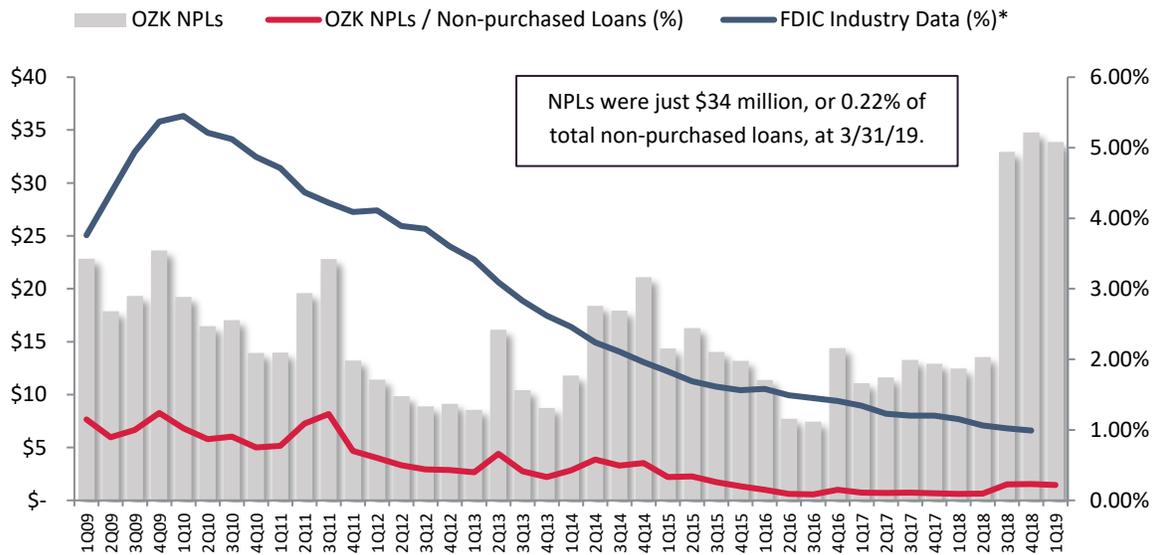
Year-end	Ending Loan Balance	YTD Average Loan Balance	Net charge-offs ("NCO")*	NCO Ratio**
2003	\$ 5,106	\$ 780	\$ -	0.00%
2004	52,658	34,929	-	0.00%
2005	51,056	56,404	-	0.00%
2006	61,323	58,969	-	0.00%
2007	209,524	135,639	-	0.00%
2008	470,485	367,279	-	0.00%
2009	516,045	504,576	7,531	1.49%
2010	567,716	537,597	-	0.00%
2011	649,806	592,782	2,905	0.49%
2012	848,441	737,136	-	0.00%
2013	1,270,768	1,085,799	-	0.00%
2014	2,308,573	1,680,919	-	0.00%
2015	4,263,800	2,953,934	-	0.00%
2016	6,741,249	5,569,287	-	0.00%
2017	8,169,581	7,408,367	842	0.01%
2018	9,077,616	8,685,191	45,490	0.52%
3/31/2019	9,519,461	9,430,640	-	0.00%
Total			\$ 56,768	

Weighted Average 0.18%

* Net charge-offs shown in this column reflect both net charge-offs and OREO write-downs.

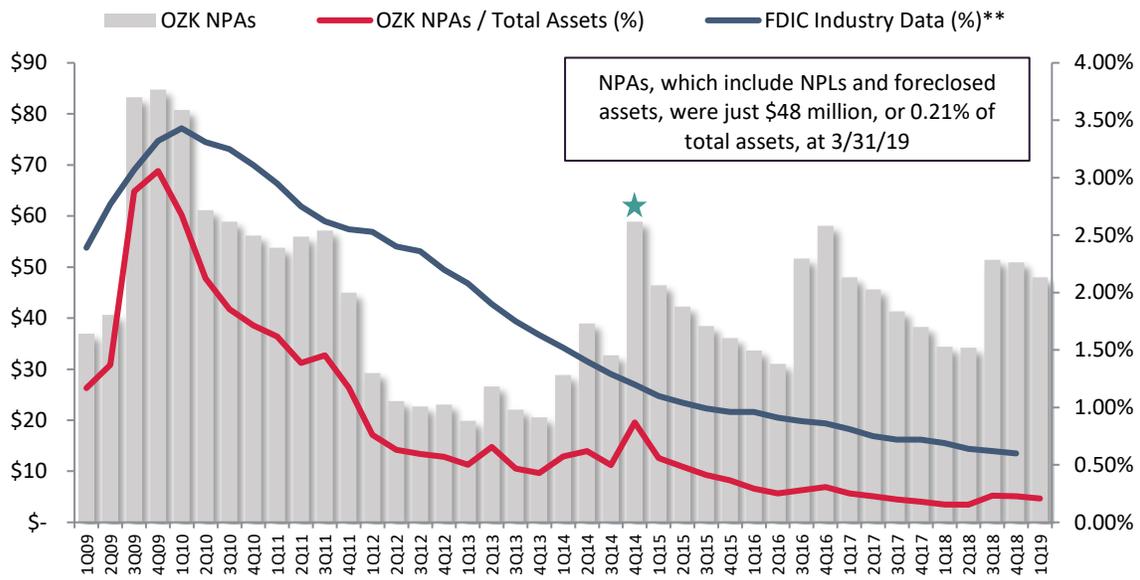
** Annualized.

Figure 21: Nonperforming Non-purchased Loans ("NPLs") (\$ millions)



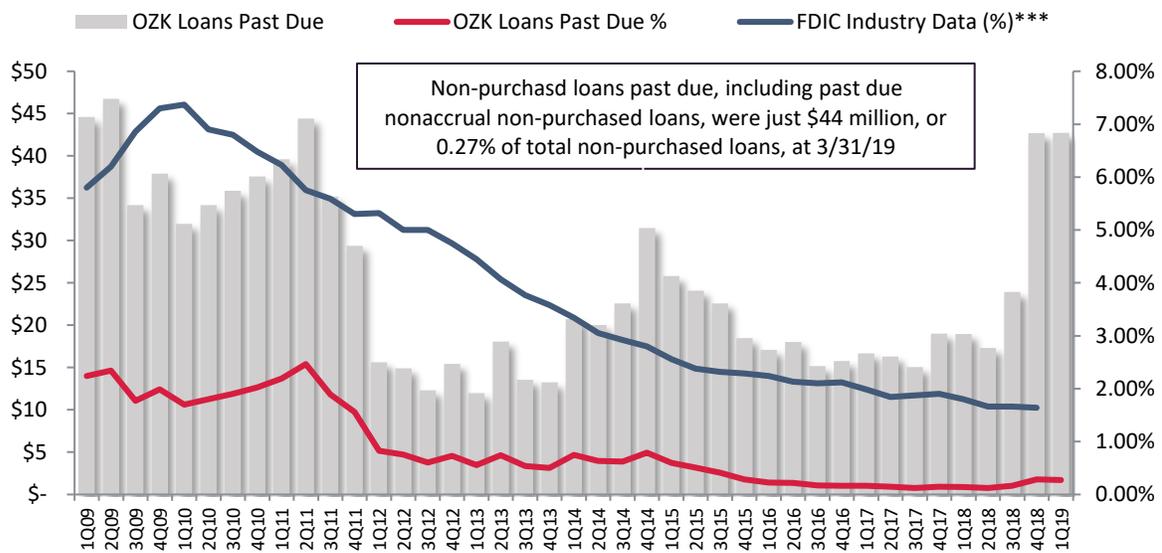
* Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2018. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.

Figure 22: Nonperforming Assets (“NPAs”) (\$ millions)



** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2018. Noncurrent assets plus other real estate owned to assets (%).
 ★ In 2014, we terminated our loss share agreement with the FDIC and reclassified foreclosed assets previously reported as covered by FDIC loss share to foreclosed assets.

Figure 23: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans (“Loans Past Due”) (\$ millions)



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated fourth quarter 2018. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.

Additionally, as shown in Figure 24, our dollar volume of non-purchased loans designated as being in the “Substandard” category of our credit quality indicators has remained low, even as our capital has grown many-fold. As a result, our ratio of substandard non-purchased loans as a percentage of our total risk-based capital (“TRBC”) at March 31, 2019 is near the lowest such ratio for the periods shown.

Figure 24: Substandard Non-purchased Loan Trends (\$ millions)

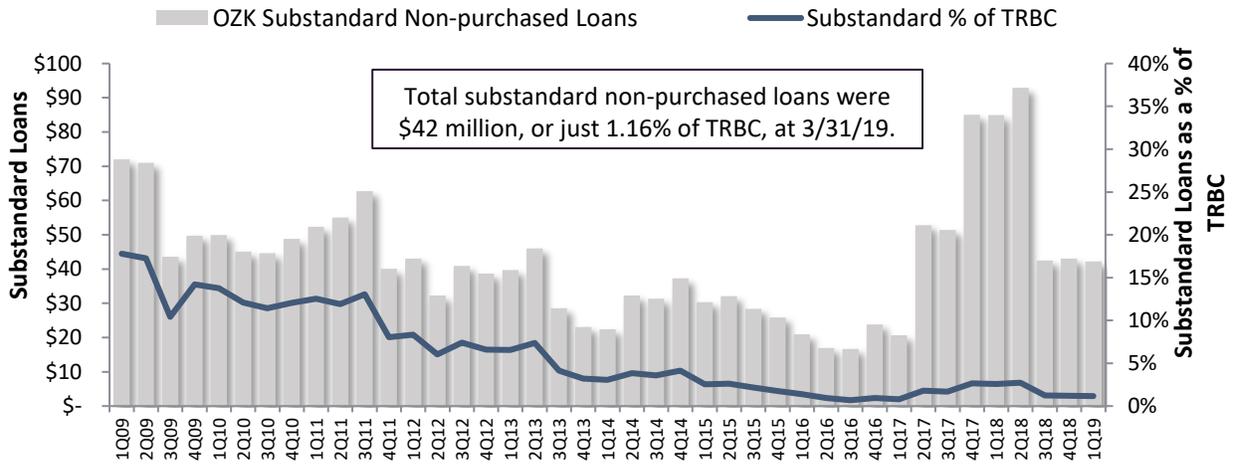
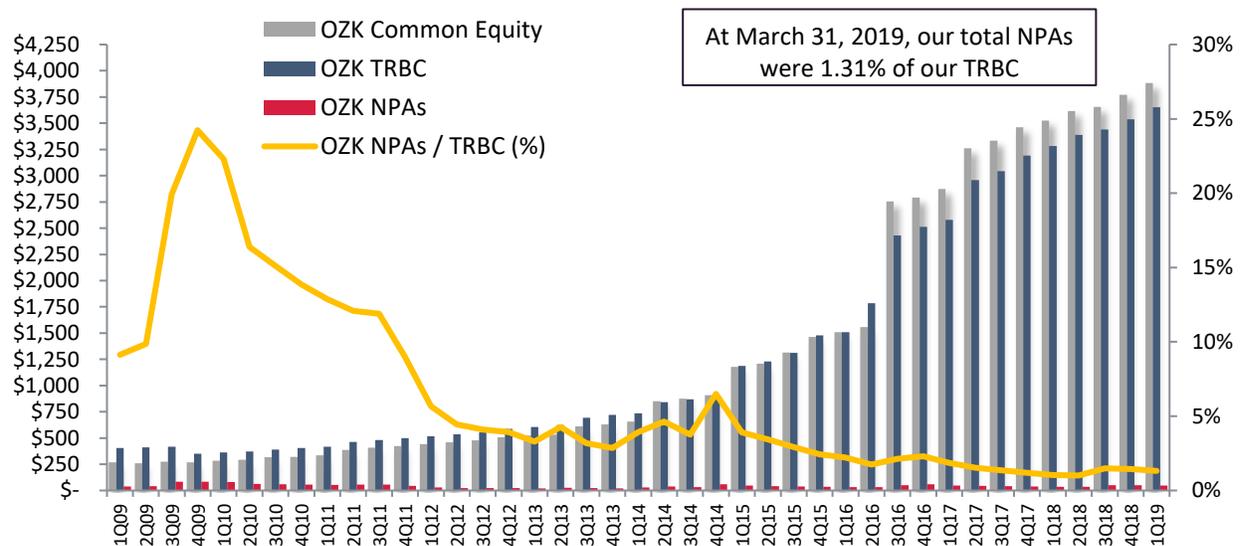


Figure 25 shows the tremendous growth in our common equity and TRBC over the last 10 ¼ years, while our volume of total nonperforming assets has generally declined to relatively nominal levels.

Figure 25: Capital vs. NPAs – (\$ millions)

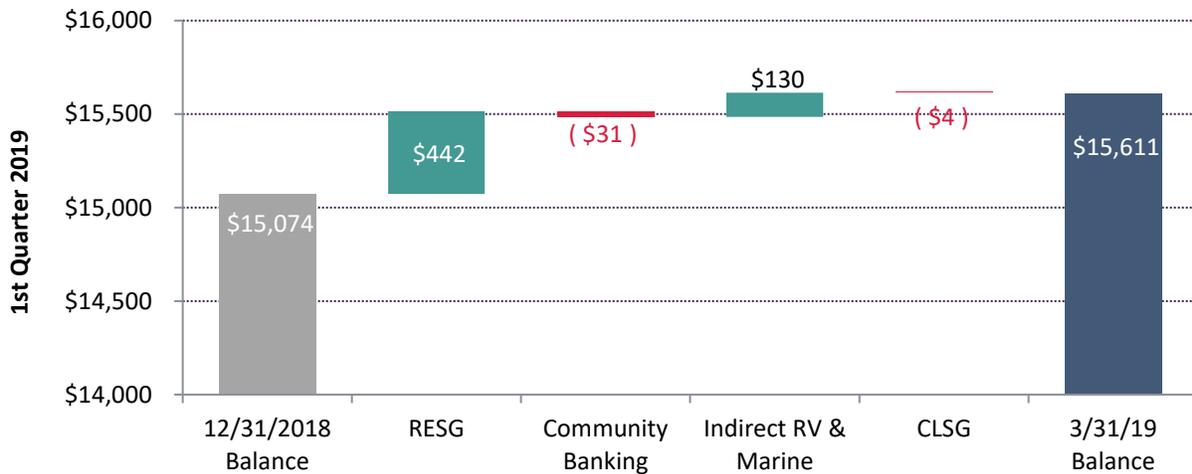


As noted above, our asset quality metrics are currently near our best ever. We expect our asset quality to continue our long tradition of being better than industry averages.

Loan Portfolio Diversification & Leverage

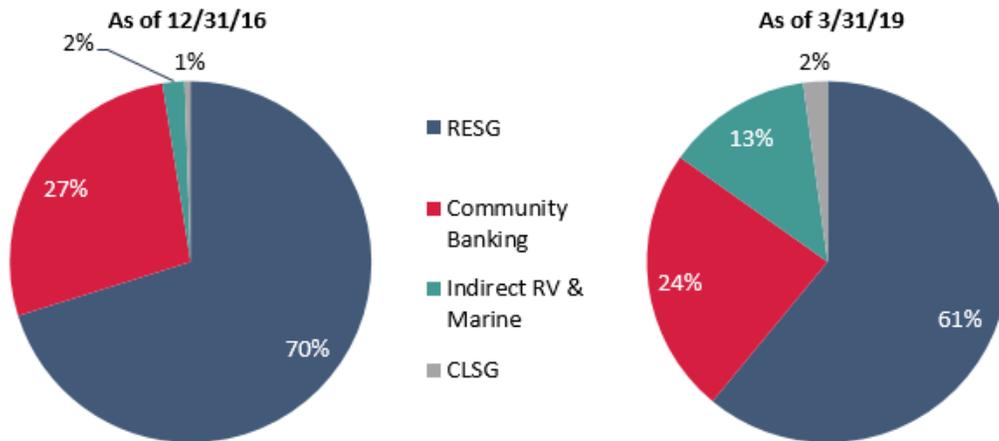
In recent years, we have discussed the importance of achieving greater contributions to growth from our loan teams other than RESG. In 2018, these other loan teams contributed 61% of our non-purchased loan growth, but in the first quarter of 2019 these other loan teams contributed just 18% of our non-purchased loan growth. Figure 26 reflects the mix in our loan growth in the quarter just ended. We expect our team handling Indirect RV & Marine lending and certain teams within Community Banking to contribute a significantly higher percentage of our non-purchased loan growth in the remainder of 2019, while our RESG team may contribute less growth due to the high levels of RESG loan repayments, all resulting in further portfolio diversification.

Figure 26: Non-purchased Loan Growth – 1Q19 (\$ millions)



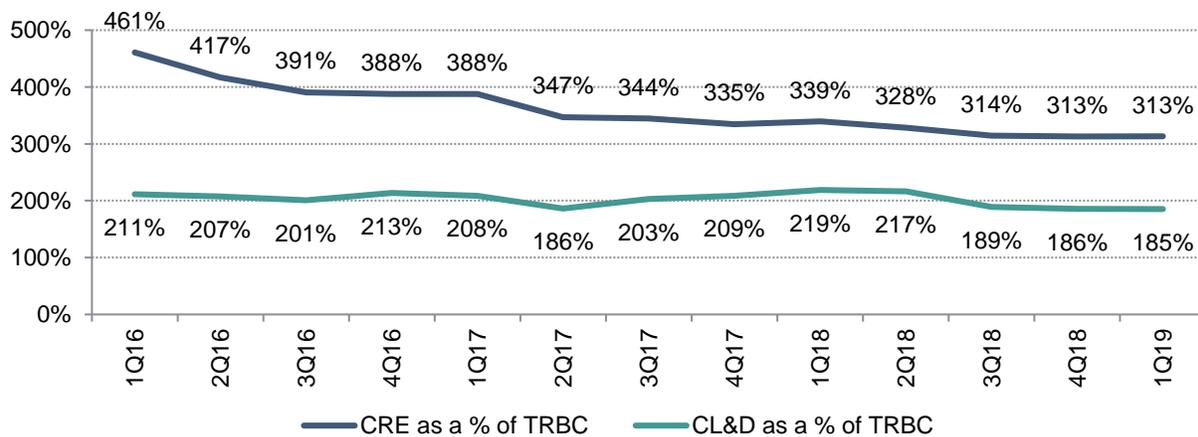
As shown in Figure 27, our more diversified growth in recent years has resulted in our RESG portfolio accounting for 61% of the funded balance of our non-purchased loans at March 31, 2019 compared to 70% at December 31, 2016.

Figure 27: Non-purchased Loan Portfolio Mix Shift



We expect this trend toward greater portfolio diversification to continue. This trend, along with our significant growth in our TRBC, has contributed to a generally declining trend in our total commercial real estate (“CRE”) and construction, land development and other land (“CL&D”) concentrations, as shown in Figure 28. Further growth in our non-CRE lending, along with growth in our TRBC, may continue to reduce our CRE and CL&D concentration ratios. To be clear, we are not reducing our focus on CRE and CL&D lending, and we expect the dollar volume of these categories of loans to continue to grow in most quarters, even if they decline as a percentage of our total non-purchased loans and as a percentage of TRBC.

Figure 28: Declining Regulatory CRE and CL&D Concentration Ratios



Even within the CRE-heavy RESG portfolio, we benefit from the substantial diversification by both product type and geography, as well as low LTC and LTV ratios, all as shown in Figures 29 and 30.

Figure 29: RESG Portfolio Diversity by Product Type (As of March 31, 2019) (\$ millions)
(LTC and LTV ratios assume all loans are fully funded)

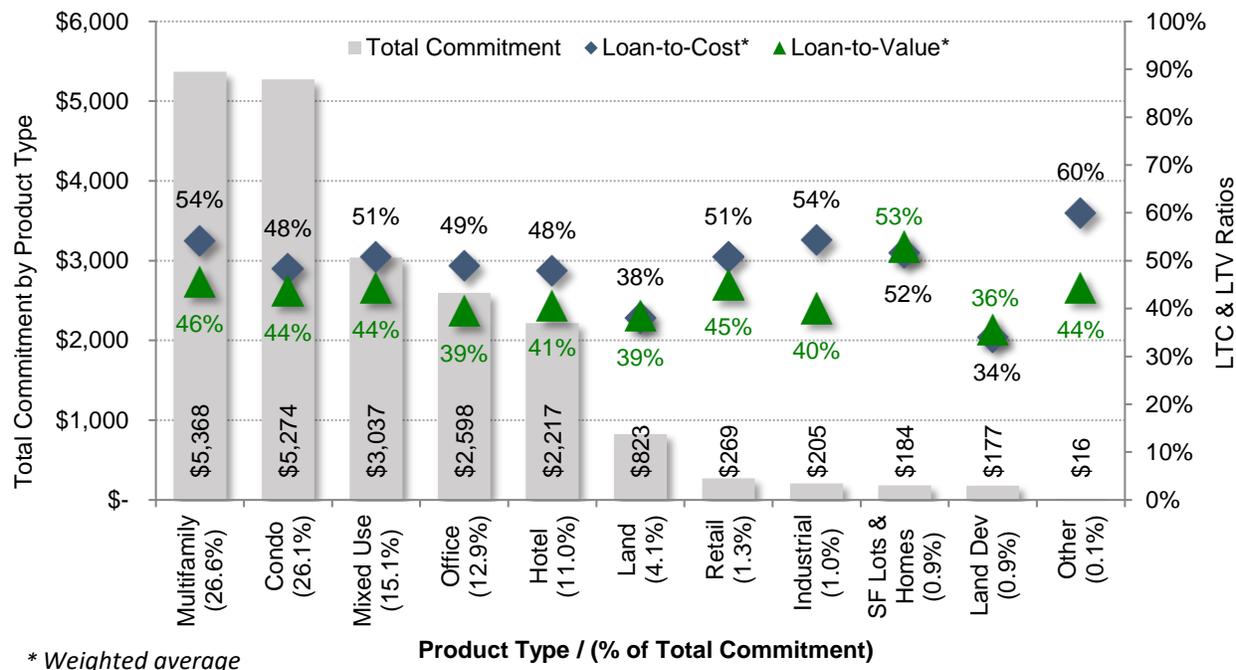
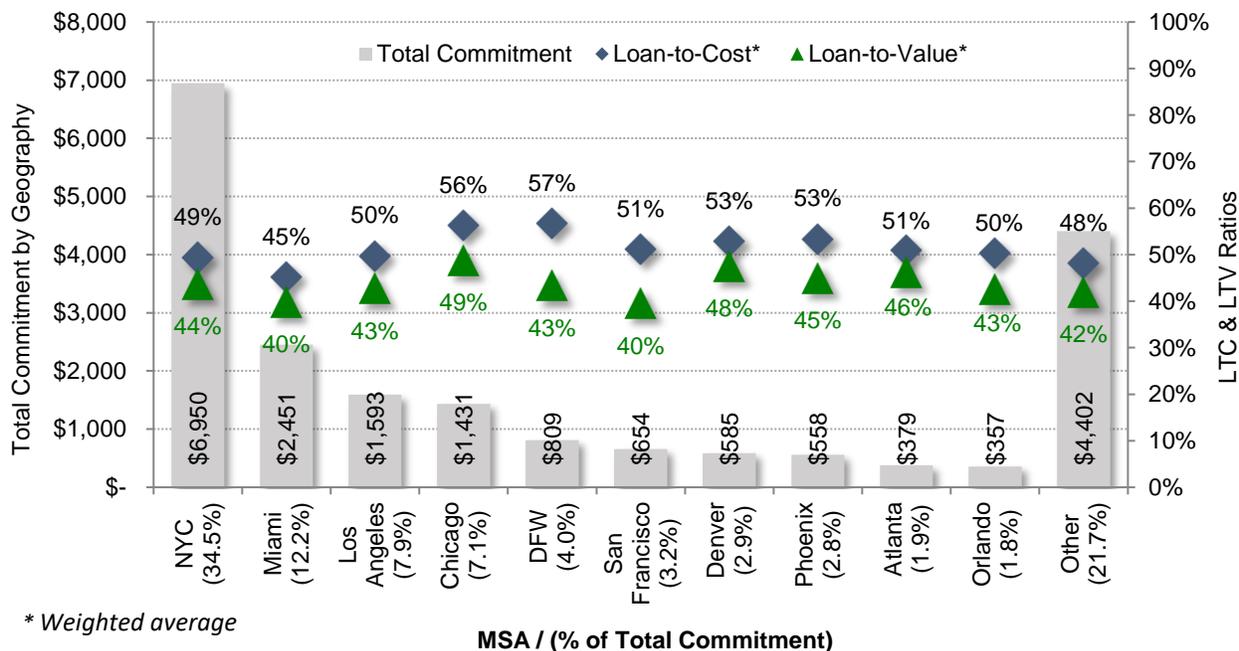
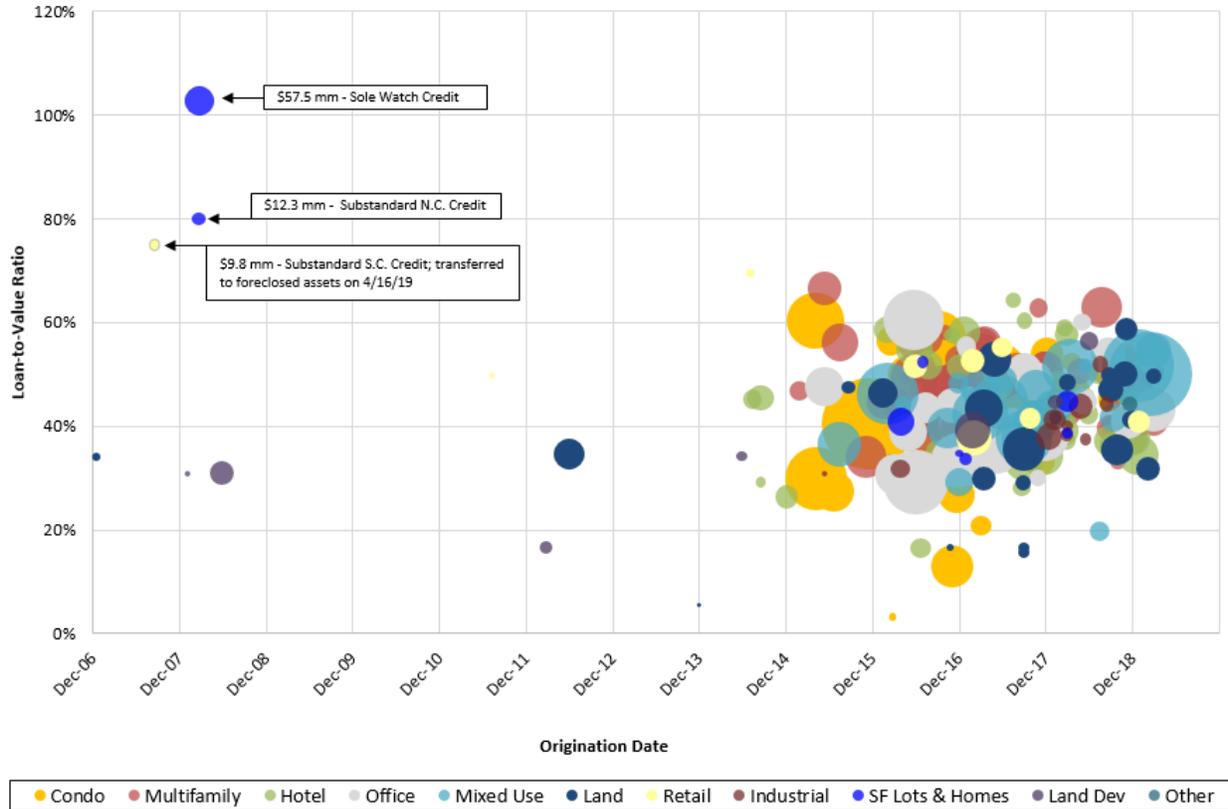


Figure 30: RESG Portfolio Diversity by Geography (As of March 31, 2019) (\$ millions)
(LTC and LTV ratios assume all loans are fully funded)



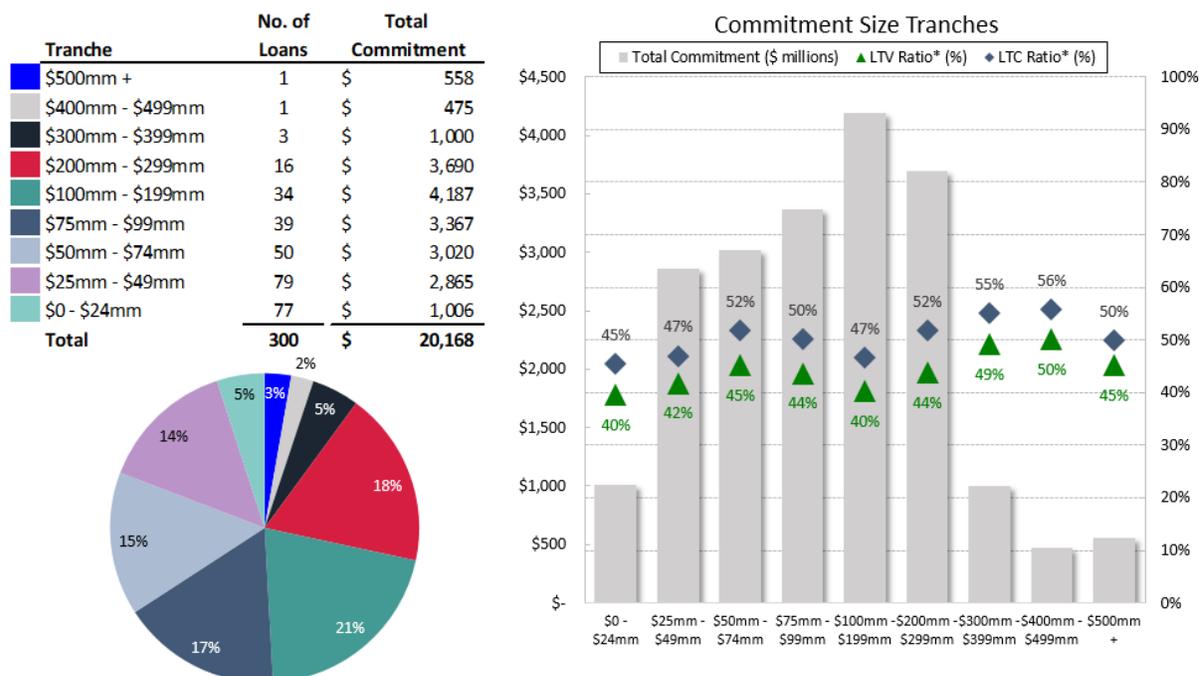
Assuming full funding of every RESG loan, as of March 31, 2019, the weighted average LTC for the RESG portfolio was a conservative 49.5%, and the weighted average LTV was even lower at just 43.1%. Other than the three credits specifically referenced below in Figure 31, all other credits in the RESG portfolio have LTV ratios less than 70%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 31.

Figure 31: RESG Portfolio by LTV & Origination Date (As of March 31, 2019)
Bubble Size Reflects Total Funded and Unfunded Commitment Amount
LTV Ratios Assume All Loans Are Fully Funded



The RESG portfolio includes loans of many different sizes, and historically approximately 89%, on average, of our total commitments are actually funded before the loan is repaid. The stratification of the RESG portfolio by commitment size is reflected in Figure 32.

Figure 32: RESG Portfolio Breakdown by Total Commitment (As of March 31, 2019) (\$ millions)



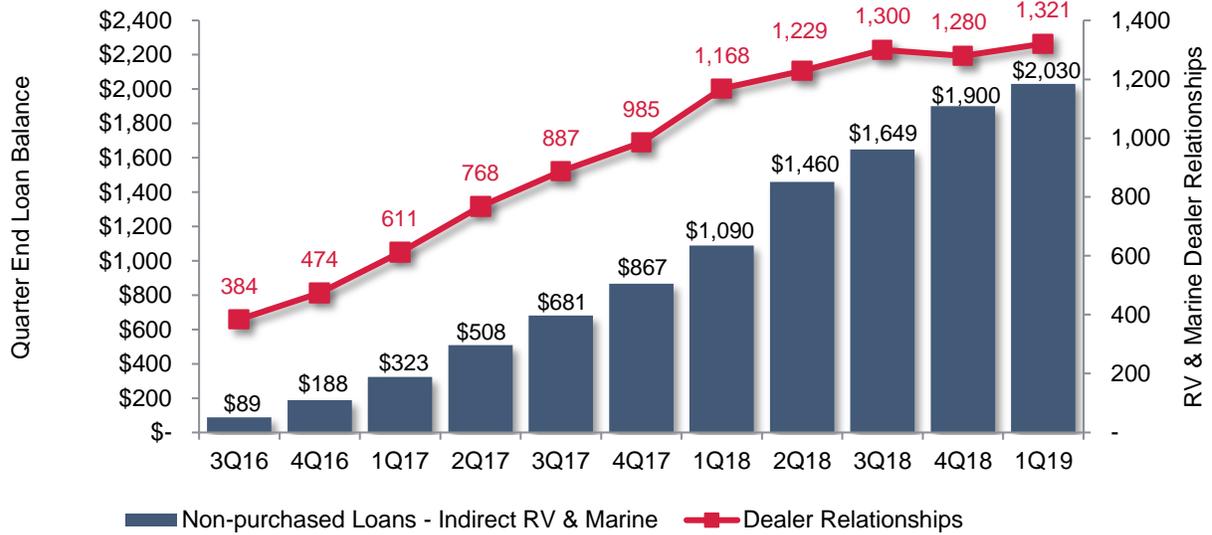
* Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche.

Our Community Banking loans include consumer and small business loans, loans originated by our commercial (generalist) lenders, and loans originated through our specialty lending channels in Community Banking, which include our government guaranteed, agricultural (including poultry), business aviation, subscription finance, affordable housing, middle market CRE and home builder finance loan teams. Our portfolio diversification is enhanced by the wide variety of products and geographic diversity within our Community Banking businesses.

Our Indirect RV & Marine lending team operates another nationwide business that has become an important contributor to our non-real estate loan growth. It was the largest contributor to our loan growth for 2018, and was a meaningful contributor during the first quarter of 2019. The nucleus of this team joined us in July 2016 as part of an acquisition. The management of this team, having an average of 26 years of experience lending to the RV and marine industries, utilizes detailed management reporting and data analytics to support a very disciplined operating platform. We focus primarily on super-prime and high-prime borrowers. The typical borrower in this portfolio is a homeowner with proven big-ticket credit experience and an average FICO score at origination of approximately 790. As of March 31, 2019, the non-purchased indirect portfolio had an average loan size of

approximately \$95,000 and a 30+ day delinquency ratio of four bps. For the first quarter of 2019, the annualized net charge-off ratio for the non-purchased indirect portfolio was 12 bps. Figure 33 provides details regarding this portfolio.

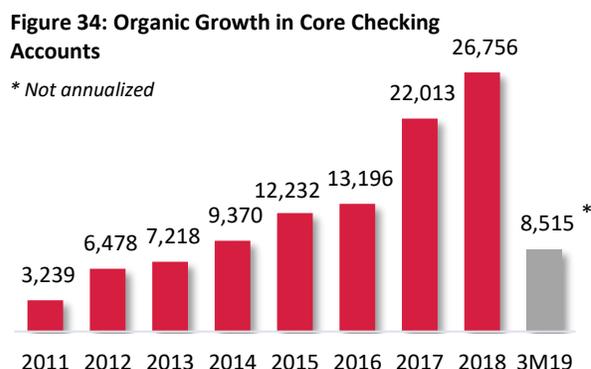
Figure 33: Growth in RV & Marine Dealers and Outstanding Non-purchased Loan Balances (\$ millions)



Liquidity

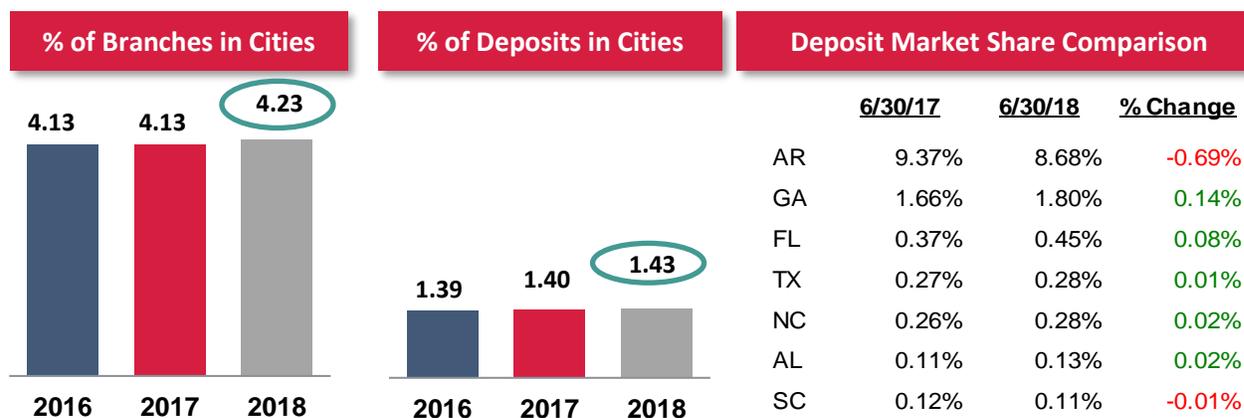
We have long expected that we can adjust deposit growth as needed to fund our loan growth. Our experience in recent years has validated that expectation. At least monthly, and more often as needed, we update a comprehensive 36-month projection of our expected loan fundings, loan pay-downs and other sources and uses of funds. These detailed projections of needed deposit growth provide the goals for our deposit growth strategies. We are continuing to implement deposit strategies to further enhance the quality and value of our deposit base.

Net growth in core checking accounts is an important focus of our deposit strategy. During the quarter just ended, we increased core checking accounts by a record 8,515 accounts. This continued our tradition of favorable results in net core checking account growth as shown in Figure 34. Adding thousands of net new core checking customers each quarter will continue to be an important focus for our retail banking team.



As shown in Figure 35, we believe that we have significant capacity for future deposit growth in our existing branch network of 243 deposit offices in eight states.

Figure 35: Deposit Market Share Opportunity^{3 4}



³ Data for all FDIC insured institutions from the FDIC Annual Market Share Report, last updated June 30, 2018.

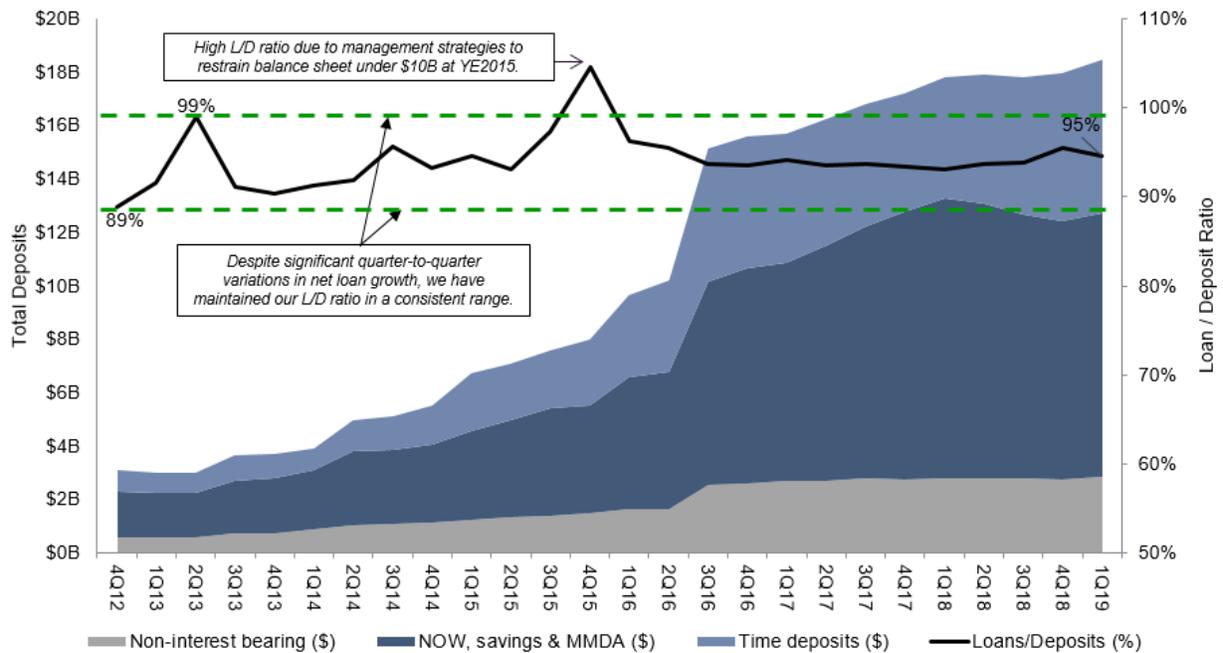
⁴ Deposits in our New York office and deposits for all FDIC financial institutions in New York are excluded from this analysis.

We have successfully increased our overall deposits as needed to fund our earning asset growth. As Figures 36 and 37 illustrate, we have effectively maintained our loan-to-deposit ratio and deposit mix, even in the midst of substantial balance sheet growth.

During the quarter just ended, our loan-to-deposit ratio was 95%, within our historical range of 89% to 99%. Whether we have robust loan growth or minimal loan growth in any particular quarter or year, we believe we have the tools, capacity and flexibility to maintain our loan-to-deposit ratio within this historical range. Figure 36 shows our consistent maintenance of our loan-to-deposit ratio within that range over the last six years, even as our total assets grew 470% from \$4.0 billion at December 31, 2012 to \$23.0 billion at March 31, 2019.

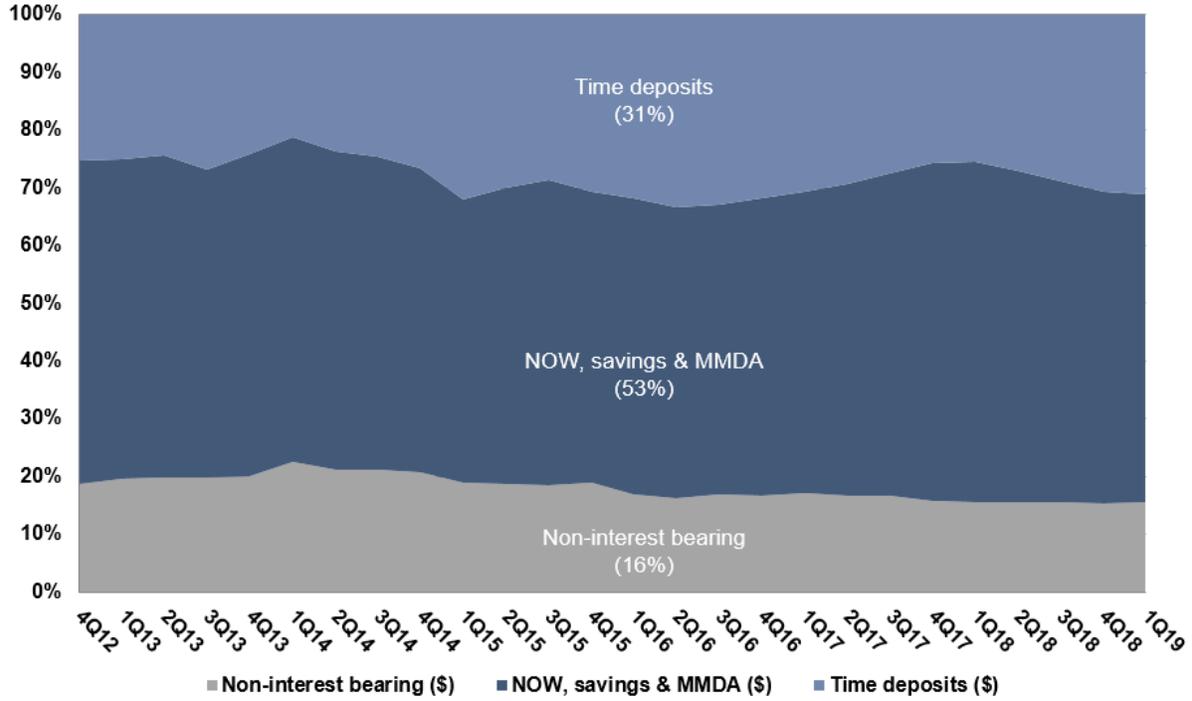
Figure 36: Maintaining a Consistent Loan / Deposit Ratio While Achieving Substantial Growth

Total Deposits (\$ billions) and Loan / Deposit Ratio (%)



Even with our substantial 470% growth in total assets from December 31, 2012 to March 31, 2019, our deposit mix has been relatively stable as shown in Figure 37.

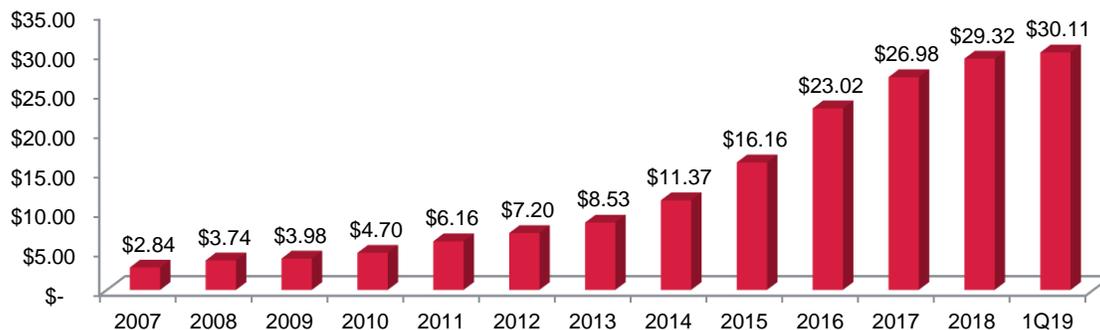
Figure 37: Consistent Deposit Mix (Percentages as of March 31, 2019)



Capital

During the quarter just ended, our book value per common share increased to \$30.11, as shown in Figure 38.

Figure 38: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to \$24.73, as shown in Figure 39. Over the last 11 ¼ years, we have increased tangible book value per common share by a cumulative 799%, resulting in a compound annual growth rate of 21.6%.

Figure 39: Tangible Book Value per Share (Period End) ⁵



⁵ See the schedule at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable GAAP measure.

We have increased our cash dividend in each of the most recent 35 quarters and every year since going public in 1997. In most years, we have had a dividend payout ratio in the mid-20's percentage range as shown in Figure 40.

Figure 40: Historic Dividend Payout Ratio⁶ (Split-adjusted)



As shown in Figure 41, during 2018 and in the first quarter of 2019 our strong earnings and earnings retention rate, among other factors, have collectively contributed to meaningful increases in our already strong risk-based capital ratios.

Figure 41: Recent Trends in Regulatory Capital

	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	Estimated 3/31/2019 ⁷
CET 1 Ratio	11.06%	11.25% ↑	11.82% ↑	12.15% ↑	12.56% ↑	12.60% ↑
Tier 1 Ratio	11.06%	11.25% ↑	11.82% ↑	12.15% ↑	12.56% ↑	12.60% ↑
Total RBC Ratio	12.81%	12.99% ↑	13.62% ↑	13.93% ↑	14.37% ↑	14.40% ↑
Tier 1 Leverage	13.83%	13.80% ↓	13.86% ↑	13.95% ↑	14.25% ↑	14.50% ↑

⁶ 2017 Diluted EPS and payout ratio exclude the one-time \$0.39 positive impact to EPS as a result of the Tax Cuts and Jobs Act ("2017 Tax Benefit"). See the schedule at the end of this presentation for the calculation of diluted EPS, as adjusted, for the 2017 Tax Benefit.

⁷ Ratios as of March 31, 2019 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

The Economic Growth, Regulatory Relief, and Consumer Protection Act (the “Reform Act”) passed in May 2018, in tandem with related regulatory action, eliminated our Dodd-Frank Act Stress Test (“DFAST”) annual filing requirements unless and until we reach \$250 billion in total assets. Notwithstanding, we plan to continue conducting internal stress tests. In July 2018, we completed our annual capital stress test using the three scenarios released by the Federal Reserve for use in DFAST. Two of these scenarios were adverse in nature. We also conducted a CRE stress test during the fourth quarter of 2018. Despite the very adverse assumptions used in our various stress tests, the results of each stress test reflected that we would maintain well-capitalized status for all capital ratios, maintain profitability and continue the payment of our quarterly dividend in all periods during the nine-quarter time horizon. Although we will continue to conduct internal stress tests periodically, the elimination of DFAST, with its nine-quarter, forward-looking capital requirements, will allow us to more effectively manage capital for future growth based on actual growth as it becomes apparent.

Given our strong capital position, our Board of Directors (“Board”) has thoroughly discussed the possibility of a share repurchase authorization. Given our medium-term and long-term prospects for continued growth and our belief that having surplus capital may allow the Bank to capitalize on opportunities that may arise, the Board voted to not approve a share repurchase authorization at this time. Our Board will continue to monitor the adequacy of our capital position and will strive to properly balance competing objectives.

Effective Tax Rate

Our effective tax rate during the quarter just ended was 24.5% and for the full year 2018 was 24.7%. We expect that our effective tax rate for the remainder of 2019 will be between 24% and 26%.

Final Thoughts

We are pleased with our solid start to 2019 and remain focused on delivering long-term value for our shareholders. Our team of industry and technology professionals is well-positioned to lead the Bank into the future. We believe our competitive advantages will allow us to capitalize on opportunities throughout 2019 and beyond.

Non-GAAP Reconciliations

Calculation of Average Tangible Common Stockholders' Equity and the Return on Average Tangible Common Stockholders' Equity

Unaudited (Dollars in Thousands)

	For the Fiscal Year Ended December 31,						
	2008	2009	2010	2011	2012	2013	2014
Net Income Available To Common Stockholders	\$ 34,474	\$ 36,826	\$ 64,001	\$ 101,321	\$ 77,044	\$ 91,237	\$ 118,606
Average Common Stockholders' Equity Before Noncontrolling Interest	\$ 213,271	\$ 267,768	\$ 296,035	\$ 374,664	\$ 458,595	\$ 560,351	\$ 786,430
Less Average Intangible Assets:							
Goodwill	(5,231)	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)	(51,793)
Core deposit and other intangibles, net of accumulated amortization	(515)	(368)	(1,621)	(5,932)	(5,989)	(9,661)	(21,651)
Total Average Intangibles	(5,746)	(5,611)	(6,864)	(11,175)	(11,232)	(14,904)	(73,444)
Average Tangible Common Stockholders' Equity	\$ 207,525	\$ 262,157	\$ 289,171	\$ 363,489	\$ 447,363	\$ 545,447	\$ 712,986
Return On Average Common Stockholders' Equity	16.16%	13.75%	21.62%	27.04%	16.80%	16.28%	15.08%
Return On Average Tangible Common Stockholders' Equity	16.61%	14.05%	22.13%	27.87%	17.22%	16.73%	16.63%

	For the Fiscal Year Ended				Three Months Ended *	
	2015	2016	2017	2018	3/31/2018	3/31/2019
Net Income Available To Common Stockholders	\$ 182,253	\$ 269,979	\$ 421,891	\$ 417,106	\$ 113,144	\$ 110,706
Average Common Stockholders' Equity Before Noncontrolling Interest	\$ 1,217,475	\$ 2,068,328	\$ 3,127,576	\$ 3,598,628	\$ 3,484,297	\$ 3,813,979
Less Average Intangible Assets:						
Goodwill	(118,013)	(363,324)	(660,632)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(28,660)	(43,623)	(54,702)	(42,315)	(47,122)	(34,437)
Total Average Intangibles	(146,673)	(406,947)	(715,334)	(703,104)	(707,911)	(695,226)
Average Tangible Common Stockholders' Equity	\$ 1,070,802	\$ 1,661,381	\$ 2,412,242	\$ 2,895,524	\$ 2,776,386	\$ 3,118,753
Return On Average Common Stockholders' Equity	14.97%	13.05%	13.49%	11.59%	13.17%	11.77%
Return On Average Tangible Common Stockholders' Equity	17.02%	16.25%	17.49%	14.41%	16.53%	14.40%

* Ratios for interim periods annualized based on actual days

Calculation of Tangible Book Value per Share
Unaudited (Dollars in Thousands, Except per Share)

	For the period ended December 31,						
	2007	2008	2009	2010	2011	2012	2013
Total common stockholders' equity before noncontrolling interest	\$ 190,829	\$ 252,302	\$ 269,028	\$ 320,355	\$ 424,551	\$ 507,664	\$ 629,060
Less intangible assets:							
Goodwill	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)
Core deposit and other intangibles, net of accumulated amortization	(634)	(421)	(311)	(2,682)	(6,964)	(6,584)	(13,915)
Total intangibles	(5,877)	(5,664)	(5,554)	(7,925)	(12,207)	(11,827)	(19,158)
Total tangible common stockholders' equity	<u>\$ 184,952</u>	<u>\$ 246,638</u>	<u>\$ 263,474</u>	<u>\$ 312,430</u>	<u>\$ 412,344</u>	<u>\$ 495,837</u>	<u>\$ 609,902</u>
Common shares outstanding (thousands)	<u>67,272</u>	<u>67,456</u>	<u>67,618</u>	<u>68,214</u>	<u>68,928</u>	<u>70,544</u>	<u>73,712</u>
Book value per common share	<u>\$ 2.84</u>	<u>\$ 3.74</u>	<u>\$ 3.98</u>	<u>\$ 4.70</u>	<u>\$ 6.16</u>	<u>\$ 7.20</u>	<u>\$ 8.53</u>
Tangible book value per common share	<u>\$ 2.75</u>	<u>\$ 3.66</u>	<u>\$ 3.90</u>	<u>\$ 4.58</u>	<u>\$ 5.98</u>	<u>\$ 7.03</u>	<u>\$ 8.27</u>

	For the period ended December 31,					For the period ended March 31,	
	2014	2015	2016	2017	2018	2018	2019
Total common stockholders' equity before noncontrolling interest	\$ 908,390	\$ 1,464,631	\$ 2,791,607	\$ 3,460,728	\$ 3,770,330	\$ 3,526,605	\$ 3,882,643
Less intangible assets:							
Goodwill	(78,669)	(125,442)	(660,119)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(26,907)	(26,898)	(60,831)	(48,251)	(35,672)	(45,107)	(32,527)
Total intangibles	(105,576)	(152,340)	(720,950)	(709,040)	(696,461)	(705,896)	(693,316)
Total tangible common stockholders' equity	<u>\$ 802,814</u>	<u>\$ 1,312,291</u>	<u>\$ 2,070,657</u>	<u>\$ 2,751,688</u>	<u>\$ 3,073,869</u>	<u>\$ 2,820,709</u>	<u>\$ 3,189,327</u>
Common shares outstanding (thousands)	<u>79,924</u>	<u>90,612</u>	<u>121,268</u>	<u>128,288</u>	<u>128,611</u>	<u>128,612</u>	<u>128,948</u>
Book value per common share	<u>\$ 11.37</u>	<u>\$ 16.16</u>	<u>\$ 23.02</u>	<u>\$ 26.98</u>	<u>\$ 29.32</u>	<u>\$ 27.42</u>	<u>\$ 30.11</u>
Tangible book value per common share	<u>\$ 10.04</u>	<u>\$ 14.48</u>	<u>\$ 17.08</u>	<u>\$ 21.45</u>	<u>\$ 23.90</u>	<u>\$ 21.93</u>	<u>\$ 24.73</u>

Calculation of Diluted Earnings per Share
Unaudited (Dollars in Thousands, Except per Share)

Diluted Earnings Per Share, as Adjusted
For the Fiscal Year Ended December 31, 2017

Net Income Available to Common Stockholders	\$ 421,891
Less: 2017 Tax Benefit	(49,812)
Adjusted Net Income	<u>\$ 372,079</u>
Weighted-average diluted shares outstanding (in thousands)	125,809
Diluted Earnings Per Share	\$ 3.35
Diluted Earnings Per Share, As Adjusted	\$ 2.96