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): **January 17, 2019**

BANK OZK

(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction of incorporation)

110	**71-0130170**
(FDIC Certificate Number)	(IRS Employer Identification No.)
17901 Chenal Parkway, Little Rock, Arkansas	**72223**
(Address of principal executive offices)	(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 January 17, 2019, Bank OZK (the "Bank") issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2018 and made available management's comments on the results for the fourth quarter and full year of 2018. 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 fourth quarter and full year ended December 31, 2018 and management's comments on the fourth quarter and full year results are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

On January 18, 2019, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the fourth quarter and full year ended December 31, 2018.

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 January 17, 2019: Bank OZK Announces Fourth Quarter and Full Year 2018 Earnings
99.2	Fourth Quarter and Full Year 2018 Management's Comments dated January 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: January 17, 2018

By: /s/ Greg L. McKinney
Name: Greg L. McKinney
Title: Chief Financial Officer and Chief Accounting Officer

Exhibit No.	Document Description
99.1	Press Release dated January 17, 2019: Bank OZK Announces Fourth Quarter and Full Year 2018 Earnings
99.2	Fourth Quarter and Full Year 2018 Management's Comments dated January 17, 2019

NEWS RELEASE

Date:	January 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 Fourth Quarter and Full Year 2018 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the fourth quarter of 2018 was $115.0 million, a 21.3% decrease from net income of $146.2 million for the fourth quarter of 2017. Diluted earnings per common share for the fourth quarter of 2018 were $0.89, a 21.9% decrease from $1.14 for the fourth quarter of 2017.

For the full year of 2018, net income totaled $417.1 million, a 1.1% decrease from net income of $421.9 million for the full year of 2017. Diluted earnings per common share for the full year of 2018 were $3.24, a 3.3% decrease from $3.35 for the full year of 2017.

During the fourth quarter of 2017, the Bank recognized a one-time income tax benefit of $49.8 million as a result of the revaluation, in the fourth quarter of 2017, of the Bank's net deferred tax liability position to reflect the reduction in its federal corporate income tax rate from 35% to 21% due to the Tax Cuts and Jobs Act enacted on December 22, 2017. Additionally, the Bank incurred pre-tax expenses of approximately $0.3 million for the fourth quarter and $11.7 million for the full year of 2018 (none in 2017) related to its name change and related strategic rebranding.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the fourth quarter of 2018 were 2.04%, 12.36% and 15.24%, respectively, compared to 2.81%, 17.23% and 21.84%, respectively, for the fourth quarter of 2017. The Bank's returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the full year of 2018 were 1.90%, 11.59% and 14.41%, respectively, compared to 2.15%, 13.49% and 17.49%, respectively, for the full year of 2017. 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.

"We had excellent fourth quarter results, achieving our most profitable quarter of the year with net income of $115.0 million and an annualized return on average assets of 2.04%," stated George Gleason, Chairman and Chief Executive Officer. "For the full year of 2018, our net income was $417.1 million and our return on average assets was 1.90%. Our strong net income in 2018 resulted in meaningful increases in our already strong risked based capital ratios and allowed us to increase our cash dividends each quarter. In 2018 we completed our strategic rebranding and continued our efforts to enhance our team of industry and technology professionals, which is key to our competitive advantage. We believe we are well positioned for success in 2019."

KEY BALANCE SHEET METRICS

Total loans, including purchased loans, were $17.12 billion at December 31, 2018, a 6.7% increase from $16.04 billion at December 31, 2017. Non-purchased loans, which exclude loans acquired in previous acquisitions, were $15.07 billion at December 31, 2018, an 18.4% increase from $12.73 billion at December 31, 2017. Purchased loans, which consist of loans acquired in previous acquisitions, were $2.04 billion at December 31, 2018, a 38.2% decrease from $3.31 billion at December 31, 2017. The unfunded balance of closed loans totaled $11.36 billion at December 31, 2018, a 13.9% decrease from $13.19 billion at December 31, 2017.

Deposits were $17.94 billion at December 31, 2018, a 4.3% increase from $17.19 billion at December 31, 2017. Total assets were $22.39 billion at December 31, 2018, a 5.2% increase from $21.28 billion at December 31, 2017.

Common stockholders' equity was $3.77 billion at December 31, 2018, an 8.9% increase from $3.46 billion at December 31, 2017. Tangible common stockholders' equity was $3.07 billion at December 31, 2018, an 11.7% increase from $2.75 billion at December 31, 2017. Book value per common share was $29.32 at December 31, 2018, an 8.7% increase from $26.98 at December 31, 2017. Tangible book value per common share was $23.90 at December 31, 2018, an 11.4% increase from $21.45 at December 31, 2017. 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 was 16.84% at December 31, 2018 compared to 16.27% at December 31, 2017. Its ratio of total tangible common stockholders' equity to total tangible assets was 14.17% at December 31, 2018 compared to 13.38% at December 31, 2017. 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.

NET INTEREST INCOME

Net interest income for the fourth quarter of 2018 was $228.4 million, a 6.3% increase from $214.8 million for the fourth quarter of 2017. Net interest margin, on a fully taxable equivalent ("FTE") basis, was 4.55% for the fourth quarter of 2018, a decrease of 17 basis points from 4.72% for the fourth quarter of 2017. Average earning assets were $20.00 billion for the fourth quarter of 2018, a 9.4% increase from $18.28 billion for the fourth quarter of 2017.

Net interest income for the full year of 2018 was $891.4 million, a 9.1% increase from $817.4 million for the full year of 2017. Net interest margin, on a FTE basis, was 4.59% for the full year of 2018, a decrease of 26 basis points from 4.85% for the full year of 2017. Average earning assets were $19.52 billion for the full year of 2018, a 14.1% increase from $17.11 billion for the full year of 2017.

NON-INTEREST INCOME

Non-interest income for the fourth quarter of 2018 decreased 8.8% to $27.6 million compared to $30.2 million for the fourth quarter of 2017. Non-interest income for the full year of 2018 decreased 13.0% to $107.8 million compared to $123.9 million for the full year of 2017.

The Bank's service charges on deposit accounts decreased from $42.9 million in 2017 to $39.5 million in 2018 primarily due to the Durbin Amendment's impact on the Bank's interchange revenue effective July 1, 2017. The Bank's mortgage lending income decreased from $6.4 million in 2017 to $0.5 million in 2018 as a result of the Bank's decision in December 2017 to exit secondary market mortgage lending and the wind down of that business in early 2018.

NON-INTEREST EXPENSE

Non-interest expense for the fourth quarter of 2018 increased 10.1% to $94.9 million compared to $86.2 million for the fourth quarter of 2017. Non-interest expense for the full year of 2018 increased 14.5% to $380.8 million compared to $332.7 million for the full year of 2017. Non-interest expense included approximately $0.3 million for the fourth quarter and $11.7 million for the full year of 2018 (none in 2017) related to the name change and the related strategic rebranding.

The Bank's efficiency ratio (non-interest expense divided by the sum of net interest income FTE and non-interest income) for the fourth quarter of 2018 was 36.9% compared to 34.8% for the fourth quarter of 2017. The Bank's efficiency ratio for the full year of 2018 was 37.9% compared to 34.9% for the full year of 2017.

ASSET QUALITY, CHARGE-OFFS, PROVISIONS AND ALLOWANCE

Excluding purchased loans, the Bank's ratio of nonperforming loans as a percent of total loans was 0.23% at December 31, 2018 compared to 0.10% at December 31, 2017, and its ratio of nonperforming assets as a percent of total assets was 0.23% at December 31, 2018 compared to 0.18% at December 31, 2017.

Excluding purchased loans, the Bank's ratio of loans past due 30 days or more, including past due non-accrual loans, to total loans was 0.28% at December 31, 2018 compared to 0.15% at December 31, 2017.

The Bank's annualized net charge-off ratio for non-purchased loans was 0.06% for the fourth quarter of 2018 compared to 0.08% for the fourth quarter of 2017, and it was 0.38% for the full year of 2018 compared to 0.06% for the full year of 2017. The Bank's annualized net charge-off ratio for all loans was 0.07% for the fourth quarter of 2018 compared to 0.05% for the fourth quarter of 2017, and it was 0.34% for the full year of 2018 compared to 0.07% for the full year of 2017.

The Bank's provision for loan losses totaled $7.3 million for the fourth quarter and $64.4 million for the full year of 2018 compared to $9.3 million for the fourth quarter and $28.1 million for the full year of 2017.

The increases in the Bank's net charge-off ratios and provision expense for the full year of 2018 compared to 2017 were primarily due to the charge-offs totaling $45.5 million during the third quarter of 2018 on two Real Estate Specialties Group credits.

The Bank's allowance for loan losses for its non-purchased loans was $100.7 million, or 0.67% of total non-purchased loans, at December 31, 2018 compared to $92.5 million, or 0.73% of total non-purchased loans, at December 31, 2017. The Bank had $1.6 million of allowance for loan losses for its purchased loans at both December 31, 2018 and 2017.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

In connection with this release, the Bank released management's comments on its quarterly and year end results. Management will conduct a conference call to take questions on the quarterly and year end results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on Friday, January 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 4759034. 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 ir.ozk.com.

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; future 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 Bank's public filings, 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, 2017 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 #1 bank in the nation in its asset size for eight consecutive years. Headquartered in Little Rock, Arkansas, Bank OZK conducts operations through 253 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

	December 31, 2018	December 31, 2017
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 290,672	$ 440,388
Investment securities - available for sale	2,862,340	2,593,873
Federal Home Loan Bank of Dallas and other banker's bank stocks	25,941	28,923
Non-purchased loans	15,073,791	12,733,937
Purchased loans	2,044,032	3,309,092
Allowance for loan losses	(102,264)	(94,120)
Net loans	17,015,559	15,948,909
Premises and equipment, net	567,189	519,811
Foreclosed assets	16,171	25,357
Accrued interest receivable	81,968	64,608
Bank owned life insurance (“BOLI”)	721,238	658,147
Intangible assets, net	696,461	709,040
Other, net	110,491	286,591
Total assets	$ 22,388,030	$ 21,275,647
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 2,748,273	$ 2,726,623
Savings and interest bearing transaction	9,682,713	10,051,122
Time	5,507,429	4,414,600
Total deposits	17,938,415	17,192,345
Repurchase agreements with customers	20,564	69,331
Other borrowings	96,692	22,320
Subordinated notes	223,281	222,899
Subordinated debentures	119,358	118,800
Accrued interest payable and other liabilities	216,355	186,164
Total liabilities	18,614,665	17,811,859
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock; $0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at December 31, 2018 or December 31, 2017	—	—
Common stock; $0.01 par value; 300,000,000 shares authorized; 128,611,049 and 128,287,550 shares issued and outstanding at December 31, 2018 and 2017, respectively	1,286	1,283
Additional paid-in capital	2,237,948	2,221,844
Retained earnings	1,565,201	1,250,313
Accumulated other comprehensive loss	(34,105)	(12,712)
Total stockholders’ equity before noncontrolling interest	3,770,330	3,460,728
Noncontrolling interest	3,035	3,060
Total stockholders’ equity	3,773,365	3,463,788
Total liabilities and stockholders’ equity	$ 22,388,030	$ 21,275,647

Bank OZK

Consolidated Statements of Income

Unaudited

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	Year Ended December 31, 2018	Year Ended December 31, 2017
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 237,443	$ 178,525	$ 858,102	$ 607,548
Purchased loans	35,453	56,303	173,465	276,499
Investment securities:				
Taxable	14,642	9,661	50,021	25,460
Tax-exempt	3,941	4,343	16,193	22,430
Deposits with banks and federal funds sold	590	268	3,039	656
Total interest income	292,069	249,100	1,100,820	932,593
Interest expense:				
Deposits	56,608	29,150	186,617	96,083
Repurchase agreements with customers	26	38	785	132
Other borrowings	2,193	574	3,017	1,305
Subordinated notes	3,216	3,190	12,757	12,620
Subordinated debentures	1,644	1,317	6,211	5,024
Total interest expense	63,687	34,269	209,387	115,164
Net interest income	228,382	214,831	891,433	817,429
Provision for loan losses	7,271	9,279	64,398	28,092
Net interest income after provision for loan losses	221,111	205,552	827,035	789,337
Non-interest income:				
Service charges on deposit accounts	10,585	10,058	39,544	42,853
Mortgage lending income	20	1,294	538	6,399
Trust income	1,821	1,729	6,935	6,691
BOLI income	5,751	5,166	23,911	18,677
Other income from purchased loans	2,370	2,009	7,784	13,456
Loan service, maintenance and other fees	5,245	4,289	20,354	15,696
Gains on sales of other assets	465	1,899	2,219	5,553
Net gains on investment securities	—	1,201	17	4,033
Other	1,303	2,568	6,473	10,500
Total non-interest income	27,560	30,213	107,775	123,858
Non-interest expense:				
Salaries and employee benefits	41,837	38,417	170,478	152,194
Net occupancy and equipment	14,027	13,474	56,362	53,198
Other operating expenses	39,029	34,286	153,912	127,280
Total non-interest expense	94,893	86,177	380,752	332,672
Income before taxes	153,778	149,588	554,058	580,523
Provision for income taxes	38,750	3,434	136,977	158,586
Net income	115,028	146,154	417,081	421,937
Earnings attributable to noncontrolling interest	3	10	25	(46)
Net income available to common stockholders	$ 115,031	$ 146,164	$ 417,106	$ 421,891
Basic earnings per common share	$ 0.89	$ 1.14	$ 3.24	$ 3.36
Diluted earnings per common share	$ 0.89	$ 1.14	$ 3.24	$ 3.35
Dividends declared per common share	$ 0.21	$ 0.185	$ 0.795	$ 0.71

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Balances – December 31, 2017	$ 1,283	$2,221,844	$1,250,313	$ (12,712)	$ 3,060	$3,463,788
Net income	—	—	417,081	—	—	417,081
Earnings attributable to noncontrolling interest	—	—	25	—	(25)	—
Total other comprehensive loss	—	—	—	(21,393)	—	(21,393)
Common stock dividends paid, $0.795 per share	—	—	(102,218)	—	—	(102,218)
Issuance of 223,840 shares of common stock for exercise of stock options	2	5,740	—	—	—	5,742
Issuance of 220,326 shares of unvested restricted common stock	2	(2)	—	—	—	—
Repurchase and cancellation of 71,750 shares of common stock	(1)	(3,769)	—	—	—	(3,770)
Stock-based compensation expense	—	14,135	—	—	—	14,135
Forfeiture of 48,917 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – December 31, 2018	$ 1,286	$2,237,948	$1,565,201	$ (34,105)	$ 3,035	$3,773,365

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Salaries and employee benefits	$ 41,837	$ 38,417	$ 170,478	$ 152,194
Net occupancy and equipment	14,027	13,474	56,362	53,198
Other operating expenses:				
Professional and outside services	8,325	10,269	35,867	32,441
Telecommunication services	3,023	3,537	13,080	13,935
Software and data processing	3,943	2,382	13,729	10,126
Postage and supplies	2,214	2,063	9,144	7,769
Advertising and public relations	1,472	1,634	11,557	5,989
ATM expense	544	1,644	4,227	5,725
Travel and meals	2,482	2,338	9,650	8,477
FDIC insurance	3,100	2,700	11,800	9,700
FDIC and state assessments	572	883	2,940	3,414
Loan collection and repossession expense	1,077	949	3,302	5,303
Writedowns of foreclosed assets	1,841	994	2,996	3,488
Writedown of signage due to strategic rebranding	—	—	4,915	—
Amortization of intangibles	3,144	3,145	12,579	12,580
Other	7,292	1,748	18,126	8,333
Total non-interest expense	$ 94,893	$ 86,177	$ 380,752	$ 332,672

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	December 31, 2018	December 31, 2017
	(Dollars in thousands)	
Real estate:		
Residential 1-4 family	$ 1,049,460	$ 1,174,427
Non-farm/non-residential	4,319,388	4,478,876
Construction/land development	6,562,185	6,648,061
Agricultural	165,088	150,003
Multifamily residential	1,116,026	508,514
Total real estate	13,212,147	12,959,881
Commercial and industrial	823,417	738,225
Consumer	2,345,863	1,472,593
Other	736,396	872,330
Total loans	$ 17,117,823	$ 16,043,029

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

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017	% Change	Year Ended December 31, 2018	Year Ended December 31, 2017	% Change
Income statement data:						
Net interest income	$ 228,382	$ 214,831	6.3%	$ 891,433	$ 817,429	9.1%
Provision for loan losses	7,271	9,279	(21.6)	64,398	28,092	129.2
Non-interest income	27,560	30,213	(8.8)	107,775	123,858	(13.0)
Non-interest expense	94,893	86,177	10.1	380,752	332,672	14.5
Net income available to common stockholders	115,031	146,164	(21.3)	417,106	421,891	(1.1)
Common stock data:						
Net income per share - diluted	$ 0.89	$ 1.14	(21.9)%	$ 3.24	$ 3.35	(3.3)%
Net income per share - basic	0.89	1.14	(21.9)	3.24	3.36	(3.6)
Cash dividends per share	0.21	0.185	13.5	0.795	0.71	12.0
Book value per share	29.32	26.98	8.7	29.32	26.98	8.7
Tangible book value per share(1)	23.90	21.45	11.4	23.90	21.45	11.4
Diluted shares outstanding (thousands)	128,666	128,510		128,740	125,809	
End of period shares outstanding (thousands)	128,611	128,288		128,611	128,288	
Balance sheet data at period end:						
Assets	$22,388,030	$21,275,647	5.2%	$22,388,030	$21,275,647	5.2%
Total loans	17,117,823	16,043,029	6.7	17,117,823	16,043,029	6.7
Non-purchased loans	15,073,791	12,733,937	18.4	15,073,791	12,733,937	18.4
Purchased loans	2,044,032	3,309,092	(38.2)	2,044,032	3,309,092	(38.2)
Allowance for loan losses	102,264	94,120	8.7	102,264	94,120	8.7
Foreclosed assets	16,171	25,357	(36.2)	16,171	25,357	(36.2)
Investment securities	2,888,281	2,622,796	10.1	2,888,281	2,622,796	10.1
Goodwill and other intangible assets	696,461	709,040	(1.8)	696,461	709,040	(1.8)
Deposits	17,938,415	17,192,345	4.3	17,938,415	17,192,345	4.3
Repurchase agreements with customers	20,564	69,331	(70.3)	20,564	69,331	(70.3)
Other borrowings	96,692	22,320	333.2	96,692	22,320	333.2
Subordinated notes	223,281	222,899	0.2	223,281	222,899	0.2
Subordinated debentures	119,358	118,800	0.5	119,358	118,800	0.5
Unfunded balance of closed loans	11,364,975	13,192,439	(13.9)	11,364,975	13,192,439	(13.9)
Common stockholders’ equity	3,770,330	3,460,728	8.9	3,770,330	3,460,728	8.9
Net unrealized losses on investment securities AFS included in common stockholders' equity	(34,105)	(12,712)		(34,105)	(12,712)	
Loan (including purchased loans) to deposit ratio	95.43%	93.31%		95.43%	93.31%	
Selected ratios:						
Return on average assets(2)	2.04%	2.81%		1.90%	2.15%	
Return on average common stockholders’ equity(2)	12.36	17.23		11.59	13.49	
Return on average tangible common stockholders’ equity(1) (2)	15.24	21.84		14.41	17.49	
Average common equity to total average assets	16.54	16.32		16.42	15.91	
Net interest margin – FTE(2)	4.55	4.72		4.59	4.85	
Efficiency ratio	36.90	34.82		37.93	34.88	
Net charge-offs to average non-purchased loans(2) (3)	0.06	0.08		0.38	0.06	
Net charge-offs to average total loans(2)	0.07	0.05		0.34	0.07	
Nonperforming loans to total loans(4)	0.23	0.10		0.23	0.10	
Nonperforming assets to total assets(4)	0.23	0.18		0.23	0.18	
Allowance for loan losses to non-purchased loans(5)	0.67	0.73		0.67	0.73	
Other information:						
Non-accrual loans(4)	$ 34,762	$ 12,899		$ 34,762	$ 12,899	
Accruing loans - 90 days past due(4)	—	—		—	—	
Troubled and restructured non-purchased loans - accruing(4)	627	—		627	—	
Impaired purchased loans	7,801	10,019		7,801	10,019	

(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

	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18
Earnings Summary:								
Net interest income	$ 190,771	$ 202,105	$ 209,722	$ 214,831	$ 217,776	$ 224,661	$ 220,614	$ 228,382
Federal tax (FTE) adjustment	3,594	3,396	3,014	2,450	1,166	1,151	1,132	1,219
Net interest income (FTE)	194,365	205,501	212,736	217,281	218,942	225,812	221,746	229,601
Provision for loan losses	(4,933)	(6,103)	(7,777)	(9,279)	(5,567)	(9,610)	(41,949)	(7,271)
Non-interest income	29,058	31,840	32,747	30,213	28,707	27,386	24,121	27,560
Non-interest expense	(78,268)	(83,828)	(84,399)	(86,177)	(93,810)	(89,107)	(102,942)	(94,893)
Pretax income (FTE)	140,222	147,410	153,307	152,038	148,272	154,481	100,976	154,997
FTE adjustment	(3,594)	(3,396)	(3,014)	(2,450)	(1,166)	(1,151)	(1,132)	(1,219)
Provision for income taxes	(47,417)	(53,488)	(54,246)	(3,434)	(33,973)	(38,589)	(25,665)	(38,750)
Noncontrolling interest	(23)	6	(40)	10	11	10	1	3
Net income available to common stockholders	$ 89,188	$ 90,532	$ 96,007	$ 146,164	$ 113,144	$ 114,751	$ 74,180	$ 115,031
Earnings per common share – diluted	$ 0.73	$ 0.73	$ 0.75	$ 1.14	$ 0.88	$ 0.89	$ 0.58	$ 0.89
Non-interest Income:								
Service charges on deposit accounts	$ 11,301	$ 11,764	$ 9,729	$ 10,058	$ 9,525	$ 9,704	$ 9,730	$ 10,585
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
BOLI income	4,464	4,594	4,453	5,166	7,580	5,259	5,321	5,751
Other income from purchased loans	3,737	4,777	2,933	2,009	1,251	2,744	1,418	2,370
Loan service, maintenance and other fees	2,706	3,427	5,274	4,289	4,743	5,641	4,724	5,245
Gains (losses) on sales of other assets	1,619	672	1,363	1,899	1,426	844	(518)	465
Net gains on investment securities	—	404	2,429	1,201	17	—	—	—
Other	2,026	2,715	3,191	2,568	1,880	1,602	1,692	1,303
Total non-interest income	$ 29,058	$ 31,840	$ 32,747	$ 30,213	$ 28,707	$ 27,386	$ 24,121	$ 27,560
Non-interest Expense:								
Salaries and employee benefits	$ 38,554	$ 39,892	$ 35,331	$ 38,417	$ 45,499	$ 41,665	$ 41,477	$ 41,837
Net occupancy expense	13,192	12,937	13,595	13,474	14,150	13,827	14,358	14,027
Other operating expenses	26,522	30,999	35,473	34,286	34,161	33,615	47,107	39,029
Total non-interest expense	$ 78,268	$ 83,828	$ 84,399	$ 86,177	$ 93,810	$ 89,107	$ 102,942	$ 94,893
Balance Sheet Data:								
Total assets	$19,152,212	$20,064,589	$20,768,493	$21,275,647	$22,039,439	$22,220,380	$22,086,539	$22,388,030
Non-purchased loans	10,216,875	11,025,203	12,047,094	12,733,937	13,674,561	14,183,533	14,440,623	15,073,791
Purchased loans	4,580,047	4,159,139	3,731,536	3,309,092	2,934,535	2,580,341	2,285,168	2,044,032
Investment securities	1,470,568	2,101,751	1,975,102	2,622,796	2,612,961	2,617,859	2,706,156	2,888,281
Deposits	15,713,427	16,241,440	16,823,359	17,192,345	17,833,672	17,897,085	17,822,915	17,938,415
Unfunded balance of closed loans	11,258,762	11,883,679	12,519,839	13,192,439	12,551,032	11,999,661	11,891,247	11,364,975
Common stockholders' equity	2,873,317	3,260,123	3,334,740	3,460,728	3,526,605	3,613,903	3,653,596	3,770,330
Allowance for Loan Losses:								
Balance at beginning of period	$ 76,541	$ 78,224	$ 82,320	$ 86,784	$ 94,120	$ 98,097	$ 104,638	$ 98,200
Net charge-offs	(3,250)	(2,007)	(3,313)	(1,943)	(1,590)	(3,069)	(48,387)	(3,207)
Provision for loan losses	4,933	6,103	7,777	9,279	5,567	9,610	41,949	7,271
Balance at end of period	$ 78,224	$ 82,320	$ 86,784	$ 94,120	$ 98,097	$ 104,638	$ 98,200	$ 102,264
Selected Ratios:								
Net interest margin – FTE(1)	4.88%	4.99%	4.84%	4.72%	4.69%	4.66%	4.47%	4.55%
Efficiency ratio	35.03	35.32	34.38	34.82	37.88	35.19	41.87	36.90
Net charge-offs to average non-purchased loans(1) (2)	0.05	0.03	0.08	0.08	0.04	0.05	1.32	0.06
Net charge-offs to average total loans(1)	0.09	0.05	0.09	0.05	0.04	0.07	1.14	0.07
Nonperforming loans to total loans(3)	0.11	0.11	0.11	0.10	0.09	0.10	0.23	0.23
Nonperforming assets to total assets(3)	0.25	0.23	0.20	0.18	0.16	0.15	0.23	0.23
Allowance for loan losses to total non-purchased loans(4)	0.75	0.73	0.71	0.73	0.71	0.73	0.67	0.67
Loans past due 30 days or more, including past due non-accrual loans, to total loans(3)	0.16	0.15	0.12	0.15	0.14	0.12	0.17	0.28

(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 December 31,						Year Ended December 31,					
	2018			2017			2018			2017		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	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	$ 102,931	$ 590	2.27%	$ 56,500	$ 268	1.88%	$ 160,148	$ 3,039	1.90%	$ 81,504	$ 656	0.81%
Investment securities:												
Taxable	2,335,512	14,642	2.49	1,818,633	9,661	2.11	2,143,455	50,021	2.33	1,158,519	25,460	2.20
Tax-exempt – FTE	516,512	4,988	3.83	577,614	6,680	4.59	537,616	20,497	3.81	714,329	34,508	4.83
Non-purchased loans – FTE	14,874,156	237,615	6.34	12,293,725	178,638	5.76	14,040,952	858,466	6.11	10,979,369	607,925	5.54
Purchased loans	2,170,489	35,453	6.48	3,528,823	56,303	6.33	2,633,271	173,465	6.59	4,175,146	276,499	6.62
Total earning assets – FTE	19,999,600	293,288	5.82	18,275,295	251,550	5.46	19,515,442	1,105,488	5.66	17,108,867	945,048	5.52
Non-interest earning assets	2,319,305			2,345,373			2,395,813			2,545,797		
Total assets	$ 22,318,905			$ 20,620,668			$ 21,911,255			$ 19,654,664		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,594,919	$ 33,200	1.37%	$ 9,409,297	$ 18,052	0.76%	$ 9,983,075	$ 118,771	1.19%	$ 8,587,404	$ 53,496	0.62%
Time deposits of $100 or more	3,204,627	14,595	1.81	3,043,311	8,218	1.07	3,183,108	47,691	1.50	3,164,843	31,222	0.99
Other time deposits	2,124,920	8,813	1.65	1,452,325	2,880	0.79	1,651,960	20,155	1.22	1,560,035	11,365	0.73
Total interest bearing deposits	14,924,466	56,608	1.50	13,904,933	29,150	0.83	14,818,143	186,617	1.26	13,312,282	96,083	0.72
Repurchase agreements with customers	36,680	26	0.29	74,233	38	0.21	101,682	785	0.77	75,915	132	0.17
Other borrowings	400,874	2,193	2.17	124,340	574	1.83	166,937	3,017	1.81	62,988	1,305	2.07
Subordinated notes	223,230	3,216	5.71	222,846	3,190	5.68	223,089	12,757	5.72	222,705	12,620	5.67
Subordinated debentures	119,284	1,644	5.47	118,723	1,317	4.40	119,076	6,211	5.22	118,515	5,024	4.24
Total interest bearing liabilities	15,704,534	63,687	1.61	14,445,075	34,269	0.94	15,428,927	209,387	1.36	13,792,405	115,164	0.83
Non-interest bearing liabilities:												
Non-interest bearing deposits	2,712,858			2,729,090			2,695,623			2,652,895		
Other non-interest bearing liabilities	206,434			77,588			185,035			78,684		
Total liabilities	18,623,826			17,251,753			18,309,585			16,523,984		
Common stockholders' equity	3,692,044			3,365,848			3,598,628			3,127,576		
Noncontrolling interest	3,035			3,067			3,042			3,104		
Total liabilities and stockholders' equity	$ 22,318,905			$ 20,620,668			$ 21,911,255			$ 19,654,664		
Net interest income – FTE		$ 229,601			$ 217,281			$ 896,101			$ 829,884	
Net interest margin – FTE			4.55%			4.72%			4.59%			4.85%

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 December 31,		Year Ended December 31,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Net income available to common stockholders	$ 115,031	$ 146,164	$ 417,106	$ 421,891
Average common stockholders' equity before noncontrolling interest	$ 3,692,044	$ 3,365,848	$ 3,598,628	$ 3,127,576
Less average intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,632)
Core deposit and other intangibles, net of accumulated amortization	(37,654)	(49,927)	(42,315)	(54,702)
Total average intangibles	(698,443)	(710,716)	(703,104)	(715,334)
Average tangible common stockholders' equity	$ 2,993,601	$ 2,655,132	$ 2,895,524	$ 2,412,242
Return on average common stockholders' equity[1]	12.36%	17.23%	11.59%	13.49%
Return on average tangible common stockholders' equity[1]	15.24%	21.84%	14.41%	17.49%

[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

	December 31,	
	2018	2017
	(In thousands, except per share amounts)	
Total common stockholders' equity before noncontrolling interest	$ 3,770,330	$ 3,460,728
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(35,672)	(48,251)
Total intangibles	(696,461)	(709,040)
Total tangible common stockholders' equity	$ 3,073,869	$ 2,751,688
Shares of common stock outstanding	128,611	128,288
Book value per common share	$ 29.32	$ 26.98
Tangible book value per common share	$ 23.90	$ 21.45

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

	December 31, 2018	December 31, 2017
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	$ 3,770,330	$ 3,460,728
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(35,672)	(48,251)
Total intangibles	(696,461)	(709,040)
Total tangible common stockholders' equity	$ 3,073,869	$ 2,751,688
Total assets	$ 22,388,030	$ 21,275,647
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(35,672)	(48,251)
Total intangibles	(696,461)	(709,040)
Total tangible assets	$ 21,691,569	$ 20,566,607
Ratio of total common stockholders' equity to total assets	16.84%	16.27%
Ratio of total tangible common stockholders' equity to total tangible assets	14.17%	13.38%

Exhibit 99.2

MANAGEMENT COMMENTS FOR THE FOURTH QUARTER & FULL YEAR 2018

JANUARY 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; future 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, 2017 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 fourth quarter and full year of 2018. We executed well during the quarter, as our net income was $115.0 million and our annualized return on average assets was 2.04%. Our non-purchased loans grew $633 million during the quarter, and we had $1.1 billion of Real Estate Specialties Group ("RESG") originations, while continuing to adhere to our high standards of lending. Our deep industry and market knowledge and relationships with our sponsors gives us a unique ability to win business based on our service and expertise without sacrificing our standards. RESG continues to be a leader in commercial real estate finance nationally, and the discipline we demonstrated in 2018 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. For the full year 2018, our non-purchased loan growth was diversified across Indirect RV & Marine ($1,034 million), RESG ($908 million) and Community Banking ($345 million).

In the fourth quarter, our yield on non-purchased loans increased 27 basis points ("bps") to 6.34%. Our "core spread," which is the term we use to describe the difference between our yield on non-purchased loans and our cost of interest-bearing deposits ("COIBD"), increased 13 bps to 4.84%.

Our asset quality remains excellent as we continue to have net charge-off ratios below industry averages. For the quarter just ended, our annualized net charge-off ratio for total loans was 0.07%. For the full year 2018, including the 3rd quarter charge-offs, our net charge-off ratio for total loans was 0.34%, which was approximately 70% of the most recently available annualized industry ratio.

Our net income for the quarter just ended decreased 21.3% from $146.2 million in the fourth quarter of 2017, which included a one-time income tax benefit of $49.8 million. That tax benefit was a result of our revaluation in the fourth quarter of 2017 of our net deferred tax liability position to reflect the reduction in our federal corporate income tax rate from 35% to 21% due to the Tax Cuts and Jobs Act enacted on December 22, 2017. Our net income for the quarter just ended was a record quarterly result, if you exclude the one-time income tax benefit from our fourth quarter 2017 results.

For the full year of 2018, our net income was $417.1 million, our annualized return on average assets was 1.90%, and our annualized returns on average common stockholders' equity and tangible common stockholders' equity were 11.59% and 14.41%[1], respectively. Our net income for 2018 decreased 1.1% from $421.9 million in 2017. As discussed above, our 2017 net income included the one-time income tax benefit of $49.8 million. Our 2018 net income included pre-tax expenses of approximately $11.7 million related to our name change to Bank OZK, change in our ticker symbol to "OZK," and adoption of a new logo and signage, all as part of a strategic rebranding.

Throughout 2018, we worked very hard enhancing our team, technology and business capabilities. We have done all this while delivering an efficiency ratio of 37.9%, or 36.8%[2] excluding the $11.7 million of one-time rebranding expenses. Our efficiency ratio has been in the top decile in the industry for 16 consecutive years.

We remain focused on delivering long-term value to our shareholders, and we believe that our Bank's capabilities continue to reach new heights. We are excited about our plans for 2019!

[1] 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 schedule at the end of this presentation.
[2] See the schedule at the end of this presentation for the reconciliation of adjusted efficiency ratio.

Profitability and Earnings Metrics

As shown in Figures 1 and 2, our results for 2018 continue our long tradition of excellent net income and returns.

Figure 1: Profitability and Earnings Growth

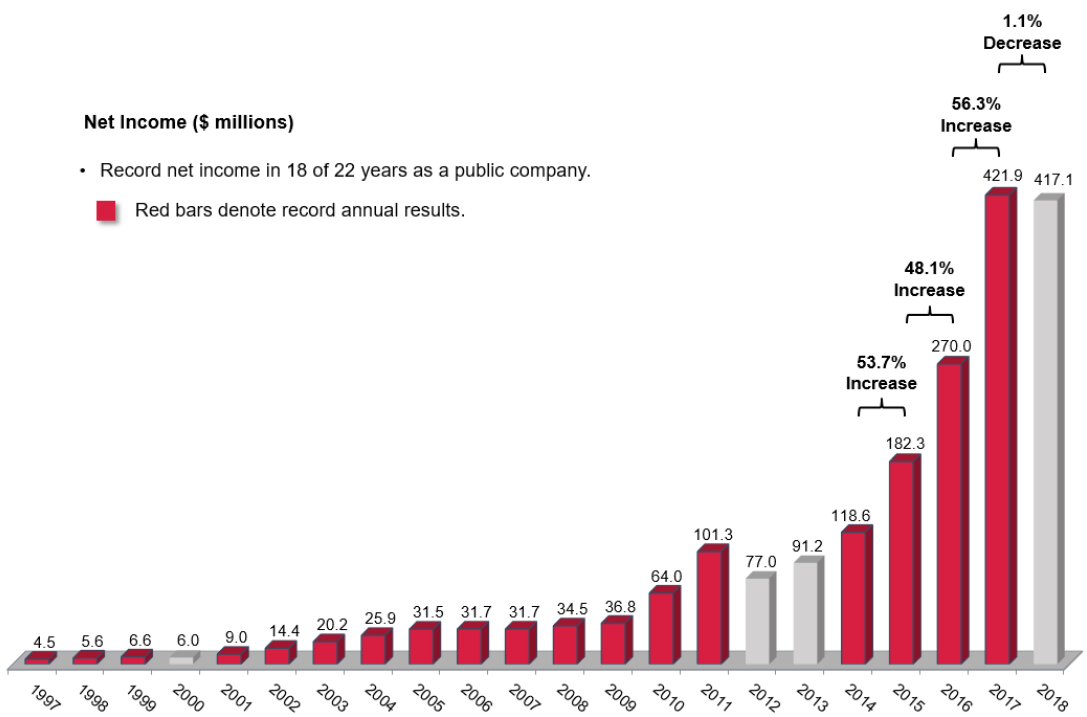
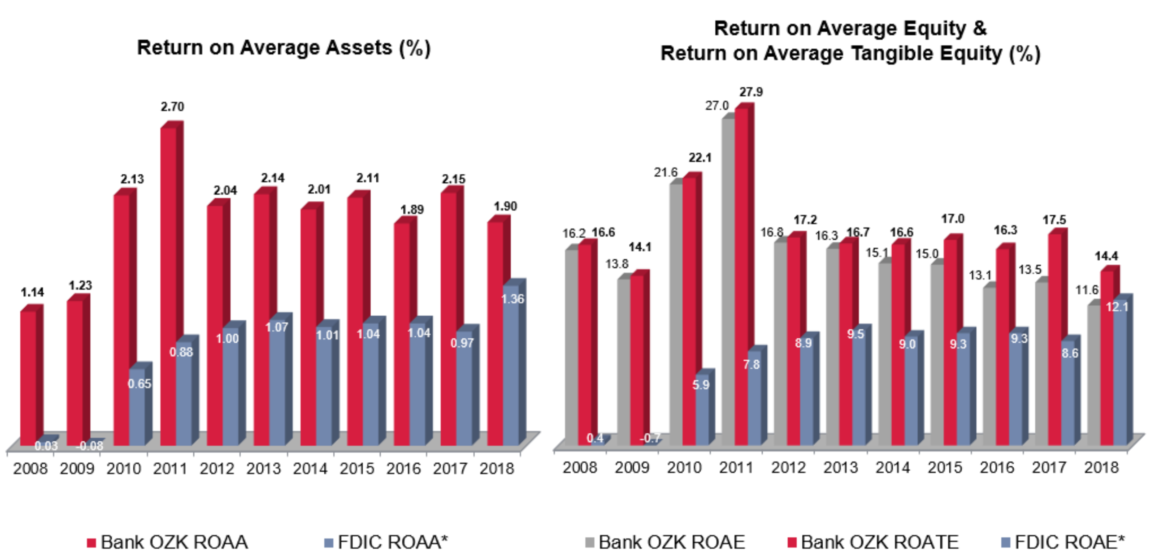


Figure 2: Earnings Metrics



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

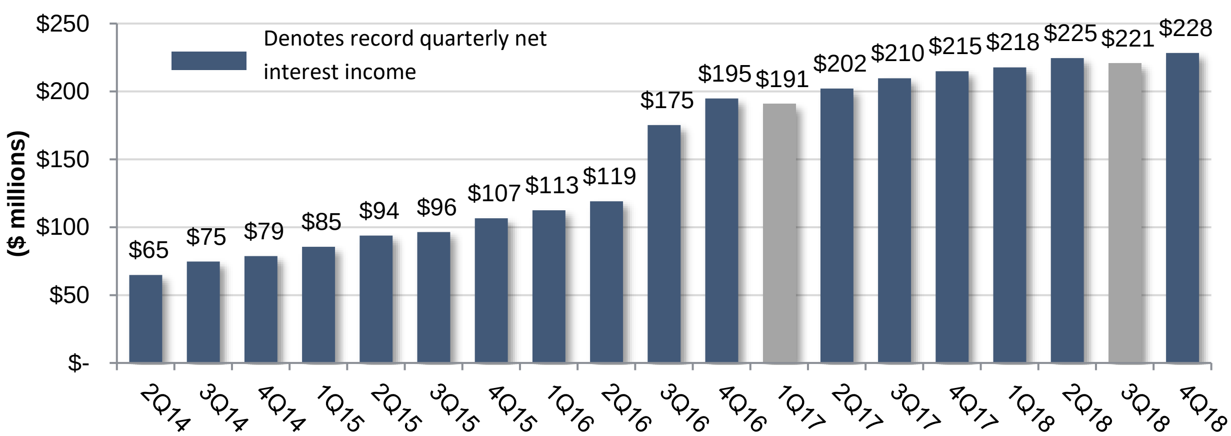
Calculations of return on average tangible common stockholders' equity and the reconciliations to GAAP are included in the schedule at the end of this presentation.

Net Interest Income

We achieved record net interest income in the quarter just ended. Increasing our net interest income is an important objective. It is our largest category of revenue and is affected by many factors. These include 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; loan and deposit betas; and other factors.

We have achieved record net interest income in 17 of the last 19 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 Trends



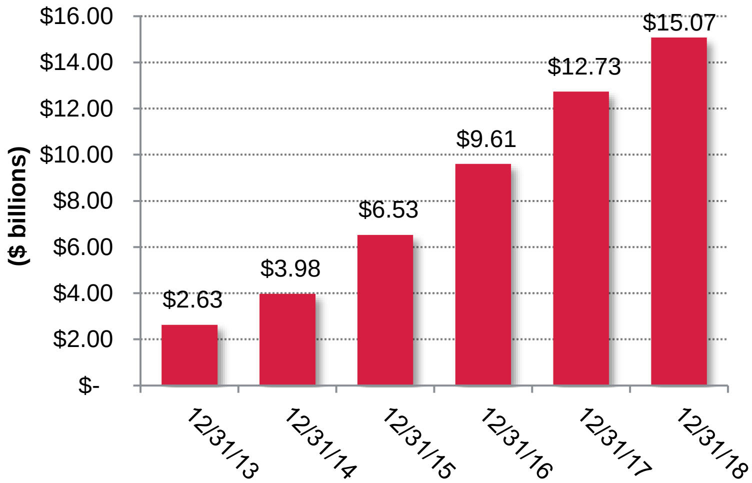
Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled $20.0 billion, an increase of 9.4% compared to the fourth quarter of 2017. Our average earning assets for 2018 were $19.5 billion, an increase of 14.1% compared to 2017. Our growth in average earning assets for both the fourth quarter and full year of 2018 was 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 74.4% of our average earning assets in the quarter just ended. During the quarter, the outstanding balance of our non-purchased loans grew $633 million. For the full year of 2018, non-purchased loans grew $2.34 billion, or 18.4%. We 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 2019 could vary significantly from current expectations due to economic conditions, competition or other factors.

Figure 4: Funded Balance of Non-purchased Loans



Non-purchased loan growth		
	$ Billions	**%**
2013	$0.52	24%
2014	$1.35	51%
2015	$2.55	64%
2016	$3.08	47%
2017	$3.13	33%
2018	$2.34	18%

RESG accounted for 60% of the funded balance of non-purchased loans as of December 31, 2018. Figures 5 and 6 reflect the changes in the funded balance of RESG loans for the fourth quarter and the full year of 2018, respectively.

Figure 5: Activity in RESG Funded Balances – 4Q18

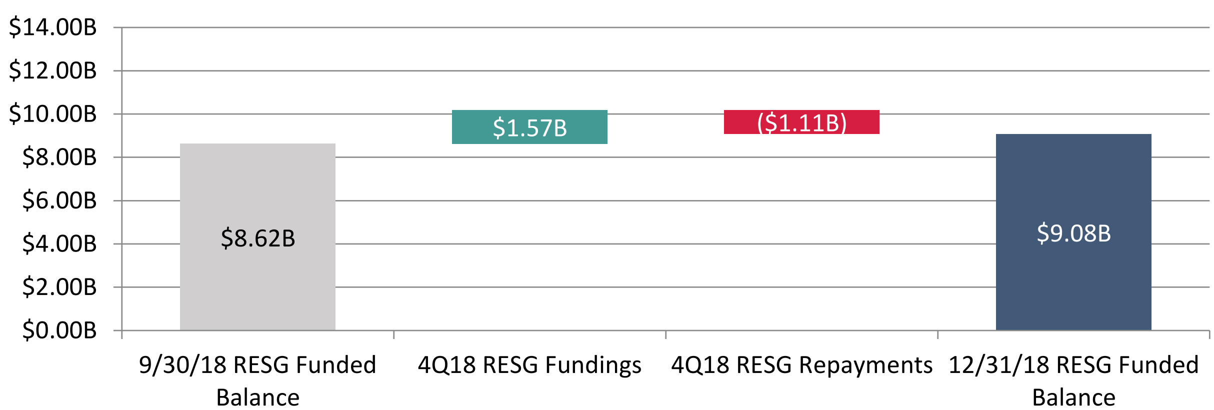


Figure 6: Activity in RESG Funded Balances – FY18

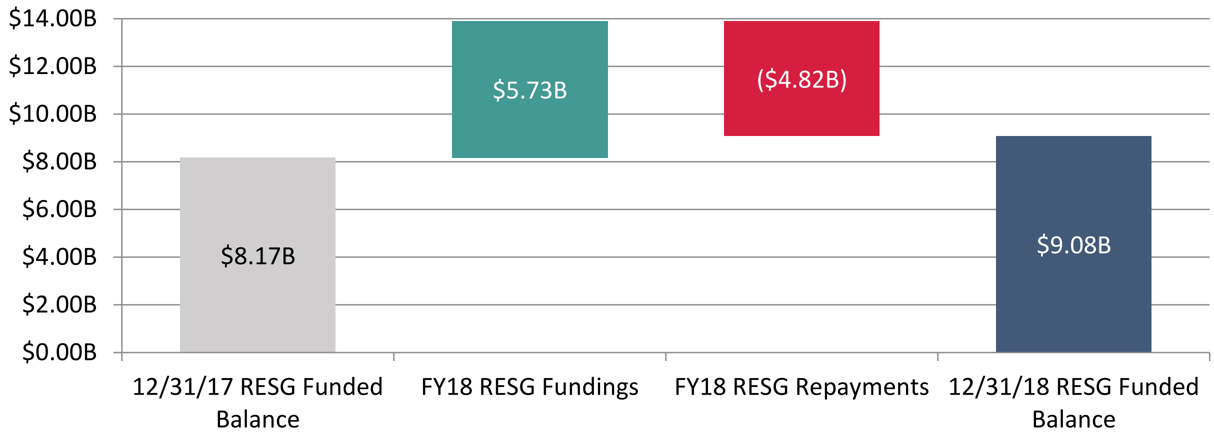


Figure 7 shows RESG's quarterly loan repayments for each of the last 12 quarters. Our 2018 growth in non-purchased loans was limited by the level of RESG loan repayments. However, we were pleased to see several RESG loan repayments, which we thought might occur in the quarter just ended, move to 2019.

Figure 7: RESG Quarterly Loan Repayments

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

RESG loan repayments are expected to remain elevated in 2019, and will likely exceed the level of repayments in 2018. Of course, the level of repayments will vary from quarter-to-quarter and may have an outsized impact in one or more quarters.

Figure 8 shows RESG's quarterly loan originations for each of the last 12 quarters. RESG's lower origination volume in 2018 reflects fewer opportunities meeting RESG's stringent credit quality and return standards. This was due to a combination of competitive conditions and supply/demand dynamics for commercial real estate.

Figure 8: RESG Quarterly Loan Originations

	Q1	Q2	Q3	Q4	Total
FY2016	$1.81B	$1.98B	$1.79B	$2.56B	$8.14B
FY2017	$2.30B	$2.04B	$2.21B	$2.56B	$9.11B
FY2018	$1.00B	$1.19B	$1.47B	$1.08B	$4.74B

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 expect 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 December 31, 2018, RESG accounted for 91% of our $11.4 billion unfunded balance of loans already closed. Figures 9 and 10 reflect the changes in the unfunded balance of our loans already closed, both RESG and others, for the fourth quarter and full year of 2018, respectively. This unfunded balance decreased $1.83 billion during 2018, and will likely decrease again in 2019. This unfunded balance will increase or decrease based on a combination of factors, including, among others, economic, real estate market and competitive conditions.

Figure 9: Activity in Unfunded Balances – 4Q18

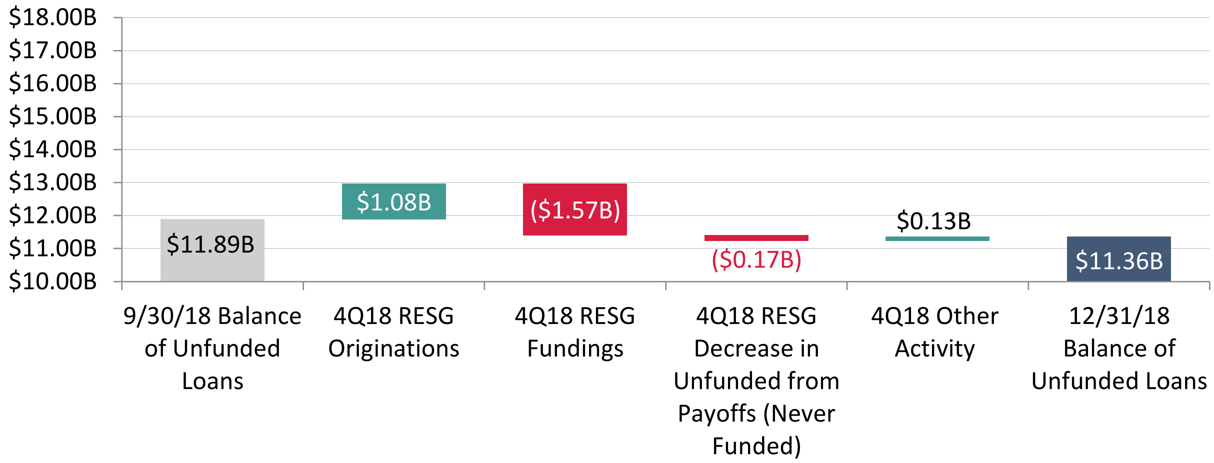
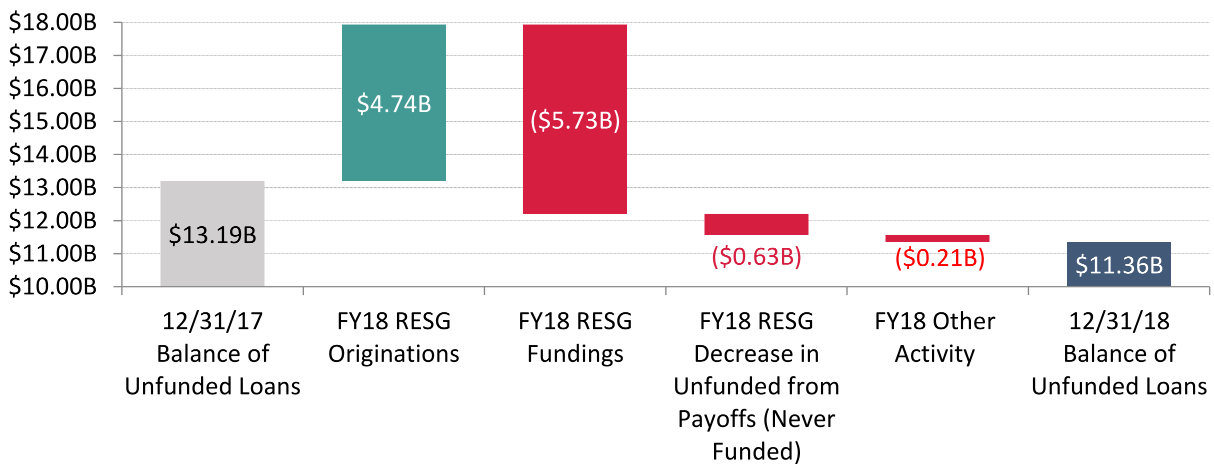


Figure 10: Activity in Unfunded Balances – FY18



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. Our outstanding lending teams achieved non-purchased loan growth of 18% in 2018, while adhering to our stringent credit quality and return standards.

Investment Securities

Our investment securities portfolio is our second largest component of earning assets. In the past seven quarters, we have increased our investment securities portfolio by $1.42 billion, expanding it from $1.47 billion at March 31, 2017 to $2.89 billion at December 31, 2018. 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 have added these securities to enhance our balance sheet liquidity, while also trying to avoid any significant interest rate and market risks. We will continue to make adjustments in our portfolio, and we may further increase our investment securities portfolio in 2019, if market conditions allow us 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 10.9% of our average earning assets in the quarter just ended and 13.5% for the full year of 2018. During 2018, our purchased loans decreased $1.27 billion, or 38.2%, from $3.31 billion at December 31, 2017 to $2.04 billion at December 31, 2018. During the quarter just ended, our purchased loan portfolio decreased $241 million, or 10.6% not annualized. Of course, this purchased loan runoff was generally expected. Purchased loan runoff will continue to be a headwind to overall growth in 2019.

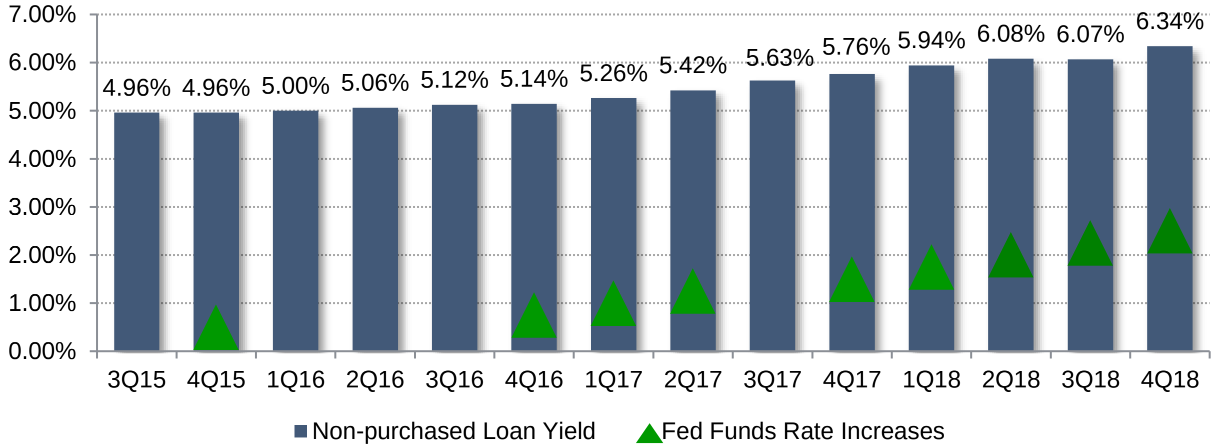
Net Interest Margin

Our net interest margin for the quarter just ended was 4.55%, up eight bps from the third quarter of 2018, but down 17 bps from the fourth quarter of 2017.

Loan Yields

As shown in Figure 11, our yield on non-purchased loans increased 27 bps in the quarter just ended, following an unexpected one basis point decline in the third quarter of 2018. Loan yield includes various items such as amortization of deferred loan fees and deferred originations costs, minimum interest, prepayment penalties and other such items that vary from quarter-to-quarter. Those items were below average in the third quarter of 2018 which diminished non-purchased loan yields in that quarter by approximately two bps, and such items were above average in the fourth quarter of 2018 which enhanced non-purchased loan yields in that quarter by approximately four bps. Our yield on non-purchased loans has generally tended to increase as the Federal Reserve has increased the Fed funds target rate.

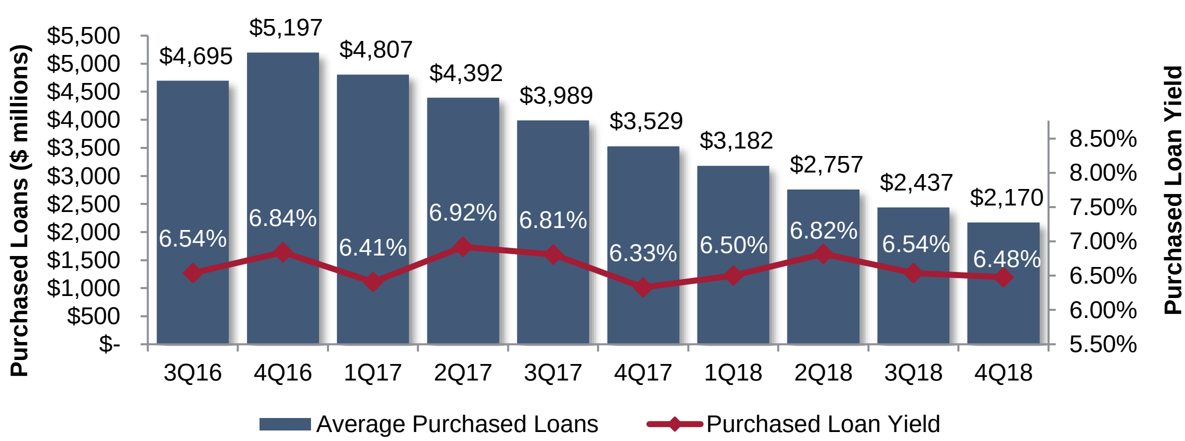
Figure 11: Non-purchased Loan Yield Trends



At December 31, 2018, 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 11.

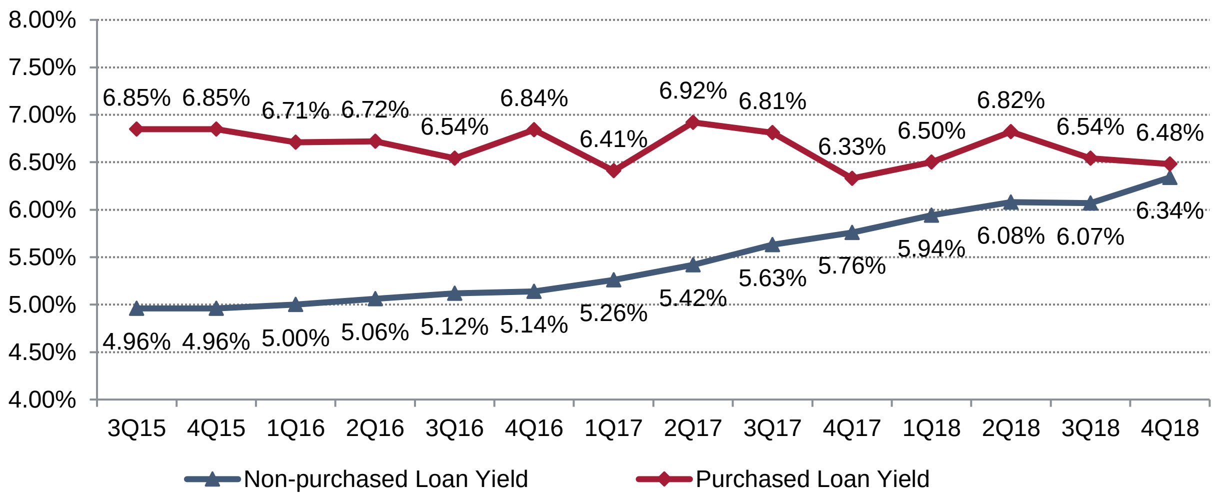
As shown in Figure 12, our purchased loan portfolio is paying down every quarter, and this ongoing reduction in this higher yielding portfolio has steadily put some downward pressure on our net interest margin in recent years.

Figure 12: Quarterly Purchased Loan Average Balances and Yields Since Closing Our Two Latest Acquisitions in July 2016



As shown in Figure 13, the differential in the yield between our purchased loan portfolio and our non-purchased loan portfolio has diminished over time. Of course, purchased loan yields can vary significantly from quarter-to-quarter based on the volume and mix of prepayments within the purchased loan portfolio. Our purchased loan portfolio should benefit, but to a lesser extent than our non-purchased loan portfolio, from rising rates, as 43% of our purchased loans had variable rates as of December 31, 2018.

Figure 13: Convergence of Non-purchased and Purchased Loan Yields

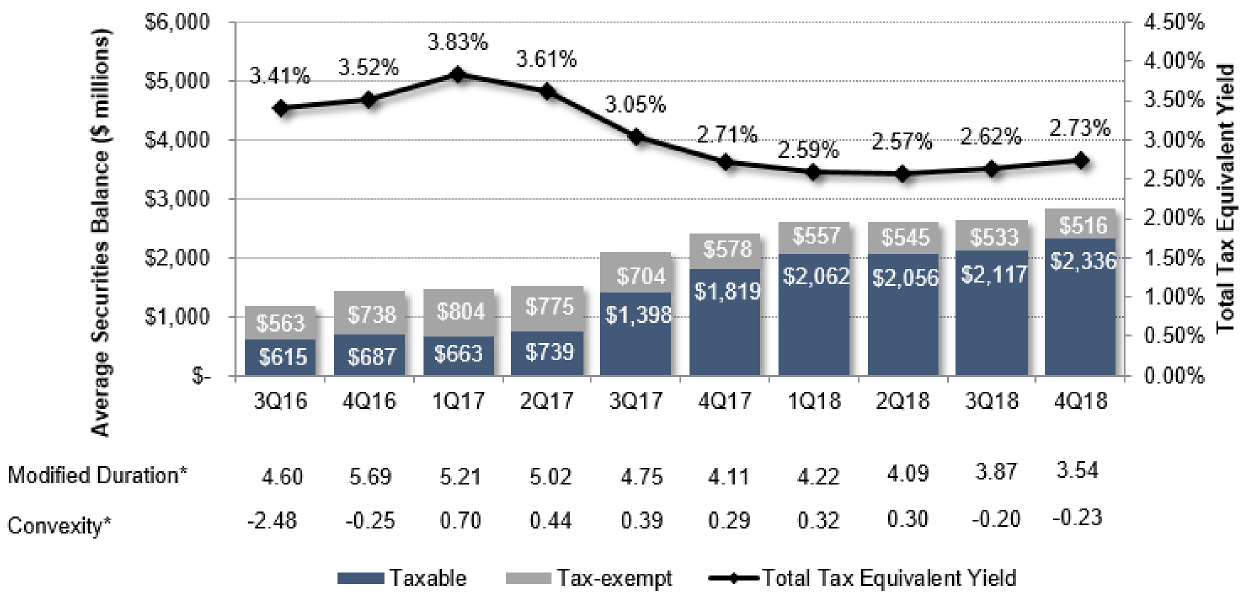


With 76% of our non-purchased loans having variable rates, as compared to just 43% of our purchased loans having variable rates, and assuming that our yields on non-purchased loans increase as expected along with any further increases in the Fed funds target rate, we may reach a point where our yield on non-purchased loans surpasses our yield on purchased loans. If this occurs, it could have positive implications for our net interest margin thereafter.

Investment Portfolio Yields

As shown in Figure 14, we have defensively positioned our investment securities portfolio. The yield on our investment portfolio was 2.63%, on a fully taxable equivalent ("FTE") basis, in 2018, which is a decrease of 57 bps from 3.20% FTE in 2017. This decrease includes the effect of the reduction in the tax-equivalent yield on the tax-exempt portion of our investment portfolio because of the lower tax rates in 2018. As shown in Figure 14, the changing mix of the portfolio contributed to this reduced portfolio yield. Specifically, the average balance of tax-exempt securities decreased from $714 million yielding 4.83% FTE in 2017 to $538 million yielding 3.81% FTE in 2018. The average balance of taxable securities increased from $1.16 billion yielding 2.20% in 2017 to $2.14 billion yielding 2.33% in 2018.

Figure 14: Securities Portfolio Average Balance and FTE Yield

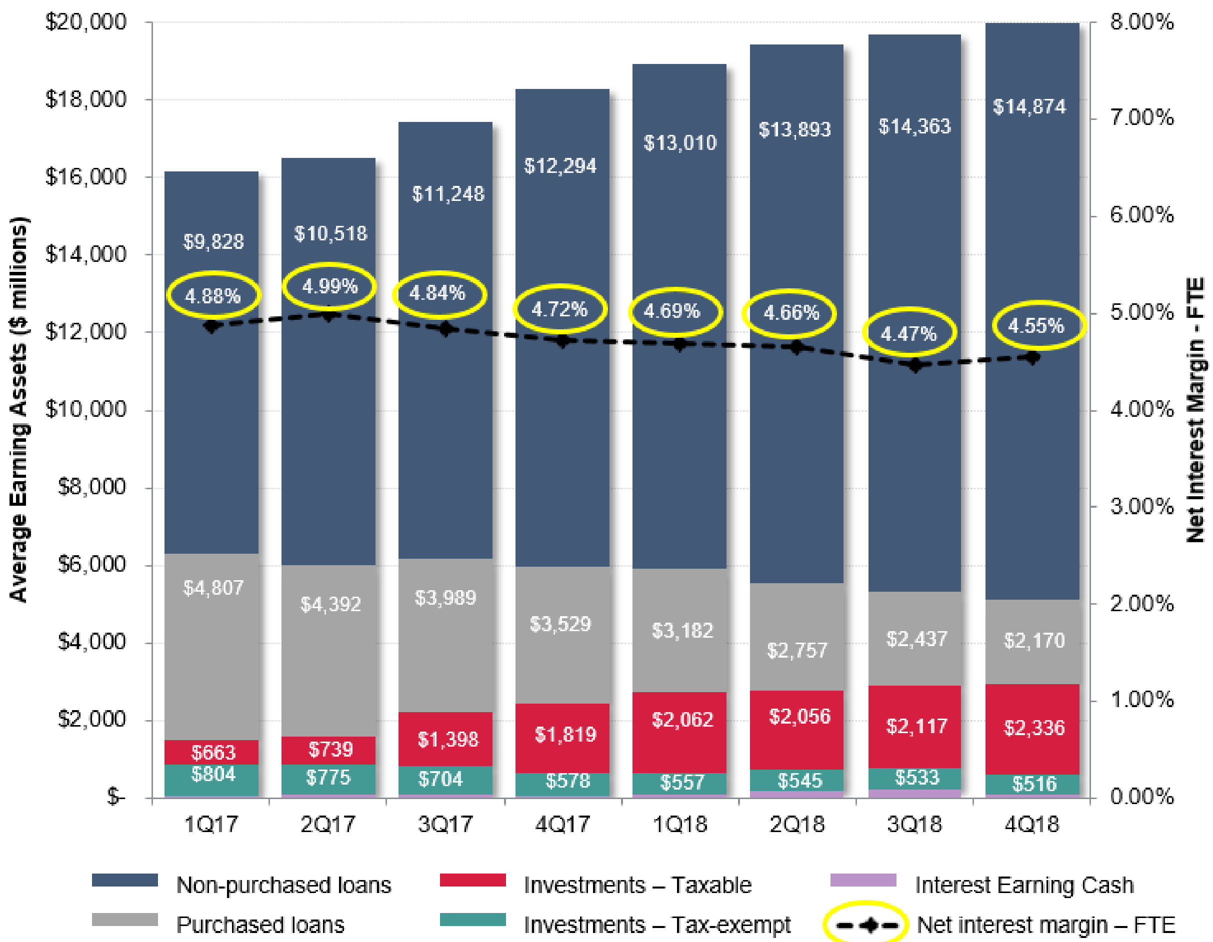


** Modified duration and convexity data as of the end of each respective quarter.*

Earning Asset Mix Impact on Net Interest Margin

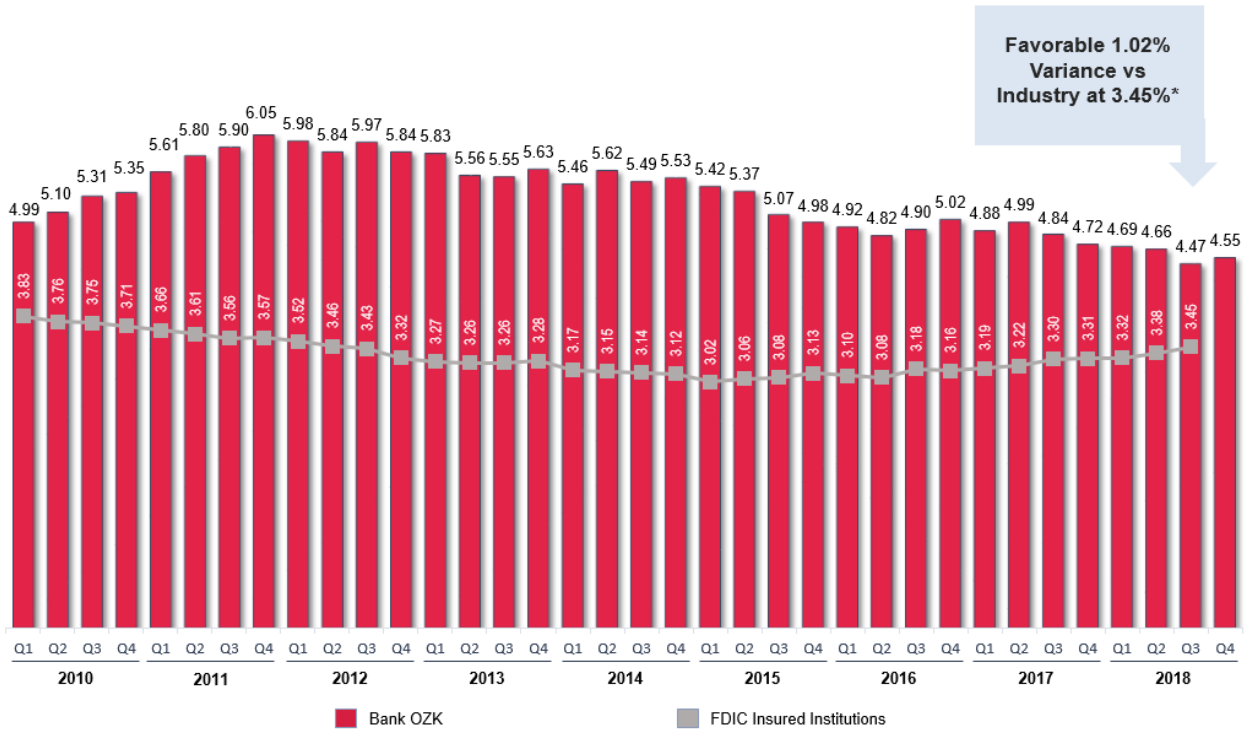
Figure 15 illustrates the dynamic nature of changes in our mix of earning assets, which have affected our net interest margin. This includes growth in our non-purchased loans and taxable investments partially offset by decreases in our volume of purchased loans and tax-exempt investments.

Figure 15: Trends in Average Earning Asset & Net Interest Margin



We continue to perform well versus the industry on net interest margin, as shown in Figure 16.

Figure 16: Top-Decile Net Interest Margin (%)

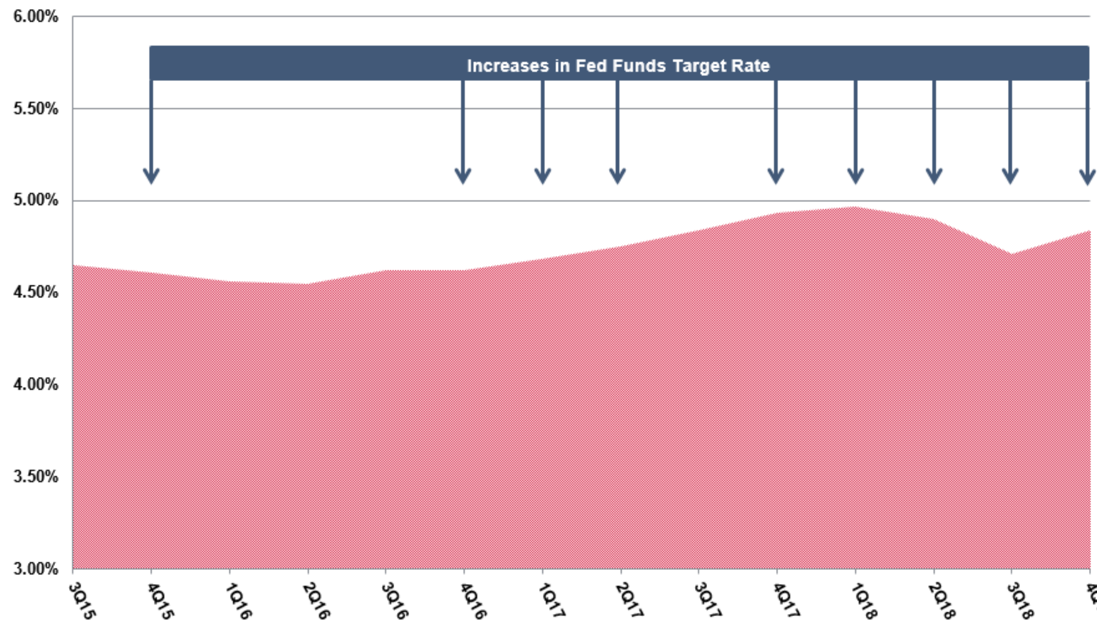


*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update third quarter 2018.

Core Spread

Our core spread has increased 19 bps over the last 13 quarters. It increased in seven of those 13 quarters, all as shown in the box at the bottom of Figure 17.

Figure 17: Core Spread



	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Non-Purchased Loan Yield	4.96%	4.96%	5.00%	5.06%	5.12%	5.14%	5.26%	5.42%	5.63%	5.76%	5.94%	6.08%	6.07%	6.34%
COIBD	0.31%	0.35%	0.44%	0.51%	0.50%	0.52%	0.58%	0.67%	0.79%	0.83%	0.97%	1.18%	1.36%	1.50%
Core Spread	4.65%	4.61%	4.56%	4.55%	4.62%	4.62%	4.68%	4.75%	4.84%	4.93%	4.97%	4.90%	4.71%	4.84%
Quarter-over-quarter trends in core spread		-4 bps	-5 bps	-1 bp	+7 bps	----	+6 bps	+7 bps	+9 bps	+9 bps	+4 bps	-7 bps	-19 bps	+13 bps

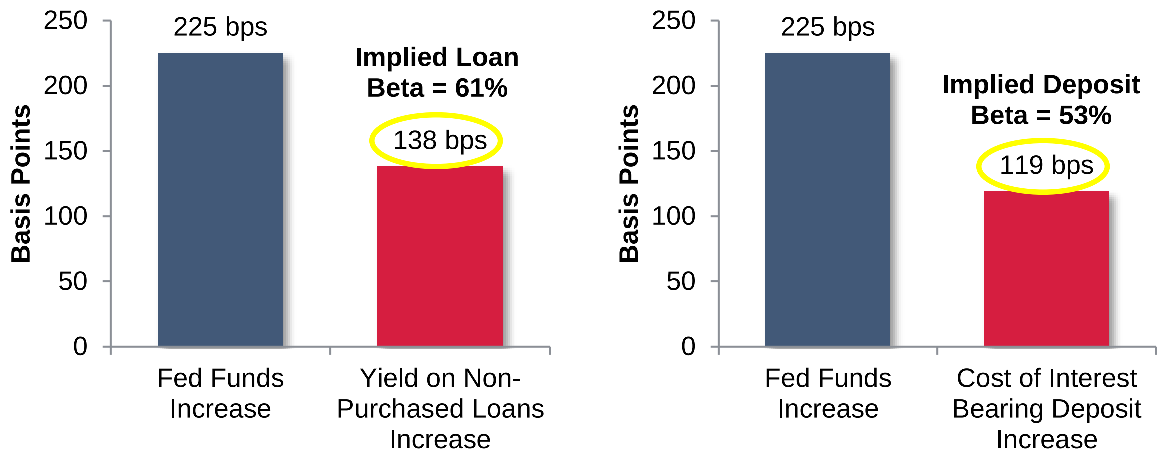
Many factors affect our core spread. We expect that the most meaningful factors in 2019 will be the Federal Reserve's actions related to the Fed funds target rate, relative movement in LIBOR, the shape of the yield curve and competition around loan and deposit pricing. We expect to have quarters in 2019 when our core spread decreases, as it did twice in 2018.

Loan and Deposit Betas

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 cost of interest bearing deposits and borrowings.

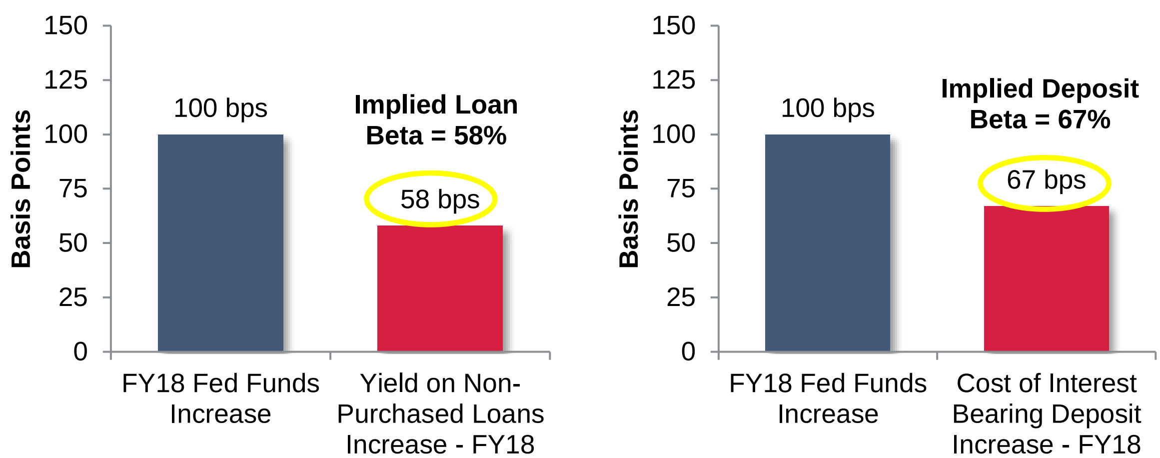
Figure 18 shows our non-purchased loan and deposit betas over the 13 quarters since the Federal Reserve commenced the current round of interest rate increases. During that period, our yield on non-purchased loans has increased 138 bps, more than offsetting the increase of 119 bps in our COIBD, and resulting in an increase of 19 bps in our core spread over those 13 quarters.

Figure 18: Non-purchased Loan and Deposit Betas in Rising Rate Cycle (Last 13 Quarters)



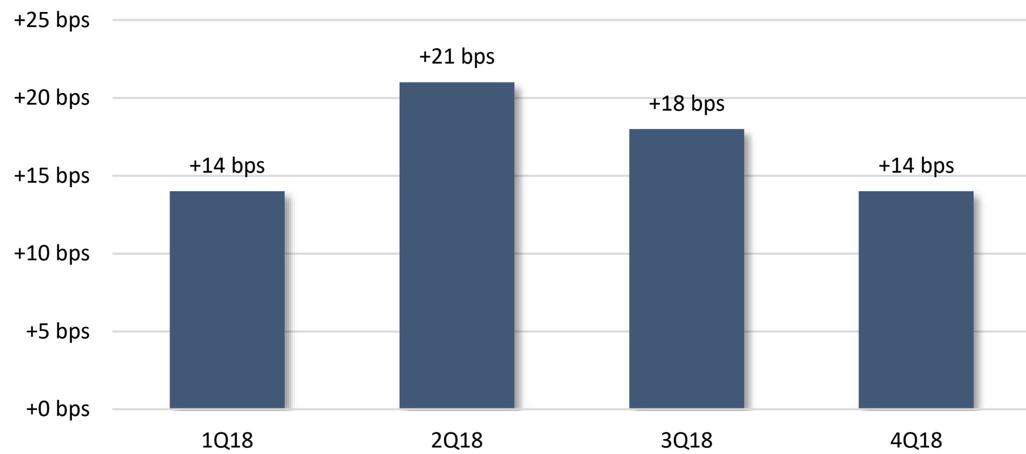
However, in 2018 our implied deposit beta was higher than our implied loan beta, as shown in Figure 19.

Figure 19: Non-Purchased Loan and Deposit Betas (Fiscal Year 2018)



Starting in the third quarter of 2018, we increased our focus on improving future deposit betas. Over the last two quarters, we have given increased attention to 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 are pleased that, as shown in Figure 20, our preliminary efforts have resulted in smaller increases in our COIBD in each of the last two quarters as compared to the second quarter of 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 our increase in our COIBD for the full year of 2019 will be less than 2018, although we believe those improvements will be more evident in the second half of 2019 than the first half.

Figure 20: Quarterly Increases in COIBD



Non-interest Income

Non-interest income was $107.8 million for 2018, a decrease of 13.0% from $123.9 million for 2017. Non-interest income for the fourth quarter of 2018 decreased 8.8% to $27.6 million compared to $30.2 million for the fourth quarter of 2017. Figure 21 reflects non-interest income for the most recent eight quarters.

Our service charges on deposit accounts decreased starting in the third quarter of 2017 due to the Durbin Amendment's impact on our interchange revenue effective July 1, 2017. Our mortgage lending income has declined to essentially nothing because of our decision in December 2017 to exit the secondary market mortgage lending business and the wind down of that business in early 2018.

Figure 21: 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
Service charges on deposit accounts	$ 11,301	$ 11,764	$ 9,729	$ 10,058	$ 9,525	$ 9,704	$ 9,730	$ 10,585
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
BOLI income	4,464	4,594	4,453	5,166	7,580	5,259	5,321	5,751
Other income from purchased loans	3,737	4,777	2,933	2,009	1,251	2,744	1,418	2,370
Loan service, maintenance and other fees	2,706	3,427	5,274	4,289	4,743	5,641	4,724	5,245
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
Other	2,026	2,715	3,191	2,568	1,880	1,602	1,692	1,303
Total non-interest income	$ 29,058	$ 31,840	$ 32,747	$ 30,213	$ 28,707	$ 27,386	$ 24,121	$ 27,560

A number of categories of non-interest income tend to vary significantly from quarter-to-quarter, as evidenced in Figure 21 above by the variation in results for the two most recent quarters, when several items tended to be lower in the third quarter and higher in the fourth quarter of 2018.

Non-interest Expense

Figure 22 summarizes non-interest expense for each of the last eight quarters. As already discussed, we incurred non-interest expense of approximately $11.7 million in 2018 related to our strategic rebranding, including approximately $0.6 million in the second quarter, $10.8 million in the third quarter and $0.3 million in the fourth quarter.

Figure 22: 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
Salaries & employee benefits	$ 38,554	$ 39,892	$ 35,331	$ 38,417	$ 45,499	$ 41,665	$ 41,477	$ 41,837
Net occupancy and equipment	13,192	12,937	13,595	13,474	14,150	13,827	14,358	14,027
Professional and outside services	5,338	6,816	10,018	10,269	8,705	9,112	9,725	8,325
Advertising and public relations	1,190	1,258	1,907	1,634	1,331	1,777	6,977	1,472
Telecommunication services	3,970	3,107	3,321	3,537	3,197	3,487	3,373	3,023
Software and data processing	2,473	2,289	2,982	2,382	3,340	3,110	3,336	3,943
Travel and meals	1,855	2,061	2,223	2,338	2,153	2,498	2,517	2,482
FDIC insurance and state assessments	1,742	3,408	4,381	3,583	3,562	3,558	3,948	3,672
Amortization of inangibles	3,145	3,145	3,145	3,145	3,145	3,145	3,145	3,144
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
Total non-interest expense	$ 78,268	$ 83,828	$ 84,399	$ 86,177	$ 93,810	$ 89,107	$102,942	$ 94,893
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

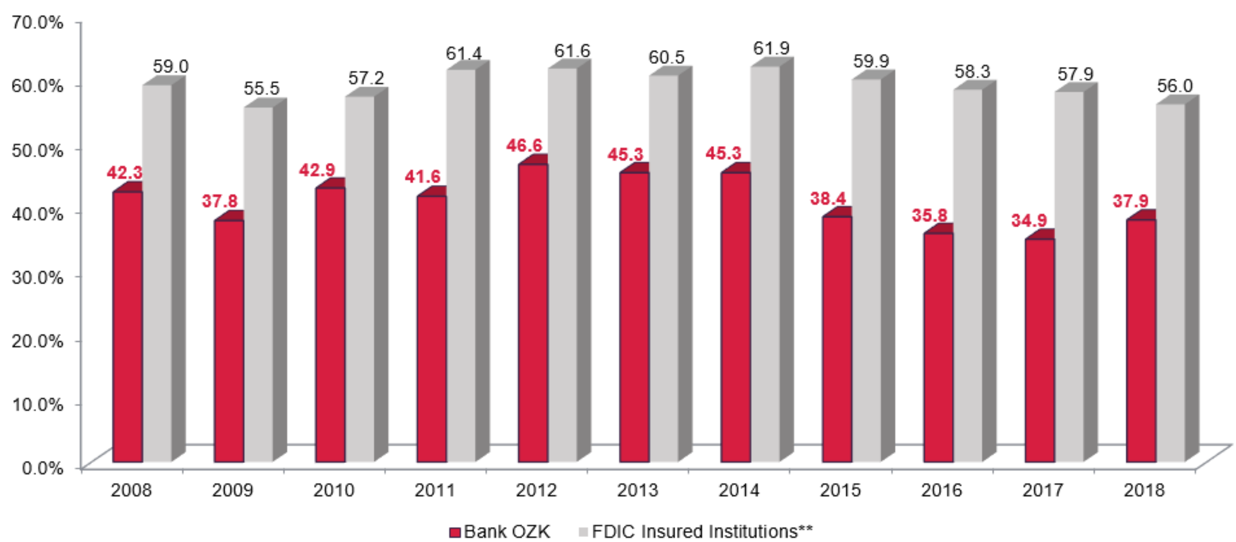
In 2017 and 2018, a significant factor in our increased non-interest expense was our focus on enhancing our infrastructure for information technology, information systems, cybersecurity, business resilience, enterprise risk management, internal audit, compliance, BSA/AML monitoring, training and other 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 made significant progress in 2017 and 2018 with this infrastructure build. We will continue to build our capabilities in these areas to keep pace with our growth and changing industry standards.

A high percentage of our salary adjustments and staff additions often occur during the first quarter of each year and many cost increases such as health insurance premiums occur in the first quarter of the year. Accordingly, increases in our non-interest expense tend to significantly impact our first quarter results.

Efficiency Ratio

Our efficiency ratio has been among the top decile of the industry for 16 consecutive years, as shown in Figure 23. In the quarter just ended, our efficiency ratio was 36.9%. Our efficiency ratio was 37.9% for the full year of 2018, but excluding the $11.7 million of non-interest expenses in the year related to our strategic rebranding, our efficiency ratio for 2018 would have been 36.8%[3].

Figure 23: Top Decile Efficiency (%) for 16 Consecutive Years*



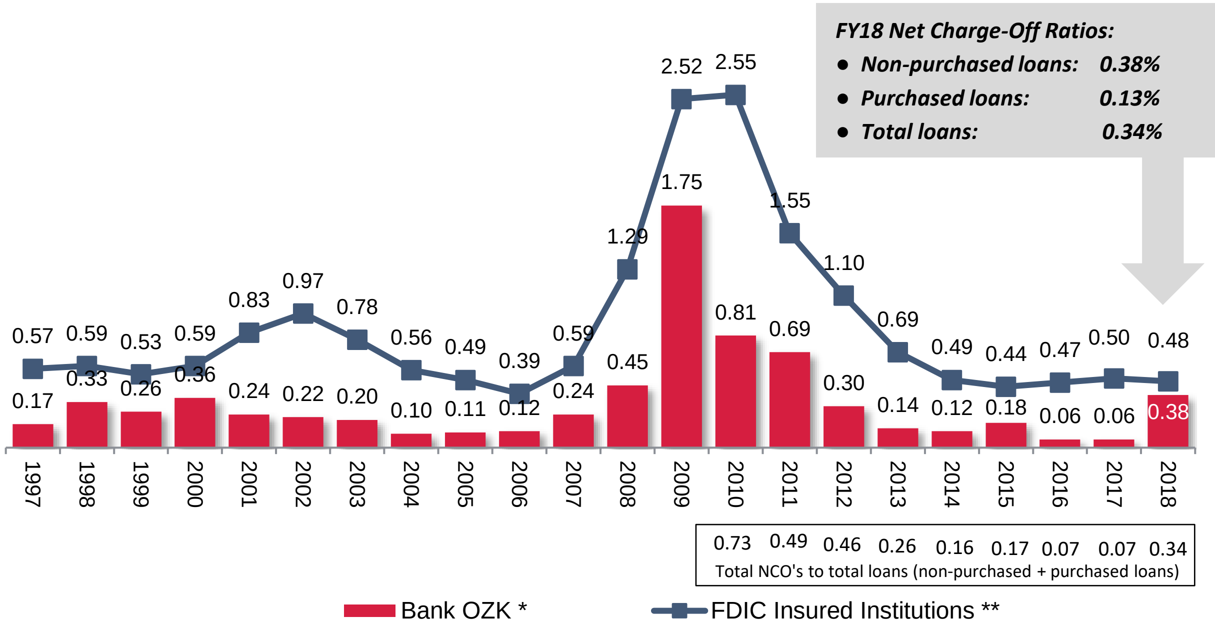
** Data from S&P Global Market Intelligence.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update third quarter 2018.*

[3] See the schedule at the end of this presentation for the reconciliation of adjusted efficiency ratio.

Asset Quality

We continue to have net charge-off ratios below industry averages, as shown in Figure 24. 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 24: 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 third 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 19 bps. You can see those details in Figure 25.

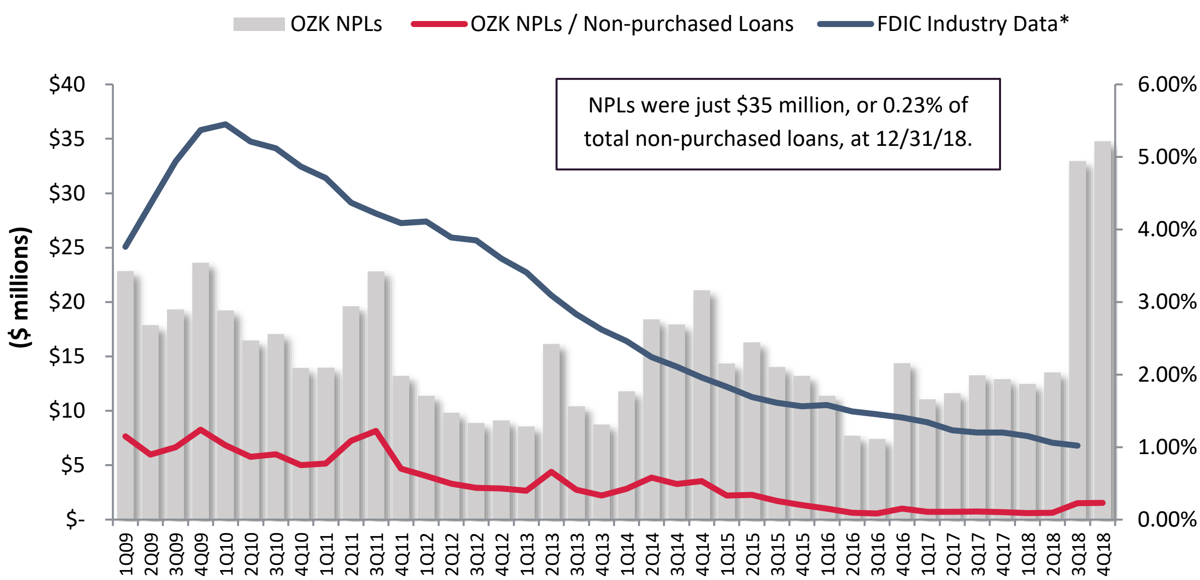
Figure 25 - RESG Historical Net charge-offs (*$ Thousands*)

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%
Total			**$ 56,768**	
Average		**$ 1,900,599**	**$ 3,548**	**0.19%**

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

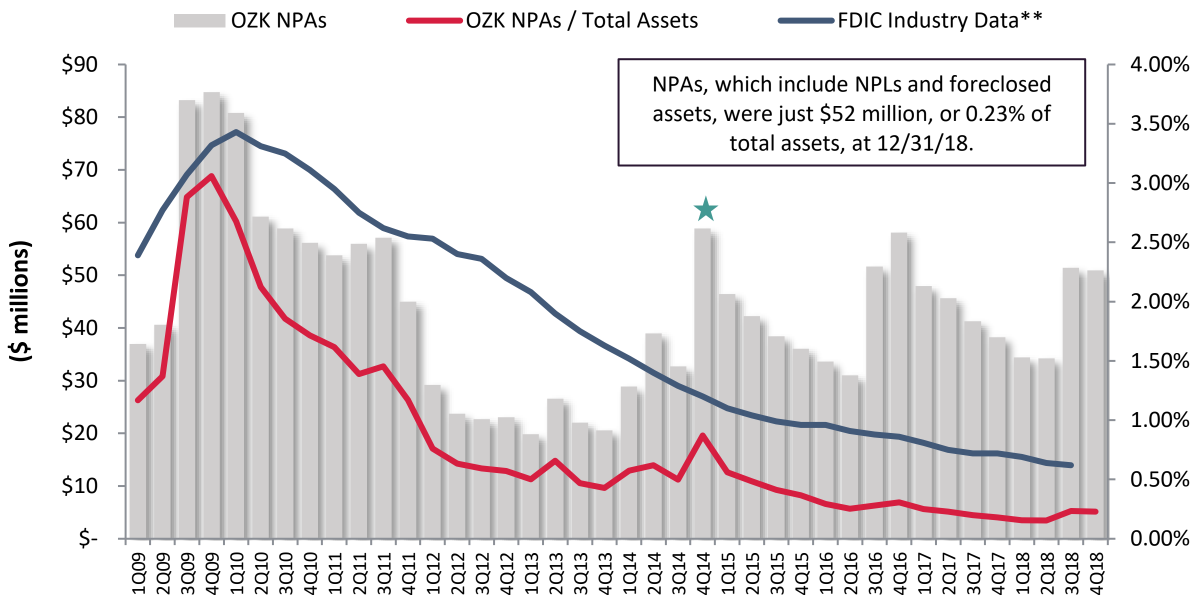
Our very favorable ratios of nonperforming loans, nonperforming assets and past due loans, as shown in Figures 26, 27 and 28, provide additional data points on our asset quality. As you can see, the dollar volumes of our nonperforming loans, nonperforming assets and past due loans have been relatively stable, even as our total non-purchased loans and assets have grown many-fold. Our ratios for nonperforming loans, nonperforming assets and past due loans have generally improved and have been consistently better than the industry's ratios.

Figure 26: Nonperforming Non-purchased Loans ("NPLs")



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

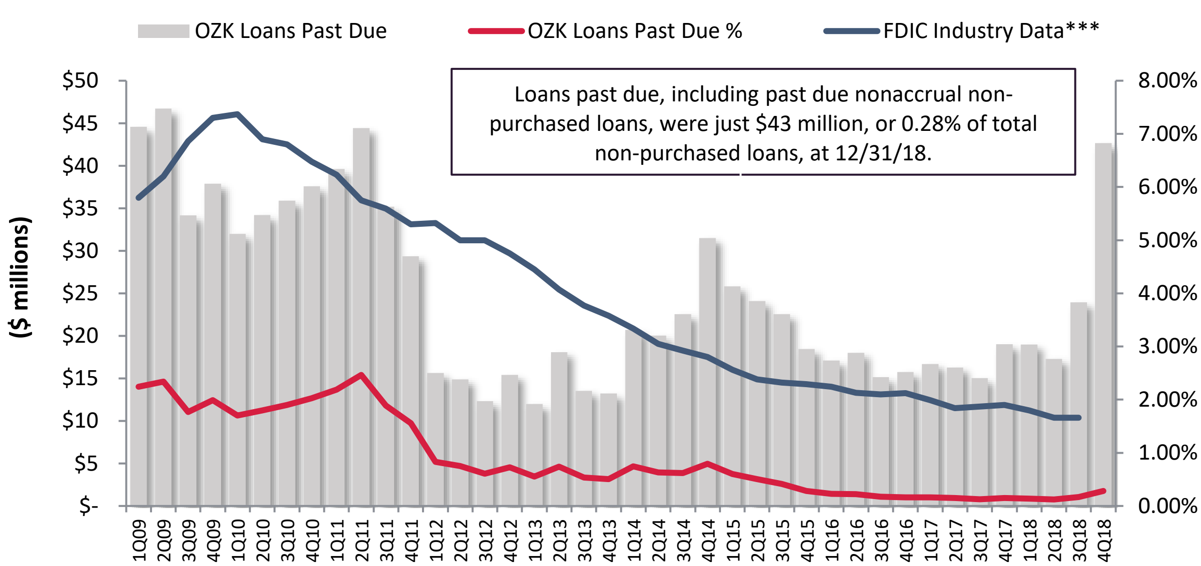
Figure 27: Nonperforming Assets ("NPAs")



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated third quarter 2018. FDIC industry ratio includes 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 28: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due")



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

Additionally, as shown in Figure 29, 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 loans as a percentage of our total risk-based capital ("TRBC") at December 31, 2018 is near the lowest such ratio for the periods shown.

Figure 29: Substandard Non-purchased Loan Trends ($ millions)

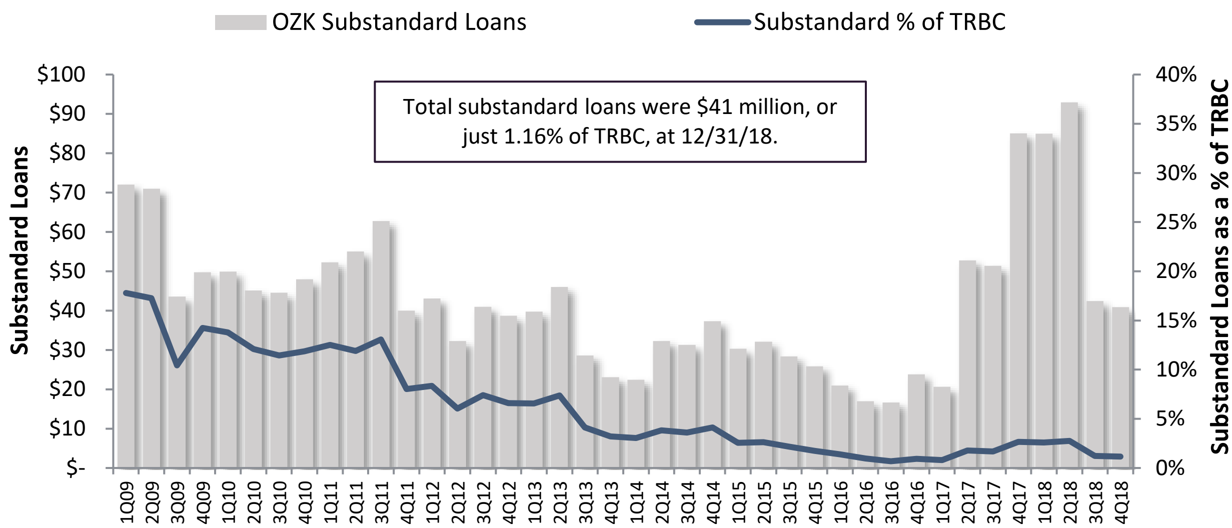
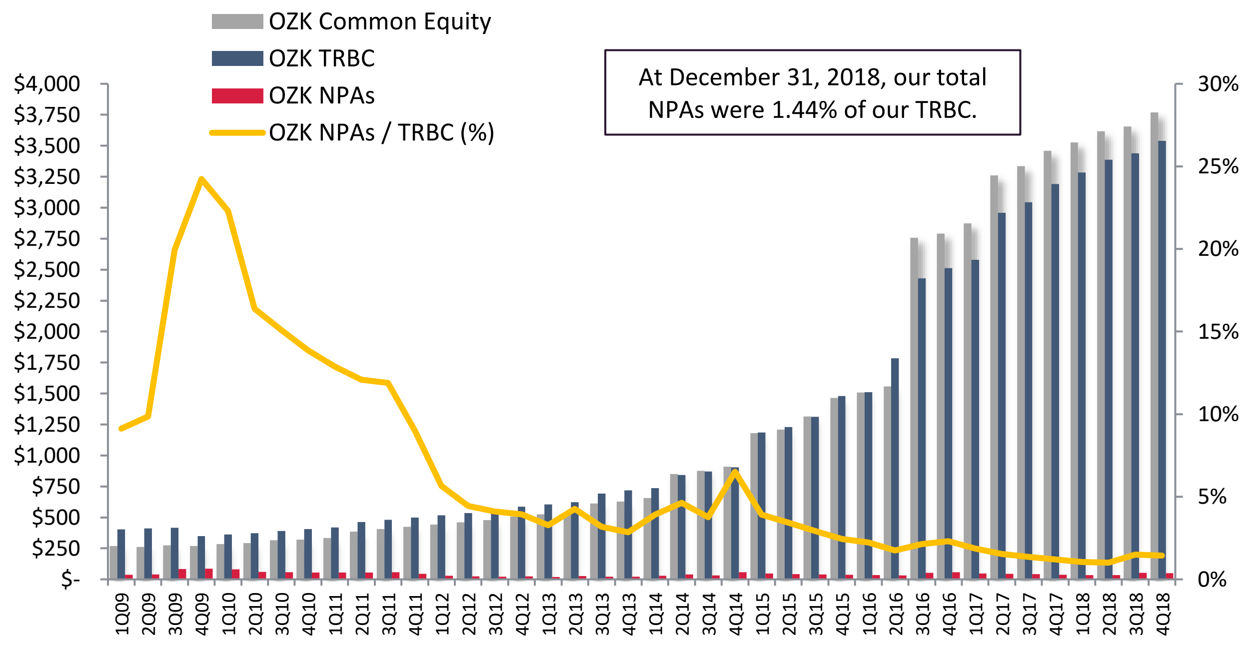


Figure 30 shows the tremendous growth in our common equity and TRBC over the last 10 years, while our volume of total nonperforming assets has generally declined to relatively nominal levels.

Figure 30: Capital vs. NPAs – ($ millions)



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

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 2017, these other loan teams contributed 54% of our non-purchased loan growth and in 2018 these other loan teams contributed 61% of our non-purchased loan growth. Figures 31 and 32 reflect this diversification in our loan growth in the quarter and year just ended. We expect our team handling Indirect RV & Marine lending and certain teams within Community Banking to contribute significantly to our future non-purchased loan growth and portfolio diversification.

Figure 31: Non-purchased Loan Growth – 4Q18

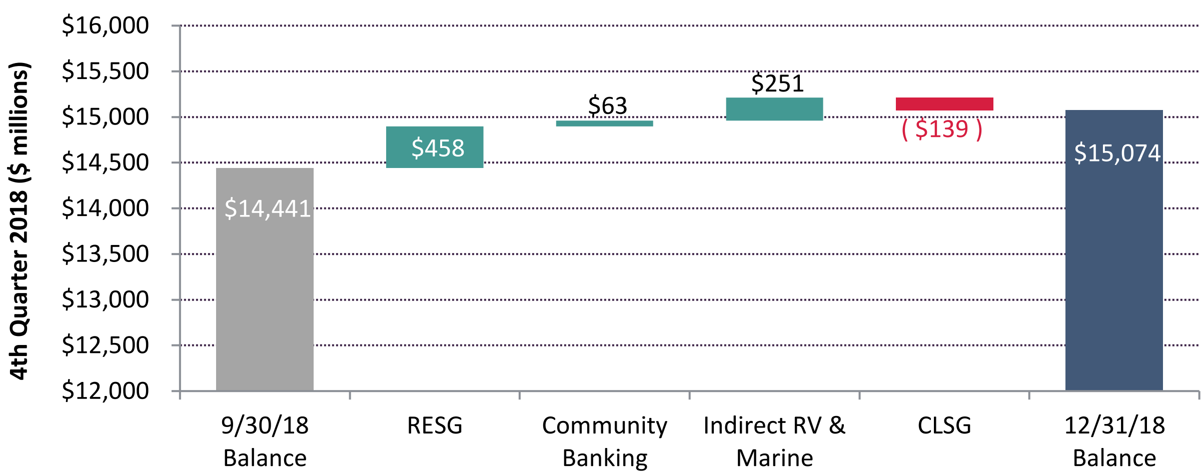
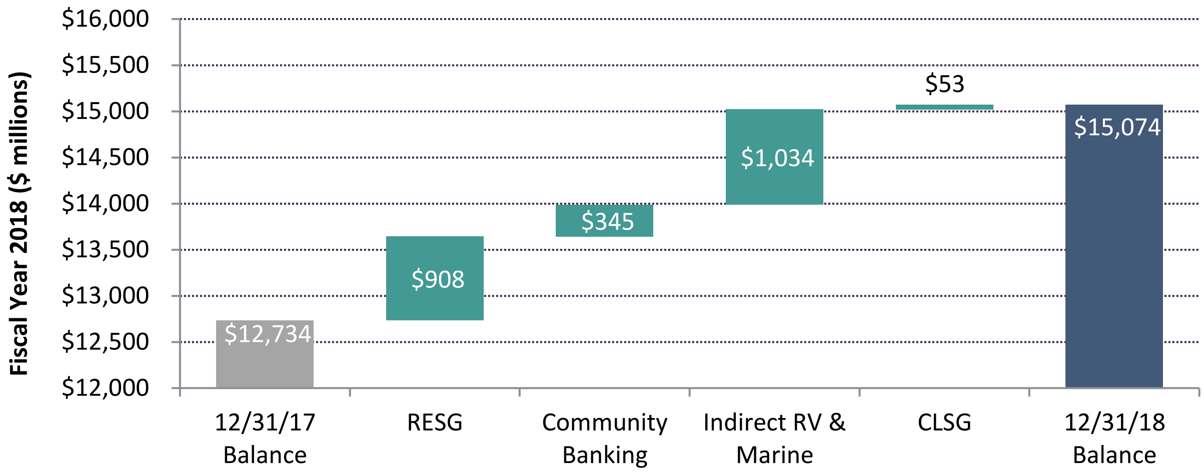
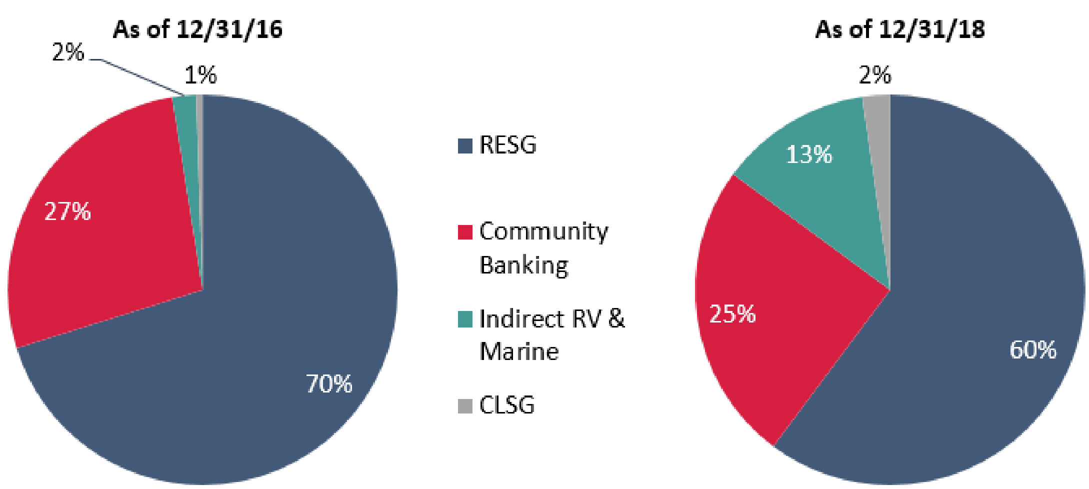


Figure 32: Non-purchased Loan Growth – 2018



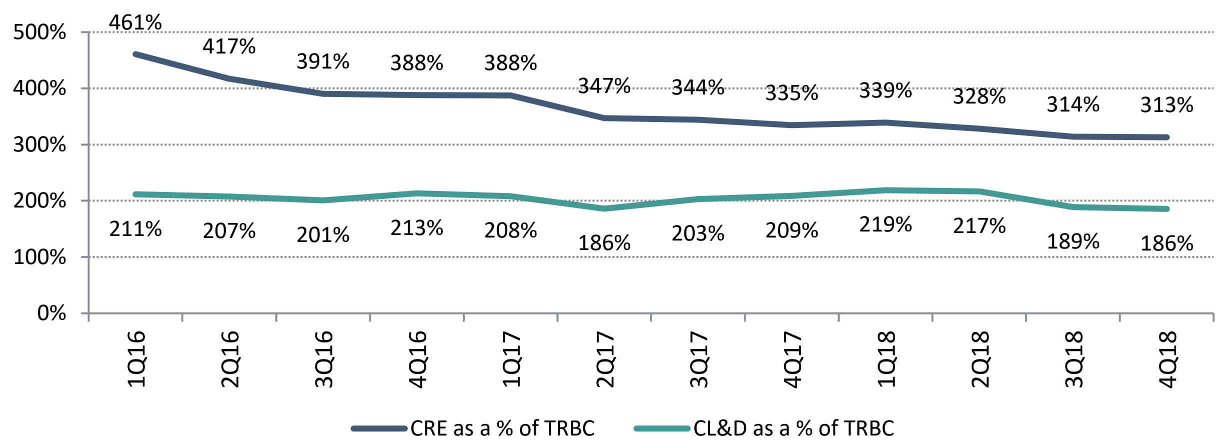
Our more diversified growth in 2017 and 2018, with RESG contributing less than half of our non-purchased loan growth in each of those years, has resulted in our RESG portfolio accounting for 60% of the funded balance of our non-purchased loans at December 31, 2018, as compared to 70% at December 31, 2016.

Figure 33: 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 34. Further growth in our non-CRE lending 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 these categories of loans to continue to grow. However, our increased focus on growing other non-CRE loan categories should result in those categories growing faster, with the result that our CRE and CL&D concentration ratios may continue to decline.

Figure 34: 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 35 and 36.

Figure 35: RESG Portfolio Diversity by Product Type ***(As of December 31, 2018)***
(LTC and LTV ratios assume all loans are fully funded)

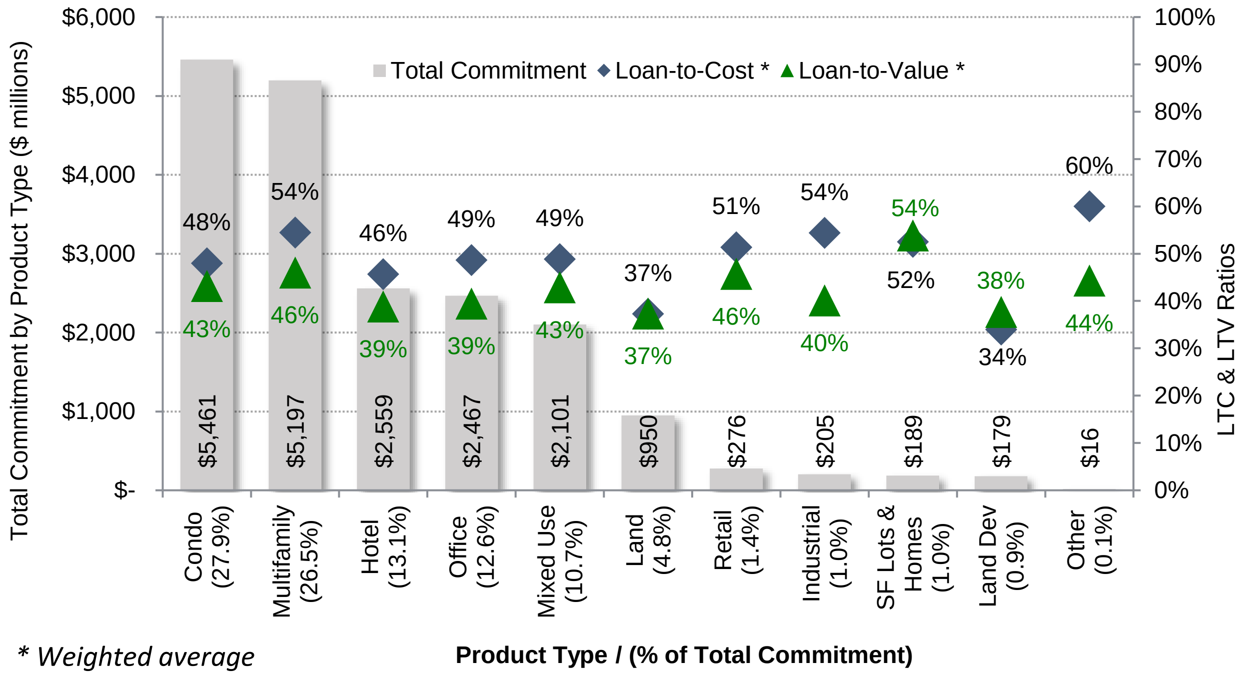
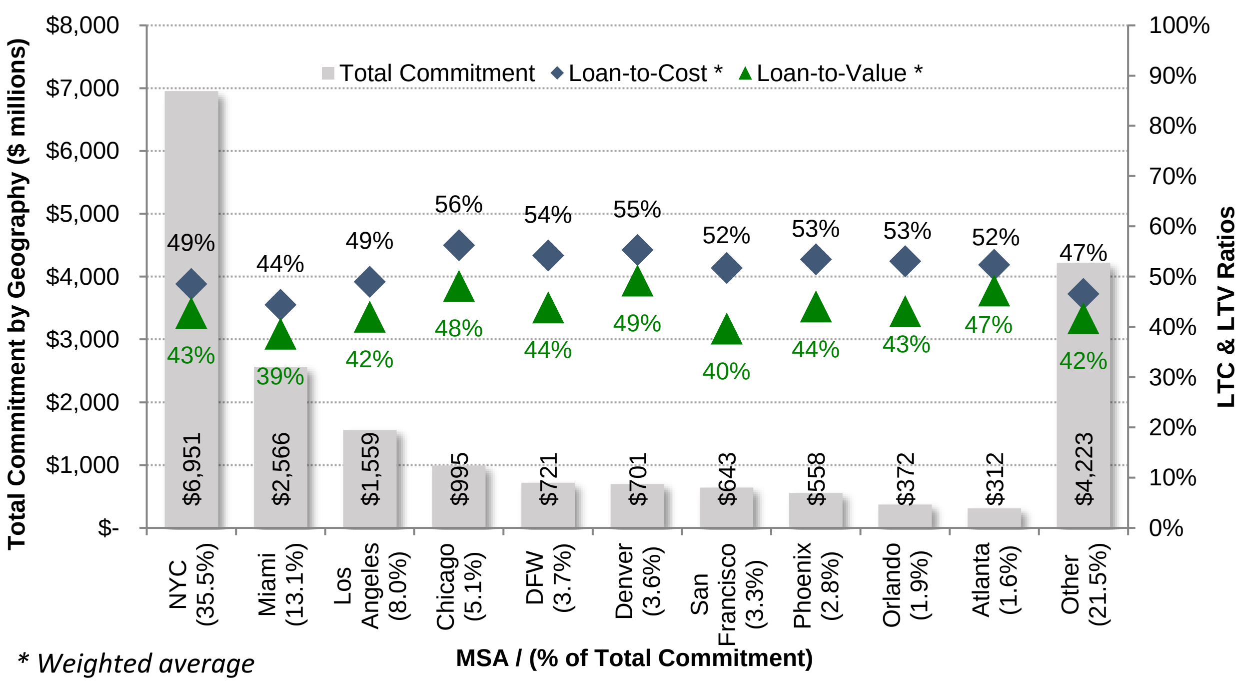


Figure 36: RESG Portfolio Diversity by Geography ***(As of December 31, 2018)***
(LTC and LTV ratios assume all loans are fully funded)

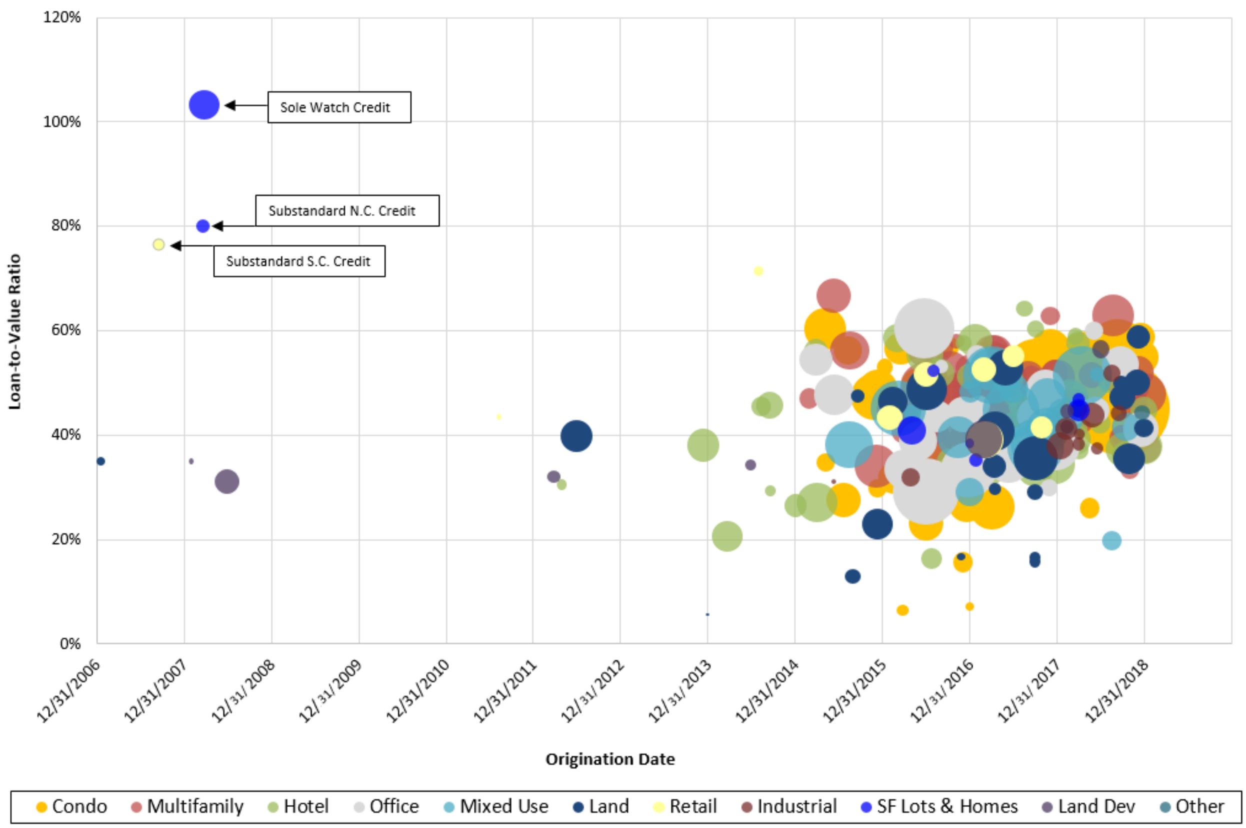


Assuming full funding of every RESG loan, as of December 31, 2018, the weighted average LTC for the RESG portfolio was a conservative 49%, and the weighted average LTV was even lower at just 42%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 37.

Figure 37: RESG Portfolio by LTV & Origination Date (As of December 31, 2018)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

LTV Ratios Assume All Loans Are Fully Funded



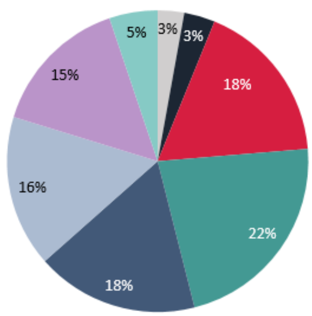
The RESG portfolio includes loans of many different sizes, and historically, on average, approximately 89% of our total commitments are actually funded before the loan is repaid. The stratification of the RESG portfolio by commitment size is reflected in Figure 38.

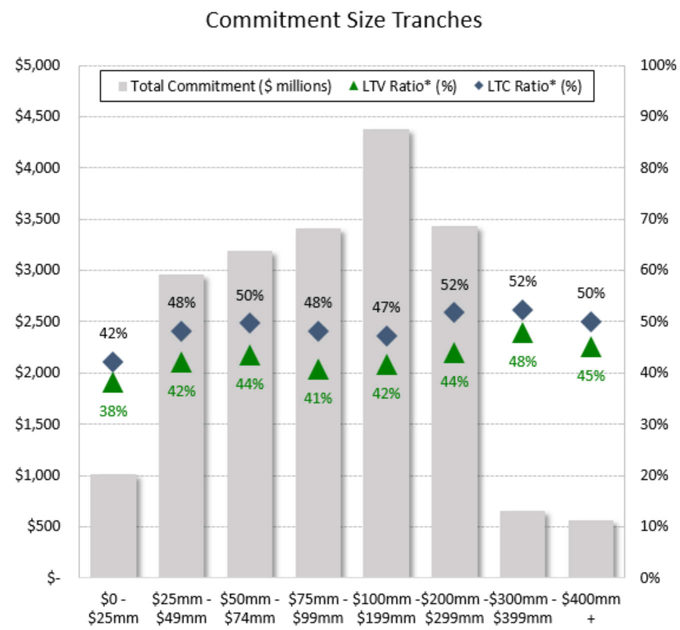
Figure 38: RESG Portfolio Breakdown by Total Commitment (As of December 31, 2018)

RESG Portfolio Breakdown by Total Commitment

($ millions)

Tranche	No. of Loans	Total Commitment
$400mm +	1	$ 558
$300mm - $399mm	2	$ 650
$200mm - $299mm	15	$ 3,437
$100mm - $199mm	35	$ 4,381
$75mm - $99mm	39	$ 3,415
$50mm - $74mm	52	$ 3,187
$25mm - $49mm	81	$ 2,955
$0 - $25mm	80	$ 1,016
Total	**305**	**$ 19,600**



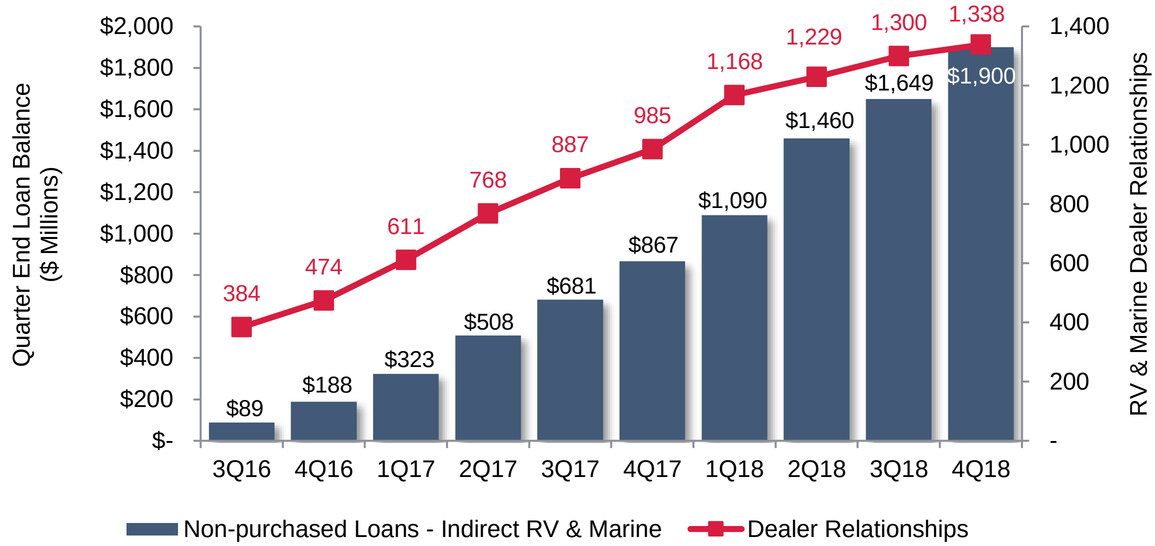


** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche.*

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. 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 quickly realized that this team provided a meaningful opportunity to increase our consumer loan portfolio, while allowing us to maintain our traditional focus on excellent credit quality. 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 December 31, 2018, the non-purchased indirect portfolio had an average loan size of approximately $90,000 and a 30+ day delinquency rate of eight bps. Figure 39 provides details regarding this portfolio.

Figure 39: Growth in RV & Marine Dealers and Outstanding Non-purchased Loan Balances

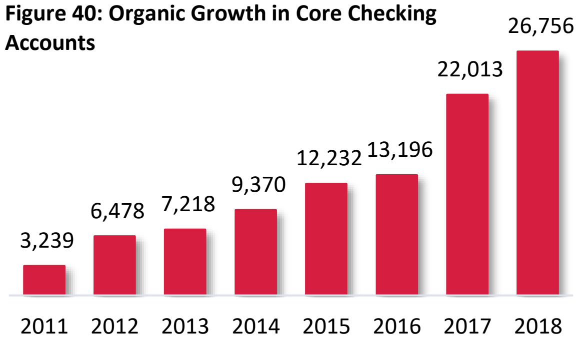


Liquidity

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 improve our deposit betas and further enhance the quality and value of our deposit base.

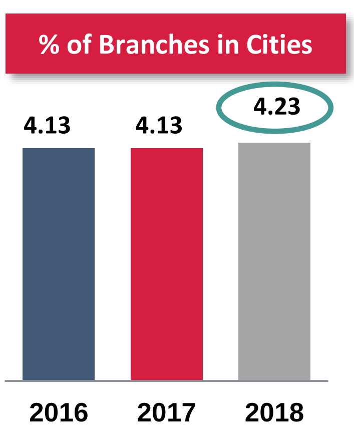
Net growth in core checking accounts is an important focus of our deposit strategy. During the quarter just ended, we increased core checking accounts by 4,657 accounts. This continued our tradition of favorable results in net core checking account growth as shown in Figure 40. We are proud of the work our team did in adding a record 26,756 net new core checking accounts in 2018. Adding thousands of net new core checking customers each quarter will continue to be an important focus for our retail banking team.

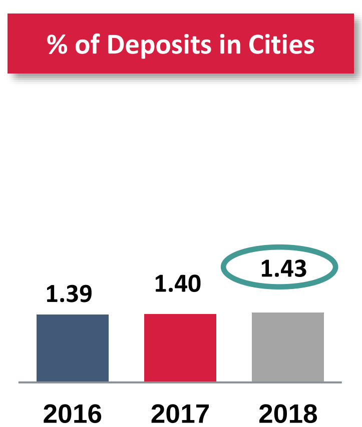
Figure 40: Organic Growth in Core Checking Accounts



As we have discussed many times, as shown in Figure 41, we believe that we have significant capacity for future deposit growth in our existing branch network of 242 deposit offices in eight states.

Figure 41: Deposit Market Share Opportunity[4] [5]





Deposit Market Share Comparison

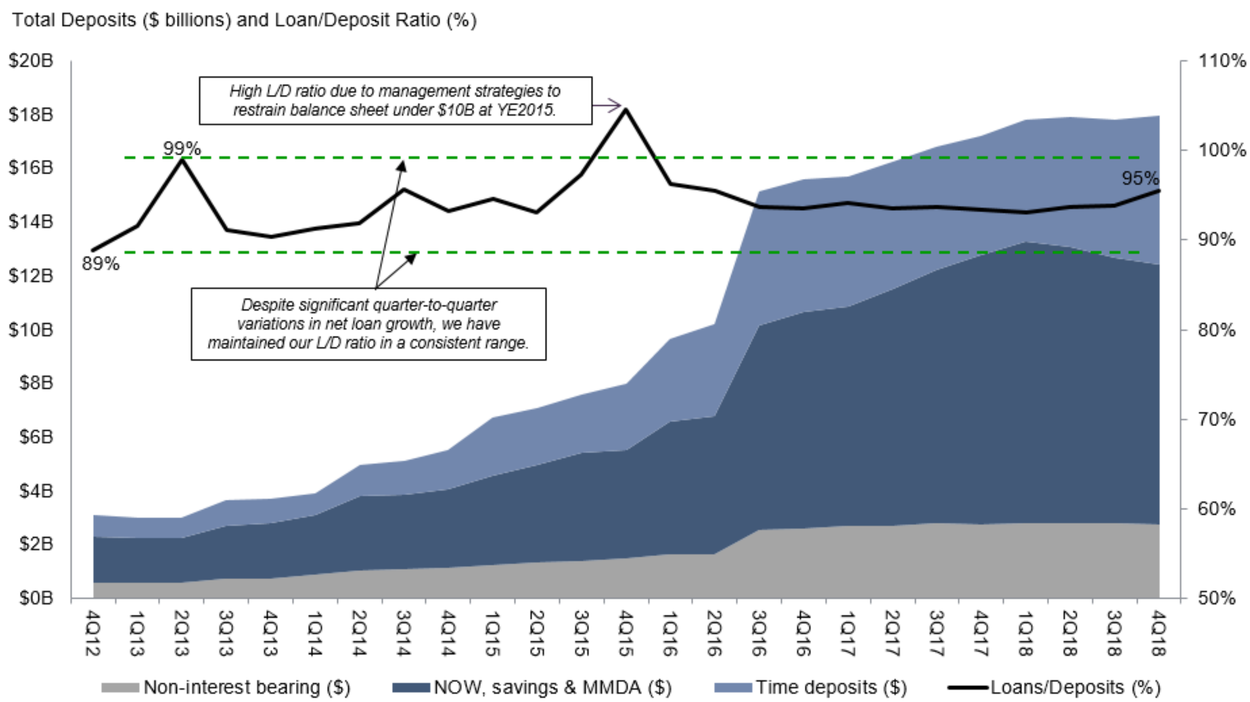
	6/30/17	6/30/18	% Change
AR	9.37%	8.68%	-0.69%
GA	1.66%	1.80%	0.14%
FL	0.37%	0.45%	0.08%
TX	0.27%	0.28%	0.01%
NC	0.26%	0.28%	0.02%
AL	0.11%	0.13%	0.02%
SC	0.12%	0.11%	-0.01%

[4] Data for all FDIC insured institutions from the FDIC Annual Market Share Report, last updated June 30, 2018.
[5] 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 market share as needed to fund our earning asset growth. We do this by carefully managing our marketing initiatives and deposit pricing. As Figures 42 and 43 illustrate, we have effectively maintained our loan-to-deposit ratio and deposit mix, even in the midst of substantial balance sheet growth.

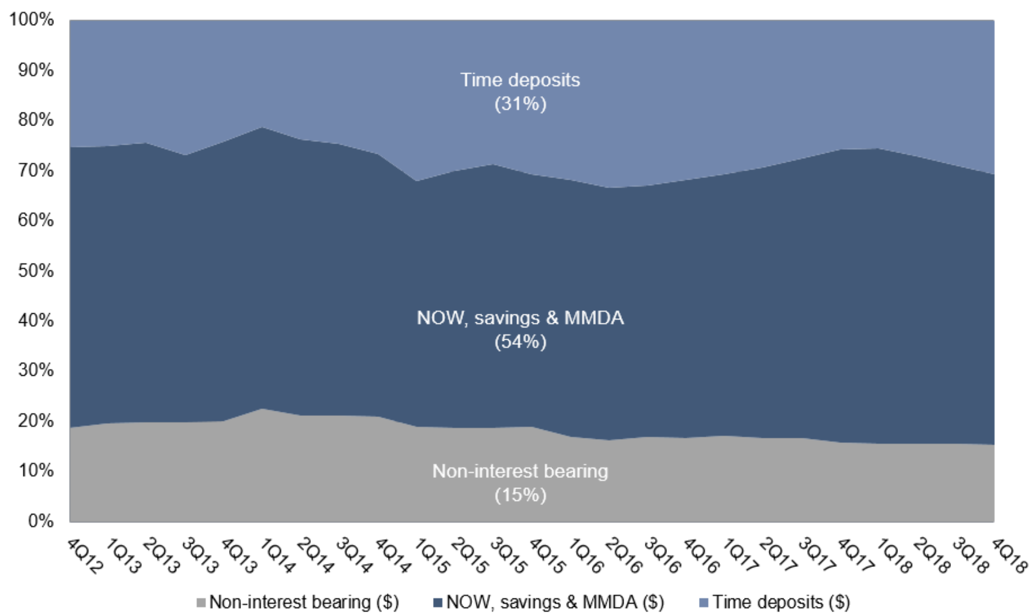
During the quarter just ended, our loan-to-deposit ratio was 95%, within our historical range of 89% to 99%. Whether we have robust loan growth or minimal loan growth in any particular quarter or year, we believe we have the tools, capacity and flexibility to maintain our loan-to-deposit ratio within this historical range. Figure 42 shows our consistent maintenance of our loan-to-deposit ratio within that range over the last six years, even as our total assets grew 460% from $4.0 billion at December 31, 2012 to $22.4 billion at December 31, 2018.

Figure 42: Maintaining a Consistent Loan / Deposit Ratio While Achieving Substantial Growth



Even with our substantial 460% growth in total assets from December 31, 2012 to December 31, 2018, our deposit mix has been relatively stable as shown in Figure 43.

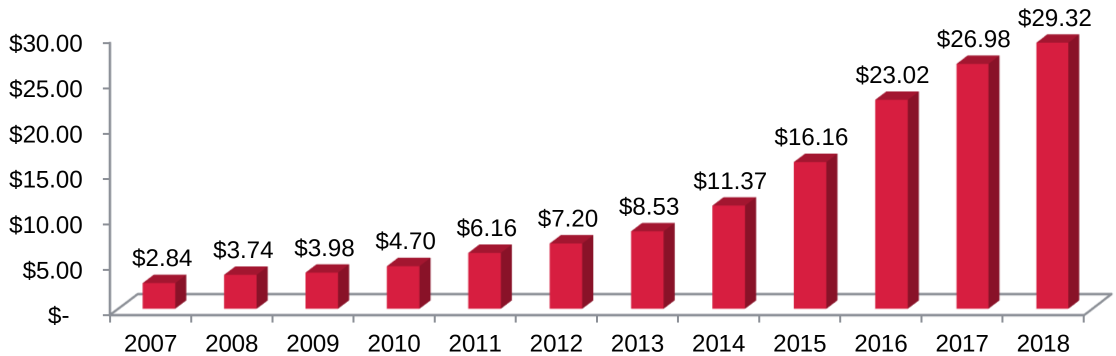
Figure 43: Consistent Deposit Mix (Percentages as of December 31, 2018)



Capital

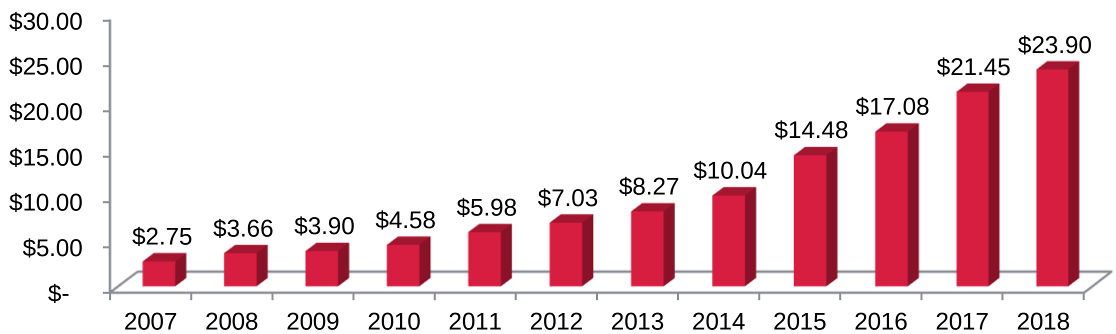
During the quarter just ended, our book value per common share increased to $29.32, as shown in Figure 44. Book value per common share increased 8.7% in 2018.

Figure 44: Book Value per Share (Period End)



Tangible book value per common share is one of the metrics we consider in measuring our capital and our long-term creation of shareholder value. During the quarter just ended, our tangible book value per common share increased to $23.90, as shown in Figure 45. Over the last 11 years, we have increased tangible book value per common share by a cumulative 769%, resulting in a compound annual growth rate of 21.7%. Tangible book value per common share increased 11.4% in 2018.

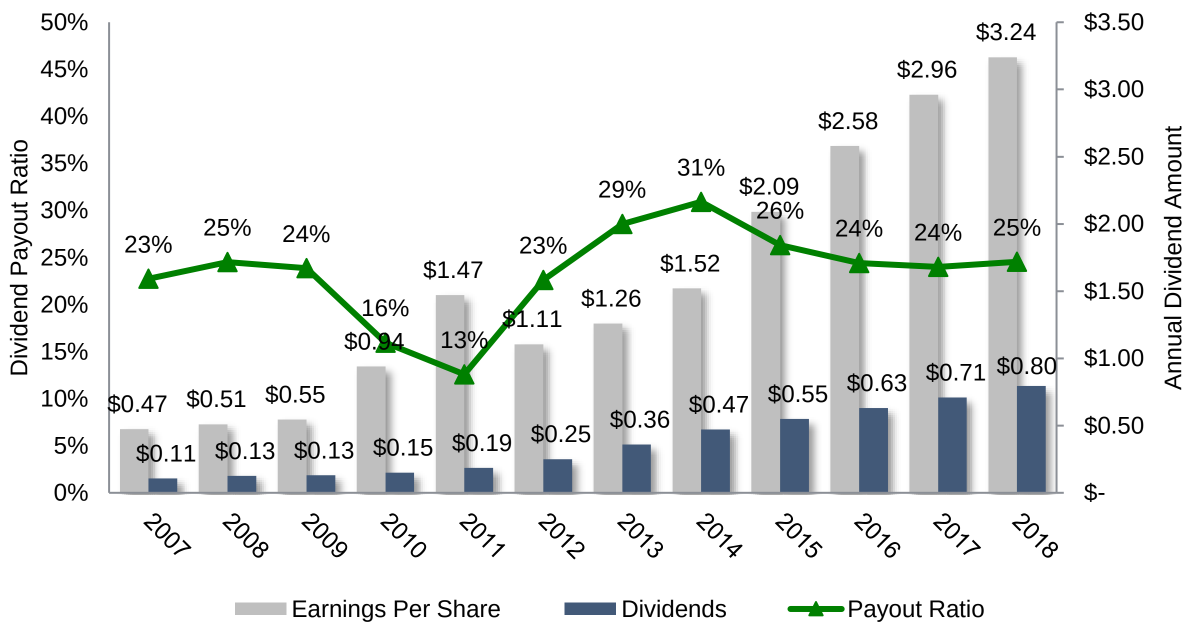
Figure 45: Tangible Book Value per Share (Period End) [6]



[6] 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 34 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 46.

Figure 46: Historic Dividend Payout Ratio[7] (Split-adjusted)



As shown in Figure 47, during 2018 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 47: 2018 Trends in Regulatory Capital

	12/31/2017	3/31/2018	6/30/2018	9/30/2018	Estimated 12/31/2018 [8]
CET 1 Ratio	11.06%	11.25%	11.82%	12.15%	12.50%
Tier 1 Ratio	11.06%	11.25%	11.82%	12.15%	12.50%
Total RBC Ratio	12.81%	12.99%	13.62%	13.93%	14.30%
Tier 1 Leverage	13.83%	13.80%	13.86%	13.95%	14.20%

[7] 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.

[8] Ratios as of December 31, 2018 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, 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 tests 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.

Our board of directors regularly monitors the adequacy of our capital position, and it will continue to do so. We want to maintain a robust capital position to support our current business operations, including our concentration in commercial real estate lending, as well as having sufficient surplus capital as may be needed to support future growth and capitalize on opportunities as they arise. On the other hand, we are aware that maintaining an excessively robust capital position may diminish our return on equity and earnings per share. We will strive to properly balance these competing objectives.

Effective Tax Rate

Our effective tax rate during the quarter just ended was 25.2% and for 2018 was 24.7%. We expect that our effective tax rate for 2019 will be between 24% and 26%.

Final Thoughts

We are pleased with our fourth quarter results and remain focused on delivering long-term value for shareholders through disciplined growth. We have assembled a great team of industry and technology professionals, which is the core of what gives us competitive advantage in the marketplace. Regardless of the macroeconomic environment, we are well positioned and optimistic about 2019.

We remind readers, as we do in most years, that due to fewer days in the quarter and a variety of seasonal factors, the first quarter of each year is typically a challenging quarter in which to achieve earnings growth compared to the previous quarter.

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
Net Income Available To Common Stockholders	$ 34,474	$ 36,826	$ 64,001	$ 101,321	$ 77,044	$ 91,237
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 213,271	$ 267,768	$ 296,035	$ 374,664	$ 458,595	$ 560,351
Less Average Intangible Assets:						
Goodwill	(5,231)	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)
Core deposit and other intangibles, net of accumulated amortization	(515)	(368)	(1,621)	(5,932)	(5,989)	(9,661)
Total Average Intangibles	(5,746)	(5,611)	(6,864)	(11,175)	(11,232)	(14,904)
Average Tangible Common Stockholders' Equity	$ 207,525	$ 262,157	$ 289,171	$ 363,489	$ 447,363	$ 545,447
Return On Average Common Stockholders' Equity	16.16%	13.75%	21.62%	27.04%	16.80%	16.28%
Return On Average Tangible Common Stockholders' Equity	16.61%	14.05%	22.13%	27.87%	17.22%	16.73%

	For the Fiscal Year Ended				Three Months Ended*	Fiscal Year Ended
	2014	2015	2016	2017	12/31/2018	12/31/2018
Net Income Available To Common Stockholders	$ 118,606	$ 182,253	$ 269,979	$ 421,891	$ 115,031	$ 417,106
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 786,430	$ 1,217,475	$ 2,068,328	$ 3,127,576	$ 3,692,044	$ 3,598,628
Less Average Intangible Assets:						
Goodwill	(51,793)	(118,013)	(363,324)	(660,632)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(21,651)	(28,660)	(43,623)	(54,702)	(37,654)	(42,315)
Total Average Intangibles	(73,444)	(146,673)	(406,947)	(715,334)	(698,443)	(703,104)
Average Tangible Common Stockholders' Equity	$ 712,986	$ 1,070,802	$ 1,661,381	$ 2,412,242	$ 2,993,601	$ 2,895,524
Return On Average Common Stockholders' Equity	15.08%	14.97%	13.05%	13.49%	12.36%	11.59%
Return On Average Tangible Common Stockholders' Equity	16.63%	17.02%	16.25%	17.49%	15.24%	14.41%

* 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
Total common stockholders' equity before noncontrolling interest	$ 190,829	$ 252,302	$ 269,028	$ 320,355	$ 424,551	$ 507,664
Less intangible assets:						
Goodwill	(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)
Total intangibles	(5,877)	(5,664)	(5,554)	(7,925)	(12,207)	(11,827)
Total tangible common stockholders' equity	$ 184,952	$ 246,638	$ 263,474	$ 312,430	$ 412,344	$ 495,837
Common shares outstanding (thousands)	67,272	67,456	67,618	68,214	68,928	70,544
Book value per common share	$ 2.84	$ 3.74	$ 3.98	$ 4.70	$ 6.16	$ 7.20
Tangible book value per common share	$ 2.75	$ 3.66	$ 3.90	$ 4.58	$ 5.98	$ 7.03

	For the period ended December 31,					
	2013	2014	2015	2016	2017	2018
Total common stockholders' equity before noncontrolling interest	$ 629,060	$ 908,390	$ 1,464,631	$ 2,791,607	$ 3,460,728	$ 3,770,330
Less intangible assets:						
Goodwill	(5,243)	(78,669)	(125,442)	(660,119)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(13,915)	(26,907)	(26,898)	(60,831)	(48,251)	(35,672)
Total intangibles	(19,158)	(105,576)	(152,340)	(720,950)	(709,040)	(696,461)
Total tangible common stockholders' equity	$ 609,902	$ 802,814	$ 1,312,291	$ 2,070,657	$ 2,751,688	$ 3,073,869
Common shares outstanding (thousands)	73,712	79,924	90,612	121,268	128,288	128,611
Book value per common share	$ 8.53	$ 11.37	$ 16.16	$ 23.02	$ 26.98	$ 29.32
Tangible book value per common share	$ 8.27	$ 10.04	$ 14.48	$ 17.08	$ 21.45	$ 23.90

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	$ 372,079
Weighted-average diluted shares outstanding (in thousands)	125,809
Diluted Earnings Per Share	$ 3.35
Diluted Earnings Per Share, As Adjusted	$ 2.96

Calculation of Adjusted Efficiency Ratio

Unaudited (Dollars in Thousands)

	For the Fiscal Year Ended 12/31/2018
Net interest income (FTE)	$ 896,101
Total non-interest income	107,775
Total revenues (A)	1,003,876
Non-interest expense (B)	380,752
Rebranding expense	(11,664)
Adjusted non-interest expense (C)	369,088
Efficiency Ratio - Stated (B ÷ A)	37.93%
Efficiency Ratio - Adjusted (C ÷ A)	36.77%