UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 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): **July 18, 2019**

BANK OZK
(Exact name of registrant as specified in its charter)

Arkansas	**110**	**71-0130170**
(State or other jurisdiction of incorporation)	(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 per value per share	OZK	NASDAQ Global Select Market

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 July 18, 2019, Bank OZK (the "Bank") issued a press release announcing its financial results for the second quarter ended June 30, 2019 and made available management's comments on the results for the second quarter of 2019. The press release and management's comments are available on the Bank's investor relations website. A copy of the press release announcing the Bank's results for the second quarter ended June 30, 2019 and management's comments on the second quarter results are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

On July 19, 2019, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the second quarter ended June 30, 2019.

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

Item 7.01 Regulation FD Disclosures.

See Item 2.02 Results of Operations and Financial Condition.

Item 9.01 Financial Statements and Exhibits.

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

99.1	Press Release dated July 18, 2019: Bank OZK Announces Second Quarter 2019 Earnings
99.2	Second Quarter 2019 Management's Comments dated July 18, 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: July 18, 2019	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 July 18, 2019: Bank OZK Announces Second Quarter 2019 Earnings
99.2	Second Quarter 2019 Management's Comments dated July 18, 2019

EXHIBIT 99.1

NEWS RELEASE

Date:	July 18, 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 Second Quarter 2019 Earnings

LITTLE ROCK, ARKANSAS: Bank OZK (the "Bank") (Nasdaq: OZK) today announced that net income for the second quarter of 2019 was $110.5 million, a 3.7% decrease from $114.8 million for the second quarter of 2018. Diluted earnings per common share for the second quarter of 2019 were $0.86, a 3.4% decrease from $0.89 for the second quarter of 2018.

For the six months ended June 30, 2019, net income totaled $221.2 million, a 2.9% decrease from $227.9 million for the first six months of 2018. Diluted earnings per common share for the first six months of 2019 were $1.71, a 3.4% decrease from $1.77 for the first six months of 2018.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the second quarter of 2019 were 1.95%, 11.29% and 13.70%, respectively, compared to 2.10%, 12.90% and 16.08%, respectively, for the second quarter of 2018. The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the first six months of 2019 were 1.97%, 11.52%, and 14.04%, respectively, compared to 2.13%, 13.03%, and 16.30%, respectively, for the first six months of 2018. The calculation of the Bank's annualized return on average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer, stated, "Our strong credit culture and consistent discipline have been important ingredients in our long term success, and we are not wavering from those principles in today's challenging competitive and interest rate environment. We are pleased that we continue to deliver financial metrics among the best in the industry, including the 1.95% annualized return on average assets, 4.45% net interest margin and 39.3% efficiency ratio for the quarter just ended. We will remain disciplined and focused on delivering long-term value for our shareholders."

KEY BALANCE SHEET METRICS

Total loans were $17.49 billion at June 30, 2019, a 4.3% increase from $16.76 billion at June 30, 2018. Non-purchased loans, which exclude loans acquired in previous acquisitions, were $15.79 billion at June 30, 2019, an 11.3% increase from $14.18 billion at June 30, 2018. Purchased loans, which consist of loans acquired in previous acquisitions, were $1.70 billion at June 30, 2019, a 34.2% decrease from $2.58 billion at June 30,

2018. The unfunded balance of closed loans was $11.17 billion at June 30, 2019, a 6.9% decrease from $12.00 billion at June 30, 2018.

Deposits were $18.19 billion at June 30, 2019, a 1.6% increase from $17.90 billion at June 30, 2018, but a 1.6% decrease from March 31, 2019. Total assets were $22.96 billion at June 30, 2019, a 3.3% increase from $22.22 billion at June 30, 2018, but a 0.2% decrease from March 31, 2019.

Common stockholders' equity was $3.99 billion at June 30, 2019, a 10.5% increase from $3.61 billion at June 30, 2018. Tangible common stockholders' equity was $3.30 billion at June 30, 2019, a 13.5% increase from $2.91 billion at June 30, 2018. Book value per common share was $30.97 at June 30, 2019, a 10.2% increase from $28.10 at June 30, 2018. Tangible book value per common share was $25.61 at June 30, 2019, a 13.2% increase from $22.63 at June 30, 2018. The calculations of the Bank's tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets increased to 17.39% at June 30, 2019 compared to 16.26% at June 30, 2018. Its ratio of total tangible common stockholders' equity to total tangible assets increased to 14.83% at June 30, 2019 compared to 13.53% at June 30, 2018. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

MANAGEMENT'S COMMENTS, CONFERENCE CALL, TRANSCRIPT AND FILINGS

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

Management will conduct a conference call to take questions on these quarterly results and management's comments at 10:00 a.m. CT (11:00 a.m. ET) on July 19, 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 4369463. The call will be available live or in a recorded version on the Bank's Investor Relations website at ir.ozk.com under "Company News/Webcasts." The Bank will also provide a transcript of the conference call on its Investor Relations website.

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

NON-GAAP FINANCIAL MEASURES

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

FORWARD-LOOKING STATEMENTS

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

GENERAL INFORMATION

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

Bank OZK
Consolidated Balance Sheets
Unaudited

	June 30, 2019	December 31, 2018
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 738,566	$ 290,672
Investment securities - available for sale ("AFS")	2,548,489	2,862,340
Federal Home Loan Bank of Dallas and other banker's bank stocks	11,607	25,941
Non-purchased loans	15,786,809	15,073,791
Purchased loans	1,698,396	2,044,032
Allowance for loan losses	(106,642)	(102,264)
Net loans	17,378,563	17,015,559
Premises and equipment, net	662,082	567,189
Foreclosed assets	33,467	16,171
Accrued interest receivable	81,003	81,968
Bank owned life insurance (“BOLI”)	730,871	721,238
Goodwill and other intangible assets, net	690,304	696,461
Other, net	85,779	110,491
Total assets	$ 22,960,731	$ 22,388,030
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 2,777,066	$ 2,748,273
Savings and interest bearing transaction	9,226,197	9,682,713
Time	6,182,952	5,507,429
Total deposits	18,186,215	17,938,415
Repurchase agreements with customers	10,909	20,564
Other borrowings	201,455	96,692
Subordinated notes	223,471	223,281
Subordinated debentures	119,635	119,358
Accrued interest payable and other liabilities	222,668	216,355
Total liabilities	18,964,353	18,614,665
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock; $0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at June 30, 2019 or December 31, 2018	—	—
Common stock; $0.01 par value; 300,000,000 shares authorized; 128,946,716 and 128,611,049 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively	1,289	1,286
Additional paid-in capital	2,243,779	2,237,948
Retained earnings	1,728,486	1,565,201
Accumulated other comprehensive income (loss)	19,693	(34,105)
Total stockholders’ equity before noncontrolling interest	3,993,247	3,770,330
Noncontrolling interest	3,131	3,035
Total stockholders’ equity	3,996,378	3,773,365
Total liabilities and stockholders’ equity	$ 22,960,731	$ 22,388,030

Bank OZK

Consolidated Statements of Income

Unaudited

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 250,081	$ 210,385	$ 495,946	$ 400,812
Purchased loans	28,519	46,862	58,714	97,839
Investment securities:				
Taxable	13,585	11,476	28,481	22,907
Tax-exempt	3,693	4,102	7,567	8,262
Deposits with banks and federal funds sold	941	839	1,354	1,336
Total interest income	296,819	273,664	592,062	531,156
Interest expense:				
Deposits	67,392	43,832	130,479	78,224
Repurchase agreements with customers	11	385	33	544
Other borrowings	19	46	1,408	679
Subordinated notes	3,181	3,180	6,326	6,326
Subordinated debentures	1,680	1,560	3,392	2,946
Total interest expense	72,283	49,003	141,638	88,719
Net interest income	224,536	224,661	450,424	442,437
Provision for loan losses	6,769	9,610	13,450	15,177
Net interest income after provision for loan losses	217,767	215,051	436,974	427,260
Non-interest income:				
Service charges on deposit accounts	10,291	9,704	20,014	19,229
Trust income	1,839	1,591	3,569	3,384
BOLI income	5,178	5,259	10,340	12,839
Other income from purchased loans	1,455	2,744	2,251	3,995
Loan service, maintenance and other fees	4,565	5,641	9,438	10,384
Net gains on investment securities	713	—	713	17
Gains on sales of other assets	402	844	686	2,270
Other	2,160	1,603	3,664	3,976
Total non-interest income	26,603	27,386	50,675	56,094
Non-interest expense:				
Salaries and employee benefits	47,558	41,665	92,425	87,164
Net occupancy and equipment	14,587	13,827	29,338	27,977
Other operating expenses	36,986	33,615	74,046	67,776
Total non-interest expense	99,131	89,107	195,809	182,917
Income before taxes	145,239	153,330	291,840	300,437
Provision for income taxes	34,726	38,589	70,615	72,563
Net income	110,513	114,741	221,225	227,874
Earnings attributable to noncontrolling interest	(10)	10	(16)	21
Net income available to common stockholders	$ 110,503	$ 114,751	$ 221,209	$ 227,895
Basic earnings per common share	$ 0.86	$ 0.89	$ 1.72	$ 1.77
Diluted earnings per common share	$ 0.86	$ 0.89	$ 1.71	$ 1.77

Bank OZK
Consolidated Statements of Stockholders' Equity
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (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	—	—	227,874	—	—	227,874
Earnings attributable to noncontrolling interest	—	—	21	—	(21)	—
Total other comprehensive loss	—	—	—	(34,201)	—	(34,201)
Common stock dividends paid, $0.385 per share	—	—	(49,487)	—	—	(49,487)
Issuance of 210,890 shares of common stock for exercise of stock options	2	5,585	—	—	—	5,587
Issuance of 214,591 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	—	7,151	—	—	—	7,151
Forfeitures of 24,864 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – June 30, 2018	$ 1,286	$2,230,809	$1,428,721	$ (46,913)	$ 3,039	$3,616,942
Balances – December 31, 2018	$ 1,286	$2,237,948	$1,565,201	$ (34,105)	$ 3,035	$3,773,365
Net income	—	—	221,225	—	—	221,225
Earnings attributable to noncontrolling interest	—	—	(16)	—	16	—
Total other comprehensive income	—	—	—	53,798	—	53,798
Common stock dividends paid, $0.45 per share	—	—	(57,924)	—	—	(57,924)
Noncontrolling interest cash contribution	—	—	—	—	80	80
Issuance of 56,550 shares of common stock for exercise of stock options	1	876	—	—	—	877
Issuance of 406,074 shares of unvested restricted common stock	4	(4)	—	—	—	—
Repurchase and cancellation of 62,742 shares of common stock	(1)	(1,646)	—	—	—	(1,647)
Stock-based compensation expense	—	6,604	—	—	—	6,604
Forfeiture of 64,215 shares of unvested restricted common stock	(1)	1	—	—	—	—
Balances – June 30, 2019	$ 1,289	$2,243,779	$1,728,486	$ 19,693	$ 3,131	$3,996,378

Bank OZK
Summary of Non-Interest Expense
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(Dollars in thousands)			
Salaries and employee benefits	$ 47,558	$ 41,665	$ 92,425	$ 87,164
Net occupancy and equipment	14,587	13,827	29,338	27,977
Other operating expenses:				
Professional and outside services	8,105	9,112	16,669	17,817
Software and data processing	4,757	3,110	9,466	6,450
Deposit insurance and assessments	3,488	3,558	7,140	7,120
Telecommunication services	2,810	3,487	6,154	6,683
Travel and meals	2,939	2,498	5,608	4,651
Postage and supplies	2,058	2,218	4,161	4,412
Advertising and public relations	1,671	1,777	3,353	3,107
ATM expense	1,099	1,118	2,086	2,481
Loan collection and repossession expense	918	503	1,901	1,293
Writedowns of foreclosed and other assets	594	460	1,155	611
Amortization of intangibles	3,012	3,145	6,157	6,290
Other	5,535	2,629	10,196	6,861
Total non-interest expense	$ 99,131	$ 89,107	$ 195,809	$ 182,917

Bank OZK
Summary of Total Loans Outstanding
Unaudited

	June 30, 2019		December 31, 2018	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,017,698	5.8%	$ 1,049,460	6.1%
Non-farm/non-residential	3,953,882	22.6	4,319,388	25.2
Construction/land development	6,662,921	38.1	6,562,185	38.4
Agricultural	190,348	1.1	165,088	1.0
Multifamily residential	1,411,584	8.1	1,116,026	6.5
Total real estate	13,236,433	75.7	13,212,147	77.2
Commercial and industrial	746,990	4.3	823,417	4.8
Consumer	2,740,344	15.7	2,345,863	13.7
Other	761,438	4.3	736,396	4.3
Total loans	$ 17,485,205	100.0%	$ 17,117,823	100.0%

Summary of Deposits
Unaudited

	June 30, 2019		December 31, 2018	
	(Dollars in thousands)			
Non-interest bearing	$ 2,777,066	15.3%	$ 2,748,273	15.3%
Interest bearing:				
Transaction (NOW)	2,605,606	14.3	2,359,299	13.2
Savings and money market	6,620,591	36.4	7,323,414	40.8
Time deposits less than $100	2,807,587	15.4	2,297,101	12.8
Time deposits of $100 or more	3,375,365	18.6	3,210,328	17.9
Total deposits	$ 18,186,215	100.0%	$ 17,938,415	100.0%

Bank OZK
Selected Consolidated Financial Data
Unaudited

	Three Months Ended June 30, 2019	Three Months Ended June 30, 2018	% Change	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	% Change
	(Dollars in thousands, except per share amounts)					
Income statement data:						
Net interest income	$ 224,536	$ 224,661	(0.1)%	$ 450,424	$ 442,437	1.8%
Provision for loan losses	6,769	9,610	(29.6)	13,450	15,177	(11.4)
Non-interest income	26,603	27,386	(2.9)	50,675	56,094	(9.7)
Non-interest expense	99,131	89,107	11.2	195,809	182,917	7.0
Net income available to common stockholders	110,503	114,751	(3.7)	221,209	227,895	(2.9)
Common stock data:						
Net income per share - diluted	$ 0.86	$ 0.89	(3.4)%	$ 1.71	$ 1.77	(3.4)%
Net income per share - basic	0.86	0.89	(3.4)	1.72	1.77	(2.8)
Cash dividends per share	0.23	0.195	17.9	0.45	0.385	16.9
Book value per share	30.97	28.10	10.2	30.97	28.10	10.2
Tangible book value per share (1)	25.61	22.63	13.2	25.61	22.63	13.2
Diluted shares outstanding (thousands)	129,079	128,804		129,022	128,783	
End of period shares outstanding (thousands)	128,947	128,616		128,947	128,616	
Balance sheet data at period end:						
Total assets	$22,960,731	$22,220,380	3.3%	$22,960,731	$22,220,380	3.3%
Total loans	17,485,205	16,763,874	4.3	17,485,205	16,763,874	4.3
Non-purchased loans	15,786,809	14,183,533	11.3	15,786,809	14,183,533	11.3
Purchased loans	1,698,396	2,580,341	(34.2)	1,698,396	2,580,341	(34.2)
Allowance for loan losses	106,642	104,638	1.9	106,642	104,638	1.9
Foreclosed assets	33,467	20,662	62.0	33,467	20,662	62.0
Investment securities	2,560,096	2,617,859	(2.2)	2,560,096	2,617,859	(2.2)
Goodwill and other intangible assets, net	690,304	702,751	(1.8)	690,304	702,751	(1.8)
Deposits	18,186,215	17,897,085	1.6	18,186,215	17,897,085	1.6
Repurchase agreements with customers	10,909	179,851	(93.9)	10,909	179,851	(93.9)
Other borrowings	201,455	1,766	11,307.4	201,455	1,766	11,307.4
Subordinated notes	223,471	223,088	0.2	223,471	223,088	0.2
Subordinated debentures	119,635	119,077	0.5	119,635	119,077	0.5
Unfunded balance of closed loans	11,167,055	11,999,661	(6.9)	11,167,055	11,999,661	(6.9)
Total common stockholders’ equity	3,993,247	3,613,903	10.5	3,993,247	3,613,903	10.5
Net unrealized gains (losses) on investment securities AFS included in common stockholders' equity	19,693	(46,913)		19,693	(46,913)	
Loan, including purchased loans, to deposit ratio	96.15%	93.67%		96.15%	93.67%	
Selected ratios:						
Return on average assets(2)	1.95%	2.10%		1.97%	2.13%	
Return on average common stockholders’ equity(2)	11.29	12.90		11.52	13.03	
Return on average tangible common stockholders’ equity(1) (2)	13.70	16.08		14.04	16.30	
Average common equity to total average assets	17.31	16.30		17.12	16.34	
Net interest margin – FTE(2)	4.45	4.66		4.49	4.68	
Efficiency ratio	39.30	35.19		38.89	36.52	
Net charge-offs to average non-purchased loans(2) (3)	0.12	0.05		0.09	0.04	
Net charge-offs to average total loans(2)	0.14	0.07		0.10	0.06	
Nonperforming loans to total loans(4)	0.15	0.10		0.15	0.10	
Nonperforming assets to total assets(4)	0.25	0.15		0.25	0.15	
Allowance for loan losses to non-purchased loans(5)	0.67	0.73		0.67	0.73	
Other information:						
Non-accrual loans(4)	$ 22,860	$ 13,543		$ 22,860	$ 13,543	
Accruing loans - 90 days past due(4)	—	—		—	—	
Troubled and restructured non-purchased loans - accruing(4)	1,399	—		1,399	—	
Impaired purchased loans	15,440	6,577		15,440	6,577	

(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
Unaudited

(Dollars in thousands, except per share amount)

	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Earnings Summary:								
Net interest income	$ 209,722	$ 214,831	$ 217,776	$ 224,661	$ 220,614	$ 228,382	$ 225,888	$ 224,536
Federal tax (FTE) adjustment	3,014	2,450	1,166	1,151	1,132	1,219	1,207	1,136
Net interest income (FTE)	212,736	217,281	218,942	225,812	221,746	229,601	227,095	225,672
Provision for loan losses	(7,777)	(9,279)	(5,567)	(9,610)	(41,949)	(7,271)	(6,681)	(6,769)
Non-interest income	32,747	30,213	28,707	27,386	24,121	27,560	24,072	26,603
Non-interest expense	(84,399)	(86,177)	(93,810)	(89,107)	(102,942)	(94,893)	(96,678)	(99,131)
Pretax income (FTE)	153,307	152,038	148,272	154,481	100,976	154,997	147,808	146,375
FTE adjustment	(3,014)	(2,450)	(1,166)	(1,151)	(1,132)	(1,219)	(1,207)	(1,136)
Provision for income taxes	(54,246)	(3,434)	(33,973)	(38,589)	(25,665)	(38,750)	(35,889)	(34,726)
Noncontrolling interest	(40)	10	11	10	1	3	(6)	(10)
Net income available to common stockholders	$ 96,007	$ 146,164	$ 113,144	$ 114,751	$ 74,180	$ 115,031	$ 110,706	$ 110,503
Earnings per common share – diluted	$ 0.75	$ 1.14	$ 0.88	$ 0.89	$ 0.58	$ 0.89	$ 0.86	$ 0.86
Non-interest Income:								
Service charges on deposit accounts	$ 9,729	$ 10,058	$ 9,525	$ 9,704	$ 9,730	$ 10,585	$ 9,722	$ 10,291
Trust income	1,755	1,729	1,793	1,591	1,730	1,821	1,730	1,839
BOLI income	4,453	5,166	7,580	5,259	5,321	5,751	5,162	5,178
Other income from purchased loans	2,933	2,009	1,251	2,744	1,418	2,370	795	1,455
Loan service, maintenance and other fees	5,274	4,289	4,743	5,641	4,724	5,245	4,874	4,565
Net gains on investment securities	2,429	1,201	17	—	—	—	—	713
Gains (losses) on sales of other assets	1,363	1,899	1,426	844	(518)	465	284	402
Other	4,811	3,862	2,372	1,603	1,716	1,323	1,505	2,160
Total non-interest income	$ 32,747	$ 30,213	$ 28,707	$ 27,386	$ 24,121	$ 27,560	$ 24,072	$ 26,603
Non-interest Expense:								
Salaries and employee benefits	$ 35,331	$ 38,417	$ 45,499	$ 41,665	$ 41,477	$ 41,837	$ 44,868	$ 47,558
Net occupancy expense	13,595	13,474	14,150	13,827	14,358	14,027	14,750	14,587
Other operating expenses	35,473	34,286	34,161	33,615	47,107	39,029	37,060	36,986
Total non-interest expense	$ 84,399	$ 86,177	$ 93,810	$ 89,107	$ 102,942	$ 94,893	$ 96,678	$ 99,131
Balance Sheet Data:								
Total assets	$20,768,493	$21,275,647	$22,039,439	$22,220,380	$22,086,539	$22,388,030	$23,005,652	$22,960,731
Non-purchased loans	12,047,094	12,733,937	13,674,561	14,183,533	14,440,623	15,073,791	15,610,681	15,786,809
Purchased loans	3,731,536	3,309,092	2,934,535	2,580,341	2,285,168	2,044,032	1,864,715	1,698,396
Investment securities	1,975,102	2,622,796	2,612,961	2,617,859	2,706,156	2,888,281	2,781,691	2,560,096
Deposits	16,823,359	17,192,345	17,833,672	17,897,085	17,822,915	17,938,415	18,476,868	18,186,215
Unfunded balance of closed loans	12,519,839	13,192,439	12,551,032	11,999,661	11,891,247	11,364,975	11,544,218	11,167,055
Common stockholders' equity	3,334,740	3,460,728	3,526,605	3,613,903	3,653,596	3,770,330	3,882,643	3,993,247
Allowance for Loan Losses:								
Balance at beginning of period	$ 82,320	$ 86,784	$ 94,120	$ 98,097	$ 104,638	$ 98,200	$ 102,264	$ 105,954
Net charge-offs	(3,313)	(1,943)	(1,590)	(3,069)	(48,387)	(3,207)	(2,991)	(6,081)
Provision for loan losses	7,777	9,279	5,567	9,610	41,949	7,271	6,681	6,769
Balance at end of period	$ 86,784	$ 94,120	$ 98,097	$ 104,638	$ 98,200	$ 102,264	$ 105,954	$ 106,642
Selected Ratios:								
Net interest margin – FTE[1]	4.84%	4.72%	4.69%	4.66%	4.47%	4.55%	4.53%	4.45%
Efficiency ratio	34.38	34.82	37.88	35.19	41.87	36.90	38.49	39.30
Net charge-offs to average non-purchased loans[1] [2]	0.08	0.08	0.04	0.05	1.32	0.06	0.05	0.12
Net charge-offs to average total loans[1]	0.09	0.05	0.04	0.07	1.14	0.07	0.07	0.14
Nonperforming loans to total loans[3]	0.11	0.10	0.09	0.10	0.23	0.23	0.22	0.15
Nonperforming assets to total assets[3]	0.20	0.18	0.16	0.15	0.23	0.23	0.21	0.25
Allowance for loan losses to total non-purchased loans[4]	0.71	0.73	0.71	0.73	0.67	0.67	0.67	0.67
Loans past due 30 days or more, including past due non-accrual loans, to total loans[3]	0.12	0.15	0.14	0.12	0.17	0.28	0.28	0.13

[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 June 30,						Six Months Ended June 30,					
	2019			2018			2019			2018		
	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	$ 118,761	$ 941	3.18%	$ 186,103	$ 839	1.81%	$ 93,031	$ 1,354	2.94%	$ 148,304	$ 1,336	1.82%
Investment securities:												
Taxable	2,172,732	13,585	2.51	2,055,737	11,476	2.24	2,241,370	28,481	2.56	2,058,995	22,907	2.24
Tax-exempt – FTE	509,119	4,675	3.68	545,173	5,192	3.82	512,348	9,579	3.77	550,942	10,458	3.83
Non-purchased loans – FTE	15,760,582	250,235	6.37	13,892,522	210,446	6.08	15,622,442	496,276	6.41	13,453,745	400,933	6.01
Purchased loans	1,785,374	28,519	6.41	2,757,235	46,862	6.82	1,866,130	58,714	6.34	2,968,315	97,839	6.65
Total earning assets – FTE	20,346,568	297,955	5.87	19,436,770	274,815	5.67	20,335,321	594,404	5.89	19,180,301	533,473	5.61
Non-interest earning assets	2,342,995			2,446,188			2,280,063			2,403,283		
Total assets	$ 22,689,563			$ 21,882,958			$ 22,615,384			$ 21,583,584		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 9,640,727	$ 37,510	1.56%	$ 10,248,619	$ 29,249	1.14%	$ 9,586,233	$ 73,613	1.55%	$ 10,054,064	$ 51,818	1.04%
Time deposits of $100 or more	3,137,419	16,698	2.13	3,182,463	11,027	1.39	3,153,873	32,252	2.06	3,109,697	19,808	1.28
Other time deposits	2,580,584	13,184	2.05	1,449,406	3,556	0.98	2,508,405	24,614	1.98	1,447,687	6,598	0.92
Total interest bearing deposits	15,358,730	67,392	1.76	14,880,488	43,832	1.18	15,248,511	130,479	1.73	14,611,448	78,224	1.08
Repurchase agreements with customers	11,101	11	0.41	161,246	385	0.96	16,616	33	0.40	136,975	544	0.80
Other borrowings	70,390	19	0.11	35,573	46	0.52	169,439	1,408	1.68	100,398	679	1.36
Subordinated notes	223,419	3,181	5.71	223,041	3,180	5.72	223,370	6,326	5.71	222,994	6,326	5.72
Subordinated debentures	119,559	1,680	5.64	119,006	1,560	5.26	119,486	3,392	5.72	118,935	2,946	5.00
Total interest bearing liabilities	15,783,199	72,283	1.84	15,419,354	49,003	1.27	15,777,422	141,638	1.81	15,190,750	88,719	1.18
Non-interest bearing liabilities:												
Non-interest bearing deposits	2,723,657			2,717,316			2,740,291			2,691,855		
Other non-interest bearing liabilities	252,062			176,302			223,491			172,081		
Total liabilities	18,758,918			18,312,972			18,741,204			18,054,686		
Common stockholders' equity	3,927,522			3,566,944			3,871,065			3,525,849		
Noncontrolling interest	3,123			3,042			3,115			3,049		
Total liabilities and stockholders' equity	$ 22,689,563			$ 21,882,958			$ 22,615,384			$ 21,583,584		
Net interest income – FTE		$ 225,672			$ 225,812			$ 452,766			$ 444,754	
Net interest margin – FTE			4.45%			4.66%			4.49%			4.68%

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 June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(Dollars in thousands)			
Net income available to common stockholders	$ 110,503	$ 114,751	$ 221,209	$ 227,895
Average common stockholders' equity before noncontrolling interest	$ 3,927,522	$ 3,566,944	$3,871,065	$3,525,849
Less average intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(31,225)	(43,862)	(32,822)	(45,483)
Total average intangibles	(692,014)	(704,651)	(693,611)	(706,272)
Average tangible common stockholders' equity	$ 3,235,508	$ 2,862,293	$3,177,454	$2,819,577
Return on average common stockholders' equity(1)	11.29%	12.90%	11.52%	13.03%
Return on average tangible common stockholders' equity(1)	13.70%	16.08%	14.04%	16.30%

(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

	June 30,	
	2019	2018
	(In thousands, except per share amounts)	
Total common stockholders' equity before noncontrolling interest	$ 3,993,247	$ 3,613,903
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(29,515)	(41,962)
Total intangibles	(690,304)	(702,751)
Total tangible common stockholders' equity	$ 3,302,943	$ 2,911,152
Shares of common stock outstanding	128,947	128,616
Book value per common share	$ 30.97	$ 28.10
Tangible book value per common share	$ 25.61	$ 22.63

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

Unaudited

	June 30, 2019	June 30, 2018
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	$ 3,993,247	$ 3,613,903
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(29,515)	(41,962)
Total intangibles	(690,304)	(702,751)
Total tangible common stockholders' equity	$ 3,302,943	$ 2,911,152
Total assets	$ 22,960,731	$ 22,220,380
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangible assets, net of accumulated amortization	(29,515)	(41,962)
Total intangibles	(690,304)	(702,751)
Total tangible assets	$ 22,270,427	$ 21,517,629
Ratio of total common stockholders' equity to total assets	17.39%	16.26%
Ratio of total tangible common stockholders' equity to total tangible assets	14.83%	13.53%

EXHIBIT 99.2

Bank OZK

MANAGEMENT COMMENTS FOR THE SECOND QUARTER & FIRST SIX MONTHS OF 2019

JULY 18, 2019

Forward Looking Statements

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

Summary

We are pleased to report our results for the second quarter of 2019. Our net income of $110.5 million for the quarter resulted in performance metrics among the best in the industry, including a 1.95% annualized return on average assets, a 39.3% efficiency ratio and a 4.45% net interest margin. For the first six months of 2019, our net income was $221.2 million, resulting in a 1.97% annualized return on average assets, a 38.9% efficiency ratio and a 4.49% net interest margin.

Our asset quality remains excellent. For the second quarter and first six months of 2019, our annualized net charge-off ratios for non-purchased loans were 0.12% and 0.09%, respectively, well below the recent industry average. At June 30, 2019, excluding purchased loans, our ratio of nonperforming loans to total loans was 0.15% and our ratio of nonperforming assets to total assets was 0.25%.

We remain focused on delivering long-term value to our shareholders. At June 30, 2019, our book value per common share and our tangible book value per common share[1] were $30.97 and $25.61, respectively, reflecting increases of 10.2% and 13.2%, respectively, from June 30, 2018. Over the last 10 years, we have increased tangible book value per common share by a cumulative 578%, resulting in a compound annual growth rate of 21.1%. On July 1, 2019, our Board of Directors approved a regular quarterly cash dividend of $0.24 payable on July 19, 2019, representing a 4.35% increase over the dividend paid in April 2019 and a 20.0% increase over the dividend paid in July 2018. We have increased our dividend for 36 consecutive quarters and every year since going public in 1997.

Profitability and Earnings Metrics

Our results in recent quarters have been impacted by various factors, including our large volume of loan repayments, the competitive environment for loans and deposits, and recent decreases in LIBOR rates. We will describe these factors in more detail in these management comments.

Net income for the second quarter of 2019 was $110.5 million, a decrease of 3.7% from $114.8 million for the second quarter of 2018. Diluted earnings per common share for the second quarter of 2019 were $0.86, a 3.4% decrease from $0.89 for the second quarter of 2018. Our annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity[2] for the second quarter of 2019 were

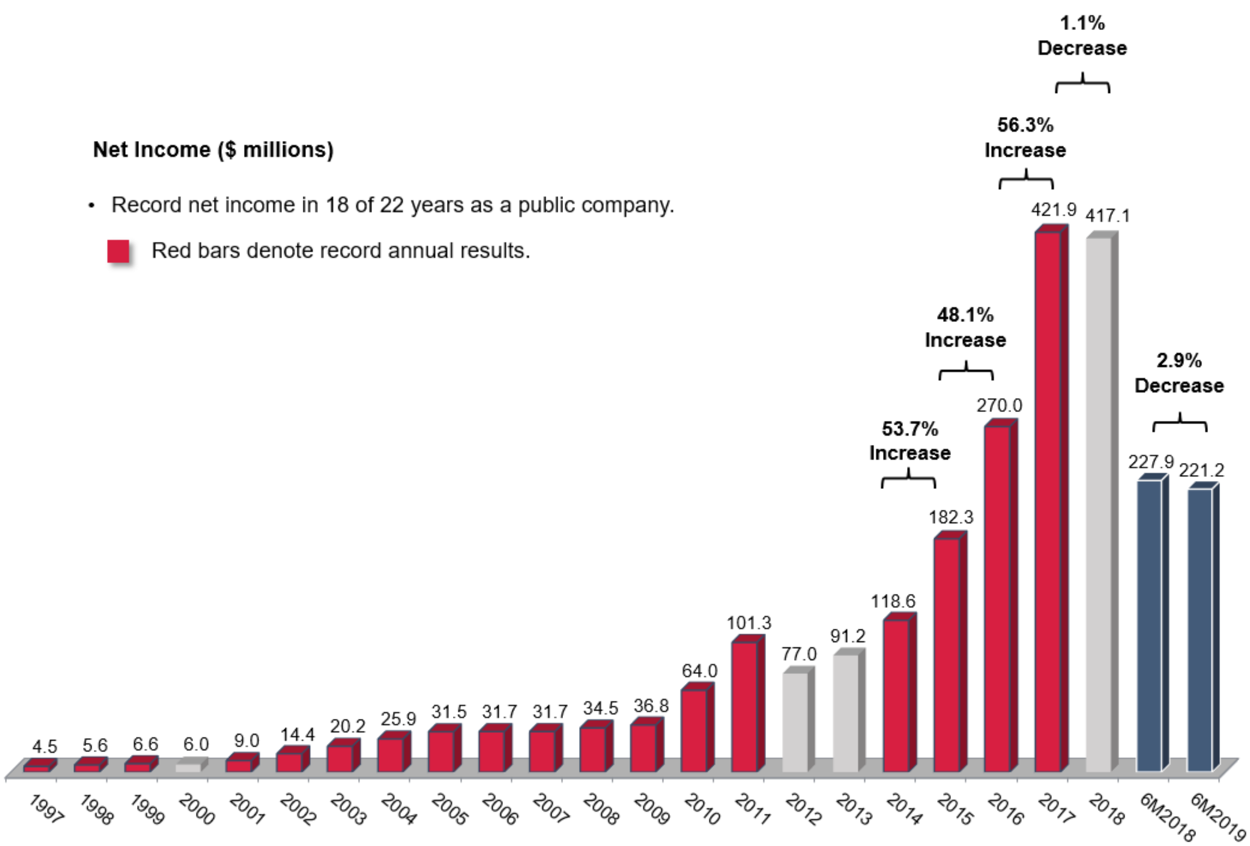
[1] See the schedule at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable generally accepted accounting principles ("GAAP") measure.
[2] The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to GAAP are included in the schedule at the end of this presentation.

1.95%, 11.29% and 13.70%, respectively, compared to 2.10%, 12.90% and 16.08%, respectively, in the second quarter of 2018.

For the six months ended June 30, 2019, net income was $221.2 million, a decrease of 2.9% from $227.9 million for the first six months of 2018. Diluted earnings per common share for the first six months of 2019 were $1.71, a 3.4% decrease from $1.77 for the first six months of 2018. Our annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity[3] for the first six months of 2019 were 1.97%, 11.52% and 14.04%, respectively, compared to 2.13%, 13.03% and 16.30%, respectively, in the first six months of 2018.

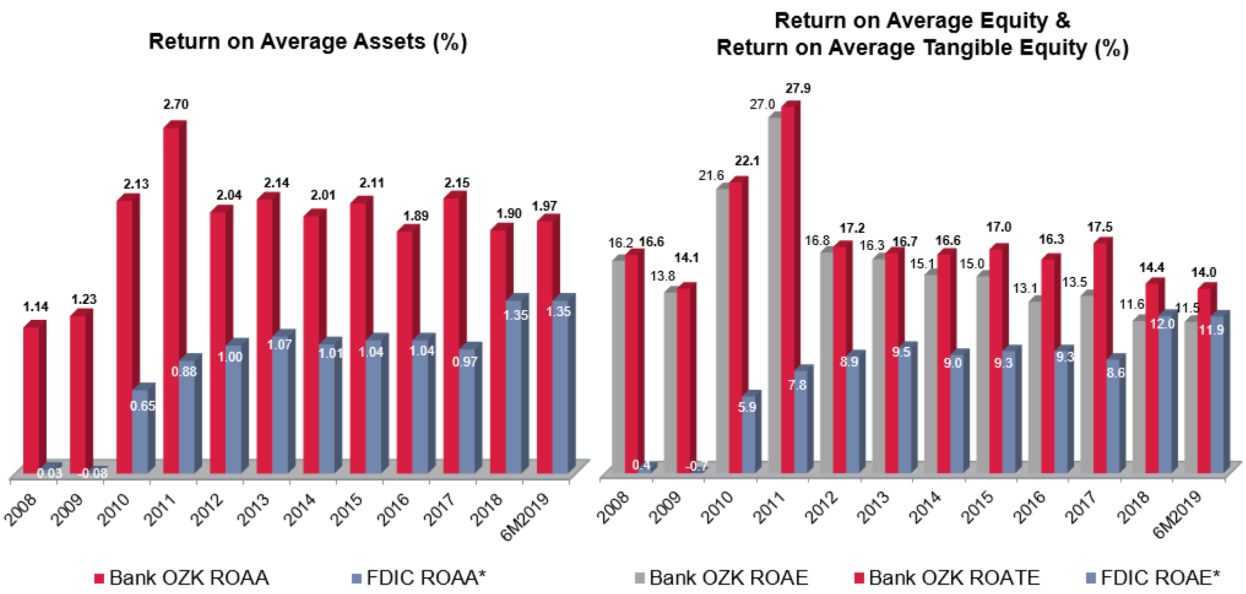
Figures 1 and 2 reflect our long history of net income growth and favorable earnings metrics relative to industry averages.

Figure 1: Profitability and Earnings Growth



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

Figure 2: Earnings Metrics



Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update first quarter 2019. Annualized when appropriate.

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

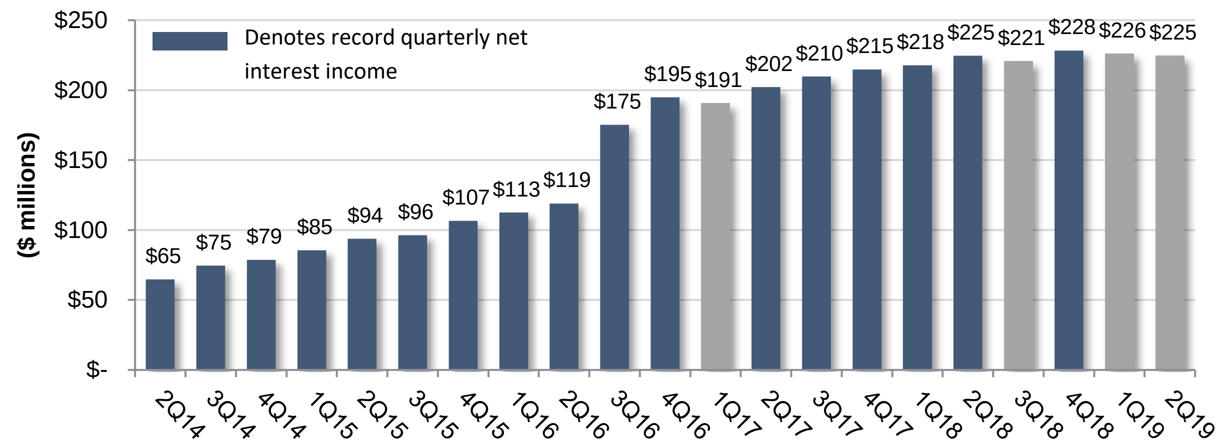
Net Interest Income

Net interest income is our largest category of revenue. It is affected by many factors, including our volume and mix of earning assets; our volume and mix of deposits and other liabilities; our net interest margin; our core spread, which is how we describe the difference between our yield on non-purchased loans and our cost of interest-bearing deposits ("COIBD"); and other factors.

Net interest income in the second quarter of 2019 was $224.5 million, down slightly from $224.7 million in the second quarter of 2018 and from $225.9 million in the first quarter of 2019. Net interest income in the first six months of 2019 was $450.4 million, an increase of 1.8% from $442.4 million in the first six months of 2018.

We strive to increase net interest income through a combination of growth in earning assets and good yields on those assets. As shown in Figure 3, our growth in net interest income has been inhibited in recent quarters by, among other factors, the large volume of loan repayments in non-purchased loans, the pay-downs in our purchased loan portfolio, the impact on our net interest margin from the competitive environment for loans and deposits, and recent decreases in LIBOR rates. We are pursuing a four-fold approach to return to positive quarterly net interest income growth. This approach includes (i) achieving positive growth in RESG loan originations from the level achieved in 2018, (ii) continuing significant growth in our Indirect RV and Marine business, (iii) achieving increased scale in a number of the specialty lending channels within Community Banking, and (iv) reducing our COIBD through better management of our deposit pricing and deposit products.

Figure 3: Quarterly Net Interest Income Since 2Q14



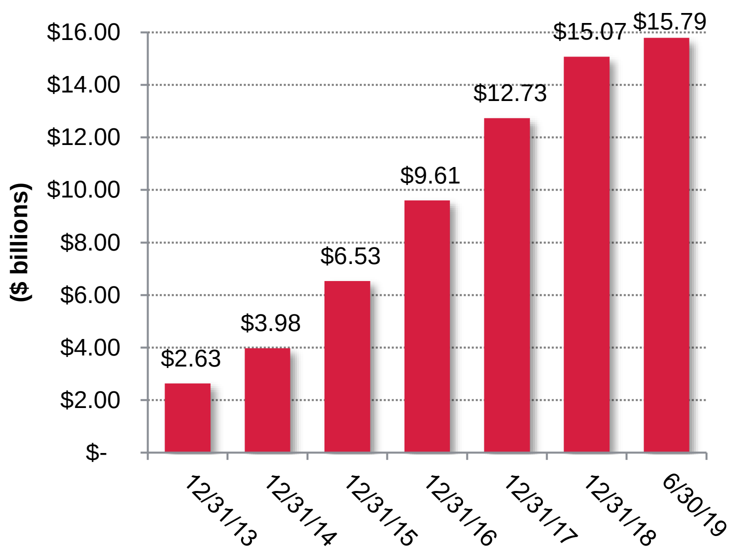
Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled $20.3 billion, an increase of 4.7% compared to the second quarter of 2018. Average earning assets were $20.3 billion for the first six months of 2019, a 6.0% increase from $19.2 billion for the first six months of 2018. Our growth in average earning assets in recent quarters has been limited by (i) a high level of repayments 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 77.5% of our average earning assets in the quarter just ended. During the quarter, the outstanding balance of our non-purchased loans grew $176 million. For the six months ended June 30, 2019, the outstanding balance of our non-purchased loans grew $713 million. During the quarter just ended, we experienced a high level of loan repayments, with some loans being repaid earlier than previously expected. This accelerated rate of loan repayments appears likely to continue in the upcoming quarters, and this has reduced our expectations for non-purchased loan growth for 2019. We now expect our non-purchased loan growth percentage for 2019 to be in the mid to high single digits, as compared to the low to mid teens percentage expected previously. Loan growth may vary widely quarter-to-quarter and our actual results for full-year 2019 could vary significantly from current expectations due to economic conditions, competition or other factors.

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



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%
6/30/19 v. 6/30/18	$1.60	11%

RESG accounted for 59% of the funded balance of non-purchased loans as of June 30, 2019. After RESG's funded balance of non-purchased loans grew $0.44 billion in the first quarter of 2019, it contracted by $0.23 billion in the second quarter of 2019 due to a record level of RESG loan repayments in the quarter, resulting in net growth of $0.21 billion for the first six months of 2019. Figures 5 and 6 reflect the changes in the funded balance of RESG loans for the second quarter and six months ended June 30, 2019.

Figure 5: Activity in RESG Funded Balances – 2Q19 ($ billions)

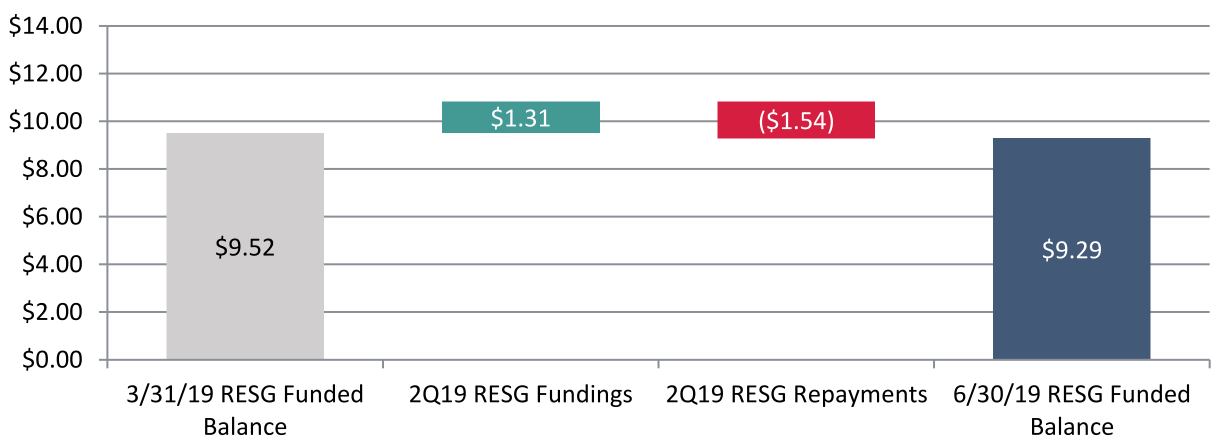


Figure 6: Activity in RESG Funded Balances – 6M19 ($ billions)

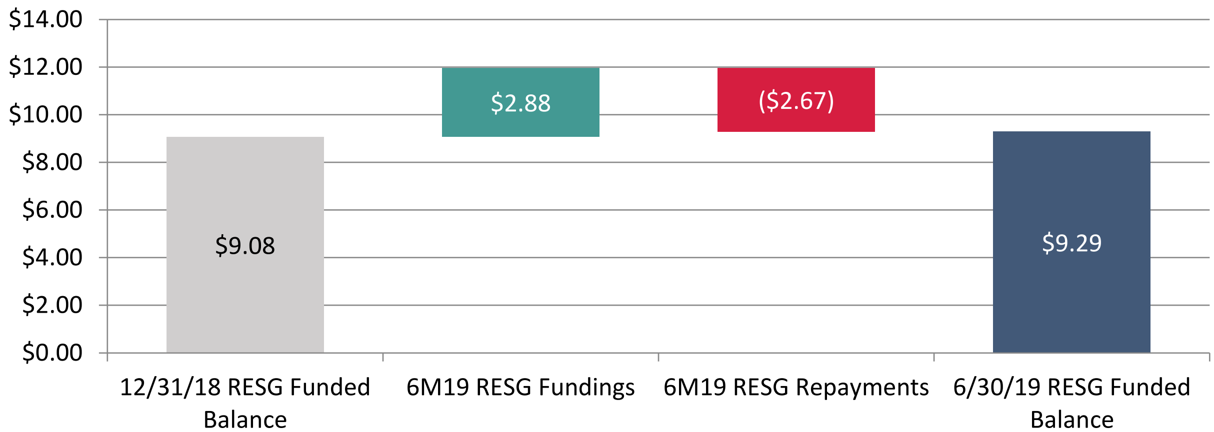


Figure 7 shows RESG's quarterly loan repayments for each of the last 14 quarters. In recent quarters, our growth in non-purchased loans has been limited by, among other factors, the high level of RESG loan repayments. This was particularly evident in the quarter just ended when RESG loan repayments set a new quarterly record of $1.54 billion.

Figure 7: RESG Quarterly Loan Repayments ($ billions)

	Q1	Q2	Q3	Q4	Total *
FY2016	$0.21	$0.41	$0.69	$0.48	$1.79
FY2017	$0.57	$0.98	$0.87	$1.45	$3.86
FY2018	$0.79	$1.40	$1.52	$1.11	$4.82
FY2019	$1.13	$1.54	---	---	$2.67

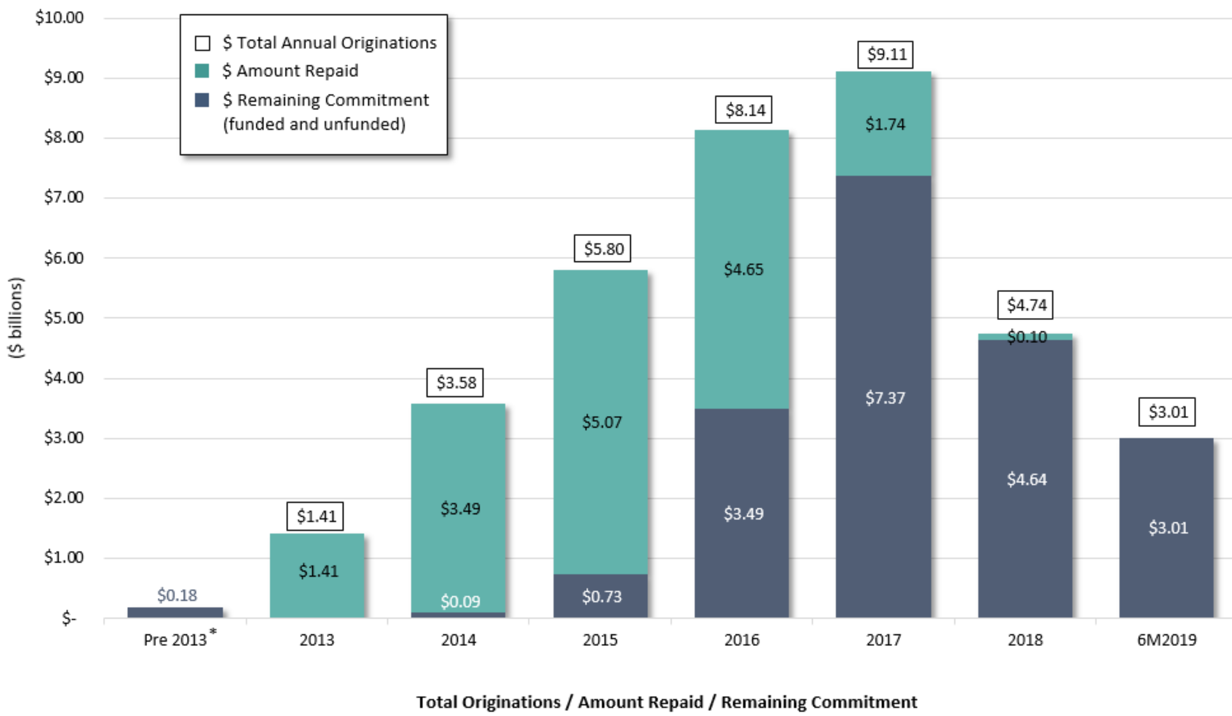
**6M19 Not Annualized*

RESG loan repayments are expected to continue at an elevated level. We expect such repayments for the full year of 2019 will exceed the level of repayments in 2018 due to high levels of property sales, leasing and refinancing activity. It is possible that RESG loan repayments in one or both of the remaining quarters of 2019 could exceed the record level of loan repayments in the quarter just ended. Of course, the level of repayments will likely vary from quarter-to-quarter and may have an outsized impact in one or more quarters.

RESG loan repayments will likely remain at an elevated level throughout 2020. Most RESG loans are construction and development loans, which typically pay off within two to four years of origination depending on the size and complexity of the project. Accordingly, the high level of RESG loan originations in 2015, 2016 and 2017 have resulted in elevated loan repayments in recent quarters and are expected to result in continued elevated repayments through 2020.

Figure 8 is intended to illustrate the typical cadence of RESG loan originations and repayments and shows the amount of each year's originations which have been repaid and the amount of each year's originations which remain as outstanding commitments, both funded and unfunded.

Figure 8: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*



** Amounts paid down are not shown for pre-2013 originations*

Figure 9 shows RESG's quarterly loan originations for each of the last 14 quarters. 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 that our RESG loan originations for 2019 will 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.

Figure 9: RESG Quarterly Loan Originations ($ billions)

	Q1	Q2	Q3	Q4	Total *
FY2016	$1.81	$1.98	$1.79	$2.56	$8.14
FY2017	$2.30	$2.04	$2.21	$2.56	$9.11
FY2018	$1.00	$1.19	$1.47	$1.08	$4.74
FY2019	$1.86	$1.15	---	---	$3.01

**6M19 Not Annualized*

At June 30, 2019, RESG accounted for 91% of our $11.2 billion unfunded balance of loans already closed. Figures 10 and 11 reflect the changes in the unfunded balance of our loans already closed, both RESG and others, for the second quarter and first six months of 2019. This unfunded balance increased $0.18 billion during the first quarter of 2019 but decreased $0.37 billion during the second quarter of 2019. This unfunded balance will likely decrease for the full year of 2019. Future quarterly increases or decreases in this unfunded balance will vary based on a combination of factors, including, among others, economic, real estate market and competitive conditions.

Figure 10: Activity in Unfunded Balances – 2Q19 ($ billions)

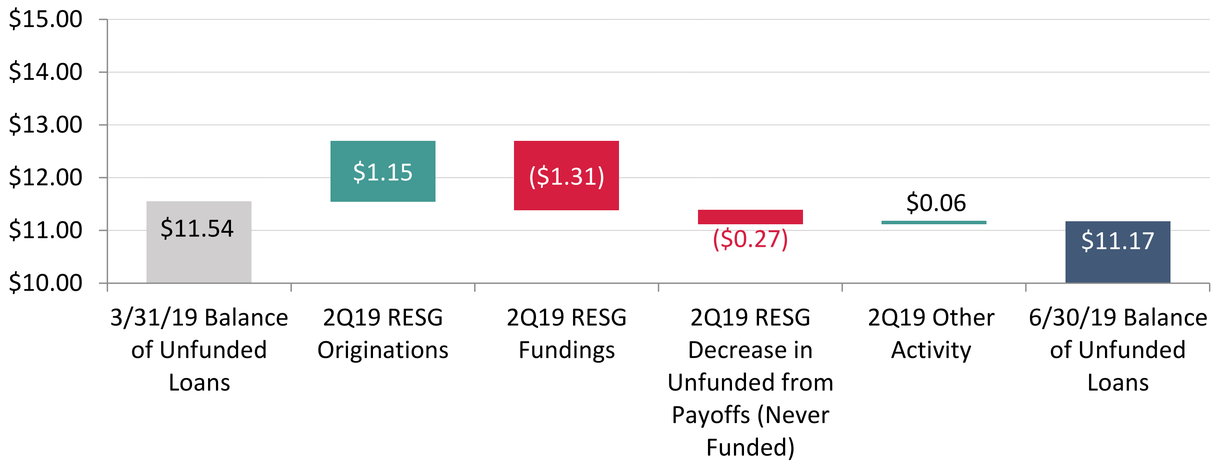
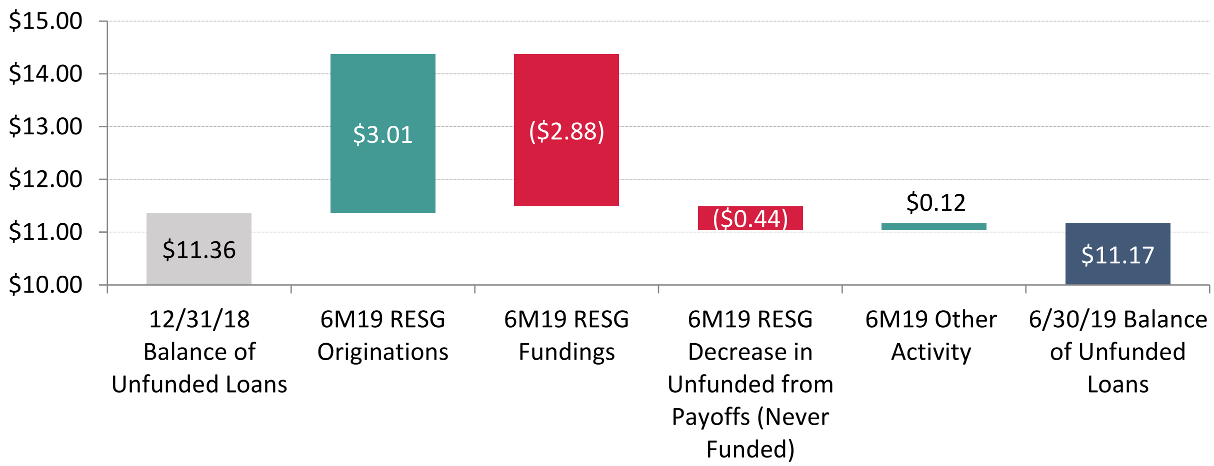


Figure 11: Activity in Unfunded Balances – 6M19 ($ billions)



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

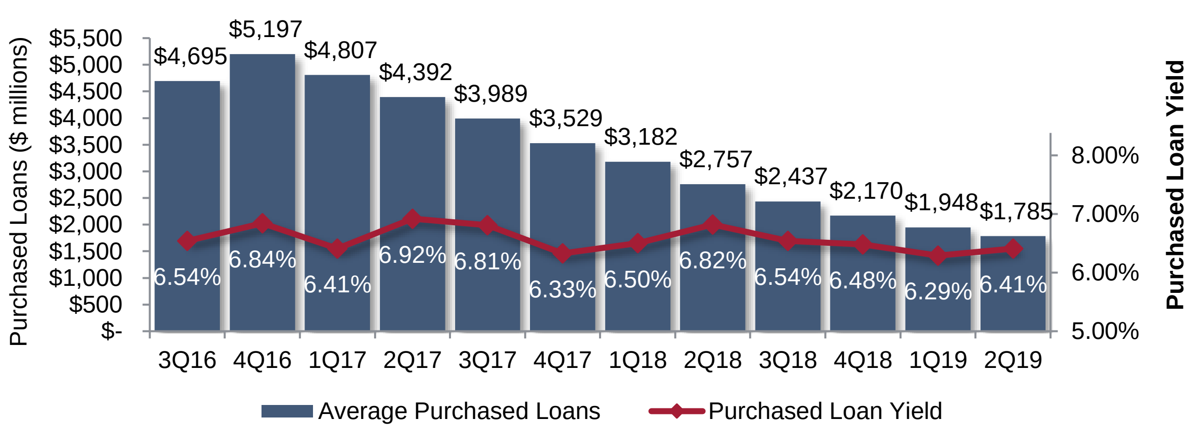
Investment Securities

Our investment securities portfolio is our second largest component of earning assets. In the last two quarters, the volume of our investment securities has decreased because we could not find sufficient securities meeting our requirements to replace securities repayments. In addition, in the quarter just ended we sold $96 million of investment securities in order to clean up numerous smaller holdings within the portfolio to facilitate more effective portfolio administration. We will continue to make adjustments in our portfolio, and we may increase or decrease our investment securities portfolio during the remainder of 2019, based on prevailing market conditions, including our ability to make additional purchases or sales at what we believe to be favorable prices.

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 8.8% of our average earning assets in the quarter just ended. During the quarter, our purchased loan portfolio decreased $0.17 billion, or 8.9% not annualized, to $1.70 billion at June 30, 2019. For the first six months of 2019, our purchased loan portfolio decreased by $0.35 billion, or 16.9% not annualized. Purchased loan runoff will continue to be a headwind to overall earning asset growth in 2019 and 2020. Figure 12 shows our purchased loan portfolio trends.

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



Net Interest Margin

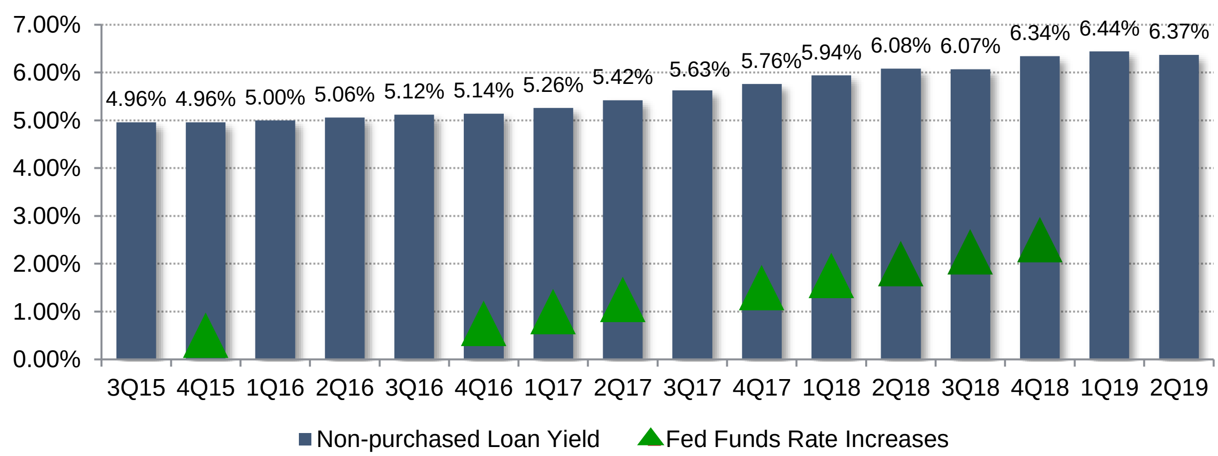
Our net interest margin of 4.45% for the quarter just ended is among the highest in the industry, but was down 21 basis points ("bps") from the second quarter of 2018 and eight bps from the first quarter of 2019. Our net interest margin for the first six months of 2019 was 4.49%, down 19 bps from the first six months of 2018.

Non-purchased Loan Yield

Our yield on non-purchased loans decreased seven bps in the quarter just ended, following a 10 basis point increase in the first quarter of 2019. Our yield on non-purchased loans for the first six months of 2019 increased 40 bps to 6.41% compared to 6.01% for the first six months of 2018.

As shown in Figure 13, our yield on non-purchased loans generally tended to increase as the Federal Reserve increased the Fed funds target rate. More recently, changing market expectations regarding a decrease in the Fed funds target rate have contributed to lower LIBOR rates, which was one factor that adversely affected our non-purchased loan yields in the quarter just ended.

Figure 13: Non-purchased Loan Yield Trends



Variable Rate Loans

At June 30, 2019, 75% of our funded balance of non-purchased loans and 43% of our funded balance of purchased loans had variable rates. If the Federal Reserve decreases the Fed funds target rate in the future, we would expect our yield on loans to decrease, even though we have endeavored to reduce the potential impact of any decreases in the Fed funds target rate by placing floor rates in many of our variable rate loans. Conversely, if the Federal Reserve increases the Fed funds target rate in the future, we would expect our yield on loans to increase.

At June 30, 2019, 98% of our funded variable rate non-purchased loans and 54% of our funded variable rate purchased loans had floor rates at some level. The levels of floor rates in our variable rate loan portfolio are shown in Figure 14.

Figure 14: Variable Rate Floor Analysis

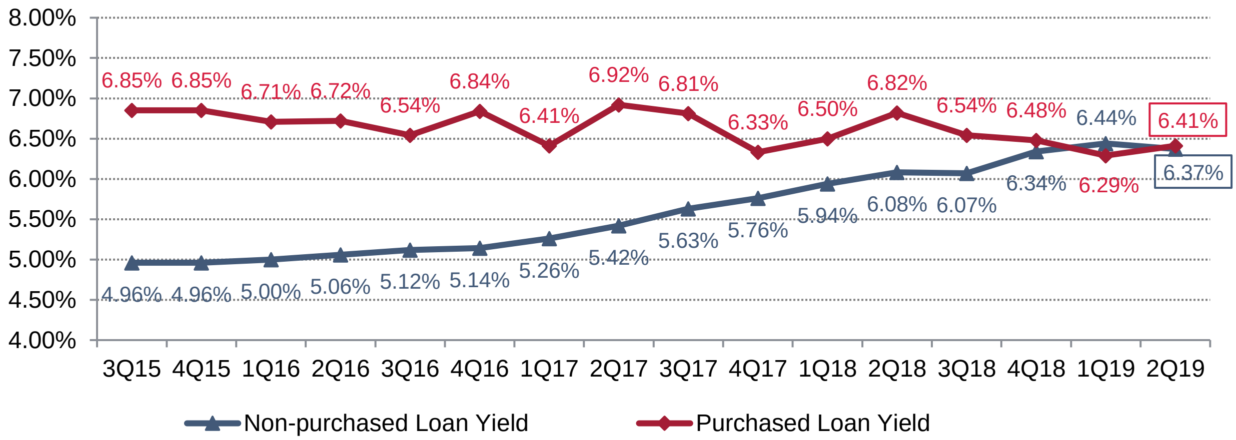
	% of Variable Rate Loans At Their Floor (as of June 30, 2019)					
Change in	**Funded Balance**			**Total Commitment (Funded and Unfunded)**		
Current Rate	**Non-purchased**	**Purchased**	**Total**	**Non-purchased**	**Purchased**	**Total**
Currently at Floor	12.65%	21.79%	13.18%	15.64%	20.15%	15.80%
Down 25 bps	16.54%	23.56%	16.94%	21.01%	21.76%	21.04%
Down 50 bps	22.66%	28.17%	22.98%	30.28%	26.32%	30.14%
Down 75 bps	26.79%	29.61%	26.95%	37.56%	27.68%	37.22%
Down 100 bps	31.34%	32.29%	31.39%	41.36%	30.20%	40.98%
Down 125 bps	36.39%	34.19%	36.25%	45.75%	32.00%	45.28%
Down 150 bps	47.32%	37.19%	46.71%	57.24%	35.29%	56.49%
Down 175 bps	61.92%	38.45%	60.53%	69.60%	36.70%	68.48%
Down 200 bps	83.81%	50.31%	81.83%	87.74%	48.37%	86.40%
Down 225 bps	95.74%	52.40%	93.19%	96.03%	50.62%	94.48%
Down 250 bps	98.19%	54.01%	95.59%	98.90%	52.71%	97.32%

As older variable rate loans, with floors that were set prior to or during the nine Fed funds target rate increases, are paid off and replaced with newer variable rate loans with more current floors, the percentage of variable rate loans with floor rates at or near current rates should continue to increase.

Changes in Loan Portfolio Mix Affect Net Interest Margin

Changes in the mix of our loan portfolio affect our net interest margin. For example, as shown in Figure 15, the differential in the yield between our purchased loan portfolio and our non-purchased loan portfolio has diminished over time and converged in recent quarters. That convergence eliminated one factor that had placed pressure on our net interest margin in recent years, specifically our replacing the runoff in higher yielding purchased loans with lower yielding non-purchased loans.

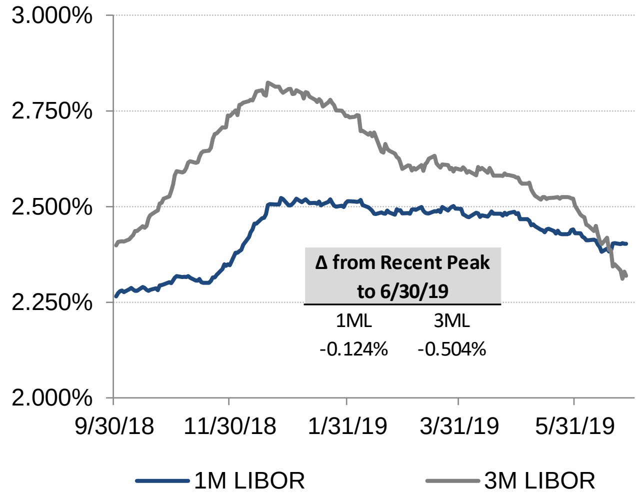
Figure 15: Convergence of Non-purchased and Purchased Loan Yields



More recently, the decrease in the percentage of our higher yielding RESG non-purchased loans and the corresponding increase in the percentage of our lower yielding other categories of non-purchased loans has contributed to the pressure on our net interest margin. The mix of our non-purchased loan portfolio was not a significant factor in our net interest margin until after the Federal Reserve increased the Fed funds target rate. Since all of our RESG loans are variable rate loans and many of our other non-purchased loans have fixed rates, the yield on our RESG non-purchased loan portfolio has outperformed the yield on our other non-purchased loans as the Fed funds target rate increased in recent years.

A variety of factors provided challenges to our net interest margin in the quarter just ended and may continue to do so for the foreseeable future. These factors include, among others, competitive pricing of loans; changes in our mix of non-purchased loans; competitive pricing of deposits, which intensified throughout 2018 and early 2019, but finally showed some signs of abating late in the second quarter of 2019; recent decreases in LIBOR rates as shown in Figure 16; and the recent flattening of the yield curve.

Figure 16: LIBOR Rates
Source: Blooomberg



As shown in Figure 17, 74.1% of our total variable rate loans were tied to 1-month LIBOR, 5.5% were tied to 3-month LIBOR and 18.0% were tied to WSJ Prime at June 30, 2019.

Figure 17: Summary of Funded Balance of Variable Rate Loan Indexes

% Variable Rate of Non-Purchased Loan Portfolio Tied to Index	
1-Month LIBOR	76.8%
3-Month LIBOR	5.8%
WSJ PRIME	16.4%
Other	1.0%

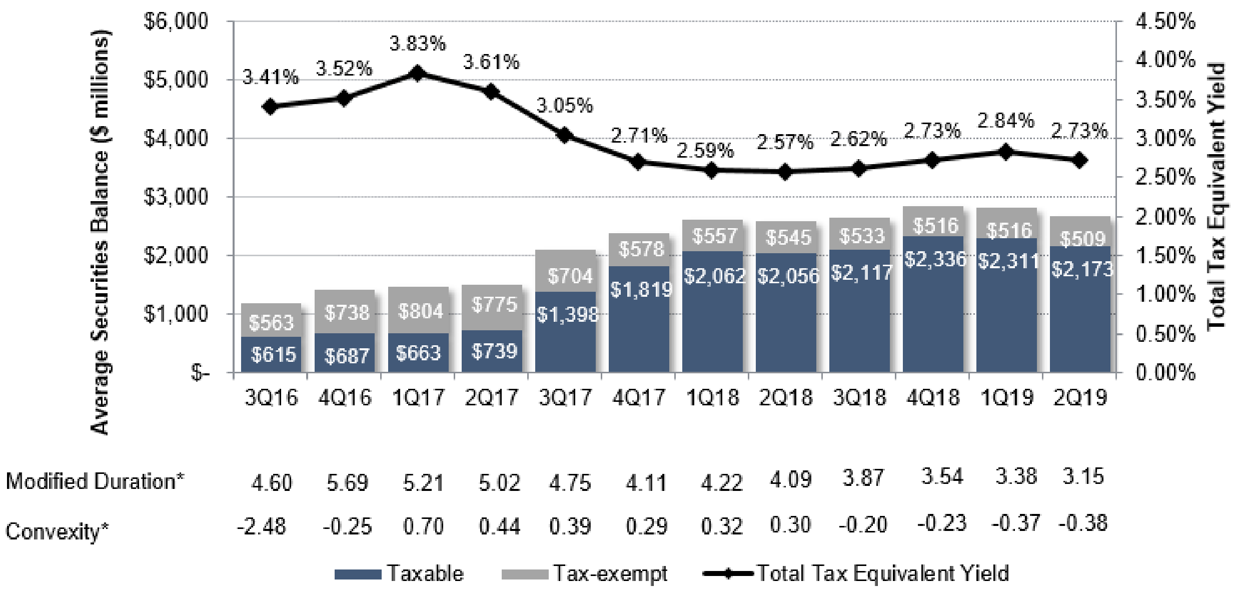
% of Variable Rate Purchased Loan Portfolio Tied to Index	
1-Month LIBOR	31.0%
3-Month LIBOR	0.0%
WSJ PRIME	43.0%
Other	26.0%

% of Variable Rate Total Loan Portfolio Tied to Index	
1-Month LIBOR	74.1%
3-Month LIBOR	5.5%
WSJ PRIME	18.0%
Other	2.5%

Investment Portfolio Yield

As shown in Figure 18, the yield on our investment portfolio was 2.73%, on a fully taxable equivalent ("FTE") basis, in the second quarter of 2019, which is an increase of 16 bps from 2.57% FTE in the second quarter of 2018, but a decrease of 11 bps from 2.84% FTE in the first quarter of 2019. The average balance of tax-exempt securities decreased from $545 million yielding 3.82% FTE in the second quarter of 2018 to $509 million yielding 3.68% FTE in the second quarter of 2019. The average balance of taxable securities increased from $2.06 billion yielding 2.24% in the second quarter of 2018 to $2.17 billion yielding 2.51% in the second quarter of 2019.

Figure 18: Securities Portfolio Average Balance and FTE Yield ($ millions)



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

The yield on our investment portfolio was 2.79%, on an FTE basis, in the first six months of 2019, which is an increase of 21 bps from 2.58% FTE in the first six months of 2018. The average balance of tax-exempt securities decreased from $551 million yielding 3.83% FTE in the first six months of 2018 to $512 million yielding 3.77% FTE in the first six months of 2019. The average balance of taxable securities increased from $2.06 billion yielding 2.24% in the first six months of 2018 to $2.24 billion yielding 2.56% in the first six months of 2019.

Core Spread

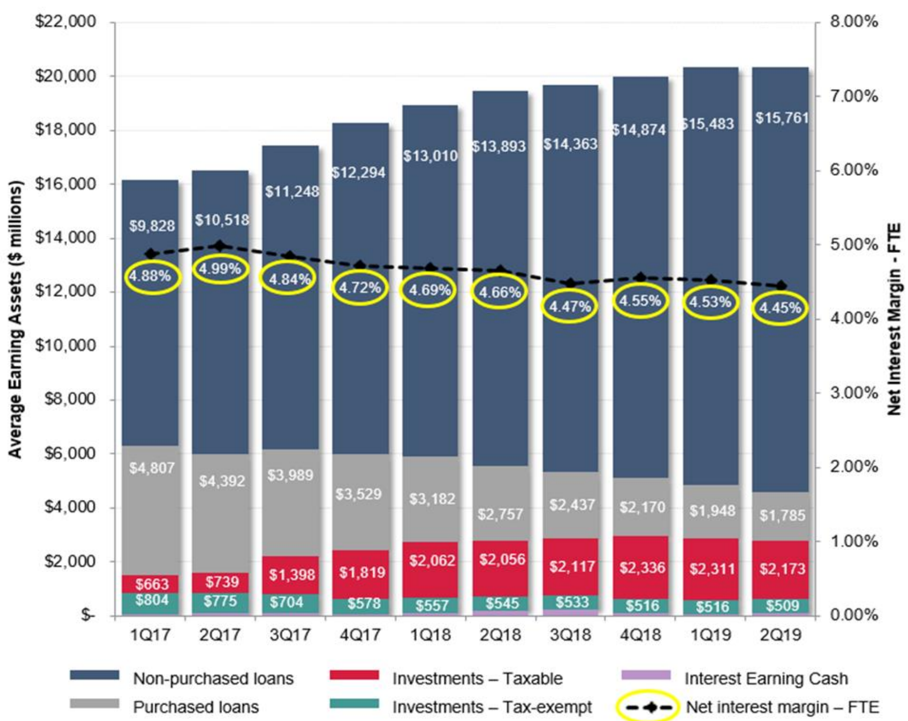
Since the fourth quarter of 2015, when the Federal Reserve started the current round of interest rate increases, the Fed funds target rate has increased nine times. This has resulted in increases in our yield on variable rate loans and newly originated loans as well as increases in our costs of interest bearing deposits and borrowings. During that 15-quarter period, our yield on non-purchased loans increased 141 bps, substantially offsetting the 145 basis point increase in our COIBD. During that 15-quarter period, we had quarters in which our core spread increased and quarters in which it decreased. Our core spread decreased 14 bps in the quarter just ended. If the Federal Reserve decreases the Fed funds target rate in the future, we would expect our yield on non-purchased loans to decrease; however, we would also expect our COIBD to decrease. Based on our experience over the last 15 quarters since the Federal Reserve began increasing rates, we expect the impact to our core spread from decreases in the Fed funds target rate would be fairly minimal over a several quarter period, but may vary from quarter to quarter.

The increase in our COIBD for the quarter just ended was seven bps, well below the 19 basis point increase in the first quarter of 2019. We believe our COIBD will be down slightly in the third quarter of 2019, even if the Federal Reserve leaves the Fed funds target rate unchanged. A decrease in the Fed funds target rate would allow us to further decrease our COIBD, but would also result in decreases in our yield on loans.

Earning Asset Mix Impact on Net Interest Margin

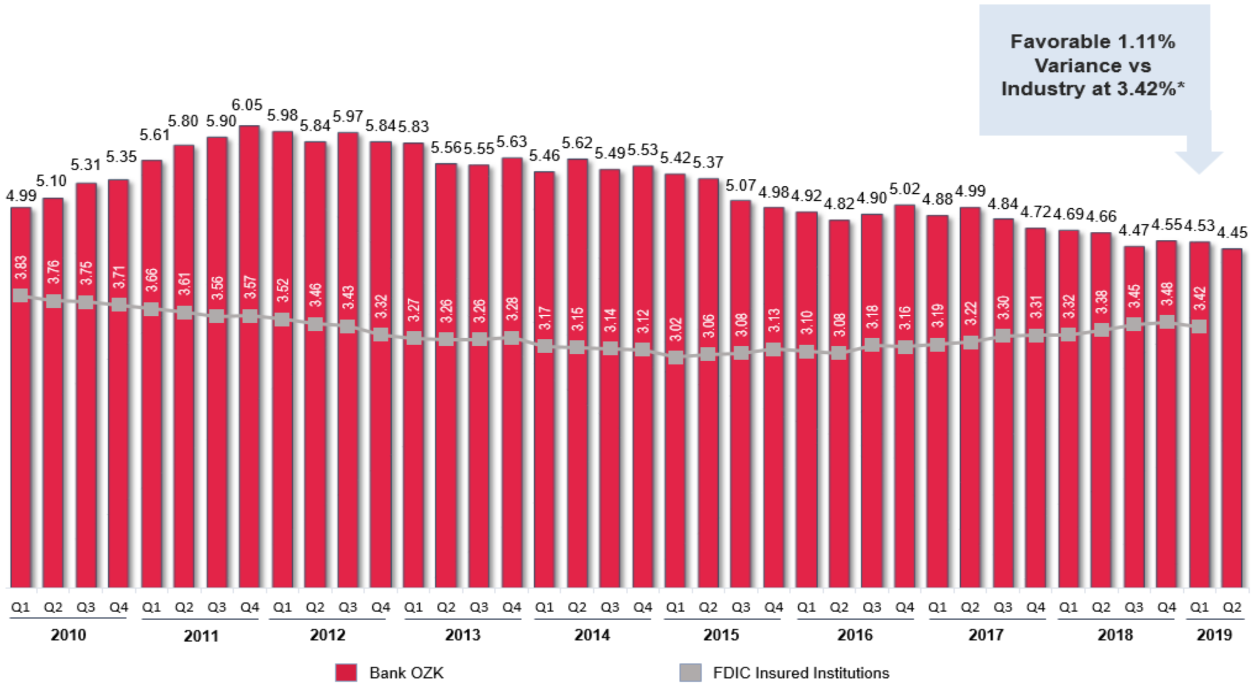
Figure 19 illustrates the dynamic nature of changes in our mix of earning assets, which have also affected our net interest margin. This includes growth in our non-purchased loans and taxable investments partially offset by decreases in our volume of purchased loans and tax-exempt investments.

Figure 19: Trends in Average Earning Assets & Net Interest Margin ($ millions)



We continue to perform well versus the industry on net interest margin, as shown in Figure 20.

Figure 20: Net Interest Margin (%)



*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update first quarter 2019.

Non-interest Income

Non-interest income for the second quarter of 2019 was $26.6 million, a 2.9% decrease from $27.4 million for the second quarter of 2018. For the first six months of 2019, non-interest income was $50.7 million, a 9.7% decrease from $56.1 million for the first six months of 2018. As shown in Figure 21, several categories of non-interest income vary significantly from quarter-to-quarter. We would expect non-interest income for the remaining quarters of 2019 to be in the range we have reported over the last several quarters.

Figure 21: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended								
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Service charges on deposit accounts	$ 11,764	$ 9,729*	$ 10,058	$ 9,525	$ 9,704	$ 9,730	$ 10,585	$ 9,722	$ 10,291
Mortgage lending income	1,910	1,620	1,294 **	492	1	24	20	-	-
Trust income	1,577	1,755	1,729	1,793	1,591	1,730	1,821	1,730	1,839
BOLI income	4,594	4,453	5,166	7,580***	5,259	5,321	5,751	5,162	5,178
Other income from purchased loans	4,777	2,933	2,009	1,251	2,744	1,418	2,370	795	1,455
Loan service, maintenance and other fees	3,427	5,274	4,289	4,743	5,641	4,724	5,245	4,874	4,565
Net gains on investment securities	404	2,429	1,201	17	-	-	-	-	713
Gains (losses) on sales of other assets	672	1,363	1,899	1,426	844	(518)	465	284	402
Other	2,715	3,191	2,568	1,880	1,602	1,692	1,303	1,505	2,160
Total non-interest income	$ 31,840	$ 32,747	$ 30,213	$ 28,707	$ 27,386	$ 24,121	$ 27,560	$ 24,072	$ 26,603

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

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

**** Non-interest income for the first quarter of 2018 included $2.7 million of tax-exempt BOLI death benefit income.*

Figure 22: Year-to-Date Trends in Non-interest Income – 2019 vs. 2018 *($ thousands)*

	For the Six Months Ended		
	6/30/2018	6/30/2019	% Change
Service charges on deposit accounts	$ 19,229	$ 20,014	4.1%
Mortgage lending income	493	-	-100.0%
Trust income	3,384	3,569	5.5%
BOLI income	12,839 *	10,340	-19.5%
Other income from purchased loans	3,995	2,251	-43.7%
Loan service, maintenance and other fees	10,384	9,438	-9.1%
Net gains on investment securities	17	713	4094.1%
Gains (losses) on sales of other assets	2,270	686	-69.8%
Other	3,483	3,664	5.2%
Total non-interest income	$ 56,094	$ 50,675	-9.7%

** Non-interest income for the first six months of 2018 included $2.7 million of tax-exempt BOLI death benefit income compared to none in the first six months of 2019.*

Non-interest Expense

Non-interest expense for the second quarter of 2019 was $99.1 million, an 11.2% increase from the $89.1 million in the second quarter of 2018 and a 2.5% increase from $96.7 million for the first quarter of 2019. For the first six months of 2019, non-interest expense was $195.8 million, a 7.0% increase from $182.9 million for the first six months of 2018. Figure 23 summarizes non-interest expense for the most recent nine quarters.

Figure 23: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended								
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	3/31/2019	6/30/2019
Salaries & employee benefits	$ 39,892	$ 35,331	$ 38,417	$ 45,499	$ 41,665	$ 41,477	$ 41,837	$ 44,868	$ 47,558
Net occupancy and equipment	12,937	13,595	13,474	14,150	13,827	14,358	14,027	14,750	14,587
Professional and outside services	6,816	10,018	10,269	8,705	9,112	9,725	8,325	8,564	8,105
Advertising and public relations	1,258	1,907	1,634	1,331	1,777	6,977	1,472	1,683	1,671
Telecommunication services	3,107	3,321	3,537	3,197	3,487	3,373	3,023	3,344	2,810
Software and data processing	2,289	2,982	2,382	3,340	3,110	3,336	3,943	4,709	4,757
Travel and meals	2,061	2,223	2,338	2,153	2,498	2,517	2,482	2,669	2,939
FDIC insurance and state assessments	3,408	4,381	3,583	3,562	3,558	3,948	3,672	3,652	3,488
Amortization of intangibles	3,145	3,145	3,145	3,145	3,145	3,145	3,144	3,145	3,012
Postage and supplies	1,934	1,852	2,063	2,195	2,218	2,517	2,214	2,103	2,058
ATM expense	1,513	1,430	1,644	1,363	1,118	1,202	544	987	1,099
Loan collection and repossession expense	1,803	1,249	949	790	503	932	1,077	984	918
Writedowns of foreclosed assets	870	1,028	994	151	460	544	1,841	562	594
Writedown of signage due to strategic rebranding	-	-	-	-	-	4,915	-	-	-
Other expenses	2,795	1,937	1,748	4,229	2,629	3,976	7,292	4,658	5,535
Total non-interest expense	$ 83,828	$ 84,399	$ 86,177	$ 93,810	$ 89,107	$102,942	$ 94,893	$ 96,678	$ 99,131
Total expenses related to strategic rebranding *	-	-	-	-	621	10,772	271	-	-
Total non-interest expenses excluding expenses related to strategic rebranding	$ 83,828	$ 84,399	$ 86,177	$ 93,810	$ 88,486	$ 92,170	$ 94,622	$ 96,678	$ 99,131

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

Figure 24: Year-to-Date Trends in Non-interest Expense – 2019 vs. 2018 *($ thousands)*

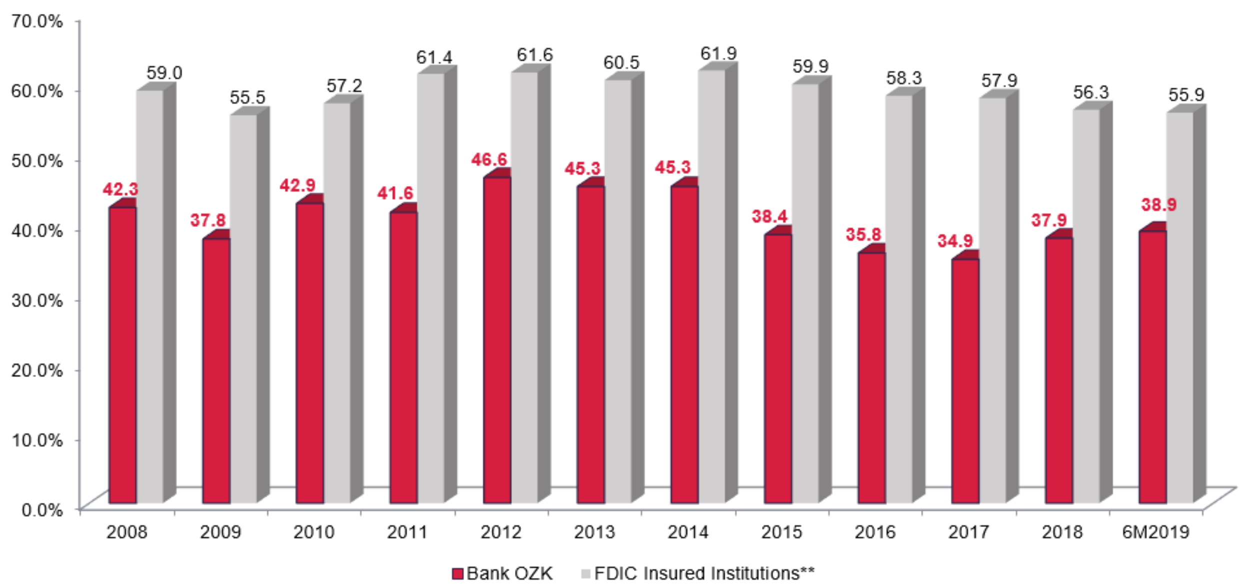
	For the Six Months Ended		
	6/30/2018	6/30/2019	% Change
Salaries & employee benefits	$ 87,164	$ 92,425	6.0%
Net occupancy and equipment	27,977	29,338	4.9%
Professional and outside services	17,817	16,669	-6.4%
Advertising and public relations	3,107	3,353	7.9%
Telecommunication services	6,683	6,154	-7.9%
Software and data processing	6,450	9,466	46.8%
Travel and meals	4,651	5,608	20.6%
FDIC insurance and state assessments	7,120	7,140	0.3%
Amortization of intangibles	6,290	6,157	-2.1%
Postage and supplies	4,412	4,161	-5.7%
ATM expense	2,481	2,086	-15.9%
Loan collection and repossession expense	1,293	1,901	47.0%
Writedowns of foreclosed assets	611	1,155	89.0%
Writedown of signage due to strategic rebranding	-	-	---
Other expenses	6,861	10,196	48.6%
Total non-interest expense	$ 182,917	$ 195,809	7.0%
Total expenses related to strategic rebranding *	621	-	---
Total non-interest expenses excluding expenses related to strategic rebranding	$ 182,296	$ 195,809	7.4%

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

Efficiency Ratio

In the quarter just ended, our efficiency ratio was 39.3%. In the first six months of 2019, our efficiency ratio was 38.9%, as shown in Figure 25. Our efficiency ratio has been among the top decile of the industry for 17 consecutive years.

Figure 25: Top Decile Efficiency (%) for 17 Consecutive Years*

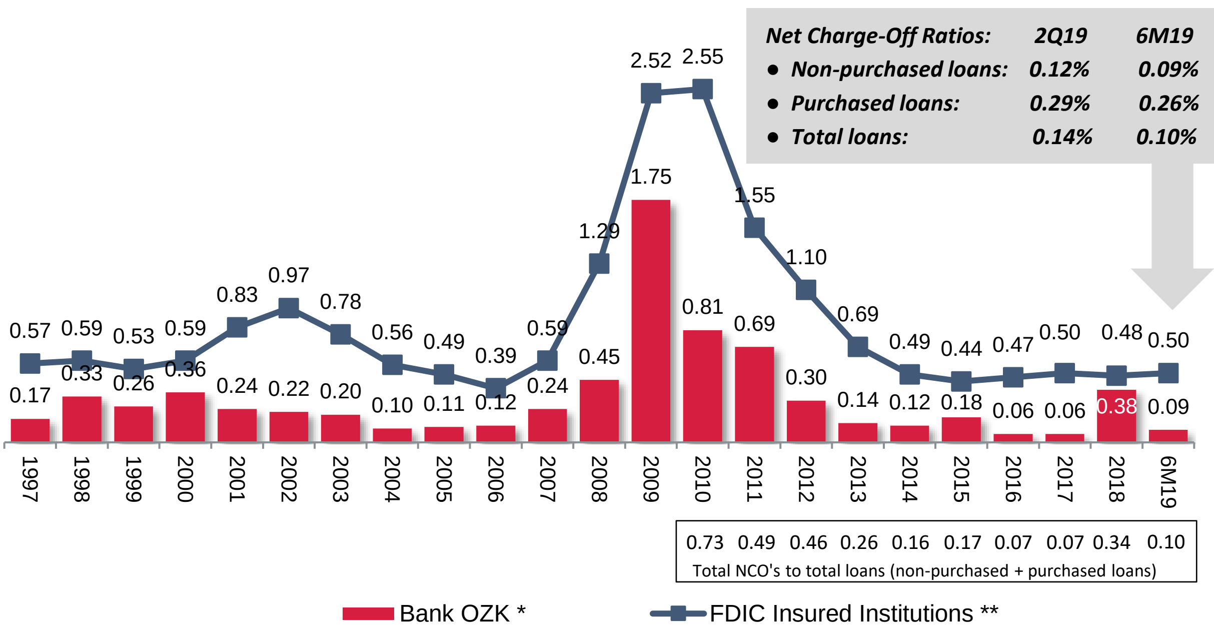


** Data from S&P Global Market Intelligence.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update first quarter 2019.*

Asset Quality

We continue to have net charge-off ratios below industry averages, as shown in Figure 26. In our 22 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 34% of the industry's net charge-off ratio.

Figure 26: 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 first quarter 2019. Annualized when appropriate.*

In RESG's 16 ½ 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 17 bps. You can see those details in Figure 27.

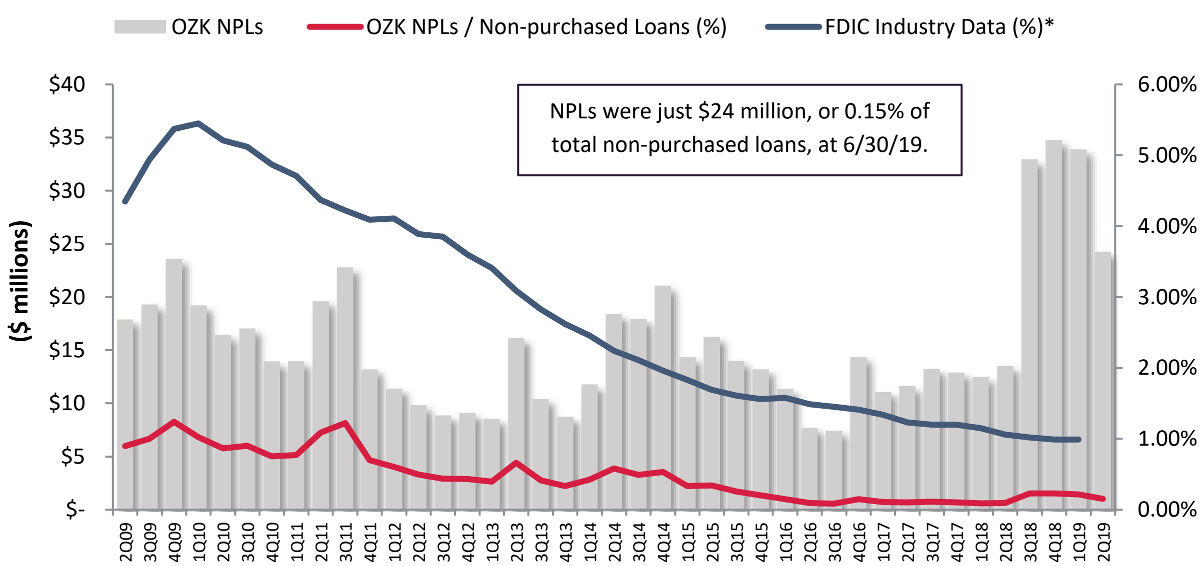
Figure 27 - RESG Historical Net charge-offs *($ Thousands)*

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%
6/30/2019	9,291,269	9,464,729	-	0.00%
Total			**$ 56,768**	
		Weighted Average		**0.17%**

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

As shown in Figures 28, 29 and 30, the dollar volumes of our nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans have been relatively stable, even as our total non-purchased loans and total assets have grown many-fold. Our ratios for nonperforming non-purchased loans, nonperforming assets and past due non-purchased loans have generally improved and have been consistently better than the industry's ratios.

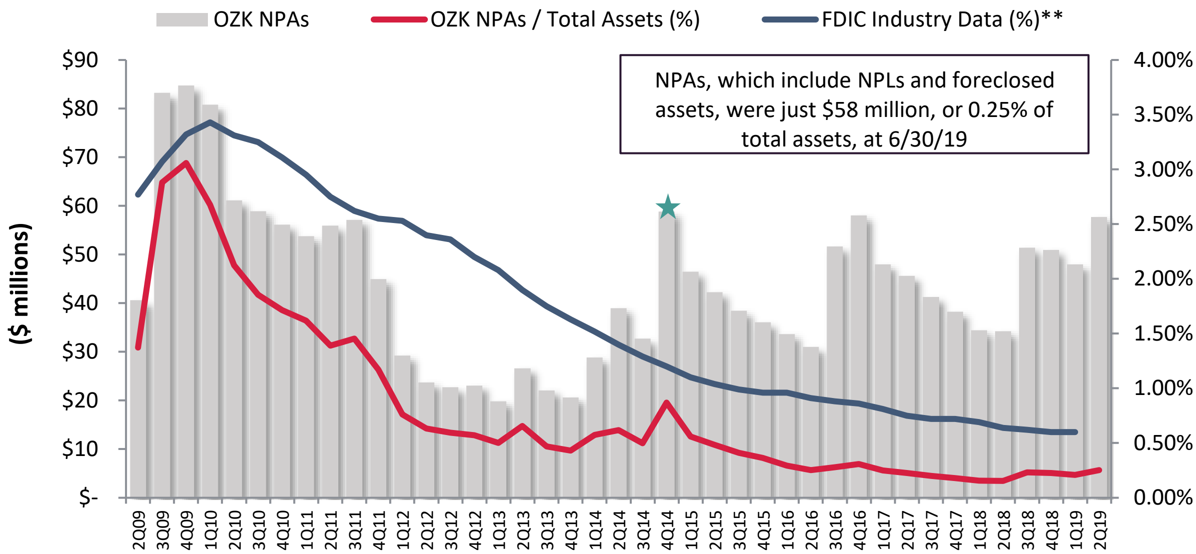
Figure 28: Nonperforming Non-purchased Loans ("NPLs") ($ millions)



** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2019. Percent of Loans Noncurrent is the percentage of loans that are past due 90 days or more or that are in nonaccrual status.*

During the quarter just ended, we transferred to foreclosed assets the two RESG credits previously classified as substandard non-accrual. These were the North Carolina land, lot development and vertical construction credit and the South Carolina shopping center credit, both of which we have discussed extensively in recent quarters. In an effort to maximize our proceeds from the North Carolina asset, we expect to liquidate this asset by completing the development and selling lots and homes. We are actively marketing the South Carolina asset.

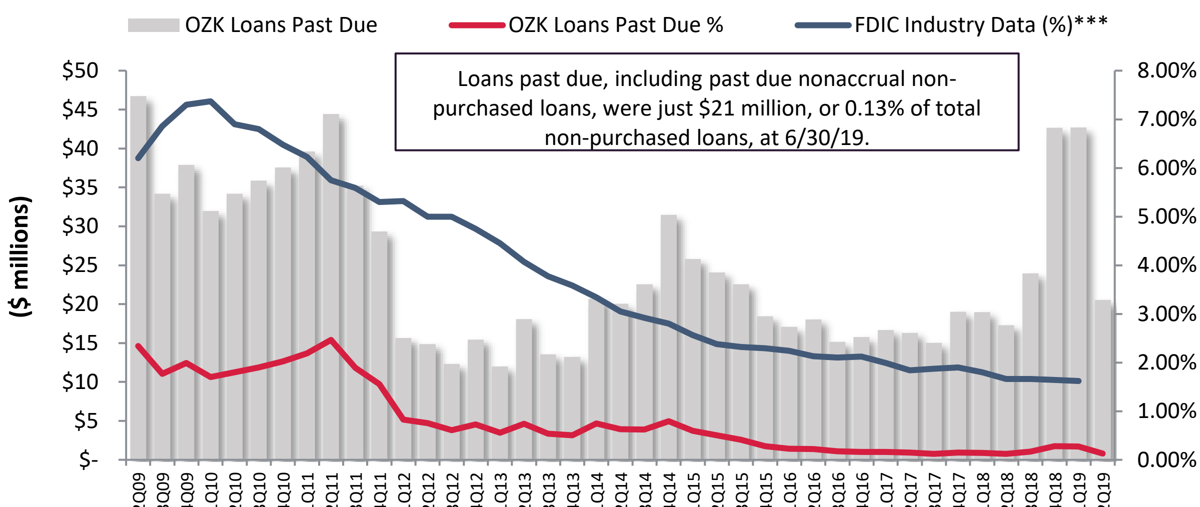
Figure 29: Nonperforming Assets ("NPAs") ($ millions)



*** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2019. 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 30: Non-purchased Loans Past Due 30+ Days, Including Past Due Nonaccrual Non-purchased Loans ("Loans Past Due") ($ millions)



**** Note: Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2019. Percent of Loans Noncurrent + Percent of Loans 30-89 Days Past Due.*

Additionally, as shown in Figure 31, our dollar volume of non-purchased loans designated as being in the "Substandard" category of our credit quality indicators has remained low, even as our capital has grown many-fold. As a result, our ratio of substandard non-purchased loans as a percentage of our total risk-based capital ("TRBC") at June 30, 2019 is near the lowest such ratio for the periods shown.

Figure 31: Substandard Non-purchased Loan Trends ($ millions)

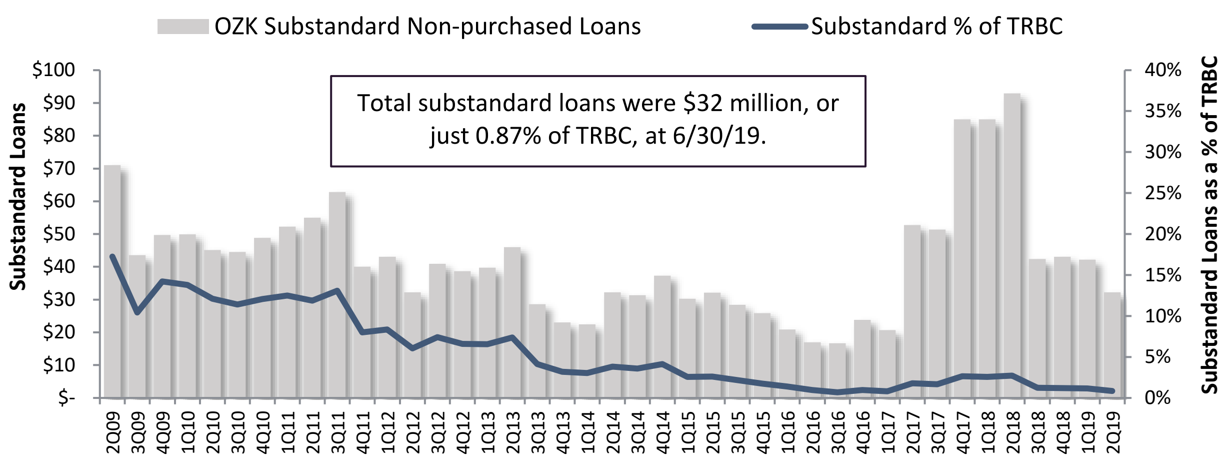
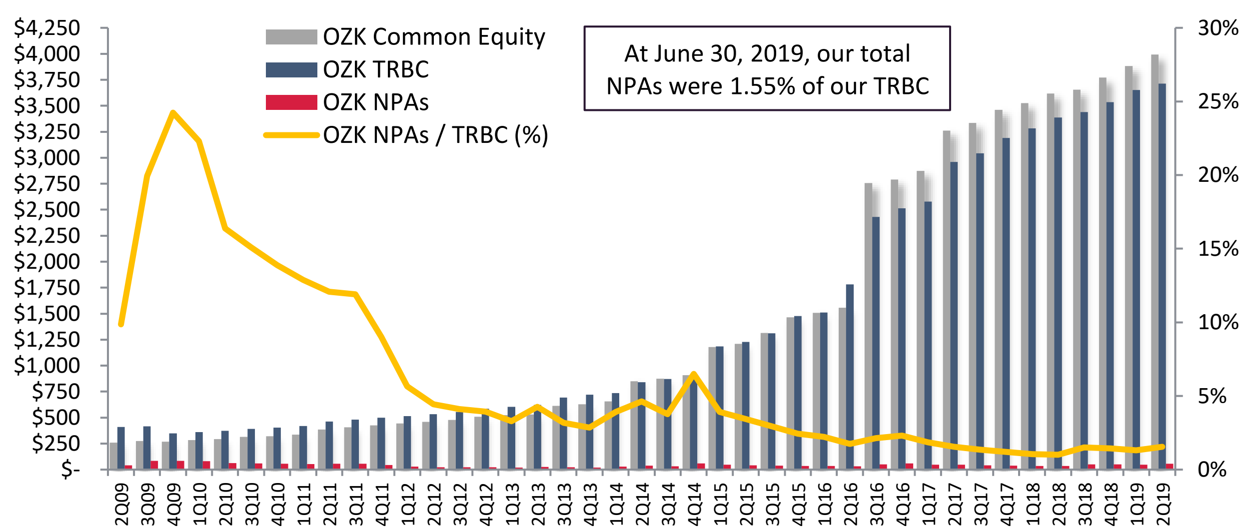


Figure 32 shows the tremendous growth in our common equity and TRBC over the last 10 years, while our volume of total nonperforming assets has generally declined to relatively nominal levels.

Figure 32: Capital vs. NPAs – ($ millions)



We expect our asset quality to continue our long tradition of being better than industry averages.

Loan Portfolio Diversification & Leverage

In recent years, we have discussed the importance of achieving greater contributions to growth from our loan teams other than RESG. Figure 33 reflects the mix in our loan growth in the quarter just ended. In 2017 and 2018, these other loan teams contributed 54% and 61%, respectively, of our non-purchased loan growth, and during the first half of 2019 these other loan teams contributed 70% of our non-purchased loan growth, as illustrated in Figure 34. We expect our team handling Indirect RV & Marine lending and certain teams within Community Banking to contribute a high percentage of our non-purchased loan growth in the remainder of 2019, while our RESG team may contribute less growth due to the high levels of RESG loan repayments, all resulting in further portfolio diversification.

Figure 33: Non-purchased Loan Growth – 2Q19 ($ millions)

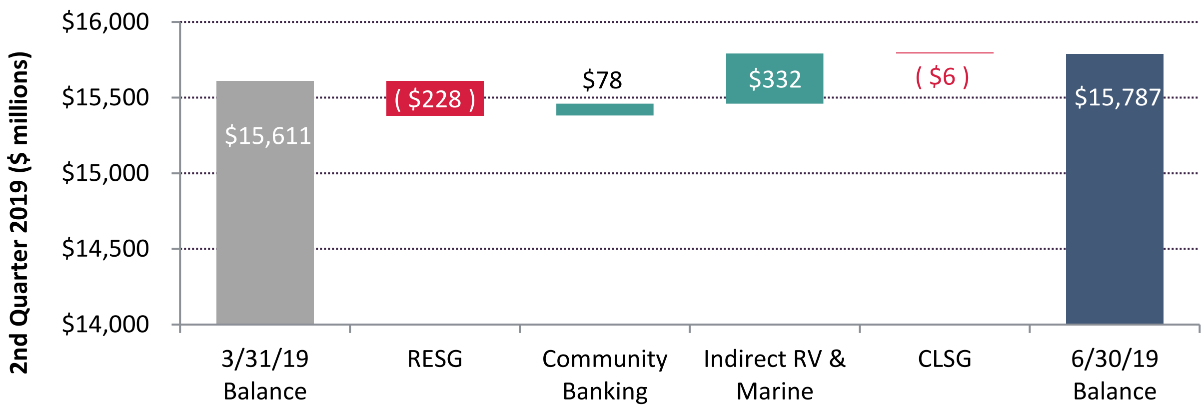
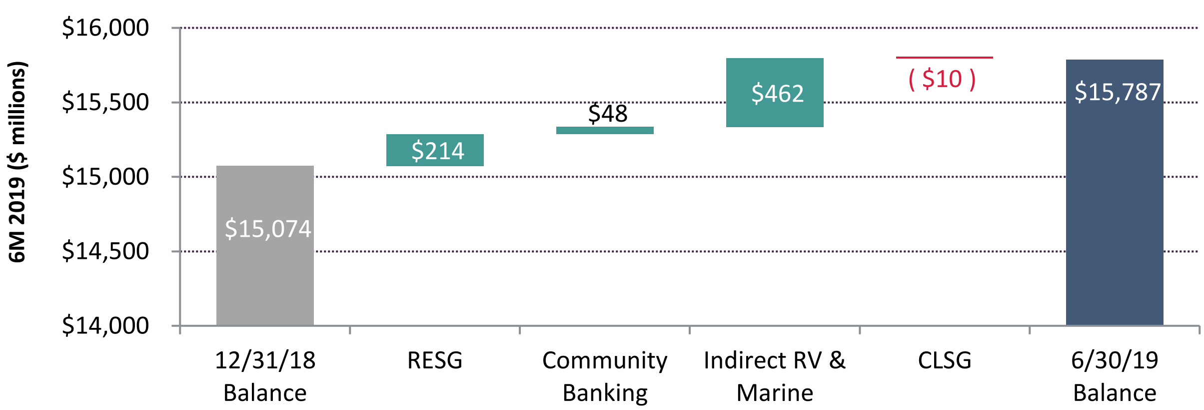
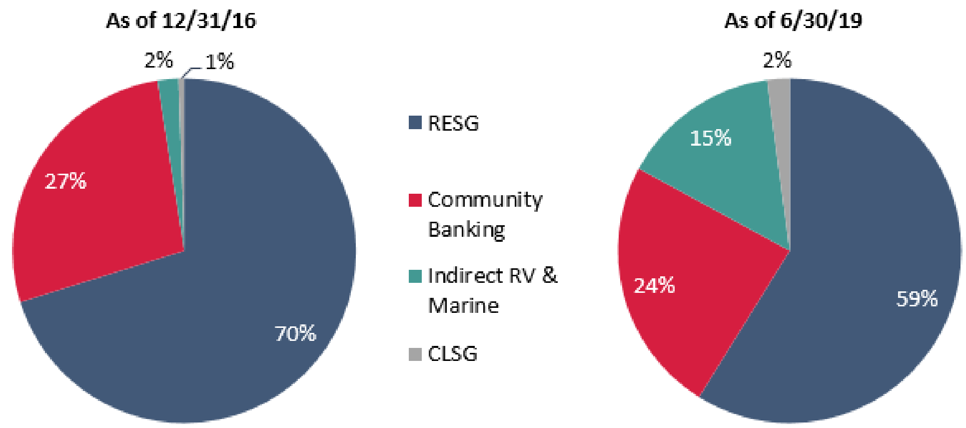


Figure 34: Non-purchased Loan Growth – 6M19 ($ millions)



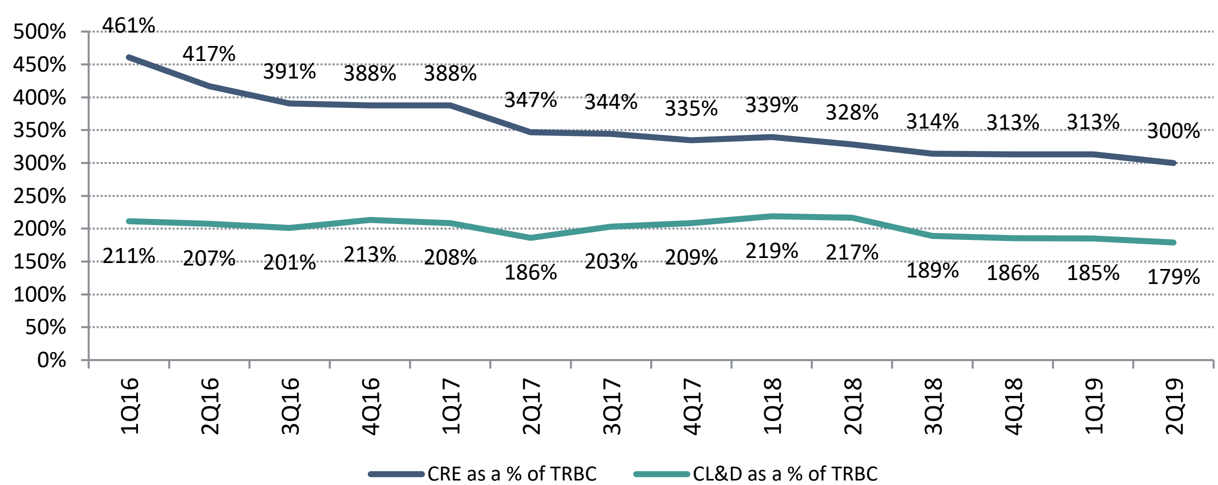
As shown in Figure 35, our more diversified growth in recent years has resulted in our RESG portfolio accounting for 59% of the funded balance of our non-purchased loans at June 30, 2019 compared to 70% at December 31, 2016.

Figure 35: Non-purchased Loan Portfolio Mix Shift



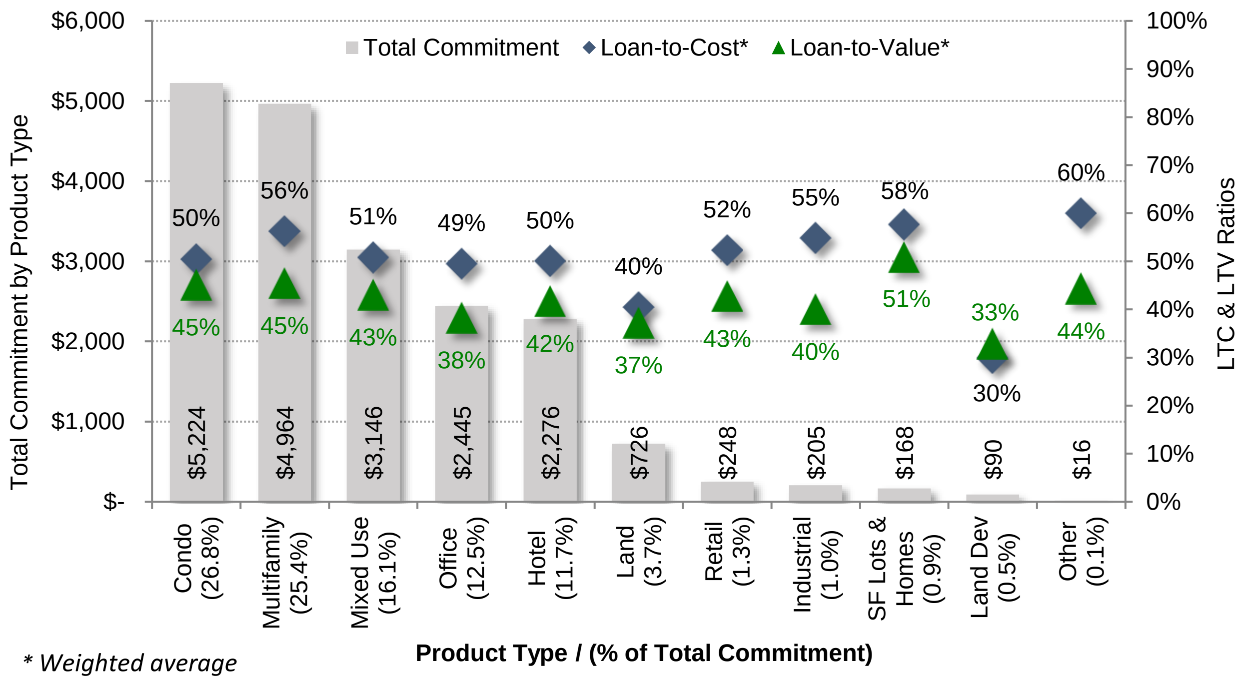
We expect this trend toward greater portfolio diversification to continue. This trend, along with our significant growth in our TRBC, has contributed to a generally declining trend in our total commercial real estate ("CRE") and construction, land development and other land ("CL&D") concentrations, as shown in Figure 36. Further growth in our non-CRE lending, along with growth in our TRBC, may continue to reduce our CRE and CL&D concentration ratios. To be clear, we are not reducing our focus on CRE and CL&D lending, and we expect the dollar volume of these categories of loans to continue to grow in most quarters, even if they decline as a percentage of our total non-purchased loans and as a percentage of TRBC.

Figure 36: Declining Regulatory CRE and CL&D Concentration Ratios



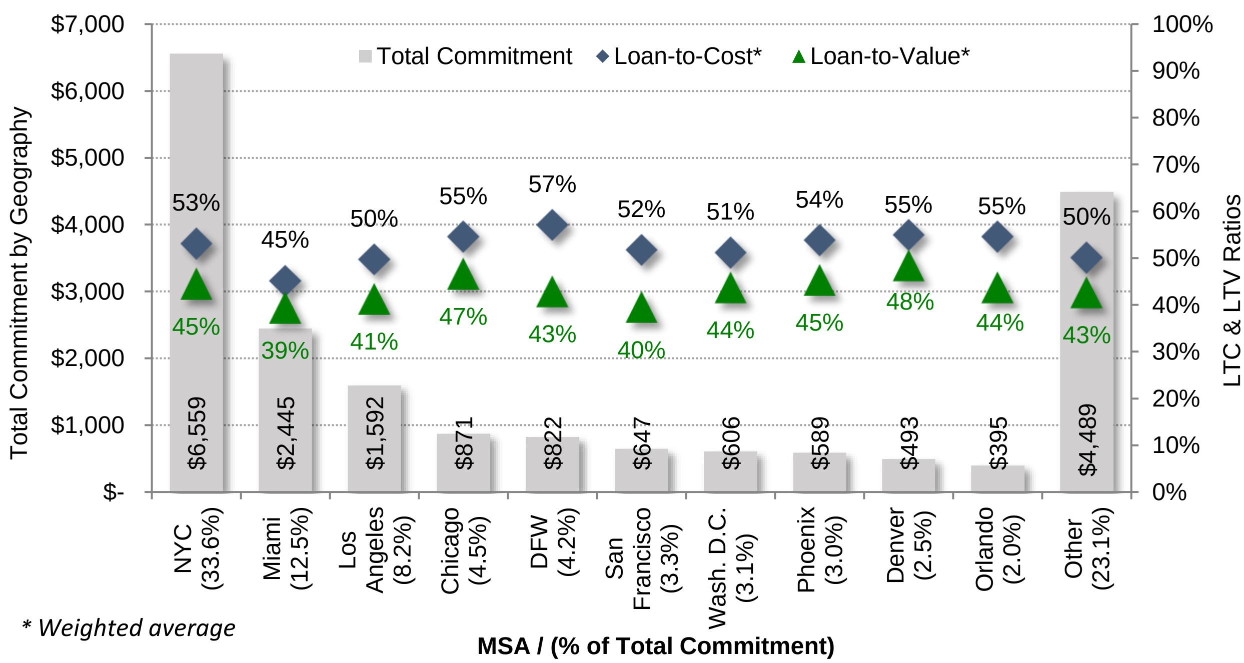
Even within the RESG portfolio, we benefit from the substantial diversification by both product type and geography, as well as low loan-to-cost ("LTC") and loan-to-value ("LTV") ratios, all as shown in Figures 37 and 38.

Figure 37: RESG Portfolio Diversity by Product Type (As of June 30, 2019) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



** Weighted average*

Figure 38: RESG Portfolio Diversity by Geography (As of June 30, 2019) ($ millions)
(LTC and LTV ratios assume all loans are fully funded)



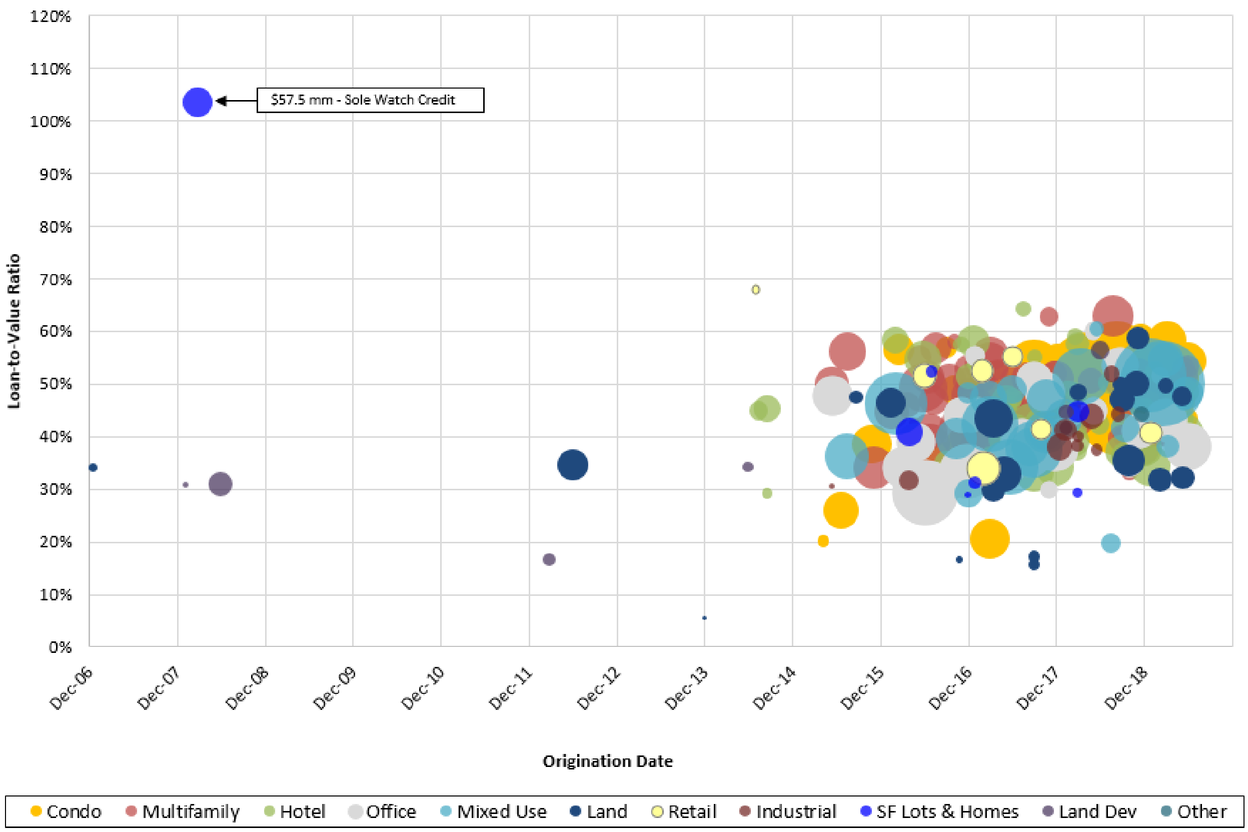
** Weighted average*

Assuming full funding of every RESG loan, as of June 30, 2019, the weighted average LTC for the RESG portfolio was a conservative 51.2%, and the weighted average LTV was even lower at just 43.0%. Other than the one watch credit specifically referenced below in Figure 39, all other credits in the RESG portfolio have LTV ratios less than 68%. The LTV metrics on individual loans within the RESG portfolio are illustrated in Figure 39.

Figure 39: RESG Portfolio by LTV & Origination Date (As of June 30, 2019)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount

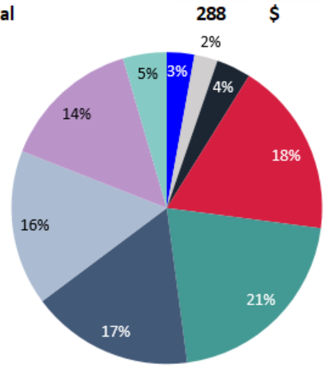
LTV Ratios Assume All Loans Are Fully Funded

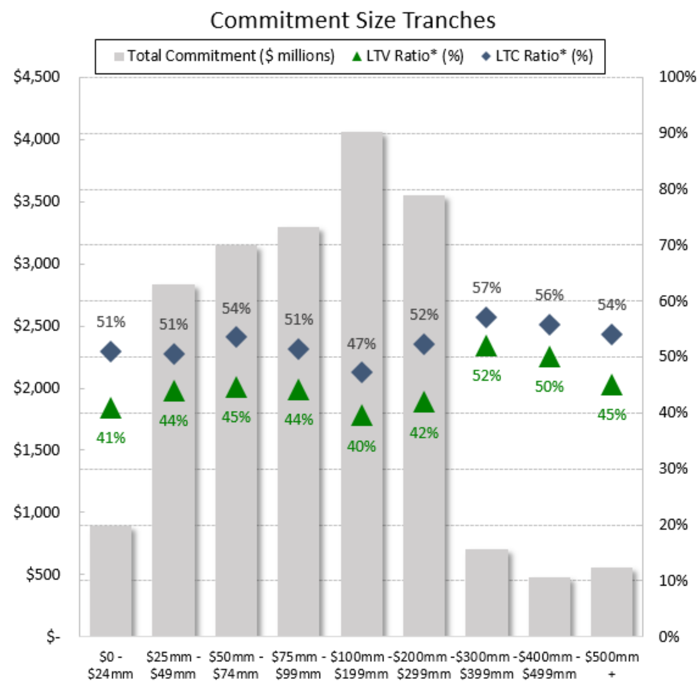


The RESG portfolio includes loans of many different sizes, and historically approximately 90%, on average, of our total commitments are actually funded before the loan is repaid. The stratification of the RESG portfolio by commitment size is reflected in Figure 40.

Figure 40: RESG Portfolio Stratification by Loan Size - Total Commitment (As of June 30, 2019) ($ millions)

Tranche	No. of Loans	Total Commitment
$500mm +	1	$ 558
$400mm - $499mm	1	$ 475
$300mm - $399mm	2	$ 700
$200mm - $299mm	15	$ 3,548
$100mm - $199mm	33	$ 4,065
$75mm - $99mm	38	$ 3,296
$50mm - $74mm	52	$ 3,149
$25mm - $49mm	78	$ 2,831
$0 - $24mm	68	$ 887
Total	**288**	**$ 19,508**



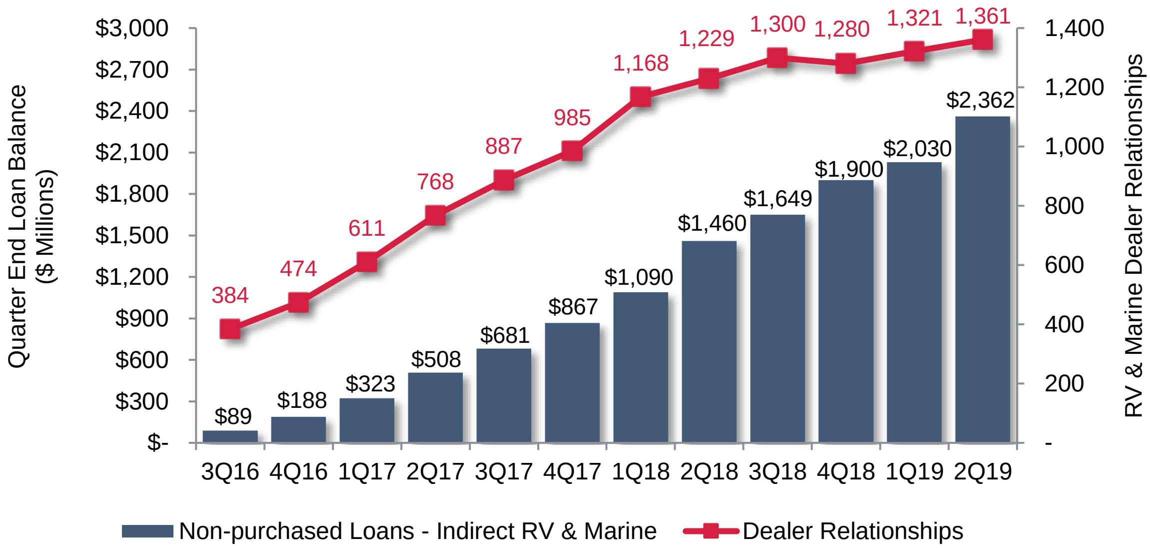


** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche.*

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, charter schools, middle market CRE and home builder finance loan teams. We have been building a foundation for and refining many of these specialty-lending channels for years. We believe that we are in a good position to achieve more growth through these channels. 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 in 2018 and in the second quarter and first six months of 2019. The nucleus of this team joined us in July 2016 as part of an acquisition. The management of this team, having an average of 26 years of experience lending to the RV and marine industries, utilizes detailed management reporting and data analytics to support a very disciplined operating platform. We focus primarily on super-prime and high-prime borrowers. The typical borrower in this portfolio is a homeowner with proven big-ticket credit experience and an average FICO score at origination of approximately 790. As of June 30, 2019, the non-purchased indirect portfolio had an average loan size of approximately $95,000 and a 30+ day delinquency ratio of six bps. For the second quarter and first six months of 2019, the annualized net charge-off ratio for the non-purchased indirect portfolio was 14 bps and 13 bps, respectively. Figure 41 provides details regarding this portfolio.

Figure 41: Growth in RV & Marine Dealers and Outstanding Non-purchased Loan Balances ($ millions)



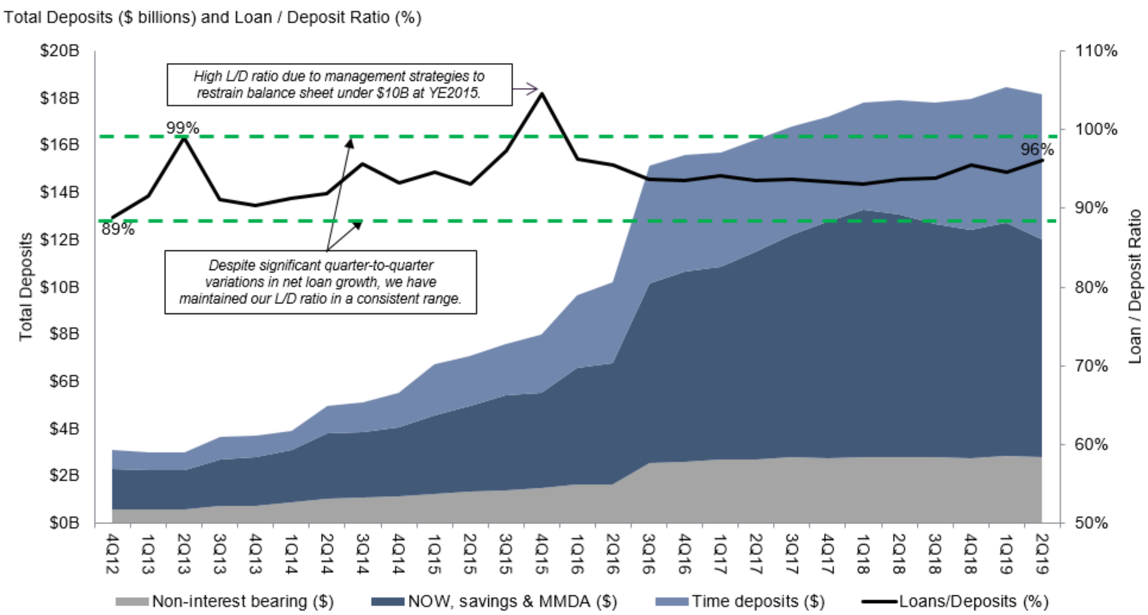
Liquidity

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

We believe that we have significant capacity for future deposit growth in our existing branch network of 243 deposit offices in eight states. We have successfully increased our overall deposits as needed to fund our earning asset growth. 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.

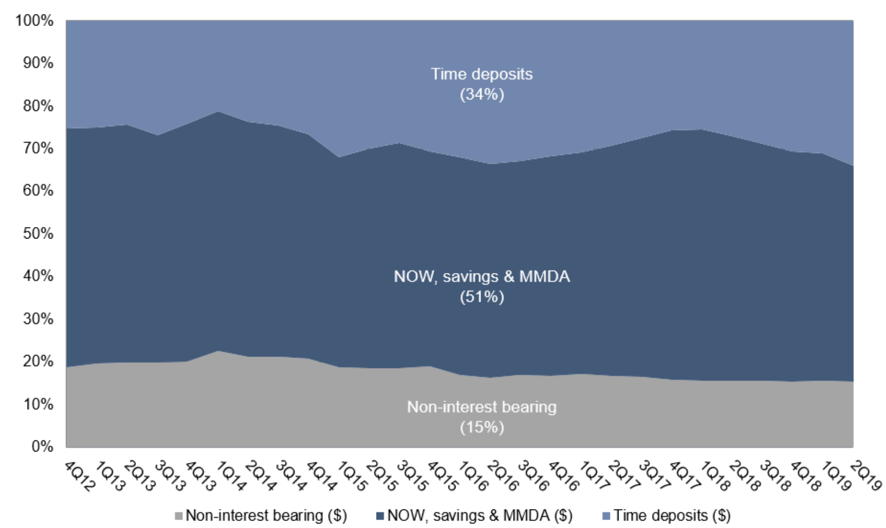
During the quarter just ended, our loan-to-deposit ratio was 96%, within our historical range of 89% to 99%. Whether we have robust loan growth or minimal loan growth in any particular quarter or year, we believe we have the tools, capacity and flexibility to maintain our loan-to-deposit ratio within 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 468% from $4.0 billion at December 31, 2012 to $23.0 billion at June 30, 2019.

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



Even with our substantial 468% growth in total assets from December 31, 2012 to June 30, 2019, our deposit mix has been relatively stable as shown in Figure 43.

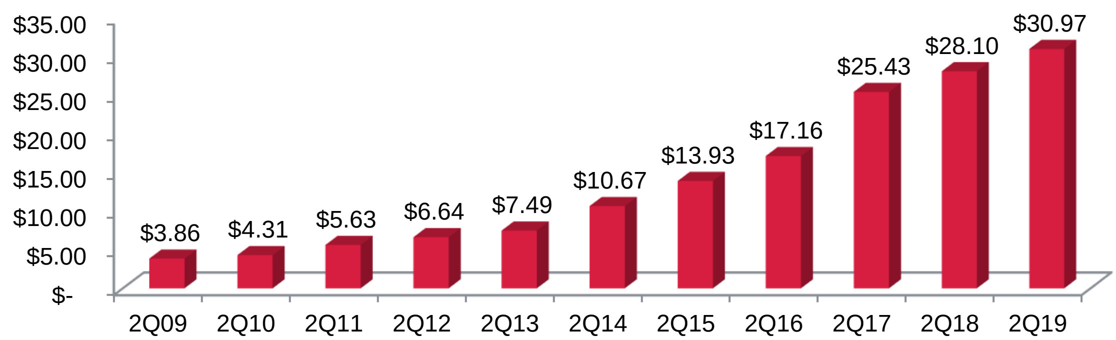
Figure 43: Consistent Deposit Mix (Percentages as of June 30, 2019)



Capital

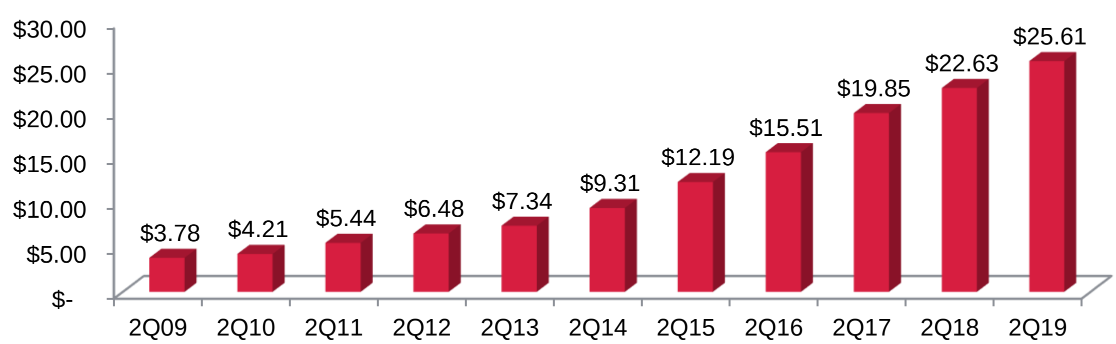
During the quarter just ended, our book value per common share increased to $30.97, as shown in Figure 44.

Figure 44: Book Value per Share (Period End)



During the quarter just ended, our tangible book value per common share increased to $25.61, as shown in Figure 45. Over the last 10 years, we have increased tangible book value per common share by a cumulative 578%, resulting in a compound annual growth rate of 21.1%.

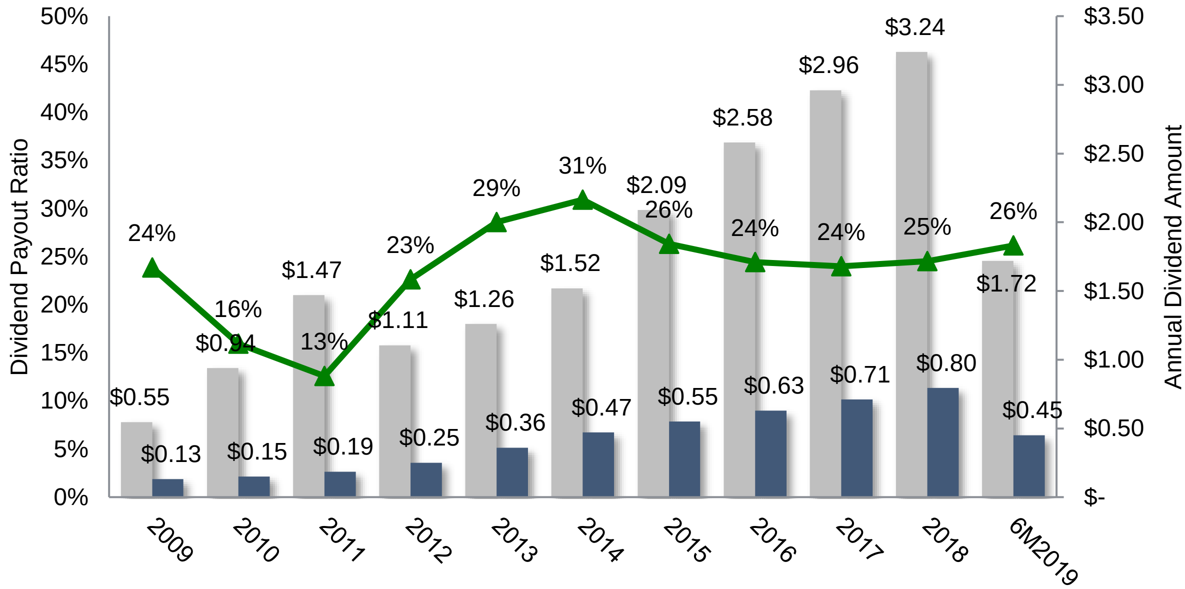
Figure 45: Tangible Book Value per Share (Period End) [4]



We have increased our cash dividend in each of the most recent 36 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.

[4] 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.

Figure 46: Historic Dividend Payout Ratio[5] (Split-adjusted)



As shown in Figure 47, 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: Recent Trends in Regulatory Capital

	12/31/2017	12/31/2018	Estimated 6/30/2019 [6]
CET 1 Ratio	11.06%	12.56%	13.10%
Tier 1 Ratio	11.06%	12.56%	13.10%
Total RBC Ratio	12.81%	14.37%	14.90%
Tier 1 Leverage	13.83%	14.25%	14.80%

The Economic Growth, Regulatory Relief, and Consumer Protection Act (the "Reform Act") passed in May 2018, in tandem with related regulatory action, eliminated our Dodd-Frank Act Stress Test ("DFAST") annual filing requirements unless and until we reach $250 billion in total assets. Notwithstanding, we plan to continue conducting internal stress tests. In July 2018, we completed our annual capital stress test using the three scenarios released by the Federal Reserve for use in DFAST. Two of these scenarios were adverse in nature. We also

[5] 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.

[6] Ratios as of June 30, 2019 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

conducted a CRE stress test utilizing three diverse economic scenarios during the fourth quarter of 2018. Despite the very adverse assumptions used in several of 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.

Effective Tax Rate

Our effective tax rate during the quarter just ended was 23.9% and for the full year 2018 was 24.7%. We expect that our effective tax rate for the remainder of 2019 will be between 24% and 26%.

Current Expected Credit Loss ("CECL")

In preparation for the adoption of CECL effective January 1, 2020, we are continuing the implementation of both our scorecard models (these models will feed loan level data into our CECL model) and our CECL model. All models are in various stages of validation in coordination with our model risk management team, and we have started processing loan data through the models and analyzing individual loan results. Our current timeline has us completing our first parallel run, using June 30, 2019 data, late in the third quarter or early in the fourth quarter of this year. Our second parallel run, using September 30, 2019 data, is expected to be completed before year end. Accordingly, we expect to be able to provide an estimate of the impact of the adoption of CECL during the fourth quarter of this year.

Recent Housing Legislation in New York City

The recent passage of the "Housing Stability and Tenant Protection Act" in New York has received media attention. The new law constricts the ability of a landlord to increase rents on rent-regulated apartments beyond the modest increases permitted by that act. Previous regulations allowed for more liberal increases, including major capital improvement costs to be passed through to tenants in the form of rent increases. While the new act is likely to have a significant impact on rent-regulated projects in New York, the direct impact upon the Bank's existing New York loan portfolio is expected to be negligible for several reasons. First, the Bank does not currently have any loans in its RESG portfolio which are secured by projects that are primarily or entirely rent-regulated. Second, the Bank does finance a few projects which are enrolled in New York's 421-a tax abatement program and include some "affordable" units. The 421-a tax abatement program customarily provides for a 25-35 year property tax abatement in exchange for the developer making 20%-30% of the units affordable (based upon median area income). The remainder of the units in an enrolled project (normally 70-80%) are at market rents. When underwriting these types of projects, RESG utilizes only the initial legally permissible rents for the affordable units without any reliance upon future rent increases. Given this conservative underwriting approach, and given that the new legislation does not appear to otherwise affect any 421-a tax abatements already in place under existing arrangements, we do not anticipate any negative impacts upon our current RESG portfolio in New York as a result of this new legislation. Third, the Bank has 13 loans with one or more rent-regulated units in New York remaining from its 2015 acquisition of Intervest National Bank. These loans have an aggregate outstanding principal balance of only approximately $25.4 million and an average LTV of 29.3%. We also do not anticipate any credit issues with these loans as a result of this new legislation.

Final Thoughts

Our strong credit culture and consistent discipline have been important ingredients in our long term success, and we are not wavering from those principles in today's challenging competitive and interest rate environment. We are very pleased that we continue to deliver financial metrics among the best in the industry. We will remain disciplined and focused on delivering long-term value for our shareholders. Our team of industry and technology professionals is well-positioned to lead the Bank into the future. We believe our competitive advantages will allow us to capitalize on opportunities throughout the remainder of 2019 and beyond.

Non-GAAP Reconciliations

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

Unaudited (Dollars in Thousands)

	For the Year Ended December 31,							
	2008	2009	2010	2011	2012	2013	2014	2015
Net Income Available To Common Stockholders	$ 34,474	$ 36,826	$ 64,001	$ 101,321	$ 77,044	$ 91,237	$ 118,606	$ 182,253
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 213,271	$ 267,768	$ 296,035	$ 374,664	$ 458,595	$ 560,351	$ 786,430	$ 1,217,475
Less Average Intangible Assets:								
Goodwill	(5,231)	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)	(51,793)	(118,013)
Core deposit and other intangibles, net of accumulated amortization	(515)	(368)	(1,621)	(5,932)	(5,989)	(9,661)	(21,651)	(28,660)
Total Average Intangibles	(5,746)	(5,611)	(6,864)	(11,175)	(11,232)	(14,904)	(73,444)	(146,673)
Average Tangible Common Stockholders' Equity	$ 207,525	$ 262,157	$ 289,171	$ 363,489	$ 447,363	$ 545,447	$ 712,986	$ 1,070,802
Return On Average Common Stockholders' Equity	16.16%	13.75%	21.62%	27.04%	16.80%	16.28%	15.08%	14.97%
Return On Average Tangible Common Stockholders' Equity	16.61%	14.05%	22.13%	27.87%	17.22%	16.73%	16.63%	17.02%

	For the Year Ended December 31,			Three Months Ended *		Six Months Ended *	
	2016	2017	2018	6/30/2018	6/30/2019	6/30/2018	6/30/2019
Net Income Available To Common Stockholders	$ 269,979	$ 421,891	$ 417,106	$ 114,751	$ 110,503	$ 227,895	$ 221,209
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 2,068,328	$ 3,127,576	$ 3,598,628	$ 3,566,944	$ 3,927,522	$ 3,525,849	$ 3,871,065
Less Average Intangible Assets:							
Goodwill	(363,324)	(660,632)	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(43,623)	(54,702)	(42,315)	(43,862)	(31,225)	(45,483)	(32,822)
Total Average Intangibles	(406,947)	(715,334)	(703,104)	(704,651)	(692,014)	(706,272)	(693,611)
Average Tangible Common Stockholders' Equity	$ 1,661,381	$ 2,412,242	$ 2,895,524	$ 2,862,293	$ 3,235,508	$ 2,819,577	$ 3,177,454
Return On Average Common Stockholders' Equity	13.05%	13.49%	11.59%	12.90%	11.29%	13.03%	11.52%
Return On Average Tangible Common Stockholders' Equity	16.25%	17.49%	14.41%	16.08%	13.70%	16.30%	14.04%

* Ratios for interim periods annualized based on actual days

Calculation of Tangible Book Value per Share

Unaudited (Dollars in Thousands, Except per Share)

	As of June 30,					
	2009	2010	2011	2012	2013	2014
Total common stockholders' equity before noncontrolling interest	$ 260,729	$ 292,487	$ 385,683	$ 459,590	$ 531,125	$ 850,204
Less intangible assets:						
Goodwill	(5,243)	(5,243)	(5,243)	(5,243)	(5,243)	(78,669)
Core deposit and other intangibles, net of accumulated amortization	(366)	(1,829)	(7,977)	(5,946)	(5,447)	(29,971)
Total intangibles	(5,609)	(7,072)	(13,220)	(11,189)	(10,690)	(108,640)
Total tangible common stockholders' equity	$ 255,120	$ 285,415	$ 372,463	$ 448,401	$ 520,435	$ 741,564
Common shares outstanding (thousands)	67,484	67,824	68,474	69,188	70,876	79,662
Book value per common share	$ 3.86	$ 4.31	$ 5.63	$ 6.64	$ 7.49	$ 10.67
Tangible book value per common share	$ 3.78	$ 4.21	$ 5.44	$ 6.48	$ 7.34	$ 9.31

	As of June 30,				
	2015	2016	2017	2018	2019
Total common stockholders' equity before noncontrolling interest	$ 1,209,254	$ 1,556,921	$ 3,260,123	$ 3,613,903	$ 3,993,247
Less intangible assets:					
Goodwill	(122,884)	(126,289)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(28,266)	(23,615)	(54,541)	(41,962)	(29,515)
Total intangibles	(151,150)	(149,904)	(715,330)	(702,751)	(690,304)
Total tangible common stockholders' equity	$ 1,058,104	$ 1,407,017	$ 2,544,793	$ 2,911,152	$ 3,302,943
Common shares outstanding (thousands)	86,811	90,745	128,190	128,616	128,947
Book value per common share	$ 13.93	$ 17.16	$ 25.43	$ 28.10	$ 30.97
Tangible book value per common share	$ 12.19	$ 15.51	$ 19.85	$ 22.63	$ 25.61

Note: All share and per share data adjusted to reflect impact of 2-for-1 stock splits on August 16, 2011 and June 23, 2014.

Calculation of Diluted Earnings per Share

Unaudited (Dollars in Thousands, Except per Share)

Diluted Earnings Per Share, as Adjusted

For the 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