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

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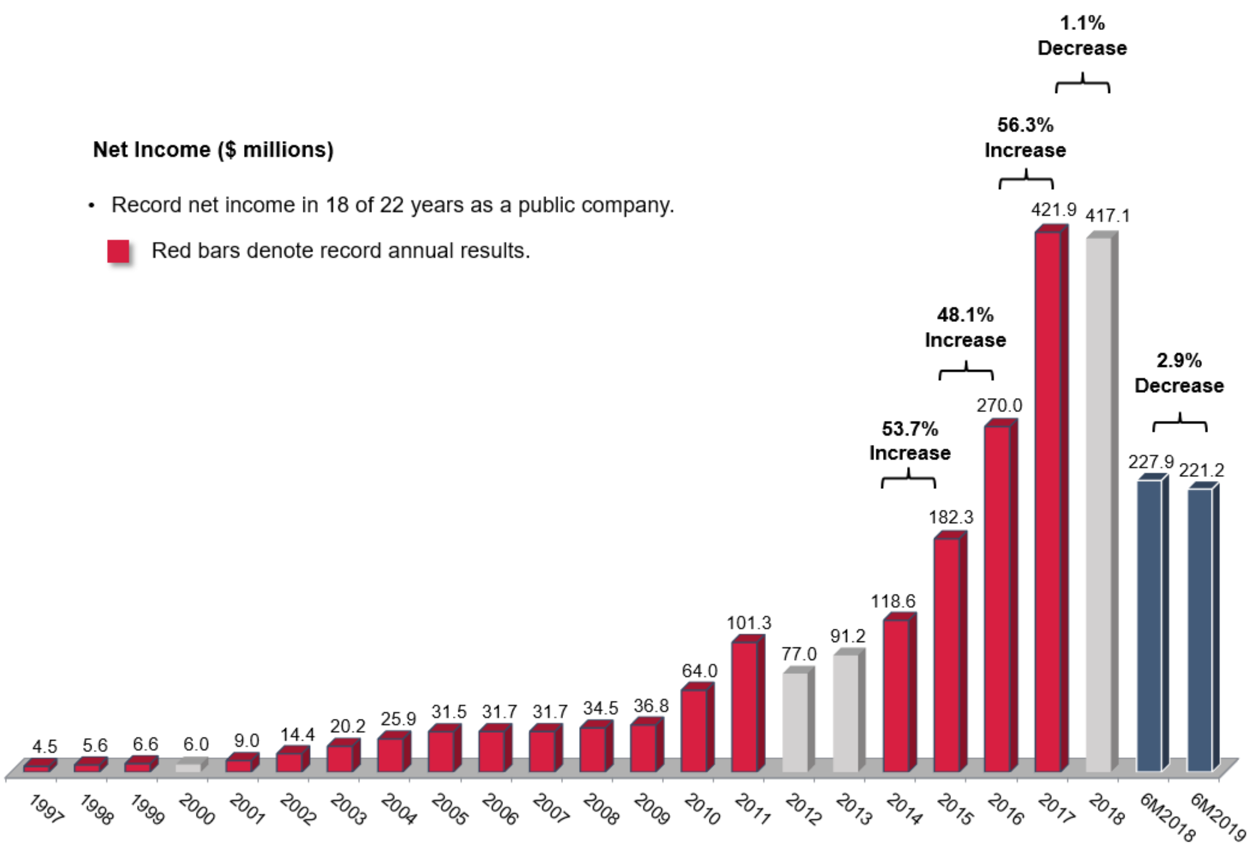
[1] See the schedule at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable generally accepted accounting principles ("GAAP") measure.
[2] The calculation of the Bank's return on average tangible common stockholders' equity and the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

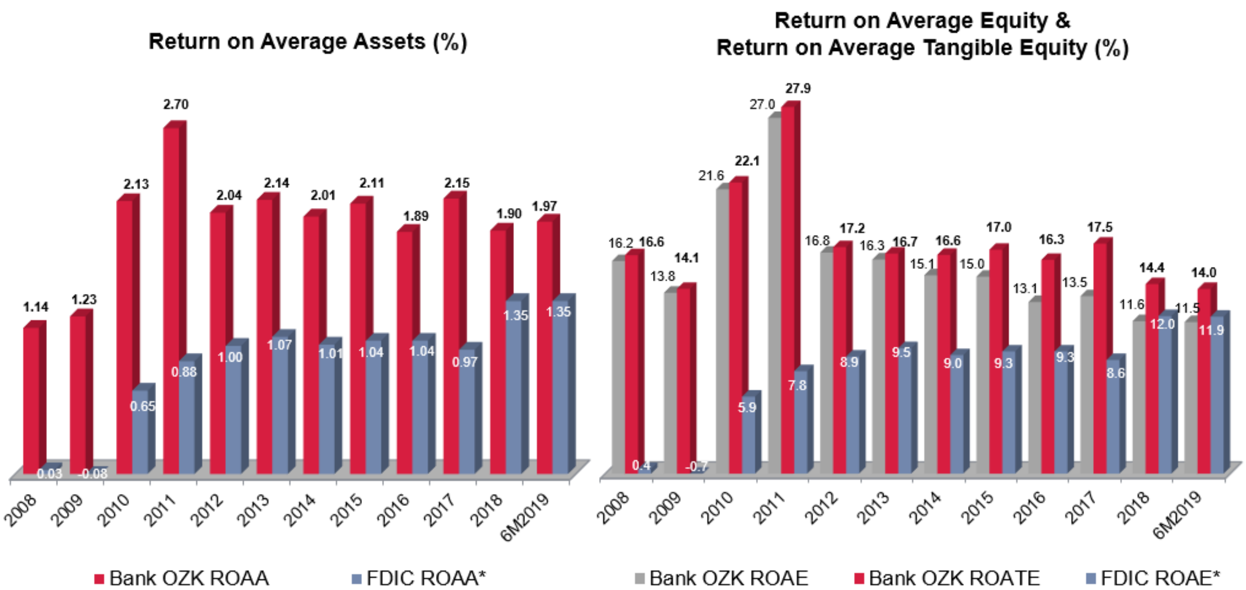
Figures 1 and 2 reflect our long history of net income growth and favorable earnings metrics relative to industry averages.

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.

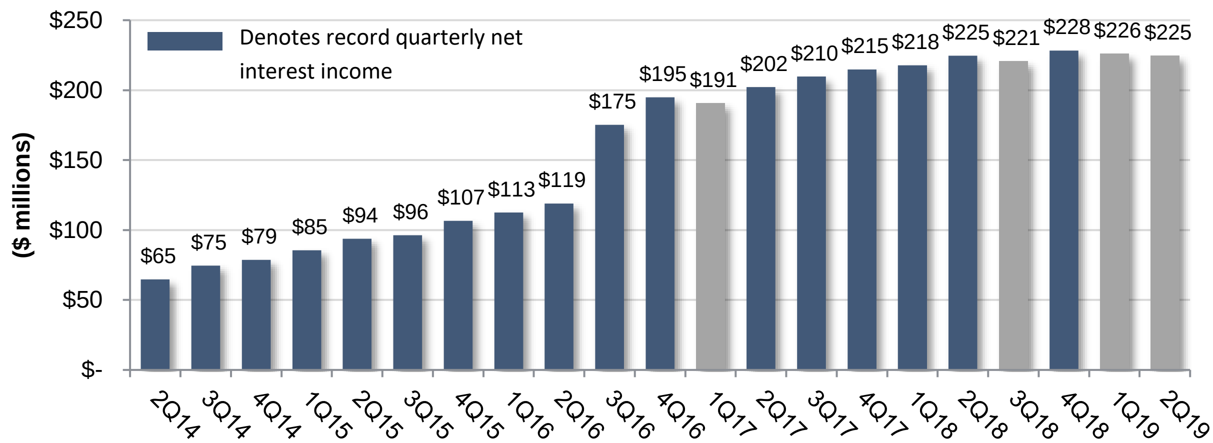
Net Interest Income

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



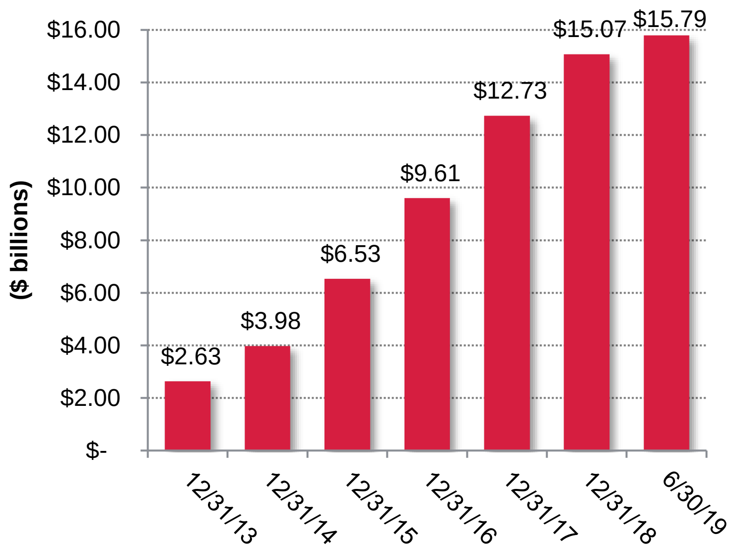
Average Earning Assets – Volume and Mix

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)

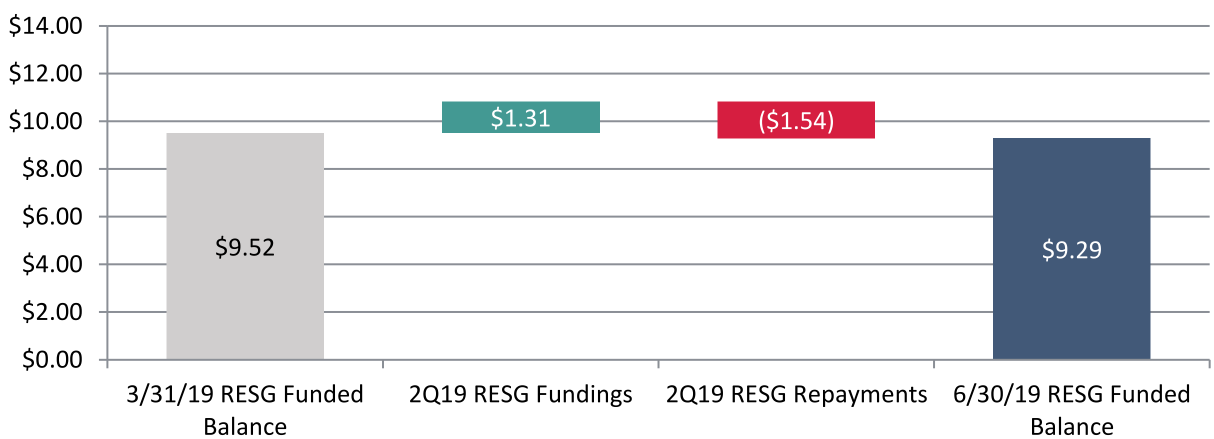


Figure 6: Activity in RESG Funded Balances – 6M19 ($ billions)

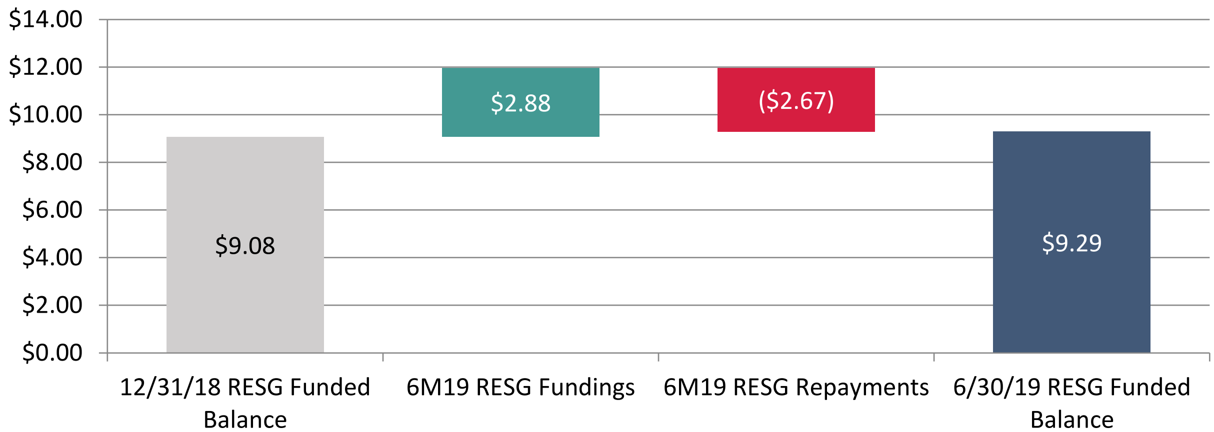


Figure 7 shows RESG's quarterly loan repayments for each of the last 14 quarters. In recent quarters, our growth in non-purchased loans has been limited by, among other factors, the high level of RESG loan repayments. This was particularly evident in the quarter just ended when RESG loan repayments set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

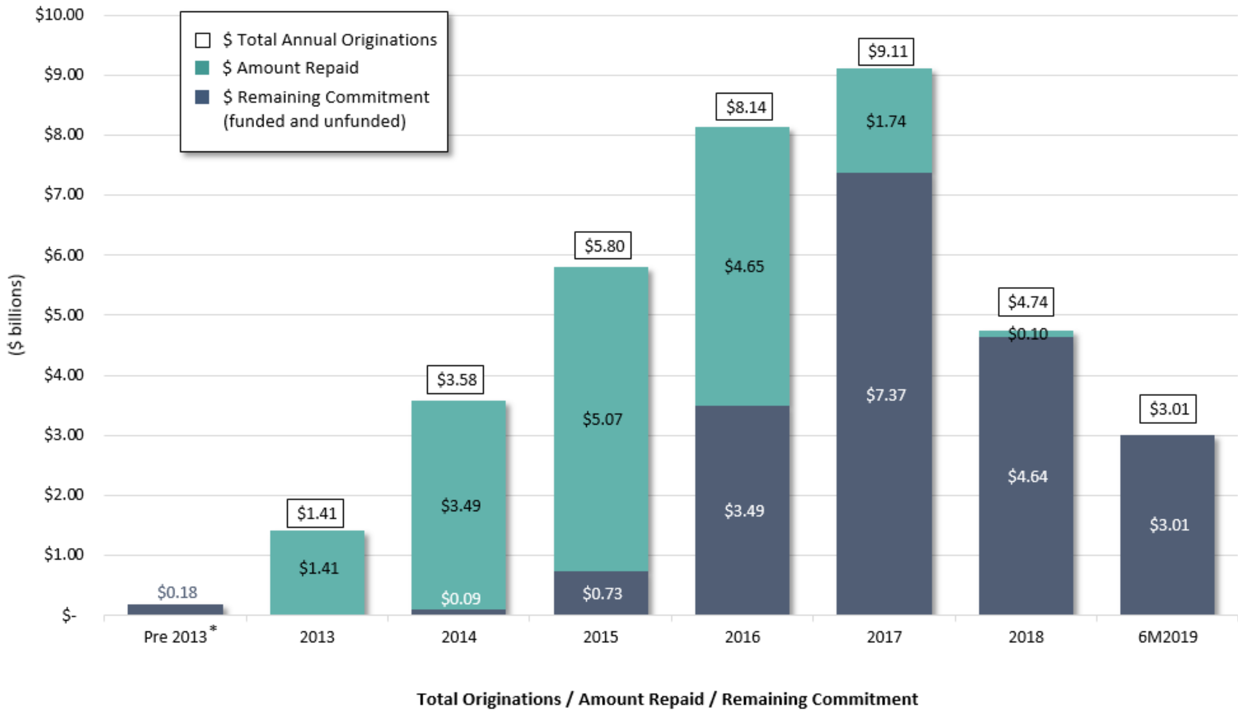
**6M19 Not Annualized*

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)

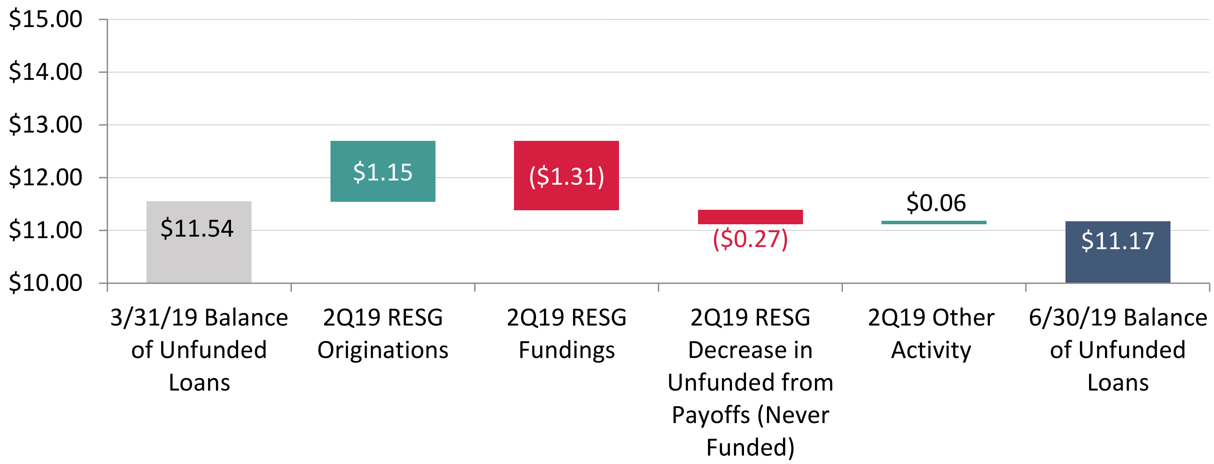
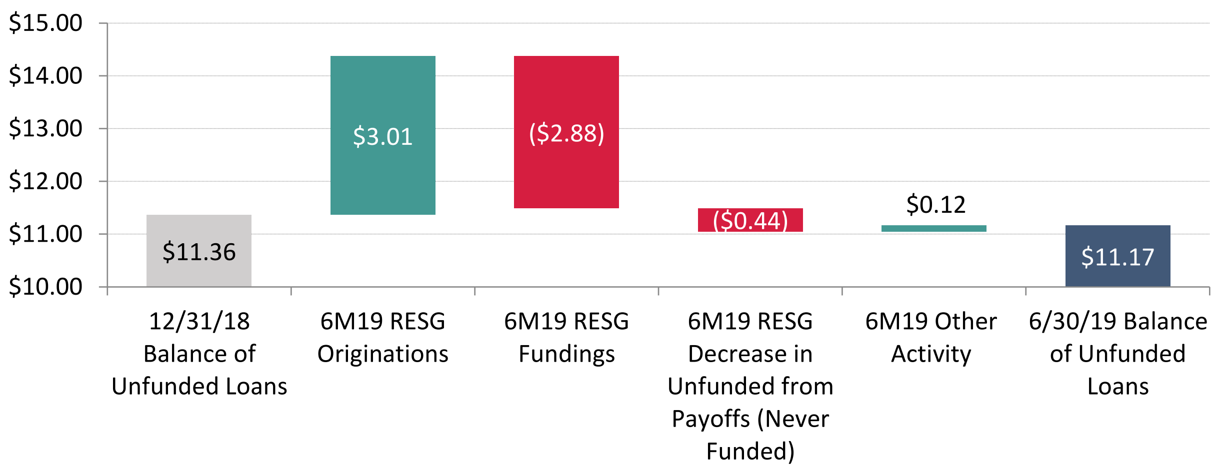


Figure 11: Activity in Unfunded Balances – 6M19 ($ billions)



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.

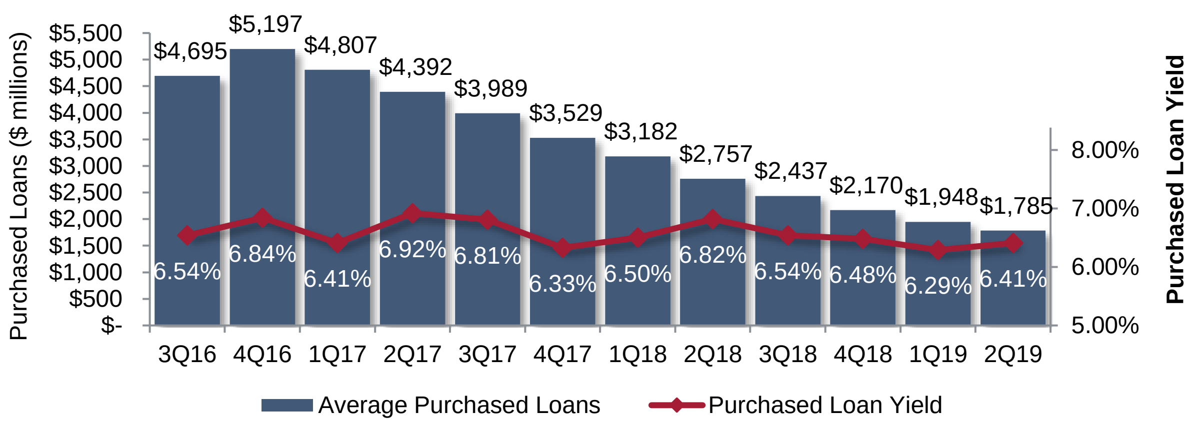
Investment Securities

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

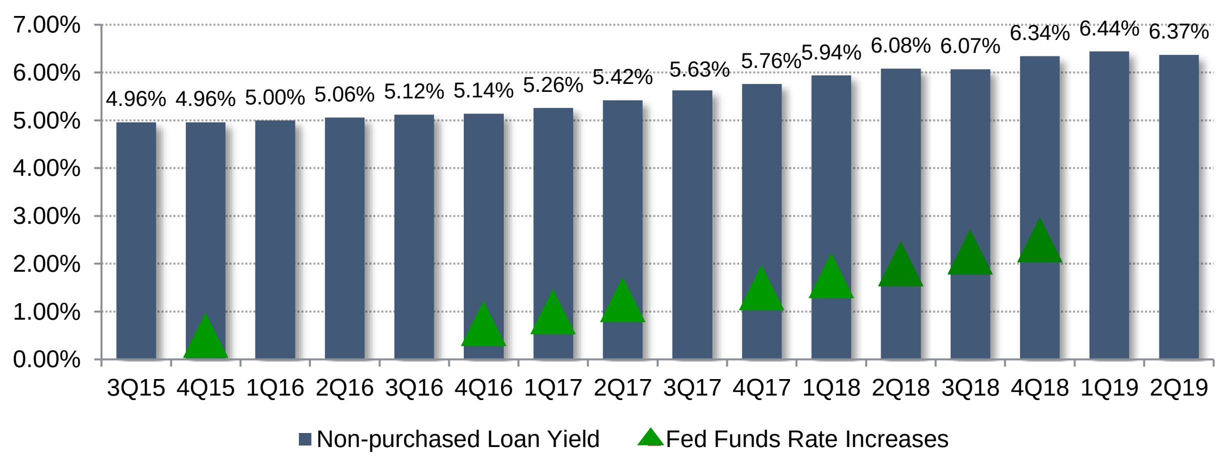
Our net interest margin of 4.45% for the quarter just ended is among the highest in the industry, but was down 21 basis points ("bps") from the second quarter of 2018 and eight bps from the first quarter of 2019. Our net interest margin for the first six months of 2019 was 4.49%, down 19 bps from the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

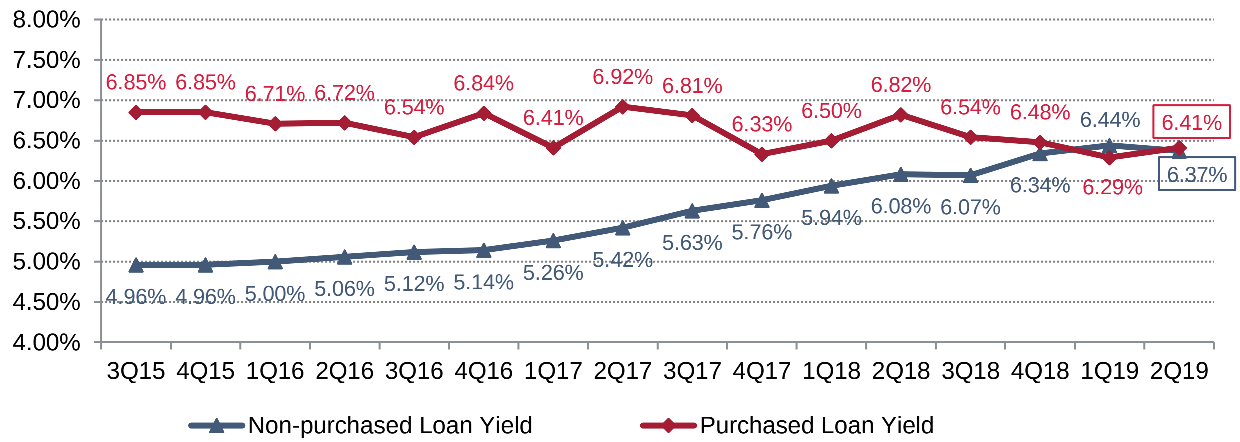
	% of Variable Rate Loans At Their Floor (as of June 30, 2019)					
Change in	Funded Balance			Total Commitment (Funded and Unfunded)		
Current Rate	Non-purchased	Purchased	Total	Non-purchased	Purchased	Total
Currently at Floor	12.65%	21.79%	13.18%	15.64%	20.15%	15.80%
Down 25 bps	16.54%	23.56%	16.94%	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.

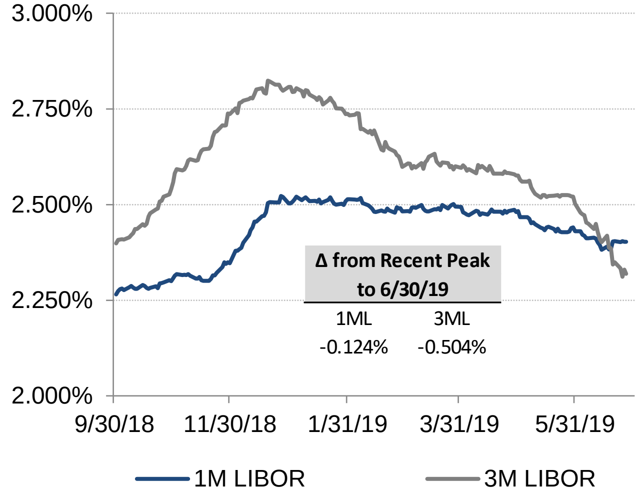
Figure 15: Convergence of Non-purchased and Purchased Loan Yields



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.

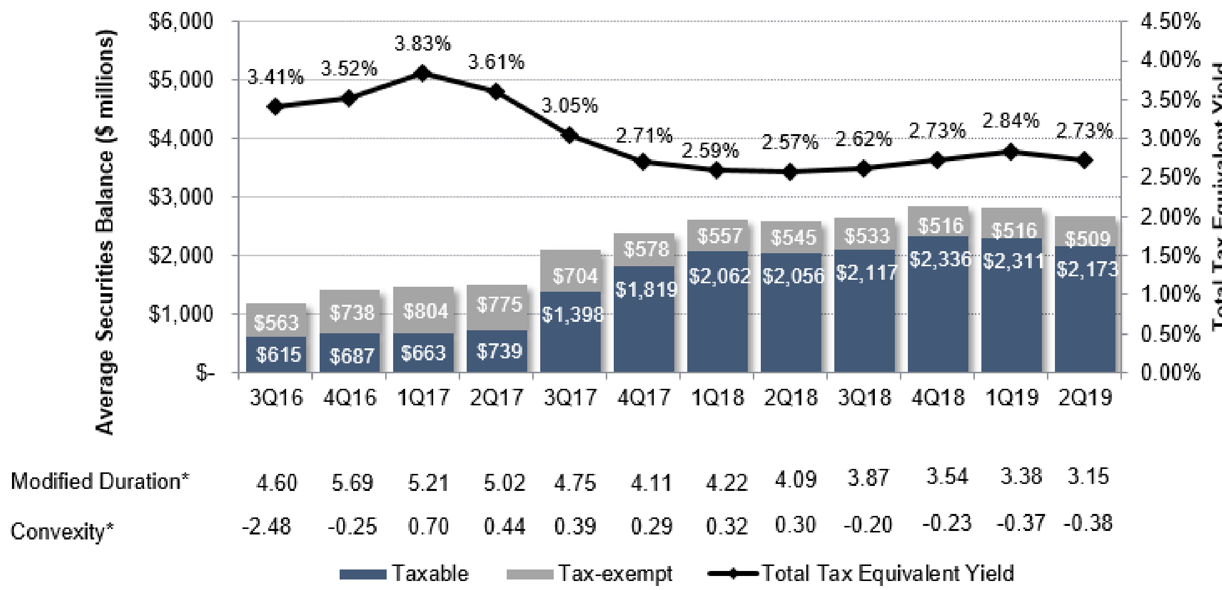
Figure 17: Summary of Funded Balance of Variable Rate Loan Indexes

% Variable Rate of Non-Purchased Loan Portfolio Tied to Index		% of Variable Rate Purchased Loan Portfolio Tied to Index		% of Variable Rate Total Loan Portfolio Tied to Index	
1-Month LIBOR	76.8%	1-Month LIBOR	31.0%	1-Month LIBOR	74.1%
3-Month LIBOR	5.8%	3-Month LIBOR	0.0%	3-Month LIBOR	5.5%
WSJ PRIME	16.4%	WSJ PRIME	43.0%	WSJ PRIME	18.0%
Other	1.0%	Other	26.0%	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

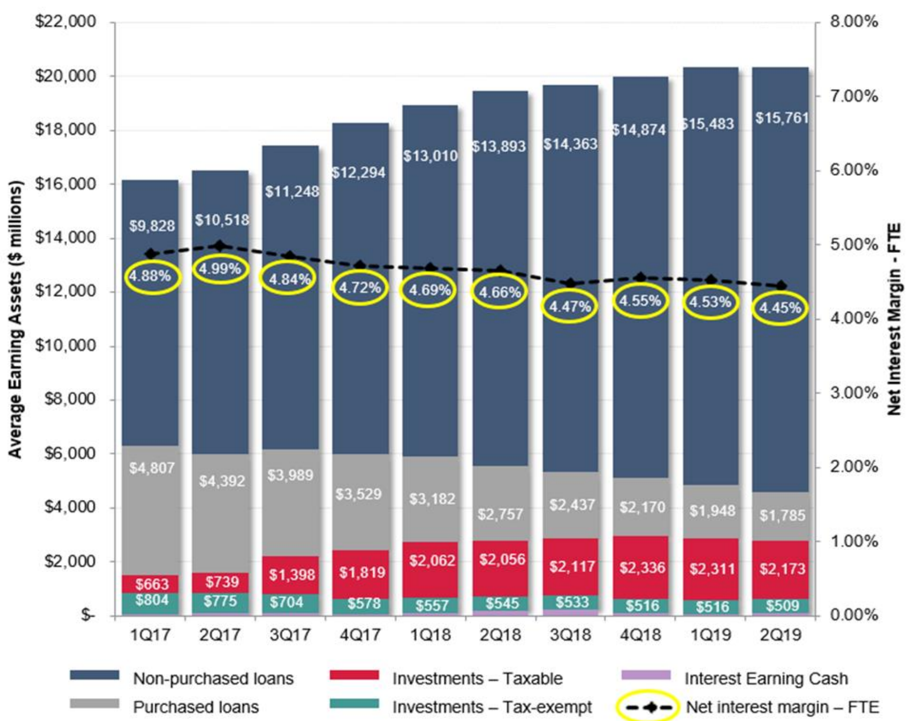
Since the fourth quarter of 2015, when the Federal Reserve started the current round of interest rate increases, the Fed funds target rate has increased nine times. This has resulted in increases in our yield on variable rate loans and newly originated loans as well as increases in our costs of interest 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

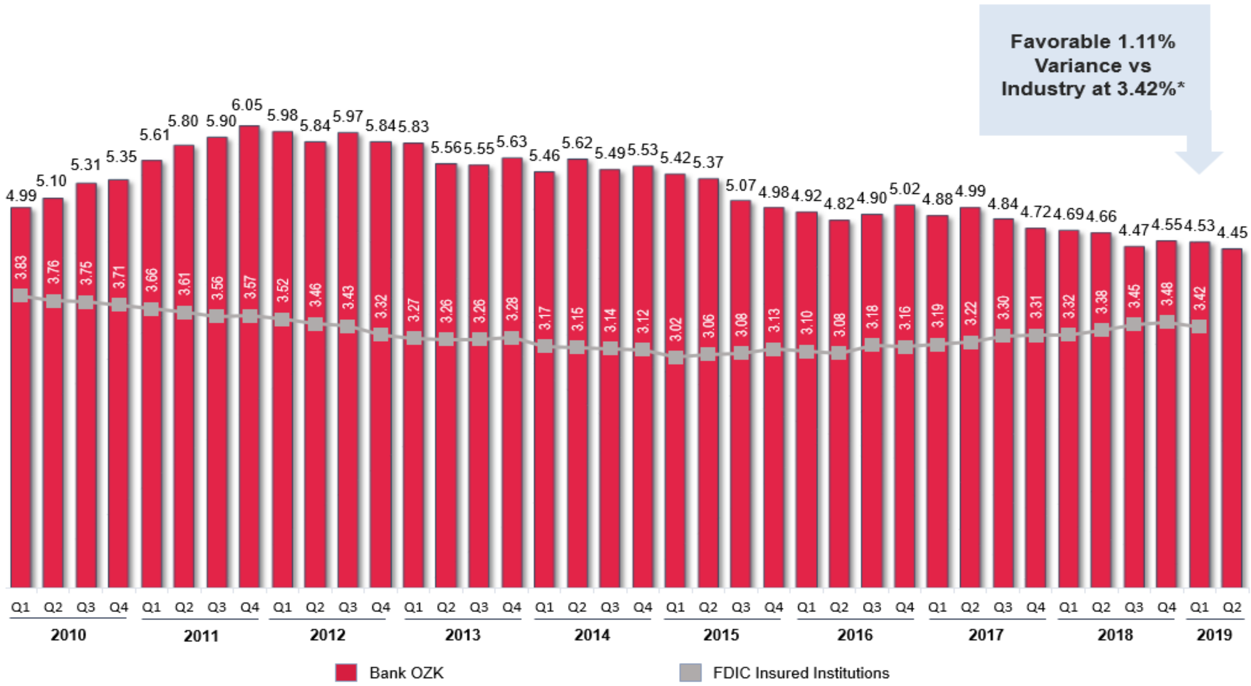
Figure 19 illustrates the dynamic nature of changes in our mix of earning assets, which have also affected our net interest margin. This includes growth in our non-purchased loans and taxable investments partially offset by decreases in our volume of purchased loans and tax-exempt investments.

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)*

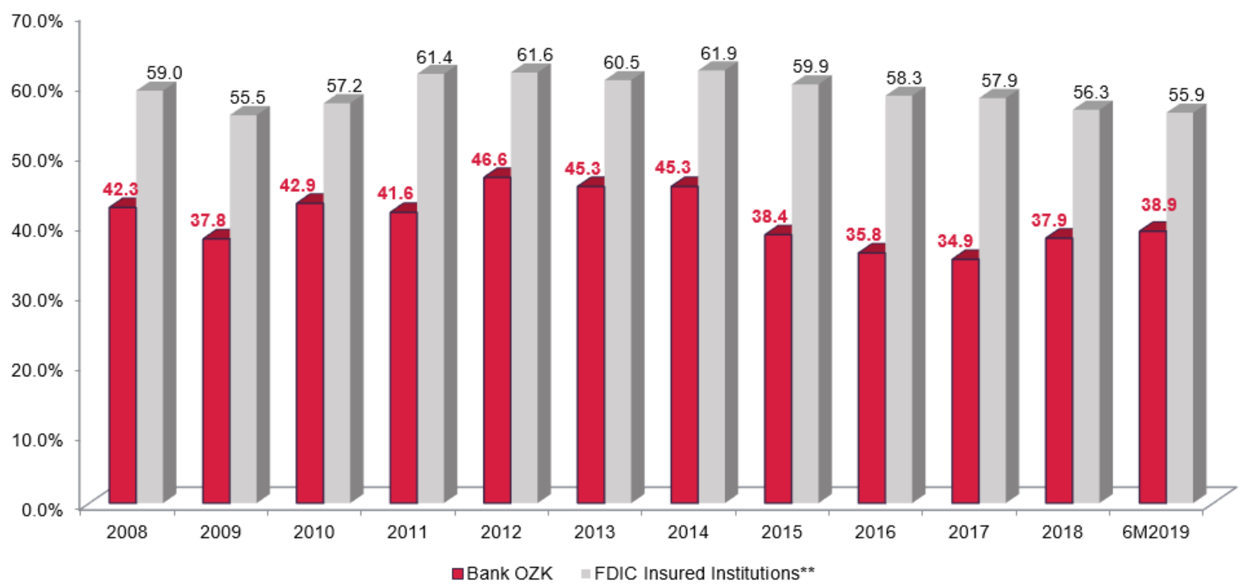
	For the Six Months Ended		
	6/30/2018	6/30/2019	% Change
Salaries & employee benefits	$ 87,164	$ 92,425	6.0%
Net occupancy and equipment	27,977	29,338	4.9%
Professional and outside services	17,817	16,669	-6.4%
Advertising and public relations	3,107	3,353	7.9%
Telecommunication services	6,683	6,154	-7.9%
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*

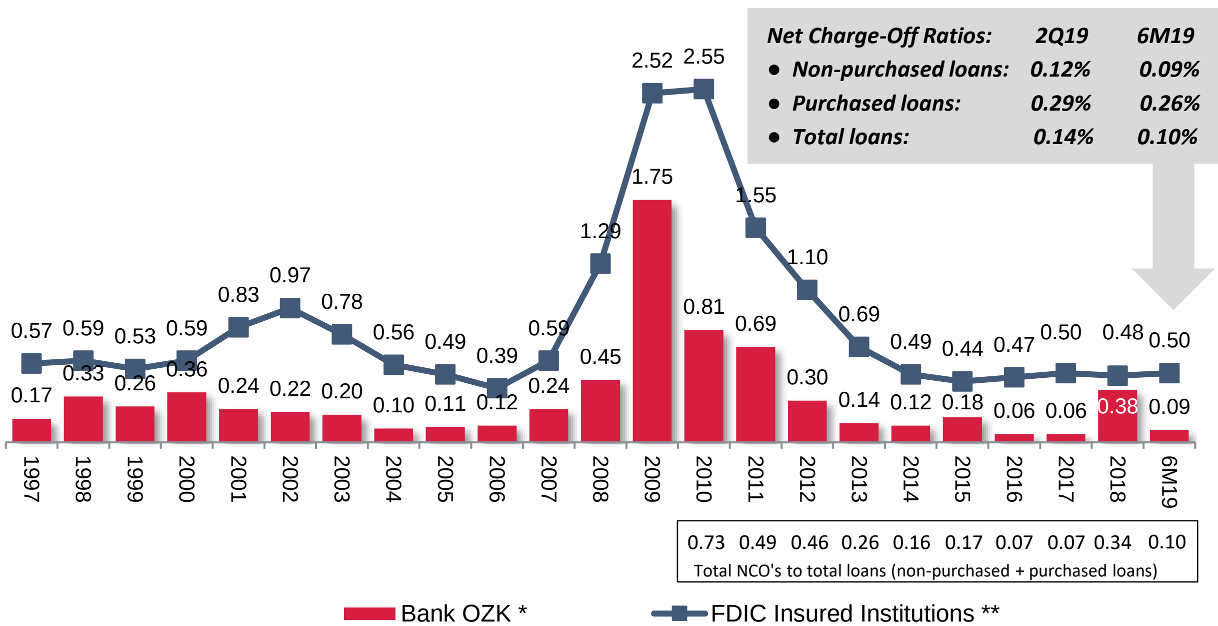


** Data from S&P Global Market Intelligence.*
*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update first quarter 2019.*

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.

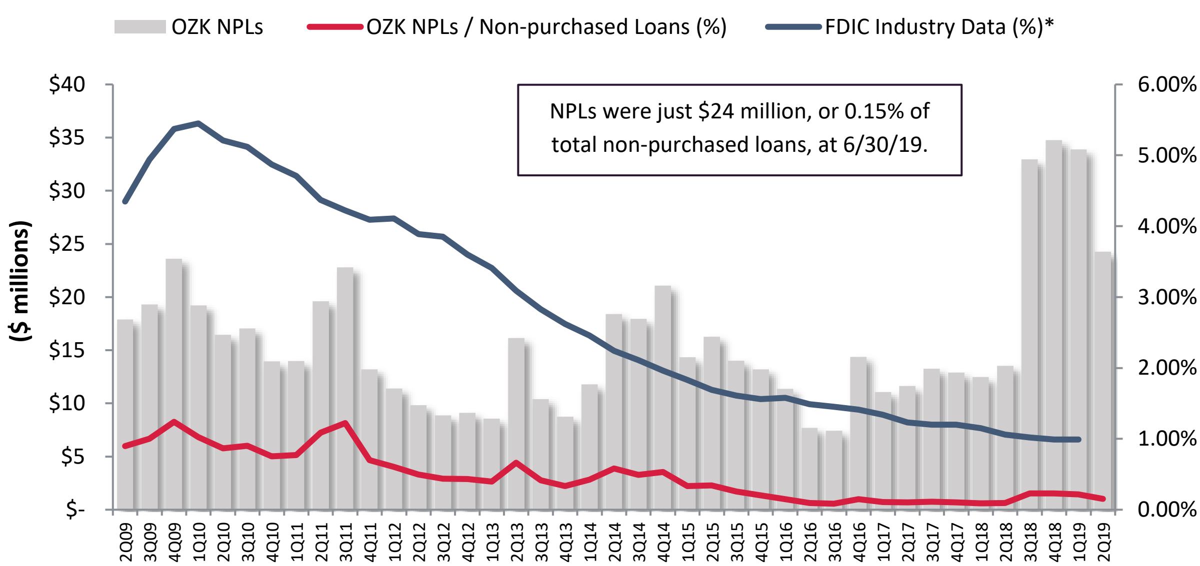
Figure 27 - RESG Historical Net charge-offs *($ Thousands)*

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.

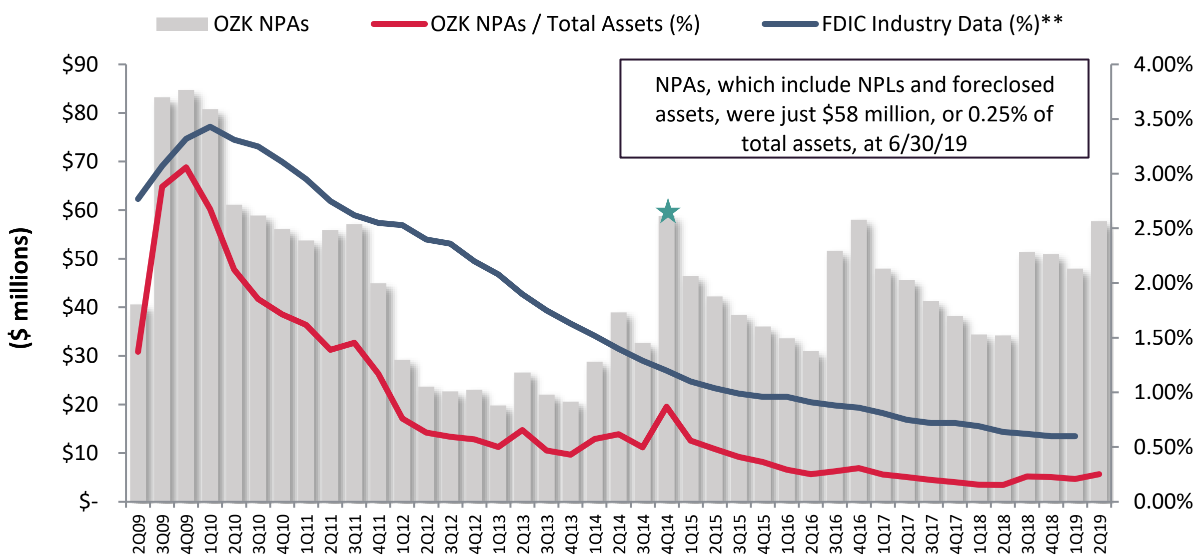
Figure 28: Nonperforming Non-purchased Loans ("NPLs") ($ millions)



** 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.

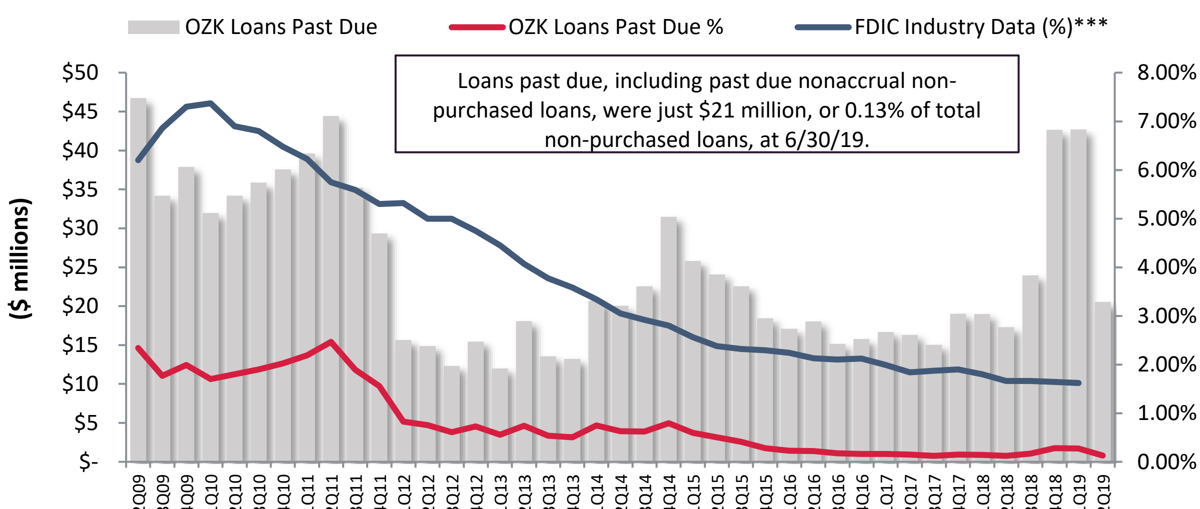
Figure 29: Nonperforming Assets ("NPAs") ($ millions)



*** 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)

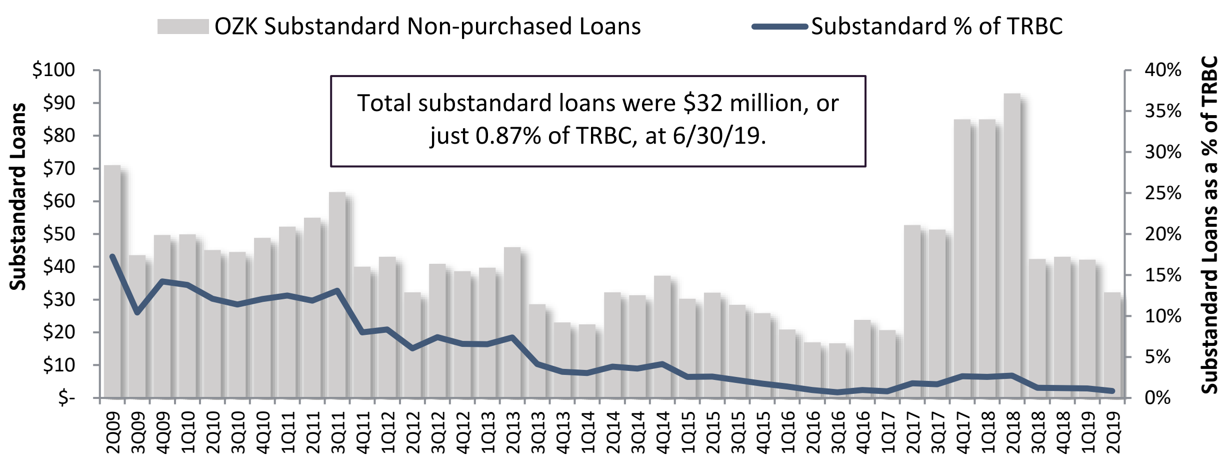
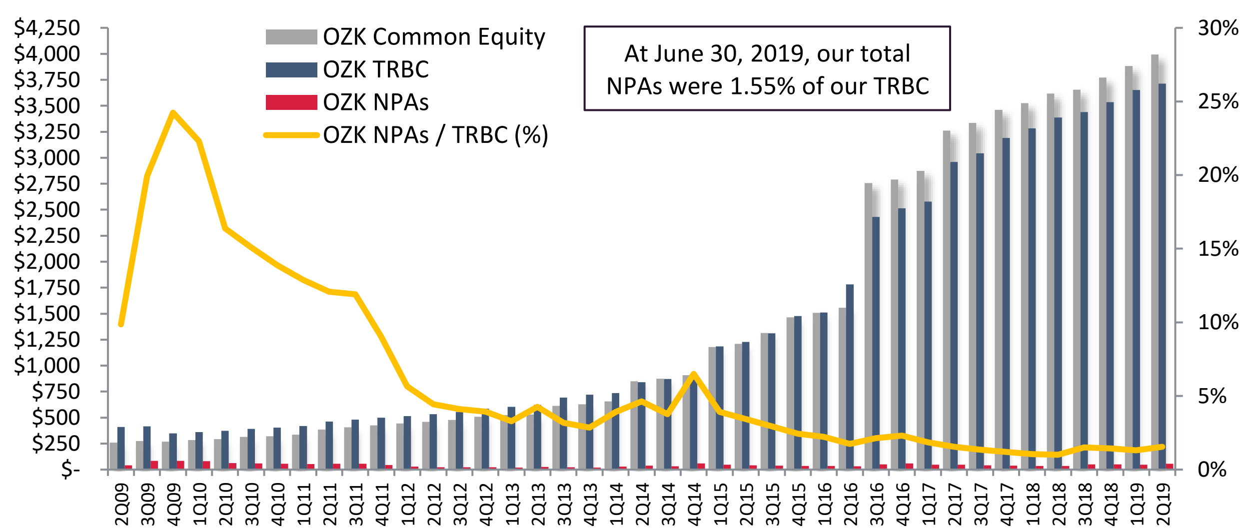


Figure 32 shows the tremendous growth in our common equity and TRBC over the last 10 years, while our volume of total nonperforming assets has generally declined to relatively nominal levels.

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)

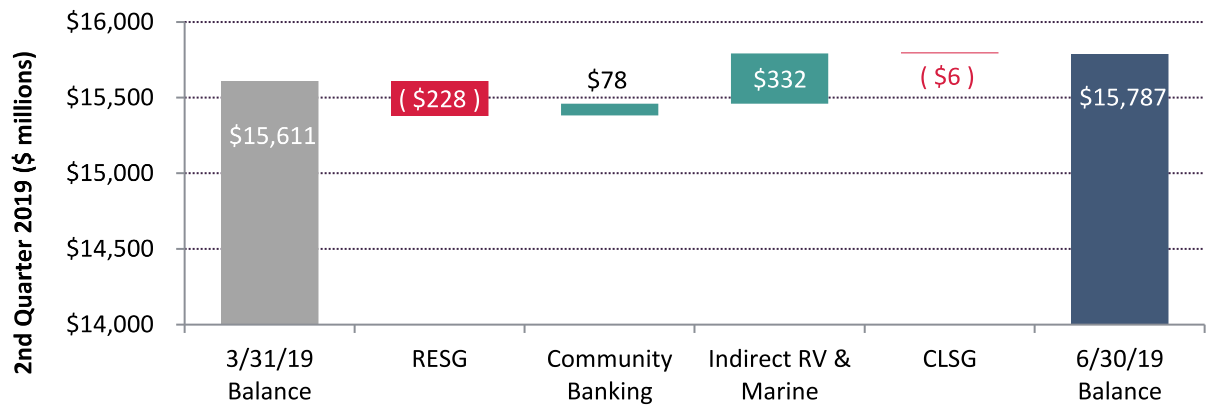
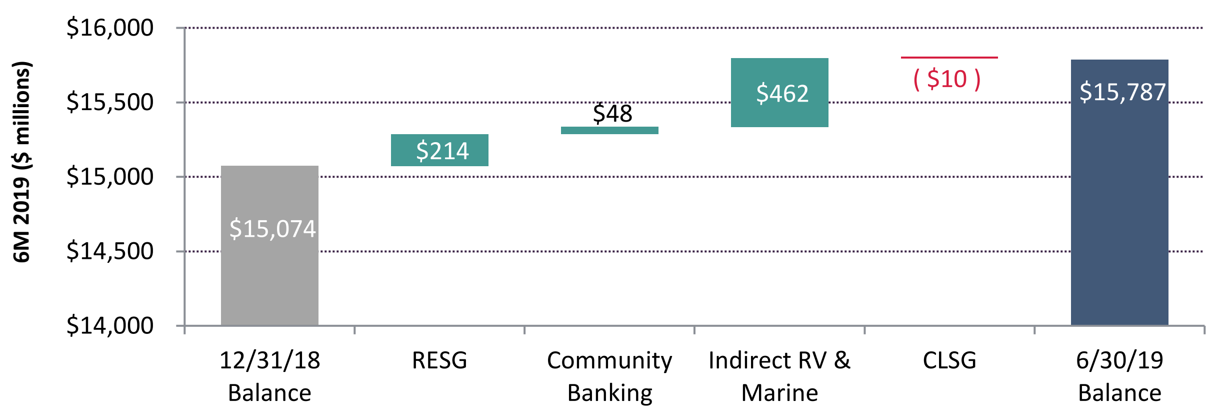
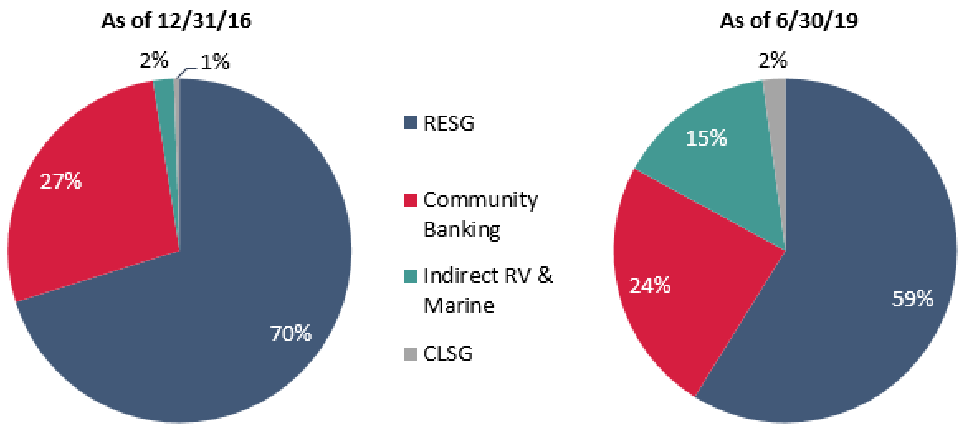


Figure 34: Non-purchased Loan Growth – 6M19 ($ millions)



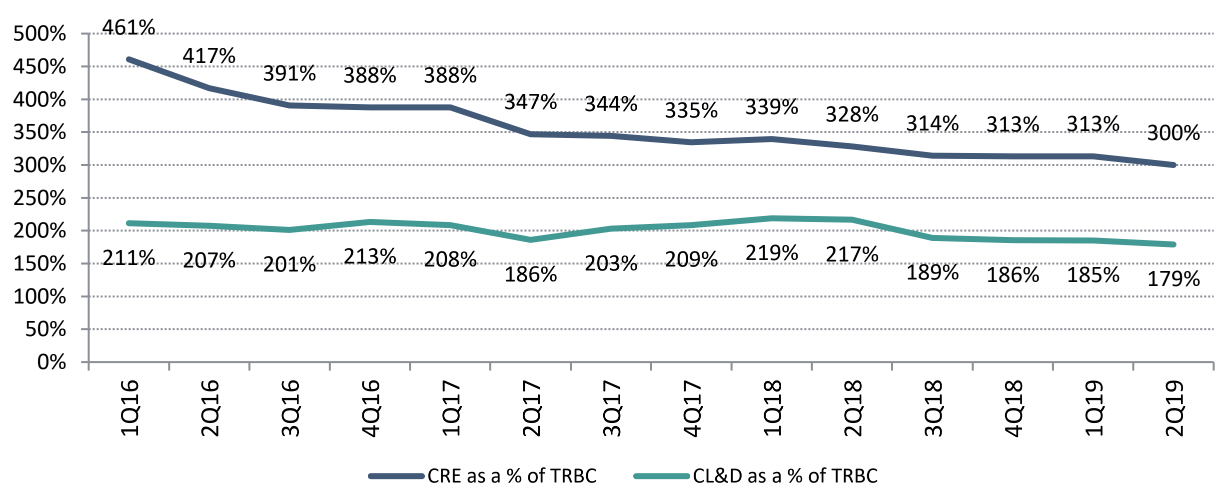
As shown in Figure 35, our more diversified growth in recent years has resulted in our RESG portfolio accounting for 59% of the funded balance of our non-purchased loans at June 30, 2019 compared to 70% at December 31, 2016.

Figure 35: Non-purchased Loan Portfolio Mix Shift



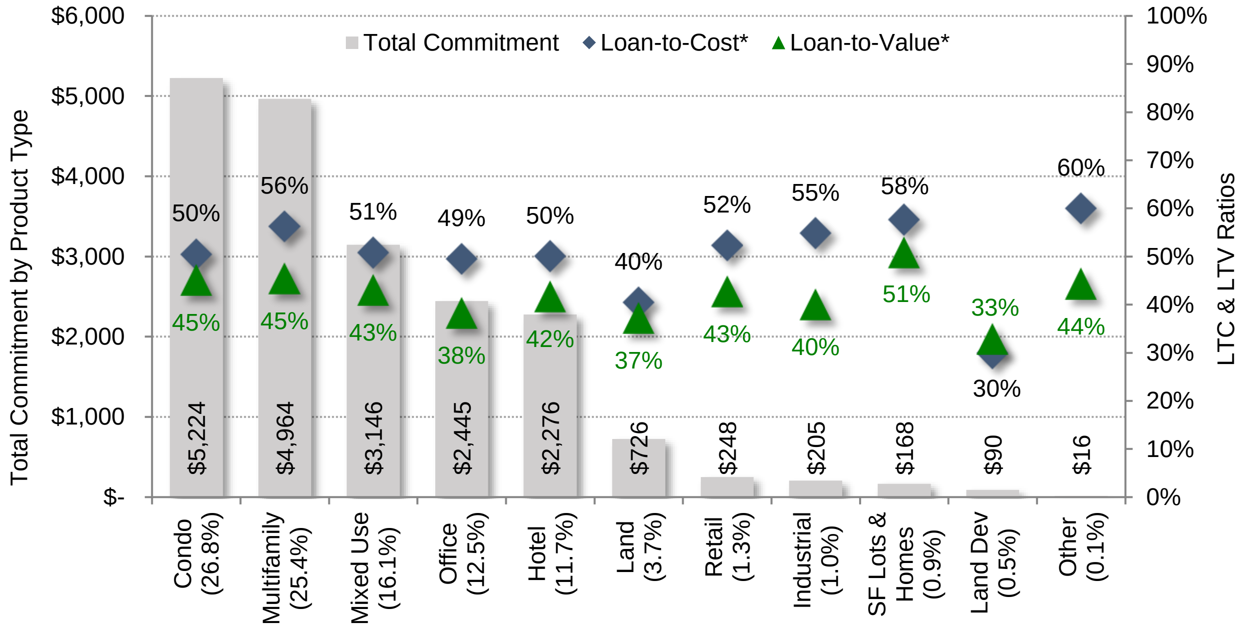
We expect this trend toward greater portfolio diversification to continue. This trend, along with our significant growth in our TRBC, has contributed to a generally declining trend in our total commercial real estate ("CRE") and construction, land development and other land ("CL&D") concentrations, as 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



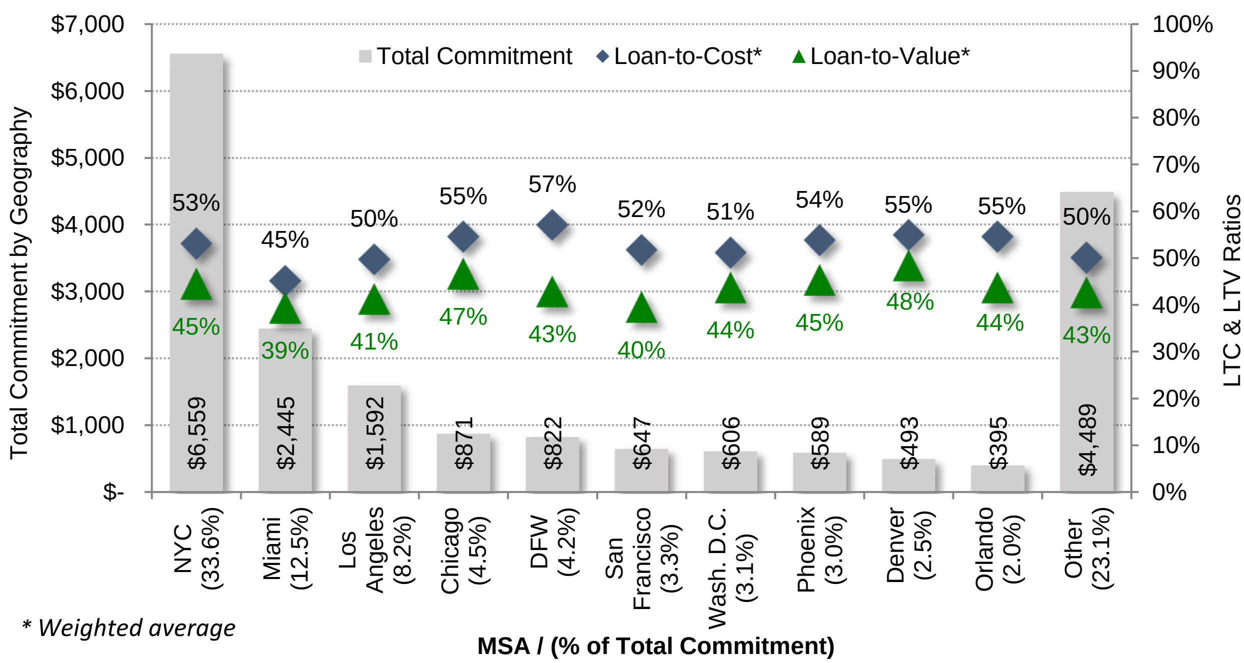
Even within the RESG portfolio, we benefit from the substantial diversification by both product type and geography, as well as low loan-to-cost ("LTC") and loan-to-value ("LTV") ratios, all as shown in Figures 37 and 38.

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)



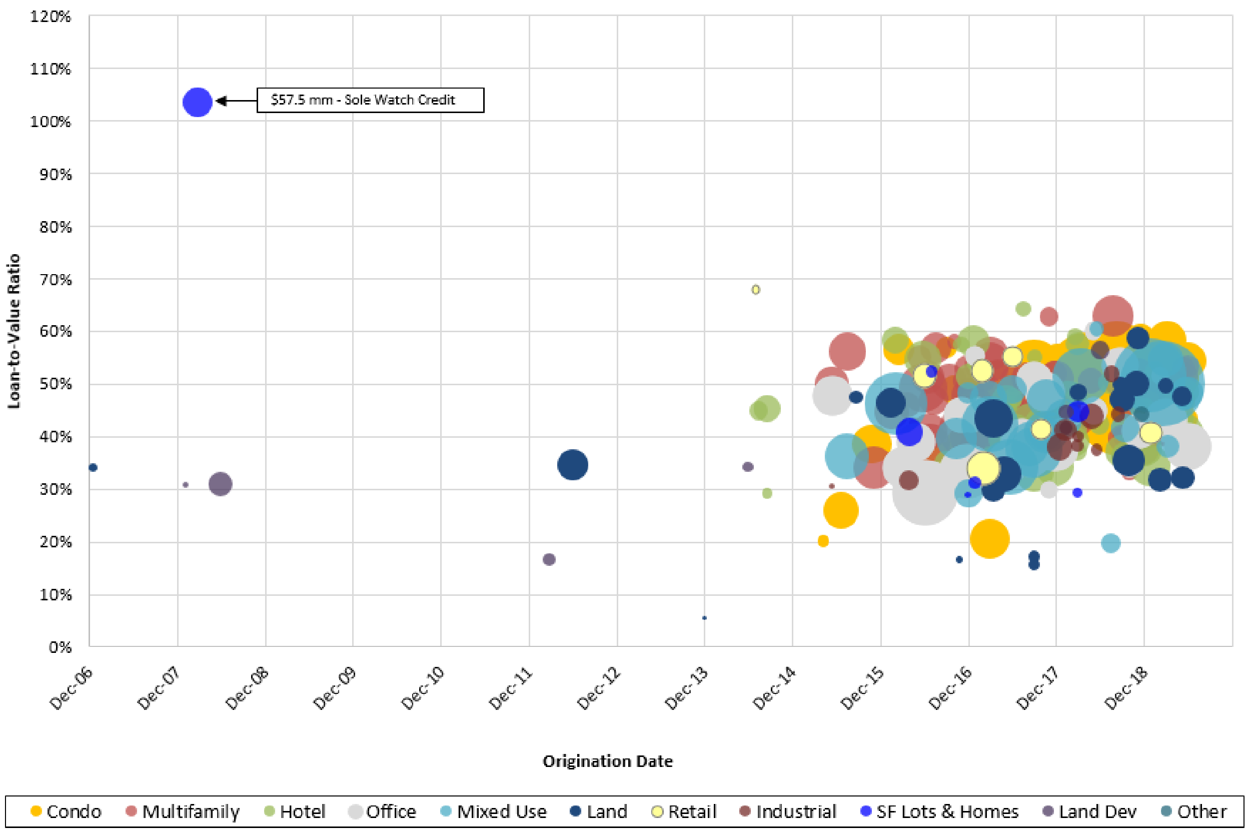
** Weighted average*

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

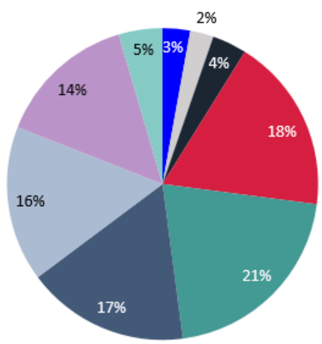
LTV Ratios Assume All Loans Are Fully Funded

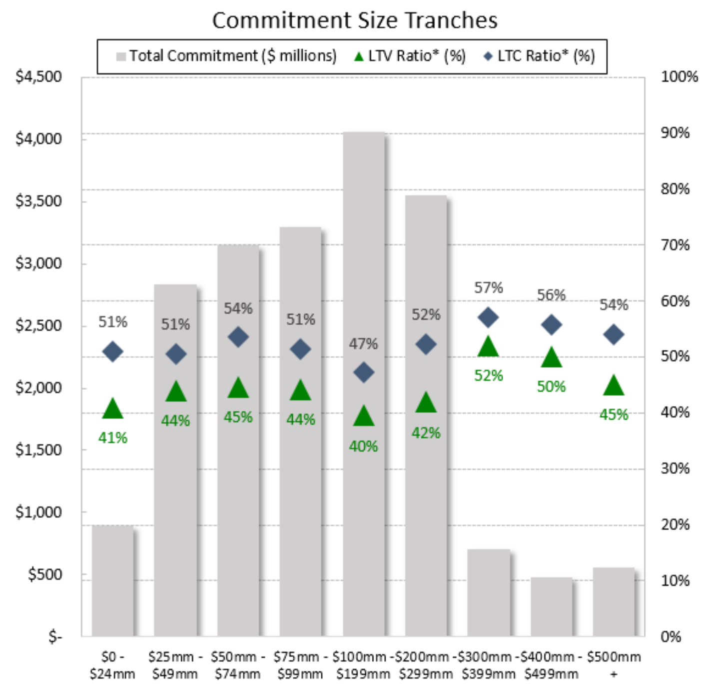


The RESG portfolio includes loans of many different sizes, and historically approximately 90%, on average, of our total commitments are actually funded before the loan is repaid. The stratification of the RESG portfolio by commitment size is reflected in Figure 40.

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**



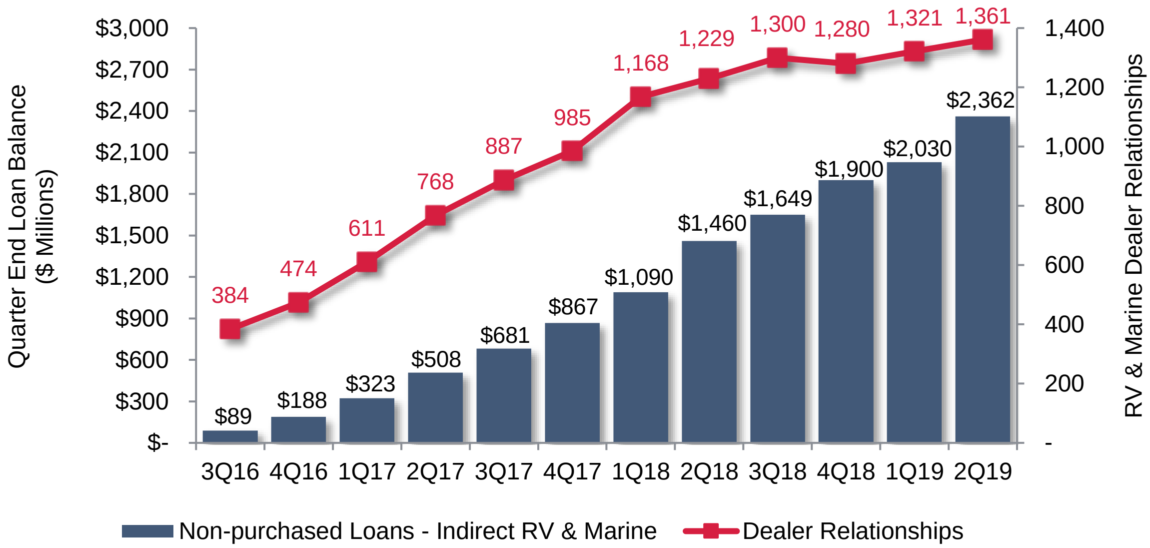


** Assumes all loans are fully funded; calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche.*

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)



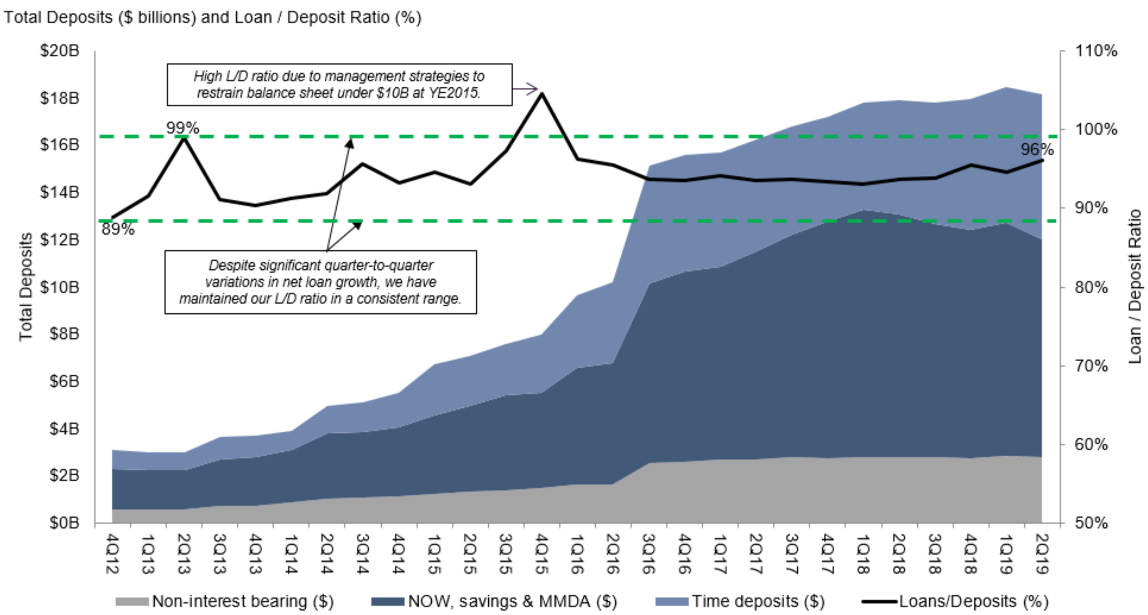
Liquidity

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.

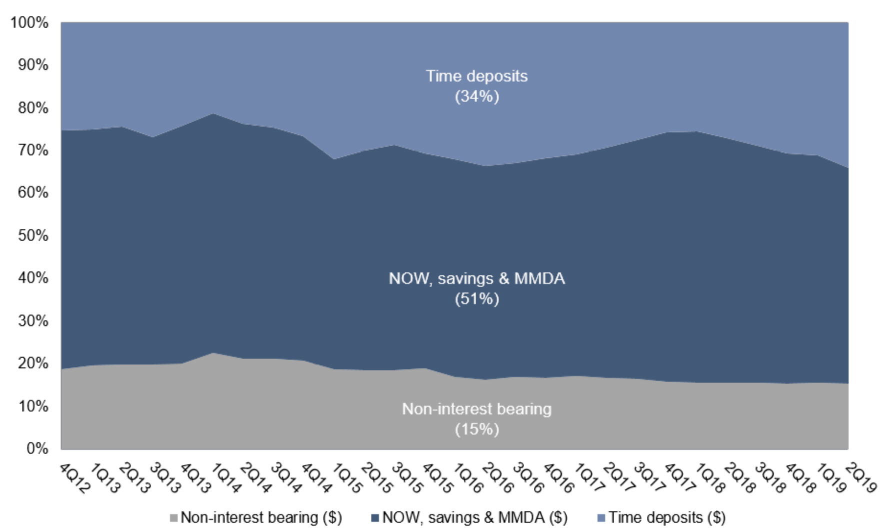
During the quarter just ended, our loan-to-deposit ratio was 96%, within our historical range of 89% to 99%. Whether we have robust loan growth or minimal loan growth in any particular quarter or year, we believe we have the tools, capacity and flexibility to maintain our loan-to-deposit ratio within 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.

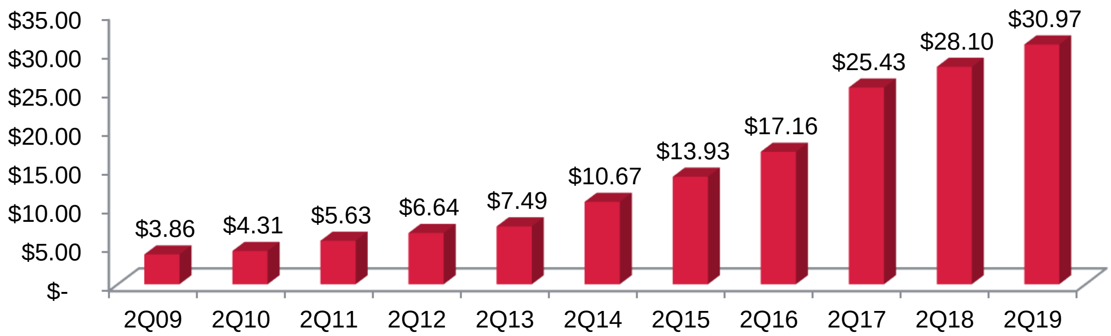
Figure 43: Consistent Deposit Mix (Percentages as of June 30, 2019)



Capital

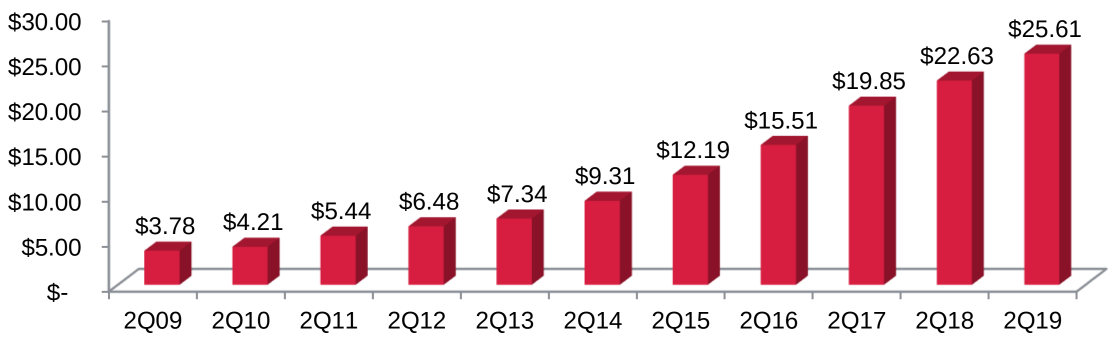
During the quarter just ended, our book value per common share increased to $30.97, as shown in Figure 44.

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%.

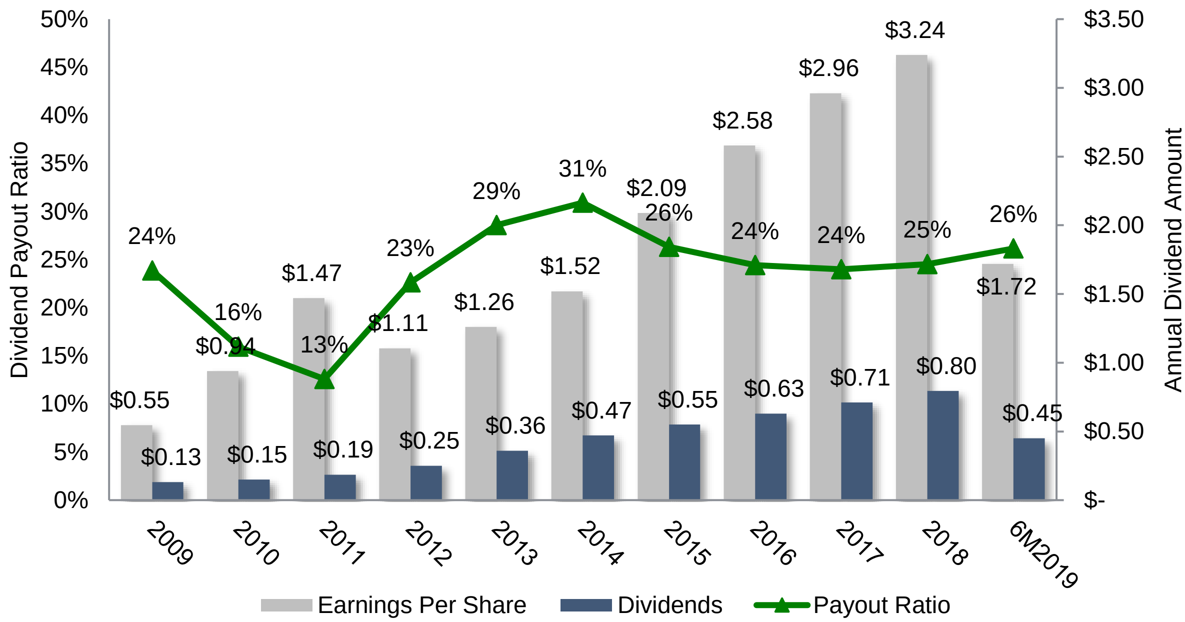
Figure 45: Tangible Book Value per Share (Period End) [4]



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