

NEWS RELEASE

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Bank of the Ozarks Announces First Quarter 2018 Earnings

LITTLE ROCK, ARKANSAS: Bank of the Ozarks (the “Bank”) (NASDAQ: OZRK) today announced that net income for the first quarter of 2018 was \$113.1 million, a 26.9% increase from \$89.2 million for the first quarter of 2017. Diluted earnings per common share for the first quarter of 2018 were \$0.88, a 20.5% increase from \$0.73 for the first quarter of 2017.

The Bank’s annualized returns on average assets, average common stockholders’ equity and average tangible common stockholders’ equity for the first quarter of 2018 were 2.16%, 13.17% and 16.53%, respectively, compared to 1.93%, 12.80% and 17.17%, respectively, for the first quarter of 2017. The calculation of the Bank’s return on average tangible common stockholders’ equity and the reconciliation to generally accepted accounting principles (“GAAP”) are included in the schedules accompanying this release.

George Gleason, Chairman and Chief Executive Officer, stated, “We are very pleased to report our results for the first quarter of 2018, including record net interest income, an annualized return on average assets of 2.16%, \$941 million growth in the funded balance of non-purchased loans, a 4.69% net interest margin and excellent asset quality metrics.”

KEY BALANCE SHEET METRICS

Total loans, including purchased loans, were \$16.61 billion at March 31, 2018, a 12.2% increase from \$14.80 billion at March 31, 2017. Non-purchased loans, which exclude loans acquired in previous acquisitions, were \$13.67 billion at March 31, 2018, a 33.8% increase from \$10.22 billion at March 31, 2017. Purchased loans, which consist of loans acquired in previous acquisitions, were \$2.93 billion at March 31, 2018, a 35.9% decrease from \$4.58 billion at March 31, 2017. The unfunded balance of closed loans totaled \$12.55 billion at March 31, 2018, an 11.5% increase from \$11.26 billion at March 31, 2017, but a 4.9% decrease from \$13.19 billion at December 31, 2017.

Deposits were \$17.83 billion at March 31, 2018, a 13.5% increase from \$15.71 billion at March 31, 2017. Total assets were \$22.04 billion at March 31, 2018, a 15.1% increase from \$19.15 billion at March 31, 2017.

Common stockholders' equity was \$3.53 billion at March 31, 2018, a 22.7% increase from \$2.87 billion at March 31, 2017. Tangible common stockholders' equity was \$2.82 billion at March 31, 2018, a 30.9% increase from \$2.15 billion at March 31, 2017. Book value per common share was \$27.42 at March 31, 2018, a 16.0% increase from \$23.63 at March 31, 2017. Tangible book value per common share was \$21.93 at March 31, 2018, a 23.8% increase from \$17.72 at March 31, 2017. The calculations of the Bank's tangible common stockholders' equity and tangible book value per common share and the reconciliations to GAAP are included in the schedules accompanying this release.

The Bank's ratio of total common stockholders' equity to total assets was 16.00% at March 31, 2018 compared to 15.00% at March 31, 2017. Its ratio of total tangible common stockholders' equity to total tangible assets was 13.22% at March 31, 2018 compared to 11.69% at March 31, 2017. The calculation of the Bank's ratio of total tangible common stockholders' equity to total tangible assets and the reconciliation to GAAP are included in the schedules accompanying this release.

NET INTEREST INCOME

Net interest income for the first quarter of 2018 was a record \$217.8 million, a 14.2% increase from \$190.8 million for the first quarter of 2017. Net interest margin, on a fully taxable equivalent ("FTE") basis, was 4.69% for the first quarter of 2018, a decrease of 19 basis points from 4.88% for the first quarter of 2017. Average earning assets were \$18.92 billion for the first quarter of 2018, a 17.2% increase from \$16.14 billion for the first quarter of 2017.

NON-INTEREST INCOME

Non-interest income for the first quarter of 2018 decreased 1.2% to \$28.7 million compared to \$29.1 million for the first quarter of 2017. The Bank's non-interest income for the first quarter of 2018 included \$2.73 million of tax-exempt bank owned life insurance ("BOLI") death benefits, which increased the Bank's diluted earnings per common share by \$0.02. There were no such benefits in the first quarter of 2017. The Bank's service charges on deposit accounts declined from \$11.3 million for the first quarter of 2017 to \$9.5 million for the first quarter of 2018 primarily due to the Durbin Amendment's impact on the Bank's interchange revenue effective as of July 1, 2017. The Bank's mortgage lending income declined from \$1.6 million for the first quarter of 2017 to \$0.5 million for

the first quarter of 2018. This was a result of the Bank's decision in December 2017 to exit the secondary market mortgage lending business and the substantial wind down of that business in the quarter just ended. The Bank expects only a nominal amount of mortgage lending income in the second quarter of 2018 and none thereafter.

NON-INTEREST EXPENSE

Non-interest expense for the first quarter of 2018 increased 19.9% to \$93.8 million compared to \$78.3 million for the first quarter of 2017.

The Bank's efficiency ratio (non-interest expense divided by the sum of net interest income FTE and non-interest income) for the first quarter of 2018 was 37.9% compared to 35.0% for the first quarter of 2017.

ASSET QUALITY, CHARGE-OFFS AND ALLOWANCE

Excluding purchased loans, the Bank's ratio of nonperforming loans as a percent of total loans was 0.09% at March 31, 2018 compared to 0.11% at March 31, 2017.

Excluding purchased loans, the Bank's ratio of nonperforming assets as a percent of total assets was 0.16% at March 31, 2018 compared to 0.25% at March 31, 2017.

Excluding purchased loans, the Bank's ratio of loans past due 30 days or more, including past due non-accrual loans, to total loans was 0.14% at March 31, 2018 compared to 0.16% at March 31, 2017.

The Bank's annualized net charge-off ratio for non-purchased loans was 0.04% for the first quarter of 2018 compared to 0.05% for the first quarter of 2017. The Bank's annualized net charge-off ratio for purchased loans was 0.05% for the first quarter of 2018 compared to 0.16% for the first quarter of 2017. The Bank's annualized net charge-off ratio for all loans was 0.04% for the first quarter of 2018 compared to 0.09% for the first quarter of 2017.

The Bank's allowance for loan losses for its non-purchased loans was \$96.5 million, or 0.71% of total non-purchased loans, at March 31, 2018 compared to \$76.6 million, or 0.75% of total non-purchased loans, at March 31, 2017 and \$92.5 million, or 0.73% of total non-purchased loans, at December 31, 2017. The Bank had \$1.6 million of allowance for loan losses for its purchased loans at March 31, 2018 and 2017 and at December 31, 2017.

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. Management will conduct a conference call to take questions on these quarterly results and management’s comments on the first quarter at 10:00 a.m. CT (11:00 a.m. ET) on Thursday, April 12, 2018. 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 of the Ozarks 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 9078203. The call will be available live or in a recorded version on the Bank’s Investor Relations website at ir.bankozarks.com under “Company News.” 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 and 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.bankozarks.com>.

NON-GAAP FINANCIAL MEASURES

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

FORWARD-LOOKING STATEMENTS

This release and other communications by the Bank include certain “forward-looking statements” regarding the Bank’s plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management’s expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank’s growth, expansion and acquisition strategies including delays in identifying sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices; the ability to enter into and/or close additional acquisitions; problems with, or additional expenses relating to, integrating acquisitions; the inability to realize expected cost savings and/or synergies from acquisitions; problems with managing acquisitions; the effect of the announcements of any future acquisition on customer relationships and operating results; the availability 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; competitive factors and pricing pressures, including their effect on the Bank’s net interest margin; 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; failure to receive approval of our pending applications for change in accounting methods with the Internal Revenue Service; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions; changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-

attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; adoption of new accounting standards or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this press release or as detailed from time to time in our public filings, including those factors included in the disclosures under the headings “Forward-Looking Information” and “Item 1A. Risk Factors” in our most recent Annual Report on Form 10-K for the year ended December 31, 2017. 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 of the Ozarks (NASDAQ: OZRK) is a regional bank providing innovative financial solutions delivered by expert bankers with a relentless pursuit of excellence. Bank of the Ozarks has been recognized as the #1 bank in the nation in its asset size for eight consecutive years.

Headquartered in Little Rock, Arkansas, Bank of the Ozarks conducts operations through 254 offices in Arkansas, Georgia, Florida, North Carolina, Texas, Alabama, South Carolina, California, New York, and Mississippi. Bank of the Ozarks can be found at www.bankozarks.com and on [Facebook](#), [Twitter](#) and [LinkedIn](#) or contacted at (501) 978-2265 or P. O. Box 8811, Little Rock, Arkansas 72231-8811.

Bank of the Ozarks
Consolidated Balance Sheets

	Unaudited March 31, 2018	December 31, 2017
(Dollars in thousands, except per share amounts)		
ASSETS		
Cash and cash equivalents	\$ 632,873	\$ 440,388
Investment securities - available for sale	2,612,961	2,622,796
Non-purchased loans	13,674,561	12,733,937
Purchased loans	2,934,535	3,309,092
Allowance for loan losses	(98,097)	(94,120)
Net loans	16,510,999	15,948,909
Premises and equipment, net	532,263	519,811
Foreclosed assets	21,931	25,357
Accrued interest receivable	69,126	64,608
Bank owned life insurance ("BOLI")	691,067	658,147
Intangible assets, net	705,896	709,040
Other, net	262,323	286,591
Total assets	<u>\$ 22,039,439</u>	<u>\$ 21,275,647</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand non-interest bearing	\$ 2,783,095	\$ 2,726,623
Savings and interest bearing transaction	10,513,959	10,051,122
Time	4,536,618	4,414,600
Total deposits	17,833,672	17,192,345
Repurchase agreements with customers	149,075	69,331
Other borrowings	1,942	22,320
Subordinated notes	222,993	222,899
Subordinated debentures	118,938	118,800
Accrued interest payable and other liabilities	183,165	186,164
Total liabilities	<u>18,509,785</u>	<u>17,811,859</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; \$0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at March 31, 2018 or December 31, 2017	—	—
Common stock; \$0.01 par value; 300,000,000 shares authorized; 128,611,611 and 128,287,550 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	1,286	1,283
Additional paid-in capital	2,227,178	2,221,844
Retained earnings	1,339,049	1,250,313
Accumulated other comprehensive loss	(40,908)	(12,712)
Total stockholders' equity before noncontrolling interest	3,526,605	3,460,728
Noncontrolling interest	3,049	3,060
Total stockholders' equity	3,529,654	3,463,788
Total liabilities and stockholders' equity	<u>\$ 22,039,439</u>	<u>\$ 21,275,647</u>

Bank of the Ozarks
Consolidated Statements of Income
Unaudited

	Three Months Ended March 31,	
	2018	2017
	(Dollars in thousands, except per share amounts)	
Interest income:		
Non-purchased loans	\$ 190,426	\$ 127,428
Purchased loans	50,977	75,994
Investment securities:		
Taxable	11,431	3,816
Tax-exempt	4,160	6,512
Deposits with banks and federal funds sold	498	20
Total interest income	257,492	213,770
Interest expense:		
Deposits	34,392	18,378
Repurchase agreements with customers	159	30
Other borrowings	633	222
Subordinated notes	3,146	3,188
Subordinated debentures	1,386	1,181
Total interest expense	39,716	22,999
Net interest income	217,776	190,771
Provision for loan losses	5,567	4,933
Net interest income after provision for loan losses	212,209	185,838
Non-interest income:		
Service charges on deposit accounts	9,525	11,301
Mortgage lending income	492	1,574
Trust income	1,793	1,631
BOLI income	7,580	4,464
Other income from purchased loans, net	1,251	3,737
Loan service, maintenance and other fees	4,743	2,706
Net gains on investment securities	17	—
Gains on sales of other assets	1,426	1,619
Other	1,880	2,026
Total non-interest income	28,707	29,058
Non-interest expense:		
Salaries and employee benefits	45,499	38,554
Net occupancy and equipment	14,150	13,192
Other operating expenses	34,161	26,522
Total non-interest expense	93,810	78,268
Income before taxes	147,106	136,628
Provision for income taxes	33,973	47,417
Net income	113,133	89,211
Earnings attributable to noncontrolling interest	11	(23)
Net income available to common stockholders	\$ 113,144	\$ 89,188
Basic earnings per common share	\$ 0.88	\$ 0.73
Diluted earnings per common share	\$ 0.88	\$ 0.73
Dividends declared per common share	\$ 0.19	\$ 0.17

Bank of the Ozarks
Consolidated Statements of Stockholders' Equity
Unaudited

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- Controlling Interest	Total
	(Dollars in thousands, except per share amounts)					
Balances – December 31, 2016	\$ 1,213	\$ 1,901,880	\$ 914,434	\$ (25,920)	\$ 3,264	\$ 2,794,871
Cumulative effect of change in accounting principals	—	1,133	2,720	(3,408)	—	445
Balances – January 1, 2017, as adjusted	1,213	1,903,013	917,154	(29,328)	3,264	2,795,316
Net income	—	—	89,211	—	—	89,211
Earnings attributable to noncontrolling interest	—	—	(23)	—	23	—
Total other comprehensive income	—	—	—	7,853	—	7,853
Common stock dividends paid, \$0.17 per share	—	—	(20,659)	—	—	(20,659)
Issuance of 69,655 shares of common stock for exercise of stock options	1	1,170	—	—	—	1,171
Issuance of 238,794 shares of unvested restricted common stock	2	(2)	—	—	—	—
Stock-based compensation expense	—	3,712	—	—	—	3,712
Forfeiture of 1,018 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – March 31, 2017	<u>\$ 1,216</u>	<u>\$ 1,907,893</u>	<u>\$ 985,683</u>	<u>\$ (21,475)</u>	<u>\$ 3,287</u>	<u>\$ 2,876,604</u>
Balances – December 31, 2017	\$ 1,283	\$ 2,221,844	\$ 1,250,313	\$ (12,712)	\$ 3,060	\$ 3,463,788
Net income	—	—	113,133	—	—	113,133
Earnings attributable to noncontrolling interest	—	—	11	—	(11)	—
Total other comprehensive loss	—	—	—	(28,196)	—	(28,196)
Common stock dividends paid, \$0.19 per share	—	—	(24,408)	—	—	(24,408)
Issuance of 200,025 shares of common stock for exercise of stock options	2	5,323	—	—	—	5,325
Issuance of 198,268 shares of unvested restricted common stock	2	(2)	—	—	—	—
Repurchase and cancellation of 70,931 shares of common stock	(1)	(3,729)	—	—	—	(3,730)
Stock-based compensation expense	—	3,742	—	—	—	3,742
Forfeitures of 3,301 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – March 31, 2018	<u>\$ 1,286</u>	<u>\$ 2,227,178</u>	<u>\$ 1,339,049</u>	<u>\$ (40,908)</u>	<u>\$ 3,049</u>	<u>\$ 3,529,654</u>

Bank of the Ozarks
Summary of Non-Interest Expense
 Unaudited

	Three Months Ended March 31,	
	2018	2017
	(Dollars in thousands)	
Salaries and employee benefits	\$ 45,499	\$ 38,554
Net occupancy and equipment	14,150	13,192
Other operating expenses:		
Professional and outside services	8,705	5,338
Postage and supplies	2,195	1,919
Advertising and public relations	1,331	1,190
Telecommunication services	3,197	3,970
Software and data processing	3,340	2,473
ATM expense	1,363	1,138
Travel and meals	2,153	1,855
FDIC insurance	2,700	1,000
FDIC and state assessments	862	742
Loan collection and repossession expense	790	1,302
Writedowns of foreclosed and other assets	151	596
Amortization of intangibles	3,145	3,145
Other	4,229	1,854
Total non-interest expense	<u>\$ 93,810</u>	<u>\$ 78,268</u>

Bank of the Ozarks
Summary of Total Loans Outstanding
Unaudited

	<u>March 31, 2018</u>		<u>December 31, 2017</u>	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	\$ 1,099,699	6.6%	\$ 1,174,427	7.3%
Non-farm/non-residential	4,347,791	26.2	4,478,876	27.9
Construction/land development	7,187,863	43.3	6,648,061	41.5
Agricultural	156,133	0.9	150,003	0.9
Multifamily residential	556,133	3.4	508,514	3.2
Total real estate	13,347,619	80.4	12,959,881	80.8
Commercial and industrial	786,932	4.7	738,225	4.6
Consumer	1,651,567	9.9	1,472,593	9.2
Other	822,978	5.0	872,330	5.4
Total loans	\$ 16,609,096	100.0%	\$ 16,043,029	100.0%

Bank of the Ozarks
Selected Consolidated Financial Data
Unaudited

	Three Months Ended March 31,		
	2018	2017	% Change
(Dollars in thousands, except per share amounts)			
Income statement data:			
Net interest income	\$ 217,776	\$ 190,771	14.2%
Provision for loan losses	5,567	4,933	12.9
Non-interest income	28,707	29,058	(1.2)
Non-interest expense	93,810	78,268	19.9
Net income available to common stockholders	113,144	89,188	26.9
Common share and per common share data:			
Earnings - diluted	\$ 0.88	\$ 0.73	20.5%
Earnings - basic	0.88	0.73	20.5
Cash dividends	0.19	0.17	11.8
Book value	27.42	23.63	16.0
Tangible book value ⁽¹⁾	21.93	17.72	23.8
Weighted-average diluted shares outstanding (thousands)	128,762	121,954	
End of period shares outstanding (thousands)	128,612	121,575	
Balance sheet data at period end:			
Total assets	\$ 22,039,439	\$ 19,152,212	15.1%
Total loans	16,609,096	14,796,922	12.2
Non-purchased loans	13,674,561	10,216,875	33.8
Purchased loans	2,934,535	4,580,047	(35.9)
Allowance for loan losses	98,097	78,224	25.4
Foreclosed assets	21,931	36,899	(40.6)
Investment securities	2,612,961	1,470,568	77.7
Goodwill and other intangible assets	705,896	718,475	(1.8)
Deposits	17,833,672	15,713,427	13.5
Repurchase agreements with customers	149,075	80,609	84.9
Other borrowings	1,942	42,291	(95.4)
Subordinated notes	222,993	222,611	0.2
Subordinated debentures	118,938	118,380	0.5
Unfunded balance of closed loans	12,551,032	11,258,762	11.5
Total common stockholders' equity	3,526,605	2,873,317	22.7
Selected ratios:			
Return on average assets ⁽²⁾	2.16%	1.93%	
Return on average common stockholders' equity ⁽²⁾	13.17	12.80	
Return on average tangible common stockholders' equity ^{(1) (2)}	16.53	17.17	
Loan, including purchased loans, to deposit ratio	93.13	94.17	
Average common equity to total average assets	16.37	15.08	
Net interest margin – FTE ⁽²⁾	4.69	4.88	
Efficiency ratio	37.88	35.03	
Net charge-offs to average non-purchased loans ^{(2) (3)}	0.04	0.05	
Net charge-offs to average total loans ⁽²⁾	0.04	0.09	
Nonperforming loans to total loans ⁽⁴⁾	0.09	0.11	
Nonperforming assets to total assets ⁽⁴⁾	0.16	0.25	
Allowance for loan losses to non-purchased loans ⁽⁵⁾	0.71	0.75	
Other information:			
Non-accrual loans ⁽⁴⁾	\$ 12,471	\$ 11,069	
Accruing loans - 90 days past due ⁽⁴⁾	—	—	
Troubled and restructured loans ⁽⁴⁾	—	—	
Impaired purchased loans	6,849	13,869	

⁽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 of the Ozarks
Supplemental Quarterly Financial Data
Unaudited

	<u>6/30/16</u>	<u>9/30/16</u>	<u>12/31/16</u>	<u>3/31/17</u>	<u>6/30/17</u>	<u>9/30/17</u>	<u>12/31/17</u>	<u>3/31/18</u>
	(Dollars in Thousands, Except Per Share Amounts)							
Earnings Summary:								
Net interest income	\$ 119,038	\$ 175,150	\$ 194,800	\$ 190,771	\$ 202,105	\$ 209,722	\$ 214,831	\$ 217,776
Federal tax (FTE) adjustment	2,067	2,533	3,254	3,594	3,396	3,014	2,450	1,166
Net interest income (FTE)	121,105	177,683	198,054	194,365	205,501	212,736	217,281	218,942
Provision for loan losses	(4,834)	(7,086)	(9,855)	(4,933)	(6,103)	(7,777)	(9,279)	(5,567)
Non-interest income	22,733	29,231	30,571	29,058	31,840	32,747	30,213	28,707
Non-interest expense	(50,928)	(78,781)	(78,358)	(78,268)	(83,828)	(84,399)	(86,177)	(93,810)
Pretax income (FTE)	88,076	121,047	140,412	140,222	147,410	153,307	152,038	148,272
FTE adjustment	(2,067)	(2,533)	(3,254)	(3,594)	(3,396)	(3,014)	(2,450)	(1,166)
Provision for income taxes	(31,514)	(42,470)	(49,312)	(47,417)	(53,488)	(54,246)	(3,434)	(33,973)
Noncontrolling interest	(21)	(14)	(59)	(23)	6	(40)	10	11
Net income available to common stockholders	<u>\$ 54,474</u>	<u>\$ 76,030</u>	<u>\$ 87,787</u>	<u>\$ 89,188</u>	<u>\$ 90,532</u>	<u>\$ 96,007</u>	<u>\$ 146,164</u>	<u>\$ 113,144</u>
Earnings per common share – diluted	<u>\$ 0.60</u>	<u>\$ 0.66</u>	<u>\$ 0.72</u>	<u>\$ 0.73</u>	<u>\$ 0.73</u>	<u>\$ 0.75</u>	<u>\$ 1.14</u>	<u>\$ 0.88</u>
Non-interest Income:								
Service charges on deposit accounts	\$ 8,119	\$ 10,926	\$ 11,759	\$ 11,301	\$ 11,764	\$ 9,729	\$ 10,058	\$ 9,525
Mortgage lending income	2,057	2,616	2,097	1,574	1,910	1,620	1,294	492
Trust income	1,574	1,564	1,623	1,631	1,577	1,755	1,729	1,793
BOLI income	2,745	4,638	4,564	4,464	4,594	4,453	5,166	7,580
Other income from purchased loans	4,599	4,635	4,993	3,737	4,777	2,933	2,009	1,251
Loan service, maintenance and other fees	1,238	1,687	2,962	2,706	3,427	5,274	4,289	4,743
Net gains on investment securities	—	—	4	—	404	2,429	1,201	17
Gains on sales of other assets	998	594	1,537	1,619	672	1,363	1,899	1,426
Other	1,403	2,571	1,032	2,026	2,715	3,191	2,568	1,880
Total non-interest income	<u>\$ 22,733</u>	<u>\$ 29,231</u>	<u>\$ 30,571</u>	<u>\$ 29,058</u>	<u>\$ 31,840</u>	<u>\$ 32,747</u>	<u>\$ 30,213</u>	<u>\$ 28,707</u>
Non-interest Expense:								
Salaries and employee benefits	\$ 24,921	\$ 38,069	\$ 36,481	\$ 38,554	\$ 39,892	\$ 35,331	\$ 38,417	\$ 45,499
Net occupancy expense	8,388	11,669	13,936	13,192	12,937	13,595	13,474	14,150
Other operating expenses	17,619	29,043	27,941	26,522	30,999	35,473	34,286	34,161
Total non-interest expense	<u>\$ 50,928</u>	<u>\$ 78,781</u>	<u>\$ 78,358</u>	<u>\$ 78,268</u>	<u>\$ 83,828</u>	<u>\$ 84,399</u>	<u>\$ 86,177</u>	<u>\$ 93,810</u>
Balance Sheet Data:								
Total assets	\$12,279,579	\$18,451,783	\$18,890,142	\$19,152,212	\$20,064,589	\$20,768,493	\$21,275,647	\$22,039,439
Non-purchased loans	8,214,900	8,759,766	9,605,093	10,216,875	11,025,203	12,047,094	12,733,937	13,674,561
Purchased loans	1,515,104	5,399,831	4,958,022	4,580,047	4,159,139	3,731,536	3,309,092	2,934,535
Deposits	10,195,072	15,123,804	15,574,878	15,713,427	16,241,440	16,823,359	17,192,345	17,833,672
Common stockholders' equity	1,556,921	2,756,346	2,791,607	2,873,317	3,260,123	3,334,740	3,460,728	3,526,605
Allowance for Loan Losses:								
Balance at beginning of period	\$ 61,760	\$ 65,133	\$ 69,760	\$ 76,541	\$ 78,224	\$ 82,320	\$ 86,784	\$ 94,120
Net charge-offs	(1,461)	(2,459)	(3,074)	(3,250)	(2,007)	(3,313)	(1,943)	(1,590)
Provision for loan losses	4,834	7,086	9,855	4,933	6,103	7,777	9,279	5,567
Balance at end of period	<u>\$ 65,133</u>	<u>\$ 69,760</u>	<u>\$ 76,541</u>	<u>\$ 78,224</u>	<u>\$ 82,320</u>	<u>\$ 86,784</u>	<u>\$ 94,120</u>	<u>\$ 98,097</u>
Selected Ratios:								
Net interest margin – FTE ⁽¹⁾	4.82%	4.90%	5.02%	4.88%	4.99%	4.84%	4.72%	4.69%
Efficiency ratio	35.41	38.07	34.27	35.03	35.32	34.38	34.82	37.88
Net charge-offs to average non-purchased loans ⁽¹⁾⁽²⁾	0.05	0.06	0.08	0.05	0.03	0.08	0.08	0.04
Net charge-offs to average total loans ⁽¹⁾	0.06	0.07	0.09	0.09	0.05	0.09	0.05	0.04
Nonperforming loans to total loans ⁽³⁾	0.09	0.08	0.15	0.11	0.11	0.11	0.10	0.09
Nonperforming assets to total assets ⁽³⁾	0.25	0.28	0.31	0.25	0.23	0.20	0.18	0.16
Allowance for loan losses to total non-purchased loans ⁽⁴⁾	0.78	0.78	0.78	0.75	0.73	0.71	0.73	0.71
Loans past due 30 days or more, including past due non-accrual loans, to total loans ⁽³⁾	0.22	0.17	0.16	0.16	0.15	0.12	0.15	0.14

⁽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 of the Ozarks
Average Consolidated Balance Sheets and Net Interest Analysis – FTE
Unaudited

	Three Months Ended March 31,					
	Average Balance	2018 Income/ Expense	Yield/ Rate	Average Balance	2017 Income/ Expense	Yield/ Rate
(Dollars in thousands)						
ASSETS						
Interest earning assets:						
Interest earning deposits and federal funds sold	\$ 110,085	\$ 498	1.83%	\$ 41,806	\$ 20	0.19%
Investment securities:						
Taxable	2,062,358	11,431	2.25	663,153	3,816	2.33
Tax-exempt – FTE	556,776	5,265	3.84	803,589	10,019	5.06
Non-purchased loans – FTE	13,010,093	190,487	5.94	9,827,717	127,515	5.26
Purchased loans	3,181,740	50,977	6.50	4,807,080	75,993	6.41
Total earning assets – FTE	18,921,052	258,658	5.54	16,143,345	217,363	5.46
Non-interest earning assets	2,359,796			2,603,381		
Total assets	<u>\$ 21,280,848</u>			<u>\$ 18,746,726</u>		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest bearing liabilities:						
Deposits:						
Savings and interest bearing transaction	\$ 9,857,347	\$ 22,570	0.93%	\$ 7,862,653	\$ 8,458	0.44%
Time deposits of \$100 or more	3,036,123	8,781	1.17	3,241,587	7,132	0.89
Other time deposits	1,445,948	3,041	0.85	1,699,858	2,787	0.66
Total interest bearing deposits	14,339,418	34,392	0.97	12,804,098	18,377	0.58
Repurchase agreements with customers	112,434	159	0.57	79,884	30	0.15
Other borrowings	165,943	633	1.55	42,137	222	2.14
Subordinated notes	222,947	3,146	5.72	222,561	3,188	5.81
Subordinated debentures	118,864	1,386	4.73	118,300	1,181	4.05
Total interest bearing liabilities	14,959,606	39,716	1.08	13,266,980	22,998	0.70
Non-interest bearing liabilities:						
Non-interest bearing deposits	2,666,111			2,574,540		
Other non-interest bearing liabilities	167,778			75,107		
Total liabilities	17,793,495			15,916,627		
Common stockholders' equity	3,484,297			2,826,832		
Noncontrolling interest	3,056			3,267		
Total liabilities and stockholders' equity	<u>\$ 21,280,848</u>			<u>\$ 18,746,726</u>		
Net interest income – FTE	<u>\$ 218,942</u>			<u>\$ 194,365</u>		
Net interest margin – FTE			<u>4.69%</u>			<u>4.88%</u>

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Three Months Ended March 31,	
	2018	2017
	(Dollars in thousands)	
Net income available to common stockholders	\$ 113,144	\$ 89,188
Average common stockholders' equity before noncontrolling interest	\$ 3,484,297	\$ 2,826,832
Less average intangible assets:		
Goodwill	(660,789)	(660,151)
Core deposit and other intangibles, net of accumulated amortization	(47,122)	(59,596)
Total average intangibles	(707,911)	(719,747)
Average tangible common stockholders' equity	\$ 2,776,386	\$ 2,107,085
Return on average common stockholders' equity ⁽¹⁾	13.17%	12.80%
Return on average tangible common stockholders' equity ⁽¹⁾	16.53%	17.17%

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

Bank of the Ozarks Calculation of Total Tangible Common Stockholders' Equity and Tangible Book Value per Common Share Unaudited

	March 31,	
	2018	2017
	(In thousands, except per share amounts)	
Total common stockholders' equity before noncontrolling interest	\$ 3,526,605	\$ 2,873,317
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(45,107)	(57,686)
Total intangibles	(705,896)	(718,475)
Total tangible common stockholders' equity	\$ 2,820,709	\$ 2,154,842
Shares of common stock outstanding	128,612	121,575
Book value per common share	\$ 27.42	\$ 23.63
Tangible book value per common share	\$ 21.93	\$ 17.72

Bank of the Ozarks
Calculation of Total Tangible Common Stockholders’
Equity and the Ratio of Total Tangible Common
Stockholders’ Equity to Total Tangible Assets
Unaudited

	March 31,	
	2018	2017
	(Dollars in thousands)	
Total common stockholders’ equity before noncontrolling interest	\$ 3,526,605	\$ 2,873,317
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(45,107)	(57,686)
Total intangibles	(705,896)	(718,475)
Total tangible common stockholders’ equity	<u>\$ 2,820,709</u>	<u>\$ 2,154,842</u>
Total assets	\$ 22,039,439	\$ 19,152,212
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(45,107)	(57,686)
Total intangibles	(705,896)	(718,475)
Total tangible assets	<u>\$ 21,333,543</u>	<u>\$ 18,433,737</u>
Ratio of total common stockholders’ equity to total assets	<u>16.00%</u>	<u>15.00%</u>
Ratio of total tangible common stockholders’ equity to total tangible assets	<u>13.22%</u>	<u>11.69%</u>