UNITED STATES
FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, DC 20429

FORM 8-K
CURRENT REPORT

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

Date of report (Date of earliest event reported): **July 11, 2018**

BANK OF THE OZARKS

(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction of incorporation)

110	**71-0130170**
(FDIC Certificate Number)	(IRS Employer Identification No.)
17901 Chenal Parkway, Little Rock, Arkansas	**72223**
(Address of principal executive offices)	(Zip Code)

(501) 978-2265
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

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

( ) Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

( ) Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

( ) Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

( ) Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On July 11, 2018, Bank of the Ozarks (the "Bank") issued a press release announcing its financial results for the second quarter ended June 30, 2018 and made available management's comments on the results for the second quarter of 2018. The press release and management's comments are available on the Bank's investor relations website. A copy of the press release announcing the Bank's results for the second quarter ended June 30, 2018 and management's comments on the second quarter results are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K.

On July 12, 2018, the Bank will hold an investor conference call and webcast to answer questions regarding the Bank's financial results for the second quarter ended June 30, 2018.

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

Item 7.01 Regulation FD Disclosures.

See Item 2.02 Results of Operations and Financial Condition.

Item 9.01 Financial Statements and Exhibits.

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

99.1	Press Release dated July 11, 2018: Bank of the Ozarks Announces Second Quarter 2018 Earnings
99.2	Second Quarter 2018 Management's Comments dated July 11, 2018

SIGNATURES

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

BANK OF THE OZARKS

Date: July 11, 2018

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

Exhibit No.	Document Description
99.1	Press Release dated July 11, 2018: Bank of the Ozarks Announces Second Quarter 2018 Earnings
99.2	Second Quarter 2018 Management's Comments dated July 11, 2018

EXHIBIT 99.1

NEWS RELEASE

Date: July 11, 2018
Release Time: 3:00 p.m. (CT)
Media Contact: Susan Blair (501) 978-2217
Investor Contact: Tim Hicks (501) 978-2336

Bank of the Ozarks Announces Second Quarter 2018 Earnings

LITTLE ROCK, ARKANSAS: Bank of the Ozarks (the "Bank") (Nasdaq: OZRK) today announced that net income for the second quarter of 2018 was $114.8 million, a 26.8% increase from the second quarter of 2017. Diluted earnings per common share for the second quarter of 2018 were $0.89, a 21.9% increase from the second quarter of 2017.

For the six months ended June 30, 2018, net income totaled $227.9 million, a 26.8% increase from the first six months of 2017. Diluted earnings per common share for the first six months of 2018 were $1.77, a 21.2% increase from the first six months of 2017.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the second quarter of 2018 were 2.10%, 12.90% and 16.08%, respectively, compared to 1.90%, 12.05% and 15.81%, respectively, for the second quarter of 2017. The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the first six months of 2018 were 2.13%, 13.03%, and 16.30%, respectively, compared to 1.92%, 12.41%, and 16.45%, respectively, for the first six months 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 another excellent quarter, continuing our long tradition of achieving industry-leading results quarter after quarter. Our 2.10% annualized return on average assets, 4.66% net interest margin, 35.2% efficiency ratio, and 0.07% annualized net charge-off ratio for total loans are just a few among many highlights in the quarter. In addition, our non-purchased loans have grown $3.2 billion, or 28.6%, over the last four quarters. Our outstanding team continues to work hard delivering great results for both our shareholders and customers."

KEY BALANCE SHEET METRICS

Total loans, including purchased loans, were $16.8 billion at June 30, 2018, a 10.4% increase from $15.2 billion at June 30, 2017. Non-purchased loans, which exclude loans acquired in previous acquisitions, were $14.2 billion at June 30, 2018, a 28.6% increase from $11.0 billion at June 30, 2017. Purchased loans, which consist of loans acquired in previous acquisitions, were $2.6 billion at June 30, 2018, a 38.0% decrease

from $4.2 billion at June 30, 2017. The unfunded balance of closed loans totaled $12.0 billion at June 30, 2018, a 1.0% increase from $11.9 billion at June 30, 2017, but a 4.4% decrease from $12.6 billion at March 31, 2018.

Deposits were $17.9 billion at June 30, 2018, a 10.2% increase from $16.2 billion at June 30, 2017. Total assets were $22.2 billion at June 30, 2018, a 10.7% increase from $20.1 billion at June 30, 2017.

Common stockholders' equity was $3.61 billion at June 30, 2018, a 10.9% increase from $3.26 billion at June 30, 2017. Tangible common stockholders' equity was $2.91 billion at June 30, 2018, a 14.4% increase from $2.54 billion at June 30, 2017. Book value per common share was $28.10 at June 30, 2018, a 10.5% increase from $25.43 at June 30, 2017. Tangible book value per common share was $22.63 at June 30, 2018, a 14.0% increase from $19.85 at June 30, 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 16.26% at June 30, 2018 compared to 16.25% at June 30, 2017. Its ratio of total tangible common stockholders' equity to total tangible assets was 13.53% at June 30, 2018 compared to 13.15% at June 30, 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 second quarter of 2018 was a record $224.7 million, an 11.2% increase from $202.1 million for the second quarter of 2017. Net interest margin, on a fully taxable equivalent ("FTE") basis, was 4.66% for the second quarter of 2018, a decrease of 33 basis points from 4.99% for the second quarter of 2017. Average earning assets were $19.4 billion for the second quarter of 2018, a 17.7% increase from $16.5 billion for the second quarter of 2017.

Net interest income for the first six months of 2018 was $442.4 million, a 12.6% increase from $392.9 million for the first six months of 2017. Net interest margin, on a FTE basis, was 4.68% for the first six months of 2018, a decrease of 25 basis points from 4.93% for the first six months of 2017. Average earning assets were $19.2 billion for the first six months of 2018, a 17.3% increase from $16.3 billion for the first six months of 2017.

NON-INTEREST INCOME

Non-interest income for the second quarter of 2018 decreased 14.0% to $27.4 million compared to $31.8 million for the second quarter of 2017. Non-interest income for the first six months of 2018 decreased 7.9% to $56.1 million compared to $60.9 million for the first six months of 2017. The Bank's service charges on deposit accounts declined from $11.76 million for the second quarter of 2017 to $9.70 million for the second

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 $1.91 million in the second quarter of 2017 to effectively none in the second 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 first quarter of 2018.

NON-INTEREST EXPENSE

Non-interest expense for the second quarter of 2018 increased 6.3% to $89.1 million compared to $83.8 million for the second quarter of 2017. Non-interest expense for the first six months of 2018 increased 12.8% to $182.9 million compared to $162.1 million for the first six months of 2017. Non-interest expense for both the second quarter and the first six months of 2018 included approximately $0.6 million related to the pending name change that will be effective on July 16, 2018 and the related strategic rebranding initiatives.

The Bank's efficiency ratio (non-interest expense divided by the sum of net interest income FTE and non-interest income) for the second quarter of 2018 was 35.2% compared to 35.3% for the second quarter of 2017. The Bank's efficiency ratio for the first six months of 2018 was 36.5% compared to 35.2% for the first six months 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 0.10% at June 30, 2018 compared to 0.11% at June 30, 2017, and its ratio of nonperforming assets as a percent of total assets was 0.15% at June 30, 2018 compared to 0.23% at June 30, 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 0.12% at June 30, 2018 compared to 0.15% at June 30, 2017.

The Bank's annualized net charge-off ratio for non-purchased loans was 0.05% for the second quarter of 2018 compared to 0.03% for the second quarter of 2017 and 0.04% for both the first six months of 2018 and the first six months of 2017. The Bank's annualized net charge-off ratio for all loans was 0.07% for the second quarter of 2018 compared to 0.05% for the second quarter of 2017 and 0.06% for the first six months of 2018 compared to 0.07% for the first six months of 2017.

The Bank's allowance for loan losses for its non-purchased loans was $103.0 million, or 0.73% of total non-purchased loans, at June 30, 2018 compared to $80.7 million, or 0.73% of total non-purchased loans, at June 30, 2017. The Bank had $1.6 million of allowance for loan losses for its purchased loans at both June 30, 2018 and 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 at 10:00 a.m. CT (11:00 a.m. ET) on Thursday, July 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 5268256. 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 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; failure to receive approval of the Bank's 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, including changes expected to result from the Tax Cuts and Jobs Act and the Economic Growth, Regulatory Relief and Consumer Protection Act and the costs and expenses to comply with new and/or existing legislation and regulatory actions; changes in U.S. government monetary and fiscal policy; FDIC special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or its customers; adoption of new accounting standards or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this press release or as detailed from time to time in the Bank's public filings, including those factors included in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in the Bank's most recent Annual Report on Form

10-K for the year ended December 31, 2017 and its quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

GENERAL INFORMATION

Bank 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 253 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

	June 30, 2018	December 31, 2017
	(Dollars in thousands, except per share amounts)	
ASSETS		
Cash and cash equivalents	$ 585,352	$ 440,388
Investment securities - available for sale	2,617,859	2,622,796
Non-purchased loans	14,183,533	12,733,937
Purchased loans	2,580,341	3,309,092
Allowance for loan losses	(104,638)	(94,120)
Net loans	16,659,236	15,948,909
Premises and equipment, net	540,998	519,811
Foreclosed assets	20,662	25,357
Accrued interest receivable	71,828	64,608
Bank owned life insurance (“BOLI”)	711,327	658,147
Intangible assets, net	702,751	709,040
Other, net	310,367	286,591
Total assets	$ 22,220,380	$ 21,275,647
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Deposits:		
Demand non-interest bearing	$ 2,785,861	$ 2,726,623
Savings and interest bearing transaction	10,267,464	10,051,122
Time	4,843,760	4,414,600
Total deposits	17,897,085	17,192,345
Repurchase agreements with customers	179,851	69,331
Other borrowings	1,766	22,320
Subordinated notes	223,088	222,899
Subordinated debentures	119,077	118,800
Accrued interest payable and other liabilities	182,571	186,164
Total liabilities	18,603,438	17,811,859
Commitments and contingencies		
Stockholders’ equity:		
Preferred stock; $0.01 par value; 100,000,000 shares authorized; no shares issued or outstanding at June 30, 2018 or December 31, 2017	—	—
Common stock; $0.01 par value; 300,000,000 shares authorized; 128,616,417 and 128,287,550 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	1,286	1,283
Additional paid-in capital	2,230,809	2,221,844
Retained earnings	1,428,721	1,250,313
Accumulated other comprehensive loss	(46,913)	(12,712)
Total stockholders’ equity before noncontrolling interest	3,613,903	3,460,728
Noncontrolling interest	3,039	3,060
Total stockholders’ equity	3,616,942	3,463,788
Total liabilities and stockholders’ equity	$ 22,220,380	$ 21,275,647

Bank of the Ozarks
Consolidated Statements of Income
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(Dollars in thousands, except per share amounts)			
Interest income:				
Non-purchased loans	$ 210,385	$ 141,985	$400,812	$269,413
Purchased loans	46,862	75,729	97,839	151,723
Investment securities:				
Taxable	11,476	4,181	22,907	7,997
Tax-exempt	4,102	6,148	8,262	12,660
Deposits with banks and federal funds sold	839	115	1,336	134
Total interest income	273,664	228,158	531,156	441,927
Interest expense:				
Deposits	43,832	21,479	78,224	39,856
Repurchase agreements with customers	385	30	544	60
Other borrowings	46	255	679	477
Subordinated notes	3,180	3,052	6,326	6,240
Subordinated debentures	1,560	1,237	2,946	2,418
Total interest expense	49,003	26,053	88,719	49,051
Net interest income	224,661	202,105	442,437	392,876
Provision for loan losses	9,610	6,103	15,177	11,036
Net interest income after provision for loan losses	215,051	196,002	427,260	381,840
Non-interest income:				
Service charges on deposit accounts	9,704	11,764	19,229	23,065
Mortgage lending income	1	1,910	493	3,484
Trust income	1,591	1,577	3,384	3,208
BOLI income	5,259	4,594	12,839	9,058
Other income from purchased loans, net	2,744	4,777	3,995	8,515
Loan service, maintenance and other fees	5,641	3,427	10,384	6,133
Net gains on investment securities	—	404	17	404
Gains on sales of other assets	844	672	2,270	2,292
Other	1,602	2,715	3,483	4,739
Total non-interest income	27,386	31,840	56,094	60,898
Non-interest expense:				
Salaries and employee benefits	41,665	39,892	87,164	78,446
Net occupancy and equipment	13,827	12,937	27,977	26,129
Other operating expenses	33,615	30,999	67,776	57,520
Total non-interest expense	89,107	83,828	182,917	162,095
Income before taxes	153,330	144,014	300,437	280,643
Provision for income taxes	38,589	53,488	72,563	100,907
Net income	114,741	90,526	227,874	179,736
Earnings attributable to noncontrolling interest	10	6	21	(16)
Net income available to common stockholders	$ 114,751	$ 90,532	$227,895	$179,720
Basic earnings per common share	$ 0.89	$ 0.73	$ 1.77	$ 1.47
Diluted earnings per common share	$ 0.89	$ 0.73	$ 1.77	$ 1.46
Dividends declared per common share	$ 0.195	$ 0.175	$ 0.385	$ 0.345

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	—	—	179,736	—	—	179,736
Earnings attributable to noncontrolling interest	—	—	(16)	—	16	—
Total other comprehensive income	—	—	—	20,928	—	20,928
Common stock dividends paid, $0.345 per share	—	—	(41,935)	—	—	(41,935)
Dividend paid to non-controlling interest	—	—	—	—	(250)	(250)
Issuance of 81,350 shares of common stock for exercise of stock options	1	1,365	—	—	—	1,366
Issuance of 238,794 shares of unvested restricted common stock	2	(2)	—	—	—	—
Stock-based compensation expense	—	8,269	—	—	—	8,269
Forfeiture of 12,231 shares of unvested restricted common stock	—	—	—	—	—	—
Issuance of 14,476 shares of common stock to non-employee directors	—	—	—	—	—	—
Issuance of 6,600,000 shares of common stock, net of stock issue costs	66	299,657	—	—	—	299,723
Balances – June 30, 2017	$ 1,282	$2,212,302	$1,054,939	$ (8,400)	$ 3,030	$3,263,153
Balances – December 31, 2017	$ 1,283	$2,221,844	$1,250,313	$ (12,712)	$ 3,060	$3,463,788
Net income	—	—	227,874	—	—	227,874
Earnings attributable to noncontrolling interest	—	—	21	—	(21)	—
Total other comprehensive loss	—	—	—	(34,201)	—	(34,201)
Common stock dividends paid, $0.385 per share	—	—	(49,487)	—	—	(49,487)
Issuance of 210,890 shares of common stock for exercise of stock options	2	5,585	—	—	—	5,587
Issuance of 214,591 shares of unvested restricted common stock	2	(2)	—	—	—	—
Repurchase and cancellation of 71,750 shares of common stock	(1)	(3,769)	—	—	—	(3,770)
Stock-based compensation expense	—	7,151	—	—	—	7,151
Forfeitures of 24,864 shares of unvested restricted common stock	—	—	—	—	—	—
Balances – June 30, 2018	$ 1,286	$2,230,809	$1,428,721	$ (46,913)	$ 3,039	$3,616,942

Bank of the Ozarks
Summary of Non-Interest Expense
Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Salaries and employee benefits	$ 41,665	$ 39,892	$ 87,164	$ 78,446
Net occupancy and equipment	13,827	12,937	27,977	26,129
Other operating expenses:				
Professional and outside services	9,112	6,816	17,817	12,154
Postage and supplies	2,218	1,934	4,412	3,853
Advertising and public relations	1,777	1,258	3,107	2,448
Telecommunication services	3,487	3,107	6,683	7,077
Software and data processing	3,110	2,289	6,450	4,762
ATM expense	1,118	1,513	2,481	2,651
Travel and meals	2,498	2,061	4,651	3,916
FDIC insurance	2,700	2,500	5,400	3,500
FDIC and state assessments	858	908	1,720	1,650
Loan collection and repossession expense	503	1,803	1,293	3,105
Writedowns of foreclosed and other assets	460	870	611	1,466
Amortization of intangibles	3,145	3,145	6,290	6,290
Other	2,629	2,795	6,861	4,648
Total non-interest expense	$ 89,107	$ 83,828	$182,917	$162,095

Bank of the Ozarks
Summary of Total Loans Outstanding
Unaudited

	June 30, 2018		December 31, 2017	
	(Dollars in thousands)			
Real estate:				
Residential 1-4 family	$ 1,073,455	6.4%	$ 1,174,427	7.3%
Non-farm/non-residential	4,329,453	25.8	4,478,876	27.9
Construction/land development	7,344,070	43.8	6,648,061	41.5
Agricultural	160,805	1.0	150,003	0.9
Multifamily residential	400,867	2.4	508,514	3.2
Total real estate	13,308,650	79.4	12,959,881	80.8
Commercial and industrial	780,193	4.6	738,225	4.6
Consumer	1,977,483	11.8	1,472,593	9.2
Other	697,548	4.2	872,330	5.4
Total loans	$ 16,763,874	100.0%	$ 16,043,029	100.0%

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Income statement data:						
Net interest income	$ 224,661	$ 202,105	11.2%	$ 442,437	$ 392,876	12.6%
Provision for loan losses	9,610	6,103	57.5	15,177	11,036	37.5
Non-interest income	27,386	31,840	(14.0)	56,094	60,898	(7.9)
Non-interest expense	89,107	83,828	6.3	182,917	162,095	12.8
Net income available to common stockholders	114,751	90,532	26.8	227,895	179,720	26.8
Common stock data:						
Net income per share - diluted	$ 0.89	$ 0.73	21.9%	$ 1.77	$ 1.46	21.2%
Net income per share - basic	0.89	0.73	21.9	1.77	1.47	20.4
Cash dividends per share	0.195	0.175	11.4	0.385	0.345	11.6
Book value per share	28.10	25.43	10.5	28.10	25.43	10.5
Tangible book value per share[1]	22.63	19.85	14.0	22.63	19.85	14.0
Diluted shares outstanding (thousands)	128,804	124,198		128,783	123,084	
End of period shares outstanding (thousands)	128,616	128,190		128,616	128,190	
Balance sheet data at period end:						
Assets	$22,220,380	$20,064,589	10.7%	$22,220,380	$20,064,589	10.7%
Total loans	16,763,874	15,184,342	10.4	16,763,874	15,184,342	10.4
Non-purchased loans	14,183,533	11,025,203	28.6	14,183,533	11,025,203	28.6
Purchased loans	2,580,341	4,159,139	(38.0)	2,580,341	4,159,139	(38.0)
Allowance for loan losses	104,638	82,320	27.1	104,638	82,320	27.1
Foreclosed assets	20,662	34,000	(39.2)	20,662	34,000	(39.2)
Investment securities	2,617,859	2,101,751	24.6	2,617,859	2,101,751	24.6
Goodwill and other intangible assets	702,751	715,330	(1.8)	702,751	715,330	(1.8)
Deposits	17,897,085	16,241,440	10.2	17,897,085	16,241,440	10.2
Repurchase agreements with customers	179,851	68,502	162.5	179,851	68,502	162.5
Other borrowings	1,766	42,486	(95.8)	1,766	42,486	(95.8)
Subordinated notes	223,088	222,706	0.2	223,088	222,706	0.2
Subordinated debentures	119,077	118,519	0.5	119,007	118,519	0.5
Unfunded balance of closed loans	11,999,661	11,883,679	1.0	11,999,661	11,883,679	1.0
Common stockholders' equity	3,613,903	3,260,123	10.9	3,613,903	3,260,123	10.9
Net unrealized losses on investment securities AFS included in common stockholders' equity	(46,913)	(8,400)		(46,913)	(8,400)	
Loan (including purchased loans) to deposit ratio	93.67%	93.49%		93.67%	93.49%	
Selected ratios:						
Return on average assets [2]	2.10%	1.90%		2.13%	1.92%	
Return on average common stockholders' equity [2]	12.90	12.05		13.03	12.41	
Return on average tangible common stockholders' equity [1] [2]	16.08	15.81		16.30	16.45	
Average common equity to total average assets	16.30	15.81		16.34	15.45	
Net interest margin – FTE [2]	4.66	4.99		4.68	4.93	
Efficiency ratio	35.19	35.32		36.52	35.18	
Net charge-offs to average non-purchased loans [2] [3]	0.05	0.03		0.04	0.04	
Net charge-offs to average total loans[2]	0.07	0.05		0.06	0.07	
Nonperforming loans to total loans [4]	0.10	0.11		0.10	0.11	
Nonperforming assets to total assets[4]	0.15	0.23		0.15	0.23	
Allowance for loan losses to non-purchased loans [5]	0.73	0.73		0.73	0.73	
Other information:						
Non-accrual loans[4]	$ 13,543	$ 11,628		$ 13,543	$ 11,628	
Accruing loans - 90 days past due[4]	—	—		—	—	
Troubled and restructured loans[4]	—	—		—	—	
Impaired purchased loans	6,577	11,679		6,577	11,679	

[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
(Dollars in thousands, except per share amounts)
Unaudited

	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18
Earnings Summary:								
Net interest income	$ 175,150	$ 194,800	$ 190,771	$ 202,105	$ 209,722	$ 214,831	$ 217,776	$ 224,661
Federal tax (FTE) adjustment	2,533	3,254	3,594	3,396	3,014	2,450	1,166	1,151
Net interest income (FTE)	177,683	198,054	194,365	205,501	212,736	217,281	218,942	225,812
Provision for loan losses	(7,086)	(9,855)	(4,933)	(6,103)	(7,777)	(9,279)	(5,567)	(9,610)
Non-interest income	29,231	30,571	29,058	31,840	32,747	30,213	28,707	27,386
Non-interest expense	(78,781)	(78,358)	(78,268)	(83,828)	(84,399)	(86,177)	(93,810)	(89,107)
Pretax income (FTE)	121,047	140,412	140,222	147,410	153,307	152,038	148,272	154,481
FTE adjustment	(2,533)	(3,254)	(3,594)	(3,396)	(3,014)	(2,450)	(1,166)	(1,151)
Provision for income taxes	(42,470)	(49,312)	(47,417)	(53,488)	(54,246)	(3,434)	(33,973)	(38,589)
Noncontrolling interest	(14)	(59)	(23)	6	(40)	10	11	10
Net income available to common stockholders	$ 76,030	$ 87,787	$ 89,188	$ 90,532	$ 96,007	$ 146,164	$ 113,144	$ 114,751
Earnings per common share – diluted	$ 0.66	$ 0.72	$ 0.73	$ 0.73	$ 0.75	$ 1.14	$ 0.88	$ 0.89
Non-interest Income:								
Service charges on deposit accounts	$ 10,926	$ 11,759	$ 11,301	$ 11,764	$ 9,729	$ 10,058	$ 9,525	$ 9,704
Mortgage lending income	2,616	2,097	1,574	1,910	1,620	1,294	492	1
Trust income	1,564	1,623	1,631	1,577	1,755	1,729	1,793	1,591
BOLI income	4,638	4,564	4,464	4,594	4,453	5,166	7,580	5,259
Other income from purchased loans	4,635	4,993	3,737	4,777	2,933	2,009	1,251	2,744
Loan service, maintenance and other fees	1,687	2,962	2,706	3,427	5,274	4,289	4,743	5,641
Net gains on investment securities	—	4	—	404	2,429	1,201	17	—
Gains on sales of other assets	594	1,537	1,619	672	1,363	1,899	1,426	844
Other	2,571	1,032	2,026	2,715	3,191	2,568	1,880	1,602
Total non-interest income	$ 29,231	$ 30,571	$ 29,058	$ 31,840	$ 32,747	$ 30,213	$ 28,707	$ 27,386
Non-interest Expense:								
Salaries and employee benefits	$ 38,069	$ 36,481	$ 38,554	$ 39,892	$ 35,331	$ 38,417	$ 45,499	$ 41,665
Net occupancy expense	11,669	13,936	13,192	12,937	13,595	13,474	14,150	13,827
Other operating expenses	29,043	27,941	26,522	30,999	35,473	34,286	34,161	33,615
Total non-interest expense	$ 78,781	$ 78,358	$ 78,268	$ 83,828	$ 84,399	$ 86,177	$ 93,810	$ 89,107
Balance Sheet Data:								
Total assets	$18,451,783	$18,890,142	$19,152,212	$20,064,589	$20,768,493	$21,275,647	$22,039,439	$22,220,380
Non-purchased loans	8,759,766	9,605,093	10,216,875	11,025,203	12,047,094	12,733,937	13,674,561	14,183,533
Purchased loans	5,399,831	4,958,022	4,580,047	4,159,139	3,731,536	3,309,092	2,934,535	2,580,341
Investment securities	1,341,894	1,471,612	1,470,568	2,101,751	1,975,102	2,622,796	2,612,961	2,617,859
Deposits	15,123,804	15,574,878	15,713,427	16,241,440	16,823,359	17,192,345	17,833,672	17,897,085
Unfunded balance of closed loans	8,660,804	10,070,043	11,258,762	11,883,679	12,519,839	13,192,439	12,551,032	11,999,661
Common stockholders' equity	2,756,346	2,791,607	2,873,317	3,260,123	3,334,740	3,460,728	3,526,605	3,613,903
Allowance for Loan Losses:								
Balance at beginning of period	$ 65,133	$ 69,760	$ 76,541	$ 78,224	$ 82,320	$ 86,784	$ 94,120	$ 98,097
Net charge-offs	(2,459)	(3,074)	(3,250)	(2,007)	(3,313)	(1,943)	(1,590)	(3,069)
Provision for loan losses	7,086	9,855	4,933	6,103	7,777	9,279	5,567	9,610
Balance at end of period	$ 69,760	$ 76,541	$ 78,224	$ 82,320	$ 86,784	$ 94,120	$ 98,097	$ 104,638
Selected Ratios:								
Net interest margin – FTE[1]	4.90%	5.02%	4.88%	4.99%	4.84%	4.72%	4.69%	4.66%
Efficiency ratio	38.07	34.27	35.03	35.32	34.38	34.82	37.88	35.19
Net charge-offs to average non-purchased loans[1] [2]	0.06	0.08	0.05	0.03	0.08	0.08	0.04	0.05
Net charge-offs to average total loans[1]	0.07	0.09	0.09	0.05	0.09	0.05	0.04	0.07
Nonperforming loans to total loans[3]	0.08	0.15	0.11	0.11	0.11	0.10	0.09	0.10
Nonperforming assets to total assets[3]	0.28	0.31	0.25	0.23	0.20	0.18	0.16	0.15
Allowance for loan losses to total non-purchased loans[4]	0.78	0.78	0.75	0.73	0.71	0.73	0.71	0.73
Loans past due 30 days or more, including past due non-accrual loans, to total loans[3]	0.17	0.16	0.16	0.15	0.12	0.15	0.14	0.12

[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 June 30,						Six Months Ended June 30,					
	2018			2017			2018			2017		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
	(Dollars in thousands)											
ASSETS												
Earning assets:												
Interest earning deposits and federal funds sold	$ 186,103	$ 839	1.81%	$ 87,025	$ 115	0.53%	$ 148,304	$ 1,336	1.82%	$ 83,302	$ 135	0.33%
Investment securities:												
Taxable	2,055,737	11,476	2.24	739,184	4,181	2.27	2,058,995	22,907	2.24	701,378	7,997	2.30
Tax-exempt – FTE	545,173	5,192	3.82	774,837	9,458	4.90	550,942	10,458	3.83	789,134	19,477	4.98
Non-purchased loans – FTE	13,892,522	210,446	6.08	10,517,666	142,071	5.42	13,453,745	400,933	6.01	10,174,598	269,586	5.34
Purchased loans	2,757,235	46,862	6.82	4,391,894	75,729	6.92	2,968,315	97,839	6.65	4,598,340	151,723	6.65
Total earning assets – FTE	19,436,770	274,815	5.67	16,510,606	231,554	5.63	19,180,301	533,473	5.61	16,346,752	448,918	5.54
Non-interest earning assets	2,446,188			2,558,960			2,403,283			2,562,131		
Total assets	$ 21,882,958			$ 19,069,566			$ 21,583,584			$ 18,908,883		
LIABILITIES AND STOCKHOLDERS' EQUITY												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	$ 10,248,619	$ 29,249	1.14%	$ 8,084,021	$ 10,912	0.54%	$ 10,054,064	$ 51,818	1.04%	$ 7,973,949	$ 19,370	0.49%
Time deposits of $100 or more	3,182,463	11,027	1.39	3,211,778	7,737	0.97	3,109,697	19,808	1.28	3,226,600	14,869	0.93
Other time deposits	1,449,406	3,556	0.98	1,572,703	2,830	0.72	1,447,687	6,598	0.92	1,635,929	5,617	0.69
Total interest bearing deposits	14,880,488	43,832	1.18	12,868,502	21,479	0.67	14,611,448	78,224	1.08	12,836,478	39,856	0.63
Repurchase agreements with customers	161,246	385	0.96	76,610	30	0.16	136,975	544	0.80	78,238	60	0.16
Other borrowings	35,573	46	0.52	42,365	255	2.41	100,398	679	1.36	42,251	477	2.27
Subordinated notes	223,041	3,180	5.72	222,660	3,052	5.50	222,994	6,326	5.72	222,611	6,240	5.65
Subordinated debentures	119,006	1,560	5.26	118,449	1,237	4.19	118,935	2,946	5.00	118,375	2,418	4.12
Total interest bearing liabilities	15,419,354	49,003	1.27	13,328,586	26,053	0.78	15,190,750	88,719	1.18	13,297,953	49,051	0.74
Non-interest bearing liabilities:												
Non-interest bearing deposits	2,717,316			2,643,836			2,691,855			2,609,420		
Other non-interest bearing liabilities	176,302			79,331			172,081			77,195		
Total liabilities	18,312,972			16,051,753			18,054,686			15,984,568		
Common stockholders' equity	3,566,944			3,014,462			3,525,849			2,921,165		
Noncontrolling interest	3,042			3,351			3,049			3,150		
Total liabilities and stockholders' equity	$ 21,882,958			$ 19,069,566			$ 21,583,584			$ 18,908,883		
Net interest income – FTE		$ 225,812			$ 205,501			$ 444,754			$ 399,867	
Net interest margin – FTE			4.66%			4.99%			4.68%			4.93%

Bank of the Ozarks
Reconciliation of Non-GAAP Financial Measures

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(Dollars in thousands)			
Net income available to common stockholders	$ 114,751	$ 90,532	$ 227,895	$ 179,720
Average common stockholders' equity before noncontrolling interest	$ 3,566,944	$ 3,014,462	$ 3,525,849	$ 2,921,165
Less average intangible assets:				
Goodwill	(660,789)	(660,789)	(660,789)	(660,472)
Core deposit and other intangibles, net of accumulated amortization	(43,862)	(56,281)	(45,483)	(57,929)
Total average intangibles	(704,651)	(717,070)	(706,272)	(718,401)
Average tangible common stockholders' equity	$ 2,862,293	$ 2,297,392	$ 2,819,577	$ 2,202,764
Return on average common stockholders' equity[1]	12.90%	12.05%	13.03%	12.41%
Return on average tangible common stockholders' equity[1]	16.08%	15.81%	16.30%	16.45%

[1]Ratios for interim periods annualized based on actual days.

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

	June 30,	
	2018	2017
	(In thousands, except per share amounts)	
Total common stockholders' equity before noncontrolling interest	$ 3,613,903	$ 3,260,123
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(41,962)	(54,541)
Total intangibles	(702,751)	(715,330)
Total tangible common stockholders' equity	$ 2,911,152	$ 2,544,793
Shares of common stock outstanding	128,616	128,190
Book value per common share	$ 28.10	$ 25.43
Tangible book value per common share	$ 22.63	$ 19.85

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

	June 30, 2018	June 30, 2017
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	$ 3,613,903	$ 3,260,123
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(41,962)	(54,541)
Total intangibles	(702,751)	(715,330)
Total tangible common stockholders' equity	$ 2,911,152	$ 2,544,793
Total assets	$ 22,220,380	$ 20,064,589
Less intangible assets:		
Goodwill	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(41,962)	(54,541)
Total intangibles	(702,751)	(715,330)
Total tangible assets	$ 21,517,629	$ 19,349,259
Ratio of total common stockholders' equity to total assets	16.26%	16.25%
Ratio of total tangible common stockholders' equity to total tangible assets	13.53%	13.15%

EXHIBIT 99.2

2Q18

MANAGEMENT COMMENTS

JULY 11, 2018

FORWARD LOOKING STATEMENTS

This presentation and other communications by Bank of the Ozarks (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 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; 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, including changes expected to result from the Tax Cut and Jobs Act and the Economic Growth, Regulatory Relief and Consumer Protection Act, 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, 2017 and our quarterly reports on Form 10-Q. Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those projected in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

2nd Quarter 2018 Highlights

We are pleased to report our excellent results for the quarter just ended, including net income of $114.8 million, record net interest income of $224.7 million, an annualized return on average assets of 2.10% and annualized returns on average common stockholders' equity and tangible common stockholders' equity[1] of 12.90% and 16.08%, respectively. For the first six months of 2018, our annualized returns on average assets, common stockholders' equity and tangible common stockholders' equity were 2.13%, 13.03% and 16.30%, respectively.

Net Interest Income

Net interest income is our largest category of revenue. It is affected by many factors, including our volume of average earning assets; our mix of average earning assets between non-purchased loans, purchased loans and investment securities; our volume and mix of deposits; our net interest margin; our "core spread," which is the term we use to describe the difference between our yield on non-purchased loans and our cost of interest-bearing deposits; loan and deposit betas; and other factors.

Increasing our net interest income each quarter is an important objective. We have now achieved record net interest income in five consecutive quarters, and in 16 of the last 17 quarters.

[1] The calculation of the Bank's return on average tangible common stockholders' equity and the reconciliation to generally accepted accounting principles ("GAAP") are included in the appendix to this disclosure.

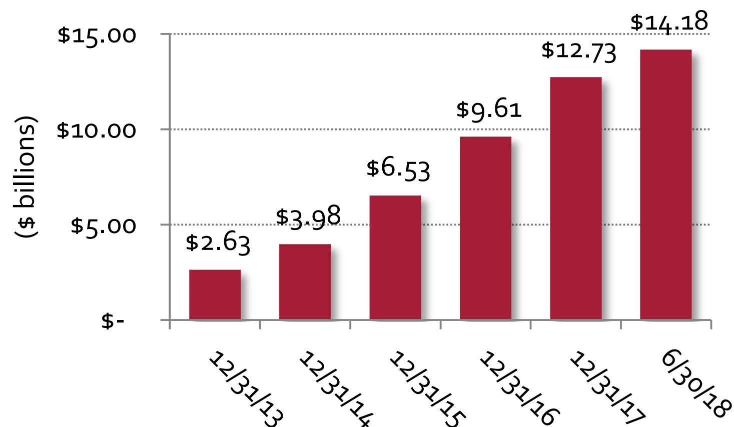
Figure 1: Quarterly Net Interest Income Since 2Q14

Average Earning Assets – Volume and Mix

Our average earning assets for the quarter just ended totaled $19.44 billion, an increase of 17.7% compared to the second quarter of 2017 and an increase of 2.7% compared to this year's first quarter. This growth in average earning assets was achieved despite (i) a high level of pay-downs in our portfolio of non-purchased loans, (ii) the ongoing pay-downs in our portfolio of purchased loans, and (iii) a $41 million decline in small ticket leasing and secondary market mortgage loans in the first half of 2018 following our decision late last year to exit those businesses.

Non-purchased loans, which are all loans excluding the remaining loans acquired in our acquisitions, accounted for 71.5% of our average earning assets in the quarter just ended. During the quarter, the outstanding balance of our non-purchased loans grew $509 million. For the first six months of 2018, non-purchased loans grew $1.45 billion, which is slightly better than our $1.42 billion growth in non-purchased loans in the first six months of last year. In the last four quarters, the outstanding balance of our non-purchased loans has grown $3.16 billion, or 28.6%.

Figure 2: Funded Balance of Non-purchased Loans

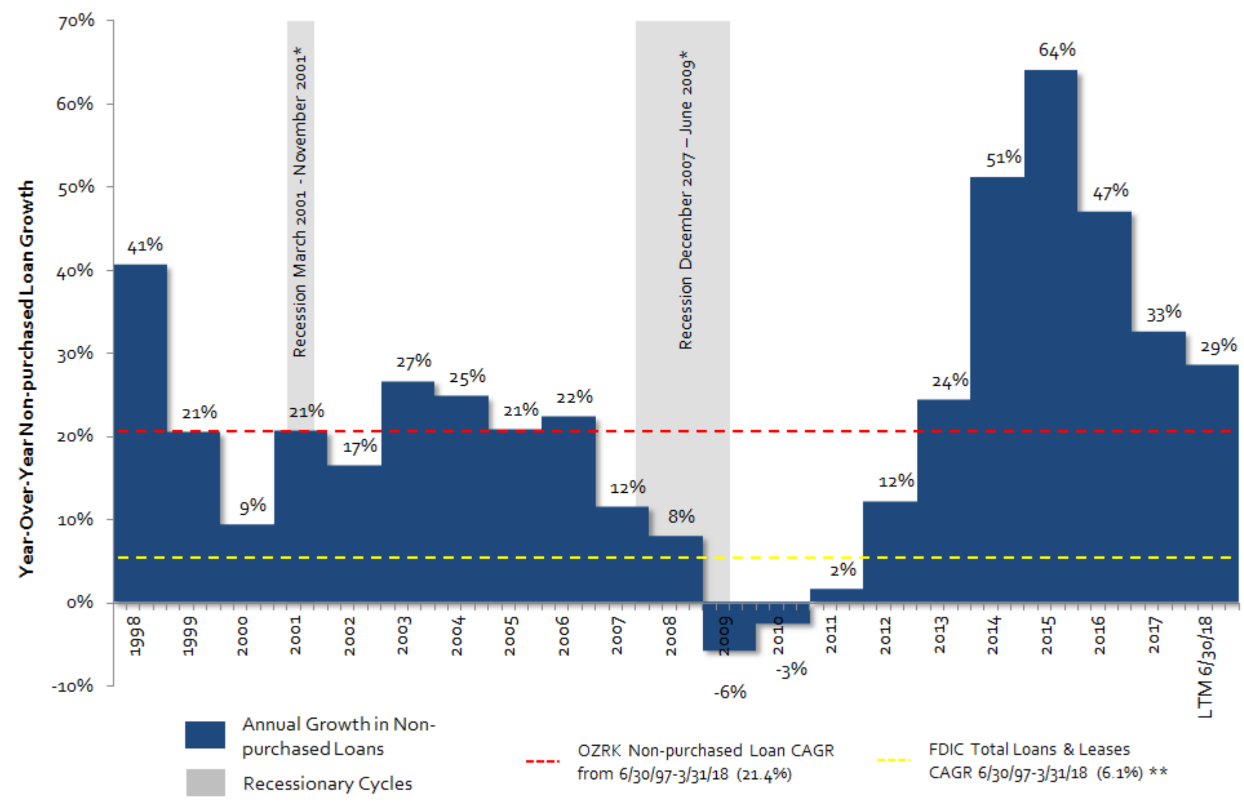


Non-purchased loan growth		
	$ Billions	**%**
2013	$0.52	24%
2014	$1.35	51%
2015	$2.55	64%
2016	$3.08	47%
2017	$3.13	33%
6/30/18 v. 6/30/17	$3.16	29%

Since going public 21 years ago, our non-purchased loans have grown at an average compounded annual rate of 21.4%. As shown in Figure 3, in some years our growth rate has been higher, and in other years it has been lower, but over that 21-year period our average growth rate has been 3.5 times the industry's 6.1% average compounded annual growth rate for total loans and leases.

One could look at Figure 3 and conclude that growth is our top priority, but we actually view growth as a tertiary consideration. Maintaining excellent asset quality is always our main priority, as evidenced by the fact that our net charge-off ratio on non-purchased loans has been better than the industry's net charge-off ratio in every year for more than two decades. Return on allocated equity is another important consideration, as evidenced by our industry top-decile net interest margin. We won't sacrifice our asset quality or return standards to achieve growth, but fortunately our outstanding lending teams have been able to achieve excellent growth while also adhering to our high standards.

Figure 3: Annual Non-purchased Loan Growth

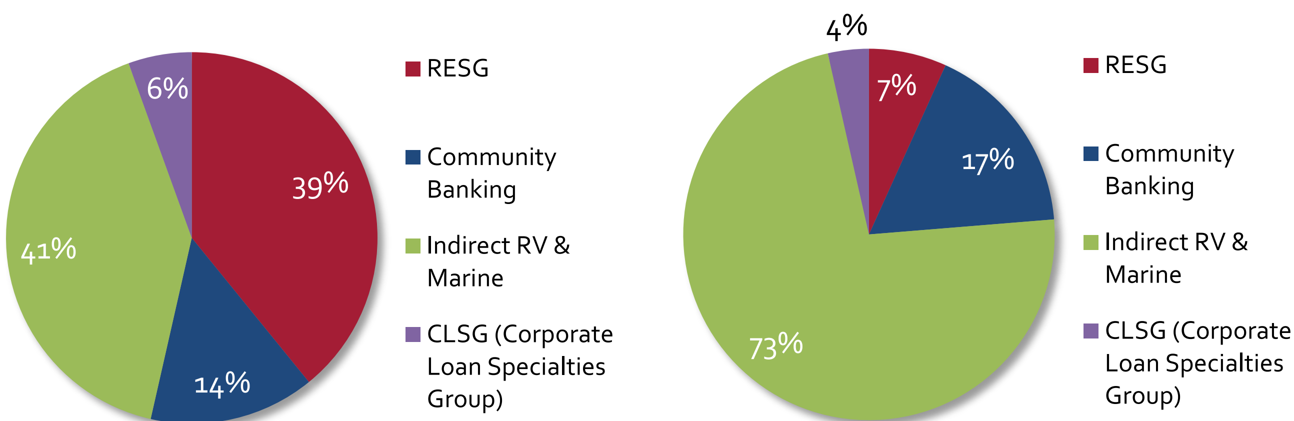


** Source: National Bureau of Economic Research*
*** Data from the FDIC's Quarterly Banking Profile, all FDIC insured institutions have grown loans from $2.87T as of June 30, 1997, to $9.75T as of March 31, 2018, which equates to a compound annual growth rate of 6.1%.*

Real Estate Specialties Group ("RESG") has long been the primary contributor to our non-purchased loan growth. We expect RESG will continue to be our largest single contributor to our non-purchased loan growth in most years.

However, in recent years, we have discussed the importance of achieving greater contributions to growth from our other loan teams. In 2017, these other loan teams contributed 54% of our non-purchased loan growth. For the first six months of 2018, these other loan teams contributed 61% of our non-purchased loan growth. Figure 4 reflects this greater diversification in our loan growth achieved so far this year. We expect our other loan teams to continue to build on their positive momentum and contribute significantly to both our future non-purchased loan growth and our portfolio diversification.

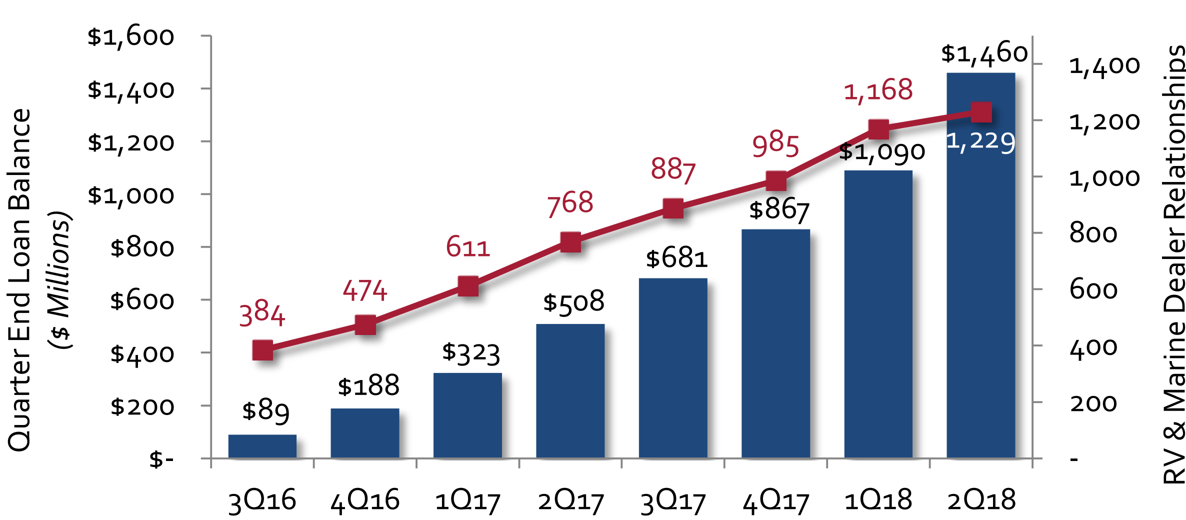
Figure 4: Non-purchased Loan Growth Mix



Our Community Banking loans include consumer and small business loans, community bank originated commercial real estate loans, and loans originated by our home builder finance, affordable housing, agricultural/poultry, government guaranteed and business aviation loan teams.

Our Indirect RV and Marine lending team has become an important contributor to our non-real estate loan growth and was the largest contributor to our loan growth in the first half of this year. The nucleus of this team joined us in July 2016 as part of an acquisition. We quickly realized that this team provided a meaningful opportunity to increase our exposure to the consumer loan sector, while allowing us to maintain our traditional focus on excellent credit quality. Figure 5 provides details regarding this unit's business.

Figure 5: Growth in RV & Marine Dealers and Outstanding Loan Balances



We want to comment on three factors affecting our non-purchased loan growth for the quarter just ended and the first half of 2018. First, our Indirect RV & Marine business is seasonal, and the second quarter each year may often be that team's largest growth quarter. Second, RESG experienced a very high level of loan payoffs and pay-downs, totaling over $1.4 billion, in the quarter just ended. Based on the large volume of RESG projects expected to be completed or stabilized in the second half of this year, an elevated level of payoffs and pay-downs seems likely to continue throughout that timeframe. Third, so far this year, we have seen some CRE loan competitors get more aggressive on various property types and in various markets, offering both more aggressive credit structures and pricing. While we remain positive about CRE market conditions in general, we don't view this as a good time to get more aggressive. We believe maintaining our standards and our discipline will pay off in the long run.

In recent conference calls, we have stated our expectation that our 2018 growth in non-purchased loans would exceed last year's record $3.13 billion growth. Consistent with that guidance, as noted above, we are pleased to report that we are running slightly ahead of last year's non-purchased loan growth as of mid-year. Given the increasingly competitive

environment, exceeding our 2017 growth in non-purchased loans in 2018 is less certain than it seemed at the beginning of the year.

As we have said many times, credit quality is always the primary focus, return on allocated equity is an important secondary focus, and growth is a tertiary consideration. Despite the intense competition, we are maintaining our steady and disciplined focus on credit quality, and sticking with our pricing standards needed to ensure a minimum satisfactory return on loans. We are still finding many good new loan opportunities, even while maintaining our disciplined approach.

The unfunded balance of our loans already closed at June 30, 2018 was $12.00 billion, a decrease of $1.19 billion from December 31, 2017, but an increase of $116 million from June 30, 2017. We expect this unfunded balance will increase in some quarters and decrease in others, reflecting a combination of factors, including, among others, economic conditions, real estate market conditions, and competitive factors. Given our confidence in our CRE loan portfolio, we would, of course, prefer to see this unfunded balance steadily increase every quarter. On the other hand, this unfunded balance does require a capital allocation for calculating our risk-based capital ratios, and we are mindful that many of the loans originated by our other loan teams involve more immediate funding which is often a more efficient allocation of capital.

Our second largest component of earning assets is purchased loans, which are the remaining loans from our acquisitions and accounted for 14.2% of our average earning assets in the quarter just ended. Over the last four quarters, that portfolio has declined $1.58 billion, or 38.0%, from $4.16 billion at June 30, 2017 to $2.58 billion at June 30, 2018. During the quarter just ended, our purchased loan portfolio decreased $354 million, or 12.1% not annualized. Of course, this purchased loan runoff was generally expected, and it will continue to be a headwind to overall growth, but the impact of purchased loan runoff should diminish as the purchased loan portfolio continues to decrease as a percentage of our total earning assets.

Our third largest component of earning assets is our investment securities portfolio. As we discussed in previous conference calls, we have made a number of strategic adjustments to this portfolio. In the past five quarters, we have increased our investment securities portfolio by $1.15 billion, expanding it from $1.47 billion at March 31, 2017 to $2.62 billion at June 30, 2018. This growth was primarily accomplished by purchasing highly liquid, short-duration government agency mortgage-backed pass through securities. Because of the high quality and short duration of these securities, they have relatively low yields. We have added these securities to provide another tool for managing our balance sheet liquidity, while also trying to avoid any significant interest rate and market risks.

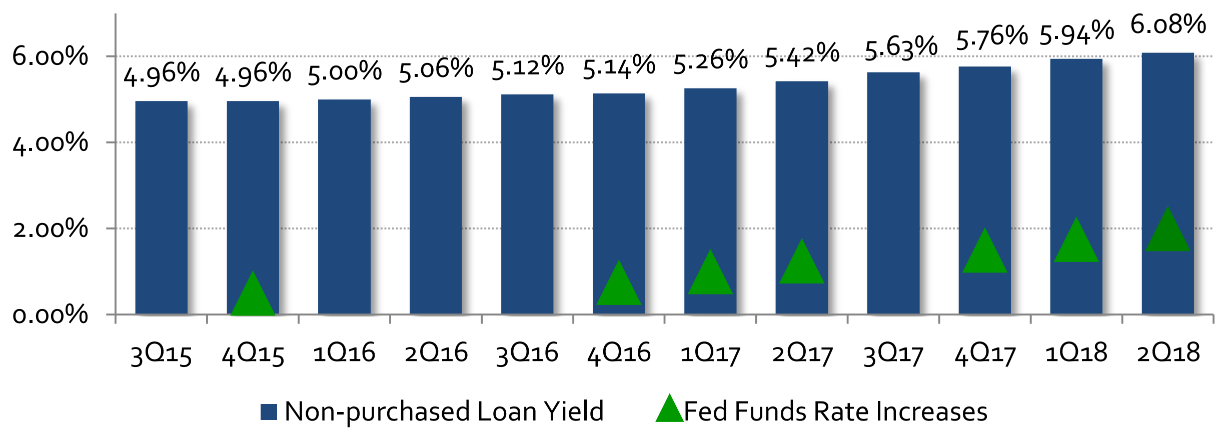
We expect to continue to make adjustments in our investment securities portfolio during the remainder of 2018 as market conditions allow or dictate. We think it is very likely that we will continue to add more short or medium-term, high quality securities during that period to continue to enhance our liquidity position.

Net Interest Margin

Our net interest margin has continued to be among the best in the industry. In the second quarter of 2018, our net interest margin was 4.66%, down three basis points from the first quarter of 2018 and 33 basis points from the second quarter of 2017. There are a number of moving parts to our net interest margin.

First, as shown in Figure 6, our yield on non-purchased loans has increased as the Federal Reserve has moved to increase interest rates. This has been beneficial to our net interest margin, and it is important because non-purchased loans are the largest component of our earning assets.

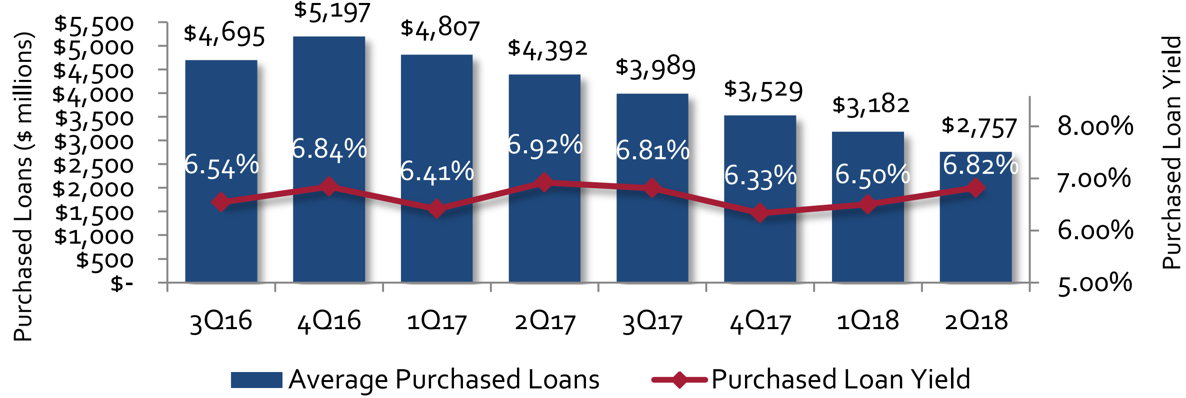
Figure 6: Non-purchased Loan Yield Trends



Our non-purchased loan portfolio is well positioned to benefit further from rising rates, because 77% of these loans had variable rates as of June 30, 2018.

Second, and conversely, as shown in Figure 7, our purchased loan portfolio is paying down every quarter, and this ongoing reduction in this higher yielding portfolio has, over time, put some downward pressure on our net interest margin.

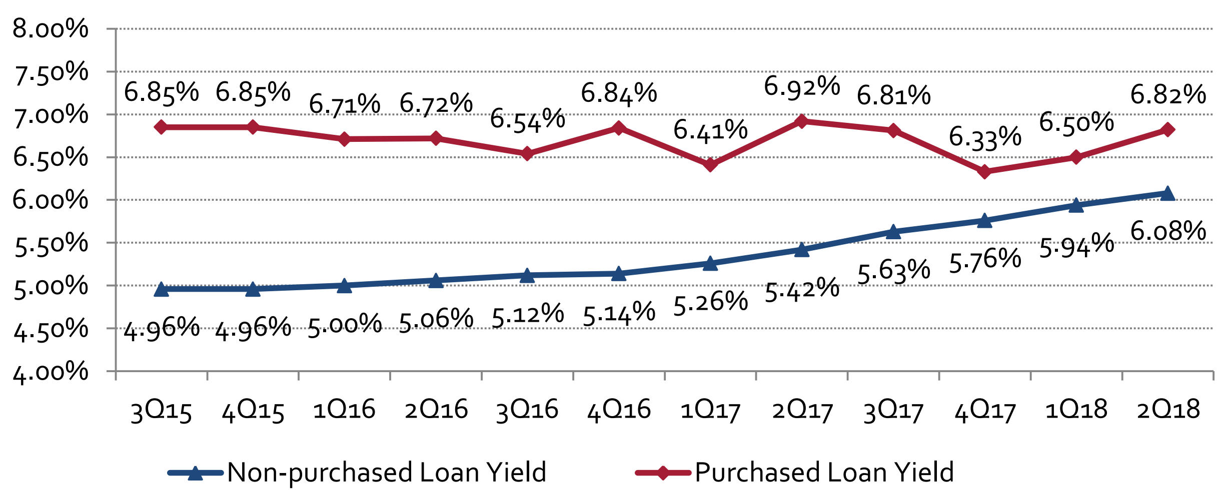
Figure 7: Quarterly Purchased Loan Average Balances and Yields Since Closing Two Latest Acquisitions in July 2016



As shown in Figure 8, the differential in the yield between our purchased loan portfolio and our non-purchased loan portfolio has generally diminished over time, although that differential

bucked the longer term trend and widened in the quarter just ended. Of course, purchased loan yields vary significantly from quarter-to-quarter based on the volume and mix of pre-payments within the purchased loan portfolio. Despite this significant variability from quarter to quarter, the yield on our purchased loan portfolio has tended to decline irregularly, but moderately, over time. For example, the yield on our purchased loans was 6.69% for 2016, declining seven basis points to 6.62% for 2017, but it increased three basis points to 6.65% for the first six months of 2018. Our purchased loan portfolio benefits, but to a lesser extent than our non-purchased loan portfolio, from rising rates, as 43% of our purchased loans had variable rates as of June 30, 2018.

Figure 8: Convergence of Non-purchased and Purchased Loan Yields



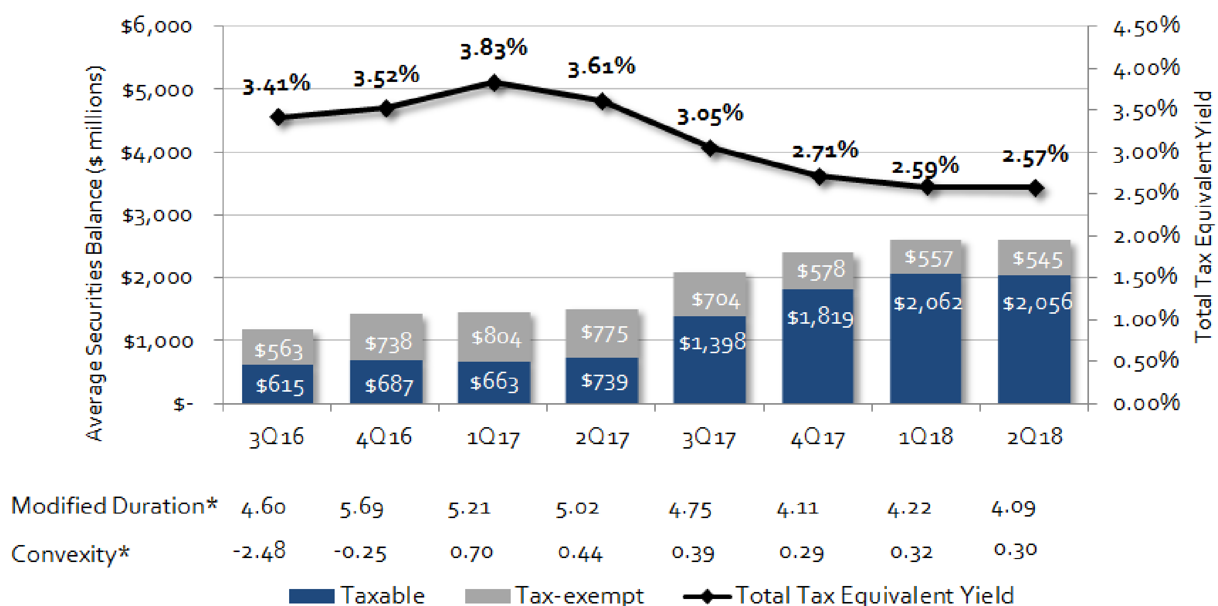
If the Federal Reserve continues to increase rates, and with 77% of our non-purchased loans having variable rates, as compared to just 43% of our purchased loans having variable rates, we may reach a point where our yield on non-purchased loans surpasses our yield on purchased loans. If this occurs, it could be a factor in reversing the recent downward trend in our net interest margin.

Third, we have taken significant steps to more defensively position our investment securities portfolio in an environment with rising interest rates and lower effective income tax rates.

These steps included trying to maintain or reduce average maturities, modified duration, and the portion of our investment portfolio invested in municipal securities, while also trying to increase convexity. As shown in Figure 9, the modified duration of our portfolio has declined and the convexity of our portfolio has increased, even as increases in market interest rates would have tended to push those metrics in the opposite direction. We believe these portfolio adjustments were prudent, even though they adversely impacted the yield on our investment portfolio, and, in turn, our net interest margin.

The yield on our investment portfolio was 2.57%, on a fully taxable equivalent ("FTE") basis, in the quarter just ended, which is a 104 basis point decrease from 3.61% FTE in the second quarter of 2017. This decrease includes the effect of the reduction in the tax-equivalent yield on the tax-exempt portion of our investment portfolio because of the lower tax rates in 2018. As shown in Figure 9, the changing mix of the portfolio contributed to the reduced portfolio yield. Specifically, the average balance of tax-exempt securities decreased from $775 million yielding 4.90% FTE in the second quarter of 2017 to $545 million yielding 3.82% FTE in the second quarter of 2018. The average balance of taxable securities increased from $739 million yielding 2.27% in the second quarter of 2017 to $2.06 billion yielding 2.24% in the second quarter of 2018.

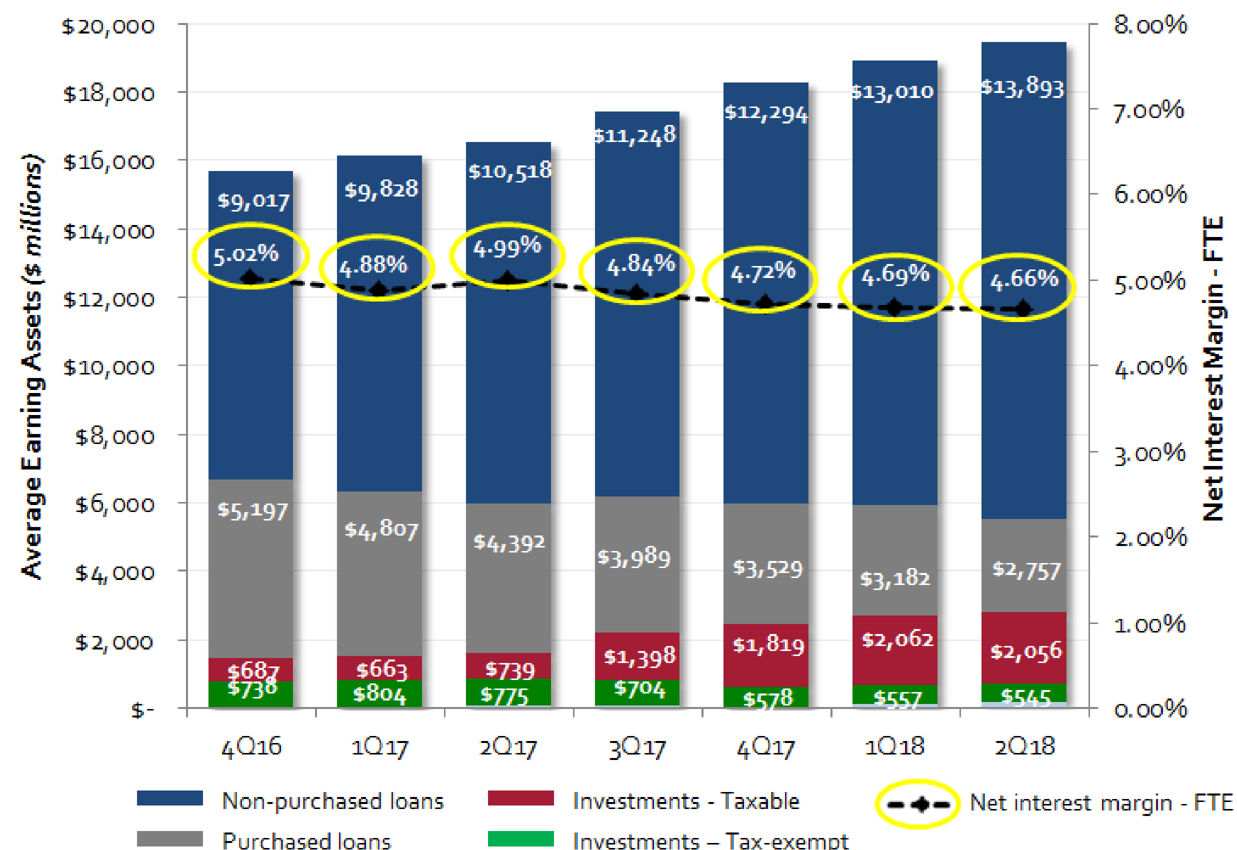
Figure 9: Securities Portfolio Average Balance and FTE Yield



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

Even with all the moving parts, our net interest margin has continued to be among the best in the industry. On the positive side, our core spread, which we will discuss later, has increased in six of the last eight quarters as the yield on our growing non-purchased loan portfolio has generally increased faster than our cost of interest bearing deposits. On the other hand, the decreasing volume of our higher yielding purchased loan portfolio has weighed on our net interest margin, as has the larger volume and the more defensive posture of our investment securities portfolio. We have tried to capture the dynamic nature of all these moving parts in Figure 10.

Figure 10: Trends in Average Earning Asset & Net Interest Margin



As you study the data in Figure 10, keep in mind that we have maintained a net interest margin in the top decile of the industry for the past eight years as shown in Figure 11.

Figure 11: Top-Decile Net Interest Margin (%)

Favorable 1.37% Variance vs Industry at 3.32%*

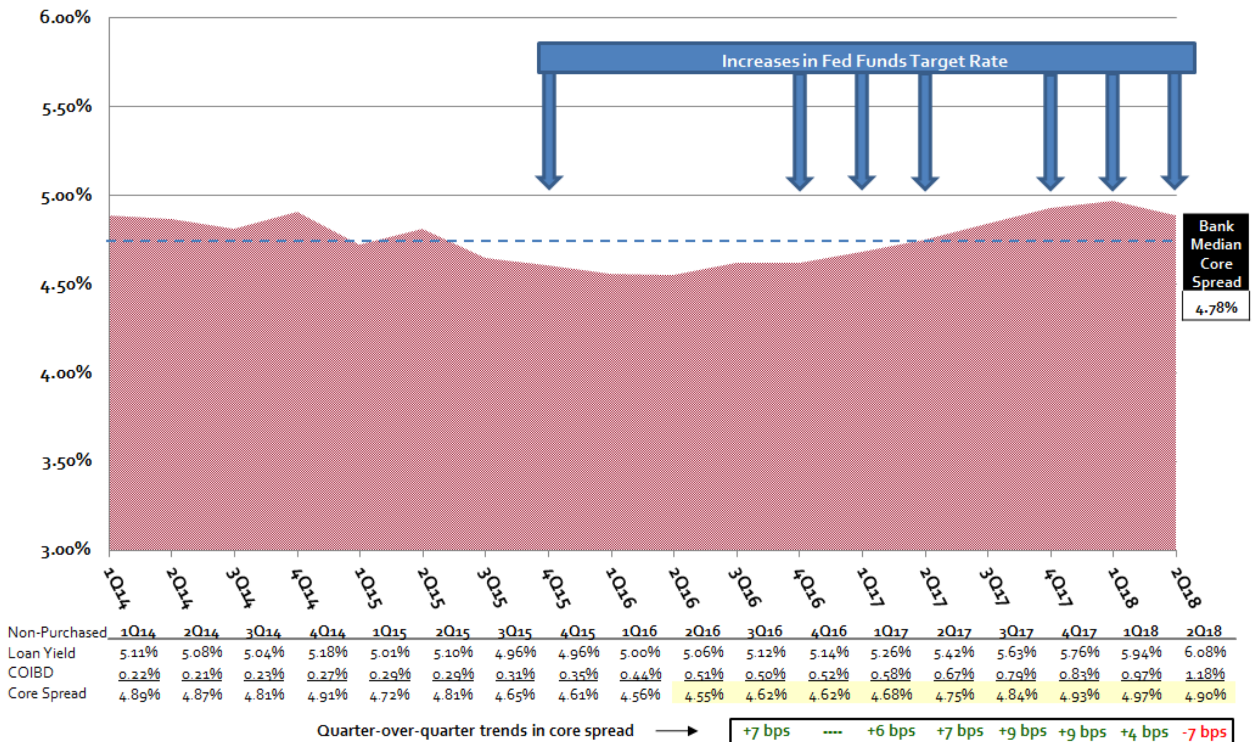
Year	Quarter	Bank of the Ozarks	FDIC Insured Institutions
2010	Q1	4.99	3.83
	Q2	5.10	3.76
	Q3	5.31	3.75
	Q4	5.35	3.71
2011	Q1	5.61	3.66
	Q2	5.80	3.61
	Q3	5.90	3.56
	Q4	6.05	3.57
2012	Q1	5.98	3.52
	Q2	5.84	3.46
	Q3	5.97	3.43
	Q4	5.84	3.32
2013	Q1	5.83	3.27
	Q2	5.56	3.26
	Q3	5.55	3.26
	Q4	5.63	3.28
2014	Q1	5.46	3.17
	Q2	5.62	3.15
	Q3	5.49	3.14
	Q4	5.53	3.12
2015	Q1	5.42	3.02
	Q2	5.37	3.06
	Q3	5.07	3.08
	Q4	4.98	3.13
2016	Q1	4.92	3.10
	Q2	4.82	3.08
	Q3	4.90	3.18
	Q4	5.02	3.16
2017	Q1	4.88	3.19
	Q2	4.99	3.22
	Q3	4.84	3.30
	Q4	4.72	3.31
2018	Q1	4.69	3.32
	Q2	4.66	

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

Core Spread

"Core spread" is the term we use to describe the difference between our yield on non-purchased loans, which is our largest category of earning assets, and our cost of interest-bearing deposits. Our core spread has increased 35 basis points over the last eight quarters, having increased in six of those quarters, as shown in the box at the bottom of Figure 12. In the quarter just ended, our yield on non-purchased loans increased 14 basis points to 6.08%, while our cost of interest bearing deposits increased 21 basis points to 1.18%, resulting in a seven basis point decrease in our core spread. This decrease can be attributed, in part, to the relatively small upward movement in LIBOR during the quarter, which we discuss below, and, in part, to the increased level of competition for deposits we experienced during the quarter just ended.

Figure 12: Fed Funds Target Rate Increases Have Contributed to an Improving Core Spread



Non-Purchased	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
Loan Yield	5.11%	5.08%	5.04%	5.18%	5.01%	5.10%	4.96%	4.96%	5.00%	5.06%	5.12%	5.14%	5.26%	5.42%	5.63%	5.76%	5.94%	6.08%
COIBD	0.22%	0.21%	0.23%	0.27%	0.29%	0.29%	0.31%	0.35%	0.44%	0.51%	0.50%	0.52%	0.58%	0.67%	0.79%	0.83%	0.97%	1.18%
Core Spread	4.89%	4.87%	4.81%	4.91%	4.72%	4.81%	4.65%	4.61%	4.56%	4.55%	4.62%	4.62%	4.68%	4.75%	4.84%	4.93%	4.97%	4.90%
Quarter-over-quarter trends in core spread →											+7 bps	----	+6 bps	+7 bps	+9 bps	+9 bps	+4 bps	-7 bps

There are many factors which affect our core spread, but we expect that the most meaningful factor in coming quarters will be the Federal Reserve's actions related to the fed funds target rate and the resulting movement in LIBOR. While we may have quarters when our core spread decreases, as we did in the most recent quarter, we expect that our core spread will have a generally improving trend as long as the Federal Reserve continues increasing the fed funds target rate and LIBOR rates increase in tandem. In most quarters, an increase in the fed funds target rate should tend to increase our core spread because 77% of our non-purchased loans at June 30, 2018 had variable rates. In most quarters, the benefit from the increased yield on these variable rate loans from an increase in the fed funds target rate should offset, and hopefully more than offset, the increased cost of interest bearing deposits resulting from our deposit gathering initiatives. Conversely, if the Federal Reserve were to discontinue increases in the fed funds target rate, this would likely put some downward pressure on our core spread as it likely would for the industry.

During the second quarter, our core spread was negatively impacted by two main factors: (1) the relatively small upward movement in LIBOR in relation to the 25 basis point increase in the fed funds target rate and (2) the increased level of competition for deposits. As illustrated in Figure 13, the first quarter of 2018 was highlighted by significant increases in the LIBOR indexes, while such indexes had much less significant increases in the second quarter of 2018. As 83.5% of our variable rate non-purchased loans are tied to 1-month, 3-month or 6-month LIBOR, the yield on our non-purchased loan portfolio increased by only about 14 basis points in the quarter just ended, compared to approximately 18 basis points in this year's first quarter.

Figure 13: Quarterly Variable Rate Trends and Portfolio Overview

1Q18 LIBOR Changes

6 Month LIBOR Δ = 61 bps
3 Month LIBOR Δ = 61 bps
1 Month LIBOR Δ = 32 bps

1M LIBOR, 3M LIBOR, 6M LIBOR

% of Non-Purchased Loan Portfolio Tied to Variable Rate	
1-Month LIBOR	75.4%
3-Month LIBOR	7.3%
6-Month LIBOR	0.6%
WSJ PRIME	16.1%
Other	0.5%

2Q18 LIBOR Changes

6 Month LIBOR Δ = 4 bps
3 Month LIBOR Δ = 1 bp
1 Month LIBOR Δ = 21 bps

1M LIBOR, 3M LIBOR, 6M LIBOR

% of Non-Purchased Loan Portfolio Tied to Variable Rate	
1-Month LIBOR	77.8%
3-Month LIBOR	5.3%
6-Month LIBOR	0.4%
WSJ PRIME	15.9%
Other	0.6%

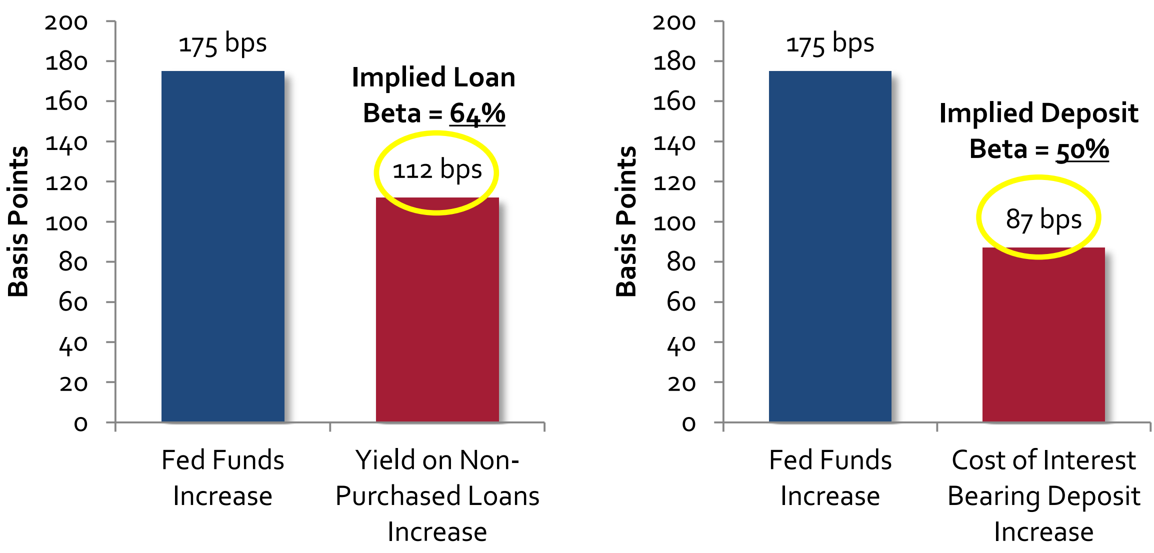
Loan and Deposit Betas

Since the fourth quarter of 2015, when the Federal Reserve started the current round of interest rate increases, the fed funds target rate has increased seven times. This has resulted in increases in our yield on variable rate loans and newly originated loans as well as increases in our cost of interest bearing deposits and borrowings.

In part because of our substantial growth, our deposit beta has been higher than many other banks, but importantly, our loan beta on non-purchased loans has been even higher, resulting in a 35 basis point increase in our core spread over the last eight quarters.

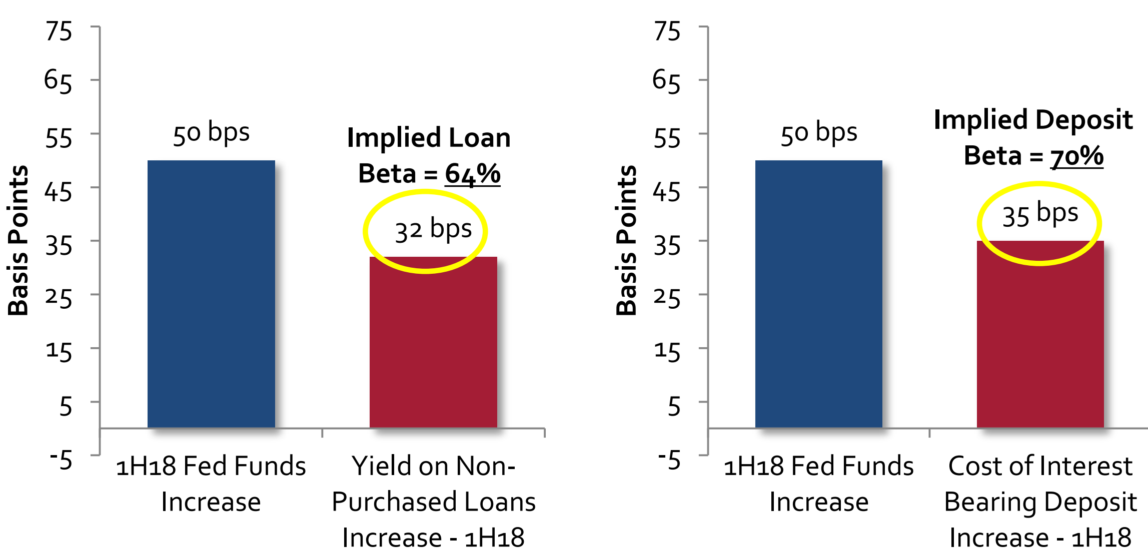
Figure 14 shows our non-purchased loan and deposit betas over a slightly longer time period, specifically the 11 quarters since the Federal Reserve commenced the current round of interest rate increases. During that period, our yield on non-purchased loans has increased 112 basis points, more than off-setting the 87 basis point increase in our cost of interest bearing deposits, and resulting in a 25 basis point increase in our core spread over those 11 quarters.

Figure 14: Non-purchased Loan and Deposit Betas Through Rising Rate Cycle (Last 11 Quarters)



In the first six months of this year, our implied deposit beta was slightly higher than our implied loan beta, as shown in Figure 15. If the Federal Reserve continues to increase the fed funds target rate in the second half of 2018 and LIBOR rates increase correspondingly, we would expect to have a positive increase in core spread over the second half of 2018.

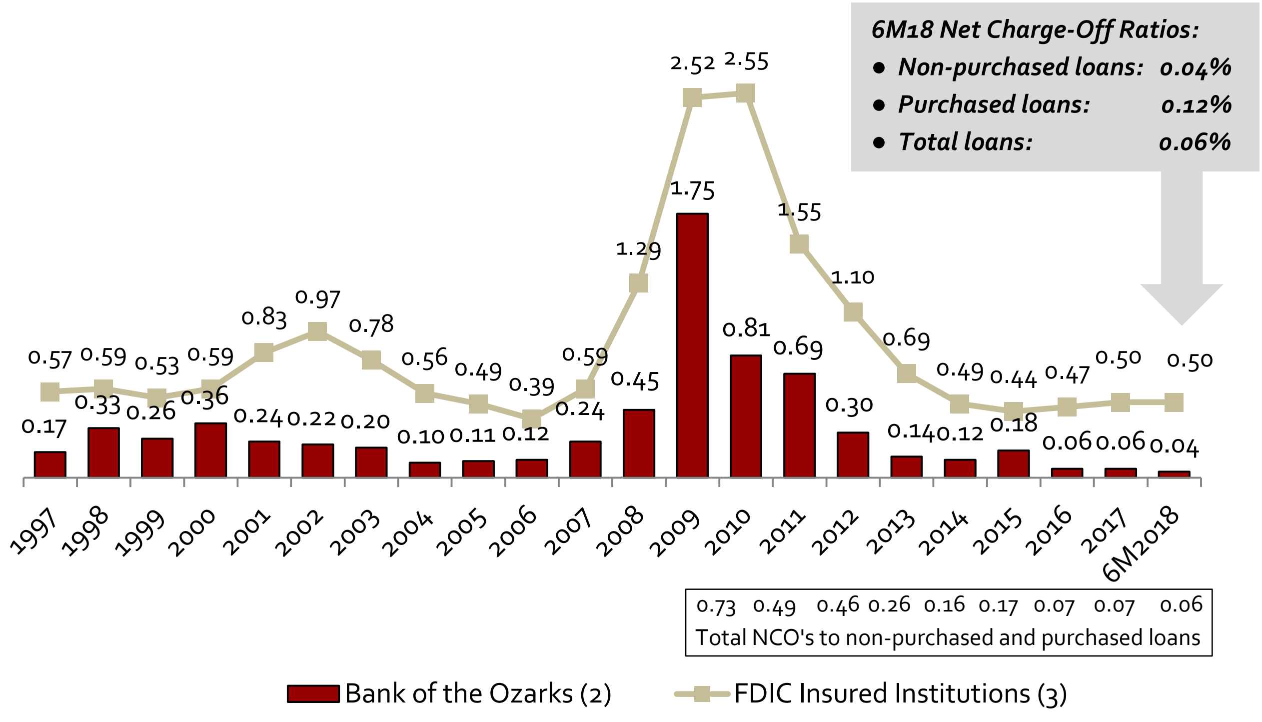
Figure 15: Non-Purchased Loan and Deposit Betas (First Half of 2018 – 1H18)



Asset Quality

Asset quality was another highlight in the quarter just ended, with most of our asset quality ratios at or near record levels. These favorable ratios reflect our longstanding commitment to conservative underwriting standards and excellent asset quality. This has resulted in our asset quality being consistently better than the industry as a whole. As shown in Figure 16, in our 21 years as a public company, our net charge-off ratio has averaged about 32% of the industry's net charge-off ratio, and we have beaten the industry's net charge-off ratio in every year. In recent years, our outperformance has been even better, as evidenced by the fact that our net charge-off ratios were just 13% and 12% of the industry's net charge-off ratio in 2016 and 2017, respectively. That outperformance appears to have continued in the first half of this year.

Figure 16: Annualized Net Charge-off Ratio[2] vs. the Industry[3]



Our annualized net charge-off ratios for the second quarter of 2018 were five basis points for non-purchased loans, 21 basis points for purchased loans, and seven basis points for total loans. Our annualized net charge-off ratios for the first six months of 2018 were four basis points for non-purchased loans, 12 basis points for purchased loans, and six basis points for total loans.

At June 30, 2018, excluding purchased loans, our nonperforming loans as a percent of total loans were just 10 basis points, our nonperforming assets as a percent of total assets were just 15 basis points, and our loans past due 30 days or more, including past due non-accrual loans, as a percent of total loans were just 12 basis points.

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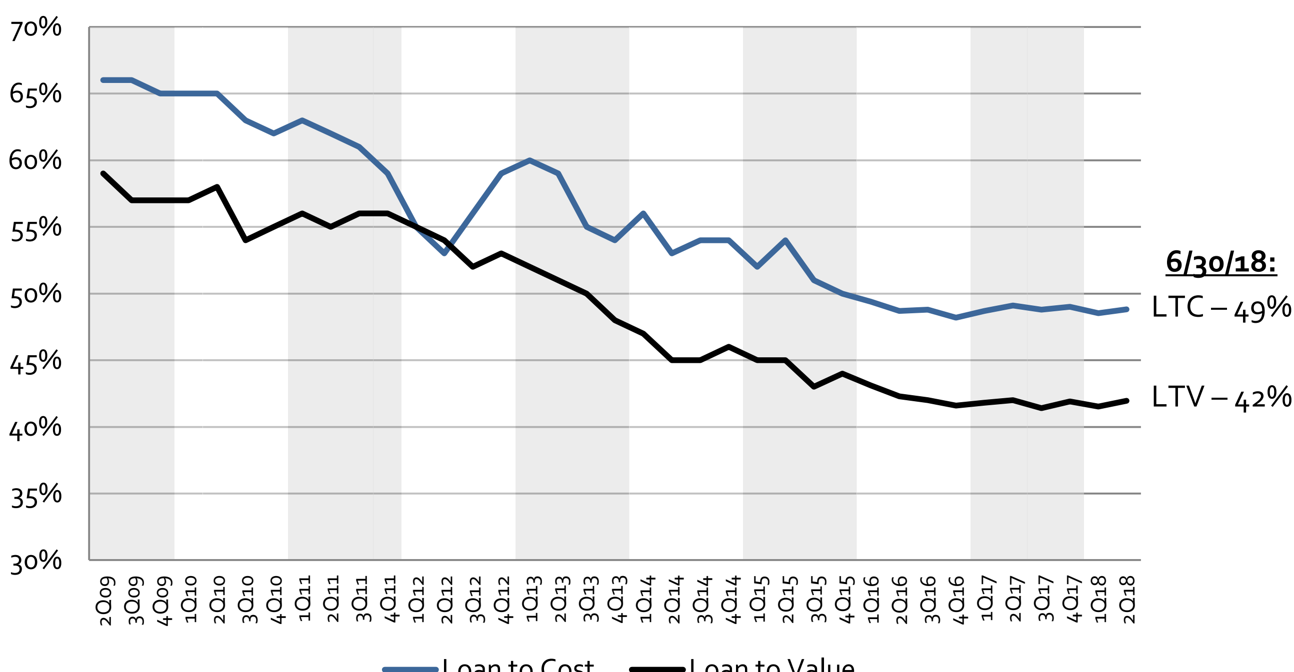
[2] *Bank of the Ozarks' data excludes purchased loans and net charge-offs related to such loans.*

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

The RESG portfolio is the largest component of our non-purchased loans. At June 30, 2018, the RESG portfolio accounted for 62% of the funded balance and 93% of the unfunded balance of our total non-purchased loans. At June 30, 2018, assuming every RESG loan was fully funded, our average loan-to-cost ("LTC") for the RESG portfolio was a conservative 49% and our average loan-to-appraised-value ("LTV") was even lower at just 42%. The very low leverage of this portfolio exemplifies our conservative credit culture and is one of many reasons we have such confidence in the quality of our loan portfolio. Over its 15-year history, RESG's portfolio has had an average annual net charge-off ratio of just four basis points.

Since the Great Recession, RESG has become even more conservative, having decreased the leverage of its portfolio as shown in Figure 17 depicting historical portfolio LTC and LTV ratios, assuming all loans are fully funded.

Figure 17: RESG Leverage Trends, Assuming All Loans Are Fully Funded



In addition to its low-leverage, RESG's portfolio quality benefits from the portfolio's substantial diversification by both product type and geography as shown in Figures 18 and 19.

Figure 18: RESG Portfolio Diversity by Product Type *(As of June 30, 2018)*

Product Type / (% of Total Commitment)	Total Commitment by Product Type ($ Millions)	Loan-to-Cost	Loan-to-Value
Condo (25.8%)	$5,179	47%	41%
Multifamily (25.8%)	$5,174	55%	46%
Hotel (13.5%)	$2,697	47%	40%
Office (12.5%)	$2,498	47%	38%
Mixed Use (12.3%)	$2,457	51%	44%
Land (5.1%)	$1,014	40%	37%
Retail (2.0%)	$400	57%	51%
SF Lots & Homes (1.2%)	$247	48%	49%
Land Dev (1.0%)	$200	33%	37%
Industrial (.9%)	$185	53%	39%

Total Commitment by Product Type ($ Millions): $- $1,000 $2,000 $3,000 $4,000 $5,000 $6,000

LTC & LTV Ratios: 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Product Type / (% of Total Commitment)

Total Commitment ◆ Loan-to-Cost ▲ Loan-to-Value

Figure 19: RESG Diversity by Geographic Location ***(As of June 30, 2018)***

MSA / (% of Total Commitment)	Total Commitment by Product MSA ($ Millions)	Loan-to-Cost	Loan-to-Value
NYC (34.0%)	$6,811	49%	43%
Miami (11.4%)	$2,290	43%	36%
Los Angeles (8.6%)	$1,727	48%	42%
Chicago (4.8%)	$962	58%	48%
DFW (4.3%)	$862	55%	43%
Denver (3.9%)	$790	56%	50%
San Francisco (3.2%)	$649	51%	39%
Orlando (2.6%)	$515	54%	45%
Phoenix (2.3%)	$454	55%	42%
Atlanta (2.2%)	$431	51%	45%
Other (22.7%)	$4,558	48%	42%

Earnings

Our net income for the second quarter of 2018 was $114.8 million, a 26.8% increase from the second quarter of 2017. Our diluted earnings per common share for the second quarter of 2018 were $0.89, a 21.9% increase compared to the second quarter of 2017.

Our annualized return on average assets for the second quarter of 2018 was 2.10%, compared to 1.90% for the second quarter of 2017. Our annualized returns on average common stockholders' equity and tangible common stockholders' equity[4] for the second quarter of 2018 were 12.90% and 16.08%, respectively, compared to 12.05% and 15.81%, respectively, for the

[4] The calculation of the Bank's annualized return on average tangible common stockholders' equity and the reconciliation to GAAP is included in the appendix to this disclosure.

second quarter of 2017. As shown in Figures 20 and 21, our results for the first six months of 2018 continue a long tradition of excellent net income and returns.

Figure 20: Consistent Profitability and Solid Earnings Growth

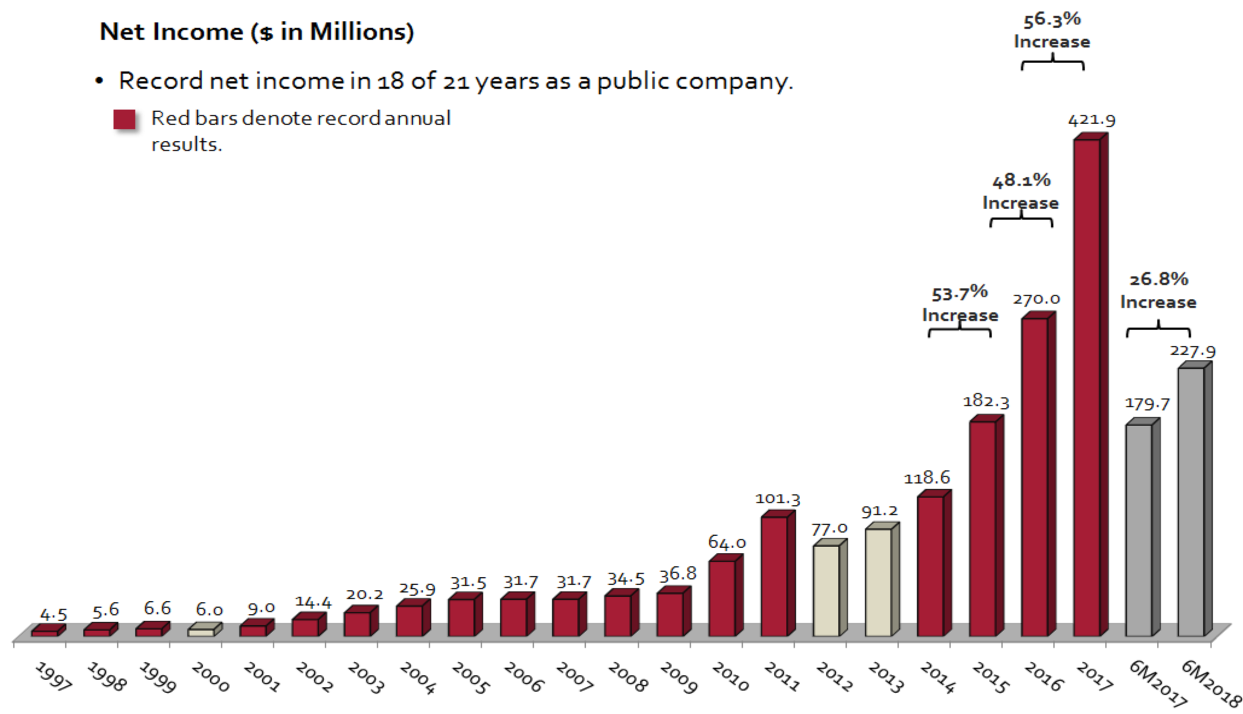
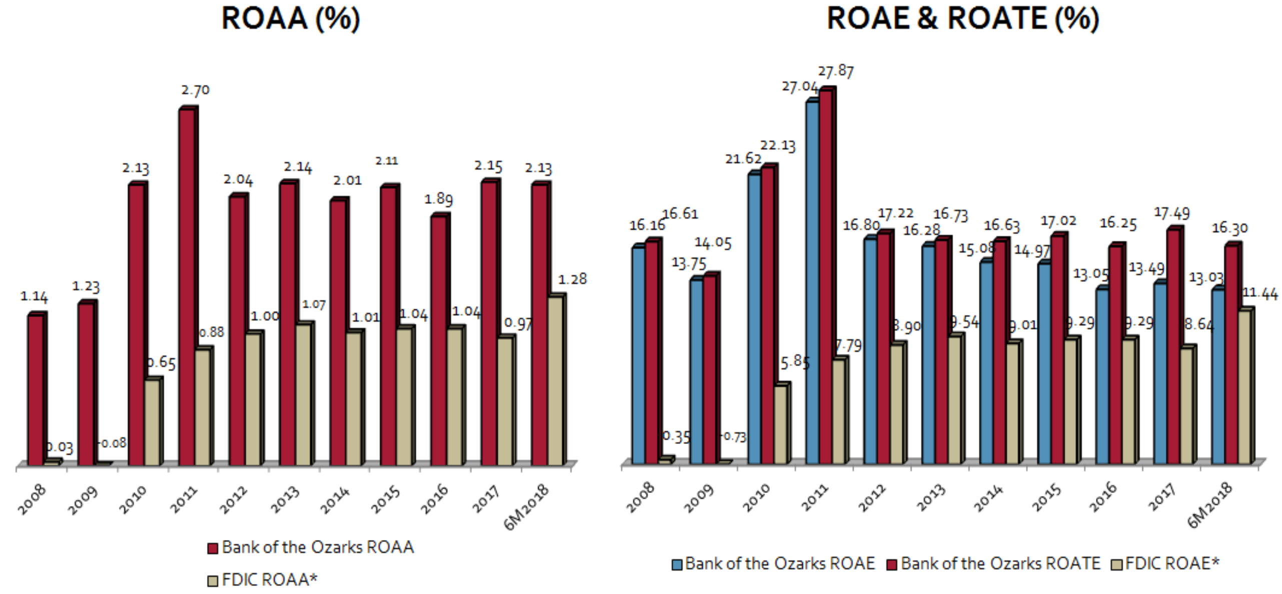


Figure 21: Consistent Earnings Metrics Among the Best in the Industry



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

Non-interest Income

Non-interest income for the second quarter of 2018 decreased 14.0% to $27.4 million compared to $31.8 million for the second quarter of 2017, as shown in Figure 22. Service charges on deposit accounts declined from $11.8 million for the second quarter of 2017 to $9.7 million for the second quarter of 2018 primarily due to the Durbin Amendment's impact on our interchange revenue effective as of July 1, 2017. Mortgage lending income declined from $1.9 million for the second quarter of 2017 to essentially zero for the second quarter of 2018 as a result of our decision in December 2017 to exit the secondary market mortgage lending business.

Figure 22: Non-interest Income *(Dollars in thousands)*

	For the 3 months Ended				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Service charges on deposit accounts	$ 11,764	$ 9,729	$ 10,058	$ 9,525	$ 9,704
Mortgage lending income	1,910	1,620	1,294	492	1
Trust income	1,577	1,755	1,729	1,793	1,591
BOLI income	4,594	4,453	5,166	7,580	5,259
Other income from purchased loans	4,777	2,933	2,009	1,251	2,744
Loan service, maintenance and other fees	3,427	5,274	4,289	4,743	5,641
Net gains on investment securities	404	2,429	1,201	17	-
Gains on sales of other assets	672	1,363	1,899	1,426	844
Other	2,715	3,191	2,568	1,880	1,602
Total non-interest income	$ 31,840	$ 32,747	$ 30,213	$ 28,707	$ 27,386

Non-interest Expense

Figure 23 summarizes non-interest expense for each of the last five quarters.

Figure 23: Non-interest Expense *(Dollars in thousands)*

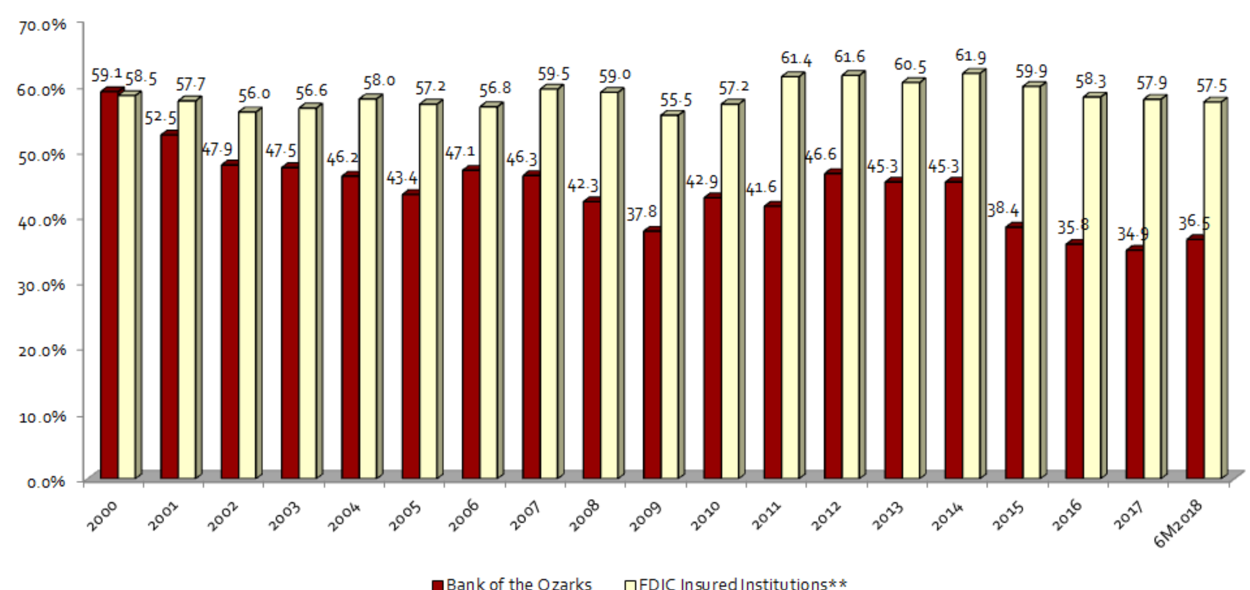
	For the 3 months Ended				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Salaries & employee benefits	$ 39,892	$ 35,331	$ 38,417	$ 45,499	$ 41,665
Net occupancy and equipment	12,937	13,595	13,474	14,150	13,827
Professional and outside services	6,816	10,018	10,269	8,705	9,112
Telecommunication services	3,107	3,321	3,537	3,197	3,487
Software and data processing	2,289	2,982	2,382	3,340	3,110
Travel and meals	2,061	2,223	2,338	2,153	2,498
FDIC insurance and state assessments	3,408	4,381	3,583	3,562	3,558
Amortization of inangibles	3,145	3,145	3,145	3,145	3,145
Other expenses	10,173	9,403	9,032	10,059	8,705
Total non-interest expense	$ 83,828	$ 84,399	$ 86,177	$ 93,810	$ 89,107

Efficiency Ratio

As shown in Figure 24, our efficiency ratio has been among the top decile of the industry every year for 16 consecutive years. In the quarter just ended, our efficiency ratio was 35.2%, which was a decrease of 13 basis points from the second quarter of 2017. Our efficiency ratio was 36.5% for the first six months of 2018, which was an increase of 134 basis points from the first six months of 2017. As we said in our January and April conference calls, we expected our efficiency ratio would increase in the first half of 2018 as we continued to build our infrastructure in many areas. In addition, our non-interest expense for the quarter just ended included approximately $0.6 million related to our pending name change and strategic rebranding.

Excluding the one-time expenses expected to be incurred in the third quarter of 2018 related to our pending name change and strategic rebranding, we expect our efficiency ratio for the full year to be closer to our efficiency ratio for 2017 than our results on the first half of 2018 suggest.

Figure 24: Excellent Efficiency – Top Decile of the Industry for 16 Consecutive Years*



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

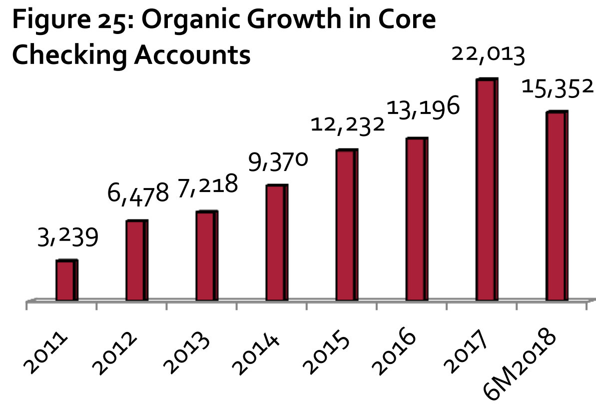
While our efficiency ratio has been excellent in recent years, we have a longer-term goal of improving even further on the efficiency ratios of recent years. Of course, our goal regarding improving our efficiency ratio does not consider the potential impact of any future acquisitions.

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. This has proven to be an effective process.

Net growth in core checking accounts is an important focus of our deposit strategy. During the quarter just ended, we increased core checking accounts by a record 7,799 accounts. This continued our tradition of favorable results in net core checking account growth as shown in Figure 25. Adding thousands of net new core checking customers each quarter will continue to be an important focus for our retail banking team.

Figure 25: Organic Growth in Core Checking Accounts



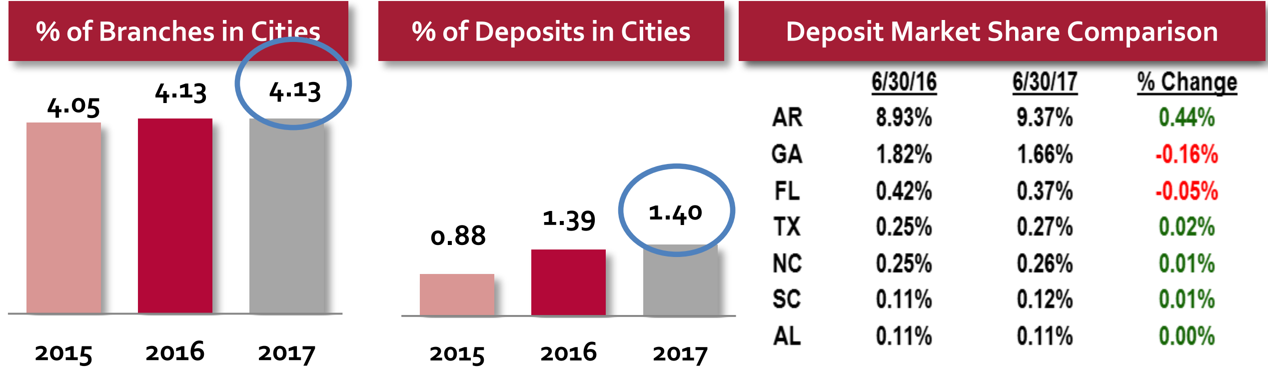
At June 30, 2018, our total deposits were $17.90 billion. As shown in Figure 26, this continued 2017's results which saw excellent growth in our "organic" deposits and a significant reduction in our brokered deposits.

Figure 26: Growth in Deposits ***(Dollars in millions)***

Deposits	12/31/2016	12/31/2017	2017 Δ in $	6/30/2018	6M18 Δ in $
New York City	$ 378	$ 1,771	$ 1,393	$ 1,824	$ 53
Other 156 Cities	$ 13,208	$ 14,260	$ 1,052	$ 14,940	$ 680
Organic Deposits	$ 13,586	$ 16,031	$ 2,445	$ 16,764	$ 733
Brokered	$ 1,989	$ 1,161	$ (828)	$ 1,133	$ (28)
Total Deposits	$ 15,575	$ 17,192	$ 1,617	$ 17,897	$ 705

As we have discussed many times, as shown in Figure 27, we believe that we have tremendous capacity for future deposit growth in our existing branch network of 243 deposit gathering offices in eight states.

Figure 27: Deposit Market Share Opportunity[5] [6]



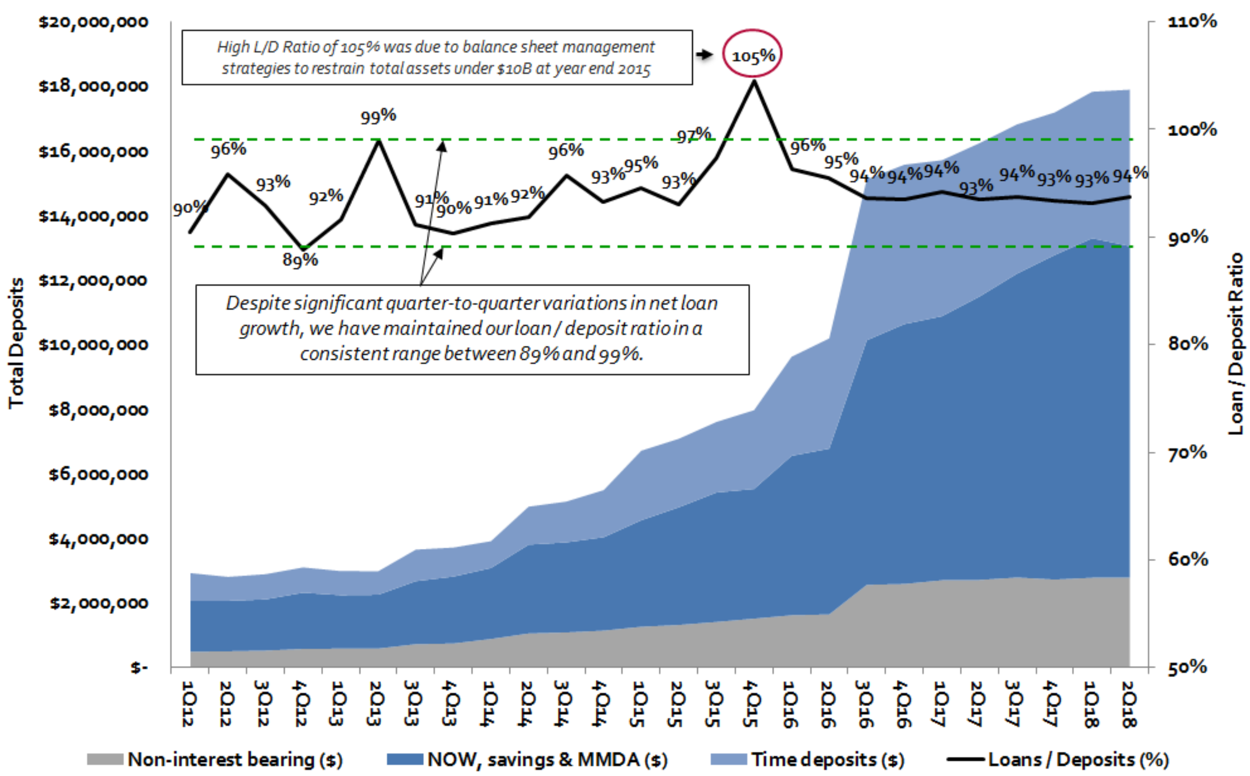
	6/30/16	6/30/17	% Change
AR	8.93%	9.37%	0.44%
GA	1.82%	1.66%	-0.16%
FL	0.42%	0.37%	-0.05%
TX	0.25%	0.27%	0.02%
NC	0.25%	0.26%	0.01%
SC	0.11%	0.12%	0.01%
AL	0.11%	0.11%	0.00%

We have successfully tapped that capacity as needed to fund our loan growth. We do this by carefully managing our marketing initiatives and deposit pricing in selected markets. As Figures 28 and 29 illustrate, we have effectively utilized this strategy to consistently maintain our loan-to-deposit ratio and deposit mix, even in the midst of substantial balance sheet growth.

[5] *Data for all FDIC insured institutions from the FDIC Annual Market Share Report, last updated June 30, 2017.*
[6] *Deposits in our New York office and deposits for all FDIC financial institutions in New York are excluded from this analysis.*

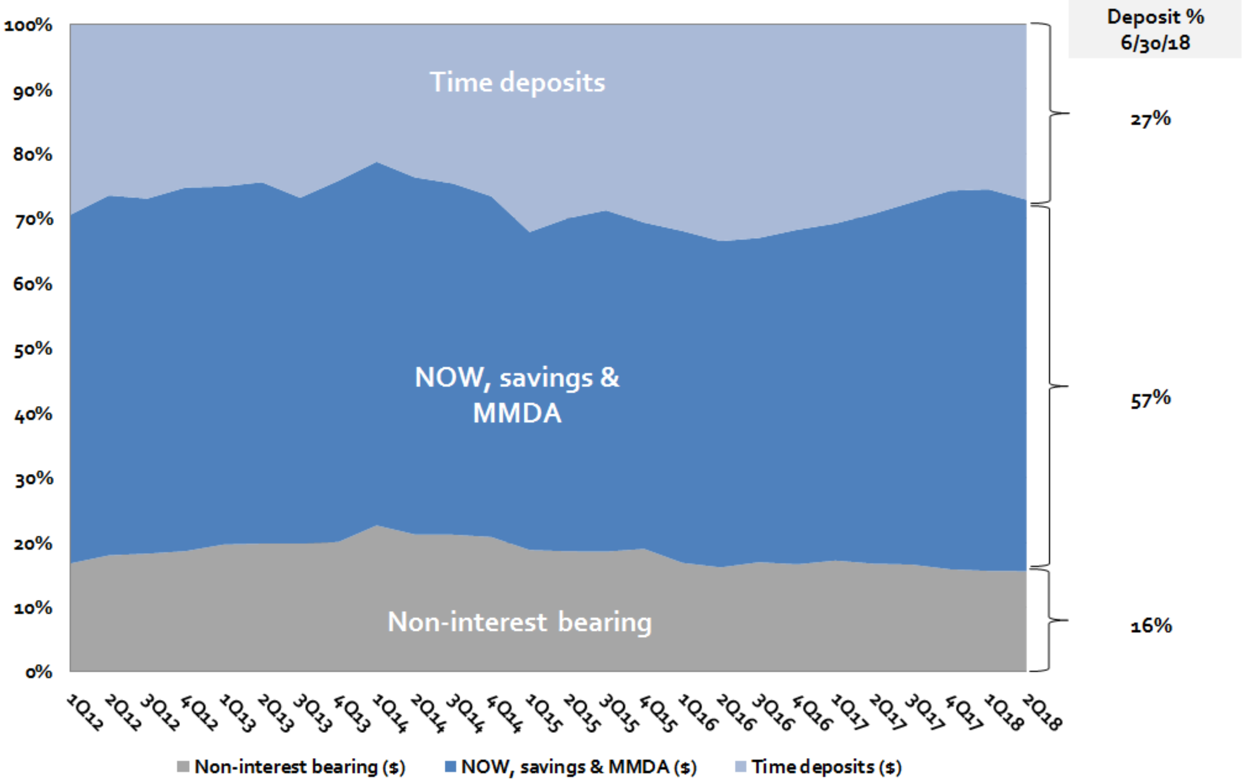
During the quarter just ended, our loan-to-deposit ratio was 93.7%, near the middle of our historical target range of 89% to 99%. Whether we have robust loan growth or minimal loan growth in any particular quarter or year, we believe we have the tools, capacity and flexibility to maintain our loan-to-deposit ratio near the middle of this historical and target range. Figure 28 shows our consistent maintenance of our loan-to-deposit ratio within that range over the last six years, even as our total assets grew 491% from $3.76 billion at June 30, 2012 to $22.22 billion at June 30, 2018.

Figure 28: Maintaining a Consistent Loan / Deposit Ratio While Achieving Substantial Growth



Even with our substantial 491% growth in total assets from June 30, 2012 to June 30, 2018, our deposit mix has been relatively stable as shown in Figure 29.

Figure 29: Consistent Deposit Mix

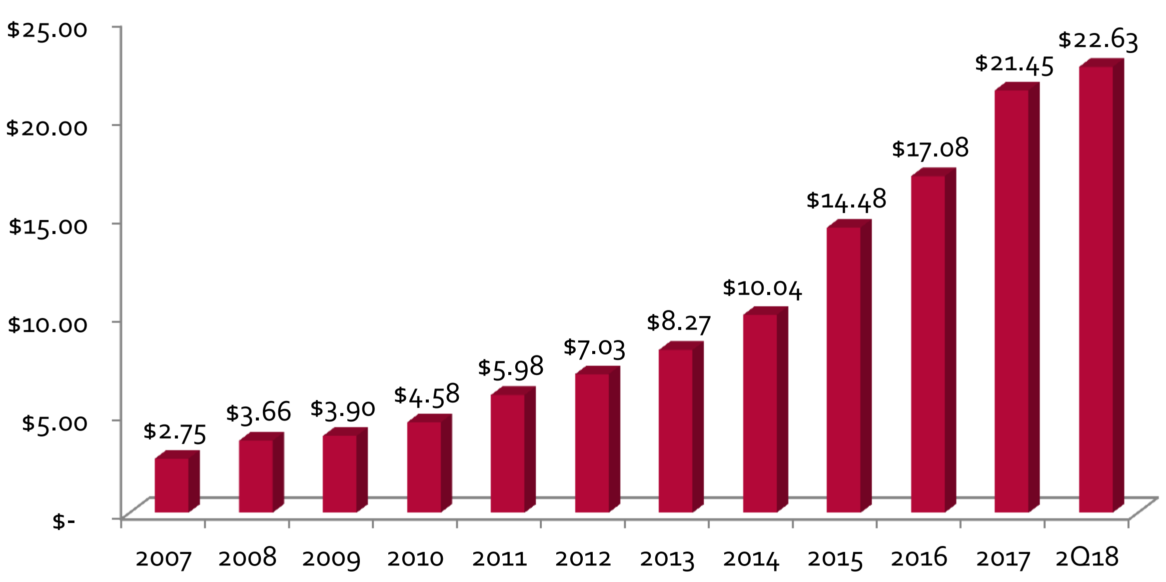


During 2017, we decreased brokered deposits by $828 million, or 42%. This trend of decreasing brokered deposits continued in the first half of 2018 with brokered deposits decreasing by $28 million to $1.13 billion, or 6.3% of total deposits at June 30, 2018. Of course, we are not subject to any regulatory limitations on our volume of brokered deposits.

Capital

Tangible book value per common share is one of the metrics we consider in measuring our capital and our long-term creation of shareholder value. During the quarter just ended, our tangible book value per common share increased to $22.63, as shown in Figure 30. Over the last 10 ½ years, we have increased tangible book value per common share by a cumulative 723%, resulting in a compound annual growth rate of 22.2%.

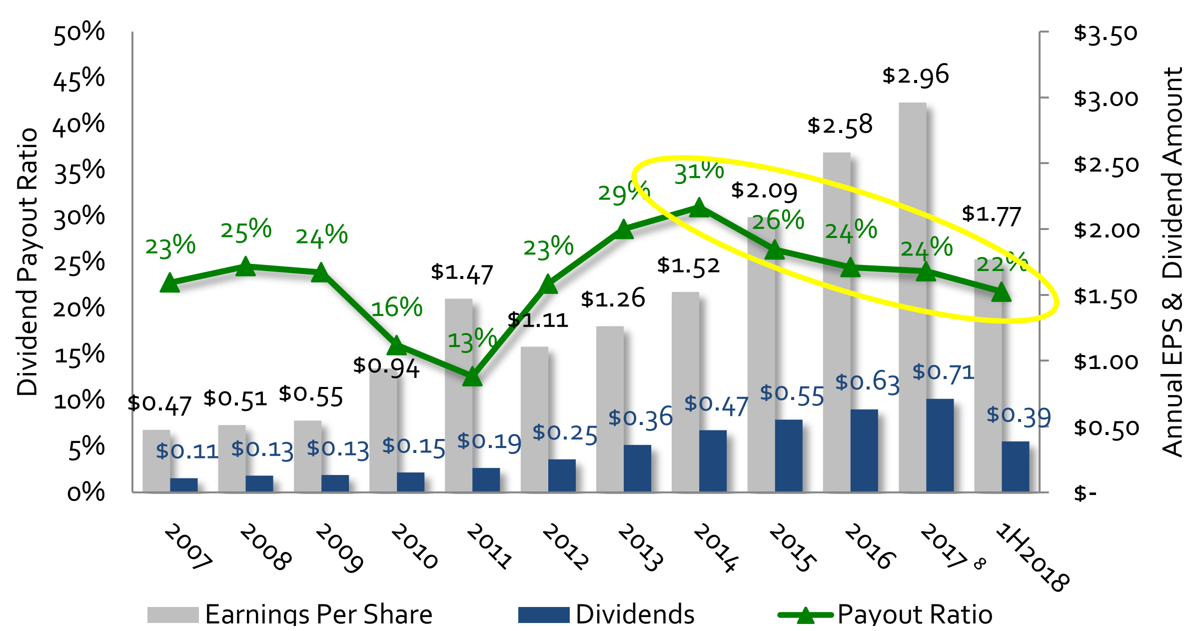
Figure 30: Tangible Book Value per Share (Period End) [7]



[7] See the appendix to this disclosure for the reconciliation of tangible book value per common share to the most directly comparable GAAP measure.

We have increased our cash dividend every year since going public and in each of the last 32 quarters. In most years, we have had a dividend payout ratio in the mid-20's percentage range as shown in Figure 31. In recent years, our dividend payout ratio has declined as our strong earnings momentum has outpaced our quarterly dividend increases.

Figure 31: Historic Dividend Payout Ratio[8] (Split-adjusted)



[8] 2017 Diluted EPS and payout ratio exclude the one-time $0.39 positive impact to EPS as a result of the Tax Cut and Jobs Act ("2017 Tax Benefit"). See the appendix to this disclosure for the calculation of diluted EPS, as adjusted, for the 2017 Tax Benefit.

As shown in Figure 32 [9], during the first half of this year, our strong earnings, relatively high earnings retention rate, reductions in our balance of closed unfunded loans, and clarifications regarding High Volatility Commercial Real Estate ("HVCRE") contained in the recently passed Economic Growth, Regulatory Relief, and Consumer Protection Act (the "Reform Act"), collectively contributed to meaningful increases in our already strong risk-based capital ratios..

Figure 32: 2018 Trends in Regulatory Capital

	12/31/2017	3/31/2018	Estimated 6/30/2018 [9]
CET 1 Ratio	11.17%	11.37% ↑	11.90% ↑
Tier 1 Ratio	11.17%	11.37% ↑	11.90% ↑
Total RBC Ratio	12.94%	13.13% ↑	13.70% ↑
Tier 1 Leverage	13.83%	13.80% ↓	13.90% ↑

The Reform Act, in tandem with related regulatory action, has eliminated our Dodd-Frank Act Stress Test ("DFAST") annual filing requirements unless and until we reach $250 billion in total assets, although we will continue conducting internal stress tests. The elimination of DFAST, with its nine-quarter, forward-looking capital requirements, will allow us to more effectively manage capital for future growth based on actual growth as it becomes apparent as opposed to building capital for possible growth several years into the future when that growth may or may not actually materialize.

Effective Tax Rate

Our effective tax rate during the quarter just ended was 25.2%. We continue to expect that our effective tax rate for the remaining quarters of 2018 will be between 25% and 27%.

[9] *Ratios are preliminary as of June 30, 2018, and could be subject to revision upon filing of our FFIEC 041 Call Report.*

Mergers & Acquisitions

Organic growth of loans and deposits continues to be our growth priority, and we have demonstrated our ability to achieve substantial growth apart from acquisitions. With that said, we believe acquisitions will provide good opportunities in the future to augment organic growth.

Our 15 acquisitions since 2010 have been "triple accretive," being accretive to book value per share and tangible book value per share at closing and accretive to earnings per share in the first 12 months following closing. When we resume making acquisitions, we expect to continue to be disciplined in our acquisition strategy and to apply this "triple accretive" standard to future opportunities. We believe this disciplined approach has and will help us create significant additional shareholder value over the longer term.

Bank of the Ozarks Pending Change to Bank OZK

On July 16, 2018, we will change our name to Bank OZK and our ticker symbol to "OZK" as part of a strategic rebranding. Our presence and brand have evolved in recent decades from an Arkansas community bank into a much larger regional bank with nationwide lending businesses. We believe this new name will be beneficial in achieving our long-term objectives, including continued growth and expansion in new markets.

As shown below, we intend to adopt a new logo and signage in connection with the name change.

We do not expect any interruption or inconvenience to customers because of the name change. We estimate that we will incur one-time expenses totaling between $15 million and $25 million due to the change in our name, primarily related to marketing, rebranding and other related expenses. Approximately $0.6 million of these expenses were recognized in the quarter just ended, and we expect most of the remainder to be recognized in the third quarter of 2018.

Third Quarter 2018 Earnings Release and Conference Call

Preliminarily, we expect to report third quarter 2018 earnings and issue management's comments after the market closes on Monday, October 15, 2018. We expect to host a conference call at 10:00 am CT on Tuesday, October 16, 2018.

Appendix: Non-GAAP Reconciliations

(Dollars in Thousands, Except per Share)

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

Unaudited

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

	For the Fiscal Year Ended			Three Months Ended *		Six Months Ended *	
	2015	2016	2017	6/30/2017	6/30/2018	6/30/2017	6/30/2018
Net Income Available To Common Stockholders	$ 182,253	$ 269,979	$ 421,891	$ 90,532	$ 114,751	$ 179,720	$ 227,895
Average Common Stockholders' Equity Before Noncontrolling Interest	$ 1,217,475	$ 2,068,328	$ 3,127,576	$ 3,014,462	$ 3,566,944	$ 2,921,165	$ 3,525,849
Less Average Intangible Assets:							
Goodwill	(118,013)	(363,324)	(660,632)	(660,789)	(660,789)	(660,472)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(28,660)	(43,623)	(54,702)	(56,281)	(43,862)	(57,929)	(45,483)
Total Average Intangibles	(146,673)	(406,947)	(715,334)	(717,070)	(704,651)	(718,401)	(706,272)
Average Tangible Common Stockholders' Equity	$ 1,070,802	$ 1,661,381	$ 2,412,242	$ 2,297,392	$ 2,862,293	$ 2,202,764	$ 2,819,577
Return On Average Common Stockholders' Equity	14.97%	13.05%	13.49%	12.05%	12.90%	12.41%	13.03%
Return On Average Tangible Common Stockholders' Equity	17.02%	16.25%	17.49%	15.81%	16.08%	16.45%	16.30%

* Ratios for interim periods annualized based on actual days

Calculation of Tangible Book Value per Share

Unaudited

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

	For the period ended December 31,					June 30,
	2013	2014	2015	2016	2017	2018
Total common stockholders' equity before noncontrolling interest	$ 629,060	$ 908,390	$ 1,464,631	$ 2,791,607	$ 3,460,728	$ 3,613,903
Less intangible assets:						
Goodwill	(5,243)	(78,669)	(125,442)	(660,119)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(13,915)	(26,907)	(26,898)	(60,831)	(48,251)	(41,962)
Total intangibles	(19,158)	(105,576)	(152,340)	(720,950)	(709,040)	(702,751)
Total tangible common stockholders' equity	$ 609,902	$ 802,814	$ 1,312,291	$ 2,070,657	$ 2,751,688	$ 2,911,152
Common shares outstanding (thousands)	73,712	79,924	90,612	121,268	128,288	128,616
Book value per common share	$ 8.53	$ 11.37	$ 16.16	$ 23.02	$ 26.98	$ 28.10
Tangible book value per common share	$ 8.27	$ 10.04	$ 14.48	$ 17.08	$ 21.45	$ 22.63

Calculation of Diluted Earnings per Share

Unaudited

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

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