



BANK of the OZARKS

2018

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' equity¹ 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.

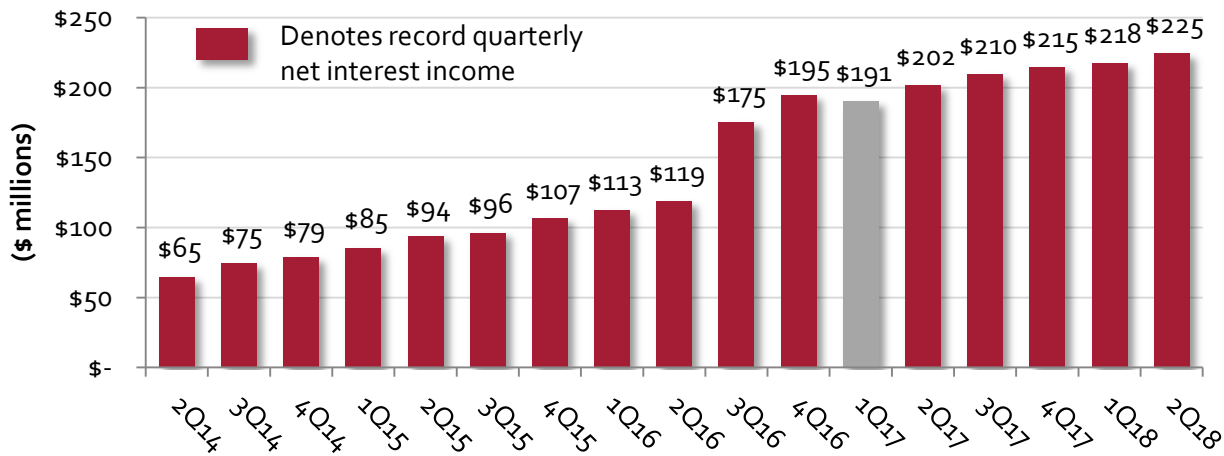
Net Interest Income

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

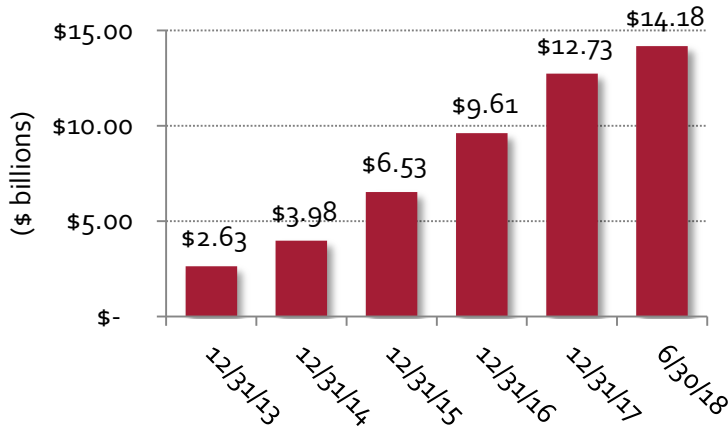


Average Earning Assets – Volume and Mix

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

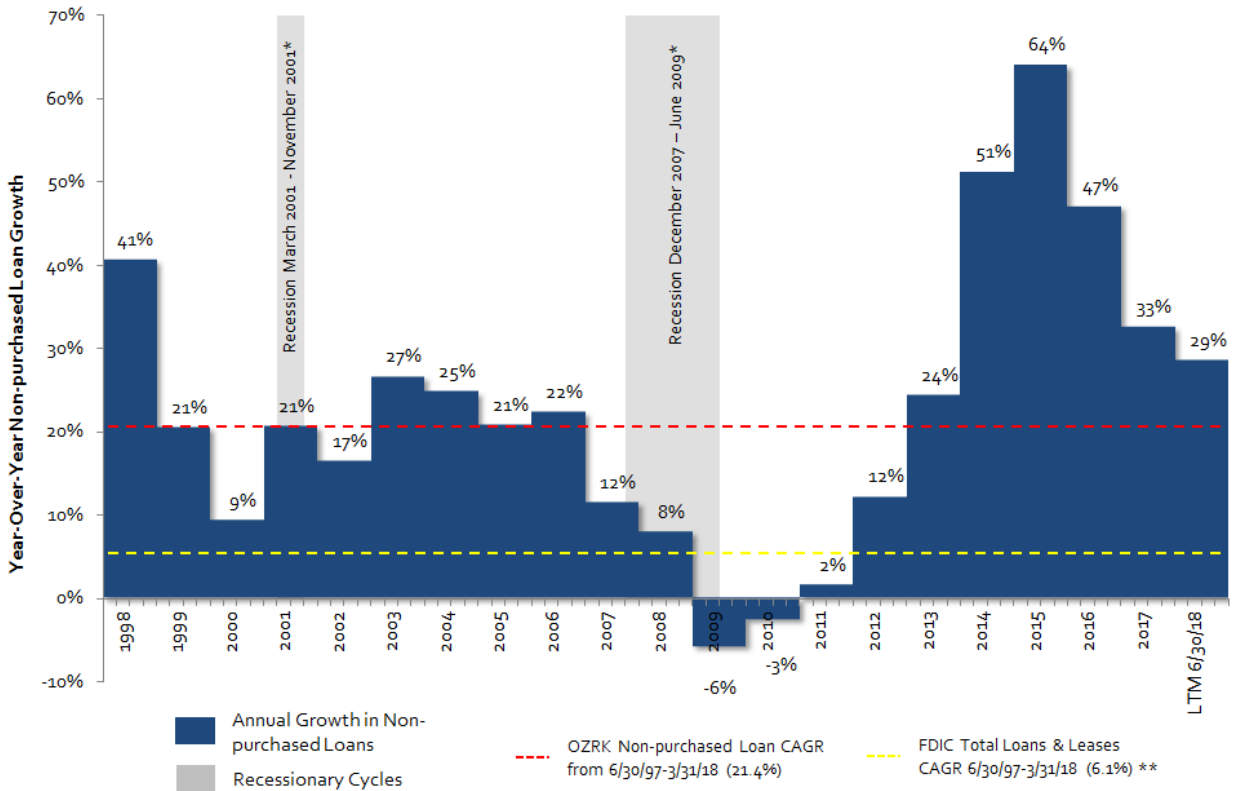


Non-purchased loan growth		
	\$ Billions	%
2013	\$0.52	24%
2014	\$1.35	51%
2015	\$2.55	64%
2016	\$3.08	47%
2017	\$3.13	33%
6/30/18 v. 6/30/17	\$3.16	29%

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

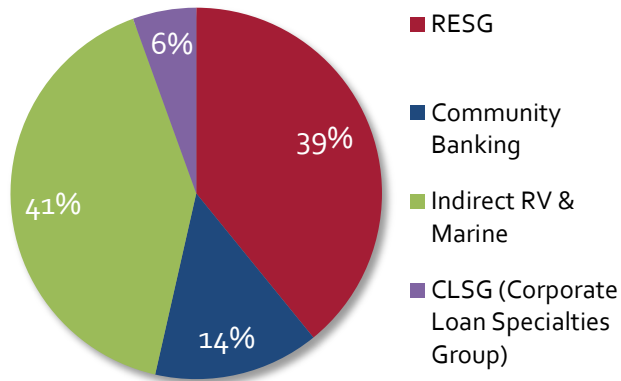
** Data from the FDIC's Quarterly Banking Profile, all FDIC insured institutions have grown loans from \$2.87T as of June 30, 1997, to \$9.75T as of March 31, 2018, which equates to a compound annual growth rate of 6.1%.

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.

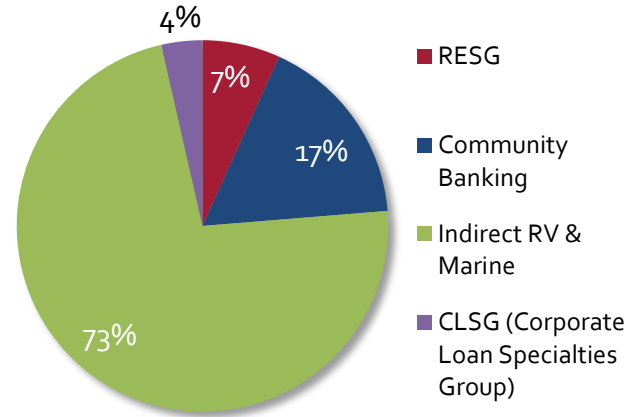
However, in recent years, we have discussed the importance of achieving greater contributions to growth from our other loan teams. In 2017, these other loan teams contributed 54% of our non-purchased loan growth. For the first six months of 2018, these other loan teams contributed 61% of our non-purchased 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

First 6 Months of 2018



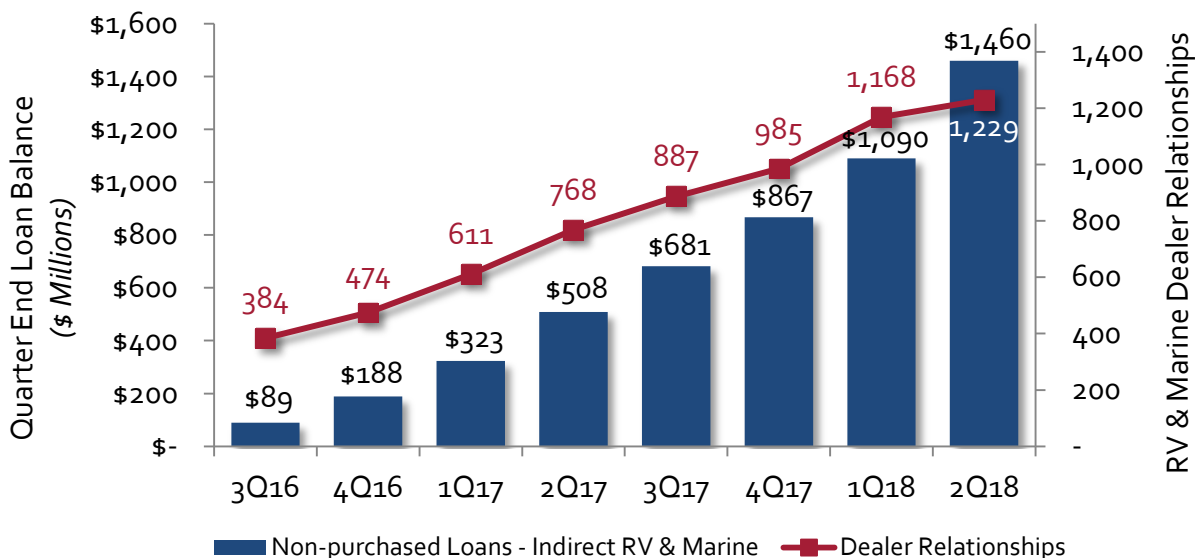
2nd Quarter of 2018



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.

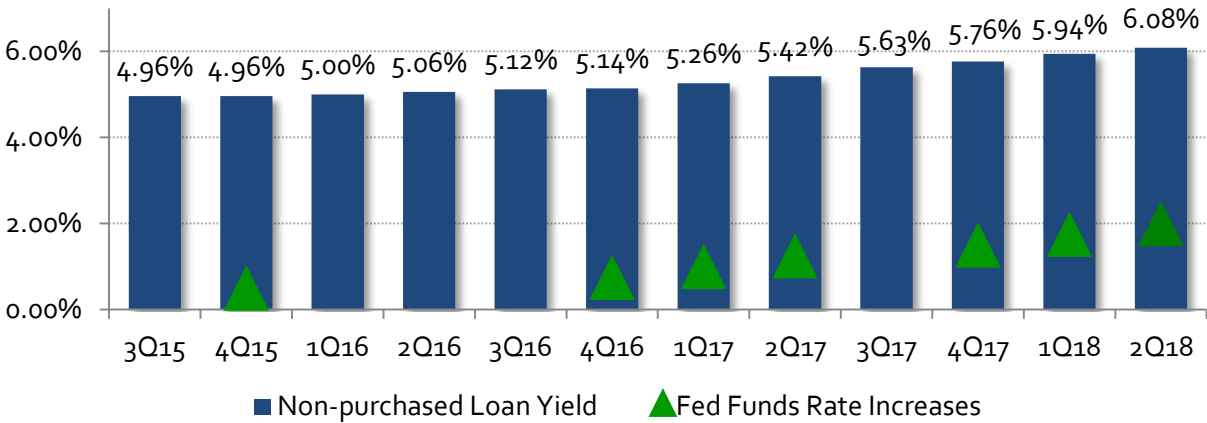
We expect to continue to make adjustments in our investment securities portfolio during the remainder of 2018 as market conditions allow or dictate. We think it is very likely that we will continue to add more short or medium-term, high quality securities during that period to continue to enhance our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

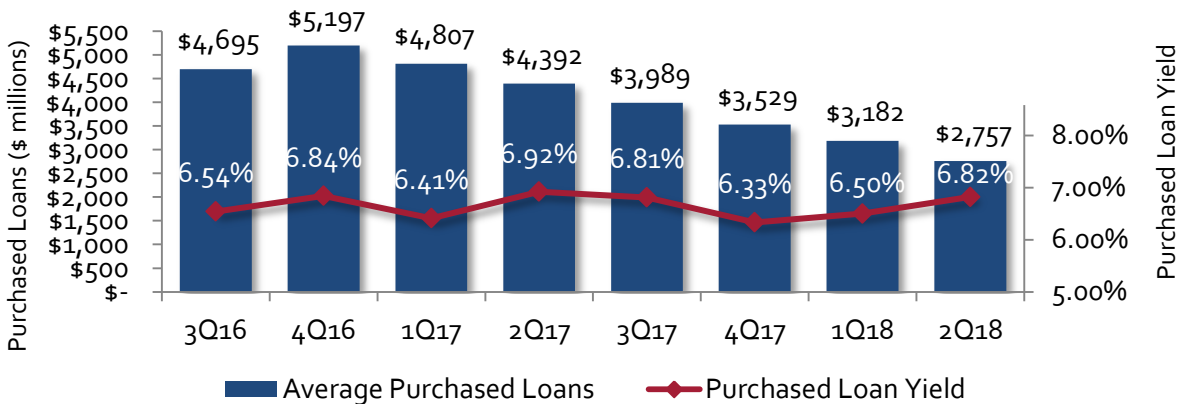
Figure 6: Non-purchased Loan Yield Trends



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.

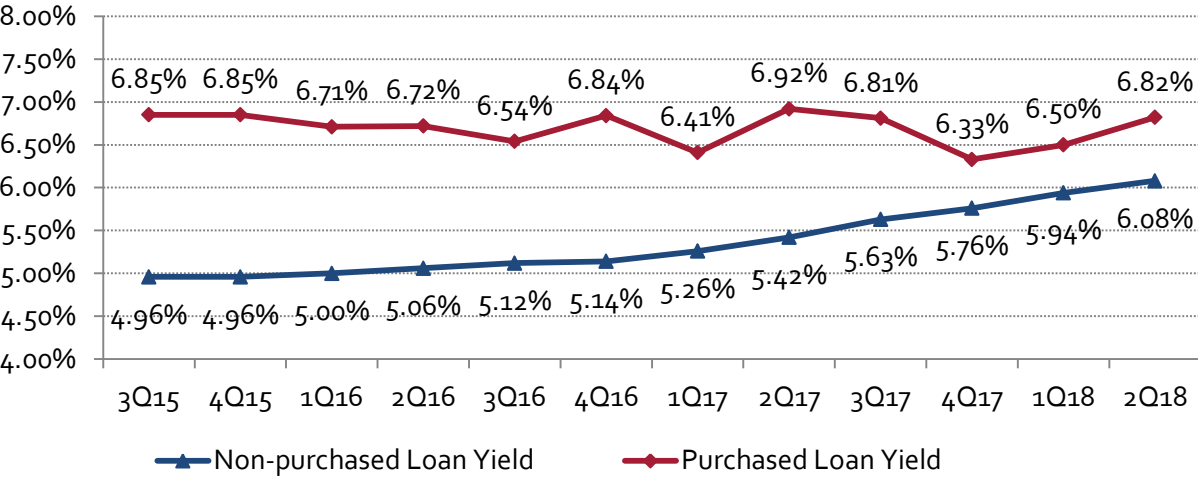
Figure 7: Quarterly Purchased Loan Average Balances and Yields Since Closing Two Latest Acquisitions in July 2016



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



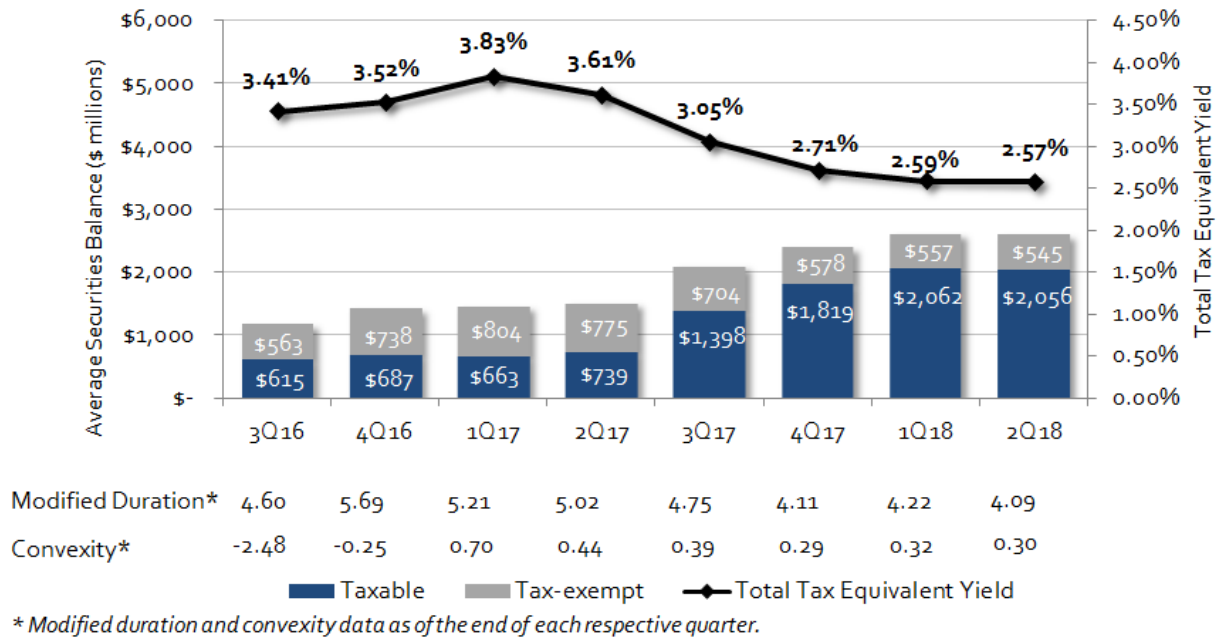
If the Federal Reserve continues to increase rates, and with 77% of our non-purchased loans having variable rates, as compared to just 43% of our purchased loans having variable rates, we may reach a point where our yield on non-purchased loans surpasses our yield on purchased loans. If this occurs, 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.

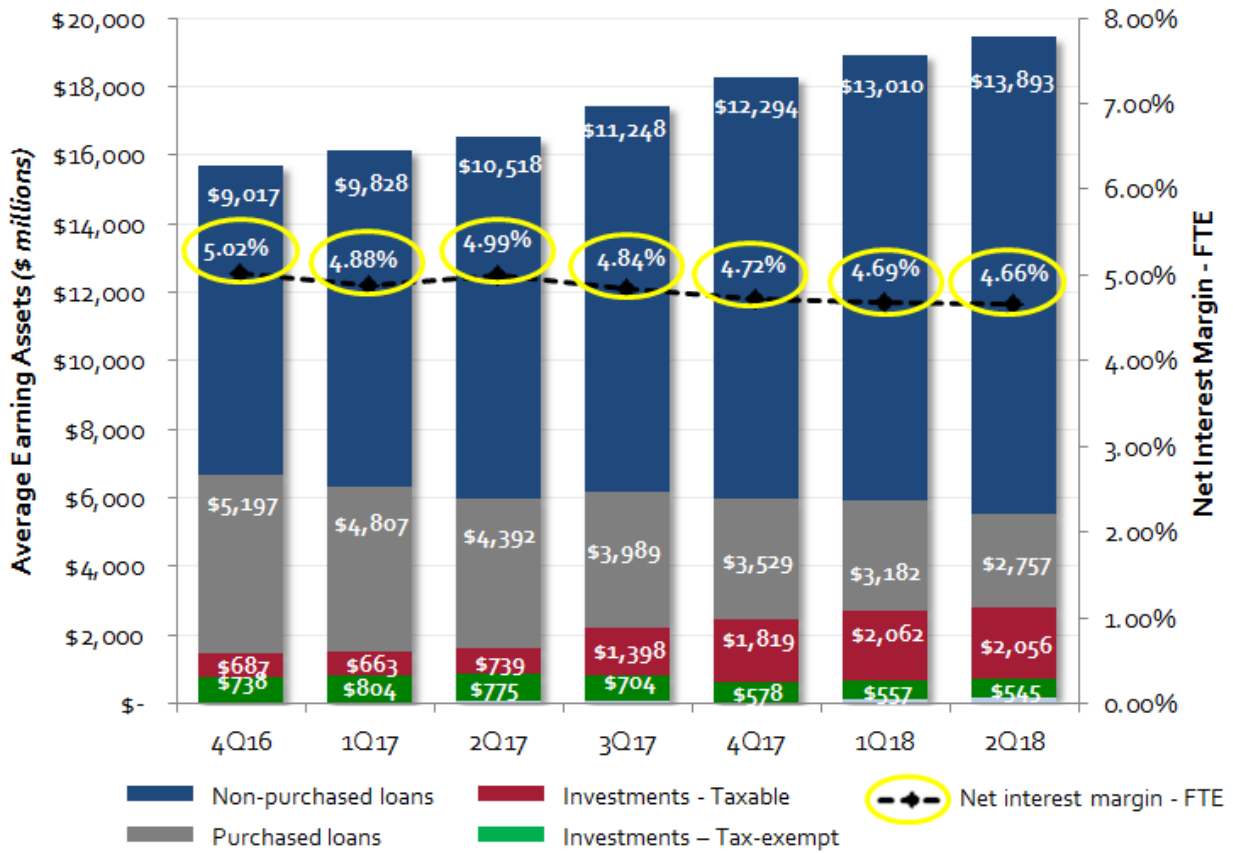
The yield on our investment portfolio was 2.57%, on a fully taxable equivalent (“FTE”) basis, in the quarter just ended, which is a 104 basis point decrease from 3.61% FTE in the second quarter of 2017. This decrease includes the effect of the reduction in the tax-equivalent yield on the tax-exempt portion 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



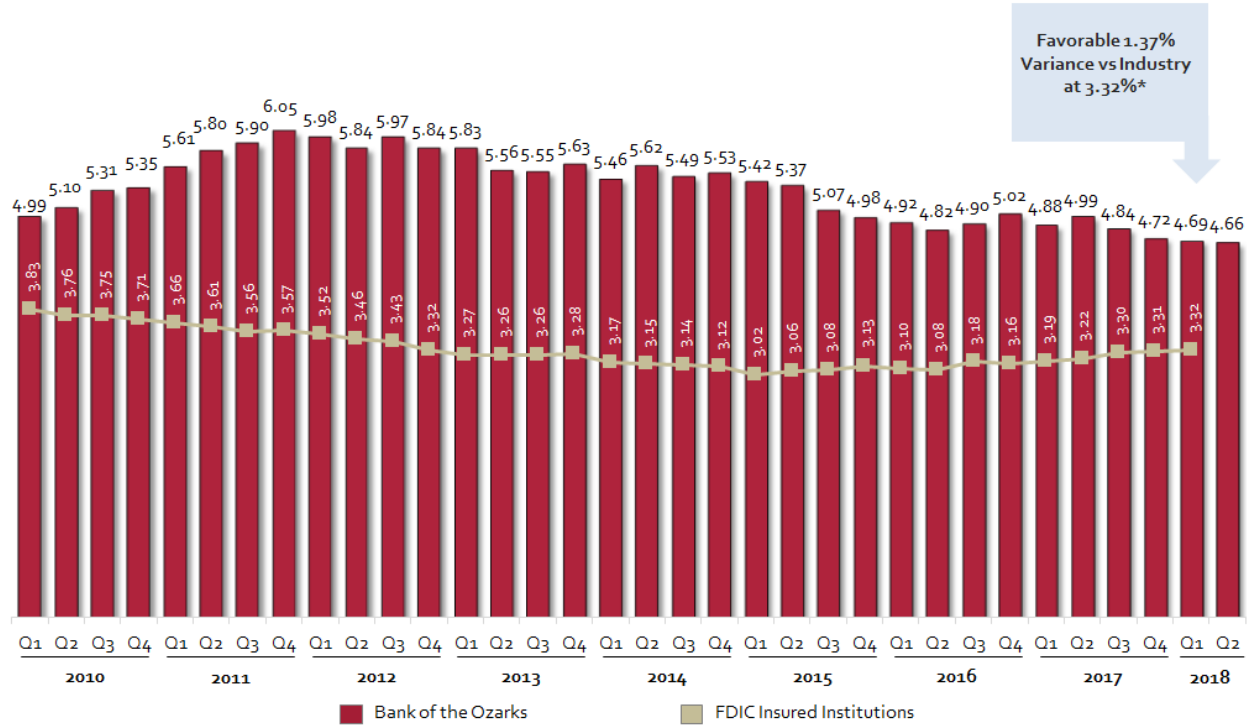
Even with all the moving parts, our net interest margin has continued to be among the best in the industry. On the positive side, our core spread, which we will discuss later, has increased in six of the last eight quarters as the yield on our growing non-purchased loan portfolio has generally increased 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 (%)

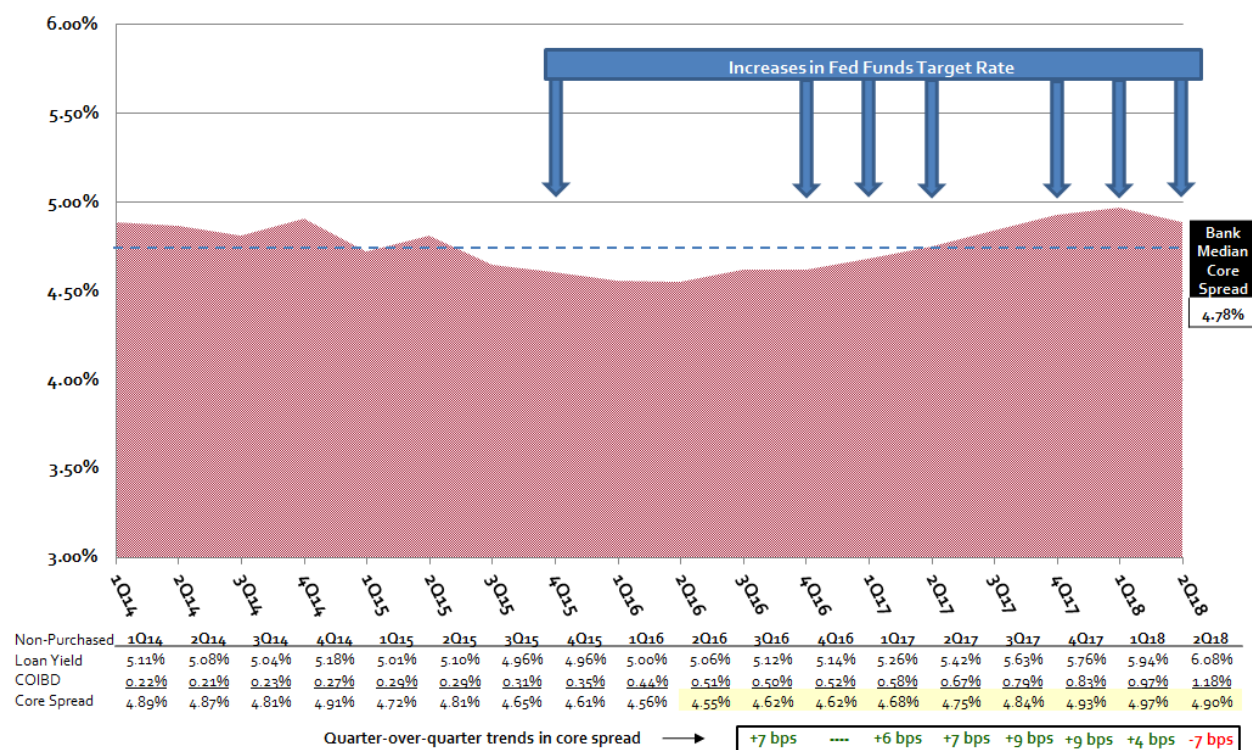


*Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last update first quarter 2018.

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.

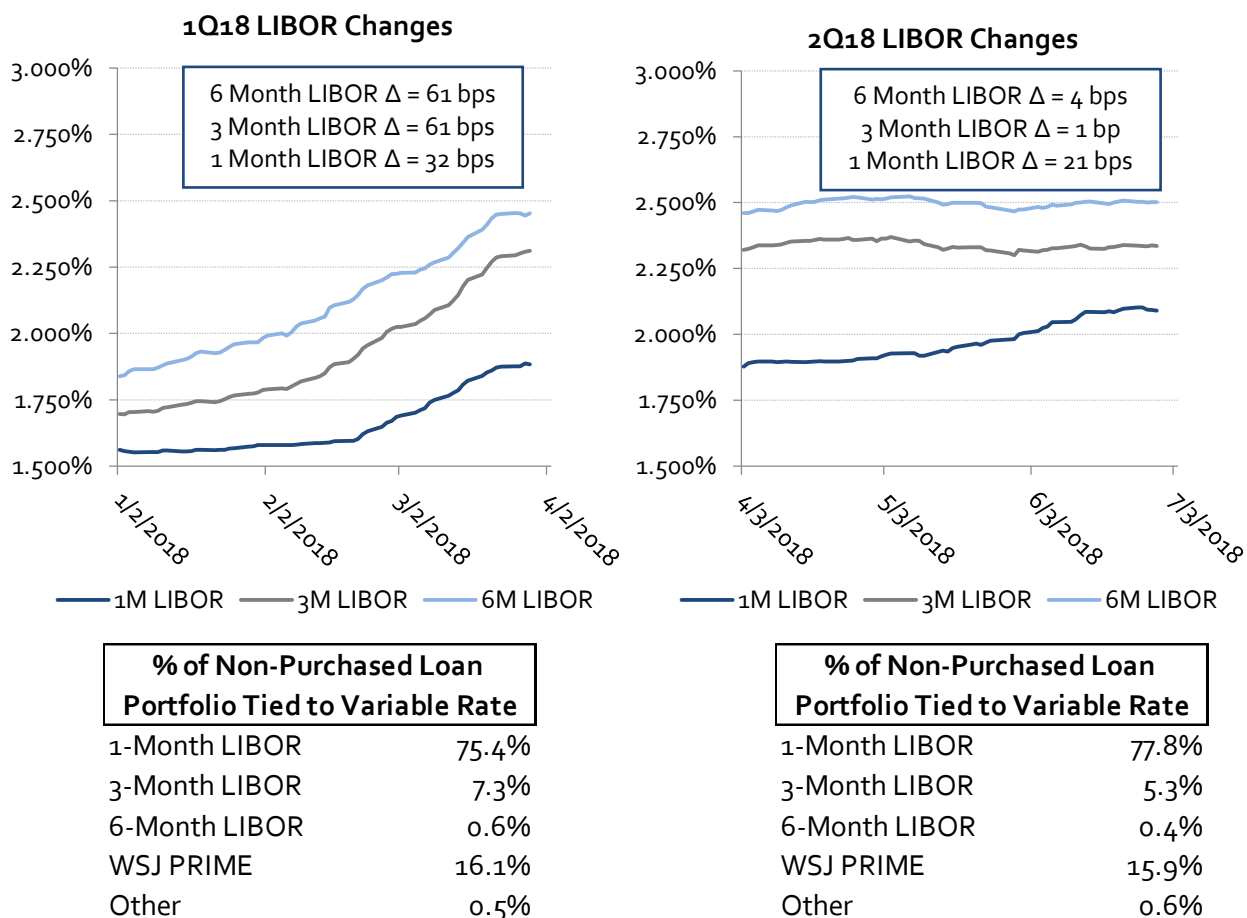
Figure 12: Fed Funds Target Rate Increases Have Contributed to an Improving Core Spread



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



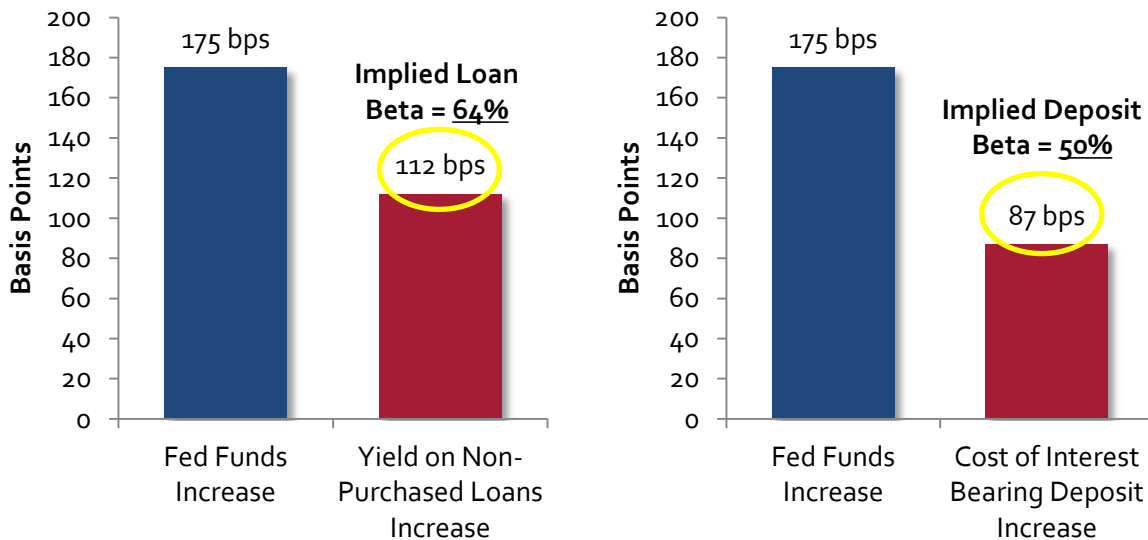
Loan and Deposit Betas

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.

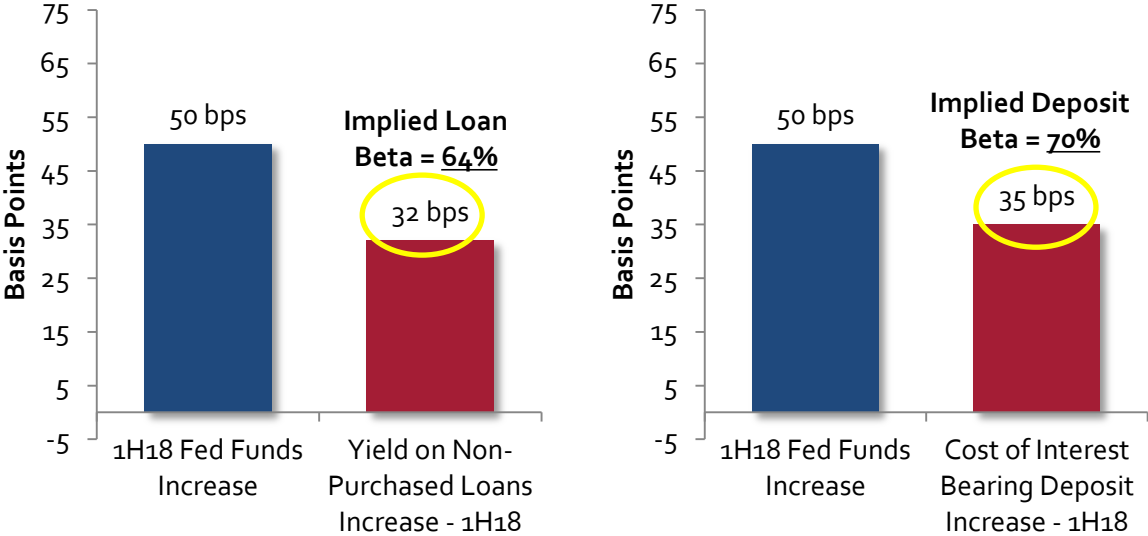
Figure 14 shows our non-purchased loan and deposit betas over a slightly longer time period, specifically the 11 quarters since the Federal Reserve commenced the current round of interest rate increases. During that period, our yield on non-purchased loans has increased 112 basis points, more than off-setting 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.

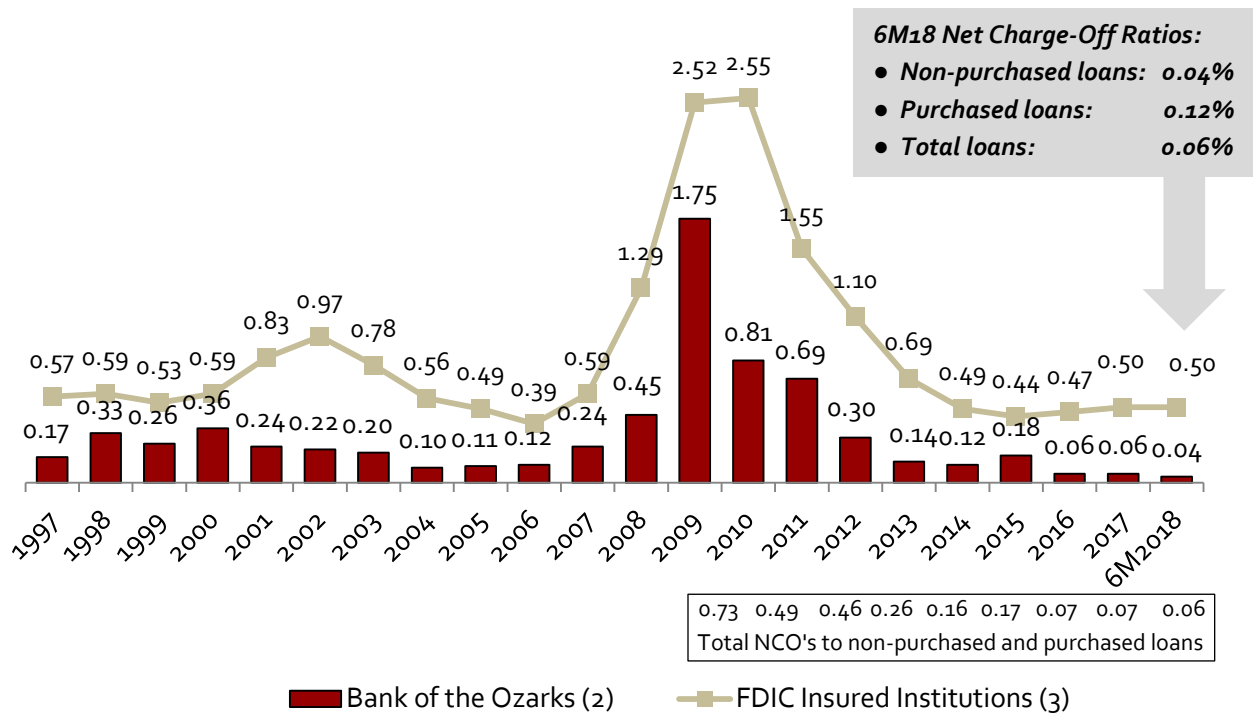
Figure 15: Non-Purchased Loan and Deposit Betas (First Half of 2018 – 1H18)



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 Ratio² vs. the Industry³



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.

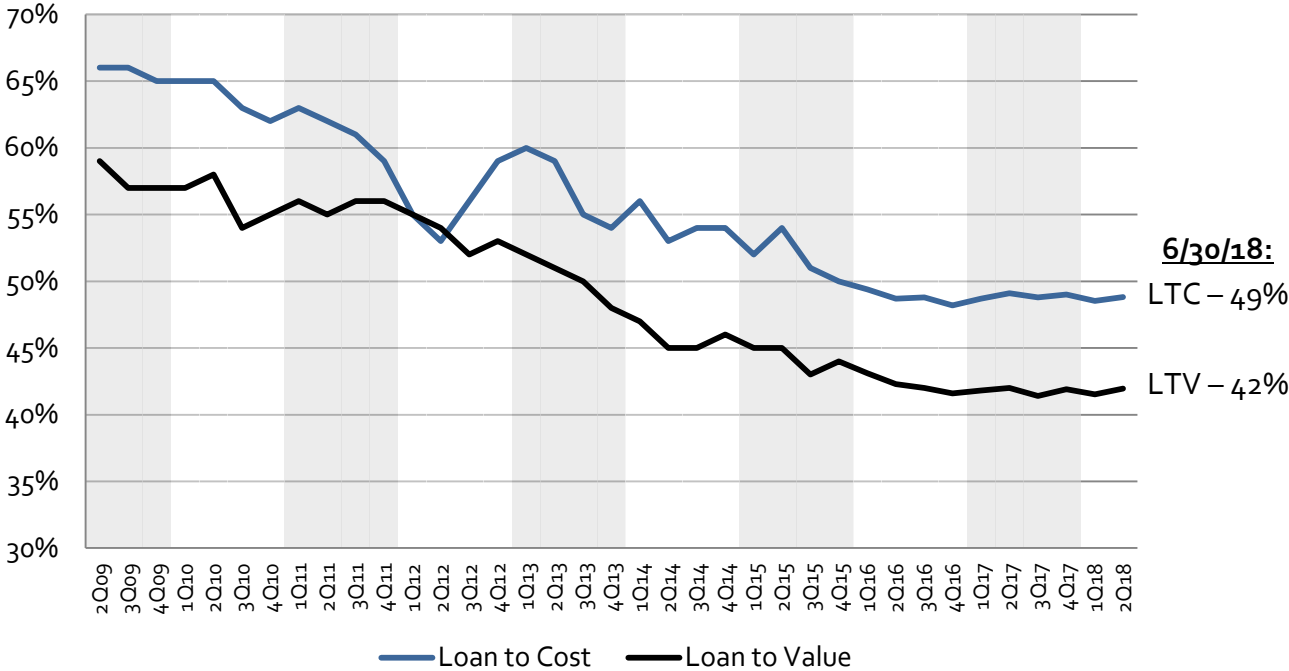
² Bank of the Ozarks' data excludes purchased loans and net charge-offs related to such loans.

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)

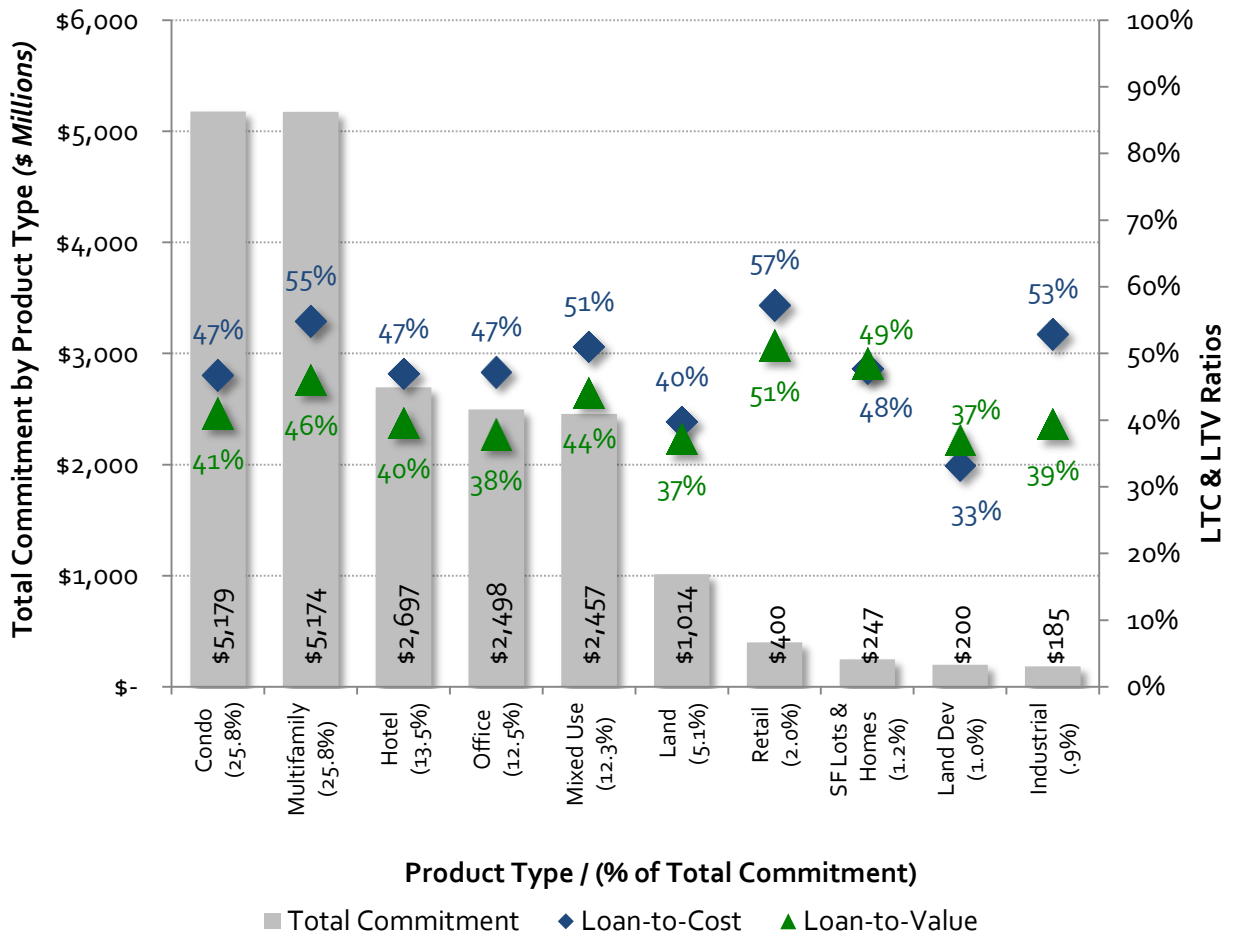
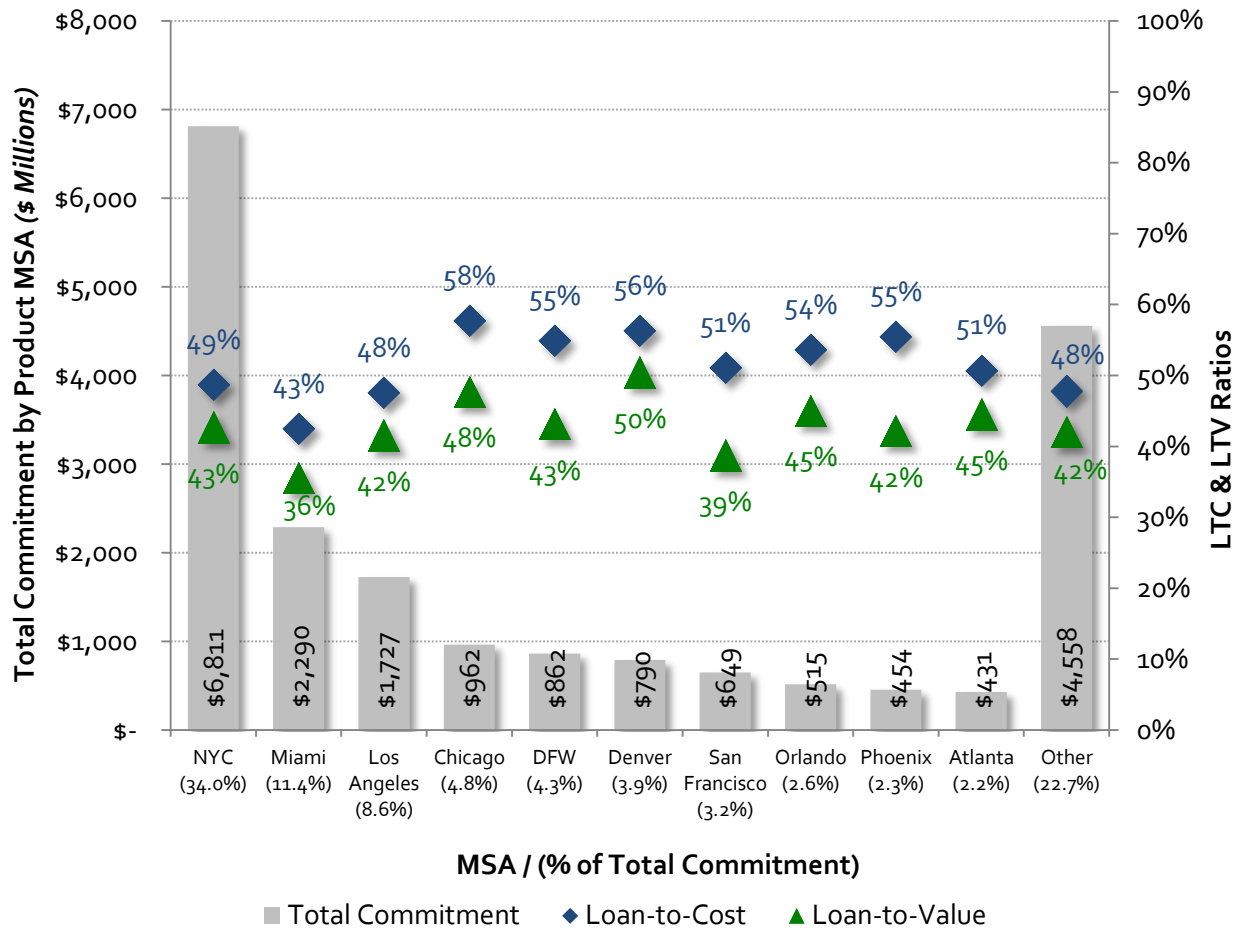


Figure 19: RESG Diversity by Geographic Location (As of June 30, 2018)



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' equity⁴ 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

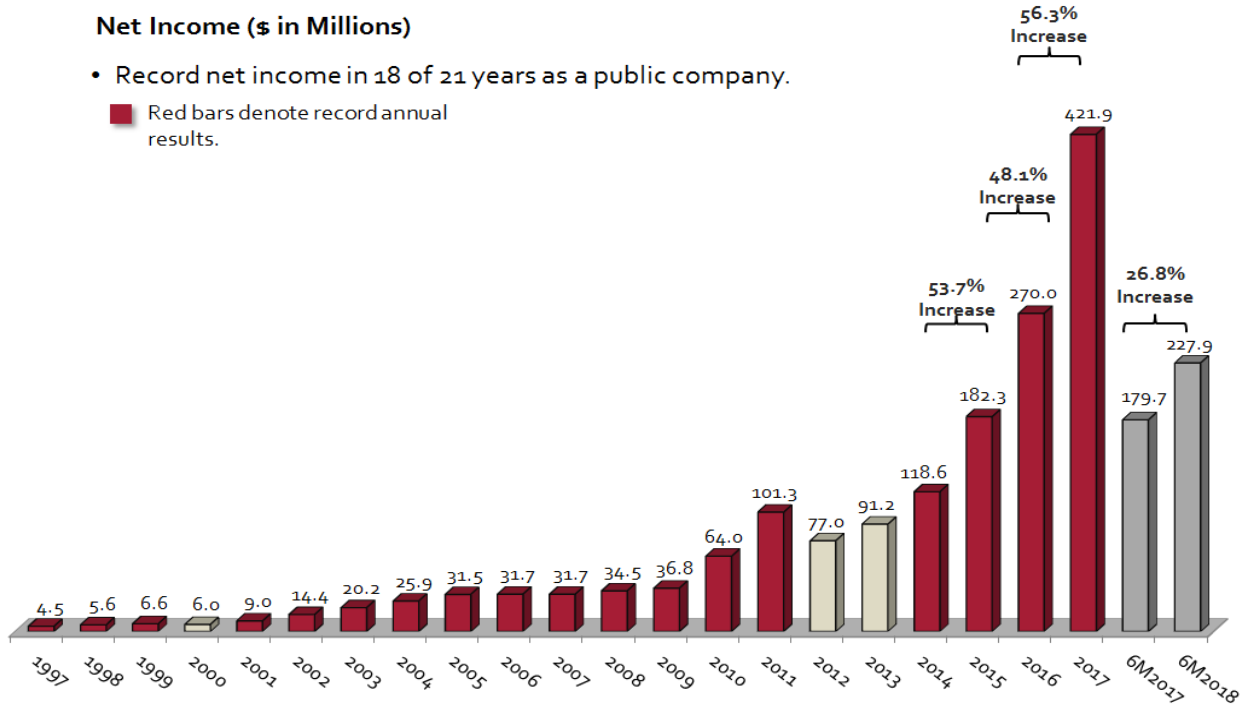
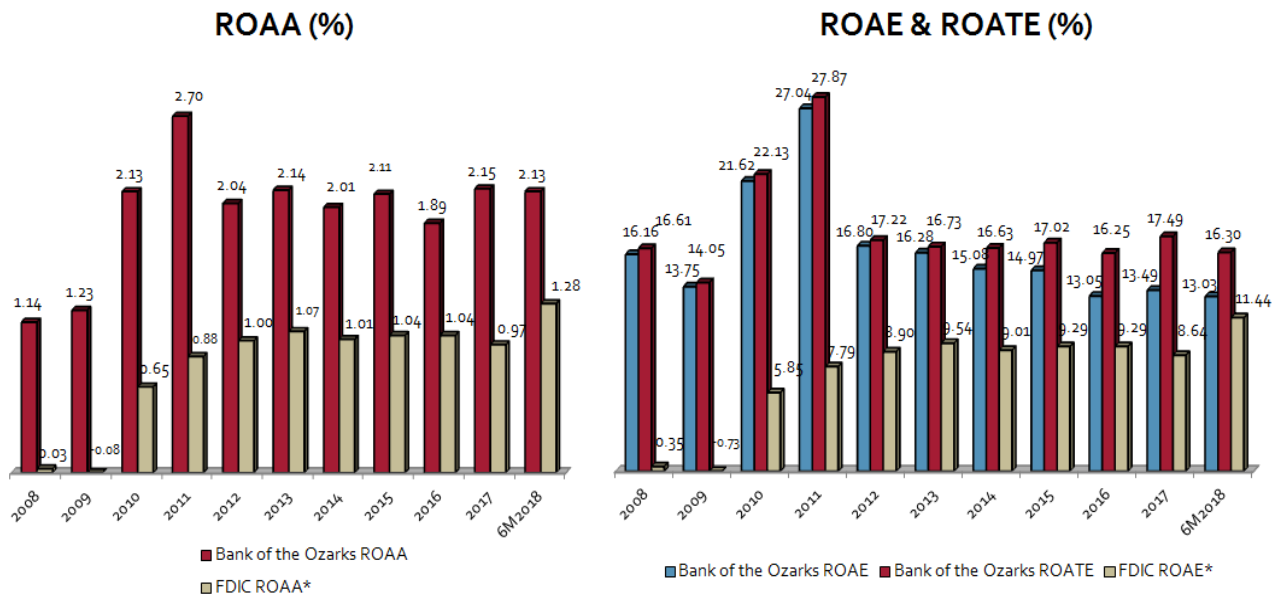


Figure 21: Consistent Earnings Metrics Among the Best in the Industry



*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*)

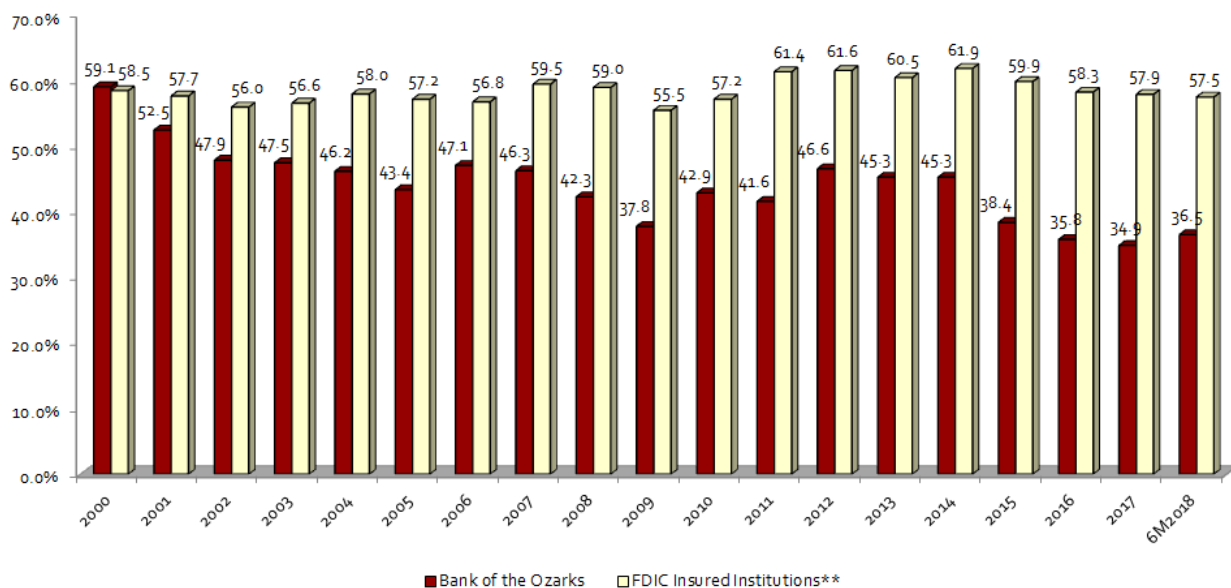
	For the 3 months Ended				
	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Salaries & employee benefits	\$ 39,892	\$ 35,331	\$ 38,417	\$ 45,499	\$ 41,665
Net occupancy and equipment	12,937	13,595	13,474	14,150	13,827
Professional and outside services	6,816	10,018	10,269	8,705	9,112
Telecommunication 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 intangibles	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.

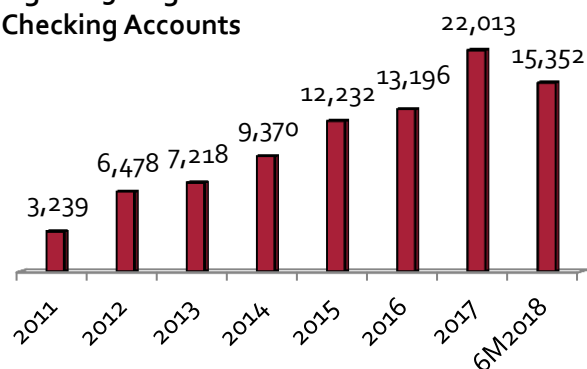
While our efficiency ratio has been excellent in recent years, we have a longer-term goal of improving even further on the efficiency ratios of recent years. Of course, our goal regarding improving our efficiency ratio does not consider the potential impact of any future acquisitions.

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



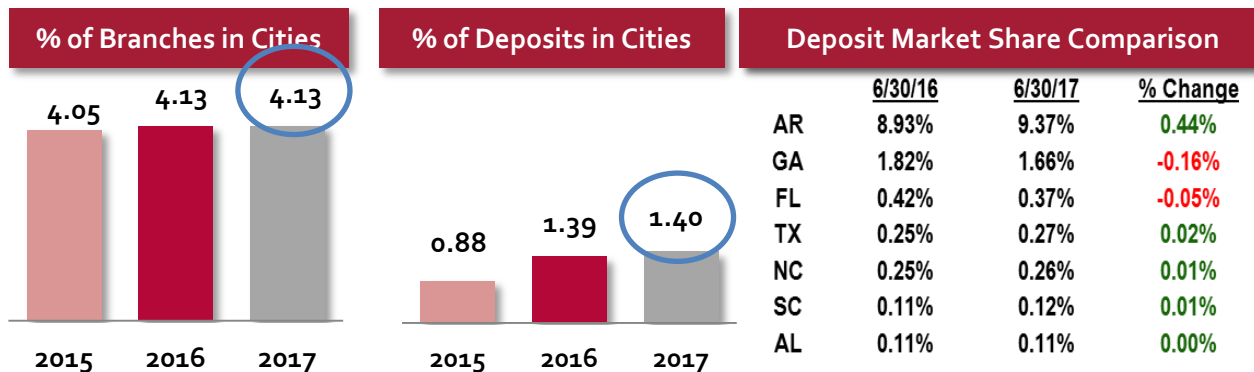
At June 30, 2018, our total deposits were \$17.90 billion. As shown in Figure 26, this continued 2017's results which saw excellent growth in our "organic" deposits and a significant reduction in our brokered deposits.

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}



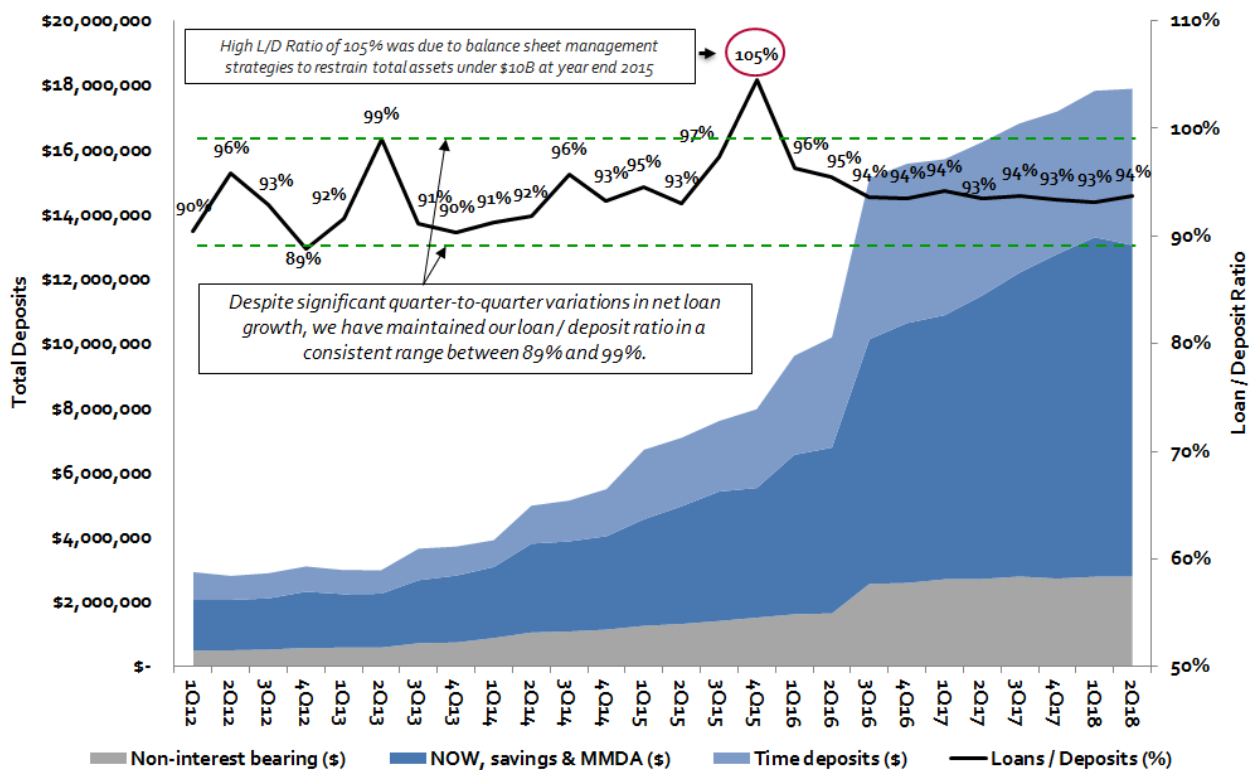
We have successfully tapped that capacity as needed to fund our loan growth. We do this by carefully managing our marketing initiatives and deposit pricing in selected markets. As Figures 28 and 29 illustrate, we have effectively utilized this strategy to consistently maintain our loan-to-deposit ratio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

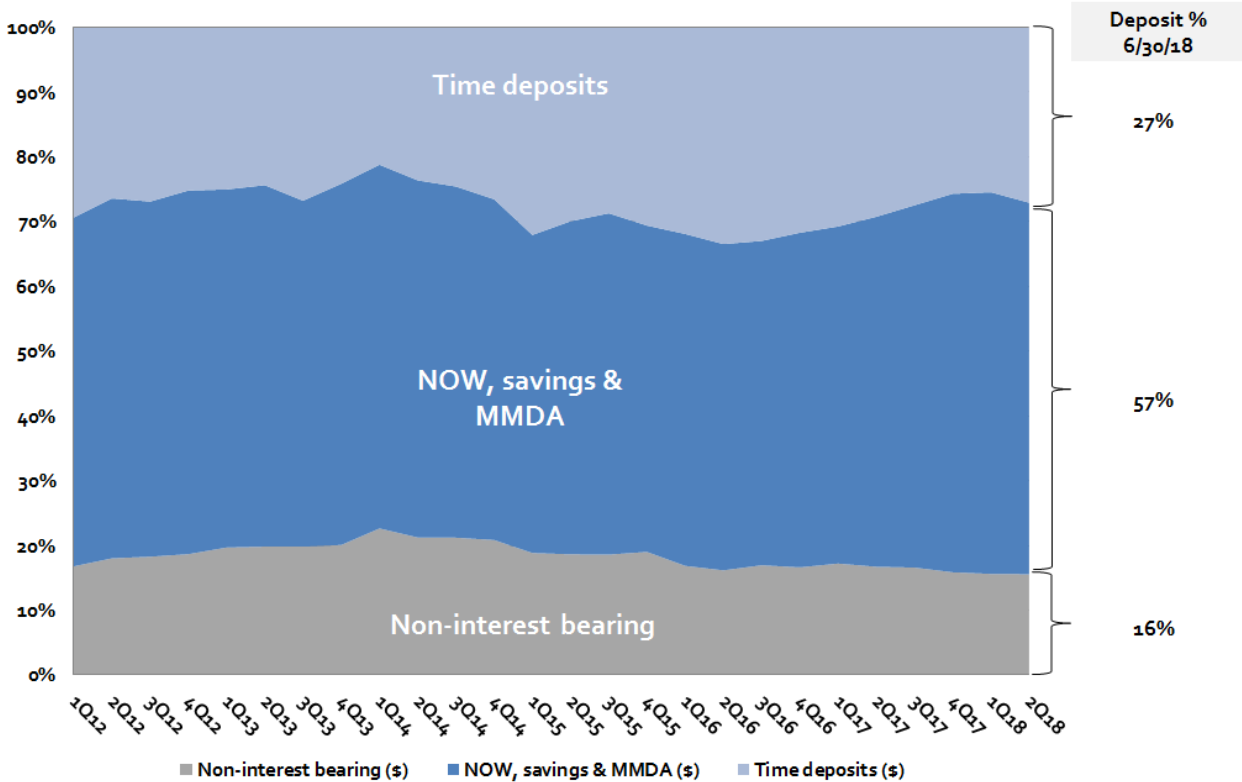
During the quarter just ended, our loan-to-deposit ratio was 93.7%, near the middle of our historical target range of 89% to 99%. Whether we have robust loan growth or minimal loan growth in any particular quarter or year, we believe we have the tools, capacity and flexibility to maintain our loan-to-deposit 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

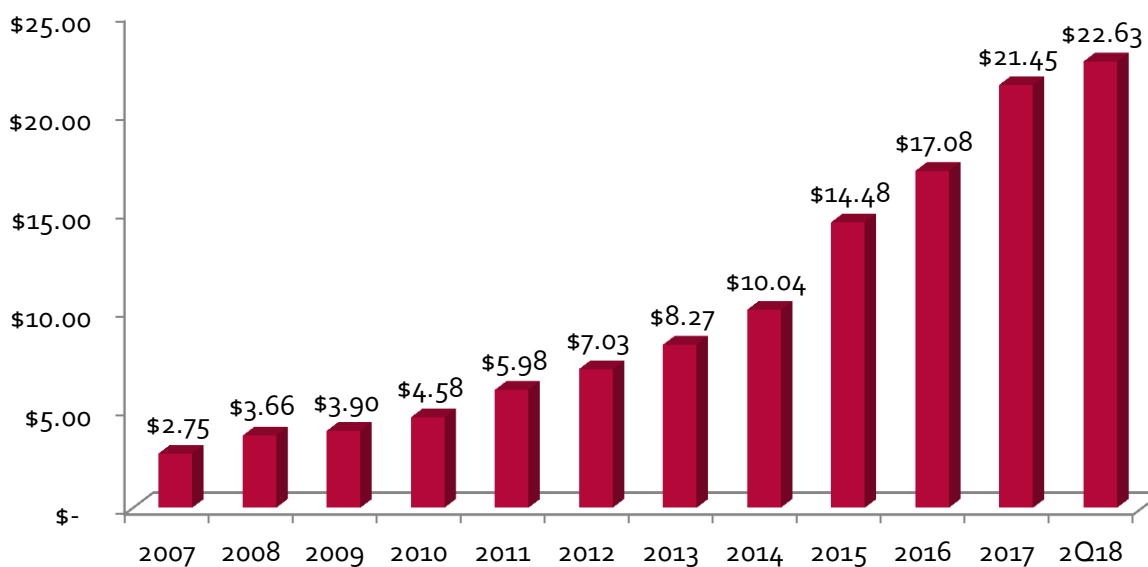


During 2017, we decreased brokered deposits by \$828 million, or 42%. This trend of decreasing brokered deposits continued in the first half of 2018 with brokered deposits decreasing by \$28 million to \$1.13 billion, or 6.3% of total deposits at June 30, 2018. Of course, we are not subject to any regulatory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

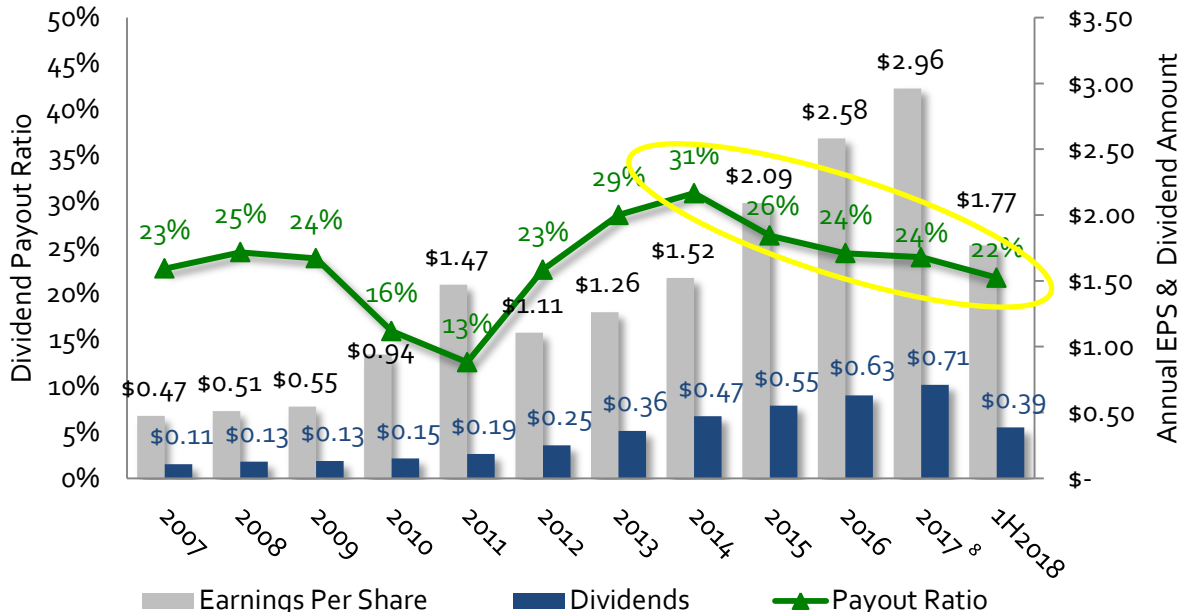
Figure 30: Tangible Book Value per Share (Period End) ⁷



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 Ratio⁸ (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	<u>(5,877)</u>	<u>(5,664)</u>	<u>(5,554)</u>	<u>(7,925)</u>	<u>(12,207)</u>	<u>(11,827)</u>
Total tangible common stockholders' equity	<u>\$ 184,952</u>	<u>\$ 246,638</u>	<u>\$ 263,474</u>	<u>\$ 312,430</u>	<u>\$ 412,344</u>	<u>\$ 495,837</u>
Common shares outstanding (thousands)	<u>67,272</u>	<u>67,456</u>	<u>67,618</u>	<u>68,214</u>	<u>68,928</u>	<u>70,544</u>
Book value per common share	<u>\$ 2.84</u>	<u>\$ 3.74</u>	<u>\$ 3.98</u>	<u>\$ 4.70</u>	<u>\$ 6.16</u>	<u>\$ 7.20</u>
Tangible book value per common share	<u>\$ 2.75</u>	<u>\$ 3.66</u>	<u>\$ 3.90</u>	<u>\$ 4.58</u>	<u>\$ 5.98</u>	<u>\$ 7.03</u>

	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	<u>(19,158)</u>	<u>(105,576)</u>	<u>(152,340)</u>	<u>(720,950)</u>	<u>(709,040)</u>	<u>(702,751)</u>
Total tangible common stockholders' equity	<u>\$ 609,902</u>	<u>\$ 802,814</u>	<u>\$ 1,312,291</u>	<u>\$ 2,070,657</u>	<u>\$ 2,751,688</u>	<u>\$ 2,911,152</u>
Common shares outstanding (thousands)	<u>73,712</u>	<u>79,924</u>	<u>90,612</u>	<u>121,268</u>	<u>128,288</u>	<u>128,616</u>
Book value per common share	<u>\$ 8.53</u>	<u>\$ 11.37</u>	<u>\$ 16.16</u>	<u>\$ 23.02</u>	<u>\$ 26.98</u>	<u>\$ 28.10</u>
Tangible book value per common share	<u>\$ 8.27</u>	<u>\$ 10.04</u>	<u>\$ 14.48</u>	<u>\$ 17.08</u>	<u>\$ 21.45</u>	<u>\$ 22.63</u>

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	<u>(49,812)</u>
Adjusted Net Income	<u>\$ 372,079</u>
Weighted-average diluted shares outstanding (in thousands)	125,809
Diluted Earnings Per Share	\$ 3.35
Diluted Earnings Per Share, As Adjusted	\$ 2.96