



## Bank of the Ozarks Announces Record Fourth Quarter and Full Year 2017 Earnings

January 16, 2018

LITTLE ROCK, Ark.--(BUSINESS WIRE)-- Bank of the Ozarks (the "Bank") (NASDAQ:OZRK) today announced that net income for the fourth quarter of 2017 was a record \$146.2 million, a 66.5% increase from \$87.8 million for the fourth quarter of 2016. Diluted earnings per common share for the fourth quarter of 2017 were a record \$1.14, a 58.3% increase from \$0.72 for the fourth quarter of 2016.

For the full year of 2017, net income was a record \$421.9 million, a 56.3% increase from net income of \$270.0 million for the full year of 2016. Diluted earnings per common share for the full year of 2017 were a record \$3.35, a 29.8% increase from \$2.58 for the full year of 2016.

As a result of the Tax Cuts and Jobs Act that was enacted into law on December 22, 2017, the Bank revalued its net deferred tax liability position to reflect the reduction in its federal corporate income tax rate from 35% to 21%. This revaluation resulted in a one-time income tax benefit of approximately \$49.8 million, or \$0.39 of diluted earnings per common share, for the fourth quarter of 2017.

The Bank's annualized returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the fourth quarter of 2017 were 2.81%, 17.23% and 21.84%, respectively, compared to 1.92%, 12.62% and 17.08%, respectively, for the fourth quarter of 2016. The Bank's returns on average assets, average common stockholders' equity and average tangible common stockholders' equity for the full year of 2017 were 2.15%, 13.49% and 17.49%, respectively, compared to 1.89%, 13.05% and 16.25%, respectively, for the full year of 2016. 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 pleased to report our excellent results for 2017, including annual records for net income, diluted earnings per share and net interest income, excellent asset quality and continued strong growth in both the funded and unfunded balance of our non-purchased loans."

### **KEY BALANCE SHEET METRICS**

Total loans, including purchased loans, were \$16.04 billion at December 31, 2017, a 10.2% increase from \$14.56 billion at December 31, 2016. Non-purchased loans, which exclude loans acquired in previous acquisitions, were \$12.73 billion at December 31, 2017, a 32.6% increase from \$9.61 billion at December 31, 2016. Purchased loans, which consist of loans acquired in previous acquisitions, were \$3.31 billion at December 31, 2017, a 33.3% decrease from \$4.96 billion at December 31, 2016. The unfunded balance of closed loans totaled \$13.19 billion at December 31, 2017, a 31.0% increase from \$10.07 billion at December 31, 2016.

Deposits were \$17.19 billion at December 31, 2017, a 10.4% increase from \$15.57 billion at December 31, 2016. Total assets were \$21.28 billion at December 31, 2017, a 12.6% increase from \$18.89 billion at December 31, 2016.

Common stockholders' equity was \$3.46 billion at December 31, 2017, a 24.0% increase from \$2.79 billion at December 31, 2016. Tangible common stockholders' equity was \$2.75 billion at December 31, 2017, a 32.9% increase from \$2.07 billion at December 31, 2016. Book value per common share was \$26.98 at December 31, 2017, a 17.2% increase from \$23.02 at December 31, 2016. Tangible book value per common share was \$21.45 at December 31, 2017, a 25.6% increase from \$17.08 at December 31, 2016. 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 common stockholders' equity to total assets was 16.27% at December 31, 2017 compared to 14.78% at December 31, 2016. Its ratio of tangible common stockholders' equity to total tangible assets was 13.38% at December 31, 2017 compared to 11.40% at December 31, 2016. 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 fourth quarter of 2017 was a record \$214.8 million, a 10.3% increase from \$194.8 million for the fourth quarter of 2016. Net interest margin, on a fully taxable equivalent ("FTE") basis, was 4.72% for the fourth quarter of 2017, a decrease of 30 basis points from 5.02% for the fourth quarter of 2016. Average earning assets were \$18.28 billion for the fourth quarter of 2017, a 16.5% increase from \$15.69 billion for the fourth quarter of 2016.

Net interest income for the full year of 2017 was a record \$817.4 million, a 35.9% increase from \$601.5 million for the full year of 2016. Net interest margin, on a FTE basis, was 4.85% for the full year of 2017, a decrease of seven basis points from 4.92% for the full year of 2016. Average earning assets were \$17.11 billion for the full year of 2017, a 37.8% increase from \$12.42 billion for the full year of 2016.

### **NON-INTEREST INCOME**

Non-interest income for the fourth quarter of 2017 decreased 1.2% to \$30.2 million compared to \$30.6 million for the fourth quarter of 2016. Non-interest income for the full year of 2017 increased 21.0% to \$123.9 million compared to \$102.4 million for the full year of 2016.

Included in non-interest income were gains on investment securities totaling \$1.2 million for the fourth quarter of 2017 and \$4.0 million for the full year of 2017, compared to no significant gains on investment securities for the fourth quarter or full year of 2016.

### **NON-INTEREST EXPENSE**

Non-interest expense for the fourth quarter of 2017 increased 10.0% to \$86.2 million compared to \$78.4 million for the fourth quarter of 2016. Non-interest expense for the full year of 2017 increased 30.1% to \$332.7 million compared to \$255.8 million for the full year of 2016.

During the fourth quarter of 2017, the Bank incurred \$1.14 million of employee severance expenses associated with the elimination of the small ticket equipment finance group in its Leasing Division, the elimination of the secondary market mortgage loan group in its Mortgage Division and other restructuring of staff.

The Bank's efficiency ratio (non-interest expense divided by the sum of net interest income FTE and non-interest income) for the fourth quarter of 2017 was 34.8% compared to 34.3% for the fourth quarter of 2016. The Bank's efficiency ratio for the full year of 2017 was 34.9% compared to 35.8% for the full year of 2016.

### **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 December 31, 2017 compared to 0.15% at December 31, 2016.

Excluding purchased loans, the Bank's ratio of nonperforming assets as a percent of total assets was 0.18% at December 31, 2017 compared to 0.31% at December 31, 2016.

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 0.15% at December 31, 2017 compared to 0.16% at December 31, 2016.

The Bank's annualized net charge-off ratio for all loans was 0.05% for the fourth quarter of 2017 compared to 0.09% for the fourth quarter of 2016. The Bank's net charge-off ratio for all loans was 0.07% for both the full years of 2017 and 2016.

The Bank's allowance for loan losses for its non-purchased loans was \$92.5 million, or 0.73% of total non-purchased loans, at December 31, 2017 compared to \$74.9 million, or 0.78% of total non-purchased loans, at December 31, 2016. The Bank had \$1.6 million of allowance for loan losses for its purchased loans at both December 31, 2017 and December 31, 2016.

### **CONFERENCE CALL, TRANSCRIPT AND FILINGS**

Management will conduct a conference call to discuss its quarterly and year end results at 10:00 a.m. CT (11:00 a.m. ET) on Tuesday, January 16, 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 1-888-859-2056 (U.S. and Canada) or 404-537-3406 (internationally). The passcode for this playback is 7979578. The call will be available live or in a recorded version on the Bank's Investor Relations website at <http://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 certain 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 <http://www.fdic.gov> and are also available on the Bank's Investor Relations website at <http://ir.bankozarks.com> under "Filings."

### **NON-GAAP FINANCIAL MEASURES**

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

### **FORWARD-LOOKING STATEMENTS**

This release and other communications by the Bank include certain "forward-looking statements" regarding the Bank's plans, expectations, thoughts, beliefs, estimates, goals and outlook for the future that are intended to be covered by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems implementing the Bank's growth, expansion and acquisition strategies including delays in identifying sites, hiring or retaining qualified personnel, obtaining regulatory or other approvals, obtaining permits and designing, constructing and opening new offices; the ability to enter into and/or close additional acquisitions; problems with, or additional expenses relating to, integrating acquisitions; the inability to realize expected cost savings and/or synergies from acquisitions; problems with managing acquisitions; the effect of the announcements of any future acquisition on customer relationships and operating results; the availability and access to capital; possible downgrades in the Bank's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing or acquired deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates; competitive factors and pricing pressures, including their effect on the Bank's net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; failure to receive approval of our pending applications for change in accounting methods with the Internal Revenue Service; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions; changes in U.S. government monetary and fiscal policy; 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 press release or as detailed from time to time in our public filings, including those factors included in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2016 or 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.

### **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 seven 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](http://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.

	Quarters Ended December 31,			Years Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Income statement data:</b>						
Net interest income	\$ 214,831	\$ 194,800	10.3%	\$ 817,429	\$ 601,505	35.9%
Provision for loan losses	9,279	9,855	(5.8)	28,092	23,792	18.1
Non-interest income	30,213	30,571	(1.2)	123,858	102,399	21.0
Non-interest expense	86,177	78,358	10.0	332,672	255,754	30.1
Net income available to common stockholders	146,164	87,787	66.5	421,891	269,979	56.3
<b>Common stock data:</b>						
Net income per share - diluted	\$ 1.14	\$ 0.72	58.3%	\$ 3.35	\$ 2.58	29.8%
Net income per share - basic	1.14	0.72	58.3	3.36	2.59	29.7
Cash dividends per share	0.185	0.165	12.1	0.71	0.63	12.7
Book value per share	26.98	23.02	17.2	26.98	23.02	17.2
Tangible book value per share <sup>(1)</sup>	21.45	17.08	25.6	21.45	17.08	25.6
Diluted shares outstanding (thousands)	128,510	121,476		125,809	104,700	
End of period shares outstanding (thousands)	128,288	121,268		128,288	121,268	
<b>Balance sheet data at period end:</b>						
Assets	\$21,275,647	\$18,890,142	12.6%	\$21,275,647	\$18,890,142	12.6%
Non-purchased loans	12,733,937	9,605,093	32.6	12,733,937	9,605,093	32.6
Purchased loans	3,309,092	4,958,022	(33.3)	3,309,092	4,958,022	(33.3)
Allowance for loan losses	94,120	76,541	23.0	94,120	76,541	23.0
Foreclosed assets	25,357	43,702	(42.0)	25,357	43,702	(42.0)
Investment securities	2,622,796	1,471,612	78.2	2,622,796	1,471,612	78.2
Goodwill	660,789	660,119	0.1	660,789	660,119	0.1
Other intangibles - net of amortization	48,251	60,831	(20.7)	48,251	60,831	(20.7)
Deposits	17,192,345	15,574,878	10.4	17,192,345	15,574,878	10.4
Repurchase agreements with customers	69,331	65,110	6.5	69,331	65,110	6.5
Other borrowings	22,320	41,903	(46.7)	22,320	41,903	(46.7)
Subordinated notes	222,899	222,516	0.2	222,899	222,516	0.2
Subordinated debentures	118,800	118,242	0.5	118,800	118,242	0.5
Common stockholders' equity	3,460,728	2,791,607	24.0	3,460,728	2,791,607	24.0
Net unrealized gains (losses) on investment securities AFS included in common stockholders' equity	(9,304)	(25,920)		(9,304)	(25,920)	
Loan (including purchased loans) to deposit ratio	93.31%	93.50%		93.31%	93.50%	
<b>Selected ratios:</b>						
Return on average assets <sup>(2)</sup>	2.81%	1.92%		2.15%	1.89%	
Return on average common stockholders' equity <sup>(2)</sup>	17.23	12.62		13.49	13.05	
Return on average tangible common stockholders' equity <sup>(1) (2)</sup>	21.84	17.08		17.49	16.25	
Average common equity to total average assets	16.32	15.21		15.91	14.49	
Net interest margin – FTE <sup>(2)</sup>	4.72	5.02		4.85	4.92	
Efficiency ratio	34.82	34.27		34.88	35.84	
Net charge-offs to average non-purchased loans <sup>(2) (3)</sup>	0.08	0.08		0.06	0.06	
Net charge-offs to average total loans <sup>(2)</sup>	0.05	0.09		0.07	0.07	
Nonperforming loans to total loans <sup>(4)</sup>	0.10	0.15		0.10	0.15	
Nonperforming assets to total assets <sup>(4)</sup>	0.18	0.31		0.18	0.31	
Allowance for loan losses to non-purchased loans <sup>(4)</sup>	0.73	0.78		0.73	0.78	
<b>Other information:</b>						
Non-accrual loans <sup>(4)</sup>	\$ 12,899	\$ 14,371		\$ 12,899	\$ 14,371	
Accruing loans - 90 days past due <sup>(4)</sup>	—	—		—	—	
Troubled and restructured loans <sup>(4)</sup>	—	—		—	—	
Impaired purchased loans	10,019	6,516		10,019	6,516	

(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 and any allowance for such loans, except for their inclusion in total assets.

	<u>3/31/16</u>	<u>6/30/16</u>	<u>9/30/16</u>	<u>12/31/16</u>	<u>3/31/17</u>	<u>6/30/17</u>	<u>9/30/17</u>	<u>12/31/17</u>
<b>Earnings Summary:</b>								
Net interest income	\$ 112,517	\$ 119,038	\$ 175,150	\$ 194,800	\$ 190,771	\$ 202,105	\$ 209,722	\$ 214,831
Federal tax (FTE) adjustment	1,911	2,067	2,533	3,254	3,594	3,396	3,014	2,450
Net interest income (FTE)	114,428	121,105	177,683	198,054	194,365	205,501	212,736	217,281
Provision for loan losses	(2,017)	(4,834)	(7,086)	(9,855)	(4,933)	(6,103)	(7,777)	(9,279)
Non-interest income	19,865	22,733	29,231	30,571	29,058	31,840	32,747	30,213
Non-interest expense	(47,686)	(50,928)	(78,781)	(78,358)	(78,268)	(83,828)	(84,399)	(86,177)
Pretax income (FTE)	84,590	88,076	121,047	140,412	140,222	147,410	153,307	152,038
FTE adjustment	(1,911)	(2,067)	(2,533)	(3,254)	(3,594)	(3,396)	(3,014)	(2,450)
Provision for income taxes	(30,984)	(31,514)	(42,470)	(49,312)	(47,417)	(53,488)	(54,246)	(3,434)
Noncontrolling interest	(7)	(21)	(14)	(59)	(23)	6	(40)	10
Net income available to common stockholders	<u>\$ 51,688</u>	<u>\$ 54,474</u>	<u>\$ 76,030</u>	<u>\$ 87,787</u>	<u>\$ 89,188</u>	<u>\$ 90,532</u>	<u>\$ 96,007</u>	<u>\$ 146,164</u>
Earnings per common share – diluted	\$ 0.57	\$ 0.60	\$ 0.66	\$ 0.72	\$ 0.73	\$ 0.73	\$ 0.75	\$ 1.14
<b>Non-interest Income:</b>								
Service charges on deposit accounts	\$ 7,657	\$ 8,119	\$ 10,926	\$ 11,759	\$ 11,301	\$ 11,764	\$ 9,729	\$ 10,058
Mortgage lending income	1,284	2,057	2,616	2,097	1,574	1,910	1,620	1,294
Trust income	1,507	1,574	1,564	1,623	1,631	1,577	1,755	1,729
BOLI income	2,861	2,745	4,638	4,564	4,464	4,594	4,453	5,166
Other income from purchased loans	3,052	4,599	4,635	4,993	3,737	4,777	2,933	2,009
Loan service, maintenance and other fees	949	1,238	1,687	2,962	2,706	3,427	5,274	4,289
Net gains on investment securities	—	—	—	4	—	404	2,429	1,201
Gains on sales of other assets	1,027	998	594	1,537	1,619	672	1,363	1,899
Other	1,528	1,403	2,571	1,032	2,026	2,715	3,191	2,568
Total non-interest income	<u>\$ 19,865</u>	<u>\$ 22,733</u>	<u>\$ 29,231</u>	<u>\$ 30,571</u>	<u>\$ 29,058</u>	<u>\$ 31,840</u>	<u>\$ 32,747</u>	<u>\$ 30,213</u>
<b>Non-interest Expense:</b>								
Salaries and employee benefits	\$ 23,362	\$ 24,921	\$ 38,069	\$ 36,481	\$ 38,554	\$ 39,892	\$ 35,331	\$ 38,417
Net occupancy expense	8,531	8,388	11,669	13,936	13,192	12,937	13,595	13,474
Other operating expenses	14,067	16,062	26,447	24,783	23,377	27,854	32,328	31,141
Amortization of intangibles	1,726	1,557	2,596	3,158	3,145	3,145	3,145	3,145
Total non-interest expense	<u>\$ 47,686</u>	<u>\$ 50,928</u>	<u>\$ 78,781</u>	<u>\$ 78,358</u>	<u>\$ 78,268</u>	<u>\$ 83,828</u>	<u>\$ 84,399</u>	<u>\$ 86,177</u>
<b>Balance Sheet Data:</b>								
Total assets	\$11,427,419	\$12,279,579	\$18,451,783	\$18,890,142	\$19,152,212	\$20,064,589	\$20,768,493	\$21,275,647
Non-purchased loans	7,591,339	8,214,900	8,759,766	9,605,093	10,216,875	11,025,203	12,047,094	12,733,937
Purchased loans	1,678,351	1,515,104	5,399,831	4,958,022	4,580,047	4,159,139	3,731,536	3,309,092
Deposits	9,626,825	10,195,072	15,123,804	15,574,878	15,713,427	16,241,440	16,823,359	17,192,345
Common stockholders' equity	1,508,080	1,556,921	2,756,346	2,791,607	2,873,317	3,260,123	3,334,740	3,460,728
<b>Allowance for Loan Losses:</b>								
Balance at beginning of period	\$ 60,854	\$ 61,760	\$ 65,133	\$ 69,760	\$ 76,541	\$ 78,224	\$ 82,320	\$ 86,784
Net charge-offs	(1,111)	(1,461)	(2,459)	(3,074)	(3,250)	(2,007)	(3,313)	(1,943)
Provision for loan losses	2,017	4,834	7,086	9,855	4,933	6,103	7,777	9,279
Balance at end of period	<u>\$ 61,760</u>	<u>\$ 65,133</u>	<u>\$ 69,760</u>	<u>\$ 76,541</u>	<u>\$ 78,224</u>	<u>\$ 82,320</u>	<u>\$ 86,784</u>	<u>\$ 94,120</u>
<b>Selected Ratios:</b>								
Net interest margin – FTE <sup>(1)</sup>	4.92%	4.82%	4.90%	5.02%	4.88%	4.99%	4.84%	4.72%
Efficiency ratio	35.51	35.41	38.07	34.27	35.03	35.32	34.38	34.82
Net charge-offs to average non-purchased loans <sup>(1) (2)</sup>	0.06	0.05	0.06	0.08	0.05	0.03	0.08	0.08
Net charge-offs to average total loans <sup>(1)</sup>	0.05	0.06	0.07	0.09	0.09	0.05	0.09	0.05
Nonperforming loans to total loans <sup>(3)</sup>	0.15	0.09	0.08	0.15	0.11	0.11	0.11	0.10
Nonperforming assets to total assets <sup>(3)</sup>	0.29	0.25	0.28	0.31	0.25	0.23	0.20	0.18
Allowance for loan losses to total non-purchased loans <sup>(3)</sup>	0.80	0.78	0.78	0.78	0.75	0.73	0.71	0.73
Loans past due 30 days or more, including past due non-accrual loans, to total loans <sup>(3)</sup>	0.23	0.22	0.17	0.16	0.16	0.15	0.12	0.15

<sup>(1)</sup>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 and any allowance for such loans, except for their inclusion in total assets.

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

	Quarters Ended December 31,						Years Ended December 31,					
	2017			2016			2017			2016		
	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)											
<b>ASSETS</b>												
Earning assets:												
Interest earning deposits and federal funds sold	\$ 56,500	\$ 268	1.88%	\$ 52,300	\$ 214	1.63%	\$ 81,504	\$ 656	0.81%	\$ 30,260	\$ 366	1.21%
Investment securities:												
Taxable	1,818,633	9,661	2.11	686,632	3,559	2.06	1,158,519	25,460	2.20	466,059	11,373	2.44
Tax-exempt – FTE	577,614	6,680	4.59	737,712	9,037	4.87	714,329	34,508	4.83	514,545	27,049	5.26
Non-purchased loans – FTE	12,293,725	178,638	5.76	9,017,000	116,565	5.14	10,979,369	607,925	5.54	8,083,647	411,181	5.09
Purchased loans	<u>3,528,823</u>	<u>56,303</u>	6.33	<u>5,197,439</u>	<u>89,408</u>	6.84	<u>4,175,146</u>	<u>276,499</u>	6.62	<u>3,325,443</u>	<u>222,350</u>	6.69
Total earning assets – FTE	18,275,295	251,550	5.46	15,691,083	218,783	5.55	17,108,867	945,048	5.52	12,419,954	672,319	5.41
Non-interest earning assets	<u>2,345,373</u>			<u>2,492,341</u>			<u>2,545,797</u>			<u>1,850,124</u>		
Total assets	<u>\$20,620,668</u>			<u>\$18,183,424</u>			<u>\$19,654,664</u>			<u>\$14,270,078</u>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>												
Interest bearing liabilities:												
Deposits:												
Savings and interest bearing transaction	\$ 9,409,297	\$ 18,052	0.76%	\$ 7,344,679	\$ 6,450	0.35%	\$ 8,587,404	\$ 53,496	0.62%	\$ 5,897,821	\$ 20,316	0.34%
Time deposits of \$100,000 or more	3,043,311	8,218	1.07	3,209,817	6,808	0.84	3,164,843	31,222	0.99	2,439,447	19,906	0.82
Other time deposits	<u>1,452,325</u>	<u>2,880</u>	0.79	<u>1,768,097</u>	<u>2,738</u>	0.62	<u>1,560,035</u>	<u>11,365</u>	0.73	<u>1,448,166</u>	<u>8,372</u>	0.58
Total interest bearing deposits	13,904,933	29,150	0.83	12,322,593	15,996	0.52	13,312,282	96,083	0.72	9,785,434	48,594	0.50
Repurchase agreements with customers	74,233	38	0.21	69,664	26	0.15	75,915	132	0.17	64,044	89	0.14
Other borrowings	124,340	574	1.83	41,947	287	2.72	62,988	1,305	2.07	46,949	1,168	2.49
Subordinated notes	222,846	3,190	5.68	222,467	3,259	5.83	222,705	12,620	5.67	116,679	6,801	5.83
Subordinated debentures	<u>118,723</u>	<u>1,317</u>	4.40	<u>118,165</u>	<u>1,161</u>	3.91	<u>118,515</u>	<u>5,024</u>	4.24	<u>117,958</u>	<u>4,398</u>	3.73
Total interest bearing liabilities	14,445,075	34,269	0.94	12,774,836	20,729	0.65	13,792,405	115,164	0.83	10,131,064	61,050	0.60
Non-interest bearing liabilities:												
Non-interest bearing deposits	2,729,090			2,565,123			2,652,895			2,006,933		
Other non-interest bearing liabilities	<u>77,588</u>			<u>73,806</u>			<u>78,684</u>			<u>60,553</u>		
Total liabilities	17,251,753			15,413,765			16,523,984			12,198,550		
Common stockholders' equity	3,365,848			2,766,415			3,127,576			2,068,328		

Noncontrolling interest	<u>3,067</u>	<u>3,244</u>	<u>3,104</u>	<u>3,200</u>
Total liabilities and stockholders' equity	<u>\$20,620,668</u>	<u>\$18,183,424</u>	<u>\$19,654,664</u>	<u>\$14,270,078</u>
Net interest income – FTE	<u>\$217,281</u>	<u>\$198,054</u>	<u>\$829,884</u>	<u>\$611,269</u>
Net interest margin – FTE	<u>4.72%</u>	<u>5.02%</u>	<u>4.85%</u>	<u>4.92%</u>

#### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

	Quarters Ended		Years Ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	(Dollars in thousands)			
Net income available to common stockholders	\$ 146,164	\$ 87,787	\$ 421,891	\$ 269,979
Average common stockholders' equity before noncontrolling interest	\$3,365,848	\$2,766,415	\$3,127,576	\$2,068,328
Less average intangible assets:				
Goodwill	(660,789)	(658,224)	(660,632)	(363,324)
Core deposit and other intangibles, net of accumulated amortization	(49,927)	(62,937)	(54,702)	(43,623)
Total average intangibles	<u>(710,716)</u>	<u>(721,161)</u>	<u>(715,334)</u>	<u>(406,947)</u>
Average tangible common stockholders' equity	<u>\$2,655,132</u>	<u>\$2,045,254</u>	<u>\$2,412,242</u>	<u>\$1,661,381</u>
Return on average common stockholders' equity <sup>(1)</sup>	<u>17.23%</u>	<u>12.62%</u>	<u>13.49%</u>	<u>13.05%</u>
Return on average tangible common stockholders' equity <sup>(1)</sup>	<u>21.84%</u>	<u>17.08%</u>	<u>17.49%</u>	<u>16.25%</u>

<sup>(1)</sup>Ratios for interim periods annualized based on actual days.

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

	December 31,	
	2017	2016
	(In thousands, except per share amounts)	
Total common stockholders' equity before noncontrolling interest	\$ 3,460,728	\$ 2,791,607
Less intangible assets:		
Goodwill	(660,789)	(660,119)
Core deposit and other intangibles, net of accumulated amortization	(48,251)	(60,831)
Total intangibles	<u>(709,040)</u>	<u>(720,950)</u>
Total tangible common stockholders' equity	<u>\$ 2,751,688</u>	<u>\$ 2,070,657</u>
Shares of common stock outstanding	<u>128,288</u>	<u>121,268</u>
Book value per common share	<u>\$ 26.98</u>	<u>\$ 23.02</u>
Tangible book value per common share	<u>\$ 21.45</u>	<u>\$ 17.08</u>

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

	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
	(Dollars in thousands)	
Total common stockholders' equity before noncontrolling interest	\$ 3,460,728	\$ 2,791,607
Less intangible assets:		
Goodwill	(660,789)	(660,119)
Core deposit and other intangibles, net of accumulated amortization	(48,251)	(60,831)
Total intangibles	<u>(709,040)</u>	<u>(720,950)</u>
Total tangible common stockholders' equity	<u>\$ 2,751,688</u>	<u>\$ 2,070,657</u>
Total assets	\$21,275,647	\$18,890,142
Less intangible assets:		
Goodwill	(660,789)	(660,119)
Core deposit and other intangibles, net of accumulated amortization	(48,251)	(60,831)
Total intangibles	<u>(709,040)</u>	<u>(720,950)</u>
Total tangible assets	<u>\$20,566,607</u>	<u>\$18,169,192</u>
Ratio of total common stockholders' equity to total assets	<u>16.27%</u>	<u>14.78%</u>
Ratio of total tangible common stockholders' equity to total tangible assets	<u>13.38%</u>	<u>11.40%</u>

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