

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

- IRC SECTION 368 (A)
- IRC SECTION 354
- IRC SECTION 356
- IRC SECTION 358
- IRC SECTION 1221
- IRC SECTION 1362

18 Can any resulting loss be recognized? ▶ SEE ATTACHMENT

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE REPORTABLE TAX YEAR IS DECEMBER 31, 2019.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Bob Fehlman

Date ▶ 5.17.2019

Print your name ▶ BOB FEHLMAN

Title ▶ SEVP, CFO, & TREASURER

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
ROBERT PARKER, CPA				P00868782
Firm's name ▶ CROWE LLP	Firm's EIN ▶ 35-0921680			
Firm's address ▶ 720 COOL SPRINGS BLVD, STE 600, FRANKLIN, TN 37067	Phone no 615-360-5500			

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities
Simmons First National Corporation
FEIN: 71-0407808

Part II, Line 14

Simmons First National Corporation (SFNC) acquired Reliance Bancshares, Inc. (Reliance) through a merger transaction and Reliance simultaneously merged into SFNC effective April 12, 2019. The merger qualified as a tax-free reorganization under Section 368 of the Internal Revenue Code.

Part II, Line 15

Pursuant to the Agreement and Plan of Merger, each share of Reliance common stock was exchanged for 0.0431 shares of SFNC common stock and \$0.60 in cash plus cash in lieu of fractional shares. In total, 3,999,623 shares of SFNC stock were issued with a value of \$102,830,307 (\$25.71 per share) along with \$62,568,494 of cash including cash in lieu of fractional shares (calculated as \$24.94 per fractional share).

The merger qualified as a tax-free reorganization under Section 368 of the Internal Revenue Code. As such, the federal income tax consequences to former Reliance shareholders are determined under Code Sections 354, 356, 358 and 1221. A Reliance shareholder who receives cash and SFNC shares generally will recognize gain (but not loss) in the amount equal to the lesser of: (i) the amount by which the sum of the fair market value of the SFNC shares and cash received by the Reliance shareholder exceeds shareholder's adjusted tax basis in the Reliance shares; and (ii) the amount of cash received by such shareholder. Each Reliance shareholder's total tax basis in Reliance common stock should equal such shareholder's total tax basis in the Reliance stock surrendered in the merger transaction, decreased by the amount of cash received and increased by the amount of gain recognized in the transaction.

Part II, Line 16

In exchange for each share of Reliance common stock, the Reliance shareholder will receive 0.0431 shares of SFNC common stock and \$0.60 in cash, with total value of \$1.71. The shareholder will generally recognize capital gain (discussed in #18), with the nature of the gain being determined by how long Reliance stock was held by each individual shareholder.

The basis of SFNC shares received, once computed, must be allocated to the individual SFNC shares received in accordance with Treasury Regulation §1.358-2(a). See also Proposed Treasury Regulation §1.358-2(b). Since fewer shares of SFNC common stock were received than shares of Reliance common stock surrendered, the basis of the Reliance shares surrendered must be allocated to the shares of SFNC stock received in a manner that reflects, to the greatest extent possible, that a share of SFNC stock received is received in respect of Reliance shares of stock that were acquired on the same date and at the same price. To the extent it is not possible to allocate the basis in this manner, the basis of the Reliance shares surrendered must be allocated to the shares of SFNC stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular SFNC share received. This could result in a single share of SFNC stock having a split basis and a split holding period. See Example (14) of Treasury Regulation §1.358-2(c) for an illustration of this principle. Each Reliance shareholder should consult their tax advisor for specific guidance.

The acquisition of Reliance by SFNC on April 12, 2019, qualified as a reorganization within the meaning of Section 368(A) of the Internal Revenue Code. Therefore, the federal income tax consequences to the Reliance shareholders are determined under Code Sections 354, 356, 358 and 1221. Former Reliance shareholders will maintain their historical aggregate tax basis in their newly issued SFNC shares, decreased by the amount of cash received and increased by the amount of gain recognized in the transaction. See explanation on Line 15 regarding the fair market value of SFNC stock.

Part II, Line 18

Reliance shareholders receiving a combination of SFNC stock and cash will generally recognize capital gain, but not loss, equal to the lesser of the total gain realized (difference between the value of cash and stock received over individual tax basis in the SFNC stock surrendered) and the amount of cash received in accordance with IRC Section 356(a)(1) and IRC Section 1001. Each Reliance shareholder should consult their tax advisor for specific guidance.