

Mid-Quarter Update – COVID-19 Loan Modifications

NASDAQ: SFNC

August 31, 2020

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This presentation contains information about internal status categories that the Company uses in connection with its COVID-19 loan modification program. These categories were developed for the Company’s internal purposes only, are not required by any law or regulation that applies to the Company, and are not a substitute or replacement for loan risk ratings used by the Company under generally accepted accounting principles. The Company’s internal status categories for its COVID-19 loan modification program may not be comparable to similar status codes or classifications used by other companies. The Company undertakes no obligation to disclose information about the Company’s internal COVID-19 status categories as of any future date or for any future period and undertakes no obligation to disclose any future changes to the internal status categories that the Company may use in connection with its COVID-19 loan modification program.



COVID-19 Loan Modification Program - Background

- Modification program implemented in mid-March 2020.
- Regulatory guidance formally issued April 7, with multiple updates since (*on-going discussions were taking place with our Regulators prior to April 7 formal issuance*).
- Updates communicated to bankers regularly via e-mail, weekly Division President & Credit Officer calls, guidance delivered in loan committee settings.
- Established four options for modifications:
 - Three month deferral of all payments (*only option provided for Consumer Loans*)
 - Three months interest only
 - Three month deferral of all payments, then three months interest only
 - Six months interest only
- Established internal COVID-19 Status Categories to identify payment status, assist in tracking borrower financial performance, and create proactive monitoring and management of modified credits.
- Regulatory and Accounting implications – Loans receiving COVID-19 modifications are **not** subject to automatic risk rating changes or movement to Classified status. Accounting standard relief has been granted related to Troubled Debt Restructure (TDR) classification, as long as the length of modification granted does not exceed six months.



Internal COVID-19 Status Categories

- **Category 1** – Modification has ended, all deferred payments have been made, borrower has resumed regular payments.
- **Category 2** – Same as 1, except deferred payments have not been repaid. Also includes loans on which modification has not yet ended, but the bank has received specific communication from the borrower that an additional modification will not be needed and the loan will return to regular payments once the modification ends.
- **Category 3A** - Loans in original 90 day modification where projections show they will be able to revert to original repayment terms at expiration, but there has been no specific communication that they will do so. Also includes the following loans:
 - Loans for which it is unknown as to whether the borrower will need further relief beyond the original 90-day modification; and
 - Loans on which the borrower will need or has obtained further modification relief for up to 90 days, but projections show that additional relief beyond the second 90-day period will be not be necessary.
- **Category 3B** – Loans in original 6 month modification where projections show they will be able to revert to original repayment terms at expiration.
- **Category 4** – Borrower still in modification, or will need an additional modification. Projections show return to original terms, but not at end of 6 months. Guarantors and Collateral fully support the credit.
- **Category 5** – Financial projections do not support return to regular payments OR collateral deterioration is likely, which would not fully support the credit. Guarantors are engaged and cooperative.
- **Category 6** - Financial projections do not support return to regular payments AND collateral deterioration is likely, which would not fully support the credit. Guarantors are engaged and cooperative.
- **Category 7** - Financial projections do not support return to regular payments OR collateral deterioration is likely, which would not fully support the credit. Guarantors lack capacity and are unwilling / unable to develop new operating strategy.

COVID-19 Status Category Summary (as of 8/18/20)

COVID-19 Status Category	Balance	Number of Loans	% of Balance	% of Loans	Past Due Balance	Past Due %
Category 1	\$ 148,422,838	827	4.65%	20.16%	\$ 142,744	0.10%
Category 2	\$ 937,121,172	1,312	29.35%	31.98%	\$ 5,905,781	0.63%
Category 3-A (90 Day Modification Periods Only)	\$ 614,632,268	839	19.25%	20.45%	\$ 38,170,797	6.21%
Category 3-B (6-Month Modification Periods Only)	\$ 886,246,583	771	27.76%	18.80%	\$ 7,972,493	0.90%
Category 4	\$ 468,611,997	194	14.68%	4.73%	\$ 80,874,082	17.26%
Category 5	\$ 125,493,805	63	3.93%	1.54%	\$ 9,385,630	7.48%
Category 6	\$ 6,283,057	16	0.20%	0.39%	\$ 192,293	3.06%
Category 7	\$ 670,731	14	0.02%	0.34%	\$ 670,731	100.00%
Not Categorized	\$ 5,407,640	66	0.17%	1.61%	-	0.00%
Total	\$ 3,192,890,091	4,102	100.00%	100.00%	\$ 143,314,551	4.49%



COVID-19 Summary - Division

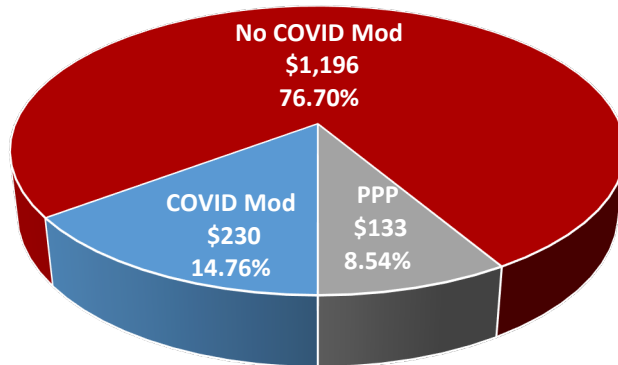
As of 8/18/20

Arkansas Community Division

- 14.76% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.46
- Loans receiving COVID-19 Mod, which are now past due total \$884,000, or 0.05% of total portfolio
- Of 769 COVID-19 Mods, 41% are back on regular payments

Total Portfolio – Arkansas Community

\$1.6 Billion



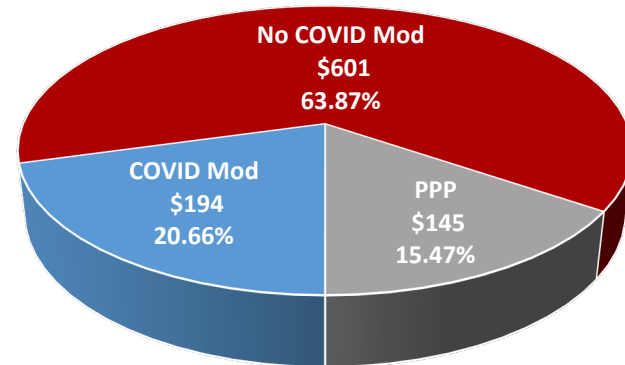
\$ in millions

Central Arkansas Division

- 20.66% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.43
- Loans receiving COVID-19 Mod, which are now past due total \$12.9 million, or 1.38% of total portfolio
- Of 269 COVID-19 Mods, 49% are back on regular payments

Total Portfolio – Central Arkansas

\$940 Million



\$ in millions



PPP = SBA Paycheck Protection Program
Mod = Modification

COVID-19 Summary - Division

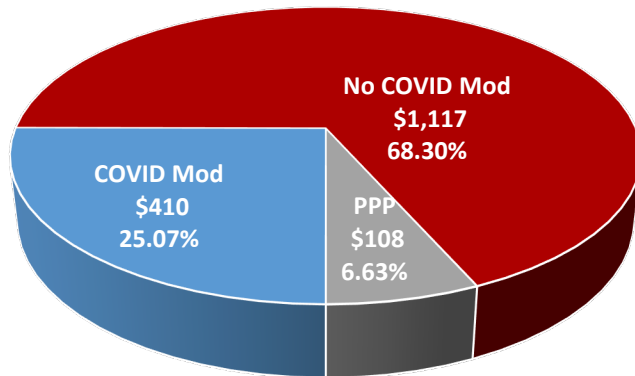
As of 8/18/20

Tennessee Division

- 25.07% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.22
- Loans receiving COVID-19 Mod, which are now past due total \$18.5 million, or 1.13% of total portfolio
- Of 701 COVID-19 Mods, 76% are back on regular payments

Total Portfolio –Tennessee

\$1.6 Billion



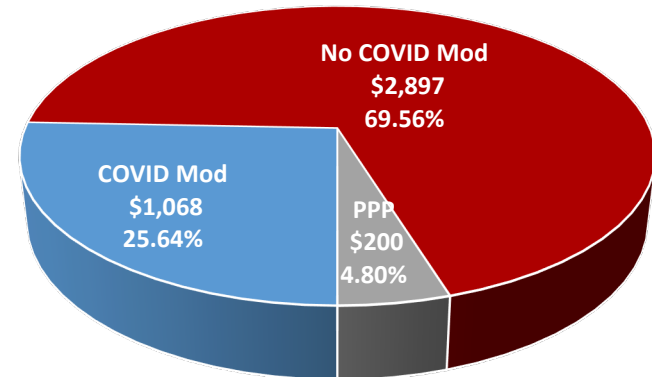
\$ in millions

Missouri Division

- 25.64% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.23
- Loans receiving COVID-19 Mod, which are now past due total \$77.7 million, or 1.86% of total portfolio
- Of 1,414 COVID-19 Mods, 76% are back on regular payments

Total Portfolio – Missouri

\$4.2 Billion



\$ in millions



PPP = SBA Paycheck Protection Program
Mod = Modification

COVID-19 Summary - Division

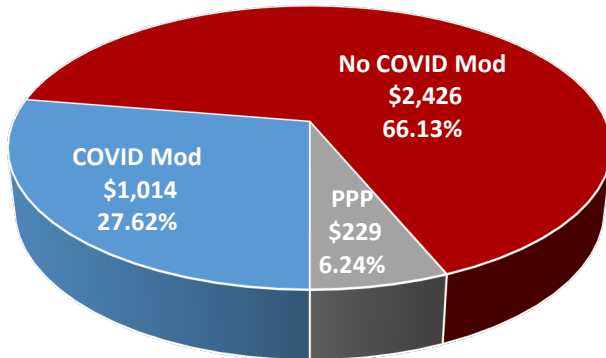
As of 8/18/20

Texas Division

- 27.62% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.68
- Loans receiving COVID-19 Mod, which are now past due total \$28.5 million, or 0.77% of total portfolio
- Of 527 COVID-19 Mods, 59% are back on regular payments

Total Portfolio – Texas

\$3.7 Billion



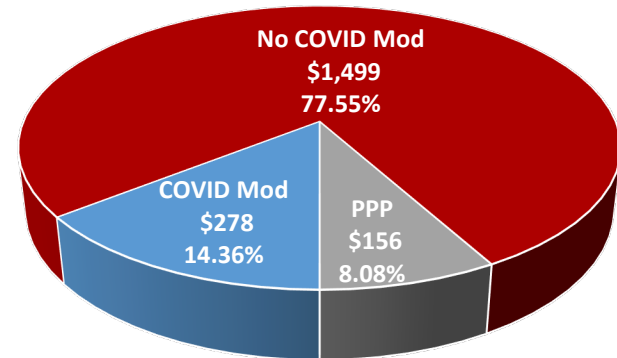
\$ in millions

Western Division

- 14.36% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.51
- Loans receiving COVID-19 Mod, which are now past due total \$4.7 million, or 0.24% of total portfolio
- Of 422 COVID-19 Mods, 48% are back on regular payments

Total Portfolio – Western

\$1.9 Billion



\$ in millions



PPP = SBA Paycheck Protection Program

Mod = Modification

COVID-19 Summary - Select Industries

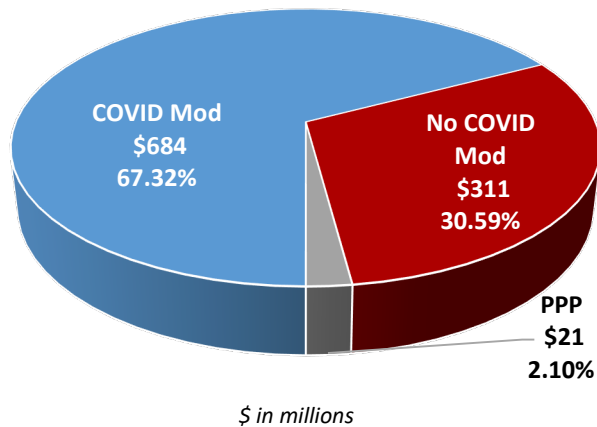
As of 8/18/20

Hotel

- 67.32% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 3.28
- Loans receiving COVID-19 Mod, which are now past due total \$71.1 million, or 7% of total portfolio
- Of 142 COVID-19 Mods, 54% are back on regular payments

Total Portfolio – Hotel

\$1.0 Billion

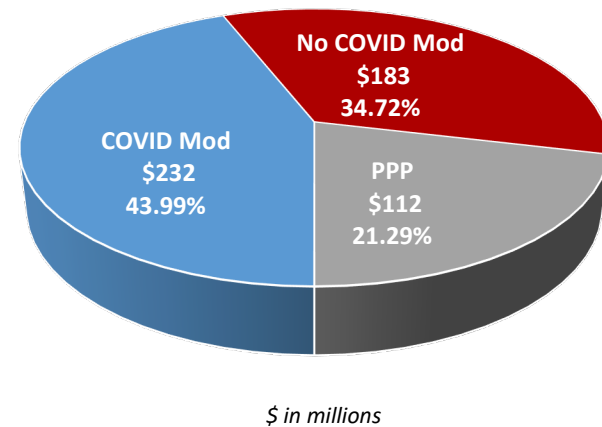


Restaurant

- 43.99% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.60
- Loans receiving COVID-19 Mod, which are now past due total \$135,000, or 0.02% of total portfolio
- Of 282 COVID-19 Mods, 41% are back on regular payments

Total Portfolio – Restaurant

\$527 Million



PPP = SBA Paycheck Protection Program

Mod = Modification



COVID-19 Summary - Select Industries

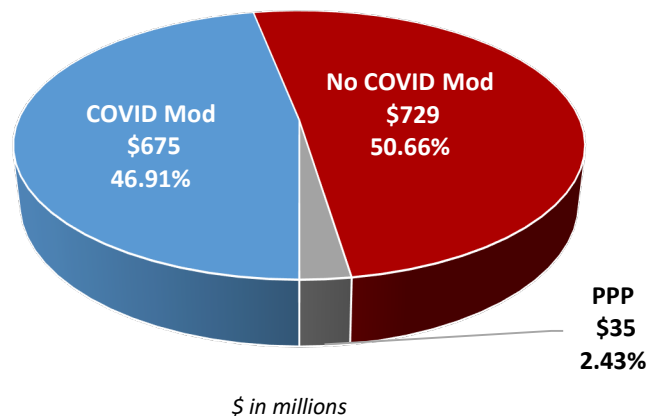
As of 8/18/20

Retail

- 46.91% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.67
- Loans receiving COVID-19 Mod, which are now past due total \$2.1 million, or 0.15% of total portfolio
- Of 370 COVID-19 Mods, 61% are back on regular payments

Total Portfolio – Retail

\$1.4 Billion

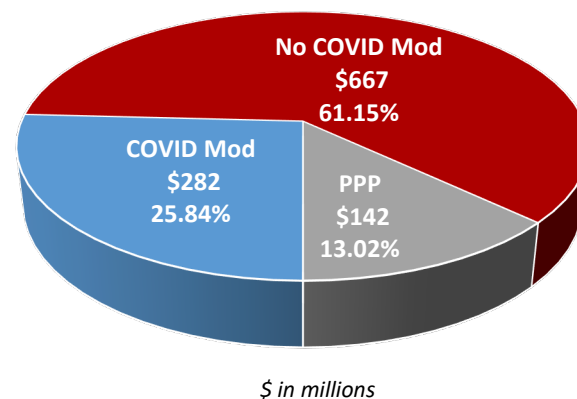


Healthcare (includes Nursing, Extended)

- 25.84% of portfolio has received a COVID-19 Mod
- Average COVID-19 Status Category is 2.50
- Loans receiving COVID-19 Mod, which are now past due total \$1.2 million, or 0.11% of total portfolio
- Of 226 COVID-19 Mods, 46% are back on regular payments

Total Portfolio – Healthcare (includes Nursing, Extended)

\$1.1 Billion



PPP = SBA Paycheck Protection Program
Mod = Modification

COVID-19 Commercial Loan Modifications

Future Focus on COVID-19 Status Categories 4 through 7



COVID-19 Commercial Loan Modifications

As of 8/18/20

Future Focus on COVID-19 Status Categories 4 through 7

	Number of Loans	Balance	% of Total	Balance as a % of Total Loan Portfolio
Category 4	194	\$ 468,611,997	78.1%	3.2%
Category 5	62	125,246,216	20.9%	0.9%
Category 6	6	5,696,002	1.0%	0.0%
Category 7	2	260,386	0.0%	0.0%
Total Category 4 -7	264	\$ 599,814,601	100.0%	4.3%

Status Categories Description

- **Category 4** – Borrower still in modification, or will need an additional modification. Projections show return to original terms, but not at end of 6 months. Guarantors and Collateral fully support the credit.
- **Category 5** – Financial projections do not support return to regular payments OR collateral deterioration is likely, which would not fully support the credit. Guarantors are engaged and cooperative.
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COVID-19 Commercial Loan Modifications – NAICS Code for Category 4 through 7

As of 8/18/20

NAICS Code	Status Category	# of Loans	Balance
111110 - Soybean Farming	5	1	\$ 720,509
213112 - Support Activities for Oil and Gas Operations	4	1	26,350
236118 - Residential Remodelers	4	3	845,326
236118 - Residential Remodelers	7	1	130,923
237990 - Other Heavy and Civil Engineering Construction	4	1	46,567
311520 - Ice Cream and Frozen Dessert Manufacturing	4	27	9,253,703
332312 - Fabricated Structural Metal Manufacturing	4	2	2,327,548
336413 - Other Aircraft Parts and Auxiliary Equipment Manufacturing	4	1	166,704
423690 - Other Electronic Parts and Equipment Merchant Wholesalers	4	1	608,697
424720 - Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	4	1	376,000
442210 - Floor Covering Stores	5	1	1,632,304
445120 - Convenience Stores	4	15	8,230,472
447110 - Gasoline Stations with Convenience Stores	4	6	28,578,848
447110 - Gasoline Stations with Convenience Stores	5	1	457,447
451212 - News Dealers and Newsstands	4	1	502,101
484110 - General Freight Trucking, Local	5	1	1,007,486
484121 - General Freight Trucking, Long-Distance, Truckload	6	2	1,205,879
484210 - Used Household and Office Goods Moving	4	1	1,033,012
485113 - Bus and Other Motor Vehicle Transit Systems	5	6	1,553,603
485320 - Limousine Service	5	1	631,005
485510 - Charter Bus Industry	4	1	888,978
485999 - All Other Transit and Ground Passenger Transportation	5	1	187,178
487110 - Scenic and Sightseeing Transportation, Land	4	5	1,134,790
487110 - Scenic and Sightseeing Transportation, Land	5	1	151,868
512110 - Motion Picture and Video Production	4	3	1,470,979
512131 - Motion Picture Theaters (except Drive-Ins)	5	1	386,514
518210 - Data Processing, Hosting, and Related Services	5	1	68,416
531110 - Lessors of Residential Buildings and Dwellings	4	17	13,149,648
531110 - Lessors of Residential Buildings and Dwellings	5	1	12,738,157
531110 - Lessors of Residential Buildings and Dwellings	7	1	129,464
531120 - Lessors of Nonresidential Buildings (except Miniwarehouses)	4	28	74,321,308
531120 - Lessors of Nonresidential Buildings (except Miniwarehouses)	5	6	7,765,270
531130 - Lessors of Miniwarehouses and Self-Storage Units	4	1	5,073,409

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COVID-19 Commercial Loan Modifications – NAICS Code for Category 4 through 7

As of 8/18/20

NAICS Code	Status Category	# of Loans	Balance
531190 - Lessors of Other Real Estate Property	4	5	\$ 601,090
531190 - Lessors of Other Real Estate Property	5	1	1,971,135
531210 - Offices of Real Estate Agents and Brokers	5	1	40,463
531311 - Residential Property Managers	4	2	309,952
531390 - Other Activities Related to Real Estate	4	2	10,906,541
531390 - Other Activities Related to Real Estate	5	1	641,986
532299 - All Other Consumer Goods Rental	4	2	38,350
551112 - Offices of Other Holding Companies	5	1	190,185
561110 - Office Administrative Services	4	1	535,467
561510 - Travel Agencies	4	1	36,291
561730 - Landscaping Services	5	3	393,028
611110 - Elementary and Secondary Schools	4	2	2,917,008
611620 - Sports and Recreation Instruction	4	1	217,377
621111 - Offices of Physicians (except Mental Health Specialists)	4	1	12,024
623311 - Continuing Care Retirement Communities	4	2	29,889,626
624410 - Child Day Care Services	4	1	6,163,098
711110 - Theater Companies and Dinner Theaters	5	1	207,957
711120 - Dance Companies	4	2	101,067
711130 - Musical Groups and Artists	5	1	72,959
711310 - Promoters of Performing Arts, Sports, and Similar Events with Facilities	4	1	521,753
713940 - Fitness and Recreational Sports Centers	5	1	6,225,000
713990 - All Other Amusement and Recreation Industries	4	1	102,105
721110 - Hotels (except Casino Hotels) and Motels	4	36	247,099,758
721110 - Hotels (except Casino Hotels) and Motels	5	19	83,198,711
721110 - Hotels (except Casino Hotels) and Motels	6	1	2,306,935
721120 - Casino Hotels	4	1	3,911,384
721310 - Rooming and Boarding Houses	4	1	3,772,808
722310 - Food Service Contractors	4	4	2,602,647
722310 - Food Service Contractors	6	1	1,616,534
722410 - Drinking Places (Alcoholic Beverages)	4	1	10,068
722511 - Full-Service Restaurants	4	6	2,013,286
722511 - Full-Service Restaurants	5	6	3,407,880
722511 - Full-Service Restaurants	6	1	539,357

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COVID-19 Commercial Loan Modifications – NAICS Code for Category 4 through 7

As of 8/18/20

NAICS Code	Status Category	# of Loans	Balance
722513 - Limited-Service Restaurants	4	1	\$ 185,322
722513 - Limited-Service Restaurants	5	1	153,389
722515 - Snack and Nonalcoholic Beverage Bars	5	1	23,621
811121 - Automotive Body, Paint, and Interior Repair and Maintenance	4	1	145,600
812111 - Barber Shops	4	1	27,791
812111 - Barber Shops	6	1	27,296
812112 - Beauty Salons	4	1	253,491
812930 - Parking Lots and Garages	4	1	8,000,000
813110 - Religious Organizations	4	1	203,653
813110 - Religious Organizations	5	2	534,228
921110 - Executive Offices	5	1	885,919
Total Commercial Loan Modifications – Category 4 through 7		264	\$599,814,601

