



**Simmons First  
National Corporation** | NASDAQ: SFNC

## Contents

- 3 Loan Portfolio & Asset Quality
- 11 Capital, Deposits, Liquidity & Investments
- 18 4<sup>th</sup> Quarter Earnings Highlights
- 29 Corporate Profile and Company Highlights
- 42 Appendix

4<sup>th</sup> Quarter 2020 Investor Presentation

# Forward-Looking Statements and Non-GAAP Financial Measures

---

**Forward-Looking Statements.** Certain statements by Simmons First National Corporation (the “Company”, which where appropriate includes the Company’s wholly-owned banking subsidiary, Simmons Bank) contained in this presentation may not be based on historical facts and should be considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by reference to a future period(s) or by the use of forward-looking terminology, such as “anticipate,” “estimate,” “expect,” “foresee,” “project,” “may,” “might,” “will,” “would,” “could,” “likely” or “intend,” future or conditional verb tenses, and variations or negatives of such terms. These forward-looking statements include, without limitation, those relating to the Company’s future growth; revenue; expenses (including interest expense and non-interest expenses); assets; asset quality; profitability; earnings; critical accounting policies; accretion; net interest margin; non-interest revenue; market conditions related to and impact of the Company’s common stock repurchase program; adequacy of the allowance for loan losses; income tax deductions; credit quality; level of credit losses from lending commitments; net interest revenue; interest rate sensitivity; loan loss experience; liquidity; capital resources; market risk; the expected benefits, milestones, or costs associated with the Company’s acquisition strategy; the Company’s ability to recruit and retain key employees; the ability of the Company to manage the impact of the COVID-19 pandemic; the impacts of the Company’s and its customers participation in the Paycheck Protection Program (“PPP”); increases in the Company’s security portfolio; legal and regulatory limitations and compliance and competition; anticipated loan principal reductions; fees associated with the PPP; plans for investments in securities; statements under the caption “Management’s Outlook” on slides 22 and 23; the charges, gains, and savings associated with completed and future branch closures and branch sales; expectations and projections regarding the Company’s COVID-19 loan modification program; and projected dividends.

Readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation in that actual results could differ materially from those indicated in such forward-looking statements, due to a variety of factors. These factors include, but are not limited to, changes in the Company’s operating or expansion strategy; the availability of and costs associated with obtaining adequate and timely sources of liquidity; the ability to maintain credit quality; the effect of steps the Company takes in response to the COVID-19 pandemic; the severity and duration of the pandemic, including the effectiveness of vaccination efforts; the pace of recovery when the pandemic subsides and the heightened impact it has on many of the risks described herein; the effects of the pandemic on, among other things, the Company’s operations, liquidity, and credit quality; general market and economic conditions; unemployment; possible adverse rulings, judgments, settlements and other outcomes of pending or future litigation (including litigation arising from the Company’s participation in and administration of programs related to the COVID-19 pandemic (including the PPP)); the ability of the Company to collect amounts due under loan agreements; changes in consumer preferences and loan demand; effectiveness of the Company’s interest rate risk management strategies; laws and regulations affecting financial institutions in general or relating to taxes; the effect of pending or future legislation; the ability of the Company to repurchase its common stock on favorable terms; the ability of the Company to successfully implement its acquisition and branch strategy; changes in interest rates, deposit flows, real estate values, and capital markets; inflation; customer acceptance of the Company’s products and services; changes or disruptions in technology and IT systems (including cyber threats, attacks and events); changes in accounting principles relating to loan loss recognition (current expected credit losses, or CECL); the benefits associated with the Company’s early retirement program and completed and future branch closures and sales; and other risk factors. Other relevant risk factors may be detailed from time to time in the Company’s press releases and filings with the U.S. Securities and Exchange Commission, including, without limitation, the Company’s Form 10-K for the year ended December 31, 2019, and its Form 10-Q for the quarter ended June 30, 2020. Any forward-looking statement speaks only as of the date of this Report, and the Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this Report. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

**Non-GAAP Financial Measures.** This document contains financial information determined by methods other than in accordance with U.S. generally accepted accounting principles (GAAP). The Company’s management uses these non-GAAP financial measures in their analysis of the company’s performance. These measures adjust GAAP performance measures to, among other things, include the tax benefit associated with revenue items that are tax-exempt, as well as exclude from income available to common shareholders, non-interest income, and non-interest expense certain expenses related to significant non-core activities, such as merger-related expenses, expenses related to the Company’s early retirement program, gain on sale of branches, and net branch right-sizing expenses. In addition, the Company also presents certain figures based on tangible common stockholders’ equity, tangible assets, and tangible book value, which exclude goodwill and other intangible assets. The Company further presents certain figures that are exclusive of the impact of PPP loans. The Company’s management believes that these non-GAAP financial measure are useful to investors because they, among other things, present the results of the Company’s ongoing operations without the effect of mergers or other items not central to the Company’s ongoing business, as well as normalize for tax effects. Management, therefore, believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the Company’s core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the appendix to this presentation.



# LOAN PORTFOLIO AND ASSET QUALITY



# Loans – Including PPP Loans

	as of December 31, 2019		as of December 31, 2020						
\$ in millions	Balance \$	% of Total Loans	Balance \$	% of Total Loans	Classified \$	Non- performing \$	ACL %	Unfunded Commitment \$	Unfunded Commitment Reserve
<b>Total Loan Portfolio</b>									
Consumer - Credit Card	205	1%	180	1%	-	-	4.1%	-	
Consumer - Other	250	2%	211	2%	1	1	1.9%	17	
Real Estate - Construction	2,237	16%	1,596	12%	22	4	2.8%	669	
Real Estate - Commercial	6,206	43%	5,747	45%	222	24	2.3%	185	
Real Estate - Single-family	2,442	17%	1,881	15%	36	31	0.5%	220	
Commercial	2,495	17%	2,574	20%	92	66	1.6%	875	
Agriculture	315	2%	176	1%	1	1	0.6%	84	
Other	276	2%	536	4%	17	-	0.4%	1	
<b>Total Loan Portfolio</b>	<b>14,426</b>	<b>100%</b>	<b>12,901</b>	<b>100%</b>	<b>391</b>	<b>127</b>	<b>1.85%</b>	<b>2,051</b>	<b>1.1%</b>
<b>Loan Concentration:</b>									
C&D	98%		68%						
CRE	293%		241%						
<b>Select Loan Categories</b>									
Retail	1,458	10%	1,243	10%	24	3	3.8%	91	
Nursing / Extended Care	444	3%	445	3%	2	-	0.9%	55	
Healthcare	561	4%	588	5%	12	2	0.7%	69	
Multifamily	975	7%	764	6%	22	1	1.1%	73	
Hotel	981	7%	969	8%	147	4	6.2%	30	
Restaurant	445	3%	496	4%	2	1	3.5%	10	
<b>Energy Loans</b>									
Upstream	322	2%	198	2%	49	31	10.2%	53	
Midstream	127	1%	35	0%	17	17	14.6%	5	
Services	18	0%	14	0%	1	1	0.5%	3	
<b>Total Energy</b>	<b>467</b>	<b>3%</b>	<b>247</b>	<b>2%</b>	<b>67</b>	<b>49</b>	<b>10.0%</b>	<b>61</b>	



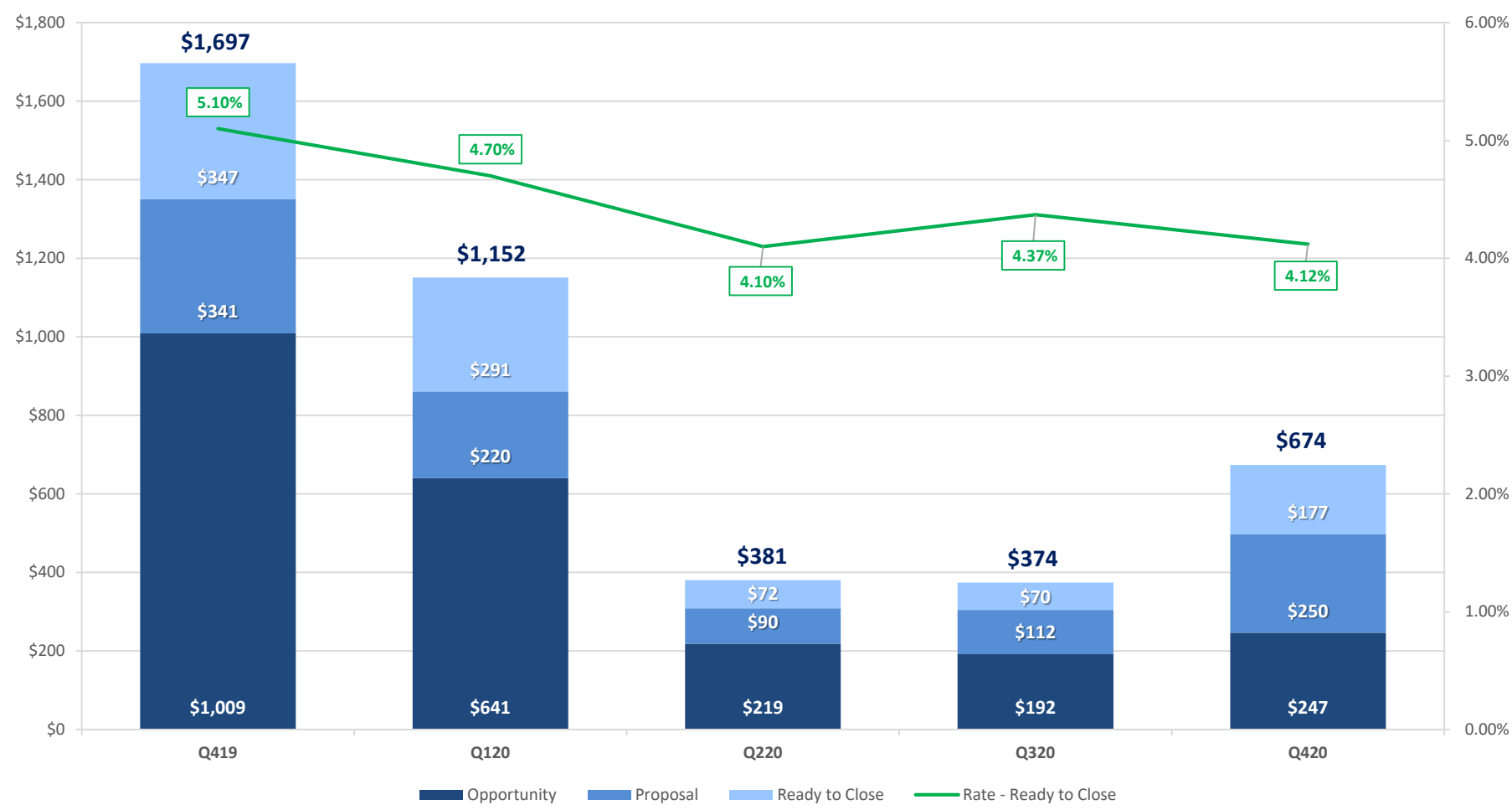
# Loans – Excluding PPP Loans

	as of December 31, 2019		as of December 31, 2020						
\$ in millions	Balance \$	% of Total Loans	Balance \$	% of Total Loans	Classified \$	Non- performing \$	ACL %	Unfunded Commitment \$	Unfunded Commitment Reserve
<b>Total Loan Portfolio</b>									
Consumer - Credit Card	205	1%	180	2%	-	-	4.1%	-	
Consumer - Other	250	2%	211	2%	1	1	1.9%	17	
Real Estate - Construction	2,237	16%	1,596	13%	22	4	2.8%	669	
Real Estate - Commercial	6,206	43%	5,747	48%	222	24	2.3%	185	
Real Estate - Single-family	2,442	17%	1,881	16%	36	31	0.5%	220	
Commercial	2,495	17%	1,669	14%	92	66	2.4%	875	
Agriculture	315	2%	176	1%	1	1	0.6%	84	
Other	276	2%	536	4%	17	-	0.4%	1	
<b>Total Loan Portfolio</b>	<b>14,426</b>	<b>100%</b>	<b>11,996</b>	<b>100%</b>	<b>391</b>	<b>127</b>	<b>1.98%</b>	<b>2,051</b>	<b>1.1%</b>
<u>Loan Concentration:</u>									
C&D	98%		68%						
CRE	293%		241%						
<b>Select Loan Categories</b>									
Retail	1,458	10%	1,211	10%	24	3	3.8%	91	
Nursing / Extended Care	444	3%	427	4%	2	-	1.0%	55	
Healthcare	561	4%	470	4%	12	2	0.8%	69	
Multifamily	975	7%	762	6%	22	1	1.1%	73	
Hotel	981	7%	948	8%	147	4	6.2%	30	
Restaurant	445	3%	385	3%	2	1	3.7%	10	
<u>Energy Loans</u>									
Upstream	322	2%	184	2%	49	31	10.5%	53	
Midstream	127	1%	35	0%	17	17	14.8%	5	
Services	18	0%	11	0%	1	1	0.7%	3	
<b>Total Energy</b>	<b>467</b>	<b>3%</b>	<b>230</b>	<b>2%</b>	<b>67</b>	<b>49</b>	<b>10.7%</b>	<b>61</b>	



# Loan Pipeline Trend by Category<sup>(1)</sup>

\$ in millions



(1) Quarterly amounts adjusted for branches sold in South Texas and Colorado during 2020.

# COVID-19 Loan Modifications

---

*as of January 14, 2021*

## COVID-19 Loan Modification Update

- The majority of COVID-19 loan modifications are projected to return to regular payments prior to end of Q3 2021.
- All risk ratings reviewed and adjusted as needed on all COVID-19 modified loans, and any impact is reflected within the Asset Quality performance.
- Management focus is on loans that received multiple rounds of COVID-19 loan modifications AND are categorized internally as likely to need further payment assistance.
  - 32 loans totaling \$89,000,000
    - 5 hotel projects totaling \$64,000,000
    - 1 senior / independent living complex totaling \$17,000,000
- Continuous monitoring of COVID-19 modified loans as well as timely communications with clients are key objectives.





# PPP Loans

## PPP Round 1 Summary

- PPP Loans are assigned a risk weighting of zero percent
- Average loan amount \$119,000
- Smallest loan amount \$195
- Loan yield 2.74% for fourth quarter 2020 (includes amortization of SBA fee income net of expenses)
- Forgiveness process in place

## PPP Round 2

- System and process in place for Round 2 of PPP
- Funding started in January 2021

Loan Balance	Original Balance (\$ in millions)	# of Loans		12/31/20 Balance (\$ in millions)
\$50,000 or less	\$ 95	5,220	64%	\$ 91
Over \$50,000 to \$350,000	305	2,445	30%	285
\$350,000 to Less than \$2 million	358	481	6%	315
\$2 to \$10 Million	218	62	1%	213
<b>Total</b>	<b>\$ 976</b>	<b>8,208</b>	<b>100%</b>	<b>\$ 905</b>



## Paycheck Protection Program

*An SBA loan that helps businesses keep their workforce employed during the Coronavirus (COVID-19) crisis.*



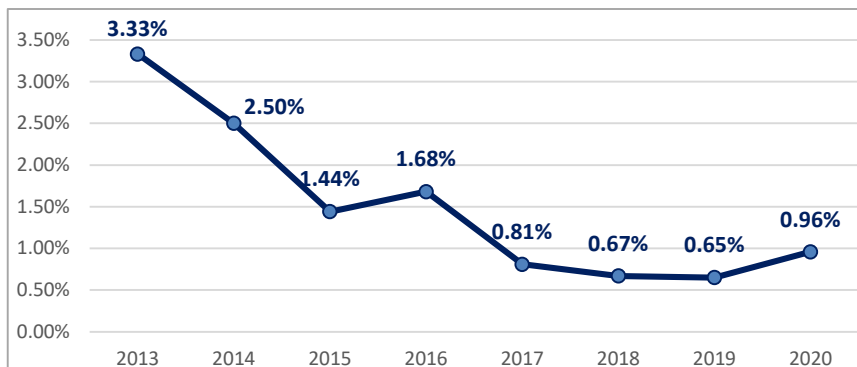


# Credit Quality

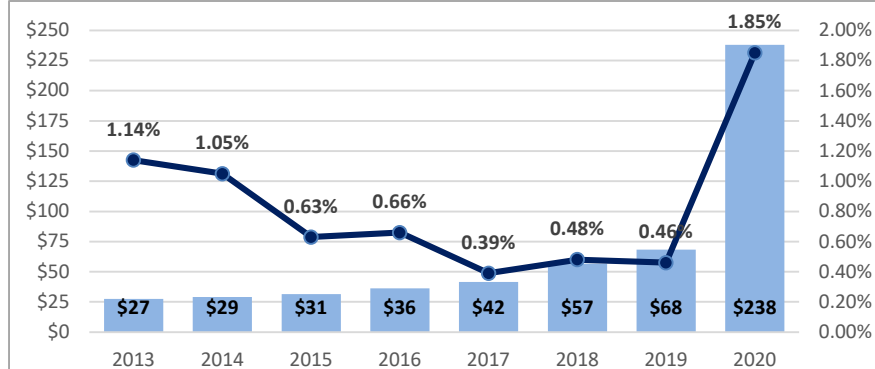
\$ in millions

## ASSET QUALITY TRENDS

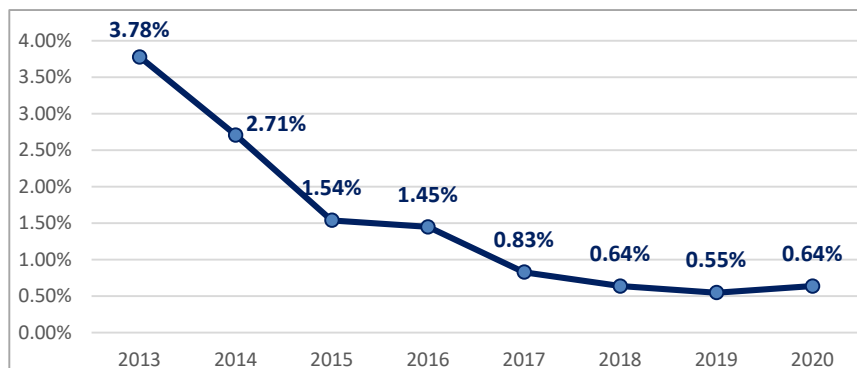
### Non-performing Loans / Loans



### ACL/ALLL <sup>(1)</sup> / Loans (%) and ACL/ALLL (\$)



### Non-performing Assets / Assets



Quarterly Trend	9/30/20	12/31/20	Change
NPL / Loans	1.20%	0.96%	(0.24%)
Non-performing Loans	\$168.5	\$123.3	(\$45.2)
NPA / Assets	0.85%	0.64%	(0.21%)
Non-performing Assets	\$183.1	\$143.7	(\$39.4)
Past Due 30+ Days / Loans	0.13%	0.21%	0.08%
Net Charge-offs <sup>(2)</sup> / Loans (YTD)	0.43%	0.45%	0.02%
Credit Card Portfolio Net Charge-off Ratio (QTD)	1.26%	1.20%	(0.06%)
ACL / Loans	1.77%	1.85%	0.08%

Source: S&P Global Market Intelligence 2013-2020 (which metrics are as of December 31 of the relevant year)

(1) ALLL for 2013 – 2019 and ACL 12/31/20.

(2) YTD annualized net charge-offs.



# Allowance for Credit Losses (ACL)

\$ in millions

Allowance for Loan Losses and Loan Coverage					
	ALLL or ACL	Loan Discount	Total Loan Coverage	ACL (ALLL)/ Loans	ACL (ALLL)/ Loans excluding PPP <sup>(1)</sup>
<b>ALLL as of 12/31/19</b>	<b>\$ 68.2</b>	<b>\$ 87.3</b>	<b>\$ 155.5</b>	<b>0.47%</b>	<b>0.47%</b>
CECL Day 1 Adoption Impact	151.4	(87.3)	64.1		
<b>ACL as of 01/01/20</b>	<b>\$ 219.6</b>	<b>\$ 0</b>	<b>\$ 219.6</b>	<b>1.52%</b>	<b>1.52%</b>
Q1-20 Provision, net of charge-offs	23.6		23.6		
<b>ACL as of 03/31/20</b>	<b>\$ 243.2</b>	<b>\$ 0</b>	<b>\$ 243.2</b>	<b>1.69%</b>	<b>1.69%</b>
Q2-20 Provision	26.7		26.7		
Q2-20 Net charge-offs	(38.2)		(38.2)		
<b>ACL as of 06/30/20</b>	<b>\$ 231.6</b>	<b>\$ 0</b>	<b>\$ 231.6</b>	<b>1.59%</b>	<b>1.70%</b>
Q3-20 Provision	22.3		22.3		
Q3-20 Net charge-offs	(5.7)		(5.7)		
<b>ACL as of 09/30/20</b>	<b>\$ 248.3</b>	<b>\$ 0</b>	<b>\$ 248.3</b>	<b>1.77%</b>	<b>1.90%</b>
Q4-20 Provision	7.3		7.3		
Q4-20 Net charge-offs	(17.5)		(17.5)		
<b>ACL as of 12/31/20</b>	<b>\$ 238.0</b>	<b>\$ 0</b>	<b>\$ 238.0</b>	<b>1.85%</b>	<b>1.98%</b>

Reserve for Unfunded Commitments				
	as of 03/31/20	as of 06/30/20	as of 09/30/20	as of 12/31/20
<b>Unfunded Commitments</b>	\$2,765	\$2,616	\$2,344	\$2,051
<b>Reserve</b>	\$29.4	\$24.4	\$24.4	\$22.4
<b>Reserve / Unfunded Balance</b>	1.1%	0.9%	1.0%	1.1%

## ACL Methodology as of 12/31/20:

- Quantitative allocation: **0.81%**  
Moody's December 2020 scenarios with management's weighting: *S1* (17%) / *Baseline* (68%) / *S2* (15%)
- Qualitative allocation: **1.04%**
- \$136MM in individually assessed loans with related reserves of \$15MM
- Total ACL / Loans: **1.85%**



CECL = Current Expected Credit Losses methodology for estimating ACL

ACL = Allowance for Credit Losses on Loans

PCD = Purchased Credit-Deteriorated Financial Assets

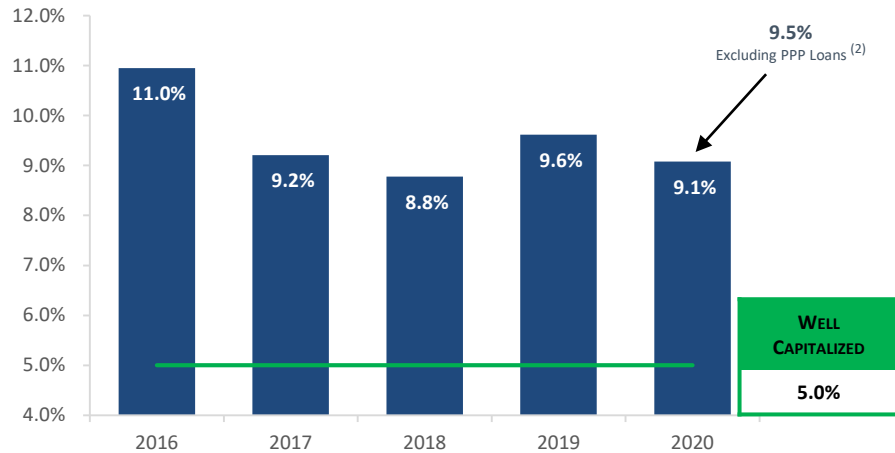
(1) Figures excluding PPP loans are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

# CAPITAL, DEPOSITS, LIQUIDITY AND INVESTMENTS

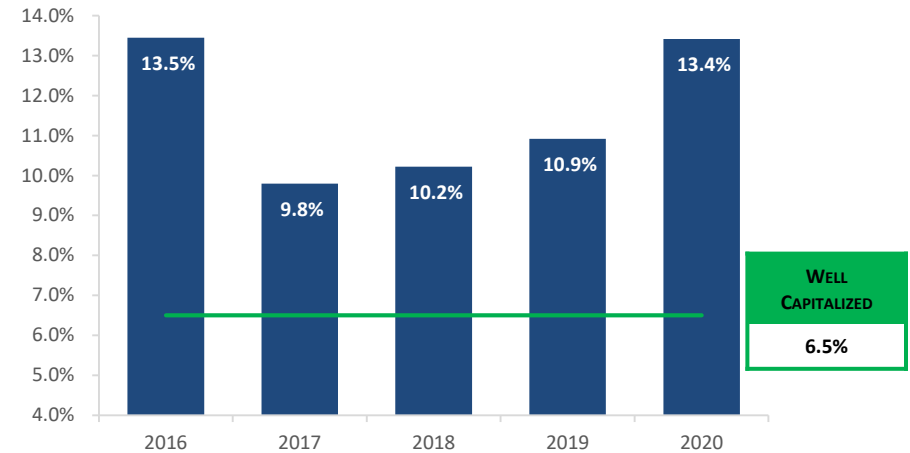


# Regulatory Capital Ratios

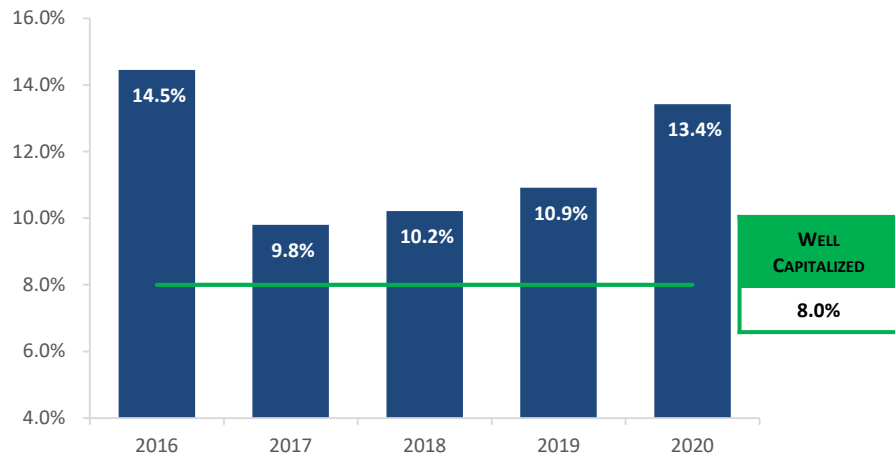
TIER 1 LEVERAGE RATIO<sup>(1)</sup>



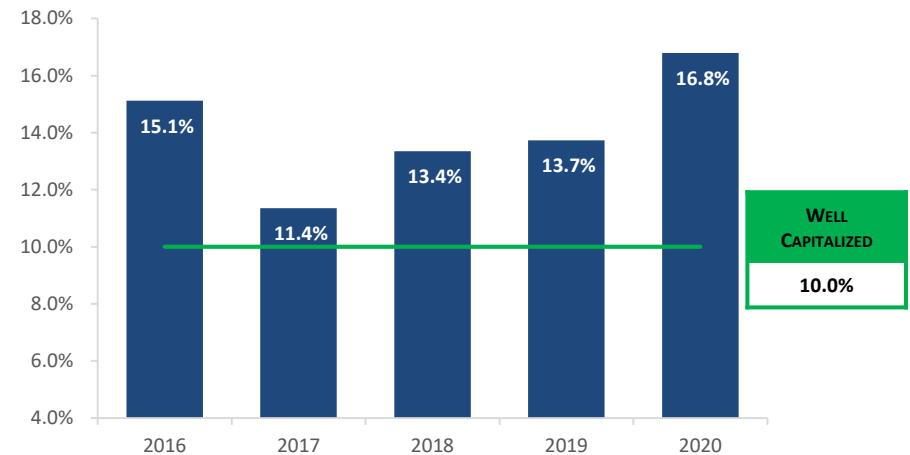
CET1 CAPITAL RATIO<sup>(1)</sup>



TIER 1 RISK-BASED CAPITAL RATIO<sup>(1)</sup>



TOTAL RISK-BASED CAPITAL RATIO<sup>(1)</sup>



(1) As of December 31.

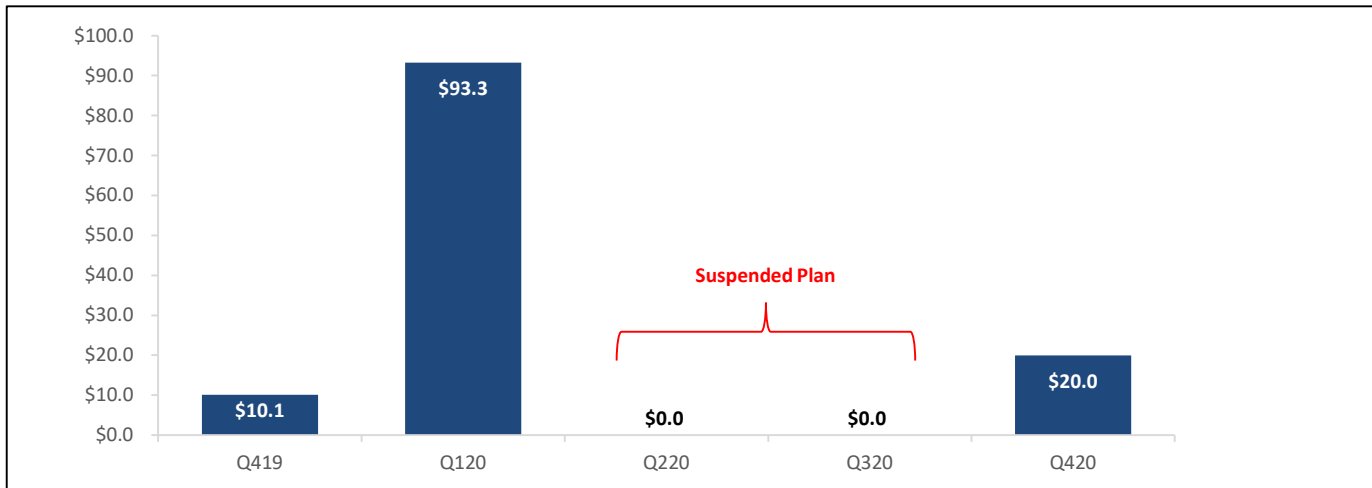
(2) Figures excluding PPP loans are non-GAAP measurements. See Appendix for non-GAAP reconciliations.



# Stock Repurchase Program

- Summary of stock repurchases since reinitiating program in Q4 2019:
  - \$123 million
  - 6.3 million shares or about 5.5% of outstanding
  - Average price \$19.45
- \$56.5 million remaining under current plan

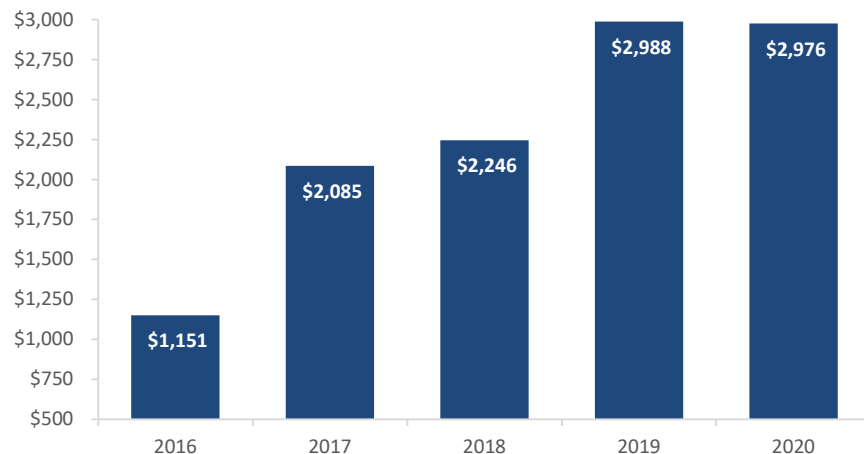
REPUCHASE BY QUARTER <sup>(1)</sup>



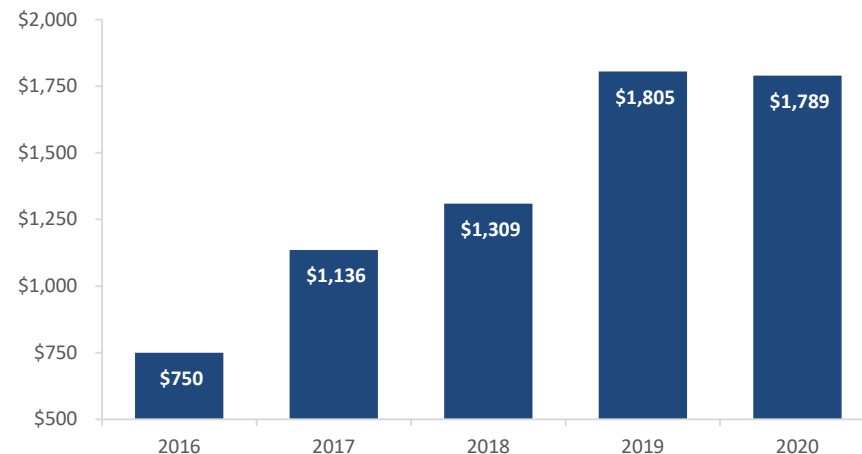
1) \$ in millions

# Book Value & Tangible Book Value

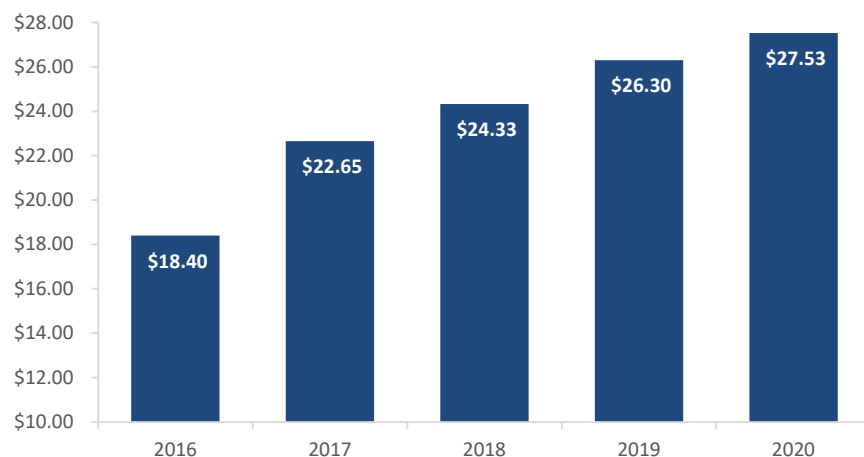
BOOK VALUE (\$ IN MILLIONS)<sup>(1)</sup>



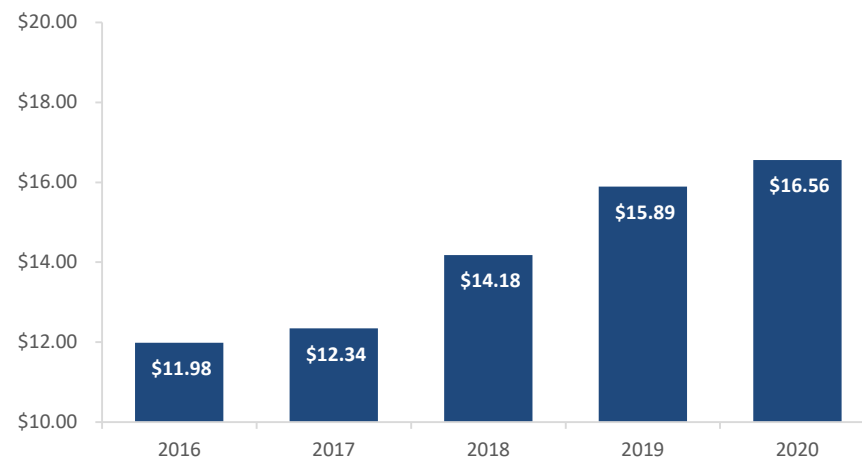
TANGIBLE BOOK VALUE (\$ IN MILLIONS)<sup>(1)(2)</sup>



BOOK VALUE PER SHARE<sup>(1)</sup>



TANGIBLE BOOK VALUE PER SHARE<sup>(1)(2)</sup>



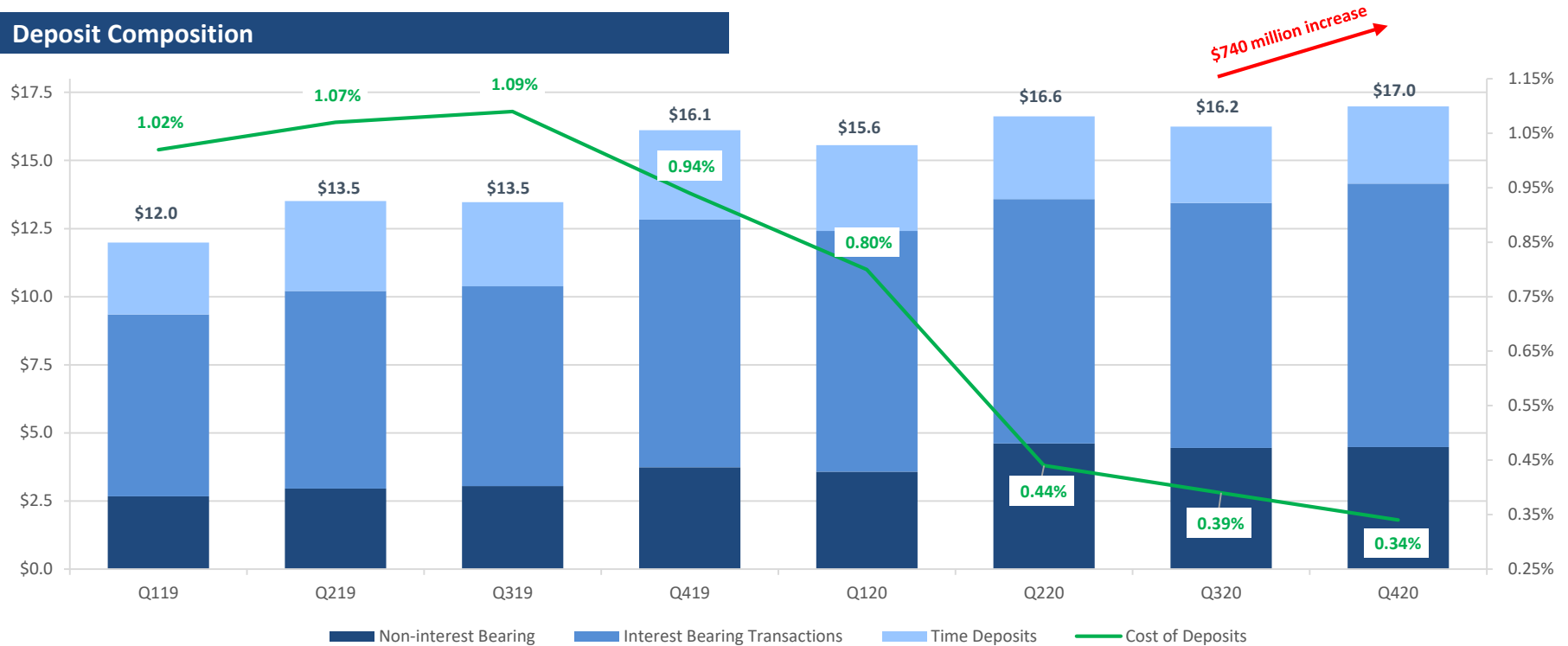
(1) As of December 31.

(2) Figures based on tangible book value (which excludes goodwill and other intangible assets) are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

# Deposits

\$ in billions

## Deposit Composition



## Interest Bearing Deposit Repricing

- **Interest Rates** – In March 2020, the Fed reduced the Fed Funds target rate by 150 basis points.
- **Interest Bearing Transaction Deposits** – Rates were lowered during the latter part of the first quarter.
- **Time Deposits** – Rates were lowered during the latter part of the first quarter. Based on maturities, we expect there will be a continued lag in the impact to interest expense.



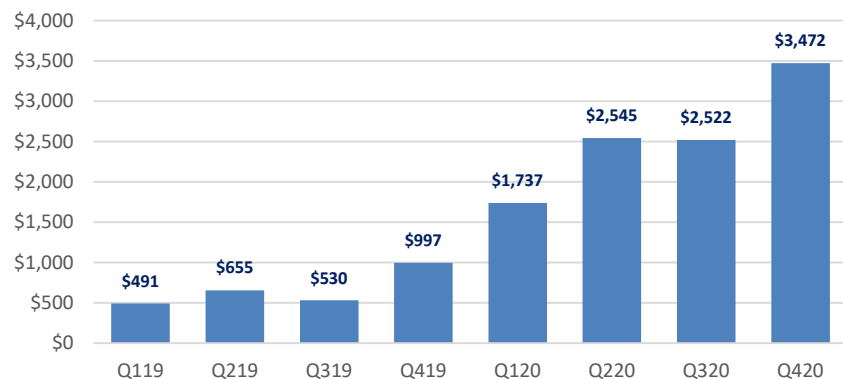


# Liquidity

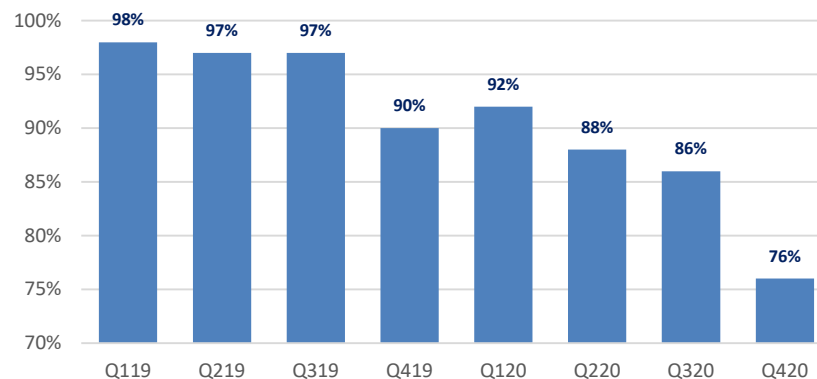
- Approximately \$3.5 billion in Cash and Cash Equivalents as of 12/31/20
  - Intentionally increased cash position in Q1
  - In Q1, sold investment securities when the 10YR TSY was near historic lows
  - Approximately \$900 million increase in deposits since 12/31/19
- Over \$5 billion available in secondary borrowing sources of liquidity as of quarter end
- Substantial access to brokered deposits
- Loan/Deposit Ratio of 76% as of 12/31/20 (71% excluding PPP loans <sup>(1)</sup>)

## Cash and Cash Equivalents

(In millions)



## Loans / Deposits



(1) Figures excluding PPP loans are non-GAAP measurements. See Appendix for non-GAAP reconciliations.



# Investment Security Portfolio

\$ in millions

## Strategy

- In Q120, sold ~\$1 billion of investment securities to:
  - De-risk the balance sheet
  - Create liquidity
  - Recognize gains of over \$30 million
  - Increase capital
- In Q320, sold ~\$500 million of investment securities
  - Projected calls for the next 12-18 months and realized gains
  - Recognized gains of over \$22 million
- Expect to increase the security portfolio to over \$5 billion in 2021

## Purchased \$1.2 billion during Q420 using a “Barbell Strategy”

	Balance	Yield	Duration in Years
Treasury/Agency	\$ 10	0.95%	0.1
MBS	570	1.43%	7.9
Municipal	608	2.76%	8.5
Corporate	31	3.92%	4.4
<b>Total</b>	<b>\$1,219</b>	<b>2.15%</b>	<b>8.0</b>

## Investment Portfolio Summary as of December 31, 2020

	Balance	Yield	Duration in Years	Gain (Loss)	AFS	HTM
Treasury/Agency	\$ 407	1.70%	4.6	\$0	100%	0%
MBS	1,353	1.29%	2.3	18	98%	2%
Municipal	1,785	3.19%	7.0	63	82%	18%
Corporate	126	4.69%	3.8	2	99%	1%
Other	136	1.66%	1.9	2	100%	0%
<b>Total</b>	<b>\$3,807</b>	<b>2.34%</b>	<b>4.8</b>	<b>\$ 85</b>	<b>91%</b>	<b>9%</b>



## 4<sup>th</sup> Quarter 2020 Earnings Highlights



# Financial Highlights

QUARTERLY RESULTS \$ IN MILLIONS, EXCEPT PER SHARE DATA	Q3 2020 EARNINGS	Q4 2020 EARNINGS	CHANGE		Q3 2020 DILUTED EPS	Q4 2020 DILUTED EPS	CHANGE	
			\$	%			\$	%
GAAP Results	\$ 65.89	\$ 52.96	\$ (12.93)	(19.6%)	\$ 0.60	\$ 0.49	\$ (0.11)	(18.3%)
Non-Core Items	2.45	9.02	6.57	268.2%	0.03	0.08	0.05	166.7%
Non-GAAP Core Results	\$ 68.34	\$ 61.98	\$ (6.36)	(9.3%)	\$ 0.63	\$ 0.57	\$ (0.06)	(9.5%)
ROA	1.20%	0.96%						
Core ROA	1.25%	1.13%						
ROACE	8.91%	7.13%						
Core ROACE	9.24%	8.34%						
ROTCE	15.45%	12.48%						
Core ROTCE	16.00%	14.51%						
Efficiency Ratio <sup>(1)</sup>	54.12%	55.27%						
NIM	3.21%	3.22%						
Core NIM	3.02%	3.04%						

YTD RESULTS (as of December 31) \$ IN MILLIONS, EXCEPT PER SHARE DATA	2019 EARNINGS	2020 EARNINGS	CHANGE		2019 DILUTED EPS	2020 DILUTED EPS	CHANGE	
			\$	%			\$	%
GAAP Results	\$ 237.83	\$ 254.85	\$ 17.02	7.2%	\$ 2.41	\$ 2.31	\$ (0.10)	(4.1%)
Non-Core Items	31.74	9.45	(22.29)	(70.2%)	0.32	0.09	(0.23)	(71.9%)
Non-GAAP Core Results	\$ 269.57	\$ 264.30	\$ (5.27)	(2.0%)	\$ 2.73	\$ 2.40	\$ (0.33)	(12.1%)
ROA	1.33%	1.18%						
Core ROA	1.51%	1.22%						
ROACE	9.93%	8.72%						
Core ROACE	11.25%	9.05%						
ROTCE	17.99%	15.25%						
Core ROTCE	20.31%	15.79%						
Efficiency Ratio <sup>(1)</sup>	50.33%	54.66%						
NIM	3.85%	3.38%						
Core NIM	3.59%	3.16%						



Note: Core figures (excluding Core NIM) exclude non-core income and expense items (e.g., early retirement program costs, gain on sale of banking operations, merger related costs and branch right-sizing costs). Core NIM excludes purchase accounting interest accretion. Core figures, as well as figures based on tangible common equity (which excludes goodwill and other intangible assets), are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

(1) Efficiency ratio is core non-interest expense before foreclosed property expense and amortization of intangibles as a percent of net interest income (fully taxable equivalent) and non-interest revenues, excluding gains and losses from securities transactions and non-core items, and is a non-GAAP measurement. See Appendix for non-GAAP reconciliations.

# 2020 Financial Highlights

*As of and for the year ended December 31, 2020*

## SELECTED HIGHLIGHTS<sup>(1)(2)</sup>

- Total Assets of \$22.4 billion, Loans were \$12.9 billion and Deposits were \$17.0 billion
  - ROAA of 1.18% and Core ROAA of 1.22%
  - Efficiency Ratio of 54.66%
  - ROACE of 8.72% and Core ROACE of 9.05%
  - ROTCE of 15.25% and Core ROTCE of 15.79%
  - NIM of 3.38% and Core NIM of 3.16%
  - Diluted EPS of \$2.31 and Core Diluted EPS of \$2.40
- 
- Construction & Development concentration was 68%
  - CRE concentration was 241%, down from a high of 333% at the end of the second quarter of 2019
- 
- Equity to asset ratio of 13.3% and tangible common equity to tangible asset ratio of 8.5%
  - Book value per share of \$27.53, an increase of 4.7% compared to the same date in 2019
  - Tangible book value per share of \$16.56, an increase of 4.2% compared to the same date in 2019
  - Since October 17, 2019, the Company has repurchased approximately 6.3 million shares at a weighted average price of \$19.45
- 

## NON-CORE ITEMS

- Gain on sale of branches, merger-related, early retirement program and branch right-sizing costs of \$12.8 million pre-tax and \$9.4 million after-tax



(1) Core figures (excluding Core NIM) exclude non-core income and expense items (e.g., early retirement program costs, gain on sale of branches, merger related costs and branch right-sizing costs). Core NIM excludes purchase accounting interest accretion. Core figures, as well as figures based on tangible common equity (which excludes goodwill and other intangible assets), are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

(2) Efficiency ratio is core non-interest expense before foreclosed property expense and amortization of intangibles as a percent of net interest income (fully taxable equivalent) and non-interest revenues, excluding gains and losses from securities transactions and non-core items, and is a non-GAAP measurement. See Appendix for non-GAAP reconciliations.

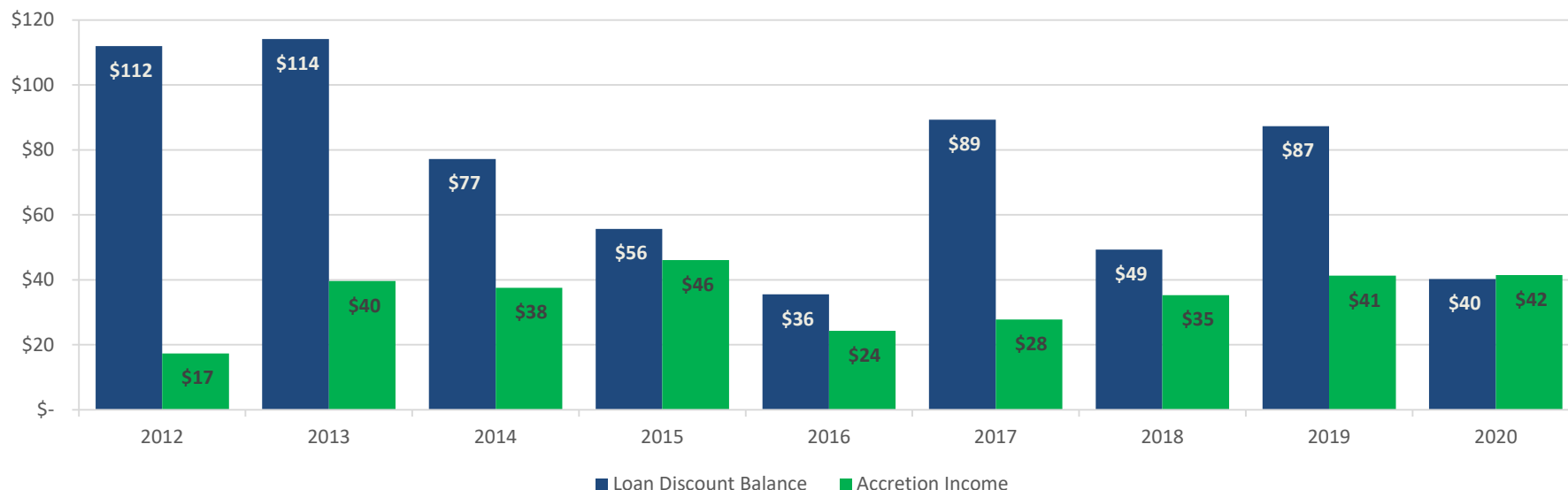
# Net Interest Income

\$ in millions

	2019	2020			
	Q4	Q1	Q2	Q3	Q4
Loan Yield <sup>(1)</sup>	5.43%	5.19%	4.84%	4.54%	4.74%
Core Loan Yield <sup>(1)(2)</sup>	5.00%	4.86%	4.52%	4.29%	4.47%
Security Yield <sup>(1)</sup>	2.73%	2.63%	2.50%	2.60%	2.48%
Cost of Interest Bearing Deposits	1.22%	1.03%	0.59%	0.54%	0.47%
Cost of Deposits	0.94%	0.80%	0.44%	0.39%	0.34%
Cost of Borrowed Funds	2.30%	2.06%	1.84%	1.85%	1.88%
Net Interest Margin <sup>(1)</sup>	3.78%	3.68%	3.42%	3.21%	3.22%
Core Net Interest Margin <sup>(1)(2)</sup>	3.44%	3.42%	3.18%	3.02%	3.04%
Fed Funds Target Rate	1.75%	0.25%	0.25%	0.25%	0.25%

2021 SCHEDULED ACCRETION	
Q1 (Estimated)	\$3.4
Q2 (Estimated)	\$3.2
Q3 (Estimated)	\$3.0
Q4 (Estimated)	\$2.8
FY21 (Estimated)	\$12.4

## HISTORICAL LOAN DISCOUNT BALANCE & ACCRETION INCOME



(1) Fully tax equivalent using an effective tax rate of 26.135%.

(2) Core loan yield and core net interest margin exclude accretion and are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

# Revenue

Category	Q4-20 Linked Quarter Change	Management's Outlook
Interest Income	<b>Down \$0.6 million</b> Primarily driven by lower loan volume, which was mostly offset by a \$900 million increase in the security portfolio.	Management anticipates the following for 2021: 1) Organic loan growth in the mid single digits 2) PPP balances to be forgiven or paid-off by year-end 2021 3) Security portfolio balance to be \$5 billion by year-end 2021 4) Stable loan rates 5) New security yields at lower rates
Interest Expense	<b>Down \$2.0 million</b> Cost of deposits declined by 5 basis points, primarily driven by time deposit repricing.	Cost of deposits decreased 60 basis points from 12/31/19 to 12/31/20. Anticipate slight additional decline in Q121.
Net Interest Income	<b>Up \$1.4 million</b> Driven by lower cost of deposits.	Expect a slightly improving net interest income and NIM for Q121, as PPP loans are forgiven and the expected increase in the security portfolio.
Trust Revenue	<b>Down \$0.2 million</b>	Anticipate flat Trust revenue for the first three quarters, until our new staff is onboard and productive.
Service Charges	<b>Up \$0.4 million</b> Increase was primarily due to fourth quarter seasonal increase.	We expect the stimulus to lead to a reduction in services charges and we are providing relief to some overdraft fees.
Mortgage Revenue	<b>Down \$11.0 million</b> Mortgage loan volume declined in Q4, which resulted in lower revenue and a decrease in the fair value mandatory delivery adjustment.	We would expect mortgage volume to decline throughout 2021.
Debit and Credit Card fees	<b>Down \$0.1 million</b> Merchant revenue down slightly from Q320.	Anticipate modest increase for 2021.
Gain on Sale of Securities	<b>Down \$22.3 million</b> No securities sold in Q420.	Management will continue to look for opportunities to maximize the value of the investment portfolio.
Other income	<b>Up \$5.2 million</b> Increase was primarily attributable to year-end adjustments in CRA related SBIC investment funds.	Management expects other income to more closely track historical trends in 2021.





# Provision and Non-interest Expense

Category	Q4-20 Linked Quarter Change	Management's Outlook
<b>Provision Expense</b>	<b>Down \$16.0 million</b> Provision expense was lower in Q420 due to an improvement in Moody's Economic Scenario Forecast, decline in loan portfolio and a decline in non-performing loans.	We expect lower provisioning in 2021, subject to the following: <ol style="list-style-type: none"> <li>1. Loan Growth – expect mid single digit growth</li> <li>2. Charge-off's – if not specifically reserved</li> <li>3. Moody's Economic Scenario Forecast:  <u>Management's weighting for Q4:</u> <ul style="list-style-type: none"> <li>• Moody's S1: 17%</li> <li>• Moody's Baseline: 68%</li> <li>• Moody's S2: 15%</li> </ul> </li> </ol>

<b>Salaries and Employee Benefits</b>	<b>Down \$5.4 million</b> <u>Non-core</u> – down \$3.2 million from Q320 related to branch rightsizing and other non-core items. <u>Core</u> – down \$2.3 million, impact from efficiency initiatives and year-end accrual adjustments.	Expect increase in Q121 due to first quarter timing of payroll taxes and 401k expense.
<b>Occupancy Expense</b>	<b>Down \$0.5 million</b> <u>Non-core</u> – up \$0.7 million related to branch rightsizing and other non-core items. <u>Core</u> – down \$1.2 million, impact from efficiency initiatives.	Expect occupancy expense for 2021 to be down as a result of the branch rightsizing initiative in 2020.
<b>Other operating Expense</b>	<b>Up \$15.0 million</b> <u>Non-core</u> – up \$10.3 million related to branch rightsizing. <u>Core</u> – up \$4.7 million, due to the special \$3 million contribution to the Simmons First Foundation and timing differences in legal, audit and marketing expenses.	Enhanced emphasis on efficiencies throughout the Company. We will continue to invest in our digital capacity.
<b>Non-interest Expense</b>	<b>\$128.1 Million, up \$9.2 million</b> <u>Non-core</u> – \$12.5 million, up \$8.8 million related to branch rightsizing and other non-core items. <u>Core</u> – \$115.6 million, up \$0.4 million.	Anticipate quarterly run-rate of approximately \$114-\$116 million in Q1 and \$112-\$115 million for each other quarter in 2021.

# Branch Rightsizing Initiative

## Branch Closings

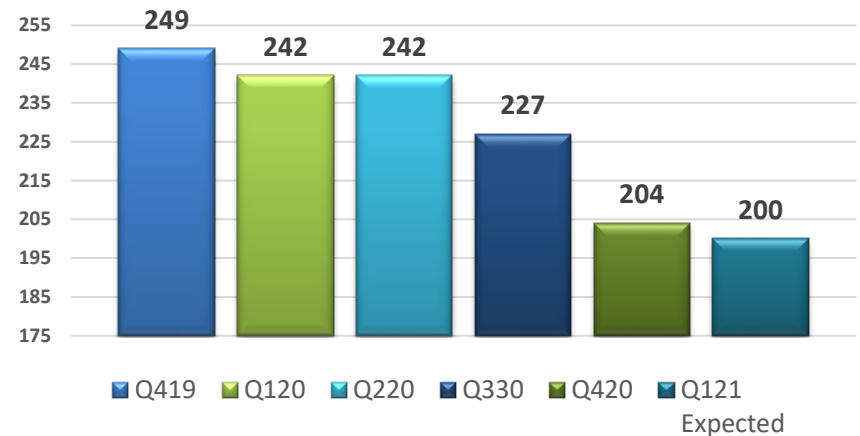
Location	Date Closed	Number of Branches	One-time Charge in millions	Expected Annual Savings in millions	Expected Earn Back
Landrum Branches	Feb. 2020	6	\$0.4	\$0.6	< 1YR
Various	June 2020	11	\$1.9	\$2.4	< 1YR
Various	Oct. 2020	23	\$9.6	\$6.7	< 1.4YR

## Branch Sales

Location	Date Sold	Number of Branches	Deposits in millions	Loans in millions	Gain on Sale in millions
South TX	Feb. 2020	5	\$140	\$261	\$5.9
Colorado	May 2020	4	\$63	\$121	\$2.2
Illinois	Mar. 2021 Expected	4	~\$140	~\$1	TBD

**Announced the closing or sale of 49 branches (20%) since 12/31/19**

## Number of Active Branches



**Will continue to review other branch rightsizing opportunities**

# Key Ratios Adjusted for PPP Loans

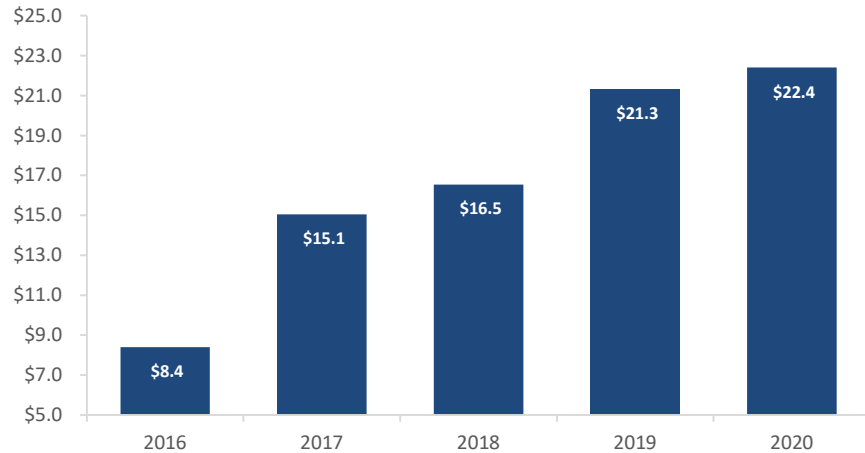
As of and for the quarter ended December 31, 2020	Including PPP Loans	Excluding PPP Loans <sup>(1)</sup>
Loan yield	4.74%	4.89%
Core Loan Yield	4.47%	4.60%
Allowance for credit losses to total loans	1.85%	1.98%
Stockholders' equity to total assets	13.31%	13.87%
Tangible common equity to tangible assets	8.45%	8.83%
Regulatory tier 1 leverage ratio	9.08%	9.50%
Loans / Deposits	76%	71%

(1) Figures excluding PPP loans are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

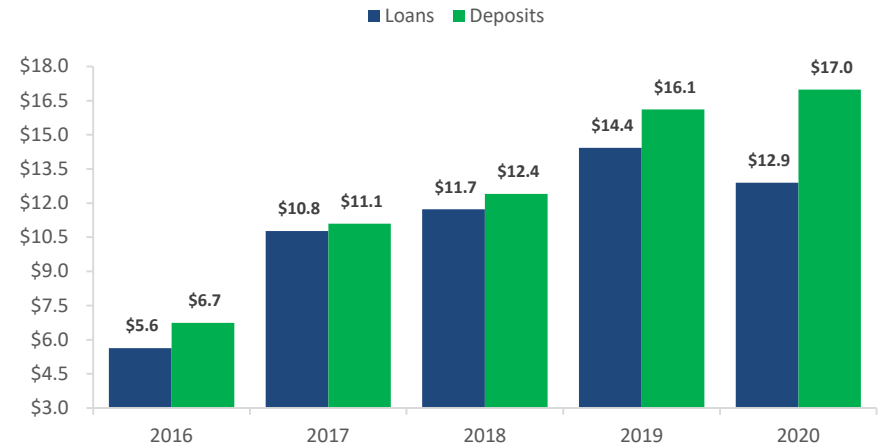


# Performance Trends

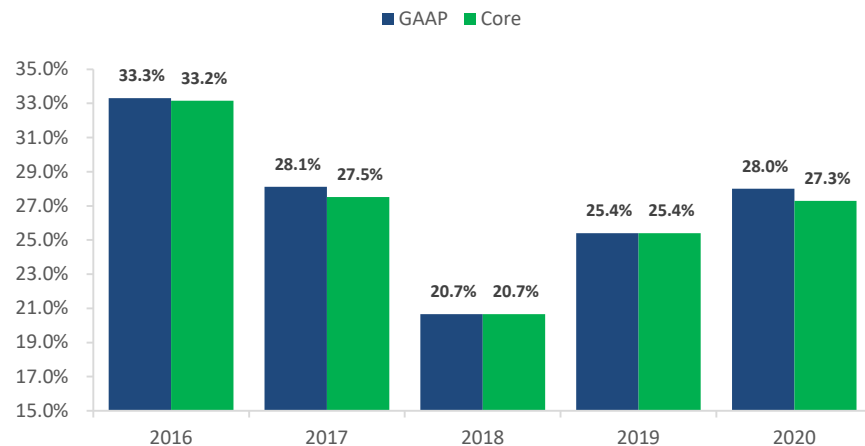
TOTAL ASSETS<sup>(1)</sup> (\$ IN BILLIONS)



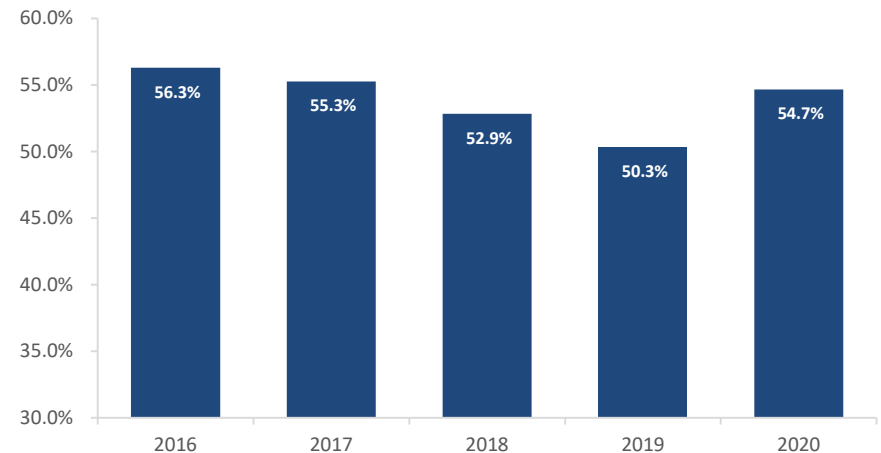
TOTAL LOANS & DEPOSITS<sup>(1)</sup> (\$ IN BILLIONS)



NON-INTEREST INCOME / REVENUE



EFFICIENCY RATIO<sup>(2)</sup>



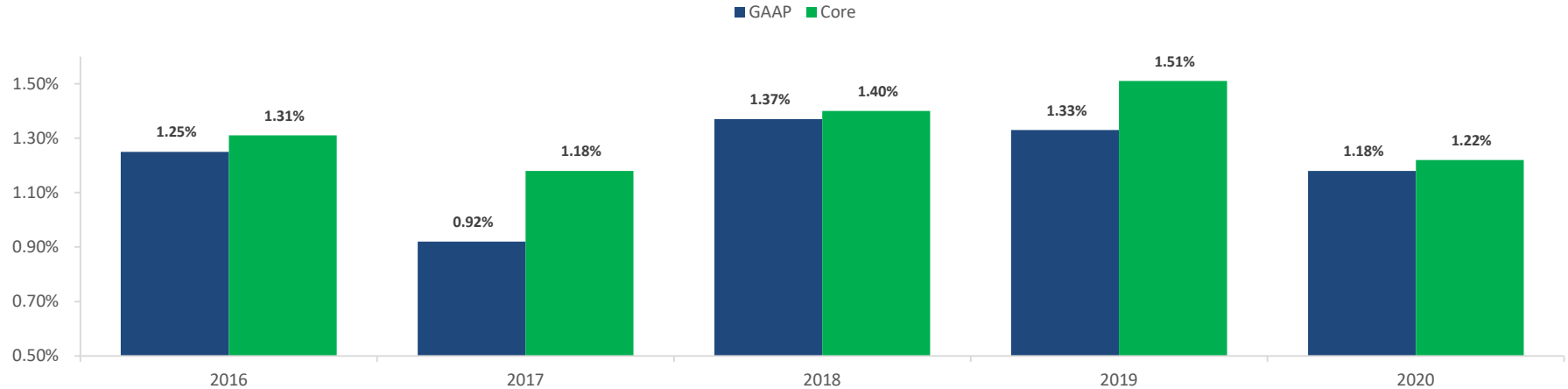
(1) As of December 31.

(2) Efficiency ratio is core non-interest expense before foreclosed property expense and amortization of intangibles as a percent of net interest income (fully taxable equivalent) and non-interest revenues, excluding gains and losses from securities transactions and non-core items, and is a non-GAAP measurement. See Appendix for non-GAAP reconciliations.

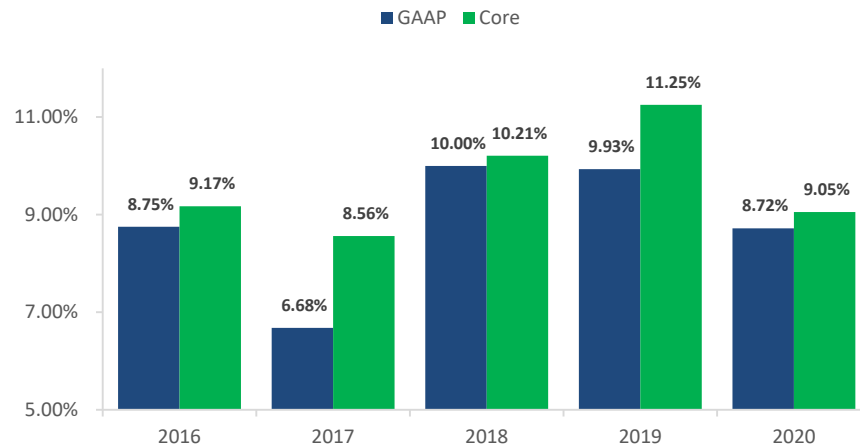
**Note:** Core figures exclude non-core income and expense items (e.g., early retirement program costs, gain on early retirement of trust preferred securities, gain on sale of branches, gain on sale of insurance lines of business, donation to the Simmons Foundation, one-time tax adjustment, merger related costs and branch right-sizing costs). Core figures are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

# Performance Trends

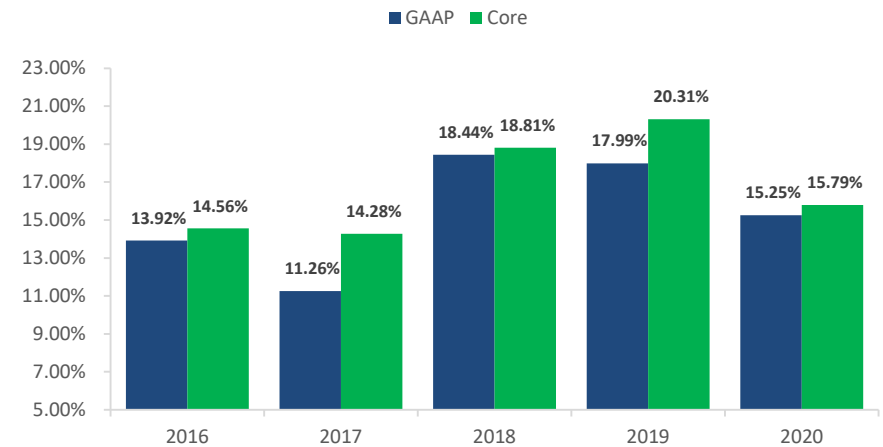
## ROA



## ROACE



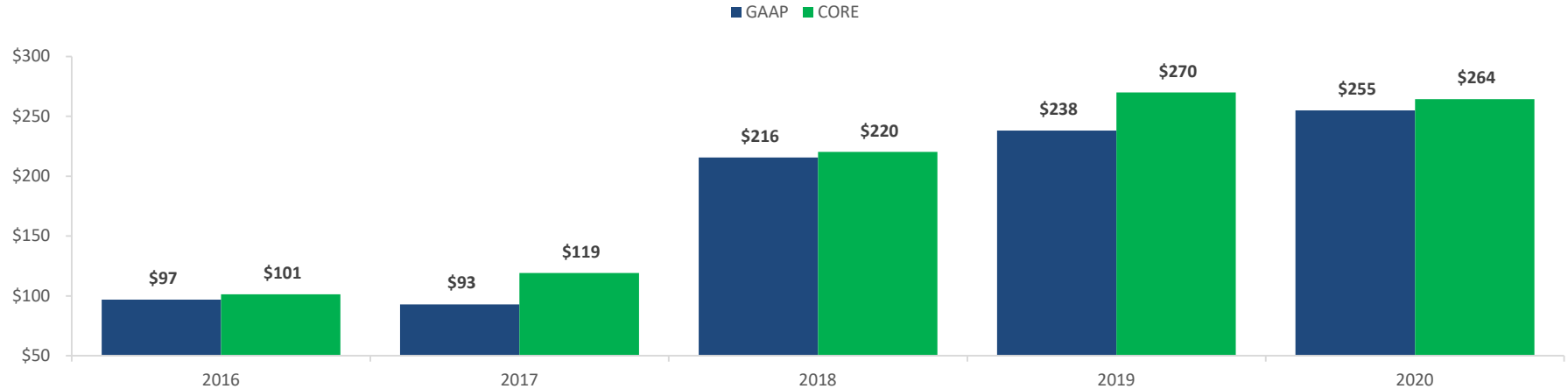
## ROTCE



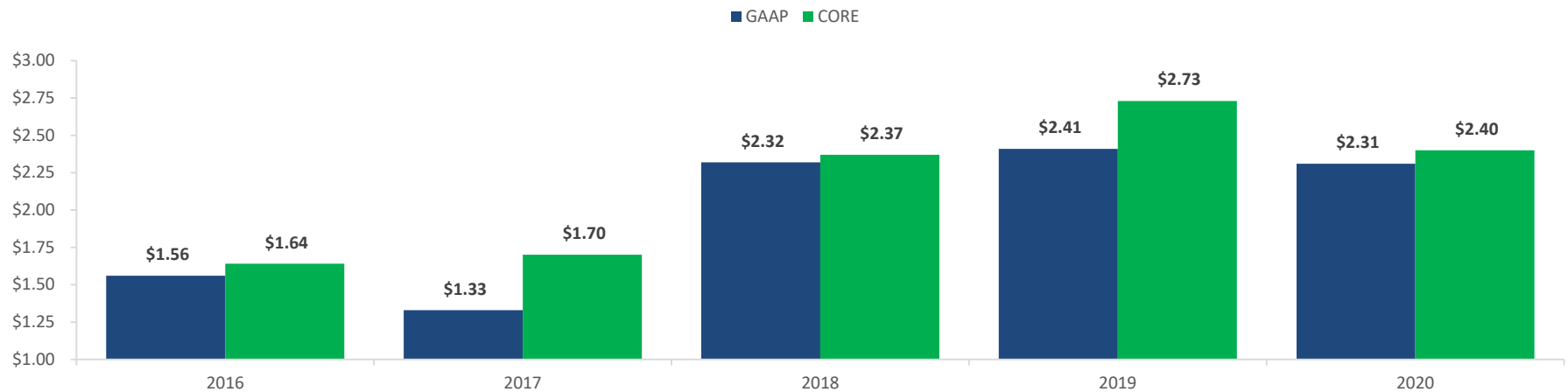
**Note:** Core figures exclude non-core income and expense items (e.g., early retirement program costs, gain on early retirement of trust preferred securities, gain on sale of branches, gain on sale of insurance lines of business, donation to the Simmons Foundation, one-time tax adjustment, merger related costs and branch right-sizing costs). Core figures, as well as figures based on tangible common equity (which excludes goodwill and other intangible assets), are non-GAAP measurements. See Appendix for non-GAAP reconciliations.

# Performance Trends

## NET INCOME (\$ IN MILLIONS)



## DILUTED EPS <sup>(1)</sup>



(1) Per share information has been adjusted to reflect the effects of the Company's two-for-one stock split, which occurred on February 8, 2018.

**Note:** Core figures exclude non-core income and expense items (e.g., early retirement program costs, gain on early retirement of trust preferred securities, gain on sale of branches, gain on sale of insurance lines of business, donation to the Simmons Foundation, one-time tax adjustment, merger related costs and branch right-sizing costs). Core figures, as well as figures based on tangible common equity (which excludes goodwill and other intangible assets), are non-GAAP measurements. See Appendix for non-GAAP reconciliations.



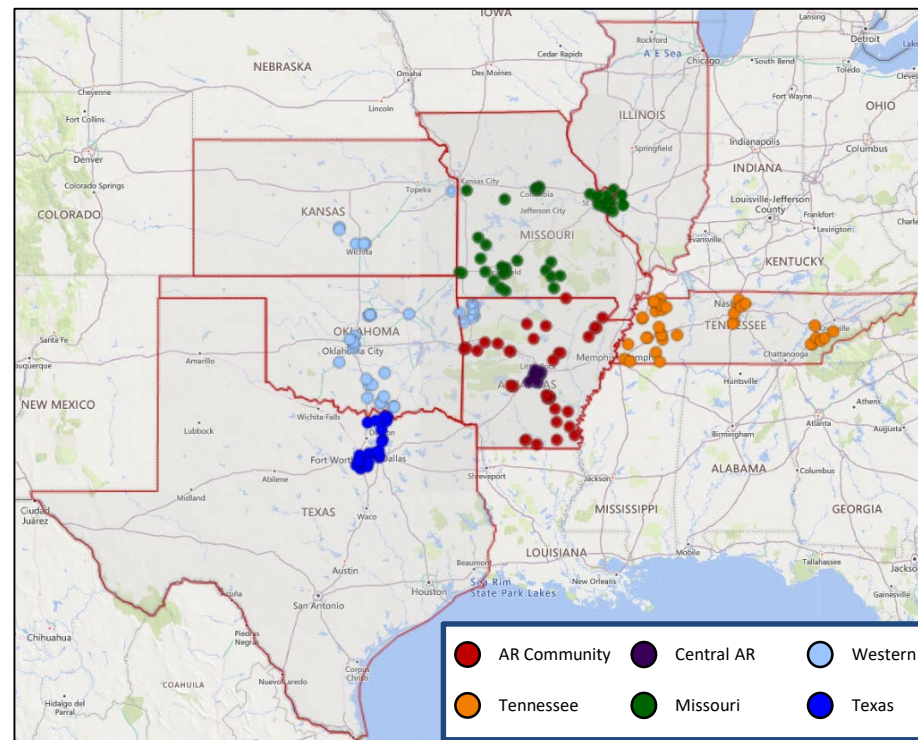
# CORPORATE PROFILE AND COMPANY HIGHLIGHTS





# Company Profile <sup>(1)</sup>

<b>1903</b> Simmons Bank Founded in Pine Bluff, Arkansas	<b>13.42%</b> CET1 Ratio
<b>SFNC</b> Ticker Symbol	<b>16.79%</b> Total Risk-based Capital Ratio
<b>\$2.8 Billion</b> Market Cap <sup>(2)</sup>	<b>1.85%</b> ACL / Loans
<b>\$22 Billion</b> Total Assets	<b>3.38%</b> Net Interest Margin
<b>204</b> Locations <b>7</b> States	<b>3.1%</b> Dividend Yield



## FINANCIAL HIGHLIGHTS BY DIVISION<sup>(3)</sup>

Division	Geographic Footprint	Branches	Loans	Deposits
Arkansas Communities	Arkansas smaller population markets	50	\$1.3	\$3.2
Central Arkansas	Little Rock/North Little Rock/Benton/Bryant	14	\$0.9	\$1.5
Western	Northwest Arkansas/Oklahoma/Kansas	30	\$1.8	\$2.5
Missouri	Missouri/Illinois	53	\$2.7	\$4.1
Tennessee	Tennessee	33	\$1.4	\$2.7
Texas	Dallas/Fort Worth/North Texas	24	\$3.3	\$2.1



(1) As of December 31, 2020, unless otherwise noted.

(2) Based on January 15, 2021 closing stock price of \$26.18 and number of shares outstanding as of that date.

(3) Loan and deposit figures in billions. The balances include only those assigned to the division (the balances do not include other business units such as credit cards, equipment finance, energy, brokered and other).

# Selected Business Units

*As of and for the year ended December 31, 2020*



## Simmons Credit Cards

- \$188 million nationwide credit card portfolio
- Loan yield (including fees): 13.1%
- History of excellent credit quality (1.62% YTD net charge-off ratio)



## Simmons Mortgage

- Mortgage Originations : \$1.3 billion
- 37% Purchase vs. 63% Refinance
- Revenue \$34.5 million



### TRUST

- Total Assets: \$5.8 billion
  - Managed Assets: \$3.6 billion
  - Non-managed / Custodial Assets: \$2.2 billion
- Revenue \$25.5 million
- Profit Margin: 36%
- Growing investment management business

### ROYALTY TRUST

- Revenue: \$2.2 million
- Profit Margin : 34%

### INVESTMENTS

- Retail investments services provided through networking arrangement with LPL Financial
  - LPL platform, among other things, provides customers with online self-service trade option
  - Retail Group: \$1.67 billion AUM (\$367 million in fee-based / advisory assets)
- Profit Margin 23%

### INSURANCE (EMPLOYEE BENEFITS & LIFE)

- Revenue: \$1.4 million
- Profit Margin: 35%



# Primary Regulators



## 2020 Annual Examination

- Safety and Soundness
- Trust
- IT



## 2020 Consumer Compliance Examination



Consumer Financial  
Protection Bureau

First exam by CFPB during 2020

# 2020 Digital Banking Accomplishments



## Single Digital Platform

Consolidated three legacy platforms into a single consistent digital experience for all Simmons Bank consumer customers



## Credit Cards in Digital Banking

Added credit card accounts to mobile and online banking for a single view for consumer accounts



## Mobile Deposit

Developed and deployed an enhanced mobile deposit solution allowing automated enrollment, larger deposit limits



## Digital Account Origination

Developing customer focused platform that originates deposit accounts in approximately five minutes with automated ID Scan



## Customer Experience Center

New innovation space for testing our ideas with real users to deliver superior digital experiences for our customers



# 2020

## Digital Banking Year in Numbers

**30%**

Increase in Digital Banking users



Simmons Bank  
Finance

★★★★★ 15K

**84%**

90 Day active digitally managed accounts

**2.72x**

Mobile deposit \$ volume increase

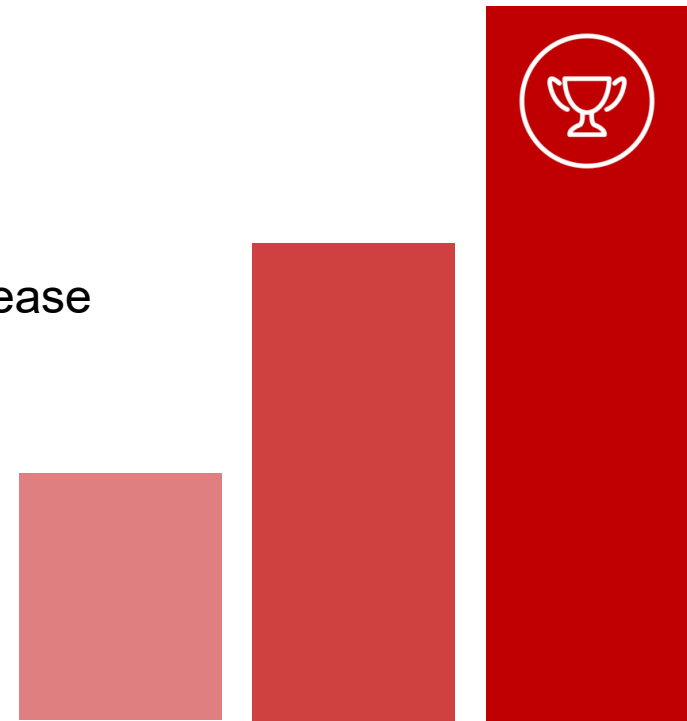
**2.02x**

Mobile deposit item volume increase

**4.8**

Star Rating on iOS App Store

**Online Account Origination Pilot  
launched in Q4. Online Account  
Origination expected to roll out in 2021.**



## SFNC's contributions to the Foundation



In 2020, \$3 million was contributed, specifically reserved for environmental or conservation grants.



In 2019, \$5 million was contributed, with half specifically reserved for community enhancement grants within the Company's footprint.

Life to date contributions of \$13.8 million

## Grant Categories



**Make a Difference Grants** – Awards in the field of education or health care



**Community Enhancement Grants** – Awards specifically designated to the Community Reinvestment Act (CRA) qualified investments



**Environmental Grants** – Awards to benefit conservation and the environment (New in 2021)

## Foundation Grants Since Inception:












- 54 Mini Grants totaling over \$54,000
- 55 Make a Difference Grants totaling over \$975,000
- 31 Community Enhancement Grants totaling over \$295,000



Founded in 2014



# Acquisitions Since 2013

2013 – 2014	2015	2016	2017	2019
 <b>Metropolitan National Bank</b> Arkansas  Total Assets \$920,000,000  November 2013	 <b>Community First Bancshares</b> Tennessee  Total Assets \$1,915,000,000  February 2015	 <b>Citizens National Bank</b> Tennessee  Total Assets \$585,000,000  September 2016	 <b>Hardeman County Investments</b> Tennessee  Total Assets \$462,000,000  May 2017	 <b>Reliance Bancshares, Inc.</b> Missouri  Total Assets \$1,534,000,000  April 2019
 <b>Delta Trust &amp; Banking Corp.</b> Arkansas  Total Assets \$420,000,000  August 2014	 <b>Liberty Bancshares, Inc.</b> Missouri  Total Assets \$1,065,000,000  February 2015	<b>National to State Charter Conversion (Fed Member Bank)</b>	 <b>Southwest Bancorp, Inc.</b> Oklahoma  Total Assets \$2,468,000,000  October 2017	 <b>The Landrum Company</b> Missouri  Total Assets \$3,407,000,000  October 2019
<b>Consolidated eight charters to one</b>	 <b>Trust Company of the Ozarks</b> Missouri  Assets Under Management \$1,000,000,000  October 2015		 <b>First Texas BHC, Inc.</b> Texas  Total Assets \$2,019,000,000  October 2017	

\$ IN MILLIONS						PURCHASE PURCHASE PRICE <sup>(1)</sup>	EARNINGS <sup>(1)</sup>	PRICE / BOOK VALUE <sup>(1)</sup>	TBV <sup>(1)</sup>
BANK	ANNOUNCED	CLOSED	SYSTEM CONVERSION	TOTAL ASSETS	TRUST AUM				
Metropolitan National Bank <sup>(2)</sup>	Sep-13	Nov-13	Mar-14	\$ 920	\$ 370	\$ 54	12.5 x	88%	89%
Delta Trust & Bank	Mar-14	Aug-14	Oct-14	420	815	67	14.9 x	153%	157%
First State Bank	May-14	Feb-15	Sep-15	1,915	-	272	12.2 x	167%	170%
Liberty Bank	May-14	Feb-15	Apr-15	1,065	-	213	12.1 x	191%	198%
Trust Company of the Ozarks	Apr-15	Oct-15	Jan-16	15	1,000	24	NA	NA	NA
Citizens National Bank	May-16	Sep-16	Oct-16	585	200	82	18.0 x	130%	130%
Hardeman County Investments	Nov-16	May-17	Sep-17	462	-	71	17.4 x	138%	179%
Southwest Bancorp, Inc (OKSB)	Dec-16	Oct-17	May-18	2,468	-	532	24.7 x	180%	190%
First Texas BHC, Inc.	Jan-17	Oct-17	Feb-18	2,019	430	461	23.2 x	192%	228%
Reliance Bancshares, Inc.	Nov-18	Apr-19	Apr-19	1,534	-	166	NA	169%	169%
The Landrum Company	Jul-19	Oct-19	Feb-20	3,407	-	416	12.9 x	165%	165%

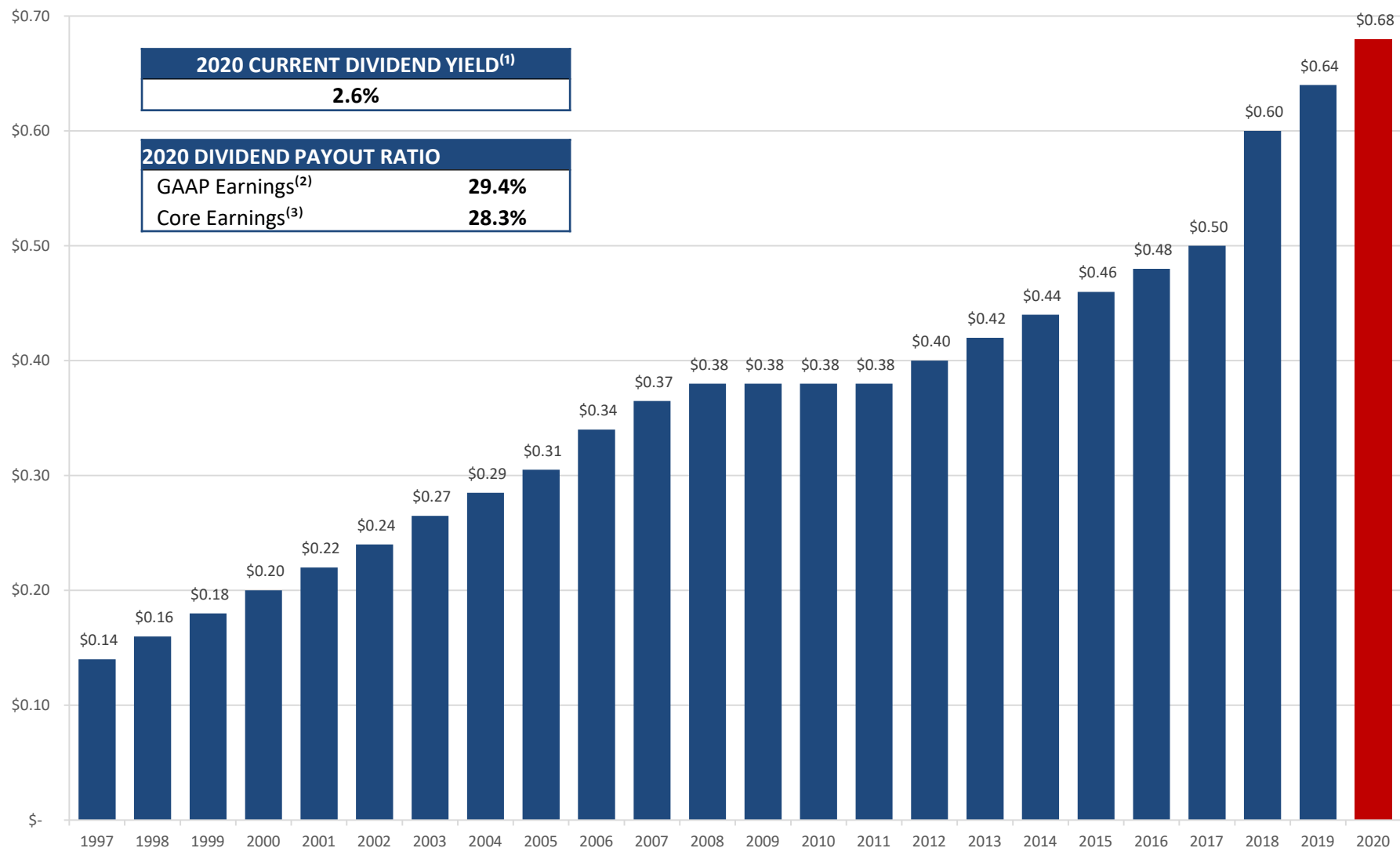
(1) Purchase price and ratios as of closed date. Source: S&P Global Market Intelligence.

(2) Metropolitan was acquired from Section 363 Bankruptcy.





# 112 Years of Consistent Dividend History



(1) Based on January 15, 2021 closing stock price of \$26.18.

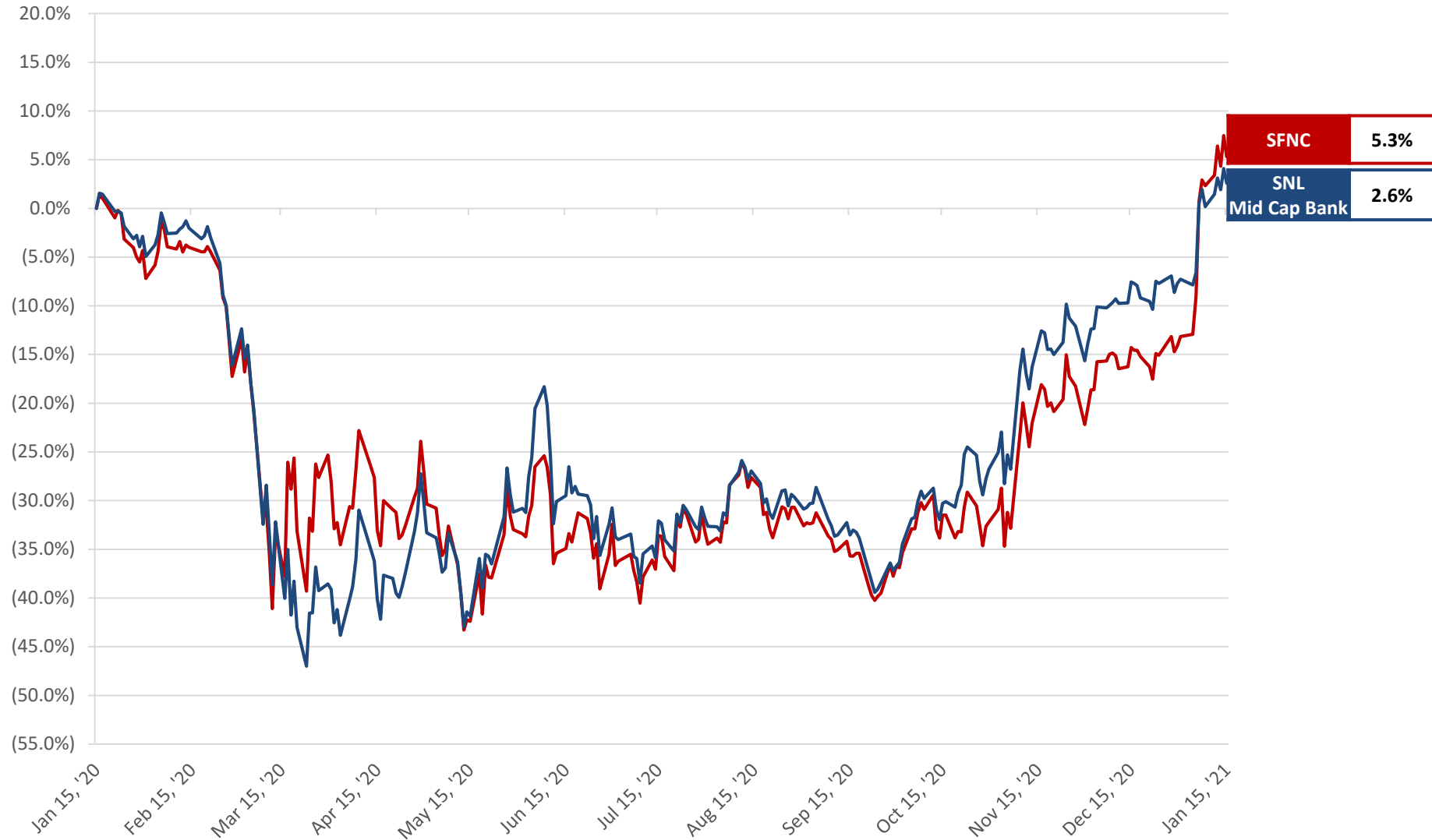
(2) 2020 EPS of \$2.31.

(3) 2020 Core EPS of \$2.40, excludes non-core income and expense items and is a non-GAAP measurement. See Appendix for non-GAAP reconciliations.

**Note:** The future payment of dividends is not guaranteed and is subject to various factors, including approval by the Company's board of directors.

# 1 Year Total Shareholder Return

Dividend + Stock Appreciation (1/15/20 – 1/15/21)



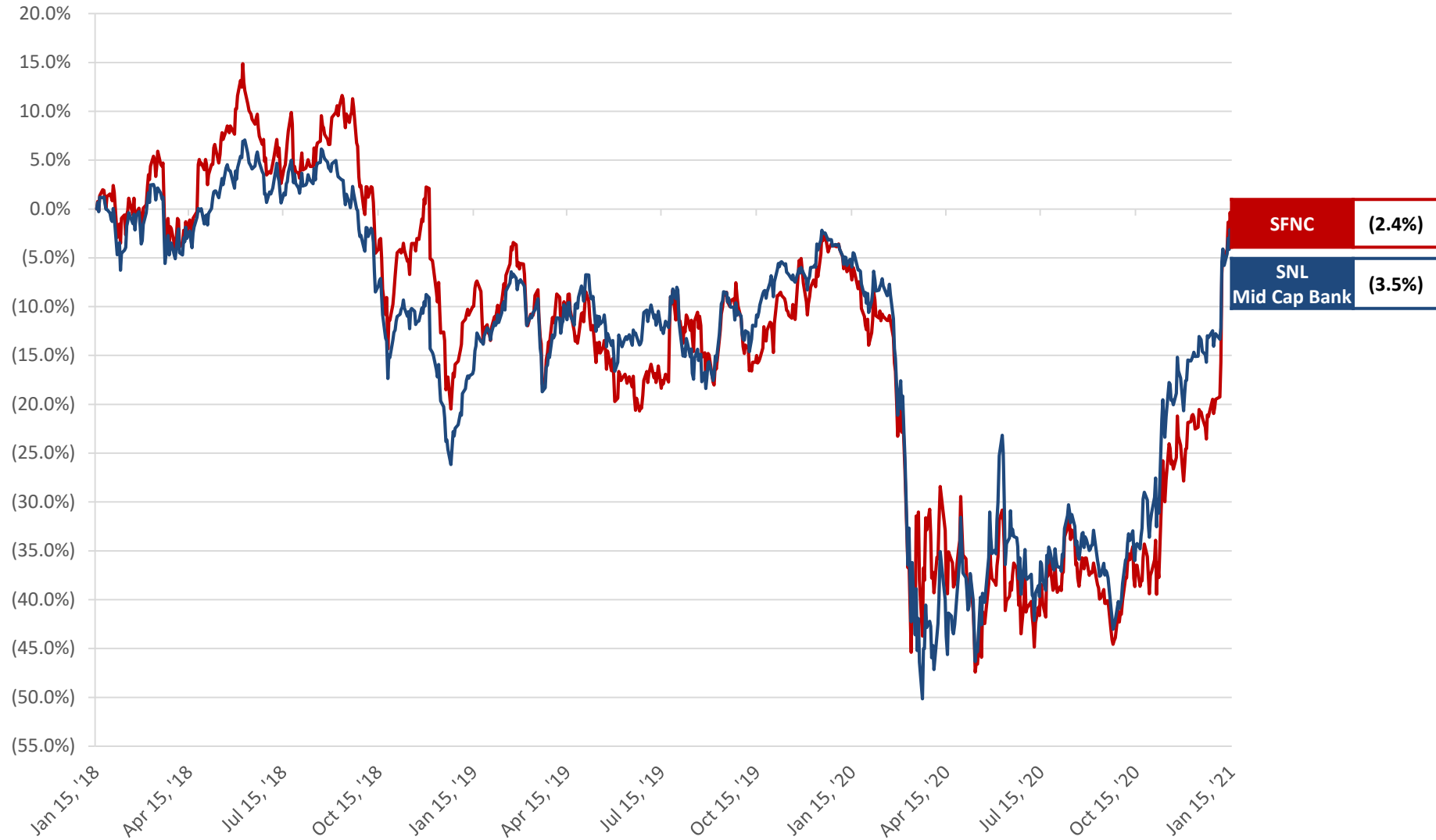
**Note:** Based on January 15, 2021 closing stock price of \$26.18.

**Source:** S&P Global Market Intelligence



# 3 Year Total Shareholder Return

Dividend + Stock Appreciation (1/15/18 – 1/15/21)



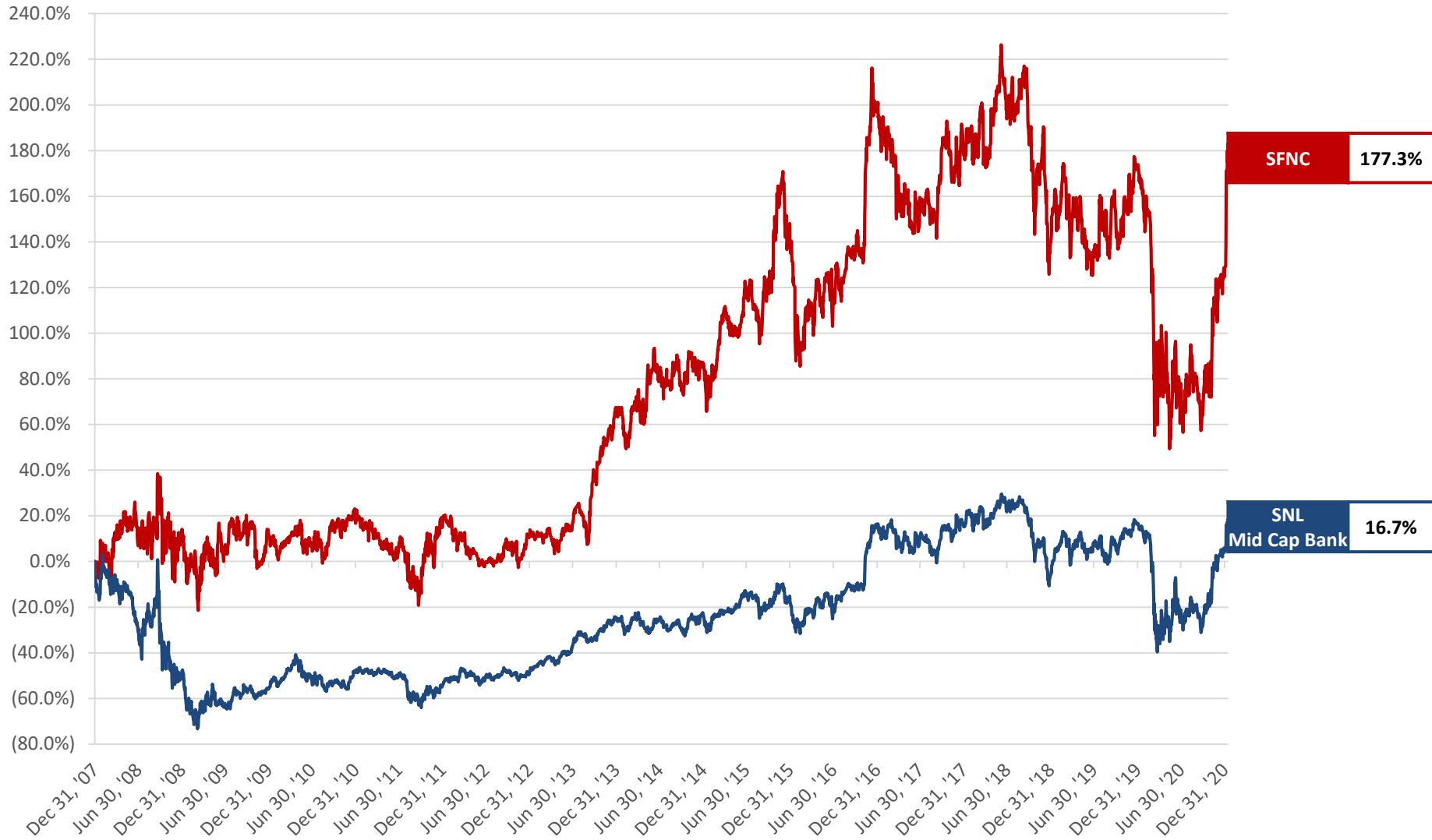
**Note:** Based on January 15, 2021 closing stock price of \$26.18.

**Source:** S&P Global Market Intelligence



# Long-term Shareholder Return

Dividend + Stock Appreciation (12/31/07 – 1/15/21)



**Note:** Based on January 15, 2021 closing stock price of \$26.18.

**Source:** S&P Global Market Intelligence



# Investment Profile

SFNC MARKET DATA AS OF JANUARY 15, 2021		VALUATION & PER SHARE DATA	
Stock Price	<b>\$26.18</b>	Price / 2020 EPS	<b>11.3 X</b>
52-Week High	<b>\$26.90</b>	Price / 2020 Core EPS <sup>(1)</sup>	<b>10.9 X</b>
52-Week Low	<b>\$13.75</b>	Price / 2021 Consensus EPS <sup>(2)</sup>	<b>15.5 X</b>
Common Shares Outstanding	<b>108.1</b> (in millions)	Price / 2022 Consensus EPS <sup>(2)</sup>	<b>13.9 X</b>
Market Cap.	<b>\$2.8</b> (in billions)	Price / Book Value	<b>1.0 X</b>
Institutional Ownership	<b>71%</b>	Price / Tangible Book Value <sup>(3)</sup>	<b>1.6 X</b>

KROLL BOND RATING AGENCY <sup>(4)</sup>					
SIMMONS FIRST NATIONAL CORPORATION	SENIOR UNSECURED DEBT		SUBORDINATED DEBT		SHORT-TERM DEBT
	BBB+		BBB		K2
SIMMONS BANK	DEPOSIT	SENIOR UNSECURED DEBT	SUBORDINATED DEBT	SHORT-TERM DEPOSIT	SHORT-TERM DEBT
	A-	A-	BBB+	K2	K2

Source: S&P Global Market Intelligence

- (1) Core EPS excludes non-core income and expense items and is a non-GAAP measurement. See Appendix for non-GAAP reconciliations.
- (2) Based upon the Company's average six analyst consensus EPS of \$1.69 for 2021 and \$1.88 for 2022 (analyst's published estimates as of 1/19/21).
- (3) Tangible book value (which excludes goodwill and other intangible assets) is a non-GAAP measurement. See Appendix for non-GAAP reconciliations.
- (4) The ratings provided by KBRA are subject to revision or withdrawal by KBRA at any time and are not recommendations to buy, sell or hold these securities. Each rating should be evaluated independently of any other rating.



# APPENDIX



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	2016	2017	2018	2019	2020	Q3 2020	Q4 2020
<b>Calculation of Core Earnings</b>							
Net Income	\$ 96,790	\$ 92,940	\$ 215,713	\$ 237,828	\$ 254,852	\$ 65,885	\$ 52,955
Non-core items							
Gain on sale of banking operations	-	-	-	-	(8,368)	-	(275)
Gain from early retirement of TRUPS	(594)	-	-	-	-	-	-
Gain on sale of P&C insurance business	-	(3,708)	-	-	-	-	-
Donation to Simmons Foundation	-	5,000	-	-	-	-	-
Merger related costs	4,835	21,923	4,777	36,379	4,531	902	731
Early Retirement Program	-	-	-	3,464	2,901	2,346	62
Branch right sizing	3,359	169	1,341	3,129	13,727	72	11,696
Tax Effect <sup>(1)</sup>	<u>(2,981)</u>	<u>(8,746)</u>	<u>(1,598)</u>	<u>(11,234)</u>	<u>(3,343)</u>	<u>(867)</u>	<u>(3,192)</u>
Net non-core items (before SAB 118 adjustment)	4,619	14,638	4,520	31,738	9,448	2,453	9,022
SAB 118 adjustment <sup>(2)</sup>	<u>-</u>	<u>11,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Core earnings (non-GAAP)	<u>\$ 101,409</u>	<u>\$ 119,049</u>	<u>\$ 220,233</u>	<u>\$ 269,566</u>	<u>\$ 264,300</u>	<u>\$ 68,338</u>	<u>\$ 61,977</u>



(1) Effective tax rate of 26.135% for 2018 - 2020 and 39.225% for prior periods, adjusted for non-deductible merger-related costs and deferred tax items on P&C insurance sale.

(2) Tax adjustment to revalue deferred tax assets and liabilities to account for the future impact of lower corporate tax.

# Non-GAAP Reconciliations

\$ per Share	2016	2017	2018	2019	2020	Q3 2020	Q4 2020
<b>Calculation of Diluted Earnings per Share (EPS)</b>							
Diluted earnings per share	\$ 1.56	\$ 1.33	\$ 2.32	\$ 2.41	\$ 2.31	\$ 0.60	\$ 0.49
Non-core items							
Gain on sale of banking operations	-	-	-	-	(0.07)	-	-
Gain from early retirement of TRUPS	(0.01)	-	-	-	-	-	-
Gain on sale of P&C insurance business	-	(0.04)	-	-	-	-	-
Donation to Simmons Foundation	-	0.07	-	-	-	-	-
Merger related costs	0.08	0.31	0.05	0.37	0.04	0.01	-
Early Retirement Program	-	-	-	0.03	0.03	0.02	-
Branch right sizing	0.06	-	0.02	0.03	0.12	-	0.11
Tax effect <sup>(1)</sup>	<u>(0.05)</u>	<u>(0.13)</u>	<u>(0.02)</u>	<u>(0.11)</u>	<u>(0.03)</u>	<u>-</u>	<u>(0.03)</u>
Net non-core items (before SAB 118 adjustment)	0.08	0.21	0.05	0.32	0.09	0.03	0.08
SAB 118 adjustment <sup>(2)</sup>	<u>-</u>	<u>0.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Diluted core earnings per share (non-GAAP)	<u>\$ 1.64</u>	<u>\$ 1.70</u>	<u>\$ 2.37</u>	<u>\$ 2.73</u>	<u>\$ 2.40</u>	<u>\$ 0.63</u>	<u>\$ 0.57</u>



(1) Effective tax rate of 26.135% for 2018 - 2020 and 39.225% for prior periods, adjusted for non-deductible merger-related costs and deferred tax items on P&C insurance sale.

(2) Tax adjustment to revalue deferred tax assets and liabilities to account for the future impact of lower corporate tax.



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	2016	2017	2018	2019	2020	Q3 2020	Q4 2020
<b>Calculation of Core Return on Average Assets</b>							
Net income available to common stockholders	\$ 96,790	\$ 92,940	\$ 215,713	\$ 237,828	\$ 254,852	\$ 65,885	\$ 52,955
Net non-core items, net of taxes, adjustment (non-GAAP)	4,619	26,109	4,520	31,738	9,448	2,453	9,022
Core earnings (non-GAAP)	\$ 101,409	\$ 119,049	\$ 220,233	\$ 269,566	\$ 264,300	\$ 68,338	\$ 61,977
Average total assets	\$ 7,760,233	\$ 10,074,951	\$ 15,771,362	\$ 17,871,748	\$ 21,590,745	\$ 21,765,321	\$ 21,852,094
Return on average assets	1.25%	0.92%	1.37%	1.33%	1.18%	1.20%	0.96%
Core return on average assets (non-GAAP)	1.31%	1.18%	1.40%	1.51%	1.22%	1.25%	1.13%
<b>Calculation of Return on Tangible Common Equity</b>							
Net income available to common stockholders	\$ 96,790	\$ 92,940	\$ 215,713	\$ 237,828	\$ 254,852	\$ 65,885	\$ 52,955
Amortization of intangibles, net of taxes	3,611	4,659	8,132	8,720	9,968	2,483	2,475
Total income available to common stockholders (non-GAAP)	\$ 100,401	\$ 97,599	\$ 223,845	\$ 246,548	\$ 264,820	\$ 68,368	\$ 55,430
Net non-core items, net of taxes (non-GAAP)	4,619	26,109	4,520	31,738	9,448	2,453	9,022
Core earnings (non-GAAP)	101,409	119,049	220,233	269,566	264,300	68,338	61,977
Amortization of intangibles, net of taxes	3,611	4,659	8,132	8,720	9,968	2,483	2,475
Total core income available to common stockholders (non-GAAP)	\$ 105,020	\$ 123,708	\$ 228,365	\$ 278,286	\$ 274,268	\$ 70,821	\$ 64,452
Average common stockholders' equity	\$ 1,105,775	\$ 1,390,815	\$ 2,157,097	\$ 2,396,024	\$ 2,921,039	\$ 2,942,045	\$ 2,955,865
Average intangible assets:							
Goodwill	(332,974)	(455,453)	(845,308)	(921,635)	(1,065,190)	(1,064,893)	(1,075,305)
Other intangibles	(51,710)	(68,896)	(97,820)	(104,000)	(118,812)	(116,385)	(113,098)
Total average intangibles	(384,684)	(524,349)	(943,128)	(1,025,635)	(1,184,002)	(1,181,278)	(1,188,403)
Average tangible common stockholders' equity (non-GAAP)	\$ 721,091	\$ 866,466	\$ 1,213,969	\$ 1,370,389	\$ 1,737,037	\$ 1,760,767	\$ 1,767,462
Return on average common equity	8.75%	6.68%	10.00%	9.93%	8.72%	8.91%	7.13%
Return on tangible common equity (non-GAAP)	13.92%	11.26%	18.44%	17.99%	15.25%	15.45%	12.48%
Core return on average common equity (non-GAAP)	9.17%	8.56%	10.21%	11.25%	9.05%	9.24%	8.34%
Core return on tangible common equity (non-GAAP)	14.56%	14.28%	18.81%	20.31%	15.79%	16.00%	14.51%



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	2016	2017	2018	2019	2020
<b>Calculation of Non-interest Income to Revenue</b>					
Net Interest Income	\$ 279,206	\$ 354,930	\$ 552,552	\$ 601,753	\$ 639,734
Non-interest income	<u>139,382</u>	<u>138,765</u>	<u>143,896</u>	<u>205,031</u>	<u>248,528</u>
Total Revenue (GAAP)	<u>\$ 418,588</u>	<u>\$ 493,695</u>	<u>\$ 696,448</u>	<u>\$ 806,784</u>	<u>\$ 888,262</u>
Non-interest Income (GAAP)	\$ 139,382	\$ 138,765	\$ 143,896	\$ 205,031	\$ 248,528
Non-core Items (non-GAAP)	<u>(835)</u>	<u>(3,972)</u>	<u>-</u>	<u>-</u>	<u>(8,738)</u>
Core Non-interest Income (non-GAAP)	<u>\$ 138,547</u>	<u>\$ 134,793</u>	<u>\$ 143,896</u>	<u>\$ 205,031</u>	<u>\$ 239,790</u>
Net Interest Income	\$ 279,206	\$ 354,930	\$ 552,552	\$ 601,753	\$ 639,734
Core Non-interest Income (non-GAAP)	<u>138,547</u>	<u>134,793</u>	<u>143,896</u>	<u>205,031</u>	<u>239,790</u>
Core Total Revenue (non-GAAP)	<u>\$ 417,753</u>	<u>\$ 489,723</u>	<u>\$ 696,448</u>	<u>\$ 806,784</u>	<u>\$ 879,524</u>
Non-interest Income / Revenue (GAAP)	33.3%	28.1%	20.7%	25.4%	28.0%
Core Non-interest Income / Revenue (non-GAAP)	33.2%	27.5%	20.7%	25.4%	27.3%

# Non-GAAP Reconciliations

<i>\$ in thousands</i>	2016	2017	2018	2019	2020	Q3 2020	Q4 2020
<b>Calculation of Efficiency Ratio</b>							
Non-interest expense	\$ 255,085	\$ 312,379	\$ 392,229	\$ 461,112	\$ 493,495	\$ 118,949	\$ 128,135
Non-core non-interest expense adjustment	(8,435)	(27,357)	(6,118)	(42,972)	(21,529)	(3,690)	(12,489)
Other real estate and foreclosure expense adjustment	(4,389)	(3,042)	(4,240)	(3,282)	(1,706)	(600)	(545)
Amortization of intangibles adjustment	(5,942)	(7,666)	(11,009)	(11,805)	(13,495)	(3,362)	(3,351)
Efficiency ratio numerator	<u>\$ 236,319</u>	<u>\$ 274,314</u>	<u>\$ 370,862</u>	<u>\$ 403,053</u>	<u>\$ 456,765</u>	<u>\$ 111,297</u>	<u>\$ 111,750</u>
Net-interest income	\$ 279,206	\$ 354,930	\$ 552,552	\$ 605,275	\$ 639,734	\$ 153,610	\$ 154,960
Non-interest income	139,382	138,765	143,896	201,509	248,528	71,851	44,056
Non-core non-interest income adjustment	(835)	(3,972)	-	-	(8,738)	(370)	(275)
Fully tax-equivalent adjustment <sup>(1)</sup>	7,722	7,723	5,297	7,322	11,001	2,864	3,482
(Gain) loss on sale of securities	(5,848)	(1,059)	(61)	(13,314)	(54,806)	(22,305)	(16)
Efficiency ratio denominator	<u>\$ 419,627</u>	<u>\$ 496,387</u>	<u>\$ 701,684</u>	<u>\$ 800,792</u>	<u>\$ 835,719</u>	<u>\$ 205,650</u>	<u>\$ 202,207</u>
Efficiency ratio <sup>(2)</sup>	56.32%	55.27%	52.85%	50.33%	54.66%	54.12%	55.27%

(1) Effective tax rate of 26.135%

(2) Efficiency ratio is core non-interest expense before foreclosed property expense and amortization of intangibles as a percent of net interest income (fully taxable equivalent) and noninterest revenues, excluding gains and losses from securities transactions and non-core items.



# Non-GAAP Reconciliations

<i>\$ in thousands, except per share and share count</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2019	2020
<b>Calculation of Core Net Interest Margin</b>							
Net interest income	\$ 167,066	\$ 167,483	\$ 163,681	\$ 153,610	\$ 154,960	\$ 601,753	\$ 639,734
Fully tax-equivalent adjustment	<u>2,172</u>	<u>2,305</u>	<u>2,350</u>	<u>2,864</u>	<u>3,482</u>	<u>7,322</u>	<u>11,001</u>
Fully tax-equivalent net interest income	169,238	169,788	166,031	156,474	158,442	609,075	650,735
Total accretable yield	<u>(15,100)</u>	<u>(11,837)</u>	<u>(11,723)</u>	<u>(8,948)</u>	<u>(8,999)</u>	<u>(41,244)</u>	<u>(41,507)</u>
Core net interest income (non-GAAP)	<u>\$ 154,138</u>	<u>\$ 157,951</u>	<u>\$ 154,308</u>	<u>\$ 147,526</u>	<u>\$ 149,443</u>	<u>\$ 567,831</u>	<u>\$ 609,228</u>
PPP loan and excess liquidity interest income (non-GAAP)			<u>(5,623)</u>	<u>(6,131)</u>	<u>(6,983)</u>		
Core net interest income adjusted for PPP loans and liquidity (non-GAAP)			<u>\$ 160,408</u>	<u>\$ 150,343</u>	<u>\$ 151,459</u>		
Average earning assets	<u>\$ 17,753,004</u>	<u>\$ 18,581,491</u>	<u>\$ 19,517,475</u>	<u>\$ 19,415,314</u>	<u>\$ 19,573,651</u>	<u>\$ 15,824,571</u>	<u>\$ 19,272,886</u>
Average PPP loan balance and excess liquidity			<u>(2,071,411)</u>	<u>(2,359,928)</u>	<u>(2,837,125)</u>		
Average earning assets adjusted for PPL loans and liquidity (non-GAAP)			<u>\$ 17,446,064</u>	<u>\$ 17,055,386</u>	<u>\$ 16,736,526</u>		
Net interest margin	3.78%	3.68%	3.42%	3.21%	3.22%	3.85%	3.38%
Core net interest margin (non-GAAP)	3.44%	3.42%	3.18%	3.02%	3.04%	3.59%	3.16%
Core net interest margin adjusted for PPP loans and liquidity (non-GAAP)			3.70%	3.51%	3.60%		



# Non-GAAP Reconciliations

<i>\$ in thousands, except per share and share count</i>	2016	2017	2018	2019	2020
<b>Calculation of Book Value and Tangible Book Value per Share</b>					
Total common stockholders' equity	\$ 1,151,111	\$ 2,084,564	\$ 2,246,434	\$ 2,988,157	\$ 2,975,889
Intangible assets:					
Goodwill	(348,505)	(842,651)	(845,687)	(1,055,520)	(1,075,305)
Other intangible assets	(52,959)	(106,071)	(91,334)	(127,340)	(111,110)
Total intangibles	(401,464)	(948,722)	(937,021)	(1,182,860)	(1,186,415)
Tangible common stockholders' equity (non-GAAP)	<u>\$ 749,647</u>	<u>\$ 1,135,842</u>	<u>\$ 1,309,413</u>	<u>\$ 1,805,297</u>	<u>\$ 1,789,474</u>
Shares of common stock outstanding	<u>62,555,446</u>	<u>92,029,118</u>	<u>92,347,643</u>	<u>113,628,601</u>	<u>108,077,662</u>
Book value per common share	\$ 18.40	\$ 22.65	\$ 24.33	\$ 26.30	\$ 27.53
Tangible book value per common share (non-GAAP)	\$ 11.98	\$ 12.34	\$ 14.18	\$ 15.89	\$ 16.56
Stock Price as of January 15, 2021					\$ 26.18
Price / Book Value per Share					0.95 x
Price / Tangible Book Value per Share (non-GAAP)					1.58 x



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
<b>Calculation of Core Loan Yield</b>					
Loan interest income (FTE)	\$ 193,402	\$ 187,566	\$ 177,168	\$ 163,379	\$ 160,306
Total accretable yield	(15,100)	(11,837)	(11,723)	(8,948)	(8,999)
Core loan interest income (non-GAAP)	<u>178,302</u>	<u>175,729</u>	<u>165,445</u>	<u>154,431</u>	<u>151,307</u>
PPP loan interest income			(3,733)	(5,782)	(6,457)
Core loan interest income without PPP loans (non-GAAP)			<u>\$ 161,712</u>	<u>\$ 148,649</u>	<u>\$ 144,850</u>
Average loan balance	<u>\$ 14,144,703</u>	<u>\$ 14,548,853</u>	<u>\$ 14,731,306</u>	<u>\$ 14,315,014</u>	<u>\$ 13,457,077</u>
Average PPP loan balance (non-GAAP)			(645,172)	(967,152)	(937,544)
Core loan interest income without PPP loans (non-GAAP)			<u>\$ 14,086,134</u>	<u>\$ 13,347,862</u>	<u>\$ 12,519,533</u>
Core loan yield (non-GAAP)	5.00%	4.86%	4.52%	4.29%	4.47%
Core loan yield without PPP loans (non-GAAP)			4.62%	4.43%	4.60%
<b>Calculation of Loan Yield Adjusted for PPP Loans</b>					
Loan interest income (FTE)					\$ 160,306
PPP loan interest income					(6,457)
Loan interest income without PPP loans					<u>\$ 153,849</u>
Average loan balance					<u>\$ 13,457,077</u>
Average PPP loan balance					(937,544)
Average loan balance without PPP loans					<u>\$ 12,519,533</u>
Loan yield					4.74%
Loan yield without PPP loans					4.89%
<b>Calculation of Loans to Deposits without PPP Loans</b>					
Loans					\$ 12,900,897
PPP loans					(904,673)
Loans less PPP Loans					<u>\$ 11,996,224</u>
Deposits					<u>\$ 16,987,026</u>
Loans to Deposits					75.95%
Loans without PPP Loans to Deposits					70.62%



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q4 2020
<b>Calculation of Tangible Common Equity to Tangible Assets</b>	
Total stockholders' equity	\$ 2,976,656
Preferred stock	(767)
Total common stockholders' equity	2,975,889
Intangible assets:	
Goodwill	(1,075,305)
Other intangible assets	( 111,110)
Total intangibles	<u>(1,186,415)</u>
Tangible common stockholders' equity (non-GAAP)	<u>\$ 1,789,474</u>
 Total assets	 22,359,752
Intangible assets:	
Goodwill	(1,075,305)
Other intangible assets	( 111,110)
Total intangibles	<u>( 1,186,415)</u>
Tangible assets (non-GAAP)	<u>\$ 21,173,337</u>
 Paycheck protection program ("PPP") loans	 <u>(904,673)</u>
Total assets less PPP loans (non-GAAP)	<u>\$ 21,455,079</u>
Tangible assets less PPP loans (non-GAAP)	<u>\$ 20,268,664</u>
 Ratio of equity to assets	 13.31%
Ratio of equity to assets less PPP loans (non-GAAP)	13.87%
Ratio of tangible common equity to tangible assets (non-GAAP)	8.45%
Ratio of tangible common equity to tangible assets less PPP loans (non-GAAP)	8.83%



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q2 2020	Q3 2020	Q4 2020
<b>Calculation of ACL / Loans (exclusing PPP Loans)</b>			
Total loans	\$ 14,606,900	\$ 14,017,442	\$ 12,900,897
Allowance for credit losses on loans	231,643	248,251	238,050
ACL / Loans	1.59%	1.77%	1.85%
Total loans	\$ 14,606,900	\$ 14,017,442	\$ 12,900,897
PPP Loans	(963,712)	(970,488)	(904,673)
Total loans, excluding PPP Loans (non-GAAP)	<u>13,643,188</u>	<u>13,046,954</u>	<u>11,996,224</u>
Allowance for credit losses on loans	231,643	248,251	238,050
ACL / Loans (excluding PPP Loans) (non-GAAP)	1.70%	1.90%	1.98%





# Non-GAAP Reconciliations

\$ in thousands		Q4 2020
<b>Calculation of Regulatory Tier 1 Leverage Ratio Less Average PPP Loans</b>		
Total Tier 1 capital		<u>\$ 1,884,563</u>
Adjusted average assets for leverage ratio		\$ 20,765,127
Average PPP loans		<u>(937,544)</u>
Adjusted average assets less average PPP loans (non-GAAP)		<u>\$ 19,827,583</u>
Tier 1 leverage ratio		9.08%
Tier 1 leverage ratio less average PPP loans (non-GAAP)		9.50%





**Simmons First  
National Corporation** | NASDAQ: SFNC

