



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

Contents

- 3 Q3 Key Highlights
- 4 Q3 Results Overview
- 11 Loans
- 16 Deposits, Liquidity, Securities,
Interest Rate Sensitivity &
Capital
- 21 Credit Quality
- 24 Key Takeaways and
Management Outlook
- 26 Appendix

3rd Quarter 2021 Earnings 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; loan demand; asset quality; profitability; earnings; critical accounting policies; accretion; net interest margin; noninterest 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 merger and acquisition strategy and activity; 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 on the slide titled “Key Takeaways and Management Outlook”; 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 or implied by 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 “booster” vaccination efforts and developments with respect to COVID-19 variants; 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); 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 and integrate acquired institutions; 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 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, 2020. Any forward-looking statement speaks only as of the date of this presentation, and the Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this presentation. 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 presentation 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 income and 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, and management uses these non-GAAP measures to assess the performance of the Company’s core businesses as related to prior financial periods. 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.



Q3 21 Highlights

1

Solid results reflect our ability to focus on fundamentals while strategically navigating challenging environment

EPS of \$0.74 up

23% vs Q3 20

EPS up \$0.05 vs 2Q21

ROE

10.42%

ROTE ⁽¹⁾

17.43%

2

Strong loan originations coupled with **4th consecutive** quarterly increase in commercial loan pipeline

Loan production of

\$1.5B in Q3 21

Commercial loan pipeline

+15% vs Jun-21

3

Commitment to maintaining a **strong credit culture** evidenced by credit metrics at **historically low levels**

NPL ratio declines

16 bps vs Jun-21

NPL coverage increases to

341%

4

Strong capital position and ability to **organically generate capital** allows us to **return excess capital** to shareholders ⁽²⁾

CET1 ratio at 14.26%

+171 bps vs Sept-20

Shares repurchased

1.8M in Q3 21

5

Simultaneously completed closing and conversion of Landmark Community Bank and Triumph Bank in October

From date of announcement to closing and conversion

~4 months



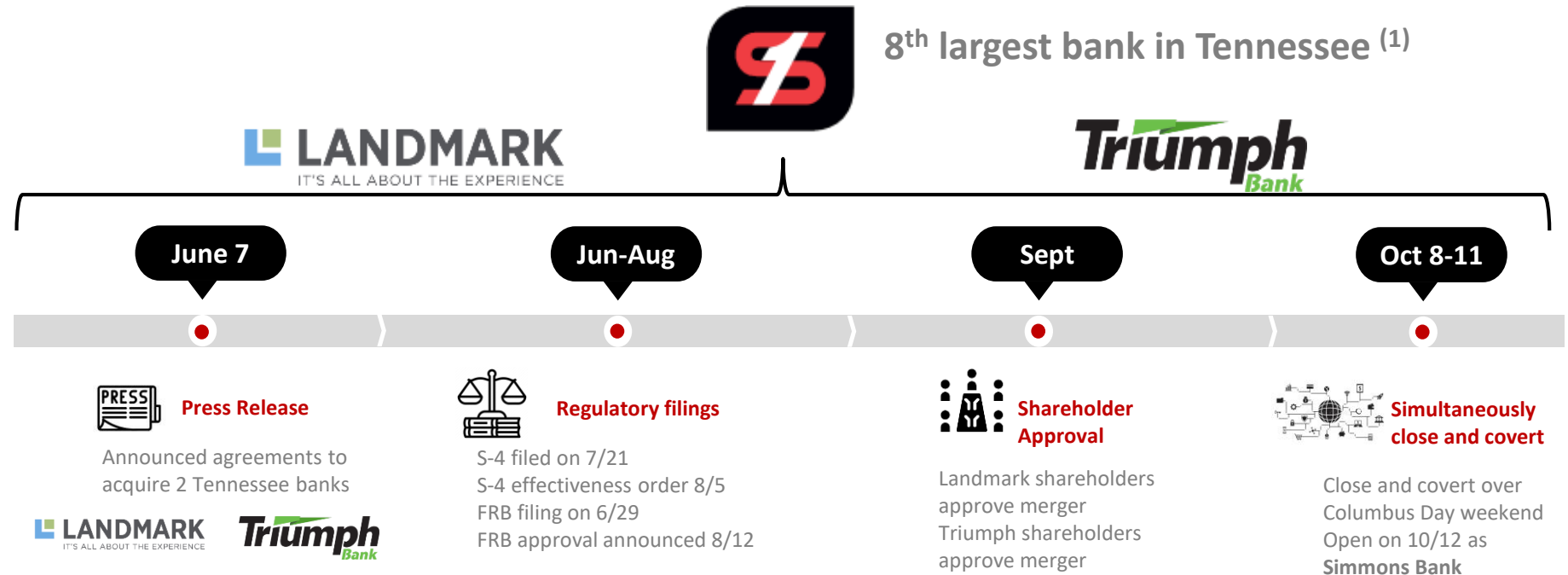
(1) Non-GAAP measures that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

(2) Market conditions and our capital needs will drive the decisions regarding additional, future stock repurchases.

Q3 21 Results Overview



M&A: In just **4 months** since the date of the announcement...



October 1, 2021

Announced Simmons Bank was in advanced negotiations with the City of Memphis to be the title sponsor of Liberty Bowl Memorial Stadium, home to the University of Memphis football team, Southern Heritage Classic and AutoZone Liberty Bowl, among other events



... we received approvals, closed and converted both banks



(1) After the closing of the transactions and based on FDIC deposit market share data as of June 30, 2021

Source: S&P Global Market Intelligence

Q3 21 Financial Highlights

Summary Income Statement \$ in millions, except per share data	% Change vs					YTD	%
	Q3 21	Q2 21	Q3 20	Q2 21	Q3 20	Q3 21	Change
Interest income	\$163.9	\$167.0	\$179.7	(2) %	(9) %	\$ 500.3	(14) %
Interest expense	18.7	20.4	26.1	(9)	(28)	61.9	(35)
Net interest income	145.2	146.5	153.6	(1)	(5)	438.5	(10)
Noninterest income ⁽¹⁾	48.6	47.1	69.5	3	(30)	145.2	(27)
Noninterest expense ⁽¹⁾	114.3	114.7	116.6	-	(2)	342.0	(5)
Operating income	79.5	79.0	106.5	1	(25)	241.7	(25)
Provision for (recapture of) credit losses	(19.9)	(13.0)	23.0	NM	NM	(31.4)	NM
Provision for income taxes	18.8	17.0	17.6	10	6	50.2	(7)
Net income	\$80.6	\$74.9	\$65.9	8 %	22 %	\$222.9	10 %
Diluted earnings per share	\$0.74	\$0.69	\$0.60	7 %	23 %	\$2.05	12 %

Key Performance Ratios	% Change vs					YTD
	Q3 21	Q2 21	Q3 20	Q2 21	Q3 20	Q3 21
Return on average assets	1.37 %	1.29 %	1.20 %			1.29 %
Return on average common equity	10.42	10.08	8.91			9.91
Return on average tangible common equity ⁽²⁾	17.43	17.25	15.45			16.86
Efficiency ratio ⁽²⁾	58.10	56.75	53.58			57.37
Net interest margin (FTE)	2.85	2.89	3.21			2.91
Book value per share	\$28.42	\$28.03	\$26.98	1 %	5 %	
Tangible book value per share ⁽²⁾	17.39	17.16	16.07	1	8	



NM – not meaningful FTE = Fully Taxable Equivalent Note: Columns may not foot due to rounding

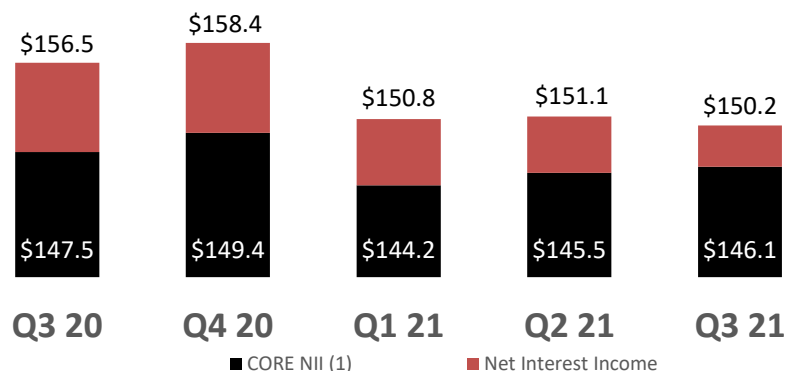
(1) During Q221, certain debit and credit card transaction fees were reclassified from noninterest expense to noninterest income under the caption debit and credit card fees. Prior periods have been adjusted to reflect this reclassification

(2) Non-GAAP measures that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

Net Interest Income and Margin

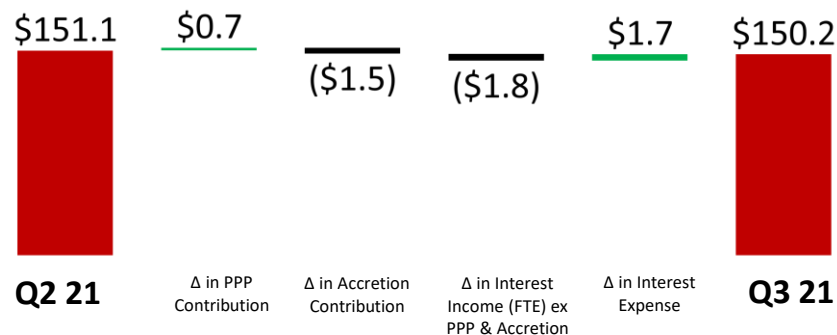
Net Interest Income

\$ in millions; Fully Taxable Equivalent



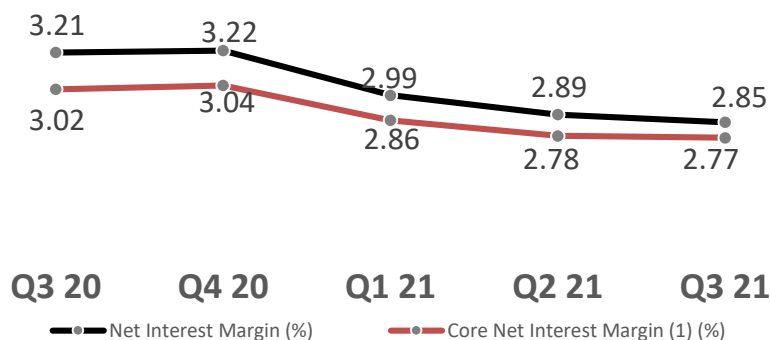
Net Interest Income Evolution

\$ in millions; Fully Taxable Equivalent



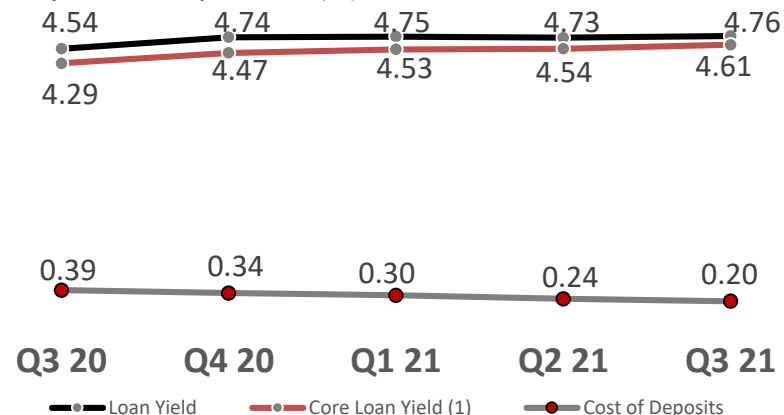
Net Interest Margin

Fully taxable equivalent



Loan & Deposits Yield/Rates

Fully taxable equivalent (%)



(1) Non-GAAP measure that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

FTE – fully taxable equivalent



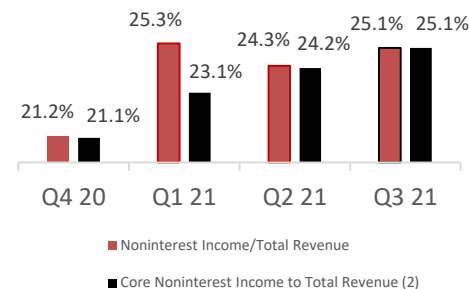
Noninterest Income

\$ in millions	Q3 21	Q2 21	Q3 20	% Change vs	
				Q2 21	Q3 20
Service charges on deposit accounts	\$11.6	\$ 10.1	\$ 10.4	15 %	11 %
Debit and credit card fees ⁽¹⁾	7.1	7.1	6.5	-	10
Trust income	7.1	7.2	6.7	(1)	6
Mortgage lending income	5.8	4.5	14.0	30	(58)
Other service charges and fees	2.0	2.0	1.8	(4)	11
Bank owned life insurance	2.6	2.0	1.6	26	62
Investment banking income	0.7	0.7	0.6	12	31
SBA lending income	0.2	0.3	0.3	(33)	(37)
Gain (loss) on sale of securities	5.2	5.1	22.3	2	(76)
Other	6.2	8.1	5.4	(23)	16
Total noninterest income	\$48.6	\$47.1	\$69.5	3 %	(30) %
Core noninterest income ⁽²⁾	\$48.8	\$46.7	\$69.1	5 %	(29) %

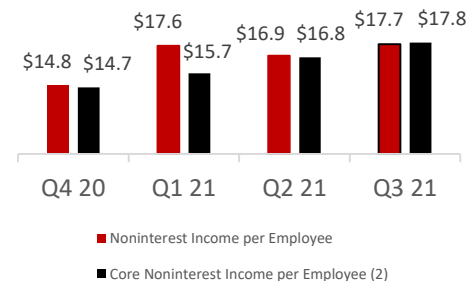
Q3 21 Noninterest Income Analysis

- Positive trend in service charges on deposit accounts and debit and credit card fees reflects continued increase in customer usage
- Increase in bank owned life insurance reflects investment of excess liquidity in mid quarter Q2 21
- Actively recruiting trust and mortgage producers across the footprint to bolster fee income
- Q3 20 results aided by strong mortgage production during favorable market conditions

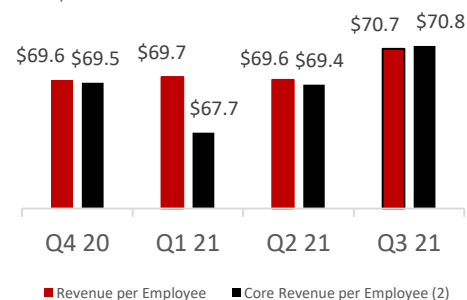
Noninterest Income to Total Revenue



Noninterest Income Per Employee (FTE)



Revenue Per Employee (FTE)



(1) During 2021, certain debit and credit card transaction fees were reclassified from noninterest expense to noninterest income under the caption debit and credit card fees. Prior periods have been adjusted to reflect this reclassification

(2) Non-GAAP measure that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

FTE – full-time equivalent

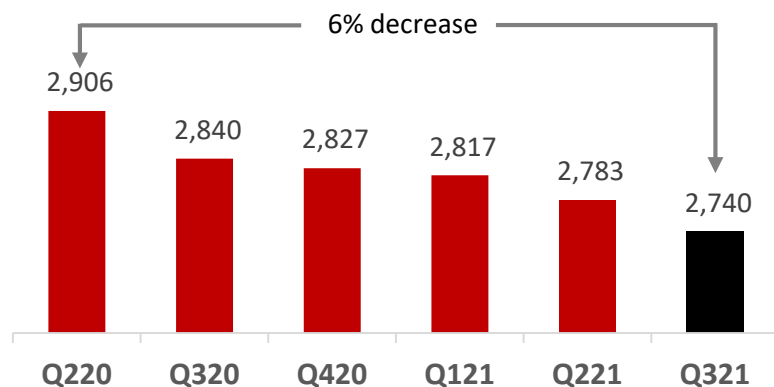
Noninterest Expense

\$ in millions	Q3 21	Q2 21	Q3 20	% Change vs	
				Q2 21	Q3 20
Salaries and employee benefits	\$61.9	\$60.3	\$61.1	3 %	1 %
Occupancy expense, net	9.4	9.1	9.6	3	(3)
Furniture and equipment	4.9	4.9	6.2	1	(21)
Deposit insurance	1.9	1.7	2.2	11	(17)
OREO and foreclosure expense	0.3	0.9	0.6	(61)	(44)
Merger related costs	1.4	0.7	0.9	104	55
Other ⁽¹⁾	34.6	37.2	35.8	(7)	(3)
Total noninterest expense	\$114.3	\$114.7	\$116.6	- %	(2) %
Core noninterest expense ⁽²⁾	\$116.2	\$113.5	\$112.9	2 %	3 %

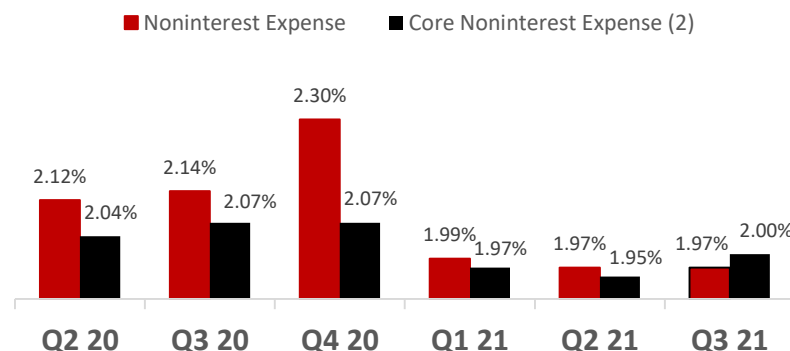
Q3 21 Expense Analysis

- Increase in salaries and benefits reflects incentive accruals reflecting above target payouts compared to below target payouts in 2020
- Other expense includes \$3.3 million reversal of mark-to-market adjustment related to branches held for sale
- Results reflect efforts to maintain strong expense discipline with **YTD expenses down 5%** (2% on a core basis ⁽²⁾)

Employees (full-time equivalent)



Noninterest Expense as a Percentage of Total Average Assets

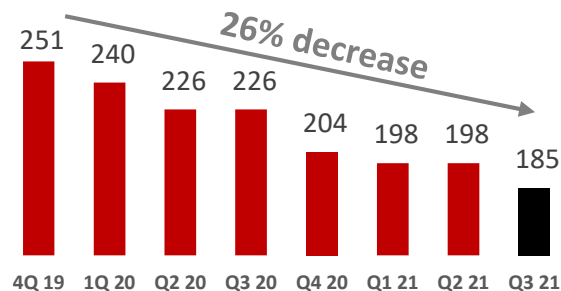


(1) During Q2 21, certain debit and credit card transaction fees were reclassified from noninterest expense to noninterest income under the caption debit and credit card fees. Prior periods have been restated to reflect this change

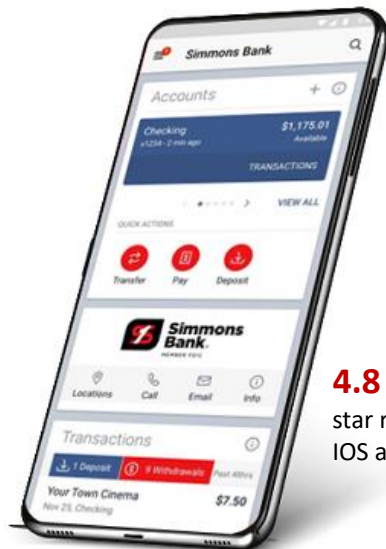
(2) Non-GAAP measure that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

Transformation of distribution model reflects shift in customer usage

Branch Rationalization



Simmons Bank Mobile App...
like having a bank in your pocket



4.8 out of **5**
star rating on
IOS app store

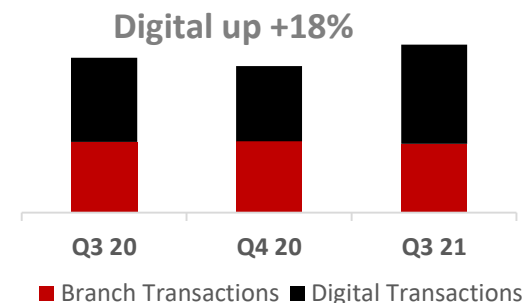
Branch Closings

Location	Date Closed	Number of Branches	One-time Charge in millions
Various	July 2021	13	\$0.4
Landrum Branches	Feb. 2020	6	\$0.4
Various	June 2020	11	\$1.9
Various	Oct. 2020	23	\$9.6

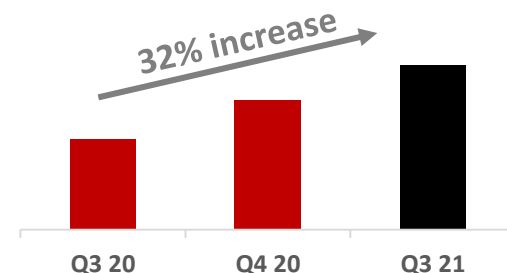
Branch Sales

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	4	\$138	\$0.4	\$5.3

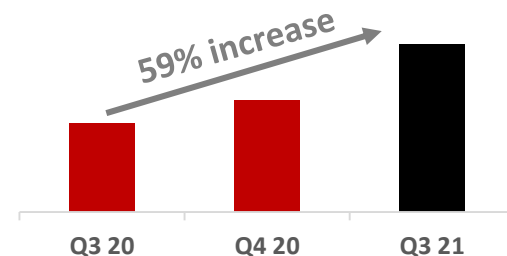
Customer Transactions by Channel



Mobile Deposit Accounts



Mobile Deposit Dollars



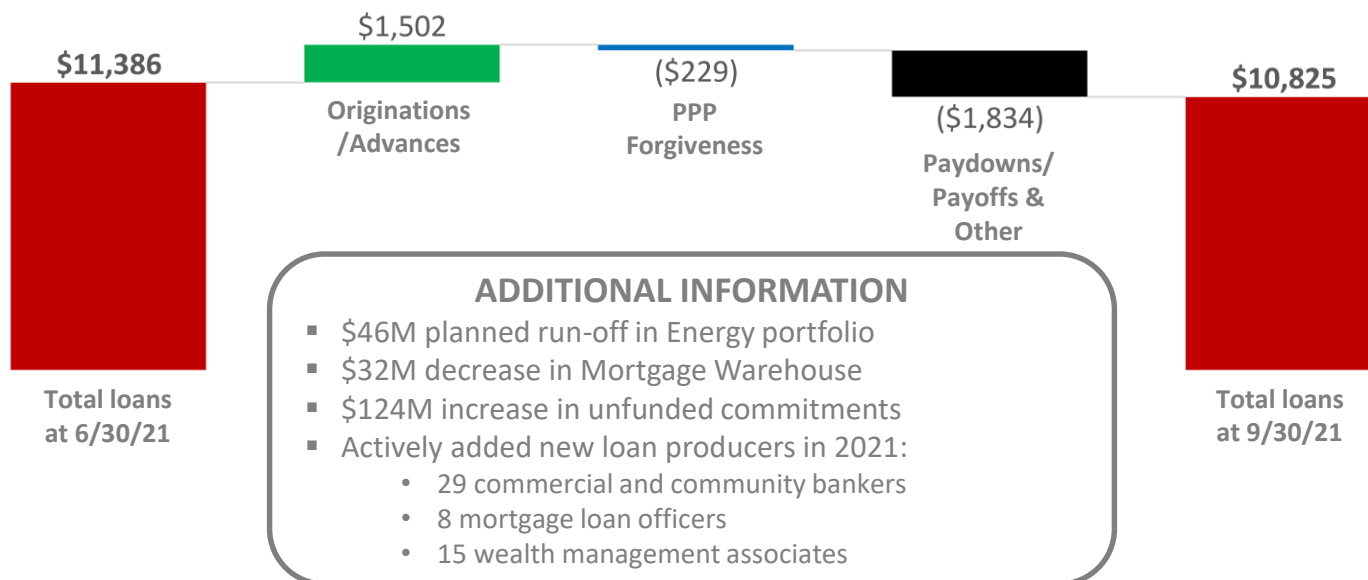
LOANS



Loan Portfolio: Elevated loan origination volume in the quarter...

Loan Portfolio Waterfall

\$ in millions



Paycheck Protection Program

\$ in millions	Original Balance	9/30/21 Balance	6/30/21 Balance	\$ Change	# of Loans Originated	Net Fees Remaining
PPP Phase I	\$ 976	\$ 22	\$ 141	\$ (119)	8,208	\$ 0.2
PPP Phase II	319	190	300	(110)	5,219	8.3
Total	\$ 1,295	\$ 212	\$ 441	\$ (229)	13,427	\$ 8.5

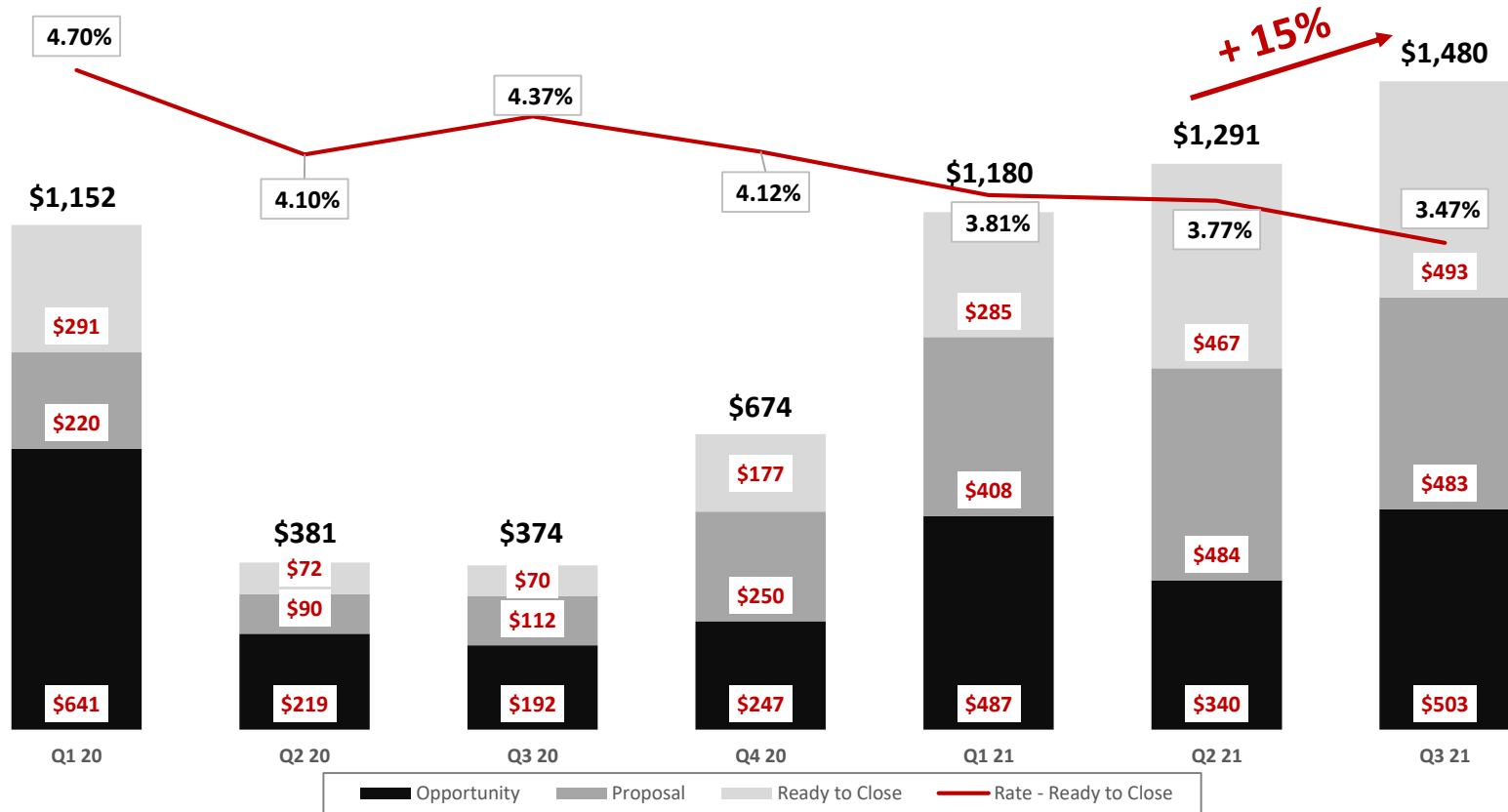
... offset by PPP forgiveness, planned run-off and paydowns



Commercial loan pipeline increases for the 4th consecutive quarter...

Commercial Loan Pipeline by Category ⁽¹⁾

\$ in millions



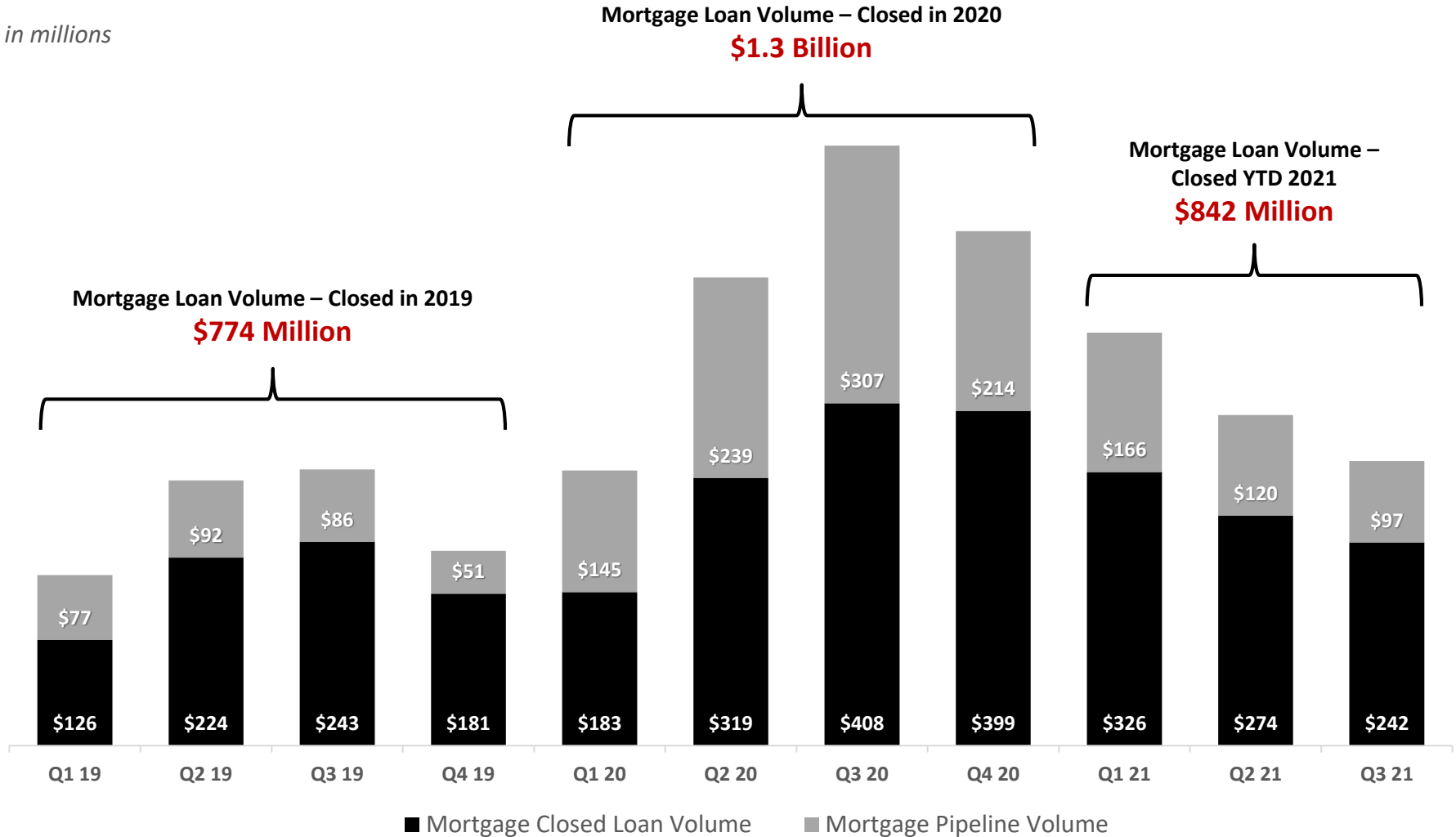
... suggesting loan demand is trending in a positive direction



(1) Quarterly amounts adjusted for branches sold in South Texas and Colorado during 2020 and Illinois in 2021

Mortgage Loan Volume – Closed and Pipeline

\$ in millions



Mortgage originations in Q3: 61% purchase 39% refinance



Breakout: Loan Portfolio by Category

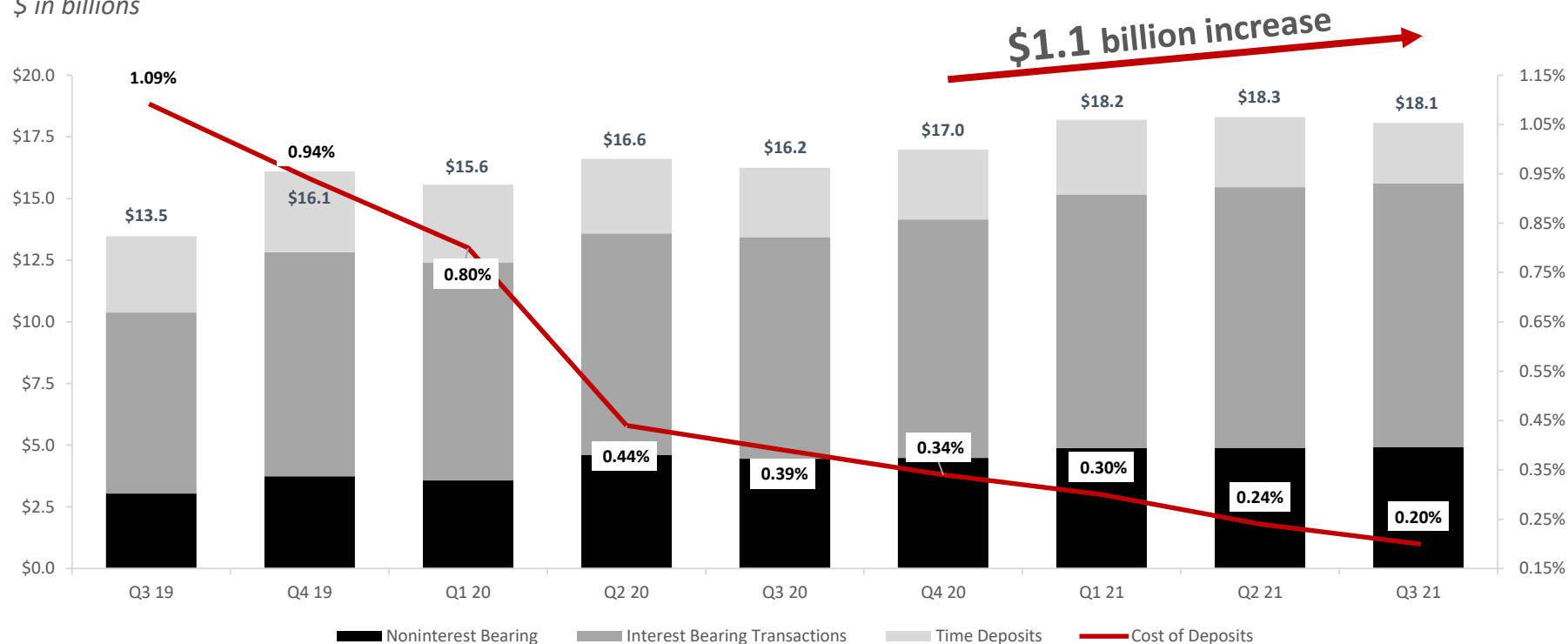
	as of June 30, 2021		as of September 30, 2021						
\$ in millions	Balance \$	% of Total Loans	Balance \$	% of Total Loans	Classified \$	Nonperforming \$	ACL %	Unfunded Commitment \$	Unfunded Commitment Reserve
Total Loan Portfolio									
Consumer - Credit Card	178	1%	176	2%	1	1	2.7%	-	
Consumer - Other	182	2%	182	2%	1	-	0.7%	21	
Real Estate - Construction	1,428	12%	1,230	11%	8	2	1.6%	764	
Real Estate - Commercial	5,333	47%	5,309	49%	201	21	2.8%	187	
Real Estate - Single-family	1,608	14%	1,541	14%	26	18	0.4%	206	
Commercial	1,633	14%	1,609	15%	44	17	1.0%	1,013	
Payroll Protection Plan (PPP)	441	4%	212	2%	-	-	-	-	
Mortgage Warehouse	307	3%	275	2%	-	-	0.2%	-	
Agriculture	193	2%	217	2%	1	-	0.6%	62	
Other	83	1%	74	1%	-	-	2.2%	1	
Total Loan Portfolio	11,386	100%	10,825	100%	282	59	1.87%	2,254	1.0%
Loan Concentration:									
C&D	58%		51%						
CRE	211%		218%						
Select Loan Categories (excluding PPP)									
Retail	1,149	10%	1,098	10%	20	4	4.5%	101	
Nursing / Extended Care	414	4%	387	4%	10	-	1.2%	27	
Healthcare	443	4%	404	4%	9	-	0.6%	80	
Multifamily	647	6%	582	5%	18	-	1.2%	85	
Hotel	888	8%	814	8%	110	9	6.1%	10	
Restaurant	460	4%	386	4%	5	2	2.5%	11	
NOO Office	709	6%	643	6%	2	-	4.0%	40	
Energy	174	2%	128	1%	22	7	7.6%	45	



DEPOSITS, LIQUIDITY, SECURITIES, INTEREST RATE SENSITIVITY AND CAPITAL

Deposits: While demonstrating our ability to generate deposits...

\$ in billions



Deposit Mix

As a % of Total Deposits	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21
Noninterest Bearing	22.6%	23.2%	23.0%	27.7%	27.4%	26.4%	26.9%	26.7%	27.2%
Interest Bearing Transactions	54.5%	56.4%	56.8%	54.0%	55.4%	56.9%	56.5%	57.7%	59.2%
Time Deposits	22.9%	20.3%	20.2%	18.2%	17.2%	16.7%	16.6%	15.5%	13.6%

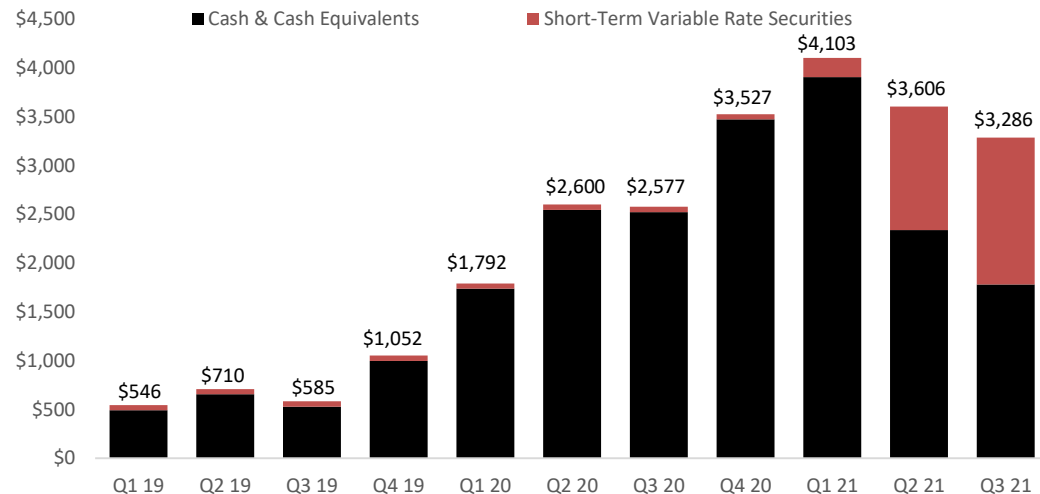
... we have also strategically changed the mix and cost structure



Liquidity, Securities and Interest Rate Sensitivity

Cash and Cash Equivalents

\$ in millions



Q3 21 Summary

- Approximately \$3.3 billion of liquidity including cash and cash equivalents and variable rate securities at 9/30/21
- Net securities purchases totaling \$904 million in the quarter, including the redeployment of excess cash into variable rate securities (\$226 million)
- Reclassified \$502 million of securities from AFS to HTM
- Entered into \$1 billion matched swap on fixed rate securities
- Securities portfolio effective duration, net of swap, at 4.3 at 9/30/21

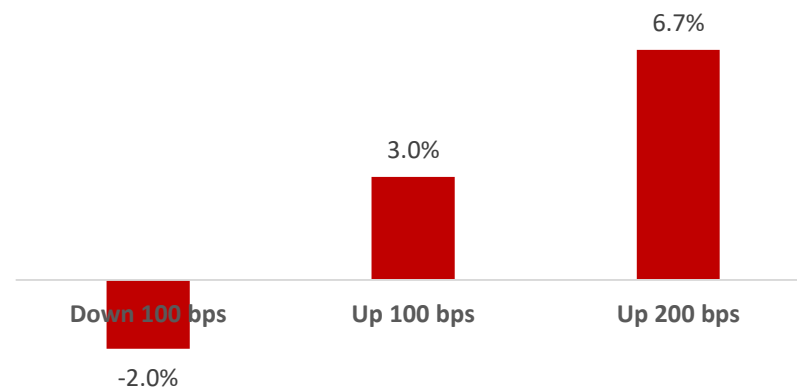
Securities Portfolio Summary

\$ in millions

As of 9/30/21	Par Value	Yield (FTE)	Effective Duration	AFS	HTM
Fixed Rate					
MBS	\$2,938	1.24%	3.76	98%	2%
Municipal	2,702	2.68%	8.11	56%	44%
Treasury/Agency	495	1.76%	6.11	52%	48%
Corporate	395	2.90%	5.94	96%	4%
Other	114	1.52%	4.48	100%	-
Variable Rate	1,502	0.36%	1.00	100%	-
Total	\$8,146	1.68%	4.96	81%	19%

Interest Rate Sensitivity

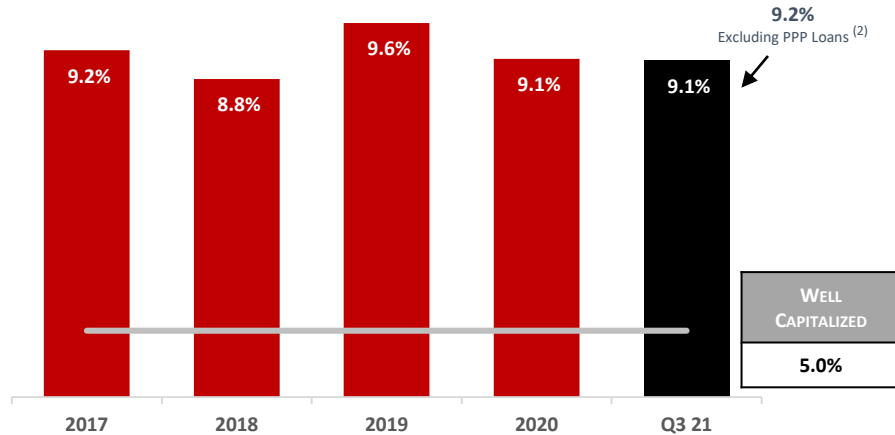
Over the next 12 months



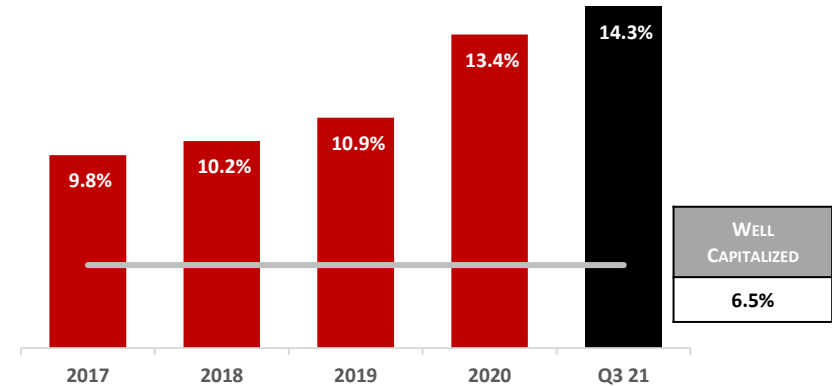
FTE – fully taxable equivalent

Strong Capital Position: Disciplined capital management process...

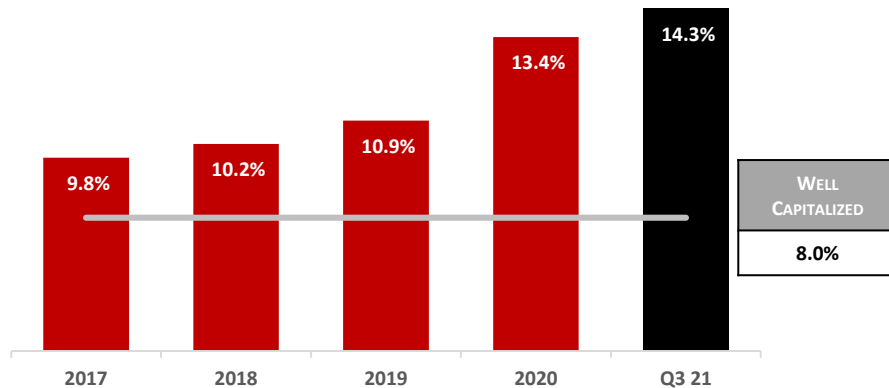
Tier 1 Leverage Ratio ⁽¹⁾



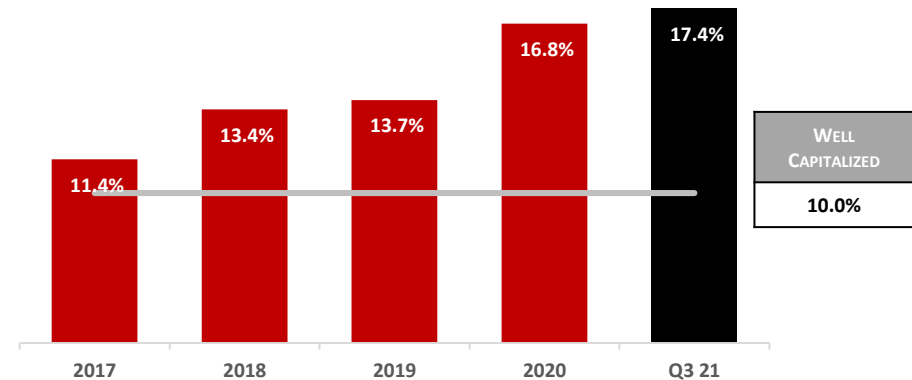
CET1 Capital Ratio ⁽¹⁾



Tier 1 Risk-Based Capital Ratio ⁽¹⁾



Total Risk-Based Capital Ratio ⁽¹⁾



... has allowed us to effectively manage our risk profile while also well-positioning us to take advantage of future growth opportunities ...



(1) As of December 31, except where otherwise stated

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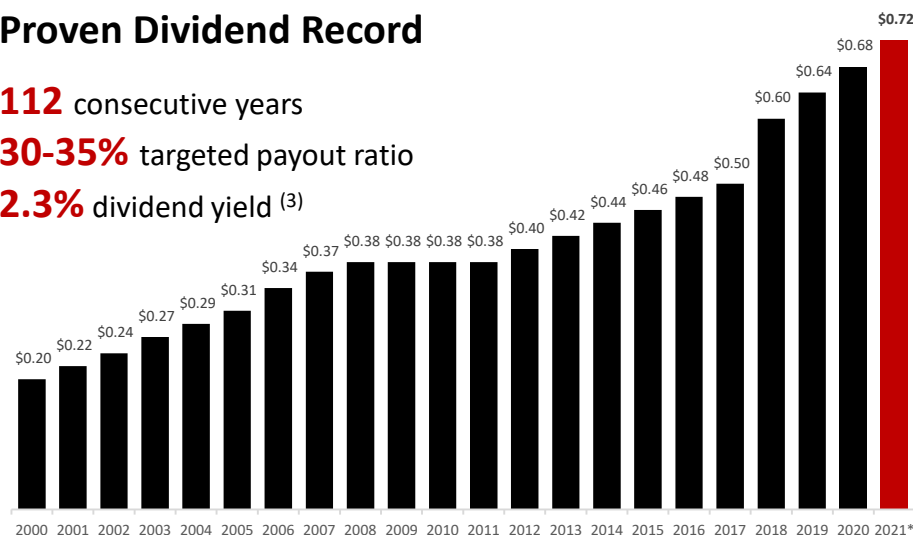
... without losing focus on creating long-term shareholder value ...

Proven Dividend Record

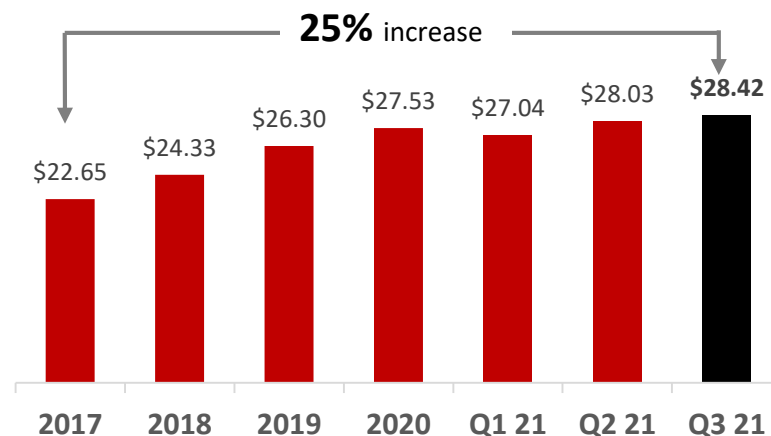
112 consecutive years

30-35% targeted payout ratio

2.3% dividend yield ⁽³⁾



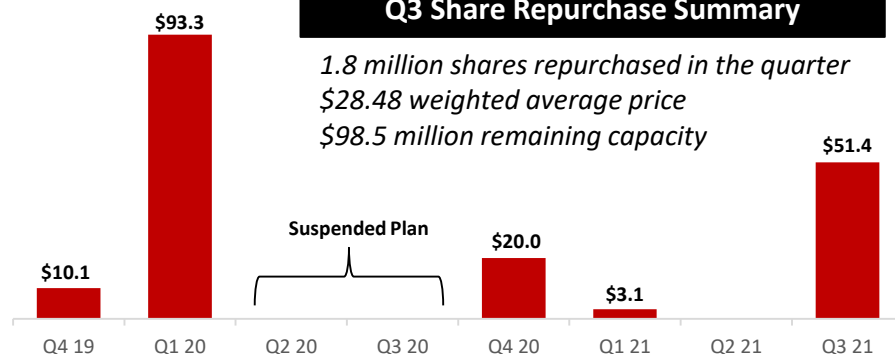
Book Value Per Common Share⁽¹⁾



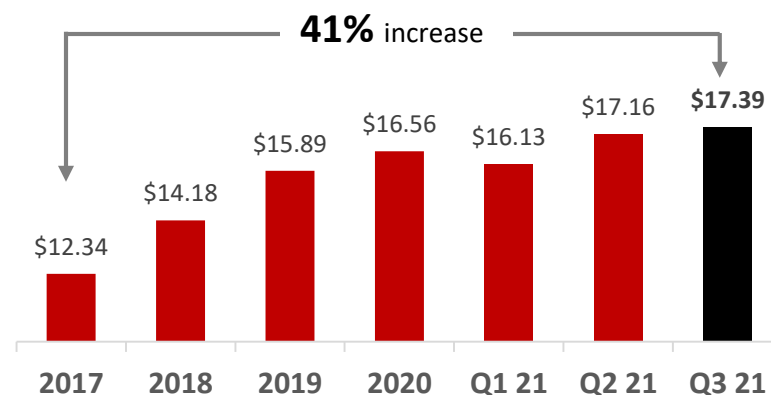
Share Repurchase Program ⁽⁴⁾

Q3 Share Repurchase Summary

1.8 million shares repurchased in the quarter
\$28.48 weighted average price
\$98.5 million remaining capacity



Tangible Book Value Per Common Share ^{(1) (2)}



... and returning excess capital through cash dividends and share repurchases



(1) As of December 31, except where otherwise stated

(2) Non-GAAP measure that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

(3) Based on October 13, 2021 closing stock price of \$30.31

(4) Market conditions and our capital needs will drive the decisions regarding additional, future stock repurchases.

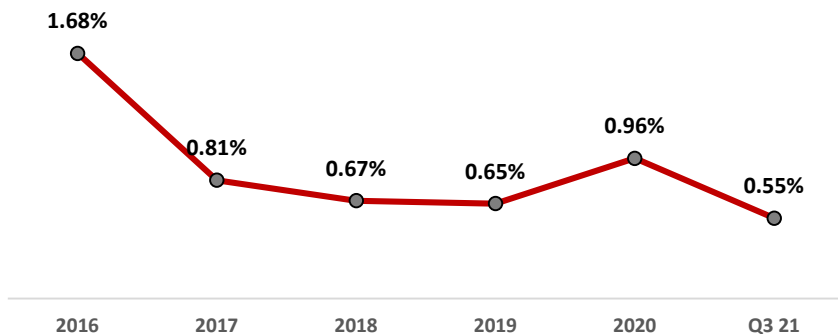
* Represents the annualized cash dividend rate based on the current quarterly cash dividend on the Company's Class A common stock (\$0.18 *4). The future payment of dividends is not guaranteed and is subject to various factors, including approval by the Company's board of directors

Q3 21 Credit Quality



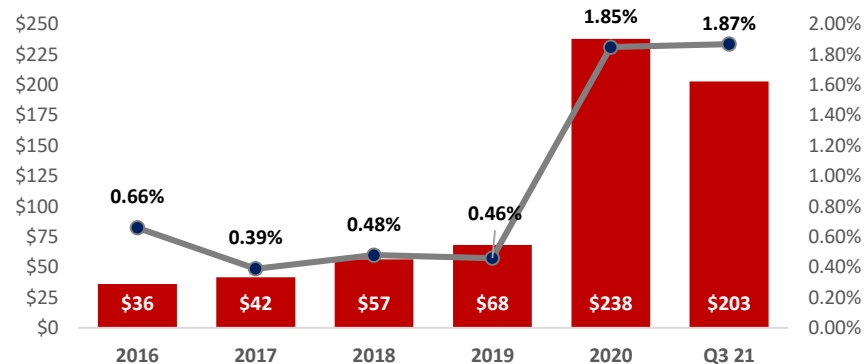
Credit Quality: Commitment to strong underwriting standards ...

Nonperforming loans / Loans

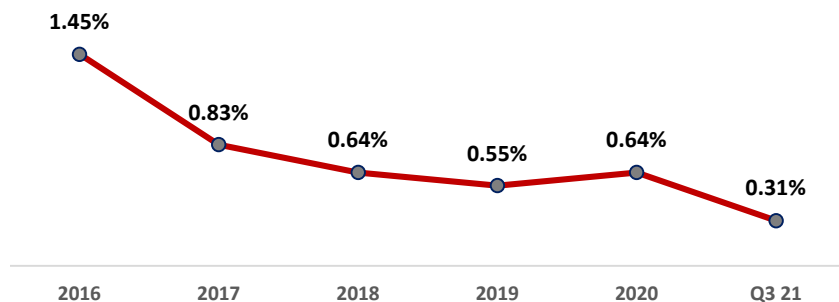


ACL/ALLL⁽¹⁾ / Loans (%) and ACL/ALLL (\$)

\$ in millions



Nonperforming Assets / Assets



Quarterly Trend	9/30/21	06/30/21	Change
NPL / Loans	0.55%	0.71%	(16) bps
Nonperforming Loans (in millions)	\$59.4	\$80.9	(\$21.5)
NPA / Assets	0.31%	0.42%	(11) bps
Nonperforming Assets (in millions)	\$72.9	\$97.2	(\$24.3)
Past Due 30+ Days / Loans	0.09%	0.16%	(7) bps
Net Charge-offs ⁽²⁾ / Loans (YTD)	0.06%	0.01%	+5 bps
Credit Card Portfolio Net Charge-off Ratio ⁽²⁾ (YTD)	1.38%	1.58%	(20) bps
ACL / Loans	1.87%	2.00%	(13) bps

... is reflected in asset quality metrics trending toward historically low levels



Source: S&P Global Market Intelligence 2016-2020 (which metrics are as of December 31 of the relevant year)

(1) ALLL for 2016 – 2019 and ACL 2020 – 2021 Q3

(2) YTD annualized net charge-offs

Allowance for Credit Losses (ACL): Reflects continued improvement...

Allowance for Credit Losses on Loans and Loan Coverage

\$ in millions	ACL	Loan Discount	Total Loan Coverage	ACL / Loans	ACL / Loans excluding PPP ⁽¹⁾
ACL as of 12/31/20	\$ 238.0	\$ 0	\$ 238.0	1.85%	1.98%
Q1 21 Provision	0.0		0.0		
Q1 21 Net charge-offs	(2.9)		(2.9)		
ACL as of 3/31/21	\$ 235.1	\$ 0	\$ 235.1	1.93%	2.06%
Q2 21 Recapture of Provision	(10.0)		(10.0)		
Q2 21 Net recoveries	2.1		2.1		
ACL as of 6/30/21	\$ 227.2	\$ 0	\$ 227.2	2.00%	2.08%
Q3 21 Recapture of Provision	(19.9)		(19.9)		
Q3 21 Net Charge-offs	(4.8)		(4.8)		
ACL as of 9/30/21	\$ 202.5	\$ 0	\$ 202.5	1.87%	1.91%

Reserve for Unfunded Commitments

\$ in millions	as of 9/30/20	as of 12/31/20	As of 3/31/21	As of 6/30/21	As of 9/30/21
Unfunded Commitments	\$2,344	\$2,051	\$2,039	\$2,130	\$2,254
Reserve	\$24.4	\$22.4	\$22.4	\$22.4	\$22.4
Reserve / Unfunded Balance	1.0%	1.1%	1.1%	1.1%	1.0%

ACL Methodology as of 9/30/21:

- Quantitative allocation: **0.80%**
Moody's September 2021 scenarios with management's weighting: *S1* (22%) / *Baseline* (64%) / *S2* (14%)
- Qualitative allocation: **1.07%**
- Total ACL / Loans: **1.87%**

... in credit quality trends and expected Moody's economic scenarios



ACL = Allowance for Credit Losses on Loans

(1) Non-GAAP measure that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

Key Takeaways and Management Outlook



Key Takeaways and Management Outlook

1

Effectively managing the current economic environment without sacrificing future growth potential

2

Committed to maintaining a **strong credit culture and capital position** that reflects our risk profile while returning excess capital to shareholders

3

Reinvesting in our franchise by enhancing our growth profile via M&A, adding revenue producing associates and boosting technology capabilities

Management Outlook

Net interest margin: continue to be impacted by excess liquidity but poised to benefit from balance sheet growth and rising rates

Core Noninterest Income/Expense: expect core noninterest income/expense in line with current trends while meeting previously conveyed cost savings guidance with respect to Landmark and Triumph acquisitions

Provision Expense: will reflect changes in Moody's forecast as well as organic and acquired loan growth



APPENDIX



Non-GAAP Reconciliations

<i>\$ in thousands</i>	2017	2018	2019	2020	Q3 2020	Q2 2021	Q3 2021	YTD 2021
Calculation of Return on Tangible Common Equity								
Net income available to common stockholders	\$ 92,940	\$ 215,713	\$ 237,828	\$ 254,852	\$ 65,885	\$ 74,911	\$ 80,561	\$ 222,879
Amortization of intangibles, net of taxes	4,659	8,132	8,720	9,968	2,483	2,462	2,460	7,392
Total income available to common stockholders (non-GAAP)	<u>\$ 97,599</u>	<u>\$ 223,845</u>	<u>\$ 246,548</u>	<u>\$ 264,820</u>	<u>\$ 68,368</u>	<u>\$ 77,373</u>	<u>\$ 83,021</u>	<u>\$ 230,271</u>
Average common stockholders' equity	\$ 1,390,815	\$ 2,157,097	\$ 2,396,024	\$ 2,921,039	\$ 2,942,045	\$ 2,980,609	\$ 3,067,205	\$ 3,007,181
Average intangible assets:								
Goodwill	(455,453)	(845,308)	(921,635)	(1,065,190)	(1,064,893)	(1,075,305)	(1,075,305)	(1,075,305)
Other intangibles	<u>(68,896)</u>	<u>(97,820)</u>	<u>(104,000)</u>	<u>(118,812)</u>	<u>(116,385)</u>	<u>(105,785)</u>	<u>(102,576)</u>	<u>(106,043)</u>
Total average intangibles	<u>(524,349)</u>	<u>(943,128)</u>	<u>(1,025,635)</u>	<u>(1,184,002)</u>	<u>(1,181,278)</u>	<u>(1,181,090)</u>	<u>(1,177,881)</u>	<u>(1,181,348)</u>
Average tangible common stockholders' equity (non-GAAP)	<u>\$ 866,466</u>	<u>\$ 1,213,969</u>	<u>\$ 1,370,389</u>	<u>\$ 1,737,037</u>	<u>\$ 1,760,767</u>	<u>\$ 1,799,519</u>	<u>\$ 1,889,324</u>	<u>\$ 1,825,833</u>
Return on average common equity	6.68%	10.00%	9.93%	8.72%	8.91%	10.08%	10.42%	9.91%
Return on tangible common equity (non-GAAP)	11.26%	18.44%	17.99%	15.25%	15.45%	17.25%	17.43%	16.86%



Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Core Noninterest Income to Revenue					
Net Interest Income	\$ 153,610	\$ 154,960	\$ 146,681	\$ 146,533	\$ 145,237
Noninterest income	<u>69,479</u>	<u>41,761</u>	<u>49,549</u>	<u>47,115</u>	<u>48,550</u>
Total Revenue (GAAP)	<u>\$ 223,089</u>	<u>\$ 196,721</u>	<u>\$ 196,230</u>	<u>\$ 193,648</u>	<u>\$ 193,787</u>
Noninterest Income (GAAP)	\$ 69,479	\$ 41,761	\$ 49,549	\$ 47,115	\$ 48,550
Non-core Items (non-GAAP)	<u>(370)</u>	<u>(275)</u>	<u>(5,477)</u>	<u>(445)</u>	<u>239</u>
Core Noninterest Income (non-GAAP)	<u>\$ 69,109</u>	<u>\$ 41,486</u>	<u>\$ 44,072</u>	<u>\$ 46,670</u>	<u>\$ 48,789</u>
Net Interest Income	\$ 153,610	\$ 154,960	\$ 146,681	\$ 146,533	\$ 145,237
Core Noninterest Income (non-GAAP)	<u>69,109</u>	<u>41,486</u>	<u>44,072</u>	<u>46,670</u>	<u>48,789</u>
Core Total Revenue (non-GAAP)	<u>\$ 222,719</u>	<u>\$ 196,446</u>	<u>\$ 190,753</u>	<u>\$ 193,203</u>	<u>\$ 194,026</u>
Noninterest Income / Revenue (GAAP)	31.1%	21.2%	25.3%	24.3%	25.1%
Core Noninterest Income / Revenue (non-GAAP)	31.0%	21.1%	23.1%	24.2%	25.1%
Calculation of Total Revenue and Noninterest Income per Employee (FTE)					
Employees (FTE)		2,827	2,817	2,783	2,740
Total Revenue per Employee (FTE)		<u>\$ 69.6</u>	<u>\$ 69.7</u>	<u>\$ 69.6</u>	<u>\$ 70.7</u>
Core total Revenue per Employee (FTE) (non-GAAP)		<u>\$ 69.5</u>	<u>\$ 67.7</u>	<u>\$ 69.4</u>	<u>\$ 70.8</u>
Noninterest Income per Employee (FTE)		\$ 14.8	\$ 17.6	\$ 16.9	\$ 17.7
Core Noninterest Income per Employee (FTE) (non-GAAP)		\$ 14.7	\$ 15.7	\$ 16.8	\$ 17.8



FTE – full-time equivalent

Non-GAAP Reconciliations

<i>\$ in thousands</i>	2017	2018	2019	2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Efficiency Ratio									
Noninterest expense	\$ 309,988	\$ 387,993	\$ 456,283	\$ 487,585	\$ 116,577	\$ 125,840	\$ 113,002	\$ 114,657	\$114,333
Non-core non-interest expense adjustment	(27,357)	(6,118)	(42,972)	(21,529)	(3,690)	(12,489)	(858)	(1,154)	1,879
Other real estate and foreclosure expense adjustment	(3,042)	(4,240)	(3,282)	(1,706)	(600)	(545)	(343)	(863)	(339)
Amortization of intangibles adjustment	(7,666)	(11,009)	(11,805)	(13,495)	(3,362)	(3,351)	(3,344)	(3,333)	(3,331)
Efficiency ratio numerator	<u>\$ 271,923</u>	<u>\$ 366,626</u>	<u>\$ 398,224</u>	<u>\$ 450,855</u>	<u>\$ 108,925</u>	<u>\$ 109,455</u>	<u>\$ 108,457</u>	<u>\$ 109,307</u>	<u>\$ 112,542</u>
Net interest income	\$ 354,930	\$ 552,552	\$ 601,753	\$ 639,734	\$ 153,610	\$ 154,960	\$ 146,6814	\$ 146,533	\$ 145,237
Noninterest income	136,374	139,660	200,202	242,618	69,479	41,761	49,549	47,115	48,550
Non-core noninterest income adjustment	(3,972)	-	-	(8,738)	(370)	(275)	(5,477)	(445)	239
Fully tax-equivalent adjustment ⁽¹⁾	7,723	5,297	7,322	11,001	2,864	3,482	4,163	4,548	4,941
(Gain) loss on sale of securities	<u>1,059</u>	<u>(61)</u>	<u>(13,314)</u>	<u>(54,806)</u>	<u>(22,305)</u>	<u>(16)</u>	<u>(5,471)</u>	<u>(5,127)</u>	<u>(5,248)</u>
Efficiency ratio denominator	<u>\$ 493,996</u>	<u>\$ 697,448</u>	<u>\$ 795,463</u>	<u>\$ 829,809</u>	<u>\$ 203,278</u>	<u>\$ 199,912</u>	<u>\$ 189,445</u>	<u>\$ 192,624</u>	<u>\$ 193,719</u>
Efficiency ratio ⁽²⁾	55.05%	52.57%	50.03%	54.33%	53.58%	54.75%	57.25%	56.75%	58.10%

<i>\$ in thousands</i>	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Core Noninterest Expense						
Noninterest expense (GAAP)	\$ 115,461	\$ 116,577	\$ 125,840	\$ 113,002	\$ 114,657	\$ 114,333
Merger related costs	(1,830)	(902)	(731)	(233)	(686)	(1,401)
Branch Right sizing	(1,721)	(442)	(11,696)	(625)	(468)	3,280
Early retirement program	(493)	(2,346)	(62)	-	-	-
Core noninterest expense (non-GAAP)	<u>\$ 111,417</u>	<u>\$ 112,887</u>	<u>\$ 113,351</u>	<u>\$ 112,144</u>	<u>\$ 113,503</u>	<u>\$ 116,212</u>
Calculation of Noninterest Expense to Average Assets						
Noninterest expense (GAAP)	<u>\$ 115,461</u>	<u>\$ 116,577</u>	<u>\$ 125,840</u>	<u>\$ 113,002</u>	<u>\$ 114,657</u>	<u>\$ 114,333</u>
Core noninterest expense (non-GAAP)	<u>\$ 111,417</u>	<u>\$ 112,887</u>	<u>\$ 113,352</u>	<u>\$ 112,144</u>	<u>\$ 113,503</u>	<u>\$ 116,212</u>
Average total assets	<u>\$21,822,273</u>	<u>\$21,765,321</u>	<u>\$21,852,094</u>	<u>\$22,738,821</u>	<u>\$23,257,921</u>	<u>\$23,255,541</u>
Noninterest expense to average total assets	2.12%	2.14%	2.30%	1.99%	1.97%	1.97%
Core noninterest expense to average total assets (non-GAAP)	2.04%	2.07%	2.07%	1.97%	1.95%	2.00%



- (1) Effective tax rate of 26.135% for 1018 – 2021 and 39.225% for 2017, adjusted for non-deductible merger-related costs and deferred tax items on P&C
- (2) Efficiency ratio is core noninterest 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</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Core Net Interest Margin					
Net interest income	\$ 153,610	\$ 154,960	\$ 146,681	\$ 146,533	\$ 145,237
Fully tax-equivalent adjustment	<u>2,864</u>	<u>3,482</u>	<u>4,163</u>	<u>4,548</u>	<u>4,941</u>
Fully tax-equivalent net interest income	156,474	158,442	150,844	151,081	150,178
Total accretable yield	<u>(8,948)</u>	<u>(8,999)</u>	<u>(6,630)</u>	<u>(5,619)</u>	<u>(4,122)</u>
Core net interest income (non-GAAP)	<u>\$ 147,526</u>	<u>\$ 149,443</u>	<u>\$ 144,214</u>	<u>\$ 145,462</u>	<u>\$ 146,056</u>
PPP loan and excess liquidity interest income (non-GAAP)	<u>(6,131)</u>	<u>(6,983)</u>	<u>(12,257)</u>	<u>(9,445)</u>	<u>(10,064)</u>
Core net interest income adjusted for PPP loans and liquidity (non-GAAP)	<u>\$ 150,343</u>	<u>\$ 151,459</u>	<u>\$ 138,587</u>	<u>\$ 141,636</u>	<u>\$140,114</u>
Average earning assets	<u>\$ 19,415,314</u>	<u>\$ 19,573,651</u>	<u>\$ 20,484,908</u>	<u>\$ 20,959,642</u>	<u>\$ 20,901,992</u>
Average PPP loan balance and excess liquidity	<u>(2,359,928)</u>	<u>(2,837,125)</u>	<u>(3,617,567)</u>	<u>(2,659,831)</u>	<u>(1,475,098)</u>
Average earning assets adjusted for PPP loans and liquidity (non-GAAP)	<u>\$ 17,055,386</u>	<u>\$ 16,736,526</u>	<u>\$ 16,867,341</u>	<u>\$ 18,299,811</u>	<u>\$ 19,426,894</u>
Net interest margin	3.21%	3.22%	2.99%	2.89%	2.85%
Core net interest margin (non-GAAP)	3.02%	3.04%	2.86%	2.78%	2.77%
Core net interest margin adjusted for PPP loans and liquidity (non-GAAP)	3.51%	3.60%	3.33%	3.10%	2.86%
Calculation of Adjusted Pre-Tax, Pre-Provision (PTPP) Earnings					
Net income available to common shareholders	\$ 65,885	\$ 52,955	\$ 67,407	\$ 74,911	\$ 80,561
Provision for income taxes	17,633	10,970	14,363	17,018	18,770
Provision for credit losses	22,981	6,943	1,445	(12,951)	(19,890)
(Gain) loss on sale of securities	(22,305)	(16)	(5,471)	(5,127)	(5,248)
Net pre-tax non-core items	<u>3,320</u>	<u>12,214</u>	<u>(4,619)</u>	<u>709</u>	<u>(1,640)</u>
Pre-tax, pre-provision (PTTP) earnings	<u>\$ 87,514</u>	<u>\$ 83,066</u>	<u>\$ 73,125</u>	<u>\$ 74,560</u>	<u>\$ 72,553</u>



Non-GAAP Reconciliations

<i>\$ in thousands, except per share and share count</i>	2017	2018	2019	2020
Calculation of Book Value and Tangible Book Value per Share				
Total common stockholders' equity	\$ 2,084,564	\$ 2,246,434	\$ 2,988,157	\$ 2,975,889
Intangible assets:				
Goodwill	(842,651)	(845,687)	(1,055,520)	(1,075,305)
Other intangible assets	<u>(106,071)</u>	<u>(91,334)</u>	<u>(127,340)</u>	<u>(111,110)</u>
Total intangibles	<u>(948,722)</u>	<u>(937,021)</u>	<u>(1,182,860)</u>	<u>(1,186,415)</u>
Tangible common stockholders' equity (non-GAAP)	\$ <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>92,029,118</u>	<u>92,347,643</u>	<u>113,628,601</u>	<u>108,077,662</u>
Book value per common share	\$ 22.65	\$ 24.33	\$ 26.30	\$ 27.53
Tangible book value per common share (non-GAAP)	\$ 12.34	\$ 14.18	\$ 15.89	\$ 16.56

<i>\$ in thousands, except per share and share count</i>	Q3 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Book Value and Tangible Book Value per Share				
Total common stockholders' equity	\$ 2,941,474	\$ 2,930,008	\$ 3,038,599	\$ 3,029,764
Intangible assets:				
Goodwill	(1,075,305)	(1,075,305)	(1,075,305)	(1,0745,305)
Other intangible assets	<u>(114,460)</u>	<u>(107,091)</u>	<u>(103,759)</u>	<u>(100,428)</u>
Total intangibles	<u>(1,189,765)</u>	<u>(1,182,396)</u>	<u>(1,179,064)</u>	<u>(1,175,733)</u>
Tangible common stockholders' equity (non-GAAP)	\$ <u>1,751,709</u>	\$ <u>1,747,612</u>	\$ <u>1,859,535</u>	\$ <u>1,854,031</u>
Shares of common stock outstanding	<u>109,023,781</u>	<u>108,345,732</u>	<u>108,386,669</u>	<u>106,603,231</u>
Book value per common share	\$ 26.98	\$ 27.04	\$ 28.03	\$ 28.42
Tangible book value per common share (non-GAAP)	\$ 16.07	\$ 16.13	\$ 17.16	\$ 17.39



Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Core Loan Yield					
Loan interest income (FTE)	\$ 163,379	\$ 160,306	\$ 146,601	\$ 138,987	\$ 132,399
Total accretable yield	(8,948)	(8,999)	(6,630)	(5,619)	(4,122)
Core loan interest income (non-GAAP)	<u>154,431</u>	<u>151,307</u>	<u>\$ 139,971</u>	<u>\$ 133,368</u>	<u>\$ 128,277</u>
PPP loan interest income	(5,782)	(6,457)	(11,652)	(8,958)	(9,614)
Core loan interest income excluding PPP loans (non-GAAP)	<u>\$ 148,649</u>	<u>\$ 144,850</u>	<u>\$ 128,319</u>	<u>\$ 124,410</u>	<u>\$ 118,663</u>
Average loan balance	<u>\$ 14,315,014</u>	<u>\$ 13,457,077</u>	<u>\$ 12,518,300</u>	<u>\$ 11,783,839</u>	<u>\$ 11,030,438</u>
Average PPP loan balance (non-GAAP)	<u>(967,152)</u>	<u>(937,544)</u>	<u>(891,070)</u>	<u>(707,296)</u>	<u>(359,828)</u>
Core loan interest income excluding PPP loans (non-GAAP)	<u>\$ 13,347,862</u>	<u>\$ 12,519,533</u>	<u>\$ 11,627,230</u>	<u>\$ 11,076,543</u>	<u>\$ 10,670,610</u>
Core loan yield (non-GAAP)	4.29%	4.47%	4.53%	4.54%	4.61%
Core loan yield excluding PPP loans (non-GAAP)	4.43%	4.60%	4.48%	4.51%	4.41%
Calculation of Loan Yield Adjusted for PPP Loans					
Loan interest income (FTE)	\$ 163,379	\$ 160,306	\$ 146,601	\$ 138,987	\$ 132,399
PPP loan interest income	(5,782)	(6,457)	(11,652)	(8,958)	(9,614)
Loan interest income excluding PPP loans (non-GAAP)	<u>\$ 157,597</u>	<u>\$ 153,849</u>	<u>\$ 134,949</u>	<u>\$ 130,029</u>	<u>\$ 122,785</u>
Average loan balance	<u>\$ 14,315,014</u>	<u>\$ 13,457,077</u>	<u>\$ 12,518,300</u>	<u>\$ 11,783,839</u>	<u>\$ 11,030,438</u>
Average PPP loan balance	<u>(967,152)</u>	<u>(937,544)</u>	<u>(891,070)</u>	<u>(707,296)</u>	<u>(359,828)</u>
Average loan balance excluding PPP loans (non-GAAP)	<u>\$ 13,347,862</u>	<u>\$ 12,519,533</u>	<u>\$ 11,627,230</u>	<u>\$ 11,076,543</u>	<u>\$ 10,670,610</u>
Loan yield	4.54%	4.74%	4.75%	4.73%	4.76%
Loan yield excluding PPP loans (non-GAAP)	4.70%	4.89%	4.71%	4.71%	4.61%
Calculation of Allowance for Credit Losses to Total Loans					
Allowance for credit losses (GAAP)		\$ 238,050	\$ 235,116	\$ 227,239	\$ 202,508
Total loans (GAAP)		\$ 12,900,897	\$ 12,195,873	\$ 11,386,352	\$ 10,825,227
PPP loan balance		(904,673)	(797,629)	(441,353)	(212,087)
Total loans excluding PPP loans (non-GAAP)		<u>\$ 11,996,224</u>	<u>\$ 11,398,244</u>	<u>\$ 10,944,999</u>	<u>\$ 10,613,140</u>
Allowance for credit losses to total loans		<u>1.85%</u>	<u>1.93%</u>	<u>2.00%</u>	<u>1.87%</u>
Allowance for credit losses to total loans excluding PPP (non-GAAP)		<u>1.98%</u>	<u>2.06%</u>	<u>2.08%</u>	<u>1.91%</u>



Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
Calculation of Regulatory Tier 1 Leverage Ratio Excluding Average PPP Loans					
Total Tier 1 capital	\$ <u>1,868,173</u>	\$ <u>1,884,563</u>	\$ <u>1,939,868</u>	\$ <u>2,000,023</u>	\$ <u>2,012,059</u>
Adjusted average assets for leverage ratio	\$ 20,652,454	\$ 20,765,127	\$ 21,668,406	\$ 22,244,118	\$ 22,199,822
Average PPP loans	<u>(967,152)</u>	<u>(937,544)</u>	<u>(891,070)</u>	<u>(707,296)</u>	<u>(359,828)</u>
Adjusted average assets excluding average PPP loans (non-GAAP)	\$ <u>19,685,302</u>	\$ <u>19,827,583</u>	\$ <u>20,777,336</u>	\$ <u>21,536,822</u>	\$ <u>21,839,994</u>
Tier 1 leverage ratio	<u>9.05%</u>	<u>9.08%</u>	<u>8.95%</u>	<u>8.99%</u>	<u>9.06%</u>
Tier 1 leverage ratio excluding average PPP loans (non-GAAP)	<u>9.49%</u>	<u>9.50%</u>	<u>9.34%</u>	<u>9.29%</u>	<u>9.21%</u>





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Contents

- 3 Q3 Key Highlights
- 4 Q3 Results Overview
- 11 Loans
- 16 Deposits, Liquidity, Securities,
Interest Rate Sensitivity &
Capital
- 21 Credit Quality
- 24 Key Takeaways and
Management Outlook
- 26 Appendix

3rd Quarter 2021 Earnings Presentation