



Nasdaq: **SFNC**

# 1<sup>st</sup> Quarter 2023 Earnings Presentation



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Interest Rate Sensitivity and  
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# Forward-Looking Statements and Non-GAAP Financial Measures

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**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,” “believe,” “continue,” “estimate,” “expect,” “foresee,” “indicate,” “plan,” “potential,” “project,” “target,” “may,” “might,” “will,” “would,” “could,” “should,” “likely” or “intend,” future or conditional verb tenses, and variations or negatives of such terms or by similar expressions. These forward-looking statements include, without limitation, statements relating to the Company’s future growth; business strategies; product development; revenue; expenses (including interest expense and non-interest expenses); assets; loan demand (including loan growth, loan capacity, and other lending activity); deposit levels; asset quality; profitability; earnings; critical accounting policies; accretion; net interest margin; noninterest revenue; the Company’s common stock repurchase program; adequacy of the allowance for credit losses; income tax deductions; credit quality; level of credit losses from lending commitments; net interest revenue; interest rate sensitivity (including, among other things, the potential impact of rising rates); loan loss experience; liquidity; capital resources; future economic conditions and market risk; interest rates; the expected benefits, milestones, timelines, and costs associated with the Company’s merger and acquisition strategy and activity; the Company’s ability to recruit and retain key employees; increases in, and cash flows associated with, the Company’s securities portfolio; legal and regulatory limitations and compliance and competition; anticipated loan principal reductions; plans for investments in and cash flows from securities; projections regarding securities investments and maturities thereof; the “2023 Efficiency Targets” and “Long-Term Objectives” set forth on slide 10; the interest rate sensitivity estimates, as well as the estimated interest income effect of the fair value hedges, noted on slide 17; digital bank initiatives; and 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 effects of the pandemic on, among other things, the Company’s operations, liquidity, and credit quality; changes in general market and economic conditions; increased unemployment; labor shortages; possible adverse rulings, judgments, settlements and other outcomes of pending or future litigation; the ability of the Company to collect amounts due under loan agreements; changes in consumer preferences and loan demand; the 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 manage and implement its acquisition strategy and integrate acquired institutions; difficulties and delays in integrating an acquired business or fully realizing cost savings and other benefits of mergers and acquisitions; changes in interest rates, deposit flows, real estate values, and capital markets; increased 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; political crises, war, and other military conflicts (including the ongoing military conflict between Russia and Ukraine) or other major events, or the prospect of these events; increased competition; changes in governmental policies; loss of key employees; the soundness of other financial institutions and indirect exposure related to the closings of Silicon Valley Bank (“SVB”), Signature Bank and Silvergate Bank and their impact on the broader market through other customers, suppliers and partners (or that the conditions which resulted in the liquidity concerns with SVB, Signature Bank and Silvergate Bank may also adversely impact, directly or indirectly, other financial institutions and market participants with which the Company has commercial or deposit relationships); 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, 2022. In addition, there can be no guarantee that the board of directors (“Board”) of the Company will approve a quarterly dividend in future quarters, and the timing, payment, and amount of future dividends (if any) is subject to, among other things, the discretion of the Board and may differ significantly from past dividends. 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.

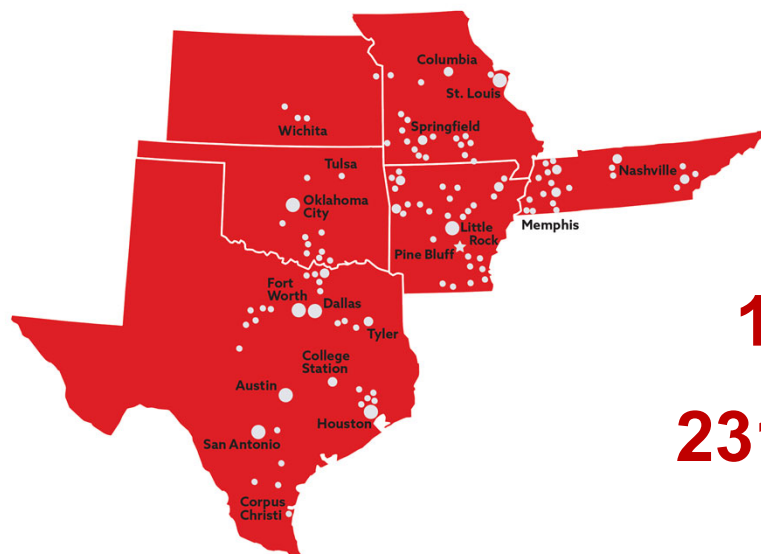
**Non-GAAP Financial Measures.** This presentation contains financial information determined by methods other than in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company’s management uses these non-GAAP financial measures in their analysis of the Company’s performance and capital adequacy. 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 net income (including on a per share diluted basis), pre-tax, pre-provision earnings, net charge-offs, income available to common shareholders, non-interest income, and non-interest expense certain income and expense items attributable to merger activity (primarily including merger-related expenses and Day 2 CECL provisions), gains and/or losses on sale of branches, net branch right-sizing initiatives, loss on redemption of trust preferred securities and gain on sale of intellectual property. 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, and presents certain other figures to include the effect that accumulated other comprehensive income could have on the Company’s capital levels. The Company further presents certain figures that are exclusive of the impact of Paycheck Protection Program (“PPP”) loans, deposits and/or loans acquired through acquisitions, mortgage warehouse loans, and/or energy loans, or gains and/or losses on the sale of securities. The Company’s management believes that these non-GAAP financial measures 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, present the Company’s capital inclusive of the potential impact of AOCI (primarily comprised of unrealized losses on securities), as well as normalize for tax effects, the effects of the PPP, and certain other 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 ongoing businesses, and management uses these non-GAAP financial measures to assess the performance of the Company’s ongoing 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.





# Simmons First National Corporation

A community-based bank serving our customers and the communities where we work and live since 1903



**114** CONSECUTIVE YEARS  
PAYING DIVIDENDS<sup>3</sup>

**120** YEARS OF SERVICE

**231** FINANCIAL CENTERS  
ACROSS SIX STATES



## Company Overview

**\$27.6**

BILLION  
TOTAL ASSETS

**\$22.5**

BILLION  
TOTAL DEPOSITS

**\$7.7**

BILLION  
ASSETS UNDER  
MANAGEMENT/  
ADMINISTRATION

**\$16.6**

BILLION  
TOTAL LOANS

**14.5%**

TOTAL RBC  
RATIO

**7.3%**

TCE RATIO<sup>1</sup>

**4.8%**

DIVIDEND YIELD<sup>2</sup>

**74%**

LOAN TO  
DEPOSIT RATIO

**0.26%**

NPA TO TOTAL  
ASSETS

**324%**

NPL COVERAGE  
RATIO

Figures presented on this slide are as of March 31, 2023, unless otherwise noted

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

(2) Based on April 14, 2023, closing stock price of \$16.58 and projected annualized dividend rate of \$0.80 per share

(3) The future payment of dividends is not guaranteed and is subject to various factors, including approval by the Company's board of directors



# Q1 23 Financial Highlights



## Balance Sheet Highlights

\$ in millions, except per share data	Q1 23	Q4 22	Q1 22	Q1 23 vs Q4 22		Q1 23 vs Q1 22	
				\$ Change	% Change	\$ Change	% Change
Period End Balances							
Total loans	\$16,555.1	\$16,142.1	\$12,028.6	\$413.0	3 %	\$4,526.5	38 %
Investment securities	7,521.4	7,612.6	8,196.9	(91.1)	(1)	(675.5)	(8)
Total assets	27,583.4	27,461.1	24,482.3	122.4	-	3,101.2	13
Total deposits	22,451.8	22,548.1	19,392.4	(96.3)	-	3,059.4	16
Borrowed funds	1,532.7	1,385.7	1,918.3	147.0	11	(385.6)	(20)
Total stockholders' equity	3,339.9	3,269.4	2,961.6	70.5	2	378.3	13
Average Balances							
Total loans	\$16,329.8	\$15,930.0	\$11,895.8	\$399.8	3 %	\$4,434.0	37 %
Investment securities	7,555.6	7,668.0	8,533.1	(112.4)	(1)	(977.5)	(11)
Total assets	27,488.7	27,180.6	24,826.2	308.2	1	2,662.5	11
Total deposits	22,520.4	22,233.3	19,509.5	287.1	1	3,011.0	15
Borrowed funds	1,302.5	1,468.1	1,940.0	(165.6)	(11)	(637.6)	(33)
Total stockholders' equity	3,370.7	3,214.9	3,169.1	155.7	5	201.5	6
Select Other Data							
Equity to assets	12.11 %	11.91 %	12.10 %				
Tangible common equity to tangible assets <sup>1</sup>	7.25	7.00	7.37				
Book value per share	\$26.24	\$25.73	\$26.32	\$0.51	2 %	\$(0.08)	- %
Tangible book value per share <sup>1</sup>	14.88	14.33	15.22	0.55	4	(0.34)	(2)
Allowance for credit losses to total loans	1.25 %	1.22 %	1.49 %				
Nonperforming loan coverage ratio	324	334	278				

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



# Income Summary

Income Summary		% Change vs			
\$ in millions, except per share data		Q1 23	Q4 22	Q1 22	
				Q4 22	Q1 22
Net interest income	\$177.8	\$193.0	\$145.6	(8) %	22 %
Noninterest income, excluding securities gain (loss) <sup>(1)</sup>	45.8	44.7	42.3	3	8
<b>Total revenue, excluding securities gain (loss)<sup>(1)</sup></b>	<b>223.7</b>	<b>237.7</b>	<b>187.9</b>	<b>(6)</b>	<b>19</b>
Noninterest expense	143.2	142.6	128.4	-	12
<b>Pre-provision net revenue<sup>(1)</sup></b>	<b>80.4</b>	<b>95.2</b>	<b>59.5</b>	<b>(15)</b>	<b>35</b>
Gain (loss) on sale of securities	-	(0.1)	(0.1)	NM	NM
Provision for (recapture of) credit losses on loans	10.9	-	(19.9)	NM	NM
Provision for credit losses on investment securities	13.3	-	-	NM	NM
Provision for income taxes	10.6	11.8	14.2	(10)	(25)
<b>Net income</b>	<b>\$ 58.9</b>	<b>\$ 83.3</b>	<b>\$ 65.1</b>	<b>(29) %</b>	<b>(10) %</b>
<b>Diluted EPS</b>	<b>\$ 0.36</b>	<b>\$ 0.65</b>	<b>\$ 0.58</b>	<b>(45) %</b>	<b>(38) %</b>
<b>Impact of certain items:</b>					
Merger related costs	\$ 1.4	\$ -	\$ 1.9		
Branch right sizing costs	1.0	1.1	0.9		
Gain on insurance settlement	-	(4.1)	-		
Tax effect <sup>(2)</sup>	(0.6)	0.8	(0.7)		
<b>Total impact on earnings</b>	<b>\$ 1.8</b>	<b>(\$2.2)</b>	<b>\$ 2.1</b>		
<b>Adjusted pre-provision net revenue<sup>(1)</sup></b>	<b>\$ 82.8</b>	<b>\$ 92.2</b>	<b>\$ 62.3</b>	<b>(10) %</b>	<b>33 %</b>
<b>Adjusted net income<sup>(1)</sup></b>	<b>\$ 60.6</b>	<b>\$ 81.1</b>	<b>\$ 67.2</b>	<b>(25) %</b>	<b>(10) %</b>
<b>Adjusted diluted EPS<sup>(1)</sup></b>	<b>\$ 0.37</b>	<b>\$ 0.64</b>	<b>\$ 0.59</b>	<b>(42) %</b>	<b>(37) %</b>

Diluted EPS and adjusted diluted EPS for Q1 23 includes \$0.08 per share impact from market valuation adjustments on isolated securities in the corporate bond portfolio

## Q1 23 Highlights

### Linked Quarter Comparison (Q1 23 vs Q4 22)

- ❑ Total revenue of \$223.7 million reflects decline in net interest income due to increase in deposit cost, partially offset by fees and other income
- ❑ Expense growth contained with expense initiatives taking form late in the quarter
- ❑ Pre-provision net revenue of \$80.4 million; adjusted pre-provision net revenue of \$82.8 million
- ❑ Provision expense consisting of:
  - \$10.9 million reflecting loan growth in the quarter and the impact of updated economic assumptions
  - \$13.3 million related to isolated securities in the corporate bond portfolio



Note: Numbers may not add due to rounding. NM – not meaningful.  
 (1) Non-GAAP measures that management believes aids in the discussion of results. See appendix for Non-GAAP reconciliation.  
 (2) Effective tax rate of 26.135%



## Net Interest Income and Margin (FTE)

### Net Interest Income

\$ in millions; FTE



### Net Interest Income Evolution

\$ in millions; FTE



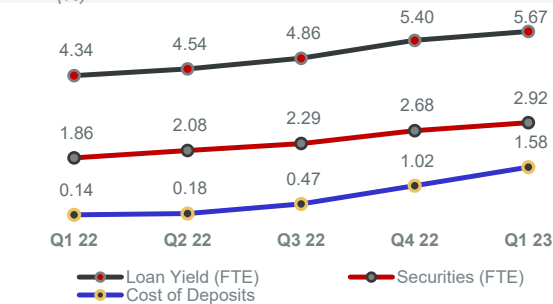
### Net Interest Margin/Earning Assets Yield

FTE (%)



### Loan, Securities & Deposits Yield/Rate

FTE (%)



## Q1 23 Highlights

### Linked Quarter Comparison (Q1 23 vs Q4 22)

#### Asset portion of balance sheet

- +27 bps increase in loan yields
- +24 bps increase in securities yield
- +29 bps increase in earnings assets yields
- Average loans up 3%
- Average securities down 1%

#### Liability portion of balance sheet

- +56 bps increase in cost of deposits
- Overall deposits levels unchanged but reflect continued change in mix of deposits from noninterest bearing to interest bearing
- Average other borrowings down 11%

- Approximately \$330 million of SFNC subordinated debt converts from fixed rate to floating rate on 4/1/23

- Remaining balance of purchase accounting accretion at 3/31/23 was \$19.4 million

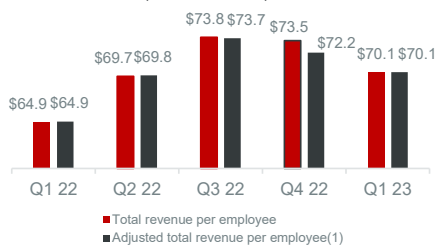


FTE – Fully taxable equivalent using an effective tax rate of 26.135%  
Totals may not foot due to rounding

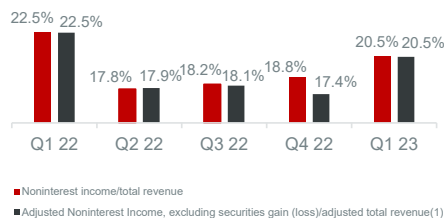
# Noninterest Income

\$ in millions	Q1 23	Q4 22	Q1 22	% Change vs	
				Q4 22	Q1 22
Service charges on deposit accounts	\$12.4	\$11.9	\$ 10.7	5 %	16 %
Wealth management fees	7.4	8.2	8.0	(10)	(8)
Debit and credit card fees	8.0	7.8	7.4	1	7
Mortgage lending income	1.6	1.1	4.6	38	(65)
Bank owned life insurance	3.0	3.0	2.7	-	10
Other service charges and fees	2.3	2.0	1.6	13	39
Other	7.3	6.6	7.3	10	0
	41.9	40.6	42.3	3	(1)
Gain (loss) on sale of securities	-	(0.1)	(0.1)	NM	NM
Legal reserve recapture/gain on insurance settlement	4.0	4.1	-	NM	NM
<b>Total noninterest income</b>	<b>\$45.8</b>	<b>\$44.6</b>	<b>\$42.2</b>	<b>3 %</b>	<b>9 %</b>
<b>Adjusted noninterest income <sup>(1)</sup></b>	<b>\$45.8</b>	<b>\$40.6</b>	<b>\$42.2</b>	<b>13 %</b>	<b>9 %</b>

**Revenue Per Employee (FTE)**  
(\$ in thousands)



**Noninterest Income to Total Revenue**



**Noninterest Income Per Employee (FTE)**  
(\$ in thousands)



## Q1 23 Highlights

### Linked Quarter Comparison (Q1 23 vs Q4 22)

- Recurring fee income (service charges on deposit accounts, wealth management fees and debit and credit card fees) up 6% compared to Q1 22
- Service charges on deposits and debit and credit card fees reflects increase in consumer activity and usage
- Decline in wealth management fees reflects sale of royalty trust business in Q4 22
- Increase in other income driven by an increase of sales of matched interest rate swaps for customers
- Legal reserve recapture associated with legal matters previously disclosed in public filings



Totals may not foot due to rounding NM – not meaningful FTE – Full-time equivalent

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



# Noninterest Expense

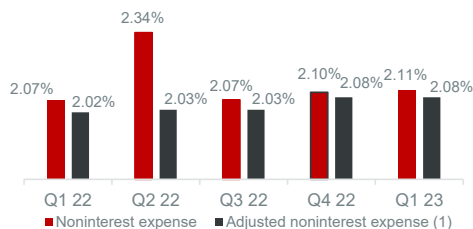
\$ in millions	Q1 23	Q4 22	Q1 22	% Change vs	
				Q4 22	Q1 22
Salaries and employee benefits	\$77.0	\$73.0	\$67.9	6 %	13 %
Occupancy expense, net	11.6	11.6	10.0	-	16
Furniture and equipment	5.1	5.4	4.8	(6)	6
Deposit insurance	4.9	3.7	1.8	33	166
OREO and foreclosure expense	0.2	0.4	0.3	(47)	(46)
Other	43.1	48.5	41.6	(11)	3
Merger related costs	1.4	-	1.9	NM	(26)
<b>Total noninterest expense</b>	<b>\$143.2</b>	<b>\$142.6</b>	<b>\$128.4</b>	<b>- %</b>	<b>12 %</b>
<b>Adjusted noninterest expense <sup>(1)</sup></b>	<b>\$140.9</b>	<b>\$141.4</b>	<b>\$125.6</b>	<b>- %</b>	<b>12 %</b>

## Q1 23 Highlights

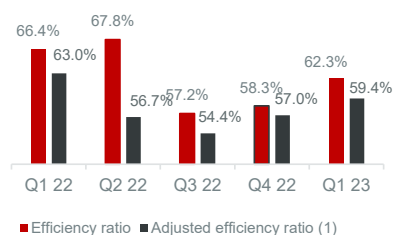
### Linked Quarter Comparison (Q1 23 vs Q4 22)

- Overall expenses held flat on a linked quarter basis
- Increase in expenses from a year ago includes impact of Spirit of Texas Bancshares, Inc. acquisition that closed in April 2022.
- Increase in salaries and employee benefits on a linked quarter basis reflects seasonal payroll taxes incurred in Q1, as well as 401(k) company profit sharing contribution and equity award compensation
- Decline in other expense due to strong expense management of controllable expenses and \$1.2 million of accelerated amortization of certain tax credits recorded in Q4.

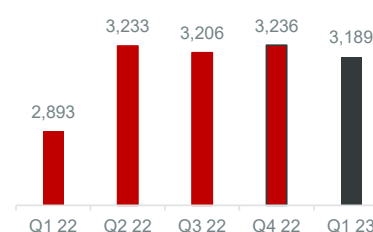
Noninterest Expense as a Percentage of Total Average Assets



Efficiency Ratio



Employees (FTE)



Note: Numbers may not add due to rounding NM – not meaningful FTE – full-time equivalent

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



## Better Bank Initiative: Framework to deliver efficiencies and scalability



### 2023 Efficiency Targets

- ❑ ~\$15 million in annual noninterest expense cost savings
  - ~50% achieved in Q2-Q3 and 100% achieved by Q4
  - Includes early retirement program, operational efficiencies and other identified opportunities

### Ongoing Initiatives

- ❑ Balance sheet, liquidity & revenue optimization
- ❑ Enhance deposit and lending operations processes
- ❑ Expand data analytics capabilities and decision process
- ❑ Optimize product delivery channels
- ❑ Continued optimization of branch and digital delivery channels

### Long-Term Objectives (3-5 years)



**ROA  $\geq$  1.50%**



**Efficiency ratio = low 50%**



Note: The "2023 Efficiency Targets" and "Long-Term Objectives" set forth on this slide reflect Company expectations and projections



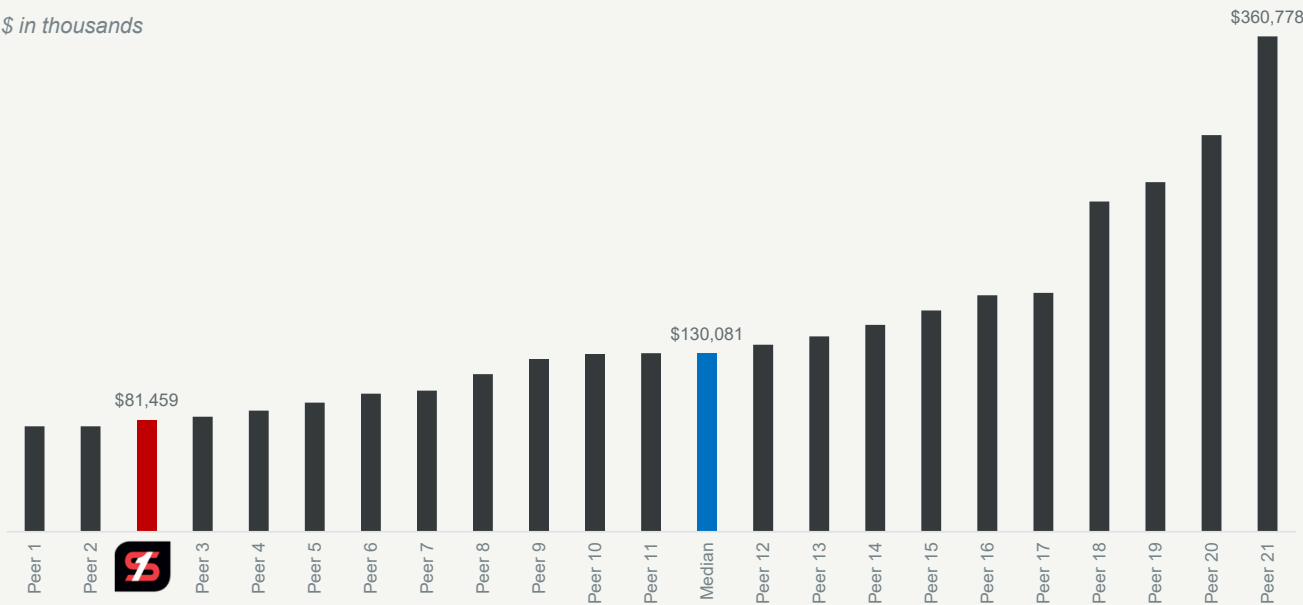
# **Deposits, Securities, Liquidity, Interest Rate Sensitivity and Capital**



# Deposits: Granular and well-diversified relationship-driven deposit base

## Core Deposits per Branch<sup>1</sup>

\$ in thousands

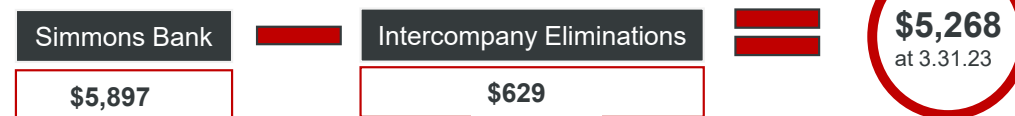


## Deposit Portfolio Highlights (as of March 31, 2023)

- ❑ More than **628,000** deposit accounts
- ❑ Excluding brokered deposits and public funds, average deposit size **\$25,000**
  - **\$16,500** for consumer accounts
  - **\$90,000** for business/commercial accounts
- ❑ Deposit accounts represent long-term relationships<sup>2</sup>
  - **12+ years** average duration of client relationship for a noninterest bearing checking account
  - **17+ years** average duration of client relationship for an interest bearing checking account
  - **14+ years** average duration of client relationship for a savings/money market account
- ❑ Top 20 largest deposit relationships (including public funds) represent only **8%** of total deposits

## Uninsured Deposits<sup>3</sup>

\$ in millions



- ❑ **~23%** of uninsured deposits to total deposits
- ❑ **2.0x** coverage ratio of uninsured deposits to additional liquidity sources (listed on slide 16)



Peer Group includes: ABCB, AUB, OZK, BOKF, CADE, CBSH, CFR, FBK, HWC, HWC, HOMB, IBTX, ONB, PNFP, PB, RNST, SSB, SNV, TRMK, UMBF and UCBI

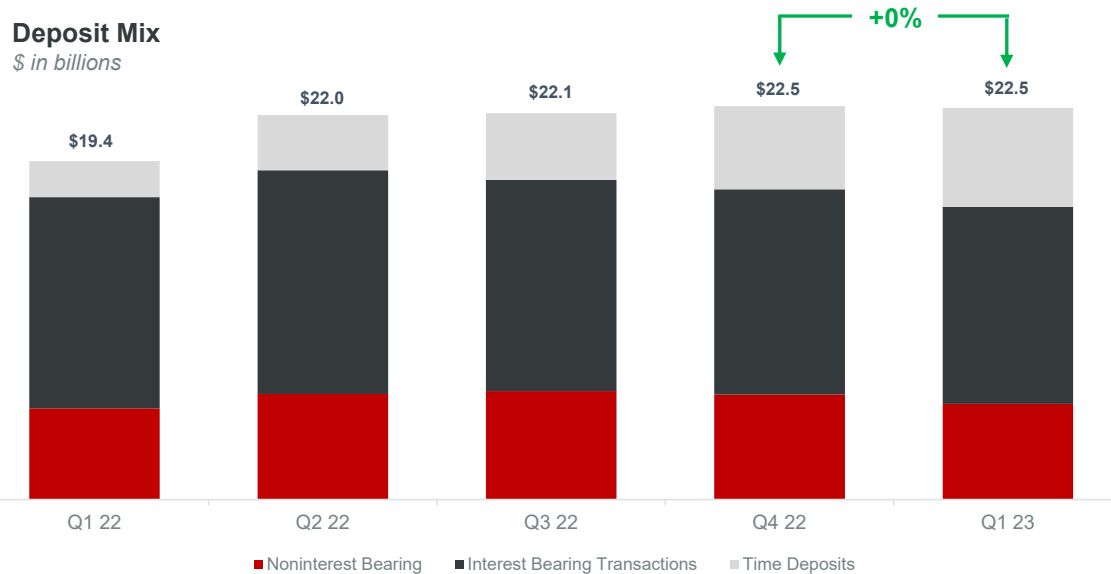
(1) Data as of 12/31/22 Call Report per S&P Global Market Intelligence. Core deposits defined as total deposits excluding time deposits over \$250,000 and brokered deposits of \$250,000 or less

(2) Represents consumer and commercial accounts, excluding public funds and brokered deposits. Accounts from acquisitions utilize date account opened or, if not available, the closing date of the acquisition

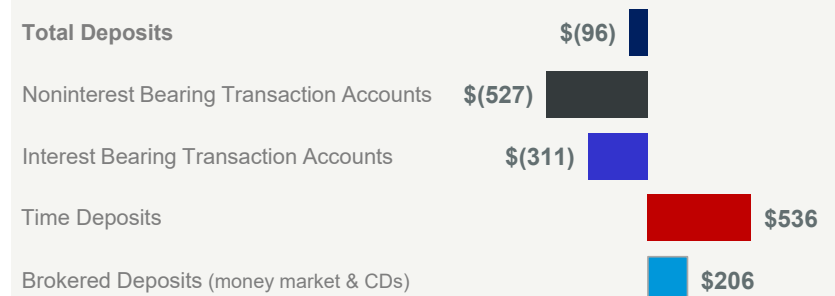
(3) Uninsured deposits represent deposit accounts that exceed FDIC insurance limit, excluding public fund accounts and other deposit accounts that are collateralized, accounts that utilize CDARS or repo sweep programs and deposit balances of SFNC subsidiaries

## Deposits: Change in mix reflects current interest rate environment

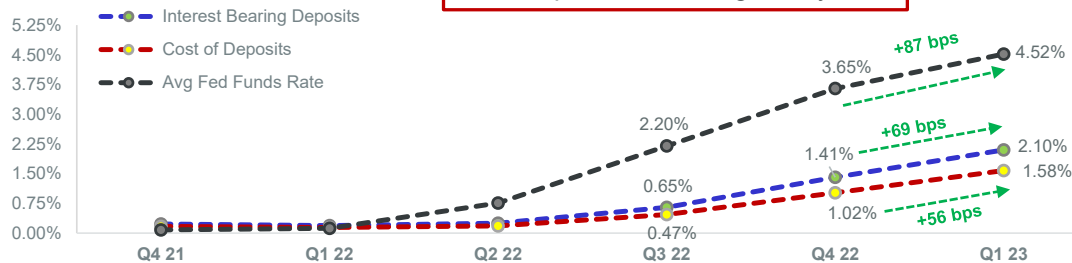
**Deposit Mix**  
\$ in billions



**Linked Quarter Deposit Change**  
\$ in millions



**Evolution of Funding Rates**



**Key Statistics<sup>2</sup>**

From March 8 through March 31, 2023:

- Opened more than **7,200** noninterest bearing, interest bearing transaction and time deposit accounts
- Opened accounts represent **~\$350 million** in deposit balances

Source: Average Fed Funds rate based on data from [www.macrotrends.net](http://www.macrotrends.net)

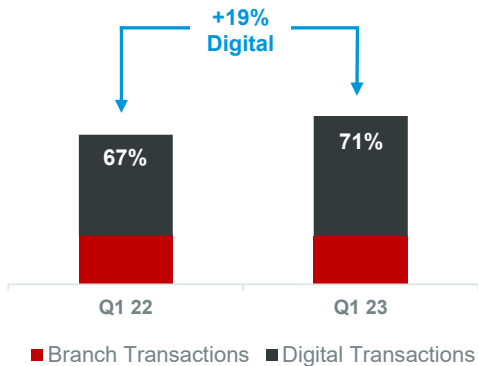
(1) Deposit beta calculated as change in cost of deposits from Q4 21 to Q1 23 divided by the change in quarterly average Federal Funds Effective rate for Q4 21 vs Q1 23.

(2) Excludes public funds and brokered deposits

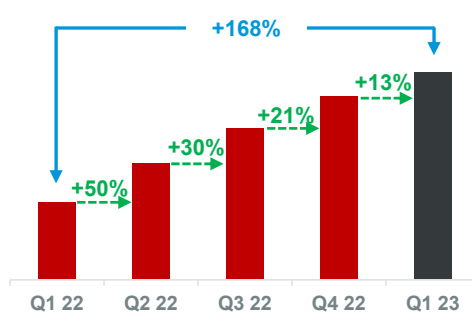


## Digital: Significantly expanded digital solutions focused on deposit gathering

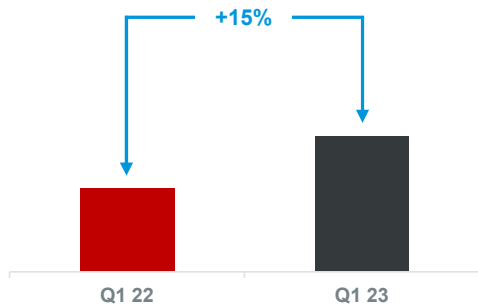
### Customer Transactions by Channel



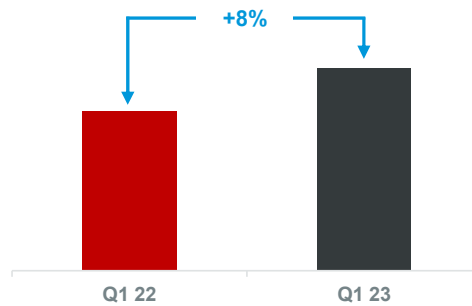
### Zelle® Volume (transactions)



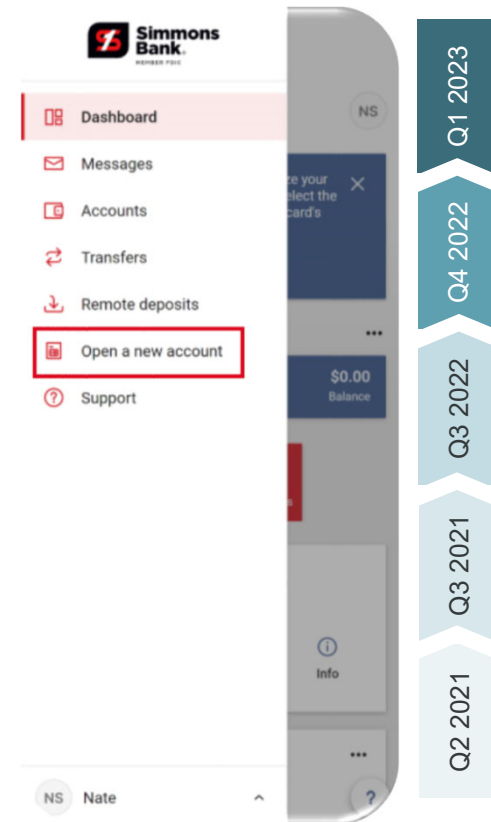
### Mobile Deposit Dollars



### Mobile Deposit Accounts



### Expanding Suite of Digital Solutions



#### CDs & Money Market

Further expanded digital deposit account offerings to include CDs and Money Market accounts. Current customers can open an account simply by clicking "Open an account"

#### Credit Score Manager

Complimentary feature that allows customers to view their credit score, gain insight into the different factors that contribute to their score and run simulations

#### Coin Savings

By bundling a Coin Checking account with a Coin Savings account, customer can earn a higher interest rate<sup>1</sup>

#### Zelle

Allows customers to quickly and easily send, receive and request money with friends and family right from Simmons Bank Mobile and Online Banking

#### Coin Checking

Simmons Bank's first fully digital account origination solution

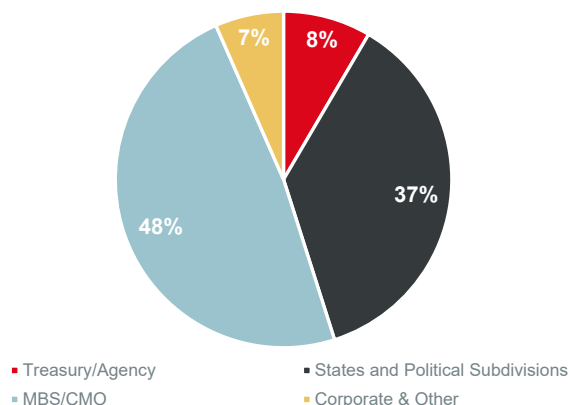


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(1) Certain terms and conditions apply and can be found on our website at <https://www.simmonsbank.com/personal/checking/coin-checking>

# Securities Portfolio: Highly rated portfolio and balance sheet optimization funding source

Securities Portfolio by Type



Securities Portfolio Summary

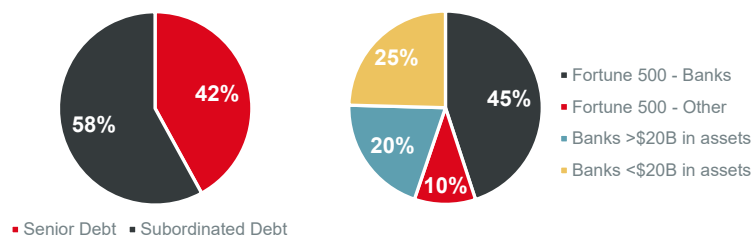
At March 31, 2023	Yield (FTE) <sup>(1)</sup>	Effective Duration
<b>Fixed Rate</b>		
Municipal	3.15%	11.64
MBS/CMO	2.01	4.80
Treasury/Agency	2.34	8.55
Corporate	4.48	4.43
Other	3.26	4.32
<b>Variable Rate</b>	4.96	0.04
<b>Total</b>	<b>3.01%</b>	<b>6.64</b>

Including the impact of \$1B matched swap on certain fixed rate securities, the effective duration of the securities portfolio is reduced to 5.91

## Securities Portfolio Highlights

- Continued focus on balance sheet optimization leads to further decline in securities portfolio.
- Average securities to total earning assets of 31% at 3/31/23 compared to 39% at 12/31/21
- Cash flows from principal maturities of securities provides flexibility to fund future loan growth or reduce wholesale funding. Approximately \$145 - \$175 million per quarter of projected principal maturities
- 95.4% of total portfolio A-rated or higher at 3/31/23
- 55% of corporate bond portfolio invested in Fortune 500 companies

Corporate Bond Portfolio



Securities Portfolio Bond Ratings

\$ in millions

At March 31, 2023	HTM	AFS
Aaa/AAA	\$2,124	\$2,936
Aa/AA	1,158	527
A	321	107
Baa/BBB	156	168
Not Rated	6	18
<b>Total</b>	<b>\$3,765</b>	<b>\$3,756</b>
<b>Fair value</b>	<b>\$3,149</b>	<b>\$3,756</b>



FTE – fully taxable equivalent using an effective tax rate of 26.135%

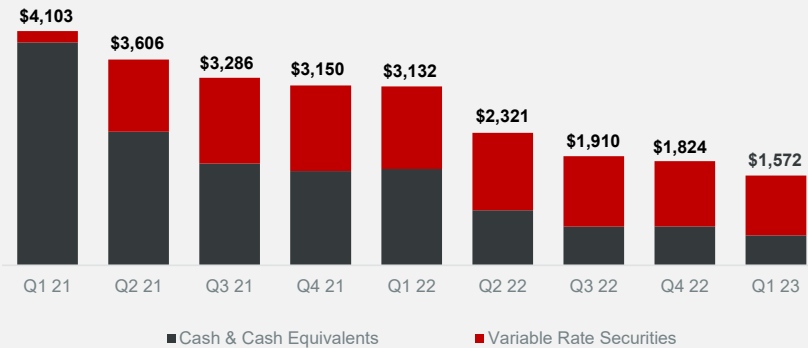
(1) Effective yield of securities portfolio at 3/31/23, excluding AOCI impact of HTM transfers made during Q2 22



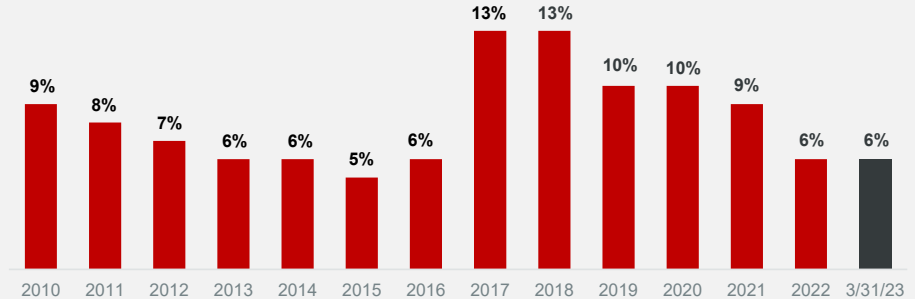
## Liquidity: Significant sources of liquidity and low reliance on borrowed funds

### Cash and Cash Equivalents + Variable Rate Securities

\$ in millions

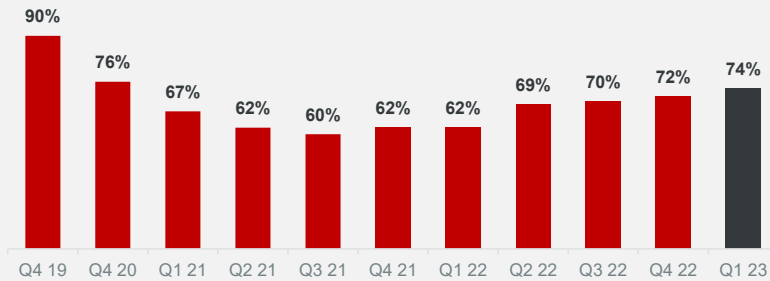


### Borrowed Funds as a Percent of Total Liabilities



### Loan to Deposit Ratio

Peer Median <sup>1</sup>	89%	80%	75%	72%	71%	69%	69%	74%	79%	83%	NA
--------------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	----



### Additional Liquidity Sources

\$ in millions

FHLB borrowing availability	\$ 5,574
Unpledged securities	3,000
Fed Funds lines and Fed Discount Window and Bank Term Funding Program	2,206

**Total at 3.31.23** **\$10,780**

- ~\$145 - \$175 million per quarter of projected securities principal maturities
- Approximately \$1.2 billion principal of fixed rate loans maturing over the next 12 months at a weighted average rate of 5.17%



FTE – fully taxable equivalent using an effective tax rate of 26.135%

NA – not available

(1) Source: S&P Global Market Intelligence. Represents peer median loan to deposit ratio. Peer group includes ABCB, AUB, OZK, BOKF, CADE, CBSH, FBK, HWC, HTLF, HOMB, IBTX, ONB, PNFP, PB, RNST, SSB, SNV, TRMK, UMBF, UCBI

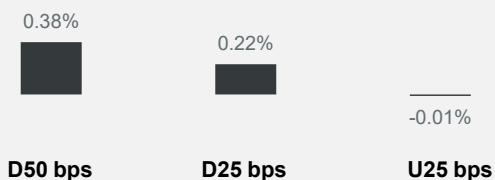
# Interest Rate Sensitivity

## Balance Sheet Interest Rate Sensitivity

Over the next 12 months (estimated)

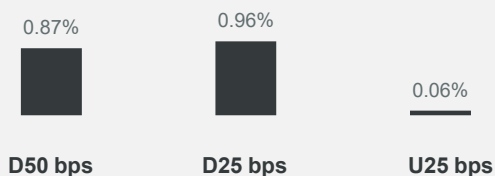
### Immediate change in interest rates

Estimated net interest income sensitivity given immediate, parallel shift in interest rates across the yield curve with a static balance sheet



### Gradual change in interest rates\*

Estimated net interest income sensitivity given gradual, parallel shift in interest rates across the yield curve with a static balance sheet



## Fair Value Hedges

At March 31, 2023

Entered into a 2-year forward starting swap in September 2021 to convert designated AFS securities from fixed interest rates to variable interest rates based on federal funds effective rate. Total duration of the swap is 7 years, but can be unwound in whole, or in part, prior to maturity at the Company's discretion.

Instrument	Hedged Asset	Notional	Fair Value	Weighted Avg Pay Rate	Receive Rate
2-yr Forward Starting Swap	Fixed Rate Callable AFS Securities	\$1.0 Billion	\$92 Million	1.21%	Federal Funds Effective (currently 4.83%)

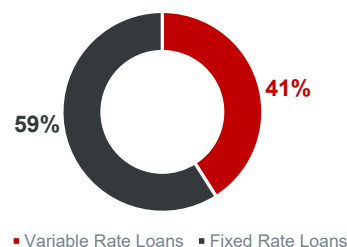
3.62%

Spread based on current rates  
Equates to estimated ~\$36M of interest income (annual basis)

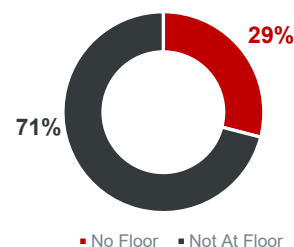
## Loan Portfolio

At March 31, 2023

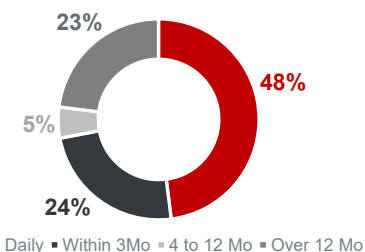
### Fixed vs Variable Rate



### Floor Status – Variable Rate Loans



### Variable Rate Loans – Rate Reset Date

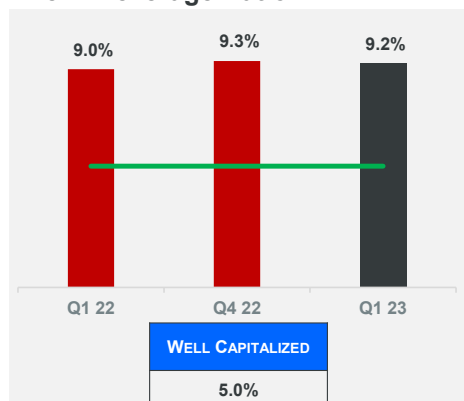


\* Assumptions used in balance sheet interest rate sensitivity estimates under a gradual increase/decrease in interest rates include the following:

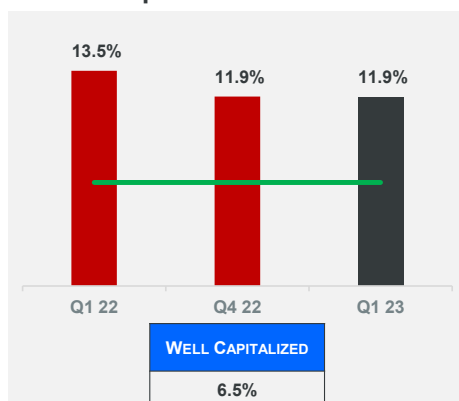
Down 50 bps scenario – 50 bp decrease in December  
Down 25 bps scenario – 25 bp decrease in December  
Up 25 bps scenario – 25 bp increase May

## Capital: Focused on maintaining a strong capital position and growth of tangible book value

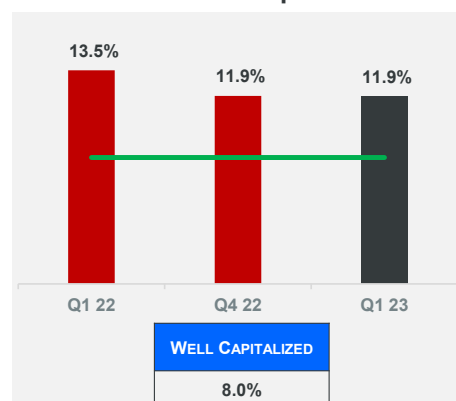
Tier 1 Leverage Ratio <sup>(1)</sup>



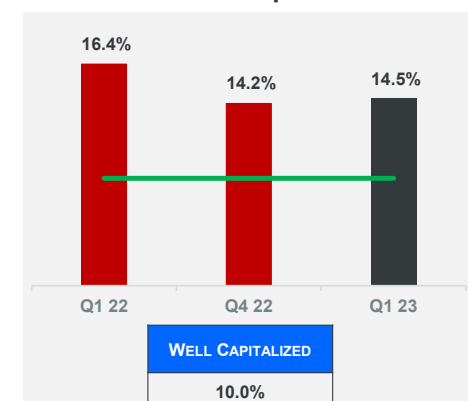
CET 1 Capital Ratio <sup>(1)</sup>



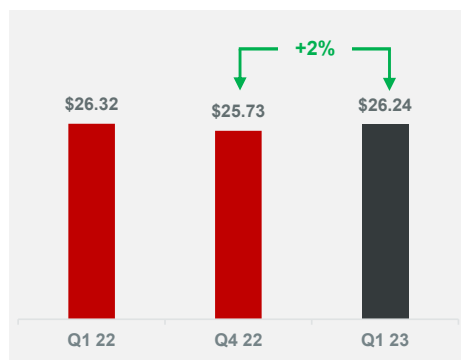
Tier 1 Risk-Based Capital Ratio <sup>(1)</sup>



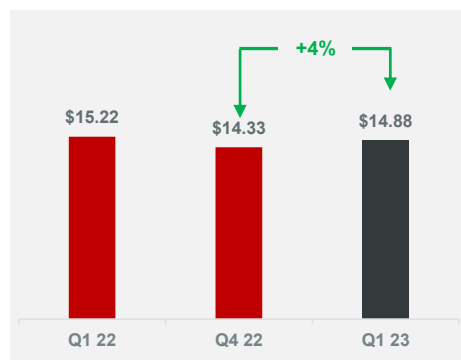
Total Risk-Based Capital Ratio <sup>(1)</sup>



Book Value Per Common Share <sup>(1)</sup>



Tangible Book Value Per Common Share <sup>(1) (2)</sup>



Capital Ratios (at 3/31/23) and Market Value of Equity

CET 1 Capital Ratio  
**11.9%**

Equity to Assets  
**12.1%**

CET 1 Capital Ratio, Including AOCI<sup>2</sup>  
**9.6%**

Tangible Common Equity Ratio<sup>2</sup>  
**7.3%**

Market value of equity has increased since year-end 2021



(1) Q1 23 data as of March 31, 2023, Q4 22 data as of December 31, 2022, and Q1 22 data as of March 31, 2022  
(2) Non-GAAP measure that management believes aids in the discussion of results. See Appendix for Non-GAAP reconciliation

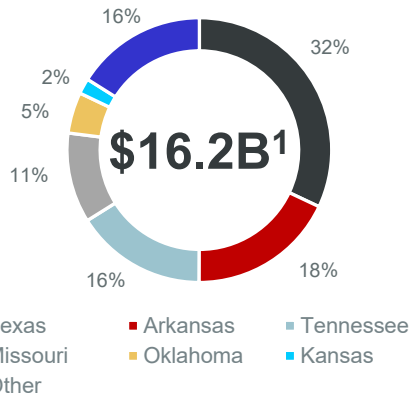


# Loan Portfolio

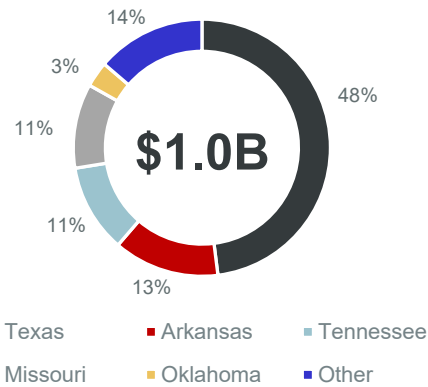


# Loan Portfolio: Well-diversified, granular portfolio with no significant concentrations

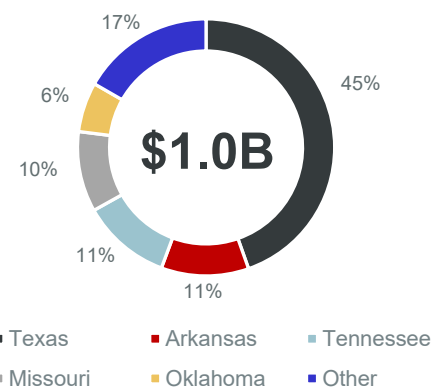
## Loan Portfolio – Geographic diversification By State



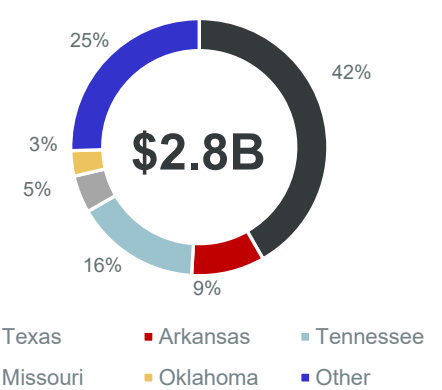
## Office Portfolio (non-owner occupied) By State



## Retail (non-owner occupied) By State



## Construction-Land Development By State



Top 10 MSA's	% of Total Loans¹
Dallas-Plano-Irving	10.2%
Houston-Sugarland-Baytown	8.1%
Memphis	6.2%
Nashville-Davidson-Murfreesboro	5.9%
Fort Worth-Arlington	5.5%
Little Rock-North Little Rock-Conway	5.5%
St. Louis	3.8%
Fayetteville-Springdale-Rogers	3.3%
Oklahoma City	2.2%
Jonesboro, AR	2.0%

Key Statistics	At 3/31/23
NPL Ratio	0.00%
Past Due 30+ Days	0.00%
Average Loan Size	\$2.2M
Median Loan Size	\$0.5M
Number of Loans <\$1M	63%
Average LTV	49.3%
Weighted Average LTV	54.3%

Key Statistics	At 3/31/23
NPL Ratio	0.00%
Past Due 30+ Days	0.00%
Average Loan Size	\$2.0M
Median Loan Size	\$0.9M
Number of Loans <\$1M	51%
Average LTV	49.9%
Weighted Average LTV	58.2%

Key Statistics	At 3/31/23
NPL Ratio	0.17%
Past Due 30+ Days	0.05%
Average Loan Size	\$1.0M
Median Loan Size	\$0.2M
Number of Loans <\$1M	84%
Average LTV	58.3%
Weighted Average LTV	60.1%

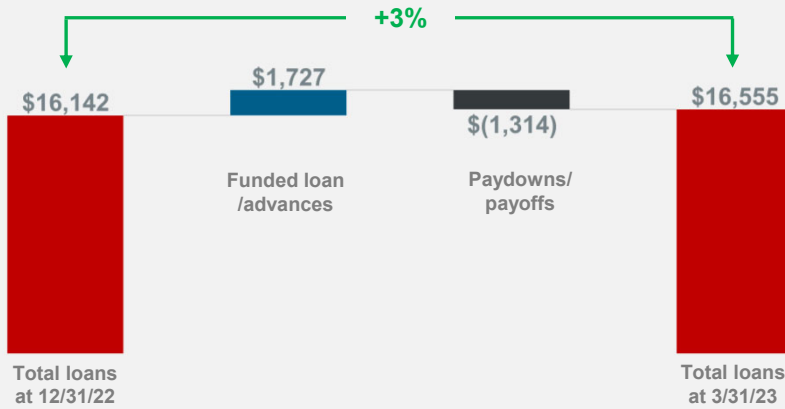
(1) Total loans excluding credit card portfolio and mortgage warehouse  
Data shown above as of March 31, 2023.



## Loan Portfolio: Solid growth that was geographically widespread

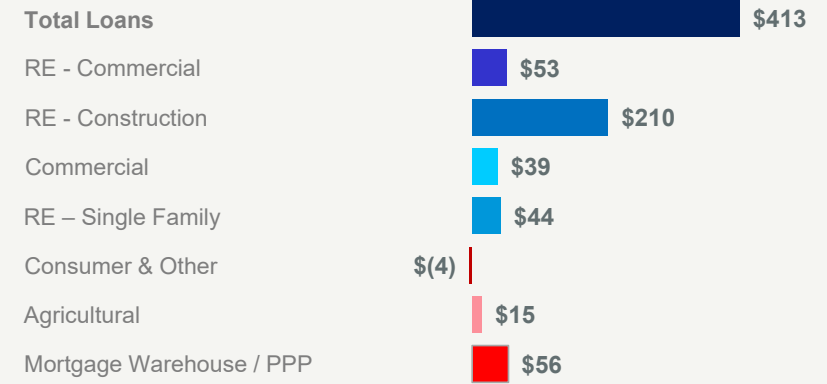
### Loan Portfolio Waterfall

\$ in millions



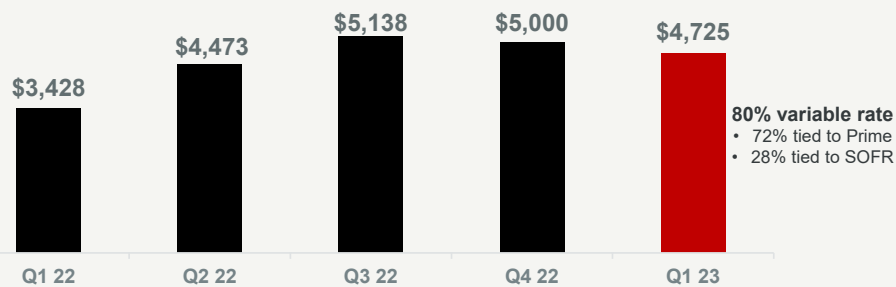
### Linked Quarter Loan Growth

\$ in millions



### Unfunded Commitments

\$ in millions



### Loan Portfolio Highlights

- ❑ Well diversified growth by type and geographic market
- ❑ Office portfolio (non-owner occupied) represents less than 6% of total loan portfolio; granular portfolio with average loan size of \$2.2 million and average LTV less than 50%
- ❑ Highly focused on maintaining conservative underwriting standards and prudent structure guidelines
- ❑ Expect loan growth to moderate throughout the year given current economic forecasts and as unfunded commitments draw down



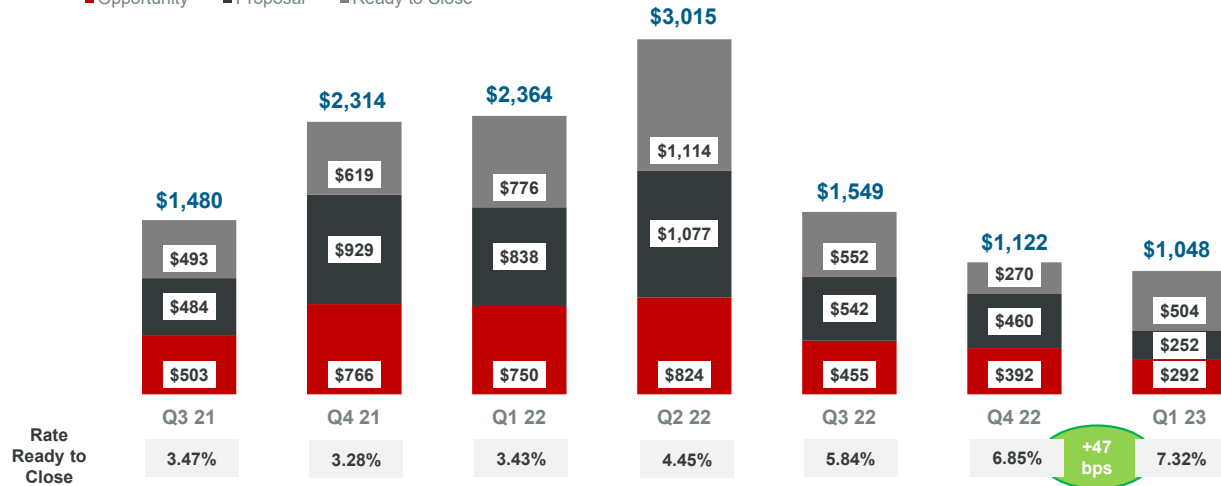
PPP – Paycheck Protection Program

# Loan Pipelines: Reflect conservative credit underwriting standards and economic conditions

## Commercial Loan Pipeline by Category

\$ in millions

■ Opportunity ■ Proposal ■ Ready to Close



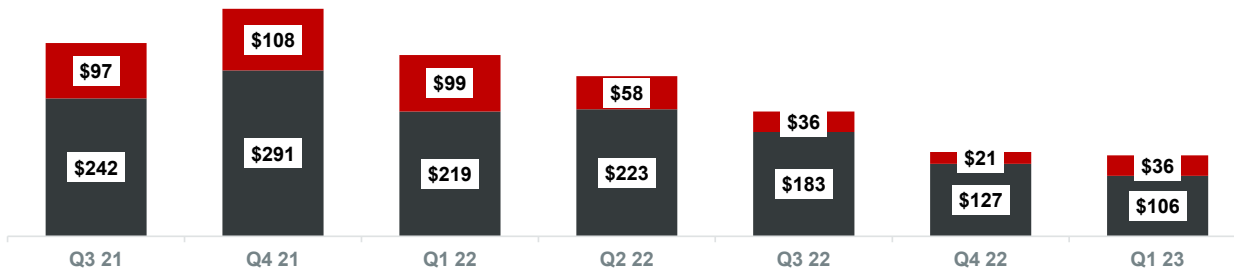
## Q1 23 Highlights

- Focused on maintaining prudent underwriting standards and pricing discipline given projections surrounding near-term future economic growth
- Increase in ready to close pipeline reflects pull through of previously identified proposal and opportunity pipelines
- Proposal and opportunity pipelines reflects current economic environment and disciplined credit appetite
- Rate ready to close +47 bps on a linked quarter basis
- Mortgage loan originations in Q1 23
  - 82% purchase
  - 18% refinance

## Mortgage Loan Volume

\$ in millions

■ Mortgage Closed Loan Volume ■ Mortgage Pipeline Volume







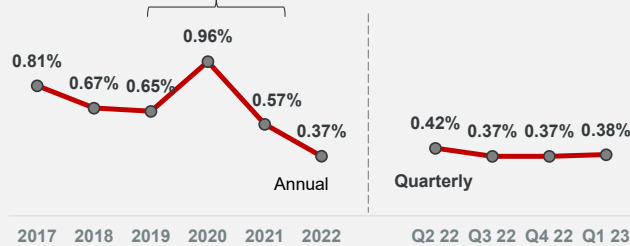
# Credit Quality



# Credit Quality: Key credit quality metrics remain at historically low-levels and reflect...

## Nonperforming loans / loans <sup>(1)</sup>

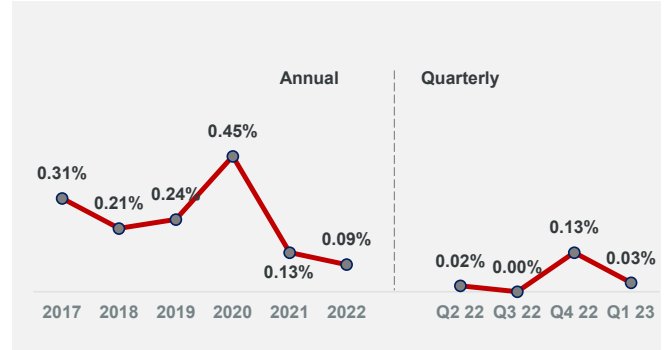
Strategic decision to de-risk certain elements of the loan portfolio through planned run-off of particular acquired non-relationship credits



## Nonperforming assets / total assets <sup>(1)</sup>

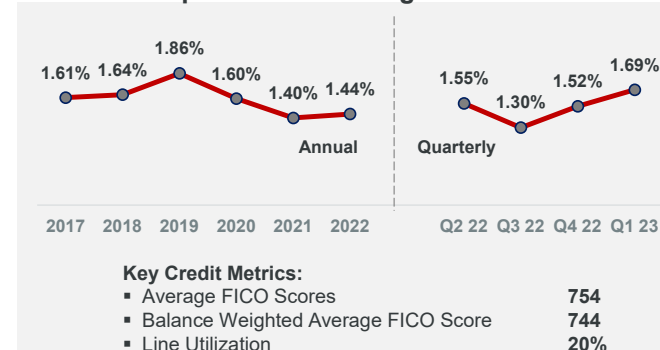


## Net charge-offs to average loans <sup>(2)</sup>



Annual Trend	3/31/23	12/31/22	Change
NPL / Loans	0.38%	0.37%	1 bp
Nonperforming Loans (in millions)	\$63.7	\$58.9	\$4.8
NPA / Assets	0.26%	0.23%	3 bps
Nonperforming Assets (in millions)	\$71.4	\$62.5	\$8.9
Past Due 30+ Days / Loans	0.15%	0.18%	(3) bps
Net Charge-offs / Average Loans	0.03%	0.09%	(6) bps
NPL Coverage Ratio	324%	334%	(10) bps
ACL / Loans	1.25%	1.22%	3 bps
Total Loans (in millions)	\$16,555	\$16,142	\$413

## Credit card portfolio net charge-off ratio <sup>(2)</sup>



### Key Credit Metrics:

▪ Average FICO Scores	754
▪ Balance Weighted Average FICO Score	744
▪ Line Utilization	20%

... prudent underwriting standards and strategic decision in 2019 to de-risk certain elements of acquired loan portfolios

Source: S&P Global Market Intelligence 2017 – 2022

(1) As of December 31, for each respective year shown above; quarterly data as of the end of the quarter for each respective period

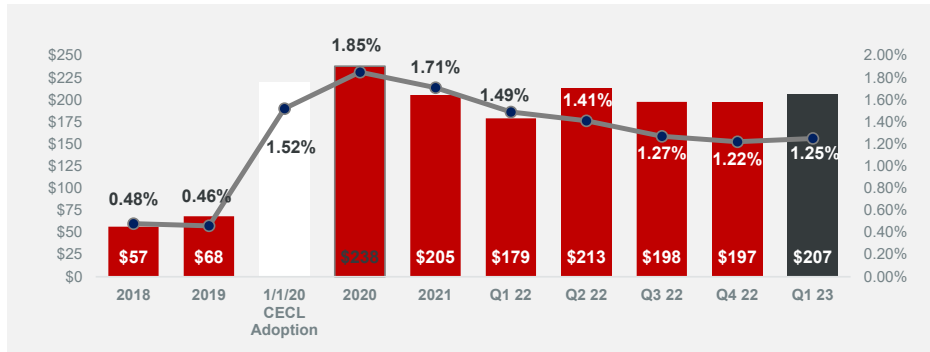
(2) Net charge-offs to average loans for the full-year for each respective year shown above; quarterly annualized data for each respective quarter



## ACL: Reflects Moody's revised economic forecast

### ACL/ALLL<sup>(1)</sup> / Loans (%) and ACL/ALLL (\$) <sup>(2)</sup>

\$ in millions



#### ACL METHODOLOGY AS OF 3/31/23:

- Moody's March 2023 scenarios with management's weighting:  
Baseline (60%) / S1 (10%) / S3 (30%)
- Total credit coverage / total commitments: **1.17%**

### Allowance for Credit Losses on Loans and Loan Coverage

\$ in millions	ACL	ACL / Loans
<b>ACL as of 12/31/21</b>	<b>\$ 205.3</b>	<b>1.71%</b>
Q1 22 Recapture of Provision	(19.9)	
Q1 22 Net Charge-Offs	(6.5)	
<b>ACL as of 3/31/22</b>	<b>\$ 178.9</b>	<b>1.49%</b>
Q2 22 Provision	-	
Day 2 CECL Provision (Spirit)	30.3	
Q2 22 Net Charge-Offs	(0.7)	
Day 1 PCD Allowance (Spirit)	4.1	
<b>ACL as of 6/30/22</b>	<b>\$ 212.6</b>	<b>1.41%</b>
Q3 22 Recapture of Provision	(15.9)	
Q3 22 Net Charge-Offs	(0.2)	
Day 1 PCD Allowance Adjustment (Spirit)	1.1	
<b>ACL as of 9/30/22</b>	<b>\$ 197.6</b>	<b>1.27%</b>
Q4 22 Provision	-	
Q4 22 Net Charge-Offs	(5.1)	
Day 1 PCD Allowance Adjustment (Spirit)	4.5	
<b>ACL as of 12/31/22</b>	<b>\$ 197.0</b>	<b>1.22%</b>
Q1 23 Provision	10.9	
Q1 23 Net Charge-Offs	(1.3)	
<b>ACL as of 3/31/23</b>	<b>\$ 206.6</b>	<b>1.25%</b>

### Reserve for Unfunded Commitments

\$ in millions	As of 3/31/22	As of 6/30/22	As of 9/30/22	As of 12/31/22	As of 3/31/23
Unfunded Commitments	\$3,428	\$4,473	\$5,138	\$5,000	<b>\$4,725</b>
Reserve	\$22.4	\$25.9	\$41.9	\$41.9	<b>\$41.9</b>
Reserve / Unfunded Balance	0.7%	0.6%	0.8%	0.8%	<b>0.9%</b>

ACL – Allowance for Credit Losses on Loans

(1) ALLL for 2017 – 2019 and ACL 2020 – 2022

(2) As of December 31, for each respective year shown above; quarterly data as of the end of the quarter for each respective period



# Key Takeaways



## Key Takeaways

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- 1 Balance sheet optimization** reflected continued shift in earnings asset mix and utilization of cash flows from principal maturities of investment securities portfolio as a funding source
- 2 Granular and well-diversified relationship driven deposit base** enabled overall level of deposits to remain relatively stable while the continued change in mix of deposits reflected industry trends given the current operating environment
- 3 Strong liquidity position** highlighted the strength of our deposit franchise and limited reliance on borrowed funds. While not utilized, continued to maintain ample supply of additional liquidity sources
- 4 Capital generation** combined with reduction in AOCI resulted in an increase in both tangible book value per share and TCE ratio





# Appendix



## Breakout: Loan portfolio by Category

	as of December 31, 2022		as of March 31, 2023						
\$ in millions	Balance \$	% of Total Loans	Balance \$	% of Total Loans	Classified \$	Nonperforming \$	ACL %	Unfunded Commitment \$	Unfunded Commitment Reserve
<b>Total Loan Portfolio</b>									
Consumer - Credit Card	197	1%	189	1%	1	1	3.5%	-	-
Consumer - Other	153	1%	143	1%	-	-	2.2%	28	1.0%
Real Estate - Construction	2,567	16%	2,777	17%	13	5	1.1%	2,682	1.3%
Real Estate - Commercial	7,468	46%	7,521	45%	97	12	1.2%	280	0.5%
Real Estate - Single-family	2,546	16%	2,590	16%	29	24	1.8%	334	0.4%
Commercial	2,622	16%	2,661	16%	30	22	1.1%	1,223	0.2%
PPP	9	-	8	-	-	-	-	-	-
Mortgage Warehouse	95	1%	152	1%	-	-	0.2%	-	-
Agriculture	206	1%	221	1%	-	-	0.5%	177	0.3%
Other	279	2%	293	2%	-	-	0.8%	1	0.2%
<b>Total Loan Portfolio</b>	<b>16,142</b>	<b>100%</b>	<b>16,555</b>	<b>100%</b>	<b>170</b>	<b>64</b>	<b>1.25%</b>	<b>4,725</b>	<b>0.9%</b>
<u>Loan Concentration (Holding Company Level):</u>									
C&D	87%		92%						
CRE	259%		263%						
<b>Select Loan Categories (excluding PPP)</b>									
Retail	1,479	9%	1,465	9%	4	1	1.2%	201	1.2%
Nursing / Extended Care	341	2%	338	2%	-	-	0.4%	1	0.4%
Healthcare	501	3%	528	3%	11	1	0.7%	164	0.6%
Multifamily	1,004	6%	1,130	7%	8	-	0.7%	1,007	1.0%
Hotel	822	5%	793	5%	55	7	2.6%	36	5.3%
Restaurant	505	3%	519	3%	2	1	1.2%	37	0.8%
NOO Office	973	6%	962	6%	4	-	2.3%	103	4.1%
Energy	53	-	34	-	3	3	1.1%	5	0.3%





# Non-GAAP Reconciliations

<i>\$ in thousands, except per share data</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Calculation of Adjusted Earnings</b>					
Net Income	\$ 65,095	\$ 27,454	\$ 80,603	\$ 83,260	\$ 45,589
Certain items					
Merger related costs	1,886	19,133	1,422	35	1,396
Branch right sizing, net	909	380	1,235	1,104	979
Day 2 CECL provision	-	33,779	-	-	-
Donation to Simmons First Foundation	-	1,738	-	-	-
Loss from early retirement of TruPS	-	-	365	-	-
Gain on sale of intellectual property	-	-	(750)	-	-
Gain on insurance settlement	-	-	-	(4,074)	-
Tax effect <sup>(1)</sup>	<u>(731)</u>	<u>(14,382)</u>	<u>(594)</u>	<u>768</u>	<u>(621)</u>
Certain items, net of tax	<u>2,064</u>	<u>40,648</u>	<u>1,678</u>	<u>(2,167)</u>	<u>1,754</u>
Adjusted earnings (non-GAAP)	<u>\$ 67,159</u>	<u>\$ 68,102</u>	<u>\$ 82,281</u>	<u>\$ 81,093</u>	<u>\$ 47,343</u>
<b>Calculation of Earnings and Adjusted Earnings per Diluted Share</b>					
Net Income	\$ 65,095	\$ 27,454	\$ 80,603	\$ 83,260	\$ 45,589
Less: Preferred stock dividend	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings available to common shareholders	<u>\$ 65,095</u>	<u>\$ 27,454</u>	<u>\$ 80,603</u>	<u>\$ 83,260</u>	<u>\$ 45,589</u>
Diluted earnings per share	<u>\$ 0.58</u>	<u>\$ 0.21</u>	<u>\$ 0.63</u>	<u>\$ 0.65</u>	<u>\$ 0.36</u>
Adjusted earnings (non-GAAP)	\$ 67,159	\$ 68,102	\$ 82,281	\$ 81,093	\$ 47,343
Less: Preferred stock dividend	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Adjusted earnings available to common shareholders (non-GAAP)	<u>\$ 67,159</u>	<u>\$ 68,102</u>	<u>\$ 82,281</u>	<u>\$ 81,093</u>	<u>\$ 47,343</u>
Adjusted diluted earnings per share (non-GAAP)	<u>\$ 0.59</u>	<u>\$ 0.53</u>	<u>\$ 0.64</u>	<u>\$ 0.64</u>	<u>\$ 0.37</u>

(1) Effective tax rate of 26.135%



# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Calculation of Pre-Provision Net Revenue (PPNR)</b>					
Net interest income	\$ 145,606	\$ 185,099	\$ 193,585	\$ 193,026	\$ 177,835
Noninterest income	42,218	40,178	43,023	44,647	45,835
Less: Gain (loss) on sale of securities	(54)	(150)	(22)	(52)	-
Less: Noninterest expense	<u>128,417</u>	<u>156,813</u>	<u>138,943</u>	<u>142,575</u>	<u>143,228</u>
Pre-Provision Net Revenue (PPNR) (non-GAAP)	<u>\$ 59,461</u>	<u>\$ 68,614</u>	<u>\$ 97,687</u>	<u>\$ 95,150</u>	<u>\$ 80,442</u>
<b>Calculation of Adjusted Pre-Provision Net Revenue</b>					
Pre-Provision Net Revenue (PPNR) (non-GAAP)	\$ 59,461	\$ 68,614	\$ 97,687	\$ 95,150	\$ 80,442
Plus: Merger related costs	1,886	19,133	1,422	35	1,396
Plus: Branch right sizing costs, net	909	380	1,235	1,104	979
Plus: Loss from early retirement of TruPS	-	-	365	-	-
Plus: Donation to Simmons First Foundation	-	1,738	-	-	-
Less: Gain on sale of intellectual property	-	-	(750)	-	-
Less: Gain on insurance settlement	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,074)</u>	<u>-</u>
Adjusted Pre-Provision Net Revenue (non-GAAP)	<u>\$ 62,256</u>	<u>\$ 89,865</u>	<u>\$ 99,959</u>	<u>\$ 92,215</u>	<u>\$ 82,817</u>
<b>Calculation of Book Value and Tangible Book Value per Share</b>					
Total common stockholders' equity	\$ 2,961,607	\$ 3,259,895	\$ 3,157,151	\$ 3,269,362	\$ 3,339,901
Intangible assets:					
Goodwill	(1,147,007)	(1,310,528)	(1,309,000)	(1,319,598)	(1,320,799)
Other intangible assets	<u>(102,748)</u>	<u>(137,285)</u>	<u>(133,059)</u>	<u>(128,951)</u>	<u>(124,854)</u>
Total intangible assets	<u>(1,249,755)</u>	<u>(1,447,813)</u>	<u>(1,442,059)</u>	<u>(1,448,549)</u>	<u>(1,445,653)</u>
Tangible common stockholders' equity (non-GAAP)	<u>\$ 1,711,852</u>	<u>\$ 1,812,082</u>	<u>\$ 1,715,092</u>	<u>\$ 1,820,813</u>	<u>\$ 1,894,248</u>
Shares of common stock outstanding	<u>112,505,555</u>	<u>128,787,764</u>	<u>126,943,467</u>	<u>127,046,654</u>	<u>127,282,192</u>
Book value per common share	\$ 26.32	\$ 25.31	\$ 24.87	\$ 25.73	\$ 26.24
Tangible book value per common share (non-GAAP)	\$ 15.22	\$ 14.07	\$ 13.51	\$ 14.33	\$ 14.88



# Non-GAAP Reconciliations

<i>\$ in thousands, except number of employees (FTE)</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Calculation of Total Revenue Excluding Securities Gain (Loss) and Adjusted Total Revenue</b>					
Net Interest Income (GAAP)	\$ 145,606	\$ 185,099	\$ 193,585	\$ 193,026	\$ 177,835
Noninterest Income (GAAP)	<u>42,218</u>	<u>40,178</u>	<u>43,023</u>	<u>44,647</u>	<u>45,835</u>
Total Revenue	187,824	225,277	236,608	237,673	223,670
Less: Gain (loss) on sales of securities	<u>(54)</u>	<u>(150)</u>	<u>(22)</u>	<u>(52)</u>	<u>-</u>
Total Revenue, excluding securities gain (loss) (non-GAAP)	<u>\$ 187,878</u>	<u>\$ 225,427</u>	<u>\$ 236,630</u>	<u>\$ 237,725</u>	<u>\$ 223,670</u>
Total Revenue, excluding securities gain (loss) (non-GAAP)	\$ 187,878	\$ 225,427	\$ 236,630	\$ 237,725	\$ 223,670
Less: Branch right sizing income	-	(88)	(65)	-	-
Less: Gain on sale of intellectual property	-	-	750	-	-
Less: Loss from early retirement of TruPS	-	-	(365)	-	-
Less: Gain on insurance settlement	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,074</u>	<u>-</u>
Adjusted Total Revenue (non-GAAP)	<u>\$ 187,878</u>	<u>\$ 225,515</u>	<u>\$ 236,310</u>	<u>\$ 233,651</u>	<u>\$ 223,670</u>
Employees (FTE)	2,893	3,233	3,206	3,236	3,189
Total Revenue per Employee (FTE)	<u>\$ 64.92</u>	<u>\$ 69.68</u>	<u>\$ 73.80</u>	<u>\$ 73.45</u>	<u>\$ 70.14</u>
Adjusted Total Revenue per Employee (FTE)	<u>\$ 64.94</u>	<u>\$ 69.75</u>	<u>\$ 73.71</u>	<u>\$ 72.20</u>	<u>\$ 70.14</u>
<b>Calculation of Adjusted Noninterest Income and Adjusted Noninterest Income Excluding Securities Gain (Loss)</b>					
Noninterest Income (GAAP)	\$ 42,218	\$ 40,178	\$ 43,023	\$ 44,647	\$ 45,835
Less: Branch right sizing income	-	(88)	(65)	-	-
Less: Gain on sale of intellectual property	-	-	750	-	-
Less: Loss from early retirement of TruPS	-	-	(365)	-	-
Less: Gain on insurances settlement	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,074</u>	<u>-</u>
Adjusted Noninterest Income (non-GAAP)	<u>\$ 42,218</u>	<u>\$ 40,266</u>	<u>\$ 42,703</u>	<u>\$ 40,573</u>	<u>\$ 45,835</u>
Adjusted Noninterest Income (non-GAAP)	\$ 42,218	\$ 40,266	\$ 42,703	\$ 40,573	\$ 45,835
Less: Gain (loss) on sale of securities	<u>(54)</u>	<u>(150)</u>	<u>(22)</u>	<u>(52)</u>	<u>-</u>
Adjusted Noninterest Income, excluding securities gains (losses) (non-GAAP)	<u>\$ 42,272</u>	<u>\$ 40,416</u>	<u>\$ 42,725</u>	<u>\$ 40,625</u>	<u>\$ 45,835</u>



FTE – Full time equivalent

# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Calculation of Noninterest Income to Total Revenue</b>					
Noninterest Income to Total Revenue	22.48%	17.83%	18.18%	18.79%	20.49%
Adjusted Noninterest Income, excluding securities gain (loss) to					
Adjusted Total Revenue (non-GAAP) (reconciliation shown on page 33)	22.50%	17.92%	18.08%	17.39%	20.49%
Noninterest Income per Employee	\$ 14.59	\$ 12.43	\$ 13.42	\$ 13.80	\$ 14.37
Adjusted Noninterest Income per Employee (FTE)	\$ 14.61	\$ 12.50	\$ 13.33	\$ 12.55	\$ 14.37
<b>Calculation of Adjusted Noninterest Expense</b>					
Noninterest Expense (GAAP)	\$ 128,417	\$ 156,813	\$ 138,943	\$ 142,575	\$ 143,228
Less: Merger related costs	1,886	19,133	1,422	35	1,396
Less: Branch right sizing expense	909	292	1,170	1,104	979
Less: Donation to Simmons First Foundation	-	1,738	-	-	-
Adjusted Noninterest Expense (non-GAAP)	\$ 125,622	\$ 135,650	\$ 136,351	\$ 141,436	\$ 140,853
<b>Calculation of Noninterest Expense to Average Assets</b>					
Average total assets	\$ 24,826,199	\$ 26,769,032	\$ 26,868,731	\$ 27,180,575	\$ 27,488,732
Noninterest expense to average total assets	2.07%	2.34%	2.07%	2.10%	2.11%
Adjusted noninterest expense to average assets (non-GAAP)	2.02%	2.03%	2.03%	2.08%	2.08%



FTE – Full time equivalent

# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Calculation of Efficiency Ratio and Adjusted Efficiency Ratio</b>					
Noninterest Expense (efficiency ratio numerator)	\$ 128,417	\$ 156,813	\$ 138,943	\$ 142,575	\$ 143,228
Total Revenue	\$ 187,824	\$ 225,277	\$ 236,608	\$ 237,673	\$ 223,670
Fully taxable equivalent adjustment	<u>5,602</u>	<u>6,096</u>	<u>6,203</u>	<u>6,770</u>	<u>6,311</u>
Efficiency ratio denominator	<u>\$ 193,426</u>	<u>\$ 231,373</u>	<u>\$ 242,811</u>	<u>\$ 244,443</u>	<u>\$ 229,981</u>
Efficiency ratio (based on GAAP figures)	<u>66.39%</u>	<u>67.77%</u>	<u>57.22%</u>	<u>58.33%</u>	<u>62.28%</u>
Adjusted Noninterest Expense (non-GAAP) (reconciliation shown on page 34)	\$ 125,622	\$ 135,650	\$ 136,351	\$ 141,436	\$ 140,853
Less: Other real estate and foreclosure expense	343	142	168	350	186
Less: Amortization of intangible assets	<u>3,486</u>	<u>4,096</u>	<u>4,225</u>	<u>4,108</u>	<u>4,096</u>
Adjusted efficiency ratio numerator (non-GAAP)	<u>\$ 121,793</u>	<u>\$ 131,412</u>	<u>\$ 131,958</u>	<u>\$ 136,978</u>	<u>\$ 136,571</u>
Adjusted Total Revenue (non-GAAP) (reconciliation shown on page 33)	\$ 187,878	\$ 225,515	\$ 236,310	\$ 233,651	\$ 223,670
Fully taxable equivalent adjustment	<u>5,602</u>	<u>6,096</u>	<u>6,203</u>	<u>6,770</u>	<u>6,311</u>
Adjusted efficiency ratio denominator non-GAAP)	<u>\$ 193,480</u>	<u>\$ 231,611</u>	<u>\$ 242,513</u>	<u>\$ 240,421</u>	<u>\$ 229,981</u>
Adjusted Efficiency Ratio (non-GAAP)	<u>62.95%</u>	<u>56.74%</u>	<u>54.41%</u>	<u>56.97%</u>	<u>59.38%</u>



Fully taxable equivalent adjustment using an effective tax rate of 26.135%

# Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q1 2022	Q4 2022	Q1 2023
<b>Calculation of Tangible Common Equity (TCE)</b>			
Total stockholders' equity	\$ 2,961,607	\$ 3,269,362	\$ 3,339,901
Less: Preferred stock	<u>-</u>	<u>-</u>	<u>-</u>
Total common stockholders' equity	<u>\$ 2,961,607</u>	<u>\$ 3,269,362</u>	<u>\$ 3,339,901</u>
Total assets	\$ 24,482,268	\$ 27,461,061	\$ 27,583,446
Less: Intangible assets	<u>(1,249,755)</u>	<u>(1,448,549)</u>	<u>(1,445,653)</u>
Total tangible assets	<u>\$ 23,232,513</u>	<u>\$ 26,012,512</u>	<u>\$ 26,137,793</u>
Common equity to total assets	<u>12.10%</u>	<u>11.91%</u>	<u>12.11%</u>
Tangible common equity to tangible common assets (non-GAAP)	<u>7.37%</u>	<u>7.00%</u>	<u>7.25%</u>
<b>Calculation of CET 1 Capital Ratio, Including the Impact of AOCI</b>			
Total stockholders' equity			\$ 3,339,901
CECL transition provision			61,746
Disallowed allowed intangible assets, net of deferred tax			(1,410,141)
Unrealized loss (gain) on available for sale securities (AOCI)			<u>470,681</u>
Total tier 1 capital (CET 1)			<u>\$ 2,462,187</u>
Total tier 1 capital (CET 1)			\$ 2,462,187
Less: Unrealized loss (gain) on available for sale securities (AOCI)			<u>470,681</u>
Total tier 1 capital, including AOCI (non-GAAP)			<u>\$ 1,991,506</u>
Risk weighted assets			<u>\$ 20,748,605</u>
CET 1 capital ratio			<u>11.87%</u>
CET 1 capital ratio, including AOCI			<u>9.60%</u>



FTE - Fully taxable equivalent adjustment using an effective tax rate of 26.135%

## Non-GAAP Reconciliations

<i>\$ in thousands</i>	Q1 2022	Q4 2022	Q1 2023
<b>Calculation of Uninsured Deposit Coverage Ratio</b>			
Uninsured deposits at Simmons Bank	\$ 6,414,459	\$ 7,267,220	\$ 5,896,752
Less: Intercompany eliminations	<u>504,306</u>	<u>527,542</u>	<u>628,592</u>
Total uninsured deposits	<u>\$ 5,910,153</u>	<u>\$ 6,739,678</u>	<u>\$ 5,268,160</u>
FHLB borrowing availability	\$ 3,597,000	\$ 5,442,000	\$ 5,574,000
Unpledged securities	4,335,000	3,180,000	3,000,000
Fed funds lines, Fed discount window and Bank Term Funding Program	<u>426,000</u>	<u>1,982,000</u>	<u>2,206,000</u>
Additional liquidity sources	<u>\$ 8,358,000</u>	<u>\$ 10,604,000</u>	<u>\$ 10,780,000</u>
Uninsured deposit coverage ratio	<u>1.4x</u>	<u>1.6x</u>	<u>2.0x</u>



FTE - Fully taxable equivalent adjustment using an effective tax rate of 26.135%





Nasdaq: **SFNC**

# 1<sup>st</sup> Quarter 2023 Earnings Presentation



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