



# Simmons First National Corporation

For Immediate Release:

October 19, 2016

## Simmons Reports Third Quarter Net Income of \$23.4 Million

Pine Bluff, AR – Simmons First National Corporation (NASDAQ-GS: SFNC) today announced net income available to common shareholders of \$23.4 million for the third quarter of 2016, an increase of \$1.8 million, or 8.5 percent, compared with the same quarter last year. Diluted earnings per share were \$0.76, an increase of \$0.04, or 5.6 percent.

Included in third quarter 2016 results were \$953,000 of after-tax expenses related to noncore items. Excluding the impact of these items, core earnings were \$24.4 million for the third quarter of 2016 and diluted core earnings per share were \$0.79.

Year-to-date net income was \$69.8 million, an increase of \$19.5 million, or 38.7 percent, compared with the same period of 2015. Year-to-date diluted earnings per share were \$2.28, an increase of \$0.45, or 24.6 percent. Year-to-date core earnings were \$72.7 million, or \$2.37 diluted core earnings per share.

On September 9, 2016, Simmons First National Corporation completed the acquisition of Citizens National Bank (“Citizens”), headquartered in Athens, Tenn. The systems conversion will take place on October 21, 2016, at which time nine Citizens branches will be merged into Simmons Bank.

“We welcome our newest associates from Citizens National Bank into the Simmons family. We look forward to continued growth in our east Tennessee markets”, said George A. Makris, Jr., chairman and CEO, “Our operating performance continues to produce good results. Our efficiency ratio for the third quarter was 53.8 percent, our return on assets was 1.21 percent, our return on equity was 8.4 percent, and our return on tangible common equity was 13.3 percent. I’m very proud of the accomplishments of our associates.”

### Loans

Total loans, including those acquired, were \$5.4 billion at September 30, 2016, an increase of \$548 million, or 11.3 percent, compared with the same period in 2015. Legacy loans (all loans excluding acquired loans) grew \$1.1 billion, or 38.9 percent. On a linked quarter basis, total loan growth was \$387 million.

### Deposits

At September 30, 2016, total deposits were \$6.6 billion, an increase of \$528 million, or 8.7 percent, compared with the same period in 2015. Total non-time deposits were \$5.3 billion, an increase of \$555 million, or 11.7 percent, and comprised 80 percent of total deposits.

### Net Interest Income

The company’s net interest income for the third quarter of 2016 was \$68.1 million, a decrease of \$10.6 million, or 13.5 percent, from the same period of 2015. This decrease was primarily driven by a \$10.0 million decline in yield accretion on acquired loans. Included in interest income was the yield accretion recognized on acquired loans of \$4.9 million and \$14.9 million for the third quarter of 2016 and 2015, respectively. Net interest margin was 4.09 percent for the quarter ended September 30, 2016, a 73 basis-point

decline from the same quarter of 2015. The company's core net interest margin, excluding the accretion, was 3.81 percent for the third quarter of 2016, a 12 basis-point decline from the same quarter of 2015.

### **Provision for Loan Losses**

Provision for loan losses for the third quarter of 2016 was \$8.3 million, an increase of \$6.7 million compared with the third quarter of 2015. During the quarter, a single charge-off of \$5.4 million was recorded in relation to a nonaccrual loan acquired from Metropolitan National Bank. The loan was charged down to the appraised liquidation value of the collateral and the charged-off amount was added back to the allowance for loan losses during the quarter, resulting in the increase in provision. Management will discuss this loan during the company's earnings conference call tomorrow.

### **Non-Interest Income**

Non-interest income for the third quarter was \$36.9 million, an increase of \$13.8 million compared with the third quarter of 2015. The elimination of indemnification asset amortization due to the company's 2015 termination of loss-sharing agreements with the FDIC resulted in a decrease of \$9.1 million in losses on FDIC-covered assets in the third quarter compared to the same period in 2015.

The remaining increase in non-interest income was due to additional mortgage lending, trust income, debit and credit card income and investment banking revenue.

### **Non-Interest Expense**

Non-interest expense for the third quarter of 2016 was \$62.4 million, a decrease of \$5.1 million compared with the third quarter of 2015. Included in the quarter were \$1.5 million of merger-related expenses. Salaries and benefits decreased by \$5.2 million, or 14.1 percent, compared with the same quarter of 2015.

### **Asset Quality**

All acquired loans are recorded at their discounted net present value; therefore, they are excluded from the computations of the asset quality ratios for the legacy loan portfolio, except for their inclusion in total assets.

At September 30, 2016, the allowance for loan losses for legacy loans was \$34.1 million. The company's allowance for loan losses on legacy loans at September 30, 2016 was 0.86 percent of total loans and 91 percent of non-performing loans. In the legacy portfolio, non-performing loans as a percent of total loans were 0.95 percent.

The allowance for loan losses for acquired loans was \$1.0 million and the acquired loan discount credit mark was \$42.9 million. The allowances for loan losses and credit marks provide a total of \$77.9 million of coverage, which equates to a total coverage ratio of 1.4 percent of gross loans. The ratio of credit mark and related allowance to acquired loans was 2.9 percent.

The 2016 year-to-date net charge-off ratio, excluding credit cards, was 44 basis points, and the year-to-date credit card charge-off ratio was 1.22 percent.

### **Capital**

At September 30, 2016, common stockholders' equity was \$1.1 billion, book value per share was \$36.69 and tangible book value per share was \$23.80. The company's ratio of stockholders' equity to total assets was 13.94 percent and its ratio of tangible common equity to tangible assets was 9.5 percent.

## **Simmons First National Corporation**

Simmons First National Corporation is a financial holding company, headquartered in Pine Bluff, Ark., with total assets of \$8.2 billion conducting financial operations throughout Arkansas, Kansas, Missouri and Tennessee. The company through its subsidiaries offers comprehensive financial solutions delivered with a client-centric approach. The company's common stock trades on the NASDAQ Global Select Market under the symbol "SFNC."

### **Conference Call**

Management will conduct a conference call to review this information beginning at 3 p.m. CDT on Thursday, October 20, 2016. Interested persons can listen to this call by dialing toll-free 1-866-298-7926 (United States and Canada only) and asking for the Simmons First National Corporation conference call, conference ID 87389332. In addition, the call will be available live or in recorded version on the company's website at [www.simmonsbank.com](http://www.simmonsbank.com).

### **Non-GAAP Financial Measures**

This press release contains financial information determined by methods other than in accordance with 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 typically adjust GAAP performance measures to include the tax benefit associated with revenue items that are tax-exempt, as well as adjust income available to common shareholders for certain significant activities or nonrecurring transactions. Since the presentation of these GAAP performance measures and their impact differ between companies, management believes presentations of these non-GAAP financial measures provide useful supplemental information that is essential to a proper understanding of the operating results of the company's core businesses. These non-GAAP disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the tables of this release.

### **Forward-Looking Statements**

Statements in this news release that are not historical facts should be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any forward-looking statement speaks only as of the date of this news release, and we undertake no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of this news release. By nature, forward-looking statements involve inherent risk and uncertainties. Various factors, including, but not limited to, economic conditions, credit quality, interest rates, loan demand and changes in the assumptions used in making the forward-looking statements, could cause actual results to differ materially from those contemplated by the forward-looking statements. Additional information on factors that might affect Simmons First National Corporation's financial results is included in its Form 10-K filing with the Securities and Exchange Commission.

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FOR MORE INFORMATION CONTACT:

J. BURTON HICKS

SVP and Investor Relations Officer

Simmons First National Corporation

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# Simmons First National Corporation

SFNC

## Consolidated End of Period Balance Sheets

For the Quarters Ended

(Unaudited)

(\$ in thousands)

	<u>Sep 30</u> <u>2016</u>	<u>Jun 30</u> <u>2016</u>	<u>Mar 31</u> <u>2016</u>	<u>Dec 31</u> <u>2015</u>	<u>Sep 30</u> <u>2015</u>
<b>ASSETS</b>					
Cash and non-interest bearing balances due from banks	\$ 112,572	\$ 96,037	\$ 118,468	\$ 97,656	\$ 106,678
Interest bearing balances due from banks	324,951	151,570	100,593	154,606	284,645
Federal funds sold	<u>17,000</u>	<u>3,000</u>	<u>4,000</u>	<u>-</u>	<u>9,675</u>
Cash and cash equivalents	454,523	250,607	223,061	252,262	400,998
Interest bearing balances due from banks - time	4,393	9,781	11,188	14,107	16,504
Investment securities - held-to-maturity	496,594	632,154	674,502	705,373	776,294
Investment securities - available-for-sale	1,024,206	821,372	857,673	821,407	703,347
Mortgage loans held for sale	28,069	30,529	24,563	30,265	15,556
Assets held in trading accounts	2,969	7,321	7,074	4,422	6,292
Loans:					
Legacy loans	3,943,089	3,725,422	3,472,691	3,246,454	2,839,278
Allowance for loan losses	(34,094)	(33,523)	(32,681)	(31,351)	(30,380)
Loans acquired (net of discount and allowance)	<u>1,458,198</u>	<u>1,288,435</u>	<u>1,457,370</u>	<u>1,672,901</u>	<u>2,013,816</u>
Net loans	5,367,193	4,980,334	4,897,380	4,888,004	4,822,714
Premises and equipment	192,523	183,362	192,327	193,618	190,182
Premises held for sale	6,732	6,167	2,364	923	923
Foreclosed assets	30,396	30,529	41,126	44,820	48,073
Interest receivable	27,390	24,150	23,545	25,793	26,873
Bank owned life insurance	138,298	130,943	130,092	131,536	118,922
Goodwill	348,769	327,686	327,686	327,686	314,344
Other intangible assets	54,268	50,329	51,783	53,237	44,904
Other assets	<u>50,669</u>	<u>48,955</u>	<u>72,589</u>	<u>66,205</u>	<u>73,768</u>
Total assets	<u>\$ 8,226,992</u>	<u>\$ 7,534,219</u>	<u>\$ 7,536,953</u>	<u>\$ 7,559,658</u>	<u>\$ 7,559,694</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Deposits:					
Non-interest bearing transaction accounts	\$ 1,473,420	\$ 1,283,426	\$ 1,274,816	\$ 1,280,234	\$ 1,212,724
Interest bearing transaction accounts and savings deposits	3,815,939	3,538,808	3,524,808	3,485,845	3,521,840
Time deposits less than \$100,000	653,105	643,081	674,915	694,262	673,651
Time deposits greater than \$100,000	<u>674,917</u>	<u>562,888</u>	<u>605,236</u>	<u>625,755</u>	<u>681,585</u>
Total deposits	6,617,381	6,028,203	6,079,775	6,086,096	6,089,800
Federal funds purchased and securities sold under agreements to repurchase	124,289	103,038	97,429	99,398	110,437
Other borrowings	215,276	191,827	176,829	162,289	173,426
Subordinated debentures	60,290	60,184	60,077	60,570	61,906
Accrued interest and other liabilities	<u>62,615</u>	<u>60,256</u>	<u>50,859</u>	<u>74,450</u>	<u>78,684</u>
Total liabilities	<u>7,079,851</u>	<u>6,443,508</u>	<u>6,464,969</u>	<u>6,482,803</u>	<u>6,514,253</u>
Stockholders' equity:					
Preferred stock	-	-	-	30,852	30,852
Common stock	313	304	303	303	299
Surplus	710,132	668,306	665,850	662,378	642,400
Undivided profits	434,579	417,863	402,265	385,987	369,172
Accumulated other comprehensive income (loss):					
Unrealized appreciation (depreciation) on AFS securities	<u>2,117</u>	<u>4,238</u>	<u>3,566</u>	<u>(2,665)</u>	<u>2,718</u>
Total stockholders' equity	<u>1,147,141</u>	<u>1,090,711</u>	<u>1,071,984</u>	<u>1,076,855</u>	<u>1,045,441</u>
Total liabilities and stockholders' equity	<u>\$ 8,226,992</u>	<u>\$ 7,534,219</u>	<u>\$ 7,536,953</u>	<u>\$ 7,559,658</u>	<u>\$ 7,559,694</u>

**Simmons First National Corporation**  
**Consolidated Statements of Income - Quarter-to-Date**  
**For the Quarters Ended**  
**(Unaudited)**

**SFNC**

	<b>Sep 30</b>	<b>Jun 30</b>	<b>Mar 31</b>	<b>Dec 31</b>	<b>Sep 30</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
(\$ in thousands, except per share data)					
<b>INTEREST INCOME</b>					
Loans	\$ 65,078	\$ 63,009	\$ 66,678	\$ 70,511	\$ 76,432
Federal funds sold	19	17	10	10	15
Investment securities	7,774	8,499	8,506	8,350	8,335
Mortgage loans held for sale	299	295	278	237	291
Assets held in trading accounts	4	3	6	6	4
Interest bearing balances due from banks	244	77	144	225	122
<b>TOTAL INTEREST INCOME</b>	<b>73,418</b>	<b>71,900</b>	<b>75,622</b>	<b>79,339</b>	<b>85,199</b>
<b>INTEREST EXPENSE</b>					
Time deposits	1,767	1,741	1,636	1,858	1,936
Other deposits	1,965	2,035	2,018	2,105	2,222
Federal funds purchased and securities sold under agreements to repurchase	59	59	65	60	55
Other borrowings	1,048	938	1,128	1,084	1,812
Subordinated debentures	516	544	543	481	498
<b>TOTAL INTEREST EXPENSE</b>	<b>5,355</b>	<b>5,317</b>	<b>5,390</b>	<b>5,588</b>	<b>6,523</b>
<b>NET INTEREST INCOME</b>	<b>68,063</b>	<b>66,583</b>	<b>70,232</b>	<b>73,751</b>	<b>78,676</b>
Provision for loan losses	8,294	4,616	2,823	3,230	1,615
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>59,769</b>	<b>61,967</b>	<b>67,409</b>	<b>70,521</b>	<b>77,061</b>
<b>NON-INTEREST INCOME</b>					
Trust income	3,873	3,656	3,631	2,725	2,215
Service charges on deposit accounts	8,771	7,661	7,316	8,104	8,488
Other service charges and fees	1,840	1,571	1,909	1,654	2,672
Mortgage lending income	5,760	5,877	3,792	2,298	3,446
Investment banking income	1,131	1,181	687	784	663
Debit and credit card fees	7,825	7,688	7,200	7,647	6,879
Bank owned life insurance income	606	826	997	614	748
Gain on sale of securities, net	315	3,759	329	305	40
Net (loss) gain on assets covered by FDIC loss-share agreements	-	-	-	-	(9,085)
Other income	6,755	4,669	3,642	4,518	7,006
<b>TOTAL NON-INTEREST INCOME</b>	<b>36,876</b>	<b>36,888</b>	<b>29,503</b>	<b>28,649</b>	<b>23,072</b>
<b>NON-INTEREST EXPENSE</b>					
Salaries and employee benefits	31,784	33,103	34,773	39,523	37,000
Occupancy expense, net	4,690	4,990	4,471	3,418	4,812
Furniture and equipment expense	4,272	4,077	3,947	3,731	4,202
Other real estate and foreclosure expense	1,849	967	966	1,167	2,297
Deposit insurance	1,136	1,096	1,148	1,222	1,013
Merger-related costs	1,524	372	93	1,237	857
Other operating expenses	17,179	19,532	16,391	17,508	17,314
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>62,434</b>	<b>64,137</b>	<b>61,789</b>	<b>67,806</b>	<b>67,495</b>
<b>NET INCOME BEFORE INCOME TAXES</b>	<b>34,211</b>	<b>34,718</b>	<b>35,123</b>	<b>31,364</b>	<b>32,638</b>
Provision for income taxes	10,782	11,809	11,618	7,505	10,963
<b>NET INCOME</b>	<b>23,429</b>	<b>22,909</b>	<b>23,505</b>	<b>23,859</b>	<b>21,675</b>
Preferred stock dividends	-	-	24	77	77
<b>NET INCOME AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 23,429</b>	<b>\$ 22,909</b>	<b>\$ 23,481</b>	<b>\$ 23,782</b>	<b>\$ 21,598</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>\$ 0.77</b>	<b>\$ 0.75</b>	<b>\$ 0.77</b>	<b>\$ 0.79</b>	<b>\$ 0.72</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>\$ 0.76</b>	<b>\$ 0.75</b>	<b>\$ 0.77</b>	<b>\$ 0.78</b>	<b>\$ 0.72</b>

# Simmons First National Corporation

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## Consolidated Core Earnings - Quarter-to-Date (non-GAAP) (1)

For the Quarters Ended

(Unaudited)

	Sep 30 2016	Jun 30 2016	Mar 31 2016	Dec 31 2015	Sep 30 2015
(\$ in thousands, except per share data)					
<b>INTEREST INCOME</b>					
Loans	\$ 65,078	\$ 63,009	\$ 66,678	\$ 70,511	\$ 76,432
Federal funds sold	19	17	10	10	15
Investment securities	7,774	8,499	8,506	8,350	8,335
Mortgage loans held for sale	299	295	278	237	291
Assets held in trading accounts	4	3	6	6	4
Interest bearing balances due from banks	244	77	144	225	122
<b>TOTAL INTEREST INCOME</b>	<u>73,418</u>	<u>71,900</u>	<u>75,622</u>	<u>79,339</u>	<u>85,199</u>
<b>INTEREST EXPENSE</b>					
Time deposits	1,767	1,741	1,636	1,858	1,936
Other deposits	1,965	2,035	2,018	2,105	2,222
Federal funds purchased and securities sold under agreements to repurchase	59	59	65	60	55
Other borrowings	1,048	938	1,128	1,084	1,812
Subordinated debentures	516	544	543	481	498
<b>TOTAL INTEREST EXPENSE</b>	<u>5,355</u>	<u>5,317</u>	<u>5,390</u>	<u>5,588</u>	<u>6,523</u>
<b>NET INTEREST INCOME</b>	68,063	66,583	70,232	73,751	78,676
Provision for loan losses	8,294	4,616	2,823	3,230	1,615
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<u>59,769</u>	<u>61,967</u>	<u>67,409</u>	<u>70,521</u>	<u>77,061</u>
<b>NON-INTEREST INCOME</b>					
Trust income	3,873	3,656	3,631	2,725	2,215
Service charges on deposit accounts	8,771	7,661	7,316	8,104	8,488
Other service charges and fees	1,840	1,571	1,909	1,654	2,672
Mortgage lending income	5,760	5,877	3,792	2,298	3,446
Investment banking income	1,131	1,181	687	784	663
Debit and credit card fees	7,825	7,688	7,200	7,647	6,879
Bank owned life insurance income	606	826	997	614	748
Gain on sale of securities, net	315	3,759	329	305	40
Net (loss) gain on assets covered by FDIC loss-share agreements	-	-	-	-	(1,609)
Other income	6,580	4,669	3,048	4,518	4,737
<b>TOTAL NON-INTEREST INCOME</b>	<u>36,701</u>	<u>36,888</u>	<u>28,909</u>	<u>28,649</u>	<u>28,279</u>
<b>NON-INTEREST EXPENSE</b>					
Salaries and employee benefits	31,784	33,103	34,773	37,314	36,919
Occupancy expense, net	4,595	4,945	4,461	3,358	4,680
Furniture and equipment expense	4,270	4,077	3,947	3,731	4,172
Other real estate and foreclosure expense	1,787	967	966	1,167	2,297
Deposit insurance	1,136	1,096	1,148	1,222	1,013
Other operating expenses	17,120	16,358	16,387	17,508	17,094
<b>TOTAL NON-INTEREST EXPENSE</b>	<u>60,692</u>	<u>60,546</u>	<u>61,682</u>	<u>64,300</u>	<u>66,175</u>
<b>CORE EARNINGS BEFORE INCOME TAXES (non-GAAP) (1)</b>	35,778	38,309	34,636	34,870	39,165
Provision for income taxes	11,396	13,218	11,427	8,880	13,523
<b>CORE EARNINGS (non-GAAP) (1)</b>	24,382	25,091	23,209	25,990	25,642
Preferred stock dividends	-	-	24	77	77
<b>CORE EARNINGS AVAILABLE TO COMMON S/H (non-GAAP)</b>	<u>\$ 24,382</u>	<u>\$ 25,091</u>	<u>\$ 23,185</u>	<u>\$ 25,913</u>	<u>\$ 25,565</u>
<b>BASIC CORE EARNINGS PER SHARE (non-GAAP) (1)</b>	<u>\$ 0.80</u>	<u>\$ 0.83</u>	<u>\$ 0.76</u>	<u>\$ 0.86</u>	<u>\$ 0.85</u>
<b>DILUTED CORE EARNINGS PER SHARE (non-GAAP) (1)</b>	<u>\$ 0.79</u>	<u>\$ 0.82</u>	<u>\$ 0.76</u>	<u>\$ 0.86</u>	<u>\$ 0.85</u>

(1) Calculations of core earnings and core earnings per share and the reconciliations to GAAP are included in the schedules accompanying this release.

# Simmons First National Corporation

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## Consolidated Risk-Based Capital

For the Quarters Ended

(Unaudited)

Sep 30  
2016

Jun 30  
2016

Mar 31  
2016

Dec 31  
2015

Sep 30  
2015

(\$ in thousands)

### Tier 1 capital

Stockholders' equity	\$ 1,147,141	\$ 1,090,711	\$ 1,071,984	\$ 1,076,855	\$ 1,045,441
Trust preferred securities, net allowable	60,290	60,184	60,077	60,570	61,906
Disallowed intangible assets, net of deferred tax	(354,582)	(334,395)	(335,166)	(331,931)	(314,735)
Unrealized loss (gain) on AFS securities	(2,117)	(4,238)	(3,566)	2,665	(2,718)
Total Tier 1 capital	<u>850,732</u>	<u>812,262</u>	<u>793,329</u>	<u>808,159</u>	<u>789,894</u>

### Tier 2 capital

Qualifying allowance for loan losses and reserve for unfunded commitments	<u>38,050</u>	<u>37,240</u>	<u>36,398</u>	<u>35,068</u>	<u>34,097</u>
Total Tier 2 capital	<u>38,050</u>	<u>37,240</u>	<u>36,398</u>	<u>35,068</u>	<u>34,097</u>
Total risk-based capital	<u>\$ 888,782</u>	<u>\$ 849,502</u>	<u>\$ 829,727</u>	<u>\$ 843,227</u>	<u>\$ 823,991</u>

### Common equity

Tier 1 capital	\$ 850,732	\$ 812,262	\$ 793,329	\$ 808,159	\$ 789,894
Less: Non-cumulative preferred stock	-	-	-	(30,852)	(30,852)
Less: Trust preferred securities	(60,290)	(60,184)	(60,077)	(60,570)	(61,906)
Total common equity	<u>\$ 790,442</u>	<u>\$ 752,078</u>	<u>\$ 733,252</u>	<u>\$ 716,737</u>	<u>\$ 697,136</u>

Risk weighted assets	<u>\$ 5,724,052</u>	<u>\$ 5,343,355</u>	<u>\$ 5,293,395</u>	<u>\$ 5,044,453</u>	<u>\$ 4,986,641</u>
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Adjusted average assets for leverage ratio	<u>\$ 7,355,702</u>	<u>\$ 7,185,633</u>	<u>\$ 7,167,839</u>	<u>\$ 7,218,559</u>	<u>\$ 7,293,113</u>
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### Ratios at end of quarter

Equity to assets	13.94%	14.48%	14.22%	14.24%	13.83%
Tangible common equity to tangible assets (1)	9.51%	9.96%	9.68%	9.26%	9.10%
Common equity Tier 1 ratio (CET1)	13.81%	14.08%	13.85%	14.21%	13.98%
Tier 1 leverage ratio	11.57%	11.30%	11.07%	11.20%	10.83%
Tier 1 risk-based capital ratio	14.86%	15.20%	14.99%	16.02%	15.84%
Total risk-based capital ratio	15.53%	15.90%	15.67%	16.72%	16.52%

(1) Calculations of tangible common equity to tangible assets and the reconciliations to GAAP are included in the schedules accompanying this release.

# Simmons First National Corporation

SFNC

## Consolidated Loans and Investments

For the Quarters Ended

(Unaudited)

Sep 30  
2016

Jun 30  
2016

Mar 31  
2016

Dec 31  
2015

Sep 30  
2015

(\$ in thousands)

### Legacy Loan Portfolio - End of Period <sup>(1)</sup>

Consumer					
Credit cards	\$ 175,032	\$ 171,468	\$ 167,803	\$ 177,288	\$ 171,701
Other consumer	275,947	248,018	227,480	208,380	182,472
Total consumer	450,979	419,486	395,283	385,668	354,173
Real Estate					
Construction	304,082	330,666	300,042	279,740	253,761
Single-family residential	841,958	785,289	746,754	696,180	623,089
Other commercial	1,521,132	1,414,663	1,327,372	1,229,072	1,037,559
Total real estate	2,667,172	2,530,618	2,374,168	2,204,992	1,914,409
Commercial					
Commercial	607,738	577,771	551,695	500,116	394,422
Agricultural	203,529	187,047	143,033	148,563	170,257
Total commercial	811,267	764,818	694,728	648,679	564,679
Other	13,671	10,500	8,512	7,115	6,017
Total Loans	<u>\$ 3,943,089</u>	<u>\$ 3,725,422</u>	<u>\$ 3,472,691</u>	<u>\$ 3,246,454</u>	<u>\$ 2,839,278</u>

(1) Excludes all acquired loans.

### Investment Securities - End of Period

#### **Held-to-Maturity**

U.S. Government agencies	\$ 80,849	\$ 199,505	\$ 223,484	\$ 237,139	\$ 285,071
Mortgage-backed securities	21,454	22,612	23,734	24,774	25,913
State and political subdivisions	391,495	407,273	424,586	440,676	464,245
Other securities	2,796	2,764	2,698	2,784	1,065
Total held-to-maturity	496,594	632,154	674,502	705,373	776,294

#### **Available-for-Sale**

U.S. Treasury	\$ 63,985	\$ 4,305	\$ 4,302	\$ 3,994	\$ 4,008
U.S. Government agencies	148,781	58,113	78,308	120,237	153,576
Mortgage-backed securities	699,748	652,425	722,982	647,425	502,344
State and political subdivisions	67,019	64,836	11,260	9,874	10,976
FHLB stock	11,235	8,781	7,838	7,823	14,275
Other securities	33,438	32,912	32,983	32,054	18,168
Total available-for-sale	1,024,206	821,372	857,673	821,407	703,347
Total investment securities	<u>\$ 1,520,800</u>	<u>\$ 1,453,526</u>	<u>\$ 1,532,175</u>	<u>\$ 1,526,780</u>	<u>\$ 1,479,641</u>
Fair value - HTM investment securities	<u>\$ 508,910</u>	<u>\$ 647,293</u>	<u>\$ 686,835</u>	<u>\$ 713,371</u>	<u>\$ 785,030</u>

### Investment Securities - QTD Average

Taxable securities	\$ 963,150	\$ 1,059,802	\$ 1,067,302	\$ 1,043,268	\$ 1,088,597
Tax exempt securities	466,782	443,492	439,370	463,631	478,436
Total investment securities - QTD average	<u>\$ 1,429,932</u>	<u>\$ 1,503,294</u>	<u>\$ 1,506,672</u>	<u>\$ 1,506,899</u>	<u>\$ 1,567,033</u>

# Simmons First National Corporation

SFNC

## Consolidated Loans and Credit Coverage

For the Quarters Ended

(Unaudited)

	<u>Sep 30</u> <u>2016</u>	<u>Jun 30</u> <u>2016</u>	<u>Mar 31</u> <u>2016</u>	<u>Dec 31</u> <u>2015</u>	<u>Sep 30</u> <u>2015</u>
(\$ in thousands)					
<b>LOANS</b>					
Legacy loans	\$ 3,943,089	\$ 3,725,422	\$ 3,472,691	\$ 3,246,454	\$ 2,839,278
Allowance for loan losses (legacy loans)	<u>(34,094)</u>	<u>(33,523)</u>	<u>(32,681)</u>	<u>(31,351)</u>	<u>(30,380)</u>
Legacy loans (net of allowance)	3,908,995	3,691,899	3,440,010	3,215,103	2,808,898
Loans acquired	1,502,051	1,327,683	1,503,482	1,729,557	2,085,211
Credit discount	(42,899)	(38,294)	(45,158)	(55,702)	(70,441)
Allowance for loan losses (loans acquired)	<u>(954)</u>	<u>(954)</u>	<u>(954)</u>	<u>(954)</u>	<u>(954)</u>
Loans acquired (net of discount and allowance)	<u>1,458,198</u>	<u>1,288,435</u>	<u>1,457,370</u>	<u>1,672,901</u>	<u>2,013,816</u>
Net loans	<u>\$ 5,367,193</u>	<u>\$ 4,980,334</u>	<u>\$ 4,897,380</u>	<u>\$ 4,888,004</u>	<u>\$ 4,822,714</u>

### Loan Coverage Ratios

Allowance for loan losses to legacy loans	0.86%	0.90%	0.94%	0.97%	1.07%
Discount for credit losses and allowance on loans acquired to total loans acquired plus discount for credit losses and allowance on loans acquired (non-GAAP) (1)	2.92%	2.96%	3.07%	3.28%	3.42%
Total allowance and credit coverage (non-GAAP) (1)	1.43%	1.44%	1.58%	1.77%	2.07%

(1) Calculations of the non-GAAP loan coverage ratios and the reconciliations to GAAP are included in the schedules accompanying this release.

**Simmons First National Corporation**  
**Consolidated Allowance and Asset Quality**  
**For the Quarters Ended**  
**(Unaudited)**

**SFNC**

**Sep 30**      **Jun 30**      **Mar 31**      **Dec 31**      **Sep 30**  
**2016**      **2016**      **2016**      **2015**      **2015**

(\$ in thousands)

**Allowance for Loan Losses (Legacy Loans)**

Balance, beginning of quarter	\$ 33,523	\$ 32,681	\$ 31,351	\$ 30,380	\$ 30,567
Loans charged off					
Credit cards	699	702	859	757	763
Other consumer	600	489	393	489	597
Real estate	6,297	824	229	845	109
Commercial	284	2,283	476	654	516
Total loans charged off	7,880	4,298	1,957	2,745	1,985
Recoveries of loans previously charged off					
Credit cards	199	253	242	223	213
Other consumer	106	149	103	140	78
Real estate	55	111	112	120	25
Commercial	12	318	7	3	-
Total recoveries	372	831	464	486	316
Net loans charged off	7,508	3,467	1,493	2,259	1,669
Provision for loan losses	8,079	4,309	2,823	3,230	1,482
Balance, end of quarter	\$ 34,094	\$ 33,523	\$ 32,681	\$ 31,351	\$ 30,380

**Non-performing assets** <sup>(1) (2)</sup>

Non-performing loans					
Nonaccrual loans	37,392	43,305	34,244	17,714	15,305
Loans past due 90 days or more	144	227	881	1,191	1,506
Total non-performing loans	37,536	43,532	35,125	18,905	16,811
Other non-performing assets					
Foreclosed assets held for sale <sup>(2)</sup>	30,396	30,529	41,126	44,820	48,073
Other non-performing assets	621	519	256	211	172
Total other non-performing assets	31,017	31,048	41,382	45,031	48,245
Total non-performing assets	\$ 68,553	\$ 74,580	\$ 76,507	\$ 63,936	\$ 65,056
Performing TDRs (troubled debt restructurings)	\$ 13,604	\$ 10,887	\$ 10,759	\$ 3,031	\$ 1,955

**Ratios** <sup>(1) (2)</sup>

Allowance for loan losses to total loans	0.86%	0.90%	0.94%	0.97%	1.07%
Allowance for loan losses to non-performing loans	91%	77%	93%	166%	181%
Non-performing loans to total loans	0.95%	1.17%	1.01%	0.58%	0.59%
Non-performing assets (including performing TDRs)					
to total assets	1.00%	1.13%	1.16%	0.89%	0.89%
Non-performing assets to total assets	0.83%	0.99%	1.02%	0.85%	0.86%
Annualized net charge offs to total loans	0.82%	0.39%	0.18%	0.31%	0.24%
Annualized net credit card charge offs to					
total credit card loans	1.14%	1.07%	1.46%	1.22%	1.26%
Annualized net charge offs to total loans					
(excluding credit cards)	0.81%	0.36%	0.11%	0.25%	0.17%

(1) Excludes all acquired loans, except for their inclusion in total assets.

(2) Includes acquired foreclosed assets held for sale.

**Simmons First National Corporation**  
**Consolidated - Average Balance Sheet and Net Interest Income Analysis**  
**For the Quarters Ended**  
**(Unaudited)**

**SFNC**

(\$ in thousands)	Three Months Ended			Three Months Ended			Three Months Ended		
	Sep 2016			Jun 2016			Sep 2015		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
<b>ASSETS</b>									
Earning assets:									
Interest bearing balances due from banks	\$ 246,818	\$ 244	0.39%	\$ 126,114	\$ 77	0.25%	\$ 206,467	\$ 122	0.23%
Federal funds sold	6,431	19	1.18%	2,570	17	2.66%	19,086	15	0.31%
Investment securities - taxable	1,038,437	4,445	1.70%	1,087,179	5,273	1.95%	1,209,985	4,901	1.61%
Investment securities - non-taxable (FTE)	391,495	5,468	5.56%	416,115	5,300	5.12%	357,048	5,582	6.20%
Mortgage loans held for sale	31,256	299	3.81%	28,844	295	4.11%	26,379	291	4.38%
Assets held in trading accounts	5,108	4	0.31%	6,932	3	0.17%	6,401	4	0.25%
Loans, including acquired loans	<u>5,105,474</u>	<u>65,120</u>	<u>5.07%</u>	<u>4,957,888</u>	<u>63,041</u>	<u>5.11%</u>	<u>4,835,068</u>	<u>76,456</u>	<u>6.27%</u>
Total interest earning assets (FTE)	6,825,019	75,599	4.41%	6,625,642	74,006	4.49%	6,660,434	87,371	5.20%
Non-earning assets	878,818			896,491			947,333		
Total assets	<u>\$ 7,703,837</u>			<u>\$ 7,522,133</u>			<u>\$ 7,607,767</u>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>									
Interest bearing liabilities:									
Interest bearing transaction and savings accounts	\$ 3,645,414	\$ 1,965	0.21%	\$ 3,526,278	\$ 2,035	0.23%	\$ 3,600,930	\$ 2,222	0.24%
Time deposits	<u>1,213,895</u>	<u>1,767</u>	<u>0.58%</u>	<u>1,242,805</u>	<u>1,741</u>	<u>0.56%</u>	<u>1,397,928</u>	<u>1,936</u>	<u>0.55%</u>
Total interest bearing deposits	4,859,309	3,732	0.31%	4,769,083	3,776	0.32%	4,998,858	4,158	0.33%
Federal funds purchased and securities sold under agreement to repurchase	105,576	59	0.22%	104,668	59	0.23%	109,311	55	0.20%
Other borrowings	192,453	1,048	2.17%	172,268	938	2.19%	197,832	1,812	3.63%
Subordinated debentures	<u>60,238</u>	<u>516</u>	<u>3.41%</u>	<u>60,132</u>	<u>544</u>	<u>3.64%</u>	<u>61,851</u>	<u>498</u>	<u>3.19%</u>
Total interest bearing liabilities	5,217,576	5,355	0.41%	5,106,151	5,317	0.42%	5,367,852	6,523	0.48%
Non-interest bearing liabilities:									
Non-interest bearing deposits	1,322,818			1,271,878			1,121,078		
Other liabilities	<u>49,191</u>			<u>57,486</u>			<u>74,696</u>		
Total liabilities	6,589,585			6,435,515			6,563,626		
Stockholders' equity	<u>1,114,252</u>			<u>1,086,618</u>			<u>1,044,141</u>		
Total liabilities and stockholders' equity	<u>\$ 7,703,837</u>			<u>\$ 7,522,133</u>			<u>\$ 7,607,767</u>		
Net interest income (FTE)		\$ 70,244			\$ 68,689			\$ 80,848	
Net interest spread (FTE)			4.00%			4.07%			4.72%
Net interest margin (FTE) - quarter-to-date			4.09%			4.17%			4.82%
Net interest margin (FTE) - year-to-date			4.22%			4.29%			4.58%
Core net interest margin (FTE) - quarter-to-date (1)			3.81%			3.88%			3.93%
Core loan yield (FTE) - quarter-to-date (1)			4.69%			4.73%			5.05%
Core net interest margin (FTE) - year-to-date (1)			3.87%			3.90%			3.82%
Core loan yield (FTE) - year-to-date (1)			4.75%			4.77%			5.07%

(1) Calculations of core net interest margin and core loan yield and the reconciliations to GAAP are included in the schedules accompanying this release.

**Simmons First National Corporation**  
**Consolidated - Selected Financial Data**

**SFNC**

**For the Quarters Ended**  
**(Unaudited)**

**Sep 30**      **Jun 30**      **Mar 31**      **Dec 31**      **Sep 30**  
2016      2016      2016      2015      2015

(\$ in thousands, except share data)

**QUARTER-TO-DATE**

**Financial Highlights - GAAP**

Net Income	\$ 23,429	\$ 22,909	\$ 23,481	\$ 23,782	\$ 21,598
Diluted earnings per share	0.76	0.75	0.77	0.78	0.72
Return on average assets	1.21%	1.22%	1.26%	1.25%	1.13%
Return on average common equity	8.36%	8.48%	8.87%	9.15%	8.46%
Return on tangible common equity	13.26%	13.52%	14.30%	14.62%	13.58%
Net interest margin (FTE)	4.09%	4.17%	4.41%	4.53%	4.82%
FTE adjustment	2,181	2,105	2,084	2,185	2,172
Amortization of intangibles	1,503	1,451	1,455	1,337	1,265
Amortization of intangibles, net of taxes	913	882	884	813	769
Average diluted shares outstanding	30,843,714	30,452,285	30,481,604	30,301,190	30,046,062
Cash dividends declared per common share	0.24	0.24	0.24	0.23	0.23

**Financial Highlights - Core (non-GAAP)**

Core earnings (excludes nonrecurring items) (1)	\$ 24,382	\$ 25,091	\$ 23,185	\$ 25,913	\$ 25,565
Diluted core earnings per share (1)	0.79	0.82	0.76	0.86	0.85
Core net interest margin (FTE) (2)	3.81%	3.88%	3.92%	3.87%	3.93%
Efficiency ratio (1)	53.83%	57.09%	58.73%	59.26%	57.40%
Core return on average assets (1)	1.26%	1.34%	1.24%	1.36%	1.33%
Core return on average common equity (1)	8.71%	9.29%	8.75%	9.96%	10.01%
Core return on tangible common equity (1)	13.78%	14.76%	14.13%	15.89%	15.99%

**YEAR-TO-DATE**

**Financial Highlights - GAAP**

Net Income	\$ 69,819	\$ 46,390	\$ 23,481	\$ 74,107	\$ 50,325
Diluted earnings per share	2.28	1.52	0.77	2.63	1.83
Return on average assets	1.23%	1.24%	1.26%	1.03%	0.96%
Return on average common equity	8.57%	8.67%	8.87%	7.90%	7.41%
Return on tangible common equity	13.68%	13.90%	14.30%	12.53%	11.73%
Net interest margin (FTE)	4.22%	4.29%	4.41%	4.55%	4.58%
FTE adjustment	6,370	4,189	2,084	8,517	6,332
Amortization of intangibles	4,409	2,906	1,455	4,889	3,552
Amortization of intangibles, net of taxes	2,679	1,766	884	2,972	2,159
Average diluted shares outstanding	30,656,882	30,438,939	30,481,604	28,209,661	27,497,813
Cash dividends declared per common share	0.72	0.48	0.24	0.92	0.69

**Financial Highlights - Core (non-GAAP)**

Core earnings (excludes nonrecurring items) (1)	\$ 72,658	\$ 48,276	\$ 23,185	\$ 89,622	\$ 63,709
Diluted core earnings per share (1)	2.37	1.59	0.76	3.18	2.32
Core net interest margin (FTE) (2)	3.87%	3.90%	3.92%	3.82%	3.82%
Efficiency ratio (1)	56.50%	57.91%	58.73%	59.01%	58.91%
Core return on average assets (1)	1.28%	1.29%	1.24%	1.25%	1.21%
Core return on average common equity (1)	8.91%	9.02%	8.75%	9.55%	9.39%
Core return on tangible common equity (1)	14.22%	14.45%	14.13%	15.05%	14.73%

**END OF PERIOD**

Book value per share	\$ 36.69	\$ 35.86	\$ 35.35	\$ 34.55	\$ 33.89
Tangible book value per share	23.80	23.43	22.84	21.97	21.89
Shares outstanding	31,267,614	30,415,980	30,324,499	30,278,432	29,939,698
Full-time equivalent employees	1,985	1,880	1,931	1,946	1,967
Total number of ATM's	186	174	185	182	183
Total number of financial centers	150	140	149	149	149

(1) Core earnings exclude nonrecurring items, which is a non-GAAP measurement. Reconciliations to GAAP are included in the schedules accompanying this release.

(2) Excludes accretible yield adjustment on loans, which is a non-GAAP measurement. Reconciliations to GAAP are included in the schedules accompanying this release.

**Simmons First National Corporation**  
**Consolidated - Reconciliation of Core Earnings (non-GAAP)**  
**For the Quarters Ended**  
**(Unaudited)**

**SFNC**

	<u>Sep 30</u>	<u>Jun 30</u>	<u>Mar 31</u>	<u>Dec 31</u>	<u>Sep 30</u>
	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
(\$ in thousands, except per share data)					
<b><u>QUARTER-TO-DATE</u></b>					
Net Income	\$ 23,429	\$ 22,909	\$ 23,481	\$ 23,782	\$ 21,598
Nonrecurring items					
Accelerated vesting on retirement agreements	-	-	-	2,209	-
Gain on sale of banking operations	-	-	-	-	(2,110)
Gain from early retirement of trust preferred securities	-	-	(594)	-	-
Loss on FDIC loss-share termination	-	-	-	-	7,476
Merger-related costs	1,524	372	93	1,237	857
Branch right-sizing	43	3,219	14	60	304
Tax effect <sup>(1)</sup>	(614)	(1,409)	191	(1,375)	(2,560)
Net nonrecurring items	<u>953</u>	<u>2,182</u>	<u>(296)</u>	<u>2,131</u>	<u>3,967</u>
Core earnings (non-GAAP)	<u>\$ 24,382</u>	<u>\$ 25,091</u>	<u>\$ 23,185</u>	<u>\$ 25,913</u>	<u>\$ 25,565</u>
Diluted earnings per share	\$ 0.76	\$ 0.75	\$ 0.77	\$ 0.78	\$ 0.72
Nonrecurring items					
Accelerated vesting on retirement agreements	-	-	-	0.08	-
Gain on sale of banking operations	-	-	-	-	(0.07)
Gain from early retirement of trust preferred securities	-	-	(0.02)	-	-
Loss on FDIC loss-share termination	-	-	-	-	0.25
Merger-related costs	0.05	0.01	-	0.05	0.03
Branch right-sizing	-	0.11	-	-	0.01
Tax effect <sup>(1)</sup>	(0.02)	(0.05)	0.01	(0.05)	(0.09)
Net nonrecurring items	<u>0.03</u>	<u>0.07</u>	<u>(0.01)</u>	<u>0.08</u>	<u>0.13</u>
Core earnings (non-GAAP)	<u>\$ 0.79</u>	<u>\$ 0.82</u>	<u>\$ 0.76</u>	<u>\$ 0.86</u>	<u>\$ 0.85</u>
<b><u>YEAR-TO-DATE</u></b>					
Net Income	\$ 69,819	\$ 46,390	\$ 23,481	\$ 74,107	\$ 50,325
Nonrecurring items					
Accelerated vesting on retirement agreements	-	-	-	2,209	-
Gain on sale of banking operations	-	-	-	(2,110)	(2,110)
Gain from early retirement of trust preferred securities	(594)	(594)	(594)	-	-
Loss on FDIC loss-share termination	-	-	-	7,476	7,476
Merger-related costs	1,989	465	93	13,760	12,523
Branch right-sizing	3,276	3,233	14	3,144	3,084
Tax effect <sup>(1)</sup>	(1,832)	(1,218)	191	(8,964)	(7,589)
Net nonrecurring items	<u>2,839</u>	<u>1,886</u>	<u>(296)</u>	<u>15,515</u>	<u>13,384</u>
Core earnings (non-GAAP)	<u>\$ 72,658</u>	<u>\$ 48,276</u>	<u>\$ 23,185</u>	<u>\$ 89,622</u>	<u>\$ 63,709</u>
Diluted earnings per share	\$ 2.28	\$ 1.52	\$ 0.77	\$ 2.63	\$ 1.83
Nonrecurring items					
Accelerated vesting on retirement agreements	-	-	-	0.08	-
Gain on sale of banking operations	-	-	-	(0.07)	(0.07)
Gain from early retirement of trust preferred securities	(0.02)	(0.02)	(0.02)	-	-
Loss on FDIC loss-share termination	-	-	-	0.27	0.27
Merger-related costs	0.06	0.02	-	0.49	0.46
Branch right-sizing	0.11	0.11	-	0.11	0.11
Tax effect <sup>(1)</sup>	(0.06)	(0.04)	0.01	(0.33)	(0.28)
Net nonrecurring items	<u>0.09</u>	<u>0.07</u>	<u>(0.01)</u>	<u>0.55</u>	<u>0.49</u>
Core earnings (non-GAAP)	<u>\$ 2.37</u>	<u>\$ 1.59</u>	<u>\$ 0.76</u>	<u>\$ 3.18</u>	<u>\$ 2.32</u>

(1) Effective tax rate of 39.225%, adjusted for non-deductible merger-related costs.

**Simmons First National Corporation**  
**Reconciliation Of Non-GAAP Financial Measures - End of Period**  
**For the Quarters Ended**  
**(Unaudited)**

**SFNC**

	<u>Sept 30</u> <u>2016</u>	<u>Jun 30</u> <u>2016</u>	<u>Mar 31</u> <u>2016</u>	<u>Dec 31</u> <u>2015</u>	<u>Sept 30</u> <u>2015</u>
(\$ in thousands, except per share data)					
<b>Calculation of Tangible Common Equity and the Ratio of Tangible Common Equity to Tangible Assets</b>					
Total stockholders' equity	\$ 1,147,141	\$ 1,090,711	\$ 1,071,984	\$ 1,076,855	\$ 1,045,441
Preferred stock	-	-	-	(30,852)	(30,852)
Total common stockholders' equity	<u>1,147,141</u>	<u>1,090,711</u>	<u>1,071,984</u>	<u>1,046,003</u>	<u>1,014,589</u>
Intangible assets:					
Goodwill	(348,769)	(327,686)	(327,686)	(327,686)	(314,344)
Other intangible assets	<u>(54,268)</u>	<u>(50,329)</u>	<u>(51,783)</u>	<u>(53,237)</u>	<u>(44,904)</u>
Total intangibles	<u>(403,037)</u>	<u>(378,015)</u>	<u>(379,469)</u>	<u>(380,923)</u>	<u>(359,248)</u>
Tangible common stockholders' equity	<u>\$ 744,104</u>	<u>\$ 712,696</u>	<u>\$ 692,515</u>	<u>\$ 665,080</u>	<u>\$ 655,341</u>
Total assets	\$ 8,226,992	\$ 7,534,219	\$ 7,536,953	\$ 7,559,658	\$ 7,559,694
Intangible assets:					
Goodwill	(348,769)	(327,686)	(327,686)	(327,686)	(314,344)
Other intangible assets	<u>(54,268)</u>	<u>(50,329)</u>	<u>(51,783)</u>	<u>(53,237)</u>	<u>(44,904)</u>
Total intangibles	<u>(403,037)</u>	<u>(378,015)</u>	<u>(379,469)</u>	<u>(380,923)</u>	<u>(359,248)</u>
Tangible assets	<u>\$ 7,823,955</u>	<u>\$ 7,156,204</u>	<u>\$ 7,157,484</u>	<u>\$ 7,178,735</u>	<u>\$ 7,200,446</u>
Ratio of equity to assets	<u>13.94%</u>	<u>14.48%</u>	<u>14.22%</u>	<u>14.24%</u>	<u>13.83%</u>
Ratio of tangible common equity to tangible assets	<u>9.51%</u>	<u>9.96%</u>	<u>9.68%</u>	<u>9.26%</u>	<u>9.10%</u>
<b>Calculation of Discount for credit losses and allowance on loans acquired to total loans acquired plus discount for credit losses and allowance on loans acquired</b>					
Credit discount on acquired loans	\$ 42,899	\$ 38,294	\$ 45,158	\$ 55,702	\$ 70,441
Allowance for loan losses on acquired loans	954	954	954	954	954
Total credit discount and ALLL on acquired loans	<u>\$ 43,853</u>	<u>\$ 39,248</u>	<u>\$ 46,112</u>	<u>\$ 56,656</u>	<u>\$ 71,395</u>
Total loans acquired	<u>\$ 1,502,051</u>	<u>\$ 1,327,683</u>	<u>\$ 1,503,482</u>	<u>\$ 1,729,557</u>	<u>\$ 2,085,211</u>
Discount and ALLL on acquired loans to acquired loans	<u>2.92%</u>	<u>2.96%</u>	<u>3.07%</u>	<u>3.28%</u>	<u>3.42%</u>
<b>Calculation of Total Allowance and Credit Coverage</b>					
Allowance for loan losses	\$ 34,094	\$ 33,523	\$ 32,681	\$ 31,351	\$ 30,380
Total credit discount and ALLL on acquired loans	<u>43,853</u>	<u>39,248</u>	<u>46,112</u>	<u>56,656</u>	<u>71,395</u>
Total allowance and credit discount	<u>\$ 77,947</u>	<u>\$ 72,771</u>	<u>\$ 78,793</u>	<u>\$ 88,007</u>	<u>\$ 101,775</u>
Total loans	<u>\$ 5,445,140</u>	<u>\$ 5,053,105</u>	<u>\$ 4,976,173</u>	<u>\$ 4,976,011</u>	<u>\$ 4,924,489</u>
Total allowance and credit coverage	<u>1.43%</u>	<u>1.44%</u>	<u>1.58%</u>	<u>1.77%</u>	<u>2.07%</u>
<b>Calculation of Tangible Book Value per Share</b>					
Total common stockholders' equity	\$ 1,147,141	\$ 1,090,711	\$ 1,071,984	\$ 1,046,003	\$ 1,014,589
Intangible assets:					
Goodwill	(348,769)	(327,686)	(327,686)	(327,686)	(314,344)
Other intangible assets	<u>(54,268)</u>	<u>(50,329)</u>	<u>(51,783)</u>	<u>(53,237)</u>	<u>(44,904)</u>
Total intangibles	<u>(403,037)</u>	<u>(378,015)</u>	<u>(379,469)</u>	<u>(380,923)</u>	<u>(359,248)</u>
Tangible common stockholders' equity	<u>\$ 744,104</u>	<u>\$ 712,696</u>	<u>\$ 692,515</u>	<u>\$ 665,080</u>	<u>\$ 655,341</u>
Shares of common stock outstanding	<u>31,267,614</u>	<u>30,415,980</u>	<u>30,324,499</u>	<u>30,278,432</u>	<u>29,939,698</u>
Book value per common share	<u>\$ 36.69</u>	<u>\$ 35.86</u>	<u>\$ 35.35</u>	<u>\$ 34.55</u>	<u>\$ 33.89</u>
Tangible book value per common share	<u>\$ 23.80</u>	<u>\$ 23.43</u>	<u>\$ 22.84</u>	<u>\$ 21.97</u>	<u>\$ 21.89</u>

**Simmons First National Corporation**  
**Reconciliation Of Non-GAAP Financial Measures - Quarter-to-Date**  
**For the Quarters Ended**  
**(Unaudited)**

**SFNC**

	<u>Sept 30</u> <u>2016</u>	<u>Jun 30</u> <u>2016</u>	<u>Mar 31</u> <u>2016</u>	<u>Dec 31</u> <u>2015</u>	<u>Sept 30</u> <u>2015</u>
(\$ in thousands)					
<b>Calculation of Core Return on Average Assets</b>					
Net income available to common stockholders	\$ 23,429	\$ 22,909	\$ 23,481	\$ 23,782	\$ 21,598
Net nonrecurring items, net of taxes, adjustment	953	2,182	(296)	2,131	3,967
Core earnings	<u>\$ 24,382</u>	<u>\$ 25,091</u>	<u>\$ 23,185</u>	<u>\$ 25,913</u>	<u>\$ 25,565</u>
Average total assets	<u>\$ 7,703,837</u>	<u>\$ 7,522,133</u>	<u>\$ 7,499,185</u>	<u>\$ 7,550,569</u>	<u>\$ 7,607,767</u>
Return on average assets	<u>1.21%</u>	<u>1.22%</u>	<u>1.26%</u>	<u>1.25%</u>	<u>1.13%</u>
Core return on average assets	<u>1.26%</u>	<u>1.34%</u>	<u>1.24%</u>	<u>1.36%</u>	<u>1.33%</u>
<b>Calculation of Return on Tangible Common Equity</b>					
Net income available to common stockholders	\$ 23,429	\$ 22,909	\$ 23,481	\$ 23,782	\$ 21,598
Amortization of intangibles, net of taxes	913	882	884	813	769
Total income available to common stockholders	<u>\$ 24,342</u>	<u>\$ 23,791</u>	<u>\$ 24,365</u>	<u>\$ 24,595</u>	<u>\$ 22,367</u>
Net nonrecurring items, net of taxes	953	2,182	(296)	2,131	3,967
Core earnings	24,382	25,091	23,185	25,913	25,565
Amortization of intangibles, net of taxes	913	882	884	813	769
Total core income available to common stockholders	<u>\$ 25,295</u>	<u>\$ 25,973</u>	<u>\$ 24,069</u>	<u>\$ 26,726</u>	<u>\$ 26,334</u>
Average common stockholders' equity	\$ 1,114,252	\$ 1,086,618	\$ 1,065,296	\$ 1,031,710	\$ 1,013,289
Average intangible assets:					
Goodwill	(332,893)	(327,686)	(327,686)	(320,216)	(314,344)
Other intangibles	(50,893)	(51,043)	(52,498)	(44,302)	(45,712)
Total average intangibles	<u>(383,786)</u>	<u>(378,729)</u>	<u>(380,184)</u>	<u>(364,518)</u>	<u>(360,056)</u>
Average tangible common stockholders' equity	<u>\$ 730,466</u>	<u>\$ 707,889</u>	<u>\$ 685,112</u>	<u>\$ 667,192</u>	<u>\$ 653,233</u>
Return on average common equity	<u>8.36%</u>	<u>8.48%</u>	<u>8.87%</u>	<u>9.15%</u>	<u>8.46%</u>
Return on tangible common equity	<u>13.26%</u>	<u>13.52%</u>	<u>14.30%</u>	<u>14.62%</u>	<u>13.58%</u>
Core return on average common equity	<u>8.71%</u>	<u>9.29%</u>	<u>8.75%</u>	<u>9.96%</u>	<u>10.01%</u>
Core return on tangible common equity	<u>13.78%</u>	<u>14.76%</u>	<u>14.13%</u>	<u>15.89%</u>	<u>15.99%</u>
<b>Calculation of Efficiency Ratio (1)</b>					
Non-interest expense	\$ 62,434	\$ 64,137	\$ 61,789	\$ 67,806	\$ 67,495
Nonrecurring non-interest expense adjustment	(1,742)	(3,591)	(107)	(3,506)	(1,320)
Other real estate and foreclosure expense adjustment	(1,787)	(967)	(966)	(1,167)	(2,297)
Amortization of intangibles adjustment	(1,503)	(1,451)	(1,455)	(1,337)	(1,265)
Efficiency ratio numerator	<u>\$ 57,402</u>	<u>\$ 58,128</u>	<u>\$ 59,261</u>	<u>\$ 61,796</u>	<u>\$ 62,613</u>
Net-interest income	\$ 68,063	\$ 66,583	\$ 70,232	\$ 73,751	\$ 78,676
Non-interest income	36,876	36,888	29,503	28,649	23,072
Nonrecurring non-interest income adjustment	(175)	-	(594)	-	5,207
Fully tax-equivalent adjustment	2,181	2,105	2,084	2,185	2,172
(Gain) loss on sale of securities	(315)	(3,759)	(329)	(305)	(40)
Efficiency ratio denominator	<u>\$ 106,630</u>	<u>\$ 101,817</u>	<u>\$ 100,896</u>	<u>\$ 104,280</u>	<u>\$ 109,087</u>
Efficiency ratio (1)	<u>53.83%</u>	<u>57.09%</u>	<u>58.73%</u>	<u>59.26%</u>	<u>57.40%</u>
<b>Calculation of Core Net Interest Margin</b>					
Net interest income	\$ 68,063	\$ 66,583	\$ 70,232	\$ 73,751	\$ 78,676
Fully tax-equivalent adjustment	2,181	2,105	2,084	2,185	2,172
Fully tax-equivalent net interest income	<u>70,244</u>	<u>68,688</u>	<u>72,316</u>	<u>75,936</u>	<u>80,848</u>
Total accretable yield	(4,928)	(4,700)	(8,077)	(11,076)	(14,928)
Core net interest income	<u>\$ 65,316</u>	<u>\$ 63,988</u>	<u>\$ 64,239</u>	<u>\$ 64,860</u>	<u>\$ 65,920</u>
Average earning assets	<u>\$ 6,825,019</u>	<u>\$ 6,625,642</u>	<u>\$ 6,597,389</u>	<u>\$ 6,652,486</u>	<u>\$ 6,660,434</u>
Net interest margin	<u>4.09%</u>	<u>4.17%</u>	<u>4.41%</u>	<u>4.53%</u>	<u>4.82%</u>
Core net interest margin	<u>3.81%</u>	<u>3.88%</u>	<u>3.92%</u>	<u>3.87%</u>	<u>3.93%</u>
<b>Calculation of Core Loan Yield</b>					
Loan interest income	\$ 65,078	\$ 63,009	\$ 66,678	\$ 70,511	\$ 76,432
Total accretable yield	(4,928)	(4,700)	(8,077)	(11,076)	(14,928)
Core loan interest income	<u>\$ 60,150</u>	<u>\$ 58,309</u>	<u>\$ 58,601</u>	<u>\$ 59,435</u>	<u>\$ 61,504</u>
Average loan balance	<u>\$ 5,105,474</u>	<u>\$ 4,957,888</u>	<u>\$ 4,889,685</u>	<u>\$ 4,868,283</u>	<u>\$ 4,835,068</u>
Core loan yield	<u>4.69%</u>	<u>4.73%</u>	<u>4.82%</u>	<u>4.84%</u>	<u>5.05%</u>

(1) Efficiency ratio is 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 nonrecurring items.

**Simmons First National Corporation**
**SFNC**
**Reconciliation Of Non-GAAP Financial Measures - Year-to-Date**
**For the Quarters Ended**
**(Unaudited)**

	<u>Sept 30</u> <u>2016</u>	<u>Jun 30</u> <u>2016</u>	<u>Mar 31</u> <u>2016</u>	<u>Dec 31</u> <u>2015</u>	<u>Sept 30</u> <u>2015</u>
(\$ in thousands)					
<b>Calculation of Core Return on Average Assets</b>					
Net income available to common stockholders	\$ 69,819	\$ 46,390	\$ 23,481	\$ 74,107	\$ 50,325
Net nonrecurring items, net of taxes, adjustment	2,839	1,886	(296)	15,515	13,384
Core earnings	<u>\$ 72,658</u>	<u>\$ 48,276</u>	<u>\$ 23,185</u>	<u>\$ 89,622</u>	<u>\$ 63,709</u>
Average total assets	<u>\$ 7,575,053</u>	<u>\$ 7,510,657</u>	<u>\$ 7,499,185</u>	<u>\$ 7,164,788</u>	<u>\$ 7,036,535</u>
Return on average assets	<u>1.23%</u>	<u>1.24%</u>	<u>1.26%</u>	<u>1.03%</u>	<u>0.96%</u>
Core return on average assets	<u>1.28%</u>	<u>1.29%</u>	<u>1.24%</u>	<u>1.25%</u>	<u>1.21%</u>
<b>Calculation of Return on Tangible Common Equity</b>					
Net income available to common stockholders	\$ 69,819	\$ 46,390	\$ 23,481	\$ 74,107	\$ 50,325
Amortization of intangibles, net of taxes	2,679	1,766	884	2,972	2,159
Total income available to common stockholders	<u>\$ 72,498</u>	<u>\$ 48,156</u>	<u>\$ 24,365</u>	<u>\$ 77,079</u>	<u>\$ 52,484</u>
Net nonrecurring items, net of taxes	2,839	1,886	(296)	15,515	13,384
Core earnings	72,658	48,276	23,185	89,622	63,709
Amortization of intangibles, net of taxes	2,679	1,766	884	2,972	2,159
Total core income available to common stockholders	<u>\$ 75,337</u>	<u>\$ 50,042</u>	<u>\$ 24,069</u>	<u>\$ 92,594</u>	<u>\$ 65,868</u>
Average common stockholders' equity	\$ 1,088,723	\$ 1,075,957	\$ 1,065,296	\$ 938,521	\$ 907,458
Average intangible assets:					
Goodwill	(329,422)	(327,686)	(327,686)	(281,133)	(268,106)
Other intangibles	(51,478)	(51,771)	(52,498)	(42,104)	(41,372)
Total average intangibles	<u>(380,900)</u>	<u>(379,457)</u>	<u>(380,184)</u>	<u>(323,237)</u>	<u>(309,478)</u>
Average tangible common stockholders' equity	<u>\$ 707,823</u>	<u>\$ 696,500</u>	<u>\$ 685,112</u>	<u>\$ 615,284</u>	<u>\$ 597,980</u>
Return on average common equity	<u>8.57%</u>	<u>8.67%</u>	<u>8.87%</u>	<u>7.90%</u>	<u>7.41%</u>
Return on tangible common equity	<u>13.68%</u>	<u>13.90%</u>	<u>14.30%</u>	<u>12.53%</u>	<u>11.73%</u>
Core return on average common equity	<u>8.91%</u>	<u>9.02%</u>	<u>8.75%</u>	<u>9.55%</u>	<u>9.39%</u>
Core return on tangible common equity	<u>14.22%</u>	<u>14.45%</u>	<u>14.13%</u>	<u>15.05%</u>	<u>14.73%</u>
<b>Calculation of Efficiency Ratio (1)</b>					
Non-interest expense	\$ 188,360	\$ 125,931	\$ 61,789	\$ 256,970	\$ 189,166
Nonrecurring non-interest expense adjustment	(5,440)	(3,698)	(107)	(18,747)	(15,241)
Other real estate and foreclosure expense adjustment	(3,720)	(1,934)	(966)	(4,861)	(3,694)
Amortization of intangibles adjustment	(4,409)	(2,906)	(1,455)	(4,889)	(3,552)
Efficiency ratio numerator	<u>\$ 174,791</u>	<u>\$ 117,393</u>	<u>\$ 59,261</u>	<u>\$ 228,473</u>	<u>\$ 166,679</u>
Net-interest income	\$ 204,878	\$ 136,814	\$ 70,232	\$ 278,595	\$ 204,844
Non-interest income	103,267	66,397	29,503	94,661	66,014
Nonrecurring non-interest income adjustment	(769)	(594)	(594)	5,731	5,731
Fully tax-equivalent adjustment	6,370	4,189	2,084	8,517	6,332
(Gain) loss on sale of securities	(4,403)	(4,088)	(329)	(307)	(2)
Efficiency ratio denominator	<u>\$ 309,343</u>	<u>\$ 202,718</u>	<u>\$ 100,896</u>	<u>\$ 387,197</u>	<u>\$ 282,919</u>
Efficiency ratio (1)	<u>56.50%</u>	<u>57.91%</u>	<u>58.73%</u>	<u>59.01%</u>	<u>58.91%</u>
<b>Calculation of Core Net Interest Margin</b>					
Net interest income	\$ 204,878	\$ 136,814	\$ 70,232	\$ 278,595	\$ 204,844
Fully tax-equivalent adjustment	6,370	4,189	2,084	8,517	6,332
Fully tax-equivalent net interest income	<u>211,248</u>	<u>141,003</u>	<u>72,316</u>	<u>287,112</u>	<u>211,176</u>
Total accretable yield	<u>(17,705)</u>	<u>(12,777)</u>	<u>(8,077)</u>	<u>(46,131)</u>	<u>(35,055)</u>
Core net interest income	<u>\$ 193,543</u>	<u>\$ 128,226</u>	<u>\$ 64,239</u>	<u>\$ 240,981</u>	<u>\$ 176,121</u>
Average earning assets	<u>\$ 6,682,683</u>	<u>\$ 6,611,516</u>	<u>\$ 6,597,389</u>	<u>\$ 6,305,966</u>	<u>\$ 6,170,521</u>
Net interest margin	<u>4.22%</u>	<u>4.29%</u>	<u>4.41%</u>	<u>4.55%</u>	<u>4.58%</u>
Core net interest margin	<u>3.87%</u>	<u>3.90%</u>	<u>3.92%</u>	<u>3.82%</u>	<u>3.82%</u>
<b>Calculation of Core Loan Yield</b>					
Loan interest income	\$ 194,765	\$ 129,688	\$ 66,678	\$ 268,367	\$ 197,857
Total accretable yield	<u>(17,705)</u>	<u>(12,777)</u>	<u>(8,077)</u>	<u>(46,131)</u>	<u>(35,055)</u>
Core loan interest income	<u>\$ 177,060</u>	<u>\$ 116,911</u>	<u>\$ 58,601</u>	<u>\$ 222,236</u>	<u>\$ 162,802</u>
Average loan balance	<u>\$ 4,984,349</u>	<u>\$ 4,923,787</u>	<u>\$ 4,889,685</u>	<u>\$ 4,434,074</u>	<u>\$ 4,289,339</u>
Core loan yield	<u>4.75%</u>	<u>4.77%</u>	<u>4.82%</u>	<u>5.01%</u>	<u>5.07%</u>

(1) Efficiency ratio is 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 nonrecurring items.