

Simmons Announces 48 Percent Increase in Core Earnings

Including the non-core items, net income was \$23.5 million for the first quarter of 2016, an increase of \$14.8 million, or 169.6 percent, compared with the same quarter last year. Diluted earnings per share were \$0.77, an increase of \$0.38, or 97.4 percent.

"We believe that our operating results reflect the successful integration of 12 separately chartered banks and two trust companies over the past two years. We continue to pursue growth opportunities and improvement in our organization as evidenced by our recent charter conversion to a state member bank," said George A. Makris, Jr., chairman and CEO.

Loans

Total loans, including those acquired, were \$4.9 billion at March 31, 2016, an increase of \$290 million, or 6.3 percent, compared with the same period in 2015. Legacy loans (all loans excluding acquired loans) grew \$1.4 billion, or 64.2 percent. On a linked quarter basis, total loan growth was \$10.7 million. Adjusting for seasonality in the credit card and agricultural loan portfolios, loans grew by \$31.4 million during the quarter.

Deposits

At March 31, 2016, total deposits were \$6.1 billion, a decrease of \$195 million, or 3.1 percent, compared with the same period in 2015. Total non-time deposits were \$4.8 billion, or 78.9 percent of total deposits.

Net Interest Income

The company's net interest income for the first quarter of 2016 was \$70.2 million, an increase of \$17.3 million, or 32.6 percent, from the same period of 2015. This increase was driven by growth in the legacy loan portfolio and earning assets acquired through the Community First and Liberty transactions. Net interest margin was 4.41 percent for the quarter ended March 31, 2016, a 7 basis-point increase from the same quarter of 2015.

Included in interest income was the yield accretion recognized on acquired loans of \$8.1 million and \$10.0 million for the first quarter of 2016 and 2015, respectively. The company's core net interest margin, excluding the accretion, was 3.92 percent for the first quarter of 2016, a 37 basis-point increase from the same quarter of 2015.

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Non-Interest Income

Non-interest income for the first quarter was \$29.5 million, an increase of \$11.2 million compared with the first quarter of 2015. The increase in non-interest income was primarily due to additional service charge and fee income, mortgage lending and trust income resulting from the 2015 acquisitions and gains on sale of other real estate and investment securities. Additional trust income resulted from the completed acquisition of Ozark Trust. Included in the quarter was \$594,000 of gain related to the early retirement of trust preferred securities. Losses on FDIC-covered assets decreased by \$2.7 million with the elimination of indemnification asset amortization due to the company's 2015 termination of loss-sharing agreements with the FDIC.

Non-Interest Expense

Non-interest expense for the first quarter of 2016 was \$61.8 million. Included in the quarter were \$107,000 of merger-related and branch right-sizing expenses.

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 March 31, 2016, the allowance for loan losses for legacy loans was \$32.7 million, with a \$1.0 million allowance for acquired

loans. The loan discount credit mark was \$45.1 million, for a total of \$78.8 million of coverage. This equates to a total coverage ratio of 1.6 percent of gross loans. The ratio of credit mark and related allowance to acquired loans was 3.1 percent.

The company's allowance for loan losses on legacy loans at March 31, 2016 was 0.94 percent of total loans and 93 percent of non-performing loans. In the legacy portfolio, non-performing loans as a percent of total loans were 1.01 percent. The increase in the non-performing ratio from the fourth quarter is primarily the result of a single credit totaling \$13.5 million. Excluding this credit, the non-performing ratio was relatively unchanged from the previous quarter, at 0.62 percent versus 0.58 percent. The 2016 year-to-date net charge-off ratio, excluding credit cards, was 11 basis points, and the year-to-date credit card charge-off ratio was 1.46 percent.

Capital

At March 31, 2016, common stockholders' equity was \$1.1 billion, book value per share was \$35.35 and tangible book value per share was \$22.84. The company's ratio of stockholders' equity to total assets was 14.22 percent and its ratio of tangible common equity to tangible assets was 9.7 percent.

Simmons First National Corporation

Simmons First National Corporation is an Arkansas-based financial holding company with total assets of \$7.5 billion, conducting financial operations throughout Arkansas, Kansas, Missouri and Tennessee. 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, April 21, 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 84913510. In addition, the call will be available live or in recorded version on the company's website at www.simmonsbank.com.

Non-GAAP Financial Measures

This news 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.

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. Forward-looking statements of this type speak only as of 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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