

SPECIAL MEETING
OF THE
ARKANSAS STATE BANKING BOARD

March 10, 2022

A Special Meeting of the Arkansas State Banking Board was held in the Rockefeller Conference Room located at the Department of Commerce, 1 Commerce Way, Little Rock, Arkansas, at 10:00 a.m. on March 10, 2022. The following Board Members were present: Chairman D. Scott Miller, Vice-Chairman Todd Smith, David Leech, Russell Meeks, III, George French, and Randy Scott. Representing the State Bank Department were Commissioner Susannah Marshall, Deputy Commissioner John Ahlen, Deputy Commissioner Dharmin Patel, Chief Counsel Eric Roberts, Certified Examinations Manager John Ashby, IT Director Frank Fields, Secretary to the Board Cynthia Nixon, Research Project Analyst Barbara Robinson, Research Project Analyst Barbara Mahoney, Assistant Examiner Dustin Hill, and Trainee Examiner Patrick Seung. Miranda McEntire was the recording reporter for the applicant. Notice of a Special Meeting was sent by regular mail to each member of the State Banking Board on February 1, 2022. The notice was also given to the news media in accordance with state law.

COMMISSIONER MARSHALL: Good morning, welcome. I am so proud to see everyone here today for this Special called board meeting. I am going to recognize that we do have a quorum, and in fact we have all six of our board members here. I am glad that we are here, and we took the opportunity to take a photo to post for our website. I said, "I have no idea how our distinguished banking board has not been on the website and featured prominently on the front page". So, we will work to remedy that, and I appreciate their service as well. Let us go ahead and do our introductions, please. Before we do our round of introductions, I would like to let everyone know that we have had a lot of new hires at the Bank Department, and I have continued to plan for that in the coming months and years. But we have the opportunity to have two of them join us today to sit in on a Bank Board meeting which it is not very often that they are in the office and able to do that. I have two gentlemen in the back that will introduce themselves and observe.

Thank you, for letting us all be a part of this meeting today. Dharmin, do you want to begin the introductions?

MR. PATEL: Dharmin Patel, Bank Department.

MR. AHLEN: John Ahlen, Bank Department.

MR. FEHLMAN: Bob Fehlman, Simmons Bank.

MR. MASSANELLI: Steve Massanelli, Simmons Bank.

MR. CLIFTON: Jacob Clifton, Simmons Bank.

MR. MAKRIS: George Makris, Jr., Simmons Bank.

MR. MAKRIS: George Makris III, Simmons Bank.

MS. NIXON: Cynthia Nixon, Bank Department.

MR. FIELDS: Frank Fields, Bank Department.

MR. HILL: Dustin Hill, Bank Department

MR. SEUNG: Patrick Seung, Bank Department.

MS. MAHONEY: Barbara Mahoney, Bank Department.

MS. ROBINSON: Barbara Robinson, Bank Department.

MR. ASHBY: John Ashby, Bank Department.

MR. ROBERTS: Eric Roberts, Bank Department.

COMMISIONER MARSHALL: Excellent. Mr. Chairman, I will turn the meeting over to you.

CHAIRMAN MILLER: I think I am Chairman for about five more minutes. Welcome to all our guests today and our good folks from the State Bank Department.

Our first order of business is the appointment of Chairman and Vice Chairman for 2022. So, I would entertain a motion for those respective positions.

MR. SCOTT: I would like to make a motion for Todd Smith as Chairman and Russell Meeks as Vice-Chairman.

CHAIRMAN MILLER: We have a motion for Todd Smith as Chairman and Russell Meeks as Vice-Chairman.

CHAIRMAN MILLER: Is there a second?

MR. FRENCH: Second.

CHAIRMAN MILLER: We have a second. I will pause for any other comments or discussion. There being none. All in favor of those motions say "aye."

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN MILLER: Is there any opposed? Motion carries. Congratulations to our new Chairman, Todd Smith.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN SMITH: Thank you. I will enjoy serving and appreciate the opportunity very much.

COMMISSIONER MARSHALL: Todd, if you do not mind, I would like to say thank you, Mr. Miller, on behalf of the Bank Department for your service for the Banking Board. But specifically, how you have led the board for the past year and your commitment and your participation with us.

MR. MILLER: Thank you.

COMMISSIONER MARSHALL: We appreciate your service very much.

MR. MILLER: It has been a pleasure.

CHAIRMAN SMITH: Thank you.

CHAIRMAN SMITH: Our next item of business is to consider the board member expenses for 2022. Do we have a motion to approve the expenses of the board during the year?

MR. MILLER: I will make a motion.

VICE-CHAIRMAN MEEKS: Seconded.

CHAIRMAN SMITH: All in favor?

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN SMITH: Any opposed, like sign. None? The motion carries.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN SMITH: The next item of business is consideration of the December 16, 2021, Special Board Meeting minutes and those were circulated by e-mail earlier. The signature was as well, so everyone has had an opportunity to see and review those minutes and I am not aware of any changes to the minutes.

VICE-CHAIRMAN MEEKS: A motion to approve.

CHAIRMAN SMITH: Is there a second?

MR. LEECH: Second.

CHAIRMAN SMITH: All in favor say, "aye."

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN SMITH: Any opposed, like sign. There are none so that motion carries.

COMMISSIONER MARSHALL: Commissioner concurs.

CHAIRMAN SMITH: Well, our main piece of business is next. The application by Simmons Bank, Pine Bluff, Arkansas to merge Spirit of Texas Bank SSB, College Station, Texas into Simmons Bank. So, I will let whoever would like to start the presentation to step forward.

MR. CLIFTON: Good morning, everyone. Thank you for having us. I am Jacob Clifton, the Assistant General Counsel for Simmons Bank. With me today, on behalf of the bank, are George Makris Jr., our Chairman and CEO, Bob Fehlman our President and Chief Operating Officer, Steve Massanelli our Chief Administrative Officer, and George Makris III, our General Counsel.

For your consideration today we present an application for the merger of Spirit of Texas Bank SSB with and into Simmons Bank. I would like to start with a little background regarding the application. As previously mentioned, the application concerns the merger of Spirit of Texas Bank SSB with and into Simmons Bank pursuant to an agreement and plan of merger that was executed on November 18, 2021.

Spirit of Texas Bank SSB is headquartered in College Station, Texas. They are regulated by the Federal Deposit Insurance Corporation and the Texas Department of Savings and Mortgage Lending. To facilitate this transaction, Simmons First National Corporation entered into an agreement and plan of merger with Spirit of Texas Bancshares, Inc., which is the holding company for Spirit of Texas Bank SSB, on November 18, 2021. Through that merger, Simmons First National Corporation will acquire all the outstanding capital stock of Spirit of Texas Bank SSB such that at the time Spirit of Texas Bank SSB merges into Simmons Bank, they will be affiliates.

A condition precedent to the bank merger is that the holding company merger is consummated. The expected closing date of all these transactions is April 8, 2022. None of the transactions involve an interim charter or de novo charter. In accordance with the applicable laws, Simmons Bank also filed an interagency bank merger application with the Federal Reserve Bank of St. Louis for the Spirit of Texas Bank SSB merger. In addition, Simmons First National Corporation applied for a waiver of the application requirements for the merger of Spirit of Texas Bancshares, Inc., and Simmons First National Corporation. Both the approval for the application and the waiver were received from the Federal Reserve Bank of St. Louis on February 4, 2022. We provided copies of the application documents, as well as all the other documentation required by applicable laws and regulations, to the Texas Department of Savings and Mortgage Lending and the Federal Deposit Insurance Corporation. Neither expressed any concerns nor required any additional filings. With that background, I would like to turn to the five statutory factors that the Commissioner and the Board consider in approving bank mergers and how Simmons Bank believes these factors

have been satisfied. I, as well as, the rest of the representatives from Simmons Bank are happy to answer any questions that you might have either now or at the conclusion of the presentation. If you have any questions, please feel free to jump in.

The first factor requires that the proposed merger provides for an adequate capital structure. As outlined in the application, the capital structure of Simmons Bank, both pre- and post-merger, is more than adequate. More specifically, both prior to and subsequent to the merger, Simmons Bank will maintain capital ratios in excess of the minimum to be considered well capitalized. As such, we believe this factor is satisfied.

The second factor under consideration is whether the terms of the merger agreement are fair. The merger was negotiated at arm's length by sophisticated business parties. Furthermore, all parties were represented by counsel. Moreover, subject matter experts were utilized on an as needed basis, including advisors who rendered fairness opinions regarding the holding company merger. Therefore, we believe that we have demonstrated that the transaction is fair.

The third statutory factor seeks to affirm that the merger is not contrary to the public interest. To that end the state of Texas, where Spirit of Texas SSB operates, is already within the Simmons Bank footprint. Pre-merger we have approximately 20 Simmons Bank locations in the state of Texas as well as over two billion dollars of deposits in that state. The merger will provide the customers of Spirit of Texas Bank SSB with the same general banking services that the institution provided to the customers prior to the merger. But subsequent to the merger, they will also receive access to an expanded network of Simmons Bank banking offices which spans six states, as well as additional products and services that an institution of Simmons Bank size and scale can provide. The merger will also have a negligible impact on competition in the Dallas/Fort Worth banking markets. The two markets where Simmons Bank and Spirit of Texas Bank SSB currently compete. Based on a pre- and post-merger, competitive review using the Herfindahl Hirschman Index, which is a common measure of market concentration that is frequently used to determine market competitiveness in a bank's geographic market, the merger will result in no change to the index in either market, in which Simmons Bank and Spirit of Texas Bank SSB compete. Therefore, the index will trigger no additional scrutiny from a competitive standpoint under the standards used in that analysis. Based on the foregoing, we believe this factor is also satisfied.

The fourth statutory factor addresses whether the proposed merger provides for dissenters' rights. In this case, dissenters' rights are available should any shareholders who are entitled to them choose to exercise them. Up to this point, we are not aware of any shareholders who are entitled to dissenters' rights who have indicated that they will exercise them, nor do we anticipate this to occur in the future. However, should anyone choose to exercise dissenters' rights to which they are entitled, they are available. Therefore, we believe that this factor has been satisfied.

Turning to the final statutory factor. The final statutory factor establishes a requirement that all applicable state and federal laws are complied with in conjunction with the merger. In conducting these transactions, we have considered and believe we have complied with all

applicable laws. Among other things, as previously mentioned, the Federal Reserve Bank of St. Louis has approved both the bank merger and our waiver for the holding company application. Furthermore, the Texas Department of Savings and Mortgage Lending expressed in writing that they had no objection to the merger. The shareholders' meeting for Spirit of Texas Bancshares, Inc., occurred on February 20, 2022, and the shareholders approved the holding company merger with overwhelming support. Once again, on behalf of Simmons Bank, I would like to thank you for considering this application. We believe that the application will benefit our bank, our customers and shareholders, the communities in which we do business, and we are excited about expanding our presence in Texas, where we continue to offer the high level of service that we provide here in Arkansas and throughout our footprint. With that, we are happy to answer any questions that you might have, either from the Commissioner or the Board.

CHAIRMAN SMITH: Thank you. Any questions?

MR. SCOTT: Being a savings bank, are there any products and services that they offer that Simmons Bank does not currently have?

MR. CLIFTON: We have done an analysis of the products and services that we offer and the products and services that they offer and they are generally comparable. I mean, there are some minor differences, but I would say that there are not a lot of major differences between the product lines in which we offer, and the product lines that they offer. If anyone wants to add to that.

MR. FEHLMAN: I would agree, and I think, you know, savings banks have changed over the years. They are a lot more like banks these days that are regulated by the OCC, so a little different than it used to be.

MR. MILLER: There was reference to a product line that Spirit Bank had that was a lending segment.

MR. MAKRIS: Foreign lending. Foreign national mortgage lending is really what that was. Now, there were some ancillary business products associated with that too. It is primarily from Mexico. Folks who have businesses in the United States, have residence in Mexico and need a place to live. Anyway, it is a popular product in Texas. We are still taking a look at that because what we usually find is that our regulators may require a little more of us than regulators did of the banks we acquired. And this is a product line where we have used a lot of scrutiny to make sure that we can meet the regulatory requirements and maintain that business. So, I do not know what the future of that particular product line is going to be. That is going to be more wait and see. But it is a very small segment of what Spirit of Texas Bank SSB does. A little niche. Other than that, they are a very meat and potatoes bank. They look a lot like community banks across Arkansas. They have done a fantastic job meeting the community needs in Texas.

MR. MILLER: Thank you. That was interesting.

MR. SCOTT: Any concentrations of credit with any industry? Energy industry?

MR. MAKRIS: No. In fact, we made sure they did not have energy concentrations. You know, we have been trying to get out of energy lending altogether. It is just something we are not familiar with. I told somebody that, you know, I get an appraisal on a building, and I can walk out and see that, and I can decide whether I think that appraisal is right or not. We get these appraisals for what maybe 2000 feet under the ground. I have no idea if it is there or not, and we are more conservative than that. So, no, no concentrations of lending that give us any cause for concern.

CHAIRMAN SMITH: Any other questions?

MR. MILLER: Mr. Chair, I make a motion we approve this transaction.

VICE-CHAIRMAN MEEKS: Second.

CHAIRMAN SMITH: A motion and a second.

CHAIRMAN SMITH: All in favor please say, "aye."

(UNANIMOUS CHORUS OF AYES)

CHAIRMAN SMITH: Any opposed? There are none so the motion carries.

COMMISSIONER MARSHALL: Commissioner concurs. Congratulations.

CHAIRMAN SMITH: Congratulations. I am proud for you.

CHAIRMAN SMITH: I will ask if there is any additional business to be brought before the Board?

(No response.)

CHAIRMAN SMITH: There being none, I would entertain a motion to adjourn.

VICE-CHAIRMAN MEEKS: Motion to adjourn.

CHAIRMAN SMITH: We have a motion.

MR. MILLER: Second.

CHAIRMAN SMITH: We have a second. Assuming no further comments. All in favor, say aye.

BOARD MEMBERS: Aye.

CHAIRMAN SMITH: Are there any opposed?

(No response.)

CHAIRMAN SMITH: Motion carries, we are adjourned.

COMMISSIONER MARSHALL: Commissioner concurs.



TODD SMITH, Chairman
State Banking Board

5-12-22

Date

ATTEST:



CYNTHIA NIXON, Secretary
State Banking Board



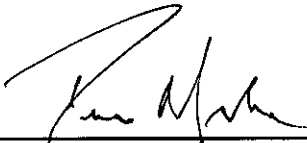
SUSANNAH T. MARSHALL
Bank Commissioner



TODD SMITH, Chairman
State Banking Board

5-12-22

Date



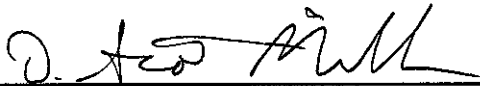
RUSSELL MEEKS, Vice-Chairman
State Banking Board

5-12-22

Date

DAVID LEECH, Member
State Banking Board
(Not reappointed to Board)

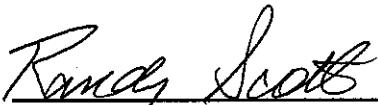
Date



D. SCOTT MILLER, Member
State Banking Board

5-12-22

Date



RANDY SCOTT, Member
State Banking Board

5-12-22

Date

GEORGE FRENCH, Member
State Banking Board

(Resigned from Board)

Date

Resolution


WHEREAS, David S. Leech has served faithfully as a member of the Arkansas State Banking Board; and

WHEREAS, he unselfishly devoted his energies through his judgment and decision-making during this period of time to the improvement of the banking industry for the citizens of this state; and

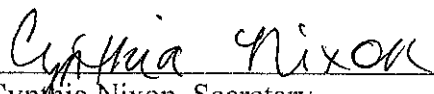
WHEREAS, his contributions to the duties and responsibilities of the State Banking Board have been most valuable; and

WHEREAS, his service to the State of Arkansas and especially to banking should be recognized.

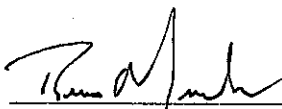
NOW THEREFORE BE IT RESOLVED; That the State Banking Board adopts this Resolution of Appreciation to David S. Leech on this 12th day of May, Two Thousand Twenty-Two.



Todd Smith



Cynthia Nixon, Secretary



Russ Meeks



D. Scott Miller



Randy Scott





STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

March 15, 2022

Mr. Andy Davis
20 Somerset Court
Roland, AR 72135

Dear Mr. Davis:

I am very pleased to appoint you to the State Banking Board, for a term to expire on December 31, 2026. Your name will soon be brought before the Senate for confirmation in the General Assembly.

I appreciate your willingness to serve the public, and I am counting on your wise counsel and advice as you accept this position of responsibility. I look forward to your participation and support as we work together to shape the future of Arkansas.

Enclosed, please find instructions for taking the oath of office.

Sincerely,

A handwritten signature in black ink that reads "Asa Hutchinson".

Asa Hutchinson

AH:acb
Enclosure

Cc: The Honorable Jimmy Hickey, Jr., President Pro Tempore of the Senate
The Honorable Matthew Shepherd, Speaker of the House of Representatives
The Honorable Mark Johnson
The Honorable Keith Brooks
Mike Preston, Secretary, Department of Commerce
Jim Hudson, Department of Commerce
Susannah Marshall, Commissioner, Arkansas State Bank Department



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

OFFICIAL APPOINTMENT

Date: March 15, 2022

TO THE SECRETARY OF STATE:

Under the provisions of Arkansas Code Annotated § 23-46-301,

I have, on this date, appointed Andy Davis,

whose address is 20 Somersett Court, Roland, Arkansas, 72135, Pulaski County,

and whose telephone number is 501-837-5109,

as a member of the State Banking Board,

for a term to expire on December 31, 2026.

Replaces: David Leech

A handwritten signature in black ink that reads "Asa Hutchinson".

Asa Hutchinson, Governor