

SIMMONS FIRST NATIONAL CORP
Form 10-Q
May 08, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 2009

Commission File Number 0-6253

SIMMONS FIRST NATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Arkansas
(State or other jurisdiction of
incorporation or organization)

71-0407808
(I.R.S. Employer
Identification No.)

501 Main Street, Pine Bluff, Arkansas
(Address of principal executive offices)

71601
(Zip Code)

870-541-1000
(Registrant's telephone number, including area code)

Not Applicable

Former name, former address
and former fiscal year, if
changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.). Yes No

The number of shares outstanding of the Registrant's Common Stock as of April 23, 2009, was 14,015,081.

Simmons First National Corporation
Quarterly Report on Form 10-Q
March 31, 2009

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Part I: Financial Information
 Item 1. Financial Statements

Simmons First National Corporation
 Consolidated Balance Sheets
 March 31, 2009 and December 31, 2008

ASSETS

(In thousands, except share data)	March 31, 2009 (Unaudited)	December 31, 2008
Cash and non-interest bearing balances due from banks	\$ 53,707	\$ 71,801
Interest bearing balances due from banks	43,219	61,085
Federal funds sold	1,000	6,650
Cash and cash equivalents	97,926	139,536
Investment securities	722,792	646,134
Mortgage loans held for sale	9,695	10,336
Assets held in trading accounts	7,510	5,754
Loans	1,917,332	1,933,074
Allowance for loan losses	(24,508)	(25,841)
Net loans	1,892,824	1,907,233
Premises and equipment	78,632	78,904
Foreclosed assets held for sale, net	3,704	2,995
Interest receivable	19,071	20,930
Bank owned life insurance	39,995	39,617
Goodwill	60,605	60,605
Core deposit premiums	2,373	2,575
Other assets	8,452	8,490
TOTAL ASSETS	\$ 2,943,579	\$ 2,923,109

See Condensed Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Balance Sheets
March 31, 2009 and December 31, 2008

LIABILITIES AND STOCKHOLDERS' EQUITY

(In thousands, except share data)	March 31, 2009 (Unaudited)	December 31, 2008
LIABILITIES		
Non-interest bearing transaction accounts	\$ 330,656	\$ 334,998
Interest bearing transaction accounts and savings deposits	1,078,324	1,026,824
Time deposits	960,522	974,511
Total deposits	2,369,502	2,336,333
Federal funds purchased and securities sold under agreements to repurchase	98,680	115,449
Short-term debt	1,456	1,112
Long-term debt	160,423	158,671
Accrued interest and other liabilities	21,348	22,752
Total liabilities	2,651,409	2,634,317
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 40,040,000 shares authorized and unissued at 2009; no shares authorized at 2008	--	--
Common stock, Class A, \$0.01 par value; 60,000,000 shares authorized; 14,013,839 and 13,960,680 shares issued and outstanding at March 31, 2009, and December 31, 2008, respectively	140	140
Surplus	41,901	40,807
Undivided profits	247,228	244,655
Accumulated other comprehensive income		
Unrealized appreciation on available-for-sale securities, net of income taxes of \$1,740 at 2009 and \$1,913 at 2008	2,901	3,190
Total stockholders' equity	292,170	288,792
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,943,579	\$ 2,923,109

See Condensed Notes to Consolidated Financial Statements.

Simmons First National Corporation

Consolidated Statements of Income
Three Months Ended March 31, 2009 and 2008

(In thousands, except per share data)	Three Months Ended March 31,	
	2009	2008 (Unaudited)
INTEREST INCOME		
Loans	\$ 28,234	\$ 33,106
Federal funds sold	1	256
Investment securities	6,417	6,569
Mortgage loans held for sale	158	112
Assets held in trading accounts	5	1
Interest bearing balances due from banks	78	388
TOTAL INTEREST INCOME	34,893	40,432
INTEREST EXPENSE		
Deposits	9,503	15,188
Federal funds purchased and securities sold under agreements to repurchase	243	921
Short-term debt	6	20
Long-term debt	1,748	1,511
TOTAL INTEREST EXPENSE	11,500	17,640
NET INTEREST INCOME	23,393	22,792
Provision for loan losses	2,138	1,467
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	21,255	21,325
NON-INTEREST INCOME		
Trust income	1,326	1,648
Service charges on deposit accounts	3,727	3,434
Other service charges and fees	746	753
Income on sale of mortgage loans, net of commissions	1,039	721
Income on investment banking, net of commissions	411	449
Credit card fees	3,153	3,173
Premiums on sale of student loans	--	624
Bank owned life insurance income	378	361
Gain on mandatory partial redemption of Visa shares	--	2,973
Other income	679	856
TOTAL NON-INTEREST INCOME	11,459	14,992
NON-INTEREST EXPENSE		
Salaries and employee benefits	14,583	14,208
Occupancy expense, net	1,889	1,810
Furniture and equipment expense	1,543	1,490
Loss on foreclosed assets	70	42
Deposit insurance	533	88
Other operating expenses	7,040	5,492

TOTAL NON-INTEREST EXPENSE	25,658	23,130
INCOME BEFORE INCOME TAXES	7,056	13,187
Provision for income taxes	1,820	4,371
NET INCOME	\$ 5,236	\$ 8,816
BASIC EARNINGS PER SHARE	\$ 0.37	\$ 0.63
DILUTED EARNINGS PER SHARE	\$ 0.37	\$ 0.63

See Condensed Notes to Consolidated Financial Statements.

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Simmons First National Corporation

Consolidated Statements of Cash Flows
Three Months Ended March 31, 2009 and 2008

(In thousands)	March 31, 2009 (Unaudited)	March 31, 2008
OPERATING ACTIVITIES		
Net income	\$ 5,236	\$ 8,816
Items not requiring (providing) cash		
Depreciation and amortization	1,471	1,384
Provision for loan losses	2,138	1,467
Gain on mandatory partial redemption of Visa shares	--	(2,973)
Net accretion of investment securities	(165)	(150)
Stock-based compensation expense	104	60
Deferred income taxes	774	189
Bank owned life insurance income	(378)	(361)
Changes in		
Interest receivable	1,859	1,649
Mortgage loans held for sale	641	3,362
Assets held in trading accounts	(1,756)	(148)
Other assets	(20)	(1,464)
Accrued interest and other liabilities	(3,255)	37
Income taxes payable	1,077	4,182
Net cash provided by operating activities	7,726	16,050
INVESTING ACTIVITIES		
Net collections of loans	10,456	5,431
Purchases of premises and equipment, net	(997)	(2,990)
Proceeds from sale of foreclosed assets	1,106	580
Proceeds from mandatory partial redemption of Visa shares	--	2,973
Proceeds from maturities of available-for-sale securities	1,271,709	164,335
Purchases of available-for-sale securities	(1,318,334)	(208,994)
Proceeds from maturities of held-to-maturity securities	38,993	15,023
Purchases of held-to-maturity securities	(69,150)	(6,940)
Net cash used in investing activities	(66,217)	(30,582)
FINANCING ACTIVITIES		
Net increase in deposits	33,169	113,994
Net change in short-term debt	344	(1,187)
Dividends paid	(2,663)	(2,647)
Proceeds from issuance of long-term debt	3,300	63,662
Repayment of long-term debt	(1,548)	(6,208)
Net change in federal funds purchased and securities sold under agreements to repurchase	(16,769)	(14,915)
Shares issued (exchanged) under stock compensation plans, net	1,048	225

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Repurchase of common stock	--	(624)
Net cash provided by financing activities	16,881	152,300
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(41,610)	137,768
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	139,536	110,230
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 97,926	\$ 247,998

See Condensed Notes to Consolidated Financial Statements.

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Simmons First National Corporation
Consolidated Statements of Stockholders' Equity
Three Months Ended March 31, 2009 and 2008

(In thousands, except share data)	Common Stock	Surplus	Accumulated Other Comprehensive Income (loss)	Undivided Profits	Total
Balance, December 31, 2007	\$ 139	\$ 41,019	\$ 1,728	\$ 229,520	\$ 272,406
Cumulative effect of adoption of a new accounting principle on January 1, 2008 (Note 12)	--	--	--	(1,174)	(1,174)
Comprehensive income					
Net income	--	--	--	8,816	8,816
Change in unrealized appreciation on available-for-sale securities, net of income taxes of \$2,251	--	--	3,752	--	3,752
Comprehensive income					12,568
Stock issued for employee stock purchase plan – 5,359 shares	--	135	--	--	135
Exercise of stock options – 66,830 shares	1	827	--	--	828
Stock granted under stock-based compensation plans	--	35	--	--	35
Securities exchanged under stock option plan	(1)	(737)	--	--	(738)
Repurchase of common stock – 23,480 shares	--	(624)	--	--	(624)
Dividends paid – \$0.19 per share	--	--	--	(2,647)	(2,647)
Balance, March 31, 2008 (Unaudited)	139	40,655	5,480	234,515	280,789
Comprehensive income					
Net income	--	--	--	18,094	18,094
Change in unrealized appreciation on available-for-sale securities, net of income tax credits of \$1,374	--	--	(2,290)	--	(2,290)
Comprehensive income					15,804
Stock issued as bonus shares – 17,490 shares	--	530	--	--	530
Exercise of stock options – 30,667 shares	--	380	--	--	380
Stock granted under stock-based compensation plans	--	134	--	--	134
Securities exchanged under stock option plan	1	(236)	--	--	(235)
Repurchase of common stock – 21,700 shares	--	--	--	--	--