

SIMMONS FIRST NATIONAL CORP
Form 10-Q
November 10, 2014

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 September 30, 2014

Commission File Number 000-06253

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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 October 24, 2014, was 18,022,011.

Simmons First National Corporation
Quarterly Report on Form 10-Q
September 30, 2014

Table of Contents

	Page
<u>Part I:</u>	<u>Financial Information</u>
<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>
	<u>Consolidated Balance Sheets</u> 3
	<u>Consolidated Statements of Income</u> 4
	<u>Consolidated Statements of Comprehensive Income</u> 5
	<u>Consolidated Statements of Cash Flows</u> 6
	<u>Consolidated Statements of Stockholders' Equity</u> 7
	<u>Condensed Notes to Consolidated Financial Statements</u> 8-43
	<u>Report of Independent Registered Public Accounting Firm</u> 44
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 45-69
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosure About Market Risk</u> 69-71
<u>Item 4.</u>	<u>Controls and Procedures</u> 72
<u>Part II:</u>	<u>Other Information</u>
<u>Item 1A.</u>	<u>Risk Factors</u> 72
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 72
<u>Item 6.</u>	<u>Exhibits</u> 73-77
<u>Signatures</u>	78

Part I:
Item 1.Financial Information
Financial StatementsSimmons First National Corporation
Consolidated Balance Sheets
September 30, 2014 and December 31, 2013

(In thousands, except share data)	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Cash and non-interest bearing balances due from banks	\$ 73,554	\$ 69,827
Interest bearing balances due from banks	210,742	469,553
Federal funds sold	10,000	-
Cash and cash equivalents	294,296	539,380
Investment securities	1,140,203	957,965
Mortgage loans held for sale	22,003	9,494
Assets held in trading accounts	6,819	8,978
Loans:		
Legacy loans	1,963,378	1,742,638
Allowance for loan losses	(27,076)	(27,442)
Loans acquired, not covered by FDIC loss share (net of discount)	676,056	515,644
Loans acquired, covered by FDIC loss share (net of discount)	118,158	146,653
Net loans	2,730,516	2,377,493
FDIC indemnification asset	25,694	48,791
Premises and equipment	115,639	119,614
Premises held for sale	15,856	19,466
Foreclosed assets not covered by FDIC loss share	50,770	64,820
Foreclosed assets covered by FDIC loss share	15,212	20,585
Interest receivable	18,006	15,654
Bank owned life insurance	75,357	60,384
Goodwill	108,158	78,529
Other intangible assets	22,988	14,972
Other assets	49,705	46,975
Total assets	\$ 4,691,222	\$ 4,383,100
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing transaction accounts	\$ 884,064	\$ 718,438
Interest bearing transaction accounts and savings deposits	1,984,422	1,862,618
Time deposits	1,040,429	1,116,511
Total deposits	3,908,915	3,697,567
Federal funds purchased and securities sold under agreements to repurchase	112,977	107,887
Other borrowings	123,396	117,090
Subordinated debentures	20,620	20,620
Accrued interest and other liabilities	41,309	36,104
Total liabilities	4,207,217	3,979,268
Stockholders' equity:		
	-	-

Edgar Filing: SIMMONS FIRST NATIONAL CORP - Form 10-Q

Preferred stock, \$0.01 par value; 40,040,000 shares authorized and unissued at September 30, 2014 and December 31, 2013

Common stock, Class A, \$0.01 par value; 60,000,000 shares authorized; 17,992,261 and 16,226,256 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively	180	162
Surplus	155,592	88,095
Undivided profits	330,185	318,577
Accumulated other comprehensive loss	(1,952)	(3,002)
Total stockholders' equity	484,005	403,832
Total liabilities and stockholders' equity	\$ 4,691,222	\$ 4,383,100

See Condensed Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Income
Three and Nine Months Ended September 30, 2014 and 2013

(In thousands, except per share data)	Three Months Ended September 30, 2014 2013 (Unaudited)		Nine Months Ended September 30, 2014 2013 (Unaudited)	
INTEREST INCOME				
Legacy loans	\$ 23,841	\$ 23,483	\$ 68,124	\$ 69,781
Loans acquired	16,241	7,132	50,710	19,776
Federal funds sold	12	6	16	14
Investment securities	4,717	3,428	14,032	9,349
Mortgage loans held for sale	269	122	506	395
Assets held in trading accounts	3	6	13	23
Interest bearing balances due from banks	132	234	691	875
TOTAL INTEREST INCOME	45,215	34,411	134,092	100,213
INTEREST EXPENSE				
Deposits	2,232	1,993	6,737	6,274
Federal funds purchased and securities sold under agreements to repurchase	55	46	194	165
Other borrowings	996	646	2,995	2,072
Subordinated debentures	160	162	477	483
TOTAL INTEREST EXPENSE	3,443	2,847	10,403	8,994
NET INTEREST INCOME	41,772	31,564	123,689	91,219
Provision for loan losses	1,1			