

SIMMONS FIRST NATIONAL CORP

Form 8-K

January 20, 2006

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Exchange Act of 1934

Date of Report (Date of earliest event reported) January 19, 2006

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

Arkansas  
(State or other jurisdiction  
of incorporation)

0-6253  
(Commission  
File Number)

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 or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM: 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is the text of a press release issued by the registrant at 8:15 A.M. Central Time on January 19, 2006.

**SIMMONS FIRST ANNOUNCES RECORD FOURTH QUARTER EARNINGS**

Pine Bluff, AR - Simmons First National Corporation (NASDAQ NM: SFNC) today announced record earnings for the fourth quarter ended December 31, 2005. Net income for the quarter was \$6.8 million, an increase of \$985,000, or 16.9% over the fourth quarter of 2004. Diluted earnings per share were \$0.47 for the fourth quarter of 2005 compared to \$0.39 per share for the same period in 2004, an increase of 20.5%.

For the year ended December 31, 2005, net income was \$27.0 million, an increase of \$2.5 million, or 10.3% over the same period in 2004. Diluted earnings per share for the twelve-month period were \$1.84, an increase of \$0.19, or 11.5%.

“We are pleased with the Company’s performance both for the fourth quarter and for the year,” said J. Thomas May, Chairman and Chief Executive Officer. “We continue to see positive trends in earnings, loan growth, and asset quality. The increase in earnings over the same quarter last year is the result of continued loan growth, an increase in non-interest income, disciplined expense control, and a reduced provision for loan losses resulting from the improvements in asset quality.”

Net interest income for the fourth quarter of 2005 increased to \$22.8 million. The increase is primarily attributable to growth in the loan portfolio partially offset by the continuing rise in the cost of funds and a relatively flat yield curve. Net interest margin, on a fully taxable equivalent basis, was 4.10% in the fourth quarter of 2005 compared to 4.09% in the fourth quarter of 2004, an increase of one basis point. On a year to date basis, net interest margin for 2005 increased five basis points to 4.13%.

The Company’s loan portfolio totaled \$1.7 billion at December 31, 2005, an increase of \$147 million, or 9.3% over the same period last year. The growth was primarily attributable to increased demand in the commercial and real estate loan portfolios. Deposits were \$2.1 billion at December 31, 2005, a \$101 million, or 5.1% increase from December 31, 2004.

Asset quality for the fourth quarter continued to strengthen as non-performing assets decreased by \$3.9 million from the same period last year, a 28% decrease. Non-performing loans to total loans improved to 0.49% from 0.76% from the same period last year, while the allowance for loan losses improved to 319% of non-performing loans as of December 31, 2005, compared to 221% as of December 31, 2004. At quarter end, the allowance for loan losses equaled 1.57% of total loans. The Company’s annualized net charge-off ratio for the fourth quarter of 2005 was 0.47%. Excluding credit cards, the annualized net charge-off ratio for the fourth quarter was 0.20%.

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Total assets for the Company were \$2.5 billion at December 31, 2005, an increase of \$110 million over the period ended December 31, 2004. Stockholders' equity at December 31, 2005 was \$244 million, a \$5.9 million increase from December 31, 2004.

“During 2005, the Company continued to expand by opening four financial centers in the communities of Little Rock, Conway, Van Buren, and Bentonville,” commented Mr. May. “In addition, the Company improved its ability to serve customers through the acquisition of a financial center in Little Rock and the relocation to an expanded facility in Fort Smith. In 2006, the Company expects to open additional financial centers in Little Rock, North Little Rock, El Dorado, Beebe, and Paragould.”

Simmons First National Corporation is an Arkansas based financial holding company with eight community banks in Pine Bluff, Lake Village, Jonesboro, Rogers, Searcy, Russellville, El Dorado and Hot Springs, Arkansas. The Company's eight banks conduct financial operations from 81 offices, of which 79 are financial centers, in 46 communities.

## **CONFERENCE CALL**

Management will conduct a conference call to review this information at 3:00 p.m. Central Time on Thursday, January 19, 2006. Interested parties can listen to this call by calling 1-800-854-4175 (United States and Canada only) and asking for the Simmons First National Corporation conference call. A recorded playback of the call will be available the next morning by calling 1-800-642-1687. The passcode for this playback is 3984114 and the recording will be available through the end of business January 31, 2006. In addition, the call will be available live or in recorded version on the Company's website at [www.simmonsfirst.com](http://www.simmonsfirst.com) under the “webcast” icon.

## **GENERAL**

Statements in this press 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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FOR MORE INFORMATION CONTACT:  
ROBERT A. FEHLMAN  
Senior Vice President and Chief Financial Officer  
Simmons First National Corporation  
(870) 541-1231

**Simmons First National Corporation**  
**Consolidated End of Period Balance**  
**Sheets**

SFNC

<b>For the Quarters Ended</b> <b>(In thousands)</b>	<b>Dec 31</b> <b>2005</b>	<b>Sep 30</b> <b>2005</b>	<b>Jun 30</b> <b>2005</b>	<b>Mar 31</b> <b>2005</b>	<b>Dec 31</b> <b>2004</b>
<b>ASSETS</b>					
Cash and non-interest bearing balances due from banks	\$ 75,461	\$ 83,088	\$ 73,169	\$ 67,615	\$ 72,032
Interest bearing balances due from banks	14,397	48,206	27,861	22,030	36,249
Federal funds sold	11,715	16,825	43,230	56,580	45,450
Cash and cash equivalents	101,573	148,119	144,260	146,225	153,731
Investment securities - held-to-maturity	150,299	151,123	149,293	147,644	151,264
Investment securities - available-for-sale	371,490	388,848	400,451	411,340	390,794
Mortgage loans held for sale	7,857	9,417	8,361	11,641	9,246
Assets held in trading accounts	4,631	4,731	4,680	4,718	4,916
Loans	1,718,107	1,709,372	1,662,337	1,586,483	1,571,376
Allowance for loan losses	(26,923)	(27,330)	(27,013)	(26,422)	(26,508)
Net loans	1,691,184	1,682,042	1,635,324	1,560,061	1,544,868
Premises and equipment	63,360	61,354	59,086	57,685	57,211
Foreclosed assets held for sale, net	1,540	2,120	1,482	1,340	1,839
Interest receivable	18,754	18,555	15,705	15,276	14,248
Bank owned life insurance	33,269	32,952	32,673	7,410	3,536
Goodwill	60,605	60,454	60,454	60,454	60,454
Core deposit premiums	5,029	5,207	5,414	5,621	5,829
Other assets	14,177	12,120	13,202	13,095	16,008
<b>TOTAL ASSETS</b>	<b>\$ 2,523,768</b>	<b>\$ 2,577,042</b>	<b>\$ 2,530,385</b>	<b>\$ 2,442,510</b>	<b>\$ 2,413,944</b>
<b>LIABILITIES</b>					
Non-interest bearing transaction accounts	\$ 331,113	\$ 305,506	\$ 308,543	\$ 296,347	\$ 293,137
Interest bearing transaction accounts and savings deposits	749,925	758,906	777,820	773,365	769,296
Time deposits less than \$100,000	564,017	568,013	561,937	562,171	539,836
Time deposits greater than \$100,000	414,903	415,302	377,991	376,478	356,926
Total deposits	2,059,958	2,047,727	2,026,291	2,008,361	1,959,195
Federal funds purchased and securities sold under agreements to repurchase	107,223	92,320	122,255	89,991	104,785
Short-term debt	8,031	92,747	36,851	907	2,373
Long-term debt - parent company	4,000	4,000	6,000	6,000	6,000
Long-term FHLB debt - affiliate banks	52,090	52,066	52,854	55,583	57,733
Subordinated debt issued to capital trusts	30,930	30,930	30,930	30,930	30,930
Accrued interest and other liabilities	17,451	16,081	16,512	18,466	14,706
	2,279,683	2,335,871	2,291,693	2,210,238	2,175,722

**TOTAL LIABILITIES****STOCKHOLDERS' EQUITY**

Capital stock	143	143	144	144	146
Surplus	53,723	54,429	55,608	56,315	62,826
Undivided profits	194,579	190,047	184,865	180,075	176,374
Accumulated other comprehensive income (loss)					
Unrealized appreciation (depreciation) on AFS securities	(4,360)	(3,448)	(1,925)	(4,262)	(1,124)

**TOTAL**

<b>STOCKHOLDERS' EQUITY</b>	244,085	241,171	238,692	232,272	238,222
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**TOTAL LIABILITIES AND  
STOCKHOLDERS' EQUITY**

	\$ 2,523,768	\$ 2,577,042	\$ 2,530,385	\$ 2,442,510	\$ 2,413,944
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**Simmons First National Corporation**  
**Consolidated Average**  
**Quarter-to-Date Balance Sheets**  
**For the Quarters Ended**  
**(In thousands)**

SFNC

	<b>Dec 31</b>	<b>Sep 30</b>	<b>Jun 30</b>	<b>Mar 31</b>	<b>Dec 31</b>
	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2005</b>	<b>2004</b>
<b>ASSETS</b>					
Cash and non-interest bearing balances due from banks	\$ 85,534	\$ 78,418	\$ 77,007	\$ 77,862	\$ 85,375
Interest bearing balances due from banks	16,426	16,384	15,765	35,027	38,498
Federal funds sold	6,353	29,375	35,157	52,022	60,033
Cash and cash equivalents	108,313	124,177	127,929	164,911	183,906
Investment securities - held-to-maturity	147,779	150,654	149,038	149,986	171,402
Investment securities - available-for-sale	384,346	390,580	412,101	404,127	383,325
Mortgage loans held for sale	8,056	11,395	9,425	8,532	9,682
Assets held in trading accounts	4,688	4,711	4,696	4,234	5,510
Loans	1,714,132	1,689,883	1,626,513	1,575,329	1,570,724
Allowance for loan losses	(27,308)	(27,512)	(26,859)	(27,004)	(27,823)
Net loans	1,686,824	1,662,371	1,599,654	1,548,325	1,542,901
Premises and equipment	62,633	60,497	58,320	57,538	56,128
Foreclosed assets held for sale, net	2,028	1,870	1,420	1,468	1,728
Interest receivable	19,121	17,038	15,301	14,398	14,854
Bank owned life insurance	33,102	32,832	24,823	3,593	3,507
Goodwill	60,554	60,454	60,454	60,454	60,454
Core deposit premiums	5,138	5,326	5,534	5,745	5,947
Other assets	11,718	12,809	12,104	15,554	18,212
<b>TOTAL ASSETS</b>	<b>\$ 2,534,300</b>	<b>\$ 2,534,714</b>	<b>\$ 2,480,799</b>	<b>\$ 2,438,865</b>	<b>\$ 2,457,556</b>
<b>LIABILITIES</b>					
Non-interest bearing transaction accounts	\$ 314,491	\$ 303,387	\$ 300,909	\$ 296,921	\$ 302,117
Interest bearing transaction accounts and savings deposits	748,902	751,877	778,516	771,301	766,178
Time deposits less than \$100,000	565,664	569,977	561,884	556,878	545,003
Time deposits greater than \$100,000	418,850	386,581	373,366	369,372	357,800
Total deposits	2,047,907	2,011,822	2,014,675	1,994,472	1,971,098
Federal funds purchased and securities sold under agreements to repurchase	109,065	92,508	108,519	98,499	107,150
Short-term debt	30,435	82,463	13,098	992	10,143
Long-term debt	85,808	88,242	91,045	93,365	113,370
Accrued interest and other liabilities	16,859	18,120	16,271	14,711	15,799
<b>TOTAL</b>					
<b>LIABILITIES</b>	<b>2,290,074</b>	<b>2,293,155</b>	<b>2,243,608</b>	<b>2,202,039</b>	<b>2,217,560</b>

<b>TOTAL STOCKHOLDERS' EQUITY</b>	244,226	241,559	237,191	236,826	239,996
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 2,534,300	\$ 2,534,714	\$ 2,480,799	\$ 2,438,865	\$ 2,457,556

**Simmons First National Corporation**  
**Consolidated Average Year-to-Date**  
**Balance Sheets**

SFNC

<b>For the Quarters Ended</b> <b>(In thousands)</b>	<b>Dec 31</b> <b>2005</b>	<b>Sep 30</b> <b>2005</b>	<b>Jun 30</b> <b>2005</b>	<b>Mar 31</b> <b>2005</b>	<b>Dec 31</b> <b>2004</b>
<b>ASSETS</b>					
Cash and non-interest bearing balances due from banks	\$ 79,723	\$ 77,764	\$ 77,432	\$ 77,862	\$ 77,836
Interest bearing balances due from banks	20,837	22,324	25,343	35,027	36,587
Federal funds sold	30,598	38,768	43,543	52,022	56,423
Cash and cash equivalents	131,158	138,856	146,318	164,911	170,846
Investment securities - held-to-maturity	149,362	149,895	149,509	149,986	176,585
Investment securities - available-for-sale	397,715	402,220	408,136	404,127	361,231
Mortgage loans held for sale	9,356	9,794	8,981	8,532	10,087
Assets held in trading accounts	4,584	4,549	4,466	4,234	4,980
Loans	1,651,950	1,630,995	1,601,062	1,575,329	1,528,447
Allowance for loan losses	(27,172)	(27,127)	(26,931)	(27,004)	(27,186)
Net loans	1,624,778	1,603,868	1,574,131	1,548,325	1,501,261
Premises and equipment	59,763	58,796	57,931	57,538	52,464
Foreclosed assets held for sale, net	1,699	1,588	1,444	1,468	1,990
Interest receivable	16,479	15,589	14,852	14,398	13,626
Bank owned life insurance	23,694	20,523	14,266	3,593	2,431
Goodwill	60,479	60,454	60,454	60,454	56,996
Core deposit premiums	5,434	5,533	5,639	5,745	5,840
Other assets	13,033	13,479	13,821	15,554	19,443
<b>TOTAL ASSETS</b>	<b>\$ 2,497,534</b>	<b>\$ 2,485,144</b>	<b>\$ 2,459,948</b>	<b>\$ 2,438,865</b>	<b>\$ 2,377,780</b>
<b>LIABILITIES</b>					
Non-interest bearing transaction accounts	\$ 303,974	\$ 300,430	\$ 298,926	\$ 296,921	\$ 293,060
Interest bearing transaction accounts and savings deposits	762,558	767,160	774,928	771,301	729,842
Time deposits less than \$100,000	563,643	562,961	559,395	556,878	543,136
Time deposits greater than \$100,000	387,177	376,503	371,380	369,372	349,224
Total deposits	2,017,352	2,007,054	2,004,629	1,994,472	1,915,262
Federal funds purchased and securities sold under agreements to repurchase	102,041	99,673	103,537	98,499	94,465
Short-term debt	32,076	32,629	7,078	992	11,252
Long-term debt	89,590	90,865	92,199	93,365	110,946
Accrued interest and other liabilities	16,499	16,380	15,495	14,711	16,136
<b>TOTAL LIABILITIES</b>	<b>2,257,558</b>	<b>2,246,601</b>	<b>2,222,938</b>	<b>2,202,039</b>	<b>2,148,061</b>



<b>TOTAL STOCKHOLDERS' EQUITY</b>	239,976	238,543	237,010	236,826	229,719
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 2,497,534	\$ 2,485,144	\$ 2,459,948	\$ 2,438,865	\$ 2,377,780

**Simmons First National Corporation**  
**Consolidated Statements of Income -**  
**Quarter-to-Date**

SFNC

<b>For the Quarters Ended</b> <b>(In thousands, except per share data)</b>	<b>Dec 31</b> <b>2005</b>	<b>Sep 30</b> <b>2005</b>	<b>Jun 30</b> <b>2005</b>	<b>Mar 31</b> <b>2005</b>	<b>Dec 31</b> <b>2004</b>
<b>INTEREST INCOME</b>					
Loans	\$ 30,425	\$ 29,225	\$ 27,175	\$ 25,413	\$ 25,363
Federal funds sold	63	262	273	327	303
Investment securities	4,751	4,693	4,659	4,574	4,496
Mortgage loans held for sale, net of unrealized gains (losses)	131	168	134	119	130
Assets held in trading accounts	24	25	25	25	35
Interest bearing balances due from banks	162	119	103	196	172
<b>TOTAL INTEREST INCOME</b>	<b>35,556</b>	<b>34,492</b>	<b>32,369</b>	<b>30,654</b>	<b>30,499</b>
<b>INTEREST EXPENSE</b>					
Time deposits	8,051	7,031	6,071	5,278	4,752
Other deposits	2,268	2,015	1,859	1,635	1,469
Federal funds purchased and securities sold under agreements to repurchase	1,016	815	728	545	471
Short-term debt	311	646	130	14	41
Long-term debt	1,095	1,113			