

SIMMONS FIRST NATIONAL CORP

Form 8-K

October 19, 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) October 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 October 19, 2006.

**SIMMONS FIRST ANNOUNCES RECORD THIRD QUARTER EARNINGS**

Pine Bluff, AR - Simmons First National Corporation (NASDAQ-GS:SFNC) today announced record earnings for the three and nine-month periods ended September 30, 2006. Net income for the third quarter was \$7.4 million, or \$0.51 diluted earnings per share, compared to \$0.50 per share for the same period in 2005.

For the nine-month period ended September 30, 2006, net income was \$20.7 million, an increase of \$591,000 from the same period in 2005. Diluted earnings per share for the nine-month period were \$1.43, an increase of \$0.06, or 4.4% over the same period in 2005.

“Given the current interest rate environment and the competition for deposits, we are relatively pleased with this quarter’s earnings report,” said J. Thomas May, Chairman and Chief Executive Officer. “We, like the rest of the industry, continue to be challenged with margin compression. During this period of an inverted yield curve, we were still able to achieve earnings growth due to the strength of the Company’s asset quality and reduced credit card charge-offs and the related reduction in the provision for loan losses.”

The Company’s net interest margin decreased 10 basis points to 3.91% from the second quarter of 2006. “We expect to see continuing competitive pressure in deposit repricing in the short term. This repricing leads us to anticipate a flat to slightly compressed margin for the balance of 2006,” stated Mr. May.

The Company’s loan portfolio totaled \$1.8 billion at September 30, 2006, an increase of \$79 million, or 4.6% over the same period last year. The growth was primarily attributable to increased demand in the real estate loan portfolio. Deposits were \$2.1 billion at September 30, 2006, a \$101 million, or 4.9% increase from September 30, 2005.

Asset quality remained strong with the allowance for loan losses as a percent of total loans at 1.45% as of September 30, 2006. Non-performing loans equaled 0.61% of total loans, while the allowance for loan losses equaled 239% of non-performing loans. The Company’s annualized net charge-offs to total loans for the third quarter of 2006 was 0.20%. Excluding credit cards, the annualized net charge-offs to total loans for the third quarter was 0.13%.

Total assets for the Company were \$2.7 billion at September 30, 2006, an increase of \$80 million from September 30, 2005. Stockholders’ equity at September 30, 2006 was \$255 million, a \$13.4 million increase from September 30, 2005.

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 84 offices, of which 81 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, October 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 7329400 and the recording will be available through the end of business October 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  
Executive Vice President and Chief Financial Officer  
Simmons First National Corporation  
(501) 558-3141

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

SFNC

**For the Quarters Ended  
(Unaudited)**

**Sep 30  
2006**

**Jun 30  
2006**

**Mar 31  
2006**

**Dec 31  
2005**

**Sep 30  
2005**

(In thousands)

**ASSETS**

|   |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Cash and non-interest bearing balances due from banks | \$ 77,724           | \$ 89,275           | \$ 89,400           | \$ 75,461           | \$ 83,088           |
| Interest bearing balances due from banks              | 19,599              | 26,265              | 34,200              | 14,397              | 48,206              |
| Federal funds sold                                    | 49,340              | 22,570              | 8,620               | 11,715              | 16,825              |
| Cash and cash equivalents                             | 146,663             | 138,110             | 132,220             | 101,573             | 148,119             |
| Investment securities - held-to-maturity              | 172,944             | 164,612             | 148,733             | 150,299             | 151,123             |
| Investment securities - available-for-sale            | 358,561             | 363,217             | 380,617             | 371,490             | 388,848             |
| Mortgage loans held for sale                          | 6,591               | 13,248              | 6,853               | 7,857               | 9,417               |
| Assets held in trading accounts                       | 4,574               | 4,606               | 4,646               | 4,631               | 4,731               |
| Loans   | 1,788,517           | 1,738,628           | 1,691,020           | 1,718,107           | 1,709,372           |
| Allowance for loan losses                             | (25,879)            | (26,174)            | (26,463)            | (26,923)            | (27,330)            |
| Net loans   | 1,762,638           | 1,712,454           | 1,664,557           | 1,691,184           | 1,682,042           |
| Premises and equipment                                | 66,769              | 65,686              | 65,040              | 63,360              | 61,354              |
| Foreclosed assets held for sale, net                  | 1,413               | 1,740               | 1,666               | 1,540               | 2,120               |
| Interest receivable                                   | 21,953              | 18,571              | 17,066              | 18,754              | 18,555              |
| Bank owned life insurance                             | 35,708              | 33,985              | 33,570              | 33,269              | 32,952              |
| Goodwill  | 60,605              | 60,605              | 60,605              | 60,605              | 60,454              |
| Core deposit premiums                                 | 4,406               | 4,613               | 4,822               | 5,029               | 5,207               |
| Other assets  | 14,117              | 15,809              | 18,075              | 14,177              | 12,120              |
| <b>TOTAL ASSETS</b>                                   | <b>\$ 2,656,942</b> | <b>\$ 2,597,256</b> | <b>\$ 2,538,470</b> | <b>\$ 2,523,768</b> | <b>\$ 2,577,042</b> |

**LIABILITIES**

|  |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|
| Non-interest bearing transaction accounts                  | \$ 302,700 | \$ 330,946 | \$ 328,477 | \$ 331,113 | \$ 305,506 |
| Interest bearing transaction accounts and savings deposits | 745,649    | 761,346    | 757,368    | 749,925    | 758,906    |
| Time deposits less than \$100,000                          | 664,105    | 623,609    | 618,790    | 614,742    | 606,025    |
| Time deposits greater than \$100,000                       | 436,022    | 394,489    | 389,021    | 364,178    | 377,290    |
| Total deposits   | 2,148,476  | 2,110,390  | 2,093,656  | 2,059,958  | 2,047,727  |
| Federal funds purchased and securities                     | 85,535     | 89,684     | 91,817     | 107,223    | 92,320     |

sold under agreements to  
repurchase

|   |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| Short-term debt                               | 61,850           | 45,054           | 2,245            | 8,031            | 92,747           |
| Long-term debt - parent<br>company            | 2,000            | 4,000            | 4,000            | 4,000            | 4,000            |
| Long-term FHLB debt -<br>affiliate banks      | 49,243           | 48,143           | 48,163           | 52,090           | 52,066           |
| Subordinated debt issued to<br>capital trusts | 30,930           | 30,930           | 30,930           | 30,930           | 30,930           |
| Accrued interest and other<br>liabilities     | 24,316           | 21,876           | 22,448           | 17,451           | 16,081           |
| <b>TOTAL LIABILITIES</b>                      | <b>2,402,350</b> | <b>2,350,077</b> | <b>2,293,259</b> | <b>2,279,683</b> | <b>2,335,871</b> |

**STOCKHOLDERS'  
EQUITY**

|  |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| Capital stock  | 142            | 142            | 143            | 143            | 143            |
| Surplus  | 49,068         | 49,607         | 51,380         | 53,723         | 54,429         |
| Undivided profits  | 208,200        | 203,165        | 198,287        | 194,579        | 190,047        |
| Accumulated other<br>comprehensive income (loss)               |                |                |                |                |                |
| Unrealized appreciation<br>(depreciation) on AFS<br>securities | (2,818)        | (5,735)        | (4,599)        | (4,360)        | (3,448)        |
| <b>TOTAL STOCKHOLDERS'<br/>EQUITY</b>                          | <b>254,592</b> | <b>247,179</b> | <b>245,211</b> | <b>244,085</b> | <b>241,171</b> |

**TOTAL LIABILITIES AND  
STOCKHOLDERS'**

**EQUITY**                    \$ 2,656,942    \$ 2,597,256    \$ 2,538,470    \$ 2,523,768    \$ 2,577,042

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

SFNC

| <b>For the Quarters Ended<br/>(Unaudited)</b>                 | <b>Sep 30<br/>2006</b> | <b>Jun 30<br/>2006</b> | <b>Mar 31<br/>2006</b> | <b>Dec 31<br/>2005</b> | <b>Sep 30<br/>2005</b> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| (In thousands)  |                        |                        |                        |                        |                        |
| <b>ASSETS</b>   |                        |                        |                        |                        |                        |
| Cash and non-interest bearing<br>balances due from banks      | \$ 78,708              | \$ 77,064              | \$ 77,676              | \$ 85,534              | \$ 78,418              |
| Interest bearing balances due<br>from banks                   | 16,851                 | 21,929                 | 27,968                 | 16,426                 | 16,384                 |
| Federal funds sold  | 22,966                 | 16,138                 | 16,235                 | 6,353                  | 29,375                 |
| Cash and cash equivalents                                     | 118,525                | 115,131                | 121,879                | 108,313                | 124,177                |
| Investment securities -<br>held-to-maturity                   | 167,182                | 157,252                | 147,697                | 147,779                | 150,654                |
| Investment securities -<br>available-for-sale                 | 360,584                | 373,434                | 378,026                | 384,346                | 390,580                |
| Mortgage loans held for sale                                  | 8,368                  | 8,426                  | 6,570                  | 8,056                  | 11,395                 |
| Assets held in trading accounts                               | 4,598                  | 4,575                  | 4,632                  | 4,688                  | 4,711                  |
| Loans   | 1,769,131              | 1,716,396              | 1,696,855              | 1,714,132              | 1,689,883              |
| Allowance for loan losses                                     | (26,255)               | (26,997)               | (27,589)               | (27,308)               | (27,512)               |
| Net loans   | 1,742,876              | 1,689,399              | 1,669,266              | 1,686,824              | 1,662,371              |
| Premises and equipment  | 66,044                 | 65,485                 | 64,560                 | 62,633                 | 60,497                 |
| Foreclosed assets held for sale,<br>net                       | 1,525                  | 1,664                  | 1,738                  | 2,028                  | 1,870                  |
| Interest receivable   | 20,922                 | 18,092                 | 18,030                 | 19,121                 | 17,038                 |
| Bank owned life insurance                                     | 35,226                 | 33,778                 | 33,408                 | 33,102                 | 32,832                 |
| Goodwill  | 60,605                 | 60,605                 | 60,605                 | 60,554                 | 60,454                 |
| Core deposit premiums   | 4,527                  | 4,733                  | 4,942                  | 5,138                  | 5,326                  |
| Other assets  | 13,215                 | 12,688                 | 12,046                 | 11,718                 | 12,809                 |
| <b>TOTAL ASSETS</b>   | <b>\$ 2,604,197</b>    | <b>\$ 2,545,262</b>    | <b>\$ 2,523,399</b>    | <b>\$ 2,534,300</b>    | <b>\$ 2,534,714</b>    |
| <b>LIABILITIES</b>  |                        |                        |                        |                        |                        |
| Non-interest bearing<br>transaction accounts                  | \$ 302,490             | \$ 311,102             | \$ 316,118             | \$ 314,491             | \$ 303,387             |
| Interest bearing transaction<br>accounts and savings deposits | 722,920                | 751,262                | 747,046                | 748,902                | 751,877                |
| Time deposits less than<br>\$100,000                          | 658,182                | 624,395                | 618,730                | 612,344                | 584,009                |
| Time deposits greater than<br>\$100,000                       | 416,693                | 394,492                | 378,426                | 372,170                | 372,549                |
| Total deposits  | 2,100,285              | 2,081,251              | 2,060,320              | 2,047,907              | 2,011,822              |
| Federal funds purchased and<br>securities                     |                        |                        |                        |                        |                        |

|   |                     |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| sold under agreements to repurchase               | 93,670              | 96,041              | 109,299             | 109,065             | 92,508              |
| Short-term debt                                   | 54,119              | 15,804              | 5,744               | 30,435              | 82,463              |
| Long-term debt                                    | 80,826              | 82,957              | 83,961              | 85,808              | 88,242              |
| Accrued interest and other liabilities            | 22,804              | 20,486              | 18,011              | 16,859              | 18,120              |
| <b>TOTAL LIABILITIES</b>                          | <b>2,351,704</b>    | <b>2,296,539</b>    | <b>2,277,335</b>    | <b>2,290,074</b>    | <b>2,293,155</b>    |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                 | <b>252,493</b>      | <b>248,723</b>      | <b>246,064</b>      | <b>244,226</b>      | <b>241,559</b>      |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>\$ 2,604,197</b> | <b>\$ 2,545,262</b> | <b>\$ 2,523,399</b> | <b>\$ 2,534,300</b> | <b>\$ 2,534,714</b> |

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

SFNC

**For the Quarters Ended  
(Unaudited)**

**Sep 30  
2006**

**Jun 30  
2006**

**Mar 31  
2006**

**Dec 31  
2005**

**Sep 30  
2005**

**(In thousands, except per share  
data)**

**INTEREST INCOME**

|   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
| Loans   | \$ 33,924     | \$ 31,694     | \$ 30,087     | \$ 30,425     | \$ 29,225     |
| Federal funds sold  | 325           | 192           | 175           | 63            | 262           |
| Investment securities   | 5,183         | 4,978         | 4,830         | 4,751         | 4,693         |
| Mortgage loans held for sale, net<br>of unrealized gains (losses) | 141           | 128           | 100           | 131           | 168           |
| Assets held in trading accounts                                   | 14            | 19            | 25            | 24            | 25            |
| Interest bearing balances due<br>from banks                       | 229           | 259           | 297           | 162           | 119           |
| <b>TOTAL INTEREST INCOME</b>                                      | <b>39,816</b> | <b>37,270</b> | <b>35,514</b> | <b>35,556</b> | <b>34,492</b> |

**INTEREST EXPENSE**

|   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
| Time deposits   | 11,381        | 9,732         | 8,724         | 8,051         | 7,031         |
| Other deposits  | 3,023         | 2,909         | 2,544         | 2,268         | 2,015         |
| Federal funds purchased and<br>securities<br>sold under agreements to<br>repurchase | 1,152         | 1,064         | 1,104         | 1,016         | 815           |
| Short-term debt   | 761           | 225           | 96            | 311           | 646           |
| Long-term debt  | 1,122         | 1,148         | 1,094         | 1,095         | 1,113         |
| <b>TOTAL INTEREST EXPENSE</b>   | <b>17,439</b> | <b>15,078</b> | <b>13,562</b> | <b>12,741</b> | <b>11,620</b> |
| <b>NET INTEREST INCOME</b>  | <b>22,377</b> | <b>22,192</b> | <b>21,952</b> | <b>22,815</b> | <b>22,872</b> |
| Provision for loan losses   | 602           | 789           | 1,708         | 1,630         | 1,736         |

**NET INTEREST INCOME****AFTER PROVISION**

|                        |               |               |               |               |               |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>FOR LOAN LOSSES</b> | <b>21,775</b> | <b>21,403</b> | <b>20,244</b> | <b>21,185</b> | <b>21,136</b> |
|------------------------|---------------|---------------|---------------|---------------|---------------|

**NON-INTEREST INCOME**

|   |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|
| Trust income  | 1,435 | 1,293 | 1,367 | 1,425 | 1,430 |
| Service charges on deposit<br>accounts                  | 3,973 | 4,209 | 3,763 | 4,097 | 4,154 |
| Other service charges and fees                          | 596   | 592   | 658   | 507   | 472   |
| Income on sale of mortgage<br>loans, net of commissions | 763   | 755   | 676   | 698   | 827   |
| Income on investment banking,<br>net of commissions     | 55    | 90    | 107   | 51    | 146   |
| Credit card fees  | 2,755 | 2,699 | 2,458 | 2,709 | 2,619 |
| Premiums on sale of student<br>loans                    | 413   | 659   | 736   | 251   | 295   |
| Bank owned life insurance<br>income                     | 382   | 415   | 301   | 317   | 279   |
| Other income  | 654   | 804   | 546   | 623   | 518   |
| Gain (loss) on sale of securities,<br>net of taxes      | -     | -     | -     | -     | -     |



|                                       |          |          |          |          |          |
|---------------------------------------|----------|----------|----------|----------|----------|
| <b>TOTAL NON-INTEREST INCOME</b>      | 11,026   | 11,516   | 10,612   | 10,678   | 10,740   |
| <b>NON-INTEREST EXPENSE</b>           |          |          |          |          |          |
| Salaries and employee benefits        | 13,298   | 13,466   | 13,505   | 13,039   | 12,703   |
| Occupancy expense, net                | 1,612    | 1,541    | 1,520    | 1,527    | 1,483    |
| Furniture and equipment expense       | 1,407    | 1,456    | 1,418    | 1,482    | 1,421    |
| Loss on foreclosed assets             | 32       | 40       | 33       | 31       | 57       |
| Deposit insurance                     | 64       | 71       | 69       | 65       | 72       |
| Other operating expenses              | 5,725    | 5,727    | 5,580    | 5,835    | 5,490    |
| <b>TOTAL NON-INTEREST EXPENSE</b>     | 22,138   | 22,301   | 22,125   | 21,979   | 21,226   |
| <b>NET INCOME BEFORE INCOME TAXES</b> | 10,663   | 10,618   | 8,731    | 9,884    | 10,650   |
| Provision for income taxes            | 3,219    | 3,322    | 2,743    | 3,059    | 3,316    |
| <b>NET INCOME</b>                     | \$ 7,444 | \$ 7,296 | \$ 5,988 | \$ 6,825 | \$ 7,334 |
| <b>BASIC EARNINGS PER SHARE</b>       | \$ 0.53  | \$ 0.51  | \$ 0.42  | \$ 0.48  | \$ 0.51  |
| <b>DILUTED EARNINGS PER SHARE</b>     | \$ 0.51  | \$ 0.51  | \$ 0.41  | \$ 0.47  | \$ 0.50  |

**Simmons First National  
Corporation**  
**Consolidated Statements of  
Income - Year-to-Date  
For the Quarters Ended  
(Unaudited)**

SFNC

(In thousands, except per  
share data)

**INTEREST INCOME**

|   | Sep 30<br>2006 | Jun 30<br>2006 | Mar 31<br>2006 | Dec 31<br>2005 | Sep 30<br>2005 |
|---|----------------|----------------|----------------|----------------|----------------|
| Loans   | \$ 95,705      | \$ 61,781      | \$ 30,087      | \$ 112,238     | \$ 81,813      |
| Federal funds sold  | 692            | 367            | 175            | 925            | 863            |
| Investment securities   | 14,991         | 9,808          | 4,830          | 18,677         | 13,926         |
| Mortgage loans held for sale, net<br>of unrealized gains (losses) | 369            | 228            | 100            | 552            | 421            |
| Assets held in trading accounts                                   | 58             | 44             | 25             | 99             | 74             |
| Interest bearing balances due<br>from banks                       | 785            | 556            | 297            | 580            | 418            |
| <b>TOTAL INTEREST INCOME</b>                                      | <b>112,600</b> | <b>72,784</b>  | <b>35,514</b>  | <b>133,071</b> | <b>97,515</b>  |

**INTEREST EXPENSE**

|   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
| Time deposits   | 29,837        | 18,456        | 8,724         | 26,431        | 18,381        |
| Other deposits  | 8,476         | 5,453         | 2,544         | 7,777         | 5,508         |
| Federal funds purchased and<br>securities<br>sold under agreements to<br>repurchase | 3,320         | 2,168         | 1,104         | 3,104         | 2,088         |
| Short-term debt   | 1,082         | 321           | 96            | 1,101         | 790           |
| Long-term debt  | 3,364         | 2,242         | 1,094         | 4,401         | 3,306         |
| <b>TOTAL INTEREST EXPENSE</b>   | <b>46,079</b> | <b>28,640</b> | <b>13,562</b> | <b>42,814</b> | <b>30,073</b> |
| <b>NET INTEREST INCOME</b>  | <b>66,521</b> | <b>44,144</b> | <b>21,952</b> | <b>90,257</b> | <b>67,442</b> |
| Provision for loan losses   | 3,099         | 2,497         | 1,708         | 7,526         | 5,895         |

**NET INTEREST INCOME****AFTER PROVISION**

|                        |               |               |               |               |               |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>FOR LOAN LOSSES</b> | <b>63,422</b> | <b>41,647</b> | <b>20,244</b> | <b>82,731</b> | <b>61,547</b> |
|------------------------|---------------|---------------|---------------|---------------|---------------|

**NON-INTEREST INCOME**

|   |        |       |       |        |        |
|---|--------|-------|-------|--------|--------|
| Trust income  | 4,095  | 2,660 | 1,367 | 5,589  | 4,164  |
| Service charges on deposit<br>accounts                  | 11,945 | 7,972 | 3,763 | 15,818 | 11,721 |
| Other service charges and fees                          | 1,846  | 1,250 | 658   | 2,017  | 1,511  |
| Income on sale of mortgage<br>loans, net of commissions | 2,194  | 1,431 | 676   | 2,919  | 2,221  |
| Income on investment banking,<br>net of commissions     | 252    | 197   | 107   | 416    | 364    |
| Credit card fees  | 7,912  | 5,157 | 2,458 | 10,252 | 7,543  |
| Premiums on sale of student<br>loans                    | 1,808  | 1,395 | 736   | 1,822  | 1,572  |
| Bank owned life insurance<br>income                     | 1,059  | 716   | 301   | 953    | 636    |
| Other income  | 2,043  | 1,350 | 546   | 2,700  | 2,078  |
| Gain (loss) on sale of securities,<br>net of taxes      | -      | -     | -     | (168)  | (168)  |

|                                       |                  |                  |                 |                  |                  |
|---------------------------------------|------------------|------------------|-----------------|------------------|------------------|
| <b>TOTAL NON-INTEREST INCOME</b>      | 33,154           | 22,128           | 10,612          | 42,318           | 31,642           |
| <b>NON-INTEREST EXPENSE</b>           |                  |                  |                 |                  |                  |
| Salaries and employee benefits        | 40,269           | 26,971           | 13,505          | 51,270           | 38,231           |
| Occupancy expense, net                | 4,673            | 3,061            | 1,520           | 5,840            | 4,314            |
| Furniture and equipment expense       | 4,281            | 2,874            | 1,418           | 5,758            | 4,277            |
| Loss on foreclosed assets             | 105              | 73               | 33              | 191              | 160              |
| Deposit insurance                     | 204              | 140              | 69              | 279              | 214              |
| Other operating expenses              | 17,032           | 11,307           | 5,580           | 22,246           | 16,412           |
| <b>TOTAL NON-INTEREST EXPENSE</b>     | <b>66,564</b>    | <b>44,426</b>    | <b>22,125</b>   | <b>85,584</b>    | <b>63,608</b>    |
| <b>NET INCOME BEFORE INCOME TAXES</b> | <b>30,012</b>    | <b>19,349</b>    | <b>8,731</b>    | <b>39,465</b>    | <b>29,581</b>    |
| Provision for income taxes            | 9,284            | 6,065            | 2,743           | 12,503           | 9,444            |
| <b>NET INCOME</b>                     | <b>\$ 20,728</b> | <b>\$ 13,284</b> | <b>\$ 5,988</b> | <b>\$ 26,962</b> | <b>\$ 20,137</b> |
| <b>BASIC EARNINGS PER SHARE</b>       | <b>\$ 1.46</b>   | <b>\$ 0.93</b>   | <b>\$ 0.42</b>  | <b>\$ 1.88</b>   | <b>\$ 1.40</b>   |
| <b>DILUTED EARNINGS PER SHARE</b>     | <b>\$ 1.43</b>   | <b>\$ 0.92</b>   | <b>\$ 0.41</b>  | <b>\$ 1.84</b>   | <b>\$ 1.37</b>   |

**Simmons First National  
Corporation  
Consolidated Risk-Based  
Capital**

SFNC

| <b>For the Quarters Ended<br/>(Unaudited)</b>         | <b>Sep 30<br/>2006</b> | <b>Jun 30<br/>2006</b> | <b>Mar 31<br/>2006</b> | <b>Dec 31<br/>2005</b> | <b>Sep 30<br/>2005</b> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>(In thousands)</b>                                 |                        |                        |                        |                        |                        |
| <b><u>Tier 1 capital</u></b>                          |                        |                        |                        |                        |                        |
| Stockholders' equity                                  | \$ 254,592             | \$ 247,179             | \$ 245,211             | \$ 244,085             | \$ 241,171             |
| Trust preferred securities,<br>net allowable          | 30,000                 | 30,000                 | 30,000                 | 30,000                 | 30,000                 |
| Disallowed intangible<br>assets, net of def. tax      | (64,557)               | (64,781)               | (65,084)               | (65,047)               | (65,271)               |
| Unrealized loss (gain) on<br>AFS securities           | 2,818                  | 5,735                  | 4,599                  | 4,360                  | 3,448                  |
| Other   | -                      | -                      | -                      | -                      | -                      |
| <b>Total Tier 1 capital</b>                           | <b>222,853</b>         | <b>218,133</b>         | <b>214,726</b>         | <b>213,398</b>         | <b>209,348</b>         |
| <b><u>Tier 2 capital</u></b>                          |                        |                        |                        |                        |                        |
| Qualifying unrealized gain<br>on AFS securities       | 177                    | 173                    | 317                    | 338                    | 357                    |
| Qualifying allowance for<br>loan losses               | 23,103                 | 22,359                 | 21,468                 | 21,815                 | 21,952                 |
| <b>Total Tier 2 capital</b>                           | <b>23,280</b>          | <b>22,532</b>          | <b>21,785</b>          | <b>22,153</b>          | <b>22,309</b>          |
| <b>Total risk-based capital</b>                       | <b>\$ 246,133</b>      | <b>\$ 240,665</b>      | <b>\$ 236,511</b>      | <b>\$ 235,551</b>      | <b>\$ 231,657</b>      |
| <b>Risk weighted assets</b>                           | <b>\$ 1,843,931</b>    | <b>\$ 1,783,411</b>    | <b>\$ 1,716,446</b>    | <b>\$ 1,740,005</b>    | <b>\$ 1,750,783</b>    |
| <b>Adjusted average assets<br/>for leverage ratio</b> | <b>\$ 2,547,134</b>    | <b>\$ 2,488,304</b>    | <b>\$ 2,465,348</b>    | <b>\$ 2,475,659</b>    | <b>\$ 2,473,854</b>    |
| <b><u>Ratios at end of quarter</u></b>                |                        |                        |                        |                        |                        |
| Leverage ratio  | 8.75%                  | 8.77%                  | 8.71%                  | 8.62%                  | 8.46%                  |
| Tier 1 capital  | 12.09%                 | 12.23%                 | 12.51%                 | 12.26%                 | 11.96%                 |
| Total risk-based capital                              | 13.35%                 | 13.49%                 | 13.78%                 | 13.54%                 | 13.23%                 |

**Simmons First National  
Corporation  
Consolidated Loans and  
Investments**

SFNC

**For the Quarters Ended  
(Unaudited)**

**Sep 30  
2006**

**Jun 30  
2006**

**Mar 31  
2006**

**Dec 31  
2005**

**Sep 30  
2005**

(In thousands)

**Loan Portfolio - End of  
Period**

|                           |                     |                     |                     |                     |                     |
|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Consumer                  |                     |                     |                     |                     |                     |
| Credit cards              | \$ 133,607          | \$ 132,464          | \$ 129,833          | \$ 143,058          | \$ 138,077          |
| Student loans             | 86,875              | 77,085              | 91,090              | 89,818              | 89,759              |
| Other consumer            | 146,039             | 140,631             | 140,958             | 138,051             | 136,626             |
| Real Estate               |                     |                     |                     |                     |                     |
| Construction              | 267,604             | 248,834             | 242,145             | 238,898             | 227,063             |
| Single-family residential | 364,657             | 348,782             | 341,795             | 340,847             | 338,466             |
| Other commercial          | 494,512             | 487,288             | 473,559             | 479,684             | 462,978             |
| Unearned income           | (4)                 | (5)                 | (5)                 | (8)                 | (8)                 |
| Commercial                |                     |                     |                     |                     |                     |
| Commercial                | 175,576             | 188,480             | 181,174             | 184,920             | 177,682             |
| Agricultural              | 103,301             | 86,244              | 59,944              | 68,761              | 105,107             |
| Financial institutions    | 576                 | 16,152              | 16,158              | 20,499              | 21,219              |
| Other                     | 15,774              | 12,673              | 14,369              | 13,579              | 12,403              |
| <b>Total Loans</b>        | <b>\$ 1,788,517</b> | <b>\$ 1,738,628</b> | <b>\$ 1,691,020</b> | <b>\$ 1,718,107</b> | <b>\$ 1,709,372</b> |

**Investment Securities - End  
of Period**

**Held-to-Maturity**

|                                     |                |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| U.S. Treasury                       | \$ 1,001       | \$ 1,002       | \$ 1,003       | \$ 1,004       | \$ 2,007       |
| U.S. Government agencies            | 53,000         | 42,000         | 32,000         | 28,000         | 25,999         |
| Mortgage-backed securities          | 161            | 167            | 180            | 187            | 197            |
| State and political<br>subdivisions | 116,481        | 116,770        | 113,512        | 117,148        | 120,424        |
| Other securities                    | 2,301          | 4,673          | 2,038          | 3,960          | 2,496          |
| <b>Total held-to-maturity</b>       | <b>172,944</b> | <b>164,612</b> | <b>148,733</b> | <b>150,299</b> | <b>151,123</b> |

**Available-for-Sale**

|                                     |                |                |                |                |                |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| U.S. Treasury                       | 6,749          | 7,398          | 10,201         | 10,887         | 17,363         |
| U.S. Government agencies            | 331,709        | 335,618        | 350,688        | 340,990        | 346,309        |
| Mortgage-backed securities          | 3,095          | 3,074          | 3,264          | 3,309          | 3,442          |
| State and political<br>subdivisions | 1,373          | 1,373          | 2,139          | 3,053          | 3,169          |
| FHLB stock                          | 7,674          | 7,693          | 6,150          | 6,044          | 11,320         |
| Other securities                    | 7,961          | 8,061          | 8,175          | 7,207          | 7,245          |
| <b>Total available-for-sale</b>     | <b>358,561</b> | <b>363,217</b> | <b>380,617</b> | <b>371,490</b> | <b>388,848</b> |

|                                    |                   |                   |                   |                   |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Total investment securities</b> | <b>\$ 531,505</b> | <b>\$ 527,829</b> | <b>\$ 529,350</b> | <b>\$ 521,789</b> | <b>\$ 539,971</b> |
|                                    | <b>\$ 172,951</b> | <b>\$ 161,655</b> | <b>\$ 147,589</b> | <b>\$ 149,173</b> | <b>\$ 151,192</b> |

Fair Value - HTM investment securities

**Investment Securities - QTD Average**

|   |    |         |    |         |    |         |    |         |    |         |
|---|----|---------|----|---------|----|---------|----|---------|----|---------|
| Taxable securities                        | \$ | 410,382 | \$ | 411,388 | \$ | 409,238 | \$ | 412,483 | \$ | 419,204 |
| Tax exempt securities                     |    | 117,384 |    | 119,298 |    | 116,485 |    | 119,642 |    | 122,030 |
| Total investment securities - QTD average | \$ | 527,766 | \$ | 530,686 | \$ | 525,723 | \$ | 532,125 | \$ | 541,234 |

**Page 6**

**Simmons First National  
Corporation  
Consolidated Allowance and  
Asset Quality**

SFNC

**For the Quarters Ended  
(Unaudited)**

(In thousands)

**Allowance for Loan Losses**

|                               | Sep 30<br>2006 | Jun 30<br>2006 | Mar 31<br>2006 | Dec 31<br>2005 | Sep 30<br>2005 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Balance, beginning of quarter | \$ 26,174      | \$ 26,463      | \$ 26,923      | \$ 27,330      | \$ 27,013      |

## Loans charged off

|                         |       |       |       |       |       |
|-------------------------|-------|-------|-------|-------|-------|
| Credit cards            | 661   | 600   | 593   | 1,455 | 1,157 |
| Other consumer          | 352   | 223   | 272   | 299   | 341   |
| Real estate             | 74    | 741   | 260   | 262   | 444   |
| Commercial              | 717   | 182   | 209   | 532   | 1,217 |
| Total loans charged off | 1,804 | 1,746 | 1,334 | 2,548 | 3,159 |

Recoveries of loans previously  
charged off

|                       |     |       |     |       |       |
|-----------------------|-----|-------|-----|-------|-------|
| Credit cards          | 291 | 271   | 236 | 192   | 245   |
| Other consumer        | 147 | 156   | 153 | 131   | 214   |
| Real estate           | 87  | 213   | 198 | 46    | 128   |
| Commercial            | 382 | 28    | 104 | 142   | 1,153 |
| Total recoveries      | 907 | 668   | 691 | 511   | 1,740 |
| Net loans charged off | 897 | 1,078 | 643 | 2,037 | 1,419 |

Reclass to reserve for unfunded  
commitments

|                           |           |           |           |           |           |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
|                           | -         | -         | (1,525)   | -         | -         |
| Provision for loan losses | 602       | 789       | 1,708     | 1,630     | 1,736     |
| Balance, end of quarter   | \$ 25,879 | \$ 26,174 | \$ 26,463 | \$ 26,923 | \$ 27,330 |

**Non-performing assets**

## Non-performing loans

## Nonaccrual loans

|                        |          |          |          |          |          |
|------------------------|----------|----------|----------|----------|----------|
| Real estate            | \$ 7,674 | \$ 6,266 | \$ 4,497 | \$ 5,598 | \$ 6,069 |
| Commercial             | 1,054    | 2,160    | 1,328    | 602      | 1,026    |
| Consumer               | 1,089    | 1,130    | 1,005    | 1,096    | 1,193    |
| Total nonaccrual loans | 9,817    | 9,556    | 6,830    | 7,296    | 8,288    |

Loans past due 90 days or  
more

|                            |        |        |       |       |       |
|----------------------------|--------|--------|-------|-------|-------|
|                            | 1,029  | 1,210  | 1,974 | 1,131 | 1,181 |
| Total non-performing loans | 10,846 | 10,766 | 8,804 | 8,427 | 9,469 |

## Other non-performing assets

|                                      |       |       |       |       |       |
|--------------------------------------|-------|-------|-------|-------|-------|
| Foreclosed assets held for sale      | 1,413 | 1,740 | 1,666 | 1,540 | 2,120 |
| Other non-performing assets          | 16    | -     | 11    | 16    | 78    |
| Total other non-performing<br>assets | 1,429 | 1,740 | 1,677 | 1,556 | 2,198 |

|                             |           |           |           |          |           |
|-----------------------------|-----------|-----------|-----------|----------|-----------|
| Total non-performing assets | \$ 12,275 | \$ 12,506 | \$ 10,481 | \$ 9,983 | \$ 11,667 |
|-----------------------------|-----------|-----------|-----------|----------|-----------|

**Ratios**

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|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Allowance for loan losses to total loans                           | 1.45%   | 1.51%   | 1.56%   | 1.57%   | 1.60%   |
| Allowance for loan losses to non-performing loans                  | 238.60% | 243.12% | 300.58% | 319.48% | 288.63% |
| Allowance for loan losses to non-performing assets                 | 210.83% | 209.29% | 252.49% | 269.69% | 234.25% |
| Non-performing assets ratio *                                      | 0.69%   | 0.72%   | 0.62%   | 0.58%   | 0.68%   |
| Non-performing loans to total loans                                | 0.61%   | 0.62%   | 0.52%   | 0.49%   | 0.55%   |
| Non-performing assets to total assets                              | 0.46%   | 0.48%   | 0.41%   | 0.40%   | 0.45%   |
| Annualized net charge offs to total loans                          | 0.20%   | 0.25%   | 0.15%   | 0.47%   | 0.33%   |
| Annualized net charge offs to total loans (excluding credit cards) | 0.13%   | 0.19%   | 0.07%   | 0.20%   | 0.13%   |

\* Non-performing assets ratio = ( non-performing loans + foreclosed assets) / ( total loans + foreclosed assets)



**Simmons First National  
Corporation  
Consolidated - Selected  
Financial Data**

SFNC

**For the Quarters Ended  
(Unaudited)**

**Sep 30  
2006**

**Jun 30  
2006**

**Mar 31  
2006**

**Dec 31  
2005**

**Sep 30  
2005**

**(In thousands, except share  
data)**

**QUARTER-TO-DATE**

|  |            |            |            |            |            |
|--|------------|------------|------------|------------|------------|
| Diluted earnings per share                       | \$ 0.51    | \$ 0.51    | \$ 0.41    | \$ 0.47    | \$ 0.50    |
| Operating earnings (excludes nonrecurring items) | 7,444      | 7,296      | 5,988      | 6,825      | 7,334      |
| Diluted operating earnings per share             | 0.51       | 0.51       | 0.41       | 0.47       | 0.50       |
| Cash dividends declared per common share         | 0.17       | 0.17       | 0.16       | 0.16       | 0.15       |
| Cash dividends declared - amount                 | 2,413      | 2,418      | 2,280      | 2,293      | 2,152      |
| Return on average stockholders' equity           | 11.70%     | 11.77%     | 9.87%      | 11.09%     | 12.05%     |
| Return on average assets                         | 1.13%      | 1.15%      | 0.96%      | 1.07%      | 1.15%      |
| Net interest margin (FTE)                        | 3.91%      | 4.01%      | 4.05%      | 4.10%      | 4.10%      |
| FTE Adjustment - investments                     | 707        | 718        | 695        | 701        | 714        |
| FTE Adjustment - loans                           | 89         | 86         | 85         | 88         | 89         |
| Amortization of intangibles                      | 207        | 209        | 207        | 208        | 207        |
| Amortization of intangibles, net of taxes        | 130        | 132        | 130        | 131        | 130        |
| Average shares outstanding                       | 14,195,844 | 14,247,973 | 14,265,085 | 14,329,026 | 14,357,059 |
| Shares repurchased                               | 24,000     | 75,400     | 89,500     | 29,458     | 44,835     |
| Average price of repurchased shares              | 27.93      | 26.74      | 28.12      | 27.81      | 27.39      |
| Average earning assets                           | 2,349,680  | 2,298,150  | 2,277,983  | 2,281,780  | 2,292,982  |
| Average interest bearing liabilities             | 2,026,410  | 1,964,951  | 1,943,206  | 1,958,724  | 1,971,648  |

**YEAR-TO-DATE**

|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Diluted earnings per share                       | \$ 1.43 | \$ 0.92 | \$ 0.41 | \$ 1.84 | \$ 1.37 |
| Operating earnings (excludes nonrecurring items) | 20,728  | 13,284  | 5,988   | 26,962  | 20,137  |
| Diluted operating earnings per share             | 1.43    | 0.92    | 0.41    | 1.84    | 1.37    |
| Cash dividends declared per common share         | 0.50    | 0.33    | 0.16    | 0.61    | 0.45    |
| Return on average stockholders' equity           | 11.13%  | 10.83%  | 9.87%   | 11.24%  | 11.29%  |
| Return on average assets                         | 1.08%   | 1.06%   | 0.96%   | 1.08%   | 1.08%   |
| Net interest margin (FTE)                        | 3.99%   | 4.03%   | 4.05%   | 4.13%   | 4.14%   |
| FTE Adjustment - investments                     | 2,120   | 1,413   | 695     | 2,891   | 2,190   |

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|   |            |            |            |            |            |
|---|------------|------------|------------|------------|------------|
| FTE Adjustment - loans                              | 260        | 171        | 85         | 343        | 255        |
| Amortization of intangibles                         | 623        | 416        | 207        | 829        | 621        |
| Amortization of intangibles,<br>net of taxes        | 392        | 262        | 130        | 522        | 391        |
| Average shares outstanding                          | 14,236,047 | 14,256,482 | 14,265,085 | 14,375,005 | 14,385,842 |
| Diluted shares outstanding                          | 255,393    | 259,130    | 274,270    | 311,922    | 297,548    |
| Average earning assets                              | 2,308,604  | 2,288,068  | 2,277,983  | 2,264,402  | 2,258,545  |
| Average interest bearing<br>liabilities             | 1,978,189  | 1,954,077  | 1,943,206  | 1,937,085  | 1,929,791  |
| <b>END OF PERIOD</b>                                |            |            |            |            |            |
| Book value  | \$ 17.94   | \$ 17.41   | \$ 17.19   | \$ 17.04   | \$ 16.82   |
| Shares outstanding                                  | 14,188,008 | 14,199,100 | 14,264,144 | 14,326,923 | 14,337,803 |
| Full-time equivalent<br>employees                   | 1,121      | 1,140      | 1,111      | 1,110      | 1,099      |
| Total number of ATM's                               | 88         | 88         | 87         | 86         | 83         |
| Total number of financial<br>centers                | 81         | 81         | 80         | 79         | 77         |
| Parent company only -<br>investment in subsidiaries | 272,909    | 267,177    | 267,732    | 265,714    | 263,991    |
| Parent company only -<br>intangible assets          | 133        | 133        | 133        | 133        | 133        |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

SIMMONS FIRST NATIONAL CORPORATION

Date: October 19, 2006

/s/ Robert A. Fehlman

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Robert A. Fehlman, Executive Vice President  
and Chief Financial Officer