

FARMERS CAPITAL BANK CORP
Form 10-Q
August 08, 2011

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

FORM 10-Q

QUARTERLY REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

For the quarterly period ended June 30, 2011

Farmers Capital Bank Corporation
(Exact name of registrant as specified in its charter)

Kentucky
(State or other
jurisdiction
of incorporation)

0-14412
(Commission
File Number)

61-1017851
(IRS Employer
Identification No.)

P.O. Box 309 Frankfort, KY
(Address of principal executive offices)

40602
(Zip Code)

Registrant's telephone number, including area code – (502)-227-1668

Not Applicable
(Former name or former address, 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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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, a non-accelerated filer, or a “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Accelerated filer ☐

Large accelerated
filer ☐

Non-accelerated filer ☒ (Do not check if a smaller reporting company)
Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value \$0.125 per share
7,426,914 shares outstanding at August 5, 2011

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Unaudited Consolidated Balance Sheets

	June 30, 2011	December 31, 2010
(Dollars in thousands, except per share data)		
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$24,710	\$24,268
Interest bearing deposits in other banks	71,918	139,902
Federal funds sold and securities purchased under agreements to resell	1,878	17,886
Total cash and cash equivalents	98,506	182,056
Investment securities:		
Available for sale, amortized cost of \$576,380 (2011) and \$440,580 (2010)	583,885	444,182
Held to maturity, fair value of \$949 (2011) and \$844 (2010)	930	930
Total investment securities	584,815	445,112
Loans, net of unearned income	1,132,534	1,192,840
Allowance for loan losses	(29,738)	(28,784)
Loans, net	1,102,796	1,164,056
Premises and equipment, net	39,719	39,612
Company-owned life insurance	27,004	28,791
Other intangibles, net	2,980	3,552
Other real estate owned	34,710	30,545
Other assets	41,154	41,969
Total assets	\$1,931,684	\$1,935,693
Liabilities		
Deposits:		
Noninterest bearing	\$214,719	\$206,887
Interest bearing	1,232,183	1,256,685
Total deposits	1,446,902	1,463,572
Term federal funds purchased and other short-term borrowings	64,666	47,409
Securities sold under agreements to repurchase and other long-term borrowings	195,904	203,239
Subordinated notes payable to unconsolidated trusts	48,970	48,970
Dividends payable	188	188
Other liabilities	21,941	22,419
Total liabilities	1,778,571	1,785,797
Shareholders' Equity		
Preferred stock, no par value 1,000,000 shares authorized; 30,000 Series A shares issued and outstanding at June 30, 2011 and December 31, 2010; Liquidation preference of \$30,000	28,914	28,719
Common stock, par value \$.125 per share 14,608,000 shares authorized; 7,426,914 and 7,411,676 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	928	926
Capital surplus	50,772	50,675
Retained earnings	68,947	68,678
Accumulated other comprehensive income	3,552	898
Total shareholders' equity	153,113	149,896
Total liabilities and shareholders' equity	\$1,931,684	\$1,935,693
See accompanying notes to unaudited consolidated financial statements.		

Unaudited Consolidated Statements of Income

(In thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Interest Income				
Interest and fees on loans	\$ 15,701	\$ 17,977	\$ 31,881	\$ 35,719
Interest on investment securities:				
Taxable	3,906	4,683	7,276	9,382
Nontaxable	461	750	994	1,607
Interest on deposits in other banks	64	63	147	145
Interest of federal funds sold and securities purchased under agreements to resell	1	2	3	4
Total interest income	20,133	23,475	40,301	46,857
Interest Expense				
Interest on deposits	3,772	5,995	7,719	12,697
Interest on federal funds purchased and other short-term borrowings	49	81	111	173
Interest on securities sold under agreements to repurchase and other long-term borrowings	1,984	2,616	3,982	5,253
Interest on subordinated notes payable to unconsolidated trusts	506	506	1,011	1,007
Total interest expense	6,311	9,198	12,823	19,130
Net interest income	13,822	14,277	27,478	27,727
Provision for loan losses	4,528	5,490	6,969	7,416
Net interest income after provision for loan losses	9,294	8,787	20,509	20,311
Noninterest Income				
Service charges and fees on deposits	2,177	2,392	4,230	4,536
Allotment processing fees	1,356	1,421	2,685	2,789
Other service charges, commissions, and fees	1,062	1,219	2,091	2,340
Data processing income	271	380	535	727
Trust income	659	401	1,086	829
Investment securities gains, net	413	3,367		