

GREAT SOUTHERN BANCORP, INC.
Form 10-Q
August 03, 2018

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

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES ACT OF 1934

For the Quarterly Period Ended June 30, 2018

Commission File Number 0-18082

GREAT SOUTHERN BANCORP, INC.

(Exact name of registrant as specified in its charter)

Maryland 43-1524856
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

1451 E. Battlefield, Springfield, Missouri 65804
(Address of principal executive offices) (Zip Code)

(417) 887-4400
(Registrant's telephone number, including area code)

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 /X/ 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/X/ No / /

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

Large accelerated filer / / Accelerated filer /X/
(Do not check if a smaller reporting company)
Non-accelerated filer / /
Smaller reporting company / /
Emerging growth company / /

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. //

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

Yes / / No /X/

The number of shares outstanding of each of the registrant's classes of common stock: 14,142,448 shares of common stock, par value \$.01, outstanding at July 31, 2018.

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PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

GREAT SOUTHERN BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(In thousands, except number of shares)

	JUNE 30, 2018 (Unaudited)	DECEMBER 31, 2017
ASSETS		
Cash	\$ 107,554	\$ 115,600
Interest-bearing deposits in other financial institutions	172,931	126,653
Cash and cash equivalents	280,485	242,253
Available-for-sale securities	169,971	179,179
Held-to-maturity securities (fair value \$0 – June 2018; \$131 - December 2017)	—	130
Mortgage loans held for sale	5,087	8,203
Loans receivable, net of allowance for loan losses of \$37,556 – June 2018; \$36,492 - December 2017	3,859,801	3,726,302
Interest receivable	12,449	12,338
Prepaid expenses and other assets	40,937	47,122
Other real estate owned and repossessions, net	18,266	22,002
Premises and equipment, net	139,386	138,018
Goodwill and other intangible assets	10,025	10,850
Investment in Federal Home Loan Bank stock	15,678	11,182
Current and deferred income taxes	16,778	16,942
Total Assets	\$ 4,568,863	\$ 4,414,521
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 3,597,057	\$ 3,597,144
Federal Home Loan Bank advances	259,000	127,500
Securities sold under reverse repurchase agreements with customers	95,543	80,531
Short-term borrowings	1,360	16,604
Subordinated debentures issued to capital trusts	25,774	25,774
Subordinated notes	73,766	73,688
Accrued interest payable	3,394	2,904
Advances from borrowers for taxes and insurance	7,957	5,319
Accounts payable and accrued expenses	14,741	13,395
Total Liabilities	4,078,592	3,942,859
Stockholders' Equity:		
Capital stock		
Serial preferred stock – \$.01 par value; authorized 1,000,000 shares; issued and outstanding June 2018 and December 2017 - -0- shares	—	—
Common stock, \$.01 par value; authorized 20,000,000 shares; issued and outstanding June 2018 –14,133,823 shares;	141	141

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December 2017 - 14,087,533 shares		
Additional paid-in capital	29,134	28,203
Retained earnings	461,784	442,077
Accumulated other comprehensive income (loss)	(788)	1,241
Total Stockholders' Equity	490,271	471,662
Total Liabilities and Stockholders' Equity	\$4,568,863	\$4,414,521

See Notes to Consolidated Financial Statements

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GREAT SOUTHERN BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)

	THREE MONTHS ENDED JUNE 30, 2018 2017 (Unaudited)	
INTEREST INCOME		
Loans	\$48,219	\$43,166
Investment securities and other	1,724	1,578
TOTAL INTEREST INCOME	49,943	44,744
INTEREST EXPENSE		
Deposits	6,123	5,004
Federal Home Loan Bank advances	1,166	244
Short-term borrowings and repurchase agreements	180	318
Subordinated debentures issued to capital trusts	238	252
Subordinated notes	1,024	1,025
TOTAL INTEREST EXPENSE	8,731	6,843
NET INTEREST INCOME	41,212	37,901
Provision for Loan Losses	1,950	1,950
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	39,262	35,951
NON-INTEREST INCOME		
Commissions	312	306
Service charges and ATM fees	5,488	5,394
Net realized gains on sales of loans	559	752
Late charges and fees on loans	385	608
Gain (loss) on derivative interest rate products	11	(20)
Gain on termination of loss sharing agreements	—	7,704
Amortization of income/(expense) related to business acquisitions	—	4
Other income	704	1,052
TOTAL NON-INTEREST INCOME	7,459	15,800
NON-INTEREST EXPENSE		
Salaries and employee benefits	14,947	14,498
Net occupancy and equipment expense	6,298	6,025
Postage	834	874
Insurance	650	747
Advertising	632	656
Office supplies and printing	301	233
Telephone	792	789
Legal, audit and other professional fees	689	1,061
Expense on other real estate owned and repossessions	2,737	677

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Partnership tax credit investment amortization	91	217
Acquired deposit intangible asset amortization	412	412
Other operating expenses	1,532	2,182
TOTAL NON-INTEREST EXPENSE	29,915	28,371
Income Before Income Taxes	16,806	23,380
Provision for Income Taxes	2,967	7,204
Net Income	\$13,839	\$16,176
Basic Earnings Per Share	\$0.98	\$1.15
Diluted Earnings Per Share	\$0.97	\$1.14
Dividends Declared Per Share	\$0.28	