MIDSOUTH BANCORP INC Form 10-Q May 09, 2008

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

### FORM 10-Q

xQUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended March 31, 2008 OR "TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from \_\_\_\_\_ to \_\_\_\_\_

### COMMISSION FILE NUMBER 1-11826 MIDSOUTH BANCORP, INC. (Exact name of registrant as specified in its charter)

Louisiana 72 –1020809 (State of other jurisdiction of incorporation or organization) 72 –1020809 (I.R.S. Employer Identification No.)

> 102 Versailles Boulevard, Lafayette, Louisiana 70501 (Address of principal executive offices, including zip code) (337) 237-8343 (Registrant's telephone number, including area code)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act 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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company.

Large accelerated filer "		Accelerated filer
X	Non-accelerated filer "	Small reporting company "

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

YES " NO x

As of April 30, 2008, there were 6,615,942 shares of the registrant's Common Stock, par value \$0.10 per share, outstanding.

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# Part I – Financial Information

Item 1. Financial Statements.

### MidSouth Bancorp, Inc. and Subsidiaries Consolidated Statements of Condition

	March 31, 2008 (unaudited)	December 31, 2007 (audited)
Assets	¢ 2( 202 700	¢ 25.410.020
Cash and due from banks	\$ 26,303,790	\$ 25,419,029
Interest bearing deposits in banks and federal funds sold	89,346,832	5,453,499
Total cash and cash equivalents	115,650,622	30,872,528
Securities available-for-sale, at fair value (cost of \$178,747,679 at March 31, 2008 and \$180,220,461 at December 31, 2007)	181,617,999	181,452,189
Securities held-to-maturity (estimated fair value of \$10,002,956 at March 31, 2008)	101,017,777	101,152,109
and \$10,974,266 at December 31, 2007)	9,747,090	10,745,947
Loans, net of allowance for loan losses of \$6,130,139 at March 31, 2008 and		
\$5,611,582 at December 31, 2007	563,614,828	563,893,656
Other investments	3,553,334	4,020,537
Accrued interest receivable	5,246,276	5,748,784
Bank premises and equipment, net	39,967,219	39,229,018
Goodwill and intangibles	9,718,468	9,759,295
Cash surrender value of life insurance	4,257,432	4,219,117
Other assets	3,657,104	4,114,983
Total assets	\$937,030,372	\$854,056,054
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Non-interest bearing	\$184,109,401	\$182,588,179
Interest bearing	633,894,399	550,928,818
Total deposits	818,003,800	733,516,997
Securities sold under repurchase agreements	26,517,828	26,316,572
Federal Home Loan Bank advances	-	4,400,000
Accrued interest payable	1,143,887	1,314,110
Junior subordinated debentures	15,465,000	15,465,000
Other liabilities	5,568,340	4,574,495
Total liabilities	866,698,855	785,587,174
Stockholders' Equity:		
Preferred stock, no par value; 5,000,000 shares authorized, none issued or outstanding	-	-
Common stock, \$0.10 par value; 10,000,000 shares authorized; 6,762,532 and		
6,722,993 issued and 6,602,610 and 6,576,165 outstanding at March 31, 2008 and		
December 31, 2007, respectively	676,253	672,299

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Capital surplus	51,732,461	51,326,349
Unearned ESOP shares	(101,893)	(132,708)
Accumulated other comprehensive income	1,894,411	812,941
Treasury stock- 159,922 shares at March 31, 2008 and 146,828 shares at December		
31, 2007, at cost	(3,327,523)	(3,040,489)
Retained earnings	19,457,808	18,830,488
Total stockholders' equity	70,331,517	68,468,880
Total liabilities and stockholders' equity	\$937,030,372	\$854,056,054

See notes to unaudited consolidated financial statements.

# MidSouth Bancorp Inc. and Subsidiaries Consolidated Statements of Earnings (Unaudited)

Consolidated Statements of Earnings (Unaudited)	Three Months Ended March 31,		
	2008	2007	
Interest income:		,	
Loans, including fees	\$12,006,053	\$ 10,993,865	
Investment securities:			
Taxable	960,297	980,536	
Nontaxable	1,040,674	1,016,138	
Federal funds sold	305,009	451,472	
Total interest income	14,312,033	13,442,011	
Interest expense:			
Deposits	4,477,601	4,682,230	
Securities sold under repurchase agreements, federal funds purchased and advances	228,248	75,721	
Junior subordinated debentures	332,309	346,169	
Total interest expense	5,038,158	5,104,120	
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Net interest income	9,273,875	8,337,891	
Provision for loan losses	1,200,000	-	
Net interest income after provision for loan losses	8,073,875	8,337,891	
Non-interest income:			
Service charges on deposits	2,369,861	2,306,183	
Credit life insurance	37,216	36,511	
Other charges and fees	1,180,563	920,385	
Total non-interest income	3,587,640	3,263,079	
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Non-interest expenses:			
Salaries and employee benefits	5,177,942	4,786,564	
Occupancy expense	1,949,983	1,571,502	
Other	3,165,504	2,720,984	
Total non-interest expenses	10,293,429	9,079,050	
Income before income taxes	1,368,086	2,521,920	
Provision for income taxes	168,738	575,677	
	100,750	575,077	
Net earnings	\$ 1,199,348	\$ 1,946,243	
Earnings per share:			
Basic	\$ 0.18		
Diluted	\$ 0.18	\$ 0.29	

MidSouth Bancorp, Inc. and Subsidiaries Consolidated Statement of Stockholders' Equity (unaudited) For the Three Months Ended March 31, 2008

## Common Stock

	Shares	n Stock Amount	Capital Surplus	Unearned ESOP Shares	Accumulated Other Comprehensiv Income		Retained Earnings	Total
Balance- January 1, 2008	6,722,993	\$ 672,299	\$ 51,326,349	\$ (132,708	3) \$ 812,941	\$ (3,040,489)	\$ 18,830,488	\$ 68,468,880
Cumulative-effect adjustment resulting from the adoption of EITF 06-04	-	-	-			-	(114,954)	(114,954
Net earnings	-	-	-			-	1,199,348	1,199,348
Comprehensive income:								
Net change in unrealized gain on securities available-for-sale,								
net of taxes	-	-	-		- 1,081,470	-	-	1,081,470
Comprehensive income								2,280,818
Cash dividends on								
common stock,								
\$0.07 per share	_	_	_			_	(457,074)	(457,074
Exercise of stock							(+57,07+)	(+37,07+
options	39,539	3,954	301,639			-	-	305,593
Tax benefit resulting from exercise of stock								
options	-	-	76,633			-	-	76,633
Purchase of								
treasury stock	-	-	-			(287,034)	-	(287,034
ESOP obligation,				20.014	-			20.015
net of repayments Excess of market	-	-	-	30,815	) -	-	-	30,815
value over book value of ESOP shares released,								
net adjustment	-	-	10,500					