

GREAT SOUTHERN BANCORP INC
Form 10-Q
November 10, 2008

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 ACT OF 1934

For the Quarterly Period ended September 30, 2008

Commission File Number 0-18082

GREAT SOUTHERN BANCORP, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State of Incorporation)

43-1524856
(IRS Employer Identification Number)

1451 E. Battlefield, Springfield, Missouri
(Address of Principal Executive Offices)

65804
(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

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. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer 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

The number of shares outstanding of each of the registrant's classes of common stock: 13,380,969 shares of common stock, par value \$.01, outstanding at November 7, 2008.

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)

	SEPTEMBER 30, 2008 (Unaudited)	DECEMBER 31, 2007
ASSETS		
Cash	\$ 56,020	\$ 79,552
Interest-bearing deposits in other financial institutions	67,008	973
Cash and cash equivalents	123,028	80,525
Available-for-sale securities	505,715	425,028
Held-to-maturity securities (fair value \$1,443 – September 2008; \$1,508 - December 2007)	1,360	1,420
Mortgage loans held for sale	5,184	6,717
Loans receivable, net of allowance for loan losses of \$29,379 – September 2008; \$25,459 - December 2007	1,766,583	1,813,394
Interest receivable	12,103	15,441
Prepaid expenses and other assets	17,666	14,904
Foreclosed assets held for sale, net	32,810	20,399
Premises and equipment, net	29,954	28,033
Goodwill and other intangible assets	1,737	1,909
Investment in Federal Home Loan Bank stock	8,448	13,557
Refundable income taxes	7,252	1,701
Deferred income taxes	16,072	8,704
Total Assets	\$ 2,527,912	\$ 2,431,732
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 1,854,474	\$ 1,763,146
Securities sold under reverse repurchase agreements with customers	229,274	143,721
Federal Home Loan Bank advances	122,847	213,867
Structured repurchase agreements	50,000	--
Short-term borrowings	52,519	73,000
Subordinated debentures issued to capital trust	30,929	30,929
Accrued interest payable	8,882	6,149
Advances from borrowers for taxes and insurance	1,232	378
Accounts payable and accrued expenses	8,971	10,671
Total Liabilities	2,359,128	2,241,861
Stockholders' Equity:		
Capital stock		
Serial preferred stock, \$.01 par value; authorized 1,000,000 shares; none issued	--	--

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Common stock, \$.01 par value; authorized 20,000,000 shares;
issued and

outstanding September 2008 - 13,380,969 shares; December
2007 -

13,400,197 shares	134	134
Additional paid-in capital	19,693	19,342
Retained earnings	155,329	170,933
Accumulated other comprehensive income (loss)	(6,372)	(538)
Total Stockholders' Equity	168,784	189,871
Total Liabilities and Stockholders' Equity	\$ 2,527,912	\$ 2,431,732

See Notes to Consolidated Financial Statements

GREAT SOUTHERN BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30,		SEPTEMBER 30,	
	2008	2007	2008	2007
	(Unaudited)		(Unaudited)	
INTEREST INCOME				
Loans	\$ 28,992	\$ 36,636	\$ 91,393	\$ 107,477
Investment securities and other	6,032	5,340	17,635	15,661
TOTAL INTEREST INCOME	35,024	41,976	109,028	123,138
INTEREST EXPENSE				
Deposits	13,708	19,867	45,471	57,489
Federal Home Loan Bank advances	1,140	1,738	3,864	5,065
Short-term borrowings and repurchase agreements	1,473	1,917	4,255	5,576
Subordinated debentures issued to capital trust	336	522	1,097	1,402
TOTAL INTEREST EXPENSE	16,657	24,044	54,687	69,532
NET INTEREST INCOME	18,367	17,932	54,341	53,606
PROVISION FOR LOAN LOSSES	4,500	1,350	47,200	4,125
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	13,867	16,582	7,141	49,481
NON-INTEREST INCOME				
Commissions	1,964	2,435	7,036	7,665
Service charges and ATM fees	4,067	3,817	11,603	11,270
Net realized gains on sales of loans	369	247	1,127	682
Net realized gains (losses) on sales and impairments of available-for-sale securities	(5,293)	4	(5,286)	4
Net gain on sales of fixed assets	9	11	175	35
Late charges and fees on loans	259	370	632	752
Change in interest rate swap fair value net of change in hedged deposit fair value	32	157	5,287	843
Other income	382	569	1,262	1,252
TOTAL NON-INTEREST INCOME	1,789	7,610	21,836	22,503
NON-INTEREST EXPENSE				
Salaries and employee benefits	7,561	7,744	23,807	22,373
Net occupancy and equipment expense	2,027	1,971	6,212	5,844
Postage	558	552	1,690	1,670
Insurance	542	537	1,662	984
Advertising	247	355	866	1,063
Office supplies and printing	209	187		