

BankFinancial CORP
Form 10-Q
November 09, 2011
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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 EXCHANGE ACT OF 1934**

For the Quarterly Period ended September 30, 2011

or

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from to

Commission File Number 0 51331

BANKFINANCIAL CORPORATION

(Exact Name of Registrant as Specified in Charter)

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Maryland
(State or Other Jurisdiction of
Incorporation)

75 3199276
(I.R.S. Employer
Identification No.)

15W060 North Frontage Road,

Burr Ridge, Illinois
(Address of Principal Executive Offices)

60527
(Zip Code)

Registrant's telephone number, including area code: (800) 894 6900

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 Web site, 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 shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

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

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate the number of shares outstanding of each of the Issuer's classes of common stock as of the latest practicable date. 21,072,966 shares of Common Stock, par value \$0.01 per share, were issued and outstanding as of November 4, 2011.

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BANKFINANCIAL CORPORATION

Form 10 Q Quarterly Report

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(In thousands, except share and per share data)

	September 30, 2011	December 31, 2010
	(Unaudited)	
ASSETS		
Cash and due from other financial institutions	\$ 15,270	\$ 18,097
Interest bearing deposits in other financial institutions	92,898	202,713
Cash and cash equivalents	108,168	220,810
Securities, at fair value	94,880	120,747
Loans held for sale	1,388	2,716
Loans receivable, net of allowance for loan losses: September 30, 2011, \$28,778 and December 31, 2010, \$22,180	1,270,023	1,050,766
Other real estate owned and other real estate owned in process	24,278	14,622
Stock in Federal Home Loan Bank, at cost	16,346	15,598
Premises and equipment, net	38,948	32,495
Accrued interest receivable	5,557	5,390
Goodwill	22,566	22,566
Core deposit intangible	4,038	2,700
Bank owned life insurance	21,066	20,581
FDIC prepaid expense	4,662	4,845
Income tax receivable	1,445	1,749
Deferred taxes, net	15,444	9,333
Other assets	5,017	5,737
Total assets	\$ 1,633,826	\$ 1,530,655
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Deposits	1,352,808	1,235,377
Borrowings	9,253	23,749
Advance payments by borrowers taxes and insurance	14,121	7,325
Accrued interest payable and other liabilities	10,542	10,919
Total liabilities	1,386,724	1,277,370
Commitments and contingent liabilities		
Stockholders equity:		
Preferred Stock, \$0.01 par value, 25,000,000 shares authorized, none issued or outstanding		
Common Stock, \$0.01 par value, 100,000,000 shares authorized; 21,072,966 shares issued at September 30, 2011 and December 31, 2010	211	211
Additional paid in capital	193,983	194,186
Retained earnings	65,206	71,278
Unearned Employee Stock Ownership Plan shares	(13,458)	(14,190)

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Accumulated other comprehensive income	1,160	1,800
Total stockholders' equity	247,102	253,285
Total liabilities and stockholders' equity	\$ 1,633,826	\$ 1,530,655

See accompanying notes to consolidated financial statements.

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(In thousands, except share and per share data) (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Interest and dividend income				
Loans, including fees	\$ 17,350	\$ 14,920	\$ 49,915	\$ 46,396
Securities	566	809	2,156	2,727
Other	74	163	267	365
Total interest income	17,990	15,892	52,338	49,488
Interest expense				
Deposits	1,593	2,959	5,342	10,022
Borrowings	36	179	193	722
Total interest expense	1,629	3,138	5,535	10,744
Net interest income	16,361	12,754	46,803	38,744
Provision for loan losses	7,384	419	12,983	3,935
Net interest income after provision for loan losses	8,977	12,335	33,820	34,809
Noninterest income				
Deposit service charges and fees	699	776	2,010	2,341
Other fee income	381	482	1,168	1,416
Insurance commissions and annuities income	146	234	470	548
Gain on sale of loans, net	83	202	141	317
Gain (loss) on disposition of premises and equipment, net	1	(2)	(19)	(19)
Loan servicing fees	138	143	407	467
Amortization and impairment of servicing assets	(105)	(90)	(210)	(411)
Earnings on bank owned life insurance	165	115	485	286
Trust income	199	11	490	35
Other	156	87	371	245
Total noninterest income	1,863	1,958	5,313	5,225
Noninterest expense				
Compensation and benefits	6,229	6,583	19,949	20,346
Office occupancy and equipment	1,845	1,723	5,449	5,133
Advertising and public relations	333	321	830	840
Information technology	1,085	893	3,124	2,775
Supplies, telephone, and postage	450	391	1,264	1,158
Amortization of intangibles	470	399	1,322	1,203
Nonperforming asset management	1,267	821	3,001	1,444
Loss (gain) on sale of other real estate owned	16	206	(98)	314
Operations of other real estate owned	1,572	348	2,994	874
FDIC insurance premiums	354	520	1,107	1,607
Acquisition expenses			1,748	
Other	1,016	985	2,825	2,544

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Total noninterest expense	14,637	13,190	43,515	38,238
Income (loss) before income taxes	(3,797)	1,103	(4,382)	1,796
Income tax expense (benefit)	(1,901)	366	(2,735)	631
Net income (loss)	\$ (1,896)	\$ 737	\$ (1,647)	\$ 1,165
Basic income (loss) per common share	\$ (0.10)	\$ 0.04	\$ (0.08)	\$ 0.06
Diluted income (loss) per common share	\$ (0.10)	\$ 0.04	\$ (0.08)	\$ 0.06
Weighted average common shares outstanding	19,713,952	19,529,392	19,701,904	19,694,416
Diluted weighted average common shares outstanding	19,713,952	19,586,934	19,701,904	19,753,778

See accompanying notes to consolidated financial statements.

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BANKFINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY AND
COMPREHENSIVE INCOME (LOSS)

(In thousands, except share and per share data) (Unaudited)

	Common Stock	Additional Paid in Capital	Retained Earnings	Unearned Employee Stock Ownership Plan Shares	Accumulated Other Comprehen sive Income	Total	Compre hensive Income (Loss)
Balance at January 1, 2010	\$ 214	\$ 195,177	\$ 81,531	\$ (15,169)	\$ 1,850	\$ 263,603	
Comprehensive income:							
Net income			1,165			1,165	\$ 1,165
Change in other comprehensive income, net of tax effects					105	105	105
Total comprehensive income							\$ 1,270
Purchase and retirement of common stock 356,411 shares)	(3)	(3,121)				(3,124)	
Nonvested stock awards Stock based compensation expense		1,597				1,597	
Cash dividends declared on common stock (\$0.21 per share)			(4,472)			(4,472)	
ESOP shares earned		(61)		732		671	
Balance at September 30, 2010	\$ 211	\$ 193,592	\$ 78,224	\$ (14,437)	\$ 1,955	\$ 259,545	
Balance at January 1, 2011	\$ 211	\$ 194,186	\$ 71,278	\$ (14,190)	\$ 1,800	\$ 253,285	
Comprehensive income:							
Net loss			(1,647)			(1,647)	\$ (1,647)
Change in other comprehensive income, net of tax effects					(640)	(640)	(640)
Total comprehensive loss							\$ (2,287)
Nonvested stock awards Stock based compensation expense		43				43	
Cash dividends declared on common stock (\$0.21 per share)			(4,425)			(4,425)	
ESOP shares earned		(246)		732		486	
Balance at September 30, 2011	\$ 211	\$ 193,983	\$ 65,206	\$ (13,458)	\$ 1,160	\$ 247,102	

See accompanying notes to consolidated financial statements.

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BANKFINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW

Nine months ended September 30, 2011 and 2010

(In thousands) (Unaudited)

	2011	2010
Cash flows from operating activities		
Net income (loss)	\$ (1,647)	\$ 1,165
Adjustments to reconcile to net income to net cash from operating activities		
Provision for loan losses	12,983	3,935
ESOP shares earned	486	671
Stock based compensation expense		