

MB FINANCIAL INC /MD  
Form 10-K/A  
April 12, 2002

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM 10-K/A

FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal year ended December 31, 2001

o 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 0-24566-01

## MB FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

36-4460265

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

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801 West Madison Street, Chicago, Illinois  
(Address of Principal Executive Offices)

60607  
(Zip Code)

Registrant's telephone number, including area code: (773) 645-7866

Securities registered pursuant to Section 12(b) of the Act: None

**Title of Each Class**

**Name of Each Exchange on Which Registered**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$0.01 per share  
(Title of Class)

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting shares held by nonaffiliates of the Registrant was \$353,039,086 as of March 20, 2002. Solely for the purpose of this computation, it has been assumed that executive officers and directors of the Registrant are affiliates.

There were issued and outstanding 17,550,736 shares of the Registrant's common stock as of March 20, 2002.

**DOCUMENTS INCORPORATED BY REFERENCE:**

**Document**

**Part of Form 10-K**

Portions of the definitive Proxy Statement to be used in conjunction with the Registrant's 2002 Annual Meeting of Stockholders.

Part III

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The following table sets forth selected quarterly financial data restated to reflect the merger of MB Financial and MidCity Financial with and into the Company, which is being accounted for as a pooling of interests (in thousands, except common share data):

	Three Months Ended 2001				Three Months Ended 2000				
	December(1)	September	June	March	December	September	June	March	
<b>Statement of Income Data:</b>									
Interest Income	\$ 53,631	\$ 57,310	\$ 58,027	\$ 58,288	\$ 59,992	\$ 58,605	\$ 55,561	\$ 53,830	
Interest expense	22,019	27,149	30,626	32,088	33,234	32,009	28,856	27,128	
Net interest income	31,612	30,161	27,401	26,200	26,758	26,596	26,705	26,702	
Provision for loan losses	3,011	1,870	1,260	760	1,963	2,073	2,109	2,018	
Net interest income after provision for loan losses	28,601	28,291	26,141	25,440	24,795	24,523	24,596	24,684	
Other income	6,796	5,946	7,061	6,393	4,949	5,097	5,149	5,253	
Other expense	44,333	22,267	21,668	20,821	20,177	21,503	20,986	21,233	
Income (loss) before income taxes	(8,936)	11,970	11,534	11,012	9,567	8,117	8,759	8,704	
Income taxes	1,274	4,259	3,996	3,688	2,372	1,684	2,017	2,113	
Net income (loss)	\$ (10,210)	\$ 7,711	\$ 7,538	\$ 7,324	\$ 7,195	\$ 6,433	\$ 6,742	\$ 6,591	
<b>Common Share Data(2):</b>									
Basic earnings (loss) per common share(3)	\$ (0.59)	\$ 0.44	\$ 0.43	\$ 0.42	\$ 0.41	\$ 0.37	\$ 0.38	\$ 0.37	
Diluted earnings (loss) per common share(3)	\$ (0.59)	\$ 0.43	\$ 0.42	\$ 0.41	\$ 0.41	\$ 0.36	\$ 0.38	\$ 0.37	
Weighted average common shares outstanding	17,439,211	17,595,327	17,606,797	17,607,365	17,607,365	17,607,365	17,607,365	17,607,365	
Diluted weighted average common shares outstanding	17,439,211	17,971,952	17,883,647	17,695,425	17,607,922	17,649,212	17,617,162	17,607,365	

(1) Other expense includes expenses totaling \$22.7 million (\$19.2 million net of the related tax benefit) incurred due to the MB-MidCity merger.

(2) For all quarters presented, common share data includes MidCity Financial common stock converted to Company common stock at an exchange ratio of 230.32955 to 1 and MB Financial common stock converted to Company common stock at an exchange ratio of 1 to 1

(3) For the three months ended December 31, 2001, basic earnings per common share and diluted earnings per common share were \$0.52 and \$0.50, respectively, excluding the impact of merger expenses totaling \$19.2 million net of the related tax benefit incurred due to the MB-MidCity merger.

*Fourth Quarter Results*

The Company incurred a net loss of \$10.2 million in the fourth quarter of 2001 compared to net income of \$7.2 million in 2000. Excluding merger expenses, net income would have been \$9.0 million in the fourth quarter of 2001, an increase of 24.6% compared to \$7.2 million for the fourth quarter of 2000. Net interest income was \$31.6 million for the three months ended December 31, 2001 compared to \$26.8 million for the three months ended December 31, 2000, an increase of 17.9%. Net interest income increased due to growth in the Company's average interest earning assets, as well as interest-bearing liabilities repricing at a faster pace than interest earning assets in the current interest rate environment.

In the fourth quarter of 2001, \$3.0 million was added to the allowance for loan losses due to increased net charge-offs during the quarter resulting from the charge-off of \$2.8 million in loans to two commercial customers.

Other income increased \$1.8 million (35.5%) to \$6.7 million for the quarter ended December 31, 2001 from \$4.9 million for the same period in 2000. The majority of the increase came from growth in loan service fees, deposit service fees, trust and brokerage fees and net lease financing of \$514 thousand, \$446 thousand, \$268 thousand and \$246 thousand, respectively.

**MB FINANCIAL, INC. & SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS****December 31, 2001 and 2000****(Amounts in thousands, except share data)**

	<b>2001</b>	<b>2000</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 106,572	\$ 92,652
Interest bearing deposits with banks	4,408	9,172
Federal funds sold	19,500	29,775
Investment securities available for sale	843,286	290,135
Investment securities held to maturity, at amortized cost (fair value of \$661,979 at December 31, 2000)		660,311
Loans (net of allowance for loan losses of \$27,500 at December 31, 2001 and \$26,836 at December 31, 2000)	2,276,591	1,990,514
Lease investments, net	56,115	45,344
Interest only securities	8,580	10,538
Premises and equipment, net	49,308	49,492
Cash surrender value of life insurance	33,890	31,703
Intangibles, net	34,826	31,125
Other assets	32,777	46,590
<b>Total assets</b>	<b>\$ 3,465,853</b>	<b>\$ 3,287,351</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Liabilities		
Deposits:		
Noninterest bearing	\$ 473,624	\$ 434,576
Interest bearing	2,348,102	2,204,819
<b>Total deposits</b>	<b>2,821,726</b>	<b>2,639,395</b>
Short-term borrowings	243,282	294,801
Long-term borrowings	58,980	43,596
Accrued expenses and other liabilities	48,277	32,253
<b>Total liabilities</b>	<b>3,172,265</b>	<b>3,010,045</b>
Stockholders Equity:		
Common stock (\$.01 par value; authorized 40,000,000 shares; issued 17,486,924 shares at December 31, 2001, and 18,527,071 at December 31, 2000)	175	186
Additional paid-in capital	63,104	75,593
Retained earnings	219,424	211,871
Accumulated other comprehensive income (loss)	10,885	(1,750)

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Less: 919,705 shares of treasury stock, at cost, at December 31, 2000		(8,594)
<b>Total stockholders equity</b>	293,588	277,306
<b>Total liabilities and stockholders equity</b>	\$ 3,465,853	\$ 3,287,351

See Accompanying Notes to Consolidated Financial Statements.

**SIGNATURES**

**Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.**

MB FINANCIAL, INC.

(registrant)

By: /s/ MITCHELL FEIGER  
Mitchell Feiger  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: April 12, 2002



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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	
<i>/s/ Mitchell Feiger</i> <b>Mitchell Feiger</b>	Director, President and Chief Executive Officer (Principal Executive Officer), April 12, 2002	
<i>/s/ Jill E. York</i> <b>Jill E. York</b>	Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer), April 12, 2002	
<i>/s/ E.M. Bakwin *</i> <b>E.M. Bakwin</b>	Director	) April 12, 2002 ) )
<i>/s/ Robert S. Engelman, Jr. *</i> <b>Robert S. Engelman, Jr.</b>	Director	) ) )
<i>/s/ Alfred Feiger *</i> <b>Alfred Feiger</b>	Director	) ) )
<i>/s/ Burton J. Field *</i> <b>Burton J. Field</b>	Director	) ) )
<i>/s/ Lawrence E. Gilford *</i> <b>Lawrence E. Gilford</b>	Director	) ) )
<i>/s/ Richard I. Gilford *</i> <b>Richard I. Gilford</b>	Director	) ) )
<i>/s/ James N. Hallene *</i> <b>James N. Hallene</b>	Director	) ) )
<i>/s/ Thomas H. Harvey *</i> <b>Thomas H. Harvey</b>	Director	) ) )
<i>/s/ Patrick Henry *</i> <b>Patrick Henry</b>	Director	) ) )
<i>/s/ Leslie S. Hindman *</i> <b>Leslie S. Hindman</b>	Director	) ) )
<i>/s/ Richard J. Holmstrom *</i> <b>Richard J. Holmstrom</b>	Director	) ) )
<i>/s/ David L. Husman *</i> <b>David L. Husman</b>	Director	) ) )
<i>/s/ Clarence Mann *</i> <b>Clarence Mann</b>	Director	) ) )

**Clarence Mann** )  
)  
/s/ Ronald D. Santo \* Director )  
**Ronald D. Santo** )  
)  
/s/ Eugene Sawyer \* Director )  
**Eugene Sawyer** )  
)  
/s/ Kenneth A. Skopec \* Director )  
**Kenneth A. Skopec** )

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\*By: /s/ Mitchell Feiger Individually and Attorney-in-Fact )