

BankFinancial CORP  
Form 10-Q  
April 26, 2010  
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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 March 31, 2010**

**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.

21,416,377 shares of Common Stock, par value \$0.01 per share, were issued and outstanding as of April 22, 2010.

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**BANKFINANCIAL CORPORATION**

Form 10-Q Quarterly Report

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**Table of Contents****PART I****ITEM 1. FINANCIAL STATEMENTS****BANKFINANCIAL CORPORATION****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

March 31, 2010 and December 31, 2009

(In thousands, except share and per share data)

(Unaudited)

	<b>March 31, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Cash and due from other financial institutions	\$ 13,934	\$ 20,355
Interest-bearing deposits in other financial institutions	161,897	87,843
Cash and cash equivalents	175,831	108,198
Securities available-for-sale, at fair value	94,447	102,126
Loans held-for-sale		
Loans receivable, net of allowance for loan losses:		
March 31, 2010, \$17,516; and December 31, 2009, \$18,622	1,152,385	1,218,540
Real estate owned	6,882	4,084
Stock in Federal Home Loan Bank, at cost	15,598	15,598
Premises and equipment, net	34,305	34,614
Accrued interest receivable	5,557	6,111
Goodwill	22,566	22,566
Core deposit intangible	3,890	4,295
Bank owned life insurance	20,230	20,151
FDIC prepaid expense	6,268	6,777
Income tax receivable	9,108	11,729
Other assets	11,587	12,174
<b>Total assets</b>	<b>\$ 1,558,654</b>	<b>\$ 1,566,963</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Liabilities:</b>		
Deposits	1,231,971	1,233,395
Borrowings	48,092	50,784
Advance payments by borrowers taxes and insurance	5,901	8,052
Accrued interest payable and other liabilities	8,981	11,129
<b>Total liabilities</b>	<b>1,294,945</b>	<b>1,303,360</b>
<b>Commitments and contingent liabilities</b>		
<b>Stockholders equity:</b>		
Preferred Stock, \$0.01 par value, 25,000,000 shares authorized, none issued or outstanding		

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Common Stock, \$0.01 par value, 100,000,000 shares authorized; shares issued at March 31, 2010 and December 31, 2009, 21,416,377	214	214
Additional paid-in capital	195,709	195,177
Retained earnings	80,749	81,531
Unearned Employee Stock Ownership Plan shares	(14,928)	(15,169)
Accumulated other comprehensive income	1,965	1,850
<b>Total stockholders' equity</b>	<b>263,709</b>	<b>263,603</b>
Total liabilities and stockholders' equity	\$ 1,558,654	\$ 1,566,963

See accompanying notes to consolidated financial statements.

**Table of Contents****BANKFINANCIAL CORPORATION****CONSOLIDATED STATEMENTS OF OPERATIONS**

Three months ended March 31, 2010 and 2009

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

	Three months ended March 31,	
	2010	2009
<b>Interest income:</b>		
Loans, including fees	\$ 16,057	\$ 17,563
Securities	1,008	1,343
Other	80	
<b>Total interest income</b>	<b>17,145</b>	<b>18,906</b>
<b>Interest expense:</b>		
Deposits	3,629	5,131
Borrowings	300	605
<b>Total interest expense</b>	<b>3,929</b>	<b>5,736</b>
<b>Net interest income</b>	<b>13,216</b>	<b>13,170</b>
Provision for loan losses	851	1,344
<b>Net interest income after provision for loan losses</b>	<b>12,365</b>	<b>11,826</b>
<b>Noninterest income:</b>		
Deposit service charges and fees	773	794
Other fee income	434	428
Insurance commissions and annuities income	135	177
Gain on sale of loans, net	47	256
Loss on disposition of premises and equipment		(4)
Loan servicing fees	170	175
Amortization and impairment of servicing assets	(243)	(222)
Earnings (loss) on bank owned life insurance	79	(59)
Other	60	97
<b>Total noninterest income</b>	<b>1,455</b>	<b>1,642</b>
<b>Noninterest expense:</b>		
Compensation and benefits	7,211	7,865
Office occupancy and equipment	1,801	1,767
Advertising and public relations	216	366
Information technology	921	1,008
Supplies, telephone, and postage	361	424
Amortization of intangibles	405	429
Operations of real estate owned	134	253
FDIC insurance premiums	555	49
Other	1,074	881
<b>Total noninterest expense</b>	<b>12,678</b>	<b>13,042</b>

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<b>Income before income taxes</b>	1,142	426
Income tax expense	426	254
<b>Net income</b>	\$ 716	\$ 172
Basic earnings per common share	\$ 0.04	\$ 0.01
Diluted earnings per common share	\$ 0.04	\$ 0.01
Weighted average common shares outstanding	19,819,709	19,779,561
Diluted weighted average common shares outstanding	19,819,709	19,779,561
See accompanying notes to consolidated financial statements.		

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**BANKFINANCIAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY AND**  
**COMPREHENSIVE INCOME**

Three months ended March 31, 2010 and 2009

(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 Comprehensive Income (Loss)	Total	Comprehensive Income
<b>Balance at December 31, 2008</b>	\$ 217	\$ 195,119	\$ 88,279	\$ (16,148)	\$ (676)	\$ 266,791	
Comprehensive income:							
Net income			172			172	\$ 172
Change in other comprehensive income, net of tax effects					814	814	814
<b>Total comprehensive income</b>							<b>\$ 986</b>
Purchase and retirement of common stock (207,800 shares)	(2)	(1,798)				(1,800)	
Nonvested stock awards-Stock-based compensation expense		941				941	
Cash dividends declared on common stock (\$0.07 per share)			(1,512)			(1,512)	
ESOP shares earned		(1)		242		241	
<b>Balance at March 31, 2009</b>	<b>\$ 215</b>	<b>\$ 194,261</b>	<b>\$ 86,939</b>	<b>\$ (15,906)</b>	<b>\$ 138</b>	<b>\$ 265,647</b>	
<b>Balance at December 31, 2009</b>	<b>\$ 214</b>	<b>\$ 195,177</b>	<b>\$ 81,531</b>	<b>\$</b>			