

MSB FINANCIAL CORP.
Form 10-Q
November 13, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2009

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 001-33246

MSB FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

UNITED STATES
(State or other jurisdiction of
incorporation or organization)

34-1981437
(I.R.S. Employer
Identification Number)

1902 Long Hill Road, Millington, New Jersey
(Address of principal executive offices)

07946-0417
(Zip Code)

Registrant's telephone number, including
area code (908) 647-4000

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 issuer's classes of common stock, as of the latest practicable date: November 11, 2009:

\$0.10 par value common stock 5,259,887 shares outstanding

MSB FINANCIAL CORP. AND SUBSIDIARIES

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MSB FINANCIAL CORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

	September 30, 2009	June 30, 2009
	(Dollars in Thousands, except Per Share Amount)	
Assets		
Cash and due from banks	\$ 4,807	\$ 2,424
Interest-earning demand deposits with banks	2,724	7,075
Cash and Cash Equivalents	7,531	9,499
Trading securities	54	37
Securities held to maturity (fair value of \$50,859 and \$44,642 respectively)	50,521	44,687
Loans receivable, net of allowance for loan losses of \$2,147 and \$1,808 respectively	279,324	276,058
Other real estate	328	—
Premises and equipment	10,855	11,018
Federal Home Loan Bank of New York stock, at cost	1,842	2,122
Bank owned life insurance	4,937	4,894
Accrued interest receivable	1,785	1,780
Deferred income taxes	1,898	1,826
Other assets	1,069	342
Total Assets	\$ 360,144	\$ 352,263
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	\$ 11,840	\$ 9,972
Interest bearing	274,756	262,308
Total Deposits	286,596	272,280
Advances from Federal Home Loan Bank of New York	30,000	36,218
Advance payments by borrowers for taxes and insurance	314	342
Other liabilities	2,398	2,440
Total Liabilities	319,308	311,280
Commitments and Contingencies	—	—
Stockholders' Equity		

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Common stock, par value \$0.10; 10,000,000 shares authorized; 5,620,625 issued; 5,270,921 and 5,310,921 shares outstanding	562	562
Paid-in capital	24,386	24,348
Retained earnings	20,997	20,863
Unearned ESOP shares	(1,560)	(1,602)
Treasury stock, at cost, 349,704 and 309,704 shares, respectively	(3,531)	(3,169)
Accumulated other comprehensive loss	(18)	(19)
Total Stockholders' Equity	40,836	40,983
Total Liabilities and Stockholders' Equity	\$ 360,144	\$ 352,263

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MSB FINANCIAL CORP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Unaudited)

	Three Months Ended	
	September 30,	September 30,
	2009	2008
	(In Thousands, Except Per Share Amounts)	
Interest Income:		
Loans receivable, including fees	\$ 3,713	\$ 3,741
Securities held to maturity	534	376
Other	33	44
Total Interest Income	4,280	4,161
Interest Expense		
Deposits	1,435	1,678
Borrowings	312	415
	1,747	2,093
Less: Capitalized Interest	—	(31)
Total Interest Expense	1,747	2,062
Net Interest Income	2,533	2,099
Provision for Loan Losses	345	65
Net Interest Income after Provision for Loan Losses	2,188	2,034
Non-Interest Income		
Fees and service charges	80	84
Income from bank owned life insurance	43	42
Unrealized gain on trading securities	17	3
Other	27	37
Total Non-Interest Income	167	166
Non-Interest Expenses		