

BANKATLANTIC BANCORP INC

Form 10-Q

November 09, 2007

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**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 EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2007

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 34-027228

BankAtlantic Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

65-0507804

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

2100 West Cypress Creek Road

Fort Lauderdale, Florida

(Address of principal executive offices)

33309

(Zip Code)

(954) 940-5000

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, 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, 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 or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

Title of Each Class	Outstanding at November 6, 2007
Class A Common Stock, par value \$0.01 per share	51,324,309
Class B Common Stock, par value \$0.01 per share	4,876,124

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BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION UNAUDITED

(In thousands, except share data)	September 30, 2007	December 31, 2006
ASSETS		
Cash and cash equivalents	\$ 138,170	\$ 138,904
Securities available for sale and other financial instruments (at fair value)	728,846	651,316
Securities held to maturity, at cost (approximate fair value: \$215,035 and \$209,020)	214,517	206,682
Investment securities at cost: (approximate fair value \$37,306):	31,433	
Tax certificates, net of allowance of \$3,894 and \$3,699	204,746	195,391
Federal Home Loan Bank stock, at cost which approximates fair value	74,903	80,217
Loans receivable, net of allowance for loan losses of \$92,358 and \$43,602	4,580,874	4,586,607
Loans held for sale	5,751	9,313
Real estate held for development or sale	21,985	25,333
Real estate owned	17,159	21,747
Office properties and equipment, net	251,445	219,717
Deferred tax asset, net	34,639	13,593
Goodwill and other intangibles	76,236	77,324
Other assets	104,889	78,755
Discontinued operations assets held for sale		190,763
 Total assets	 \$ 6,485,593	 \$ 6,495,662
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 895,263	\$ 995,920
Interest bearing	3,072,714	2,871,116
 Total deposits	 3,967,977	 3,867,036
Advances from FHLB	1,417,047	1,517,058
Short term borrowings	239,837	133,958
Subordinated debentures and bonds payable	323,320	293,189
Other liabilities	65,523	64,193
Discontinued operations liabilities held for sale		95,246
 Total liabilities	 6,013,704	 5,970,680
 Commitments and contingencies		
Stockholders equity:		
Class A common stock, issued and outstanding 51,168,201 and 56,157,425 shares	512	562
Class B common stock, issued and outstanding 4,876,124 and 4,876,124 shares	49	49
Additional paid-in capital	215,524	260,460

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Retained earnings	246,357	265,089
Total stockholders' equity before accumulated other comprehensive income (loss)	462,442	526,160
Accumulated other comprehensive income (loss)	9,447	(1,178)
Total stockholders' equity	471,889	524,982
Total liabilities and stockholders' equity	\$ 6,485,593	\$ 6,495,662

See Notes to Consolidated Financial Statements Unaudited

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BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS -UNAUDITED

(In thousands, except share and per share data)	For the Three Months Ended September 30, 2007		For the Nine Months Ended September 30, 2007	
	2006 (As adjusted)		2006 (As adjusted)	
Interest income:				
Interest and fees on loans	\$ 80,082	\$ 80,790	\$ 239,583	\$ 231,941
Interest and dividends on taxable securities	10,976	10,522	31,194	27,913
Interest on tax exempt securities	3,838	3,804	11,434	11,472
Total interest income	94,896	95,116	282,211	271,326
Interest expense:				
Interest on deposits	22,558	15,095	63,033	41,701
Interest on advances from FHLB	18,987	18,509	55,813	45,655
Interest on short term borrowings	2,940	5,078	7,505	12,584
Interest on secured borrowings				2,401
Interest on debentures and bonds payable	6,652	6,521	18,902	18,861
Capitalized interest on real estate development		(75)		(844)
Total interest expense	51,137	45,128	145,253	120,358
Net interest income	43,759	49,988	136,958	150,968
Provision for loan losses	48,949	271	61,327	414
Net interest (loss) income after provision for loan losses	(5,190)	49,717	75,631	150,554
Non-interest income:				
Service charges on deposits	25,894	24,008	76,297	64,381
Other service charges and fees	7,222	6,779	21,779	20,354
Securities activities, net	1,207	2,243	11,575	7,614
Other	2,299	3,178	9,207	11,842
Total non-interest income	36,622	36,208	118,858	104,191
Non-interest expense:				
Employee compensation and benefits	34,258	38,619	113,256	112,045
Occupancy and equipment	16,954	15,018	48,825	41,061
Impairment of real estate held for sale	3,655		4,711	
Impairment of real estate owned	7,233		7,299	
Advertising and promotion	4,276	8,649	14,343	24,667
Professional fees	2,542	1,968	5,623	6,659
Check losses	3,341	2,855	7,929	5,976
Supplies and postage	1,159	1,719	4,644	5,117
Telecommunication	1,286	1,241	4,223	3,552

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One-time termination benefits			2,553	
Other	6,975	6,438	20,943	21,268
Total non-interest expense	81,679	76,507	234,349	220,345
(Loss) income from continuing operations before income taxes	(50,247)	9,418	(39,860)	34,400
(Benefit) provision for income taxes	(20,637)	2,052	(19,774)	8,569
(Loss) income from continuing operations	(29,610)	7,366	(20,086)	25,831
Discontinued operations, (less applicable income tax (benefit) provision of \$0, (\$3,105) and (\$4,124), (\$6,220))		(4,842)	7,812	(8,774)
Net (loss) income	\$ (29,610)	\$ 2,524	\$ (12,274)	\$ 17,057
Basic (loss) earnings per share				
Continuing operations	\$ (0.52)	\$ 0.12	\$ (0.34)	\$ 0.42
Discontinued operations		(0.08)	0.13	(0.14)
Basic (loss) earnings per share	\$ (0.52)	\$ 0.04	\$ (0.21)	\$ 0.28
Diluted (loss) earnings per share				
Continuing operations	\$ (0.52)	\$ 0.12	\$ (0.34)	\$ 0.41
Discontinued operations		(0.08)	0.13	(0.14)
Diluted (loss) earnings per share	\$ (0.52)	\$ 0.04	\$ (0.21)	\$ 0.27
Basic weighted average number of common shares outstanding	56,832,326	61,045,711	58,871,702	61,125,242
Diluted weighted average number of common and common equivalent shares outstanding	56,832,326	62,412,365	58,871,702	62,663,606

See Notes to Consolidated Financial Statements Unaudited

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BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2006 and 2007 Unaudited

(In thousands)	Compre- hensive Income (Loss)	Common Stock	Addi- tional Paid-in Capital	Retained Earnings	Unearned Compen- sation Restricted Stock Grants	Accumul- ated Other Compre- hensive Income (Loss)	Total
BALANCE, DECEMBER 31, 2005		\$ 608	\$ 261,720	\$ 261,279	\$ (936)	\$ (6,335)	\$ 516,336
Cumulative effect adjustment upon adoption of Staff Accounting Bulletin No. 108 (SAB No. 108) (less tax benefit of \$1,193)				(1,899)			(1,899)
Cumulative effect adjustment upon adoption of Statement of Financial Accounting Standards No. 123R		(1)	(935)		936		
Net income	\$ 17,057			17,057			17,057
Other comprehensive income (loss), net of tax:							
Unrealized gains on securities available for sale (less income tax expense of \$2,836)	4,781						
Reclassification adjustment for net gain included in net income (less income tax expense of \$2,937)	(4,677)						
Other comprehensive income	104					104	104
Comprehensive income	\$ 17,161						

Dividends on Class A common stock			(6,600)			(6,600)
Dividends on Class B common stock			(570)			(570)
Issuance of Class A common stock upon exercise of stock options	14	5,859				5,873
Tax effect relating to share-based compensation		3,664				3,664
Retirement of Class A common stock relating to exercise of stock options	(5)	(7,261)				(7,266)
Share based compensation expense		3,668				3,668
Purchase and retirement of Class A common stock	(5)	(7,828)				(7,833)
BALANCE, SEPTEMBER 30, 2006	\$ 611	\$ 258,887	\$ 269,267	\$	\$ (6,231)	\$ 522,534
BALANCE, DECEMBER 31, 2006	\$ 611	\$ 260,460	\$ 265,089	\$	\$ (1,178)	\$ 524,982
Net loss	\$ (12,274)		(12,274)			(12,274)
Other comprehensive income (loss), net of tax:						
Unrealized gains on securities available for sale (less income tax expense of \$7,781)	14,253					
Reclassification adjustment for net gain included in net income (less income tax expense of \$1,981)	(3,628)					
Other comprehensive income	10,625				10,625	10,625

Comprehensive loss	\$ (1,649)					
Dividends on Class A common stock			(6,558)			(6,558)
Dividends on Class B common stock			(600)			(600)
Cumulative effect adjustment upon adoption of FASB Interpretation No. 48			700			700
Issuance of Class A common stock upon exercise of stock options	4	2,365				2,369
Tax effect relating to share-based compensation		1,264				1,264
Purchase and retirement of Class A common stock	(54)	(53,715)				(53,769)
Share based compensation expense		5,150				5,150
BALANCE, SEPTEMBER 30, 2007	\$ 561	\$ 215,524	\$ 246,357	\$	\$ 9,447	\$ 471,889

See Notes to Consolidated Financial Statements Unaudited

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BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS UNAUDITED

(In thousands)	For the Nine Months Ended September 30,	
	2007	2006
Net cash provided by operating activities	\$ 30,781	\$ 1,267
Investing activities:		
Proceeds from redemption and maturities of investment securities and tax certificates	161,332	149,232
Purchase of investment securities and tax certificates	(178,862)	(182,994)
Purchase of securities available for sale	(238,549)	(121,619)
Proceeds from sales and maturities of securities available for sale	241,228	140,011
Purchases of FHLB stock	(10,575)	(41,850)
Redemption of FHLB stock	15,889	23,914
Investments in unconsolidated subsidiaries	(5,296)	(5,444)
Distributions from unconsolidated subsidiaries	7,889	4,549
Net increase in loans	(54,802)	(113,861)
Improvements to real estate owned	(1,963)	
Proceeds from sales of real estate owned	1,241	3,338
Net additions to office properties and equipment	(48,323)	(58,786)
Net proceeds from the sale of Ryan Beck Holdings, Inc.	2,628	
Net cash used in investing activities	(108,163)	(203,510)
Financing activities:		
Net increase (decrease) in deposits	100,941	(77,218)
Repayments of FHLB advances	(2,530,000)	(1,826,344)
Proceeds from FHLB advances	2,430,000	