

BANKATLANTIC BANCORP INC

Form 10-Q

August 09, 2007

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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 June 30, 2007**

**OR**

**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 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. x YES o 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 o

Accelerated filer x

Non-accelerated filer o

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

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

<b>Title of Each Class</b>	<b>Outstanding at August 3, 2007</b>
Class A Common Stock, par value \$0.01 per share	53,047,139
Class B Common Stock, par value \$0.01 per share	4,876,124

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION UNAUDITED**

(In thousands, except share data)	<b>June 30, 2007</b>	<b>December 31, 2006</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 150,000	\$ 138,904
Securities available for sale and financial instruments (at fair value)	682,179	651,316
Investment securities at cost (approximate fair value: \$291,019 and \$209,020)	278,169	206,682
Tax certificates, net of allowance of \$3,829 and \$3,699	230,540	195,391
Federal Home Loan Bank stock, at cost which approximates fair value	74,003	80,217
Loans receivable, net of allowance for loan losses of \$54,754 and \$43,602	4,611,710	4,586,607
Loans held for sale	6,980	9,313
Real estate held for development or sale	25,110	25,333
Real estate owned	23,886	21,747
Office properties and equipment, net	241,327	219,717
Deferred tax asset, net	17,021	13,593
Goodwill and other intangibles	76,586	77,324
Other assets	77,536	78,755
Discontinued operations assets held for sale		190,763
<b>Total assets</b>	<b>\$ 6,495,047</b>	<b>\$ 6,495,662</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Liabilities:</b>		
Deposits:		
Non-interest bearing	\$ 971,260	\$ 995,920
Interest bearing	3,045,883	2,871,116
<b>Total deposits</b>	<b>4,017,143</b>	<b>3,867,036</b>
Advances from FHLB	1,397,051	1,517,058
Short term borrowings	188,102	133,958
Subordinated debentures and bonds payable	318,437	293,189
Other liabilities	61,590	64,193
Discontinued operations liabilities held for sale		95,246
<b>Total liabilities</b>	<b>5,982,323</b>	<b>5,970,680</b>
Commitments and contingencies		
<b>Stockholders equity:</b>		
Class A common stock, issued and outstanding 53,212,871 and 56,157,425 shares	532	562
Class B common stock, issued and outstanding 4,876,124 and 4,876,124 shares	49	49

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Additional paid-in capital	231,639	260,460
Retained earnings	278,282	265,089
Total stockholders' equity before accumulated other comprehensive income (loss)	510,502	526,160
Accumulated other comprehensive income (loss)	2,222	(1,178)
Total stockholders' equity	512,724	524,982
<b>Total liabilities and stockholders' equity</b>	<b>\$ 6,495,047</b>	<b>\$ 6,495,662</b>

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)	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2007</b>	<b>2006 (As adjusted)</b>	<b>2007</b>	<b>2006 (As adjusted)</b>
<b>Interest income:</b>				
Interest and fees on loans	\$ 79,914	\$ 75,765	\$ 159,501	\$ 151,151
Interest and dividends on taxable securities	10,061	8,710	20,218	17,391
Interest on tax exempt securities	3,800	3,862	7,596	7,668
<b>Total interest income</b>	<b>93,775</b>	<b>88,337</b>	<b>187,315</b>	<b>176,210</b>
<b>Interest expense:</b>				
Interest on deposits	21,473	13,852	40,475	26,606
Interest on advances from FHLB	18,103	13,007	36,826	27,146
Interest on short term borrowings	2,010	4,931	4,565	7,506
Interest on secured borrowings				2,401
Interest on subordinated debentures and bonds payable	6,136	6,377	12,250	12,340
Capitalized interest on real estate development		(289)		(769)
<b>Total interest expense</b>	<b>47,722</b>	<b>37,878</b>	<b>94,116</b>	<b>75,230</b>
<b>Net interest income</b>	<b>46,053</b>	<b>50,459</b>	<b>93,199</b>	<b>100,980</b>
Provision for (recovery from) loan losses	4,917	(20)	12,378	143
<b>Net interest income after provision for (recovery from) loan losses</b>	<b>41,136</b>	<b>50,479</b>	<b>80,821</b>	<b>100,837</b>
<b>Non-interest income:</b>				
Service charges on deposits	25,808	21,274	50,403	40,373
Other service charges and fees	7,524	7,353	14,557	13,575
Securities activities, net	8,813	2,830	10,368	5,371
Other	3,339	6,166	6,908	8,664
<b>Total non-interest income</b>	<b>45,484</b>	<b>37,623</b>	<b>82,236</b>	<b>67,983</b>
<b>Non-interest expense:</b>				
Employee compensation and benefits	37,908	37,590	78,998	73,426
Occupancy and equipment	15,927	13,429	31,871	26,043
Impairment of real estate held for sale	1,056		1,056	
Advertising and promotion	4,209	7,400	10,067	16,018
Professional fees	1,368	2,374	3,081	4,691
Check losses	2,731	1,875	4,588	3,121
Supplies and postage	1,632	1,737	3,485	3,398
Telecommunication	1,556	1,158	2,937	2,311

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One-time termination benefits			2,553	
Other	6,790	8,527	14,034	14,830
Total non-interest expense	73,177	74,090	152,670	143,838
<b>Income from continuing operations before income taxes</b>	13,443	14,012	10,387	24,982
Provision for income taxes	1,715	3,569	863	6,517
<b>Income from continuing operations</b>	11,728	10,443	9,524	18,465
Discontinued operations, (less applicable income tax benefit of (\$58), (\$1,524) and (\$4,124), (\$3,115))	(108)	(2,367)	7,812	(3,932)
<b>Net income</b>	\$ 11,620	\$ 8,076	\$ 17,336	\$ 14,533
<b>Earnings per share</b>				
Basic earnings per share from continuing operations	\$ 0.20	\$ 0.17	\$ 0.16	\$ 0.30
Basic (loss) earnings per share from discontinued operations		(0.04)	0.13	(0.06)
Basic earnings per share	\$ 0.20	\$ 0.13	\$ 0.29	\$ 0.24
Diluted earnings per share from continuing operations	\$ 0.20	\$ 0.17	\$ 0.16	\$ 0.29
Diluted (loss) earnings per share from discontinued operations	(0.01)	(0.04)	0.12	(0.06)
Diluted earnings per share	\$ 0.19	\$ 0.13	\$ 0.28	\$ 0.23
Basic weighted average number of common shares outstanding	59,189,556	61,324,163	59,908,285	61,165,666
Diluted weighted average number of common and common equivalent shares outstanding	59,929,238	62,819,871	60,921,567	62,791,678

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 Six Months Ended June 30, 2006 and 2007 Unaudited**

(In thousands)	Compre- hensive Income	Common Stock	Addi- tional Paid-in Capital	Retained Earnings	Unearned Compen- sation Restricted Stock Grants	Accumul- ated Other Compre- hensive 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	\$ 14,533			14,533			14,533
Other comprehensive loss, net of tax:							
Unrealized losses on securities available for sale (less income tax benefit of \$1,961)	(3,053)						
Reclassification adjustment for net gain included in net income (less income tax expense of \$2,072)	(3,299)						
Other comprehensive loss	(6,352)					(6,352)	(6,352)
Comprehensive income	\$ 8,181						
Dividends on Class A common stock				(4,293)			(4,293)



Dividends on Class B common stock				(370)			(370)
Issuance of Class A common stock upon exercise of stock options	13	5,374					5,387
Tax effect relating to share-based compensation		3,553					3,553
Retirement of Class A common stock relating to exercise of stock options	(5)	(7,009)					(7,014)
Share based compensation expense		2,246					2,246
Purchase and retirement of Class A common stock	(2)	(3,624)					(3,626)
BALANCE, JUNE 30, 2006	\$ 613	\$ 261,325	\$ 269,250	\$	\$ (12,687)	\$ 518,501	
BALANCE, DECEMBER 31, 2006	\$ 611	\$ 260,460	\$ 265,089	\$	\$ (1,178)	\$ 524,982	
Net income	\$ 17,336		17,336			17,336	
Other comprehensive loss, net of tax:							
Unrealized gains on securities available for sale (less income tax expense of \$3,229)	7,033						
Reclassification adjustment for net gain included in net income (less income tax expense of \$1,668)	(3,633)						
Other comprehensive income	3,400				3,400	3,400	
Comprehensive income	\$ 20,736						
Dividends on Class A common stock				(4,443)			(4,443)
Dividends on Class B common stock				(400)			(400)
				700			700

Cumulative effect adjustment upon adoption of FASB Interpretation No. 48						
Issuance of Class A common stock upon exercise of stock options	4	2,220				2,224
Tax effect relating to share-based compensation		1,250				1,250
Purchase and retirement of Class A common stock	(34)	(36,368)				(36,402)
Share based compensation expense		4,077				4,077
<b>BALANCE, JUNE 30, 2007</b>	<b>\$ 581</b>	<b>\$ 231,639</b>	<b>\$ 278,282</b>	<b>\$</b>	<b>\$ 2,222</b>	<b>\$ 512,724</b>

See Notes to Consolidated Financial Statements Unaudited

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

(In thousands)	<b>For the Six Months Ended June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 15,463</b>	<b>\$ (18,392)</b>
<b>Investing activities:</b>		
Proceeds from redemption and maturities of investment securities and tax certificates	98,843	84,669
Purchase of investment securities and tax certificates	(142,092)	(135,145)
Purchase of securities available for sale	(122,158)	(86,820)
Proceeds from sales and maturities of securities available for sale	150,574	93,641
Purchases of FHLB stock	(4,950)	(15,075)
Redemption of FHLB stock	11,164	22,339
Investments in unconsolidated subsidiaries	(3,592)	(4,081)
Distributions from unconsolidated subsidiaries	7,889	4,549
Net (increase) decrease in loans	(36,918)	30,379
Improvements to real estate owned	(1,762)	
Proceeds from sales of real estate owned	732	1,708
Net additions to office properties and equipment	(32,670)	(39,689)
Net proceeds from the sale of Ryan Beck Holdings, Inc.	2,628	
<b>Net cash used in investing activities</b>	<b>(72,312)</b>	<b>(43,525)</b>
<b>Financing activities:</b>		
Net increase in deposits	150,107	82,330
Repayments of FHLB advances	(1,745,000)	(1,436,344)
Proceeds from FHLB advances	1,625,000	1,280,000
(Decrease) increase in securities sold under agreements to repurchase	(24,492)	80,073
Increase in federal funds purchased	78,636	84,847
Repayments of secured borrowings		(26,516)
Repayment of notes and bonds payable	(526)	(6,714)
Proceeds from issuance of junior subordinated debentures	25,000	
Proceeds from notes payable		5,000
Excess tax benefits from share-based compensation		