

BankFinancial CORP
Form 10-Q
May 07, 2012
[Table of Contents](#)

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, 2012

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)

Edgar Filing: BankFinancial CORP - Form 10-Q

Maryland
(State or Other Jurisdiction)

75-3199276
(I.R.S. Employer

of Incorporation)

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. 21,072,966 shares of Common Stock, par value \$0.01 per share, were issued and outstanding as of May 4, 2012

Table of Contents

BANKFINANCIAL CORPORATION

Form 10-Q Quarterly Report

Table of Contents

PART I

	Page Number
Item 1. <u>Financial Statements</u>	3
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	37
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	53
Item 4. <u>Controls and Procedures</u>	56

PART II

Item 1. <u>Legal Proceedings</u>	57
Item 1A. <u>Risk Factors</u>	57
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	57
Item 3. <u>Defaults Upon Senior Securities</u>	57
Item 4. <u>Mine Safety Disclosures</u>	57
Item 5. <u>Other Information</u>	57
Item 6. <u>Exhibits</u>	57
<u>Signatures</u>	58

See accompanying notes to consolidated financial statements.

Table of Contents**BANKFINANCIAL CORPORATION****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

March 31, 2012 and December 31, 2011

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

	March 31, 2012	December 31, 2011
ASSETS		
Cash and due from other financial institutions	\$ 24,037	\$ 24,247
Interest-bearing deposits in other financial institutions	154,043	96,457
Cash and cash equivalents	178,080	120,704
Securities, at fair value	81,241	92,832
Loans held-for-sale	521	1,918
Loans receivable, net of allowance for loan losses:		
March 31, 2012, \$31,638 and December 31, 2011, \$31,726	1,177,719	1,227,391
Other real estate owned	20,189	22,480
Stock in Federal Home Loan Bank, at cost	11,336	16,346
Premises and equipment, net	39,044	39,155
Accrued interest receivable	4,911	5,573
Core deposit intangible	3,508	3,671
Bank owned life insurance	21,333	21,207
FDIC prepaid expense	4,027	4,351
Income tax receivable	1,353	1,809
Other assets	5,875	6,138
Total assets	\$ 1,549,137	\$ 1,563,575
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Deposits		
Noninterest-bearing	144,182	142,084
Interest-bearing	1,176,398	1,190,468
Total deposits	1,320,580	1,332,552
Borrowings	9,995	9,322
Advance payments by borrowers taxes and insurance	8,136	10,976
Accrued interest payable and other liabilities	8,315	10,868
Total liabilities	1,347,026	1,363,718
Commitments and contingent liabilities		
Stockholders equity:		
Preferred Stock, \$0.01 par value, 25,000,000 shares authorized, none issued or outstanding		
Common Stock, \$0.01 par value, 100,000,000 shares authorized; 21,072,966 shares issued at March 31, 2012 and December 31, 2011	211	211
Additional paid-in capital	193,740	193,801
Retained earnings	20,072	17,946
Unearned Employee Stock Ownership Plan shares	(12,968)	(13,212)
Accumulated other comprehensive income	1,056	1,111

Edgar Filing: BankFinancial CORP - Form 10-Q

Total stockholders' equity	202,111	199,857
Total liabilities and stockholders' equity	\$ 1,549,137	\$ 1,563,575

See accompanying notes to consolidated financial statements.

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

Three months ended March 31, 2012 and 2011

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

	2012	2011
Interest and dividend income		
Loans, including fees	\$ 16,112	\$ 14,410
Securities	442	822
Other	80	116
Total interest income	16,634	15,348
Interest expense		
Deposits	1,214	1,900
Borrowings	26	96
Total interest expense	1,240	1,996
Net interest income	15,394	13,352
Provision for loan losses	996	2,424
Net interest income after provision for loan losses	14,398	10,928
Noninterest income		
Deposit service charges and fees	557	614
Other fee income	385	382
Insurance commissions and annuities income	122	169
Gain on sale of loans, net	267	19
Loss on disposition of premises and equipment, net		(10)
Loan servicing fees	128	132
Amortization and impairment of servicing assets	(82)	(54)
Earnings on bank owned life insurance	126	158
Trust	184	76
Other	145	85
Total noninterest income	1,832	1,571
Noninterest expense		
Compensation and benefits	6,659	6,600
Office occupancy and equipment	1,743	1,868
Advertising and public relations	94	237
Information technology	1,261	948
Supplies, telephone, and postage	430	375
Amortization of intangibles	163	382
Nonperforming asset management	1,191	455
Operations of other real estate owned	601	453
FDIC insurance premiums	348	567
Acquisition costs		1,531
Other	946	839
Total noninterest expense	13,436	14,255

Edgar Filing: BankFinancial CORP - Form 10-Q

Income (loss) before income taxes	2,794	(1,756)
Income tax expense (benefit)	457	(979)
Net income (loss)	\$ 2,337	\$ (777)
Basic income (loss) per common share	\$ 0.12	\$ (0.04)
Diluted income (loss) per common share	\$ 0.12	\$ (0.04)
Weighted average common shares outstanding	19,835,273	19,689,723
Diluted weighted average common shares outstanding	19,836,080	19,689,723
See accompanying notes to consolidated financial statements.		

Table of Contents

BANKFINANCIAL CORPORATION

CONSOLIDATED STATEMENTS COMPREHENSIVE INCOME (LOSS)

Three months ended March 31, 2012 and 2011

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

	2012	2011
Net income (loss)	\$ 2,337	\$ (777)
Unrealized holding loss arising during the period	(55)	(906)
Tax effect		345
Change in other comprehensive income (loss), net of tax effect	(55)	(561)
Comprehensive income (loss)	\$ 2,282	\$ (1,338)

See accompanying notes to consolidated financial statements.

Table of Contents**BANKFINANCIAL CORPORATION****CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY**

Three months ended March 31, 2012 and 2011

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

	Common Stock	Additional Paid-in Capital	Retained Earnings	Unearned Employee Stock Plan Shares	Accumulated Other Comprehen- sive Income	Total
Balance at January 1, 2011	\$ 211	\$ 194,186	\$ 71,278	\$ (14,190)	\$ 1,800	\$ 253,285
Net loss			(777)			(777)
Change in other comprehensive income, net of tax effects					(561)	(561)
Nonvested stock awards-stock-based compensation expense		18				18
Cash dividends declared on common stock (\$0.07 per share)			(1,475)			(1,475)
ESOP shares earned		(19)		241		222
Balance at March 31, 2011	\$ 211	\$ 194,185	\$ 69,026	\$ (13,949)	\$ 1,239	\$ 250,712
Balance at January 1, 2012	\$ 211	\$ 193,801	\$ 17,946	\$ (13,212)	\$ 1,111	\$ 199,857
Net income			2,337			2,337
Change in other comprehensive income, net of tax effects					(55)	(55)
Nonvested stock awards-stock-based compensation expense		21				21
Cash dividends declared on common stock (\$0.01 per share)			(211)			(211)
ESOP shares earned		(82)		244		162
Balance at March 31, 2012	\$ 211	\$ 193,740	\$ 20,072	\$ (12,968)	\$ 1,056	\$ 202,111

See accompanying notes to consolidated financial statements.

Table of Contents

BANKFINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, 2012 and 2011

(In thousands) (Unaudited)

	2012	2011
Cash flows from operating activities		
Net income (loss)	\$ 2,337	\$ (777)
Adjustments to reconcile to net loss to net cash from operating activities		
Provision for loan losses	996	2,424
ESOP shares earned	162	222
Stock based compensation expense	21	18
Depreciation and amortization	1,154	1,087
Amortization of premiums and discounts on securities and loans	(943)	170
Amortization of core deposit and other intangible assets	163	381
Amortization and impairment of servicing assets	82	54
Net change in net deferred loan origination costs	60	186
Net gain on sale of other real estate owned	(139)	(52)
Net gain on sale of loans	(267)	(19)
Net loss disposition of premises and equipment		10
Loans originated for sale	(6,127)	(3,154)
Proceeds from sale of loans	7,791	5,889
Net change in:		
Deferred income tax		(980)
Accrued interest receivable	662	(397)
Earnings on bank owned life insurance	(126)	(158)
Other assets	992	448
Accrued interest payable and other liabilities	(2,553)	(186)
Net cash from operating activities	4,265	5,166
Cash flows from investing activities		
Securities		
Proceeds from maturities	6,455	8,140
Proceeds from principal repayments	6,209	7,892
Purchases of securities	(1,153)	(7,113)
Loans receivable		
Principal payments on loans receivable	156,725	172,229
Purchases of loans		(149,409)
Originated for investment	(108,142)	(158,149)
Proceeds of redemption of Federal Reserve Bank stock		155
Proceeds of redemption of Federal Home Loan Bank of Chicago stock	5,010	
Proceeds from sale of other real estate owned	2,984	1,023
Purchase of premises and equipment, net	(685)	(152)
Cash acquired in acquisition		61,619
Net cash from investing activities	67,403	(63,765)

(continued)

Table of Contents**BANKFINANCIAL CORPORATION****CONSOLIDATED STATEMENTS OF CASH FLOWS**

Three months ended March 31, 2012 and 2011

(In thousands) (Unaudited)

	2012	2011
Cash flows from financing activities		
Net change in deposits	\$ (11,914)	\$ (26,752)
Net change in advance payments by borrowers for taxes and insurance	(2,840)	(1,468)
Net change in borrowings	673	(8,261)
Cash dividends paid on common stock	(211)	(1,475)
Net cash from financing activities	(14,292)	(37,956)
Net change in cash and cash equivalents	57,376	(96,555)
Beginning cash and cash equivalents	120,704	220,810
Ending cash and cash equivalents	\$ 178,080	\$ 124,255
Supplemental disclosures of cash flow information:		
Interest paid	\$ 1,263	\$ 1,801
Income taxes paid		
Loans transferred to other real estate owned	1,127	1,699
Supplemental disclosures of noncash investing activities Acquisition:		
Noncash assets acquired:		
Securities		\$ 10,177
Loans receivable		118,147
Other real estate owned		6,965
Stock in Federal Home Loan Bank and Federal Reserve Bank		903
Goodwill		1,296
Premises and equipment, net		7,442
Accrued interest receivable		355
Core deposit intangible		2,660
FDIC prepaid expense		774
Income tax receivable		774
Deferred taxes, net		2,662
Other assets		42
Total noncash items acquired		152,197
Liabilities assumed:		
Deposits		212,939
Advance payments by borrowers taxes and insurance		34
Accrued interest payable and other liabilities		843
Total liabilities assumed		213,816
Cash and cash equivalents acquired		\$ 61,619

See accompanying notes to consolidated financial statements.

Table of Contents

BANKFINANCIAL CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Table amounts in thousands, except share and per share data)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: BankFinancial Corporation, a Maryland corporation headquartered in Burr Ridge, Illinois, is the owner of all of the issued and outstanding capital stock of BankFinancial, F.S.B. (the Bank).

Principles of Consolidation: The interim unaudited consolidated financial statements include the accounts of and transactions of BankFinancial Corporation, the Maryland corporation, the Bank, and the Bank's wholly-owned subsidiaries, Financial Assurance Services, Inc. and BF Asset Recovery Corporation (collectively, the Company) and reflect all normal and recurring adjustments that are, in the opinion of management, considered necessary for a fair presentation of the financial condition and results of operations for the periods presented. All significant intercompany accounts and transactions have been eliminated. The results of operations for the three-month period ended March 31, 2012, are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2012.

Certain information and note disclosures normally included in financial statements prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission.

Use of Estimates: To prepare financial statements in conformity with GAAP, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and future results could differ. The allowance for loan losses, mortgage servicing rights, deferred tax assets, stock-based compensation, impairment of securities and fair value of financial instruments are particularly subject to change and the effect of such change could be material to the financial statements.

Reclassifications: Certain reclassifications have been made in the prior period's financial statements to conform them to the current period's presentation.

These unaudited consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2011, as filed with the Securities and Exchange Commission.

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 2 INCOME (LOSS) PER SHARE

Amounts reported in income (loss) per share reflect income (loss) available to common stockholders for the period divided by the weighted average number of shares of common stock outstanding during the period, exclusive of unearned ESOP shares and unvested restricted stock shares. Stock options and restricted stock are regarded as potential common stock and are considered in the diluted earnings per share calculations to the extent that they would have a dilutive effect if converted to common stock.

	Three months ended March 31,	
	2012	2011
Net income (loss) available to common stockholders	\$ 2,337	\$ (777)
Average common shares outstanding	21,072,966	21,072,966
Less:		
Unearned ESOP shares	(1,233,359)	(1,374,576)
Unvested restricted stock shares	(4,334)	(8,667)
Weighted average common shares outstanding	19,835,273	19,689,723
Basic income (loss) per common share	\$ 0.12	\$ (0.04)
Weighted average common shares outstanding	19,835,273	19,689,723
Net effect of dilutive stock options and unvested restricted stock	807	
Weighted average dilutive common shares outstanding	19,836,080	19,689,723
Diluted income (loss) per common share	\$ 0.12	\$ (0.04)
Number of anti-dilutive stock options excluded from the diluted earnings per share calculation	2,055,553	2,287,553
Weighted average exercise price of anti-dilutive option shares	\$ 16.53	\$ 16.52

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 3 SECURITIES

The following table summarizes the amortized cost and fair value of securities and the corresponding gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<u>March 31, 2012</u>				
Certificates of deposit	\$ 24,401	\$	\$	\$ 24,401
Municipal securities	515	32		547
Equity mutual fund	500	23		523
Mortgage-backed securities residential	33,449	1,449		34,898
Collateralized mortgage obligations residential	20,590	255	(19)	20,826
SBA-guaranteed loan participation certificates	46			46
	\$ 79,501	\$ 1,759	\$ (19)	\$ 81,241
<u>December 31, 2011</u>				
Certificates of deposit	\$ 30,448	\$	\$	\$ 30,448
Municipal securities	515	36		551
Equity mutual fund	500	24		524
Mortgage-backed securities residential	34,691	1,385		36,076
Collateralized mortgage obligations residential	24,837	372	(23)	25,186
SBA-guaranteed loan participation certificates	47			47
	\$ 91,038	\$ 1,817	\$ (23)	\$ 92,832

The amortized cost and fair values of securities at March 31, 2012 by contractual maturity are shown below. Securities not due at a single maturity date are shown separately. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	March 31, 2012	
	Amortized Cost	Fair Value
Within one year	\$ 24,566	\$ 24,570
One to five years	350	378
	24,916	24,948
Equity mutual fund	500	523
Mortgage-backed securities residential	33,449	34,898
Collateralized mortgage obligations residential	20,590	20,826
SBA-guaranteed loan participation certificates	46	46

Edgar Filing: BankFinancial CORP - Form 10-Q

Total	\$ 79,501	\$ 81,241
-------	-----------	-----------

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 3 SECURITIES (continued)

Securities with unrealized losses at March 31, 2012 and December 31, 2011 that were not recognized in income are as follows:

	Less than 12 Months Fair Value	Unrealized Loss	12 Months or More Fair Value	Unrealized Loss	Total Fair Value	Total Unrealized Loss
<u>March 31, 2012</u>						
Collateralized mortgage obligations residential	\$	\$	\$ 2,123	\$ 19	\$ 2,123	\$ 19
<u>December 31, 2011</u>						
Collateralized mortgage obligations residential	\$	\$	\$ 2,134	\$ 23	\$ 2,134	\$ 23

The Company evaluates marketable investment securities with significant declines in fair value on a quarterly basis to determine whether they should be considered other-than-temporarily impaired under current accounting guidance, which generally provides that if a marketable security is in an unrealized loss position, whether due to general market conditions or industry or issuer-specific factors, the holder of the securities must assess whether the impairment is other-than-temporary.

Collateralized mortgage obligations that the Company holds in its investment portfolio remained in an unrealized loss position at March 31, 2012, but the unrealized losses were not considered significant under the Company's impairment testing methodology. In addition, the Company does not intend to sell this security, and it is likely that the Company will not be required to sell the security before its anticipated recovery occurs.

There were no sales of securities for the quarters ended March 31, 2012 and 2011.

NOTE 4 LOANS RECEIVABLE

Loans receivable are as follows:

	March 31, 2012	December 31, 2011
One-to-four family residential real estate loans	\$ 262,263	\$ 272,032
Multi-family mortgage loans	410,341	423,615
Nonresidential real estate loans	308,094	311,641
Construction and land loans	19,283	19,852
Commercial loans	81,998	93,932
Commercial leases	124,319	134,990
Consumer loans	2,211	2,147
Total loans	1,208,509	1,258,209

Edgar Filing: BankFinancial CORP - Form 10-Q

Net deferred loan origination costs	848	908
Allowance for loan losses	(31,638)	(31,726)
Loans, net	\$ 1,177,719	\$ 1,227,391

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 4 LOANS RECEIVABLE (continued)

The following tables present the balance in the allowance for loan losses and the loans receivable by portfolio segment and based on impairment method:

	Allowance for loan losses				Loan Balances			
	Individually evaluated for impairment	Purchased impaired loans	Collectively evaluated for impairment	Total	Individually evaluated for impairment	Purchased impaired loans	Collectively evaluated for impairment	Total
March 31, 2012								
One-to-four family residential real estate loans	\$ 1,557	\$ 303	\$ 4,186	\$ 6,046	\$ 14,400	\$ 3,670	\$ 244,193	\$ 262,263
Multi-family mortgage loans	1,529		4,008	5,537	18,918	1,454	389,969	410,341
Nonresidential real estate loans	7,763	6	5,565	13,334	33,905	3,308	270,881	308,094
Construction and land loans	1,023		770	1,793	3,268	4,859	11,156	19,283
Commercial loans	2,653	28	1,626	4,307	3,714	841	77,443	81,998
Commercial leases	22		533	555	22		124,297	124,319
Consumer loans	8		58	66	8		2,203	2,211
Total	\$ 14,555	\$ 337	\$ 16,746	\$ 31,638	\$ 74,235	\$ 14,132	\$ 1,120,142	1,208,509
Net deferred loan origination costs								848
Allowance for loan losses								(31,638)
Loans, net								\$ 1,177,719

	Allowance for loan losses				Loan Balances			
	Individually evaluated for impairment	Collectively evaluated for impairment	Total	Individually evaluated for impairment	Purchased impaired loans	Collectively evaluated for impairment	Total	
December 31, 2011								
One-to-four family residential real estate loans	\$ 1,883	\$ 4,220	\$ 6,103	\$ 14,181	\$ 3,941	\$ 253,910	\$ 272,032	
Multi-family mortgage loans	1,881	4,201	6,082	20,380	1,418	401,817	423,615	
Nonresidential real estate loans	8,126	5,630	13,756	32,669	3,375	275,597	311,641	
Construction and land loans	959	725	1,684	3,263	4,788	11,801	19,852	
Commercial loans	2,079	1,460	3,539	3,160	1,078	89,694	93,932	
Commercial leases	22	482	504	22		134,968	134,990	
Consumer loans	3	55	58	3		2,144	2,147	
Total	\$ 14,953	\$ 16,773	\$ 31,726	\$ 73,678	\$ 14,600	\$ 1,169,931	1,258,209	
Net deferred loan origination costs							908	

Edgar Filing: BankFinancial CORP - Form 10-Q

Allowance for loan losses	(31,726)
Loans, net	\$ 1,227,391

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 4 LOANS RECEIVABLE (continued)

Activity in the allowance for loan losses is as follows:

	For the Three Months Ended March 31,	
	2012	2011
Beginning balance	\$ 31,726	\$ 22,180
Loans charged offs:		
One-to-four family residential real estate loans	(672)	(1,628)
Multi-family mortgage loans	(554)	(237)
Nonresidential real estate loans	(433)	
Construction and land loans	(47)	(378)
Commercial loans	(138)	
Commercial leases		
Consumer loans	(12)	(16)
	(1,856)	(2,259)
Recoveries:		
One-to-four family residential real estate loans	111	2
Multi-family mortgage loans	384	89
Nonresidential real estate loans	31	58
Construction and land loans	184	
Commercial loans	57	10
Commercial leases		
Consumer loans	5	
	772	159
Net charge-off	(1,084)	(2,100)
Provision for loan losses	996	2,424
Ending balance	\$ 31,638	\$ 22,504

Impaired loans

	March 31, 2012	December 31, 2011
Loans with allocated allowance for loan losses	\$ 46,892	\$ 45,649
Loans with no allocated allowance for loan losses	27,343	28,029

Edgar Filing: BankFinancial CORP - Form 10-Q

	74,235	73,678
Purchased impaired loans	14,132	14,600
Total impaired loans	\$ 88,367	\$ 88,278

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 4 LOANS RECEIVABLE (continued)

The following table includes the unpaid principal balances and recorded investment for impaired loans, by class, with the associated allowance amount, if applicable. In addition, the table includes the average recorded investments in the impaired loans and the related amount of interest recognized for the duration of the impairment within the period reported.

	Loan Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Investment in Impaired Loans	Interest Income Recognized
March 31, 2012					
With no related allowance recorded:					
One-to-four family residential real estate loans	\$ 2,647	\$ 2,670	\$	\$ 2,215	\$ 30
One-to-four family residential real estate loans non-owner occupied	6,550	6,598	\$	6,223	47
Multi-family mortgage loans	8,490	8,753		8,803	64
Wholesale commercial lending	3,302	3,307		3,303	30
Nonresidential real estate loans	6,140	6,409		6,893	41
Commercial loans secured	214	215		226	5
	27,343	27,952		27,663	217
With an allowance recorded:					
One-to-four family residential real estate loans	3,078	3,223	773	3,701	9
One-to-four family residential real estate loans non-owner occupied	2,125	2,250	784	1,922	6
Multi-family mortgage loans	7,126	7,578	1,529	7,887	20
Nonresidential real estate loans	27,765	28,844	7,763	26,027	66
Land loans	3,268	3,384	1,023	3,266	
Commercial loans secured	2,864	3,176	2,044	2,864	
Commercial loans unsecured	636	681	609	198	
Non-rated commercial leases	22	22	22	22	
Consumer loans	8	9	8	4	
	46,892	49,167	14,555	45,891	101
Total	\$ 74,235	\$ 77,119	\$ 14,555	\$ 73,554	\$ 318

Table of Contents**BANKFINANCIAL CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(Table amounts in thousands, except share and per share data)

NOTE 4 LOANS RECEIVABLE (continued)

	Loan Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Investment in Impaired Loans	Interest Income Recognized
December 31, 2011					
With no related allowance recorded:					
One-to-four family residential real estate loans	\$ 2,329	\$ 2,347	\$	\$ 623	\$ 24
One-to-four family residential real estate loans non-owner occupied	5,945	5,868	\$	2,499	266
Multi-family mortgage loans	8,910	9,113		5,567	378
Wholesale commercial lending	3,304	3,300		338	35
Nonresidential real estate loans	7,304	7,468		5,977	275
Construction loans				77	
Land loans				70	
Commercial loans secured	237	244		448	45
Commercial loans unsecured					41
Commercial loans other				44	15
	28,029	28,340		15,643	1,079
With an allowance recorded:					
One-to-four family residential real estate loans	3,970	4,145	1,055	1,406	2
One-to-four family residential real estate loans non-owner occupied	1,937	2,051	828	2,962	
Multi-family mortgage loans	8,166	8,594	1,881	4,307	5
Wholesale commercial lending				4,066	
Nonresidential real estate loans	25,365	26,157	8,126	12,134	75
Construction loans				1,392	
Land loans	3,263	3,315	959	2,128	82
Commercial loans secured	2,869	3,144	2,048	3,253	
Commercial loans unsecured	54	63	31	150	
Commercial loans other				22	
Non-rated commercial leases	22	22	22	98	
Consumer loans	3	3	3		
	45,649	47,494	14,953	31,918	164
Total	\$ 73,678	\$ 75,834	\$ 14,953	\$ 47,561	