

BANKATLANTIC BANCORP INC

Form 8-K

December 16, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of Report

December 2, 2003

(Date of earliest event reported)

BankAtlantic Bancorp, Inc.

(Exact name of registrant as specified in its Charter)

Florida

34-027228

65-0507804

(State of other jurisdiction or
incorporation or organization)

(Commission File Number)

(IRS Employer Identification No.)

**1750 East Sunrise Blvd.
Ft. Lauderdale, Florida**

33304

(Address of principal executive offices)

(Zip Code)

(954) 760-5000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Item 5. Other Events

On December 2, 2003, BankAtlantic Bancorp's Board of Directors authorized the spin-off of Levitt Corporation (Levitt). BankAtlantic Bancorp (the Company) has received a private letter ruling from the Internal Revenue Service that, subject to the terms and conditions of the private letter ruling, the transaction will be tax free to holders of the Company's stock. Upon the consummation of the spin-off, Levitt will no longer be a wholly owned subsidiary of the Company but will be held by the shareholders of the Company on the same pro rata basis as they currently hold the Company's shares.

In connection with the spin-off, the Company will convert a currently outstanding \$30.0 million demand note owed by Levitt to the Company to a five year term note with interest only payable monthly initially at the prime rate and thereafter at the prime rate plus increments of an additional .25% every six months. The Company will also transfer its 4.9% ownership interest in Bluegreen Corporation to Levitt in exchange for a \$5.5 million note and 1.5 shares of Levitt common stock. These additional shares of Levitt will be distributed as part of the spin-off transaction. This note will be due in one year, with principal and interest payable monthly. Additionally, prior to the spin-off, it is anticipated that Levitt will declare an \$8.0 million dividend to the Company payable in the form of a five year note with the same payment terms as the \$30.0 million note described above.

Item 7. Financial Statements and Exhibits

(b) Pro Forma Financial information

PRO FORMA FINANCIAL INFORMATION

The following pro forma financial information was derived by subtracting Levitt's historical financial information from our reported historical financial information and making adjustments to the combined information to reflect transactions that are anticipated to occur prior to or concurrently with the spin-off of Levitt.

The pro forma consolidated statement of financial condition assumes the spin-off occurred on September 30, 2003. The pro forma consolidated statement of operations assumes the spin-off occurred at the beginning of the earliest period presented. The pro forma information should be read along with our historical financial statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BANKATLANTIC BANCORP, INC.

By: /s/ James A. White

James A. White
Executive Vice President and Chief Financial Officer

The following pro forma information is presented for illustrative purposes only and is not necessarily indicative of the financial condition or results of operations which would actually have been recorded if the Levitt spin-off had occurred during the periods presented.

PRO FORMA FINANCIAL INFORMATION
BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
PRO FORMA STATEMENTS OF FINANCIAL CONDITION
(Unaudited)

As of September 30, 2003

| (In thousands) | Historical | Levitt (a) | Adjustments | Pro Forma |
|--|------------------|----------------|---------------|------------------|
| ASSETS | | | | |
| Cash and short term investments | \$ 143,308 | 39,346 | 23,221 (b) | 127,183 |
| Securities, investments and FHLB stock | 654,475 | | | 654,475 |
| Loans | 3,739,638 | 5,163 | 90,641 (c) | 3,825,116 |
| Real estate held for development and sale | 256,920 | 234,854 | | 22,066 |
| Investment in unconsolidated subsidiaries | 102,590 | 67,444 | (27,285)(d) | 7,861 |
| Intangible assets, net | 89,098 | | | 89,098 |
| Deferred tax asset, net | 33,684 | 2,454 | (295)(e) | 30,935 |
| Other assets | 177,347 | 7,262 | | 170,085 |
| | <u>5,197,060</u> | <u>356,523</u> | <u>86,282</u> | <u>4,926,819</u> |
| Total assets | \$5,197,060 | 356,523 | 86,282 | 4,926,819 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | | |
| Liabilities: | | | | |
| Deposits | 2,982,203 | | | 2,982,203 |
| Advances from FHLB | 956,820 | | | 956,820 |
| Securities sold under agreements to repurchase | 143,230 | | 23,221 (b) | 166,451 |
| Subordinated debentures, notes and bonds payable | 146,696 | 162,585 | 53,242 (c) | 37,353 |
| Junior subordinated debentures | 263,218 | | | 263,218 |
| Other liabilities | 191,224 | 68,415 | | 122,809 |
| | <u>4,683,391</u> | <u>231,000</u> | <u>76,463</u> | <u>4,528,854</u> |
| Total liabilities | 4,683,391 | 231,000 | 76,463 | 4,528,854 |
| Total stockholders equity | 513,669 | 125,523 | 9,819 (f) | 397,965 |
| | <u>5,197,060</u> | <u>356,523</u> | <u>86,282</u> | <u>4,926,819</u> |
| Total liabilities and stockholders equity | \$5,197,060 | 356,523 | 86,282 | 4,926,819 |

Pro forma adjustments:

- (a) To eliminate Levitt's assets and liabilities included in the Company's statement of financial condition as of September 30, 2003.
- (b) To reflect Levitt's repurchase agreements with BankAtlantic that were eliminated in the historical consolidated amounts.
- (c) To reflect \$53.2 million of loans to Levitt and \$23.9 million of loans to Levitt's joint ventures as well as an \$8.0 million dividend from Levitt issued in the form of a note to the Company prior to the transaction and a \$5.5 million note issued by Levitt as partial consideration for the transfer of the Company's investment in Bluegreen Corporation's common stock to Levitt.
- (d) To reclassify \$23.9 million of loans to Levitt's joint ventures from investment in unconsolidated subsidiaries to loans, to transfer the Company's \$4.7 million investment in Bluegreen Corporation to Levitt in exchange for a \$5.5 million note and 1.5 shares of Levitt's common stock, and to eliminate \$1.3 million of deferred interest income associated with loans to Levitt.
- (e) Reflects a deferred tax liability associated with the transfer of the Bluegreen common stock to Levitt.

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- (f) To reflect an \$8.0 million dividend from Levitt to the Company, the transfer of the Bluegreen common stock to Levitt and the related tax liability, and the elimination of deferred income associated with Levitt's real estate inventory.

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PRO FORMA FINANCIAL INFORMATION
BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
PRO FORMA STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003
(Unaudited)

(In thousands, except share and per share data)

| | <u>Historical</u> | <u>Levitt (a)</u> | <u>Adjustments</u> | <u>Pro forma</u> |
|--|-------------------|-------------------|--------------------|-------------------|
| Net interest income | \$ 111,773 | 419 | 1,756 (b) | 113,110 |
| Provision for loan losses | 1,264 | | | 1,264 |
| Net interest income after provision for loan losses | <u>110,509</u> | <u>419</u> | <u>1,756</u> | <u>111,846</u> |
| Non-interest income: | | | | |
| Service charges and other banking fees | 43,702 | | | 43,702 |
| Investment banking Income | 152,222 | | | 152,222 |
| Income from real estate operations | 56,165 | 49,771 | (1,104)(c) | 5,290 |
| Income from unconsolidated subsidiaries | 6,525 | 5,057 | (1,162)(d) | 306 |
| Other | 8,779 | 1,805 | | 6,974 |
| Total non-interest income | <u>267,393</u> | <u>56,633</u> | <u>(2,266)</u> | <u>208,494</u> |
| Non-interest expense: | | | | |
| Employee compensation and benefits | 183,688 | 13,543 | | 170,145 |
| Other | 116,705 | 15,297 | | 101,408 |
| Total non-interest expense | <u>300,393</u> | <u>28,840</u> | | <u>271,553</u> |
| Income from continuing operations before income taxes | 77,509 | 28,212 | (510) | 48,787 |
| Provision for income taxes | 28,577 | 10,891 | (197) | 17,489 |
| Income from continuing operations | <u>\$ 48,932</u> | <u>17,321</u> | <u>(313)</u> | <u>31,298</u> |
| Average basic shares outstanding | <u>58,381,370</u> | | | <u>58,381,370</u> |
| Average diluted shares outstanding | <u>62,475,859</u> | | | <u>62,475,859</u> |
| Basic earnings per share | <u>\$ 0.84</u> | | | <u>0.54</u> |
| Diluted earnings per share | <u>\$ 0.78</u> | | | <u>0.50</u> |

Pro forma adjustments:

- (a) To eliminate Levitt's earnings for the nine months ended September 30, 2003.
- (b) To recognize \$971,000 of inter-company interest income that was eliminated in the historical financial information as a result of the consolidation of Levitt's real estate developments and to reflect \$785,000 of additional interest income associated with \$13.5 million of indebtedness from Levitt originated in connection with the spin-off transaction and the conversion of the \$30 million demand note to a term note bearing interest at a higher prime rate.

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- (c) To eliminate the deferred interest income recognized upon the sale of Levitt's real estate inventory.
- (d) To eliminate earnings from Bluegreen Corporation in connection with the Company transferring its interest in Bluegreen common stock to Levitt.

PRO FORMA FINANCIAL INFORMATION
BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
PRO FORMA STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2002
(Unaudited)

(In thousands, except share and per share data)

| | <u>Historical</u> | <u>Levitt (a)</u> | <u>Other</u> | <u>Pro forma</u> |
|--|-------------------|-------------------|----------------|-------------------|
| Net interest income | \$ 116,985 | 636 | 1,806 (b) | 118,155 |
| Provision for loan losses | 10,786 | | | 10,786 |
| Net interest income after provision for loan losses | <u>106,199</u> | <u>636</u> | <u>1,806</u> | <u>107,369</u> |
| Non-interest income: | | | | |
| Service charges and other banking fees | 17,234 | | | 17,234 |
| Investment banking income | 89,270 | | | 89,270 |
| Income from real estate operations | 31,128 | 30,065 | (1,063)(c) | |
| Income from unconsolidated subsidiaries | 5,334 | 3,969 | (715)(d) | 650 |
| Other | 6,488 | 990 | | 5,498 |
| Total non-interest income | <u>149,454</u> | <u>35,024</u> | <u>(1,778)</u> | <u>112,652</u> |
| Non-interest expense: | | | | |
| Employee compensation and benefits | 129,642 | 9,492 | | 120,150 |
| Other | 95,105 | 11,239 | | 83,866 |
| Total non-interest expense | <u>224,747</u> | <u>20,731</u> | | <u>204,016</u> |
| Income from continuing operations before income taxes | | | | |
| | 30,906 | 14,929 | 28 | 16,005 |
| Provision for income taxes | 8,828 | 3,675 | 10 | 5,163 |
| Income from continuing operations | <u>\$ 22,078</u> | <u>11,254</u> | <u>18</u> | <u>10,842</u> |
| Average basic shares outstanding | <u>57,967,925</u> | | | <u>57,967,925</u> |
| Average diluted shares outstanding | <u>64,450,194</u> | | | <u>60,357,368</u> |
| Basic earnings per share | \$ 0.38 | | | 0.19 |
| Diluted earnings per share | <u>\$ 0.36</u> | | | <u>0.18</u> |

(a) To eliminate Levitt's earnings for the nine months ended September 30, 2002.

(b) To recognize \$1.1 million of inter-company interest income that was eliminated in the historical financial information as a result of the consolidation of Levitt's real estate developments and to reflect \$703,000 of additional interest income associated with \$13.5 million of indebtedness from Levitt originated in connection with the spin-off transaction and the conversion of the \$30 million demand note to a term note bearing interest at a higher prime rate.

- (c) To eliminate deferred interest income recognized upon the sale of Levitt's real estate inventory.
- (d) To eliminate earnings from Bluegreen Corporation in connection with the Company transferring its interest in Bluegreen common stock to Levitt.

PRO FORMA FINANCIAL INFORMATION
BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2002
(Unaudited)

(In thousands, except share and per share data)

| | <u>Historical</u> | <u>Levitt (a)</u> | <u>Adjustments</u> | <u>Pro forma</u> |
|--|-------------------|-------------------|--------------------|-------------------|
| Net interest income | \$ 153,621 | 872 | 2,539 (b) | 155,288 |
| Provision for loan losses | 14,077 | | | 14,077 |
| Net interest income after provision for loan losses | <u>139,544</u> | <u>872</u> | <u>2,539</u> | <u>141,211</u> |
| Non-interest income: | | | | |
| Service charges and other banking fees | 40,566 | | | 40,566 |
| Investment banking Income | 130,738 | | | 130,738 |
| Securities activities, net | (10,223) | | | (10,223) |
| Income from real estate operations | 49,400 | 47,672 | (1,728)(c) | |
| Income from unconsolidated subsidiaries | 7,492 | 5,419 | (780)(d) | 1,293 |
| Other | 11,345 | 1,872 | | 9,473 |
| Total non-interest income | <u>229,318</u> | <u>54,963</u> | <u>(2,508)</u> | <u>171,847</u> |
| Non-interest expense: | | | | |
| Employee compensation and benefits | 180,962 | 13,983 | | 166,979 |
| Other | 133,170 | 16,086 | | 117,084 |
| Total non-interest expense | <u>314,132</u> | <u>30,069</u> | | <u>284,063</u> |
| Income from continuing operations before income taxes | 54,730 | 25,766 | 31 | 28,995 |
| Provision for income taxes | 15,573 | 6,254 | 12 | 9,331 |
| Income from continuing operations | <u>\$ 39,157</u> | <u>19,512</u> | <u>19</u> | <u>19,664</u> |
| Average basic shares outstanding | <u>57,997,556</u> | | | <u>57,997,556</u> |
| Average diluted shares outstanding | <u>64,400,725</u> | | | <u>60,307,951</u> |
| Basic earnings per share | <u>\$ 0.66</u> | | | <u>0.34</u> |
| Diluted earnings per share | <u>\$ 0.63</u> | | | <u>0.33</u> |

Pro forma adjustments

- (a) To eliminate Levitt's earnings for the year ended December 31, 2002.
- (b) To recognize \$1.7 million of inter-company interest income which was eliminated in the historical financial information as a result of the consolidation of Levitt's real estate developments and to reflect \$870,000 of additional interest income associated with \$13.5 million of indebtedness from Levitt originated in connection with the spin-off transaction and the conversion of the \$30 million demand note to a term note bearing interest at a higher prime rate.

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- (c) To eliminate deferred interest income recognized upon the sale of Levitt's real estate inventory.
- (d) To eliminate earnings from Bluegreen Corporation in connection with the Company transferring its interest in Bluegreen common stock to Levitt.

PRO FORMA FINANCIAL INFORMATION
BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2001
(Unaudited)

(In thousands, except share and per share data)

| | <u>Historical</u> | <u>Levitt (a)</u> | <u>Other</u> | <u>Pro forma</u> |
|--|-------------------|-------------------|----------------|-------------------|
| Net interest income | \$ 138,019 | 1,809 | 1,933 (b) | 138,143 |
| Provision for loan losses | 16,905 | — | — | 16,905 |
| Net interest income after provision for loan losses | <u>121,114</u> | <u>1,809</u> | <u>1,933</u> | <u>121,238</u> |
| Non-interest income: | | | | |
| Service charges and other banking fees | 31,103 | — | — | 31,103 |
| Investment banking Income | 43,436 | — | — | 43,436 |
| Income from real estate operations | 33,695 | 31,299 | (2,396)(c) | — |
| Income from unconsolidated subsidiaries | 2,888 | 2,888 | — | — |
| Other | 11,762 | 1,775 | — | 9,987 |
| Total non-interest income | <u>122,884</u> | <u>35,962</u> | <u>(2,396)</u> | <u>84,526</u> |
| Non-interest expense: | | | | |
| Employee compensation and benefits | 94,450 | 9,730 | — | 84,720 |
| Other | 95,926 | 16,401 | — | 79,525 |
| Total non-interest expense | <u>190,376</u> | <u>26,131</u> | <u>—</u> | <u>164,245</u> |
| Income from continuing operations before income taxes | 53,622 | 11,640 | (463) | 41,519 |
| Provision for income taxes | 22,600 | 4,118 | (162) | 18,320 |
| Income from continuing operations | <u>\$ 31,022</u> | <u>7,522</u> | <u>(301)</u> | <u>23,199</u> |
| Average basic shares outstanding | <u>42,091,961</u> | <u>—</u> | <u>—</u> | <u>42,091,961</u> |
| Average diluted shares outstanding | <u>54,313,104</u> | <u>—</u> | <u>—</u> | <u>54,313,104</u> |
| Basic earnings per share | <u>\$ 0.74</u> | <u>—</u> | <u>—</u> | <u>0.55</u> |
| Diluted earnings per share | <u>\$ 0.63</u> | <u>—</u> | <u>—</u> | <u>0.49</u> |

(a) To eliminate Levitt's earnings for the year ended December 31, 2001.

(b) To recognize \$904,000 of inter-company interest income which was eliminated in the historical financial information as a result of the consolidation of Levitt's real estate developments and to reflect \$1.0 million of additional interest income associated with \$13.5 million of indebtedness from Levitt originated in connection with the spin-off transaction.

(c) To eliminate deferred interest income recognized upon the sale of Levitt's real estate inventory.

PRO FORMA FINANCIAL INFORMATION
BANKATLANTIC BANCORP, INC. AND SUBSIDIARIES
PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Unaudited)

(In thousands, except share and per share data)

| | <u>Historical</u> | <u>Levitt (a)</u> | <u>Other</u> | <u>Pro forma</u> |
|--|-------------------|-------------------|----------------|-------------------|
| Net interest income | \$ 117,879 | 949 | 4,307 (b) | 121,237 |
| Provision for loan losses | 29,132 | — | — | 29,132 |
| Net interest income after provision for loan losses | <u>88,747</u> | <u>949</u> | <u>4,307</u> | <u>92,105</u> |
| Non-interest income: | | | | |
| Service charges and other banking fees | 28,691 | — | — | 28,691 |
| Investment banking Income | 51,101 | — | — | 51,101 |
| Income from real estate operations | 22,076 | 20,905 | (1,171)(c) | — |
| Income from unconsolidated subsidiaries | 1,141 | 1,141 | — | — |
| Other | 25,383 | 5,914 | — | 19,469 |
| Total non-interest income | <u>128,392</u> | <u>27,960</u> | <u>(1,171)</u> | <u>99,261</u> |
| Non-interest expense: | | | | |
| Employee compensation and benefits | 90,313 | 6,846 | — | 83,467 |
| Other | 86,894 | 11,900 | — | 74,994 |
| Total non-interest expense | <u>177,207</u> | <u>18,746</u> | <u>—</u> | <u>158,461</u> |
| Income from continuing operations before income taxes | 39,932 | 10,163 | 3,136 | 32,905 |
| Provision for income taxes | 15,887 | 3,208 | 1,098 | 13,777 |
| Income from continuing operations | <u>\$ 24,045</u> | <u>6,955</u> | <u>2,038</u> | <u>19,128</u> |
| Average basic Class A shares outstanding | <u>31,560,093</u> | <u>—</u> | <u>—</u> | <u>31,560,093</u> |
| Average diluted Class A shares outstanding | <u>47,126,250</u> | <u>—</u> | <u>—</u> | <u>47,126,250</u> |
| Basic earnings Class A per share | <u>\$ 0.62</u> | <u>—</u> | <u>—</u> | <u>0.49</u> |
| Diluted earnings Class A per share | <u>\$ 0.53</u> | <u>—</u> | <u>—</u> | <u>0.44</u> |

(a) To eliminate Levitt's earnings for the year ended December 31, 2003.

(b) To recognize \$3.6 million of inter-company interest income which was eliminated in the historical financial information as a result of the consolidation of Levitt's real estate developments and to reflect \$745,000 of additional interest income associated with \$8.0 million of indebtedness from Levitt originated in connection with the spin-off transaction.

(c) To eliminate deferred interest income recognized upon the sale of Levitt's real estate inventory.