

OFFICE OF THRIFT SUPERVISION

**Approval of an Application to Acquire a National Bank
Through Merger And Related Applications**

Order No.: 2001-65

Date: November 2, 2001

Re: OTS No. 2402

BankFinancial, F.S.B., Olympia Fields, Illinois (Savings Bank), has applied to the Office of Thrift Supervision (OTS), pursuant to 12 U.S.C. §§ 1815(d)(3) and 1828(c) and 12 C.F.R. §§ 552.13 and 563.22(a) for permission to acquire Success National Bank, Lincolnshire, Illinois (National Bank). BankFinancial Corporation (Holding Company), the first tier holding company of Savings Bank, will also acquire Success Bancshares, Inc., the holding company of National Bank (Bank Holding Company). In addition, the Holding Company and Financial Federal MHC, Inc. (MHC), the mutual holding companies of Savings Bank, have filed a notice pursuant to 12 U.S.C. §1467a(o) and 12 C.F.R. § 575.11(b) to pledge the stock of Savings Bank. The Holding Company and the MHC have also filed an application pursuant to 12 C.F.R. §§ 575.11(a) to acquire control of Success Capital Trust I. Finally, the Savings Bank has applied to OTS to make a \$36 million capital distribution under 12 C.F.R. Section 563.143. (The foregoing are collectively referred to as the Applications.)

OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1467a(c), 1467a(o), 1815(d)(3) and 1828(c) and 12 C.F.R. §§ 552.13, 563.22, 563.146, 575.10(a), 575.11(b), 584.2-2(b), and other applicable statutes and regulations. OTS also has considered the Applications under the Community Reinvestment Act, 12 U.S.C. §§ 2901 *et seq.*, and OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, OTS has considered a digest from the OTS Central Regional Office, an analysis prepared by Examination Policy, and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, OTS finds that the Applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

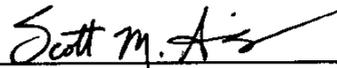
1. The Savings Bank, the National Bank, and the Bank Holding Company must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Director;
2. The proposed transaction must be consummated no earlier than fifteen (15) calendar days and no later than one hundred and twenty (120) calendar days from the date of this Order;

3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Savings Bank, the Holding Company, the MHC, the National Bank, and the Bank Holding Company must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Savings Bank, the Holding Company, the MHC, the National Bank, and the Bank Holding Company as disclosed in the Applications. If additional information having a material adverse bearing on any feature of the Applications is brought to the attention of the Savings Bank, the Holding Company, the MHC, the National Bank, the Bank Holding Company, or OTS since the date of the financial statements submitted with the Applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to the consummation of the transaction;
4. The Savings Bank may pay a capital distribution in an amount not to exceed \$36 million, which amount must be reduced from \$36 million, on a dollar for dollar basis, by the amount of any dividend paid by the National Bank in connection with the consummation of the transaction;
5. The Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; (b) of the amount of the capital distribution paid by the Savings Bank; and (c) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications and this Order;
6. The Savings Bank must submit an updated three-year business plan to the Regional Director for review and approval within 120 days after consummation of the transaction;
7. During the three years following OTS approval of the updated business plan, the Savings Bank must submit any proposed major deviations or material changes from the plan for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of 30 calendar days before the proposed change is implemented. Further, the OTS may impose conditions on the Savings Bank as part of any OTS review of the amended business plan; and
8. The Savings Bank must advise each accountholder whose withdrawable accounts in the resulting institution would increase above \$100,000 as a result of the proposed transaction of the effect of the transaction on insurance coverage no

later than 30 calendar days after the consummation date and shall submit evidence of such notification to the Regional Director.

Any time period specified herein may be extended by the Regional Director, for good cause, for up to 120 calendar days.

By order of the Director of the Office of Thrift Supervision, or her designee, effective November 2, 2001.



Scott M. Albinson
Managing Director
Office of Supervision