

Capitol Federal Financial Inc  
Form 10-Q  
August 05, 2013

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UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION

Washington, D.C. 20549

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Form 10-Q  
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(Mark One)

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

For the quarterly period ended June 30, 2013

or

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

Commission file number: 001-34814

Capitol Federal Financial, Inc.

(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of incorporation or organization)

700 Kansas Avenue, Topeka, Kansas  
(Address of principal executive offices)

27-2631712  
(I.R.S. Employer Identification No.)

66603  
(Zip Code)

Registrant's telephone number, including area code:

(785) 235-1341

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 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 (§232.405 of this chapter) 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 large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer, large 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   
(do not check if a smaller reporting company)

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

As of July 24, 2013, there were 147,841,368 shares of Capitol Federal Financial, Inc. common stock outstanding.

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## PART I -- FINANCIAL INFORMATION

## Item 1. Financial Statements

CAPITOL FEDERAL FINANCIAL, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS (Unaudited)  
(Dollars in thousands)

|  | June 30,<br>2013    | September<br>30,<br>2012 |
|--|---------------------|--------------------------|
| <b>ASSETS:</b>   |                     |                          |
| Cash and cash equivalents (includes interest-earning deposits of \$117,411 and \$127,544)          | \$ 131,287          | \$ 141,705               |
| Securities:  |                     |                          |
| Available-for-sale ("AFS") at estimated fair value (amortized cost of \$1,155,363 and \$1,367,925) | 1,167,043           | 1,406,844                |
| Held-to-maturity ("HTM") at amortized cost (estimated fair value of \$1,841,851 and \$1,969,899)   | 1,819,895           | 1,887,947                |
| Loans receivable, net (of allowance for credit losses ("ACL") of \$9,239 and \$11,100)             | 5,792,620           | 5,608,083                |
| Bank-owned life insurance ("BOLI")   | 59,133              | 58,012                   |
| Capital stock of Federal Home Loan Bank ("FHLB"), at cost  | 134,222             | 132,971                  |
| Accrued interest receivable  | 24,426              | 26,092                   |
| Premises and equipment, net  | 64,946              | 57,766                   |
| Other real estate owned ("OREO"), net  | 5,499               | 8,047                    |
| Other assets   | 40,693              | 50,837                   |
| <b>TOTAL ASSETS</b>  | <b>\$ 9,239,764</b> | <b>\$ 9,378,304</b>      |
| <b>LIABILITIES:</b>  |                     |                          |
| Deposits   | \$ 4,628,436        | \$ 4,550,643             |
| Borrowings from FHLB, net  | 2,611,480           | 2,530,322                |
| Repurchase agreements  | 290,000             | 365,000                  |
| Advance payments by borrowers for taxes and insurance  | 34,332              | 55,642                   |
| Income taxes payable   | 347                 | 918                      |
| Deferred income tax liabilities, net   | 19,053              | 25,042                   |
| Accounts payable and accrued expenses  | 31,614              | 44,279                   |
| Total liabilities  | 7,615,262           | 7,571,846                |

STOCKHOLDERS' EQUITY:

|   |           |           |
|---|-----------|-----------|
| Preferred stock (\$0.01 par value) 100,000,000 shares authorized; no shares issued or outstanding   | --        | --        |
| Common stock (\$0.01 par value) 1,400,000,000 shares authorized; 147,841,368 and 155,379,739 shares issued and outstanding as of June 30, 2013 and September 30, 2012, respectively | 1,478     | 1,554     |
| Additional paid-in capital  | 1,234,265 | 1,292,122 |
| Unearned compensation, Employee Stock Ownership Plan ("ESOP")   |           |           |