ALLIED FIRST BANCORP INC
Form 10-Q
November 14, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

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

For the quarterly period ended September 30, 2003
OR

|_| 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 001-16763

Allied First Bancorp, Inc.
(Exact name of small business issuer as specified in its charter)

Maryland	36-4482786
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification or number)
387 Shuman Boulevard, Suite 290 E, Naperville, IL	60563
(Address of principal executive offices)	(Zip Code)

(630) 778-7700
(Registrant's telephone number)

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 |X| No |_|

Transitional Small Business Disclosure Format (check one):

Yes |_| No |X|

Indicate the number of Shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

As of November 13, 2003, there were 558,350 shares of the Registrant's common stock issued and outstanding.

Allied First Bancorp, Inc.

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PART I: FINANCIAL INFORMATION, Item 1.
Allied First Bancorp, Inc.
CONSOLIDATED BALANCE SHEETS

ASSETS:

Cash and cash equivalents ....
Securities available for sale ....
Time deposits with other financial institutions ....
Loans held for sale ....
Loans, net of allowance for loan losses of $640,984 at
September 30, 2003 and $592,373 at June 30, 2003 ....
Federal Home Loan Bank stock, at cost ....
Accrued interest receivable ....
Premises and equipment-net ....
Servicing agent receivable ....
Other assets ....

Total Assets ....

LIABILITIES AND SHAREHOLDERS' EQUITY:

Liabilities:

Non-interest-bearing demand deposits ....
Interest-bearing demand deposits ....

Savings, Now and Money Market deposits	
Other time deposits	
Total deposits	
Borrowed funds	
Other liabilities	
Total liabilities	
Shareholders' Equity:	
Preferred stock, $.01 par value, 2,000,000 shares authorized, none issued	
Common stock, $.01 par value, 8,000,000 shares authorized, 608,350 shares issued and 558,350 outstanding at September 30, 2003 and June 30, 2003	
Additional paid-in capital	
Retained earnings	
Accumulated other comprehensive income, net of tax	
Treasury stock, at cost 50,000 shares	
Total shareholders' equity	
Total Liabilities and Shareholders' Equity	

The accompanying notes are an integral part of these consolidated financial statements

PART I: FINANCIAL INFORMATION, Item 1
Allied First Bancorp, Inc.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Thr
	2003
Interest income:	
Loans receivable	$1,231,411
Interest earning deposits with other financial institutions	55,279
Taxable securities	70,705
Total interest income	1,357,395
Interest expense:	
Deposits	401,165
Borrowed funds	60,772

Total interest expense	461,937
Net interest income:	895,458
Provision for loan losses	121,000
Net interest income after provision for loan losses	774,458
Non-interest income:	
Credit and debit card transaction	129,459
Account fees	40,350
Gain on sale of securities,net	4,910
First mortgage loan fees	23,310
Other	6,037
Total non-interest income	204,066
Non-interest expense:	
Salaries and employee benefits	333,192
Office operations and equipment	107,716
Occupancy expense	25,818
Data processing	63,486
Credit and debit card processing	119,385
Travel and conference	17,403
Professional services	108,934
Marketing and promotion	38,664
Other expenses	36,753
Total non-interest expense	851,351
Income before income taxes:	127,173
Income tax expense	49,822
Net income:	$ 77,351
Other comprehensive income	7,221
Total comprehensive income	$ 84,572
Earning per common shares:	
Basic	$ 0.14
Diluted	$ 0.14

The accompanying notes are an integral part of these consolidated financial statements

PART I: Financial Information, Item 1
Allied First Bancorp, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Cash flows from operating activities	
Net Income	$
Adjustment to reconcile net income to net cash from operating activities	
Depreciation	
Amortization of premiums on securities	
Net gain on sale of securities	
Provision for loan losses	
FHLB stock dividend	
Net changes in	
Accrued interest receivable	
Servicing agent receivable	
Other assets	
Other liabilities	

Net cash from operating activities	
Cash flows from investing activities	
Purchase of available for sale securities	(
Sale of available for sale securities	
Principal collected on mortgage backed securities	
Net expenditures of premises and equipment	
Purchase of loans from other institutions	(3
Net changes in:	
Loans	1
Time deposits with other financial institutions	

Net cash from investing activities	(2
Cash flows from financing activities	
Net change in deposits	(
Proceeds from borrowed funds	3

Net cash from financing activities	2
Increase (decrease) in cash and cash equivalents	
Cash and cash equivalents at beginning of period	

Cash and cash equivalents at end of period	$
	===

The accompanying notes are an integral part of these consolidated financial statements

Allied First Bancorp, Inc.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)

(1) Basis of Presentation

The accompanying consolidated condensed financial statements include the accounts of Allied First Bancorp, Inc. and its wholly owned subsidiary, Allied First Bank, sb. All significant inter-company transactions and balances are eliminated in consolidation. The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles for interim financial information and with the instructions to Form 10-QSB and Regulation SB. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

In the opinion of management, the consolidated condensed financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to represent fairly the financial condition of the Company as of September 30, 2003 and June 30, 2003 and the results of its operations, for the three months ended September 30, 2003 and 2002. Financial statement reclassifications have been made for the prior period to conform to classifications used as of and for the period ended September 30, 2003.

Operating results for the three months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2004. Allied First Bancorp, Inc.'s 2003 annual report on Form 10-KSB should be read in conjunction with these statements.

(2) Use of Estimates

The preparation of consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from current estimates. Estimates that are more susceptible to change in the near term include the allowance for loan losses and the fair values of financial instruments.

(3) Earnings Per Common Share

Basic earnings per common share is computed by dividing net income by the weighted average number of shares of common stock outstanding. For the three-month period ended September 30, 2003, the weighted average number of common shares used in the computation of basic earning per share was 558,350. The weighted average number of common shares for the same period in 2002 was 608,350. There are no potential dilutive common shares.

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(4) Premises and Equipment

The company is obligated under a five year operating lease for office space that contains a termination option effective as of April 30, 2007. The lease was effective as of September 16, 2003 with terms to begin occupancy in November 2003. The expiration of the lease is April 30, 2009. It contains a period of free rent in the 2004 fiscal year, and escalation clauses providing for increases in rental expense based primarily on increases in real estate taxes and operating costs. Rent expense was $26,000 for the three month period ending September 30, 2003 under the terms of the expired lease.

The future minimum commitments under the full lease term at September 30, 2003 for all operating leases are as follows:

Year Ending June 30,	Amount

2004	$ 7,564
2005	117,464
2006	120,988
2007	124,618
2008	128,357
Thereafter	109,625
Total	$608,616

(5) Federal Home Loan Bank Advances

At September 30, 2003, advances from the Federal Home Loan Bank were as follows.

Open line advance, variable rate and term	$16,000,000
Maturity July 2004, fixed rate of 1.34%	5,000,000
Maturity July 2005, fixed rate of 1.70%	5,000,000
Maturity July 2006, fixed rate of 2.12%	5,000,000
Total	$31,000,000

Each advance is payable at its maturity date, with a prepayment penalty. All advances including open line advances were collateralized by $9,052,000 in mortgaged backed securities and $51,831,000 of first mortgage loans under a blanket lien arrangement at September 30, 2003.

Part I, Item 2
Allied First Bancorp, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Allied First Bancorp, Inc.'s results of operations are primarily dependent on Allied First Bank's net interest margin, which is the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Allied First Bank's net income is also affected by the level of its non-interest income and non-interest expenses, such as employee compensation and benefits, occupancy expenses and other expenses.

FORWARD-LOOKING STATEMENTS

When used in this filing and in future filings by Allied First Bancorp, Inc. and Allied First Bank, sb with the U.S. Securities and Exchange Commission, in Allied First Bancorp, Inc. and Allied First Bank press releases or other public or shareholder communications, or in oral statements made with the approval of an authorized executive officer, the words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

Such statements are subject to risks and uncertainties, including but not limited to changes in economic conditions in our market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in our market area and competition, all or some of which could cause actual results to differ materially from historical earnings and those presently anticipated or projected.

Allied First Bancorp, Inc. wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and advises readers that various factors, including regional and national economic conditions, substantial changes in levels of market interest rates, credit and other risks of lending and investment activities and competitive and regulatory factors, could affect our financial performance and could cause Allied First Bancorp, Inc.'s actual results for future periods to differ materially from those anticipated or projected.

These risks and uncertainties should be considered in evaluating forward-looking statements and you should not rely on these statements.

CRITICAL ACCOUNTING POLICIES

Certain of the Company's accounting policies are important to the portrayal of the Company's financial condition, since they require management to make difficult, complex or subjective judgments, some of which may relate to matters that are inherently uncertain. Estimates associated with these policies are susceptible to material changes as a result of changes in facts and circumstances. Some of the facts and circumstances which could affect these judgments include changes in interest rates, in the performance of the economy or in the financial condition of borrowers. Management believes that its critical accounting policies include

determining the allowance for loan losses and determining the fair value of securities and other financial instruments.

COMPARISON OF THREE-MONTH PERIODS
ENDED SEPTEMBER 30, 2003 AND 2002

FINANCIAL CONDITION

The Company's total assets increased $28.0 million during the three months ended September 30, 2003, to $129.6 million from $101.6 million at June 30, 2003. The increase was due to increases in net loans of $24.0 million and an increase of $5.8 million in available for sale securities.

The Company's total liabilities increased $28.0 million from $91.7 million at June 30, 2003, to $119.7 million at September 30, 2003. The increase was due primarily to $31.0 million in borrowed funds and was offset by a decrease in deposits of $2.9 million from $91.2 million at June 30, 2003 to $88.3 million at September 30, 2003.

Stockholders' equity increased by $85,000 from $9.8 million at June 30, 2003 to $9.9 million at September 30, 2003. The increase is primarily from year to date net income of $77,000, and increased unrealized appreciation of available for sale securities of $8,000

RESULTS OF OPERATION

Net income for the three-month period ended September 30, 2003 was $77,000 compared to net income of $65,000 for the equivalent period in 2002. The increase in net income for the three-month period ended September 30, 2003 compared to the same three month period in 2002 was due primarily to a higher net interest income.

NET INTEREST INCOME

The net interest income for the three-month period ended September 30, 2003, was $895,000 compared to $810,000 for the same period in 2002. This is a 10.49% increase over the same period in 2002. The net interest margins were 3.25% and 3.77% for the three-month periods ended September 30, 2003 and 2002. The reason net interest income rose in the three-month period ended September 30, 2003 compared to the same period in 2002 was due to a lower percentage cost on interest bearing liabilities. The three-month period ended September 30, 2003 had a declining interest rate margin due to a 142 basis point drop in the average rate for interest earning assets; this is partially offset by the 125 basis points drop in average rate for interest bearing liabilities.

Total average loans increased $28.5 million for the three-month period over one-year ago. The increase in average loans in 2003 over 2002 average loans is due to the purchase of $35.3 million in first mortgage loans. Total average interest earning balances decreased $3.3 million for the three-month over one-year ago. The yields on total average earning assets were 4.93%and 6.35% for the three-month period ended September 30, 2003, and 2002.

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Total average interest bearing liabilities increased $25.7 million for the three-month periods ended September 30, 2003 over the comparative period in 2002. Interest bearing liabilities increased primarily due to the increase in average debt outstanding of $13.8 million. During the first quarter of the 2004 fiscal year, Allied First Bancorp began utilizing Federal Home Loan Bank of Chicago loan advances to purchase first mortgage products in an effort to utilize more of its capital. The terms of the advances were one, two, and three years with $5.0 million due in each year and having fixed interest rates of 1.34%, 1.70%, and 2.12% respectively. The company also has $16.0 million outstanding on an open line of credit with a variable rate of interest with the Federal Home Loan Bank of Chicago.

INTEREST INCOME

Interest income for the three months ended September 30, 2003 was $1,357,000 compared to $1,362,000 for the same period in 2002. The decrease for the three-month period was primarily due to a decline in yields on earning assets. Allied First Bancorp was able to partially offset the loss in income from the decline in yields by purchasing first mortgage loans.

INTEREST EXPENSE

Interest expense for the three months ended September 30, 2003 was $462,000 compared to $552,000 for the same period in 2002. The decrease was primarily due to lower rates paid on interest-bearing liabilities of 1.95% for the three-month period ending September 30, 2003, and 3.20% for the same three-month period in 2002. This represents a 125 basis point decrease in the rates paid over the same period in the prior year.

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The following tables set forth consolidated information regarding average balances and annualized average rates.

Allied First Bancorp, Inc.

INTEREST EARNING ASSETS	Three Months ending September 30 2003 Average Balance	Interest	Average Rate	Three M[onths] Average Balance
Loans	$ 95,100	$ 1,231	5.18%	$ 66,575
Available for sale securities	7,037	71	4.04%	8,156
Federal Home Loan Bank stock	1,649	26	6.31%	1,551
Interest earning balances	6,310	29	1.84%	9,563
Total interest-earning assets	110,096	1,357	4.93%	85,845
NON-INTEREST EARNING ASSETS				
Premises and equipment	80			67
Allowance for loan losses	(585)			(661)
Other non-earning assets	2,015			636
Total assets	$111,606			$ 85,887
INTEREST BEARING LIABILITIES				
Interest checking	$ 4,628	$ 17	1.47%	$ 1,197
Savings	14,334	18	0.50%	11,519
Money market	43,047	168	1.56%	36,935
Time deposits	18,824	198	4.21%	18,860
Borrowed funds	13,791	61	1.77%	405
	94,624	462	1.95%	68,916
NON-INTEREST BEARING LIABILITIES AND EQUITY				
Checking	6,875			6,606
Other liabilities	454			326
Equity	9,653			10,039
Total liabilities and equity	$111,606			$ 85,887
Net Interest/Spread		$ 895	2.98%	
Margin			3.25%	

(1) Total Loans less deferred net loan fees

PROVISION FOR LOAN LOSSES

The provision for loan losses was $121,000 for the three-month period ended September 30, 2003 and $60,000 for the same period in 2002. The reason for the increase is due to the increase in the loan portfolio balances and in net charge-offs for the three-month period ended September 30, 2003 over the same period in 2002, as well as current probable losses in the loan portfolio. Changes in the provision for loan losses are attributed to management's analysis of the adequacy of the allowance for loan losses to address probable losses. Net charge-offs of $72,000 have been recorded for the three-month period ended September 30, 2003, compared to $59,000 of net charge-offs for the same period in 2002. The allowance for loan losses was $641,000 or 0.58% of net loans as of September 30, 2003, compared to $592,000 or 0.68% of net loans at June 30, 2003. The reason for the decline in percentage of allowance for loan loss to net loans was primarily due to loan portfolio shifting to a greater percentage of real estate secured loans and a smaller percentage of unsecured loans. The portfolio continued to shift to more real estate loans with the purchase of $35.3 million in first mortgage loans during the first quarter of the fiscal 2004 year. Allied First Bancorp, Inc. holds a small percentage in secured commercial loans, which was $2.9 million or 2.61% of net loans at September 30, 2003. At September 30, 2003 first mortgage and home equity loans comprise nearly 70% of the loan portfolio compared to 62% at June 30, 2003.

We establish provisions for loan losses, which are charged to operations, at a level management believes is appropriate to absorb probable credit losses in the loan portfolio. In evaluating the level of the allowance for loan losses, management considers historical loss experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, peer group information, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revisions as more information becomes available or as future events change.

Approximately 93% of our customer base consists of American Airlines pilots and their family members. Although this customer base had historically relatively stable employment and sources of income, the terrorist attacks on the United States in September 2001, the war in Iraq, and the current economic environment have adversely affected the airline industry. As a result of these factors, the stability of the employment and income of the American Airline pilots has been adversely affected and could negatively affect the ability of our customers to repay their loans, although the effect on our loan delinquencies and loan losses cannot be identified with reasonable certainty at this time. As a result of these factors, we may have higher loan delinquencies and defaults in future periods. At September 30, 2003, our delinquent loans past due 60 days or more remained at 0.02% of our loan portfolio.

NON-INTEREST INCOME

Non-interest income remained relatively stable over all periods presented. Non-interest income for the three-months period ended September 30, 2003 was $204,000 and $201,000 for the same period in 2002. Account fees for the three-month period ended September 30, 2003 were $40,000 compared to $31,000 for the same three-month period in 2002 for a 29.03% increase. This increase was primarily due to the overdraft privilege program.

NON-INTEREST EXPENSE

Non-interest expense for the three-month period ended September 30, 2003 was $851,000, an increase of $8,000, or 0.95%, compared to $843,000 for the same period in 2002. Salary and employee benefits was $333,000 for the three-month period ended September 30, 2003 an increase of $46,000 or 16.03%, from $287,000 for the same period in 2002. The increase in salaries and employee benefits is due to normal merit raises, additional staff, increased pension and benefit costs. Occupancy expense was $26,000 for the quarter ended September 30, 2003 up $5,000 or 23.81% from $21,000 for same three-month period in 2002. The reason for the increase was a change in rent effective January 1, 2003. Credit and debit card processing expense was $119,000 for the quarter ended September 30, 2003 a decrease of $18,000 or 13.14% from $137,000 for the same period in 2002. The decrease was due to lower processing expenses on credit cards. The travel and conference expense was $17,000, an increase of $5,000 from $12,000 for the same three-month period in 2002. The reason for the increase is additional conference attendance. Professional services were $109,000 for the three-month period ended September 30, 2003 up $15,000 or 15.96% from $94,000 for the same three-month period in 2002. The reason for the increase is additional legal and audit service expenses. Marketing and promotion was $39,000 for the three-month period ended September 30, 2003, a decrease of $67,000 or 63.21%, from $106,000 for the same period in 2002. The decrease in marketing and promotion expense is a result of decreased promotional activities in the first quarter of the 2004 fiscal year. Other expenses for the quarter ended September 30, 2003 were $37,000 an increase of $17,000, from the $20,000 for the three months ended September 30, 2002. This increase is primarily related to an increase in regulatory fees.

INCOME TAXES

The provision for income taxes was $50,000 for the three-month period ended September 30, 2003 compared to $42,000 for the same period in 2002. The effective tax rate for the three months ended September 30, 2003 and September 30, 2002 was 39.18% and 39.15%.

REGULATORY CAPITAL REQUIREMENTS

Pursuant to federal law, Allied First Bank must meet three separate minimum capital ratio requirements. As of September 30, 2003, Allied First Bank had core capital, Tier I risk-based and total risk-based ratios of 8.6%, 11.0% and 11.8% compared to well-capitalized requirements of 5.00%, 6.00% and 10.00%. At June 30, 2003, Allied First Bank had core capital, Tier I risk-based and total risk-based ratios of 9.5%, 12.1% and 12.9%, respectively.

LIQUIDITY

Liquidity management refers to the ability to generate sufficient cash to fund current loan demand, meet deposit withdrawals, and pay operating expenses. Allied First Bancorp, Inc. relies on various funding sources in order to meet these demands. Primary sources of funds include interest-earning balances with other financial institutions, money market mutual funds, proceeds from principal and interest payments on loans as well as the ability to borrow against first mortgages, and marketable securities. At September 30, 2003, Allied First Bank had $3.4 million in cash and cash equivalents that could be used for its funding needs. Cash and cash equivalents increased by $339,000 compared to the period ending June 30, 2003 and securities available for sale increased by $5.8 million, time deposits with other institutions decreased $800,000.

As of September 30, 2003, management is not aware of any current recommendations by regulatory authorities, which, if they were to be implemented, would have or are reasonably likely to have a material adverse effect on the Allied First Bancorp, Inc.'s liquidity, capital resources or operations.

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Item 3
Allied First Bancorp, Inc.
CONTROLS AND PROCEDURES

Within the 90-day period prior to the filing of this report an evaluation was carried out under the supervision and with the participation of Allied First Bancorp Inc.'s management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of disclosure controls and procedures (as defined in Rule 13a-14(c)/15d-14(c)) under the Securities Exchange Act of 1934). Based on their evaluation, Allied First Bancorp Inc.'s Chief Executive Officer and Chief Financial Officer have concluded that Allied First Bancorp, Inc's disclosure controls and procedures are to the best of their knowledge, effective to ensure that the information required to be disclosed by Allied First Bancorp Inc. in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. Subsequent to the date of their evaluation, there were no significant changes in Allied First Bancorp Inc.'s internal controls or in other factors that could significantly affect these controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

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Part II - Other Information

Item 1 - Legal Proceedings - Not Applicable.

Item 2 - Changes in Securities and Use of Proceeds - Not Applicable.

Item 3 - Defaults upon Senior Securities - Not Applicable.

Item 4 - Submission of Matters to a vote of Security Holders

On October 23, 2003, the shareholders held their annual meeting to consider and act upon the election of Mr. Frank K. Voris and Mr. Brien J. Nagle to serve as directors for terms of three years and the ratification of the appointment of Crowe Chizek and Company LLC as auditors for the Company for the fiscal year ending June 30, 2004. Both of the foregoing items were approved by the shareholders at the meeting by the following vote totals based upon 558,350 shares outstanding and entitled to vote at the meeting.

I. Election of Directors- 451,738 shares voted, as follows:

Frank K. Voris: 449,738 votes for; 1700 votes WITHHELD.
Brien J. Nagle: 450,738 votes for; 700 votes WITHHELD.

II. Ratification of the appointment of Crowe Chizek and Company LLC as auditors for the company for the fiscal year ending June 30, 2004 - 451,438 shares voted, as follows:

451,438 votes for; 0 votes withheld

Item 5 - Other Information - Not Applicable

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibit 31.1 Rule 13a-14(a)/15d/14(a) Certification of Chief Executive Officer

Exhibit 31.2 Rule 13a-14(a)/15d/14(a) Certification of Chief Financial Officer

Exhibit 32.1 Chief Executive Officer's Section 906 Certification under the Sarbanes-Oxley Act of 2002

Exhibit 32.2 Chief Financial Officer's Section 906 Certification Under the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K

None

SIGNATURES

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

Allied First Bancorp, Inc.
Registrant

Date: November,13 2003

/s/ Kenneth L. Bertrand

Kenneth L. Bertrand
President and Chief Executive Officer

Date: November 13, 2003

/s/ Brian K. Weiss

Brian K. Weiss
Chief Financial Officer