FORM 8-K

Current report filing

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EFC BANCORP INC

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Business Address
1695 LARKIN AVE
ELGIN IL 60123
8477413900

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 29, 2005

EFC BANCORP, INC.
(Exact name of registrant as specified in its charter)

Delaware	1-13605	36-4193304
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1695 Larkin Avenue, Elgin, Illinois	60123
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (847) 741-3900

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On April 29, 2005, EFC Bancorp, Inc. announced its financial results for the quarter ended March 31, 2005. The press release announcing financial results for the quarter ended March 31, 2005 is filed as Exhibit 99.1 and incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Businesses Acquired: Not applicable

(b) Pro Forma Financial Information: Not applicable

(c) Exhibits

Number	Description
99.1	Press Release Dated April 29, 2005

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 thereunto duly authorized.

EFC BANCORP, INC.

Date: April 29, 2005

By: /s/ Eric J. Wedeen

Eric J. Wedeen
Chief Financial Officer and

Senior Vice President

EFC BANCORP, INC. ANNOUNCES FIRST QUARTER 2005 OPERATING RESULTS

ELGIN, Ill., April 29/PRNewswire-FirstCall/--EFC Bancorp, Inc. (AMEX: EFC-News; the "Company"), the holding company for EFS Bank (the "Bank"), reported net income for the three months ended March 31, 2005 of $1.4 million compared to $2.0 million for the comparable prior year period. For the three months ended March 31, 2005, basic and diluted earnings per share decreased to $0.32 and $0.30, respectively, from $0.46 and $0.43 for the comparable prior year period.

Total assets at March 31, 2005 were $1.012 billion, which represents an increase of $8.0 million, or 0.80%, compared to $1.004 billion at December 31, 2004. The increase in total assets was primarily the result of an increase in net loans receivable of $11.3 million, or 1.4%, to $819.1 million at March 31, 2005 from $807.8 million at December 31, 2004. This increase was the result of increases of $8.2 million in multi-family loans, $7.8 million in construction and land loans, and $2.2 million in home equity loans, the effect of which was partially offset by a $3.8 million decrease in commercial business loans. In addition, investment securities increased $6.7 million, or 7.2%, to $99.5 million at March 31, 2005 from $92.8 million at December 31, 2004, and mortgage-back securities increased $1.1 million, or 11.6%, to $11.1 million at March 31, 2005 from $10.0 million at December 31, 2004. These increases were partially offset by decreases in cash and cash equivalents of $13.2 million, or 42.8% to $17.7 million at March 31, 2005 from $30.9 million at December 31, 2004 and real estate owned for development of $428,000, or 27.7% to $1.1 million at March 31, 2005 from $1.5 million at December 31, 2004. The loan growth was funded by increases in deposits and the reduction of cash and cash equivalents for the first three months ended March 31, 2005. Deposits increased $18.6 million, or 2.8%, to $689.6 million at March 31, 2005 from $671.0 million at December 31, 2004. Borrowed money, representing FHLB advances, decreased $17.0 million to $220.0 million at March 31, 2005 from $237.0 million at December 31, 2004.

Stockholders' equity increased $577,000 to $86.1 million at March 31, 2004 from $85.5 million at December 31, 2004. The increase in stockholders' equity was primarily the result of the Company's net income for the three months ended March 31, 2005, which was partially offset by dividends paid and a decrease of $1.1 million in the Company's accumulated other comprehensive income relating to the change in fair value of its available-for-sale investment portfolio. As of March 31, 2005, there were 4,788,513 shares of common stock outstanding, resulting in a book value of $17.98 per share.

Net interest income before provision for loan losses increased by $248,000 or 4.1%, to $6.3 million for the three months ended March 31, 2005 as compared to the three months ended March 31, 2004. This increase is primarily due to an increase in the average interest-earning assets of $89.7 million or 10.4% for the three months ended March 31, 2005 as compared to the prior year period, the effect of which was partially offset by a decrease in average yield on interest-earning assets of 3 basis points for the three months ended March 31, 2005 from the comparable prior year period. The average yield on interest-earning assets decreased to 5.36% for the three months ended March 31, 2005 from 5.39% for the comparable prior year period. Average interest-bearing liabilities increased $84.4 million or 10.8% for the three months ended March 31, 2005 as compared to the prior year period. The average cost of interest-bearing liabilities increased 12 basis points to 2.89% for the three months ended March 31, 2005 from 2.77% for the three months ended March 31, 2004. The increase in cost of interest-bearing liabilities during the first quarter of 2005 was due to rising short-term interest rates during the last half of 2004 and early 2005. Interest rate spread decreased 15 basis points to 2.47% for the three months ended March 31, 2005 from 2.62% for the three months ended March 31, 2004. In addition, net interest margin also decreased 15 basis points to 2.74% for the three months ended March 31, 2005 from 2.89% for the three months ended March 31, 2004. Short-term interest rates have increased at a faster rate than long-term rates over the last several months, which has contributed to the reduction in the net interest margin. Management continues to monitor the net interest margin. The average yields, costs and spreads are reported on a tax equivalent basis.

The provision for loan losses increased $70,000 to $220,000 for the three months ended March 31, 2005 as compared to the prior year period. The increase in the provision for loan losses is primarily due to an increase in commercial real estate and business loans and the inherent risk in the commercial loan portfolio. Commercial real estate and business loans increased $27.2 million and $12.7 million to $130.4 million and $35.6 million from March 31, 2004 to March 31, 2005, respectively.

Noninterest income decreased $327,000, or 20.2%, to $1.3 million for the three months ended March 31, 2005 from the prior year period. The decrease is primarily due to decreases of $113,000 in gain on sale of property, $48,000 in gains on sale of securities, $180,000 in gains on sale of loans, $69,000 in insurance and brokerage commissions and $33,000 in revenues generated by Computer Dynamics Group, Inc. ("CDGI"). The decreases were partially offset by an increase of $161,000 in service fees. These fees increased primarily due to the growth in the number of deposit accounts. The gain on sale of property for the three months ended March 31, 2005 totaled $36,000 and is related to the sale of a single-family house located in a subdivision developed by the Bank's wholly-owned subsidiary EFS Service Corporation. In addition, the decrease in income generated by CDGI is largely due to a decrease in sales due to a weaker demand for CDGI's services.

Noninterest expense increased by $711,000, or 15.0%, to $5.4 million for the three months ended March 31, 2005 over the comparable period in 2004. This increase is primarily due to increases of $469,000 in compensation and benefits, $73,000 in office building operations resulting from the costs related to a new branch office placed in service in September 2004, and $37,000 relating to professional audit and outsourced internal audit fees. The increase in these audit fees is directly related to the Company's compliance with Section 404 of the Sarbanes-Oxley Act of 2002 for the fiscal year ending December 31, 2005. The increase in compensation and benefits is primarily due to a combination of annual salary increases and the addition of staff. The additional staff is related to the new branch office opened in 2004 and the expansion of the commercial loan department.

Income tax expense totaled $517,000 and $824,000 for the three months ended March 31, 2005 and 2004, respectively. The decrease in the provision for income tax was primarily the result of a decrease in pretax income of $859,000 to $1.9 million for the three months ended March 31, 2005 from $2.8 million for the comparable prior year period.

On March 16, 2005, the Company announced a quarterly dividend $0.1625. Payment of the cash dividend was made on April 12, 2005 to shareholders of record on March 31, 2005.

On April 28, 2005 the Company's stock price closed at $25.30 per share on the American Stock Exchange. The Company's dividend yield totaled 2.57%.

EFC Bancorp, Inc. is a thrift holding company headquartered in Elgin, Illinois, with $1.0 billion in assets. Its primary subsidiary, EFS Bank, a state chartered financial institution, maintains nine full service offices in Elgin and surrounding communities. A tenth full service branch is planned for the fourth quarter of 2005 located in Sycamore, Illinois.

For further information about the Company and the Bank visit them on the world wide web at www.efcbancorp.com and www.efsbank.com, respectively.

EFC Bancorp, Inc. common stock is traded on the American Stock Exchange under the symbol "EFC".

Statements contained in this news release which are not historical facts, are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risk and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in documents filed by the Company with the Securities and Exchange Commission from time to time.

The Company does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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PRESS RELEASE DATA

EFC BANCORP, INC.
AND SUBSIDIARIES

Selected consolidated financial data,
operating data and selected ratios (Unaudited)

	March 31, 2005	December 31, 2004	December 31, 2003
<S>	<C>	<C>	<C>
SELECTED CONSOLIDATED FINANCIAL DATA (IN THOUSANDS):			
Total assets	$ 1,011,546	1,003,915	897,093
Loans receivable, net	819,126	807,834	716,884
Investment securities available-for-sale	99,483	92,847	90,656
Mortgage-backed securities available-for-sale	11,137	9,977	10,165
Deposits	689,587	671,036	596,764
FHLB Advances	220,000	237,000	204,700
Stockholders' equity	86,112	85,535	78,404
Non-performing assets	2,938	2,930	2,767
Non-performing loans	2,938	2,930	2,767
Allowance for loan losses	4,716	4,496	3,755
SELECTED RATIOS:			
Total equity to total assets	8.51%	8.52%	8.74%
Allowance for loan losses as a % of nonperforming loans	160.52%	153.45%	135.71%
Allowance for loan losses as a % of loans, net	0.58%	0.56%	0.52%
Book value per share	$ 17.98	18.03	17.07
Market value per share	25.55	26.05	23.90
Dividends per share (for the quarter ended)	0.1625	0.1625	0.1475

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	Three months ended March 31,	
SELECTED CONSOLIDATED OPERATING DATA (IN THOUSANDS, EXCEPT PER SHARE DATA):	2005	2004
<S>	<C>	<C>
Interest income	12,545	11,447
Interest expense	6,239	5,388
Net interest income before provision for loan losses	6,306	6,059
Provision for loan losses	220	150
Net interest income after provision for loan losses	6,086	5,909
Noninterest income	1,290	1,616
Noninterest expense	5,447	4,737
Income before income tax expense and minority interest	1,929	2,788
Income tax expense	517	824
Income before minority interest	1,412	1,964
Minority interest	-	6
Net income	1,412	1,970
Earnings per share - basic	0.32	0.46
Earnings per share - diluted	0.30	0.43

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	Three months ended March 31,	
	2005	2004
<S>	<C>	<C>
SELECTED RATIOS:		
Return on average assets (1)	0.56%	0.86%
Return on average equity (1)	6.55%	9.86%
Noninterest expense to average total assets (1)	2.15%	2.07%
Efficiency ratio (3)	71.7%	61.7%

Tax equivalent net interest margin:		
Interest income as stated	$ 12,545	11,447
Add: Tax equivalent adjustment - investments (2)	219	189
Tax equivalent adjustment - loans (2)	-	-
Tax equivalent interest income	$ 12,764	11,636
Net interest margin without tax adjustment (1)	2.65%	2.81%
Net interest margin - tax equivalent (1)(2)	2.74%	2.89%
Yield on interest-earning assets without tax adjustment (1)	5.27%	5.30%
Yield on interest-earning assets - tax equivalent (1)(2)	5.36%	5.39%
Yield on interest-bearing liabilities (1)	2.89%	2.77%
Interest rate spread without tax adjustment (1)	2.38%	2.53%
Interest rate spread - tax equivalent (1)(2)	2.47%	2.62%

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SELECTED CONSOLIDATED AVERAGE BALANCE DATA (IN THOUSANDS):

	Three months ended March 31,	
	2005	2004
<S>	<C>	<C>
Total assets	$ 1,014,414	913,418
Mortgage receivable, net	563,707	569,937
Other loans, net	250,345	154,678
Total deposits	631,056	577,985
Borrowings	232,000	200,700
Stockholders' equity	86,274	79,912

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(1) Annualized.
(2) This adjustment reflects tax-exempt interest income on an equivalent before-tax basis assuming an effective tax rate of 34.0%.
(3) The efficiency ratio represents the ratio of noninterest expense divided by the sum of net interest income before provision of loan losses and noninterest income.