

OptimumBank Holdings, Inc.
Form 10-Q
August 14, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(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, 2015

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: **000-50755**

OPTIMUMBANK HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

55-0865043

(IRS Employer Identification No.)

2477 East Commercial Boulevard, Fort Lauderdale, FL 33308

(Address of principal executive offices)

954-900-2800

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 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 the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 9,545,679 shares of Common Stock, \$.01 par value, issued and outstanding as of August 14, 2015; 2 shares of Preferred Stock, no par value, issued and outstanding as of August 14, 2015.

OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES

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OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****Condensed Consolidated Balance Sheets****(Dollars in thousands, except per share amounts)**

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Cash and due from banks	\$ 14,216	\$ 11,601
Interest-bearing deposits with banks	848	473
Total cash and cash equivalents	15,064	12,074
Securities available for sale	25,513	26,748
Loans, net of allowance for loan losses of \$2,179 and \$2,244	82,659	75,829
Federal Home Loan Bank stock	1,083	1,229
Premises and equipment, net	2,765	2,836
Foreclosed real estate, net	4,270	4,880
Accrued interest receivable	436	426
Other assets	861	508
Total assets	\$ 132,651	\$ 124,530
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing demand deposits	\$ 14,428	\$ 9,195
Savings, NOW and money-market deposits	24,649	24,344
Time deposits	59,644	58,064
Total deposits	98,721	91,603
Federal Home Loan Bank advances	22,740	22,740
Junior subordinated debenture	5,155	5,155
Advanced payment by borrowers for taxes and insurance	623	241
Official checks	792	219
Other liabilities	1,664	1,593

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Total liabilities	129,695	121,551
Stockholders' equity:		
Preferred stock, no par value; 6,000,000 shares authorized, 2 shares issued and outstanding in 2015	—	—
Common stock, \$.01 par value; 50,000,000 shares authorized 9,545,679 and 9,305,236 shares issued and outstanding in 2015 and 2014	95	93
Additional paid-in capital	33,226	32,961
Accumulated deficit	(30,333)	(30,158)
Accumulated other comprehensive (loss) income	(32)	83
Total stockholders' equity	2,956	2,979
Total liabilities and stockholders' equity	\$ 132,651	\$ 124,530

See Accompanying Notes to Condensed Consolidated Financial Statements.

OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES**Condensed Consolidated Statements of Operations (Unaudited)****(in thousands, except per share amounts)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest income:				
Loans	\$967	\$1,525	\$1,854	\$2,498
Securities	145	277	307	526
Other	20	14	38	27
Total interest income	1,132	1,816	2,199	3,051
Interest expense:				
Deposits	162	173	316	358
Borrowings	59	62	116	122
Total interest expense	221	235	432	480
Net interest income	911	1,581	1,767	2,571
Provision for loan losses	—	—	—	—
Net interest income after provision for loan losses	911	1,581	1,767	2,571
Noninterest income:				
Service charges and fees	14	66	30	82
Loan costs recovery	—	470	—	470
Other	86	12	170	112
Total noninterest income	100	548	200	664
Noninterest expenses:				
Salaries and employee benefits	475	496	941	1,020
Occupancy and equipment	122	124	247	253
Data processing	68	79	140	160
Professional fees	151	236	252	345
Insurance	29	36	59	71
Foreclosed real estate	27	(360)	46	(799)

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Regulatory assessment	78	111	147	217
Other	55	64	311	295
Total noninterest expenses	1,005	786	2,143	1,562
Net earnings (loss)	\$6	\$1,343	\$(176)	\$1,673
Net earnings (loss) per share- Basic and diluted	\$—	\$.16	\$(.02)	\$.21
Dividends per share	\$—	\$—	\$—	\$—

See Accompanying Notes to Condensed Consolidated Financial Statements.

OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES**Condensed Consolidated Statements of Comprehensive (Loss) Income (Unaudited)****(In thousands)**

	Three Months Ended June 30, 2015		Six Months Ended June 30, 2014	
Net earnings (loss)	\$6	\$1,343	\$(176)	\$1,673
Other comprehensive (loss) income - Unrealized (loss) gain on securities available for sale:				
Unrealized (loss) gain arising during the period	(381)	202	(183)	405
Deferred income taxes (benefit) on above change	(143)	76	(69)	154
Total other comprehensive (loss) income	(238)	126	(114)	251
Comprehensive (loss) income	\$(232)	\$1,469	\$(290)	\$1,924

See Accompanying Notes to Condensed Consolidated Financial Statements.

OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders' Equity

Six Months Ended June 30, 2015 and 2014

(Dollars in thousands)

	Shares	Common Stock Amount	Preferred Stock Shares	Preferred Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity (Deficit)
Balance at December 31, 2013	8,011,077	\$ 80	—	\$ —	\$ 31,463	\$(31,763)	\$ 4	\$(216)
Proceeds from sale of common stock (unaudited)	41,000	—	—	—	51	—	—	51
Common stock issued as compensation to directors (unaudited)	182,741	2	—	—	218	—	—	220
Net earnings for the six months ended June 30, 2014 (unaudited)	—	—	—	—	—	1,673	—	1,673
Net change in unrealized gain on securities available for sale (unaudited)	—	—	—	—	—	—	251	251
Balance at June 30, 2014 (unaudited)	8,234,818	\$ 82	—	\$ —	\$ 31,732	\$(30,090)	\$ 255	\$ 1,979
Balance at December 31, 2014	9,305,236	93	—	—	32,961	(30,158)	83	2,979
Proceeds from sale of preferred stock (unaudited)	—	—	2	—	50	—	—	50
Common stock issued as compensation to directors (unaudited)	240,443	2	—	—	215	—	—	217