

OptimumBank Holdings, Inc.
Form 10-Q
May 14, 2018

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 March 31, 2018

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)

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 1,365,689 shares of Common Stock, \$.01 par value, issued and outstanding as of May 11, 2018.

OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY

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

	March 31, 2018 (Unaudited)	December 31, 2017
Assets:		
Cash and due from banks	\$ 3,899	\$ 11,233
Interest-bearing deposits with banks	245	432
Total cash and cash equivalents	4,144	11,665
Securities available for sale	10,990	11,437
Loans, net of allowance for loan losses of \$3,993 and \$3,991	69,100	68,220
Federal Home Loan Bank stock	979	979
Premises and equipment, net	2,671	2,593
Accrued interest receivable	284	316
Other assets	676	656
Total assets	\$ 88,844	\$ 95,866
Liabilities and Stockholders' Equity:		
Liabilities:		
Noninterest-bearing demand deposits	12,268	12,632
Savings, NOW and money-market deposits	21,548	22,045
Time deposits	21,281	30,574
Total deposits	55,097	65,251
Federal Home Loan Bank advances	21,000	20,500
Federal funds purchased	2,767	-
Junior subordinated debenture	5,155	5,155
Official checks	47	39
Other liabilities	1,905	2,376
Total liabilities	85,971	93,321

Commitments and contingencies (Notes 1, 8 and 9)

Stockholders' equity:

Preferred stock, no par value; 6,000,000 shares authorized: Designated Series A, no par value, \$25,000 liquidation value per share, 7 shares issued and outstanding	—	—
Common stock, \$.01 par value; 5,000,000 shares authorized, 1,286,503 shares issued and outstanding in 2018 and 1,120,947 shares issued and outstanding in 2017	13	11
Additional paid-in capital	34,748	34,090
Accumulated deficit	(31,591)	(31,306)
Accumulated other comprehensive loss	(297)	(250)
Total stockholders' equity	2,873	2,545
Total liabilities and stockholders' equity	\$ 88,844	\$ 95,866

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2018	2017
Interest income:		
Loans	\$916	\$1,045
Securities	61	109
Other	35	39
Total interest income	1,012	1,193
Interest expense:		
Deposits	112	180
Borrowings	148	100
Total interest expense	260	280
Net interest income	752	913
Provision for loan losses	—	—
Net interest income after provision for loan losses	752	913
Noninterest income:		
Service charges and fees	10	6
Other	4	3
Total noninterest income	14	9
Noninterest expenses:		
Salaries and employee benefits	438	442
Professional fees	65	217
Occupancy and equipment	104	100
Data processing	77	80
Insurance	24	23
Regulatory assessment	39	51
Other	304	292
Total noninterest expenses	1,051	1,205

Net loss	\$(285)	\$(283)
Net loss per share:		
Basic	\$(0.24)	\$(0.26)
Diluted	\$(0.24)	\$(0.26)

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31, 2018 2017	
Net loss	\$(285)	\$(283)
Other comprehensive (loss) income - Change in unrealized loss on securities available for sale - Unrealized (loss) gain arising during the year	(64)	26
Deferred income tax benefit (expense) on above change	17	(10)
Total other comprehensive (loss) income	(47)	16
Comprehensive loss	\$(332)	\$(267)

See accompanying notes to condensed consolidated financial statements.

OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**Condensed Consolidated Statements of Stockholders' Equity (Unaudited)****Three Months Ended March 31, 2018 and 2017****(Dollars in thousands)**

	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at December 31, 2016	7	\$ —	1,103,447	\$ 11	\$ 34,039	\$ (30,717)	\$ (252)	\$ 3,081
Net loss for the three months ended March 31, 2017 (unaudited)	—	—	—	—	—	(283)	—	(283)
Net change in unrealized loss on securities available for sale, net of tax benefit (unaudited)	—	—	—	—	—	—	16	16
Balance at March 31, 2017 (unaudited)	7	\$ —	1,103,447	\$ 11	\$ 34,039	\$ (31,000)	\$ (236)	\$ 2,814
Balance at December 31, 2017	7	—	1,120,947	11	\$ 34,090	\$ (31,306)	\$ (250)	\$ 2,545
Proceeds from sale of common stock (unaudited)	—	—	20,814	—	46	—	—	46
Common stock issued as compensation to directors (unaudited)	—	—	144,742	2	612	—	—	614