

NEW PEOPLES BANKSHARES INC

Form 10-Q

November 16, 2015

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-Q**

x **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended September 30, 2015**

.. **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: 000-33411**

**NEW PEOPLES BANKSHARES, INC.**

**(Exact name of registrant as specified in its charter)**

**Virginia**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**31-1804543**  
**(I.R.S. Employer**  
**Identification No.)**

**67 Commerce Drive**

**Honaker, Virginia**  
**(Address of principal executive offices)**

**24260**  
**(Zip Code)**

**(Registrant's telephone number, including area code) (276) 873-7000**

**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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer  Accelerated filer   
Non-accelerated filer  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:

Class	Outstanding at November 12, 2015
Common Stock, \$2.00 par value	23,337,540

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**Table of Contents****Part I Financial Information****Item 1 Financial Statements****NEW PEOPLES BANKSHARES, INC.****CONSOLIDATED STATEMENTS OF INCOME****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**

(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

(UNAUDITED)

	<b>2015</b>	<b>2014</b>
<b>INTEREST AND DIVIDEND INCOME</b>		
Loans including fees	\$ 17,595	\$ 18,814
Federal funds sold	2	2
Interest-earning deposits with banks	73	122
Investments	1,306	1,056
Dividends on equity securities (restricted)	98	96
<b>Total Interest and Dividend Income</b>	<b>19,074</b>	<b>20,090</b>
<b>INTEREST EXPENSE</b>		
Deposits		
Demand	28	28
Savings	129	140
Time deposits below \$100,000	1,062	1,415
Time deposits above \$100,000	735	974
FHLB Advances	113	150
Trust Preferred Securities	328	349
<b>Total Interest Expense</b>	<b>2,395</b>	<b>3,056</b>
<b>NET INTEREST INCOME</b>	<b>16,679</b>	<b>17,034</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>(1,200)</b>	
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>17,879</b>	<b>17,034</b>
<b>NONINTEREST INCOME</b>		
Service charges	1,667	1,638
Fees, commissions and other income	2,333	2,539

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Insurance and investment fees	411	290
Net realized gains on sale of investment securities	35	3
Life insurance investment income	316	55
<b>Total Noninterest Income</b>	<b>4,762</b>	<b>4,525</b>
<b>NONINTEREST EXPENSES</b>		
Salaries and employee benefits	8,816	9,610
Occupancy and equipment expense	2,767	2,908
Advertising and public relations	240	329
Data processing and telecommunications	1,552	1,672
FDIC insurance premiums	652	1,124
Other real estate owned and repossessed vehicles, net	1,398	1,930
Other operating expenses	3,822	3,831
<b>Total Noninterest Expenses</b>	<b>19,247</b>	<b>21,404</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>3,394</b>	<b>155</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	<b>17</b>	<b>(9)</b>
<b>NET INCOME</b>	<b>\$ 3,377</b>	<b>\$ 164</b>
<b>Income Per Share</b>		
Basic	\$ 0.15	\$ 0.01
Fully Diluted	\$ 0.15	\$ 0.01
<b>Weighted Average Shares of Common Stock</b>		
Basic	22,878,654	21,872,293
Fully Diluted	22,878,654	21,872,293

The accompanying notes are an integral part of this statement.

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**NEW PEOPLES BANKSHARES, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**  
(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)  
(UNAUDITED)

	2015	2014
<b>INTEREST AND DIVIDEND INCOME</b>		
Loans including fees	\$ 5,889	\$ 6,186
Federal funds sold		1
Interest-earning deposits with banks	18	37
Investments	457	366
Dividends on equity securities (restricted)	32	33
<b>Total Interest and Dividend Income</b>	<b>6,396</b>	<b>6,623</b>
<b>INTEREST EXPENSE</b>		
Deposits		
Demand	10	9
Savings	44	42
Time deposits below \$100,000	315	449
Time deposits above \$100,000	213	312
FHLB Advances	35	47
Trust Preferred Securities	111	120
<b>Total Interest Expense</b>	<b>728</b>	<b>979</b>
<b>NET INTEREST INCOME</b>	<b>5,668</b>	<b>5,644</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>(1,200)</b>	
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>6,868</b>	<b>5,644</b>
<b>NONINTEREST INCOME</b>		
Service charges	579	580
Fees, commissions and other income	796	905
Insurance and investment fees	155	107
Net realized gains on sale of investment securities		(1)
Life insurance investment income	247	19

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Total Noninterest Income	1,777	1,610
<b>NONINTEREST EXPENSES</b>		
Salaries and employee benefits	2,992	3,201
Occupancy and equipment expense	905	939
Advertising and public relations	111	91
Data processing and telecommunications	550	563
FDIC insurance premiums	213	374
Other real estate owned and repossessed vehicles, net	332	402
Other operating expenses	1,235	1,295
Total Noninterest Expenses	6,338	6,865
<b>INCOME BEFORE INCOME TAXES</b>	2,307	389
<b>INCOME TAX EXPENSE (BENEFIT)</b>	14	(4)
<b>NET INCOME</b>	\$ 2,293	\$ 393
<b>Income Per Share</b>		
Basic	\$ 0.10	\$ 0.02
Fully Diluted	\$ 0.10	\$ 0.02
<b>Weighted Average Shares of Common Stock</b>		
Basic	22,878,654	21,872,293
Fully Diluted	22,878,654	21,872,293

The accompanying notes are an integral part of this statement.



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**NEW PEOPLES BANKSHARES, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**

(IN THOUSANDS)

(UNAUDITED)

	For the three months ended		For the nine months ended	
	September 30, 2015	2014	September 30, 2015	2014
<b>NET INCOME</b>	\$ 2,293	\$ 393	\$ 3,377	\$ 164
<b>Other comprehensive income:</b>				
Investment Securities Activity				
Unrealized gains arising during the period	576	62	309	825
Tax related to unrealized gains	(196)	(21)	(105)	(280)
Reclassification of realized (gains) losses during the period		1	(35)	(3)
Tax related to realized (gains) losses		(1)	12	1
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	380	41	181	543
<b>TOTAL COMPREHENSIVE INCOME</b>	\$ 2,673	\$ 434	\$ 3,558	\$ 707

The accompanying notes are an integral part of this statement.

**Table of Contents****NEW PEOPLES BANKSHARES, INC.****CONSOLIDATED BALANCE SHEETS**

(IN THOUSANDS EXCEPT PER SHARE AND SHARE DATA)

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
	(Unaudited)	(Audited)
<b>ASSETS</b>		
Cash and due from banks	\$ 16,576	\$ 14,622
Interest-bearing deposits with banks	17,783	20,933
Federal funds sold		5
<b>Total Cash and Cash Equivalents</b>	<b>34,359</b>	<b>35,560</b>
Investment securities available-for-sale	102,383	100,069
Loans receivable	438,538	457,549
Allowance for loan losses	(8,672)	(9,922)
<b>Net Loans</b>	<b>429,866</b>	<b>447,627</b>
Bank premises and equipment, net	28,406	28,766
Equity securities (restricted)	2,441	2,369
Other real estate owned	15,195	15,049
Accrued interest receivable	1,835	1,975
Life insurance investments	12,075	12,268
Deferred taxes, net	4,895	4,988
Other assets	2,303	2,413
<b>Total Assets</b>	<b>\$ 633,758</b>	<b>\$ 651,084</b>
<b>LIABILITIES</b>		
Deposits:		
Demand deposits:		
Noninterest bearing	\$ 143,194	\$ 143,950
Interest-bearing	32,387	29,567
Savings deposits	122,830	111,701
Time deposits	266,212	299,974
<b>Total Deposits</b>	<b>564,623</b>	<b>585,192</b>
Federal Home Loan Bank advances	3,258	4,158
Accrued interest payable	301	266
Accrued expenses and other liabilities	2,671	2,121

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Trust preferred securities	16,496	16,496
Total Liabilities	587,349	608,233
<b>STOCKHOLDERS EQUITY</b>		
Common stock - \$2.00 par value; 50,000,000 shares authorized; 22,878,654 shares issued and outstanding	45,757	45,757
Common stock warrants	1,176	1,176
Additional paid-in-capital	13,672	13,672
Retained deficit	(14,308)	(17,685)
Accumulated other comprehensive income (loss)	112	(69)
Total Stockholders Equity	46,409	42,851
Total Liabilities and Stockholders Equity	\$ 633,758	\$ 651,084

The accompanying notes are an integral part of this statement.

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**NEW PEOPLES BANKSHARES, INC.**

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**

(IN THOUSANDS INCLUDING SHARE DATA)

(UNAUDITED)

	Shares of Common Stock	Common Stock	Common Stock Warrants	Additional Paid-in- Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity
Balance, December 31, 2013	21,872	\$ 43,745	\$ 2,050	\$ 13,050	\$ (17,925)	\$ (960)	\$ 39,960
Net income					164		164
Other comprehensive income, net of tax						543	543
Balance, September 30, 2014	21,872	\$ 43,745	\$ 2,050	\$ 13,050	\$ (17,761)	\$ (417)	\$ 40,667
Balance, December 31, 2014	22,878	\$ 45,757	\$ 1,176	\$ 13,672	\$ (17,685)	\$ (69)	\$ 42,851
Net income					3,377		3,377
Other comprehensive income, net of tax						181	181
Balance, September 30, 2015	22,878	\$ 45,757	\$ 1,176	\$ 13,672	\$ (14,308)	\$ 112	\$ 46,409

The accompanying notes are an integral part of this statement.

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**NEW PEOPLES BANKSHARES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014**  
(IN THOUSANDS)  
(UNAUDITED)

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 3,377	\$ 164
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,571	1,673
Provision for loan losses	(1,200)	
Income on life insurance	(381)	(120)
Gain on sale of securities available-for-sale	(35)	(3)
Gain on sale of premises and equipment	(67)	(183)
(Gain) Loss on sale of foreclosed assets	(10)	183
Net write-down of carrying value of foreclosed real estate	784	957
Accretion of bond premiums/discounts	867	780
Amortization of core deposit intangible		8
Net change in:		
Interest receivable	140	264
Other assets	110	118
Accrued interest payable	35	297
Accrued expenses and other liabilities	550	784
Net Cash Provided by Operating Activities	5,741	4,922
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net decrease in loans	15,686	22,558
Proceeds from sale of loans		2,905
Purchase of securities available-for-sale	(25,202)	(43,534)
Proceeds from sale and maturities of securities available-for-sale	22,330	25,642
Sale of Federal Home Loan Bank stock	30	350
Purchase of Federal Reserve Bank stock	(37)	
Purchase of CBB Financial Corp. stock	(65)	
Payments for the purchase of premises and equipment	(1,325)	(1,426)
Payments for the purchase of other real estate owned	(5)	
Proceeds from life insurance investment	1,793	
Proceeds from sales of premises and equipment	181	553
Proceeds from insurance on other real estate owned	57	
Proceeds from sales of other real estate owned	1,084	2,164

Net Cash Provided by Investing Activities	14,527	9,212
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments to Federal Home Loan Bank	(900)	(900)
Net change in:		
Demand deposits	2,064	8,547
Savings deposits	11,129	8,156
Time deposits	(33,762)	(32,853)
Net Cash Used in Financing Activities	(21,469)	(17,050)
Net decrease in cash and cash equivalents	(1,201)	(2,916)
Cash and Cash Equivalents, Beginning of Period	35,560	54,680
Cash and Cash Equivalents, End of Period	\$ 34,359	\$ 51,764
Supplemental Disclosure of Cash Paid During the Period for:		
Interest	\$ 2,360	\$ 2,759
Taxes	\$	\$
Supplemental Disclosure of Non Cash Transactions:		
Other real estate acquired in settlement of foreclosed loans	\$ 2,249	\$ 2,224
Loans made to finance sale of foreclosed real estate	\$ 193	\$ 1,232

The accompanying notes are an integral part of this statement.

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**NEW PEOPLES BANKSHARES, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS:**

New Peoples Bankshares, Inc. ( The Company ) is a bank holding company whose principal activity is the ownership and management of a community bank. New Peoples Bank, Inc. ( Bank ) was organized and incorporated under the laws of the Commonwealth of Virginia on December 9, 1997. The Bank commenced operations on October 28, 1998, after receiving regulatory approval. As a state-chartered member bank, the Bank is subject to regulation by the Virginia Bureau of Financial Institutions, the Federal Deposit Insurance Corporation and the Federal Reserve Bank. The Bank provides general banking services to individuals, small and medium size businesses and the professional community of southwestern Virginia, southern West Virginia, and eastern Tennessee. On June 9, 2003, the Company formed two wholly-owned subsidiaries; NPB Financial Services, Inc. and NPB Web Services, Inc. On July 7, 2004 the Company established NPB Capital Trust I for the purpose of issuing trust preferred securities. On September 27, 2006, the Company established NPB Capital Trust 2 for the purpose of issuing additional trust preferred securities. NPB Financial Services, Inc. was a subsidiary of the Company until January 1, 2009 when it became a subsidiary of the Bank. In June 2012 the name of NPB Financial Services, Inc. was changed to NPB Insurance Services, Inc. which operates solely as an insurance agency. NPB Web Services, Inc. is currently inactive.

**NOTE 2 ACCOUNTING PRINCIPLES:**

These consolidated financial statements conform to U. S. generally accepted accounting principles and to general industry practices. In the opinion of management, the accompanying consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the Company s financial position at September 30, 2015 and December 31, 2014, and the results of operations for the three and nine month periods ended September 30, 2015 and 2014. The notes included herein should be read in conjunction with the notes to the consolidated financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2014. The results of operations for the three and nine month periods ended September 30, 2015 and 2014 are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The determination of the adequacy of the allowance for loan losses and the determination of the deferred tax asset and related valuation allowance are based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions.

**NOTE 3 FORMAL WRITTEN AGREEMENT:**

Effective July 29, 2010, the Company and the Bank entered into a written agreement (the Written Agreement ) with the Federal Reserve Bank of Richmond ( Reserve Bank ) and the Virginia State Corporation Commission Bureau of Financial Institutions (the Bureau ). At September 30, 2015, we believe we are compliant with the Written Agreement. All of the written plans required to date, as discussed in the following paragraphs, have been submitted on a timely

basis.

Under the terms of the Written Agreement, the Bank agreed to develop and submit for approval within specified time periods written plans to: (a) strengthen board oversight of management and the Bank's operation; (b) if appropriate after review, to strengthen the Bank's management and board governance; (c) strengthen credit risk management policies; (d) enhance lending and credit administration; (e) enhance the Bank's management of commercial real estate concentrations; (f) conduct ongoing review and grading of the Bank's loan portfolio; (g) improve the Bank's position with respect to loans, relationships, or other assets in excess of \$1 million which are now or in the future become past due more than 90 days, which are on the Bank's problem loan list, or which are adversely classified in any report of examination of the Bank; (h) review and revise, as appropriate, current policy and maintain sound processes for maintaining an adequate allowance for loan and lease losses; (i) enhance management of the Bank's liquidity position and funds management practices; (j) revise its contingency funding plan; (k) revise its strategic plan; and (l) enhance the Bank's anti-money laundering and related activities.

In addition, the Bank agreed that it will: (a) not extend, renew, or restructure any credit that has been criticized by the Reserve Bank or the Bureau absent prior board of directors approval in accordance with the restrictions in the Written Agreement; (b) eliminate all assets or portions of assets classified as loss and thereafter charge off all assets classified as loss in a federal or state report of examination, unless otherwise approved by the Reserve Bank.



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Under the terms of the Written Agreement, both the Company and the Bank agreed to submit capital plans to maintain sufficient capital at the Company, on a consolidated basis, and the Bank, on a stand-alone basis, and to refrain from declaring or paying dividends without prior regulatory approval. The Company agreed that it will not take any other form of payment representing a reduction in the Bank's capital or make any distributions of interest, principal, or other sums on subordinated debentures or trust preferred securities without prior regulatory approval. The Company may not incur, increase or guarantee any debt without prior regulatory approval and has agreed not to purchase or redeem any shares of its stock without prior regulatory approval.

Under the terms of the Written Agreement, the Company and the Bank appointed a committee to monitor compliance with the Written Agreement. The directors of the Company and the Bank recognized and unanimously agree with the common goal of financial soundness represented by the Written Agreement and have confirmed the intent of the directors and executive management to diligently seek to comply with all requirements of the Written Agreement.

**NOTE 4 CAPITAL:****Capital Requirements and Ratios**

The Company and the Bank are subject to various capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and, possibly, additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's and the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined) to risk-weighted assets (as defined), Tier 1 capital (as defined) to average assets (as defined), and Common Equity Tier 1 capital (as defined) to risk-weighted assets (as defined). Management believes that, as of September 30, 2015, the Company and the Bank meet all capital adequacy requirements to which they are subject. The Company's and the Bank's actual capital amounts and ratios are presented in the following table as of September 30, 2015 and December 31, 2014, respectively. The September 30, 2015 ratios comply with Federal Reserve rules to align with the Basel III Capital requirements effective January 1, 2015.

(Dollars are in thousands)	Actual		Minimum Capital Requirement		Minimum to Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
September 30, 2015:						
Total Capital to Risk Weighted Assets:						
The Company	\$ 66,762	17.83%	\$ 29,961	8.0%	\$ N/A	N/A
The Bank	66,326	17.71%	29,965	8.0%	37,456	10.0%
Tier 1 Capital to Risk Weighted Assets:						

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The Company	61,464	16.41%	22,471	6.0%	N/A	N/A
The Bank	61,595	16.44%	22,474	6.0%	29,965	8.0%
Tier 1 Capital to Average Assets:						
The Company	61,464	9.64%	25,515	4.0%	N/A	N/A
The Bank	61,595	9.66%	25,512	4.0%	31,890	5.0%
Common Equity Tier 1 Capital to Risk Weighted Assets:						
The Company	46,032	12.29%	16,853	4.5%	N/A	N/A
The Bank	61,595	16.44%	16,855	4.5%	24,346	6.5%
December 31, 2014:						
Total Capital to Risk Weighted Assets:						
The Company	\$ 59,816	15.98%	\$ 29,948	8.0%	\$ N/A	N/A
The Bank	58,869	15.73%	29,938	8.0%	37,422	10.0%
Tier 1 Capital to Risk Weighted Assets:						
The Company	53,379	14.26%	14,974	4.0%	N/A	N/A
The Bank	54,127	14.46%	14,969	4.0%	22,453	6.0%
Tier 1 Capital to Average Assets:						
The Company	53,379	8.07%	26,453	4.0%	N/A	N/A
The Bank	54,127	8.19%	26,447	4.0%	33,058	5.0%

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As of September 30, 2015, the Bank was well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, an institution must maintain minimum total risk-based, Tier 1 risk-based, Tier 1 leverage, and Common Equity Tier 1 ratios as set forth in the above tables. There are no conditions or events since the notification that management believes have changed the Company's and Bank's category.

**NOTE 5 INVESTMENT SECURITIES:**

The amortized cost and estimated fair value of securities (all available-for-sale (AFS)) are as follows:

(Dollars are in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
<b>September 30, 2015</b>				
U.S. Government Agencies	\$ 41,639	\$ 324	\$ 155	\$ 41,808
Taxable municipals	3,352	8	44	3,316
Corporate bonds	942	5		947
Mortgage backed securities	56,281	235	204	56,312
<b>Total Securities AFS</b>	<b>\$ 102,214</b>	<b>\$ 572</b>	<b>\$ 403</b>	<b>\$ 102,383</b>
<b>December 31, 2014</b>				
U.S. Government Agencies	\$ 43,985	\$ 332	\$ 247	\$ 44,070
Taxable municipals	293		5	288
Corporate bonds				
Mortgage backed securities	55,896	144	329	55,711
<b>Total Securities AFS</b>	<b>\$ 100,174</b>	<b>\$ 476</b>	<b>\$ 581</b>	<b>\$ 100,069</b>

The following table details unrealized losses and related fair values in the available-for-sale portfolio. This information is aggregated by the length of time that individual securities have been in a continuous unrealized loss position as of September 30, 2015 and December 31, 2014.

(Dollars are in thousands)	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>September 30, 2015</b>						
U.S. Government Agencies	\$ 8,808	\$ 44	\$ 8,134	\$ 111	\$ 16,942	\$ 155
Taxable municipals	2,161	41	281	3	2,442	44
Corporate bonds						
Mtg. backed securities	20,105	109	7,940	95	28,045	204

Total Securities AFS	\$ 31,074	\$ 194	\$ 16,355	\$ 209	\$ 47,429	\$ 403
<b>December 31, 2014</b>						
U.S. Government Agencies	\$ 7,408					