

OptimumBank Holdings, Inc.  
Form 10-Q  
August 14, 2013

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-Q**

(Mark One)

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

For the quarterly period ended June 30, 2013

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)

**954-776-2332**

(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 S 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 S 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 S

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No S

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 7,891,217 shares of Common Stock, \$.01 par value, issued and outstanding as of August 13, 2013



OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES

INDEX

**PART I. FINANCIAL INFORMATION**

<b><u>Item 1. Financial Statements</u></b>	<b>Page</b>
<u>Condensed Consolidated Balance Sheets - June 30, 2013 (unaudited) and December 31, 2012</u>	2
<u>Condensed Consolidated Statements of Operations - Three and Six Months ended June 30, 2013 and 2012 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Comprehensive Loss - Three and Six Months ended June 30, 2013 and 2012 (unaudited)</u>	4
<u>Condensed Consolidated Statements of Stockholders' Equity - Six Months ended June 30, 2013 and 2012 (unaudited)</u>	5
<u>Condensed Consolidated Statements of Cash Flows - Six Months ended June 30, 2013 and 2012 (unaudited)</u>	6-7
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	8-24
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	25-33
<b><u>Item 4. Controls and Procedures</u></b>	34
<b><u>PART II. OTHER INFORMATION</u></b>	
<b><u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u></b>	34
<b><u>Item 6. Exhibits</u></b>	34
<b><u>SIGNATURES</u></b>	35

## OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES

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

	<b>June 30,</b> 2013 <b>(Unaudited)</b>	<b>December</b> <b>31,</b> 2012
<b>Assets</b>		
Cash and due from banks	\$4,277	\$4,541
Interest-bearing deposits with banks	13,388	19,070
Total cash and cash equivalents	17,665	23,611
Securities available for sale	20,722	18,648
Loans, net of allowance for loan losses of \$2,587 and \$2,459	84,639	85,209
Federal Home Loan Bank stock	1,419	1,478
Premises and equipment, net	2,941	2,906
Foreclosed real estate, net	7,834	10,938
Accrued interest receivable	503	499
Other assets	178	454
Total assets	\$135,901	\$143,743
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities:</b>		
Noninterest-bearing demand deposits	3,461	4,626
Savings, NOW and money-market deposits	32,094	34,153
Time deposits	62,124	62,832
Total deposits	97,679	101,611

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Federal Home Loan Bank advances	27,700	27,700
Junior subordinated debenture	5,155	5,155
Advanced payment by borrowers for taxes and insurance	743	461
Official checks	818	581
Other liabilities	1,408	1,325
<b>Total liabilities</b>	<b>133,503</b>	<b>136,833</b>
Stockholders' equity:		
Preferred stock, no par value; 6,000,000 shares authorized, no shares issued or outstanding	0	0
Common stock, \$.01 par value; 50,000,000 shares authorized 7,891,217 and 31,511,201 shares issued and outstanding	79	315
Additional paid-in capital	31,316	31,057
Accumulated deficit	(29,104	) (24,688
Accumulated other comprehensive income	107	226
<b>Total stockholders' equity</b>	<b>2,398</b>	<b>6,910</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$135,901</b>	<b>\$143,743</b>

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)**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	2013	2012	2013	2012
Interest income:				
Loans	\$1,067	\$982	\$2,161	\$1,977
Securities	184	276	376	574
Other	15	22	32	38
Total interest income	1,266	1,280	2,569	2,589
Interest expense:				
Deposits	219	285	448	576
Borrowings	309	388	645	777
Total interest expense	528	673	1,093	1,353
Net interest income	738	607	1,476	1,236
Provision for loan losses	822	154	2,194	181
Net interest (expense) income after provision for loan losses	(84 )	453	(718 )	1,055
Noninterest income:				
Service charges and fees	24	8	57	11
Other	7	178	19	178
Total noninterest income	31	186	76	189
Noninterest expenses:				
Salaries and employee benefits	571	426	1,059	836
Occupancy and equipment	129	125	265	243
Data processing	79	63	151	114
Professional fees	382	288	549	527
Insurance	79	70	158	139
Stationary and supplies	9	10	19	21
Foreclosed real estate	691	70	976	138

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Regulatory assessment	82	78	170	123
Other	35	176	74	352
Total noninterest expenses	2,057	1,306	3,421	2,493
Other-than-temporary impairment on securities:				
Total other-than-temporary impairment losses	149	103	353	103
Portion of losses recognized in other comprehensive income	0	0	0	0
Net loss	\$(2,259)	\$(770)	\$(4,416)	\$(1,352)
Net loss per share-				
Basic and diluted	\$(.29)	\$(.12)	\$(.56)	\$(.21)
Dividends per share	\$0	\$0	\$0	\$0

See Accompanying Notes to Condensed Consolidated Financial Statements.



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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	2013	2012	2013	2012
Net loss	\$ (2,259)	\$ (770)	\$ (4,416)	\$ (1,352)
Other comprehensive loss-				
Unrealized gains (loss) on securities available for sale:				
Unrealized gain arising during the period	61	214	234	541
Other-than-temporary impairment on securities	149	103	353	103
Unrealized holding (losses) gains arising during period	(88 )	111	(119 )	438
Comprehensive loss	\$ (2,347)	\$ (659)	\$ (4,535)	\$ (914 )

See Accompanying Notes to Condensed Consolidated Financial Statements.

## OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARIES

## Condensed Consolidated Statements of Stockholders' Equity

Six Months Ended June 30, 2013 and 2012

**(Dollars in thousands)**

	<b>Common Stock Shares</b>	<b>Common Stock Amount</b>	<b>Additional Paid-In Capital</b>	<b>Accumulated Deficit</b>	<b>Accumulated Other Compre- hensive (Loss) Income</b>	<b>Total Stockholders' Equity</b>
Balance at December 31, 2011	22,411,108	\$ 224	\$ 27,491	\$ (19,991 )	\$ (938 )	\$ 6,786
Proceeds from sale of common stock (unaudited)	4,447,500	45	1,735	0	0	1,780
Common stock issued as compensation to directors (unaudited)	22,386	0	25	0	0	25
Net loss for the six months ended June 30, 2012 (unaudited)	0	0	0	(1,352 )	0	(1,352 )
Net change in unrealized loss on securities available for sale (unaudited)	0	0	0	0	438	438

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