

OptimumBank Holdings, Inc.  
Form 10-Q  
August 14, 2009  
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**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, 2009

**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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**Florida** **55-0865043**  
(State or other jurisdiction of **(IRS Employer**  
incorporation or organization) **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  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  \*The registrant has not yet been phased into the interactive data requirements.

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 registrant's classes of common stock, as of the latest practicable date: 3,276,842 shares of Common Stock, \$.01 par value, issued and outstanding as of August 13, 2009

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**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**

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	<b>June 30, 2009 (unaudited)</b>	<b>December 31, 2008</b>
<b>Assets</b>		
Cash and due from banks	\$ 2,133	\$ 980
Interest-bearing deposits with banks	15,324	97
Federal funds sold	3,337	2,143
<b>Total cash and cash equivalents</b>	<b>20,794</b>	<b>3,220</b>
Securities held to maturity (fair value of \$86,381 and \$78,756)	94,477	82,208
Security available for sale	245	244
Loans, net of allowance for loan losses of \$1,487 and \$1,906	159,262	160,699
Federal Home Loan Bank stock	3,551	3,526
Premises and equipment, net	3,010	3,094
Foreclosed assets	88	95
Accrued interest receivable	1,262	1,277
Other assets	1,335	1,377
<b>Total assets</b>	<b>\$ 284,024</b>	<b>\$ 255,740</b>
<b>Liabilities and Stockholders Equity</b>		
Liabilities:		
Noninterest-bearing demand deposits	\$ 98	\$ 90
Savings, NOW and money-market deposits	41,889	30,668
Time deposits	101,485	84,167
<b>Total deposits</b>	<b>143,472</b>	<b>114,925</b>
Federal Home Loan Bank advances	68,700	68,700
Other borrowings	41,800	41,800
Junior subordinated debenture	5,155	5,155
Advanced payment by borrowers for taxes and insurance	1,562	935
Official checks	805	553
Other liabilities	442	907
<b>Total liabilities</b>	<b>261,936</b>	<b>232,975</b>
Stockholders equity:		
	33	31

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Common stock, \$.01 par value; 6,000,000 shares authorized, 3,276,842 and 3,120,992 shares issued and outstanding		
Additional paid-in capital	19,046	18,494
Retained earnings	3,012	4,244
Accumulated other comprehensive loss	(3)	(4)
<b>Total stockholders' equity</b>	<b>22,088</b>	<b>22,765</b>
Total liabilities and stockholders' equity	\$ 284,024	\$ 255,740

See Accompanying Notes to Condensed Consolidated Financial Statements.

**Table of Contents****OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY****Condensed Consolidated Statements of Operations (Unaudited)**

(Dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Interest income:				
Loans	\$ 2,435	\$ 2,867	\$ 4,855	\$ 5,982
Securities	1,330	1,061	2,577	1,914
Other	3	52	3	109
<b>Total interest income</b>	<b>3,768</b>	<b>3,980</b>	<b>7,435</b>	<b>8,005</b>
Interest expense:				
Deposits	992	1,141	1,968	2,455
Borrowings	1,225	1,178	2,439	2,213
<b>Total interest expense</b>	<b>2,217</b>	<b>2,319</b>	<b>4,407</b>	<b>4,668</b>
Net interest income	1,551	1,661	3,028	3,337
Provision (credit) for loan losses	1,634	(7)	2,039	114
Net interest (expense) income after provision (credit) for loan losses	(83)	1,668	989	3,223
Noninterest income:				
Service charges and fees	23	32	53	73
Loan prepayment fees		5		5
Other	1	1	2	2
<b>Total noninterest income</b>	<b>24</b>	<b>38</b>	<b>55</b>	<b>80</b>
Noninterest expenses:				
Salaries and employee benefits	546	556	1,089	1,091
Occupancy and equipment	161	205	317	369
Data processing	42	40	87	83
Professional fees	127	71	219	141
Insurance	162	15	236	28
Stationary and supplies	12	5	19	13
Provision for losses on foreclosed assets	2	90	7	63
Other	69	101	157	204
<b>Total noninterest expenses</b>	<b>1,121</b>	<b>1,083</b>	<b>2,131</b>	<b>1,992</b>
(Loss) earnings before income taxes (benefit)	(1,180)	623	(1,087)	1,311

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Income taxes (benefit)	(444)	235	(409)	493
Net (loss) earnings	\$ (736)	\$ 388	\$ (678)	\$ 818
Net (loss) earnings per share:				
Basic	\$ (.22)	\$ .12	\$ (.21)	\$ .25
Diluted	\$ (.22)	\$ .12	\$ (.21)	\$ .24
Dividends per share	\$	\$	\$	\$

See Accompanying Notes to Condensed Consolidated Financial Statements.

**Table of Contents****OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY****Condensed Consolidated Statements of Stockholders Equity****Six Months Ended June 30, 2009 and 2008****(Dollars in thousands)**

	Common Stock		Additional	Retained	Accumulated	Total
	Shares	Amount	Paid-In	Earnings	Other	Stockholders
			Capital		Comprehensive	Equity
					Loss	
Balance at December 31, 2007	2,972,507	\$ 30	17,308	4,913	(4)	22,247
Comprehensive income:						
Net earnings for the six months ended June 30, 2008 (unaudited)				818		818
Net change in unrealized loss on security available for sale (unaudited)					(4)	(4)
Comprehensive income (unaudited)						814
5% stock dividend (fractional shares paid in cash) (unaudited)						
	148,485	1	1,186	(1,189)		(2)
Balance at June 30, 2008 (unaudited)	3,120,992	\$ 31	18,494	4,542	(8)	23,059
Balance at December 31, 2008						