

Birmingham Bloomfield Bancshares  
Form 10-Q  
November 09, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

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

**For the quarterly period ended September 30, 2012**

**Commission File Number 000-52584**

**BIRMINGHAM BLOOMFIELD BANCSHARES, INC.**

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

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**Michigan** **20-3993452**  
(State or other jurisdiction of **(I.R.S. Employer**  
incorporation or organization) **Identification No.)**  
**33583 Woodward Avenue, Birmingham, MI 48009**  
  
(Address of principal executive offices, including zip code)  
  
**(248) 723-7200**  
  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (i) 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 (ii) 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 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.

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

The number of shares outstanding of the issuer's Common Stock as of November 9, 2012, was 1,824,662 shares.

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	(Unaudited) September 30, 2012	December 31, 2011
<b>Assets</b>		
Cash and cash equivalents		
Cash	\$ 20,841,410	\$ 4,693,585
Federal funds sold		
<b>Total cash and cash equivalents</b>	<b>20,841,410</b>	<b>4,693,585</b>
Securities, available for sale (Note 2)	3,837,942	4,594,761
Federal home loan bank stock	218,100	169,900
Loans held for sale		2,484,829
Loans (Note 3)		
Total portfolio loans	118,439,890	106,297,926
Less: allowance for loan losses	(1,974,350)	(1,574,350)
Net portfolio loans	116,465,540	104,723,576
Premises & equipment	1,326,624	1,395,187
Bank-owned Life Insurance	2,162,296	2,100,000
Interest receivable and other assets	3,644,739	4,235,623
<b>Total assets</b>	<b>\$ 148,496,651</b>	<b>\$ 124,397,461</b>
<b>Liabilities and Shareholders' Equity</b>		
Deposits (Note 4)		
Non-interest bearing	\$ 21,733,611	\$ 19,662,283
Interest bearing	109,413,057	88,015,546
<b>Total deposits</b>	<b>131,146,668</b>	<b>107,677,829</b>
Interest payable and other liabilities	667,532	755,090
<b>Total liabilities</b>	<b>\$ 131,814,200</b>	<b>\$ 108,432,919</b>
Shareholders' equity (Note 10)		
Senior non-cumulative perpetual preferred stock series D \$1,000 liquidation value per share, 1%		
Authorized, issued and outstanding 4,621 shares	4,621,000	4,621,000
Common stock, no par value		
Authorized 9,000,000 and 4,500,000 shares, respectively		
Issued and outstanding 1,824,662 and 1,812,662 shares, respectively	17,105,618	17,066,618
Additional paid in capital	493,154	493,154
Accumulated deficit	(5,628,990)	(6,311,398)
Accumulated other comprehensive income	91,669	95,168
<b>Total shareholders' equity</b>	<b>16,682,451</b>	<b>15,964,542</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 148,496,651</b>	<b>\$ 124,397,461</b>

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See accompanying notes to consolidated financial statements

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	For the three months ended September 30,		For the nine months ended September 30,	
	2012	2011	2012	2011
<b>Interest Income</b>				
Interest and fees on loans	\$ 1,713,893	\$ 1,554,666	\$ 4,996,724	\$ 4,644,719
Interest on securities	24,301	22,472	75,249	75,194
Interest on fed funds and bank balances	7,317	4,940	13,907	15,304
<b>Total interest income</b>	<b>1,745,511</b>	<b>1,582,078</b>	<b>5,085,880</b>	<b>4,735,217</b>
<b>Interest Expense</b>				
Interest on deposits	238,608	301,195	689,555	929,127
Interest on fed funds and short-term borrowings			64	14,509
<b>Total interest expense</b>	<b>238,608</b>	<b>301,195</b>	<b>689,619</b>	<b>943,636</b>
<b>Net Interest Income</b>	<b>1,506,903</b>	<b>1,280,883</b>	<b>4,396,261</b>	<b>3,791,581</b>
<b>Provision for Loan Losses</b>	<b>330,000</b>	<b>105,000</b>	<b>400,000</b>	<b>159,000</b>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>1,176,903</b>	<b>1,175,883</b>	<b>3,996,261</b>	<b>3,632,581</b>
<b>Non-interest Income</b>				
Service charges on deposit accounts	19,413	15,208	58,710	39,369
Mortgage banking activities	77,165	108,384	274,032	167,145
SBA loan sales	173,099	186,151	321,848	686,884
Other Income	30,031	8,808	240,733	30,426
<b>Total non-interest income</b>	<b>299,708</b>	<b>318,551</b>	<b>895,323</b>	<b>923,824</b>
<b>Non-interest Expense</b>				
Salaries and employee benefits	653,234	729,641	2,055,073	1,955,026
Occupancy expense	122,137	145,294	356,804	388,979
Equipment expense	49,950	55,722	150,229	133,310
Advertising and public relations	81,712	29,276	172,180	110,019
Data processing expense	63,178	57,379	180,219	166,952
Professional fees	102,328	105,963	378,629	363,403
Loan origination expense	48,091	37,223	155,147	86,273
Regulatory assessments	25,270	33,603	74,245	115,931
Other expenses	102,264	123,360	280,363	287,503
<b>Total non-interest expense</b>	<b>1,248,164</b>	<b>1,317,461</b>	<b>3,802,889</b>	<b>3,607,396</b>
<b>Net Income Before Federal Income Tax</b>	<b>228,447</b>	<b>176,973</b>	<b>1,088,695</b>	<b>949,009</b>
<b>Federal income tax expense</b>	<b>78,700</b>		<b>361,351</b>	
<b>Net Income</b>	<b>149,747</b>	<b>176,973</b>	<b>727,344</b>	<b>949,009</b>
Dividend on senior preferred stock	11,552	21,801	44,936	109,967
Accretion of discount on preferred stock		46,194		54,393
<b>Net Income Applicable to Common Shareholders</b>	<b>\$ 138,195</b>	<b>\$ 108,978</b>	<b>\$ 682,408</b>	<b>\$ 784,649</b>
<b>Basic and Diluted Income per Share</b>	<b>\$ 0.08</b>	<b>\$ 0.06</b>	<b>\$ 0.38</b>	<b>\$ 0.44</b>
<b>Average Shares Outstanding</b>	<b>1,824,662</b>	<b>1,801,652</b>	<b>1,817,874</b>	<b>1,800,557</b>

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See accompanying notes to consolidated financial statements.

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	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Net income applicable to common shareholders	\$ 138,195	\$ 108,978	\$ 682,408	\$ 784,649
Other comprehensive income (loss), net of applicable taxes				
Change in value of investments available for sale	(1,540)	12,034	(3,499)	39,101
Comprehensive income	\$ 136,655	\$ 121,012	\$ 678,909	\$ 823,750