

OptimumBank Holdings, Inc.  
Form 10-Q  
August 14, 2017

**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, 2017

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**                                      **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)

**954-900-2800**

(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

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" and "emerging growth 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

Emerging Growth Company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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: 1,103,447 shares of Common Stock, \$.01 par value, issued and outstanding as of August 14, 2017.

**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)**

	June 30, 2017 (Unaudited)	December 31, 2016
Assets:		
Cash and due from banks	19,552	\$ 17,563
Interest-bearing deposits with banks	184	77
Total cash and cash equivalents	19,736	17,640
Securities available for sale	19,161	20,222
Loans, net of allowance for loan losses of \$3,895 and \$3,915	69,256	76,999
Federal Home Loan Bank stock	979	1,113
Premises and equipment, net	2,608	2,648
Accrued interest receivable	343	380
Other assets	672	701
<b>Total assets</b>	<b>112,755</b>	<b>\$ 119,703</b>
Liabilities and Stockholders' Equity:		
Liabilities:		
Noninterest-bearing demand deposits	7,597	7,131
Savings, NOW and money-market deposits	22,258	22,153
Time deposits	51,795	56,725
<b>Total deposits</b>	<b>81,650</b>	<b>86,009</b>
Federal Home Loan Bank advances	20,500	23,500
Junior subordinated debenture	5,155	5,155
Advanced payment by borrowers for taxes and insurance	494	221
Official checks	194	114
Other liabilities	2,089	1,623

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Total liabilities	110,082	116,622
Commitments and contingencies (Notes 1, 8 and 9)		
Stockholders' equity:		
Preferred stock, no par value; 6,000,000 shares authorized, 7 shares issued and outstanding in 2017 and 2016	—	—
Common stock, \$.01 par value; 5,000,000 shares authorized, 1,103,447 shares issued and outstanding in 2017 and 2016	11	11
Additional paid-in capital	34,039	34,039
Accumulated deficit	(31,169 )	(30,717 )
Accumulated other comprehensive loss	(208 )	(252 )
Total stockholders' equity	2,673	3,081
Total liabilities and stockholders' equity	112,755	\$ 119,703

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 June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Interest income:				
Loans	\$955	\$1,054	\$1,999	\$2,074
Securities	101	124	210	251
Other	58	27	97	50
Total interest income	1,114	1,205	2,306	2,375
Interest expense:				
Deposits	176	186	356	368
Borrowings	137	95	237	170
Total interest expense	313	281	593	538
Net interest income	801	924	1,713	1,837
Provision for loan losses	—	—	—	—
Net interest income after provision for loan losses	801	924	1,713	1,837
Noninterest income:				
Service charges and fees	5	22	11	41
Gain on sale of securities available for sale	—	17	—	45
Other	3	7	5	7
Total noninterest income	8	46	16	93
Noninterest expenses:				
Salaries and employee benefits	436	487	878	955
Occupancy and equipment	102	108	202	235
Data processing	86	86	166	173
Professional fees	177	170	392	329
Insurance	24	25	47	52
Foreclosed real estate, net	—	8	—	36
Regulatory assessment	51	74	102	147

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Other	101	66	394	334
Total noninterest expenses	977	1,024	2,181	2,261
Net Loss	\$(168 )	\$(54 )	\$(452 )	\$(331 )
Net Loss per share- Basic and diluted	\$(0.16 )	\$(0.06 )	\$(0.41 )	\$(0.33 )

See accompanying notes to condensed consolidated financial statements.



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

	Three Months Ended June 30, 2017		Six Months Ended June 30, 2016	
Net loss	\$(168)	\$(54)	\$(452)	\$(331)
Other comprehensive income:				
Unrealized gains on securities available for sale:				
Unrealized gain arising during the period	45	126	71	407
Reclassification adjustment for realized gains on securities available for sale	—	(17)	—	(45)
Net change in unrealized holding loss	45	109	71	362
Deferred income taxes on above change	17	43	27	138
Total other comprehensive income	28	66	44	224
Comprehensive (loss) income	\$(140)	\$12	\$(408)	\$(107)

See accompanying notes to condensed consolidated financial statements.

**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY****Condensed Consolidated Statements of Stockholders' Equity (Unaudited)****Six Months Ended June 30, 2017 and 2016****(Dollars in thousands)**

	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance at December 31, 2015	4	\$ —	9,628,863	\$ 96	\$ 33,330	\$ (30,321 )	\$ (138 )	\$ 2,967
Reverse common stock split (1-for-10) (unaudited)	—	—	(8,665,694)	(87 )	87	—	—	—
Proceeds from sale of Preferred stock (unaudited)	3	—	—	—	75	—	—	75
Proceeds from sale of common stock (unaudited)	—	—	92,980	1	374	—	—	375
Common stock issued as compensation to directors (unaudited)	—	—	51,649	1	221	—	—	222
Common stock issued for services (unaudited)	—	—	36,118	—	128	—	—	128
Net loss for the six months ended June 30, 2016 (unaudited)	—	—	—	—	—	(331 )	—	(331 )
Net change in unrealized loss on securities available for sale, net of taxes (unaudited)	—	—	—	—	—	—	224	224
Balance at June 30, 2016 (unaudited)	7	\$ —	1,143,916	\$ 11	\$ 34,215	\$ (30,652 )	\$ 86	\$ 3,660
Balance at December 31, 2016	7	\$ —	1,103,447	\$ 11	\$ 34,039	\$ (30,717 )	\$ (252 )	\$ 3,081
	—	—	—	—	—	(452 )	—	(452 )

Net loss for the six months  
ended June 30, 2017  
(unaudited)

Net change in unrealized loss on securities available for sale, net of taxes (unaudited)	—	—	—	—	—	—	44	44
Balance at June 30, 2017 (unaudited)	7	\$ —	1,103,447	\$ 11	\$ 34,039	\$ (31,169 )	\$ (208 )	\$ 2,673

See accompanying notes to condensed consolidated financial statements

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

	Six Months Ended June 30,	
	2017	2016
Cash flows from operating activities:		
Net loss	\$(452 )	\$(331 )
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	72	78
Gain on sale of securities available for sale	—	(45 )
Net amortization of fees, premiums and discounts	235	115
Common stock issued as compensation to directors	—	222
Common stock issued as compensation for services	—	128
Decrease/(increase) in other assets	2	(136 )
Decrease in accrued interest receivable	37	112
Increase/(decrease) in official checks and other liabilities	546	(38 )
Net cash provided by operating activities	440	105
Cash flows from investing activities:		
Purchase of securities available for sale	—	(8,985 )
Principal repayments of securities available for sale	1,011	1,891
Net decrease in loans	7,629	3,128
Proceeds from sale of securities available for sale	—	9,848
Purchase of premises and equipment, net	(32)	(81 )
Proceeds from sale of foreclosed real estate, net	—	1,617
Redemption/(purchase) of Federal Home Loan Bank stock	134	(51 )
Net cash provided by investing activities	8,742	7,367
Cash flows from financing activities:		
Net decrease in deposits	(4,359 )	(5,430 )
Net increase in advance payments by borrowers for taxes and insurance	273	307
Proceeds from sale of common stock	—	375
Proceeds from sale of preferred stock	—	75
Net (decrease) increase in FHLB Advances	(3,000 )	500
Net cash used in financing activities	(7,086 )	(4,173 )

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Net increase in cash and cash equivalents	2,096	3,299
Cash and cash equivalents at beginning of the period	17,640	10,365
Cash and cash equivalents at end of the period	\$19,736	\$13,664

See accompanying notes to condensed consolidated financial statements

**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**

**Condensed Consolidated Statements of Cash Flows (Unaudited), Continued**

**(In thousands)**

	Six Months Ended June 30, 2017 2016	
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$497	\$446
Income taxes	\$—	\$—
Noncash transaction -		
Change in accumulated other comprehensive loss, net change in unrealized loss on securities available for sale	\$44	\$224

See accompanying notes to condensed consolidated financial statements

## OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY

### Notes to Condensed Consolidated Financial Statements (Unaudited)

**General.** OptimumBank Holdings, Inc. (the “Holding Company”) is a one-bank holding company and owns 100% of OptimumBank (the “Bank”), a Florida-chartered commercial bank. The Bank’s wholly-owned subsidiaries are OB Real Estate Management, LLC and OB Real Estate Holdings, LLC, both of which were formed in 2009; OB Real Estate Holdings 1692 and OB Real Estate Holdings 1704 formed in 2012, collectively, (the “Real Estate Holding Subsidiaries”). The Holding Company’s only business is the operation of the Bank and its subsidiaries (collectively, the “Company”). The Bank’s deposits are insured up to applicable limits by the Federal Deposit Insurance Corporation (“FDIC”). The Bank offers a variety of community banking services to individual and corporate customers through its three banking offices located in Broward County, Florida. OB Real Estate Management, LLC is primarily engaged in managing foreclosed real estate. This subsidiary had no activity in 2017 and 2016. All other subsidiaries are primarily engaged in holding and disposing of foreclosed real estate.

**Basis of Presentation.** In the opinion of management, the accompanying condensed consolidated financial statements of the Company contain all adjustments (consisting principally of normal recurring accruals) necessary to present fairly the financial position at June 30, 2017, and the results of operations and comprehensive (loss) income for the three and six month periods ended June 30, 2017 and 2016, and cash flows for the six month periods ending June 30, 2017 and 2016. The results of operations for the three and six months ended June 30, 2017 are not necessarily indicative of the results to be expected for the full year.

**Going Concern Status.** The Company is in default with respect to its \$5,155,000 Junior Subordinated Debenture (“Debenture”) due to its failure to make certain required interest payments under the Debenture. The Trustee of the Debenture (the “Trustee”) or the holders of the Debenture are entitled to accelerate the payment of the \$5,155,000 principal balance plus accrued and unpaid interest totaling \$1,255,587 at June 30, 2017. To date the Trustee has not accelerated the outstanding balance of the Debenture. No adjustments to the accompanying condensed consolidated financial statements have been made as a result of this uncertainty.

Management’s plans with regard to this matter are as follows: A Director of the Company has offered to purchase the Debenture and this offer has been approved by certain equity owners of the Trust that holds the Debenture. The Director has also agreed to enter into a forbearance agreement with the Company with respect to payments due under the Debenture upon consummation of the Director’s purchase of the Debenture.

In March 2016, the Trustee received a direction from certain equity owners of the Trust that holds the Debenture to sell the Debenture to a Director of the Company. Based upon the receipt of conflicting directions from other debt holders of the Trust, in August 2016, the Trustee commenced an action in a Minnesota State Court seeking directions from the Court. The case was subsequently transferred to United States District Court for the Southern District of New York, where the case is currently pending. The Company continues to pursue mechanisms for

paying the accrued interest, such as raising additional capital.

**Comprehensive (Loss) Income** GAAP generally requires that recognized revenue, expenses, gains and losses be included in net loss. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the condensed consolidated balance sheets, such items along with net loss, are components of comprehensive (loss) income. The only component of comprehensive (loss) income is the net change in the unrealized loss on the securities available for sale.

**Income Taxes.** The Company assessed its earnings history and trends and estimates of future earnings, and determined that the deferred tax asset could not be realized as of June 30, 2017. Accordingly, a valuation allowance was recorded against the net deferred tax asset.

(continued)



**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

**(1) General, Continued.**

**Recent Pronouncements.** In January 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The ASU requires equity investments to be measured at fair value with changes in fair values recognized in net earnings, simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment and eliminates the requirement to disclose fair values, the methods and significant assumptions used to estimate the fair value of financial instruments measured at amortized cost. The ASU also clarifies that the Company should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with the Company’s other deferred tax assets. The ASU is effective for the Company beginning January 1, 2018. Early adoption is permitted. The adoption of this guidance is not expected to have a material impact on the Company’s condensed consolidated financial statements.

In February 2016, the FASB issued ASU 2016-2, *Leases (Topic 842)* which will require lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with term of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. The new ASU will require both types of leases to be recognized on the balance sheet. The ASU also will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. The Company is in the process of determining the effect of the ASU on its condensed consolidated financial statements. Early application will be permitted.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718)* intended to improve the accounting for employee share-based payments. The ASU affects all organizations that issue share-based payment awards to their employees. The ASU simplifies several aspects of the accounting for share-based payment award transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the consolidated statement of cash flows. The ASU will take effect for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company has evaluated the effect of ASU and determined it has no material effect on its condensed consolidated financial

statements.

In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments-Credit Losses (Topic 326)*. The ASU improves financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by the Company. The ASU requires the Company to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. The Company will continue to use judgment to determine which loss estimation method is appropriate for their circumstances. The ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. Additionally, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The ASU will take effect for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Company is in the process of determining the effect of the ASU on its condensed consolidated financial statements.

In March 2017, FASB issued ASU 2017-08, *Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20)* which amends the accounting for the amortization of premiums for certain purchased callable debt securities by shortening the amortization period to the earliest call date. ASU 2017-08 is effective for interim and annual periods beginning after December 15, 2019. The Company is currently evaluating the impact of ASU 2017-08 may have, if any, on its condensed consolidated financial statements.

In May 2017, the FASB issued new guidance related to Stock Compensation, Scope of Modification Accounting. The new guidance provides clarity and reduces both diversity in practice and cost and complexity when applying the guidance in Accounting Standards Codification Topic 718, Compensation—Stock Compensation. An entity will not apply modification accounting to a share-based payment award if all of the following are the same immediately before and after the change: (i) the award's fair value, (ii) the award's vesting conditions and (iii) the award's classification as an equity or liability instrument. The amendments are effective for fiscal years and interim periods within those years beginning after December 15, 2017. Early adoption is permitted. The Company is in the process of determining the effect of the amendments on its condensed consolidated financial statements.

**Reclassification.** Certain amounts have been reclassified to conform to the 2017 condensed consolidated financial statement presentation.

(continued)

**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY****Notes to Condensed Consolidated Financial Statements (Unaudited)**

(2) **Securities.** Securities have been classified according to management's intent. The carrying amount of securities and approximate fair values are as follows (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
At June 30, 2017:				
Securities Available for Sale:				
Collateralized mortgage obligations	\$ 9,576	\$ —	\$ (311)	) \$9,265
SBA Pool Securities	9,919	8	(31)	) 9,896
Total	\$ 19,495	\$ 8	\$ (342)	) \$19,161
At December 31, 2016:				
Securities Available for Sale:				
Collateralized mortgage obligations	\$ 10,157	\$ —	\$ (405)	) \$9,752
SBA Pool Securities	10,470	—	—	) 10,470
Total	\$ 20,627	\$ —	\$ (405)	) \$20,222

The following summarizes the sales of securities (in thousands):

	Three Months Ended June 30, 2017	Six Months Ended June 30, 2016
Proceeds from sales of securities	\$—\$2,857	\$—\$9,848
Gross gains from sale of securities	— 17	— 45
Gross losses from sale of securities	— —	— —
Net gain from sales of securities	\$—\$17	\$—\$45

Securities with gross unrealized losses, aggregated by investment category and length of time that individual securities have been in a continuous loss position, is as follows (in thousands):

	At June 30, 2017			
	Over Twelve Months		Less Than Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Securities Available for Sale:				
Collateralized mortgage obligations	\$(93)	\$1,988	\$(218)	\$7,277
SBA Pool Securities	—	—	(31)	7,592
	\$(93)	\$1,988	\$(249)	\$14,869

	At December 31, 2016			
	Over Twelve Months		Less Than Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Securities Available for Sale-				
Collateralized mortgage obligations	\$(46)	\$864	\$(359)	\$8,888

(continued)

**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY**

**Notes to Condensed Consolidated Financial Statements (Unaudited)**

*Securities, Continued.*

Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrants such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospectus of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a (2) period of time sufficient to allow for any anticipated recovery in fair value.

At June 30, 2017 and December 31, 2016, the unrealized losses on twenty investment securities and six investment securities, respectively were caused by market conditions. It is expected that the securities would not be settled at a price less than the book value of the investments. Because the decline in fair value is attributable to market conditions and not credit quality, and because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

(continued)

**OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY****Notes to Condensed Consolidated Financial Statements (Unaudited)**

**(3)Loans.** The components of loans are as follows (in thousands):

	At June 30, 2017	At December 31, 2016
Residential real estate	\$26,801	\$ 27,334
Multi-family real estate	6,173	5,829
Commercial real estate	30,304	29,264
Land and construction	2,825	5,681
Commercial	5,510	10,514
Consumer	1,216	1,829
<b>Total loans</b>	<b>72,829</b>	<b>80,451</b>
Add (deduct):		
Net deferred loan fees, costs and premiums	322	463
Allowance for loan losses	(3,895 )	(3,915 )
<b>Loans, net</b>	<b>\$69,256</b>	<b>\$ 76,999</b>

(continued)

## OPTIMUMBANK HOLDINGS, INC. AND SUBSIDIARY

## Notes to Condensed Consolidated Financial Statements (Unaudited)

(3) *Loans, Continued.* An analysis of the change in the allowance for loan losses follows (in thousands):

	Residential Real Estate	Multi-Family Real Estate	Commercial Real Estate	Land and Construction	Commercial	Consumer	Unallocated	Total
Three Months Ended June 30, 2017:								
Beginning balance	\$ 302	\$ 73	\$ 818	\$ 65	\$ 126	\$ 152	\$ 2,379	\$3,915
(Credit) provision for loan losses	—	(11 )	(49 )	(10 )	(59 )	22	107	—
Charge-offs	—	—	—	—	—	(31 )	—	(31 )
Recoveries	—	—	—	6	—	5	—	11
Ending balance	\$ 302	\$ 62	\$ 769	\$ 61	\$ 67	\$ 148	\$ 2,486	\$3,895
Three Months Ended June 30, 2016:								
Beginning balance	\$ 266	\$ 40	\$ 1,175	\$ 81	\$ 210	\$ 151	\$ 2,157	\$4,080
(Credit) provision for loan losses	(4 )	(1 )	(404 )	(23 )	(10 )	92	350	—
Charge-offs	—	—	—	—	—	(90 )	—	(90 )
Recoveries	—	—	241	6	—	3	—	250
Ending balance	\$ 262	\$ 39	\$ 1,012	\$ 64	\$ 200	\$ 156	\$ 2,507	\$4,240