

CARVER BANCORP INC
Form 10-Q
November 12, 2013

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, 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: 1-13007

CARVER BANCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of

Incorporation or Organization)

13-3904174

(I.R.S. Employer Identification No.)

75 West 125th Street, New York, New York

(Address of Principal Executive Offices)

10027

(Zip Code)

Registrant's telephone number, including area code: (718) 230-2900

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):

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

Common Stock, par value \$0.01

Outstanding at November 8, 2013

3,695,892

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PART I. FINANCIAL INFORMATION

CARVER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

\$ in thousands except per share data	September 30, 2013 (unaudited)	March 31, 2013
ASSETS		
Cash and cash equivalents:		
Cash and due from banks	\$95,841	\$98,083
Money market investments	10,001	6,563
Total cash and cash equivalents	105,842	104,646
Restricted cash	6,556	10,666
Investment securities:		
Available-for-sale, at fair value	87,222	116,051
Held-to-maturity, at amortized cost (fair value of \$12,542 and \$9,629 at September 30, 2013 and March 31, 2013, respectively)	12,419	9,043
Total investments	99,641	125,094
Loans held-for-sale ("HFS")	7,854	13,107
Loans receivable:		
Real estate mortgage loans	369,083	334,594
Commercial business loans	29,765	35,281
Consumer loans	193	247
Loans, net	399,041	370,122
Allowance for loan losses	(9,399)	(10,989)
Total loans receivable, net	389,642	359,133
Premises and equipment, net	8,243	8,597
Federal Home Loan Bank of New York ("FHLB-NY") stock, at cost	4,226	3,503
Accrued interest receivable	2,530	2,247
Other assets	10,280	11,284
Total assets	\$634,814	\$638,277
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits:		
Savings	\$95,435	\$98,066
Non-interest bearing checking	54,839	58,239
NOW	25,962	25,927
Money market	115,484	113,259
Certificates of deposit	187,738	200,225
Total deposits	479,458	495,716
Advances from the FHLB-NY and other borrowed money	95,403	76,403
Other liabilities	8,195	9,423
Total liabilities	583,056	581,542
STOCKHOLDERS' EQUITY		
Preferred stock, (par value \$0.01, per share: 45,118 Series D shares, with a liquidation preference of \$1,000 per share, issued and outstanding)	45,118	45,118

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Common stock (par value \$0.01 per share: 10,000,000 shares authorized; 3,697,836 and 3,697,364 issued; 3,695,892 and 3,695,420 shares outstanding at September 30, 2013 and March 31, 2013, respectively)	61	61
Additional paid-in capital	55,980	55,708
Accumulated deficit	(43,685)	(44,439)
Non-controlling interest	57	141
Treasury stock, at cost (1,944 shares at September 30, 2013 and March 31, 2013)	(417)	(417)
Accumulated other comprehensive (loss)/income	(5,356)	563
Total stockholders' equity	51,758	56,735
Total liabilities and stockholders equity	\$634,814	\$638,277
See accompanying notes to consolidated financial statements		

CARVER BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(\$ in thousands)	Three Months Ended September 30,		Six Months Ended September 30,	
	2013	2012	2013	2012
Interest income:				
Loans	\$5,263	\$5,486	\$10,178	\$11,074
Mortgage-backed securities	285	275	548	569
Investment securities	348	307	696	507
Money market investments	46	49	89	118
Total interest income	5,942	6,117	11,511	12,268
Interest expense:				
Deposits	687	906	1,384	1,882
Advances and other borrowed money	290	347	603	691
Total interest expense	977	1,253	1,987	2,573
Net interest income	4,965	4,864	9,524	9,695
Provision for loan losses	(505	) 560	326	784
Net interest income after provision for loan losses	5,470	4,304	9,198	8,911
Non-interest income:				
Depository fees and charges	878	892	1,790	1,688
Loan fees and service charges	305	195	603	395
Gain on sale of securities	208	—	486	—
Gain on sales of loans, net	180	569	670	604
Loss on sale of real estate owned	(84	) —	(131	) (288
New Market Tax Credit ("NMTC") fees	—	625	—	625
Lower of cost or market adjustment on loans held-for-sale	(163	) —	(232) —
Other	253	153	520	350
Total non-interest income	1,577	2,434	3,706	3,374
Non-interest expense:				
Employee compensation and benefits	2,646	2,704	5,014	5,424
Net occupancy expense	876	916	1,747	1,774
Equipment, net	209	287	384	575
Data processing	226	322	582	516
Consulting fees	92	113	212	180
Federal deposit insurance premiums	307	331	616	674
Other	2,243	2,217	3,325	4,381
Total non-interest expense	6,599	6,890	11,880	13,524
Income/(loss) before income taxes	448	(152	) 1,024	(1,239
Income tax expense	16	36	88	196
Consolidated net income/(loss)	432	(188	) 936	(1,435
Less: Net income/(loss) attributable to non-controlling interest	90	(52) 183	(936
Net income/(loss) attributable to Carver Bancorp, Inc.	\$342	\$(136) \$753	\$(499

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Earnings/(loss) per common share:

Basic	\$0.09	\$(0.04)	\$0.20	\$(0.14)
Diluted	0.09	\$(0.04)	0.20	\$(0.14)

See accompanying notes to consolidated financial statements

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CARVER BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Unaudited)

(\$ in thousands)	Three Months Ended		Six Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Net income/(loss) attributable to Carver Bancorp, Inc.	\$342	\$(136)	) \$753	