

NEW PEOPLES BANKSHARES INC
Form 10-Q
November 14, 2016

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, 2016

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: 000-33411

NEW PEOPLES BANKSHARES, INC.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of
incorporation or organization)

31-1804543

(I.R.S. Employer

Identification No.)

67 Commerce Drive

Honaker, Virginia

24260

(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) **(276) 873-7000**

n/a

(Former name, former address and former fiscal year, if changed since last report)

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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	Outstanding at November 11, 2016
Common Stock, \$2.00 par value	23,354,257

NEW PEOPLES BANKSHARES, INC.

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Part I Financial Information**Item 1 Financial Statements****NEW PEOPLES BANKSHARES, INC.****CONSOLIDATED STATEMENTS OF INCOME****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**

(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

(UNAUDITED)

INTEREST AND DIVIDEND INCOME	2016	2015
Loans including fees	\$16,910	\$17,595
Federal funds sold	—	2
Interest-earning deposits with banks	67	73
Investments	1,161	1,306
Dividends on equity securities (restricted)	99	98
Total Interest and Dividend Income	18,237	19,074
INTEREST EXPENSE		
Deposits		
Demand	37	28
Savings	122	129
Time deposits below \$100,000	808	1,062
Time deposits above \$100,000	480	735
FHLB advances	109	113
Federal funds purchased	2	—
Trust preferred securities	373	328
Total Interest Expense	1,931	2,395
NET INTEREST INCOME	16,306	16,679
PROVISION FOR LOAN LOSSES	(500)	(1,200)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	16,806	17,879
NONINTEREST INCOME		
Service charges	1,926	1,667
Fees, commissions and other income	2,694	2,333
Insurance and investment fees	404	411
Net realized gains on sale of investment securities	240	35
Life insurance investment income	118	316
Total Noninterest Income	5,382	4,762

NONINTEREST EXPENSES

Salaries and employee benefits	9,954	8,816
Occupancy and equipment expense	3,042	2,767
Advertising and public relations	332	240
Data processing and telecommunications	1,726	1,552
FDIC insurance premiums	407	652
Other real estate owned and repossessed vehicles, net	599	1,398
Other operating expenses	4,208	3,822
Total Noninterest Expenses	20,268	19,247

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INCOME BEFORE INCOME TAXES	1,920	3,394
INCOME TAX EXPENSE (BENEFIT)	(6) 17
NET INCOME	\$1,926	\$3,377
Income Per Share		
Basic	\$0.08	\$0.15
Fully Diluted	\$0.08	\$0.15
Average Weighted Shares of Common Stock		
Basic	23,354,092	22,878,654
Fully Diluted	23,354,092	22,878,654

The accompanying notes are an integral part of this statement.

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NEW PEOPLES BANKSHARES, INC.**CONSOLIDATED STATEMENTS OF INCOME****FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**

(IN THOUSANDS EXCEPT SHARE AND PER SHARE DATA)

(UNAUDITED)

INTEREST AND DIVIDEND INCOME	2016	2015
Loans including fees	\$5,732	\$5,889
Federal funds sold	—	—
Interest-earning deposits with banks	23	18
Investments	334	457
Dividends on equity securities (restricted)	35	32
Total Interest and Dividend Income	6,124	6,396
INTEREST EXPENSE		
Deposits		
Demand	13	10
Savings	44	44
Time deposits below \$100,000	273	315
Time deposits above \$100,000	168	213
FHLB Advances	45	35
Federal funds purchased	—	—
Trust Preferred Securities	128	111
Total Interest Expense	671	728
NET INTEREST INCOME	5,453	5,668
PROVISION FOR LOAN LOSSES	—	(1,200)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	5,453	6,868
NONINTEREST INCOME		
Service charges	854	579
Fees, commissions and other income	1,031	796
Insurance and investment fees	103	155
Net realized gains on sale of investment securities	—	—
Life insurance investment income	55	247
Total Noninterest Income	2,043	1,777
NONINTEREST EXPENSES		

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Salaries and employee benefits	3,405	2,992
Occupancy and equipment expense	1,121	905
Advertising and public relations	99	111
Data processing and telecommunications	569	550
FDIC insurance premiums	137	213
Other real estate owned and repossessed vehicles, net	347	332
Other operating expenses	1,477	1,235
Total Noninterest Expenses	7,155	6,338

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INCOME BEFORE INCOME TAXES	341	2,307
INCOME TAX EXPENSE (BENEFIT)	(5) 14
NET INCOME	\$346	\$2,293
Income Per Share		
Basic	\$0.01	\$0.10
Fully Diluted	\$0.01	\$0.10
Weighted Average Shares of Common Stock		
Basic	23,354,111	22,878,654
Fully Diluted	23,354,111	22,878,654

The accompanying notes are an integral part of this statement.

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NEW PEOPLES BANKSHARES, INC.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015**

(IN THOUSANDS)

(UNAUDITED)

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2016	2015	2016	2015
NET INCOME	\$346	\$2,293	\$1,926	\$3,377
Other comprehensive income (loss):				
Investment Securities Activity				
Unrealized gains (losses) arising during the period	(70)	576	1,409	309
Tax related to unrealized gains (losses)	24	(196)	(479)	(105)
Reclassification of realized gains during the period	—	—	(240)	(35)
Tax related to realized gains	—	—	82	12
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(46)	380	772	181
TOTAL COMPREHENSIVE INCOME	\$300	\$2,673	\$2,698	\$3,558

The accompanying notes are an integral part of this statement.

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NEW PEOPLES BANKSHARES, INC.

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS EXCEPT PER SHARE AND SHARE DATA)

ASSETS	September 30, 2016 (Unaudited)	December 31, 2015
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