

CARVER BANCORP INC  
Form 10-Q  
August 14, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**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, 2007**

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 125<sup>th</sup> 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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer  Accelerated Filer  Non-accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

**Common Stock, par value \$0.01**  
Class

**2,505,408**  
Outstanding at July 31, 2007

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**CERTAIN TERMS**

Throughout this Form 10-Q, unless otherwise specified or the context otherwise requires:

“Holding Company” means Carver Bancorp, Inc., the holding company for the wholly-owned subsidiaries, Carver Federal Savings Bank (the “Bank” or “Carver Federal”), Alhambra Holding Corp., an inactive Delaware corporation, and Carver Federal’s wholly-owned subsidiaries, CFSB Realty Corp. CFSB Credit Corp., Carver Municipal Bank (“CMB”), Carver Community Development Corp. (“CCDC”) and Carver Federal’s majority owned subsidiary, Carver Asset Corporation, collectively, the “Company”. In addition, the Holding Company has a subsidiary, Carver Statutory Trust I, which is not consolidated for financial reporting purposes in accordance with Financial Accounting Standards Board (“FASB”), revised Interpretation No. 46, *Consolidation of Variable Interest Entities, and Interpretation of Accounting Research Bulletin No. 51*, effective January 1, 2004.

“Carver,” the “Company,” “we,” “us” or “our” refers to the Holding Company along with its consolidated subsidiaries.

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**FORWARD-LOOKING STATEMENTS**

Statements contained in this Quarterly Report on Form 10-Q, which are not historical facts, are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, senior management may make forward-looking statements orally to analysts, investors, the media and others. These forward-looking statements may be identified by the use of such words as “believe,” “expect,” “anticipate,” “intend,” “should,” “will,” “would,” “could,” “may,” “planned,” “estimated,” “potential,” “outlook,” “predict,” “project” and similar terms and phrases, including references to assumptions. Forward-looking statements are based on various assumptions and analyses made by the Company in light of management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate under the circumstances. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, many of which are beyond the Company's control that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Factors which could result in material variations include, without limitation, the Company's success in implementing its initiatives, including expanding its product line, adding new branches and ATM centers, successfully re-branding its image and achieving greater operating efficiencies; increases in competitive pressure among financial institutions or non-financial institutions; legislative or regulatory changes which may adversely affect the Company's business or the cost of doing business; technological changes which may be more difficult or expensive than we anticipate; changes in interest rates which may reduce net interest margins and net interest income; changes in deposit flows, loan demand or real estate values which may adversely affect the Company's business; changes in accounting principles, policies or guidelines which may cause the Company's condition to be perceived differently; litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, which may delay the occurrence or non-occurrence of events longer than anticipated; the ability of the Company to originate and purchase loans with attractive terms and acceptable credit quality; and general economic conditions, either nationally or locally in some or all areas in which the Company does business, or conditions in the securities markets or the banking industry which could affect liquidity in the capital markets, the volume of loan origination, deposit flows, real estate values, the levels of non-interest income and the amount of loan losses.

The forward-looking statements contained herein are made as of the date of this Form 10-Q, and the Company assumes no obligation to, and expressly disclaims any obligation to, update these forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting such forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements. You should consider these risks and uncertainties in evaluating forward-looking statements and you should not place undue reliance on these statements.

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CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

(In thousands, except per share data)

	<b>June 30, 2007</b>	<b>March 31, 2007</b>
	(Unaudited)	
<b>ASSETS</b>		
Cash and cash equivalents:		
Cash and due from banks	\$ 15,983	\$ 14,619
Federal funds sold	3,500	1,300
Interest earning deposits	1,185	1,431
Total cash and cash equivalents	20,668	17,350
Securities:		
Available-for-sale, at fair value (including pledged as collateral of \$9,297 and \$34,649 at June 30 and March 31, 2007, respectively)	44,017	47,980
Held-to-maturity, at amortized cost (including pledged as collateral of \$11,901 and \$18,581 at June 30 and March 31, 2007, respectively; fair value of \$18,042 and \$19,005 at June 30 and March 31, 2007, respectively)	18,327	19,137
Total securities	62,344	67,117
Loans held-for-sale	25,167	23,226
Gross loans receivable:		
Real estate mortgage loans	552,889	533,667
Consumer and commercial loans	54,977	52,293
Allowance for loan losses	(5,423)	(5,409)
Total loans receivable, net	602,443	580,551
Office properties and equipment, net	15,221	14,626
Federal Home Loan Bank of New York stock, at cost	2,872	3,239
Bank owned life insurance	8,875	8,795
Accrued interest receivable	4,848	4,335
Goodwill	5,743	5,716
Core deposit intangibles, net	646	684
Other assets	14,957	14,313
Total assets	\$ 763,784	\$ 739,952
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Deposits	\$ 631,330	\$ 615,122
Advances from the FHLB-NY and other borrowed money	71,301	61,093
Other liabilities	8,870	12,110
Total liabilities	711,501	688,325
Stockholders' equity:		

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Common stock (par value \$0.01 per share: 10,000,000 shares; authorized; 2,524,691 shares issued; 2,502,993 and 2,507,985 outstanding at June 30 and March 31, 2007, respectively)

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Additional paid-in capital