

Citizens Community Bancorp Inc.
Form 10-Q
February 10, 2014

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 December 31, 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 001-33003

CITIZENS COMMUNITY BANCORP, INC.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)
2174 EastRidge Center, Eau Claire, WI 54701
(Address of principal executive offices)
715-836-9994
(Registrant's telephone number, including area code)

20-5120010
(IRS Employer
Identification Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 and 15(d) of the Securities Exchange Act of 1934 during the past 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 (do not check if a smaller reporting company) 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

APPLICABLE ONLY TO CORPORATE ISSUERS

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

At February 10, 2014 there were 5,162,837 shares of the registrant's common stock, par value \$0.01 per share, outstanding.

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PART 1 – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CITIZENS COMMUNITY BANCORP, INC.

Consolidated Balance Sheets

December 31, 2013 (unaudited) and September 30, 2013

(derived from audited financial statements)

(in thousands, except share data)

	December 31, 2013	September 30, 2013
Assets		
Cash and cash equivalents	\$ 15,786	\$ 17,601
Other interest-bearing deposits	245	1,988
Investment securities (at fair value of \$77,283 and \$79,695)	77,284	79,695
Federal Home Loan Bank stock	3,300	3,300
Loans receivable	443,692	440,863
Allowance for loan losses	(6,285) (6,180
Loans receivable, net	437,407	434,683
Office properties and equipment, net	4,526	4,835
Accrued interest receivable	1,466	1,469
Intangible assets	203	218
Foreclosed and repossessed assets, net	1,500	1,028
Other assets	10,487	9,704
TOTAL ASSETS	\$552,204	\$554,521
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits	\$438,502	\$447,398
Federal Home Loan Bank advances	56,500	50,000
Other liabilities	3,087	2,938
Total liabilities	498,089	500,336
Stockholders' equity:		
Common stock— \$0.01 par value, authorized 30,000,000; 5,153,577 and 5,154,891 shares issued and outstanding, respectively	51	51
Additional paid-in capital	54,114	54,116
Retained earnings	2,776	2,473
Unearned deferred compensation	(157) (169
Accumulated other comprehensive loss	(2,669) (2,286
Total stockholders' equity	54,115	54,185
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$552,204	\$554,521

See accompanying condensed notes to unaudited consolidated financial statements.

CITIZENS COMMUNITY BANCORP, INC.
Consolidated Statements of Operations (unaudited)
Three Months Ended December 31, 2013 and 2012
(in thousands, except per share data)

	Three Months Ended	
	December 31, 2013	December 31, 2012
Interest and dividend income:		
Interest and fees on loans	\$5,722	\$5,995
Interest on investments	361	375
Total interest and dividend income	6,083	6,370
Interest expense:		
Interest on deposits	948	1,236
Interest on borrowed funds	155	173
Total interest expense	1,103	1,409
Net interest income before provision for loan losses	4,980	4,961
Provision for loan losses	600	900
Net interest income after provision for loan losses	4,380	4,061
Non-interest income:		
Total fair value adjustments and other-than-temporary impairment	333	(829)
Portion of (gain) loss recognized in other comprehensive income (loss) (before tax)	(412) 536
Net gain on sale of available for sale securities	—	210
Net loss on available for sale securities	(79) (83)
Service charges on deposit accounts	553	390
Loan fees and service charges	217	294
Other	185	159
Total non-interest income	876	760
Non-interest expense:		
Salaries and related benefits	2,269	2,195
Occupancy	635	610
Office	381	297
Data processing	364	384
Amortization of core deposit intangible	14	14
Advertising, marketing and public relations	76	41
FDIC premium assessment	105	175
Professional services	218	366