

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1996-08-26** | Period of Report: **1996-08-26**
SEC Accession No. **0000356050-96-000005**

([HTML Version](#) on secdatabase.com)

FILER

CU BANCORP

CIK: **356050** | IRS No.: **953657045** | State of Incorporation: **CA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-11008** | Film No.: **96620562**
SIC: **6021** National commercial banks

Mailing Address
16030 VENTURA BLVD
ENCINO CA 91436-4487

Business Address
16030 VENTURA BLVD
ENCINO CA 91436-4487
8189079122

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report August 23, 1996

CU BANCORP

(Exact name of registrant as specified in its charter)

California	0-11008	95-3657044
(state or other	Commission	IRS Tax
jurisdiction of	File Number	Identification No.
incorporation)		

16030 Ventura Boulevard, Encino, California 91436
(Address of Principal Executive Offices) (Zip Code)

N/A

(former name or former address if changed since last report)

Registrant's telephone number, including area code (818) 907-9122

1

Item 2. Acquisition or Disposition of Assets

On August 9, 1996, the Registrant completed the merger of Home Interstate Bancorp with and into Registrant and the merger of Registrant's sole subsidiary California United Bank, N.A. with and into Home Bank. The articles of incorporation of Home Bank were amended to name the subsidiary California United Bank, a California state chartered bank. Information as to these mergers was previously reported in the Registrants' Registration Statement on Form S-4, Registration Number 333-02777, which is incorporated herein by reference (the Proxy/Prospectus").

For a discussion of the terms and conditions of the transaction and this pricing mechanism, reference is made to the Proxy/Prospectus. Upon consummation of the merger, each outstanding share of common stock, no par value, of Home Bancorp was converted into the right to receive 1.409 shares of CU Bancorp common stock, without par value, in an exchange intended to be tax free except to the extent of any cash received in exchange for fractional shares. Cash will be paid for fractional shares at the rate of \$11.111 per share.

All former offices of Home Bank will operate under the name California United Bank as branch offices.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Business acquired.

1. Financial Statements as filed on registrant's Form S-4, Registration Number 333-2777, incorporated herein by reference.

(b) Pro Forma Financial Statements

(1) Unaudited Pro Forma Combined Financial information as of March 31, 1996, incorporated herein by reference as previously reported on Form S-4 Registration Number 333-02777.

(c) Exhibits

1.0 Proxy/Prospectus, dated June 10, 1996 as filed in Registrant's
Registration Statement on Form S-4, Registration Number 333-02777, which is
incorporated herein by reference.

2.0 Registration Statement on Form S-4 filed May 23, 1996, Registration
Number 333-02777, incorporated herein by reference.

3.0 Unaudited Pro Forma Combined Financial information as of June 30,
1996, Page 5

2

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the
registrant had duly caused this report to be signed on its behalf by the
undersigned hereunto duly authorized.

Date: August 26, 1996 CU BANCORP

PATRICK HARTMAN, CHIEF FINANCIAL OFFICER

3

Exhibit Index to 8-K

Exhibit No. Exhibit

- | | |
|-----|---|
| 1.0 | Proxy/Prospectus, dated June 10, 1996 as filed
in
Registrant's Registration Statement on Form S-
4, Registration Number 333-02777, which is
incorporated herein by reference. |
| 2.0 | Registration Statement on Form S-4 filed May 23,
1996, Registration Number 333-02777, incorporated
herein by reference. |
| 3.0 | Unaudited Pro Forma Combined Financial information
as of June 30, 1996.
Page 5 |

PRO FORMA FINANCIAL DATA

Unaudited Pro Forma Combined Financial Information

The following Unaudited Pro Forma Combined Balance Sheet as of June 30, 1996 and Unaudited Pro Forma Combined Statements of Income for the quarter ended June 30, 1996 and the years ended December 31, 1993, 1994 and 1995 have been prepared to reflect the effects of the Merger on the historical results of CU Bancorp. The Unaudited Pro Forma Combined Balance Sheet has been prepared as if the Merger occurred on June 30, 1996. The Unaudited Pro Forma Combined Statements of Income have been prepared as if the Merger occurred on January 1, 1993. The pro forma financial information set forth below is unaudited and not necessarily indicative of the results that will actually occur in the future.

The pro forma financial statements reflect CU Bancorp's acquisition of Corporate Bank which was completed on January 12, 1996. The Unaudited Pro Forma Combined Statements of Income have been prepared as if the Corporate Bank acquisition occurred on January 1, 1993.

<TABLE>
<CAPTION>

Unaudited Pro Forma Combined Financial Summary

Combined	(Dollars in thousands, except per share amounts)			
	June 30, 1996	1995	1994	1993
Period End Balances:				
<S>	<C>	<C>	<C>	<C>
Securities held to maturity	\$107,901	\$79,867	\$76,333	\$97,148
Securities available for sale	102,496	131,336	173,831	121,121
Net loans	470,204	437,285	414,800	384,692
Total earning assets	702,101	708,687	693,264	662,949
Total assets	816,478	819,955	813,849	755,687
Total deposits	711,025	714,664	717,635	650,675
Total shareholders' equity	92,027	88,385	82,390	82,029
Consolidated Operating Results:				
Net interest income	\$22,032	\$44,382	\$41,443	\$40,576
Non-interest income	3,873	7,822	10,624	35,022
Provision for loan losses	350			
		3,069	1,934	2,065
Non-interest expense	19,656	39,776	42,085	66,003
Net income	3,351	6,087	5,143	3,840
Common Share Data:				
Fully diluted income per share	\$0.29	\$0.53	\$0.46	\$0.35
Cash dividends per common share	0.09	0.18	0.10	0.08
Book value per share	8.38	7.72	7.36	7.40
Fully diluted shares	11,392	11,456	11,192	11,089

</TABLE>

<TABLE>
<CAPTION>

Unaudited Combined Balance Sheet
As of June 30, 1996
(Dollars in thousands, except per share amounts)

	CU BANCORP	Home BANKCORP	ADJUSTMENTS	CU BANCORP & HOME BANCORP COMBINED
ASSETS				
<S>	<C>	<C>	<C>	<C>
Cash and due from banks	\$33,272	\$41,211		\$74,483
Federal funds sold	15,500	6,000		21,500

Securities held to maturity	77,423	30,478		107,901
Securities available of sale	4,270	98,226		102,496
Loans, net	236,463	233,741		470,204
Premises and equipment	1,551	14,419		15,970
Other real estate owned	298	2,220		2,518
Goodwill	2,313	0		2,313
Other assets	10,029	9,064		19,093
TOTAL ASSETS	\$381,119	\$435,359		\$816,478
LIABILITIES				
Demand deposits	\$117,655	\$135,613		\$253,268
Interest bearing deposits	213,069	244,688		457,757
TOTAL DEPOSITS	330,724	380,301		711,025
Other Liabilities	11,573	2,653	(800) (5)	13,426
TOTAL LIABILITIES	342,297	382,954		724,451
CAPITAL	38,822	52,405	800	92,027
TOTAL LIABILITIES AND CAPITAL	\$381,119	\$435,359	\$ 0	\$816,478

</TABLE>

6

<TABLE>
<CAPTION>

UNAUDITED PRO FORMA COMBINED INCOME STATEMENT
FOR THE QUARTER ENDED JUNE 30, 1996
(Dollars in thousands, except per share amounts)

	CU BANCORP	HOME BANCORP	ADJUSTMENTS	CU BANCORP & HOME BANCORP COMBINED
<S>	<C>	<C>	<C>	<C>
Interest and fees on loans and leases	\$11,887	\$11,857		\$23,744
Interest on investment securities	1,985	3,836		5,821
Interest on federal funds sold	684	367		1,051
TOTAL INTEREST INCOME	14,556	16,060		30,616
Interest on deposits	4,794	3,790		8,584
Net interest income	9,762	12,270		22,032
Provision for loan loss	0	350		350
Net revenue from earning assets	9,762	11,920		21,682
Non interest income	1,318	2,555		3,873
Non interest expense	8,647	11,009		19,656
Income before taxes	2,433	3,466		5,899
Taxes on income	1,073	1,475		2,548
NET INCOME	\$ 1,360	\$ 1,991	\$0	\$3,351

Earnings per share				\$ 0.29
Weighted average shares outstanding				11,392

</TABLE>

7

<TABLE>
<CAPTION>

UNAUDITED PRO FORMA COMBINED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1995
(Dollars in thousands, except per share amounts)

	CU BANCORP	CORPORATE BANK	ADJUSTMENTS	CU BANCORP & CORPORATE COMBINED	HOME BANCORP	ADJUSTMENTS	CU BANCORP & HOME BANCORP COMBINED
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest and fees on loans and leases	\$18,693	\$4,932		\$23,625	\$22,643		\$ 46,268
Interest on investment securities	3,818	209		4,027	8,389		12,416

Interest on time certificates of deposit	2	28		30	1		31
Interest on federal funds sold	1,893	429		2,322	618		2,940
TOTAL INTEREST INCOME	24,406	5,598		30,004	31,651		61,655
Interest on deposits	8,870	1,248		10,118	7,155		17,273
Net interest income	15,536	4,350		19,886	24,496		44,382
Provision for loan loss	0	969		969	2,100		3,069
Net revenue from earning assets	15,536	3,381		18,917	22,396		41,313
Non interest income	2,065	531		2,596	5,226		7,822
Non interest expense	12,554	4,492	\$231 (1)	17,277	22,499		39,776
Income before taxes	5,047	(580)		4,236	5,123		9,359
			(231)				
Taxes on income (loss)	2,153	(240)		1,913	1,359		3,272
NET INCOME (LOSS)	\$2,894	\$ (340)	\$ (231)	\$2,323	\$3,764	\$0	\$ 6,087

Earnings per share							\$ 0.53
Weighted average shares outstanding			(2)				11,456

</TABLE>

<TABLE>
<CAPTION>

UNAUDITED PRO FORMA COMBINED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1994
(Dollars in thousands, except per share amounts)

	CU BANCORP	CORPORATE BANK	ADJUSTMENTS	CU BANCORP & CORPORATE COMBINED	HOME BANCORP	ADJUSTMENTS	CU BANCORP & HOME BANCORP COMBINED
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest and fees on loans and leases	\$14,036	\$5,524		\$19,560	\$ 19,928		\$ 39,488
Interest on investment securities	2,966	258		3,224	8,249		11,473
Interest on time certificates of deposit	39	99		138	5		143
Interest on federal funds sold	918	370		1,288	801		2,089
TOTAL INTEREST INCOME	17,959	6,251		24,210	28,983		53,193
Interest on deposits	4,078	1,257		5,335	6,415		11,750
Net interest income	13,881	4,994		18,875	22,568		41,443
Provision for loan loss	0	1,134		1,134	800		1,934
Net revenue from earning assets	13,881	3,860		17,741	21,768		39,509
Non interest income	5,408	637		6,045	4,579		10,624
Non interest expense	14,735	5,260	\$231 (1)	20,226	21,859		42,085
Income before taxes	4,554	(763)		3,560	4,488		8,048
			(231)				
Taxes on income (loss)	1,980	(244)		1,736	1,169		2,905
NET INCOME (LOSS)	\$ 2,574	\$ (519)	\$ (231)	\$ 1,824	\$ 3,319	\$ 0	\$ 5,143
Earnings per share							\$ 0.46
Weighted average shares outstanding			(2)				11,192

</TABLE>

8

<TABLE>
<CAPTION>

UNAUDITED PRO FORMA COMBINED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1993
(Dollars in thousands, except per share amounts)

	CU BANCORP	CORPORATE BANK	ADJUSTMENTS	CU BANCORP & CORPORATE COMBINED	HOME BANCORP	ADJUSTMENTS	CU BANCORP & HOME BANCORP COMBINED
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest and fees on loans and leases	\$16,487	\$6,803		\$23,290	\$20,671		\$43,961
Interest on investment securities	1,558	181		1,739	5,905		7,644
Interest on time certificates of deposit	123	90		213	0		213

Interest on federal funds sold	454	261		715	542		1,257
TOTAL INTEREST INCOME	18,622	7,335		25,957	27,118		53,075
Interest on deposits	4,191	1,572		5,763	6,736		12,499
Net interest income	14,431	5,763		20,194	20,382		40,576
Provision for loan loss	450	865		1,315	750		2,065
Net revenue from earning assets	13,981	4,898		18,879	19,632		38,511
Non interest income	26,423	841		27,264	7,758		35,022
Non interest expense	36,883	5,539	\$231 (1)	42,653	21,550	\$1,800 (4)	66,003
Income before taxes	3,521	200		3,490	5,840		7,530
			(231)			(1,800)	
Taxes on income (loss)	1,423	52	(3)	1,475	2,215		3,690
NET INCOME (LOSS)	\$2,098	\$148	\$(231)	\$2,015	\$3,625	\$(1,800)	\$3,840
Earnings per share							\$0.35
Weighted average shares outstanding			(2)				11,089

Notes:

1. The only adjustment to the pro forma combined statements of income is the assumed amortization of goodwill generated by the Corporate Bank merger transaction. Goodwill of \$2,312,000 amortized over the full years of 1993, 1994 and 1995, assuming a ten-year life, would have generated \$231,000 of expense annually. No adjustments have been made for any operational synergies that may occur as a result of the Merger.
2. Pro forma earnings per share for the year ended December 31, 1993 were calculated based on CU Bancorp's 4,490,000 weighted average shares outstanding plus 649,000 shares assumed to be issued in the Corporate Bank merger transaction and 5,950,000 shares issued in the Merger. Pro Forma earnings per share for the year ended December 31, 1994 were calculated based on CU Bancorp's 4,593,000 weighted average shares outstanding plus 649,000 shares assumed to be issued in the Corporate Bank merger transaction and 5,950,000 shares issued in the Merger. Pro forma earnings per share for the year ended December 31, 1995 were calculated based on CU Bancorp's 4,857,000 weighted average shares outstanding plus 649,000 shares assumed to be issued in the Corporate Bank merger transaction and 5,950,000 shares issued in the Merger. Proforma earnings per share for the quarter ended June 30, 1996 were calculated based on CU Bancorp's 5,587,695 weighted average shares outstanding plus 5,950,000 issued in the Merger. There is no difference for this entity between fully diluted and primary earnings per share.
3. Corporate Bank's taxes on income in 1993 includes a \$42,000 cumulative adjustment for the effect of a change in accounting for income taxes which represents \$.0038 per share.
4. Acquisition expense related to the Merger including investment banker fees, attorney fees, filing expenses and expenses associated with the Retention Agreements.
- 9
5. Expenses related to the Retention Agreements entered into within ten key employees.