Cheviot Financial Corp.
Form 10-Q
August 12, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to _______________

Commission File No. 0-50529
CHEVIOT FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

Maryland	90-0789920
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

3723 Glenmore Avenue, Cincinnati, Ohio 45211
(Address of principal executive office)

Registrant's telephone number, including area code: (513) 661-0457

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 x No o

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 o Accelerated filer o Non-accelerated filer o Small business issuer x

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

Yes o No x

As of August 12, 2013, the latest practicable date, 6,836,903 shares of the registrant's common stock, $.01 par value, were issued and outstanding.

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes x No o

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Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(In thousands, except share data)

ASSETS	June 30, 2013 (Unaudited)	December 31, 2012
Cash and due from banks	$9,472	$10,251
Federal funds sold	15,832	12,555
Interest-earning deposits in other financial institutions	3,352	2,308
Cash and cash equivalents	28,656	25,114
Investment securities available for sale – at fair value	164,450	195,963
Mortgage-backed securities available for sale - at fair value	5,278	6,029
Mortgage-backed securities held to maturity - at cost, approximate market value of $3,503 and $3,772 at June 30, 2013 and December 31, 2012, respectively	3,363	3,581
Loans receivable - net	333,133	337,110
Loans held for sale - at lower of cost or market	850	3,304
Real estate acquired through foreclosure - net	4,915	3,980
Office premises and equipment - at depreciated cost	11,793	12,481
Federal Home Loan Bank stock - at cost	8,651	8,651
Accrued interest receivable on loans	1,238	1,303
Accrued interest receivable on mortgage-backed securities	18	20
Accrued interest receivable on investments and interest-earning deposits	717	941
Goodwill	10,309	10,309
Core deposit intangible	634	746
Prepaid expenses and other assets	3,771	4,596
Bank-owned life insurance	15,491	15,249
Prepaid federal income taxes	1,285	1,192
Deferred federal income taxes	3,742	1,413
Total assets	$598,294	$631,982
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	$477,381	$490,646
Advances from the Federal Home Loan Bank	21,197	24,314
Advances by borrowers for taxes and insurance	952	2,331
Accrued interest payable	88	90
Accounts payable and other liabilities	4,972	6,701
Total liabilities	504,590	524,082
Shareholders' equity		

Preferred stock - authorized 5,000,000 shares, $.01 par value; none issued		
Common stock - authorized 30,000,000 shares, $.01 par value; 6,836,903 and 7,596,557 shares issued at June 30, 2013 and December 31, 2012	76	76
Additional paid-in capital	57,226	65,772
Shares acquired by stock benefit plans	(1,955)	(1,992)
Retained earnings - restricted	43,218	43,444
Accumulated comprehensive gain (loss), unrealized gains (losses) on securities available for sale, net of related tax expense (benefit)	(4,861)	600
Total shareholders’ equity	93,704	107,900
Total liabilities and shareholders’ equity	$598,294	$631,982

See accompanying notes to consolidated financial statements.

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Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(In thousands, except per share data)

	Six months ended June 30,		Three months ended June 30,	
	2013	2012	2013	2012
Interest income				
Loans	$8,018	$9,419	$3,944	$4,587
Mortgage-backed securities	82	110	41	50
Investment securities	1,645	1,313	777	744
Interest-earning deposits and other	196	187	98	91
Total interest income	9,941	11,029	4,860	5,472
Interest expense				
Deposits	1,887	2,478	920	1,207
Borrowings	377	489	183	236
Total interest expense	2,264	2,967	1,103	1,443
Net interest income	7,677	8,062	3,757	4,029
Provision for losses on loans	340	400	285	250
Net interest income after provision for losses on loans	7,337	7,662	3,472	3,779
Other income				
Rental	73	71	31	35
Gain on sale of real estate acquired through foreclosure	69	39	71	10
Loss on sale of office premises and equipment	(255)	-	(255)	-
Gain on sale of loans	425	552	187	175
Earnings on bank-owned life insurance	241	156	122	76
Gain on death benefits from life insurance	-	481	-	481
Service fee income	736	795	376	396
Other operating	200	60	10	6
Total other income	1,489	2,154	542	1,179
General, administrative and other expense				
Employee compensation and benefits	3,323	3,154	1,640	1,496
Occupancy and equipment	832	853	428	426
Property, payroll and other taxes	727	642	359	347
Data processing	298	311	150	154
Legal and professional	492	394	277	226
Advertising	150	150	75	75
FDIC expense	219	228	111	114

ATM processing expense	185	182	95	93
Real estate owned impairment	256	168	155	116
Core deposit intangible amortization	112	153	47	98
Other operating	789	794	359	298
Total general, administrative and other expense	7,383	7,029	3,696	3,443
Earnings before income taxes	1,443	2,787	318	1,515
Federal income taxes (benefit)				
Current	(97)	258	(97)	17
Deferred	484	439	150	290
Total federal income taxes	387	697	53	307
NET EARNINGS	$1,056	$2,090	$265	$1,208
EARNINGS PER SHARE				
Basic	$.15	$.28	$.04	$.16
Diluted	$.15	$.28	$.04	$.16
Dividends per common share	$.18	$.16	$.09	$.08

See accompanying notes to consolidated financial statements.

Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

For the six and three months ended June 30, 2013 and 2012
(In thousands)

	For the six months ended June 30,		For the three months ended June 30,	
	2013	2012	2013	2012
Net earnings for the period	$1,056	$2,090	$265	$1,208
Other comprehensive income, net of tax expense:				
Unrealized holding (losses) gains on securities during the period, net of tax (benefits) expense of $(2,813) and $133 for the six months ended June 30, 2013 and 2012, respectively, and $(2,660) and $430 for the three months ended June 30, 2013 and 2012, respectively	(5,461)	259	(5,164)	835
Comprehensive (loss) income	$(4,405)	$2,349	$(4,899)	$2,043
Accumulated comprehensive (loss) income	$(4,861)	$537	$(4,861)	$537

See accompanying notes to consolidated financial statements.

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Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

For the six months ended June 30, 2013 and 2012
(In thousands)

	2013	2012
Cash flows from operating activities:		
Net earnings for the period	$1,056	$2,090
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Amortization of premiums and discounts on investment and mortgage-backed securities, net	(19)	(20)
Depreciation	370	375
Charitable donation of real estate owned property	32	-
Amortization of deferred loan origination costs - net	(13)	11
Amortization of intangible assets	112	153
Amortization of fair value adjustments	(482)	(489)
Proceeds from sale of loans in the secondary market	27,816	29,649
Loans originated for sale in the secondary market	(23,899)	(30,928)
Gain on sale of loans	(425)	(552)
Gain on sale of real estate acquired through foreclosure	(69)	(39)
Impairment on real estate acquired through foreclosure	256	170
Loss on sale of office premises and equipment	255	-
Net increase in cash surrender value of bank-owned life insurance	(242)	(156)
Amortization of expense related to stock benefit plans	39	4
Provision for losses on loans	340	400
Increase (decrease) in cash due to changes in:		
Accrued interest receivable on loans	65	171
Accrued interest receivable on mortgage-backed securities	2	4
Accrued interest receivable on investments and interest earning deposits	224	(170)
Prepaid expenses and other assets	825	82
Accrued interest payable	(2)	(18)
Accounts payable and other liabilities	(1,770)	(1,339)
Federal income taxes		
Current	(93)	188
Deferred	484	439
Net cash provided by operating activities	4,862	25
Cash flows provided by (used in) investing activities:		
Principal repayments on loans	38,641	46,458
Loan disbursements	(37,872)	(20,930)
Purchase of investment securities – available for sale	(80,928)	(137,134)
Proceeds from maturity of investment securities – available for sale	106,175	86,064
Purchase of corporate securities	(1,920)	-
Principal repayments on mortgage-backed securities – available for sale	682	743
Principal repayments on mortgage-backed securities – held to maturity	218	281

Proceeds from sale of real estate acquired through foreclosure	878	1,406
Proceeds from sale of office premises and equipment	1,167	-
Purchase of office premises and equipment	(1,104)	(908)
Purchase of Federal Home Loan Bank stock	-	(285)
Proceeds from bank-owned life insurance	-	403
Net cash provided by (used in) investing activities	25,937	(23,902)
Cash flows provided by (used in) financing activities:		
Net increase (decrease) in deposits	(12,974)	3,795
Repayments on Federal Home Loan Bank advances	(3,074)	(4,426)
Advances by borrowers for taxes and insurance	(1,379)	(1,494)
Proceeds from stock conversion	-	22,133
Shares acquired by stock benefit plans	-	(1,496)
Stock option expense, net	12	11
Common stock repurchased	(8,560)	-
Dividends paid on common stock	(1,282)	(1,215)
Net cash provided by (used in) financing activities	(27,257)	17,308
Net increase (decrease) in cash and cash equivalents	3,542	(6,569)
Cash and cash equivalents at beginning of period	25,114	45,140
Cash and cash equivalents at end of period	$28,656	$38,571

See accompanying notes to consolidated financial statements.

Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)

For the six months ended June 30, 2013 and 2012
(In thousands)

	2013	2012
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Federal income taxes	$-	$52
Interest on deposits and borrowings	$2,266	$2,985
Supplemental disclosure of noncash investing activities:		
Transfer of loans to real estate acquired through foreclosure	$2,040	$1,401
Recognition of mortgage servicing rights	$204	$224
Deferred gain on real estate acquired through foreclosure	$7	$13

See accompanying notes to consolidated financial statements.

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2013 and 2012

1. Basis of Presentation

Cheviot Financial Corp. ("Cheviot Financial" or the "Corporation") is a financial holding company, the principal asset of which consists of its ownership of Cheviot Savings Bank (the "Savings Bank"). The Savings Bank conducts a general banking business in southwestern Ohio which consists of attracting deposits and applying those funds primarily to the origination of real estate loans. The Savings Bank's profitability is significantly dependent on net interest income, which is the difference between interest income from interest-earning assets and the interest expense paid on interest-bearing liabilities. Net interest income is affected by the relative amount of interest-earning assets and interest-bearing liabilities and the interest received or paid on these balances.

On January 18, 2012, Cheviot Financial completed a second step reorganization and sale of common stock. Prior to the completion of the second step conversion, Cheviot Financial was a federal corporation and mid-tier holding company. Following the reorganization Cheviot Financial is the Maryland chartered holding company of the Savings Bank.

The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-Q and, therefore, do not include information or footnotes necessary for a complete presentation of financial position, results of operations and cash flows in conformity with accounting principles generally accepted in the United States of America. Accordingly, these consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Cheviot Financial included in the Annual Report on Form 10-K for the year ended December 31, 2012. However, in the opinion of management, all adjustments (consisting of only normal recurring accruals) which are necessary for a fair presentation of the consolidated financial statements have been included. The results of operations for the six month period ended June 30, 2013 are not necessarily indicative of the results which may be expected for the entire year.

Cheviot Financial evaluates subsequent events through the date of filing with the Securities and Exchange Commission.

2. Principles of Consolidation

The accompanying consolidated financial statements as of and for the six months ended June 30, 2013 and 2012 include the accounts of the Corporation and its wholly-owned subsidiary, the Savings Bank. All significant intercompany items have been eliminated.

3. Liquidity and Capital Resources

Liquidity describes the ability to meet the financial obligations that arise in the ordinary course of business. Liquidity is primarily needed to meet the borrowing and deposit withdrawal requirements of customers and to fund current and planned expenditures. The Corporation's primary sources of funds are deposits, scheduled amortization and prepayments of loan principal and mortgage-backed securities, maturities and calls of securities and funds provided by operations. In addition, the Corporation may borrow from the Federal Home Loan Bank of Cincinnati. At June 30, 2013 and December 31, 2012, the Corporation had $21.2 million and $24.3 million, respectively, in outstanding borrowings from the Federal Home Loan Bank of Cincinnati and had the capacity to increase such borrowings at those dates by approximately $118.1 million and $136.6 million, respectively.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June, 2013 and 2012

3. Liquidity and Capital Resources (continued)

Loan repayments and maturing securities are a relatively predictable source of funds. However, deposit flows, calls of securities and prepayments of loans and mortgage-backed securities are strongly influenced by interest rates, general and local economic conditions and competition in the marketplace. These factors reduce the predictability of these sources of funds.

The Corporation's primary investing activities are the origination of one- to four-family real estate loans, commercial real estate, construction and consumer loans, and the purchase of securities. For the six months ended June 30, 2013, loan originations totaled $61.8 million, compared to $51.9 million for the six months ended June 30, 2012.

Total deposits decreased $13.3 million during the six months ended June 30, 2013, while total deposits increased $3.4 million during the six months ended June 30, 2012. Deposit flows are affected by the level of interest rates, the interest rates and products offered by competitors and other factors.

The following table sets forth information regarding the Corporation's obligations and commitments to make future payments under contracts as of June 30, 2013.

	Payments due by period				
	Less than 1 year	More than 1-3 years	More than 4-5 years	More than 5 years	Total
	(In thousands)				
Contractual obligations:					
Advances from the Federal Home Loan Bank	$699	$3,313	$11,709	$5,476	$21,197
Certificates of deposit	117,333	88,004	37,801	-	243,138
Lease obligations	173	348	115	234	870
Amount of loan commitments and expiration per period:					
Commitments to originate one- to four-family loans	4,141	-	-	-	4,141
Home equity lines of credit	27,912	-	-	-	27,912
Commercial lines of credit	1,180	-	-	-	1,180
Undisbursed loans in process	3,201	-	-	-	3,201
Total contractual obligations	$154,639	$91,665	$49,625	$5,710	$301,639

Cheviot Financial is committed to maintaining a strong liquidity position and management monitors the Corporation's liquidity position on a daily basis. The Corporation anticipates that it will have sufficient funds to meet current funding commitments. Based on deposit retention experience and current pricing strategy, its anticipated that a significant portion of maturing time deposits will be retained.

At June 30, 2013 and 2012, we exceeded all of the applicable regulatory capital requirements. Core (Tier 1) capital was \$77.8 million and \$77.6 million, or 13.3% and 12.4% of total assets at June 30, 2013 and 2012, respectively. In order to be classified as "well-capitalized" under federal banking regulations, the Corporation was required to have core capital of at least \$35.7 million, or 6.0% of assets as of June 30, 2013. To be classified as a well-capitalized bank, the Corporation must also have a ratio of total risk-based capital to risk-weighted assets of at least 10.0%. At June 30, 2013 and 2012, the Corporation had a total risk-based capital ratio of 25.7% and 25.5%, respectively.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

4. Earnings Per Share

Basic earnings per share is computed based upon the weighted-average common shares outstanding during the period, less shares in the ESOP that are unallocated and not committed to be released plus shares in the ESOP that have been allocated. Weighted-average common shares deemed outstanding gives effect to 208,251 and 248,206 unallocated shares held by the ESOP for the six months ended June 30, 2013 and 2012, respectively.

	For the six months ended June 30,		For the three months ended June 30,	
	2013	2012	2013	2012
Weighted-average common shares outstanding (basic)	7,101,890	7,483,336	6,905,946	7,348,351
Dilutive effect of assumed exercise of stock options	6,872	7,578	7,692	7,681
Weighted-average common shares outstanding (diluted)	7,108,762	7,490,914	6,913,638	7,356,032

5. Stock Option Plan

On April 26, 2005, the Corporation approved a Stock Incentive Plan that provides for grants of up to 416,517 stock options. During 2012, 2011 and 2010 approximately 5,600, 3,771 and 7,593 stock options were granted subject to a five year vesting period in which the options granted will vest ratably annually. For the six months ended June 20, 2013, no shares have been granted. The shares in the plan and the shares granted have been adjusted to reflect the exchange ratio of 0.857.

The Corporation follows FASB Accounting Standard Codification Topic 718 (ASC 718), “Compensation – Stock Compensation,” for its stock option plans, and accordingly, the Corporation recognizes the expense of these grants as required. Stock-based employee compensation costs pertaining to stock options is reflected as a net increase in equity, for both any new grants, as well as for all unvested options outstanding at December 31, 2005, in both cases using the fair values established by usage of the Black-Scholes option pricing model, expensed over the vesting period of the underlying option.

The Corporation elected the modified prospective transition method in applying ASC 718. Under this method, the provisions of ASC 718 apply to all awards granted or modified after the date of adoption, as well as for all unvested options outstanding at December 31, 2005. The compensation cost recorded for unvested equity-based awards is based on their grant-date fair value. For the six months ended June 30, 2013, the Corporation recorded $11,000 in after-tax compensation cost for equity-based awards that vested during the six months ended June 30, 2013. The Corporation has $37,000 unrecognized pre-tax compensation cost related to non-vested equity-based awards granted under its stock incentive plan as of June 30, 2013, which is expected to be recognized over a weighted-average vesting period of approximately 2.0 months.

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

5. Stock Option Plan (continued)

A summary of the status of the Corporation's stock option plan as of June 30, 2013 and the year ended December 31, 2012 as well as the changes during the period then ended are presented below:

	Six months ended June 30, 2013		Year ended December 31, 2012	
	Shares	Weighted-average exercise price	Shares	Weighted-average exercise price
Outstanding at beginning of period	370,339	$12.80	425,600	$11.10
Stock conversion	-		(60,861)	1.76
Granted	-	-	5,600	8.30
Exercised	-	-	-	-
Forfeited	(400)	8.30	-	-
Outstanding at end of period	369,939	$12.80	370,339	$12.80
Options exercisable at period-end	359,177	$12.91	353,022	$12.96
Options expected to be exercisable at year-end				
Fair value of options granted		NA		$1.28

The following information applies to options outstanding at June 30, 2013:

Number outstanding	369,939
Exercise price	$8.30 - $15.90
Weighted-average exercise price	$12.91
Weighted-average remaining contractual life	2.4 years

The expected term of options is based on evaluations of historical and expected future employee exercise behavior. The risk free interest rate is based upon the U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life at the grant date. Volatility is based upon the historical volatility of the Corporation's stock.

The fair value of each option was estimated on the date of grant using the modified Black-Scholes options pricing model with the following weighted-average assumptions used for grants in 2012: dividend yield of 3.86%, expected volatility of 24.1%, risk-free interest rate of 1.64% and an expected life of 10 years for each grant.

On April 23, 2013, shareholders approved the 2013 Equity Incentive Plan. As of June 30, 2013, no shares have been granted or options awarded under this plan.

The effects of expensing stock options are reported in “cash provided by financing activities” in the Consolidated Statements of Cash Flows.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

6. Investment and Mortgage-backed Securities

The amortized cost, gross unrealized gains, gross unrealized losses and estimated fair values of investment securities at June 30, 2013 and December 31, 2012 are shown below.

	June 30, 2013			
	Amortized cost (In thousands)	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available for Sale:				
U.S. Government agency securities	$167,043	$-	$8,048	$158,995
Municipal obligations	3,036	86	122	3,000
Corporate securities	1,920	535	-	2,455
	$171,999	$621	$8,170	$164,450

		December 31, 2012		
	Amortized cost (In thousands)	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available for Sale:				
U.S. Government agency securities	$192,247	$550	$92	$192,705
Municipal obligations	3,037	222	1	3,258
	$195,284	$772	$93	$195,963

Unrealized gross gains and losses on investments and mortgage backed securities are shown on the Corporation's consolidated financial as an adjustment to shareholders' equity.

The amortized cost of investment securities at June 30, 2013, by contractual term to maturity, are shown below.

	June 30, 2013 (In thousands)
Less than one year	$-

One to five years	48,742
Five to ten years	64,888
More than ten years	56,449
	170,079
Corporate securities	1,920
Corporate securities	$171,999

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

6. Investment and Mortgage-backed Securities (continued)

The amortized cost, gross unrealized gains, gross unrealized losses and estimated fair values of mortgage-backed securities at June 30, 2013 and December 31, 2012 are shown below.

	June 30, 2013			
	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
	(In thousands)			
Available for sale:				
Federal Home Loan Mortgage Corporation adjustable-rate participation certificates	$ 826	$ 38	$ 1	$ 863
Federal National Mortgage Association adjustable-rate participation certificates	1,415	37	1	1,451
Government National Mortgage Association adjustable-rate participation certificates	2,852	112	-	2,964
	$ 5,093	$ 187	$ 2	$ 5,278
Held to maturity:				
Federal Home Loan Mortgage Corporation adjustable-rate participation certificates	$ 286	$ 9	$ -	$ 295
Federal National Mortgage Association adjustable-rate participation certificates	249	6	-	255
Government National Mortgage Association adjustable-rate participation certificates	2,828	125	-	2,953
	$ 3,363	$ 140	$ -	$ 3,503

	December 31, 2012			
	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
	(In thousands)			

Available for sale:								
Federal Home Loan Mortgage Corporation adjustable-rate participation certificates	$	925	$	129	$	1	$	1,053
Federal National Mortgage Association adjustable-rate participation certificates		1,738		46		1		1,783
Government National Mortgage Association adjustable-rate participation certificates		3,136		57		-		3,193
	$	5,799	$	232	$	2	$	6,029

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

6. Investment and Mortgage-backed Securities (continued)

	December 31, 2012			
	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
	(In thousands)			
Held to maturity:				
Federal Home Loan Mortgage Corporation adjustable-rate participation certificates	$ 318	$ 7	$ 1	$ 324
Federal National Mortgage Association adjustable-rate participation certificates	296	9	-	305
Government National Mortgage Association adjustable-rate participation certificates	2,967	176	-	3,143
	$ 3,581	$ 192	$ 1	$ 3,772

The amortized cost of mortgage-backed securities, including those designated as available for sale, at June 30, 2013, by contractual terms to maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may generally prepay obligations without prepayment penalties.

	June 30, 2013
	(In thousands)
Due in one year or less	$ 446
Due in one year through five years	1,877
Due in five years through ten years	2,574
Due in more than ten years	3,559
	$ 8,456

The table below indicates the length of time individual securities have been in a continuous unrealized loss position at June 30, 2013:

	Less than 12 months			12 months or longer			Total		
Description of	Number of	Fair	Unrealized	Number of	Fair	Unrealized	Number of	Fair	Unrealized

securities	investments	value	losses	investments	value	losses	investments	value	losses
	(Dollars in thousands)								
U.S. Government agency securities	29	$ 154,081	$ 7,961	1	$ 4,914	$ 87	30	$ 158,995	$ 8,048
Municipal obligations	2	268	5	1	598	117	3	866	122
Corporate stocks	-	-	-	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	7	111	2	7	111	2
Total temporarily impaired securities	31	$ 154,349	$ 7,966	9	$ 5,623	$ 206	40	$ 159,972	$ 8,172

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

6. Investment and Mortgage-backed Securities (continued)

Management does not intend to sell any of the debt securities with an unrealized loss and does not believe that it is more likely than not that the Corporation will be required to sell a security in an unrealized loss position prior to a recovery in value. The decline in the fair value is primarily due to an increase in market interest rates. The fair values are expected to recover as securities approach maturity dates. The Corporation has evaluated these securities and has determined that the decline in their values is temporary.

7. Income Taxes

The Corporation uses an asset and liability approach to accounting for income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred tax assets are recognized if it is more likely than not that a future benefit will be realized. The Corporation accounts for income taxes in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, Income Taxes, which prescribes the recognition and measurement criteria related to tax positions taken or expected to be taken in a tax return.

The Corporation's principal temporary differences between financial income and taxable income result mainly from different methods of accounting for Federal Home Loan Bank stock dividends, the general loan loss allowance, deferred compensation, stock benefit plans, fair value adjustments arising from the First Franklin acquisition. The Corporation has approximately $3.8 million of net operating losses to carryforward for the next 20 years. These losses are subject to the Internal Revenue Code section 382 limitations which allow approximately $1.1 million of the losses on an annual basis to offset current year taxable income.

The Corporation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. At adoption date, January 1, 2007 the Corporation applied the standard to all tax positions for which the statute of limitations remained open and was not required to record any liability for unrecognized tax benefits as that date. There have been no material changes in unrecognized tax benefits since January 1, 2007. The known tax attributes which can influence the Corporation's effective tax rate is the utilization of net operating loss carryforwards subject to the limitations under Internal Revenue Code section 382.

The Corporation is subject to income taxes in the U.S. federal jurisdiction, as well as various state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Corporation is no longer subject to U.S. federal, state and local, or non U.S. income tax examinations by tax authorities for the years before 2010.

The Corporation will recognize, if applicable, interest accrued related to unrecognized tax liabilities in interest expense and penalties in operating expenses.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

7. Income Taxes (continued)

Federal income tax on earnings differs from that computed at the statutory corporate tax rate for the periods ended June 30, 2013 and 2012:

	2013	2012
	(Dollars in thousands)	
Federal income taxes at statutory rate of 34%	$ 491	$ 948
Increase (decrease) in taxes resulting primarily from:		
Stock compensation	2	(19)
Nontaxable interest income	(22)	(19)
Cash surrender value of life insurance	(82)	(217)
Other	(2)	4
Federal income taxes per financial statements	$ 387	$ 697
Effective tax rate	26.8 %	25.0 %

8. Disclosures About Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy exists for fair value measurements based upon the inputs to the valuation of an asset or liability.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value methods and assumptions are set forth below for each type of financial instrument.

Securities available for sale: Fair values of available for sale securities are based upon a market approach. Securities which are fixed income instruments that are not quoted on an exchange, but are traded in active markets, are valued using prices obtained from a custodian, using observable inputs from third party data service providers. Available for sale securities includes U.S. agency securities, municipal bonds and mortgage-backed agency securities.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

8. Disclosures About Fair Value of Assets and Liabilities (continued)

Fair Value Measurements at June 30, 2013 and December 31, 2012

	Quoted prices in active markets for identical assets (Level 1) (In thousands)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Securities available for sale at June 30, 2013:			
U.S. Government agency securities	-	$ 158,995	-
Municipal obligations	-	$ 3,000	-
Corporate securities	-	$ 2,455	-
Mortgage-backed securities	-	$ 5,278	-
Securities available for sale at December 31, 2012:			
U.S. Government agency securities	-	$ 192,705	-
Municipal obligations	-	$ 3,258	-
Mortgage-backed securities	-	$ 6,029	-

The Corporation is predominately an asset-based lender with real estate serving as collateral on a substantial majority of loans. Loans which are deemed to be impaired are primarily valued on a nonrecurring basis at the fair values of the underlying real estate collateral. In addition, on the acquisition date the Corporation independently fair valued $25.0 million of First Franklin’s impaired loans, as well as $173.2 million of performing loans. First Franklin’s impaired loans subject to fair value write-downs are not included in Cheviot Financial’s non-performing loan totals. Such loans are considered performing under Topic ASC 310-30, even though the loans are contractually past due, as any nonpayment of contractual principal or interest is considered in the periodic re-estimation of expected cash flows and the resulting loss provisions or future period yield adjustments. The fair values were obtained using independent appraisals, which the Corporation considers to be Level 2 inputs. The aggregate carrying amount of the Corporation’s impaired originated loans was approximately $4.0 million and $5.7 million at June 30, 2013 and December 31, 2012, respectively.

The Corporation has real estate acquired through foreclosure totaling $4.9 million and $4.0 million at June 30, 2013 and December 31, 2012, respectively. Real estate acquired through foreclosure is carried at the lower of the cost or fair value less estimated selling expenses at the date of acquisition. Fair values are obtained using independent appraisals, based on comparable sales which the Corporation considers to be Level 2 inputs. At June 30, 2013 all real estate acquired through foreclosure was carried at fair value.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

9. Effects of Recent Accounting Pronouncements

The Corporation adopted the following accounting guidance in 2013, none of which had a material effect, if any, on the consolidated financial position or results of operations.

In July 2012, the FASB issued ASU 2012-02, Intangibles - goodwill and other (Topic 350). The amendments in this Update will allow an entity to first assess qualitative factors to determine whether it is necessary to perform a quantitative impairment test. Under these amendments, an entity would not be required to calculate the fair value of an indefinite-lived intangible asset unless the entity determines, based on qualitative assessment, that it is not more likely than not, the indefinite-lived intangible asset is impaired. The amendments include a number of events and circumstances for an entity to consider in conducting the qualitative assessment. Effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012.

In August 2012, the FASB issued ASU 2012-03, Technical Amendments and Corrections to SEC Sections—Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 114, Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22. Because the amendments in this ASU reflect only guidance modifications that the SEC had previously issued, the amendments have no incremental impact on the reporting entity.

In October 2012, the FASB issued ASU 2012-04, Technical Corrections and Improvements: The amendments in this update clarify the Codification or corrects unintended application of guidance and includes amendments identifying when the use of fair value should be linked to the definition of fair value in Topic 820, Fair Value Measurement. Amendments to the Codification without transition guidance are effective upon issuance for both public and nonpublic entities. For public entities, amendments subject to transition guidance are effective for fiscal periods beginning after December 15, 2012.

In February 2013, the FASB issues ASU 2013-02, Comprehensive Income (Topic 220) – Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income. The amendments do not change the current requirements for reporting net income or other comprehensive income in financial statements. These amendments require an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional details about those amounts. For public entities, the amendments are effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2012. Early adoption is permitted. The Corporation does not anticipate any material impact from this Update.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

10. Fair Value of Financial Instruments

Fair value information about financial instruments, whether or not recognized in the balance sheet, for which it is practical to estimate the value, is based upon the characteristics of the instruments and relevant market information. Financial instruments include cash, evidence of ownership in an entity or contracts that convey or impose on an entity the contractual right or obligation to either receive or deliver cash for another financial instrument. These fair value estimates are based on relevant market information and information about the financial instruments. Fair value estimates are intended to represent the price for which an asset could be sold or liability could be settled. However, given there is no active market or observable market transactions identical to many of the Corporation's financial instruments, estimates of many of these fair values are based upon observable inputs which are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimated values.

The following methods and assumptions were used by the Corporation in estimating its fair value disclosures for financial instruments at June 30, 2013:

Cash and cash equivalents: The carrying amounts presented in the consolidated statements of financial condition for cash and cash equivalents are deemed to approximate fair value.

Investment and mortgage-backed securities: For investment and mortgage-backed securities, fair value is deemed to equal the quoted market price.

Loans receivable: The loan portfolio was segregated into categories with similar characteristics, such as one-to four-family residential, multi-family residential and commercial real estate. These loan categories were further delineated into fixed-rate and adjustable-rate loans. The fair values for the resultant loan categories were computed via discounted cash flow analysis, using current interest rates offered for loans with similar terms to borrowers of similar credit quality. For loans on deposit accounts, fair values were deemed to equal the historic carrying values. The historical carrying amount of accrued interest on loans is deemed to approximate fair value.

Federal Home Loan Bank stock: The carrying amount presented in the consolidated statements of financial condition is deemed to approximate fair value.

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

10. Fair Value of Financial Instruments (continued)

Deposits: The fair value of NOW accounts, passbook accounts, and money market demand deposits is deemed to approximate the amount payable on demand at June 30, 2013. Fair values for fixed-rate certificates of deposit have been estimated using a discounted cash flow calculation using the interest rates currently offered for deposits of similar remaining maturities.

Advances from the Federal Home Loan Bank: The fair value of these advances is estimated using the rates currently offered for similar advances of similar remaining maturities or, when available, quoted market prices.

Advances by Borrowers for Taxes and Insurance: The carrying amount of advances by borrowers for taxes and insurance is deemed to approximate fair value.

Commitments to extend credit: For fixed-rate loan commitments, the fair value estimate considers the difference between current levels of interest rates and committed rates. At June 30, 2013, the fair value of the derivative loan commitments was not material.

The estimated fair values of the Corporation's financial instruments at June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)		(In thousands)	
Financial assets				
Cash and cash equivalents	$28,656	$28,656	$25,114	$25,114
Investment securities	164,450	164,450	195,963	195,963
Mortgage-backed securities	8,641	8,781	9,610	9,801
Loans receivable - net	333,983	349,343	340,414	381,018
Accrued interest receivable	1,973	1,973	2,264	2,264
Federal Home Loan Bank stock	8,651	8,651	8,651	8,651
	$546,354	$561,854	$582,016	$622,811
Financial liabilities				
Deposits	$477,381	$476,662	$490,646	$490,017
Advances from the Federal Home Loan Bank	21,197	22,280	24,314	24,920
Advances by borrowers for taxes and insurance	952	952	2,331	2,331
Accrued interest payable	86	86	90	90
	$499,616	$499,980	$517,381	$517,358

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

11. Intangible Assets

The Corporation recorded goodwill and other intangibles associated with the purchase of First Franklin and Franklin Savings in March 2011 totaling $11.6 million. Goodwill is not amortized, but is periodically evaluated for impairment. The Corporation did not recognize any impairment during the quarter ended June 30, 2013. The carrying amount of the goodwill at June 30, 2013 was $10.3 million.

Identifiable intangibles are amortized to their estimated residual values over the expected useful lives. Such lives are also periodically reassessed to determine if any amortization period adjustments are required. During the quarter ended June 30, 2013, no such adjustments were recorded. The identifiable intangible asset consists of a core deposit intangible which is being amortized on an accelerated basis over the useful life of such asset. The gross carrying amount of the core deposit intangible at June 30, 2013 was $634,000 with $664,000 in accumulated amortization as of that date.

As of June 30, 2013, the current year and estimated future amortization expense for the core deposit intangible was:

2013	$94
2014	149
2015	116
2016	110
2017	110
2018	55
Total	$634

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

12. Financing Receivables

The recorded investment in loans was as follows as of June 30, 2013:

	One-to four- Family Residential	Multi-family Residential	Construction	Commercial	Consumer	Total
	(In thousands)					
Purchased loans	$90,381	$ 8,725	$ -	$ 28,757	$2,031	$129,894
Credit quality discount	(1,257)	(159)	-	(1,550)	(1,063)	(4,029)
Purchased loans book value	89,124	8,566	-	27,207	968	125,865
Originated loans (1)	156,983	12,004	5,570 (2)	36,556	1,025	212,138
Ending balance	$246,107	$ 20,570	$ 5,570	$ 63,763	$1,993	$338,003

(1) Includes loans held for sale
(2) Before consideration of undisbursed Loans-in-process

The carrying amount of purchased loans consisting of credit-impaired purchased loans and non-impaired purchased loans is shown in the following table as of June 30, 2013.

	Non-impaired Purchased Loans (In thousands)	Credit Impaired Purchased Loans (In thousands)
One-to-four family residential	$ 85,756	$ 3,368
Multi-family residential	7,507	1,059
Construction	-	-
Commercial	19,600	7,607
Consumer	886	82
Total	$ 113,749	$ 12,116

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

12. Financing receivables (continued)

The following summarizes activity in the allowance for credit losses:

	June 30, 2013 One-to four-Family Residential (In thousands)	Multi-family Residential	Construction	Commercial	Consumer	Total
Allowance for loan losses:						
Beginning balance	$1,823	$ 172	$ 1	$ 153	$11	$2,160
Provision	357	(19)	10	(9)	1	340
Charge-offs	(983)	-	-	-	-	(983)
Recoveries	15	-	-	-	(3)	12
Ending balance	$1,212	$ 153	$ 11	$ 144	$9	$1,529
Originated loans: Individually evaluated for impairment	$67	$ -	$ -	$ -	$-	$67
Purchased loans: Individually evaluated for impairment	$43	$ -	$ -	$ -	$-	$43
Originated loans: Collectively evaluated for impairment	$763	$ 153	$ 11	$ 144	$9	$1,080
Purchased loans: Loans acquired with deteriorated credit quality	$339	$ -	$ -	$ -	$-	$339
Loans receivable:						
Ending balance	$246,107	$ 20,570	$ 5,570	$ 63,763	$1,993	$338,003
Ending balance:						

Individually evaluated for impairment (1)	$88,931	$ 7,602	$ -	$21,459	$886	$118,878
Ending balance: Collectively evaluated for impairment	$153,808	$ 11,909	$ 5,570	$34,697	$1,025	$207,009
Ending balance: Loans acquired with deteriorated credit quality	$3,368	$ 1,059	$ -	$7,607	$82	$12,116

(1) Includes loans acquired from First Franklin with outstanding balances of $113,749 at June 30, 2013.

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

12. Financing receivables (continued)

	December 31, 2012 One-to four-Family Residential (In thousands)	Multi-family Residential	Construction	Commercial	Consumer	Total
Allowance for loan losses:						
Beginning balance	$978	$ 162	$ 13	$285	$9	$1,447
Provision	1,382	10	(12)	(101)	1	1,280
Charge-offs	(537)	-	-	(31)	-	(568)
Recoveries	-	-	-	-	1	1
Ending balance	$1,823	$ 172	$ 1	$153	$11	$2,160
Originated loans: individually evaluated for impairment	$632	$ -	$ -	$ -	$-	$632
Purchased loans: individually evaluated for impairment	$152	$ -	$ -	$ -	$-	$152
Originated loans: collectively evaluated for impairment	$673	$ 172	$ 1	$153	$11	$1,010
Purchased loans: loans acquired with deteriorated credit quality	$366	$ -	$ -	$ -	$-	$366
Loans receivable:						
Ending balance	$249,202	$ 23,866	$ 1,243	$67,166	$1,691	$343,168
Ending balance: individually evaluated for impairment (1)	$96,060	$ 9,225	$ -	$24,967	$894	$131,146

Ending balance: Collectively evaluated for impairment	$149,159	$ 13,579	$ 1,243	$ 33,678	$716	$198,375
Ending balance: loans acquired with deteriorated credit quality	$3,983	$ 1,062	$ -	$ 8,521	$81	$13,647

(1) Includes loans acquired from First Franklin with outstanding balances of $125,430 at December 31, 2012.

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

12. Financing receivables (continued)

The Corporation assigns credit risk grades to evaluated loans using grading standards employed by regulatory agencies. Loans judged to carry lower-risk attributes are assigned a "pass" grade, indicating a minimal likelihood of loss. Loans judged to carry a higher-risk attributes are referred to as "classified loans" and are further disaggregated, with increasing expectations for loss recognition, as "special mention", "substandard", "doubtful", and "loss". The Loan Classification of Assets committee assigns the credit risk grades to loans and reports to the board on a monthly basis the "classified asset" report.

The following table summarizes the credit risk profile by internally assigned grade:

	Originated Loans at June 30, 2013					
	One-to four-Family Residential	Multi-family Residential	Construction	Commercial	Consumer	Total
	(In thousands)					
Grade:						
Pass	$153,808	$ 11,909	$ 5,570	$ 34,697	$ 1,025	$ 207,009
Special mention	-	-	-	-	-	-
Substandard	3,175	95	-	1,859	-	5,129
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total	$156,983	$ 12,004	$ 5,570	$ 36,556	$ 1,025	$ 212,138

	Originated Loans at December 31, 2012					
	One-to four-Family Residential	Multi-family Residential	Construction	Commercial	Consumer	Total
	(In thousands)					
Grade:						
Pass	$148,771	$ 13,579	$ 1,243	$ 32,699	$716	$197,008
Special mention	-	-	-	-	-	-
Substandard	5,390	94	-	1,599	-	7,083
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-

Total	$154,161	$ 13,673	$ 1,243	$ 34,298	$716	$204,091

	Purchased Loans at June 30, 2013					
	One-to four- Family Residential	Multi-family Residential	Construction	Commercial	Consumer	Total
	(In thousands)					
Grade:						
Pass	$85,947	$ 8,566	$ -	$ 25,627	$865	$121,005
Special mention	-	-	-	-	-	-
Substandard	3,177	-	-	1,580	103	4,860
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total	$89,124	$ 8,566	$ -	$ 27,207	$968	$125,865

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Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

12. Financing receivables (continued)

	Purchased Loans at December 31, 2012					
	One-to four-Family Residential	Multi-family Residential	Construction	Commercial	Consumer	Total
	(In thousands)					
Grade:						
Pass	$91,091	$ 10,193	$ -	$ 30,551	$855	$132,690
Special mention	108	-	-	-	-	108
Substandard	3,842	-	-	2,317	120	6,279
Doubtful	-	-	-	-	-	-
Loss	-	-	-	-	-	-
Total	$95,041	$ 10,193	$ -	$ 32,868	$975	$139,077

The following tables summarize loans by delinquency, nonaccrual status and impaired loans:

Age Analysis of Past Due Originated Loans Receivable
As of June 30, 2013

	>30-89 Days Past Due	Greater than 90 Days	Total Past Due	Current & Accruing	Nonaccrual	Total Loans	Recorded Investment 90 Days and Accruing
	(In thousands)						
Real Estate:							
1-4 family Residential	$941	$2,920	$3,861	$154,063	$2,920	$156,983	$-
Multi-family Residential	-	95	95	11,909	95	12,004	-
Construction	-	-	-	5,570	-	5,570	-
Commercial	-	954	954	35,602	954	36,556	-
Consumer	-	-	-	1,025	-	1,025	-
Total	$941	$3,969	$4,910	$208,169	$3,969	$212,138	$-

Age Analysis of Past Due Originated Loans Receivable
As of December 31, 2012

	>30-89 Days Past Due (In thousands)	Greater than 90 Days	Total Past Due	Current & Accruing	Nonaccrual	Total Loan Receivables	Recorded Investment 90 Days and Accruing
Real Estate:							
1-4 family Residential	$1,116	$5,002	$6,118	$149,159	$5,002	$154,161	$-
Multi-family	-	94	94	13,579	94	13,673	-
Construction	-	-	-	1,243	-	1,243	-
Commercial	547	620	1,167	33,678	620	34,298	-
Consumer	-	-	-	716	-	716	-
Total	$1,663	$5,716	$7,379	$198,375	$5,716	$204,091	$-

Cheviot Financial Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended June 30, 2013 and 2012

12. Financing receivables (continued)

Age Analysis of Past Due Purchased Loans Receivable
As of June 30, 2013

>30-89 Days Past Due	Greater than 90 Days	Total Past Due	&	Current &	Total	Recorded Investment 90 Days and