

NORTHWEST BANCORPORATION INC
Form 10-Q
May 11, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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 March 31, 2012.**
- 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: 000-24151

NORTHWEST BANCORPORATION, INC.

(Exact name of registrant as specified in its charter)

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Washington
(State or other jurisdiction of

91-1574174
(I.R.S. Employer

incorporation or organization)

Identification No.)

421 West Riverside, Spokane, WA 99201-0403

(Address of principal executive offices) (Zip Code)

(509) 456-8888

(Registrant's telephone number, including area code)

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.

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

The Registrant has a single class of common stock, of which there were 3,084,548 shares issued and outstanding as of April 30, 2012.

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FORM 10-Q

For the three-month period ended March 31, 2012

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****NORTHWEST BANCORPORATION, INC.****Consolidated Statements of Financial Condition**

(\$ in thousands)

	March 31, 2012	December 31, 2011
ASSETS		
Cash and due from banks	\$ 11,182	\$ 13,511
Federal funds sold and other interest bearing deposits	16,636	13,774
Total cash and cash equivalents	27,818	27,285
Securities available for sale, at fair value	71,751	66,250
Federal Home Loan Bank stock, at cost	1,261	1,261
Loans receivable, net of allowance for loan losses \$7,337 and \$6,816	263,847	258,586
Loans held for sale	2,686	2,728
Premises and equipment, net	16,204	16,432
Accrued interest receivable	1,633	1,456
Foreclosed real estate	4,756	4,459
Bank owned life insurance	3,946	3,916
Other assets	3,267	3,360
TOTAL ASSETS	\$ 397,169	\$ 385,733
LIABILITIES		
Deposits	\$ 343,545	\$ 332,134
Accrued interest payable	522	507
Borrowed funds	12,761	13,207
Other liabilities	3,738	3,486
Total liabilities	360,566	349,334
SHAREHOLDERS EQUITY		
Preferred stock - Series A Cumulative Perpetual; \$1,000 par value; \$1,000 liquidation value; 10,500 shares authorized and issued	10,278	10,249
Preferred stock - Series B Cumulative Perpetual; \$0.01 par value; \$1,000 liquidation value; 525 shares authorized and issued	550	553
Common stock, no par value, 5,000,000 shares authorized; 3,084,548 shares issued and outstanding	26,006	25,984
Accumulated deficit	(1,443)	(1,599)
Accumulated other comprehensive income	1,212	1,212
Total shareholders equity	36,603	36,399
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 397,169	\$ 385,733

See accompanying notes.

Table of Contents**NORTHWEST BANCORPORATION, INC.****Consolidated Statements of Operations***(\$ in thousands, except per share data)*

	Three months ended March 31,	
	2012	2011
Interest income:		
Loans, including fees	\$ 3,834	\$ 4,670
Investment securities	543	593
Federal funds sold and interest bearing deposits	6	3
Total interest income	4,383	5,266
Interest expense:		
Deposits	681	1,096
Borrowed funds	100	70
Total interest expense	781	1,166
Net interest income	3,602	4,100
Provision for loan losses	600	831
Net interest income after provision for loan losses	3,002	3,269
Noninterest income:		
Service charges on deposits	325	352
Gain from sale of loans, net	276	143
Gain on investment securities	20	
Other noninterest income	482	315
Total noninterest income	1,103	810
Noninterest expense:		
Salaries and employee benefits	1,771	1,673
Occupancy and equipment	329	329
Depreciation and amortization	304	302
Advertising and promotion	65	70
Gain on foreclosed real estate, net		(29)
FDIC assessments	119	204
Other noninterest expense	1,070	730
Total noninterest expense	3,658	3,279
Income before income taxes	447	800
Income tax expense	122	200
NET INCOME	\$ 325	\$ 600
Preferred stock dividends and discount accretion, net	169	170
Net income applicable to common shares	\$ 156	\$ 430
Earnings per common share - basic	\$ 0.05	\$ 0.14

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Earnings per common share - diluted	\$ 0.05	\$ 0.14
Weighted average shares outstanding - basic	3,084,548	3,076,848
Weighted average shares outstanding - diluted	3,122,070	3,087,463

See accompanying notes.

Table of Contents**NORTHWEST BANCORPORATION, INC.****Consolidated Statements of Comprehensive Income***(\$ in thousands)*

	Three months ended March 31,	
	2012	2011
Net income	\$ 325	\$ 600
Other comprehensive income, net of tax:		
Unrealized gains (losses) on securities	(13)	344
Add: reclassification adjustment for gains included in net income	13	
Other comprehensive income		344
COMPREHENSIVE INCOME	\$ 325	\$ 944

See accompanying notes.

Table of Contents**NORTHWEST BANCORPORATION, INC.****Consolidated Statements of Changes in Shareholders Equity***(\$ in thousands)*

	Preferred Stock	Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2010	\$ 10,697	\$ 25,896	\$ (175)	\$ (731)	\$ 35,687
Net loss			(746)		(746)
Stock issued to directors		33			33
Dividends on preferred stock			(573)		(573)
Accretion of preferred stock discount, net	105		(105)		
Equity-based compensation expense		55			55
Net change in unrealized gain on securities available for sale, net of taxes				1,943	1,943
Balance, December 31, 2011	10,802	25,984	(1,599)	1,212	36,399
Net income			325		325
Dividends on preferred stock			(143)		(143)
Accretion of preferred stock discount, net	26		(26)		