

First Financial Northwest, Inc.
Form 10-Q
August 07, 2012

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

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

For the quarterly period ended June 30, 2012

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: 001-33652

FIRST FINANCIAL NORTHWEST, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of incorporation or organization)

__ 26-0610707__
(I.R.S. Employer Identification Number)

201 Wells Avenue South, Renton, Washington _
(Address of principal executive offices)

98057
(Zip Code)

Registrant's telephone number, including area code: _____(425) 255-4400_____

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.

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Large accelerated filer Accelerated filer Non-accelerated filer 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of August 3, 2012, 18,805,168 shares of the issuer's common stock, \$0.01 par value per share, were outstanding.

1

FIRST FINANCIAL NORTHWEST, INC.
FORM 10-Q
TABLE OF CONTENTS

PART 1 FINANCIAL INFORMATION

-		
Item 1	Financial Statements	3
-		
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	36
-		
Item 3	Quantitative and Qualitative Disclosures About Market Risk	54
-		
Item 4	Controls and Procedures	57
-		
PART II	OTHER INFORMATION	
-		
Item 1	Legal Proceedings	58
-		
Item 1A	Risk Factors	58
-		
Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	58
-		
Item 3	Defaults upon Senior Securities	58
-		
Item 4	Mine Safety Disclosures	58
-		
Item 5	Other Information	58
-		
Item 6	Exhibits	58
-		

SIGNATURES

60

2

Item 1. Financial Statements

FIRST FINANCIAL NORTHWEST, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Dollars in thousands, except share data)
(Unaudited)

Assets	June 30, 2012	December 31, 2011
Cash on hand and in banks	\$ 4,670	\$ 4,620
Interest-bearing deposits	155,327	160,141
Investments available-for-sale, at fair value	130,483	129,002
Loans receivable, net of allowance of \$14,450 and \$16,559	649,965	703,288
Premises and equipment, net	18,448	18,922
Federal Home Loan Bank stock, at cost	7,413	7,413
Accrued interest receivable	3,665	3,856
Federal income tax receivable	1,072	1,060
Deferred tax assets	1,000	-
Other real estate owned ("OREO")	22,206	26,044
Prepaid expenses and other assets	4,429	5,044
Total assets	\$ 998,678	\$ 1,059,390
Liabilities and Stockholders' Equity		
Interest-bearing deposits	\$ 719,035	\$ 782,652
Noninterest-bearing deposits	5,828	6,013
Advances from the Federal Home Loan Bank	83,066	83,066
Advance payments from borrowers for taxes and insurance	2,459	2,093
Accrued interest payable	180	184
Other liabilities	3,938	4,062
Total liabilities	814,506	878,070
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value; authorized 10,000,000 shares, no shares issued or outstanding	-	-
Common stock, \$0.01 par value; authorized 90,000,000 shares; issued and outstanding 18,805,168 shares at June 30, 2012 and December 31, 2011	188	188
Additional paid-in capital	189,602	188,816
Retained earnings, substantially restricted	5,930	3,937
Accumulated other comprehensive income, net of tax	20	511
Unearned Employee Stock Ownership Plan ("ESOP") shares	(11,568)	(12,132)
Total stockholders' equity	184,172	181,320

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Total liabilities and stockholders' equity	\$	998,678	\$	1,059,390
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See accompanying notes to consolidated financial statements.

FIRST FINANCIAL NORTHWEST, INC. AND SUBSIDIARIES

Consolidated Income Statements
(Dollars in thousands, except share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Interest income				
Loans, including fees	\$9,802	\$11,891	\$20,274	\$24,319
Investments available-for-sale	500	1,262	1,093	2,467
Interest-bearing deposits	97	94	194	170
Total interest income	\$10,399	\$13,247	\$21,561	\$26,956
Interest expense				
Deposits	2,627	4,220	5,568	8,733
Federal Home Loan Bank advances	511	583	1,022	1,159
Total interest expense	\$3,138	\$4,803	\$6,590	\$9,892
Net interest income	7,261	8,444	14,971	17,064
Provision for loan losses	650			