

NORTHWEST BANCORPORATION INC
Form 10-Q
November 09, 2011
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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 September 30, 2011.**
- 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
incorporation or organization)
421 West Riverside, Spokane, WA 99201-0403
(Address of principal executive offices) (Zip Code)
(509) 456-8888
(Registrant's telephone number, including area code)

91-1574174
(I.R.S. Employer
Identification No.)

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 3,081,748 shares issued and outstanding as of October 31, 2011.

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NORTHWEST BANCORPORATION, INC.

FORM 10-Q

For the three-month and nine-month periods ended September 30, 2011

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)****NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY****Consolidated Statements of Financial Condition***(\$ in thousands)*

	September 30, 2011	December 31, 2010
ASSETS		
Cash and due from banks	\$ 16,349	\$ 10,813
Federal funds sold and other interest bearing deposits	11,971	5,028
Total cash and cash equivalents	28,320	15,841
Securities available for sale, at fair value	69,587	69,730
Federal Home Loan Bank stock, at cost	1,261	1,261
Loans receivable, net of allowance for loan losses \$6,552 and \$6,918	262,504	274,416
Loans held for sale	2,816	2,371
Premises and equipment, net	16,668	17,316
Accrued interest receivable	1,633	1,507
Foreclosed real estate	2,869	3,963
Bank owned life insurance	3,882	3,792
Other assets	3,825	4,378
TOTAL ASSETS	\$ 393,365	\$ 394,575
LIABILITIES		
Deposits	\$ 338,223	\$ 346,237
Securities sold under agreements to repurchase		135
Accrued interest payable	482	464
Borrowed funds	13,651	9,518
Other liabilities	3,842	2,534
Total liabilities	356,198	358,888
SHAREHOLDERS EQUITY		
Preferred stock Series A Cumulative Perpetual; \$1,000 par value; \$1,000 liquidation value; 10,500 shares authorized and issued	10,219	10,131
Preferred stock Series B Cumulative Perpetual; \$0.01 par value; \$1,000 liquidation value; 525 shares authorized and issued	557	566
Common stock, no par value, 5,000,000 shares authorized; 3,081,748 shares issued and outstanding	25,956	25,896
Accumulated deficit	(822)	(175)
Accumulated other comprehensive income (loss), net of tax effect of \$-648 and \$376	1,257	(731)
Total shareholders equity	37,167	35,687
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 393,365	\$ 394,575

See accompanying notes.

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

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Interest income:				
Loans, including fees	\$ 4,129	\$ 4,868	\$ 13,012	\$ 14,730
Investment securities	537	356	1,717	1,063
Federal funds sold and interest bearing deposits	6	5	12	18
Total interest income	4,672	5,229	14,741	15,811
Interest expense:				
Deposits	924	1,345	3,021	4,377
Borrowed funds	99	108	247	474
Total interest expense	1,023	1,453	3,268	4,851
Net interest income	3,649	3,776	11,473	10,960
Provision for loan losses	2,531	600	4,893	2,050
Net interest income after provision for loan losses	1,118	3,176	6,580	8,910
Noninterest income:				
Service charges on deposits	392	399	1,115	1,032
Gain from sale of loans, net	238	237	548	553
Gain on investment securities, net	232	64	265	382
Other noninterest income	320	263	968	956
Total noninterest income	1,182	963	2,896	2,923
Noninterest expense:				
Salaries and employee benefits	1,510	1,619	4,841	4,719
Occupancy and equipment	330	305	978	918
Depreciation and amortization	298	289	901	859
Advertising and promotion	97	65	271	227
(Gain) loss on foreclosed real estate, net	(54)	86	29	289
FDIC assessments	129	203	451	619
Other noninterest expenses	863	806	2,558	2,249
Total noninterest expense	3,173	3,373	10,029	9,880
Income (loss) before income taxes	(873)	766	(553)	1,953
Income tax expense (benefit)	(383)	238	(414)	570
Net income (loss)	\$ (490)	\$ 528	\$ (139)	\$ 1,383
Preferred stock dividends and discount accretion, net	169	170	508	508
Net income (loss) applicable to common shares	\$ (659)	\$ 358	\$ (647)	\$ 875
Earnings (loss) per common share basic	\$ (0.21)	\$ 0.12	\$ (0.21)	\$ 0.34

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Earnings (loss) per common share diluted	\$ (0.21)	\$ 0.12	\$ (0.21)	\$ 0.34
Weighted average shares outstanding basic	3,081,748	2,967,984	3,079,594	2,579,769
Weighted average shares outstanding diluted	3,081,748	2,970,334	3,079,594	2,581,447

See accompanying notes.

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

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Net income (loss)	(\$ 490)	\$ 528	(\$ 139)	\$ 1,383
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on securities	475	192	1,813	(52)
Less: reclassification adjustment for gains included in net income	153	42	175	