

Territorial Bancorp Inc.
Form 10-Q
November 07, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period ended September 30, 2014

or

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

For transition period from to

Commission File Number 1-34403

TERRITORIAL BANCORP INC.

(Exact Name of Registrant as Specified in Charter)

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Maryland
(State or Other Jurisdiction of Incorporation)

26-4674701
(I.R.S. Employer Identification No.)

1132 Bishop Street, Suite 2200, Honolulu, Hawaii
(Address of Principal Executive Offices)

96813
(Zip Code)

(808) 946-1400

Registrant's telephone number, including area code

Not Applicable

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

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 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, or a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

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.

9,969,600 shares of Common Stock, par value \$0.01 per share, were issued and outstanding as of October 31, 2014.

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TERRITORIAL BANCORP INC.

Form 10-Q Quarterly Report

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	September 30, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	\$ 64,723	\$ 75,365
Investment securities held to maturity, at amortized cost (fair value of \$592,470 and \$598,007 at September 30, 2014 and December 31, 2013, respectively)	589,079	613,436
Federal Home Loan Bank stock, at cost	11,352	11,689
Federal Reserve Bank stock, at cost	2,904	
Loans held for sale	2,602	2,210
Loans receivable, net	925,484	856,542
Accrued interest receivable	4,450	4,310
Premises and equipment, net	5,844	6,056
Bank-owned life insurance	41,039	40,243
Deferred income taxes receivable	6,468	5,075
Prepaid expenses and other assets	2,432	1,978
Total assets	\$ 1,656,377	\$ 1,616,904
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Deposits	\$ 1,327,254	\$ 1,288,709
Advances from the Federal Home Loan Bank	15,000	15,000
Securities sold under agreements to repurchase	72,000	72,000
Accounts payable and accrued expenses	21,370	23,933
Current income taxes payable	1,366	1,414
Advance payments by borrowers for taxes and insurance	2,301	3,708
Total liabilities	1,439,291	1,404,764
Stockholders Equity:		
Preferred stock, \$.01 par value; authorized 50,000,000 shares, no shares issued or outstanding		
Common stock, \$.01 par value; authorized 100,000,000 shares; issued and outstanding 9,969,600 and 10,051,377 shares at September 30, 2014 and December 31, 2013, respectively	100	101
Additional paid-in capital	75,371	77,340
Unearned ESOP shares	(6,973)	(7,340)
Retained earnings	152,295	145,826
Accumulated other comprehensive loss	(3,707)	(3,787)

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Total stockholders' equity	217,086	212,140
Total liabilities and stockholders' equity	\$ 1,656,377	\$ 1,616,904

See accompanying notes to consolidated financial statements.

Table of Contents**TERRITORIAL BANCORP INC. AND SUBSIDIARIES****Consolidated Statements of Income (Unaudited)****(Dollars in thousands, except per share data)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Interest and dividend income:				
Investment securities	\$ 4,895	\$ 4,775	\$ 15,055	\$ 13,847
Loans	10,020	9,267	29,320	27,696
Other investments	75	49	153	213
Total interest and dividend income	14,990	14,091	44,528	41,756
Interest expense:				
Deposits	1,138	1,031	3,332	3,225
Advances from the Federal Home Loan Bank	67	67	199	235
Securities sold under agreements to repurchase	346	422	1,032	1,370
Total interest expense	1,551	1,520	4,563	4,830