

NORTHWEST BANCORPORATION INC
Form 10-Q
May 11, 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 March 31, 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

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 3,081,748 shares issued and outstanding as of May 6, 2011.

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NORTHWEST BANCORPORATION, INC.

FORM 10-Q

For the three-month period ended March 31, 2011

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY****Consolidated Statements of Financial Condition**

(unaudited)

(dollars in thousands)

	March 31, 2011	December 31, 2010
ASSETS		
Cash and due from banks	\$ 12,513	\$ 10,813
Interest bearing deposits	14	13
Federal funds sold	3,729	5,015
Total cash and cash equivalents	16,256	15,841
Securities available for sale, at fair value	69,861	69,730
Federal Home Loan Bank stock, at cost	1,261	1,261
Loans receivable, net of allowance for loan losses \$6,171 and \$6,918	275,846	274,416
Loans held for sale	446	2,371
Premises and equipment, net	17,093	17,316
Accrued interest receivable	1,823	1,507
Foreclosed real estate	3,972	3,963
Bank owned life insurance	3,822	3,792
Other assets	3,784	4,378
TOTAL ASSETS	\$ 394,164	\$ 394,575
LIABILITIES		
Deposits	\$ 346,123	\$ 346,237
Securities sold under agreements to repurchase		135
Accrued interest payable	443	464
Borrowed funds	8,161	9,518
Other liabilities	2,937	2,534
Total liabilities	357,664	358,888
SHAREHOLDERS EQUITY		
Preferred stock - Series A Cumulative Perpetual; \$1,000 par value; \$1,000 liquidation value; 10,500 shares authorized and issued	10,160	10,131
Preferred stock - Series B Cumulative Perpetual; \$0.01 par value; \$1,000 liquidation value; 525 shares authorized and issued	563	566
Common stock, no par value, 5,000,000 shares authorized; 3,076,848 shares issued and outstanding	25,909	25,896
Retained earnings (accumulated deficit)	255	(175)
Accumulated other comprehensive loss, net of tax effect of \$200 and \$376	(387)	(731)
Total shareholders equity	36,500	35,687

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TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 394,164	\$ 394,575
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See accompanying notes.

Table of Contents**NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY****Consolidated Statements of Operations**

(unaudited)

(dollars in thousands, except per share data)

	Three months ended March 31,	
	2011	2010
Interest income:		
Loans, including fees	\$ 4,670	\$ 5,074
Investment securities	593	327
Federal funds sold and interest bearing deposits	3	7
Total interest income	5,266	5,408
Interest expense:		
Deposits	1,096	1,564
Borrowed funds	70	196
Total interest expense	1,166	1,760
Net interest income	4,100	3,648
Provision for loan losses	831	500
Net interest income after provision for loan losses	3,269	3,148
Noninterest income:		
Service charges on deposits	352	307
Gain from sale of loans, net	143	164
Other noninterest income	315	445
Total noninterest income	810	916
Noninterest expense:		
Salaries and employee benefits	1,673	1,565
Occupancy and equipment	329	311
Depreciation and amortization	302	276
Advertising and promotion	70	67
(Gain) loss on foreclosed real estate, net	(29)	79
FDIC assessments	204	203
Other noninterest expenses	730	715
Total noninterest expense	3,279	3,216
Income before income taxes	800	848
Income tax expense	200	262
Net income	\$ 600	\$ 586
Preferred stock dividends and discount accretion, net	170	169

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Net income applicable to common shares	\$ 430	\$ 417
Earnings per common share - basic	\$ 0.14	\$ 0.17
Earnings per common share - diluted	\$ 0.14	\$ 0.17
Weighted average shares outstanding - basic	3,076,848	2,392,832
Weighted average shares outstanding - diluted	3,087,463	2,392,832

See accompanying notes.

Table of Contents**NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY****Consolidated Statements of Changes in Shareholders Equity and Comprehensive Income (Loss)**

(unaudited)

(dollars in thousands)

	Total	Preferred Stock	Common Stock	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Comprehensive Income (Loss)
Balance December 31, 2009	\$ 33,806	\$ 10,592	\$ 23,269	(\$ 443)	\$ 388	
Net income	945			945		\$ 945
Stock issued to directors	22		22			
Issuance of common stock, net of issuance costs of \$162	2,585		2,585			
Dividends on preferred stock	(572)			(572)		
Accretion of preferred stock discount, net	0	105		(105)		
Equity-based compensation expense, net	34		34			
Tax effect of vested stock awards	(14)		(14)			
Change in unrealized gain on securities available for sale, net of taxes	(1,119)				(1,119)	(1,119)
Comprehensive loss						(\$ 174)
Balance December 31, 2010	35,687	10,697	25,896	(175)	(731)	
Net income	600			600		600
Dividends on preferred stock	(144)			(144)		