

NORTHWEST BANCORPORATION INC
Form 10QSB
May 07, 2004
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-QSB

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended _____.

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from 1/1/04 to 3/31/04.

Commission file number 000-24151

NORTHWEST BANCORPORATION, INC.

(Exact name of small business issuer as specified in its charter)

Washington

91-1574174

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(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
identification No.)

421 West Riverside, Spokane, WA 99201-0403

(Address of principal executive offices)

(509) 456-8888

(Issuer's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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

APPLICABLE ONLY TO CORPORATE ISSUERS

The Registrant has a single class of common stock, of which there are 1,993,711 shares issued and outstanding as of March 31, 2004.

Transitional Small Business Disclosure Format: Yes No

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Part I Financial Information

Item 1. Financial Statements

NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CONDITION

March 31, 2004 and December 31, 2003

(\$ in thousands)

	March 31	December 31
	2004	2003
Assets		
Cash and due from banks	\$ 7,067	\$ 7,466
Federal funds sold/FHLB interest bearing balances	12,735	10,118
Securities held-to-maturity (Note 2)	2,119	1,717
Securities available-for-sale (Note 2)	32,442	32,491
Federal Home Loan Bank stock, at cost	632	625
Loans, net of allowance for loan losses of \$2,175 in 2004 and \$2,172 in 2003 (Notes 3 & 4)	144,050	148,259
Loans held for sale	1,665	446
Accrued interest receivable	745	824
Premises and equipment, net	3,709	3,700
Foreclosed real estate	1,806	1,832
Other assets	2,997	2,884
TOTAL ASSETS	\$ 209,967	\$ 210,362
Liabilities		
Noninterest bearing demand deposits	\$ 35,783	\$ 34,381
Money Market accounts	46,679	47,431
NOW accounts	12,538	13,427
Savings accounts	6,283	5,988
Time Certificates of Deposit, \$100,000 and over	19,991	20,743
Time Certificates of Deposit, under \$100,000	44,004	44,061
TOTAL DEPOSITS	165,278	166,031
Securities sold under agreement to repurchase	16,976	17,206
Borrowed funds, FHLB (Note 5)	7,508	7,605

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Borrowed funds, other (Note 5)	254	258
Accrued interest payable and other liabilities	1,063	759
	<u> </u>	<u> </u>
TOTAL OTHER LIABILITIES	25,801	25,828
	<u> </u>	<u> </u>
TOTAL DEPOSITS & LIABILITIES	191,079	191,859
	<u> </u>	<u> </u>
Stockholders Equity		
Common stock, no par, 5,000,000 shares authorized; issued and outstanding 1,993,711 on March 31, 2004 and on December 31, 2003 (Note 6)	15,332	15,332
Retained earnings	3,240	2,832
Accumulated other comprehensive income, net of tax of \$163 for 2004 and \$175 for 2003	316	339
	<u> </u>	<u> </u>
TOTAL STOCKHOLDERS EQUITY	18,888	18,503
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 209,967	\$ 210,362
	<u> </u>	<u> </u>

The accompanying Notes are an integral part of these condensed financial statements.

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NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

Three months, year-to-date, ended March 31, 2004 and 2003

(\$ in thousands, except number of shares and per share information)

	Quarter ended March 31	
	2004	2003
Interest Income		
Interest and fees on loans	\$ 2,354	\$ 2,354
Interest on securities	368	578
Interest on federal funds sold	18	24
TOTAL INTEREST INCOME	2,740	2,956
Interest Expense		
Interest on deposits	598	730
Interest on securities sold under agreement to repurchase	20	30
Interest on borrowed funds	86	78
TOTAL INTEREST EXPENSE	704	838
NET INTEREST INCOME	2,036	2,118
Provision for loan losses	80	225
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,956	1,893
Noninterest Income		
Fees and service charges	242	244
Net gain from sale of loans	68	161
Gain on sale of securities	37	32
Other noninterest income	101	127
TOTAL NONINTEREST INCOME	448	564
Noninterest Expense		
Salaries and employee benefits	1,104	1,150
Occupancy/FF&E expense	195	185
Depreciation and amortization expense	114	120
Other operating expense	374	458
TOTAL NONINTEREST EXPENSE	1,787	1,913

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INCOME BEFORE TAXES	617	544
Income tax expense	210	170
	<u> </u>	<u> </u>
NET INCOME	\$ 407	\$ 374
	<u> </u>	<u> </u>

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	Quarter ended March 31	
	2004	2003
Weighted average shares outstanding (Note 6)	1,993,711	1,993,566
Basic earnings per share	\$ 0.20	\$ 0.19
Weighted average shares outstanding (Note 6)	1,993,711	1,993,566
Effect of dilutive securities	30,416	3,984
Weighted average shares outstanding, adjusted for dilutive securities	2,024,127	1,997,550
Earnings per share assuming full dilution	\$ 0.20	\$ 0.19

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NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOW

Three months, year-to-date, ended March 31, 2004 and 2003

(\$ in thousands)

	Three months, year-to-date	
	2004	2003
Net income	\$ 407	\$ 374
Adjustments to reconcile net income to cash provided by operating activities:		
Provision for loan losses	80	225
Depreciation and amortization	114	120
(Increase)/decrease in assets and liabilities:		
Accrued interest receivable	79	31
Net increase in loans held for sale	(1,219)	(2,231)
Other assets	(101)	98
Accrued interest payable & other liabilities	304	83
NET CASH PROVIDED BY OPERATING ACTIVITIES	(335)	(1,300)
Cash flows from investing activities:		
Net increase in federal funds sold/FHLB interest bearing balances	(2,617)	(13,748)
Net (increase)/decrease in investment securities	(394)	9,815
Net (increase)/decrease in loans	4,129	(383)
Purchase of premises and equipment net of gain or loss on asset disposal	(123)	(16)
Foreclosed real estate activity (net)	26	(841)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	1,020	(5,173)
Cash flows from financing activities:		
Net increase/(decrease) in deposits	(753)	5,272
Net increase/(decrease) in securities sold under agreement to repurchase	(230)	397
Net repayment of borrowed funds	(101)	(695)
Cash received from stock sales (net of stock repurchases)		(1)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES	(1,084)	4,973
Net decrease in cash and cash equivalents	(399)	(1,500)
Cash and due from banks, beginning of year	7,466	10,233
CASH AND DUE FROM BANKS, END OF QUARTER	\$ 7,067	\$ 8,733

The accompanying Notes are an integral part of these condensed financial statements.

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NORTHWEST BANCORPORATION, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

In Actual Dollars

As of March 31, 2004

	<u>Total</u>	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Accumulated Comprehensive Income</u>	<u>Comprehensive Income</u>
Balance, December 31, 2002	\$ 17,380,826	\$ 14,325,289	\$ 2,271,912	\$ 783,625	
Net income 2003	1,746,275		1,746,275		\$ 1,746,275
Unrealized gains on available for sale securities	(444,522)			(444,522)	(444,522)
Comprehensive income					1,301,753
Proceeds from issuance of common stock	31,147	31,147			
Repurchase of common stock	(26,776)	(26,776)			
Fractional shares, issued in cash	(183,186)		(183,186)		
Transfers		1,002,685	(1,002,685)		
Balance December 31, 2003	18,503,764	15,332,345	2,832,316	339,103	
Net income, 2004, year-to-date	407,140		407,140		407,140
Unrealized losses on available for sale securities	(23,181)			(23,181)	(23,181)
Comprehensive income					\$ 383,959
Balance, end-of-quarter, March 31, 2004	\$ 18,887,723	\$ 15,332,345	\$ 3,239,456	\$ 315,922	
Disclosure of 2004 reclassification amount:					