

Cheviot Financial Corp.
Form 10-Q
May 10, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 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, 2013

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 No. 0-50529

CHEVIOT FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

90-0789920
(I.R.S. Employer
Identification Number)

3723 Glenmore Avenue, Cincinnati, Ohio 45211
(Address of principal executive office)

Registrant's telephone number, including area code: (513) 661-0457

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one.)

Large accelerated filer Accelerated filer Non-accelerated filer

Small business issuer

Edgar Filing: Cheviot Financial Corp. - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 10, 2013, the latest practicable date, 7,237,526 shares of the registrant's common stock, \$.01 par value, were issued and outstanding.

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

Page 1 of 46

INDEX

	Page
PART I - FINANCIAL INFORMATION	
Consolidated Statements of Financial Condition	3
Consolidated Statements of Earnings	4
Consolidated Statements of Comprehensive Income	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	8
Management's Discussion and Analysis of Financial Condition and Results of Operations	34
Quantitative and Qualitative Disclosures about Market Risk	40
Controls and Procedures	40
PART II - OTHER INFORMATION	41
SIGNATURES	42

Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(In thousands, except share data)

	March 31, 2013 (Unaudited)	December 31, 2012
ASSETS		
Cash and due from banks	\$ 11,559	\$ 10,251
Federal funds sold	25,182	12,555
Interest-earning deposits in other financial institutions	11,847	2,308
Cash and cash equivalents	48,588	25,114
Investment securities available for sale – at fair value	167,583	195,963
Mortgage-backed securities available for sale - at fair value	5,576	6,029
Mortgage-backed securities held to maturity - at cost, approximate market value of \$3,634 and \$3,772 at March 31, 2013 and December 31, 2012, respectively	3,479	3,581
Loans receivable - net	332,513	337,110
Loans held for sale - at lower of cost or market	934	3,304
Real estate acquired through foreclosure - net	4,596	3,980
Office premises and equipment - at depreciated cost	12,895	12,481
Federal Home Loan Bank stock - at cost	8,651	8,651
Accrued interest receivable on loans	1,266	1,303
Accrued interest receivable on mortgage-backed securities	19	20
Accrued interest receivable on investments and interest-earning deposits	557	941
Goodwill	10,309	10,309
Core deposit intangible	681	746
Prepaid expenses and other assets	4,811	4,596
Bank-owned life insurance	15,369	15,249
Prepaid federal income taxes	1,192	1,192
Deferred federal income taxes	1,231	1,413
Total assets	\$ 620,250	\$ 631,982
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	\$ 486,207	\$ 490,646
Advances from the Federal Home Loan Bank	22,331	24,314
Advances by borrowers for taxes and insurance	1,480	2,331
Accrued interest payable	94	90
Accounts payable and other liabilities	4,952	6,701
Total liabilities	515,064	524,082
Shareholders' equity		
Preferred stock - authorized 5,000,000 shares, \$.01 par value; none issued		

Edgar Filing: Cheviot Financial Corp. - Form 10-Q

Common stock - authorized 30,000,000 shares, \$.01 par value; 7,363,326 and 7,596,557 shares issued at March 31, 2013 and December 31, 2012	76	76
Additional paid-in capital	63,227	65,772
Shares acquired by stock benefit plans	(1,992)	(1,992)
Retained earnings - restricted	43,572	43,444
Accumulated comprehensive gain, unrealized gains on securities available for sale, net of related tax expense	303	600
Total shareholders' equity	105,186	107,900
Total liabilities and shareholders' equity	\$ 620,250	\$ 631,982

See accompanying notes to consolidated financial statements.

Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

For the three months ended March 31, 2013 and 2012

(In thousands, except per share data)

	2013	2012
Interest income		
Loans	\$4,074	\$4,832
Mortgage-backed securities	41	60
Investment securities	869	569
Interest-earning deposits and other	97	96
Total interest income	5,081	5,557
Interest expense		
Deposits	967	1,272
Borrowings	193	252
Total interest expense	1,160	