

CHEVIOT FINANCIAL CORP
Form 10-Q
November 12, 2010

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 September 30, 2010

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)

Federal
(State or other jurisdiction of
incorporation or organization)

56-2423720
(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

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 November 12, 2010, the latest practicable date, 8,861,110 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

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Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(In thousands, except share data)

	September 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and due from banks	\$4,058	\$3,217
Federal funds sold	17,511	4,582
Interest-earning deposits in other financial institutions	5,827	3,484
Cash and cash equivalents	27,396	11,283
Investment securities available for sale - at fair value	61,431	55,851
Mortgage-backed securities available for sale - at fair value	4,431	4,920
Mortgage-backed securities held to maturity - at cost, approximate market value of \$5,128 and \$5,816 at September 30, 2010 and December 31, 2009, respectively	5,005	5,744
Loans receivable - net	231,498	245,905
Loans held for sale – at lower of cost or market	4,144	1,097
Real estate acquired through foreclosure - net	1,669	2,048
Office premises and equipment - at depreciated cost	4,683	4,889
Federal Home Loan Bank stock - at cost	3,375	3,369
Accrued interest receivable on loans	1,010	1,074
Accrued interest receivable on mortgage-backed securities	26	36
Accrued interest receivable on investments and interest-earning deposits	332	322
Prepaid expenses and other assets	1,636	1,591
Bank-owned life insurance	3,757	3,653
Prepaid federal income taxes	188	78
Total assets	\$350,581	\$341,860
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits	\$247,781	\$235,904
Advances from the Federal Home Loan Bank	28,703	33,672
Advances by borrowers for taxes and insurance	1,020	1,501
Accrued interest payable	100	136
Accounts payable and other liabilities	1,660	1,625
Deferred federal income taxes	768	272
Total liabilities	280,032	273,110
Shareholders' equity		
Preferred stock - authorized 5,000,000 shares, \$.01 par value; none issued	99	99
Common stock - authorized 30,000,000 shares, \$.01 par value; 9,918,751 shares issued at		

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September 30, 2010 and December 31, 2009

Additional paid-in capital	43,880	43,819
Shares acquired by stock benefit plans	(1,659)	(2,069)
Treasury stock - at cost, 1,053,843 and 1,050,045 shares at September 30, 2010 and December 31, 2009, respectively	(12,859)	(12,828)
Retained earnings - restricted	40,751	40,109
Accumulated comprehensive gain (loss), unrealized gains (losses) on securities available for sale, net of related tax effects (benefits)	337	(380)
Total shareholders' equity	70,549	68,750
 Total liabilities and shareholders' equity	 \$ 350,581	 \$ 341,860

See accompanying notes to consolidated financial statements.

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Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)

	Nine months ended September 30, 2010		Three months ended September 30, 2010	
	2009	2009	2009	2009
	(Unaudited)			
Interest income				
Loans	\$10,214	\$11,103	\$3,301	\$3,577
Mortgage-backed securities	228	342	66	110
Investment securities	1,285	1,038	436	384
Interest-earning deposits and other	115	35	38	10
Total interest income	11,842	12,518	3,841	4,081
Interest expense				
Deposits	2,629	3,805	844	1,169
Borrowings	1,004	1,350	286	422
Total interest expense	3,633	5,155	1,130	1,591
Net interest income	8,209	7,363	2,711	2,490
Provision for losses on loans	250	803	150	351
Net interest income after provision for losses on loans	7,959	6,560	2,561	2,139
Other income (expense)				
Rental	48	38	17	13
Gain on sale of loans	389	319	306	47
Loss on sale of real estate acquired through foreclosure	(23)	(54)	(1)	(5)
Earnings on bank-owned life insurance	104	103	35	34
Other operating	324	247	116	90
Total other income	842	653	473	179
General, administrative and other expense				
Employee compensation and benefits	3,286	3,384	1,034	1,100
Occupancy and equipment	503	429	180	147
Property, payroll and other taxes	732	745	233	235
Data processing	175	257	63	73
Legal and professional	469	316	233	97
Advertising	150	150	50	50
FDIC expense	214	194	67	38
Other operating	596	570	201	143
Total general, administrative and other expense	6,125	6,045	2,061	1,883
Earnings before income taxes	2,676	1,168	973	435

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Federal income taxes (benefit)					
Current	785	401	254	219	
Deferred	127	9	36	(25)
Total federal income taxes	912	410	290	194	
 NET EARNINGS	 \$1,764	 \$758	 \$683	 \$241	
 EARNINGS PER SHARE					
Basic	\$.20	\$.09	\$.08	\$.03	
Diluted	\$.20	\$.09	\$.08	\$.03	
Dividends per common share	\$.33	\$.30	\$.11	\$.10	

See accompanying notes to consolidated financial statements.

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Cheviot Financial Corp.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the nine and three months ended September 30, 2010 and 2009
(In thousands)

For the nine