ORTHODONTIX INC
Form 8-K/A
February 22, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
February 4, 2007
Orthodontix, Inc.
(Exact name of registrant as specified in its charter)

Florida	000-27836	65-0643773
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2 Snunit Street
Science Park
POB 455
Carmiel, Israel 21000

(Address of principal executive offices) (Zip Code)
1428 Brickell Avenue, Suite 105, Miami, Florida 33131

(Former Name or Former Address, if Changed Since Last Report)

Registrant s telephone number, including area code: +972-4-988-9488

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 4.01. Changes in Registrant s Certifying Accountant

On February 4, 2007, the Audit Committee of the Board of Directors of Orthodontix, Inc. (the Company) approved the decision to engage Kesselman & Kesselman, C.P.A., a member of PricewaterhouseCoopers International Ltd. (Kesselman & Kesselman), as the Company s independent registered public accounting firm and the dismissal of Sherb and Company, LLP (Sherb).

The reports of Sherb for the fiscal year ended December 31, 2005 did not contain any adverse opinion or disclaimer of opinion and were not modified or qualified as to uncertainty, audit scope, or accounting principles.

From September 29, 2005 through the end of the fiscal year ended December 31, 2006, there were no disagreements with Sherb on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Sherb, would have caused Sherb to make reference to the subject matter of the disagreements in connection with its report and there were no reportable events within the meaning set forth in Item 304(a)(1)(v) of Regulation S-K.

The Company has provided Sherb a copy of the above disclosures and has requested that Sherb furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not Sherb agrees with the above statements. Pursuant to our request, Sherb has provided the letter attached hereto as Exhibit 16.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

16.1 Letter from Sherb and Company, LLP dated February 16, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ORTHODONTIX, INC.
(Registrant)

Date: February 16, 2007

By: /s/ Yossi Maimon
Name: Yossi Maimon
Title: Vice President and Chief Financial Officer

3

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(Dollars in thousands)

		2014		**2013**
Accumulated other comprehensive loss at beginning of year, before tax	$	5,542	$	6,295
Actuarial net loss (gain) arising during the period		2,943		(590

)

Amortizations (recognized in net periodic benefit cost):

Actuarial loss

(130

)

(163

)

Prior service cost

Total recognized in other comprehensive loss

2,813

(753

)

Accumulated other comprehensive loss at end of year, before tax

$

8,355

$

5,542

Table of Contents

For the years ended December 31, 2014 and 2013, the following weighted average assumptions were used to determine benefit obligations at the end of the year:

	Pension Plan		SERP	
	Year Ended December 31,			
	2014	2013	2014	2013
Assumptions used to determine the year-end benefit obligations:				
Discount rate	4.10%	4.90%	5.06%	5.02%
Rate of compensation increase	N/A	N/A	5.00%	5.00%

The Company does not expect any plan assets to be returned to the Company during calendar year 2015.

The dates used to determine retirement measurements for the Pension Plan were December 31, 2014 and 2013.

The Company s investment strategy for the defined benefit retirement plan is to maintain a consistent rate of return with primary emphasis on capital appreciation and secondary emphasis on income to enhance the purchasing power of the plan s assets over the long-term and to preserve capital. The investment policy establishes a target allocation for each asset class that is reviewed periodically and rebalanced when considered appropriate. Normal target allocations at December 31, 2014 were 55% domestic equity securities, 10% international equity securities and 35% bonds. Equity securities primarily include stocks, investment in exchange traded funds and large-cap, mid-cap and small-cap mutual funds. Bonds include U.S. Treasuries, mortgage-backed securities and corporate bonds of companies in diversified industries. Other types of investments include money market funds and savings accounts opened with the Company.

Table of Contents

As of December 31, 2014 and 2013, the Pension Plan s assets measured at fair value were classified as follows:

		Fair Value of Measurements at Report Date Using:		
(Dollars in thousands)	**December 31, 2014**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
December 31, 2014:				
Cash	$ 1,041	$ 1,041	$	$
Money market funds	1,274	1,274		
Equities	7,720	7,720		
Mutual funds (a)	3,571	3,571		
Total	$ 13,606	$ 13,606	$	$
December 31, 2013:				
Cash	$ 225	$ 225	$	$
Money market funds	609	609		
Equities	1,400	1,400		
Mutual funds (a)	10,489	10,489		
Total	$ 12,723	$ 12,723	$	$

(a) This category includes mutual funds that invest in equities and bonds. The mutual fund managers have the ability to change the amounts invested in equities and bonds depending on their investment outlook.

Estimated future benefit payments reflecting expected future service at December 31, 2014 are as follows:

(Dollars in thousands)	**Pension Plan**	**SERP**
2015	$ 721	$ 6,516
2016	745	17
2017	762	17
2018	798	53
2019	858	161
2020 2024	4,916	3,220
Total	$ 8,800	$ 9,984

For the fiscal years ended December 31, 2014, 2013, and 2012, the following weighted average assumptions were used to determine net periodic benefit cost for the fiscal years shown:

	Pension Plan		Year Ended December 31,		SERP	
(Dollars in thousands)	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**

Assumptions used to determine the net periodic benefit cost:						
Discount rate	4.90%	4.20%	4.90%	5.06%	5.06%	5.05%
Expected return on plan assets	7.50	7.75	7.75			
Rate of compensation increase	N/A	N/A	N/A	5.00	5.00	5.00

Table of Contents

The components of net periodic benefit cost were as follows:

	Pension Plan			SERP		
	Year Ended December 31,					
(Dollars in thousands)	2014	2013	2012	2014	2013	2012
Net periodic benefit cost for the year:						
Service cost	$ 92	$ 108	$ 117	$ 59	$ 95	$ 158
Interest cost	727	611	625	117	109	98
Expected return on plan assets	(924)	(870)	(845)			
Amortization of prior service cost						
Recognized actuarial loss	130	163	117			
Recognized curtailment loss						
Net periodic benefit cost	$ 25	$ 12	$ 14	$ 176	$ 204	$ 256

The estimated prior service cost and net actuarial loss that will be amortized from AOCI into net periodic pension benefit cost in 2015 are $0 and $197,000, respectively.

The expected return on plan assets is based on the weighted-average long-term rates of return for the types of assets held in the plan. The expected return on plan assets is adjusted when there is a change in the expected long-term rate of return or in the composition of assets held in the plan. The discount rate is based on the return of high-quality fixed-income investments that can be used to fund the benefit payments under the Company   s defined benefit plan.

Based on actuarial calculations, the Company is not expected to make a contribution to the defined benefit pension plan in 2015. The Company expects to make a $6.5 million contribution to the SERP in 2015 to cover actual benefit payments.

The Company also has a 401(k) defined contribution plan and profit sharing plan covering all employees after one year of service. The 401(k) plan provides for employer matching contributions, as determined by the Company, based on a percentage of employees   contributions subject to a maximum amount defined in the plan agreement. The Company   s 401(k) matching contributions, based on 5% of employees contributions for 2014, 2013 and 2012, amounted to $50,000, $51,000, and $50,000, respectively. The Company contributes to the profit sharing plan an amount determined by the Board of Directors. No contributions were made to the profit sharing plan for years ended December 31, 2014, 2013, and 2012.

(18) Employee Stock Ownership Plan

Effective January 1, 2009, Territorial Savings Bank adopted an Employee Stock Ownership Plan (ESOP) for eligible employees. The ESOP borrowed $9.8 million from the Company and used those funds to acquire 978,650 shares, or 8%, of the total number of shares issued by the Company in its initial public offering. The shares were acquired at a price of $10.00 per share.

The loan is secured by the shares purchased with the loan proceeds and will be repaid by the ESOP over the 20-year term of the loan with funds from Territorial Savings Bank s contributions to the ESOP and dividends payable on the shares. The interest rate on the ESOP loan is an adjustable rate equal to the prime rate, as published in The Wall Street Journal. The interest rate adjusts annually and will be the prime rate on the first business day of the calendar year.

Shares purchased by the ESOP are held by a trustee in an unallocated suspense account, and shares are released annually from the suspense account on a pro-rata basis as principal and interest payments are made by the ESOP to the Company. The trustee allocates the shares released among participants on the basis of each participant s proportional share of compensation relative to all participants. As shares are committed

Table of Contents

to be released from the suspense account, Territorial Savings Bank reports compensation expense based on the average fair value of shares released with a corresponding credit to stockholders equity. The shares committed to be released are considered outstanding for earnings per share computations. Compensation expense recognized for the years ended December 31, 2014 and 2013 amounted to $872,000 and $1.0 million, respectively.

Shares held by the ESOP trust were as follows:

	December 31, 2014		December 31, 2013
Allocated shares		283,381	239,241
Unearned shares		685,057	733,989
Total ESOP shares		968,438	973,230
Fair value of unearned shares, in thousands	$	14,763	$ 17,029

The ESOP restoration plan is a non-qualified plan that provides supplemental benefits to certain executives who are prevented from receiving the full benefits contemplated by the employee stock ownership plan s benefit formula. The supplemental cash payments consist of payments representing shares that cannot be allocated to the participants under the ESOP due to IRS limitations imposed on tax-qualified plans. We accrue for these benefits over the period during which employees provide services to earn these benefits. For the years ended December 31, 2014 and 2013, we accrued $231,000 and $296,000, respectively, for the ESOP restoration plan.

(19) Share-Based Compensation

On August 19, 2010, Territorial Bancorp Inc. adopted the 2010 Equity Incentive Plan, which provides for awards of stock options and restricted stock to key officers and outside directors. In accordance with the Compensation Stock Compensation topic of the FASB ASC, the cost of the 2010 Equity Incentive Plan is based on the fair value of the awards on the grant date. The fair value of restricted stock is based on the closing price of the Company s stock on the grant date. The fair value of stock options is estimated using a Black-Scholes option pricing model using assumptions for dividend yield, stock price volatility, risk-free interest rate and option term. These assumptions are based on our judgments regarding future events, are subjective in nature, and cannot be determined with precision. The cost of the awards will be recognized on a straight-line basis over the five- to six-year vesting period during which participants are required to provide services in exchange for the awards.

The Company recognized compensation expense, measured as the fair value of the share-based award on the date of grant, on a straight-line basis over the vesting period. Share-based compensation is recorded in the statement of income as a component of salaries and employee benefits with a corresponding increase in stockholders equity. The table below presents information on compensation expense and the related tax benefit for all share-based awards:

(In thousands)	**2014**	**2013**	**2012**
Compensation expense	$ 2,676	$ 2,676	$ 2,690
Income tax benefit	1,074	1,291	1,432

Shares of our common stock issued under the 2010 Equity Incentive Plan shall be authorized but unissued shares. The maximum number of shares that will be awarded under the plan will be 1,712,637 shares.

Table of Contents

Stock Options

The table below presents the stock option activity of the Company:

	Options		Weighted Average Exercise Price	Remaining Contractual Life (years)		Aggregate Intrinsic Value (in thousands)
Options outstanding at December 31, 2011	871,144	$	17.36	8.67	$	2,082
Granted	3,085		23.62	9.67		
Exercised	41,275		17.36			171
Forfeited						
Expired						
Options outstanding at December 31, 2012	832,954	$	17.38	7.67	$	4,554
Granted						
Exercised						
Forfeited						
Expired						
Options outstanding at December 31, 2013	832,954	$	17.38	6.68	$	4,845
Granted						
Exercised						
Forfeited						
Expired						
Options outstanding at December 31, 2014	832,954	$	17.38	5.68	$	3,471
Options vested and exercisable at December 31, 2014	555,097	$	17.38	5.68	$	2,314

The following summarizes certain stock option activity of the Company:

(In thousands)		**2014**		**2013**		**2012**
Intrinsic value of stock options exercised	$		$		$	171
Cash received from stock options exercised						717
Tax benefits realized from stock options exercised						69
Total fair value of stock options that vested		2,852		3,223		3,175

As of December 31, 2014, the Company had $1.2 million of unrecognized compensation costs related to the stock option plan. The cost of the stock option plan is being amortized over the five- or six-year vesting period. There were 138,929 shares vested in 2014.

Table of Contents

Restricted Stock Awards

Restricted stock awards are accounted for as fixed grants using the fair value of the Company s stock at the time of grant. Unvested restricted stock awards may not be disposed of or transferred during the vesting period. Restricted stock awards carry with them the right to receive dividends.

The table below presents the restricted stock award activity:

	Restricted Stock Awards		Weighted Average Grant Date Fair Value
Nonvested at December 31, 2011	563,994	$	17.36
Granted	2,735		23.62
Vested	113,332		17.39
Forfeited			
Nonvested at December 31, 2012	453,397	$	17.39
Granted			
Vested	113,332		17.39
Forfeited			
Nonvested at December 31, 2013	340,065	$	17.39
Granted			
Vested	113,332		17.39
Forfeited			
Nonvested at December 31, 2014	226,733	$	17.39

As of December 31, 2014, the Company had $3.3 million of unrecognized compensation costs related to restricted stock awards. The cost of the restricted stock awards is being amortized over the five- or six-year vesting period.

(20) Earnings Per Share

The table below presents the information used to compute basic and diluted earnings per share:

	For the Year Ended December 31,					
(Dollars in thousands, except per share data)		**2014**		**2013**		**2012**
Net income	$	14,097	$	14,647	$	14,838
Weighted-average number of shares used in:						
Basic earnings per share		9,211,409		9,711,233		10,113,453
Dilutive common stock equivalents:						

Stock options and restricted stock units		105,914		133,709		99,737
Diluted earnings per share		9,317,323		9,844,942		10,213,190
Net income per common share, basic	$	1.53	$	1.51	$	1.47
Net income per common share, diluted	$	1.51	$	1.49	$	1.45

Table of Contents

(21) Other Comprehensive Loss

The table below presents the changes in the components of accumulated other comprehensive loss, net of taxes:

(Dollars in thousands)	Unfunded Pension Liability	Noncredit Related Losses on Securities Not Expected to Be Sold	Unrealized Loss on Securities	Total
December 31, 2014:				
Balances at beginning of period	$ 3,338	$ 376	$ 73	$ 3,787
Other comprehensive income before reclassifications	1,694	(92)	(1)	1,601
Amounts reclassified from accumulated other comprehensive loss				
Net current period other comprehensive income	1,694	(92)	(1)	1,601
Balances at end of period	$ 5,032	$ 284	$ 72	$ 5,388
December 31, 2013:				
Balances at beginning of period	$ 3,792	$ 445	$ 96	$ 4,333
Other comprehensive income before reclassifications	(454)	(69)	(23)	(546)
Amounts reclassified from accumulated other comprehensive loss				
Net current period other comprehensive income	(454)	(69)	(23)	(546)
Balances at end of period	$ 3,338	$ 376	$ 73	$ 3,787
December 31, 2012:				
Balances at beginning of period	$ 2,966	$ 679	$ 125	$ 3,770
Other comprehensive income before reclassifications	826	(234)	(29)	563
Amounts reclassified from accumulated other comprehensive loss				
Net current period other comprehensive income	826	(234)	(29)	563
Balances at end of period	$ 3,792	$ 445	$ 96	$ 4,333

The table below presents the tax effect on each component of other comprehensive loss:

	Year Ended December 31,								
	2014			2013			2012		
(Dollars in thousands)	Pretax Amount	Tax	After Tax Amount	Pretax Amount	Tax	After Tax Amount	Pretax Amount	Tax	After Tax Amount
Unfunded pension liability	$ 2,813	$ (1,119)	$ 1,694	$ (753)	$ 299	$ (454)	$ 1,341	$ (515)	$ 826
Noncredit related losses on securities not	(153)	61	(92)	(116)	47	(69)	(389)	155	(234)

expected to be sold									
Unrealized loss on securities	(2)	1	(1)	(38)	15	(23)	(49)	20	(29)
Total	$ 2,658	$ (1,057)	$ 1,601	$ (907)	$ 361	$ (546)	$ 903	$ (340)	$ 563

Table of Contents

(22) Commitments

(a) Loan Commitments

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any terms or conditions established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company evaluates each customer s creditworthiness on an individual basis. The Company s policy is to require suitable collateral, primarily real estate, to be provided by customers prior to disbursement of approved loans. At December 31, 2014 and 2013, the Company had loan commitments aggregating to $18.1 million (interest rates from 2.750% to 5.500%) and $15.0 million (interest rates from 3.125% to 5.375%), respectively, primarily consisting of fixed-rate residential first mortgage loans. In addition to commitments to originate loans, at December 31, 2014 and 2013, the Company had $24.9 million and $23.7 million, respectively, in unused lines of credit to borrowers.

(b) Lease Commitments

The Company leases a majority of its premises under operating leases expiring on various dates through 2025. Total rental expense comprised minimum rentals of $2.8 million, $2.7 million, and $2.6 million for the years ended December 31, 2014, 2013, and 2012, respectively.

At December 31, 2014, future minimum rental commitments under all noncancelable operating leases are as follows:

(Dollars in thousands)		
2015	$	2,641
2016		2,458
2017		2,211
2018		1,547
2019		1,109
Thereafter		1,529
Total	$	11,495

Certain leases are renegotiable during the period of the lease or have renewal options at the expiration of the lease term. The majority of lease agreements relates to real estate and generally provides that the Company pay taxes, maintenance, insurance, and certain other operating expenses applicable to the leased premises.

Table of Contents

In addition, the Company leases to a tenant certain property that it owns. Future minimum rental income for this noncancelable lease is as follows:

(Dollars in thousands)		
2015	$	110
2016		110
2017		110
2018		110
2019		110
Thereafter		220
Total	$	770

Rental income comprised of minimum rentals for 2014, 2013, and 2012 was approximately $110,000 each year.

(c) Reserve Requirements

The Company is required by the Federal Reserve Bank to maintain reserves based on the amount of deposits held. The reserve requirement at December 31, 2014 and 2013 was $9.6 million and $8.4 million, respectively, and the Company met such requirements.

(23) Regulatory Capital and Supervision

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. At December 31, 2014 and 2013, the Bank s core, tangible, risk-based, and Tier 1 risk-based capital exceeded the minimum required regulatory capital ratios as follows:

	Required			Actual			Excess over
(Dollars in thousands)		**Amount**	**Percentage**		**Amount**	**Percentage**		**requirement**

(Dollars in thousands)		Required Amount	Required Percentage		Actual Amount	Actual Percentage		Excess over requirement
December 31, 2014:								
Core (Tier 1) capital	$	151,548	9.00%	$	203,708	12.10%	$	52,160
Tangible capital		25,258	1.50		203,708	12.10		178,450
Risk-based capital		54,902	8.00		205,403	29.93		150,501
Tier 1 risk-based capital		27,451	4.00		203,708	29.68		176,257
December 31, 2013:								
Core (Tier 1) capital	$	64,817	4.00%	$	200,074	12.35%	$	135,257
Tangible capital		24,307	1.50		200,074	12.35		175,767
Risk-based capital		50,407	8.00		201,566	31.99		151,159
Tier 1 risk-based capital		25,204	4.00		200,074	31.75		174,870

As a condition of its membership in the Federal Reserve Bank of San Francisco, the Bank s core (tier 1) capital requirement over the next three years is 9.00%.

110

Table of Contents

The following is a reconciliation of Bank equity to regulatory capital:

(Dollars in thousands)	December 31, 2014	2013
Bank equity	$ 198,370	$ 196,563
Intangible assets		(251)
Disallowed servicing assets	(51)	(25)
Accumulated other comprehensive loss	5,388	3,787
Core and tangible capital	203,707	200,074
Allowance for loan losses general, including allowance for credit losses on off-balance sheet credit exposures	1,695	1,492
Regulatory risk-based capital computed	$ 205,402	$ 201,566

(a) Federal Deposit Insurance Corporation Improvement Act (FDICIA)

FDICIA was signed into law and regulations implementing the Prompt Corrective Action provisions of FDICIA became effective on December 19, 1992. In addition to the Prompt Corrective Action requirements, FDICIA includes significant changes to the legal and regulatory environment for insured depository institutions, including reductions in insurance coverage for certain kinds of deposits; increased supervision by the federal regulatory agencies; increased reporting requirements for insured institutions; and new regulations concerning internal controls, accounting, and operations.

The Prompt Corrective Action provisions define specific capital categories based on an institution s capital ratios. However, the regulators may impose higher minimum capital standards on individual institutions or may downgrade an institution from one capital category to a lower category because of safety and soundness concerns. Failure to meet minimum capital requirements can initiate certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company s consolidated financial statements.

The Prompt Corrective Action provisions impose certain restrictions on institutions that are undercapitalized. The restrictions imposed become increasingly more severe as an institution s capital category declines from undercapitalized to critically undercapitalized.

At December 31, 2014 and 2013, the Bank s core, tangible, Tier 1/risk-based, and total risk-based ratios exceeded the minimum capital thresholds for a well-capitalized institution. There are no conditions or events that have changed the institution s category under the capital guidelines.

Depending on the amount of dividends to be paid, the Bank is required to either notify or make application to the Federal Reserve Bank before dividends are paid to the parent company.

Table of Contents

(24) Contingencies

The Company is involved in various claims and legal actions arising out of the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company s consolidated balance sheets or consolidated statements of income.

(25) Fair Value of Financial Instruments

In accordance with the Fair Value Measurements and Disclosures topic of the FASB ASC, the Company groups its financial assets and liabilities at fair value into three levels based on the markets in which the financial assets and liabilities are traded and the reliability of the assumptions used to determine fair value as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities traded in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

- Level 2 Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

- Level 3 Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect management s own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of discounted cash flow models and similar techniques that require the use of significant judgment or estimation.

In accordance with the Fair Value Measurements and Disclosures topic, the Company bases its fair values on the price that it would expect to receive if an asset were sold or the price that it would expect to pay to transfer a liability in an orderly transaction between market participants at the measurement date. Also as required, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when developing fair value measurements.

The Company uses fair value measurements to determine fair value disclosures. Investment securities held for sale and derivatives are recorded at fair value on a recurring basis. From time to time, the Company may be required to record other financial assets at fair value on a nonrecurring basis, such as loans held for sale, impaired loans and investments, and mortgage servicing assets. These nonrecurring fair value adjustments typically involve application of the lower of cost or fair value accounting or write-downs of individual assets.

Cash and Cash Equivalents, Accrued Interest Receivable, Accounts Payable and Accrued Expenses, Current Income Taxes Payable, and Advance Payments by Borrowers for Taxes and Insurance. The carrying amount approximates fair value because of the short maturity of these instruments.

Investment Securities. The estimated fair values of U.S. government-sponsored mortgage-backed securities are considered Level 2 inputs because the valuation for investment securities utilized pricing models that varied based on asset class and included trade, bid and other observable market information.

The trust preferred securities represent investments in a pool of debt obligations issued primarily by holding companies for Federal Deposit Insurance Corporation-insured financial institutions. The trust preferred securities market is considered to be inactive as only five transactions have occurred over the past 36 months in the same tranche of securities we own and no new issues of pooled trust preferred securities have occurred since 2007. The fair value of our trust preferred securities was determined using a discounted cash flow model. Our model used a discount rate equal to three-month LIBOR plus 20.00% and provided a fair value estimate of $19.47 per $100 of par value for PreTSL XXIII.

Table of Contents

The discounted cash flow analysis includes a review of all issuers within the pool. The fair value of the trust preferred securities are classified as Level 3 inputs because they are based on discounted cash flow models.

FHLB Stock. FHLB stock, which is redeemable for cash at par value, is reported at its par value.

FRB Stock. FRB stock, which is redeemable for cash at par value, is reported at its par value.

Loans. The fair value of loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. The fair value of loans is not based on the concept of exit price.

Loans Held for Sale. The fair value of loans held for sale is determined based on prices quoted in the secondary market for similar loans.

Deposits. The fair value of checking and Super NOW savings accounts, passbook accounts, and certain money market deposits is the amount payable on demand at the reporting date. The fair value of fixed-maturity certificates of deposit is estimated by discounting future cash flows using the rates currently offered for deposits with similar remaining maturities.

Advances From the FHLB and Securities Sold Under Agreements to Repurchase. Fair value is estimated by discounting future cash flows using the rates currently offered to the Company for debt with similar remaining maturities.

Interest Rate Contracts. The Company may enter into interest rate lock commitments with borrowers on loans intended to be sold. To manage interest rate risk on the lock commitments, the Company may also enter into forward loan sale commitments. The interest rate lock commitments and forward loan sale commitments are treated as derivatives and are recorded at their fair value determined by referring to prices quoted in the secondary market for similar contracts. Interest rate contracts that are classified as assets are included with prepaid expenses and other assets on the consolidated balance sheet while interest rate contracts that are classified as liabilities are included with accounts payable and accrued expenses.

Table of Contents

The estimated fair values of the Company s financial instruments are as follows:

(Dollars in thousands)	Carrying Amount	Fair Value	Fair Value Measurements Using Level 1	Level 2	Level 3
December 31, 2014:					
Assets					
Cash and cash equivalents	$ 75,060	$ 75,060	$ 75,060	$	$
Investment securities held to maturity	572,922	586,710		586,020	690
FHLB stock	11,234	11,234		11,234	
FRB stock	2,925	2,925		2,925	
Loans held for sale	1,048	1,079		1,079	
Loans receivable, net	968,212	998,183			998,183
Accrued interest receivable	4,436	4,436	4,436		
Interest rate contracts	62	62		62	
Liabilities					
Deposits	1,359,679	1,360,074	1,137,942		222,132
Advances from the Federal Home Loan Bank	15,000	14,977			14,977
Securities sold under agreements to repurchase	72,000	72,334			72,334
Accounts payable and accrued expenses (excluding interest rate contracts)	24,044	24,044	24,044		
Interest rate contracts	54	54		54	
Current income taxes payable	826	826	826		
Advance payments by borrowers for taxes and insurance	3,916	3,916	3,916		
December 31, 2013:					
Assets					
Cash and cash equivalents	$ 75,365	$ 75,365	$ 75,365	$	$
Investment securities held to maturity	613,436	598,007		597,470	537
FHLB stock	11,689	11,689		11,689	
Loans held for sale	2,210	2,252		2,252	
Loans receivable, net	856,542	880,852			880,852
Accrued interest receivable	4,310	4,310	4,310		
Interest rate contracts	25	25		25	
Liabilities					
Deposits	1,288,709	1,289,348	1,078,712		210,636
Advances from the Federal Home Loan Bank	15,000	15,110			15,110
Securities sold under agreements to repurchase	72,000	73,151			73,151
Accounts payable and accrued expenses (excluding interest rate contracts)	23,905	23,905	23,905		
Interest rate contracts	28	28		28	
Current income taxes payable	1,414	1,414	1,414		
Advance payments by borrowers for taxes and insurance	3,708	3,708	3,708		

At December 31, 2014 and 2013, neither the commitment fees received on commitments to extend credit nor the fair value thereof was material to the consolidated financial statements of the Company.

114

Table of Contents

The table below presents the balance of assets and liabilities measured at fair value on a recurring basis:

(Dollars in thousands)		Level 1	Level 2	Level 3	Total
December 31, 2014:					
Interest rate contracts	assets	$	$ 62	$	$ 62
Interest rate contracts	liabilities		(54)		(54)
December 31, 2013:					
Interest rate contracts	assets	$	$ 25	$	$ 25
Interest rate contracts	liabilities		(28)		(28)

The fair value of interest rate contracts was determined by referring to prices quoted in the secondary market for similar contracts. Gains and losses are included in gain on sale of loans in the consolidated statements of income.

The table below presents the balance of assets measured at fair value on a nonrecurring basis as of December 31, 2014 and 2013 and the related gains and losses for the years then ended:

(Dollars in thousands)	Level 1	Level 2	Level 3	Total	Total Gains (Losses)
December 31, 2014:					
Impaired loans	$	$	$ 327	$ 327	$ (4)
Trust preferred securities			690	690	153
Mortgage servicing assets			505	505	(15)
December 31, 2013:					
Impaired loans	$	$	$ 5,456	$ 5,456	$ 76
Trust preferred securities			537	537	116

The fair value of impaired loans that are considered to be collateral-dependent is determined using the value of collateral less estimated selling costs. The fair value of impaired loans not considered to be collateral-dependent is determined using a discounted cash flow analysis. Assumptions used in the analysis include the discount rate and projected cash flows. Gains and losses on impaired loans are included in the provision for loan losses in the consolidated statements of income. Mortgage servicing assets are valued using a discounted cash flow model. Assumptions used in the model include mortgage prepayment speeds, discount rates, cost of servicing and ancillary income. Losses on mortgage servicing assets are included in service fees on loan and deposit accounts in the consolidated statements of income. The fair value of trust preferred securities is determined using a discounted cash flow model. The assumptions used in the discounted cash flow model are discussed above. Gains and losses on trust preferred securities that are credit related are included in net other-than-temporary impairment losses in the consolidated statements of income. Gains and losses on trust preferred securities that are not credit related are included in other comprehensive income in the consolidated statements of comprehensive income.

Table of Contents

The table below presents the significant unobservable inputs for Level 3 nonrecurring fair value measurements:

(Dollars in thousands)		Fair Value	Valuation Technique	Unobservable Input	Value
December 31, 2014:					
Impaired loans non-collateral dependent	$	327	Discounted cash flow	Discount rate (1)	6.10%
Trust preferred securities		690	Discounted cash flow	Discount rate	Three-month LIBOR plus 20%
Mortgage servicing assets		505	Discounted cash flow	Discount rate	10.50%
				Prepayment speed (PSA)	164.8 262.5
				Annual cost to service (per loan)	$55
December 31, 2013:					
Impaired loans non-collateral dependent	$	5,456	Discounted cash flow	Discount rate (1)	3.15% - 6.94%
Trust preferred securities		537	Discounted cash flow	Discount rate	Three-month LIBOR plus 20%

(1) Represents the yield on contractual cash flows prior to modification in troubled debt restructurings.

(26) Parent Company Only

Presented below are the condensed balance sheet, statement of income, and statement of cash flows for Territorial Bancorp Inc.

Condensed Balance Sheet

(Dollars in thousands)		December 31, 2014		2013
Assets				
Cash	$	16,155	$	13,079
Investment in Territorial Savings Bank		198,370		196,563
Receivable from Territorial Savings Bank		2,262		933
Prepaid expenses and other assets		23		2,103
Total assets	$	216,810	$	212,678
Liabilities and Equity				
Other liabilities	$	432	$	538
Equity		216,378		212,140
Total liabilities and equity	$	216,810	$	212,678

116

Table of Contents

Condensed Statement of Income

(Dollars in thousands)	For the Year Ended December 31, 2014	2013	2012
Interest and dividend income:			
Dividends from Territorial Savings Bank	$ 14,000	$ 25,000	$ 11,788
Interest-earning deposit with Territorial Savings Bank	20	26	32
Total interest and dividend income	14,020	25,026	11,820
Noninterest expense:			
Salaries	37	37	37
Other general and administrative expenses	837	728	763
Total noninterest expense	874	765	800
Income before income taxes and equity in undistributed earnings in subsidiaries	13,146	24,261	11,020
Income taxes	(360)	(299)	(297)
Income before equity in undistributed earnings in subsidiaries	13,506	24,560	11,317
Equity in undistributed earnings of Territorial Savings Bank, net of dividends	591	(9,913)	3,521
Net income	$ 14,097	$ 14,647	$ 14,838

117

Table of Contents

Condensed Statement of Cash Flows

(Dollars in thousands)	For the Year Ended December 31, 2014	2013	2012
Cash flows from operating activities:			
Net income	$ 14,097	$ 14,647	$ 14,838
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed earnings of Territorial Savings Bank, net of dividends	(591)	9,913	(3,521)
ESOP expense	1,036	1,125	1,082
Excess tax benefits from share-based compensation			(54)
Net decrease in prepaid expenses and other assets	751	2,325	172
Net increase (decrease) in other liabilities	29	526	(136)
Net cash provided by operating activities	15,322	28,536	12,381
Cash flows from investing activities:			
Investment in Territorial Savings Bank			
Net cash used in investing activities			
Cash flows from financing activities:			
Excess tax benefits from share-based compensation			54
Proceeds from issuance of common stock, net of costs			717
Repurchases of company stock	(5,612)	(19,595)	(8,025)
Cash dividends paid	(6,634)	(6,231)	(5,728)
Net cash used in financing activities	(12,246)	(25,826)	(12,982)
Net increase (decrease) in cash	3,076	2,710	(601)
Cash at beginning of the period	13,079	10,369	10,970
Cash at end of the period	$ 16,155	$ 13,079	$ 10,369

Table of Contents

(27) Unaudited Quarterly Financial Information

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
			(Dollars in thousands, except per share data)		
2014:					
Interest and dividend income	$ 14,657	$ 14,881	$ 14,990	$ 15,087	$ 59,615
Interest expense	1,500	1,512	1,551	1,555	6,118
Net interest income	13,157	13,369	13,439	13,532	53,497
Provision for loan losses	9	156	23	172	360
Net interest income after provision for loan losses	13,148	13,213	13,416	13,360	53,137
Noninterest income	1,358	1,279	1,398	1,142	5,177
Noninterest expense	8,864	8,747	9,079	8,618	35,308
Income before income taxes	5,642	5,745	5,735	5,884	23,006
Income taxes	2,180	2,026	2,273	2,430	8,909
Net income	3,462	3,719	3,462	3,454	14,097
Basic earnings per share	0.38	0.41	0.38	0.37	1.53
Diluted earnings per share	0.37	0.40	0.37	0.37	1.51
Cash dividends declared per common share	0.14	0.15	0.15	0.26	0.70

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
			(Dollars in thousands, except per share data)		
2013:					
Interest and dividend income	$ 13,882	$ 13,783	$ 14,091	$ 14,419	$ 56,175
Interest expense	1,700	1,610	1,520	1,452	6,282
Net interest income	12,182	12,173	12,571	12,967	49,893
Provision (reversal of allowance) for loan losses	18	(16)	45	(8)	39
Net interest income after provision for loan losses	12,164	12,189	12,526	12,975	49,854
Noninterest income	2,360	2,311	2,323	1,722	8,716
Noninterest expense	8,716	8,595	8,720	9,046	35,077
Income before income taxes	5,808	5,905	6,129	5,651	23,493
Income taxes	2,167	2,244	2,298	2,137	8,846
Net income	3,641	3,661	3,831	3,514	14,647
Basic earnings per share	0.37	0.37	0.40	0.37	1.51
Diluted earnings per share	0.36	0.36	0.39	0.37	1.49
Cash dividends declared per common share	0.12	0.13	0.13	0.24	0.62

(28) Subsequent Events

On January 26, 2015, the Board of Directors of Territorial Bancorp Inc. declared a quarterly cash dividend of $0.16 per share of common stock. The dividend was paid on February 23, 2015 to stockholders of record as of February 9, 2015.

119

Table of Contents

ITEM 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

(a) An evaluation was performed under the supervision and with the participation of the Company s management, including the Chairman of the Board, President and Chief Executive Officer and the Senior Vice President and Treasurer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of December 31, 2014. Based on that evaluation, the Company s management, including the Chairman of the Board, President and Chief Executive Officer and the Senior Vice President and Treasurer, concluded that the Company s disclosure controls and procedures were effective.

During the quarter ended December 31, 2014, there have been no changes in the Company s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

(b) **Management s annual report on internal control over financial reporting.**

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting as such term is defined in Rule 13a-15(f) in the Exchange Act. The Company s internal control system is a process designed to provide reasonable assurance to the Company s management and board of directors regarding the preparation and fair presentation of published financial statements.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on our financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company s management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2014. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (1992). Based on our assessment we believe that, as of December 31, 2014, the Company s internal control over financial reporting is effective based on those criteria.

The Company s independent registered public accounting firm that audited the consolidated financial statements has issued an audit report on the effectiveness of the Company s internal control over financial reporting as of December 31, 2014, and it is included in Item 8, under Part II of this Annual Report on Form 10-K.

ITEM 9B. Other Information

None.

Table of Contents

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

The information in Territorial Bancorp Inc. s definitive Proxy Statement for the 2015 Annual Meeting of Stockholders under the captions Proposal 1 Election of Directors, Information About Executive Officers, Section 16(a) Beneficial Ownership Reporting Compliance, Code of Ethics and Business Conduct, Nominating and Corporate Governance Committee Procedures Procedures to be Followed by Stockholders, Committees of the Board of Directors and Audit Committee is incorporated herein by reference.

ITEM 11. Executive Compensation

The information in Territorial Bancorp Inc. s definitive Proxy Statement for the 2015 Annual Meeting of Stockholders under the caption Executive Compensation is incorporated herein by reference.

Table of Contents

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information in Territorial Bancorp Inc. s definitive Proxy Statement for the 2015 Annual Meeting of Stockholders under the caption Stock Ownership is incorporated herein by reference. Information with respect to the security ownership of our directors and executive officers is included above in Item 10. Directors, Executive Officers and Corporate Governance, and is incorporated herein by reference.

Equity Compensation Plan Information

Set forth below is information as of December 31, 2014 with respect to compensation plans (other than our employee stock ownership plan) under which equity securities of the Registrant are authorized for issuance.

Equity Compensation Plan Information

	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Share-based Compensation Plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders (1)	832,954	$ 17.38	122,073

(1) Reflects stock options only

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

The information in Territorial Bancorp Inc. s definitive Proxy Statement for the 2015 Annual Meeting of Stockholders under the captions Transactions with Certain Related Persons and Proposal 1 Election of Directors is incorporated herein by reference.

ITEM 14. Principal Accountant Fees and Services

The information in Territorial Bancorp Inc. s definitive Proxy Statement for the 2015 Annual Meeting of Stockholders under the captions Proposal II Ratification of Independent Registered Public Accounting Firm Audit Fees and Pre-Approval of Services by the Independent Registered Public Accounting Firm is incorporated herein by reference.

Table of Contents

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

(a) *Financial Statements*

The following documents are filed as part of this annual report:

(b) *Exhibits.*

3.1	Articles of Incorporation of Territorial Bancorp Inc. (1)
3.2	Bylaws of Territorial Bancorp Inc. (1)
4	Form of Common Stock Certificate of Territorial Bancorp Inc. (1)
10.1	Employment Agreement between Territorial Bancorp Inc. and Allan S. Kitagawa (2)
10.2	Employment Agreement between Territorial Savings Bank and Allan S. Kitagawa (1)
10.3	First Amendment to Employment Agreement between Territorial Savings Bank and Allan S. Kitagawa (4)
10.4	Employment Agreement between Territorial Bancorp Inc. and Vernon Hirata (2)
10.5	Employment Agreement between Territorial Savings Bank and Vernon Hirata (1)
10.6	First Amendment to Employment Agreement between Territorial Savings Bank and Vernon Hirata (4)
10.7	Employment Agreement between Territorial Bancorp Inc. and Ralph Y. Nakatsuka (2)
10.8	Employment Agreement between Territorial Savings Bank and Ralph Y. Nakatsuka (1)
10.9	First Amendment to Employment Agreement between Territorial Savings Bank and Ralph Y. Nakatsuka (4)
10.10	Supplemental Executive Retirement Agreement between Territorial Savings Bank and Allan S. Kitagawa (1)
10.11	Supplemental Executive Retirement Agreement between Territorial Savings Bank and Vernon Hirata (1)
10.12	Supplemental Executive Retirement Agreement between Territorial Savings Bank and Ralph Y. Nakatsuka (1)
10.13	Executive Deferred Incentive Agreement between Territorial Savings Bank and Allan S. Kitagawa (1)
10.14	Executive Deferred Incentive Agreement between Territorial Savings Bank and Vernon Hirata (1)
10.15	Territorial Savings Bank 2010 Amended and Restated Employee Stock Ownership Plan (4)

123

Table of Contents

10.16	Territorial Savings Bank Non-Qualified Supplemental Employee Stock Ownership Plan (2)
10.17	Territorial Savings Bank Executive Incentive Compensation Plan (1)
10.18	First Amendment to Territorial Savings Bank Executive Incentive Compensation Plan (1)
10.19	Second Amendment to Territorial Savings Bank Executive Incentive Compensation Plan (4)
10.20	Territorial Bancorp Inc. 2010 Equity Incentive Plan (3)
10.21	Form of Employee Restricted Stock Award (4)
10.22	Form of Employee Stock Option Award (4)
10.23	Form of Director Restricted Stock Award (4)
10.24	Form of Director Stock Option Award (4)
10.25	Territorial Savings Bank Separation Pay Plan and Summary Plan Description (1)
10.26	Amendment One to Territorial Savings Bank Amended and Restated Supplemental Employee Retirement Agreement for Vernon Hirata (5)
10.27	Amendment One to Territorial Savings Bank Amended and Restated Supplemental Employee Retirement Agreement for Ralph Nakatsuka (5)
10.28	Amendment One to Territorial Savings Bank Amended and Restated Supplemental Employee Retirement Agreement for Karen J. Cox (5)
10.29	Amendment Two to Territorial Savings Bank Amended and Restated Supplemental Employee Retirement Agreement for Vernon Hirata (6)
10.30	Amendment Two to Territorial Savings Bank Amended and Restated Supplemental Employee Retirement Agreement for Ralph Nakatsuka (6)
10.31	Second Amendment to Employment Agreement between Territorial Savings Bank and Vernon Hirata (7)
10.32	Third Amendment to Employment Agreement between Territorial Savings Bank and Vernon Hirata (8)
10.33	First Amendment to Employment Agreement between Territorial Bancorp Inc. and Vernon Hirata (8)
10.34	Second Amendment to Employment Agreement between Territorial Savings Bank and Allan S. Kitagawa (8)
10.35	First Amendment to Employment Agreement between Territorial Bancorp Inc. and Allan S. Kitagawa (8)
10.36	Second Amendment to Employment Agreement between Territorial Savings Bank and Ralph Nakatsuka (8)
10.37	First Amendment to Employment Agreement between Territorial Bancorp Inc. and Ralph Nakatsuka (8)
10.38	First Amendment to Amended and Restated Executive Deferred Incentive Agreement between Territorial Savings Bank and Vernon Hirata (8)
10.39	First Amendment to Amended and Restated Supplemental Employee Retirement Agreement between Territorial Savings Bank and Allan S. Kitagawa (8)
10.40	Third Amendment to Amended and Restated Supplemental Employee Retirement Agreement between Territorial Savings Bank and Vernon Hirata (8)
10.41	Third Amendment to Amended and Restated Supplemental Employee Retirement Agreement between Territorial Savings Bank and Ralph Nakatsuka (8)
23	Consent of KPMG LLP
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial statements from Territorial Bancorp Inc. s Annual Report on Form 10-K for the year ended December 31, 2014, filed on March 13, 2015, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Stockholders Equity, (v) Consolidated Statements of Cash Flows, (vi) the Notes to Consolidated Financial Statements.

Table of Contents

101.INS	Interactive datafile XBRL Instance Document
101.SCH	Interactive datafile XBRL Taxonomy Extension Schema Document
101.CAL	Interactive datafile XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Interactive datafile XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Interactive datafile XBRL Taxonomy Extension Label Linkbase
101.PRE	Interactive datafile XBRL Taxonomy Extension Presentation Linkbase Document

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(1) Incorporated by reference to the Registration Statement on Form S-1 (file no. 333-155388), initially filed November 14, 2008.

(2) Incorporated by reference to the Current Report on Form 8-K (file no. 001-34403), filed November 18, 2009.

(3) Incorporated by reference to the Proxy Statement for the 2010 Annual Meeting of Stockholders (file no. 001-34403), filed July 12, 2010.

(4) Incorporated by reference to the Annual Report on Form 10-K/A (file no. 001-34403), filed March 29, 2011.

(5) Incorporated by reference to the Annual Report on Form 10-Q (file no. 001-34403), filed May 14, 2011.

(6) Incorporated by reference to the Annual Report on Form 10-K (file no. 001-34403), filed March 14, 2012.

(7) Incorporated by reference to the Annual Report on Form 10-K (file no. 001-34403), filed March 15, 2013.

(8) Incorporated by reference to the Quarterly Report on Form 10-Q (file no. 001-34403), filed November 7, 2014.

(c) *Financial Statement Schedules*

Not applicable.

Table of Contents

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERRITORIAL BANCORP INC.

Date: March 13, 2015	By:	/s/ Allan S. Kitagawa Allan S. Kitagawa Chairman of the Board, President and Chief Executive Officer (Duly Authorized Representative)

Pursuant to requirements of the Exchange Act, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Allan S. Kitagawa Allan S. Kitagawa	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 13, 2015
/s/ Melvin M. Miyamoto Melvin M. Miyamoto	Senior Vice President and Treasurer (Principal Financial and Accounting Officer)	March 13, 2015
/s/ Kirk W. Caldwell Kirk W. Caldwell	Director	March 13, 2015
/s/ Howard Y. Ikeda Howard Y. Ikeda	Director	March 13, 2015
/s/ David S. Murakami David S. Murakami	Director	March 13, 2015
/s/ Richard I. Murakami Richard I. Murakami	Director	March 13, 2015
/s/ Francis E. Tanaka Francis E. Tanaka	Director	March 13, 2015