

Territorial Bancorp Inc.  
Form 10-K/A  
April 17, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**  
**AMENDMENT NO. 1**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Fiscal Year Ended December 31, 2011**

**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 Number: 001-34403**

**Territorial Bancorp Inc.**

(Name of Registrant as Specified in its Charter)

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<b>Maryland</b> (State or Other Jurisdiction of Incorporation or Organization)	<b>26-4674701</b> (I.R.S. Employer Identification Number)
<b>1132 Bishop Street, Suite 2200, Honolulu, Hawaii</b> (Address of Principal Executive Office)	<b>96813</b> (Zip Code)
<b>(808) 946-1400</b> (Registrant's Telephone Number including area code)	

**Securities Registered pursuant to Section 12(b) of the Act:**

**Common Stock, par value \$0.01 per share**

(Title of Class)

**The NASDAQ Stock Market LLC**

(Name of exchange on which registered)

**Securities Registered Under Section 12(g) of the Exchange Act:**

**None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES  NO

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES  NO

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 reports), and (2) has been subject to such requirements for the past 90 days.

(1) YES  NO

(2) 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 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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Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  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 aggregate value of the voting common equity held by non-affiliates of the Registrant, computed by reference to the closing price of the Registrant's shares of common stock as of June 30, 2011 (\$20.72) was \$234.0 million.

As of February 29, 2012, there were 11,022,309 shares outstanding of the Registrant's common stock.

### **DOCUMENTS INCORPORATED BY REFERENCE**

None.

**TERRITORIAL BANCORP INC.**

**FORM 10-K/A**

**EXPLANATORY NOTE**

This Amendment No. 1 to the Form 10-K of Territorial Bancorp Inc. is being filed solely to include the signatures of KPMG LLP that were inadvertently omitted from the Reports of Independent Registered Public Accounting Firm included with the initial filing of the Form 10-K.

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Territorial Bancorp Inc.:

We have audited the accompanying consolidated balance sheets of Territorial Bancorp Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Territorial Bancorp Inc. and subsidiaries as of December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Territorial Bancorp Inc.'s internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 14, 2012 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Honolulu, Hawaii

March 14, 2012

**Report of Independent Registered Public Accounting Firm**

The Board of Directors and Stockholders

Territorial Bancorp Inc.:

We have audited Territorial Bancorp Inc.'s (the Company's) internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) 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 the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

In our opinion, Territorial Bancorp Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Territorial Bancorp Inc. and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2011, and our report dated March 14, 2012 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Honolulu, Hawaii

March 14, 2012

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**PART IV**

**ITEM 15. Exhibits and Financial Statement Schedules**

(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)
- 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)

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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)	
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, 2011, filed on March 14, 2012, formatted in XBRL: (i) Consolidated Statements of Income, (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statements of Cash Flows, (iv) Consolidated Statements of Equity, (v) the Notes to Condensed Consolidated Financial Statements, tagged as blocks of text (6)	
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

- (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. 1-34403), filed November 18, 2009.
- (3) Incorporated by reference to the Proxy Statement for the 2010 Annual Meeting of Stockholders (file no. 1-34403), 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 Quarterly Report on Form 10-Q (file no. 001-34403), filed May 6, 2011.
- (6) Incorporated by reference to the Annual Report on Form 10-K (file no. 001-34403), filed March 14, 2012.

**SIGNATURES**

In accordance with Section 13 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: April 17, 2012

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