FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

GLENWAY FINANCIAL CORP
CIK:**861997**| IRS No.: **311297820** | State of Incorp.:**DE** | Fiscal Year End: **0630**
Type: **10QSB** | Act: **34** | File No.: **000-18664** | Film No.: **96663136**
SIC: **6035** Savings institution, federally chartered

Business Address
4221 GLENWAY AVE
CINCINNATI OH 45205
5139215505

FORM 10-QSB

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

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. 0-18664

GLENWAY FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	31-1297820
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

5535 Glenway Avenue Cincinnati, Ohio 45238
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: (513) 922-5959

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities 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 _X_ No ___

As of November 8, 1996, the latest practicable date, 1,151,335 shares of the registrant's common stock, $.01 par value, were outstanding.

Glenway Financial Corporation and Subsidiary

INDEX

<TABLE>

Glenway Financial Corporation and Subsidiary

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	1996	
ASSETS	September 30,	June 30,
	(Dollars in thousands)	
<S>	<C>	<C>
Cash and due from banks	$ 3,187	$ 4,802
Federal funds sold	854	204
Interest-bearing deposits in other financial institutions	145	136
Cash and cash equivalents	4,186	5,142
Investment securities - at amortized cost, approximate market value of $5,517 and $5,499 at September 30, 1996 and June 30, 1996	5,551	5,549
Investment securities available for sale - at market	4,088	4,084
Mortgage-backed securities - at cost, approximate market value of $14,694 and $15,354 at September 30, 1996 and June 30, 1996	15,308	15,710
Mortgage-backed securities available for sale - at market	14,421	14,761
Loans receivable - net	225,537	220,007
Loans held for sale - at lower of cost or market	1,091	1,094
Office premises and equipment - at depreciated cost	6,666	5,929
Real estate acquired through foreclosure	179	242
Federal Home Loan Bank stock - at cost	2,261	2,222
Accrued interest receivable on loans	1,151	1,103
Accrued interest receivable on mortgage-backed securities	161	181
Accrued interest receivable on investments and interest-bearing deposits	87	177
Cash surrender value - life insurance	1,473	1,457
Prepaid expenses and other assets	555	545
Prepaid federal income taxes	488	30
Goodwill and other intangible assets - net of accumulated amortization	524	576
Total assets	$283,727	$278,809

</TABLE>

<TABLE>

	1996	
LIABILITIES AND STOCKHOLDERS' EQUITY	September 30,	June 30,
<S>	<C>	<C>
Deposits	$227,910	$222,768
Advances from Federal Home Loan Bank	23,773	25,634
Loan to Employee Stock Ownership Plan	209	213
Checks issued in excess of bank balance	1,593	1,034
Advances by borrowers for taxes and insurance	820	242
Accounts payable on mortgage loans serviced for others	152	599
Accrued interest payable	50	56
Other liabilities	2,366	999
Deferred federal income taxes	514	483

Total liabilities	257,387	252,028
Stockholders' equity		
Serial preferred stock (500,000 shares of $.01 par value authorized; no shares issued)	-	-
Common stock - authorized, 3,000,000 shares at $.01 par value; 1,187,369 and 1,130,854 shares issued at September 30, 1996 and June 30, 1996	12	11
Additional paid-in capital	13,344	12,102
Retained earnings - substantially restricted	13,980	15,749
Required contributions for shares acquired by employee benefit plans	(415)	(316)
Treasury stock - 36,034 and 39,157 shares at September 30, 1996 and June 30, 1996 - at cost	(581)	(756)
Unrealized losses on securities designated as available for sale, net of related tax effects	-	(9)
Total stockholders' equity	26,340	26,781
Total liabilities and stockholders' equity	$283,727	$278,809

</TABLE>

<TABLE>

Glenway Financial Corporation and Subsidiary

CONSOLIDATED STATEMENTS OF OPERATIONS

For the three months ended September 30,

	1996	1995
	(Dollars in thousands)	
Interest income		
Loans	$ 4,468	$ 4,211
Mortgage-backed securities	489	511
Investment securities	151	180
Interest-bearing deposits and other	53	40
Total interest income	5,161	4,942
Interest expense		
Deposits	2,766	2,620
Borrowings	305	380
Total interest expense	3,071	3,000
Net interest income	2,090	1,942
Provision for losses on loans	18	15
Net interest income after provision for losses on loans	2,072	1,927
Other income		
Gain on sale of loans	7	5
Gain on sale of office premises	--	79
Gain on sale of real estate acquired through foreclosure	21	2
Other operating	155	153
Total other income	183	239
General, administrative and other expense		
Employee compensation and benefits	788	795
Occupancy and equipment	115	111
Federal deposit insurance premiums	1,477	118
Franchise taxes	85	96
Data processing	57	51
Amortization of goodwill and other intangible assets	52	55
Other operating	335	301
Total general, administrative and other expense	2,909	1,527

Earnings (loss) before income taxes (credits)	(654)	639
Federal income taxes (credits)		
Current	(241)	246
Deferred	26	(11)
Total federal income taxes (credits)	(215)	235
NET EARNINGS (LOSS)	$ (439)	$ 404
EARNINGS (LOSS) PER SHARE	$ (.38)	$ .36

</TABLE>

<TABLE>

Glenway Financial Corporation and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended September 30,

<S>	1996 <C>	1995 <C>
	(In thousands)	
Cash flows from operating activities:		
Net earnings (loss) for the period	$ (439)	$ 404
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	62	50
Provision for losses on loans	18	15
Gain on sale of loans	(7)	(5)
Loans disbursed for sale in the secondary market	(440)	(777)
Proceeds from sale of loans	444	900
Amortization of deferred loan origination fees	(32)	(31)
Amortization of goodwill and other intangible assets	52	55
Amortization of premiums and discounts on loans, investments and mortgage-backed securities - net	5	10
Gain on sale of real estate acquired through foreclosure	(21)	(2)
Gain on sale of office premises	--	(79)
Federal Home Loan Bank stock dividends	(39)	(37)
Increases (decreases) in cash due to changes in:		
Accrued interest receivable on loans	(48)	(41)
Accrued interest receivable on mortgage-backed securities	20	5
Accrued interest receivable on investment securities and interest-bearing deposits	90	32
Prepaid expenses and other assets	(10)	528
Accounts payable on mortgage loans serviced for others	(447)	20
Other liabilities	1,362	(496)
Increase in checks issued in excess of bank balance	559	196
Federal income taxes		
Current	(458)	264
Deferred	26	(11)
Net cash provided by operating activities	697	1,000
Cash flows provided by (used in) investing activities:		
Principal repayments on mortgage-backed securities	745	915
Loan principal repayments	12,240	14,263
Loan disbursements	(17,861)	(18,650)
Purchase of office premises and equipment	(799)	(36)
Proceeds from sale of office premises and equipment	--	195
Increase in cash surrender value of life insurance	(16)	(17)
Proceeds from sale of real estate acquired through foreclosure	195	396

Net cash used in investing activities	(5,496)	(2,934)
Net cash used in operating and investing activities (subtotal carried forward)	(4,799)	(1,934)

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<TABLE>

Glenway Financial Corporation and Subsidiary

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

For the three months ended September 30,

<S>	1996 <C>	1995 <C>
	(In thousands)	
Net cash used in operating and investing activities (subtotal brought forward)	$ (4,799)	$ (1,934)
Cash flows provided by (used in) financing activities:		
Net increase in deposit accounts	5,142	6,301
Proceeds from Federal Home Loan Bank advances	14,950	11,250
Repayment of Federal Home Loan Bank advances	(16,811)	(13,950)
Repayment of loan to Employee Stock Ownership Plan	(4)	--
Advances by borrowers for taxes and insurance	578	534
Dividends paid on common stock	(186)	(181)
Issuance of shares under stock option and benefit plans	174	208
Net cash provided by financing activities	3,843	4,162
Net increase (decrease) in cash and cash equivalents	(956)	2,228
Cash and cash equivalents at beginning of period	5,142	4,072
Cash and cash equivalents at end of period	$ 4,186	$ 6,300
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Federal income taxes	$ 215	$ --
Interest on deposits and borrowings	$ 3,077	$ 2,810
Supplemental disclosure of noncash investing activities:		
Transfer from loans to real estate acquired through foreclosure	$ 117	$ 71
Unrealized gains (losses) on securities designated as available for sale, net of tax effects	$ 9	$ (4)

</TABLE>

Glenway Financial Corporation and Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three month periods ended
September 30, 1996 and 1995

1. Basis of Presentation

The accompanying unaudited consolidated financial statements were prepared in accordance with instructions for Form 10-QSB and, therefore, do not include information or footnotes necessary for a complete presentation of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. However, all adjustments (consisting only of normal recurring accruals) which, in the opinion of management, are necessary for a fair presentation of the consolidated financial statements have been included. The results of operations for the three month periods ended September 30, 1996 and 1995 are not necessarily indicative of the results which may be expected for an entire fiscal year.

2. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Glenway Financial Corporation (Glenway Financial or the Corporation) and its wholly-owned subsidiary, Centennial Savings Bank (the Savings Bank or Centennial). All significant intercompany items have been eliminated.

3. Earnings Per Share

Earnings per share for the three months ended September 30, 1996 and 1995, has been computed based on 1,151,552 and 1,124,290 weighted-average shares outstanding, respectively. Weighted-average shares outstanding for the three months ended September 30, 1995, has been restated to give effect to the 5% stock dividend issued during the 1996 quarter. Fully-diluted earnings per share has not been presented as the dilutive effect of the Corporation's stock option plan is not material.

4. Effects of Recent Accounting Pronouncements

In March 1995, the Financial Accounting Standards Board ("FASB") issued SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of." SFAS No. 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing the review for recoverability, the entity should estimate the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of an impairment for long-lived assets and identifiable intangibles that an entity expects to hold and use should be based on the fair value of the asset. SFAS No. 121 is effective for financial statements for fiscal years beginning after December 15, 1995. Earlier application is encouraged. Glenway Financial adoption SFAS No. 121 on July 1, 1996, without material effect on consolidated financial position or results of operations.

In June 1994, the FASB issued SFAS No. 122, "Accounting for Mortgage Servicing Rights," which requires that Glenway Financial recognize, as separate assets, rights to service mortgage loans for others, regardless of how those servicing rights are acquired. An institution that acquires mortgage servicing rights through either the purchase or origination of mortgage loans and sells those loans with servicing rights retained would allocate some of the cost of the loans to the mortgage servicing rights. SFAS No. 122 requires that securitizations of mortgage loans be accounted for as sales of mortgage loans and acquisitions of mortgage-backed securities. Additionally, SFAS No. 122 requires that capitalized mortgage servicing rights and capitalized excess servicing receivables be assessed for impairment. Impairment is measured based

4. Effects of Recent Accounting Pronouncements (continued)

on fair value. SFAS No. 122 will apply prospectively to fiscal years beginning after December 15, 1995, to transactions in which an entity acquires mortgage servicing rights and to impairment evaluations of all capitalized mortgage servicing rights and capitalized excess servicing receivables whenever acquired. Retroactive application is prohibited. Management adopted SFAS No. 122 on July 1, 1996, without material effect on Glenway Financial's consolidated financial position or results of operations.

In October 1995, the FASB issued SFAS No. 123, "Accounting for Stock-Based Compensation," establishing financial accounting and reporting standards for stock-based employee compensation plans. SFAS No. 123 encourages all entities to adopt a new method of accounting to measure compensation cost of all employee stock compensation plans based on the estimated fair value of the award at the date it is granted. Companies are, however, allowed to continue to measure compensation cost for those plans using the intrinsic value based method of accounting, which generally does not result in compensation expense recognition for most plans. Companies that elect to continue using their existing accounting method are required to disclose in a footnote to the financial statements pro forma net earnings and, if presented, earnings per share, as if SFAS No. 123 had been adopted. The accounting requirements of SFAS No. 123 are effective for transactions entered into during fiscal years that begin after December 15, 1995; however, companies are required to disclose information for awards granted in their first fiscal year beginning after December 15, 1994. Management has determined that the Corporation will continue to account for stock-based compensation pursuant to Accounting Principles Board Opinion No. 25, and, therefore, adoption of SFAS 123 will not have a material effect on Glenway Financial's financial condition or results of operations.

In June 1996, the FASB issued SFAS No. 125, "Accounting for Transfers of Financial Assets, Servicing Rights, and Extinguishment of Liabilities," that provides accounting guidance for transfers of financial assets, servicing of financial assets, and extinguishment of liabilities. SFAS No. 125 introduces an approach to accounting for transfers of financial assets that provides a means of dealing with more complex transactions in which the seller disposes of only a partial interest in the assets, retains rights or obligations, makes use of special purpose entities in the transaction, or otherwise has continuing involvement with the transferred assets. The new accounting method, known as the financial components approach, provides that the carrying amount of the financial assets transferred be allocated to components of the transaction based on their relative fair values. SFAS No. 125 provides criteria for determining whether control of assets has been relinquished and whether a sale has occurred. If the transfer does not qualify as a sale, it is accounted for as a secured borrowing. Transactions subject to the provisions of SFAS No. 125 include, among others, transfers involving repurchase agreements, securitizations of financial assets, loan participations, factoring arrangements, and transfers of receivables with recourse. An entity that undertakes an obligation to service financial assets recognizes either a servicing asset or liability for the servicing contract (unless related to a securitization of assets, and all the securitized assets are retained and classified as held-to-maturity). A servicing asset or liability that is purchased or assumed is initially recognized at its fair value. Servicing assets and liabilities are amortized in proportion to and over the period of estimated net servicing income or net servicing loss and are subject to subsequent assessments for impairment based on fair value. SFAS No. 125 provides that a liability is removed from the balance sheet only if the debtor either pays the creditor and is relieved of its obligation for the liability or is legally released from being the primary obligor. SFAS No. 125 is effective for transfers and servicing of financial assets and extinguishment of liabilities occurring after December 31, 1996, and is to be applied prospectively. Earlier or retroactive application is not permitted. SFAS No. 125 supersedes SFAS No. 122. Management does not believe that adoption of SFAS No. 125 will have a material adverse effect on Glenway Financial's consolidated financial position or results of operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three month periods ended September 30, 1996 and 1995

Changes in Financial Condition

The Corporation's assets totaled $283.7 million at September 30, 1996, an increase of $4.9 million, or 1.8%, from June 30, 1996, levels. The increase in assets was funded primarily by a $5.1 million increase in deposits and an increase in other liabilities of $1.4 million, which were offset by a $1.9 million reduction in Federal Home Loan Bank (FHLB) advances and a net loss of $439,000. The increase in other liabilities is due to the special assessment levied on all savings institutions insured by the Savings Association Insurance Fund (SAIF). The one-time assessment to recapitalize the SAIF became a liability of Glenway on September 30, 1996, and equaled 65.7 basis points on the balance of SAIF-insured deposits at March 31, 1995. The amount expensed by the Corporation totaled $1.35 million which amounted to $891,000 net of federal income tax. Cash, interest-bearing deposits and investment securities designated as held to maturity decreased by $954,000, or 8.9%, while mortgage-backed securities designated as held to maturity decreased by $402,000, or 2.6%, and investments and mortgage-backed securities designated as available for sale declined $336,000, or 1.8%.

Loans receivable increased by $5.5 million, or 2.5%, during the current three month period, as loan originations exceeded principal repayments by approximately $6.1 million and were partially offset by loan sales totaling $440,000. The majority of loans funded during the quarter were one-year adjustable-rate mortgage loans (ARMs), reflecting a shift in consumer preference toward adjustable-rate products, with initial ARM rates being considerably lower than the rate on fixed-rate loans of similar terms. Historically, the Savings Bank has retained ARMs because of the beneficial effect on interest rate risk management. Management has decided to continue its policy of holding ARM production and to use short-term FHLB advances to fund loan originations.

Deposits increased by $5.1 million, or 2.3%, for the three month period ended September 30, 1996, generally reflecting the increased demand for certificate of deposit products in the current period. During July, consumers responded favorably to a nine-month certificate offered at an interest rate of 5.84%. Management continually strives to keep certificate of deposit rates competitive in its market as deposits are still the Savings Bank's preferred method of funding mortgage loans. However, alternative sources of funds, including FHLB advances, are frequently reviewed and utilized, when appropriate, in an effort to keep the cost of funds at acceptable levels.

Stockholders' equity declined by $441,000, or 1.6%, during the three months ended September 30,1996, primarily as a result of the period loss of $439,000 and payment of cash dividends of $186,000. These decreases were partially offset by a distribution of restricted shares in the amount of $147,000 and the exercise of stock options which resulted in a $40,000 decrease in treasury shares. During the quarter, the Corporation declared and distributed a 5% stock dividend in addition to cash dividends paid.

The Federal Deposit Insurance Corporation (FDIC) has adopted minimum regulatory capital ratio guidelines to which Centennial is subject. The Tier 1 leverage ratio (Tier 1 capital to adjusted total assets, as specified) requires a minimum ratio of between 3% and 5%, depending on whether an institution is anticipating or experiencing significant growth and has well-diversified risk and in general is considered a strong institution. Additionally, the Savings Bank is required to maintain a total risk-based capital ratio of 8%.

At September 30, 1996, Centennial's Tier 1 capital of $22.7 million, or 8.1%, exceeded the maximum Tier 1 leverage ratio of 5%, or $14.0 million, by $8.7 million. Centennial's risk-based capital of $23.8 million, or 13.1% of risk-weighted assets, exceeded the 8% capital requirement of $14.5 million by $9.3 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

For the three month periods ended September 30, 1996 and 1995

Comparison of Operating Results for the Three Month Periods Ended September 30, 1996 and 1995

General

The Corporation reported a net loss of $439,000 for the three months ended September 30, 1996, as compared to net earnings of $404,000 for the same period of 1995, a decrease of $843,000, or 208.7%. The decrease in earnings is attributable to the $1.35 million SAIF assessment, which amounted to $891,000 after tax.

Net Interest Income and Provision for Losses on Loans

Interest income on loans and mortgage-backed securities for the three months ended September 30, 1996, increased by $235,000, or 5.0%, from the 1995 period. This increase resulted primarily from growth of $14.2 million in the average portfolio outstanding year-to-year and higher yields during the 1996 period. Interest on investment securities and interest-bearing deposits decreased during the quarter by $16,000, or 7.3%, from the 1995 period due primarily to the decrease in yield levels on short-term deposits from year to year.

Interest expense on deposits increased by $146,000, or 5.6%, for the three months ended September 30, 1996. The increase resulted primarily from a $14.4 million increase in the average balance of deposits outstanding year to year. Interest on borrowings decreased by $75,000, or 19.7%, due to a $4.0 million decrease in the average of FHLB advances outstanding, as well as a slight decrease in borrowing interest rates.

As a result of the foregoing, net interest income increased by $148,000, or 7.6%, to a total of $2.1 million for the three months ended September 30, 1996, compared to $1.9 million for the same quarter in 1995.

The provision for losses on loans increased by $3,000 for the three months ended September 30, 1996, as compared to 1995. Additions to the provision during the 1996 quarter reflected increases to the Savings Bank's general loan loss allowance based on management's overall assessment of current and anticipated economic conditions, coupled with portfolio growth year-to-year. Nonperforming loans totaled $980,000 and $883,000 at September 30, 1996 and June 30, 1996, respectively. The loan loss allowance totaled $603,000 and $618,000 at September 30, 1996 and June 30, 1996, respectively, representing 61.5% and 70.0% of nonperforming loans at those respective dates.

Other Income

Other income for the three months ended September 30, 1996, decreased by $56,000, or 23.4%, primarily as a result of a decrease in the gain on sale of office premises of $79,000, which was partially offset by an increase of $19,000 in gain on sale of real estate acquired through foreclosure.

Glenway Financial Corporation and Subsidiary

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (CONTINUED)

Comparison of Operating Results for the Three Month Periods Ended September 30, 1996 and 1995 (continued)

General, Administrative and Other Expense

General, administrative and other expense increased by $1.4 million, or 90.5%, for the three months ended September 30, 1996, compared to the same period in 1995, due primarily to a $1.4 million increase in federal deposit insurance premiums due to the special SAIF assessment. Other increases included a $34,000 increase in other operating expenses due to costs related to the promotion of the grand opening of the new main office at Glenway Crossing and a $6,000 increase in data processing expenses. These increases were partially offset by decreases of $11,000 in franchise taxes and $7,000 in employee benefits and compensation.

Legislation to recapitalize the SAIF provides for a special assessment of $.657 per $100 of SAIF deposits held at March 31, 1995, in order to increase SAIF reserves to the level required by law. The Savings Bank had $205.5 million in SAIF deposits at March 31, 1995, resulting in an assessment of approximately $1.35 million, or $891,000 after tax, which was recorded as a charge in the quarter ended September 30, 1996, and will be paid in November, 1996. In connection with the recapitalization, it is anticipated that the FDIC will refund a portion of the premium for the calendar fourth quarter equal to approximately five basis points of SAIF-insured deposits.

The legislation also provides for reduced premium rates for healthy savings associations beginning in 1997, estimated to be a rate of $.064 per $100 of SAIF-insured deposits.

A component of the recapitalization plan provides for the merger of the SAIF and BIF on January 1, 1999, assuming there are no savings associations chartered under federal law. Under separate proposed legislation, Congress is considering the elimination of the federal thrift charter and separate federal regulation of thrifts. If such legislations is passed, the Savings Bank will be regulated as a bank under Federal laws which will subject it to the more restrictive activity limits imposed on national banks.

Under separate legislation recently enacted, the Savings Bank is required to recapture, as taxable income, approximately $1.0 million of its bad debt reserve, which represents the post-1987 additions to the reserve, and will be unable to utilize the percentage of earnings method to compute its tax bad debt deduction in the future. The Savings Bank has provided deferred taxes for this amount and is permitted to amortize the recapture of its post-1987 percentage of earnings bad debt deductions over six years.

Federal Income Taxes

Due to the September 30, 1996, pretax loss of $654,000, a tax credit of $215,000 was recorded for federal income taxes. This represented a decrease of $450,000 from the 1995 quarter.

Glenway Financial Corporation

PART II

ITEM 1. Legal Proceedings

Not applicable

ITEM 2. Changes in Securities

Not applicable

ITEM 3. Defaults Upon Senior Securities

Not applicable

ITEM 4. Submission of Matters to a Vote of Security Holders

On October 23, 1996, the Corporation's Annual Meeting of the Stockholders was held. Two directors were elected by the following votes:

Robert R. Sudbrook
For: 922,361 Withheld: 4,212

Albert W. Moeller
For: 922,141 Withheld: 4,432

Other matters were submitted to the stockholders, for which the following votes were cast:

Increase the number of shares available for issuance under the Corporation's 1990 Stock Option Plan by 50,000.

For: 864,915 Against: 49,835 Abstain: 11,032

Ratification of the appointment of Grant Thornton LLP as the Corporation's independent auditors for the fiscal year ending June 30, 1997.

For: 870,447 Against: 20,814 Abstain: 35,312

ITEM 5. Other Information

On July 24, 1996, Glenway Financial declared a 5% stock dividend. The record date for the stock dividend was August 3, 1996, and the payment date was August 16, 1996.

ITEM 6. Exhibits and Reports on Form 8-K

None

Glenway Financial Corporation

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 thereunto duly authorized.

Date: November 13, 1996 By: /s/Robert R. Sudbrook

____

Robert R. Sudbrook
President

Date: November 13, 1996 By: /s/David R. Kent

____

David R. Kent
Chief Financial Officer

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