UNITED STATES

SECURITITES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) October 29, 2003

Broadway Financial Corporation
(Exact name of registrant as specified in its charter)

Delaware 95-4547287
(State of Incorporation) (IRS Employer Identification No.)

4800 Wilshire Boulevard, Los Angeles, California 90010
(Address of Principal Executive Offices)

(323) 634-1700
(Issuer's Telephone Number, Including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Item 7. Exhibits

(c) Exhibit 99.1

Copy of Press Release on earnings for the quarter ended September 30, 2003.

Item 12. Results of Operations and Financial Condition

On October 29, 2003, Broadway Financial Corporation issued a Press Release on earnings for the quarter ended September 30, 2003. A copy of the Press Release is attached as Exhibit 99.1.

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.

BROADWAY FINANCIAL CORPORATION
(Registrant)

Date: October 29, 2003 /s/ Alvin D. Kang
(Signature)

Name: Alvin D. Kang
Chief Financial Officer

EXHIBIT INDEX

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News Release

FOR IMMEDIATE RELEASE

Contact: Paul C. Hudson, President/CEO
Alvin D. Kang, CFO
(323) 634-1700
www.broadwayfed.com

Broadway Financial Corporation Reports Third Quarter Net Earnings

LOS ANGELES, CA - (BUSINESS WIRE) - October 29, 2003 - Broadway Financial Corporation (the "Company") (NASDAQ Small-Cap: BYFC), the holding company of Broadway Federal Bank, f.s.b. (the "Bank"), today reported net earnings of $379,000 and $1,099,000 or $0.19 and $0.55 per diluted share for the three and nine months ended September 30, 2003, compared to $440,000 and $1,088,000, or $0.24 and $0.59 per diluted share, respectively, for the three and nine months ended September 30, 2002. Compared to 2002, third quarter net earnings decreased 13.86% and net earnings for the nine months increased 1.01%.

President Paul C. Hudson stated, "The last two months have been encouraging as our loan origination volume has increased, and we have had net loan growth in spite of continuing heavy loan prepayments. Our pipeline of loans in process is also growing, which bodes well for the next quarter". Hudson explained, "We expected net earnings for the current quarter to be less than last year due to the effective tax rate in third quarter 2002 being 7% lower than the current quarter. In 2002, we benefited from a higher California Enterprise Zone tax incentive that reduced California taxable income."

Net Earnings

The change in net earnings, comparing 2003 to 2002, was primarily attributable to the increase in net interest income and non-interest income, offset by an increase in non-interest expense. Additionally, the effective tax rate was lower in 2002 as a result of higher interest income exclusions relating to loans made in California Enterprise Zones. Net interest income after provision for loan losses increased $39,000 and $201,000 or 1.95% and 3.36%, respectively, for the three and nine months ended September 30, 2003 compared to the same periods in 2002. Non-interest income increased $133,000 and $267,000 or 59.38% and 41.98%, respectively, for the three and nine months ended September 30, 2003 compared to the same periods in 2002. Non-interest expense increased $200,000 and $405,000, or 12.55% and 8.25%, respectively, for the three and nine months ended September 30, 2003 compared to the same periods in 2002.

Net Interest Income

Net interest income after provision for loan losses increased to $2,037,000 and $6,189,000 for the three and nine months ended September 30, 2003, from $1,998,000 and $5,988,000 for the same periods in 2002. A nine month rate/volume analysis indicates that the $201,000 increase was primarily attributable to the impact of the growth in average interest-earning assets of $32.9 million or 19.02%, and interest-bearing liabilities of $30.8 million or 18.85%, which resulted in an increase in net interest income of $1,080,000 (volume impact), offset by the impact of a decrease in the net interest rate spread of 57 basis points, which resulted in a decrease in net interest income of $879,000 (rate impact).

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Loan originations were $18.8 million and $37.8 million for the three and nine months ended September 30, 2003 compared to $7.0 million and $20.4 million for the same periods in 2002. Loan purchases were $3.8 million and $17.8 million for the three and nine months ended September 30, 2003, compared to $820,000 and $820,000 for the same periods in 2002. Mortgage-backed securities ("MBS") purchases were $3.4 million and $15.4 million for the three and nine months ended September 30, 2003 compared to 5.0 million and $9.0 million for the same periods in 2002. Loan prepayments amounted to $12.9 million and $36.0 million for the three and nine months ended September 30, 2003 compared to $6.8 million and $21.8 million for the same periods in 2002. In the current low interest rate environment, prepayments are not expected to abate until interest rates rise significantly, and therefore management is focused on increasing loan volume through originations and purchases. Loans receivable, net grew $20.5 million since December 31, 2002, and reflects the improvements made by Management in the Bank's loan product offerings as well as in its efficiency in service to new loan customers.

Interest-bearing liabilities increased $2.7 million during the third quarter. This was attributable to the net effect of an increase in deposits of $3.8 million and a decrease in FHLB advances of $1.1 million. For the nine months ended September 30, 2003, interest-bearing liabilities increased $13.5 million, comprised of an $11.1 million increase in deposits and $2.4 million increase in FHLB advances.

The net interest rate spread for the three and nine months ended September 30, 2003 was 3.78% and 3.90% respectively, compared to 4.39% and 4.47%, respectively, for the same periods in 2002. The 61 and 57 basis point decrease in spread was attributable to the larger decline in the weighted average yield on the loan portfolio, compared to the decline in the weighted average cost of funds on interest-bearing liabilities. The yield on interest-earning assets declined 120 and 128 basis points to 5.65% and 5.87%, respectively, for the three and nine months ended September 30, 2003 from 6.85% and 7.15%, respectively, for the same periods in 2002. The weighted average cost of funds declined to 1.88% and 1.97%, respectively, for the three and nine months ended September 30, 2003 compared to 2.46% and 2.68% for the same periods in 2002. The primary spread (weighted average interest rate on loans minus weighted average interest rate on deposits) at September 30, 2003 was 4.62% compared to 4.76% at

September 30, 2002, a decline of 14 basis points.

Non-interest Income

Total non-interest income increased to $357,000 and $903,000 for the three and nine months ended September 30, 2003, from $224,000 and $636,000 for the same periods in 2002. The $133,000 increase in the third quarter from 2002 to 2003 was primarily attributable to an increase in loan fees and service charges, and net gains on sale of investments and MBS available for sale.

Non-interest Expense

Total non-interest expense increased to $1,793,000 and $5,313,000 for the three and nine months ended September 30, 2003 from $1,593,000 and 4,908,000 for the same periods in 2002. The $200,000 increase in the third quarter from 2002 to 2003 was primarily attributable to increases in compensation and benefits costs and occupancy expenses.

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Loans Receivable, Net

Loans receivable, net increased $20.5 million or 14.6% to $160.6 million at September 30, 2003 from $140.1 million at December 31, 2002. During the nine months ended September 30, 2003, the Bank purchased $17.8 million of adjustable rate mortgage loans having an initial fixed rate period ("hybrid ARMs"). These purchases of hybrid ARMs, along with loan originations offset the combined negative effect of a decline in the yield on the loan portfolio and the continuing high level of loan prepayments.

The allowance for loan losses as a percentage of total loans was 0.87% at September 30, 2003 compared to 0.98% at December 31, 2002 and 1.10% at September 30, 2002. The Bank's non-performing assets to total assets ratio improved to 0.04% at September 30, 2003 compared to 0.07% at December 31, 2002 and 0.18% at September 30, 2002. At September 30, 2003, the Bank had no loans in foreclosure or REO (real estate owned) properties.

Deposits

Total deposits increased $11.1 million or 7.11% to $167.2 million from $156.1 million at December 31, 2002. Core deposits (NOW, demand, money market, and passbook accounts) increased by $1.2 million during the third quarter of 2003. At September 30, 2003 core deposits represented 44.6% of total deposits, compared to 40.4% at December 31, 2002, and 39.4% at September 30, 2002. Management has focused on increasing core deposit customers and closely managing its cost of deposits. Management expects deposit growth to be the primary source of funds for loan growth and plans to aggressively market deposit products to targeted customers.

Performance Ratios

For the three months ended September 30, 2003 the Company's return on average equity declined to 8.49% compared to 11.39% for the same period in 2002. The return on average assets also declined to 0.69% for the three months ended September 30, 2003 compared to 0.95% for the same period in 2002. The ratio of non-interest expense to average assets improved to 3.28% for the three months ended September 30, 2003 compared to 3.46% for the same period in 2002. The efficiency ratio increased to 74.90% in third quarter 2003 compared to 71.69% in third quarter 2002.

About us

Broadway Federal Bank, f.s.b. is a community-oriented savings bank, which primarily originates residential mortgage loans and conducts funds acquisition in the geographic areas known as Mid-City and South Los Angeles. The Bank operates four full service branches, three in the city of Los Angeles, and one located in the nearby city of Inglewood, California. At September 30, 2003, the Bank met the capital requirements necessary to be deemed "well capitalized" for regulatory capital purposes.

Shareholders, analysts and others seeking information about the Company are invited to write to: Broadway Financial Corporation, Investor Relations, 4800 Wilshire Blvd., Los Angeles, CA 90010, or visit our website at www.broadwayfed.com.



BROADWAY FINANCIAL CORPORATION
AND SUBSIDIARIES
Consolidated Balance Sheets
(Dollars in thousands, except share amounts)
(Unaudited)

| | September 30, 2003 | Decemb 200 |
|---|---|---|
| Assets | | |
| Cash | $ 4,264 | $ 3, |
| Federal funds sold | 6,900 | 1, |
| Interest bearing deposits | - | 1, |
| Investment securities held to maturity | 2,996 | 2, |
| Investment securities available for sale | - | 5, |
| Mortgage-backed securities held to maturity | 7,327 | 10, |
| Mortgage-backed securities available for sale | 20,843 | 27, |
| Loans receivable, net | 160,585 | 140, |
| Loans receivable held for sale, at lower of cost or fair value | 1,852 | 3, |
| Accrued interest receivable | 932 | |
| Investments in capital stock of Federal Home Loan Bank, at cost | 1,771 | 1, |
| Office properties and equipment, net | 5,664 | 5, |
| Other assets | 8,579 | |
| Total assets | $ 221,713 | $ 204, |
| Liabilities and stockholders' equity | | |
| Deposits | $ 167,285 | $ 156, |
| Advances from Federal Home Loan Bank | 31,071 | 28, |
| Advance payments by borrowers for taxes and insurance | 533 | |
| Deferred income taxes | 906 | |
| Other liabilities | 4,004 | 1, |
| Total liabilities | 203,799 | 187, |
| Stockholders' Equity | | |
| Preferred non-convertible, non-cumulative, and non-voting stock, $.01 par value, authorized 1,000,000 shares; issued and outstanding 155,199 shares at September 30, 2003 and December 31, 2002 | 2 | |
| Common stock, $.01 par value, authorized 3,000,000 shares; issued and outstanding 1,831,485 shares at September 30, 2003 and | | |

| | | |
|---|---|---|
| 1,815,294 at December 31, 2002 | 10 | |
| Additional paid-in capital | 10,501 | 10, |
| Accumulated other comprehensive gain, net of taxes | 26 | |
| Retained earnings-substantially restricted | 7,844 | 7, |
| Treasury stock-at cost, 37,457 shares at September 30, 2003 and 53,648 shares at December 31, 2002 | (363) | ( |
| Unearned Employee Stock Ownership Plan shares | (106) | ( |
| Total stockholders' equity | 17,914 | 16, |
| Total liabilities and stockholders' equity | $ 221,713 | $ 204, |

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BROADWAY FINANCIAL CORPORATION
AND SUBSIDIARIES
Consolidated Statements of Operations
(Dollars in thousands, except per share amounts)
(Unaudited)

| | Three Months ended September 30, 2003 | 2002 | Nine Mo Sept 2003 |
|---|---|---|---|
| Interest on loans receivable | $ 2,556 | $ 2,644 | $ 7,669 |
| Interest on investment securities held to maturity | 26 | 40 | 84 |
| Interest on investment securities available for sale | 7 | 92 | 52 |
| Interest on mortgage-backed securities | 345 | 208 | 1,153 |
| Other interest income | 27 | 36 | 102 |
| Total interest income | 2,961 | 3,020 | 9,060 |
| Interest on deposits | 730 | 887 | 2,315 |
| Interest on borrowings | 194 | 135 | 556 |
| Total interest expense | 924 | 1,022 | 2,871 |
| Net interest income before provision for loan losses | 2,037 | 1,998 | 6,189 |
| Provision for loan losses | - | - | - |
| Net interest income after provision for loan losses | 2,037 | 1,998 | 6,189 |
| Noninterest income: | | | |
| Service charges | 255 | 186 | 773 |
| Gain on loans receivable held for sale | - | - | 18 |
| Other | 102 | 38 | 112 |
| Total noninterest income | 357 | 224 | 903 |
| Noninterest expense: | | | |
| Compensation and benefits | 1,038 | 898 | 2,986 |
| Occupancy expense, net | 152 | 108 | 795 |
| Information services | 267 | 282 | 434 |
| Professional services | 104 | 123 | 372 |
| Office service and supplies | 103 | 100 | 315 |
| Other | 129 | 82 | 411 |

| | | | |
|---|---|---|---|
| Total noninterest expense | 1,793 | 1,593 | 5,313 |
| Earnings before income taxes | 601 | 629 | 1,779 |
| Income taxes | 222 | 189 | 680 |
| Net earnings | $ 379 | $ 440 | $ 1,099 |
| Other comprehensive income (loss): | | | |
| Unrealized income (loss) on securties available for sale | $ (460) | $ (24) | $ (56) |
| Income tax benefit (expense) | 179 | 10 | 25 |
| Total other comprehensive income (loss) | (281) | (14) | (31) |
| Comprehensive earnings | $ 98 | $ 426 | $ 1,068 |
| Net earnings | 379 | 440 | 1,099 |
| Dividends paid on preferred stock | (19) | (7) | (58) |
| Earnings available to common shareholders | $ 360 | $ 433 | $ 1,041 |
| Earnings per share-basic | $0.20 | $0.25 | $0.58 |
| Earnings per share-diluted | $0.19 | $0.24 | $0.55 |
| Dividend declared per share-common stock | $0.04 | $0.03 | $0.11 |
| Basic weighted average shares outstanding | 1,802,204 | 1,776,008 | 1,794,726 |
| Diluted weighted average shares outstanding | 1,908,887 | 1,813,192 | 1,894,614 |



BROADWAY FINANCIAL CORPORATION
AND SUBSIDIARIES
Selected Ratios and Data
(Dollars in thousands)

| | As of September 30, 2003 | 2002 | Well-Capitalized Requirement |
|---|---|---|---|
| Tangible capital | 7.53% | 7.32% | 5.00% |
| Core capital | 7.53% | 7.32% | 6.00% |
| Total Risk-Based Capital | 13.19% | 13.38% | 10.00% |
| Non-performing loans as a percentage of total gross loans | 0.05% | 0.17% | |
| Non-performing assets as a percentage of total assets | 0.04% | 0.18% | |
| Allowance for loan losses as a percentage of total gross loans | 0.87% | 1.10% | |
| Allowance for loan losses as a percentage of non-performing loans | 1786.25% | 660.08% | |
| Allowance for losses as a percentage of non-performing assets | 1786.25% | 455.36% | |

| | | |
|---|---|---|
| Non-accrual loans | $ 80 | $ 238 |
| Real estate acquired through foreclosure | - | 107 |
| Total non-performing assets | $ 80 | $ 345 |

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2003 | 2002 | 2003 | 2002 |
| Performance Ratios: | | | | |
| Return on average assets | 0.69% | 0.95% | 0.68% | 0.80% |
| Return on average equity | 8.49% | 11.39% | 8.70% | 9.56% |
| Average equity to average assets | 8.18% | 8.38% | 7.86% | 8.38% |
| Non-interest expense to average assets | 3.28% | 3.46% | 3.30% | 3.61% |
| Efficiency ratio | 74.90% | 71.69% | 74.92% | 74.09% |
| Net interest rate spread (1) | 3.78% | 4.39% | 3.90% | 4.47% |
| Effective net interest rate spread (2) | 3.89% | 4.53% | 4.01% | 4.62% |

(1) Net interest rate spread represents the difference between the yield on average interest-earning assets and the cost of interest-bearing liabilities before provision for loan losses.

(2) Effective net interest rate spread represents net interest income before provision for loan losses as a percentage of average interest-earning assets.

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BROADWAY FINANCIAL CORPORATION
AND SUBSIDIARIES
Support for Calculations
(Dollars in thousands)

| | Three Months Ended September 30, | | Nine Se |
|---|---|---|---|
| | 2003 | 2002 | 2003 |
| Total assets | $ 221,713 | $ 190,747 | $ 221,713 |
| Total gross loans | $ 164,535 | $ 142,521 | $ 164,535 |
| Total equity | $ 17,914 | $ 15,578 | $ 17,914 |
| Average assets | $ 218,383 | $ 184,300 | $ 214,460 |
| Average loans | $ 155,143 | $ 138,274 | $ 151,401 |
| Average equity | $ 17,862 | $ 15,451 | $ 16,851 |
| Average interest-earning assets | $ 209,463 | $ 176,258 | $ 205,842 |
| Average interest-bearing liabilities | $ 196,794 | $ 166,197 | $ 194,120 |
| Net income | $ 379 | $ 440 | $ 1,099 |
| Total income | $ 2,394 | $ 2,222 | $ 7,092 |
| Non-interest expense | $ 1,793 | $ 1,593 | $ 5,313 |
| Efficiency ratio | 74.90% | 71.69% | 74.92% |
| Non-accrual loans | $ 80 | $ 238 | $ 80 |
| REO, net | $ - | $ 107 | $ - |
| ALLL | $ 1,429 | $ 1,571 | $ 1,429 |

| | | | | | | |
|---|---|---|---|---|---|---|
| REO-Allowance | $ | - | $ | - | $ | - |
| Interest income | $ | 2,961 | $ | 3,020 | $ | 9,060 |
| Interest expense | $ | 924 | $ | 1,022 | $ | 2,871 |
| Net interest income before provision | $ | 2,037 | $ | 1,998 | $ | 6,189 |