

Northfield Bancorp, Inc.
Form 10-Q
November 09, 2011

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended September 30, 2011

or

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

**For transition period from to
Commission File Number 1-33732**

**NORTHFIELD BANCORP, INC.
(Exact name of registrant as specified in its charter)**

**United States of America
(State or other jurisdiction of incorporation)**

**42-1572539
(I.R.S. Employer Identification No.)**

**1410 St. Georges Avenue, Avenel, New Jersey
(Address of principal executive offices)**

**07001
(Zip Code)**

Registrant's telephone number, including area code: (732) 499-7200

Not Applicable

(Former name, former address, and former fiscal year, if changed since last report)

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 such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No . Indicate by check mark whether the registrant 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 shorter period that the registrant was required and post such files). Yes No . Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, 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

(Do not check if 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 .

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Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date. 40,624,731 shares of Common Stock, par value \$0.01 per share, were issued and outstanding as of November 4, 2011.

NORTHFIELD BANCORP, INC.
Form 10-Q Quarterly Report
Table of Contents

	Page Number
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	2
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	44
<u>Item 4. Controls and Procedures</u>	46
<u>PART II OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	47
<u>Item 1A. Risk Factors</u>	47
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	47
<u>Item 3. Defaults Upon Senior Securities</u>	48
<u>Item 4. [Removed and Reserved]</u>	48
<u>Item 5. Other Information</u>	48
<u>Item 6. Exhibits</u>	48
<u>Signatures</u>	49
<u>EX-31.1</u>	
<u>EX-31.2</u>	
<u>EX-32</u>	
<u>EX-101 INSTANCE DOCUMENT</u>	
<u>EX-101 SCHEMA DOCUMENT</u>	
<u>EX-101 CALCULATION LINKBASE DOCUMENT</u>	
<u>EX-101 LABELS LINKBASE DOCUMENT</u>	
<u>EX-101 PRESENTATION LINKBASE DOCUMENT</u>	
<u>EX-101 DEFINITION LINKBASE DOCUMENT</u>	

Table of Contents**ITEM 1. FINANCIAL STATEMENTS****NORTHFIELD BANCORP, INC.
CONSOLIDATED BALANCE SHEETS**September 30, 2011, and December 31, 2010
(In thousands, except per share amounts)

	September 30, 2011 (Unaudited)	December 31, 2010
ASSETS:		
Cash and due from banks	\$ 10,311	\$ 9,862
Interest-bearing deposits in other financial institutions	23,193	33,990
Total cash and cash equivalents	33,504	43,852
Trading securities	3,902	4,095
Securities available-for-sale, at estimated fair value (encumbered \$360,891 in 2011 and \$275,694 in 2010)	1,206,069	1,244,313
Securities held-to-maturity, at amortized cost (estimated fair value of \$4,324 in 2011 and \$5,273 in 2010) (encumbered \$0 in 2011 and 2010)	4,130	5,060
Loans held-for-sale	1,555	1,170
Loans held-for-investment, net	965,257	827,591
Allowance for loan losses	(25,503)	(21,819)
Net loans held-for-investment	939,754	805,772
Accrued interest receivable	7,804	7,873
Bank owned life insurance	77,040	74,805
Federal Home Loan Bank of New York stock, at cost	9,531	9,784
Premises and equipment, net	18,260	16,057
Goodwill	16,159	16,159
Other real estate owned	34	171
Other assets	13,371	18,056
Total assets	2,331,113	2,247,167
LIABILITIES AND STOCKHOLDERS EQUITY:		
LIABILITIES:		
Deposits	1,454,827	1,372,842
Borrowings	454,346	391,237
Advance payments by borrowers for taxes and insurance	2,901	693
Accrued expenses and other liabilities	28,785	85,678
Total liabilities	1,940,859	1,850,450
STOCKHOLDERS EQUITY:		

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Preferred stock, \$0.01 par value; 10,000,000 shares authorized, none issued or outstanding		
Common stock, \$0.01 par value: 90,000,000 shares authorized, 45,632,611 shares issued at September 30, 2011, and December 31, 2010, respectively, 41,220,491 and 43,316,021 outstanding at September 30, 2011, and December 31, 2010, respectively	456	456
Additional paid-in-capital	208,481	205,863
Unallocated common stock held by employee stock ownership plan	(14,750)	(15,188)
Retained earnings	232,862	222,655
Accumulated other comprehensive income	19,420	10,910
Treasury stock at cost; 4,412,120 and 2,316,590 shares at September 30, 2011, and December 31, 2010, respectively	(56,215)	(27,979)
Total stockholders equity	390,254	396,717
Total liabilities and stockholders equity	\$ 2,331,113	\$ 2,247,167

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
 Three and nine months ended September 30, 2011, and 2010
 (Unaudited)
 (In thousands, except share data)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Interest income:				
Loans	\$ 14,044	\$ 11,908	\$ 39,296	\$ 34,299
Mortgage-backed securities	7,746	8,144	24,838	25,452
Other securities	781	1,537	2,538	4,605
Federal Home Loan Bank of New York dividends	113	75	343	233
Deposits in other financial institutions	35	18	140	132
Total interest income	22,719	21,682	67,155	64,721
Interest expense:				
Deposits	3,111	3,197	9,399	10,531
Borrowings	3,331	2,807	9,879	8,046
Total interest expense	6,442	6,004	19,278	18,577
Net interest income	16,277	15,678	47,877	46,144
Provision for loan losses	2,000	3,398	5,117	8,126
Net interest income after provision for loan losses	14,277	12,280	42,760	38,018
Non-interest income:				
Fees and service charges for customer services	740	631	2,181	1,920
Income on bank owned life insurance	749	565	2,235	1,502
(Loss) gain on securities transactions, net	(271)	423	2,373	1,568
Other-than-temporary impairment losses on securities		(962)	(1,152)	(962)
Portion recognized in other comprehensive income (before taxes)		808	743	808
Net impairment losses on securities recognized in earnings		(154)	(409)	(154)
Other	22	36	159	254
Total non-interest income	1,240	1,501	6,539	5,090
Non-interest expense:				
Compensation and employee benefits	4,890	4,830	15,101	13,829
Director compensation	370	330	1,141	1,099
Occupancy	1,685	1,328	4,508	3,711
Furniture and equipment	312	267	891	798

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Data processing	720	653	2,054	1,921
FDIC insurance	382	452	1,242	1,337
Professional fees	454	2,218	1,523	3,074
Other	973	1,093	2,863	2,980
Total non-interest expense	9,786	11,171	29,323	28,749
Income before income tax expense	5,731	2,610	19,976	14,359
Income tax expense	2,035	215	6,963	4,397
Net income	\$ 3,696	\$ 2,395	\$ 13,013	\$ 9,962
Basic and diluted earnings per share	\$ 0.09	\$ 0.06	\$ 0.32	\$ 0.24

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Nine months ended September 30, 2011, and 2010

(Unaudited)

(Dollars in thousands)

	Common Stock	Additional	Unallocated common stock held by the employee stock ownership plan	Retained	Accumulated other	Treasury	Total	
	Shares	Par Value	paid-in capital	earnings	comprehensive income	stock	stockholders equity	
Balance at December 31, 2009	45,628,211	\$ 456	\$ 202,479	\$ (15,807)	\$ 212,196	\$ 12,145	\$ (19,929)	\$ 391,540
Comprehensive income:								
Net income				9,962				9,962
Change in accumulated comprehensive income, net of tax of \$3,541					5,685			5,685
Total comprehensive income								15,647
ESOP shares allocated or committed to be released			144	440				584
Stock compensation expense			2,215					2,215
Additional tax benefit on equity awards			231					231
Exercise of stock options				(26)		163		137
Dividends declared (\$0.14 per share)				(2,410)				(2,410)
Issuance of restricted stock	4,400					(5,347)		(5,347)

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Treasury stock
(average cost of
\$12.00 per share)

Balance at
September 30,
2010

45,632,611 \$ 456 \$ 205,069 \$ (15,367) \$ 219,722 \$ 17,830 \$ (25,113) \$ 402,597

Balance at
December 31,
2010

45,632,611 \$ 456 \$ 205,863 \$ (15,188) \$ 222,655 \$ 10,910 \$ (27,979) \$ 396,717

Comprehensive
income:

Net income

13,013

13,013

Change in
accumulated
comprehensive
income, net of
tax of \$5,671

8,510

8,510

Total
comprehensive
income

21,523

ESOP shares
allocated or
committed to be
released

150

438

588

Stock
compensation
expense

2,282

2,282

Additional tax
benefit on equity
awards

186

186

Exercise of stock
options

(1)

6

5

Dividends
declared (\$0.17
per share)

(2,805)

(2,805)

Treasury stock
(average cost of
\$13.47 per share)

(28,242)

(28,242)

Balance at
September 30,
2011

45,632,611 \$ 456 \$ 208,481 \$ (14,750) \$ 232,862 \$ 19,420 \$ (56,215) \$ 390,254

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

NORTHFIELD BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine months ended September 30, 2011, and 2010

(Unaudited) (In thousands)

	2011	2010
Cash flows from operating activities:		
Net income	\$ 13,013	\$ 9,962
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	5,117	8,126
ESOP and stock compensation expense	2,870	2,799
Depreciation	1,566	1,313
Amortization of premiums, and deferred loan costs, net of (accretion) of discounts, and deferred loan fees	967	793
Amortization of intangible assets	74	229
Income on bank owned life insurance	(2,235)	(1,502)
Gain on sale of premises and equipment and other real estate owned	(84)	(197)
Net gain on sale of loans held-for-sale	(25)	(18)
Proceeds from sale of loans held-for-sale	7,739	2,404
Origination of loans held-for-sale	(8,099)	(3,145)
Gain on securities transactions, net	(2,373)	(1,568)
Net impairment losses on securities recognized in earnings	409	154
Net purchases of trading securities	(235)	(102)
Decrease (increase) in accrued interest receivable	69	(14)
Increase in other assets	(1,660)	(19)
Increase in accrued expenses and other liabilities	114	1,242
Net cash provided by operating activities	17,227	20,457
Cash flows from investing activities:		
Net increase in loans receivable	(140,045)	(76,731)
Redemptions (purchase) of Federal Home Loan Bank of New York stock, net	253	(663)
Purchases of securities available-for-sale	(423,400)	(597,759)
Principal payments and maturities on securities available-for-sale	280,713	365,339
Principal payments and maturities on securities held-to-maturity	932	1,292
Proceeds from sale of securities available-for-sale	140,724	161,010
Purchase of bank owned life insurance		(28,781)
Proceeds from sale of other real estate owned	571	400
Proceeds from the sale of premises and equipment		394
Purchases and improvements of premises and equipment	(3,769)	(3,332)
Net cash used in investing activities	(144,021)	(178,831)
Cash flows from financing activities:		
Net increase in deposits	81,985	95,508
Dividends paid	(2,805)	(2,410)
Exercise of stock options	5	137
Purchase of treasury stock	(28,242)	(5,347)
Additional tax benefit on equity awards	186	231

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Increase in advance payments by borrowers for taxes and insurance	2,208	1,072
Repayments under capital lease obligations	(161)	(138)
Proceeds from borrowings	467,864	235,501
Repayments related to borrowings	(404,594)	(172,680)
Net cash provided by financing activities	116,446	151,874
Net decrease in cash and cash equivalents	(10,348)	(6,500)
Cash and cash equivalents at beginning of period	43,852	42,544
Cash and cash equivalents at end of period	\$ 33,504	\$ 36,044
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	\$ 19,059	\$ 18,625
Income taxes	7,853	7,839
Other transactions:		
Loans charged-off, net	1,433	2,611
Other real estate owned charged-off	26	146
Transfers to other real estate owned	376	900
(Decrease) increase in due to broker for purchases of securities available-for-sale	(57,007)	20,013

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents

NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements

Note 1 Basis of Presentation

The consolidated financial statements are comprised of the accounts of Northfield Bancorp, Inc., and its wholly-owned subsidiary, Northfield Bank (the Bank), and the Bank's wholly-owned significant subsidiaries, NSB Services Corp. and NSB Realty Trust (collectively, the Company). All significant intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, all adjustments (consisting solely of normal and recurring adjustments) necessary for the fair presentation of the consolidated financial condition and the consolidated results of operations for the unaudited periods presented have been included. The results of operations and other data presented for the three and nine month period ended September 30, 2011, are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2011. Certain prior year amounts have been reclassified to conform to the current year presentation.

Certain information and note disclosures usually included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for the preparation of interim financial statements. The consolidated financial statements presented should be read in conjunction with the audited consolidated financial statements and notes to consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2010, of Northfield Bancorp, Inc. as filed with the SEC.