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Northfield Bancorp, Inc.  
Form 10-Q/A  
September 24, 2014  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q/A  
(Amendment No. 1)

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

For the quarterly period ended June 30, 2014

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 1-35791

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

Delaware (State or other jurisdiction of incorporation)	80-0882592 (I.R.S. Employer Identification No.)
581 Main Street, Woodbridge, New Jersey (Address of principal executive offices)	07095 (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):

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 <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

51,602,791 shares of Common Stock, par value \$0.01 per share, were issued and outstanding as of August 7, 2014.

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EXPLANATORY NOTE

Northfield Bancorp, Inc. is filing this Form 10-Q/A to amend Exhibit 32 to its 10-Q for the period ended June 30, 2014, previously filed with the Securities and Exchange Commission on August 11, 2014. Exhibit 32 is being amended to correct a typographical error that indicated the quarterly report was dated as of March 31, 2014.

This Form 10-Q/A does not reflect events occurring after the filing of Northfield Bancorp, Inc.'s Form 10-Q on August 11, 2014 or modify or update the disclosures contained therein in any way other than as required to reflect the amendment discussed above.

All other items of the Form 10-Q/A have not been amended.

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NORTHFIELD BANCORP, INC.  
Form 10-Q/A Quarterly Report  
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## PART I

## ITEM 1. FINANCIAL STATEMENTS

## NORTHFIELD BANCORP, INC.

## CONSOLIDATED BALANCE SHEETS

June 30, 2014, and December 31, 2013

(Unaudited)

(In thousands, except share amounts)

	June 30, 2014	December 31, 2013
<b>ASSETS:</b>		
Cash and due from banks	\$11,778	\$15,348
Interest-bearing deposits in other financial institutions	24,005	45,891
Total cash and cash equivalents	35,783	61,239
Trading securities	6,340	5,998
Securities available-for-sale, at estimated fair value (encumbered \$237,482 in 2014 and \$197,896 in 2013)	857,296	937,085
Securities held-to-maturity, at amortized cost (estimated fair value of \$4,101 in 2014 and \$0 in 2013)	4,037	—
Loans held-for-sale	471	471
Purchased credit-impaired (PCI) loans held-for-investment	49,547	59,468
Loans acquired	75,727	77,817
Originated loans held-for-investment, net	1,448,217	1,352,191
Loans held-for-investment, net	1,573,491	1,489,476
Allowance for loan losses	(26,267)	(26,037)
Net loans held-for-investment	1,547,224	1,463,439
Accrued interest receivable	8,485	8,137
Bank owned life insurance	127,081	125,113
Federal Home Loan Bank of New York stock, at cost	19,241	17,516
Premises and equipment, net	27,609	29,057
Goodwill	16,159	16,159
Other real estate owned	640	634
Other assets	39,476	37,916
Total assets	\$2,689,842	\$2,702,764
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
<b>LIABILITIES:</b>		
Deposits	\$1,480,947	\$1,492,689
Securities sold under agreements to repurchase	206,000	181,000
Other borrowings	328,333	289,325
Advance payments by borrowers for taxes and insurance	7,842	6,441
Accrued expenses and other liabilities	17,892	17,201
Total liabilities	2,041,014	1,986,656
<b>STOCKHOLDERS' EQUITY:</b>		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized, none issued or outstanding	—	—
Common stock, \$0.01 par value: 150,000,000 shares authorized, 58,226,326 shares issued at June 30, 2014, and December 31, 2013, 53,039,074 and 57,926,233 outstanding at June 30, 2014 and December 31, 2013, respectively	582	582

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Additional paid-in-capital	497,088	508,609	
Unallocated common stock held by employee stock ownership plan	(26,460	) (26,985	)
Retained earnings	245,634	242,180	
Accumulated other comprehensive loss	(1,792	) (4,650	)
Treasury stock at cost; 5,187,252 and 300,093 shares at June 30, 2014 and December 31, 2013, respectively	(66,224	) (3,628	)
Total stockholders' equity	648,828	716,108	
Total liabilities and stockholders' equity	\$2,689,842	\$2,702,764	
See accompanying notes to consolidated financial statements.			

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## NORTHFIELD BANCORP, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Three and Six months ended June 30, 2014 and 2013

(Unaudited)

(In thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,		
	2014	2013	2014	2013	
Interest income:					
Loans	\$17,466	\$16,707	\$35,262	\$33,194	
Mortgage-backed securities	4,343	5,606	8,932	11,998	
Other securities	157	502	314	943	
Federal Home Loan Bank of New York dividends	172	118	382	274	
Deposits in other financial institutions	13	21	25	61	
Total interest income	22,151	22,954	44,915	46,470	
Interest expense:					
Deposits	1,254	1,600	2,492	3,738	
Borrowings	2,377	2,599	4,788	5,212	
Total interest expense	3,631	4,199	7,280	8,950	
Net interest income	18,520	18,755	37,635	37,520	
(Recovery) of / provision for loan losses	(146	) 417	271	694	
Net interest income after provision for loan losses	18,666	18,338	37,364	36,826	
Non-interest income:					
Fees and service charges for customer services	1,030	773	2,059	1,484	
Income on bank owned life insurance	984	824	1,968	1,589	
Gain on securities transactions, net	319	385	443	2,198	
Other-than-temporary impairment losses on securities	—	(362	) —	(434	)
Net impairment losses on securities recognized in earnings	—	(362	) —	(434	)
Other	54	78	89	117	
Total non-interest income	2,387	1,698	4,559	4,954	
Non-interest expense:					
Compensation and employee benefits	6,538	6,602	11,773	13,514	
Occupancy	2,280	2,458	4,902	4,860	
Furniture and equipment	417	454	836	883	
Data processing	996	954	1,967	2,550	
Professional fees	680	722	1,206	1,468	
FDIC insurance	311	365	620	752	
Other	1,476	1,654	3,457	3,548	
Total non-interest expense	12,698	13,209	24,761	27,575	
Income before income tax expense	8,355	6,827	17,162	14,205	
Income tax expense	2,915	2,528	6,503	5,114	
Net income	\$5,440	\$4,299	\$10,659	\$9,091	
Net income per common share:					
Basic	\$0.11	\$0.08	\$0.21	\$0.17	
Diluted	\$0.11	\$0.08	\$0.20	\$0.16	





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## NORTHFIELD BANCORP, INC.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) - (Continued)

Three and Six months ended June 30, 2014 and 2013

(Unaudited)

(In thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Other comprehensive income:				
Unrealized gains (losses) on securities:				
Net unrealized holding gains (losses) on securities	\$2,759	\$(21,216 )	\$6,099	\$(26,130 )
Less: reclassification adjustment for gains included in net income (included in gain on securities transactions, net)	(144 )	(322 )	(199 )	(1,892 )
Net unrealized gains (losses)	2,615	(21,538 )	5,900	(28,022 )
Post retirement benefit adjustment	—	—	(1,141 )	
Reclassification adjustment for OTTI impairment included in net income (included OTTI losses on securities)	—	362	—	434
Other comprehensive income (loss), before tax	2,615	(21,176 )	4,759	(27,588 )
Income tax expense (benefit) related to net unrealized holding gains (losses) on securities	1,103	(8,269 )	2,439	(10,192 )
Income tax expense related to reclassification adjustment for gains included in net income	(58 )	(129 )	(80 )	(757 )
Income tax expense related to post retirement benefit adjustment	—	—	(458 )	
Income tax benefit related to reclassification adjustment for OTTI impairment included in net income	—	145	—	174
Other comprehensive income (loss), net of tax	\$1,570	(12,923 )	2,858	(16,813 )
Comprehensive income (loss)	\$7,010	\$(8,624 )	\$13,517	\$(7,722 )

See accompanying notes to consolidated financial statements.

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## NORTHFIELD BANCORP, INC.

## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Six Months Ended June 30, 2014, and 2013

(Unaudited)

(In thousands, except share data)

	Common Stock		Additional	Unallocated Common Stock Held by the Employee Stock Ownership Plan	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of tax	Treasury Stock	Total Stockholders' Equity
	Shares Issued	Par Value	Paid-in Capital					
Balance at December 31, 2012	46,904,286	\$469	\$230,253	\$(13,965 )	\$249,892	\$ 18,231	\$(70,007)	\$ 414,873
Net income					9,091			9,091
Other comprehensive loss, net of tax						(16,813 )		(16,813 )
ESOP shares allocated or committed to be released			207	507				714
Stock compensation expense			1,567					1,567
Additional tax benefit on equity awards			296					296
Corporate reorganization:								
Merger of Northfield Bancorp, MHC	(24,641,684)	(246 )	370					124
Exchange of common stock	(16,845,135)	(169 )	169					—
Treasury stock retired	(5,417,467 )	(54 )	(69,953 )				70,007	—
Proceeds of stock offering, net of costs	58,199,819	582	329,396					329,978
Purchase of common stock by ESOP			14,224	(14,224 )				—
Exercise of stock options	12,785		21					21
Cash dividends declared (\$0.37 per common share)					(20,276 )			(20,276 )
Balance at June 30, 2013	58,212,604	\$582	\$506,550	\$(27,682 )	\$238,707	\$ 1,418	\$—	\$ 719,575
Balance at December 31, 2013	58,226,326	\$582	\$508,609	\$(26,985 )	\$242,180	\$ (4,650 )	\$(3,628 )	\$ 716,108
Net income					10,659			10,659

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Other comprehensive income, net of tax						2,858		2,858
ESOP shares allocated or committed to be released	298	525						823
Stock compensation expense		510						510
Additional tax benefit on equity awards		388						388
Issuance of restricted stock		(12,717)					12,717	—
Exercise of stock options					(621 )		799	178
Cash dividends declared (\$0.12 per common share)					(6,584 )			(6,584 )
Treasury stock (average cost of \$12.80 per share)							(76,112 )	(76,112 )
Balance at June 30, 2014	58,226,326	\$582	\$497,088	\$(26,460 )	\$245,634	\$(1,792 )	\$(66,224)	\$ 648,828

See accompanying notes to consolidated financial statements.

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NORTHFIELD BANCORP, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Six months ended June 30, 2014, and 2013  
(Unaudited) (In thousands)

	2014	2013	
Cash flows from operating activities:			
Net income	\$10,659	\$9,091	
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	271	694	
ESOP and stock compensation expense	1,333	2,281	
Depreciation	1,853	1,756	
Amortization of premiums, and deferred loan costs, net of (accretion) of discounts, and deferred loan fees	694	1,175	
Amortization intangible assets	211	223	
Income on bank owned life insurance	(1,968)	(1,589)	)
Net (gain) on sale of loans held-for-sale	(13)	(9)	)
Proceeds from sale of loans held-for-sale	822	7,183	
Origination of loans held-for-sale	(809)	(2,284)	)
Gain on securities transactions, net	(443)	(2,198)	)
Loss on sale of other real estate owned	19	—	
Net purchases of trading securities	(98)	(285)	)
(Increase) decrease in accrued interest receivable	(348)	7	
Increase in other assets	(3,351)	(1,835)	)
Increase (decrease) in accrued expenses and other liabilities	691	(176)	)
Net cash provided by operating activities	9,523	14,034	
Cash flows from investing activities:			
Net increase in loans receivable	(84,332)	(90,451)	)
Purchases of Federal Home Loan Bank of New York stock, net	(1,725)	(297)	)
Purchases of securities available-for-sale	(436)	(264,594)	)
Principal payments and maturities on securities available-for-sale	76,731	224,662	
Principal payments and maturities on securities held-to-maturity	—	2,219	
Purchases of securities held-to-maturity	(4,037)	—	)
Proceeds from sale of securities available-for-sale	7,270	146,490	
Purchases of bank owned life insurance	—	(16,000)	)
Death benefits received from bank owned life insurance	—	193	
Proceeds from sale of other real estate owned	418	94	
Purchases and improvements of premises and equipment	(405)	(2,392)	)
Net cash used in investing activities	(6,516)	(76)	)
Cash flows from financing activities:			
Net decrease in deposits	(11,742)	(133,355)	)
Dividends paid	(6,584)	(20,276)	)
Net proceeds from sale of common stock	—	54,648	
Merger of Northfield Bancorp, MHC	—	124	
Purchase of common stock for ESOP	—	(14,224)	)
Exercise of stock options	178	21	
Purchase of treasury stock	(76,112)	—	)
Additional tax benefit on equity awards	388	296	
Increase in advance payments by borrowers for taxes and insurance	1,401	2,185	

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Repayments under capital lease obligations	(158	) (140	)
Proceeds from securities sold under agreements to repurchase and other borrowings	159,166	56,301	
Repayments related to securities sold under agreements to repurchase and other borrowings	(95,000	) (62,946	)
Net cash used in financing activities	(28,463	) (117,366	)
Net decrease in cash and cash equivalents	(25,456	) (103,408	)
Cash and cash equivalents at beginning of period	61,239	128,761	
Cash and cash equivalents at end of period	\$35,783	\$25,353	

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NORTHFIELD BANCORP, INC.  
 CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)  
 Six Months Ended June 30, 2014, and 2013  
 (Unaudited) (In thousands)

Supplemental cash flow information:

Cash paid during the period for:

Interest	\$7,304	\$8,865
Income taxes	11,585	9,449
Non-cash transactions:		
Loans charged-off, net	41	298
Other real estate owned write-downs	47	—
Transfers of loans to other real estate owned	490	—
Increase in due from broker for sales of securities available-for-sale	1,909	—
Deposits utilized to purchase common stock	\$—	\$289,554

See accompanying notes to consolidated financial statements.

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## 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. (the “Company”) and its wholly owned subsidiaries, Northfield Investments, Inc. and Northfield Bank (“the Bank”) and the Bank’s wholly-owned significant subsidiaries, NSB Services Corp. and NSB Realty Trust. 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 six months ended June 30, 2014, are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2014. Whenever necessary, certain prior year amounts are reclassified to conform to the current year presentation.

In preparing the unaudited consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”), management has made estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the consolidated statements of financial condition and results of operations for the periods indicated. Material estimates that are particularly susceptible to change are: the allowance for loan losses, the evaluation of goodwill and other intangible assets, impairment on investment securities, fair value measurements of assets and liabilities, and income taxes. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are deemed necessary. While management uses its best judgment, actual amounts or results could differ significantly from those estimates.

Certain information and note disclosures usually included in financial statements prepared in accordance with U.S. GAAP 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/A for the year ended December 31, 2013, of Northfield Bancorp, Inc. as filed with the SEC.

## Note 2 – Securities

The following is a comparative summary of mortgage-backed securities and other securities available-for-sale at June 30, 2014, and December 31, 2013 (in thousands):

	June 30, 2014			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Mortgage-backed securities:				
Pass-through certificates:				
Government sponsored enterprises (GSE)	\$329,988	\$9,682	\$1,885	\$337,785
Real estate mortgage investment conduits (REMICs):				
GSE	451,738	1,396	12,359	440,775
Non-GSE	1,712	25	40	1,697
	783,438	11,103	14,284	780,257
Other securities:				
Equity investments-mutual funds	647	—	—	647
Corporate bonds	76,161	231	—	76,392
	76,808	231	—	77,039
Total securities available-for-sale	\$860,246	\$11,334	\$14,284	\$857,296





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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

	December 31, 2013			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Mortgage-backed securities:				
Pass-through certificates:				
GSE	\$366,884	\$8,573	\$5,113	\$370,344
Real estate mortgage investment conduits (REMICs):				
GSE	497,575	1,699	14,047	485,227
Non-GSE	4,474	126	48	4,552
	868,933	10,398	19,208	860,123
Other securities:				
Equity investments-mutual funds	510	—	—	510
Corporate bonds	76,491	66	105	76,452
	77,001	66	105	76,962
Total securities available-for-sale	\$945,934	\$10,464	\$19,313	\$937,085

The following is a summary of the expected maturity distribution of debt securities available-for-sale, other than mortgage-backed securities, at June 30, 2014 (in thousands):

Available-for-sale	Amortized cost	Estimated fair value
Due in one year or less	\$10,039	\$10,058
Due after one year through five years	66,122	66,334
	\$76,161	\$76,392

Expected maturities on mortgage-backed securities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without penalties.

For the three and six months ended June 30, 2014, the Company had gross proceeds of \$6.4 million and \$7.3 million, respectively, on sales of securities available-for-sale with gross realized gains of approximately \$144,000 and \$199,000, respectively, and no gross realized losses for the three and six months ended June 30, 2014. For the three and six months ended June 30, 2013, the Company had gross proceeds of \$121.4 million and \$146.5 million, respectively, on sales of securities available-for-sale with gross realized gains of approximately \$363,000 and \$2.1 million, respectively, and gross realized losses of \$41,000 and \$177,000. The Company recognized \$175,000 and \$244,000 in gains on its trading securities portfolio during the three and six months ended June 30, 2014. The Company recognized \$63,000 and \$306,000 in gains on its trading securities portfolio during the three and six months ended June 30, 2013. The Company did not recognize any other-than-temporary impairment charges during the three and six months ended June 30, 2014, and recognized \$362,000 and \$434,000 of other-than-temporary impairment charges during the three and six months ended June 30, 2013.

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## NORTHFIELD BANCORP, INC.

## Notes to Unaudited Consolidated Financial Statements - (Continued)

Gross unrealized losses on mortgage-backed securities, equity investments, and corporate bonds available-for-sale, and the estimated fair value of the related securities, aggregated by security category and length of time that individual securities have been in a continuous unrealized loss position, at June 30, 2014, and December 31, 2013, were as follows (in thousands):

	June 30, 2014					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value
Mortgage-backed securities:						
Pass-through certificates:						
GSE	\$1	\$109	\$1,884	\$65,519	\$1,885	\$65,628
REMICs:						
GSE	511	32,876	11,848	289,180	12,359	322,056
Non-GSE	15	816	25	405	40	1,221
Total	\$527	\$33,801	\$13,757	\$355,104	\$14,284	\$388,905
	December 31, 2013					
	Less than 12 months		12 months or more		Total	
	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value	Unrealized losses	Estimated fair value
Mortgage-backed securities:						
Pass-through certificates:						
GSE	\$5,087	\$150,473	\$26	\$4,482	\$5,113	\$154,955
REMICs:						
GSE	12,923	283,419	1,124	44,606	14,047	328,025
Non-GSE	23	1,092	25	442	48	1,534
Other Securities:						
Corporate Bonds	\$105	\$44,763	\$—	\$—	\$105	\$44,763
Total	\$18,138	\$479,747	\$1,175	\$49,530	\$19,313	\$529,277

The Company held 14 pass-through mortgage-backed securities issued or guaranteed by GSEs, 19 REMIC mortgage-backed securities issued or guaranteed by GSEs, and one REMIC mortgage-backed security not issued or guaranteed by GSEs that were in a continuous unrealized loss position of greater than twelve months at June 30, 2014. There was one pass-through mortgage-backed security issued or guaranteed by GSEs, five REMIC mortgage-backed securities issued or guaranteed by GSEs, and one REMIC mortgage-backed security not issued or guaranteed by GSEs that were in an unrealized loss position of less than twelve months. All securities referred to above were rated investment grade at June 30, 2014. The declines in value relate to the general interest rate environment and are considered temporary. The securities cannot be prepaid in a manner that would result in the Company not receiving substantially all of its amortized cost. The Company neither has an intent to sell, nor is it more likely than not that the Company will be required to sell, the securities before the recovery of their amortized cost basis or, if necessary, maturity.

The fair values of our investment securities could decline in the future if the underlying performance of the collateral for the collateralized mortgage obligations or other securities deteriorates and our credit enhancement levels do not provide sufficient protections to our contractual principal and interest, which may result in other-than-temporary impairment in the future.



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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

## Note 3 – Loans

Net loans held-for-investment is as follows (in thousands):

	June 30, 2014	December 31, 2013
Real estate loans:		
Multifamily	\$933,832	\$870,951
Commercial mortgage	353,846	340,174
One-to-four family residential mortgage	77,051	64,753
Home equity and lines of credit	48,635	46,231
Construction and land	15,590	14,152
Total real estate loans	1,428,954	1,336,261
Commercial and industrial loans	12,932	10,162
Other loans	2,325	2,310
Total commercial and industrial and other loans	15,257	12,472
Deferred loan cost, net	4,006	3,458
Originated loans held-for-investment, net	1,448,217	1,352,191
PCI Loans	49,547	59,468
Loans acquired:		
Multifamily	7,722	3,930
Commercial mortgage	11,674	13,254
One-to-four family residential mortgage	55,963	60,262
Construction and land	368	371
Total loans acquired, net	75,727	77,817
Loans held-for-investment, net	1,573,491	1,489,476
Allowance for loan losses	(26,267	) (26,037
Net loans held-for-investment	\$1,547,224	\$1,463,439

Loans held-for-sale amounted to \$471,000 at June 30, 2014, and December 31, 2013.

Purchased credit-impaired (PCI) loans, primarily acquired as part of a Federal Deposit Insurance Corporation-assisted transaction, totaled \$49.5 million at June 30, 2014, as compared to \$59.5 million at December 31, 2013. The Company accounts for PCI loans utilizing GAAP applicable to loans acquired with deteriorated credit quality. PCI loans consist of approximately 33% commercial real estate and 51% commercial and industrial loans, with the remaining balance in residential and home equity loans. The following details the accretion of interest income for the periods indicated:

	Six months ended	
	June 30, 2014	2013
Balance at the beginning of period	\$32,464	\$43,431
Accretion into interest income	(2,518	) (2,977
Net reclassification from non-accretable difference	374	—
Balance at end of period	\$30,320	\$40,454

Activity in the allowance for loan losses is as follows (in thousands):

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	At or for the six months ended June 30,	
	2014	2013
Beginning balance	\$26,037	\$26,424
Provision for loan losses	271	694
Charge-offs, net	(41	) (298
Ending balance	\$26,267	\$26,820

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## NORTHFIELD BANCORP, INC.

## Notes to Unaudited Consolidated Financial Statements - (Continued)

The following tables set forth activity in our allowance for loan losses, by loan type, as of and for the six months ended June 30, 2014, and as of and for the year ended December 31, 2013. The following tables also detail the amount of originated and acquired loans held-for-investment, net of deferred loan fees and costs, that are evaluated individually, and collectively, for impairment, and the related portion of the allowance for loan losses that is allocated to each loan portfolio segment, at June 30, 2014, and December 31, 2013 (in thousands). There was a \$40,000 related allowance for acquired loans at June 30, 2014, and \$0 at December 31, 2013.

June 30, 2014

Real Estate

	Commercial	One-to-Family	Construction and Land	Multifamily	Home Equity and Lines of Credit	Commercial and Industrial	Other	Unallocated	Originated Loans Total	Purchased Credit-Impr
Allowance for loan losses:										
Beginning Balance	\$12,619	\$875	\$205	\$9,374	\$860	\$425	\$67	\$1,024	\$25,449	\$588
Charge-offs	—	(22)	(1)	—	(294)	—	—	—	(317)	—
Recoveries	—	—	246	—	—	—	30	—	276	—
Provisions	(737)	159	(294)	506	427	106	(32)	284	419	(188)
Ending Balance	\$11,882	\$1,012	\$156	\$9,880	\$993	\$531	\$65	\$1,308	\$25,827	\$400
Ending balance: individually evaluated for impairment	\$2,469	\$7	\$—	\$90	\$3	\$91	\$—	\$—	\$2,660	\$—
Ending balance: collectively evaluated for impairment	\$9,413	\$1,005	\$156	\$9,790	\$990	\$440	\$65	\$1,308	\$23,167	\$400
Loans held-for-investment, net:										
Ending Balance	\$354,330	\$77,644	\$15,613	\$935,900	\$49,431	\$12,974	\$2,325	\$—	\$1,448,217	\$49,547
Ending balance: individually evaluated for impairment	\$29,901	\$730	\$—	\$2,980	\$335	\$1,015	\$—	\$—	\$34,961	\$—
Ending balance: collectively evaluated for impairment	\$324,429	\$76,914	\$15,613	\$932,920	\$49,096	\$11,959	\$2,325	\$—	\$1,413,256	\$49,547

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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

	December 31, 2013										
	Real Estate										
	Commercial	One-to-Family	Construction and Land	Multifamily	Home Equity and Lines of Credit	Commercial and Industrial	Other	Unallocated	Originated Loans Total	Purchased Credit-Impaired	Total
Allowance for loan losses:											
Beginning Balance	\$ 14,480	\$ 623	\$ 994	\$ 7,086	\$ 623	\$ 1,160	\$ 21	\$ 1,201	\$ 26,188	\$ 236	\$ 26,424
Charge-offs	(1,208 )	(414 )	—	(657 )	(491 )	(379 )	(25 )	—	(3,174 )	—	(3,174 )
Recoveries	1	18	567	—	—	201	73	—	860	—	860
Provisions	(654 )	648	(1,356 )	2,945	728	(557 )	(2 )	(177 )	1,575	352	1,927
Ending Balance	\$ 12,619	\$ 875	\$ 205	\$ 9,374	\$ 860	\$ 425	\$ 67	\$ 1,024	\$ 25,449	\$ 588	\$ 26,037
Ending balance: individually evaluated for impairment	\$ 2,385	\$ 19	\$ —	\$ 117	\$ 7	\$ 104	\$ —	\$ —	\$ 2,632	\$ —	\$ 2,632
Ending balance: collectively evaluated for impairment	\$ 10,234	\$ 856	\$ 205	\$ 9,257	\$ 853	\$ 321	\$ 67	\$ 1,024	\$ 22,817	\$ 588	\$ 23,405
Originated loans, net:											
Ending balance	\$ 340,534	\$ 65,289	\$ 14,161	\$ 872,901	\$ 46,825	\$ 10,202	\$ 2,279	\$ —	\$ 1,352,191	\$ —	\$ 1,352,191
Ending balance: individually evaluated for impairment	\$ 32,194	\$ 1,115	\$ 109	\$ 2,074	\$ 1,341	\$ 1,504	\$ —	\$ —	\$ 38,337	\$ —	\$ 38,337
Ending balance: collectively evaluated for impairment	\$ 308,340	\$ 64,174	\$ 14,052	\$ 870,827	\$ 45,484	\$ 8,698	\$ 2,279	\$ —	\$ 1,313,854	\$ —	\$ 1,313,854





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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

The Company monitors the credit quality of its loans by reviewing certain key credit quality indicators. Management has determined that loan-to-value ratios (at period end) and internally assigned credit risk ratings by loan type are the key credit quality indicators that best help management monitor the credit quality of the Company's loans. Loan-to-value ratios used by management in monitoring credit quality are based on current period loan balances and original values at time of origination (unless a more current appraisal has been obtained). In calculating the provision for loan losses, management has determined that commercial real estate loans and multifamily loans having loan-to-value ratios of less than 35%, and one-to-four family loans having loan-to-value ratios of less than 60%, require less of a loss factor than those with higher loan-to-value ratios.

The Company maintains a credit risk rating system as part of the risk assessment of its loan portfolio. The Company's lending officers are required to assign a credit risk rating to each loan in their portfolio at origination. When the lending officer learns of important financial developments, the risk rating is reviewed and adjusted if necessary. Periodically, management presents monitored assets to the Board Loan Committee. In addition, the Company engages a third party independent loan reviewer that performs semi-annual reviews of a sample of loans, validating the credit risk ratings assigned to such loans. The credit risk ratings play an important role in the establishment of the loan loss provision and in confirming the adequacy of the allowance for loan losses. After determining the general reserve loss factor for each portfolio segment, the portfolio segment balance collectively evaluated for impairment is multiplied by the general reserve loss factor for the respective portfolio segment in order to determine the general reserve. Loans collectively evaluated for impairment that have an internal credit rating of special mention or substandard are multiplied by a multiple of the general reserve loss factors for each portfolio segment, in order to determine the general reserve.

When assigning a risk rating to a loan, management utilizes the Bank's internal nine-point credit risk rating system:

- 1.Strong
- 2.Good
- 3.Acceptable
- 4.Adequate
- 5.Watch
- 6.Special Mention
- 7.Substandard
- 8.Doubtful
- 9.Loss

Loans rated 1 through 5 are considered pass ratings. An asset is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard assets have well defined weaknesses based on objective evidence, and are characterized by the distinct possibility the Company will sustain some loss if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses present make collection or liquidation in full highly questionable and improbable based on current circumstances. Assets classified as loss are those considered uncollectible and of such little value that their continuance as assets is not warranted. Assets which do not currently expose the Company to sufficient risk to warrant classification in one of the aforementioned categories, but possess weaknesses, are designated special mention.



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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

The following tables detail the recorded investment of originated loans held-for-investment, net of deferred fees and costs, by loan type and credit quality indicator at June 30, 2014, and December 31, 2013 (in thousands):

At June 30, 2014

Real Estate

	Multifamily		Commercial		One-to-Four Family		Construction and Land	Home Equity and Lines of Credit	Commercial and Industrial	Other	Total
	< 35% LTV	=> 35% LTV	< 35% LTV	=> 35% LTV	< 60% LTV	=> 60% LTV					
	Internal Risk Rating										
Pass	\$37,169	\$885,615	\$42,795	\$256,278	\$43,732	\$28,021	\$15,027	\$48,750	\$10,695	\$2,325	\$1,370,400
Special Mention	296	5,335	1,282	10,170	2,159	366	586	368	208	—	20,770
Substandard	811	6,674	1,250	42,555	1,679	1,687	—	313	2,071	—	57,040
Originated loans held-for-investment, net	\$38,276	\$897,624	\$45,327	\$309,003	\$47,570	\$30,074	\$15,613	\$49,431	\$12,974	\$2,325	\$1,448,210

At December 31, 2013

Real Estate

	Multifamily		Commercial		One-to-Four Family		Construction and Land	Home Equity and Lines of Credit	Commercial and Industrial	Other	Total
	< 35% LTV	=> 35% LTV	< 35% LTV	=> 35% LTV	< 60% LTV	=> 60% LTV					
	Internal Risk Rating										
Pass	\$40,966	\$817,923	\$42,995	\$240,472	\$28,595	\$30,241	\$13,458	\$45,117	\$7,488	\$2,279	\$1,269,530
Special Mention	309	7,866	1,304	12,938	2,289	703	595	469	962	—	27,435
Substandard	821	5,016	1,333	41,492	1,388	2,073	108	1,239	1,752	—	55,222
Originated loans held-for-investment, net	\$42,096	\$830,805	\$45,632	\$294,902	\$32,272	\$33,017	\$14,161	\$46,825	\$10,202	\$2,279	\$1,352,190

Included in originated and acquired loans receivable (including held-for-sale) are loans for which the accrual of interest income has been discontinued due to deterioration in the financial condition of the borrowers. The recorded investment of these nonaccrual loans was \$15.8 million and \$17.8 million at June 30, 2014, and December 31, 2013, respectively. Generally, loans are placed on non-accruing status when they become 90 days or more delinquent, and remain on non-accrual status until they are brought current, have six consecutive months of performance under the loan terms, and factors indicating reasonable doubt about the timely collection of payments no longer exist. Therefore, loans may be current in accordance with their loan terms, or may be less than 90 days delinquent and still be on a non-accruing status.

These non-accrual amounts included loans deemed to be impaired of \$11.6 million and \$13.5 million at June 30, 2014, and December 31, 2013, respectively. Loans on non-accrual status with principal balances less than \$500,000, and therefore not meeting the Company's definition of an impaired loan, amounted to \$3.7 million and \$3.8 million at June 30, 2014, and December 31, 2013, respectively. Non-accrual amounts included in loans held-for-sale were \$471,000 at June 30, 2014, and December 31, 2013. Loans past due 90 days or more and still accruing interest were \$605,000 and \$32,000 at June 30, 2014, and December 31, 2013, respectively, and consisted of loans that are considered well secured and in the process of collection.

The following tables set forth the detail, and delinquency status, of non-performing loans (non-accrual loans and loans past due 90 or more and still accruing), net of deferred fees and costs, at June 30, 2014, and December 31, 2013, excluding loans held-for-sale (in thousands). The following table excludes PCI loans at June 30, 2014, and December 31, 2013, which have been segregated into pools in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 310-30. Each loan pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. At June 30, 2014, expected future cash flows of each PCI loan pool were consistent with those estimated in our most recent recast of the cash flows.

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## NORTHFIELD BANCORP, INC.

## Notes to Unaudited Consolidated Financial Statements - (Continued)

	At June 30, 2014					
	Total Non-Performing Loans					
	Non-Accruing Loans					
	0-29 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total	90 Days or More Past Due and Accruing	Total Non-Performing Loans
Loans held-for-investment:						
Real estate loans:						
Commercial						
LTV => 35%						
Substandard	406	2,425	8,068	10,899	—	10,899
Total	406	2,425	8,068	10,899	—	10,899
Total commercial	406	2,425	8,068	10,899	—	10,899
One-to-four family residential						
LTV < 60%						
Pass	—	—	—	—	357	357
Special Mention	—	14	77	91	26	117
Substandard	—	416	179	595	—	595
Total	—	430	256	686	383	1,069
LTV => 60%						
Substandard	—	—	1,168	1,168	155	1,323
Total	—	—	1,168	1,168	155	1,323
Total one-to-four family residential	—	430	1,424	1,854	538	2,392
Multifamily						
LTV => 35%						
Substandard	—	—	1,023	1,023	—	1,023
Total multifamily	—	—	1,023	1,023	—	1,023
Home equity and lines of credit						
Substandard	—	101	120	221	—	221
Total home equity and lines of credit	—	101	120	221	—	221
Commercial and industrial loans						
Substandard	—	—	408	408	37	445
Total commercial and industrial loans	—	—	408	408	37	445
Other loans						
Pass	—	—	—	—	30	30
Total other loans	—	—	—	—	30	30
Total non-performing loans held-for-investment	406	2,956	11,043	14,405	605	15,010
Loans acquired:						
One-to-four family residential						
LTV < 60%						
Substandard	297	—	313	610	—	610
Total	297	—	313	610	—	610
LTV => 60%						

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Substandard	299	—	—	299	—	299
Total	299	—	—	299	—	299
Total one-to-four family residential	596	—	313	909	—	909
Total non-performing loans acquired	596	—	313	909	—	909
Total non-performing loans	\$1,002	\$2,956	\$11,356	\$15,314	\$605	\$ 15,919

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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

	At December 31, 2013					Total Non-Performing Loans
	Total Non-Performing Loans Non-Accruing Loans					
	0-29 Days Past Due	30-89 Days Past Due	90 Days or More Past Due	Total	90 Days or More Past Due and Accruing	
Loans held-for-investment:						
Real estate loans:						
Commercial						
LTV => 35%						
Special Mention	—	—	335	335	—	335
Substandard	3,606	421	7,836	11,863	—	11,863
Total	3,606	421	8,171	12,198	—	12,198
Total commercial	3,606	421	8,171	12,198	—	12,198
One-to-four family residential						
LTV < 60%						
Special Mention	—	16	114	130	—	130
Substandard	—	418	186	604	—	604
Total	—	434	300	734	—	734
LTV => 60%						
Substandard	—	189	993	1,182	—	1,182
Total	—	189	993	1,182	—	1,182
Total one-to-four family residential	—	623	1,293	1,916	—	1,916
Construction and land						
Substandard	108	—	—	108	—	108
Total construction and land	108	—	—	108	—	108
Multifamily						
LTV => 35%						
Substandard	—	—	73	73	—	73
Total multifamily	—	—	73	73	—	73
Home equity and lines of credit						
Substandard	—	—	1,239	1,239	—	1,239
Total home equity and lines of credit	—	—	1,239	1,239	—	1,239
Commercial and industrial loans						
Substandard	—	—	441	441	—	441
Total commercial and industrial loans	—	—	441	441	—	441
Other loans						
Pass	—	—	—	—	32	32
Total other loans	—	—	—	—	32	32
Total non-performing loans held-for-investment	3,714	1,044	11,217	15,975	32	16,007
Loans acquired:						
One-to-four family residential						
LTV => 60%						
Substandard	607	—	466	1,073	—	1,073

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Total one-to-four family residential	607	—	466	1,073	—	1,073
Commercial						
LTV => 35%						
Special Mention	—	—	252	252	—	252
Total commercial	—	—	252	252	—	252
Total non-performing loans acquired:	607	—	718	1,325	—	1,325
Total non-performing loans	\$4,321	\$1,044	\$11,935	\$17,300	\$32	\$ 17,332

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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

The following tables set forth the detail and delinquency status of originated and acquired loans held-for-investment, net of deferred fees and costs, by performing and non-performing loans at June 30, 2014 and December 31, 2013 (in thousands).

	June 30, 2014				
	Performing (Accruing) Loans				
	0-29 Days Past Due	30-89 Days Past Due	Total	Non-Performing Loans	Total Loans Receivable, net
Loans held-for-investment:					
Real estate loans:					
Commercial					
LTV < 35%					
Pass	\$42,795	\$—	\$42,795	\$—	\$42,795
Special Mention	—	1,282	1,282	—	1,282
Substandard	1,250	—	1,250	—	1,250
Total	44,045	1,282	45,327	—	45,327
LTV => 35%					
Pass	254,691	1,587	256,278	—	256,278
Special Mention	10,170	—	10,170	—	10,170
Substandard	30,352	1,304	31,656	10,899	42,555
Total	295,213	2,891	298,104	10,899	309,003
Total commercial	339,258	4,173	343,431	10,899	354,330
One-to-four family residential					
LTV < 60%					
Pass	43,039	336	43,375	357	43,732
Special Mention	1,661	381	2,042	117	2,159
Substandard	841	243	1,084	595	1,679
Total	45,541	960	46,501	1,069	47,570
LTV => 60%					
Pass	25,334	2,687	28,021	—	28,021
Special Mention	366	—	366	—	366
Substandard	—	364	364	1,323	1,687
Total	25,700	3,051	28,751	1,323	30,074
Total one-to-four family residential	71,241	4,011	75,252	2,392	77,644
Construction and land					
Pass	15,027	—	15,027	—	15,027
Special Mention	586	—	586	—	586
Total construction and land	15,613	—	15,613	—	15,613
Multifamily					
LTV < 35%					
Pass	37,169	—	37,169	—	37,169
Special Mention	296	—	296	—	296
Substandard	811	—	811	—	811
Total	38,276	—	38,276	—	38,276
LTV => 35%					
Pass	885,615	—	885,615	—	885,615

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Special Mention	4,229	1,106	5,335	—	5,335
Substandard	3,983	1,668	5,651	1,023	6,674
Total	893,827	2,774	896,601	1,023	897,624
Total multifamily	932,103	2,774	934,877	1,023	935,900

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NORTHFIELD BANCORP, INC.

Notes to Unaudited Consolidated Financial Statements - (Continued)

	June 30, 2014			Non-Performing Loans	Total Loans Receivable, net
	Performing (Accruing) Loans				
	0-29 Days Past Due	30-89 Days Past Due	Total		
Home equity and lines of credit					
Pass	48,325	425	48,750	—	48,750
Special Mention	368	—	368	—	368
Substandard	92	—	92	221	313
Total home equity and lines of credit	48,785	425	49,210	221	49,431
Commercial and industrial loans					
Pass	10,684	11	10,695	—	10,695
Special Mention	208	—	208	—	208
Substandard	1,452	174			