

FLUSHING FINANCIAL CORP
Form 10-Q
May 10, 2013

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 March 31, 2013

Commission file number 001-33013

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

Delaware
(State or other jurisdiction of incorporation or organization)

11-3209278
(I.R.S. Employer Identification No.)

1979 Marcus Avenue, Suite E140, Lake Success, New York 11042
(Address of principal executive offices)

(718) 961-5400
(Registrant's telephone number, including area code)

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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

The number of shares of the registrant's Common Stock outstanding as of April 30, 2013 was 30,835,169.

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PART I – FINANCIAL INFORMATION
 FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
 Consolidated Statements of Financial Condition
 (Unaudited)

Item 1. Financial Statements

(Dollars in thousands, except per share data)	March 31, 2013	December 31, 2012
ASSETS		
Cash and due from banks	\$ 46,046	\$ 40,425
Securities available for sale:		
Mortgage-backed securities (\$17,965 and \$24,911 at fair value pursuant to the fair value option at March 31, 2013 and December 31, 2012, respectively)	764,701	720,113
Other securities (\$29,933 and \$29,577 at fair value pursuant to the fair value option at March 31, 2013 and December 31, 2012 respectively)	235,593	229,453
Loans held for sale	9,907	5,313
Loans:		
Multi-family residential	1,528,353	1,534,438
Commercial real estate	507,932	515,438
One-to-four family mixed-use property	615,661	637,353
One-to-four family residential	197,268	198,968
Co-operative apartments	8,221	6,303
Construction	10,952	14,381
Small Business Administration	8,812	9,496
Taxi medallion	8,777	9,922
Commercial business and other	302,726	295,076
Net unamortized premiums and unearned loan fees	12,495	12,746
Allowance for loan losses	(31,027)	(31,104)
Net loans	3,170,170	3,203,017
Interest and dividends receivable	17,209	17,917
Bank premises and equipment, net	22,016	22,500
Federal Home Loan Bank of New York stock	38,686	42,337
Bank owned life insurance	107,068	106,244
Goodwill	16,127	16,127
Core deposit intangible	351	468
Other assets	48,639	47,502
Total assets	\$ 4,476,513	\$ 4,451,416
LIABILITIES		
Due to depositors:		
Non-interest bearing	\$ 160,234	\$ 155,789
Interest-bearing:		
Certificate of deposit accounts	1,200,906	1,253,229
Savings accounts	281,145	288,398
Money market accounts	139,711	148,618
NOW accounts	1,278,071	1,136,599
Total interest-bearing deposits	2,899,833	2,826,844
Mortgagors' escrow deposits	46,585	32,560
Borrowed funds (\$24,742 and \$23,922 at fair value pursuant to the fair value option at March 31, 2013 and December 31, 2012, respectively)	683,064	763,105

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Securities sold under agreements to repurchase	185,300	185,300
Other liabilities	57,614	45,453
Total liabilities	4,032,630	4,009,051

Commitments and contingencies (Note 4 and Note 5)

STOCKHOLDERS' EQUITY

Preferred stock (\$0.01 par value; 5,000,000 shares authorized; None issued)	-	-
Common stock (\$0.01 par value; 100,000,000 shares authorized; 31,530,595 shares issued at March 31, 2013 and December 31, 2012; 30,846,118 shares and 30,743,329 shares outstanding at March 31, 2013 and December 31, 2012, respectively)	315	315
Additional paid-in capital	200,135	198,314
Treasury stock, at average cost (684,477 shares and 787,266 shares at March 31, 2013 and December 31, 2012, respectively)	(9,174)	(10,257)
Retained earnings	244,505	241,856
Accumulated other comprehensive income, net of taxes	8,102	12,137
Total stockholders' equity	443,883	442,365
Total liabilities and stockholders' equity	\$ 4,476,513	\$ 4,451,416

The accompanying notes are an integral part of these consolidated financial statements

PART I – FINANCIAL INFORMATION
FLUSHING FINANCIAL CORPORATION and SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

(Dollars in thousands, except per share data)	For the three months ended March 31,	
	2013	2012
Interest and dividend income		
Interest and fees on loans	\$42,940	\$46,560
Interest and dividends on securities:		