

FIRST OF LONG ISLAND CORP

Form 10-Q

August 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30,  
2018

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 number 001-32964

THE FIRST OF LONG ISLAND CORPORATION

(Exact name of registrant as specified in its charter)

New York 11-2672906  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

10 Glen Head Road, Glen Head, NY 11545  
(Address of principal executive offices) (Zip Code)  
(516) 671-4900

(Registrant's telephone number, including area code)

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 (§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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer  
Non accelerated filer (Do not check if a smaller reporting company) Accelerated filer  
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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.

Title of Each Class	Outstanding at July 31, 2018
Common stock, \$.10 par value per share	25,420,870

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## PART 1. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(dollars in thousands)	June 30, 2018	December 31, 2017
Assets:		
Cash and cash equivalents	\$ 67,186	\$ 69,672
Investment securities:		
Held-to-maturity, at amortized cost (fair value of \$5,653 and \$7,749)	5,575	7,636
Available-for-sale, at fair value	801,859	720,128
	807,434	727,764
Loans:		
Commercial and industrial	103,490	109,623
Secured by real estate:		
Commercial mortgages	1,273,470	1,193,007
Residential mortgages	1,792,213	1,558,564
Home equity lines	78,746	83,625
Consumer and other	6,690	5,533
	3,254,609	2,950,352
Allowance for loan losses	(35,832)	(33,784)
	3,218,777	2,916,568
Restricted stock, at cost	36,659	37,314
Bank premises and equipment, net	40,099	39,648
Bank-owned life insurance	79,828	59,665
Pension plan assets, net	19,311	19,152
Deferred income tax benefit	5,723	—
Other assets	17,458	24,925
	\$ 4,292,475	\$ 3,894,708
Liabilities:		
Deposits:		
Checking	\$ 922,006	\$ 896,129
Savings, NOW and money market	1,761,726	1,602,460
Time, \$100,000 and over	302,966	203,890
Time, other	247,200	119,518
	3,233,898	2,821,997
Short-term borrowings	255,907	281,141

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Long-term debt	414,527	423,797
Accrued expenses and other liabilities	13,904	10,942
Deferred income taxes payable	—	2,381
	3,918,236	3,540,258
Stockholders' Equity:		
Common stock, par value \$.10 per share:		
Authorized, 80,000,000 shares;		
Issued and outstanding, 25,353,336 and 24,668,390 shares	2,535	2,467
Surplus	143,620	127,122
Retained earnings	238,447	224,315
	384,602	353,904
Accumulated other comprehensive income (loss), net of tax	(10,363)	546
	374,239	354,450
	\$ 4,292,475	\$ 3,894,708

See notes to unaudited consolidated financial statements

## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share data)	Six Months Ended		Three Months Ended	
	June 30, 2018	2017	June 30, 2018	2017
Interest and dividend income:				
Loans	\$ 55,170	\$ 46,637	\$ 28,506	\$ 23,718
Investment securities:				
Taxable	5,210	4,077	3,001	1,875
Nontaxable	6,870	6,754	3,439	3,377
	67,250	57,468	34,946	28,970
Interest expense:				
Savings, NOW and money market deposits	5,698	3,065	3,158	1,574
Time deposits	4,577	2,549	2,869	1,361
Short-term borrowings	1,656	729	873	340
Long-term debt	4,278	3,672	2,161	1,902
	16,209	10,015	9,061	5,177
Net interest income	51,041	47,453	25,885	23,793
Provision for loan losses	2,315	2,081	803	1,293
Net interest income after provision for loan losses	48,726	45,372	25,082	22,500
Noninterest income:				
Investment Management Division income	1,157	1,050	576	528
Service charges on deposit accounts	1,287	1,394	587	691
Net gains on sales of securities	—	58	—	1
Other	3,527	2,633	1,516	1,462
	5,971	5,135	2,679	2,682
Noninterest expense:				
Salaries	14,299	12,469	7,252	6,241
Employee benefits and other personnel expense	4,415	3,650	2,245	1,812
Occupancy and equipment	5,878	5,021	3,065	2,500
Other	5,983	5,675	3,145	2,915
	30,575	26,815	15,707	13,468
Income before income taxes	24,122	23,692	12,054	11,714
Income tax expense	2,696	5,478	1,739	2,581
Net income	\$ 21,426	\$ 18,214	\$ 10,315	\$ 9,133
Earnings per share:				
Basic	\$.85	\$.76	\$.41	\$.38
Diluted	.84	.75	.40	.37
Cash dividends declared per share	.30	.28	.15	.14

See notes to unaudited consolidated financial statements





## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in thousands)	Six Months Ended		Three Months	
	June 30,		June 30,	
	2018	2017	2018	2017
Net income	\$ 21,426	\$ 18,214	\$ 10,315	\$ 9,133
Other comprehensive income (loss):				
Change in net unrealized holding gains (losses) on available-for-sale securities				