

NORTHEAST COMMUNITY BANCORP INC
Form 10-Q
November 20, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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 September 30, 2012

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: 0-51852

Northeast Community Bancorp, Inc.

(Exact name of registrant as specified in its charter)

United States of America (State or other jurisdiction of incorporation or organization)	06-1786701 (I.R.S. Employer Identification No.)
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325 Hamilton Avenue, White Plains, New York (Address of principal executive offices)	10601 (Zip Code)
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(914) 684-2500

(Registrant's telephone number, including area code)

N/A

(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 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 definition 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 a 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

As of November 9, 2012, there were 12,644,752 shares of the registrant's common stock outstanding.

Explanatory Note

In connection with the filing of this Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (“Form 10-Q”), Northeast Community Bancorp, Inc. (the “Company”) is relying on Release No. 68224 issued by the Securities and Exchange Commission (the “SEC”), titled “Order Under Section 17A and Section 36 of the Securities Exchange Act of 1934 Granting Exemptions from Specified Provisions of the Exchange Act and Certain Rules Thereunder,” which provides that filings by registrants unable to meeting filing deadlines due to Hurricane Sandy and its aftermath shall be considered timely so long as the filing is made on or before November 21, 2012, and the conditions contained therein are satisfied. The Company was unable to file its Form 10-Q on a timely basis due to the disruptions caused by Hurricane Sandy on the Company’s offices and employees, as well as the Company’s independent auditors, which are all primarily located in regions of New York and New Jersey that were impacted by Hurricane Sandy.

NORTHEAST COMMUNITY BANCORP, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

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ASSETS	
Cash and amounts due from depository institutions	\$6
Interest-bearing deposits	4
Cash and cash equivalents	4
Certificates of deposit	6
Securities available-for-sale	1
Securities held-to-maturity (fair value of \$13,647 and \$16,662, respectively)	1
Loans receivable, net of allowance for loan losses of \$5,705 and \$7,397, respectively	3
Premises and equipment, net	1
Federal Home Loan Bank of New York stock, at cost	1
Bank owned life insurance	1
Accrued interest receivable	9
Goodwill	1
Intangible assets	4
Real estate owned	-
Other assets	6
Total assets	\$4
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities	
Deposits:	
Non-interest bearing	\$2
Interest bearing	2
Total deposits	3
Advance payments by borrowers for taxes and insurance	4
Federal Home Loan Bank advances	1
Accounts payable and accrued expenses	3
Total liabilities	3
Stockholders' equity:	
Preferred stock, \$0.01 par value; 1,000,000 shares authorized, none issued	-
Common stock, \$0.01 par value; 19,000,000 shares authorized; 13,225,000 shares issued; 12,644,752 shares outstanding	1
Additional paid-in capital	5
Unearned Employee Stock Ownership Plan ("ESOP") shares	(

Retained earnings	5
Treasury stock – at cost, 580,248 shares	(
Accumulated other comprehensive loss	(
Total stockholders' equity	1
Total liabilities and stockholders' equity	\$4

See Notes to Consolidated Financial Statements

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	Three Months Ended September 30, 2012		Nine Months Ended September 30, 2012	
	2011	2012	2011	2012
	(In thousands, except per share data)			
INTEREST INCOME:				
Loans	\$4,817	\$5,378	\$14,678	\$16,314
Interest-earning deposits	7	9	29	29
Securities – taxable	116	186	379	548
Total Interest Income	4,940	5,573	15,086	16,891
INTEREST EXPENSE:				
Deposits	634	1,127	2,451	3,428
Borrowings	139	161	419	482
Total Interest Expense	773	1,288	2,870	3,910
Net Interest Income	4,167	4,285	12,216	12,981
PROVISION FOR LOAN LOSSES	1,912	393	2,029	1,113
Net Interest Income after Provision for Loan Losses	2,255	3,892	10,187	11,868
NON-INTEREST INCOME:				
Other loan fees and service charges	293	96	716	244
Gain (loss) on disposition of equipment	—	15	(9)	10
Earnings on bank owned life insurance	163	149	448	442
Investment advisory fees	242	259	681	670
Other	4	(2)	10	5
Total Non-Interest Income	702	517	1,846	1,371
NON-INTEREST EXPENSES:				
Salaries and employee benefits	2,554	1,862	6,928	5,182
Occupancy expense	375	294	983	884
Equipment	219	173	577	458
Outside data processing	265	185	780	592
Advertising	81	58	194	122
FDIC insurance premiums	91	87	283	315
Other	1,219	1,072	3,485	2,579
Total Non-Interest Expenses	4,804	3,731	13,230	10,132

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Income (Loss) before Provision (Benefit) for Income Taxes	(1,847)	678	(1,197)	3,107
PROVISION (BENEFIT) FOR INCOME TAXES	(847)	211	(714)	1,081
Net Income (Loss)	\$ (1,000)	\$ 467	\$ (483)	\$ 2,026
Net Income (Loss) per Common Share – Basic	\$ (0.08)	\$ 0.04	\$ (0.04)	\$ 0.16
Weighted Average Number of Common Shares Outstanding – Basic	12,298	12,277	12,292	12,518
Dividends Declared per Common Share	\$—	\$ 0.03	\$ 0.06	\$ 0.09

See Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three Months Ended September 30, (In thousands)		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net income (Loss)				
Other comprehensive income (loss):	\$ (1,000)	\$ 467	\$ (483)	\$ 2,026
Pension liability – DRP, net of taxes of \$50, \$6, \$84, and \$21, respectively	(63)	8	(126)	66
Unrealized loss on securities available for sale, net of taxes of \$0	—	—	—	(1)
Total comprehensive income (loss)	\$ (1,063)	\$ 475	\$ (609)	\$ 2,091

See Notes to Consolidated Financial Statements

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Nine Months Ended September 30, 2012 and 2011 (in thousands)

	Common Stock	Additional Paid-in Capital	Unearned ESOP Shares	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total Equity
Balance at December 31, 2010	\$ 132	\$ 57,391	\$ (3,888)	\$ 55,335	\$ (664)	\$ (167)	\$ 108,139
Net income				2,026			2,026
Other comprehensive income						65	65
Purchase of 470,048 shares of treasury stock	—	—	—	—	(3,049)	—	(3,049)
Cash dividend declared (\$.09 per share)	—	—	—	(463)			