S&P Global
Market Intelligence

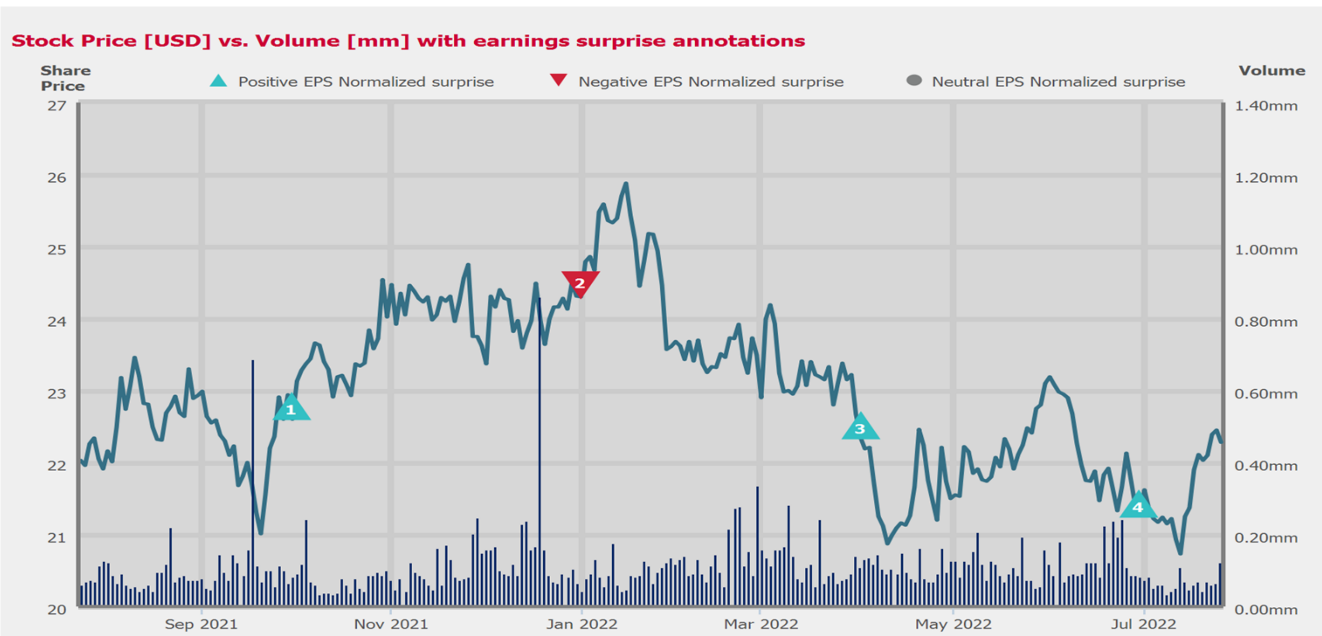
Flushing Financial Corporation NasdaqGS:FFIC
FQ2 2022 Earnings Call Transcripts

Wednesday, July 27, 2022 1:30 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2022-			-FQ3 2022-	-FY 2022-	-FY 2023-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.69	0.70	▲1.45	0.58	2.39	NA
Revenue (mm)	66.22	68.14	▲2.91	65.34	268.73	NA

Currency: USD
Consensus as of Jul-28-2022 3:02 AM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ3 2021	0.64	0.88	▲1 35.38 %
FQ4 2021	0.68	0.67	▼2 (1.47 %)
FQ1 2022	0.54	0.61	▲3 12.96 %
FQ2 2022	0.69	0.70	▲4 1.45 %

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Call Participants

EXECUTIVES

John R. Buran
President, CEO & Director

Susan K. Cullen
Senior EVP, Treasurer & CFO

ANALYSTS

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Manuel Antonio Navas
D.A. Davidson & Co., Research Division

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Presentation

Operator

Welcome to the Flushing Financial Corporation's Second Quarter 2022 Earnings Conference Call. Hosting the call today are John Buran, President and Chief Executive Officer; and Susan Cullen, Senior Executive Vice President, Chief Financial Officer and Treasurer. Today's call is being recorded. [Operator Instructions]

A copy of the earnings press release and slide presentation that the company will be referencing today are available on its Investor Relations website at flushingbank.com.

Before we begin, the company would like to remind you that discussions during this call contain forward-looking statements made under the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. Such statements are subject to risks, uncertainties and other factors that may cause actual results to differ materially from those contained in any such statements, including as set forth in the company's filings with the US Securities and Exchange Commission to which we refer you.

During this call, references will be made to non-GAAP financial measures as supplemental measures to review and assess operating performance. These non-GAAP financial measures are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with US GAAP. For information about these non-GAAP measures and for a reconciliation to GAAP, please refer to the earnings release and/or the presentation.

I would now like to introduce John Buran, President and Chief Executive Officer, who will provide an overview of the strategy and results. Please go ahead.

John R. Buran
President, CEO & Director

Thank you, operator. Good morning, everyone, and thank you for joining us for our second quarter 2022 earnings call. On today's call, I'll discuss second quarter highlights and ongoing strategic objectives before turning the call over to Susan Cullen, Chief Financial Officer. Following our prepared remarks, we will answer your questions.

The company performed very well during the second quarter. We focused on executing on our strategic objectives as the macro environment becomes more challenging with rising rates and concerns about a potential recession.

We reported GAAP earnings per share of $0.81 and core EPS of $0.70. This translated to a return on assets of 1.22% and return on equity of 15%. Core return on assets was 1.05% and core return on equity was 13%. These returns are within range of our stated through-the-cycle goals of 1% and 10%. Core loan yields increased 11 basis points, while core deposit yields increased only 7 basis points. This resulted in a stable net interest margin quarter-over-quarter.

Average noninterest bearing deposits reached a new record at $1 billion for the quarter and increased 13% year-over-year. Loan closings were a record $504 million and the loan pipeline, while down from record levels last quarter, is still the second highest reported level at $583 million.

Asset quality is the hallmark of this company. During the quarter, our nonperforming assets rose to only 59 basis points of assets. The increase was from 3 relationships migrating to nonaccrual, driving the bulk of the increase. One relationship totaling $2 million was resolved after the quarter end. The largest relationship totaling $24 million has a combined LTV of 63%. The third relationship totaling $10 million is an export business that is impacted by macro factors. We view these items as one-offs rather than fundamental portfolio issues.

We continue to invest in the future as we hired 42 people from institutions within our markets that are involved in a merger and 18 of those people are revenue producers. Overall, I'm pleased with our execution on our strategic objectives and the returns we are generating for our shareholders.

Slide 4 outlines the merger disruption that's occurring in our markets. During the quarter, we hired 12 additional people, including 6 revenue producers. The M&A activity in our market is in various stages of integration, and we expect to add more people and profitable banking relationships as conversions occur and strategies change. Given this environment, we expect to remain focused on the organic growth opportunity. The merger activity is having a positive impact on our business.

On Slide 5, you'll see the loan pipeline is at the second highest level in our history, although down from record level last quarter. Loan closings accelerated to a record $504 million this quarter and pull-through rates have returned to normal levels after bottoming out in the third quarter of 2021. Given the significant moving rates, loan closings could start to slow, but satisfactions, which remain elevated, should also start to decline.

Slide 6 depicts the growth in our digital banking platforms. We continue to see high growth rates in monthly mobile active users, online banking users and digital banking enrollment. We're pleased with Zelle usage by our customers as this product continues to gain traction. The numerated platform, which digitally originates small dollar loans as quickly as 48 hours, continues to grow. We originated approximately $11 million of commitments in the first half of the year with a weighted average yield of over 6%, while adding 30 new relationships. We continue to explore other fintech offerings and partnerships.

Second quarter had several important events to highlight, as you can see in Slide 7. We opened a new branch in Elmhurst, Queens, which expanded our Asian market footprint. This branch is staffed by employees who were previously with one of the banks involved in the 10 mergers in our markets.

Growth in activity in the branch has exceeded our expectations. We also signed a lease to open in Hauppauge, Suffolk County on Long Island. Hauppauge is one of the key business centers in our area.

The company issued its inaugural Environmental, Social and Governance Report and our Complete Checking Account product received Bank On certification. We participated in many community events this quarter, including Supported the United Way, New York City RISE and Neighborhood Housing Services of Queens. Importantly, Flushing Bank employees completed a very successful food drive for Island Harvest and participated in Brooklyn's Cinderella Project to provide prom attire for young women and men. These events are an important part of how Flushing Bank supports its communities and shows how the environment is adapting to the COVID-19 pandemic.

I'll now turn it over to Susan Cullen to provide more detail on our key financial metrics. Susan?

Susan K. Cullen
Senior EVP, Treasurer & CFO

Thank you, John. I'll begin on Slide 8. Growing noninterest bearing deposits is a priority for us. Average noninterest bearing deposits increased 13% year-over-year and comprised over 16% of average deposits compared to 14% a year ago. Our teams continue to open new checking accounts, which were up 18% year-over-year. The growth in noninterest bearing deposits is helping to mitigate the overall rise in deposit costs.

Slide 9 shows our deposit rates move compared to the Fed funds. Last quarter, we outlined that because of our liability sensitivity, our ability to control deposit rate increases is a key factor in the net interest margin outlook. We've done a good job of limiting deposit rate increases so far in 2022. Deposit costs increased 8 basis points to 29 basis points in the second quarter compared to 21 basis points for the first quarter. This implies deposit beta of less than 9% compared to over 40% for the last cycle. The pace and magnitude of rate increases this cycle will pressure deposit costs and we expect deposit betas will rise at a faster rate in the next quarter.

Slide 10 outlines the loan portfolio and yields. Net loans, excluding PPP loans, increased 3% year-over-year. With the exception of the PPP loans, which continue to be forgiven, loan growth was broad based with real estate and business banking loans each rising 3% quarter-over-quarter. The loan pipeline of $583 million is up 35% year-over-year and remains near record levels. Over the past year, loan yields were flat but increased in the second quarter.

Core loan yields increased 11 basis points, while base loan yields grew 7 basis points quarter-over-quarter. Additionally, the spread between the yield on originations and satisfactions, excluding PPP, turned positive for the first time since the Fed cut rates at the start of the pandemic.

Slide 11 provides more detail on the repricing of the loan portfolio. We have nearly $1 billion of loans that are hedged or tied to short-term rates like Prime, LIBOR and SOFR, which will reprice within the next quarter and at least twice in 2022. Approximately $320 million of the remaining portfolio reprices through the end of the year. This $1.3 billion of loans represents approximately 25% of interest bearing deposits, which serves as a natural hedge for Fed rate moves. An additional $980 million of loans were repriced in 2023.

This chart also shows the current rates and the maturity repricing bucket and the contractual repricing rate based on the indices as of June 30, 2022. For example, in 2023, nearly $1 billion of loans should reprice 154 basis points higher based on the contractual rates as of June 30. While we expect the loans to reprice the contractual rate, repricing was spent on the then current market rates and competition. If the indices continue to rise as Fed increases rates, repricing rates will continue to move higher. Our loans are repriced over a longer time, and that is why it is imperative we manage our deposit pricing.

Slide 12 outlines the net interest income and margin trends. The GAAP net interest margin was 3.35% and decreased 1 basis point during the quarter.

Net interest income increased 2% quarter-over-quarter to a record $65 million. Core net interest income, which removes the impact of net gains from fair value adjustments and purchase accounting accretion, increased 3% quarter-over-quarter as the core net interest margin expanded 2 basis points to 3.33%.

This rate cycle has been different from past cycles, given the pace and magnitude of rate moves, so I wanted to provide some color on the net interest margin outlook. While core loan yields rose faster than the core deposit yields in the second quarter, this positive spread will be challenging to achieve going forward as the magnitude of the rate moves is expected to pressure deposit rates.

Second, the base net interest margin for the second quarter was 3.22%. At June 30, the base net interest margin is approximately 20 basis points lower. To conclude, while we did a good job of maintaining the net interest margin to date in this rising rate cycle, it will become challenging given the pace and magnitude of future rate increases.

Moving on to asset quality on Slide 13. We have a long history of strong credit quality primarily due to our low credit risk profile and conservative underwriting. This has served us well through many cycles. And as you can see, our losses have been well below the industry and any asset class that caused the rise in losses in the past have been exited or underwriting has been significantly tightened. For the quarter, net recoveries were 3 basis points, driven largely by recoveries in previously charged off tax medallion loans. We remain comfortable with the overall risk of the portfolio and the increase in nonperforming assets starts from a very low base.

Generally, there are 2 sources of repayment for real estate loans. The first source is the cash flows from the net operating income of the building with the second being the collateral. Greater than 87% of the loan portfolio is secured by real estate with an average loan to value less than 38% and only $22 million or less than 1% has a loan to value of 75% or more. For these reasons, we are comfortable with the credit quality and the limited loss content if there is an economic downturn affecting the credit markets.

The multifamily commercial real estate loans are 65% of total loans. These portfolios have strong cash flows with a weighted average debt service coverage ratio of 1.8x. During underwriting, the rate on these loans are shocked 200 basis points to determine if the borrower has sufficient repayment capacity in a rising rate environment. For these portfolios that are due to reprice over the next 3 years, the weighted average pro forma debt service coverage would still be greater than 1.25x with a 200 basis point rate shock.

We also stress test this portfolio for rising operating costs. Assuming a 10% increase in operating expenses, the weighted average debt service ratio would remain over 1.5x. Combining the 200 basis point increase in rates and the 10% increase in operating expenses, the pro forma weighted average debt service ratio would still remain over 1.15x. In all scenarios, these borrowers will be able to make payments. We remain comfortable with the low level of risk in the loan portfolio.

Slide 14 outlines some additional credit metrics. Nonperforming assets increased to a still low 59 basis points of assets, largely due to the 3 relationships previously discussed. The loan-to-value of the nonperforming assets is less than 51%. Criticized and classified loans declined 4% quarter-over-quarter. The allowance for credit losses to loans ratio increased 1 basis point to 58 basis points and the allocation of the reserves by loan type is depicted in the bottom right chart. Overall, we remain very comfortable with our credit risk profile and continue to expect minimal loss content.

Our capital position is shown on Slide 15. Book value and tangible book value per share increased during the quarter. Despite the accumulated other comprehensive loss doubling during the quarter from the effects of the higher interest rates on the investment securities portfolio, 61% of earnings returned to shareholders through dividends and share repurchases. The company repurchased over $8 million of common stock in the quarter, and the Board of Directors increased the share repurchase authorization by 1 million shares. The tangible common equity ratio declined to 7.82%, driven mostly by higher rates. In the short and medium-term, the company will manage to a 8% tangible capital ratio.

Before I turn it back to John, I want to provide some color on the outlook. The net interest income is a function of the net interest margin and the balance sheet growth. With the pace and magnitude of interest rate increases, deposit costs are expected to rise at a higher pace than seen in the second quarter, and thus we expect NIM pressure.

Loan growth is dependent on the rate and economic environment and estimates remain in the low single digits. We previously expected core noninterest expense to increase by high single digits in 2022 from a base of $144 million. We now expect core noninterest expense to increase by mid-single digits given the results of the first half of the year. Quarterly noninterest expenses are expected to follow prior seasonal patterns. Lastly, the effective tax rate for 2022 should approximate 28%.

With that, I'll turn it back over to John.

John R. Buran
President, CEO & Director

Thank you, Susan. On Slide 16, we wrap up our key messages. Loan growth turned positive this quarter as the strong pipeline resulted in originations greater than satisfactions. Over time, higher rates are expected to negatively impact origination volumes, but satisfactions should also decline. While it's difficult to predict, we expect loan growth will remain in the low single digits for the remainder of the year.

While the company did a good job of managing interest rates in the second quarter, the pace and magnitude of rate increases this cycle will make this more challenging in the future. Deposit betas are expected to rise off of low levels, while there's somewhat offset from loan repricing, there is a lag, NIM compression is likely.

Flushing Bank has a long history of superior credit quality, driven by our conservative credit culture. We have a low-risk loan portfolio as proven by the high percentage secured by real estate, loan to values and high debt service coverage ratios. We are well prepared to handle any potential economic downturn affecting credit markets.

We've been attracting talent as we added 42 people from mergers, 18 of which are revenue producers. Capital return was 61% this quarter. And while book and tangible book value per share increased, rising rates impacted tangible capital ratio levels slightly below our internal target. Going forward, the company will balance the capital return with the desire to increase the tangible common equity ratio to 8%.

Overall, the company performed well versus its through-the-cycle return on average assets and return on average equity goals in the second quarter.
Operator, I'll turn it over to you to open up the lines for questions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Mark Fitzgibbon of Piper Sandler.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Susan, just a couple of clarifications on some of your comments. I think you said the effective tax rate going forward will be around 28%. I'm just curious why did it sort of nudge up from that 26%-ish kind of rate that we've been running out for a while.

Susan K. Cullen
Senior EVP, Treasurer & CFO

So there is a tax deduction, this gets like all in the weeds, Mark, so bear with me for a second. There is a tax deduction that we had availed ourselves to when our tax average assets were less than $8 billion based on an analysis completed in the quarter, we don't believe that, that will continue. So we need to take that into account.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Okay. And then, should we take from your comments about the base net interest margin compressing by 20 basis points at the end of the quarter that we could see the core NIM down somewhere in that kind of a range? Is that...

Susan K. Cullen
Senior EVP, Treasurer & CFO

Yes, Mark. That's what -- it would at least be that much. We believe -- given the rate and we're expecting another 75 basis points today this early into the quarter.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Okay. And then, I was wondering if you could maybe just give us any additional color on those loans that -- loans and security that went delinquent this quarter. Any details on expected timing of resolution? Any loss content? Anything at all on those would be helpful.

Susan K. Cullen
Senior EVP, Treasurer & CFO

So let's start with the easy one that result itself after the quarter end. So, there is -- the $2 million loan is no longer on our books, and it's been accounted for. The biggest piece of that is a $24 million bond and loan, and it was underwritten as a loan and then they wrapped it so that it gets treatment as an investment security. There's a school in Manhattan that is collateralized by a commercial condominium that has a combined 63% LTV, so we don't believe there's any loss content there.

The third loan is an exporter. And there is over-collateralization on that loan as well. So we don't believe there's any additional loss content on either the 2 remaining -- the 2 outstanding loans as of today.

Mark Thomas Fitzgibbon
Piper Sandler & Co., Research Division

Okay. And those you think some of these will get resolved before the end of the year?

Susan K. Cullen
Senior EVP, Treasurer & CFO

We certainly hope so, but there is real estate involved, so it could be a little bit longer. But we think by the end of the year is a good estimate.

Operator

Our next question comes from Chris O'Connell of KBW.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

I was hoping to start off on the loan yields and what you're seeing on multifamily origination yields as well as the rest of the portfolio currently as compared to the first quarter -- or sorry, second quarter.

John R. Buran
President, CEO & Director

So they're clearly up. Depending upon the asset category, they are beginning to approach 5%.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

So what are the origination yields that you're putting on to the multifamily?

John R. Buran
President, CEO & Director

Multi, a little bit less than that.

Susan K. Cullen
Senior EVP, Treasurer & CFO

Yes. For the quarter, we put on about -- the rate was about 3.76%, and we're seeing that start to inch northward as rates continue to increase.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Got it. And so, for the slides of the repricing, I mean, how much of that do you expect to reprice at the pricing rate indicated versus kind of refinance into the current multifamily origination yields?

Susan K. Cullen
Senior EVP, Treasurer & CFO

I'm sorry, Chris, you cut out there at the first part of your question. Could you repeat that, please?

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Just for the loan repricing slides and where you're seeing the contractual rates at, how much do you think of the dollar amounts given there are going to reprice at the contractual rates versus refinancing into kind of the current market multifamily origination yields?

Susan K. Cullen
Senior EVP, Treasurer & CFO

I think, for the most part, it will be somewhere between the contractual rate and the market rate because it's very expensive for borrowers to refinance and we'll be closer to the contractual rate as we move forward.

John R. Buran
President, CEO & Director

So remember for this year, Chris, the larger proportion is actually a floating proportion. There's $986 million, that is going to go up consistent with the move that the Fed makes because those are either floating rate tied to an index, LIBOR predominantly, but also some SOFR and some are hedged, which are also tied to LIBOR. So that's $986 million that will move consistent with the move in Fed rates, more or less.

Susan K. Cullen

Senior EVP, Treasurer & CFO

More or less, those reprice quarterly. So we should get 2 repricings through on that $980 million at least 2 repricings on that through the end of the year. Some of them are 30 days.

John R. Buran
President, CEO & Director

Right. And then, the remaining $322 million, I think, will fall somewhere in between the contractual rate in today's market rate. Higher than the market rate, possibly lower than the contractual rate, although we'll be pushing to get as close as possible to the contractual rate.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Got it. That's helpful. And so, on the other side of the balance sheet, I think the 20 basis point or more moves a little bit more than I had anticipated this early in the cycle. What are the deposit costs or what are the rates that you guys are kind of moving to so far? And I guess, what are you assuming for deposit rates in the back half of the year kind of within those assumptions or the beta kind of for the remainder of the year? Yes.

Susan K. Cullen
Senior EVP, Treasurer & CFO

So, Chris, 2 things. One, for the quarter, the base NIM was flat and our GAAP NIM actually went up 2 basis points. So, we've done a really good job of controlling our betas. We had a single-digit beta for -- so far this year compared to like a 40% beta for the last recession. So it's going to be, like I said, imperative that we hold on to those deposit costs. We are seeing our deposit costs rise, but we're also seeing this repricing. And we have the like $1.1 billion of noninterest bearing deposits that are also helping to offset some of our liability costs.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. So just where -- I guess, how much have you guys move deposit rates so far or kind of what are the rates you guys are putting out there on new deposits?

John R. Buran
President, CEO & Director

So, our highest CD rate right now or the 1-year CD rate, which is probably the only one drawing, or the money -- maybe the money market rate is probably the one that's drawing the most at this point in time. And that's 2.3% for a 18-month CD. And there's not a lot of activity in the CD market, money market is running 1.25%, and that's new money.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay.

John R. Buran
President, CEO & Director

So we're not repricing the portfolio.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Got it. That's helpful. And then, on the credit side or the one that was resolved post quarter end, was there any loss content there?

John R. Buran
President, CEO & Director

$200,000.

Susan K. Cullen
Senior EVP, Treasurer & CFO

Yes.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay, great. And then, as far as your guys' capital targets and utilization of the buyback, you still have a good amount of that authorization left here that are kind of just ticked below your TCE target. How do you feel about the buyback utilization going forward given your kind of it within range of the capital target?

Susan K. Cullen
Senior EVP, Treasurer & CFO

So we still believe our stock is a really good investment, but we will be balancing the repurchases with our internal ratio of 8%.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Great. And then, I saw you guys decided to or opted not to suspend the agreement with the NYDIG program. Maybe just a little color around the decision making there?

John R. Buran
President, CEO & Director

Well, I think, given the volatility in the market and also the regulatory environment not being totally settled, we thought it was prudent not to get our customers involved.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. Great. And then lastly, just on the operating expense guidance, it seems a little bit better than previously. Where is the variance there from the mid-single digit versus the high-single digit previously? Are you getting better moves on the compensation or is there any savings that wasn't accounted for properly?

Susan K. Cullen
Senior EVP, Treasurer & CFO

All the savings were accounted for properly. It was just -- we're not growing teams as quickly as we thought we would at the beginning of the year.

Christopher Thomas O'Connell
Keefe, Bruyette, & Woods, Inc., Research Division

Okay. That's all I had for now. I'll step out.

Operator

[Operator Instructions] Our next question comes from Manuel Navas of D.A. Davidson.

Manuel Antonio Navas
D.A. Davidson & Co., Research Division

A lot of my questions has been answered, but I'm just kind of thinking if the Fed goes to $350 million by the end of the year, where could you see the NIM approach kind of just big picture?

Susan K. Cullen
Senior EVP, Treasurer & CFO

We approach somewhere between $250 million to $275 million, big picture as we're sitting here right now. But again that's all dependent on the growth of noninterest-bearing deposits, the repricing of the $980 million -- or the $1 billion worth of loans we've talked about and the product mix on both the loan and liability side.

Manuel Antonio Navas
D.A. Davidson & Co., Research Division

That makes sense. You've been holding on to DDA. Is there any starting movements to see kind of flow out from DDA anywhere, whether in your competition, anywhere in the market?

Susan K. Cullen
Senior EVP, Treasurer & CFO

Our DDA balances actually grew about $200 million for the quarter, a little over $200 million.

Manuel Antonio Navas
D.A. Davidson & Co., Research Division

You're holding it well. Is there any -- do you expect any pressure there?

Susan K. Cullen
Senior EVP, Treasurer & CFO

No.

John R. Buran
President, CEO & Director

No. I think, we've got some programs in place that have been successful, and we'll continue those.

Susan K. Cullen
Senior EVP, Treasurer & CFO

Our account openings have been very strong on the DDA front. We expect that to continue as well.

Manuel Antonio Navas
D.A. Davidson & Co., Research Division

And you noted the offers you're putting out there for deposits. Do you feel like you're at the top of the market? What are you seeing competition do in comparison to your offers?

John R. Buran
President, CEO & Director

We're rarely at the top of the market, but we're trying to be -- a little bit more competitive.

Manuel Antonio Navas
D.A. Davidson & Co., Research Division

Okay. That's helpful.

Operator

There are no more questions in the queue. I would now like to turn the call back to John for closing remarks.

John R. Buran
President, CEO & Director

So we're very, very happy with the quarter, as you can see from our presentation. We do have some challenges ahead with respect to the NIM that we've outlined, but I think we've got a number of levers to pull in order to help us, particularly on the loan side. I want to thank everybody for attending this call and look forward to seeing you next quarter. Thank you.

Susan K. Cullen
Senior EVP, Treasurer & CFO

Thank you.

Operator
This concludes today's teleconference. You may now disconnect your lines, and we thank you for your participation.