

FIDELITY D & D BANCORP INC
Form 10-Q
May 06, 2016
Table Of Contents

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, 2016

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: 333-90273

FIDELITY D & D BANCORP, INC.

STATE OF INCORPORATION: IRS EMPLOYER IDENTIFICATION NO:

PENNSYLVANIA

23-3017653

Address of principal executive offices:

BLAKELY & DRINKER ST.

DUNMORE, PENNSYLVANIA 18512

TELEPHONE:

570-342-8281

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 subjected 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated
<input type="checkbox"/>	filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller
	reporting
	company <input checked="" type="checkbox"/>
(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

The number of outstanding shares of Common Stock of Fidelity D & D Bancorp, Inc. on April 30, 2016, the latest practicable date, was 2,453,455 shares.

Table Of Contents

FIDELITY D & D BANCORP, INC.

Form 10-Q March 31, 2016

Index

<u>Part I. Financial Information</u>		Page
Item 1.	<u>Financial Statements (unaudited):</u>	
	<u>Consolidated Balance Sheets as of March 31, 2016 and December 31, 2015</u>	3
	<u>Consolidated Statements of Income for the three months ended March 31, 2016 and 2015</u>	4
	<u>Consolidated Statements of Comprehensive Income for the three months ended March 31, 2016 and 2015</u>	5
	<u>Consolidated Statements of Changes in Shareholders' Equity for the three months ended March 31, 2016 and 2015</u>	6
	<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015</u>	7
	<u>Notes to Consolidated Financial Statements (Unaudited)</u>	8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	27
Item 3.	<u>Quantitative and Qualitative Disclosure about Market Risk</u>	43
Item 4.	<u>Controls and Procedures</u>	48
 <u>Part II. Other Information</u>		
Item 1.	<u>Legal Proceedings</u>	49
Item 1A.	<u>Risk Factors</u>	49
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	49
Item 3.	<u>Defaults upon Senior Securities</u>	49
Item 4.	<u>Mine Safety Disclosures</u>	49
Item 5.	<u>Other Information</u>	49
Item 6.	<u>Exhibits</u>	49
	<u>Signatures</u>	51
	<u>Exhibit index</u>	52

Table Of Contents

PART I – Financial Information

Item 1: Financial Statements

Fidelity D & D Bancorp, Inc. and Subsidiary
Consolidated Balance Sheets
(Unaudited)

	March 31, 2016	December 31, 2015
(dollars in thousands)		
Assets:		
Cash and due from banks	\$ 12,672	\$ 12,259
Interest-bearing deposits with financial institutions	28,419	18
Total cash and cash equivalents	41,091	12,277
Available-for-sale securities	128,673	125,232
Federal Home Loan Bank stock	1,420	2,120
Loans and leases, net (allowance for loan losses of \$9,384 in 2016; \$9,527 in 2015)	546,707	546,682
Loans held-for-sale (fair value \$1,224 in 2016, \$1,444 in 2015)	1,202	1,421
Foreclosed assets held-for-sale	1,766	1,074
Bank premises and equipment, net	16,519	16,723
Cash surrender value of bank owned life insurance	11,169	11,082
Accrued interest receivable	2,202	2,210
Other assets	12,633	10,537
Total assets	\$ 763,382	\$ 729,358
Liabilities:		
Deposits:		
Interest-bearing	\$ 510,553	\$ 477,901
Non-interest-bearing	157,358	142,774
Total deposits	667,911	620,675
Accrued interest payable and other liabilities	4,397	4,128
Short-term borrowings	12,765	28,204
Total liabilities	685,073	653,007
Shareholders' equity:		
Preferred stock authorized 5,000,000 shares with no par value; none issued	-	-
Capital stock, no par value (10,000,000 shares authorized; shares issued and outstanding; 2,453,455 in 2016; and 2,443,405 in 2015)	26,909	26,700
Retained earnings	48,497	47,463
Accumulated other comprehensive income	2,903	2,188
Total shareholders' equity	78,309	76,351
Total liabilities and shareholders' equity	\$ 763,382	\$ 729,358