

FIDELITY D & D BANCORP INC
Form 10-Q
August 13, 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 June 30, 2013

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 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

The number of outstanding shares of Common Stock of Fidelity D & D Bancorp, Inc. on July 31, 2013, the latest practicable date, was 2,356,829 shares.

FIDELITY D & D BANCORP, INC.

Form 10-Q June 30, 2013

Index

Part I. Financial Information	Page
Item 1. Financial Statements (unaudited):	
Consolidated Balance Sheets as of June 30, 2013	
and December 31, 2012	3
Consolidated Statements of Income for the three- and six-months	
ended June 30, 2013 and 2012	4
Consolidated Statements of Comprehensive Income	
for the three- and six-months ended June 30, 2013 and 2012	5
Consolidated Statements of Changes in Shareholders' Equity	
for the six months ended June 30, 2013 and 2012	6
Consolidated Statements of Cash Flows for the six months	
ended June 30, 2013 and 2012	7
Notes to Consolidated Financial Statements (Unaudited)	8
Item 2. Management's Discussion and Analysis of Financial Condition	
and Results of Operations	30
Item 3. Quantitative and Qualitative Disclosure about Market Risk	46
Item 4. Controls and Procedures	51
Part II. Other Information	
Item 1. Legal Proceedings	51
Item 1A. Risk Factors	51
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	51
Item 3. Defaults upon Senior Securities	51
Item 4. Mine Safety Disclosures	51
Item 5. Other Information	51
Item 6. Exhibits	51
Signatures	53
Exhibit index	54

PART I – Financial Information

Item 1: Financial Statements

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

(dollars in thousands)	June 30, 2013	December 31, 2012
Assets:		
Cash and due from banks	\$ 15,238	\$ 12,657
Interest-bearing deposits with financial institutions	28	9,189
Total cash and cash equivalents	15,266	21,846
Available-for-sale securities	96,259	100,441
Held-to-maturity securities	207	289
Federal Home Loan Bank stock	3,214	2,624
Loans and leases, net (allowance for loan losses of \$8,296 in 2013; \$8,972 in 2012)	451,665	424,584
Loans held-for-sale (fair value \$5,417 in 2013, \$10,824 in 2012)	5,389	10,545
Foreclosed assets held-for-sale	2,617	1,607
Bank premises and equipment, net	13,802	14,127
Cash surrender value of bank owned life insurance	10,231	10,065
Accrued interest receivable	2,073	1,985
Other assets	14,452	13,412
Total assets	\$ 615,175	\$ 601,525
Liabilities:		
Deposits:		
Interest-bearing	\$ 392,255	\$ 388,625
Non-interest-bearing	127,268	126,035
Total deposits	519,523	514,660
Accrued interest payable and other liabilities	3,550	3,863
Short-term borrowings	16,199	8,056
Long-term debt	16,000	16,000