

FIRST NATIONAL COMMUNITY BANCORP INC
Form 10-Q
August 05, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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 June 30, 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 No. 000-53869

FIRST NATIONAL COMMUNITY BANCORP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania

23-2900790

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(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

102 E. Drinker St., Dunmore, PA
(Address of Principal Executive Offices)

18512
(Zip Code)

Registrant's telephone number, including area code **(570) 346-7667**

(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, 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.

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

Common Stock, \$1.25 par value	16,590,292 shares
(Title of Class)	(Outstanding at August 5, 2016)

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Part I - Financial Information**Item 1 - Financial Statements**

FIRST NATIONAL COMMUNITY BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(unaudited)

	June 30,	December
	2016	31,
		2015
(in thousands, except share data)		
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$ 15,847	\$ 19,544
Interest-bearing deposits in other banks	1,825	1,539
Total cash and cash equivalents	17,672	21,083
Securities available for sale, at fair value	262,190	253,773
Stock in Federal Home Loan Bank of Pittsburgh, at cost	5,219	6,344
Loans held for sale	563	683
Loans, net of allowance for loan and lease losses of \$8,559 and \$8,790	725,161	724,926
Bank premises and equipment, net	10,793	11,193
Accrued interest receivable	2,511	2,475
Intangible assets	55	137
Bank-owned life insurance	29,670	29,381
Other real estate owned	1,628	3,154
Net deferred tax assets	23,327	27,807
Other assets	8,749	9,662
Total assets	\$ 1,087,538	\$ 1,090,618
Liabilities		
Deposits:		
Demand (non-interest-bearing)	\$ 144,082	\$ 154,531
Interest-bearing	691,751	667,015
Total deposits	835,833	821,546
Borrowed funds:		
Federal Home Loan Bank of Pittsburgh advances	120,771	135,802
Subordinated debentures	14,000	14,000
Junior subordinated debentures	10,310	10,310
Total borrowed funds	145,081	160,112
Accrued interest payable	311	11,165
Other liabilities	10,813	11,617
Total liabilities	992,038	1,004,440
Shareholders' equity		
Preferred shares (\$1.25 par)		

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Authorized: 20,000,000 shares at June 30, 2016 and December 31, 2015		
Issued and outstanding: 0 shares at June 30, 2016 and December 31, 2015	-	-
Common shares (\$1.25 par)		
Authorized: 50,000,000 shares at June 30, 2016 and December 31, 2015		
Issued and outstanding: 16,586,868 shares at June 30, 2016 and 16,514,245 shares at December 31, 2015	20,734	20,643
Additional paid-in capital	62,210	62,059
Retained earnings	5,820	3,714
Accumulated other comprehensive income (loss)	6,736	(238)
Total shareholders' equity	95,500	86,178
Total liabilities and shareholders' equity	\$ 1,087,538	\$ 1,090,618

The accompanying notes to consolidated financial statements are an integral part of these statements.

FIRST NATIONAL COMMUNITY BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months		Six Months	
	ended		Ended	
(in thousands, except share data)	June 30,		June 30,	
	2016	2015	2016	2015
Interest income				
Interest and fees on loans	\$7,032	\$6,475	\$14,001	\$12,947
Interest and dividends on securities:				
U.S. government agencies	900	1,012	1,830	