

1ST CONSTITUTION BANCORP
Form 10-Q
November 16, 2015

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 September 30, 2015

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: 000-32891

1ST CONSTITUTION BANCORP
(Exact Name of Registrant as Specified in Its Charter)

New Jersey

22-3665653

(State of Other Jurisdiction
of Incorporation or Organization)

(I.R.S. Employer Identification No.)

2650 Route 130, P.O. Box 634, Cranbury, NJ

08512

(Address of Principal Executive Offices)

(Zip Code)

(609) 655-4500

(Issuer's Telephone Number, Including Area Code)

(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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company) 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 October 31, 2015, there were 7,547,064 shares of the registrant's common stock, no par value, outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

1st Constitution Bancorp
 Consolidated Balance Sheets
 (Dollars in thousands)
 (Unaudited)

	September 30, 2015	December 31, 2014
ASSETS		
CASH AND DUE FROM BANKS	\$14,865	\$14,545
FEDERAL FUNDS SOLD / SHORT-TERM INVESTMENTS	—	—
Total cash and cash equivalents	14,865	14,545
INVESTMENT SECURITIES:		
Available for sale, at fair value	74,557	80,161
Held to maturity (fair value of \$125,445 and \$148,476 at September 30, 2015 and December 31, 2014, respectively)	121,025	143,638
Total investment securities	195,582	223,799
LOANS HELD FOR SALE	5,707	8,372
LOANS	709,398	654,297
Less- Allowance for loan losses	(7,132) (6,925
Net loans	702,266	647,372
PREMISES AND EQUIPMENT, net	11,289	11,373
ACCRUED INTEREST RECEIVABLE	2,644	3,096
BANK-OWNED LIFE INSURANCE	21,445	21,218
OTHER REAL ESTATE OWNED	4,927	5,710
GOODWILL AND INTANGIBLE ASSETS	13,391	13,711
OTHER ASSETS	8,334	7,583
Total assets	\$980,450	\$956,779
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
DEPOSITS		
Non-interest bearing	\$170,255	\$162,281
Interest bearing	623,587	655,480
Total deposits	793,842	817,761
BORROWINGS	65,187	25,107
REDEEMABLE SUBORDINATED DEBENTURES	18,557	18,557
ACCRUED INTEREST PAYABLE	753	907
ACCRUED EXPENSES AND OTHER LIABILITIES	7,679	7,337
Total liabilities	886,018	869,669
SHAREHOLDERS' EQUITY:		
Preferred stock, no par value; 5,000,000 shares authorized, none issued	—	—
Common Stock, no par value; 30,000,000 shares authorized; 7,569,613 and 7,165,084 shares issued and 7,547,064 and 7,134,174 shares outstanding as of September 30, 2015 and December 31, 2014, respectively	65,777	61,448
Retained earnings	28,773	25,730

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Treasury Stock, 22,549 shares and 30,910 shares at September 30, 2015 and December 31, 2014, respectively	(258) (316)
Accumulated other comprehensive income	140	248	
Total shareholders' equity	94,432	87,110	
Total liabilities and shareholders' equity	\$980,450	\$956,779	

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

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1st Constitution Bancorp
 Consolidated Statements of Income
 (Dollars in thousands, except per share data)
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
INTEREST INCOME:				
Loans, including fees	\$9,527	\$8,586	\$27,054	\$22,695
Securities:				
Taxable	776	961	2,383	3,141
Tax-exempt	522	575	1,608	