

FNCB Bancorp, Inc.
Form 10-Q
May 04, 2018

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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 March 31, 2018

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

FNCB BANCORP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania **23-2900790**
 (State or Other Jurisdiction (I.R.S. Employer
 of Incorporation or Organization) Identification No.)

102 E. Drinker St., Dunmore, PA **18512**
 (Address of Principal Executive Offices) (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
 (Do not check if smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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	16,769,208 shares
(Title of Class)	(Outstanding at May 4, 2018)

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

**FNCB
BANCORP, INC.
AND
SUBSIDIARIES
CONSOLIDATED
STATEMENTS
OF FINANCIAL
CONDITION
(unaudited)**

(in thousands, except share data)	March 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$12,323	\$22,755
Interest-bearing deposits in other banks	1,873	14,991
Total cash and cash equivalents	14,196	37,746
Debt securities available for sale, at fair value	298,314	289,459
Equity securities	899	918
Restricted stock, at cost	5,703	2,763
Loans held for sale	366	1,095
Loans, net of allowance for loan and lease losses of \$9,562 and \$9,034	798,640	761,609
Bank premises and equipment, net	12,870	10,388
Accrued interest receivable	3,430	3,234
Bank-owned life insurance	30,594	30,460
Other real estate owned	579	1,023
Net deferred tax assets	16,405	15,785
Other assets	7,264	7,825
Total assets	\$1,189,260	\$1,162,305
Liabilities		
Deposits:		
Demand (non-interest-bearing)	\$172,896	\$176,325
Interest-bearing	782,357	826,123
Total deposits	955,253	1,002,448
Borrowed funds:		
Federal Home Loan Bank of Pittsburgh advances	121,485	44,968
Subordinated debentures	5,000	5,000
Junior subordinated debentures	10,310	10,310
Total borrowed funds	136,795	60,278
Accrued interest payable	284	241

Other liabilities	10,190	10,147
Total liabilities	1,102,522	1,073,114
Shareholders' equity		
Preferred shares (\$1.25 par)		
Authorized: 20,000,000 shares at March 31, 2018 and December 31, 2017		
Issued and outstanding: 0 shares at March 31, 2018 and December 31, 2017	-	-
Common shares (\$1.25 par)		
Authorized: 50,000,000 shares at March 31, 2018 and December 31, 2017		
Issued and outstanding: 16,766,600 shares at March 31, 2018 and 16,757,963 shares at December 31, 2017	20,958	20,947
Additional paid-in capital	63,335	63,210
Retained earnings	8,057	6,779
Accumulated other comprehensive loss	(5,612)	(1,745)
Total shareholders' equity	86,738	89,191
Total liabilities and shareholders' equity	\$1,189,260	\$1,162,305

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

**FNCB
BANCORP, INC.
AND
SUBSIDIARIES
CONSOLIDATED
STATEMENTS
OF INCOME
(unaudited)**

(in thousands, except share data)	Three Months Ended March 31,	
	2018	2017
Interest income		
Interest and fees on loans	\$8,288	\$6,980
Interest and dividends on securities:		
U.S. government agencies	890	900
State and political subdivisions, tax free	20	23
State and political subdivisions, taxable	1,024	822
Other securities	195	124
Total interest and dividends on securities	2,129	1,869
Interest on interest-bearing deposits in other banks	23	90
Total interest income	10,440	8,939
Interest expense		
Interest on deposits	1,067	744
Interest on borrowed funds:		
Interest on Federal Home Loan Bank of Pittsburgh advances	352	131
Interest on subordinated debentures	56	112
Interest on junior subordinated debentures	87	69
Total interest on borrowed funds		