

UNITY BANCORP INC /NJ/  
Form 10-Q  
August 10, 2010

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, 2010

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 1-12431

Unity Bancorp, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

New Jersey	22-3282551
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

64 Old Highway 22, Clinton, NJ	08809
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code (908) 730-7630

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, as amended, 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 is a large accelerated filer, an accelerated filer, or a nonaccelerated filer (as defined in Exchange Act Rule 12b-2):  
Large accelerated filer ☐ Accelerated filer ☐ Nonaccelerated 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 ☒

The number of shares outstanding of each of the registrant's classes of common equity stock, as of August 1, 2010  
common stock, no par value: 7,176,123 shares outstanding

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## Table of Contents

	Page #
<b>PART I     <u>CONSOLIDATED FINANCIAL INFORMATION</u></b>	
ITEM 1 <u>Consolidated Financial Statements (Unaudited)</u>	
<u>Consolidated Balance Sheets at June 30, 2010, December 31, 2009, and June 30, 2009</u>	1
<u>Consolidated Statements of Income for the three and six months ended June 30, 2010 and 2009</u>	2
<u>Consolidated Statements of Changes in Shareholders' Equity for the six months ended June 30, 2010 and 2009</u>	3
<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2010 and 2009</u>	4
<u>Notes to the Consolidated Financial Statements</u>	5
ITEM 2 <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
ITEM 3 <u>Quantitative and Qualitative Disclosures about Market Risk</u>	36
ITEM 4T <u>Controls and Procedures</u>	36
<b>PART II     <u>OTHER INFORMATION</u></b>	36
ITEM 1 <u>Legal Proceedings</u>	36
ITEM 1A <u>Risk Factors</u>	36
ITEM 2 <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	36
ITEM 3 <u>Defaults upon Senior Securities</u>	36
ITEM 4 <u>Reserved</u>	36
ITEM 5 <u>Other Information</u>	36
ITEM 6 <u>Exhibits</u>	36
<b><u>SIGNATURES</u></b>	37
<b><u>EXHIBIT INDEX</u></b>	38

Exhibit 31.1	39
Exhibit 31.2	40
Exhibit 32.1	41

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## PART I - CONSOLIDATED FINANCIAL INFORMATION

## Item 1. Consolidated Financial Statements (Unaudited)

Unity Bancorp, Inc.  
Consolidated Balance Sheets  
(Unaudited)

(In thousands)	June 30, 2010	December 31, 2009	June 30, 2009
<b>ASSETS</b>			
Cash and due from banks	\$ 18,016	\$ 23,517	\$ 17,295
Federal funds sold and interest-bearing deposits	37,478	50,118	37,232
Cash and cash equivalents	55,494	73,635	54,527
Securities:			
Available for sale	121,628	140,770	132,719
Held to maturity (fair value of \$22,563, \$28,406 and \$31,634, respectively)	22,034	28,252	32,075
Total securities	143,662	169,022	164,794
Loans:			
SBA held for sale	22,093	21,406	23,161
SBA held to maturity	73,298	77,844	82,157
SBA 504	65,343	70,683	72,619
Commercial	285,173	293,739	299,411
Residential mortgage	132,993	133,059	125,466
Consumer	58,280	60,285	62,517
Total loans	637,180	657,016	665,331
Less: Allowance for loan losses	13,946	13,842	10,665
Net loans	623,234	643,174	654,666
Premises and equipment, net	11,348	11,773	12,067
Deferred tax assets	7,485	7,308	7,610
Bank owned life insurance	8,653	6,002	5,890
Prepaid FDIC insurance	3,836	4,739	-
Federal Home Loan Bank stock	4,656	4,677	5,127
Accrued interest receivable	3,972	4,225	4,263
Other real estate owned	3,728	1,530	466
Goodwill and other intangibles	1,552	1,559	1,566
SBA servicing assets	660	897	1,142
Other assets	1,455	1,816	1,328
Total Assets	\$ 869,735	\$ 930,357	\$ 913,446

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Liabilities: