Bancorp of New Jersey, Inc.
Form 10-Q
May 15, 2014
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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, DC 20549**

# FORM 10-Q

**(Mark one)**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2014**

**OR**

**o 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: 001-34089**

# BANCORP OF NEW JERSEY, INC.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **New Jersey**<br>(State or other jurisdiction of<br>incorporation or organization) | **20-8444387**<br>(I.R.S. Employer Identification No.) |
| **1365 Palisade Ave, Fort Lee, New Jersey**<br>(Address of principal executive offices) | **07024**<br>(Zip Code) |

**(201) 944-8600**

(Registrant s telephone number, including area code)

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 x No o

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 x No o

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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act:

| | | |
|---|---|---|
| Large accelerated filer | o | Accelerated filer o |
| Non-accelerated filer | o | Smaller reporting company x |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes o No x

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date. As of May 8, 2014 there were 5,343,484 outstanding shares of the issuer s class of common stock, no par value.

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**BANCORP OF NEW JERSEY, INC.**

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(in thousands, except share data)

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| **ASSETS** | | |
| | | |
| Cash and due from banks | $ 2,282 | $ 2,115 |
| Interest bearing deposits | 25,970 | 35,168 |
| Federal funds sold | 458 | 458 |
| Total cash and cash equivalents | 28,710 | 37,741 |
| | | |
| Interest bearing time deposits | 1,000 | 1,000 |
| | | |
| Securities available for sale | 68,389 | 68,048 |
| Securities held to maturity (fair value approximates $11,121 and $18,016, at March 31, 2014 and December 31, 2013, respectively) | 11,125 | 18,011 |
| Restricted investment in bank stock, at cost | 792 | 792 |
| | | |
| Loans receivable | 503,257 | 472,465 |
| Deferred loan fees and unamortized costs, net | (356) | (339) |
| Less: allowance for loan losses | (5,978) | (5,775) |
| Net loans | 496,923 | 466,351 |
| Premises and equipment, net | 10,332 | 10,427 |
| Accrued interest receivable | 2,186 | 1,456 |
| Other real estate owned | 478 | 964 |
| Other assets | 4,167 | 6,001 |
| **TOTAL ASSETS** | $ 624,102 | $ 610,791 |
| | | |
| **LIABILITIES AND STOCKHOLDERS EQUITY** | | |
| LIABILITIES: | | |
| Deposits | | |
| Noninterest bearing | $ 71,845 | $ 69,620 |
| Savings and interest bearing transaction accounts | 175,628 | 168,882 |
| Time deposits under $100 | 50,399 | 50,263 |
| Time deposits $100 and over | 267,690 | 264,555 |
| Total deposits | 565,562 | 553,320 |
| | | |
| Accrued interest payable and other liabilities | 1,718 | 1,521 |
| TOTAL LIABILITIES | 567,280 | 554,841 |
| | | |
| Commitments and Contingencies | | |
| Stockholders equity: | | |
| Common stock, no par value, authorized 20,000,000 shares; issued and outstanding 5,343,484 and 5,340,266 at March 31, 2014 and December 31, 2013, respectively | 50,570 | 50,475 |
| Retained earnings | 7,682 | 7,132 |
| Accumulated other comprehensive loss | (1,430) | (1,657) |
| Total stockholders equity | 56,822 | 55,950 |
| **TOTAL LIABILITIES AND STOCKHOLDERS EQUITY** | $ 624,102 | $ 610,791 |

See accompanying notes to unaudited consolidated financial statements

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**BANCORP OF NEW JERSEY, INC.**

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)

| | For the Three Months Ended March 31, 2014 | 2013 |
|---|---|---|
| **INTEREST INCOME** | | |
| Loans, including fees | $ 6,029 | $ 5,679 |
| Securities | 245 | 375 |
| Federal funds sold and other | 20 | 15 |
| TOTAL INTEREST INCOME | 6,294 | 6,069 |
| | | |
| **INTEREST EXPENSE** | | |
| Savings and money markets | 227 | 201 |
| Time deposits | 1,288 | 1,307 |
| TOTAL INTEREST EXPENSE | 1,515 | 1,508 |
| | | |
| **NET INTEREST INCOME** | 4,779 | 4,561 |
| Provision for loan losses | 440 | 140 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 4,339 | 4,421 |
| **NON-INTEREST INCOME** | | |
| Fees and service charges on deposit accounts | 54 | 45 |
| Fees earned from mortgage referrals | | 6 |
| Gains on sale of securities | | 53 |
| TOTAL NON-INTEREST INCOME | 54 | 104 |
| | | |
| **NON-INTEREST EXPENSE** | | |
| Salaries and employee benefits | 1,529 | 1,326 |
| Occupancy and equipment expense | 682 | 596 |
| FDIC premiums and related expenses | 93 | 92 |
| Data processing | 205 | 179 |
| Professional fees | 136 | 160 |
| Other expenses | 305 | 285 |
| TOTAL NON-INTEREST EXPENSE | 2,950 | 2,638 |
| Income before provision for income taxes | 1,443 | 1,887 |
| Income tax expense | 572 | 742 |
| Net income | 871 | 1,145 |
| | | |
| PER SHARE OF COMMON STOCK | | |
| Basic | $ 0.16 | $ 0.22 |
| Diluted | $ 0.16 | $ 0.21 |

See accompanying notes to unaudited consolidated financial statements

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**BANCORP OF NEW JERSEY, INC.**

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

| | For the Three Months Ended March 31, 2014 | 2013 |
|---|---|---|
| Net income | $ 871 | $ 1,145 |
| Other comprehensive income | | |
| Gross unrealized holding gains (losses) on securities available for sale, net of deferred income tax (expense) benefit of ($141) and $139, respectively | 227 | (247) |
| Reclassification adjustment for gain on sale of securities, net of tax expense of $0 and $(15), respectively | | 38 |
| Comprehensive income | $ 1,098 | $ 936 |

See accompanying notes to unaudited consolidated financial statements

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**BANCORP OF NEW JERSEY**

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

| | For the Three Months Ended March 31, 2014 | 2013 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | $ 871 | $ 1,145 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provision for loan losses | 440 | 140 |
| Amortization of securities premiums | 25 | 35 |
| Depreciation and amortization | 141 | 124 |
| Stock based compensation | 94 | 19 |
| Accretion of net loan origination fees | | |
| Gain on sale of securities | | (53) |
| Changes in operating assets and liabilities: | | |
| Increase in accrued interest receivable | (730) | (297) |
| Decrease in other assets | 1,693 | 115 |
| Increase in other liabilities | 197 | 60 |
| **NET CASH PROVIDED BY OPERATING ACTIVITIES** | 2,731 | 1,288 |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of securities available for sale, net | | (11,000) |
| Purchases of securities held to maturity, net | (7,126) | (4,541) |
| Proceeds from maturities of securities held to maturity | 14,015 | 700 |
| Proceeds from called or matured securities available for sale | | 12,000 |
| Proceeds from sales of securities available for sale | | 36,230 |
| Proceeds from sales of other real estate owned | 730 | |
| Net increase in loans | (31,256) | (9,799) |
| Purchases of premises and equipment | (46) | (116) |
| **NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES** | (23,683) | 23,474 |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net increase (decrease) in deposits | 12,242 | (10,626) |
| Dividends | (321) | (312) |
| **NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES** | 11,921 | (10,938) |
| | | |
| Net (decrease) increase in cash and cash equivalents | (9,031) | 13,824 |
| Cash and cash equivalents, beginning of year | 37,741 | 31,078 |
| **CASH AND CASH EQUIVALENTS, END OF PERIOD** | **$ 28,710** | **$ 44,902** |
| | | |
| Supplemental information: | | |
| **Cash paid during the period for:** | | |
| **Interest** | $ 1,535 | $ 1,525 |
| **Income taxes** | $ 513 | $ 525 |
| | | |
| Supplemental disclosure of non-cash investing and financing transactions: | | |
| Loans transferred to other real estate owned | $ 244 | $ |

See accompanying notes to unaudited consolidated financial statements.

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**BANCORP OF NEW JERSEY, INC.**

**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Significant Accounting Policies**

***Basis of Financial Statement Presentation***

The accompanying consolidated financial statements include the accounts of Bancorp of New Jersey, Inc. (together with its subsidiary, the Company ), and its direct wholly-owned subsidiary, Bank of New Jersey (the Bank ) and the Bank s wholly-owned subsidiary, BONJ-New York Corp. All significant inter-company accounts and transactions have been eliminated in consolidation.

The Company was incorporated under the laws of the State of New Jersey to serve as a holding company for the Bank and to acquire all the capital stock of the Bank (referred to herein as the holding company reorganization ).

The Company s class of common stock has no par value and the Bank s class of common stock has a par value of $10 per share.

The financial information in this quarterly report has been prepared in accordance with U.S. generally accepted accounting principles ( GAAP ); these financial statements have not been audited. Certain information and footnote disclosures required under GAAP have been condensed or omitted, as permitted by rules and regulations of the Securities and Exchange Commission.

***Organization***

The Company is a New Jersey corporation and bank holding company registered with the Board of Governors of the Federal Reserve System (the Federal Reserve Board ). The Bank is a community bank which provides a full range of banking services to individuals and corporate customers in New Jersey. Both the Company and the Bank are subject to competition from other financial institutions. The Bank is regulated by state and federal agencies and is subject to periodic examinations by those regulatory authorities. The Bank conducts a traditional commercial banking business, accepting deposits from the general public, including individuals, businesses, non-profit organizations, and governmental units. The Bank makes commercial loans, consumer loans, and both residential and commercial real estate loans. In addition, the Bank provides other customer services and makes investments in securities, as permitted by law. The Bank has sought to offer an alternative, community-oriented style of banking in an area, that is presently dominated by larger, statewide and national institutions. The Bank continues to focus on establishing and retaining customer relationships by offering a broad range of traditional financial services and products, competitively-priced and delivered in a responsive manner to small businesses, professionals and individuals in its market area. As a community bank, the Bank endeavors to provide superior customer service that is highly personalized, efficient and responsive to local needs. To better serve its customers and expand its market reach, the Bank provides for the delivery of certain of its financial products and services to its local customers and to a broader market through the use of mail, telephone and internet banking. The Bank seeks to deliver these products and services with the care and professionalism expected of a community bank and with a special dedication to personalized customer service.

**Note 2. Stockholders Equity and Related Transactions**

During the quarter ended March 31, 2014, the Company issued 3,218 shares of common stock to certain members of the Bank s management team. During the quarter ended March 31, 2013, the Company issued 85,000 shares of restricted common stock to its executive officers and directors.

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**Note 3. Benefit Plans and Stock-Based Compensation**

***2006 Stock Option Plan***

During 2006, the Bank s stockholders approved the 2006 Stock Option Plan. At the time of the holding company reorganization, the 2006 Stock Option Plan was assumed by the Company. This plan allows the Company to grant options to directors and employees of the Company to purchase up to 239,984 shares of the Company s common stock. At March 31, 2014, incentive stock options to purchase 210,900 shares have been issued to employees of the Bank under the 2006 Stock Option Plan, of which options to purchase 187,900 shares were outstanding.

Under the 2006 Stock Option Plan, there were no unvested options at March 31, 2014 and accordingly no unrecognized share based compensation expense. Under the 2006 Stock Option Plan, no options were granted, exercised, or forfeited during the first three months of 2014.

***2007 Director Plan***

During 2007, the Bank s stockholders approved the 2007 Non-Qualified Stock Option Plan for Directors (the 2007 Director Plan ). At the time of the holding company reorganization, the 2007 Director Plan was assumed by the Company. This plan provides for 480,000 options to purchase shares of the Company s common stock to be issued to non-employee directors of the Company. At March 31, 2014, non-qualified options to purchase 460,000 shares of the Company s stock have been issued to non-employee directors of the Company under the 2007 Director Plan and approximately 331,334 were outstanding at March 31, 2014. No options were granted, exercised or forfeited during the first three months of 2014.

Under the 2007 Director Plan, there were no unvested options at March 31, 2014 and accordingly no unrecognized share based compensation expense.

In connection with both the 2006 Stock Option Plan and the 2007 Director Plan, no share based compensation expense was recognized for the three months ended March 31, 2014 and 2013.

The aggregate intrinsic value of a stock option represents the total pre-tax intrinsic value (the amount by which the current market value of the underlying stock exceeds the exercise price of the option) that would have been received by the option holders had they exercised their options on March 31, 2014. This amount changes based on the changes in the market value in the Company s common stock.

The aggregate intrinsic value of options outstanding as of March 31, 2014 under the 2006 Stock Option Plan and the 2007 Director Plan was approximately $1.3 million.

The aggregate intrinsic value of options outstanding as of March 31, 2013 under the 2006 Stock Option Plan and the 2007 Director Plan was approximately $1.1 million.

***2011 Equity Incentive Plan***

During 2011, the shareholders of the Company approved the Bancorp of New Jersey, Inc. 2011 Equity Incentive Plan ( the 2011 Plan ). This plan authorizes the issuance of up to 250,000 shares of the Company s common stock, subject to adjustment in certain circumstances described in the 2011 Plan, pursuant to awards of incentive stock options or non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units or performance awards. Employees, directors, consultants, and other service providers of the Company and its affiliates (primarily the Bank) are eligible to receive awards under the 2011 Plan, provided, that only employees are eligible to receive incentive stock options. During the quarter ended March 31, 2014, 3,218 shares of common stock were issued to certain members of the Bank s management team under the 2011 Plan. These awards were vested immediately and expensed at their fair market value at the date of the grant. For the three months ended March 31, 2014, $42 thousand was recorded as expense and nothing remains to be expensed. During the quarter ended March 31, 2013, 85,000 shares of restricted stock were issued to the executive officers and directors of the Company under the 2011 Plan subject to forfeiture during a five year vesting term. The awards were recorded at their fair market value at the date of the grant and are being amortized to expense over the vesting period. For the three months ended March 31, 2014 and 2013, $52,000 and

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$19,000, respectively, was recorded as expense for these awards.

**Note 4. Earnings Per Share**

***Basic earnings per share*** is calculated by dividing the net income for a period by the weighted average number of common shares outstanding during that period.

***Diluted earnings per share*** is calculated by dividing the net income for a period by the weighted average number of outstanding common shares and dilutive common share equivalents during that period. Outstanding common share equivalents include options and warrants to purchase the Company s common stock.

The following schedule shows earnings per share for the three month periods presented:

| | For the Quarter Ended March 31, | |
|---|---|---|
| **(In thousands except per share data)** | **2014** | **2013** |
| Net income applicable to common stock | $ 871 | $ 1,145 |
| Weighted average number of common shares outstanding - basic | 5,343 | 5,292 |
| **Basic earnings per share** | **$ 0.16** | **$ 0.22** |
| | | |
| Net income applicable to common stock | $ 871 | $ 1,145 |
| Weighted average number of common shares outstanding | 5,343 | 5,292 |
| Effect of dilutive options | 75 | 72 |
| Weighted average number of common shares and common share equivalents-diluted | 5,418 | 5,364 |
| **Diluted earnings per share** | **$ 0.16** | **$ 0.21** |

Non-qualified options to purchase 331,334 shares of common stock at a weighted average price of $11.50; incentive stock options to purchase 90,000 shares of common stock at a weighted average price of $11.50; incentive stock options to purchase 97,900 shares of common stock at a weighted average price of $9.09; and 85,000 unvested shares of restricted common stock were included in the computation of diluted earnings per share for the three months ended March 31, 2014.

Non-qualified options to purchase 414,668 shares of common stock at a weighted average price of $11.50; incentive stock options to purchase 90,000 shares of common stock at a weighted average price of $11.50; incentive stock options to purchase 97,900 shares of common stock at a weighted average price of $9.09; and 85,000 unvested shares of restricted common stock were included in the computation of diluted earnings per share for the three months ended March 31, 2013.

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**Note 5. Securities Available for Sale and Investment Securities**

A summary of securities held to maturity and securities available for sale at March 31, 2014 and December 31, 2013 is as follows (in thousands):

| [redacted] | | | | |
|---|---|---|---|---|
| Securities Held to Maturity: | | | | |
| [redacted] | | | | |
| U.S. Treasury obligations | 3,999 | | (4) | 3,995 |
| [redacted] | | | | |
| | | | | |
| [redacted] | | | | |
| U.S. Treasury obligations | 6,706 | | (375) | 6,331 |
| [redacted] | | | | |
| Total securities available for sale | 70,706 | | (2,317) | 68,389 |
| [redacted] | | | | |
| Total securities | $ 81,831 | $ | $ (2,321) | $ 79,510 |

| December 31, 2013 | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
|---|---|---|---|---|
| Securities Held to Maturity: | | | | |
| Obligations of states and political subdivisions | $ 10,014 | $ | $ | $ 10,014 |
| Government sponsored enterprise obligations | 3,998 | 10 | | 4,008 |
| U.S. Treasury obligations | 3,999 | | (5) | 3,994 |
| Total securities held to maturity | 18,011 | 10 | (5) | 18,016 |
| | | | | |
| Securities Available for Sale: | | | | |
| U.S. Treasury obligations | 6,733 | | (414) | 6,319 |
| Government sponsored enterprise obligations | 64,000 | | (2,271) | 61,729 |
| Total securities available for sale | 70,733 | | (2,685) | 68,048 |
| | | | | |
| Total securities | $ 88,744 | $ 10 | $ (2,690) | $ 86,064 |

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The unrealized losses, categorized by the length of time of continuous loss position, and the fair value of related securities available for sale are as follows (in thousands):

| | Less than 12 Months | | More than 12 Months | | Total | |
|---|---|---|---|---|---|---|
| **March 31, 2014** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** |
| Securities Held to Maturity: | | | | | | |
| U.S. Treasury obligations | $ 3,995 | $ (4) | $ | $ | $ 3,995 | $ (4) |
| | | | | | | |
| Securities Available for Sale: | | | | | | |
| U.S. Treasury obligations | $ 6,332 | $ (375) | $ | $ | $ 6,332 | $ (375) |
| Government Sponsored Enterprise obligations | 22,995 | (1,004) | 39,062 | (938) | 62,057 | (1,942) |
| Total securities available for sale | 29,327 | (1,379) | 39,062 | (938) | 68,389 | (2,317) |
| | | | | | | |
| Total securities | $ 33,322 | $ (1,383) | $ 39,062 | $ (938) | $ 72,384 | $ (2,321) |

| | Less than 12 Months | | More than 12 Months | | Total | |
|---|---|---|---|---|---|---|
| **December 31, 2013** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** | **Fair Value** | **Unrealized Losses** |
| Securities Held to Maturity: | | | | | | |
| U.S. Treasury obligations | $ 3,994 | $ (5) | $ | $ | $ 3,994 | $ (5) |
| | | | | | | |
| Securities Available for Sale: | | | | | | |
| U.S. Treasury obligation | | | 6,319 | (414) | 6,319 | (414) |
| Government Sponsored Enterprise obligations | 41,757 | (1,243) | 16,972 | (1,028) | 58,729 | (2,271) |
| Total securities available for sale | 41,757 | (1,243) | 23,291 | (1,442) | 65,048 | (2,685) |
| | | | | | | |
| Total securities | $ 45,751 | $ (1,248) | $ 23,291 | $ (1,442) | $ 69,042 | $ (2,690) |

The amortized cost and fair value of securities held to maturity and securities available for sale at March 31, 2014 by contractual maturity are shown below. Expected maturities will differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties (in thousands):

| | Securities Held to Maturity | | Securities Available for Sale | |
|---|---|---|---|---|
| | **Amortized Cost** | **Fair Value** | **Amortized Cost** | **Fair Value** |
| One year or less | $ 7,126 | $ 7,126 | $ | $ |
| After one to five years | 3,999 | 3,995 | 33,000 | 32,493 |
| After five to ten years | | | 37,706 | 35,896 |
| Total | $ 11,125 | $ 11,121 | $ 70,706 | $ 68,389 |

Management evaluates securities for other-than-temporary-impairment ( OTTI ) at least on a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. In determining OTTI management considers many factors, including: (1) the length of time and the extent to which the fair value has been less than amortized cost; (2) the financial condition and near term prospects of the issuer; (3) whether the market decline was affected by macroeconomic conditions, and (4) whether the Company has the intent to sell the debt security or more likely than not will be required to sell the debt security before its

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anticipated recovery. The assessment of whether an OTTI decline exists involves a high degree of subjectivity and judgment and is based on information available to management at a point in time. An OTTI is deemed to have occurred if there has been an adverse change in the remaining expected future cash flows.

When OTTI for debt securities occurs, the amount of the OTTI recognized in earnings depends on whether an entity intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis. If an entity intends to sell or more likely than not will be required to sell the security before recovery of its amortized cost basis, the OTTI would be recognized in earnings equal to the entire difference between the investment s amortized cost basis and its fair value at the balance sheet date. If the Company does not intend to sell the security and it is not more likely than not that the entity will be required to sell the security before recovery of its amortized cost basis, the OTTI would be separated into the amount representing the credit loss and the amount related to all other factors. The amount of the total OTTI related to the credit loss is determined based on the present value of cash flows expected to be collected and is recognized in earnings. The amount of the total OTTI related to other factors would be recognized in other comprehensive income, net of applicable tax benefit. The previous amortized cost basis less the OTTI recognized in earnings would become the new amortized cost basis of the investment.

At March 31, 2014, the Company s available for sale securities portfolio consisted of 28 securities, of which 17 were in an unrealized loss position for less than twelve months and eleven were in an unrealized loss position for more than twelve months. No OTTI charges were recorded for the three months ended March 31, 2014. The Company does not intend to sell these securities and it is not more likely than not that the Company will be required to sell these securities. Unrealized losses primarily relate to interest rate fluctuations and not credit concerns.

Securities with an amortized cost of $10.4 million and a fair value of $10.0 million, respectively, were pledged to secure public funds on deposit at March 31, 2014. Securities with an amortized cost of $8.4 million and a fair value of $8.1 million, respectively, were pledged to secure public funds on deposit at December 31, 2013.

During the first quarter of 2014, the Company did not sell any securities from its available for sale or held to maturity portfolios. During the first quarter of 2013, the Company sold twelve securities from its available for sale portfolio. It recognized a gain of approximately $333 thousand from the sale of five of the securities, a loss of approximately $280 thousand from the sale of six securities and no gain or loss from the sale of one security, resulting in net gains of approximately $53 thousand from the transactions. The Company did not sell any securities from its held to maturity portfolio during the first quarter of 2013.

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**Note 6. Loans**

The components of the loan portfolio at March 31, 2014 and December 31, 2013 are summarized as follows (in thousands):

| | March 31, 2014 | December 31, 2013 |
|---|---|---|
| Commercial real estate | $ 321,906 | $ 298,548 |
| Residential mortgages | 51,319 | 53,601 |
| Commercial | 59,333 | 57,634 |
| Home equity | 69,263 | 61,204 |
| Consumer | 1,436 | 1,478 |
| | $ 503,257 | $ 472,465 |

The Company grants commercial, mortgage and installment loans to those New Jersey residents and businesses within its local trading area. Its borrowers abilities to repay their obligations are dependent upon various factors, including the borrowers income and net worth, cash flows generated by the underlying collateral, value of the underlying collateral and priority of the Company s lien on the property. Such factors are dependent upon various economic conditions and individual circumstances beyond the Company s control; the Company is therefore subject to risk of loss. The Company believes its lending policies and procedures adequately manage the potential exposure to such risks and that an allowance for loan losses is provided for management s best estimate of probable loan losses.

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The activity in the allowance for loan losses and recorded investment in loan receivables as of and for the periods indicated are as follows (in thousands):

For the three months ended and as of:

| | Commercial Real Estate | Residential Mortgages | Commercial | Home Equity | Consumer | Unallocated | Total |
|---|---|---|---|---|---|---|---|
| March 31, 2014 | | | | | | | |
| Allowance for loan losses: | | | | | | | |
| Beginning Balance | $ 3,707 | $ 325 | $ 969 | $ 593 | $ 26 | $ 155 | $ 5,775 |
| Charge-offs | (40) | | | | | | (40) |
| Recoveries | | | 1 | | | | 1 |
| Provisions | 145 | 4 | (38) | 6 | 67 | 256 | 440 |
| Transfer | | | | | | (198) | (198) |
| Ending balance | $ 3,812 | $ 329 | $ 932 | $ 599 | $ 93 | $ 213 | $ 5,978 |
| Ending balance: individually evaluated for impairment | $ 197 | $ 58 | $ 50 | $ 261 | $ | $ | $ 566 |
| Ending balance: collectively evaluted for impairment | $ 3,615 | $ 271 | $ 882 | $ 338 | $ 93 | $ 213 | $ 5,412 |
| | | | | | | | |
| Loans receivables: | | | | | | | |
| Ending balance | $ 321,906 | $ 51,319 | $ 59,333 | $ 69,263 | $ 1,436 | $ | $ 503,257 |
| Ending balance: individually evaluted for impairment | 3,950 | 4,332 | 50 | 1,733 | | | 10,065 |
| Ending balance: collectively evaluated for impairment | $ 317,956 | $ 46,987 | $ 59,283 | $ 67,530 | $ 1,436 | $ | $ 493,192 |

| | Commercial Real Estate | Residential Mortgages | Commercial | Home Equity | Consumer | Unallocated | Total |
|---|---|---|---|---|---|---|---|
| March 31, 2013 | | | | | | | |
| Allowance for loan losses: | | | | | | | |
| Beginning Balance | $ 3,150 | $ 322 | $ 1,033 | $ 383 | $ 24 | $ 160 | $ 5,072 |
| Charge-offs | | | | | | | |
| Recoveries | 1 | | | | | | 1 |
| Provisions | 104 | (40) | (95) | 159 | 1 | 11 | 140 |
| Ending balance | $ 3,255 | $ 282 | $ 938 | $ 542 | $ 25 | $ 171 | $ 5,213 |
| | | | | | | | |
| December 31, 2013 | | | | | | | |
| Ending balance | $ 3,707 | $ 325 | $ 969 | $ 593 | $ 26 | $ 155 | $ 5,775 |
| Ending balance: individually evaluated for impairment | $ 237 | $ 56 | $ 50 | $ 261 | $ | $ | $ 604 |
| Ending balance: collectively evaluated | $ 3,470 | $ 269 | $ 919 | $ 332 | $ 26 | $ 155 | $ 5,171 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| for impairment | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Loans receivables: | | | | | | | | | | | | | | |
| Ending balance | $ | 298,548 | $ | 53,601 | $ | 57,634 | $ | 61,204 | $ | 1,478 | $ | | $ | 472,465 |
| Ending balance: individually evaluted for impairment | $ | 4,204 | $ | 5,661 | $ | 50 | $ | 1,733 | $ | | $ | | $ | 11,648 |
| Ending balance: collectively evaluated for impairment | $ | 294,344 | $ | 47,940 | $ | 57,584 | $ | 59,471 | $ | 1,478 | $ | | $ | 460,817 |

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The performance and credit quality of the loan portfolio is also monitored by analyzing the age of the loans receivable as determined by the length of time a recorded payment is past due. The following table presents the classes of the loan portfolio summarized by the past due status as of March 31, 2014 and December 31, 2013 (in thousands):

| **March 31, 2014** | **30-59 Days Past Due** | **60-89 Days Past Due** | **Greater than 90 Days** | **Total Past Due** | **Current** | **Total Loans Receivables** | **Nonaccrual Loans** |
|---|---|---|---|---|---|---|---|
| Commercial real estate | $ 307 | $ | $ 1,456 | $ 1,763 | $ 320,143 | $ 321,906 | $ 1,456 |
| Residential mortgages | 271 | | 879 | 1,150 | 50,169 | 51,319 | 879 |
| Commercial | | | 50 | 50 | 59,283 | 59,333 | 50 |
| Home equity | 725 | | 673 | 1,398 | 67,865 | 69,263 | 673 |
| Consumer | 125 | | | 125 | 1,311 | 1,436 | |
| Total | $ 1,428 | $ | $ 3,058 | $ 4,486 | $ 498,771 | $ 503,257 | $ 3,058 |

| **December 31, 2013** | **30-59 Days Past Due** | **60-89 Days Past Due** | **Greater than 90 Days** | **Total Past Due** | **Current** | **Total Loans Receivables** | **Nonaccrual Loans** |
|---|---|---|---|---|---|---|---|
| Commercial real estate | $ | $ | $ 1,700 | $ 1,700 | $ 296,848 | $ 298,548 | $ 1,700 |
| Residential mortgages | | | 2,608 | 2,608 | 50,993 | 53,601 | 2,608 |
| Commercial | | | 50 | 50 | 57,584 | 57,634 | 50 |
| Home equity | 160 | | 673 | 833 | 60,371 | 61,204 | 673 |
| Consumer | | 35 | | 35 | 1,443 | 1,478 | |
| Total | $ 160 | $ 35 | $ 5,031 | $ 5,226 | $ 467,239 | $ 472,465 | $ 5,031 |

The Company had no loans greater than ninety days delinquent and accruing interest

If interest on nonaccrual loans had been accrued, such income would have been approximately $50 thousand for the three month period ended March 31, 2014 and $89 thousand for the three months ended March 31, 2013. Actual interest income recognized on these loans during the three months ended March 31, 2014 and 2013 was $0.

Troubled debt restructuring loans ( TDRs ) are loans where the contractual terms of the loan have been modified for a borrower experiencing financial difficulties. These modifications could include a reduction in the interest rate of the loan, payment extensions, forgiveness of principal, a combination of these concessions or other actions to maximize collection.

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The following table presents the classes of the loan portfolio summarized by the aggregate pass rating and the classified ratings of special mention, substandard and doubtful within the Company s internal risk rating system as of March 31, 2014 and December 31, 2013 (in thousands):

| **March 31, 2014** | **Commercial Real Estate** | **Residential Mortgages** | **Commercial** | **Home Equity** | **Consumer** | **Total** |
|---|---|---|---|---|---|---|
| Pass | $ 318,354 | $ 50,919 | $ 57,783 | $ 67,590 | $ 1,436 | $ 496,082 |
| Special Mention | 2,096 | 400 | 1,500 | | | 3,996 |
| Substandard | 1,456 | ` | 50 | 1,673 | | 3,179 |
| Doubtful | | | | | | |
| Total | $ 321,906 | $ 51,319 | $ 59,333 | $ 69,263 | $ 1,436 | $ 503,257 |

| **December 31, 2013** | **Commercial Real Estate** | **Residential Mortgages** | **Commercial** | **Home Equity** | **Consumer** | **Total** |
|---|---|---|---|---|---|---|
| Pass | $ 294,741 | $ 48,120 | $ 56,084 | $ 59,531 | $ 1,478 | $ 459,954 |
| Special Mention | 2,107 | 2,873 | 1,500 | 1,000 | | 7,480 |
| Substandard | 1,700 | 2,608 | 50 | 673 | | 5,031 |
| Doubtful | | | | | | |
| Total | $ 298,548 | $ 53,601 | $ 57,634 | $ 61,204 | $ 1,478 | $ 472,465 |

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A loan is considered impaired when based on current information and events, it is probable that the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. The following table provides information about the Company s impaired loans at March 31, 2014 and December 31, 2013 (in thousands):

| **March 31, 2014** | **Recorded Investment** | **Unpaid Principal Balance** | **Related Allowance** |
|---|---|---|---|
| Impaired loans with specific reserves: | | | |
| Commercial real estate | $ 714 | $ 714 | $ 197 |
| Residential mortgage | 880 | 1,091 | 58 |
| Commercial | 50 | 50 | 50 |
| Home equity | 1,594 | 1,594 | 261 |
| Total impaired loans with specific reserves | 3,238 | 3,449 | 566 |
| | | | |
| Impaired loans with no specific reserves: | | | |
| Commercial real estate | 3,236 | 3,236 | |
| Residential mortgage | 3,452 | 3,452 | |
| Home equity | 139 | 240 | |
| Total impaired loans with no specific reserves | 6,827 | 6,928 | |
| Total impaired loans | $ 10,065 | $ 10,377 | $ 566 |

| **December 31, 2013** | **Recorded Investment** | **Unpaid Principal Balance** | **Related Allowance** |
|---|---|---|---|
| Impaired loans with specific reserves: | | | |
| Commercial real estate | $ 957 | $ 957 | $ 237 |
| Residential mortgages | 974 | 1,185 | 56 |
| Commercial | 50 | 50 | 50 |
| Home equity | 1,594 | 1,594 | 261 |
| Total impaired loans with specific reserves | 3,575 | 3,786 | 604 |
| | | | |
| Impaired loans with no specific reserves: | | | |
| Commercial real estate | 3,247 | 3,247 | |
| Residential mortgages | 4,687 | 4,687 | |
| Home equity | 139 | 240 | |
| Total impaired loans with no specific reserves | 8,073 | 8,174 | |
| Total impaired loans | $ 11,648 | $ 11,960 | $ 604 |

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The following table provides information about the Company s impaired loans and related amounts recorded in the allowance for loan losses for the three month periods ended March 31, 2014 and 2013 (in thousands):

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | Average Recorded Investment | Interest Income Recognized | Average Recorded Investment | Interest Income Recognized |
| Impaired loans with specific reserves: | | | | |
| Commercial real estate | $ 714 | $ | $ 714 | $ |
| Residential mortgage | 880 | | 967 | |
| Commercial | 50 | | 50 | |
| Home equity | 1,594 | 13 | 576 | 3 |
| Total impaired loans with specific reserves | 3,238 | 13 | 2,307 | 3 |
| | | | | |
| Impaired loans with no specific reserves: | | | | |
| Commercial real estate | 3,363 | 29 | 943 | 6 |
| Residential mortgage | 4,117 | 38 | 4,951 | |
| Commercial | | | 275 | |
| Home equity | 139 | 1 | 1,392 | |
| Total impaired loans with no specific reserves | 7,619 | 68 | 7,561 | 6 |
| Total impaired loans | $ 10,857 | $ 81 | $ 9,868 | $ 9 |

The following table summarizes information in regards to TDRs by loan portfolio class as of March 31, 2014 and December 31, 2013 (in thousands):

| March 31, 2014 | Accrual Status | Number of Loans | Nonaccrual Status | Number of Loans | Total |
|---|---|---|---|---|---|
| Residential mortgages | $ 3,452 | 3 | $ 880 | 3 | $ 4,332 |
| Commercial real estate | 397 | 1 | 742 | 1 | 1,139 |
| Home equity | 1,060 | 2 | | | 1,060 |
| | $ 4,909 | 6 | $ 1,622 | 4 | $ 6,531 |

| December 31, 2013 | Accrual Status | Number of Loans | Nonaccrual Status | Number of Loans | Total |
|---|---|---|---|---|---|
| Residential mortgages | $ 3,053 | 2 | $ 2,514 | 4 | $ 5,567 |
| Commercial real estate | 397 | 1 | 742 | 1 | 1,139 |
| Home equity | 1,060 | 2 | | | 1,060 |
| | $ 4,510 | 5 | $ 3,256 | 5 | $ 7,766 |

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The following table summarizes information in regards to TDRs that occurred during the three months ended March 31, 2014 and 2013 (in thousands):

| 2014 | Number of Loans | Pre-Modification Outstanding Recorded Investments | Post-Modification Outstanding Recorded Investments |
|---|---|---|---|
| Residential mortgages | 1 | $ 365 | $ 400 |

| 2013 | Number of Loans | Pre-Modification Outstanding Recorded Investments | Post-Modification Outstanding Recorded Investments |
|---|---|---|---|
| Residential mortgages | 1 | $ 179 | $ 179 |
| Home equity | 1 | 60 | 60 |
| | 2 | $ 239 | $ 239 |

During the three months ended March 31, 2014 and 2013, there were no defaults of loans modified in troubled debt restructurings during the previous twelve months.

**Note 7. Guarantees**

The Company does not issue any guarantees that would require liability recognition or disclosure, other than the Bank s standby letters of credit. Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Generally, all letters of credit, when issued have expiration dates within one year. The credit risk involved in issuing letters of credit is essentially the same as those that are involved in extending loan facilities to customers. The Bank generally holds collateral and/or personal guarantees supporting these commitments. As of March 31, 2014, the Bank had $3.2 million of commercial and similar letters of credit. Management believes that the proceeds obtained through a liquidation of collateral and the enforcement of guarantees would be sufficient to cover the potential amount of future payment required under the corresponding guarantees. Management believes that the current amount of the liability as of March 31, 2014 for guarantees under standby letters of credit issued is not material.

**Note 8. Fair Value Measurements and Fair Value of Financial Instruments**

U. S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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The three levels of the fair value hierarchy are described below:

- *Level 1 Inputs* - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- *Level 2 Inputs* - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

- *Level 3 Inputs* - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, supported with little or no market activity).

The level of an asset or liability within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement of that asset or liability.

For financial assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy used at March 31, 2014 and December 31, 2013, respectively, are as follows (in thousands):

| **Description** | **March 31, 2014** | **(Level 1) Quoted Prices in Active Markets for Identical Assets** | **(Level 2) Significant Other Observable Inputs** | **(Level 3) Significant Unobservable Inputs** |
|---|---|---|---|---|
| Securities available for sale: | | | | |
| U.S. Treasury obligations | $ 6,331 | $ | $ 6,331 | $ |
| Government Sponsored Enterprise obligations | 62,058 | | 62,058 | |
| Total securities available for sale | $ 68,389 | $ | $ 68,389 | $ |

| **Description** | **December 31, 2013** | **(Level 1) Quoted Prices in Active Markets for Identical Assets** | **(Level 2) Significant Other Observable Inputs** | **(Level 3) Significant Unobservable Inputs** |
|---|---|---|---|---|
| Securities available for sale: | | | | |
| U.S. Treasury obligations | $ 6,319 | $ | $ 6,319 | $ |
| Government sponsored enterprise obligations | 61,729 | | 61,729 | |
| Total securities available for sale | $ 68,048 | $ | $ 68,048 | $ |

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For financial assets measured at fair value on a nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at March 31, 2014 and December 31, 2013, respectively, follows (in thousands):

| Description | March 31, 2014 | (Level 1) Quoted Prices in Active Markets for Identical Assets | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs |
|---|---|---|---|---|
| Impaired Loans | $ 2,672 | $ | $ | $ 2,672 |

| Description | December 31, 2013 | (Level 1) Quoted Prices in Active Markets for Identical Assets | (Level 2) Significant Other Observable Inputs | (Level 3) Significant Unobservable Inputs |
|---|---|---|---|---|
| Impaired loans | $ 2,971 | $ | $ | $ 2,971 |

The following table presents additional quantitative information about assets measured at fair value on a nonrecurring basis and for which the Company has utilized Level 3 inputs to determine fair value (in thousands):

| March 31, 2014 | Fair Value Estimate | Valuation Techniques | Unobservable Input | Range (Weighted Average) |
|---|---|---|---|---|
| Impaired Loans | $ 2,672 | Appraisal of Collateral (1) | Appraisal Adjustments (2) | 0% - 28.1% (-16.6%) |
| | | | Liquidation Expenses (2) | 0% - 41.8% (-21.2%) |

| December 31, 2013 | Fair Value Estimate | Valuation Techniques | Unobservable Input | Range (Weighted Average) |
|---|---|---|---|---|
| Impaired loans | $ 2,971 | Appraisal of Collateral (1) | Appriasal Adjustments (2) | 0% - 28.1% (-15.8%) |
| | | | Liquidation Expenses (2) | 0% - 41.8% (-21.2%) |

(1) Fair value is generally determined through independent appraisals of the underlying collateral, which generally include various Level 3 inputs which are not identifiable.

(2) Appraisals may be adjusted for qualitative factors such as economic conditions and estimated liquidation expenses. The range and weighted average of liquidation expenses and other appraisal adjustments are presented as a percent of the appraisal.

Management uses its best judgment in estimating the fair value of the Company s financial instruments, however, there are inherent weaknesses in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates herein are not necessarily indicative of the amounts the Company could have realized in sales transactions on the dates indicated. The estimated fair value amounts

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have been measured as of their respective period end and have not been re-evaluated or updated for purposes of these financial statements subsequent to those respective dates.  As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period end.

The following information should not be interpreted as an estimate of the fair value of the entire Company since a fair value calculation is only provided for a limited portion of the Company s assets and liabilities.  Due to a wide range of valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company s disclosures and those of other companies may not be meaningful.  The following methods and assumptions were used to estimate the fair values of the Company s finanical instruments at March 31, 2014 and December 31, 2013:

Fair value estimates and assumptions are set forth below for the Company s financial instruments at March 31, 2014 and December 31, 2013 (in thousands):

| | March 31, 2014 | | (Level 1) | (Level 2) | (Level 3) |
|---|---|---|---|---|---|
| | Carrying amount | Estimated Fair Value | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs |
| Financial assets: | | | | | |
| Cash and cash equivalents | $ 28,710 | $ 28,710 | $ 28,710 | | |
| Interest bearing time deposits | 1,000 | 1,000 | | 1,000 | |
| Securities available for sale | 68,389 | 68,389 | | 68,389 | |
| Securities held to maturity | 11,125 | 11,121 | | 11,121 | |
| Restricted investment in bank stock | 792 | 792 | | 792 | |
| Net loans | 496,923 | 499,413 | | | 499,413 |
| Accrued interest receivable | 2,186 | 2,186 | | 2,186 | |
| Financial liabilities: | | | | | |
| Deposits | 565,562 | 568,249 | 247,473 | 320,776 | |
| Accrued interest payable | 616 | 616 | | 616 | |

| | December 31, 2013 | | (Level 1) | (Level 2) | (Level 3) |
|---|---|---|---|---|---|
| | Carrying amount | Estimated Fair Value | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs | Significant Unobservable Inputs |
| Financial assets: | | | | | |
| Cash and cash equivalents | $ 37,741 | $ 37,741 | $ 37,741 | $ | $ |
| Interest bearing time deposits | 1,000 | 1,000 | | 1,000 | |
| Securities available for sale | 68,048 | 68,048 | | 68,048 | |
| Securities held to maturity | 18,011 | 18,016 | | 18,016 | |
| Restricted investment in bank stock | 792 | 792 | | 792 | |
| Net loans | 466,351 | 468,463 | | | 468,463 |
| Accrued interest receivable | 1,456 | 1,456 | | 1,456 | |
| Financial liabilities: | | | | | |
| Deposits | 553,320 | 544,483 | 229,666 | 314,817 | |
| Accrued interest payable | 635 | 635 | | 635 | |

***Cash and Cash Equivalents and Interest Bearing Time Deposits***

The carrying amounts reported in the balance sheet for cash and cash equivalents approximate those assets   fair values.

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***Securities***

The fair value of securities available for sale (carried at fair value) and held to maturity (carried at amortized cost) are determined by obtaining market prices on nationally recognized securities exchanges (Level 1), or matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities relationship to other benchmark quoted prices. For certain securities which are not traded in active markets or are subject to transfer restrictions, valuations are adjusted to reflect illiquiditiy and/or non-transferability, and such adjustments are generally based on available market evidence (Level 3). In the absence of such evidence, management s best estimate is used. Management s best estimate consists of both internal and external support on certain Level 3 investments. Internal cash flow models using a present value formula that includes assumptions market participants would use along with indicative exit pricing obtained from broker/dealers (where available) were used to support fair values of certain Level 3 investments.

***Restricted Investment in Bank Stock***

The carrying amount of restricted investment in bank stock approximates fair value, and considers the limited marketability of such securities.

***Loans Receivable***

The fair value of loans are estimated using discounted cash flow analyses, using market rates at the balance sheet date that reflect the credit and the interest rate-risk inherent in the loans. Projected future cash flows are calculated based upon contractual maturity or call dates, projected repayments and prepayments of principal. Generally, for variable rate loans that re-price frequently and with no significant change in credit risk, fair values approximate carrying values.

***Impaired loans***

Impaired loans are those for which the Company has measured impairment generally based on the fair value of the loan s collateral or discounted cash flows based upon the expected proceeds. Fair value is generally based upon independent third-party appraisals of the properties. These assets are included as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

***Accrued Interest Receivable and Payable***

The carrying amount of accrued interest receivable and accrued interest payable approximates fair value.

***Other real estate owned***

Other real estate owned assets are adjusted to fair value less estimated selling costs upon transfer of the loans to other real estate owned. The fair value of other real estate owned is based upon independent third party appraisal values of the collateral or management s estimation of the value of the collateral. These assets are included as Level 3 fair values.

***Deposits***

The fair values disclosed for demand deposits (e.g., interest and noninterest checking, passbook savings and money market accounts) are, by definition, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values for fixed rate certificates of deposit are estimated using a

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discounted cash flow calculation that applies interest rates currently being offered in the market on certificates to a schedule of aggregated expected monthly maturities of time deposits.

***Limitation***

The preceding fair value estimates were made at March 31, 2014 and December 31, 2013 based on pertinent market data and relevant information on the financial instrument. These estimates do not include any premium or discount that could result from an offer to sell at one time the Company s entire holdings of a particular financial instrument or category thereof. Since no market exists for a substantial portion of the Company s financial instruments, fair value estimates were necessarily based on judgments regarding future expected loss experience, current economic conditions, risk assessment of various financial instruments, and other factors. Given the innately subjective nature of these estimates, the uncertainties surrounding them and the matter of significant judgment that must be applied, these fair value estimates cannot be calculated with precision. Modifications in such assumptions could meaningfully alter these estimates.

Since these fair value approximations were made solely for on and off balance sheet financial instruments at March 31, 2014 and December 31, 2013, no attempt was made to estimate the value of anticipated future business. Furthermore, certain tax implications related to the realization of the unrealized gains and losses could have a substantial impact on these fair value estimates and have not been incorporated into the estimates.

**Note 9. Recent Accounting Pronouncements**

**ASU 2013-11 *(Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists)***

In July, 2013, the Financial Accounting Standards Board ( FASB ) issued ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.* The amendments in this update require an entity with unrecognized tax benefits that is not available or not intended to be used at the reporting date to present the unrecognized tax benefit as a liability that should not be combined with deferred tax assets. Otherwise, the unrecognized tax benefit should be presented as a reduction of the related deferred tax asset. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. For public entities the amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The implementation of ASU 2013-11 did not have a material impact on the Company s financial position or results of operations.

**ASU 2014-04 *(Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure)***

In January, 2014, the FASB issued ASU 2014-04, *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure.* This ASU clarifies that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either (1) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure or (2) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. The ASU also requires additional related interim and annual disclosures. The guidance in this ASU is effective for annual and interim periods beginning after December 15, 2014. The implementation of ASU 2014-01 should not have a material impact on the Company s financial position or results of operation.

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**Note 10. Accumulated Other Comprehensive Income**

There were no reclassifications out of accumulated other comprehensive income for the three month period ended March 31, 2014.

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## ITEM 2

## Management s Discussion and Analysis of

## Financial Condition and Results of Operations

You should read this discussion and analysis in conjunction with the consolidated unaudited interim consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q, and with our audited consolidated financial statements for the year ended December 31, 2013 and Management s Discussion and Analysis of Financial Condition and Results of Operations presented in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the Securities and Exchange Commission.

**Statements Regarding Forward Looking Information**

This document contains forward-looking statements, in addition to historical information. Forward looking statements are typically identified by words or phrases such as believe, expect, anticipate, intend, estimate, project, and variations of such words and similar expressions, or fut conditional verbs such as will, would, should, could, may, or similar expressions. The U.S. Private Securities Litigation Reform Act of 1995 Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, provide a safe harbor in regard to the inclusion of forward-looking statements in this document and documents incorporated by reference.

You should note that many factors, some of which are discussed elsewhere in this document and in the documents that are incorporated by reference, could affect the future financial results of Bancorp of New Jersey, Inc. and its subsidiaries and could cause those results to differ materially from those expressed in the forward-looking statements contained or incorporated by reference in this document. These factors include, but are not limited, to the following:

- Current economic conditions affecting the financial industry;
- Changes in interest rates and shape of the yield curve;
- Credit risk associated with our lending activities;
- Risks relating to our market area, significant real estate collateral and the real estate market;
- Operating, legal and regulatory risk;
- Fiscal and monetary policy;
- Economic, political and competitive forces affecting the Company s business; and
- That management s analysis of these risks and factors could be incorrect, and/or that the strategies developed to address them could be unsuccessful.

Bancorp of New Jersey, Inc., referred to as we or the Company, cautions that these forward-looking statements are subject to numerous assumptions, risks and uncertainties, all of which change over time, and we assume no duty to update forward-looking statements, except as may be required by applicable law or regulation, and except as required by applicable law or regulation, we do not undertake, and specifically disclaim any obligation, to publicly release any revisions to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. We caution readers not to place undue reliance on any forward-looking statements. These statements speak only as of the date made, and we advise readers that various factors, including those described above, could affect our financial performance and could cause actual results or circumstances for future periods to differ materially from those anticipated or projected.

***Critical Accounting Policies, Judgments and Estimates***

The consolidated unaudited financial statements have been prepared in conformity with U.S. generally accepted accounting principles. In preparing the consolidated unaudited financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of financial condition and revenues and expenses for the period indicated. Actual

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results could differ significantly from those estimates.  Management believes the following critical accounting policies encompass the more significant judgments and estimates used in the preparation of the consolidated unaudited financial statements.

***Allowance for Loan Losses***

The allowance for loan losses (  ALLL  ) represents our best estimate of losses known and inherent in our loan portfolio that are both probable and reasonable to estimate. In determining the amount of the ALLL, we consider the losses inherent in our loan portfolio and changes in the nature and volume of our loan activities, along with general economic and real estate market conditions. We utilize a segmented approach which identifies: (1) impaired loans for which specific reserves are established; (2) classified loans for which the general valuation allowance for the respective loan type is deemed to be inadequate; and (3) performing loans for which a general valuation allowance is established. We maintain a loan review system which provides for a systematic review of the loan portfolios and the identification of impaired loans. The review of residential real estate and home equity consumer loans, as well as other more complex loans, is triggered by identified evaluation factors, including delinquency status, size of loan, type of collateral and the financial condition of the borrower. Specific reserves are established for impaired loans based on a review of such information and/or appraisals of the underlying collateral. General reserves are based upon a combination of factors including, but not limited to, actual loan loss experience, composition of the loan portfolio, current economic conditions and management  s judgment.

Although specific and general reserves are established in accordance with management  s best estimates, actual losses are dependent upon future events, and as such, further provisions for loan losses may be necessary in order to maintain the allowance for loan losses at an adequate level. For example, our evaluation of the allowance includes consideration of current economic conditions, and a change in economic conditions could reduce the ability of borrowers to make timely repayments of their loans. This could result in increased delinquencies and increased non-performing loans, and thus a need to make additional provisions for loan losses. Any provision reduces our net income. While the allowance is increased by the provision for loan losses, it is decreased by charge-offs, net of recoveries. Loans deemed to be uncollectible are charged against the allowance for loan losses, and subsequent recoveries, if any, are credited to the allowance. A change in economic conditions could adversely affect the value of properties collateralizing real estate loans, resulting in increased charges against the allowance and reduced recoveries, and require additional provisions for loan losses. Furthermore, growth or a change in the composition of our loan portfolio could require additional provisions for loan losses.  In addition, various regulatory agencies, as an integral part of their examination process, periodically review the Bank  s allowance for loan losses.  These agencies may require the Bank to effect certain changes that result in additions to the allowance based on their judgments about information available to them at the time of their examinations.

***Deferred Income Taxes***

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.  Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the period in which the deferred tax asset or liability is expected to be settled or realized.  The effect on deferred taxes of a change in tax rates is recognized in income in the period in which the change occurs.  Deferred tax assets are reduced, through a valuation allowance, if necessary, by the amount of such benefits that are not expected to be realized based on current available evidence.

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## Results of Operations

### Three Months Ended March 31, 2014 compared to Three Months Ended March 31, 2013

Our results of operations depend primarily on net interest income, which is the difference between interest income on interest-earning assets and interest expense on interest-bearing liabilities. Interest-earning assets consist principally of loans and investment securities, while interest-bearing liabilities consist primarily of deposits. Net income is also affected by the provision for loan losses and the level of non-interest income, as well as by non-interest expenses, including salaries and employee benefits, occupancy and equipment expense, and other expenses, and income tax expense.

**Net Income**

Net income for the first quarter of 2014 was $871 thousand, a decrease of $274 thousand, or 23.9%, from the first quarter of 2013 net income of $1.1 million. This decrease was driven primarily by increases of $312 thousand, or 11.8% and $300 thousand, or 214.3%, in the non-interest expense and the provision for loan losses, respectively, offset somewhat by an increase in net interest income of $218 thousand, or 4.8% and a decrease in income tax expense of $170 thousand. On a per share basis, basic earnings per share decreased $0.06 for the first quarter of 2014 to $0.16 compared to $0.22 per share for the first quarter in 2013. Diluted earnings per share for the first quarter of 2014 decreased to $0.16, from $0.21 for the quarter ended March 31, 2013.

**Net Interest Income**

Net interest income represents the difference between income on interest-earning assets and expense on interest-bearing liabilities. Net interest income depends upon the volume of interest-earning assets and interest-bearing liabilities and the interest rate earned or paid on them. For the three month period ended March 31, 2014, the growth in net interest income has been, primarily, powered by increased interest income from loans, including fees. Interest income on loans increased by $350 thousand in the first three months of 2014, as compared to the same period last year. This increase in income was due to a $46.7 million increase in the average balance of loans during the quarter ended March 31, 2014, up to $485.7 million as compared to the first quarter of 2013 average loan balance of $439.0 million, partially offset by a decrease in the average rate earned on loans, from 5.24% for the three months ended March 31, 2013 down to 5.03% for the three months ended March 31, 2014, a decrease of 21 basis points. Interest expense increased by $7 thousand for the quarter ended March 31, 2014, as compared to the quarter ended March 31, 2013, due to an increase in the average balance of interest bearing deposits of $44.0 million, to $493.0 million during the quarter ended March 31, 2014 from $449.0 million during the quarter ended March 31, 2013. The average interest rate paid on interest bearing deposits decreased by 11 basis points to 1.25% for the quarter ended March 31, 2014, from 1.36% for the same period last year.

**Provision for Loan Losses**

The provision for loan losses represents our determination of the amount necessary to bring our allowance for loan losses to the level that we consider adequate to absorb probable losses inherent in our loan portfolio. See Allowance for Loan Losses for additional information about our allowance for loan losses and our methodology for determining the amount of the allowance. The provision for loan losses was $440 thousand for the three months ended March 31, 2014 as compared to $140 thousand for the three months ended March 31, 2013. The increase in the provision is due in most part to the increase in the gross loan balance at March 31, 2014, of $30.8 million to $503.3 million from $472.5 million at December 31, 2013.

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**Non-interest Income**

Non-interest income, decreased by $50 thousand to $54 thousand for the three months ended March 31, 2014 from $104 thousand for the three months ended March 31, 2013. The decrease was primarily attributable to the decrease in gains on the sales of securities which were $53 thousand for the March 31, 2013 period compared to none for the same period this year.

**Non-interest Expense**

Non-interest expense grew to $3.0 million during the first quarter of 2014 compared to $2.6 million in the first quarter of 2013, an increase of approximately $312 thousand. This increase was due in most part to increases in salaries and employee benefits and occupancy and equipment expenses of $203 thousand and $86 thousand, respectively. The increases in salaries and employee benefits and occupancy and equipment expenses were primarily due to general increases in staff, salaries and benefits as well as occupancy costs associated with weather related issues.

**Income Tax Expense**

The income tax provision decreased $170 thousand to $572 thousand for the quarter ended March 31, 2014, as compared to $742 thousand for the quarter ended March 31, 2013. The decrease in the income tax expense for the quarter ended March 31, 2014 as compared to the quarter ended March 31, 2013 was due primarily to the decrease in the Company s pre-tax income which decreased $444 thousand. The effective tax rate for the first quarter of 2014 was 39.6% compared to 39.3% for the first quarter of 2013.

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## FINANCIAL CONDITION

Total consolidated assets increased $13.3 million, or approximately 2.2%, from $610.8 million at December 31, 2013 to $624.1 million at March 31, 2014. Loans receivable, or total loans, increased from $472.5 million at December 31, 2013 to $503.3 million at March 31, 2014, an increase of approximately $30.8 million, or 6.5%. Total deposits increased from $553.3 million at December 31, 2013 to $565.6 million at March 31, 2014, an increase of $12.2 million, or approximately 2.2%.

### Loans

Our loan portfolio is the primary component of our assets. Total loans, which exclude net deferred fees and costs and the allowance for loan losses, increased by 6.5% to reach $503.3 million at March 31, 2014 from $472.5 million at December 31 2013. Commercial real estate, home equity loans and commercial loans increased $23.4 million, $9.1 million and $1.7 million, respectively, during the three months ended March 31, 2014 as compared to December 31, 2013, offset somewhat by a decrease in residential mortgages of $2.2 million. This growth in the loan portfolio continues to be primarily attributable to recommendations and referrals from members of our board of directors, our shareholders and our executive officers, and selective marketing by our management and staff. We believe that we will continue to have opportunities for loan growth within the Bergen County market of northern New Jersey, due in part, to our customer service and competitive rate structures.

Our loan portfolio consists of commercial loans, commercial and residential real estate loans, consumer loans and home equity loans. Commercial loans are made for the purpose of providing working capital, financing the purchase of equipment or inventory, as well as for other business purposes. Real estate loans consist of loans secured by commercial or residential real property and loans for the construction of commercial or residential property. Consumer loans and home equity loans, are made for the purpose of financing the purchase of consumer goods, home improvements, and other personal needs, and are generally secured by the personal property being owned or being purchased.

Our loans are primarily to businesses and individuals located in Bergen County, New Jersey. We have not made loans to borrowers outside of the United States. We have not made any sub-prime loans. Commercial lending activities are focused primarily on lending to small business borrowers. We believe that our strategy of customer service, competitive rate structures, and selective marketing have enabled us to gain market entry to local loans. Furthermore, we believe that bank mergers and lending restrictions at larger financial institutions with which we compete have also contributed to the success of our efforts to attract borrowers.

For more information on the loan portfolio, see Note 6 in Notes to the Unaudited Consolidated Financial Statements in Part I, Item 1of this Quarterly Report on Form 10-Q.

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**Loan Quality**

As mentioned above, our principal assets are our loans. Inherent in the lending function is the risk of the borrower s inability to repay a loan under its existing terms. Risk elements include nonaccrual loans, past due and restructured loans, potential problem loans, loan concentrations, and other real estate owned.

Non-performing assets include loans that are not accruing interest (nonaccrual loans) as a result of principal or interest being in default for a period of 90 days or more and accruing loans that are 90 days past due, troubled debt restructuring loans and foreclosed assets. When a loan is classified as nonaccrual, interest accruals discontinue and all past due interest, including interest applicable to prior years, is reversed and charged against current income. Until the loan becomes current, any payments received from the borrower are applied to outstanding principal until such time as management determines that the financial condition of the borrower and other factors merit recognition of such payments of interest.

We attempt to manage overall credit risk through loan diversification and our loan underwriting and approval procedures. Due diligence begins at the time we begin to discuss the origination of a loan with a borrower. Documentation, including a borrower s credit history, materials establishing the value and liquidity of potential collateral, the purpose of the loan, the source and timing of the repayment of the loan, and other factors are analyzed before a loan is submitted for approval. Loans made are also subject to periodic audit and review.

As of March 31, 2014 the Bank had nine nonaccrual loans totaling approximately $3.1 million, of which seven loans totaling approximately $2.2 million had specific reserves of $416 thousand and two loans totaling approximately $821 thousand had no specific reserve. If interest had been accrued, such income would have been approximately $50 thousand for the three month period ended March 31, 2014.

Within its nonaccrual loans at March 31, 2014, the Bank had three residential mortgage loans and one commercial real estate loan that met the definition of a troubled debt restructuring ( TDR ) loan. TDRs are loans where the contractual terms of the loan have been modified for a borrower experiencing financial difficulties. These modifications could include a reduction in the interest rate of the loan, payment extensions, forgiveness of principal, a combination of these concessions or other actions to maximize collection. At March 31, 2014, nonaccrual TDR loans had an outstanding balance of $1.6 million and had specific reserves of $58 thousand connected with them. None of these nonaccruing TDR loans were performing in accordance with their modified terms.

During the first quarter of 2014, one residential mortgage loan totaling $400 thousand was modified as a TDR. This loan is performing in accordance with its modified terms. During the three months ended March 31, 2013, two loans totaling $239 thousand to the same person were modified as TDRs. Both loans are performing in accordance with their modified terms. At March 31, 2014, the Bank had a total of six accruing loans which met the definition of a TDR.

As a community bank, our market area is concentrated in Bergen County, New Jersey, and as a result we have a concentration of loans collateralized by real estate, primarily in our market area at March 31, 2014 and December 31, 2013. The Bank s loan portfolio has no foreign loans and no sub-prime loans.

**Investment Securities**

Securities held as available for sale ( AFS ) were $68.4 million at March 31, 2014 compared to $68.0 million at December 31, 2013.

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**Deposits**

Deposits remain our primary source of funds. Total deposits increased to $565.6 million at March 31, 2014 from $553.3 million at December 31, 2013, an increase of $12.2 million, or 2.2%. Savings and interest bearing transaction accounts, time deposits and noninterest bearing accounts increased by $6.7 million, $3.3 million, and $2.2 million, respectively, during the first quarter of 2014. The Company has no foreign deposits, nor are there any material concentrations of deposits.

**Liquidity**

Our liquidity is a measure of our ability to fund loans, withdrawals or maturities of deposits, and other cash outflows in a cost-effective manner. Our principal sources of funds are deposits, scheduled amortization and prepayments of loan principal, maturities of investment securities, and funds provided by operations. While scheduled loan payments and maturing investments are relatively predictable sources of funds, deposit flow and loan prepayments are greatly influenced by prevailing interest rates, economic conditions, and competition. In addition, if warranted, we would be able to borrow funds.

Our total deposits equaled $565.6 million and $553.3 million, respectively, at March 31, 2014 and December 31, 2013. Cash and cash equivalents decreased from $37.7 million on December 31, 2014 to $28.7 million on March 30, 2014. The increase in deposits and the decrease in cash and cash equivalents funded the increase in loans discussed above.

Through the investment portfolio, we have generally sought to obtain a safe, yet slightly higher yield than would have been available to us as a net seller of overnight federal funds, while maintaining liquidity. Through our investment portfolio, we also attempt to manage our maturity gap, by seeking maturities of investments which coincide with maturities of deposits. The investment portfolio also includes securities available for sale to provide liquidity for anticipated loan demand and other liquidity needs.

As of March 31, 2014, we have a $12 million overnight line of credit with First Tennessee Bank and a $10 million overnight line of credit with Atlantic Central Bankers Bank for the purchase of federal funds in the event that temporary liquidity needs arise. There were no amounts outstanding under either facility at March 31, 2014. We are an approved member of the Federal Home Loan Bank of New York, or FHLBNY. The FHLBNY relationship could provide additional sources of liquidity, if required.

We believe that our current sources of funds provide adequate liquidity for our current cash flow needs.

**Capital Resources**

A significant measure of the strength of a financial institution is its capital base. Our federal regulators have classified and defined our capital into the following components: (1) Tier 1 Capital, which includes tangible shareholders equity for common stock and qualifying preferred stock, and (2) Tier 2 Capital, which includes a portion of the allowance for loan losses, certain qualifying long-term debt, and preferred stock which does not qualify for Tier 1 Capital. Minimum capital levels are regulated by risk-based capital adequacy guidelines, which require certain capital as a percent of our assets and certain off-balance sheet items, adjusted for predefined credit risk factors, referred to as risk-adjusted assets.

Pursuant to federal regulation we are required to maintain, at a minimum, Tier 1 Capital as a percentage of risk-adjusted assets of 4.0% and combined Tier 1 and Tier 2 Capital, or Total Capital, as a percentage of risk-adjusted assets of 8.0%.

In addition to the risk-based guidelines, our regulators require that an institution which meets the regulator s highest performance and operation standards maintain a minimum leverage ratio (Tier 1 Capital as a percentage of tangible assets) of 3.0%. For those institutions with higher levels of risk or that are experiencing or anticipating significant growth, the minimum leverage ratio will be evaluated through the ongoing regulatory examination process. We are currently required to maintain a leverage ratio of 4.0%.

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The following table summarizes the Bank s risk-based capital and leverage ratios at March 31, 2014 and December 31, 2013, as well as the applicable minimum ratios:

| | **March 31, 2014** | **December 31, 2013** | **Minimum Regulatory Requirements** |
|---|---|---|---|
| Risk-Based Capital: | | | |
| Tier 1 Capital Ratio | 11.37% | 11.89% | 4.00% |
| Total Capital Ratio | 12.54% | 13.08% | 8.00% |
| Leverage Ratio | 9.36% | 9.45% | 4.00% |

As we continue to employ our capital and grow our operations, we expect that our capital levels will decrease, but that we will remain a well-capitalized institution.

The Company is subject to similar regulatory capital requirements, and its capital ratios are similar to the Bank s capital ratios as presented in the table above.

In July 2013, the federal banking agencies issued final rules to implement the Basel III regulatory capital reforms and changes required by the Dodd-Frank Act. The final rules modify the calculation of capital ratios and impose higher capital requirements and more restrictive leverage and liquidity ratios than those currently in place. Smaller institutions, such as ours, will become subject to these rules beginning January 1, 2015. Among other things, the final rules call for a minimum ratio of common equity tier 1 capital to risk-weighted assets of 4.5%, a minimum ratio of tier 1 capital to risk-weighted assets of 6%, a minimum ratio of total capital to risk-weighted assets of 8%, and a minimum leverage ratio of 4%.

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**ITEM 3. Quantitative and Qualitative Disclosures about Market/Interest Risk**

As a smaller reporting company, the Company is not required to provide the information otherwise required by this Item.

**ITEM 4. Controls and Procedures**

**Evaluation of disclosure controls and procedures.**

As of March 31, 2014, the Company s management including the Chief Executive Officer and President (our Principal Executive Officer) and Senior Vice President and Chief Financial Officer (our Principal Financial and Accounting Officer), evaluated the Company s disclosure controls and procedures related to the recording, processing, summarization, and reporting of information in the Company s periodic reports that the Company files with the Securities and Exchange Commission.

Based on their evaluation as of March 31, 2014, the Company s Chief Executive Officer and President and the Company s Senior Vice President and Chief Financial Officer have concluded that the Company s disclosure controls and procedures are effective to ensure that the information required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms.

**Changes in internal controls over financial reporting.**

There was no change in our internal control over financial reporting identified during the quarter ended March 31, 2014 that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

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## PART II OTHER INFORMATION

### Item 1. Legal Proceedings

The Company and the Bank are periodically parties to or otherwise involved in legal proceedings arising in the normal course of business, such as claims to enforce liens, claims involving the making and servicing of real property loans, and other issues incident to the Bank s business. Management does not believe that there are any pending proceedings against the Company or the Bank which, if determined adversely, would have a material effect on the business, financial position or results of operations of the Company or the Bank.

### Item 1A. Risk Factors

As a smaller reporting company, the Company is not required to provide the information otherwise required by this Item.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None

### Item 3. Defaults Upon Senior Securities

None

### Item 4. Mine Safety Disclosures

Not Applicable

### Item 5. Other Information

None

**Item 6. Exhibits**

The exhibits filed or incorporated by reference as part of this report are listed in the Exhibit Index, which appears at page 37.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | | |
|---|---|---|
| | Bancorp of New Jersey, Inc. | |
| Date: May 15, 2014 | By: | /s/ Michael Lesler<br>Michael Lesler<br>Vice Chairman, Chief Executive Officer and President<br>(Principal Executive Officer) |
| | By: | /s/ Richard Capone<br>Richard Capone<br>Senior Vice President and Chief Financial Officer<br>(Principal Financial and Accounting Officer) |

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**EXHIBIT INDEX**

| Exhibit Number | Description |
|---|---|
| 31.1 | Rule 13a-14(a) Certification of the Principal Executive Officer |
| 31.2 | Rule 13a-14(a) Certification of the Principal Financial Officer |
| 32 | Section 1350 Certifications |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Labels Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |