

BRYN MAWR BANK CORP

Form 10-Q

May 10, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities and Exchange Act of 1934.

For Quarter ended March 31, 2010

Commission File Number 0-15261

Bryn Mawr Bank Corporation

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of

23-2434506
(I.R.S. Employer

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incorporation or organization)

identification No.)

801 Lancaster Avenue, Bryn Mawr, Pennsylvania

(Address of principal executive offices)

19010

(Zip Code)

Registrant's telephone number, including area code (610) 525-1700

Not Applicable

Former name, former address and fiscal year, if changed since last report.

Indicate by checkmark whether the registrant (1) has filed all reports 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 checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒

Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by checkmark 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 class of common stock, as of the latest practicable date.

Class
Common Stock, par value \$1

Outstanding at May 7, 2010
8,992,404

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BRYN MAWR BANK CORPORATION AND SUBSIDIARIES

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. Financial Statements****BRYN MAWR BANK CORPORATION AND SUBSIDIARIES****Consolidated Statements of Income - Unaudited**

	Three Months Ended March 31,	
(dollars in thousands, except per share data)	2010	2009
Interest income:		
Interest and fees on loans and leases	\$ 12,670	\$ 13,002
Interest on cash and cash equivalents	15	100
Interest on investment securities	1,209	1,191
Total interest income	13,894	14,293
Interest expense:		
Savings, NOW, and market rate accounts	657	816
Time deposits	454	1,554
Wholesale deposits	236	813
Borrowed funds	1,130	1,263
Subordinated debt	273	221
Mortgage payable	27	
Total interest expense	2,777	4,667
Net interest income	11,117	9,626
Provision for loan and lease losses	3,113	1,591
Net interest income after provision for loan and lease losses	8,004	8,035
Non-interest income		
Fees for wealth management services	3,831	3,504
Service charges on deposits	501	463
Loan servicing and other fees	381	291
Net gain on sale of residential mortgage loans	525	1,877
Net gain on sale of investments	1,544	472
Other operating income	529	878
Total non-interest income	7,311	7,485
Non-interest expenses:		
Salaries and wages	5,287	5,479
Employee benefits	1,558	1,582
Occupancy and bank premises	984	927
Furniture, fixtures, and equipment	595	586
Advertising	262	232
Impairment of mortgage servicing rights	41	204
Amortization of mortgage servicing rights	199	195
Intangible asset amortization	77	77
FDIC insurance	314	322
Net loss on sale of OREO	152	
Due diligence and merger related expenses	347	
Professional fees	619	343
Other operating expenses	1,470	1,521

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Total non-interest expenses	11,905	11,468
Income before income taxes	3,410	4,052
Income tax expense	1,187	1,420
Net income	\$ 2,223	\$ 2,632
Basic earnings per common share	\$ 0.25	\$ 0.31
Diluted earnings per common share	\$ 0.25	\$ 0.31
Dividends declared per share	\$ 0.14	\$ 0.14
Weighted-average basic shares outstanding	8,893,997	8,602,406
Dilutive potential shares	11,017	18,498
Adjusted weighted-average diluted shares	8,905,014	8,620,904

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Table of Contents**BRYN MAWR BANK CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets - Unaudited**

(dollars in thousands, except share and per share data)	March 31, 2010	December 31, 2009
Assets		
Cash and due from banks	\$ 17,995	\$ 11,670
Interest bearing deposits with banks	71,680	58,472
Money market funds	402	9,175
Cash and cash equivalents	90,077	79,317
Investment securities available for sale, at fair value (amortized cost of \$172,912 and \$206,689 as of March 31, 2010 and December 31, 2009 respectively)	173,816	208,224
Loans held for sale	2,214	3,007
Portfolio loans and leases	893,100	885,739
Less: Allowance for loan and lease losses	(9,740)	(10,424)
Net portfolio loans and leases	883,360	875,315
Premises and equipment, net	21,724	21,438
Accrued interest receivable	4,498	4,289
Deferred income taxes	4,970	4,991
Mortgage servicing rights	3,994	4,059
FHLB stock	7,916	7,916
Goodwill	6,301	6,301
Intangible assets	5,344	5,421
Other investments	3,145	3,140
Other assets	13,852	15,403
Total assets	\$ 1,221,211	\$ 1,238,821
Liabilities		
Deposits:		
Non-interest-bearing demand	\$ 194,697	\$ 212,903
Savings, NOW and market rate accounts	491,715	482,987
Other wholesale deposits	47,687	52,174
Wholesale time deposits	43,352	36,118
Time deposits	136,927	153,705
Total deposits	914,378	937,887
Borrowed funds	142,244	144,826
Mortgage payable	2,046	2,062
Subordinated debt	22,500	22,500
Accrued interest payable	1,395	1,987
Other liabilities	32,377	25,623
Total liabilities	1,114,940	1,134,885
Shareholders' equity		
Common stock, par value \$1; authorized 100,000,000 shares; issued 11,878,634 and 11,786,084 shares as of March 31, 2010 and December 31, 2009, respectively, and outstanding of 8,958,970, and 8,866,420 as of March 31, 2010 and December 31, 2009, respectively	11,879	11,786

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Paid-in capital in excess of par value	19,106	17,705
Accumulated other comprehensive loss, net of taxes	(7,051)	(6,913)
Retained earnings	112,269	111,290
	136,203	133,868
Less: Common stock in treasury at cost 2,919,664 and 2,919,664 shares as of March 31, 2010 and December 31, 2009, respectively	(29,932)	(29,932)
Total shareholders' equity	106,271	103,936
Total liabilities and shareholders' equity	\$ 1,221,211	\$ 1,238,821
Book value per share	\$ 11.86	\$ 11.72
Tangible book value per share	\$ 10.56	\$ 10.40
The accompanying notes are an integral part of the unaudited consolidated financial statements.		

Table of Contents**BRYN MAWR BANK CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows - Unaudited**

	Three Months Ended March 31	
(dollars in thousands)	2010	2009
Operating activities:		
Net Income	\$ 2,223	\$ 2,632
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan and lease losses	3,113	1,591
Provision for depreciation and amortization	799	592
Loans originated for resale	(19,692)	(92,290)
Proceeds from loans sold	21,010	94,295
Net gain on sale of residential mortgages	(525)	(1,877)
Provision for deferred income taxes (benefit)	56	(90)
Stock based compensation cost	123	70
Change in income taxes payable/receivable	429	1,372
Change in accrued interest receivable	(209)	(211)
Change in accrued interest payable	(592)	(60)
Change in mortgage servicing rights	65	(502)
Loss on sale of Other Real Estate Owed (OREO)	152	
Net change in intangible assets	77	77
Other, net	(9,166)	3,530
Net cash (used) provided by operating activities	(2,137)	9,129
Investing activities:		
Purchases of investment securities	(27,613)	(20,345)
Proceeds from maturity of investment securities and mortgage-backed securities pay downs	5,533	4,590
Proceeds from sale of investment securities available for sale	37,490	14,737
Proceeds from calls of investment securities available for sale	34,520	3,000
Net change in other investments	(5)	113
Proceeds from BOLI repayment		15,585
Net portfolio loan and lease repayments (originations)	(11,158)	2,999
Purchases of premises and equipment	(763)	(443)
Contingent earn-out payment for Lau Associates		