

BRYN MAWR BANK CORP
Form 10-Q
November 08, 2006

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 September 30, 2006

Commission File Number 0-15261

Bryn Mawr Bank Corporation

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

23-2434506
(I.R.S. Employer
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 check 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

Edgar Filing: BRYN MAWR BANK CORP - Form 10-Q

requirements for the past 90 days. Yes No

Indicate by check whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check 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	Outstanding at October 31, 2006
Common Stock, par value \$1	8,609,931

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES

FORM 10-Q

QUARTER ENDED September 30, 2006

Index

PART I -	<u>FINANCIAL INFORMATION</u>	
ITEM 1.	<u>Financial Statements (unaudited)</u>	
	<u>Consolidated Financial Statements</u>	1
	<u>Notes to Consolidated Financial Statements</u>	5
ITEM 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	14
ITEM 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
ITEM 4.	<u>Controls and Procedures</u>	31
PART II	<u>OTHER INFORMATION</u>	31
ITEM 1.	<u>Legal Proceedings</u>	31
ITEM 1a.	<u>Risk Factors</u>	31
ITEM 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	31
ITEM 3.	<u>Defaults Upon Senior Securities</u>	32
ITEM 4.	<u>Submission of Matters to a Vote of Security Holders</u>	32
ITEM 5.	<u>Other Information</u>	32
ITEM 6.	<u>Exhibits</u>	32

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

(dollars in thousands, except per share data)	Three Months Ended September 30		Nine Months Ended September 30	
	2006	2005	2006	2005
Net interest income:				
Interest income:				
Interest and fees on loans	\$ 11,418	\$ 9,438	\$ 31,961	\$ 26,613
Interest on federal funds sold	44	64	128	125
Interest on interest bearing deposits with banks	11	44	24	65
Interest and dividends on investment securities	544	288	1,347	853
Total interest and dividend income	12,017	9,834	33,460	27,656
Interest expense:				
Savings, NOW, and market rate accounts	1,029	770	2,784	1,980
Time deposits	2,303	1,013	5,250	2,614
Borrowings	295	5	552	41
Total interest expense	3,627	1,788	8,586	4,635
Net interest income	8,390	8,046	24,874	23,021
Provision for loan and lease losses	258	209	621	589
Net interest income after provision for loan and lease losses	8,132	7,837	24,253	22,432
Non-interest income:				
Fees for wealth management services	3,013	2,972	9,181	8,593
Service charges on deposits	388	408	1,164	1,201
Loan servicing and late fees	271	321	843	999
Net gain on sale of loans	268	456	772	1,378
Other operating income	623	568	1,777	1,723
Total non-interest income	4,563	4,725	13,737	13,894
Non-interest expenses:				
Salaries and wages	4,109	4,414	11,772	11,678
Employee benefits	887	998	3,336	3,076
Occupancy and bank premises	636	564	1,902	1,701
Furniture, fixtures, and equipment	486	488	1,444	1,446
Advertising	187	195	660	683
Amortization of mortgage servicing rights	88	115	258	513
Professional fees	285	318	791	917
Other operating expenses	1,152	1,095	3,414	3,421
Total non-interest expenses	7,830	8,187	23,577	23,435
Income before income taxes	4,865	4,375	14,413	12,891

Edgar Filing: BRYN MAWR BANK CORP - Form 10-Q

Income taxes		1,630	1,499	4,905	4,425
Net income	\$	3,235	\$ 2,876	\$ 9,508	\$ 8,466
Basic earnings per common share	\$	0.38	\$ 0.34	\$ 1.11	\$ 0.99
Diluted earnings per common share	\$	0.37	\$ 0.33	\$ 1.09	\$ 0.98
Dividends declared per share	\$	0.12	\$ 0.11	\$ 0.34	\$ 0.31
Weighted-average basic shares outstanding		8,575,170	8,555,037	8,574,420	8,565,311
Dilutive potential common shares		109,995	107,699	110,044	99,596
Adjusted weighted-average dilutive shares		8,685,165	8,662,736	8,684,464	8,664,907

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

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

Unaudited

	September 30,	December 31,
(dollars in thousands, except per share data)	2006	2005
Assets		
Cash and due from banks	\$ 23,921	\$ 33,896
Interest bearing deposits with banks	544	405
Federal funds sold		32,341
Investment securities available for sale, at fair value (amortized cost of \$51,789 and \$34,014 as of September 30, 2006 and December 31, 2005, respectively)	51,399	33,397
Loans held for sale	7,621	2,765
Portfolio loans and leases	667,105	595,165
Less: Allowance for loan and lease losses	(8,025)	(7,402)
Net portfolio loans and leases	659,080	587,763
Premises and equipment, net	15,479	14,622
Accrued interest receivable	3,857	3,265
Deferred income taxes	1,694	709
Mortgage servicing rights	2,924	2,982
Other assets	16,724	15,081
Total assets	\$ 783,243	\$ 727,226
Liabilities		
Deposits:		
Noninterest-bearing demand	145,872	168,042
Savings, NOW and market rate accounts	282,707	312,896
Time deposits	179,712	155,322
Wholesale deposits	29,963	
Total deposits	638,254	636,260
Borrowed funds	46,300	
Accrued interest payable	3,586	2,143
Other liabilities	10,809	11,310
Total liabilities	698,949	649,713
Shareholders equity		
Common stock, par value \$1; authorized 25,000,000 shares; issued 11,308,004 and 11,221,899 shares as of September 30, 2006 and December 31, 2005 respectively and outstanding of 8,575,253 and 8,556,255 shares as of September 30, 2006 and December 31, 2005, respectively	11,309	11,222
Paid-in capital in excess of par value	9,358	7,888
Accumulated other comprehensive income, net of taxes	(495)	(643)
Retained earnings	89,522	82,930
	109,694	101,397
Less: Common stock in treasury at cost 2,732,751 and 2,665,644 shares as of September 30, 2006 and December 31, 2005 respectively	(25,400)	(23,884)

Edgar Filing: BRYN MAWR BANK CORP - Form 10-Q

Total shareholders' equity	84,294	77,513
Total liabilities and shareholders' equity	\$ 783,243	\$ 727,226
Book value per share	\$ 9.83	\$ 9.06

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

BRYN MAWR BANK CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Unaudited

(dollars in thousands)	Nine Months Ended September 30	
	2006	2005
Operating activities:		
Net income	\$ 9,508	\$ 8,466
Adjustments to reconcile net income to net cash (used) provided by operating activities:		
Provision for loan and lease losses	621	589
Provision for depreciation and amortization	1,096	1,147
Loans originated for resale	(52,563)	(102,297)
Proceeds from loans sold	48,479	103,574
Gain on sale of loans	(772)	(1,378)
Provision for deferred income taxes (benefit)	(1,065)	(843)
Change in tax receivable		(354)
Change in accrued interest receivable	(592)	(326)
Change in accrued interest payable	1,443	(789)
Change in mortgage servicing rights, net	58	180
Other	(690)	4,267
Net cash provided by operating activities	5,523	12,236
Investing activities:		
Purchases of investment securities available for sale	(24,858)	(5,499)
Proceeds from maturity of investment securities	5,627	5,238
Proceeds from sale of investment securities available for sale		377
Net portfolio loan and lease (originations) repayments	(71,938)	(26,891)
Purchases of premises and equipment	(1,878)	(1,548)
Change in OREO	25	(20)
Net cash used by investing activities	(93,022)	(28,343)
Financing activities:		
Net decrease in demand and savings deposits	(52,358)	