

Bancorp, Inc.
Form 10-Q
September 30, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended: March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

Commission file number: 51018

THE BANCORP, INC.

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(Exact name of registrant as specified in its charter)

Delaware	23-3016517
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

409 Silverside Road	
Wilmington, DE	19809
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (302) 385-5000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of September 24, 2015 there were 37,758,237 outstanding shares of common stock, \$1.00 par value.



THE BANCORP, INC

Form 10-Q Index

	Page
Part I Financial Information	
Item 1 <u>Financial Statements:</u>	3
<u>Unaudited Consolidated Balance Sheets – March 31, 2015 and December 31, 2014</u>	3
<u>Unaudited Consolidated Statement of Operations – Three months ended March 31, 2015 and 2014</u>	4
<u>Unaudited Consolidated Statements of Comprehensive Income – Three months ended March 31, 2015 and 2014</u>	6
<u>Unaudited Consolidated Statement of Changes in Shareholders' Equity – Three months ended March 31, 2015</u>	7
<u>Unaudited Consolidated Statements of Cash Flows – Three months ended March 31, 2015 and 2014</u>	8
<u>Notes to Unaudited Consolidated Financial Statements</u>	9
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	48
Item 4. <u>Controls and Procedures</u>	48
Part II Other Information	
Item 1. <u>Legal proceedings</u>	50
Item 1A. <u>Risk Factors</u>	50
Item 6. <u>Exhibits</u>	51
<u>Signatures</u>	53

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

THE BANCORP, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS

	March 31, 2015 (in thousands)	December 31, 2014
ASSETS		
Cash and cash equivalents		
Cash and due from banks	\$ 18,636	\$ 8,665
Interest earning deposits at Federal Reserve Bank	994,400	1,059,320
Securities purchased under agreements to resell	46,250	46,250
Total cash and cash equivalents	1,059,286	1,114,235
Investment securities, available-for-sale, at fair value	1,442,665	1,493,639
Investment securities, held-to-maturity (fair value \$91,675 and \$91,914, respectively)	93,662	93,765
Commercial loans held for sale	239,820	217,080
Loans, net of deferred loan fees and costs	870,901	874,593
Allowance for loan and lease losses	(4,243)	(3,638)
Loans, net	866,658	870,955
Federal Home Loan and Atlantic Central Bankers Bank stock	1,003	1,002
Premises and equipment, net	19,158	17,697
Accrued interest receivable	11,290	11,251
Intangible assets, net	5,791	6,228
Deferred tax asset, net	32,025	33,673
Investment in unconsolidated entity, at fair value	190,783	193,595
Assets held for sale	842,574	887,929
Other assets	43,734	45,268
Total assets	\$ 4,848,449	\$ 4,986,317
LIABILITIES		
Deposits		
Demand and interest checking	\$ 4,182,656	\$ 4,289,586
Savings and money market	307,988	330,798
Time deposits	1,400	1,400
Total deposits	4,492,044	4,621,784

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Securities sold under agreements to repurchase	7,959	19,414
Subordinated debenture	13,401	13,401
Other liabilities	12,992	12,695
Total liabilities	4,526,396	4,667,294
SHAREHOLDERS' EQUITY		
Common stock - authorized, 50,000,000 shares of \$1.00 par value; 37,858,152 and 37,808,777 shares issued at March 31, 2015 and December 31, 2014, respectively	37,858	37,809
Treasury stock, at cost (100,000 shares)	(866)	(866)
Additional paid-in capital	298,402	297,987
Retained earnings	(28,029)	(28,242)
Accumulated other comprehensive income	14,688	12,335
Total shareholders' equity	322,053	319,023
Total liabilities and shareholders' equity	\$ 4,848,449	\$ 4,986,317

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

THE BANCORP, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the three months ended March 31,	
	2015	2014
		(restated)
	(in thousands, except per share data)	
Interest income		
Loans, including fees	\$ 10,697	\$ 8,464
Interest on investment securities:		
Taxable interest	5,060	5,137
Tax-exempt interest	3,174	2,084
Federal funds sold/securities purchased under agreements to resell	164	106
Interest earning deposits	622	764
	19,717	16,555
Interest expense		
Deposits	3,099	2,777
Securities sold under agreements to repurchase	9	12
Subordinated debenture	95	115
	3,203	2,904
Net interest income	16,514	13,651
Provision for loan and lease losses	665	1,275
Net interest income after provision for loan and lease losses	15,849	12,376
Non-interest income		
Service fees on deposit accounts	1,760	1,210
Card payment and ACH processing fees	1,253	1,303
Prepaid card fees	13,132	13,468
Gain on sale of loans	1,676	5,484
Gain on sale of investment securities	80	241
Leasing income	519	381
Debit card income	460	426
Affinity fees	412	534
Other	1,485	631
Total non-interest income	20,777	23,678
Non-interest expense		
Salaries and employee benefits	15,525	15,145
Depreciation and amortization	1,202	1,050
Rent and related occupancy cost	1,385	1,027
Data processing expense	3,228	3,255
Printing and supplies	615	556
Audit expense	426	376
Legal expense	1,405	630

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Amortization of intangible assets	297		304
FDIC insurance	2,853		1,689
Software	1,350		1,168
Insurance	458		451
Telecom and IT network communications	550		521
Securitization and servicing expense	479		578
Consulting	1,488		696
Bank Secrecy Act and lookback consulting expenses	5,744		-
Other	3,855		3,759
Total non-interest expense	40,860		31,205
Income (loss) from continuing operations before income taxes	(4,234)		4,849
Income tax (benefit) provision	(2,427)		1,623
Net income (loss) from continuing operations	\$	(1,807)	\$ 3,226
Discontinued operations			
Income (loss) from discontinued operations	3,099		(2,475)
Income tax provision (benefit)	1,078		(876)

4

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Income (loss) from discontinued operations, net of tax	2,021		(1,599)	
Net income available to common shareholders	\$	214	\$	1,627
Net income (loss) per share from continuing operations - basic	\$	(0.05)	\$	0.08
Net income (loss) per share from discontinued operations - basic	\$	0.05	\$	(0.04)
Net income per share - basic	\$	-	\$	0.04
Net income (loss) per share from continuing operations - diluted	\$	(0.05)	\$	0.08
Net income (loss) per share from discontinued operations - diluted	\$	0.05	\$	(0.04)
Net income per share - diluted	\$	-	\$	0.04

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

THE BANCORP INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the three months ended March 31,	
	2015	2014 (restated)
	(in thousands)	
Net income		
Other comprehensive income, net of reclassifications into net income:	\$ 214	\$ 1,627
Other comprehensive income		
Change in net unrealized gain during the period	4,522	8,583
Reclassification adjustments for losses included in income	(80)	(241)
Reclassification adjustments for foreign currency translation losses	(552)	-
Amortization of losses previously held as available-for-sale	28	5
Net unrealized gain on investment securities	3,918	8,347
Deferred tax expense		
Securities available-for-sale:		
Change in net unrealized gain during the period	1,583	3,004
Reclassification adjustments for losses included in income	(28)	(84)
Amortization of losses previously held as available-for-sale	10	2
Income tax expense related to items of other comprehensive income	1,565	2,922
Other comprehensive income net of tax and reclassifications into net income	2,353	5,425
Comprehensive income	\$ 2,567	\$ 7,052

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

THE BANCORP INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three months ended March 31, 2015

(in thousands, except share data)

	Common stock shares	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Total
Balance at January 1, 2015	37,808,777	\$ 37,809	\$ (866)	\$ 297,987	\$ (28,242)	\$ 12,335	\$ 319,023
Net income					213		213
Common stock issued as restricted shares, net of tax benefits	49,375	49		(49)	-		-
Stock-based compensation	-	-	-	464	-	-	464
Other comprehensive income net of reclassification adjustments and tax	-	-	-	-	-	2,353	2,353
Balance at March 31, 2015	37,858,152	\$ 37,858	\$ (866)	\$ 298,402	\$ (28,029)	\$ 14,688	\$ 322,053

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

THE BANCORP, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(dollars in thousands except per share data)

	For the three months ended March 31,	
	2015	2014 (restated)
Operating activities		
Net income (loss) from continuing operations	\$ (1,807)	\$ 3,226
Net income (loss) from discontinued operations, net of tax	2,021	(1,599)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,499	1,354
Provision for loan and lease losses	665	1,275
Net amortization of investment securities discounts/premiums	3,573	3,441
Stock-based compensation expense	464	772
Loans originated for sale	(125,923)	(218,587)
Sale of loans originated for resale	104,859	75,441
Gain on sales of loans originated for resale	(1,676)	(5,484)
Gain on sale of fixed assets	(2)	(2)
Gain on sales of investment securities	(80)	(241)
Increase in accrued interest receivable	(39)	(1,928)
Decrease in other assets	1,203	36,401
Increase in discontinued assets held for sale	(20,392)	(43,923)
Increase (decrease) in other liabilities	297	(1,552)
Net cash used in operating activities	(35,338)	(151,407)
Investing activities		
Purchase of investment securities available-for-sale	(30,401)	(222,550)
Proceeds from sale of investment securities available-for-sale	35,226	24,173
Proceeds from redemptions and prepayments of securities held-to-maturity	89	38
Proceeds from redemptions and prepayments of securities available-for-sale	47,140	64,004
Net decrease (increase) in loans	3,632	(103,103)
Net decrease in discontinued loans held for sale	65,747	19,098
Proceeds from sale of fixed assets	144	11
Purchases of premises and equipment	(2,805)	(1,092)
Investment in unconsolidated entity	2,812	-
Net cash provided by (used in) investing activities	121,584	(219,421)
Financing activities		

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Net decrease in deposits	(129,740)	(25,781)
Net decrease in securities sold under agreements to repurchase	(11,455)	(4,730)
Proceeds from the exercise of options	-	71
Excess tax benefit from share-based payment arrangements	-	-
Net cash used in financing activities	(141,195)	(30,440)
Net decrease in cash and cash equivalents	(54,949)	(401,268)
Cash and cash equivalents, beginning of period	1,114,235	1,235,949
Cash and cash equivalents, end of period	\$ 1,059,286	\$ 834,681
Supplemental disclosure:		
Interest paid	\$ 3,129	\$ 2,911
Taxes paid	\$ -	\$ 1,129

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

THE BANCORP, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Structure of Company

The Bancorp, Inc. (the Company) is a Delaware corporation and a registered financial holding company. Its primary subsidiary is a wholly owned subsidiary bank, The Bancorp Bank (the Bank). The Bank is a Delaware chartered commercial bank located in Wilmington, Delaware and is a Federal Deposit Insurance Corporation (FDIC) insured institution. In its continuing operations, the Bank has four primary lines of specialty lending: security backed lines of credit (SBLOC), leasing, Small Business Administration (SBA) loans and loans generated for sale into capital markets primarily through commercial mortgage backed securities (CMBS). Through the Bank, the Company also provides banking services nationally, which include prepaid cards, private label banking, institutional banking, card payment and other payment processing and health savings accounts. European operations are comprised of three operational service subsidiaries, Transact Payment Services Group Limited, Transact Payment Services Limited and Transact Payment Services Group-Bulgaria EOOD and one subsidiary, Transact Payments Limited, which offer prepaid card and electronic money issuing services.

The Company and the Bank are subject to regulation by certain state and federal agencies and, accordingly, they are examined periodically by those regulatory authorities. As a consequence of the extensive regulation of commercial banking activities, the Company's and the Bank's businesses may be affected by state and federal legislation and regulations.

Note 2. Significant Accounting Policies

Basis of Presentation

The financial statements of the Company, as of March 31, 2015 and for the three month periods ended March 31, 2015 and 2014, are unaudited. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission. However, in the opinion of management, these interim financial statements include all necessary adjustments to fairly present the results of the interim periods presented. The unaudited interim consolidated financial statements should be read in conjunction with the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 (Form 10-K report). Note T in those financial statements present restated interim financial statements as described therein. The results of operations for the three month period ended March 31, 2015 may not necessarily be indicative of the results of operations for the full year ending December 31, 2015.

Note 3. Share-based Compensation

The Company recognizes compensation expense for stock options in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 718, Stock Based Compensation. The expense of the option is generally measured at fair value at the grant date with compensation expense recognized over the service period, which is usually the vesting period. For grants subject to a service condition, the Company utilizes the Black-Scholes option-pricing model to estimate the fair value of each option on the date of grant. The Black-Scholes model takes into consideration the exercise price and expected life of the options, the current price of the underlying stock and its expected volatility, the expected dividends on the stock and the current risk-free interest rate for the expected life of the option. The Company's estimate of the fair value of a stock option is based on expectations derived from historical experience and may not necessarily equate to its market value when fully vested. In accordance with ASC 718, the Company estimates the number of options for which the requisite service is expected to be rendered. At March 31, 2015, the Company had four stock-based compensation plans, which are more fully described in its Annual Report on Form 10-K for the year ended December 31, 2014 and the portions of the Company's Proxy Statement for the year ended 2014, incorporated therein by reference.

The Company did not grant stock options in the first quarter of 2015 or 2014. There were no common stock options exercised in the three month period ended March 31, 2015 and 59,999 common stock options exercised in the three month period ended March 31, 2014. The total intrinsic value of the options exercised during the three months ended March 31, 2015 and 2014 was \$0 and \$594,000, respectively.

A summary of the status of the Company's equity compensation plans is presented below.

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	Shares (in thousands, except per share data)	Weighted average exercise price	Weighted- average remaining contractual term (years)	Aggregate intrinsic value
Outstanding at January 1, 2015	2,602,000	\$ 9.72	5.39	\$ 5,010,208
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	(232,500)	14.24	-	-
Forfeited	-	-	-	-
Outstanding at March 31, 2015	2,369,500	\$ 9.27	5.66	\$ 1,684,163
Exercisable at March 31, 2015	2,019,875	\$ 9.35	5.38	\$ 1,450,426

The Company granted 86,992 restricted stock units with a vesting period of two years at a fair value of \$9.11 in the first three months of 2015. There were no restricted stock units granted in the first three months of 2014. The total fair value of restricted stock units vested for the three months ended March 31, 2015 and 2014 was \$430,000 and \$886,000, respectively.

A summary of the status of the Company's restricted stock units is presented below.

	Shares	Weighted- average grant date fair value	Average remaining contractual term (years)
Outstanding at January 1, 2015	148,381	\$ 10.46	2.07
Granted	86,992	9.11	2.00
Vested	(49,375)	10.45	-
Forfeited	-	-	-
Outstanding at March 31, 2015	185,998		1.88

As of March 31, 2015, there was a total of \$2.9 million of unrecognized compensation cost related to non-vested awards under share-based plans. This cost is expected to be recognized over a weighted average period of 1.37 years. Related compensation expense for the three months ended March 31, 2015 and 2014 was \$464,000 and \$772,000 million, respectively.

Note 4. Earnings Per Share

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The Company calculates earnings per share under ASC 260, Earnings Per Share. Basic earnings per share exclude dilution and are computed by dividing income available to common shareholders by the weighted average common shares outstanding during the period. Diluted earnings per share takes into account the potential dilution that could occur if securities or other contracts to issue common stock were exercised and converted into common stock.

The following tables show the Company's earnings per share for the periods presented:

	For the three months ended March 31, 2015		
	Income (numerator)	Shares (denominator)	Per share amount
	(dollars in thousands except per share data)		
Basic earnings (loss) per share from continuing operations			
Net income (loss) available to common shareholders	\$ (1,807)	37,745,619	\$ (0.05)

10

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Effect of dilutive securities				
Common stock options	-	-	-	
Diluted earnings (loss) per share				
Net income (loss) available to common shareholders	\$	(1,807)	37,745,619	\$ (0.05)

For the three months ended
March 31, 2015

	Income (numerator)	Shares (denominator)	Per share amount
--	-----------------------	-------------------------	---------------------

(dollars in thousands except per share data)

Basic earnings (loss) per share from discontinued operations				
Net income (loss) available to common shareholders	\$	2,021	37,745,619	\$ 0.05
Effect of dilutive securities				
Common stock options	-	312,782	-	
Diluted earnings (loss) per share				
Net income (loss) available to common shareholders	\$	2,021	38,058,401	\$ 0.05

For the three months ended
March 31, 2015

	Income (numerator)	Shares (denominator)	Per share amount
--	-----------------------	-------------------------	---------------------

(dollars in thousands except per share data)

Basic earnings (loss) per share				
Net income (loss) available to common shareholders	\$	214	37,745,619	\$ -
Effect of dilutive securities				
Common stock options	-	312,782	-	
Diluted earnings (loss) per share				
Net income (loss) available to common shareholders	\$	214	38,058,401	\$ -

Stock options for 892,000 shares, exercisable at prices between \$9.58 and \$25.43 per share, were outstanding at March 31, 2015, but were not included in the dilutive shares because the exercise price per share was greater than the average market price.

For the three months ended
March 31, 2014
(restated)

Income (numerator)	Shares (denominator)	Per share amount
-----------------------	-------------------------	---------------------

(dollars in thousands except per share data)

Basic earnings (loss) per share from continuing operations				
Net income (loss) available to common shareholders	\$	3,226	37,680,614	\$ 0.08
Effect of dilutive securities				
Common stock options	-		965,034	-
Diluted earnings (loss) per share				
Net income (loss) available to common shareholders	\$	3,226	38,645,648	\$ 0.08

For the
three
months
ended
March 31,
2014
(restated)

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	Income (numerator)	Shares (denominator)	Per share amount
(dollars in thousands except per share data)			
Basic earnings (loss) per share from discontinued operations			
Net income (loss) available to common shareholders	\$ (1,599)	37,680,614	\$ (0.04)
Effect of dilutive securities			
Common stock options	-	-	-
Diluted earnings (loss) per share			
Net income (loss) available to common shareholders	\$ (1,599)	37,680,614	\$ (0.04)

For the three months ended
March 31, 2014

(restated)

	Income (numerator)	Shares (denominator)	Per share amount
(dollars in thousands except per share data)			
Basic earnings (loss) per share			
Net income (loss) available to common shareholders	\$ 1,627	37,680,614	\$ 0.04
Effect of dilutive securities			
Common stock options	-	965,034	-
Diluted earnings (loss) per share			
Net income (loss) available to common shareholders	\$ 1,627	38,645,648	\$ 0.04

Stock options for 3,000 shares, exercisable at prices between \$20.98 and \$25.43 per share, were outstanding at March 31, 2014 but were not included in diluted earnings per share computation because the exercise price per share was greater than the average market price.

Note 5. Investment Securities

The amortized cost, gross unrealized gains and losses, and fair values of the Company's investment securities classified as available-for-sale and held-to-maturity at March 31, 2015 and December 31, 2014 are summarized as follows (in thousands):

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Available-for-sale	March 31, 2015			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Government agency securities	\$ 18,345	\$ 62	\$ (26)	\$ 18,381
Federally insured student loan securities	124,124	416	(387)	124,153
Tax-exempt obligations of states and political subdivisions	529,820	17,908	(156)	547,572
Taxable obligations of states and political subdivisions	58,207	2,742	(55)	60,894
Residential mortgage-backed securities	403,145	3,514	(453)	406,206
Commercial mortgage-backed securities	107,854	1,129	(1,199)	107,784
Foreign debt securities	60,290	520	(76)	60,734
Corporate and other debt securities	116,310	723	(92)	116,941
	\$ 1,418,095	\$ 27,014	\$ (2,444)	\$ 1,442,665

Held-to-maturity	March 31, 2015			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Other debt securities - single issuers	\$ 17,895	\$ 379	\$ (3,834)	\$ 14,440
Other debt securities - pooled	75,767	1,468	-	77,235
	\$ 93,662	\$ 1,847	\$ (3,834)	\$ 91,675

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Available-for-sale	December 31, 2014				
	Amortized cost		Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Government agency securities	\$ 16,519		\$ 42	\$ -	\$ 16,561
Federally insured student loan securities	125,789		613	(390)	126,012
Tax-exempt obligations of states and political subdivisions	535,622		16,027	(380)	551,269
Taxable obligations of states and political subdivisions	58,868		2,614	(103)	61,379
Residential mortgage-backed securities	419,503		3,504	(878)	422,129
Commercial mortgage-backed securities	123,519		1,220	(1,500)	123,239
Foreign debt securities	67,094		130	(346)	66,878
Corporate and other debt securities	126,610		225	(663)	126,172
	\$ 1,473,524		\$ 24,375	\$ (4,260)	\$ 1,493,639

Held-to-maturity	December 31, 2014				
	Amortized cost		Gross unrealized gains	Gross unrealized losses	Fair value
Other debt securities - single issuers	\$ 17,882		\$ 531	\$ (3,820)	\$ 14,593
Other debt securities - pooled	75,883		1,438	-	77,321
	\$ 93,765		\$ 1,969	\$ (3,820)	\$ 91,914

Investments in Federal Home Loan and Atlantic Central Bankers Bank stock are recorded at cost and amounted to \$1.0 million at March 31, 2015 and December 31, 2014.

The amortized cost and fair value of the Company's investment securities at March 31, 2015, by contractual maturity, are shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

	Available-for-sale		Held-to-maturity	
	Amortized cost	Fair value	Amortized cost	Fair value
Due before one year	\$ 108,735	\$ 108,782	\$ -	\$ -
	325,220	328,725	7,019	7,299

Due after one year through five years							
Due after five years through ten years	413,877	425,944	-	-			
Due after ten years	570,263	579,214	86,643	84,376			
	\$ 1,418,095	\$ 1,442,665	\$ 93,662	\$ 91,675			

At March 31, 2015 and December 31, 2014, investment securities with a book value of approximately \$24.5 million and \$25.7 million, respectively, were pledged to secure securities sold under repurchase agreements as required or permitted by law.

Fair values of available-for-sale securities are based on the fair market value supplied by a third-party market data provider while the fair values of held-to-maturity securities are based on the present value of cash flows, which discounts expected cash flows from principal and interest using yield to maturity at the measurement date. The Company periodically reviews its investment portfolio to determine whether unrealized losses are other than temporary, based on an evaluation of the creditworthiness of the issuers/guarantors as well as the underlying collateral if applicable, in addition to the continuing performance of the securities. The Company did not recognize any other-than-temporary impairment charges in the first three months of 2015.

The table below indicates the length of time individual securities had been in a continuous unrealized loss position at March 31, 2015 (in thousands):

Available-for-sale Description of Securities	Number of securities	Less than 12 months		12 months or longer		Total
		Fair Value	Unrealized losses	Fair Value	Unrealized losses	Fair Value
U.S. Government agency securities	3	\$ 12,130	\$ (26)	\$ -	\$ -	\$ 12,104

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Federally insured student loan securities	10	44,090	(206)	21,479	(181)	65,569	(387)
Tax-exempt obligations of states and political subdivisions	50	10,338	(59)	22,637	(97)	32,975	(156)
Taxable obligations of states and political subdivisions							