

BRYN MAWR BANK CORP

Form 10-Q

November 09, 2012

[Table of Contents](#)

**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, 2012

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	Outstanding at November 5, 2012
Common Stock, par value \$1	13,399,313

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**Table of Contents**

**BRYN MAWR BANK CORPORATION AND SUBSIDIARIES**

**FORM 10-Q**

**QUARTER ENDED September 30, 2012**

**Index**

<b>PART I</b>	<b><u>FINANCIAL INFORMATION</u></b>	
<b>ITEM 1.</b>	<b><u>Financial Statements (unaudited)</u></b>	
	<u>Consolidated Financial Statements</u>	Page 3
	<u>Notes to Consolidated Financial Statements</u>	Page 8
<b>ITEM 2.</b>	<b><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	Page 34
<b>ITEM 3.</b>	<b><u>Quantitative and Qualitative Disclosures About Market Risk</u></b>	Page 53
<b>ITEM 4.</b>	<b><u>Controls and Procedures</u></b>	Page 53
<b>PART II</b>	<b><u>OTHER INFORMATION</u></b>	Page 53
<b>ITEM 1.</b>	<b><u>Legal Proceedings</u></b>	Page 53
<b>ITEM 1A.</b>	<b><u>Risk Factors</u></b>	Page 53
<b>ITEM 2.</b>	<b><u>Unregistered Sales of Equity Securities and Use of Proceeds</u></b>	Page 53
<b>ITEM 3.</b>	<b><u>Defaults Upon Senior Securities</u></b>	Page 53
<b>ITEM 4.</b>	<b><u>Mine Safety Disclosures</u></b>	Page 54
<b>ITEM 5.</b>	<b><u>Other Information</u></b>	Page 54
<b>ITEM 6.</b>	<b><u>Exhibits</u></b>	Page 54

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

<i>(dollars in thousands)</i>	(unaudited) September 30, 2012	December 31, 2011
<b>Assets</b>		
Cash and due from banks	\$ 13,526	\$ 11,771
Interest bearing deposits with banks	23,559	57,369
Cash and cash equivalents	37,085	69,140
Investment securities available for sale, at fair value (amortized cost of \$310,973 and \$271,065 as of September 30, 2012 and December 31, 2011 respectively)	316,644	273,822
Trading securities	1,399	1,436
Loans held for sale	3,420	1,588
Portfolio loans and leases	1,313,713	1,295,392
Less: Allowance for loan and lease losses	(13,638)	(12,753)
Net portfolio loans and leases	1,300,075	1,282,639
Premises and equipment, net	29,238	29,328
Accrued interest receivable	5,963	6,061
Deferred income taxes	11,478	13,845
Mortgage servicing rights	4,257	4,041
Bank owned life insurance	19,765	19,434
FHLB stock	10,717	11,588
Goodwill	29,588	24,689
Intangible assets	22,351	18,014
Other investments	4,438	4,107
Other assets	18,111	13,641
<b>Total assets</b>	<b>\$ 1,814,529</b>	<b>\$ 1,773,373</b>
<b>Liabilities</b>		
Deposits:		
Non-interest-bearing	\$ 327,214	\$ 326,409
Interest-bearing	1,071,335	1,055,960
<b>Total deposits</b>	<b>1,398,549</b>	<b>1,382,369</b>
Short-term borrowings	19,029	12,863
FHLB advances and other borrowings	155,416	147,795
Subordinated debentures	15,000	22,500
Accrued interest payable	982	1,592
Other liabilities	24,298	21,875
<b>Total liabilities</b>	<b>1,613,274</b>	<b>1,588,994</b>
<b>Shareholders equity</b>		

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Common stock, par value \$1; authorized 100,000,000 shares; issued 16,389,289 and 16,103,981 shares as of September 30, 2012 and December 31, 2011, respectively, and outstanding of 13,399,635 and 13,106,353 as of September 30, 2012 and December 31, 2011, respectively	16,389	16,104
Paid-in capital in excess of par value	88,744	84,425
Less: Common stock in treasury at cost 2,989,654 and 2,997,628 shares as of September 30, 2012 and December 31, 2011, respectively	(30,924)	(31,027)
Accumulated other comprehensive loss, net of tax benefit	(8,655)	(11,365)
Retained earnings	135,701	126,242
<b>Total shareholders' equity</b>	<b>201,255</b>	<b>184,379</b>
 Total liabilities and shareholders' equity	 \$ 1,814,529	 \$ 1,773,373

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 Income - Unaudited**

<i>(dollars in thousands, except share and per share data)</i>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
<b>Interest income:</b>				
Interest and fees on loans and leases	\$ 17,027	\$ 17,471	\$ 51,233	\$ 51,705
Interest on cash and cash equivalents	34	29	86	88
Interest on investment securities:				
Taxable	937	1,132	3,088	3,475
Non-taxable	56	16	139	203
Dividends	27	43	95	365
<b>Total interest income</b>	<b>18,081</b>	<b>18,691</b>	<b>54,641</b>	<b>55,836</b>
<b>Interest expense on:</b>				
Deposits	937	1,493	3,128	4,434
Short-term borrowings	5	7	14	19
FHLB advances and other borrowings	918	968	2,808	2,787
Subordinated debentures	270	279	852	835
Junior subordinated debentures	0	271	0	814
<b>Total interest expense</b>	<b>2,130</b>	<b>3,018</b>	<b>6,802</b>	<b>8,889</b>
<b>Net interest income</b>	<b>15,951</b>	<b>15,673</b>	<b>47,839</b>	<b>46,947</b>
<b>Provision for loan and lease losses</b>	<b>1,000</b>	<b>1,828</b>	<b>3,003</b>	<b>5,032</b>
<b>Net interest income after provision for loan and lease losses</b>	<b>14,951</b>	<b>13,845</b>	<b>44,836</b>	<b>41,915</b>
<b>Non-interest income:</b>				
Fees for wealth management services	7,993	6,098	21,433	15,363
Service charges on deposits	634	646	1,823	1,841
Loan servicing and other fees	432	449	1,303	1,370
Net gain on sale of residential mortgage loans	1,837	764	4,311	1,818
Net gain on sale of available for sale securities	416	343	1,132	1,410
Net loss (gain) on sale of other real estate owned ( OREO )	(45)	70	(86)	(59)
Bank owned life insurance ( BOLI ) income	108	115	331	348
Other operating income	873	779	2,969	2,497
<b>Total non-interest income</b>	<b>12,248</b>	<b>9,264</b>	<b>33,216</b>	<b>24,588</b>
<b>Non-interest expenses:</b>				
Salaries and wages	8,703	7,639	24,283	20,680
Employee benefits	1,903	1,674	6,086	5,000
Occupancy and bank premises	1,488	1,225	4,258	3,752
Furniture, fixtures, and equipment	935	865	2,766	2,571
Advertising	267	204	946	909
Amortization of mortgage servicing rights	243	197	718	524
Net (recovery) impairment of mortgage servicing rights	105	468	82	672
Amortization of intangible assets	669	541	1,738	968
FDIC insurance	262			