

BRYN MAWR BANK CORP  
Form 10-Q  
May 10, 2013  
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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, 2013**

**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 May 7, 2013
Common Stock, par value \$1	13,510,917

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**BRYN MAWR BANK CORPORATION AND SUBSIDIARIES**

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<i>(dollars in thousands)</i>	(unaudited) March 31, 2013	December 31, 2012
<b>Assets</b>		
Cash and due from banks	\$ 12,013	\$ 16,203
Interest-bearing deposits with banks	136,534	159,483
Cash and cash equivalents	148,547	175,686
Investment securities available for sale, at fair value (amortized cost of \$322,958 and \$311,747 as of March 31, 2013 and December 31, 2012 respectively)	327,799	316,614
Investment securities, trading	2,168	1,447
Loans held for sale	3,233	3,412
Portfolio loans and leases	1,405,239	1,398,456
Less: Allowance for loan and lease losses	(14,447)	(14,425)
Net portfolio loans and leases	1,390,792	1,384,031
Premises and equipment, net	31,072	31,170
Accrued interest receivable	6,168	5,955
Deferred income taxes	10,854	12,303
Mortgage servicing rights	4,593	4,491
Bank owned life insurance	19,975	19,862
FHLB stock	10,663	10,761
Goodwill	32,897	32,897
Intangible assets	21,337	21,998
Other investments	4,347	4,346
Other assets	15,718	10,912
<b>Total assets</b>	<b>\$ 2,030,163</b>	<b>\$ 2,035,885</b>
<b>Liabilities</b>		
Deposits:		
Non-interest-bearing	\$ 407,453	\$ 399,673
Interest-bearing	1,203,201	1,235,009
Total deposits	1,610,654	1,634,682
Short-term borrowings	38,362	9,403
Long-term FHLB advances and other borrowings	148,636	161,315
Accrued interest payable	949	1,233
Other liabilities	21,394	25,688
<b>Total liabilities</b>	<b>1,819,995</b>	<b>1,832,321</b>

**Shareholders equity**

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Common stock, par value \$1; authorized 100,000,000 shares; issued 16,460,272 and 16,390,608 shares as of March 31, 2013 and December 31, 2012, respectively, and outstanding of 13,500,413 and 13,412,690 as of March 31, 2013 and December 31, 2012, respectively	16,461	16,390
Paid-in capital in excess of par value	90,931	89,137
Less: Common stock in treasury at cost 2,959,859 and 2,977,918 shares as of March 31, 2013 and December 31, 2012, respectively	(30,559)	(30,745)
Accumulated other comprehensive loss, net of tax benefit	(8,565)	(10,078)
Retained earnings	141,900	138,860
Total shareholders' equity	210,168	203,564
Total liabilities and shareholders' equity	\$ 2,030,163	\$ 2,035,885

*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 March 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>Interest income:</b>		
Interest and fees on loans and leases	\$ 17,812	\$ 17,172
Interest on cash and cash equivalents	69	23
Interest on investment securities:		
Taxable	857	1,103
Non-taxable	85	38
Dividends	32	36
 Total interest income	 18,855	 18,372
<b>Interest expense on:</b>		
Deposits	775	1,126
Short-term borrowings	4	6
Long-term FHLB advances and other borrowings	667	964
Subordinated debentures		291
 Total interest expense	 1,446	 2,387
 Net interest income	 17,409	 15,985
<b>Provision for loan and lease losses</b>	<b>804</b>	<b>1,000</b>
 Net interest income after provision for loan and lease losses	 16,605	 14,985
<b>Non-interest income:</b>		
Fees for wealth management services	8,349	6,229
Service charges on deposits	584	580
Loan servicing and other fees	451	435
Net gain on sale of residential mortgage loans	1,518	1,170
Net gain on sale of investment securities available for sale	2	
Net loss on sale of other real estate owned ( OREO )	(52)	(41)
Bank owned life insurance ( BOLI ) income	113	118
Other operating income	825	1,096
 Total non-interest income	 11,790	 9,587
<b>Non-interest expenses:</b>		
Salaries and wages	8,810	7,505
Employee benefits	2,325	2,160
Net gain on curtailment of nonqualified pension plan	(570)	
Occupancy and bank premises	1,750	1,375
Furniture, fixtures, and equipment	819	891
Advertising	412	320
Amortization of mortgage servicing rights	212	219
Net impairment (recovery) of mortgage servicing rights	71	(110)
Amortization of intangible assets	661	509
FDIC insurance	258	219
Due diligence and merger-related expenses	714	209
Professional fees	575	657
Early extinguishment of debt costs and premiums	347	
Other operating expenses	3,851	2,841

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Total non-interest expenses	20,235	16,795
Income before income taxes	8,160	7,777
Income tax expense	2,840	2,704
<b>Net income</b>	<b>\$ 5,320</b>	<b>\$ 5,073</b>
Basic earnings per common share	\$ 0.40	\$ 0.39
Diluted earnings per common share	\$ 0.40	\$ 0.39
Dividends declared per share	\$ 0.17	\$ 0.16
Weighted-average basic shares outstanding	13,205,538	12,979,746
Dilutive shares	230,413	147,502
Adjusted weighted-average diluted shares	13,435,951	13,127,248

*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 Comprehensive Income    Unaudited**

<i>(dollars in thousands)</i>	<b>Three Months Ended March 31,</b>	
	<b>2013</b>	<b>2012</b>
Net income	\$ 5,320	\$ 5,073
Other comprehensive income (loss):		
<b>Net change in unrealized (losses) gains on investment securities available for sale:</b>		
Net unrealized (losses) gains arising during the period, net of tax (benefit) expense of (\$8) and \$360, respectively	(16)	669
Less: reclassification adjustment for net gains on sales realized in net income, net of tax expense of \$1 and \$0, respectively	(1)	
Unrealized investment (losses) gains, net of tax (benefit) expense of (\$9) and \$360, respectively	(17)	669
<b>Net change in fair value of derivative used for cash flow hedge:</b>		
Change in fair value of hedging instruments, net of tax expense of \$64 and \$0, respectively	119	
<b>Net change in unfunded pension liability:</b>		
Change in unfunded pension liability related to unrealized loss, prior service cost and transition obligation, net of tax expense of \$132 and \$146, respectively	247	272
Change in unfunded pension liability related to curtailment, net of tax expense of \$627 and \$0, respectively	1,164	
Total change in unfunded pension liability, net of tax expense of \$759 and \$146, respectively	1,411	272