

LAKELAND BANCORP INC
Form 10-Q
August 09, 2013
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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 June 30, 2013

OR

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

For the transition period from _____ to _____

Commission file number 000-17820

LAKELAND BANCORP, INC.

(Exact name of registrant as specified in its charter)

New Jersey (State or other jurisdiction of incorporation or organization)	22- 2953275 (I. R.S. Employer Identification No.)
250 Oak Ridge Road, Oak Ridge, New Jersey (Address of principal executive offices)	07438 (Zip Code)
(973) 697-2000	

(Registrant's telephone number, including area code)

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

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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, any Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes No

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

As of July 26, 2013 there were 35,740,392 outstanding shares of Common Stock, no par value.

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The Securities and Exchange Commission maintains a web site which contains reports, proxy and information statements and other information relating to registrants that file electronically at the address: [http:// www.sec.gov](http://www.sec.gov).

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	June 30, 2013 (unaudited)	December 31, 2012
	(dollars in thousands except share and per share amounts)	
ASSETS:		
Cash	\$ 102,260	\$ 100,926
Interest-bearing deposits due from banks	7,147	6,619
Total cash and cash equivalents	109,407	107,545
Investment securities available for sale, at fair value	397,763	393,710
Investment securities held to maturity; fair value of \$96,105 at June 30, 2013 and \$99,784 at December 31, 2012	96,466	96,925
Federal Home Loan Bank Stock, at cost	5,975	5,382
Loans, net of deferred costs (fees)	2,446,632	2,146,843
Loans held for sale	2,394	
Less: allowance for loan and lease losses	29,626	28,931
Net loans	2,419,400	2,117,912
Premises and equipment, net	37,883	33,280
Accrued interest receivable	8,629	7,643
Goodwill	110,381	87,111
Other identifiable intangible assets	2,671	
Bank owned life insurance	55,152	46,143
Other assets	18,684	23,052
TOTAL ASSETS	\$ 3,262,411	\$ 2,918,703
LIABILITIES		
Deposits:		
Noninterest bearing	\$ 600,868	\$ 498,066
Savings and interest-bearing transaction accounts	1,739,943	1,569,139
Time deposits under \$100 thousand	194,666	188,278
Time deposits \$100 thousand and over	137,382	115,514
Total deposits	2,672,859	2,370,997
Federal funds purchased and securities sold under agreements to repurchase	116,627	117,289
Other borrowings	75,000	85,000
Subordinated debentures	42,548	51,548
Other liabilities	14,268	13,002
TOTAL LIABILITIES	2,921,302	2,637,836
STOCKHOLDERS EQUITY		
Common stock, no par value; authorized shares, 70,000,000; issued 35,736,046 shares at June 30, 2013 and 29,941,967 shares at December 31, 2012	361,797	303,794
Accumulated deficit	(17,305)	(24,145)
Treasury stock, at cost, 34,595 shares at June 30, 2013 and 216,077 at December 31, 2012	(428)	(2,718)
Accumulated other comprehensive (loss) gain	(2,955)	3,936
TOTAL STOCKHOLDERS EQUITY	341,109	280,867

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 3,262,411	\$ 2,918,703
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The accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENTS OF INCOME UNAUDITED

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands, except per share data)			
INTEREST INCOME				
Loans, leases and fees	\$ 25,365	\$ 25,272	\$ 49,772	\$ 50,730
Federal funds sold and interest-bearing deposits with banks	17	6	30	12
Taxable investment securities and other	1,808	2,207	3,527	4,547
Tax-exempt investment securities	440	453	870	943
TOTAL INTEREST INCOME	27,630	27,938	54,199	56,232
INTEREST EXPENSE				
Deposits	1,560	2,139	3,222	4,395
Federal funds purchased and securities sold under agreements to repurchase	13	28	22	56
Other borrowings	911	2,023	1,873	4,087
TOTAL INTEREST EXPENSE	2,484	4,190	5,117	8,538
NET INTEREST INCOME	25,146	23,748	49,082	47,694
Provision for loan and lease losses	2,594	3,877	5,777	8,433
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES	22,552	19,871	43,305	39,261
NONINTEREST INCOME				
Service charges on deposit accounts	2,692	2,710	5,214	5,157
Commissions and fees	1,143	1,259	2,356	2,239
Gains on sales of investment securities	1	241	506	273
Gain on debt extinguishment	1,197		1,197	
Income on bank owned life insurance	340	339	653	678
Other income	420	222	918	481
TOTAL NONINTEREST INCOME	5,793	4,771	10,844	8,828
NONINTEREST EXPENSE				
Salaries and employee benefits	10,133	9,565	20,086	19,000
Net occupancy expense	1,887	1,636	3,861	3,324
Furniture and equipment	1,505	1,139	2,910	2,222
Stationery, supplies and postage	368	355	738	691
Marketing expense	435	458	723	928
FDIC insurance expense	556	546	1,069	1,101
Legal expense	286	346	528	745
Expenses on other real estate owned and other repossessed assets	(2)	38	17	76
Long term debt prepayment fee			526	
Merger related expenses	1,452		2,083	
Core deposit intangible amortization	41		41	
Other expenses	2,732	2,387	5,038	4,658
TOTAL NONINTEREST EXPENSE	19,393	16,470	37,620	32,745