

Bancorp, Inc.
Form 10-Q
August 06, 2010

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: June 30, 2010

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.
(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

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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, 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

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 August 4, 2010 there were 26,181,291 outstanding shares of common stock, \$1.00 par value.

THE BANCORP, INC

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

THE BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET

	June 30, 2010 (unaudited)	December 31, 2009
	(in thousands)	
ASSETS		
Cash and cash equivalents		
Cash and due from banks	\$92,620	\$135,246
Interest bearing deposits	171,054	219,213
Total cash and cash equivalents	263,674	354,459
Investment securities, available-for-sale, at fair value	208,080	93,478
Investment securities, held-to-maturity (fair value \$15,461 and \$15,415, respectively)	21,496	21,468
Loans, net of deferred loan costs	1,576,525	1,523,722
Allowance for loan and lease losses	(22,336)	(19,123)
Loans, net	1,554,189	1,504,599
Premises and equipment, net	8,229	7,942
Accrued interest receivable	8,483	7,722
Intangible assets, net	9,505	10,005
Other real estate owned	459	459
Deferred tax asset, net	20,258	20,875
Other assets	29,497	22,527
Total assets	\$2,123,870	\$2,043,534
LIABILITIES		
Deposits		
Demand (non-interest bearing)	\$827,268	\$661,383
Savings, money market and interest checking	903,599	850,306
Time deposits	140,285	125,255
Time deposits, \$100,000 and over	10,455	17,565
Total deposits	1,881,607	1,654,509
Securities sold under agreements to repurchase	7,552	2,588
Short-term borrowings	-	100,000
Accrued interest payable	165	362
Subordinated debenture	13,401	13,401
Other liabilities	17,367	27,471
Total liabilities	1,920,092	1,798,331
SHAREHOLDERS' EQUITY		
Preferred stock - Series B, \$1,000 liquidation value, 0 and 45,220 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively	-	39,411

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Common stock - authorized, 50,000,000 shares of \$1.00 par value; 26,181,291 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively	26,181	26,181
Additional paid-in capital	197,027	196,875
Accumulated deficit	(20,824)	(17,175)
Accumulated other comprehensive income (loss)	1,394	(89)
Total shareholders' equity	203,778	245,203
Total liabilities and shareholders' equity	\$2,123,870	\$2,043,534

The accompanying notes are an integral part of these statements.

THE BANCORP, INC. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS

	For the three months ending June 30,		For the six months ended June 30,	
	2010	2009	2010	2009
	(in thousands, except per share data)			
Interest income				
Loans, including fees	\$ 18,373	\$ 18,213	\$ 36,289	\$ 36,387
Interest on investment securities:				
Taxable interest	1,702	1,381	3,010	2,456
Tax-exempt interest	347	400	737	402
Federal funds sold	-	26	-	119
Interest bearing deposits	83	2	434	5
	20,505	20,022	40,470	39,369
Interest expense				
Deposits	3,534	3,655	6,992	7,799
Securities sold under agreements to repurchase	7	5	14	16
Short-term borrowings	59	171	64	220
Subordinated debt	216	222	431	449
	3,816	4,053	7,501	8,484
Net interest income	16,689	15,969	32,969	30,885
Provision for loan and lease losses	5,806	2,500	9,954	5,500
Net interest income after provision for loan and lease losses	10,883	13,469	23,015	25,385
Non-interest income				
Service fees on deposit accounts	527	359	908	636
Merchant credit card deposit and ach fees	577	310	1,063	668
Stored value income	2,512	1,681	5,327	4,040
Gain on sales of investment securities	469	670	1,219	670
Leasing income	511	410	1,175	471
Debit card income	172	124	342	244
Other	191	155	419	237
Total non-interest income	4,959	3,709	10,453	6,966
Non-interest expense				
Salaries and employee benefits	6,468	5,664	12,840	11,849
Depreciation and amortization	741	720	1,463	1,440
Rent and related occupancy cost	654	673	1,277	1,327
Data processing expense	1,695	1,633	3,308	3,211
Printing and supplies	337	256	751	545
Audit expense	311	332	602	632
Legal expense	701	494	1,055	727
Amortization of intangible assets	250	250	500	500

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Loss on sale of other real estate owned	-	1,700	-	1,700
FDIC Insurance	1,098	1,387	1,854	1,681
Software, maintenance and equipment	328	192	586	353
Other	2,655	2,138	5,209	4,656
Total non-interest expense	15,238	15,439	29,445	28,621
Net income before income tax	604	1,739	4,023	3,730
Income tax provision	197	632	1,430	1,413
Net income	407	1,107	2,593	2,317
Less preferred stock dividends and accretion	-	(982)	(6,242)	(1,829)
Net income (loss) available to common shareholders	\$ 407	\$ 125	\$ (3,649	