

Bancorp, Inc.  
Form 10-Q  
August 09, 2011

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, 2011

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  
(State or other jurisdiction of  
incorporation or organization)

23-3016517  
(IRS Employer  
Identification No.)

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

19809  
(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 August 2, 2011 there were 33,196,281 outstanding shares of common stock, \$1.00 par value.

THE BANCORP, INC

Form 10-Q Index

	Page
Part I Financial Information	
Item 1.	Financial Statements: <u>4</u>
	Consolidated Balance Sheets – June 30, 2011 (unaudited) and December 31, 2010 <u>4</u>
	Unaudited Consolidated Income Statements – Three and six months ended June 30, 2011 and 2010 <u>5</u>
	Unaudited Consolidated Statements of Changes in Shareholders' Equity – Six months ended June 30, 2011 <u>6</u>
	Unaudited Consolidated Statements of Cash Flows – Six months ended June 30, 2011 and 2010 <u>7</u>
	Unaudited Notes to Consolidated Financial Statements <u>8</u>
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations <u>24</u>
Item 3.	Quantitative and Qualitative Disclosures About Market Risk <u>41</u>
Item 4.	Controls and Procedures <u>41</u>
Part II Other Information	
Item 6.	Exhibits <u>42</u>
Signatures	<u>42</u>

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

THE BANCORP, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET

	June 30, 2011 (unaudited)	December 31, 2010
	(in thousands)	
<b>ASSETS</b>		
Cash and cash equivalents		
Cash and due from banks	\$168,957	\$157,411
Interest bearing deposits	199,866	314,908
Total cash and cash equivalents	368,823	472,319
Investment securities, available-for-sale, at fair value	353,099	231,165
Investment securities, held-to-maturity (fair value \$13,498 and \$16,550, respectively)	18,102	21,364
Loans, net of deferred loan costs	1,678,660	1,619,195
Allowance for loan and lease losses	(27,685 )	(24,063 )
Loans, net	1,650,975	1,595,132
Premises and equipment, net	8,296	8,767
Accrued interest receivable	7,839	8,878
Intangible assets, net	8,504	9,005
Other real estate owned	3,764	2,115
Deferred tax asset, net	21,960	24,365
Other assets	24,477	22,613
Total assets	\$2,465,839	\$2,395,723
<b>LIABILITIES</b>		
Deposits		
Demand (non-interest bearing)	\$1,073,228	\$945,605
Savings, money market and interest checking	1,076,654	975,973
Time deposits	1,394	90,862
Time deposits, \$100,000 and over	11,427	11,657
Total deposits	2,162,703	2,024,097
Securities sold under agreements to repurchase	20,258	14,383
Short-term borrowings	-	87,000
Federal funds purchased	-	49,000
Accrued interest payable	131	124
Subordinated debenture	13,401	13,401
Other liabilities	7,109	8,812
Total liabilities	2,203,602	2,196,817
<b>SHAREHOLDERS' EQUITY</b>		

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Common stock - authorized, 50,000,000 shares of \$1.00 par value; 33,196,281 and 26,181,281 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	33,196	26,181
Additional paid-in capital	241,011	192,711
Accumulated deficit	(14,847 )	(18,195 )
Accumulated other comprehensive income (loss)	2,877	(1,791 )
Total shareholders' equity	262,237	198,906
Total liabilities and shareholders' equity	\$2,465,839	\$2,395,723

The accompanying notes are an integral part of these statements.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2011	2010	2011	2010
	(in thousands, except per share data)			
Interest income				
Loans, including fees	\$ 18,144	\$ 18,373	\$ 36,437	\$ 36,289
Interest on investment securities:				
Taxable interest	2,340	1,702	3,897	3,010
Tax-exempt interest	670	347	1,342	737
Interest bearing deposits	230	83	745	434
	21,384	20,505	42,421	40,470
Interest expense				
Deposits	2,885	3,534	5,490	6,992
Securities sold under agreements to repurchase	26	7	42	14
Short-term borrowings	-	59	3	64
Subordinated debt	216	216	431	431
	3,127	3,816	5,966	7,501
Net interest income	18,257	16,689	36,455	32,969
Provision for loan and lease losses	6,963	5,806	11,635	9,954
Net interest income after provision for loan and lease losses	11,294	10,883	24,820	23,015
Non-interest income				
Service fees on deposit accounts	675	527	1,310	908
Merchant credit card deposit and ACH fees	590	577	1,159	1,063
Stored value income	4,390	2,512	9,145	5,327
Gain on sales of investment securities	603	469	603	1,219
Other than temporary impairment on securities held-to-maturity (1)	-	-	(75 )	-
Leasing income	645	511	1,349	1,175
Debit card income	191	172	563	342
Other	693	191	1,416	419
Total non-interest income	7,787	4,959	15,470	10,453
Non-interest expense				
Salaries and employee benefits	7,550	6,468	14,530	12,840
Depreciation and amortization	723	741	1,452	1,463
Rent and related occupancy cost	734	654	1,433	1,277
Data processing expense	2,173	1,695	4,566	3,308
Printing and supplies	398	337	680	751
Audit expense	250	311	510	602
Legal expense	696	701	1,196	1,055
Amortization of intangible assets	250	250	500	500
Loss on sale of other real estate owned	439	-	491	20
FDIC Insurance	711	1,098	1,923	1,854
Software, maintenance and equipment	381	328	747	586
Other	3,827	2,655	7,194	5,189

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Total non-interest expense	18,132	15,238	35,222	29,445
Net income before income tax	949	604	5,068	4,023
Income tax provision	289	197	1,720	1,430
Net income	660	407	3,348	2,593
Less preferred stock dividends and accretion	-	-	-	(6,242 )
Net income (loss) available to common shareholders	\$660	\$407	\$3,348	\$(3,649 )
Net income (loss) per share - basic	\$0.02	\$0.02		