

LAKELAND BANCORP INC
Form 10-Q
August 08, 2007
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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, 2007

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 33-27312

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)

(973) 697-2000

07438
(Zip Code)

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(Registrant's telephone number, including area code)

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

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 is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act: (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 31, 2007 there were 22,130,666 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, 2007 (unaudited)	December 31, 2006
	(dollars in thousands)	
ASSETS		
Cash	\$ 44,968	\$ 47,888
Federal funds sold and Interest-bearing deposits due from banks	3,706	32,076
Total cash and cash equivalents	48,674	79,964
Investment securities available for sale	274,390	280,509
Investment securities held to maturity; fair value of \$129,801 in 2007 and \$140,564 in 2006	133,193	142,838
Loans, net of deferred costs	1,715,036	1,591,644
Less: allowance for loan and lease losses	13,969	13,454
Net loans	1,701,067	1,578,190
Premises and equipment net	31,441	32,072
Accrued interest receivable	8,164	8,509
Goodwill	87,111	87,111
Other identifiable intangible assets	4,348	4,942
Bank owned life insurance	37,423	36,774
Other assets	13,445	12,664
TOTAL ASSETS	\$ 2,339,256	\$ 2,263,573
LIABILITIES AND STOCKHOLDERS EQUITY		
LIABILITIES:		
Deposits:		
Noninterest bearing	\$ 309,105	\$ 303,558
Savings and interest-bearing transaction accounts	1,053,958	1,054,190
Time deposits under \$100 thousand	312,079	293,308
Time deposits \$100 thousand and over	202,347	209,571
Total deposits	1,877,489	1,860,627
Federal funds purchased and securities sold under agreements to repurchase	65,304	41,061
Long-term debt	100,855	91,710
Subordinated debentures	77,322	56,703
Other liabilities	14,181	13,972
TOTAL LIABILITIES	2,135,151	2,064,073
Commitments and contingencies		
Stockholders equity:		
Common stock, no par value; authorized shares, 40,000,000; issued shares, 23,563,463 at June 30, 2007 and December 31, 2006; outstanding shares, 22,113,464 at June 30, 2007 and 22,057,322 at December 31, 2006	241,768	242,661
Accumulated deficit	(11,540)	(17,526)
Treasury stock, at cost, 1,449,999 shares in 2007 and 1,506,141 shares in 2006	(20,962)	(22,565)
Accumulated other comprehensive loss	(5,161)	(3,070)
TOTAL STOCKHOLDERS EQUITY	204,105	199,500

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 2,339,256	\$ 2,263,573
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See accompanying notes to consolidated financial statements

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UNAUDITED CONSOLIDATED INCOME STATEMENTS

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2007	2006	2007	2006
	(In thousands,		(In thousands,	
	except per share data)		except per share data)	
INTEREST INCOME				
Loans and fees	\$ 28,401	\$ 22,750	\$ 55,677	\$ 43,848
Federal funds sold and interest-bearing deposits with banks	272	133	680	234
Taxable investment securities	3,531	5,053	7,168	10,795
Tax-exempt investment securities	756	996	1,542	2,008
TOTAL INTEREST INCOME	32,960	28,932	65,067	56,885
INTEREST EXPENSE				
Deposits	12,596	9,491	25,060	18,130
Federal funds purchased and securities sold under agreements to repurchase	645	985	1,169	2,284
Long-term debt	2,174	1,735	4,204	3,202
TOTAL INTEREST EXPENSE	15,415	12,211	30,433	23,616
NET INTEREST INCOME	17,545	16,721	34,634	33,269
Provision for loan and lease losses	671	319	1,273	651
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES	16,874	16,402	33,361	32,618
NONINTEREST INCOME				
Service charges on deposit accounts	2,633	2,721	5,150	5,264
Commissions and fees	785	920	1,564	1,814
Gains on investment securities	1,769	0	1,769	78
Income on bank owned life insurance	325	308	642	607
Leasing income	157	282	298	463
Other income	192	93	659	575
TOTAL NONINTEREST INCOME	5,861	4,324	10,082	8,801
NONINTEREST EXPENSE				
Salaries and employee benefits	8,098	7,672	16,255	15,305
Net occupancy expense	1,356	1,291	2,876	2,724
Furniture and equipment	1,193	1,133	2,358	2,285
Stationery, supplies and postage	449	403	849	815
Marketing expense	564	423	955	834
Core deposit intangible amortization	297	298	595	601
Other expenses	2,478	2,197	4,874	4,646
TOTAL NONINTEREST EXPENSE	14,435	13,417	28,762	27,210
Income before provision for income taxes	8,300	7,309	14,681	14,209
Provision for income taxes	2,776	2,254	4,787	4,462

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NET INCOME	\$	5,524	\$	5,055	\$	9,894	\$	9,747
PER SHARE OF COMMON STOCK								
Basic earnings	\$	0.25	\$	0.23	\$	0.45	\$	0.44
Diluted earnings	\$	0.25	\$	0.23	\$	0.45	\$	0.44
Dividends	\$	0.10	\$	0.095	\$	0.20	\$	0.190

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the three months ended		For the six months ended					
	June 30,		June 30,					
	2007	2006	2007	2006				
	(in thousands)		(in thousands)					
NET INCOME	\$	5,524	\$	5,055	\$	9,894	\$	9,747
OTHER COMPREHENSIVE INCOME NET OF TAX:								
Unrealized securities losses arising during period		(1,397)		(1,989)		(910)		(4,756)
Less: reclassification for gains included in net income		1,203		0		1,203		53
Change in pension liability, net		11		0		22		(198)
Other Comprehensive Income (Loss)		(2,589)		(1,989)		(2,091)		(5,007)
TOTAL COMPREHENSIVE INCOME	\$	2,935	\$	3,066	\$	7,803	\$	4,740

See accompanying notes to consolidated financial statements

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Lakeland Bancorp, Inc. and Subsidiaries

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

	Common stock		Accumulated deficit (dollars in thousands)	Treasury Stock (dollars in thousands)	Accumulated Other Comprehensive Loss	Total
	Number of Shares	Amount				
BALANCE DECEMBER 31, 2005	22,442,337	\$ 226,322	\$ (9,514)	\$ (20,176)	\$ (4,851)	\$ 191,781
Net Income 2006						