

SANDY SPRING BANCORP INC  
Form 10-Q  
August 07, 2007

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 10-Q**

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: 0-19065

Sandy Spring Bancorp, Inc.  
(Exact name of registrant as specified in its charter)

Maryland  
(State of incorporation)

52-1532952  
(I.R.S. Employer Identification Number)

17801 Georgia Avenue, Olney,

20832

301-774-6400

Maryland  
(Address of principal office)

(Zip Code)

(Telephone Number)

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 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.

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

The number of shares of common stock outstanding as of July 19, 2007 is 14,454,612 shares.

**SANDY SPRING BANCORP, INC.**  
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## PART I - FINANCIAL INFORMATION

## Item 1. FINANCIAL STATEMENTS

Sandy Spring Bancorp, Inc. and Subsidiaries  
CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share data)	June 30, 2007	December 31, 2006
<b>ASSETS</b>		
Cash and due from banks	\$ 60,816	\$ 54,945
Federal funds sold	57,083	48,978
Cash and cash equivalents	117,899	103,923
Interest-bearing deposits with banks	74,050	2,974
Residential mortgage loans held for sale	17,874	10,595
Investments available-for-sale (at fair value)	222,123	256,845
Investments held-to-maturity — fair value of \$251,553 (2007) and \$273,206 (2006)	248,463	267,344
Other equity securities	19,785	16,719
Total loans and leases	2,165,008	1,805,579
Less: allowance for loan and lease losses	(23,661)	(19,492)
Net loans and leases	2,141,347	1,786,087
Premises and equipment, net	54,318	47,756
Accrued interest receivable	16,850	15,200
Goodwill	77,457	12,494
Other intangible assets, net	18,878	10,653
Other assets	92,365	79,867
Total assets	\$ 3,101,409	\$ 2,610,457
<b>LIABILITIES</b>		
Noninterest-bearing deposits	\$ 490,545	\$ 394,662
Interest-bearing deposits	1,895,681	1,599,561
Total deposits	2,386,226	1,994,223
Short-term borrowings	334,566	314,732
Other long-term borrowings	8,038	1,808
Subordinated debentures	35,000	35,000
Accrued interest payable and other liabilities	31,324	26,917
Total liabilities	2,795,154	2,372,680
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock — par value \$1.00; shares authorized 50,000,000; shares issued and outstanding 16,451,621 (2007) and 14,826,805 (2006)	16,452	14,827
Additional paid in capital	86,669	27,869
Retained earnings	207,430	199,102
Accumulated other comprehensive loss	(4,296)	(4,021)
Total stockholders' equity	306,255	237,777
Total liabilities and stockholders' equity	\$ 3,101,409	\$ 2,610,457

See Notes to Consolidated Financial Statements.



Sandy Spring Bancorp, Inc. and Subsidiaries  
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
<b>Interest Income:</b>				
Interest and fees on loans and leases	\$ 38,393	\$ 31,287	\$ 72,967	\$ 60,145
Interest on loans held for sale	272	142	467	292
Interest on deposits with banks	401	4	491	14
<b>Interest and dividends on securities:</b>				
Taxable	3,750	3,369	7,621	6,400
Exempt from federal income taxes	2,581	2,928	5,308	5,944
Interest on federal funds sold	617	143	1,054	255
<b>TOTAL INTEREST INCOME</b>	<b>46,014</b>	<b>37,873</b>	<b>87,908</b>	<b>73,050</b>
<b>Interest Expense:</b>				
Interest on deposits	15,577	8,794	29,365	16,468
Interest on short-term borrowings	3,586			