

SANDY SPRING BANCORP INC  
Form 10-Q  
August 07, 2008

UNITED STATES  
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, 2008

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, Maryland  
(Address of principal office)

20832  
(Zip Code)

301-774-6400  
(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, 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.

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

The number of shares of common stock outstanding as of July 18, 2008 is 16,424,746 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)	(Unaudited)	
	June 30, 2008	December 31, 2007
<b>ASSETS</b>		
Cash and due from banks	\$ 62,630	\$ 63,432
Federal funds sold	11,678	22,055
Interest-bearing deposits with banks	462	365
Cash and cash equivalents	74,770	85,852
Residential mortgage loans held for sale (at fair value)	12,087	7,089
Investments available-for-sale (at fair value)	218,323	186,801
Investments held-to-maturity — fair value of \$184,540 (2008) and \$240,995 (2007)	180,556	234,706
Other equity securities	28,353	23,766
Total loans and leases	2,428,948	2,277,031
Less: allowance for loan and lease losses	(33,435)	(25,092)
Net loans and leases	2,395,513	2,251,939
Premises and equipment, net	52,928	54,457
Accrued interest receivable	12,658	14,955
Goodwill	78,376	76,585
Other intangible assets, net	14,390	16,630
Other assets	96,169	91,173
Total assets	\$ 3,164,123	\$ 3,043,953
<b>LIABILITIES</b>		
Noninterest-bearing deposits	\$ 480,861	\$ 434,053
Interest-bearing deposits	1,813,930	1,839,815
Total deposits	2,294,791	2,273,868
Short-term borrowings	421,881	373,972
Other long-term borrowings	67,070	17,553
Subordinated debentures	35,000	35,000
Accrued interest payable and other liabilities	25,163	27,920
Total liabilities	2,843,905	2,728,313
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Common stock — par value \$1.00; shares authorized 50,000,000; shares issued and outstanding 16,373,681 (2008) and 16,349,317 (2007)	16,374	16,349
Additional paid in capital	84,759	83,970
Retained earnings	220,712	216,376
Accumulated other comprehensive loss	(1,627)	(1,055)
Total stockholders' equity	320,218	315,640
Total liabilities and stockholders' equity	\$ 3,164,123	\$ 3,043,953

See Notes to Consolidated Financial Statements.



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

(Dollars in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
<b>Interest Income:</b>				
Interest and fees on loans and leases	\$ 36,696	\$ 38,393	\$ 75,165	\$ 72,967
Interest on loans held for sale	122	272	218	467
Interest on deposits with banks	24	401	73	491
<b>Interest and dividends on securities:</b>				
Taxable	1,880	3,730	4,578	7,621
Exempt from federal income taxes	2,972	2,581	5,303	5,308
Interest on federal funds sold	151	617	430	1,054
<b>TOTAL INTEREST INCOME</b>	<b>41,845</b>	<b>46,014</b>	<b>85,767</b>	