

GLEN BURNIE BANCORP
Form 10-Q
July 29, 2009

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, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 0-24047

GLEN BURNIE BANCORP

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

52-1782444
(I.R.S. Employer
Identification No.)

101 Crain Highway, S.E.
Glen Burnie, Maryland
(Address of principal executive offices)

21061
(Zip Code)

Registrant's telephone number, including area code: (410) 766-3300

Inapplicable

(Former name, former address and former fiscal year if changed from 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 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 (§232.405 of this chapter) 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 if 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

At July 15, 2009, the number of shares outstanding of the registrant’s common stock was 2,673,426

TABLE OF CONTENTS

	Page
Part I - Financial Information	
Item 1.	Financial Statements:
	Condensed Consolidated Balance Sheets, June 30, 2009 (unaudited) and December 31, 2008 (audited) 3
	Condensed Consolidated Statements of Income for the Three and Six Months Ended June 30, 2009 and 2008 (unaudited) 4
	Condensed Consolidated Statements of Comprehensive (Loss) Income for the Three and Six Months Ended June 30, 2009 and 2008 (unaudited) 5
	Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2009 and 2008 (unaudited) 6
	Notes to Unaudited Condensed Consolidated Financial Statements 7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations 11
Item 3.	Quantitative and Qualitative Disclosure About Market Risk 18
Item 4.	Controls and Procedures 18
Part II - Other Information	
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds 19
Item 4.	Submission of Matters to a Vote of Security Holders 19
Item 6.	Exhibits 19
	Signatures 21

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GLEN BURNIE BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

	June 30, 2009 (unaudited)	December 31, 2008 (audited)
ASSETS		
Cash and due from banks	\$ 7,972	\$ 6,960
Interest-bearing deposits in other financial institutions	2,673	7,884
Federal funds sold	1,310	6,394
Cash and cash equivalents	11,955	21,238
Investment securities available for sale, at fair value	84,819	57,949
Federal Home Loan Bank stock, at cost	1,858	1,768
Maryland Financial Bank stock, at cost	100	100
Common Stock in the Glen Burnie Statutory Trust I	155	155
Loans, less allowance for credit losses (June 30: \$1,798; December 31: \$2,022)	240,087	235,133
Premises and equipment, at cost, less accumulated depreciation	3,428	3,099
Other real estate owned	550	550
Cash value of life insurance	7,571	7,435
Other assets	5,427	5,075
Total assets	\$ 355,950	\$ 332,502
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 296,540	\$ 269,768
Short-term borrowings	227	630
Long-term borrowings	27,053	27,072
Junior subordinated debentures owed to unconsolidated subsidiary trust	5,155	5,155
Other liabilities	1,844	1,969
Total liabilities	330,819	304,594
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$1, authorized 15,000,000 shares; issued and outstanding: June 30: 2,673,426 shares; December 31: 2,967,727 shares	2,673	2,968
Surplus	9,116	11,568
Retained earnings	14,536	14,129

Accumulated other comprehensive loss, net of tax benefits	(1,194)	(757)
Total stockholders' equity	25,131	27,908
Total liabilities and stockholders' equity	\$ 355,950	\$ 332,502

See accompanying notes to condensed consolidated financial statements.

GLEN BURNIE BANCORP AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Interest income on:				
Loans, including fees	\$ 3,811	\$ 3,489	\$ 7,577	\$ 6,862
U.S. Treasury and U.S. Government agency securities	497	553	870	1,117
State and municipal securities	329	373	659	720
Other	52	77	116	206
Total interest income	4,689	4,492	9,222	8,905
Interest expense on:				
Deposits	1,254	1,159	2,523	2,381
Short-term borrowings	-	16	-	17
Long-term borrowings	265	188	527	376
Junior subordinated debentures	136	136	273	273
Total interest expense	1,655	1,499	3,323	3,047
Net interest income	3,034	2,993	5,899	5,858
Provision for credit losses	209	152	359	207
Net interest income after provision for credit losses	2,825	2,841	5,540	5,651
Other income:				
Service charges on deposit accounts	169	182	339	373
Other fees and commissions	203	216	382	415
Other non-interest income	1	-	-	3
Income on life insurance	69	68	137	136
Gains on investment securities	51	48	49	55
Total other income	493	514	907	982
Other expenses:				
Salaries and employee benefits	1,585	1,587	3,117	3,176
Occupancy	220	227	452	456
Impairment of securities	-	-	30	-
Other expenses	943	798	1,768	1,633
Total other expenses	2,748	2,612	5,367	5,265
Income before income taxes	570	743	1,080	1,368
Income tax expense	80	139	135	228
Net income	\$ 490	\$ 604	\$ 945	\$ 1,140