

HARBOR BANKSHARES CORP
Form 10QSB
November 13, 2003
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended September 30, 2003.

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 0-20990

HARBOR BANKSHARES CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State of other jurisdiction of

52-1786341
(IRS Employer

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incorporation or organization)

identification No.)

25 W. Fayette Street, Baltimore, Maryland
(Address of principal executive office)

21201
(Zip code)

Registrants telephone number, including area code: (410) 528-1800

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or 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

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.

Common stock, non-voting, \$.01 Par value - 33,795 shares as of September 30, 2003.

Common stock, \$.01 Par value 670,381 shares as of September 30, 2003.

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HARBOR BANKSHARES CORPORATION AND SUBSIDIARY

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| | September 30 | December 31 |
|--|----------------------|-------------------|
| | 2003 | 2002 |
| | (Unaudited) | |
| | Dollars in Thousands | |
| ASSETS | | |
| Cash and Due from Banks | \$ 5,240 | \$ 7,273 |
| Federal Funds Sold | 8,327 | 12,653 |
| Interest Bearing Deposits in Other Banks | 1,958 | 2,300 |
| Investment Securities: | | |
| Held to maturity (market values of \$2,174 as of September 30, 2003 and \$2,189 as of December 31,2002) | 2,051 | 2,057 |
| Available for Sale | 33,035 | 53,627 |
| | <u>35,086</u> | <u>55,684</u> |
| Total Investment Securities | 35,086 | 55,684 |
| Loans Held for Sale | 3,734 | 2,372 |
| Loans | 144,423 | 119,199 |
| Allowance for Loan Losses | (1,306) | (1,049) |
| | <u>143,117</u> | <u>118,150</u> |
| Net Loans | 143,117 | 118,150 |
| Property and Equipment Net | 3,753 | 985 |
| Other Real Estate Owned | | 70 |
| Goodwill | 2,506 | 2,506 |
| Intangible Assets | 653 | 716 |
| Accrued Interest Receivable and Other Assets | 7,607 | 7,525 |
| | <u>\$ 211,981</u> | <u>\$ 210,234</u> |
| TOTAL ASSETS | \$ 211,981 | \$ 210,234 |
| LIABILITIES | | |
| Deposits: | | |
| Non-Interest Bearing Demand | \$ 31,945 | \$ 27,420 |
| Interest Bearing Transaction Accounts | 22,145 | 21,846 |
| Savings | 85,997 | 88,911 |
| Time, \$100,000 or more | 27,479 | 25,842 |
| Other Time | 26,872 | 29,275 |
| | <u>194,438</u> | <u>193,294</u> |
| Total Deposits | 194,438 | 193,294 |
| Accrued Interest and Other Liabilities | 889 | 848 |
| Notes Payable | 1,849 | 1,943 |
| | <u>197,176</u> | <u>196,085</u> |
| TOTAL LIABILITIES | 197,176 | 196,085 |
| STOCKHOLDERS EQUITY | | |

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Common stock, par value \$.01 per share: Authorized 10,000,000 shares; issued 670,381 at **September 30**, 2003 and 702,018 at December 31, 2002 and 33,795 common non-voting at **September 30**, 2003 and December 31, 2002.

| | | |
|--|-------------------|-------------------|
| | 7 | 7 |
| Paid in Capital | 7,209 | 7,204 |
| Retained Earnings | 7,468 | 6,436 |
| Accumulated other comprehensive income | 121 | 502 |
| | <u>14,805</u> | <u>14,149</u> |
| TOTAL STOCKHOLDERS EQUITY | 14,805 | 14,149 |
| | <u>\$ 211,981</u> | <u>\$ 210,234</u> |
| TOTAL LIABILITIES & STOCKHOLDERS EQUITY | \$ 211,981 | \$ 210,234 |

See Notes to Unaudited Consolidated Financial Statements

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HARBOR BANKSHARES CORPORATION AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

Three Months Ended

September 30,

| <hr/> | |
|-------------|-------------|
| 2003 | 2002 |
| <hr/> | |

(Unaudited)