

GLEN BURNIE BANCORP
Form 10-Q
July 31, 2006

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, 2006

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 if 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

At July 20, 2006, the number of shares outstanding of the registrant's common stock was 2,474,100.

TABLE OF CONTENTS

Part I - Financial Information	Page
<u>Item 1.</u>	Consolidated Financial Statements:
	Condensed Consolidated Balance Sheets, June 30, 2006 (unaudited) and December 31, 2005 (audited) 3
	Condensed Consolidated Statements of Income for the Three and Six Months Ended June 30, 2006 and 2005 (unaudited) 4
	Condensed Consolidated Statements of Comprehensive (Loss) Income for the Three and Six Months Ended June 30, 2006 and 2005 (unaudited) 5
	Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2006 and 2005 (unaudited) 6
	Notes to Unaudited Condensed Consolidated Financial Statements 7
<u>Item 2.</u>	Management's Discussion and Analysis of Financial Condition and Results of Operations 8
<u>Item 3.</u>	Quantitative and Qualitative Disclosure About Market Risk 14
<u>Item 4.</u>	Controls and Procedures 14
Part II - Other Information	
<u>Item 4.</u>	Submission of Matters to a Vote of Security Holders 15
<u>Item 6.</u>	Exhibits 15
	Signatures 16

PART I - FINANCIAL INFORMATION**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS**

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

ASSETS	June 30, 2006 (unaudited)	December 31, 2005 (audited)
Cash and due from banks	\$ 10,426	\$ 9,405
Interest-bearing deposits in other financial institutions	371	3,712
Federal funds sold	2,585	2,333
Cash and cash equivalents	13,382	15,450
Investment securities available for sale, at fair value	119,050	86,129
Investment securities held to maturity, at cost (fair value June 30: \$1,082; December 31: \$1,239)	1,024	1,151
Federal Home Loan Bank stock, at cost	928	919
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: \$2,162; December 31: \$2,201)	183,284	190,205
Premises and equipment, at cost, less accumulated depreciation	3,669	3,863
Other real estate owned	50	50
Cash value of life insurance	5,787	5,682
Other assets	4,171	2,857
Total assets	\$ 331,600	\$ 306,561
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 291,846	\$ 265,248
Short-term borrowings	216	622
Long-term borrowings	7,156	7,171
Junior subordinated debentures owed to unconsolidated subsidiary trust	5,155	5,155
Other liabilities	1,448	1,740
Total liabilities	305,821	279,936
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value \$1, authorized 15,000,000 shares; issued and outstanding: June 30: 2,474,100 shares; December 31: 2,056,024 shares	2,474	2,056
Surplus	11,564	11,458
Retained earnings	13,675	13,341
Accumulated other comprehensive loss, net of tax benefits	(1,934)	(230)
Total stockholders' equity	25,779	26,625

Total liabilities and stockholders' equity	\$	331,600	\$	306,561
--	----	---------	----	---------

See accompanying notes to condensed consolidated financial statements.

-3-

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Interest income on:				
Loans, including fees	\$ 2,873	\$ 2,802	\$ 5,809	\$ 5,611
U.S. Treasury and U.S. Government agency securities	882	627	1,544	1,197
State and municipal securities	430	397	772	794
Other	262	131	496	275
Total interest income	4,447	3,957	8,621	7,877
Interest expense on:				
Deposits	1,232	740	2,194	1,414
Short-term borrowings				