

FIRST MARINER BANCORP
Form 10-Q
August 14, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

FORM 10-Q

(Mark One)

☒ Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarter ended June 30, 2002.

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from .

Commission file number: 0-21815

FIRST MARINER BANCORP

(Exact name of registrant as specified in its charter)

Maryland
(State of Incorporation)

52-1834860
(I.R.S. Employer Identification Number)

3301 Boston Street, Baltimore,
MD
(Address of principal executive
offices)

21224
(Zip Code)

410-342-2600
(Telephone Number)

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1801 South Clinton Street, Baltimore, MD 21224

Former Address, If Changed Since Last Report

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such report, and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

The number of shares of common stock outstanding as of August 14, 2002 is 5,379,941 shares.

FIRST MARINER BANCORP

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First Mariner Bancorp and Subsidiaries

Consolidated Statements of Financial Condition

(Dollars in thousands, except per share data)

	June 30, 2002 (unaudited)	December 31, 2001
ASSETS		
Cash and due from banks	\$ 24,703	\$ 32,764
Federal funds sold and Interest-bearing deposits	31,716	38,618
Available-for-sale securities, at fair value	173,946	119,853
Loans held for sale	42,406	83,276
Loans receivable	500,002	468,665
Allowance for loan losses	(6,060)	(5,524)
Loans, net	493,942	463,141
Other real estate owned	2,452	2,683
Federal Home Loan Bank of Atlanta stock, at cost	4,000	4,000
Property and equipment, net	16,066	14,558
Accrued interest receivable	4,633	4,137
Deferred income taxes	1,078	2,497
Prepaid expenses and other assets	11,695	12,338
Total assets	\$ 806,637	\$ 777,865
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	\$ 624,949	\$ 600,588
Borrowings	84,530	83,324
Repurchase agreements	25,000	25,000
Company-obligated mandatorily redeemable preferred securities of subsidiary trust holding solely debentures of the Company	21,450	21,450
Accrued expenses and other liabilities	2,957	3,495
Total liabilities	758,886	733,857
Stockholders' equity:		
Common stock, \$.05 par value; 20,000,000 shares authorized; 5,379,941 and 5,367,270 shares issued and outstanding, respectively	269	268
Additional paid-in capital	47,810	47,692
Accumulated deficit	(1,178)	(2,949)
Accumulated other comprehensive income (loss)	850	(1,003)
Total stockholders' equity	47,751	44,008
Total liabilities and stockholders' equity	\$ 806,637	\$ 777,865

See accompanying notes to the consolidated financial statements

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First Mariner Bancorp and Subsidiaries

Consolidated Statements of Operations (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2002	June 30, 2001	June 30, 2002	June 30, 2001
	(dollars in thousands except per share)			
Interest income:				
Loans	\$ 10,923	\$ 11,117	\$ 20,139	\$ 21,451
Investments and interest-bearing deposits	1,963	2,453	5,057	5,245
Total interest income	12,886	13,570	25,196	26,696
Interest expense:				
Deposits	3,557	4,611	7,238	9,682
Borrowed funds and repurchase agreements	1,735	2,487	3,466	5,098
Total interest expense	5,292	7,098	10,704	14,780
Net interest income	7,594	6,472	14,492	11,916
Provision for loan losses	335	375	635	750
Net interest income after provision for loan losses	7,259	6,097	13,857	11,166
Noninterest income:				
Gain on sale of mortgage loans	402	327	1,333	732
Other mortgage banking revenue	560	445	807	957
ATM Fees	530	411	945	789
Service fees on deposits	952	900	1,855	1,745
Gain on sales of investment securities	94	(51)	94	14
Other	654	476	1,263	945
Total noninterest income	3,192	2,508	6,297	5,182
Noninterest expenses:				
Salaries and employee benefits	4,702	3,644	9,137	7,043
Net occupancy	1,125	972	2,082	2,004
Furniture, fixtures and equipment	532	493	1,131	1,009
Professional services	499	147	719	293
Advertising	300	240	550	480
Data processing	427	409	820	804
Other	1,528	1,909	3,037	3,429
Total noninterest expenses	9,113	7,814	17,476	15,062
Income before taxes	1,338	791	2,678	1,286

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Provision for income taxes	430	290	907	473
Net income	\$ 908	\$ 501	\$ 1,771	\$ 813
Net income per common share:				
Basic	\$ 0.17	\$ 0.14	\$ 0.33	\$ 0.22
Diluted	0.16	0.14	0.31	0.22

See accompanying notes to consolidated financial statements.

First Mariner Bancorp and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited)

For the six months ended June 30,

	2002	2001
	(dollars in thousands)	
Cash flows from operating activities:		
Net income	\$ 1,771	\$ 813
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	1,301	1,179
Amortization of unearned loan fees and costs, net	(1,031)	(594)
Amortization of premiums and discounts on loans	2	9
Amortization of premiums and discounts on mortgage-backed securities, net	294	193
Gain on available for sale securities	(94)	(14)
(Increase) decrease in accrued interest receivable	(496)	295
Provision for loan losses	635	750
Net increase (decrease) in mortgage loans held-for-sale	40,870	(42,740)
Net (decrease) increase in accrued expenses and other liabilities	(538)	1,601
Net increase in prepaids and other assets	922	3,259
Net cash (used in) provided by operating activities	43,636	(35,249)
Cash flows from investing activities:		
Loan disbursements, net of principal repayments	(30,406)	(18,865)
Purchases of property and equipment	(2,809)	(1,627)
(Sales) purchases of Federal Home Loan Bank of Atlanta stock		(861)
Purchases of available for sale securities	(71,284)	
Sales of available for sale securities	3,492	13,683
Maturity of available for sale securities	500	1,000
Principal repayments of available for sale securities	15,948	12,922
Construction disbursements-other real estate owned	(134)	(231)
Sales of other real estate owned	408	1,137
Net cash (used in) provided by investing activities	(84,285)	7,158
Cash flows from financing activities:		
Net increase in deposits	24,361	28,955
Net increase in other borrowings	1,206	(5,766)
Proceeds from advances from Federal Home Loan Bank of Atlanta		196,500
Repayment of advances from Federal Home Loan Bank of Atlanta		(186,275)
Proceeds from stock issuance, net	119	93
Net cash provided by financing activities	25,686	33,507
(Decrease) increase in cash and cash equivalents	(14,963)	5,416
Cash and cash equivalents at beginning of period	71,382	25,439
Cash and cash equivalents at end of period	\$ 56,419	\$ 30,855
Supplemental information:		

Interest paid on deposits and borrowed funds

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