

SHORE BANCSHARES INC
Form 10-Q
May 09, 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 March 31, 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 0-22345

SHORE BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

52-1974638
(I.R.S. Employer
Identification No.)

18 East Dover Street, Easton, Maryland
(Address of Principal Executive Offices)

21601
(Zip Code)

(410) 822-1400
Registrant's Telephone Number, Including Area Code

N/A

Former name, former address and former fiscal year, if changed since 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 periods 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 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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting
company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). 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: 8,395,450 shares of common stock outstanding as of April 25, 2008.

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements.**

SHORE BANCSHARES, INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)

	March 31, 2008 (Unaudited)	December 31, 2007
ASSETS		
Cash and due from banks	\$ 17,236	\$ 17,198
Interest bearing deposits with other banks	6,928	3,036
Federal funds sold	28,313	6,646
Investment securities:		
Available for sale, at fair value	86,056	97,137
Held-to-maturity, at amortized cost (fair value of \$13,156 and \$12,924, respectively)	13,006	12,896
Loans	808,583	776,350
Less: allowance for credit losses	(7,926)	(7,551)
Loans, net	800,657	768,799
Insurance premiums receivable	1,854	1,083
Premises and equipment, net	15,408	15,617
Accrued interest receivable	5,048	5,008
Investment in unconsolidated subsidiary	937	937
Goodwill	15,954	15,954
Other intangible assets, net	6,307	6,436
Deferred income taxes	1,688	1,847
Other real estate owned	-	176
Other assets	4,444	4,141
TOTAL ASSETS	\$ 1,003,836	\$ 956,911
LIABILITIES		
Deposits:		
Noninterest bearing demand	\$ 103,328	\$ 104,081
Interest bearing demand	114,314	115,623
Money market and savings	184,488	169,896
Certificates of deposit \$100,000 or more	188,605	161,568
Other time	218,182	214,727
Total deposits	808,917	765,895
Accrued interest payable	2,579	2,793
Short-term borrowings	42,712	47,694
Long-term debt	15,485	12,485
Other liabilities	11,444	7,809
TOTAL LIABILITIES	881,137	836,676

STOCKHOLDERS' EQUITY

Common stock, par value \$.01; shares authorized - 35,000,000; shares issued and outstanding - 8,395,450 and 8,380,530, respectively	84	84
Additional paid in capital	29,578	29,539
Retained earnings	92,076	90,365
Accumulated other comprehensive income	961	247
TOTAL STOCKHOLDERS' EQUITY	122,699	120,235
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 1,003,836	\$ 956,911

See accompanying notes to Consolidated Financial Statements.

SHORE BANCSHARES, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Dollars in thousands, except per share amounts)

	For The Three Months Ended March 31,	
	2008	2007
INTEREST INCOME		
Interest and fees on loans	\$ 14,560	\$ 13,624
Interest and dividends on investment securities:		
Taxable	1,080	1,284
Tax-exempt		