

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2009-01-26** | Period of Report: **2009-01-23**
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FILER

PATAPSCO BANCORP INC

CIK: **1003961** | IRS No.: **521951797** | State of Incorporation: **MD** | Fiscal Year End: **0630**
Type: **8-K** | Act: **34** | File No.: **000-28032** | Film No.: **09544567**
SIC: **6035** Savings institution, federally chartered

Mailing Address
1301 MERRITT BLVD
DUNDALK MD 21222

Business Address
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DUNDALK MD 21222
4102851010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 23, 2009

PATAPSCO BANCORP, INC.

(Exact Name of Registrant as Specified in its Charter)

Maryland

0-28032

52-1951797

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1301 Merritt Boulevard, Dundalk, Maryland

21222

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (410) 285-1010

Not applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the

following provisions:

- [] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- [] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- [] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- [] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On January 23, 2009, Patapsco Bancorp, Inc. (the "Company") announced its unaudited financial results for the three and six months ended December 31, 2008. For more information, reference is made to the Company's press release dated January 23, 2009, a copy of which is attached to this Report as Exhibit 99.1 and is furnished herewith.

ITEM 8.01 OTHER EVENTS

On January 23, 2009, the Board of Directors of Patapsco Bancorp, Inc. declared a cash dividend of \$0.02 per share to stockholders of record as of the close of business on February 6, 2009, with a payment date on or about February 27, 2009. This represents a 74% decrease in the dividend compared to previous quarters. The Board of Directors determined that in these challenging times, the prudent decision was to reduce the dividend in order to preserve capital while still distributing a portion of the Company's core earnings to stockholders.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Number -----	Description -----
99.1	Press Release dated January 23, 2009

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PATAPSCO BANCORP, INC.

Date: January 26, 2009

By: /s/ William C. Wiedel, Jr.

William C. Wiedel, Jr.
Senior Vice President and
Chief Financial Officer

PRESS RELEASE

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PATAPSCO BANCORP, INC.
FOR FURTHER INFORMATION CONTACT MICHAEL J .DEE, PRESIDENT
410-285-9313 (EMAIL: MDEE@PATAPSCOBANK.COM)

PATAPSCO BANCORP, INC. ANNOUNCES 2ND QUARTER RESULTS AND DIVIDEND

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Baltimore, Md. January 23, 2009 - Patapsco Bancorp, Inc. (OTC, Electronic Bulletin Board: PATD), the parent company of The Patapsco Bank, announced net losses of (\$294,000) or (\$0.16) fully diluted earnings per share for the six-months ended December 31, 2008 compared to earnings of \$243,000 or \$0.13 fully diluted earnings per share for the comparable period in the prior year.

For the second quarter of the Company's fiscal year 2009, ended December 31, 2008 the Company announced a net loss of (\$483,000) or (\$.26) diluted earnings per share as compared to net income of \$64,000 or \$.03 diluted earnings per share for the prior year comparable period.

The Company's results were negatively impacted by a higher provision for loan losses resulting from an increase in non-performing assets to 1.59% of total assets from 0.97% at June 30, 2008, elevated charge-offs in the consumer and equipment leasing portfolio and the difficult economic environment. The Company recorded provisions for loan losses of \$1.3 million and \$1.6 million in the three and six month periods ended December 31, 2008.

Effective December 31, 2008, Bradford Mid-Tier Company renewed its \$2.0 million promissory note payable to the Company. The renewed promissory note matures on December 31, 2011 and provides for interest equal to the prime rate but no less than 3.25%. In the event Bradford Mid-Tier Company elects to defer interest payments in 2010 or 2011, the interest rate will be increased to the prime rate plus 0.70%. Repayment of this debt is guaranteed by the FDIC under the FDIC's Temporary Liquidity Guarantee Program.

As of December 31, 2008, Patapsco Bancorp, Inc. reported assets of \$269 million, loans of \$236 million and total stockholders' equity of \$25.0 million compared to assets of \$261 million, loans of \$229 million and total stockholders' equity of \$19.4 million at June 30, 2008, the Company's previous fiscal year end.

Additionally, The Board of Directors declared a regular cash dividend of \$0.02 per share to common stockholders of record as of February 6, 2009 and payable on February 27, 2009. This represents a 74% decrease in the dividend compared to previous quarters. The Board of Directors determined that in these challenging times, the prudent decision was to reduce the dividend in order to preserve capital while still distributing a portion of the Company's core earnings to stockholders.

Attached hereto is a summary of the unaudited financial highlights for the period and a comparison to the same period in the previous year.

The Patapsco Bank serves its community from its Baltimore County offices located in Dundalk, Parkville, Glen Arm, Glen Meadows, Carney and its Baltimore City office located in Hampden.

When used in this Press Release, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including changes in economic conditions in Patapsco Bancorp's market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in Patapsco Bancorp's market area, and competition that could

cause actual results to differ materially from historical earnings and those presently anticipated or projected. Patapsco Bancorp wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Patapsco Bancorp wishes to advise readers that the factors listed above could affect Patapsco Bancorp's financial performance and could cause Patapsco Bancorp's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. Patapsco Bancorp does not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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FINANCIAL HIGHLIGHTS (unaudited)
Patapso Bancorp, Inc. and Subsidiary

(Dollars in thousands, except per share data)	For the Six Months December 31,		For the Three Months Ended December 31,	
	2008	2007	2008	2007
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OPERATING RESULTS:				
Interest Income	\$8,283	\$8,765	\$4,138	\$4,425
Interest Expense	3,677	4,394	1,834	2,239
Net Interest Income	4,606	4,371	2,304	2,186
Provision For Loan Losses	1,560	600	1,310	450
Net Interest Income After Provision for Loan Losses	3,046	3,771	994	1,736
Other Noninterest Income	426	415	198	208
Noninterest Expense	3,969	3,544	1,994	1,744
Income Tax Expense/(Benefit)	(203)	399	(319)	136
Net Income/(Loss)	(294)	243	(483)	64
Preferred Stock Dividends	13	0	13	0
Net Income Available for Common Shareholders	\$ (307)	\$ 243	\$ (496)	\$ 64
PER SHARE DATA:				
Net Income/(Loss) per Share, Basic	(\$0.16)	\$0.13	(\$0.26)	\$0.03
Net Income/(Loss) per Share, Diluted	(\$0.16)	\$0.13	(\$0.26)	\$0.03
Book Value per Common Share	\$9.89	\$9.77		
Tangible Book Value per Share (1)	\$8.21	\$8.05		
Period-End Stock Price	\$3.70	\$13.75		
Stock Price as a Percentage of Tangible Book Value	45.07%	170.81%		
PERFORMANCE RATIOS: (2)				
Return on Average Assets	-0.23%	0.19%	-0.74%	0.10%
Return on Average Equity	-3.06%	2.59%	-9.70%	1.37%
Net Interest Margin	3.69%	3.62%	3.64%	3.57%
Net Interest Spread	3.44%	3.35%	3.40%	3.30%

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At

December 31 June 30
2008 2008

<S>	-----	<C>	<C>
BALANCES:			
Net Loans		\$232,864	\$227,514
Total Assets		\$269,090	\$261,294
Deposits		\$196,606	\$197,886
Borrowings		\$ 45,300	\$ 42,300
Stockholders' Equity		\$ 25,008	\$ 19,391

CAPITAL & CREDIT QUALITY RATIOS:

Stockholders' Equity to Total Assets	9.29%	7.42%
Allowance For Loan Losses to Total Loans	1.23%	0.80%
Nonperforming Assets to Total Assets	1.59%	0.97%

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- (1) Tangible book value per share deducts goodwill from common equity.
- (2) Amounts for the three and six month periods ended December 31, 2008 and 2007 are annualized.