

Board of Governors of the Federal Reserve System



Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

This report form is to be filed by all top-tier bank holding companies, top-tier savings and loan holding companies, and U.S. intermediate holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

NOTE: The *Annual Report of Holding Companies* must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Date of Report (top-tier holding company's fiscal year-end):

December 31, 2019

Month / Day / Year

N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Reporter's Name, Street, and Mailing Address

I, Joseph Haskins, Jr.

Name of the Holding Company Director and Official

Chairman, President & CEO

Title of the Holding Company Director and Official

attest that the *Annual Report of Holding Companies* (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Harbor Bankshares Corporation

Legal Title of Holding Company

25 West Fayette Street

(Mailing Address of the Holding Company) Street / P.O. Box

Baltimore

MD

21201

City

State

Zip Code

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:

Kimberly Levine

Vice President/Treasurer

Name

Title

443-9230562

Area Code / Phone Number / Extension

410-951-1858

Area Code / FAX Number

klevine@theharborbank.com

E-mail Address

www.harborbank.com

Address (URL) for the Holding Company's web page

Signature of Holding Company Director and Official

04/01/2020

Date of Signature

For holding companies not registered with the SEC—
 Indicate status of Annual Report to Shareholders:

is included with the FR Y-6 report
 will be sent under separate cover
 is not prepared

For Federal Reserve Bank Use Only

RSSD ID _____
 C.I. _____

Is confidential treatment requested for any portion of this report submission? 0=No
1=Yes 0

In accordance with the General Instructions for this report (check only one),

1. a letter justifying this request is being provided along with the report

2. a letter justifying this request has been provided separately ...

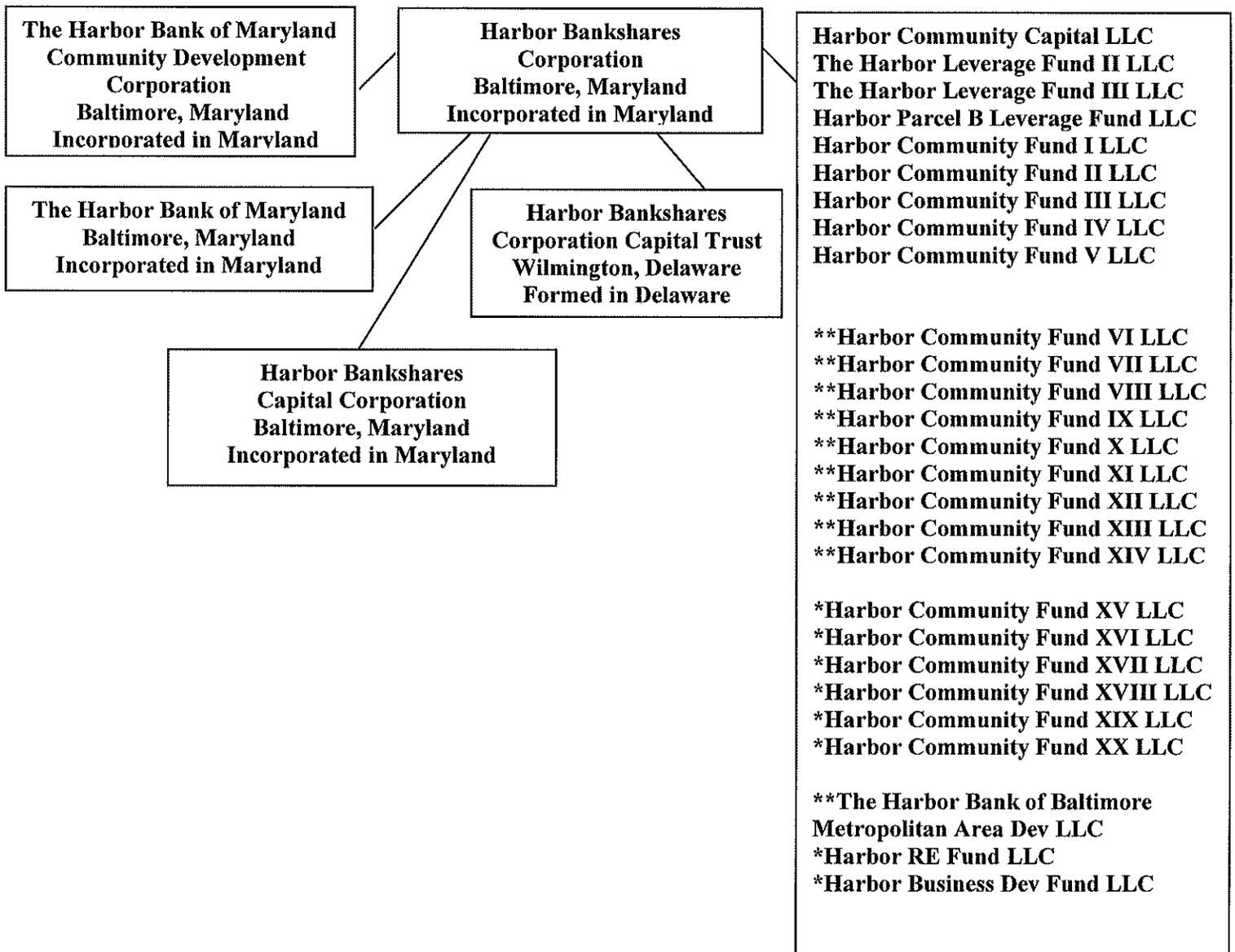
NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

Harbor Bankshares Corporation
Annual Report of Bank Holding Companies
FR Y-6

Report Item I: Bank Holding Company Financial Statements

Information regarding Report Item I parts A and B are filed by incorporation from data contained in the accountant's annual report for Harbor Bankshares Corporation pages 1 through 43, and Harbor Bankshares Corporation Proxy statement. All documents are enclosed as an integral part of this report.

Report Item 2a: Organizational Chart



Harbor Bankshares Corporation directly controls 100% of The Harbor Bank of Maryland, 100% of Harbor Bankshares Capital Corporation, 100% of Harbor Bankshares Corporation Capital Trust voting stock and owns The Harbor Bank of Maryland Community Development Corporation by management control. Harbor Bankshares Corporation owns 100% of Harbor

Community Capital LLC, The Harbor Leverage Fund II LLC, The Harbor Leverage Fund III LLC, Harbor Parcel B Leverage Fund LLC, Harbor Community Fund I LLC, Harbor Community Fund II LLC, Harbor Community Fund III LLC, Harbor Community Fund IV LLC, and Harbor Community Fund V LLC. Harbor Bankshares Corporation owns 99% of and has management control of the above listed entities denoted by an asterisk (*). Harbor Bankshares Corporation owns .01% and has management control of the above listed entities denoted by the double asterisk (**).

All entities in the organizational chart located to the right of the previous page were “Organized in Maryland” with the exception of The Harbor Parcel B Leverage Fund LLC, The Harbor Leverage Fund II LLC, and The Harbor Leverage Fund III LLC, which were “Formed in Delaware”.

The Harbor Bank of Maryland has a Legal Entity Identification (LEI) number, 254900PJE92MJL4Y1A11, as of January 29, 2018.

Report Item 2b: Domestic Branch Listing

No corrections are noted to the list of domestic branches reported by the Federal Reserve Bank. For a listing of the branch report, please refer to Exhibit A.

Report Item 3(1): Stockholders with At Least 5% Ownership (Voting Stock)

- A) **United States Treasury**
Washington, DC
United States of America
- B) United States of America
- C) 4,287,452 Shares 81.00%
Owned 4287,452
Options 0

With the 2018 issuance of new common shares in settlement of the TARP preferred stock, the US Treasury currently holds 81% of the common stock of Harbor Bankshares and there is currently no other shareholder individually owning at least 5% of Harbor's total outstanding shares. Harbor expects to redeem the shares held by the US Treasury at some point in the future at which point the composition of shareholders owning at least 5% of total outstanding shares will change.

Report Item 3(2): Stockholders with At Least 5% Ownership (Voting Stock) during the year but not at the end of year. None

REPORT ITEM 4: DIRECTORS AND OFFICERS

NAME CITY & STATE	TITLE OR POSITION	PRINCIPAL OCCUPATION	PERCENT OF OWNERSHIP HARBOR BANKSHARES
Joseph Haskins, Jr. Baltimore, Maryland	Chairman, President and Chief Executive Officer of the Corporation and the Bank	Same	1.32%
John D. Lewis Baltimore, Maryland	Executive Vice President & Chief Administrative Officer of The Harbor Bank of Maryland and Executive Vice President of Harbor Bankshares Corporation CDC	Same	0.00%
Kimberly Levine Washington, DC	Executive Vice President & Chief Financial Officer of the Corporation and of The Harbor Bank of Maryland	Same	0.00%
George F. Vaeth, Jr. Columbia, Maryland	Secretary of the Corporation and The Harbor Bank of Maryland	Retired Architect with George Vaeth & Associates, Inc.	0.35%
James H. DeGraffenreidt Washington, DC	Director	Retired Chairman and CEO WGL Holdings, Inc.	0.23%

REPORT ITEM 4: DIRECTORS AND OFFICERS (Continued)

NAME CITY & STATE	TITLE OR POSITION	PRINCIPAL OCCUPATION	PERCENT OF OWNERSHIP HARBOR BANKSHARES
Delores G. Kelley Randallstown, Maryland	Director	Senator, Maryland State Senate	.19%
Erich March Baltimore, Maryland	Director	Vice President, William C. March Funeral Homes	.33%
James Scott, Jr. Columbia, Maryland	Director	Principal Pennan and Scott P.C.	.19%
Stanley W. Tucker Baltimore, Maryland	Director	President Meridian Management Group Inc	.01%
Kevin M. Johnson Hanover, Maryland	Director	President Commercial Interiors, Inc.	.24%
Yitzhak Zelmanovitch	Director	Chief Operating Officer East Coast Capital Holdings	.26%

Report item 4.4b: None

Non-applicable information requested by Report Item 4 has been omitted.

DIRECTOR'S NAME	COMPANY	PERCENT OF OWNERSHIP
Stanley W. Tucker	Meridian Management Group, Inc.	50.00%
	Morgan Advisory Group, LLC	33.30%
	MSBDFA Asset Management, LLC	50.00%
	MSBDFA Asset Management, LP (**this entity owns 1% of MMG Ventures, L.P.)	50.00%**
Erich March	Marcorp, Limited	25.00%
	March Funeral Homes	25.00%
	Marshal-March Funeral Homes	25.00%
	King Memorial Park, Inc.	25.00%
	March Funeral Home of Virginia	25.00%
	Maryland Service and Leasing, Inc.	25.00%
	Monetary Development, Inc.	25.00%
	e. March Productions,,LLC	100.00%
James Scott, Jr.	Penan & Scott, P.C.	50.00%
	James Scott and Company, P.C.	100.00%
Joseph Haskins, Jr.	J.H. Enterprises, LLC	51.00%
Kevin M. Johnson	Commercial Interiors, Inc.	100.00%
	New Community Partners, LLC	100.00%
	Commercial Development, Inc.	100.00%

Results: A list of branches for your depository institution: HARBOR BANK OF MARYLAND, THE (ID_RSSD: 533124). This depository institution is held by HARBOR BANKSHARES CORPORATION (2008130) of BALTIMORE, MD. The data are as of 12/31/2019. Data reflects information that was received and processed through 01/06/2019.

Reconciliation and Verification Steps

1. In the **Data Action** column of each branch row, enter one or more of the actions specified below
2. If required, enter the date in the **Effective Date** column

Actions

- OK:** If the branch information is correct, enter 'OK' in the **Data Action** column.
- Change:** If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the **Data Action** column and the date when this information first became valid in the **Effective Date** column.
- Close:** If a branch listed was sold or closed, enter 'Close' in the **Data Action** column and the sale or closure date in the **Effective Date** column.
- Delete:** If a branch listed was never owned by this depository institution, enter 'Delete' in the **Data Action** column.
- Add:** If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the **Data Action** column and the opening or acquisition date in the **Effective Date** column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure

When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information. If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the **FR Y-10 reporting requirements**, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a **Data Action** of Change, Close, Delete, or Add. The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - <https://y10online.federalreserve.gov>.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.

Data Action	Effective Date	Branch Service Type	Branch ID_RSSD*	Popular Name	Street Address	City	State	Zip Code	County	Country	FDIC UNINUM*	Office Number*	Head Office	Head Office ID_RSSD*	Comments
OK		Full Service (Head Office)	533124	HARBOR BANK OF MARYLAND, THE	25 WEST FAYETTE STREET	BALTIMORE	MD	21201	BALTIMORE CITY	UNITED STATES	16747	0	HARBOR BANK OF MARYLAND, THE	533124	
OK		Full Service	2241414	INNER HARBOR EAST OFFICE	1000 LANCASTER ST, SUITE C	BALTIMORE	MD	21202	BALTIMORE CITY	UNITED STATES	256879	7	HARBOR BANK OF MARYLAND, THE	533124	
OK		Full Service	445629	PIMLICO OFFICE	5000 PARK HEIGHTS AVE	BALTIMORE	MD	21215	BALTIMORE CITY	UNITED STATES	239823	1	HARBOR BANK OF MARYLAND, THE	533124	
OK		Full Service	3676312	RESEARCH PARK BRANCH	800 W BALTIMORE ST	BALTIMORE	MD	21201	BALTIMORE CITY	UNITED STATES	452529	10	HARBOR BANK OF MARYLAND, THE	533124	
OK		Full Service	2647230	SCIENCE & TECHNOLOGY EAST BRANCH	855 N. WOLFE STREET	BALTIMORE	MD	21205	BALTIMORE CITY	UNITED STATES	492774	11	HARBOR BANK OF MARYLAND, THE	533124	
OK		Full Service	998228	RANDALLSTOWN BRANCH	8530 LIBERTY ROAD	RANDALLSTOWN	MD	21133	BALTIMORE	UNITED STATES	227078	9	HARBOR BANK OF MARYLAND, THE	533124	
OK		Full Service	2424776	RIVERDALE BRANCH	6820 RIVERDALE ROAD	RIVERDALE	MD	20737	PRINCE GEORGES	UNITED STATES	287889	3	HARBOR BANK OF MARYLAND, THE	533124	