

Hamilton Bancorp, Inc.
Form 10-Q
August 14, 2013
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **Quarterly Report Pursuant To Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2013

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 No. 001-35693

Hamilton Bancorp, Inc.

(Exact name of registrant as specified in its charter)

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Maryland (State or other jurisdiction of incorporation or organization)	46-0543309 (I.R.S. Employer Identification Number)
501 Fairmount Avenue, Suite 200, Towson, Maryland (Address of Principal Executive Offices)	21286 Zip Code
(410) 823-4510 (Registrant's telephone number)	
N/A (Former name or former address, 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 period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 (Do not check if smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

3,703,000 shares of the Registrant's common stock, par value \$0.01 per share, were issued and outstanding as of August 14, 2013.

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Hamilton Bancorp, Inc. and Subsidiary

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Table of Contents**Part I. Financial Information****Item 1. Financial Statements****HAMILTON BANCORP, INC AND SUBSIDIARY****Consolidated Statements of Financial Condition****June 30, 2013 and March 31, 2013**

	June 30, 2013 (Unaudited)	March 31, 2013 (Audited)
Assets		
Assets		
Cash and due from banks	\$ 4,885,257	\$ 3,468,481
Federal funds sold and Federal Home Loan Bank deposit	7,056,221	9,590,434
Interest-bearing deposits in other banks	15,348,052	20,909,829
Cash and cash equivalents	27,289,530	33,968,744
Investment securities available for sale	113,696,735	116,233,943
Federal Home Loan Bank stock, at cost	400,600	400,600
Loans held for sale	538,829	196,743
Loans, less allowance for loan losses of \$2,230,468 and \$2,071,224	160,876,329	159,120,418
Premises and equipment	2,397,750	2,460,832
Foreclosed real estate	755,659	755,659
Accrued interest receivable	886,458	861,412
Bank-owned life insurance	11,719,613	11,622,667
Deferred income taxes	1,917,787	854,922
Income taxes refundable	1,288,074	1,222,027
Goodwill and other intangible assets	2,865,765	2,876,765
Other assets	1,254,815	1,387,419
Total Assets	\$ 325,887,944	\$ 331,962,151
Liabilities and Shareholders Equity		
Liabilities		
Noninterest-bearing deposits	\$ 16,274,678	\$ 11,546,214
Interest-bearing deposits	241,272,724	248,570,661
Total deposits	257,547,402	260,116,875
Advances by borrowers for taxes and insurance	1,196,908	769,000
Other liabilities	1,435,256	3,640,665
Total liabilities	260,179,566	264,526,540
Commitments and contingencies		
Shareholders Equity		
Common stock, \$.01 par value, 100,000,000 shares authorized. Issued: 3,703,000 shares at June 30, 2013 and March 31, 2013	37,030	37,030
Additional paid in capital	35,554,350	35,554,350
Retained earnings	34,279,351	34,261,764

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Unearned ESOP shares	(2,814,280)	(2,814,280)
Accumulated other comprehensive income	(1,348,073)	396,747
Total shareholders' equity	65,708,378	67,435,611
Total Liabilities and Shareholders' Equity	\$ 325,887,944	\$ 331,962,151

The accompanying notes are an integral part of these financial statements.

Table of Contents**HAMILTON BANCORP, INC AND SUBSIDIARY****Consolidated Statements of Operations (Unaudited)****Three Months Ended June 30, 2013 and 2012**

	Three Months Ended June 30,	
	2013	2012
Interest revenue		
Loans, including fees	\$ 2,150,228	\$ 2,361,454
U.S. government agency securities	118,883	76,315
Mortgage-backed securities	394,336	433,900
Federal funds sold and other bank deposits	11,635	15,391
Total interest revenue	2,675,082	2,887,060
Interest expense		
Deposits	547,958	785,940
Net interest income	2,127,124	2,101,120
Provision for loan losses	304,000	58,000
Net interest income after provision for loan losses	1,823,124	2,043,120
Noninterest revenue		
Service charges	67,782	52,282
Gain on sale of investment securities	95,516	51,212
Gain on sale of loans held for sale	3,512	6,468
Earnings on bank-owned life insurance	96,946	73,591
Other	1,228	1,252
Total noninterest revenue	264,984	184,805
Noninterest expenses		
Salaries	817,826	693,979
Employee benefits	293,432	272,070
Occupancy	219,383	211,824
Advertising	73,901	103,141
Furniture and equipment	84,613	75,625
Data processing	151,901	135,476
Professional services	215,629	55,953
Deposit insurance premiums	59,990	77,211
Foreclosed real estate expense and losses	17,455	32,451
Other operating	202,438	250,002
Total noninterest expenses	2,136,568	1,907,732
Income (loss) before income taxes	(48,460)	320,193
Income tax expense (benefit)	(66,047)	97,000

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Net income	\$ 17,587	\$ 223,193
Basic earnings per common share	\$ 0.01	N/A
Diluted earnings per common share	\$ 0.01	N/A

The accompanying notes are an integral part of these financial statements.

Table of Contents**HAMILTON BANCORP, INC AND SUBSIDIARY****Consolidated Statements of Comprehensive Income (Unaudited)****Three Months Ended June 30, 2013 and 2012**

	Three Months Ended June 30,	
	2013	2012
Net income	\$ 17,587	\$ 223,193
Other comprehensive income:		
Unrealized (loss) gain on investment securities available for sale	(2,712,168)	301,921
Reclassification adjustment for realized gain on investment securities available for sale included in net income	(95,516)	(51,212)
Total unrealized (loss) gain on investment securities available for sale	(2,807,684)	250,709
Income tax (benefit) expense relating to investment securities available for sale	(1,062,864)	98,892
Other comprehensive (loss) income	(1,744,820)	151,817
Total comprehensive (loss) income	\$ (1,727,233)	\$ 375,010

The accompanying notes are an integral part of these financial statements.

Table of Contents**HAMILTON BANCORP, INC AND SUBSIDIARY****Consolidated Statements of Changes in Shareholders' Equity (Unaudited)****Three Months Ended June 30, 2013 and 2012**

	Common stock	Additional paid-in capital	Retained earnings	Unearned ESOP shares	Accumulated other comprehensive income	Total shareholders equity
Balance March 31, 2012	\$	\$	\$ 34,433,899	\$	\$ 630,854	\$ 35,064,753
Net income			223,193			223,193
Unrealized gain on available for sale securities, net of tax effect of \$98,892					151,817	151,817
Balance June 30, 2012	\$	\$	\$ 34,657,092	\$	\$ 782,671	\$ 35,439,763
Balance March 31, 2013						