

Hamilton Bancorp, Inc.
Form 10-Q
February 14, 2018

Table of Contents

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 December 31, 2017

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)

Maryland

(State or other jurisdiction of

incorporation or organization)

501 Fairmount Avenue, Suite 200, Towson, Maryland

(Address of Principal Executive Offices)

46-0543309

(I.R.S. Employer

Identification Number)

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]

Smaller reporting company]

(Do not check if smaller reporting company)

Emerging growth company]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES] NO]

The Registrant's common stock, par value \$0.01 per share, consisted of 3,411,075 shares issued and outstanding as of February 14, 2018.

Table of Contents

Hamilton Bancorp, Inc. and Subsidiaries

Form 10-Q

Index

	<u>Page</u>
<u>Part I. Financial Information</u>	
Item 1. <u>Financial Statements</u>	
<u>Consolidated Statements of Financial Condition as of December 31, 2017 (unaudited) and March 31, 2017</u>	1
<u>Consolidated Statements of Operations for the Three and Nine Months Ended December 31, 2017 and 2016 (unaudited)</u>	2
<u>Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended December 30, 2017 and 2016 (unaudited)</u>	3
<u>Consolidated Statements of Changes in Shareholders' Equity for the Nine Months Ended December 31, 2017 and 2016 (unaudited)</u>	4
<u>Consolidated Statements of Cash Flows for the Nine Months Ended December 31, 2017 and 2016 (unaudited)</u>	5 - 6
<u>Notes to Consolidated Financial Statements (unaudited)</u>	7 – 44
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	45 – 72
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	72
Item 4. <u>Controls and Procedures</u>	72
<u>Part II. Other Information</u>	
Item 1. <u>Legal Proceedings</u>	73
Item 1A. <u>Risk Factors</u>	73
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	73

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Item 3. <u>Defaults upon Senior Securities</u>	73
Item 4. <u>Mine Safety Disclosures</u>	73
Item 5. <u>Other Information</u>	73
Item 6. <u>Exhibits</u>	73
<u>Signatures</u>	74

Table of Contents**Part I. – Financial Information****Item 1. Financial Statements****HAMILTON BANCORP, INC. AND SUBSIDIARY****Consolidated Statements of Financial Condition****December 31, 2017 and March 31, 2017**

	December 31, 2017 (Unaudited)	March 31, 2017 (Audited)
Assets		
Assets		
Cash and due from banks	\$9,808,784	\$24,436,793
Federal funds sold	278,054	4,917,128
Cash and cash equivalents	10,086,838	29,353,921
Certificates of deposit held as investment	499,212	499,280
Securities available for sale, at fair value	79,385,066	102,429,128
Federal Home Loan Bank stock, at cost	3,103,900	2,020,200
Loans	388,997,498	338,933,198
Allowance for loan losses	(2,609,537)	(2,194,815)
Net loans and leases	386,387,961	336,738,383
Premises and equipment, net	3,865,095	3,674,280
Premises and equipment held for sale	-	547,884
Foreclosed real estate	451,248	503,094
Accrued interest receivable	1,513,148	1,310,080
Bank-owned life insurance	18,623,339	18,253,348
Deferred income taxes	5,208,321	7,976,850
Goodwill and other intangible assets	9,208,280	9,302,828
Other assets	1,619,735	1,920,740
Total Assets	\$519,952,143	\$514,530,016
Liabilities and Shareholders' Equity		
Liabilities		
Noninterest-bearing deposits	\$27,337,694	\$30,401,454
Interest-bearing deposits	365,353,296	382,454,320
Total deposits	392,690,990	412,855,774
Borrowings	62,765,387	36,124,899
Advances by borrowers for taxes and insurance	1,108,006	1,868,110
Other liabilities	3,982,573	3,890,003

Total liabilities	460,546,956	454,738,786
Commitments and contingencies	-	-
Shareholders' Equity		
Common stock, \$.01 par value, 100,000,000 shares authorized. Issued and outstanding: 3,411,075 shares at December 31, 2017 and March 31, 2017	34,111	34,111
Additional paid in capital	32,050,303	31,656,235
Retained earnings	30,606,613	31,730,673
Unearned ESOP shares	(2,073,680)	(2,221,800)
Accumulated other comprehensive loss	(1,212,160)	(1,407,989)
Total shareholders' equity	59,405,187	59,791,230
Total Liabilities and Shareholders' Equity	\$519,952,143	\$514,530,016

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

Table of Contents**HAMILTON BANCORP, INC. AND SUBSIDIARY****Consolidated Statements of Operations (Unaudited)****Three and Nine Months Ended December 31, 2017 and 2016**

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Interest revenue				
Loans, including fees	\$4,104,127	\$3,878,223	\$11,890,765	\$11,026,020
U.S. treasuries, government agencies and FHLB stock	37,836	33,022	117,034	182,130
Municipal and corporate bonds	102,847	107,564	329,386	226,230
Mortgage-backed securities	297,851	310,709	951,330	829,437
Federal funds sold and other bank deposits	18,998	28,065	100,145	147,504
Total interest revenue	4,561,659	4,357,583	13,388,660	12,411,321
Interest expense				
Deposits	714,350	673,348	2,044,413	1,959,630
Borrowed funds	209,926	74,336	502,830	192,977
Total interest expense	924,276	747,684	2,547,243	2,152,607
Net interest income	3,637,383	3,609,899	10,841,417	10,258,714
Provision for loan losses	345,000	780,000	625,000	1,040,006
Net interest income after provision for loan losses	3,292,383	2,829,899	10,216,417	9,218,708
Noninterest revenue				
Service charges	109,151	104,882	347,201	319,489
(Loss) gain on sale of investment securities	(12,736)	23,720	(2,356)	23,720
Gain on sale of loans held for sale	-	1,438	-	23,047
Gain (loss) on sale of property and equipment	212,743	(11,043)	212,743	(11,043)
Earnings on bank-owned life insurance	123,597	126,302	369,991	364,928
Other	29,860	42,784	95,972	119,937
Total noninterest revenue	462,615	288,083	1,023,551	840,078
Noninterest expenses				
Salaries	1,445,336	1,354,327	4,415,848	4,092,481
Employee benefits	373,699	359,987	1,115,185	1,056,741
Occupancy	259,595	234,310	759,848	709,081
Advertising	22,487	16,305	63,685	91,635
Furniture and equipment	92,894	93,058	262,632	290,818
Data processing	176,114	206,596	522,469	583,407
Legal services	153,615	47,831	374,610	161,278
Other professional services	218,879	284,979	611,699	808,309

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Merger related expenses	-	-	-	219,417
Branch consolidation expense	-	-	-	437,424
Deposit insurance premiums	91,470	63,571	222,359	251,759
Foreclosed real estate expense and losses (gains)	43,706	(1,578)	45,005	6,530
Other operating	452,423	457,466	1,306,791	1,367,726
Total noninterest expense	3,330,218	3,116,852	9,700,131	10,076,606
Income (loss) before income taxes	424,780	1,130	1,539,837	(17,820)
Income tax expense (benefit)	2,351,970	(58,239)	2,663,897	(65,466)
Net (loss) income	\$(1,927,190)	\$59,369	\$(1,124,060)	\$47,646
Net (loss) income per common share:				
Basic	\$(0.60)) \$0.02	\$(0.35)) \$0.01
Diluted	\$(0.60)) \$0.02	\$(0.35)) \$0.01

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

Table of Contents**HAMILTON BANCORP, INC. AND SUBSIDIARY****Consolidated Statements of Comprehensive (Loss) Income (Unaudited)****Three and Nine Months Ended December 31, 2017 and 2016**

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2017	2016	2017	2016
Net (loss) income	\$(1,927,190)	\$59,369	\$(1,124,060)	\$47,646
Other comprehensive income (loss):				
Unrealized (loss) gain on investment securities available for sale	(393,475)	(2,467,108)	243,772	(2,380,040)
Reclassification adjustment for realized loss (gain) on investment securities available for sale included in net income				