Hamilton Bancorp, Inc.
Form 10-Q
November 13, 2012

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 September 30, 2012

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	**46-0543309**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
501 Fairmount Avenue, Suite 200, Towson, Maryland	**21286**
(Address of Principal Executive Offices)	**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 x 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 x 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	x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ¨ NO x

3,703,000 shares of the Registrant s common stock, par value $0.01 per share, were issued and outstanding as of November 13, 2012.

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Hamilton Bancorp, Inc. and Subsidiaries

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EXPLANATORY NOTE

Hamilton Bancorp, Inc., a Maryland corporation (the Company), was formed on June 7, 2012 to serve as the stock holding company for Hamilton Bank (the Bank) as part of the Bank s mutual-to-stock conversion. As of September 30, 2012, the conversion had not been completed, and, as of that date, the Company had no assets or liabilities, and had not conducted any business other than that of an organizational nature. Accordingly, financial and other information of the Bank is included in this Quarterly Report.

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Part I. Financial Information

Item 1. Financial Statements

HAMILTON BANCORP, INC AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2012 and March 31, 2012

	September 30, 2012 (Unaudited)	March 31, 2012 (Audited)
Assets		
Cash and due from banks	**$ 3,789,437**	$ 4,278,096
Federal funds sold and Federal Home Loan Bank deposit	**16,418,044**	12,774,444
Interest-bearing deposits in other banks	**72,261,353**	18,197,008
Cash and cash equivalents	**92,468,834**	35,249,548
Certificates of deposit in other banks		248,000
Investment securities available for sale	**97,692,086**	94,830,376
Loans, less allowance for loan losses of **$1,822,332** and $3,552,364	**159,509,570**	169,904,425
Premises and equipment	**2,535,496**	2,518,804
Foreclosed real estate	**1,183,647**	755,659
Accrued interest receivable	**885,857**	936,283
Federal Home Loan Bank stock, at cost	**480,800**	501,900
Investment in limited liability company	**50,270**	50,270
Bank-owned life insurance	**8,455,265**	8,307,075
Deferred income taxes	**938,582**	1,100,145
Goodwill and other intangible assets	**2,900,598**	2,928,098
Other assets	**1,867,268**	1,137,774
	$ 368,968,273	$ 318,468,357
Liabilities and Equity		
Noninterest-bearing deposits	**$ 11,518,043**	$ 11,763,141
Interest-bearing deposits	**319,965,165**	269,251,661
Total deposits	**331,483,208**	281,014,802
Advance payments by borrowers for taxes and insurance	**447,618**	906,854
Income taxes payable		278,543
Other liabilities	**1,360,642**	1,203,405
Total liabilities	**333,291,468**	283,403,604
Commitments and contingencies		
Equity		
Retained earnings	**34,797,924**	34,433,899
Accumulated other comprehensive income	**878,881**	630,854
Total equity	**35,676,805**	35,064,753

Total liabilities and equity	**$ 368,968,273**	$ 318,468,357

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

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HAMILTON BANCORP, INC AND SUBSIDARIES

Consolidated Statements of Income (Unaudited)

Three and Six Months Ended September 30, 2012 and 2011

	Three Months Ended September 30,		Six Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Interest and dividend revenue				
Loans, including fees	$ 2,254,598	$ 2,527,543	$ 4,616,052	$ 5,116,419
U.S. government agency securities	62,947	157,162	137,378	360,033
Mortgage-backed securities	380,244	490,073	814,144	984,886
Federal funds sold and other bank deposits	20,715	22,005	37,991	48,263
Total interest and dividend revenue	**2,718,504**	3,196,783	**5,605,565**	6,509,601
Interest expense				
Deposits	**729,924**	1,000,541	**1,515,864**	2,094,349
Net Interest Income	**1,988,580**	2,196,242	**4,089,701**	4,415,252
Provision for Loan Losses		319,052	**58,000**	417,330
Net Interest Income after Provision For Loan Losses	**1,988,580**	1,877,190	**4,031,701**	3,997,922
Noninterest income				
Service charges	**54,631**	48,809	**111,447**	91,670
Gain on sale of investment securities		174,388	**51,212**	176,722
Gain on sale of loans held for sale	**6,342**	3,198	**12,810**	6,489
Earnings on bank-owned life insurance	**74,600**	80,288	**148,190**	159,745
Other	**95,240**	2,040	**96,491**	4,248
Total noninterest income	**230,813**	308,723	**420,150**	438,874
Noninterest expenses				
Salaries	**829,175**	732,665	**1,523,154**	1,353,667
Employee benefits	**267,735**	241,459	**539,805**	512,003
Occupancy	**221,097**	242,443	**432,921**	405,702
Advertising	**77,174**	70,650	**180,315**	118,286
Furniture and equipment	**76,078**	99,883	**151,703**	208,141
Data processing	**148,413**	108,525	**283,889**	205,730
Professional services	**70,941**	52,515	**126,894**	125,095
Deposit insurance premiums	**67,736**	13,663	**144,947**	121,204
Other operating	**278,212**	177,468	**565,198**	400,905
Total noninterest expenses	**2,036,561**	1,739,271	**3,948,826**	3,450,733
Income Before Income Taxes	**182,832**	446,642	**503,025**	986,063
Income Tax Expense	**42,000**	143,000	**139,000**	324,000
Net Income	**$ 140,832**	$ 303,642	**$ 364,025**	$ 662,063

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

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HAMILTON BANCORP, INC AND SUBSIDARIES

Consolidated Statements of Comprehensive Income (Unaudited)

Three and Six Months Ended September 30, 2012 and 2011

	Three Months Ended September 30,		Six Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Net Income	$ 140,832	$ 303,642	$ 364,025	$ 662,063
Other Comprehensive Income:				
Unrealized gain on investment securities available for sale	158,882	1,003,788	460,803	2,261,204
Reclassification adjustment for realized gain on investment securities available for sale included in net income		(174,388)	(51,212)	(176,722)
Total unrealized gain on investment securities available for sale	158,882	829,400	409,591	2,084,482
Income tax expense relating to investment securities available for sale	62,672	327,157	161,564	822,224
Other comprehensive income	96,210	502,243	248,027	1,262,258
Total Comprehensive Income	$ 237,042	$ 805,885	$ 612,052	$ 1,924,321

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

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HAMILTON BANCORP, INC AND SUBSIDARIES

Consolidated Statements of Changes in Equity (Unaudited)

Six Months Ended September 30, 2012 and 2011

	Retained earnings	Accumulated other comprehensive income	Total
Balance March 31, 2011	**$ 34,302,880**	**$ (211,429)**	**$ 34,091,451**
Net income	662,063		662,063
Unrealized gain on investment securities available for sale, net of income taxes of $ 822,224		1,262,258	1,262,258
Balance September 30, 2011	**$ 34,964,943**	**$ 1,050,829**	**$ 36,015,772**
Balance March 31, 2012	**$ 34,433,899**	**$ 630,854**	**$ 35,064,753**
Net income	364,025		364,025
Unrealized gain on investment securities available for sale, net of income taxes of $ 161,564		248,027	248,027
Balance September 30, 2012	**$ 34,797,924**	**$ 878,881**	**$ 35,676,805**

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

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HAMILTON BANCORP, INC AND SUBSIDARIES

Consolidated Statement of Cash Flows (Unaudited)

Six Months Ended September 30, 2011 and 2012

	Six Months Ended September 30, 2012	2011
Cash flows from Operating Activities:		
Interest received	**$ 6,280,552**	$ 7,066,497
Fees and commissions received	**207,938**	95,918
Interest paid	**(1,550,371)**	(2,169,695)
Cash paid to suppliers and employees	**(3,945,247)**	(3,293,401)
Origination of loans held for sale	**(1,782,000)**	(690,000)
Proceeds from sale of loans held for sale	**1,794,810**	696,489
Income taxes paid	**(786,501)**	(599,463)
Net cash provided (used) by operating activities	**219,181**	1,106,345
Cash flows from Investing Activities		
Proceeds from maturities of certificates of deposit	**248,000**	
Proceeds from sale of securities available for sale	**4,129,198**	11,306,432
Proceeds from maturing and called securities available for sale, including principal pay downs	**32,246,029**	28,362,111
Purchase of investment securities available for sale	**(39,381,716)**	(29,760,024)
Purchase of Federal Home Loan Bank stock	**21,100**	
Loans made, net of principal repayments	**9,889,888**	3,219,287
Purchase of premises and equipment	**(191,564)**	(278,866)
Net cash provided (used) by investing activities	**6,960,935**	12,848,940
Cash flows from Financing Activities		
Net increase (decrease) in		
Deposits	**50,498,406**	(10,538,282)
Advances by borrowers for taxes and insurance	**(459,236)**	(483,453)
Net cash used by financing activities	**50,039,170**	(11,021,735)
Net increase in cash and cash equivalents	**57,219,286**	2,933,550
Cash and cash equivalents at beginning of year	**35,249,548**	39,473,433
Cash and cash equivalents at end of year	**$ 92,468,834**	$ 42,406,983

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

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HAMILTON BANCORP, INC AND SUBSIDARIES

Consolidated Statement of Cash Flows (Unaudited)

(Continued)

	Six Months Ended September 30,	
	2012	2011
Reconciliation of net income to net cash provided (used) by operating activities		
Net income	**$ 364,025**	$ 662,063
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Amortization of premiums on securities	**605,582**	570,709
Gain on sale of investment securities	**(51,212)**	(176,722)
Loan premium amortization	**11,500**	11,500
Deposit premium amortization	**(30,000)**	(74,000)
Core deposit intangible asset amortization	**27,500**	34,000
Premises and equipment depreciation and amortization	**174,872**	133,844
Provision for loan losses	**58,000**	417,330
Decrease (increase) in		
Accrued interest receivable	**50,426**	75,661
Cash surrender value of life insurance	**(148,190)**	(159,745)
Other assets	**(360,538)**	(15,721)
Increase (decrease) in		
Accrued interest payable	**(4,507)**	(1,346)
Income taxes payable	**(647,500)**	(275,463)
Deferred loan origination fees	**7,479**	(100,974)
Other liabilities	**161,744**	5,209
Net cash provided (used) by operating activities	**$ 219,181**	$ 1,106,345
Noncash investing activity		
Real estate acquired through foreclosure	**$ 427,988**	$

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

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HAMILTON BANCORP, INC AND SUBSIDARIES

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Notes to Consolidated Financial Statements (Unaudited)

Note 1: Basis of Financial Statement Presentation

The unaudited consolidated financial statements include the accounts of Hamilton Bank (the Bank).

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for interim financial reporting and with instructions for Form 10 Q and Regulation S X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date and revenues and expenses for the period. Actual results could differ from these estimates. In the opinion of management, the preceding unaudited consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial condition of the Bank as of September 30, 2012 and March 31, 2012, and the results of its operations for the three months and six months ended September 30, 2012 and 2011. These consolidated financial statements should be read in conjunction with the consolidated financial statements of the Bank for the year ended March 31, 2012 included as part of Hamilton Bancorp, Inc. s Prospectus dated August 13, 2012 as filed with the Securities and Exchange Commission pursuant to Securities Act Rule 424(b)(3) on August 22, 2012 (the Prospectus).

The results of operations for the three months and six months ended September 30, 2012 are not necessarily indicative of the results that may be expected for the entire year. For further information, refer to the financial statements and footnotes thereto included in the Prospectus.

Management has evaluated events and transactions subsequent to September 30, 2012 through November 13, 2012, the date these financial statements were issued. On October 10, 2012, in accordance with a Plan of Conversion adopted by Hamilton Bank s Board of Directors and approved by its members, the Bank converted from a mutual savings bank to a stock savings bank and became the wholly owned subsidiary of Hamilton Bancorp, Inc. (the Company). The conversion was accomplished through the sale and issuance of 3,703,000 shares of common stock at a price of $10.00 per share, through which the Company received proceeds of approximately $35,640,000, net of offering expenses of approximately $1,390,000. In connection with the conversion, the Bank s Board of Directors adopted an employee stock ownership plan (ESOP) which subscribed for 8.0% of the sum of the number of shares, or 296,240 shares of common stock sold in the offering. Accordingly, the reported results for the three months and six months ended September 30, 2012 and 2011 related solely to the operations of the Bank.

Note 2: New Accounting Pronouncements

Recent Accounting Pronouncements

ASU No. 2011-03, Transfers and Servicing (Topic 860) - Reconsideration of Effective Control for Repurchase Agreements. ASU 2011-03 is intended to improve financial reporting of repurchase agreements and other agreements that both entitle and obligate a transferor to repurchase or redeem financial assets before their maturity. ASU 2011-03 removes from the assessment of effective control (i) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (ii) the collateral maintenance guidance related to that criterion. ASU 2011-03 became effective for Hamilton on April 1, 2012, and is not expected to have a significant impact on our financial statements.

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

ASU 2011-04, Fair Value Measurement (Topic 820) - Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs. ASU 2011-04 amends Topic 820, Fair Value Measurements and Disclosures, to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. ASU 2011-04 clarifies the application of existing fair value measurement requirements, changes certain principles in Topic 820 and requires additional fair value disclosures. ASU 2011-04 became effective for Hamilton on April 1, 2012, and is not expected to have a significant impact on our financial statements.

ASU 2011-05, Comprehensive Income (Topic 220) - Presentation of Comprehensive Income. ASU 2011-05 amends Topic 220, Comprehensive Income, to require that all non-owner changes in stockholders equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. Additionally, ASU 2011-05 requires entities to present, on the face of the financial statements, reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement or statements where the components of net income and the components of other comprehensive income are presented. The option to present components of other comprehensive income as part of the statement of changes in stockholders equity was eliminated. ASU 2011-05 became effective for Hamilton on April 1, 2012; however, certain provisions related to the presentation of reclassification adjustments have been deferred by ASU 2011-12 *Comprehensive Income (Topic 220) Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05,* as further discussed below. In connection with the application of ASU 2011-05, our financial statements include separate statements of comprehensive income.

ASU 2011-08, Intangibles Goodwill and Other (Topic 350) - Testing Goodwill for Impairment. ASU 2011-08 amends Topic 350, Intangibles Goodwill and Other, to give entities the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test by calculating the fair value of the reporting unit and comparing the fair value with the carrying amount of the reporting unit. ASU 2011-08 became effective for Hamilton on April 1, 2012, and is not expected to have a significant impact on our financial statements.

ASU 2011-11, Balance Sheet (Topic 210) - Disclosures about Offsetting Assets and Liabilities. ASU 2011-11 amends Topic 210, Balance Sheet, to require an entity to disclose both gross and net information about financial instruments, such as sales and repurchase agreements and reverse sale and repurchase agreements and securities borrowing/lending arrangements, and derivative instruments that are eligible for offset in the statement of financial position and/or subject to a master netting arrangement or similar agreement. ASU 2011-11 is effective for annual and interim periods beginning on April 1, 2013, and is not expected to have a significant impact on our financial statements.

ASU 2011-12 Comprehensive Income (Topic 220) - Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05. ASU 2011-12 defers changes in ASU No. 2011-05 that relate to the presentation of reclassification adjustments to allow the FASB time to redeliberate whether to require presentation of such adjustments on the face of the financial statements to show the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income. ASU 2011-12 allows entities to continue to report reclassifications out of accumulated other comprehensive income consistent with the presentation requirements in effect before ASU No. 2011-05. All other requirements in ASU No. 2011-05 are not affected by ASU No. 2011-12. ASU 2011-12 became effective for Hamilton on April 1, 2012 and is not expected to have a significant impact on our financial statements.

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

Note 3: Goodwill and Other Intangible Assets

On December 4, 2009, the Bank acquired a branch office in Pasadena, Maryland from K Bank. The Bank paid premiums of $653,000 and $92,000 for the certificates of deposit and loans that were acquired, respectively. The premiums are being amortized over four years, which is the estimated lives of the certificates and loans. The Bank also purchased $757,432 of premises and equipment, which includes the building, land, and equipment. In addition, the Bank recorded goodwill totaling $2,664,432 and identifiable intangibles (core deposit intangible) totaling $434,000. The goodwill is deductible for tax purposes.

The activity in goodwill and acquired intangible assets related to the branch purchase is as follows:

	Goodwill	Core deposit intangible
Balance March 31, 2011	$ 2,664,432	$ 327,333
Acquired during the six months ended		
Amortization		(34,000)
Balance September 30, 2011	$ 2,664,432	$ 293,333

	Goodwill	Core deposit intangible
Balance March 31, 2012	$ 2,664,432	$ 263,666
Acquired during the six months ended		
Amortization		(27,500)
Balance September 30, 2012	$ 2,664,432	$ 236,166

Note 4: Investment Securities Available for Sale

The amortized cost and fair value of securities at September 30, 2012 and March 31, 2012, are summarized as follows:

September 30, 2012	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**
Investment securities available for sale:				
U.S. government agency	$ 12,611,866	$ 96,797	$	$ 12,708,663
Mortgage-backed	83,622,162	1,622,784	263,343	84,981,603
	96,234,028	1,719,581	263,343	97,690,266
FHLMC stock	6,681		4,861	1,820
	$ 96,240,709	$ 1,719,581	$ 268,204	$ 97,692,086

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

March 31, 2012	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Investment securities available for sale:				
U.S. government agency	$ 18,766,086	$ 118,981	$ 64,504	$ 18,820,563
Mortgage-backed	75,015,823	1,249,592	257,177	76,008,238
	93,781,909	1,368,573	321,681	94,828,801
FHLMC stock	6,681		5,106	1,575
	$ 93,788,590	$ 1,368,573	$ 326,787	$ 94,830,376

Proceeds from sales of investment securities were $4,129,198 and $11,306,432 during the six months ended September 30, 2012 and 2011, respectively, with gains of $51,212 and no losses for the six months ended September 30, 2012 and gains of $176,722 and no losses for the six months ended September 30, 2011.

As of September 30, 2012, the Bank had pledged one security to the Federal Reserve Bank with a book value of $618,379 and a fair value of $671,825.

As of September 30, 2012 and March 31, 2012, all mortgage-backed securities are backed by U.S. Government Sponsored Enterprises (GSE s).

The amortized cost and estimated fair value of debt securities by contractual maturity at September 30, 2012 and March 31, 2012 follow. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations.

	Available-for-Sale			
	September 30, 2012		March 31, 2012	
	Amortized cost	Fair value	Amortized cost	Fair value
Maturing				
Within one year	**$ 1,519,598**	**$ 1,533,616**	$ 1,012,984	$ 1,018,605
Over one to five years	**2,094,014**	**2,164,001**	3,711,405	3,800,596
Over five to ten years	**8,998,254**	**9,011,046**	5,991,697	5,990,794
Over ten years			8,050,000	8,010,568
Mortgage-backed, in monthly installments	**83,622,162**	**84,981,603**	75,015,823	76,008,238
	$ 96,234,028	**$ 97,690,266**	$ 93,781,909	$ 94,828,801

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

The following table presents the Bank s investments gross unrealized losses and the corresponding fair values by investment category and length of time that the securities have been in a continuous unrealized loss position at September 30, 2012.

	Less than 12 months		12 months or longer		Total	
	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value
U.S. government agency obligations	$	$	$	$	$	$
Mortgage-backed	250,089	25,449,391	13,254	433,854	263,343	25,883,245
FHLMC stock			4,861	1,820	4,861	1,820
	$ 250,089	$ 25,449,391	$ 18,115	$ 435,674	$ 268,204	$ 25,885,065

The unrealized losses are considered temporary because the impairment in value is caused by fluctuation in the current interest rate market. These securities are expected to be redeemed at par at maturity.

Note 5: Loans Receivable and Allowance for Loan Losses

Loans receivable consist of the following at September 30, 2012 and March 31, 2012:

	September 30, 2012	**March 31, 2012**
Real estate loans:		
One to four family:		
Residential	**$ 70,725,525**	$ 76,687,365
Investor	**16,835,051**	17,265,202
Commercial	**28,156,355**	31,017,798
Construction	**3,439,427**	3,865,397
Commercial	**25,703,635**	27,158,449
Home equity loans	**15,424,244**	16,343,508
Consumer	**1,128,507**	1,180,933
	161,412,744	173,518,652
Premium on loans purchased	**26,834**	38,334
Net deferred loan origination fees and costs	**(107,676)**	(100,197)
Allowance for loan losses	**(1,822,332)**	(3,552,364)
	$ 159,509,570	**$ 169,904,425**

Residential lending is generally considered to involve less risk than other forms of lending, although payment experience on these loans is dependent on economic and market conditions in the Bank s lending area. Construction loan repayments are generally dependent on the related properties or the financial condition of its borrower or guarantor. Accordingly, repayment of such loans can be more susceptible to adverse conditions in the real estate market and the regional economy.

A substantial portion of the Bank s loan portfolio is mortgage loans secured by residential and commercial real estate properties located in the Baltimore metropolitan area. Loans are extended only after evaluation of a customer s creditworthiness and other relevant factors on a case-by-case basis. The Bank generally does not lend more than 90% of the appraised value of a property and requires private mortgage insurance on residential mortgages with loan-to-value ratios in excess of 80%. In addition, the Bank generally obtains personal guarantees of repayment from borrowers and/or others for construction loans and disburses the proceeds of those and similar loans only as work progresses on the related projects.

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

The following tables set forth for the six months ended September 30, 2012 and for the year ended March 31, 2012, the balance of the allowance for loan losses by portfolio segment, disaggregated by impairment methodology, which is further segregated by amounts evaluated for impairment collectively and individually. The allowance for loan losses allocated to each portfolio segment is not necessarily indicative of future losses in any particular portfolio segment and does not restrict the use of the allowance to absorb losses in other portfolio segments. There were no recoveries during the six months ended September 30, 2012 and the year ended March 31, 2012.

						Allowance		Loan Balance	
Six months ended September 30, 2012:	**Allowance 3/31/2012**	**Provision for loan losses**	**Charge offs**	**Recoveries**	**Allowance 9/30/2012**	**Individually Evaluated for Impairment**	**Collectively Evaluated for Impairment**	**Individually Evaluated for Impairment**	**Collectively Evaluated for Impairment**
Real estate loans									
One to four family	$ 342,905	$ 32,576	$ 76,546	$	$ 298,935	$ 78,627	$ 220,308	$ 1,314,702	$ 86,245,874
Commercial	879,698	105,745	488,772		496,671		496,671	1,641,343	26,515,012
Construction	1,047,658	(296,969)	337,076		413,613	413,613		3,439,427	
Commercial	1,231,723	216,835	873,423		575,135		575,135	780,204	24,923,431
Home Equity Loans	41,829	1,325	5,330		37,824		37,824	24,521	15,399,723
Consumer	270	6,769	6,885		154		154		1,128,507
Unallocated	8,281	(8,281)							
	$ 3,552,364	$ 58,000	$ 1,788,032	$	$ 1,822,332	$ 492,240	$ 1,330,092	$ 7,200,197	$ 154,212,547

						Allowance		Loan Balance	
Year ended March 31, 2012:	**Allowance 3/31/2011**	**Provision for loan losses**	**Charge offs**	**Recoveries**	**Allowance 3/31/2012**	**Individually Evaluated for Impairment**	**Collectively Evaluated for Impairment**	**Individually Evaluated for Impairment**	**Collectively Evaluated for Impairment**
Real estate loans									
One to four family	$ 652,459	$ 27,354	$ 336,908	$	$ 342,905	$ 72,999	$ 269,906	$ 1,945,248	$ 92,007,319
Commercial	159,934	731,770	12,006		879,698	417,229	462,469	2,598,012	28,419,786
Construction	48,856	998,802			1,047,658	991,673	55,985	3,649,473	215,924
Commercial	194,180	1,037,543			1,231,723	770,643	461,080	2,374,967	24,783,482
Home Equity Loans	38,380	3,449			41,829		41,829	30,033	16,313,475
Consumer	681	(411)			270		270		1,180,933
Unallocated	88,510	(80,229)			8,281		8,281		
	$ 1,183,000	$ 2,718,278	$ 348,914	$	$ 3,552,364	$ 2,252,544	$ 1,299,820	$ 10,597,733	$ 162,920,919

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

Past due loans, segregated by age and class of loans, as of September 30, 2012 and March 31, 2012, were as follows. There were no loans ninety days or more past due and accruing interest at September 30, 2012, and March 31, 2012.

September 30, 2012	Loans 30-59 days past due	Loans 60-89 days past due	Loans 90 or more days past due	Total past due loans	Current loans	Totals loans	Accruing loans 90 or more days past due	Nonaccrual loans	Nonaccrual interest not accrued
Real estate loans									
One to four family	$ 596,815	$ 180,058	$ 865,178	$ 1,642,051	$ 85,918,525	$ 87,560,576	$	$ 865,178	$ 100,711
Commercial			1,641,343	1,641,343	26,515,012	28,156,355		1,641,343	120,976
Construction			1,003,313	1,003,313	2,436,114	3,439,427		1,003,313	65,919
Commercial	655,648		780,204	1,435,852	24,267,783	25,703,635		780,204	31,405
Home equity loans	21,087			21,087	15,403,157	15,424,244			
Consumer	1,459			1,459	1,127,048	1,128,507			
	$ 1,275,009	$ 180,058	$ 4,290,038	$ 5,745,105	$ 155,667,639	$ 161,412,744	$	$ 4,290,038	$ 319,011

March 31, 2012	Loans 30-59 days past due	Loans 60-89 days past due	Loans 90 or more days past due	Total past due loans	Current loans	Totals loans	Accruing loans 90 or more days past due	Nonaccrual loans	Nonaccrual interest not accrued
Real estate loans									
One to four family	$ 367,937	$ 6,514	$ 1,011,073	$ 1,385,524	$ 92,567,043	$ 93,952,567	$	$ 1,011,073	$ 72,110
Commercial			2,598,200	2,598,200	28,419,598	31,017,798		2,598,200	78,405
Construction			1,336,726	1,336,726	2,528,671	3,865,397		1,336,726	28,423
Commercial	628,839		2,374,561	3,003,400	24,155,049	27,158,449		2,374,561	100,734
Home equity loans	60,628		29,778	90,406	16,253,102	16,343,508		29,778	516
Consumer	4,980	1,309	18,189	24,478	1,156,455	1,180,933		18,189	573
	$ 1,062,384	$ 7,823	$ 7,368,527	$ 8,438,734	$ 165,079,918	$ 173,518,652	$	$ 7,368,527	$ 280,761

Impaired Loans as of and for the six months ended September 30, 2012 and the year ended March 31, 2012 were as follows:

September 30, 2012	Unpaid contractual principal balance	Recorded investment with no allowance	Recorded investment with allowance	Total recorded investment	Related allowance	Average recorded investment	Interest recognized
Real estate loans							
One to four family	$ 1,613,662	$ 67,124	$ 1,247,578	$ 1,314,702	$ 78,627	$ 1,342,693	$ 19,036
Commercial	2,098,669	1,641,343		1,641,343		1,822,280	
Construction	3,785,029	1,003,314	2,436,113	3,439,427	413,613	3,467,593	84,680

Commercial	1,138,403	780,204		780,204		1,047,728	
Home equity loans	24,521	24,521		24,521		25,061	114
Consumer							
	$ 8,660,284	$ 3,516,506	$ 3,683,691	$ 7,200,197	$ 492,240	$ 7,705,355	$ 103,830

March 31, 2012	Unpaid contractual principal balance	Recorded investment with no allowance	Recorded investment with allowance	Total recorded investment	Related allowance	Average recorded investment	Interest recognized
Real estate loans							
One to four family	$ 2,186,840	$ 1,009,079	$ 936,169	$ 1,945,248	$ 72,999	$ 2,143,824	$ 35,428
Commercial	2,598,012	499,343	2,098,669	2,598,012	417,229	2,598,200	9,838
Construction	3,649,473		3,649,473	3,649,473	991,673	3,339,162	183,832
Commercial	2,374,966	599,877	1,775,090	2,374,967	770,643	2,225,792	49,160
Home equity loans	30,033	30,033		30,033		29,968	52
Consumer							
	$ 10,839,324	$ 2,138,332	$ 8,459,401	$ 10,597,733	$ 2,252,544	$ 10,336,946	$ 278,310

HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

Credit quality indicators

As part of the ongoing monitoring of the credit quality of the Bank s loan portfolio, management tracks certain credit quality indicators including trends related to the risk grade of loans, the level of classified loans, net charge offs, nonperforming loans, and the general economic conditions in the Bank s market.

The Bank utilizes a risk grading matrix to assign a risk grade to each of its loans. A description of the general characteristics of loans characterized as watch list or classified is as follows:

Special Mention

A special mention loan has potential weaknesses that deserve management s close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Bank s credit position at some future date. Special mention loans are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification.

Borrowers may exhibit poor liquidity and leverage positions resulting from generally negative cash flow or negative trends in earnings. Access to alternative financing may be limited to finance companies for business borrowers and may be unavailable for commercial real estate borrowers.

Substandard

A substandard loan is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard loans have a well defined weakness, or weaknesses, that jeopardize the collection or liquidation of the debt. They are characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected. Substandard classification does not automatically meet the definition of impaired. Loss potential, while existing in the aggregate amount of substandard credits, does not have to exist in individual extensions of credit classified substandard.

Borrowers may exhibit recent or unexpected unprofitable operations, an inadequate debt service coverage ratio, or marginal liquidity and capitalization. These loans require more intense supervision by Bank management.

Doubtful

A doubtful loan has all the weaknesses inherent as a substandard loan with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

The following tables present the September 30, 2012 and March 31, 2012, balances of classified loans based on the risk grade. Classified loans include Special Mention, Substandard, and Doubtful loans.

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

September 30, 2012	Special Mention	Substandard	Doubtful	Total
Real estate loans				
One to four family	$ 2,036,415	$ 1,038,616	$	$ 3,075,031
Commercial		1,641,343		1,641,343
Construction	2,436,113	1,003,314		3,439,427
Commercial		988,378		988,378
Home equity loans	55,904			55,904
Consumer				
	$ 4,528,432	$ 4,671,651	$	$ 9,200,083

March 31, 2012	Special Mention	Substandard	Doubtful	Total
Real estate loans				
One to four family	$	$ 1,945,248	$	$ 1,945,248
Commercial		2,598,012		2,598,012
Construction	2,286,078	1,363,395		3,649,473
Commercial		1,782,004	592,963	2,374,967
Home equity loans		30,033		30,033
Consumer				
	$ 2,286,078	$ 7,718,692	$ 592,963	$ 10,597,733

Classified loans also include certain loans that have been modified in troubled debt restructurings (TDRs) where economic concessions have been granted to borrowers who have experienced or are expected to experience financial difficulties. These concessions typically result from the Bank s loss mitigation activities and could include reductions in the interest rate, payment extensions, forgiveness of principal, forbearance or other actions. Generally, TDRs are classified as nonperforming at the time of restructure and may only be returned to performing status after considering the borrower s sustained repayment performance for a reasonable period, generally six months.

A summary of TDRs at September 30, 2012 and March 31, 2012 follows:

September 30, 2012	Performing	Nonperforming	Total
Real estate			
One to four family	$ 1,470,982	$	$ 1,470,982
Commercial			
Construction			
Commercial			
Home equity loans	24,521		24,521
Consumer			
	$ 1,495,503	$	$ 1,495,503

March 31, 2012	Performing	Nonperforming	Total
Real estate loans			
One to four family	$ 1,416,745	$	$ 1,416,745
Commercial			
Construction			
Commercial			
Home equity loans			
Consumer			
	$ 1,416,745	$	$ 1,416,745

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

In the normal course of business, the Bank has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. Loan commitments and lines of credit are agreements to lend to a customer as long as there is no violation of any condition to the contract. Mortgage loan commitments generally have fixed interest rates, fixed expiration dates, and may require payment of a fee. Other loan commitments generally have fixed interest rates. Lines of credit generally have variable interest rates. Such lines do not represent future cash requirements because it is unlikely that all customers will draw upon their lines in full at any time.

The Bank s maximum exposure to credit loss in the event of nonperformance by the customer is the contractual amount of the credit commitment. Loan commitments, lines of credit, and letters of credit are made on the same terms, including collateral, as outstanding loans. Management is not aware of any accounting loss to be incurred by funding these loan commitments.

The Bank had the following outstanding commitments and unused lines of credit as of September 30, 2012 and March 31, 2012:

	September 30, 2012	March 31, 2012
Unused commercial lines of credit	$ 9,409,392	$ 8,164,696
Unused home equity lines of credit	16,492,137	16,445,437
Mortgage loan commitments	376,000	455,000
Construction loan commitments	163,200	494,603
Commercial loan commitments	12,174,100	3,590,000

Note 6: Regulatory Capital Ratios

The Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency have adopted risk-based capital standards for banking organizations. These standards require ratios of capital to assets for minimum capital adequacy and to be classified as well capitalized under prompt corrective action provisions. The capital ratios and minimum capital requirements of the Bank at September 30, 2012 and March 31, 2012 were as follows:

	Actual		Minimum capital requirement		To be well capitalized (1)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(dollars in thousands)			
September 30, 2012						
Total capital (to risk-weighted assets)	**$ 33,720**	**19.61%**	**$ 13,753**	**8.00%**	**$ 17,192**	**10.00%**
Tier 1 capital (to risk-weighted assets)	**$ 31,897**	**18.55%**	**N/A**	**N/A**	**$ 10,315**	**6.00%**
Core capital (to adjusted total assets)	**$ 31,897**	**8.71%**	**$ 10,982**	**3.00%**	**$ 18,303**	**5.00%**
Tangible capital (to adjusted total assets)	**$ 31,897**	**8.71%**	**$ 5,491**	**1.50%**	**N/A**	**N/A**
March 31, 2012						
Total capital (to risk-weighted assets)	$ 33,552	20.66%	$ 12,998	8.00%	$ 16,247	10.00%
Tier 1 capital (to risk-weighted assets)	$ 31,506	19.04%	N/A	N/A	$ 9,748	6.00%
Core capital (to adjusted total assets)	$ 31,506	9.91%	$ 9,537	3.00%	$ 15,895	5.00%
Tangible capital (to adjusted total assets)	$ 31,506	9.91%	$ 4,769	1.50%	N/A	N/A

(1) Under prompt corrective action provisions

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

A reconciliation of capital reported in accordance with generally accepted accounting principles (GAAP) to regulatory capital, is as follows as of September 30, 2012 and March 31, 2012:

	September 30, 2012	March 31, 2012
	(dollars in thousands)	
Total equity (GAAP)	$ 35,677	$ 35,065
Accumulated other comprehensive income	(879)	(631)
Goodwill and other intangible assets	(2,901)	(2,928)
Tier 1 and Core capital	31,897	31,506
Allowance for Loan Losses	1,822	3,552
Allowance for loan losses subject to limitation		(1,506)
Tier 2 capital	1,822	2,046
Total risk-based capital	$ 33,719	$ 33,552

Tier 1 capital consists of retained earnings less goodwill and intangible assets. Total capital includes a limited amount of the allowance for loan losses and a portion of any unrealized gain on equity securities. In calculating risk-weighted assets, specified risk percentages are applied to each category of asset and off-balance-sheet items.

Failure to meet the capital requirements could affect, among other things, the Bank s ability to accept brokered deposits and may significantly affect the operations of the Bank.

In its regulatory report filed as of September 30, 2012, the Bank met the capital requirements to be considered well capitalized. Management is not aware of any events that would have caused this classification to change. Management has no plans that should change the classification of the capital adequacy.

Note 7: Fair Value Measurements

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a hierarchy for determining fair value measurements. The hierarchy includes three levels and is based upon the valuation techniques used to measure assets and liabilities. The three levels are as follows:

Level 1: Inputs to the valuation method are quoted prices (unadjusted) for identical assets or liabilities in active markets;

Level 2: Inputs to the valuation method include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and

Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

The following is a description of the valuation methods used for instruments measured at fair value as well as the general classification of such instruments pursuant to valuation method.

Fair value measurements on a recurring basis

Securities available for sale If quoted prices are available in an active market for identical assets, securities are classified within Level 1 of the hierarchy. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. As of September 30, 2012 and March 31, 2012, the Bank has categorized its investment securities available for sale as follows:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
September 30, 2012				
U.S. government agency	$	$ 12,708,663	$	$ 12,708,663
Mortgage-backed		84,981,603		84,981,603
FHLMC stock	1,820			1,820
Total investment securities available for sale	$ 1,820	$ 97,690,266	$	$ 97,692,086
March 31, 2012				
U.S. government agency	$	$ 18,820,563	$	$ 18,820,563
Mortgage-backed		76,008,238		76,008,238
FHLMC stock	1,575			1,575
Total investment securities available for sale	$ 1,575	$ 94,828,801	$	$ 94,830,376

Fair value measurements on a nonrecurring basis

Impaired Loans - The Bank has measured impairment generally based on the fair value of the loan s collateral. Fair value is generally determined based upon independent appraisals of the properties, or discounted cash flows based upon the expected proceeds. These assets are included as Level 3 fair values. As of September 30, 2012 and March 31, 2012, the fair values consist of loan balances of **$7,200,197** and $10,597,733 that have been written down by **$492,240** and $2,252,544, respectively, as a result of specific loan loss allowances.

Foreclosed real estate The Bank s foreclosed real estate is measured at fair value less estimated cost to sell. As of September 30, 2012 and March 31, 2012, the fair value of foreclosed real estate was estimated to be **$1,183,647** and $755,659, respectively. Fair value was determined based on offers and/or appraisals. Cost to sell the assets was based on standard market factors. The Company has categorized its foreclosed assets as Level 3.

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
September 30, 2012				
Impaired Loans	$	$	$ 6,707,957	$ 6,707,957
Foreclosed real estate			1,183,647	1,183,647

Total impaired loans and foreclosed real estate	$	$	$ 7,891,604	$ 7,891,604
March 31, 2012				
Impaired Loans	$	$	$ 8,345,189	$ 8,345,189
Foreclosed real estate			755,659	755,659
Total impaired loans and foreclosed real estate	$	$	$ 9,100,848	$ 9,100,848

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HAMILTON BANCORP, INC AND SUBSIDARIES

Notes to Consolidated Financial Statements (Continued)

The following table reconciles the beginning and ending balance of foreclosed real estate, which is measured on a nonrecurring basis using significant unobservable, level 3, inputs:

Balance, March 31, 2012	$ 755,659
Transfer to foreclosed real estate	427,988
Balance, September 30, 2012	$ 1,183,647

The remaining financial assets and liabilities are not reported on the balance sheets at fair value. The calculation of estimated fair values is based on market conditions at a specific point in time and may not reflect current or future fair values.

	September 30, 2012		March 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Level 1 inputs				
Cash and cash equivalents	$ 92,468,834	$ 92,468,834	$ 35,249,548	$ 35,249,548
Certificates of deposit in other banks			248,000	248,000
Level 2 inputs				
Federal Home Loan Bank stock	480,800	480,800	501,900	501,900
Bank-owned life insurance	8,455,265	8,455,265	8,307,075	8,307,075
Level 3 inputs				
Loans receivable, net	159,509,570	161,203,486	169,904,425	175,838,162
Financial liabilities				
Level 1 inputs				
Advance payments by borrowers for taxes and insurance	447,618	447,618	906,854	906,854
Level 3 inputs				
Deposits	331,483,208	332,887,364	281,014,802	281,981,886

The fair values of cash and cash equivalents, certificates of deposit in other banks, and advance payment by borrowers for taxes and insurance are estimated to equal the carrying amount. These are Level 1 inputs.

The fair values of Federal Home Loan Bank stock and bank-owned life insurance are estimated to equal carrying amounts, which are based on repurchase prices of the FHLB stock and the insurance company. These are Level 2 inputs.

The fair value of fixed-rate loans is estimated to be the present value of scheduled payments discounted using interest rates currently in effect. The fair value of variable-rate loans, including loans with a demand feature, is estimated to equal the carrying amount. The valuation of loans is adjusted for estimated loan losses.

The fair value of interest-bearing checking, savings, and money market deposit accounts is equal to the carrying amount. The fair value of fixed-maturity time deposits is estimated based on interest rates currently offered for deposits of similar remaining maturities.

The fair value of outstanding loan commitments and unused lines of credit are considered to be the same as the contractual amounts, and are not included in the table above. These commitments generate fees that approximate those currently charged to originate similar commitments.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operation
Safe Harbor Statement for Forward-Looking Statements

This report may contain forward-looking statements within the meaning of the federal securities laws. These statements are not historical facts; rather they are statements based on the Company s current expectations regarding its business strategies and their intended results and its future performance. Forward-looking statements are preceded by terms such as expects , believes , anticipates , intends , and similar expressions.

Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the Company s actual results, performance, and achievements being materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government, legislative and regulatory changes, the quality and composition of the loan and investment securities portfolio, loan demand, deposit flows, competition, and changes in accounting principles and guidelines. Additional factors that may affect our results are discussed in Hamilton Bancorp, Inc. s Prospectus dated August 13, 2012 as filed with the Securities and Exchange Commission pursuant to Securities Act Rule 424(b)(3) on August 22, 2012 (the Prospectus). These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements. Except as required by applicable law or regulation, the Company assumes no obligation and disclaims any obligation to update any forward-looking statements.

Critical Accounting Policies

We consider accounting policies involving significant judgments and assumptions by management that have, or could have, a material impact on the carrying value of certain assets or on income to be critical accounting policies. The following represent our critical accounting policies:

Allowance for Loan Losses. The allowance for loan losses is the amount estimated by management as necessary to cover losses inherent in the loan portfolio at the balance sheet date. The allowance is established through the provision for loan losses, which is charged to income. Determining the amount of the allowance for loan losses necessarily involves a high degree of judgment. Among the material estimates required to establish the allowance are: loss exposure at default, the amount and timing of future cash flows on impacted loans, value of collateral, and determination of loss factors to be applied to the various elements of the portfolio. All of these estimates are susceptible to significant change. Management reviews the level of the allowance monthly and establishes the provision for loan losses based upon an evaluation of the portfolio, past loss experience, current economic conditions, and other factors related to the collectability of the loan portfolio. Although we believe that we use the best information available to establish the allowance for loan losses, future adjustments to the allowance may be necessary if economic or other conditions differ substantially from the assumptions used in making the evaluation. In addition, the Office of The Comptroller of the Currency, as an integral part of its examination process, periodically reviews our allowance for loan losses and may require us to recognize adjustments to the allowance based on its judgments about information available to it at the time of its examination. A large loss could deplete the allowance and require increased provisions to replenish the allowance, which would adversely affect earnings.

Fair Value of Investments. Securities are characterized as available for sale or held to maturity based on management s ability and intent regarding such investment at acquisition. On an ongoing basis, management must estimate the fair value of its investment securities based on information and assumptions it deems reliable and reasonable, which may be quoted market prices or if quoted market prices are not available, fair values extrapolated from the quoted prices of similar instruments. Based on this information, an assessment must be made as to whether any decline in the fair value of an investment security should be considered an other-than-temporary impairment and recorded in noninterest revenue as a loss on investments. The determination of such impairment is subject to a variety of factors, including management s judgment and experience.

Goodwill Impairment. Goodwill represents the excess purchase price paid for our Pasadena branch over the fair value of the net assets acquired. Goodwill is not amortized but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Bank is considered the Reporting Unit for purposes of impairment testing. Impairment testing requires that the fair value of the Bank be compared to the carrying amount of the Bank s net assets, including goodwill. If the fair value of the Bank exceeds the book value, no write-down of recorded goodwill is required. If the fair value of the Bank is less than book value, an expense may be required to write-down the related goodwill to the proper carrying value. We test for impairment of goodwill during February of each year. We estimate the fair value of the Bank utilizing three valuation methods including the Comparable Transactions Approach, the Public Market Peers Approach, and the Discounted Cash Flow Approach.

Based on our impairment testing during February 2012, there was no evidence of impairment of the Bank s goodwill or intangible assets.

Comparison of Financial Condition at September 30, 2012 and March 31, 2012

Total assets increased $50.5 million, or 15.9%, to $369.0 million at September 30, 2012 from $318.5 million at March 31, 2012. The increase was primarily the result of a $57.2 million increase in cash and cash equivalents and a $2.9 increase in total securities, partially offset by a $10.4 million decrease in net loans receivable.

Cash and cash equivalents increased by $57.2 million, or 162.3%, to $92.5 million at September 30, 2012 from $35.2 at March 31, 2012. The increase in cash and cash equivalents is primarily due to $60.9 million received in proceeds from Hamilton Bancorp s stock offering in connection with the mutual-to-stock conversion of Hamilton Bank. The offering closed on September 20, 2012 and was oversubscribed by $23.9 million. Subsequently, the $23.9 million was refunded to potential investors on October 10, 2012, the stock conversion date, based upon a regulatory formula that took into effect certain deposit customer information.

Total securities increased $2.9 million, or 3.0%, to $97.7 million at September 30, 2012, as mortgage-backed securities increased $9.0 million and U.S. government agency securities decreased $6.1 million. The decline in U.S. government agency securities during the six months ended September 30, 2012 was primarily due to several investment securities being called due to the continued decline in market interest rates on bonds over this period. Some of these bonds were replaced with the purchase of mortgage-backed securities.

Net loans receivable decreased by $10.4 million, or 6.1%, to $159.5 million at September 30, 2012 from $169.9 million at March 31, 2012. The decrease in loans receivable for the six month period ended September 30, 2012 was primarily due to a decrease of $6.4 million, or 6.8%, in total residential mortgage loans, a $2.9 million, or 9.2%, decrease in commercial real estate loans, a $1.5 million, or 5.4%, decrease in commercial business loans, and a $919,000, or 5.6%, decrease in home equity loans and lines of credit. The decrease in residential mortgage loans was primarily due to the repayment of residential mortgage loans, which exceeded our origination of residential mortgage loans for portfolio during the six month period. The decrease in commercial real estate and commercial business loans reflected principal repayments and limited demand for commercial loans, as well as charge-offs.

During the six months ended September 30, 2012, foreclosed real estate increased from $756,000 at March 31, 2012, to $1.2 million at September 30, 2012 due to the transfer in May 2012 of one non-performing commercial real estate loan secured by a building in Baltimore City to foreclosed real estate. At September 30, 2012, our investment in bank-owned life insurance was $8.5 million, an increase of $148,000 from $8.3 million at March 31, 2012.

Total deposits increased $50.5 million, or 18.0%, to $331.5 million at September 30, 2012 from $281.0 million at March 31, 2012. The increase is attributable to the $60.9 million in proceeds received by Hamilton Bancorp in relation to the stock offering and placed in an interest-bearing deposit account. Partially offsetting this increase is our on-going efforts to reduce the Bank s reliance on certificates of deposit as a funding source. We continued to allow higher costing certificates of deposit to runoff at maturity during the first six months of fiscal 2013, as we focused on increasing the level of core deposits. During the six month period ended September 30, 2012, certificates of deposit decreased $12.4 million, or 5.7%, to $207.0 million, while money market accounts increased $1.6 million, or 5.9%, to $28.2 million. NOW accounts increased $61.0 million to $68.5 million as a result of the $60.9 million received in the Hamilton Bancorp stock offering. Non-interest bearing deposits decreased $245,000, or 2.1%, to $11.5 million and statement savings accounts increased $586,000, or 3.7%, to $16.3 million at September 30, 2012 from $15.7 million at March 31, 2012.

We had no borrowings outstanding at September 30, 2012 or March 31, 2012. At September 30, 2012, we had the ability to borrow approximately $73.8 million, or 20%, of total assets from the Federal Home Loan Bank of Atlanta, subject to our pledging sufficient assets.

Total equity increased $612,000, or 1.7%, to $35.7 million at September 30, 2012 from $35.1 million at March 31, 2012. The increase was due to net income of $364,000 and a $248,000 increase in accumulated other comprehensive income resulting from increased market value in the investment portfolio due to lower market interest rates.

Comparison of Asset Quality at September 30, 2012 and March 31, 2012

Our non-performing assets decreased $2.6 million to $5.5 million at September 30, 2012 from $8.1 million at March 31, 2012. Our non-performing loans decreased from $7.4 million at March 31, 2012, to $4.3 million at September 30, 2012. The decline in non-performing loans between March 31, 2012 and September 30, 2012 was primarily due to $1.8 million of charge-offs, a $297,000 non-performing commercial business loan that was paid in full, and the transfer to foreclosed real estate of a property valued at $428,000 that secured a non-performing commercial real estate loan. This property is currently being marketed for sale. The $1.8 million in charge-offs included $593,000 and $280,000 on two commercial business loans, $417,000 on one commercial real estate loan and $337,000 on one commercial construction loan. Three of these loans were classified as impaired as of March 31, 2012. The amounts charged-off for three of these loans were included in our allowance for loan losses as specific reserves at March 31, 2012.

As of March 31, 2012, the Bank had allocated $200,000 of the allowance for loan losses to one of the commercial business loans that was charged-off by $280,000 during the six months ended September 30, 2012. During September, 2012, management determined that the estimated loss associated with this loan was approximately $280,000, and recorded the charge against the allowance for loan losses.

Comparison of Results of Operations for the Three Months Ended September 30, 2012 and 2011

General. Net income decreased $163,000, or 53.6%, to $141,000 for the three months ended September 30, 2012 from $303,642 for the three months ended September 30, 2011. The decrease resulted primarily from a $208,000 decrease in net interest income, a $78,000 decrease in noninterest income, and a $297,000 increase in noninterest expense, partially offset by a $319,000 decrease in the provision for loan losses.

Net Interest Income. Net interest income decreased $208,000, or 9.5%, to $2.0 million for the three months ended September 30, 2012 from $2.2 million for the three months ended September 30, 2012. The decrease in net interest income primarily resulted from a decrease of $478,000 in interest and dividend income, partially offset by a decrease of $271,000 in interest expense. The decrease in net interest income was primarily driven by declining market interest rates during the three months ended September 30, 2012. During fiscal 2012, the average cost of deposits (the Bank s only interest-bearing liabilities), in particular certificates of deposit, declined faster than the average yield earned on our interest-earning assets. However, during the three months ended September 30, 2012, the average yield on our interest-earning assets decreased at the same rate as the average cost of deposits. As a result, our net interest spread for the three months ended September 30, 2012 was almost the same as our net interest rate spread for the three months ended September 30, 2011. Our net interest income was positively impacted by a $1.1 million increase in the average balance of our net interest-earning assets for the three months ended September 30, 2012 compared to the three months ended September 30, 2011. However, our average balance of higher yielding loans and securities decreased, while lower earning assets increased, which had a negative impact.

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Interest and Dividend Income. Interest and dividend income decreased $478,000 to $2.7 million for the three months ended September 30, 2012 from $3.2 million for the three months ended September 30, 2011. The decrease resulted primarily from a $273,000 decrease in interest income on loans and a $204,000 decrease in interest income on U.S. government agency and mortgage-backed securities.

Interest income on loans decreased $273,000, or 10.8%, to $2.3 million for the three months ended September 30, 2012 from $2.5 million for the three months ended September 30, 2011. The decrease primarily resulted from a 28 basis point decrease in the average yield to 5.47% for the three months ended September 30, 2012 from 5.75% for the three months ended September 30, 2011, reflecting decreases in market interest rates.

The decrease was also due in part to a $10.8 million, or 6.2%, decrease in the average balance of loans to $165.0 million for the three months ended September 30, 2012 from $175.8 million for the three months ended September 30, 2011.

Interest and dividend income on total securities decreased $204,000 to $443,000 for the three months ended September 30, 2012 from $647,000 for the three months ended September 30, 2011. The decrease primarily resulted from a $110,000 decrease in interest income on mortgage-backed securities and a $94,000 decrease in interest income on U.S. government agency securities. The decrease in interest income from mortgage-backed securities was primarily due to an 87 basis point decrease in the average yield on mortgage-backed securities, partially offset by an $11.0 million increase in the average balance of mortgage-backed securities. The decrease in interest income on U.S. government agency securities was primarily due to a $14.6 million decrease in the average balance of U.S. government agency securities combined with a 16 basis point decrease in the average yield on U.S. government agency securities.

Interest Expense. Interest expense, consisting entirely of the cost of interest-bearing deposits, decreased $271,000, or 27.0%, to $730,000 for the three months ended September 30, 2012 from $1.0 million for the three months ended September 30, 2012. The decrease in the cost of interest-bearing deposits was due to a decrease of 36 basis points in the average rate paid on interest-bearing deposits to 1.07% for the three months ended September 30, 2012 from 1.43% for the three months ended September 30, 2011. The decrease in interest expense was also due to a $9.1 million, or 3.3%, decrease in the average balance of interest-bearing deposits to $271.7 million for the three months ended September 30, 2012 from $280.8 million for the three months ended September 30, 2011. The decline in the average balance of interest-bearing deposits was primarily due to our strategy to allow higher costing certificates of deposit to runoff at maturity and gradually replace them with lower-cost core deposits. The balance of certificates of deposit decreased $22.7 million to $207.0 million at September 30, 2012 from $229.7 million at September 30, 2011.

Provision for Loan Losses. We establish provisions for loan losses that are charged to operations in order to maintain the allowance for loan losses at a level believed, to the best of management s knowledge, to cover all known and inherent losses in the portfolio both probable and reasonable to estimate at each reporting date. We did not record any provision for loan losses for the three months ended September 30, 2012 compared to a $319,000 provision for loan loss for the three months ended September 30, 2011. The allowance for loan losses was $1.8 million, or 42.5% of non-performing loans at September 30, 2012 compared to $1.3 million, or 32.9% of non-performing loans at September 30, 2011. The decreased provision for the second quarter of fiscal 2013 reflects management s view of the losses inherent in the loan portfolio. During the three months ended September 30, 2012, loan charge offs also increased $284,000, compared to no charge offs during the three months ended September 30, 2011. In addition, during fiscal year 2012 we increased the amount of our commercial real estate and commercial business loans, which are generally considered to bear higher risk than one to four family mortgage loans. The increase in our balances of commercial loans and non-performing loans and the continued weak economy has caused us to increase the overall level of our allowance for loan losses.

Noninterest Income. Noninterest income decreased $78,000 to $231,000 for the three months ended September 30, 2012, compared to $309,000 for the three months ended September 30, 2011. The decrease was primarily attributable to a decrease of $174,000 in gain on sale of investment securities, offset partially by a $93,000 increase in other noninterest income primarily relating to the sale of the guaranteed portion of two SBA loans during the three months ended September 30, 2012.

Noninterest Expense. Noninterest expense increased $297,000, or 17.1%, to $2.0 million for the three months ended September 30, 2012 from $1.7 million for the three months ended September 30, 2011. The largest components of this increase were salaries, which increased by $97,000, data processing, which increased $40,000, deposit insurance premiums, which increased $54,000, and other noninterest expense which increased by $101,000 as a result of costs associated with other real estate owned. These increases were partially offset by a $21,000 decrease in occupancy and a $24,000 decrease in furniture and equipment expense. Normal salary increases and increases in payroll taxes accounted for the increase in salaries.

Income tax Expense. We recorded a $42,000 income tax expense for the three months ended September 30, 2012 and $143,000 of income tax expense for the three months ended September 30, 2011. The effective income tax rate was 23.0% for the three months ended September 30, 2012 and 32.0% for the three months ended September 30, 2011. The reason for the decrease in the effective tax rate in the fiscal 2013 period was that tax-exempt revenue represented a larger percentage of our income before income taxes during the three months ended September 30, 2012, compared to the three months ended September 30, 2011.

Comparison of Results of Operations for the Six Months Ended September 30, 2012 and 2011

General. Net income decreased $298,000, or 45.0%, to $364,000 for the six months ended September 30, 2012 from $662,000 for the six months ended September 30, 2011. The decrease resulted primarily from a $326,000 decrease in net interest income and a $498,000 increase in noninterest expense, partially offset by a $359,000 decrease in the provision for loan loss and $185,000 decrease in income tax expense.

Net Interest Income. Net interest income decreased $326,000, or 7.4%, to $4.1 million for the six months ended September 30, 2012 from $4.4 million for the six months ended September 30, 2011. The decrease in net interest income primarily resulted from a decrease of $904,000 in interest and dividend income, partially offset by a decrease of $578,000 in interest expense. The decrease in net interest income was primarily driven by declining market interest rates during the six months ended September 30, 2012. During fiscal 2012, the average cost of deposits (the Bank s only interest-bearing liabilities), in particular certificates of deposit, declined faster than the average yield earned on our interest-earning assets. However, during the six months ended September 30, 2012, the average yield on our interest-earning assets decreased at relatively the same rate as the average cost of deposits. As a result, our net interest rate spread for the six months ended September 30, 2012 was almost the same as our net interest rate spread for the six months ended September 30, 2011. Our net interest income was positively impacted by a $1.8 million increase in the average balance of our net interest-earning assets for the six months ended September 30, 2012 compared to the six months ended September 30, 2011. However, our average balance of higher yielding loans and securities, while lower earning assets decreased, had a negative impact.

Interest and Dividend Income. Interest and dividend income decreased $904,000, or 13.9%, to $5.6 million for the six months ended September 30, 2012 from $6.5 million for the six months ended September 30, 2011. The decrease resulted primarily from a $500,000 decrease in interest income on loans and a $393,000 decrease in interest income on U.S. government agency and mortgage-backed securities.

Interest income on loans decreased $500,000, or 9.8%, to $4.6 million for the six months ended September 30, 2012 from $5.1 million for the six months ended September 30, 2011. This decrease primarily resulted from a 29 basis point decrease in the average yield to 5.49% for the six months ended September 30, 2012 from 5.78% for the six months ended September 30, 2011, reflecting decreases in market interest rates.

The decrease was also due in part to a $9.0 million, or 5.1%, decrease in the average balance of loans to $168.2 million for the six months ended September 30, 2012 from $177.2 million for the six months ended September 30, 2011.

Interest income on U.S. government agency and mortgage-backed securities decreased $393,000, or 29.3%, to $952,000 for the six months ended September 30, 2012 from $1.3 million for the six months ended September 30, 2011. The decrease resulted from a $223,000 decrease in interest income on U.S. government agency securities and a $171,000 decrease in interest income on mortgage-backed securities. The decrease in interest income from U.S. government agency

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securities was primarily due to a 31 basis point decrease in the average yield on U.S. government agency securities and a $17.8 million decrease in the average balance of U.S. government agency securities. The decrease in interest income from mortgage-backed securities was primarily due to an 82 basis point decrease in the average yield on mortgage-backed securities, partially offset by an $11.3 million increase in the average balance of mortgage-backed securities.

Interest Expense. Interest expense, consisting entirely of the cost of interest-bearing deposits, decreased $578,000, or 27.6%, to $1.5 million for the six months ended September 30, 2012 from $2.1 million for the six months ended September 30, 2011. The decrease in the cost of interest-bearing deposits was due to a decrease of 34 basis points in the average rate paid on interest-bearing deposits to 1.13% for the six months ended September 30, 2012 from 1.47% for the six months ended September 30, 2011. The decrease in interest expense was also due to a $15.7 million, or 5.5%, decrease in the average balance of interest-bearing deposits to $269.4 million for the six months ended September 30, 2012 from $285.1 million for the six months ended September 30, 2012. The decline in the average balance of interest-bearing deposits was primarily due to our strategy to allow higher costing certificates of deposit to runoff at maturity, and gradually replace them with lower-cost core deposits. The balance of certificates of deposit decreased $22.7 million to $207.0 million at September 30, 2012 from $229.7 million at September 30, 2011.

Provision for Loan Losses. We recorded a provision for loan losses of $58,000 for the six months ended September 30, 2012 compared to a $417,000 provision for loan loss for the six months ended September 30, 2011. The allowance for loan losses was $1.8 million, or 42.5% of non-performing loans at September 30, 2012 compared to $1.3 million, or 32.9% of non-performing loans at September 30, 2011. The decreased provision for the six months of fiscal 2013 reflects management s view of the losses inherent in the loan portfolio. During the six months ended September 30, 2012, loan charge offs also increased $1.8 million, compared to no charge offs during the six months ended September 30, 2011. In addition, during fiscal year 2012 we increased the amount of our commercial real estate and commercial business loans, which are generally considered to bear higher risk than one-to-four-family mortgage loans. The increase in our balances of commercial loans and non-performing loans and the continued weak economy has caused us to increase the overall level of our allowance for loan losses.

Noninterest Income. Noninterest income decreased $19,000, or 4.3%, to $420,000 for the six months ended September 30, 2012 from $439,000 for the six months ended September 30, 2011. The decrease is primarily due to a $126,000 decrease in gain on sale of investment securities, partially offset by a $92,000 increase in other noninterest income relating to the sale of the guaranteed portion of two SBA loans and a $20,000 increase in service charges resulting from more transactions and increased fees.

Noninterest expense. Noninterest expense increased $498,000, or 14.4%, to $3.9 million for the six months ended September 30, 2012 from $3.4 million for the six months ended September 30, 2011. The largest components of this increase were salaries and employee benefits, which increased $197,000 due to new hires and normal salary increases, advertising, which increased $62,000 as a result of our new branding strategy and marketing campaign, data processing, which increased $78,000 and other noninterest expenses, which increased $164,000 as a result of costs associated with other real estate owned. These increases were partially offset by a $56,000 decrease in furniture and equipment expense associated with the administrative office move last year.

Income Tax Expense. We recorded $139,000 in income tax expense for the six months ended September 30, 2012 and $324,000 of tax expense for the six months ended September 30, 2011. The effective income tax rate was 27.6% for the six months ended September 30, 2012 and 32.9% for the six months ended September 30, 2011. The reason for the decrease in the effective tax rate in the fiscal 2013 period was that tax-exempt revenue represented a larger percentage of our income before income taxes during the six months ended September 30, 2012 compared to the six months ended September 30, 2011.

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Liquidity and Capital Resources

Liquidity is the ability to meet current and future financial obligations of a short-term nature. Our primary sources of funds available to meet short-term liquidity needs consist of deposit inflows, loan repayments, and maturities and sales of investment securities. While maturities and scheduled amortization of loans and securities are predictable sources of funds, deposit flows and mortgage prepayments are greatly influenced by general interest rates, economic conditions, and competition. We regularly adjust our investments in liquid assets available to meet short-term liquidity needs based upon our assessment of (i) expected loan demand, (ii) expected deposit flows, (iii) yields available on interest-earning deposits and securities, and (iv) the objectives of our asset/liability management policy. We do not have long-term debt or other financial obligations that would create long-term liquidity concerns.

Our most liquid assets are cash and cash equivalents and interest-bearing deposits. The level of these assets depends on our operating, financing, lending, and investing activities during any given period. At September 30, 2012, cash and cash equivalents totaled $92.5 million. This increase is primarily attributable to the $60.9 million received in September 2012 relating to Hamilton Bancorp s stock subscription offering. The offering closed on September 20, 2012 and was oversubscribed by $23.9 million. Subsequently, the $23.9 million was refunded to potential investors on October 10, 2012, the stock conversion date, based upon a regulatory formula that took into effect certain deposit customer information. Securities classified as available-for-sale amounted to $97.7 million. Our liquidity has increased as customers have sought the safety of the FDIC insured deposits. In addition, at September 30, 2012, the Bank had the ability to borrow a total of approximately $73.8 million or 20% of assets from the Federal Home Loan Bank of Atlanta, and the Bank has lines of credit totaling $6.0 million with one large financial institution. At September 30, 2012, we had no Federal Home Loan Bank advances outstanding or borrowings on the lines of credit.

At September 30, 2012, we had $38.6 million in commitments to extend credit outstanding. Certificates of deposit due within one year of September 30, 2012 totaled $119.4 million, or 57.7% of certificates of deposit. We believe the large percentage of certificates of deposit that mature within one year reflects customers hesitancy to invest their funds for longer periods due to the current low interest rate environment and local competitive pressures. If these maturing deposits do not remain with us, we will be required to seek other sources of funds, including other certificates of deposit and borrowings. Depending on market conditions, we may be required to pay higher rates on such deposits or other borrowings than we currently pay on certificates of deposit due on or before September 30, 2013. We believe, however, based on past experience that a significant portion of our certificates of deposit will remain with us. We have the ability to attract and retain deposits by adjusting the interest rates offered

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For a discussion of our market risk, see the Company s prospectus dated August 13, 2012, filed with the SEC on Form 424(b)(3) on August 22, 2012. The Company s market risk has not changed materially from that disclosed in the prospectus.

Item 4. Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company s management, including the Company s principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities and Exchange Act of 1934, as amended) as of the period covered by this report. Based upon such evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Company s disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the Securities and Exchange Commission (the SEC) (1) is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms, and (2) is accumulated and communicated to the Company s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

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During the period covered by this report, there have been no changes in the Company s internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

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Part II Other Information

Item 1. Legal Proceedings

The Bank and Company are subject to various legal actions arising in the normal course of business. In the opinion of management, the resolution of these legal actions is not expected to have a material adverse effect on the Bank s or the Company s financial condition or results of operations.

Item 1A. Risk Factors

For information regarding the Company s risk factors, see Risk Factors in the Company s prospectus, filed with the Securities and Exchange Commission pursuant to Rule 424(b)(3) on August 22, 2012. As of September 30, 2012, the risk factors of the Company have not changed materially from those disclosed in the prospectus.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Balance Sheets as of September 30, 2012 (unaudited) and March 31, 2012; (ii) Statements of Income for the Three and Six Months Ended September 30, 2012 and 2011 (unaudited); (iii) Statements of Comprehensive Income for the Three and Six Months Ended September 30, 2012 and 2011 (unaudited); (iv) Statements of Equity for the Six Months Ended September 30, 2012 and 2011 (unaudited); (v) Statements of Cash Flows for the Six Months Ended September 30, 2012 and 2011 (unaudited); and (vi) Notes to Financial Statements (unaudited).*

* This information is furnished and not filed for purposes of Section 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

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, thereunto duly authorized.

HAMILTON BANCORP, INC.

Date: November 13, 2012

/s/ Robert A. DeAlmeida
Robert A. DeAlmeida
President and Chief Executive Officer

Date: November 13, 2012

/s/ John P. Marzullo
John P. Marzullo
Vice President, Chief Financial Officer and Treasurer