Village Bank & Trust Financial Corp.
Form 10-Q
November 13, 2017

UNITED STATES

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, 2017

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

Commission file number: 0-50765

VILLAGE BANK AND TRUST FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

Virginia	**16-1694602**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

13319 Midlothian Turnpike, Midlothian, Virginia 23113
(Address of principal executive offices) (Zip code)

804-897-3900
(Registrant's telephone number, including area code)

Indicate by check 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 filing 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 (§232.405 of this chapter) 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ¨	Accelerated Filer ¨
Non-Accelerated Filer ¨ (Do not check if smaller reporting company)	Smaller Reporting Company **x**
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 **x**

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

1,430,854 shares of common stock, $4.00 par value, outstanding as of October 31, 2017

Village Bank and Trust Financial Corp.

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Part I – Financial Information

ITEM 1 – FINANCIAL STATEMENTS

Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Balance Sheets
September 30, 2017 (Unaudited) and December 31, 2016
(in thousands, except share data)

	September 30, 2017	December 31, 2016
Assets		
Cash and due from banks	$ 15,684	$ 10,848
Federal funds sold	15,026	948
Total cash and cash equivalents	30,710	11,796
Investment securities available for sale	44,834	43,894
Loans held for sale	5,641	14,784
Loans		
Outstandings	347,002	337,100
Allowance for loan losses	(3,243)	(3,373)
Deferred fees and costs, net	676	660
Total loans, net	344,435	334,387
Other real estate owned, net of valuation allowance	1,788	2,926
Assets held for sale	841	841
Premises and equipment, net	13,077	12,758
Bank owned life insurance	7,222	7,093
Accrued interest receivable	2,516	2,274
Other assets	13,642	14,049
	$ 464,706	$ 444,802
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Noninterest bearing demand	$ 103,396	$ 92,574
Interest bearing	304,008	290,703
Total deposits	407,404	383,277
Federal Home Loan Bank advances	1,600	2,400
Long-term debt - trust preferred securities	8,764	8,764
Other borrowings	-	81
Accrued interest payable	142	70
Other liabilities	3,162	6,596

Total liabilities	421,072	401,188
Shareholders' equity		
Preferred stock, $4 par value, $1,000 liquidation preference, 1,000,000 shares authorized; 5,027 shares issued and outstanding at September 30, 2017 and 5,715 shares issued and outstanding at December 31, 2016	20	23
Common stock, $4 par value - 10,000,000 shares authorized; 1,430,854 shares issued and outstanding at September 30, 2017 and 1,428,261 shares issued and outstanding at December 31, 2016	5,661	5,629
Additional paid-in capital	58,028	58,643
Accumulated deficit	(20,631)	(21,172)
Common stock warrant	732	732
Stock in directors rabbi trust	(1,010)	(1,034)
Directors deferred fees obligation	1,010	1,034
Accumulated other comprehensive loss	(176)	(241)
Total shareholders' equity	43,634	43,614
	$ 464,706	$ 444,802

See accompanying notes to consolidated financial statements.

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Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Statements of Operations
Three and Nine Months Ended September 30, 2017 and 2016
(Unaudited)
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest income				
Loans	$ 4,135	$ 4,013	$ 12,086	$ 11,583
Investment securities	178	72	506	261
Federal funds sold	67	19	111	46
Total interest income	4,380	4,104	12,703	11,890
Interest expense				
Deposits	615	590	1,770	1,784
Borrowed funds	73	70	227	174
Total interest expense	688	660	1,997	1,958
Net interest income	3,692	3,444	10,706	9,932
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	3,692	3,444	10,706	9,932
Noninterest income				
Service charges and fees	591	673	1,785	1,858
Gain on sale of loans	1,395	2,043	4,195	4,630
Gain on sale of asset held for sale	-	-	-	504
Gain (loss) on sale of investment securities	-	15	(9)	162
Rental income	-	-	-	582
Other	92	114	270	292
Total noninterest income	2,078	2,845	6,241	8,028
Noninterest expense				
Salaries and benefits	2,985	3,045	9,042	8,463
Commissions	431	533	1,180	1,163
Occupancy	269	324	821	1,188
Equipment	193	197	553	573
Write down of assets held for sale	-	-	-	220
Cease use lease obligation	-	-	(125)	-
Supplies	55	81	173	232
Professional and outside services	742	743	2,254	2,220
Advertising and marketing	134	76	274	239
Foreclosed assets, net	11	79	(151)	250
FDIC insurance premium	69	90	207	287
Other operating expense	502	541	1,460	1,484

Total noninterest expense	5,391	5,709	15,688	16,319
			-	
Income before income tax expense	379	580	1,259	1,641
Income tax expense (benefit)	106	(11,352)	333	(11,352)
Net income	273	11,932	926	12,993
Preferred stock dividends and amortization of discount	(113)	(186)	(385)	(547)
Net income available to common shareholders	$ 160	$ 11,746	$ 541	$ 12,446
Earnings per share, basic	$ 0.11	$ 8.21	$ 0.38	$ 8.74
Earnings per share, diluted	$ 0.11	$ 8.21	$ 0.38	$ 8.74

See accompanying notes to consolidated financial statements.

Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Statements of Comprehensive Income
Three and Nine Months Ended September 30, 2017 and 2016
(Unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income	$ 273	$ 11,932	$ 926	$ 12,993
Other comprehensive income				
Unrealized holding gains arising during the period	33	22	80	902
Tax effect	11	8	27	307
Net change in unrealized holding gains on securities available for sale, net of tax	22	14	53	595
Reclassification adjustment				
Reclassification adjustment for (gains) losses realized in income	-	(15)	9	(162)
Tax effect	-	(5)	3	(55)
Reclassification for (gains) losses included in net income, net of tax	-	(10)	6	(107)
Minimum pension adjustment	3	3	9	9
Tax effect	1	1	3	3
Minimum pension adjustment, net of tax	2	2	6	6
Total other comprehensive income	24	6	65	494
Total comprehensive income	$ 297	$ 11,938	$ 991	$ 13,487

See accompanying notes to consolidated financial statements.

Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Statements of Shareholders' Equity
Nine Months Ended September 30, 2017 and 2016
(Unaudited)
(in thousands)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Warrant	Stock in Directors Rabbi Trust	Directors Deferred Fees Obligation	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2016	$ 23	$ 5,629	$ 58,643	$ (21,172)	$ 732	$ (1,034)	$ 1,034	$ (241)	$ 43,614
Preferred stock redemption	(3)	-	(685)	-	-	-	-	-	(688)
Preferred stock dividend	-	-	-	(385)	-	-	-	-	(385)
Restricted stock redemption						24	(24)		-
Issuance of common stock	-	32	(32)	-	-	-	-	-	-
Stock based compensation	-	-	102	-	-	-	-	-	102
Minimum pension adjustment (net of income taxes of $3)	-	-	-	-	-	-	-	6	6
Net income	-	-	-	926	-	-	-	-	926
Change in unrealized gain on investment securities available-for-sale, net of reclassification and tax effect	-	-	-	-	-	-	-	59	59
Balance, September 30, 2017	$ 20	$ 5,661	$ 58,028	$ (20,631)	$ 732	$ (1,010)	$ 1,010	$ (176)	$ 43,634
Balance, December 31, 2015	$ 23	$ 5,562	$ 58,497	$ (33,948)	$ 732	$ (1,034)	$ 1,034	$ (507)	$ 30,359
Preferred stock dividend	-	-	-	(547)	-	-	-	-	(547)
Issuance of common stock	-	56	(56)	-	-	-	-	-	-
Stock based compensation	-	-	156	-	-	-	-	-	156
Minimum pension adjustment (net of income taxes of $3)	-	-	-	-	-	-	-	6	6

Net income	-	-	-	12,993	-	-	-	-	12,993
Change in unrealized gain on investment securities available-for-sale, net of reclassification and tax effect	-	-	-	-	-	-	-	488	488
Balance, September 30, 2016	$ 23	$ 5,618	$ 58,597	$ (21,502)	$ 732	$ (1,034)	$ 1,034	$ (13)	$ 43,455

See accompanying notes to consolidated financial statements.

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Village Bank and Trust Financial Corp. and Subsidiary
Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2017 and 2016
(Unaudited)
(in thousands)

	2017	2016
Cash Flows from Operating Activities		
Net income	$926	$12,993
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	552	606
Deferred income taxes	332	645
Valuation allowance (recovery) on net deferred tax asset	-	(11,997)
Write-down of other real estate owned	351	466
Valuation allowance other real estate owned	(331)	(335)
Write-down of assets held for sale	-	220
(Gain) loss on securities sold	9	(162)
Gain on loans sold	(4,195)	(4,630)
Gain on sale of assets held for sale	-	(504)
Loss on sale and disposal of premises and equipment	-	2
Gain on sale of other real estate owned	(218)	(59)
Stock compensation expense	102	156
Proceeds from sale of mortgage loans	132,070	157,290
Origination of mortgage loans for sale	(118,732)	(154,380)
Amortization of premiums and accretion of discounts on securities, net	66	116
Increase in interest receivable	(242)	(294)
Increase in bank owned life insurance	(129)	(139)
Decrease in other assets	50	2,611
Increase (decrease) in interest payable	72	(1,282)
Decrease in other liabilities	(903)	(2,290)
Net cash provided by (used in) operating activities	9,780	(967)
Cash Flows from Investing Activities		
Purchases of available for sale securities	(4,379)	(10,000)
Proceeds from the sale or calls of available for sale securities	3,454	21,933
Proceeds from the sale of assets held for sale	-	7,338
Net increase in loans	(10,333)	(22,488)
Proceeds from sale of other real estate owned	1,621	3,101
Purchases of premises and equipment	(871)	(700)
Net cash used in investing activities	(10,508)	(816)
Cash Flows from Financing Activities		
Redemption of preferred stock	(688)	-
Payment of preferred dividends	(2,916)	-
Net increase in deposits	24,127	14,372

Net increase (decrease) in Federal Home Loan Bank advances	(800)	2,200
Net decrease in other borrowings	(81)	(293)
Net cash provided by financing activities	19,642	16,279
Net increase in cash and cash equivalents	18,914	14,496
Cash and cash equivalents, beginning of period	11,796	17,262
Cash and cash equivalents, end of period	$30,710	$31,758
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	$1,925	$3,239
Supplemental Schedule of Non Cash Activities		
Real estate owned assets acquired in settlement of loans	$285	$268
Bank financed sale of asset held for sale	$-	$4,912
Dividends on preferred stock accrued	$385	$547

See accompanying notes to consolidated financial statements.

Village Bank and Trust Financial Corp. and Subsidiary

Notes to Consolidated Financial Statements

Three and Nine Months Ended September 30, 2017 and 2016

(Unaudited)

Note 1 – Principles of presentation

Village Bank and Trust Financial Corp. (the "Company") is the holding company of Village Bank (the "Bank"). The consolidated financial statements include the accounts of the Company, the Bank and the Bank's subsidiary. All material intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, the accompanying condensed consolidated financial statements of the Company have been prepared on the accrual basis in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. However, all adjustments that are, in the opinion of management, necessary for a fair presentation have been included. The results of operations for the nine month period ended September 30, 2017 is not necessarily indicative of the results to be expected for the full year ending December 31, 2017. The unaudited interim financial statements should be read in conjunction with the audited financial statements and notes to financial statements that are presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2016 as filed with the Securities and Exchange Commission ("SEC").

The Company has evaluated events and transactions occurring subsequent to the consolidated balance sheet date of September 30, 2017 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through the date these consolidated financial statements were issued.

Note 2 – Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheets and statements of operations for the period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change include the determination of the allowance for loan losses and its related provision, the valuation allowance on the deferred tax asset, and the estimate of the fair value of assets held for sale.

Note 3 – Earnings per common share

The following table presents the basic and diluted earnings per common share computation (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator				
Net income - basic and diluted	$ 273	$ 11,932	$ 926	$ 12,993
Preferred stock dividend	(113)	(186)	(385)	(547)
Net income available to common shareholders	$ 160	$ 11,746	$ 541	$ 12,446
Denominator				
Weighted average shares outstanding - basic	1,431	1,430	1,430	1,423
Dilutive effect of common stock options and restricted stock awards	-	-	-	-
Weighted average shares outstanding - diluted	1,431	1,430	1,430	1,423
Earnings per share - basic	$ 0.11	$ 8.21	$ 0.38	$ 8.74
Earnings per share - diluted	$ 0.11	$ 8.21	$ 0.38	$ 8.74

Outstanding options and warrants to purchase common stock were considered in the computation of diluted earnings per share for the periods presented. Stock options for 2,337 shares were not included in computing diluted earnings per share for the three and nine months ended September 30, 2017, and stock options for 2,587 and 1,742 were not included in computed diluted earnings per share for the three and nine months ended September 30, 2016, because their effects were anti-dilutive.

Note 4 – Investment securities available for sale

At September 30, 2017 and December 31, 2016, all of our securities were classified as available for sale. The following table presents the composition of our investment portfolio at the dates indicated (dollars in thousands):

	Par Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Average Yield
September 30, 2017						
US Government Agencies						
One to five years	$27,400	$ 27,558	$ -	$ (150)	$ 27,408	1.29 %
Five to ten years	2,000	2,049	-	(4)	2,045	2.00 %
More than ten years	2,548	2,553	-	(15)	2,538	1.78 %
	31,948	32,160	-	(169)	31,991	1.37 %
Mortgage-backed securities						
One to five years	3,595	3,673	-	(12)	3,661	1.44 %
More than ten years	6,967	6,864	1	(8)	6,857	2.41 %
	10,562	10,537	1	(20)	10,518	2.08 %
Corporate debt						
Five to ten years	2,300	2,323	2	-	2,325	5.42 %
Total investment securities	$44,810	$ 45,020	$ 3	$ (189)	$ 44,834	1.75 %
December 31, 2016						
US Government Agencies						
One to five years	$29,400	$ 29,607	$ -	$ (213)	$ 29,394	1.25 %
More than ten years	2,862	2,868	-	(16)	2,852	1.08 %
	32,262	32,475	-	(229)	32,246	1.24 %
Mortgage-backed securities						
One to five years	3,457	3,524	-	(33)	3,491	1.78 %
More than ten years	8,253	8,170	1	(14)	8,157	2.16 %
	11,710	11,694	1	(47)	11,648	2.05 %
Total investment securities	$43,972	$ 44,169	$ 1	$ (276)	$ 43,894	1.45 %

There were no investment securities pledged to secure deposit repurchase agreements at September 30, 2017 and approximately $1,050,000 at December 31, 2016.

Gross realized gains and losses pertaining to available for sale securities are detailed as follows for the periods indicated (dollars in thousands):

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Gross realized gains	$ -	$ 15	$ -	$ 162
Gross realized losses	-	-	(9)	-
	$ -	$ 15	$ (9)	$ 162

The Company sold approximately $2 million of investment securities available for sale at a loss of $9,000 for the nine months ended September 30, 2017. The Company sold approximately $4 million and $22 million of investment securities for the three and nine months ended September 30, 2016 resulting in a net gain of $15,000 and $162,000, respectively. The sale of these securities, which had fixed interest rates, allowed the Company to decrease its exposure to the anticipated upward movement in interest rates that would result in unrealized losses being recognized in shareholders' equity.

Investment securities available for sale that have an unrealized loss position at September 30, 2017 and December 31, 2016 are detailed below (dollars in thousands):

	Securities in a loss position for less than 12 Months		Securities in a loss position for more than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
September 30, 2017						
US Government Agencies	$ 19,511	$ (95)	$ 12,480	$ (74)	$31,991	$ (169)
Mortgage-backed securities	7,800	(15)	587	(5)	8,387	(20)
	$ 27,311	$ (110)	$ 13,067	$ (79)	$40,378	$ (189)
December 31, 2016						
US Government Agencies	$ 27,291	$ (213)	$ 2,852	$ (16)	$33,143	$ (229)
Mortgage-backed securities	9,450	(47)	-	-	9,450	(47)
	$ 36,741	$ (260)	$ 2,852	$ (16)	$42,593	$ (276)

All of the unrealized losses are attributable to increases in interest rates and not to credit deterioration. Currently, the Company believes that it is probable that the Company will be able to collect all amounts due according to the contractual terms of the investments. Because the decline in market value is attributable to changes in interest rates and not to credit quality, and because it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be maturity, the Company does not consider these investments to be other than temporarily impaired at September 30, 2017.

Note 5 – Loans and allowance for loan losses

The following table presents the composition of our loan portfolio (excluding mortgage loans held for sale) at the dates indicated (dollars in thousands):

	September 30, 2017		December 31, 2016	
	Amount	%	Amount	%
Construction and land development				
Residential	$ 6,327	1.82 %	$ 6,770	2.01 %
Commercial	28,721	8.28 %	27,092	8.04 %
	35,048	10.10 %	33,862	10.05 %
Commercial real estate				
Owner occupied	71,834	20.70 %	66,021	19.59 %
Non-owner occupied	61,831	17.82 %	57,944	17.19 %
Multifamily	6,114	1.76 %	8,824	2.62 %
Farmland	278	0.08 %	310	0.09 %
	140,057	40.36 %	133,099	39.49 %
Consumer real estate				
Home equity lines	20,595	5.94 %	20,691	6.14 %
Secured by 1-4 family residential,				
First deed of trust	54,820	15.80 %	54,791	16.25 %
Second deed of trust	6,293	1.81 %	5,768	1.71 %
	81,708	23.55 %	81,250	24.10 %
Commercial and industrial loans (except those secured by real estate)	40,647	11.71 %	39,390	11.68 %
Guaranteed student loans	47,643	13.73 %	47,398	14.06 %
Consumer and other	1,899	0.55 %	2,101	0.62 %
Total loans	347,002	100.0 %	337,100	100.0 %
Deferred loan cost, net	676		660	
Less: allowance for loan losses	(3,243)		(3,373)	
	$ 344,435		$ 334,387	

The Bank purchased portfolios of rehabilitated student loans guaranteed by the Department of Education (“DOE”). The guarantee covers approximately 98% of principal and accrued interest. The loans are serviced by a third-party servicer that specializes in handling the special needs of the DOE student loan programs.

Loans pledged as collateral with the Federal Home Loan Bank of Atlanta (“FHLB”) as part of their lending arrangement with the Company totaled $25,111,000 and $27,073,000 at September 30, 2017 and December 31, 2016, respectively.

The Company assigns risk rating classifications to its loans. These risk ratings are divided into the following groups:

- Risk rated 1 to 4 loans are considered of sufficient quality to preclude an adverse rating. These assets generally are well protected by the current net worth and paying capacity of the obligor or by the value of the asset or underlying collateral;
- Risk rated 5 loans are defined as having potential weaknesses that deserve management's close attention;
- Risk rated 6 loans are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any;
- Risk rated 7 loans have all the weaknesses inherent in substandard loans, with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable; and

· Loans rated 6 or 7 are considered "Classified" loans for regulatory classification purposes.

The following tables provide information on the risk rating of loans at the dates indicated (dollars in thousands):

	Risk Rated 1-4	Risk Rated 5	Risk Rated 6	Risk Rated 7	Total Loans
September 30, 2017					
Construction and land development					
Residential	$ 6,327	$ -	$ -	$ -	$ 6,327
Commercial	27,495	1,129	97	-	28,721
	33,822	1,129	97	-	35,048
Commercial real estate					
Owner occupied	70,657	798	379	-	71,834
Non-owner occupied	57,095	1,568	3,168	-	61,831
Multifamily	6,114	-	-	-	6,114
Farmland	278	-	-	-	278
	134,144	2,366	3,547	-	140,057
Consumer real estate					
Home equity lines	19,495	378	722	-	20,595
Secured by 1-4 family residential					
First deed of trust	50,626	2,016	2,178	-	54,820
Second deed of trust	5,944	206	143	-	6,293
	76,065	2,600	3,043	-	81,708
Commercial and industrial loans (except those secured by real estate)	35,440	3,916	1,291	-	40,647
Guaranteed student loans	47,643	-	-	-	47,643
Consumer and other	1,659	222	18	-	1,899
Total loans	$ 328,773	$ 10,233	$ 7,996	$ -	$ 347,002
December 31, 2016					
Construction and land development					
Residential	$ 6,770	$ -	$ -	$ -	$ 6,770
Commercial	25,342	1,648	102	-	27,092
	32,112	1,648	102	-	33,862
Commercial real estate					
Owner occupied	58,788	3,565	3,668	-	66,021
Non-owner occupied	57,944	-	-	-	57,944
Multifamily	8,634	190	-	-	8,824
Farmland	310	-	-	-	310
	125,676	3,755	3,668	-	133,099
Consumer real estate					
Home equity lines	19,501	487	703	-	20,691

Secured by 1-4 family residential					
First deed of trust	49,648	2,847	2,296	-	54,791
Second deed of trust	5,399	125	244	-	5,768
	74,548	3,459	3,243	-	81,250
Commercial and industrial loans (except those secured by real estate)	39,390	-	-	-	39,390
Guaranteed student loans	46,009	739	650	-	47,398
Consumer and other	2,043	52	6	-	2,101
Total loans	$ 319,778	$ 9,653	$ 7,669	$ -	$ 337,100

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The following table presents the aging of the recorded investment in past due loans and leases as of the dates indicated (dollars in thousands):

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Recorded Investment > 90 Days and Accruing
September 30, 2017							
Construction and land development							
Residential	$ -	$ -	$ -	$ -	$ 6,327	$ 6,327	$ -
Commercial	26	-	-	26	28,695	28,721	-
	26	-	-	26	35,022	35,048	-
Commercial real estate							
Owner occupied	-	-	-	-	71,834	71,834	-
Non-owner occupied	-	-	-	-	61,831	61,831	-
Multifamily	-	-	-	-	6,114	6,114	-
Farmland	-	-	-	-	278	278	-
	-	-	-	-	140,057	140,057	-
Consumer real estate							
Home equity lines	-	-	-	-	20,595	20,595	-
Secured by 1-4 family residential							
First deed of trust	271	150	-	421	54,399	54,820	-
Second deed of trust	95	-	-	95	6,198	6,293	-
	366	150	-	516	81,192	81,708	-
Commercial and industrial loans (except those secured by real estate)	-	536	-	536	40,111	40,647	-
Guaranteed student loans	2,077	1,597	8,113	11,787	35,856	47,643	8,113
Consumer and other	-	4	-	4	1,895	1,899	-
Total loans	$ 2,469	$ 2,287	$ 8,113	$ 12,869	$ 334,133	$ 347,002	$ 8,113

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	Recorded Investment > 90 Days and Accruing
December 31, 2016							
Construction and land development							
Residential	$ -	$ -	$ -	$ -	$ 6,770	$ 6,770	$ -

Commercial	-	-	-	-	27,092	27,092	-
	-	-	-	-	33,862	33,862	-
Commercial real estate							
Owner occupied	-	-	-	-	66,021	66,021	-
Non-owner occupied	-	-	-	-	57,944	57,944	-
Multifamily	190	-	-	190	8,634	8,824	-
Farmland	-	-	-	-	310	310	-
	190	-	-	190	132,909	133,099	-
Consumer real estate							
Home equity lines	-	-	-	-	20,691	20,691	-
Secured by 1-4 family residential							
First deed of trust	414	63	-	477	54,314	54,791	-
Second deed of trust	128	-	-	128	5,640	5,768	-
	542	63	-	605	80,645	81,250	-
Commercial and industrial loans (except those secured by real estate)	15	62	-	77	39,313	39,390	-
Guaranteed student loans	2,743	1,923	8,174	12,840	34,558	47,398	8,174
Consumer and other	11	-	-	11	2,090	2,101	-
Total loans	$ 3,501	$ 2,048	$ 8,174	$ 13,723	$ 323,377	$ 337,100	$ 8,174

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Loans greater than 90 days past due are student loans that are guaranteed by the DOE which covers approximately 98% of the principal and interest. Accordingly, these loans will not be placed on nonaccrual status.

Loans are considered impaired when, based on current information and events it is probable the Company will be unable to collect all amounts due in accordance with the original contractual terms of the loan agreement, including scheduled principal and interest payments. Loans evaluated individually for impairment include non-performing loans, such as loans on non-accrual, loans past due by 90 days or more, restructured loans and other loans selected by management. The evaluations are based upon discounted expected cash flows or collateral valuations. If the evaluation shows that a loan is individually impaired, then a specific reserve is established for the amount of impairment. Impairment is evaluated in total for smaller-balance loans of a similar nature and on an individual loan basis for other loans. If a loan is impaired, a specific valuation allowance is allocated, if necessary, so that the loan is reported net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Interest payments on impaired loans are typically applied to principal unless collectability of the principal amount is reasonably assured, in which case interest is recognized on a cash basis. Impaired loans, or portions thereof, are charged off when deemed uncollectible. Impaired loans are set forth in the following table as of the dates indicated (in thousands):

	September 30, 2017		
	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded			
Construction and land development			
Commercial	$97	$ 164	$ -
Commercial real estate			
Owner occupied	3,512	3,512	
Non-owner occupied	2,176	2,176	-
	5,688	5,688	-
Consumer real estate			
Home equity lines	601	601	-
Secured by 1-4 family residential			
First deed of trust	3,968	3,968	-
Second deed of trust	594	802	-
	5,163	5,371	-
Commercial and industrial loans (except those secured by real estate)	463	693	-
Consumer and other	3	3	
	11,414	11,919	-
With an allowance recorded			
Construction and land development			
Commercial	464	464	2
Commercial real estate			
Owner occupied	1,922	1,937	21
	1,922	1,937	21
Consumer real estate			
Home equity lines	138	138	4
Secured by 1-4 family residential			
First deed of trust	765	765	62
Second deed of trust	86	86	5
	989	989	71
Commercial and industrial loans (except those secured by real estate)	785	901	233
	4,160	4,291	327
Total			
Construction and land development			
Commercial	561	628	2
	561	628	2
Commercial real estate			
Owner occupied	5,434	5,449	21
Non-owner occupied	2,176	2,176	-
	7,610	7,625	21
Consumer real estate			
Home equity lines	739	739	4
Secured by 1-4 family residential,			

First deed of trust	4,733	4,733	62
Second deed of trust	680	888	5
	6,152	6,360	71
Commercial and industrial loans (except those secured by real estate)	1,248	1,594	233
Consumer and other	3	3	-
	$ 15,574	$ 16,210	$ 327

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	December 31, 2016		
	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded			
Construction and land development			
Commercial	$ 102	$ 169	$ -
Commercial real estate			
Owner occupied	1,487	1,487	-
Non-owner occupied	2,236	2,236	-
	3,723	3,723	-
Consumer real estate			
Home equity lines	703	703	-
Secured by 1-4 family residential			
First deed of trust	3,514	3,518	-
Second deed of trust	619	865	-
	4,836	5,086	-
Commercial and industrial loans (except those secured by real estate)	538	768	-
	9,199	9,746	-
With an allowance recorded			
Construction and land development			
Commercial	479	479	9
Commercial real estate			
Owner occupied	4,117	4,132	86
Non-Owner occupied	-	-	-
	4,117	4,132	86
Consumer real estate			
Secured by 1-4 family residential			
First deed of trust	1,550	1,550	144
Second deed of trust	90	90	90
	1,640	1,640	234
Commercial and industrial loans (except those secured by real estate)	6	122	6
	6,242	6,373	335
Total			
Construction and land development			
Commercial	581	648	9
	581	648	9
Commercial real estate			
Owner occupied	5,604	5,619	86
Non-owner occupied	2,236	2,236	-
	7,840	7,855	86
Consumer real estate			
Home equity lines	703	703	-
Secured by 1-4 family residential,			
First deed of trust	5,064	5,068	144

Second deed of trust	709	955	90
	6,476	6,726	234
Commercial and industrial loans (except those secured by real estate)	544	890	6
	$ 15,441	$ 16,119	$ 335

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The following is a summary of average recorded investment in impaired loans with and without a valuation allowance and interest income recognized on those loans for the periods indicated (dollars in thousands):

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2017	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded				
Construction and land development				
Commercial	$ 99	$ 1	$ 100	$ 3
	99	1	100	3
Commercial real estate				
Owner occupied	3,531	32	2,539	90
Non-owner occupied	2,187	23	2,206	82
	5,718	55	4,745	172
Consumer real estate				
Home equity lines	751	16	761	17
Secured by 1-4 family residential				
First deed of trust	3,737	24	3,615	86
Second deed of trust	555	9	563	27
	5,043	49	4,939	130
Commercial and industrial loans (except those secured by real estate)	470	35	493	49
Consumer and other	4	-	2	-
	11,334	140	10,279	354
With an allowance recorded				
Construction and land development				
Commercial	467	5	472	17
Commercial real estate				
Owner occupied	1,929	17	2,978	58
	1,929	17	2,978	58
Consumer real estate				
Home equity line	139	-	69	6
Secured by 1-4 family residential				
First deed of trust	815	8	1,120	26
Second deed of trust	129	1	131	3
	1,083	9	1,320	35
Commercial and industrial loans (except those secured by real estate)	444	-	245	4
Consumer and other	-	-	1	-
	3,923	31	5,016	114
Total				

Construction and land development				
Commercial	566	6	572	20
	566	6	572	20
Commercial real estate				
Owner occupied	5,460	49	5,517	148
Non-owner occupied	2,187	23	2,206	82
	7,647	72	7,723	230
Consumer real estate				
Home equity lines	890	16	830	23
Secured by 1-4 family residential,				
First deed of trust	4,552	32	4,735	112
Second deed of trust	684	10	694	30
	6,126	58	6,259	165
Commercial and industrial loans (except those secured by real estate)	915	35	738	53
Consumer and other	4	-	3	-
	$ 15,257	$ 171	$ 15,295	$ 468

	For the Three Months Ended September 30, 2016		For the Nine Months Ended September 30, 2016	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded				
Construction and land development				
Commercial	$ 92	$ -	$ 211	$ 40
	92	-	211	40
Commercial real estate				
Owner occupied	935	-	933	29
Non-owner occupied	2,546	28	2,537	92
	3,481	28	3,470	121
Consumer real estate				
Home equity lines	1,164	-	1,246	1
Secured by 1-4 family residential				
First deed of trust	4,137	42	4,188	134
Second deed of trust	839	9	950	32
	6,140	51	6,384	167
Commercial and industrial loans (except those secured by real estate)	455	-	568	14
Consumer and other	-	-	5	-
	10,168	79	10,638	342
With an allowance recorded				
Construction and land development				
Commercial	1,423	7	1,531	19
Commercial real estate				
Owner occupied	4,911	47	5,272	157
Non-Owner occupied	158	-	174	9
	5,069	47	5,446	166
Consumer real estate				
Secured by 1-4 family residential				
First deed of trust	1,680	-	1,800	9
Second deed of trust	171	-	185	4
	1,851	-	1,985	13
Commercial and industrial loans (except those secured by real estate)	99	-	122	-
	8,442	54	9,084	198
Total				
Construction and land development				
Commercial	1,515	7	1,742	59
	1,515	7	1,742	59
Commercial real estate				
Owner occupied	5,846	47	6,205	186
Non-owner occupied	2,704	28	2,711	101

	8,550	75	8,916	287
Consumer real estate				
Home equity lines	1,164	-	1,246	1
Secured by 1-4 family residential,				
First deed of trust	5,817	42	5,987	143
Second deed of trust	1,010	9	1,135	36
	7,991	51	8,368	180
Commercial and industrial loans (except those secured by real estate)	554	-	690	14
Consumer and other	-	-	5	-
	$ 18,610	$ 133	$ 19,722	$ 540

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Included in impaired loans are loans classified as troubled debt restructurings (“TDRs”). A modification of a loan’s terms constitutes a TDR if the creditor grants a concession to the borrower for economic or legal reasons related to the borrower’s financial difficulties that it would not otherwise consider. For loans classified as impaired TDRs, the Company further evaluates the loans as performing or nonaccrual. To restore a nonaccrual loan that has been formally restructured in a TDR to accrual status, we perform a current, well documented credit analysis supporting a return to accrual status based on the borrower’s financial condition and prospects for repayment under the revised terms. Otherwise, the TDR must remain in nonaccrual status. The analysis considers the borrower’s sustained historical repayment performance for a reasonable period to the return-to-accrual date, but may take into account payments made for a reasonable period prior to the restructuring if the payments are consistent with the modified terms. A sustained period of repayment performance generally would be a minimum of six months and would involve payments in the form of cash or cash equivalents.

An accruing loan that is modified in a TDR can remain in accrual status if, based on a current well-documented credit analysis, collection of principal and interest in accordance with the modified terms is reasonably assured, and the borrower has demonstrated sustained historical repayment performance for a reasonable period before modification. The following is a summary of performing and nonaccrual TDRs and the related specific valuation allowance by portfolio segment for the periods indicated (dollars in thousands).

	Total	Performing	Nonaccrual	Specific Valuation Allowance
September 30, 2017				
Construction and land development Commercial	$464	$ 464	$ -	$ 2
	464	464	-	2
Commercial real estate				
Owner occupied	4,232	4,037	195	21
Non-owner occupied	2,176	2,176	-	-
	6,408	6,213	195	21
Consumer real estate				
Secured by 1-4 family residential				
First deeds of trust	3,432	2,733	699	60
Second deeds of trust	597	530	67	5
	4,029	3,263	766	65
Commercial and industrial loans (except those secured by real estate)	351	230	121	-
	$11,252	$ 10,170	$ 1,082	$ 88

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	Total	Performing	Nonaccrual	Specific Valuation Allowance
December 31, 2016				
Construction and land development Commercial	$479	$ 479	$ -	$ 9
	479	479	-	9
Commercial real estate				
Owner occupied	4,342	4,117	225	86
Non-owner occupied	2,236	2,236	-	-
	6,578	6,353	225	86
Consumer real estate				
Secured by 1-4 family residential				
First deeds of trust	3,853	3,012	841	139
Second deeds of trust	547	547	-	-
	4,400	3,559	841	139
Commercial and industrial loans (except those secured by real estate)	397	-	397	-
	$11,854	$ 10,391	$ 1,463	$ 234

The following table provides information about TDRs identified during the indicated period (dollars in thousands):

	Nine Months Ended September 30, 2017		
	Number of Loans	Pre-Modification Recorded Balance	Post-Modification Recorded Balance
Secured by 1-4 family residential			
First deed of trust	1	$ 190	$ 190
Second deed of trust	1	68	68
	2	258	258
	2	$ 258	$ 258

There were no TDRs identified during the nine months ended September 30, 2016.

The following table summarizes defaults on TDRs identified for the indicated periods (dollars in thousands):

	Nine Months Ended September 30, 2017		Nine Months Ended September 30, 2016	
	Number of Loans	Recorded Balance	Number of Loans	Recorded Balance
Commercial real estate				
Owner occupied	3	$ 2,309	2	$ 390
Non-owner occupied	-	-	-	-
	3	2,309	2	390
Consumer real estate				
Secured by 1-4 family residential				
First deed of trust	10	1,049	7	692
Second deed of trust	2	75	2	86
	12	1,124	9	778
Commercial and industrial (except those secured by real estate)	2	44	1	103
	17	$ 3,477	12	$ 1,271

Activity in the allowance for loan losses is as follows for the periods indicated (dollars in thousands):

	Beginning Balance	Provision for (Recovery of) Loan Losses	Charge-offs	Recoveries	Ending Balance
Three Months Ended September 30, 2017					
Construction and land development					
Residential	$ 38	$ -	$ -	$ -	$ 38
Commercial	213	(40)	-	2	175
	251	(40)	-	2	213
Commercial real estate					
Owner occupied	515	9	-	-	524
Non-owner occupied	416	18	-	-	434
Multifamily	40	(1)	-	-	39
Farmland	3	-	-	-	3
	974	26	-	-	1,000
Consumer real estate					

Home equity lines	250	(3)	-	-	247
Secured by 1-4 family residential					
First deed of trust	462	(10)	-	7	459
Second deed of trust	127	(89)	-	7	45
	839	(102)	-	14	751
Commercial and industrial loans (except those secured by real estate)	302	140	-	3	445
Student loans	99	45	(45)	-	99
Consumer and other	9	(4)	-	2	7
Unallocated	793	(65)	-	-	728
	$ 3,267	$ -	$ (45)	$ 21	$ 3,243

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	Beginning Balance	Provision for (Recovery of) Loan Losses	Charge-offs	Recoveries	Ending Balance
Three Months Ended September 30, 2016					
Construction and land development					
Residential	$ 31	$ 12	$ -	$ -	$ 43
Commercial	259	22	(10)	5	276
	290	34	(10)	5	319
Commercial real estate					
Owner occupied	711	(17)	(57)		637
Non-owner occupied	437	53	(1)	51	540
Multifamily	54	2	-	-	56
Farmland	2	1	-	-	3
	1,204	39	(58)	51	1,236
Consumer real estate					
Home equity lines	259	4	-	1	264
Secured by 1-4 family residential					
First deed of trust	490	79	(113)	6	462
Second deed of trust	133	(11)		6	128
	882	72	(113)	13	854
Commercial and industrial loans (except those secured by real estate)	226	(46)	(15)	46	211
Guaranteed student loans	191	13	(16)		188
Consumer and other	8	7	(12)	5	8
Unallocated	722	(119)	-	-	603
	$ 3,523	$ -	$ (224)	$ 120	$ 3,419

	Beginning Balance	Provision for (Recovery of) Loan Losses	Charge-offs	Recoveries	Ending Balance
Nine Months Ended September 30, 2017					
Construction and land development					
Residential	$ 41	$ (4)	$ -	$ 1	$ 38
Commercial	300	(127)	-	2	175
	341	(131)	-	3	213
Commercial real estate					
Owner occupied	611	(100)	-	13	524

Non-owner occupied	406	28	-	-	434
Multifamily	56	(17)	-	-	39
Farmland	3	-	-	-	3
	1,076	(89)	-	13	1,000
Consumer real estate					
Home equity lines	271	(25)	-	1	247
Secured by 1-4 family residential					
First deed of trust	447	90	(107)	29	459
Second deed of trust	136	(120)	-	29	45
	854	(55)	(107)	59	751
Commercial and industrial loans (except those secured by real estate)	223	209	-	13	445
Student loans	158	56	(115)	-	99
Consumer and other	8	(5)	(2)	6	7
Unallocated	713	15	-	-	728
	$ 3,373	$ -	$ (224)	$ 94	$ 3,243

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	Beginning Balance	Provision for (Recovery of) Loan Losses	Charge-offs	Recoveries	Ending Balance
Nine Months Ended September 30, 2016					
Construction and land development					
Residential	$ 30	$ 12	$ -	$ 1	$ 43
Commercial	291	(10)	(10)	5	276
	321	2	(10)	6	319
Commercial real estate					
Owner occupied	1,167	(464)	(66)	-	637
Non-owner occupied	460	27	-	53	540
Multifamily	51	5	-	-	56
Farmland	17	(139)	-	125	3
	1,695	(571)	(66)	178	1,236
Consumer real estate					
Home equity lines	448	(134)	(53)	3	264
Secured by 1-4 family residential					
First deed of trust	602	(20)	(140)	20	462
Second deed of trust	111	23	(25)	19	128
	1,161	(131)	(218)	42	854
Commercial and industrial loans (except those secured by real estate)	94	42	(15)	90	211
Guaranteed student loans	230	101	(143)	-	188
Consumer and other	2	13	(14)	7	8
Unallocated	59	544	-	-	603
	$ 3,562	$ -	$ (466)	$ 323	$ 3,419

	Beginning Balance	Provision for (Recovery of) Loan Losses	Charge-offs	Recoveries	Ending Balance
Year Ended December 31, 2016					
Construction and land development					
Residential	$ 30	$ 10	$ -	$ 1	$ 41
Commercial	291	9	(10)	10	300
	321	19	(10)	11	341
Commercial real estate					
Owner occupied	1,167	(490)	(66)	-	611

Non-owner occupied	460	(106)	(1)	53	406
Multifamily	51	5	-	-	56
Farmland	17	(139)	-	125	3
	1,695	(730)	(67)	178	1,076
Consumer real estate					
Home equity lines	448	(127)	(53)	3	271
Secured by 1-4 family residential					
First deed of trust	602	(40)	(140)	25	447
Second deed of trust	111	21	(25)	29	136
	1,161	(146)	(218)	57	854
Commercial and industrial loans (except those secured by real estate)	94	44	(15)	100	223
Student loans	230	149	(221)	-	158
Consumer and other	2	10	(13)	9	8
Unallocated	59	654	-	-	713
	$ 3,562	$ -	$ (544)	$ 355	$ 3,373

The allowance for loan losses at each of the periods presented includes an amount that could not be identified to individual types of loans referred to as the unallocated portion of the allowance. We recognize the inherent imprecision in estimates of losses due to various uncertainties and variability related to the factors used, and therefore a reasonable range around the estimate of losses is derived and used to ascertain whether the allowance is too high. We concluded that the unallocated portion of the allowance was acceptable given the continued higher level of classified assets and was within a reasonable range around the estimate of losses. The allowance for loan losses included an unallocated portion of approximately $728,000, $713,000, and $603,000 at September 30, 2017, December 31, 2016, and September 30, 2016, respectively.

Discussion of the provision for (recovery of) loan losses related to specific loan types are provided following:

- The recovery of loan losses totaling $102,000 for the consumer real estate portfolio for the three months ended September 30, 2017 was attributed to a decline in the general component of the allowance for loan losses as a result of a decrease in the historical loss experience from 0.16% as of June 30, 2017 to 0.13% as of September 30, 2017.

- The provision for loan losses totaling $140,000 for the commercial and industrial loans (except those secured by real estate) for the three months ended September 30, 2017 was attributed to an increase of $172,000 in the specific reserve associated with loans evaluated individually for impairment.

- The recovery of loan losses totaling $131,000 for the construction and land development portfolio for the nine months ended September 30, 2017 was attributed to a decline in the general component of the allowance for loan losses as a result of a decrease in the historical loss experience from 0.38% as of December 31, 2016 to 0.01% as of September 30, 2017.

- The recovery of loan losses totaling $89,000, $730,000 and $571,000 for the commercial real estate portfolio for the nine months ended September 30, 2017, year ended December 31, 2016, and nine months ended September 30, 2016, respectively, was attributable to a decline in the general component of the allowance for loan losses as a result of decreases in the historical loss experience from 0.20% as of September 30, 2016 to a net recovery of 0.04% as of September 30, 2017. In addition, the portfolio was in a net-recovery position of $13,000 and $111,000 for the nine months ended September 30, 2017 and year ended December 31, 2016, respectively.

- The recovery of loan losses totaling $55,000 for the consumer real estate portfolio for the nine months ended September 30, 2017 was attributed to a decrease of $104,000 in the specific reserve associated with loans evaluated individually for impairment. This decrease was offset by an increase in the general component allocated to this portfolio as a result of increases in the historical loss experience from 0.0022% as of year end December 31, 2016 to 0.13% for the nine months ended September 30, 2017. In addition, the portfolio was in a net charge-off position of $48,000 for the nine months ended September 30, 2017.

- The recovery of loan losses totaling $146,000 and $131,000 for the consumer real estate portfolio for the year ended December 31, 2016 and nine months ended September 30, 2016, respectively, was attributable to a decline in the general component of the allowance for loan losses as a result of decreases in the historical loss experience from 0.07% as of September 30, 2016 to 0.0022% as of December 31, 2016. In addition, the portfolio was in a net-charge off position of $161,000 and $176,000 for the year ended December 31, 2016 and the nine months ended September 30, 2016.

- The provision for loan losses totaling $209,000 for the commercial and industrial loans (except those secured by real estate) for the nine months ended September 30, 2017 was attributed to an increase of $227,000 in the specific reserve associated with loans evaluated individually for impairment.

Loans were evaluated for impairment as follows for the periods indicated (dollars in thousands):

	Recorded Investment in Loans Allowance			**Loans**		
	Ending Balance	**Individually**	**Collectively**	**Ending Balance**	**Individually**	**Collectively**
As of September 30, 2017						
Construction and land development						
Residential	$38	$ -	$ 38	$6,327	$ -	$ 6,327
Commercial	175	2	173	28,721	561	28,160
	213	2	211	35,048	561	34,487
Commercial real estate						
Owner occupied	524	21	503	71,834	5,434	66,400
Non-owner occupied	434	-	434	61,831	2,176	59,655
Multifamily	39	-	39	6,114	-	6,114
Farmland	3	-	3	278	-	278
	1,000	21	979	140,057	7,610	132,447
Consumer real estate						
Home equity lines	247	4	243	20,595	739	19,856
Secured by 1-4 family residential						
First deed of trust	459	62	397	54,820	4,733	50,087
Second deed of trust	45	5	40	6,293	680	5,613
	751	71	680	81,708	6,152	75,556
Commercial and industrial loans (except those secured by real estate)	445	233	212	40,647	1,248	39,399
Student loans	99	-	99	47,643	-	47,643
Consumer and other	735	-	735	1,899	3	1,896
	$3,243	$ 327	$ 2,916	$347,002	$ 15,574	$ 331,428
As of December 31, 2016						
Construction and land development						
Residential	$41	$ -	$ 41	$6,770	$ -	$ 6,770
Commercial	300	9	291	27,092	581	26,511
	341	9	332	33,862	581	33,281
Commercial real estate						
Owner occupied	611	86	525	66,021	5,604	60,417
Non-owner occupied	406	-	406	57,944	2,236	55,708
Multifamily	56	-	56	8,824	-	8,824
Farmland	3	-	3	310	-	310
	1,076	86	990	133,099	7,840	125,259
Consumer real estate						
Home equity lines	271	-	271			