

FIRST RELIANCE BANCSHARES INC
Form 10-Q
August 11, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

(Mark One)

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2011

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 000-49757

FIRST RELIANCE BANCSHARES, INC.
(Exact name of small business issuer as specified in its charter)

South Carolina
(State or other jurisdiction of
incorporation or organization)

80-0030931
(I.R.S. Employer
Identification No.)

2170 West Palmetto Street
Florence, South Carolina 29501
(Address of principal executive
offices, including zip code)

(843) 656-5000
(Issuer's telephone number, including area code)

State the number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date:

4,094,459 shares of common stock, par value \$0.01 per share, as of July 31, 2011

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 filing requirements for the past 90 days.

Yes No.

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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 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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

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FIRST RELIANCE BANCSHARES, INC
Condensed Consolidated Balance Sheets

	June 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Assets		
Cash and cash equivalents:		
Cash and due from banks	\$2,292,964	\$ 1,806,512
Interest-bearing deposits with other banks	10,902,395	23,863,781
Total cash and cash equivalents	13,195,359	25,670,293
Time deposits in other banks	100,000	100,000
Securities available-for-sale	101,164,899	84,472,553
Nonmarketable equity securities	3,463,800	4,357,300
Total investment securities	104,628,699	88,829,853
Loans held for sale	735,115	1,185,576
Loans receivable	328,772,357	354,327,969
Less allowance for loan losses	(4,695,843)	(6,271,045)
Loans, net	324,076,514	348,056,924
Premises, furniture and equipment, net	25,572,421	25,922,343
Accrued interest receivable	2,087,574	2,417,134
Other real estate owned	19,673,504	14,669,051
Cash surrender value life insurance	12,028,595	11,827,957
Other assets	10,090,092	11,415,794
Total assets	\$512,187,873	\$ 530,094,925
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Noninterest-bearing transaction accounts	\$48,749,077	\$41,166,965
Interest-bearing transaction accounts	36,100,230	41,761,498
Savings	124,369,830	108,890,398
Time deposits \$100,000 and over	120,252,386	157,480,480
Other time deposits	99,499,788	105,951,124
Total deposits	428,971,311	455,250,465
Securities sold under agreement to repurchase	260,252	476,522
Advances from Federal Home Loan Bank	20,000,000	13,000,000
Junior subordinated debentures	10,310,000	10,310,000
Accrued interest payable	274,409	547,222
Other liabilities	2,310,699	1,918,872
Total liabilities	462,126,671	481,503,081

Shareholders' Equity

Preferred stock, no par value, authorized 10,000,000 shares:		
Series A cumulative perpetual preferred stock - 15,349 shares issued and outstanding	\$ 14,827,194	\$ 14,730,721
Series B cumulative perpetual preferred stock - 767 shares issued and outstanding	811,270	819,455
Series C cumulative mandatory convertible preferred stock - 2,293 shares issued and outstanding	2,293,000	2,293,000
Common stock, \$0.01 par value; 20,000,000 shares authorized, 4,094,459 and 4,115,903 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	40,944	41,159
Capital surplus	28,022,921	28,140,094
Treasury stock, at cost, 13,245 and 12,632 shares at June 30, 2011 and December 31, 2010, respectively	(172,672)	(168,864)
Nonvested restricted stock	(477,919)	(679,264)
Retained earnings	3,951,876	4,002,469
Accumulated other comprehensive income (loss)	764,588	(586,926)
Total shareholders' equity	50,061,202	48,591,844
Total liabilities and shareholders' equity	\$ 512,187,873	\$ 530,094,925

See notes to condensed consolidated financial statements

FIRST RELIANCE BANCSHARES, INC
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Interest income:				
Loans, including fees	\$5,019,414	\$5,853,126	\$10,089,688	\$12,066,213
Investment securities:				
Taxable	367,080	583,191	672,240	1,193,184
Nontaxable	483,120	653,973	1,017,577	1,306,871
Other interest income	30,545	26,599	54,608	55,472
Total	5,900,159	7,116,889	11,834,113	14,621,740
Interest expense:				
Time Deposits over \$100,000	941,913	1,508,020	1,997,746	3,028,183
Other deposits	678,998	1,245,227	1,399,229	2,598,035
Other interest expense	(15,821)	392,253	62,764	781,052
Total	1,605,090	3,145,500	3,459,739	6,407,270
Net interest income	4,295,069	3,971,389	8,374,374	8,214,470
Provision for loan losses	282,010	1,879,810	523,124	2,065,899
Net interest income after provision for loan losses	4,013,059	2,091,579	7,851,250	6,148,571
Noninterest income:				
Service charges on deposit accounts	447,228	443,470	892,790	911,690
Gain on sales of mortgage loans	178,603	170,420	301,648	380,463
Income from bank owned life insurance	100,176	103,689	200,638	208,347
Other charges, commissions and fees	207,190	171,011	399,243	323,995
Gain on sale of securities	535,581	-	580,856	1,602
Other non-interest income	121,086	70,222	221,382	175,000
Total	1,589,864	958,812	2,596,557	2,001,097
Noninterest expenses:				
Salaries and employee benefits	2,183,814	2,267,609	4,559,859	4,663,675
Occupancy expense	359,117	378,381	736,313	777,915
Furniture and equipment expense	312,952	288,131	627,622	598,356
Other operating expenses	2,451,228	1,253,826	4,407,217	2,783,376
Total	5,307,111	4,187,947	10,331,011	8,823,322
Income (loss) before income taxes	295,812	(1,137,556)	116,796	(673,654)
Income tax benefit	(125,708)	(658,403)	(419,394)	(724,635)
Net income (loss)	421,520	(479,153)	536,190	50,981
Preferred stock dividends	249,247	250,227	498,495	454,801
Deemed dividends on preferred stock resulting from net accretion of discount and amortization of premium	44,388	44,388	88,288	88,288
Net income (loss) available to common shareholders	\$127,885	\$(773,768)	\$(50,593)	\$(492,108)
Average common shares outstanding, basic	4,104,808	3,935,610	4,107,626	3,760,792
Average common shares outstanding, diluted	4,457,577	3,935,610	4,107,626	3,760,792

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Basic income (loss) per share	\$0.03	\$ (0.20) \$ (0.01) \$ (0.13)
Diluted income (loss) per share	\$0.03	\$ (0.20) \$ (0.01) \$ (0.13)

See notes to condensed consolidated financial statements

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FIRST RELIANCE BANCSHARES, INC
Condensed Consolidated Statements of Shareholders' Equity and Comprehensive Income
For the Six Months Ended June 30, 2011 and 2010
(Unaudited)

	Preferred Stock	Common Stock	Capital Surplus	Treasury Stock	Nonvested Restricted Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance December 31, 2009	\$ 15,372,136	\$ 35,827	\$ 26,181,576	\$ (163,936)	\$ (206,004)	\$ 5,269,463	\$ (1,265,235)	\$ 45,223,827
Issuance of Series C	2,293,000							2,293,000
Issuance of common stock net of issuance cost of \$329,390		3,401	1,197,861					1,201,262
Net income						50,981		50,981
Other comprehensive gain, net of tax expense of \$953,641							1,869,080	1,869,080
Other comprehensive income								1,920,061
Preferred Stock Dividend						(441,422)		(441,422)
Accretion of Series A Preferred stock discount	96,473					(96,473)		-
Amortization of Series B Preferred stock premium	(8,185)					8,185		-
		1,872	741,701		(650,856)			92,717

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Net Change in Restricted Stock								
Purchase of treasury stock				(4,330)				(4,330)
Balance, June 30, 2010	\$17,753,424	\$41,100	\$28,121,138	\$(168,266)	\$(856,860)	\$4,790,734	\$603,845	\$50,285,115
Balance December 31, 2010	\$17,843,176	\$41,159	\$28,140,094	\$(168,864)	\$(679,264)	\$4,002,469	\$(586,926)	\$48,591,844
Net income						536,190		536,190
Other comprehensive gain, net of tax expense of \$696,234							1,351,514	1,351,514
Other comprehensive income								1,887,704
Preferred Stock Dividend						(498,495)		(498,495)
Accretion of Series A Preferred stock discount	96,473					(96,473)		-
Amortization of Series B Preferred stock premium	(8,185)					8,185		-
Issuance Common Stock		3	999					1,002
Net Change in Restricted Stock		(218)	(118,172)		201,345			82,955
Purchase of treasury stock						(3,808)		(3,808)
Balance, June 30, 2011	\$17,931,464	\$40,944	\$28,022,921	\$(172,672)	\$(477,919)	\$3,951,876	\$764,588	\$50,061,202

See notes to condensed consolidated financial statements

FIRST RELIANCE BANCSHARES, INC
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30,	
	2011	2010
Cash flows from operating activities:		
Net income	\$536,190	\$50,981
Adjustments to reconcile net income to net cash Provided by operating activities:		
Provision for loan losses	523,124	2,065,899
Depreciation and amortization expense	484,113	492,979
Gain on sale of available-for-sale securities	(580,856)	(1,602)
Loss (gain) on sale of other real estate owned	88,487	(482,681)
Write down of other real estate owned	718,255	187,582
Discount accretion and premium amortization	87,999	139,438
Disbursements for loans held-for-sale	(10,018,022)	(15,693,549)
Proceeds from loans held-for-sale	10,482,500	20,216,509
Net decrease in valuation allowance for loans held-for-sale	(14,017)	(1,617)
Decrease in interest receivable	329,560	123,530
Increase in cash surrender value of life insurance	(200,638)	(208,347)
Decrease in interest payable	(327,361)	(88,353)
Amortization of deferred compensation on restricted stock	82,955	92,717
Increase (decrease) in other liabilities	391,826	(39,151)
Decrease in other assets	629,732	1,832,748
Net cash provided by operating activities	3,213,847	8,687,083
Cash flows from investing activities:		
Increase in time deposits	-	(1,555)
Net decrease in loans receivable	14,085,167	19,165,193
Purchases of securities available-for-sale	(44,587,976)	(2,888,381)
Proceeds on sales of securities available-for-sale	27,898,732	3,117,545
Maturities of securities available-for-sale	2,537,503	2,183,920
Net decrease of nonmarketable equity securities	893,500	-
Proceeds from sales of other real estate owned	3,560,925	4,430,093
Improvements to other real estate owned	-	(149,116)
Purchases of premises and equipment	(79,907)	(162,835)
Net cash provided by investing activities	4,307,944	25,694,864
Cash flows from financing activities:		
Net increase (decrease) in demand deposits, interest-bearing and savings accounts	17,400,276	(6,806,790)
Net decrease in certificates of deposit and other time deposits	(43,679,430)	(43,034,907)
Net decrease in securities sold under agreements to repurchase	(216,270)	(52,695)
Increase (decrease) in advances from the Federal Home Loan Bank	7,000,000	(8,000,000)
Net proceeds from issuance of preferred stock	-	2,293,000
Net proceeds from issuance of common stock	-	1,201,262
Issuance of common stock to employees	1,002	-
Preferred stock dividends paid	(498,495)	(441,422)
Purchase of treasury stock	(3,808)	(4,330)
Net cash used by financing activities	(19,996,725)	(54,845,882)

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Net decrease in cash and cash equivalents	(12,474,934)	(20,463,935)
Cash and cash equivalents, beginning of period	25,670,293	53,298,486
Cash and cash equivalents, end of period	\$ 13,195,359	\$ 32,834,551
Cash paid during the period for:		
Income taxes	\$-	\$-
Interest	\$3,732,552	\$6,370,837
Supplemental noncash investing and financing activities:		
Foreclosures on loans	\$9,372,119	\$7,300,030
Net change in valuation allowance – available-for-sale	\$1,351,514	\$1,869,080

See notes to condensed consolidated financial statements

Note to Condensed Consolidated Financial Statements

Note 1 - Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with the requirements for interim financial statements and, accordingly, they are condensed and omit certain disclosures that would appear in audited annual consolidated financial statements. The consolidated financial statements as of June 30, 2011 and for the interim periods ended June 30, 2011 and 2010 are unaudited and, in the opinion of management, include all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. The consolidated financial information as of December 31, 2010 has been derived from the audited consolidated financial statements as of that date. For further information, refer to the consolidated financial statements and the notes included in First Reliance Bancshares, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010.

Note 2 - Recently Issued Accounting Pronouncements

The following is a summary of recent authoritative pronouncements that could impact the accounting, reporting, and / or disclosure of financial information by the Company.

In July 2010, the Receivables topic of the Accounting Standards Codification ("ASC") was amended by Accounting Standards Update ("ASU") 2010-20 to require expanded disclosures related to a company's allowance for credit losses and the credit quality of its financing receivables. The amendments require the allowance disclosures to be provided on a disaggregated basis. The Company is required to include these disclosures in its interim and annual financial statements, and these disclosures are provided as part of Note 6—Loans Receivable and Allowance for Loan Losses

Disclosures about Troubled Debt Restructurings ("TDRs") required by ASU 2010-20 were deferred by the Financial Accounting Standards Board ("FASB") in ASU 2011-01 issued in January 2011. In April 2011, the FASB issued ASU 2011-02 to assist creditors with their determination of when a restructuring is a TDR. The determination is based on whether the restructuring constitutes a concession and whether the debtor is experiencing financial difficulties as both events must be present.

Disclosures related to TDRs under ASU 2010-20 will be effective for reporting periods beginning after June 15, 2011.

In April 2011, the criteria used to determine effective control of transferred assets in the Transfers and Servicing topic of the ASC was amended by ASU 2011-03. The requirement for the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms and the collateral maintenance implementation guidance related to that criterion were removed from the assessment of effective control. The other criteria to assess effective control were not changed. The amendments are effective for the Company beginning January 1, 2012 but are not expected to have a material effect on the financial statements.

ASU 2011-04 was issued in May 2011 to amend the Fair Value Measurement topic of the ASC by clarifying the application of existing fair value measurement and disclosure requirements and by changing particular principles or requirements for measuring fair value or for disclosing information about fair value measurements. The amendments will be effective for the Company beginning January 1, 2012 but are not expected to have a material effect on the financial statements.

The Comprehensive Income topic of the ASC was amended in June 2011. The amendment eliminates the option to present other comprehensive income as a part of the statement of changes in stockholders' equity. The amendment requires consecutive presentation of the statement of net income and other comprehensive income and requires an entity to present reclassification adjustments from other comprehensive income to net income on the face of the

financial statements. The amendments will be applicable to the Company on January 1, 2012 and will be applied retrospectively.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Note 3 - Reclassifications

Certain captions and amounts in the financial statements in the Company's Form 10-Q for the quarter ended June 30, 2010 were reclassified to conform to the June 30, 2011 presentation.

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Note 4 - Comprehensive Income

Accounting principles generally require that recognized income, expenses, gains, and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities, are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

The components of other comprehensive income and related tax effects are as follows:

	Pre-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount
For the Three Months Ended June 30, 2011:			
Unrealized gains on securities available-for-sale	\$2,344,038	\$(796,973)	\$1,547,065
Reclassification adjustment for gains in net income	535,581	(182,098)	353,483
	\$1,808,457	\$(614,875)	\$1,193,582
For the Three Months Ended June 30, 2010:			
Unrealized gains on securities available-for-sale	\$1,955,376	\$(658,744)	\$1,296,632
Reclassification adjustment for gains in net income	-	-	-
	\$1,955,376	\$(658,744)	\$1,296,632
For the Six Months Ended June 30, 2011:			
Unrealized gains on securities available-for-sale	\$2,628,604	\$(893,726)	\$1,734,878
Reclassification adjustment for gains in net income	580,856	(197,492)	383,364
	\$2,047,748	\$(696,234)	\$1,351,514
For the Six Months Ended June 30, 2010:			
Unrealized gains on securities available-for-sale	\$2,824,323	\$(954,186)	\$1,870,137
Reclassification adjustment for gains in net income	1,602	(545)	1,057
	\$2,822,721	\$(953,641)	\$1,869,080

Note 5 - Investment Securities

The amortized cost and estimated fair values of securities available-for-sale were:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 2011				
U.S. Government agencies	\$ 2,898,456	\$ 147,150	\$ -	\$ 3,045,606
Mortgage-backed securities	64,944,510	985,392	33,553	65,896,349
Municipals	31,972,685	511,533	274,024	32,210,194
Other	200,000	-	187,250	12,750
Total	\$ 100,015,651	\$ 1,644,075	\$ 494,827	\$ 101,164,899
December 31, 2010				

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U.S. Government agencies	\$ 5,031	\$ 147	\$ -	\$ 5,178
Mortgage-backed securities	35,361,686	408,027	-	35,769,713
Municipals	49,804,336	186,999	1,334,173	48,657,162
Other	200,000	-	159,500	40,500
Total	\$ 85,371,053	\$ 595,173	\$ 1,493,673	\$ 84,472,553

The following is a summary of maturities of securities available-for-sale as of June 30, 2011. The amortized cost and estimated fair values are based on the contractual maturity dates. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

	Securities Available-For-Sale	
	Amortized Cost	Estimated Fair Value
Due within one year	\$ 122,531	\$ 128,604
Due after one year but within five years	7,103,095	7,157,379
Due after five years but within ten years	11,100,575	11,085,325
Due after ten years	16,544,940	16,884,492
	34,871,141	35,255,800
Mortgage-backed securities	64,944,510	65,896,349
Other	200,000	12,750
Total	\$ 100,015,651	\$ 101,164,899

The following table shows gross unrealized losses and fair value, aggregated by investment category, and length of time that individual securities have been in a continuous unrealized loss position, at June 30, 2011 and December 31, 2010.

	June 30, 2011		December 31, 2010	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Less Than 12 Months				
Mortgage-backed securities	\$4,975,581	\$33,553	\$-	\$-
Municipals	5,290,765	93,566	30,472,741	1,047,688
	10,266,346	127,119	30,472,741	1,047,688
12 Months or More				
Municipals	2,302,678	180,458	2,200,477	286,485
Other	12,750	187,250	40,500	159,500
	2,315,428	367,708	2,240,977	445,985
Total securities available-for-sale	\$ 12,581,774	\$ 494,827	\$ 32,713,718	\$ 1,493,673

At June 30, 2011, securities classified as available-for-sale were recorded at fair market value. Approximately 74.31% of the unrealized losses, or five individual securities, consisted of securities in a continuous loss position for twelve months or more. The Company does not intend to sell these securities in the near future and it is more likely than not that the Company will not be required to sell these securities before recovery of their amortized cost. The Company believes, based on industry analyst reports and credit ratings, that the deterioration in value is attributable to changes in market interest rates and is not in the credit quality of the issuer and therefore, these losses are not considered other-than-temporary.

During the first six months of 2011 and 2010, proceeds from the sale of available-for-sale securities were \$27,898,732 and \$3,117,545, respectively. Net gains on available-for-sale securities totaled \$580,856 and \$1,602 for the first six months of 2011 and 2010, respectively.

Note 6 – Loans Receivable and Allowance for Loan Losses

Major classifications of loans receivable are summarized as follows:

June 30, 2011	December 31, 2010
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Mortgage loans on real estate:		
Construction	\$ 50,893,002	\$ 62,635,354
Residential 1-4 family	48,429,244	\$ 50,085,085
Multifamily	4,893,050	9,337,285
Second mortgages	8,043,146	4,782,583
Equity lines of credit	26,025,204	27,989,649
Commercial	143,689,916	152,178,318
	281,973,562	307,008,274
Commercial and industrial	38,579,950	40,856,292
Consumer	7,815,669	6,057,089
Other	403,176	406,314
Total gross loans	\$ 328,772,357	\$ 354,327,969

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The Company has pledged certain loans as collateral to secure its borrowings from the Federal Home Loan Bank. The total of loans pledged was \$40,275,700 and \$44,940,440 at June 30, 2011 and December 31, 2010, respectively.

A summary of the allowance for loan losses for the six months ended June 30, 2011 and year ended December 31, 2010 is as follows:

	June 30, 2011	December 31, 2010
Beginning balance	\$6,271,045	\$ 9,800,746
Provision charged to operations	523,124	3,541,650
Recoveries on loans previously charged-off	418,371	3,323,380
Loans charged-off	(2,516,697)	(10,394,731)
Ending balance	\$4,695,843	\$ 6,271,045

The following is an analysis of the allowance for loan losses by class of loans for the six months ended June 30, 2011 and the year ended December 31, 2010.

June 30, 2011

(Dollars in Thousands)	Real Estate Loans				Total Real Estate Loans	Commercial	Consumer and Other
	Total	Construction	Residential	Non- Residential			
Beginning balance	\$ 6,271	\$ 2,548	\$ 1,730	\$ 947	\$ 5,225	\$ 998	\$ 48
Provisions	523	(982)	1,212	75	305	212	6
Recoveries	419	253	58	70	381	38	-
Charge-offs	(2,517)	(1,035)	(977)	(75)	(2,087)	(415)	(15)
Ending balance	\$ 4,696	\$ 784	\$ 2,023	\$ 1,017	\$ 3,824	\$ 833	\$ 39

December 31, 2010

(Dollars in Thousands)	Real Estate Loans				Total Real Estate Loans	Commercial	Consumer and Other
	Total	Construction	Residential	Non- Residential			
Beginning balance	\$ 9,801	\$ 4,192	\$ 2,773	\$ 1,271	\$ 8,236	\$ 1,520	\$ 45
Provisions	3,542	1,475	1,172	432	3,079	509	(46)
Recoveries	3,323	1,311	286	1,123	2,720	438	165
Charge-offs	(10,395)	(4,430)	(2,501)	(1,879)	(8,810)	(1,469)	(116)
Ending balance	\$ 6,271	\$ 2,548	\$ 1,730	\$ 947	\$ 5,225	\$ 998	\$ 48

The following is a summary of loans evaluated for impairment individually and collectively, by class, for the six months ended June 30, 2011 and the year ended December 31, 2010.

June 30, 2011

(Dollars in Thousands)	Real Estate Loans				Total Real Estate Loans	Commercial	Consumer
	Total	Construction	Residential	Non- Residential			

							and Other
Allowance							
Evaluated for impairment							
Individually	\$ 174	\$ 107	\$ -	\$ 67	\$ 174	\$ -	\$ -
Collectively	4,522	677	2,023	950	3,650	833	39
Allowance for loan losses	\$ 4,696	\$ 784	\$ 2,023	\$ 1,017	\$ 3,824	\$ 833	