

EAGLE FINANCIAL SERVICES INC
Form 10-Q
August 12, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
(Mark One)

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

For the quarterly period ended June 30, 2015

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 Number: 0-20146

EAGLE FINANCIAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of

incorporation or organization)

54-1601306

(I.R.S. Employer

Identification No.)

2 East Main Street

P.O. Box 391

Berryville, Virginia

(Address of principal executive offices)

(540) 955-2510

(Registrant's telephone number, including area code)

22611

(Zip Code)

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

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. (Check one):

Large accelerated filer Accelerated filer

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

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

The number of shares of the registrant's Common Stock (\$2.50 par value) outstanding as of July 31, 2015 was 3,494,215.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(dollars in thousands, except share amounts)

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Cash and due from banks	\$8,101	\$9,075
Interest-bearing deposits with other institutions	4,044	25,489
Total cash and cash equivalents	12,145	34,564
Securities available for sale, at fair value	105,736	94,165
Restricted investments	1,946	2,808
Loans	486,028	469,820
Allowance for loan losses	(5,536	) (5,080
Net Loans	480,492	464,740
Bank premises and equipment, net	20,805	19,015
Other real estate owned, net of allowance	2,261	2,102
Other assets	10,930	9,436
Total assets	\$634,315	\$626,830
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest bearing demand deposits	\$171,368	\$159,352
Savings and interest bearing demand deposits	257,575	249,305
Time deposits	93,844	95,159
Total deposits	\$522,787	\$503,816
Federal funds purchased	8,329	—
Federal Home Loan Bank advances	20,000	40,000
Trust preferred capital notes	7,217	7,217
Other liabilities	2,039	2,665
Total liabilities	\$560,372	\$553,698
Shareholders' Equity		
Preferred stock, \$10 par value; 500,000 shares authorized and unissued	\$—	\$—
Common stock, \$2.50 par value; authorized 10,000,000 shares; issued and outstanding 2015, 3,495,800 including 23,551 shares of unvested restricted stock; issued and outstanding 2014, 3,463,665 including 15,151 shares of unvested restricted stock	8,681	8,621
Surplus	13,089	12,618
Retained earnings	51,439	50,578
Accumulated other comprehensive income	734	1,315
Total shareholders' equity	\$73,943	\$73,132
Total liabilities and shareholders' equity	\$634,315	\$626,830
See Notes to Consolidated Financial Statements		

EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Income (Unaudited)

(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest and Dividend Income				
Interest and fees on loans	\$5,437	\$5,589	\$10,738	\$10,920
Interest and dividends on securities available for sale:				
Taxable interest income	406	482	782	989
Interest income exempt from federal income taxes	246	278	489	564
Dividends	26	46	33	71
Interest on deposits with other institutions	6	1	17	2
Total interest and dividend income	\$6,121	\$6,396	\$12,059	\$12,546
Interest Expense				
Interest on deposits	182	245	366	489
Interest on federal funds purchased and securities sold under agreements to repurchase	1	7	1	20
Interest on Federal Home Loan Bank advances	66	158	200	317
Interest on trust preferred capital notes	33	32	66	65
Interest on interest rate swap	45	46	91	92
Total interest expense	\$327	\$488	\$724	\$983
Net interest income	\$5,794	\$5,908	\$11,335	\$11,563
Provision For (Recovery of) Loan Losses	300	(283)	) 433	—
Net interest income after provision for (recovery of) loan losses	\$5,494	\$6,191	\$10,902	\$11,563
Noninterest Income				
Income from fiduciary activities	\$356	\$362	\$784	\$661
Service charges on deposit accounts	307	319	597	652
Other service charges and fees	930	827	1,686	1,480
Gain on sale of securities	22	6	96	6
Other operating income	29	46	110	112
Total noninterest income	\$1,644	\$1,560	\$3,273	\$2,911
Noninterest Expenses				
Salaries and employee benefits	\$3,112	\$2,926	\$6,107	\$5,751
Occupancy expenses	436	307	782	644
Equipment expenses	260	167	406	349
Advertising and marketing expenses	184	126	303	258
Stationery and supplies	61	74	112	164
ATM network fees	191	201	349	358
Other real estate owned expense	14	6	20	10
Loss (gain) on the sale of other real estate owned	73	(17)	) 92	(17)
FDIC assessment	103	86	211	167
Computer software expense	192	213	413	412
Bank franchise tax	126	117	243	219
Professional fees	261	254	503	471
Cost to terminate operating lease	520	—	520	—
Other operating expenses	598	506	1,128	1,023
Total noninterest expenses	\$6,131	\$4,966	\$11,189	\$9,809

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Income before income taxes	\$1,007	\$2,785	\$2,986	\$4,665
Income Tax Expense	209	827	733	1,344
Net income	\$798	\$1,958	\$2,253	\$3,321
Earnings Per Share				
Net income per common share, basic	\$0.23	\$0.57	\$0.65	\$0.97
Net income per common share, diluted	\$0.23	\$0.57	\$0.65	\$0.97
See Notes to Consolidated Financial Statements				

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EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(dollars in thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Net income	\$798	\$1,958	\$2,253	\$3,321
Other comprehensive (loss) income:				
Unrealized (loss) gain on available for sale securities, net of deferred income tax expense (benefit) of (\$523) and \$276 for the three months ended, respectively and (\$317) and \$628 for the six month ended, respectively	(1,012	) 535	(615	) 1,219
Change in fair value of interest rate swap, net of deferred income tax expense of \$12 and \$6 for the three months ended, respectively and \$18 and \$19 for the six months ended, respectively	23	12	34	38
Total other comprehensive (loss) income	(989	) 547	(581	) 1,257
Total comprehensive (loss) income	\$(191	) \$2,505	\$1,672	\$4,578
See Notes to Consolidated Financial Statements				

EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(dollars in thousands, except share amounts)

	Common Stock	Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2013	\$8,482	\$11,537	\$46,082	\$ 305	\$66,406
Net income			3,321		3,321
Other comprehensive income				1,257	1,257
Vesting of restricted stock awards, stock incentive plan (10,009 shares)	25	(25)			—
Income tax benefit on vesting of restricted stock		11			11
Stock-based compensation expense		52			52
Issuance of common stock, dividend investment plan (15,682 shares)	39	298			337
Issuance of common stock, employee benefit plan (6,105 shares)	15	122			137
Dividends declared (\$0.38 per share)			(1,298)		(1,298)
Balance, June 30, 2014	\$8,561	\$11,995	\$48,105	\$ 1,562	\$70,223
Balance, December 31, 2014	\$8,621	\$12,618	\$50,578	\$ 1,315	73,132
Net income			2,253		2,253
Other comprehensive (loss)				(581)	(581)
Vesting of restricted stock awards, stock incentive plan (6,250 shares)	16	(16)			—
Income tax benefit on vesting of restricted stock		5			5
Stock-based compensation expense		132			132
Issuance of common stock, dividend investment plan (16,610 shares)	42	332			374
Issuance of common stock, employee benefit plan (875 shares)	2	18			20
Dividends declared (\$0.40 per share)			(1,392)		(1,392)
Balance, June 30, 2015	\$8,681	\$13,089	\$51,439	\$ 734	\$73,943
See Notes to Consolidated Financial Statements					

EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
(dollars in thousands)

	Six Months Ended	
	June 30,	
	2015	2014
Cash Flows from Operating Activities		
Net income	\$2,253	\$3,321
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	398	400
Amortization of intangible and other assets	110	77
Provision for loan losses	433	—
Loss (gain) on the sale of other real estate owned	92	(17
(Gain) on the sale of premises and equipment	(5) —
Loss on the sale of repossessed assets	1	4
(Gain) on the sale of securities	(96	) (6
Stock-based compensation expense	132	52
Premium amortization on securities, net	104	54
Changes in assets and liabilities:		
(Increase) in other assets	(1,306	) (108
(Decrease) in other liabilities	(574	) (672
Net cash provided by operating activities	\$1,542	\$3,105
Cash Flows from Investing Activities		
Proceeds from maturities and principal payments of securities available for sale	\$5,131	\$6,536
Proceeds from the sale of securities available for sale	2,324	1,004
Purchases of securities available for sale	(19,966	) (3,429
Proceeds from the sale of restricted investments	900	284
Purchases of restricted investments	(38	) (450
Purchases of bank premises and equipment	(2,188	) (333
Proceeds from the sale of other real estate owned	310	34
Proceeds from the sale of bank premises and equipment	5	—
Proceeds from the sale of repossessed assets	8	19
Net (increase) in loans	(16,749	) (19,993
Net cash (used in) investing activities	\$(30,263	) \$(16,328
Cash Flows from Financing Activities		
Net increase in noninterest bearing demand deposits, savings, and interest bearing demand deposits	\$20,286	\$7,667
Net (decrease) in time deposits	(1,315	) (3,209
Net increase in federal funds purchased	8,329	—
Net (decrease) increase in Federal Home Loan Bank advances	(20,000	) 7,750
Issuance of common stock, employee benefit plan	20	137
Cash dividends paid	(1,018	) (960
Net cash provided by financing activities	\$6,302	\$11,385

EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES
 Consolidated Statements of Cash Flows (Unaudited)
 (continued)

	Six Months Ended	
	June 30,	
	2015	2014
(Decrease) in cash and cash equivalents	\$ (22,419	) \$ (1,838
Cash and Cash Equivalents)
Beginning	34,564	14,243
Ending	\$ 12,145	\$ 12,405
Supplemental Disclosures of Cash Flow Information		
Cash payments for:		
Interest	\$ 812	\$ 993
Income taxes	\$ 583	\$ 705
Supplemental Schedule of Noncash Investing and Financing Activities:		
Unrealized (loss) gain on securities available for sale	\$ (932	) \$ 1,847
Change in fair value of interest rate swap	\$ 53	\$ 57
Other real estate and repossessed assets acquired in settlement of loans	\$ 564	\$ 330
Issuance of common stock, dividend investment plan	\$ 374	\$ 337

EAGLE FINANCIAL SERVICES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Unaudited)

June 30, 2015

NOTE 1. General

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America.

In the opinion of management, the accompanying financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position at June 30, 2015 and December 31, 2014, the results of operations for the three and six months ended June 30, 2015 and 2014, and cash flows for the six months ended June 30, 2015 and 2014. The results of operations for the three and six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the full year. These financial statements should be read in conjunction with the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 (the "2014 Form 10-K").

The Company owns 100% of Bank of Clarke County (the "Bank") and Eagle Financial Statutory Trust II. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions between the Company and the Bank have been eliminated. The subordinated debt owed to Eagle Financial Statutory Trust II is reflected as a liability of the Company.

Certain amounts in the consolidated financial statements have been reclassified to conform to current year presentations. None of the reclassifications were of a material nature.

NOTE 2. Stock-Based Compensation Plan

During 2014, the Company's shareholders approved a stock incentive plan which allows key employees and directors to increase their personal financial interest in the Company. This plan permits the issuance of incentive stock options and non-qualified stock options and the award of stock appreciation rights, common stock, restricted stock, and phantom stock. The plan authorizes the issuance of up to 500,000 shares of common stock.

The Company periodically grants Restricted Stock to its directors and executive officers. Restricted Stock provides grantees with rights to shares of common stock upon completion of a service period or achievement of Company performance measures. During the restriction period, all shares are considered outstanding and dividends are paid to the grantee. In general, outside directors are periodically granted restricted shares which vest over a period of less than 9 months. Beginning during 2006, executive officers were granted restricted shares which vest over a 3 year service period and restricted shares which vest based on meeting annual performance measures. The Company recognizes compensation expense over the restricted period. As of June 30, 2015, there was \$234 thousand of unrecognized compensation cost related to nonvested restricted stock.

The following table presents Restricted Stock activity for the six months ended June 30, 2015 and 2014:

Six Months Ended			
June 30,			
2015		2014	
Shares	Weighted	Shares	Weighted
	Average		Average

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		Grant Date Fair Value		Grant Date Fair Value
Nonvested, beginning of period	15,151	\$22.27	17,050	\$19.92
Granted	14,650	23.85	14,900	23.50
Vested	(6,250) 20.95	(10,009) 19.65
Forfeited	—	—	(790) 21.80
Nonvested, end of period	23,551	\$23.61	21,151	\$22.50

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NOTE 3. Earnings Per Common Share

Basic earnings per share represents income available to common shareholders divided by the weighted average number of common shares outstanding during the period. Nonvested restricted shares are included in basic earnings per share because of dividend participation and voting rights. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance. The number of potential common shares is determined using the treasury method.

The following table shows the weighted average number of shares used in computing earnings per share for the three and six months ended June 30, 2015 and 2014 and the effect on the weighted average number of shares of dilutive potential common stock. During 2015, there were no potentially dilutive securities outstanding. For the three and six months ended June 30, 2014, 9,333 and 9,405 stock options were considered anti-dilutive and were excluded from the calculations of diluted earnings per share because their exercise prices exceeded the fair value of our common stock during those periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Average number of common shares outstanding	3,487,215	3,428,699	3,482,259	3,421,351
Effect of dilutive common stock	—	667	—	595
Average number of common shares outstanding used to calculate diluted earnings per share	3,487,215	3,429,366	3,482,259	3,421,946

NOTE 4. Securities

Amortized costs and fair values of securities available for sale at June 30, 2015 and December 31, 2014 were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Fair Value
June 30, 2015 (in thousands)				
Obligations of U.S. government corporations and agencies	\$42,306	\$517	\$(347)	) \$42,476
Mortgage-backed securities	23,336	370	(232)	) 23,474
Obligations of states and political subdivisions	38,803	1,082	(99)	) 39,786
	\$104,445	\$1,969	\$(678)	) \$105,736
December 31, 2014 (in thousands)				
Obligations of U.S. government corporations and agencies	\$36,911	\$599	\$(299)	) \$37,211
Mortgage-backed securities	15,245	545	(11)	) 15,779
Obligations of states and political subdivisions	39,025	1,432	(47)	) 40,410
Corporate securities	761	4	—	) 765
	\$91,942	\$2,580	\$(357)	) \$94,165

During the six months ended June 30, 2015, the Company received proceeds of \$2.3 million on sales of available for sale securities for a gross gain of \$96 thousand. There were no losses on the sale of available for sale securities during

the six months ended June 30, 2015. During the six months ended June 30, 2014, the Company sold \$1.0 million available for sale securities for a gross gain of \$6 thousand. There were no losses on the sale of available for sale securities during the six months ended June 30, 2014.

The fair value and gross unrealized losses for securities available for sale, totaled by the length of time that individual securities have been in a continuous gross unrealized loss position, at June 30, 2015 and December 31, 2014 were as follows:

	Less than 12 months		12 months or more		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
June 30, 2015 (in thousands)						
Obligations of U.S. government corporations and agencies	\$19,512	\$277	\$4,929	\$70	\$24,441	\$347
Mortgage-backed securities	11,305	204	1,264	28	12,569	232
Obligations of states and political subdivisions	5,893	74	989	25	6,882	99
	\$36,710	\$555	\$7,182	\$123	\$43,892	\$678
December 31, 2014 (in thousands)						
Obligations of U.S. government corporations and agencies	\$1,997	\$1	\$21,615	\$298	\$23,612	\$299
Mortgage-backed securities	—	—	1,444	11	1,444	11
Obligations of states and political subdivisions	2,998	12	2,414	35	5,412	47
	\$4,995	\$13	\$25,473	\$344	\$30,468	\$357

Gross unrealized losses on available for sale securities included fifty (50) and thirty-eight (38) debt securities at June 30, 2015 and December 31, 2014, respectively. The Company evaluates securities for other-than-temporary impairment on at least a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to the length of time and the amount of an unrealized loss, the financial condition of the issuer, and the intent and ability of the Company to retain its investment in the issuer long enough to allow for an anticipated recovery in fair value. The fair value of a security reflects its liquidity as compared to similar instruments, current market rates on similar instruments, and the creditworthiness of the issuer. Absent any change in the liquidity of a security or the creditworthiness of the issuer, prices will decline as market rates rise and vice-versa. The primary cause of the unrealized losses at June 30, 2015 and December 31, 2014 was changes in market interest rates. Since the losses can be primarily attributed to changes in market interest rates and not expected cash flows or an issuer's financial condition, the unrealized losses are deemed to be temporary. The continuing economic recession involving housing, liquidity and credit were also a contributing factor to the unrealized losses on these securities at June 30, 2015 and December 31, 2014. The Company's mortgage-backed securities are issued by U.S. government agencies, which guarantee payments to investors regardless of the status of the underlying mortgages. The Company monitors the financial condition of these issuers continuously and will record other-than-temporary impairment if the recovery of value is unlikely.

The Company's securities are exposed to various risks, such as interest rate, market, currency and credit risks. Due to the level of risk associated with certain securities and the level of uncertainty related to changes in the value of securities, it is at least reasonably possible that changes in risks in the near term would materially affect securities reported in the financial statements. In addition, recent economic uncertainty and market events have led to unprecedented volatility in currency, commodity, credit and equity markets culminating in failures of some banking and financial services firms and government intervention to solidify others. These events underscore the level of investment risk associated with the current economic environment, and accordingly the level of risk in the Company's

securities.

Securities having a carrying value of \$3.4 million at June 30, 2015 were pledged to secure securities sold under agreements to repurchase and other purposes required by law.

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The composition of restricted investments at June 30, 2015 and December 31, 2014 was as follows:

	June 30, 2015	December 31, 2014
	(in thousands)	
Federal Reserve Bank Stock	\$344	\$344
Federal Home Loan Bank Stock	1,462	2,324
Community Bankers' Bank Stock	140	140
	\$1,946	\$2,808

NOTE 5. Allowance for Loan Losses

Changes in the allowance for loan losses for the six months ended June 30, 2015 and 2014 and the year ended December 31, 2014 were as follows:

	Six Months Ended June 30, 2015	Year Ended December 31, 2014	Six Months Ended June 30, 2014
		(in thousands)	
Balance, beginning	\$5,080	\$5,488	\$5,488
Provision charged to operating expense	433	350	—
Recoveries added to the allowance	343	725	588
Loan losses charged to the allowance	(320	) (1,483	) (205
Balance, ending	\$5,536	\$5,080	\$5,871

Nonaccrual and past due loans by class at June 30, 2015 and December 31, 2014 were as follows:

	June 30, 2015 (in thousands)			Total Past Due	Current	Total Loans	90 or More Days Past Due Still Accruing	Nonaccrual Loans
	30 - 59 Days Past Due	60 - 89 Days Past Due	90 or More Days Past Due					
Commercial - Non Real Estate:								
Commercial & Industrial	\$157	\$—	\$—	\$157	\$28,178	\$28,335	\$—	\$946
Commercial Real Estate:								
Owner Occupied	1,400	—	—	1,400	108,644	110,044	—	1,803
Non-owner occupied	—	150	775	925	63,390	64,315	—	1,133
Construction and Farmland:								
Residential	51	—	—	51	7,363	7,414	—	—
Commercial	—	730	46	776	29,740	30,516	—	383
Consumer:								
Installment	108	20	—	128	13,427	13,555	—	—
Residential:								

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Equity Lines	405	280	—	685	33,526	34,211	—	286
Single family	1,641	455	1,133	3,229	187,805	191,034	68	2,227
Multifamily	—	—	—	—	4,706	4,706	—	—
All Other Loans	—	—	—	—	1,898	1,898	—	—
Total	\$3,762	\$1,635	\$1,954	\$7,351	\$478,677	\$486,028	\$68	\$6,778

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December 31, 2014

(in thousands)

	30 - 59 Days Past Due	60 - 89 Days Past Due	90 or More Days Past Due	Total Past Due	Current	Total Loans	90 or More Past Due Still Accruing	Nonaccrual Loans
Commercial - Non Real Estate: Commercial & Industrial	\$28	\$—	\$—	\$28	\$28,104	\$ 28,132	\$—	\$ 2,106
Commercial Real Estate: Owner Occupied	2,191	—	—	2,191	97,516	99,707	—	2,591
Non-owner occupied	56	210	808	1,074	60,518	61,592	—	1,231
Construction and Farmland: Residential	—	52	—	52	5,149	5,201	—	—
Commercial	—	—	57	57	31,231	31,288	—	787
Consumer: Installment	50	15	6	71	13,803	13,874	6	—
Residential: Equity Lines	132	41	185	358	30,763	31,121	—	331
Single family	1,243	440	644	2,327	191,246	193,573	—	3,660
Multifamily	—	—	—	—	3,016	3,016	—	—
All Other Loans	—	—	—	—	2,316	2,316	—	—
Total	\$3,700	\$758	\$1,700	\$6,158	\$463,662	\$ 469,820	\$6	\$ 10,706

Allowance for loan losses by segment at June 30, 2015 and December 31, 2014 were as follows:

As of and For the Six Months Ended

June 30, 2015

(in thousands)

	Construction and Farmland	Residential	Commercial Real Estate	Commercial - Non Real Estate	Consumer	All Other Loans	Unallocated	Total
Allowance for credit losses:								
Beginning Balance	\$951	\$ 1,977	\$ 1,347	\$ 464	\$ 103	\$42	\$ 196	\$5,080
Charge-Offs	(120)	(109)	(47)	—	(33)	(11)	—	(320)
Recoveries	55	41	37	176	20	14	—	343
Provision	220	203	41	(225)	4	30	160	433
Ending balance	\$1,106	\$ 2,112	\$ 1,378	\$ 415	\$94	\$75	\$ 356	\$5,536
Ending balance: Individually evaluated for impairment	\$214	\$ 529	\$ 174	\$ 28	\$—	\$—	\$—	\$