

CITIZENS HOLDING CO /MS/
Form 10-Q
August 08, 2011
Table of Contents

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 June 30, 2011

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: 001-15375

CITIZENS HOLDING COMPANY

(Exact name of registrant as specified in its charter)

MISSISSIPPI (State or other jurisdiction of incorporation or organization)	64-0666512 (IRS Employer Identification No.)
521 Main Street, Philadelphia, MS (Address of principal executive offices)	39350 (Zip Code)
601-656-4692 (Registrant's telephone number, including area 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 during the preceding 12 months (or 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller Reporting Company <input type="checkbox"/>

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

Number of shares outstanding of each of the issuer's classes of common stock, as of August 5, 2011:

Title	Outstanding
Common Stock, \$0.20 par value	4,843,911

Table of Contents

CITIZENS HOLDING COMPANY

INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED JUNE 30, 2011

TABLE OF CONTENTS

PART I.	<u>FINANCIAL INFORMATION</u>	1
Item 1.	<u>Consolidated Financial Statements (Unaudited).</u>	1
	<u>Consolidated Statements of Condition</u> <u>June 30, 2011 and December 31, 2010</u>	1
	<u>Consolidated Statements of Income</u> <u>Three and six months ended June 30, 2011 and 2010</u>	2
	<u>Consolidated Statements of Comprehensive Income</u> <u>Three and six months ended June 30, 2011 and 2010</u>	3
	<u>Condensed Consolidated Statements of Cash Flows</u> <u>Six months ended June 30, 2011 and 2010</u>	4
	<u>Notes to Consolidated Financial Statements</u>	5
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations.</u>	25
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk.</u>	36
Item 4.	<u>Controls and Procedures.</u>	39
PART II.	<u>OTHER INFORMATION</u>	40
Item 1.	Legal Proceedings.*	
Item 1A.	<u>Risk Factors.</u>	40
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds.*	
Item 3.	Defaults Upon Senior Securities*	
Item 4.	[Removed and Reserved.]	
Item 5.	Other Information.*	
Item 6.	<u>Exhibits.</u>	41
* None or Not Applicable		
	<u>SIGNATURES</u>	42

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (Unaudited).

CITIZENS HOLDING COMPANY

CONSOLIDATED STATEMENTS OF CONDITION(Unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Cash and due from banks	\$ 22,299,125	\$ 16,963,393
Interest bearing deposits with other banks	11,622,122	1,155,588
Investment securities available for sale, at fair value	347,936,349	324,730,301
Loans, net of allowance for loan losses of \$6,359,602 in 2011 and \$6,379,070 in 2010	406,072,546	415,496,720
Premises and equipment, net	21,186,494	20,751,478
Other real estate owned, net	3,147,809	3,068,209
Accrued interest receivable	4,830,929	4,823,227
Cash value of life insurance	19,875,021	19,535,300
Intangible assets, net	3,318,957	3,411,303
Other assets	4,963,329	8,297,213
TOTAL ASSETS	\$ 845,252,681	\$ 818,232,732
LIABILITIES AND STOCKHOLDERS EQUITY		
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 95,971,966	\$ 95,324,759
Interest-bearing NOW and money market accounts	177,732,499	164,325,092
Savings deposits	41,130,446	37,778,537
Certificates of deposit	232,314,862	240,001,335
Total deposits	547,149,773	537,429,723
Federal Funds Purchased		2,500,000
Securities sold under agreement to repurchase	114,055,801	110,483,437
Federal Home Loan Bank advances	94,400,000	84,400,000
Accrued interest payable	383,603	538,881
Deferred compensation payable	4,618,585	4,330,069
Other liabilities	1,301,677	2,255,526
Total liabilities	761,909,439	741,937,636
STOCKHOLDERS EQUITY		
Common stock; \$.20 par value, 22,500,000 shares authorized, 4,843,911 shares outstanding at June 30, 2011 and 4,838,411 shares outstanding at December 31, 2010	968,782	967,682
Additional paid-in capital	3,185,357	3,061,221
Retained earnings	76,142,950	74,464,123
Accumulated other comprehensive income (loss), net of tax expense of (\$1,812,145) in 2011 and tax benefit of \$1,307,540 in 2010	3,046,153	(2,197,930)
Total stockholders equity	83,343,242	76,295,096

Edgar Filing: CITIZENS HOLDING CO /MS/ - Form 10-Q

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 845,252,681	\$ 818,232,732
---	----------------	----------------

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

Table of Contents

CITIZENS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
INTEREST INCOME				
Loan income, including fees	\$ 6,398,678	\$ 7,011,615	\$ 12,947,609	\$ 14,264,924
Investment securities	3,038,701	2,417,028	5,823,247	5,028,166
Other interest	6,472	23,192	18,267	33,962
Total interest income	9,443,851	9,451,835	18,789,123	19,327,052
INTEREST EXPENSE				
Deposits	802,618	1,361,998	1,689,617	2,786,730
Other borrowed funds	879,750	878,569	1,759,704	1,763,749
Total interest expense	1,682,368	2,240,567	3,449,321	4,550,479
NET INTEREST INCOME	7,761,483	7,211,268	15,339,802	14,776,573
PROVISION FOR LOAN LOSSES	682,773	695,255	926,834	1,320,211
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	7,078,710	6,516,013	14,412,968	13,456,362
OTHER INCOME				
Service charges on deposit accounts	855,986	1,020,995	1,730,383	1,985,773
Other service charges and fees	415,174	372,571	829,133	746,397
Other income	245,306	315,653	541,345	1,061,745
Total other income	1,516,466	1,709,219	3,100,861	3,793,915
OTHER EXPENSES				
Salaries and employee benefits	3,524,103	3,448,339	7,043,712	6,848,700
Occupancy expense	1,018,542	992,962	2,107,489	1,938,350
Other operating expense	1,703,394	1,671,456	3,495,119	3,810,403
Total other expenses	6,246,039	6,112,757	12,646,320	12,597,453
INCOME BEFORE PROVISION FOR INCOME TAXES	2,349,137	2,112,475	4,867,509	4,652,824
PROVISION FOR INCOME TAXES	494,865	416,371	1,058,351	981,163
NET INCOME	\$ 1,854,272	\$ 1,696,104	\$ 3,809,158	\$ 3,671,661

NET INCOME PER SHARE

Edgar Filing: CITIZENS HOLDING CO /MS/ - Form 10-Q

-Basic	\$	0.38	\$	0.35	\$	0.79	\$	0.76
-Diluted	\$	0.38	\$	0.35	\$	0.79	\$	0.75
DIVIDENDS PAID PER SHARE	\$	0.22	\$	0.21	\$	0.44	\$	0.42

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

Table of Contents

CITIZENS HOLDING COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	For the Three Months		For the Six Months	
	Ended June 30, 2011	2010	Ended June 30, 2011	2010
Net income	\$ 1,854,272	\$ 1,696,104	\$ 3,809,158	\$ 3,671,661
Other comprehensive income, net of tax				
Unrealized holding gains (losses)	3,648,868	(154,452)	5,238,294	1,905,330
Reclassification adjustment for gains included in net income	5,357	618,013	5,789	618,013
Total other comprehensive income (loss)	3,654,225	463,561	5,244,083	2,523,343
Comprehensive income	\$ 5,508,497	\$ 2,159,665	\$ 9,053,241	\$ 6,195,004

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

Table of Contents

CITIZENS HOLDING COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Six Months	
	Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash provided by operating activities	\$ 5,419,819	\$ 7,772,004
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of securities available for sale	73,203,384	96,061,186
Proceeds from sales of securities available for sale		30,072,201
Purchases of investment securities available for sale	(88,813,259)	(105,237,061)
Net change in securities sold under agreement to repurchase	3,572,364	(10,415,211)
Purchases of bank premises and equipment	(1,035,486)	(1,197,496)
Increase in interest bearing deposits with other banks	(10,466,534)	(15,092,748)
Purchase of Federal Home Loan Bank Stock	(108,000)	
Proceeds from sale of other real estate acquired by foreclosure	338,080	819,200
Net decrease in loans	8,072,260	10,889,386
Net cash (used by) provided by investing activities	(15,237,191)	5,899,457
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in deposits	9,720,050	(20,208,749)
Proceeds from exercising stock options	63,385	189,161
Increase in Federal Home Loan Bank advances	10,000,000	12,000,000
Repurchase of stock		(366,381)
Decrease in federal funds purchased	(2,500,000)	
Payment of dividends	(2,130,331)	(2,030,274)
Net cash provided by (used by) financing activities	15,153,104	(10,416,243)
Net increase in cash and due from banks	5,335,732	3,255,218
Cash and due from banks, beginning of period	16,963,393	15,365,612
Cash and due from banks, end of period	\$ 22,299,125	\$ 18,620,830

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

Table of Contents

CITIZENS HOLDING COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of and for the three and six months ended June 30, 2011

(Unaudited)

Note 1. Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). However, these financial statements do not include all of the information and footnotes required by GAAP for complete financial statements. The interim consolidated financial statements are unaudited and reflect all adjustments and reclassifications, which, in the opinion of management, are necessary for a fair presentation of the results of operations and financial condition as of and for the interim periods presented. All adjustments and reclassifications are of a normal and recurring nature. Results for the period ended June 30, 2011, are not necessarily indicative of the results that may be expected for any other interim periods or for the year as a whole.

The interim consolidated financial statements of Citizens Holding Company include the accounts of its wholly-owned subsidiary, The Citizens Bank of Philadelphia (the Bank and collectively with Citizens Holding Company, the Corporation). All significant intercompany transactions have been eliminated in consolidation.

For further information and significant accounting policies of the Corporation, see the Notes to Consolidated Financial Statements of Citizens Holding Company included in the Corporation's Annual Report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission on March 15, 2011.

Note 2. Commitments and Contingent Liabilities

In the ordinary course of business, the Corporation enters into commitments to extend credit to its customers. The unused portion of these commitments is not reflected in the accompanying financial statements. As of June 30, 2011, the Corporation had entered into loan commitments with certain customers with an aggregate unused balance of \$28,835,248 compared to an aggregate unused balance of \$36,011,792 at December 31, 2010. There were \$3,120,825 of letters of credit outstanding at June 30, 2011, and \$3,141,959 at December 31, 2010. The fair value of such contracts is not considered material because letters of credit and loan commitments often are not used in their entirety, if at all, before they expire. The balances of such letters and commitments should not be used to project actual future liquidity requirements. However, the Corporation does incorporate expectations about the level of draws under its credit-related commitments into its asset and liability management program.

The Corporation is a party to lawsuits and other claims that arise in the ordinary course of business, all of which are being vigorously contested. In the regular course of business, management evaluates estimated losses or costs related to litigation, and provisions are made for anticipated losses whenever management believes that such losses are probable and can be reasonably estimated. At the present time, management believes, based on the advice of legal counsel, that the final resolution of pending legal proceedings will not have a material impact on the Corporation's consolidated financial condition or results of operations.

Table of Contents**Note 3. Net Income per Share**

Net income per share - basic has been computed based on the weighted average number of shares outstanding during each period. Net income per share - diluted has been computed based on the weighted average number of shares outstanding during each period plus the dilutive effect of outstanding stock options using the treasury stock method. Earnings per share was computed as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
Basic weighted average shares outstanding	4,841,438	4,833,609	4,840,770	4,832,749
Dilutive effect of granted options	12,799	22,588	9,056	32,882
Diluted weighted average shares outstanding	4,854,237	4,856,197	4,849,826	4,865,631
Net income	\$ 1,854,272	\$ 1,696,104	\$ 3,809,158	\$ 3,671,661
Net income per share-basic	\$ 0.38	\$ 0.35	\$ 0.79	\$ 0.76
Net income per share-diluted	\$ 0.38	\$ 0.35	\$ 0.79	\$ 0.75

Note 4. Stock Option Plan

At June 30, 2011, the Corporation had one stock-based compensation plan, which is the 1999 Directors' Stock Compensation Plan (the "Directors' Plan"). Prior to its expiration, the Corporation also had the 1999 Employees' Long-Term Incentive Plan, or the "Employees' Plan". The Corporation accounts for these plans under the stock compensation topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). This topic provides guidance related to share-based payment transactions, including valuation methods (including assumptions such as expected volatility and expected term), the classification of compensation expense, non-GAAP financial measures, first-time adoption in an interim period and disclosure in Management's Discussion and Analysis subsequent to adoption.

On April 27, 2011, the members of the Board of Directors were granted a total of 13,500 options as specified in the Directors' Plan. These options were granted at an exercise price of \$20.02 per option, which was the closing price of Citizens Holding Company stock on that day. These options are first exercisable on October 28, 2011, and must be exercised no later than April 27, 2021.

The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option-pricing model. The following assumptions were used in estimating the fair value of the options granted to the directors in the second quarter of 2011.

Table of Contents

Assumption	Directors
Dividend Yield	4.90%
Risk-Free Interest Rate	2.24%
Expected Life	8.1 years
Expected Volatility	74.47%
Calculated Value per Option	\$ 9.16
Forfeitures	0.00%

Using the Black-Scholes option-pricing model with the foregoing assumptions, it was determined that the cost of options granted under the Directors Plan in April 2011 was \$123,702 and should be recognized as an expense of \$20,617 per month over the six-month requisite service period, beginning in April 2011. This was recorded as salary expense with a credit to paid-in capital. A deferred tax on these options was recorded in the aggregate amount of \$46,140, or \$7,690 per month, over the six-month requisite service period, beginning in April 2011.

The following table below is a summary of the stock option activity for the three months ended June 30, 2011.

	Directors Plan Number of Shares	Weighted Average Exercise Price	Employees Plan Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2010	93,000	\$ 20.65	136,500	\$ 19.92
Granted	13,500	20.02		
Exercised	(4,500)	10.83	(1,000)	14.65
Expired				
Outstanding at June 30, 2011	102,000	\$ 21.00	135,500	\$ 19.96

The intrinsic value of options granted under the Directors Plan at June 30, 2011, was \$61,440 and the intrinsic value of options granted under the Employees Plan at June 30, 2011, was \$188,800 for a total intrinsic value at June 30, 2011, of \$250,240.

Note 5. Income Taxes

The income tax topic of the ASC defines the threshold for recognizing the benefits of tax return positions in the financial statements as more-likely-than-not to be sustained by the taxing authority. This topic also provides guidance on the derecognition, measurement and classification of income tax uncertainties, along with any related interest and penalties, and includes guidance concerning accounting for income tax uncertainties in interim periods. As of June 30, 2011, the Corporation had no unrecognized tax benefits related to federal and state income tax matters. Therefore, the Corporation does not anticipate any material increase or decrease in the effective tax rate during 2011 relative to any tax positions taken. It is the Corporation's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

Table of Contents

The Corporation and its subsidiaries file a consolidated United States federal income tax return. The Corporation is currently open to audit under the statute of limitations by the Internal Revenue Service for all tax years after 2007. The Corporation and its subsidiaries' state income tax returns are also open to audit under the statute of limitations for the same period.

Note 6. Loans

The composition of net loans at June 30, 2011 and December 31, 2010 is as follows:

	June 30, 2011	December 31, 2010
	(In Thousands)	
Real Estate:		
Land Development and Construction	\$ 11,464	\$ 21,838
Farmland	37,642	44,734
1-4 Family Mortgages	142,582	143,627
Commercial Real Estate	138,289	139,760
Total Real Estate Loans	329,977	349,959
Business Loans:		
Commercial and Industrial Loans	39,449	28,429
Farm Production and other Farm Loans	2,035	2,429
Total Business Loans	41,484	30,858
Consumer Loans:		
Credit Cards	990	990
Other Consumer Loans	40,228	40,292
Total Consumer Loans	41,218	41,282
Total Gross Loans	412,679	422,099
Unearned income	(246)	(223)
Allowance for loan losses	(6,360)	(6,379)
Loans, net	\$ 406,073	\$ 415,497

Loans are considered to be past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on non-accrual status, when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on non-accrual status regardless of whether or not such loans are considered past due. When interest accruals are discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received in excess of principal due. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Table of Contents

Period-end non-accrual loans, segregated by class of loans, were as follows:

	June 30, 2011	December 31, 2010
	(in thousands)	
Real Estate:		
Land Development and Construction	\$ 731	\$ 553
Farmland	394	581
1-4 Family Mortgages	1,802	1,741
Commercial Real Estate	6,717	6,590
 Total Real Estate Loans	 9,644	 9,465
Business Loans:		
Commercial and Industrial Loans	358	1,250
Farm Production and other Farm Loans	8	8
 Total Business Loans	 366	 1,258
Consumer Loans:		
Credit Cards		
Other Consumer Loans	291	209
 Total Consumer Loans	 291	 209
 Total Non-Accrual Loans	 \$ 10,301	 \$ 10,932

Table of Contents

An age analysis of past due loans, segregated by class of loans, as of June 30, 2011, was as follows (in thousands):

	Loans 30-89 Days Past Due	Loans 90 or more Days Past Due	Total Past Due Loans	Current Loans	Total Loans	Accruing Loans 90 or more Days Past Due
Real Estate:						
Land Development and Construction	\$ 212	\$ 63	\$ 275	\$ 11,189	\$ 11,464	\$
Farmland	865	136	1,001	36,641	37,642	
1-4 Family Mortgages	5,476	448	5,924	136,658	142,582	134
Commercial Real Estate	639	4,437	5,076	133,213	138,289	
Total Real Estate Loans	7,192	5,084	12,276	317,701	329,977	134
Business Loans:						
Commercial and Industrial Loans	408	190	598	38,851	39,449	
Farm Production and other Farm Loans	69	7	76	1,959	2,035	
Total Business Loans	477	197	674	40,810	41,484	
Consumer Loans:						
Credit Cards	16	61	77	913	990	61
Other Consumer Loans	1,694	120	1,774	38,454	40,228	13
Total Consumer Loans	1,710	141	1,851	39,367	41,218	74
Total Loans	\$ 9,379	\$ 5,422	\$ 14,801	\$ 397,878	\$ 412,679	\$ 208

Table of Contents

An age analysis of past due loans, segregated by class of loans, as of December 31, 2010 was as follows (in thousands):

	Loans 30-89 Days Past Due	Loans 90 or more Days Past Due	Total Past Due Loans	Current Loans	Total Loans	Accruing Loans 90 or more Days Past Due
Real Estate:						
Land Development and Construction	\$ 312	\$ 808	\$ 1,120	\$ 20,718	\$ 21,838	\$ 447
Farmland	1,675	417	2,092	42,642	44,734	115
1-4 Family Mortgages	5,231	808	6,039	137,588	143,627	63
Commercial Real Estate	1,564	95	1,659	138,101	139,760	
Total Real Estate Loans	8,782	2,128	10,910	339,049	349,959	625
Business Loans:						
Commercial and Industrial Loans	1,763	502	2,265	26,164	28,429	300
Farm Production and other Farm Loans	39	5	44	2,385	2,429	5
Total Business Loans	1,802	507	2,309	28,549	30,858	305
Consumer Loans:						
Credit Cards	21	70	91	899	990	70
Other Consumer Loans	2,268	139	2,407	37,885	40,292	23
Total Consumer Loans	2,289	209	2,498	38,784	41,282	93
Total Loans	\$ 12,873	\$ 2,844	\$ 15,717	\$ 406,382	\$ 422,099	\$ 1,023

Loans are considered impaired when, based on current information and events, it is probable the Corporation will be unable to collect all the amounts due in accordance with the original contractual terms of the loan agreement, including scheduled principal and interest payments. In determining which loans to evaluate for impairment, management looks at past due loans, bankruptcy filing and any situation that might lend itself to cause a borrower to be unable to repay the loan according to the original contract terms. If a loan is determined to be impaired and the collateral is deemed to be insufficient to fully repay the loan, a specific reserve will be established. 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.

Table of Contents

Impaired loans as of June 30, 2011 and December 31, 2010, by class of loans, are as follows (in thousands):

June 30, 2011	Unpaid Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
Real Estate:						
Land Development and Construction	\$ 731	\$ 579	\$ 152	\$ 731	\$ 156	\$ 739
Farmland	394	364	30	394	9	392
1-4 Family Mortgages	1,900	973	927	1,900	236	2,523
Commercial Real Estate	7,106	4,710	2,396	7,106	832	7,105
Total Real Estate Loans	10,131	6,626	3,505	10,131	1,233	10,759
Business Loans:						
Commercial and Industrial Loans	448	248	200	448	116	573
Farm Production and other Farm Loans	7	7		7		3
Total Business Loans	455	255	200	455	116	576
Consumer Loans:						
Credit Cards						
Other Consumer Loans	292	292		292		263
Total Consumer Loans	292	292		292		263
Total Loans	\$ 10,878	\$ 7,173	\$ 3,705	\$ 10,878	\$ 1,349	\$ 11,598

Table of Contents

December 31, 2010	Unpaid Principal Balance	Recorded Investment With No Allowance	Recorded Investment With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
Real Estate:						
Land Development and Construction	\$ 553	\$ 391	\$ 162	\$ 553	\$ 156	\$ 630
Farmland	581	394	187	581	79	534
1-4 Family Mortgages	1,840	967	873	1,840	196	1,801
Commercial Real Estate	6,981	4,443	2,538			