FIRST BUSINESS FINANCIAL SERVICES, INC.
Form 10-Q
August 07, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
þ 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
Commission file number 001-34095
FIRST BUSINESS FINANCIAL SERVICES, INC.
(Exact name of registrant as specified in its charter)

Wisconsin	39-1576570
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
401 Charmany Drive, Madison, WI	53719
(Address of Principal Executive Offices)	(Zip Code)

(608) 238-8008
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 þ No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 þ 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 þ	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 þ
The number of shares outstanding of the registrant's sole class of common stock, par value $0.01 per share, on August 5, 2015 was 4,334,918 shares.

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PART I. Financial Information
Item 1. Financial Statements
First Business Financial Services, Inc.
Consolidated Balance Sheets

	June 30, 2015 (unaudited)	December 31, 2014
	(In Thousands, Except Share Data)	
Assets		
Cash and due from banks	$12,829	$14,881
Short-term investments	76,019	88,356
Cash and cash equivalents	88,848	103,237
Securities available-for-sale, at fair value	146,342	144,698
Securities held-to-maturity, at amortized cost	39,428	41,563
Loans held for sale	1,274	1,340
Loans and leases receivable, net of allowance for loan and lease losses of $15,199 and $14,329, respectively	1,334,091	1,265,098
Premises and equipment, net	3,998	3,943
Foreclosed properties	1,854	1,693
Cash surrender value of bank-owned life insurance	27,785	27,314
Investment in Federal Home Loan Bank and Federal Reserve Bank stock, at cost	2,891	2,340
Accrued interest receivable and other assets	24,920	26,217
Goodwill and other intangible assets	12,133	11,944
Total assets	$1,683,564	$1,629,387
Liabilities and Stockholders' Equity		
Deposits	$1,471,068	$1,438,268
Federal Home Loan Bank and other borrowings	47,401	33,994
Junior subordinated notes	10,315	10,315
Accrued interest payable and other liabilities	10,493	9,062
Total liabilities	1,539,277	1,491,639
Commitments and contingencies	—	—
Stockholders' equity:		
Preferred stock, $0.01 par value, 2,500,000 shares authorized, none issued or outstanding	—	—
Common stock, $0.01 par value, 25,000,000 shares authorized, 4,545,457 and 4,537,426 shares issued, 4,334,918 and 4,335,927 shares outstanding at June 30, 2015 and December 31, 2014, respectively	45	45
Additional paid-in capital	75,792	74,963
Retained earnings	74,028	67,886
Accumulated other comprehensive income	207	218
Treasury stock (210,539 and 201,499 shares at June 30, 2015 and December 31, 2014, respectively), at cost	(5,785)	(5,364)
Total stockholders' equity	144,287	137,748
Total liabilities and stockholders' equity	$1,683,564	$1,629,387

See accompanying Notes to Unaudited Consolidated Financial Statements.

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First Business Financial Services, Inc.
Consolidated Statements of Income (Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
	(In Thousands, Except Per Share Data)			
Interest income:				
Loans and leases	$16,680	$12,651	$34,005	$25,126
Securities income	748	855	1,524	1,721
Short-term investments	92	59	207	119
Total interest income	17,520	13,565	35,736	26,966
Interest expense:				
Deposits	2,593	2,337	5,162	4,506
Notes payable and other borrowings	461	152	904	310
Junior subordinated notes	278	277	552	551
Total interest expense	3,332	2,766	6,618	5,367
Net interest income	14,188	10,799	29,118	21,599
Provision for loan and lease losses	520	(91)	1,204	89
Net interest income after provision for loan and lease losses	13,668	10,890	27,914	21,510
Non-interest income:				
Trust and investment services fee income	1,279	1,110	2,486	2,178
Service charges on deposits	693	600	1,389	1,167
Loan fees	499	380	1,001	769
Increase in cash surrender value of bank-owned life insurance	238	209	472	416
Gain on sale of loans	1,064	—	1,717	—
Other	353	59	909	149
Total non-interest income	4,126	2,358	7,974	4,679
Non-interest expense:				
Compensation	6,924	4,741	14,278	9,798
Occupancy	486	315	986	638
Professional fees	1,515	895	2,504	1,527
Data processing	655	423	1,185	839
Marketing	701	364	1,343	711
Equipment	298	125	606	255
FDIC insurance	220	173	433	363
Collateral liquidation costs	78	85	380	243
Net loss (gain) on foreclosed properties	1	4	(15)	4
Other	1,096	624	2,006	1,222
Total non-interest expense	11,974	7,749	23,706	15,600
Income before income tax expense	5,820	5,499	12,182	10,589
Income tax expense	1,962	1,994	4,132	3,747
Net income	$3,858	$3,505	$8,050	$6,842
Earnings per common share:				
Basic	$0.89	$0.89	$1.86	$1.73
Diluted	$0.89	$0.88	$1.86	$1.72
Dividends declared per share	$0.22	$0.21	$0.44	$0.42

See accompanying Notes to Unaudited Consolidated Financial Statements.

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First Business Financial Services, Inc.
Consolidated Statements of Comprehensive Income (Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
	(In Thousands)			
Net income	$3,858	$3,505	$8,050	$6,842
Other comprehensive (loss) income, before tax				
Securities available-for-sale:				
Unrealized securities (losses) gains arising during the period	(910)	1,793	(145)	2,142
Securities held-to-maturity:				
Unrealized losses transferred to held-to-maturity	—	(874)	—	(874)
Amortization of net unrealized losses transferred from available-for-sale	64	25	127	25
Income tax benefit (expense)	327	(364)	7	(499)
Comprehensive income	$3,339	$4,085	$8,039	$7,636

See accompanying Notes to Unaudited Consolidated Financial Statements.

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First Business Financial Services, Inc.
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

	Common shares outstanding	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss) income	Treasury stock	Total
	(In Thousands, Except Share Data)						
Balance at December 31, 2013	3,943,997	$41	$56,002	$57,143	$(342)	$(3,569)	$109,275
Net income	—	—	—	6,842	—	—	6,842
Other comprehensive income	—	—	—	—	794	—	794
Exercise of stock options	2,000	—	48	—	—	—	48
Share-based compensation - restricted shares	996	—	389	—	—	—	389
Share-based compensation - tax benefits	—	—	38	—	—	—	38
Cash dividends ($0.42 per share)	—	—	—	(1,657)	—	—	(1,657)
Treasury stock purchased	(1,773)	—	—	—	—	(81)	(81)
Balance at June 30, 2014	3,945,220	$41	$56,477	$62,328	$452	$(3,650)	$115,648

	Common shares outstanding	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock	Total
	(In Thousands, Except Share Data)						
Balance at December 31, 2014	4,335,927	$45	$74,963	$67,886	$218	$(5,364)	$137,748
Net income	—	—	—	8,050	—	—	8,050
Other comprehensive loss	—	—	—	—	(11)	—	(11)
Exercise of stock options	12,000	—	300	—	—	—	300
Share-based compensation - restricted shares	(3,969)	—	449	—	—	—	449
Share-based compensation - tax benefits	—	—	80	—	—	—	80
Cash dividends ($0.44 per share)	—	—	—	(1,908)	—	—	(1,908)
Treasury stock purchased	(9,040)	—	—	—	—	(421)	(421)
Balance at June 30, 2015	4,334,918	$45	$75,792	$74,028	$207	$(5,785)	$144,287

See accompanying Notes to Unaudited Consolidated Financial Statements.

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First Business Financial Services, Inc.
Consolidated Statements of Cash Flows (Unaudited)

	For the Six Months Ended June 30, 2015	2014
	(In Thousands)	
Operating activities		
Net income	$8,050	$6,842
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes, net	490	443
Provision for loan and lease losses	1,204	89
Depreciation, amortization and accretion, net	(604)	870
Share-based compensation	449	389
Increase in cash surrender value of bank-owned life insurance	(472)	(416)
Origination of loans for sale	(32,473)	—
Sale of loans originated for sale	34,256	—
Gain on sale of loans originated for sale	(1,717)	—
Net (gain) loss on foreclosed properties, including impairment valuation	(15)	4
Excess tax benefit from share-based compensation	(80)	(38)
Decrease (increase) in accrued interest receivable and other assets	192	(224)
Increase (decrease) in accrued interest payable and other liabilities	1,514	(1,328)
Net cash provided by operating activities	10,794	6,631
Investing activities		
Proceeds from maturities, redemptions and paydowns of available-for-sale securities	21,777	25,038
Proceeds from maturities, redemptions and paydowns of held-to-maturity securities	2,175	290
Purchases of available-for-sale securities	(24,189)	(31,648)
Proceeds from sale of foreclosed properties	143	—
Net increase in loans and leases	(69,107)	(26,760)
Distributions from limited partnerships	332	203
Investment in FHLB and FRB Stock	(928)	(467)
Proceeds from sale of FHLB Stock	377	373
Purchases of leasehold improvements and equipment, net	(420)	(159)
Net cash used in investing activities	(69,840)	(33,130)
Financing activities		
Net increase in deposits	33,106	36,842
Proceeds from FHLB advances	13,000	—
Net increase in short-term borrowed funds	500	—
Repayment of subordinated notes payable	—	(4,000)
Excess tax benefit from share-based compensation	80	38
Cash dividends paid	(1,908)	(1,657)
Exercise of stock options	300	48
Purchase of treasury stock	(421)	(81)
Net cash provided by financing activities	44,657	31,190
Net (decrease) increase in cash and cash equivalents	(14,389)	4,691
Cash and cash equivalents at the beginning of the period	103,237	81,286
Cash and cash equivalents at the end of the period	$88,848	$85,977
Supplementary cash flow information		

Cash paid during the period for:		
Interest paid on deposits and borrowings	$6,574	$5,160
Income taxes paid	1,469	2,867
Non-cash investing and financing activities:		
Transfer of securities from available-for-sale to held-to-maturity	—	44,587
Unrealized loss on transfer from available-for-sale to held-to-maturity	—	(874)
Transfer to foreclosed properties	289	—

See accompanying Notes to Unaudited Consolidated Financial Statements.

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Notes to Unaudited Consolidated Financial Statements

Note 1 — Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations. The accounting and reporting practices of First Business Financial Services, Inc. (the “Corporation”), its wholly-owned subsidiaries, First Business Bank (“FBB”), First Business Bank – Milwaukee (“FBB – Milwaukee”) and Alterra Bank (“Alterra”) have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). FBB, FBB – Milwaukee and Alterra are sometimes referred to together as the “Banks.” FBB operates as a commercial banking institution in the Madison, Wisconsin market, consisting primarily of Dane County and the surrounding areas, with loan production offices in Northeast Wisconsin. FBB also offers trust and investment services through First Business Trust & Investments (“FBTI”), a division of FBB. FBB – Milwaukee operates as a commercial banking institution in the Milwaukee, Wisconsin market, consisting primarily of Waukesha County and the surrounding areas, with a loan production office in Kenosha, Wisconsin. Alterra operates as a commercial banking institution in the Kansas City market and the surrounding areas. The Banks provide a full range of financial services to businesses, business owners, executives, professionals and high net worth individuals. The Banks are subject to competition from other financial institutions and service providers and are also subject to state and federal regulations. FBB has the following wholly-owned subsidiaries: First Business Capital Corp. (“FBCC”), First Madison Investment Corp. (“FMIC”), First Business Equipment Finance, LLC (“FBEF”), Rimrock Road Investment Fund, LLC (“Rimrock Road”) and BOC Investment, LLC (“BOC”). FMIC is located in and was formed under the laws of the state of Nevada. FBB-Milwaukee has one subsidiary, FBB – Milwaukee Real Estate, LLC (“FBBMRE”).

Basis of Presentation. The accompanying unaudited Consolidated Financial Statements were prepared in accordance with GAAP and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Corporation’s Consolidated Financial Statements and footnotes thereto included in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2014. The unaudited Consolidated Financial Statements include the accounts of the Corporation and its wholly-owned subsidiaries. In accordance with the provisions of Accounting Standards Codification (“ASC”) Topic 810, the Corporation’s ownership interest in FBFS Statutory Trust II (“Trust II”) has not been consolidated into the financial statements. All significant intercompany balances and transactions have been eliminated in consolidation.

Management of the Corporation is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. Material estimates that could significantly change in the near-term include the value of foreclosed property, lease residuals, property under operating leases, securities, income taxes and the level of the allowance for loan and lease losses. The results of operations for the six-month period ended June 30, 2015 are not necessarily indicative of results that may be expected for any other interim period or the entire fiscal year ending December 31, 2015. Certain amounts in prior periods may have been reclassified to conform to the current presentation. Subsequent events have been evaluated through the date of the issuance of the Consolidated Financial Statements. No significant subsequent events have occurred through this date requiring adjustment to the financial statements or disclosures.

The Corporation has not changed its significant accounting and reporting policies from those disclosed in the Corporation’s Form 10-K for the year ended December 31, 2014 except as described further below in this Note 1.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 666).” The ASU is a converged standard between the FASB and the IASB that provides a single comprehensive revenue recognition model for all contracts with customers across transactions and industries. The primary objective of the ASU is revenue recognition that represents the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU is effective for interim and annual reporting periods beginning after December 15, 2016. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation’s consolidated financial position or results of operations.

In June 2014, the FASB issued ASU No. 2014-12, “Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period.” This ASU requires a reporting entity to treat a performance target that affects vesting and that could be achieved after the requisite service period as a performance condition. A reporting entity should apply FASB ASC Topic 718, Compensation-Stock Compensation, to awards with performance conditions that affect vesting. For all entities, ASU 2014-12 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted. ASU 2014-12 may be

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adopted either prospectively for share-based payment awards granted or modified on or after the effective date, or retrospectively, using a modified retrospective approach. The modified retrospective approach would apply to share-based payment awards outstanding as of the beginning of the earliest annual period presented in the financial statements on adoption, and to all new or modified awards thereafter. While the Corporation does not have any performance-based awards outstanding as of the reporting date, the Corporation's equity incentive plan does allow for such awards. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation's consolidated financial position or results of operations.

In August 2014, the FASB issued ASU 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." This ASU describes how an entity should assess its ability to meet obligations and sets rules for how this information should be disclosed in the financial statements. The standard provides accounting guidance that will be used along with existing auditing standards. The ASU is effective for interim and annual periods beginning after December 15, 2016. Early application is permitted. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation's consolidated financial position or results of operations.

In February 2015, the FASB issued ASU 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis." This ASU changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity (VIE), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. It also eliminates the VIE consolidation model based on majority exposure to variability that applied to certain investment companies and similar entities. The new guidance excludes money market funds that are required to comply with Rule 2a-7 of the Investment Company Act of 1940 and similar entities from the U.S. GAAP consolidation requirements. The new consolidation guidance is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2015. At the effective date, all previous consolidation analysis that the guidance affects must be reconsidered. This includes the consolidation analysis for all VIEs and for all limited partnerships and similar entities that previously were consolidated by the general partner even though the entities were not VIEs. Early adoption is permitted, including early adoption in an interim period. If a reporting enterprise chooses to early adopt in an interim period, adjustments resulting from the revised consolidation analysis must be reflected as of the beginning of the fiscal year that includes that interim period. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation's consolidated financial position or results of operations.

In April 2015, the FASB issued ASU 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." This ASU intends to simplify the presentation of debt issuance costs. This ASU is effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation's consolidated financial position or results of operations.

In April 2015, the FASB issued ASU 2015-05, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement." This ASU provides explicit guidance to help companies evaluate the accounting for fees paid by a customer in a cloud computing arrangement. The new guidance clarifies that if a cloud computing arrangement includes a software license, the customer should account for the license consistent with its accounting for other software licenses. If the arrangement does not include a software license, the customer should account for the arrangement as a service contract. This ASU is effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. An entity can elect to adopt the amendments either prospectively for all arrangements entered into or materially modified after the effective date, or retrospectively. Early adoption is permitted for all entities. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation's consolidated financial position or results of operations.

In May 2015, the FASB issued ASU 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." This ASU will eliminate the requirement to categorize investments in the fair value hierarchy if their fair value is measured at net asset value (NAV) per share (or its equivalent) using the practical expedient in the FASB's fair value measurement guidance. Reporting entities are required to adopt the ASU retrospectively. The effective date for public business entities is fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted for all entities. The Corporation is in the process of evaluating the impact of this standard but does not expect this standard to have a material impact on the Corporation's consolidated financial position or results of operations.

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Note 2 — Earnings Per Common Share

Earnings per common share are computed using the two-class method. Basic earnings per common share are computed by dividing net income allocated to common shares by the weighted average number of shares outstanding during the applicable period, excluding outstanding participating securities. Participating securities include unvested restricted shares. Unvested restricted shares are considered participating securities because holders of these securities receive non-forfeitable dividends at the same rate as holders of the Corporation's common stock. Diluted earnings per share are computed by dividing net income allocated to common shares adjusted for reallocation of undistributed earnings of unvested restricted shares by the weighted average number of shares determined for the basic earnings per common share computation plus the dilutive effect of common stock equivalents using the treasury stock method.

For both the three and six month periods ending June 30, 2015 and 2014, there were no average anti-dilutive employee share-based awards.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
	(Dollars in Thousands, Except Per Share Data)			
Basic earnings per common share				
Net income	$3,858	$3,505	$8,050	$6,842
Less: earnings allocated to participating securities	65	75	138	147
Basic earnings allocated to common shareholders	$3,793	$3,430	$7,912	$6,695
Weighted-average common shares outstanding, excluding participating securities	4,261,127	3,860,087	4,261,218	3,859,795
Basic earnings per common share	$0.89	$0.89	$1.86	$1.73
Diluted earnings per common share				
Earnings allocated to common shareholders	$3,793	$3,430	$7,912	$6,695
Reallocation of undistributed earnings	—	—	—	—
Diluted earnings allocated to common shareholders	$3,793	$3,430	$7,912	$6,695
Weighted-average common shares outstanding, excluding participating securities	4,261,127	3,860,087	4,261,218	3,859,795
Dilutive effect of share-based awards	—	23,268	1,121	22,203
Weighted-average diluted common shares outstanding, excluding participating securities	4,261,127	3,883,355	4,262,339	3,881,998
Diluted earnings per common share	$0.89	$0.88	$1.86	$1.72

Note 3 — Share-Based Compensation

The Corporation adopted the 2012 Equity Incentive Plan (the "Plan") during the quarter ended June 30, 2012. The Plan is administered by the Compensation Committee of the Board of Directors of the Corporation and provides for the grant of equity ownership opportunities through incentive stock options and nonqualified stock options (together, "Stock Options"), restricted stock, restricted stock units, dividend equivalent units, and any other type of award permitted by the Plan. As of June 30, 2015, 178,738 shares were available for future grants under the Plan. Shares covered by awards that expire, terminate or lapse will again be available for the grant of awards under the Plan. The Corporation may issue new shares and shares from treasury for shares delivered under the Plan.

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Stock Options

The Corporation may grant Stock Options to senior executives and other employees under the Plan. Stock Options generally have an exercise price that is equal to the fair value of the common shares on the date the option is awarded. Stock Options granted under the Plan are subject to graded vesting, generally ranging from 4 years to 8 years, and have a contractual term of 10 years. For any new awards issued, compensation expense is recognized over the requisite service period for the entire award on a straight-line basis. No Stock Options have been granted since the Corporation became a reporting company under the Securities Exchange Act of 1934, as amended, and no Stock Options have been modified, repurchased or canceled since such time. For that reason, no stock-based compensation related to Stock Options was recognized in the Consolidated Financial Statements for the three and six months ended June 30, 2015 and 2014. As of June 30, 2015, all Stock Options granted and not previously forfeited have vested. The benefits of tax deductions as a result of disqualifying dispositions upon exercise of stock options are recognized as a financing cash flow.

Stock Option activity for the year ended December 31, 2014 and six months ended June 30, 2015 was as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding at December 31, 2013	51,000	$24.24	0.88
Granted	—	—	
Exercised	(39,000)	24.00	
Expired	—	—	
Forfeited	—	—	
Outstanding at December 31, 2014	12,000	$25.00	0.13
Exercisable at December 31, 2014	12,000	$25.00	0.13
Outstanding as of December 31, 2014	12,000	$25.00	0.13
Granted	—	—	
Exercised	(12,000)	25.00	
Expired	—	—	
Forfeited	—	—	
Outstanding as of June 30, 2015	—	$—	
Exercisable at June 30, 2015	—	$—	

Restricted Stock

Under the Plan, the Corporation may grant restricted shares to plan participants, subject to forfeiture upon the occurrence of certain events until the dates specified in the participant’s award agreement. While the restricted shares are subject to forfeiture, the participant may exercise full voting rights and will receive all dividends and other distributions paid with respect to the restricted shares. The restricted shares granted under the Plan are subject to graded vesting. Compensation expense is recognized over the requisite service period of generally four years for the entire award on a straight-line basis. Upon vesting of restricted share awards, the benefit of tax deductions in excess of recognized compensation expense is recognized as a financing cash flow activity.

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Restricted share activity for the year ended December 31, 2014 and the six months ended June 30, 2015 was as follows:

	Number of Restricted Shares	Weighted Average Grant-Date Fair Value
Nonvested balance as of December 31, 2013	84,709	$23.10
Granted	32,261	44.98
Vested	(39,471)	19.71
Forfeited	—	—
Nonvested balance as of December 31, 2014	77,499	33.94
Granted	500	46.60
Vested	(913)	44.23
Forfeited	(4,469)	31.37
Nonvested balance as of June 30, 2015	72,617	$34.05

As of June 30, 2015, $1.7 million of deferred compensation expense was included in additional paid-in capital in the Consolidated Balance Sheets related to unvested restricted shares which the Corporation expects to recognize over a weighted-average period of approximately 2.5 years. As of June 30, 2015, all restricted shares that vested were delivered.

For the three and six months ended June 30, 2015 and 2014, share-based compensation expense related to restricted stock included in the Consolidated Statements of Income was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
	(In Thousands)			
Share-based compensation expense	$215	$196	$449	$389

Note 4 — Securities

The amortized cost and estimated fair value of securities available-for-sale and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income were as follows:

	As of June 30, 2015			
	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
	(In Thousands)			
Available-for-sale:				
U.S. Government agency obligations - government-sponsored enterprises	$8,047	$13	$(37)	$8,023
Municipal obligations	3,254	4	(11)	3,247
Asset-backed securities	1,441	4	—	1,445
Collateralized mortgage obligations - government issued	54,918	1,178	(114)	55,982
Collateralized mortgage obligations - government-sponsored enterprises	77,765	233	(353)	77,645
	$145,425	$1,432	$(515)	$146,342

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	As of December 31, 2014			
	Amortized cost	Gross unrealized holding gains	Gross unrealized holding losses	Estimated fair value
	(In Thousands)			
Available-for-sale:				
U.S. Government agency obligations - government-sponsored enterprises	$9,046	$—	$(81)	$8,965
Municipal obligations	573	5	—	578
Asset-backed securities	1,514	$—	(4)	1,510
Collateralized mortgage obligations - government issued	67,740	1,390	(256)	68,874
Collateralized mortgage obligations - government-sponsored enterprises	64,763	234	(226)	64,771
	$143,636	$1,629	$(567)	$144,698

The amortized cost and estimated fair value of securities held-to-maturity and the corresponding amounts of gross unrecognized gains and losses were as follows:

	As of June 30, 2015			
	Amortized cost	Gross unrecognized holding gains	Gross unrecognized holding losses	Estimated fair value
	(In Thousands)			
Held-to-maturity:				
U.S. Government agency obligations - government-sponsored enterprises	$1,494	$4	$(9)	$1,489
Municipal obligations	16,063	48	(40)	16,071
Collateralized mortgage obligations - government issued	13,106	73	(39)	13,140
Collateralized mortgage obligations - government-sponsored enterprises	8,765	—	(46)	8,719
	$39,428	$125	$(134)	$39,419

	As of December 31, 2014			
	Amortized cost	Gross unrecognized holding gains	Gross unrecognized holding losses	Estimated fair value
	(In Thousands)			
Held-to-maturity:				
U.S. Government agency obligations - government-sponsored enterprises	$1,490	$—	$(17)	$1,473
Municipal obligations	16,088	85	(18)	16,155
Collateralized mortgage obligations - government issued	14,505	57	(31)	14,531
Collateralized mortgage obligations - government-sponsored enterprises	9,480	74	(19)	9,535
	$41,563	$216	$(85)	$41,694

U.S. Government agency obligations - government-sponsored enterprises represent securities issued by the Federal Home Loan Mortgage Corporation (“FHLMC”) and Federal National Mortgage Association (“FNMA”). Collateralized mortgage obligations - government issued represent securities guaranteed by the Government National Mortgage Association

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(“GNMA”). Collateralized mortgage obligations - government-sponsored enterprises include securities guaranteed by the FHLMC and the FNMA. Asset-backed securities represent securities issued by the Student Loan Marketing Association (“SLMA”) which are 97% guaranteed by the U.S. government. Municipal obligations include securities issued by various municipalities located primarily within the State of Wisconsin and are primarily general obligation bonds that are tax-exempt in nature. There were no sales of securities available-for-sale for the three and six months ended June 30, 2015 and 2014.

At June 30, 2015 and December 31, 2014, securities with a fair value of $28.0 million and $32.7 million, respectively, were pledged to secure interest rate swap contracts, outstanding Federal Home Loan Bank (“FHLB”) advances, if any, and additional FHLB availability.
The amortized cost and estimated fair value of securities by contractual maturity at June 30, 2015 are shown below. Actual maturities may differ from contractual maturities because issuers have the right to call or prepay certain obligations without call or prepayment penalties.

	Available-for-Sale		Held-to-Maturity	
	Amortized cost	Estimated fair value	Amortized cost	Estimated fair value
	(In Thousands)			
Due in one year or less	$—	$—	$—	$—
Due in one year through five years	10,384	10,360	3,389	3,383
Due in five through ten years	84,949	85,407	13,668	13,681
Due in over ten years	50,092	50,575	22,371	22,355
	$145,425	$146,342	$39,428	$39,419

The tables below show the Corporation’s gross unrealized losses and fair value of available-for-sale investments with unrealized losses, aggregated by investment category and length of time that individual investments were in a continuous loss position at June 30, 2015 and December 31, 2014. At June 30, 2015 and December 31, 2014, the Corporation held 66 and 59 available-for-sale securities that were in an unrealized loss position, respectively. Such securities have not experienced credit rating downgrades; however, they have primarily declined in value due to the current interest rate environment. At June 30, 2015, the Corporation held 17 available-for-sale securities that had been in a continuous unrealized loss position for twelve months or greater.

The Corporation also has not specifically identified available-for-sale securities in a loss position that it intends to sell in the near term and does not believe that it will be required to sell any such securities. It is expected that the Corporation will recover the entire amortized cost basis of each security based upon an evaluation of the present value of the expected future cash flows. Accordingly, no other than temporary impairment was recorded in the Consolidated Statements of Income for the six months ended June 30, 2015 and 2014.

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A summary of unrealized loss information for securities available-for-sale, categorized by security type follows:

	As of June 30, 2015					
	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
	(In Thousands)					
Available-for-sale:						
U.S. Government agency obligations - government-sponsored enterprises	$999	$1	$3,714	$36	$4,713	$37
Municipal obligations	2,423	11	—	—	2,423	11
Collateralized mortgage obligations - government issued	2,970	14	6,878	100	9,848	114
Collateralized mortgage obligations - government-sponsored enterprises	40,081	292	4,604	61	44,685	353
	$46,473	$318	$15,196	$197	$61,669	$515

	As of December 31, 2014					
	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
	(In Thousands)					
Available-for-sale:						
U.S. Government agency obligations - government-sponsored enterprises	$3,486	$12	$5,479	$69	$8,965	$81
Asset-backed securities	—	$—	1,510	4	1,510	4
Collateralized mortgage obligations - government issued	9,201	50	9,536	206	18,737	256
Collateralized mortgage obligations - government-sponsored enterprises	29,498	97	4,993	129	34,491	226
	$42,185	$159	$21,518	$408	$63,703	$567

The tables below show the Corporation’s gross unrecognized losses and fair value of held-to-maturity investments, aggregated by investment category and length of time that individual investments were in a continuous loss position at June 30, 2015 and December 31, 2014. At June 30, 2015 and December 31, 2014, the Corporation held 37 and 57 held-to-maturity securities that were in an unrecognized loss position, respectively. Such securities have not experienced credit rating downgrades; however, they have primarily declined in value due to the current interest rate environment. There were four held-to-maturity securities that were in a continuous unrecognized loss position for twelve months or greater as of June 30, 2015. It is expected that the Corporation will recover the entire amortized cost basis of each held-to-maturity security based upon an evaluation of the present value of the expected future cash flows. Accordingly, no other than temporary impairment was recorded in the Consolidated Statements of Income for the six months ended June 30, 2015.

A summary of unrecognized loss information for securities held-to-maturity, categorized by security type follows:

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	As of June 30, 2015					
	Less than 12 months		12 months or longer		Total	
	Fair value	Unrecognized losses	Fair value	Unrecognized losses	Fair value	Unrecognized losses
	(In Thousands)					
Held-to-maturity:						
U.S. Government agency obligations - government-sponsored enterprises	$—	$—	$1,000	$9	$1,000	$9
Municipal obligations	4,217	28	398	12	4,615	40
Collateralized mortgage obligations - government issued	6,426	39	—	—	6,426	39
Collateralized mortgage obligations - government-sponsored enterprises	8,765	46	—	—	8,765	46
	$19,408	$113	$1,398	$21	$20,806	$134

	As of December 31, 2014					
	Less than 12 months		12 months or longer		Total	
	Fair value	Unrecognized losses	Fair value	Unrecognized losses	Fair value	Unrecognized losses
	(In Thousands)					
Held-to-maturity:						
U.S. Government agency obligations - government-sponsored enterprises	$1,490	$17	$—	$—	$1,490	$17
Municipal obligations	2,222	18	—	—	2,222	18
Collateralized mortgage obligations - government issued	3,247	31	—	—	3,247	31
Collateralized mortgage obligations - government-sponsored enterprises	3,076	19	—	—	3,076	19
	$10,035	$85	$—	$—	$10,035	$85

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Note 5 — Loan and Lease Receivables, Impaired Loans and Leases and Allowance for Loan and Lease Losses

Loan and lease receivables consist of the following:

	June 30, 2015	December 31, 2014
	(In Thousands)	
Commercial real estate		
Commercial real estate — owner occupied	$169,768	$163,884
Commercial real estate — non-owner occupied	400,018	417,962
Construction and land development	140,318	121,160
Multi-family	86,912	72,578
1-4 family (1)	47,091	36,182
Total commercial real estate	844,107	811,766
Commercial and industrial (2)	454,868	416,654
Direct financing leases, net	28,723	34,165
Consumer and other		
Home equity and second mortgages (3)	9,466	7,866
Other	14,547	11,341
Total consumer and other	24,013	19,207
Total gross loans and leases receivable	1,351,711	1,281,792
Less:		
Allowance for loan and lease losses	15,199	14,329
Deferred loan fees	1,147	1,025
Loans and leases receivable, net	$1,335,365	$1,266,438

(1) Includes residential real estate loans held for sale totaling $331,000 as of June 30, 2015 and $1.3 million as of December 31, 2014.
(2) Includes guaranteed portion of SBA loans held for sale totaling $638,000 as of June 30, 2015.
(3) Includes guaranteed portion of SBA loans held for sale totaling $305,000 as of June 30, 2015.

Loans transferred to third parties consist of the guaranteed portion of SBA loans as well as participation interests in other originated loans. The total principal amount of loans transferred during the three months ended June 30, 2015 and 2014 was $32.0 million and $6.6 million, respectively. For the six months ended June 30, 2015 and 2014, $46.6 million and $11.7 million of loans were transferred to third parties, respectively. Each of the transfers of these financial assets met the qualifications for sale accounting, including the requirements specific to loan participations, and therefore all of the loans transferred during the three and six months ended June 30, 2015 and June 30, 2014 have been derecognized in the unaudited Consolidated Financial Statements. The Corporation has a continuing involvement in each of the agreements by way of relationship management and servicing the loans; however, there are no further obligations to the third-party participant required of the Corporation in the event of a borrower’s default, other than standard representations and warranties related to sold amounts. The guaranteed portion of SBA loans were transferred at their fair value and the related gain was recognized upon the transfer as non-interest income in the unaudited Consolidated Financial Statements. No gain or loss was recognized on participation interests in other originated loans as they were transferred at or near the date of loan origination and the payments received for servicing the portion of the loans participated represents adequate compensation. The total amount of loan participations purchased on the Corporation’s Consolidated Balance Sheets as of June 30, 2015 and December 31, 2014 was $475,000 and $482,000, respectively.

The total amount of outstanding loans transferred to third parties as loan participations sold at June 30, 2015 and December 31, 2014 was $140.0 million and $116.6 million, respectively, all of which was treated as a sale and derecognized under the applicable accounting guidance in effect at the time of the transfers of the financial assets. The

Corporation’s continuing involvement with these loans is by way of partial ownership, relationship management and all servicing responsibilities. As of June 30, 2015 and December 31, 2014, the total amount of the Corporation’s partial ownership of loans on the Corporation’s Consolidated Balance Sheets was $98.4 million and $96.4 million, respectively. As of June 30, 2015, $1.0 million loans in this participation sold portfolio were considered impaired as compared to $1.2 million as of December 31, 2014. The Corporation does not share in the participant’s portion of the charge-offs.

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The Corporation sells residential real estate loans, servicing released, in the secondary market. The total principal amount of residential real estate loans sold during the three and six months ended June 30, 2015 was $10.3 million and $19.5 million, respectively. No residential real estate loans were originated or sold during the three months ended June 30, 2014. Each of the transfers of these financial assets met the qualifications for sale accounting, and therefore all of the loans transferred during the three and six months ended June 30, 2015 have been derecognized in the unaudited Consolidated Financial Statements. The Corporation has a continuing involvement in each of the transactions by way of relationship management; however, there are no further obligations of the Corporation in the event of a borrower's default, other than standard representations and warranties related to the sold amount. The loans were transferred at their fair value and the related gain was recognized as non-interest income upon the transfer in the unaudited Consolidated Financial Statements.

ASC 310-30, Accounting for Certain Loans or Debt Securities Acquired in a Transfer, applies to purchased loans with evidence of deterioration in credit quality since origination for which it is probable at acquisition that the Corporation will be unable to collect all contractually required payments are considered to be credit impaired. Purchased credit-impaired loans are initially recorded at fair value, which is estimated by discounting the cash flows expected to be collected at the acquisition date. Because the estimate of expected cash flows reflects an estimate of future credit losses expected to be incurred over the life of the loans, an allowance for credit losses is not recorded at the acquisition date. The excess of cash flows expected at acquisition over the estimated fair value, referred to as the accretable yield, is recognized in interest income over the remaining life of the loan on a level-yield basis, contingent on the subsequent evaluation of future expected cash flows. The difference between the contractually required payments at acquisition and the cash flows expected to be collected at acquisition is referred to as the nonaccretable difference. A subsequent decrease in the estimate of cash flows expected to be received on purchased credit-impaired loans generally results in the recognition of an allowance for credit losses. Subsequent increases in cash flows result in reversal of any nonaccretable difference (or allowance for loan and lease losses to the extent any has been recorded) with a positive impact on interest income subsequently recognized. The measurement of cash flows involves assumptions and judgments for interest rates, prepayments, default rates, loss severity, and collateral values. All of these factors are inherently subjective and significant changes in the cash flow estimates over the life of the loan can result.

The following table reflects the contractually required payments receivable and fair value of the Corporation's purchased credit impaired loans as of June 30, 2015 and December 31, 2014:

	June 30, 2015	December 31, 2014
	(In Thousands)	
Contractually required payments	$6,382	$6,874
Fair value of purchased credit impaired loans	$3,701	$4,025

The following table presents a rollforward of the Corporation's accretable yield as of June 30, 2015 and December 31, 2014:

	As of and for the Six Months Ended June 30, 2015	As of and for the Year Ended December 31, 2014
	(In Thousands)	
Accretable yield, beginning of period	$676	$683
Accretion recognized in earnings	(22)	(7)
Reclassification to nonaccretable difference for loans with changing cash flows[(1)]	(21)	—
Changes in accretable yield for non-credit related changes in expected cash flows[(2)]	(155)	—
Accretable yield, end of period	$478	$676

(1) Represents changes in accretable yield for those loans that are driven primarily by credit performance.

(2) Represents changes in accretable yield for those loans that are driven primarily by changes in actual and estimated payments.

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The following information illustrates ending balances of the Corporation's loan and lease portfolio, including impaired loans by class of receivable, and considering certain credit quality indicators as of June 30, 2015 and December 31, 2014:

As of June 30, 2015	Category I	II	III	IV	Total
	(Dollars in Thousands)				
Commercial real estate:					
Commercial real estate — owner occupied	$137,582	$18,053	$13,480	$653	$169,768
Commercial real estate — non-owner occupied	372,874	24,903	1,334	907	400,018
Construction and land development	121,404	8,370	5,927	4,617	140,318
Multi-family	85,641	367	894	10	86,912
1-4 family	37,919	4,755	2,057	2,360	47,091
Total commercial real estate	755,420	56,448	23,692	8,547	844,107
Commercial and industrial[(1)]	407,737	10,501	29,224	7,406	454,868
Direct financing leases, net	26,633	1,382	708	—	28,723
Consumer and other:					
Home equity and second mortgages	8,359	447	162	498	9,466
Other	13,856	—	—	691	14,547
Total consumer and other	22,215	447	162	1,189	24,013
Total gross loans and leases receivable	$1,212,005	$68,778	$53,786	$17,142	$1,351,711
Category as a % of total portfolio	89.66 %	5.09 %	3.98 %	1.27 %	100.00 %

(1) Category IV includes $6.2 million considered performing impaired loans with interest income recognized on a cash basis as of June 30, 2015. Subsequent to June 30, 2015, the Corporation granted a concession to the client and considered the loans to be troubled debt restructurings.

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As of December 31, 2014	Category I	II	III	IV	Total
	(Dollars in Thousands)				
Commercial real estate:					
Commercial real estate — owner occupied	$131,094	$15,592	$16,621	$577	$163,884
Commercial real estate — non-owner occupied	378,671	20,823	17,498	970	417,962
Construction and land development	100,934	8,193	6,876	5,157	121,160
Multi-family	70,897	751	913	17	72,578
1-4 family	25,997	5,278	3,336	1,571	36,182
Total commercial real estate	707,593	50,637	45,244	8,292	811,766
Commercial and industrial	383,755	18,524	12,026	2,349	416,654
Direct financing leases, net	32,756	1,120	289	—	34,165
Consumer and other:					
Home equity and second mortgages	7,039	205	189	433	7,866
Other	10,570	50	—	721	11,341
Total consumer and other	17,609	255	189	1,154	19,207
Total gross loans and leases receivable	$1,141,713	$70,536	$57,748	$11,795	$1,281,792
Category as a % of total portfolio	89.07 %	5.50 %	4.51 %	0.92 %	100.00 %

Credit underwriting through a committee process is a key component of the Corporation’s operating philosophy. Business development officers have relatively low individual lending authority limits, and thus a significant portion of the Corporation’s new credit extensions require approval from a loan approval committee regardless of the type of loan or lease, asset quality grade of the credit, amount of the credit, or the related complexities of each proposal. In addition, the Corporation makes every effort to ensure that there is appropriate collateral at the time of origination to protect the Corporation’s interest in the related loan or lease.

Each credit is evaluated for proper risk rating upon origination, at the time of each subsequent renewal, upon receipt and evaluation of updated financial information from the Corporation’s borrowers, or as other circumstances dictate. The Corporation uses a nine grade risk rating system to monitor the ongoing credit quality of its loans and leases. The risk rating grades follow a consistent definition, and are then applied to specific loan types based on the nature of the loan. Each risk rating is subjective and, depending on the size and nature of the credit, subject to various levels of review and concurrence on the stated risk rating. In addition to its nine grade risk rating system, the Corporation groups loans into four loan and related risk categories which determine the level and nature of review by management.

Category I — Loans and leases in this category are performing in accordance with the terms of the contract and generally exhibit no immediate concerns regarding the security and viability of the underlying collateral, financial stability of the borrower, integrity or strength of the borrower’s management team or the industry in which the borrower operates. Loans and leases in this category are not subject to additional monitoring procedures above and beyond what is required at the origination or renewal of the loan or lease. The Corporation monitors Category I loans and leases through payment performance, continued maintenance of its personal relationships with such borrowers and continued review of such borrowers’ compliance with the terms of their respective agreements.

Category II — Loans and leases in this category are beginning to show signs of deterioration in one or more of the Corporation’s core underwriting criteria such as financial stability, management strength, industry trends and collateral values. Management will place credits in this category to allow for proactive monitoring and resolution with the borrower to possibly mitigate the area of concern and prevent further deterioration or risk of loss to the Corporation. Category II loans are considered performing but are monitored frequently by the assigned business development officer and by subcommittees of the Banks' loan committees.

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Category III — Loans and leases in this category are identified by management as warranting special attention. However, the balance in this category is not intended to represent the amount of adversely classified assets held by the Banks. Category III loans and leases generally exhibit undesirable characteristics such as evidence of adverse financial trends and conditions, managerial problems, deteriorating economic conditions within the related industry, or evidence of adverse public filings and may exhibit collateral shortfall positions. Management continues to believe that it will collect all required principal and interest in accordance with the original terms of the contracts relating to the loans and leases in this category, and therefore Category III loans are considered performing with no specific reserves established for this category. Category III loans are monitored by management and loan committees of the Banks on a monthly basis and the Banks' Boards of Directors at each of their regularly scheduled meetings.
Category IV — Loans and leases in this category are considered to be impaired. Impaired loans and leases have been placed on non-accrual as management has determined that it is unlikely that the Banks will receive the required principal and interest in accordance with the contractual terms of the agreement. Impaired loans are individually evaluated to assess the need for the establishment of specific reserves or charge-offs. When analyzing the adequacy of collateral, the Corporation obtains external appraisals at least annually for impaired loans and leases. External appraisals are obtained from the Corporation's approved appraiser listing and are independently reviewed to monitor the quality of such appraisals. To the extent a collateral shortfall position is present, a specific reserve or charge-off will be recorded to reflect the magnitude of the impairment. Loans and leases in this category are monitored by management and loan committees of the Banks on a monthly basis and the Banks' Boards of Directors at each of their regularly scheduled meetings.
Utilizing regulatory classification terminology, the Corporation identified $10.6 million and $27.1 million of loans and leases as Substandard as of June 30, 2015 and December 31, 2014, respectively. No loans were considered Special Mention, Doubtful or Loss as of either June 30, 2015 or December 31, 2014. The population of Substandard loans are a subset of Category III and Category IV loans.

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The delinquency aging of the loan and lease portfolio by class of receivable as of June 30, 2015 and December 31, 2014 is as follows:

As of June 30, 2015	30-59 days past due	60-89 days past due	Greater than 90 days past due	Total past due	Current	Total loans
	(Dollars in Thousands)					
Accruing loans and leases						
Commercial real estate:						
Owner occupied	$—	$—	$—	$—	$169,189	$169,189
Non-owner occupied	—	—	—	—	399,736	399,736
Construction and land development	—	—	—	—	135,779	135,779
Multi-family	—	—	—	—	86,902	86,902
1-4 family	—	—	—	—	45,775	45,775
Commercial and industrial	399	—	—	399	447,091	447,490
Direct financing leases, net	—	—	—	—	28,723	28,723
Consumer and other:						
Home equity and second mortgages	—	—	—	—	9,063	9,063
Other	—	—	—	—	13,856	13,856
Total	399	—	—	399	1,336,114	1,336,513
Non-accruing loans and leases						
Commercial real estate:						
Owner occupied	$—	$490	$—	$490	$89	$579
Non-owner occupied	—	—	235	235	47	282
Construction and land development	—	—	—	—	4,539	4,539
Multi-family	—	—	—	—	10	10
1-4 family	658	96	175	929	387	1,316
Commercial and industrial(1)	219	194	582	995	6,383	7,378
Direct financing leases, net	—	—	—	—	—	—
Consumer and other:						
Home equity and second mortgages	—	—	50	50	353	403
Other	—					