

Customers Bancorp, Inc.
Form 10-Q
May 15, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

Quarterly report pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2012

Transition report pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____ .

333-166225
(Commission File number)

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation or organization)

27-2290659
(IRS Employer
Identification No.)

1015 Penn Avenue
Suite 103
Wyomissing PA 19610
(Address of principal executive offices)

(610) 933-2000
(Issuer's telephone number)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 Website, 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 for such shorter period that the registrant was required to submit and post such files).

Yes No

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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

Smaller Reporting Company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

On May 14, 2012, 8,503,541 shares of Voting Common Stock were outstanding, and 2,844,142 shares of Class B Non-Voting Common Stock were outstanding.

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CUSTOMERS BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS – UNAUDITED
(Dollar amounts in thousands, except per share data)

	March 31, 2012	December 31, 2011
ASSETS		
Cash and due from banks	\$ 11,710	\$ 7,765
Interest earning deposits	79,114	65,805
Cash and cash equivalents	90,824	73,570
Investment securities available for sale, at fair value	27,951	79,137
Investment securities, held-to-maturity (fair value 2012 \$291,663; 2011 \$330,809)	281,417	319,547
Loans held for sale	175,868	174,999
Loans receivable not covered by Loss Sharing Agreements with the FDIC	1,192,414	1,216,265
Loans receivable covered under Loss Sharing Agreements with the FDIC	120,559	126,276
Less: Allowance for loan and lease losses	(15,400)	(15,032)
Total loans receivable, net	1,297,573	1,327,509
FDIC loss sharing receivable	14,149	13,077
Bank premises and equipment, net	9,378	9,420
Bank owned life insurance	29,614	29,268
Other real estate owned (2012 \$6,363; 2011 \$6,166 covered under Loss Sharing Agreements with the FDIC)	12,298	13,482
Goodwill	2,207	1,598
Restricted stock	20,960	21,818
Accrued interest receivable and other assets	13,353	14,107
Total assets	\$ 1,975,592	\$ 2,077,532
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand, non-interest bearing	\$ 133,505	\$ 114,044
Interest bearing	1,670,685	1,469,145
Total deposits	1,804,190	1,583,189
Federal funds purchased	-	5,000
Other borrowings	11,000	331,000
Subordinated debt	2,000	2,000
Accrued interest payable and other liabilities	7,094	8,595
Total liabilities	1,824,284	1,929,784
Shareholders' equity:		
Preferred stock, par value \$1,000 per share; 100,000,000 shares authorized; none issued		—
Common stock, par value \$1.00 per share; 200,000,000 shares authorized; 11,395,302 shares issued and 11,347,683 shares issued and outstanding at March 31, 2012 and December 31, 2011	11,395	11,395
Additional paid in capital	123,130	122,602

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Retained earnings	17,608	14,496
Accumulated other comprehensive loss	(325)	(245)
Less: cost of treasury stock, 47,619 shares at March 31, 2012 and December 31, 2011	(500)	(500)
Total shareholders' equity	151,308	147,748
Total liabilities and shareholders' equity	\$ 1,975,592	\$ 2,077,532

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED
(Dollar amounts in thousands, except per share data)

Three Months Ended March 31,

	2012	2011
Interest income:		
Loans receivable, including fees	\$15,624	\$9,502
Loans receivable, non-taxable, including fees	14	22
Investment securities, taxable	2,912	2,017
Investment securities, non-taxable	21	22
Other	124	276
Total interest income	18,695	11,839
Interest expense:		
Deposits	5,073	5,450
Federal funds purchased	2	-
Borrowed funds	133	89
Subordinated debt	18	16
Total interest expense	5,226	5,555
Net interest income	13,469	6,284
Provision for loan and lease losses	1,800	2,800
Net interest income after provision for loan and lease losses	11,669	3,484
Non-interest income:		
Deposit fees	116	104
Loan fees	192	79
Mortgage warehouse transactional fees	2,099	1,111
Bank owned life insurance	265	601
Gain on sale of investment securities	209	-
Accretion of FDIC loss sharing receivable	655	909
Gain on sale of OREO	60	-
Gain on sale of loans	-	78
Other	136	354
Total non-interest income	3,732	3,236
Non-interest expense:		
Salaries and employee benefits	5,496	4,115
Occupancy	1,380	986
Technology, communication and bank operations	647	313
Advertising and promotion	275	228
Professional services	886	1,426
FDIC assessments, taxes, and regulatory fees	669	823
Loan workout and other real estate owned	525	385
Impairment and losses on other real estate owned	-	196
Merger related expenses	28	-
Other	780	619
Total non-interest expense	10,686	9,091
Income (loss) before tax expense (benefit)	4,715	(2,371)
Income tax expense (benefit)	1,603	(695)
Net income (loss)	\$3,112	\$(1,676)
	\$0.27	\$(0.18)

Basic income (loss) per share		
Diluted income (loss) per share	\$0.27	\$(0.18)

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) -
UNAUDITED
(Dollar amounts in thousands)

	Three Months Ended March 31,	
	2012	2011
Net income (loss)	\$3,112	\$(1,676)
Other comprehensive income (loss), before tax:		
Unrealized holding (losses) gains on securities arising during the period	(332)	138
Reclassification adjustment for gains included in net income	209	-
Income tax benefit (expense) related to items of other comprehensive income	43	(48)
Other comprehensive (loss) income, net of tax	(80)	90
Comprehensive income (loss)	\$3,032	\$(1,586)

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY – UNAUDITED
For the three months ended March 31, 2012 and 2011
(Dollar amounts in thousands)

	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance, December 31, 2010	8,398,015	\$8,398	\$88,132	\$10,506	\$ (1,896)	\$-	\$105,140
Comprehensive loss				(1,676)	90		(1,586)
Stock-based compensation expense			147				147
Common stock issued, net of costs	1,388,893	1,389	14,145				15,534
Balance, March 31, 2011	9,786,908	\$9,787	\$102,424	\$8,830	\$ (1,806)	\$-	\$119,235

	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance, December 31, 2011	11,347,683	\$11,395	\$122,602	\$14,496	\$ (245)	\$(500)	\$147,748
Comprehensive income				3,112	(80)		3,032
Stock-based compensation expense			528				528
Balance, March 31, 2012	11,347,683	\$11,395	\$123,130	\$17,608	\$ (325)	\$(500)	\$151,308

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS – UNAUDITED
(Dollar amounts in thousands)

For Three Months Ended March 31,	2012	2011
Cash Flows from Operating Activities		
Net income (loss)	\$3,112	\$(1,676)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision for loan and lease losses	1,800	2,800
Provision for depreciation and amortization	448	294
Stock-based compensation	528	147
Deferred taxes	187	-
Net amortization (accretion) of investment securities premiums and discounts	39	(15)
Gain on sale of investment securities	(209)	-
Gain on sale of loans	-	(78)
Origination of loans held for sale	(501,139)	(534,648)
Proceeds from the sale of loans held for sale	500,270	559,608
Increase in FDIC loss sharing receivable	(1,190)	(1,504)
Amortization (accretion) of fair value discounts	1,374	(185)
Net gain on sale of other real estate owned	(60)	-
Impairment charges on other real estate owned	957	131
Net increase in earnings on investment in bank owned life insurance	(346)	(621)
Increase in accrued interest receivable and other assets	(174)	(545)
Decrease in accrued interest payable and other liabilities	(1,501)	(1,253)
Net Cash Provided by Operating Activities	4,096	22,455
Cash Flows from Investing Activities		
Proceeds from maturities, calls and principal repayments on investment securities available for sale	2,195	4,784
Proceeds from sales of investment securities available for sale	48,965	-
Purchases of investment securities held to maturity	-	(318,800)
Proceeds from maturities, calls and principal repayments on investment securities held to maturity	38,203	-
Net decrease (increase) in loans	24,310	(23,791)
Proceeds on sale of SBA loans	-	1,465
Proceeds from bank owned life insurance	-	699
Proceeds from (purchases of) restricted stock	858	(818)
Reimbursements from the FDIC on Loss Sharing Agreements	118	1,977
Purchases of bank premises and equipment	(406)	(614)
Proceeds from sales of other real estate owned	2,844	895
Net Cash Provided by (Used in) Investing Activities	117,087	(334,203)
Cash Flows from Financing Activities		
Net increase in deposits	221,071	143,650
Net decrease in short-term borrowed funds	(325,000)	-
Proceeds from issuance of common stock	-	15,534
Net Cash (Used in) Provided by Financing Activities	(103,929)	159,184
Net Increase (Decrease) in Cash and Cash Equivalents	17,254	(152,564)
Cash and Cash Equivalents — Beginning	73,570	238,724
Cash and Cash Equivalents — Ending	\$90,824	\$86,180

Supplementary Cash Flows Information

Interest paid	\$5,267	\$5,443
Income taxes paid	2,589	2,816
Non- cash items:		
Transfer of loans to other real estate owned	\$2,382	1,433
Investment securities purchased but not settled	-	78,048

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
(Dollars in thousands except for per share data)

NOTE 1 DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Customers Bancorp, Inc. (the “Bancorp”) is a Pennsylvania corporation formed on April 7, 2010 to facilitate the reorganization of Customers Bank (the “Bank”) into a bank holding company structure. The reorganization was completed on September 17, 2011. Any financial information for periods prior to September 17, 2011, contained herein reflects those of Customers Bank as the predecessor entity. The unaudited consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial statements and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim reporting. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to those rules and regulations, although the Bancorp believes that the disclosures made are adequate to make the information not misleading. The accounting policies of Customers Bancorp, Inc. and Subsidiary, as applied in the consolidated interim financial statements presented herein, are substantially the same as those followed on an annual basis as disclosed on pages 80 through 90 of Customers’ Annual Report on Form 10-K for the fiscal year ended December 31, 2011. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the latest Form 10-K.

The Bancorp’s unaudited consolidated interim financial statements reflect all adjustments that are, in the opinion of management, necessary for fair statement of the results of interim periods presented.

Certain amounts reported in the 2011 consolidated financial statements have been reclassified to conform to the 2012 presentation. These reclassifications did not significantly impact the Bancorp’s financial position or results of operations.

The Bancorp evaluated its March 31, 2012 consolidated financial statements for subsequent events through the date the financial statements were issued. The Bancorp is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
(Dollars in thousands except for per share data)

NOTE 2 REORGANIZATION AND ACQUISITION ACTIVITY

Reorganization into Customers Bancorp, Inc.

The Bancorp and the Bank entered into a Plan of Merger and Reorganization effective September 17, 2011 pursuant to which all of the issued and outstanding common stock of the Bank was exchanged on a three to one basis for shares of common stock and Class B Non-voting common stock of the Bancorp. The Bank became a wholly-owned subsidiary of the Bancorp (the "Reorganization"). The Bancorp is authorized to issue up to 100,000,000 shares of common stock, 100,000,000 shares of Class B Non-Voting Common Stock and 100,000,000 shares of preferred stock. All share and per share information has been retrospectively restated to reflect the Reorganization, including the three-for-one consideration used in the Reorganization.

In the Reorganization, the Bank's issued and outstanding shares of common stock of 22,525,825 shares and Class B Non-Voting common stock of 6,834,895 shares converted into 7,508,473 shares of the Bancorp's common stock and 2,278,294 shares of the Bancorp's Class B Non-Voting common stock. Cash was paid in lieu of fractional shares. Outstanding warrants to purchase 1,410,732 shares of the Bank's common stock with an weighted-average exercise price of \$3.55 per share and 243,102 shares of the Bank's Class B Non-Voting common stock with an weighted-average exercise price of \$3.50 per share were converted into warrants to purchase 470,260 shares of the Bancorp's common stock with a weighted average exercise price of \$10.64 per share and warrants to purchase 81,036 shares of the Bancorp's Class B Non-Voting common stock with a weighted-average exercise price of \$10.50 per share. Outstanding stock options to purchase 2,572,404 shares of the Bank's common stock with a weighted-average price of \$3.50 per share and stock options to purchase 231,500 shares of the Bank's Class B Non-Voting common stock with a weighted-average price of \$4.00 per share were converted into stock options to purchase 855,774 shares of the Bancorp's common stock with a weighted-average exercise price of \$10.49 per share and stock options to purchase 77,166 shares of the Bancorp's Class B Non-Voting common stock with a weighted-average exercise price of \$12.00 per share.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
(Dollars in thousands except for per share data)

NOTE 3 RECENTLY ISSUED ACCOUNTING STANDARDS

In April 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2011-03, Reconsideration of Effective Control for Repurchase Agreements. This ASU removes from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the collateral maintenance implementation guidance related to that criterion. This guidance was effective for the first interim or annual period beginning on or after December 15, 2011 and is to be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Adoption of this guidance has not had a material impact on results of operations or financial condition.

In May 2011, the FASB issued ASU 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRS. The amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The guidance was effective for interim and annual periods beginning after December 15, 2011 is to be applied prospectively. Adoption of this guidance has not had a material impact on Customers Bancorp’s financial statements.

In June 2011, the FASB issued ASU 2011-05, Presentation of Comprehensive Income. Under the new guidance, the components of net income and the components of other comprehensive income can be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This guidance eliminates the option to present components of other comprehensive income as part of the changes in shareholders’ equity. This amendment is to be applied retrospectively and was effective for fiscal years and interim periods ending after December 15, 2011 for public companies. Adoption of this guidance has not had a significant impact on Customers Bancorp’s financial statements.

In September, 2011, the FASB issued ASU 2011-08, Testing Goodwill for Impairment. The purpose of this ASU is to simplify how entities test goodwill for impairment by adding a new first step to the preexisting goodwill impairment test under ASC Topic 350, Intangibles – Goodwill and other. This amendment gives the entity the option to first assess a variety of qualitative factors such as economic conditions, cash flows, and competition to determine whether it was more likely than not that the fair value of goodwill has fallen below its carrying value. If the entity determines that it is not likely that the fair value has fallen below its carrying value, then the entity will not have to complete the original two-step test under Topic 350. The amendments in this ASU were effective for impairment tests performed for fiscal years beginning after December 15, 2011. Adoption of this guidance has not had a material impact on results of operations or financial condition.

In December, 2011, the FASB issued ASU 2011-10, Derecognition of in Substance Real Estate – a Scope Clarification. This ASU clarifies previous guidance for situations in which a reporting entity would relinquish control of the assets of a subsidiary in order to satisfy the nonrecourse debt of the subsidiary. The ASU concludes that if control of the assets has been transferred to the lender, but not legal ownership of the assets; then the reporting entity must continue to include the assets of the subsidiary in its consolidated financial statements. The amendments in this ASU are effective for public entities for annual and interim periods beginning on or after June 15, 2012. Early adoption is permitted. Customers Bancorp does not expect this ASU to have a material impact on results of operations or financial condition.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
 (Dollars in thousands except for per share data)

NOTE 3 RECENTLY ISSUED ACCOUNTING STANDARDS - (continued)

In December, 2011, the FASB issued ASU 2011-11, Disclosures about Offsetting Assets and Liabilities, in an effort to improve comparability between U.S. GAAP and IFRS financial statements with regard to the presentation of offsetting assets and liabilities on the statement of financial position arising from financial and derivative instruments, and repurchase agreements. The ASU establishes additional disclosures presenting the gross amounts of recognized assets and liabilities, offsetting amounts, and the net balance reflected in the statement of financial position. Descriptive information regarding the nature and rights of the offset must also be disclosed. This ASU is effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. Customers Bancorp does not expect this ASU to have a significant impact on its consolidated financial statements.

In December, 2011, the FASB issued ASU 2011-12, Deferral of the Effective Date to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update 2011-05. In response to stakeholder concerns regarding the operational ramifications of the presentation of these reclassifications for current and previous years, the FASB has deferred the implementation date of this provision to allow time for further consideration. The adoption of this ASU is not expected to have a significant impact on Customers Bancorp's consolidated financial statements.

NOTE 4 EARNINGS PER SHARE

Basic earnings per share are computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if (i) options to purchase common stock were exercised and (ii) warrants to purchase common stock were exercised. Potential common shares that may be issued related to outstanding stock options are determined using the treasury stock method. The following are the components of the Bancorp's earnings per share for the periods presented:

	Three Months Ended March 31,	
	2012	2011
Net income (loss) allocated to common shareholders	\$3,112	\$(1,676)
Weighted average number of common shares - basic	11,347,683	9,195,232
Stock-based compensation plans	179,044	-
Warrants	98,906	-
Weighted average number of common shares - diluted	11,625,633	9,195,232
Basic earnings (loss) per share	\$0.27	\$(0.18)
Diluted earnings (loss) per share	\$0.27	\$(0.18)

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
 (Dollars in thousands except for per share data)

NOTE 4 EARNINGS PER SHARE - (continued)

For the quarter ended March 31, 2012, 1,599,791 share-based compensation awards and 571,135 warrants were outstanding but were not included in the computation of diluted earnings per share because their common stock equivalents were anti-dilutive.

For the quarter ended March 31, 2011, 948,199 share-based compensation awards and 551,278 warrants were outstanding but were not included in the computation of diluted earnings per share because their common stock equivalents were anti-dilutive.

NOTE 5 INVESTMENT SECURITIES

The amortized cost and approximate fair value of investment securities as of March 31, 2012 and December 31, 2011 are summarized as follows:

		March 31, 2012		
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for Sale:				
Mortgage-backed securities (1)	\$ 5,786	\$ 48	\$ (73)	\$ 5,761
Asset-backed securities	599	6	—	605
Municipal securities	2,066	—	(27)	2,039
Corporate notes	20,000	—	(454)	19,546
	\$ 28,451	\$ 54	\$ (554)	\$ 27,951
Held to Maturity:				
Mortgage-backed securities	\$ 281,417	\$ 10,246	\$ —	\$ 291,663

(1) Includes an interest only strip security of \$2,790.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
 (Dollars in thousands except for per share data)

NOTE 5 INVESTMENT SECURITIES – (continued)

	Amortized Cost	December 31, 2011 Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for Sale:				
U.S. Treasury and government agencies	\$ 1,002	\$ —	(1)	\$ 1,001
Mortgage-backed securities (1)	55,818	581	(107)	56,292
Asset-backed securities	622	5	—	627
Municipal securities	2,071	—	(71)	2,000
Corporate notes	20,000	—	(783)	19,217
	\$ 79,513	\$ 586	\$ (962)	\$ 79,137
Held to Maturity:				
Mortgage-backed securities	\$ 319,547	\$ 11,262	\$ —	\$ 330,809

(1) Includes an interest only strip security of \$2,894.

The following table shows proceeds from the sale of available for sale investment securities, gross gains and gross losses on those sales of securities:

	Three months ended March 31,	
	2012	2011
Proceeds from sale of available-for-sale investment securities	\$48,965	\$-
Gross gains	\$209	\$-
Gross losses	-	-
Net gains	\$209	\$-

These gains and losses were determined using the specific identification method and were included in non-interest income.

CUSTOMERS BANCORP, INC. AND SUBSIDIARY
 NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
 (Dollars in thousands except for per share data)

NOTE 5 INVESTMENT SECURITIES – (continued)

The following table shows investments securities by stated maturity. Investment securities backed by mortgages have expected maturities that differ from contractual maturities because borrowers have the right to call or prepay, and are therefore, classified separately with no specific maturity date:

	March 31, 2012			
	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 94	\$ 95	\$ —	\$ —
Due after one year through five years	22,479	22,002	—	—
Due after five years through ten years	55	56	—	—
Due after ten years	37	37	—	—
	22,665	22,190	—	—
Mortgage-backed securities (1)	5,786	5,761	281,417	291,663
Total investment securities	\$ 28,451	\$ 27,951	\$ 281,417	\$ 291,663

(1) Includes an interest only strip security of \$2,790

The Bancorp's investments' gross unrealized losses and fair value, aggregated by investment category and length of time for individual securities that have been in a continuous unrealized loss position, at March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012					
	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for Sale:						
Mortgage-backed securities	\$ 149	\$ (1				