ANIXTER INTERNATIONAL INC
Form 4
July 03, 2017

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
MUNOZ GEORGE

(Last) (First) (Middle)

2111 WILSON BLVD

(Street)

ARLINGTON, VA 22201

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ANIXTER INTERNATIONAL INC [AXE]

3. Date of Earliest Transaction (Month/Day/Year)
07/01/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common stock units	07/01/2017		A		688 (1)	A	$ 0	42,289.524 (2)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MUNOZ GEORGE 2111 WILSON BLVD ARLINGTON, VA 22201	X			

Signatures

Michele Nelson, by power of attorney	07/03/2017
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Stock units are fully vested at time of grant and will convert to common stock on a 1-for-1 basis at a time that was determined prior to the grant.

(2) Total includes 18,722 common stock units.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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1

2,111

—

—

2,112

Reclassification due to adoption of ASU 2018-02 [1]

—

—

2,353

(2,353
)

—

Cash dividends:

Common stock, $0.20 per share

—

—

(23,550
)

—

(23,550
)
Balance, March 31, 2018

Explanation of Responses:

$
589

$
1,316,150

$
494,312

$
(22,353
)

$
1,788,698

[1] Reclassification due to adoption of ASU 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. See Note 2, New Accounting Pronouncements and Note 15, Income Taxes, for additional information.
See accompanying notes.

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GREAT WESTERN BANCORP, INC.
Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Thousands)

	Six months ended	
	March 31, 2018	March 31, 2017
Operating activities		
Net income	$69,762	$72,065
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,943	7,984
Amortization of FDIC indemnification asset	1,689	1,981
Net loss on sale of securities and other assets	2,143	1,061
Gain on redemption of subordinated debentures	—	(111)
Net gain on sale of loans	(3,314)	(5,180)
Provision for loan and lease losses	9,457	11,058
Reversal of provision for loan servicing rights loss	(71)	(10)
Stock-based compensation	2,112	3,587
Originations of residential real estate loans held for sale	(112,731)	(137,061)
Proceeds from sales of residential real estate loans held for sale	121,072	150,257
Net deferred income taxes	17,215	(328)
Changes in:		
Accrued interest receivable	3,823	5,841
Other assets	423	1,063
Accrued interest payable and other liabilities	(18,336)	(77,655)
Net cash provided by operating activities	99,187	34,552
Investing activities		
Purchase of securities available for sale	(110,741)	(183,678)
Proceeds from sales of securities available for sale	25,206	5,042
Proceeds from maturities of securities available for sale	122,436	122,760
Net increase in loans	(392,109)	(36,433)
Payment of covered losses from FDIC indemnification claims	(419)	(218)
Purchase of premises and equipment	(3,297)	(2,830)
Proceeds from sale of premises and equipment	4,565	3,868
Proceeds from sale of repossessed property	2,050	3,453
Purchase of FHLB stock	(30,420)	(4,240)
Proceeds from redemption of FHLB stock	34,251	28,751
Net cash used in investing activities	(348,478)	(63,525)
Financing activities		
Net increase in deposits	409,509	487,502
Net decrease in securities sold under agreements to repurchase and other short-term borrowings	(29,345)	(17,216)
Proceeds from FHLB advances and other long-term borrowings	419,999	93,600
Repayments on FHLB advances and other long-term borrowings	(512,200)	(700,000)
Redemption of subordinated debentures	—	(3,625)
Taxes paid related to net share settlement of equity awards	(3,769)	—
Dividends paid	(23,550)	(19,970)
Net cash provided by (used in) financing activities	260,644	(159,709)
Net increase (decrease) in cash and cash equivalents	11,353	(188,682)
Cash and cash equivalents, beginning of period	360,396	524,611
Cash and cash equivalents, end of period	$371,749	$335,929
Supplemental disclosure of cash flow information		

Cash payments for interest	$29,251	$20,348
Cash payments for income taxes	$23,980	$37,350
Supplemental disclosure of noncash investing and financing activities		
Loans transferred to repossessed properties	$(11,005)	$(1,221)

See accompanying notes.

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

1. Nature of Operations and Summary of Significant Policies
Nature of Operations
Great Western Bancorp, Inc. (the "Company") is a bank holding company organized under the laws of Delaware and is listed on the New York Stock Exchange ("NYSE") under the symbol GWB. The primary business of the Company is ownership of its wholly owned subsidiary, Great Western Bank (the "Bank"). The Bank is a full-service regional bank focused on relationship-based business and agri-business banking in Arizona, Colorado, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota. The Company and the Bank are subject to the regulation of certain federal and/or state agencies and undergo periodic examinations by those regulatory authorities. Substantially all of the Company's income is generated from banking operations.
Basis of Presentation
The accompanying unaudited consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and reflect all adjustments that are, in the opinion of management, necessary for the fair presentation of the financial position and results of operations for the periods presented. All such adjustments are of a normal recurring nature.
Certain previously reported amounts have been reclassified to conform to the current presentation.
The unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2017, which includes a description of significant accounting policies. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the year or any other period.
The accompanying unaudited consolidated financial statements include the accounts and results of operations of the Company and its subsidiaries after elimination of all significant intercompany accounts and transactions. The preparation of unaudited consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported on the consolidated financial statements and accompanying notes. Actual results could differ from these estimates.
Subsequent Events
The Company has evaluated all events or transactions that occurred through the date the Company issued these financial statements. Other than those events described below, there were no other material events that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.
On April 26, 2018, the Board of Directors of the Company declared a dividend of $0.25 per common share payable on May 23, 2018 to stockholders of record as of close of business on May 11, 2018.
Correction of Prior Period Balances
The consolidated statements of income for the quarter ended March 31, 2017 have been revised to correct an immaterial classification error in interest income and noninterest income related to credit card interchange income. As a result, the consolidated statements of income have been revised to reflect these changes as follows.

	As originally reported	Adjustments	As revised
	(dollars in thousands)		
Three months ended March 31, 2017			
Interest income - loans	$101,136	$ (1,655)	$99,481
Noninterest income - service charges and other fees	11,919	1,655	13,574
Six months ended March 31, 2017			
Interest income - loans	$202,818	$ (3,405)	$199,413
Noninterest income - service charges and other fees	24,005	3,405	27,410

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

	As originally reported	Adjustments	As revised
	(dollars in thousands)		
Twelve months ended September 30, 2017			
Interest income - loans	$414,434	$ (7,152)	$407,282
Noninterest income - service charges and other fees	48,573	7,152	55,725
Twelve months ended September 30, 2016			
Interest income - loans	$370,444	$ (6,716)	$363,728
Noninterest income - service charges and other fees	46,209	6,716	52,925

The above revisions had no effect on net income, earnings per share, retained earnings or capital ratios. Periods not presented herein will be revised, as applicable, as they are included in future filings.

2. New Accounting Pronouncements

In February 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-02, Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income, which allows for the reclassification of stranded tax effects resulting from the Tax Cuts and Jobs Act of 2017 ("Tax Reform Act") from other comprehensive income to retained earnings. ASU 2018-02 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company early adopted ASU 2018-02 during the second quarter of fiscal year 2018 with period of adoption application. Upon adoption, the Company made a policy election to reclassify stranded tax effects of approximately $2.4 million from accumulated other comprehensive income to retained earnings.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities, which amends the hedge accounting recognition and presentation requirements in ASC 815 to improve the transparency and understandability of information conveyed to financial statement users about an entity's risk management activities to better align the entity's financial reporting for hedging relationships with those risk management activities and to reduce the complexity of and simplify the application of hedge accounting. ASU 2017-12 is to be applied to all existing hedging relationships on the date of adoption and will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted in any interim period, with the effect of adoption reflected as of the beginning of the fiscal year of adoption. The Company is currently evaluating the potential impact of ASU 2017-12 on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which addresses timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. ASU 2016-13 requires institutions to measure all expected credit losses related to financial assets measured at amortized costs with an expected loss model based on historical experience, current conditions and reasonable and supportable forecasts relevant to affect the collectability of the financial assets, which is referred to as the current expected credit loss (CECL) model. ASU 2016-13 requires enhanced disclosures, including qualitative and quantitative requirements, to help understand significant estimates and judgments used in estimating credit losses, as well as provide additional information about the amounts recorded in the financial statements. ASU 2016-13 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted after December 15, 2018. The amendment requires the use of the modified retrospective approach for adoption. The Company has formed a project team to work on the implementation of ASU 2016-13 and is currently evaluating the potential impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires that lessees recognize the assets and liabilities arising from leases on the balance sheet and disclosing key information about leasing arrangements. Lessees will be required to recognize an obligation for future lease payments measured on a discounted basis and a related right-of-use asset. ASU 2016-02 does not significantly change lease accounting requirements applicable to lessors; however, certain changes were made to align, where necessary, lessor accounting with the lessee accounting model and ASC Topic 606, "Revenue from Contracts with Customers." ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company is currently evaluating the potential impact of ASU 2016-02 on our consolidated financial statements.

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10) - Recognition and Measurement of Financial Assets and Financial Liabilities, which requires equity investments, in general, to be measured at fair value with changes in fair value recognized in earnings. It also eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost, requires entities to use the exit price notion when measuring fair value, requires an entity to present separately in other comprehensive income the portion of the total change in fair value of a liability resulting from a change in the measurement category and form on the balance sheet or accompanying notes, clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available for sale securities in combination with the entity's other deferred tax assets, and simplifies the impairment assessment of equity investments without readily determinable fair values. ASU 2016-01 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The Company does not believe ASU 2016-01 will have a material impact on our consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which implements a more robust framework that clarifies the principles for recognizing revenue and gives greater consistency and comparability in revenue recognition practices. In the new framework, an entity recognizes revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The new model requires the identification of performance obligations included in the contract with customers, a determination of the transaction price and an allocation of the price to those performance obligations. The entity recognizes revenue when performance obligations are satisfied. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of ASU 2014-09 to annual reporting periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, which intends to improve the operability and understandability of the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU 2016-10, which clarifies guidance pertaining to the identification of performance obligations and the licensing implementation. In May 2016, the FASB issued ASU 2016-11 and 2016-12, which further clarify guidance and provide practical expedients related to the adoption of ASU 2014-09. The standard permits the use of either the retrospective or cumulative effect transition method. The standard, along with subsequent guidance from FASB, lists several items that are specifically out of scope for ASU 2014-09, including but not limited to core interest income, derivative instruments, investments, and loan origination fees.

To address the new standard, the Company formed a working group and has completed the initial scoping phase to determine which revenue streams may be subject to accounting or disclosure changes upon adoption in October of 2018. Subsequent to this initial scoping, the Company selected a representative sample of contracts from the in-scope revenue streams for review under the amended guidance ("key contracts"). The review of key contracts is in process. Based on this preliminary analysis, we do not anticipate significant changes as a result of implementing the standard, but will conclude on the quantitative and qualitative impacts once we have completed our review of key contracts for any in-scope items over the coming months.

3. Securities Available for Sale

The amortized cost and approximate fair value of investments in securities, all of which are classified as available for sale according to management’s intent, are summarized as follows.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(dollars in thousands)			
As of March 31, 2018				
U.S. Treasury securities	$178,563	$ —	$(1,144)	$177,419
Mortgage-backed securities:				
Government National Mortgage Association	452,297	47	(13,971)	438,373

Federal Home Loan Mortgage Corporation	218,838	3	(4,878)	213,963
Federal National Mortgage Association	179,268	—	(4,591)	174,677
Small Business Assistance Program	237,156	144	(4,036)	233,264
States and political subdivision securities	70,513	10	(1,623)	68,900
Other	1,006	—	(4)	1,002
Total	$1,337,641	$ 204	$(30,247)	$1,307,598

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(dollars in thousands)			
As of September 30, 2017				
U.S. Treasury securities	$228,039	$ 579	$ (15)	$228,603
Mortgage-backed securities:				
Government National Mortgage Association	511,457	228	(6,635)	505,050
Federal Home Loan Mortgage Corporation	169,147	75	(1,247)	167,975
Federal National Mortgage Association	170,247	22	(1,287)	168,982
Small Business Assistance Program	224,005	726	(1,001)	223,730
States and political subdivision securities	73,041	187	(642)	72,586
Other	1,006	28	—	1,034
Total	$1,376,942	$ 1,845	$ (10,827)	$1,367,960

The amortized cost and approximate fair value of debt securities available for sale as of March 31, 2018 and September 30, 2017, by contractual maturity, are shown below. Maturities of mortgage-backed securities may differ from contractual maturities because the mortgages underlying the securities may be called or repaid without penalty.

	March 31, 2018		September 30, 2017	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(dollars in thousands)			
Due in one year or less	$43,291	$43,204	$91,535	$91,597
Due after one year through five years	189,787	187,741	193,117	193,373
Due after five years through ten years	15,876	15,252	16,306	16,097
Due after ten years	122	122	122	122
	249,076	246,319	301,080	301,189
Mortgage-backed securities	1,087,559	1,060,277	1,074,856	1,065,737
Securities without contractual maturities	1,006	1,002	1,006	1,034
Total	$1,337,641	$1,307,598	$1,376,942	$1,367,960

Proceeds from sales of securities available for sale were $25.0 million and $25.2 million for the three and six months ended March 31, 2018 and $5.0 million for both the three and six months ended March 31, 2017, respectively. Negligible gross gains (pre-tax) or gross losses (pre-tax) were realized on the sales for the three and six months ended March 31, 2018 and 2017 using the specific identification method. The Company recognized no other-than-temporary impairment for the three and six months ended March 31, 2018 and 2017.

Securities with an estimated fair value of approximately $920.6 million and $951.4 million at March 31, 2018 and September 30, 2017, respectively, were pledged as collateral on public deposits, securities sold under agreements to repurchase, and for other purposes as required or permitted by law. The counterparties do not have the right to sell or pledge the securities the Company has pledged as collateral.

As detailed in the following tables, certain investments in debt securities, which are approximately 97% and 68% of the Company’s investment portfolio at estimated fair value at March 31, 2018 and September 30, 2017, respectively, are reported in the consolidated financial statements at an amount less than their amortized cost. Based on evaluation of available evidence, including recent changes in market interest rates, credit rating information, implicit or explicit government guarantees, and information obtained from regulatory filings, management believes the declines in fair value of these securities are temporary. As the Company does not intend to sell the securities and it is not more likely than not the Company will be required to sell the securities before the recovery of their amortized cost basis, which may be maturity, the Company does not consider the securities to be other-than-temporarily impaired at March 31, 2018 or September 30, 2017.

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following table presents the Company’s gross unrealized losses and approximate fair value in investments, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position.

	Less than 12 months		12 months or more		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
	(dollars in thousands)					
As of March 31, 2018						
U.S. Treasury securities	$148,360	$(873)	$29,059	$(271)	$177,419	$(1,144)
Mortgage-backed securities	314,049	(4,765)	712,510	(22,711)	1,026,559	(27,476)
States and political subdivision securities	14,967	(109)	49,249	(1,514)	64,216	(1,623)
Other	1,002	(4)	—	—	1,002	(4)
Total	$478,378	$(5,751)	$790,818	$(24,496)	$1,269,196	$(30,247)

	Less than 12 months		12 months or more		Total	
	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
	(dollars in thousands)					
As of September 30, 2017						
U.S. Treasury securities	$10,003	$(15)	$—	$—	$10,003	$(15)
Mortgage-backed securities	635,969	(5,425)	241,368	(4,746)	877,337	(10,171)
States and political subdivision securities	21,705	(197)	25,773	(444)	47,478	(641)
Other	—	—	—	—	—	—
Total	$667,677	$(5,637)	$267,141	$(5,190)	$934,818	$(10,827)

As of March 31, 2018 and September 30, 2017, the Company had 352 and 249 securities, respectively, in an unrealized loss position.

4. Loans

The composition of loans as of March 31, 2018 and September 30, 2017, is as follows.

	March 31, 2018	September 30, 2017
	(dollars in thousands)	
Commercial real estate	$4,467,778	$4,124,805
Agriculture	2,177,020	2,122,138
Commercial non-real estate	1,767,587	1,718,914
Residential real estate	866,982	932,892
Consumer	55,190	66,559
Other	41,816	43,207
Ending balance	9,376,373	9,008,515
Less: Unamortized discount on acquired loans	(23,501)	(29,121)
Unearned net deferred fees and costs and loans in process	(14,566)	(10,841)
Total	$9,338,306	$8,968,553

The loan segments above include loans covered by a FDIC loss sharing agreement totaling $50.7 million and $57.5 million as of March 31, 2018 and September 30, 2017, respectively, residential real estate loans held for sale totaling $2.4 million and $7.5 million at March 31, 2018 and September 30, 2017, respectively, and $921.0 million and $1.02 billion of loans accounted for at fair value at March 31, 2018 and September 30, 2017, respectively.

Unearned net deferred fees and costs totaled $13.1 million and $11.6 million as of March 31, 2018 and September 30, 2017, respectively.

Loans in process represent loans that have been funded as of the balance sheet dates but not classified into a loan category and loan payments received as of the balance sheet dates that have not been applied to individual loan accounts. Loans in process totaled $1.5 million and $(0.8) million at March 31, 2018 and September 30, 2017, respectively.

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

Loans guaranteed by agencies of the U.S. government totaled $170.3 million and $168.3 million at March 31, 2018 and September 30, 2017, respectively.

Principal balances of residential real estate loans sold totaled $67.6 million and $53.4 million for the three months ended March 31, 2018 and 2017, respectively, and $117.8 million and $145.1 million for the six months ended March 31, 2018 and 2017, respectively.

Nonaccrual

Interest income on loans is accrued daily on the outstanding balances. Accrual of interest is discontinued when management believes, after considering collection efforts and other factors, the borrower's financial condition is such that collection of interest is doubtful, which is usually at 90 days past due. Generally, when loans are placed on nonaccrual status, interest receivable is reversed against interest income in the current period. Interest payments received thereafter are applied as a reduction to the remaining principal balance as long as concern exists as to the ultimate collection of the principal. Loans are removed from nonaccrual status when they become current as to both principal and interest and concern no longer exists as to the collectability of principal and interest.

The following table presents the Company's nonaccrual loans at March 31, 2018 and September 30, 2017, excluding ASC 310-30 loans. Loans greater than 90 days past due and still accruing interest as of March 31, 2018 and September 30, 2017, were $0.9 million and $1.9 million, respectively.

	March 31, 2018	September 30, 2017
	(dollars in thousands)	
Nonaccrual loans		
Commercial real estate	$26,343	$ 14,693
Agriculture	86,758	99,325
Commercial non-real estate	10,146	13,674
Residential real estate	4,058	4,421
Consumer	88	112
Total	$127,393	$ 132,225

Credit Quality Information

The Company assigns all non-consumer loans a credit quality risk rating. These ratings are Pass, Watch, Substandard, Doubtful, and Loss. Loans with a Pass and Watch rating represent those loans not classified on the Company's rating scale for problem credits, with loans with a Watch rating being monitored and updated at least quarterly by management. Substandard loans are those where a well-defined weakness has been identified that may put full collection of contractual debt at risk. Doubtful loans are those where a well-defined weakness has been identified and a loss of contractual debt is probable. Substandard and doubtful loans are monitored and updated monthly. All loan risk ratings are updated and monitored on a continuous basis. The Company generally does not risk rate consumer loans unless a default event such as bankruptcy or extended nonperformance takes place. Alternatively, standard credit scoring systems are used to assess credit risks of consumer loans.

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following table presents the composition of the loan portfolio by internally assigned grade as of March 31, 2018 and September 30, 2017. This table is presented net of unamortized discount on acquired loans and excludes loans measured at fair value with changes in fair value reported in earnings of $921.0 million at March 31, 2018 and $1.02 billion at September 30, 2017.

As of March 31, 2018	Commercial Real Estate	Agriculture	Commercial Non-Real Estate	Residential Real Estate	Consumer	Other	Total
	(dollars in thousands)						
Credit Risk Profile by Internally Assigned Grade							
Grade:							
Pass	$3,888,128	$1,683,280	$1,443,731	$ 798,778	$ 54,324	$41,816	$7,910,057
Watchlist	62,695	152,878	33,852	4,935	326	—	254,686
Substandard	62,784	123,714	19,552	7,152	235	—	213,437
Doubtful	113	5	2,756	126	—	—	3,000
Loss	—	—	—	—	—	—	—
Ending balance	4,013,720	1,959,877	1,499,891	810,991	54,885	41,816	8,381,180
Loans covered by a FDIC loss sharing agreement	—	—	—	50,727	—	—	50,727
Total	$4,013,720	$1,959,877	$1,499,891	$ 861,718	$ 54,885	$41,816	$8,431,907

As of September 30, 2017	Commercial Real Estate	Agriculture	Commercial Non-Real Estate	Residential Real Estate	Consumer	Other	Total
	(dollars in thousands)						
Credit Risk Profile by Internally Assigned Grade							
Grade:							
Pass	$3,519,689	$1,577,403	$1,369,803	$ 853,266	$ 65,673	$43,207	$7,429,041
Watchlist	80,195	157,407	31,878	4,158	187	—	273,825
Substandard	37,627	130,953	21,438	7,368	306	—	197,692
Doubtful	521	119	3,841	242	—	—	4,723
Loss	—	—	—	—	—	—	—
Ending balance	3,638,032	1,865,882	1,426,960	865,034	66,166	43,207	7,905,281
Loans covered by a FDIC loss sharing agreement	—	—	—	57,537	—	—	57,537
Total	$3,638,032	$1,865,882	$1,426,960	$ 922,571	$ 66,166	$43,207	$7,962,818

Past Due Loans

The following table presents the Company’s past due loans at March 31, 2018 and September 30, 2017. This table is presented net of unamortized discount on acquired loans and excludes loans measured at fair value with changes in fair value reported in earnings of $921.0 million at March 31, 2018 and $1.02 billion at September 30, 2017.

	30-59 Days Past Due	60-89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current	Total Financing Receivables
	(dollars in thousands)					
As of March 31, 2018						
Commercial real estate	$3,308	$ 67	$ 22,319	$25,694	$3,988,026	$4,013,720

Agriculture	2,387	371	26,498	29,256	1,930,621	1,959,877
Commercial non-real estate	3,665	1,190	5,223	10,078	1,489,813	1,499,891
Residential real estate	2,568	90	1,364	4,022	806,969	810,991
Consumer	140	3	44	187	54,698	54,885
Other	—	—	—	—	41,816	41,816
Ending balance	12,068	1,721	55,448	69,237	8,311,943	8,381,180
Loans covered by a FDIC loss sharing agreement	1,283	217	588	2,088	48,639	50,727
Total	$13,351	$ 1,938	$ 56,036	$71,325	$8,360,582	$8,431,907

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

	30-59 Days Past Due	60-89 Days Past Due	90 Days or Greater Past Due	Total Past Due	Current	Total Financing Receivables
	(dollars in thousands)					
As of September 30, 2017						
Commercial real estate	$876	$ 22,536	$ 6,504	$29,916	$3,608,116	$ 3,638,032
Agriculture	1,453	3,181	20,844	25,478	1,840,404	1,865,882
Commercial non-real estate	2,485	115	8,580	11,180	1,415,780	1,426,960
Residential real estate	1,428	76	951	2,455	862,579	865,034
Consumer	71	24	18	113	66,053	66,166
Other	—	—	—	—	43,207	43,207
Ending balance	6,313	25,932	36,897	69,142	7,836,139	7,905,281
Loans covered by a FDIC loss sharing agreement	998	54	738	1,790	55,747	57,537
Total	$7,311	$ 25,986	$ 37,635	$70,932	$7,891,886	$ 7,962,818

Impaired Loans

The following table presents the Company’s impaired loans. This table excludes purchased credit impaired loans and loans measured at fair value with changes in fair value reported in earnings of $921.0 million at March 31, 2018 and $1.02 billion at September 30, 2017.

	March 31, 2018			September 30, 2017		
	Recorded Investment	Unpaid Principal Balance	Related Allowance	Recorded Investment	Unpaid Principal Balance	Related Allowance
	(dollars in thousands)					
Impaired loans:						
With an allowance recorded:						
Commercial real estate	$48,532	$49,799	$ 7,248	$20,819	$24,893	$ 3,621
Agriculture	63,293	73,823	10,465	79,219	88,268	11,468
Commercial non-real estate	14,747	18,140	4,320	17,950	28,755	4,779
Residential real estate	5,208	5,991	2,549	5,177	5,874	2,581
Consumer	217	225	74	280	287	86
Total impaired loans with an allowance recorded	131,997	147,978	24,656	123,445	148,077	22,535
With no allowance recorded:						
Commercial real estate	13,335	52,866	—	16,652	69,677	—
Agriculture	61,643	66,567	—	51,256	64,177	—
Commercial non-real estate	14,110	23,372	—	13,983	38,924	—
Residential real estate	2,166	5,157	—	2,574	9,613	—
Consumer	14	133	—	13	950	—
Total impaired loans with no allowance recorded	91,268	148,095	—	84,478	183,341	—
Total impaired loans	$223,265	$296,073	$ 24,656	$207,923	$331,418	$ 22,535

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following table presents the average recorded investment on impaired loans and interest income recognized on impaired loans for the three and six months ended March 31, 2018 and 2017, respectively, are as follows.

	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017		Six Months Ended March 31, 2018		Six Months Ended March 31, 2017	
	Average Recorded Investment	Interest Income Recognized While on Impaired Status	Average Recorded Investment	Interest Income Recognized While on Impaired Status	Average Recorded Investment	Interest Income Recognized While on Impaired Status	Average Recorded Investment	Interest Income Recognized While on Impaired Status
	(dollars in thousands)							
Commercial real estate	$66,577	$ 477	$44,807	$ 545	$56,875	$ 2,053	$47,873	$ 1,215
Agriculture	121,062	1,189	128,919	1,326	124,200	2,171	119,892	3,193
Commercial non-real estate	30,350	325	46,304	358	30,878	776	47,477	780
Residential real estate	7,578	116	9,565	126	7,636	281	9,831	240
Consumer	238	4	389	12	256	8	391	27
Total	$225,805	$ 2,111	$229,984	$ 2,367	$219,845	$ 5,289	$225,464	$ 5,455

Valuation adjustments made to repossessed properties totaled $0.7 million and $0.5 million for the three months ended March 31, 2018 and 2017 and $0.7 million and $0.9 million for the six months ended March 31, 2018 and 2017, respectively. The adjustments are included in noninterest expense.

Troubled Debt Restructurings

Included in certain loan categories in the impaired loans are troubled debt restructurings (“TDRs”) that were classified as impaired. These TDRs do not include purchased credit impaired loans. When the Company grants concessions to borrowers such as reduced interest rates or extensions of loan periods that would not be considered other than because of borrowers’ financial difficulties, the modification is considered a TDR. Specific reserves included in the allowance for loan and lease losses for TDRs were $10.0 million and $8.8 million at March 31, 2018 and September 30, 2017, respectively. There were $0.7 million commitments to lend additional funds to borrowers whose loans were modified in a TDR as of March 31, 2018 and no commitments to lend additional funds to borrowers whose loans were modified in a TDR as of September 30, 2017.

The following table presents the recorded value of the Company’s TDR balances as of March 31, 2018 and September 30, 2017.

	March 31, 2018		September 30, 2017	
	Accruing	Nonaccrual	Accruing	Nonaccrual
	(dollars in thousands)			
Commercial real estate	$617	$ 2,632	$1,121	$ 5,351
Agriculture	29,200	60,098	22,678	59,633
Commercial non real estate	7,647	3,916	8,369	5,641
Real estate	249	739	311	688
Consumer	83	—	11	21
Total	$37,796	$ 67,385	$32,490	$ 71,334

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GREAT WESTERN BANCORP, INC.
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The following table presents a summary of all accruing loans restructured in TDRs during the three months ended March 31, 2018 and 2017.

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
		Recorded Investment			Recorded Investment	
	Number	Pre-Modification	Post-Modification	Number	Pre-Modification	Post-Modification
	(dollars in thousands)					
Commercial real estate						
Rate modification	—	$ —	$ —	—	$ —	$ —
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial real estate	—	—	—	—	—	—
Agriculture						
Rate modification	1	5,500	5,500	—	—	—
Term extension	—	—	—	2	8,434	8,434
Payment modification	1	573	573	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total agriculture	2	6,073	6,073	2	8,434	8,434
Commercial non-real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	2	93	93
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial non-real estate	—	—	—	2	93	93
Residential real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total residential real estate	—	—	—	—	—	—
Consumer						
Rate modification	1	73	73	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total consumer	1	73	73	—	—	—
Total accruing	3	$ 6,146	$ 6,146	4	$ 8,527	$ 8,527
Change in recorded investment due to principal paydown at time of modification	—	$ —	$ —	—	$ —	$ —
	—	$ —	$ —	—	$ —	$ —

Change in recorded investment due to chargeoffs at time of modification

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Explanation of Responses:

GREAT WESTERN BANCORP, INC.
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The following table presents a summary of all accruing loans restructured in TDRs during the six months ended March 31, 2018 and 2017.

	Six Months Ended March 31, 2018			Six Months Ended March 31, 2017		
		Recorded Investment			Recorded Investment	
	Number	Pre-Modification	Post-Modification	Number	Pre-Modification	Post-Modification
	(dollars in thousands)					
Commercial real estate						
Rate modification	—	$ —	$ —	—	$ —	$ —
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial real estate	—	—	—	—	—	—
Agriculture						
Rate modification	1	5,500	5,500	—	—	—
Term extension	—	—	—	2	8,434	8,434
Payment modification	1	573	573	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total agriculture	2	6,073	6,073	2	8,434	8,434
Commercial non-real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	4	526	526
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial non-real estate	—	—	—	4	526	526
Residential real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	1	9	9
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total residential real estate	—	—	—	1	9	9
Consumer						
Rate modification	1	73	73	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total consumer	1	73	73	—	—	—
Total accruing	3	$ 6,146	$ 6,146	7	$ 8,969	$ 8,969
Change in recorded investment due to principal paydown at time of modification	—	$ —	$ —	—	$ —	$ —
	—	$ —	$ —	—	$ —	$ —

Change in recorded investment due to chargeoffs at time of modification

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following table presents a summary of all non-accruing loans restructured in TDRs during the three months ended March 31, 2018 and 2017.

	Three Months Ended March 31, 2018			Three Months Ended March 31, 2017		
		Recorded Investment			Recorded Investment	
	Number	Pre-Modification	Post-Modification	Number	Pre-Modification	Post-Modification
	(dollars in thousands)					
Commercial real estate						
Rate modification	—	$ —	$ —	—	$ —	$ —
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial real estate	—	—	—	—	—	—
Agriculture						
Rate modification	—	—	—	—	—	—
Term extension	3	6,324	6,324	6	12,988	12,988
Payment modification	3	2,050	2,050	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total agriculture	6	8,374	8,374	6	12,988	12,988
Commercial non-real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial non-real estate	—	—	—	—	—	—
Residential real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total residential real estate	—	—	—	—	—	—
Consumer						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	3	21	21
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total consumer	—	—	—	3	21	21
Total non-accruing	6	$ 8,374	$ 8,374	9	$ 13,009	$ 13,009
Change in recorded investment due to principal paydown at time of modification	—	$ —	$ —	—	$ —	$ —
	—	$ —	$ —	—	$ —	$ —

Change in recorded investment due to chargeoffs at time of modification

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following table presents a summary of all non-accruing loans restructured in TDRs during the six months ended March 31, 2018 and 2017.

	Six Months Ended March 31, 2018			Six Months Ended March 31, 2017		
		Recorded Investment			Recorded Investment	
	Number	Pre-Modification	Post-Modification	Number	Pre-Modification	Post-Modification
	(dollars in thousands)					
Commercial real estate						
Rate modification	—	$ —	$ —	—	$ —	$ —
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial real estate	—	—	—	—	—	—
Agriculture						
Rate modification	—	—	—	—	—	—
Term extension	3	6,324	6,324	6	12,988	12,988
Payment modification	3	2,050	2,050	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total agriculture	6	8,374	8,374	6	12,988	12,988
Commercial non-real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total commercial non-real estate	—	—	—	—	—	—
Residential real estate						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	—	—	—
Payment modification	—	—	—	1	21	21
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total residential real estate	—	—	—	1	21	21
Consumer						
Rate modification	—	—	—	—	—	—
Term extension	—	—	—	3	21	21
Payment modification	—	—	—	—	—	—
Bankruptcy	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total consumer	—	—	—	3	21	21
Total non-accruing	6	$ 8,374	$ 8,374	10	$ 13,030	$ 13,030
Change in recorded investment due to principal paydown at time of modification	—	$ —	$ —	—	$ —	$ —
	—	$ —	$ —	—	$ —	$ —

Change in recorded investment due to chargeoffs at time of modification

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following table presents loans that were modified as TDRs within the previous 12 months and for which there was a payment default for the three and six months ended March 31, 2018 and 2017, respectively.

	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017		Six Months Ended March 31, 2018		Six Months Ended March 31, 2017	
	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment	Number of Loans	Recorded Investment
	(dollars in thousands)							
Commercial real estate	—	$ —	—	$ —	1	$ 1,012	1	$ 34
Agriculture	3	4,264	—	—	4	5,011	—	—
Commercial non-real estate	—	—	1	—	—	—	1	—
Residential real estate	—	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	—	—	—
Total	3	$ 4,264	1	$ —	5	$ 6,023	2	$ 34

A loan is considered to be in payment default once it is 90 days or more contractually past due under the modified terms. The table above includes loans that experienced a payment default during the period, but may be performing in accordance with the modified terms as of the balance sheet date. For the three months ended March 31, 2018 and 2017, there were $0.1 million and $2.1 million, respectively, and $0.6 million and $2.1 million for the six months ended March 31, 2018 and 2017, respectively, of loans removed from TDR status as they were restructured at market terms and are performing.

5. Allowance for Loan and Lease Losses

The allowance for loan and lease losses is determined based on an ongoing evaluation, driven primarily by monitoring changes in loan risk grades, delinquencies, and other credit risk indicators, which are inherently subjective. The Company considers the uncertainty related to certain industry sectors and the extent of credit exposure to specific borrowers within the portfolio. In addition, consideration is given to concentration risks associated with the various loan portfolios and current economic conditions that might impact the portfolio. The Company also considers changes, if any, in underwriting activities, the loan portfolio composition (including product mix and geographic, industry, or customer-specific concentrations), trends in loan performance, the level of allowance coverage relative to similar banking institutions and macroeconomic factors, such as changes in unemployment rates, gross domestic product, and consumer bankruptcy filings.

Changes to the allowance for loan and lease losses are made by charges to the provision for loan and lease losses, which is reflected on the consolidated statements of income. Past due status is monitored as an indicator of credit deterioration. Loans that are 90 days or more past due are put on nonaccrual status unless a repayment is eminent. Loans deemed to be uncollectible are charged off against the allowance for loan and lease losses. Recoveries of amounts previously charged-off are credited to the allowance for loan and lease losses.

The allowance for loan and lease losses consist of reserves for probable losses that have been identified related to specific borrowing relationships that are individually evaluated for impairment (“specific reserve”), as well as probable losses inherent in our loan portfolio that are not specifically identified (“collective reserve”).

The specific reserve relates to impaired loans. A loan is impaired when, based on current information and events, it is probable the Company will be unable to collect all amounts due (interest as well as principal) according to the contractual terms of the loan agreement. Specific reserves are determined on a loan-by-loan basis based on management’s best estimate of the Company's exposure, given the current payment status of the loan, the present value of expected payments, and the value of any underlying collateral. Impaired loans also include loans modified in troubled debt restructurings. Generally, the impairment related to troubled debt restructurings is measured based on the fair value of the collateral, less cost to sell, or the present value of expected payments relative to the unpaid principal balance. If the impaired loan is identified as collateral dependent, then the fair value of the collateral method of measuring the amount of the impairment is utilized. This method requires obtaining an independent appraisal of the collateral and reducing the appraised value by applying a discount factor to the appraised value, if necessary, and including costs to sell.

Management’s estimate for collective reserves reflects losses incurred in the loan portfolio as of the consolidated balance sheet reporting date. Incurred loss estimates primarily are based on historical loss experience and portfolio mix. Incurred loss estimates may be adjusted for qualitative factors such as current economic conditions and current portfolio trends including credit quality, concentrations, aging of the portfolio, and/or significant policy and underwriting changes.

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GREAT WESTERN BANCORP, INC.
Notes to Consolidated Financial Statements (Unaudited)

The following tables present the Company’s allowance for loan and lease losses roll forward for the three and six months ended March 31, 2018 and 2017.

Three Months Ended March 31, 2018	Commercial Real Estate	Agriculture	Commercial Non-Real Estate	Residential Real Estate	Consumer	Other	Total
	(dollars in thousands)						
Beginning balance January 1, 2018	$15,995	$ 24,750	$ 16,434	$ 5,475	$ 307	$1,062	$64,023
Charge-offs	(1,268)	(783)	(1,605)	(20)	(62)	(557)	(4,295)
Recoveries	61	125	88	27	20	190	511
Provision	4,077	152	813	(341)	14	281	4,996
Impairment (improvement) of ASC 310-30 loans	49	(115)	—	(30)	—	—	(96)
Ending balance March 31, 2018	$18,914	$ 24,129	$ 15,730	$ 5,111	$ 279	$976	$65,139

Three Months Ended March 31, 2017	Commercial Real Estate	Agriculture	Commercial Non-Real Estate	Residential Real Estate	Consumer	Other	Total
	(dollars in thousands)						
Beginning balance January 1, 2017	$16,623	$ 28,519	$ 13,443	$ 6,786	$ 340	$1,056	$66,767
Charge-offs	(1,824)	(4,554)	(1,734)	(117)	(31)	(819)	(9,079)
Recoveries	286	118	121	56	15	392	988
Provision	2,096	2,237	119	210	47	351	5,060
(Improvement) of ASC 310-30 loans	(185)	—	—	(866)	—	—	(1,051)
Ending balance March 31, 2017	$16,996	$ 26,320	$ 11,949	$ 6,069	$ 371	$980	$62,685

Six Months Ended March 31, 2018	Commercial Real Estate	Agriculture	Commercial Non-Real Estate	Residential Real Estate	Consumer	Other	Total
	(dollars in thousands)						
Beginning balance October 1, 2017	$16,941	$ 25,757	$ 14,114	$ 5,347	$ 329	$1,015	$63,503
Charge-offs	(1,597)	(2,981)	(2,844)	(275)	(116)	(1,091)	(8,904)
Recoveries	209	172	209	117	42	334	1,083
Provision	3,322	1,296	4,251	(11)	24	718	9,600
Impairment (improvement) of ASC 310-30 loans	39	(115)	—	(67)	—	—	(143)
Ending balance March 31, 2018	$18,914	$ 24,129	$ 15,730	$ 5,111	$ 279	$976	$65,139

Six Months Ended March 31, 2017	Commercial Real Estate	Agriculture	Commercial Non-Real Estate	Residential Real Estate	Consumer	Other	Total
	(dollars in thousands)						
Beginning balance October 1, 2016	$17,946	$ 25,115	$				