CITY HOLDING CO
Form 10-Q
August 04, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Quarterly Period Ended June 30, 2016
OR
[ ] TRANSITION REPORT PURSANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Transition Period From ____________To_____________.

Commission File Number 0-11733
CITY HOLDING COMPANY
(Exact name of registrant as specified in its charter)

West Virginia	55-0619957
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
25 Gatewater Road	
Charleston, West Virginia	25313
(Address of principal executive offices)	(Zip Code)

(304) 769-1100
(Registrant’s telephone number, including area code)

Indicate by check mark whether the registrant has (1) 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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] 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 definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.
Large accelerated filer [X] Accelerated filer [ ]

Non-accelerated filer [ ] 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 [X]

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Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practical date.

Common stock, $2.50 Par Value – 15,005,321 shares as of August 3, 2016.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q, including statements in Management's Discussion and Analysis of Financial Condition and Results of Operations are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such information involves risks and uncertainties that could result in the Company's actual results differing materially from those projected in the forward-looking statements. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include, but are not limited to, (1) the Company may incur additional loan loss provision due to negative credit quality trends in the future that may lead to a deterioration of asset quality; (2) the Company may incur increased charge-offs in the future; (3) the Company could have adverse legal actions of a material nature; (4) the Company may face competitive loss of customers; (5) the Company may be unable to manage its expense levels; (6) the Company may have difficulty retaining key employees; (7) changes in the interest rate environment may have results on the Company's operations materially different from those anticipated by the Company's market risk management functions; (8) changes in general economic conditions and increased competition could adversely affect the Company's operating results; (9) changes in other regulations and government policies affecting bank holding companies and their subsidiaries, including changes in monetary policies, could negatively impact the Company's operating results; (10) the Company may experience difficulties growing loan and deposit balances; (11) the current economic environment poses significant challenges for us and could adversely affect our financial condition and results of operations; (12) deterioration in the financial condition of the U.S. banking system may impact the valuations of investments the Company has made in the securities of other financial institutions resulting in either actual losses or other than temporary impairments on such investments; (13) the effects of the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the regulations promulgated and to be promulgated thereunder, which may subject the Company and its subsidiaries to a variety of new and more stringent legal and regulatory requirements which adversely affect their respective businesses; (14) the impact of new minimum capital thresholds established as a part of the implementation of Basel III; and (15) other risk factors relating to the banking industry or the Company as detailed from time to time in the Company's reports filed with the Securities and Exchange Commission, including those risk factors included in the disclosures under the heading "Item 1A Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015. Forward-looking statements made herein reflect management's expectations as of the date such statements are made. Such information is provided to assist stockholders and potential investors in understanding current and anticipated financial operations of the Company and is included pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances that arise after the date such statements are made.

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Part I - FINANCIAL INFORMATION

Item 1 - Financial Statements

Consolidated Balance Sheets
City Holding Company and Subsidiaries
(in thousands)

	(Unaudited) June 30, 2016	December 31, 2015
Assets		
Cash and due from banks	$69,933	$58,829
Interest-bearing deposits in depository institutions	8,643	11,284
Cash and Cash Equivalents	78,576	70,113
Investment securities available for sale, at fair value	409,039	369,466
Investment securities held-to-maturity, at amortized cost (approximate fair value at June 30, 2016 and December 31, 2015 - $86,944 and $90,810, respectively)	83,208	88,937
Other securities	10,203	12,915
Total Investment Securities	502,450	471,318
Gross loans	2,903,398	2,862,534
Allowance for loan losses	(19,139)	(19,251)
Net Loans	2,884,259	2,843,283
Bank owned life insurance	99,446	97,919
Premises and equipment, net	75,040	77,271
Accrued interest receivable	8,428	7,432
Net deferred tax asset	23,995	29,974
Goodwill and other intangible assets, net	79,433	79,792
Other assets	55,234	36,957
Total Assets	$3,806,861	$3,714,059
Liabilities		
Deposits:		
Noninterest-bearing	$651,867	$621,073
Interest-bearing:		
Demand deposits	701,248	679,735
Savings deposits	758,323	765,611
Time deposits	1,030,841	1,017,556
Total Deposits	3,142,279	3,083,975
Short term borrowings:		
Federal funds purchased	—	13,000
Customer repurchase agreements	153,674	141,869
Long-term debt	16,495	16,495
Other liabilities	66,054	39,448
Total Liabilities	3,378,502	3,294,787

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Shareholders' Equity		
Preferred stock, par value $25 per share: 500,000 shares authorized; none issued	—	—
Common stock, par value $2.50 per share: 50,000,000 shares authorized; 18,499,282 shares issued at June 30, 2016 and December 31, 2015, less 3,493,961 and 3,319,067 shares in treasury, respectively	46,249	46,249
Capital surplus	105,648	106,269
Retained earnings	402,044	390,690
Cost of common stock in treasury	(127,619)	(120,104)
Accumulated other comprehensive income (loss):		
Unrealized gain on securities available-for-sale	6,796	927
Underfunded pension liability	(4,759)	(4,759)
Total Accumulated Other Comprehensive Income (Loss)	2,037	(3,832)
Total Shareholders' Equity	428,359	419,272
Total Liabilities and Shareholders' Equity	$3,806,861	$3,714,059

See notes to consolidated financial statements.

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Consolidated Statements of Income (Unaudited)
City Holding Company and Subsidiaries
(in thousands, except earnings per share data)

Interest Income	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Interest and fees on loans	$29,640	$28,812	$58,567	$58,200
Interest and dividends on investment securities:				
Taxable	2,927	2,641	5,933	5,353
Tax-exempt	365	267	722	531
Total Interest Income	32,932	31,720	65,222	64,084
Interest Expense				
Interest on deposits	3,011	2,699	5,909	5,440
Interest on short-term borrowings	86	85	193	167
Interest on long-term debt	167	153	331	303
Total Interest Expense	3,264	2,937	6,433	5,910
Net Interest Income	29,668	28,783	58,789	58,174
Provision for loan losses	1,122	2,836	1,661	3,724
Net Interest Income After Provision for Loan Losses	28,546	25,947	57,128	54,450
Non-Interest Income				
Net gains on sale of investment securities	845	2,116	845	2,130
Service charges	6,564	6,589	12,867	12,516
Bankcard revenue	4,190	4,002	8,157	8,076
Trust and investment management fee income	1,371	1,201	2,647	2,401
Bank owned life insurance	768	783	1,528	1,547
Gain on sale of insurance division	—	—	—	11,084
Other income	843	714	1,664	1,672
Total Non-Interest Income	14,581	15,405	27,708	39,426
Non-Interest Expense				
Salaries and employee benefits	12,790	12,193	25,463	24,372
Occupancy and equipment	2,708	2,529	5,544	5,119
Depreciation	1,567	1,516	3,134	3,027
FDIC insurance expense	512	445	977	895
Advertising	778	701	1,494	1,405
Bankcard expenses	925	797	1,758	1,615
Postage, delivery, and statement mailings	506	507	1,071	1,068
Office supplies	366	347	719	693
Legal and professional fees	528	542	999	1,109
Telecommunications	431	463	859	938
Repossessed asset losses, net of expenses	53	335	341	555
Merger related expenses	—	108	—	108
Other expenses	3,119	2,761	6,064	5,505
Total Non-Interest Expense	24,283	23,244	48,423	46,409
Income Before Income Taxes	18,844	18,108	36,413	47,467
Income tax expense	6,303	6,125	12,169	17,492

Net Income Available to Common Shareholders	$12,541	$11,983	$24,244	$29,975

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Total Comprehensive Income	$15,667	$10,344	$30,113	$29,242
Average common shares outstanding	14,889	15,104	14,903	15,079
Effect of dilutive securities:				
Employee stock awards and warrant outstanding	13	23	12	77
Shares for diluted earnings per share	14,902	15,127	14,915	15,156
Basic earnings per common share	$0.83	$0.78	$1.61	$1.97
Diluted earnings per common share	$0.83	$0.78	$1.61	$1.96
Dividends declared per common share	$0.43	$0.42	$0.86	$0.84

See notes to consolidated financial statements.

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Consolidated Statements of Comprehensive Income (Unaudited)
City Holding Company and Subsidiaries
(in thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net income	$12,541	$11,983	$24,244	$29,975
Unrealized gains (losses) on available-for-sale securities arising during the period	5,800	(482)	10,148	968
Reclassification adjustment for gains	(845)	(2,116)	(845)	(2,130)
Other comprehensive income (loss) before income taxes	4,955	(2,598)	9,303	(1,162)
Tax effect	(1,829)	959	(3,434)	429
Other comprehensive income (loss), net of tax	3,126	(1,639)	5,869	(733)
Comprehensive Income, Net of Tax	$15,667	$10,344	$30,113	$29,242

See notes to consolidated financial statements.

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Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
City Holding Company and Subsidiaries
Six Months Ended June 30, 2016 and 2015
(in thousands)

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2014	$46,249	$107,370	$362,211	$(120,818)	$ (4,159)	$ 390,853
Net income	—	—	29,975	—	—	29,975
Other comprehensive loss	—	—	—	—	(733)	(733)
Cash dividends declared ($0.84 per share)	—	—	(12,807)	—	—	(12,807)
Stock-based compensation expense, net	—	(408)	—	1,468	—	1,060
Exercise of 29,250 stock options	—	(306)	—	1,302	—	996
Exercise of 61,796 warrants	—	(765)	—	2,661	—	1,896
Balance at June 30, 2015	$46,249	$105,891	$379,379	$(115,387)	$ (4,892)	$ 411,240

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance at December 31, 2015	$46,249	$106,269	$390,690	$(120,104)	$ (3,832)	$ 419,272
Net income	—	—	24,244	—	—	24,244
Other comprehensive income	—	—	—	—	5,869	5,869
Cash dividends declared ($0.86 per share)	—	—	(12,890)	—	—	(12,890)
Stock-based compensation expense, net	—	(417)	—	1,617	—	1,200
Exercise of 20,250 stock options	—	(204)	—	886	—	682
Purchase of 231,132 treasury shares	—	—	—	(10,018)	—	(10,018)
Balance at June 30, 2016	$46,249	$105,648	$402,044	$(127,619)	$ 2,037	$ 428,359

See notes to consolidated financial statements.

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Consolidated Statements of Cash Flows (Unaudited)
City Holding Company and Subsidiaries
(in thousands)

	Six months ended June 30,	
	2016	2015
Net income	$24,244	$29,975
Adjustments to reconcile net income to net cash provided by operating activities:		
Accretion and amortization	146	(2,976)
Provision for loan losses	1,661	3,724
Depreciation of premises and equipment	3,134	3,027
Deferred income tax expense	2,548	4,549
Net periodic employee benefit cost	257	413
Realized investment securities gains	(1,256)	(2,130)
Investment securities impairment losses	411	—
Stock-compensation expense	1,200	1,060
Increase in value of bank-owned life insurance	(1,527)	(1,547)
Loans originated for sale	(5,913)	(9,191)
Proceeds from the sale of loans originated for sale	5,801	9,327
Gain on sale of loans	(139)	(167)
Gain on sale of insurance division	—	(11,084)
Change in accrued interest receivable	(996)	(1,012)
Change in other assets	(18,105)	5,703
Change in other liabilities	26,282	(19,307)
Net Cash Provided by Operating Activities	37,748	10,364
Proceeds from sales of securities available-for-sale	1,256	290
Proceeds from maturities and calls of securities available-for-sale	34,009	33,323
Proceeds from maturities and calls of securities held-to-maturity	5,549	7,648
Purchases of securities available-for-sale	(63,458)	(67,911)
Net increase in loans	(40,883)	(31,705)
Purchases of premises and equipment	(1,391)	(978)
Disposals of premises and equipment	376	—
Proceeds from sale of insurance division	—	15,250
Net Cash Used in Investing Activities	(64,542)	(44,083)
Net increase in non-interest-bearing deposits	30,794	18,250
Net increase in interest-bearing deposits	27,806	11,985
Net increase (decrease) in short-term borrowings	(1,195)	18,240
Purchases of treasury stock	(10,018)	—
Proceeds from exercise of stock options, net of tax benefit	682	996
Proceeds from exercise of warrants	—	1,896
Dividends paid	(12,812)	(12,452)
Net Cash Provided by Financing Activities	35,257	38,915
Increase in Cash and Cash Equivalents	8,463	5,196
Cash and cash equivalents at beginning of period	70,113	148,228
Cash and Cash Equivalents at End of Period	$78,576	$153,424

See notes to consolidated financial statements.

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Notes to Consolidated Financial Statements (Unaudited)
June 30, 2016

Note A –Background and Basis of Presentation

City Holding Company ("City Holding"), a West Virginia corporation headquartered in Charleston, West Virginia, is a registered financial holding company under the Bank Holding Company Act and conducts its principal activities through its wholly-owned subsidiary, City National Bank of West Virginia ("City National"). City National is a retail and consumer-oriented community bank with 85 banking offices in West Virginia (57), Virginia (14), Kentucky (11) and Ohio (3). City National provides credit, deposit, and trust and investment management services to its customers. In addition to its branch network, City National's delivery channels include ATMs, mobile banking, debit cards, interactive voice response systems, and Internet technology. The Company's business activities are currently limited to one reportable business segment, which is community banking.

On January 9, 2015 the Company sold its insurance operations, CityInsurance, to The Hilb Group effective January 1, 2015. As a result of this sale, the Company recognized a one-time after tax gain of $5.8 million from this transaction in the first quarter of 2015.

On November 6, 2015, the Company consummated the acquisition of three branch locations from American Founders Bank, Inc. ("AFB") located in Lexington, Kentucky. The Company acquired approximately $119 million in performing loans and and assumed deposit liabilities of approximately $145 million. The Company paid AFB a deposit premium of 5.5% on non-time deposits, and 1.0% on premium loan balances acquired.

The accompanying consolidated financial statements, which are unaudited, include all of the accounts of the City Holding Company and its wholly-owned subsidiaries (collectively, the "Company"). All material intercompany transactions have been eliminated. The consolidated financial statements include all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of operations and financial condition for each of the periods presented. Such adjustments are of a normal recurring nature. The results of operations for the six months ended June 30, 2016 are not necessarily indicative of the results of operations that can be expected for the year ending December 31, 2016. The Company's accounting and reporting policies conform with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Such policies require management to make estimates and develop assumptions that affect the amounts reported in the consolidated financial statements and related footnotes. Actual results could differ from management's estimates.

The consolidated balance sheet as of December 31, 2015 has been derived from audited financial statements included in the Company's 2015 Annual Report to Shareholders. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles have been omitted. These financial statements should be read in conjunction with the financial statements and notes thereto included in the 2015 Annual Report of the Company.

Certain amounts in the financial statements have been reclassified. Such reclassifications had no impact on shareholders' equity or net income for any period.

Note B - Recent Accounting Pronouncements

In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810) - Amendments to the Consolidation Analysis." ASU 2015-02 eliminates the deferral of FAS 167 and makes changes to both the variable interest model and the voting model. This ASU became effective for the Company on January 1, 2016. The adoption of ASU 2015-02 did not have a material impact on the Company's financial statements.

In April 2015, the FASB issued ASU No. 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs." ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU became effective for the Company on January 1, 2016. The adoption of ASU 2015-03 did not have a material impact on the Company's financial statements.

In April 2015, the FASB issued ASU No. 2015-05, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement." ASU 2015-05 provides guidance to clarify the customer’s accounting for fees paid in a cloud computing arrangement. This ASU became effective for

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the Company on January 1, 2016. The adoption of ASU 2015-05 did not have a material impact on the Company's financial statements.

In May 2015, the FASB issued ASU No. 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The ASU also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. This ASU became effective for the Company on January 1, 2016. The adoption of ASU 2015-07 did not have a material impact on the Company's financial statements.

In September 2015, the FASB issued ASU No. 2015-16, "Business Combinations (Topic 85): Simplifying the Accounting for Measurement-Period Adjustments." The amendments in ASU 2015-16 require that an acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. The effect on earnings of the adjustments as a result of the change to the provisional amounts will be calculated as if the accounting had been completed at the acquisition date. The amount that would've been recorded in the previous reporting periods will be presented separately on the face of the income statement or disclosed in the notes to the financial statements. This ASU became effective for the Company on January 1, 2016. The adoption of ASU 2015-16 did not have a material impact on the Company's financial statements.

In November 2015, the FASB issued ASU No. 2015-17, "Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes." This standard requires that deferred tax liabilities and assets be classified as non-current on the balance sheet. This ASU will become effective for the Company for interim and annual periods on January 1, 2017 and early adoption is permitted. The adoption of ASU No. 2015-17 is not expected to have a material impact on the Company's financial statements.

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." This standard makes several modifications to Subtopic 825-10 including the elimination of the available-for-sale classification of equity investments, and requires equity investments with readily determinable fair values to be measured at fair value with changes in fair value recognized in net income. This ASU will become effective for the Company for interim and annual periods on January 1, 2018. The adoption of ASU No. 2016-01 is not expected to have a material impact on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, “Leases (Topic 842).” This standard requires organizations to recognizing lease assets and lease liabilities on the balance sheet and disclose key information about leasing requirements for leases that were historically classified as operating leases under previous generally accepted accounting principals. This ASU will become effective for the Company for interim and annual periods on January 1, 2019. The adoption of ASU No. 2016-02 is not expected to have a material impact on the Company’s financial statements.

In March 2016, the FASB issued ASU No. 2016-09, “Compensation-Stock Compensation (Topic 718): Improvements to Employee Share Based Accounting.” This standard makes several modifications to the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. This ASU will become effective for the Company for interim and annual periods on January 1, 2017. The adoption of ASU No. 2016-09 is not expected to have a material impact on the Company’s financial statements.

In April 2016, the FASB issued ASU No. 2016-10, “Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing.” The amendments in this standard clarify identifying performance obligations and the licensing implementation guidance under Topic 606. This ASU will become effective for the Company for interim and annual periods on January 1, 2018. The adoption of ASU No. 2016-10 is not expected to have a material impact on the Company’s financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" This standard replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments in this update require a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The new current expected credit losses model (CECL) will apply to the allowance for loan losses, available-for-sale and held to maturity debt securities, purchased financial assets with credit deterioration and certain off-balance sheet credit exposures. This ASU will become effective for the Company for interim and annual periods on January 1, 2020. Management is currently evaluating the potential impact of ASU No. 2016-13 on the Company's financial statements.

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Note C –Investments

The amortized cost and estimated fair values of the Company's securities are shown in the following table (in thousands):

	June 30, 2016				December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities available-for-sale:								
U.S. Treasuries and U.S. government agencies	$4	$ —	$ —	$4	$5	$ —	$ —	$5
Obligations of states and political subdivisions	57,224	2,070	3	59,291	49,725	979	7	50,697
Mortgage-backed securities:								
U.S. government agencies	306,201	7,035	128	313,108	287,933	2,285	2,021	288,197
Private label	1,108	3	—	1,111	1,222	9	—	1,231
Trust preferred securities	6,046	1,178	901	6,323	6,550	463	1,155	5,858
Corporate securities	23,930	436	126	24,240	18,793	221	321	18,693
Total Debt Securities	394,513	10,722	1,158	404,077	364,228	3,957	3,504	364,681
Marketable equity securities	2,136	1,283	—	3,419	2,131	1,142	—	3,273
Investment funds	1,525	18	—	1,543	1,525	—	13	1,512
Total Securities Available-for-Sale	$398,174	$ 12,023	$ 1,158	$409,039	$367,884	$ 5,099	$ 3,517	$369,466

	June 30, 2016				December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities held-to-maturity:								
Mortgage-backed securities								
US government agencies	$79,208	$ 3,736	$ —	$ 82,944	$84,937	$ 1,949	$ 76	$ 86,810
Trust preferred securities	4,000	—	—	4,000	4,000	—	—	4,000
Total Securities Held-to-Maturity	$83,208	$ 3,736	$ —	$ 86,944	$88,937	$ 1,949	$ 76	$ 90,810