

TRUSTMARK CORP
Form 10-Q
November 04, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2016

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-03683

Trustmark Corporation

(Exact name of registrant as specified in its charter)

Mississippi 64-0471500
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

248 East Capitol Street, Jackson, Mississippi 39201
(Address of principal executive offices) (Zip Code)

(601) 208-5111

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Edgar Filing: TRUSTMARK CORP - Form 10-Q

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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of October 31, 2016, there were 67,627,272 shares outstanding of the registrant’s common stock (no par value).

Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as “may,” “hope,” “will,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” “could,” “future” or the negative of those terms or other words of similar meaning. You should read statements that contain these words carefully because they discuss our future expectations or state other “forward-looking” information. These forward-looking statements include, but are not limited to, statements relating to anticipated future operating and financial performance measures, including net interest margin, credit quality, business initiatives, growth opportunities and growth rates, among other things, and encompass any estimate, prediction, expectation, projection, opinion, anticipation, outlook or statement of belief included therein as well as the management assumptions underlying these forward-looking statements. You should be aware that the occurrence of the events described under the caption “Risk Factors” in Trustmark’s filings with the Securities and Exchange Commission could have an adverse effect on our business, results of operations and financial condition. Should one or more of these risks materialize, or should any such underlying assumptions prove to be significantly different, actual results may vary significantly from those anticipated, estimated, projected or expected.

Risks that could cause actual results to differ materially from current expectations of Management include, but are not limited to, changes in the level of nonperforming assets and charge-offs, local, state and national economic and market conditions, including conditions in the housing and real estate markets in the regions in which Trustmark operates and the extent and duration of the current volatility in the credit and financial markets as well as crude oil prices, changes in our ability to measure the fair value of assets in our portfolio, material changes in the level and/or volatility of market interest rates, the performance and demand for the products and services we offer, including the level and timing of withdrawals from our deposit accounts, the costs and effects of litigation and of unexpected or adverse outcomes in such litigation, our ability to attract noninterest-bearing deposits and other low-cost funds, competition in loan and deposit pricing, as well as the entry of new competitors into our markets through de novo expansion and acquisitions, economic conditions, including the potential impact of issues relating to the European financial system and monetary and other governmental actions designed to address the level and volatility of interest rates and the volatility of securities, currency and other markets, the enactment of legislation and changes in existing regulations or enforcement practices or the adoption of new regulations, changes in accounting standards and practices, including changes in the interpretation of existing standards, that affect our consolidated financial statements, changes in consumer spending, borrowings and savings habits, technological changes, changes in the financial performance or condition of our borrowers, changes in our ability to control expenses, changes in our compensation and benefit plans, including those associated with the planned termination of our noncontributory tax-qualified defined benefit pension plan, greater than expected costs or difficulties related to the integration of acquisitions or new products and lines of business, cyber-attacks and other breaches which could affect our information system security, natural disasters, environmental disasters, acts of war or terrorism, and other risks described in our filings with the Securities and Exchange Commission.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Except as required by law, we undertake no obligation to update or revise any of this information, whether as the result of new information, future events or developments or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Trustmark Corporation and Subsidiaries

Consolidated Balance Sheets

(\$ in thousands)

	(Unaudited)	
	September 30, 2016	December 31, 2015
Assets		
Cash and due from banks (noninterest-bearing)	\$383,945	\$277,751
Federal funds sold and securities purchased under reverse repurchase agreements	500	250
Securities available for sale (at fair value)	2,410,947	2,345,422
Securities held to maturity (fair value: \$1,173,101-2016; \$1,195,367-2015)	1,143,234	1,187,818
Loans held for sale (LHFS)	242,097	160,189
Loans held for investment (LHFI)	7,499,204	7,091,385
Less allowance for loan losses, LHFI	70,871	67,619
Net LHFI	7,428,333	7,023,766
Acquired loans:		
Noncovered loans	291,825	372,711
Covered loans	3,912	17,700
Less allowance for loan losses, acquired loans	11,380	11,992
Net acquired loans	284,357	378,419
Net LHFI and acquired loans	7,712,690	7,402,185
Premises and equipment, net	190,930	195,656
Mortgage servicing rights	65,514	74,007
Goodwill	366,156	366,156
Identifiable intangible assets	22,366	27,546
Other real estate, excluding covered other real estate	64,993	77,177
Covered other real estate	—	1,651
FDIC indemnification asset	—	738
Other assets	558,166	562,350
Total Assets	\$13,161,538	\$12,678,896
Liabilities		
Deposits:		
Noninterest-bearing	\$3,111,603	\$2,998,694
Interest-bearing	6,574,098	6,589,536
Total deposits	9,685,701	9,588,230
Federal funds purchased and securities sold under repurchase agreements	514,918	441,042
Short-term borrowings	412,792	412,617
Long-term FHLB advances	751,075	501,155
Subordinated notes	49,993	49,969

Edgar Filing: TRUSTMARK CORP - Form 10-Q

Junior subordinated debt securities	61,856	61,856
Other liabilities	150,442	150,970
Total Liabilities	11,626,777	11,205,839
Shareholders' Equity		
Common stock, no par value:		
Authorized: 250,000,000 shares		
Issued and outstanding: 67,626,939 shares - 2016; 67,559,128 shares - 2015	14,090	14,076
Capital surplus	365,553	361,467
Retained earnings	1,172,193	1,142,908
Accumulated other comprehensive loss, net of tax	(17,075)	(45,394)
Total Shareholders' Equity	1,534,761	1,473,057
Total Liabilities and Shareholders' Equity	\$13,161,538	\$12,678,896

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries

Consolidated Statements of Income

(\$ in thousands except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2016	2015	2016	2015
Interest Income				
Interest and fees on LHFS & LHFI	\$76,524	\$69,458	\$222,555	\$203,836
Interest and fees on acquired loans	6,781	11,607	21,854	39,242
Interest on securities:				
Taxable	19,351	20,264	58,839	59,581
Tax exempt	902	1,046	2,804	3,306
Interest on federal funds sold and securities purchased under reverse				
repurchase agreements	5	2	10	4
Other interest income	223	392	653	1,177
Total Interest Income	103,786	102,769	306,715	307,146
Interest Expense				
Interest on deposits	3,208	3,147	9,368	9,598
Interest on federal funds purchased and securities sold under repurchase				
agreements	411	205	1,246	527
Other interest expense	2,603	1,811	7,420	5,074
Total Interest Expense	6,222	5,163	18,034	15,199
Net Interest Income	97,564	97,606	288,681	291,947
Provision for loan losses, LHFI	4,284	2,514	9,123	5,332
Provision for loan losses, acquired loans	691	1,256	2,607	2,428
Net Interest Income After Provision for Loan Losses	92,589	93,836	276,951	284,187
Noninterest Income				
Service charges on deposit accounts	11,677	12,400	33,809	35,405
Bank card and other fees	6,756	6,964	21,110	21,142
Mortgage banking, net	7,364	7,443	22,784	25,889
Insurance commissions	10,074	9,906	28,305	27,923
Wealth management	7,571	7,790	22,987	23,538
Other, net	1,274	1,470	3,534	(18)
Security losses, net	—	—	(310)	—
Total Noninterest Income	44,716	45,973	132,219	133,879
Noninterest Expense				
Salaries and employee benefits	57,250	58,270	181,469	172,832
Services and fees	14,947	14,691	43,944	43,817
Net occupancy - premises	6,440	6,580	18,556	19,014
Equipment expense	6,063	5,877	18,053	17,754

Edgar Filing: TRUSTMARK CORP - Form 10-Q

Other real estate expense	(1,313)	3,385	61	5,421
FDIC assessment expense	2,911	2,559	8,681	8,114
Other expense	11,610	12,198	36,267	36,090
Total Noninterest Expense	97,908	103,560	307,031	303,042
Income Before Income Taxes	39,397	36,249	102,139	115,024
Income taxes	8,415	7,819	22,651	26,844
Net Income	\$30,982	\$28,430	\$79,488	\$88,180
Earnings Per Share				
Basic	\$0.46	\$0.42	\$1.18	\$1.31
Diluted	\$0.46	\$0.42	\$1.17	\$1.30
Dividends Per Share				
	\$0.23	\$0.23	\$0.69	\$0.69

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

(\$ in thousands)

(Unaudited)

	Three Months		Nine Months Ended	
	Ended September 30, 2016	2015	September 30, 2016	2015
Net income per consolidated statements of income	\$30,982	\$28,430	\$79,488	\$88,180
Other comprehensive (loss) income, net of tax:				
Unrealized (losses) gains on available for sale securities and transferred securities:				
Unrealized holding (losses) gains arising during the period	(7,816)	11,035	19,796	8,470
Less: adjustment for net losses realized in net income	—	—	191	—
Change in net unrealized holding loss on securities transferred to held to maturity	1,653	1,036	5,171	2,931
Pension and other postretirement benefit plans:				
Net change in prior service costs	39	39	116	116
Recognized net loss due to lump sum settlement	286	373	1,935	926
Change in net actuarial loss	573	751	1,658	2,256
Derivatives:				
Change in the accumulated loss on effective cash flow hedge derivatives	257	(751)	(840)	(1,185)
Less: adjustment for loss realized in net income	97	130	292	390
Other comprehensive (loss) income, net of tax	(4,911)	12,613	28,319	13,904
Comprehensive income	\$26,071	\$41,043	\$107,807	\$102,084

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries

Consolidated Condensed Statements of Changes in Shareholders' Equity

(\$ in thousands)

(Unaudited)

	2016	2015
Balance, January 1,	\$1,473,057	\$1,419,940
Net income per consolidated statements of income	79,488	88,180
Other comprehensive income, net of tax	28,319	13,904
Common stock dividends paid	(46,983)	(46,952)
Common stock issued-net, long-term incentive plan	(992)	(842)
Repurchase and retirement of common stock	(750)	—
Excess tax expense from stock-based compensation arrangements	(119)	(212)
Compensation expense, long-term incentive plan	2,741	2,738
Balance, September 30,	\$1,534,761	\$1,476,756

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries

Consolidated Statements of Cash Flows

(\$ in thousands)

(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
Operating Activities		
Net income per consolidated statements of income	\$79,488	\$88,180
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses, net	11,730	7,760
Depreciation and amortization	27,183	27,995
Net amortization of securities	6,833	6,411
Securities losses, net	310	—
Gains on sales of loans, net	(14,477)	(13,301)
Deferred income tax provision	12,900	11,600
Proceeds from sales of loans held for sale	1,030,784	943,804
Purchases and originations of loans held for sale	(1,096,979)	(985,935)
Originations of mortgage servicing rights	(12,392)	(13,321)
Increase in bank-owned life insurance	(3,653)	(3,598)
Net (increase) decrease in other assets	(20,833)	18,480
Net increase (decrease) in other liabilities	5,405	(1,151)
Other operating activities, net	14,617	6,325
Net cash provided by operating activities	40,916	93,249
Investing Activities		
Proceeds from calls and maturities of securities held to maturity	221,002	95,467
Proceeds from calls and maturities of securities available for sale	344,160	345,156
Proceeds from sales of securities available for sale	24,693	—
Purchases of securities held to maturity	(168,665)	(68,715)
Purchases of securities available for sale	(408,532)	(375,866)
Net proceeds from bank-owned life insurance	604	655
Net (increase) decrease in federal funds sold and securities purchased		
under reverse repurchase agreements	(250)	1,885
Net increase in member bank stock	(2,153)	(12,585)
Net increase in loans	(343,707)	(247,772)
Purchases of premises and equipment	(6,929)	(9,934)
Proceeds from sales of premises and equipment	435	2,896
Proceeds from sales of other real estate	37,378	33,809
Purchases of software	(5,072)	(6,576)
Investments in tax credit and other partnerships	(46)	(315)
Purchase of insurance book of business	—	(2,787)

Edgar Filing: TRUSTMARK CORP - Form 10-Q

Net cash used in investing activities	(307,082)	(244,682)
Financing Activities		
Net increase (decrease) in deposits	97,471	(285,954)
Net increase in federal funds purchased and securities sold under repurchase agreements	73,876	90,661
Net (decrease) increase in short-term borrowings	(1,057)	298,888
Payments on long-term FHLB advances	(78)	(77)
Proceeds from long-term FHLB advances	250,000	—
Common stock dividends	(46,983)	(46,952)
Common stock issued-net, long-term incentive plan	—	(842)
Repurchase and retirement of common stock	(750)	—
Excess tax expense from stock-based compensation arrangements	(119)	(212)
Net cash provided by financing activities	372,360	55,512
Increase (Decrease) in cash and cash equivalents	106,194	(95,921)
Cash and cash equivalents at beginning of period	277,751	315,973
Cash and cash equivalents at end of period	\$383,945	\$220,052

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries

Notes to Consolidated Financial Statements

(Unaudited)

Note 1 – Business, Basis of Financial Statement Presentation and Principles of Consolidation

Trustmark Corporation (Trustmark) is a bank holding company headquartered in Jackson, Mississippi. Through its subsidiaries, Trustmark operates as a financial services organization providing banking and financial solutions to corporate institutions and individual customers through 194 offices in Alabama, Florida, Mississippi, Tennessee and Texas.

The consolidated financial statements include the accounts of Trustmark and all other entities in which Trustmark has a controlling financial interest. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the consolidated financial statements, and notes thereto, included in Trustmark's 2015 Annual Report on Form 10-K.

Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period. In the opinion of Management, all adjustments (consisting of normal recurring accruals) considered necessary for the fair presentation of these consolidated financial statements have been included. The preparation of financial statements in conformity with these accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and income and expense during the reporting periods and the related disclosures. Although Management's estimates contemplate current conditions and how they are expected to change in the future, it is reasonably possible that in 2016 actual conditions could vary from those anticipated, which could affect Trustmark's financial condition and results of operations. Actual results could differ from those estimates.

Note 2 – Securities Available for Sale and Held to Maturity

The following tables are a summary of the amortized cost and estimated fair value of securities available for sale and held to maturity at September 30, 2016 and December 31, 2015 (\$ in thousands):

	Securities Available for Sale				Securities Held to Maturity			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
September 30, 2016								
U.S. Government agency obligations Issued by U.S. Government agencies	\$58,259	\$482	\$(507)	\$58,234	\$—	\$—	\$—	\$—
Issued by U.S. Government sponsored agencies	257	26	—	283	3,636	337	—	3,973
Obligations of states and political subdivisions	121,485	3,167	(11)	124,641	52,937	2,615	(4)	55,548
Mortgage-backed securities Residential mortgage pass-through securities Guaranteed by GNMA	36,130	712	(54)	36,788	16,183	666	—	16,849
Issued by FNMA and FHLMC	554,916	7,239	(166)	561,989	39,989	810	—	40,799
Other residential mortgage-backed securities Issued or guaranteed by FNMA, FHLMC or GNMA	1,353,984	21,507	(1,092)	1,374,399	831,662	18,690	(60)	850,292

Edgar Filing: TRUSTMARK CORP - Form 10-Q

Commercial mortgage-backed securities								
Issued or guaranteed by FNMA,								
FHLMC or GNMA	247,689	6,945	(21)	254,613	198,827	6,921	(108)	205,640
Total	\$2,372,720	\$40,078	\$(1,851)	\$2,410,947	\$1,143,234	\$30,039	\$(172)	\$1,173,101
December 31, 2015								
U.S. Government agency obligations								
Issued by U.S. Government agencies	\$68,314	\$555	\$(734)	\$68,135	\$—	\$—	\$—	\$—
Issued by U.S. Government sponsored agencies	258	23	—	281	101,782	3,282	—	105,064
Obligations of states and political subdivisions	134,719	3,922	(32)	138,609	55,892	2,918	—	58,810
Mortgage-backed securities								
Residential mortgage pass-through securities								
Guaranteed by GNMA	25,602	399	(189)	25,812	17,363	342	(49)	17,656
Issued by FNMA and FHLMC	222,899	2,956	(313)	225,542	10,368	311	—	10,679
Other residential mortgage-backed securities								
Issued or guaranteed by FNMA,								
FHLMC or GNMA	1,584,338	9,541	(11,019)	1,582,860	820,012	4,951	(4,742)	820,221
Commercial mortgage-backed securities	278,429	2,689	(1,892)	279,226	182,401	1,700	(1,164)	182,937

Issued or
guaranteed by
FNMA,

FHLMC or
GNMA

Asset-backed
securities and
structured

financial products	25,003	79	(125)	24,957	—	—	—	—
Total	\$2,339,562	\$ 20,164	\$(14,304)	\$2,345,422	\$1,187,818	\$ 13,504	\$(5,955)	\$1,195,367

During 2013, Trustmark reclassified approximately \$1.099 billion of securities available for sale to securities held to maturity. The securities were transferred at fair value, which became the cost basis for the securities held to maturity. At the date of transfer, the net unrealized holding loss on the available for sale securities totaled approximately \$46.6 million (\$28.8 million, net of tax). The net unrealized holding loss is amortized over the remaining life of the securities as a yield adjustment in a manner consistent with the amortization or accretion of the original purchase premium or discount on the associated security. There were no gains or losses recognized as a result of the transfer. At September 30, 2016, the net unamortized, unrealized loss on the transferred securities included in accumulated other comprehensive loss in the accompanying balance sheet totaled approximately \$25.7 million (\$15.8 million, net of tax).

Temporarily Impaired Securities

The tables below include securities with gross unrealized losses segregated by length of impairment at September 30, 2016 and December 31, 2015 (\$ in thousands):

	Less than 12 Months		12 Months or More		Total	
	Gross		Gross		Gross	
	Estimated	Unrealized	Estimated	Unrealized	Estimated	Unrealized
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
September 30, 2016						
U.S. Government agency obligations						
Issued by U.S. Government agencies	\$ 10,548	\$ (86)	\$ 30,728	\$ (421)	\$ 41,276	\$ (507)
Obligations of states and political subdivisions	7,495	(13)	969	(2)	8,464	(15)
Mortgage-backed securities						
Residential mortgage pass-through securities						
Guaranteed by GNMA	9,072	(50)	249	(4)	9,321	(54)
Issued by FNMA and FHLMC	100,191	(166)	—	—	100,191	(166)
Other residential mortgage-backed securities						
Issued or guaranteed by FNMA, FHLMC or						
GNMA	72,256	(154)	98,118	(998)	170,374	(1,152)
Commercial mortgage-backed securities						
Issued or guaranteed by FNMA, FHLMC or						
GNMA	10,512	(21)	5,815	(108)	16,327	(129)
Total	\$ 210,074	\$ (490)	\$ 135,879	\$ (1,533)	\$ 345,953	\$ (2,023)
December 31, 2015						
U.S. Government agency obligations						
Issued by U.S. Government agencies	\$ 18,924	\$ (81)	\$ 30,591	\$ (653)	\$ 49,515	\$ (734)
Obligations of states and political subdivisions	4,289	(12)	2,842	(20)	7,131	(32)
Mortgage-backed securities						

Edgar Filing: TRUSTMARK CORP - Form 10-Q

Residential mortgage pass-through securities							
Guaranteed by GNMA	20,300	(222)	1,863	(16)	22,163	(238)	
Issued by FNMA and FHLMC	82,177	(313)	—	—	82,177	(313)	
Other residential mortgage-backed securities							
Issued or guaranteed by FNMA, FHLMC or							
GNMA	1,135,533	(8,832)	238,152	(6,929)	1,373,685	(15,761)	
Commercial mortgage-backed securities							
Issued or guaranteed by FNMA, FHLMC or							
GNMA	238,668	(2,902)	11,090	(154)	249,758	(3,056)	
Asset-backed securities and structured financial							
products	6,778	(125)	—	—	6,778	(125)	
Total	\$1,506,669	\$(12,487)	\$284,538	\$(7,772)	\$1,791,207	\$(20,259)	

The unrealized losses shown above are due to increases in market rates over the yields available at the time of purchase of the underlying securities and not credit quality. Because Trustmark does not intend to sell these securities and it is more likely than not that Trustmark will not be required to sell the investments before recovery of their amortized cost bases, which may be maturity, Trustmark does not consider these investments to be other-than-temporarily impaired at September 30, 2016. There were no other-than-temporary impairments for the three and nine months ended September 30, 2016 and 2015.

Security Gains and Losses

Gains and losses as a result of calls and dispositions of securities, as well as any associated proceeds, were as follows for the periods presented (\$ in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Available for Sale	2016	2015	2016	2015
Proceeds from calls and sales of securities	\$ —	\$ —	\$24,693	\$ —
Gross realized gains	—	—	32	—
Gross realized (losses)	—	—	(342)	—

Realized gains and losses are determined using the specific identification method and are included in noninterest income as security losses, net.

Securities Pledged

Securities with a carrying value of \$1.826 billion and \$2.157 billion at September 30, 2016 and December 31, 2015, respectively, were pledged to collateralize public deposits and securities sold under repurchase agreements and for other purposes as permitted by law. At both September 30, 2016 and December 31, 2015, none of these securities were pledged under the Federal Reserve Discount Window program to provide additional contingency funding capacity.

Contractual Maturities

The amortized cost and estimated fair value of securities available for sale and held to maturity at September 30, 2016, by contractual maturity, are shown below (\$ in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities Available for Sale		Securities Held to Maturity	
	Estimated Amortized Fair Cost	Estimated Fair Value	Estimated Amortized Fair Cost	Estimated Fair Value
Due in one year or less	\$32,173	\$32,377		