SIMMONS FIRST NATIONAL CORP
Form 10-Q
August 09, 2010
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For Quarter Ended June 30, 2010 Commission File Number 0-6253

SIMMONS FIRST NATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Arkansas (State or other jurisdiction of incorporation or organization)	71-0407808 (I.R.S. Employer Identification No.)
501 Main Street, Pine Bluff, Arkansas (Address of principal executive offices)	71601 (Zip Code)

870-541-1000
(Registrant's telephone number, including area code)

Not Applicable
Former name, former address and former fiscal year, if changed since last report

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

o Large accelerated filer x Accelerated filer o Non-accelerated filer

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

The number of shares outstanding of the Registrant’s Common Stock as of July 29, 2010, was 17,214,884.

Simmons First National Corporation
Quarterly Report on Form 10-Q
June 30, 2010

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Part I: Financial Information
Item 1. Financial Statements

Simmons First National Corporation
Consolidated Balance Sheets
June 30, 2010 and December 31, 2009

(In thousands, except share data)	June 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Cash and non-interest bearing balances due from banks	$ 80,883	$ 71,575
Interest bearing balances due from banks	161,443	282,010
Federal funds sold	2,750	--
Cash and cash equivalents	245,076	353,585
Investment securities	660,049	646,915
Mortgage loans held for sale	18,298	8,397
Assets held in trading accounts	7,827	6,886
Loans	1,822,028	1,874,989
Allowance for loan losses	(25,881)	(25,016)
Net loans	1,796,147	1,849,973
Covered assets:		
Loans, net of discount	39,346	--
Other real estate owned, net of discount	3,609	--
FDIC loss share receivable	12,614	--
Premises and equipment	76,349	78,126
Foreclosed assets held for sale, net	20,091	9,179
Interest receivable	16,264	17,881
Bank owned life insurance	48,258	40,920
Goodwill	60,605	60,605
Core deposit premiums	1,381	1,769
Other assets	19,211	19,086
Total assets	$ 3,025,125	$ 3,093,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Non-interest bearing transaction accounts	$ 358,171	$ 363,154
Interest bearing transaction accounts and savings deposits	1,172,746	1,156,264
Time deposits	862,677	912,754
Total deposits	2,393,594	2,432,172
Federal funds purchased and securities sold under agreements to repurchase	84,456	105,910
Short-term debt	3,202	3,640
Long-term debt	138,893	159,823
Accrued interest and other liabilities	25,836	20,530
Total liabilities	2,645,981	2,722,075
Stockholders' equity:		

Preferred stock, $0.01 par value; 40,040,000 shares authorized and unissued at June 30, 2010 and December 31, 2009		--		--
Common stock, Class A, $0.01 par value; 60,000,000 shares authorized; 17,209,973 and 17,093,931 shares issued and outstanding at June 30, 2010, and December 31, 2009, respectively		172		171
Surplus		112,851		111,694
Undivided profits		265,021		258,620
Accumulated other comprehensive income				
Unrealized appreciation on available-for-sale securities, net of income taxes of $710 at June 30, 2010 and $457 at December 31, 2009		1,100		762
Total stockholders' equity		379,144		371,247
Total liabilities and stockholders' equity	$	3,025,125	$	3,093,322

See Condensed Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Income
Three and Six Months Ended June 30, 2010 and 2009

(In thousands, except per share data)	Three Months Ended June 30, 2010 (Unaudited)	2009	Six Months Ended June 30, 2010 (Unaudited)	2009
INTEREST INCOME				
Loans	$ 26,691	$ 28,017	$ 53,479	$ 56,251
Covered loans	213	--	213	--
Federal funds sold	2	14	7	15
Investment securities	4,465	5,256	8,997	11,673
Mortgage loans held for sale	149	195	218	353
Assets held in trading accounts	11	5	13	10
Interest bearing balances due from banks	173	70	364	148
TOTAL INTEREST INCOME	31,704	33,557	63,291	68,450
INTEREST EXPENSE				
Deposits	4,839	7,901	10,276	17,404
Federal funds purchased and securities sold under agreements to repurchase	123	182	273	425
Short-term debt	15	6	30	12
Long-term debt	1,522	1,748	3,095	3,496
TOTAL INTEREST EXPENSE	6,499	9,837	13,674	21,337
NET INTEREST INCOME	25,205	23,720	49,617	47,113
Provision for loan losses	3,758	2,622	6,990	4,760
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	21,447	21,098	42,627	42,353
NON-INTEREST INCOME				
Trust income	1,170	1,223	2,420	2,549
Service charges on deposit accounts	4,739	4,571	9,040	8,298
Other service charges and fees	671	646	1,451	1,392
Income on sale of mortgage loans, net of commissions	932	1,361	1,535	2,400
Income on investment banking, net of commissions	776	675	1,381	1,086
Credit card fees	4,043	3,597	7,720	6,750
Premiums on sale of student loans	545	286	545	286
Bank owned life insurance income	566	299	857	677
Gain on sale of securities, net	--	144	--	144
Gain on FDIC assisted transaction	3,037	--	3,037	--
Other income	769	556	1,463	1,235
TOTAL NON-INTEREST INCOME	17,248	13,358	29,449	24,817

NON-INTEREST EXPENSE				
Salaries and employee benefits	15,064	14,674	30,230	29,257
Occupancy expense, net	1,844	1,824	3,726	3,713
Furniture and equipment expense	1,526	1,527	3,021	3,070
Other real estate and foreclosure expense	314	90	372	160
Deposit insurance	1,059	2,557	2,014	3,090
Other operating expenses	7,469	6,279	14,708	13,319
TOTAL NON-INTEREST EXPENSE	27,276	26,951	54,071	52,609
INCOME BEFORE INCOME TAXES	11,419	7,505	18,005	14,561
Provision for income taxes	3,438	1,996	5,068	3,816
NET INCOME	$ 7,981	$ 5,509	$ 12,937	$ 10,745
BASIC EARNINGS PER SHARE	$ 0.46	$ 0.40	$ 0.75	$ 0.77
DILUTED EARNINGS PER SHARE	$ 0.46	$ 0.39	$ 0.75	$ 0.76

See Condensed Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Cash Flows
Six Months Ended June 30, 2010 and 2009

(In thousands)	June 30, 2010 (Unaudited)	June 30, 2009
OPERATING ACTIVITIES		
Net income	$ 12,937	$ 10,745
Items not requiring (providing) cash		
Depreciation and amortization	2,854	2,943
Provision for loan losses	6,990	4,760
Gain on sale of investment securities	--	(144)
Net amortization (accretion) of investment securities	16	(101)
Stock-based compensation expense	502	344
Net accretion on FDIC loss share receivable	1,169	--
Gain on FDIC assisted transaction	(3,037)	--
Deferred income taxes	2,030	861
Bank owned life insurance income	(857)	(677)
Changes in		
Interest receivable	1,617	2,799
Mortgage loans held for sale	(9,901)	(4,532)
Assets held in trading accounts	(941)	(297)
Other assets	333	(899)
Accrued interest and other liabilities	1,805	(1,424)
Income taxes payable	(142)	764
Net cash provided by operating activities	15,375	15,142
INVESTING ACTIVITIES		
Net collections (originations) of loans	26,264	(20,437)
Purchases of premises and equipment, net	(679)	(2,285)
Proceeds from sale of foreclosed assets	11,528	2,330
Net sales of short-term investment securities	--	23,879
Proceeds from sale of available-for-sale securities	--	194
Proceeds from maturities of available-for-sale securities	149,248	537,302
Purchases of available-for-sale securities	(165,235)	(382,136)
Proceeds from maturities of held-to-maturity securities	178,570	72,994
Purchases of held-to-maturity securities	(150,545)	(238,732)
Purchases of bank owned life insurance	(6,482)	(25)
Net cash proceeds received in FDIC assisted transaction	18,067	--
Net cash provided by (used in) investing activities	60,736	(6,916)
FINANCING ACTIVITIES		
Net change in deposits	(135,918)	(17,189)
Net change in short-term debt	(438)	1,535
Dividends paid	(6,536)	(5,330)
Proceeds from issuance of long-term debt	3,200	7,266
Repayment of long-term debt	(24,130)	(3,211)
Net change in federal funds purchased and		

securities sold under agreements to repurchase	(21,454)	(17,303)
Net shares issued under stock compensation plans	656	1,047
Net cash used in financing activities	(184,620)	(33,185)
DECREASE IN CASH AND CASH EQUIVALENTS	(108,509)	(24,959)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	353,585	139,536
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 245,076	$ 114,577

See Condensed Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Stockholders' Equity
Six Months Ended June 30, 2010 and 2009

(In thousands, except share data)	Common Stock	Surplus	Accumulated Other Comprehensive Income	Undivided Profits	Total
Balance, December 31, 2008	$ 140	$ 40,807	$ 3,190	$ 244,655	$ 288,792
Comprehensive income					
Net income	--	--	--	10,745	10,745
Change in unrealized appreciation on available-for-sale securities, net of income tax credits of $1,205	--	--	(2,009)	--	(2,009)
Comprehensive income					8,736
Stock issued as bonus shares - 27,915 shares	--	702	--	--	702
Non-vested bonus shares	--	(1,374)	--	--	(1,374)
Stock issued for employee stock purchase plan - 5,823 shares	--	141	--	--	141
Exercise of stock options - 45,200 shares	--	551	--	--	551
Stock granted under stock-based compensation plans	--	92	--	--	92
Securities exchanged under stock option plan	--	(95)	--	--	(95)
Cash dividends declared - $0.38 per share	--	--	--	(5,330)	(5,330)
Balance, June 30, 2009 (Unaudited)	140	40,824	1,181	250,070	292,215
Comprehensive income					
Net income	--	--	--	14,465	14,465
Change in unrealized appreciation on available-for-sale securities, net of income taxes of ($251)	--	--	(419)	--	(419)
Comprehensive income					14,046
Stock issued from public stock offering, net of offering costs of $4,178	30	70,456	--	--	70,486
	--	29	--	--	29

Cancelled bonus shares - 1,113 shares					
Non-vested bonus shares	--	166	--	--	166
Exercise of stock options - 11,500 shares	1	138	--	--	139
Stock granted under stock-based compensation plans	--	88	--	--	88
Securities exchanged under stock option plan	--	(7)	--	--	(7)
Dividends paid - $0.38 per share	--	--	--	(5,915)	(5,915)
Balance, December 31, 2009	171	111,694	762	258,620	371,247
Comprehensive income					
Net income	--	--	--	12,937	12,937
Change in unrealized appreciation on available-for-sale securities, net of income taxes of $218	--	--	338	--	338
Comprehensive income					13,275
Stock issued as bonus shares - 80,245 shares	1	203	--	--	204
Non-vested bonus shares	--	415	--	--	415
Stock issued for employee stock purchase plan - 4,947 shares	--	131	--	--	131
Exercise of stock options - 38,018 shares	--	518	--	--	518
Stock granted under stock-based compensation plans	--	87	--	--	87
Securities exchanged under stock option plan	--	(197)	--	--	(197)
Dividends paid - $0.38 per share	--	--	--	(6,536)	(6,536)
Balance, June 30, 2010 (Unaudited)	$ 172	$ 112,851	$ 1,100	$ 265,021	$ 379,144

See Condensed Notes to Consolidated Financial Statements.

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SIMMONS FIRST NATIONAL CORPORATION

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1: BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Simmons First National Corporation and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

All adjustments made to the unaudited financial statements were of a normal recurring nature. In the opinion of management, all adjustments necessary for a fair presentation of the results of interim periods have been made. Certain prior year amounts are reclassified to conform to current year classification. The consolidated balance sheet of the Company as of December 31, 2009, has been derived from the audited consolidated balance sheet of the Company as of that date. The results of operations for the period are not necessarily indicative of the results to be expected for the full year.

Certain information and note disclosures normally included in the Company’s annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Form 10-K Annual Report for 2009 filed with the U.S. Securities and Exchange Commission (the “SEC”).

Recently Issued Accounting Pronouncements

In December 2009, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) ASU 2009-17, Consolidation (Topic 810) – Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities. ASU 2009-17 amends the consolidation guidance applicable to variable interest entities. The amendments to the consolidation guidance affect all entities, as well as qualifying special-purpose entities that were previously excluded from previous consolidation guidance. ASU 2009-17 was effective as of the beginning of the first annual reporting period that begins after November 15, 2009. Adoption of the new guidance did not have a significant impact on the Company’s ongoing financial position or results of operations.

In December 2009, the FASB issued ASU 2009-16, Transfers and Servicing (Topic 860) – Accounting for Transfers of Financial Assets. ASU 2009-16 amends the derecognition accounting and disclosure guidance. ASU 2009-16 eliminates the exemption from consolidation for Qualified Special Purpose Entities (“QSPEs”) and also requires a transferor to evaluate all existing QSPEs to determine whether they must be consolidated. ASU 2009-16 was effective as of the beginning of the first annual reporting period that begins after November 15, 2009, and did not have a significant impact on the Company’s ongoing financial position or results of operations.

In January 2010, the FASB issued ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements. ASU 2010-06 revises two disclosure requirements concerning fair value measurements and clarifies two others. It requires separate presentation of significant transfers into and out of Levels 1 and 2 of the fair value hierarchy and disclosure of the reasons for such transfers. It will also require the presentation of purchases, sales, issuances and settlements within Level 3 on a gross basis rather than a net basis. The amendments also clarify that disclosures should be disaggregated by class of asset or liability and that disclosures about inputs and valuation techniques should be provided for both recurring and non-recurring fair value measurements. The Company’s disclosures about fair value measurements are presented in Note 17 – Fair Value Measurements. These new disclosure requirements were adopted by the Company during the period ended March 31, 2010, with the exception of the requirement concerning gross presentation of Level 3 activity, which is effective for fiscal years beginning after December 15, 2010. With respect to the portions of this ASU that were adopted during the period ended March 31, 2010, the adoption of this standard did not have a significant impact on the Company’s financial position, results of operations or disclosures. Management does not believe that the adoption of the remaining portion of this ASU will have a significant impact on the Company’s ongoing financial position, results of operation or disclosures.

In February 2010, the FASB issued ASU 2010-09, Subsequent Events (Topic 855) – Amendments to Certain Recognition and Disclosure Requirements. The amendments remove the requirement for an SEC registrant to disclose the date through which subsequent events were evaluated as this requirement would have potentially conflicted with SEC reporting requirements. Removal of the disclosure requirement is not expected to affect the nature or timing of subsequent events evaluations performed by the Company. ASU 2010-09 became effective upon issuance.

There have been no other significant changes to the Company's accounting policies from the 2009 Form 10-K.

Acquisition Accounting, Covered Loans and Related Loss Share Receivable

The Company accounts for its acquisitions under ASC Topic 805, Business Combinations, which requires the use of the purchase method of accounting. All identifiable assets acquired, including loans, are recorded at fair value. No allowance for loan losses related to the acquired loans is recorded on the acquisition date as the fair value of the loans acquired incorporates assumptions regarding credit risk. Loans acquired are recorded at fair value in accordance with the fair value methodology prescribed in ASC Topic 820, exclusive of the shared loss agreements with the Federal Deposit Insurance Corporation ("FDIC"). The fair value estimates associated with the loans include estimates related to expected prepayments and the amount and timing of undiscounted expected principal, interest and other cash flows.

Over the life of the acquired loans, the Company continues to estimate cash flows expected to be collected on individual loans or on pools of loans sharing common risk characteristics and were treated in the aggregate when applying various valuation techniques . The Company evaluates at each balance sheet date whether the present value of its loans determined using the effective interest rates has decreased and if so, recognizes a provision for loan loss in its consolidated statement of income. For any increases in cash flows expected to be collected, the Company adjusts the amount of accretable yield recognized on a prospective basis over the loan's or pool's remaining life.

Because the FDIC will reimburse the Company for certain acquired loans should the Company experience a loss, an indemnification asset (FDIC loss share receivable) is recorded at fair value at the acquisition date. The indemnification asset is recognized at the same time as the indemnified loans, and measured on the same basis, subject to collectability or contractual limitations. The shared-loss agreements on the acquisition date reflect the reimbursements expected to be received from the FDIC, using an appropriate discount rate, which reflects counterparty credit risk and other uncertainties.

The shared-loss agreements continue to be measured on the same basis as the related indemnified loans. Because the acquired loans are subject to the accounting prescribed by ASC Topic 310, subsequent changes to the basis of the shared-loss agreements also follow that model. Deterioration in the credit quality of the loans (immediately recorded as an adjustment to the allowance for loan losses) would immediately increase the basis of the shared-loss agreements, with the offset recorded through the consolidated statement of income. Increases in the credit quality or cash flows of loans (reflected as an adjustment to yield and accreted into income over the remaining life of the loans) decrease the basis of the shared-loss agreements, with such decrease being accreted into income over 1) the same period or 2) the life of the shared-loss agreements, whichever is shorter. Loss assumptions used in the basis of the indemnified loans are consistent with the loss assumptions used to measure the indemnification asset. Fair value accounting incorporates into the fair value of the indemnification asset an element of the time value of money, which is accreted back into income over the life of the shared-loss agreements.

Upon the determination of an incurred loss the indemnification asset will be reduced by the amount owed by the FDIC. A corresponding, claim receivable is recorded until cash is received from the FDIC. For further discussion of the Company's acquisitions and loan accounting, see Note 2 and Note 5 to the consolidated financial statements.

Earnings Per Share

Basic earnings per share are computed based on the weighted average number of common shares outstanding during each year. Diluted earnings per share are computed using the weighted average common shares and all potential dilutive common shares outstanding during the period.

Following is the computation of per share earnings for the three and six months ended June 30, 2010 and 2009:

(In thousands, except per share data)	Three Months Ended June 30, 2010	2009	Six Months Ended June 30, 2010	2009
Net income	$ 7,981	$ 5,509	$ 12,937	$ 10,745
Average common shares outstanding	17,200	14,022	17,170	14,007
Average potential dilutive common shares	68	86	68	86
Average diluted common shares	17,268	14,108	17,238	14,093
Basic earnings per share	$ 0.46	$ 0.40	$ 0.75	$ 0.77
Diluted earnings per share	$ 0.46	$ 0.39	$ 0.75	$ 0.76

Stock options to purchase 100,290 and 158,150 shares for the three and six months ended June 30, 2010 and 2009, respectively, were not included in the earnings per share calculation because the exercise price exceeded the average market price.

NOTE 2: ACQUISITION

On May 14, 2010, the Company, through its wholly-owned subsidiary, Simmons First National Bank (the "Bank"), entered into a purchase and assumption agreement with loss share agreements with the Federal Deposit Insurance Corporation ("FDIC") pursuant to which it acquired substantially all of the assets and assumed substantially all of the deposits and certain other liabilities of Southwest Community Bank ("SWCB") in Springfield, Missouri. As a result of this acquisition, the Company expands its footprint outside the Arkansas borders for the first time. The Company recognized a pre-tax gain of $3.0 million on this transaction and incurred pre-tax merger related costs of $0.4 million. A summary, at fair value, of the assets acquired and liabilities assumed is as follows:

(In thousands)	Acquired from the FDIC	Fair Value Adjustments	Fair Value
ASSETS			
Cash and non-interest bearing balances due from banks	$ 222	$ 10,653	$ 10,875
Interest bearing balances due from banks	7,192	--	7,192
Investment securities	24,850	--	24,850
Covered assets:			
Loans	56,214	(16,037)	40,177
Other real estate	6,538	(1,892)	4,646
FDIC loss share receivable	--	13,783	13,783
Premises and equipment	10	--	10
Other assets	616	(159)	457
Total assets	$ 95,642	$ 6,348	$ 101,990
LIABILITIES			
Deposits:			
Non-interest bearing transaction accounts	$ 5,063	$ --	$ 5,063
Interest bearing transaction accounts and savings deposits	103	--	103
Time deposits	92,174	--	92,174
Total deposits	97,340	--	97,340
FDIC true-up payable	--	1,504	1,504
Accrued interest and other liabilities	109	--	109
Total liabilities	$ 97,449	$ 1,504	$ 98,953
Gain on acquisition of SWCB			$ 3,037

The Bank will share in the losses on assets covered under the loss share agreements. The FDIC will reimburse the Bank for 80% of all losses on covered assets. The loss sharing agreements entered into by the Bank and the FDIC in conjunction with the purchase and assumption agreement require that the Bank follow certain servicing procedures as specified in the loss share agreements or risk losing FDIC reimbursement of covered asset losses. Additionally, to the extent that actual losses incurred by the Bank under the loss share agreements are less than expected, the Bank may be required to reimburse the FDIC under the clawback provisions of the loss share agreements. At June 30, 2010, the covered loans and covered other real estate owned and the related FDIC loss share receivable (collectively, the "covered assets") and the FDIC clawback payable were reported at the net present value of expected future amounts to be paid or received.

Purchased loans acquired in a business combination, including loans purchased in the SWCB acquisition, are recorded at estimated fair value on their purchase date with no carryover of the related allowance for loan and lease losses. Purchased loans are accounted for in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 310-30, Loans and Debt Securities Acquired with Deteriorated Credit Quality accounting guidance for certain loans or debt securities acquired in a transfer, when the loans have evidence of credit deterioration since origination and it is probable at the date of acquisition that the acquirer will not collect all contractually required principal and interest payments. The difference between contractually required payments and the cash flows expected to be collected at acquisition is referred to as the non-accretable difference. Subsequent decreases to the expected cash flows will generally result in a provision for loan and lease losses. Subsequent increases in cash flows result in a reversal of the provision for loan and lease losses to the extent of prior charges and an adjustment in accretable yield, recognized on a prospective basis over the loan's or pool's remaining life, which will have a positive impact on interest income.

On the acquisition date, the preliminary estimate of the contractually required payments for all acquired loans was $56.2 million, the cash flows expected to be collected were $43.3 million including interest, and the estimated fair value was $40.2 million. These amounts were determined based upon the remaining life of the acquired loans, including the effects of estimated prepayments, estimated loss ratios, the estimated value of the underlying collateral, and the net present value of cash flows expected to be received. The discount on covered loans that that would be accreted into future earnings of the Company based on expected cash flows totaled $16.0 million.

The Company expects to finalize its analysis of the acquired loans along with the other acquired assets and assumed liabilities in this transaction over the next twelve months. Therefore, adjustments to the estimated amounts and carrying values may occur.

NOTE 3: INVESTMENT SECURITIES

The amortized cost and fair value of investment securities that are classified as held-to-maturity and available-for-sale are as follows:

	June 30, 2010				December 31, 2009			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Held-to-Maturity								
U.S. Treasury	$4,000	$ 27	$ --	$4,027	$--	$ --	$ --	$--
U.S. Government agencies	224,928	2,299	(22)	227,205	254,229	799	(1,348)	253,680
Mortgage-backed								