

FIRST COMMONWEALTH FINANCIAL CORP /PA/
Form 10-Q
November 09, 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 001-11138
First Commonwealth Financial Corporation
(Exact name of registrant as specified in its charter)

Pennsylvania 25-1428528
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

601 Philadelphia Street, Indiana, PA 15701
(Address of principal executive offices) (Zip Code)
724-349-7220
(Registrant's telephone number, including area code)
N/A

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate 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-2 of the Exchange Act.

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

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

The number of shares outstanding of issuer's common stock, \$1.00 par value, as of November 8, 2016, was 88,992,077.

Table of Contents

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
FORM 10-Q
INDEX

	PAGE
PART I. <u>Financial Information</u>	
ITEM 1. <u>Financial Statements and Supplementary Data</u>	
<u>Included in Part I of this report:</u>	
<u>First Commonwealth Financial Corporation and Subsidiaries</u>	
<u>Condensed Consolidated Statements of Financial Condition (Unaudited)</u>	3
<u>Condensed Consolidated Statements of Income (Unaudited)</u>	4
<u>Condensed Consolidated Statements of Comprehensive Income (Unaudited)</u>	5
<u>Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)</u>	6
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)</u>	7
<u>Notes to the Unaudited Condensed Consolidated Financial Statements</u>	8
ITEM 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	42
ITEM 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	64
ITEM 4. <u>Controls and Procedures</u>	64
PART II. <u>Other Information</u>	
ITEM 1. <u>Legal Proceedings</u>	65
ITEM 1A. <u>Risk Factors</u>	65
ITEM 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	65
ITEM 3. <u>Defaults Upon Senior Securities</u>	65
ITEM 4. <u>Mine Safety Disclosures</u>	65
ITEM 5. <u>Other Information</u>	65
ITEM 6. <u>Exhibits</u>	66
<u>Signatures</u>	67

Table of Contents

ITEM 1. Financial Statements and Supplementary Data

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

	September 30, 2016	December 31, 2015
	(dollars in thousands, except share data)	
Assets		
Cash and due from banks	\$76,456	\$ 66,644
Interest-bearing bank deposits	5,097	2,808
Securities available for sale, at fair value	813,659	886,560
Securities held to maturity, at amortized cost (Fair value of \$396,994 and \$382,341 at September 30, 2016 and December 31, 2015, respectively)	389,513	384,324
Other investments	54,066	62,952
Loans held for sale	7,855	5,763
Loans:		
Portfolio loans	4,860,652	4,683,750
Allowance for credit losses	(54,734)	(50,812)
Net loans	4,805,918	4,632,938
Premises and equipment, net	63,356	63,454
Other real estate owned	7,686	9,398
Goodwill	164,437	164,500
Amortizing intangibles, net	912	1,231
Bank owned life insurance	186,034	182,601
Other assets	91,494	103,717
Total assets	\$6,666,483	\$ 6,566,890
Liabilities		
Deposits (all domestic):		
Noninterest-bearing	\$1,241,627	\$ 1,116,689
Interest-bearing	3,217,353	3,079,205
Total deposits	4,458,980	4,195,894
Short-term borrowings	1,330,327	1,510,825
Subordinated debentures	72,167	72,167
Other long-term debt	8,892	9,314
Total long-term debt	81,059	81,481
Other liabilities	44,330	59,144
Total liabilities	5,914,696	5,847,344
Shareholders' Equity		
Preferred stock, \$1 par value per share, 3,000,000 shares authorized, none issued	—	—
Common stock, \$1 par value per share, 200,000,000 shares authorized; 105,563,455 shares issued at September 30, 2016 and December 31, 2015, and 88,992,077 and 88,961,268 shares outstanding at September 30, 2016 and December 31, 2015, respectively	105,563	105,563
Additional paid-in capital	366,291	365,981
Retained earnings	401,079	378,081

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Accumulated other comprehensive income (loss), net	6,762	(2,386)	
Treasury stock (16,571,378 and 16,602,187 shares at September 30, 2016 and December 31, 2015, respectively)	(127,908)	(127,693)
Total shareholders' equity	751,787		719,546	
Total liabilities and shareholders' equity	\$6,666,483		\$6,566,890	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

3

Table of Contents

ITEM 1. Financial Statements and Supplementary Data (Continued)

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	For the Three		For the Nine	
	Months Ended		Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	(dollars in thousands, except share data)			
Interest Income				
Interest and fees on loans	\$46,657	\$43,083	\$137,389	\$128,334
Interest and dividends on investments:				
Taxable interest	6,763	6,470	20,937	20,022
Interest exempt from federal income taxes	380	261	1,112	646
Dividends	671	685	2,225	2,727
Interest on bank deposits	8	2	19	7
Total interest income	54,479	50,501	161,682	151,736