

FIRST COMMONWEALTH FINANCIAL CORP /PA/  
Form 10-Q  
May 08, 2015

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 March 31, 2015

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 May 8, 2015, was 88,960,268.

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## ITEM 1. Financial Statements and Supplementary Data

## FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

	March 31, 2015	December 31, 2014
	(dollars in thousands, except share data)	
<b>Assets</b>		
Cash and due from banks	\$62,161	\$72,276
Interest-bearing bank deposits	3,124	2,262
Securities available for sale, at fair value	1,269,285	1,309,819
Securities held to maturity, at amortized cost (Fair value of \$30,174 at March 31, 2015)	30,253	—
Other investments	47,076	44,545
Loans held for sale	5,892	2,502
Loans:		
Portfolio loans	4,437,601	4,457,308
Allowance for credit losses	(46,697	) (52,051
Net loans	4,390,904	4,405,257
Premises and equipment, net	64,816	64,989
Other real estate owned	7,025	7,197
Goodwill	161,429	161,429
Amortizing intangibles, net	1,508	1,665
Bank owned life insurance	178,630	177,567
Other assets	109,739	110,777
<b>Total assets</b>	<b>\$6,331,842</b>	<b>\$6,360,285</b>
<b>Liabilities</b>		
Deposits (all domestic):		
Noninterest-bearing	\$1,039,929	\$989,027
Interest-bearing	3,253,820	3,326,484
<b>Total deposits</b>	<b>4,293,749</b>	<b>4,315,511</b>
Short-term borrowings	1,125,520	1,105,876
Subordinated debentures	72,167	72,167
Other long-term debt	64,324	89,459
<b>Total long-term debt</b>	<b>136,491</b>	<b>161,626</b>
Other liabilities	63,222	61,127
<b>Total liabilities</b>	<b>5,618,982</b>	<b>5,644,140</b>
<b>Shareholders' Equity</b>		
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 March 31, 2015 and December 31, 2014, and 89,656,007 and 91,723,028 shares outstanding at March 31, 2015 and December 31, 2014, respectively	105,563	105,563
Additional paid-in capital	365,874	365,615
Retained earnings	360,841	353,027

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Accumulated other comprehensive income (loss), net	2,702	(4,499	)	
Treasury stock (15,907,448 and 13,840,427 shares at March 31, 2015 and December 31, 2014, respectively)	(122,120	)	(103,561	)
Total shareholders' equity	712,860	716,145		
Total liabilities and shareholders' equity	\$6,331,842	\$6,360,285		

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

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## ITEM 1. Financial Statements and Supplementary Data (Continued)

## FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	For the Three Months Ended	
	March 31,	
	2015	2014
	(dollars in thousands, except share data)	
Interest Income		
Interest and fees on loans	\$42,601	\$43,098
Interest and dividends on investments:		
Taxable interest	6,817	7,180
Interest exempt from federal income taxes	175	4
Dividends	1,489	222
Interest on bank deposits	3	2
Total interest income	51,085	50,506
Interest Expense		
Interest on deposits	2,150	3,507
Interest on short-term borrowings	958	469
Interest on subordinated debentures	569	566
Interest on other long-term debt	236	373
Total interest expense	3,913	4,915
Net Interest Income	47,172	45,591
Provision for credit losses	1,159	3,231
Net Interest Income after Provision for Credit Losses	46,013	42,360
Noninterest Income		