

S&T BANCORP INC  
Form 10-Q  
November 03, 2015

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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 0-12508

S&T BANCORP, INC.  
(Exact name of registrant as specified in its charter)

Pennsylvania  
(State or other jurisdiction of incorporation or organization)

25-1434426  
(IRS Employer Identification No.)

800 Philadelphia Street, Indiana, PA  
(Address of principal executive offices)

15701  
(zip code)

800-325-2265  
(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. 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 (Section 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 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

APPLICABLE ONLY TO CORPORATE ISSUERS:

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 - 34,811,636 shares as of October 31, 2015



Table of Contents

S&T BANCORP, INC. AND SUBSIDIARIES

INDEX

S&T BANCORP, INC. AND SUBSIDIARIES

Page No.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets - September 30, 2015 and December 31, 2014 3

Consolidated Statements of Comprehensive Income - Three and Nine Months Ended September 30, 2015 and 2014 4

Consolidated Statements of Changes in Shareholders' Equity - Nine Months Ended September 30, 2015 and 2014 5

Consolidated Statements of Cash Flows - Nine Months Ended September 30, 2015 and 2014 6

Notes to Consolidated Financial Statements 7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 45

Item 3. Quantitative and Qualitative Disclosures about Market Risk 62

Item 4. Controls and Procedures 63

PART II. OTHER INFORMATION

Item 1. Legal Proceedings 65

Item 1A. Risk Factors 65

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 65

Item 3. Defaults Upon Senior Securities 65

Item 4. Mine Safety Disclosures 65

Item 5. Other Information 65

Item 6. Exhibits 66

Signatures 67



Table of Contents

S&T BANCORP, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
(dollars in thousands, except per share data)		
<b>ASSETS</b>		
Cash and due from banks, including interest-bearing deposits of \$55,662 and \$57,048 at September 30, 2015 and December 31, 2014	\$ 115,347	\$ 109,580
Securities available-for-sale, at fair value	660,046	640,273
Loans held for sale	13,794	2,970
Portfolio loans, net of unearned income	4,925,963	3,868,746
Allowance for loan losses	(49,907)	(47,911)
Portfolio loans, net	4,876,056	3,820,835
Bank owned life insurance	79,894	62,252
Premises and equipment, net	49,106	38,166
Federal Home Loan Bank and other restricted stock, at cost	20,352	15,135
Goodwill	291,683	175,820
Other intangible assets, net	7,000	2,631
Other assets	102,060	97,024
<b>Total Assets</b>	<b>\$6,215,338</b>	<b>\$4,964,686</b>
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing demand	\$ 1,188,331	\$ 1,083,919
Interest-bearing demand	704,348	335,099
Money market	593,643	376,612
Savings	1,088,217	1,027,095
Certificates of deposit	1,302,870	1,086,117
<b>Total Deposits</b>	<b>4,877,409</b>	<b>3,908,842</b>
Securities sold under repurchase agreements	42,971	30,605
Short-term borrowings	280,000	290,000
Long-term borrowings	117,613	19,442
Junior subordinated debt securities	45,619	45,619
Other liabilities	63,923	61,789
<b>Total Liabilities</b>	<b>5,427,535</b>	<b>4,356,297</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock (\$2.50 par value)		
Authorized—50,000,000 shares		
Issued—36,130,480 shares at September 30, 2015 and 31,197,365 shares at December 31, 2014	90,326	77,993
Outstanding—34,811,636 shares at September 30, 2015 and 29,796,397 shares at December 31, 2014		
Additional paid-in capital	210,141	78,818
Retained earnings	533,442	504,060
Accumulated other comprehensive (loss) income	(9,736)	(13,833)
Treasury stock (1,318,844 shares at September 30, 2015 and 1,400,968 shares at December 31, 2014, at cost)	(36,370)	(38,649)
<b>Total Shareholders' Equity</b>	<b>787,803</b>	<b>608,389</b>

Total Liabilities and Shareholders' Equity	\$6,215,338	\$4,964,686
See Notes to Consolidated Financial Statements		

3

---

Table of Contents

S&T BANCORP, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Unaudited)

(dollars in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>INTEREST INCOME</b>				
Loans, including fees	\$49,578	\$37,233	\$138,438	\$109,496
Investment Securities:				
Taxable	2,522	2,313	7,298	6,480
Tax-exempt	988	964	3,006	2,872
Dividends	581	95	1,453	294
Total Interest Income	53,669	40,605	150,195	119,142
<b>INTEREST EXPENSE</b>				
Deposits	3,275	2,480	9,333	7,466
Borrowings and junior subordinated debt securities	798	596	2,196	1,701
Total Interest Expense	4,073	3,076	11,529	9,167
<b>NET INTEREST INCOME</b>	49,596	37,529	138,666	109,975
Provision for loan losses	3,206	1,454	6,473	608
Net Interest Income After Provision for Loan Losses	46,390	36,075	132,193	109,367
<b>NONINTEREST INCOME</b>				