

S&T BANCORP INC  
Form 10-Q  
August 01, 2018  
UNITED STATES  
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 June 30, 2018

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 25-1434426  
(State or other jurisdiction of (IRS Employer  
incorporation or organization) Identification No.)

800 Philadelphia Street, Indiana, PA 15701  
(Address of principal executive offices) (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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 - 35,008,546 shares as of July 31, 2018

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

	June 30, 2018 (Unaudited)	December 31, 2017 (Audited)
(dollars in thousands, except per share data)		
<b>ASSETS</b>		
Cash and due from banks, including interest-bearing deposits of \$81,210 and \$61,965 at June 30, 2018 and December 31, 2017	\$ 137,933	\$ 117,152
Securities, at fair value	688,341	698,291
Loans held for sale	3,801	4,485
Portfolio loans, net of unearned income	5,786,118	5,761,449
Allowance for loan losses	(60,517 )	(56,390 )
Portfolio loans, net	5,725,601	5,705,059
Bank owned life insurance	73,122	72,150
Premises and equipment, net	40,889	42,702
Federal Home Loan Bank and other restricted stock, at cost	35,782	29,270
Goodwill	287,446	291,670
Other intangible assets, net	2,909	3,677
Other assets	101,522	95,799
Total Assets	\$ 7,097,346	\$ 7,060,255
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing demand	\$ 1,410,211	\$ 1,387,712
Interest-bearing demand	553,729	603,141
Money market	1,267,623	1,146,156
Savings	845,526	893,119
Certificates of deposit	1,316,444	1,397,763
Total Deposits	5,393,533	5,427,891
Securities sold under repurchase agreements	44,724	50,161
Short-term borrowings	600,000	540,000
Long-term borrowings	46,062	47,301
Junior subordinated debt securities	45,619	45,619
Other liabilities	60,275	65,252
Total Liabilities	6,190,213	6,176,224
<b>SHAREHOLDERS' EQUITY</b>		
Common stock (\$2.50 par value)		
Authorized—50,000,000 shares		
Issued—36,130,480 shares at June 30, 2018 and December 31, 2017	90,326	90,326
Outstanding— 35,009,945 shares at June 30, 2018 and 34,971,929 shares at December 31, 2017		
Additional paid-in capital	216,885	216,106
Retained earnings	662,112	628,107
Accumulated other comprehensive (loss) income	(30,945 )	(18,427 )
Treasury stock (1,120,535 shares at June 30, 2018 and 1,158,551 shares at December 31, 2017, at cost)	(31,245 )	(32,081 )

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Total Shareholders' Equity	907,133	884,031
Total Liabilities and Shareholders' Equity	\$7,097,346	\$7,060,255
See Notes to Consolidated Financial Statements		

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

(dollars in thousands, except per share data)	Three Months		Six Months Ended	
	Ended June 30, 2018	2017	June 30, 2018	2017
<b>INTEREST INCOME</b>				
Loans, including fees	\$66,610	\$60,558	\$129,665	\$117,458
Investment Securities:				
Taxable	3,519	2,947	6,948	5,796
Tax-exempt	872	928	1,746	1,848
Dividends	580	481	1,251	963
Total Interest Income	71,581	64,914	139,610	126,065
<b>INTEREST EXPENSE</b>				
Deposits	9,166	5,976	17,012	11,355
Borrowings and junior subordinated debt securities	4,012	2,368	7,264	4,261
Total Interest Expense	13,178	8,344	24,276	15,616
<b>NET INTEREST INCOME</b>	<b>58,403</b>	<b>56,570</b>	<b>115,334</b>	<b>110,449</b>
Provision for loan losses	9,345	4,869	11,817	10,052
Net Interest Income After Provision for Loan Losses	49,058	51,701	103,517	100,397
<b>NONINTEREST INCOME</b>				
Net gain (loss) on sale of securities	—	3,617	—	3,987
Debit and credit card	3,309	3,042	6,347	5,885
Service charges on deposit accounts	3,227	2,997	6,468	6,012
Wealth management	2,616	2,428	5,298	4,831
Mortgage banking	831	675	1,432	1,408
Insurance	134	1,458	303	2,913
Gain on sale of a majority interest of insurance business	—	—	1,873	—
Other	2,134	2,048	4,323	4,225
Total Noninterest Income	12,251	16,265	26,044	29,261
<b>NONINTEREST EXPENSE</b>				
Salaries and employee benefits	18,611	19,903	37,426	40,444
Net occupancy	2,804	2,751	5,677	5,566
Data processing and information technology	2,379	2,163	4,704	4,386
Furniture, equipment and software	2,134	1,810	4,090	3,857
Other taxes	1,739	1,083	3,587	2,060
Marketing	1,190	948	1,892	1,702
Professional services and legal	888	931	1,939	1,999
FDIC insurance	739	1,185	1,847	2,308
Other	5,379	5,823	10,783	11,084
Total Noninterest Expense	35,863	36,597	71,945	73,406
Income Before Taxes	25,446	31,369	57,616	56,252
Provision for income taxes	4,010	8,604	10,017	