

UNIVEST CORP OF PENNSYLVANIA

Form 10-Q

November 03, 2017

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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, 2017.

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: 0-7617

UNIVEST CORPORATION OF PENNSYLVANIA

(Exact name of registrant as specified in its charter)

Pennsylvania

23-1886144

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

14 North Main Street, Souderton, Pennsylvania 18964

(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (215) 721-2400

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 Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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

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 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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$5 par value	26,684,355
(Title of Class)	(Number of shares outstanding at October 31, 2017)

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

UNIVEST CORPORATION OF PENNSYLVANIA  
CONDENSED CONSOLIDATED BALANCE SHEETS

	(UNAUDITED)	
	At	At
(Dollars in thousands, except share data)	September	December
	30, 2017	31, 2016
<b>ASSETS</b>		
Cash and due from banks	\$47,876	\$48,757
Interest-earning deposits with other banks	31,614	9,068
Investment securities held-to-maturity (fair value \$45,633 and \$24,871 at September 30, 2017 and December 31, 2016, respectively)	45,542	24,881
Investment securities available-for-sale	398,280	443,637
Federal Home Loan Bank, Federal Reserve Bank and other stock, at cost	27,244	24,869
Loans held for sale	2,228	5,890
Loans and leases held for investment	3,487,164	3,285,886
Less: Reserve for loan and lease losses	(20,543 )	(17,499 )
Net loans and leases held for investment	3,466,621	3,268,387
Premises and equipment, net	64,586	63,638
Goodwill	172,559	172,559
Other intangibles, net of accumulated amortization and fair value adjustments of \$20,786 and \$17,597 at September 30, 2017 and December 31, 2016, respectively	14,567	16,651
Bank owned life insurance	100,158	99,948
Accrued interest receivable and other assets	46,088	52,243
Total assets	\$4,417,363	\$4,230,528
<b>LIABILITIES</b>		
Noninterest-bearing deposits	\$987,881	\$918,337
Interest-bearing deposits:		
Demand deposits	1,105,211	909,963
Savings deposits	854,338	803,078
Time deposits	571,160	626,189
Total deposits	3,518,590	3,257,567
Short-term borrowings	32,091	196,171
Long-term debt	206,168	127,522
Subordinated notes	94,270	94,087
Accrued interest payable and other liabilities	37,446	49,972
Total liabilities	3,888,565	3,725,319
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, \$5 par value: 48,000,000 shares authorized at September 30, 2017 and December 31, 2016; 28,911,799 shares issued at September 30, 2017 and December 31, 2016; 26,671,336 and 26,589,353 shares outstanding at September 30, 2017 and December 31, 2016, respectively	144,559	144,559
Additional paid-in capital	232,172	230,494
Retained earnings	212,363	194,516
Accumulated other comprehensive loss, net of tax benefit	(16,343 )	(19,454 )
	(43,953 )	(44,906 )

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Treasury stock, at cost; 2,240,463 and 2,322,446 shares at September 30, 2017 and December 31, 2016, respectively

Total shareholders' equity	528,798	505,209
Total liabilities and shareholders' equity	\$4,417,363	\$4,230,528

Note: See accompanying notes to the unaudited consolidated financial statements.

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UNIVEST CORPORATION OF PENNSYLVANIA  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands, except per share data)	2017	2016	2017	2016
Interest income				
Interest and fees on loans and leases: Taxable			\$	