

WESBANCO INC
Form 10-Q
October 29, 2015
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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 September 30, 2015

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 000-08467

WESBANCO, INC.

(Exact name of Registrant as specified in its charter)

WEST VIRGINIA
(State of incorporation)

55-0571723
(IRS Employer

Identification No.)

1 Bank Plaza, Wheeling, WV
(Address of principal executive offices)

26003
(Zip Code)

Registrant's telephone number, including area code: 304-234-9000

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

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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 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

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

As of October 23, 2015, there were 38,512,012 shares of WesBanco, Inc. common stock, \$2.0833 par value, outstanding.

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WESBANCO, INC.

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Table of Contents**PART I - FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****WESBANCO, INC. CONSOLIDATED BALANCE SHEETS**

<i>(unaudited, in thousands, except shares)</i>	September 30, 2015	December 31, 2014
ASSETS		
Cash and due from banks, including interest bearing amounts of \$2,144 and \$8,405, respectively	\$ 92,975	\$ 94,002
Securities:		
Available-for-sale, at fair value	1,559,718	917,424
Held-to-maturity (fair values of \$983,997 and \$619,617, respectively)	957,352	593,670
Total securities	2,517,070	1,511,094
Loans held for sale	10,765	5,865
Portfolio loans, net of unearned income	4,950,642	4,086,766
Allowance for loan losses	(41,624)	(44,654)
Net portfolio loans	4,909,018	4,042,112
Premises and equipment, net	111,699	93,135
Accrued interest receivable	27,000	18,481
Goodwill and other intangible assets, net	492,725	319,506
Bank-owned life insurance	155,894	123,298
Other assets	135,284	89,072
Total Assets	\$ 8,452,430	\$ 6,296,565
LIABILITIES		
Deposits:		
Non-interest bearing demand	\$ 1,280,329	\$ 1,061,075
Interest bearing demand	1,206,837	885,037
Money market	1,011,420	954,957
Savings deposits	1,064,426	842,818
Certificates of deposit	1,630,890	1,305,096
Total deposits	6,193,902	5,048,983
Federal Home Loan Bank borrowings	893,117	223,126
Other short-term borrowings	84,587	80,690
Junior subordinated debt owed to unconsolidated subsidiary trusts	106,196	106,176
Total borrowings	1,083,900	409,992
Accrued interest payable	2,832	1,620
Other liabilities	56,054	47,780

Total Liabilities	7,336,688	5,508,375
SHAREHOLDERS EQUITY		
Preferred stock, no par value; 1,000,000 shares authorized; none outstanding		
Common stock, \$2.0833 par value; 100,000,000 and 50,000,000 shares authorized in 2015 and 2014, respectively; 38,546,042 and 29,367,511 issued in 2015 and 2014, respectively; outstanding: 38,517,542 and 29,298,188 shares in 2015 and 2014, respectively	80,304	61,182
Capital surplus	515,783	244,661
Retained earnings	535,777	504,578
Treasury stock (28,550 and 69,323 shares in 2015 and 2014, respectively, at cost)	(890)	(2,151)
Accumulated other comprehensive loss	(14,446)	(18,825)
Deferred benefits for directors	(786)	(1,255)
Total Shareholders Equity	1,115,742	788,190
Total Liabilities and Shareholders Equity	\$ 8,452,430	\$ 6,296,565

See Notes to Consolidated Financial Statements.

Table of Contents**WESBANCO, INC. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(unaudited, in thousands, except shares and per share amounts)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
INTEREST AND DIVIDEND INCOME				
Loans, including fees	\$ 51,876	\$ 43,399	\$ 151,913	\$ 128,691
Interest and dividends on securities:				
Taxable	10,251	7,375	28,792	22,051
Tax-exempt	4,535	3,413	12,120	10,234
Total interest and dividends on securities	14,786	10,788	40,912	32,285
Other interest income	273	116	1,227	829
Total interest and dividend income	66,935	54,303	194,052	161,805
INTEREST EXPENSE				
Interest bearing demand deposits	517	399	1,425	1,168
Money market deposits	485	487	1,430	1,394
Savings deposits	165	135	475	398
Certificates of deposit	2,662	3,254	8,403	10,305
Total interest expense on deposits	3,829	4,275	11,733	13,265
Federal Home Loan Bank borrowings	1,650	264	3,157	650
Other short-term borrowings	89	348	254	1,255
Junior subordinated debt owed to unconsolidated subsidiary trusts	758	805	2,541	2,392
Total interest expense	6,326	5,692	17,685	17,562
NET INTEREST INCOME				
Provision for credit losses	1,798	1,478	5,768	4,526
Net interest income after provision for credit losses	58,811	47,133	170,599	139,717
NON-INTEREST INCOME				
Trust fees	5,127	5,096	16,656	15,954
Service charges on deposits	4,425	4,170	12,342	12,107
Electronic banking fees	3,849	3,268	10,670	9,549
Net securities brokerage revenue	1,996	1,701	5,897	5,533
Bank-owned life insurance	1,021	882	3,264	3,577
Net gains on sales of mortgage loans	779	550	1,459	1,178
Net securities gains	47	581	69	756
Net (loss) / gain on other real estate owned and other assets	(18)	(1,167)	167	(1,218)
Other income	960	1,573	3,916	4,508
Total non-interest income	18,186	16,654	54,440	51,944
NON-INTEREST EXPENSE				
Salaries and wages	19,832	17,331	57,468	50,700

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Employee benefits	6,028	5,051	20,151	16,289
Net occupancy	3,533	2,916	10,298	9,265
Equipment	3,731	2,837	9,689	8,534
Marketing	1,514	1,276	4,221	3,992
FDIC insurance	1,064	786	3,014	2,543
Amortization of intangible assets	815	477	2,325	1,454
Restructuring and merger-related expense	185		11,033	
Other operating expenses	10,279	8,589	28,830	26,884
Total non-interest expense	46,981	39,263	147,029	119,661
Income before provision for income taxes	30,016	24,524	78,010	72,000
Provision for income taxes	7,768	6,358	20,250	18,538
NET INCOME	\$ 22,248	\$ 18,166	\$ 57,760	\$ 53,462
EARNINGS PER COMMON SHARE				
Basic	\$ 0.58	\$ 0.62	\$ 1.55	\$ 1.83
Diluted	\$ 0.58	\$ 0.62	\$ 1.55	\$ 1.82
AVERAGE COMMON SHARES OUTSTANDING				
Basic	38,523,593	29,280,648	37,144,783	29,235,364
Diluted	38,556,995	29,360,880	37,204,114	29,316,914
DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.23	\$ 0.22	\$ 0.69	\$ 0.66
COMPREHENSIVE INCOME	\$ 29,504	\$ 16,136	\$ 62,139	\$ 58,773

See Notes to Consolidated Financial Statements.

Table of Contents**WESBANCO, INC. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the Nine Months Ended September 30, 2015 and 2014

<i>(unaudited, in thousands, except shares and per share amounts)</i>	Common Stock		Capital Surplus	Retained Earnings	Treasury Stock	Accumulated	Deferred	Total
	Shares Outstanding	Amount				Other Comprehensive Income (Loss)	Benefits for Directors	
December 31, 2014	29,298,188	\$ 61,182	\$ 244,661	\$ 504,578	\$ (2,151)	\$ (18,825)	\$ (1,255)	\$ 788,190
Net income				57,760				57,760
Other comprehensive income						4,379		4,379
Comprehensive income								62,139
Common dividends declared (\$0.69 per share)				(26,561)				(26,561)
Shares issued for acquisition	9,178,531	19,122	274,507					293,629
Treasury shares acquired	(64,102)				(2,065)			(2,065)
Stock options exercised	55,375		(295)		1,768			1,473
Restricted stock granted	49,550		(1,558)		1,558			
Repurchase of stock warrant			(2,247)					(2,247)
Stock compensation expense			1,184					1,184
Deferred benefits for directors- net			(469)				469	
September 30, 2015	38,517,542	\$ 80,304	\$ 515,783	\$ 535,777	\$ (890)	\$ (14,446)	\$ (786)	\$ 1,115,742
December 31, 2013	29,175,236	\$ 61,182	\$ 244,974	\$ 460,351	\$ (5,969)	\$ (12,734)	\$ (1,209)	\$ 746,595
Net income				53,462				53,462
Other comprehensive income						5,311		5,311
Comprehensive income								58,773
Common dividends declared (\$0.66 per share)				(19,302)				(19,302)
Treasury shares acquired	(2,258)		49		(69)			(20)
Stock options exercised	68,143		(342)		2,116			1,774
Restricted stock granted	42,554		(1,321)		1,321			
Stock compensation expense			964					964
Deferred benefits for directors- net			34				(34)	
September 30, 2014	29,283,675	\$ 61,182	\$ 244,358	\$ 494,511	\$ (2,601)	\$ (7,423)	\$ (1,243)	\$ 788,784

See Notes to Consolidated Financial Statements.

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<i>(unaudited, in thousands)</i>	For the Nine Months Ended September 30,	
	2015	2014
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 58,591	\$ 70,215
INVESTING ACTIVITIES		
Net increase in loans	(176,375)	(142,693)
Securities available-for-sale:		
Proceeds from sales	570,739	4,819
Proceeds from maturities, prepayments and calls	233,756	169,094
Purchases of securities	(509,216)	(192,340)
Securities held-to-maturity:		
Proceeds from maturities, prepayments and calls	39,492	34,572
Purchases of securities	(297,692)	(33,153)
Proceeds from bank-owned life insurance	1,281	2,284
Cash paid to acquire a business, net of cash acquired	(28,551)	
Purchases of premises and equipment net	(6,936)	(4,409)
Net cash used in investing activities	(173,502)	(161,826)
FINANCING ACTIVITIES		
(Decrease) increase in deposits	(99,569)	39,688
Proceeds from Federal Home Loan Bank borrowings	791,910	100,532
Repayment of Federal Home Loan Bank borrowings	(514,081)	(16,559)
Decrease in other short-term borrowings	(1,103)	(64,074)
Increase in federal funds purchased		30,000
Repayment of junior subordinated debt	(36,083)	
Repurchase of common stock warrant	(2,247)	
Dividends paid to common shareholders	(24,148)	(18,695)
Treasury shares (purchased) sold - net	(795)	1,587
Net cash provided by financing activities	113,884	72,479
Net decrease in cash and cash equivalents	(1,027)	(19,132)
Cash and cash equivalents at beginning of the period	94,002	95,551
Cash and cash equivalents at end of the period	\$ 92,975	\$ 76,419
SUPPLEMENTAL DISCLOSURES		
Interest paid on deposits and other borrowings	\$ 19,166	\$ 18,672
Income taxes paid	9,695	12,300
Transfers of loans to other real estate owned	1,029	1,832
Non-cash transactions related to ESB acquisition	(301,933)	

See Notes to Consolidated Financial Statements.

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Basis of presentation The accompanying unaudited interim financial statements of WesBanco, Inc. and its consolidated subsidiaries (WesBanco) have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2014.

WesBanco's interim financial statements have been prepared following the significant accounting policies disclosed in Note 1 of the Notes to the Consolidated Financial Statements of its 2014 Annual Report on Form 10-K filed with the Securities and Exchange Commission. In the opinion of management, the accompanying interim financial information reflects all adjustments, including normal recurring adjustments, necessary to present fairly WesBanco's financial position and results of operations for each of the interim periods presented. Results of operations for interim periods are not necessarily indicative of the results of operations that may be expected for a full year.

Recent accounting pronouncements In September 2015, the Financial Accounting Standards Board (the FASB) issued an Accounting Standards Update (ASU) (ASU 2015-16) that eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, acquirers must recognize measurement-period adjustments during the period in which they determine the amounts, including the effect on earnings of any amounts they would have recorded in previous periods if the accounting had been completed at the acquisition date. The acquirer still must disclose the amounts and reasons for adjustments to the provisional amounts. The acquirer also must disclose, by line item, the amount of the adjustment reflected in the current-period income statement that would have been recognized in previous periods if the adjustment to provisional amounts had been recognized as of the acquisition date. Alternatively, an acquirer may present those amounts separately on the face of the income statement. Public business entities must apply the new requirements for fiscal years beginning after December 15, 2015, including interim periods with those fiscal years. Early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on WesBanco's Consolidated Financial Statements.

In May 2015, the FASB issued ASU 2015-07 related to disclosures for investments in certain entities that calculate net asset value (NAV) per share (or its equivalent). This update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient and modifies certain disclosure requirements. The update is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015, and requires retrospective adoption. Early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on WesBanco's Consolidated Financial Statements.

In April 2015, the FASB issued ASU 2015-05 that provides guidance on when to account for a cloud computing arrangement as a software license. The guidance applies only to internal-use software that a customer obtains access to in a hosting arrangement if both of the following criteria are met: (1) The customer has the contractual right to take possession of the software at any time during the hosting period without significant penalty, (2) it is feasible for the customer to either run the software on its own hardware or contract with another party unrelated to the vendor to host the software. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on WesBanco's Consolidated Financial Statements.

In February 2015, the FASB issued ASU 2015-02 that revised the consolidation model, requiring reporting entities to reevaluate whether they should consolidate certain legal entities under the revised model. The amendments in this update modify the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities, and eliminate the presumption that a general partner should consolidate and affect the consolidation analysis of reporting entities that are involved with VIEs, particularly those that have fee arrangements and related party relationships. The pronouncement also provides for a scope exception from consolidation guidance for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements similar to those in Rule 2a-7 of the Investment Company Act of 1940 for registered money market funds. The pronouncement is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted. The adoption of this pronouncement is not expected to have a material impact on WesBanco's Consolidated Financial Statements.

In August 2014, the FASB issued ASU 2014-14 related to the classification of certain government-guaranteed mortgage loans upon foreclosure. The amendments in this update require that a mortgage loan be derecognized and that a separate other receivable be recognized upon foreclosure if the following conditions are met: (1) The loan has a government guarantee that is not separable from the loan before foreclosure, (2) at the time of foreclosure, the creditor has the intent to convey the real estate property to the guarantor and make a claim on the guarantee, and the creditor has the ability to recover under that claim, (3) at the time of foreclosure, any amount of the claim that is determined on the basis of the fair value of the real estate is fixed. Upon foreclosure, the separate other receivable should be measured based upon the

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amount of the loan balance (principal and interest) expected to be recovered from the guarantor. The pronouncement is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014 and may be adopted under either a modified retrospective transition method or a prospective transition method. However, the same method of transition as elected under ASU 2014-04 must be applied. While early adoption was permitted, WesBanco elected to adopt the ASU in the first quarter of 2015, which was the first interim period after December 31, 2014. The adoption of this pronouncement did not have a material impact on WesBanco's Consolidated Financial Statements.

In June 2014, the FASB issued ASU 2014-11 related to repurchase-to-maturity transactions, repurchase financing and disclosures. The pronouncement changes the accounting for repurchase-to-maturity transactions and linked repurchase financings to secured borrowing accounting, which is consistent with the accounting for other repurchase agreements. The pronouncement also requires two new disclosures. The first disclosure requires an entity to disclose information on transfers accounted for as sales in transactions that are economically similar to repurchase agreements. The second disclosure provides increased transparency about the types of collateral pledged in repurchase agreements and similar transactions accounted for as secured borrowings. The pronouncement is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014. WesBanco adopted the ASU in the first quarter of 2015. The adoption of this pronouncement did not have a material impact on WesBanco's Consolidated Financial Statements.

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In May 2014, the FASB issued ASU 2014-09 related to the recognition of revenue from contracts with customers. The new revenue pronouncement creates a single source of revenue guidance for all companies in all industries and is more principles-based than current revenue guidance. The pronouncement provides a five-step model for a company to recognize revenue when it transfers control of goods or services to customers at an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. The five steps are, (1) identify the contract with the customer, (2) identify the separate performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the separate performance obligations and (5) recognize revenue when each performance obligation is satisfied. The pronouncement was originally effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2016 using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. Early adoption is not permitted. On July 9, 2015, the FASB approved a one-year deferral of the effective date of the update. The update is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017. Early adoption is now permitted as of the original effective date for interim and annual reporting periods in fiscal years beginning after December 15, 2016. WesBanco is currently evaluating the impact of the adoption of this pronouncement on its Consolidated Financial Statements.

NOTE 2. MERGERS AND ACQUISITIONS

On February 10, 2015, WesBanco completed its acquisition of ESB Financial Corporation (ESB), and its wholly-owned banking subsidiary, ESB Bank (ESB Bank), a Pennsylvania-chartered stock savings bank headquartered in Ellwood City, Pennsylvania. The transaction expanded WesBanco's franchise in the Pittsburgh region of western Pennsylvania from 16 to 38 offices.

On the acquisition date, ESB had \$1.9 billion in assets, excluding goodwill, which included \$701.0 million in loans, and \$486.9 million in securities. The ESB acquisition was valued at \$339.0 million, based on WesBanco's closing stock price on February 10, 2015 of \$32.00, and resulted in WesBanco issuing 9,178,531 shares of its common stock and \$45.0 million in cash and other assets in exchange for ESB common stock. The assets and liabilities of ESB were recorded on WesBanco's balance sheet at their preliminary estimated fair values as of February 10, 2015, the acquisition date, and ESB's results of operations have been included in WesBanco's Consolidated Statements of Income since that date. ESB was merged into WesBanco and ESB Bank was merged into WesBanco Bank, Inc. (the Bank) on February 10, 2015. Based on a preliminary purchase price allocation, WesBanco recorded \$169.7 million in goodwill and \$5.3 million in core deposit intangibles in its community banking segment, representing the principal change in goodwill and intangibles from December 31, 2014. None of the goodwill is deductible for income tax purposes as the acquisition is accounted for as a tax-free exchange for tax purposes. As a result of the full integration of the operations of ESB, it is not practicable to determine the proforma results or revenue and net income included in WesBanco's operating results relating to ESB since the date of acquisition because ESB has been fully integrated into WesBanco's operations, and the operating results of ESB can therefore not be separately identified.

For the nine months ended September 30, 2015, WesBanco recorded merger-related expenses of \$11.0 million associated with the ESB acquisition. In 2014 WesBanco recognized \$1.3 million in merger-related expenses in connection with the ESB acquisition.

The purchase price of the ESB acquisition and resulting goodwill is summarized as follows:

<i>(unaudited, in thousands)</i>	February 10, 2015
Purchase Price:	
Fair value of WesBanco shares issued, (net of equity issuance costs of \$0.1 million)	\$ 293,933
Cash consideration for outstanding ESB shares, options and restricted stock	37,036
Settlement of pre-existing loan to ESB	8,000
Total purchase price	\$ 338,969
Fair value of:	
Tangible assets acquired	\$ 1,858,014
Core deposit and other intangible assets acquired	5,346
Liabilities assumed	(1,702,554)
Net cash received in the acquisition	8,485
Fair value of net assets acquired	169,291

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Goodwill recognized	\$	169,678
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The following table presents the preliminary allocation of the purchase price of the assets acquired and the liabilities assumed at the date of acquisition, as WesBanco intends to finalize its accounting for the acquisition of ESB during 2015:

<i>(unaudited, in thousands)</i>	February 10, 2015
Assets	
Cash and due from banks	\$ 8,485
Securities	486,891
Loans	700,964
Goodwill and other intangible assets	175,023
Accrued income and other assets ⁽¹⁾	670,160
Total Assets	\$ 2,041,523
Liabilities	
Deposits	\$ 1,246,992
Borrowings	433,454
Accrued expenses and other liabilities	22,108
Total liabilities	1,702,554
Purchase price	\$ 338,969

⁽¹⁾ Includes receivables of \$560.7 million from the sale of available-for-sale securities prior to the acquisition date.

NOTE 3. EARNINGS PER COMMON SHARE

Earnings per common share are calculated as follows:

<i>(unaudited, in thousands, except shares and per share amounts)</i>	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2015	2014	2015	2014
Numerator for both basic and diluted earnings per common share:				
Net income	\$ 22,248	\$ 18,166	\$ 57,760	\$ 53,462
Denominator:				
Total average basic common shares outstanding	38,523,593	29,280,648	37,144,783	29,235,364
Effect of dilutive stock options and warrant	33,402	80,232	59,331	81,550
Total diluted average common shares outstanding	38,556,995	29,360,880	37,204,114	29,316,914
Earnings per common share - basic	\$ 0.58	\$ 0.62	\$ 1.55	\$ 1.83
Earnings per common share - diluted	\$ 0.58	\$ 0.62	\$ 1.55	\$ 1.82

All stock options outstanding were included in the computation of diluted earnings per share for the three and nine months ended September 30, 2015 and 2014, respectively, as all were considered dilutive.

On February 10, 2015, WesBanco issued 9,178,531 shares to complete its acquisition of ESB. These shares are included in average shares outstanding beginning on that date. For additional information relating to the ESB acquisition, refer to Note 2, Mergers and Acquisitions.

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The following table presents the fair value and amortized cost of available-for-sale and held-to-maturity securities:

<i>(unaudited, in thousands)</i>	September 30, 2015			Estimated Fair Value	December 31, 2014			Estimated Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Available-for-sale								
Obligations of government agencies	\$ 79,390	\$ 1,433	\$ (14)	\$ 80,809	\$ 86,964	\$ 1,087	\$ (315)	\$ 87,736
Residential mortgage-backed securities and collateralized mortgage obligations of government agencies	1,248,057	6,767	(4,376)	1,250,448	703,535	4,336	(6,758)	701,113
Obligations of states and political subdivisions	85,523	4,830	(44)	90,309	86,073	5,365	(5)	91,433
Corporate debt securities	127,201	318	(170)	127,349	25,974	141	(119)	25,996
Total debt securities	\$ 1,540,171	\$ 13,348	\$ (4,604)	\$ 1,548,915	\$ 902,546	\$ 10,929	\$ (7,197)	\$ 906,278
Equity securities	10,106	697		10,803	10,304	842		11,146
Total available-for-sale securities	\$ 1,550,277	\$ 14,045	\$ (4,604)	\$ 1,559,718	\$ 912,850	\$ 11,771	\$ (7,197)	\$ 917,424
Held-to-maturity								
Residential mortgage-backed securities and collateralized mortgage obligations of government agencies	\$ 161,495	\$ 2,848	\$ (358)	\$ 163,985	\$ 79,004	\$ 3,262	\$ (246)	\$ 82,020
Obligations of states and political subdivisions	766,423	25,359						