

SI Financial Group, Inc.
Form 10-Q
August 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the Quarterly Period Ended June 30, 2015

OR
o 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: 0-54241

SI FINANCIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Maryland 80-0643149
(State or other jurisdiction of incorporation or (I.R.S. Employer Identification No.)
organization)

803 Main Street, Willimantic, Connecticut 06226
(Address of principal executive offices) (Zip Code)

(860) 423-4581
(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 x No o

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 x No o

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 o Accelerated Filer x
Non-Accelerated Filer o Smaller Reporting Company o

Edgar Filing: SI Financial Group, Inc. - Form 10-Q

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of July 31, 2015, there were 12,227,845 shares of the registrant's common stock outstanding.

SI FINANCIAL GROUP, INC.
TABLE OF CONTENTS

	Page No.	
PART I. FINANCIAL INFORMATION		
Item 1.	Financial Statements (Unaudited):	
	Consolidated Balance Sheets at June 30, 2015 and December 31, 2014	1
	Consolidated Statements of Income for the three and six months ended June 30, 2015 and 2014	2
	Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2015 and 2014	3
	Consolidated Statement of Changes in Shareholders' Equity for the six months ended June 30, 2015	4
	Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014	5
	<u>Notes to Consolidated Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	36
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	47
Item 4.	<u>Controls and Procedures</u>	49
PART II. OTHER INFORMATION		
Item 1.	<u>Legal Proceedings</u>	49
Item 1A.	<u>Risk Factors</u>	50
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	50
Item 3.	<u>Defaults Upon Senior Securities</u>	50
Item 4.	<u>Mine Safety Disclosures</u>	50
Item 5.	<u>Other Information</u>	50
Item 6.	<u>Exhibits</u>	51
	<u>SIGNATURES</u>	52

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SI FINANCIAL GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(In Thousands, Except Share Amounts / Unaudited)

	June 30, 2015	December 31, 2014
ASSETS:		
Cash and due from banks:		
Noninterest-bearing	\$16,693	\$18,965
Interest-bearing	22,892	20,286
Total cash and cash equivalents	39,585	39,251
Available for sale securities, at fair value	170,803	173,040
Loans held for sale	1,240	747
Loans receivable (net of allowance for loan losses of \$8,437 at June 30, 2015 and \$7,797 at December 31, 2014)	1,100,772	1,044,864
Federal Home Loan Bank stock, at cost	10,962	10,333
Federal Reserve Bank stock, at cost	3,621	—
Bank-owned life insurance	21,609	21,306
Premises and equipment, net	22,130	21,711
Goodwill and other intangibles	18,396	18,697
Accrued interest receivable	4,033	3,853
Deferred tax asset, net	7,861	8,048
Other real estate owned, net	1,420	1,271
Other assets	6,917	7,412
Total assets	\$1,409,349	\$1,350,533
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Liabilities:		
Deposits:		
Noninterest-bearing	\$150,920	\$146,062
Interest-bearing	879,208	864,651
Total deposits	1,030,128	1,010,713
Mortgagors' and investors' escrow accounts	3,900	3,600
Federal Home Loan Bank advances	192,193	148,277
Junior subordinated debt owed to unconsolidated trust	8,248	8,248
Accrued expenses and other liabilities	22,259	21,956
Total liabilities	1,256,728	1,192,794
Shareholders' Equity:		
Preferred stock (\$.01 par value; 1,000,000 shares authorized; none issued)	—	—
Common stock (\$.01 par value; 35,000,000 shares authorized; 12,227,845 shares and 12,776,426 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively)	122	128
Additional paid-in-capital	124,771	125,459
Unallocated common shares held by ESOP	(3,888) (4,128
Unearned restricted shares	(1,115) (1,312

Edgar Filing: SI Financial Group, Inc. - Form 10-Q

Retained earnings	32,449	37,497
Accumulated other comprehensive income	282	95
Total shareholders' equity	152,621	157,739
Total liabilities and shareholders' equity	\$1,409,349	\$1,350,533

See accompanying notes to unaudited interim consolidated financial statements.

1

SI FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Amounts / Unaudited)

Three Months Ended
June 30,
2015

Six Months Ended
June 30,