S&T BANCORP INC

Form 10-Q August 02, 2017

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 $^{\rm X}$ 1934

For the quarterly period ended June 30, 2017

OR

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

For the transition period from

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 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)

To

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 "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 "

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 x

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 - 34,979,557 shares as of July 31, 2017

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S&T BANCORP, INC. AND SUBSIDIARIES

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

(dollars in thousands, except per share data)	June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS	(Chadanca)	(Tudited)
Cash and due from banks, including interest-bearing deposits of \$66,764 and \$87,201 at June 30, 2017 and December 31, 2016	\$125,863	\$139,486
Securities available-for-sale, at fair value	689,388	693,487
Loans held for sale	23,120	3,793
Portfolio loans, net of unearned income	5,757,819	5,611,419
Allowance for loan losses	(55,351)	(52,775)
Portfolio loans, net	5,702,468	5,558,644
Bank owned life insurance	72,449	72,081
Premises and equipment, net	45,019	44,999
Federal Home Loan Bank and other restricted stock, at cost	33,417	31,817
Goodwill	291,670	291,670
Other intangible assets, net	4,191	4,910
Other assets	98,581	102,166
Total Assets	\$7,086,166	\$6,943,053
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$1,335,768	\$1,263,833
Interest-bearing demand	636,904	638,300
Money market	950,619	936,461
Savings	1,010,348	1,050,131
Certificates of deposit	1,476,223	1,383,652
Total Deposits	5,409,862	5,272,377
Securities sold under repurchase agreements	46,489	50,832
Short-term borrowings	645,000	660,000
Long-term borrowings	13,518	14,713
Junior subordinated debt securities	45,619	45,619
Other liabilities	54,616	57,556
Total Liabilities	6,215,104	6,101,097
SHAREHOLDERS' EQUITY		
Common stock (\$2.50 par value)		
Authorized—50,000,000 shares		
Issued—36,130,480 shares at June 30, 2017 and December 31, 2016	90,326	90,326
Outstanding— 34,980,280 shares at June 30, 2017 and 34,913,023 shares at December 31 2016	,	
Additional paid-in capital	214,941	213,098
Retained earnings	610,504	585,891
Accumulated other comprehensive (loss) income	•	(13,784)
Treasury stock (1,150,200 shares at June 30, 2017 and 1,217,457 shares at December 31, 2016, at cost)		(33,575)

Total Shareholders' Equity Total Liabilities and Shareholders' Equity See Notes to Consolidated Financial Statements

871,062 841,956 \$7,086,166 \$6,943,053

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

Three Months Ended June 30,						;	Six Months Ended June 3		
(dollars in thousands, except per share data)	2017				2016			2017	
INTEREST INCOME Loans, including fees Investment Securities:	\$	50,558		;	\$	52,019	;	\$	117,458
Taxable	2,947			,	2,580			5,796	
Tax-exempt	928				915			1,848	
Dividends	481				336			963	
Total Interest Income	64,914				55,850			126,065	
INTEREST EXPENSE	0.,,, 1.			·	,,,,,,,	2		15.3%	
Subscription and Usage	1.373.0	1,260.1	9.0%	1,167.3	17.6%		3,490.6		*
Network usage		1,186.8		1,149.5			2,947.3		
Other services	220.9	200.9	10.0%	-	46.4%			31.0%	
Net handset revenues	402.7	373.2	7.9%		12.7%		1,086.7		
Operating Costs	(2,415.2)	(2,386.8)	1.2% ((2,109.3)	14.5%	(6,895.8)	(6,261,2)	10.1%	
Personnel		(165.0)		(150.9)			(461.9)		
Cost of services rendered		(758.6)	2.8%						
Leased lines	(56.7)	(58.3)	-2.7%	. ,	-3.9%		(175.4)		
Interconnection	(412.2)	(388.1)	6.2%	(322.5)	27.8%	(1,165.3)	(399.5)	191.7%	
Rent/Insurance/Condominium	l								
fees	(60.7)	(54.9)	10.6%	(53.1)	14.3%	(164.9)	(154.7)	6.6%	
Fistel and other taxes and									
contributions	(124.3)	(120.0)	3.6%	(125.7)	-1.1%	(371.2)	(393.9)	-5.8%	
Third-party services	(108.9)	(116.3)	-6.4%	(96.4)	13.0%	(322.5)	(279.3)	15.5%	
Others	(17.2)	(21.0)	-18.1%	(7.6)	126.3%	(62.4)	(113.7)	-45.1%	
Cost of handsets	(585.0)	(548.5)	6.7%	(511.9)	14.3%	(1,485.0)	(1,491.3)	-0.4%	
Selling expenses	(728.8)	(728.3)	0.1%	(697.4)	4.5%	(2,076.4)	(2,411.1)	-13.9%	
Provision for bad debt	(80.4)			(147.8)	-45.6%		(647.5)		
Third-party services	(614.4)			(520.3)	18.1%				
Others	(34.0)	(30.4)	11.8%	(29.3)	16.0%	(98.1)	(103.9)	-5.6%	
General & administrative									
expenses	(159.3)	(161.6)	-1.4%	(112.7)	41.3%	(466.7)	(387.2)	20.5%	
Third-party services	(131.3)	(137.9)	-4.8%	(86.6)	51.6%	(388.8)	(303.7)	28.0%	
Others	(28.0)	(23.7)	18.1%	(26.1)	7.3%	(77.9)	(83.5)	-6.7%	
Other operating revenue									
(expenses)	(10.8)	(24.8)	-56.5%	27.9	n.a	, ,	6.8		
Operating revenue	105.6		32.0%		-32.1%			-12.6%	
Operating expenses	(116.7)	(105.1)	11.0%	(131.3)	-11.1%	(365.6)	(274.4)	33.2%	
Other operating revenue			_						
(expenses)	0.3	0.3	0.0%	3.6	-91.7%	(7.2)	(5.0)	44.0%	

EBITDA Margin %	833.3 25.7%	634.2 21.0%	31.4% 4.7 p.p.		16.4% 0.3 p.p.	2,224.5 24.4%	1,739.0 27.9% 21.7% 2.7 p.p.
Depreciation and Amortization	(591.1)	(602.2)	-1.8%	(636.3)	-7.1%	(1,764.3)(1,834.2) -3.8%
EBIT	242.2	32.00	656.9%	79.3	205.4%	460.2	(95.2) n.a.
Net Financial Income	(113.8)	(124.4)	-8.5%	(201.6)	-43.6%	(356.9)	(601.4)-40.7%
Financial Revenues	50.8	38.8	30.9%	40.5	25.4%	147.8	218.0-32.2%
Other financial revenues (-) Pis/Cofins taxes on	50.8	38.8	30.9%	40.5	25.4%	147.8	218.0 -32.2%
financial revenues	0.0	0.0	n.a.	0.0	n.a.	0.0	0.0 n.a.
Financial Expenses	(160.8)	(162.4)	-1.0%	(234.5)	-31.4%	(508.6)	(805.8)-36.9%
Other financial expenses Gains (Losses) with	(120.0)	(101.9)	17.8%		-15.1%	(331.7)	(461.5) -28.1%
derivatives transactions	(40.8)	(60.5)	-32.6%	(93.1)	-56.2%	(176.9)	(344.3) -48.6%
Exchange rate variation /							
Monetary variation	(3.8)	(0.8)3	375.0%	(7.6)	-50.0%	3.9	(13.6) n.a.
Non-operating							
revenue/expenses	(0.2)	(6.3)	n.a.	(4.7)	-95.7%	(7.4)	(10.8) -31.5%
Taxes	(123.8)	(14.1)	778.0%	(69.9)	77.1%	(223.6)	(153.9) 45.3%
Minority Interest	0.0	0.0	n.a.	0.0	n.a.	0.0	(8.0) n.a.
Net Income	4.4	(112.8)	n.a.	(196.9)	n.a.	(127.7)	(869.3)-85.3%

CONFERENCE CALL – 3Q07

In Portuguese

Date: November 06, 2007 (Tuesday)

Time: 09:30 a.m. (Brasília time) and 06:30 a.m. (New York time)

Telephone number: (+55 11) 2188-0188

Conference Call Code: VIVO Webcast: www.vivo.com.br/ri

The conference call audio replay will be available at telephone number (+55 11) 2188-0188

code: VIVO or in our website.

CONFERENCE CALL – 3Q07

In English

Date: November 06, 2007 (Tuesday)

Time: 12:00 p.m. (Brasília time) and 09:00 a.m. (New York time)

Telephone number: (+1 973) 935-8893

Conference Call Code: VIVO or 9343497

Webcast: www.vivo.com.br/ir

The conference call audio replay will be available at telephone number (+1 973) 341-3080 code: 9343497 or in our website.

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This press release contains forecasts of future events. Such statements are not statements of historical fact, and merely reflect the expectations of the company's management. The terms "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects", "aims" and similar terms are intended to identify these statements, which obviously involve risks or uncertainties which may or may not be foreseen by the company. Accordingly, the future results of operations of the Company may differ from its current expectations, and the reader should not rely exclusively on the positions taken herein. These forecasts speak only of the date they are made, and the company does not undertake any obligation to update them in light of new information or future developments.

GLOSSARY

Financial Terms:

CAPEX – Capital Expenditure.

Current Capital (Short-term capital) = Current assets – Current Net additions = Gross Additions – number of customers

Working capital = Current Capital – Net Debt.

Net debt = Gross debt – cash – financial investments – securities – asset from derivative transactions + liability from derivative

Net Debt / EBITDA – Index which evaluates the Company's ability to pay its debt with the generation of operating cash within a one-year period.

EBIT – Earnings before interest and taxes.

EBITDA – Earnings result before interest, taxes, depreciation and **Churn rate** = percentage of the disconnections from customer

Operating indicators:

Gross additions – Total of customers acquired in the period.

disconnected.

ARPU (Average Revenue per User) – net revenue from services per month / monthly average of customers in the period.

Postpaid ARPU – ARPU of postpaid service users.

Prepaid ARPU – ARPU of prepaid service users.

Blended ARPU - ARPU of the total customer base (contract +

Entry Barrier – Value of the least expensive phone offered.

Customers – Number of wireless lines in service.

amortization.

Indebtedness = Net Debt / (Net Debt + NE) – Index which measures the Company's financial leverage.

Operating Cash Flow = EBITDA - CAPEX.

EBITDA Margin = EBITDA / Net Operating Revenue.

PDD – Provision for bad debt. A concept in accounting that measures the provision made for accounts receivable overdue for more than 90 days.

NE - Shareholders' Equity.

Subsidy = (net revenue from goods – cost of goods sold + discounts given by suppliers) / gross additions.

Technology and Services

1xRTT – (1x Radio Transmission Technology) – It is the CDMA 2000 1x technology which, pursuant to the ITU (International Telecommunication Union). and in accordance with the IMT-2000 rules is considered 3G (third generation) Technology. CDMA – (Code Division Multiple Access) – Wireless interface technology for cellular networks based on spectral spreading of the radio signal and channel division by code domain.

CDMA 2000 1xEV-DO – 3rd Generation access technology with data transmission speed of up to 2.4 Megabits per second.

CSP – Carrier Selection Code.

SMP - Personal Mobile Services.

SMS – Short Message Service – Short text message service for cellular handsets. allowing customers to send and receive alphanumerical messages.

WAP – *Wireless Application Protocol* is an open and standardized protocol started in 1997 which allows access to Internet servers through specific equipment. a WAP Gateway at the carrier, and WAP browsers in customers' handsets. WAP supports a specific language (WML) and specific applications (WML *script*).

ZAP – A service which allows quick wireless access to the Internet through a computer, notebook or palmtop, using the CDMA 1xRTT technology.

GSM – (Global System for Mobile) – an open digital cellular technology used for transmitting mobile voice and data services. It is a circuit witched system that divides each channel into time-slots.

base during the period or the number of customers disconnected in the period / ((customers at the beginning of the period + customers at the end of the period) / 2).

Market share = Company's total number of customers / number of customers in its operating area.

Market share of net additions: participation of estimated net additions in the operating area.

MOU (minutes of use) – monthly average. in minutes. of traffic per customer = (Total number of outbound minutes + incoming minutes) / monthly average of customers in the period.

Postpaid MOU - MOU of postpaid service users.

Prepaid MOU – MOU of prepaid service users.

Market penetration = Company's total number of customers + estimated number of customers of competitors) / each 100 inhabitants in the Company's operating area.

Productivity = number of customers / permanent employees. **Right planning programs** – Customer profile adequacy plans **SAC** – cost of acquisition per customer = (70% marketing expenses + costs of the distribution network + handset subsidies) / gross additions.

VC – Communication values per minute.

VC1 – Communication values for calls in the same area of the subscriber.

VC2 – Communication values for Calls posted for the same primary area code.

VC3 – Communication values for Calls outside the primary area code.

VU-M – Value of mobile use of the Cellular Operator network which the Fixed Telephone Operator pays for a call from a Fixed Phone to a Mobile Phone (interconnection fee).

Partial Bill & Keep – system of collection for use of local network between SMP operators which occurs only when traffic between them exceeds 55%, which impacts over revenue and interconnection cost, which ceased to be charged as from July 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 06, 2007

VIVO PARTICIPAÇÕES S.A.

By: /s/ Ernesto Gardelliano

Ernesto Gardelliano Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.