# S&T Bancorp Inc.

## First Quarter 2024

**Christopher J. McComish**
*Chief Executive Officer*

**Mark Kochvar**
*Chief Financial Officer*

# Forward Looking Statements and Risk Factors

This information contains or incorporates statements that we believe are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to our financial condition, results of operations, plans, objectives, outlook for earnings, revenues, expenses, capital and liquidity levels and ratios, asset levels, asset quality, financial position and other matters regarding or affecting S&T and its future business and operations. Forward-looking statements are typically identified by words or phrases such as "will likely result," "expect," "anticipate," "estimate," "forecast," "project," "intend," "believe," "assume," "strategy," "trend," "plan," "outlook," "outcome," "continue," "remain," "potential," "opportunity," "comfortable," "current," "position," "maintain," "sustain," "seek," "achieve" and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could or may. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. The matters discussed in these forward-looking statements are subject to various risks, uncertainties and other factors that could cause actual results and trends to differ materially from those made, projected or implied in or by the forward-looking statements depending on a variety of uncertainties or other factors including, but not limited to: credit losses and the credit risk of our commercial and consumer loan products; changes in the level of charge-offs and changes in estimates of the adequacy of the allowance for credit losses, or ACL; cyber-security concerns; rapid technological developments and changes; operational risks or risk management failures by us or critical third parties, including fraud risk; our ability to manage our reputational risks; sensitivity to the interest rate environment, a rapid increase in interest rates or a change in the shape of the yield curve; a change in spreads on interest-earning assets and interest-bearing liabilities; any remaining uncertainties with the transition from LIBOR as a reference rate; regulatory supervision and oversight, including changes in regulatory capital requirements and our ability to address those requirements; unanticipated changes in our liquidity position; unanticipated changes in regulatory and governmental policies impacting interest rates and financial markets; changes in accounting policies, practices or guidance; legislation affecting the financial services industry as a whole, and S&T, in particular; developments affecting the industry and the soundness of financial institutions and further disruption to the economy and U.S. banking system; the outcome of pending and future litigation and governmental proceedings; increasing price and product/service competition; the ability to continue to introduce competitive new products and services on a timely, cost-effective basis; managing our internal growth and acquisitions; the possibility that the anticipated benefits from acquisitions cannot be fully realized in a timely manner or at all, or that integrating the acquired operations will be more difficult, disruptive or costly than anticipated; containing costs and expenses; reliance on significant customer relationships; an interruption or cessation of an important service by a third-party provider; our ability to attract and retain talented executives and employees; general economic or business conditions, including the strength of regional economic conditions in our market area; ESG practices and disclosures, including climate change, hiring practices, the diversity of the work force, and racial and social justice issues; deterioration of the housing market and reduced demand for mortgages; deterioration in the overall macroeconomic conditions or the state of the banking industry that could warrant further analysis of the carrying value of goodwill and could result in an adjustment to its carrying value resulting in a non-cash charge to net income; the stability of our core deposit base and access to contingency funding; re-emergence of turbulence in significant portions of the global financial and real estate markets that could impact our performance, both directly, by affecting our revenues and the value of our assets and liabilities, and indirectly, by affecting the economy generally and access to capital in the amounts, at the times and on the terms required to support our future businesses and geopolitical tensions and conflicts between nations.

Many of these factors, as well as other factors, are described in our Annual Report on Form 10-K for the year ended December 31, 2023, including Part I, Item 1A-"Risk Factors" and any of our subsequent filings with the SEC. Forward-looking statements are based on beliefs and assumptions using information available at the time the statements are made. We caution you not to unduly rely on forward-looking statements because the assumptions, beliefs, expectations and projections about future events may, and often do, differ materially from actual results. Any forward-looking statement speaks only as to the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect developments occurring after the statement is made.

# Non-GAAP Financial Measures

In addition to the traditional measures presented in accordance with Generally Accepted Accounting Principles (GAAP), S&T management uses and this presentation contains or references certain non-GAAP financial measures, such as net interest income on a fully taxable equivalent basis. S&T believes these non-GAAP financial measures provide information useful to investors in understanding our underlying business, operational performance and performance trends which facilitate comparisons with the performance of others in the financial services industry. Although S&T believes that these non-GAAP financial measures enhance investors' understanding of S&T's business and performance, these non-GAAP financial measures should not be considered an alternative to GAAP or considered to be more important than financial results determined in accordance with GAAP, nor are they necessarily comparable with non-GAAP measures which may be presented by other companies. The non-GAAP financial measures contained within this presentation should be read in conjunction with the audited financial statements and analysis as presented in the Annual Report on Form 10-K as well as the unaudited financial statements and analyses as presented in the respective Quarterly Reports in Exhibit 99.1 of Form 8-K for S&T Bancorp, Inc. and subsidiaries.

# Corporate Profile

- **$9.5** billion in assets
- **$7.6** billion in deposits
- **$7.7** billion in loans
- **$1.2** billion market cap
- Stock symbol: **STBA**

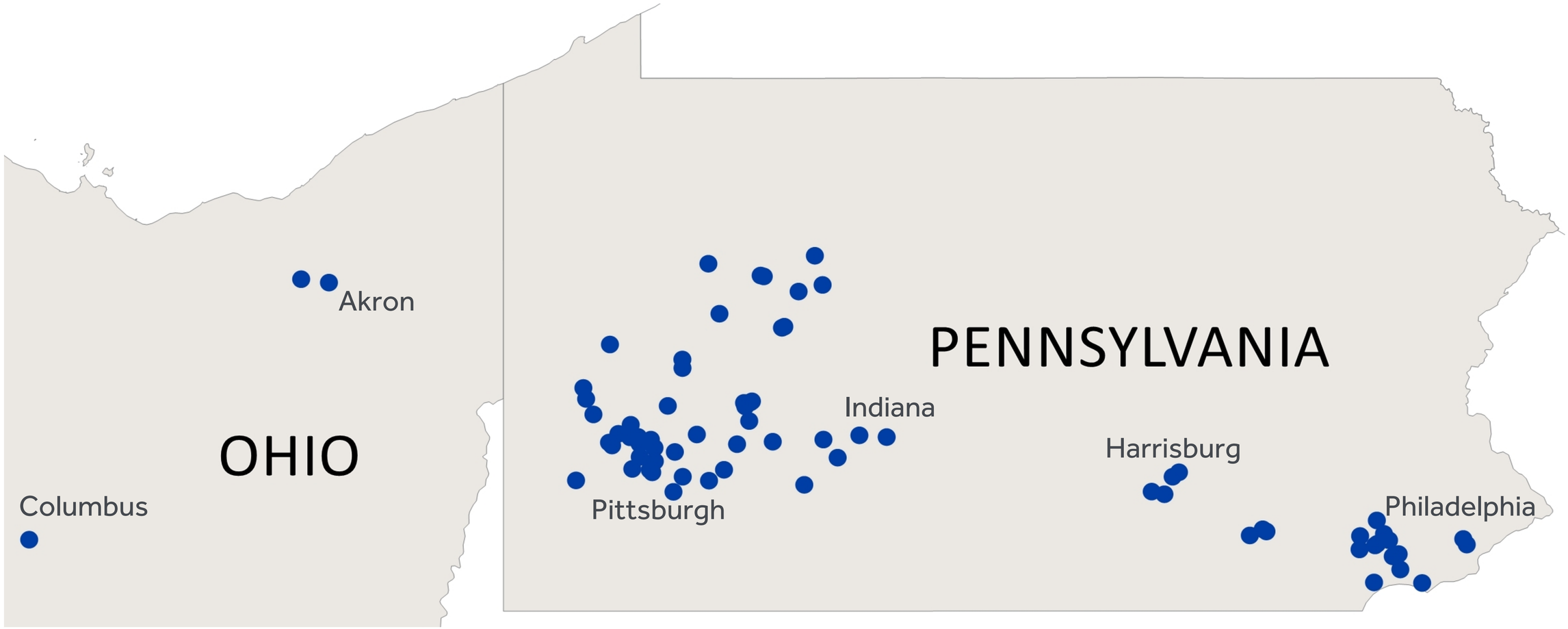


# Geographic Footprint

Serving more than 225,000 customers in Pennsylvania and Ohio

Footprint comprises 9.6 million people and 215,000 businesses

1,200 team members providing award-winning customer satisfaction at 72 locations



# Awards

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## Forbes America's Best Banks

S&T was named on the Forbes list of America's Best Banks in 2024. This annual ranking is based on metrics measuring growth, credit quality and profitability, as well as stock performance.

## Forbes America's Best Mid-Size Employers

S&T was honored as one of America's Best Mid-Size Employers by Forbes and Statista in 2023 and 2024.

## Forbes Best-In-State Banks

S&T was named on the Forbes list of Best-In-State Banks 2023 for the second consecutive year. Consumers assessed banks regarding overall satisfaction, trust, terms and conditions, branch services, digital services, customer service and financial advice.

## Top Workplaces USA 2023

S&T was recognized as a top workplace in the United States, issued by Energage. We were chosen based solely on employee feedback.



## Top Workplace for Work-Life Flexibility

S&T was awarded the 2023 Top Workplaces Culture Excellence award for Work-Life Flexibility, issued by Energage.

# Strategic Path Forward

## “Our Shared Future”

### VALUES

Make people our purpose
Do the right thing
Go above & beyond
Value every voice
Win as one team




### PURPOSE

Building our future together
through people-forward banking

### DRIVERS

Deposit franchise
Core profitability
Asset quality
Talent & engagement

# Delivering long-term, sustainable financial performance

(measured by top quartile Price/TBV and Total Shareholder Return)

Unwavering focus on key **Drivers** of business performance and profitable growth

## DEPOSIT FRANCHISE

Loans/Deposit Ratio, Cost of Deposits

- Treasury Management distribution and product capabilities
- Customer relationship management and sales effectiveness
- Product optimization
- Digital experience evolution




## TALENT & ENGAGEMENT

Loyalty, Retention

- "Our Shared Future" culture and mindset
- Talent acquisition and retention
- Diversity, Equity & Inclusion
- Workday Human Resources management system

## ASSET QUALITY

NCO/Loans, NPA/Loans & OREO

- Portfolio segmentation and concentration strategy
- Credit risk management practices
- Process & technology enhancements
- Specialized regional credit officer model

## CORE PROFITABILITY

PPNR/Avg Assets, NIM

- NIM management
- Balance efficiency and infrastructure investments
- Centralized Data & Analytics to bolster strategic decision-making
- Small Business distribution expansion

# Positioned for Growth

We have been making meaningful and scalable investments in technology and people to prepare for future growth.

## FINANCIAL STRENGTH



- Strong capital levels to support both organic and inorganic growth
- Durbin Amendment impact approximately $7 million (2% of total revenue)
- Solid financial performance

## TALENT



- Augmented legacy S&T leadership with team members having larger bank experience
  - Senior Leadership Team - 7 of 16 have prior experience at $25 billion + banks
  - Risk Management Team - 6 of 12 in leadership roles have prior experience at $25 billion + banks

## REGULATORY COMPLIANCE



- Enhanced governance structure
- Integrated, Enterprise Risk Management Program
- Strengthened Credit Administration practices
- Advanced Consumer Compliance Infrastructure

# First Quarter Overview

## HIGHLIGHTS

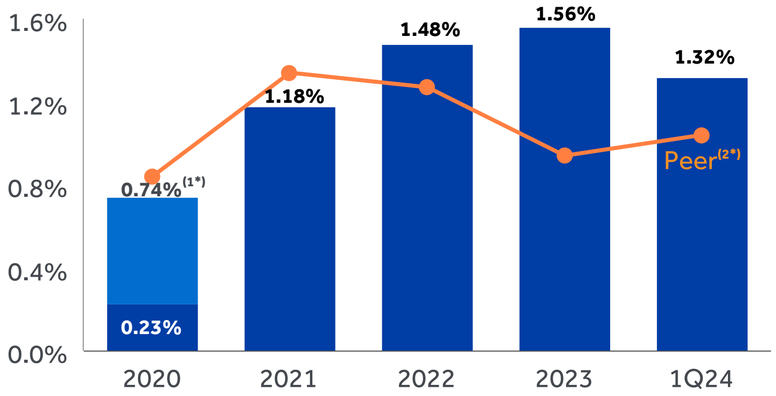
- Solid earnings and return metrics
- NIM remains strong at 3.84%
- Third consecutive quarter of customer deposit growth
- Healthy ACL level with manageable NPAs
- Forbes 2024 America’s Best Banks
- Forbes 2024 list of America's Best Midsize Employers

| | | | |
|---|---|---|---|
| **EARNINGS** | EPS<br>$0.81 | Net Income<br>$31.2 million | |
| **RETURN METRICS** | ROA<br>1.32% | ROE<br>9.74% | NIM*<br>3.84% |
| | ROTE*<br>13.85% | PPNR*<br>1.76% | Efficiency Ratio*<br>56.21% |
| **BALANCE SHEET** | Loan growth<br>$2.7 million<br>0.14% *(annualized)* | Deposit growth<br>$78.6 million<br>4.21% *(annualized)* | |
| **ASSET QUALITY** | ACL<br>1.37% | NCO<br>0.35% | NPA<br>0.44% |

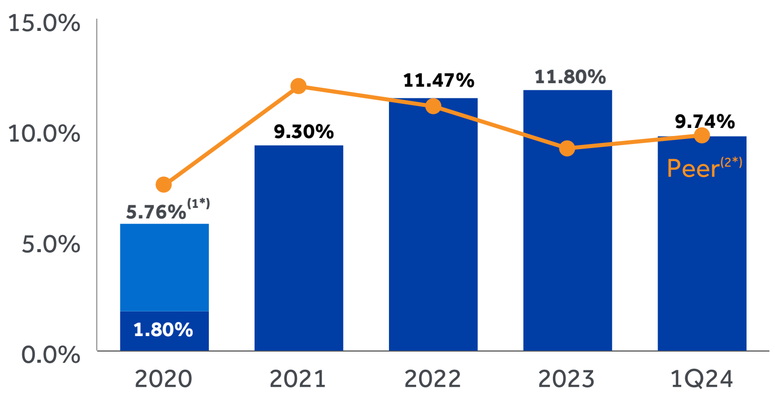
*Refer to appendix for reconciliation of non-GAAP financial measures

# Performance

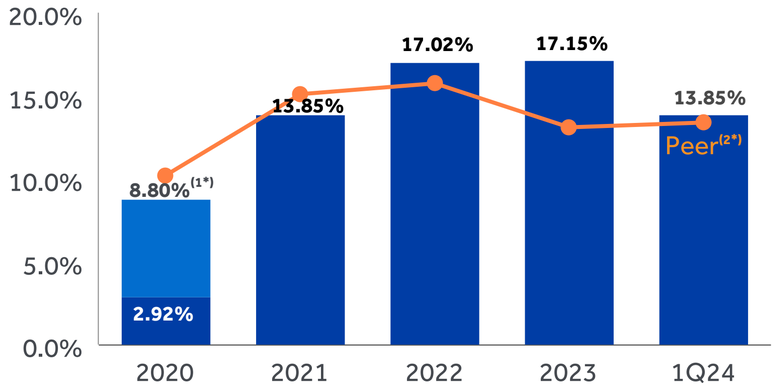
## RETURN ON AVERAGE ASSETS



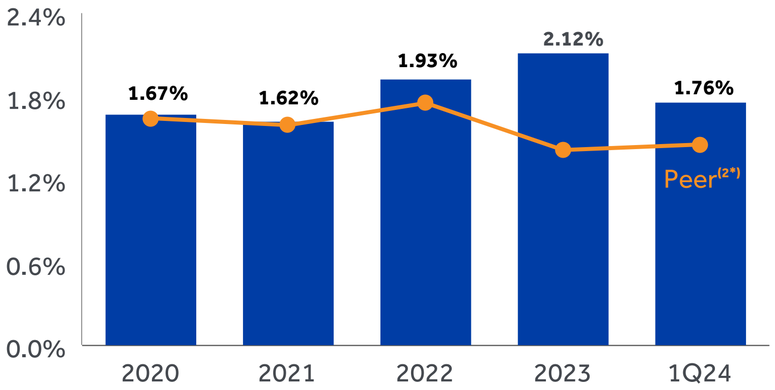

## RETURN ON AVERAGE EQUITY




## RETURN ON AVERAGE TANGIBLE EQUITY *




## PPNR / AVERAGE ASSETS *




*(1) This is a non-GAAP number that adjusts for a pre-tax loss of $58.7 million resulting from customer fraud related to a check kiting scheme in Q2 2020.*

*(2) Median of proxy peer group. Peer data from S&P Global Market Intelligence. .*

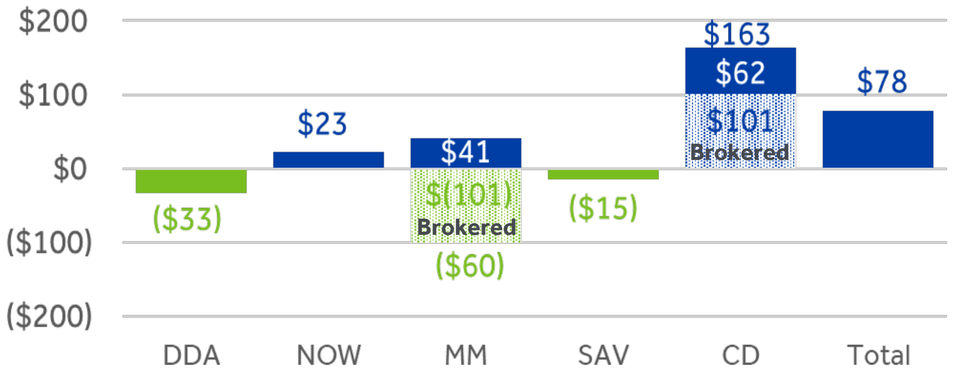
*(*) Refer to appendix for reconciliation of non-GAAP financial measures.*

# Balance Sheet

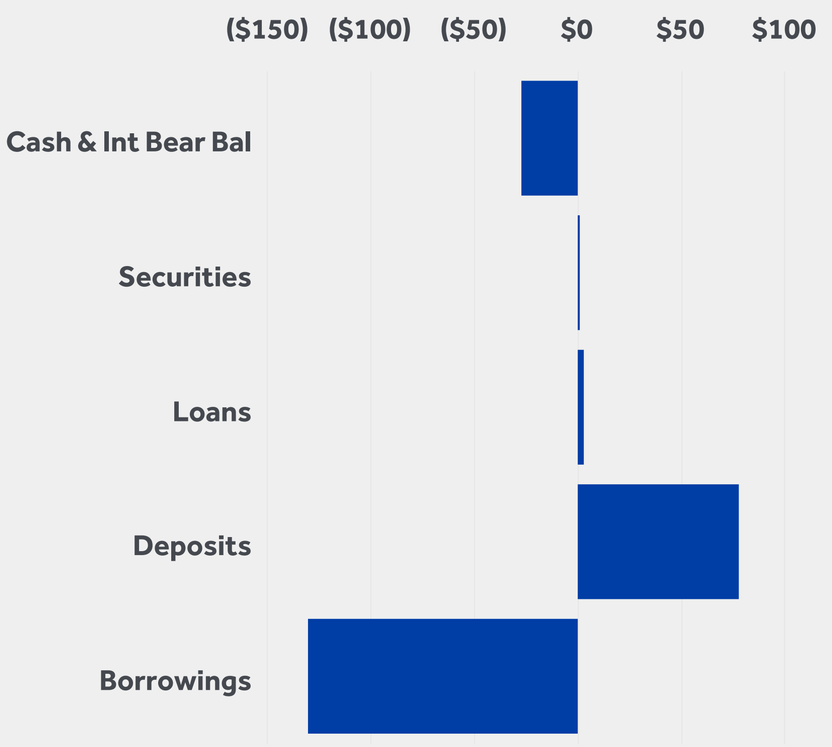
- Shift to higher costing deposits is moderating
- Wholesale borrowings are down $130 million primarily due to deposit growth
- No change in brokered deposits, shift from money market to CDs at similar cost

## 1Q24 vs 4Q23 DEPOSIT CHANGES

DECREASES/INCREASES




## 1Q24 vs 4Q23:



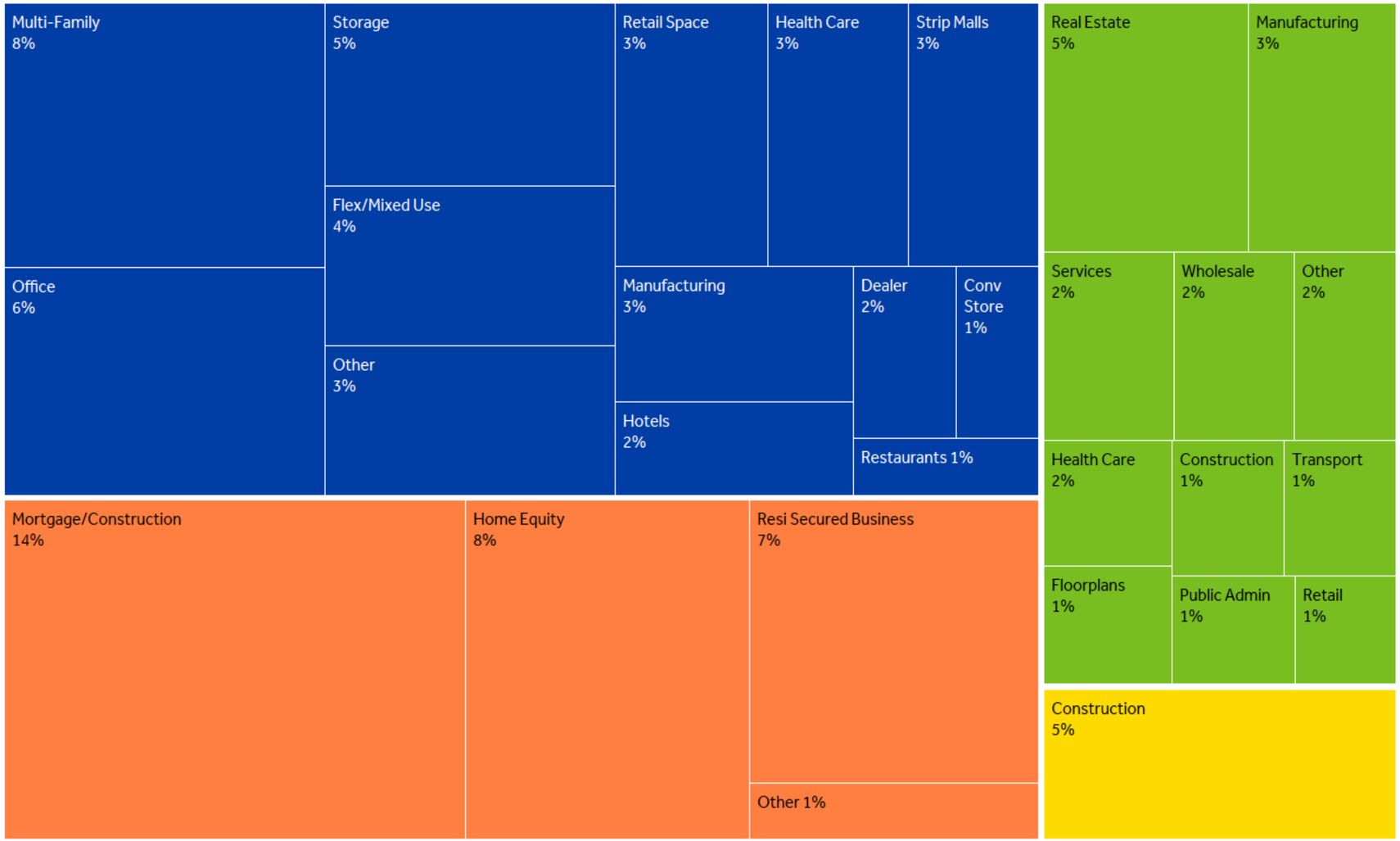

| | 1Q24 | 4Q23 | Var |
|---|---|---|---|
| Cash & Int Bear Bal | $207 | $234 | ($27) |
| Securities | 971 | 970 | 1 |
| Loans | 7,656 | 7,653 | 3 |
| Deposits | 7,600 | 7,522 | 78 |
| Borrowings | 374 | 504 | (130) |

*Dollars in millions*

# Loan Mix

Our loan portfolio is well-diversified:

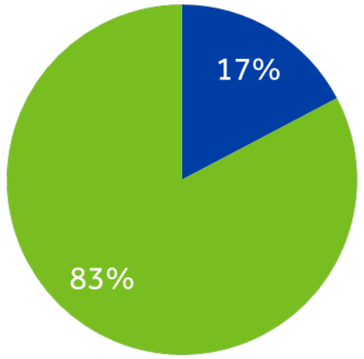
| | Amount | % of Total |
|---|---|---|
| CRE | $3,368 | 44% |
| Consumer | 2,331 | 30% |
| C&I | 1,597 | 21% |
| Construction | 360 | 5% |
| Total | $7,656 | 100% |




*Dollars in millions*

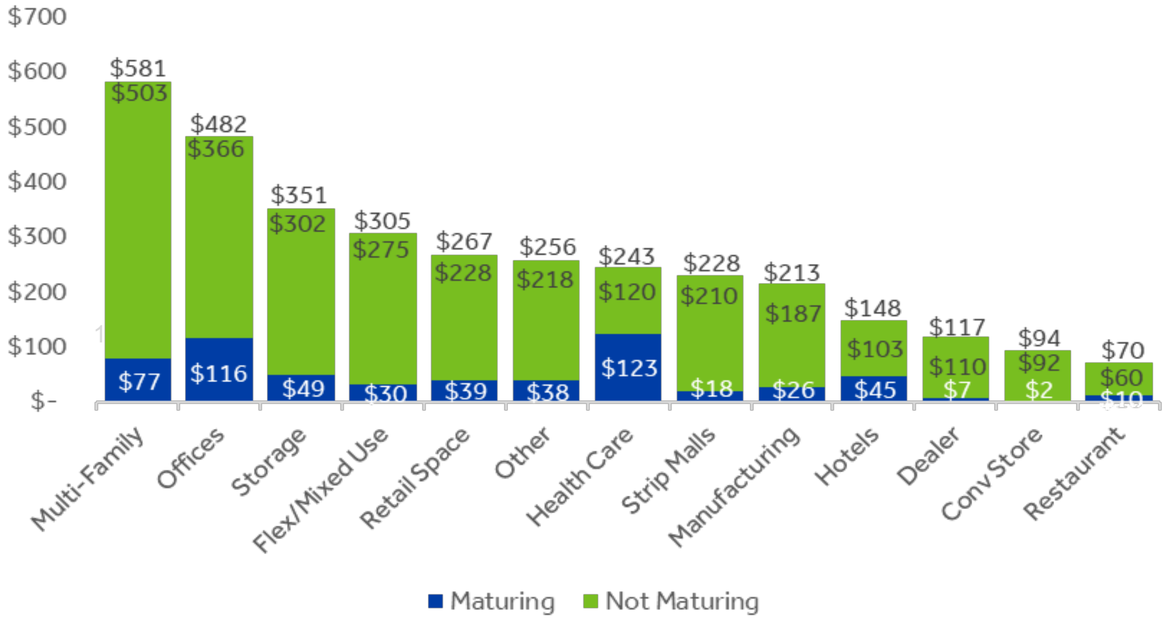
# CRE Maturities

**in next 24 months**




**Only 17% of our CRE loans mature in the next 24 months**

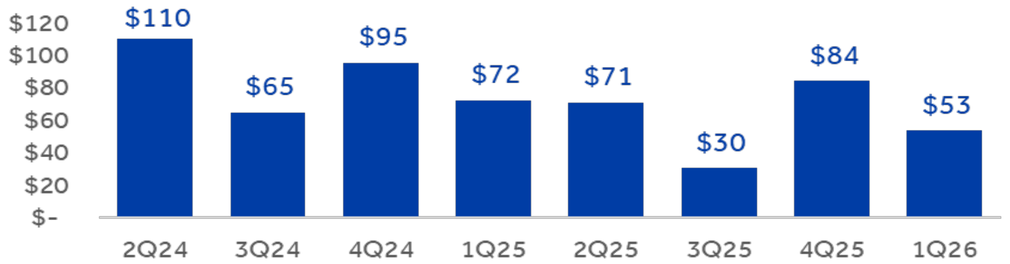
## CRE MATURITIES BY INDUSTRY:




## CRE MATURITIES BY SIZE:

| Size | Total | # | Avg Size |
|---|---|---|---|
| 10mm+ | $88.2 | 6 | $14.7 |
| 5mm-10mm | 243.5 | 34 | 7.2 |
| 1mm-5mm | 193.7 | 87 | 2.2 |
| Under 1mm | 54.8 | 225 | 0.2 |
| Total | $580.3 | 352 | $1.6 |

## CRE MATURITIES BY QUARTER:

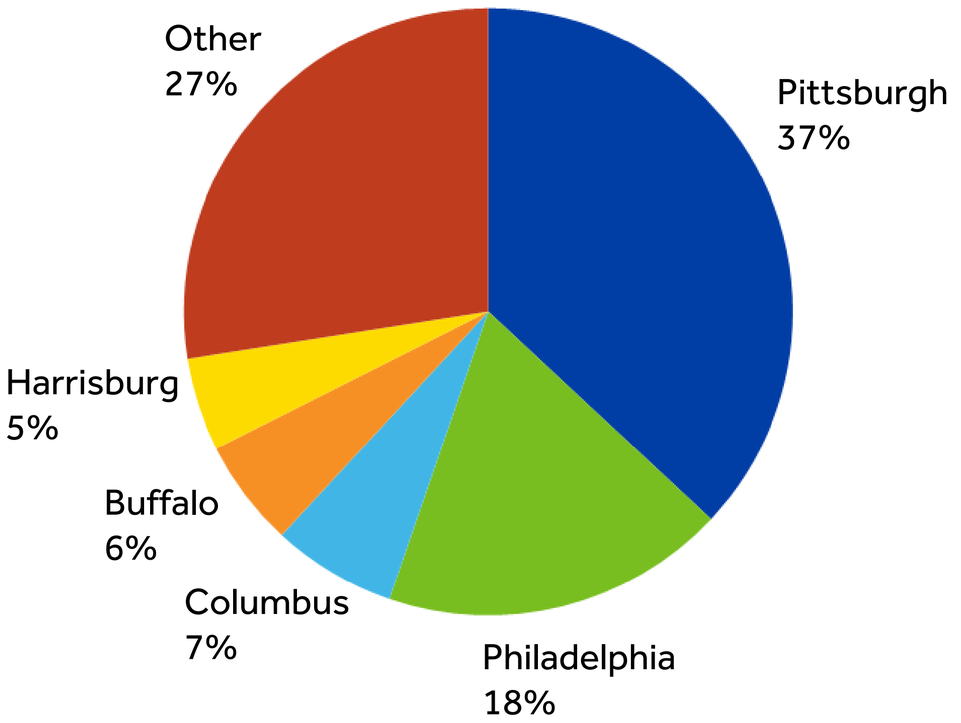



*Dollars in millions*

# Office CRE

- Office represents 6% of total loans
- Granular portfolio with average loan size of $1.1 million
- 95% of our office portfolio is in-market (PA and contiguous states)
- 90% non-central business district (CBD)
- Criticized of $12.3 million and classified of $2.1 million; only $0.5 million of NPLs

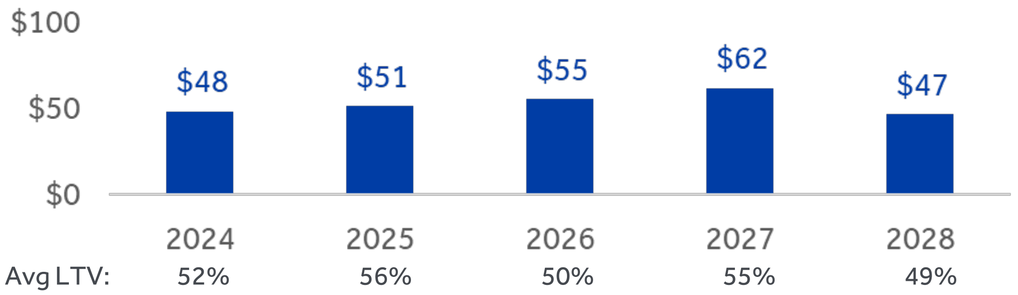
## OFFICE CRE BY MSA:




## OFFICE LOANS BY SIZE:

| Size | Total | # | Avg Size | Avg LTV |
|---|---|---|---|---|
| 10mm+ | $47.3 | 4 | $11.8 | 53 % |
| 5mm-10mm | 172.1 | 25 | 6.9 | 54 % |
| 1mm-5mm | 176.1 | 79 | 2.2 | 59 % |
| Under 1mm | 86.5 | 338 | 0.3 | 48 % |
| Total | $482.0 | 446 | $1.1 | 55 % |

## OFFICE LOAN MATURITIES BY YEAR:



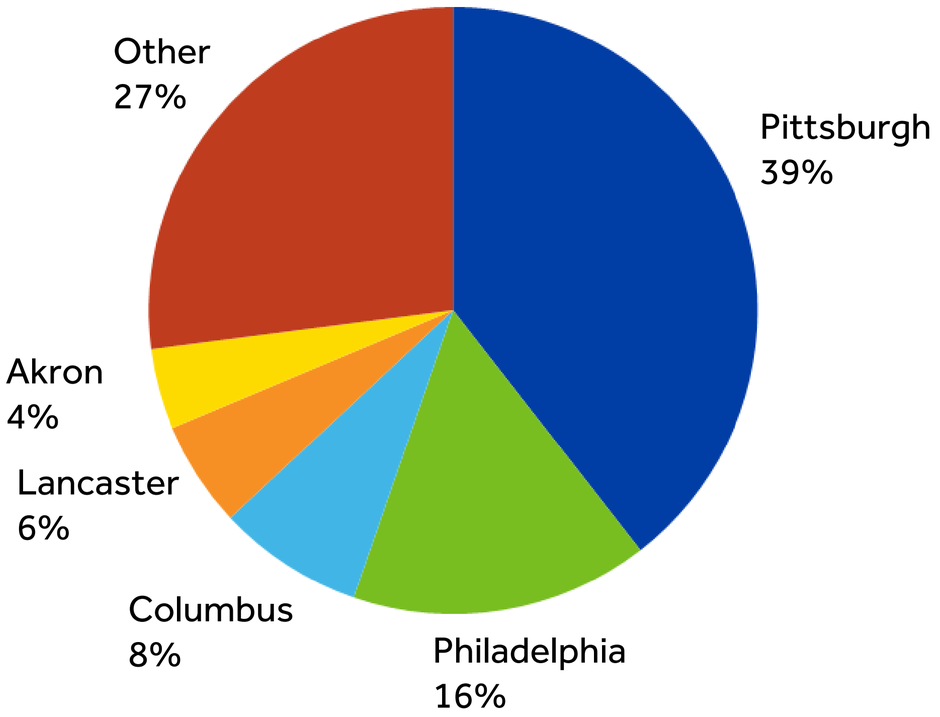

*Dollars in millions*

# Multifamily - CRE

- Multifamily represents 8% of total loans
- Granular portfolio with average loan size of $1.0 million
- 95% of our multifamily portfolio is in-market (PA and contiguous states)
- Criticized loans of $0 and classified of $6.9 million; no NPLs

Additional exposure of $214.6 million of construction commitments

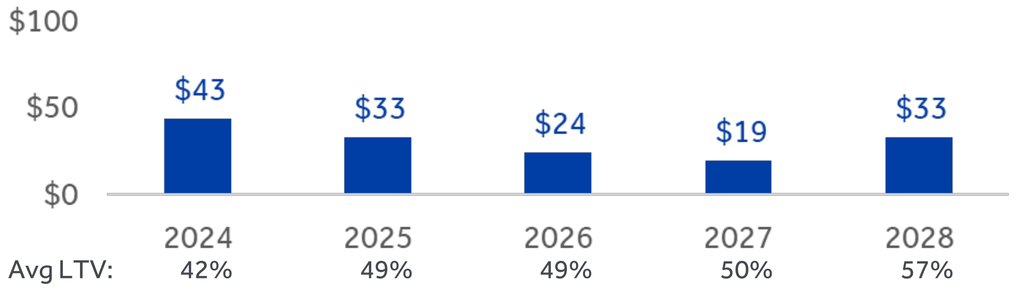
## MULTIFAMILY CRE BY MSA:




## MULTIFAMILY LOANS BY SIZE:

| Size | Total | # | Avg Size | Avg LTV |
|---|---|---|---|---|
| 10mm+ | $124.6 | 9 | $13.8 | 64 % |
| 5mm-10mm | 153.8 | 21 | 7.3 | 52 % |
| 1mm-5mm | 163.8 | 80 | 2.0 | 53 % |
| Under 1mm | 138.6 | 485 | 0.3 | 58 % |
| Total | $580.8 | 595 | $1.0 | 56 % |

## MULTIFAMILY LOAN MATURITIES BY YEAR:

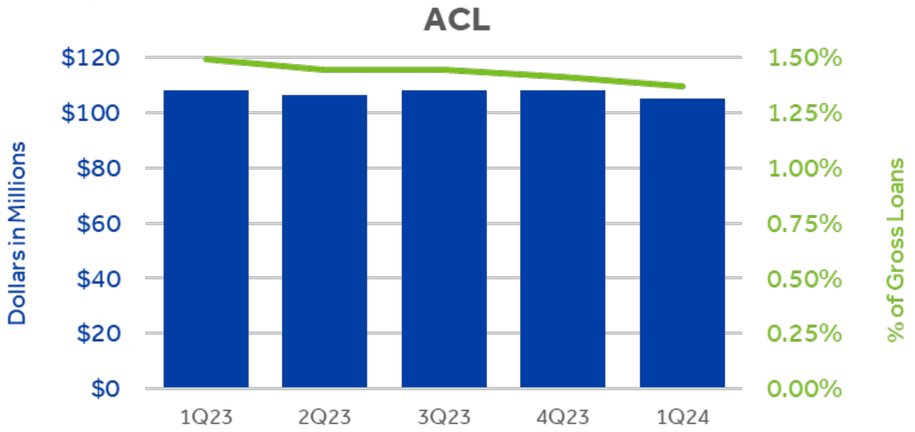



*Dollars in millions*

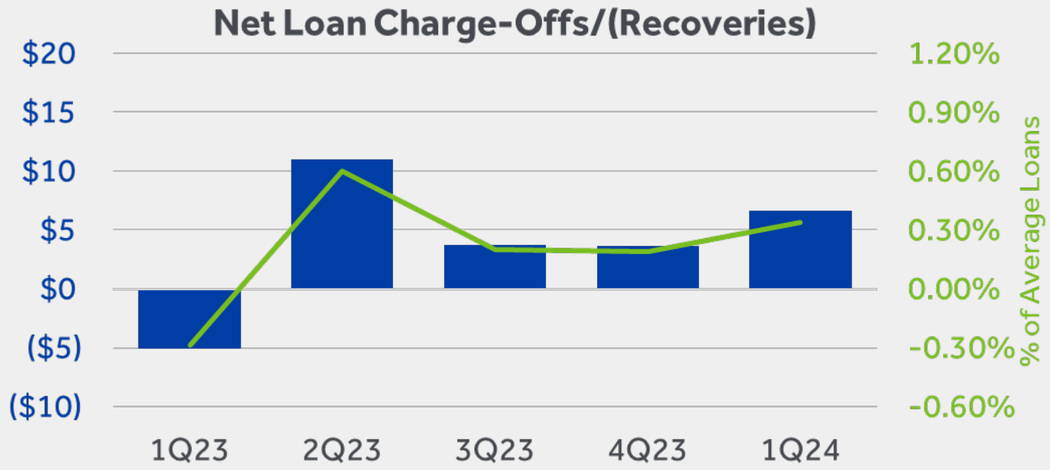
# Asset Quality

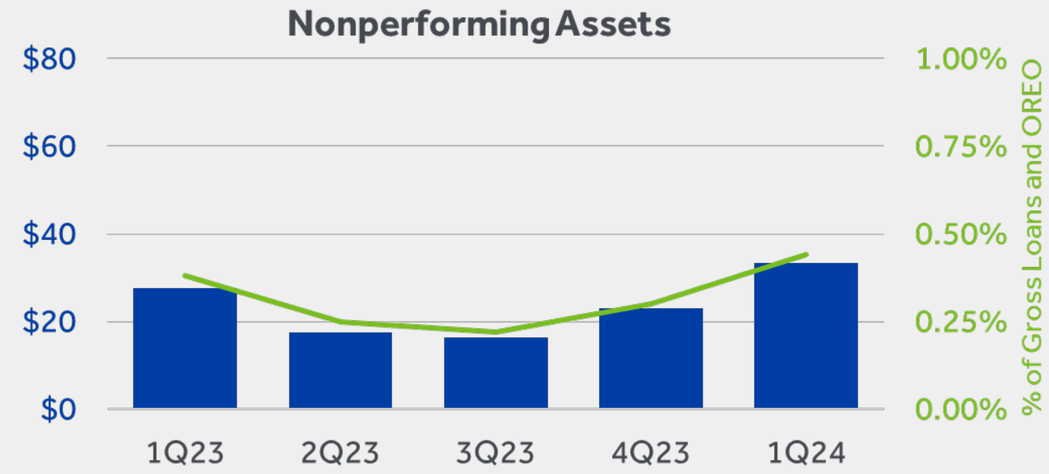
- ACL down 4 basis points to 1.37% compared to 1.41% at December 31, 2023
- Net charge-offs of $6.6 million, or 0.35% of average loans (annualized)
- Increase in NPAs related to a strategic exit of an operating company that resulted in a $3.2 million charge-off

## ACL Trend:




## ASSET QUALITY TRENDS



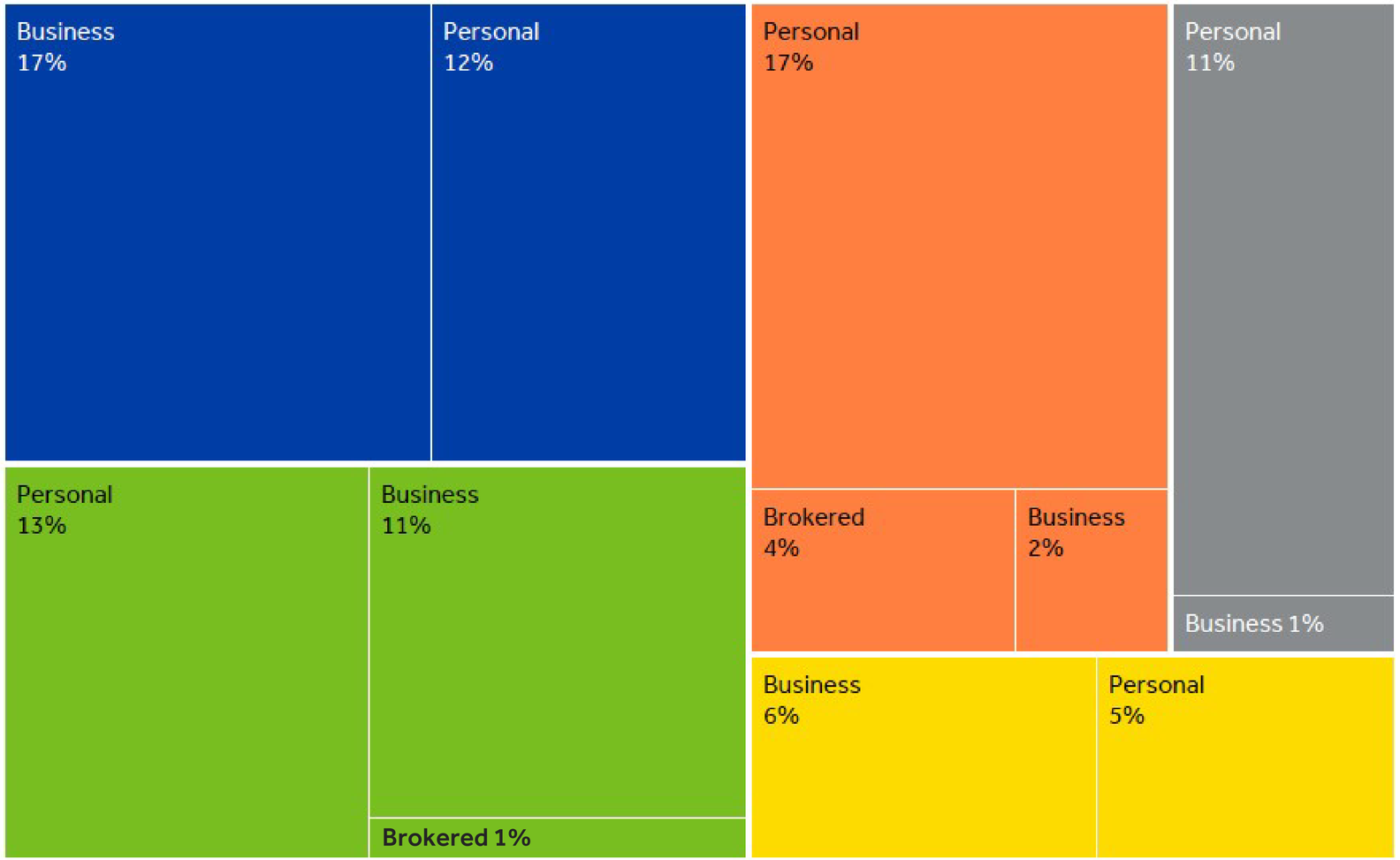

*Dollars in millions*

# Deposit Mix

We have a strong, well-diversified deposit base of 230,000 customers:

| | Amount | % of Total |
|---|---|---|
| DDA | $2,189 | 29% |
| MM | 1,882 | 25% |
| CDs | 1,744 | 23% |
| Savings | 936 | 12% |
| Int Bear DDA | 849 | 11% |
| Total | $7,600 | 100% |

| | Amount | % of Total | Average Account Size (in $000) | Average Age (in years) |
|---|---|---|---|---|
| Personal | $4,429 | 58% | $17 | 12 |
| Business | 2,795 | 37% | 69 | 10 |
| Brokered | 376 | 5% | — | — |
| Total | $7,600 | 100% | $26 | 12 |

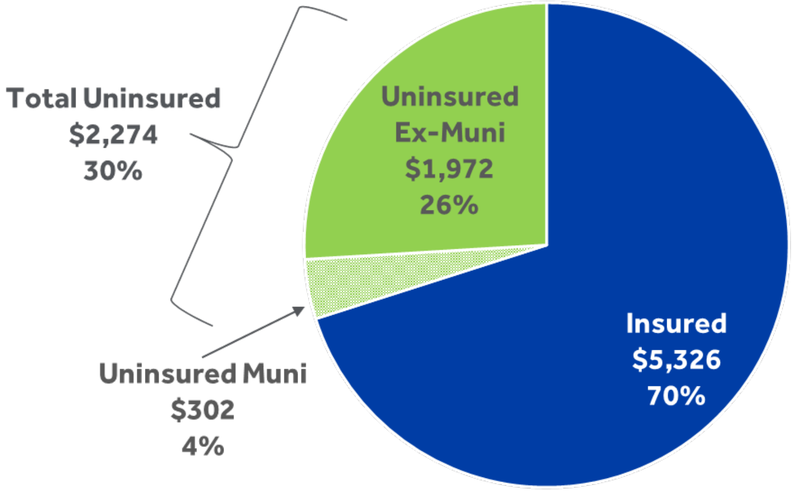



*Dollars in millions*

# Funding Capacity

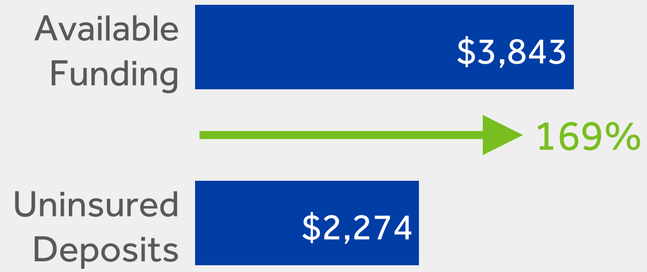
- Strong liquidity position with well-diversified deposit base
- Significant funding availability through FHLB and Federal Reserve
- Insured and collateralized deposits comprise 74% of total deposits
- Funding availability meets liquidity needs in both normal and stress environments

## INSURED/UNINSURED DEPOSITS




## FUNDING SOURCES

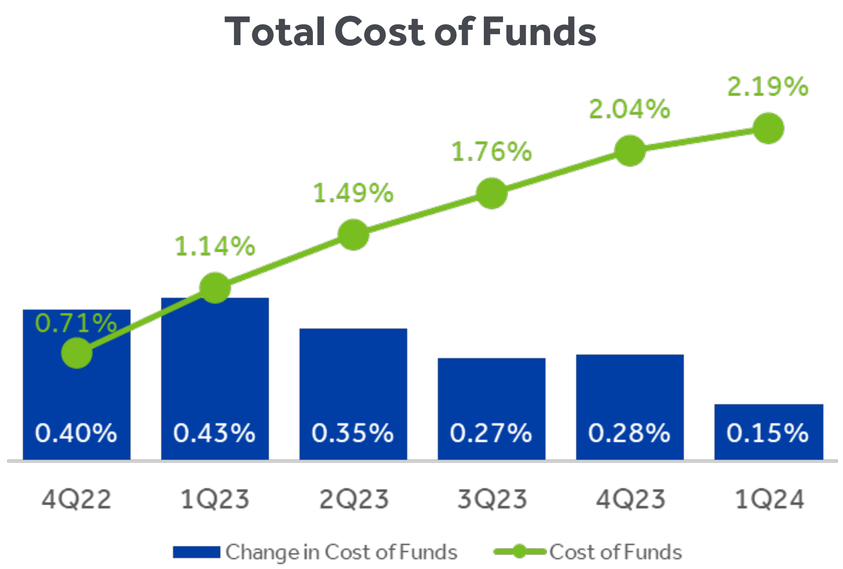
| | Capacity | Used | Available |
|---|---|---|---|
| **FHLB** | $3,324 | $256 | $3,068 |
| **Federal Reserve Window** | 775 | — | 775 |
| **Federal Reserve BTFP** | 200 | 200 | — |
| **Total Funding Sources** | $4,299 | $456 | $3,843 |

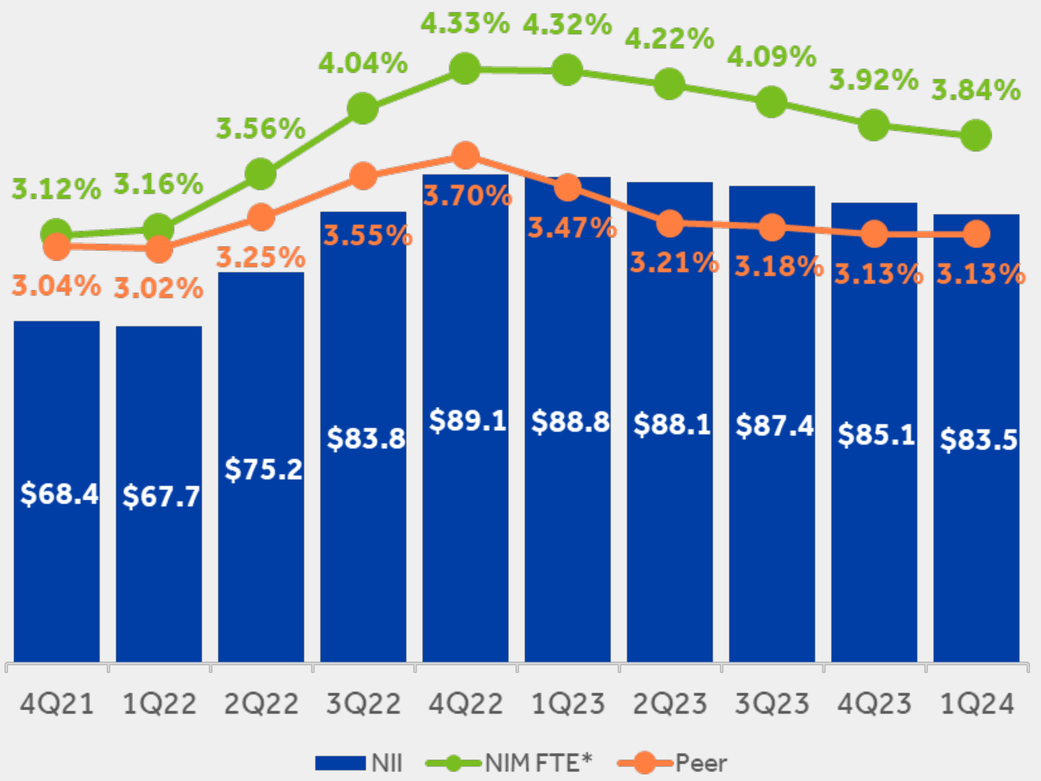



*Dollars in millions*

# Net Interest Income

- NIM was solid at 3.84% and remains well above pre-rate cycle level
- NIM compression is moderating with the smallest decrease since 1Q23
- Cost of funds increases are declining as deposit mix shift moderates and higher cost borrowings are reduced



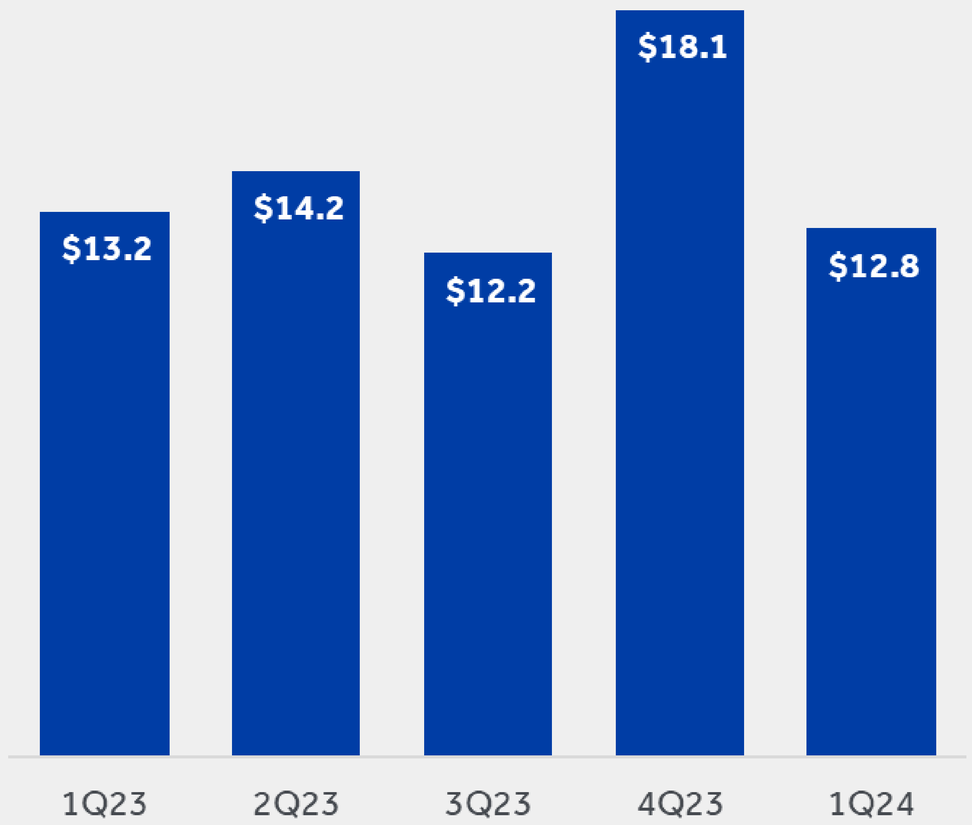




*Dollars in millions; *Refer to appendix for reconciliation of non-GAAP financial measures*

# Noninterest Income

- Noninterest income levels normalize
- Decrease in other related to a $3.3 million gain on OREO and $1.1 million of valuation adjustments in 4Q23
- Customer activity seasonally slower

| | 1Q24 | 1Q24 vs 4Q23 | 1Q24 vs 1Q23 |
|---|---|---|---|
| Debit and Credit Card | $4.2 | ($0.3) | ($0.1) |
| Service Charges | 3.8 | (0.3) | (0.3) |
| Wealth | 3.0 | — | — |
| Mortgage | 0.3 | — | — |
| Other | 1.5 | (4.6) | — |
| Noninterest Income | $12.8 | ($5.2) | ($0.4) |

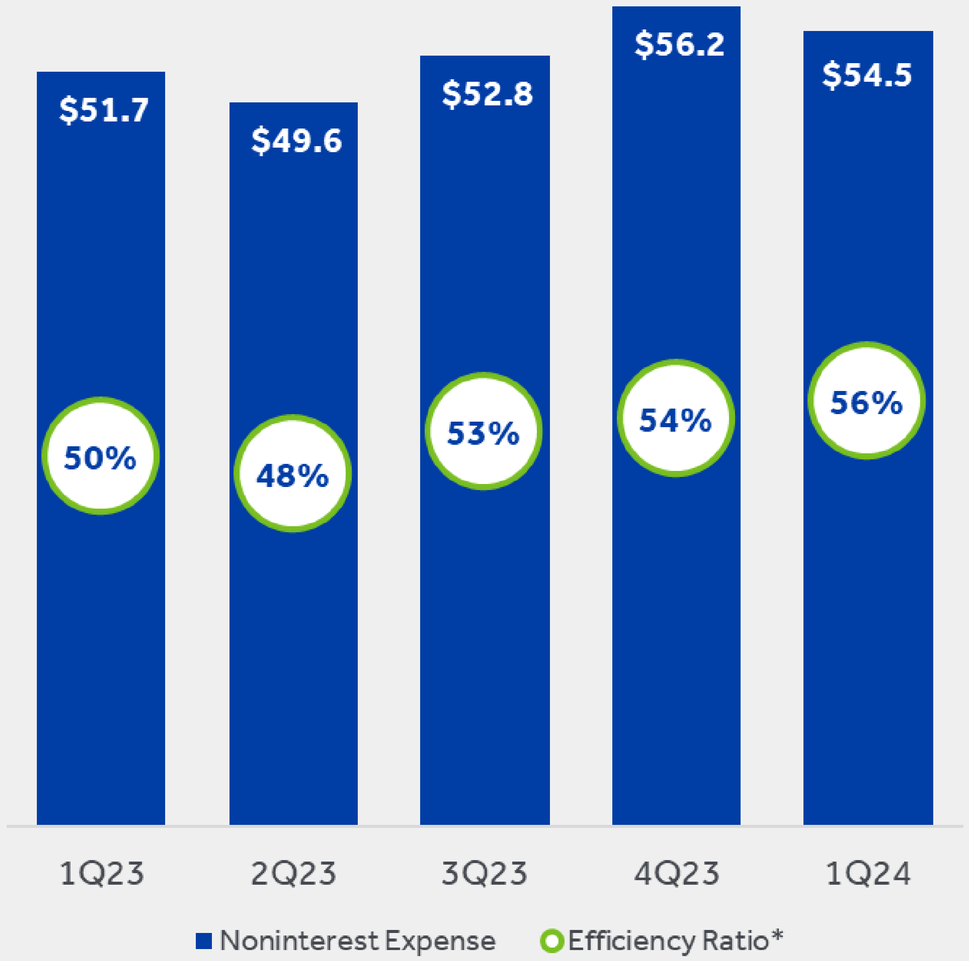



*Dollars in millions*

# Noninterest Expense

- Salaries and benefits decreased $1.4 million mainly related to medical expense compared to 4Q23

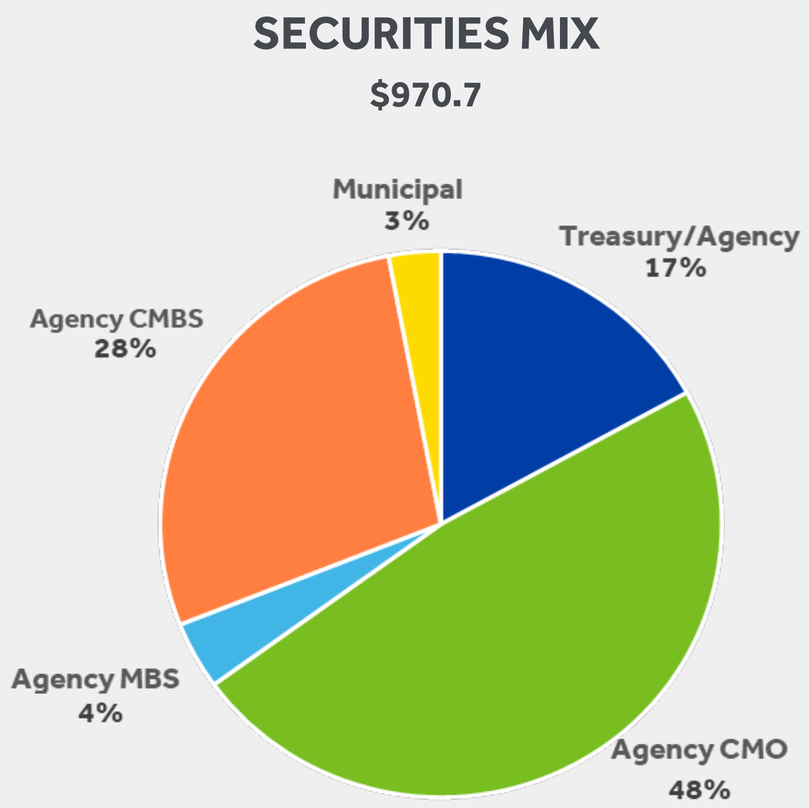
| | 1Q24 | 1Q24 vs 4Q23 | 1Q24 vs 1Q23 |
|---|---|---|---|
| Salaries & Benefits | $29.5 | ($1.4) | $1.9 |
| Data Processing | 5.0 | 0.4 | 0.7 |
| Occupancy | 3.9 | 0.3 | — |
| FF&E | 3.5 | (0.3) | 0.6 |
| Other Taxes | 1.9 | — | 0.1 |
| Marketing | 1.9 | 0.5 | 0.1 |
| Professional Services | 1.7 | (0.3) | (0.1) |
| FDIC | 1.0 | — | — |
| Other | 6.1 | (0.9) | (0.6) |
| Noninterest Expense | $54.5 | ($1.7) | $2.8 |




*Dollars in millions; *Refer to appendix for reconciliation of non-GAAP financial measures*

# Securities

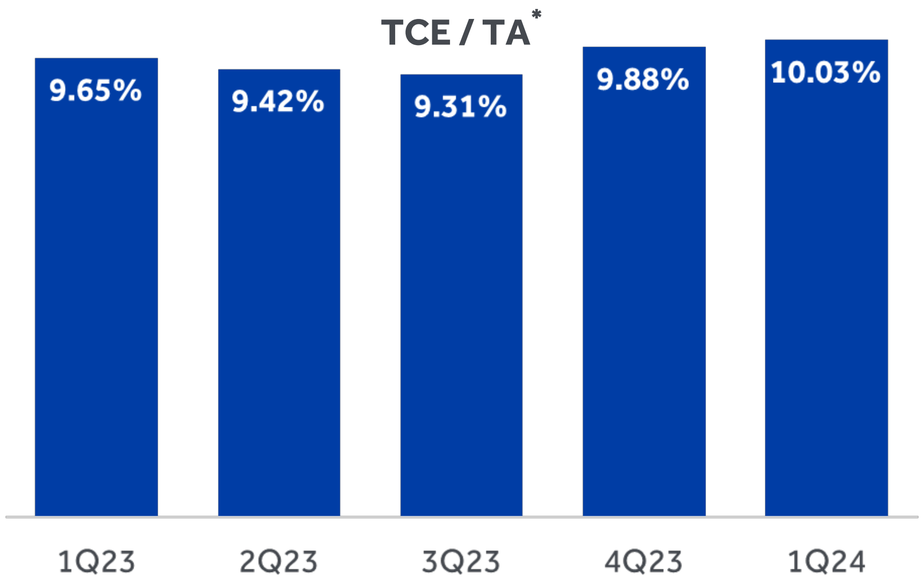
- Securities portfolio is only 10% of total assets
- 100% of securities portfolio is classified as available for sale
- Average duration of 3.6 years at 1Q24 down from 3.7 years in 4Q21
- AOCI of $87.8 million related to securities portfolio, if realized, would decrease CET1 ratio by 116 basis points from 13.59% to 12.43%

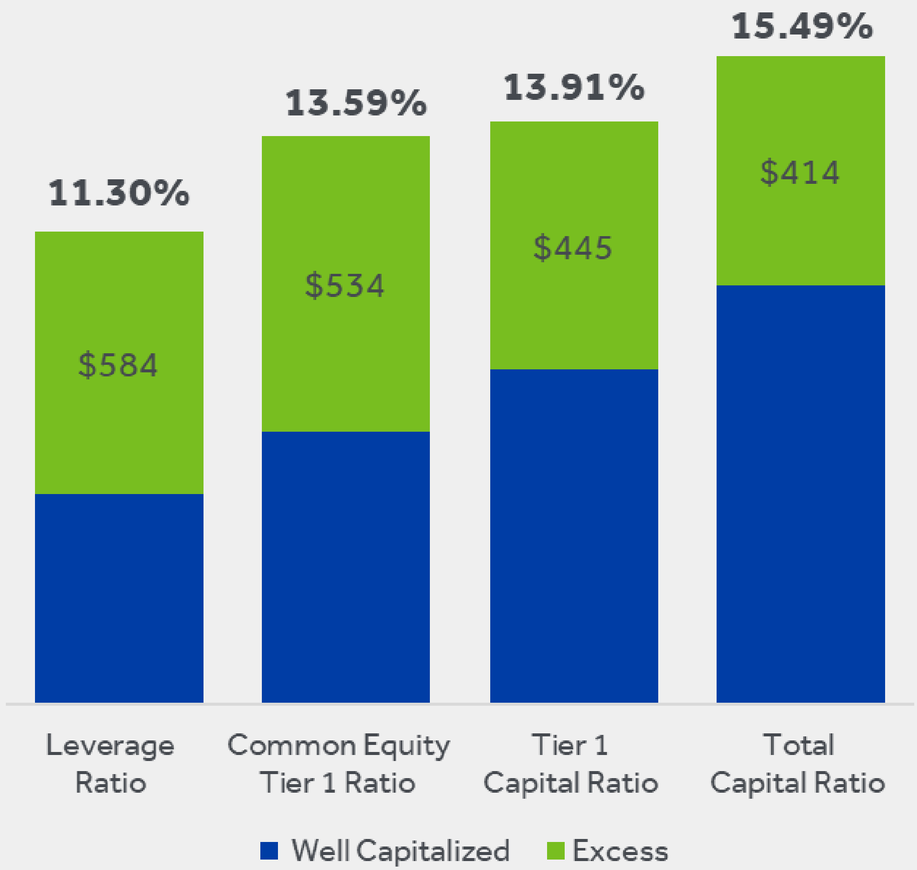



*Dollars in millions*

# Capital

- We have strong capital levels and are well positioned for growth
- TCE / TA improvement due to strong earnings




*Dollars in millions; *Refer to appendix for reconciliation of non-GAAP financial measures*

# Financial Data

| Income Statement | 1Q24 | 2023 | 2022 | 2021 | 2020 | 2020 |
|---|---|---|---|---|---|---|
| Dollars in thousands, except for share data | | | | | | Excludes Fraud [1] |
| Net Interest Income | $83,477 | $349,410 | $315,783 | $276,112 | $279,388 | |
| Noninterest Income | 12,830 | 57,620 | 58,259 | 64,696 | 59,746 | |
| **Total Revenue** | **96,307** | **407,030** | **374,042** | **340,808** | **339,134** | |
| Noninterest Expense | 54,520 | 210,334 | 196,746 | 188,925 | 184,329 | |
| Merger Expenses | — | — | — | — | 2,342 | |
| Provision for Credit Losses | 2,627 | 17,892 | 8,366 | 16,215 | 131,424 | 72,753 |
| **Net Income Before Taxes** | **39,160** | **178,804** | **168,930** | **135,668** | **21,039** | **79,710** |
| Taxes | 7,921 | 34,023 | 33,410 | 25,325 | (1) | 12,320 |
| **Net Income** | **$31,239** | **$144,781** | **$135,520** | **$110,343** | **$21,040** | **$67,390** |
| Diluted Earnings per Share | $0.81 | $3.74 | $3.46 | $2.81 | $0.53 | $1.72 |

[1] *These are non-GAAP numbers that adjusted for a pre-tax loss of $58.7 million resulting from customer fraud related to a check kiting scheme in Q2 2020. Refer to appendix for reconciliation of non-GAAP financial measures.*

# Financial Data

| Balance Sheet | 1Q24 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Dollars in thousands | | | | | |
| Total Securities | $970,728 | $970,391 | $1,002,778 | $910,793 | $773,693 |
| Interest-Bearing Deposits | 143,927 | 160,802 | 138,149 | 857,192 | 158,903 |
| Total Net Loans | 7,551,232 | 7,545,528 | 7,082,645 | 6,902,936 | 7,126,776 |
| Other Assets | 873,216 | 874,805 | 886,995 | 817,608 | 908,525 |
| **Total Assets** | **$9,539,103** | **$9,551,526** | **$9,110,567** | **$9,488,529** | **$8,967,897** |
| Total Deposits | $7,600,347 | $7,521,769 | $7,219,970 | $7,996,524 | $7,420,538 |
| Total Borrowed Funds | 373,529 | 503,635 | 439,194 | 161,314 | 227,927 |
| Other Liabilities | 270,153 | 242,677 | 266,744 | 124,237 | 164,721 |
| Equity | 1,295,074 | 1,283,445 | 1,184,659 | 1,206,454 | 1,154,711 |
| **Total Liabilities & Equity** | **$9,539,103** | **$9,551,526** | **$9,110,567** | **$9,488,529** | **$8,967,897** |

# Financial Data

| Net Interest Margin | 1Q24 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Securities - FTE[(1)] | 2.81% | 2.61% | 2.25% | 2.18% | 2.49% |
| Loans - FTE[(1)] | 6.25% | 6.04% | 4.50% | 3.84% | 4.09% |
| **Total Interest-earning Assets - FTE[(1)]** | **5.86%** | **5.64%** | **4.06%** | **3.37%** | **3.87%** |
| Interest-bearing Deposits | 2.77% | 1.92% | 0.40% | 0.20% | 0.66% |
| Borrowings | 5.59% | 5.59% | 3.01% | 1.49% | 1.56% |
| **Total Costing Liabilities** | **3.03%** | **2.34%** | **0.49%** | **0.24%** | **0.72%** |
| Net Interest Margin (FTE)[(1)] | **3.84%** | **4.13%** | **3.76%** | **3.22%** | **3.38%** |

*1Q24 annualized*

*[(1)]Refer to appendix for reconciliation of non-GAAP financial measures*

# Financial Data

| Loan Portfolio | 1Q24 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Dollars in thousands | | | | | |
| Commercial Real Estate | $3,367,722 | $3,357,603 | $3,128,187 | $3,236,653 | $3,244,974 |
| Commercial and Industrial | 1,597,119 | 1,642,106 | 1,718,976 | 1,728,969 | 1,954,453 |
| Commercial Construction | 360,086 | 363,284 | 399,371 | 440,962 | 474,280 |
| **Total Commercial** | **5,324,927** | **5,362,993** | **5,246,534** | **5,406,584** | **5,673,707** |
| Residential Mortgage | 1,500,499 | 1,461,097 | 1,116,528 | 899,956 | 918,398 |
| Home Equity | 645,780 | 650,666 | 652,066 | 564,219 | 535,165 |
| Installment and Other Consumer | 108,232 | 114,897 | 124,896 | 107,928 | 80,915 |
| Consumer Construction | 76,596 | 63,688 | 43,945 | 21,303 | 17,675 |
| **Total Consumer** | **2,331,107** | **2,290,348** | **1,937,435** | **1,593,406** | **1,552,153** |
| **Total Portfolio Loans** | **7,656,034** | **7,653,341** | **7,183,969** | **6,999,990** | **7,225,860** |
| Loans Held for Sale | — | 153 | 16 | 1,522 | 18,528 |
| **Total Loans** | **$7,656,034** | **$7,653,494** | **$7,183,985** | **$7,001,512** | **$7,244,388** |

# Financial Data

| Asset Quality | 1Q24 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Dollars in thousands | | | | | |
| Total Nonaccrual Loans | $33,209 | $22,946 | $19,052 | $66,291 | $146,774 |
| Nonaccrual Loans/Total Loans | 0.43% | 0.30% | 0.27% | 0.95% | 2.03% |
| Nonperforming Assets/Total Loans + OREO | 0.44% | 0.30% | 0.31% | 1.13% | 2.06% |
| YTD Net Charge-offs/Average Loans[(1)] | 0.35% | 0.18% | 0.04% | 0.49% | 1.40% |
| Allowance for Credit Losses/Total Portfolio Loans | 1.37% | 1.41% | 1.41% | 1.41% | 1.63% |
| Allowance for Credit Losses/Nonaccrual Loans | 316% | 471% | 532% | 149% | 80% |

*(1) 1Q24 annualized*

# Financial Data

| Capital | 1Q24 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Tier 1 Leverage | 11.30% | 11.21% | 11.06% | 9.74% | 9.43% |
| Common Equity Tier 1 – Risk-Based Capital | 13.59% | 13.37% | 12.81% | 12.03% | 11.33% |
| Tier 1 – Risk-Based Capital | 13.91% | 13.69% | 13.21% | 12.43% | 11.74% |
| Total – Risk-Based Capital | 15.49% | 15.27% | 14.73% | 13.79% | 13.44% |
| Tangible Common Equity/Tangible Assets[(1)] | 10.03% | 9.88% | 9.24% | 9.08% | 9.02% |

*[(1)] Refer to appendix for reconciliation of non-GAAP financial measures*

# Appendix *Definitions of GAAP to Non-GAAP Financial Measures*

| | 1Q24 | 4Q23 | 3Q23 | 2Q23 | 1Q23 | 4Q22 | 3Q22 | 2Q22 | 1Q22 | 4Q21 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Tangible Common Equity (TCE)/Tangible Assets (non-GAAP)** | | | | | | | | | | |
| Total shareholders' equity | $1,295,074 | $1,283,445 | $1,223,532 | $1,212,853 | $1,227,795 | | | | | |
| Less: goodwill and other intangible assets, net of deferred tax liability | (376,396) | (376,631) | (376,883) | (377,144) | (377,405) | | | | | |
| Tangible common equity (non-GAAP) | $918,678 | $906,814 | $846,649 | $835,709 | $850,390 | | | | | |
| Total assets | $9,539,103 | $9,551,526 | $9,466,077 | $9,252,922 | $9,193,442 | | | | | |
| Less: goodwill and other intangible assets, net of deferred tax liability | (376,396) | (376,631) | (376,883) | (377,144) | (377,405) | | | | | |
| Tangible assets (non-GAAP) | $9,162,707 | $9,174,895 | $9,089,194 | $8,875,778 | $8,816,037 | | | | | |
| Tangible common equity to tangible assets (non-GAAP) | 10.03 % | 9.88 % | 9.31 % | 9.42 % | 9.65 % | | | | | |

*Tangible common equity to tangible assets is a preferred industry measurement to evaluate capital adequacy.*

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Efficiency Ratio (non-GAAP)** | | | | | | | | | | |
| Noninterest expense | $54,520 | $56,203 | $52,799 | $49,633 | $51,699 | | | | | |
| Net interest income | $83,477 | $85,109 | $87,387 | $88,123 | $88,791 | | | | | |
| Plus: taxable equivalent adjustment | 692 | 683 | 674 | 639 | 555 | | | | | |
| Net interest income (FTE) (non-GAAP) | 84,169 | 85,792 | 88,061 | 88,762 | 89,346 | | | | | |
| Noninterest income | 12,830 | 18,061 | 12,178 | 14,191 | 13,190 | | | | | |
| Less: net gains on sale of securities | (3) | — | — | — | — | | | | | |
| Net interest income (FTE) (non-GAAP) plus noninterest income | $96,996 | $103,853 | $100,239 | $102,953 | $102,536 | | | | | |
| Efficiency ratio (non-GAAP) | 56.21 % | 54.12 % | 52.67 % | 48.21 % | 50.42 % | | | | | |

*The efficiency ratio is noninterest expense divided by noninterest income plus net interest income, on an FTE basis (non-GAAP), which ensures comparability of net interest income arising from both taxable and tax-exempt sources and is consistent with industry practice.*

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Net Interest Margin Rate (NIM) (FTE) (non-GAAP)** | | | | | | | | | | |
| Interest income and dividend income | $127,754 | $126,706 | $122,959 | $117,333 | $110,903 | $103,208 | $89,835 | $77,599 | $70,109 | $71,135 |
| Less: interest expense | (44,277) | (41,597) | (35,572) | (29,210) | (22,112) | (14,150) | (6,037) | (2,405) | (2,376) | (2,697) |
| Net interest income | 83,477 | 85,109 | 87,387 | 88,123 | 88,791 | 89,058 | 83,798 | 75,194 | 67,733 | 68,438 |
| Plus: taxable equivalent adjustment | 692 | 683 | 674 | 639 | 555 | 532 | 521 | 506 | 493 | 510 |
| Net interest income (FTE) (non-GAAP) | $84,169 | $85,792 | $88,061 | $88,762 | $89,346 | $89,590 | $84,319 | $75,700 | $68,226 | $68,948 |
| Net interest income (FTE) (annualized) | $338,526 | $340,370 | $349,373 | $356,022 | $362,348 | $355,438 | $334,526 | $303,633 | $276,694 | $273,537 |
| Average interest-earning assets | $8,801,163 | $8,704,727 | $8,561,578 | $8,436,490 | $8,372,193 | $8,220,689 | $8,287,889 | $8,535,384 | $8,747,398 | $8,768,329 |
| Net interest margin (FTE) (non-GAAP) | 3.84 % | 3.92 % | 4.09 % | 4.22 % | 4.32 % | 4.33 % | 4.04 % | 3.56 % | 3.16 % | 3.12 % |

*The interest income on interest-earning assets, net interest income and net interest margin are presented on an FTE basis (non-GAAP). The FTE basis (non-GAAP) adjusts for the tax benefit of income on certain tax-exempt loans and securities and the dividend-received deduction for equity securities using the federal statutory tax rate of 21 percent for each period. We believe this to be the preferred industry measurement of net interest income that provides a relevant comparison between taxable and non-taxable sources of interest income.*

# Appendix *Definitions of GAAP to Non-GAAP Financial Measures*

| | 2020 |
|---|---|
| | Excludes Fraud |
| **Net Income Excluding Nonrecurring items** | |
| Net income | $21,040 |
| Nonrecurring items | 58,671 |
| Tax effect of nonrecurring items | (12,321) |
| Adjusted net income (non-GAAP) | $67,390 |
| | |
| **Diluted Earnings Per Share** | |
| Adjusted net income (non-GAAP) | $67,390 |
| Average shares outstanding - diluted | 39,073 |
| Diluted earnings per share (non-GAAP) | $1.72 |
| | |
| **Return on Average Assets (ROA) (non-GAAP)** | |
| Adjusted net income (non-GAAP) | $67,390 |
| Average total assets | 9,152,747 |
| Return on average assets (non-GAAP) | 0.74 % |
| | |
| **Return on Average Shareholders' Equity (ROE) (non-GAAP)** | |
| Adjusted net income (non-GAAP) | $67,390 |
| Average total shareholders' equity | 1,169,489 |
| Return on average shareholders' equity (non-GAAP) | 5.76 % |

# Appendix *Definitions of GAAP to Non-GAAP Financial Measures*

| | 1Q24 | 2023 | 2022 | 2021 | 2020 | 2020 Excludes Fraud |
|---|---|---|---|---|---|---|
| **Return on Average Tangible Shareholders' Equity (ROTE) (non-GAAP)** | | | | | | |
| Net income[(1)] | $125,643 | $144,781 | $135,520 | $110,343 | $21,040 | $21,040 |
| Nonrecurring items | — | — | — | — | — | 58,671 |
| Tax effect of nonrecurring items | — | — | — | — | — | (12,321) |
| Adjusted net income (non-GAAP)[(1)] | $125,643 | $144,781 | $135,520 | $110,343 | $21,040 | $67,390 |
| Adjusted net income (non-GAAP)[(1)] | $125,643 | $144,781 | $135,520 | $110,343 | $21,040 | $67,390 |
| Plus: amortization of intangibles, net of tax[(1)] | 944 | 1,042 | 1,199 | 1,400 | 2,001 | 2,001 |
| Net income before amortization of intangibles[(1)] | $126,587 | $145,823 | $136,719 | $111,743 | $23,041 | $69,391 |
| Average total shareholders' equity | $1,290,514 | $1,227,332 | $1,181,788 | $1,186,161 | $1,169,489 | $1,169,489 |
| Less: average goodwill and other intangible assets, net of deferred tax liability | (376,518) | (377,157) | (378,303) | (379,612) | (380,846) | (380,846) |
| Average tangible equity (non-GAAP) | $913,996 | $850,175 | $803,485 | $806,549 | $788,643 | $788,643 |
| Return on average tangible shareholders' equity (non-GAAP)[(1)] | 13.85 % | 17.15 % | 17.02 % | 13.85 % | 2.92 % | 8.80 % |

*Return on average tangible shareholders' equity is a key profitability metric used by management to measure financial performance.*

| | | | | | | |
|---|---|---|---|---|---|---|
| **Net Interest Margin Rate (NIM) (FTE) (Non-GAAP)** | | | | | | |
| Interest income and dividend income | $127,754 | $477,901 | $340,751 | $289,262 | $320,464 | |
| Less: interest expense | (44,277) | (128,491) | (24,968) | (13,150) | (41,076) | |
| Net interest income per consolidated statements of net income | 83,477 | 349,410 | 315,783 | 276,112 | 279,388 | |
| Plus: taxable equivalent adjustment | 692 | 2,550 | 2,052 | 2,316 | 3,202 | |
| Net interest income (FTE) (non-GAAP) | $84,169 | $351,960 | $317,835 | $278,428 | $282,590 | |
| Average interest-earning assets | $8,801,163 | $8,519,775 | $8,445,958 | $8,649,372 | $8,372,894 | |
| Net Interest Margin[(1)] | 3.81 % | 4.10 % | 3.74 % | 3.19 % | 3.34 % | |
| Adjustment to FTE basis[(1)] | 0.03 % | 0.03 % | 0.02 % | 0.03 % | 0.04 % | |
| Net Interest Margin (FTE) (non-GAAP)[(1)] | 3.84 % | 4.13 % | 3.76 % | 3.22 % | 3.38 % | |

*The interest income on interest-earning assets, net interest income and net interest margin are presented on an FTE basis (non-GAAP). The FTE basis (non-GAAP) adjusts for the tax benefit of income on certain tax-exempt loans and securities and the dividend-received deduction for equity securities using the federal statutory tax rate of 21 percent for each period. We believe this to be the preferred industry measurement of net interest income that provides a relevant comparison between taxable and non-taxable sources of interest income.*

[(1)] *1Q24 annualized*

# Appendix *Definitions of GAAP to Non-GAAP Financial Measures*

| | 1Q24 | 2023 | 2022 | 2021 | 2020 | 2020 Excludes Fraud |
|---|---|---|---|---|---|---|
| **PPNR/Average Assets (Non-GAAP)** | | | | | | |
| Income before taxes | $39,160 | $178,804 | $168,930 | $135,668 | $21,039 | |
| Plus: provision for credit losses | 2,627 | 17,892 | 8,366 | 16,215 | 131,424 | |
| Total adjusted income before taxes (non-GAAP) | $41,787 | $196,696 | $177,296 | $151,883 | $152,463 | |
| Average assets | $9,538,905 | $9,276,256 | $9,167,038 | $9,375,850 | $9,152,747 | |
| PPNR/Average Assets (non-GAAP)[1] | 1.76 % | 2.12 % | 1.93 % | 1.62 % | 1.67 % | |
| *Pre-provision net revenue to average assets is income before taxes adjusted to exclude provision for credit losses. We believe this to be a preferred industry measurement to help evaluate our ability to fund credit losses or build capital.* | | | | | | |
| **Tangible Common Equity (TCE)/Tangible Assets (non-GAAP)** | | | | | | |
| Total shareholders' equity | $1,295,074 | $1,283,445 | $1,184,659 | $1,206,454 | $1,154,711 | |
| Less: goodwill and other intangible assets, net of deferred tax liability | (376,396) | (376,631) | (377,673) | (378,871) | (380,278) | |
| Tangible common equity (non-GAAP) | $918,678 | $906,814 | $806,986 | $827,583 | $774,433 | |
| Total assets | $9,539,103 | $9,551,526 | $9,110,567 | $9,488,529 | $8,967,897 | |
| Less: goodwill and other intangible assets, net of deferred tax liability | (376,396) | (376,631) | (377,673) | (378,871) | (380,278) | |
| Tangible assets (non-GAAP) | $9,162,707 | $9,174,895 | $8,732,894 | $9,109,658 | $8,587,619 | |
| Tangible common equity to tangible assets (non-GAAP) | 10.03 % | 9.88 % | 9.24 % | 9.08 % | 9.02 % | |
| *Tangible common equity to tangible assets is a preferred industry measurement to evaluate capital adequacy.* | | | | | | |
| **Provision for credit losses** | | | | | | |
| Provision | | | | | $131,424 | $131,424 |
| Less: customer fraud | | | | | — | (58,671) |
| Adjusted provision for credit losses | | | | | $131,424 | $72,753 |
| **YTD Net loan charge-offs/YTD Average loans** | | | | | | |
| Net charge-offs | | | | | $103,379 | $103,379 |
| Less: customer fraud | | | | | — | (58,671) |
| Adjusted net charge-offs | | | | | $103,379 | $44,708 |
| Total average YTD loans | | | | | $7,410,462 | $7,410,462 |
| Adjusted net loan charge-offs/YTD Average loans | | | | | 1.40 % | 0.60 % |

[1] *1Q24 annualized*

# Appendix *Definitions of GAAP to Non-GAAP Financial Measures*

| | 1Q24 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Interest and Dividend Income** | | | | | |
| Interest-bearing deposits with banks | $2,066 | $7,344 | $2,952 | $973 | $515 |
| Securities | 6,744 | 25,207 | 22,449 | 17,432 | 18,060 |
| Loans | 118,493 | 442,675 | 314,774 | 270,460 | 300,960 |
| Other earning assets | 451 | 2,675 | 576 | 397 | 929 |
| Total Interest and Dividend Income | $127,754 | $477,901 | $340,751 | $289,262 | $320,464 |
| **NIM - Securities (FTE) (Non-GAAP)** | | | | | |
| Interest income | $6,744 | $25,207 | $22,449 | $17,432 | $18,060 |
| Plus: taxable equivalent adjustment | 54 | 238 | 431 | 703 | 951 |
| Interest income (FTE) (non-GAAP) | $6,798 | $25,445 | $22,880 | $18,135 | $19,011 |
| Average interest-earning assets | $966,703 | $976,095 | $1,017,471 | $832,304 | $764,311 |
| Net Interest Margin[(1)] | 2.79 % | 2.58 % | 2.21 % | 2.09 % | 2.36 % |
| Adjustment to FTE basis[(1)] | 0.02 % | 0.03 % | 0.04 % | 0.09 % | 0.13 % |
| Net Interest Margin (FTE) (non-GAAP)[(1)] | 2.81 % | 2.61 % | 2.25 % | 2.18 % | 2.49 % |
| **NIM - Loans (FTE) (Non-GAAP)** | | | | | |
| Interest income | $118,493 | $442,675 | $314,774 | $270,460 | $300,960 |
| Plus: taxable equivalent adjustment | 638 | 2,312 | 1,621 | 1,613 | 2,251 |
| Interest income (FTE) (non-GAAP) | $119,131 | $444,987 | $316,395 | $272,073 | $303,211 |
| Average interest-earning assets | $7,664,488 | $7,363,738 | $7,037,471 | $7,084,649 | $7,410,462 |
| Net Interest Margin[(1)] | 6.21 % | 6.01 % | 4.47 % | 3.82 % | 4.06 % |
| Adjustment to FTE basis[(1)] | 0.04 % | 0.03 % | 0.03 % | 0.02 % | 0.03 % |
| Net Interest Margin (FTE) (non-GAAP)[(1)] | 6.25 % | 6.04 % | 4.50 % | 3.84 % | 4.09 % |
| **NIM - Total Interest-earning Assets (FTE) (Non-GAAP)** | | | | | |
| Average interest-earning assets | $8,801,163 | $8,519,775 | $8,445,958 | $8,649,372 | $8,372,894 |
| Net Interest Margin[(1)] | 5.83 % | 5.61 % | 4.03 % | 3.34 % | 3.83 % |
| Adjustment to FTE basis[(1)] | 0.03 % | 0.03 % | 0.03 % | 0.03 % | 0.04 % |
| Net Interest Margin (FTE) (non-GAAP)[(1)] | 5.86 % | 5.64 % | 4.06 % | 3.37 % | 3.87 % |

*The FTE basis (non-GAAP) adjusts for the tax benefit of income on certain tax-exempt loans and securities using the federal statutory rate of 21 percent for each period. We believe this to be the preferrred industry measurement of net interest income that provides a relevant comparison between taxable and non-taxable sources of interest income.*

*(1) 1Q24 annualized*

# S&T Bancorp Inc.

## First Quarter 2024

**Christopher J. McComish**
*Chief Executive Officer*

**Mark Kochvar**
*Chief Financial Officer*