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**FOR IMMEDIATE RELEASE****S&T Bancorp, Inc. Announces Third Quarter 2020 Results**

Indiana, Pa. - October 22, 2020 - S&T Bancorp, Inc. (S&T) (NASDAQ: STBA), the holding company for S&T Bank, with operations in five markets including Western Pennsylvania, Eastern Pennsylvania, Northeast Ohio, Central Ohio and Upstate New York, announced net income of \$16.7 million, or \$0.43 per diluted share, for the third quarter of 2020 compared to a net loss of (\$33.1) million, or (\$0.85) per diluted share, for the second quarter of 2020, and net income of \$26.9 million, or \$0.79 per diluted share, for the third quarter of 2019. The net loss in the second quarter of 2020 was due to a customer fraud resulting from a check kiting scheme which reduced net income by \$46.3 million, or \$1.19 per diluted share. S&T continues to pursue all available sources of recovery to mitigate the loss.

Third Quarter of 2020 Highlights:

- Return on average assets (ROA) was 0.72%, return on average equity (ROE) was 5.80% and return on average tangible equity (ROTE) (non-GAAP) was 8.96%. Pre-tax pre-provision to average assets (non-GAAP) was 1.61%.
- Net interest margin (FTE) (non-GAAP) was stable at 3.29% compared to 3.31% for the second quarter of 2020.
- Portfolio loans decreased \$153.7 million compared to June 30, 2020.
- Deposits decreased \$234.1 million to \$7.6 billion at September 30, 2020 due to the pay down of \$269.0 million of brokered deposits during the third quarter.
- Mortgage banking revenue increased \$1.3 million compared to the second quarter due to continued strong refinance activity.
- The allowance for credit losses to total portfolio loans was 1.64% at September 30, 2020 compared to 1.52% at June 30, 2020. Excluding PPP loans, the allowance for credit losses to total portfolio loans was 1.77% at September 30, 2020 compared to 1.64% at June 30, 2020.
- S&T's Board of Directors declared a \$0.28 per share dividend which was consistent with the \$0.28 per share dividend declared in the same period in the prior year.

"We continue to navigate through this difficult environment related to the COVID-19 pandemic," said Todd Brice, Chief Executive Officer. "I have every confidence in the S&T team to work through these difficult times, and I am impressed by their strong resilience and desire to help our customers and communities."

Net Interest Income

Net interest income decreased \$0.8 million to \$69.3 million for the third quarter of 2020 compared to \$70.1 million for the second quarter of 2020. The decrease in net interest income was primarily due to lower loan balances as lower yields on loans were mostly offset by decreased rates on deposits. Average loans decreased \$154.2 million compared to the second quarter of 2020. Net interest margin on a fully taxable equivalent basis (FTE) (non-GAAP) was stable at 3.29% for the third quarter of 2020 compared to 3.31% in the second quarter of 2020. Loan rates decreased 13 basis points to 3.87% and total interest-bearing deposit costs decreased 19 basis points to 0.48%.

Asset Quality

The provision for credit losses was \$17.5 million for the third quarter of 2020 compared to \$86.8 million in the second quarter of 2020. The customer fraud that resulted in a \$58.7 million charge-off to the bank had a significant impact on the provision for credit losses during the second quarter of 2020. Net loan charge-offs were \$12.9 million for the third quarter of 2020 compared to \$68.1 million in the second quarter of 2020. During the third quarter, a \$21.3 million CRE relationship, which was placed on nonaccrual in the first quarter of 2020, was charged down by \$10.0 million leaving a remaining outstanding balance of \$11.3 million. The relationship experienced continued deterioration as a result of the COVID-19 pandemic. Total nonperforming loans decreased \$6.0 million to \$84.1 million, or 1.13% of total loans, at September 30, 2020 compared to \$90.1 million, or 1.19% of total loans at June 30, 2020. The allowance for credit losses was 1.64% of total portfolio loans as of September 30, 2020 compared to 1.52% at June 30, 2020. Excluding PPP loans, the allowance for credit losses was 1.77% of total portfolio loans at September 30, 2020 compared to 1.64% at June 30, 2020. The impact of the COVID-19 pandemic on our hotel loan portfolio and a \$6.2 million increase in specific reserves contributed to the higher allowance for credit losses at September 30, 2020 compared to June 30, 2020.

Noninterest Income and Expense

Noninterest income increased \$1.3 million to \$16.5 million in the third quarter of 2020 compared to \$15.2 million in the second quarter of 2020. Mortgage banking income increased \$1.3 million compared to the second quarter of 2020 due to continued strong refinance activity. Both debit and credit card fees and service charges on deposit accounts increased due to improved customer activity compared to the second quarter of 2020.

Noninterest expense increased \$4.8 million to \$48.3 million for the third quarter of 2020 compared to \$43.5 million in the second quarter of 2020. Salaries and employee benefits increased \$3.2 million due to lower deferred origination costs related to PPP loans, higher pension costs due to an increase in retirements and a return to more normal medical costs compared to the second quarter of 2020. FDIC insurance increased \$0.9 million due to the impact of recent results on certain components of the assessment calculation. Marketing expense increased \$0.8 million due to the timing of marketing initiatives and the redesign of our website.

Financial Condition

Total assets decreased \$283.7 million to \$9.2 billion at September 30, 2020 compared to \$9.5 billion at June 30, 2020. Portfolio loans decreased \$153.7 million compared to June 30, 2020 as loan originations continue to be impacted by the COVID-19 pandemic. The securities portfolio declined \$86.2 million compared to June 30, 2020 mainly due to short term investments maturing in conjunction with our planned reduction of \$269 million in brokered deposits. The decrease in brokered deposits resulted in a decline in total deposits of \$234.1 million to \$7.6 billion at September 30, 2020 compared to \$7.9 billion at June 30, 2020. Customer deposits, which increased significantly during the second quarter of 2020, remained relatively unchanged in the third quarter despite decreases in deposit rates.

All regulatory capital ratios increased at September 30, 2020 compared to June 30, 2020. S&T continues to maintain a strong capital position with all capital ratios above the well-capitalized thresholds of federal bank regulatory agencies.

Dividend

The Board of Directors of S&T declared a \$0.28 per share cash dividend on October 19, 2020. This is unchanged from the same period in the prior year. The dividend is payable November 19, 2020 to shareholders of record on November 5, 2020.

Conference Call

S&T will host its third quarter 2020 earnings conference call live over the Internet at 1:00 p.m. ET on Thursday, October 22, 2020. To access the webcast, go to S&T's webpage at www.stbancorp.com and click on "Events & Presentations." Select "3rd Quarter 2020 Earnings Conference Call" and follow the instructions. After the live presentation, the webcast will be archived on this website for at least 90 days. A replay of the call will also be available until October 29, 2020, by dialing 1.877.481.4010; the Conference ID is 37817.

About S&T Bancorp, Inc. and S&T Bank

S&T Bancorp, Inc. is a \$9.2 billion bank holding company that is headquartered in Indiana, Pennsylvania and trades on the NASDAQ Global Select Market under the symbol STBA. Its principal subsidiary, S&T Bank, was recently ranked #1 in customer satisfaction with retail banking in the Mid-Atlantic including best in communication and advice by [J.D. Power](#). Established in 1902, S&T Bank operates in five markets including Western Pennsylvania, Eastern Pennsylvania, Northeast Ohio, Central Ohio, and Upstate New York. For more information visit stbancorp.com or stbank.com. Follow us on [Facebook](#), [Instagram](#), and [LinkedIn](#).

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", "believe", "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; 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 including a prolonged period of low interest rates, 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; regulatory supervision and oversight, including changes in regulatory capital

requirements and our ability to address those requirements; unanticipated changes in our liquidity position; changes in accounting policies, practices, or guidance, for example, our adoption of CECL; legislation affecting the financial services industry as a whole, and S&T, in particular; 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, including DNB, 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; the duration and severity of the coronavirus ("COVID-19") pandemic, both in our principal area of operations and nationally, including the ultimate impact of the pandemic on the economy generally and on our operations; 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.

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, 2019, 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.

Consolidated Selected Financial Data

Unaudited

	<u>2020</u>	<u>2020</u>	<u>2019</u>
	<u>Third</u>	<u>Second</u>	<u>Third</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
<i>(dollars in thousands, except per share data)</i>			
INTEREST AND DIVIDEND INCOME			
Loans, including fees	\$72,263	\$75,498	\$75,080
Investment securities:			
Taxable	3,473	3,791	3,552
Tax-exempt	885	959	787
Dividends	227	231	394
Total Interest and Dividend Income	76,848	80,479	79,813
INTEREST EXPENSE			
Deposits	6,626	9,227	16,207
Borrowings and junior subordinated debt securities	946	1,104	2,410
Total Interest Expense	7,572	10,331	18,617
NET INTEREST INCOME	69,276	70,148	61,196
Provision for credit losses	17,485	86,759	4,913
Net Interest Income (Loss) After Provision for Credit Losses	51,791	(16,611)	56,283
NONINTEREST INCOME			
Net gain on sale of securities	—	142	—
Debit and credit card	4,171	3,612	3,475
Mortgage banking	3,964	2,623	594
Service charges on deposit accounts	2,820	2,342	3,412
Wealth management	2,522	2,586	2,101
Commercial loan swap income	499	945	1,464
Other	2,507	2,974	2,017
Total Noninterest Income	16,483	15,224	13,063
NONINTEREST EXPENSE			
Salaries and employee benefits	24,571	21,419	19,936
Data processing and information technology	4,218	3,585	3,681
Net occupancy	3,441	3,437	2,898
Furniture, equipment and software	2,440	3,006	2,090
Professional services and legal	1,911	1,932	1,054
FDIC insurance	1,900	1,048	(675)
Marketing	1,793	979	1,062
Other taxes	1,612	1,604	1,540
Merger related expense	—	—	552
Other	6,360	6,468	5,529
Total Noninterest Expense	48,246	43,478	37,667
Income (Loss) Before Taxes	20,028	(44,865)	31,679
Income tax expense (benefit)	3,323	(11,793)	4,743
Net Income (Loss)	\$16,705	(\$33,072)	\$26,936
Per Share Data			
Shares outstanding at end of period	39,251,638	39,253,460	34,244,719
Average shares outstanding - diluted	39,020,811	39,013,161	34,277,270
Diluted earnings (loss) per share	\$0.43	(\$0.85)	\$0.79
Dividends declared per share	\$0.28	\$0.28	\$0.27
Dividend yield (annualized)	6.33%	4.78%	2.96%
Dividends paid to net income	65.61%	NM	34.30%
Book value	\$29.10	\$28.93	\$28.69
Tangible book value ⁽¹⁾	\$19.40	\$19.22	\$20.25
Market value	\$17.69	\$23.45	\$36.53
Profitability Ratios (Annualized)			
Return on average assets	0.72%	(1.41%)	1.45%
Return on average shareholders' equity	5.80%	(11.17%)	10.97%
Return on average tangible shareholders' equity ⁽²⁾	8.96%	(16.19%)	15.69%
Efficiency ratio (FTE) ⁽³⁾	55.75%	50.51%	50.09%

NM - Not Meaningful

(dollars in thousands, except per share data)

	Nine Months Ended September 30,	
	2020	2019
INTEREST INCOME		
Loans, including fees	\$229,812	\$223,200
Investment securities:		
Taxable	11,547	10,989
Tax-exempt	2,646	2,466
Dividends	911	1,373
Total Interest and Dividend Income	244,916	238,028
INTEREST EXPENSE		
Deposits	31,191	47,243
Borrowings and junior subordinated debt securities	4,265	8,406
Total Interest Expense	35,456	55,649
NET INTEREST INCOME	209,460	182,379
Provision for credit losses	124,294	12,767
Net Interest Income After Provision for Credit Losses	85,166	169,612
NONINTEREST INCOME		
Net gain on sale of securities	142	—
Debit and credit card	11,264	9,951
Mortgage banking	7,823	1,726
Service charges on deposit accounts	8,720	9,777
Wealth management	7,471	6,210
Commercial swap fee income	3,928	3,147
Other	4,762	6,515
Total Noninterest Income	44,110	37,326
NONINTEREST EXPENSE		
Salaries and employee benefits	67,326	61,135
Data processing and information technology	11,671	10,327
Net occupancy	10,643	8,883
Furniture, equipment and software	7,965	6,621
Professional services and legal	4,890	3,382
FDIC insurance	3,718	536
Marketing	3,883	3,514
Other taxes	4,816	4,182
Merger related expense	2,342	1,171
Other	20,861	17,187
Total Noninterest Expense	138,115	116,938
(Loss) Income Before Taxes	(8,839)	90,000
Income tax (benefit) expense	(5,703)	14,035
Net (Loss) Income	(\$3,136)	\$75,965
Per Share Data		
Average shares outstanding - diluted	39,101,309	34,407,732
Diluted (loss) earnings per share	(\$0.08)	\$2.21
Dividends declared per share	\$0.84	\$0.81
Dividends paid to net income	NM	36.59%
Profitability Ratios (annualized)		
Return on average assets	(0.05%)	1.40%
Return on average shareholders' equity	(0.36%)	10.61%
Return on average tangible shareholders' equity ⁽⁶⁾	(0.27%)	15.30%
Efficiency ratio (FTE) ⁽⁷⁾	53.06%	52.54%

NM - Not Meaningful

S&T Bancorp, Inc.
Consolidated Selected Financial Data
Unaudited

S&T Earnings Release - 7

	<u>2020</u>	<u>2020</u>	<u>2019</u>
	<u>Third</u>	<u>Second</u>	<u>Third</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
<i>(dollars in thousands)</i>			
ASSETS			
Cash and due from banks, including interest-bearing deposits	\$308,489	\$351,365	\$173,609
Securities, at fair value	718,169	804,366	669,226
Loans held for sale	16,724	14,259	8,371
Commercial loans:			
Commercial real estate	3,290,138	3,345,513	2,922,197
Commercial and industrial	2,042,467	2,140,355	1,626,854
Commercial construction	477,429	459,264	314,813
Total Commercial Loans	<u>5,810,034</u>	<u>5,945,132</u>	<u>4,863,864</u>
Consumer loans:			
Residential mortgage	950,887	971,023	770,882
Home equity	537,869	539,519	475,024
Installment and other consumer	80,735	79,816	74,460
Consumer construction	15,343	13,068	11,535
Total Consumer Loans	<u>1,584,834</u>	<u>1,603,426</u>	<u>1,331,901</u>
Total Portfolio Loans	7,394,868	7,548,558	6,195,765
Allowance for credit losses	(120,998)	(114,609)	(62,115)
Total Portfolio Loans, Net	7,273,870	7,433,949	6,133,650
Federal Home Loan Bank and other restricted stock, at cost	15,777	15,151	25,397
Goodwill	373,417	373,289	287,446
Other assets	484,126	481,917	274,292
Total Assets	<u>\$9,190,572</u>	<u>\$9,474,296</u>	<u>\$7,571,991</u>
LIABILITIES			
Deposits:			
Noninterest-bearing demand	\$2,232,706	\$2,250,958	\$1,490,409
Interest-bearing demand	982,956	1,055,261	751,881
Money market	2,033,585	2,121,588	1,660,569
Savings	938,475	916,268	753,464
Certificates of deposit	1,446,096	1,523,841	1,326,369
Total Deposits	7,633,818	7,867,916	5,982,692
Borrowings:			
Securities sold under repurchase agreements	42,706	92,159	13,925
Short-term borrowings	83,000	84,541	370,000
Long-term borrowings	49,076	49,489	69,156
Junior subordinated debt securities	64,068	64,053	45,619
Total Borrowings	238,850	290,242	498,700
Other liabilities	175,789	180,361	108,152
Total Liabilities	8,048,457	8,338,519	6,589,544
SHAREHOLDERS' EQUITY			
Total Shareholders' Equity	1,142,115	1,135,777	982,447
Total Liabilities and Shareholders' Equity	<u>\$9,190,572</u>	<u>\$9,474,296</u>	<u>\$7,571,991</u>
Capitalization Ratios			
Shareholders' equity / assets	12.43%	11.99%	12.97%
Tangible common equity / tangible assets ⁽⁴⁾	8.64%	8.30%	9.52%
Tier 1 leverage ratio	9.11%	8.89%	10.20%
Common equity tier 1 capital	11.05%	10.70%	11.17%
Risk-based capital - tier 1	11.46%	11.10%	11.49%
Risk-based capital - total	13.18%	12.74%	12.92%

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	<u>2020</u>		<u>2020</u>		<u>2019</u>	
	<u>Third</u>		<u>Second</u>		<u>Third</u>	
	<u>Quarter</u>		<u>Quarter</u>		<u>Quarter</u>	
<i>(dollars in thousands)</i>						
Net Interest Margin (FTE) (QTD Averages)						
ASSETS						
Interest-bearing deposits with banks	\$213,051	0.11%	\$163,019	0.08%	\$53,725	2.32%
Securities, at fair value	759,094	2.41%	785,229	2.56%	661,752	2.59%
Loans held for sale	4,432	3.09%	9,931	3.08%	2,712	3.98%
Commercial real estate	3,322,656	4.02%	3,389,616	4.23%	2,922,767	4.89%
Commercial and industrial	2,107,750	3.45%	2,200,148	3.61%	1,566,369	5.06%
Commercial construction	<u>469,214</u>	<u>3.43%</u>	<u>430,912</u>	<u>3.75%</u>	<u>282,175</u>	<u>5.14%</u>
Total Commercial Loans	5,899,620	3.77%	6,020,676	3.97%	4,771,311	4.96%
Residential mortgage	954,861	4.33%	976,916	4.20%	753,649	4.41%
Home equity	536,735	3.73%	543,770	3.69%	469,567	5.36%
Installment and other consumer	79,649	6.47%	79,944	6.34%	72,606	7.10%
Consumer construction	<u>14,475</u>	<u>4.32%</u>	<u>12,758</u>	<u>4.58%</u>	<u>11,056</u>	<u>5.39%</u>
Total Consumer Loans	<u>1,585,720</u>	<u>4.24%</u>	<u>1,613,388</u>	<u>4.14%</u>	<u>1,306,878</u>	<u>4.91%</u>
Total Portfolio Loans	<u>7,485,340</u>	<u>3.87%</u>	<u>7,634,064</u>	<u>4.00%</u>	<u>6,078,189</u>	<u>4.95%</u>
Total Loans	7,489,772	3.87%	7,643,995	4.00%	6,080,901	4.95%
Federal Home Loan Bank and other restricted stock	<u>15,157</u>	<u>5.11%</u>	<u>19,709</u>	<u>3.75%</u>	<u>19,981</u>	<u>7.00%</u>
Total Interest-earning Assets	8,477,074	3.65%	8,611,952	3.80%	6,816,359	4.70%
Noninterest-earning assets	<u>815,930</u>		<u>817,767</u>		<u>538,514</u>	
Total Assets	<u>\$9,293,004</u>		<u>\$9,429,719</u>		<u>\$7,354,873</u>	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing demand	\$967,735	0.18%	\$1,033,905	0.24%	\$655,735	0.72%
Money market	2,074,862	0.33%	2,076,483	0.50%	1,709,248	1.83%
Savings	923,208	0.07%	887,357	0.07%	749,287	0.24%
Certificates of deposit	<u>1,486,016</u>	<u>1.16%</u>	<u>1,560,885</u>	<u>1.51%</u>	<u>1,345,474</u>	<u>1.97%</u>
Total Interest-bearing Deposits	5,451,821	0.48%	5,558,630	0.67%	4,459,744	1.44%
Securities sold under repurchase agreements	64,000	0.25%	85,302	0.25%	14,030	0.73%
Short-term borrowings	84,310	0.38%	178,273	0.38%	218,799	2.47%
Long-term borrowings	49,269	2.52%	49,774	2.53%	69,421	2.68%
Junior subordinated debt securities	<u>64,057</u>	<u>3.19%</u>	<u>64,044</u>	<u>3.58%</u>	<u>45,619</u>	<u>4.82%</u>
Total Borrowings	261,636	1.44%	377,393	1.18%	347,869	2.75%
Total Interest-bearing Liabilities	5,713,457	0.53%	5,936,023	0.70%	4,807,613	1.54%
Noninterest-bearing liabilities	2,433,665		2,302,676		1,573,549	
Shareholders' equity	<u>1,145,882</u>		<u>1,191,020</u>		<u>973,711</u>	
Total Liabilities and Shareholders' Equity	<u>\$9,293,004</u>		<u>\$9,429,719</u>		<u>\$7,354,873</u>	
Net Interest Margin ⁽⁵⁾		3.29%		3.31%		3.62%

	Nine Months Ended September 30,			
	2020		2019	
<i>(dollars in thousands)</i>				
Net Interest Margin (FTE) (YTD Averages)				
ASSETS				
Interest-bearing deposits with banks	\$158,771	0.38%	\$52,421	2.38%
Securities, at fair value	776,995	2.50%	671,727	2.65%
Loans held for sale	5,407	3.17%	1,693	4.11%
Commercial real estate	3,373,466	4.33%	2,907,792	4.97%
Commercial and industrial	2,020,179	3.82%	1,544,962	5.14%
Commercial construction	428,977	3.91%	258,239	5.28%
Total Commercial Loans	5,822,622	4.12%	4,710,993	5.04%
Residential mortgage	974,144	4.24%	736,972	4.43%
Home equity	540,220	4.09%	466,936	5.41%
Installment and other consumer	79,757	6.60%	71,021	7.17%
Consumer construction	12,587	4.49%	10,517	5.63%
Total Consumer Loans	1,606,708	4.31%	1,285,446	4.95%
Total Portfolio Loans	7,429,330	4.16%	5,996,439	5.02%
Total Loans	7,434,737	4.16%	5,998,132	5.02%
Federal Home Loan Bank and other restricted stock	19,473	5.38%	21,848	7.55%
Total Interest-earning Assets	8,389,976	3.94%	6,744,128	4.77%
Noninterest-earning assets	772,404		526,788	
Total Assets	\$9,162,380		\$7,270,916	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Interest-bearing demand	\$981,174	0.33%	\$584,280	0.54%
Money market	2,048,466	0.69%	1,658,187	1.88%
Savings	880,673	0.12%	760,128	0.25%
Certificates of deposit	1,549,177	1.50%	1,389,658	1.94%
Total Interest-bearing deposits	5,459,490	0.76%	4,392,253	1.44%
Securities sold under repurchase agreements	60,045	0.30%	17,812	0.63%
Short-term borrowings	182,623	1.02%	259,947	2.65%
Long-term borrowings	50,292	2.52%	69,886	2.79%
Junior subordinated debt securities	64,099	3.72%	45,619	5.02%
Total Borrowings	357,059	1.60%	393,264	2.86%
Total Interest-bearing Liabilities	5,816,549	0.81%	4,785,517	1.55%
Noninterest-bearing liabilities	2,170,447		1,528,573	
Shareholders' equity	1,175,384		956,826	
Total Liabilities and Shareholders' Equity	\$9,162,380		\$7,270,916	
Net Interest Margin ⁽⁸⁾		3.37%		3.67%

(dollars in thousands)

	2020		2020		2019	
	Third	% NPL	Second	% NPL	Third	% NPL
	Quarter		Quarter		Quarter	
Nonperforming Loans (NPL)						
Commercial loans:						
Commercial real estate	\$52,805	1.60%	\$61,643	1.84%	\$33,740	1.15%
Commercial and industrial	12,498	0.61%	8,484	0.40%	4,206	0.26%
Commercial construction	1,504	0.31%	1,504	0.33%	1,143	0.36%
Total Nonperforming Commercial Loans	66,807	1.15%	71,631	1.20%	39,089	0.80%
Consumer loans:						
Residential mortgage	13,018	1.37%	14,649	1.51%	7,384	0.96%
Home equity	4,106	0.76%	3,814	0.71%	3,492	0.74%
Installment and other consumer	141	0.17%	19	0.02%	18	0.02%
Total Nonperforming Consumer Loans	17,265	1.08%	18,482	1.14%	10,894	0.81%
Total Nonperforming Loans	\$84,072	1.13%	\$90,113	1.19%	\$49,983	0.81%

(dollars in thousands)

	2020		2020		2019	
	Third		Second		Third	
	Quarter		Quarter		Quarter	
Loan Charge-offs (Recoveries)						
Charge-offs	\$13,667		\$68,304		\$4,700	
Recoveries	(754)		(231)		(423)	
Net Loan Charge-offs (Recoveries)	\$12,913		\$68,072		\$4,277	
Net Loan Charge-offs (Recoveries)						
Commercial loans:						
Customer fraud	\$—		\$58,671		\$—	
Commercial real estate	10,963		5,588		2,298	
Commercial and industrial	1,267		3,060		1,257	
Commercial construction	(1)		(19)		(1)	
Total Commercial Loan Charge-offs (Recoveries)	12,229		67,300		3,554	
Consumer loans:						
Residential mortgage	274		74		289	
Home equity	204		16		13	
Installment and other consumer	206		682		421	
Total Consumer Loan Charge-offs	684		772		723	
Total Net Loan Charge-offs (Recoveries)	\$12,913		\$68,072		\$4,277	

	Nine Months Ended September 30,	
	2020	2019
<i>(dollars in thousands)</i>		
Loan Charge-offs (Recoveries)		
Charge-offs	\$93,415	\$13,391
Recoveries	(1,273)	(1,743)
Net Loan Charge-offs (Recoveries)	\$92,142	\$11,648
Net Loan Charge-offs (Recoveries)		
Commercial loans:		
Customer fraud	\$58,671	\$—
Commercial real estate	16,979	2,699
Commercial and industrial	14,592	7,661
Commercial construction	(22)	(4)
Total Commercial Loan Charge-offs/(Recoveries)	90,220	10,356
Consumer loans:		
Residential mortgage	367	251
Home equity	301	51
Installment and other consumer	1,254	1,072
Consumer construction	—	(82)
Total Consumer Loan Charge-offs	1,922	1,292
Total Net Loan Charge-offs (Recoveries)	\$92,142	\$11,648

	2020	2020	2019
	Third	Second	Third
	Quarter	Quarter	Quarter
<i>(dollars in thousands)</i>			
Asset Quality Data			
Nonperforming loans	\$84,072	\$90,113	\$49,983
OREO	2,317	2,740	1,724
Nonperforming assets	86,389	92,853	51,707
Troubled debt restructurings (nonaccruing)	18,648	31,755	14,496
Troubled debt restructurings (accruing)	18,478	15,536	38,434
Total troubled debt restructurings	37,126	47,291	52,930
Nonperforming loans / total loans	1.13%	1.19%	0.81%
Nonperforming assets / total loans plus OREO	1.17%	1.23%	0.83%
Allowance for credit losses / total portfolio loans	1.64%	1.52%	1.00%
Allowance for credit losses / nonperforming loans	144%	127%	124%
Net loan charge-offs (recoveries)	\$12,913	\$68,072	\$4,277
Net loan charge-offs (recoveries)(annualized) / average loans	0.69%	3.58%	0.28%

	Nine Months Ended September 30,	
	2020	2019
<i>(dollars in thousands)</i>		
Asset Quality Data		
Net loan charge-offs (recoveries)	\$92,142	\$11,648
Net loan charge-offs (recoveries)(annualized) / average loans	1.66%	0.26%

Definitions and Reconciliation of GAAP to Non-GAAP Financial Measures:

	2020 Third Quarter	2020 Second Quarter	2019 Third Quarter
⁽¹⁾ Tangible Book Value (non-GAAP)			
Total shareholders' equity	\$1,142,115	\$1,135,777	\$982,447
Less: goodwill and other intangible assets	(382,681)	(383,032)	(289,538)
Tax effect of other intangible assets	1,946	2,046	439
Tangible common equity (non-GAAP)	\$761,380	\$754,791	\$693,348
Common shares outstanding	39,252	39,263	34,245
Tangible book value (non-GAAP)	\$19.40	\$19.22	\$20.25
⁽²⁾ Return on Average Tangible Shareholders' Equity (non-GAAP)			
Net (loss) income (annualized)	\$66,455	(\$133,016)	\$106,865
Plus: amortization of intangibles (annualized)	2,619	2,623	647
Tax effect of amortization of intangibles (annualized)	(550)	(551)	(136)
Net (loss) income before amortization of intangibles	\$68,524	(\$130,944)	\$107,376
Average total shareholders' equity	\$1,145,882	\$1,191,020	\$973,711
Less: average goodwill and other intangible assets	(382,780)	(384,197)	(289,622)
Tax effect of average goodwill and other intangible assets	1,999	2,116	457
Average tangible equity (non-GAAP)	\$765,101	\$808,939	\$684,546
Return on average tangible shareholders' equity (non-GAAP)	8.96%	(16.19%)	15.69%
⁽³⁾ Efficiency Ratio (non-GAAP)			
Noninterest expense	\$48,246	\$43,478	\$37,667
Less: merger related expenses	—	—	—
Noninterest expense excluding nonrecurring items	\$48,246	\$43,478	\$37,667
Net interest income per consolidated statements of net income	\$69,276	\$70,148	\$61,196
Less: net (gains) losses on sale of securities	—	(142)	—
Plus: taxable equivalent adjustment	780	847	934
Net interest income (FTE) (non-GAAP)	\$70,056	\$70,853	\$62,130
Noninterest income	16,483	15,224	13,063
Net interest income (FTE) (non-GAAP) plus noninterest income	\$86,539	\$86,077	\$75,193
Efficiency ratio (non-GAAP)	55.75%	50.51%	50.09%
⁽⁴⁾ Tangible Common Equity / Tangible Assets (non-GAAP)			
Total shareholders' equity	\$1,142,115	\$1,135,777	\$982,447
Less: goodwill and other intangible assets	(382,681)	(383,032)	(289,538)
Tax effect of goodwill and other intangible assets	1,946	2,046	439
Tangible common equity (non-GAAP)	\$761,380	\$754,791	\$693,348
Total assets	\$9,190,572	\$9,474,296	\$7,571,991
Less: goodwill and other intangible assets	(382,681)	(383,032)	(289,538)
Tax effect of goodwill and other intangible assets	1,946	2,046	439
Tangible assets (non-GAAP)	\$8,809,837	\$9,093,310	\$7,282,892
Tangible common equity to tangible assets (non-GAAP)	8.64%	8.30%	9.52%
⁽⁵⁾ Net Interest Margin Rate (FTE) (non-GAAP)			
Interest income	\$76,848	\$80,479	\$79,813
Less: interest expense	7,572	10,331	(18,617)
Net interest income per consolidated statements of net income	\$69,276	\$70,148	\$61,196
Plus: taxable equivalent adjustment	780	847	934
Net interest income (FTE) (non-GAAP)	\$70,056	\$70,995	\$62,130
Net interest income (FTE) (annualized)	\$278,701	\$285,540	\$246,494
Average earning assets	\$8,477,074	\$8,611,952	\$6,816,359
Net interest margin - (FTE) (non-GAAP)	3.29%	3.31%	3.62%

- more -

Definitions and Reconciliation of GAAP to Non-GAAP Financial Measures - continued:

	<u>2020</u>	
	<u>Third</u> <u>Quarter</u>	
PTPP / Average Assets (non-GAAP)		
Income before taxes	\$20,028	
Plus: Provision for credit losses	<u>17,485</u>	
Total	37,513	
Total (annualized) (non-GAAP)	\$149,237	
Average assets	\$9,293,004	
PTPP / Average Assets (non-GAAP)	1.61%	
		Nine Months Ended September 30,
	2020	2019
⁽⁶⁾ Return on Average Tangible Shareholders' Equity (non-GAAP)		
Net (loss) income (annualized)	(\$4,189)	\$101,564
Plus: amortization of intangibles (annualized)	2,595	680
Tax effect of amortization of intangibles (annualized)	<u>(545)</u>	<u>(143)</u>
Net (loss) income before amortization of intangibles	(\$2,140)	\$102,101
Average total shareholders' equity	\$1,175,384	\$956,826
Less: average goodwill and other intangible assets	(383,000)	(289,786)
Tax effect of average goodwill and other intangible assets	<u>2,116</u>	<u>491</u>
Average tangible equity (non-GAAP)	\$794,500	\$667,531
Return on average tangible equity (non-GAAP)	(0.27%)	15.30%
⁽⁷⁾ Efficiency Ratio (non-GAAP)		
Noninterest expense	\$138,115	\$116,938
Less: merger related expenses	<u>(2,342)</u>	<u>—</u>
Noninterest expense excluding nonrecurring items	\$135,773	\$116,938
Net interest income per consolidated statements of net income	\$209,460	\$182,379
Less: net (gains) losses on sale of securities	(142)	—
Plus: taxable equivalent adjustment	<u>2,477</u>	<u>2,854</u>
Net interest income (FTE) (non-GAAP)	\$211,795	\$185,233
Noninterest income	<u>44,110</u>	<u>37,326</u>
Net interest income (FTE) (non-GAAP) plus noninterest income	\$255,905	\$222,559
Efficiency ratio (non-GAAP)	53.06%	52.54%
⁽⁸⁾ Net Interest Margin Rate (FTE) (non-GAAP)		
Interest income	\$244,916	\$238,028
Less: interest expense	<u>35,456</u>	<u>(55,649)</u>
Net interest income per consolidated statements of net income	209,460	182,379
Plus: taxable equivalent adjustment	<u>2,477</u>	<u>2,854</u>
Net interest income (FTE) (non-GAAP)	\$211,937	\$185,233
Net interest income (FTE) (annualized)	\$283,098	\$247,656
Average earning assets	\$8,389,976	\$6,744,127
Net interest margin - (FTE) (non-GAAP)	3.37%	3.67%

The following profitability metrics for the nine months ended September 30, 2020 are adjusted to exclude a \$58.7 million loss related to a customer fraud.

	2020
	Nine Months Ended September 30,
Return on Average Tangible Shareholders' Equity (non-GAAP)	
Net loss	(\$3,136)
Provision for credit losses	58,671
Tax effect	(12,321)
Net income excluding fraud	<u>\$43,214</u>
Net income excluding fraud (annualized)	\$57,724
Plus: amortization of intangibles (annualized)	2,595
Tax effect of amortization of intangibles (annualized)	(545)
Net income before amortization of intangibles (annualized)	<u>\$59,774</u>
Average total shareholders' equity	\$1,175,384
Less: average goodwill and other intangible assets	(383,000)
Tax effect of average goodwill and other intangible assets	<u>2,116</u>
Average tangible equity (non-GAAP)	\$794,500
Return on average tangible shareholders' equity (non-GAAP)	7.52%
Return on Average Assets (non-GAAP)	
Net income excluding fraud (annualized)	\$57,724
Average total assets	9,162,380
Return on average assets (non-GAAP)	0.63%
Return on Average Equity (non-GAAP)	
Net income excluding fraud (annualized)	\$57,724
Average total shareholders' equity	1,175,384
Return on average assets (non-GAAP)	4.91%