



S&T Bancorp Inc.

Second Quarter 2023

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; 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; environmental, social and governance 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.

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, 2022, 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

- **\$9.3** billion in assets
- **\$7.1** billion in deposits
- **\$7.3** billion in loans
- **\$1.0** billion market cap
- Stock symbol: **STBA**

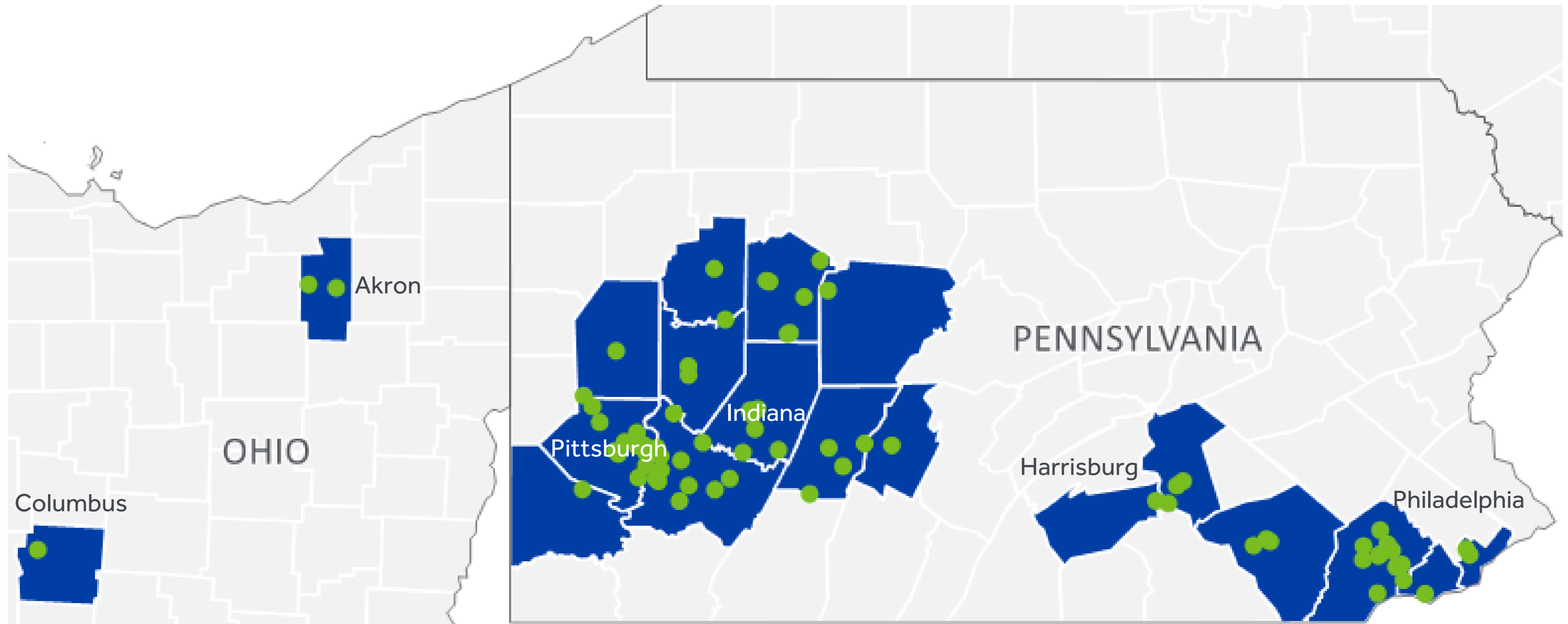


Geographic Footprint

Serving over 230,000 customers in Pennsylvania and Ohio

Footprint comprises 9.6 million people and 215,000 businesses

1,200 team members providing award-winning customer satisfaction



Recent Awards



Forbes Best-In-State Banks

S&T Bank was awarded on the Forbes list of Best-In-State Banks 2023.



Top Workplaces for Diversity, Equity and Inclusion (DE&I)

S&T Bank was named a Top Workplace for Diversity, Equity and Inclusion (DE&I).



Top Workplaces USA

S&T Bank has earned the 2023 Top Workplaces USA award issued by Energage.



Top Workplaces in the Greater Pittsburgh Region

S&T Bank was recognized as a top workplace in Pittsburgh by the Pittsburgh Post-Gazette.



Top Workplaces Culture Excellence

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

Strategic Path Forward

“Our Shared Future”

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



Building our future together
through people-forward banking

Deposit franchise
Core profitability
Asset quality
Talent & engagement

Drivers

Execution on these drivers will support our long-term goal of top quartile valuation.

DEPOSIT FRANCHISE

- Treasury Management
- Customer experience
- Product optimization
- Digital evolution

CORE PROFITABILITY

- NIM management
- Balance efficiency and infrastructure investments
- Data and analytics

ASSET QUALITY

- Credit risk management practices
- Process enhancements

TALENT AND ENGAGEMENT

- “Our Shared Future” culture and mindset
- Talent acquisition and retention
- Diversity, Equity & Inclusion



Second Quarter Overview

HIGHLIGHTS

- Solid earnings and return metrics
- PPNR increased by 7 basis points to 2.30% compared to 1Q23
- NIM remains strong at 4.22%; a modest decline of 10 basis points compared to 1Q23
- Expenses were well controlled with an efficiency ratio of 48.21%
- Net charge-offs of \$11.0 million, or 0.60%, of average loans (annualized)

EARNINGS

EPS
\$0.89

Net Income
\$34.5 million

RETURNS

ROA
1.51%

ROE
11.23%

ROTE*
16.32%

PPNR*
2.30%

OTHER

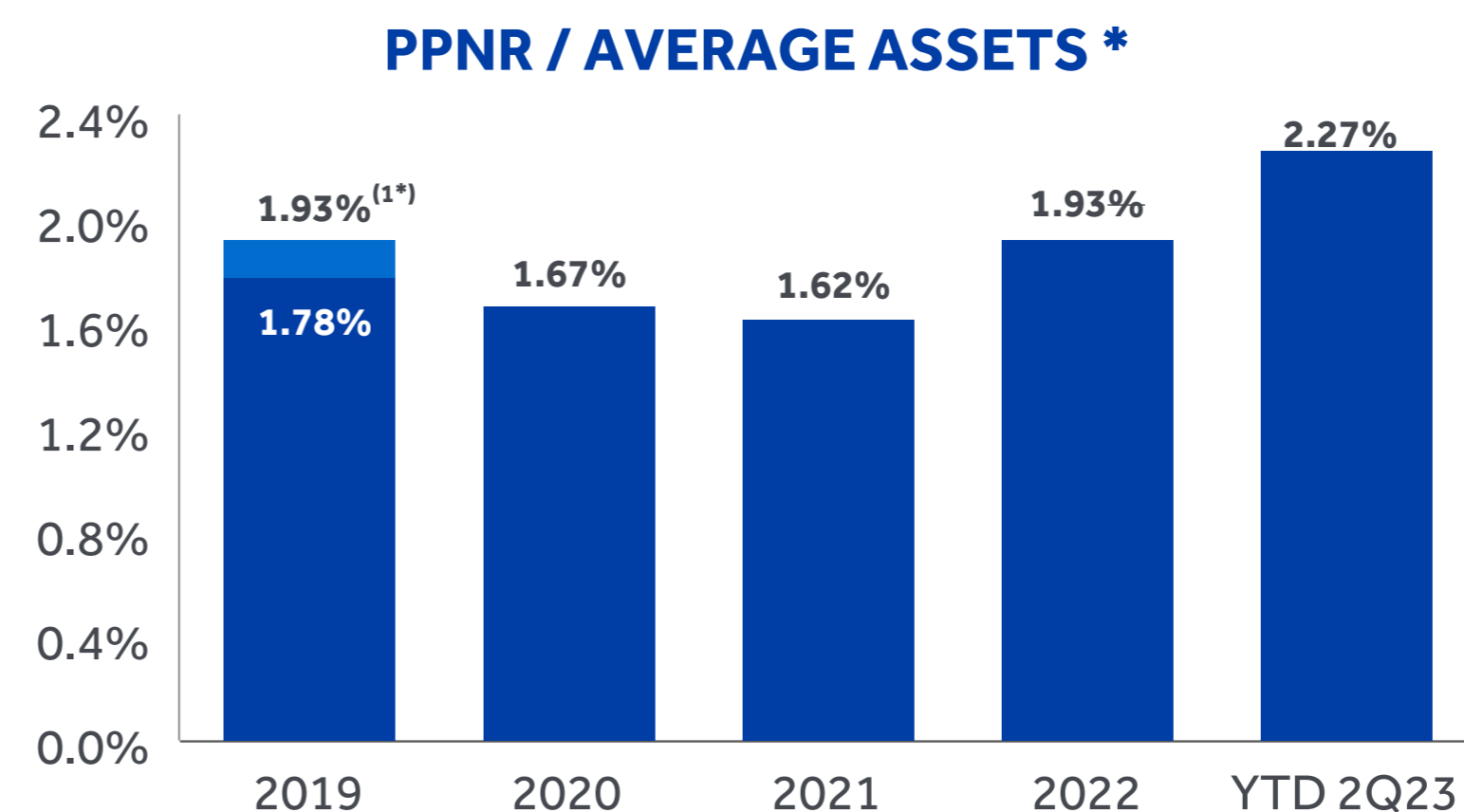
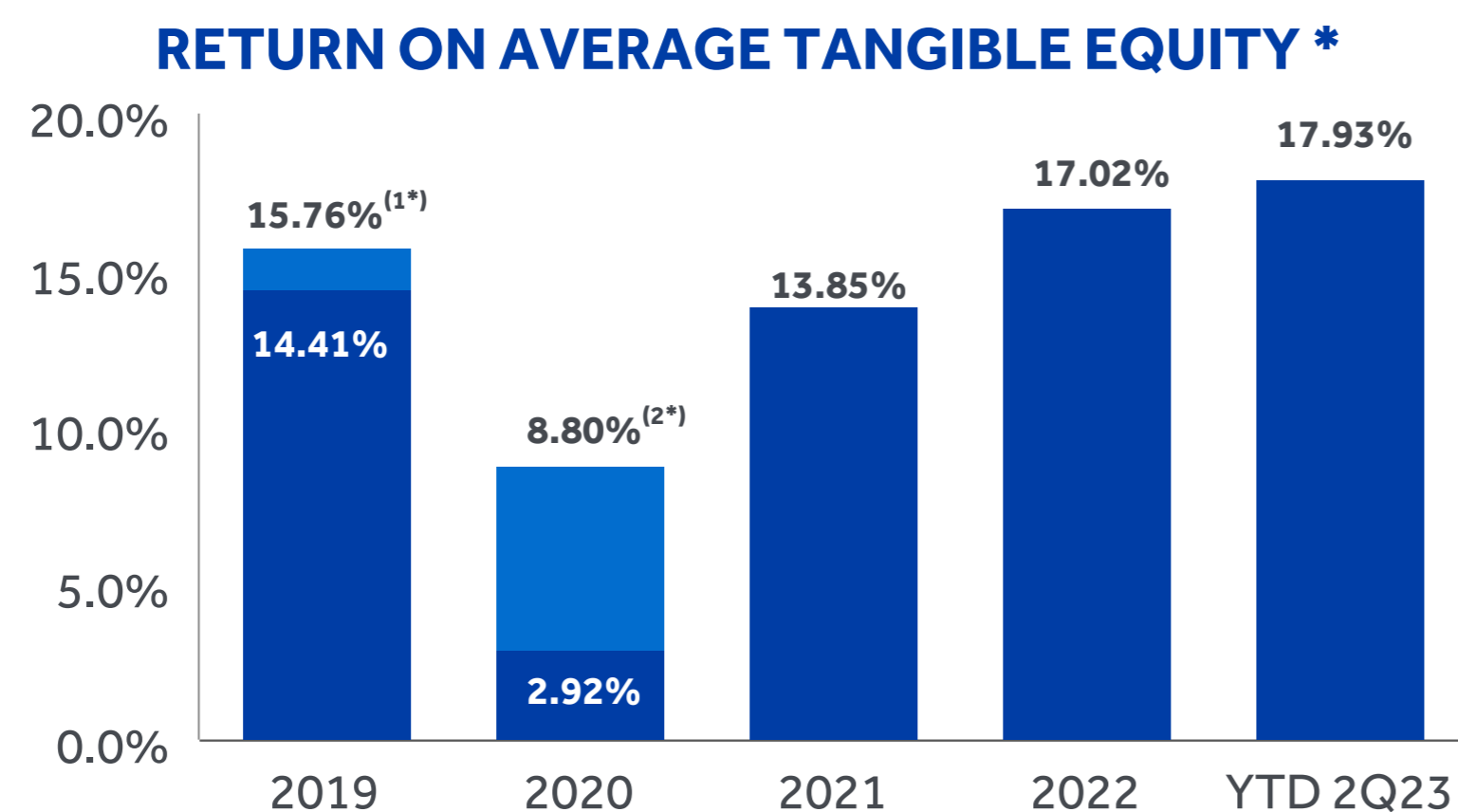
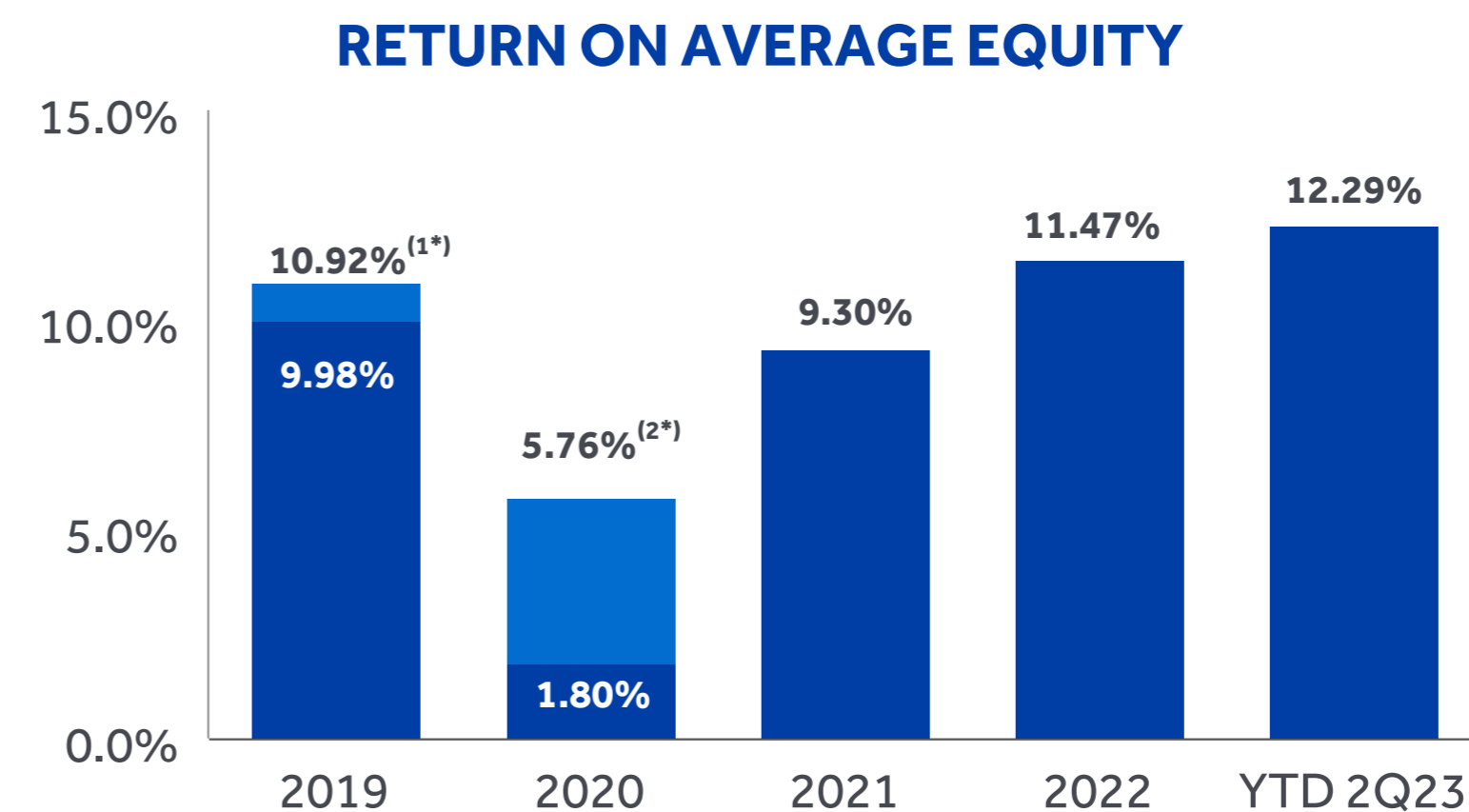
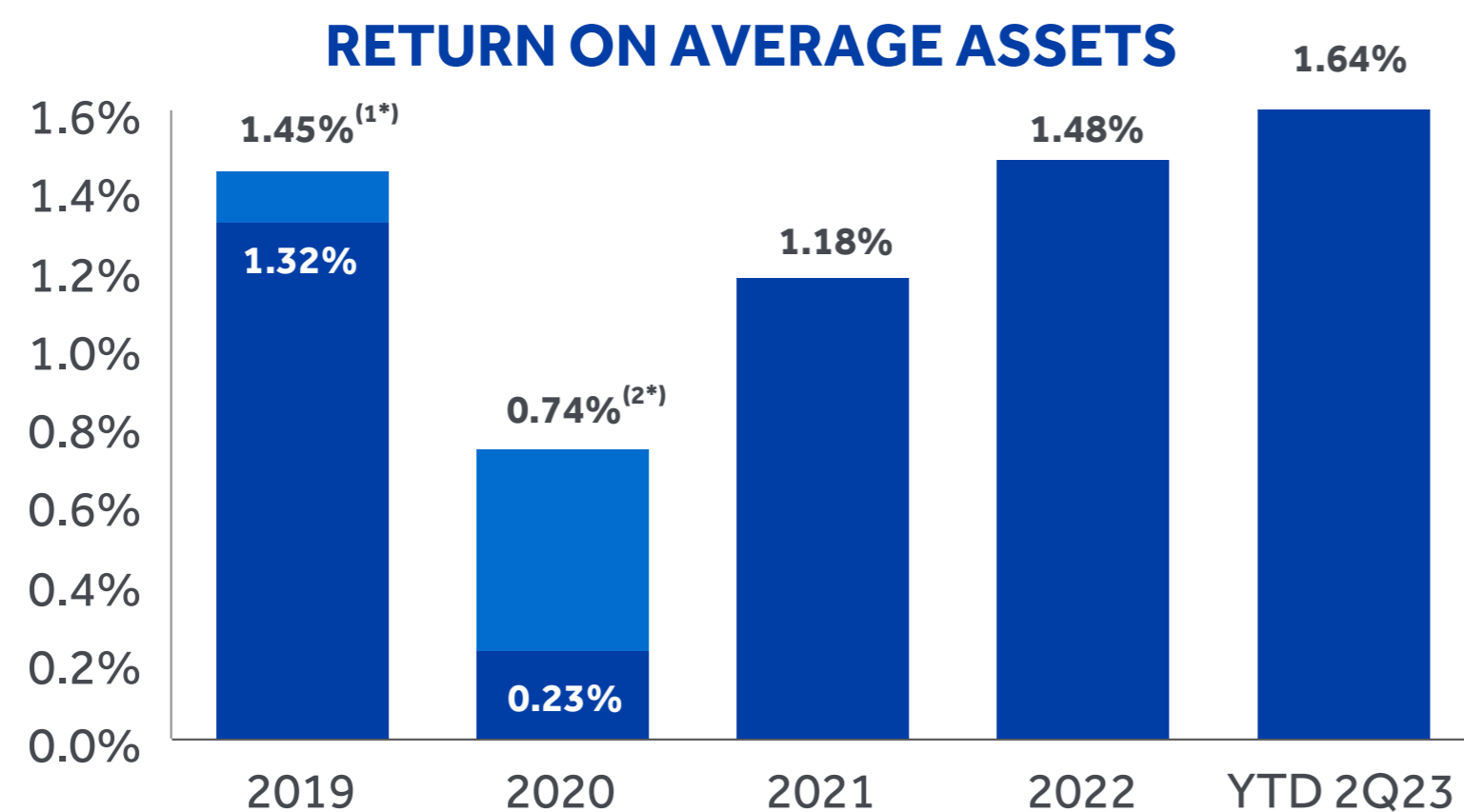
NIM*
4.22%

NCO
0.60%

Efficiency
Ratio*
48.21%

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

Performance



⁽¹⁾This is a non-GAAP number that adjusts for \$11.4 million of merger related expenses in 2019.

⁽²⁾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.

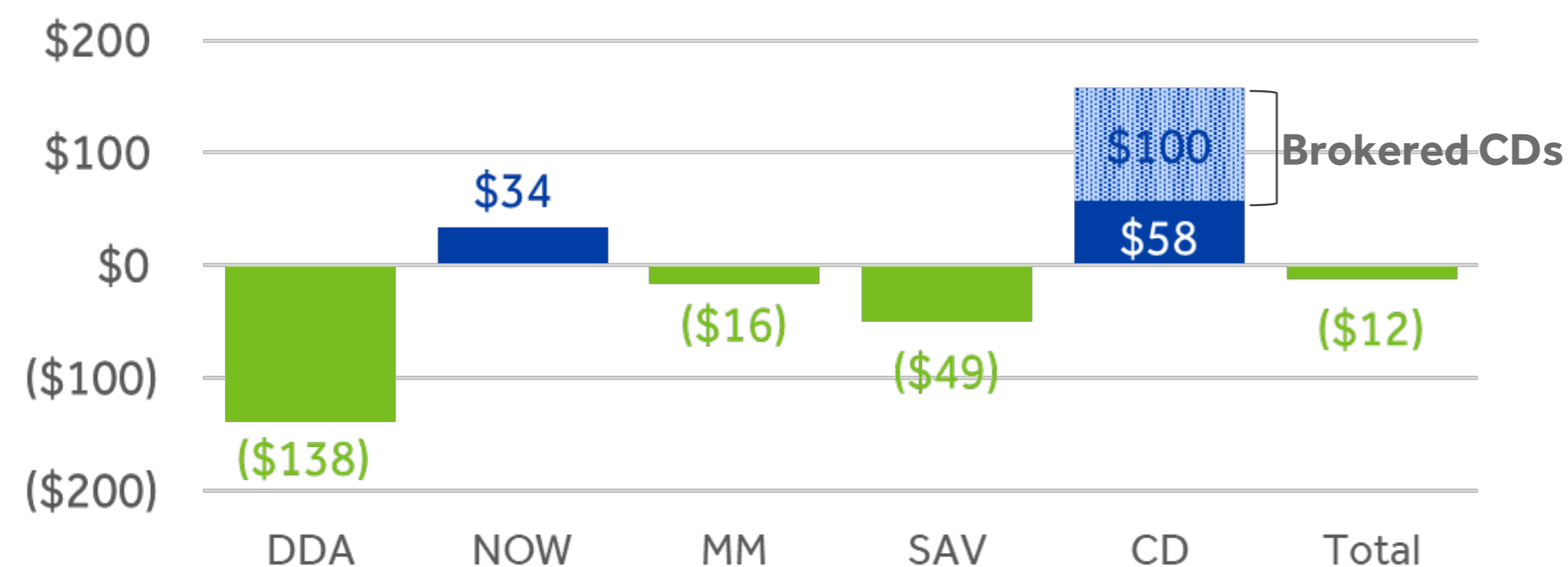
^(*)Refer to appendix for reconciliation of non-GAAP financial measures.

Balance Sheet

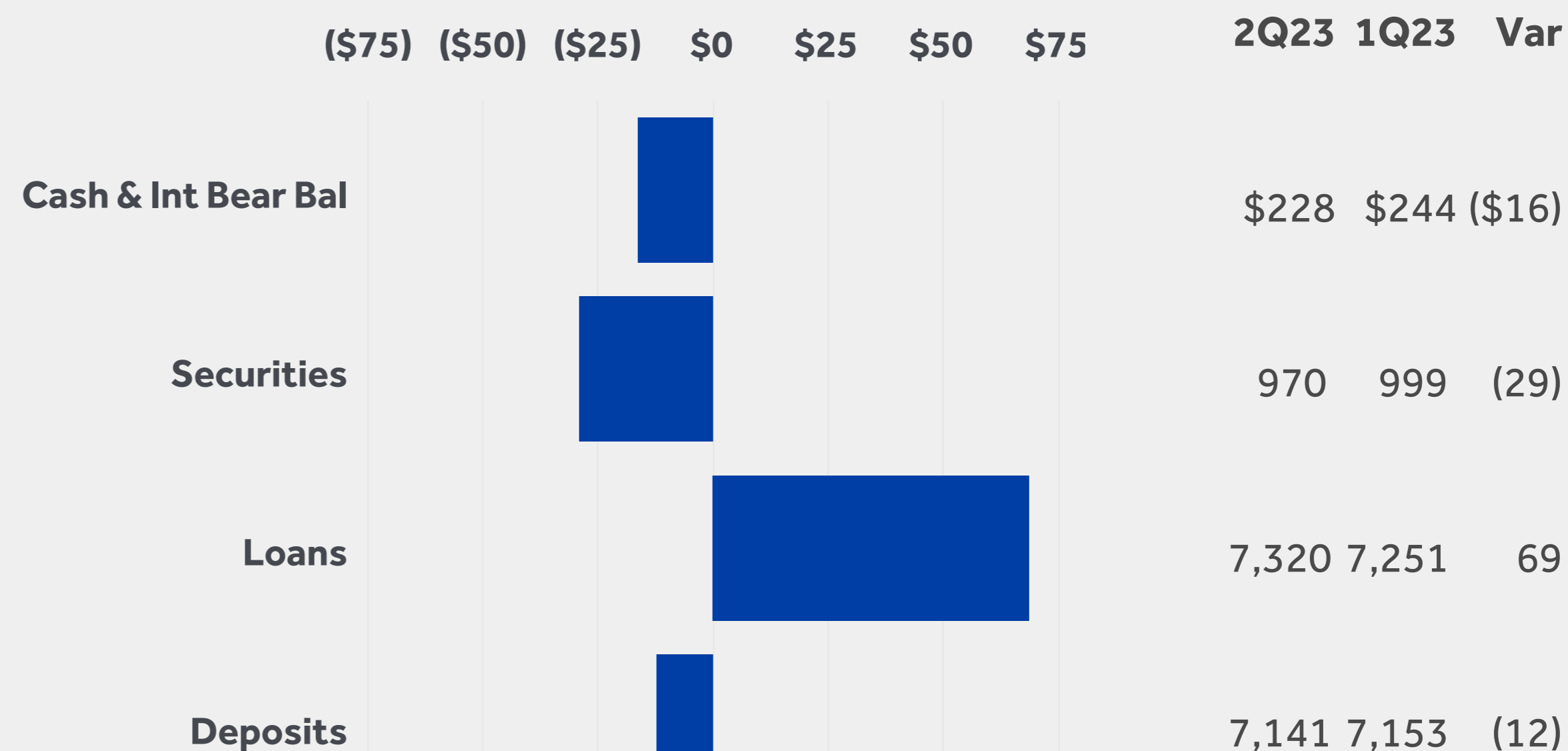
- Loans increased \$68.5 million, or 3.8% annualized, since March 31, 2023
- Consumer growth of \$90.3 million, or 18.1% annualized
- Deposits relatively unchanged from March 31, 2023; \$100 million of brokered CDs

2Q23 DEPOSIT CHANGES

DECREASES/INCREASES



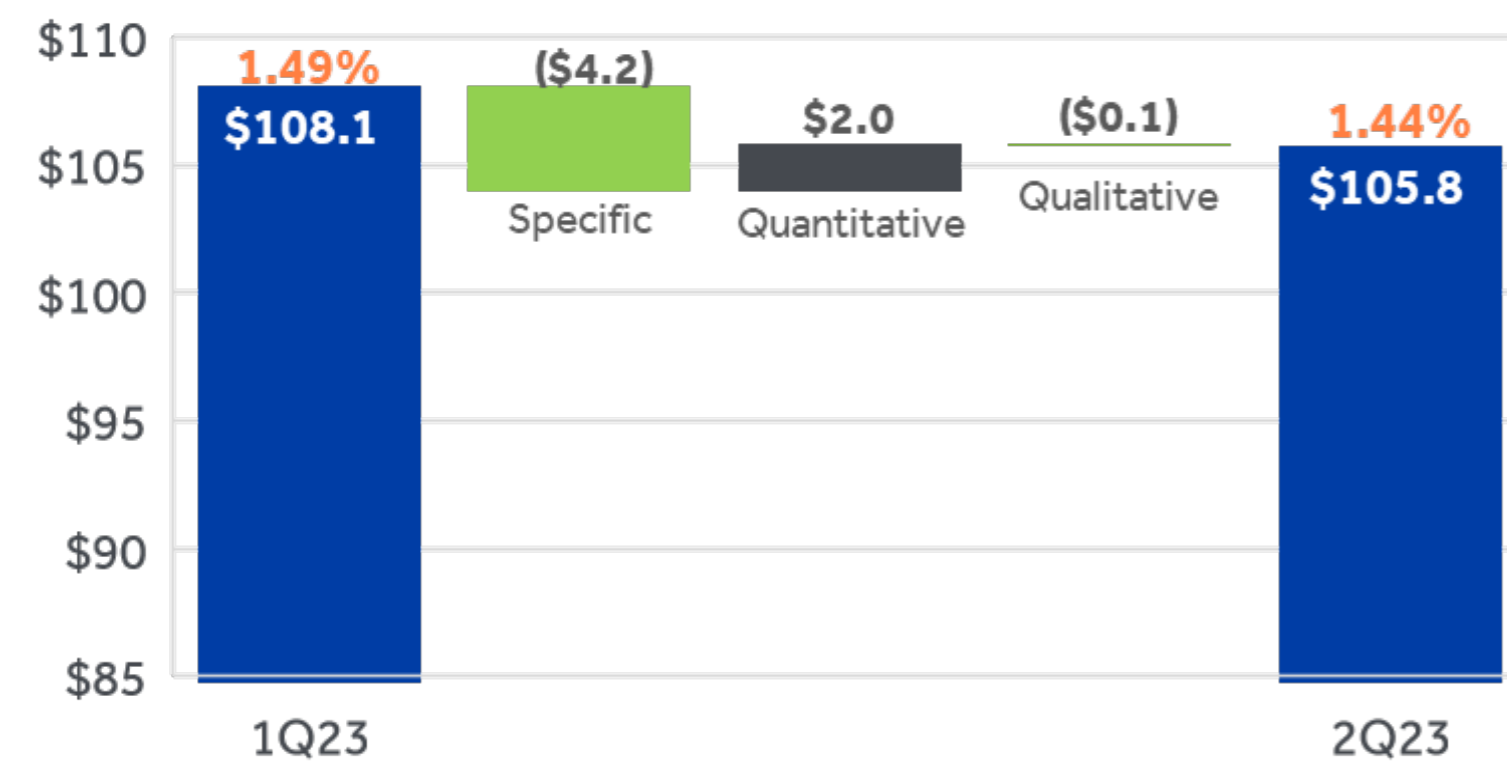
2Q23 vs 1Q23:



Asset Quality

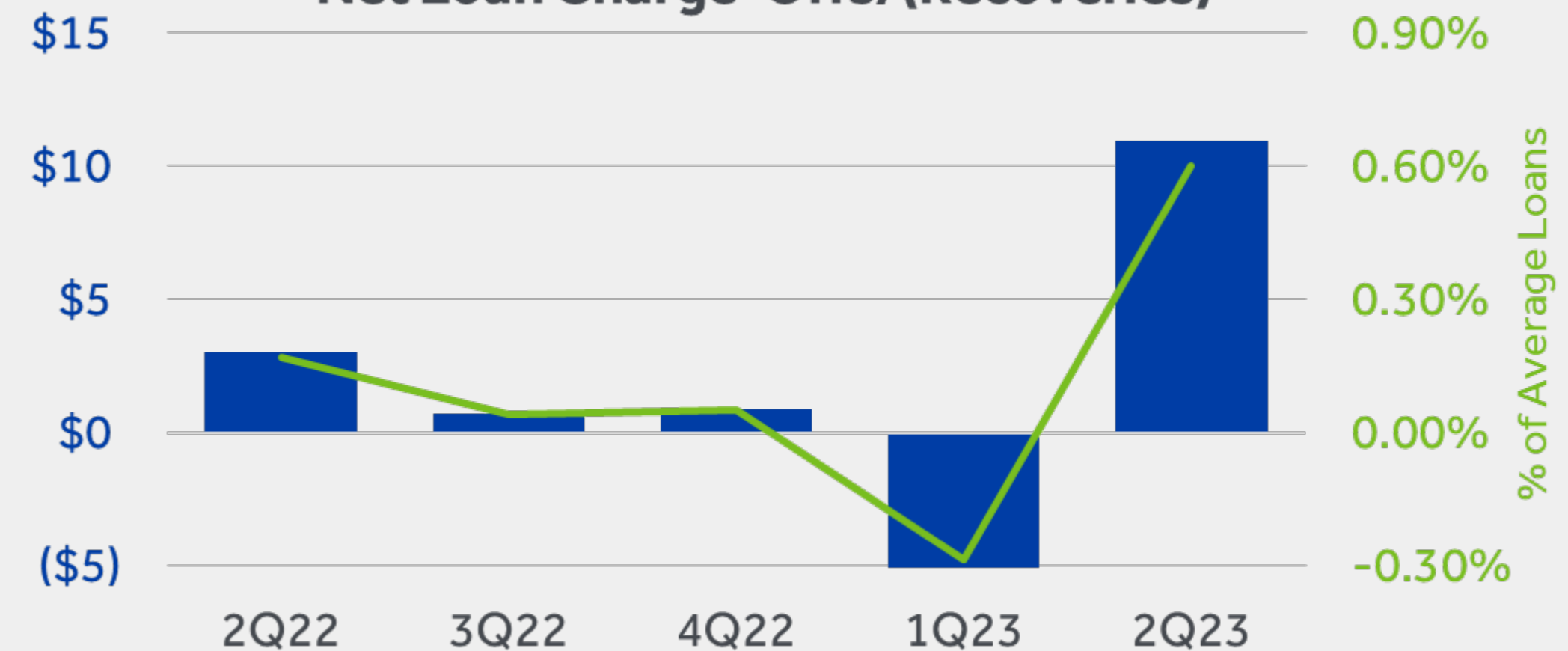
- ACL down 5 basis points compared to 1Q23 due to a charge-off of a \$4.2 million specific reserve
- Net charge-offs of \$11.0 million related to two C&I relationships
- NPAs decreased \$9.7 million to 0.25% of total loans plus OREO

ACL 2Q23 vs 1Q23:

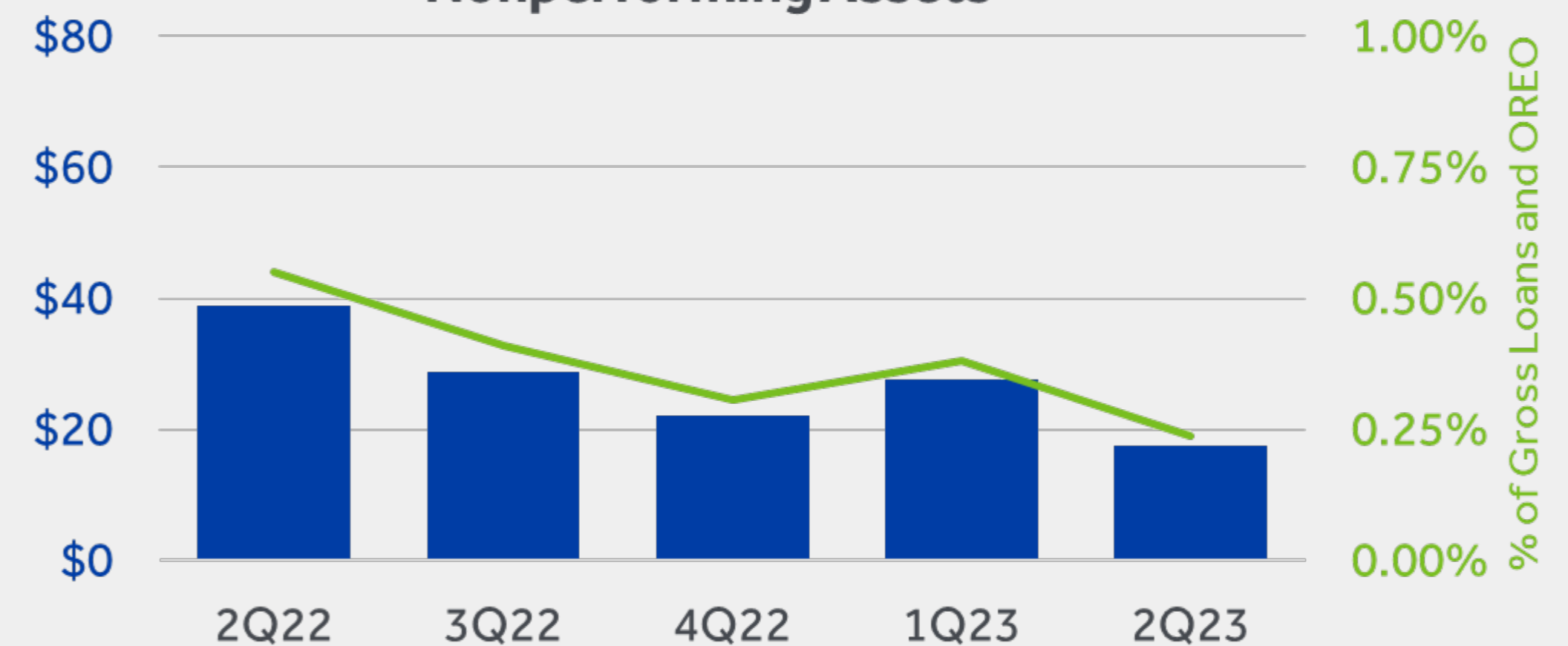


ASSET QUALITY TRENDS

Net Loan Charge-Offs/(Recoveries)



Nonperforming Assets

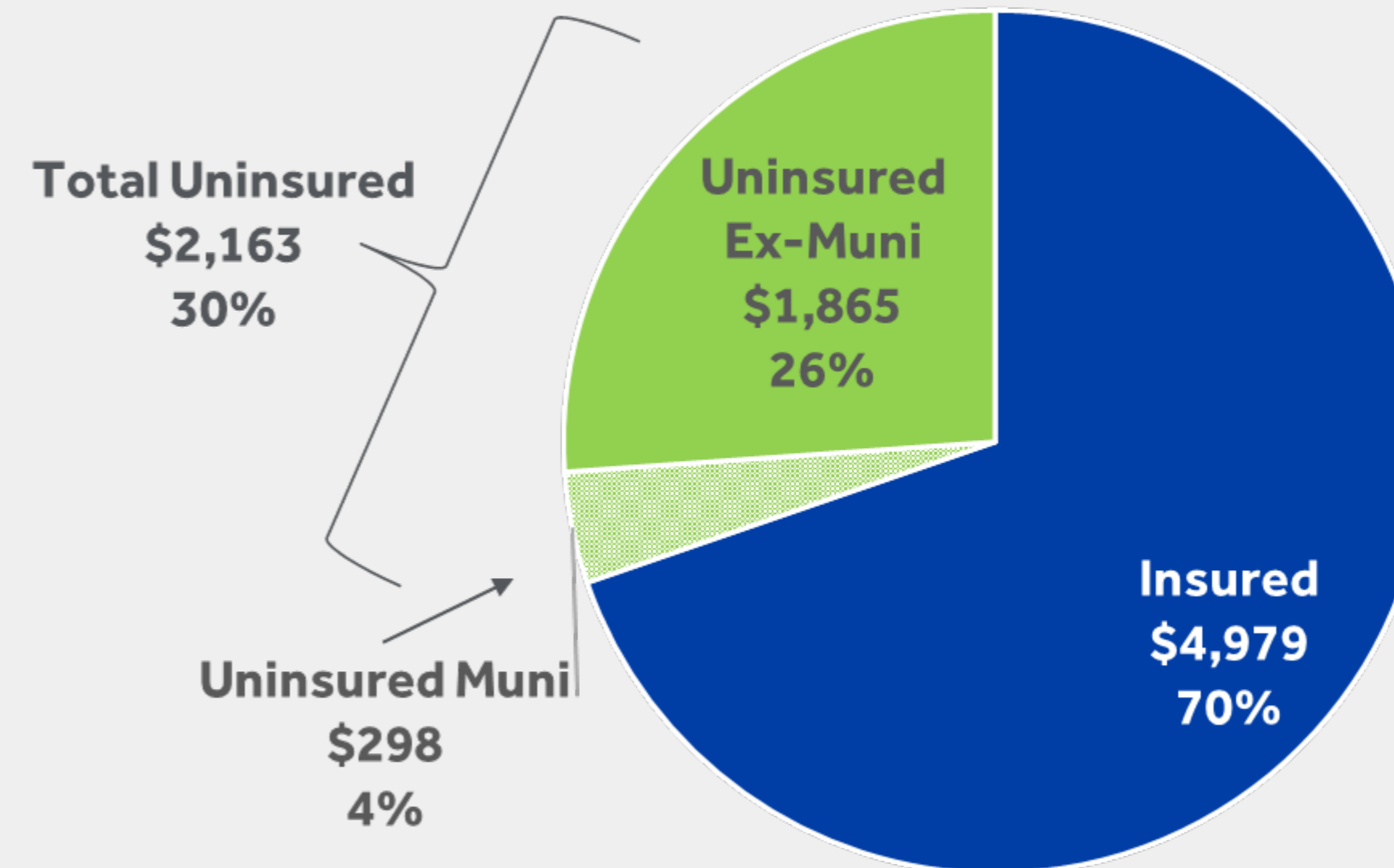


Dollars in millions

Deposits

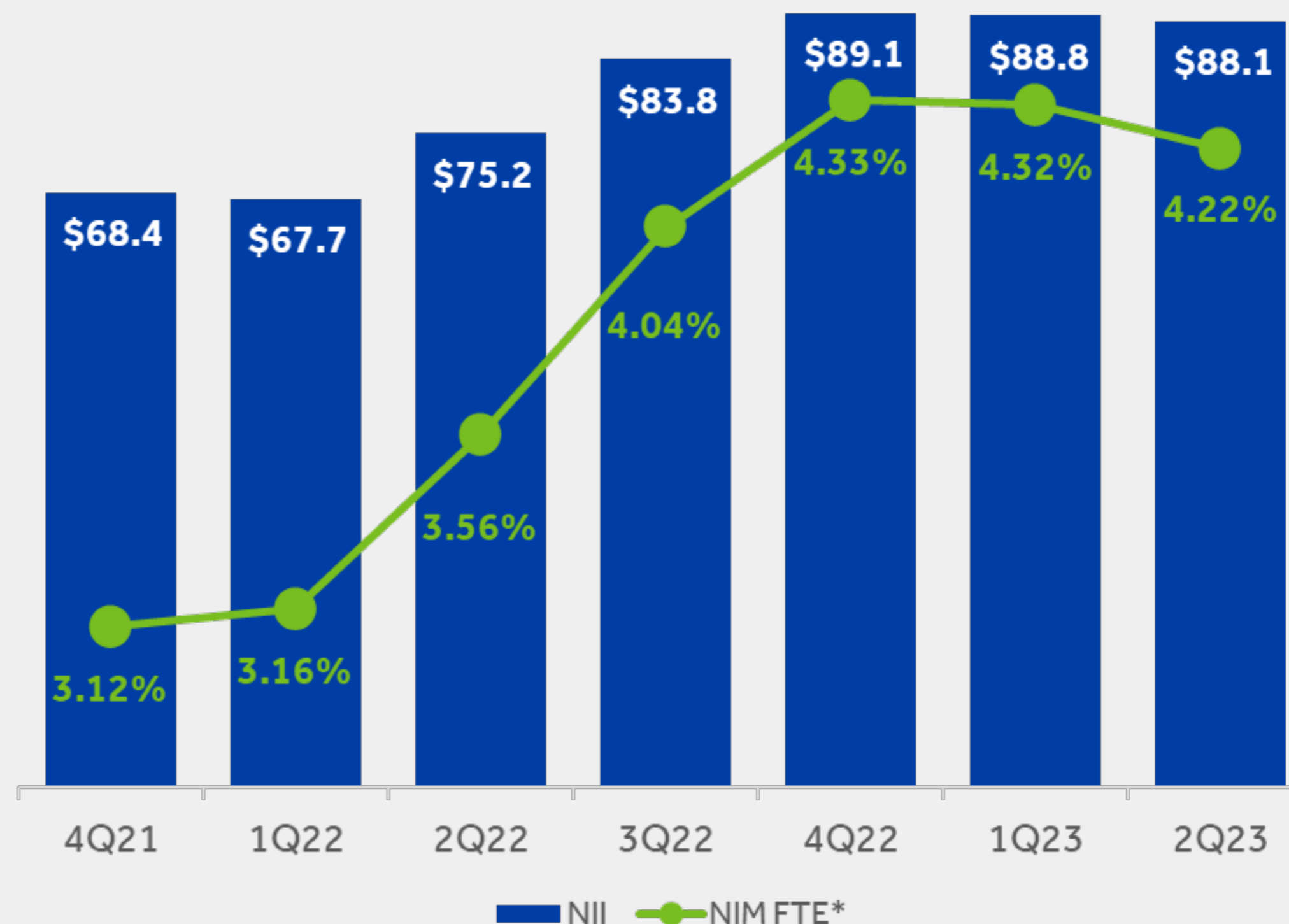
- Strong, well-diversified deposit base of 230,000 customers
- Balance mix 59% personal and 41% business
- Uninsured deposits include \$298 million of collateralized municipal deposits
- Deposits declined \$11.9 million from 1Q23

INSURED/UNINSURED DEPOSITS



Net Interest Income

- NIM remains strong at 4.22%; a modest decline of 10 basis points from 1Q23
- NIM has expanded 110 basis points through this interest rate cycle
- Quarterly net interest income has improved \$19.7 million, or 28.8%, since the fourth quarter of 2021



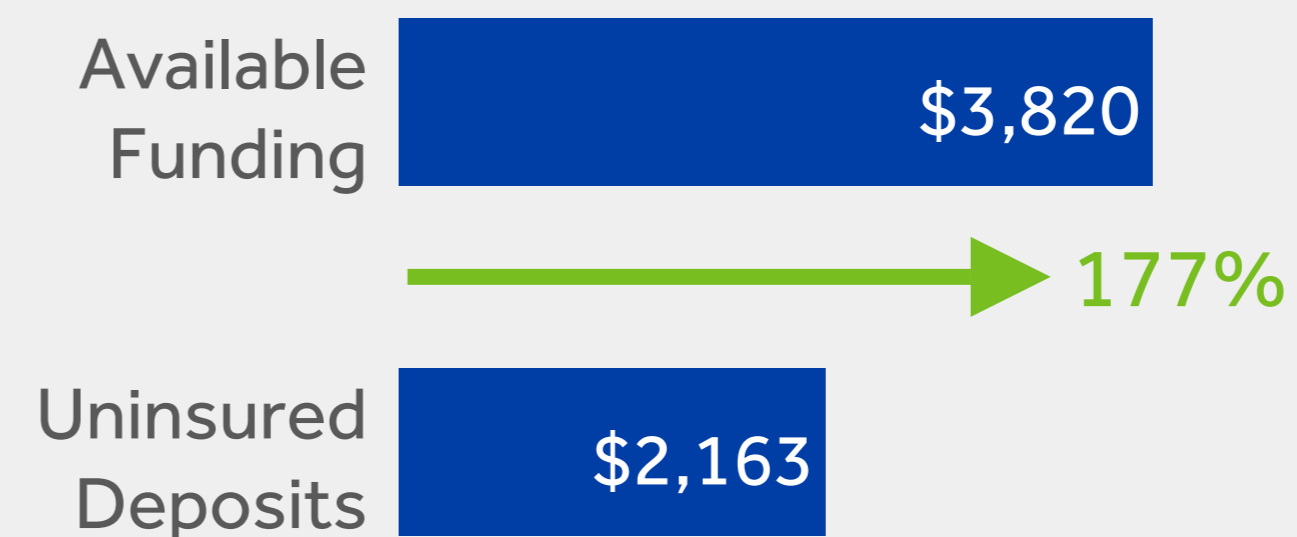
Dollars in millions; *Refer to appendix for reconciliation of non-GAAP financial measures

Funding Capacity

- Strong liquidity position with well-diversified deposit base
- Significant funding availability through FHLB and Federal Reserve
- Funding availability meets liquidity needs in both normal and stress environments

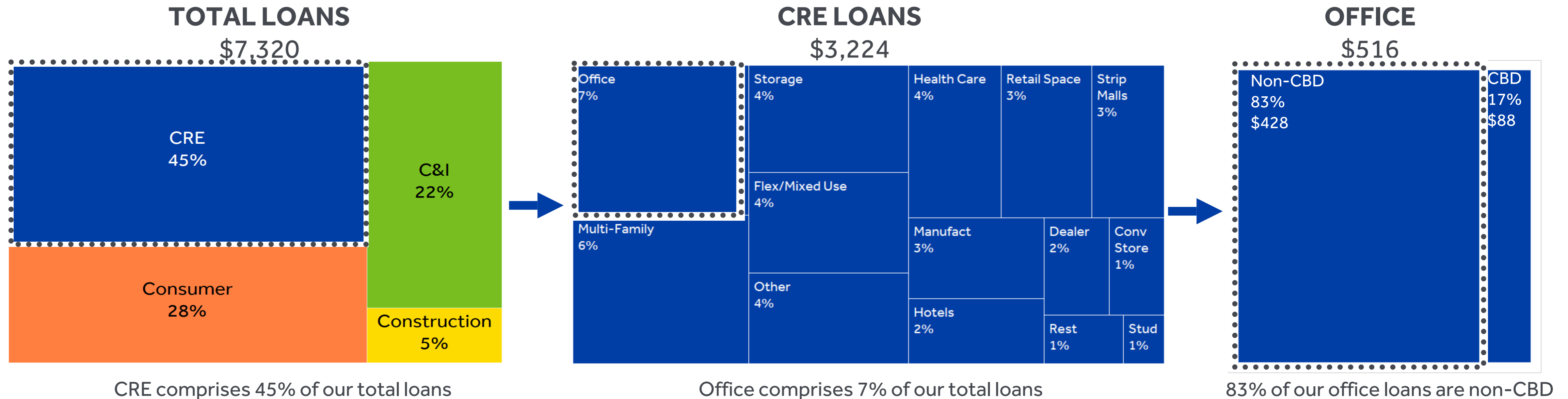
FUNDING SOURCES

	Capacity	Used	Available
FHLB	\$3,030	\$684	\$2,346
Federal Reserve Window	776	0	776
Federal Reserve BTLF	<u>698</u>	<u>0</u>	<u>698</u>
Total Funding Sources	\$4,504	\$684	\$3,820



Office CRE

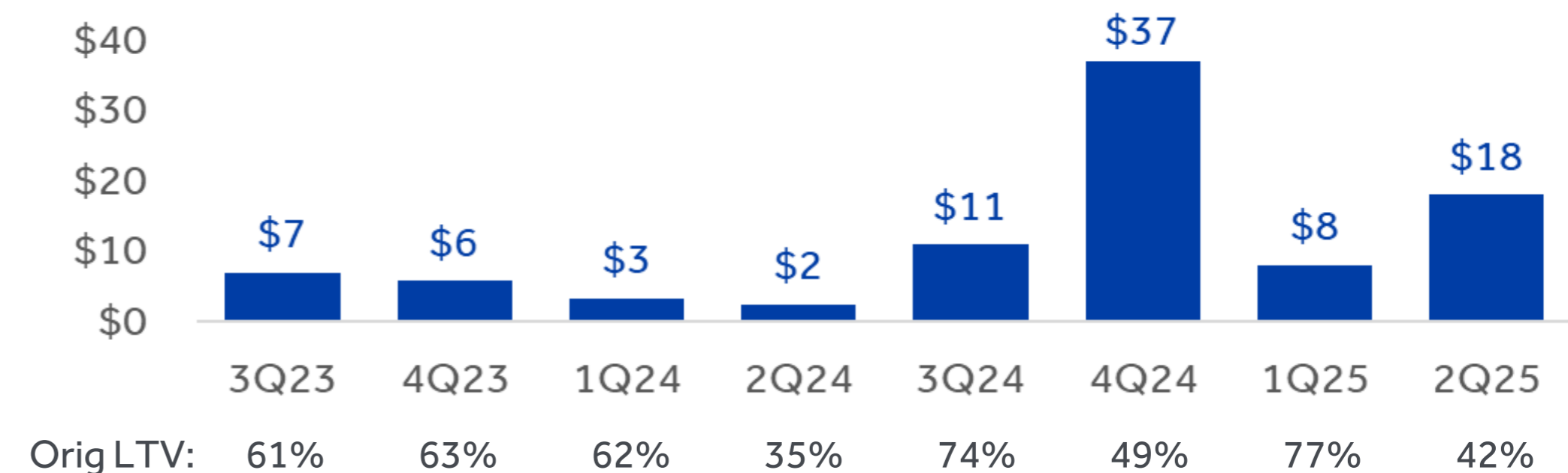
7% total loans; 83% non-CBD; granular; minimal maturities over next 24 months



OFFICE LOANS BY SIZE:

Size	Total	#	Avg Size	Orig LTV
10mm+	\$70	6	\$11.7	62 %
5mm-10mm	181	26	7.0	56 %
1mm-5mm	177	82	2.2	65 %
Under 1mm	88	340	0.3	60 %
Total	\$516	454	\$1.1	61 %

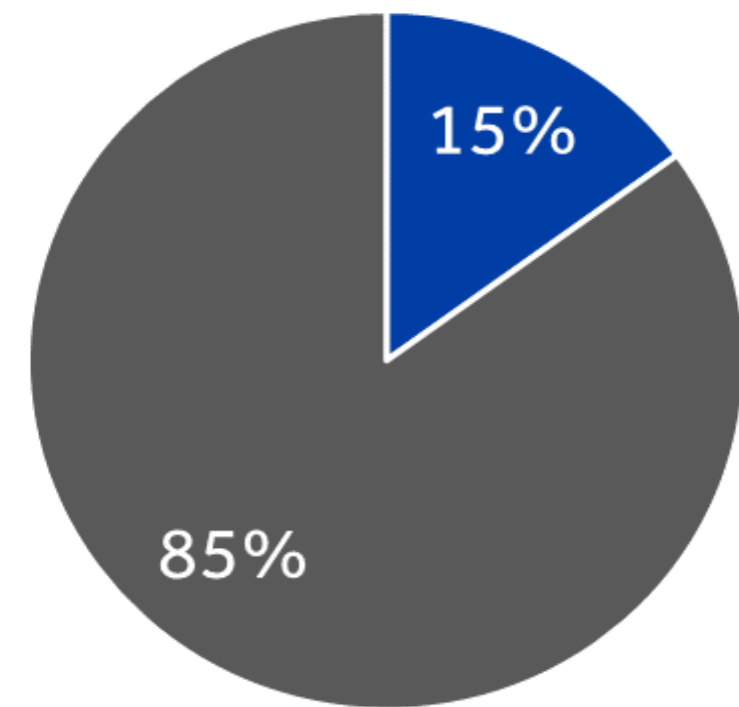
OFFICE SPACE MATURITIES BY QUARTER:



Dollars in millions

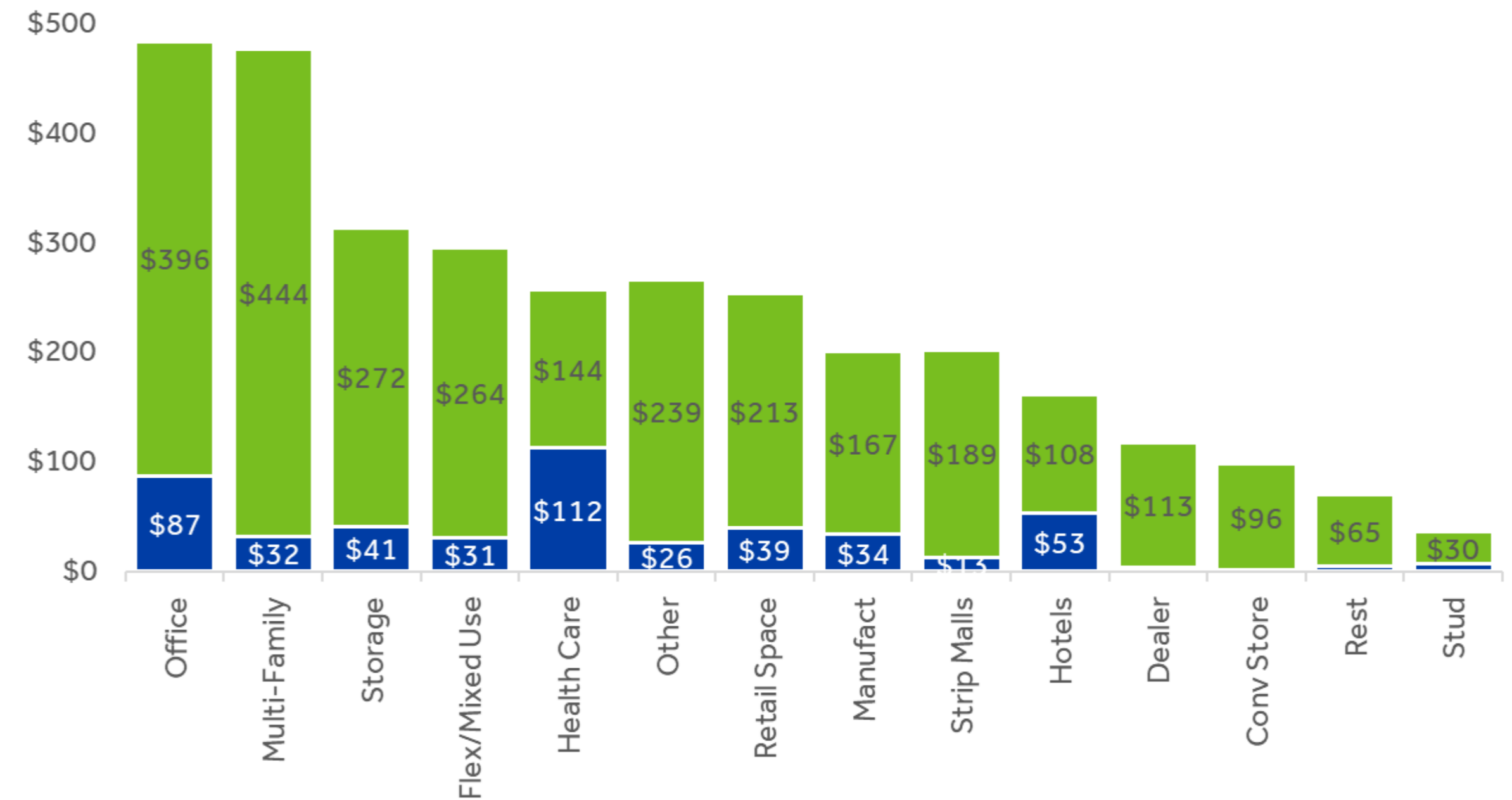
CRE Maturities

in next 24 months



Only 15% of our CRE loans mature in the next 24 months

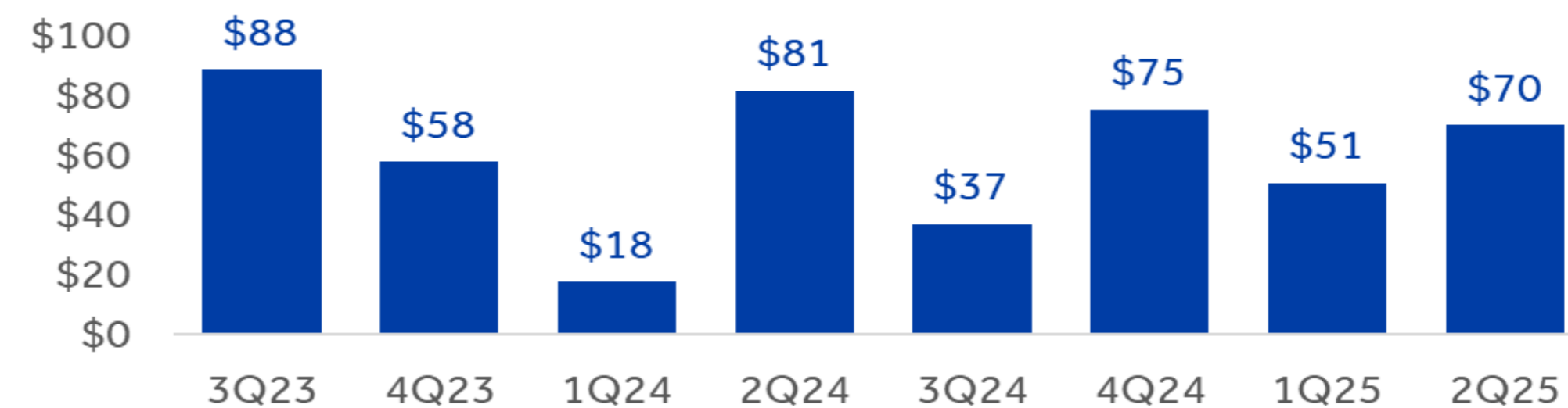
CRE MATURITIES BY INDUSTRY:



CRE MATURITIES BY SIZE:

Size	Total	#	Avg Size
10mm+	\$65	5	\$13.0
5mm-10mm	199	27	7.4
1mm-5mm	163	77	2.1
Under 1mm	<u>56</u>	<u>174</u>	<u>0.3</u>
Total	\$483	283	\$1.7

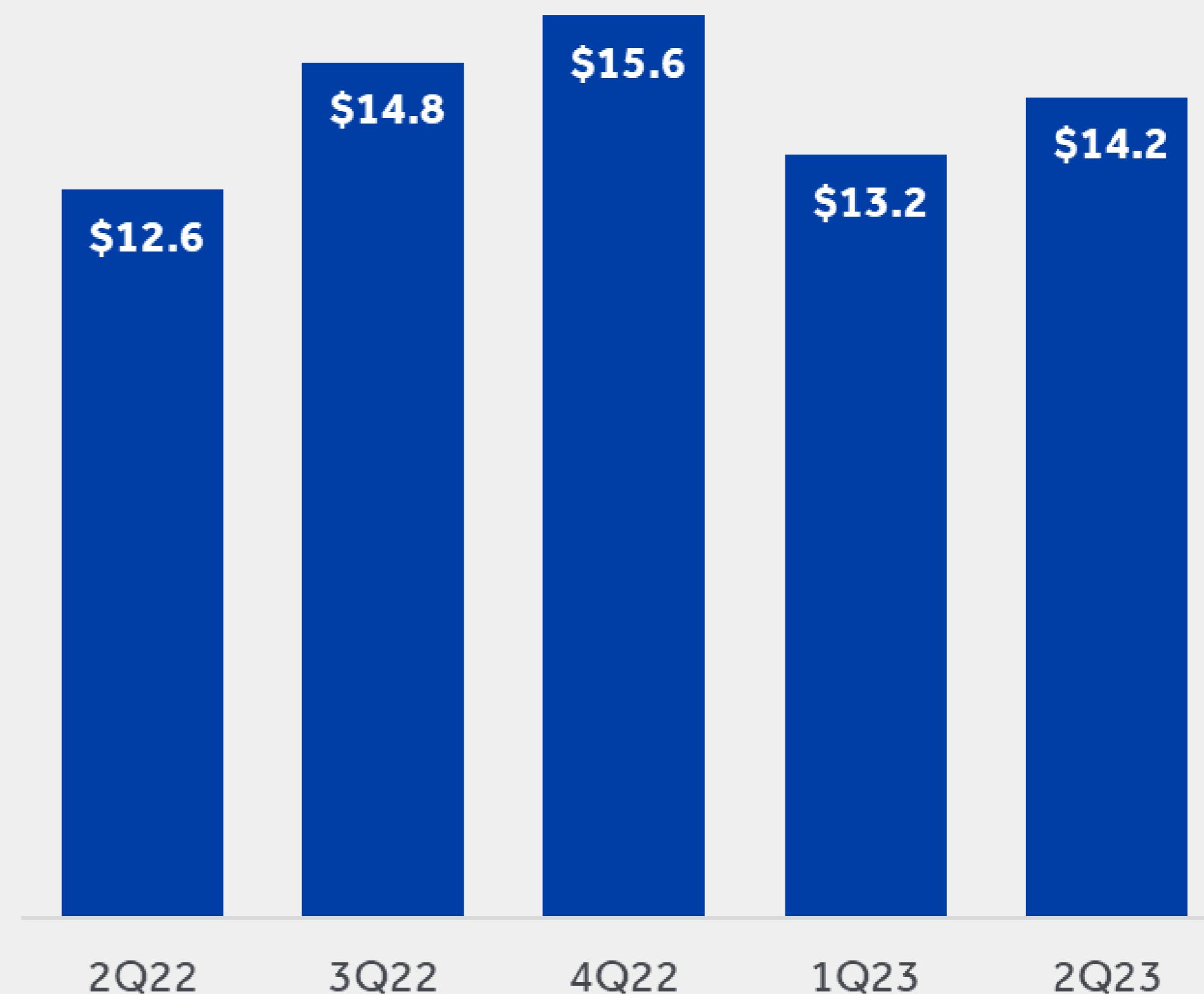
CRE MATURITIES BY QUARTER:



Noninterest Income

- Increase in other mainly related to a \$0.6 million gain on OREO compared to 1Q23
- Improved activity levels in debit and credit card and wealth compared to 1Q23

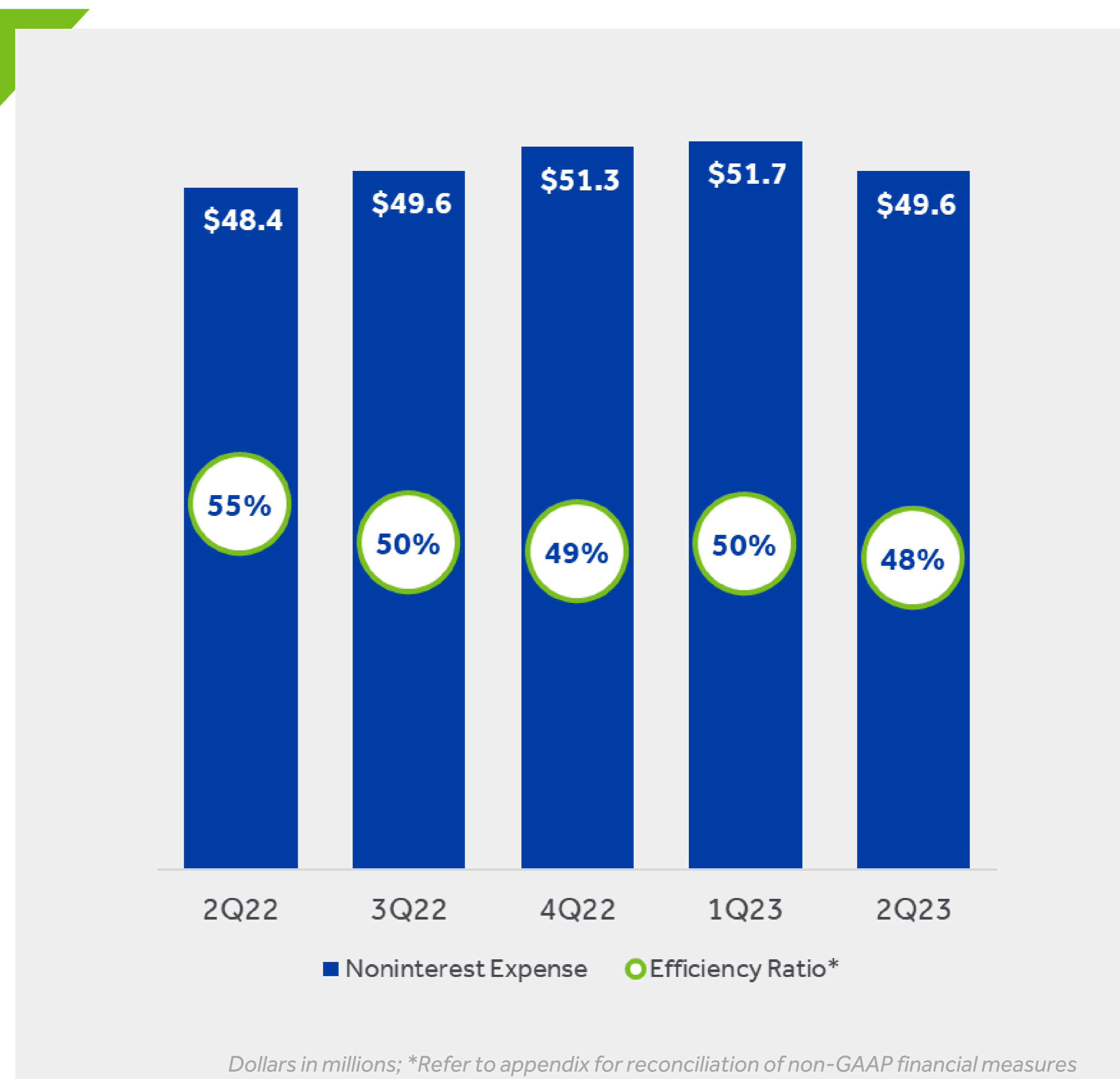
	2Q23	2Q23 vs 1Q23	2Q23 vs 2Q22
Debit and Credit Card	\$4.7	\$0.3	\$0.0
Service Charges	3.9	(0.2)	(0.3)
Wealth	3.2	0.3	0.0
Mortgage	0.3	0.0	(0.2)
Security Gain	0.0	0.0	0.0
Other	<u>2.1</u>	<u>0.6</u>	<u>2.1</u>
Noninterest Income	\$14.2	\$1.0	\$1.6



Noninterest Expense

- Well controlled expenses with 48% efficiency ratio
- Salaries & benefits down due to lower incentive costs

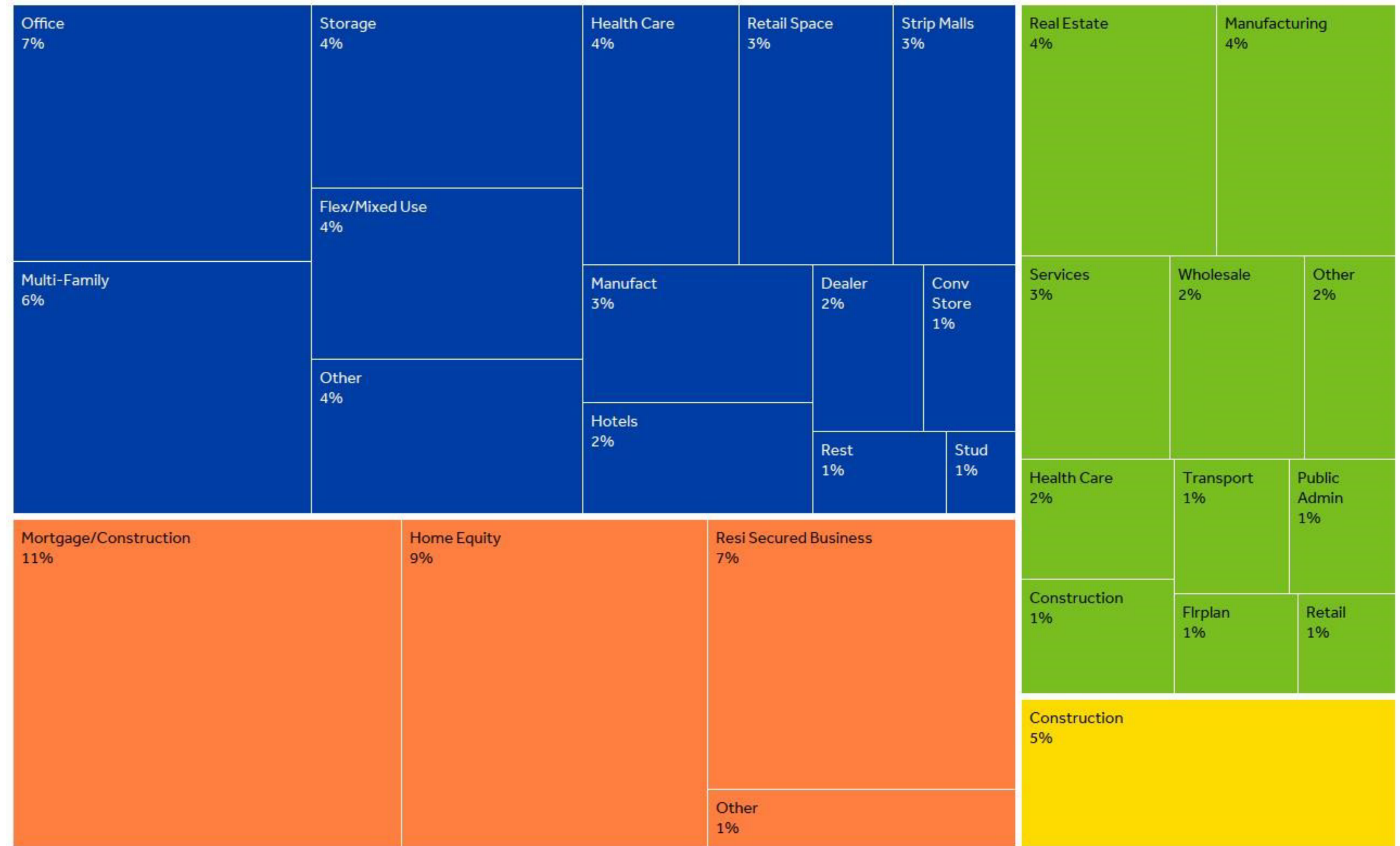
	2Q23	2Q23 vs 1Q23	2Q23 vs 2Q22
Salaries & Benefits	\$25.4	(\$2.2)	\$0.6
Data Processing	4.2	(0.1)	0.1
Occupancy	3.7	(0.1)	0.1
FF&E	3.2	0.3	0.3
Marketing	1.5	(0.4)	—
Professional Services	2.1	0.3	(0.3)
Other Taxes	1.3	(0.5)	(0.4)
FDIC	1.0	—	0.1
Other	7.2	0.7	0.7
Noninterest Expense	\$49.6	(\$2.0)	\$1.2



Loan Mix

Our loan portfolio is well-diversified:

	Amount	% of Total
CRE	\$3,224	45%
Consumer	2,093	28%
C&I	1,640	22%
Construction	363	5%
Total	\$7,320	100%

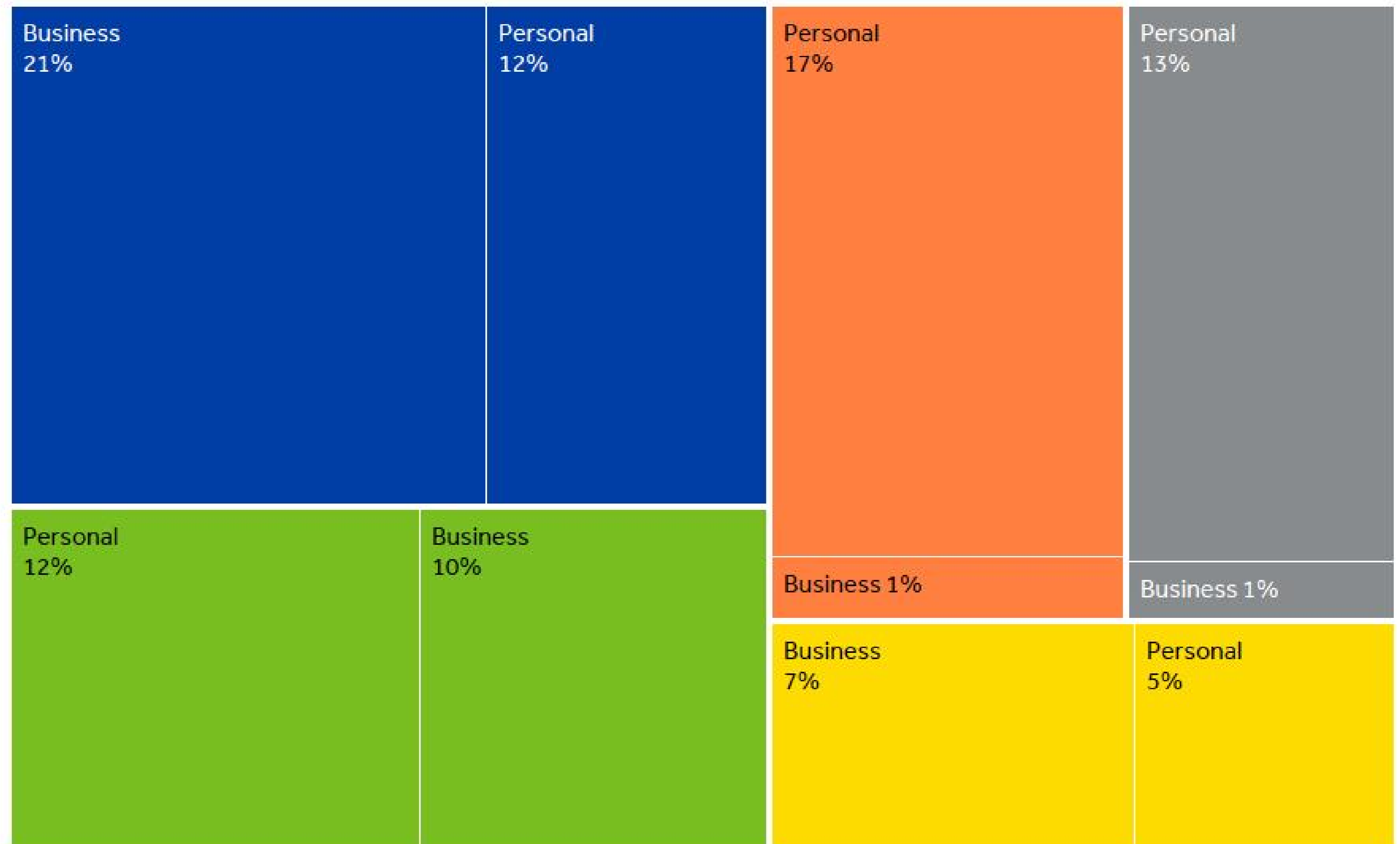


Deposit Mix

We have a solid core deposit profile:

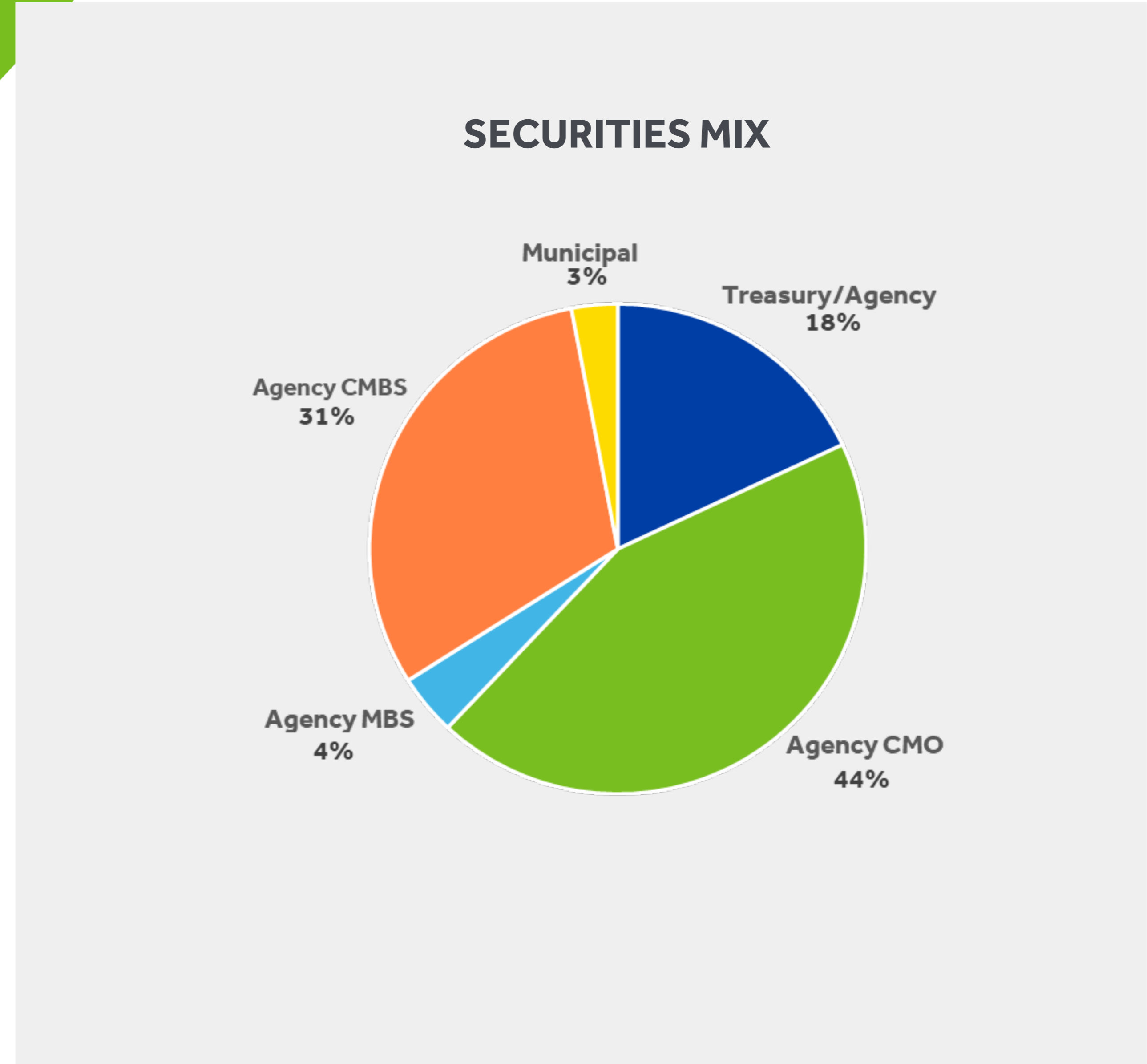
	Amount	% of Total
DDA	\$2,330	33%
MM	1,584	22%
Savings	1,019	14%
CDs	1,333	19%
Int Bear DDA	875	12%
Total	\$7,141	100%

	Amount	% of Total
Personal	\$4,213	59%
Business	2,928	41%
Total	\$7,141	100%



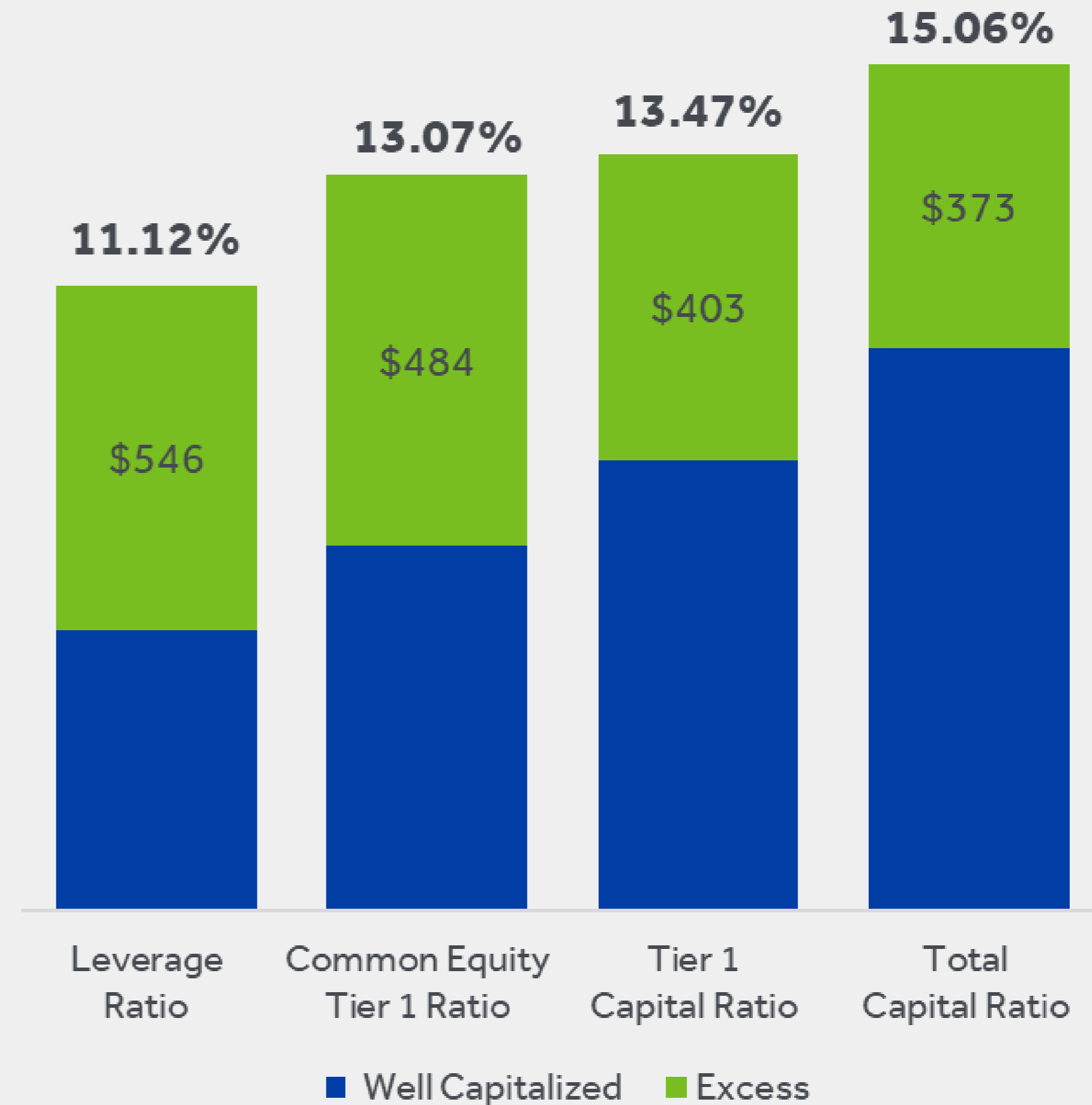
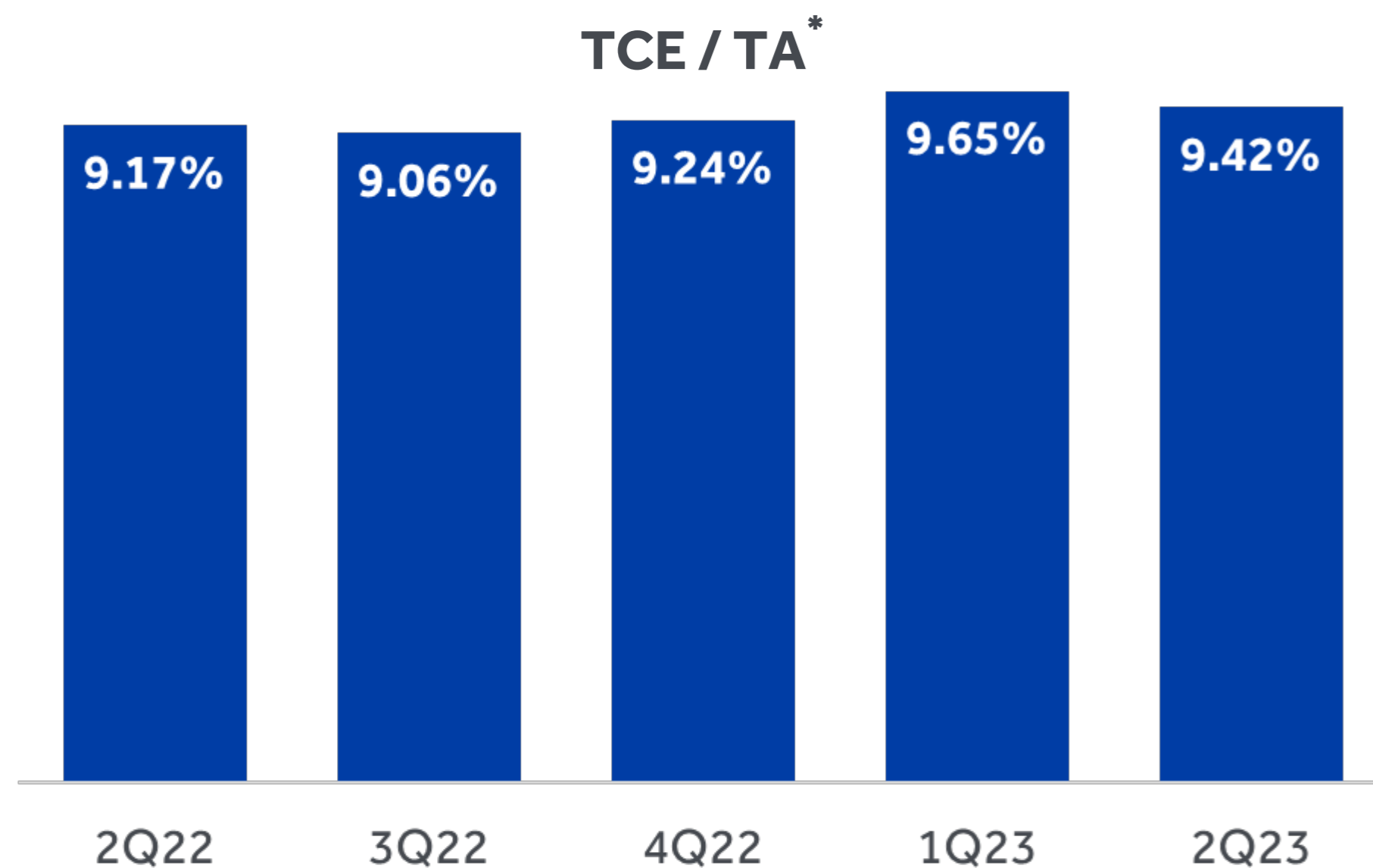
Securities

- Securities portfolio is only 10% of total assets
- 100% of securities portfolio is classified as available-for-sale
- Average duration of 3.9 years at 1Q23 compared to 3.7 years at 4Q21
- AOCI of \$102.5 million related to securities portfolio, if realized, would decrease CET1 ratio by 150 basis points from 13.07% to 11.57%



Capital

- Capital levels remain strong
- Share repurchases of \$20.0 million in 2Q23



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

Financial Data

Income Statement	YTD 2Q23	2022	2021	2020	2020	2019	2019
Dollars in thousands, except for share data							
					Excludes Fraud ⁽¹⁾		Excludes Merger Exp ⁽²⁾
Net Interest Income	\$176,914	\$315,783	\$276,112	\$279,388		\$246,791	
Noninterest Income	27,381	58,259	64,696	59,746		52,558	
Total Revenue	204,295	374,042	340,808	339,134		299,349	
Noninterest Expense	101,332	196,746	188,925	184,329		155,766	
Merger Expenses	—	—	—	2,342		11,350	—
Provision for Credit Losses ⁽³⁾	11,451	8,366	16,215	131,424	72,753	14,873	14,873
Net Income Before Taxes	91,512	168,930	135,668	21,039	79,710	117,360	128,710
Taxes	17,246	33,410	25,325	(1)	12,320	19,126	21,232
Net Income	\$74,266	\$135,520	\$110,343	\$21,040	\$67,390	\$98,234	\$107,478
Diluted Earnings per Share	\$1.91	\$3.46	\$2.81	\$0.53	\$1.72	\$2.82	\$3.09

(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.

(2) These are non-GAAP numbers that adjust for \$11.4 million of merger related expenses in 2019. Refer to appendix for reconciliation of these non-GAAP financial measures

(3) Upon adoption of CECL on January 1, 2020, the provision for credit losses includes provision for unfunded loan commitments.



Financial Data

Balance Sheet	2Q23	2022	2021	2020	2019
Dollars in thousands					
Total Securities	970,372	\$1,002,778	\$910,793	\$773,693	\$784,283
Interest-Bearing Deposits	150,672	138,149	857,192	158,903	124,491
Total Net Loans	7,214,395	7,082,645	6,902,936	7,126,776	7,080,184
Other Assets	917,483	886,995	817,608	908,525	775,691
Total Assets	\$9,252,922	\$9,110,567	\$9,488,529	\$8,967,897	\$8,764,649
<hr/>					
Total Deposits	\$7,141,210	\$7,219,970	\$7,996,524	\$7,420,538	\$7,036,576
Total Borrowed Funds	623,996	439,194	161,314	227,927	416,352
Other Liabilities	274,863	266,744	124,237	164,721	119,723
Equity	1,212,853	1,184,659	1,206,454	1,154,711	1,191,998
Total Liabilities & Equity	\$9,252,922	\$9,110,567	\$9,488,529	\$8,967,897	\$8,764,649



Financial Data

Net Interest Margin	YTD 2Q23	2022	2021	2020	2019
Securities - FTE	2.52%	2.25%	2.18%	2.49%	2.64%
Loans - FTE	5.91%	4.50%	3.84%	4.09%	4.95%
Total Interest-earning Assets - FTE	5.50%	4.06%	3.37%	3.87%	4.71%
Interest-bearing Deposits	1.51%	0.40%	0.20%	0.66%	1.40%
Borrowings	5.34%	3.01%	1.49%	1.56%	2.76%
Total Costing Liabilities	1.95%	0.49%	0.24%	0.72%	1.51%
Net Interest Margin (FTE)⁽¹⁾	4.27%	3.76%	3.22%	3.38%	3.64%

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



Financial Data

Loan Portfolio	2Q23	2022	2021	2020	2019
Dollars in thousands					
Commercial Real Estate	\$3,224,180	\$3,128,187	\$3,236,653	\$3,244,974	\$3,416,518
Commercial and Industrial	1,639,332	1,718,976	1,728,969	1,954,453	1,720,833
Commercial Construction	363,100	399,371	440,962	474,280	375,445
Total Commercial	5,226,612	5,246,534	5,406,584	5,673,707	5,512,796
Residential Mortgage	1,286,771	1,116,528	899,956	918,398	998,585
Home Equity	645,897	652,066	564,219	535,165	538,348
Installment and Other Consumer	115,634	124,896	107,928	80,915	79,033
Consumer Construction	44,697	43,945	21,303	17,675	8,390
Total Consumer	2,092,999	1,937,435	1,593,406	1,552,153	1,624,356
Total Portfolio Loans	7,319,611	7,183,969	6,999,990	7,225,860	7,137,152
Loans Held for Sale	541	16	1,522	18,528	5,256
Total Loans	\$7,320,152	\$7,183,985	\$7,001,512	\$7,244,388	\$7,142,408



Financial Data

Asset Quality

2Q23

2022

2021

2020

2019

Dollars in thousands

Total Nonaccrual Loans	\$14,319	\$19,052	\$66,291	\$146,774	\$54,057
Nonaccrual Loans/Total Loans	0.20%	0.27%	0.95%	2.03%	0.76%
Nonperforming Assets/Total Loans + OREO	0.25%	0.31%	1.13%	2.06%	0.81%
YTD Net (Recoveries) Charge-offs/Average Loans	0.16%	0.04%	0.49%	1.40%	0.22%
Allowance for Credit Losses/Total Portfolio Loans	1.44%	1.41%	1.41%	1.63%	0.87%
Allowance for Credit Losses/Nonaccrual Loans	739%	532%	149%	80%	115%

Financial Data

Capital	2Q23	2022	2021	2020	2019
Tier 1 Leverage	11.12%	11.06%	9.74%	9.43%	10.29%
Common Equity Tier 1 – Risk-Based Capital	13.07%	12.81%	12.03%	11.33%	11.43%
Tier 1 – Risk-Based Capital	13.47%	13.21%	12.43%	11.74%	11.84%
Total – Risk-Based Capital	15.06%	14.73%	13.79%	13.44%	13.22%
Tangible Common Equity/Tangible Assets ⁽¹⁾	9.42%	9.24%	9.08%	9.02%	9.68%

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



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

	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21
Tangible Common Equity (TCE)/Tangible Assets (non-GAAP)							
Total shareholders' equity	\$1,212,853	\$1,227,795	\$1,184,659	\$1,153,181	\$1,178,358		
Less: goodwill and other intangible assets, net of deferred tax liability	(377,144)	(377,405)	(377,673)	(377,961)	(378,259)		
Tangible common equity (non-GAAP)	\$835,709	\$850,390	\$806,986	\$775,220	\$800,099		
Total assets	\$9,252,922	\$9,193,442	\$9,110,567	\$8,935,969	\$9,103,814		
Less: goodwill and other intangible assets, net of deferred tax liability	(377,144)	(377,405)	(377,673)	(377,961)	(378,259)		
Tangible assets (non-GAAP)	\$8,875,778	\$8,816,037	\$8,732,894	\$8,558,008	\$8,725,555		
Tangible common equity to tangible assets (non-GAAP)	9.42 %	9.65 %	9.24 %	9.06 %	9.17 %		
<i>Tangible common equity to tangible assets is a preferred industry measurement to evaluate capital adequacy.</i>							
Efficiency Ratio (non-GAAP)							
Noninterest expense	\$49,633	\$51,699	\$51,275	\$49,633	\$48,424		
Net interest income per consolidated statements of net income	88,123	88,791	89,058	83,798	75,194		
Plus: taxable equivalent adjustment	639	555	532	521	506		
Net interest income (FTE) (non-GAAP)	\$88,762	\$89,346	\$89,590	\$84,319	\$75,700		
Noninterest income	14,191	13,190	15,643	14,760	12,630		
Less: net gains on sale of securities	—	—	—	(198)	—		
Net interest income (FTE) (non-GAAP) plus noninterest income	\$102,953	\$102,536	\$105,233	\$98,881	\$88,330		
Efficiency ratio (non-GAAP)	48.21 %	50.42 %	48.73 %	50.19 %	54.82 %		
<i>The efficiency ratio is noninterest 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.</i>							
Net Interest Margin Rate (NIM) (FTE) (non-GAAP)							
Interest income and dividend income	\$117,333	\$110,903	\$103,208	\$89,835	\$77,599	\$70,109	\$71,135
Less: interest expense	(29,210)	(22,112)	(14,150)	(6,037)	(2,405)	(2,376)	(2,697)
Net interest income per consolidated statements of net income	\$88,123	\$88,791	\$89,058	\$83,798	\$75,194	\$67,733	\$68,438
Plus: taxable equivalent adjustment	639	555	532	521	506	493	510
Net interest income (FTE) (non-GAAP)	\$88,762	\$89,346	\$89,590	\$84,319	\$75,700	\$68,226	\$68,948
Net interest income (FTE) (annualized)	\$356,022	\$362,348	\$355,438	\$334,526	\$303,633	\$276,694	\$273,537
Average interest-earning assets	\$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)	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	2019
	Excludes Fraud	Excludes Merger Exp
Net Income Excluding Nonrecurring items		
Net income	\$21,040	\$98,234
Nonrecurring items	58,671	11,350
Tax effect of nonrecurring items	(12,321)	(2,106)
Adjusted net income (non-GAAP)	\$67,390	\$107,478
Diluted Earnings Per Share		
Adjusted net income (non-GAAP)	\$67,390	\$107,478
Average shares outstanding - diluted	39,073	34,679
Diluted earnings per share (non-GAAP)	\$1.72	\$3.09
Return on Average Assets (ROA) (non-GAAP)		
Adjusted net income (non-GAAP)	\$67,390	\$107,478
Average total assets	9,152,747	7,435,536
Return on average assets (non-GAAP)	0.74 %	1.45 %
Return on Average Shareholders' Equity (ROE) (non-GAAP)		
Adjusted net income (non-GAAP)	\$67,390	\$107,478
Average total shareholders' equity	1,169,489	983,908
Return on average shareholders' equity (non-GAAP)	5.76 %	10.92 %



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

	2Q23	2022	2021	2020	2020	2019	2019
	YTD				Excludes Fraud		Excludes Merger Exp
Return on Average Tangible Shareholders' Equity (ROTE) (non-GAAP)							
Net income (annualized)	\$149,763	\$135,520	\$110,343	\$21,040	\$21,040	\$98,234	\$98,234
Nonrecurring items	—	—	—	—	58,671	—	11,350
Tax effect of nonrecurring items	—	—	—	—	(12,321)	—	(2,106)
Adjusted net income (non-GAAP)	\$149,763	\$135,520	\$110,343	\$21,040	\$67,390	\$98,234	\$107,478
Adjusted net income (non-GAAP)	\$149,763	\$135,520	\$110,343	\$21,040	\$67,390	\$98,234	\$107,478
Plus: amortization of intangibles (annualized), net of tax	1,066	1,199	1,400	2,001	2,001	660	660
Net income before amortization of intangibles (annualized)	\$150,829	\$136,719	\$111,743	\$23,041	\$69,391	\$98,894	\$108,138
Average total shareholders' equity	\$1,218,553	\$1,181,788	\$1,186,161	\$1,169,489	\$1,169,489	\$983,908	\$983,908
Less: average goodwill and other intangible assets, net of deferred tax liability	(377,427)	(378,303)	(379,612)	(380,846)	(380,846)	(297,589)	(297,589)
Average tangible equity (non-GAAP)	\$841,126	\$803,485	\$806,549	\$788,643	\$788,643	\$686,319	\$686,319
Return on average tangible shareholders' equity (non-GAAP)	17.93 %	17.02 %	13.85 %	2.92 %	8.80 %	14.41 %	15.76 %

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	\$228,236	\$340,751	\$289,262	\$320,464		\$320,484	
Less: interest expense	(51,322)	(24,968)	(13,150)	(41,076)		(73,693)	
Net interest income per consolidated statements of net income	\$176,914	\$315,783	\$276,112	\$279,388		\$246,791	
Plus: taxable equivalent adjustment	1,194	2,052	2,316	3,202		3,757	
Net interest income (FTE) (non-GAAP)	\$178,108	\$317,835	\$278,428	\$282,590		\$250,548	
Average interest-earning assets	\$8,404,519	\$8,445,958	\$8,649,372	\$8,372,894		\$6,885,372	
Net Interest Margin	4.24 %	3.74 %	3.19 %	3.34 %		3.58 %	
Adjustment to FTE basis	0.03 %	0.02 %	0.03 %	0.04 %		0.06 %	
Net Interest Margin (FTE) (non-GAAP)	4.27 %	3.76 %	3.22 %	3.38 %		3.64 %	

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*

	2Q23	2022	2021	2020	2020	2019	2019
	YTD				Excludes Fraud		Excludes Merger Exp
PPNR/Average Assets (Non-GAAP)							
Income before taxes	\$91,512	\$168,930	\$135,668,114	\$21,039		\$117,360	\$117,360
Plus: merger related expenses	—	—	—	—		—	11,350
Plus: provision for credit losses	11,451	8,366	16,215,300	131,424		14,873	14,873
Total adjusted income before taxes (non-GAAP)	102,963	177,296	151,883,000	152,463		132,233	143,583
Total adjusted income before taxes (annualized) (non-GAAP)	\$207,632	\$177,296	\$151,883,000	\$152,463		\$132,233	\$143,583
Average assets	\$9,151,983	\$9,167,038	\$9,375,850,20	\$9,152,747		\$7,435,536	\$7,435,536
PPNR/Average Assets (non-GAAP)	2.27 %	1.93 %	1.62 %	1.67 %		1.78 %	1.93 %
<i>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.</i>							
Tangible Common Equity (TCE)/Tangible Assets (non-GAAP)							
Total shareholders' equity	\$1,212,853	\$1,184,659	\$1,206,454,00	\$1,154,711		\$1,191,998	
Less: goodwill and other intangible assets, net of deferred tax liability	(377,144)	(377,673)	(378,871,445)	(380,278)		(380,247)	
Tangible common equity (non-GAAP)	\$835,709	\$806,986	\$827,583	\$774,433		\$811,751	
Total assets	\$9,252,922	\$9,110,567	\$9,488,529,01	\$8,967,897		\$8,764,649	
Less: goodwill and other intangible assets, net of deferred tax liability	(377,144)	(377,673)	(378,871,445)	(380,278)		(380,247)	
Tangible assets (non-GAAP)	\$8,875,778	\$8,732,894	\$9,109,658	\$8,587,619		\$8,384,402	
Tangible common equity to tangible assets (non-GAAP)	9.42 %	9.24 %	9.08 %	9.02 %		9.68 %	
<i>Tangible common equity to tangible assets is a preferred industry measurement to evaluate capital adequacy.</i>							
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 %		





S&T Bancorp Inc.

Second Quarter 2023

Christopher J. McComish

Chief Executive Officer

Mark Kochvar

Chief Financial Officer

