

**CONTACT:**

Mark Kochvar  
Chief Financial Officer  
724.465.4826  
800 Philadelphia Street  
Indiana, PA 15701  
[mark.kochvar@stbank.net](mailto:mark.kochvar@stbank.net)  
[www.stbancorp.com](http://www.stbancorp.com)

**FOR IMMEDIATE RELEASE****S&T Bancorp, Inc. Announces Record Third Quarter 2016 Net Income**

**Indiana, Pa. – October 20, 2016** – S&T Bancorp, Inc. (S&T) (NASDAQ: STBA), the holding company for S&T Bank with locations in Pennsylvania, Ohio and New York, announced today its third quarter 2016 earnings. Third quarter earnings were a record \$20.6 million, or \$0.59 per diluted share, compared to second quarter of 2016 earnings of \$17.1 million, or \$0.49 per diluted share, and third quarter of 2015 earnings of \$18.6 million, or \$0.54 per diluted share.

**Third Quarter of 2016 Highlights:**

- Earnings per share of \$0.59 represents a 20% increase over the prior quarter and a 9.3% increase over the year ago quarter.
- Annualized performance metrics for the third quarter of 2016 were strong, with return on average assets of 1.23%, return on average equity of 9.85% and return on tangible equity of 15.46%.
- Net interest margin improved 2 basis points to 3.46 % and net interest income increased \$1.7 million, or 3.5%, to \$51.5 million compared to the prior quarter.
- Expenses were well controlled during the quarter, decreasing by \$0.3 million, resulting in an efficiency ratio of 51.65% compared to 54.37% in the prior quarter.
- Net loan charge-offs were only \$0.9 million, representing 0.07% of average loans on an annualized basis for the third quarter of 2016.
- S&T's Board of Directors approved a 5.3% increase in the quarterly cash dividend to \$0.20 per share.

"We are pleased to announce record quarterly net income," said Todd Brice, president and chief executive officer of S&T. "Our strong performance was driven by improvements in all key areas, with higher net interest income and noninterest income, and lower expenses and provision for loan loss."

**Net Interest Income**

Net interest income increased \$1.7 million, or 3.5%, to \$51.5 million for the third quarter of 2016 compared to \$49.7 million in the prior quarter. Higher net interest income was primarily due to an increase of \$101 million in average loans and one additional day in the third quarter compared to the second quarter. Net interest margin on a fully taxable equivalent basis (FTE) increased 2 basis points to 3.46% compared to 3.44% in the prior quarter. Total interest-bearing liability costs were stable at 0.56% for both the third and second quarter of 2016.

**Asset Quality**

Asset quality continued to improve during the third quarter of 2016. Total nonperforming loans decreased \$2.4 million to \$40.5 million, or 0.75% of total loans, at September 30, 2016 compared to \$42.9 million, or 0.79% of total loans, at June 30, 2016. Net loan charge-offs decreased \$2.1 million to \$0.9 million for the third quarter of

2016 compared to \$3.0 million in the prior quarter. The provision for loan losses decreased \$2.3 million to \$2.5 million in the third quarter of 2016 compared to \$4.8 million in the second quarter of 2016. The allowance for loan losses was \$53.8 million, or 0.99% of total loans, at September 30, 2016 compared to \$52.2 million, or 0.97% of total loans, at June 30, 2016.

### **Noninterest Income and Expense**

Noninterest income increased \$1.0 million to \$13.4 million for the third quarter of 2016 compared to \$12.4 million in the second quarter of 2016. Mortgage banking increased \$0.5 million due to increased volume and the favorable interest rate environment. Debit and credit card fees increased \$0.3 million primarily due to higher debit and credit card activity.

Expenses were well controlled in the third quarter with a decrease in noninterest expense of \$0.3 million to \$34.4 million compared to \$34.7 million for the second quarter of 2016. Other expenses decreased \$1.4 million, due to lower loan related costs resulting primarily from recovered expenses on impaired loans. Data processing expense decreased \$0.6 million due to savings from the renegotiation of a core data processing contract and seasonality of data processing expense. These decreases were offset by an increase in salaries and employee benefits of \$1.4 million related to the timing of benefit accruals and higher pension expense.

### **Financial Condition**

Total assets were essentially unchanged at \$6.7 billion for both September 30, 2016 and June 30, 2016. Loan growth for the quarter was primarily in consumer loans which increased \$29.1 million, or a 9.5% annualized rate, with growth in all consumer categories. Total deposits increased \$25.1 million, or a 2.0% annualized rate, with growth in noninterest-bearing demand and money market accounts. Risk-based capital ratios increased this quarter due to earnings retention and a decline in risk weighted assets. All capital ratios remain above the well-capitalized thresholds of federal bank regulatory agencies.

### **Dividend**

The Board of Directors of S&T declared a \$0.20 per share cash dividend at its regular meeting held October 16, 2016, representing a 5.3% increase over the prior quarter cash dividend. The dividend is payable on November 17, 2016 to shareholders of record on November 3, 2016.

### **Conference Call**

S&T will host its third quarter 2016 earnings conference call live over the Internet at 1:00 p.m. ET on Thursday, October 20, 2016. To access the webcast, go to S&T's webpage at [www.stbancorp.com](http://www.stbancorp.com) and click on "Events & Presentations." Select "3rd Quarter 2016 Conference Call" and follow the instructions.

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

S&T Bancorp, Inc. is a \$6.7 billion bank holding company that is headquartered in Indiana, Pa. and trades on the NASDAQ Global Select Market under the symbol STBA. Its principal subsidiary, S&T Bank, was established in 1902, and operates locations in Pennsylvania, Ohio and New York. For more information visit [www.stbancorp.com](http://www.stbancorp.com) or [www.stbank.com](http://www.stbank.com).

***This information may contain forward-looking statements regarding future financial performance which are not historical facts and which involve risks and uncertainties. Actual results and performance could differ materially from those anticipated by these forward-looking statements. Factors that could cause such a difference include, but are not limited to, general economic conditions, change in interest rates, deposit flows, loan demand, and asset quality, including real estate and other collateral values and competition. In addition to the results of operations presented in accordance with Generally Accepted Accounting Principles (GAAP), S&T***

***management uses and this press release 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 operational performance and our business and performance trends as they 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. A reconciliation of these non-GAAP financial measures is presented in the attached selected financial data spreadsheet. This information should be read in conjunction with the audited financial statements and analysis as presented in the Annual Report on Form 10-K for S&T Bancorp, Inc. and subsidiaries.***

	<u>2016</u>	<u>2016</u>	<u>2015</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>			
<b>INTEREST INCOME</b>			
Loans, including fees	\$53,956	\$52,019	\$49,578
Investment securities:			
Taxable	2,570	2,580	2,522
Tax-exempt	907	915	988
Dividends	375	336	581
<b>Total Interest Income</b>	<b>57,808</b>	<b>55,850</b>	<b>53,669</b>
<b>INTEREST EXPENSE</b>			
Deposits	5,119	5,029	3,275
Borrowings and junior subordinated debt securities	1,234	1,113	798
<b>Total Interest Expense</b>	<b>6,353</b>	<b>6,142</b>	<b>4,073</b>
<b>NET INTEREST INCOME</b>	<b>51,455</b>	<b>49,708</b>	<b>49,596</b>
Provision for loan losses	2,516	4,848	3,206
<b>Net Interest Income After Provision for Loan Losses</b>	<b>48,939</b>	<b>44,860</b>	<b>46,390</b>
<b>NONINTEREST INCOME</b>			
Securities (losses) gains, net	—	—	—
Service charges on deposit accounts	3,208	3,065	3,069
Debit and credit card fees	3,163	2,869	2,996
Wealth management fees	2,565	2,630	2,814
Insurance fees	1,208	1,205	1,332
Mortgage banking	1,077	578	698
Other	2,227	2,101	1,572
<b>Total Noninterest Income</b>	<b>13,448</b>	<b>12,448</b>	<b>12,481</b>
<b>NONINTEREST EXPENSE</b>			
Salaries and employee benefits	19,011	17,626	16,789
Net occupancy	2,776	2,688	2,744
Data processing	2,129	2,723	2,454
Furniture and equipment	1,932	1,719	1,653
Other taxes	1,080	896	719
Professional services and legal	1,041	1,047	946
FDIC insurance	1,005	994	990
Marketing	896	1,075	895
Other	4,569	5,985	6,639
<b>Total Noninterest Expense</b>	<b>34,439</b>	<b>34,753</b>	<b>33,829</b>
<b>Income Before Taxes</b>	<b>27,948</b>	<b>22,555</b>	<b>25,042</b>
Provision for income taxes	7,367	5,496	6,407
<b>Net Income</b>	<b>\$20,581</b>	<b>\$17,059</b>	<b>\$18,635</b>
<b>Per Share Data</b>			
Shares outstanding at end of period	34,913,023	34,916,358	34,811,636
Average shares outstanding - diluted	34,768,505	34,764,565	34,692,991
Average shares outstanding - two-class method	34,802,233	34,909,563	34,811,979
Diluted earnings per share <sup>(1)</sup>	\$0.59	\$0.49	\$0.54
Dividends declared per share	\$0.19	\$0.19	\$0.18
Dividend yield (annualized)	2.62%	3.11%	2.21%
Dividends paid to net income	32.13%	38.75%	33.56%
Book value	\$24.02	\$23.63	\$22.63
Tangible book value <sup>(3)</sup>	\$15.57	\$15.17	\$14.12
Market value	\$28.99	\$24.45	\$32.62
<b>Profitability Ratios (annualized)</b>			
Return on average assets	1.23%	1.05%	1.20%
Return on average tangible assets <sup>(4)</sup>	1.31%	1.12%	1.28%
Return on average shareholders' equity	9.85%	8.37%	9.51%
Return on average tangible shareholders' equity <sup>(5)</sup>	15.46%	13.30%	15.61%
Efficiency ratio (FTE) <sup>(2)</sup>	51.65%	54.37%	53.12%

(dollars in thousands, except per share data)

	<b>For the Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>INTEREST INCOME</b>		
Loans, including fees	\$157,133	\$138,438
Investment securities:		
Taxable	7,704	7,298
Tax-exempt	2,764	3,006
Dividends	1,077	1,453
<b>Total Interest Income</b>	<b>168,678</b>	<b>150,195</b>
<b>INTEREST EXPENSE</b>		
Deposits	14,403	9,333
Borrowings and junior subordinated debt securities	3,474	2,196
<b>Total Interest Expense</b>	<b>17,877</b>	<b>11,529</b>
<b>NET INTEREST INCOME</b>	<b>150,801</b>	<b>138,666</b>
Provision for loan losses	12,379	6,473
<b>Net Interest Income After Provision for Loan Losses</b>	<b>138,422</b>	<b>132,193</b>
<b>NONINTEREST INCOME</b>		
Securities (losses) gains, net	—	(34)
Service charges on deposit accounts	9,272	8,529
Debit and credit card fees	8,818	8,732
Wealth management fees	7,947	8,667
Insurance fees	4,187	4,374
Mortgage banking	2,185	2,006
Gain on sale of credit card portfolio	2,066	—
Other	7,238	5,674
<b>Total Noninterest Income</b>	<b>41,713</b>	<b>37,948</b>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	57,539	51,024
Net occupancy	8,413	8,014
Data processing	6,964	7,329
Furniture and equipment	5,580	4,461
Other taxes	3,076	2,721
Professional services and legal	3,035	2,270
FDIC insurance	2,938	2,493
Marketing	2,872	2,905
Merger related expenses	—	3,167
Other	17,190	18,515
<b>Total Noninterest Expense</b>	<b>107,607</b>	<b>102,899</b>
<b>Income Before Taxes</b>	<b>72,528</b>	<b>67,242</b>
Provision for income taxes	18,795	17,584
<b>Net Income</b>	<b>\$53,733</b>	<b>\$49,658</b>
<b>Per Share Data:</b>		
Average shares outstanding - diluted	34,747,177	33,561,529
Average shares outstanding - two-class method	34,782,867	33,665,990
Diluted earnings per share <sup>(1)</sup>	\$1.54	\$1.48
Dividends declared per share	\$0.57	\$0.54
Dividends paid to net income	36.89%	35.97%
<b>Profitability Ratios (annualized)</b>		
Return on average assets	1.10%	1.14%
Return on average tangible assets <sup>(8)</sup>	1.17%	1.22%
Return on average shareholders' equity	8.78%	9.02%
Return on average tangible shareholders' equity <sup>(9)</sup>	13.95%	14.46%
Efficiency ratio (FTE) <sup>(2)</sup>	54.41%	56.81%

	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Third</u>	<u>Second</u>	<u>Third</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
<i>(dollars in thousands)</i>			
<b>ASSETS</b>			
Cash and due from banks, including interest-bearing deposits	\$125,163	\$94,991	\$115,347
Securities available-for-sale, at fair value	671,128	683,479	660,046
Loans held for sale	11,694	11,999	13,794
Commercial loans:			
Commercial real estate	2,427,164	2,388,786	2,111,585
Commercial and industrial	1,344,297	1,385,746	1,237,915
Commercial construction	402,124	398,122	384,328
Total Commercial Loans	<u>4,173,585</u>	<u>4,172,654</u>	<u>3,733,828</u>
Consumer loans:			
Residential mortgage	692,574	671,665	625,251
Home equity	483,935	480,204	467,698
Installment and other consumer	62,288	58,139	91,122
Consumer construction	5,852	5,602	8,064
Total Consumer Loans	<u>1,244,649</u>	<u>1,215,610</u>	<u>1,192,135</u>
Total portfolio loans	5,418,234	5,388,264	4,925,963
Allowance for loan losses	(53,793)	(52,213)	(49,907)
Total portfolio loans, net	5,364,441	5,336,051	4,876,056
Goodwill	291,670	291,670	291,683
Other assets	254,109	256,015	258,412
<b>Total Assets</b>	<b><u>\$6,718,205</u></b>	<b><u>\$6,674,205</u></b>	<b><u>\$6,215,338</u></b>
<b>LIABILITIES</b>			
Deposits:			
Noninterest-bearing demand	\$1,232,469	\$1,220,568	\$1,188,331
Interest-bearing demand	657,326	662,509	704,348
Money market	764,125	700,219	593,643
Savings	1,026,234	1,033,077	1,088,217
Certificates of deposit	1,465,277	1,503,945	1,302,870
<b>Total Deposits</b>	<b><u>5,145,431</u></b>	<b><u>5,120,318</u></b>	<b><u>4,877,409</u></b>
Securities sold under repurchase agreements	40,949	48,479	42,971
Short-term borrowings	565,000	550,000	280,000
Long-term borrowings	15,303	15,888	117,613
Junior subordinated debt securities	45,619	45,619	45,619
Other liabilities	67,196	68,851	63,923
<b>Total Liabilities</b>	<b><u>5,879,498</u></b>	<b><u>5,849,155</u></b>	<b><u>5,427,535</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Total Shareholders' Equity</b>	<b><u>838,707</u></b>	<b><u>825,050</u></b>	<b><u>787,803</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$6,718,205</u></b>	<b><u>\$6,674,205</u></b>	<b><u>\$6,215,338</u></b>
<b>Capitalization Ratios</b>			
Shareholders' equity / assets	12.48%	12.36%	12.68%
Tangible common equity / tangible assets <sup>(6)</sup>	8.46%	8.30%	8.30%
Tier 1 leverage ratio	9.02%	8.92%	8.94%
Common equity tier 1 capital	10.01%	9.70%	9.69%
Risk-based capital - tier 1	10.37%	10.06%	10.08%
Risk-based capital - total	11.87%	11.52%	11.58%

	2016		2016		2015	
	Third Quarter		Second Quarter		Third Quarter	
<i>(dollars in thousands)</i>						
<b>Net Interest Margin (FTE) (QTD Averages)</b>						
<b>ASSETS</b>						
Loans	\$5,382,516	4.08%	\$5,281,769	4.05%	\$4,869,914	4.12%
Taxable investment securities	545,249	1.95%	547,501	1.95%	523,890	1.99%
Tax-exempt investment securities	133,661	4.17%	133,908	4.21%	138,514	4.39%
Federal Home Loan Bank and other restricted stock	24,454	4.52%	22,017	4.32%	20,184	9.60%
Interest-bearing deposits with banks	37,852	0.52%	38,233	0.47%	76,246	0.24%
<b>Total Interest-earning Assets</b>	<b>6,123,732</b>	<b>3.87%</b>	<b>6,023,428</b>	<b>3.85%</b>	<b>5,628,748</b>	<b>3.90%</b>
Noninterest-earning assets	519,011		520,720		537,373	
<b>Total Assets</b>	<b>\$6,642,743</b>		<b>\$6,544,148</b>		<b>\$6,166,121</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Interest-bearing demand	\$663,477	0.17%	\$639,424	0.17%	\$663,834	0.14%
Money market	540,891	0.42%	478,448	0.37%	385,520	0.18%
Savings	1,034,018	0.20%	1,030,357	0.19%	1,091,482	0.16%
Certificates of deposit	1,379,952	0.95%	1,384,988	0.97%	1,113,858	0.74%
Brokered deposits	309,413	0.56%	371,182	0.54%	394,415	0.34%
<b>Total Interest-bearing deposits</b>	<b>3,927,751</b>	<b>0.52%</b>	<b>3,904,399</b>	<b>0.52%</b>	<b>3,649,109</b>	<b>0.36%</b>
Securities sold under repurchase agreements	44,927	0.01%	52,443	0.01%	42,937	0.01%
Short-term borrowings	459,043	0.66%	366,942	0.64%	270,968	0.37%
Long-term borrowings	15,545	2.85%	54,588	1.30%	117,864	0.77%
Junior subordinated debt securities	45,619	3.15%	45,619	3.10%	45,619	2.75%
<b>Total Interest-bearing Liabilities</b>	<b>4,492,885</b>	<b>0.56%</b>	<b>4,423,991</b>	<b>0.56%</b>	<b>4,126,497</b>	<b>0.39%</b>
Noninterest-bearing demand	1,247,884		1,229,020		1,196,200	
Other liabilities	70,799		71,601		65,873	
Shareholders' equity	831,175		819,536		777,551	
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$6,642,743</b>		<b>\$6,544,148</b>		<b>\$6,166,121</b>	
Net Interest Margin <sup>(7)</sup>		<b>3.46%</b>		<b>3.44%</b>		<b>3.61%</b>

(dollars in thousands)

	For the Nine Months Ended September 30,			
	2016		2015	
<b>Net Interest Margin (FTE) (YTD Averages)</b>				
<b>ASSETS</b>				
Loans	\$5,261,629	4.08%	\$4,588,536	4.11%
Taxable investment securities	541,419	1.96%	514,195	1.96%
Tax-exempt investment securities	134,271	4.22%	139,171	4.43%
Federal Home Loan Bank and other restricted stock	23,027	4.52%	19,276	8.04%
Interest-bearing deposits with banks	41,402	0.51%	69,062	0.24%
<b>Total Interest-earning Assets</b>	<b>6,001,748</b>	<b>3.87%</b>	<b>5,330,240</b>	<b>3.88%</b>
Noninterest-earning assets	519,913		499,043	
<b>Total Assets</b>	<b>\$6,521,661</b>		<b>\$5,829,283</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Interest-bearing demand	\$635,479	0.16%	\$586,149	0.13%
Money market	476,768	0.35%	392,021	0.18%
Savings	1,041,802	0.19%	1,072,539	0.16%
Certificates of deposit	1,345,323	0.94%	1,075,666	0.76%
CDARS and brokered deposits	358,568	0.54%	334,485	0.33%
Securities sold under repurchase agreements	53,858	0.01%	42,675	0.01%
Short-term borrowings	385,394	0.64%	245,431	0.34%
Long-term borrowings	62,109	1.21%	72,316	1.04%
Junior subordinated debt securities	45,619	3.08%	47,561	2.82%
<b>Total Interest-bearing Liabilities</b>	<b>4,404,920</b>	<b>0.54%</b>	<b>3,868,843</b>	<b>0.40%</b>
Noninterest-bearing demand	1,227,426		1,158,217	
Other liabilities	71,421		66,009	
Shareholders' equity	817,894		736,214	
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$6,521,661</b>		<b>\$5,829,283</b>	
Net Interest Margin <sup>(10)</sup>		<b>3.47%</b>		<b>3.59%</b>

(dollars in thousands)

	2016		2016		2015	
	Third Quarter	% NPL	Second Quarter	% NPL	Third Quarter	% NPL
<b>Nonperforming Loans (NPL)</b>						
Commercial loans:						
Commercial real estate	\$7,551	0.31%	\$10,887	0.46%	\$7,919	0.38%
Commercial and industrial	11,890	0.88%	11,342	0.82%	5,370	0.43%
Commercial construction	6,653	1.65%	8,182	2.06%	5,008	1.30%
Total Nonperforming Commercial Loans	26,094	0.63%	30,411	0.73%	18,297	0.49%
Consumer loans:						
Residential mortgage	11,400	1.63%	9,283	1.38%	3,242	0.52%
Home equity	2,955	0.61%	3,168	0.66%	2,147	0.46%
Installment and other consumer	44	0.07%	43	0.07%	122	0.13%
Total Nonperforming Consumer Loans	14,399	1.16%	12,494	1.03%	5,511	0.46%
<b>Total Nonperforming Loans</b>	<b>\$40,493</b>	<b>0.75%</b>	<b>\$42,905</b>	<b>0.79%</b>	<b>\$23,808</b>	<b>0.48%</b>



	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Third</u>	<u>Second</u>	<u>Third</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
<i>(dollars in thousands)</i>			
<b><u>Loan Charge-offs</u></b>			
Charge-offs	\$1,500	\$3,496	\$5,641
Recoveries	(564)	(514)	(3,528)
<b>Net Loan Charge-offs</b>	<b><u>\$936</u></b>	<b><u>\$2,982</u></b>	<b><u>\$2,113</u></b>
<b><u>Net Loan Charge-offs</u></b>			
Commercial loans:			
Commercial real estate	(\$171)	\$1,624	(\$535)
Commercial and industrial	245	(81)	849
Commercial construction	146	943	1,118
Total Commercial Loan Charge-offs	220	2,486	1,432
Consumer loans:			
Residential mortgage	331	158	127
Home equity	(1)	37	222
Installment and other consumer	391	340	368
Consumer construction	(5)	(39)	(36)
Total Consumer Loan Charge-offs	716	496	681
<b>Total Net Loan Charge-offs</b>	<b><u>\$936</u></b>	<b><u>\$2,982</u></b>	<b><u>\$2,113</u></b>

	<u>For the Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>
<i>(dollars in thousands)</i>		
<b><u>Loan Charge-offs</u></b>		
Charge-offs	\$8,623	\$8,847
Recoveries	(1,890)	(4,370)
<b>Net Loan Charge-offs</b>	<b><u>\$6,733</u></b>	<b><u>\$4,477</u></b>
<b><u>Net Loan Charge-offs</u></b>		
Commercial loans:		
Commercial real estate	\$1,146	(\$334)
Commercial and industrial	2,655	2,344
Commercial construction	1,088	1,115
Total Commercial Loan Charge-offs	4,889	3,125
Consumer loans:		
Residential mortgage	506	459
Home equity	158	219
Installment and other consumer	1,295	734
Consumer construction	(115)	(60)
Total Consumer Loan Charge-offs	1,844	1,352
<b>Total Net Loan Charge-offs</b>	<b><u>\$6,733</u></b>	<b><u>\$4,477</u></b>

	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Third</u>	<u>Second</u>	<u>Third</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>Quarter</u>
<b>Asset Quality Data</b>			
Nonperforming loans	\$40,493	\$42,905	\$23,808
Assets acquired through foreclosure or repossession	512	328	472
Nonperforming assets	41,005	43,233	24,280
Troubled debt restructurings (nonperforming)	15,095	15,028	8,092
Troubled debt restructurings (performing)	12,936	20,598	26,049
Total troubled debt restructurings	28,031	35,626	34,141
Nonperforming loans / loans	0.75%	0.79%	0.48%
Nonperforming assets / loans plus OREO	0.76%	0.80%	0.49%
Allowance for loan losses / total portfolio loans	0.99%	0.97%	1.01%
Allowance for loan losses / nonperforming loans	133%	122%	210%
Net loan charge-offs (recoveries)	\$936	\$2,982	\$2,113
Net loan charge-offs (recoveries)(annualized) / average loans	0.07%	0.23%	0.17%

*(dollars in thousands)*

**Asset Quality Data**

	<u>For the Nine Months Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>
Net loan charge-offs (recoveries)	\$6,733	\$4,477
Net loan charge-offs (recoveries)(annualized) / average loans	0.17%	0.13%

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

(1) Diluted earnings per share under the two-class method is determined on the net income reported on the income statement less earnings allocated to participating securities.

(2) Noninterest expense divided by noninterest income plus net interest income, on a fully taxable equivalent (FTE) basis.

	<u>2016</u> <u>Third</u> <u>Quarter</u>	<u>2016</u> <u>Second</u> <u>Quarter</u>	<u>2015</u> <u>Third</u> <u>Quarter</u>
<b>(3) Tangible Book Value (non-GAAP)</b>			
Total shareholders' equity	\$838,707	\$825,050	\$787,803
Less: goodwill and other intangible assets, net of deferred tax liability	(295,104)	(295,347)	(296,233)
Tangible common equity (non-GAAP)	\$543,603	\$529,703	\$491,570
Common shares outstanding	34,913	34,916	34,812
Tangible book value (non-GAAP)	\$15.57	\$15.17	\$14.12
<b>(4) Return on Average Tangible Assets (non-GAAP)</b>			
Net income (annualized)	\$81,877	\$68,612	\$73,931
Plus: amortization of intangibles net of tax (annualized)	969	1,071	1,236
Net income before amortization of intangibles (annualized)	82,846	69,683	75,167
Average total assets	6,642,743	6,544,148	6,166,121
Less: average goodwill and other intangibles, net of deferred tax liability	(295,235)	(295,487)	(295,998)
Average tangible assets (non-GAAP)	\$6,347,508	\$6,248,661	\$5,870,123
Return on average tangible assets (non-GAAP)	1.31%	1.12%	1.28%
<b>(5) Return on Average Tangible Shareholders' Equity (non-GAAP)</b>			
Net income (annualized)	\$81,877	\$68,612	\$73,931
Plus: amortization of intangibles net of tax (annualized)	969	1,071	1,236
Net income before amortization of intangibles (annualized)	82,846	69,683	75,167
Average total shareholders' equity	831,175	819,536	777,551
Less: average goodwill and other intangibles, net of deferred tax liability	(295,235)	(295,487)	(295,998)
Average tangible equity (non-GAAP)	\$535,940	\$524,049	\$481,553
Return on average tangible equity (non-GAAP)	15.46%	13.30%	15.61%
<b>(6) Tangible Common Equity / Tangible Assets (non-GAAP)</b>			
Total shareholders' equity	\$838,707	\$825,050	\$787,803
Less: goodwill and other intangible assets, net of deferred tax liability	(295,104)	(295,347)	(296,233)
Tangible common equity (non-GAAP)	543,603	529,703	491,570
Total assets	6,718,205	6,674,205	6,215,338
Less: goodwill and other intangible assets, net of deferred tax liability	(295,104)	(295,347)	(296,233)
Tangible assets (non-GAAP)	\$6,423,101	\$6,378,858	\$5,919,105
Tangible common equity to tangible assets (non-GAAP)	8.46%	8.30%	8.30%
<b>(7) Net Interest Margin Rate (FTE) (non-GAAP)</b>			
Interest income	\$57,808	\$55,850	\$53,669
Less: interest expense	(6,353)	(6,142)	(4,073)
Net interest income per consolidated statements of net income	51,455	49,708	49,596
Plus: taxable equivalent adjustment	1,771	1,762	1,607
Net interest income (FTE) (non-GAAP)	53,226	51,470	51,203
Net interest income (FTE) (annualized)	211,747	207,011	203,142
Average earning assets	\$6,123,731	\$6,023,428	\$5,628,748
Net interest margin - (FTE) (non-GAAP)	3.46%	3.44%	3.61%

	<b>For the Nine Months Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b><sup>(8)</sup> Return on Average Tangible Assets (non-GAAP)</b>		
Net income (annualized)	\$71,775	\$66,392
Plus: amortization of intangibles net of tax (annualized)	1,079	1,168
Net income before amortization of intangibles (annualized)	<u>72,854</u>	<u>67,560</u>
Average total assets	6,521,661	5,829,283
Less: average goodwill and other intangibles, net of deferred tax liability	<u>(295,516)</u>	<u>(269,026)</u>
Average tangible assets (non-GAAP)	\$6,226,145	\$5,560,257
Return on average tangible assets (non-GAAP)	1.17%	1.22%
<b><sup>(9)</sup> Return on Average Tangible Shareholders' Equity (non-GAAP)</b>		
Net income (annualized)	\$71,775	\$66,392
Plus: amortization of intangibles net of tax (annualized)	1,079	1,168
Net income before amortization of intangibles (annualized)	<u>72,854</u>	<u>67,560</u>
Average total shareholders' equity	817,894	736,214
Less: average goodwill and other intangibles, net of deferred tax liability	<u>(295,516)</u>	<u>(269,026)</u>
Average tangible equity (non-GAAP)	\$522,378	\$467,188
Return on average tangible equity (non-GAAP)	13.95%	14.46%
<b><sup>(10)</sup> Net Interest Margin Rate (FTE) (non-GAAP)</b>		
Interest income	\$168,678	\$150,195
Less: interest expense	<u>(17,877)</u>	<u>(11,529)</u>
Net interest income per consolidated statements of net income	150,801	138,666
Plus: taxable equivalent adjustment	<u>5,254</u>	<u>4,493</u>
Net interest income (FTE) (non-GAAP)	156,055	143,159
Net interest income (FTE) (annualized)	208,453	191,403
Average earning assets	\$6,001,748	\$5,330,240
Net interest margin - (FTE) (non-GAAP)	3.47%	3.59%