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"The surest way to consistently differentiate ourselves from the competition has very little to do with products or interest rates and everything to do with the quality of our service—how we deliver our products and services to our customers—EVERY DAY."

- James C. Miller, Chairman and Chief Executive Officer



S&T Bancorp 2007 Annual Report

Filings Services March 27, 2008 SNL Financial, LC 1-800-969-4121



In the financial services business, nearly everyone talks about customer service, but what does it really mean? For some, it's a slogan; for some, it's a selling point. For S&T, it's personal. That's because every S&T employee shares a commitment to exceptional service and value, one customer at a time. It's more than a corporate strategy. It's a promise... a determination to do what's right for the customer. Every customer. EVERY DAY.





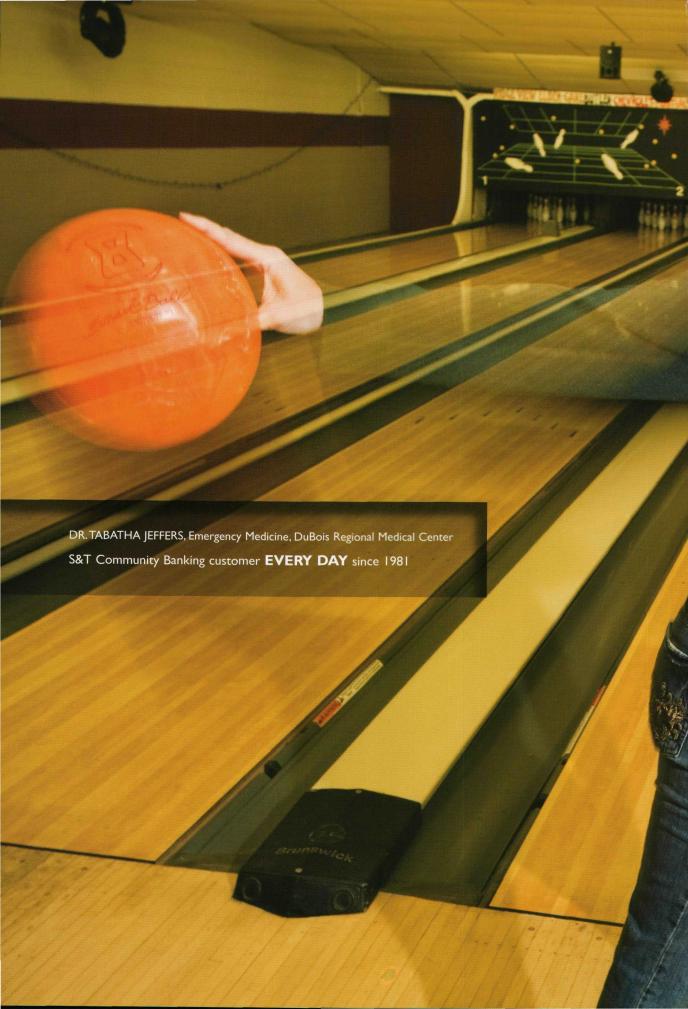


SERVICE AND CONVENIENCE ARE WHAT THE KERRS LIKE MOST ABOUT

S&T BANK. "There's a very personalized level of service," Tom said. "When I go into our local branch, it feels like a small-town bank, because we know everybody, and we've gotten to be chums. The locations are good, too, and wherever we are, we usually find ourselves within easy reach of a branch office or an ATM."

It's easy to bank with S&T, where advanced technologies and personal attention meet every need, from simple transactions to comprehensive financial services. Options include safe and secure online banking, a professionally staffed call center, and a community office network, continually reevaluated to best match branch locations with market demand. In 2007, new offices were opened in Altoona, O'Hara Township, and the Squirrel Hill section of Pittsburgh, and a new office in Wexford was on the drawing board.

Tom Kerr described S&T as a one-stop shop for everything his family needs-checking and savings, mortgages and brokerage, CDs and money markets, debit and credit cards-even Moola Moola savings accounts for the kids. And when his boys are a bit older, they'll be eligible for S&T's new student program, Smart Start Banking. This new initiative was designed to help teenagers manage their money, from balancing a checkbook to planning for college; products include free checking and debit card, free online banking, and a savings program with rewards. It's a great beginning for a relationship that can last a lifetime.









WITH HEALTHCARE COSTS RISING TWICE AS FAST AS OVERALL INFLATION,

Joe Geary appreciates the cost-containment help he gets from Evergreen Insurance. "Evergreen has helped introduce the various lifestyle programs, kept us apprised of what our health insurance carrier has to offer, what other carriers are doing, and what's changing in the industry," Joe explained. "That's enabled us to implement some recommendations and suggestions that have really made a difference in cost reduction."

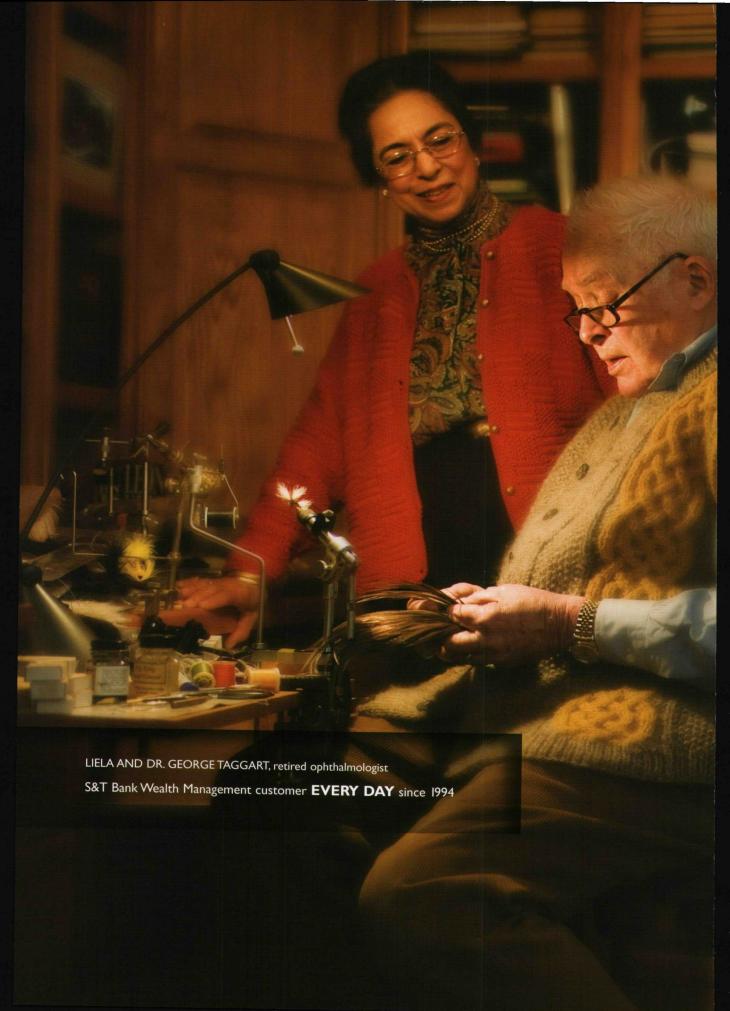
Evergreen's group health and group life

insurance, along with group dental, vision and disability were emphasized throughout 2007 as part of a continuing diversification strategy that's resulted in year-over-year growth of 20 percent for the life and health department, and significant gains in the bond business. In total, the agency has generated more than \$1.4 million of new business over the past two years, and a 2007 retention rate in excess of 96 percent is well above the norm for top performers. The key to that success is customer service. And that was paramount for Joe Geary.

"As an S&T customer for many years,

we know the level of service is extraordinary," Joe said, "so when S&T entered the insurance business, we knew what to expect—a business philosophy consistent with our own, centered on the customer and the best possible service. We have a great relationship with Evergreen, and that's a tribute to the people. It's all about the people."

U.S. Bureau of Labor Statistics

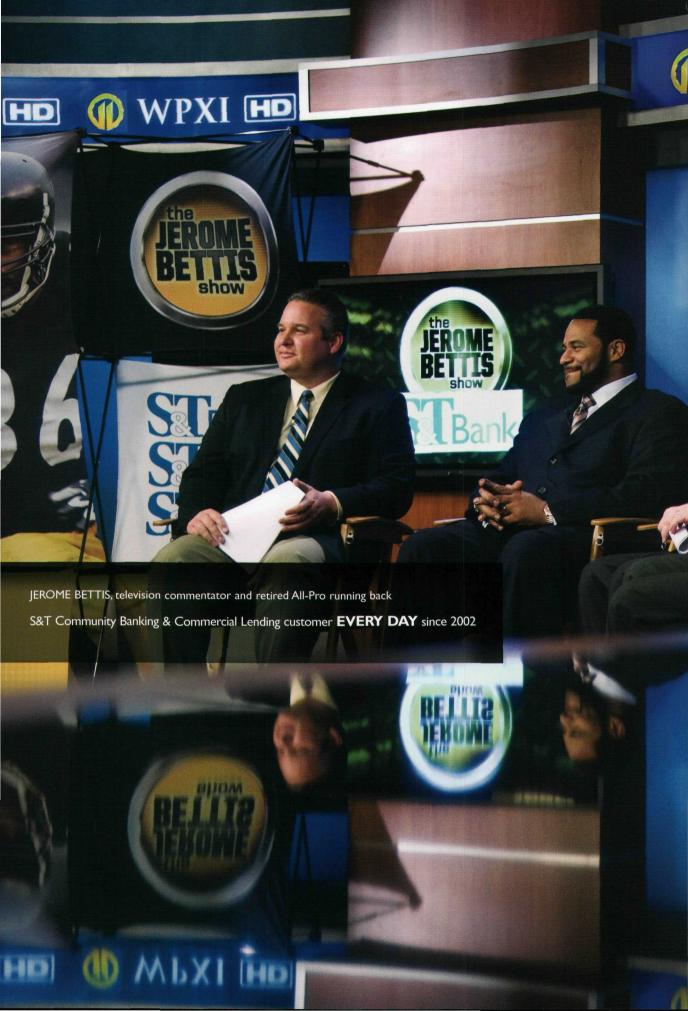


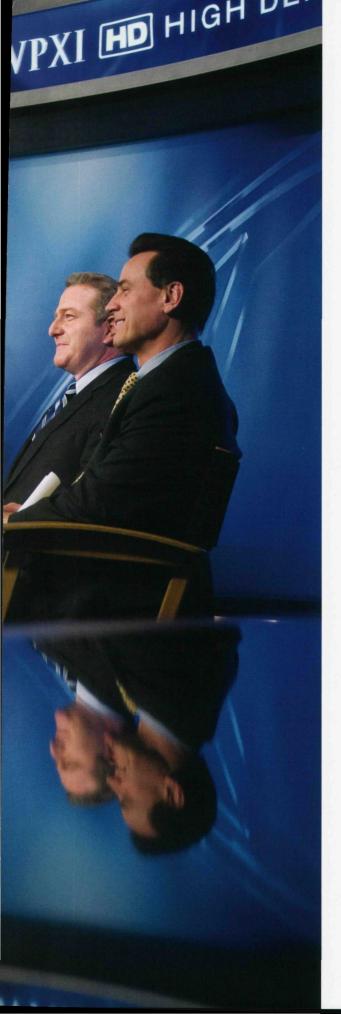


THE TAGGARTS LIVE IN EASTERN PENNSYLVANIA—MILES AWAY FROM S&T'S GEOGRAPHIC FOOTPRINT.

Nonetheless, they've chosen S&T Wealth Management for their investment, retirement, and trust accounts. "S&T is different. They go out of their way to make you feel important and that your success is their goal in life," said Dr. George Taggart. "In other words, you're not a bother. They're happy to see you, they're happy to talk to you and they're happy to do business with you." Even their four grown children have S&T accounts.

George inherited S&T Bancorp stock from his parents and grandparents, and the Taggarts wanted to learn more about S&T. So, they traveled to Indiana to attend an annual shareholders' meeting. "We were absolutely shocked at how well we were treated," Liela said. "We felt so welcomed, and so comfortable with the Wealth Management people, that we decided they could handle all of our financial affairs even though they're really not that close. We visit once a year for an annual review, and in between, I just pick up the phone. It's a really personal thing that they have established. Most banks don't do this and I think that makes a huge difference."





BEFORE IEROME BETTIS BECAME S&T'S OFFICIAL AMBASSADOR, he was

a well-established S&T customer. "I got to know the Bank through several business associates," lerome explained, "and then, as a partner in the Altoona Curve, I became a Commercial Lending customer" The Curve is a Double A affiliate of the Pittsburgh Pirates and S&T is its chosen lender. "They were so good to work with that before long I was using S&T for other business needs and for personal banking too."

That might have been the end of the story, except a phone call intervened."A bank I'd never dealt with asked me to be its spokesman, and that really got me thinking. Wouldn't I rather talk about a bank I know-a bank where I'm really a customer? Wouldn't I rather talk about S&T?"

Since January 2006, he's been doing just that, appearing in television and radio commercials, in newspaper insertions, and at special events. Most recently, he's been talking about S&T Rewards Visa®, a new consumer credit card secured by your home's equity. Competitively priced, it offers outstanding merchandise and travel rewardsplus a possible tax benefit. And S&T is one of the few banks in the country where it's available.

Rewards Visa® is just one of the reasons Jerome banks with S&T. "What I like most are the S&T people," he says. "They go out of their way to be friendly and helpful, and to make a real difference for their customers...EVERY CUSTOMER...EVERY DAY."

JAMES C. MILLER | CHAIRMAN AND CEO

TODD D. BRICE PRESIDENT AND COO

TO OUR SHAREHOLDERS:

Despite a difficult interest rate environment and significant upheaval in the financial markets, S&T returned to its historical path of profitable growth in 2007. Net income increased to \$56.1 million, a 5 percent gain over the previous year. Earnings per share, favorably impacted by a successful stock repurchase program, climbed to \$2.26, a 10 percent year-over-year increase, and an all-time high. We were able to raise the annual dividend to shareholders by 3 percentour 21st consecutive annual increase.

Commercial loans increased \$81.5 million or 4 percent, reflecting our sharpened focus on the commercial and industrial market segment. Consumer and residential mortgage loans increased \$49.2 million, or 8 percent. Total deposits climbed \$56.5 million, or 2 percent, primarily driven by strong growth in cash management accounts. Merchant, debit card, and insurance fees continued to grow, and total insurance revenue of \$7.3 million, a 10 percent year-over-year increase, set a new record.

Asset quality returned to more typical levels, following an unusually difficult year in 2006. Net loan charge-offs for the full year of 2007 were \$4.7 million, or 0.17 percent of average loans, and we have no subprime loan exposure, either in our loan or investment portfolios.

SOLID PROGRESS EVERY DAY

To enhance the value of our community banking franchise, we continually evaluate our branch network for growth potential and efficiency. In 2007, we added three new offices in Allegheny and Blair Counties-each with a full suite of expanded services-and closed four low-growth offices where market coverage could be provided by other branches. At the same time, our Internet banking service made a quantum leap, increasing its customers by 53 percent year-over-year. Nearly half of all S&T consumer households with checking accounts are now using our electronic banking services, and our Website recorded more than 1.7 million visits in 2007.

For Wealth Management, it was a transitional year, marked by the successful conversion to a new broker/dealer, and a strategic shift from a transactional orientation to a new emphasis on fee-based services, designed to provide a more stable revenue base. Other new strategies include a licensed banker initiative, whereby personal bankers at selected branches are licensed to sell annuities and other insurance products, providing even greater service for our customers. An important milestone was reached last June when only six months after its initial launch the Stewart Capital Mid Cap Fund received its NASDAQ ticker symbol (SCMFX) allowing the investment community to monitor the Fund.

Over the past year, we've analyzed every aspect of our business to improve our processes and efficiencies. We've invested in our infrastructure and our facilities, such as the major expansion of Evergreen's headquarters building in Ebensburg to accommodate continued growth. We've also invested in the recruitment of talented individuals to join the ranks of our S&T staff in every line of

business. Great people are the ones who make our commitment to exceptional service an everyday reality. And to attract and retain them, we need to be an employer of choice. That's why we're so gratified to have been



recognized once again as one of to work in 12007 the "Best Places to Work in PA."

OPPORTUNITIES FOR GROWTH

Our relationship banking strategy, underpinned by exceptional customer service, continues to drive the growth of our franchise. And our well-established track record for doing what's right-for the customer and for the Bankhas earned us an enviable reputation. That combination puts S&T in a unique position to take full advantage of the flight to quality that typically follows a market disruption like the subprime loan crisis, as consumers and businesses look for financial service providers they can trust.

Growth by acquisition is another major opportunity, and by mid-year 2008 we expect to consummate a new strategic partnership by merging the \$750 million Irwin Bank franchise into S&T Bank. This will expand S&T's existing footprint in Allegheny and Westmoreland Counties, adding 9 new offices and significantly increasing market share. A definitive merger agreement was signed last December with Irwin Bank's holding company, IBT Bancorp, Inc. We believe this new partnership will

be advantageous to both organizations and will add significant long-term value for our shareholders.

We thank all of our S&T staff members for an outstanding effort in 2007. We especially recognize the contributions of Dave Krieger, recently retired senior executive vice president, Commercial Lending, who had been instrumental in the growth of that business for more than two decades, and we're very pleased that he's been appointed to our board of directors. We also extend our gratitude to Ruth Grant, who served on our board with diligence and dedication since 1997. Having reached the mandatory retirement age for active directors, she was named director emeritus in 2007.

Finally, we thank you, our shareholders, for your confidence and support as we look forward to another year of progress.

Sincerely,

JAMES C. MILLER, Chairman and Chief Executive Officer

James C. Miller

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TODD D. BRICE, President and Chief Operating Officer

FINANCIAL HIGHLIGHTS

NET INCOME PER SHARE-DILUTED RETURN ON AVERAGE ASSETS RETURN ON AVERAGE EQUITY

Van Fadad Daarahaa 21				
Year Ended December 31	2007	2006	Change	% Change
(dollars in thousands, except per share data)	2007	2006	Change	% Change
FOR THE YEAR				
Net Income	\$56,144	\$53,336	\$2,808	5%
Return on Average Assets	1.68%	1.64%	0.04%	2%
Return on Average Equity	16.97%	15.37%	1.60%	10%
PER SHARE				
Net Income—Basic	\$2.27	\$2.07	\$0.20	10%
Net Income—Diluted	2.26	2.06	0.20	10%
Dividends Declared	1.21	1.17	0.04	3%
Book Value at December 31	13.75	13.37	0.38	3%
Market Value at December 31	27.64	34.67	(7.03)	(20%)
AT YEAR-END				
Assets	\$3,421,169	\$3,338,543	\$82,626	2%
Net Loans	2,762,594	2,633,071	129,523	5%
Deposits	2,621,825	2,565,306	56,519	2%
Shareholders' Equity	337,560	339,051	(1,491)	(1%)
Allowance for Loan Losses/Total Loans	1.23%	1.25%	(0.02%)	(2%)
Nonperforming Loans/Total Loans	0.60%	0.74%	(0.14%)	(19%)

Serving the Community—EVERY DAY

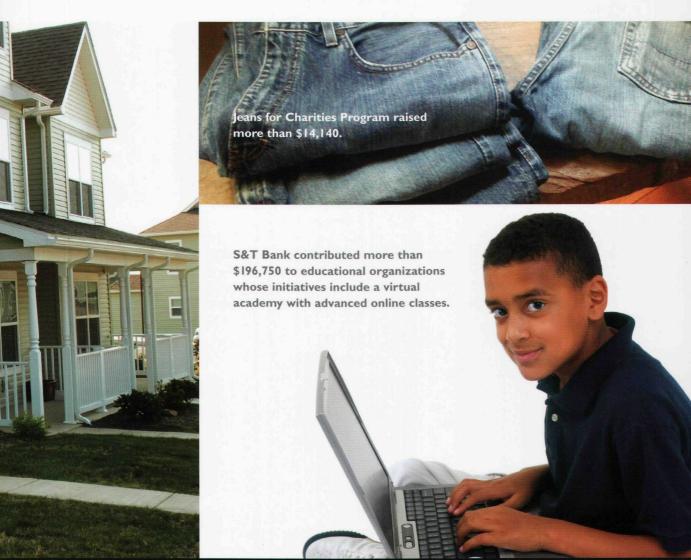
S&T's commitment to the communities it serves is illustrated every day by donations to qualified charities, assistance in providing affordable housing for low-income families and seniors, loans to municipalities and nonprofits, and a range of initiatives designed to benefit everyone who lives and works within S&T's 10-county region. The S&T Charitable Foundation committed or contributed more than \$506,000 to qualified charities in 2007, and the **Tenth Annual S&T Bank Charity Golf Classic**, with generous support from businesses and community organizations, raised another \$20,000. Over the past decade, the Golf Classic has distributed approximately \$227,000 to charities and nonprofits nominated by S&T staff.

Since 1991, S&T has participated in 22 affordable housing projects, totaling \$38 million and creating 436 new affordable housing units. Orchard Hill, notable for both energy efficiency and



modern amenities, was completed last September, and to make that a reality, S&T partnered with the Housing Authority of Indiana County, Trek Development, the Housing Alliance of Indiana County and the Pennsylvania Housing Finance Authority.

S&T has also participated in Pennsylvania's Educational Improvement Tax Credit Program since it was launched in 2001. Consequently, the Bank has contributed more than \$196,750 to educational organizations in the region, whose initiatives include a virtual academy with advanced online classes, and tuition reimbursement for high school students enrolled in college courses. In addition, S&T staff continue to volunteer their time and talent to community and nonprofit organizations, and to lend financial support. Through S&T's Jeans for Charities Program, for example, staffers raised more than \$14,140 during 2007 for charities nominated by their co-workers.



S&T Bancorp Executive Management

DAVID G.ANTOLIK Senior Executive Vice President, Commercial Lending

WENDY S. BELL Senior Vice President and Controller

RICHARD C. BLACK Senior Vice President, Commercial Lending

TODD D. BRICE President and Chief Operating Officer

WILLIAM H. CALHOUN Senior Vice President, Properties and Purchasing

ERNEST I. DRAGANZA Senior Vice President, Risk Management Officer

STEPHEN A. DRAHNAK Senior Vice President, Commercial Lending

RICHARD A. FISCUS Senior Vice President. **Branch Administration**

D. KATHLEEN GREENWELL Senior Vice President, **Employee Services**

EDWARD C. HAUCK Senior Executive Vice President, Retail Banking and Support Services

G. ROBERT JORGENSON, JR. Senior Vice President, Marketing

TONY E. KALLSEN Executive Vice President and Chief Credit Officer

THOMAS E. KIRAL President, S&T Insurance

MARK KOCHVAR **Executive Vice President** and Treasurer

I. CLIFFORD McBROOM Senior Vice President, Financial Planner, Wealth Management

IAMES C. MILLER Chairman and Chief Executive Officer

MICHELLE PETROVSKY Executive Vice President. Commercial Lending

MALCOLM E. POLLEY Executive Vice President and Chief Investment Officer, Wealth Management

ROBERT E. ROUT Senior Executive Vice President, Chief Financial Officer, and Secretary

DAVID P. RUDDOCK Executive Vice President, Information Technology and Operations

RICHARD A. SCHOLTON Senior Vice President, Commercial Lending

MICHAEL I. SETTIMIO Senior Vice President, Commercial Lending

ROBERT E. WERNER Senior Vice President, **Banking Operations**

GREGOR T. YOUNG IV, J.D. **Executive Vice President** and Managing Director, Wealth Management

Board of Directors

THOMAS A. BRICE Vice President, Douds, Inc.

TODD D. BRICE President and Chief Operating Officer, S&T Bancorp, Inc. and S&T Bank

IAMES L. CARINO President, J.L. Carino Nurseries, Inc.

JOHN J. DELANEY President, Delaney Chevrolet, Geo, Buick, Honda

MICHAEL J. DONNELLY President and Publisher, Indiana Printing and Publishing Company

WILLIAM J. GATTI Chairman, Millennium Pharmacy Systems, Inc.

IEFFREY D. GRUBE President, B.F.G. Electroplating and Manufacturing Company

FRANK W. IONES, ESQ. Attorney-at-Law

IOSEPH A. KIRK President, Beaver Meadow Creamery, Inc.

DAVID L. KRIEGER Retired, Senior Executive Vice President, S&T Bank

SAMUEL LEVY President, Jefferson Wholesale Grocery Company, Inc.

IAMES V. MILANO Certified Public Accountant

IAMES C. MILLER Chairman and Chief Executive Officer, S&T Bancorp, Inc. and S&T Bank

CHRISTINE J. OLSON Chairman and Chief Executive Officer, S.W. Jack Drilling Company; Partner, C&N Company

ALAN PAPERNICK, ESQ. Attorney-at-Law

CHARLES A. SPADAFORA President, Colonial Motor Mart

S&T Bank Service Area

ALTOONA

Altoona Regional Banking Center Denise Baranik Community Banking Manager 1100 Logan Boulevard

ARMAGH

Robert J. Lasinski Community Banking Manager 133 Philadelphia Street

BLAIRSVILLE

Resort Plaza Donald J. LoPresti Community Banking Manager III Resort Plaza Drive

Blairsville Station Deborah I. Zias Community Banking Manager 205 E. Market Street

BROCKWAY

Roberta Klingensmith Community Banking Manager 456 Main Street

BROOKVILLE

Ted B. Truman Community Banking Manager 256 Main Street

Route 36 John C. Oberlin Community Banking Manager 209 Allegheny Boulevard

Daniel C. DeBower Community Banking Manager 220 New Castle Road

CLARION

Heather L. Kirkwood-Mazik Community Banking Manager 410 Main Street

White Pillars Lisa R. Esser-Laugand Community Banking Manager 650 Main Street

CRANBERRY TOWNSHIP

S&T Financial Center Zebulon Lesser **Branch Supervisor** 20001 Route A

DELMONT

Yvonne L. McKibben Community Banking Manager 85 Greensburg Street

Enid S. Mercinko Community Banking Manager 100 S. Chestnut Street

DUBOIS

DuBois Drive-Up Eva M. McKee Retail Services Supervisor 35 W. Scribner Avenue

DuBois Mall Melanie A. McGinnis Community Banking Manager 5522 Shaffer Road

Liberty Boulevard Linda G. Armstrong Community Banking Manager 614 Liberty Boulevard

DUNCANSVILLE

Strawberry Meadows Jeffrey E. Fleck Community Banking Manager 200 Patchway Road

EAST OAKMONT

Linda J. Popies Community Banking Manager 2190 Hulton Road

FORD CITY

Paul J. Barbiaux Community Banking Manager 920 Fifth Avenue

Manor Judy L. Creel Community Banking Manager 420 Pleasantview Drive & Armstrong Street

GREENSBURG

Judith A. Soles Community Banking Manager 701 E. Pittsburgh Street

HOLIDAY PARK

Pamela P. Price Community Banking Manager 2388 Route 286

Holiday Park Drive-Up Pamela P. Price Community Banking Manager 2320 Route 286

HOMER CITY

Michael F. Grimes, Jr. Community Banking Manager 34 N. Main Street

INDIANA

Main Office Michael F. Ciocca Community Banking Manager 800 Philadelphia Street

N. Fourth Street Linda F. Shaffer Community Banking Manager 324 N. Fourth Street

INDIANA (cont'd)

Direct Banking Center Mark W. Kromer Direct Banking Services Manager 355 N. Fifth Street

Indian Springs Susan M. Shank Community Banking Manager 2455 Route 286 South

Southtowne Plaza Jody M. Shepler Community Banking Manager 3100 Oakland Avenue

Wayne Avenue Renee Lazeration Community Banking Manager 1107 Wayne Avenue

KITTANNING

Hilltop Plaza Jodi Lynn Rupert Community Banking Manager Route 268 12 Hilltop Plaza

LATROBE

Route 30 East Thomas A. Smail Community Banking Manager 3884 Route 30 East

LEECHBURG

Allegheny Towne Center Valerie L. Stone Community Banking Manager 30 Towne Center Drive

LUCERNE

Bernadette Palchesko Community Banking Manager 225 Lucerne Road

MONROEVILLE

Donna A. Benzenhoefer Community Banking Manager 4385 Old William Penn Highway

MURRYSVILLE

Jacqueline A. Hahn Community Banking Manager 4251 Old William Penn Highway

NEW BETHLEHEM

Amanda J. Coon Community Banking Manager 628 Broad Street

O'HARA TOWNSHIP

Stephanie A. Embry Community Banking Manager 1077 Freeport Road

PENN HILLS

Adam B. Embry Community Banking Manager 12262 Frankstown Road

PLUM

Stacy A. Burgeson Community Banking Manager 7660 Saltsburg Road

PUNXSUTAWNEY

Hampton Avenue lodi L. Presloid Community Banking Manager 232 N. Hampton Avenue

Mahoning Denise A. Bugay Community Banking Manager 539 W. Mahoning Street

REYNOLDSVILLE

Carol O'Donnell Community Banking Manager 418 Main Street

SALTSBURG

Darlene D. Shirley Community Banking Manager 602 Salt Street

SHADYSIDE

S&T Financial Center Lynn A. Fritzius Community Banking Manager 820 S. Aiken Avenue

SQUIRREL HILL

Stuart Rattner Community Banking Manager 6306 Forbes Avenue

UNITY

Brian J. Irwin Community Banking Manager 301 Unity Center Road

YOUNGWOOD

Christa Trout-Griffith Community Banking Manager 100 S. Fourth Street

