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CONSOLIDATED BALANCE SHEETS

S&T Bancorp, Inc. and Subsidiaries

December 31	2006	2005
<i>(dollars in thousands, except share and per share data)</i>		
ASSETS		
Cash and due from banks	\$ 59,980	\$ 56,189
Securities available for sale	432,045	481,257
Other investments	10,562	13,318
Loans held for sale	826	1,580
Portfolio loans, net of allowance for loan losses of \$33,220 in 2006 and \$36,572 in 2005	2,632,245	2,453,354
Premises and equipment, net	35,700	29,123
Goodwill	49,955	49,073
Other intangibles, net	4,985	5,478
Bank owned life insurance	34,251	33,107
Other assets	77,994	72,500
Total Assets	\$ 3,338,543	\$ 3,194,979
LIABILITIES		
Deposits:		
Noninterest-bearing demand	\$ 448,453	\$ 435,672
Interest-bearing demand	150,568	155,191
Money market	163,105	242,228
Savings	881,967	652,685
Time deposits	921,213	933,108
Total Deposits	2,565,306	2,418,884
Securities sold under repurchase agreements and federal funds purchased	133,021	137,829
Short-term borrowings	55,000	150,000
Long-term borrowings	171,941	83,776
Junior subordinated debt securities	25,000	—
Other liabilities	49,224	52,069
Total Liabilities	2,999,492	2,842,558
SHAREHOLDERS' EQUITY		
Preferred stock, without par value, 10,000,000 shares authorized and none outstanding	—	—
Common stock (\$2.50 par value) Authorized—50,000,000 shares in 2006 and 2005 Issued—29,714,038 shares in 2006 and 2005	74,285	74,285
Additional paid-in capital	26,698	26,120
Retained earnings	349,447	326,158
Accumulated other comprehensive income	4,014	9,172
Treasury stock (4,352,764 shares in 2006 and 3,443,308 shares in 2005, at cost)	(115,393)	(83,314)
Total Shareholders' Equity	339,051	352,421
Total Liabilities and Shareholders' Equity	\$ 3,338,543	\$ 3,194,979

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CONSOLIDATED STATEMENTS OF INCOME

S&T Bancorp, Inc. and Subsidiaries

Year Ended December 31	2006	2005	2004
(dollars in thousands, except per share data)			
INTEREST INCOME			
Loans, including fees	\$ 185,544	\$ 151,328	\$ 126,337
Deposits with banks and federal funds sold	101	95	20
Investment Securities:			
Taxable	14,293	15,990	18,003
Tax-exempt	2,694	2,499	2,129
Dividends	2,070	2,210	2,149
Total Interest Income	204,702	172,122	148,638
INTEREST EXPENSE			
Deposits	73,529	44,824	30,632
Securities sold under repurchase agreements and federal funds purchased	5,171	3,945	1,917
Short-term borrowings	4,424	7,127	4,321
Long-term borrowings and capital securities	8,460	3,618	4,020
Total Interest Expense	91,584	59,514	40,890
NET INTEREST INCOME	113,118	112,608	107,748
Provision for loan losses	9,380	5,000	4,400
Net Interest Income After Provision for Loan Losses	103,738	107,608	103,348
NONINTEREST INCOME			
Security gains, net	5,481	5,008	5,344
Service charges on deposit accounts	10,412	9,587	9,383
Wealth management fees	7,862	6,977	6,201
Letter of credit fees	2,284	2,208	2,022
Insurance agency fees	6,637	5,685	4,558
Mortgage banking	703	1,497	1,391
Other	7,011	6,424	5,502
Total Noninterest Income	40,390	37,386	34,401
NONINTEREST EXPENSE			
Salaries and employee benefits	37,601	34,715	32,845
Occupancy, net	5,101	4,816	4,166
Furniture and equipment	3,297	3,251	2,916
Other taxes	2,973	2,698	2,609
Data processing	4,852	4,290	3,966
Marketing	2,478	2,326	2,399
Amortization of intangibles	325	214	347
FDIC assessment	302	293	289
Other	12,350	9,861	10,853
Total Noninterest Expense	69,279	62,464	60,390
Income Before Taxes	74,849	82,530	77,359
Applicable Income Taxes	21,513	24,287	23,001
Net Income	\$ 53,336	\$ 58,243	\$ 54,358
Earnings per common share—Basic	\$ 2.07	\$ 2.21	\$ 2.05
Earnings per common share—Diluted	2.06	2.18	2.03
Dividends declared per common share	1.17	1.13	1.07

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CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

S&T Bancorp, Inc. and Subsidiaries

	Comprehensive Income	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
<i>(dollars in thousands, except per share data)</i>							
Balance at December 31, 2003		\$ 74,285	\$ 21,939	\$ 271,699	\$ 27,185	\$ (62,390)	\$332,718
Net income for 2004	\$54,358			54,358			54,358
Other comprehensive income, net of tax expense of \$2,209:							
Unrealized losses on securities of \$(2,791) net of reclassification adjustment for gains included in net income of \$3,519	(6,310)				(6,310)		(6,310)
Comprehensive Income	\$48,048						
Cash dividends declared (\$1.07 per share)				(28,367)			(28,367)
Treasury stock acquired (542,600 shares)						(15,970)	(15,970)
Treasury stock issued for stock options exercised (490,584 shares)			(210)			10,560	10,350
Recognition of restricted stock compensation expense			252				252
Tax benefit from nonstatutory stock options exercised			2,098				2,098
Balance at December 31, 2004		\$ 74,285	\$ 24,079	\$ 297,690	\$ 20,875	\$ (67,800)	\$349,129
Net income for 2005	\$58,243			58,243			58,243
Other comprehensive income, net of tax expense of \$4,096:							
Unrealized losses on securities of \$(8,448) net of reclassification adjustment for gains included in net income of \$3,255	(11,703)				(11,703)		(11,703)
Comprehensive Income	\$46,540						
Cash dividends declared (\$1.13 per share)				(29,775)			(29,775)
Treasury stock acquired (660,400 shares)						(23,176)	(23,176)
Treasury stock issued for stock options exercised (330,735 shares)			245			7,662	7,907
Recognition of restricted stock compensation expense			136				136
Tax benefit from nonstatutory stock options exercised			1,660				1,660
Balance at December 31, 2005		\$ 74,285	\$ 26,120	\$ 326,158	\$ 9,172	\$ (83,314)	\$352,421
Net income for 2006	\$53,336			53,336			53,336
Other comprehensive income, net of tax expense of \$743:							
Unrealized gains on securities of \$1,441 net of reclassification adjustment for gains included in net income of \$3,563	(2,122)				(2,122)		(2,122)
Comprehensive Income	\$51,214						
Cash dividends declared (\$1.17 per share)				(30,047)			(30,047)
Treasury stock acquired (122,244 shares)						(35,269)	(35,269)
Treasury stock issued for stock options exercised (1,031,700 shares)			(435)			3,190	2,755
Recognition of restricted stock compensation expense			59				59
Tax benefit from nonstatutory stock options exercised			502				502
Recognition of nonstatutory stock option compensation expense			452				452
Adjustment to initially apply SFAS No. 158, net of tax of \$1,635					(3,036)		(3,036)
Balance at December 31, 2006		\$ 74,285	\$ 26,698	\$ 349,447	\$ 4,014	\$ (115,393)	\$339,051

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CONSOLIDATED STATEMENTS OF CASH FLOWS

S&T Bancorp, Inc. and Subsidiaries

Year Ended December 31 (dollars in thousands)	2006	2005	2004
OPERATING ACTIVITIES			
Net Income	\$ 53,336	\$ 58,243	\$ 54,358
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	9,380	5,000	4,400
Depreciation and amortization	3,246	3,077	2,832
Net amortization of investment security premiums	967	1,119	2,200
Recognition of stock-based compensation expense	954	—	—
Security gains, net	(5,481)	(5,008)	(5,344)
Deferred income taxes	1,802	1,100	(1,612)
Excess tax benefits from stock-based compensation	(294)	1,660	2,098
Mortgage loans originated for sale	(17,649)	(35,848)	(42,191)
Proceeds from the sale of loans	18,760	36,354	42,983
Gains on the sale of loans, net	(357)	(506)	(792)
(Increase) decrease in interest receivable	(1,501)	(2,513)	677
Increase in interest payable	305	1,651	20
(Increase) decrease in other assets	(9,398)	(12,243)	61
(Decrease) increase in other liabilities	(2,834)	(101)	1,241
Net Cash Provided by Operating Activities	51,236	51,985	60,931
INVESTING ACTIVITIES			
Net (increase) decrease in interest-earning deposits with banks	(1)	97	2
Proceeds from maturities of securities available for sale	53,923	66,271	117,256
Proceeds from sales of securities available for sale	11,838	6,506	44,948
Purchases of securities available for sale	(12,950)	(63,533)	(75,931)
Net increase in loans	(188,271)	(205,876)	(188,347)
Purchases of premises and equipment, net	(9,498)	(6,495)	(4,939)
Net Cash Used in Investing Activities	(144,959)	(203,030)	(107,011)
FINANCING ACTIVITIES			
Net increase in core deposits	158,318	173,569	163,813
Net (decrease) increase in time deposits	(11,895)	69,052	50,199
Net decrease in short-term borrowings	(95,000)	(75,000)	(9,650)
Net (decrease) increase in securities sold under repurchase agreements and federal funds purchased	(4,808)	39,445	(98,986)
Proceeds from long-term borrowings	133,509	50,868	4,932
Repayments of long-term borrowings	(45,344)	(53,417)	(35,540)
Proceeds from junior subordinated debt securities	25,000	—	—
Net treasury stock activity	(32,514)	(15,269)	(5,620)
Cash dividends paid to shareholders	(30,046)	(29,342)	(28,101)
Excess tax benefits from stock-based compensation	294	—	—
Net Cash Provided by Financing Activities	97,514	159,906	41,047
Increase (decrease) in Cash and Cash Equivalents	3,791	8,861	(5,033)
Cash and Cash Equivalents at Beginning of Year	56,189	47,328	52,361
Cash and Cash Equivalents at End of Year	\$ 59,980	\$ 56,189	\$ 47,328

See Notes to Consolidated Financial Statements