S&T BANCORP INC
Form 424B3
June 28, 2012
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-181568

Prospectus of S&T Bancorp, Inc. **Proxy Statement of Gateway Bank of Pennsylvania**

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On March 29, 2012, Gateway Bank of Pennsylvania, or Gateway, agreed to merge with S&T Bancorp, Inc., or S&T. We are sending you this proxy statement/prospectus to invite you to attend a special meeting of Gateway shareholders being held to vote on the merger and to ask you to vote at the special meeting in favor of adopting the agreement and plan of merger, or the merger agreement.

If the merger is completed, Gateway will merge with and into a wholly-owned subsidiary of S&T, and you will be entitled to receive your merger consideration in the form of S&T common stock and cash. You will be entitled to receive, in exchange for each share of Gateway common stock you hold at the time of the merger, consideration, without interest, with a value equal to approximately $12.30 per share comprised of (i) a cash payment of $3.08 and (ii) between 0.3810 and 0.4657 shares of S&T common stock, which have a value of approximately $9.22. The precise number of shares will be based upon the average of the high and low sale prices for S&T common stock for the 10 trading day period ending the trading date prior to the closing date.

As an example, if the average of the high and low sale prices of S&T common stock on The Nasdaq Stock Market for the 10 trading days ending the trading day before the closing date is $17.73, which was the average of the high and low sale prices of S&T common stock on The Nasdaq Stock Market for the 10 days ending on June 26, 2012 (the most recent practicable date prior to the date of this proxy statement/prospectus), then each share of Gateway common stock would be converted into the right to receive $3.08 in cash and .4657 shares of S&T common stock, which would have a market value of $8.26. As an additional example, if the average of the high and low sale prices of S&T common stock on The Nasdaq Stock Market for the 10 trading days ending the trading day before the closing date is $22.03, which was the average of the high and low sale prices for S&T common stock for the 10 days ending on March 28, 2012, the last trading day prior to the announcement of the merger, then each share of Gateway common stock would be converted into the right to receive $3.08 in cash and .4185 shares of S&T common stock, which have a market value of $9.22. A chart showing the stock merger consideration at various hypothetical averages of the high and low sale prices of S&T common stock is provided on page 7 of this proxy statement/prospectus. However, the actual average of the high and low sales prices may be outside the range of the amounts presented in such table, and as a result, the actual value of the merger consideration per share of S&T common stock may not be shown in such table.

The market prices of S&T common stock will fluctuate before the completion of the merger. You should obtain current stock price quotations for S&T common stock. S&T common stock trades on The Nasdaq Global Select Market under the symbol STBA. Gateway s common stock is not publicly traded, and Gateway is not aware of any trading of Gateway common stock through any means.

The special meeting of the shareholders of Gateway will be held on August 1, 2012 at 4:30 p.m., local time, at St. Clair Country Club, Crossroads Room, 2300 Old Washington Road, Upper St. Clair, PA 15241. Your vote is important. The affirmative vote of 66 $^{2}/3$% of the Gateway votes cast is required to adopt the merger agreement. A majority of the outstanding Gateway common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting.

Regardless of whether you plan to attend the special shareholders meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. **The Gateway board of directors recommends that Gateway shareholders vote FOR adoption of the merger agreement and FOR approval to adjourn the special meeting, if necessary, to solicit additional proxies.**

This proxy statement/prospectus describes the special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire proxy statement/prospectus, including Risk Factors beginning on page 15, for a discussion of

the risks relating to the proposed merger. You also can obtain information about S&T from documents that it has filed with the Securities and Exchange Commission, or the SEC.

Sincerely,

William J. Burt
President and Chief Executive Officer

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the S&T common stock to be issued under this proxy statement/prospectus or determined if this proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is June 27, 2012, and it is first being mailed or otherwise delivered to Gateway shareholders on or about July 2, 2012.

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GATEWAY BANK OF PENNSYLVANIA

3402 Washington Road

McMurray, Pennsylvania 15317

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Gateway Bank of Pennsylvania will hold a special meeting of shareholders on August 1, 2012 at 4:30 p.m., local time, at St. Clair Country Club, Crossroads Room, 2300 Old Washington Road, Upper St. Clair, PA 15241, to consider and vote upon the following proposals:

- to adopt the Agreement and Plan of Merger, dated as of March 29, 2012, by and between Gateway Bank of Pennsylvania and S&T Bancorp, Inc., which provides for, among other things, the merger of Gateway Bank of Pennsylvania with and into S&T Bancorp, Inc.;

- to approve a proposal to authorize the board of directors to adjourn the special meeting, if necessary, to solicit additional proxies, in the event there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement; and

- to transact any other business as may properly be brought before the special meeting or any adjournments or postponements of the special meeting.

The Gateway board of directors has fixed the close of business on June 25, 2012 as the record date for the special meeting. Only Gateway shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting.

The affirmative vote of 66 $^{2}/3$% of the votes cast by holders of shares of Gateway stock entitled to vote at the Gateway special meeting is required to adopt the merger agreement.

Regardless of whether you plan to attend the special meeting, please submit your proxy with voting instructions. Please vote as soon as possible, as failure to vote has the same effect as a vote AGAINST the merger. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope. If you hold your stock in street name through a bank or broker, please direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker. This will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any holder of Gateway common stock who is present at the special meeting may vote in person instead of by proxy, thereby canceling any previous proxy. In addition, a proxy may be revoked in writing at any time before its exercise at the special meeting in the manner described in the accompanying document.

The Gateway board of directors has unanimously approved the merger agreement and recommends that Gateway shareholders vote FOR the adoption of the merger agreement and FOR the approval to adjourn the special meeting, if necessary, to solicit additional proxies.

BY ORDER OF THE BOARD OF DIRECTORS

Robert Kerr, Secretary

June 27, 2012

McMurray, Pennsylvania

YOUR VOTE IS IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING. YOU MAY FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about S&T from documents that are not included in or delivered with this proxy statement/prospectus. You can obtain documents incorporated by reference in this proxy statement/prospectus, other than certain exhibits to those documents, by requesting them in writing or by telephone at the following addresses:

S&T Bancorp, Inc.

800 Philadelphia Street

Indiana, PA 15701

(800) 325-2265

Attention: Investor Relations

You will not be charged for any of these documents that you request. Gateway shareholders requesting documents should do so by July 25, 2012 in order to receive them before the special meeting.

See also *Where You Can Find More Information* on page 76.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The questions and answers below highlight only selected procedural information from this proxy statement/prospectus. They do not contain all of the information that may be important to you. You should read carefully the entire proxy statement/prospectus and the additional documents incorporated by reference into this proxy statement/prospectus to fully understand the voting procedures for the special meeting.

Q: What is the purpose of this proxy statement/prospectus?

A: This proxy statement/prospectus serves as both a proxy statement of Gateway and a prospectus of S&T. As a proxy statement, it is being provided to you because the Gateway board of directors is soliciting your proxy for use at the Gateway special meeting of shareholders at which the Gateway shareholders will consider and vote on (i) adoption of the merger agreement between S&T and Gateway and (ii) authorization of the board of directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of adoption of the merger agreement or vote on other matters properly before the special meeting. As a prospectus, it is being provided to you because S&T is offering to exchange shares of its common stock for your shares of Gateway common stock upon completion of the merger.

Q: What is the proposed transaction for which I am being asked to vote?

A: You are being asked to vote upon proposals to (i) adopt the Agreement and Plan of Merger, dated March 29, 2012, by and between S&T and Gateway, which we refer to in this proxy statement/prospectus as the merger agreement, which provides for, among other things, the merger of Gateway with and into a wholly-owned subsidiary of S&T, which we refer to as the merger and (ii) adjourn the special meeting, if necessary, to solicit additional proxies.

Q: What do I need to do now?

A: With respect to the special meeting after you have carefully read this proxy statement/prospectus and decided how you wish to vote your shares, please vote your shares promptly. You must complete, sign, date and mail your proxy card in the enclosed postage paid return envelope as soon as possible. Submitting your proxy card will ensure that your shares are represented and voted at the special meeting.

Q: If my broker holds my shares in street name will my broker automatically vote my shares for me?

A: No. Your broker will not be able to vote your shares on the merger agreement without instruction from you. You should instruct your broker to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker.

Q: What if I fail to instruct my broker?

A: If you do not provide your broker with instructions, your broker generally will not be permitted to vote your shares on the merger proposal, which is referred to as a broker non-vote. For purposes of determining the number of votes cast with respect to the merger proposal, only those votes cast for or against the proposal are counted. Broker non-votes, if any are submitted by brokers or nominees in connection with the special meeting, will not be counted as votes for or against for purposes of determining the number of votes cast (thus having the effect of a vote against the proposal to adopt the merger agreement), but will be treated as present for quorum purposes.

Q: When and where is the Gateway special meeting of shareholders?

A: The special meeting of Gateway shareholders will be held on August 1, 2012 at 4:30 p.m., local time, at St. Clair Country Club, Crossroads Room, 2300 Old Washington Road, Upper St. Clair, PA 15241. All shareholders of Gateway as of the record date, or their duly appointed proxies, may attend the Gateway special meeting.

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Q: How do I vote?

A: If you are a shareholder of record of Gateway as of June 25, 2012, which is referred to as the Gateway record date, you may submit a proxy before the special meeting by completing, signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope.

You may also cast your vote in person at the special meeting.

Q: If I am a Gateway shareholder, should I send in my Gateway stock certificates with my proxy card?

A: No. **PLEASE DO NOT SEND YOUR GATEWAY STOCK CERTIFICATES WITH YOUR PROXY CARD.** You should carefully review and follow the instructions set forth in the letter of transmittal, which will be mailed to Gateway shareholders by American Stock Transfer and Trust Company, which we refer to as the exchange agent, separately following the closing date, regarding the surrender of your share certificates. You should then send your Gateway common stock certificates to the exchange agent, together with your completed, signed letter of transmittal.

Q: Whom can I contact if I cannot locate my Gateway stock certificates?

A: If you are unable to locate your original Gateway stock certificate(s), you should contact Robert Kerr, Secretary of Gateway, at 724-942-2021.

Q: Why is my vote important?

A: Because the merger cannot be completed without the affirmative vote of 66 $^{2}/3$% of the votes cast by all shareholders entitled to vote to adopt the merger agreement, and because a majority of the outstanding Gateway common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting, every shareholder s vote is important.

Q: How does the Gateway board of directors recommend that I vote?

A: The Gateway board of directors recommends that you vote FOR adoption of the agreement and plan of merger. At the meeting, the members of the board of directors and the executive officers of Gateway, and their affiliates, in the aggregate have the power to vote approximately 25.1% of the outstanding shares of Gateway common stock. Gateway s directors and executive officers each entered into a voting agreement with S&T in connection with the execution of the merger agreement and therefore will vote their shares in favor of the proposals to be considered at the Gateway special meeting.

Q: Can I attend the Gateway special meeting and vote my shares in person?

A: Yes. All shareholders, including shareholders of record and shareholders who hold their shares through nominees or any other holder of record, are invited to attend the special meeting. Holders of record of Gateway common stock can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. We reserve the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Q: Can I change my vote or revoke my proxy after I have delivered my proxy?

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to the Secretary of Gateway or (3) attending the special

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meeting in person, notifying the Secretary and voting by ballot at the special meeting. The mailing address of the Secretary of Gateway, Mr. Robert Kerr, is Gateway Bank of Pennsylvania, 3402 Washington Road, McMurray, Pennsylvania 15317.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy, but the mere presence (without notifying the Secretary of Gateway) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the third quarter of 2012. However, we cannot assure you when or if the merger will occur. Among other things, we cannot complete the merger until we obtain the approval of Gateway shareholders at the special meeting, receive all necessary regulatory approvals and consents and satisfy the closing conditions described in the merger agreement.

Q: What are the material U.S. federal income tax consequences of the merger to me?

A: The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. As a result of the merger s qualification as a reorganization, it is anticipated that Gateway shareholders will not recognize gain or loss for U.S. federal income tax purposes upon the exchange of shares of Gateway common stock for shares of S&T common stock, except with respect to the cash amount of the merger consideration or cash received in lieu of fractional shares of S&T common stock and except for Gateway shareholders who exercise their appraisal rights with respect to the merger.

Tax matters are very complicated, and the tax consequences of the merger to a particular shareholder will depend in part on such shareholder s circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax consequences. For more information, please see the section entitled *Material United States Federal Income Tax Consequences of the Merger* beginning on page 52 of this proxy statement/prospectus.

Q: Who will be the directors and executive officers of the company following the merger?

A: Following the merger, the Board of Directors of S&T will remain the same. No members of the Gateway board of directors will be joining the board of directors of S&T; however, each member of Gateway s board of directors will be invited to serve on the Washington County Advisory Board of S&T s banking subsidiary, S&T Bank. Additionally, the executive management team of S&T will remain unchanged.

Q: What risks should I consider in deciding whether to vote in favor of the proposals?

A: You should carefully review the section of this proxy statement/prospectus entitled *Risk Factors* beginning on page 15, which sets forth certain risks and uncertainties related to which the merger will be subject. Additional risk factors regarding the business and operations of S&T may be found in S&T s filings with the SEC. See *Where You Can Find More Information* on page 76 of this proxy statement/prospectus.

Q: Do I have rights to dissent from the merger?

A:

Yes. Under Pennsylvania law, Gateway shareholders have the right to dissent from the merger agreement and the merger and to receive a payment in cash for the fair value of their shares of Gateway common stock as determined by an appraisal process. This value may be more or less than the value you would receive in the merger if you do not dissent. If you dissent, you will receive a cash payment for the value of

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your shares that will be fully taxable to you. To perfect your dissenters rights, you must follow precisely the required statutory procedures. See *The Merger Gateway Shareholders Have Dissenters Rights in the Merger*, beginning at page 34 and the information at *Annex C*.

Q: How will the merger affect stock options for Gateway common stock?

A: Upon consummation of the merger, each outstanding vested and unvested option to acquire a share of Gateway common stock will be cancelled in exchange for the right to receive, on the terms and conditions set forth in the merger agreement, an amount in cash equal to the excess, if any, of the per-share cash consideration of $12.30 over the option s exercise price per share.

Q: Whom should I call with questions about the shareholders meeting or the merger?

A: Gateway shareholders with questions regarding the merger should contact the Secretary of Gateway, Mr. Robert Kerr, at Gateway Bank of Pennsylvania, 3402 Washington Road, McMurray, Pennsylvania 15317. Mr. Kerr s phone number is 724-942-2021.

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SUMMARY

This summary highlights information contained elsewhere in this proxy statement/prospectus and may not contain all of the information that is important to you. We urge you to carefully read the entire proxy statement/prospectus and the other documents to which we refer in order to fully understand the merger and the related transactions. See *Where You Can Find More Information* on page 76. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

Information about the Parties (page 57)

S&T Bancorp, Inc.

S&T is a Pennsylvania corporation and a financial holding company with its headquarters located in Indiana, Pennsylvania. At March 31, 2012, S&T had assets of approximately $4.3 billion, deposits of $3.5 billion and shareholders equity of $504.4 million.

S&T provides a full range of financial services through offices located within Allegheny, Armstrong, Blair, Butler, Cambria, Clarion, Clearfield, Indiana, Jefferson and Westmoreland counties of Pennsylvania. S&T provides full service retail and commercial banking products as well as cash management services, insurance, estate planning and administration, employee benefit, investment management and administration, corporate services and other fiduciary services. S&T s common stock trades on The Nasdaq Global Select Market under the symbol STBA. S&T s website is http://www.stbancorp.com.

The principal executive offices of S&T are located at S&T Bancorp, Inc., 800 Philadelphia Street, Indiana, PA, 15701, and its telephone number is (800) 325-2265.

Gateway Bank of Pennsylvania

Gateway is a Pennsylvania corporation headquartered at 3402 Washington Road, McMurray, Pennsylvania, 15317, and its telephone number is (724) 969-1010. Gateway provides commercial and retail banking services at its two offices, which are located in McMurray, Pennsylvania and Cranberry Township, Pennsylvania. At March 31, 2012, Gateway had total assets of $124.1 million, deposits of $100.5 million, and shareholders equity of $15.4 million. Gateway s website is http://www.gatewaybankpa.com.

In addition to taking deposits, Gateway originates loans to commercial businesses, governmental entities, and individuals. As of March 31, 2012, Gateway s loan portfolio included commercial and multi-family real estate loans, commercial business loans and lines of credit, loans to municipalities, not-for-profit organizations and other governmental entities, home equity term loans and lines of credit, residential and commercial construction loans, automobile loans, and personal loans.

The Merger (page 23)

The terms and conditions of the merger are contained in the merger agreement, which is attached as *Annex A* to this proxy statement/prospectus and incorporated by reference herein. Please carefully read the merger agreement as it is the legal document that governs the merger.

Gateway Will Merge into a Subsidiary of S&T

We are proposing the merger of Gateway with and into an interim state-chartered bank that is a wholly-owned subsidiary of S&T. As a result, the wholly-owned subsidiary of S&T will continue as the surviving

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company. Following the consummation of the merger, such wholly-owned subsidiary will merge into S&T Bank, a bank and trust company organized under the Pennsylvania Banking Code of 1965 and a wholly-owned subsidiary of S&T, with S&T Bank as the surviving bank.

Gateway Will Hold Its Special Meeting on August 1, 2012 (page 20)

The special meeting will be held on August 1. At the special meeting, Gateway shareholders will be asked to:

1. adopt the merger agreement; and

2. approve the adjournment of the special meeting, if necessary, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Record Date. Only holders of record of Gateway common stock at the close of business on June 25, 2012 will be entitled to vote at the special meeting. Each share of Gateway common stock is entitled to one vote. As of the record date of June 25, 2012, there were 1,718,960 shares of Gateway common stock entitled to vote at the special meeting.

Required Vote. The affirmative vote of 66 $^{2/3}$% of the Gateway votes cast is required to adopt the merger agreement and the affirmative vote of a majority of the shares of Gateway common stock present in person or by proxy is required to adjourn the special meeting, in certain circumstances, to solicit additional proxies. A majority of the outstanding Gateway common stock entitled to vote is necessary to constitute a quorum in order to transact business at the special meeting. As of the record date, there were 1,718,960 shares of common stock issued and outstanding.

As of the record date, directors and executive officers of Gateway and their affiliates had the right to vote 434,650 shares of Gateway common stock, or 25.1% of the outstanding Gateway common stock entitled to be voted at the special meeting. The directors and executive officers have entered into voting agreements whereby such directors and executive officers have agreed to, among other things, vote for the proposals at the special meeting and not to transfer or dispose of their shares prior to the meeting.

Gateway Shareholders Will Receive Cash and Shares of S&T Common Stock in the Merger (page 42)

You will have the right to receive merger consideration, without interest, for each of your shares of Gateway common stock in the amount of approximately $12.30 per share. You will receive in exchange for each share of Gateway common stock you own immediately prior to completion of the Merger: (i) a cash payment of $3.08 per share; (ii) between 0.3810 and 0.4657 shares of S&T common stock. The precise number of shares will be based upon the average of the high and low sale prices for S&T common stock for the 10 trading day period ending the trading date prior to the closing date.

As an example, based on the average of the high and low sale prices of S&T common stock on The Nasdaq Stock Market for the 10 trading days ending on June 26, 2012 (the most recent practicable date prior to the date of this proxy statement/prospectus), for each share of Gateway common stock held, you would receive $3.08 in cash and .4657 shares of S&T common stock, which would have a market value of $8.26.

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The following table provides examples of how the value of the merger consideration may change depending on the average high and low share price of S&T common stock. The range of prices set forth in the table has been included for representative purposes only. S&T cannot assure you as to what the market price of the S&T common stock to be issued in the merger will be at or following the time of the exchange. The table assumes that Gateway will not have a right to terminate the merger agreement under the circumstances described under the heading entitled *The Merger Agreement Termination of the Merger Agreement* on page 49.

Hypothetical 10-Day Average Price of S&T Common Stock	Exchange Ratio	Implied Value Received in Exchange Per Share of Gateway Stock
$26.00	0.3810	$ 12.99
$24.20	0.3810	$ 12.30
$22.00	0.4191	$ 12.30
$19.80	0.4657	$ 12.30
$18.00	0.4657	$ 11.46
$17.00	0.4657	$ 11.00

The examples above are illustrative only. The value of the merger consideration that you actually receive will be based on the actual average of the high and low sale prices of S&T common stock on The Nasdaq Stock Market for the 10 trading days ending the trading day prior to the closing. The actual average of the high and low sale prices may be outside the range of the amounts set forth above, and as a result, the actual value of the merger consideration per share of S&T common stock may not be shown in the above table.

You should carefully read *Material United States Federal Income Tax Consequences of the Merger* beginning on page 52.

The Gateway Stock Options and Warrants Will Be Cancelled in Exchange for a Cash Payment (page 42)

Upon completion of the merger, each outstanding option and warrant to purchase shares of Gateway common stock, whether or not then exercisable, will be cancelled in exchange for the right to receive a lump sum cash payment equal to the difference between $12.30 and the exercise price of such Gateway stock option or warrant. The lump sum cash payment will be subject to applicable tax withholding.

Your Expected Material United States Federal Income Tax Treatment as a Result of the Merger (page 52)

We have structured the merger to be treated as a reorganization for United States federal income tax purposes. Each of S&T and Gateway has conditioned the consummation of the merger on its receipt of a legal opinion that this will be the case.

Generally, you will not recognize gain or loss on the exchange of Gateway common stock for S&T common stock in the merger except with respect to the cash you receive, including the cash payment in lieu of a fractional share interest in S&T common stock. With respect to the cash you receive in exchange for your Gateway common stock in the merger, you generally will recognize gain or loss equal to the difference between the amount of cash you receive and your adjusted tax basis in the shares of Gateway common stock you surrender. If you receive cash instead of a fractional share interest in S&T common stock, you will recognize gain or loss on your receipt of that cash.

Exceptions to these conclusions or other considerations may apply. Determining the actual tax consequences of the merger to you can be complicated. Those consequences will depend on your specific situation. For further information, please refer to *Material United States Federal Income Tax Consequences of the Merger* on page 52. **You should also consult your own tax advisor for a full understanding of the merger s federal income tax and other tax consequences as they apply specifically to you**.

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The United States federal income tax consequences described above may not apply to all holders of Gateway common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

Accounting Treatment of the Merger (page 51)

The merger will be treated as a business combination using the acquisition method of accounting with S&T treated as the acquiror under generally accepted accounting principles, or GAAP.

Market Price and Dividend Information (page 75)

S&T common stock is quoted on The Nasdaq Global Select Market under the symbol STBA. Gateway common stock is not publicly traded.

The following table shows the closing sale prices of S&T common stock as reported on The Nasdaq Stock Market on March 28, 2012, the last trading day before we announced the merger, and on June 26, 2012, the last practicable trading day prior to mailing this proxy statement/prospectus. The table also presents the equivalent value of the merger consideration per share of Gateway common stock on March 28, 2012, and June 26, 2012, calculated by multiplying the closing sale prices of S&T common stock on those dates by the exchange ratios of shares of S&T common stock that Gateway shareholders would receive in the merger for each share of Gateway common stock, plus $3.08 in cash per share. The actual exchange ratio will be determined by dividing $9.22 by the average high and low sales price of S&T s common stock during the 10 trading day period ending the trading day prior to the closing. The amounts below are for illustrative purposes only, and the exchange ratio shall not exceed the minimum and maximum of the range.

	S&T Common Stock	Exchange Ratio	Equivalent Value Per Share (including cash)
March 28, 2012	$ 22.03	.4185	$ 12.30
At June 26, 2012	$ 17.63	.4657	$ 11.29

The market price of S&T common stock will fluctuate prior to the merger. You should obtain current stock price quotations for the shares.

Upon completion of the merger, if all of the outstanding Gateway shares of common stock are converted into shares of S&T common stock, the Gateway shareholders will own approximately 2.7% of the outstanding shares of S&T common stock.

Keefe, Bruyette and Woods Has Provided an Opinion to the Gateway Board of Directors Regarding the Fairness of the Merger Consideration (page 27)

Gateway s financial advisor, Keefe, Bruyette & Woods, or KBW, has conducted financial analyses and delivered an opinion to Gateway s board of directors that, as of March 29, 2012, the consideration to be received by Gateway shareholders was fair from a financial point of view to Gateway shareholders.

The full text of KBW s opinion is attached as *Annex B* to this proxy statement/prospectus. Gateway shareholders should read that opinion and the summary description of KBW s opinion contained in this proxy statement/prospectus in their entirety. The opinion of KBW does not reflect any developments that may have occurred or may occur after the date of its opinion and prior to the completion of the merger. Gateway does not expect that it will request an updated opinion from KBW.

Gateway paid KBW a cash fee of $50,000 upon engagement and $100,000 concurrently with the rendering of the fairness opinion. Additionally, Gateway has agreed to pay to KBW at the time of closing of the transaction a cash fee equal to $322,500.

Board of Directors and Executive Officers of S&T after the Merger (page 34)

The board of directors and management team of S&T will remain unchanged following the completion of the merger. Each member of the Gateway board of directors will be asked to join S&T s Washington County Advisory Board.

The Gateway Board of Directors Recommends That Gateway Shareholders Vote FOR Adoption of the Agreement and Plan of Merger (page 27)

The Gateway board of directors believes that the merger is in the best interests of Gateway and its shareholders and has unanimously approved the merger and the merger agreement. The Gateway board of directors recommends that Gateway shareholders vote FOR adoption of the agreement and plan of merger. The Gateway board also recommends FOR the proposal to adjourn the special meeting, if necessary, to solicit additional proxies.

Gateway s Directors and Executive Officers Have Financial Interests in the Merger That May Differ from Your Interests (page 37)

In considering the information contained in this proxy statement/prospectus, you should be aware that Gateway s executive officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Gateway shareholders. These additional interests of Gateway s executive officers and directors may create potential conflicts of interest and cause some of these persons to view the proposed transaction differently than you may view it as a shareholder.

Gateway s board of directors was aware of these interests and took them into account in its decision to approve the agreement and plan of merger. For information concerning these interests, please see the discussion under the caption *The Merger Gateway s Directors and Executive Officers Have Financial Interests in the Merger* on page 37.

Holders of Gateway Common Stock Have Dissenters Rights (page 34)

If you are a Gateway shareholder, you have the right under Pennsylvania law to dissent from the merger agreement and the merger, and to demand and receive cash for the fair value of your shares of Gateway common stock. For a complete description of the dissenters rights of Gateway shareholders, please see the discussion under the caption *Gateway Shareholders Have Dissenters Rights in the Merger* on page 34. In order to assert dissenters rights, you must:

- file a written notice of intent to dissent with Gateway prior to the shareholder vote at the special meeting of shareholders;
- make no change in your beneficial ownership of Gateway common stock after you give notice of your intention to demand fair value of your shares of Gateway common stock; and
- not vote to adopt the merger agreement at the special meeting.
- file a written demand for payment and deposit any certificates representing the Gateway shares for which dissenters rights are being asserted as requested by the notice that will be sent by Gateway or S&T after the completion of the merger; and
- comply with certain other statutory procedures set forth in Pennsylvania law.

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If you are a Gateway shareholder and you sign and return your proxy without voting instructions, we will vote your proxy in favor of the transaction and you will lose any dissenters rights that you may have. A copy of the relevant provisions of Pennsylvania law related to dissenters rights are attached to this proxy statement/prospectus as Annex C.

The Rights of Gateway Shareholders Will Be Governed by Pennsylvania Law and the S&T Articles of Incorporation and By-laws after the Merger (page 70)

The rights of Gateway shareholders will change as a result of the merger due to differences in S&T s and Gateway s governing documents. A description of shareholder rights under each of the S&T and Gateway governing documents, and the material differences between them, is included in the section entitled *Comparison of Shareholders Rights* found on page 70.

Regulatory Approvals Required for the Merger (page 36)

The merger is subject to certain regulatory approvals and we must receive approval from the Federal Reserve, the Federal Deposit Insurance Corporation, and the Pennsylvania Department of Banking. S&T has filed the required applications and notices. The merger will not proceed in the absence of regulatory approvals. Although S&T does not know of any reason why it would not obtain regulatory approvals in a timely manner, S&T cannot be certain when such approvals will be obtained or if they will be obtained. S&T has also made the necessary filings to form the interim, wholly-owned subsidiary to merge with Gateway, which subsidiary will survive the merger and subsequently merge with and into S&T Bank.

Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 48)

Currently, we expect to complete the merger in the third quarter of 2012. As more fully described in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval by the requisite vote of the Gateway shareholders; the receipt of all required regulatory approvals from the Federal Reserve Board, or the Federal Reserve, the FDIC and the Pennsylvania Department of Banking; the right to demand appraisal rights under the Pennsylvania Business Corporation Law having expired or been unavailable with respect to at least 90% of the outstanding Gateway common shares, and the receipt of a legal opinion from S&T regarding the tax treatment of the merger.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed.

No Solicitation of Other Offers (page 46)

In addition to terminating any ongoing discussions with third parties regarding an alternative acquisition proposal, Gateway has agreed that it, its subsidiaries, its directors and officers and those of its subsidiaries will not, and Gateway will use reasonable best efforts to cause its and each of its subsidiaries employees and agents not to, between the date of the merger agreement and the closing of the merger:

- initiate, solicit or encourage, directly or indirectly, any inquiries or the making or implementation of any alternative acquisition proposal;
- furnish confidential data or access to any person that has made an alternative acquisition proposal; or
- engage in any discussions or negotiations concerning an alternative acquisition proposal.

The merger agreement does not, however, prohibit Gateway taking such actions if its board of directors determines, in good faith, that such discussions of an alternative acquisition proposal are required for Gateway board of directors to fulfill its fiduciary duties.

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Termination of the Merger Agreement (page 49)

We may mutually agree to terminate the merger agreement before completing the merger, even after shareholder approval. In addition, either of us may decide to terminate the merger agreement, even after shareholder approval, if a governmental entity issues a final order that is not appealable prohibiting the merger, if a bank regulator which must grant a regulatory approval as a condition to the merger denies such approval of the merger and such denial has become final and is not appealable, or if the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the merger, subject to the right of the breaching party to cure the breach within 30 days following written notice. Either of us may terminate the merger agreement if the merger has not been completed by December 31, 2012, unless the reason the merger has not been completed by that date is a breach of the merger agreement by the company seeking to terminate the merger agreement.

S&T may terminate the merger agreement if the Gateway board of directors (1) fails to recommend that Gateway shareholders adopt the agreement and plan of merger, (2) withdraws or modifies its recommendation (or proposes to do so) in a manner adverse to S&T, or (3) recommends a competing merger proposal in a manner adverse to S&T.

Gateway may terminate the merger agreement if the Gateway board of directors determines, by majority vote, at any time during the five business day period beginning with the later of (i) the date on which the last required approval of a governmental authority is obtained with respect to the merger without regard to any requisite waiting period or (ii) the date of the Gateway special meeting, or the Determination Date, if both of the following conditions are satisfied: (1) if the average daily closing price of S&T common stock for the 10 consecutive trading days prior to the Determination Date declines by more than 20% from $22.03, which was the closing price for S&T common stock on March 28, the last trading day prior to execution of the merger agreement and (2) S&T s common stock underperforms the Nasdaq Bank Index by more than 20% based on difference of the closing price of S&T s common stock on the date prior to the execution of the merger agreement and the Determination Date; unless S&T exercises its option to increase the number of S&T common shares to be received by Gateway shareholders such that the implied value of the merger would be equivalent to the minimum implied value that would have had to exist for the above price-based termination right not to have been triggered.

Termination Fee (page 50)

Gateway will pay S&T a termination fee of $875,000 in the event that the merger agreement is terminated:

- by S&T, if the Gateway board of directors fails to recommend that Gateway shareholders adopt the agreement and plan of merger, withdraws or modifies its recommendation in a manner adverse to S&T, or recommends an alternative business combination proposal; or

- by S&T if the Gateway common shareholders fail to approve the merger agreement at the special meeting; or any of the closing conditions to the merger have not been satisfied. However, if S&T or Gateway terminate the merger agreement because Gateway s shareholders have failed to adopt the merger agreement at the Gateway special meeting, Gateway is only obligated to pay the termination fee if the failure to approve the merger is due to the Gateway board of directors not recommending the merger or withdrawing or materially modifying its recommendation, or recommending a competing merger proposal in a manner adverse to S&T.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF S&T BANCORP, INC.

Set forth below are highlights from S&T s consolidated financial data as of and for the years ended December 31, 2007 through 2011 and as of and for the three months ended March 31, 2012 and 2011. The results of operations for the three months ended March 31, 2012 and 2011 are not necessarily indicative of the results of operations for the full year or any other interim period. S&T management prepared the unaudited information on the same basis as it prepared S&T s audited consolidated financial statements. In the opinion of S&T management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with S&T s consolidated financial statements and related notes included in S&T s Annual Report on Form 10-K for the year ended December 31, 2011, and S&T s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and March 31, 2011, which are incorporated by reference in this proxy statement/prospectus and from which this information is derived. See *Where You Can Find More Information* on page 76.

	For the Three Months Ended March 31, (unaudited)		For the Years Ended December 31,				
(dollars in thousands except per share data)	**2012**	**2011**	**2011**	**2010**	**2009**	**2008**	**2007**
Balance Sheet Data:							
Assets	$ 4,330,975	$ 4,090,054	$ 4,119,994	$ 4,114,339	$ 4,170,475	$ 4,438,368	$ 3,407,621
Portfolio loans, net of allowance for loan losses	3,149,953	3,240,353	3,080,918	3,304,203	3,338,754	3,525,290	2,761,695
Investment securities	364,056	331,536	357,596	288,025	354,860	452,713	358,822
Deposits	3,522,355	3,305,839	3,335,859	3,317,524	3,304,541	3,228,416	2,621,825
Borrowings	237,683	157,863	227,863	160,637	272,748	692,844	406,279
Shareholders equity	504,418	580,115	490,526	578,665	553,318	448,694	337,560
Income Statement Data:							
Net interest income	33,321	34,872	137,346	145,846	145,982	143,947	116,438
Provision for loan losses	9,272	10,640	15,609	29,511	72,354	12,878	5,812
Noninterest income, including security gains and losses	13,069	11,026	44,057	47,210	38,580	37,452	40,605
Noninterest expense	32,783	27,449	103,908	105,633	108,126	83,801	73,460
Income before taxes	4,335	7,809	61,886	57,912	4,082	84,720	77,771
Net income	3,480	6,295	47,264	43,480	7,951	60,203	56,144
Net income available to common shareholders	3,480	4,740	39,653	37,279	2,038	60,203	56,144
Per Common Share:							
Basic earnings (1)	$ 0.12	$ 0.17	$ 1.41	$ 1.34	$ 0.07	$ 2.30	$ 2.27
Diluted earnings (1)	0.12	0.17	1.41	1.34	0.07	2.28	2.26
Dividends declared	0.15	0.15	0.60	0.60	0.61	1.24	1.21
Book value	17.47	16.90	17.44	16.91	16.14	16.24	13.75
Earnings Performance Ratios (2):							
Common return on average assets	0.34%	0.47%	0.97%	0.90%	0.05%	1.52%	1.68%
Common return on average shareholders equity	2.82%	3.31%	6.78%	6.58%	0.37%	14.77%	16.97%
Net interest margin (FTE basis) (3)	3.69%	3.92%	3.83%	4.05%	3.89%	4.07%	3.87%
Asset Quality Ratios:							
Net loan charge offs to average loans (2)	1.32%	0.04%	0.56%	1.11%	1.60%	0.31%	0.17%
Non-performing loans to total loans	2.01%	2.45%	1.79%	1.90%	2.67%	1.19%	0.60%
Non-performing assets to total loans + OREO	2.12%	2.67%	1.92%	2.07%	2.80%	1.21%	0.62%
Allowance for loan losses to non-performing loans	74%	76%	87%	80%	66%	101%	204%
Allowance for loan losses to total loans	1.49%	1.87%	1.56%	1.53%	1.75%	1.20%	1.23%
Capital Ratios:							
Leverage ratio	9.20%	11.19%	9.17%	11.07%	10.26%	7.31%	8.57%
Total risk-based capital ratio	15.14%	16.99%	15.20%	16.68%	15.43%	11.82%	11.64%

(1) Basic and diluted earnings per share under the two-class method are determined on the net income reported on the income statement less earnings allocated to participating securities.
(2) Returns, net interest margin, and charge-off data for the three-month periods ended March 31, 2012 and 2011 are annualized.
(3) Fully-Taxable equivalent basis is a non-GAAP financial measure consistent with industry practice. The adjustment to an FTE basis has no impact on net income. For a reconciliation of this non-GAAP measure to GAAP, see Management s Discussion and Analysis of Financial Condition and Results of Operation Net Interest Income in S&T s Annual Report on Form 10-K for the year ended December 31, 2011, incorporated by reference to this proxy statement/prospectus.

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SELECTED HISTORICAL FINANCIAL DATA OF GATEWAY BANK OF PENNSYLVANIA

The following table presents Gateway s selected financial data. The balance sheet and income statement data for the years ended December 31, 2011, 2010, 2009, 2008 and 2007 are derived from Gateway s audited financial statements for the periods then ended. The results of operations for the three months ended March 31, 2012 and 2011 are not necessarily indicative of the results of operations for the full year or any other interim period. Gateway management prepared the unaudited information on the same basis as it prepared Gateway s audited financial statements. In the opinion of Gateway management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates.

	For the Three Months Ended March 31, (unaudited)		For the Years Ended December 31,				
(dollars in thousands except per share data)	**2012**	**2011**	**2011**	**2010**	**2009**	**2008**	**2007**
Balance Sheet Data:							
Assets	$ 124,107	$ 121,376	$ 120,261	$ 122,468	$ 117,585	$ 105,889	$ 79,382
Loans, net of allowance for loan losses	100,042	95,618	100,035	98,308	96,669	83,225	62,007
Investment securities	10,013	12,875	9,018	10,940	10,975	8,065	9,117
Deposits	100,546	104,666	96,882	104,459	99,033	86,933	65,276
Borrowings	7,984	2,083	8,032	3,477	4,622	4,854	
Shareholders equity	15,383	14,426	15,175	14,299	13,670	13,511	13,613
Income Statement Data:							
Net interest income	$ 1,008	$ 1,013	$ 4,049	$ 3,932	$ 3,517	$ 2,989	$ 2,581
Provision for loan losses		33	63	222	159	120	181
Noninterest income, including security gains and losses	14	17	79	87	82	67	91
Noninterest expense	846	877	3,444	3,349	3,418	3,217	2,520
Income before taxes	176	120	621	448	22	(281)	(29)
Net income (loss)	176	120	621	448	22	(281)	(29)
Net income available to common shareholders	176	120	621	448	22	(281)	(29)
Per Common Share:							
Basic earnings	$ 0.10	$ 0.07	$ 0.36	$ 0.26	$ 0.01	$ (0.17)	$ (0.02)
Diluted earnings	0.10	0.07	0.36	0.26	0.01	(0.17)	(0.02)
Dividends declared	0	0	0	0	0	0	0
Book value	8.94	8.44	8.84	8.37	8.04	7.97	8.05
Earnings Performance Ratios (1):							
Common return on average assets	0.58%	0.39%	0.51%	0.36%	0.02%	-0.30%	-0.04%
Common return on average shareholders equity	4.59%	3.33%	4.21%	3.18%	0.16%	-2.08%	-0.21%
Net interest margin	3.43%	3.38%	3.43%	3.24%	3.19%	3.26%	3.35%
Asset Quality Ratios:							
Net loan charge offs to average loans	0	0	0	0.01%	0	0	0
Non-performing loans to total loans	0	0	0	0	0	0	0
Non-performing assets to total loans + OREO	0	0	0	0	0	0	0
Allowance for loan losses to non-performing loans	0	0	0	0	0	0	0
Allowance for loan losses to total loans	1.43%	1.46%	1.43%	1.39%	1.20%	1.21%	1.43%
Capital Ratios:							
Leverage ratio	12.69%	11.84%	12.73%	11.38%	11.76%	13.35%	16.95%
Total risk-based capital ratio	15.45%	15.38%	15.40%	14.97%	14.82%	16.50%	21.63%

(1) Returns and net interest margin for the three month periods ended March 31, 2012 and 2011 are annualized.

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COMPARATIVE PER SHARE DATA

The following table sets forth certain historical and pro forma combined per share data of each of S&T and Gateway. The pro forma data gives effect to the merger and is derived from the S&T unaudited pro forma combined per share data included in this proxy statement/prospectus.

This data should be read together with the selected historical financial data of S&T and Gateway included in this proxy statement/prospectus. This data should also be read together with S&T s separate historical financial statements and notes thereto, incorporated by reference in this proxy statement/prospectus, and with Gateway s selected financial data, included in this proxy statement/prospectus. See *Where You Can Find More Information* on page 76 of this proxy statement/prospectus.

The per share data is not necessarily indicative of the operating results that S&T would have achieved had it completed the merger as of the beginning of the periods presented and should not be considered as representative of future operations. The pro forma combined information set forth below was determined based upon the issuance of an aggregate of 711,934 shares by S&T.

	For the Three Months Ended March 31, 2012	For the Year Ended December 31, 2011
Per Share Data available to common shareholders		
Basic net income per share		
S&T historical [(1)]	$ 0.12	$ 1.41
Gateway historical	0.10	0.36
Pro forma combined	0.13	1.42
Diluted net income per share		
S&T historical [(1)]	$ 0.12	$ 1.41
Gateway historical	0.10	0.36
Pro forma combined	0.13	1.41
Cash dividends declared per share [(2)]		
S&T historical	$ 0.15	$ 0.60
Gateway historical	0.00	0.00
Pro forma combined	0.15	0.60
Book value per share		
S&T historical	$ 17.47	$ 17.44
Gateway historical	8.94	8.84
Pro forma combined	17.49	17.46

(1) Basic and diluted earnings per share under the two-class method are determined on the net income reported on the income statement less earnings allocated to participating securities.
(2) S&T has historically paid quarterly dividends, and S&T expects to continue to declare dividends in accordance with historical practice.

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RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters under the caption Cautionary Statement Regarding Forward-Looking Statements, the matters discussed under Section 1A, Risk Factors, included in the Annual Report on Form 10-K filed by S&T for the year ended December 31, 2011, Gateway shareholders should carefully consider the following factors in deciding whether to vote for adoption of the agreement and plan of merger.

Because the market price of S&T common stock will fluctuate, Gateway shareholders cannot be sure of the value of the stock portion of the merger consideration they may receive.

Upon completion of the merger, each share of Gateway common stock will be converted into the right to receive merger consideration consisting of shares of S&T common stock and cash pursuant to the terms of the merger agreement. The value of the stock portion of the merger consideration to be received by Gateway shareholders will be based upon the average of the high and low sale prices for S&T common stock on the Nasdaq Stock Market for a 10 trading day period ending the trading day prior to the closing. This average price may vary from the average of the high and low sale prices of S&T common stock on the date we announced the merger, on the date this proxy statement/prospectus was mailed to Gateway shareholders and on the date of the special meeting of the Gateway shareholders. Any change in the market price of S&T common stock prior to the Gateway shareholder meeting may affect the value of the stock portion of the merger consideration that Gateway shareholders will receive upon completion of the merger. Gateway is not permitted to resolicit the vote of Gateway shareholders solely because of changes in the market price of either company s stock. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects and regulatory considerations. Many of these factors are beyond our control. You should obtain current market quotations for shares of S&T common stock.

The market price of S&T common stock after the merger may be affected by factors different from those currently affecting the shares of S&T.

The businesses of S&T and Gateway differ and, accordingly, the results of operations of the combined company and the market price of the combined company s shares of common stock may be affected by factors different from those currently affecting the independent results of operations of S&T. For a discussion of the businesses of S&T, see the documents incorporated by reference in this proxy statement/prospectus and referred to under *Where You Can Find More Information.*

Gateway shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Gateway s shareholders currently have the right to vote in the election of the board of directors of Gateway and on other matters affecting Gateway. When the merger occurs, each Gateway shareholder that receives shares of S&T common stock will become a shareholder of S&T with a percentage ownership of the combined organization that is much smaller than the shareholder s percentage ownership of Gateway. Upon completion of the merger, the Gateway shareholders will own approximately 2.4% of the outstanding shares of S&T common stock.

Because of this, Gateway s shareholders will have less influence on the management and policies of S&T than they now have on the management and policies of Gateway.

The merger agreement limits Gateway s ability to pursue alternatives to the merger.

The merger agreement contains no shop provisions that, subject to specified exceptions, limit Gateway s ability to discuss, facilitate or commit to competing third-party proposals to acquire all or a significant part of

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Gateway. In addition, a termination fee is payable by Gateway under certain circumstances, generally involving the consummation of an alternative transaction. These provisions might discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of Gateway from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share value than that proposed in the merger, or might result in a potential competing acquiror proposing to pay a lower per share price to acquire Gateway than it might otherwise have proposed to pay.

The merger is subject to the receipt of consents and approvals from governmental and regulatory entities that may impose conditions that could have an adverse effect on S&T.

Before the merger may be completed, various waivers, approvals or consents must be obtained from the Federal Reserve, the FDIC, and the Pennsylvania Department of Banking. These governmental entities may impose conditions on the completion of the merger or require changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on, or limiting the revenues of, S&T following the merger, any of which might have an adverse effect on S&T following the merger. S&T is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any condition or restrictions that S&T reasonably determines would have a material adverse effect on S&T or would be unduly burdensome, but S&T could choose to waive this condition.

Gateway s executive officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Gateway shareholders.

Gateway s officers and directors have financial interests in the merger that may be different from, or in addition to, the interests of Gateway shareholders. For example, certain executive officers and employees of Gateway may receive severance payments upon the change of control of Gateway or payments with respect to the cancellation of outstanding equity awards.

Gateway s board of directors were aware of these interests and took them into account in its decision to approve and adopt the agreement and plan of merger. For information concerning these interests, please see the discussion under the caption *The Merger Gateway s Directors and Executive Officers Have Financial Interests in the Merger.*

The shares of S&T common stock to be received by Gateway shareholders receiving the stock consideration as a result of the merger will have different rights from the shares of Gateway common stock.

Upon completion of the merger, Gateway shareholders who receive the stock consideration will become S&T shareholders. Their rights as shareholders will be governed by Pennsylvania corporate law and the articles of incorporation and by-laws of S&T. The rights associated with Gateway common stock are different from the rights associated with S&T common stock. See the section of this proxy statement/prospectus titled *Comparison of Shareholders Rights* beginning on page 70 for a discussion of the different rights associated with S&T common stock.

If the merger is not consummated by December 31, 2012, either S&T or Gateway may choose not to proceed with the merger.

Either S&T or Gateway may terminate the merger agreement if the merger has not been completed by December 31, 2012, unless the failure of the merger to be completed by such date has resulted from the failure of the party seeking to terminate the merger agreement to perform its obligations.

The fairness opinion obtained by Gateway from its financial advisor will not reflect changes in circumstances subsequent to the date of the merger agreement.

Gateway has obtained a fairness opinion dated as of March 29, 2012 from its financial advisor, KBW. Gateway has not obtained and will not obtain an updated opinion as of the date of this proxy statement/prospectus from KBW. Changes in the operations and prospects of S&T or Gateway, general market and economic conditions and other factors that may be beyond the control of S&T and Gateway, and on which the fairness opinion was based, may alter the value of S&T or Gateway or the price of shares of S&T common stock or Gateway common stock by the time the merger is completed. The opinion does not speak to the time the merger will be completed or to any other date other than the date of such opinion. As a result, the opinion will not address the fairness of the merger consideration, from a financial point of view, at the time the merger is completed. For a description of the opinion that Gateway received from KBW, please see *The Merger Opinion of Gateway s Financial Advisor* beginning on page 27 of this proxy statement/prospectus.

We may fail to realize all of the anticipated benefits of the merger.

The success of the merger will depend, in part, on our ability to realize the anticipated benefits and cost savings from combining the businesses of S&T and Gateway. However, to realize these anticipated benefits and cost savings, we must successfully combine the businesses of S&T and Gateway. If we are not able to achieve these objectives, the anticipated benefits and cost savings of the merger may not be realized fully or at all, or may take longer to realize than expected.

S&T and Gateway have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of each company s ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on S&T and/or Gateway during the transition period.

Another expected benefit from the merger is an expected increase in the revenues of the combined company from anticipated sales of S&T s wide variety of financial products, and from increased lending out of S&T s substantially larger capital base, to Gateway s existing customers and to new customers in Gateway s market area who may be attracted by the combined company s enhanced offerings. An inability to successfully market S&T s products to Gateway s customer base could cause the earnings of the combined company to be less than anticipated.

If the merger is not completed, S&T and Gateway will have incurred substantial expenses without realizing the expected benefits of the merger.

S&T and Gateway have incurred substantial expenses in connection with the merger described in this proxy statement/prospectus. The completion of the merger depends on the satisfaction of specified conditions and the receipt of regulatory approvals. If the merger is not completed, these expenses would have to be recognized currently and not capitalized and S&T and Gateway would not have realized the expected benefits of the merger.

Gateway will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Gateway and consequently on S&T. These uncertainties may impair Gateway s ability to attract, retain and motivate key personnel until the merger is consummated, and could cause customers and others that deal with Gateway to seek to change existing business relationships with Gateway. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles with S&T. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with S&T, S&T s business following the merger could be harmed. In addition, the merger agreement restricts Gateway from making certain acquisitions and taking other specified actions until the merger occurs without the consent of S&T. These restrictions may prevent Gateway from pursuing attractive business opportunities that may arise prior to the completion of the merger. Please see the

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section entitled *The Merger Agreement Covenants and Agreements* beginning on page 44 of this proxy statement/prospectus for a description of the restrictive covenants to which Gateway is subject under the merger agreement.

Future governmental regulation and legislation, including the Dodd-Frank Act, could limit S&T s future growth.

S&T and its subsidiaries are subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of the operations of S&T. These laws may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance fund. Any changes to these laws may negatively affect S&T s ability to expand its services and to increase the value of its business. Additionally, a number of provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, remain to be implemented through the rulemaking process at various regulatory agencies. Certain aspects of the new law, including, without limitation, the higher cost of deposit insurance and the costs of compliance with disclosure and reporting requirements that may be issued by the Bureau of Consumer Financial Protection, could have a significant adverse impact on the combined company s business, financial condition and results of operations. Compliance with the Dodd-Frank Act may require us to make changes to our business and operations and will likely result in additional costs and a diversion of management s time from other business activities, any of which may adversely impact our results of operations, liquidity or financial condition. While we cannot predict what effect any presently contemplated or future changes in the laws or regulations or their interpretations would have on S&T, these changes could be materially adverse to S&T s shareholders.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of S&T, Gateway and the potential combined company and may include statements for the period following the completion of the merger. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions.

The forward-looking statements involve certain risks and uncertainties. The ability of either S&T or Gateway to predict results or the actual effects of its plans and strategies, or those of the combined company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth on page 15 under *Risk Factors*, as well as, among others, the following:

- those discussed and identified in public filings with the SEC made by S&T;
- completion of the merger is dependent on, among other things, receipt of shareholder and regulatory approvals, the timing of which cannot be predicted with precision and which may not be received at all;
- the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events;
- higher than expected increases in S&T s or Gateway s loan losses or in the level of nonperforming loans;
- a continued weakness or unexpected decline in the U.S. economy, in particular in Western Pennsylvania;
- a continued or unexpected decline in real estate values within S&T s and Gateway s market areas;
- unanticipated reduction in S&T s and Gateway s deposit base;
- government intervention in the U.S. financial system and the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board;
- legislative and regulatory actions (including the impact of the Dodd-Frank Act and related regulations) subject S&T to additional regulatory oversight which may result in increased compliance costs and/or require S&T to change its business model;
- the integration of Gateway s business and operations with those of S&T may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Gateway s or S&T s existing businesses; and
- the anticipated cost savings and other synergies of the merger and the recent acquisition of Mainline Bancorp, Inc., which closed during the first quarter of 2012, may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or the date of any document incorporated by reference in this proxy statement/prospectus.

All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to S&T or Gateway or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this proxy statement/prospectus. Except to the extent required by applicable law or regulation, S&T and Gateway undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

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THE GATEWAY SPECIAL MEETING

This section contains information about the special meeting of Gateway shareholders that has been called to consider and approve the merger of Gateway with and into S&T, with S&T as the surviving corporation as a result of the merger.

Together with this proxy statement/prospectus, we are also sending you a notice of the special meeting and a form of proxy that is being solicited by the Gateway board of directors. The special meeting will be held on August 1, 2012 at 4:30 p.m., local time, at St. Clair Country Club, Crossroads Room, 2300 Old Washington Road, Upper St. Clair, PA 15241, subject to any adjournments or postponements.

Matters to be Considered

The purpose of the special meeting is to vote on a proposal for the adoption of the merger agreement.

You also will be asked to vote upon a proposal for the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement. Gateway has no plans to adjourn the special meeting at this time, but will do so if needed.

Proxies

Each copy of this proxy statement/prospectus mailed to holders of Gateway common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this proxy statement/prospectus to ensure that your vote is counted at the special meeting, or at any adjournment or postponement of the special meeting, regardless of whether you plan to attend the special meeting.

If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by: (1) signing and returning a proxy card with a later date; (2) delivering a written revocation letter to Gateway s Secretary; or (3) attending the special meeting in person, notifying the Secretary, and voting by ballot at the special meeting. If you hold your stock in street name through a bank or broker, you must follow your bank s or broker s instructions to revoke your proxy.

Any shareholder entitled to vote in person at the special meeting may vote in person regardless of whether a proxy has been previously given, and such vote will revoke any previous proxy but the mere presence (without notifying Gateway s Secretary) of a shareholder at the special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy may be addressed to:

Gateway Bank of Pennsylvania

3402 Washington Road

McMurray, Pennsylvania 15317

Attention: Robert Kerr, Secretary

All shares represented by valid proxies that we receive through this solicitation that are not revoked will be voted in accordance with your instructions on the proxy card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR the adoption of the merger agreement and FOR the approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

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Solicitation of Proxies

Gateway will bear the entire cost of soliciting proxies from you. In addition to solicitation of proxies by mail, Gateway will request that banks, brokers and other record holders send proxies and proxy materials to the beneficial owners of Gateway common stock and secure their voting instructions. Gateway will reimburse the record holders for their reasonable expenses in taking those actions. If necessary, Gateway may use several of its regular employees, who will not be specially compensated, to solicit proxies from Gateway shareholders, either personally or by telephone, facsimile, letter or other electronic means.

S&T and Gateway will share equally the expenses incurred in connection with the copying, printing and distribution of this proxy statement/prospectus.

Record Date

The Gateway board of directors has fixed the close of business on June 25, 2012 as the record date for the special meeting. Only Gateway shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. As of the record date, 1,718,960 shares of Gateway common stock (excluding 9,350 shares of restricted stock) were outstanding, held by approximately 358 holders of record.

Voting Rights and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Gateway common stock entitled to vote is necessary to constitute a quorum at the special meeting. Abstentions and broker non-votes will be counted for the purpose of determining whether a quorum is present.

Pursuant to Gateway s articles of incorporation, the affirmative vote of 66⅔% of the votes cast by holders of shares of Gateway stock entitled to vote at the Gateway special meeting is required to adopt the merger agreement. For purposes of determining the number of votes cast with respect to a matter, only those votes cast FOR and AGAINST a proposal are counted. Abstentions and any broker non-votes will be treated as shares that are present for purposes of determining the presence of a quorum, but will have the same effect as votes against the proposal.

As of the record date, directors and executive officers of Gateway and their affiliates, had the right to vote approximately 434,650 shares of Gateway common stock, or approximately 25.1% of the outstanding Gateway common stock at that date.

Recommendation of the Gateway Board of Directors

The Gateway board of directors has unanimously approved the merger agreement and the transactions it contemplates, including the merger. The Gateway board of directors determined that the merger, merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Gateway and its shareholders and recommends that you vote FOR adoption of the merger agreement and FOR approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies. See *The Merger Gateway s Reasons for the Merger* and *Recommendation of Gateway s Board of Directors* for a more detailed discussion of the Gateway board of directors recommendation.

Attending the Meeting

All holders of Gateway common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the special meeting. Shareholders of record can vote in person at the special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor from the record holder of your shares, such as a broker, bank or other

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nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you in order to be admitted. Gateway reserves the right to refuse admittance to anyone without both proper proof of share ownership and proper photo identification.

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PROPOSAL 1 THE MERGER

Background of the Merger

It is an ongoing process for the board of directors and senior management of Gateway to continually assess Gateway s future as a small community bank in light of the changing economy and the changing regulatory environment which may impact Gateway and its financial performance. The Gateway board of directors has periodically reviewed and discussed Gateway s future and viability as a community bank and has considered various strategic alternatives. The expected increase of regulation and oversight on community banks as a result of the Dodd-Frank Act passed in 2010; the difficulty for smaller community banks to access the capital markets to obtain equity capital to meet increasing regulatory capital requirements and to support growth; and the adverse effects of a lengthy economic slowdown on Gateway and its customers are all factors which may impact the future financial performance of Gateway. In considering the future direction of Gateway the board and management also took advice from financial advisors, investment banking firms, and other professionals in the financial industry on the effects of these factors on Gateway s ability to increase shareholder value and maintain a stable financial position in the future. In assessing Gateway s prospects as an independent community bank, the board and management also considered the lack of liquidity of Gateway s privately held common stock.

At the request of a senior officer of another financial institution who was interested in a business combination with Gateway, Gateway s President and Chief Executive Officer attended a meeting with this senior officer on July 12, 2011. In light of the factors described, Gateway s President and Chief Executive Officer met again on July 27, 2011 and on August 9, 2011 with representatives of this financial institution to discuss the potential for a business combination. On September 8, 2011, Gateway contacted the investment banking firm of Keefe, Bruyette & Woods, Inc. (KBW) to assist Gateway in evaluating whether or not it would be in Gateway s best interest to remain independent or to explore other strategic alternatives such as a potential merger or sale. KBW and Gateway subsequently signed a Non-Disclosure Agreement dated as of September 14, 2011.

At Gateway s Executive Committee meeting on October 20, 2011, KBW made a presentation to the Committee setting forth the current industry environment, the current merger and acquisition environment, financial projections for Gateway as a standalone institution and a combination analysis for a merger with the institution with which Gateway was engaged in discussions, and combinations with other potential partners. At Gateway s Executive Committee meeting on November 17, 2011, management was authorized to enter into an agreement with KBW to explore a potential merger or sale with any number of potential partners, in addition to the institution with whom Gateway was currently negotiating, and an engagement letter was entered into between Gateway and KBW dated November 28, 2011.

During the remainder of the year, KBW and Gateway prepared a confidential information memorandum for possible distribution to 14 institutions determined by KBW and Gateway to have potential interest in an acquisition of Gateway. Confidentiality agreements were executed by nine of these institutions and they each received a copy of the confidential information memorandum regarding Gateway.

Five financial institutions, including S&T, submitted non-binding indications of interest by the preliminary bid deadline of January 20, 2012. Gateway s Executive Committee held a meeting on January 26, 2012 where KBW reviewed in detail these preliminary indications of interest. Of the five preliminary indications of interest, two were all cash offers, one for $10.00 per share and one for $10.50 to $10.75 per share (with a willingness to offer up to 15% stock), two were mixed stock-cash offers with the first at $10.86 per share with a fixed exchange ratio and stock-cash consideration of 40% stock and 60% cash, and the second at $11.00 per share with a fixed exchange ratio and stock-cash consideration of 70% stock and 30% cash, and one offer of all stock (with a willingness to offer up to 50% cash) at $10.00 to $10.80 per share with a fixed exchange ratio. All of the indications of interest were subject to the completion of due diligence on Gateway. After conferring with KBW, the Executive Committee directed KBW to invite three of these institutions, including S&T, to conduct due diligence on Gateway and to submit a second and final indication of interest. As part of the due diligence process,

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Gateway documents were made available on an online data site and from February 8, 2012 to February 16, 2012 these three institutions, including S&T, conducted further independent on site due diligence of Gateway at Gateway s headquarters. On February 16, 2012 KBW transmitted a letter to each of the remaining three institutions inviting them to submit final non-binding indications of interest by February 27, 2012.

At a meeting of Gateway s Executive Committee on March 2, 2012, the bids of the three final non-binding indications of interest were discussed and were analyzed in detail with the assistance of KBW. The first offer was all cash at $11.45 per share. The second offer was initially a mixed stock-cash offer for $11.50 per share with a fixed exchange ratio and stock-cash consideration of 70% stock and 30% cash. However, on March 1, this offer was orally increased to $12.00 per share with all the other terms remaining the same. The third offer was all stock at $12.00 per share with a fixed exchange ratio (with a willingness to offer up to 25% cash). At the conclusion of this Executive Committee meeting KBW was directed to request that the two $12.00 per share bidders, including S&T, differentiate their respective offers by submitting a best and final non-binding indication of interest by March 7, 2012.

On March 9, 2012 Gateway held a meeting of its Executive Committee as well as a meeting of its Board of Directors to compare the final two offers. KBW and Gateway s legal counsel participated in the meeting.

The first of the final offers was for $12.00 per share with a fixed exchange ratio and stock-cash consideration of 60% stock and 40% cash and the second offer, that of S&T, was for $12.30 per share with a floating exchange ratio at 100% stock and a willingness to offer up to 25% in cash. Both offers had collars with regard to movement in the acquiror s stock price in excess of 10%. The first collar proposal allowed for a one-time adjustment to the fixed exchange ratio if the 10% collars were breached. The second collar proposal, that of S&T, allowed for a one-time adjustment to cause the floating exchange ratio within the collars to become a fixed exchange ratio if the 10% collars were breached. All other aspects of the two offers were substantially similar. The Executive Committee directed management to proceed with the S&T offer, assuming a stock-cash consideration of 75% stock and 25% cash, and so informed the Gateway Board of Directors, which approved of proceeding in this fashion pending reverse due diligence on S&T and pending the negotiation of a satisfactory merger agreement. On March 9, 2012 Gateway notified S&T that it wished to proceed with exclusive negotiations for an acquisition transaction with S&T and requested that it be able to conduct reverse due diligence on S&T and asked S&T to submit a draft merger agreement for Gateway s review.

On March 20, 2012, Arnold & Porter LLP, S&T s legal advisors, submitted a draft merger agreement to Metz Lewis Brodman Must O Keefe LLC, Gateway s legal advisors, which was sent to Gateway s senior management and to KBW. Gateway conducted its primary reverse due diligence on S&T on March 21, 2012 at the corporate offices of S&T in Indiana, PA. From March 21, 2012 through March 28, 2012, the representatives, financial advisors and counsel for S&T and Gateway negotiated the terms and conditions of the merger agreement and of the related documents.

A special meeting of Gateway s board of directors was held on March 29, 2012 to review the definitive merger agreement, which was distributed to each of the members of the board the previous day, and to discuss the terms and conditions of the proposed combination with S&T. At this meeting, the results of the reverse due diligence on S&T were discussed by management of Gateway, KBW and by representatives from Metz Lewis Brodman Must O Keefe LLC. Representatives from Metz Lewis Brodman Must O Keefe LLC also discussed and explained in detail the provisions of the proposed merger agreement and the provisions of the other documents related to the transaction as well as the directors fiduciary duties under Pennsylvania law when considering such a transaction. Representatives of KBW reviewed in detail the financial terms of the merger and noted that the composition of the form of payment of the consideration had been clarified from S&T s last indication of interest letter and that the agreement set forth a stock-cash consideration of 75% stock and 25% cash and that Gateway s shareholders will receive $3.08 per share in cash and between 0.3810 and 0.4657 shares of S&T common stock per share, and that the precise number of shares is to be based on the average of the high

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and low prices of S&T common stock for a ten day trading period which ends on the trading day prior to closing. After a detailed review of the financial terms, ratios and analysis of the proposed combination, KBW rendered an opinion that, from a financial point of view, the consideration to be paid in the merger was fair to the shareholders of Gateway. The Gateway board of directors, after discussion of the matters presented to them, unanimously approved the merger agreement and the structure of the transaction as set forth in the agreement and further agreed to recommend to Gateway s shareholder s that the merger agreement and subsequent transactions be approved.

On March 29, 2012 Gateway and S&T duly executed the merger agreement and on March 30, 2012 a joint press release was issued prior to the opening of trading on the Nasdaq Stock Market.

Gateway s Reasons for the Merger

Gateway s board of directors carefully considered the process by which potential acquirers were identified and multiple bids were received and evaluated, the terms and conditions of the merger agreement and the value and form of the merger consideration to be received by the holders of Gateway common stock. After taking into consideration the feasibility of remaining independent, and then embarking on a long and thoughtful process of finding a potential acquirer, Gateway s board determined that it is advisable and in the best interests of Gateway and its shareholders for Gateway to merge with S&T. Accordingly, Gateway s board of directors unanimously recommends that Gateway s shareholders vote FOR adoption and approval of the merger agreement.

The board of directors of Gateway has reviewed and considered the terms and conditions of the merger agreement and concluded that they are fair to the shareholders of Gateway and that the merger would be in the best interests of Gateway and its shareholders.

In recommending to its shareholders to approve the acquisition of Gateway by S&T, Gateway s board of directors consulted with and received advice from Gateway s senior management and Gateway s financial and legal advisors. Gateway s board of directors considered a variety of factors, including the following:

The projected book value per share, value and projected earnings per share of Gateway compared to the value of the merger consideration being offered to Gateway s shareholders.

The board s assessment of the existing and future operating environment for community banks in Gateway s market area, including the likelihood of increasing regulatory burdens on community banking organizations, the economic instability on a national and local level, the slow recovery of the banking industry from the economic slowdown which began in 2007, and the impact of these factors on Gateway s potential future profitability and strategic options.

The potential future value of Gateway common stock compared to the value of the merger consideration being offered by S&T and the potential trading value of S&T stock.

The board s belief and perception that a merger with a larger institution would avail Gateway s customers an increased array of products and services which would result from a larger institution.

The board s perception that the proposed merger would result in increased liquidity for Gateway shareholders given the fact that S&T common stock is traded on the Nasdaq Stock Market.

The board s perception that certain factors may limit Gateway s ability to grow to any significant size through normal growth or by acquisition, including the perceived limitations on Gateway s ability to raise capital on acceptable terms to fund growth given, among other things, Gateway s asset size and the lack of liquidity of its common stock.

The comprehensive process conducted by Gateway s senior management and KBW, Gateway s financial advisor, to identify potential merger partners, including S&T, and to solicit indications of interest from potential merger partners relating to the terms, including consideration, of a potential business combination.

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The earnings prospects of the merged company which is expected to be accretive to the earnings of the combined company in 2013 and 2014.

The financial aspects of the transaction, including the amount of the merger consideration and the fact that, as of March 31, 2012, the merger consideration represented almost 1.4 times the tangible book value per share of the Gateway common stock.

The prospects for continued employment for Gateway s employees and the severance and other benefits to be provided to Gateway s employees who do not remain with S&T after the merger.

The board s evaluation of the financial analysis and financial presentation of KBW, including an evaluation of prices, multiples of earnings per share, premiums to book value, and market value paid in recent financial institution transactions, as well as KBW s written opinion dated March 29, 2012, that, as of such date and based on its analysis and subject to the qualifications set forth in the opinion, the merger consideration was fair from a financial point of view to Gateway s shareholders.

The fact that 75% of Gateway common stock will be exchanged for shares of S&T common stock as set forth in the merger agreement, permitting Gateway shareholders the ability to participate in a portion of the future performance of the combined company.

The fact that Gateway shareholders receiving S&T common stock will experience substantially increased liquidity given the trading volume of S&T common stock on The Nasdaq Global Select Market, and the fact that S&T has paid a cash dividend on its common stock of $0.15 per share over the past eight quarters.

The fact that 25% of Gateway common stock will be exchanged for cash consideration as set forth in the merger agreement.

The fact that the board of directors has been advised that the transaction is expected to be a tax-free exchange to the extent Gateway shareholders receive S&T common stock in exchange for their Gateway shares.

The perceived risk that Gateway s high quality loan assets will remain subject to normal market risks which may be adverse in the future given local economic conditions.

The board s satisfaction with the terms of the merger agreement after its review of the terms and conditions of the merger agreement with its legal and financial advisors.

Gateway s board of directors also considered certain potentially adverse factors in connection with the merger, including the following:

The risks associated with possible delays in obtaining the approval of two-thirds (66 $^{2}/3$%) of the shareholders of Gateway and necessary regulatory approvals required to complete the transaction.

Provisions of the merger agreement which prohibit Gateway from soliciting further offers, and limit its ability to respond to acquisition proposals from third parties and the obligation of Gateway to pay a termination fee of $875,000 in the event that the merger agreement terminates as a result of Gateway engaging in such activity.

The fact that the stock consideration provisions of the merger agreement, which provide for a floating exchange ratio intended to result in $9.22 per share in value to Gateway shareholders receiving S&T common stock in the transaction based on the average of the high and low sale prices of S&T common stock over a 10-day period ending the day before closing subject to a maximum of 0.4657 shares and a minimum of 0.3810 shares, might result in an aggregate value of S&T shares paid to Gateway shareholders receiving S&T common stock in the transaction being less than $9.22 per share at closing.

The possibility that post-merger integration activities would occupy more of management s time and attention than anticipated and therefore adversely impact business in general.

The possibility that S&T s future financial performance might be affected by balance sheet deterioration, decline in asset quality and decline in earnings.

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Gateway s board acknowledged that there can be no assurance about future results, including the results expected or considered in weighing the factors listed above. However, the board concluded that the potential positive factors of completing the merger outweighed the potential risks of completing the merger.

During its consideration of the merger, Gateway s board was also aware that some of its directors and executive officers may have interests in the merger that are different from or in addition to those of shareholders generally, as described under the heading *The Merger Gateway s Directors and Executive Officers Have Financial Interests in the Merger* on page 37.

The foregoing discussion of the information and factors considered by Gateway s board of directors is not exhaustive, but includes the material factors considered by Gateway s board. In view of the wide variety of factors considered by the Gateway board of directors in connection with its evaluation of the merger and the com