

PARKVALE FINANCIAL CORP

Form 425

September 13, 2011

Second Quarter 2011
Investor Presentation
Dated: September 13, 2011
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(Commission

File
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Pursuant to Rule 425 under the Securities Act of 1933
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to
Rule
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the
Securities
Exchange
Act
of
1934
Subject
Company:
Parkvale
Financial
Corporation
(Commission File No. 0-17411)
F.N.B. Corporation

Forward-Looking Statements

This presentation and the reports F.N.B. Corporation files with the Securities and Exchange Commission often contain forward-looking statements relating to present

or
future
trends
or
factors
affecting
the

banking industry and, specifically, the financial operations, markets and products of F.N.B. Corporation. These forward-looking statements involve certain risks and uncertainties. There are a number of important factors that could cause F.N.B. Corporation's future results to differ materially from historical performance or projected performance. These factors include, but are not limited to: (1) a significant increase in competitive pressures among financial institutions; (2) changes in the interest rate environment that may reduce interest margins; (3) changes in prepayment speeds, loan sale volumes, charge-offs and loan loss provisions; (4) general economic conditions; (5) various monetary and fiscal policies and regulations of the U.S. government that may adversely affect the businesses in which F.N.B. Corporation is engaged; (6) technological issues which may adversely affect F.N.B. Corporation's financial operations or customers; (7) changes

in
the
securities
markets;
(8)
risk
factors
mentioned
in
the
reports
and
registration
statements

F.N.B. Corporation files with the Securities and Exchange Commission; (9) housing prices; (10) job market; (11) consumer confidence and spending habits; (12) estimates of fair value of certain F.N.B. Corporation assets and liabilities or (13) the effects of current, pending and future legislation, regulation and regulatory actions. F.N.B. Corporation undertakes no obligation to revise these forward-looking statements or to reflect events or circumstances after the date of this presentation.

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Forward-Looking Statements

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ADDITIONAL
INFORMATION
ABOUT
THE
MERGER

F.N.B. Corporation and Parkvale Financial Corporation will file a proxy statement/prospectus and other relevant documents with the SEC in connection with the merger.

SHAREHOLDERS OF PARKVALE FINANCIAL CORPORATION ARE ADVISED TO READ THE PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

The proxy statement/prospectus and other relevant materials (when they become available), and any other documents F.N.B. Corporation has filed with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov

In
addition,
investors
and
security
holders
may
obtain
free
copies
of
the
documents
F.N.B.

Corporation has filed with the SEC by contacting James Orie, Chief Legal Officer, F.N.B. Corporation, One F.N.B. Boulevard, Hermitage, PA 16148, telephone: (724) 983-3317 or Parkvale Financial Corporation by contacting Gilbert A. Riazzi, Chief Financial Officer, 4220 William Penn Highway, Monroeville, PA 15146, telephone: (412) 373-4804.

Parkvale Financial Corporation and its directors, executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies from its shareholders in connection

with
the
proposed
merger.
Information
concerning
such
participants'
ownership
of
Parkvale
Financial
Corporation
common
stock
will
be
set
forth
in
the
proxy

statement/prospectus
relating
to
the
merger

when it becomes available. This communication does not constitute an offer of any securities for sale.

Non-GAAP Financial Information

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To supplement its consolidated financial statements presented in accordance with Generally Accepted Accounting Principles (GAAP), the Corporation provides additional measures of operating results, net income and earnings per share (EPS) adjusted to exclude certain costs, expenses, and gains and losses. The Corporation believes that these non-GAAP financial measures are appropriate to enhance the understanding of its past performance as well as prospects for its future performance. In the event of such a disclosure or release, the Securities and Exchange Commission's Regulation G requires: (i) the presentation of the most directly comparable financial measure calculated and presented in accordance with GAAP and

(ii) a reconciliation of the differences between the non-GAAP financial measure presented and the most directly comparable financial measure calculated and presented in accordance with GAAP. The required presentations and reconciliations are contained herein and can be found at our website, www.fnbcorporation.com, under Shareholder and Investor Relations by clicking on Non-GAAP Reconciliation.

The Appendix to this presentation contains non-GAAP financial measures used by the Corporation to provide information useful to investors in understanding the Corporation's operating performance and trends, and facilitate comparisons with the performance of the Corporation's peers. While the Corporation believes that these non-GAAP financial measures are useful in evaluating the Corporation, the information should be considered supplemental in nature and not as a substitute for or superior to the relevant financial information prepared in accordance with GAAP. The non-GAAP financial measures used by the Corporation may differ from the non-GAAP financial measures other financial institutions use to measure their results of operations. This information should be reviewed in conjunction with the Corporation's financial results disclosed on July 25, 2011 and in its periodic filings with the Securities and Exchange Commission.

F.N.B. Corporation

Headquarters: Hermitage, PA

Bank Charter: 1864

Assets: \$9.9B (4th largest bank in PA)

Market Capitalization: \$1.1B at August 31, 2011

Current Locations

234 Banking: 223 (PA), 11 (OH)

65 Consumer Finance: 22 (PA), 19 (TN), 17 (OH), 7 (KY)

Business Lines

Banking
Wealth Management
Insurance
Consumer Finance
Merchant Banking
5

Experienced Management Team

Name

Position

Years of

Banking

Experience

Steve Gurgovits

Chief Executive Officer

50

Vince Delie
President
CEO, First National Bank of PA
24
Brian Lilly
Chief Operating Officer
Vice Chairman
30
Vince Calabrese
Chief Financial Officer
23
Gary Guerrieri
Chief Credit Officer
24
6

Board Leadership
Thirteen Independent Directors
Seven Former Financial Services Executives
Three Involved as Financial Services Investors
7

Manage our business for profitability and growth
Operate in markets we know and understand
Maintain a low-risk profile
Drive growth through relationship banking
Fund loan growth through deposits
Target neutral asset / liability position to manage interest rate risk
Build fee income sources
Maintain rigid expense controls
Operating Strategy

Market Characteristics
Stable Markets
Modest Growth
#2 Ranking State College
(1)
#3 Ranking Pittsburgh
(1)
Regional Management
Local Advisory Boards

Marcellus Shale Exposure

FNB

Region

Market

Size

Deposits

FNB

Deposit

Ranking

FNB

Branches

Pittsburgh

\$76.4B

3

rd

114

Northwest

\$25.5B

3

rd

54

Capital

\$45.8B

10

th

42

Central

Mountain

\$11.8B

1

st

71

Source: SNL, company data; based on June 30, 2010 deposit data, excludes custodian bank, pro-forma ownership as of September 1, 2011.

(1)

MSA

9

Banking Locations
Current First National Bank Locations
As of September 1, 2011
10

Organic Growth Opportunity

Source: SNL Financial

Deposit data as of June 30, 2010; excludes custodian bank, pro-forma ownership as of September 1, 2011.

Attractive market rank of #3 for counties of operation

11

Rank

Institution

Branch

Count

Total Deposits in
Market (\$000)

Total Market
Share (%)

1
PNC Financial Services Group Inc.

347
45,417,165
29.71

2
Royal Bank of Scotland Group Plc

228
10,374,299
6.79

3
F.N.B. Corp.

281
8,639,847
5.65

4
M&T Bank Corp.

137
6,196,246
4.05

5
Huntington Bancshares Inc.

127
5,769,478
3.77

6
Wells Fargo & Co.

64
4,942,063
3.23

7
First Commonwealth Financial Corp.

101
4,164,090
2.72

8
Banco Santander SA

75
3,755,597
2.46

9
First Niagara Financial Group Inc.

70
3,562,975
2.33

10

Susquehanna Bancshares Inc.

85

3,387,912

2.22

Total (1-165)

2,863

152,854,759

100.00

Counties of Operation

Winning Market Share

Total Organic Loan Growth

(1)

Eighth Consecutive Quarter of Organic Growth

(1) Based on average balances; percentage organic growth annualized and as compared to the prior quarter.

12

Winning Market Share
Second
Quarter
2011
Ninth consecutive linked-
quarter organic growth for
Pennsylvania commercial
loans
(2)

Pennsylvania commercial loan

organic

growth

of

8.7%

(1)

(2)

Commercial line utilization

rates remain historically low

Commercial Organic Loan Growth

(1)

(1)

Based on average balances; percentage organic growth annualized and as compared to the prior quarter.

(2)

Pennsylvania commercial portfolio organic loan growth, excludes Florida.

13

-2.0%

0.0%

2.0%

4.0%

6.0%

8.0%

10.0%

12.0%

2Q11

1Q11

4Q10

3Q10

2Q10

8.7%

10.7%

2.5%

0.6%

4.7%

7.4%

8.3%

0.1%

-1.1%

3.6%

Pennsylvania Commercial Growth

Total Commercial Growth

Winning Market Share

Transaction Deposit and Customer Repurchase Agreements

Organic Growth

(1)

(1) Based on average balances; percentage organic growth annualized and as compared to the prior quarter; transaction deposits includes DDA, Savings, NOW and MMDA.

14

Loan Composition

Based on average balances for each period presented.

15
\$0.0
\$0.5
\$1.0
\$1.5
\$2.0

\$2.5
\$3.0
\$3.5
\$4.0
\$4.5
\$5.0
\$5.5
\$6.0
\$6.5
\$7.0
2007
2008
2009
2010
2Q11
Other
Commercial Leases
Regency
Indirect
Residential Mortgage
Consumer Home Equity
Commercial

Funding

Based on average balances for each period presented.

Loans to deposits and
customer repurchase
agreements ratio of 84%

Deposits and Customer
Repurchase Agreements

\$8.0 Billion at June 30, 2011

16
\$0.0
\$1.0
\$2.0
\$3.0
\$4.0
\$5.0
\$6.0
\$7.0
\$8.0
\$9.0
2007
2008
2009
2010
2Q11
Transaction Deposits and Customer Repos
Time Deposits
Total Borrowings
Trust Preferred
Customer
Repos
9%
Time Deposits
28%
DDA
16%
Savings, NOW,
MMDA
47%

Proven Merger Integrator

Proven Merger Integrator
Proven significant
acquisition
and
integration
experience
-
since
2002,

completed eight
bank acquisitions (\$6.1 billion in assets), four insurance acquisitions and one consumer
finance
acquisition.

Pending

-

acquisition

of

Parkvale

Financial

(\$1.8

billion

in

assets)

announced June 15, 2011.

Significant

acquisition

opportunities

exist

in

Pennsylvania

-

currently

over 50

Pennsylvania

headquartered

institutions

with

assets

between

\$300

million

and

\$3

billion

(1)

.

Pre-2002 Presence

Acquisition Related Expansion

(1)

Source:

SNL:

Includes

all

banks

and

thrifts

headquartered

in

PA,

excludes
mutuals
and
MHCs.
18

Well Diversified Business
F.N.B.
F.N.B.
Corporation
Corporation
Banking
Banking
Wealth
Wealth

Management
Management
Merchant
Merchant
Banking
Banking
Consumer
Consumer
Finance
Finance
Insurance
Insurance

Regency Finance Company
Over 80 years of consumer lending experience
65 Offices □
9 opened since October, 2010
High-Performing Affiliate

2Q2011
YTD
ROTCE

31.80%

(1)

2Q2011 YTD ROA 2.74%

2Q2011 ROE 28.31%

Consumer Finance

(1)

Return on average tangible common equity (ROTCE) is calculated by dividing net income less amortization of intangibles by average common equity less average intangibles.

Pennsylvania

Ohio

Ohio

Kentucky

20

Tennessee

Regency
Finance
Company
Loan
Portfolio
\$163
Million
87% of Real Estate Loans are First Mortgages
12%

32%

56%

As of June 30, 2011

Consumer Finance

21

Insurance
Property, Casualty, Life and
Employee Benefits
Risk Management, Risk Transfer
and Cost Containment Services
Seven offices, located in Central
and Western PA
80% Commercial; 20% Personal

78% Property and Casualty

22% Life and Benefits

Annual premiums of \$97 Million

Wealth Management and Insurance
Wealth

Management

Trust, Fiduciary and Institutional
Investment Services

Over 70 Years Managing Wealth

\$2.4 Billion Under Administration
at June 30, 2011

Individual Investment Services

Brokerage, Mutual Funds and
Annuities

Life and Long-Term Care
Insurance Planning

22

Merchant Banking

Junior capital provider offering flexible financing solutions

Mezzanine debt, subordinated notes, equity capital

Growth or expansion capital, buyouts and ownership

transition financing

No early stage or real estate financing

Typical investment between \$1 million and \$7 million

Total outstandings of \$22 million as of June 30, 2011

Successfully harvested two relationships in 2010 contributing

\$2.3 million to fee revenue

Founded in 2005

23

Parkvale Financial Corporation
Transaction Highlights
Announce Date: June 15, 2011

Strengthens FNB's
Leading Pittsburgh
Position
Solidifies FNB's leading status in the Pittsburgh market

Pittsburgh MSA market rank moves significantly from #7 to #3
Significantly enhances distribution capabilities and scale
One of few meaningful opportunities left in the market
Low Execution Risk

In-market transaction

Leverages experienced Pittsburgh-market management team

FNB is a proven merger integrator

completed eight bank

acquisitions since 2002 (\$6.1 billion in assets)

Financially

Attractive

Effective deployment of capital

EPS accretion of 6%

IRR

20%

Significant operating efficiencies

35% cost savings

Neutral to tangible book value per share, after recent capital raise

Accretive to March 31, 2011 tangible book value per share

(pre-capital raise)

Parkvale Financial

Compelling Strategic Rationale

25

Leadership Position

Pittsburgh MSA

Strong # 3 pro forma market share
position (FNB currently #7)

(1)

#1 community bank in the market

Leverages existing strengths to build on
momentum in market

FNB/Parkvale branch overlap

19

branches, or 40%, within 1 mile

26

Source: SNL Financial.

(1) Excludes custodian banks.

Pennsylvania

Parkvale Financial (47 branches)

F.N.B. (234 branches)

Beaver

Butler

Westmoreland

Armstrong

Fayette

Washington

Allegheny

Parkvale Financial (40 branches)

F.N.B. (61 branches)

Pittsburgh

Pittsburgh MSA

Total Foreclosures, First Quarter
2011

Attractive Pittsburgh Market

Source: PittsburghTODAY.org derived from Bureau of Labor Statistics, RealtyTrac and FHFA.

27

Source: SBA firms and employment by MSA 2008, Census.gov.

0

500

1,000
1,500
2,000
500+ Employees Middle Market and
Corporate
Pittsburgh MSA
Pennsylvania MSA
Average
National MSA Average
Pittsburgh Commercial Market
Continued Opportunity
Pittsburgh MSA Economic Indicators
Third Best %
Job Growth
% Change in Jobs, July 2010
July 2011
Total Nonfarm
#1 Housing
Appreciation
1 Year Appreciation Rates
4th Quarter 2010
Second Lowest First
Quarter 2011 Total
Foreclosures
10,000
20,000
30,000
40,000
50,000
<20 Employees Small Businesses
<500 Employees Businesses

Transaction Overview

Consideration:

\$22.48

(1)

per Parkvale Financial share

Fixed 2.178x exchange ratio

100% stock

Deal Value:

Approximately

\$130

million

(1)

Detailed Due

Diligence:

Completed

Required Approvals:

Customary regulatory and Parkvale shareholders

Expected Closing:

Early January 2012

TARP Repayment:

Parkvale intends to redeem its \$32 million of TARP prior to closing, subject to Treasury approval.

Board Seats:

Robert J. McCarthy, Jr. will join the Board of Directors of F.N.B.

Corporation, and one Parkvale board member, as mutually agreed, will become a director of First National Bank of Pennsylvania.

(1)

Based

on

FNB

stock

price

as

of

announcement

date,

Wednesday,

June

15,

2011,

\$10.32.

28

Pennsylvania Marcellus Shale

Pennsylvania Marcellus Shale
PA Marcellus Shale Formation
(3)

Sources: (1) The Pennsylvania Marcellus Natural Gas Industry: Status, Economic Impacts and Future Potential , July 20, 2011, Penn State; (2) Banking on the Marcellus , June 7, 2010, Sterne Agee Industry Report; (3) MarcellusCoalition.org

Fully developed -
Marcellus Shale has potential to
be the second largest natural gas field in the
world.

(1)
Estimated/projected Pennsylvania jobs

(1):

2020, cumulative, respectively
FNB screened as second best positioned in
Pennsylvania based on overlap of market share,
drilling permits issued and wells being dug.

(2)

PA Marcellus Drilling Permits

F.N.B. Banking Locations

30

60,000, 157,000 and 256,000 - 2009, 2011 and

Surveyors
Real Estate
Rocks and
Quarries
Utilities
Oil and Gas
(Direct Effect)
Drilling, Extraction,
Support Activities

Indirect Impact
(Supply Chain Effect)
Heavy
Equipment
Commodity
Traders
Other Gas
Distribution
Iron and
Steel
Construction
Pipelines
Machinery
Manufacturers
Gas
Processors
Rig Parts
Cement
Induced Impact
(Consumption Effect)
Food and
drink
Utilities
Travel
Higher
Education
Housing
Entertainment
Attorneys
Marcellus Shale Effect
31

2011
2015
2020

Economic Value:

\$12.8 Billion

\$17.2 Billion

\$20.2 Billion

State/Local Taxes:

\$1.2 Billion

\$1.7 Billion

\$2.0 Billion

Total Jobs:

156,695

215,979

256,420

Pennsylvania Marcellus Shale

The Future: Economic Opportunity

2011 Status, Economic Impacts and Future Potential

Source: The Pennsylvania Marcellus Shale Natural Gas Industry: Status, Economic Impacts and Future Potential , July 20, 2011, Penn State

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LOAN COMPOSITION
&
CREDIT QUALITY

Diversified Loan Portfolio
\$6.7 Billion Outstanding as of June 30, 2011
Shared National Credits

3.6%
of
total
loan

portfolio

In-market customers and
prospects
Avoided subprime and Alt-A
mortgages
Construction and land
development total only 3.4%
and 0.7%, respectively, of
FNB's total loan portfolio
34

Commercial Real Estate Portfolio
\$1.2 Billion in CRE Non-Owner Occupied
as of June 30, 2011 (excluding Florida)
Diverse Portfolio
Solid Credit Quality Results

2.20% Total delinquency

1.84% Non-performing
loans + OREO/Total loans
+ OREO
35

Credit Quality

(1)

2.02% when including credit mark in both reserve for loan losses and total loans, refer to non-GAAP reconciliation in Appendix

2.62%

2.84%

2.74%

2.54%

2.42%

0.94%
1.06%
1.51%
1.56%
1.51%
1.44%
0.0%
0.5%
1.0%
1.5%
2.0%
2.5%
3.0%
3.5%
4.0%
2007
2008
2009
2010
1Q11
2Q11
Dashed Line Excludes Florida
NPL's and OREO % of Total Loans and OREO
3.38%
3.28%
2.76%
2.46%
1.47%
1.87%
2.14%
1.87%
1.84%
0.5%
1.0%
1.5%
2.0%
2.5%
3.0%
3.5%
4.0%
2007
2008
2009
2010
2Q11
Dashed Line Excludes Florida
Total Past Due & Non-Accrual Loans
% of Total Loans
36
1.22%

1.80%

1.79%

1.74%

1.63%

1.38%

1.51%

1.50%

1.37%

2.02%

0.5%

0.7%

0.9%

1.1%

1.3%

1.5%

1.7%

1.9%

2.1%

2.3%

2.5%

2007

2008

2009

2010

2Q11

Dashed Line Excludes Florida

Reserves % of Total Loans

0.00%

0.20%

0.40%

0.60%

0.80%

1.00%

1.20%

2007

2008

2009

2010

2Q11

YTD

NCO's % of Total Average Loans

Bank

Regency

Florida

Florida Focus:
Land-Related Exposure
Florida Land-Related Exposure

Loans of \$53 million represent under
1% of total loan portfolio

OREO of \$21 million

Year-over-year exposure reduction of
\$24 million, or 25%
Total Florida Portfolio

Loans of \$180 million represent only
2.7% of total loan portfolio

Year-over-year exposure reduction of
\$39 million, or 16%
Florida
Land-Related Exposure
Composition

(1)

Exposure refers to period-end loans plus OREO

37

\$74 Million in Florida Land-Related Exposure as of June 30, 2011

(1)

FINANCIALS

Investment
Ratings By
Investment -
%
Amount
(1)
(in \$ millions)
Agency

MBS
AAA
\$999
Agency -
Senior Notes
AAA
\$338
CMO

Agency
AAA
\$250
Municipals
AAA

2%
AA

93%
A

5%
\$198
CMO

Private
Label
AAA

30%
AA

9%
A

-
4%
BBB

20%
CCC

36%
\$28
Short-Term
AAA
\$17
Trust
Preferred
(2)
BBB

26%
BB

22%
B

12%
C

40%
\$17

Bank Stocks
Non-Rated

\$2

Total

\$1,849

% of Total \$1.8 Billion Portfolio

Earning Assets -

Investments

(1) Amounts shown reflect GAAP

(2) Original cost of \$48 million; adjusted cost of \$30 million; fair value of \$16 million

Investment Portfolio Ratings as of June 30, 2011

39

Solid Financial
Results
EPS of \$0.18 per diluted share
Seventh consecutive quarter of revenue growth
Eighth consecutive quarter of total loan growth
Continued strong transaction deposits and customer repo growth
Continued good credit quality results
Parkvale Financial
Announcement

Effective deployment of capital

EPS accretion of 6%

IRR

20%

Solidifies FNB's leading status in the Pittsburgh market

Completed

Common Stock

Offering

\$63 million net proceeds

Attractive price of \$10.70

Completed in conjunction with FNB inclusion in the S&P 600

Second Quarter Highlights

40

Second Quarter Results

(1)
Calculated by dividing net income less amortization of intangibles by average common equity less average intangibles.

(2)
Calculated by dividing net income less amortization of intangibles by average assets less average intangibles.

(3)
Annualized linked-quarter organic growth data, based on average balances.

41
* 1Q11 amounts adjusted for one-time merger costs, refer to non-GAAP reconciliation included in Appendix

2Q11

1Q11

2Q10

Profitability

Earnings per Common Share*

0.18

\$

0.16

\$

0.16

\$

Return on Tangible Equity

(1)

*

16.77%

15.97%

15.65%

Return on Tangible Assets

(2)

*

1.02%

0.94%

0.92%

Operating

Loan Growth

(3)

5.1%

5.5%

3.3%

Total Deposit and

Customer Repurchase Agreements Growth

(3)

6.3%

1.0%

9.2%

Transaction Deposits and

Customer Repurchase Agreements Growth

(3)

10.7%

4.3%

13.7%

Net Interest Margin

3.78%

3.81%

3.81%

Efficiency Ratio

60.54%

63.72%

60.45%

Stable Net Interest Margin

Source: SNL Financial

Regional peers include: CBCR, CBCYB, CBSH, CBU, CHFC, CRBC, CSE,

FCF, FFBC, FINN, FMBI, FMER, FRME,

FULT, MBFI, NBTB, NPBC, ONB, PRK, PVTB, SBNY, SRCE, STBA, SUSQ, TAYC, TCB, UBSI, UMBF, VLY, WSBC, and WTFC

42

Fee Income
Excludes securities gains.
43
-\$20
-\$10
\$0
\$10
\$20
\$30

\$40

\$50

\$60

\$70

\$80

\$90

\$100

\$110

\$120

2007

2008

2009

2010

2Q10

YTD

2Q11

YTD

Gain-Sale of Residential Mtg Loans

Bank-Owned Life Insurance

Securities Commissions and Fees

Other

Trust Fees

Insurance Commissions and Fees

Service Charges

OTTI Charges

2Q11 YTD Fee Income as Percentage of Operating Revenue -- 27%

Well Capitalized

Capital ratios at June 30, 2011 reflect the offering completed May 18, 2011 of 6.0 million shares of common stock with net proceeds of \$63 million.

44

4%

6%

8%

10%

12%

14%
Total Risk-Based
Tier One
Leverage
Tangible Common
Equity
December 31, 2010
March 31, 2011
June 30, 2011
Regulatory Well Capitalized
Threshold

INVESTMENT THESIS

Long-Term Investment Thesis

Targeted EPS Growth

5-6%

Expected Dividend Yield

(Payout Ratio 60-70%)

4-6%

= Total Shareholder Return

9-12%

46

(1)
Based on August 31, 2011 closing prices (F.N.B.=\$8.97)

(2)
Represents total common equity less intangibles
Relative Valuation Multiples
47

F.N.B.
Corporation
Regional

Banks

National

Banks

Price

(1)

/Earnings Ratio

FY11 Consensus EPS (F.N.B.=\$0.69)

13.00x

14.03x

13.81x

FY12 Consensus EPS (F.N.B.=\$0.85)

10.55x

11.37x

11.40x

Price

(1)

-to-Tangible Common Book Value

(2)

1.90x

1.28x

1.26x

Dividend Yield

(1)

5.35%

2.01%

1.96%

Peer Median

Summary

Leading market share among community banks in
Central and Western PA

Executing organic growth strategy and capitalizing
on opportunities presented in markets of operation

Experienced management team with proven ability
to integrate acquisitions

Diversified revenue stream

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APPENDIX

Loan Risk Profile

Established Board of Directors

GAAP to Non-GAAP Reconciliations

Second Quarter 2011 Earnings Release (July 25, 2011)

Loan Risk Profile
Appendix
Balance
(1)
% of
Loans
YTD Net
Charge-
Offs/Loans

(2)

Total Past

Due / Loans

NPL/Loans

CRE Owner Occupied

1,294,489

19%

0.18%

3.03%

2.13%

CRE Non-Owner Occupied

1,189,744

18%

0.38%

2.20%

1.48%

Commercial & Industrial

1,111,311

17%

0.37%

0.99%

0.78%

Home Equity & Other Consumer

1,486,879

22%

0.31%

0.90%

0.79%

Residential Mortgage

623,926

9%

0.02%

2.56%

1.39%

Indirect Consumer

519,550

8%

0.42%

1.00%

0.17%

Florida

180,232

3%

1.44%
24.92%
24.91%
Regency Finance
163,150

2%
3.76%
3.62%
3.95%
Other
133,314

2%
0.88%
1.65%
0.56%
Total
6,702,595

100.0%
0.42%
2.46%
1.90%

(1) Period end balances, in \$ millions

(2) Annualized

Loan Risk Profile as of June 30, 2011

Director

Name

Age

Since

Biography

Stephen J. Gurgovits

68

1981

President and Chief Executive Officer

William B. Campbell

73

1975

Chairman of the Board

Henry M. Ekker

72

1994

Partner with Ekker, Kuster, McConnell & Epstein, LLP

Philip E. Gingerich

74

2008

Director of Omega from 1994 to 2008; Retired Real Estate

Appraiser and Consultant

Robert B. Goldstein

71

2003

Principal of CapGen Financial Advisors LLC since 2007;

Former Chairman of Bay View Capital

Dawne S. Hickton

53

2006

Vice Chairman and CEO of RTI International Metals, Inc. since

2007

David J. Malone

57

2005

President and CEO of Gateway Financial since 2004

D. Stephen Martz

69

2008

Former Director, President and COO of Omega

Harry F. Radcliffe

60

2002

Investment Manager

Arthur J. Rooney II

58

2006

President, Pittsburgh Steelers Sports, Inc.; of Counsel with

Buchanan, Ingersoll & Rooney LLP

John W. Rose

62

2003

Principal of CapGen Financial Advisors LLC since 2007;

President of McAllen Capital Partners, Inc. since 1991

Stanton R. Sheetz

56

2008

CEO and Director of Sheetz, Inc.; Director of Omega from 1994

to 2008; Director of Quaker Steak and Lube Restaurant, Inc

William J. Strimbu

50

1995

President of Nick Strimbu, Inc. since 1994

Earl K. Wahl, Jr.

70

2002

Owner, J.E.D. Corporation

Appendix

Established Board of Directors

GAAP to Non-GAAP Reconciliation
Appendix
2011
2010
Second
First
Second
Quarter
Quarter

Quarter

Return on average tangible equity (1):

Net income (annualized)

\$89,695

\$69,653

\$71,886

Amortization of intangibles, net of tax (annualized)

4,707

4,734

4,376

94,402

74,387

76,262

Average total shareholders' equity

1,166,305

1,129,622

1,052,569

Less: Average intangibles

(603,552)

(595,436)

(565,294)

562,753

534,186

487,275

Return on average tangible equity (1)

16.77%

13.93%

15.65%

Return on average tangible assets (2):

Net income (annualized)

\$89,695

\$69,653

\$71,886

Amortization of intangibles, net of tax (annualized)

4,707

4,734

4,376

94,402

74,387

76,262

Average total assets

9,866,025

9,695,015

8,874,430

Less: Average intangibles

(603,552)

(595,436)

(565,294)

9,262,473

9,099,579

8,309,136

Return on average tangible assets (2)

1.02%

0.82%

0.92%

GAAP to Non-GAAP Reconciliation
Appendix
2011
2010
Second
First
Second
Quarter
Quarter

Quarter

Tangible book value per share:

Total shareholders' equity

\$1,203,150

\$1,128,414

\$1,058,004

Less: intangibles

(601,958)

(601,475)

(564,495)

601,192

526,939

493,509

Ending shares outstanding

127,024,899

120,871,383

114,532,890

Tangible book value per share

\$4.73

\$4.36

\$4.31

Tangible equity / tangible assets (period end):

Total shareholders' equity

\$1,203,150

\$1,128,414

\$1,058,004

Less: intangibles

(601,958)

(601,475)

(564,495)

601,192

526,939

493,509

Total assets

9,857,163

9,755,281

8,833,060

Less: intangibles

(601,958)

(601,475)

(564,495)

9,255,205

9,153,806

8,268,565

Tangible equity / tangible assets (period end)

6.50%

5.76%

5.97%

GAAP to Non-GAAP Reconciliation
Appendix
2011
Second
First
Quarter
Quarter
Allowance for loan losses + credit marks / total
loans + credit marks:

Allowance for loan losses

\$109,224

\$107,612

Credit marks

26,622

26,919

135,846

134,531

Total loans

6,702,595

6,559,952

Credit marks

26,622

26,919

6,729,217

6,586,871

Allowance for loan losses + credit marks / total

loans + credit marks

2.02%

2.04%

(1) Return on average tangible equity is calculated by dividing net income less amortization of intangibles by average equity less average intangibles.

(2) Return on average tangible assets is calculated by dividing net income less amortization of intangibles by average assets less average intangibles.

GAAP to Non-GAAP Reconciliation
Appendix
2011
2011
First
First
Quarter
Quarter
Adjusted

net
 income:
 Adjusted
 return
 on
 average
 tangible
 equity
 (1):
 Net income
 \$17,175
 Adjusted net income (annualized)
 \$80,582
 Merger-related costs, net of tax
 2,695
 Amortization of intangibles, net of tax (annualized)
 4,734
 Less: Pension credit, net of tax
 0
 85,317
 Adjusted net income
 \$19,870
 Average total shareholders' equity
 1,129,622
 Adjusted
 diluted
 earnings
 per
 share:
 Less: Average intangibles
 (595,436)
 Diluted earnings per share
 \$0.14
 534,186
 Effect of merger-related costs, net of tax
 0.02
 Adjusted return on average tangible equity (1)
 15.97%
 Less: Effect of pension credit, net of tax
 0.00
 Adjusted diluted earnings per share
 \$0.16
 Adjusted
 return
 on
 average
 tangible
 assets
 (2):
 Adjusted net income (annualized)

\$80,582

Amortization of intangibles, net of tax (annualized)

4,734

85,317

Average total assets

9,695,015

Less: Average intangibles

(595,436)

9,099,579

Adjusted return on average tangible assets (2)

0.94%

(1) Return on average tangible equity is calculated by dividing net income less amortization of intangibles by average equity less

(2) Return on average tangible assets is calculated by dividing net income less amortization of intangibles by average assets less