


# F.N.B. Corporation

*Sandler O'Neill Financial Services Conference  
November 15, 2012*



**Vincent J. Delie, Jr.**  
**President and Chief Executive Officer**



## Cautionary Statement Regarding Forward-Looking Information and Non-GAAP Financial Information

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; (13) in connection with the pending merger with Annapolis Bancorp, Inc., difficulties encountered in expanding into a new market; or (14) 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.

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](http://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 October 22, 2012 and in its periodic filings with the Securities and Exchange Commission.



## Additional Information About the Merger

### ADDITIONAL INFORMATION ABOUT THE MERGER

F.N.B. Corporation and Annapolis Bancorp, Inc. will file a proxy statement/prospectus and other relevant documents with the SEC in connection with the merger.

SHAREHOLDERS OF ANNAPOLIS BANCORP, INC. 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](http://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; and free copies of the documents Annapolis Bancorp, Inc. has filed with the SEC by contacting Edward Schneider, Treasurer and CFO, Annapolis Bancorp, Inc., 1000 Bestgate Road, Suite 400, Annapolis, MD 21401, telephone: (410) 224-4455.

F.N.B. Corporation and Annapolis Bancorp, Inc. and certain of their directors and executive officers 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 Annapolis Bancorp, Inc. 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.



# Today's Discussion

- **F.N.B. Corporation Overview**
- **FNB Differentiator: Sustainable Business Model**
- **Strong Operating Results**
- **Attractive Valuation**

# F.N.B. Corporation

## Fourth Largest Pennsylvania-Based Bank

- Assets of \$12.0 billion
- Loans of \$8.0 billion
- Deposits of \$10.0 billion
- 246 banking locations

## Well-Positioned

- Attractive footprint
- Banking locations spanning 44 counties
- #3 market share in the Pittsburgh MSA
- #3 market position for all counties of operation

## Strong Operating Results: Quality Earnings

- Top quartile profitability performance
- 13 consecutive linked-quarter total organic loan growth
- Strong performance - 3-year total return of 84%<sup>(1)</sup>
- Positive pre-provision net revenue trends

## Consistent Operating Strategy

- Maintain low-risk profile - Enterprise-wide risk management
- Continuously reposition and reinvest for growth
- Disciplined expense control

(1) As of November 7, 2012



# Sustainable Business Model

## Sustainable Business Model

Risk Management

Growth

Culture

Shareholder Value


# Top Overall Market Position

*FNB holds the #3 overall retail market position for all counties of operation*

FNB Counties of Operation				
Rank	Institution	Branch Count	Total Market Deposits (\$ 000)	Total Market Share (%)
1	PNC Financial Services Group	367	53,477,806	30.3
2	Royal Bank of Scotland Group, PLC	227	10,728,368	6.1
<b>3</b>	<b>F.N.B. Corporation</b>	<b>254</b>	<b>9,437,811</b>	<b>5.3</b>
4	M&T Bank Corp.	152	8,603,725	4.9
5	Huntington Bancshares, Inc.	127	6,172,157	3.5
6	Wells Fargo & Co.	76	5,575,216	3.2
7	First Commonwealth Financial	101	3,957,651	2.2
8	Banco Santander	75	3,854,650	2.2
9	Dollar Bank Federal Savings Bank	40	3,665,400	2.1
10	Susquehanna Bancshares	84	3,172,621	1.8
	Total (1-188)	3,035	176,528,069	100.0

Source: SNL Financial, deposit data as of June 30, 2012, pro-forma as of October 26, 2012, excludes custodian bank

# Top Position in a Major Metropolitan Market

Rank	MSA	Population (000's)	Top 3 Banks in MSA by Deposit Market Share		
			#1	#2	#3
1	New York <sup>(1)</sup>	18,897	JPM	BofA	Citi
2	Los Angeles	12,829	BofA	Wells Fargo	Mitsubishi UFJ
3	Chicago	9,461	JPM	BMO	BofA
4	Dallas	6,372	BofA	JPM	Wells Fargo
5	Philadelphia	5,965	TD	Wells Fargo	HSBC
6	Houston	5,947	JPM	Wells Fargo	BofA
7	Washington	5,582	Capital One	Wells Fargo	BofA
8	Miami	5,565	Wells Fargo	BofA	Citi
9	Atlanta	5,269	SunTrust	Wells Fargo	BofA
10	Boston	4,552	BofA	RBS	Banco Santander
11	San Francisco	4,335	BofA	Wells Fargo	Citi
12	Detroit	4,296	JPM	Comerica	BofA
13	Riverside	4,225	BofA	Wells Fargo	JPM
14	Phoenix	4,193	Wells Fargo	JPM	BofA
15	Seattle	3,440	BofA	Wells Fargo	U.S. Bancorp
16	Minneapolis <sup>(1)</sup>	3,280	Wells Fargo	U.S. Bancorp	TCF
17	San Diego	3,095	Wells Fargo	Mitsubishi UFJ	BofA
18	St. Louis	2,813	U.S. Bancorp	BofA	Commerce
19	Tampa	2,783	BofA	Wells Fargo	SunTrust
20	Baltimore	2,710	BofA	M&T	PNC
21	Denver	2,543	Wells Fargo	FirstBank	U.S. Bancorp
<b>22</b>	<b>Pittsburgh<sup>(1)</sup></b>	<b>2,356</b>	<b>PNC</b>	<b>RBS</b>	 <b>F.N.B. Corporation</b>
23	Portland	2,226	BofA	U.S. Bancorp	Wells Fargo
24	Sacramento	2,149	Wells Fargo	BofA	U.S. Bancorp
25	San Antonio	2,143	Cullen/Frost	BofA	Wells Fargo

FNB is uniquely positioned as one of only very few community banks to hold a Top 3 deposit market rank in one of the nation's 25 largest metropolitan statistical areas.

Source: MSA population per U.S. Census Bureau 2010 data; Deposit market share per SNL Financial as of June 30, 2012, pro-forma as of October 8, 2012

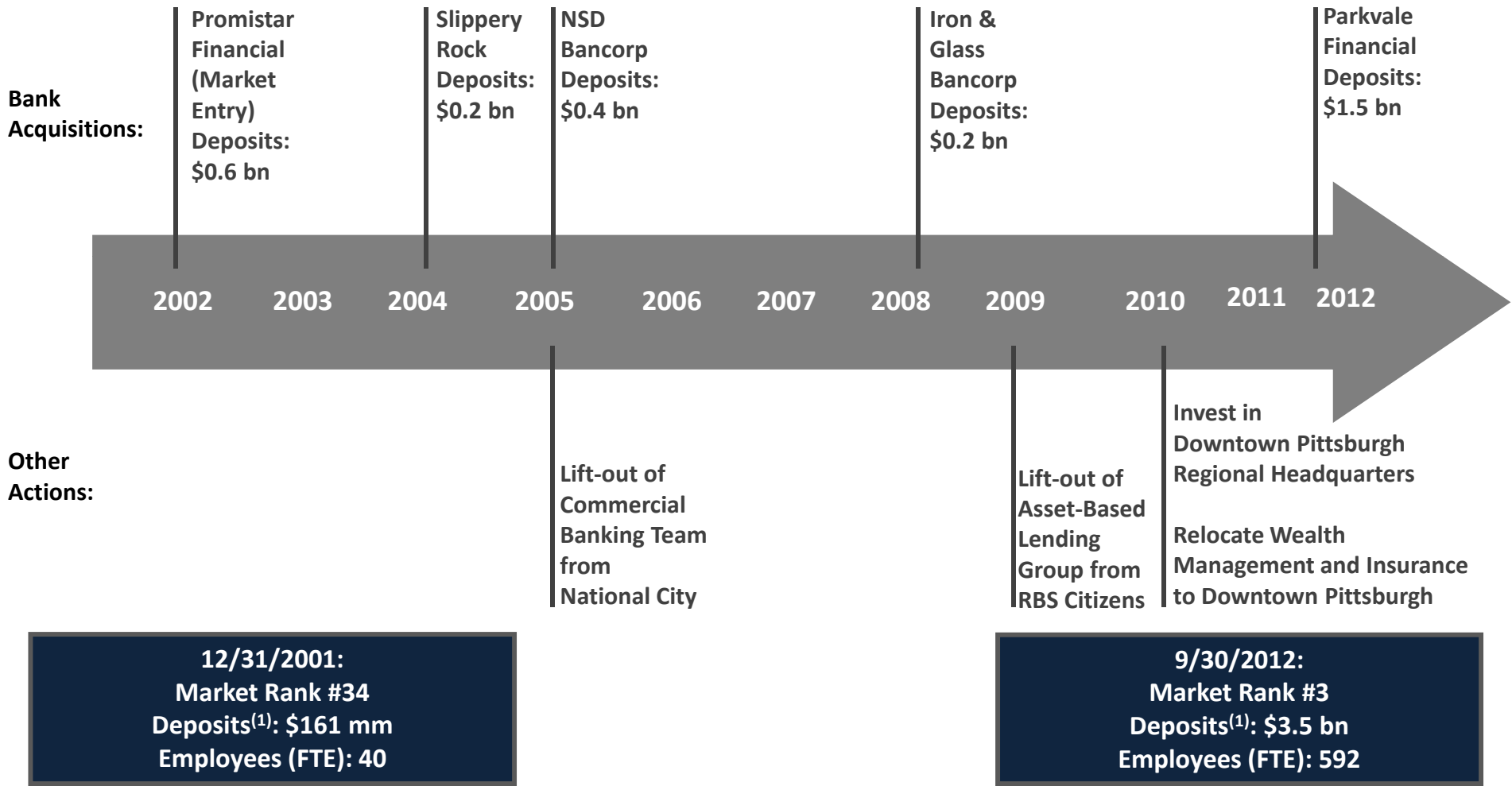
(1) Excludes custodian bank





# Pittsburgh Market Position Timeline

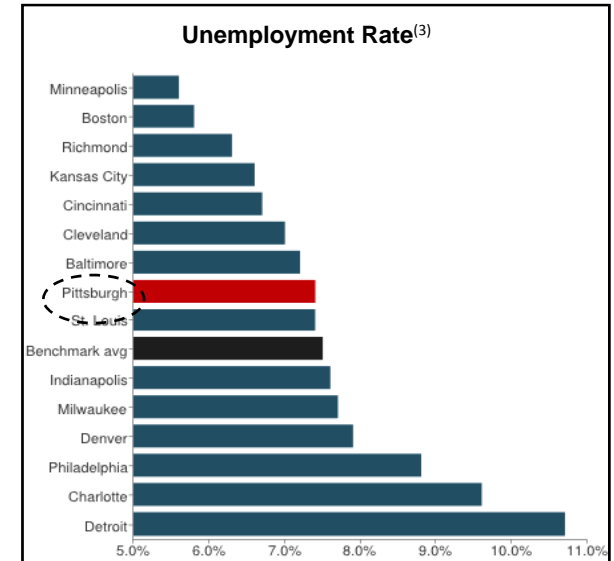
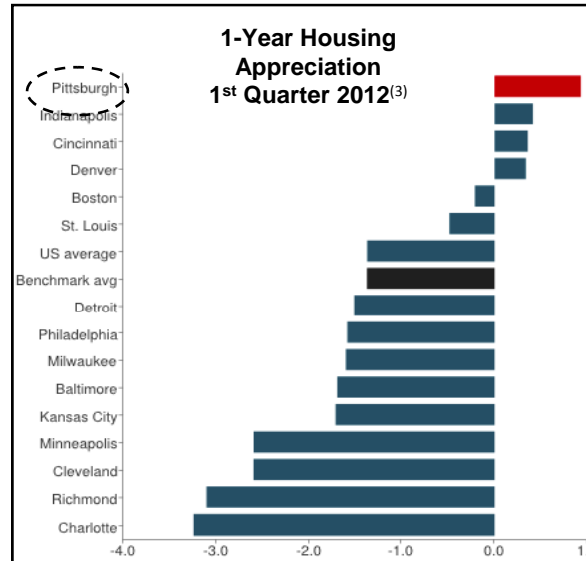
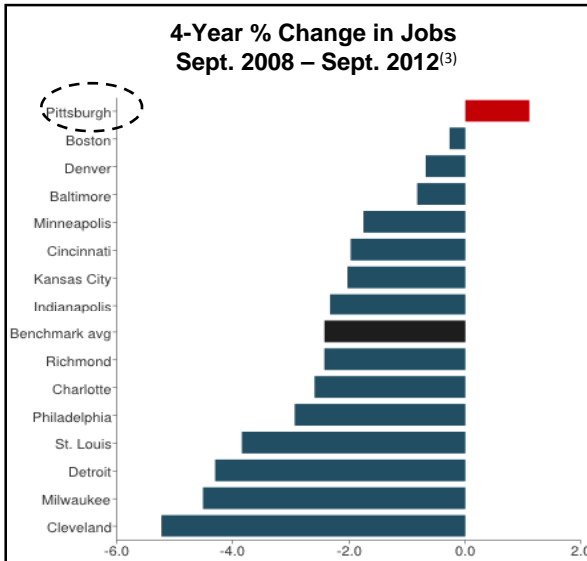
*Successful execution of an organic and acquisition growth strategy in the Pittsburgh market*



(1) Source: SNL Financial as of June 30 of each respective year

# Pittsburgh Market Attractive Attributes

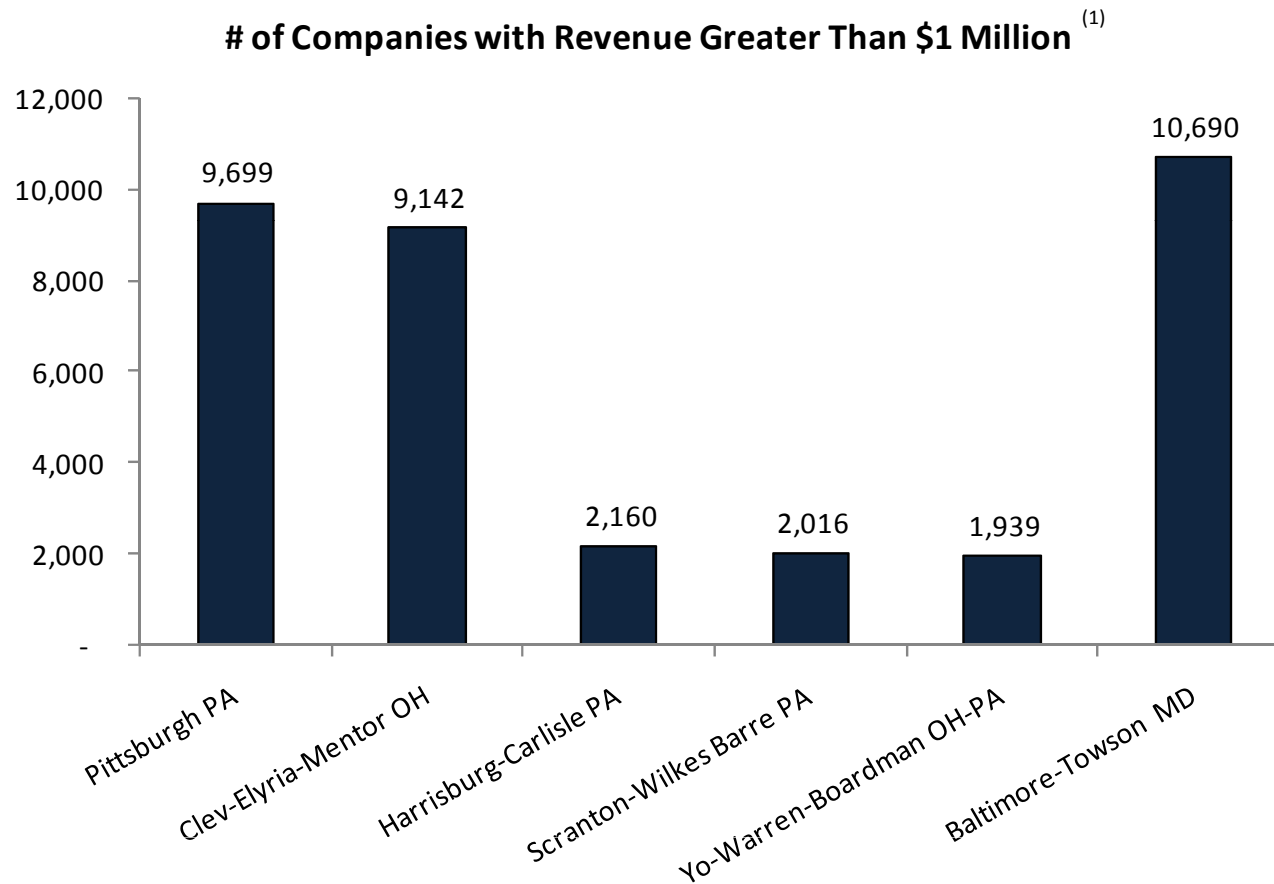
	Pittsburgh, PA	
<b>FNB Presence</b>		➤ <b>Strong FNB Presence</b>
Deposits <sup>(1)</sup>	\$3.5 billion	- #3 market retail rank
% of FNB Total Deposits <sup>(1)</sup>	39%	- Regional headquarters accommodating all lines of business
Deposit Market Share <sup>(1) (2)</sup> / Rank	4.5% / #3	
<b>Market</b>		➤ <b>Pittsburgh MSA Market</b>
Deposits <sup>(2)</sup>	\$96.7 billion	- 22 <sup>nd</sup> largest based on population
Population <sup>(2)</sup>	2.4 million	- 16 <sup>th</sup> largest based on deposits
Households <sup>(2)</sup>	1.0 million	- Favorable economic trends that have outperformed much of nation



(1) As of June 30, 2012; Market Share Rank excludes custodian bank; (2) Data per SNL; (3) Source: PittsburghToday.org

# Commercial Lending Opportunity

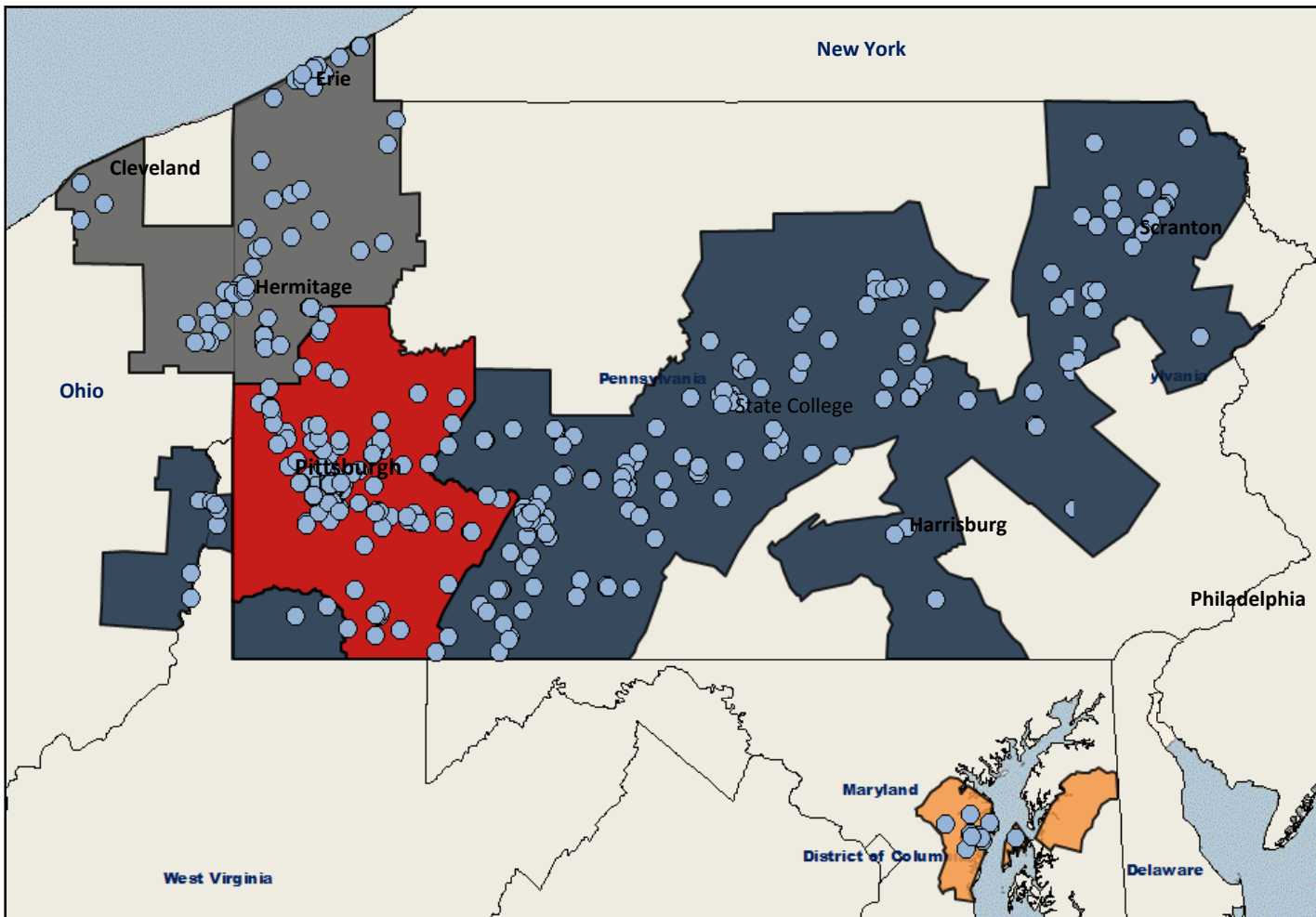
## Focus on Markets With Commercial Lending Opportunity



Note: Above metrics at the MSA level

(1) Data per Hoover's as of October 29, 2012

# Proven Merger Integrator



## Ten Bank Acquisitions

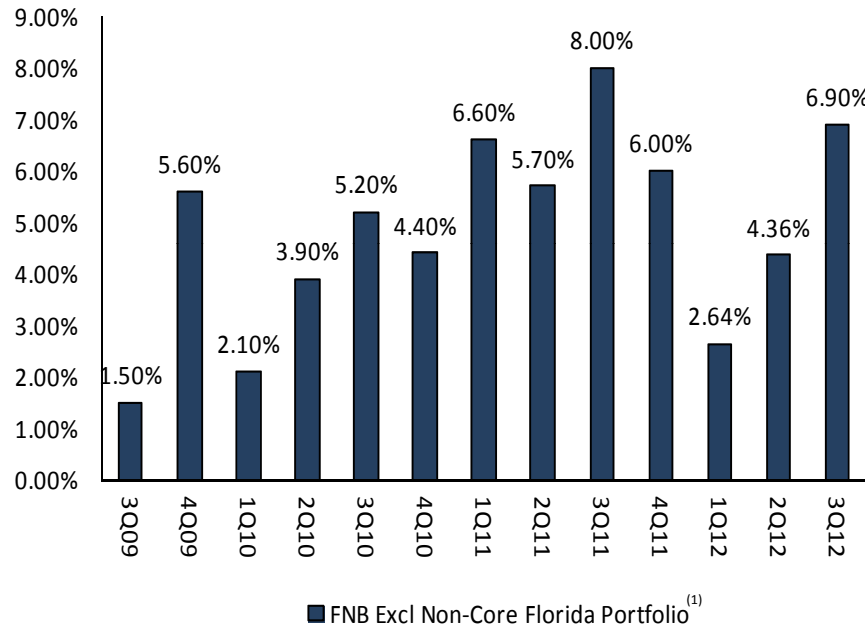
- ✓ Nine bank acquisitions completed since 2002, totaling \$7.9 billion in assets
- ✓ Pending acquisition of ANNB announced on October 22, 2012

○ FNB Banking Location (pro-forma, including 8 ANNB branches in Maryland)

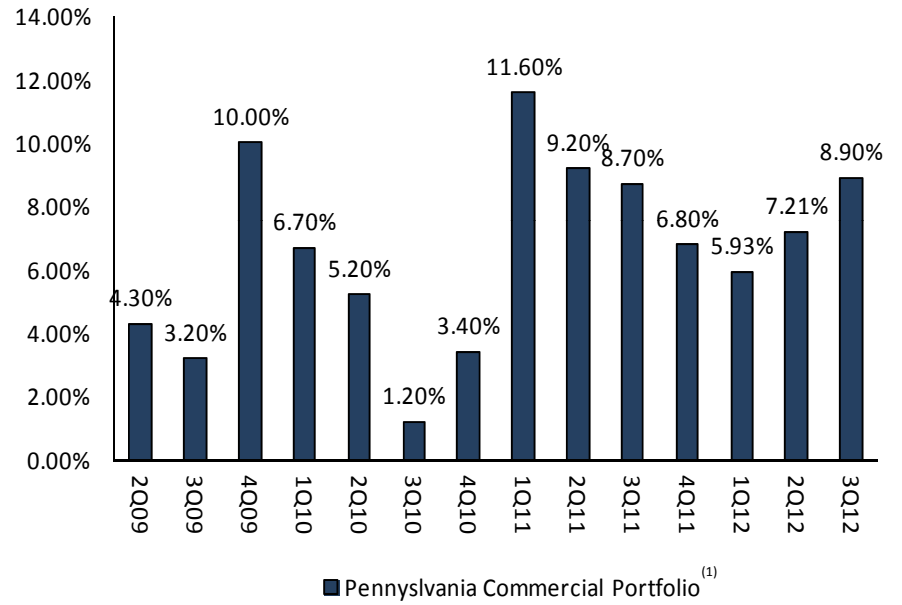
# Industry Leading Loan Growth

*Over three years of consecutive quarterly organic loan growth accomplished*

**Total Loans<sup>(1)</sup>**



**PA Commercial Loans<sup>(1)</sup>**



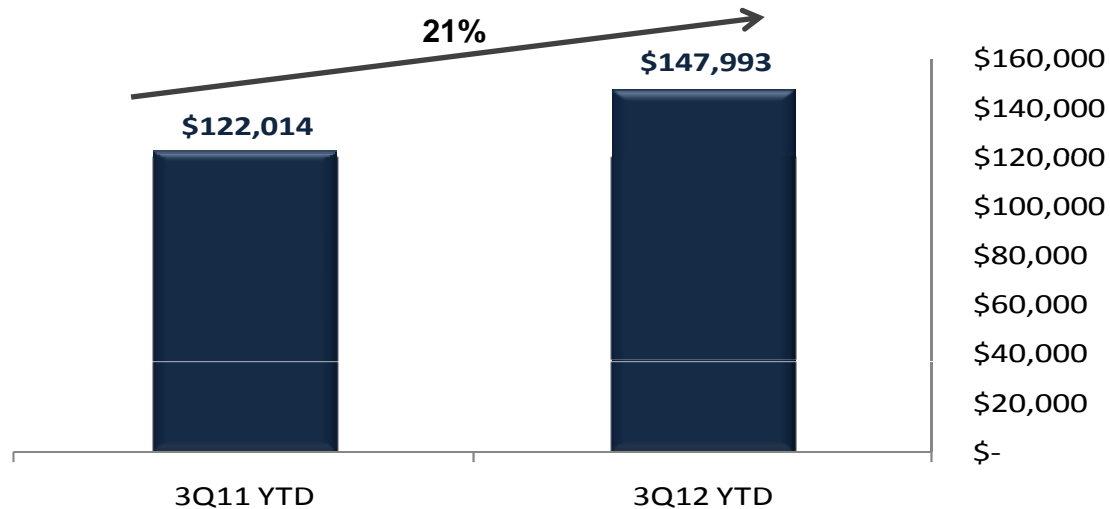
➤ 13<sup>th</sup> consecutive quarter of total loan growth

➤ 14<sup>th</sup> consecutive quarter of Pennsylvania commercial portfolio growth

(1) Reflects linked-quarter average organic loan growth results on an annualized basis, excluding reductions in the Florida commercial portfolio

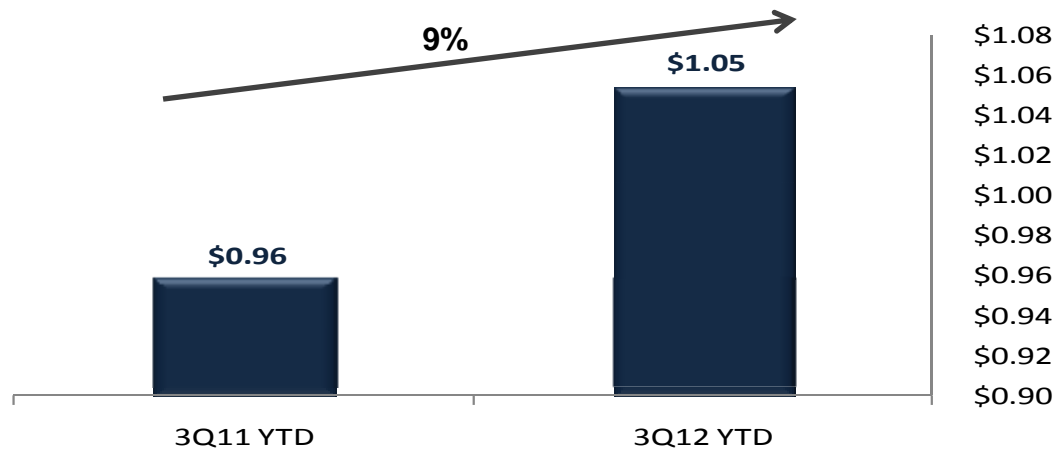
# Quality of Earnings: Pre-Provision Net Revenue Results

## Pre-Provision Net Revenue



**21%  
Year-over-Year  
PPNR  
Growth**

## Pre-Provision Net Revenue EPS

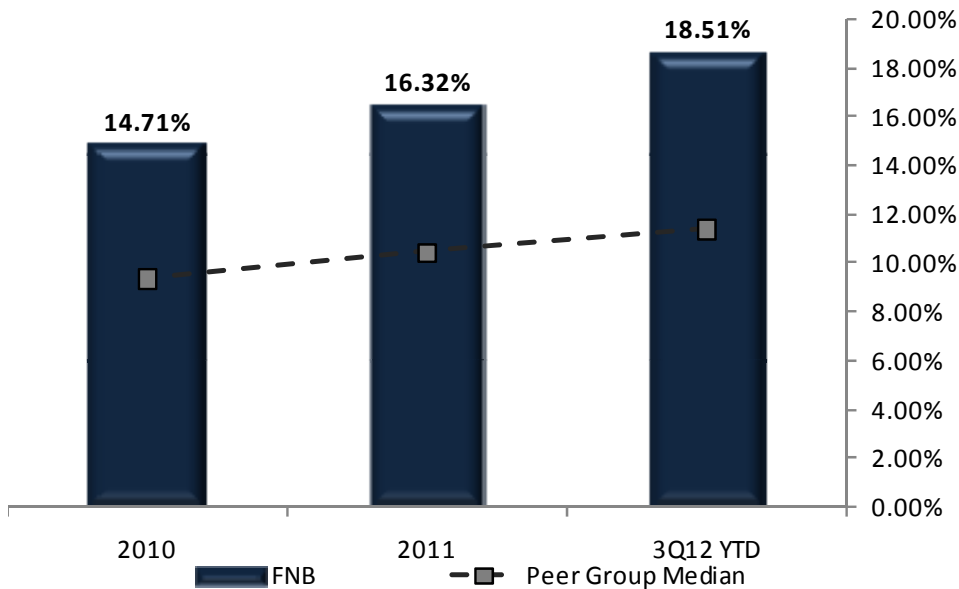


**9%  
Year-over-Year  
PPNR EPS  
Growth**

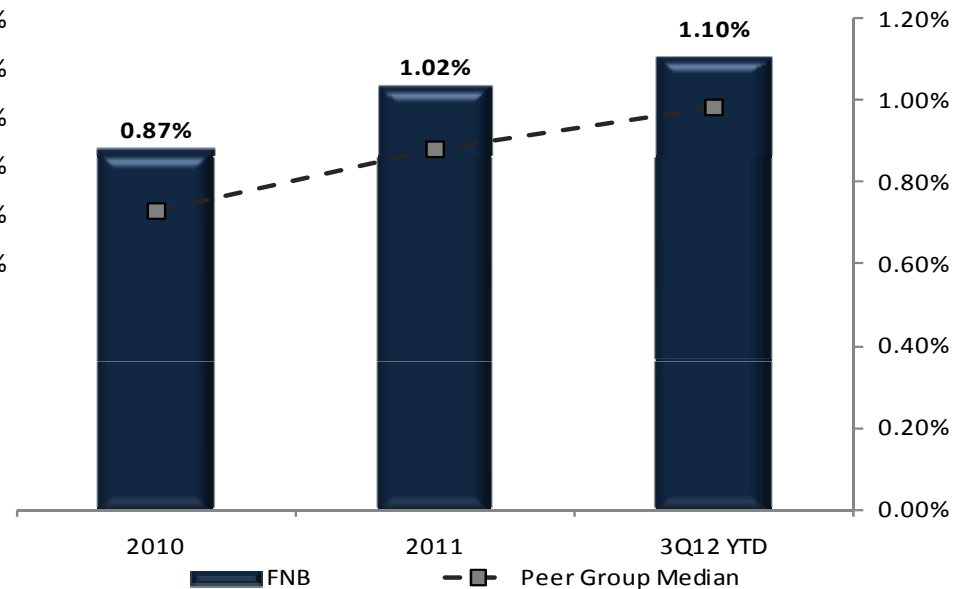
Pre-provision net revenue (PPNR) represents net interest income (FTE), plus non-interest income (excluding securities gains and losses and OTTI) less non-interest expense. Non-interest income and non-interest expense have been adjusted to exclude certain non-operating items, refer to appendix for calculation.

# Strong Profitability Trends

## Return on Average Tangible Equity<sup>(1)</sup>



## Return on Average Tangible Assets<sup>(1)</sup>



Peer data per SNL Financial, refer to Appendix for peer listing

(1) Operating ROTE and ROTA for FNB, excludes merger and severance costs and certain other one-time items, refer to Non-GAAP Reconciliation included under Supplemental Information

# FNB Among Top Performing Banks

	Year-to-Date Performance					Relative Valuation/Total Return		
	Assets (\$ billions)	Efficiency ROTCE (%)	Net Charge- Ratio (%)	Offs (%)	Net Interest Margin	Price/ Price/TBV (x)	2013E EPS (x)	Dividend Yield (%)
<b>Peer Median Results</b>								
Regional Peer Group	\$9.5	11.45	58.0	0.57	3.73	1.36	12.8	2.89
Top 100 Banks/Thriffs Based on Asset Size	\$13.3	11.23	62.2	0.46	3.62	1.37	12.6	2.35
Top 100 Trading at > 2.0x Tangible Book	\$13.7	18.12	56.8	0.46	3.58	2.31	12.6	2.71
<b>F.N.B. Corporation</b>	<b>\$12.0</b>	<b>18.51</b>	<b>58.3</b>	<b>0.34</b>	<b>3.75</b>	<b>2.20</b>	<b>12.1</b>	<b>4.49</b>

Notes: Data per SNL Financial and FNB. Year-to-date performance represents the first nine months of 2012. Relative valuation metrics and total return as of October 26, 2012. FNB ROTCE represents operating ROTCE – refer to Supplemental Information.







# Long-Term Investment Thesis

*FNB's long-term investment thesis reflects a commitment to efficient capital management and creating value for our shareholders*

## Long-Term Investment Thesis:

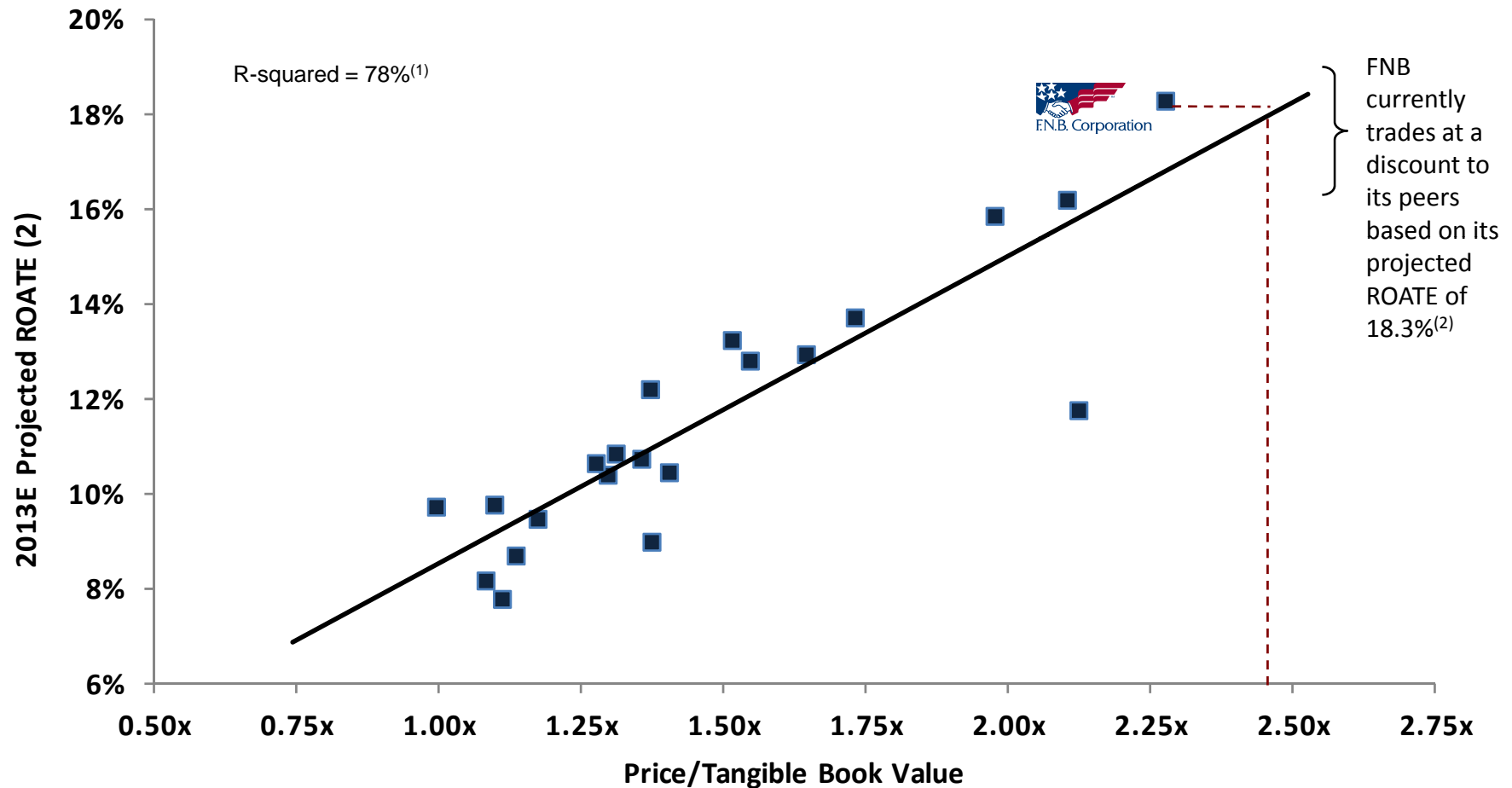
**Targeted EPS Growth** **5-6%**

**Expected Dividend Yield** **4-6%**  
*(Targeted Payout Ratio 60-70%)*

**Total Shareholder Return** **9-12%**

# Relative Valuation Analysis

*Where a bank trades relative to tangible book value is highly correlated with its projected return on tangible capital*



Source: SNL Financial as of 10/30/12; Note: Data set above includes FNB's regional peer group; (1)R-squared represents the percentage of the variation in price to tangible book value (P/TBV) that can be explained by variation in 2013E projected return on average tangible equity (ROATE); (2)Based on consensus mean estimates for FY2013.



# Summary

- **Sustainable Business Model**
  - ✓ **Significant investment in personnel**
  - ✓ **Proprietary systems to gain market share**
  - ✓ **Attractive market position**
  - ✓ **Proven and disciplined acquirer**
  
- **Strong Operating Results**
  - ✓ **Industry leading loan growth**
  - ✓ **High-quality earnings**
  - ✓ **Top performing bank**
  
- **Attractive Valuation**