

# F.N.B. Corporation Announces Agreement to Acquire PVF Capital Corp.

February 19, 2013



F.N.B. Corporation



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

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act, 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. Forward-looking statements are typically identified by words such as "believe", "plan", "expect", "anticipate", "intend", "outlook", "estimate", "forecast", "will", "should", "project", "goal", and other similar words and expressions. These forward-looking statements involve certain risks and uncertainties. In addition to factors previously disclosed in F.N.B. Corporation's reports filed with the SEC and those identified elsewhere in this filing, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance: ability to obtain regulatory approvals and meet other closing conditions to the Merger, including approval by PVF Capital Corp. shareholders, on the expected terms and schedule; delay in closing the Merger; difficulties and delays in integrating the FNB and PVF Capital Corp. businesses or fully realizing cost savings and other benefits; business disruption following the Merger; changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer acceptance of FNB products and services; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures; economic conditions; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms. 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.

### ADDITIONAL INFORMATION ABOUT THE MERGER

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

**SHAREHOLDERS OF PVF CAPITAL CORP. 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 and PVF Capital Corp. have 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 PVF Capital Corp. has filed with the SEC by contacting Jeffrey N. Male, Secretary, PVF Capital Corp., 30000 Aurora Road, Solon, OH 44139, telephone: (440) 248-7171.

F.N.B. Corporation and PVF Capital Corp. and certain of their directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders of PVF Capital Corp. in connection with the proposed merger. Information concerning such participants' ownership of PVF Capital Corp. common shares 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.



# Transaction Rationale

## Strategic Opportunity to Add Scale

- Expands current presence in Cleveland Market
  - Accelerates current growth strategy
- Market opportunity
  - Leverages FNB's model in another major MSA
  - Significant commercial opportunities (over 50,000 businesses)
  - Attractive suburbs provide opportunity to expand retail, wealth & private banking platforms

## Financially Attractive

- Immediately accretive to EPS
- Accretive to tangible book value
- Strong internal rate of return

## Low Risk

- Comprehensive due diligence process completed
- Leverages FNB's existing in-market management platform
- Experienced acquiror

# Transaction Overview

<b>Fully Diluted Deal Value</b>	<ul style="list-style-type: none"><li>▪ \$106.4 million <sup>(1)</sup></li></ul>
<b>Consideration</b>	<ul style="list-style-type: none"><li>▪ 100% stock; fixed 0.3405 exchange ratio</li></ul>
<b>Implied Price Per Share</b>	<ul style="list-style-type: none"><li>▪ \$3.98 <sup>(1)</sup></li></ul>
<b>Required Approvals</b>	<ul style="list-style-type: none"><li>▪ Customary regulatory and PVFC shareholder</li></ul>
<b>Termination Fee</b>	<ul style="list-style-type: none"><li>▪ \$4.0 million</li></ul>
<b>Key Assumptions</b>	<ul style="list-style-type: none"><li>▪ Cost savings estimated at 31% of PVFC's expense base</li><li>▪ One-time transaction expenses of approximately \$14.3 million, pre-tax</li></ul>
<b>Capital Impact</b>	<ul style="list-style-type: none"><li>▪ Accretive to tangible book value per share</li><li>▪ Breakeven to TCE / TA</li><li>▪ Minimal impact to regulatory capital ratios</li></ul>
<b>Anticipated Closing</b>	<ul style="list-style-type: none"><li>▪ Third quarter of 2013</li></ul>

# Transaction Pricing

Transaction Multiples	FNB / PVFC Transaction	Recent Regional Transactions <sup>(4)</sup>
<b>Price / Tangible Book Value<sup>(1)</sup> (x)</b>	<b>1.37x</b>	<b>1.52x</b>
<b>Market Premium<sup>(2)</sup> (%)</b>	<b>57.9%</b>	<b>59.6%</b>
<b>Core Deposit Premium<sup>(3)</sup> (%)</b>	<b>5.6%</b>	<b>5.9%</b>

Source: SNL Financial

Metrics based on FNB 20-day trailing stock price of \$11.69 on 2/15/13 multiplied by the fixed exchange ratio

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(1) Based on PVFC's tangible book value per share of \$2.90 as of 12/31/2012

(2) Based on PVFC's closing price of \$2.52 on 2/15/13

(3) Equal to deal value to common shareholders minus PVFC's tangible common equity as a percentage of core deposits; Core deposits defined as total deposits less jumbo time deposits (greater than \$100,000)

(4) Includes bank & thrift transactions in the Mid-Atlantic and Midwest announced after January 1, 2012 with deal values between \$50 and \$500 million

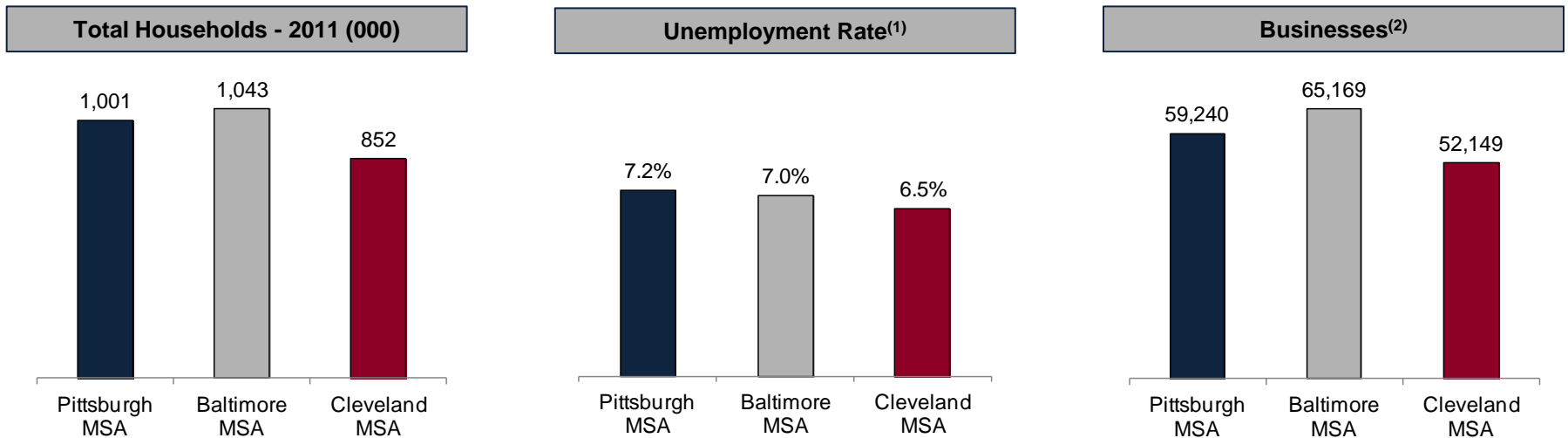


# Cleveland Market Opportunity

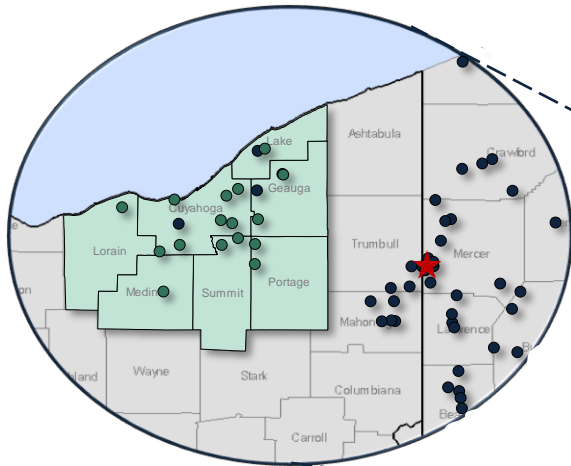
## Expansion in Cleveland Market

- Third consecutive acquisition in a major MSA
- Cleveland, Pittsburgh and Baltimore have an aggregate population of 7.1 million, significant commercial lending opportunities and favorable demographics
- The Cleveland market is conducive to FNB's commercial banking model and strong cross sell culture
  - Opportunity to replicate FNB's proven Pittsburgh success in a market with similar characteristics
  - Significantly enhances number of commercial banking prospects within FNB footprint
  - Retail locations in attractive markets expected to benefit consumer banking, Wealth Management and Private Banking

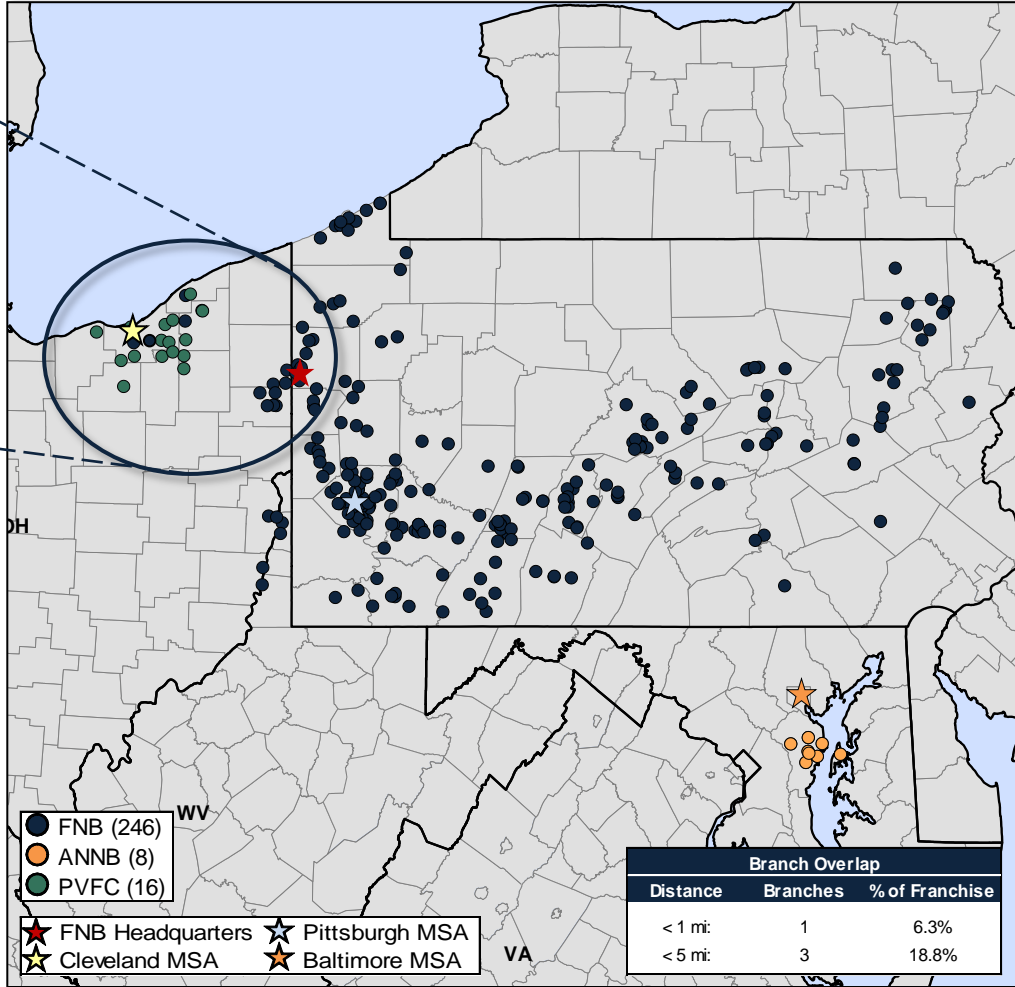
## Strong Opportunity



# Pro Forma Franchise



## Pro Forma Branch Franchise



### Cleveland, OH MSA

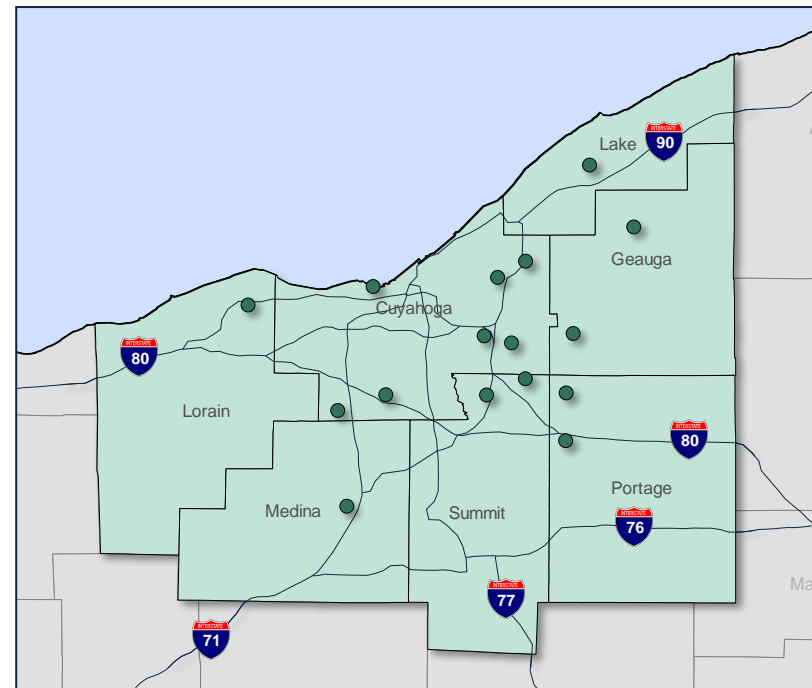
Rank	Institution (ST)	Number of Branches	Deposits in Market (\$mm)	Market Share (%)
1	KeyCorp (OH)	76	9,961	19.8
2	PNC Financial Services Group (PA)	81	5,758	11.5
3	TFS Financial Corp (MHC) (OH)	19	5,629	11.2
4	RBS	66	4,421	8.8
5	Huntington Bancshares Inc. (OH)	88	4,212	8.4
6	Fifth Third Bancorp (OH)	64	3,531	7.0
7	FirstMerit Corp. (OH)	67	3,350	6.7
8	JPMorgan Chase & Co. (NY)	42	2,739	5.4
9	U.S. Bancorp (MN)	66	1,979	3.9
10	Dollar Bank FSB (PA)	27	1,663	3.3
14	<b>Pro Forma</b>	<b>15</b>	<b>624</b>	<b>1.2</b>
14	PVF Capital Corp. (OH)	12	564	1.1
27	F.N.B. Corp. (PA)	3	60	0.1
<b>Totals (1-10)</b>		<b>596</b>	<b>43,243</b>	<b>86.0</b>
<b>Totals (1-39)</b>		<b>723</b>	<b>50,255</b>	<b>100.0</b>

Source: SNL Financial and Microsoft MapInfo  
 Deposit data as of 6/30/2012 and pro forma for pending and completed transactions



# Overview of PVF Capital Corp.

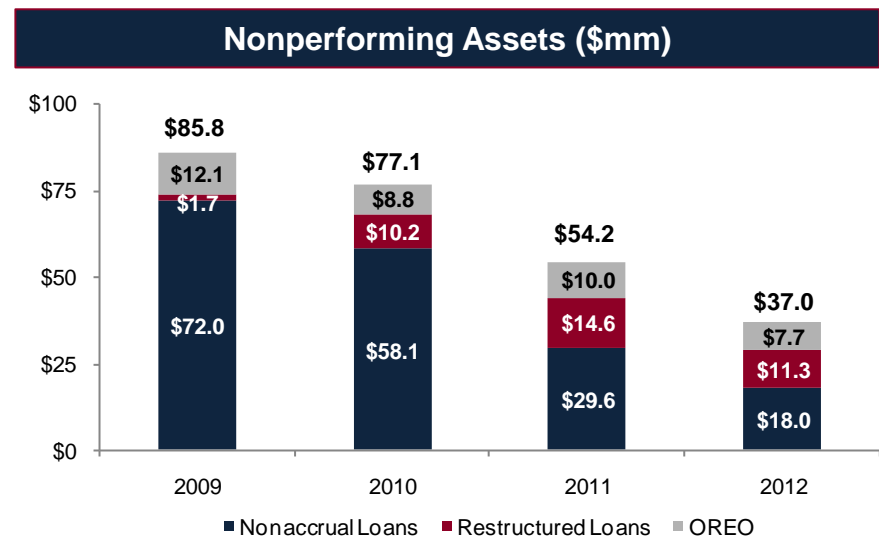
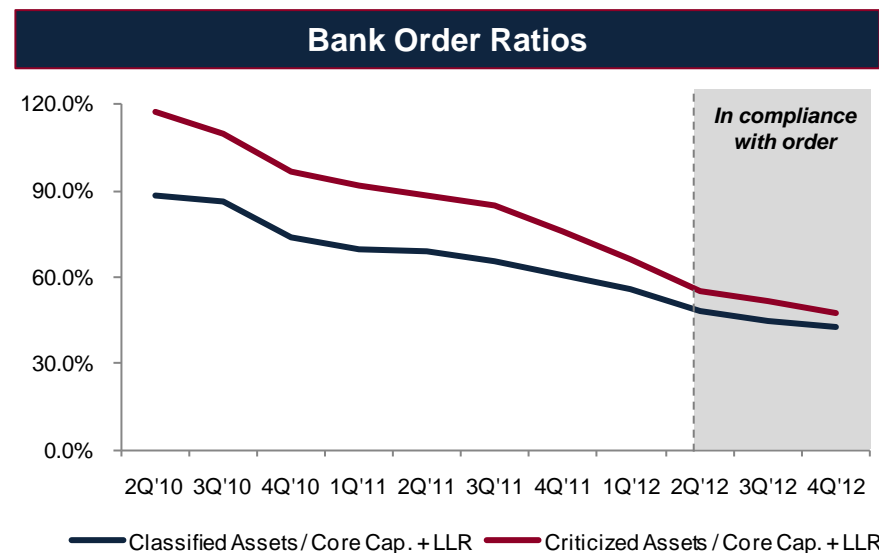
- Headquartered in Solon, Ohio
- Founded in 1920 as an Ohio chartered savings and loan association called Park View Federal Savings Bank
- Operates 16 branches in the Greater Cleveland area
- Completed demutualization / IPO in 1992 (Ticker: PVFC)
- Market Capitalization: \$65 million
- Balance sheet as of December 31, 2012
  - \$782 million in assets
  - \$585 million in net loans
  - \$634 million in deposits
  - TCE / TA: 9.61%
- Income statement for the quarter ended December 31, 2012
  - Net income of \$2.67 million
  - Net interest margin of 3.16%
  - Noninterest expense / average assets of 3.4%
- Does not have TARP
  - Completed \$30 million capital raise in March 2010





# PVFC Turnaround

- Introduced new management team in 2009 to address regulatory order and focus on credit quality issues
  - Bob King, CEO
  - Jim Nicholson, CFO
- Successfully worked through and charged-off significant portion of problem credits
  - \$60 million cumulative net charge-offs since 12/31/08 or approximately 8.2% of the loan portfolio
- Steadily reduced nonperforming assets
  - NPAs down \$50.4 million or 58% from peak in 2009
- On August 27, 2012 the OCC lifted the formal regulatory order issued to Park View Federal Savings Bank
  - As of 12/31/12 classified assets to core capital plus general valuation allowance had been reduced to 42.4%



# Comprehensive Due Diligence

## Due Diligence Review

### Credit Review Summary

Portfolio Type	% of Total Reviewed
Commercial	80%
Construction & Land	83%
1-4 Family & HELOC	27%
NPL & 90+ PD Greater than \$50k	100%
OREO Properties	100%
<b>Total Gross Loans HFI</b>	<b>~60%</b>

- Independent third-party credit review on \$1 billion residential mortgage servicing portfolio
  - Put-back losses estimated to be \$2.5 million

## Estimated Credit Mark

- Aggregate credit mark of \$46.2 million, or 8.0% of total loans and OREO
  - Greater than 3x current reserve
- Total cycle losses, including \$60.3 million of charge-offs taken since 12/31/08, equal to 14.5% of total loans as of 12/31/08

### Credit Mark Summary

	(\$mm)	(%)
Gross Loan Credit Mark	\$44.7	7.8%
OREO Mark	1.5	19.4%
<b>Gross Credit Mark</b>	<b>\$46.2</b>	<b>8.0%</b>



# Conclusions

- **FNB has proven success gaining market share in major metropolitan markets**
  - #3 market share in Pittsburgh is generating solid growth
  - Scale serves to attract talent
- **Significant commercial and retail opportunities enable FNB to continue to expand share**
  - Ability to leverage deep product set in an attractive market
  - Access to an additional 50,000 commercial prospects
  - Attractively located retail locations provide strong cross sell opportunity
- **The strategic merits of the deal are matched by the financial returns**
  - Immediately accretive to EPS
  - Accretive to tangible book value
  - Strong internal rate of return