

# **FNB INVESTOR DAY**

**November 20, 2019**

**Positioned for Sustainable Growth**



# CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION AND NON-GAAP FINANCIAL INFORMATION

This document contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which contain F.N.B. Corporation's (F.N.B.) expectations or predictions of future financial or business performance or conditions. 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.'s reports filed with the SEC, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance: changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates, deposit costs and capital markets; inflation; potential difficulties encountered in operating in new and remote geographic markets; customer borrowing, repayment, investment and deposit practices; customer disintermediation; the introduction, withdrawal, success and timing of business and technology initiatives; competitive conditions; the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with acquisitions and divestitures; economic conditions; interruption in or breach of security of our information systems; integrity and functioning of products, information systems and services provided by third party external vendors; changes in tax rules and regulations or interpretations including, but not limited to the enacted Tax Cuts and Jobs Act; changes in accounting policies, standards and interpretations; liquidity risk; changes in asset valuations; and the impact, extent and timing of technological changes, capital management activities, and other actions of the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation and legislative and regulatory actions and reforms. F.N.B. does not undertake any obligation to revise these forward-looking statements or to reflect events or circumstances after the date of this document.

This presentation contains "snapshot" information about F.N.B. and is not intended as a full business or financial review and should be viewed in the context of all the information made available by F.N.B. in our SEC filings. To supplement our consolidated financial statements presented in accordance with Generally Accepted Accounting Principles (GAAP), F.N.B. provides additional measures of operating results, net income and earnings per share adjusted to exclude certain costs, expenses, and gains and losses. F.N.B. believes that these non-GAAP financial measures are appropriate to enhance understanding of our past performance and facilitate comparisons with the performance of F.N.B.'s peers. 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 Appendix to this presentation contains a reconciliation of the non-GAAP financial measures used by F.N.B. to the most directly comparable GAAP financial measures. While F.N.B. believes that these non-GAAP financial measures are useful in evaluating results, 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 F.N.B. 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 F.N.B.'s financial results disclosed on October 17, 2019, as well as F.N.B.'s corresponding Form 10-Q filing and our other periodic filings with the SEC.

Actual results may differ materially from those expressed or implied as a result of these risks and uncertainties, including, but not limited to, the risk factors and other uncertainties described under Item 1A Risk Factors of our Annual Report on Form 10-K (including MD&A section) for the year ended December 31, 2018, our subsequent quarterly 2019 Form 10-Q filings (including the risk factors and risk management discussions) and F.N.B.'s other subsequent filings with the SEC, which are available on our corporate website at <https://www.fnb-online.com/about-us/investor-relations-shareholder-services> by clicking on the hyperlink "Reports and Filings." We have included our web address as an inactive textual reference only. Information on our website is not part of this earnings presentation.



# KICKOFF – AGENDA

Focus	Time	Topic
<b>General</b>	8:20 AM	Breakfast
	9:00 AM	Kick-off
<b>Consumer Banking</b>	9:10 AM	Branch Tour/ Clicks-to-Bricks
	9:30 AM	Consumer Banking
	10:00 AM	Technology / Marketing / Data Analytics
	10:20 AM	Mortgage Banking
	10:30 AM	Consumer Leadership / Technology Q&A
<b>Wholesale Banking</b>	11:00 AM	Commercial / Regional President Market Discussion
	11:30 AM	Commercial Leadership Q&A
	12:00 PM	Lunch
<b>Governance</b>	12:10 PM	ESG Presentation
	12:15 PM	Risk Presentation
<b>Wholesale Banking</b>	12:45 PM	Capital Markets Intro
	12:50 PM	Syndications
	12:55 PM	Interest Rate Derivatives
	1:05 PM	International Banking
	1:15 PM	Q&A
<b>Strategic</b>	1:30 PM	CECL Discussion
	1:40 PM	Interest Rate Risk
	2:00 PM	Credit Discussion
	2:15 PM	Capital Management
	2:20 PM	Finance / Credit Q&A
	2:30 PM	Executive Q&A and Closing



# FOCUS ON SUSTAINABLE GROWTH

## POSITIONED FOR FUTURE LONG-TERM GROWTH



# CONSUMER BANKING

# WHO WE ARE

## Barry Robinson

### Chief Consumer Banking Officer

*Oversight in current role:*

- Retail Sales and Distribution
- Electronic Delivery
- Small Business Banking
- Mortgage Services
- Consumer Banking Solutions
- Consumer Product Development

Years with FNB: 9

Years in Banking Industry: 32 years, including National City Bank

- Retail Banking
- Wealth Management
- Commercial Banking



# WHO WE ARE

369  
Branches

549  
ATMs

93 Mortgage  
Loan Officers  
(MLOs)

100 Call Center  
Agents

53 Small Business  
Development  
Officers

700,000  
Online Banking  
Users

50,000+  
Active Bill Pay  
Users

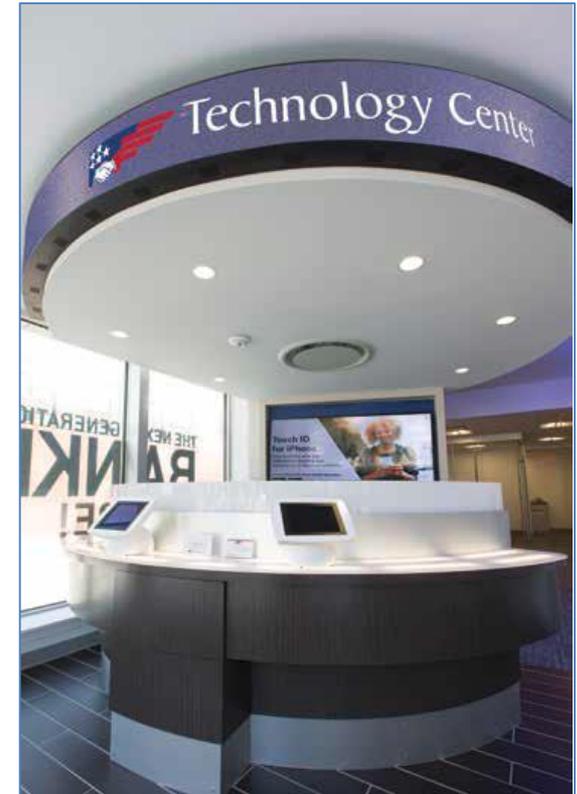
400,000 Mobile  
Banking Users

# WHERE WE EXCEL

## ITM/ATM & Branches

- State of the art technology branch design
- Smart ATMs with Teller Chat

- The Solution Center features product boxes and digital brochures and videos to help customers find the right solutions
- A comprehensive Financial Insights program
- Open and encourages and educational and consultative experience



# WHERE WE EXCEL

## FNB Foundations

- Multi-day course designed for retail managers.
- Purpose: to introduce and reinforce FNB's culture and establish our corporate and line of business expectations.
- Curriculum is designed to bring Core Values to life, enhance technology skills, reinforce product knowledge, and lay the foundation for our holistic approach to every customer engagement.

## iPad/Technology Integration

- Branches are equipped with iPads to enhance the customer experience, in and outside our branch walls.
- Tools on the iPad are built to help customers make the right product decisions.
- Our choreography encourages assisting the customer with enrolling in On Line Banking on the iPad and helping the customer download Mobile Banking to their smart phone.



## Scorecard Demo

### **Scorecard Sites for: Retail, Small Business, Mortgage, eDelivery & Pricing**

#### *Top 4 Tools for Coaching and Accountability:*

1. Summary Report: Full year Goals and YTD and MTD performance
2. B.O.B.: Book of Business; onboard and expansion strategy
3. Lead Management: Calling Results & Sales Outcomes
4. A.C.E.: Incentive Compensation Matrix

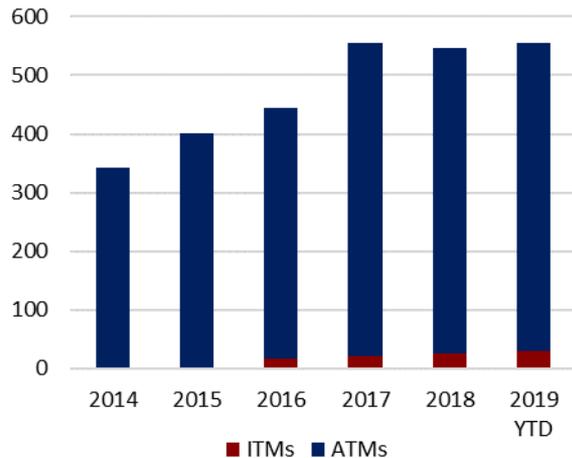
# DIGITAL CHANNELS AND PAYMENTS



# WHO WE ARE

## ATM/ITM and Debit Cards

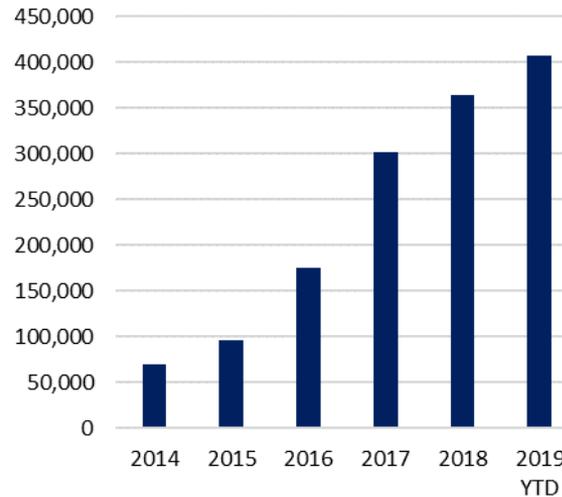
Total ATMs and ITMs



- 556 ATMs across 7 states
- 1 million total debit cards
- 500,000 debit cards used in the last 30 days

## Digital Channels and Payments

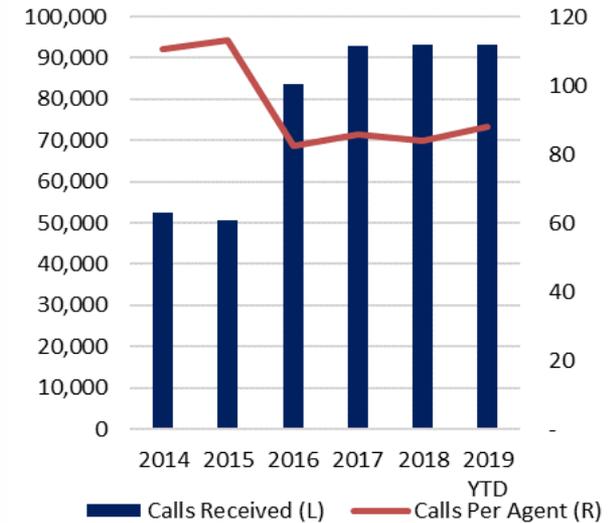
Enrolled Mobile Banking Users



- Online Banking: >700,000 users
- Mobile Banking: >400,000 users
- Bill Pay: >50,000 active users paying over 300,000 bills per month
- Corporate website and online properties with an average of **1.5 million** website hits per month

## Call Centers

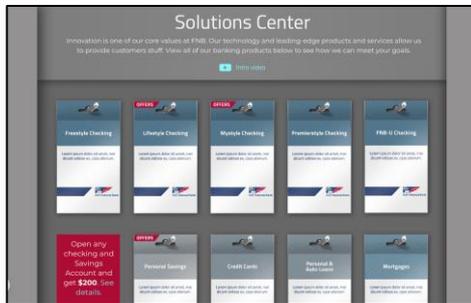
Monthly Average Call Center



- 112 call center employees in 2 physical locations
- 1 million automated banking calls per month
- Over 100,000 customer services calls per month

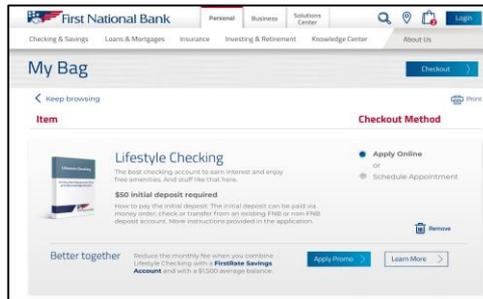
## Clicks-to-Bricks: “Clicks” Overview

### Shop



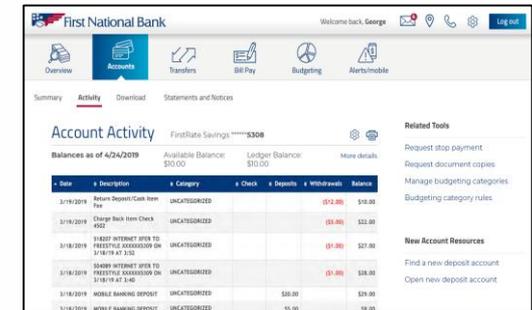
- Digital Solution Center
  - Product Boxes
  - Product Videos
  - Help Me Decide Tool
  - Product Comparison
- Appointment Setting

### Buy



- Unified Application
  - Loans
  - Deposits
  - Mortgage
- Digital “Purchases”
  - Digital Shopping Cart
    - Computer
    - Phone/Tablet

### Engage



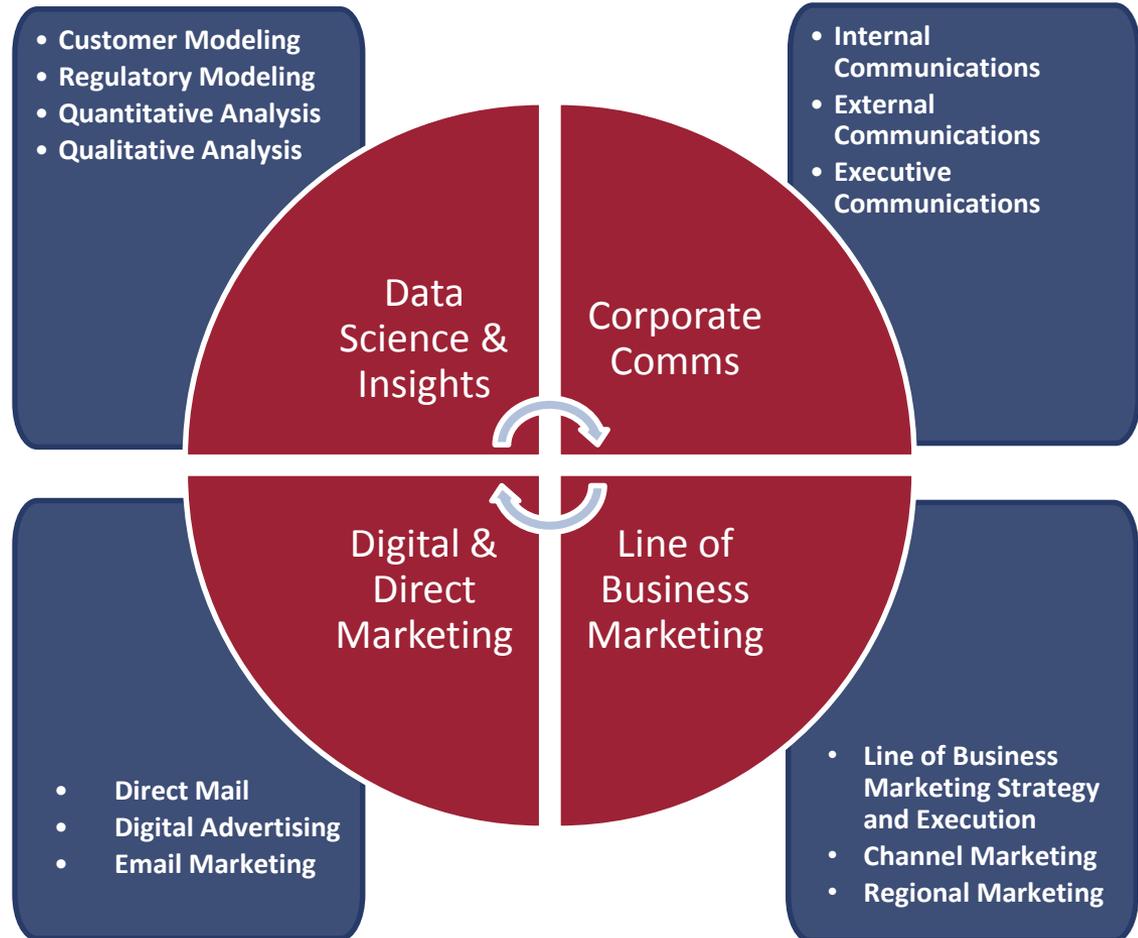
- Access Devices & Demos
  - Self-Service Enrollment
    - Online Banking
    - Online Bill Paying
    - Online Statements
    - Mobile Banking
    - Apple/Android Pay
  - Demonstrate Capabilities
    - Online Banking
    - Mobile
    - Payments/Zelle
  - 360° Customer Dashboard

# **BECOMING A DATA- DRIVEN MARKETING ORGANIZATION**

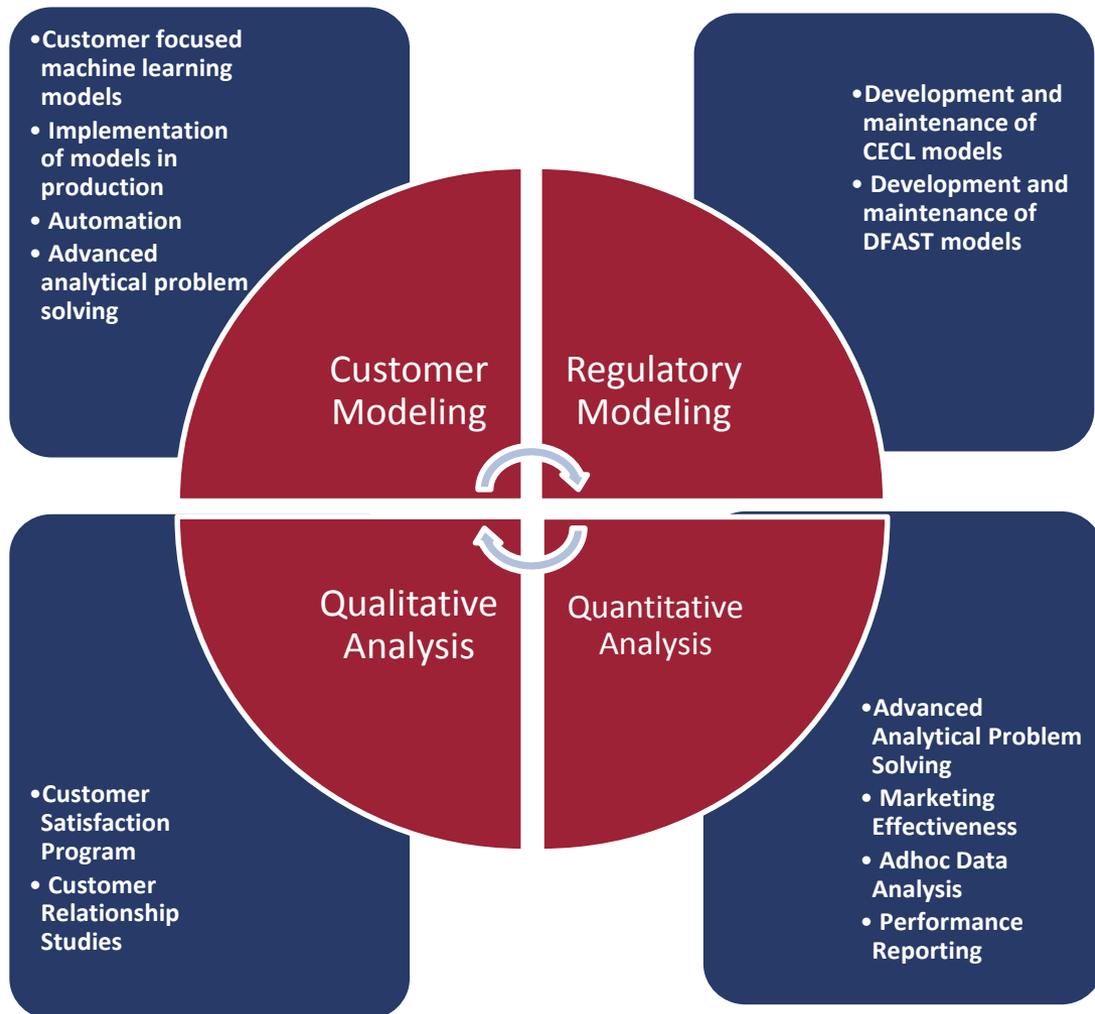


F.N.B. Corporation

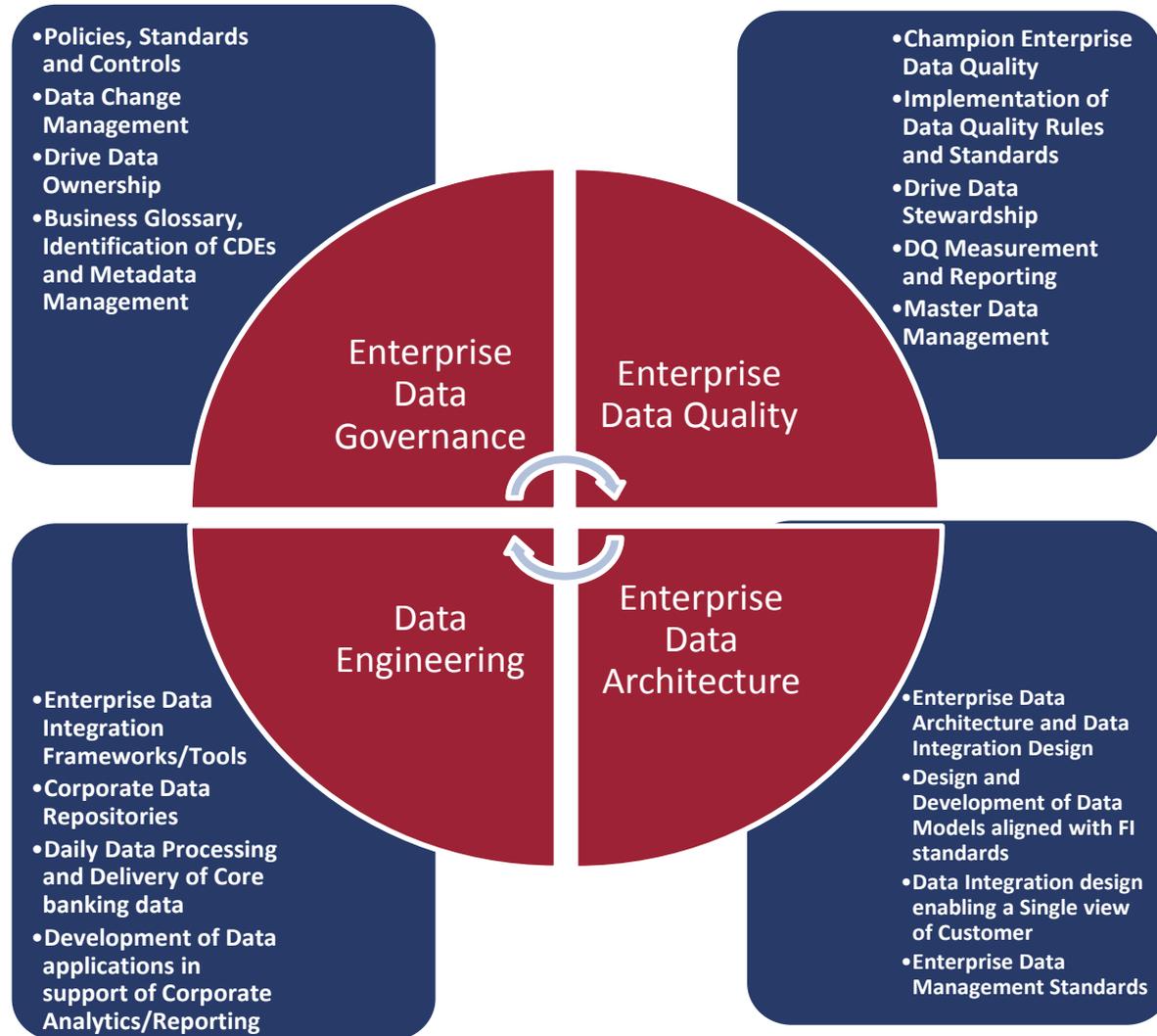
# WHO WE ARE



# WHO WE ARE



# WHO WE ARE



# WHERE WE EXCEL

## Delivering Solutions for Customers and a Better Customer Experience



### Foundation

- Consistent monitoring of our customer file and customer satisfaction
- Investment in people and results driven culture
- Deployment of Data Governance policy, framework, data management standards
- Strong collaboration across LOBs and IT, development and deployment of data solutions for Enterprise use
- Deployment of foundational tools, frameworks and processes (MDM, ETL, API Integration etc.)
- Investment in marketing technology to facilitate one-to-one marketing



### Innovation

- Focused on being data driven to make strategic decisions
- Utilizing machine learning and our in-house data to anticipate customer needs
- Utilizing machine learning to create personalized experiences for our customers
- Customer Master – Golden Key. Foundation to achieve a Customer 360 view
- Creative approaches to data and metadata management. Several In-house tools developed provide us capability to accelerate development of data solutions and a competitive edge

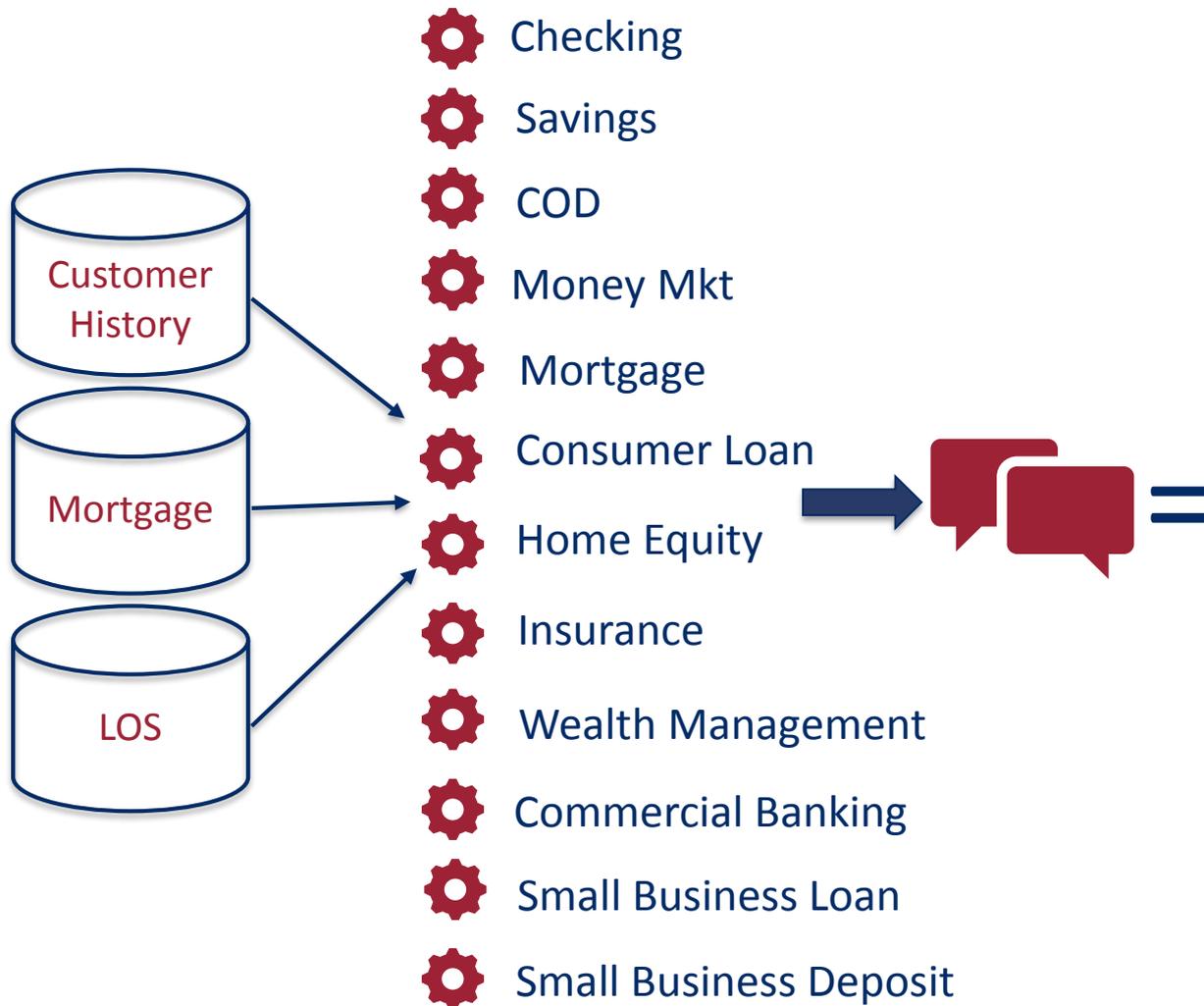


### Targeted Marketing

- Propensity models used in targeted customer email programs
- Propensity models used for targeted leads for branch outreach
- Response models used to improve direct mail results
- Targeted personalized product offers delivered in online banking based on propensity models and competitive intelligence
- Digital and social marketing based on customer look-alike strategy



# LEAD GENERATION PROGRAM



- 50% Lift in customer cross-sell response for contacted vs. non-contacted customers
- Contacted customers have 50% higher average balance than non-contacted customers
- A leads are 3x more likely, B leads are 2x more likely, C leads are as likely as average
- Nearly 20% of customers who were contacted result in an opportunity
- Increased confidence in the field due to ranked conversion and depth of data used

# WEBSITE PERSONALIZATION

## A Relevant, Personalized Web Experience



### Geography

- Regional Rates
- Customized Homepage Images
- Weather Alerts
- ATM/Branch Locations



### Website Activity

- Relevant Product Recommendations
- Customized Homepage Images
- Product-based Promotional Offers
- Abandoned Cart Follow-up
- Thought Leadership Articles



### Customer Insights

- Relevant Product Recommendations
- Customized Homepage Images
- Product-based Promotional Offers
- Abandoned Cart Follow-up
- Thought Leadership Articles

# WHERE WE ARE GOING

## Current State

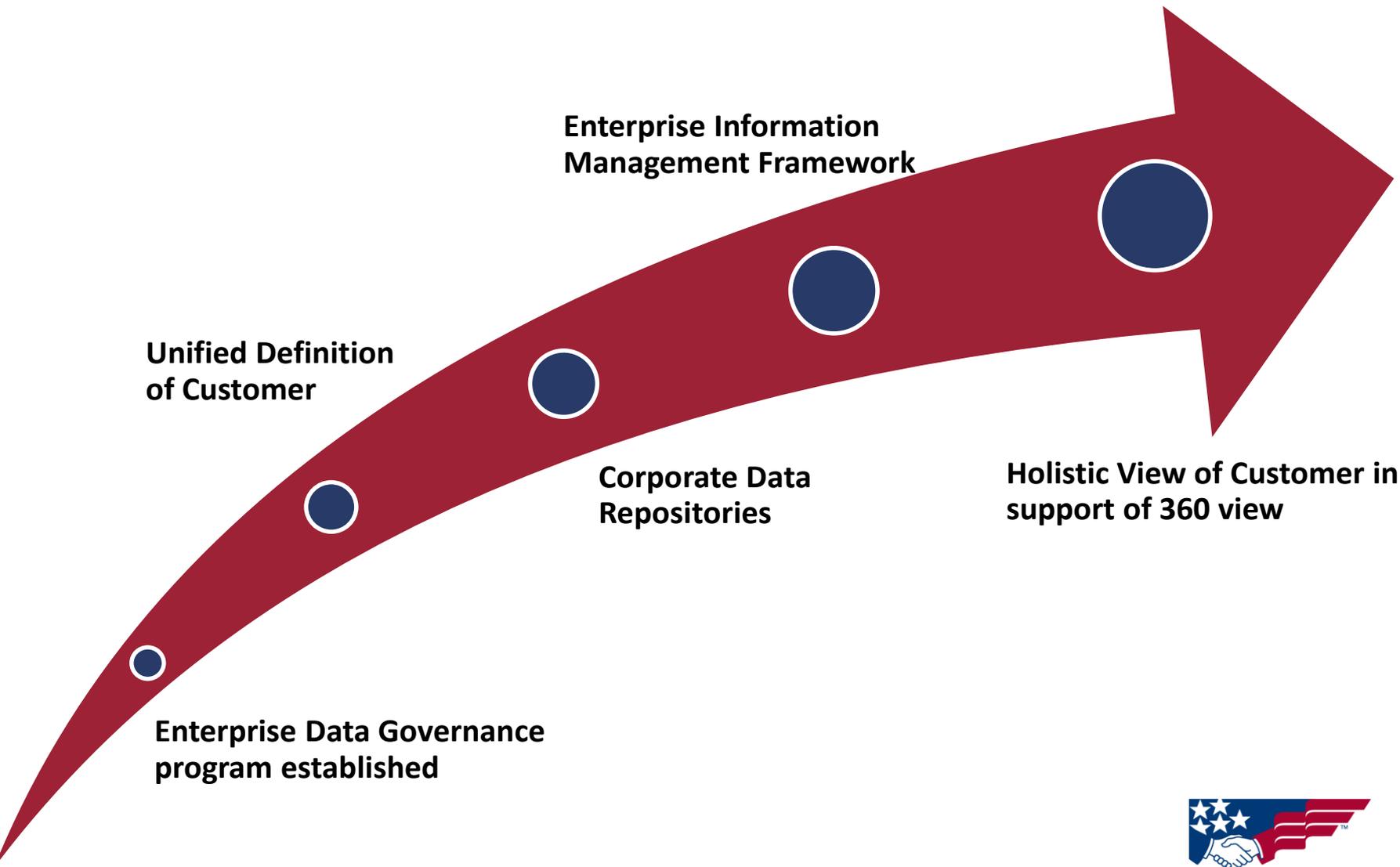
- Enterprise Data Governance program established, including policy, standards and procedures
- FNB website as a source of product information
- Targeted marketing campaigns powered by data (product-centric)
- Lead Generation Model Driven Program
  - Machine learning models identifying customer product needs
- Online Personas (in development)
  - Machine learning models used to determine appropriate customer segment for unauthenticated website visitors
- Next Best Product (in development)
  - Machine learning model to identify the next best product website visitors

## Future State

- Holistic view of Customer in support of a Customer 360 view
- Enterprise Data Foundation integrating data from all corporate data sources
- FNB website as an acquisition and cross-sell tool
- Automated model-driven customer marketing journeys .. i.e., onboarding, customer engagement, retention (customer-centric)
- Customer Growth Plans and accompanying marketing strategy

Model Driven Customer Group				Marketing Journey					
Historical Profitability	Future Value	Attrition Risk	Cross-Sell	Customer Segment	Email	Phone	Direct Mail	Primary Message	Secondary Message
High	High	High	High	Young Digital Engagers	X			Attrition	Cross-Sell
Low	High	Low	High	Digital Adopter Boomers	X	X		Cross-Sell	Offer
Low	Low	Low	High	Branch Dependent Boomers	X	X		Cross-Sell	
High	High	High	High	Muli-Channel Engagers	X	X	X	Attrition	Cross-Sell

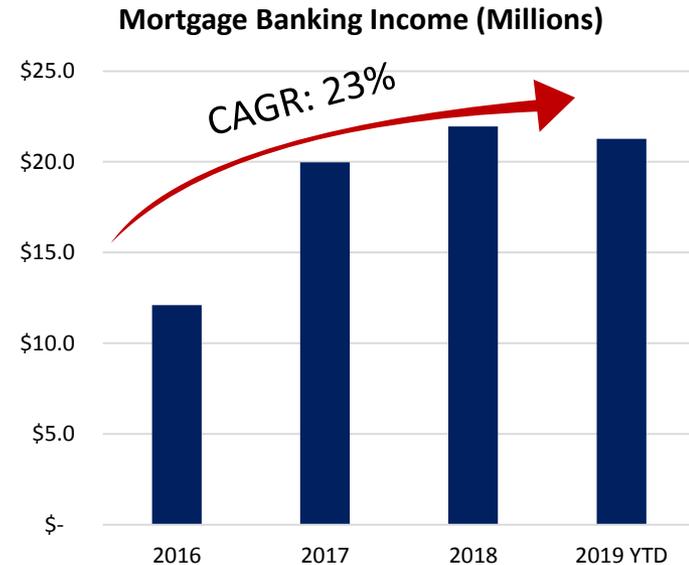
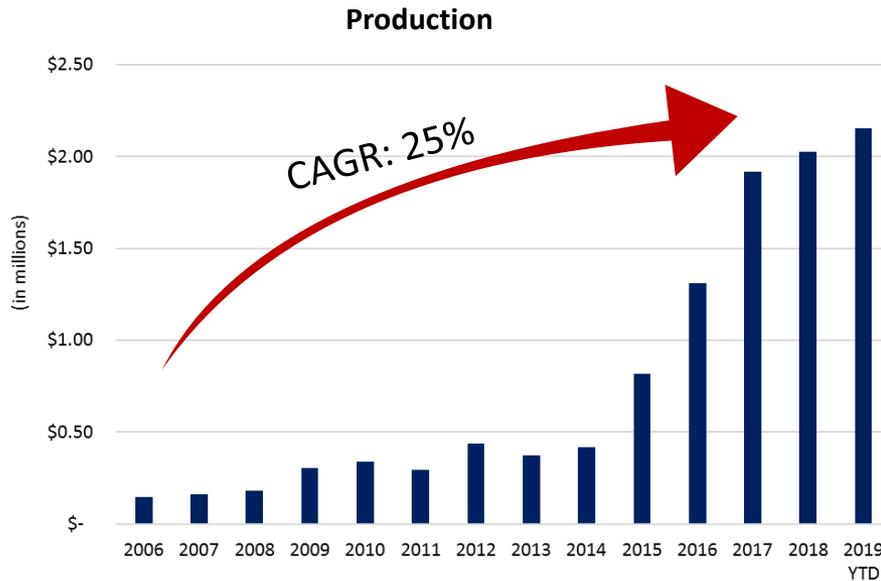
# DATA MANAGEMENT AND GOVERNANCE EVOLUTION





# **MORTGAGE SERVICES**

## Mortgage Production and Revenue Trends



- Accomplished funded volume in excess of \$2.1B in 2018, YTD19 exceeds FY2018
- Servicing growth increased \$5.0B from 2013 to 2018
- Created a department for customer feedback and complaints
- Established significant growth and diversity in retail and correspondent lending channels
- Enhanced products and services for all our communities served
- Established QC and Compliance areas for effective first line of defense
- Customer satisfaction averaged 97% satisfied, or highly satisfied

# PANEL DISCUSSION

## CONSUMER BANKING



# WHOLESALE BANKING

## WHOLESALE BANKING:

More than 875 Employees

Serving Businesses and High Net Worth Individuals

### Commercial Banking

- Business Banking
- Commercial Banking
- Investment Real Estate
- Builder Finance
- Business Credit
- Treasury Management

### Capital Markets & Specialized Finance

- Interest Rate Swaps
- International Banking
- Equipment Finance
- Mezzanine Finance
- SBA Lending
- Syndications

### Wealth & Insurance Services

- Insurance
- Private Banking
- Wealth Management

# WHO WE ARE

## COMMERCIAL SERVICES

245  
Client-facing  
CML Banking

25  
Treasury Mgmt  
Officers

5,900  
CML  
Relationships

4,800  
Execubanc  
Clients

4,200  
Business Credit  
Card Programs

600  
Business Mobility  
Clients

“Client-facing CML Banking” includes all relationship managers and managers within the commercial group

# WHERE WE EXCEL



# FUTURE OPPORTUNITIES

- Take advantage of market disruptions
- Aggressive pursuit of new relationships
- Opportunistically hire qualified new talent
- Capitalize on investments in new markets
- Call up-market with expanded Capital Markets capabilities
- Deepen wallet share (particularly in the Carolina's) augmented by Data Analytics and Digital Marketing

## WHOLESALE BANKING SOLUTIONS

Support Lines of Business to Attain Financial Objectives

### Lines of Business Supported

Commercial Banking	Capital Markets groups
Equipment Finance	Insurance
Private Banking	SBA Lending
Treasury Management	Wealth Management

### Support Provided

Sales Management Process	Dashboards
Enterprise Client Relationship Mgmt System	Performance Compensation
Enterprise Referral System	Management Reporting
Cross-Functional Relationship Planning	Projects and Special Initiatives



# WHERE WE EXCEL

## Cross-Functional Culture, Enterprise-Wide Sales Management Process *Transportable and Seamlessly Integrated in New Markets*

### Sales Management/Relationship Process

- ✓ Annual tactical plan (“Relationship Plans”) developed to identify best sales opportunities, top prospects and referral sources
- ✓ Client Relationship Management system – Manage prospects, calling activity, pipeline
- ✓ Pitch books developed for every business line
- ✓ Clearly defined and transparent incentive compensation plans that directly align goals with FNB’s financial objectives
- ✓ Utilize dashboards and quantifiable scorecards
- ✓ Identifying and prioritizing on most probable prospects delivers results

### Cross-Functional

- ✓ Cross functional goals and regular open forum meetings with line of business leaders
- ✓ Quarterly regional sales meetings, led by Regional Presidents, foster communication across regions, recognize success and educate sales force on products and services
- ✓ Encourages and rewards cross-collaboration across business lines
- ✓ Cross-sell results expected and incented, resulting in higher level of service (aka ‘one stop shop’) for clients and a stickier relationship

## WHOLESALE BANKING

# ESG

# ESG - INTRODUCTION

- Effective and meaningful initiatives relative to environmental, social and governance (“ESG”) matters are critical components of F.N.B. Corporation’s (“FNB”) long-term strategy to create long-term value for our shareholders:
  - Build a diverse workforce where employees can learn, grow and prosper
  - Help our customers achieve economic success and financial security
  - Improve the quality of life in the communities we serve
  - Engage in sustainable environmental practices
- The following discussion highlights important F.N.B. ESG initiatives, commitments and achievements, which reflect how we build and maintain trust and credibility as a company that people want to invest in, work for, do business with, and be proud to have as a part of their community.

# ESG – EXTERNAL REPORTS

- In March 2019, published our first-ever Corporate Responsibility Report.
- F.N.B. plans to publish the 2020 Corporate Responsibility Report in March 2020.
- ESG Metric Tracking – 2020 Corporate Responsibility Report

- **F.N.B. adheres its governance practices to best practices established by public company leaders (Investor Stewardship Group Corporate Governance Principles for US Listed Companies).**
- **Creation of Director Skill Matrix**
  - In our 2019 Proxy Statement, we published a “web” of skills and attributes that we consider when seeking new director candidate and nominating our current directors for re-election.
  - In the 2020 Proxy Statement, we will be disclosing an enhanced director skill matrix that our Nominating and Corporate Governance Committee will use to assess each of our current directors for re-election at our 2020 Annual Meeting, as well as future prospective director candidates.
- **Board Oversight of ESG and Corporate Responsibility Report**
  - Nominating and Corporate Governance Committee
  - F.N.B. Corporation Board of Directors

# ESG – ENVIRONMENTAL

**Our environmentally responsible actions are visible from the planning and construction of new, LEED-Certified offices to the ongoing maintenance and management of existing branch facilities.**

- Newest regional hubs in Raleigh and Charlotte, NC
- Branch optimization

**Inside each of our buildings, our employees are strongly encouraged to utilize environmentally sustainable practices in everyday processes and actions.**

- Resource reduction
- Digital Solutions Center
- F.N.B. actively encourages customers to use mobile devices and computers for paperless communication, as well as to conduct their bank transactions with F.N.B.

**Our environmentally responsible focus extends to our clients and throughout our communities with our financing of renewable energy projects.**

- North Carolina landfill-to-gas (LFG) project in 2019
- Two poultry-waste-to-energy facility projects in North Carolina – 2018 and 2019
- Solar power project - 2018 and 2019



- **We have deployed a broad array of proactive strategies and tactics to promote a culture of diversity and inclusion in our workforce**
  - Diversity Council
  - Women in Business
- **We offer competitive benefits and embrace employee-friendly policies**
  - In 2018, we announced we would increase the minimum wage for all our employees to \$15 by the end of 2019.
  - We did not increase our employee's required contributions to the F.N.B. medical plan in 2018 and will not in 2019.
  - In addition to wide array of benefits we offer our employees, we have added several programs and opportunities for our F.N.B. team over the last few years.

# **CAPITAL MARKETS AND SPECIALTY FINANCE**

## WHOLESALE BANKING

More than 875 Employees

Serving Businesses and High Net Worth Individuals

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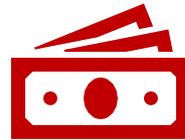


## Creating Value for our Clients



### Ideas

- Leading with ideas, not products, instills client confidence



### Product Capabilities

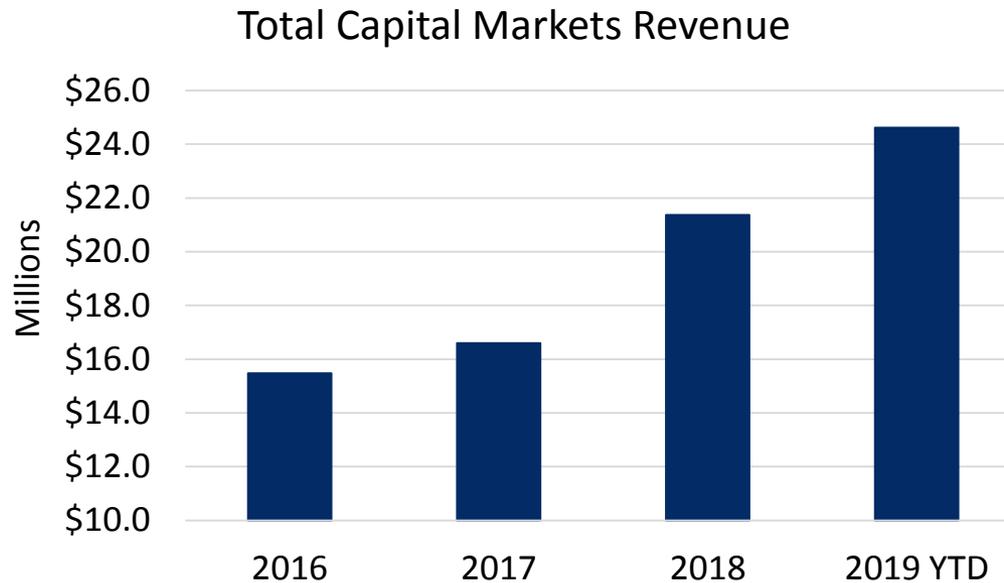
- Product set focused on serving Middle Market clients
- As FNB has grown, our capital markets products/capabilities have grown commensurately



### Flawless Execution

- Capital Markets leadership team come from larger institutions and have significant transactional experience
- FNB can offer a higher touch level of service to the Middle Market

## Growing a Diversified Stream of Non-Credit Revenues



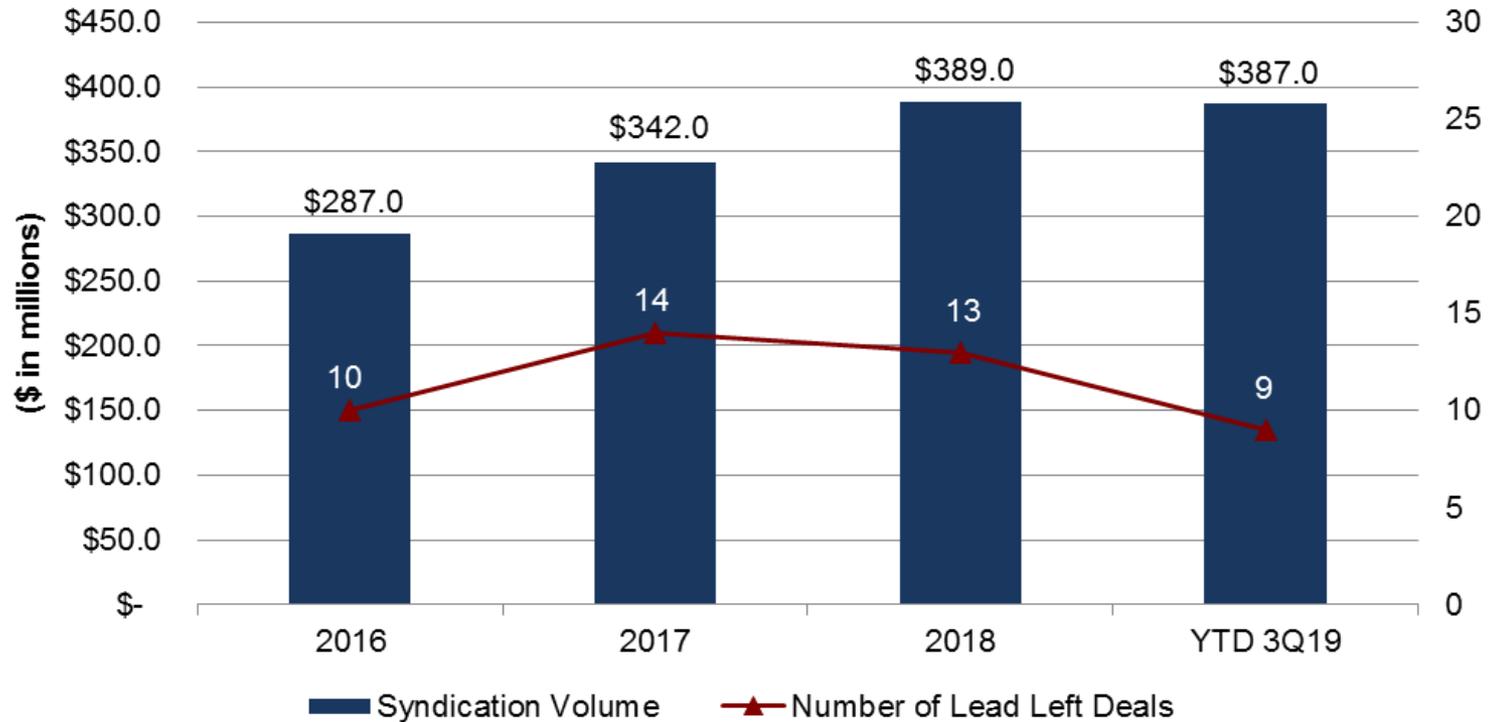
- Since 2016, Capital Markets revenues have grown 59% to \$24.6 million YTD 2019
- Driven by new client acquisition as well as new products offered to clients
- Allowed us to bring functions in house, capturing a greater percentage of revenues
- Continue to invest in new products/capabilities, sustaining growth
- All products enjoy high variable margins, enhancing profitability

# CONTINUED GROWTH AND FUTURE OPPORTUNITIES

Enhancing Revenue Streams, Enhancing Capabilities to increase Non-interest income contributions and diversifying revenue sources



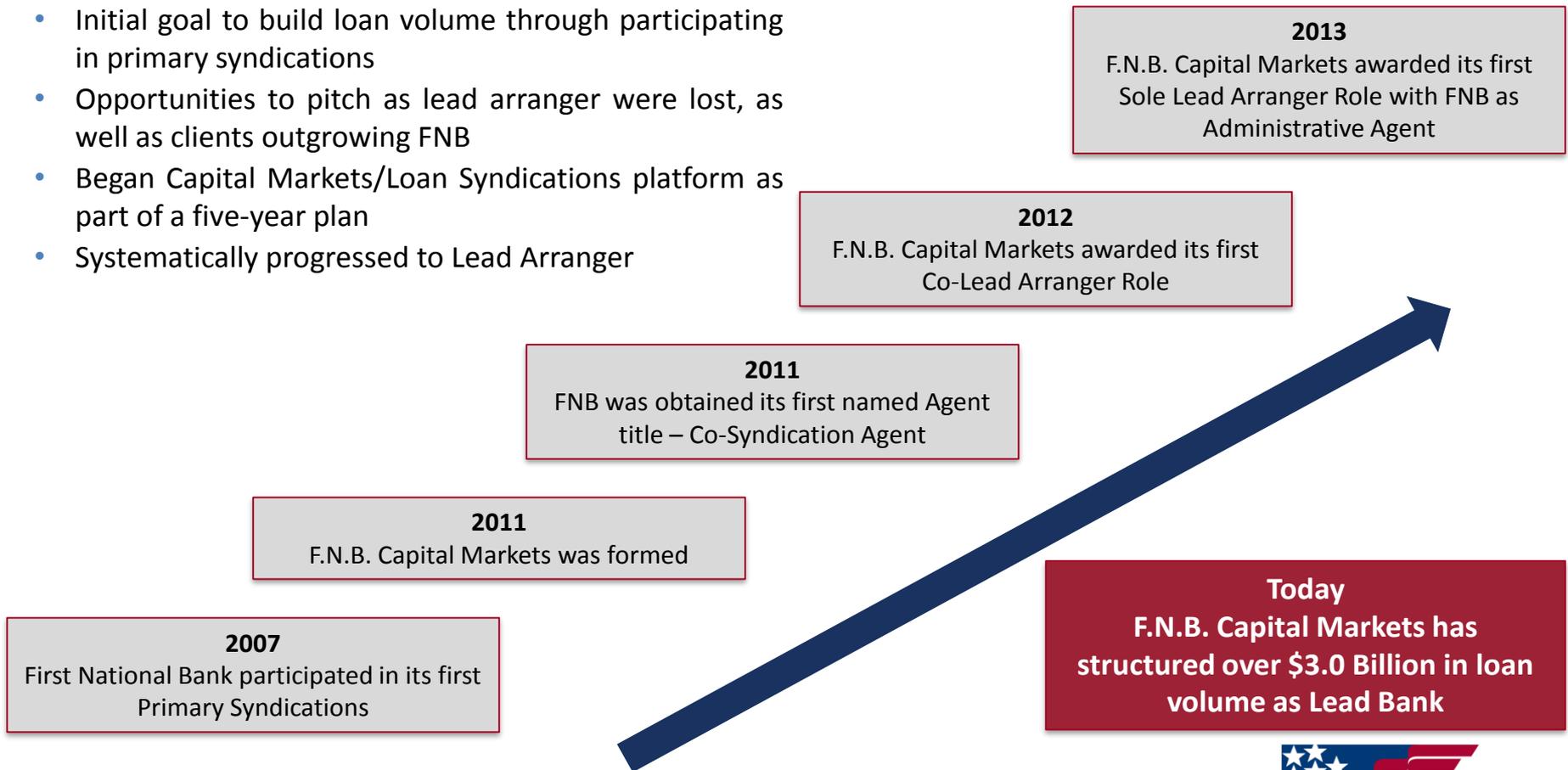
## Continued Growth in FNB Lead Left Syndications



# FUTURE OPPORTUNITIES

## Strategically Progressed to Sole Lead Arranger/Administrative Agent Status

- Initial goal to build loan volume through participating in primary syndications
- Opportunities to pitch as lead arranger were lost, as well as clients outgrowing FNB
- Began Capital Markets/Loan Syndications platform as part of a five-year plan
- Systematically progressed to Lead Arranger



## 10 year U.S. Treasury Rates

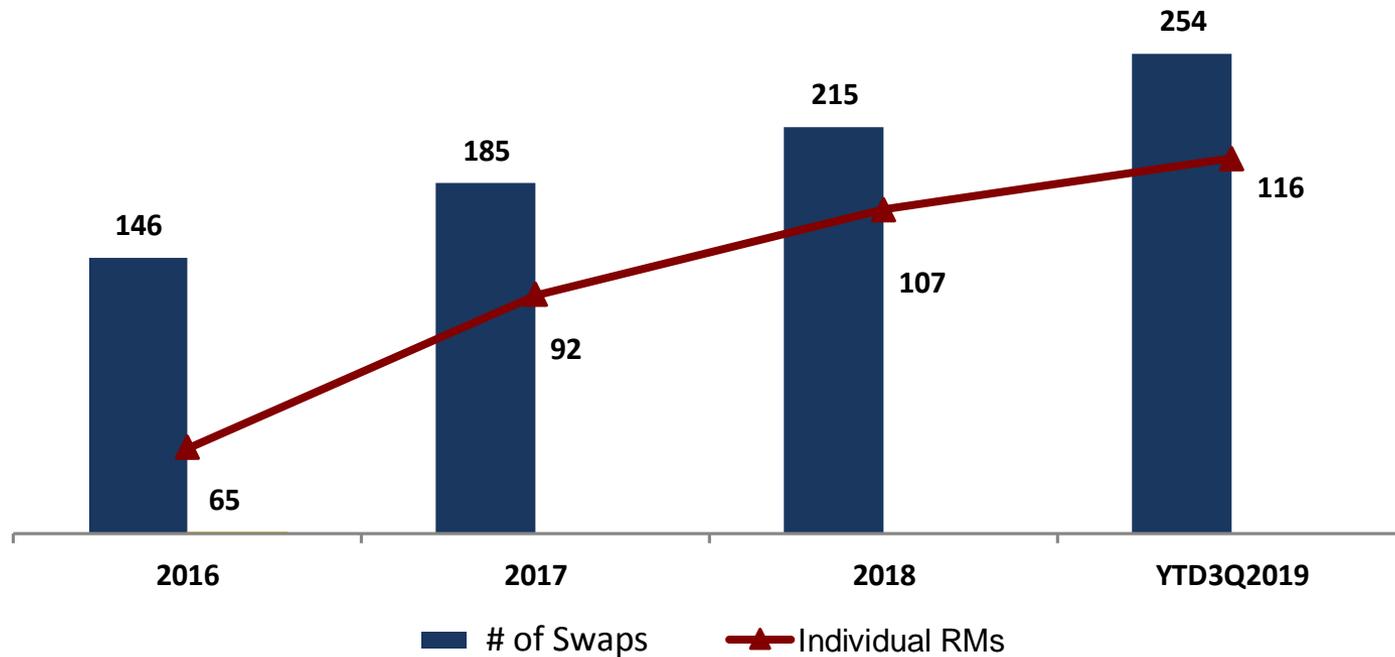
### *Solutions Offered*

- Swaps
- Forwards Swaps
- Cancelable Swaps
- Collars
- Caps



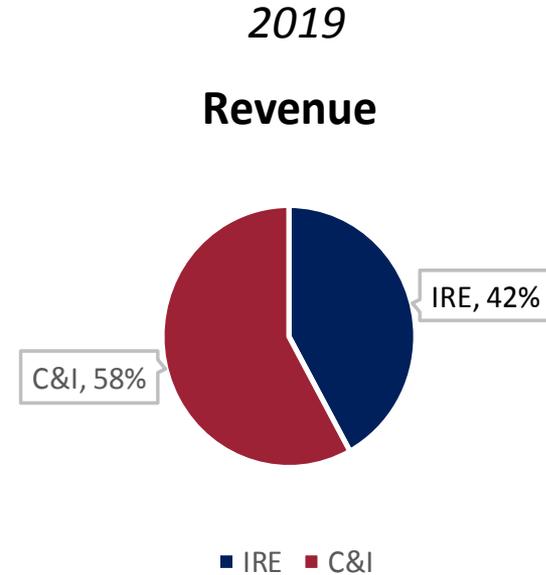
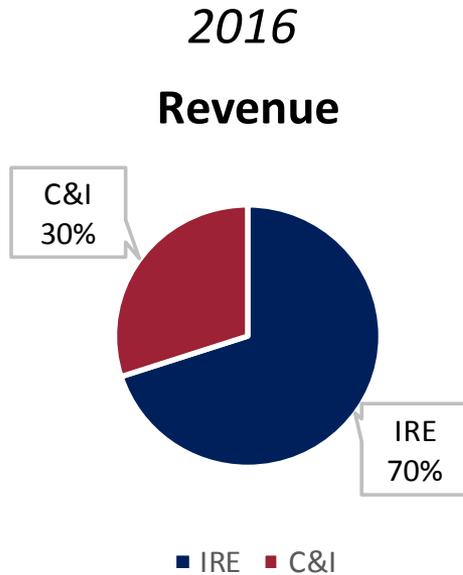
# WHERE WE EXCEL

Over \$1.15Bn in Loan Volume swapped YTD through 3Q 2019



# WHERE WE EXCEL

## Diversifying & Increasing the Opportunity Set for Interest Rate Management Products



- Commercial
- Investment Real Estate

- Commercial
- Investment Real Estate
- Business Credit (ABL)
- Private Banking
- SBA



## International Product Offering

### Canadian Banking Solutions

- Canadian Payments – USD and CAD
- Cash Management
- Cash Letters/Collections

### Global Treasury Solutions

- Outbound USD Payments
- Inbound USD Payments
- Multicurrency Accounts – G10 Currencies
- Global Information Reporting (GIR)
- Very Strong Capabilities in Canada, Europe, Mexico and Asia (China)



### Foreign Exchange

- Spot transactions in over 100 currencies
- FX Hedges – Forwards, Options, NDFs, etc.
- Cross-Currency Swaps
- Multicurrency Loan
- Market Research & Commentary

### Global Trade Solutions & Trade Finance

- Import Documentary Collections
- Export Documentary Collections
- Standby Letter of Credit
- Export Letter of Credit
- Delegated Authority under Ex-Im Bank Working Capital Loan Program

**SWIFT Code: FNBPU33 | <https://www.fnb-fxonline.com>**

# WHERE WE EXCEL

## *Selected Examples of Our Core Competencies:*

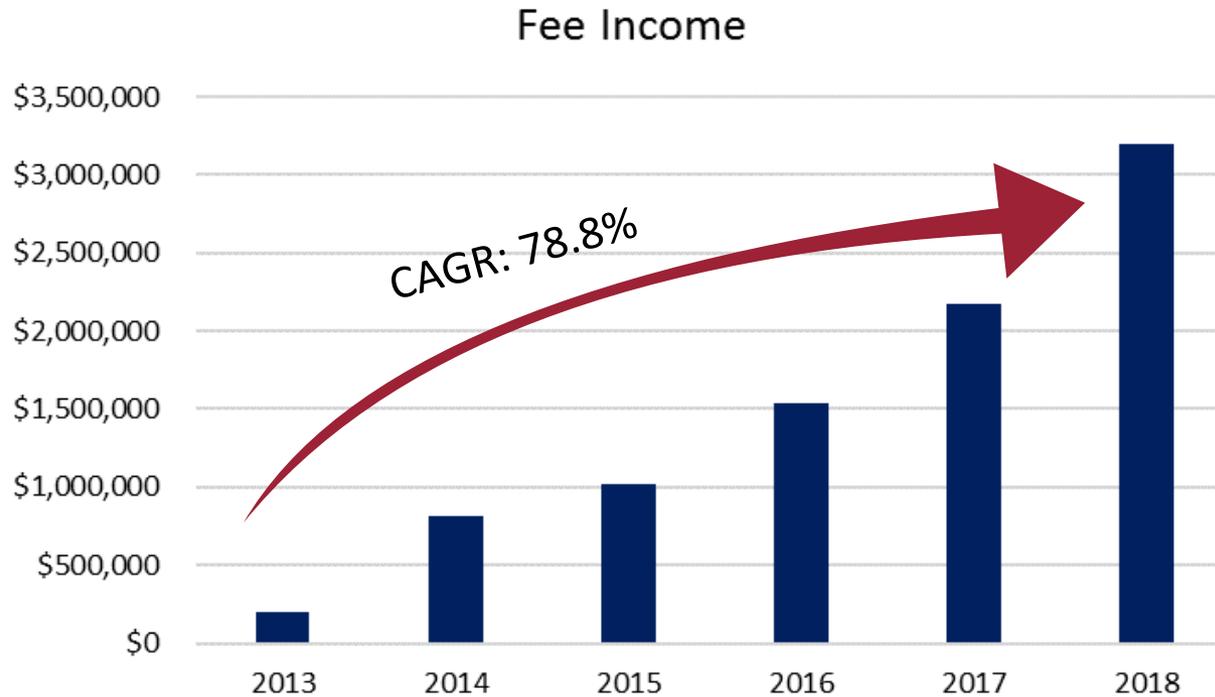
- In addition to SWIFT membership and nostro accounts in major global markets, we have direct access to vast network of local nostro accounts in over 150 countries enabling us to make and receive payments in a very efficient and secure manner. This allows us to offer highly competitive rates.
- Strong track records in executing transactions in both developed and emerging markets. Have successfully completed FX and trade transactions for middle market clients and multinationals across our footprint as well as in Germany, Italy, Spain, Sweden, UK, UAE, China, Japan, Canada, Mexico, Brazil, etc.
- We process global trade transactions and payments for one of North America's largest importers of spices and food ingredients – Vietnam, India, China, Spain, South America, etc.



2018 Recipient of the U.S. President E-Award for Excellence in Export Services/International Banking. Based on a 4-year track record, FNB is one of two banks in U.S. to receive this prestigious award in 2018. The award was established in 1962 by President J.F. Kennedy.

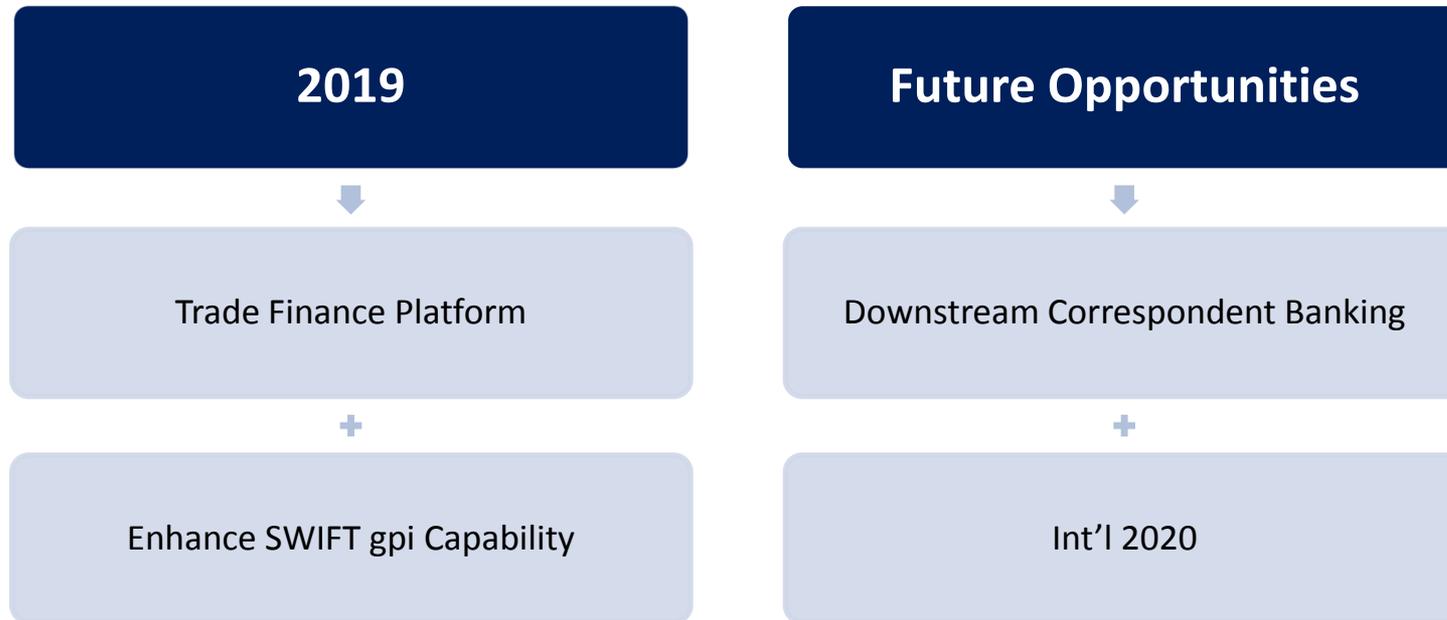


## Consistent Fee Income Growth



# FUTURE OPPORTUNITIES

## Enhancing Revenue Streams and Capabilities to increase Fee Income Contributions in a Challenging Interest Rate Environment



# PANEL DISCUSSION

## CAPITAL MARKETS AND SPECIALTY FINANCE



# **CREDIT RISK AND CAPITAL MANAGEMENT**



# CECL DISCUSSION

## CECL ACL Day 1 Range of Impact

(\$ in millions)	September 30, 2019	
	Reported ACL (incurred loss)	CECL ACL Range
CECL ACL - originated loans	\$ 189	\$ 236 - \$ 255
ACL / Total originated loans		1.19% - 1.28%
Estimated % Increase from Reported Amounts		25% - 35%

## Capital Impacts

Common Equity Tier 1 (CET1) ratio (fully phased-in)	(14) bps	(20) bps
Tangible Common Equity (TCE) ratio	(11) bps	(15) bps

- Retained Earnings Day 1 impact is equal to the CECL ACL<sup>1</sup> increase on the originated portfolio and is expected to be approximately \$37 million to \$52 million, net of tax.
- The CECL ACL increase for the Day 1 transition of purchased credit impaired (PCI) to purchased credit deteriorated (PCD) loans does not impact Retained Earnings/Capital as it results in a balance sheet gross-up of loans and ACL only. See slide 11.

## CECL Adoption Impact Commentary

- CECL ACL increases primarily driven by consumer loans (residential mortgage, indirect auto, etc.).
- The disclosed estimates are subject to change based on continuing review and challenge of models and assumptions, as well as, changes to interest rates, macroeconomic conditions, and credit quality.
- We expect no material CECL ACL for our investment securities portfolio.



(1) ACL stands for Allowance for Credit Losses.

# CECL DISCUSSION

## CECL ACL Day 1 Range of Impact

(\$ in millions)

	CECL ACL Range	
<b>CECL ACL - acquired loans</b>	\$ 65	\$ 75
<b>Amortized cost balance (estimated) - acquired loans</b>	\$ 3,263	\$ 3,273
<b>ACL / Total acquired loans</b>	1.99%	2.29%

## Capital Impacts

<b>Common Equity Tier 1 (CET1) ratio (fully phased-in)</b>	0 bps	0 bps
<b>Tangible Common Equity (TCE) ratio</b>	0 bps	0 bps

- FNB has historically followed PCI-by-analogy on essentially all acquired loans.
- Acquired loans are currently reported net of credit and non-credit marks.
- The CECL ACL<sup>1</sup> increase for the Day 1 transition of purchased credit impaired (PCI) to purchased credit deteriorated (PCD) loans does not impact Retained Earnings/Capital as it results in a balance sheet gross-up only of loans and ACL.
- After establishing the Day 1 CECL ACL for the acquired loan portfolio of \$65 million to \$75 million, the remaining net credit and non-credit marks of \$115 million to \$135 million will be recognized prospectively through interest income at the loan-level over the remaining life of the acquired loans.



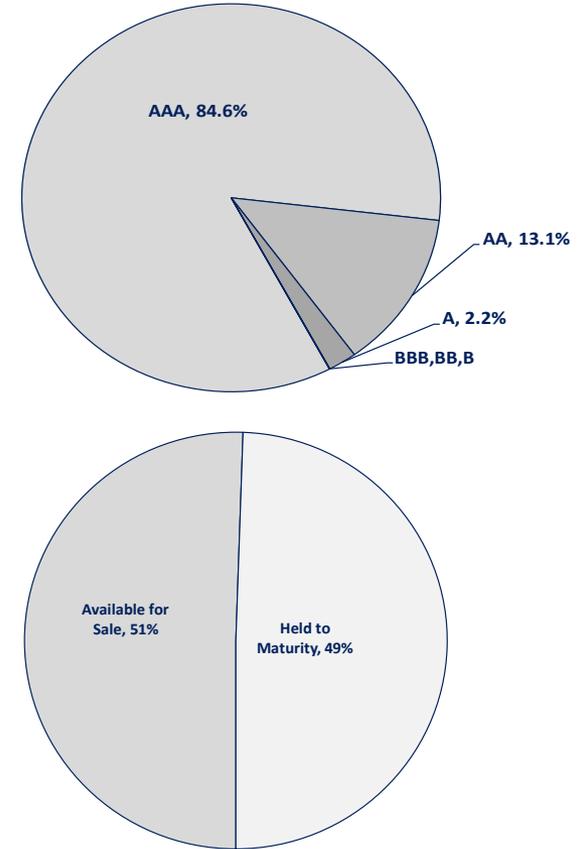
(1) ACL stands for Allowance for Credit Losses.

# INVESTMENT PORTFOLIO

(\$ in millions <sup>1</sup> )	9/30/19	%	Ratings	
			Portfolio	Investment %
Agency MBS	\$2,339	36%	AAA	100%
Agency CMO	1,874	29%	AAA	100%
Agency Debentures	596	9%	AAA	100%
Municipals	1,124	17%	AAA	12%
			AA	75%
			A	13%
Commercial MBS <sup>2</sup>	518	8%	AAA	100%
US Treasury	1	<1%	AAA	100%
Other	2	<1%	Various	
			/NR	
<b>Total Investment Portfolio</b>	<b>\$6,358</b>	<b>100%</b>		

- 98% of total portfolio rated AA or better, 99% rated A or better
- Relatively low duration of 3.3
- Municipal bond portfolio
  - Highly rated with an average rating of AA and 99% of the portfolio rated A or better
  - General obligation bonds = 100% of municipal portfolio

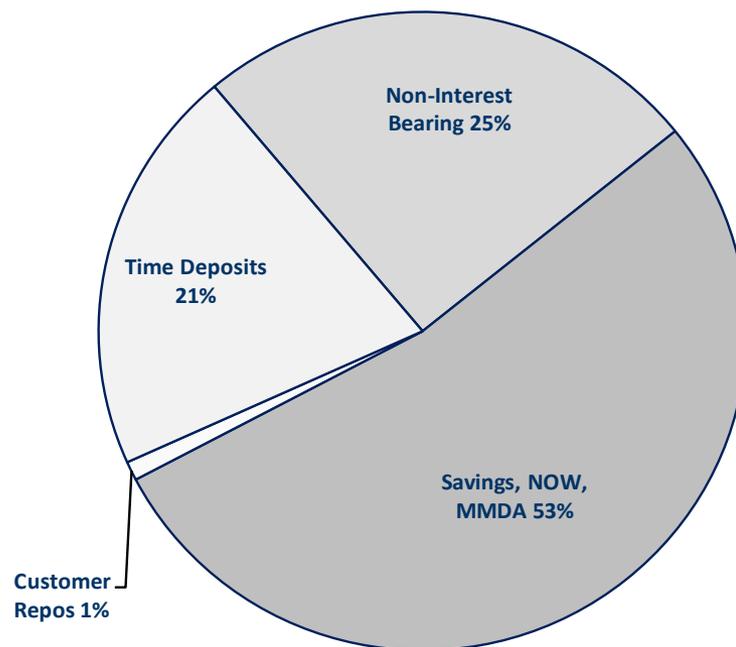
Highly Rated \$6.4 Billion Investment Portfolio  
September 30, 2019



# DEPOSITS AND CUSTOMER REPOS

(\$ in millions)	09/30/2019	Mix %
	Balance	09/30/19
Savings, NOW, MMDA	\$13,180	53%
Non-Interest Bearing	6,292	25%
<b>Transaction Deposits</b>	<b>\$19,472</b>	
Time Deposits	5,122	21%
<b>Total Deposits</b>	<b>\$24,594</b>	
Customer Repos	259	1%
<b>Total Deposits and Customer Repo Agreements</b>	<b>\$24,853</b>	100%
<b>Transaction Deposits and Customer Repo Agreements</b>	<b>\$19,731</b>	79%

\$24.6 Billion Deposits and Customer Repo Agreements  
September 30, 2019



**Loans to Deposits Ratio = 93.8% (09/30/2019)**

- New client acquisition and relationship-based focus reflected in favorable deposit mix
  - 79% of total deposits and customer repo agreements are transaction-based deposits

# IRR OVERVIEW

- FNB maintains conservative interest rate risk position given the current interest rate environment and the interest rate risk position is managed to a modestly asset-sensitive position.

Sensitivity of Projected Net Interest Income & Economic Value of Equity				
<i>As of September 30, 2019</i>	-100 bps	+100 bps	+200 bps	+300 bps
<b>Net Interest Income Change (12 Months)<sup>(1)</sup></b>	-4.2%	2.8%	5.2%	7.3%
<b>Economic Value of Equity shocks</b>	-4.1%	0.7%	0.2%	-1.1%
<b>Yield Curve Twists</b>	-1.8%	1.4%	2.8%	4.1%

(1) A 1 % change is equal to 3.1 bps of net interest margin, \$9.6 million of net interest income, and \$0.02 of earnings per share, assuming a static balance sheet.

(2) September 30 metrics are less asset sensitive than June 30, 2019

# ASSET QUALITY

	Total Portfolio		Bank Only (ex. Regency)		Originated Portfolio	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
YTD Net Charge-Offs (annualized)	<b>0.14%</b>	0.27%	<b>0.13%</b>	0.19%	<b>0.11%</b>	0.33%
NPL's+OREO/Total Loans+OREO	<b>0.52%</b>	0.63%	<b>0.49%</b>	0.60%	<b>0.56%</b>	0.73%
Total Delinquency	<b>0.91%</b>	1.23%	<b>0.89%</b>	1.19%	<b>0.66%</b>	0.79%
Allowance for Loan Losses to Total Loans	<b>0.84%</b>	0.81%	<b>0.83%</b>	0.81%	<b>0.95%</b>	1.00%
Allowance + Credit Mark / Total Loans + Mark	<b>1.22%</b>	1.55%	<b>1.21%</b>	1.54%		

- FNB's credit portfolio remains well-positioned and continues to perform in a satisfactory manner
- FNB credit policy provides consistent, prudent underwriting standards footprint wide for all products and delivery channels
  - FNB maintains consistent underwriting standards throughout economic cycles
  - A team of highly experienced Regional Credit Officers oversee the credit delivery process
- Significant investments have been made to internal credit systems, which support end-to-end risk management of the portfolio
  - Ongoing upgrades made to FNB's proprietary credit delivery system, as well as a credit risk concentration and monitoring platform, and upgraded ALLL model that is CECL compliant
- Proactive management of risk
  - Continued buildout of MIS with detailed concentration and analytics decks that help further monitor and manage growing portfolios in both commercial and retail portfolios
  - Trigger system provides alerts for concentration categories that are approaching internally defined limits
  - Concentration reviews include stratification of growth and performance metrics across various categories like region, industry, top borrowers, acquisitions, participation and counterparty risk, leveraged lending, maturity walls, construction risk, ALLL sensitivity analysis, historic asset quality performance, economic correlations, and cross-concentrations

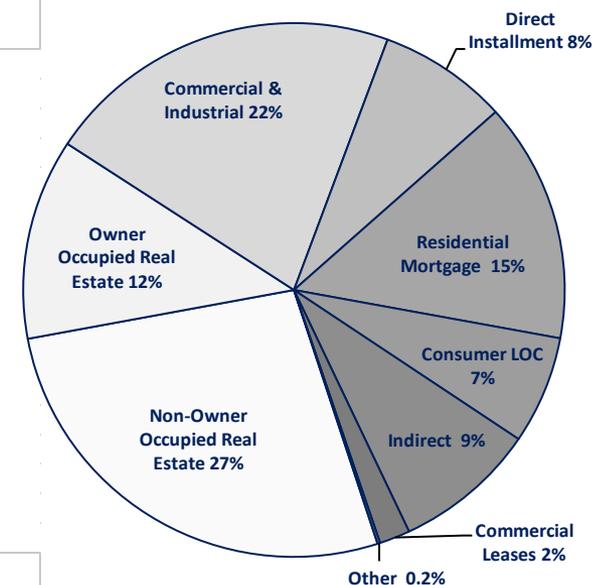


(1) Metrics shown are originated portfolio metrics unless noted as a total portfolio metric. "Originated portfolio" or "Originated loans" excludes loans acquired at fair value and accounted for in accordance with ASC 805, as the risk of credit loss has been considered by virtue of F.N.B.'s estimate of fair value. (2) Total portfolio metric.

# LOAN RISK PROFILE

\$23.1 Billion Loan Portfolio  
September 30, 2019

(\$ in millions)	9/30/2019	% of Loans	NPL's/Loans <sup>1</sup>	YTD Net Charge-Offs/Loans <sup>1</sup>	Total Past Due/Loans <sup>1</sup>
Commercial and Industrial	4,862	21.1%	0.43%	0.11%	0.64%
CRE: Non-Owner Occupied	6,152	26.7%	0.22%	0.02%	0.18%
CRE: Owner Occupied	2,763	12.0%	1.04%	0.04%	1.11%
Home Equity and Other Consumer	3,252	14.1%	0.68%	0.07%	0.72%
Residential Mortgage	3,283	14.2%	0.40%	0.04%	0.75%
Indirect Consumer	1,949	8.4%	0.13%	0.33%	0.69%
Equipment Finance Loans and Leases	760	3.3%	0.64%	0.27%	1.32%
Other	48	0.2%	2.84%	4.39%	N/M
<b>Total</b>	<b>\$23,070</b>	<b>100.0%</b>	<b>0.48%</b>	<b>0.11%</b>	<b>0.66%</b>



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# ASSET QUALITY<sup>1</sup>

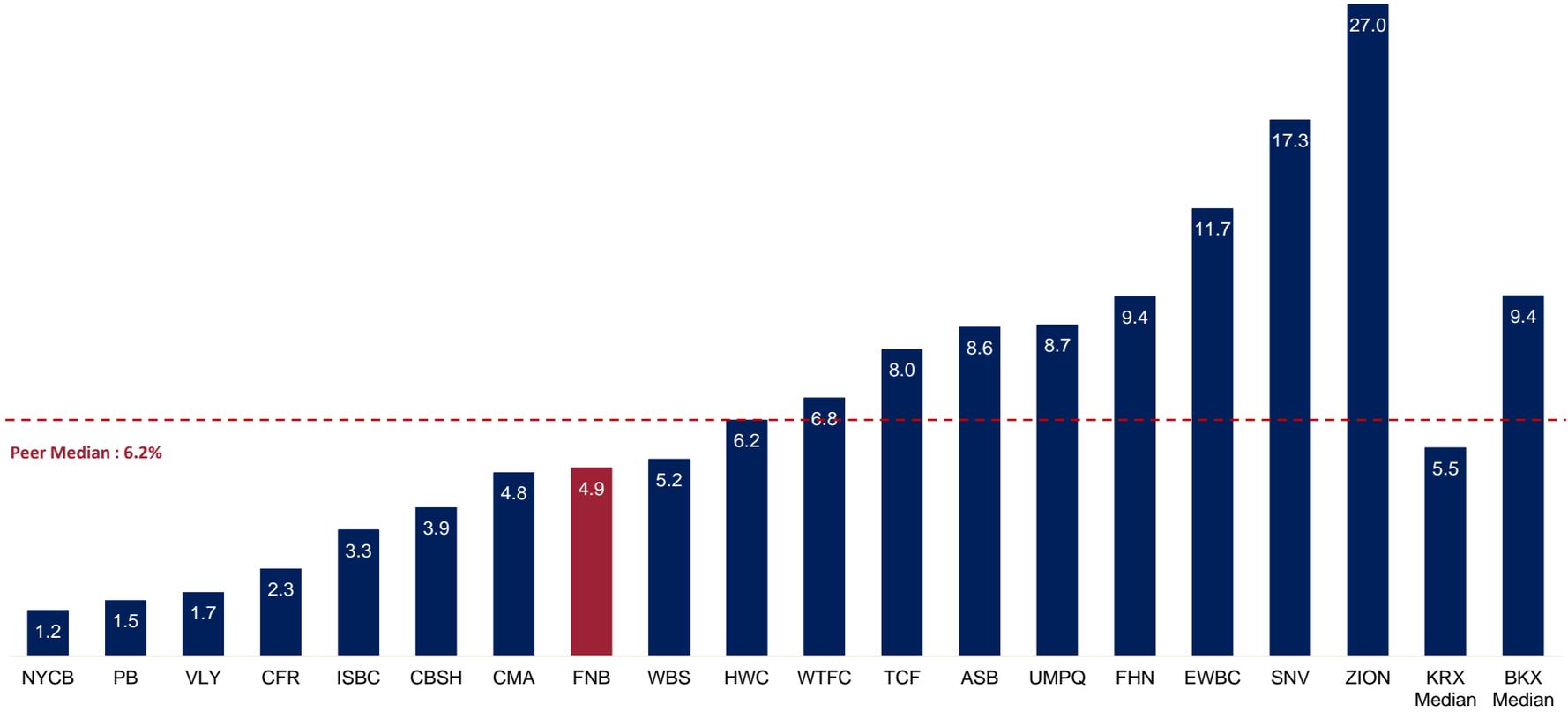
\$ in thousands	3Q19	2Q19	3Q18	3Q19 Highlights
<b>NPLs+OREO/Total average originated loans and leases + OREO</b>	0.56%	0.61%	0.73%	○ Favorable overall credit quality, with consistent and steady performance across all portfolios
<b>Delinquency</b>	0.66%	0.66%	0.79%	
<b>Provision for credit losses<sup>2</sup></b>	\$11,910	\$11,478	\$15,975	○ Provision for loan losses supports loan growth and exceeds net charge-offs
<b>Net charge-offs (NCOs)<sup>2</sup></b>	\$6,430	\$9,021	\$14,668	
<b>NCOs (annualized)/Total average loans and leases<sup>2</sup></b>	0.11%	0.16%	0.27%	○ Relative positive trends across NPLs, OREO, and 90+ day categories
<b>NCOs (annualized)/Total average originated loans and leases</b>	0.11%	0.11%	0.33%	
<b>Allowance for credit losses/ Total originated loans and leases</b>	0.95%	0.96%	1.00%	
<b>Allowance for credit losses/ Total non-performing loans and leases</b>	210.2%	211.0%	183.9%	○ Allowance for credit losses providing solid coverage across portfolios



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## FNB has Performed Well During the Financial Crisis

Cumulative NCOs From 2008 to 2012 Over 2007 Gross Loans <sup>(1)</sup>  
 (%)



Source: SNL Financial <sup>1</sup> Cumulative NCOs represent net charge-offs from 2008, 2009, 2010, 2011 and 2012 divide by gross loans at 12/31/2007; includes impact of the former Regency and Florida portfolios.



## CAPITAL MANAGEMENT AND CREDIT RISK

# EXECUTIVE Q&A

# FOCUS ON SUSTAINABLE GROWTH

## POSITIONED FOR FUTURE LONG-TERM GROWTH

