F.N.B. Corporation & First National Bank of Pennsylvania
Capital Stress Test Results Disclosure

Capital Stress Testing Results Covering the Time Period January 1, 2016 through March 31, 2018 for F.N.B. Corporation and First National Bank of Pennsylvania under a Hypothetical Severely Adverse Economic Scenario.

Released October 17, 2016

When we refer to "FNB," "we," "our," and "us" in this report, we mean F.N.B. Corporation (including First National Bank of Pennsylvania). When we refer to "FNBPA" or "Bank" in this report, we mean our only bank subsidiary, First National Bank of Pennsylvania, and its subsidiaries.

About F.N.B. Corporation

F.N.B. Corporation (NYSE:FNB), headquartered in Pittsburgh, Pennsylvania, is a diversified financial services company. On a combined, pro forma basis, including the proposed acquisition of Yadkin Financial Corporation ("Yadkin"), FNB will operate in eight states and seven major metropolitan areas. FNB holds a significant retail deposit market share in Pittsburgh, Pennsylvania, Baltimore, Maryland, and Cleveland, Ohio, and, assuming the Yadkin acquisition is completed, will add Charlotte, Raleigh-Durham and the Piedmont Triad (Winston-Salem, Greensboro and High Point) in North Carolina. If the proposed Yadkin acquisition is completed ("Transaction"), the Company will have total combined, pro forma assets of nearly $30 billion, and more than 400 banking offices throughout Pennsylvania, Ohio, Maryland, West Virginia, North Carolina and South Carolina. FNB provides a full range of commercial banking, consumer banking and wealth management solutions through its subsidiary network which is led by its largest affiliate, First National Bank of Pennsylvania, founded in 1864. Commercial banking solutions include corporate banking, small business banking, investment real estate financing, international banking, business credit, capital markets and lease financing. The consumer banking segment provides a full line of consumer banking products and services, including deposit products, mortgage lending, consumer lending and a complete suite of mobile and online banking services. FNB's wealth management services include asset management, private banking and insurance. The Company also operates Regency Finance Company, which has more than 70 consumer finance offices in Pennsylvania, Ohio, Kentucky and Tennessee. The common stock of F.N.B. Corporation trades on the New York Stock Exchange under the symbol "FNB" and is included in Standard & Poor's MidCap 400 Index with the Global Industry Classification Standard (GICS) Regional Banks Sub-Industry Index.

As of June 30, 2016, FNB had total assets of $21.2 billion and FNBPA had total assets of $21.0 billion. As such, FNBPA accounts for approximately 99% of FNB's assets and the majority of the variance in the stress tests. Therefore, separate explanations will not be provided.

Background

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA") requires national banks and federal savings associations with total consolidated assets of $10 billion - $50 billion to conduct the annual Dodd-Frank Act Stress Testing ("DFAST"). This disclosure specifically addresses provisions of DFA requiring that company-run stress test results be made publicly available.

The results of the company-run stress tests provide the Federal Reserve Bank ("Fed") and the Office of the Comptroller of the Currency ("OCC") with forward-looking information that will be used in bank supervision and will assist the agencies in assessing the companies' risk profile and capital adequacy. The objective of the annual company-run stress test is to ensure that banking institutions have robust, forward-looking stress testing processes that account for their unique risks, and to help ensure that institutions have sufficient capital to continue operations throughout times of economic and financial stress. The Fed and OCC intend to use the data to assess the reasonableness of the stress test results and determine whether additional analytical techniques are needed to identify, measure and monitor risk. These stress test results are also expected to support ongoing improvement in a covered institution's stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

Considerations

DFA sets forth specific parameters and assumptions for all institutions to use regarding capital distributions. For this and other reasons noted below, results contained herein may differ materially from other publications made by us or by regulatory agencies. To better understand the context of these results, the following should be considered:

1. Results are based on a hypothetical Severely Adverse economic projection that was provided by the Federal Reserve with the specific intention of assessing the strength and resilience of capital in stressed economic and financial market environments. The Federal Reserve's Baseline (expected) economic projection yields significantly different results.

2. DFA requires we take into account our actual capital actions as of the quarter-end for the first quarter in the planning horizon (i.e., first quarter of 2016). FNB assumed that (1) for remaining quarters, common stock cash dividends are held constant at twelve cents per share (based on the quarterly average dollar amount paid in 2015); (2) payments on any other instrument that are eligible for inclusion in the numerator of a regulatory capital ratio equal the stated dividend, interest, or principal due on such instrument during the quarter; and (3) no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio. In the event that a severely adverse economic environment comes to fruition, our capital actions could be different than those assumed for this analysis.

3. Loan portfolios follow regulatory-defined classifications and in some cases are different than how we internally manage and report via SEC filings and other public disclosures.

Risks included in the Stress Test

FNB has established a robust risk management framework that supports ongoing enterprise-wide risk management, as well as the risk surrounding stress testing. The objective of risk management is not to eliminate risk, but to identify and accept risk, and subsequently manage this risk effectively so as to preserve capital and optimize shareholder value.

Through an analysis of FNB's business units and business activities, FNB's enterprise-wide risk management process ("ERM") works to identify risks inherent in our businesses. The risks identified are catalogued in a series of business risk assessments, which are stored in a database managed by ERM. FNB used this information to decide which risks should be considered material; and are therefore, integral to stress tests.

Through this process, the Corporation has identified five major categories of risk: credit risk, market risk, liquidity risk, operational risk, and compliance risk.

1. Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required

payments. As is the case for many financial institutions, for FNB, credit risk is a broad category that needs to be segmented into material, homogenous pools. Once segmented, risk drivers are determined and then credit losses are modeled.

2. Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices, and commodity prices. The Corporation is primarily exposed to interest rate risk inherent in its lending and deposit-taking activities as a financial intermediary. Market risk is considered in the stress test through an analysis of certain macro-economic factors (mainly interest rates) and the impact the changes in those factors would have on FNB's balance sheet and income statement.

3. Liquidity risk refers to the ability of FNB to meet its financial obligations to its customers, debt-holders, and other stakeholders.

4. Operational risk refers to potential losses due to the failure of people, processes, or technology. FNB has included an assessment of its operational risk exposure and potential related losses in its stress testing submission. Our operational risk assessment includes compliance risk, given that related historical losses are included in the operational risk loss estimates.

5. Compliance risk refers to the risk to earnings and capital arising from violations or non-conformance with laws, rules or regulations, and ethical standards. This includes legal risk arising from potential unenforceable contracts, lawsuits, and adverse judgments or disruptions negatively affecting the earnings or capital of the company. The effects of adverse impacts resulting from compliance risk are captured within the operational risk component of the stress tests.

Summary of Stress Test Methodologies

To support the assessments and create the DFAST projections, FNB utilized multiple forms of quantitative and qualitative analysis to forecast balance sheets, income statements, and capital. Business analyses, statistical modeling, and expert judgment, subject to review and challenge by the appropriate internal governing bodies, were used to develop these projections as required by the regulatory bodies.

FNB subscribes to the macroeconomic data services of a leading analytics firm which supplements the national macroeconomic and market variables provided by the regulators with estimations of variables at the state and regional level. In addition, FNB estimates certain interest rates that are not provided by the regulators that are important to the modeling of its net interest income. FNB developed a number of statistical models which, given the regulatory scenario variables, predict future behavior based on historical relationships between business activity and the scenario variables. In other cases, driver-based equations were used to express certain income statement items in relation to a related income statement item based on historical proportions. Additionally, certain noninterest income and expense items were forecasted using management judgment and not deemed to vary between the regulatory scenarios. Model development included the consideration of a number of candidate models, a review and challenge by subject matter experts, and an independent model validation process.

To promote comprehensive scenario and projection development, FNB established a thorough and heavily governed process, including an extensive challenge process. Challenges are designed to foster candid, informed, and effective discussion regarding projection methodologies and results. They occur throughout the projection development process and at multiple organizational levels, including the Board of Directors.

The challenge process may result in adjustments to modeled output in order to ensure appropriate consideration of FNB-specific factors and to mitigate limitations in estimations.

Description of the Severely Adverse Economic Scenario

Results contained in this report are based on the hypothetical Severely Adverse economic scenario that was constructed by the Federal Reserve. The Severely Adverse scenario is characterized by a substantial weakening in economic activity in 2016 (-4.2% to -7.5% "growth" rates), followed by a recovery in late 2017 to 2019 (+3.0% to +3.9% growth rates) toward the second half of the forecast period. The unemployment rate reverses its 2009-2015 trend and begins to sharply increase to a peak of 10.0% in Q3 2017, before slowly improving for the remainder of the forecast period. Global growth, inflation and interest rates follow a similar path as the U.S., with notable economic weakness experienced in Japan.

Equity prices decline sharply in 2016 (-51%) before recovering throughout the remaining forecast period. The equity market volatility index spikes up in early 2016 to levels near those seen in 2008, before moderating to nearly pre-forecast levels by the end of 2018. Residential housing and commercial real estate prices exhibit peak year-over-year declines of -14% and -21%, respectively, by early 2017, and then stabilize for the remainder of the forecast period.

Short-term interest rates enter into negative territory in 2Q 2016 and remain there throughout the forecast period. Long-term interest rates decline dramatically in early 2016, and very slowly begin to increase throughout the remaining forecast period, which causes the yield curve to steepen from 2Q 2016 forward. Corporate and mortgage spreads widen materially in 2016 before slowly narrowing throughout 2017, yet remain higher than pre-forecast levels.

These and other economic variables were transformed into usable inputs for our revenue, expense, and loss models, and into estimates that underlie our capital projections. A full list of economic variables and their values, along with a more detailed description of the Severely Adverse economic scenario, can be found on the Federal Reserve's website.

Results for the Severely Adverse Scenario for the Time Period January 1, 2016 – March 31, 2018

Consistent with DFAST disclosure instructions, results in this section are based on the Severely Adverse economic scenario as provided to us by the Federal Reserve. As noted in the "Considerations" section of this disclosure, we assume that common stock cash dividends are held constant with per share levels paid in 2015 of $.12 per quarter, and further assume there is no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio. Unless otherwise specified, results are cumulative for the nine-quarter planning horizon beginning January 1, 2016 and ending March 31, 2018. All information provided was forecasted from December 31, 2015 and the following tables and information have not been adjusted for actual results realized in the first three quarters of 2016.

Capital Ratios

Consistent with assumed capital actions described earlier in this disclosure, Table 1 depicts beginning (December 31, 2015) and ending (March 31, 2018) capital ratios observed through the nine-quarter horizon of the Severely Adverse economic scenario compared to regulatory minimum and well capitalized requirements. Key drivers of changes to capital levels are discussed below.

Table 1. Capital Ratios: Beginning, Ending, and Minimum Values

(%)	Actual 12/31/2015	Stress Projection 3/31/2018 [1]	Regulatory Minimums	Well Capitalized Requirements
FNB				
Common Equity Tier 1	9.47	7.78	4.50	6.50
Tier 1 Capital	10.42	8.48	6.00	8.00
Total Risk-Based Capital	12.85	10.83	8.00	10.00
Tier 1 Leverage	8.14	6.75	4.00	5.00
FNBPA				
Common Equity Tier 1	9.56	8.43	4.50	6.50
Tier 1 Capital	10.19	8.96	6.00	8.00
Total Risk-Based Capital	11.27	10.21	8.00	10.00
Tier 1 Leverage	8.03	7.18	4.00	5.00

(1) These ratios are the ending and minimum values.

Revenue, Loss, and Net Income

Table 2 depicts cumulative results for the time period January 1, 2016 through March 31, 2018 for the Severely Adverse economic scenario.

Table 2. Net Income after Taxes

($ thousands)	FNB	FNBPA
Pre-Provision Net Revenue (PPNR)[1]	467,851	462,210
Provision for Loan Losses	408,294	383,852
Net Income after Taxes	45,859	56,513

(1) PPNR Includes realized gains (losses) on held to maturity investment securities.

Loan and Lease Losses

Table 3 depicts cumulative nine-quarter losses for loan and lease categories for the Severely Adverse economic scenario.

Table 3. Cumulative Credit Losses for Loan and Lease Portfolios

	FNB		FNBPA	
($ thousands)	**$**	**%[1]**	**$**	**%[1]**
Commercial and Industrial	113,186	3.73	113,186	3.67
Commercial Real Estate	27,767	0.58	27,767	0.58
Closed-end First Lien Mortgage	21,183	0.70	20,867	0.69
Junior Lien Mortgage and Home Equity Line of Credit	20,450	1.14	20,220	1.13
Other Consumer [2]	54,860	4.03	33,024	2.72
Other Loans and Leases [3]	8,649	3.28	8,649	3.28
Total Loan and Lease Losses	246,095	1.73	223,713	1.58

(1) Denominator of loss rate is the average of the nine quarters' balances

(2) Other Consumer includes Auto Loans, Student Loans, and other miscellaneous consumer-purpose loans

(3) Other Loans and Leases primarily consist of Equipment Lease, Overdraft losses and Credit Cards

Additional Capital Ratio Components

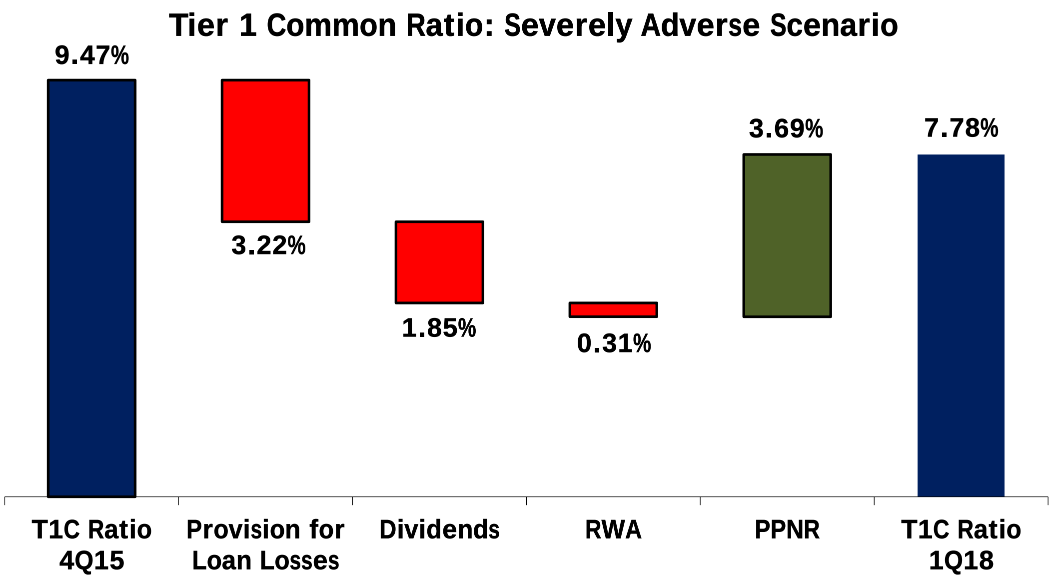
Table 4 discloses the change in risk-weighted assets from the beginning (December 31, 2015) to the ending (March 31, 2018) of the nine-quarter stress test horizon of the Severely Adverse economic scenario.

Table 4. Risk-Weighted Assets, Beginning (December 31, 2015) and Ending (March 31, 2018) Values

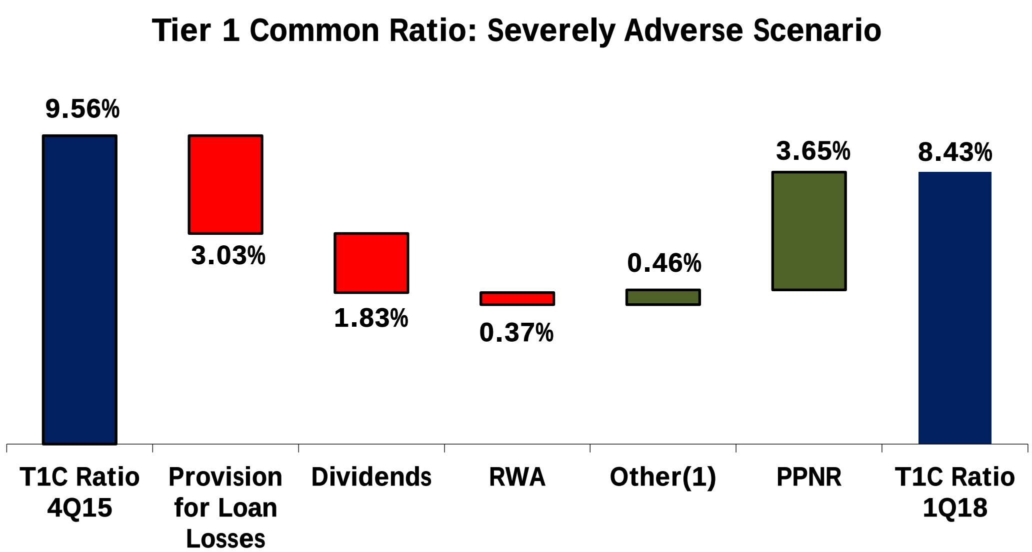
($ thousands)	**Actual 12/31/15**	**Ending 3/31/18**
FNB	12,683,959	15,200,469
FNBPA	12,659,899	15,256,978

Table 5. Drivers of Change in Capital Ratios, December 31, 2015 to March 31, 2018

FNB



FNBPA



(1) Other includes change in taxes, and stock compensation.

Explanation of the Most Significant Causes for the Changes in Regulatory Capital Ratios

The Federal Reserve's Severely Adverse scenario as applied to FNB and FNBPA results in meaningful declines in the regulatory capital ratios. However, the lowest capital levels across the nine-quarter planning horizon for all scenarios analyzed in connection with DFAST stress testing requirements remain above regulatory-defined, minimum and well-capitalized thresholds.

Table 5 above reconciles the primary drivers of the change in the Tier 1 Common Equity Ratio from December 31, 2015 to March 31, 2018. The following factors account for the majority of the projected change in the regulatory capital ratios.

- These declines are primarily driven by significant loan loss provisions while assuming that common dividend levels are held at $0.12 per share per quarter. This dividend assumption reduces capital levels below what might result in such an economic environment where dividend levels could be reduced if necessary.
- Pre-provision net revenue (PPNR) helps boost capital levels but is lower in the Severely Adverse scenario than in the Baseline scenario due partially to the negative interest rates for the Severely Adverse scenario. Negative interest rates narrow the net interest margin because asset yields decline more than liability yields. There is presently a limited ability to decrease certain liability rates further. In addition, there is a modest deleveraging of assets which reduces PPNR.
- Risk weighted assets (RWAs) as a percentage of Total Assets increase over the time horizon as the proportion of loans to earning assets increases versus the proportion of securities to earning assets which decreases. Since loans generally have higher risk weights than securities, this results in a higher overall RWAs to Total Assets ratio.
- FNB's disclosures of projected results, risks, and assumptions are hypothetical and made pursuant to the requirements of the Federal Reserve and the Office of the Comptroller of the Currency DFAST guidelines and related instructions. These projections are based on stress test rules and assumptions that do not necessarily reflect FNB's future expectations or actions.