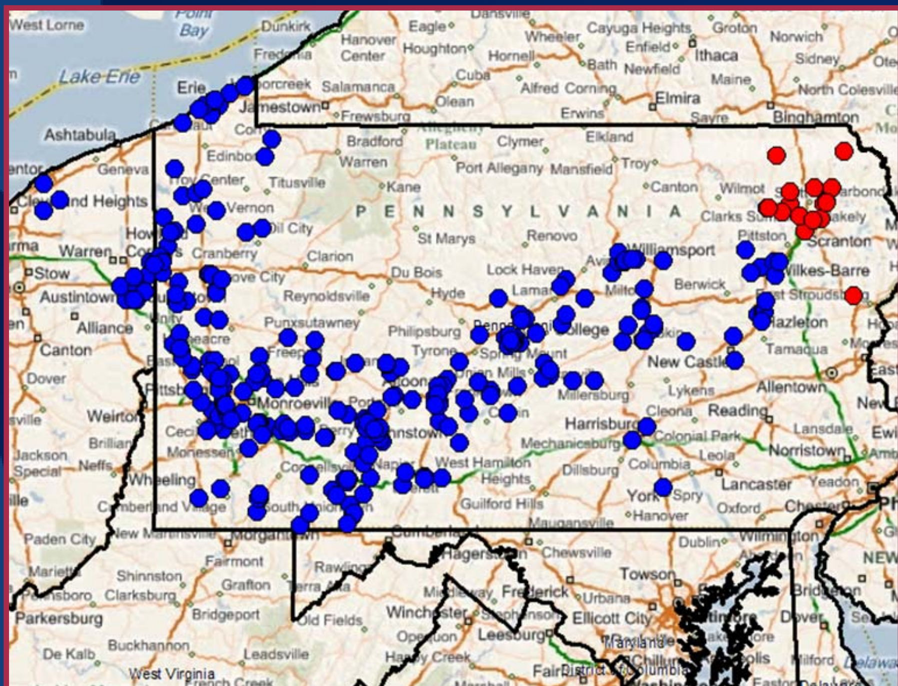
# F.N.B. Corporation

## Announces Agreement to Acquire Comm Bancorp, Inc.

**August 9, 2010**

F.N.B. Corporation

# Strategic Rationale




- F.N.B. Corporation (223 branches)
- Comm Bancorp, Inc (15 branches)

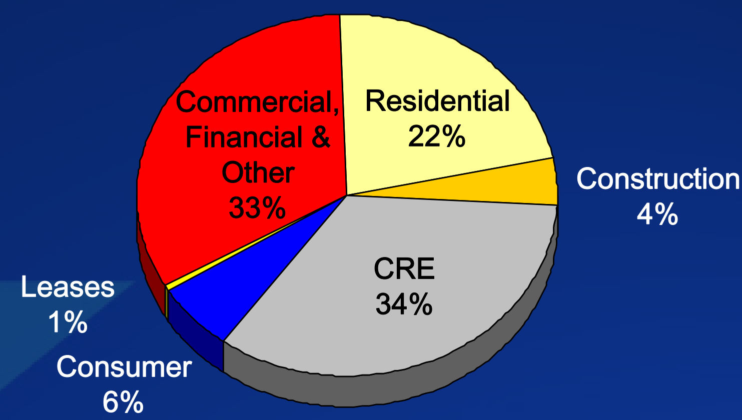
- Natural market extension into Northeastern Pennsylvania
  - Accretive demographics
  - Enhances market share in Scranton-Wilkes-Barre MSA
- Lucrative Marcellus Shale area
- Opportunities to leverage core strengths in commercial and consumer banking
- Financially attractive
  - Immediately accretive to EPS (excl. one-time costs)
  - Greater than 20% IRR
  - 1.31x TBV
  - 3.3% core deposit premium[1]

(1) Defined as Total Deposits less Jumbo CDs.

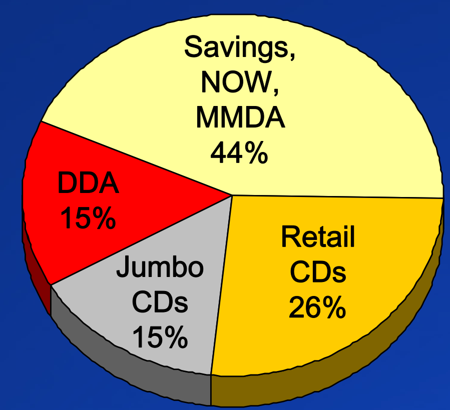
# Traditional Community Bank

- $642 million in assets
  - $465 million in loans
  - $577 million in deposits
- Good capital levels
  - 8.31% TCE / TA
  - 10.40% Tier 1
  - 13.29% Total Capital
- Manageable credit quality
  - 3.89% NPAs / Assets
  - 3.21% LLR / Gross Loans

Loan Composition (06/30/10)




Deposit Composition (06/30/10)



# Detailed Due Diligence Process

- Comprehensive review of all operations and business lines
  - Cost savings of 26%, net of identified needs for additional resources
  - Revenue synergies identified but not assumed
- Extensive credit review
  - 67% of $330 million in commercial loans were reviewed (61% of C&I, 72% of CRE)
  - All criticized loans over $100,000 were reviewed
  - Credit mark based on very conservative estimates of credit losses for both performing and non-performing loans
    - Federal Reserve exam of Comm Bancorp, Inc. in 2009 resulted in $7.0 million increase of the allowance for loan losses to $15 million as of 6/30/2010
    - Identified additional credit mark of $15 million (pre-tax) and reflected in pricing of transaction

# Transaction Overview

| | |
|---|---|
| Consideration: | 3.4545 shares of FNB plus $10.00 in cash per share of Comm Bancorp, Inc. (75% stock / 25% cash) |
| Deal Value and Pricing: | Approximately $70 million; 1.31x TBV |
| Detailed Due Diligence: | Completed |
| Closing Condition: | Comm Bancorp Inc.'s Delinquent Loans must be less than $65 million |
| Required Approvals: | Customary regulatory and shareholder approvals |
| Expected Closing: | Late Q4 2010 |

# Pro Forma Financial Impact

- Assumptions:
  - Cost savings of $4.4 million, phased-in 80% in 2011 and 100% afterwards
  - CDI of $6.7 million, amortized sum-of-the-years digits over 10 years; Goodwill of $23 million
  - One-time costs of $6.5 million (pre-tax)
  - 5.95 million shares issued to fund acquisition
- Earnings Impact[1]:
  - 2011 EPS accretion of 2.4% (excluding one-time charges)
- Capital Position including after-tax impact of one-time costs and credit mark of $30 million ($15 million net of current LLR):

| | As of 6.30.2010 | Projected At Close 12.31.2010[1] | Difference |
|---|---|---|---|
| TCE / TA | 5.97% | 5.77% | -20 bps |
| Tier 1 Capital | 11.30% | 10.89% | -41 bps |
| Total Capital | 12.80% | 12.44% | -36 bps |
| TBV per share | $4.31 | $4.34 | $0.03 |

- TCE / TA earned back over less than 12 months, Total Capital earned back in less than 18 months

(1) FNB standalone earnings and capital projections based on consensus estimates.