F.N.B. CORPORATION

THIRD QUARTER 2007 EARNINGS CONFERENCE CALL

October 19, 2007

MODERATOR – Stephen J. Gurgovits, President and CEO, F.N.B. Corporation

Operator – Welcome to the F.N.B. Corporation Third Quarter 2007 Earnings Conference Call.

It is now my pleasure to turn the call over to Bartley Parker of Investor Relations.

PARKER:

Thank you. This conference call of F.N.B. Corporation ("F.N.B.") and the reports it files with the Securities and Exchange Commission often contain "forward-looking statements," which are based on current expectations, estimates, forecasts and projections about F.N.B., as well as F.N.B. management's assumptions and beliefs relating to present or future trends or factors affecting the future performance of F.N.B. and the banking and financial services industry. Since forward-looking statements relate to future developments, results and events, they involve certain risks and uncertainties, and actual future results may differ materially from historical performance or those expressed in or implied by this presentation as a result of future decisions by F.N.B. or by other factors and developments beyond F.N.B.'s control, including but 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) less favorable than expected general economic conditions;

5) legislative or regulatory changes that may adversely affect the businesses in which F.N.B. is engaged;

6) technological issues which may adversely affect F.N.B.'s financial operations or customers;

7) changes in the securities markets; or

8) risk factors mentioned in F.N.B.'s filings with the Securities and Exchange Commission.

F.N.B. undertakes no obligation to update these forward-looking statements or to reflect events or circumstances after the date of this call. It is now my pleasure to turn the call over to Mr. Stephen Gurgovits, President and CEO. Steve?

GURGOVITS:

Thank you, Bartley. Good morning everyone and thank you for joining our third quarter 2007 earnings conference call.

With me today on the call is Brian Lilly, our Chief Financial Officer and Gary Roberts, President and CEO of First National Bank of Pennsylvania.

Before we begin our review of the third quarter, I would be remiss in not mentioning our announcement earlier this week that Robert New, Jr. has been selected as the next President and Chief Executive Officer of F.N.B. Corporation.

Bob comes to us from Houston, TX, and has nearly 34 years of banking experience. Our recent press release elaborates on Bob's background and experience, which I won't repeat now.

Bob will join us on January 15, 2008, as President & CEO-elect and will become President & CEO on April 1, 2008. I will remain thereafter on a full time basis as Chairman for the remainder of 2008. Beginning in 2009, I will remain as Chairman and will have a part time advisory role for an additional five-years.

I wish to thank our board, and in particular our Succession Committee, for their hard work. I announced my retirement plans well in advance in order to allow sufficient time to select a CEO and execute a smooth, seamless transfer of leadership. I believe our plan will work perfectly. I look forward to introducing Bob New to you on our next earnings call.

Now to the third quarter review. For the third quarter of 2007, we earned 29 cents per diluted share, comparable to both the prior quarter and the third quarter of last year. We delivered strong profitability with a return on tangible equity of over 26 percent and a return on tangible assets of 1.25 percent. Our returns continue to place F.N.B. in the top quartile of our national peer group.

Our results for the third quarter reflect our ability to deliver on our key objectives. We grew the average balances of our commercial, direct installment and consumer line of credit loans by 5.2 percent over last year.

On a regional basis, Florida production for the first nine months totaled $140 million. Based on our current pipeline, we estimate our Florida production ending the year at around $200 million versus our prior projection of $225 million. Pittsburgh commercial loan production for the first nine months was $103 million versus a 2007 full year goal of $125 million. We are especially pleased with the progress we have achieved in this market and attribute our success to the strong customer service focus of our commercial lending team. With each passing week one can sense the victories and accomplishments our Pittsburgh team has produced. In a recent article published by the Pittsburgh Business Times, First National Bank of Pennsylvania was ranked as the 6th largest bank in Pittsburgh, as measured by commercial and industrial loans outstanding. We certainly have established the momentum in Pittsburgh that we had hoped to achieve. Our Harrisburg region has made progress on our goal of $75 million of annual production. A key addition to our lending team from one of our competitors in the capital region, as a result of the disruption caused by the recent M&A activity, gives us good confidence about our direction in this important region of the state.

In the third quarter we maintained a stable net interest margin in a continued difficult interest rate environment. We also increased the total of our key fee income sources, which are bank service charges, insurance and wealth management, by 1.8 percent year-over-year. Additionally, our operating costs are tightly controlled, as evidenced by our positive operating leverage on a sequential basis.

While our loan loss provision, non-performing loans and net charge-offs for the quarter rose in comparison to the second quarter, they continue to be at historically good

levels. It is important to remember that our asset quality metrics have been at all-time lows and are unlikely to remain at those levels.

Let me comment further on credit quality and in particular our decision to increase the provision expense this quarter. As we stated earlier this year, we are very much aware of the continued softness in the Florida real estate market. We have reviewed each and every loan in our Florida portfolio, which by the way is comprised of only 51 loans and represents only 6 percent of our total portfolio, and remain very comfortable with our sound underwriting principles. However, the softened real estate market has slowed the absorption rate on several projects. While we continue to monitor these projects and the Florida real estate trends closely, we will not over react. It is worth noting that our current and expected future Florida production will be geared more toward commercial and retail centers and therefore less affected by market fluctuations. Having said this, we did have the opportunity in this quarter to bolster loan loss reserves and considered it prudent to do so.

Let me now turn the call over to Brian to provide some additional insight on our earnings report.

Brian...

LILLY:

Thank you Steve and good morning everyone.

I'd like to start with some comments on our loan portfolio. Loan growth was the key contributor to our 6.4 percent annualized growth in net interest income.

In particular, average commercial loans increased 11.0 percent annualized compared to the second quarter of 2007. This growth reflects our strategy to grow these higher-yielding, relationship-based loans.

Regarding the growth in our direct installment portfolio, a successful sales campaign in late spring and early summer accelerated the normal seasonal strength, resulting in an average balance increase of $28 million, or 12 percent annualized.

In total, our average loans grew 7.7 percent annualized over the second quarter of 2007. Balances of investment securities were comparable to the second quarter, thereby generating average earning asset growth of 3.9 percent annualized. We continue to be comfortable with the level of our investment securities relative to our total assets.

Our growth in net interest income for the third quarter of 2007 was helped by having a stable net interest margin. We are pleased that this marks the fourth consecutive quarter of a stable margin, particularly against the challenges of an inverted yield curve.

The yield on earning assets and cost of funds increased five basis points on a sequential basis. On the asset side, yields have been enhanced through growth in commercial loans. Regarding deposits, which represent 86 percent of the Corporation's total funding, we've reduced our balances of higher-cost CDs and increased our balances of lower-cost core deposits. The acceptance of our innovative banking products continues to help drive increased low-cost core deposits, with new business development officers in each of our five regions also contributing to these results. In total, our average deposits and treasury management products increased 3.7 percent annualized from the second quarter of 2007. Period-end balances were slightly higher than our average balances giving us nice momentum heading into the fourth quarter.

Deposit rates were relatively flat during the third quarter, but have declined subsequent to the September 18th reduction in the Fed Funds target rate. This reduction coupled with our slight liability sensitive position and assumed rational competitor deposit pricing should position us to maintain or slightly increase the net interest margin in the fourth quarter.

Turning to non-interest income, increased customer volume and seasonality helped our banking service charges and insurance revenue grow an annualized 2.9 percent and 8.7 percent, respectively, as compared to the prior quarter. Our wealth management income, comprised of our securities commissions and trust income, was essentially flat in the linked quarter comparison but represents a 10.8 percent increase over the third quarter of last year. The progress we are making growing our fee income does not show up in the performance of our total non-interest income this quarter, which declined $330 thousand or 1.6 percent relative to the same quarter last year. The decline was primarily due to two factors totaling around $1 million: First, as I shared in last quarter's call, we do not see opportunities for bank stock gains going forward. In the third quarter of last year we realized half a million dollars in bank stock gains. Second, the third quarter's other non-interest income includes a loss of approximately half a million dollars on the pending sale of a headquarters building acquired in a prior merger. This sale is under agreement to close early in the fourth quarter.

Non-interest expense declined from the second quarter of 2007. The linked quarter decrease was primarily driven by lower other operating expenses for items like annual director stock awards, legal fees and other costs that I mentioned last quarter.

Looking at our revenues and expenses together, we had positive operating leverage. This is shown by the improvement in our efficiency ratio to 57.4 percent for the third quarter of 2007 from 58.3 percent for the prior quarter. We are looking for our expenses to be flat to slightly lower in the fourth quarter in comparison to the third quarter of 2007.

For our income tax expense, we recorded a $900 thousand net benefit this quarter. We reversed tax reserves that were established with the spin-off of our Florida operations at the end of 2003. Without this item our tax rate would have been 29.6 percent, consistent with the second quarter.

Looking at our asset quality, as Steve mentioned in his remarks our key credit quality metrics continue to be at very good levels, on a historical basis. Annualized net charge-offs for the third quarter of 2007 were 27 basis points of average loans, representing a 3 basis point increase from the second quarter of 2007 and a 4 basis point rise from an all-time low in the third quarter of 2006. For some perspective, the full year ratio of net charge-offs to average loans was 46 basis points in 2005 and 29 basis points in 2006.

Our ratio of non-performing loans to total loans was 57 basis points at the end of the third quarter, a 1 basis point linked-quarter increase, but a 12 basis points improvement versus the same quarter of last year.

With regard to the increase in the provision for loan losses: First, we covered loan charge-offs as our allowance modeling has reached a balanced position where new loss factors are consistent with the historical costs in our models. Second, we added to

the reserves for loans in Florida, in recognition of the sustained weaker real estate market. Going forward, we would expect our provision expense to cover net charge-offs.

At September 30, 2007, the allowance for loan losses was 1.20 percent of total loans, a 1 basis point increase from the second quarter of 2007 and represents an amount of over two times our total non-performing loans.

Our period end capital ratios remain solid, as we continue to meet all well capitalized measures.

Steve, that concludes my remarks for the quarter.

GURGOVITS: Thanks Brian.

In terms of our earnings guidance for the remainder of the year, Brian has highlighted a few of the important components. As a result of our expectation of covering our net loan charge-offs with our provision, we now expect our earnings for the full year 2007 to be in a range of $1.16 to $1.17 per share. This represents expected earnings growth of 2 to 3 percent over the full year 2006. We are pleased with this performance given the interest rate and credit quality challenges faced by the financial services industry.

In closing, we are proud to have announced a 2.1 percent increase in our dividend in August. We believe this reflects the Board's confidence in the outlook for the Corporation's earnings and capital position. This also puts us on track to make 2007 the 35th consecutive year of growth in our cash dividend. We believe our sound strategy of profitably managing our businesses and providing value to shareholders in the form of a

low risk-profile and strong cash dividend, makes us an attractive investment choice. We thank all of our shareholders for their continued support.

That concludes our formal remarks for this call. I will now ask the operator to poll the audience for questions.

QUESTIONS ??

GURGOVITS: Thank you again for joining us today.

Telephone Replays of this call will be available through November 2nd by calling (888) 203-1112 and entering confirmation number 1434076. As usual, the transcript of today's call will be posted to the investor relations section of our Web site, www.fnbcorporation.com.