Milano:

Thank you, Mauricie. Good morning, everyone.

This conference call of F.N.B. Corporation and the reports it files with the Securities and Exchange Commission often contain "forward-looking statements" 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.

These forward-looking statements involve certain risks and uncertainties.

There are a number of important factors that could cause F.N.B. Corporation's future results to differ materially from historical performance or projected performance.

These factors include, but are not limited to:

- A significant increase in competitive pressures among financial institutions;
- Changes in the interest rate environment that may reduce interest margins;
- Changes in prepayment speeds, loan sale volumes, charge-offs and loan loss provisions;
- General economic conditions;
- Legislative or regulatory changes that may adversely affect the businesses in which F.N.B. Corporation is engaged;
- Technological issues which may adversely affect F.N.B. Corporation's financial operations or customers;
- Changes in the securities markets or
- Risk factors mentioned in the reports and registration statements F.N.B. Corporation files with the Securities and Exchange Commission.

F.N.B. Corporation undertakes no obligation to revise these forward-looking statements or to reflect events or circumstances after the date of this call.

As a reminder, a replay of this call will be available until midnight on Thursday, October 29th. The replay can be accessed by dialing (888) 203-1112 or (719) 457-0820; the confirmation number is 2533549.

A transcript of this call will be posted, to the "Shareholder and Investor Relations" section of F.N.B. Corporation's Web site, at www.fnbcorporation.com.

It is now my pleasure to turn the call over to Mr. Steve Gurgovits, President and CEO of F.N.B. Corporation. Steve?

Gurgovits:

Thank you Frank.

Good Morning everyone. It is a pleasure to welcome you to our third quarter earnings call. Joining me today on the call are Vincent Calabrese, our C.F.O. and Gary Guerrieri, our Chief Credit Officer. Vince will address our third quarter performance in more detail later in this presentation and Gary will also provide additional insight into our asset quality.

Also with me today for the question and answer session are Brian Lilly, Executive Vice President and Chief Operating Officer and Vince Delie, Executive Vice President and Chief Revenue Officer.

Now to the third quarter.

Taking into consideration the non cash charges associated with our payback of the CPP funds, and OTTI charges for TRUPS, our earnings were $0.11 per diluted share, which is slightly better than Street estimates.

The significant 3rd quarter development was our announcement of regulatory approval to redeem the $100 million of preferred shares issued under the U.S. Treasury's CPP Program. Our repayment came without any conditions attached.

During the quarter, the disruption in our market caused by mergers, branch sales and other competitor issues appeared to accelerate.

FNB continues to execute its organic growth strategy to take maximum advantage of this market disruption, and I am pleased to report that we are executing very well! As a result of our continued prospect calling, increased marketing activities and our very successful advertising campaign, year to date our middle market commercial banking group generated 74 significant commercial relationships resulting in over $250 million in total loan commitments and with our emphasis on relationship banking, this also results in deposit and treasury management growth.

We grew deposits and treasury management balances 2.0% annualized compared to the second quarter of 2009. Transaction balances grew 6.8% annualized compared to the prior quarter, and treasury management balances grew 28.4% annualized. Offsetting these gains were lower CD balances, which declined 11.6% annualized compared to the second quarter this year. But this reduction is by design, as our primary strategy continues to focus on growing our core transaction accounts.

In this challenging banking environment, we are very encouraged that we are gaining clients by capitalizing on a disruptive marketplace with weakened competitors. We are overcoming decreased line utilization and lower borrowing levels amongst current commercial customers who remain cautious given the near-term outlook for the economy. Offsetting this however, our commercial loans have grown 5.6% annualized since the end of the second quarter, largely a result of the new business we have captured.

We are confident that as the economy improves, FNB will experience more normal line usage as well as increased borrowing demand both from existing as well as new customers.

Consumer loans, including residential mortgages, were essentially unchanged at $2.54 billion. Changes in the consumer loan portfolio compared to the second quarter reflected growth of $22.2 million or 23.6% annualized in home equity lines of credit that was partially offset by a decrease of $11.9 million or 4% annualized in direct installment loans given customer preferences in a low interest rate environment.

I will now ask Gary to review our loan portfolio in a little more detail.

Guerrieri

Thank you Steve and good morning everyone. In looking at the third quarter, our portfolios continue to perform as expected in light of the headwinds of the current economic environment. Charge-offs were down quarter over quarter in each of our portfolios as Pennsylvania and Regency continue to post solid results while Florida charge-offs will continue to be choppy as we work that portfolio down. Delinquency and non-performing assets are up slightly over the second quarter but continue to be consistent with our expectations. Once again, I will review each segment of our portfolio with you starting with Florida.

At quarter end, our Florida portfolio was down slightly at $272 million, or 4.7% of FNB's total loan portfolio. Nonperforming assets at $76MM are up $2.5MM over the prior quarter with charge-offs of $4 million, down $7 million from the second quarter. The portfolio continues to be supported by a healthy reserve of 9.8% reflecting a 39% coverage ratio of non-performing loans.

As it relates to the Florida portfolio composition, it is generally consistent with the second quarter. Our land and land development segment has been reduced to 45% (or $122 million), down $44 million since the third quarter of 2008 representing a 27% reduction year over year. Our income producing segment stands at 32% and construction loans represent 20% of the portfolio, with the condo piece of that now down to $5.6 million or 2.1%. The remaining 3% continues to represent C&I and Owner Occupied. Unfunded commitments continue to decline, now at $16 million, down $8 million over the prior quarter, of which 75% are related to existing construction projects.

Our weighted average loan-to-value ratio for the portfolio increased to 73% primarily driven by land values which continue to experience pressure in the current environment.

As it specifically relates to the land and land development portfolio, our current outstanding balances are being carried at an average of just under 39% of the original appraised value post reserve, consistent with the second quarter.

We continue to manage this portfolio very aggressively conducting formal reviews of each credit on a quarterly basis and meeting with clients regularly to review project status updates, update financial information, obtain new appraisals and evaluate other options to strengthen the bank's position and reduce exposure across the market. This rigorous process has proven beneficial; however, we remain cautious given the continued weakness in the Florida economy.

Moving to Regency Finance, it continues to deliver credit quality metrics consistent with our expectations and remains well within historical asset quality levels. At quarter-end, the portfolio stands at $159 million, representing only 2.7% of our total loan portfolio.

Net charge-offs were $1.45 million, annualized at 3.64%, representing our best quarterly loss performance in 2009. Regency's reserve position at 4.10% is consistent with the prior period. I would now like to turn your attention to our core portfolio in Pennsylvania. At quarter end, this portfolio stands at $5.4 billion which represents 92.6% of FNB's total loan portfolio. As mentioned earlier, our results continue to reflect resilient performance with slightly increasing credit metrics as evidenced by delinquency at 2.02%, up only 5 bps, and nonperforming loans plus OREO to Total Loans plus OREO still at a good level of 1.28%.

The $9 million increase in nonperforming loans and OREO reflects a $6 million increase in two local shared national credits which we picked up through our acquisitions, a $2 million increase in restructured mortgages, and a $1 million increase in OREO. Charge off performance continues to reflect strong results with losses of 33 basis points annualized in the third quarter and year-to-date performance through the third quarter of 27 basis points. During the quarter, we increased our reserve position for this portfolio by 4 basis points or ($3.1 million) from 1.31% to 1.35% as the weak economy continues to impact the operating results of many businesses.

Now let me update you on the make up of our Pennsylvania portfolios. Our Pennsylvania commercial portfolio at $2.96 billion or 51% of FNB's total loan portfolio continues to be well diversified and breaks down as follows: 33% C&I, 35% in owner occupied real estate, and 32% in non-owner occupied real estate, reflecting a slight increase in our C&I book from prior quarters.

Our non-owner occupied CRE portfolio, at $960 million, remains well diversified both by industry and across our geographic footprint. This portfolio has continued to perform well with only $18 million in NPA's at quarter-end representing 1.9% of this portfolio. Total delinquency including nonperformance loans is 2.46%.

As we have communicated in the past, our construction and land development portfolio is small at $183 million with only $38 million of that related to residential construction and land development.

We remain very pleased with the performance of our consumer related portfolios which represent approximately $2.5 billion or 41% of FNB's total loan portfolio. You will recall that this portfolio is represented by nearly $1.2 billion in branch originated home equity loans and lines of credit (of which 52% carry a 1st mortgage position with an additional 24% carrying second positions to FNB firsts). The remaining categories are consistent with the prior quarter with indirect installments of $525million, mortgages of $550 million, and direct installments and lines of credit of $130 million. Delinquency at 1.58% and losses of 32 basis points continue to reflect solid performance for the third quarter, and are very similar to our second quarter results, reflecting the consistent performance across this portfolio.

As it specifically relates to the mortgage portfolio, delinquency improved to 2.9% with losses at 8 basis points, reflecting the more stable real estate market across our footprint.

In summary, we continue to be pleased with the credit performance of our Pennsylvania and Regency portfolios in what we deem to be a very challenging economic environment. Our focus in Florida will be to continue to reduce our exposure in the market. We remain confident that our consistent and thorough approach to underwriting, our seasoned banking team, knowledge of our markets and customers, and attentive risk management practices will continue to serve us well as the economy moves toward recovery.

I would now like to turn the call over to Vince Calabrese, our Chief Financial Officer.

Calabrese:
Thanks, Gary and good morning everyone.

Since we have addressed many of the third quarter details between last night's earnings release and the comments provided by Steve and Gary, I will focus my remarks on a few additional highlights of our operating results and an update to our guidance.

Consistent with the trend of looking at earnings on a pre-tax, pre-credit, run rate basis, we also monitor our performance on this basis to focus on the fundamental relationship of core revenue to expense. This quarter, in addition to adjusting for provision and OREO expense as far as credit costs, we adjusted for CPP costs and the OTTI charges as non-run rate items. Our return on tangible assets on this basis was a strong 1.86% for the third quarter, essentially unchanged from the prior quarter as better net interest income was offset by lower fee income.

Now regarding the business drivers, let me start with loans. We look to continue mid-single digit commercial loan growth in Pennsylvania during the fourth quarter. Given the economic environment, this growth is more a reflection of market share gains than expanding existing customer relationships. The pipelines continue to be healthy but many companies have become more deliberate in their decision making. Offsetting this success we have forecasted the continued exiting of Florida problem credits which is expected to flatten the overall commercial loan growth.

The consumer refinance activity will continue to reduce the mortgage and home equity installment loan portfolios while the home equity lines of credit will continue to show good growth given customer preferences in this low rate environment. For total loans we are reaffirming our prior guidance of flat to small increases for the fourth quarter given these dynamics.

Looking ahead on the funding side, we expect to continue our momentum in growing core transaction deposits and treasury management balances. Given our success in the first nine months of this year, we are reaffirming mid-single digit growth for the fourth quarter with a continued focus on adding new customer relationships, further enhancing the mix of deposits by growing the lower cost deposit products instead of the higher cost, more price sensitive CDs. And with our loan to deposit and treasury management balances ratio at 87%, we are very well positioned to fund loan growth once demand picks up.

We were pleased to expand the net interest margin to 3.78% for this quarter, an 8 basis point widening after adjusting the prior quarter for a 3 basis point pick-up on a few loans returning from non-accrual status that we mentioned in last quarter's conference call. Our success in improving the mix of our deposits and generating solid loan and deposit growth drove the improved margin. The yields on earning assets and rates paid on liabilities are expected to continue to lower next quarter given the current rate environment with movements in these components expected to be closely matched resulting in a stable net interest margin for the fourth quarter.

Now regarding non-interest income, excluding the impairment charges, we saw a $1.9 million overall reduction compared to the prior quarter. We saw an expected seasonal lift in deposit service charge income and insurance income compared to the prior quarter. Offsetting these increases, we experienced declines in the other categories of fee income. We realized lower gains on the sale of residential mortgage loans compared to a very high level last quarter – still healthy, but lower than last quarter given the reduced level of refinancings.

Our Wealth Management businesses of Trust and Security sales came down from last quarter reflecting the overall performance of the financial markets and the impact of the low level of interest rates on annuity sales. Although, we are starting to see some lift in market-based fees in our trust business and are in the midst of our annual fall sales campaign in our securities business, which should provide some positive movement in the fourth quarter.

The other non-interest income category decreased $1.1 million compared to last quarter mainly due to an $800 thousand decrease in swap fee income, which tends to be uneven as we go through the year.

The OTTI impairment charges for the quarter were almost entirely due to pooled trust preferred securities, with only $90 thousand related to bank stock holdings.

The remaining bank stock portfolio is comprised of only 24 holdings today totaling $2.8 million. After taking this quarter's impairment charge, the remaining portfolio was slightly above water at 9/30 with a single largest unrealized loss of only $47 thousand.

Regarding the impairment charges on pooled trust preferred securities, 85% of the charge was related to three securities. For these securities, the amount of projected deferrals and defaults by the 550 banks to collateralize these securities is pushed past the prior quarter assumptions to trigger the additional credit impairment charges. We have 13 pools with an original cost of $41 million and a book value of $29 million at the end of the third quarter.

And while there are a lot of moving parts in non-interest income, we expect growth from our fee businesses to be relatively flat given varying seasonal factors for the components.

As you know, the linked quarter expenses decreased $3.9 million and were driven by the $4.0 million FDIC special assessment last quarter. We continue to focus on expense control, while making some investments in marketing and key hires to take advantage of the market opportunities in Pennsylvania. For example, we recently lifted out an asset based lending group that is already adding value. That said we have projected expense levels to be consistent with the third quarter.

Gary provided an excellent overview of our credit quality. As we look ahead to the fourth quarter, we continue to expect elevated levels of non-performing assets, net charge-offs and provisioning for credit losses, particularly as we continue to pursue opportunities to reduce our Florida exposure. As you know, many of our assumptions are driven by the economy and could worsen with a prolonged recession.

Regarding our capital position, all of our ratios are now based on the post-CPP levels and are consistent with the pro forma levels we had previously estimated. This is also the first quarter where we have a full impact of the shares issued in June with the capital raise. With a total risk-based capital level at 13% and a tangible common equity to tangible assets level at 6%, we are at much higher levels than where we started the year, which positions us well for 2010.

Steve, that completes my remarks.

Gurgovits:

Thanks Vince. As Vince and Gary have indicated, we continue to make progress in many areas of our business.

I cannot close without a comment about the disruption in our market. I first mentioned this in our first quarter conference call and again in our second quarter call. But the fact of the matter is, it is happening. We are winning new customers everyday and we are pleased now to be able to show you the proof points of our success.

We have the products, we have an experienced, skilled staff but we will now take advantage of this market opportunity.

I will now ask the operator to poll the audience for questions.

Gurgovits – After Q&A:

Thank you. Well, I would like to thank all of you for joining us today on our third quarter conference call and a special thanks for your continued interest in F.N.B. This will conclude our call and I hope everybody has a good weekend. Thank you for participating.