



# Turning Points

A VOLUME OF SUCCESS STORIES



F.N.B. Corporation

2005 ANNUAL REPORT

## Corporate Profile

F.N.B. Corporation is a diversified financial services company headquartered in Hermitage, Pennsylvania. It is a leading provider of banking, wealth management, insurance, merchant banking, and consumer finance services in Pennsylvania, Ohio, and Tennessee where it owns and operates First National Bank of Pennsylvania, First National Trust Company, First National Investment Services Company, LLC, F.N.B. Investment Advisors, Inc., First National Insurance Agency, LLC, F.N.B. Capital Corporation, LLC, and Regency Finance Company. First National Bank of Pennsylvania also operates loan production offices in Florida.

F.N.B. Corporation has been recognized as a Dividend Achiever by Mergent Inc., a leading provider of business and financial information about publicly traded companies. This annual recognition is based on the Corporation's outstanding record of increased dividend performance. F.N.B. Corporation has consistently increased dividend payments for 33 consecutive years.

The Corporation's common stock is traded on the New York Stock Exchange under the ticker symbol "FNB." Investor information is available at [www.fnbcorporation.com](http://www.fnbcorporation.com).

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## 2005

### FOR THE YEAR

Net income	\$55,258
Return on average assets	0.99%
Return on average equity	12.44%
Return on average tangible equity	23.62%

### PER COMMON SHARE

Net income	
Basic	\$0.99
Diluted	\$0.98
Cash dividends	\$0.93
Book value at year end	\$8.31
Market price at year end	\$17.36

### PERFORMANCE RATIOS

Efficiency ratio	61.38%
Net interest margin	3.85%

### AT YEAR END

Assets	\$5,590,326
Loans	\$3,749,047
Deposits	\$4,011,943
Stockholders' equity	\$477,202

(Dollars in thousands, except per share data)

## 2004

### FOR THE YEAR

Net income	\$61,795
Return on average assets	1.29%
Return on average equity	23.54%
Return on average tangible equity	30.42%

### PER COMMON SHARE

Net income	
Basic	\$1.31
Diluted	\$1.29
Cash dividends	\$0.92
Book value at year end	\$6.47
Market price at year end	\$20.36

### PERFORMANCE RATIOS

Efficiency ratio	55.93%
Net interest margin	3.94%

### AT YEAR END

Assets	\$5,027,009
Loans	\$3,389,461
Deposits	\$3,598,087
Stockholders' equity	\$324,102

(Dollars in thousands, except per share data)

### LOCATIONS

Pennsylvania	134 Banking Offices	22 Consumer Finance Offices
Ohio	11 Banking Offices	15 Consumer Finance Offices
Tennessee		16 Consumer Finance Offices
Florida	2	Loan Production Offices



# Turning Points

A LETTER TO OUR SHAREHOLDERS



Stephen J. Gurgovits  
*President and Chief Executive Officer*

Creating those special turning points in the lives of customers is what has kept F.N.B. Corporation on one straight path to growth and success.

Dear Shareholder,

We can best characterize 2005 as a year of challenge for the financial services industry. Not only did the Federal Reserve raise interest rates eight times, but also the yield curve remained extraordinarily flat throughout the year, making spread income a much more strategic and demanding management challenge.

In spite of these monetary policy headwinds, we are pleased to report that 2005 was a year of success – measured by financial performance and by growth.

We began the year committed to several key initiatives encompassing solid returns, strategic growth, and low risk profile. I'm proud to say our organization delivered and continues to deliver on all of them.

F.N.B. Corporation reported excellent financial results in 2005. This involved a return on tangible

equity of 23.6 percent, a return on equity of 12.4 percent and a return on assets of 1.0 percent. Net income was \$55.3 million, or \$0.98 per diluted share. Our year-end 2005 dividend yield was 5.3 percent, among the highest of all U.S. financial holding companies of comparable size.

To recap F.N.B. Corporation's growth activity, we expanded our footprint into one of the region's largest growth markets by completing the acquisition of Pittsburgh-based NSD Bancorp, Inc. early in the first quarter. Soon thereafter, we acquired North East Bancshares, Inc., reinforcing our presence in Erie County.

In the fourth quarter, we opened loan production offices in Sarasota and Orlando, Florida. We also launched F.N.B. Capital Corporation, which provides small- and middle-market business owners with flexible financing solutions.



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A LETTER TO OUR SHAREHOLDERS

Finally, in December, we furthered our reach into central Pennsylvania (in the rapidly growing Harrisburg market) by agreeing to acquire The Legacy Bank, subject to shareholder approval. All of these new additions greatly supported the vision of F.N.B. Corporation in 2005 while effectively positioning us for future growth.

Exciting innovations also contributed significantly to our successful year. In April, First National Bank introduced First Desktop Banker, which makes it possible for businesses to deposit checks electronically from their workplace or home, saving time and giving users same day access to their funds. As one of the first banks in the nation to offer this new technology, First National Bank again proved its commitment to leadership in customer convenience.

Our Lifestyle 50™ relationship-banking package expanded its appeal to our mature-market customers like Katie Bell, who you will read about later in one of our customer stories. Not only did the Lifestyle 50 package increase our loyal customer base, but it also garnered local and national attention in *U.S.A. Today* for its unique lifestyle benefits.

F.N.B. Wealth Management produced another successful year, supporting our belief that it is one of our greatest opportunities for future revenue growth. Our Regency Finance subsidiary continued to expand its customer base and service offerings to customers in Ohio, Pennsylvania and Tennessee.

I cannot say enough about the dedicated efforts of our F.N.B. Corporation employees who made our accomplishments in 2005 possible. That includes the exceptional leadership provided by our highly dedicated Board of Directors. I personally thank them for their guidance, support, collaboration and encouragement. As you will read on the following pages,

our 1,800 employees consider the services they provide to involve far more than financial products. Combined with their expertise and passion for customer service, they literally create “turning points” in the lives of customers, and as a result, turning points in the successful storyline of our company.

On an important personal note, I would like to thank our retiring Chief Credit Officer, Gale Wurster, for his years of dedicated service. Gale was responsible for enhancing our credit policy and protecting the Bank’s asset quality. His work was outstanding. We wish him the best in the years ahead.

In closing, F.N.B. Corporation remains

committed to providing our customers with solid and dependable support and expertise. I could say a great deal more about our company, but it will mean more if you hear it directly from our customers and employees themselves. That is why we have dedicated the

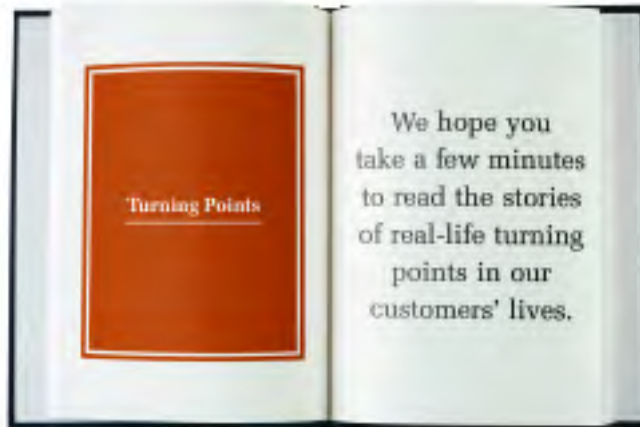
remainder of our Annual Report to those special turning points in the lives of customers, made possible by one or more of our employees.

I hope you take a few minutes to read the real-life stories on the following pages. They will provide you with an insightful snapshot of who we are, how we conduct our business and why we continue to succeed as an organization, year after year.

Sincerely,



Stephen J. Gurgovits  
President and Chief Executive Officer  
March 20, 2006



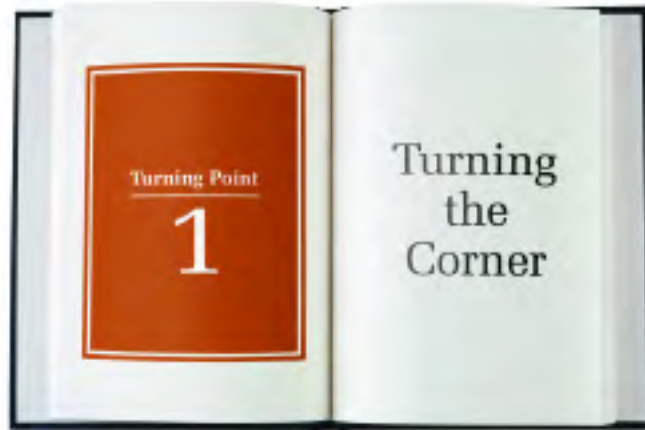


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*Gary Kidd, Owner, Greenville Beverage – Greenville, Pennsylvania*

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Ask Gary Kidd what he likes best about life and he'll tell you: his wife, his son, his church, his business, his community, his country and his bank.

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"I am truly blessed," Gary says with a ready smile. "I have a wonderful wife, a fine son, many friends, a successful business – and a bank I can count on."

Gary hasn't always been this fortunate. When he was younger, he lost his job and didn't know how he would support his family. Living on welfare was not acceptable. He simply wanted to work.

"I had heard a trash collection route was for sale," Gary recalls. "If I could just get my hands on a used truck, the business was mine. The problem was I didn't have the savings to take advantage of the opportunity."

That's when Gary decided to take action. He asked First National Bank for a loan. He told a young lending officer his story and made a strong case for himself. Taking into consideration Gary's strong work ethic, employment history and the stability and earnings potential typical of the waste management industry, the young lender was able to wholeheartedly approve the loan. That day would become a turning point in Gary's life.

While repaying his debt, Gary demonstrated his determination, building the business from

400 residences to more than 10,000 homes, 600 commercial clients and 30 industrial sites.

After working his routes 14 to 16 hours a day for 12 years, Gary asked First National Bank to help him sell the business. Upon completion of the transaction, Gary deposited his sizable profit and went home to raise his son.

When it was time for him to return to work, Gary and his wife Susan invested their hard-earned dollars into a beverage distributorship in Greenville, Pennsylvania, coincidentally, where First National Bank also began!

Since then, with the help of five employees, Gary has doubled the size of the business. He now works a more reasonable six to seven hours a day, spending much of his free time giving back to his community.

"Looking back, I guess you could say First National Bank was there for me at a critical point in my life," says Gary. "All I wanted was a chance to prove myself, and the bank offered me that opportunity." As for the young lender who believed in Gary? He's now President and Chief Executive Officer of F.N.B. Corporation.



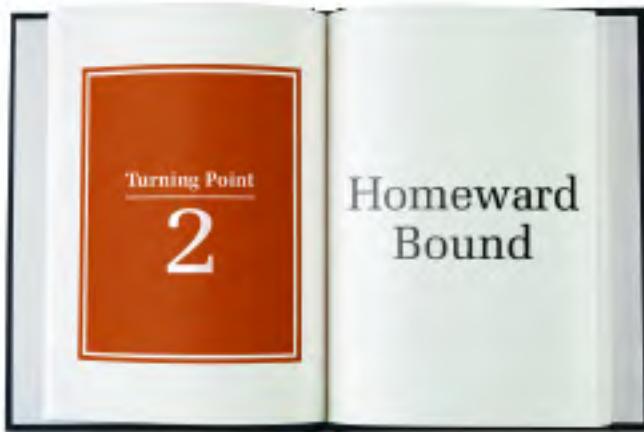


*Carlene Larmond, LSW, Primary Counselor – Johnstown, Pennsylvania*



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**Carlene Larmond shares her beaming smile with everyone. Especially with those like Tracy Stull, Business Development Officer at First National Bank.**

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At the age of 18, Carlene Larmond left her homeland of Jamaica with her family and moved to New York where she obtained her master's degree in social work. After working for nearly a decade as a caseworker for private agencies, Carlene attended a New York State Women's Conference where she met Dr. Marion Spellman, Founding President and CEO of Peniel Drug and Alcohol Treatment Center in Johnstown, PA. Dr. Spellman was impressed by Carlene's presentation, appearance, and abilities. Following several meetings, she invited Carlene to join the organization as a caseworker.

In spite of a salary cut and a dramatic lifestyle change, Carlene felt it was in answer to a "higher calling," so she made the decision to leave New York and move to Johnstown to begin this new venture.

At Peniel, Carlene developed individualized treatment plans for many of the residents during their darkest days of battling serious addictions. She has celebrated the lives and the successes of her clients while skillfully helping them to achieve their sobriety goals and graduate from the program.

In order to gain valuable insight and a greater compassion for those she served, Carlene chose to live in the on-site staff living quarters provided by Peniel. She also used that opportunity to allocate

a portion of her savings toward her ultimate goal of becoming a homeowner. For Carlene, owning a home was a lifetime dream.

"When I made the decision to buy a home, I called other banks and was very disappointed," Carlene recalls. "I soon discovered that they did not offer mortgage services to consumers in my income bracket. Then I called Tracy Stull at First National Bank. I knew obtaining a mortgage would be a challenge. However, I was determined and ready to own a home and, somehow, I was going to do it!" Tracy looked her right in the eyes and said, "Then let's find a way to make it happen." Carlene felt confident that she had reached a turning point in this situation.

"Tracy's approach was extremely professional and refreshingly reassuring. I knew that she would make every effort to 'make it happen,'" says Carlene.

"When I met Carlene," states Tracy, "all I could think was 'WOW.' I felt such respect for her. I don't know that I could think of anyone more deserving of the best life has to offer, including the pride of homeownership. Together, Carlene and I explored all avenues, including First National Bank's Family Home Ownership Program, which features 100% financing to income-qualified borrowers."

Carlene continues by saying how much she appreciates Tracy, who went above and beyond her wildest expectations. Tracy suggested that Carlene invest in an income-producing property as a supplement to help make the monthly payments more affordable. "Tracy is definitely my hero. She is a blessing to me. She joined me in believing in my dream even from the beginning."

"Step by step, Tracy patiently led me through the entire home-buying experience, once I found the right house. She put together the perfect mortgage package that was made just for me."

Carlene has now lived in her duplex home for over three years. Today she is not only a homeowner, but is also a landlord. She is renting half of her property to a co-worker. "My work is very fulfilling and I am thrilled with my beautiful home. I will always have a great appreciation for Tracy. She helped me achieve my personal goal of becoming a homeowner. First National Bank has proven to me that they have the best interest of the consumer as their first priority."



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## Trip of a Lifetime

*Katie Bell – Berlin, Pennsylvania*



After a lifetime of service to others, Katie Bell felt it was high time to do something just for herself. And a high time she had.

Up until now, Katie, who will tell you she's 80-something, had spent most of her life close to her western Pennsylvania roots. A graduate of Indiana University of Pennsylvania, she taught school in the region for several years. Then she became a stay-at-home mom, devoting much of her time to raising her son.

In 1978 she joined her husband in his real estate and insurance business. "He did all the heavy lifting – helping others buy and sell property and looking after their insurance needs. I ran the office, took care of the books, and invested some of our profits in stock with the bank where we had our accounts. My father had been a shareholder, so it seemed like a good thing to do."

That bank would soon become known as First National Bank, where Katie's ties have always been strong. She and her family have been customers at the local branch for as long as she can remember. As part of her relationship with her bank, Katie recently became a member of Lifestyle 50 Banking, a one-of-a-kind package

that combines premium banking benefits with exciting recreational "perks." Katie now enjoys everything from free checks and a free safe deposit box to bonus rates on certificates of deposit – specifically designed to benefit mature, high-balance clients. However, the privilege that caught her eye was a first-class international travel program.

Never having strayed too far from home, this year she decided to throw caution to the wind and, along with two close friends, used her Lifestyle 50 membership to arrange for an affordable eight-day trip to Italy – proof that turning points can happen at any age.

"Each day was heaven on earth," Katie says. "What a great time we had. Our tour guide called us the three musketeers, and we laughed until we cried. From Rome to Tuscany to Florence to Milan and Venice, the excursion was amazing."

At First National Bank, we think of all our banking products as ways for people to reach their personal goals, even if they need to cross the ocean to reach them.



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## Extra Credit

*Evan Gottschalk – Pittsburgh, Pennsylvania*

A licensed pilot, hot air balloon enthusiast and world traveler since his teens, young Evan Gottschalk has a keen sense of where he's been and a clear view of where he's headed.

"It would be easy to say that I've had some advantages in life; meeting the expectations of family and friends has been a real challenge."

A little family history points to where this bright 20-something is going. Evan's grandfather, Warren Gottschalk, designed and built scientific equipment that aided Dr. Jonas Salk in developing a life-saving polio vaccine. Since the mid-'50s, his grandfather has been chairman of Warren Associates, a successful, family-owned photographic processing firm in Pittsburgh. Evan's hard-charging father Kurt is President of the company.

In the fall of 2005, Evan needed to earn a few final credits at George Washington University that would give him a bachelor of business administration degree with a double major in international business management and entrepreneurship.

To finance the additional coursework, Evan thought it was time to establish credit in his own name. His parents agreed and supported his decision. So, to pay for his education bills,

Evan's father encouraged him to apply for a personal bank loan rather than seek more traditional student lending.

"First National Bank has been the Gottschalk family bank for more than 75 years," according to Linda Leonhardt, regional retail Market Manager. "Evan was completing his college studies. Being there to help him earn his needed school credits and, at the same time, build financial credit were two ways First National Bank helped him create an important turning point in his life."

Based on Evan's obvious determination and record of achievement, Linda had an easy decision in approving the loan. She adds, "We believe this young man has a bright future."

Having finished his coursework, Evan has come home to Pittsburgh and Warren Associates to support his father and grandfather in marketing and sales as well as Internet technology. While handling his loan payments and full-time job, Evan considers his relationship with First National Bank to be a valuable lesson in financial responsibility – and the importance of having a reliable bank.





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*Delfin Gibert, President, EXAL Corporation – Youngstown, Ohio*

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The American dream sometimes begins thousands of miles from our borders. For Delfin Gibert, the dream of creating a market in North America for one-piece aluminum containers began with his family in their Spanish homeland.

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Years ago when young Delfin Gibert's family started their manufacturing business in the United States, First National Bank was there for them – not only for their financing, but to help them select the optimal site in Hermitage, Pennsylvania. As manager of the new facility, Delfin oversaw the successful establishment of his family's business until it was later sold.

Delfin agreed to stay on board to manage the operations for the new owners, but it soon became obvious that his entrepreneurial spirit could not be contained. Armed with an ambitious business plan, he approached First National Bank with his newest vision – to construct the finest aluminum container manufacturing facility in the world.

What was to become a clear turning point in Delfin's success story, the launching of his new "EXAL Corporation," was an event First National Bank was proud to financially support.

In addition to his own substantial personal investment, Delfin required several million dollars in private and public financing. A financing team, including the State of Ohio and the City of

Youngstown, partnered with First National Bank to provide the funding needed to fulfill Delfin's dream of doing what he does best – building a successful enterprise.

Through these cooperative efforts, Youngstown now has a \$14 million state-of-the-art manufacturing facility. EXAL employs 280 skilled workers producing 400 million one-piece aluminum cans and containers a year. Now in its second decade of existence, Delfin's company operates six other plants in Europe and South America, making it one of the largest aluminum container producers in the world.

Delfin met with many bankers along the way, however only one took the time to understand his business plan and industry. First National Bank's Ray Slovesko recognized the experience, the resources and the will to succeed that this skilled entrepreneur possessed...a defining moment for both Delfin's business and First National Bank! Today, EXAL serves as the perfect example of First National Bank's truly unique offering... the personal attention of a community bank combined with the expertise and resources to help expand even the largest of dreams.



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### To the Rescue

*Terri Reaugh, Homeowner  
Bill Rosenberger,  
First National Insurance Agency  
and Volunteer Fireman  
Hartstown, Pennsylvania*



The bulletin came over the scanner. “House on fire at the intersection of Routes 18 and 322. All units respond immediately!”

Bill Rosenberger, an agent with First National Insurance Agency and a volunteer fireman, grabbed his coat and keys and dashed to his car. This was no ordinary fire. He knew his long-time friends and clients, Terri and Richard Reaugh, lived at that location.

Upon arriving at the scene, Bill could see through the dissipating smoke that the Hartstown, Pennsylvania, VFD had fought, yet lost, a battle to save the 130-year-old dwelling. Thankfully, no one was injured and the exterior of the home was basically intact. However, damage to the interior was a devastating total loss.

“When I saw Bill, I got all choked up,” recalls Terri. “What a relief. I knew I could count on him both personally and professionally to help us cope with our tragic loss. In the hours, days, weeks and months ahead, Bill embraced our family and held us together.”

Bill and Terri had met several years earlier when she, ironically acting as secretary of the local fire company, had asked Bill to solve a damage coverage situation at the fire hall. He did so in such a personal way that she and her husband

asked Bill to underwrite their home and 200-acre farm as well.

Terri enjoyed referring others to Bill, describing him as “my insurance guy.” Whenever he acquired a new customer from Terri, Bill was quick to call and thank her for the business.

In the days following the house fire, Terri and her husband needed everything from temporary housing and furniture to food and clothing. Staying in regular contact, Bill saw to it that Terri and her family were always treated with compassion and dignity. No concern was too big to handle. No expense was too small for immediate attention.

“Thanks to Bill and the tireless efforts of other friends and extended family members, we were able to return to our ‘new’ house within a year after the fire,” Terri says. “That’s a turning point we’ll never forget!”

Customers have come to expect the unexpected from First National Insurance Agency and its employees. Whether finding a complex solution to insuring a fire hall or helping a friend cope with the loss of nearly everything, First National Insurance Agency is always there to lend a hand.



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## For Goodness Sake

*Barb and Merle Skinner  
Christian Family & Children's Center  
Indian Head, Pennsylvania*

**Ironically, Merle and Barb Skinner's life mission began in a former funeral home in Indian Head, Pennsylvania.**

Today the Skinner's Christian outreach is alive and flourishing, thanks to the couple's, and many others', continuing dedication to provide quality programs for children and families...and thanks to help from their friends at First National Bank.

Merle says, "From the very beginning, the bank supported us. Today, the bank provides us with the financial flexibility to respond to growth opportunities and continue to expand services in the community."

Upon graduation from the University of Pittsburgh in 1980, the Skinners came to Fayette County in search of a suitable home for a Christian-based ministry. They started in the only available building in the area, an old funeral home. After the Center's growing needs warranted renovations to the existing building, First National Bank provided the necessary financing.

"We opened our doors in 1982 with only three pre-schoolers," Barb recalls. "As our needs grew, so did First National Bank's commitment. In 1985, we purchased passenger vans to transport pupils. In 1992, we put an addition on the school. Then in 2001, we bought 50 acres of land and

built an additional campus. Each step of the way, First National Bank supported our efforts."

Today, the Champion Christian School is at the heart of the two bustling \$2 million campuses, serving 117 pupils from pre-school through grade 12, drawing from a three-county area in southwestern Pennsylvania. Its parent company, the Christian Family & Children's Center, is a non-profit corporation employing a staff of 60 full- and part-time employees.

Judie Miller, the regional Market Manager for First National Bank, has worked with Merle and Barb since they arrived in the area 26 years ago. "First National Bank continues to support the good work the Skinners are doing," states Judie. Recently the bank made a deserving contribution to their scholarship fund, helping the organization create turning points in the futures of so many children.

Adds Judie, "First National Bank is all about helping people – and so is the Skinner's ministry. I have found you can never go wrong in business, or life for that matter, if you believe in the goodness of others."





*Roseanne and Richard Sereday, Business Owners – Masury, Ohio*



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Richard and Roseanne Sereday are one powerful wrecking crew who know how to construct a business.

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Separately, quiet Richard Sereday owns and operates a successful excavating company, while his outgoing wife Roseanne runs a thriving dumpster-leasing firm. Together, they maintain several income-producing properties.

“Our businesses actually complement one another,” Roseanne says with a bright smile. “His job is to create a mess, and mine is to pick up after him.”

The hard-working couple from eastern Ohio has been working in tandem, individually, and even in competition with one another for nearly 25 years now – and they wouldn’t have it any other way. Today they are proud parents of two teenage sons, and stay busy maintaining their various rental properties.

Back in the early '90s, when Roseanne worked for Richard as an operator of heavy equipment, the youthful couple visited several banks looking for a loan to expand the business that would provide the foundation for their future success.

“We visited with several banks but our stop at First National Bank was pleasantly different. They listened to our story, asked a

few questions, crunched some numbers and lent us enough to buy a truck,” Richard recalls.

“Next, they gave us a line of credit to help smooth out our cash-flow. Later, when we wanted to invest in some rental properties, First National Bank made it happen. I truly believe that without the mutual trust we had in each other, we wouldn’t be as successful as we are today,” Richard says.

That initial loan was a turning point for the Seredays. Life really took off as they proved themselves successful again and again. Though only in their early 20s, they clearly demonstrated ambition and a solid business plan. Soon, they had earned more than an income. They had earned the admiration of everyone they came in contact with at First National Bank.

Richard and Roseanne see similarities between their relationship with First National Bank and the people who rent properties from them. “It’s really a matter of mutual respect. We know our tenants, trust them and are genuinely concerned with their well-being,” Roseanne says. “The bankers at First National Bank treat us the same way.”



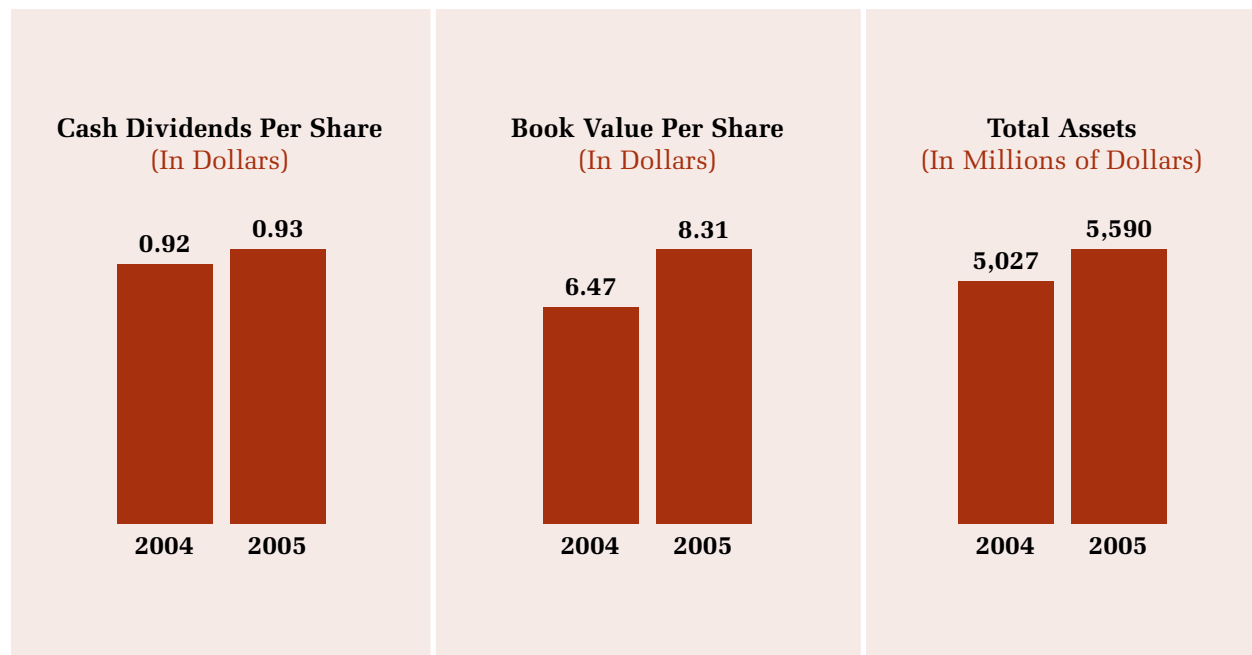
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## FINANCIAL INFORMATION

(In thousands, except per share data)	2005	2004	% Change
<b>Performance</b>			
Net interest income .....	\$188,409	\$170,058	11
Net income .....	\$55,258	\$61,795	(11)
Net income per common share, diluted .....	\$0.98	\$1.29	(24)
Cash dividends per common share .....	\$0.93	\$0.92	1
Efficiency ratio(a) .....	61.38%	55.93%	
Net interest margin .....	3.85%	3.94%	
<b>At Year End</b>			
Total assets .....	\$5,590,326	\$5,027,009	11
Loans .....	\$3,749,047	\$3,389,461	11
Intangible assets .....	\$219,755	\$102,849	114
Deposits .....	\$4,011,943	\$3,598,087	12
Stockholders' equity .....	\$477,202	\$324,102	47
Book value per share .....	\$8.31	\$6.47	28
Market price per share .....	\$17.36	\$20.36	(15)
Common shares outstanding .....	57,419	50,058	15
Market capitalization .....	\$996,795	\$1,019,183	(2)
<b>Asset Quality Ratios</b>			
Non-performing loans as a percent of total loans .....	0.88%	0.94%	
Net loan charge-offs as a percent of average loans .....	0.46%	0.50%	

Note:

(a)The efficiency ratio is defined as non-interest expense less amortization of intangibles divided by the sum of tax-equivalent net interest income and non-interest income.



# Turning Points

FINANCIAL REPORTING

## Management's Report on Internal Control Over Financial Reporting

F.N.B. Corporation (the Corporation) is responsible for the preparation, integrity and fair presentation of the consolidated financial statements included in our Annual Report on Form 10-K. The consolidated financial statements and notes included in the Annual Report on Form 10-K have been prepared in conformity with the United States generally accepted accounting principles (U.S. GAAP).

We, as management of the Corporation, are responsible for establishing and maintaining effective internal control over financial reporting. The Corporation's internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external reporting purposes in accordance with U.S. GAAP.

The Audit Committee, consisting entirely of independent directors, meets regularly with management, internal auditors and the independent registered public accounting firm.

Management assessed the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2005, in relation to criteria set forth for effective internal control over financial reporting as described in "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management determined that as of December 31, 2005, the Corporation's internal control over financial reporting is effective and meets the criteria of the "Internal Control — Integrated Framework." Ernst & Young LLP, an independent registered public accounting firm, has issued an audit report on management's assessment of the Corporation's internal control over financial reporting, included below.

Stephen J. Gurgovits  
President and Chief Executive Officer

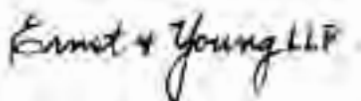
Brian F. Lilly  
Chief Financial Officer

## Report of Independent Registered Accounting Firm

The Board of Directors and Stockholders  
F.N.B. Corporation

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of F.N.B. Corporation and subsidiaries at December 31, 2005 and 2004 and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2005, (not presented separately herein) and in our report dated March 8, 2006, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, information set forth in the accompanying condensed consolidated financial statements (presented on pages 18 and 19) is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of F.N.B. Corporation's internal control over financial reporting as of December 31, 2005, based on criteria established in "Internal Control — Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 8, 2006, (not presented separately herein) expressed an unqualified opinion thereon.



Pittsburgh, Pennsylvania  
March 8, 2006

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## E.N.B. Corporation and Subsidiaries Condensed Consolidated Balance Sheets

	<u>December 31</u>	
	<u>2005</u>	<u>2004</u>
	Dollars in thousands	
<b>Assets</b>		
Cash and due from banks.....	\$ 131,604	\$ 100,839
Interest bearing deposits with banks.....	627	2,921
Securities available for sale.....	323,287	555,698
Securities held to maturity.....	881,139	621,302
Mortgage loans held for sale.....	4,740	5,819
Loans, net of unearned income.....	3,749,047	3,389,461
Allowance for loan losses.....	(50,707)	(50,467)
Net Loans.....	3,698,340	3,338,994
Premises and equipment, net.....	87,013	79,033
Goodwill.....	196,354	84,544
Bank owned life insurance.....	122,666	112,300
Other assets.....	144,556	125,559
<b>Total Assets</b> .....	<u>\$5,590,326</u>	<u>\$5,027,009</u>
<b>Liabilities</b>		
Deposits		
Non-interest bearing demand.....	\$ 688,391	\$ 663,278
Savings and NOW.....	1,675,395	1,539,547
Certificates and other time deposits.....	1,648,157	1,395,262
Total Deposits.....	4,011,943	3,598,087
Other liabilities.....	59,634	73,505
Short-term borrowings.....	378,978	395,106
Long-term debt.....	662,569	636,209
<b>Total Liabilities</b> .....	5,113,124	4,702,907
<b>Stockholders' Equity</b>		
Common stock.....	575	502
Additional paid-in capital.....	447,614	295,404
Retained earnings.....	31,308	27,998
Accumulated other comprehensive income.....	3,597	4,965
Deferred stock compensation.....	(4,154)	(1,428)
Treasury stock.....	(1,738)	(3,339)
<b>Total Stockholders' Equity</b> .....	477,202	324,102
<b>Total Liabilities and Stockholders' Equity</b> .....	<u>\$5,590,326</u>	<u>\$5,027,009</u>

# Turning Points

## F.N.B. Corporation and Subsidiaries Condensed Consolidated Statements of Income

	Year Ended December 31		
	2005	2004	2003
	Dollars in thousands, except per share data		
<b>Interest Income</b>			
Loans, including fees	\$240,966	\$208,307	\$218,839
Securities	55,816	46,127	38,158
Other	407	14	22
<b>Total Interest Income</b>	<u>297,189</u>	<u>254,448</u>	<u>257,019</u>
<b>Interest Expense</b>			
Deposits	66,112	52,400	57,710
Short-term borrowings	14,501	7,278	7,437
Long-term debt	28,167	24,712	21,843
<b>Total Interest Expense</b>	<u>108,780</u>	<u>84,390</u>	<u>86,990</u>
<b>Net Interest Income</b>	188,409	170,058	170,029
Provision for loan losses	12,176	16,280	17,155
<b>Net Interest Income After Provision for Loan Losses</b>	<u>176,233</u>	<u>153,778</u>	<u>152,874</u>
<b>Non-Interest Income</b>			
Service charges	39,970	34,264	34,140
Insurance commissions and fees	12,794	11,245	9,139
Securities commissions and fees	4,490	4,954	4,002
Trust	7,125	6,926	7,297
Bank owned life insurance	3,301	3,459	3,773
Gain on sale of mortgage loans	1,393	1,769	2,860
(Loss) gain on sale of securities	(11,703)	607	1,949
Impairment loss on equity security	(1,953)	--	--
Gain on sale of branches	--	4,135	--
Data processing contract termination	--	3,840	--
Other	2,530	6,942	4,995
<b>Total Non-Interest Income</b>	<u>57,947</u>	<u>78,141</u>	<u>68,155</u>
<b>Non-Interest Expense</b>			
Salaries and employee benefits	81,035	71,328	87,434
Net occupancy and equipment	25,577	24,346	28,583
Amortization of intangibles	3,743	2,415	2,172
Advertising and promotional	3,210	2,142	2,198
Insurance claims paid	2,654	2,696	2,377
Merger related	1,303	1,681	--
Debt extinguishment penalty	--	2,245	20,737
Other	39,553	35,734	41,524
<b>Total Non-Interest Expense</b>	<u>157,075</u>	<u>142,587</u>	<u>185,025</u>
<b>Income Before Income Taxes</b>	77,105	89,332	36,004
Income Taxes	21,847	27,537	8,966
<b>Income from Continuing Operations</b>	55,258	61,795	27,038
Earnings from discontinued operations, net of taxes	--	--	31,751
<b>Net Income</b>	<u>\$ 55,258</u>	<u>\$ 61,795</u>	<u>\$ 58,789</u>
<b>Net Income per Common Share</b>			
Basic:			
Continuing operations	\$0.99	\$1.31	\$0.58
Discontinued operations	--	--	0.69
	<u>\$0.99</u>	<u>\$1.31</u>	<u>\$1.27</u>
Diluted:			
Continuing operations	\$0.98	\$1.29	\$0.57
Discontinued operations	--	--	0.68
	<u>\$0.98</u>	<u>\$1.29</u>	<u>\$1.25</u>



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***F.N.B. Corporation Board of Directors***

*Seated: (Left to Right) David J. Malone, Stephen J. Gurgovits, Peter Mortensen, John W. Rose.  
Standing: (Left to Right) Robert B. Goldstein, Archie O. Wallace, Earl K. Wahl, Jr., William J. Strimbu,  
William B. Campbell, Harry F. Radcliffe, Henry M. Ekker.*

# Turning Points

CORPORATE INFORMATION

## Corporate Headquarters

F.N.B. Corporation  
One F.N.B. Boulevard  
Hermitage, Pennsylvania 16148  
Telephone: (888) 981-6000  
Website: [www.fnbcorporation.com](http://www.fnbcorporation.com)

## Annual Meeting

The Annual Meeting of Shareholders will be held on Wednesday, May 17, 2006, at 4 p.m., at the Howard Miller Student Center of Thiel College in Greenville, Pennsylvania.

## Internet Information

Information about F.N.B. Corporation's financial results, acquisitions and its products and services is available on the Internet at [www.fnbcorporation.com](http://www.fnbcorporation.com).

## Financial Information

The Annual Report on Form 10-K is filed with the Securities and Exchange Commission (SEC). Copies of this document and other filings, including exhibits thereto, may be obtained electronically at the SEC's home page at [www.sec.gov](http://www.sec.gov) or at F.N.B.'s home page at [www.fnbcorporation.com](http://www.fnbcorporation.com).

## Quarterly Reports

Quarterly earnings release dates for 2006 are January 23, April 20, July 20 and October 19. Results are released to the press and then posted on F.N.B. Corporation's website. Quarterly reports are also mailed to shareholders. Shareholders may request reports at any time.

## Dividend Payment Dates

F.N.B. Corporation has historically paid regular quarterly dividends in March, June, September and December.

## Annual Report

To order additional copies of the 2005 Annual Report, please contact the F.N.B. Corporation Shareholder Relations Department at One F.N.B. Boulevard, Hermitage, Pennsylvania 16148. Telephone: (724) 983-4944 Fax: (724) 983-4873

## Common Stock Information at December 31, 2005

Shares issued	57,513,586
Shares outstanding	57,419,041
Treasury shares	94,545
Number of shareholders of record	11,048
Closing market price per share	\$17.36
Book value per share	\$8.31
Stock exchange	NYSE
Stock symbol	FNB

## Dividend Reinvestment Plan

F.N.B. Corporation offers a Dividend Reinvestment Plan that allows shareholders to reinvest their dividends in additional company common stock at the prevailing market price. A prospectus and an enrollment form may be obtained upon request by visiting our website, by phoning Shareholder Relations at (724) 983-4944, or by writing to F.N.B. Corporation, Shareholder Relations, One F.N.B. Boulevard, Hermitage, Pennsylvania 16148.

## Board of Directors

William B. Campbell  
Henry M. Ekker  
Robert B. Goldstein  
Stephen J. Gurgovits  
David J. Malone  
Peter Mortensen  
Harry F. Radcliffe  
John W. Rose  
William J. Strimbu  
Earl K. Wahl, Jr.  
Archie O. Wallace

## Corporate Officers

Stephen J. Gurgovits, President and CEO  
Brian F. Lilly, Chief Financial Officer  
David B. Mogle, Secretary  
Scott D. Free, Treasurer  
James G. Orie, Chief Legal Officer



F.N.B. Corporation