

FNB CORP/FL/  
Form 424B3  
July 31, 2013

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[TABLE OF CONTENTS 2](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

**Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-189708**

**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

July 31, 2013

To the holders of PVF Capital Corp. common shares:

You are cordially invited to attend the special meeting of shareholders of PVF Capital Corp. The meeting will be held at Embassy Suites Cleveland Beachwood, 3775 Park East Dr., Beachwood, Ohio 44122 on Wednesday, September 25, 2013 at 10:00 a.m. local time.

At the special meeting, you will be asked to consider the merger of PVF Capital Corp. with and into F.N.B. Corporation pursuant to an Agreement and Plan of Merger, dated as of February 19, 2013, between PVF Capital and F.N.B. Upon completion of the merger contemplated by the merger agreement, you will be entitled to receive 0.3405 shares of F.N.B. common stock for each PVF Capital common share that you own immediately prior to the merger. The merger agreement also provides that all options to purchase PVF Capital common shares that are outstanding and unexercised immediately prior to the closing shall be converted into fully vested and exercisable options to purchase shares of F.N.B. common stock, as adjusted for the exchange ratio of 0.3405 shares of F.N.B. common stock for each PVF Capital common share. At the closing, each outstanding warrant to acquire PVF Capital common shares shall be cancelled and the holder of the warrant will be entitled to receive from F.N.B., in consideration of the cancellation of the warrant, an amount in cash equal to the product obtained by multiplying (a) the difference between (i) the product of 0.3405 and the average closing price as of the closing date of shares of F.N.B. common stock, and (ii) One Dollar and Seventy-Five Cents (\$1.75), times (b) the number of common shares that were purchasable pursuant to such warrant immediately before the completion of the merger.

F.N.B. common stock is quoted on the New York Stock Exchange under the symbol "FNB." PVF Capital common shares are quoted on The NASDAQ Capital Market under the symbol "PVFC."

The merger cannot be completed unless the common shareholders of PVF Capital approve the merger. We have scheduled this special meeting so you can vote to approve the merger. Shareholders are also being asked to approve, on a non-binding advisory basis, the golden parachute compensation that will or may be payable to the named executive officers of PVF Capital once the merger is completed. You will also be asked to allow the PVF Capital board of directors to adjourn the special meeting to a later date, if necessary, to solicit additional proxies in favor of approval of the merger.

After careful consideration, the PVF Capital board of directors has determined unanimously that the merger is advisable and in the best interest of the shareholders. **The PVF Capital board of directors recommends that you vote FOR the merger, FOR approval of the advisory, non-binding resolution on golden parachute compensation to our named executive officers and FOR the approval of the adjournment, postponement or continuation of the special meeting, if necessary, to solicit additional proxies in favor of approval of the**

merger.

**For more information about the merger and the merger agreement, please read the attached proxy statement/prospectus in its entirety. We encourage you to read it carefully and to pay particular attention to the "Risk Factors" section that begins on page 23.** This proxy statement/prospectus also constitutes F.N.B.'s prospectus for the common stock it will issue in connection with the merger. You may obtain additional information about PVF Capital and F.N.B. from documents both companies have filed with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

Whether or not you plan to attend the special meeting, please vote as soon as possible to ensure that your shares are represented. Instructions on how to vote appear on the enclosed proxy card.

---

Table of Contents

If you have any questions or need assistance voting your shares, please contact Georgeson Inc., a firm that is helping us solicit proxies, at (866) 203-9357.

Thank you in advance for your consideration of this matter.

Very truly yours,

ROBERT J. KING, JR.

*President and Chief Executive Officer*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the F.N.B. common stock to be issued pursuant to this proxy statement/prospectus or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**Shares of F.N.B. common stock are not savings or deposit accounts or other obligations of any bank or savings association, and the shares of F.N.B. common stock are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

**The date of this proxy statement/prospectus is July 31, 2013, and we are first mailing or otherwise delivering it to our shareholders on or about August 6, 2013.**

---

Table of Contents

**PVF CAPITAL CORP.**  
**30000 AURORA ROAD**  
**SOLON, OHIO 44139**

---

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**To Be Held on September 25, 2013**

---

NOTICE IS HEREBY GIVEN that a special meeting of shareholders of PVF Capital Corp. will be held on Wednesday, September 25, 2013, at Embassy Suites Cleveland Beachwood, 3775 Park East Dr., Beachwood, Ohio 44122 at 10:00 a.m. local time, for the following purposes:

1. to consider and vote upon a proposal to approve the merger described in the accompanying materials;
2. to consider and vote upon an advisory (non-binding) proposal to approve the golden parachute compensation payable to the named executive officers of PVF Capital Corp. in connection with the merger;
3. to consider and vote upon a proposal to grant the PVF Capital board of directors discretionary authority to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger; and
4. to transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting.

The PVF Capital board of directors has fixed the close of business on July 30, 2013 as the record date for the determination of PVF Capital Corp. shareholders entitled to notice of and to vote at the special meeting. Only holders of our common shares of record at the close of business on that date will be entitled to notice of and to vote at the special meeting or any adjournment or postponement of the special meeting.

**We encourage you to read the entire proxy statement/prospectus which is attached, particularly the "Risk Factors" section that begins on page 23.**

**The PVF Capital board of directors has determined that the merger is in the best interests of PVF Capital Corp. and its shareholders and unanimously recommends that you vote FOR approval of the merger, FOR approval of the advisory (non-binding) resolution approving the golden parachute compensation payable to our named executive officers in connection with the merger, and FOR approval of the proposal granting the PVF Capital board of directors discretionary authority to adjourn the special meeting, if necessary.**

**Your vote is very important.** Whether or not you plan to attend the special meeting, please promptly complete, sign, date and return your proxy card in the enclosed envelope.

By Order of the Board of Directors

JEFFREY N. MALE  
*Vice President and Secretary*

Solon, Ohio  
July 31, 2013

---

Table of Contents

**REFERENCE TO ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about F.N.B. Corporation from documents filed with or furnished to the U.S. Securities and Exchange Commission, which are not included in or delivered with this proxy statement/prospectus.

You can obtain any of the documents that F.N.B. and PVF Capital have filed with or furnished to the SEC from the SEC's website at [www.sec.gov](http://www.sec.gov). You may also request copies of these documents, including the documents F.N.B. incorporates by reference in this proxy statement/prospectus, at no charge, by contacting either F.N.B. or PVF Capital, as applicable, at the following addresses:

**F.N.B. CORPORATION**

**One F.N.B. Boulevard  
Hermitage, Pennsylvania 16148  
Attention: David B. Mogle, Corporate Secretary  
Telephone: (724) 983-3431**

**PVF CAPITAL CORP.**

**30000 Aurora Road  
Solon, Ohio 44139  
Attention: Jeffrey N. Male, Secretary  
Telephone: (440) 248-7171**

**In addition, if you have questions about the merger or the PVF Capital special meeting, need additional copies of this document or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Georgeson Inc., PVF Capital's proxy solicitor, at the following address and telephone number:**

**Georgeson Inc.  
480 Washington Boulevard  
26th Floor  
Jersey City, NJ 07310  
(866) 203-9357**

**You will not be charged for any of these documents that you request. In order to receive timely delivery of the documents in advance of the PVF Capital special meeting, you should make your request to F.N.B. or PVF Capital, as the case may be, no later than September 18, 2013, or five trading days prior to the PVF Capital special meeting.**

**See "Where You Can Find More Information" on page 165 of this proxy statement/prospectus for more details.**

---

Table of Contents

## TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND OUR SPECIAL MEETING</u>	<u>1</u>
<u>SUMMARY</u>	<u>6</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF F.N.B.</u>	<u>17</u>
<u>SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PVF CAPITAL</u>	<u>19</u>
<u>COMPARATIVE PER SHARE DATA</u>	<u>21</u>
<u>RISK FACTORS</u>	<u>23</u>
<u>Risks Related to the Merger</u>	<u>23</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>30</u>
<u>OUR SPECIAL MEETING</u>	<u>32</u>
<u>General</u>	<u>32</u>
<u>When and Where We Will Hold Our Special Meeting</u>	<u>32</u>
<u>The Matters Our Shareholders Will Consider</u>	<u>32</u>
<u>Record Date: Shares Outstanding and Entitled to Vote</u>	<u>32</u>
<u>Quorum</u>	<u>33</u>
<u>Shareholder Vote Required</u>	<u>33</u>
<u>Director and Executive Officer Voting</u>	<u>33</u>
<u>Proxies</u>	<u>33</u>
<u>Recommendations of the PVF Capital Board of Directors</u>	<u>35</u>
<u>Attending Our Special Meeting</u>	<u>35</u>
<u>Questions and Additional Information</u>	<u>35</u>
<u>PROPOSAL NO. 1 PROPOSAL TO APPROVE THE MERGER</u>	<u>36</u>
<u>Overview of the Merger</u>	<u>36</u>
<u>Background and Negotiation of the Merger</u>	<u>37</u>
<u>Recommendation of the PVF Capital Board of Directors and PVF Capital's Reasons for the Merger</u>	<u>41</u>
<u>F.N.B.'s Reasons for the Merger</u>	<u>44</u>
<u>Opinion of PVF Capital's Financial Advisor in Connection with the Merger</u>	<u>45</u>
<u>Interests of F.N.B.'s Directors and Executive Officers in the Merger</u>	<u>66</u>
<u>Interests of PVF Capital's Directors and Executive Officers in the Merger</u>	<u>66</u>
<u>Summary of Golden Parachute Arrangements</u>	<u>69</u>
<u>Regulatory Approvals Required for the Merger and the Bank Merger</u>	<u>72</u>
<u>Public Trading Markets</u>	<u>73</u>
<u>Delisting and Deregistration of PVF Capital Common Shares Following the Merger</u>	<u>74</u>
<u>No Dissenters' Rights</u>	<u>74</u>
<u>Litigation Relating to the Merger</u>	<u>74</u>
<u>THE MERGER AGREEMENT</u>	<u>76</u>
<u>The Merger</u>	<u>76</u>
<u>Merger Consideration</u>	<u>76</u>
<u>Treatment of PVF Capital Stock Options</u>	<u>77</u>
<u>Treatment of PVF Capital Share Awards</u>	<u>77</u>
<u>Treatment of PVF Capital Warrants</u>	<u>77</u>
<u>Articles of Incorporation and Bylaws of the Surviving Corporation</u>	<u>77</u>
<u>Board of Directors and Executive Officers of the Surviving Corporation</u>	<u>77</u>
<u>Closing and Effective Time of the Merger</u>	<u>78</u>
<u>Exchange and Payment Procedures</u>	<u>78</u>
<u>Dividends and Distributions</u>	<u>79</u>
<u>Bank Merger</u>	<u>79</u>
<u>Representations and Warranties</u>	<u>80</u>
<u>Covenants and Agreements</u>	<u>82</u>

Table of Contents

<u>Regulatory Matters</u>	<u>87</u>
<u>Access to Information</u>	<u>88</u>
<u>Shareholder Approval</u>	<u>88</u>
<u>NYSE Approval</u>	<u>88</u>
<u>Employee Benefit Plans</u>	<u>88</u>
<u>Other Employee Matters</u>	<u>89</u>
<u>Indemnification and Insurance</u>	<u>89</u>
<u>Agreement Not to Solicit Other Offers</u>	<u>90</u>
<u>Conditions to Completion of the Merger</u>	<u>91</u>
<u>Termination of the Merger Agreement</u>	<u>92</u>
<u>Amendment of the Merger Agreement; Waiver</u>	<u>93</u>
<u>Termination Fee</u>	<u>93</u>
<u>Expenses</u>	<u>94</u>
<u>OTHER MATERIAL AGREEMENTS RELATING TO THE MERGER</u>	<u>94</u>
<u>Voting Agreements</u>	<u>94</u>
<u>ACCOUNTING TREATMENT</u>	<u>94</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u>	<u>95</u>
<u>INFORMATION ABOUT F.N.B. CORPORATION</u>	<u>98</u>
<u>INFORMATION ABOUT PVF CAPITAL CORP.</u>	<u>99</u>
<u>PVF CAPITAL MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>132</u>
<u>COMPARISON OF SHAREHOLDER RIGHTS</u>	<u>149</u>
<u>COMPARATIVE MARKET PRICES AND DIVIDENDS</u>	<u>160</u>
<u>BENEFICIAL OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS</u>	<u>161</u>
<u>PROPOSAL NO. 2 ADVISORY (NON-BINDING) VOTE ON GOLDEN PARACHUTE COMPENSATION</u>	<u>163</u>
<u>The Golden Parachute Proposal</u>	<u>163</u>
<u>Recommendation of the PVF Capital Board of Directors</u>	<u>163</u>
<u>PROPOSAL NO. 3 ADJOURNMENT PROPOSAL</u>	<u>163</u>
<u>The Adjournment Proposal</u>	<u>163</u>
<u>Recommendation of the PVF Capital Board of Directors</u>	<u>163</u>
<u>LEGAL MATTERS</u>	<u>164</u>
<u>EXPERTS</u>	<u>164</u>
<u>OTHER MATTERS</u>	<u>164</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>165</u>
<u>OUR ANNUAL MEETING</u>	<u>166</u>
<u>PVF CAPITAL CORP. INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>F-1</u>
<u>Appendix A Agreement and Plan of Merger, dated as of February 19, 2013, between F.N.B. Corporation and PVF Capital Corp.</u>	<u>A-1</u>
<u>Appendix B Form of Voting Agreement</u>	<u>B-1</u>
<u>Appendix C Opinion of Sandler O'Neill + Partners, L.P., dated February 19, 2013</u>	<u>C-1</u>



Table of Contents

**QUESTIONS AND ANSWERS ABOUT THE MERGER AND OUR SPECIAL MEETING**

**Q. What is the merger?**

A. F.N.B. and PVF Capital have agreed to enter into a merger. The purpose of the merger is to combine the businesses and operations of PVF Capital with F.N.B.'s. In the merger, PVF Capital will be merged with and into F.N.B., the separate corporate existence of PVF Capital will cease, and F.N.B. will be the surviving corporation. The merger agreement described in this proxy statement/prospectus contains the terms and conditions which must be satisfied to complete the merger. A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A.

In order to complete the combination of their businesses, F.N.B. and PVF Capital also agreed that their principal operating subsidiaries should merge with each other. Once the merger between F.N.B. and PVF Capital is completed, Park View Federal Savings Bank, the savings and loan subsidiary of PVF Capital, will merge with and into First National Bank of Pennsylvania, the bank subsidiary of F.N.B. As a result of this bank merger, the separate corporate existence of Park View Federal will cease, and First National Bank of Pennsylvania will continue as the surviving entity.

**Q. Why am I receiving this document?**

The merger of PVF Capital into F.N.B. cannot occur unless PVF Capital shareholders vote to approve the merger. PVF Capital will hold a special meeting of its shareholders to obtain this approval. This proxy statement/prospectus contains important information about the merger, the merger agreement, the special meeting of PVF Capital shareholders and other related matters. You should read this proxy statement/prospectus carefully. The enclosed voting materials for the special meeting allow you to vote your PVF Capital common shares without attending the special meeting.

We are delivering this proxy statement/prospectus to you as both a proxy statement of PVF Capital and a prospectus of F.N.B. It is a proxy statement because the PVF Capital board of directors is soliciting proxies from PVF Capital shareholders to vote on the approval of the merger at a special meeting of shareholders, and your proxy will be used at the special meeting or at any adjournment or postponement of the special meeting. It is a prospectus because F.N.B. will issue its common stock to PVF Capital shareholders in exchange for their PVF Capital common shares upon completion of the merger.

**Q. What items of business will we ask our shareholders to consider at our special meeting?**

A. At our special meeting, we will ask our shareholders to vote in favor of approval of the merger of PVF Capital with and into F.N.B. We sometimes refer to this proposal as the "merger proposal" in this proxy statement/prospectus. In addition, our shareholders will be asked to cast an advisory (non-binding) vote on the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger. We sometimes refer to this proposal as the "golden parachute proposal" in this proxy statement/prospectus. Lastly, we will ask our shareholders to vote in favor of a proposal to adjourn our special meeting, if necessary, to solicit additional proxies if we have not received sufficient votes to approve the merger at the time of our special meeting. We sometimes refer to this proposal as the "adjournment proposal" in this proxy statement/prospectus.

Table of Contents

**Q. What will I receive in exchange for my PVF Capital common shares if the merger is completed?**

A. Upon completion of the merger of PVF Capital with and into F.N.B., you will have the right to receive 0.3405 shares of F.N.B. common stock in exchange for each PVF Capital common share you own. F.N.B. will pay cash in lieu of issuing fractional shares of F.N.B. common stock.

**Q. What does the PVF Capital board of directors recommend?**

A. The PVF Capital board of directors has unanimously determined that the merger is fair to you and in your and PVF Capital's best interests and unanimously recommends that you vote **FOR** approval of the merger, **FOR** approval, on an advisory (non-binding) basis, of the golden parachute proposal, and **FOR** approval of the adjournment proposal.

In making this determination, the PVF Capital board of directors considered the opinion of Sandler O'Neill + Partners, L.P., our independent financial advisor, as to the fairness, from a financial point of view, of the merger consideration you will receive pursuant to the merger agreement. The PVF Capital board of directors also reviewed and evaluated the terms and conditions of the merger agreement and the merger with the assistance of our independent legal counsel.

**Q. What was the opinion of our financial advisor?**

A. Sandler O'Neill presented an opinion to the PVF Capital board of directors to the effect that, as of February 19, 2013, and based upon the assumptions Sandler O'Neill made, the matters it considered and the limitations on its review as set forth in its opinion, the merger consideration provided for in the merger agreement is fair to you from a financial point of view.

**Q. When do you expect to complete the merger?**

A. If our shareholders approve the merger, we anticipate that we will be able to complete the merger in October 2013. However, we cannot assure you when or if the merger will occur. Our ability to complete the merger is subject to other factors that are outside of our control, such as the approval of the merger by the banking regulators.

**Q. What happens if the merger is not completed?**

A. If the merger is not completed, holders of PVF Capital common shares will not receive any shares of F.N.B. common stock, cash or any other consideration in exchange for their shares. PVF Capital will remain an independent public company and its common shares will continue to be listed and traded on The NASDAQ Capital Market.

**Q. Why am I being asked to cast an advisory (non-binding) vote to approve the golden parachute compensation payable to certain PVF Capital officers in connection with the merger?**

A. The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, adopted rules that require PVF Capital to seek an advisory (non-binding) vote with respect to certain payments that will or may be made to PVF Capital's named executive officers in connection with the merger.

**Q. What will happen if PVF Capital shareholders do not approve the golden parachute compensation at the special meeting?**

A.

Edgar Filing: FNB CORP/FL/ - Form 424B3

Approval of the golden parachute compensation payable in connection with the merger is not a condition to completion of the merger. The vote with respect to the golden parachute compensation is an advisory vote and will not be binding on PVF Capital (or the combined

Table of Contents

company that results from the merger) regardless of whether the merger is approved. Accordingly, since the compensation to be paid to certain of the PVF Capital executives in connection with the merger is contractual, such compensation will be payable if the merger is completed regardless of the outcome of the advisory vote.

**Q. When and where is the PVF Capital special meeting?**

A. The PVF Capital special meeting will be held at Embassy Suites Cleveland Beachwood, 3775 Park East Dr., Beachwood, Ohio 44122, on Wednesday, September 25, 2013 at 10:00 a.m. local time.

**Q. Who can vote at the PVF Capital special meeting?**

A. Holders of PVF Capital common shares as of the close of business on July 30, 2013, which is referred to as the record date, are entitled to vote at the PVF Capital special meeting. Beneficial owners of PVF Capital common shares as of the record date will receive instructions from their bank, broker or nominee describing how to vote their shares.

**Q. What is the quorum requirement for the PVF Capital special meeting?**

A. The presence, in person or by properly executed proxy, of the holders of at least a majority of our outstanding common shares on the record date is necessary to constitute a quorum at our special meeting. All PVF Capital common shares that are present in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the PVF Capital special meeting.

**Q. What vote is required to approve each proposal at the PVF Capital special meeting?**

A. Proposal No. 1 requires an approval by the affirmative vote of two-thirds of the issued and outstanding common shares of PVF Capital at a shareholders' meeting at which a quorum is present. Proposal No. 2 and Proposal No. 3 each require approval by the affirmative vote of a majority of the common shares present, represented and entitled to vote at the PVF Capital special meeting.

**Q. Why is my vote important?**

A. Under the Ohio General Corporation Law and our articles of incorporation, approval of the merger requires the affirmative vote of two-thirds of the issued and outstanding common shares of PVF Capital at a shareholders' meeting at which a quorum is present. This significant approval percentage requirement makes your vote extremely important.

**Q. What do I need to do now?**

A. You should first carefully read this proxy statement/prospectus, including the appendices and the documents F.N.B. incorporates by reference in this proxy statement/prospectus. See "Where You Can Find More Information" on page 165 in this proxy statement/prospectus. After you have decided how you wish to vote your shares, please vote by submitting your proxy using one of the methods described below.

**Q. How do I vote my PVF Capital common shares?**

A. If you are a shareholder of record on July 30, 2013, you may have your PVF Capital common shares voted on the matters presented at the special meeting in any of the following ways:

*in person* you may attend the special meeting and cast your vote there;

Table of Contents

*by mail* shareholders of record may vote by proxy by signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope;

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee regarding how to vote your shares. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must provide a legal proxy from your bank, brokerage firm or other nominee at the special meeting.

**Q. What does it mean if I get more than one proxy card?**

A. It means you have multiple accounts at the transfer agent and/or with brokers. Please sign and return all proxy cards to ensure that all of your shares are voted.

**Q. What if my PVF Capital shares are held through the Park View Federal Savings Bank 401(k) Plan?**

A. If you participate in the Park View Federal Savings Bank 401(k) Plan and invested in PVF Capital common shares, you will receive a voting instruction card that reflects the common shares credited to your account in the 401(k) Plan as of July 30, 2013. You may direct the 401(k) Plan Trustee as to how to vote the common shares credited to your account. The 401(k) Plan Trustee will vote all common shares for which it does not receive timely instructions from participants in the same proportion in which it has received voting instructions. The deadline for returning your voting instructions to the 401(k) Plan Trustee is 10:00 a.m., local time, on September 23, 2013.

**Q. What if I do not specify how I want to vote my shares on my proxy card?**

A. If you submit a signed proxy card but do not indicate how you want your shares voted, the persons named in the proxy card will vote your shares:

**FOR** approval of the merger;

**FOR** approval on an advisory (non-binding) basis of the golden parachute compensation payable to our named executive officers in connection with the merger; and

**FOR** approval of the adjournment of our special meeting, if necessary.

The PVF Capital board of directors does not currently intend to bring any other proposals before our special meeting. If other proposals requiring a vote of shareholders properly come before our special meeting, the persons named in the enclosed proxy card will vote the shares they represent on any such other proposal in accordance with their judgment.

**Q. If my PVF Capital common shares are held in "street name" by my bank, broker or other nominee, will my bank, broker or other nominee vote my PVF Capital common shares for me?**

A. Your bank, broker or other nominee is not permitted to vote your shares without instructions from you. Therefore, if a bank, broker or other nominee holds your shares, you must give them instructions on how to vote your shares. You should follow the voting procedures you receive from your bank, broker or other nominee and instruct your bank, broker or other nominee how you want to vote your shares. Please check with your bank, broker or other nominee and follow the voting procedures your bank, broker or other nominee provides.

## Edgar Filing: FNB CORP/FL/ - Form 424B3

Broker non-votes occur when a broker or nominee is not instructed by the beneficial owner of shares to vote on a particular proposal for which the broker does not have discretionary voting power. Abstentions, if any, and broker non-votes, if any, are counted as present for the purpose of determining whether a quorum is present. However, abstentions and broker non-votes will have the same effect as a vote against the proposal to approve the merger. On the other hand, with

Table of Contents

respect to the proposal to approve on an advisory (non-binding) basis the golden parachute compensation payable to the named executive officers of PVF Capital and the proposal to approve adjournment of the special meeting, abstentions and broker non-votes will not be counted in the voting results and will have no effect on the outcome of those proposals.

**Q. May I change my vote after I have voted?**

A. Yes. You may revoke your proxy at any time before we take the vote at our special meeting by:

the execution of a later dated proxy with respect to the same shares;

giving notice in writing to Jeffrey N. Male, Secretary, PVF Capital Corp., 30000 Aurora Road, Solon, Ohio 44139; or

notifying Mr. Male in person at our special meeting.

However, simply attending our special meeting without voting will not revoke any proxy you previously submitted.

If you hold your shares in street name (that is, in the name of a bank, broker, nominee or other holder of record), you should follow the instructions of the bank, broker, nominee or other holder of record regarding the revocation of proxies.

**Q. Should I send my share certificates now?**

A. No. Holders of our common shares should not submit their share certificates for exchange until they receive the transmittal instructions from the exchange agent, Registrar and Transfer Company.

**Q. What if I oppose the merger?**

A. If you are a shareholder who objects to the merger, you may vote against approval of the merger. Under Ohio law, you are not entitled to dissenters' appraisal rights because PVF Capital common shares are listed on a national securities exchange and the only consideration shareholders will receive in the merger (other than cash in lieu of fractional shares) is shares of F.N.B. common stock that are also listed on a national securities exchange. If they had been available, dissenters' rights would enable a shareholder who opposes the merger to obtain an appraisal of the fair cash value of his or her shares and require PVF Capital to purchase those shares at the price established by the appraisal.

**Q. Who can answer my questions about the merger and the special meeting?**

A. If you have additional questions about the merger or the special meeting or would like additional copies of this proxy statement/prospectus, please call Jeffrey N. Male, our corporate secretary, at (440) 248-7171, or call Georgeson Inc., the proxy soliciting firm we have retained, at (866) 203-9357.



Table of Contents

**SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus. While this summary describes the material aspects of the merger, this summary may not contain all of the information that may be important to you. We encourage you to read this entire proxy statement/prospectus and its appendices carefully in order to understand the merger fully. See "Where You Can Find More Information" on page 165. In this summary, we have included page references to direct you to a more detailed description of the matters this summary describes.*

*Unless the context otherwise requires, throughout this proxy statement/prospectus, "we," "us," "our" or "PVF Capital" refers to PVF Capital Corp., "Park View Federal" refers to Park View Federal Savings Bank, "F.N.B." refers to F.N.B. Corporation, and "you" refers to the common shareholders of PVF Capital. We refer to the merger between PVF Capital and F.N.B. as the "merger," and the Agreement and Plan of Merger dated as of February 19, 2013 between F.N.B. and PVF Capital as the "merger agreement." Also, we refer to the proposed merger of Park View Federal into First National Bank of Pennsylvania as the "bank merger."*

*PVF Capital provided the information contained in this proxy statement/prospectus with respect to PVF Capital, and F.N.B. provided the information in this proxy statement/prospectus with respect to F.N.B.*

*This proxy statement/prospectus, as well as the information included or incorporated by reference in this proxy statement/prospectus, contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, earnings outlook, business and prospects of F.N.B. and us, and the potential combined company, as well as statements applicable to the period following the completion of the merger. You can find many of these statements by looking for words such as "plan," "believe," "expect," "intend," "anticipate," "estimate," "project," "potential," "possible" or other similar expressions.*

*These forward-looking statements involve certain risks and uncertainties. The ability of either F.N.B. or us to predict results or the actual effects of our plans and strategies, particularly after the merger, is inherently uncertain. Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Cautionary Statement Regarding Forward-looking Statements" on page 30.*

***The Parties to the Merger***

**F.N.B. Corporation (Page 98)**

F.N.B. Corporation, headquartered in Hermitage, Pennsylvania, is a regional diversified financial services company operating in six states and three major metropolitan areas including Pittsburgh, PA, where it holds the number three retail deposit market share, Baltimore, MD and Cleveland, OH. F.N.B. has total assets of \$12.4 billion (including the recently completed acquisition of Annapolis Bancorp, Inc.) and more than 250 banking offices throughout Pennsylvania, Ohio, West Virginia and Maryland. F.N.B. 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. Commercial banking solutions include corporate banking, small business banking, investment real estate financing, asset based lending, 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. F.N.B.'s wealth management services include asset management, private banking and insurance. F.N.B. also operates Regency Finance Company, which has more than 70 consumer finance offices in Pennsylvania, Ohio, Kentucky and Tennessee.

The address of the principal executive offices of F.N.B. is One F.N.B. Boulevard, Hermitage, Pennsylvania 16148. F.N.B.'s telephone number is (724) 981-6000 and F.N.B.'s Internet address is

Table of Contents

[www.fnbcorporation.com](http://www.fnbcorporation.com). The information on F.N.B.'s website is not part of this proxy statement/prospectus.

**PVF Capital Corp. (Page 99)**

PVF Capital Corp. is the holding company for Park View Federal Savings Bank ("Park View Federal"). PVF Capital owns and operates Park View Federal, PVF Service Corporation, a real estate subsidiary, and Mid Pines Land Company, a real estate subsidiary. Park View Federal has operated continuously for 92 years, having been founded as an Ohio chartered savings and loan association in 1920. Park View Federal's principal business consists of attracting deposits from the general public and investing these funds primarily in loans secured by first mortgages on real estate, as well as other commercial and consumer loans located in its market area, which consists of Portage, Lake, Geauga, Cuyahoga, Summit, Medina and Lorain Counties in Ohio. Historically, Park View Federal has emphasized the origination of loans for the purchase or construction of residential real estate, commercial real estate and multi-family residential property and land loans. To a lesser extent, Park View Federal has also originated loans secured by second mortgages, including home equity lines of credit and loans secured by savings deposits.

The address and headquarters office of PVF Capital is 30000 Aurora Road, Solon, Ohio 44139. PVF Capital's telephone number is (440) 248-7171, and PVF Capital's Internet address is [www.parkviewfederal.com](http://www.parkviewfederal.com). The information on PVF Capital's website is not part of this proxy statement/prospectus.

***Our Special Meeting***

This section contains information for our shareholders about the special meeting we have called to consider approval of the merger and related matters.

**General (Page 32)**

We have mailed this proxy statement/prospectus and the enclosed form of proxy to you for use at our special meeting and any adjournment or postponement of our special meeting.

**When and Where We Will Hold Our Special Meeting (Page 32)**

We will hold our special meeting on Wednesday, September 25, 2013, at 10:00 a.m. local time, at Embassy Suites Cleveland Beachwood, 3775 Park East Dr., Beachwood, Ohio 44122, subject to any adjournment or postponement of our special meeting.

**The Matters Our Shareholders Will Consider (Page 32)**

The purpose of our special meeting is to consider and vote upon:

*Proposal 1* A proposal to approve the merger;

*Proposal 2* An advisory (non-binding) proposal to approve the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger;

*Proposal 3* A proposal to grant discretionary authority to our board of directors to adjourn our special meeting if necessary to permit us to solicit additional proxies from our shareholders in the event a quorum is present at our special meeting but there are insufficient votes to approve the merger; and

Edgar Filing: FNB CORP/FL/ - Form 424B3

Such other business as may properly come before our special meeting and any adjournment or postponement of our special meeting.

Table of Contents

Our shareholders must approve Proposal 1 for the merger to occur. If our shareholders do not approve this proposal, the merger will not occur.

PVF Capital does not intend to bring any other matters before the special meeting. As of the date of this proxy statement/prospectus, the PVF Capital board of directors is not aware of any matter that is to be presented for action at our special meeting by others. If a shareholder properly presents another matter, the proxies will vote in accordance with their judgment with respect to any such other matter.

**Record Date; Shares Outstanding and Entitled to Vote (Page 32)**

The PVF Capital board of directors has fixed the close of business on July 30, 2013 as the record date for the determination of holders of our common shares entitled to notice of, and to vote at, our special meeting and any adjournment or postponement of our special meeting.

On the record date, we had 26,081,460 issued and outstanding common shares entitled to vote at our special meeting, held by approximately 140 holders of record. Each holder is entitled to cast one vote for each common share held by him or her on all matters that are properly submitted to our shareholders at our special meeting.

**Quorum (Page 33)**

The presence, in person or by properly executed proxy, of the holders of at least a majority of our outstanding common shares on the record date is necessary to constitute a quorum at our special meeting. All PVF Capital common shares that are present in person or by proxy, including abstentions and broker non-votes, will be treated as present for purposes of determining the presence or absence of a quorum for all matters voted on at the PVF Capital special meeting. A quorum must be present in order for the votes on approval of the merger, approval on an advisory (non-binding) basis of golden parachute compensation payable to our named executive officers in connection with the merger, and the adjournment proposal to occur.

Based on the number of our common shares issued and outstanding as of the record date, 13,040,731 common shares must be present in person or represented by proxy at our special meeting to constitute a quorum.

**Shareholder Vote Required (Page 33)**

*Approval of the Merger.* The approval of the merger requires the affirmative vote of two-thirds of the issued and outstanding common shares of PVF Capital at a shareholders' meeting at which a quorum is present. Accordingly, we urge you to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope.

When considering the PVF Capital board of directors' recommendation that you vote in favor of approval of the merger, you should be aware that certain of our executive officers and directors have interests in the merger that may be different from, or in addition to, your and their interests as shareholders. See "Proposal No. 1 Proposal to Approve the Merger Interests of PVF Capital's Directors and Executive Officers in the Merger" beginning on page 66.

*Advisory (Non-binding) Vote Regarding Golden Parachute Compensation.* The affirmative vote of a majority of the votes cast by the holders of our common shares entitled to vote on that matter at a shareholders' meeting at which a quorum is present, is required to approve on an advisory (non-binding) basis, the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger.

Table of Contents

*Discretionary Authority to Adjourn Our Special Meeting.* The affirmative vote of the holders of a majority of the votes cast by the holders of our common shares entitled to vote on the adjournment proposal is required to approve the proposal to grant discretionary authority to the PVF Capital board of directors to adjourn our special meeting if necessary to solicit additional proxies from our shareholders in the event a quorum is present at our special meeting but there are insufficient votes to approve the merger.

**Director and Executive Officer Voting (Page 33)**

As of the record date, our directors and executive officers and their affiliates beneficially owned 9,028,919 shares of our outstanding common shares, or approximately 34.6% of the outstanding common shares entitled to vote at our special meeting. Approval of the merger will require the affirmative vote of two-thirds of the issued and outstanding common shares as of the record date. Each of our directors has entered into a voting agreement with F.N.B. providing that he will vote his PVF Capital common shares **FOR** approval of the merger in his capacity as a shareholder.

**Proxies (Page 33)**

*Voting.* You should complete and return the proxy card accompanying this proxy statement/prospectus to ensure that we can count your vote at our special meeting and at any adjournment or postponement of our special meeting, regardless of whether you plan to attend our special meeting. If you sign and return your proxy card and do not indicate how you want to vote, we will count your proxy card as a vote **FOR** approval of the merger, **FOR** approval of the advisory (non-binding) golden parachute proposal and **FOR** approval of the adjournment proposal.

If you hold your common shares in the name of a bank, broker, nominee or other holder of record, the bank, broker, nominee or other holder of record will send you instructions that you must follow in order to vote your common shares.

*Revocability.* You may revoke your proxy at any time before we take the vote at our special meeting. If you did not vote through a bank, broker, nominee or other holder of record, you may revoke your proxy by:

executing a later dated proxy with respect to the same shares;

giving notice in writing to Jeffrey N. Male, Secretary, PVF Capital Corp., 30000 Aurora Road, Solon, Ohio 44139; or

notifying Mr. Male in person at our special meeting.

However, simply attending our special meeting without voting will not revoke an earlier proxy.

You should address written notices of revocation and other communications regarding the revocation of your proxy to:

PVF Capital Corp.  
30000 Aurora Road  
Solon, Ohio 44139  
Attention: Jeffrey N. Male, Secretary

If you hold your shares in the name of a bank, broker, nominee or other holder of record, you should follow the instructions you receive from the bank, broker, nominee or other holder of record regarding the revocation of proxies.

*How We Count Proxy Votes.* We will vote all shares represented by properly executed proxy cards that we receive before the voting concludes at our special meeting, and which have not been revoked, in accordance with the instructions you indicate on the proxy card.



Table of Contents

We will count the shares represented by a properly executed proxy card marked "ABSTAIN" as present for purposes of determining the presence of a quorum.

Under applicable rules, banks, brokers and other nominees may not vote shares of common stock that they hold of record for a beneficial owner either "for" or "against" the proposals in this proxy statement/prospectus without specific instructions from the beneficial owner of those shares. Therefore, if a broker holds your shares you must give your broker instructions on how to vote your shares. Abstentions, if any, and broker non-votes, if any, are counted as present for the purpose of determining whether a quorum is present. Abstentions and broker non-votes will have the same effect as a vote against the proposal to approve the merger. However, with respect to the proposal to approve on an advisory (non-binding) basis the golden parachute compensation payable to the named executive officers of PVF Capital, and the proposal to approve adjournment of the special meeting, abstentions and broker non-votes will not be counted in the voting results and will have no effect on the outcome of those proposals.

*Solicitation.* We will pay the costs of our special meeting and for the mailing of this proxy statement/prospectus to our shareholders, as well as all other costs we incur in connection with the solicitation of proxies from our shareholders. However, F.N.B. and we will share equally the cost of printing this proxy statement/prospectus and the filing fees F.N.B. pays to the SEC.

In addition to soliciting proxies by mail, our directors, officers and employees may solicit proxies by telephone or in person. We will not specially compensate our directors, officers and employees for these activities. We also intend to request that brokers, banks, nominees and other holders of record solicit proxies from their principals, and we will reimburse the brokers, banks, nominees and other holders of record for certain expenses they incur for those activities.

We have retained the firm of Georgeson Inc. to assist us in the solicitation of proxies, and we have agreed to pay Georgeson Inc. an engagement fee of \$7,500 for its services.

**Recommendations of the PVF Capital Board of Directors (Page 35)**

The PVF Capital board of directors has unanimously approved the merger. Based on the reasons for the merger that we describe in this proxy statement/prospectus, the PVF Capital board of directors believes that the merger is in your and PVF Capital's best interests. Accordingly, the PVF Capital board of directors unanimously recommends that our shareholders vote:

**FOR** approval of the merger;

**FOR** approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger; and

**FOR** approval of the adjournment proposal.

See "Proposal No. 1 Proposal to Approve the Merger Recommendation of the PVF Capital Board of Directors and PVF Capital's Reasons for the Merger" beginning on page 41, "Proposal No. 2 Advisory (Non-binding) Vote on Golden Parachute" beginning on page 163, and "Proposal No. 3 Adjournment Proposal" beginning on page 163 for a more detailed discussion of the PVF Capital board of directors' recommendations.

**Attending Our Special Meeting (Page 35)**

If you hold your shares in street name and you want to attend our special meeting, you must bring an account statement or letter from your holder of record (*e.g.*, your bank, broker or other nominee) showing that you were the beneficial owner of the shares at the close of business on July 30, 2013, the record date for our special meeting.

Table of Contents

*The Merger*

**The Merger and the Merger Agreement (Page 76)**

The merger agreement, which governs the merger of PVF Capital with and into F.N.B., is attached to this document as Appendix A. We encourage you to read the merger agreement carefully. All descriptions in this summary and elsewhere in this document of the terms and conditions of the merger are qualified by reference to the merger agreement.

Under the terms of the merger agreement, PVF Capital will merge with and into F.N.B., and F.N.B. will be the surviving entity. As a result of the merger, PVF Capital's businesses will be combined with F.N.B.'s, and PVF Capital will cease to exist as a separate legal entity.

**Merger of Bank Subsidiaries**

As soon as practicable after the merger between F.N.B. and PVF Capital is completed, Park View Federal will merge with and into First National Bank of Pennsylvania, and First National Bank of Pennsylvania will continue as the surviving bank. Park View Federal and First National Bank of Pennsylvania have entered into a merger agreement setting forth their agreement to merge and the terms and conditions of their merger. The form of the bank merger agreement is attached as Exhibit A to the merger agreement between F.N.B. and PVF Capital.

**Merger Consideration (Page 76)**

The merger consideration to PVF Capital shareholders will be shares of F.N.B. common stock, which will be paid at a fixed exchange ratio of 0.3405 shares of F.N.B. common stock for each PVF Capital common share that is outstanding immediately before the merger occurs (subject to possible adjustment as provided in the merger agreement).

**Opinion of PVF Capital's Financial Advisor in Connection with the Merger (Page 45)**

Sandler O'Neill+Partners, L.P., our financial advisor in connection with the merger, delivered a written fairness opinion to the PVF Capital board of directors dated February 19, 2013, the date we executed the merger agreement, to the effect that as of such date, subject to the factors and assumptions set forth in Sandler O'Neill's opinion, the merger consideration is fair, from a financial point of view, to the holders of our common shares.

Appendix C to this proxy statement/prospectus sets forth the full text of the Sandler O'Neill opinion, which includes the assumptions Sandler O'Neill made, the procedures Sandler O'Neill followed, the matters Sandler O'Neill considered and the limitations on the review Sandler O'Neill undertook in connection with its opinion. **Sandler O'Neill provided its opinion for the information and assistance of the PVF Capital board of directors in connection with its consideration of the merger. The Sandler O'Neill opinion is not a recommendation as to how you should vote with respect to the merger or any related matter.** We encourage you to read the Sandler O'Neill opinion in its entirety, a copy of which is attached to this proxy statement/prospectus as Appendix C.

**Interests of PVF Capital's Directors and Executive Officers in the Merger (Page 66)**

In considering the recommendations of the PVF Capital board of directors that you vote **FOR** approval of the merger, **FOR** approval of the golden parachute proposal and **FOR** approval of the adjournment proposal, you should be aware that certain of our executive officers and directors have



Table of Contents

interests in the merger that are different from, or in addition to, your and their interests as a shareholder. For example:

Our current and former executive officers and directors will be indemnified and held harmless by F.N.B. against any losses and liabilities to the fullest extent possible under applicable law and the articles of incorporation and code of regulations of PVF Capital after the merger is completed.

Our current and former executive officers and directors will be provided directors' and officers' insurance coverage by F.N.B. for a period of six years after the merger is completed.

Upon the closing of the merger, certain of our executive officers will be entitled to receive retention bonuses, contingent upon their continued employment with PVF Capital or Park View Federal through the closing date.

Certain of our executive officers may enter into post-merger employment or other arrangements with F.N.B., which will provide for cash compensation to those officers, among other things. In addition, F.N.B. will grant Messrs. King and Nicholson restricted stock awards if they enter into an employment agreement with F.N.B.

Certain of our directors hold unexercised warrants to purchase PVF Capital common shares, which will be cancelled in exchange for cash, instead of being converted into warrants to purchase F.N.B. common stock, upon completion of the merger.

**Regulatory Approvals Required for the Merger and the Bank Merger (Page 72)**

Completion of the merger and the bank merger are subject to various regulatory approvals. The merger of PVF Capital with and into F.N.B. is subject to the prior approval of the Board of Governors of the Federal Reserve System or the Federal Reserve Board. The merger between PVF Capital's and F.N.B.'s bank subsidiaries, Park View Federal and First National Bank of Pennsylvania, is subject to the prior approval of First National Bank of Pennsylvania's primary regulator, the Office of the Comptroller of the Currency. Also, the United States Department of Justice is able to provide input into the approval process of federal banking agencies to challenge the approval on antitrust grounds. On July 8, 2013, the Federal Reserve Board approved the acquisition by F.N.B. of PVF Capital, and the Office of the Comptroller of the Currency approved the merger of Park View Federal with and into First National Bank of Pennsylvania. F.N.B. and PVF Capital also have submitted, or will submit, notices and/or applications to other federal and state regulatory authorities and self-regulatory organizations relating to the merger.

**No Dissenters' Rights (Page 74)**

Due to an exception under the Ohio General Corporation Law, holders of PVF Capital common shares will not be entitled to dissenters' appraisal rights in the merger. Dissenters' rights are not available because PVF Capital common shares are listed on a national securities exchange and the only consideration that PVF Capital shareholders will receive in the merger (other than cash in lieu of fractional shares) is shares of F.N.B. common stock, which are also listed on a national securities exchange. If they had been available, dissenters' rights would enable a shareholder who opposes the merger to obtain an appraisal of the fair cash value of his or her shares and require PVF Capital to purchase those shares at the price established by the appraisal. See "Proposal No. 1 Proposal to Approve the Merger No Dissenters' Rights" on page 74 of this proxy statement/prospectus.

**Treatment of PVF Capital Stock Options (Page 77)**

Upon completion of the merger, each outstanding option or similar right to acquire PVF Capital common shares granted under any PVF Capital equity compensation plan will automatically convert



Table of Contents

into an option to purchase shares of F.N.B. common stock, as adjusted to give effect to the exchange ratio of 0.3405 shares of F.N.B. common stock for each PVF Capital common share.

**Treatment of PVF Capital Share Awards (Page 77)**

Upon completion of the merger, each share award relating to PVF Capital common shares shall be converted into a share award relating to the number of shares of F.N.B. common stock obtained by multiplying the number of PVF Capital common shares subject to the share award by the exchange ratio.

**Treatment of PVF Capital Warrants (Page 77)**

Upon completion of the merger, each outstanding warrant to purchase PVF Capital common shares will be cancelled in exchange for the right to receive a lump sum cash payment, subject to applicable tax withholding. The payment amount will be calculated according to a formula, based on the exchange ratio, the average closing price of F.N.B. common stock as of the closing date of the merger and the exercise price of the warrants. The payment amount shall represent the spread between the value of the merger consideration exchangeable for the PVF Capital common shares underlying the warrants, and the aggregate exercise price the warrant holders would have needed to pay to exercise the warrants in full.

**Exchange and Payment Procedures (Page 78)**

As soon as practicable after completing the merger, F.N.B. will deposit with the exchange agent, Registrar and Transfer Company, book entry shares representing the aggregate number of shares of F.N.B. common stock issuable pursuant to the merger agreement in exchange for the PVF Capital common shares. F.N.B. will also deposit a cash amount equal to any dividends or distributions that may be payable to PVF Capital shareholders in accordance with the merger agreement, and any cash that may be payable in lieu of fractional shares of F.N.B. common stock, which the PVF Capital shareholders otherwise would be entitled to receive in the merger.

As soon as practicable after completing the merger, the exchange agent will mail each holder of record of PVF Capital common shares a letter of transmittal with instructions for surrendering their PVF Capital common shares in exchange for the merger consideration. To receive the merger consideration, a shareholder must surrender his or her PVF Capital share certificates to the exchange agent, together with properly completed and signed transmittal materials. F.N.B. has no obligation to pay the merger consideration to any PVF Capital shareholder until the shareholder has properly surrendered the share certificates representing his or her PVF Capital common shares.

**Conditions to Completion of the Merger (Page 91)**

Currently, we expect to complete the merger in October 2013. However, we cannot assure you that the merger will be completed in that timeframe, or at all. As more fully described elsewhere in this proxy statement/prospectus and in the merger agreement, the completion of the merger depends on the satisfaction of a number of conditions or, where legally permissible, the waiver of those conditions. These conditions include, among others:

approval of the merger by the requisite affirmative vote of the PVF Capital common shares entitled to vote on that matter;

the receipt and effectiveness of all regulatory approvals that are needed to complete the merger, including: approval by the Office of the Comptroller of the Currency of the bank merger and approval by the Federal Reserve Board of the merger between F.N.B. and PVF Capital;

Table of Contents

approval by the NYSE of the listing on the NYSE of the shares of F.N.B. common stock to be issued in the merger to our shareholders as merger consideration;

the absence of any law, statute or regulation, or any judgment, decree, injunction or other order of any court or other governmental entity that would prevent, prohibit or make illegal completion of the merger; and

the receipt at closing of legal opinions from F.N.B.'s and our legal counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Neither F.N.B. nor we can be certain when, or if, F.N.B. and we will satisfy or waive the conditions to the merger, or that F.N.B. and we will complete the merger.

**Closing and Effective Time of the Merger (Page 78)**

The closing of the merger will take place at the time and on the date specified by F.N.B. and PVF Capital, which will be no later than the fifth business day after the satisfaction or waiver of the closing conditions specified in the merger agreement. The merger will become effective at the time specified in the articles of merger that F.N.B. and PVF Capital file on the closing date with the Secretary of State of the State of Florida and the Secretary of State of the State of Ohio. F.N.B. and PVF Capital cannot be certain whether or when any of the conditions to the merger will be satisfied or waived, where legally permissible. We currently expect to complete the merger in October 2013; however, because the merger is subject to these closing conditions, we cannot assure you when or if the merger will occur.

**Termination of the Merger Agreement (Page 92)**

The parties can mutually agree to terminate the merger agreement at any time prior to completion of the merger. In addition, either party, acting alone, may have the right to terminate the merger agreement if any of the following occurs:

the approval of a governmental entity, which is required for completion of the merger, is denied by final and non-appealable action;

the merger is not completed by December 31, 2013;

the other party commits a breach of the merger agreement which would cause the failure of the closing conditions described above, and the breach cannot be cured or has not been cured within the timeframes given in the merger agreement; or

the requisite shareholder vote to approve the merger is not obtained at our special meeting.

**Termination Fee (Page 93)**

The merger agreement provides that PVF Capital will be required to pay a termination fee of \$4.0 million to F.N.B., or up to \$500,000 of F.N.B.'s expenses incurred in connection with the merger, depending on the circumstances of the termination, as discussed in more detail beginning on page 93.

**Material U.S. Federal Income Tax Consequences of the Merger (Page 95)**

## Edgar Filing: FNB CORP/FL/ - Form 424B3

F.N.B. and PVF Capital intend that the merger will qualify for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. If the merger qualifies as a reorganization, then, in general, for United States federal income tax purposes, (A) no gain or loss will be recognized by F.N.B. or PVF Capital as a result of the merger, and (B) each PVF Capital shareholder who receives F.N.B. common stock in the merger generally will not recognize gain or loss except to the extent of any cash received in lieu of fractional shares. It is a condition to the

Table of Contents

completion of the merger that F.N.B. and we receive written opinions from our respective legal counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Tax matters are very complicated and the tax consequences of the merger to each PVF Capital shareholder may depend on such shareholder's particular facts and circumstances. PVF Capital shareholders are urged to consult their tax advisors to understand fully the tax consequences to them of the merger. See "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 95 of this proxy statement/prospectus.

**Comparison of Shareholders Rights (Page 149)**

When the merger is completed, our shareholders will become shareholders of F.N.B. As a result, the Florida Business Corporation Act, as well as F.N.B.'s articles of incorporation and bylaws, will govern the rights of our shareholders, instead of the Ohio General Corporation Law and our articles of incorporation and code of regulations.

**Comparative Market Prices and Dividends (Page 160)**

F.N.B. common stock is listed on the NYSE under the symbol "FNB." Prices for our common shares are quoted on NASDAQ under the symbol "PVFC." The table on page 160 of this proxy statement/prospectus lists the quarterly price range of F.N.B. common stock and our common shares from the quarter ended September 30, 2010 through July 22, 2013 as well as the quarterly cash dividends we and F.N.B. have paid during the same time period. The following table shows the closing price of F.N.B. common stock and PVF Capital common shares as reported on February 15, 2013, the last trading day before F.N.B. and we announced the merger, and on July 22, 2013, the last practicable trading day before the date we printed and mailed this proxy statement/prospectus. This table also presents the pro forma equivalent per share value of a PVF Capital common share on those dates. We calculated the pro forma equivalent per share value by multiplying the closing price of F.N.B. common stock on those dates by 0.3405, the exchange ratio in the merger.

	F.N.B. Common Stock	PVF Capital Common Share	Pro Forma Equivalent Value of One PVF Capital Common Share
February 15, 2013	\$ 12.04	\$ 2.52	\$ 4.10
July 22, 2013	13.11	4.39	4.46

The market price of F.N.B. common stock may change at any time. Consequently, the total dollar value of the F.N.B. common stock that you will receive upon the merger may be significantly higher or lower than its value as of the date of this proxy statement/prospectus. We urge you to obtain a current market quotation for F.N.B. common stock. We can provide no assurance as to the future price of F.N.B. common stock.

**Advisory (Non-binding) Vote on Golden Parachute Compensation (Page 163)**

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, PVF Capital is providing its shareholders with the opportunity to vote to approve, on an advisory (non-binding) basis, certain payments that PVF Capital's named executive officers are to receive in connection with the merger, as reported in the Golden Parachute Compensation table on page 70 and the associated narrative discussion.

Table of Contents

**Adjournment Proposal (Page 163)**

You are also being asked to approve a proposal to grant the PVF Capital board of directors discretionary authority to adjourn our special meeting, if necessary, to solicit additional proxies from our shareholders for the merger proposal in the event a quorum is present at our special meeting but there are insufficient votes to approve the merger.

**Questions and Additional Information**

If you have more questions about the merger or how to submit your proxy card, or if you would like additional copies of this proxy statement/prospectus or the enclosed proxy card, please call Jeffrey N. Male, our corporate secretary, at (440) 248-7171, or call Georgeson Inc., the proxy soliciting firm we have retained, at (866) 203-9357.

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF F.N.B.**

We set forth below highlights from F.N.B.'s consolidated financial data as of and for the years ended December 31, 2008 through 2012, and F.N.B.'s unaudited consolidated financial data as of and for the three months ended March 31, 2013 and March 31, 2012. F.N.B.'s results of operations for the three months ended March 31, 2013 are not necessarily indicative of F.N.B.'s results of operations for the full year of 2013 or any other interim period. F.N.B. management prepared the unaudited information on the same basis as it prepared F.N.B.'s audited consolidated financial statements. In the opinion of F.N.B.'s management, this information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with F.N.B.'s consolidated financial statements and related notes included in F.N.B.'s Annual Report on Form 10-K for the year ended December 31, 2012 and F.N.B.'s Quarterly Report on Form 10-Q for the three months ended March 31, 2013, which we have incorporated by reference in this proxy statement/prospectus and from which we derived this data. See "Where You Can Find More Information" on page 165.

	Three Months Ended March 31,		Year Ended December 31,				2008
	2013	2012	2012	2011	2010	2009	
(dollars in thousands, except per share amounts)							
<b>Summary of Earnings:</b>							
Total interest income	\$ 105,118	\$ 107,287	\$ 431,906	\$ 391,125	\$ 373,721	\$ 388,218	\$ 409,781
Total interest expense	12,022	16,366	59,055	74,617	88,731	121,179	157,989
Net interest income	93,096	90,921	372,851	316,508	284,990	267,039	251,792
Provision for loan losses	7,541	6,572	31,302	33,641	47,323	66,802	72,371
Net interest income after provision for loan losses	85,555	84,349	341,549	282,867	237,667	200,237	179,421
Total non-interest income	33,673	31,745	131,463	119,918	115,972	105,482	86,115
Total non-interest expense	78,863	86,673	318,829	283,734	251,103	255,339	222,704
Income before income taxes	40,365	29,421	154,183	119,051	102,536	50,380	42,832
Income taxes	11,827	7,839	43,773	32,004	27,884	9,269	7,237
Net income	28,538	21,582	110,410	87,047	74,652	41,111	35,595
Net income available to common shareholders	28,538	21,582	110,410	87,047	74,652	32,803	35,595
<b>Per Common Share:</b>							
Basic earnings per share	\$ 0.20	\$ 0.16	\$ 0.79	\$ 0.70	\$ 0.66	\$ 0.32	\$ 0.44
Diluted earnings per share	0.20	0.15	0.79	0.70	0.65	0.32	0.44
Cash dividends paid	0.12	0.12	0.48	0.48	0.48	0.48	0.96
Book value	10.07	9.71	10.02	9.51	9.29	9.14	10.32
<b>Statement of Condition (at period end):</b>							
Total assets	\$ 11,997,990	\$ 11,726,063	\$ 12,023,976	\$ 9,786,483	\$ 8,959,915	\$ 8,709,077	\$ 8,364,811
Loans, net	8,101,584	7,700,699	8,033,345	6,756,005	5,982,035	5,744,706	5,715,650
Deposits	9,210,638	9,055,154	9,082,174	7,289,768	6,646,143	6,380,223	6,054,623
Short-term borrowings	945,001	877,828	1,083,138	851,294	753,603	669,167	596,263
Long-term and junior subordinated debt	295,770	294,288	293,444	291,983	396,094	529,588	695,636
Total shareholders' equity	1,413,257	1,354,699	1,402,069	1,210,199	1,066,124	1,043,302	925,984
<b>Significant Ratios:</b>							
Return on average assets(1)	0.96%	0.75%	0.94%	0.88%	0.84%	0.48%	0.46%
Return on average tangible assets(1)	1.07%	0.86%	1.05%	0.99%	0.95%	0.57%	0.55%





Table of Contents

	Three Months Ended March 31,		Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(dollars in thousands, except per share amounts)						
Return on average equity(1)	8.20%	6.42%	8.02%	7.36%	7.06%	3.87%	4.20%
Return on average tangible common equity(1)	17.32%	14.65%	17.64%	15.76%	16.02%	8.74%	10.63%
Net interest margin(1)	3.66%	3.74%	3.73%	3.79%	3.77%	3.67%	3.88%
Dividend payout ratio	59.31%	78.11%	61.27%	69.72%	74.02%	149.50%	219.91%
<b>Capital Ratios:</b>							
Average equity to average assets	11.75%	11.70%	11.68%	11.97%	11.88%	12.35%	11.01%
Leverage ratio	8.40%	8.06%	8.29%	9.15%	8.69%	8.68%	7.34%
Tangible equity/tangible assets (period end)	6.22%	5.82%	6.09%	6.65%	6.01%	5.84%	4.51%
<b>Asset Quality Ratios:</b>							
Non-performing loans / total loans	1.00%	1.41%	0.99%	1.55%	2.22%	2.49%	2.47%
Non-performing loans + OREO / total loans + OREO	1.43%	1.87%	1.42%	2.05%	2.74%	2.84%	2.62%
Non-performing assets / total assets	0.99%	1.28%	0.99%	1.53%	1.94%	1.97%	1.95%
Allowance for loan losses / total loans	1.31%	1.31%	1.28%	1.47%	1.74%	1.79%	1.80%
Allowance for loan losses / non-performing loans	131.13%	92.95%	129.05%	94.76%	78.44%	71.92%	72.99%
Net loan charge-offs / average loans(1)	0.21%	0.27%	0.35%	0.58%	0.77%	1.15%	0.60%

(1) Quarterly information annualized

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PVF CAPITAL**

We set forth below highlights from PVF Capital's consolidated financial data as of and for the years ended June 30, 2008 through June 30, 2012, and PVF Capital's unaudited consolidated financial data as of and for the nine months ended March 31, 2013 and March 31, 2012. PVF Capital's results of operations for the nine months ended March 31, 2013 are not necessarily indicative of PVF Capital's results of operations for the full year of 2013 or any other interim period. PVF Capital management prepared the unaudited information on the same basis as it prepared PVF Capital's audited consolidated financial statements. In the opinion of PVF Capital's management, this information reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this information for those dates. You should read this information in conjunction with PVF Capital's consolidated financial statements and related notes for the year ended June 30, 2012, and unaudited interim consolidated financial statements for the nine months ended March 31, 2013, which are included in this proxy statement/prospectus beginning on page F-1 and from which we derived this data.

	Nine Months Ended March 31,			Year Ended June 30,			
	2013	2012	2012(2)	2011	2010	2009	2008
(dollars in thousands, except per share amounts)							
<b>Summary of Earnings:</b>							
Total interest income	\$ 21,365	\$ 22,036	\$ 29,248	\$ 32,982	\$ 38,565	\$ 46,662	\$ 56,485
Total interest expense	4,315	6,137	7,874	12,160	18,545	27,347	34,275
Net interest income	17,050	15,899	21,374	20,822	20,020	19,315	22,210
Provision for loan losses	2,050	5,482	6,982	13,540	14,928	31,273	6,058
Net interest income after provision for loan losses	15,000	10,417	14,392	7,282	5,092	(11,958)	16,152
Total non-interest income	10,408	6,072	9,115	7,938	21,536	4,799	2,458
Total non-interest expense	19,452	19,055	25,657	24,789	24,456	23,001	20,806
Income (loss) before income taxes	5,956	(2,566)	(2,150)	(9,569)	2,172	(30,160)	(2,196)
Income taxes	130	(25)	(219)	122	731	(10,044)	(1,095)
Net income (loss)	5,826	(2,541)	(1,931)	(9,691)	1,441	(20,116)	(1,101)
Net income (loss) available to common shareholders	5,826	(2,541)	(1,931)	(9,691)	1,441	(20,116)	(1,101)
<b>Per Common Share:</b>							
Basic earnings (loss) per share	\$ 0.22	\$ (0.10)	\$ (0.08)	\$ (0.38)	\$ 0.11	\$ (2.59)	\$ (0.14)
Diluted earnings (loss) per share	0.22	(0.10)	(0.08)	(0.38)	0.11	(2.59)	(0.14)
Cash dividends paid							
Book value	2.97	2.70	2.72	2.78	3.25	6.37	8.89
<b>Statement of Condition (at period end):</b>							
Total assets	\$ 760,456	\$ 806,472	\$ 791,450	\$ 787,055	\$ 859,585	\$ 912,209	\$ 867,402
Loans, net	547,216	546,643	541,628	547,282	587,406	668,460	714,492
Deposits	621,167	667,198	655,979	652,572	667,546	724,932	659,386
Short-term borrowings					50,000	50,000	50,000
Long-term and junior subordinated debt	35,966	36,073	36,046	36,153	36,259	56,366	64,950
Total shareholders' equity	77,337	69,768	70,131	71,282	83,243	49,505	69,075
<b>Significant Ratios:</b>							
Return on average assets(1)	1.00%	-0.43%	-0.24%	-1.18%	0.16%	-2.24%	-0.13%
Return on average tangible assets(1)	1.00%	-0.43%	-0.24%	-1.18%	0.16%	-2.24%	-0.13%
Return on average equity(1)	10.40%	-4.74%	-2.71%	-12.41%	2.20%	-32.39%	-1.55%
Return on average tangible common equity(1)	10.40%	-4.74%	-2.71%	-12.41%	2.20%	-32.39%	-1.55%
Net interest margin(1)	3.15%	2.88%	2.97%	2.67%	2.43%	2.32%	2.70%
Dividend payout ratio							
<b>Capital Ratios:</b>							

Edgar Filing: FNB CORP/FL/ - Form 424B3

Average equity to average assets	9.64%	9.01%	8.70%	9.54%	7.41%	6.92%	8.09%
Leverage ratio	9.93%	8.50%	8.66%	8.63%	8.63%	6.54%	9.69%

Table of Contents

	Nine Months Ended March 31,			Year Ended June 30,			2008
	2013	2012	2012(2)	2011	2010	2009	
(dollars in thousands, except per share amounts)							
Tangible equity/tangible assets (period end)	10.17%	8.60%	8.86%	9.06%	9.68%	5.43%	7.96%
<b>Asset Quality Ratios:</b>							
Non-performing loans / total loans	3.03%	4.17%	3.60%	8.72%	11.15%	9.97%	3.11%
Non-performing loans + OREO / total loans + OREO	4.26%	5.77%	4.92%	9.96%	12.31%	11.44%	3.65%
Non-performing assets / total assets	3.19%	4.10%	3.49%	7.41%	8.98%	8.92%	3.06%
Allowance for loan losses / total loans	2.65%	3.00%	2.88%	5.20%	5.09%	4.50%	1.33%
Allowance for loan losses / non-performing loans	87.54%	71.93%	80.67%	59.58%	45.66%	45.13%	42.93%
Net loan charge-offs (annualized)/average loans	0.73%	4.26%	3.61%	2.47%	2.22%	1.29%	0.14%

(1) Quarterly information annualized

(2) As revised, see Note 2 Adjustment for Freddie Mac Interest of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012.

Table of Contents**COMPARATIVE PER SHARE DATA**

The following table sets forth certain historical, pro forma and pro forma-equivalent per share financial information for F.N.B. common stock, PVF Capital common shares and Annapolis Bancorp, Inc. common stock. The pro forma and pro forma-equivalent per share information give effect to the merger of PVF Capital with and into F.N.B. as if the merger had been effective on the dates presented, in the case of the book value data, and as if the merger had become effective on January 1, 2012, in the case of the net income and dividends declared data. The unaudited pro forma data in the table assume that the merger is accounted for using the acquisition method of accounting and represent a current estimate based on available information of the combined company's results of operations. The pro forma financial adjustments record the assets and liabilities of PVF Capital at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. The information in the following table is based on, and should be read together with F.N.B.'s historical financial statements and notes thereto incorporated by reference in this proxy statement/prospectus and with PVF Capital's historical financial statements and notes thereto presented in this proxy statement/prospectus. See "Where You Can Find More Information" on page 165 and the consolidated financial statements of PVF Capital beginning on page F-1.

**This information is presented for illustrative purposes only.** You should not rely on the pro forma combined or pro forma equivalent amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company that will result from the merger. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs, or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

	F.N.B. Corporation Historical	Annapolis Bancorp, Inc. Historical	Combined Pro Forma Amounts for F.N.B./ Annapolis(4)	PVF Capital Corp. Historical(5)	Combined Pro Forma Amounts for F.N.B./ Annapolis/ PVF Capital(4)	Pro Forma PVF Capital Equivalent Shares(6)
Book value per share(1):						
March 31, 2013	\$ 10.07	\$ 7.78	\$ 10.05	\$ 2.97	\$ 10.04	\$ 3.42
December 31, 2012	\$ 10.02	\$ 8.02	\$ 10.01	\$ 2.90	\$ 10.00	\$ 3.40
Cash dividends paid per common share(2):						
Three months ended March 31, 2013						
	\$ 0.12	\$ 0.00	\$ 0.12	\$ 0.00	\$ 0.12	\$ 0.04
Year ended December 31, 2012	\$ 0.48	\$ 0.00	\$ 0.48	\$ 0.00	\$ 0.48	\$ 0.16
Basic earnings per common share(3):						
Three months ended March 31, 2013						
	\$ 0.20	\$ (0.17)	\$ 0.19	\$ 0.07	\$ 0.19	\$ 0.07
Year ended December 31, 2012	\$ 0.79	\$ 0.71	\$ 0.77	\$ 0.19	\$ 0.76	\$ 0.26

Table of Contents

	F.N.B. Corporation Bancorp, Inc. Historical	Annapolis Historical	Combined Pro Forma Amounts for F.N.B./ Annapolis(4)	PVF Capital Corp. Historical(5)	Combined Pro Forma Amounts for F.N.B./ Annapolis/ PVF Capital(4)	Pro Forma PVF Capital Equivalent Shares(6)
Diluted earnings per common share(3):						
Three months ended March 31, 2013	\$ 0.20	\$ (0.17)	\$ 0.19	\$ 0.07	\$ 0.19	\$ 0.06
Year ended December 31, 2012	\$ 0.79	\$ 0.68	\$ 0.77	\$ 0.19	\$ 0.75	\$ 0.26

- (1) The pro forma combined book value per share of F.N.B. common stock is based on the pro forma combined common shareholders' equity for the merged entities divided by total pro forma common shares of the combined entities.
- (2) Pro forma dividends per share represent F.N.B.'s historical dividends per share.
- (3) The pro forma combined basic and diluted earnings per share of F.N.B. common stock is based on the pro forma combined net income for the merged entities divided by the total pro forma basic and diluted shares of the combined entities.
- (4) Accounts for the merger of Annapolis Bancorp with and into F.N.B., which was completed on April 6, 2013.
- (5) As revised, see Note 2 Adjustment for Freddie Mac Interest of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012.
- (6) The Pro Forma PVF Capital Equivalent Shares are calculated by multiplying the amounts in the "Combined Pro Forma Amounts for F.N.B./Annapolis/PVF Capital" column by the exchange ratio of 0.3405, which represents the number of shares of F.N.B. common stock PVF Capital shareholder will receive for each PVF Capital common share that he or she owns.

Table of Contents

**RISK FACTORS**

*In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under "Cautionary Statement Regarding Forward-looking Statements," and the risk factors included in F.N.B.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as updated by subsequently filed Forms 10-Q and other reports filed with the SEC, PVF Capital shareholders should carefully consider the following risk factors in deciding whether to vote in favor of the merger proposal.*

**Risks Related to the Merger**

*Because the market price of F.N.B. common stock will fluctuate, PVF Capital shareholders cannot be certain of the market value of the F.N.B. common stock that they will receive upon completion of the merger.*

Upon completion of the merger, each PVF Capital common share will become the right to receive 0.3405 shares of F.N.B. common stock. Any change in the price of F.N.B. common stock prior to the merger will affect the market value of the F.N.B. common stock that you will receive upon completion of the merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in F.N.B.'s businesses, operations and prospects and regulatory considerations.

The prices of F.N.B. common stock and PVF Capital common shares at the closing of the merger may vary from their respective prices on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of our special meeting. As a result, the value represented by the exchange ratio will also vary. For example, based on the range of closing prices of F.N.B. common stock during the period from February 15, 2013, the last full trading day before public announcement of the merger, through July 22, 2013, the last practicable full trading day prior to the date we printed and mailed this proxy statement/prospectus, the exchange ratio represented a value ranging from a high of \$4.46 on July 22, 2013 to a low of \$3.77 on June 17, 2013 for each PVF Capital common share. Because the date on which F.N.B. and we expect to complete the merger will be later than the date of our special meeting, at the time of our special meeting our shareholders will not know what the market value of F.N.B.'s common stock will be upon completion of the merger.

*The combined company that results from the merger will have incurred significant transaction- and merger-related costs in connection with the merger.*

F.N.B. and PVF Capital each expect to incur substantial costs in connection with the merger and combining the businesses and operations of the two companies. F.N.B. and PVF Capital have just recently begun collecting information in order to formulate detailed integration plans to deliver planned synergies. However, additional unanticipated costs may be incurred during the integration process. Whether or not the merger is consummated, F.N.B. and PVF Capital will incur substantial expenses, such as legal, accounting, printing and financial advisory fees. Although F.N.B. and PVF Capital expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction- and merger-related costs over time, this net benefit may not be achieved in the near term, or at all.

*The combined company that results from the merger may encounter integration difficulties that may prevent it from realizing the anticipated benefits of the merger.*

The success of the merger will depend on, among other things, F.N.B.'s ability to combine the businesses of First National Bank of Pennsylvania and Park View Federal within F.N.B.'s projected timeframe without materially disrupting the existing customer relationships of Park View Federal and suffering decreased revenues as a result of the loss of those customers. If F.N.B. is not able to



Table of Contents

successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully, or at all, or may take longer to realize than expected.

A number of factors could affect the integration process. F.N.B. and PVF Capital have operated and, until the completion of the merger, will continue to operate, independently from each other. Key employees of PVF Capital may elect to terminate their employment as a result of, or in anticipation of, the merger. It will be critically important for F.N.B. to attract and retain talented employees to complete the integration process. It is possible that the integration process could result in the disruption of F.N.B.'s or PVF Capital's ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of F.N.B. or PVF Capital to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger. Also, banks which have recently been subject to formal regulatory supervision, such as Park View Federal, may pose additional risks in the integration process. To the extent there are any supervisory issues which were not resolved by virtue of the acquisition, F.N.B. may need to incur additional compliance costs to address those issues.

F.N.B. believes the combined company will achieve enhanced earnings due to, among other things, reduction of duplicate costs, improved efficiency and cross-marketing opportunities. If completion of the merger is delayed or F.N.B. experiences integration difficulties, including those discussed in the paragraphs above, F.N.B. may not realize the anticipated benefits of the merger at all, or the benefits of the merger may take longer to realize than anticipated. Failure to achieve the anticipated benefits of the merger in the timeframes projected by F.N.B. could result in increased costs and decreased revenues.

***F.N.B.'s ability to expand successfully in the Cleveland, Ohio market after the completion of the merger will depend on its ability to secure and retain the employment of qualified and experienced individuals with expertise and relationships in that market.***

The merger of PVF Capital with and into F.N.B., if completed, will cause a rapid, material expansion of F.N.B.'s current business and operations in Cleveland, Ohio. F.N.B.'s success in managing this expansion will depend, in large part, on the ability of F.N.B. to identify, attract and retain qualified and experienced personnel with local expertise and relationships in the Cleveland, Ohio market to supplement the existing PVF Capital and F.N.B. team. Competition for qualified personnel may be intense, and there may be a limited number of qualified persons with knowledge of and experience in the commercial banking industry in the Cleveland, Ohio market. Even if F.N.B. identifies individuals that it believes could assist it in establishing a presence in that market, F.N.B. may be unable to recruit these individuals away from other banks or may be unable to do so at a reasonable cost. In addition, the process of identifying and recruiting individuals with the combination of skills and attributes required to carry out F.N.B.'s strategy is often lengthy. F.N.B.'s inability to identify, recruit and retain talented personnel to manage new offices effectively would limit its growth and could materially adversely affect its business, financial condition, results of operations and stock price.

***F.N.B.'s decisions regarding the credit risk associated with Park View Federal's loan portfolio could be incorrect and its allowance for loan losses may be inadequate, which may adversely affect its financial condition and results of operations after the closing of the merger.***

Before signing the merger agreement, F.N.B. conducted extensive due diligence on a significant portion of the Park View Federal loan portfolio. However, F.N.B.'s review did not encompass each and every individual loan in the Park View Federal loan portfolio. In accordance with customary industry practices, F.N.B. evaluated the Park View Federal loan portfolio based on various factors including, among other things, historical loss experience, economic risks associated with each loan category, volume and types of loans, trends in classification, volume and trends in delinquencies and nonaccruals, and general economic conditions, both local and national. In this process, F.N.B.'s management made

Table of Contents

various assumptions and judgments about the collectability of the loan portfolio, including the creditworthiness and financial condition of the borrowers, the value of the real estate, which is obtained from independent appraisers, other assets serving as collateral for the repayment of the loans, the existence of any guarantees and indemnifications and the economic environment in which the borrowers operate. In addition, the effects of probable decreases in expected principal cash flows on the Park View Federal loans are considered as part of F.N.B.'s evaluation. If F.N.B.'s assumptions and judgments turn out to be incorrect, including as a result of the fact that its due diligence review did not cover each individual loan, F.N.B.'s estimated credit mark against the Park View Federal loan portfolio in total may be insufficient to cover actual loan losses after the merger closes, and adjustments may be necessary to allow for different economic conditions or adverse developments in the Park View Federal loan portfolio. Additionally, deterioration in economic conditions affecting borrowers, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside management's control, may require an increase in the provisioning for loan losses. Material additions to the allowance for loan losses would materially decrease F.N.B.'s net income.

Banking regulators periodically review F.N.B.'s allowance for loan losses, including the credit marks on the acquired loan portfolios, and may require F.N.B. to increase its provision for loan losses or recognize further loan charge-offs based on judgments different from those of F.N.B.'s management. Any increase in the allowance for loan losses or loan charge-offs as required by regulatory authorities could have a negative effect on F.N.B.'s operating results and financial condition.

***The proposed merger of BCSB Bancorp, Inc. with and into F.N.B. is pending concurrently with the proposed merger between PVF Capital and F.N.B., which may increase the risks associated with each of these mergers as well as place a strain on F.N.B.'s financial and personnel resources that could adversely impact F.N.B.'s business.***

On June 13, 2013, F.N.B. announced that it had entered into a definitive merger agreement to acquire BCSB Bancorp, Inc., a bank holding company based in Baltimore, Maryland which has approximately \$640.0 million in total assets. It is currently anticipated that the merger between F.N.B. and PVF Capital will close in October 2013, and that the merger between F.N.B. and BCSB Bancorp will close during the first quarter of 2014. F.N.B. expects to continue to incur significant expenditures and substantial attention and effort from F.N.B.'s management and other personnel while both mergers are pending concurrently. F.N.B.'s current and planned operations, personnel, facility size and configuration, systems and internal procedures and controls might be inefficient or inadequate to support these efforts at the same time. In addition, the risks associated with each of these mergers may increase while both mergers are pending at the same time. The increased risks and obligations associated with concurrently pending mergers could place a strain on the F.N.B.'s financial position and personnel resources, which may adversely affect F.N.B.'s revenues, results of operations and/or financial condition and its stock price.

***If the merger is not completed, PVF Capital will have incurred substantial expenses without its shareholders realizing the expected benefits of the merger.***

PVF Capital has already incurred, and will continue to incur, substantial expenses in connection with the transactions described in this proxy statement/prospectus, which are charged to earnings as incurred. If the merger is not completed, these expenses will still be charged to earnings even though PVF Capital would not have realized the expected benefits of the merger. There can be no assurance that the merger will be completed.

***The merger agreement may be terminated in accordance with its terms and the merger may not be completed.***

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include: approval of the merger by PVF Capital shareholders,

Table of Contents

receipt of all required regulatory approvals, absence of any law, statute or regulation, or any order, injunction or other legal restraint or prohibition preventing the completion of the merger, effectiveness of the registration statement of which this proxy statement/prospectus is a part, approval of the shares of F.N.B. common stock to be issued to PVF Capital shareholders for listing on the NYSE, the accuracy of the representations and warranties of both parties, the performance by both parties of their respective covenants and agreements, and the receipt by both parties of legal opinions from their respective tax counsels. See "The Merger Agreement Termination of the Merger Agreement" beginning on page 92 for a more complete discussion of the circumstances under which the merger agreement could be terminated. There can be no assurance that the conditions to closing of the merger will be fulfilled and that the merger will be completed.

***Termination of the merger agreement could negatively affect PVF Capital's businesses and the market price of its common shares.***

If the merger agreement is terminated, there may be various consequences, including:

PVF Capital's businesses may have been adversely impacted by the failure to pursue other beneficial opportunities due to the focus of management on the merger, without realizing any of the anticipated benefits of completing the merger; and

the market price of PVF Capital common shares might decline to the extent that the current market price reflects a market assumption that the merger will be completed.

If the merger agreement is terminated and the PVF Capital board of directors seeks another merger or business combination, PVF Capital shareholders cannot be certain that PVF Capital will be able to find a party willing to offer equivalent or more attractive consideration than the consideration F.N.B. has agreed to provide in the merger.

If the merger agreement is terminated under certain circumstances, PVF Capital may be required to pay F.N.B. a termination fee of \$4.0 million, or up to \$500,000 of F.N.B.'s expenses incurred in connection with the merger and the merger agreement. See "The Merger Agreement Termination Fee" beginning on page 93.

***The merger is subject to the receipt of regulatory consents and approvals, which may impose conditions that delay the merger or have an adverse effect on F.N.B.***

F.N.B. has obtained the approvals from the bank regulatory agencies and other governmental authorities necessary to complete the merger. However, in connection with such approvals, the bank regulatory agencies and other government authorities may subsequently impose conditions or require other changes that could have the effect of delaying completion of the merger or of imposing additional costs or limitations on F.N.B. following the merger. F.N.B. may elect not to consummate the merger if any governmental or bank regulatory entity imposes a restriction, requirement or condition on F.N.B. that, individually or in the aggregate, would be reasonably likely to have a material and adverse effect on F.N.B. and its subsidiaries, taken as a whole, after giving effect to the merger. As a result, there can be no assurance that the merger will be completed despite the fact that the requisite bank regulatory and other governmental approvals have been obtained by F.N.B.

***The merger agreement limits PVF Capital's ability to pursue alternatives to the merger.***

The merger agreement contains provisions that restrict our ability to discuss, facilitate or enter into agreements with third parties to acquire us. We are not required to comply with this restriction if compliance would cause our board of directors to breach their fiduciary duties. Even if we were to avail ourselves of that limited exception, we could be obligated to pay F.N.B. a termination fee of \$4.0 million if either F.N.B. or we terminate the merger agreement under specified circumstances. In

Table of Contents

any event, the presence of those restrictions in our merger agreement could discourage a potential competing acquirer that might have an interest in acquiring us from proposing or considering an acquisition involving us even if that potential acquirer were prepared to pay a higher price to our shareholders than the merger consideration offered by F.N.B.

***PVF Capital will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainties about the effect of the merger on employees and customers may have an adverse effect on PVF Capital and consequently on F.N.B. These uncertainties may impair PVF Capital's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with PVF Capital to consider changing existing business relationships with PVF Capital. Retention of certain employees may be challenging during the pendency of the merger, as certain employees may experience uncertainty about their future roles. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, PVF Capital's business prior to the merger and F.N.B.'s business following the merger could be negatively impacted. In addition, the merger agreement restricts PVF Capital from taking specified actions relative to its business without the prior consent of F.N.B. These restrictions may prevent PVF Capital from pursuing attractive business opportunities that may arise prior to the completion of the merger. See "The Merger Agreement Covenants and Agreements" beginning on page 82 for a description of the restrictive covenants applicable to PVF Capital.

***Some of our directors and executive officers have interests in the merger that may differ from the interests of our shareholders including, if the merger is completed, the receipt of financial and other benefits.***

The executive officers of PVF Capital and F.N.B. negotiated the terms of the merger agreement, both the PVF Capital and F.N.B. boards of directors unanimously approved the merger agreement and the PVF Capital board of directors unanimously recommends that you vote to approve the merger, approve, on an advisory (non-binding) basis, the golden parachute compensation payable to our named executive officers in connection with the merger and approve the adjournment proposal. In considering these facts and the other information we have included in this proxy statement/prospectus or incorporated by reference in this proxy statement/prospectus, you should be aware that our directors and executive officers may have economic interests in the merger other than their interests as shareholders. For example, F.N.B. has agreed to offer post-merger employment and other arrangements to certain executive officers of PVF Capital and Park View Federal, which will provide for cash compensation to those officers, among other things. In addition, F.N.B. will grant Messrs. King and Nicholson restricted stock awards if they enter into an employment agreement with F.N.B. At the closing, PVF Capital will pay retention bonuses to its senior management team, as long as they remained employed with PVF Capital and/or Park View Federal through the closing. Several directors of PVF Capital, including Robert J. King, Jr., who also serves as our President and Chief Executive Officer, hold warrants to purchase PVF Capital common shares, which F.N.B. has agreed to cash out in a single lump-sum payment once the merger is completed. The merger agreement also provides for the continued indemnification of our current and former directors and executive officers following the merger and for the continuation of directors' and officers' insurance for these individuals for six years after the merger. See "Proposal No. 1 Proposal to Approve the Merger Interests of PVF Capital's Directors and Executive Officers in the Merger" on page 66.

***The market price for F.N.B. common stock may be affected by factors different from those that historically have affected PVF Capital common shares.***

Upon completion of the merger, certain holders of PVF Capital common shares will become holders of F.N.B. common stock. F.N.B.'s businesses differ from those of PVF Capital, and accordingly, the results of operations of F.N.B. will be affected by some factors that are different from those

Table of Contents

currently affecting the results of operations of PVF Capital. For a discussion of the businesses of F.N.B. and PVF Capital and some of the important factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under "Where You Can Find More Information" beginning on page 165 and the information concerning PVF Capital and its subsidiaries contained elsewhere in this proxy statement/prospectus.

***PVF Capital shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.***

Following the merger, former PVF Capital shareholders are expected to hold approximately 6% of the outstanding shares of F.N.B. common stock. As a result, former PVF Capital shareholders will have only limited ability to influence F.N.B.'s business. Former PVF Capital shareholders will not have separate approval rights with respect to any actions or decisions of F.N.B. or have separate representation on F.N.B.'s or First National Bank of Pennsylvania's board of directors.

***PVF Capital shareholders do not have dissenters' appraisal rights in the merger.***

Dissenters' rights are statutory rights that, if applicable under law, enable shareholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in that extraordinary transaction. Under the Ohio General Corporation Law, holders of PVF Capital common shares will not be entitled to dissenters' appraisal rights in the merger with respect to their PVF Capital common shares because PVF Capital common shares are listed on a national securities exchange and the only consideration that PVF Capital shareholders will receive in the merger (other than cash in lieu of fractional shares) is shares of F.N.B. common stock, which are also listed on a national securities exchange.

***The fairness opinion obtained by PVF Capital from its financial advisor will not reflect changes in circumstances subsequent to the date of the fairness opinion.***

Sandler O'Neill, PVF Capital's financial advisor in connection with the proposed merger, has delivered to the PVF Capital board of directors its opinion dated February 19, 2013. The opinion of Sandler O'Neill stated that as of February 19, 2013, subject to the other factors and assumptions set forth therein, the consideration provided in the merger agreement was fair to the PVF Capital common shareholders from a financial point of view. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of F.N.B. or PVF Capital, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which the opinion is based, may materially alter or affect the relative values of F.N.B. and PVF Capital.

***Litigation relating to the merger could result in a delay or an injunction preventing completion of the merger and may require us to incur substantial costs.***

PVF Capital, the PVF Capital board of directors and F.N.B. have been sued by several purported shareholders seeking to enjoin the merger, among other relief. Currently, there is one such pending lawsuit, which was filed on July 24, 2013, naming PVF Capital, its board of directors and F.N.B. as defendants. Earlier this year, several other lawsuits also were filed against PVF Capital, the PVF Capital board of directors and F.N.B. by purported shareholders of PVF Capital, and were voluntarily dismissed without prejudice, meaning that the plaintiffs have the ability to re-file their complaints against the defendants. We may be required to expend substantial costs and management resources to defend against the pending lawsuit as well as any other demand or litigation relating to the merger that may be filed (or re-filed) against us in the future. In addition, if a plaintiff were to successfully enjoin the merger, the merger may not become effective within the time frame planned by F.N.B. and

Table of Contents

PVF Capital, or at all. If completion of the merger is prevented or does not occur within the planned time frame, it could result in substantial costs to F.N.B. and PVF Capital. F.N.B. and PVF Capital also could incur substantial costs associated with the indemnification of their respective directors and officers. See "Proposal No. 1 Proposal to Approve the Merger Litigation Relating to the Merger" beginning on page 74 for information about the recent litigation relating to the merger.

Table of Contents

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus contains a number of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the financial condition, results of operations, earnings outlook, businesses and prospects of F.N.B. and PVF Capital, and the potential combined company, as well as statements applicable to the period following the completion of the merger. You can find many of these statements by looking for words such as "plan," "believe," "expect," "intend," "anticipate," "estimate," "project," "potential," "possible" or other similar expressions.

These forward-looking statements involve certain risks and uncertainties. The ability of either F.N.B. or PVF Capital to predict results or the actual effects of their plans and strategies, particularly after the merger, is inherently uncertain. Accordingly, actual results may differ materially from anticipated results. Some of the factors that may cause actual results or earnings to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed under "Risk Factors" beginning on page 23, as well as the following factors:

F.N.B. may not successfully integrate its business with PVF Capital's, or the integration may be more difficult, time-consuming or costly than F.N.B. currently anticipates;

the combined company that results from the merger may not realize the revenue synergies anticipated to result from the integration of F.N.B.'s and PVF Capital's businesses;

revenues may be lower than expected following the merger;

deposit attrition, operating costs, loss of customers and business disruption, including, without limitation, any difficulties in maintaining relationships with employees, customers and/or suppliers may be greater than anticipated following the merger;

there may be higher than expected increases in F.N.B.'s or PVF Capital's loan losses or in the level of non-performing loans;

there may be higher than expected charges incurred by F.N.B. in connection with marking PVF Capital's assets to fair value;

there may be other than temporary impairments or declines in value in F.N.B.'s or PVF Capital's investment portfolios;

F.N.B. and PVF Capital may not obtain the regulatory approvals for the merger on acceptable terms, on the anticipated schedule or at all;

PVF Capital may not obtain the requisite vote of its shareholders necessary to approve the merger;

competitive pressure among financial services companies is intense and may further intensify;

changes in general, national or regional economic conditions may adversely affect the businesses in which F.N.B. and PVF Capital engage;

Edgar Filing: FNB CORP/FL/ - Form 424B3

changes in the interest rate environment may reduce net interest margins and impact funding sources;

changes in market interest rates and prices may adversely impact the value of financial products and assets;

changes in accounting policies or accounting standards;

legislation or changes in the regulatory environment (including the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and related regulations)



Table of Contents

may adversely affect the businesses in which F.N.B. and PVF Capital engage and result in increased compliance costs and/or require F.N.B. and PVF Capital to change their business models;

litigation liabilities, including costs, expenses, settlements and judgments, may adversely affect F.N.B., PVF Capital and their respective businesses; and

material adverse changes in F.N.B.'s or PVF Capital's operations or earnings.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed in or implied by these forward-looking statements. You should not place undue reliance on these statements, which speak only as of the date of this proxy statement/prospectus or as of the date of any document incorporated by reference in this proxy statement/prospectus.

All forward-looking statements concerning the merger or other matters addressed in this proxy statement/prospectus and attributable to F.N.B. or PVF Capital or any person acting on F.N.B.'s or PVF Capital's behalf are expressly qualified in their entirety by the cautionary statements contained or that are referred to in this section. Unless required by applicable law or regulation, F.N.B. and PVF Capital undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement/prospectus or to reflect the occurrence of unanticipated events.

Further information on other factors that could affect the financial results of F.N.B. after the merger is included in this document under "Risk Factors" beginning on page 23 and in F.N.B.'s 2012 Annual Report on Form 10-K and documents subsequently filed by F.N.B. with the SEC, including its Form 10-Q for the quarter ended March 31, 2013.

Table of Contents

**OUR SPECIAL MEETING**

*This section contains information for our shareholders about the special meeting of shareholders we have called to consider approval of the merger, approval of the golden parachute proposal and approval of the adjournment proposal.*

**General**

We are furnishing this proxy statement/prospectus to the holders of our common shares as of the record date for use at our special meeting and any adjournment or postponement of our special meeting.

**When and Where We Will Hold Our Special Meeting**

We will hold our special meeting on Wednesday, September 25, 2013 at 10:00 a.m. local time, at Embassy Suites Cleveland Beachwood, 3775 Park East Dr., Beachwood, Ohio 44122, subject to any adjournment or postponement of our special meeting.

**The Matters Our Shareholders Will Consider**

The purpose of our special meeting is to consider and vote upon:

*Proposal 1* A proposal to approve the merger between F.N.B. and us;

*Proposal 2* An advisory (non-binding) proposal to approve the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger;

*Proposal 3* A proposal to grant discretionary authority to our board of directors to adjourn our special meeting if necessary to permit us to solicit additional proxies from our shareholders in the event a quorum is present at our special meeting but there are insufficient votes to approve the merger; and

Such other business as may properly come before our special meeting and any adjournment or postponement of our special meeting.

Our shareholders must approve Proposal No. 1 for the merger to occur. If our shareholders do not approve this proposal, our merger with F.N.B. will not occur.

As of the date of this proxy statement/prospectus, the PVF Capital board of directors is unaware of any other matter, other than as set forth above, which a shareholder may present for action at our special meeting. If a shareholder properly presents another matter, the proxies will vote in accordance with their judgment with respect to any such other matter.

**Record Date; Shares Outstanding and Entitled to Vote**

The PVF Capital board of directors has fixed the close of business on July 30, 2013 as the record date for the determination of holders of our common shares entitled to receive notice of, and to vote at, our special meeting and any adjournment or postponement of our special meeting.

On the record date, we had 26,081,460 issued and outstanding common shares that were entitled to vote at our special meeting, held by approximately 140 holders of record. Each of our common shares is entitled to cast one vote on each matter that is properly submitted to our

shareholders at our special meeting.

Table of Contents

**Quorum**

The presence, in person or by properly executed proxy, of the holders of at least a majority of our outstanding common shares on the record date is necessary to constitute a quorum at our special meeting. We will count abstentions and broker non-votes for the purpose of determining whether a quorum is present. A quorum must be present in order for the votes on the merger proposal, the golden parachute proposal and the adjournment proposal to occur.

Based on the number of our common shares issued and outstanding as of the record date, 13,040,731 common shares must be present in person or represented by proxy at our special meeting to constitute a quorum.

**Shareholder Vote Required**

*Approve the Merger.* Approval of the merger requires the affirmative vote of two-thirds of the issued and outstanding common shares of PVF Capital at a shareholders' meeting at which a quorum is present. Accordingly, we urge you to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope.

When considering the PVF Capital board of directors' recommendation that you vote in favor of approval of the merger, you should be aware that certain of our executive officers and directors have interests in the merger that may be different from, or in addition to, your and their interests as shareholders. See "Proposal No. 1 Proposal to Approve the Merger Interests of PVF Capital's Directors and Executive Officers in the Merger" beginning on page 66.

*Advisory (Non-binding) Vote Regarding Golden Parachute Compensation.* The affirmative vote of a majority of the votes cast by the holders of our common shares entitled to vote on that matter at a shareholders' meeting at which a quorum is present is required to approve on an advisory (non-binding) basis, PVF Capital's golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger.

*Discretionary Authority to Adjourn Our Special Meeting.* The affirmative vote of the holders of a majority of the votes cast by the holders of our common shares entitled to vote on that matter at a shareholders' meeting at which a quorum is present is required to approve the proposal to grant discretionary authority to adjourn our special meeting if necessary to solicit additional proxies from our shareholders for the merger proposal.

**Director and Executive Officer Voting**

As of the record date, our directors and executive officers and their affiliates beneficially owned 9,028,919 common shares (including exercisable stock options and warrants), or approximately 34.6% of our issued and outstanding common shares entitled to vote at our special meeting. Approval of the merger will require the affirmative vote of two-thirds of the issued and outstanding common shares as of the record date. Our executive officers and directors have advised us that they will vote **FOR** approval of the merger, **FOR** approval, on an advisory (non-binding) basis, of the golden parachute proposal and **FOR** approval of the adjournment proposal. All of our directors have entered into voting agreements with F.N.B. whereby they agreed to vote their common shares **FOR** approval of the merger.

**Proxies**

*Methods of Voting.* If you are a shareholder of record, you may vote by one of the following methods (as instructed on the enclosed proxy card):

in person at the special meeting

by mail



Table of Contents

If you hold your common shares in the name of a bank, broker, nominee or other holder of record, you will receive instructions from the bank, broker, nominee or other holder of record that you must follow in order to vote your common shares.

You should vote by proxy in order to ensure that we can count your vote at our special meeting and at any adjournment or postponement of our special meeting, regardless of whether you plan to attend our special meeting. If you sign and return your proxy card and do not indicate how you want to vote, we will count your proxy card as a vote in favor of approval of the merger, in favor of approval on an advisory (non-binding) basis of the golden parachute proposal and in favor of approval of the adjournment proposal.

*Revocability.* You may revoke your proxy at any time before we conduct the vote at our special meeting. If you have not voted through a bank, broker, nominee or other holder of record, you may revoke your proxy by:

submitting a properly executed proxy with a later date;

submitting written notice of revocation to our corporate secretary prior to the voting of that proxy at our special meeting; or

voting in person at our special meeting.

However, simply attending our special meeting without voting will not revoke an earlier proxy.

You should address any written notices of revocation and other communications regarding the revocation of your proxy to:

PVF Capital Corp.  
30000 Aurora Road  
Solon, Ohio 44139  
Attention: Jeffrey N. Male, Secretary

If you hold your common shares in the name of a bank, broker, nominee or other holder of record, you should follow the instructions of the bank, broker, nominee or other holder of record regarding the revocation of proxies.

The death or incapacity of a shareholder executing a proxy will not revoke the proxy unless our corporate secretary receives notice of the death or incapacity of such shareholder before our proxies vote those shares.

*How We Count Proxy Votes.* The proxies will vote all common shares represented by properly executed proxy cards we receive before the voting concludes at our special meeting, and not revoked, in accordance with the instructions indicated on the proxy card.

We will count the shares represented by a properly executed proxy card marked "ABSTAIN" as present for purposes of determining the presence of a quorum.

Under the applicable rules, banks, brokers and other nominees may not vote our common shares that they hold of record for a beneficial owner either "for" or "against" approval of the merger, approval, on an advisory (non-binding) basis, of the golden parachute proposal, or approval of the adjournment proposal without specific instructions from the beneficial owner of such shares. Therefore, if a bank, broker or other nominee holds your shares, you must give your bank, broker or other nominee instructions on how to vote your shares. Abstentions, if any, and broker non-votes, if any, are counted as present for the purpose of determining whether a quorum is present. However, abstentions and broker non-votes will have the same effect as a vote "against" the proposal to approve the merger. With respect to the proposal to approve on an advisory (non-binding) basis the golden parachute compensation payable to the named executive officers of PVF Capital and the proposal to approve

Table of Contents

adjournment of the special meeting, abstentions and broker non-votes will not be counted in the voting results and will have no effect on the outcome of those proposals.

*Solicitation.* We will pay for the costs of our special meeting and for the mailing of this proxy statement/prospectus to our shareholders, as well as all other costs we incur in connection with the solicitation of proxies from our shareholders. F.N.B. and we will share equally the cost of printing this proxy statement/prospectus and the filing fees paid to the SEC.

In addition to soliciting proxies by mail, our directors, officers and employees may solicit proxies by telephone or in person. We will not specially compensate our directors, officers and employees for these activities. We also intend to request that brokers, banks, nominees and other holders of record solicit proxies from their principals, and we will reimburse the brokers, banks, nominees and other holders of record for certain expenses they incur for those activities.

We have retained the firm Georgeson Inc. to assist us in the solicitation of proxies. We have agreed to pay Georgeson Inc. an engagement fee of \$7,500 for its services.

**Recommendations of the PVF Capital Board of Directors**

The PVF Capital board of directors unanimously approved the merger agreement and the transactions the merger agreement contemplates. Based on their reasons for the merger described in this proxy statement/prospectus, the PVF Capital board of directors believes that the merger is in your and PVF Capital's best interests. Accordingly, the PVF Capital board of directors unanimously recommends that you vote **FOR** approval of the merger, **FOR** approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger, and **FOR** approval of the adjournment proposal. See "Proposal No. 1 Proposal to Approve the Merger Recommendation of the PVF Capital Board of Directors and PVF Capital's Reasons for the Merger" beginning on page 41, "Proposal No. 2 Advisory (Non-binding) Vote on Golden Parachute Compensation" on page 163, and "Proposal No. 3 Adjournment Proposal" on page 163 for a more detailed discussion of the PVF Capital board of directors' recommendations.

**Attending Our Special Meeting**

If you hold your common shares in street name and you want to attend our special meeting, you must bring an account statement or letter from your holder of record showing that you were the beneficial owner of the common shares at the close of business on July 30, 2013, the record date for our special meeting.

**Questions and Additional Information**

If you have questions about the merger or how to submit your proxy card, or if you would like additional copies of this proxy statement/prospectus or the proxy card we have enclosed with this proxy statement/prospectus, please call Jeffrey N. Male, our corporate secretary, at (440) 248-7171, or call Georgeson Inc., the proxy soliciting firm we have retained, at (866) 203-9357.

Table of Contents

**PROPOSAL NO. 1**

**PROPOSAL TO APPROVE THE MERGER**

*The following discussion contains material information pertaining to the merger. This discussion is subject, and qualified in its entirety by reference, to the merger agreement included as Appendix A to this proxy statement/prospectus. We encourage you to read the merger agreement carefully in conjunction with the discussion below.*

**Overview of the Merger**

F.N.B.'s and PVF Capital's board of directors have each unanimously approved the merger agreement and the merger. Pursuant to the merger agreement, PVF Capital will merge with and into F.N.B. As a result of the merger, PVF Capital's separate corporate existence will cease and F.N.B. will be the surviving corporation. F.N.B.'s articles of incorporation and bylaws will govern the surviving corporation and the persons who served as F.N.B.'s officers and directors immediately before the merger also will be the officers and directors of the surviving corporation. The parties intend for the merger to be treated as a "reorganization" under Section 368(a) of the Internal Revenue Code. See "Material U.S. Federal Income Tax Consequences of the Merger" on page 95 for additional information.

Immediately after the merger of PVF Capital into F.N.B. is completed, F.N.B.'s and PVF Capital's main operating subsidiaries, First National Bank of Pennsylvania, a national banking association, and Park View Federal, a federally chartered savings bank, will merge, with First National Bank of Pennsylvania being the surviving entity. Park View Federal and First National Bank of Pennsylvania have entered into a merger agreement setting forth their agreement to merge and the terms and conditions of the merger. The form of the bank merger agreement is attached as Exhibit A to the merger agreement between F.N.B. and PVF Capital.

All outstanding PVF Capital common shares will be cancelled as a result of the merger of PVF Capital with and into F.N.B. As merger consideration in exchange for the cancelled shares, F.N.B. will issue shares of its common stock to all persons who were PVF Capital common shareholders immediately before the merger occurred (excluding F.N.B., PVF Capital and their subsidiaries, if any of them hold PVF Capital common shares). The number of shares of F.N.B. common stock each shareholder is entitled to receive will be calculated based on a fixed exchange ratio of 0.3405 shares of F.N.B. common stock for each PVF Capital common share that he or she holds. No fractional shares of F.N.B. common stock will be issued in the merger. Instead, PVF Capital shareholders will be entitled to receive cash in lieu of any fractional shares of F.N.B. common stock they would otherwise be entitled to receive.

**We can provide no assurance that the value of the 0.3405 shares of F.N.B. common stock you will be entitled to receive upon the merger will be substantially equivalent to the value of 0.3405 shares of F.N.B. common stock at the time of our shareholder vote to approve the merger. Because the market value of F.N.B. common stock fluctuates, the value of the 0.3405 shares of F.N.B. common stock that you will receive as merger consideration will fluctuate correspondingly.**

All shares of F.N.B. capital stock issued and outstanding as of the completion of the merger will remain outstanding and will be unaffected by the merger. F.N.B. common stock will continue to trade on the NYSE under the symbol "FNB" following the merger. Based on information as of the record date, immediately after the merger is completed, holders of F.N.B. common stock will own approximately 94% of all outstanding shares of F.N.B. common stock, and holders of our common shares will own approximately 6% of all outstanding shares of F.N.B. common stock.



Table of Contents

**Background and Negotiation of the Merger**

While PVF Capital's board of directors remained focused on returning PVF Capital to profitability and successfully resolving the cease and desist orders implemented against it and Park View Federal on October 19, 2009, the board, from time to time, discussed and considered its strategic options. PVF Capital believed that once the cease and desist orders were terminated, it would have opportunities to either become an acquiring entity or to sell to another institution.

In March 2012, however, prior to PVF Capital having completed its first profitable quarter since 2008, the chief executive officer of a financial institution ("Bank A") approached two of PVF Capital's directors to discuss Bank A's interest in acquiring PVF Capital.

On March 27, 2012, the board of directors authorized management to utilize the services of Sandler O'Neill in responding to the unsolicited indication of interest from Bank A. Sandler O'Neill is a nationally recognized full-service investment bank and is an industry leader in serving the financial advisory and investment banking needs of community banks and thrifts. The board also considered the retention of Keefe, Bruyette and Woods but chose Sandler O'Neill based on the quality and depth of their experience and the prior positive experience of PVF Capital's independent directors with Sandler O'Neill during the directors' work at other financial institutions.

At its April 24, 2012 regular board meeting, PVF Capital's board of directors met with Sandler O'Neill to discuss several topics, including an update on the market and PVF Capital, a perspective on Bank A, a pro forma financial analysis of Bank A, and a review of other potential partners. Following the presentation and discussion, Sandler O'Neill was asked to contact Bank A's chief executive officer to gauge interest in a potential transaction and then report back to the PVF Capital board of directors.

Thereafter, in May 2012, Bank A expressed an interest in exploring a transaction at a maximum price of \$2.75 per share. At its May 22, 2012 meeting, the PVF Capital directors concluded that this price was insufficient and, unless Bank A was willing to significantly increase its price, PVF Capital would not permit Bank A to perform due diligence. As Bank A was unwilling to raise its price, discussions with Bank A were terminated.

At its June 26, 2012 board meeting, the PVF Capital directors discussed the improving financial situation of PVF Capital. Further, the board of directors, based on its knowledge of PVF Capital, the banking industry and the merger and acquisition market, believed that PVF Capital could be an attractive target for other financial institutions, especially those who were best able to successfully navigate the recession and would be looking to make strategic acquisitions before the cease and desist orders were lifted. As such, the board believed that it would likely receive additional unsolicited indications of interest. Accordingly, the board of directors authorized management to retain Sandler O'Neill to serve as its advisor to represent PVF Capital.

At the July 24, 2012 board meeting of PVF Capital, Robert King updated the board on the engagement of Sandler O'Neill. Thereafter, further discussions were had about contacting a potential strategic partner to gauge its potential interest in PVF Capital based upon the board's belief that a strategic partner would be able to offer the best price for PVF Capital. By entering into exploratory conversations with a potential strategic partner, PVF Capital would either be able to pursue an attractive strategic transaction or, at a minimum, have a range of prices from which the directors would be able to evaluate any other unsolicited indications of interest PVF Capital might receive in the future.

Based on the prior advice and information received from Sandler O'Neill at its April 24 presentation to the board and subsequent conversations between PVF Capital management and Sandler O'Neill, the PVF Capital directors determined that F.N.B. would be a strong potential strategic partner. This decision was based, among other things, on F.N.B.'s recent transactions, financial strength

Table of Contents

and lack of a significant presence in PVF Capital's market areas, as well as PVF Capital's familiarity with F.N.B. from an existing business relationship whereby PVF Capital would refer its customers to F.N.B. for products not offered by PVF Capital. Accordingly, PVF Capital and Sandler O'Neill executed their engagement agreement and Sandler O'Neill was instructed to reach out to F.N.B. and determine F.N.B.'s level of interest in a potential transaction.

On July 30, 2012, Sandler O'Neill, on behalf of PVF Capital, and F.N.B. executed a confidentiality agreement. F.N.B. began a limited review of PVF Capital's operational and business information.

On September 18, 2012, F.N.B. delivered a written expression of interest to acquire PVF Capital in an all-stock transaction at an acquisition price that ranged from \$3.25 to \$3.75. The indication of interest requested an exclusive due diligence and negotiating period of 60 days.

On September 19, 2012, the PVF Capital board of directors met in a special meeting to consider F.N.B.'s indication of interest along with Sandler O'Neill and PVF Capital's legal counsel. The PVF Capital board of directors determined that a minimum price of \$3.50 would be required to grant an exclusive negotiating period to F.N.B., which would be limited to 45 days, and directed Sandler O'Neill to communicate this request to F.N.B.

On September 24, 2012, at PVF Capital's request, F.N.B. agreed to narrow the indicative values in its non-binding proposal to the higher end of the range, or between \$3.50 and \$3.75 per PVF Capital common share, and F.N.B. and PVF Capital executed an indication of interest which permitted F.N.B. to commence more extensive due diligence, including reviewing Park View Federal's loan portfolio and credit files, and have an exclusive due diligence and negotiating period for 45 days.

On September 25, 2012, at a regularly scheduled meeting of the board of directors, Robert King reported to the directors on the exclusivity agreement with F.N.B. and the anticipated due diligence process. Sandler O'Neill informed the directors on current market conditions as well as the market's recognition of PVF Capital's recent improved financial performance.

On or about October 15, 2012, Vince Delie, F.N.B.'s President and Chief Executive Officer, called Robert King to inform him that the lack of current financial statements in a portion of Parkview Federal's loan portfolio would prevent F.N.B. from being able to appropriately value the loan portfolio. As a result, F.N.B. advised PVF Capital that it would not proceed further with an acquisition at that time.

On October 26, 2012, at the regularly scheduled meeting of the board of directors, Robert King updated the directors on the current status of the potential transaction with F.N.B. Mr. King discussed his conversation with Mr. Delie and confirmed to the directors that updated financial statements had been requested on all loan files that were missing financial statements and that those statements were expected to be collected by mid-November.

On October 29, 2012, Robert King met with Vince Delie in Hermitage, Pennsylvania and discussed whether F.N.B. would be interested in further pursuing the transaction once the loan files were updated. Mr. Delie confirmed that F.N.B. remained interested in PVF Capital and that if the loan files were updated, F.N.B. would be interested in pursuing an acquisition of PVF Capital at its proposed price range.

On November 27, 2012, at the regularly scheduled board meeting, the board of directors discussed and considered, among other things, the status of a potential transaction with F.N.B. Mr. King provided the board of directors with an update on current progress of an outside firm retained by PVF Capital to assist in reviewing financial statements and updating credit reviews on all loan files and the impact of the completion of the project on a potential transaction. The board engaged in an in-depth discussion of appropriate strategy going forward in light of the fact that F.N.B.'s exclusivity period had expired. The board considered the merits of reengaging with F.N.B. on an exclusive or non-exclusive

Table of Contents

basis and determined that Mr. King should first contact F.N.B. to confirm that it remained interested in pursuing a transaction before opening the process to additional potential partners.

On or about December 10, 2012, Robert King called Vince Delie to discuss, among other things, the status of PVF Capital's update of its loan files. Mr. Delie indicated that after the holidays and the end of the year F.N.B. could restart its credit due diligence during the week of January 10, 2013.

On December 17, 2012, a financial institution ("Bank B") met with Robert King and expressed an unsolicited indication of interest to acquire PVF Capital in a stock for stock transaction at a price range of \$3.25 to \$3.75 per PVF Capital common share.

On December 18, 2012, the PVF Capital board of directors met to consider and discuss, among other things, the status of the potential transaction with F.N.B. including the update to Park View Federal's loan files. Sandler O'Neill provided an update concerning the continued interest of F.N.B., Bank B's interest and potential interest from additional financial institutions. The board of directors also engaged in an in-depth discussion with Sandler O'Neill about the long-term strategic view of a merger as compared to PVF Capital's ability to grow its balance sheet, drive earnings growth and improve its valuation and share price through operations in the next several years in light of market and economic conditions. The board of directors discussed, among other things, the best course to pursue in order to maximize shareholder value in view of the expressions of interest in PVF Capital from several parties along with F.N.B.'s continued interest. With the advice and input of Sandler O'Neill, and after discussion and consideration, the board of directors determined the five financial institutions whom Sandler O'Neill should contact to gauge their interest in an acquisition of PVF Capital at a minimum price of \$3.50 per PVF Capital common share. These institutions included those that had expressed an informal interest and those whom the board, based on the advice of Sandler O'Neill, believed would have an interest in PVF Capital. At the same time, PVF Capital would continue discussions with F.N.B., and permit F.N.B. to conduct due diligence, on a non-exclusive basis. The board of directors believed that, as a group, the financial institutions to be contacted were a diverse mix of strategic and financial partners, with a variety of size and markets, and that the competition from multiple parties would encourage better offers. At the same time, the number of financial institutions was still a manageable number to conduct due diligence without being disruptive to PVF Capital's operations.

Between December 20 and December 24, 2012, Bank B and two of the financial institutions contacted by Sandler O'Neill executed confidentiality agreements. Another financial institution declined to execute a confidentiality agreement as it was not interested in PVF Capital at the indicated minimum price.

On January 8, 2013, bid instructions were sent to each financial institution that had executed a confidentiality agreement with instructions that their bids were to be made by January 18, 2013. Around this time, Sandler O'Neill contacted Bank A, which confirmed to Sandler O'Neill that it was not interested in further pursuing a transaction at a price of \$3.50 per PVF Capital common share.

Between January 8 and January 18, 2013, each of the four interested financial institutions, including F.N.B., conducted extensive due diligence, including access to a virtual data room with PVF Capital's operational, business and financial information, as well as access to all of PVF Capital's loan and credit files. In addition, PVF Capital executives had extensive meetings with management from the interested bidders.

On January 18, 2013, Sandler O'Neill received indications of interest from Bank B and from F.N.B. Of the other two financial institutions who had conducted due diligence, one declined to place a bid as it did not believe it would be able to secure regulatory approval for the transaction and the other declined to place a bid as it was unable to reach the minimum price in the bid instructions.

Table of Contents

On January 25, 2013, the PVF Capital board of directors, along with its legal counsel and Sandler O'Neill, evaluated the bids from F.N.B. and Bank B. Sandler O'Neill provided a comprehensive review of both offers, including an update on the overall mergers and acquisitions market, an overview of each bidder, including corporate overviews, financial summaries and pro forma reports. Both bids were at a fixed exchange ratio, with Bank B's offer valued at \$4.00 per share and F.N.B.'s bid at \$3.65 per PVF Capital common share (at an exchange ratio of 0.3210). In evaluating both offers, however, the board of directors considered, among other issues the smaller size of Bank B and the corresponding larger percentage ownership of PVF Capital shareholders in Bank B after the merger without director representation, the lack of liquidity in Bank B's stock, Bank B's market footprint in less desirable locations, the operational challenges a combination of Bank B and PVF Capital would confront, the relative lack of Bank B's transactional experience in deals of this magnitude and the additional potential regulatory hurdles in getting approval of a transaction with Bank B. The board of directors also considered that F.N.B.'s common stock had a higher market capitalization, higher liquidity and a higher dividend rate. The board of directors authorized Sandler O'Neill to seek an improved offer from F.N.B. of an increase in the exchange ratio to 0.3427 (\$3.93 per PVF Capital common share based on the January 25, 2013 closing price of F.N.B. common stock). Sandler O'Neill also contacted Bank B to try to improve Bank B's offer, but Bank B declined. F.N.B. improved its offer to meet the requested exchange ratio of 0.3427, and the board of directors authorized PVF Capital's management to negotiate definitive agreements.

On January 29, 2013, F.N.B. and PVF Capital executed a non-binding indication of F.N.B.'s interest, and F.N.B. instructed its counsel to begin preparing the initial drafts of the definitive agreements.

Beginning on January 30, 2013, F.N.B. and PVF Capital conducted additional due diligence, including on-site meetings in Hermitage, Pennsylvania on January 31, 2013 between PVF Capital, F.N.B.'s management, Sandler O'Neill and F.N.B.'s financial advisor, Keefe, Bruyette and Woods. This meeting included, among other things, reviews by PVF Capital of F.N.B.'s corporate and financial information and interviews between PVF Capital's management and key personnel with F.N.B.'s executive and management team.

On February 1, 2013, F.N.B.'s legal counsel circulated the initial draft of the merger agreement to PVF Capital and its legal counsel. Between February 6 and February 16, 2013, PVF Capital and F.N.B., and their respective legal counsel, circulated numerous drafts of the merger agreement and continued to engage in discussions and negotiations with respect to the terms of the definitive agreement. During this time, PVF Capital, in recognition of the fact that none of its senior management had employment or change in control agreements, negotiated with F.N.B. to provide a combination of retention bonuses and employment/consulting agreements with F.N.B. in order to secure the services of senior management through the closing of the merger. The benefits to be provided to senior management under these arrangements are described under the caption "Interests of PVF Capital's Directors and Executive Officers in the Merger" beginning on page 66.

On February 13, 2013, F.N.B. proposed a reduction in the exchange ratio to 0.3405 because the premium for director and officer insurance tail coverage was significantly higher than what F.N.B. had anticipated when presenting its bid. The premium amount quoted to F.N.B. was \$900,000, or more than \$700,000 greater than the premium amount quoted to F.N.B. in its prior acquisitions.

At a February 14, 2013 special meeting, the PVF Capital board of directors, along with its legal counsel and Sandler O'Neill, reviewed and considered the terms of the merger agreement. The board evaluated the reduction in the exchange ratio as representing less than 1 cent per share based on F.N.B.'s stock price and believed that F.N.B. was acting in good faith in seeking the reduction and that F.N.B. would not proceed without the reduction in the exchange ratio. Following the board's consideration and discussion, the board of directors agreed to F.N.B.'s reduction in the exchange ratio

Table of Contents

to 0.3405. The board also discussed and considered the terms of the various proposed retention agreements with senior management, including the view of Sandler O'Neill, based on its knowledge of recent mergers and acquisitions activity involving similarly-sized financial institutions, that the contemplated arrangements were well within the amounts that are customarily provided to management. The board concluded that these arrangements were in the best interests of PVF Capital and its shareholders. In addition, the Board reviewed the transaction documents in detail and considered and discussed in detail Sandler O'Neill's opinion that the merger consideration was fair to the PVF Capital shareholders from a financial point of view. A copy of that opinion is attached to this proxy statement/prospectus as Appendix C.

At a special meeting on February 18, 2013, the PVF Capital board of directors confirmed with Sandler O'Neill that no material changes had occurred that would affect Sandler O'Neill's presentation at the February 14, 2013 board meeting. Thereafter, the board of directors unanimously approved the terms of the merger and the merger agreement and authorized PVF Capital's management to execute the merger agreement and take the actions necessary to consummate the merger.

On February 19, 2013, Sandler O'Neill delivered its fairness opinion and F.N.B. and PVF Capital executed the merger agreement and issued the joint press release announcing the merger.

**Recommendation of the PVF Capital Board of Directors and PVF Capital's Reasons for the Merger**

**The PVF Capital board of directors carefully considered the terms of the merger agreement and the value of the common stock consideration to be received by the common shareholders of PVF Capital, including the opportunity for shareholders of PVF Capital to receive cash dividends on a going forward basis. In reviewing the merger agreement and the value of the common stock consideration, the PVF Capital board of directors also took into consideration other issues including the feasibility of remaining independent, the costs of becoming a commercial bank, the ability to compete with much larger regionally based banks and the need to eventually raise additional capital that could be dilutive to existing shareholders. After careful consideration, the PVF Capital board of directors determined that it was advisable and in the best interests of PVF Capital and its shareholders for PVF Capital to enter into the merger agreement with F.N.B. Accordingly, the PVF Capital board of directors unanimously recommends that PVF Capital's shareholders vote *FOR* the approval of the merger.**

The PVF Capital board of directors has considered the terms and provisions of the merger agreement and concluded that they are fair to the shareholders of PVF Capital and that the merger is in the best interests of PVF Capital and its shareholders.

The PVF Capital board of directors believes that the merger will provide the resulting institution with additional resources necessary to compete more effectively in the Northeast Ohio market and beyond. In addition, the PVF Capital board of directors believes that the customers and communities served by PVF Capital will benefit from the resulting institution's enhanced abilities to meet their banking needs.

In reaching its decision to approve the merger agreement, the PVF Capital board of directors consulted with PVF Capital's financial and legal advisors, and considered a variety of factors, including the following:

The value of the common stock consideration being offered to PVF Capital's shareholders in relation to the market value, book value per share, earnings per share and projected earnings per PVF Capital common share;

As of February 15, 2013 the common stock consideration represented 1.37 times the tangible book value per PVF Capital common share and a 57.9% premium over the closing price of PVF Capital common shares;

Table of Contents

The results that could be expected to be obtained by PVF Capital if it continued to operate independently and the future trading value of PVF Capital common shares compared to the value of the common stock consideration offered by F.N.B. and the potential future trading value of F.N.B. common stock;

The historical lack of liquidity in PVF Capital common shares and the substantially greater liquidity of F.N.B. common stock;

The process conducted by Sandler O'Neill in investigating other potential acquirers of PVF Capital;

The process conducted by Sandler O'Neill to assist the PVF Capital board of directors in structuring the proposed merger with F.N.B.;

The advice from Sandler O'Neill with respect to certain terms of the merger agreement, including the size of the break-up fee and the restrictions on further solicitation of offers being reasonable as compared to similar transactions;

The presentation by Sandler O'Neill, PVF Capital's financial advisor, as to the fairness, from a financial point of view, of the merger consideration to be paid to PVF Capital's common shareholders. In this regard, the PVF Capital board of directors received from Sandler O'Neill a written opinion dated February 19, 2013 that, as of such date, the exchange ratio in the merger agreement was fair to PVF Capital's common shareholders from a financial point of view. The opinion is attached as Appendix C to this document. For a summary of Sandler O'Neill's presentation, see "Opinion of PVF Capital's Financial Advisor in Connection with the Merger" below;

The current and prospective environment in which PVF Capital operates, including national, regional and local economic conditions, the competitive environment for financial institutions, the increased regulatory burdens on financial institutions, and the uncertainties in the regulatory climate going forward;

The common stock consideration offered by F.N.B., including the opportunity for PVF Capital shareholders to receive shares of F.N.B. common stock on a tax-free basis for their PVF Capital common shares;

Based on F.N.B.'s historical payment of dividends, the expected future receipt by PVF Capital shareholders of significant dividends as F.N.B. shareholders;

The market valuation and trading liquidity of F.N.B. common stock in the event PVF Capital shareholders desired to sell the shares of F.N.B. common stock to be received by them upon completion of the merger;

The scale, scope, strength and diversity of operations, product lines and delivery systems that could be achieved by combining PVF Capital with F.N.B.;

The potential value of an expansion of the F.N.B. branch network adding PVF Capital branch locations in Ohio to F.N.B.'s existing branch network in Pennsylvania, Maryland, and northern West Virginia;

F.N.B.'s asset size and capital position, which would give the resulting institution over \$13 billion in assets (including other pending F.N.B. acquisitions);

The earnings prospects of the combined company;

The additional products offered by F.N.B. to its customers and the ability of the resulting institution to provide comprehensive financial services to its customers;

Table of Contents

The potential for operating synergies and cross-marketing of products and services;

The lack of overlapping locations in PVF Capital's and F.N.B.'s operations, increasing the likelihood that F.N.B. will retain a significant portion of PVF Capital's current locations and personnel;

F.N.B.'s status as a seasoned acquirer with demonstrated experience of successfully executing, consummating and integrating their acquisition targets;

The experience and quality of F.N.B.'s management team;

PVF Capital's and F.N.B.'s shared community banking philosophies, commitment to community service and support of community-based non-profit organizations and causes;

The reports of PVF Capital's management and the financial presentation by Sandler O'Neill to the PVF Capital board of directors concerning the operations, financial condition and prospects of F.N.B. and the expected financial impact of the merger on the combined company, including pro forma assets, earnings, deposits and capital ratios;

The likelihood of successful integration and the successful operation of the combined company;

The likelihood that the regulatory approvals needed to complete the transaction will be obtained;

The potential cost-saving opportunities;

The likelihood that the merger would be consummated; and

The review by the PVF Capital board of directors with its legal and financial advisors of the structure of the merger and the financial and other terms of the merger, including the exchange ratio and the condition that the merger must qualify as a transaction that will permit PVF Capital's shareholders to receive F.N.B. shares in exchange for their PVF Capital shares on a tax-free basis for federal income tax purposes.

The PVF Capital board of directors also considered the potential risks associated with the merger in connection with its deliberation of the proposed transaction, including the challenges of integrating PVF Capital's businesses, operations and employees with those of F.N.B., the need to obtain approval by shareholders of PVF Capital as well as regulatory approvals in order to complete the transaction, and the risks associated with the operations of the combined company. The PVF Capital board of directors also considered that the fixed exchange ratio, by its nature, would not adjust upwards to compensate for declines, or downwards to compensate for increases, in F.N.B.'s stock price prior to the completion of the merger. If the exchange ratio adjusted based on changes in F.N.B.'s stock price, the shareholders of PVF Capital would have lost the upside potential of a fixed exchange ratio if F.N.B.'s stock price increases prior to the completion of the merger, while receiving downside protection if F.N.B.'s stock price decreases prior to the completion of the merger. Based upon its review of F.N.B. and its historical stock prices and prospects, the PVF Capital board of directors believed that a fixed exchange ratio was appropriate and in the best interests of PVF Capital shareholders. The PVF Capital board of directors also considered the structural protections included in the merger agreement, such as the ability of PVF Capital to terminate the merger agreement in the event (a) of any change or development affecting F.N.B. which has, or is reasonably likely to have, a material adverse effect on F.N.B. and which is not cured within 30 days after notice or cannot be cured prior to consummation of the merger, or (b) F.N.B. materially breaches any of its covenants or obligations under the merger agreement. If PVF Capital were to terminate the merger agreement for any of the foregoing reasons, then F.N.B. would be required to reimburse PVF Capital for all of its out-of-pocket costs and expenses, including without limitation professional fees and expenses of legal counsel, financial advisors and accountants, up to a maximum of \$500,000, and PVF Capital would retain all of its rights to recover





Table of Contents

any additional liabilities or damages if F.N.B.'s breach was willful. The PVF Capital board of directors also considered that the merger agreement could be terminated if the merger is not consummated prior to December 31, 2013.

The PVF Capital board of directors also noted that it could terminate the merger agreement if a "superior proposal" (as defined in the merger agreement) was received from a third party and certain steps were taken (including notice to F.N.B. and good faith negotiation with F.N.B. of adjustments to the terms and conditions of the merger agreement) prior to the mailing date of this proxy statement/prospectus. If a superior proposal had been received and accepted, then PVF Capital would have been required to pay a \$4.0 million break-up fee to F.N.B. The amount of this potential fee was negotiated at arm's-length and was deemed to be reasonable based upon the advice of Sandler O'Neill and based upon the break-up fees paid in comparable transactions and the fact that multiple institutions had already been given an opportunity to conduct due diligence and bid prior to the merger agreement being executed. As of the date of this proxy statement/prospectus, no superior proposal has been received.

The foregoing discussion of the information and most salient factors considered by the PVF Capital board of directors is not exhaustive, but includes the material considerations of the PVF Capital board of directors. In view of the wide variety of factors considered by the PVF Capital board of directors in connection with its evaluation of the merger and the complexity of these matters, the PVF Capital board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The PVF Capital board of directors evaluated the factors described above, including asking questions of PVF Capital's legal and financial advisors. In considering the factors described above, individual members of the PVF Capital board of directors may have given different weights to different factors. The PVF Capital board of directors relied on the experience and expertise of its legal advisors regarding the structure of the merger and the terms of the merger agreement and on the experience and expertise of its financial advisor for quantitative analysis of the financial terms of the merger. See "Opinion of PVF Capital's Financial Advisor in Connection with the Merger" below. It should also be noted that this explanation of the reasoning of the PVF Capital board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading "Cautionary Statement Regarding Forward-Looking Statements" on page 30.

**F.N.B.'s Reasons for the Merger**

F.N.B. is committed to pursuing several key strategies, including realization of organic growth and supplementing that growth through strategic acquisitions.

In approving the merger agreement, F.N.B.'s board of directors and the executive committee of its board of directors considered the following factors as generally supporting their decision to approve the merger agreement:

their understanding of F.N.B.'s business, operations, financial condition, earnings and prospects, and of PVF Capital's business, operations, financial condition, earnings and prospects;

their understanding of the current and prospective environments in which F.N.B. and PVF Capital operate, including regional and local economic conditions, the competitive environment for financial institutions generally, continuing consolidation in the financial services industry and the likely effect of these factors on F.N.B. in light of, and in the absence of, the proposed merger;

Table of Contents

the expansion of F.N.B.'s operations and customer base in the Cleveland, Ohio market would be consistent with F.N.B.'s acquisition strategy of focusing on major Metropolitan Statistical Areas with significant commercial opportunities;

the complementary nature of the respective customer bases, business products and services of F.N.B. and PVF Capital that could result in opportunities to obtain synergies as products are cross-marketed and distributed over broader customer bases and best practices are compared and applied across businesses;

the scale, scope, strength and diversity of operations, product lines and delivery systems that combining F.N.B. and PVF Capital could achieve;

the increased credit capability achieved by combining F.N.B. and PVF Capital would enhance competition in the markets in which PVF Capital currently operates;

the historical and current market prices of F.N.B. common stock and PVF Capital common shares;

the review by the F.N.B. board of directors, with the assistance of F.N.B.'s management and Keefe, Bruyette and Woods, of the structure and terms of the merger, including the exchange ratio, and the expectation of F.N.B.'s legal advisors that the merger will qualify as a tax-free reorganization for U.S. federal income tax purposes;

the financial impact of the acquisition on F.N.B.'s operating results and capital levels on a pro forma basis;

the likelihood that F.N.B. and PVF Capital would obtain the regulatory approvals needed to complete the merger; and

the likelihood that PVF Capital would receive the requisite PVF Capital shareholder vote to approve the merger.

F.N.B.'s board of directors and the executive committee of its board also considered the fact that the merger will result in a combined entity with assets of approximately \$13.2 billion. F.N.B. expects the future growth prospects of PVF Capital's market area to provide business development opportunities in the Cleveland, Ohio Metropolitan Statistical Area.

The foregoing discussion of the factors considered by F.N.B.'s board of directors and the executive committee of its board in evaluating the merger agreement is not intended to be exhaustive, but, rather, includes all material factors that they considered. In reaching their decision to approve the merger agreement and the merger, the F.N.B. board and the executive committee of the F.N.B. board did not quantify or assign relative weights to the factors considered, and individual directors may have given different weights to different factors. The F.N.B. board and the executive committee of the F.N.B. board considered all of the above factors as a whole, and on an overall basis considered them to be favorable to, and support, F.N.B.'s determination to enter into the merger agreement.

**Opinion of PVF Capital's Financial Advisor in Connection with the Merger**

By letter dated July 27, 2012, PVF Capital retained Sandler O'Neill to act as its financial advisor in the event of a sale of PVF Capital. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions

Sandler O'Neill acted as financial advisor to PVF Capital in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement among PVF Capital and F.N.B. At the February 14, 2013 meeting at which PVF Capital's



Table of Contents

board of directors considered the merger agreement, Sandler O'Neill delivered to the board its oral opinion, that, as of such date, the merger consideration was fair to the holders of PVF Capital common shares from a financial point of view which was followed up in writing on February 19, 2013. On February 19, 2013, Sandler O'Neill delivered its written opinion that, as of such date, the merger consideration was fair to the holders of PVF Capital common shares from a financial point of view. The full text of Sandler O'Neill's opinion is attached hereto as Appendix C. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the opinion. PVF Capital's shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler O'Neill's opinion speaks only as of the date of its opinion. The opinion was directed to PVF Capital's board and is directed only to the fairness of the merger consideration to PVF Capital's shareholders from a financial point of view. It does not address the underlying business decision of PVF Capital to engage in the merger or any other aspect of the merger and is not a recommendation to any PVF Capital shareholder as to how such shareholder should vote at the special meeting with respect to the merger or any other matter.

In connection with rendering its February 14, 2013 opinion, Sandler O'Neill reviewed and considered, among other things:

the merger agreement;

certain publicly available financial statements and other historical financial information of PVF Capital that Sandler O'Neill deemed relevant;

certain publicly available financial statements and other historical financial information of F.N.B. that Sandler O'Neill deemed relevant;

internal financial projections for PVF Capital for the years ending December 31, 2013 through December 31, 2016 as provided by senior management of PVF Capital;

publicly available median analyst earnings estimates for the years ending December 31, 2013 and December 31, 2014 and a publicly available estimated long term growth rate for the years thereafter;

the pro forma financial impact of the merger on F.N.B. based on assumptions relating to transaction expenses, purchase accounting adjustments, cost savings and other synergies as determined by the senior management of F.N.B.;

a comparison of certain stock trading, financial and other information for PVF Capital and F.N.B. with similar publicly available information for certain other commercial banks, the securities of which are publicly traded;

the terms and structures of other recent mergers and acquisition transactions in the commercial banking sector;

the current market environment generally and in the commercial banking sector in particular; and

such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O'Neill considered relevant.

Sandler O'Neill also discussed with certain members of senior management of PVF Capital the business, financial condition, results of operations and prospects of PVF Capital and held similar discussions with the senior management of F.N.B. regarding the business, financial condition, results of operations and prospects of F.N.B.



Table of Contents

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to Sandler O'Neill from public sources, that was provided to Sandler O'Neill by PVF Capital and F.N.B. or that was otherwise reviewed by Sandler O'Neill and has assumed such accuracy and completeness for purposes of rendering its opinion. Sandler O'Neill has further relied on the assurances of the senior management of PVF Capital that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading in any material respect. Sandler O'Neill did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of PVF Capital or F.N.B. or any of their respective subsidiaries. Sandler O'Neill did not make an independent evaluation of the adequacy of the allowance for loan losses of PVF Capital, F.N.B. or the combined entity after the merger and Sandler O'Neill has not reviewed any individual credit files relating to PVF Capital or F.N.B. Sandler O'Neill has assumed, with PVF Capital's consent, that the respective allowances for loan losses for both PVF Capital and F.N.B. are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used internal financial projections as provided by the senior management of PVF Capital and median publicly available earnings estimates for F.N.B. Sandler O'Neill also received and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies which were prepared by and/or reviewed with the senior management of F.N.B. With respect to the projections relating to PVF Capital, management of PVF Capital confirmed to Sandler O'Neill that those projections reflected the estimates and judgments of management of the future financial performance of PVF Capital, and Sandler O'Neill assumed that such performance would be achieved. Sandler O'Neill expresses no opinion as to such estimates or the assumptions on which they are based. Sandler O'Neill has assumed that there has been no material change in the respective assets, financial condition, results of operations, business or prospects of PVF Capital and F.N.B. since the date of the most recent financial data made available to Sandler O'Neill, as of the date hereof. Sandler O'Neill has also assumed in all respects material to our analysis that PVF Capital and F.N.B. would remain as a going concern for all periods relevant to our analyses and that the merger will be consummated as a tax-free reorganization under Section 368 of the Internal Revenue Code. Sandler O'Neill expresses no opinion as to any of the legal, accounting and tax matters relating to the merger and any other transactions contemplated in the merger agreement.

Sandler O'Neill's opinion is necessarily based on financial, economic, regulatory, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date of the opinion. Events occurring after the date of the opinion could materially affect the opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring after the date of the opinion.

Sandler O'Neill's opinion was directed to the PVF Capital board of directors in connection with its consideration of the merger and does not constitute a recommendation to any shareholder of PVF Capital as to how such shareholder should vote at any meeting of shareholders called to consider and vote upon the merger. Sandler O'Neill's opinion is directed only to the fairness, from a financial point of view, of the merger consideration to the holders of PVF Capital common shares and does not address the underlying business decision of PVF Capital to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for PVF Capital or the effect of any other transaction in which PVF Capital might engage. The opinion may not be reproduced or used for any other purposes, without Sandler O'Neill's prior written consent, which consent will not be unreasonably withheld. The opinion was approved by Sandler O'Neill's fairness opinion committee. Sandler O'Neill has consented to inclusion of its opinion and a summary thereof in this proxy statement/prospectus and in the registration statement on Form S-4 which includes this proxy statement/prospectus. Sandler O'Neill does not express any opinion as to the fairness of the amount or

Table of Contents

nature of the compensation to be received in the merger by PVF Capital's officers, directors, or employees, or class of such persons, relative to the compensation to be received in the merger by any other shareholders of PVF Capital.

In rendering its February 14, 2013 opinion, Sandler O'Neill performed a variety of financial analyses. The following is a summary of the material analyses performed by Sandler O'Neill, but is not a complete description of all the analyses underlying Sandler O'Neill's opinion. The summary includes information presented in tabular format. **In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses.** The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion; rather Sandler O'Neill made its determination as to the fairness of the per share consideration on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to PVF Capital and F.N.B. and no transaction is identical to the merger. Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of PVF Capital and F.N.B. and the companies to which they are being compared.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which cannot be predicted and are beyond the control of PVF Capital, F.N.B. and Sandler O'Neill. The analysis performed by Sandler O'Neill is not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to PVF Capital at the board's February 14, 2013 meeting and confirmed that no changes had occurred to such analyses at the board's February 18, 2013 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. The analysis and opinion of Sandler O'Neill was among a number of factors taken into consideration by PVF Capital's board in making its determination to approve the merger agreement and the transactions contemplated by the merger agreement (including the merger) and the analyses described below should not be viewed as determinative of the decision PVF Capital's board or management with respect to the fairness of the merger.

At the February 14, 2013 meeting of the PVF Capital board of directors, Sandler O'Neill presented certain financial analyses of the merger. The summary below is not a complete description of the analyses underlying the opinions of Sandler O'Neill or the presentation made by Sandler O'Neill to the PVF Capital board of directors, but is instead a summary of the material analyses performed and presented in connection with the opinion.



Table of Contents**Summary of Proposal**

Sandler O'Neill reviewed the financial terms of the proposed transaction. PVF Capital common shares issued and outstanding immediately prior to the merger will be converted into 0.3405 shares of F.N.B. common stock. The aggregate transaction value of approximately \$106.0 million is based upon F.N.B.'s average closing price for twenty consecutive trading days ended on February 14, 2013 of \$11.65 and includes \$3.1 million of deal value for 901,561 of shares subject to stock options exercisable at a weighted average stock price of \$3.54 and 1,244,707 shares subject to warrants exercisable at a weighted average price of \$1.75 and assumes 25,927,214 PVF Capital common shares outstanding. Based upon financial information as of or for the twelve month period ended December 31, 2012, Sandler O'Neill calculated the following transaction ratios:

Transaction Value per Share / Stated Book Value per Share:	137%
Transaction Value per Share / Tangible Book Value per Share:	137%
Price per Share / LTM Earnings per Share(1):	33.2x
Price per Share / 2013 Est. Earnings per Share(2):	17.6x
Core Deposit Premium(3):	6.2%
Market Premium(4):	65.9%

- (1) Assumes last twelve months earnings are tax effected at 35%
- (2) Management estimates for fiscal 2013 (for the 12 months ended June 30th); tax effected at 35%
- (3) Core deposits exclude time deposits with account balances greater than \$100,000. Core deposit premium calculated by dividing the excess of the aggregate transaction value over tangible book value by core deposits
- (4) Based on PVF Capital's closing price as of February 14, 2013 of \$2.39

The aggregate transaction value of approximately \$106.0 million is based upon the offered exchange ratio of 0.3405x. Using F.N.B.'s 20-day average closing price of \$11.65 as of February 14, 2013, the calculated offer price per share is \$3.97. PVF Capital's share counts as of December 31, 2012 include 25,927,214 PVF Capital common shares outstanding, 901,561 options outstanding with a weighted average strike price of \$3.54, and 1,244,707 warrants with an exercise price of \$1.75.

**PVF Capital: Share Trading History**

Sandler O'Neill reviewed the history of the reported trading prices and volume of PVF Capital's common shares and the relationship between the movements in the prices of PVF Capital's common shares to movements in certain stock indices, including the SNL US Thrift Index, the S&P 500 and the weighted average performance (based upon market capitalization) of two peer groups of publicly traded banks and thrifts, selected by Sandler O'Neill. The institutions included in the peer groups are identified under "Comparable Company Analysis" below.

Table of Contents

As reflected in the tables shown below, PVF Capital's common shares outperformed the various indices and peer groups to which it was compared over a one year horizon but underperformed the same comparison groups over a three year horizon.

**PVF Capital's One Year Stock Performance**

	Beginning Index Value February 14, 2012	Ending Index Value February 14, 2013
PVF Capital	100%	148%
Regional Peers	100%	132%
Nationwide Peers	100%	135%
SNL US Thrift Index(1)	100%	117%
S&P 500	100%	113%

**PVF Capital's Three Year Stock Performance**

	Beginning Index Value February 14, 2010	Ending Index Value February 14, 2013
PVF Capital	100%	86%
Regional Peers	100%	155%
Nationwide Peers	100%	147%
SNL US Thrift Index(1)	100%	101%
S&P 500	100%	142%

(1) Includes all Major Exchange (NYSE, NYSE MKT, NASDAQ) Thrifts in SNL's coverage universe

**F.N.B.: Stock Trading History**

Sandler O'Neill reviewed the history of the reported trading prices and volume of F.N.B.'s common stock and the relationship between the movements in the prices of F.N.B.'s common stock to movements in certain stock indices, including the NASDAQ Bank Index, the S&P 500 and the weighted average performance (based upon market capitalization) of two peer groups of publicly traded banks and thrifts, selected by Sandler O'Neill. The institutions included in the peer groups are identified under "Comparable Company Analysis" below.

Table of Contents

As reflected in the tables shown below, F.N.B.'s common stock outperformed the various indices and peer groups to which it was compared over a one year horizon but underperformed the same comparison groups over a three year horizon.

**F.N.B.'s One Year Stock Performance**

	Beginning Index Value February 14, 2012	Ending Index Value February 14, 2013
F.N.B.	100%	101%
Nationwide Peers	100%	111%
High Performing Peers	100%	111%
NASDAQ Bank Index(1)	100%	117%
S&P 500	100%	113%

**F.N.B.'s Three Year Stock Performance**

	Beginning Index Value February 14, 2010	Ending Index Value February 14, 2013
F.N.B.	100%	172%
Nationwide Peers	100%	112%
High Performing Peers	100%	123%
NASDAQ Bank Index(1)	100%	119%
S&P 500	100%	142%

(1)

Includes all Major Exchange (NYSE, NYSE MKT, NASDAQ) Thrifts in SNL's coverage universe

**PVF Capital: Comparable Company Analysis**

Sandler O'Neill used publicly available information to compare selected financial and market trading information for PVF Capital and two groups of financial institutions selected by Sandler O'Neill.

The PVF Capital Regional Peer Group consisted of major exchange traded banks and thrifts headquartered in Indiana, Ohio, West Virginia, selected western Pennsylvania counties and selected western New York counties with assets between \$600 million and \$2.0 billion:

AmeriServ Financial, Inc.	LCNB Corp.
Camco Financial Corporation	LNB Bancorp, Inc.
CFS Bancorp, Inc.	MutualFirst Financial, Inc.
Cheviot Financial Corp.	NB&T Financial Group, Inc.
CNB Financial Corporation	Ohio Valley Banc Corp.
Community Bank Shares of Indiana, Inc.	Peoples Bancorp Inc.
ESB Financial Corporation	Premier Financial Bancorp, Inc.
Evans Bancorp, Inc.	Rurban Financial Corp.
Farmers National Banc Corp.	Summit Financial Group, Inc.
First Savings Financial Group, Inc.	Tower Financial Corporation
Horizon Bancorp	United Community Financial Corp.

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

**Financial data as of or for the period ending December 31, 2012**

**Pricing data as of February 14, 2013**

**Dollar values in millions**

Company	City, State	Ticker	Capital Position				LTM Profitability				Asset Quality				Valuation			
			Total Assets (\$mm)	TCE/TA (%)	Leverage Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	LLR/NPAs (%)	(1) Gross Total Loans Assets (%)	WCs/ Tang. Avg. Book Value (%)	Price/ LTM EPS (x)	2013 Current Est. Dividend Yield (%)	Market Value (\$mm)		
ESB Financial Corporation(3)	Ellwood City, PA	ESBF	1,928	8.11	8.57	15.21	0.80	8.31	2.62	60.0	0.97	0.52	0.06	132	13.3	NA	2.9	201
Peoples Bancorp Inc.	Marietta, OH	PEBO	1,918	8.39	10.13	17.16	1.11	9.52	3.34	71.8	1.80	0.90	0.12	145	10.9	11.4	2.3	225
Horizon Bancorp United	Michigan City, IN	HBNC	1,848	6.73	9.21	13.68	1.19	13.76	3.80	61.4	1.52	1.42	0.70	143	8.9	8.9	2.0	176
Community Financial Corp.(2)(3)	Youngstown, OH	UCFC	1,831	9.36	8.70	16.21	(0.76)	(7.76)	3.22	88.3	1.78	4.57	0.96	66	NM	NA	0.0	113
CNB Financial Corporation	Clearfield, PA	CCNE	1,773	7.62	8.03	15.36	1.00	12.17	3.32	55.8	1.51	1.39	0.84	158	12.3	11.6	3.9	212
MutualFirst Financial, Inc.(2)	Muncie, IN	MFSF	1,472	7.33	8.47	14.28	0.44	4.66	3.07	69.5	1.61	2.56	0.81	84	18.8	14.4	1.8	92
Summit Financial Group, Inc.	Moorefield, WV	SMMF	1,387	6.59	8.29	13.97	0.40	5.36	3.19	54.5	1.88	8.03	0.99	68	11.9	NA	0.0	53
LNB Bancorp, Inc.	Lorain, OH	LNBB	1,178	5.98	9.18	12.97	0.51	5.29	3.49	66.5	1.98	2.48	0.79	91	13.0	11.0	0.5	63
Farmers National Banc Corp.	Canfield, OH	FMNB	1,140	10.12	9.51	17.68	0.89	8.38	3.76	73.0	1.29	1.36	0.68	107	12.3	11.5	1.8	123
CFS Bancorp, Inc.(3)	Munster, IN	CITZ	1,138	9.83	8.81	14.06	0.41	4.41	3.42	76.1	1.76	6.08	0.58	74	17.7	NA	0.5	83
Premier Financial Bancorp, Inc.(2)	Huntington, WV	PFBI	1,134	8.88	9.81	17.17	0.88	6.81	4.17	61.2	1.55	5.05	0.21	93	9.5	NA	3.9	91
AmeriServ Financial, Inc.	Johnstown, PA	ASRV	1,006	7.74	11.45	16.26	0.51	4.51	3.63	86.2	1.69	0.54	0.45	75	14.3	NA	0.0	57
Community Bank Shares of Indiana, Inc.	New Albany, IN	CBIN	820	7.06	11.90	18.56	0.95	9.15	4.08	67.1	1.88	3.35	0.25	97	8.0	NA	2.4	56
Evans Bancorp, Inc.(2)	Hamburg, NY	EVBN	799	8.28	9.71	14.22	0.96	10.34	3.83	70.7	1.71	1.63	0.32	112	9.9	10.4	2.7	74
LCNB Corp.	Lebanon, OH	LCNB	789	9.71	8.76	15.32	1.03	10.24	3.52	63.4	0.76	2.32	0.03	130	12.0	NA	4.4	130
Ohio Valley Banc Corp.	Gallipolis, OH	OVBC	768	9.72	10.75	17.14	0.87	9.46	4.23	70.9	1.24	2.59	(0.11)	102	10.7	NA	4.5	76
Camco Financial Corporation	Cambridge, OH	CAFI	764	7.82	6.80	10.33	0.54	8.62	3.41	86.7	2.12	6.01	0.64	69	6.2	NA	0.0	41
Tower Financial Corporation	Fort Wayne, IN	TOFC	684	9.32	12.00	16.46	0.87	8.83	3.64	66.2	1.82	2.55	0.39	91	10.4	10.4	2.3	58
First Savings Financial Group, Inc.(3)	Clarksville, IN	FSFG	653	8.74	10.15	17.18	0.73	5.44	4.12	66.9	1.29	2.02	0.23	93	12.0	NA	NA	52
NB&T Financial Group, Inc.	Wilmington, OH	NBTF	651	10.30	11.27	19.51	0.56	5.45	3.48	74.5	1.18	1.98	2.22	94	16.2	NA	6.6	62
Rurban Financial Corp.	Defiance, OH	RBNF	638	5.70	7.18	11.87	0.75	9.57	3.76	75.2	1.45	1.40	0.25	110	8.1	NA	0.0	39
Cheviot Financial Corp.(3)	Cheviot, OH	CHEV	632	15.60	12.39	25.50	0.53	3.27	2.88	71.7	0.63	2.68	0.15	85	24.0	NA	3.0	82
		High	1,928	15.60	12.39	25.50	1.19	13.76	4.23	88.3	2.12	8.03	2.22	158	24.0	14.4	6.6	225
		Low	632	5.70	6.80	10.33	(0.76)	(7.76)	2.62	54.5	0.63	0.52	(0.11)	66	6.2	8.9	0.0	39
		Mean	1,134	8.59	9.59	15.91	0.69	7.08	3.54	69.9	1.52	2.79	0.52	101	12.4	11.2	2.2	98
		Median	1,070	8.33	9.36	15.79	0.78	8.35	3.51	70.1	1.58	2.40	0.42	94	12.0	11.2	2.3	79

<b>PVF Capital Corp.(4)</b>	<b>Solon, OH</b>	<b>782</b>	<b>9.61</b>	<b>9.36</b>	<b>12.93</b>	<b>0.62</b>	<b>6.91</b>	<b>3.05</b>	<b>62.8</b>	<b>2.52</b>	<b>4.78</b>	<b>1.35</b>	<b>82</b>	<b>20.0</b>	<b>10.6</b>	<b>0.0</b>	<b>62</b>
-----------------------------	------------------	------------	-------------	-------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-----------	-------------	-------------	------------	-----------

- 
- (1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets
  - (2) Financial data as of September 30, 2012
  - (3) Regulatory capital ratios at the bank level
  - (4) PVFC LTM and 2013E EPS are tax-affected; 2013E EPS based on management projections for the twelve months ended June 30, 2013

## Edgar Filing: FNB CORP/FL/ - Form 424B3

### Table of Contents

The PVF Capital Nationwide Peer Group consisted of major exchange traded thrifts nationwide with assets between \$600 million and \$1.5 billion and NPAs to Assets greater than or equal to 2.0%:

ASB Bancorp, Inc.	Hampden Bancorp, Inc.
Atlantic Coast Financial Corporation	HMN Financial, Inc.
BankFinancial Corporation	Malvern Bancorp, Inc.
Cape Bancorp, Inc.	NASB Financial, Inc.
Carver Bancorp, Inc.	OmniAmerican Bancorp, Inc.
CFS Bancorp, Inc.	Provident Financial Holdings, Inc.
Cheviot Financial Corp.	Pulaski Financial Corp.
Colonial Financial Services, Inc.	Riverview Bancorp, Inc.
ESSA Bancorp, Inc.	Severn Bancorp, Inc.
First Financial Northwest, Inc.	Simplicity Bancorp, Inc.
Fox Chase Bancorp, Inc.	TF Financial Corporation
Franklin Financial Corporation	Timberland Bancorp, Inc.

53

---

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

**Financial data as of or for the period ending December 31, 2012**

**Pricing data as of February 14, 2013**

**Dollar values in millions**

Company	City, State	Ticker	Capital Position				LTM Profitability				Asset Quality				Valuation				
			Total Assets (\$mm)	TCE/TA (%)	Leverage Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	Gross Loans (%)	LLR/NPAs(1)/NCOs/ Tang. Assets (%)	Total Avg. Book Loans Value (%)	Price/ LTM EPS (x)	2013 Current Est. Dividend Yield (%)	Market Value (\$mm)			
BankFinancial Corporation(3)	Burr Ridge, IL	BFIN	1,481	11.49	9.60	15.32	(1.78)	(13.36)	4.02	80.1	1.72	2.94	9.97	98	NM	31.6	0.5	167	
ESSA Bancorp, Inc.	Stroudsburg, PA	ESSA	1,406	11.88	11.08	19.71	0.18	1.30	2.84	69.0	0.80	2.92	0.31	90	59.7	15.3	1.8	144	
Pulaski Financial Corp.	Saint Louis, MO	PULB	1,382	6.62	9.63	13.58	0.76	8.04	3.83	50.8	1.49	3.76	0.42	123	13.0	10.2	3.8	113	
OmniAmerican Bancorp, Inc.(2)	Fort Worth, TX	OABC	1,282	15.97	13.79	23.19	0.43	2.84	3.22	77.7	0.98	2.12	0.21	146	46.6	44.9	0.0	298	
Provident Financial Holdings, Inc.	Riverside, CA	PROV	1,248	11.85	11.47	18.72	1.77	15.19	2.91	61.5	1.71	2.73	0.61	126	8.7	8.4	1.6	188	
NASB Financial, Inc.(2)	Grandview, MO	NASB	1,241	13.66	14.06	18.22	1.49	11.35	4.40	58.2	3.42	8.68	1.28	106	9.9	NA	0.0	179	
CFS Bancorp, Inc.(3)	Munster, IN	CITZ	1,138	9.83	8.81	14.06	0.41	4.41	3.42	76.1	1.76	6.08	0.58	74	17.7	NA	0.5	83	
Fox Chase Bancorp, Inc.(3)	Hatboro, PA	FXCB	1,088	16.67	12.90	20.48	0.50	2.74	3.21	63.6	1.61	3.04	0.30	117	40.0	37.0	1.4	213	
Franklin Financial Corporation(3)	Glen Allen, VA	FRNK	1,058	22.60	16.64	26.89	0.65	2.76	2.63	59.4	2.27	4.70	(0.11)	97	32.5	22.9	0.0	230	
Cape Bancorp, Inc.(3)	Cape May Court Ho	CBNJ	1,041	12.62	10.46	15.50	0.49	3.42	3.75	69.3	1.40	2.98	1.88	96	22.5	29.3	0.0	123	
First Financial Northwest, Inc.(3)	Renton, WA	FFNW	943	19.85	15.79	27.37	0.27	1.47	3.08	70.7	1.89	11.24	0.98	81	53.8	NA	0.0	152	
Simplicity Bancorp, Inc.(3)	Covina, CA	SMPL	889	16.43	14.41	22.97	0.61	3.63	3.20	69.4	0.91	2.87	0.20	89	22.3	25.9	2.2	124	
Severn Bancorp, Inc.(3)	Annapolis, MD	SVBI	851	9.42	14.49	20.67	0.37	3.08	3.31	79.2	2.57	12.23	3.49	54	23.9	NA	0.0	43	
Riverview Bancorp, Inc.(3)	Vancouver, WA	RVSB	795	6.65	9.50	14.25	(1.80)	(18.56)	4.17	82.4	3.50	7.54	0.35	95	NM	21.4	0.0	48	
Atlantic Coast Financial Corporation(2)	Jacksonville, FL	ACFC	785	5.48	5.11	10.50	(1.32)	(21.75)	2.64	85.4	2.42	6.74	2.37	20	NM	NA	0.0	9	
ASB Bancorp, Inc.	Asheville, NC	ASBB	749	14.88	14.76	30.71	0.11	0.74	2.47	101.3	2.20	3.42	0.95	82	96.2	NA	0.0	91	
Timberland Bancorp, Inc.	Hoquiam, WA	TSBK	735	9.57	11.66	16.77	0.68	5.63	3.82	69.1	2.11	6.85	0.19	85	14.5	12.0	1.4	59	
TF Financial Corporation(3)	Newtown, PA	THRD	712	11.13	10.54	17.89	0.78	6.68	3.90	62.7	1.30	2.36	0.38	90	12.7	NA	0.8	71	
Malvern Bancorp, Inc.	Paoli, PA	MLVF	688	14.25	11.96	21.20	0.21	2.06	2.66	81.0	1.67	3.16	0.35	78	50.4	NA	0.0	76	
HMN Financial, Inc.	Rochester, MN	HMNF	653	5.43	9.55	14.61	0.79	8.94	3.55	76.3	4.52	6.26	(0.94)	69	6.4	NA	0.0	24	
Hampden Bancorp, Inc.	Springfield, MA	HBNK	648	13.36	13.72	20.64	0.54	3.80	3.34	75.4	1.18	2.40	0.20	108	26.8	NA	1.2	93	
Carver Bancorp, Inc.(2)	New York, NY	CARV	638	1.45	9.91	18.09	(1.55)	(16.64)	3.14	122.5	4.03	10.82	2.67	146	NM	NA	0.0	15	
Cheviot Financial Corp.(3)	Cheviot, OH	CHEV	632	15.60	12.39	25.50	0.53	3.27	2.88	71.7	0.63	2.68	0.15	85	24.0	NA	3.0	82	
Colonial Financial Services, Inc.(2)	Vineland, NJ	COBK	630	11.13	10.22	20.92	0.02	0.20	2.89	67.9	1.01	6.16	0.36	77	686.5	NA	0.0	54	
		High	1,481	22.60	16.64	30.71	0	1.77	15.19	4.40	122.5	4.52	12.23	9.97	146	686.5	44.9	3.8	298
		Low	630	1.45	5.11	10.50	0	(1.80)	(21.75)	2.47	50.8	0.63	2.12	(0.94)	20	6.4	8.4	0.0	9

Edgar Filing: FNB CORP/FL/ - Form 424B3

Mean	946	11.99	11.77	19.49	#	0.21	0.88	3.30	74.2	1.96	5.19	1.13	93	63.4	25.0	0.8	112
Median	870	11.87	11.57	19.22	#	0.46	2.96	3.22	71.2	1.71	3.59	0.37	90	23.9	26.1	0.0	92

<b>PVF Capital Corp.(4)</b>	<b>Solon, OH</b>	<b>782</b>	<b>9.61</b>	<b>9.36</b>	<b>12.93</b>	<b>0.62</b>	<b>6.91</b>	<b>3.05</b>	<b>62.8</b>	<b>2.52</b>	<b>4.78</b>	<b>1.35</b>	<b>82</b>	<b>20.0</b>	<b>10.6</b>	<b>0.0</b>	<b>62</b>
-----------------------------	------------------	------------	-------------	-------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-----------	-------------	-------------	------------	-----------

- 
- (1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets
  - (1) Financial data as of September 30, 2012
  - (2) Regulatory capital ratios at the bank level
  - (3) PVFC LTM and 2013E EPS are tax-affected; 2013E EPS based on management projections for the twelve months ended June 30, 2013



Table of Contents

The analysis compared publicly available financial and market trading information for PVF Capital and the median financial and market trading information for the PVF Capital peer groups for the period ended December 31, 2012 or for the most recently reported period. The table below sets forth the data for PVF Capital and the median data for the PVF Capital peer groups as of and for the twelve-month period ended December 31, 2012, with pricing data as of February 14, 2013.

**PVF Capital Comparable Group Analysis**

	PVFC(1)	Regional Peer Group Median	Nationwide Peer Group Median
Total Assets (in millions)	\$ 782	\$ 1,070	\$ 870
Tangible Common Equity / Tangible Assets	9.61%	8.33%	11.87%
Leverage Ratio	9.36%	9.36%	11.57%
Total Risk Based Capital Ratio	12.93%	15.79%	19.22%
Return on Average Assets	0.62%	0.78%	0.46%
Return on Average Equity	6.91%	8.35%	2.96%
Net Interest Margin	3.05%	3.51%	3.22%
Efficiency Ratio	62.8%	70.1%	71.2%
Loan Loss Reserve / Gross Loans	2.52%	1.58%	1.71%
Nonperforming Assets / Total Assets(2)	4.78%	2.40%	3.59%
Net Chargeoffs / Average Loans	1.35%	0.42%	0.37%
Price / Tangible Book Value	82%	94%	90%
Price / LTM Earnings per Share	20.0x	12.0x	23.9x
Price / Est. 2013 Earnings per Share(3)	10.6x	11.2x	26.1x
Dividend Yield	0.0%	2.3%	0.0%
Market Capitalization (in millions)	\$ 62	\$ 79	\$ 92

- (1) LTM and 2013E EPS are tax-affected; 2013E EPS based on management projections for the twelve months ended June 30, 2013
- (2) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets
- (3) Closing price divided by median analyst estimate for 2013 as of February 14, 2013; Source: FactSet First Call

Table of Contents

**F.N.B.: Comparable Company Analysis**

Sandler O'Neill used publicly available information to compare selected financial and market trading information for F.N.B. and two groups of financial institutions selected by Sandler O'Neill.

The F.N.B. Nationwide Peer Group consisted of major exchange traded banks nationwide with assets between \$8 and \$15 billion but excludes banks headquartered in Puerto Rico and targets of announced transactions:

BancorpSouth, Inc.	National Penn Bancshares, Inc.
Bank of Hawaii Corporation	Old National Bancorp
BankUnited, Inc.	PrivateBancorp, Inc.
CapitalSource Inc.	Prosperity Bancshares, Inc.
Cathay General Bancorp	Sterling Financial Corporation
First Midwest Bancorp, Inc.	Texas Capital Bancshares, Inc.
FirstMerit Corporation	Trustmark Corporation
IBERIABANK Corporation	UMB Financial Corporation
International Bancshares Corporation	Umpqua Holdings Corporation
MB Financial, Inc.	United Bankshares, Inc.

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

**Financial data as of or for the period ending December 31, 2012**

**Pricing data as of February 14, 2013**

**Dollar values in millions**

Company	City, State	Ticker	Capital Position				LTM Profitability				Asset Quality				Valuation			
			Total Assets (\$mm)	TCE/TA (%)	Leverage Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	LLR/NPAs (%)	(1)NCOs/ Tang. Assets (%)	Avg. Book Value	Price/ LTM EPS (x)	2013 Est. Dividend EPS (x)	Current Yield (%)	Market Value (\$mm)	
UMB Financial Corporation	Kansas City, MO	UMBF	14,927	6.87	7.15	12.62	0.92	9.75	2.59	76.9	1.26	0.23	0.29	184	15.1	16.3	1.9	1,847
FirstMerit Corporation	Akron, OH	FMER	14,913	8.16	8.25	12.63	0.92	8.34	3.69	62.6	1.47	0.81	0.34	145	12.8	12.2	4.1	1,712
Prosperity Bancshares, Inc.	Houston, TX	PB	14,584	6.34	6.92	15.26	1.35	9.10	3.53	39.4	1.01	0.10	0.15	310	14.4	13.5	1.8	2,652
Private Bancorp, Inc.	Chicago, IL	PVTB	14,058	7.88	11.15	13.90	0.60	5.92	3.42	53.6	1.89	2.00	0.73	126	20.4	14.6	0.2	1,322
Bank of Hawaii Corporation	Honolulu, HI	BOH	13,728	7.23	6.78	17.39	1.22	16.23	2.97	56.9	2.19	0.50	0.15	221	13.3	14.0	3.7	2,190
BancorpSouth, Inc.	Tupelo, MS	BXS	13,397	8.83	10.22	14.81	0.65	5.96	3.57	71.6	1.88	2.50	0.48	122	16.6	16.8	0.3	1,412
IBERIABANK Corporation	Lafayette, LA	IBKC	13,130	8.72	10.01	14.53	0.63	5.05	3.61	74.5	2.87	0.75	0.00	140	20.2	15.8	2.6	1,540
BankUnited, Inc.	Miami Lakes, FL	BKU	12,376	14.11	12.89	35.64	1.71	12.45	6.04	43.6	1.06	0.89	0.13	156	13.4	15.7	3.0	2,618
International Bancshares Corp(2)	Laredo, TX	IBOC	12,117	9.65	12.79	22.93	0.96	6.99	2.88	58.7	1.49	1.65	0.25	118	13.7	14.2	2.0	1,342
Umpqua Holdings Corporation	Portland, OR	UMPQ	11,795	9.35	11.36	17.14	0.89	5.99	4.02	62.8	1.38	1.31	0.25	141	14.5	14.2	2.8	1,465
Cathay General Bancorp	El Monte, CA	CATY	10,694	10.08	13.57	18.96	1.11	7.47	3.25	47.5	2.47	2.76	0.07	152	15.7	14.1	0.2	1,584
Texas Capital Bancshares, Inc.	Dallas, TX	TCBI	10,541	7.76	9.63	12.55	1.35	16.92	4.38	49.4	0.75	0.78	0.15	222	14.8	12.8	0.0	1,804
Trustmark Corporation	Jackson, MS	TRMK	9,829	10.28	10.83	17.25	1.20	9.30	4.09	62.2	1.42	1.67	0.29	157	13.1	13.5	3.9	1,539
MB Financial, Inc.	Chicago, IL	MBFI	9,576	9.00	10.60	17.91	0.95	7.09	3.73	62.5	2.15	1.82	(0.18)	153	14.5	13.5	1.7	1,273
Old National Bancorp	Evansville, IN	ONB	9,544	9.01	8.78	14.06	1.04	8.34	4.23	67.2	1.05	1.79	0.27	169	14.5	13.1	2.9	1,393
Sterling Financial Corporation	Spokane, WA	STSA	9,237	12.79	12.63	18.90	4.10	35.76	3.46	69.3	2.30	2.28	(0.03)	116	3.6	15.5	2.7	1,362
CapitalSource Inc.	Los Angeles, CA	CSE	8,549	17.34	13.06	16.50	5.80	30.25	5.12	43.3	1.90	2.50	1.21	123	4.0	13.9	0.5	1,787
National Penn Bancshares, Inc.	Boyertown, PA	NPBC	8,530	10.80	12.78	18.70	1.17	8.25	3.50	55.6	2.12	0.67	0.35	159	14.8	14.2	4.1	1,420
United Bankshares, Inc.	Charleston, WV	UBSI	8,420	7.55	10.60	13.75	0.98	8.35	3.78	53.1	1.13	1.48	0.36	216	15.9	14.4	4.8	1,307
First Midwest Bancorp, Inc.	Itasca, IL	FMBI	8,100	8.44	8.13	11.65	(0.26)	(2.18)	3.86	65.6	1.85	1.62	0.48	144	NM	14.2	0.3	953
		High	14,927	17.34	13.57	35.64	5.80	35.76	6.04	76.9	2.87	2.76	1.21	310	20.4	16.8	4.8	2,652
		Low	8,100	6.34	6.78	11.65	(0.26)	(2.18)	2.59	39.4	0.75	0.10	(0.18)	116	3.6	12.2	0.0	953
		Mean	11,402	9.51	10.41	16.85	1.36	10.77	3.79	58.8	1.68	1.41	0.29	164	14.0	14.3	2.2	1,626
		Median	11,245	8.91	10.60	15.88	1.01	8.34	3.65	60.5	1.67	1.55	0.26	152	14.5	14.2	2.3	1,502
<b>F.N.B. Corporation</b>	<b>Hermitage, PA</b>		<b>12,024</b>	<b>6.09</b>	<b>8.29</b>	<b>12.20</b>	<b>0.94</b>	<b>8.02</b>	<b>3.73</b>	<b>59.6</b>	<b>1.28</b>	<b>0.99</b>	<b>0.38</b>	<b>243</b>	<b>15.1</b>	<b>13.9</b>	<b>4.0</b>	<b>1,672</b>

(1)

Edgar Filing: FNB CORP/FL/ - Form 424B3

Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets

(2)

Financial data as of September 30, 2012

## Edgar Filing: FNB CORP/FL/ - Form 424B3

### Table of Contents

The F.N.B. High Performing Peer Group consisted of major exchange traded banks nationwide with assets between \$6 and \$20 billion with LTM ROAA greater than or equal to 0.90% and LTM Efficiency Ratio less than or equal to 70%:

BancFirst Corporation	MB Financial, Inc.
Bank of Hawaii Corporation	National Penn Bancshares, Inc.
BankUnited, Inc.	NBT Bancorp Inc.
CapitalSource Inc.	Old National Bancorp
Cathay General Bancorp	Park National Corporation
Citizens Republic Bancorp, Inc.	Prosperity Bancshares, Inc.
Community Bank System, Inc.	Signature Bank
CVB Financial Corp.	Sterling Financial Corporation
First Financial Bancorp.	Texas Capital Bancshares, Inc.
FirstMerit Corporation	Trustmark Corporation
Fulton Financial Corporation	United Bankshares, Inc.
Glacier Bancorp, Inc.	Valley National Bancorp
International Bancshares Corporation	Western Alliance Bancorporation

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

**Financial data as of or for the period ending December 31, 2012**

**Pricing data as of February 14, 2013**

**Dollar values in millions**

Company	City, State	Ticker	Capital Position				LTM Profitability				Asset Quality				Valuation			
			Total Assets (\$)	TCE/TA (%)	Leverage Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	LLRNPA(1) Gross Loans (%)	WCs/Total Assets (%)	Tang. Avg. Book Value (%)	Price/LTM EPS (x)	2013 Est. Dividend EPS (x)	Current Yield (%)	Market Value (\$)	
Signature Bank	New York, NY	SBNY	17,456	9.45	9.51	16.35	1.17	12.18	3.53	37.5	1.06	1.53	0.25	216	19.3	17.2	0.0	3,561
Fulton Financial Corporation	Lancaster, PA	FULT	16,528	9.67	10.71	15.65	0.98	7.79	3.75	58.1	1.83	1.78	0.91	144	14.0	13.3	2.9	2,208
Valley National Bancorp	Wayne, NJ	VLY	16,013	6.81	8.07	12.36	0.91	9.57	3.52	60.2	1.17	1.88	0.16	191	13.8	14.8	6.5	1,996
FirstMerit Corporation	Akron, OH	FMER	14,913	8.16	8.25	12.63	0.92	8.34	3.69	62.6	1.47	0.81	0.34	145	12.8	12.2	4.1	1,712
Prosperity Bancshares, Inc.	Houston, TX	PB	14,584	6.34	6.92	15.26	1.35	9.10	3.53	39.4	1.01	0.10	0.15	310	14.4	13.5	1.8	2,652
Bank of Hawaii Corporation	Honolulu, HI	BOH	13,728	7.23	6.78	17.39	1.22	16.23	2.97	56.9	2.19	0.50	0.15	221	13.3	14.0	3.7	2,190
BankUnited, Inc.	Miami Lakes, FL	BKU	12,376	14.11	12.89	35.64	1.71	12.45	6.04	43.6	1.06	0.89	0.13	156	13.4	15.7	3.0	2,618
International Bancshares Corp(2)	Laredo, TX	IBOC	12,117	9.65	12.79	22.93	0.96	6.99	2.88	58.7	1.49	1.65	0.25	118	13.7	14.2	2.0	1,342
Cathay General Bancorp	El Monte, CA	CATY	10,694	10.08	13.57	18.96	1.11	7.47	3.25	47.5	2.47	2.76	0.07	152	15.7	14.1	0.2	1,584
Texas Capital Bancshares, Inc.	Dallas, TX	TCBI	10,541	7.76	9.63	12.55	1.35	16.92	4.38	49.4	0.75	0.78	0.15	222	14.8	12.8	0.0	1,804
Trustmark Corporation	Jackson, MS	TRMK	9,829	10.28	10.83	17.25	1.20	9.30	4.09	62.2	1.42	1.67	0.29	157	13.1	13.5	3.9	1,539
Citizens Republic Bancorp, Inc.	Flint, MI	CRBC	9,587	8.15	9.66	16.35	3.89	31.00	3.56	65.7	2.10	0.93	1.20	113	2.4	15.3	0.0	850
MB Financial, Inc.	Chicago, IL	MBFI	9,576	9.00	10.60	17.91	0.95	7.09	3.73	62.5	2.15	1.82	(0.18)	153	14.5	13.5	1.7	1,273
Old National Bancorp	Evansville, IN	ONB	9,544	9.01	8.78	14.06	1.04	8.34	4.23	67.2	1.05	1.79	0.27	169	14.5	13.1	2.9	1,393
Sterling Financial Corporation	Spokane, WA	STSA	9,237	12.79	12.63	18.90	4.10	35.76	3.46	69.3	2.30	2.28	(0.03)	116	3.6	15.5	2.7	1,362
CapitalSource Inc.	Los Angeles, CA	CSE	8,549	17.34	13.06	16.50	5.80	30.25	5.12	43.3	1.90	2.50	1.21	123	4.0	13.9	0.5	1,787
National Penn Bancshares, Inc.	Boyertown, PA	NPBC	8,530	10.80	12.78	18.70	1.17	8.25	3.50	55.6	2.12	0.67	0.35	159	14.8	14.2	4.1	1,420
United Bankshares, Inc.	Charleston, WV	UBSI	8,420	7.55	10.60	13.75	0.98	8.35	3.78	53.1	1.13	1.48	0.36	216	15.9	14.4	4.8	1,307
Glacier Bancorp, Inc.	Kalispell, MT	GBCI	7,747	10.33	11.47	20.01	1.01	8.54	3.38	58.4	3.69	3.18	0.92	152	15.9	14.5	3.4	1,198
Western Alliance Bancorporation	Phoenix, AZ	WAL	7,623	7.76	9.71	12.32	1.01	10.54	4.49	55.8	1.67	3.50	0.99	194	16.0	14.0	0.0	1,147
Community Bank System, Inc.	De Witt, NY	CBU	7,497	7.25	8.32	15.96	1.08	8.82	3.87	57.9	1.11	0.43	0.27	210	14.9	13.7	3.8	1,141
Park National Corporation	Newark, OH	PRK	6,643	8.79	9.03	16.32	1.16	11.40	3.82	60.0	1.25	3.33	0.47	182	13.9	13.6	5.5	1,048
First Financial Bancorp.	Cincinnati, OH	FFBC	6,497	9.51	10.54	18.21	1.07	9.43	4.39	57.0	2.36	1.36	0.68	149	13.7	14.2	7.2	902
CVB Financial Corp.	Ontario, CA	CVBF	6,363	11.17	11.19	19.23	1.19	10.31	4.04	51.2	2.68	2.29	(0.13)	163	14.8	12.8	3.1	1,145
NBT Bancorp Inc.	Norwich, NY	NBTB	6,042	7.06	8.51	12.07	0.93	9.72	3.86	63.7	1.62	0.69	0.78	170	12.9	12.3	3.8	704
BancFirst Corporation	Oklahoma City, OK	BANF	6,022	7.77	8.33	14.50	0.91	10.32	3.13	64.4	1.19	0.80	0.12	135	12.2	12.6	2.8	624
		High																

Edgar Filing: FNB CORP/FL/ - Form 424B3

	17,456	17.34	13.57	35.64	5.80	35.76	6.04	69.3	3.69	3.50	1.21	310	19.3	17.2	7.2	3,561
Low	6,022	6.34	6.78	12.07	0.91	6.99	2.88	37.5	0.75	0.10	(0.18)	113	2.4	12.2	0.0	624
Mean	10,256	9.38	10.20	16.99	1.51	12.48	3.85	56.2	1.70	1.59	0.39	171	13.2	14.0	2.9	1,558
Median	9,560	9.01	10.13	16.35	1.09	9.50	3.74	58.0	1.55	1.59	0.27	158	13.9	13.9	3.0	1,378

<b>F.N.B. Corporation</b>	<b>Hermitage, PA</b>	<b>12,024</b>	<b>6.09</b>	<b>8.29</b>	<b>12.20</b>	<b>0.94</b>	<b>8.02</b>	<b>3.73</b>	<b>59.6</b>	<b>1.28</b>	<b>0.99</b>	<b>0.38</b>	<b>243</b>	<b>15.1</b>	<b>13.9</b>	<b>4.0</b>	<b>1,672</b>
-------------------------------	--------------------------	---------------	-------------	-------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	-------------	-------------	------------	--------------

---

(1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets

(2) Financial data as of September 30, 2012

Table of Contents

The analysis compared publicly available financial and market trading information for F.N.B. and the median financial and market trading information for the F.N.B. peer groups for the period ended December 31, 2012 or for the most recently reported period. The table below sets forth the data for PVF Capital and the median data for the PVF Capital peer groups as of and for the twelve-month period ended December 31, 2012, with pricing data as of February 14, 2013.

**F.N.B. Comparable Group Analysis**

	F.N.B.	Nationwide Peer Group Median	High Performing Peer Group Median
Total Assets (in millions)	\$ 12,024	\$ 11,245	\$ 9,560
Tangible Common Equity / Tangible Assets	6.09%	8.91%	9.01%
Leverage Ratio	8.29%	10.60%	10.13%
Total Risk Based Capital Ratio	12.20%	15.88%	16.35%
Return on Average Assets	0.94%	1.01%	1.09%
Return on Average Equity	8.02%	8.34%	9.50%
Net Interest Margin	3.73%	3.65%	3.74%
Efficiency Ratio	59.6%	60.5%	58.0%
Loan Loss Reserve / Gross Loans	1.28%	1.67%	1.55%
Nonperforming Assets / Total Assets(1)	0.99%	1.55%	1.59%
Net Chargeoffs / Average Loans	0.38%	0.26%	0.27%
Price / Tangible Book Value	243%	152%	158%
Price / LTM Earnings per Share	15.1x	14.5x	13.9x
Price / Est. 2013 Earnings per Share(2)	13.9x	14.2x	13.9x
Dividend Yield	4.0%	2.3%	3.0%
Market Capitalization (in millions)	\$ 1,672	\$ 1,502	\$ 1,378

(1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets

(2) Closing price divided by median analyst estimate for 2013 as of February 14, 2013; Source: FactSet First Call



Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

Analysis of Selected Merger Transactions

Sandler O'Neill reviewed 21 merger transactions announced from January 1, 2009 through February 14, 2013 involving nationwide commercial banks and thrifts headquartered in Indiana, Kentucky, Michigan, Ohio, Pennsylvania and West Virginia with an announced deal value greater than \$25 million.

Acquiror	St	Target	St	Ann. Date	Transaction Information							Seller Information				
					Deal Value (\$mm)	LTM Earnings (x)	Est. EPS (x)	Book Value (%)	TBV Premium (%)	Core Deposit Premium (%)	2-Day Market Premium (%)	Total Assets (\$mm)	TCE/TA (%)	YTD ROAA (%)	Res/Loans (%)	NPAs/Assets(1) (%)
Penns Woods Bancorp Inc.	PA	Luzerne National Bank Corp.	PA	10/18/12	46.1	20.3		165	165	7.5	94.5	306.3	9.1	0.80	1.28	1.28
FirstMerit Corp.	OH	Citizens Republic Bancorp Inc.	MI	09/12/12	1,287.9	2.6	4.3	90	130	4.1	14.7	9,670.5	7.7	6.92	2.46	1.16
WesBanco Inc.	WV	Fidelity Bancorp Inc.	PA	07/19/12	72.9	56.4		157	167	5.5	85.1	665.8	6.4	0.20	1.12	2.96
Tompkins Financial Corporation	NY	VIST Financial Corp.	PA	01/25/12	109.1	28.8	12.8	71	116	1.4	83.3	1,485.7	5.0	0.30	1.57	2.79
Old National Bancorp	IN	Indiana Community Bancorp	IN	01/24/12	105.4	NM	19.3	123	123	2.2	65.4	984.6	6.8	(0.17)	2.10	4.35
Beneficial Mutual Bncp (MHC)	PA	SE Financial Corp.	PA	12/05/11	31.8	NM		111	111	2.5		306.9	8.3	0.16	1.64	3.67
S&T Bancorp Inc.	PA	Mainline Bancorp Inc.	PA	09/14/11	25.9	NM		125	126	2.5		241.8	7.0	0.11	1.33	0.78
Susquehanna Bancshares Inc.	PA	Tower Bancorp Inc.	PA	06/20/11	342.1	NM	21.9	135	149	6.0	40.9	2,616.0	8.8	0.05	0.72	1.60
F.N.B. Corp.	PA	Parkvale Financial Corp.	PA	06/15/11	163.0	NM		138	198	5.2	106.7	1,801.3	3.6	0.44	1.87	2.04
Susquehanna Bancshares Inc.	PA	Abington Bancorp Inc.	PA	01/26/11	273.8	33.4	31.1	124	124	9.1	15.1	1,247.1	17.0	0.61	0.61	3.18
United Bankshares Inc.	WV	Centra Financial Holdings Inc.	WV	12/15/10	185.4	22.2		130	146	6.8		1,410.8	8.6	0.69	1.77	2.04
Norwood Financial Corp.	PA	North Penn Bancorp Inc.	PA	12/14/10	27.4	20.6		125	125	6.4	62.3	164.5	12.1	0.69	1.37	1.36
Old National Bancorp	IN	Monroe Bancorp	IN	10/05/10	90.5	NM		162	162	6.2		838.1	6.7	(0.08)	2.94	4.65
German American Bancorp Inc.	IN	American Community Bancorp	IN	10/04/10	30.0	25.9		131	131	5.8	58.3	311.7	7.4	0.19	1.53	1.76
F.N.B. Corp.	PA	Comm Bancorp Inc.	PA	08/09/10	67.8	NM		126	127	3.0	76.0	641.8	8.3	0.73	3.21	3.89
Donegal Finl Services Corp	PA	Union National Financial Corp.	PA	04/19/10	25.2	NM		83	83	(0.9)	47.0	501.9	5.8	(0.40)	1.80	2.79
Chemical Financial Corp.	MI	O.A.K. Financial Corp.	MI	01/07/10	77.5	NM		109	109	1.3	65.2	840.1	8.5	0.15	2.02	2.10
Tower Bancorp Inc.	PA	First Chester County Corp.	PA	12/27/09	64.8	NM		81	90	(1.0)	98.4	1,306.7	5.5	(0.35)	2.05	2.72
Bryn Mawr Bank Corp.	PA	First Keystone Financial	PA	11/03/09	32.8	NM		100	100	0.2	51.7	525.4	6.2	(0.33)	1.14	0.58
First Niagara Finl Group	NY	Harleysville National Corp.	PA	07/26/09	239.8	8.4	13.9	51	115	0.9	38.4	5,646.2	3.9	0.33	1.47	1.55
Community Exchange Bancshares	KY	Hindman Bancshares Inc	KY	02/24/09	30.0	18.2		132	132	8.4		158.8	12.4	1.20	1.53	0.25
				High	1,287.9	56.4	31.1	165	198	9.1	106.7	9,670.5	17.0	6.92	3.21	4.65
				Low	25.2	2.6	4.3	51	83	(1.0)	14.7	158.8	3.6	(0.40)	0.61	0.25
				Mean	158.5	23.7	17.2	118	130	4.0	62.7	1,508.2	7.9	0.58	1.69	2.26
				Median	72.9	21.4	16.6	125	126	4.1	63.7	838.1	7.4	0.20	1.57	2.04

- (1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

Additionally, Sandler O'Neill reviewed 29 merger transactions announced from January 1, 2011 through February 14, 2013 involving banks and thrifts nationwide with deal values greater than \$25 million and target NPAs/Assets between 3.0% and 7.0%.

Acquiror	St	Target	St	Ann. Date	Transaction Information							Seller Information				
					Deal Value (\$mm)	LTM Earnings (x)	Price/Est. EPS (x)	Book Value (%)	TBV (%)	Core Deposit Premium (%)	2-Day Market Premium (%)	Total Assets (\$mm)	TCE/TA (%)	YTD ROAA (%)	Res./Loans (%)	NPAs/Assets (%)
Renasant Corp. United	MS	First M&F Corp. Virginia Commerce Bankshares Inc.	MS	02/06/13	146.2	23.3	16.1	117	122	2.6	52.8	1,601.7	6.0	0.44	1.76	3.49
Wintrust Financial Corp.	WV	Bancorp Inc.	VA	01/29/13	494.7	21.0	16.8	183	183	13.1	18.6	2,823.7	8.7	1.01	1.94	3.32
Crescent Financial Bancshares	IL	First Lansing Bancorp Inc.	IL	01/22/13	38.5	35.8		94	98	(0.3)		371.3	10.8	0.21	2.41	6.29
Columbia Banking System Inc.	NC	ECB Bancorp Inc.	NC	09/25/12	54.4	NM		81	81	(4.2)	60.2	944.3	7.0	0.21	2.12	4.00
SCBT Financial Corp.	WA	West Coast Bancorp Savannah Bancorp Inc.	OR	09/25/12	508.9	13.8	21.4	145	145	9.9	12.0	2,408.4	12.7	0.99	2.22	3.05
SKBHC Holdings LLC	SC	Bancorp Inc.	GA	08/07/12	66.9	NM	20.7	80	83	(2.0)	69.1	952.2	8.5	(0.13)	3.14	5.79
Customers Bancorp Inc.	WA	ICB Financial	CA	07/19/12	30.0	NM		93	95	(0.8)	22.0	227.3	11.0	(0.16)	2.38	5.11
Berkshire Hills Bancorp Inc.	PA	Acacia FSB Beacon Federal Bancorp Inc.	VA	06/20/12	65.0	NM		52	52	(9.5)		1,022.0	12.3	0.04	1.21	6.42
Park Sterling Corporation	MA	Bancorp Inc.	NY	05/31/12	130.4	22.6	24.2	111	111	3.4	46.0	1,024.7	11.1	0.50	1.81	4.00
Washington Federal Inc.	NC	Citizens South Banking Corp.	NC	05/13/12	77.8	NM		112	114	(1.6)	35.2	1,073.8	6.4	(0.80)	1.58	3.62
IBERIABANK Corp.	WA	Bancorp Inc.	OR	04/04/12	72.7	NM		106	110	1.0		868.7	7.7	(0.50)	1.75	5.35
National Australia Bank	LA	Florida Gulf Bancorp Inc.	FL	03/19/12	44.5	69.1		141	141	6.1		350.5	8.5	0.22	2.81	4.68
Grandpoint Capital Inc.	CA	North Central Bancshares Inc.	IA	03/12/12	41.5	20.0		99	100	(0.0)	36.0	433.0	9.6	0.59	1.83	3.61
Old National Bancorp	CA	Bank Capital Corp.	AZ	01/31/12	31.7	NM		121	121	2.7		261.3	8.9	(0.36)	2.01	3.78
Grandpoint Capital Inc.	IN	Indiana Community Bancorp	IN	01/24/12	105.2	NM	19.3	123	123	2.2	65.4	984.6	6.8	(0.17)	2.10	4.35
SCBT Financial Corp.	CA	California Community Bank	CA	01/19/12	30.0	34.7		116	116	2.5		243.8	10.6	0.37	2.09	3.37
Beneficial Mutual Bncp (MHC)	SC	Peoples Bancorporation Inc.	SC	12/19/11	41.5	22.0		61	61	(4.6)		545.9	8.3	0.42	2.55	5.24
Berkshire Hills Bancorp Inc.	PA	SE Financial Corp. Connecticut Bank and Trust Co.	PA	12/05/11	31.8	NM		111	111	2.5		306.9	8.3	0.16	1.64	3.67
1st United Bancorp Inc.	MA	Anderen Financial Inc.	CT	10/25/11	35.9	51.2		143	143	5.8	32.6	283.3	7.3	0.68	1.53	3.96
Sandy Spring Bancorp Inc.	FL	CommerceFirst Bancorp Inc.	FL	10/24/11	36.7	NM		94	94	(1.6)		207.3	17.5	0.51	2.18	3.61
PNC Financial Services Group	MD	Bancorp Inc.	MD	10/06/11	25.4	16.4		107	107	1.1	100.4	204.8	11.6	0.90	1.68	5.33
Opus Bank Home Bancorp Inc.	PA	RBC Bank (USA) RMG Capital Corporation	NC	06/19/11	3,450.0	NM		87	97	(0.5)		27,375.5	13.1	(0.86)	4.10	6.80
Park Sterling Corporation	CA	Corporation	CA	06/06/11	49.2	47.2		130	131	1.8		684.4	5.5	0.05	1.86	3.58
Piedmont Cmnty Bk Hldgs Inc.	LA	GS Financial Corp. Community Capital Corp.	LA	03/30/11	26.4	63.6		95	95	(0.8)	29.6	263.8	10.5	0.15	1.92	4.82
Susquehanna Bancshares Inc.	NC	Corporation	SC	03/30/11	32.3	NM	14.6	68	70	(3.2)	19.0	655.9	7.0	(0.75)	3.54	6.62
Industrial and Commercial Bank	NC	Crescent Financial Corp.	NC	02/23/11	30.6	NM		44	44	(10.4)		973.0	5.7	(1.00)	3.03	5.51
	PA	Abington Bancorp Inc	PA	01/26/11	273.8	33.4	31.1	124	124	9.1	15.1	1,247.1	17.0	0.61	0.61	3.18
	NY	Bank of East Asia (USA) NA	NY	01/21/11	140.2	47.6		134	162	21.1		717.0	15.6	0.37	1.50	4.72

Edgar Filing: FNB CORP/FL/ - Form 424B3

		Sterling														
Comerica Inc.	TX	Bancshares Inc.	TX	01/16/11	1,028.9	NM	162	230	16.7	33.6	5,039.6	9.1	(0.03)	2.81	3.89	
				High	3,450.0	69.1	31.1	183	230	21.1	100.4	27,375.5	17.5	1.01	4.10	6.80
				Low	25.4	13.8	14.6	44	44	(10.4)	12.0	204.8	5.5	(1.00)	0.61	3.05
				Mean	246.2	34.8	20.5	108	113	2.1	40.5	1,865.4	9.8	0.13	2.14	4.52
				Median	49.2	33.4	20.0	111	111	1.1	34.4	717.0	8.9	0.21	2.01	4.00

(1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets

Table of Contents

Sandler O'Neill reviewed the following multiples: transaction price to last twelve months' earnings per share, transaction price to estimated earnings per share, transaction price to stated book value, transaction price to stated tangible book value, core deposit premium, and transaction price to seller price two days before announcement. As illustrated in the following table, Sandler O'Neill compared the proposed merger multiples to the median multiples of comparable transactions.

**Comparable Merger Transactions**

	F.N.B./ PVFC	Regional Median Result	Nationwide Median Result
Transaction Price / Last Twelve Months Earnings per Share(1)	33.2x	21.4x	33.4x
Transaction Price / Estimated Earnings per Share(2)	17.6x	16.6x	20.0x
Transaction Price / Stated Book Value	137%	125%	111%
Transaction Price / Tangible Book Value	137%	126%	111%
Tangible Book Premium / Core Deposits(3)	6.2%	4.1%	1.1%
Transaction Price / Seller Price 2 Days Before Announcement(4)	65.9%	63.7%	34.4%

- (1) Assumes last twelve months earnings are tax effected at 35%
- (2) Management estimates for fiscal 2013 (for the 12 months ended June 30th); tax effected at 35%
- (3) Core deposits exclude time deposits with account balances greater than \$100,000. Core deposit premium calculated by dividing the excess of the aggregate transaction value over tangible book value by core deposits
- (4) Based on PVF Capital's closing price as of February 14, 2013 of \$2.39

**PVF Capital: Net Present Value Analysis**

Sandler O'Neill performed an analysis that estimated the present value per PVF Capital common share through June 30, 2016, assuming that PVF Capital performed in accordance with the financial projections for 2013-2016 provided by management. To approximate the terminal value of PVF Capital common shares at June 30, 2016, Sandler O'Neill applied price to last twelve months earnings multiples of 8.0x to 18.0x and multiples of tangible book value ranging from 50% to 175%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 10.0% to 16.0%, which were assumed deviations, both up and down, as selected by Sandler O'Neill based on the PVF Capital discount rate of 13.8% as determined by Sandler O'Neill. The discount rate is determined by adding the 10 year Treasury Bond rate (2.00%), the published Ibbotson 60 year equity risk premium (5.70%), the published Ibbotson size premium (3.89%) and the published Ibbotson Industry Premium (2.20%).

Sandler O'Neill also considered and discussed with the PVF Capital board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming PVF Capital's net income varied from 25% above projections to 25% below projections, using a discount rate of 13.8% for the tabular analysis.

As illustrated in the following tables, this analysis indicated an imputed range of values per share for PVF Capital common shares of \$1.70 to \$4.62 when applying the price/earnings multiples to the

Table of Contents

matched budget, \$1.23 to \$5.17 when applying multiples of tangible book value to the matched budget, and \$1.37 to \$5.13 when applying the price/earnings multiples to the -25% / +25% budget range.

Discount Rate	Earnings Per Share Multiples					
	8.0x	10.0x	12.0x	14.0x	16.0x	18.0x
10.0%	\$ 2.05	\$ 2.57	\$ 3.08	\$ 3.59	\$ 4.11	\$ 4.62
11.0%	1.99	2.49	2.98	3.48	3.98	4.47
12.0%	1.93	2.41	2.89	3.37	3.85	4.34
13.0%	1.87	2.34	2.80	3.27	3.74	4.20
14.0%	1.81	2.26	2.72	3.17	3.62	4.08
15.0%	1.76	2.20	2.64	3.07	3.51	3.95
16.0%	1.70	2.13	2.56	2.98	3.41	3.83

Discount Rate	Tangible Book Value Multiples					
	50%	75%	100%	125%	150%	175%
10.0%	\$ 1.48	\$ 2.21	\$ 2.95	\$ 3.69	\$ 4.43	\$ 5.17
11.0%	1.43	2.15	2.86	3.58	4.29	5.01
12.0%	1.39	2.08	2.77	3.46	4.16	4.85
13.0%	1.34	2.02	2.69	3.36	4.03	4.70
14.0%	1.30	1.95	2.61	3.26	3.91	4.56
15.0%	1.26	1.90	2.53	3.16	3.79	4.42
16.0%	1.23	1.84	2.45	3.06	3.68	4.29

(Under)/Over Budget	Earnings Per Share Multiples					
	8.0x	10.0x	12.0x	14.0x	16.0x	18.0x
(25.0%)	\$ 1.37	\$ 1.71	\$ 2.05	\$ 2.39	\$ 2.73	\$ 3.08
(15.0%)	1.55	1.94	2.32	2.71	3.10	3.49
(5.0%)	1.73	2.16	2.60	3.03	3.46	3.90
0.0%	1.82	2.28	2.73	3.19	3.65	4.10
5.0%	1.91	2.39	2.87	3.35	3.83	4.31
15.0%	2.10	2.62	3.14	3.67	4.19	4.72
25.0%	2.28	2.85	3.42	3.99	4.56	5.13

**F.N.B.: Net Present Value Analysis**

Sandler O'Neill performed an analysis that estimated the present value per common share of F.N.B. through December 31, 2015, assuming that F.N.B. performed in accordance with the financial projections for 2013-2015. To approximate the terminal value of F.N.B. common stock at December 31, 2015, Sandler O'Neill applied price to last twelve months earnings multiples of 10.0x to 20.0x and multiples of tangible book value ranging from 150% to 300%. The terminal values were then discounted to present values using different discount rates ranging from 6.0% to 12.0% which were selected to reflect different assumptions regarding desired rates of return of holders of F.N.B. common stock.

Sandler O'Neill also considered and discussed with the PVF Capital board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming F.N.B.'s net income varied from 25% above projections to 25% below projections, using a discount rate of 8.32% for the tabular analysis.

As illustrated in the following tables, this analysis indicated an imputed range of values per share for F.N.B. common stock of \$8.01 to \$17.30 when applying the price/earnings multiples to the matched

## Edgar Filing: FNB CORP/FL/ - Form 424B3

### Table of Contents

budget, \$8.06 to \$17.41 when applying multiples of tangible book value to the matched budget, and \$6.93 to \$19.97 when applying the price/earnings multiples to the -25% / +25% budget range.

Discount Rate	Earnings Per Share Multiples					
	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
6.0%	\$ 9.35	\$ 10.94	\$ 12.53	\$ 14.12	\$ 15.71	\$ 17.30
7.0%	9.10	10.65	12.20	13.74	15.29	16.83
8.0%	8.87	10.37	11.88	13.38	14.88	16.39
9.0%	8.64	10.10	11.57	13.03	14.49	15.95
10.0%	8.42	9.85	11.27	12.69	14.12	15.54
11.0%	8.21	9.60	10.98	12.37	13.75	15.14
12.0%	8.01	9.36	10.70	12.05	13.40	14.75

Discount Rate	Tangible Book Value Multiples					
	150%	180%	210%	240%	270%	300%
6.0%	\$ 9.41	\$ 11.01	\$ 12.61	\$ 14.21	\$ 15.81	\$ 17.41
7.0%	9.16	10.72	12.27	13.83	15.39	16.94
8.0%	8.92	10.44	11.95	13.46	14.98	16.49
9.0%	8.70	10.17	11.64	13.11	14.58	16.06
10.0%	8.48	9.91	11.34	12.77	14.20	15.64
11.0%	8.26	9.66	11.05	12.44	13.84	15.23
12.0%	8.06	9.41	10.77	12.13	13.49	14.84

(Under)/Over Budget	Earnings Per Share Multiples					
	10.0x	12.0x	14.0x	16.0x	18.0x	20.0x
(25.0%)	\$ 6.93	\$ 8.05	\$ 9.17	\$ 10.29	\$ 11.40	\$ 12.52
(15.0%)	7.68	8.94	10.21	11.48	12.74	14.01
(5.0%)	8.42	9.84	11.25	12.67	14.09	15.50
0.0%	8.80	10.29	11.78	13.27	14.76	16.25
5.0%	9.17	10.73	12.30	13.86	15.43	16.99
15.0%	9.91	11.63	13.34	15.05	16.77	18.48
25.0%	10.66	12.52	14.38	16.25	18.11	19.97

In connection with its analyses, Sandler O'Neill considered and discussed with PVF Capital's board how the present value analyses would be affected by changes in the underlying assumptions, including variations with respect to net income. Sandler O'Neill noted that the terminal value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

### **Pro Forma Merger Analysis**

Sandler O'Neill analyzed certain potential pro forma effects of the merger, assuming the following: (1) the merger is completed in the third quarter of 2013; (2) the deal value per share is equal to a \$3.97 per PVF Capital share, given a 0.3405x exchange ratio of F.N.B.'s common stock and a stock price of F.N.B. of \$11.65 per share; (3) cost savings of 30% of PVF Capital's non-interest expense fully phased-in in 2014; (4) one-time costs of \$2.8 million after-tax are expensed prior to the merger closing and \$6.5 million after-tax are expensed in 2014; (5) PVF Capital's performance was calculated in accordance with PVF Capital's management's prepared earnings projections; (6) F.N.B.'s performance was calculated in accordance with publicly available median analyst earnings estimates for the years ending December 31, 2013 and December 31, 2014 and a publicly available estimated long term growth

Table of Contents

rate for the years thereafter; (7) and certain other assumptions pertaining to costs and expenses associated with the transaction, intangible amortization, opportunity cost of cash and other items. The analyses indicated that, for the full years 2014 and 2015, the merger (excluding transaction expenses) would be accretive to F.N.B.'s projected earnings per share and tangible book value per share. The actual results achieved by the combined company may vary from projected results and the variations may be material.

**Sandler O'Neill's Compensation and Other Relationships with PVF Capital**

Sandler O'Neill has acted as financial advisor to the Board of Directors of PVF Capital and its subsidiary in connection with the merger. Pursuant to the terms of the engagement agreement, the Board of Directors of PVF Capital and its subsidiary agreed to pay Sandler O'Neill a transaction fee of 1.25% of the aggregate deal value which is payable at the closing of the merger. Sandler O'Neill also received a fee for \$125,000 upon the rendering of its fairness opinion to the Board of Directors of PVF Capital Corp. and its subsidiary. The remainder of the fee shall be paid upon closing of the merger. PVF Capital Corp. has also agreed to reimburse Sandler O'Neill for its reasonable out-of-pocket expenses, and to indemnify Sandler O'Neill against certain liabilities arising out of its engagement. Sandler O'Neill's fairness opinion was approved by Sandler O'Neill's fairness opinion committee. In the prior 2 years, Sandler O'Neill had received approximately \$140,000 from PVF Capital for other investment banking services. Sandler O'Neill has not received any fees for investment banking services from F.N.B. in the last 2 years.

In the ordinary course of their respective broker and dealer businesses, Sandler O'Neill may purchase securities from and sell securities to PVF Capital and F.N.B. and their affiliates. Sandler O'Neill may also actively trade the debt and/or equity securities of PVF Capital Corp. and F.N.B. or their affiliates for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

**Interests of F.N.B.'s Directors and Executive Officers in the Merger**

None of F.N.B.'s executive officers or directors has any direct or indirect interest in the merger, except as a result of ownership of an insignificant amount of PVF Capital common shares. One director of F.N.B. owns 2,500 PVF Capital common shares.

**Interests of PVF Capital's Directors and Executive Officers in the Merger**

In considering the recommendation of the PVF Capital board of directors that you vote to approve the merger, you should be aware that directors and executive officers of PVF Capital and Park View Federal have financial interests in the merger that may be different from, or in addition to, those of PVF Capital shareholders generally. The independent members of the PVF Capital board of directors were aware of and considered these potential interests, among other matters.

As described in more detail below, these interests include certain payments and benefits that may be provided to the executive officers upon completion of the merger.

*PVF Capital Warrants.* Several directors and one former director of PVF Capital, among other investors, own warrants to purchase PVF Capital common shares at an exercise price of \$1.75 per share. These warrant holders are: Robert J. King, Jr., who also serves as our President and Chief Executive Officer, Steven A. Calabrese, Umberto P. Fedeli, Richard R. Hollington, III, and Marty E. Adams, who resigned as a director effective February 26, 2013. Upon completion of the merger, these warrants will be cancelled, and the holders of those warrants will be entitled to receive a cash amount equal to the product obtained by multiplying



Table of Contents

the difference between (A) the product of 0.3405 and the average closing price as of the closing date of a share of F.N.B. common stock, and (B) One Dollar and Seventy-Five Cents (\$1.75) by

the number of PVF Capital common shares purchasable pursuant to the warrant immediately before completion of the merger.

The payment amount should be roughly equal to the amount of cash each warrant holder would be entitled to receive if, immediately before the closing of the merger, the warrant holder had exercised his or her warrant as to all of the shares purchasable under the warrant, and promptly after exercising his or her warrant, sold all of those shares on the open market.

F.N.B. will pay those cash amounts to the warrant holders upon the completion of the merger, and in any case not later than the fifth business day afterwards. However, F.N.B. has the right to withhold payment until it receives a signed document from the warrant holder confirming that (A) F.N.B.'s obligations to the warrant holder under the warrant will be satisfied in full by F.N.B.'s cash payment to the warrant holder, and that (B) upon the warrant holder's receipt of the cash payment, the warrant will be terminated and none of F.N.B., PVF Capital or the warrant holder will have any further rights or obligations to each other with respect to the warrant.

Messrs. King, Adams, Calabrese, Fedeli and Hollington and other investors had acquired the warrants from PVF Capital in March 2010 in an exchange offer that PVF Capital had conducted in October 2009 to repurchase and, ultimately, cancel its outstanding trust preferred securities. The trust preferred securities were held by Messrs. King, Adams and Fedeli, who were directors of PVF Capital at the time of the exchange; Mr. Hollington, who was not then a director; and other investors, who are not affiliates of PVF Capital. In the exchange offer, Messrs. King, Adams, Fedeli and Hollington and the other investors exchanged their \$10.0 million of trust preferred securities for aggregate consideration consisting of: (A) \$400,000 in cash, (B) 280,241 common shares, which were then valued at \$600,000, and (C) warrants to purchase an aggregate of 1,246,179 common shares. PVF Capital needed to cancel its outstanding trust preferred securities to be able to raise the capital required at that time by the cease and desist orders of the Office of Thrift Supervision that were then in effect against PVF Capital and Park View Federal. The exchange transaction was approved by PVF Capital's shareholders at their January 29, 2010 annual meeting. Mr. King was the President and Chief Executive Officer and a director of PVF Capital, and Messrs. Adams, Calabrese and Fedeli all were directors of PVF Capital, at the time the exchange was approved by PVF Capital's shareholders and at the time of the approval of the merger agreement between F.N.B. and PVF Capital. Mr. Hollington became a director in May 2010, and Mr. Calabrese purchased his warrants from Mr. Adams in June 2012.

Set forth in the table below are the current holdings of PVF Capital warrants by the directors and executive officers of PVF Capital and Mr. Adams, all of which are exercisable and have an exercise price of \$1.75 per share.

	<b>Aggregate Number of PVF Capital Warrants Held</b>
Marty E. Adams	280,060
Steven A. Calabrese	280,060
Robert J. King, Jr.	124,471
Umberto P. Fedeli	248,942
Richard R. Hollington, III	31,117
Total	964,650

*Retention Pay Agreements.* The merger agreement provides that PVF Capital shall pay retention bonuses to its senior management team in order to ensure the availability and continuing performance of those key employees while the merger between F.N.B. and PVF Capital is pending. An executive

Table of Contents

officer will be entitled to receive his or her retention bonus only if the officer remains employed with PVF Capital and/or Park View Federal through the date of the closing of the merger. Executives who are entitled to receive a retention bonus will be paid in a single lump sum on the date of the closing of the merger. The bonus will be payable to the executive whether or not his or her employment terminates on or after that date. The executive officers who are eligible for a retention bonus and the amounts of their bonuses are listed below:

	<b>Retention Bonus Amount</b>
<b>Robert J. King, Jr.</b> , President and Chief Executive of PVF Capital and Park View Federal	\$ 300,000
<b>James H. Nicholson</b> , Executive Vice President and Chief Financial Officer of PVF Capital and Park View Federal	\$ 180,250
<b>Mary Ann Stropkay</b> , Senior Vice President and Chief Credit Officer of Park View Federal	\$ 150,000
<b>Jeffrey N. Male</b> , Vice President and Secretary of PVF Capital and Executive Vice President and Chief Residential Lending Officer of Park View Federal	\$ 149,250

Lonnie L. Shiffert, who had served as Executive Vice President of Corporate Banking of Park View Federal, will not be eligible for a retention bonus due to his resignation from employment effective July 1, 2013. If he had remained employed with Park View Federal through the closing date of the merger, a retention bonus of \$180,250 would be payable to Mr. Shiffert on the merger closing date.

*Future Services to F.N.B.* F.N.B. agreed to offer post-merger arrangements to the senior management team of PVF Capital and Park View Federal in order to retain their services for various post-merger matters, including retention of existing Park View Federal customers, assistance in the transition of Park View Federal's business and operations to First National Bank of Pennsylvania, and assistance in the development and execution of First National Bank of Pennsylvania's business strategies in the Cleveland metropolitan area, and otherwise to preserve customer good will and franchise value. The specific post-merger arrangements are to be offered to the executive officers on or before the closing date of the merger and, if accepted, will be effective upon the completion of the merger. None of the PVF Capital officers are obligated to accept a post-merger arrangement with F.N.B., and their execution of one or more agreements for a post-merger arrangement is not a condition to F.N.B.'s obligation to proceed with the closing and completion of the merger. Due to Mr. Shiffert's recent resignation from Park View Federal, as noted above, he will not be offered a post-merger position with F.N.B.

The following paragraphs describe the post-merger arrangements which F.N.B. will offer the senior management team of PVF Capital and Park View Federal.

F.N.B. agreed it will offer employment agreements to Messrs. King and Nicholson. Compensation under these employment agreements will be payable on F.N.B.'s regularly scheduled payroll dates. It is anticipated that Mr. King's employment agreement will have a two year term and that Mr. Nicholson's employment agreement will have a one year term. Mr. King's employment agreement will be terminable after one year at his option, and Mr. Nicholson will be able to terminate his employment agreement at any time. However, all compensation for the remainder of the term will be forfeited on termination. The employment agreements also will contain mutually agreed upon non-competition and non-solicitation provisions. If Messrs. King and Nicholson accept their employment agreements, F.N.B. will also grant them restricted stock awards in the amounts set forth in the table below. Vesting of the

Table of Contents

restricted stock awards will be subject to performance goal objectives that relate to the particular transition services required from them.

F.N.B. may also offer employment to Ms. Stropkay and Mr. Male, subject to F.N.B.'s customary terms and conditions of employment. In the event they and F.N.B. cannot agree on an employment arrangement, F.N.B. will seek to enter into a non-solicitation agreement with the executive officer.

The executive officers who accept a post-merger employment relationship with F.N.B. will also be eligible to participate in the compensation and health/welfare benefit programs which are available to similarly situated employees of F.N.B.

The table below lists the total cash compensation amounts that F.N.B. plans to offer to Messrs. King and Nicholson under the employment agreements, and the amounts of the restricted stock awards to be granted to them if they accept employment with F.N.B. With respect to Ms. Stropkay and Mr. Male, the cash compensation amounts reflect a signing bonus that they would receive in the event they agree to employment with F.N.B. post-closing or, if they and F.N.B. cannot agree on an employment arrangement, such amount would be payable upon the execution of a mutually agreeable non-solicitation agreement. The table below also lists the cash compensation and restricted stock award amount that would be offered to Mr. Shiffert under a one-year employment agreement, if he had remained employed with Park View Federal through the closing date of the merger.

Name	Cash Payments	Restricted Stock Awards
<b>King</b>	\$ 600,000(1)	\$ 150,000
<b>Nicholson</b>	\$ 180,250	\$ 63,088
<b>Stropkay</b>	\$ 52,500	
<b>Male</b>	\$ 52,273	
<b>Shiffert</b>	\$ 180,250	\$ 63,088

(1) Represents cash compensation of \$300,000 annually to be paid over the two-year term of the employment agreement.

**Summary of Golden Parachute Arrangements**

None of the named executive officers (namely, Messrs. King, Nicholson, Male and Shiffert) have an employment agreement or a change-in-control agreement with PVF Capital. Pursuant to the merger agreement, PVF Capital agreed to grant the named executive officers retention bonuses that will be payable upon completion of the merger, provided that the officer remains employed with PVF Capital and/or Park View Federal through the closing of the merger.

The following table sets forth estimates of the aggregate dollar value of the various elements of compensation that are based on or otherwise relate to the merger and that may become payable to each named executive officer of PVF Capital, assuming the following:

the merger closes on June 27, 2013, the last practicable date prior to the date of these materials;

Messrs. King, Nicholson and Male remain employed with PVF Capital and/or Park View Federal through the closing of the merger on June 27, 2013;

Messrs. King and Nicholson enter into employment agreements with F.N.B., effective upon the closing of the merger on June 27, 2013; and

Mr. Male enters into an employment arrangement or non-solicitation agreement with F.N.B., effective upon the closing of the merger on June 27, 2013.



Table of Contents

Any changes in these assumptions or estimates would affect the amounts shown in the following table. Amounts that Lonnie L. Shiffert would be entitled to receive if he had remained employed with Park View Federal through the closing date of the merger are also shown in the table below. Mr. Shiffert resigned from Park View Federal effective July 1, 2013.

**Golden Parachute Compensation**

Name	Cash(1)	Equity(2)	Pension Perquisites			Other	Total(6)
			NQDC(3)	Benefits(4)	Reimbursement(5)		
<b>King</b>	\$ 300,000	\$ 539,099					\$ 839,099
<b>Nicholson</b>	\$ 180,250	\$ 90,312					\$ 270,562
<b>Male</b>	\$ 149,250	\$ 67,962					\$ 217,212
<b>Shiffert(7)</b>	\$ 180,250	\$ 90,312					\$ 270,562

(1)

**Cash Retention Bonus:** The amounts in this column reflect the value of the retention bonuses payable to executives to remain employed with PVF Capital and/or Park View Federal through the closing date of the merger. The retention pay agreements are included as a term of the merger agreement and were not put in place by PVF Capital prior to the execution of the merger agreement. Retention bonuses are payable in a single lump sum payment on the date of the closing of the merger and are payable whether or not employment terminates on or after that date.

These amounts do not include the compensation that may be paid to Messrs. King, Nicholson and Male for on-going services pursuant to proposed employment arrangements with F.N.B. which, if accepted by the executive officer, will be entered into on or before the closing of the merger, as described above in " Interests of PVF Capital's Directors and Officers in the Merger," as such compensation would relate to bona fide post-closing employment arrangements.

(2)

**Equity:** The amounts in this column reflect the value of the accelerated vesting of the named executive officers' unvested equity awards that would occur at the effective time of the merger. For purposes of calculating the value of the named executive officer's unvested equity awards, the merger is assumed to take place on June 27, 2013. The price per share is based on the average closing market price of PVF Capital common shares over the first five business days following the first public announcement of the transaction on February 19, 2013. Equity awards held by executive officers are not treated any differently than equity awards held by any other employee of PVF Capital.

Pursuant to change in control provisions, PVF Capital's option awards and restricted stock awards will become fully vested as a result of the merger, and are a single trigger benefit arrangement. PVF Capital's stock-only stock appreciation rights awards will become fully vested only upon the executive's termination without cause concurrently with or subsequent to the consummation of the merger, and are a double trigger benefit arrangement.

Name	Options	SOSARs	Restricted	
			Stock Awards	Total
<b>King</b>	\$ 97,895	\$ 84,661	\$ 356,543	\$ 539,099
<b>Nicholson</b>	\$ 40,580	\$ 37,350	\$ 12,382	\$ 90,312
<b>Male</b>	\$ 30,612	\$ 37,350		\$ 67,962
<b>Shiffert</b>	\$ 40,580	\$ 37,350	\$ 12,382	\$ 90,312

The value of restricted stock awards to be granted to Messrs. King and Nicholson if they enter into the proposed employment arrangements described above in " Interests of PVF Capital's Directors and Officers in the Merger" were excluded because those awards would relate to bona

Table of Contents

fide post-closing employment arrangements. Also, the amount in this column does not include the warrants to purchase PVF Capital common shares held by Mr. King as Mr. King paid fair value for the warrants, on the same terms and conditions as other investors in the warrants, and the settlement of those warrants is not considered to be compensation to Mr. King.

(3) **Pension/NQDC:** No pension or nonqualified deferred compensation arrangements exist with the named executive officers.

(4) **Perquisites/Benefits:** There are no contractual agreements to provide perquisites or other personal benefits or property, or health care and welfare benefits to any of the named executive officers.

(5) **Tax Reimbursement:** No tax reimbursements are provided to any of the named executive officers.

(6) **Total:** The amounts listed in this column represent the total amounts available to each named executive officer.

(7) Mr. Shiffert resigned from Park View Federal on July 1, 2013, and he will not be eligible to receive any merger-related compensation other than with respect to amounts set forth in the "Equity" column. All of Mr. Shiffert's equity awards, whether single or double trigger, will vest upon completion of the merger. See footnote 2 above for a summary of Mr. Shiffert's equity awards.

*Treatment of Equity Awards.* PVF Capital's executive officers and directors participate in PVF Capital's equity-based compensation plans and hold PVF Capital stock options, restricted stock and stock-only stock appreciation rights granted in accordance with the terms of those plans. As of June 27, 2013, the executive officers of PVF Capital as a group held options to acquire an aggregate of 177,764 PVF Capital common shares. Unless exercised prior to the closing of the merger, the PVF Capital options will be converted into stock options to purchase F.N.B. common stock, the restrictions on all restricted stock will lapse and stock-only stock appreciation rights will be settled in F.N.B. common stock upon completion of the merger. Pursuant to the merger agreement, the exchange ratio is 0.3405 shares of F.N.B. common stock for each PVF Capital common share. For a description of the treatment of PVF Capital options, restricted stock and stock-only-stock appreciation rights in the merger agreement, see "The Merger Agreement Treatment of PVF Capital Stock Options" beginning on page 77.

*Indemnification and Insurance.* F.N.B. and PVF Capital have agreed in the merger agreement that, from and after the effective time of the merger, F.N.B. will indemnify and hold harmless each present and former director and officer of PVF Capital or any of its subsidiaries against any losses, claims, damages, liabilities, costs, expenses, judgments, fines and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, pertaining or relating to the merger agreement or such person's position as a former director or officer of PVF Capital. F.N.B. has also agreed in the merger agreement that, for a period of six years after the effective time of the merger, it will cause the former directors and officers of PVF Capital to be covered by the directors' and officers' insurance policy maintained by PVF Capital or by a policy of at least the same coverage and containing terms no less advantageous to its beneficiaries than PVF Capital's policy.

*Share Ownership of Executive Officers and Directors of PVF Capital and Park View Federal.* As of June 27, 2013 the executive officers and directors of PVF Capital and Park View Federal may be deemed to be the owners of 9,204,719 common shares (including vested stock options and warrants), which represent approximately 34.2% of the outstanding PVF Capital common shares. See the section of this proxy statement/prospectus titled "Other Material Agreements Relating to the Merger Voting Agreements" beginning on page 94 for information regarding the voting agreements entered into by the directors of PVF Capital.

Table of Contents

**Regulatory Approvals Required for the Merger and the Bank Merger**

Completion of the merger between F.N.B. and PVF Capital and the merger between First National Bank of Pennsylvania and Park View Federal are each subject to several federal regulatory agency filings and approvals. The merger and the bank merger cannot be completed unless and until F.N.B. and PVF Capital, on the one hand, and First National Bank of Pennsylvania and Park View Federal, on the other hand, have received all necessary prior approvals, waivers or exemptions from the applicable bank regulatory authorities and any applicable waiting periods have expired.

*Federal Reserve Board.* F.N.B. is a registered financial holding company under the Bank Holding Company Act of 1956, and PVF Capital is a registered savings and loan holding company under the Home Owners' Loan Act. The merger of PVF Capital into F.N.B. is subject to prior approval of the Federal Reserve Board under the Bank Holding Company Act of 1956. Because the merger was not eligible for a waiver of the pre-approval requirement, F.N.B. filed an application with the Federal Reserve Board on May 23, 2013 for approval of the merger. On July 8, 2013, the Federal Reserve Board approved the acquisition by F.N.B. of PVF Capital. Under the Bank Holding Company Act, the Federal Reserve Board will not approve the merger if:

it would result in a monopoly;

it would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; or

it could have the effect in any section of the United States of substantially lessening competition, tending to create a monopoly or resulting in a restraint of trade, unless the Federal Reserve Board finds that the anti-competitive effects of the transactions are clearly outweighed by the public interest and the probable effect of the merger in meeting the convenience and needs of the communities to be served.

In addition, in reviewing a merger under the applicable statutes, the Federal Reserve Board will consider the financial and managerial resources of the companies and any subsidiary banks, and the convenience and needs of the communities to be served as well as the records of the companies in combating money laundering. Among other things, the Federal Reserve Board will evaluate the capital adequacy of the combined company after completion of the merger. The Federal Reserve Board also will take into consideration the extent to which a proposed acquisition, merger or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system. In connection with its review, the Federal Reserve Board will provide an opportunity for public comment on the application for the merger, and is authorized to hold a public meeting or other proceedings if it determines that would be appropriate.

*Office of the Comptroller of the Currency.* The merger of Park View Federal with and into First National Bank of Pennsylvania is subject to the prior approval of the Office of the Comptroller of the Currency under the Bank Merger Act. First National Bank of Pennsylvania and Park View Federal filed an Interagency Bank Merger Application for approval of the bank merger with the Office of the Comptroller of the Currency on April 12, 2013 and received approval of the bank merger on July 8, 2013. In reviewing applications under the Bank Merger Act, the Office of the Comptroller of the Currency must consider, among other factors, the financial and managerial resources and future prospects of the existing and proposed institutions, the convenience and needs of the communities to be served, safety and soundness considerations, the risk to the stability of the United States banking or financial system, the effectiveness of both institutions in combating money laundering, and the risk to the stability of the United States banking or financial system. Specifically, the Office of the Comptroller of the Currency will consider whether the resulting bank and the parent holding company will continue

Table of Contents

to be well-capitalized and well-managed. In addition, the Office of the Comptroller of the Currency may not approve a merger:

that will result in a monopoly or be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the business of banking in any part of the United States;

if the effect of the merger in any section of the country may be substantially to lessen competition or tend to create a monopoly; or

if the merger would in any other manner be a restraint of trade,

unless the Office of the Comptroller of the Currency finds that the anticompetitive effects of the merger are clearly outweighed by the public interest and the probable effect of the merger in meeting the convenience and needs of the communities to be served.

Under the Community Reinvestment Act of 1977, the Office of the Comptroller of the Currency must also take into account the records of performance of Park View Federal and First National Bank of Pennsylvania in meeting the credit needs of their markets, including low and moderate income neighborhoods served by each institution. As part of the merger review process, the federal supervisory agencies may receive comments and protests from community groups and others. Park View Federal and First National Bank of Pennsylvania each received a "Satisfactory" rating in their most recent Community Reinvestment Act evaluations.

The Office of the Comptroller of the Currency is also authorized to, but generally does not, hold a public hearing or meeting in connection with an application under the Bank Merger Act. A decision by the Office of the Comptroller of the Currency that such a hearing or meeting would be appropriate regarding any application could prolong the period during which the application is subject to review.

Mergers approved by the Office of the Comptroller of the Currency under the Bank Merger Act, with certain exceptions, may not be consummated until 30 days after the date of approval, during which time the U.S. Department of Justice may challenge the merger on antitrust grounds and may require the divestiture of certain assets and liabilities. With approval of the Office of the Comptroller of the Currency and the Department of Justice, that waiting period may be, and customarily is, reduced to no less than 15 days. There can be no assurance that the Department of Justice will not challenge the merger or, if such a challenge is made, that the result of that challenge will be favorable to F.N.B. and PVF Capital.

*Other Regulatory Approvals.* Notices and/or applications requesting approval may be submitted to various other federal and state regulatory authorities and self-regulatory organizations. On April 30, 2013, Park View Federal filed a notice of intention to convert to, or combine with, a bank with the Office of the Comptroller of the Currency. The notice application was approved on June 16, 2013.

The approval of a merger application by a regulatory authority only means that the regulatory criteria for approval have been satisfied. The process of obtaining regulatory approval would not include a review of the adequacy of the merger consideration. Further, regulatory approvals do not constitute an endorsement or recommendation of the merger.

**Public Trading Markets**

F.N.B. common stock is listed on the NYSE under the symbol "FNB." PVF Capital common shares are traded on NASDAQ under the symbol "PVFC." Upon completion of the merger, PVF Capital common shares will cease to be traded on NASDAQ, and F.N.B. as the surviving company in the merger will cause our common shares to be deregistered under the Exchange Act. F.N.B. will list the F.N.B. common stock issuable pursuant to the merger agreement on the NYSE upon receipt of NYSE approval and subject to official notice of issuance.



Table of Contents

As reported on the NYSE, the closing price per share of F.N.B. common stock on February 15, 2013 was \$12.04. As reported by NASDAQ, the closing price per PVF Capital common share on February 15, 2013 was \$2.52. Based on the F.N.B. closing price per share on the NYSE and the exchange ratio, the pro forma equivalent per share value of our common shares was \$4.10 as of that date. On July 22, 2013, the last practicable day before we printed and mailed this proxy statement/prospectus, the closing price per share of F.N.B. common stock on the NYSE was \$13.11, resulting in a pro forma equivalent per share value of our common stock of \$4.46 as of that date. On July 22, 2013, the closing price per share of PVF Capital common stock on NASDAQ was \$4.39.

**Delisting and Deregistration of PVF Capital Common Shares Following the Merger**

If the merger is completed, PVF Capital common shares will be delisted from The NASDAQ Capital Market and will be deregistered under the Securities Exchange Act of 1934.

**No Dissenters' Rights**

Dissenters' rights are statutory rights that, if available under law, enable shareholders to dissent from an fundamental corporate change, such as a merger, and to demand that the corporation pay the "fair value" for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to shareholders in connection with the fundamental corporate change. Dissenters' rights are not available in all circumstances, and exceptions to these rights are provided under the Ohio General Corporation Law. As a result of one of these exceptions, holders of PVF Capital common shares will not be entitled to dissenters' appraisal rights in the merger. Ohio law does not make dissenters' rights available when the only consideration to be received in a merger (other than cash in lieu of fractional shares) is shares of common stock that are listed on a national securities exchange and the common shares of the acquired company are also listed on an exchange. Both the NYSE (on which F.N.B. common stock is listed) and The NASDAQ Capital Market (on which PVF Capital common shares are listed) are national securities exchanges.

**Litigation Relating to the Merger**

*Pending Litigation.* On July 24, 2013, a purported shareholder of PVF Capital filed a putative class action complaint in the U.S. District Court for the Northern District of Ohio, captioned *Kugelman v. PVF Capital Corp., et al.*, Case No. 1:13-cv-01606, and naming as defendants PVF Capital, its board of directors and F.N.B. The plaintiff alleges that the disclosures in this proxy statement are inadequate, and that the director defendants breached their fiduciary duties to PVF Capital by approving the proposed merger and by their involvement in preparing this proxy statement. The plaintiff seeks an injunction barring the defendants from completing the merger; rescission of the merger agreement to the extent already implemented or, in the alternative, an award of rescissory damages; an accounting to plaintiff for all damages caused by the defendants; and an award of the costs and expenses incurred by the plaintiff in the lawsuit, including a reasonable allowance for counsel fees and expert fees. Based on the facts known to date, the defendants believe that the claims asserted in the complaint are without merit.

*Dismissed Litigation.* On March 1, 2013, a purported shareholder of PVF Capital filed a putative class action complaint in the Court of Common Pleas of Cuyahoga County, Ohio, captioned *Koziol v. PVF Capital Corp., et al.*, Case No. CV-13-802355, and naming as defendants PVF Capital, its board of directors and F.N.B. On March 13, 2013, another purported shareholder of PVF Capital filed a derivative and putative class action complaint in the Court of Common Pleas of Cuyahoga County, Ohio, captioned *Arvelo v. PVF Capital Corp., et al.*, Case No. CV-13-802997, and naming as defendants PVF Capital, its board of directors and F.N.B. The plaintiffs in both lawsuits made various, similar allegations against the defendants, including that the proposed merger consideration is inadequate and undervalues the company, that the director defendants breached their fiduciary duties to PVF Capital

Table of Contents

in approving the proposed merger, and that PVF Capital and F.N.B. aided and abetted those alleged breaches. The plaintiffs in both lawsuits generally sought similar relief, including: an injunction barring the defendants from completing the merger; rescission of the merger agreement to the extent already implemented or, in the alternative, an award of rescissory damages; an accounting to plaintiff for all damages caused by the defendants; and an award of the costs and expenses incurred by the plaintiff in the lawsuit, including a reasonable allowance for counsel fees and expert fees.

On April 1, 2013, F.N.B. filed a motion to dismiss the *Koziol* lawsuit, and the court consolidated the *Koziol* and *Arvelo* lawsuits at Case No. CV-13-802355.

On April 2, 2013, a third purported shareholder of PVF Capital filed a putative class action complaint in the Court of Common Pleas of Cuyahoga County, Ohio, captioned *Litman v. PVF Capital Corp., et al.*, Case No. CV-13-804048, and naming as defendants PVF Capital, its board of directors and F.N.B. The *Litman* plaintiff made various allegations against the defendants, similar to the allegations in the *Koziol* and *Arvelo* lawsuits, including that the proposed merger consideration is inadequate and undervalues the company, that the director defendants breached their fiduciary duties to PVF Capital in approving the proposed merger, and that PVF Capital and F.N.B. aided and abetted those alleged breaches. The *Litman* plaintiff also sought similar relief to the relief requested by plaintiffs in the *Koziol* and *Arvelo* lawsuits.

On April 8, 2013, F.N.B. filed a motion to dismiss the *Arvelo* lawsuit. On April 10, 2013, the court consolidated the *Litman* lawsuit with the *Koziol* and *Arvelo* lawsuits at Case No. CV-13-802355. On April 12, 2013, F.N.B. filed a motion to dismiss the *Litman* lawsuit. On April 15, 2013, PVF Capital and the board of directors filed answers to the *Koziol*, *Arvelo* and *Litman* lawsuits and filed a motion for judgment on the pleadings with respect to all three lawsuits.

On April 29, 2013 and April 30, 2013, before the motions to dismiss were decided for any of the lawsuits, the plaintiffs in each of the *Koziol*, *Arvelo* and *Litman* lawsuits voluntarily dismissed their complaints without prejudice. As of the date of this proxy statement/prospectus, these plaintiffs have not re-filed their lawsuits.

Table of Contents

**THE MERGER AGREEMENT**

*The following section is a summary of the material provisions of the merger agreement. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which we include as Appendix A to this proxy statement/prospectus and incorporate by reference in this proxy statement/prospectus. This summary may not contain all of the information about the merger agreement that may be important to you. We urge you to read the merger agreement carefully and in its entirety.*

**The Merger**

The merger agreement provides for the merger of PVF Capital with and into F.N.B. F.N.B. will be the surviving corporation in the merger and will continue its corporate existence as a Florida corporation, and the separate corporate existence of PVF Capital will cease.

The merger agreement provides that F.N.B. may at any time change the structure of the merger, unless the change would do any of the following: (A) alter the amount or kind of merger consideration to be provided to the PVF Capital common shareholders, (B) adversely affect the U.S. federal income tax consequences to PVF Capital common shareholders or to either party in the merger, or (C) materially impede or delay consummation of the merger.

**Merger Consideration**

At the effective time of the merger, each PVF Capital common share that is issued and outstanding immediately prior to the completion of the merger will automatically become the right to receive 0.3405 shares of F.N.B. common stock, which we refer to herein as the exchange ratio. In other words, each PVF Capital shareholder will have the right to receive 0.3405 shares of F.N.B. common stock in exchange for each common share of PVF Capital that he or she owns. However, any common shares held by F.N.B., its subsidiaries or PVF Capital's subsidiaries, and any common shares that PVF Capital holds as treasury shares, will not be converted into shares of F.N.B. common stock and will be cancelled without receipt of any consideration.

If F.N.B. makes a change in its capitalization before the merger is completed, other than a change relating to a business combination transaction with another bank holding company or financial services company, then F.N.B. will make proportionate adjustments to the exchange ratio of 0.3405 shares of F.N.B. common stock for each common share of PVF Capital.

Examples of changes in capitalization that would trigger an adjustment are:

a stock dividend or distribution on F.N.B. common stock with a record date prior to the date of completion of the merger;

stock splits and reverse stock splits involving F.N.B. common stock; and

a distribution made on F.N.B. common stock in a security that is convertible into F.N.B. capital stock.

F.N.B. will not issue any fractional shares of F.N.B. common stock in the merger. For each fractional share that PVF Capital shareholders would otherwise have the right to receive, F.N.B. will pay an amount in cash, without interest, rounded to the nearest cent, equal to the product of the fractional share held by that shareholder multiplied by the average closing price of F.N.B. common stock for the 20 consecutive trading-day period ending on and including the fifth trading day prior to the effective date of the merger. PVF Capital shareholders will not have the right to receive dividends or other rights with respect to those fractional shares.

Table of Contents

**Treatment of PVF Capital Stock Options**

Upon completion of the merger, each outstanding stock option to acquire PVF Capital common shares pursuant to PVF Capital's equity-based compensation plans will be converted into an option to purchase a number of shares of F.N.B. common stock (rounded down to the nearest whole share) equal to (A) the number of PVF Capital common shares underlying the stock option immediately prior to the merger multiplied by (B) the exchange ratio. A corresponding adjustment will be made to the exercise price (rounded up to the nearest whole cent) of the stock option by dividing the exercise price as in effect immediately prior to the merger by the exchange ratio. The stock option will otherwise have the same terms and conditions that were in effect immediately before completion of the merger.

**Treatment of PVF Capital Share Awards**

Upon completion of the merger, each holder of a PVF Capital share award relating to PVF Capital common shares shall be entitled to receive a number of shares of F.N.B. common stock (rounded down to the nearest whole share) equal to (A) the number of PVF Capital common shares subject to the PVF Capital share award multiplied by (B) the exchange ratio. The share award will remain subject to any restrictions, vesting and other terms and conditions provided in the award agreement and the PVF Capital stock plan relating to the award.

**Treatment of PVF Capital Warrants**

Upon completion of the merger, the warrants that PVF Capital had issued as part of an exchange offer to investors who held outstanding trust preferred securities of PVF Capital, will be cancelled, and the holders of those warrants will be entitled to receive a cash amount that will be calculated based on the exchange ratio, the average closing price of F.N.B. common stock as of the closing date of the merger and the exercise price of the warrants. The payment amount should be roughly equal to the amount of cash each warrant holder would be entitled to receive if, immediately before the closing of the merger, the warrant holder had exercised his or her warrant as to all of the shares purchasable under the warrant, and promptly after exercising his or her warrant, sold all of those shares on the open market.

F.N.B. will pay those cash amounts to the warrant holders upon the completion of the merger, and in any case not later than the fifth business day afterwards. However, F.N.B. has the right to withhold payment until it receives a signed document from the warrant holder confirming that (A) F.N.B.'s obligations to the warrant holder under the warrant will be satisfied in full by F.N.B.'s cash payment to the warrant holder, and that (B) upon the warrant holder's receipt of the cash payment, the warrant will be terminated and none of F.N.B., PVF Capital or the warrant holder will have any further rights or obligations to each other with respect to the warrant. For more information about these warrants, see "Proposal No.1 Proposed to Approve the Merger Interests of PVF Capital's Directors and Executive Officers in the Merger" on page 66.

**Articles of Incorporation and Bylaws of the Surviving Corporation**

The F.N.B. articles of incorporation and the F.N.B. bylaws as in effect immediately prior to the completion of the merger will be the articles of incorporation and the bylaws of the surviving corporation.

**Board of Directors and Executive Officers of the Surviving Corporation**

Upon completion of the merger, the board of directors of F.N.B. will constitute the board of directors of the surviving corporation. The executive officers of F.N.B. will continue as the executive officers of the surviving corporation.

Table of Contents

**Closing and Effective Time of the Merger**

The closing of the merger will take place at the time and on the date chosen by F.N.B. and PVF Capital, which date will be no later than the fifth business day after all of the closing conditions specified in the merger agreement are satisfied or waived, other than those conditions which by their nature must be satisfied (or waived) at the closing. F.N.B. and PVF Capital may extend the closing date by mutual agreement. The merger will become effective at the time specified in the articles of merger that F.N.B. and PVF Capital file with the Secretary of State of the State of Florida and the Secretary of State of the State of Ohio.

**Exchange and Payment Procedures**

*Procedures for Common Shares.* As promptly as practicable after the merger is completed, F.N.B. will deposit the merger consideration with the exchange agent, Registrar and Transfer Company. Specifically, the deposit will consist of: (A) book entry shares representing the shares of F.N.B. common stock issuable in exchange for the PVF Capital common shares which will be cancelled in the merger, (B) cash in an amount equal to any dividends or distributions which are payable to PVF Capital shareholders in accordance with the merger agreement, and (C) cash to be paid to PVF Capital shareholders in lieu of fractional shares of F.N.B. common stock.

As soon as practicable after the merger is completed, the exchange agent will mail each holder of record of PVF Capital common shares a letter of transmittal which contains instructions for surrendering their share certificates. Each holder of a PVF Capital share certificate, who has surrendered his or her share certificate to the exchange agent together with properly signed transmittal materials, will be entitled to receive, for each PVF Capital common share he or she holds, 0.3405 shares of F.N.B. common stock in book entry form and cash in lieu of any fractional shares of F.N.B. common stock to which the holder would otherwise be entitled. F.N.B. will have no obligation to deliver any shares of F.N.B. common stock or any cash in lieu of fractional shares to any PVF Capital shareholder until the shareholder has surrendered the share certificates representing his or her PVF Capital common shares.

If a stock certificate has been lost, stolen or destroyed, the exchange agent will issue the F.N.B. common stock payable under the merger agreement to the shareholder upon receipt of an affidavit by the shareholder regarding the loss of his or her certificate. F.N.B. or the exchange agent may require the shareholder to post a bond in a reasonable amount as indemnity against any claim that may be made against F.N.B. or the exchange agent with respect to the shareholder's lost, stolen or destroyed PVF Capital share certificate.

PVF Capital share certificates may be exchanged for shares of F.N.B. common stock and cash in lieu of fractional shares of F.N.B. common stock through the exchange agent for up to 12 months after the completion of the merger. At the end of that period, the exchange agent will return any F.N.B. shares and cash to F.N.B., and holders of PVF Capital stock certificates who did not previously exchange their stock certificates for the merger consideration must apply to F.N.B. for payment of the merger consideration, any cash in lieu of fractional shares of F.N.B. common stock and any unpaid dividends or distributions payable to the shareholder pursuant to the merger agreement. Neither PVF Capital nor F.N.B. will be liable to any former holder of PVF Capital common shares for any merger consideration that is paid to a public official pursuant to any applicable abandoned property, escheat or similar laws.

The exchange agent (or, following the first anniversary of the effective time of the merger, F.N.B.) is entitled to deduct and withhold from any cash amounts payable to any PVF Capital common shareholder any amounts that the exchange agent or F.N.B. is required to deduct and withhold under the Internal Revenue Code, or any state, local or foreign tax law or regulation. Any amounts that

Table of Contents

F.N.B. or the exchange agent withhold will be treated as having been paid to the PVF Capital shareholder.

After the merger is completed, no transfers on the stock transfer books of PVF Capital will be permitted other than to settle transfers of PVF Capital common shares that occurred prior to the effective time of the merger.

*Procedures for PVF Capital Warrants.* F.N.B. will pay the cash amounts due to the warrant holders upon the completion of the merger, and in any case not later than the fifth business day afterwards. However, F.N.B. has the right to withhold payment until it receives a signed document from the warrant holder confirming that (A) F.N.B.'s obligations to the warrant holder under the warrant will be satisfied in full by F.N.B.'s cash payment to the warrant holder, and that (B) upon the warrant holder's receipt of the cash payment, the warrant will be terminated and none of F.N.B., PVF Capital or the warrant holder will have any further rights or obligations to each other with respect to the warrant. For more information about these warrants, see "Proposal No.1 Proposed to Approve the Merger Interests of PVF Capital's Directors and Executive Officers in the Merger" on page 66 and " Treatment of PVF Capital Warrants" on page 77 above.

**Dividends and Distributions**

Following surrender of their PVF Capital share certificates to the exchange agent, the PVF Capital shareholders will be paid, without interest:

at the time of surrender, any dividends or distributions declared by PVF Capital on its common shares after February 19, 2013 that have a record date prior to the date on which the merger was completed, and remained unpaid at the time the merger was completed; and

at the time of surrender, any cash payable in lieu of a fractional share of F.N.B. common stock to which the shareholder is entitled, and any dividends or distributions declared on the F.N.B. common stock with a record date after the date on which the merger was completed, and which became payable before the time of surrender.

Also, at the appropriate payment date, a PVF shareholder who has properly surrendered his or her PVF Capital share certificates will be paid any dividends or distributions declared on F.N.B. common stock with a record date after the date on which the merger was completed but before the date of surrender.

PVF Capital has agreed that while the merger is pending, it will not declare or pay any dividend or distribution on its capital stock, other than dividends and distributions from a subsidiary of PVF Capital to PVF Capital or a wholly-owned subsidiary of PVF Capital. However, PVF Capital has not paid or declared a dividend in the last three years and no dividends are expected to be declared or paid by PVF Capital prior to the time the merger is completed.

**Bank Merger**

As soon as practicable after the merger of PVF Capital into F.N.B. is completed, Park View Federal will merge with and into First National Bank of Pennsylvania. First National Bank of Pennsylvania will be the surviving entity in the merger and continue its existence as a national bank, and Park View Federal's separate existence will cease. Upon completion of the bank merger, the board of directors of First National Bank of Pennsylvania will constitute the board of directors of the combined bank.

Table of Contents

**Representations and Warranties**

The merger agreement contains generally reciprocal and customary representations and warranties of F.N.B. and PVF Capital relating to F.N.B.'s and PVF Capital's businesses. The representations and warranties of PVF Capital and F.N.B. are subject, in some cases, to exceptions and qualifications contained in the merger agreement and the matters contained in the disclosure schedules that PVF Capital and F.N.B. delivered to each other in connection with the merger agreement. The representations and warranties in the merger agreement will not survive the closing date of the merger.

The representations and warranties that PVF Capital and F.N.B. made to each other relate to, among other things, the following:

corporate matters, including its due organization, corporate power and authority, and subsidiaries;

its capitalization;

its corporate power and authority to enter into the merger agreement, and that no conflicts with, violations of, or defaults under its organizational documents or other obligations, would be caused by entering into the merger agreement and completing the merger;

the governmental filings and consents, authorizations, approvals and exemptions that are required in order to enter into the merger agreement and complete the merger;

its timely filing of reports with bank regulatory authorities and other regulatory entities, and the absence of initiated or pending regulatory proceedings or investigations relating to the business or operations of that party or its subsidiaries;

its filings with the SEC, the conformity of its financial statements with U.S. GAAP, and the maintenance of its and its subsidiaries' books and records in accordance with applicable legal and accounting requirements;

any investment bankers' fees which it is required to pay in connection with the merger;

the absence of any material adverse effect (as defined below) affecting it and its subsidiaries;

legal proceedings;

tax matters;

employee benefit plans;

compliance with applicable laws;

material contracts;

agreements with regulatory agencies;

undisclosed liabilities;

environmental liabilities;

the treatment of the merger as a reorganization for tax purposes;

the loans, delinquent loans and nonperforming and classified loans and investments and other assets which are reflected on its books and records;

allowances for loan losses;

fiduciary accounts; and

insurance.



Table of Contents

PVF Capital made additional representations and warranties regarding:

real property;

the receipt of an opinion from its financial advisor;

the non-applicability of state anti-takeover laws;

investment securities; and

intellectual property.

Certain representations and warranties of F.N.B. and PVF Capital are qualified as to "materiality" or "material adverse effect." A "material adverse effect," when used in reference to F.N.B. or PVF Capital, means any event, circumstance, development, change or effect that alone or in the aggregate with other events, circumstances, developments, changes or effects (1) is materially adverse to the business, results of operations or financial condition of that party and its subsidiaries taken as a whole, or (2) materially delays or impairs the ability of that party to complete the merger on a timely basis.

In determining whether a material adverse effect has occurred with respect to the business, results of operations or financial condition of a party and its subsidiaries, we will disregard any effects resulting from:

changes in U.S. generally accepted accounting principles or regulatory accounting requirements applicable to banks or savings associations and their holding companies generally;

changes in laws, rules or regulations of general applicability, or their interpretation by courts or any governmental entity;

actions or omissions of that party taken at the request of, or with the prior written consent of, the other party or as required under the merger agreement;

changes, events or developments in the national or world economy or financial or securities markets generally, general economic conditions, or other changes, events or developments that affect banks or their holding companies generally, except for changes that have a materially disproportionate adverse effect on that party relative to other similarly situated participants in the same markets or industries;

the completion or public disclosure of the merger, including the resignation of employees, or any impact on the business, customer relations, condition or results of operations of that party;

any outbreak or escalation of war or hostilities, any occurrence or threats of terrorist acts or any associated armed hostilities, and any national or international calamity, disaster or emergency;

any changes in interest rates or foreign currency rates;

Edgar Filing: FNB CORP/FL/ - Form 424B3

any claim, suit, action, audit, arbitration, investigation, inquiry or other proceeding or order which challenges, seeks to prevent, enjoins, alters or delays, or seeks damages as a result of, or in connection with, the merger;

any failure by that party to meet any published (whether by that party or a third party research analyst) or internally prepared estimates of revenues or earnings;

a decline in the price, or a change in the trading volume of, that party's common stock on NASDAQ or the NYSE, as applicable; and

any matter which the party already disclosed in reasonable detail in the disclosure schedules it delivered to the other party pursuant to the merger agreement or in its SEC filings, as long as the disclosed matter has not worsened in a materially adverse manner.

Table of Contents

This summary and the copy of the merger agreement attached to this document as Appendix A are included solely to provide investors with information regarding the terms of the merger agreement. They are not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The merger agreement contains representations and warranties by F.N.B. and PVF Capital, which were made only for purposes of that agreement and as of specific dates. The representations, warranties and covenants in the merger agreement were made solely for the benefit of the parties to the merger agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those generally applicable to investors. Investors are not third-party beneficiaries under the merger agreement, and in reviewing the representations, warranties and covenants contained in the merger agreement or any descriptions thereof in this summary, it is important to bear in mind that those representations, warranties and covenants, and any descriptions of those provisions, were not intended by the parties to the merger agreement to be characterizations of the actual state of facts or condition of F.N.B., PVF Capital or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, and those subsequent developments may or may not be fully reflected in F.N.B.'s and PVF Capital's public disclosures. For the foregoing reasons, the representations, warranties and covenants, and any descriptions of those provisions, should not be read alone. They should be read in conjunction with the other information contained in the reports, statements and filings that F.N.B. and PVF Capital publicly file with the SEC. For more information regarding these documents, see the section entitled "Where You Can Find More Information" beginning on page 165.

**Covenants and Agreements**

F.N.B. and PVF Capital agreed to certain customary covenants that place restrictions on them and their respective subsidiaries until the merger is completed. For example, F.N.B. and PVF Capital agreed to:

continue to conduct their businesses and that of their subsidiaries in the ordinary course of business in all material respects;

use their reasonable best efforts to maintain and preserve intact their respective business organizations, employees and advantageous business relationships and retain the services of their key officers and other key employees; and

refrain from taking any action that would reasonably be expected to prevent or materially impede or delay the obtaining of, or materially adversely affect either party's ability (A) to obtain expeditiously, any required approvals from any regulatory agency, governmental entity or other person or entity, (B) to perform its covenants and agreements under the merger agreement, or (C) to complete the merger.

PVF Capital also agreed to provide F.N.B. with regular updates and other information about its lending operations, such as:

copies of materials presented at meetings of the loan committee of the board of directors of Park View Federal, and minutes of their meetings;

a quarterly update of reserves and other allowances for loan losses;

notification if a state or federal bank regulatory agency determines that PVF Capital or its subsidiaries are not in compliance with accounting or regulatory requirements for establishing

Table of Contents

reserves or accounting for delinquent and classified assets, or that their reserves are inadequate or inconsistent with their historical loss experience;

an update of all extensions of credit and "other real estate owned" that have been classified as a credit risk (*i.e.*, other loans specifically mentioned, special mention, substandard, doubtful, loss, classified or criticized, credit risk assets, concerned loans, and other words of similar import) by PVF Capital, one of its subsidiaries or a state or federal bank regulatory agency; and

underwriting materials and documentation for each Small Business Administration loan in excess of \$500,000.

PVF Capital further agreed that, except with F.N.B.'s prior written consent, or as the merger agreement otherwise permits, it will not undertake or permit its subsidiaries to undertake any of the following actions:

declare, set aside or pay any dividends or make any other distributions on any shares of the capital stock of PVF Capital, except for dividends and distributions from a subsidiary of PVF Capital to either PVF Capital or a wholly-owned subsidiary of PVF Capital;

split, combine or reclassify any capital stock, or issue, or authorize the issuance of, any other securities in respect of, in lieu of, or in substitution for, shares of the capital stock of PVF Capital, except upon exercise of outstanding stock options or pursuant to existing agreements or arrangements;

purchase, redeem or otherwise acquire any shares of capital stock of PVF Capital or any securities of PVF Capital subsidiaries, or any rights, warrants or options to acquire those securities (except to satisfy tax obligations upon settlement of a share award or exercise of a stock option);

grant any stock options, restricted stock awards, performance stock awards, restricted stock units, or other equity or equity-based awards with respect to PVF Capital common shares, except as required by an existing contract, plan or arrangement or policy or as agreed to by F.N.B. and PVF Capital;

grant any person or entity any right to acquire any shares of the capital stock of PVF Capital or issue any additional shares of capital stock or any other securities, except that PVF Capital is free to issue its common shares to settle the exercise of PVF Capital stock options or warrants to purchase PVF Capital common shares;

amend its articles of incorporation or code of regulations;

acquire, or agree to acquire, by merging or consolidating with, or by purchasing any assets or equity securities of, any business or other person or entity, except that PVF may purchase inventory or other similar assets in the ordinary course of business consistent with past practice that do not exceed \$100,000 in the aggregate;

open, acquire, close or sell any bank branches;

sell, lease, license, mortgage or otherwise encumber or dispose of any of PVF Capital's properties or assets unless the transaction is in the ordinary course of business consistent with past practice and, together with other similar transactions, does not exceed \$100,000 in the aggregate;



Table of Contents

incur any indebtedness for borrowed money, issue debt securities or assume or guarantee the obligations of any person or entity (other than PVF Capital's or its subsidiaries' own obligations), except for:

borrowings with a maturity of no more than 30 days (or 90 days in the case of repurchase agreements) under existing credit facilities;

renewals, extensions or replacements of those existing credit facilities if (1) they were incurred in the ordinary course of business consistent with past practice, (2) they do not increase the aggregate amount available under the credit facilities, (3) they do not provide for termination fees or pre-payment penalties, (4) they do not contain new provisions limiting PVF Capital's and its subsidiaries' and successors' ability to terminate or pre-pay those facilities, and (5) they do not contain financial terms which are less advantageous than the existing credit facilities;

ordinary advances and reimbursements to employees and endorsements of banking instruments that were made in the ordinary course of business consistent with past practice;

make any capital contributions to, or investments in, any person or entity other than PVF Capital's own wholly-owned subsidiaries;

change in any material respect PVF Capital's accounting methods, except to conform to changes in tax law requirements, U.S. GAAP or regulatory accounting principles or as required by its independent auditors or regulatory agencies;

change in any material respect PVF Capital's underwriting, operating, investment, risk management or other similar policies, except as required by applicable law, regulatory policies, regulatory agencies or governmental entities;

make, change or revoke any material tax election, file any material amended tax return, enter into any closing agreement with respect to a material amount of taxes, settle any material tax claim or surrender any right to a refund of a material amount of taxes;

terminate or waive any material provision of any material contract or obligation;

enter into or renew any agreement, including any bank owned life insurance policies, except for:

agreements which may be terminated on notice of 60 days or less without payment of any termination fee or other amount, and which involve less than \$60,000 annually; and

any loan which PVF Capital and its subsidiaries otherwise would be permitted to make, renew or modify under the merger agreement;

incur any capital expenditure in excess of \$50,000 individually or \$100,000 in the aggregate;

except as required by existing agreements, alter in any material respect any material interest in any business entity in which PVF Capital holds any ownership interest, other than an interest arising by foreclosure, settlement in lieu of foreclosure or

Edgar Filing: FNB CORP/FL/ - Form 424B3

troubled debt restructuring in the ordinary course of business consistent with past practice;

agree or consent to any material agreement or material modifications of an existing agreement between PVF Capital and any regulatory authority or governmental entity, except as required by law or regulation;

pay, discharge or settle any claim, action, litigation, arbitration, proceeding or investigation, other than a payment or settlement in the ordinary course of business consistent with past practices that involves solely money damages in an amount not in excess of \$75,000 individually or \$150,000 in the aggregate;

## Edgar Filing: FNB CORP/FL/ - Form 424B3

### Table of Contents

issue any broadly distributed communication of a general nature to employees or customers, except for communications in the ordinary course of business that do not relate to the merger or the merger agreement;

take any action or knowingly fail to take any action that could be reasonably expected to prevent the merger from qualifying as a reorganization for U.S. federal income tax purposes;

take any action that would be reasonably expected to materially impede or delay the ability of the parties to obtain any necessary approvals of any regulatory agency or any other governmental entity required for the merger;

take any action that is intended to or is reasonably likely to result in:

any of PVF Capital's representations or warranties in the merger agreement being or becoming untrue in any material respect at any time prior to the effective date of the merger;

any of the conditions precedent to the closing not being satisfied; or

a violation of any provision of the merger agreement;

make, renew or otherwise modify any loan, loan commitment or other extension of credit described below, if F.N.B. objected to it within three business days after receiving notice from PVF Capital that it or one of its subsidiaries desired to take that action:

loans classified as "doubtful" or "loss" on PVF Capital's books;

loans in an amount in excess of \$350,000 and classified as "special mention" or "substandard";

loans in which the borrower would be indebted to Park View Federal for more than \$200,000 on an unsecured or undersecured basis;

fully-secured loans in which the borrower would be indebted to Park View Federal for more than \$2,000,000, unless secured by a first mortgage on single-family owner-occupied real estate;

loans secured by an owner-occupied, 1 - 4 single family residence with a principal balance of more than \$750,000;

loans for the construction of infrastructure or related improvements or any other land or land development-type loan with a principal balance of more than \$750,000; and

Small Business Administration loans in an amount equal to or greater than \$2,000,000;



## Edgar Filing: FNB CORP/FL/ - Form 424B3

Small Business Administration loans in an amount equal to or greater than \$500,000, if the total amount of all Small Business Administration loans is equal to or greater than \$20,000,000 at that time, or would be equal to or greater than \$20,000,000 immediately after the loan is made; and

any loan that does not conform with Park View Federal's credit policy manual;

acquire any new loan participation or loan servicing rights (except with respect to a Small Business Administration loan or residential loan originated by Park View Federal);

originate, participate or purchase any new loan that is serviced by a third party or is outside of PVF Capital's primary market areas in the Cuyahoga, Summit, Medina, Lorain, Lake, Portage and Geauga Counties of Ohio, unless the loan is a Small Business Administration loan that is within the agreed upon market areas for Small Business Administration loans or a saleable residential mortgage loan;

Table of Contents

enter into, amend or renew any employment, consulting, severance or similar agreements or arrangements with any directors, officers or employees of PVF Capital or its subsidiaries, or grant any wage or salary increase or increase any employee benefits (including by means of an incentive or bonus payment or contribution to a deferred compensation plan), make any grants of awards to newly-hired employees or accelerate the vesting of any unvested stock options or stock awards, except that PVF Capital may:

give merit increases to employees who would normally be eligible for a merit increase during the period from February 19, 2013 through the closing date of the merger, as long as the total amount of all merit increases does not exceed, in the aggregate, 2.5% of annual compensation;

pay bonuses as long as they are paid in accordance with PVF Capital's short-term incentive plan and have been accrued according to PVF Capital's customary and normal practices, and the total amount of all bonuses paid does not exceed a budget pool of \$1,200,000;

make changes to comply with applicable law, as long as PVF Capital has given prior notice of the change to F.N.B.; and

pay retention bonuses to persons and in amounts that are approved by F.N.B. in consultation with PVF Capital;

hire or promote any employee, except that PVF Capital may hire a new employee in the following situations:

to satisfy the contractual obligations or fill the vacancies which are listed in a schedule to the merger agreement; or

to fill vacancies which arise after the date of the merger agreement, as long as the new hire is compensated at a comparable level (with total salary and incentive compensation not to exceed \$50,000) and is employed on an "at will" basis;

engage in any new loan transaction with any of PVF Capital's officers or directors or any other related party;

purchase any equity securities or any debt securities, other than debt securities that will mature in three years or less and have a quality rating of "AAA" by either Standard & Poor's Rating Services or Moody's Investor Services for corporate bonds;

convert PVF Capital's data processing and related information and/or accounting systems;

sell, assign, transfer, pledge or otherwise dispose of assets having a book or market value, whichever is greater, that is more than \$100,000 in the aggregate, other than:

pledges or liens to secure any of the following: government deposits or advances from the Federal Home Loan Bank or the Federal Reserve Board, payment of taxes, assessments and similar charges not yet due and payable, payment of deposits, repurchase agreements, bankers acceptances, "treasury tax and loan" accounts consistent with past practices, or the collection and processing of checks and drafts of letters of credit consistent with customary banking practices or the exercise of trust powers;

sales of assets received in satisfaction of debts previously contracted for in the ordinary course of banking business; and

issuances of loans, sales of previously purchased government-guaranteed loans or transactions in the investment securities portfolio by PVF Capital or one of its subsidiaries or repurchase agreements made in the ordinary course of banking business; or

Table of Contents

agree to take, make any commitment to take or adopt any board of directors' resolutions in support of any of the prohibited actions listed above.

Nevertheless, F.N.B. agreed that PVF Capital may freely continue certain lending activities in the ordinary course of its business. Specifically, PVF Capital may freely sell, assign, transfer, pledge or otherwise dispose of:

the guaranteed portion of any Small Business Administration loan;

saleable residential mortgage loans of \$750,000 or less, in the aggregate;

any "other real estate owned" (OREO) asset, classified loan or other asset if it is sold at a price equal to or greater than 90% of the book value of that asset; and

any classified loan or asset of \$350,000 or less, in the aggregate.

F.N.B. agreed that until completion of the merger, except with PVF Capital's prior written consent or as the merger agreement otherwise permits, F.N.B. will not undertake or permit its subsidiaries to undertake any of the following actions:

amend or repeal its articles of incorporation or its bylaws, other than amendments that would not be adverse to PVF Capital or its shareholders or impede F.N.B.'s ability to complete the merger;

take any action, or knowingly fail to take any action, that would be reasonably expected to prevent the merger from qualifying as a reorganization for U.S. federal income tax purposes;

take any action that is intended, or is reasonably likely, to result in:

any of F.N.B.'s representations or warranties in the merger agreement being or becoming untrue in any material respect;

any of the conditions precedent to the closing not being satisfied; or

a violation of any provision of the merger agreement;

make any material investment in another person or entity that would be reasonably expected to prevent or materially impede or delay the completion of the merger;

take any action that would be reasonably expected to materially impede or delay the ability of either party in obtaining any governmental or regulatory approvals required to complete the merger; or

agree to take, or make any commitment to take, or adopt any board of directors' resolutions in support of any of the prohibited actions listed above.

**Regulatory Matters**

F.N.B. agreed to prepare and file with the SEC, as soon as practicable, a registration statement on Form S-4, of which this proxy statement/prospectus is a part. PVF Capital is responsible for preparing and furnishing information about itself and its directors, officers and shareholders to F.N.B. to include in the registration statement, and for obtaining any needed opinions and consents from its financial advisor and independent auditor. F.N.B. and PVF Capital will use their commercially reasonable efforts to have the registration statement declared effective under the Securities Act of 1933. PVF Capital agreed that it will promptly mail the proxy statement/prospectus to its shareholders at its own expense once the registration statement is declared effective.

Table of Contents

F.N.B. and PVF Capital agreed to cooperate with each other and use their reasonable best efforts to prepare and file all documentation, applications, notices, petitions and filings and to obtain as promptly as practicable all permits, consents, approvals and authorizations of all third parties, regulatory agencies and governmental entities as may be necessary or advisable to complete the merger. F.N.B. and PVF Capital will consult with each other to obtain all permits, consents, approvals and authorizations from third parties, regulatory agencies and governmental entities and will keep each other apprised as to the status of matters relating to the completion of the merger. However, F.N.B. is not obligated to take any action or accept any restriction as a condition to issuance of regulatory approval if the restriction would be reasonably expected to have a material adverse effect on F.N.B. (after giving effect to the merger). We refer to that type of action or restriction as a "materially burdensome regulatory condition."

**Access to Information**

F.N.B. and PVF Capital each agreed that upon reasonable notice and subject to applicable laws relating to the exchange of information, they will provide the other party (and its officers, employees, accountants, counsel and other representatives) reasonable access during normal business hours to all properties, books, contracts, records and personnel as may be reasonably requested.

**Shareholder Approval**

PVF Capital agreed to hold a meeting of its shareholders for the purpose of obtaining the necessary shareholder vote to adopt the merger agreement and approve the merger as soon as it is reasonably practicable. In addition, PVF Capital's board of directors agreed (subject to exercise of its fiduciary duties if PVF Capital receives a superior proposal, as discussed later in this summary) to recommend to the shareholders of PVF Capital that they vote in favor of the merger and the merger agreement.

**NYSE Approval**

F.N.B. is required to cause the shares of F.N.B. common stock that will be issued in the merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the effective time of the merger.

**Employee Benefit Plans**

F.N.B. agreed it will take all reasonable action, as soon as administratively practicable after the merger is completed, to allow employees of PVF Capital and its subsidiaries to participate in each F.N.B. employee benefit plan of general applicability to the same extent as similarly situated F.N.B. employees. This obligation does not extend to F.N.B.'s defined benefit pension plan or any other plan frozen to new participants.

To determine the eligibility of the employees of PVF Capital and its subsidiaries to participate in F.N.B. benefit plans, and the vesting of their benefits under F.N.B.'s plans, F.N.B. will credit PVF Capital employees for their length of service with PVF Capital and its subsidiaries, unless recognition of the service credit would result in duplication of benefits.

F.N.B. will cause its medical, dental and health plans to:

waive any pre-existing condition limitation if those conditions otherwise would be covered under the relevant medical, health and dental plans of F.N.B.; and

waive any waiting period limitation or evidence of insurability requirement if the employee already satisfied a similar limitation or requirement under the corresponding PVF Capital plan that he or she participated in prior to the merger.

Table of Contents

PVF Capital agreed to terminate the Park View Federal Savings Bank 401(k) Plan immediately before the merger is completed. PVF Capital also agreed to freeze or terminate any of its other benefit plans as requested by F.N.B. in a timely manner.

F.N.B. agreed to honor the obligations of PVF Capital and its subsidiaries to their current and former employees and directors under the PVF Capital benefit plans that F.N.B. continues to maintain.

**Other Employee Matters**

F.N.B. agreed to offer employment, consulting or non-solicitation agreements to the senior management team of PVF Capital and Park View Federal before the closing date of the merger. The senior management team consisted of the following officers at that time:

Robert J. King, Jr., President and Chief Executive Officer of PVF Capital and Park View Federal

James H. Nicholson, Executive Vice President and Chief Financial Officer of PVF Capital and Park View Federal

Jeffrey N. Male, Vice President and Secretary of PVF Capital and Executive Vice President and Chief Residential Lending Officer of Park View Federal

Lonnie L. Shiffert, Executive Vice President of Corporate Banking of Park View Federal

Mary Ann Stropkay, Senior Vice President and Chief Credit Officer of Park View Federal

In addition, PVF Capital agreed it will pay retention bonuses to these executive officers on the closing date, as long as they remained employed with PVF Capital and/or Park View Federal through the closing date. For more information about these arrangements, see "Proposal No. 1 Proposal to Approve the Merger Interests of PVF Capital's Directors and Executive Officers in the Merger" on page 66. However, due to Mr. Shiffert's resignation from Park View Federal as of July 1, 2013, he will not be eligible for a retention bonus from PVF Capital and he will not be offered employment or any other post-merger arrangement with F.N.B.

**Indemnification and Insurance**

F.N.B. agreed it will provide indemnity and defense to current and former directors and officers of PVF Capital and its subsidiaries, and to persons who served in any capacity (*e.g.*, director, officer, employee) at another entity at the request of PVF Capital or its subsidiaries after the merger is completed and PVF Capital no longer exists. Specifically, if any claim, suit, proceeding or investigation is initiated or threatened against any of those persons because of his or her service to PVF Capital, its subsidiaries or another entity at the request of PVF Capital or its subsidiaries, or the claim, suit, proceeding or investigation relates to the merger agreement, F.N.B. will indemnify and defend those persons to the fullest extent currently provided under applicable law and the articles of incorporation and code of regulations of PVF Capital. F.N.B. agreed it will honor this obligation, regardless of whether the claim, suit, proceeding or investigation arises before or after the completion of the merger.

F.N.B. also agreed to purchase and maintain directors' and officers' liability insurance and fiduciary liability insurance that covers the persons who are currently covered by PVF Capital's directors' and officer's liability insurance and fiduciary liability insurance policies. The insurance coverage to be purchased by F.N.B. shall cover acts or omissions that may occur at or before the completion of the merger. F.N.B. is required to maintain this insurance coverage for six years following the completion of the merger. PVF Capital is responsible for the initial cost of purchasing the insurance and F.N.B. is responsible for the cost of maintaining it. However, F.N.B. is not required to pay annual premiums in excess of 150% of the annual premium currently paid by PVF Capital for that insurance. If F.N.B. is unable to maintain PVF Capital's existing policies or obtain a substitute policy for that amount, F.N.B.

Table of Contents

will use its commercially reasonable best efforts to obtain the most advantageous coverage available for such amount.

**Agreement Not to Solicit Other Offers**

As an incentive for F.N.B. to enter into the merger agreement, PVF Capital agreed not to solicit competing offers. Specifically, PVF Capital agreed:

that it will cease any discussions or negotiations regarding other acquisition proposals (as defined below);

that it will notify F.N.B. within 24 hours if it receives another acquisition proposal, and that it will provide F.N.B. with a description of the acquisition proposal and the third party who is making the proposal; and

that it and its officers, directors, employees, agents and representatives will not, directly or indirectly:

initiate, solicit, encourage or facilitate another party to make an acquisition proposal;

enter into or participate in any discussions or negotiations with, or furnish any information to another party regarding an acquisition proposal; or

approve, recommend or enter into a letter of intent, agreement or other commitment regarding an acquisition proposal from another party.

As used in the merger agreement, an "acquisition proposal" means any inquiry, proposal, offer, regulatory filing or other disclosure of an intention to:

directly or indirectly acquire a substantial (*i.e.*, 20% or more) portion of PVF Capital's and its subsidiaries' net revenues, net income or net assets, taken as a whole;

directly or indirectly acquire PVF Capital common shares as a result of which the acquirer becomes the owner of 10% or more of PVF Capital common shares;

conduct a tender offer or exchange offer that would result in any person beneficially owning 10% or more of any class of capital stock of PVF Capital; or

conduct a merger, consolidation, business combination, recapitalization, liquidation or dissolution involving PVF Capital, other than the proposed merger with F.N.B.

However, the merger agreement allows PVF Capital to consider and participate in discussions and negotiations with respect to an acquisition proposal from another party if:

the acquisition proposal is a superior proposal (as defined below);



Edgar Filing: FNB CORP/FL/ - Form 424B3

the PVF Capital board of directors concluded in good faith, after consultation with its outside legal counsel, that failure to do so would reasonably be likely to cause the PVF Capital board of directors to violate its fiduciary duties;

at least 48 hours before providing any information to or entering into any discussions or negotiations with the party that made the superior proposal, PVF Capital notified F.N.B. in writing of the party's name and the material terms and conditions of the superior proposal; and

PVF Capital entered into a confidentiality agreement with the party that made the superior proposal before providing it with any information or data about PVF Capital, and the confidentiality agreement contains confidentiality terms that are no less favorable to PVF Capital than those contained in its confidentiality agreement with F.N.B.

Table of Contents

"Superior proposal" means any bona fide, unsolicited written acquisition proposal made by a third party to acquire more than 50% of the outstanding PVF Capital common shares or all or substantially all of PVF Capital's consolidated assets. In addition, to qualify as a superior proposal, the PVF Capital board of directors must determine in good faith that:

the proposal contains terms that are more favorable to us than the terms of the proposed merger with F.N.B.;

the party making the proposal has financing that is fully committed or available to it, if financing is needed to complete the transaction; and

the transaction described by the proposal is reasonably capable of being completed.

The board of directors' determination that an acquisition proposal qualifies as a superior proposal must be based on its consultations with its financial advisor and outside legal counsel and must take into account a number of factors, including all legal, financial, regulatory and other aspects of the proposal and the party offering the proposal, any termination fees, expense reimbursement provisions and conditions to consummation.

In any case, the merger agreement allows the PVF Capital board of directors to withdraw or qualify its recommendation of the merger in a manner adverse to F.N.B., or condition or refuse to recommend the merger with F.N.B. if it concludes in good faith, after consultation with its outside legal counsel and financial advisors, that failure to do so could reasonably be expected to breach the directors' fiduciary duties under applicable law.

Even if the PVF Capital board of directors withdraw or qualify their recommendation of the merger with F.N.B., PVF Capital is required to submit the merger agreement to a vote of its shareholders at a meeting called for that purpose. If this happens, the board of directors may submit the merger agreement to the shareholders without recommendation and communicate the reason(s) for its lack of recommendation. Until the merger agreement is terminated, the only acquisition proposal PVF Capital may submit to its shareholders is the merger with F.N.B.

**Conditions to Completion of the Merger**

The merger agreement contains a number of closing conditions. PVF Capital and F.N.B. are required to complete the merger only if those conditions are satisfied or, in the alternative (and if legally permissible), the requirement to satisfy the condition is waived by the other party.

The following closing conditions apply to both PVF Capital and F.N.B. In other words, neither party is required to complete the merger unless the conditions listed below are satisfied (or waived).

the PVF Capital common shareholders have adopted the merger agreement and approved the merger by the requisite vote;

the shares of F.N.B. common stock to be issued in the merger have been approved for listing on the NYSE;

all governmental and other approvals, registrations and consents that the parties are required to obtain to complete the merger have been received (and, in addition, for F.N.B. to be required to complete the merger, none of the regulatory approvals will have resulted in a materially burdensome regulatory condition);

the registration statement for the F.N.B. common stock to be issued in the merger has been declared effective under the Securities Act and no stop order or proceedings for issuance of a stop order have been initiated or threatened by the SEC; and

Table of Contents

no law, statute or regulation, or judgment, decree, injunction or order from a court or other governmental entity is in effect that prevents, prohibits or makes illegal the completion of the merger.

In addition, PVF Capital and F.N.B. each have their own separate closing conditions, some of which depend on the other party's performance to be satisfied:

the representations and warranties in the merger agreement from the other party are true and correct both as of the date of the merger agreement and as of the closing date (or, if another date is specified in the representation and warranty, as of that other date); however, in the case of most of the representations and warranties, one or more inaccuracies will not cause a failure of the closing condition if the inaccuracies would not be reasonably likely to result in a material adverse effect on the party who made the representation and warranty; and

the other party has performed all of its obligations under the merger agreement in all material respects; and

the party has received a legal opinion from its outside counsel that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code.

Neither party can provide assurance as to when, or if, all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this proxy statement/prospectus, neither party has any reason to believe that those conditions will not be satisfied.

**Termination of the Merger Agreement**

The merger agreement may be terminated at any time before the closing by mutual consent of F.N.B. and PVF Capital. Also, either party, acting alone, has the right to terminate the merger agreement in any of the following circumstances:

the approval of a governmental entity, which is required for completion of the merger, was denied by final and non-appealable action, unless the denial was due to the failure of the terminating party to perform its obligations under the merger agreement;

the merger was not completed by December 31, 2013, unless the failure to complete the merger by that date was due to the failure of the terminating party to perform its obligations under the merger agreement;

the other party breached the merger agreement to such a degree that the closing conditions cannot be satisfied, and the breach cannot or has not been cured by the earlier of December 31, 2013, or the 30th day after written notice of the breach was given; or

PVF Capital held a shareholder's meeting but did not obtain the requisite shareholder vote to adopt the merger agreement and approve the merger, except that PVF Capital is not allowed to exercise this termination right if it materially breached its obligation to call a shareholders' meeting for that purpose as soon as reasonably practicable after the registration statement on Form S-4 containing this proxy statement/prospectus was declared effective by the SEC, or if the PVF Capital board of directors failed to recommend that the shareholders adopt the merger agreement and approve the merger, or failed to include that recommendation in its proxy statement to the shareholders.

In addition to the termination rights above, F.N.B. may terminate the merger agreement at any time before the special meeting of PVF Capital shareholders if:

PVF Capital breached its agreement not to solicit other acquisition proposals in a manner materially adverse to F.N.B.;

Table of Contents

the PVF Capital board of directors failed to recommend the merger agreement and the merger to the shareholders, or changed, withdrew, modified, qualified or conditioned its recommendation of the merger in a manner adverse to F.N.B.;

the PVF Capital board of directors recommended approval of another acquisition proposal; or

PVF Capital failed to convene and hold the special meeting of shareholders to vote on the proposal to adopt the merger agreement and approve the merger.

In addition to the termination rights above, PVF Capital may terminate the merger agreement in order to enter into an unsolicited acquisition proposal that its board of directors has concluded in good faith, in consultation with its legal and financial advisors, is a superior proposal, as long as PVF Capital is otherwise in compliance with the merger agreement, and has paid F.N.B. the termination fee described below.

**Amendment of the Merger Agreement; Waiver**

The parties may amend the merger agreement by a written agreement authorized by each of their boards of directors, and either party may waive a requirement for the other party to comply with any provision in the merger agreement. However, once PVF Capital's shareholders have approved the merger, the merger agreement may not be amended except as permitted under applicable law, and any waiver that changes the form or amount of the merger consideration will require the approval of PVF Capital's shareholders.

**Termination Fee**

If the merger agreement is terminated under any of the circumstances described below, PVF Capital must pay F.N.B. a termination fee of \$4.0 million.

F.N.B. terminated the merger agreement before the special meeting of PVF Capital shareholders for any of the following reasons: (A) the PVF Capital board of directors failed to recommend the merger agreement and the merger to the shareholders, or the board changed, withdrew, modified, qualified or conditioned its recommendation of the merger agreement and the merger in a manner adverse to F.N.B.; (B) PVF Capital solicited another acquisition proposal in a manner materially adverse to F.N.B.; (C) the PVF Capital board of directors recommended approval of another acquisition proposal; or (D) PVF Capital failed to convene and hold the special meeting of its shareholders to adopt the merger agreement and approve the merger;

PVF Capital terminated the merger agreement in order to enter into an unsolicited acquisition proposal that the PVF Capital board of directors concluded was a superior proposal;

the merger agreement was terminated by either party for any reason permitted under the merger agreement after a tender offer or exchange offer for 25% or more of PVF Capital's common shares was initiated, and PVF Capital did not send its shareholders, within 10 days after the commencement of the offer, a statement that its board of directors recommends the rejection of the tender offer or exchange offer; or

at a time when another acquisition proposal was being offered to or pending with PVF Capital, F.N.B. terminated the merger agreement for any of the reasons given below, and within 12 months after termination, PVF Capital was acquired by another party (whether by merger, an acquisition of substantially all of PVF Capital's assets, or an acquisition of more than 50% of the outstanding PVF Capital common shares).

the closing conditions which depend on the accuracy of PVF Capital's representations and warranties or PVF Capital's performance of its obligations under the merger agreement could not be satisfied due to a breach by PVF Capital;

Table of Contents

the merger did not occur before December 31, 2013; or

the requisite shareholder vote to approve the merger was not obtained at the special meeting called for that purpose, or any adjournment or postponement of that meeting.

In addition, if a party breaches any of its representations and warranties or performance obligations to a degree that would prevent a closing condition from being satisfied, and the other party terminates the merger agreement as a result, the breaching party must pay the out-of-pocket expenses incurred by the terminating party in connection with the merger (including fees of legal counsel, financial advisors and accountants), up to a maximum amount of \$500,000. However, if PVF Capital becomes liable for payment of the termination fee, it will not also be liable for the payment of F.N.B.'s out-of-pocket expenses.

**Expenses**

In general, F.N.B. and PVF Capital each are responsible for the expenses which it incurs in connection with the negotiation and completion of the merger agreement. However, the SEC registration fee associated with filing the Form S-4 registration statement and the costs and expenses of printing this proxy statement/prospectus will be shared equally by the parties.

**OTHER MATERIAL AGREEMENTS RELATING TO THE MERGER**

**Voting Agreements**

*The following description of the voting agreements is subject to, and qualified in its entirety by reference to, the form of voting agreement, which we include as Appendix B to this proxy statement/prospectus and incorporate by reference in this proxy statement/prospectus. We urge you to read the form of voting agreement carefully and in its entirety.*

In connection with the merger agreement, F.N.B. entered into voting agreements with Steven A. Calabrese, Frederick D. DiSanto, Umberto P. Fedeli, Mark D. Grossi, Richard R. Hollington, III, Robert J. King, Jr. and Stuart D. Neidus, who all currently serve as a director of PVF Capital, and Marty E. Adams, who resigned as director effective February 26, 2013. In the voting agreements, each of these shareholders has agreed to vote all of his PVF Capital common shares in favor of adoption of the merger agreement and approval of the merger.

In addition, except under limited circumstances, these shareholders also agreed not to sell, assign, transfer or otherwise dispose of or encumber their PVF Capital common shares prior to the record date for the special meeting of the PVF Capital shareholders called for the purpose of voting on the adoption of the merger agreement and the approval of the merger. The voting agreements terminate immediately upon the earlier of the completion of the merger, the termination of the merger agreement in accordance with its terms, or the mutual written agreement of F.N.B. and the shareholder.

As of July 30, 2013, there were 8,942,665 PVF Capital common shares subject to the voting agreements (including options and warrants), which represented approximately 34.3% of the outstanding PVF Capital common shares as of that date.

**ACCOUNTING TREATMENT**

F.N.B. will account for the merger as an "acquisition," as that term is used under U.S. generally accepted accounting principles, or GAAP, for accounting and financial reporting purposes. Under acquisition accounting, our assets, including identifiable intangible assets, and liabilities, including executory contracts and other commitments, as of the effective time of the merger will be recorded at their respective fair values and added to the balance sheet of F.N.B. Any excess of the purchase price over the fair values will be recorded as goodwill. Financial statements of F.N.B. issued after the merger will include these fair values and our results of operations from the effective time of the merger.

Table of Contents

**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER**

The following discussion summarizes the material U.S. federal income tax consequences of the merger that apply generally to "U.S. holders" (as defined below) of PVF Capital common shares and, subject to the limitations and qualifications described herein, represents the opinion of Reed Smith LLP, counsel to F.N.B., and Vorys, Sater, Seymour and Pease LLP, counsel to PVF Capital. This discussion is based on the Internal Revenue Code, judicial decisions and administrative regulations and interpretations in effect as of the date of this proxy statement/prospectus, all of which are subject to change, possibly with retroactive effect. Accordingly, the U.S. federal income tax consequences of the merger to the holders of PVF Capital common shares could differ from those described below.

For purposes of this discussion, a U.S. holder is a beneficial owner of PVF Capital common shares who for United States federal income tax purposes is:

a citizen or resident of the United States;

a corporation, or an entity treated as a corporation, created or organized in or under the laws of the United States or any state or political subdivision thereof;

a trust that (1) is subject to (A) the primary supervision of a court within the United States and (B) the authority of one or more United States persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Department of Treasury regulations to be treated as a United States person; or

an estate that is subject to United States federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) holds PVF Capital common shares, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding PVF Capital common shares, you should consult your tax advisor.

This discussion assumes that you hold your PVF Capital common shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to holders of PVF Capital common shares in light of their particular circumstances, nor does it address the U.S. federal income tax consequences to holders of PVF Capital common shares that are subject to special rules, including:

dealers in securities or foreign currencies;

tax-exempt organizations;

persons who are not U.S. holders;

financial institutions;

retirement plans;

insurance companies;



Edgar Filing: FNB CORP/FL/ - Form 424B3

expatriates or holders who have a "functional currency" other than the U.S. dollar;

pass-through entities and investors in those entities;

holders who acquired their shares in connection with the exercise of stock options or other compensatory transactions or through exercise of warrants;

holders who hold their shares as a hedge or as part of a straddle, constructive sale, conversion transaction or other risk management transaction; and

Table of Contents

traders in securities that elect to use the mark-to-market method of accounting.

In addition, this discussion does not address any alternative minimum tax, U.S. federal estate or gift tax, or foreign, state or local tax consequences. Neither F.N.B. nor we have obtained or sought to obtain a ruling from the IRS regarding any matter relating to the merger and no assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any aspect of this discussion. We urge holders to consult their own tax advisors as to the U.S. federal income tax consequences of the merger, as well as the effects of state, local and foreign tax laws in light of their own situations.

The closing of the merger is conditioned upon the delivery of opinions of Reed Smith LLP and Vorys, Sater, Seymour and Pease LLP, dated the closing date of the merger, to the effect that, based on U.S. federal income tax law in effect as of the date of such opinions, the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In addition, in connection with the filing of the registration statement on Form S-4 of which this document is a part, each of Reed Smith LLP and Vorys, Sater, Seymour and Pease LLP has delivered an opinion to F.N.B. and us, respectively, to the same effect as the opinions described above. An opinion of counsel is not binding on the IRS or any court. In rendering their respective opinions, Reed Smith LLP and Vorys, Sater, Seymour and Pease LLP will rely on certain assumptions, including assumptions regarding the absence of changes in existing facts and the completion of the merger strictly in accordance with the merger agreement and this proxy statement/prospectus. The opinions will also rely upon certain representations and covenants made by the management of F.N.B. and us and will assume that these representations are true, correct and complete, and that F.N.B. and PVF Capital, as the case may be, will comply with these covenants. If any of these assumptions or representations is inaccurate in any way, or any of the covenants are not satisfied, it could adversely affect the opinions.

Assuming that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the material U.S. federal income tax consequences of the merger to holders of PVF Capital common shares are as follows.

*Exchange of PVF Capital common shares for F.N.B. common stock.* Each holder of PVF Capital common shares who receives F.N.B. common stock in the merger generally will not recognize gain or loss (except to the extent of cash received in lieu of fractional shares, as discussed below).

In general, the aggregate tax basis in the shares of F.N.B. common stock that a PVF Capital shareholder will receive upon the merger will equal such holder's aggregate tax basis in the PVF Capital common shares surrendered, decreased by the amount of basis allocated to any fractional share such holder was deemed to receive and subsequently sell. A PVF Capital shareholder's holding period for the shares of F.N.B. common stock that are received in the merger, including any fractional share deemed received and sold as described below, generally will include such holder's holding period for PVF Capital common shares surrendered in the merger. The amount of F.N.B. common stock received in the merger includes any fractional share of F.N.B. common stock deemed to be received prior to the exchange of such fractional share for cash. See " Cash Received in Lieu of a Fractional Share" below.

If U.S. holders of PVF Capital common shares acquired different blocks of shares of PVF Capital common shares at different times or at different prices, such holders' basis and holding period in their shares of F.N.B. common stock may be determined with reference to each block of PVF Capital common shares. Any such holders should consult their tax advisors regarding the manner in which F.N.B. common stock received in the exchange should be allocated among different blocks of PVF Capital common shares and with respect to identifying the bases or holding periods of the particular shares of F.N.B. common stock received in the merger. Because these rules are complex, we recommend that each PVF Capital shareholder who may be subject to these rules consult his, her, or its own tax advisor.

Table of Contents

*Cash Received in Lieu of a Fractional Share.* PVF Capital shareholders who receive cash instead of fractional shares of F.N.B. common stock will be treated as having received the fractional shares in the merger and then as having exchanged the fractional shares for cash. These holders will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocable to the fractional shares. The gain or loss will be capital gain or loss and long-term capital gain or loss if the holder has held the PVF Capital common shares exchanged for more than one year at the effective time of the merger. The deductibility of capital losses is subject to limitations.

*Backup Withholding.* Non-corporate holders of our shares may be subject to information reporting and backup withholding at a rate of 28% on any cash payments in lieu of fractional shares received in 2013. Generally, backup withholding will not apply, however, if a holder of PVF Capital common shares:

furnishes a correct taxpayer identification number to the exchange agent and certifies that such holder is not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal received; or

is otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules are not an additional tax, and will generally be allowed as a refund or credit against a holder's U.S. federal income tax liability, provided the holder furnishes the required information to the IRS.

*Reporting Requirements.* A significant holder of our shares for U.S. federal income tax purposes who receives shares of F.N.B. common stock upon completion of the merger will be required to retain records pertaining to the merger and to file with such holder's U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger. For this purpose, a PVF Capital shareholder is only a significant holder if the person owns at least 5% of our outstanding shares or has a basis of \$1,000,000 or more in our shares. Such statement must include the holder's tax basis in and fair market value of our shares surrendered in the merger.

**THE FOREGOING SUMMARY IS NOT A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES OF THE MERGER TO YOU. WE URGE YOU TO CONSULT A TAX ADVISOR REGARDING THE PARTICULAR FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE MERGER TO YOU.**

Table of Contents

**INFORMATION ABOUT F.N.B. CORPORATION**

F.N.B. Corporation, headquartered in Hermitage, Pennsylvania, is a regional diversified financial services company operating in six states and three major metropolitan areas including Pittsburgh, PA, where it holds the number three retail deposit market share, Baltimore, MD and Cleveland, OH. F.N.B. has total assets of \$12.4 billion (including the recently completed acquisition of Annapolis Bancorp, Inc.) and more than 250 banking offices throughout Pennsylvania, Ohio, West Virginia and Maryland. F.N.B. 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. Commercial banking solutions include corporate banking, small business banking, investment real estate financing, asset based lending, 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. F.N.B.'s wealth management services include asset management, private banking and insurance. F.N.B. also operates Regency Finance Company, which has more than 70 consumer finance offices in Pennsylvania, Ohio, Kentucky and Tennessee.

As of March 31, 2013, F.N.B. had 246 community banking offices in Pennsylvania, eastern Ohio and northern West Virginia, a leasing company and an insurance agency. First National Bank of Pennsylvania offers the services traditionally offered by full-service commercial banks, including commercial and individual demand and time deposit accounts and commercial, mortgage and individual installment loans. First National Bank of Pennsylvania also offers various alternative investment products, including mutual funds and annuities. As of March 31, 2013, First National Bank of Pennsylvania had total assets, total liabilities and total shareholders' equity of approximately \$12.0 billion, \$10.6 billion and \$1.4 billion, respectively.

Regency Finance, F.N.B.'s consumer finance subsidiary, has 20 offices in Pennsylvania, 19 offices in Tennessee, 17 offices in Ohio, and 15 offices in Kentucky. Regency Finance principally makes personal installment loans to individuals and purchases installment sales finance contracts from retail merchants.

Another F.N.B. subsidiary, First National Trust Company, provides a broad range of personal and corporate fiduciary services, including the administration of decedent and trust estates. First National Trust Company had approximately \$2.9 billion of assets under management as of March 31, 2013.

First National Investment Services Company, LLC offers a broad array of investment products and services for wealth management customers through a networking relationship with a brokerage firm. F.N.B. Investment Advisors, Inc., an investment advisor registered with the SEC, offers wealth management customers objective investment programs featuring mutual funds, annuities, stocks and bonds.

F.N.B.'s insurance segment operates principally through First National Insurance Agency, LLC, or FNIA. FNIA is a full-service insurance agency offering a broad line of commercial and personal insurance through major carriers to businesses and individuals primarily within F.N.B.'s geographic markets.

F.N.B.'s insurance segment also includes a reinsurance subsidiary, Penn-Ohio Life Insurance Company, which underwrites, as a reinsurer, credit life and accident and health insurance sold by F.N.B.'s lending subsidiaries. In addition, First National Bank of Pennsylvania has a direct subsidiary, First National Corporation, a Pennsylvania corporation, that offers title insurance products.

F.N.B. Capital Corporation, F.N.B.'s merchant banking subsidiary, offers subordinated debt and other types of financing options for small- to medium-sized commercial enterprises that need financial assistance beyond the parameters of typical commercial bank lending products.

The address of the principal executive offices of F.N.B. is One F.N.B. Boulevard, Hermitage, Pennsylvania 16148. F.N.B.'s telephone number is (724) 981-6000, and its Internet address is [www.fnbcorporation.com](http://www.fnbcorporation.com). The information on F.N.B.'s website is not part of this proxy statement/prospectus. For additional information about F.N.B., see "Where You Can Find More Information," beginning on page 165.

Table of Contents

**INFORMATION ABOUT PVF CAPITAL CORP.**

**General**

PVF Capital Corp. is the holding company for Park View Federal Savings Bank ("Park View Federal" or the "Bank"). PVF Capital owns and operates Park View Federal, PVF Service Corporation, a real estate subsidiary, and Mid Pines Land Company, a real estate subsidiary. In addition, PVF Capital owns PVF Holdings, Inc., a financial services subsidiary which is currently inactive, and two other subsidiaries, PVF Mortgage Corp. and PVF Community Development Corp., both of which are chartered for future operation, but are also currently inactive. PVF Capital also created PVF Capital Trust I and PVF Capital Trust II for the sole purpose of issuing trust preferred securities. These securities were cancelled during 2010 and both entities have subsequently been dissolved. Park View Federal has operated continuously for 92 years, having been founded as an Ohio chartered savings and loan association in 1920. PVF Capital's main office is located at 30000 Aurora Road, Solon, Ohio 44139 and its telephone number is (440) 248-7171.

Park View Federal's principal business consists of attracting deposits from the general public and investing these funds primarily in loans secured by first mortgages on real estate, as well as other commercial and consumer loans located in its market area, which consists of Portage, Lake, Geauga, Cuyahoga, Summit, Medina and Lorain Counties in Ohio. Historically, Park View Federal has emphasized the origination of loans for the purchase or construction of residential real estate, commercial real estate and multi-family residential property and land loans. To a lesser extent, Park View Federal has also originated loans secured by second mortgages, including home equity lines of credit and loans secured by savings deposits. Over the past few years, portfolio real estate lending has been minimal as Park View Federal has continued to focus on problem asset resolution. Recently, Park View Federal has increased its lending activity in the commercial and industrial loan segment, including Small Business Administration ("SBA") lending, which it initiated in late fiscal 2011.

Park View Federal derives its income principally from interest earned on loans and, to a lesser extent, loan servicing and other fees, gains on the sale of loans and interest earned on investments. Park View Federal's principal expenses are interest expense on deposits and borrowings and non-interest expense such as compensation and employee benefits, office occupancy expenses and other miscellaneous expenses. Funds for these activities are provided principally by deposits, Federal Home Loan Bank of Cincinnati ("FHLB of Cincinnati") advances and other borrowings, repayments of outstanding loans, sales of loans and operating revenues. The business of PVF Capital consists primarily of the business of Park View Federal.

For the current fiscal year as well as the fiscal year ended June 30, 2012, PVF Capital and Park View Federal, as a federally chartered savings and loan holding company and federal savings association, respectively, have been subject to examination and comprehensive federal regulation and oversight by the Office of the Comptroller of the Currency. As of July 21, 2011, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") imposed new restrictions and an expanded framework of regulatory oversight for financial institutions and has altered the jurisdictions of existing bank regulatory agencies. In particular, the Dodd-Frank Act has transferred the regulatory responsibilities and authority over federal savings associations and savings and loan holding companies from the Office of Thrift Supervision to the Office of the Comptroller of the Currency and the Federal Reserve Board, respectively. Park View Federal has also been and continues to be subject to regulation and examination by the Federal Deposit Insurance Corporation (the "FDIC"), which insures Park View Federal's savings deposits up to applicable limits through the Deposit Insurance Fund. Park View Federal is a member of, and owns capital stock in, the FHLB of Cincinnati, which is one of 12 regional banks in the Federal Home Loan Bank System (the "FHLB"). For additional information on the regulation of PVF Capital and Park View Federal, see the section captioned " Regulation" beginning on page 117.

Table of Contents

From October 19, 2009 until termination, each of PVF Capital and Park View Federal was subject to an Order to Cease and Desist. The order governing Park View Federal was terminated on August 27, 2012, and the order governing PVF Capital was terminated on December 15, 2012. For further discussion see Note 11 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 13 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

PVF Capital's Internet site, *parkviewfederal.com*, provides PVF Capital's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 free of charge as soon as reasonably practicable after PVF Capital has filed the report with the SEC.

**Market Area**

Park View Federal conducts its business through seventeen offices located in its geographic market area, which consists of Cuyahoga, Summit, Medina, Lorain, Lake, Portage and Geauga Counties in Ohio. At March 31, 2013, over 85% of Park View Federal's net loan portfolio and generally all of its deposits were from its market area.

The economy in Park View Federal's market area has historically been based on the manufacture of durable goods. Though manufacturing continues to remain an important sector of the economy, diversification has occurred with the growth of healthcare, education, service, financial and wholesale and retail trade industries. In recent years, the healthcare industry has grown significantly in Park View Federal's market area and has overtaken manufacturing as Cleveland's largest sector employer.

Park View Federal's market area continued to experience dramatic declines in the housing market, with falling home prices and increased foreclosures and higher rates of unemployment, which have resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities and major commercial and investment banks. These write-downs, initially in the area of mortgage-backed securities but spread to credit default swaps and other derivative securities, caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail. Concerns continue about the stability of the financial markets, as well as the strength of counterparties, lenders, and financial institutions.

**Lending Activities**

*General*

Park View Federal's lending activities include the origination of commercial real estate and business loans, consumer loans, and conventional fixed-rate and adjustable-rate mortgage loans for acquisition or refinancing of single-family residential homes located in Park View Federal's primary market area. Permanent mortgage loans on condominiums, multi-family (over four units) and nonresidential properties are also offered by Park View Federal. Historically, construction financing of single-family residential properties was a primary component of Park View Federal's lending activity; however, depressed market conditions in the last several years have forced a curtailment of lending activity within this segment and lead Park View Federal to focus its new substantive lending activity in the commercial and industrial loan segment, including a specialized focus in SBA lending, subject to market conditions and applicable lending restrictions imposed under the Home Owners' Loan Act. PVF Capital's SBA lending activities are focused on general small businesses within its market area and on an industry-specific basis throughout the Midwestern United States.

*Loan Portfolio Composition*

PVF Capital's loans receivable and loans receivable held for sale totaled \$556.6 million and \$566.7 million at March 31, 2013 and June 30, 2012, respectively, and representing 73.2% and 71.6% of total assets at such dates, respectively. It is Park View Federal's policy to concentrate its lending in its market area.

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

Set forth below is certain data relating to the composition of Park View Federal's loan portfolio by type of loan on the dates indicated. As lending activity to commercial and industrial customers has increased, the composition of the loan portfolio will continue to change.

(dollars in thousands)	At March 31 2013		2012		2011		At June 30, 2010		2009		2008	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Real estate loans receivable held for investment:												
One-to-four family residential	\$ 119,686	21.87%	\$ 122,314	22.58%	\$ 135,996	24.85%	\$ 154,794	26.35%	\$ 158,956	23.78%	\$ 168,532	23.59%
Home equity line of credit	64,984	11.88	71,555	13.21	79,979	14.61	83,261	14.17	88,407	13.23	87,876	12.30
Multi-family residential	58,348	10.66	54,105	9.99	48,656	8.89	48,902	8.33	58,568	8.76	52,421	7.34
Commercial	204,135	37.30	204,038	37.67	192,109	35.10	211,690	36.04	192,115	28.74	174,404	24.41
Commercial equity line of credit	26,409	4.83	22,336	4.12	17,020	3.11	24,971	4.25	46,287	6.92	36,913	5.17
Land	21,575	3.94	31,184	5.76	39,030	7.13	51,811	8.82	60,922	9.11	73,545	10.29
Construction residential	3,870	0.71	2,122	0.39	6,276	1.15	14,433	2.46	39,237	5.87	55,442	7.76
Construction multi-family	1,566	0.29	5,375	0.99	1,594	0.29	3,294	0.56	5,211	0.78	5,803	0.81
Construction commercial	10,018	1.83	7,733	1.43	4,237	0.77	5,294	0.90	20,381	3.05	38,303	5.36
Non-real estate	52,162	9.53	37,556	6.93	53,366	9.75	21,937	3.73	32,155	4.81	33,592	4.70
	562,753	102.84	558,318	103.08	578,263	105.66	620,387	105.61	702,239	105.05	726,831	101.73
Deferred loan fees	(617)	(0.11)	(637)	(0.12)	(984)	(0.18)	(1,462)	(0.25)	(2,296)	(0.34)	(2,685)	(0.38)
Allowance for loan losses	(14,920)	(2.73)	(16,053)	(2.96)	(29,997)	(5.48)	(31,519)	(5.36)	(31,483)	(4.71)	(9,654)	(1.35)
Total other items	(15,537)	(2.84)	(16,690)	(3.08)	(30,981)	(5.66)	(32,981)	(5.61)	(33,779)	(5.05)	(12,339)	(1.73)
Total loans receivable, net	\$ 547,216	100.00%	\$ 541,628	100.00%	\$ 547,282	100.00%	\$ 587,406	100.00%	\$ 668,460	100.00%	\$ 714,492	100.00%
Loans receivable held for sale, net	\$ 9,348		\$ 25,063		\$ 9,392		\$ 8,718		\$ 27,078		\$ 7,831	

**Loan Maturity**

The following table presents at March 31, 2013 the amount of loan principal repayments scheduled to be received by Park View Federal during the periods shown based upon the time remaining before contractual maturity. Loans with adjustable rates are reported as due in the year in which they reprice. Demand loans, loans having no schedule of repayments, no stated maturity date and overdrafts are reported as due in one year or less. The table below does not include any estimate of prepayments that may cause Park View Federal's actual repayment experience to differ from that shown below.

(In thousands)	Due During the Year Ending March 31 2014	Due More than One Year Through Five Years After March 31 2013	Due More than Five Years After March 31 2013	Total
Real estate mortgage loans	\$ 121,400	\$ 191,291	\$ 163,296	\$ 475,987
Real estate construction loans	4,036	9,086	3,975	17,096
Non-real estate loans	32,701	26,531	10,438	69,670
Total	\$ 158,137	\$ 226,907	\$ 177,709	\$ 562,753

Table of Contents

(In thousands)	Due After March 31, 2014
Fixed rate	\$ 137,957
Adjustable rate	266,659
	\$ 404,616

(In thousands)	Due During the Year Ending June 30, 2013	Due More than One Year Through Five Years After June 30, 2012	Due More than Five Years After June 30, 2012	Total
Real estate mortgage loans	\$ 82,699	\$ 215,775	\$ 195,275	\$ 493,749
Real estate construction loans	4,212	10,466	552	15,230
Non-real estate loans	22,801	20,304	6,234	49,339
Total	\$ 109,712	\$ 246,545	\$ 202,061	\$ 558,318

(In thousands)	Due After June 30, 2013
Fixed rate	\$ 137,885
Adjustable rate	310,721
	\$ 448,606

Scheduled contractual principal repayments of loans do not reflect the actual life of such assets. The average life of loans may be substantially less than their contractual terms because of prepayments.

***Origination, Purchase and Sale of Loans****Residential Lending*

Park View Federal generally has authority to originate and purchase loans secured by real estate located throughout the United States. Consistent with its emphasis on being a community-oriented financial institution, Park View Federal concentrates its lending activities in its market area.

Generally, Park View Federal originates fixed-rate, single-family mortgage loans in conformity with Freddie Mac and Fannie Mae guidelines, so as to permit their being swapped with Freddie Mac or Fannie Mae in exchange for mortgage-backed securities secured by such loans or their sale in the secondary market. Most such loans are sold or swapped, as the case may be, with servicing rights retained, and are sold in furtherance of Park View Federal's goal of better matching the maturities and interest rate sensitivity of its assets and liabilities. Park View Federal generally retains responsibility for collecting and remitting loan payments, inspecting the properties, making certain insurance and tax payments on behalf of borrowers and otherwise servicing the loans it sells or converts into mortgage-backed securities, and receives a fee for performing these services. Sales of loans also provide funds for additional lending and other purposes.

PVF Capital does not originate sub-prime loans and only originates Alt A loans for sale, without recourse, in the secondary market. PVF Capital considers subprime borrowers typically to have weakened credit histories that include payment delinquencies and possibly more severe problems such as charge-offs, judgments and bankruptcies. They may also display reduced repayment capacity as measured by credit scores, debt-to-income ratios, or other criteria that may encompass borrowers with incomplete credit histories. Subprime loans are loans to borrowers displaying one or more of these characteristics at the time of origination or purchase. PVF Capital also does not originate any hybrid loans, low-doc/no-doc loans or payment option ARMs. All one-to-four family loans are underwritten





Table of Contents

according to agency underwriting standards. Exceptions, if any, are submitted to PVF Capital's board loan committee for approval. Any exposure PVF Capital may have to these types of loans is immaterial.

*Commercial Lending*

Park View Federal also originates loans to commercial borrowers for their operating companies, including traditional lines of credit, revolving lines of credit and term loans and for the purpose of purchasing commercial owner-occupied, investment, and/or multi-family properties. During the last year, Park View Federal has augmented its commercial lending activities with SBA guaranties, which enables the guaranteed portion of these loans to either be held in the portfolio or to be sold in the secondary market.

**Loan Underwriting Policies**

*Residential Lending*

Park View Federal historically has been and continues to be an originator of single-family residential real estate loans in its market area. Park View Federal currently originates fixed-rate residential mortgage loans in accordance with underwriting guidelines promulgated by Freddie Mac and Fannie Mae and adjustable-rate mortgage loans for terms of up to 30 years. Park View Federal offers adjustable-rate residential mortgage loans with interest rates which adjust based upon changes in an index based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board (the "Treasury Rate Index"), plus a margin of 2.50% to 3.50%. The amount of any increase or decrease in the interest rate is usually limited to 2% per year, with a limit of 6% over the life of the loan. The date of the first rate adjustment may range from one to ten years from the original date of the loan.

Park View Federal's lending activities are subject to its written, nondiscriminatory underwriting guidelines and to loan origination procedures prescribed by its board of directors and its management. Detailed loan applications are obtained to determine the borrower's ability to repay, and the more significant items on these applications are verified through the use of credit reports, financial statements and confirmations. Property valuations are performed by independent outside appraisers approved by Park View Federal's board of directors. As prescribed by Park View Federal's Credit Policy and supporting approved lending authorities, Park View Federal's residential underwriter has authority to approve all fixed-rate single-family residential mortgage loans which meet Freddie Mac and Fannie Mae underwriting guidelines and those adjustable-rate single-family residential mortgage loans which meet Park View Federal's underwriting standards and are in amounts of less than \$700,000. All loans in excess of the above amounts or any exceptions to guidelines must be approved by Park View Federal's Loan Committee. All loans secured by savings deposits can be approved by lending officers based in Park View Federal's branch offices.

It is Park View Federal's policy to have a mortgage creating a valid lien on real estate and to obtain a title insurance policy which insures that the property is free of prior encumbrances. When a title insurance policy is not obtained, a lien verification is received. Borrowers must also obtain hazard insurance policies prior to closing and, when the property is in a flood plain as designated by the Federal Emergency Management Agency, paid flood insurance policies. Most borrowers are also required to advance funds on a monthly basis together with each payment of principal and interest to a mortgage escrow account from which Park View Federal makes disbursements for items such as real estate taxes and homeowners insurance.

Park View Federal's lending policies permit it to lend up to 95% of the appraised value of the real property securing a mortgage loan. Private Mortgage insurance is required on those loans whose loan-to-value ratios exceed 80%.

Table of Contents

Interest rates charged by Park View Federal on loans are affected principally by competitive factors, the demand for such loans and the supply of funds available for lending purposes and, in the case of fixed-rate single-family residential loans, rates established by Freddie Mac and Fannie Mae. These factors are, in turn, affected by general economic conditions, monetary policies of the federal government, including the Federal Reserve Board, legislative tax policies and government budgetary matters.

***Commercial and Multi-Family Residential Real Estate Lending***

The commercial real estate loans originated by Park View Federal are secured primarily by office buildings, shopping centers, warehouses and other income-producing commercial property. Park View Federal's multi-family residential loans are primarily secured by apartment buildings. These loans are generally for a term of up to 5 years, amortization periods from 10 to 25 years and with interest rates that adjust either annually or every three to five years based upon changes in the Treasury Rate Index or FHLB advance rate, plus a negotiated margin.

Commercial real estate lending entails significant additional risks as compared with residential property lending. Commercial real estate loans typically involve large loan balances to single borrowers or groups of related borrowers. The payment experience on such loans depends on the successful operation of the real estate project. These risks can be significantly impacted by supply and demand conditions in the market for office and retail space, and, as such, may be subject to fluctuation based upon current economic conditions. To minimize these risks, Park View Federal generally limits itself to its market area and to borrowers with which it has substantial experience or who are otherwise well known to it. Park View Federal obtains financial statements and, in most cases, the personal guarantees from all principals obtaining commercial real estate loans.

The Home Owners' Loan Act includes a provision that limits Park View Federal's non-residential real estate lending to no more than four times its total capital. This maximum limitation, which at March 31, 2013 and June 30, 2012 was \$304.0 million and \$281.5 million, respectively, and has not materially limited its lending practices.

Under the Home Owners' Loan Act, the maximum amount which Park View Federal may lend to any one borrower is 15% of its unimpaired capital and surplus, or \$13.6 million at March 31, 2013. Loans in an amount equal to an additional 10% of unimpaired capital and surplus may be made to the same borrower if such loans are fully secured by readily marketable collateral. Park View Federal may request a waiver from the Office of the Comptroller of the Currency to exceed the 15% loans-to-one borrower limitation on a case-by-case basis. See "Loans to One Borrower Limitations" on page 126 for more information and a discussion of the loans-to-one borrower regulations.

***Construction Loans***

While Park View Federal continues to offer residential and commercial construction loans, market conditions have decreased the volume of activity within this loan segment. When originated, loans for the construction of owner-occupied, single-family residential properties are underwritten in connection with the permanent loan on the property and have a construction term of six to 18 months. Interest rates on residential construction loans made to the eventual occupant are set at competitive rates, and are usually fixed for the construction term. Interest rates on commercial construction loans are set at a variable rate based on the prime rate or the London Interbank Offer Rate ("LIBOR") index, and adjust quarterly or monthly, respectively. Generally, the construction period for commercial properties is less than 24 months.

Construction financing is generally considered to involve a higher degree of risk of loss than long-term financing on improved, occupied real estate. Risk of loss on a construction loan depends largely upon the accuracy of the initial estimate of the property's value at completion of construction or

Table of Contents

development and the estimated cost (including interest) of construction. During the construction phase, a number of factors could result in delays and cost overruns. If the estimate of construction costs proves to be inaccurate, Park View Federal may be required to advance funds beyond the amount originally committed to ensure completion of the development. If the estimate of value proves to be inaccurate, Park View Federal may be confronted, at or prior to the maturity of the loan, with a project having a value which is insufficient to assure full repayment.

***Land Loans***

As with the construction loan segment, market conditions have slowed the origination of loans to builders and developers for the acquisition and/or development of vacant land. Park View Federal will continue to allow attrition in the construction and the land loan segments, as it shifts its balance sheet composition from real estate and land-focused to commercial and industrial lending (in purpose and in collateral).

Historically, the proceeds of the land loan were used to acquire the land itself and/or to make site improvements necessary to develop the land into saleable lots. As in the past, Park View Federal will not originate land loans to borrowers wishing to speculate in the value of land, and limits land loans to borrowers who expect to begin development of the property within two years of the date of the loan.

Land development and acquisition loans involve significant additional risks when compared with loans on existing residential properties. All of these loans originated are within Park View Federal's market area.

***Home Equity Line of Credit Loans***

Park View Federal originates loans secured by mortgages on residential real estate. Such loans are for an initial ten-year draw period followed by a ten-year repayment period.

***Commercial Non-Real Estate Business Loans***

Park View Federal originates commercial business loans secured by non-real estate assets such as accounts receivable, inventory, furniture and fixtures, equipment and certain intangible assets. Such loans are part of a new lending strategy for Park View Federal. Generally, these loans are made for up to \$5.0 million to any one borrowing relationship (person or company). This new activity follows Park View Federal credit policy and supporting underwriting guidelines in establishing collateral values, advance rates and required levels of due diligence. Generally, Park View Federal requires the personal guarantee of all borrowers for such loans.

***Loan Participation Interests***

From time to time, Park View Federal sells participation interests in mortgage loans and commercial loans originated by it and purchases whole loans or participation interests in loans originated by other lenders. Park View Federal held whole loans and participations in loans originated by other lenders of approximately \$14.5 million at March 31, 2013. Loans which Park View Federal purchases must meet or exceed the underwriting standards for loans originated by Park View Federal.

**Mortgage Banking Activity**

PVF Capital originates conventional loans secured by first lien mortgages on one-to-four family residential properties located within its market area for either portfolio or sale into the secondary market. During the nine months ended March 31, 2013 and year ended June 30, 2012, Park View Federal recorded a gain of \$10.8 and \$10.9 million on the sale of \$336.1 and \$350.8 million, respectively, in loans receivable originated for sale. Cyclically low market rates resulted in increased refinancing activity for the year. The sold loans were generally sold on a servicing retained basis.

Table of Contents

In addition to interest earned on loans and income recognized on the sale of loans, Park View Federal receives fees for servicing loans that it has sold. During the nine months ended March 31, 2013 and year ended June 30, 2012, Park View Federal reported a net loan servicing loss of \$1.5 and \$1.8 million, respectively, the result of the accelerated repayment of loans serviced along with an impairment charge against the value of its mortgage loan servicing asset. At March 31, 2013 and June 30, 2012, Park View Federal was servicing approximately \$1.1 and \$1.0 billion of loans for others, respectively. The income from loan servicing during these periods was attributable to the generation of mortgage loan servicing fees of \$2.0 and \$2.3 million during the nine months ended March 31, 2013 and year ended June 30, 2012, which was reduced by amortization expense of \$2.9 and \$3.6 million of the mortgage servicing assets, respectively, resulting from heavy refinance activity and impairment charges of \$.5 million for both periods, resulting from low interest rates and accelerated prepayment speeds during the year. Park View Federal has been able to keep delinquencies on residential loans serviced for others to a relatively low level of the aggregate outstanding balance of loans serviced, as a result of its policy of limiting servicing to loans it originates and subsequently sells to Freddie Mac and Fannie Mae. Because of the success Park View Federal has experienced in this area and because it has data processing equipment that will allow it to expand its portfolio of serviced loans without incurring significant incremental expenses, Park View Federal intends in the future to augment its portfolio of loans serviced by continuing to originate and either swap such fixed-rate single-family residential mortgage loans with Freddie Mac and Fannie Mae in exchange for mortgage-backed securities or sell such loans for cash, while retaining servicing.

In addition to loan servicing fees, Park View Federal receives fees in connection with loan commitments and originations, loan modifications, late payments and changes of property ownership and for miscellaneous services related to its loans. Loan origination fees are calculated as a percentage of the amount loaned. Park View Federal typically receives fees in connection with the origination of fixed-rate and adjustable-rate residential mortgage loans. All loan origination fees are deferred and accreted into income over the contractual life of the loan according to the interest method of recognizing income. If a loan is prepaid, refinanced or sold, all remaining deferred fees with respect to the loan are taken into income at such time.

Income from these activities varies from period to period with the volume and type of loans originated, sold and purchased, which in turn is dependent on prevailing mortgage interest rates and their effect on the demand for loans in Park View Federal's market area.

**Non-performing Loans and Other Problem Assets**

It is Park View Federal's policy to monitor its loan portfolio and to anticipate and address payment delinquencies, loans with attributes of potential future delinquency and those with delinquencies due to loan maturities. When a borrower fails to make a payment on a loan, Park View Federal takes immediate steps to have the delinquency cured and the loan restored to current status. Within its Credit Policy, Park View Federal delineates its approaches to consumer and commercial loan delinquencies. Remedies to all delinquencies begin with contact to the borrower, once a loan is past its due date. For serious commercial loan delinquencies, a separate work out plan may be developed and followed until the delinquency is cured and the loan is returned to accrual status. For consumer delinquencies exceeding 90 days, Park View Federal will institute additional measures to enforce its remedies resulting from the loan's default, including commencing foreclosure action. It is Park View Federal's desire to work with the borrower towards an acceptable loan modification, loan restructuring or forbearance agreement.

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

The following table sets forth information with respect to Park View Federal's non-performing loans and other problem assets at the dates indicated. Amounts are net of deferred loan fees.

	March 31,		At June 30,			
	2013	2012	2011	2010	2009	2008
	(Dollars in thousands)					
<b>Non-accruing loans:(1)</b>						
Real estate	\$ 16,854	\$ 20,076	\$ 50,261	\$ 68,862	\$ 69,534	\$ 22,406
Commercial and Industrial	171					
Accruing loans which are contractually past due 90 days or more:						
Real estate				65	727	2,966
Total non-accrual and 90 days past due loans	\$ 17,025	\$ 20,076	\$ 50,261	\$ 68,927	\$ 70,261	\$ 25,372
Ratio of non-performing loans to total loans	3.03%	3.60%	8.69%	11.14%	10.04%	3.50%
Other non-performing assets(2)	7,251	\$ 7,734	\$ 7,973	\$ 8,174	\$ 11,608	\$ 4,065
Total non-performing assets	\$ 24,276	\$ 27,810	\$ 58,234	\$ 77,101	\$ 81,869	\$ 29,437
Total non-performing assets to total assets	3.19%	3.51%	7.40%	8.97%	8.97%	3.39%
Troubled debt restructuring(3)		\$ 1,806	\$ 3,041	\$ 2,985	\$	\$

- (1) Nonaccrual status denotes loans on which, in the opinion of management, the collection of additional interest is unlikely, or loans that meet the nonaccrual criteria established by regulatory authorities. Nonaccrual loans include all loans classified as doubtful or loss, and all loans greater than 90 days past due with a loan-to-value ratio greater than 60%.
- (2) Other non-performing assets represent property acquired by Park View Federal through foreclosure or repossession.
- (3) Excludes all nonaccrual loans disclosed as troubled debt restructurings in Note 5 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 3 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

All nonperforming loans are specifically evaluated and an updated valuation obtained at least annually to determine the amount of impairment. Additionally, in determining the adequacy of the allowance for loan losses, a factor is applied to the amount of impaired loans to estimate possible declining values of the underlying collateral as well as possible valuation adjustments above the specific factor applied against collateral whose valuation is greater than twelve months old. As such, the length of time that a loan has been nonperforming is not additionally factored in determining the adequacy of the allowance for loan losses. The following is a schedule as of March 31, 2013, and as of June 30, 2012 and June 30, 2011 detailing the length of time our nonaccrual loans and accruing loans that were

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

contractually past due 90 days have been contractually past due, along with detail as to the composition of these loans:

At March 31, 2013						
(In thousands)						
	90 days or less	91 to 365 days	1 to 2 Years	2 to 3 Years	Over 3 Years	Total
One-to-four residential	\$ 1,527	\$ 1,262	\$ 1,508	\$ 473	\$ 713	\$ 5,483
Home equity line of credit	525	781	282	823	79	2,490
Multi-family residential	491					491
Commercial real estate	938	600	966	1,016		3,520
Land	1,256	84	149	1,842	62	3,393
Residential construction	116					116
Multi-family construction						
Commercial construction					644	644
Non-mortgage	275	613				888
Total	\$ 5,128	\$ 3,340	\$ 2,905	\$ 4,154	\$ 1,498	\$ 17,025

At June 30, 2012						
(In thousands)						
	90 days or less	91 to 365 days	1 to 2 Years	2 to 3 Years	Over 3 Years	Total
One-to-four residential	\$ 870	\$ 1,721	\$ 2,164	\$ 1,225	\$ 484	\$ 6,464
Home equity line of credit	490	744	496	997		2,727
Multi-family residential		325				325
Commercial real estate	265	1,559	1,247	723	133	3,927
Land	671	299	3,004	764	458	5,196
Residential construction	119			111	125	355
Multi-family construction						
Commercial construction				644		644
Non-mortgage	200	238				438
Total	\$ 2,615	\$ 4,886	\$ 6,911	\$ 4,464	\$ 1,200	\$ 20,076

At June 30, 2011				
(In thousands)				
	90 days or less	91 to 365 days	Over 1 Year	Total
One-to-four residential	\$ 1,885	\$ 2,565	\$ 5,731	\$ 10,181
Home equity line of credit	401	633	2,506	3,540
Multi-family residential		1,836	368	2,204
Commercial real estate	2,718	4,301	5,071	12,090
Land	2,477	4,073	7,712	14,262
Residential construction	122	545	1,979	2,646
Multi-family construction				
Commercial construction		2,987	828	3,815
Non-mortgage	1,322	201		1,523
Total	\$ 8,925	\$ 17,141	\$ 24,195	\$ 50,261

The decrease in nonaccruals from 2011 is primarily the result of the change in methodology used to recognize specific impairment. Historically, PVF Capital recognized specific impairment on individual loans through the utilization of a specific valuation allowance, but did not charge off the





Table of Contents

impaired loan amount until the loan was disposed and removed from the loan accounting system. In 2012, Park View Federal implemented an enhanced loan accounting system, which provides for the systematic recording of charged-off loans for financial recognition without losing the ability to track the legal contractual amounts. As such, Park View Federal charged off those principal loan amounts which had previously been specifically impaired through a specific valuation allowance and continued to be carried in loans outstanding. In addition to reducing loan balances, including nonperforming loans, this new enhanced loan accounting system had the impact of elevating reported charge-offs for the periods and reducing the allowance for loan losses associated with specific reserves. Since these charge-offs associated with the implementation of this loan accounting system were previously specifically reserved and included in PVF Capital's historical loss factors, the allowance for loan losses did not need to be replenished after recording these charge-offs.

The level in nonaccrual loans and accruing loans which are contractually past due more than 90 days at June 30, 2012 and June 30, 2011 continues to remain elevated and is attributable to poor current local and national economic conditions. Residential markets locally and nationally have been impacted by a significant increase in foreclosures and value declines as a result of the problems faced by sub-prime borrowers and the resulting contraction of residential credit available to all but the most credit worthy borrowers. Land development projects nationally and locally have seen slow sales and price decreases. As a savings institution, Park View Federal has significant exposure to the residential market in the greater Cleveland, Ohio area. As a result, Park View Federal has seen a continued high level of non-performing loans. Due to an increase in foreclosure activity in the area, the foreclosure process in Cuyahoga County, one of Park View Federal's primary markets, has become elongated. As such, loans have remained past due for considerable periods prior to being collected, transferred to real estate owned ("OREO"), or charged off.

Of the \$17.0 million in nonaccrual loans at March 31, 2013, \$9.7 million were individually identified as impaired. All of these loans are collateralized by various forms of non-residential real estate or residential construction loans. These loans were reviewed for the likelihood of full collection based primarily on the value of the underlying collateral. To the extent Park View Federal believes the collection of loan principal is in doubt, it charges off all or a portion of the loan balance or establishes specific loss reserves. Management's evaluations of the underlying collateral include a consideration of the potential impact of erosion in real estate values due to poor local economic conditions and a potentially long foreclosure process. This evaluation involves discounting the original appraised values of the real estate and estimated disposition costs along with unpaid real estate taxes to arrive at an estimate of the net realizable value of the collateral. A new appraisal or evaluation is obtained within 90 days from the time a loan becomes criticized. Additionally, a new appraisal is obtained annually as long as the loan remains criticized, regardless of loan type. For criticized loans where the appraisal or evaluation is more than twelve months old, an additional adjustment is made to the existing appraised value until such time that an updated appraisal has been obtained. Based on actual experience for updating valuations, this additional adjustment approximates 10%. The estimated disposition costs are deemed to be 9% based on actual experience. In determining the adequacy of the allowance for loan losses, a factor is applied to the amount of impaired loans to estimate possible declining values of the underlying collateral as well as possible valuation adjustments above the specific factor applied against collateral whose valuation is greater than twelve months old.

The remaining nonaccrual loans are homogeneous one-to-four family loans. The loss allocations applied to adversely classified loans are based on current appraisals on the underlying collateral, the potential impact of continuing erosion in real estate values and the estimated cost of disposal. Additionally, the loss allocations consider the potential that the value of this collateral may erode during the foreclosure process. Through this analysis, management established specific reserves for these loans to the extent such losses are identifiable.

Table of Contents

Impaired loans represent nonaccrual loans in the nonresidential real estate, non real estate and residential construction loan categories. Foreclosure proceedings for these loans are subject to external factors, such as bankruptcy and other legal proceedings that may delay the disposition of the loan, but generally occur within a period of time ranging from 12 to 60 months from the time they are initiated until the loan is ultimately collected, transferred to OREO, or charged off. Management is not aware of any loans where information known about a possible credit would cause serious doubts of the borrower to comply with payments terms related to the credit causing the credit to be deemed nonaccrual.

It is Park View Federal's policy not to record as income partial interest payments on nonaccrual loans. At March 31, 2013, gross interest income of \$3.5 million would have been recorded on loans accounted for on a nonaccrual basis if such loans had been current and accruing.

Management has reviewed its non-accruing loans and believes that the allowance for loan losses is adequate to absorb probable losses on these loans.

Park View Federal has adversely classified \$36.9 million and \$33.9 million of loans at March 31, 2013 and June 30, 2012 respectively, including \$17.0 and \$20.1 million in non-performing loans. This compares to \$64.0 million of adversely classified loans and \$50.3 million in non-performing loans at June 30, 2011. A special mention loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects or in the institution's credit position at some future date.

Real estate acquired by Park View Federal as a result of foreclosure is classified as OREO until such time as it is sold. At March 31, 2013 and June 30, 2012, Park View Federal had 39 and 43 OREO properties totaling \$7.3 million and \$7.7 million, respectively. These properties include raw land, partially developed land and, in some cases, developed and partially developed commercial and residential properties. Park View Federal faces the possibility of declines in value of these properties below their carrying amount. During the year ended June 30, 2012, Park View Federal recognized a write-down on OREO of \$1.7 million. Occasionally, Park View Federal will finish development or construction of these projects or homes. In these cases, Park View Federal also faces the risk that costs to complete construction will exceed original estimates or other execution risks.

The following table presents the activity in other real estate owned for the nine month period ended March 31, 2013 and the year ended June 30, 2012:

	<b>March 31</b>	<b>June 30,</b>
	<b>2013</b>	<b>2012</b>
Beginning Balance	\$ 7,733,578	\$ 7,972,753
Additions	3,194,620	9,314,588
Dispositions	(2,683,159)	(7,824,966)
Impairment write-downs	(993,876)	(1,728,797)
Ending Balance	\$ 7,251,163	\$ 7,733,578

**Asset Classification and Allowance for Loan Losses**

Federal regulations require savings institutions to review their assets on a regular basis and to classify them as "substandard," "doubtful," or "loss," if warranted. If an asset or portion thereof is classified as a loss, the insured institution must either establish specific allowances for loan losses in the amount of 100% of the portion of the asset classified as a loss, or charge off such amount. An asset which does not currently warrant classification, but which possesses weaknesses or deficiencies deserving close attention is required to be designated as "special mention." As part of its Credit Policy, Park View Federal outlines its risk rating methodology to ensure appropriate grading of

Table of Contents

non-homogenous loans. The Asset Classification Committee reviews the recommendations of Park View Federal's Special Assets team for potential downgrades and allocation of specific reserve allowance to loans. Currently, general loss allowances (up to 1.25% of risk-based assets) established to cover losses related to assets classified substandard or doubtful may be included in determining an institution's regulatory capital, while specific valuation allowances for loan losses do not qualify as regulatory capital. For additional information regarding regulatory capital requirements, see the section captioned " Regulatory Capital Requirements" beginning on page 118. Examiners at the Office of the Comptroller of the Currency may disagree with the insured institution's classifications and amounts reserved. If an institution does not agree with an examiner's classification of an asset, it may appeal this determination. At March 31, 2013 and June 30, 2012, total nonaccrual and 90 days past due loans and other non-performing assets were \$17.0 million and \$20.1 million, all of which were classified as substandard. For additional information, see the section captioned " Non-performing Loans and Other Problem Assets" on page 106 and Note 5 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 3 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

In originating loans, Park View Federal recognizes that credit losses will be experienced and that the risk of loss will vary with, among other things, the type of loan being made, the creditworthiness of the borrower over the term of the loan, general economic conditions and, in the case of a secured loan, the quality of the security for the loan. It is management's policy to maintain an adequate allowance for loan losses based on, among other things, Park View Federal's and the industry's historical loan loss experience, evaluation of economic conditions and regular reviews of delinquencies and loan portfolio quality. Park View Federal increases its allowance for loan losses by charging provisions for loan losses against its income.

General allowances are made pursuant to management's assessment of risk in Park View Federal's loan portfolio as a whole. Specific allowances are provided for individual loans when ultimate collection is considered questionable by management after reviewing the current status of loans, which are contractually past due and considering the net realizable value of the security for the loan. Management continues to monitor Park View Federal's asset quality and to charge off loans against the allowance for loan losses when appropriate or to provide specific loss reserves when necessary. Although management believes it uses the best information available to make determinations with respect to the allowance for loan losses, future adjustments may be necessary if economic conditions differ substantially from the economic conditions in the assumptions used in making the initial determinations.

As of December 31, 2011, PVF Capital implemented an enhanced loan accounting system, which provides for the systematic recording of charged-off loans for financial recognition without losing its ability to track the legal contractual amounts. As such, during the fiscal year ended June 30, 2012, PVF Capital charged off those loan amounts which had previously been specifically impaired through the use of the Specific Valuation Allowance approximately \$13.0 million. As of June 30, 2012, any remaining specific impairments known in prior periods as specific valuation allowances are now tracked as specific allocations to the allowance. In addition to reducing loan balances, including nonperforming loans, this new enhanced loan accounting system had the impact of elevating reported charge-offs for the period and reducing the allowance for loan losses associated with specific reserves.

Table of Contents

The following table shows how Park View Federal's allowance for loan losses is allocated at each of the dates indicated:

	<b>March 31, 2013</b>	<b>June 30, 2012</b>
General allowance	\$ 14,118,663	\$ 14,634,531
Specific allowance	801,568	1,418,334
<b>Total allowance</b>	<b>\$ 14,920,231</b>	<b>\$ 16,052,865</b>

Management's approach includes establishing a specific valuation allowance by evaluating individual non-performing loans for probable losses based on a systematic approach involving estimating the realizable value of the underlying collateral. Additionally, management establishes a general valuation allowance for pools of performing loans segregated by collateral type. For the general valuation allowance, management is applying a prudent loss factor based on Park View Federal's historical loss experience, trends based on changes to non-performing loans and foreclosure activity, effectiveness of its credit administration processes and management's subjective evaluation of the local population and economic environment. The loan portfolio is segregated into categories based on collateral type and a loss factor is applied to each category. The initial basis for each loss factor is Park View Federal's loss experience for each category. Historical loss percentages are calculated and adjusted by taking charge-offs in each risk category during the past 18 months and dividing the total by the average balance of each category.

A provision for loan losses is recorded when necessary to bring the allowance to a level consistent with this analysis. Management believes it uses the best information available to make a determination as to the adequacy of the allowance for loan losses. The current period provision for loan losses reflects the impact on the loss factors applied to pools of performing loans due to the recent increase in Park View Federal's historical loss experience.

Management's ongoing analysis of the allowance for loan losses considers changes in nonaccrual loans and changes in probable loan losses as economic conditions deteriorate and the underlying collateral is subjected to an elongated foreclosure process.

**Investment Activities**

Park View Federal's investment policy currently allows for investment in various types of liquid assets, including U.S. government and U.S. government-sponsored enterprise securities, time deposits at the FHLB of Cincinnati, certificates of deposit or bankers' acceptances at other federally insured depository institutions, and Trust Preferred, corporate and mortgage-backed securities. The general objective of Park View Federal's investment policy is to maximize returns without compromising liquidity or creating undue credit or interest rate risk. Park View Federal's equity investments consisted of floating rate preferred stock issued by Freddie Mac and Fannie Mae. During 2010, these securities were sold, resulting in a pre-tax gain of \$24,000.

Park View Federal reports its investments, other than marketable equity securities and securities available for sale, at cost as adjusted for discounts and unamortized premiums. Park View Federal has the intent and ability and generally holds all securities until maturity.

During both the nine months ended March 31, 2013 and the fiscal year ended June 2012, Park View Federal did not sell mortgage-backed securities available for sale. At present, management is not aware of any conditions or circumstances which could impair its ability to hold its remaining securities to maturity. In accordance with its general investment policy, Park View Federal held U.S. government sponsored enterprise, Trust Preferred, corporate and mortgage-backed securities, and FHLB of Cincinnati stock at March 31, 2013 and at June 30, 2012. For additional information regarding Park

Table of Contents

View Federal's investment activities, see Note 4 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 2 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

**Deposit Activity and Other Sources of Funds**

*General*

Deposits are the primary source of Park View Federal's funds for lending, investment activities and general operational purposes. In addition to deposits, Park View Federal derives funds from loan principal and interest repayments, maturities of securities and interest payments thereon. Although loan repayments are a relatively stable source of funds, deposit inflows and outflows are significantly influenced by general interest rates and money market conditions. Borrowings may be used on a short-term basis to compensate for reductions in the availability of funds, or on a longer term basis for general operational purposes.

*Deposits*

Park View Federal attracts deposits principally from within its primary market area by offering a variety of deposit instruments, including checking accounts, money market accounts, regular savings accounts and certificates of deposit, which generally range in maturity from seven days to five years. Deposit terms vary according to the minimum balance required, the length of time the funds must remain on deposit and the interest rate. Maturities, terms, service fees and withdrawal penalties for its deposit accounts are established by Park View Federal on a periodic basis. Park View Federal generally reviews its deposit mix and pricing on a weekly basis. In determining the characteristics of its deposit accounts, Park View Federal considers the rates offered by competing institutions, funds acquisition costs and liquidity requirements, growth goals and federal regulations. Under the terms of the Stipulation and Consent to the Issuance of Order to Cease and Desist that Park View Federal entered into with the Office of Thrift Supervision on October 19, 2009, in which Park View Federal consented to the issuance of an Order to Cease and Desist without admitting or denying that grounds exist for an administrative proceeding against the bank, Park View Federal was prohibited from accepting brokered deposits or offering rates more than 75 basis points above the national average rate. On August 27, 2012, the Office of the Comptroller of the Currency, which had replaced the Office of Thrift Supervision as Park View Federal's primary regulator, terminated the Order to Cease and Desist. See Note 11 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 21 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010 for additional information with respect to the Order to Cease and Desist and its termination.

Park View Federal competes for deposits with other institutions in its market area by offering deposit instruments that are competitively priced and providing customer service through convenient and attractive offices, knowledgeable and efficient staff, and hours of service that meet customers' needs. To provide additional convenience, Park View Federal participates in the nationwide MoneyPass® ATM/debit card Automated Teller Machine network, through which customers can gain access to their accounts at any time.

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

The following table sets forth the deposits in Park View Federal as of March 31, 2013:

Weighted Average Interest Rate	Category	Minimum Balance	Balance (in thousands)	Percentage of Total Deposits
0.16%	NOW accounts	\$ 50	\$ 38,718	6.23%
0.10	Passbook statement accounts	5	48,567	7.82
0.43	Money market accounts	1,000	148,023	23.83
0.00	Non-interest earning demand accounts	50	62,603	10.08
			297,911	47.96
<b>Certificates of Deposit</b>				
0.83	3 months or less	500	49,578	7.98
0.77	3 - 6 months	500	43,142	6.95
0.81	6 - 12 months	500	86,764	13.97
1.04	1 - 3 years	500	115,580	18.61
1.68	More than three years	500	28,192	4.54
0.97	Total certificates of deposit		323,256	52.04
	Total deposits		\$ 621,167	100.00%

The following table sets forth the average balances and average interest rates based on month-end balances for interest-bearing demand deposits and time deposits during the periods indicated:

	For the Nine Months Ended March 31, 2013		
	Interest-Bearing Demand Deposits	Savings Deposits	Time Deposits
Average balance	\$ 183,826	\$ 47,039	\$ 347,559
Average rate paid	0.45%	0.10%	1.09%

	For the Year Ended June 30,								
	2012			2011			2010		
	Interest-Bearing Demand Deposits	Savings Deposits	Time Deposits	Interest-Bearing Demand Deposits	Savings Deposits	Time Deposits	Interest-Bearing Demand Deposits	Savings Deposits	Time Deposits
Average balance	\$ 168,005	\$ 47,722	\$ 406,142	\$ 137,140	\$ 51,707	\$ 431,439	\$ 108,232	\$ 64,995	\$ 497,236
Average rate paid	0.50%	0.11%	1.03%	0.71%	0.23%	1.91%	0.97%	0.86%	2.56%

The rates currently paid on certificates maturing within one year or less are lower than the rates currently being paid on similar certificates of deposit maturing thereafter. Park View Federal will seek to retain these deposits to the extent consistent with its long-term objective of maintaining positive interest rate spreads. Depending upon interest rates existing at the time such certificates mature, Park View Federal's cost of funds may be significantly affected by the rollover of these funds. A decrease in such cost of funds, if any, may have a material impact on Park View Federal's operations. To the extent such deposits do not roll over, Park View Federal may, if necessary, use other sources of funds, including borrowings from the FHLB of Cincinnati, to replace such deposits. For additional information, see the section captioned " Borrowings" on page 115.

Table of Contents

The following table indicates the amount of Park View Federal's certificates of deposit of \$100,000 or more by time remaining until maturity as of March 31, 2013:

Maturity Period	Certificates of Deposit (In thousands)
Three months or less	\$ 17,258
Over three through six months	18,727
Three through six months	28,874
Over six through 12 months	46,972
Over 12 months	12,693
Total	\$ 124,524

***Borrowings***

Savings deposits historically have been the primary source of funds for Park View Federal's lending, investments and general operating activities. Park View Federal is authorized, however, to use advances from the FHLB of Cincinnati to supplement its supply of lendable funds and to meet deposit withdrawal requirements. The FHLB of Cincinnati functions as a central reserve bank providing credit for savings institutions and certain other member financial institutions. As a member of the FHLB, Park View Federal is required to own stock in the FHLB of Cincinnati and is authorized to apply for advances. Advances are made pursuant to several different programs, each of which has its own interest rate and range of maturities. Park View Federal has a Blanket Agreement for advances with the FHLB under which Park View Federal may borrow up to 50% of its assets subject to normal collateral and underwriting requirements. Park View Federal currently has two commitments with the FHLB of Cincinnati for flexible lines of credit, referred to as a cash management advance ("CMA") and a Repo advance ("REPO"), in the amounts of \$30 million and \$200 million, respectively, which can be drawn on to the extent of collateral pledged. At March 31, 2013 and June 30, 2012, Park View Federal had borrowing capacity of \$230.0 million on these lines of credit, subject to available collateral. The CMA and the REPO were not drawn down at March 31, 2013. Advances from the FHLB of Cincinnati are secured by Park View Federal's stock in the FHLB of Cincinnati and other eligible assets. In addition, PVF Service Corporation had a loan with an outstanding balance of \$1.0 million as of March 31, 2013 collateralized by real estate. For additional information, refer to Note 7 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

The following table sets forth certain information regarding Park View Federal's advances from the FHLB of Cincinnati for the periods indicated:

	March 31, 2013	2012	At June 30, 2011      2010	
	(Dollars in thousands)			
Amounts outstanding at end of period	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Weighted average rate	2.96%	2.96%	2.96%	2.96%
Maximum amount outstanding at any month end	\$ 35,000	\$ 35,000	\$ 35,000	\$ 45,000
Approximate average outstanding balance	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,056
Weighted average rate	2.96%	2.96%	2.96%	2.95%

**Subsidiary Activities**

Park View Federal is required to give the FDIC and the Office of the Comptroller of the Currency 30 days prior notice before establishing or acquiring a new subsidiary or commencing a new activity

Table of Contents

through an existing subsidiary. Both the FDIC and the Office of the Comptroller of the Currency have the authority to prohibit the initiation of, and to order the termination of, subsidiary activities determined to pose a risk to the safety or soundness of the institution.

As a federally chartered savings bank, Park View Federal is permitted to invest an amount equal to 2% of its assets in subsidiaries, with an additional investment of 1% of assets where such investment serves primarily community, inner-city and community development purposes. Under such limitations, as of March 31, 2013, Park View Federal was authorized to invest up to approximately \$24 million in the shares of, or as loans to, subsidiaries, including the additional 1% investment for community, inner-city and community development purposes. Institutions meeting their applicable minimum regulatory capital requirements may invest up to 50% of their regulatory capital in conforming first mortgage loans to subsidiaries in which they own 10% or more of the capital stock. Park View Federal currently exceeds its regulatory capital requirements.

PVF Capital has three active subsidiaries, Park View Federal, PVF Service Corporation and Mid Pines Land Company. PVF Service Corporation is engaged in the activities of land acquisition and real estate investment and Mid Pines Land Company holds an investment in land adjacent to PVF Capital's Corporate Center. PVF Capital has three nonactive subsidiaries, PVF Community Development Corp., PVF Mortgage Corp. and PVF Holdings, Inc., which have been chartered for future activity. Park View Federal has also created various limited liability companies that have taken title to property acquired through or in lieu of foreclosure.

***PVF Service Corporation***

At March 31, 2013, PVF Service Corporation had the following investments: (1) a \$.1 million investment in a joint venture that owns real estate leased to Park View Federal for use as a branch office in Avon, Ohio; (2) a \$0.1 million investment in a joint venture for a branch office location in Mayfield Heights, Ohio; (3) an interest in Park View Plaza, a joint venture, which is a strip center in Cleveland, Ohio that includes Park View Federal's Cleveland branch office; (4) an interest in a joint venture containing a title company, PVF Title Services, LLC; and (5) a \$4.2 million investment in office properties used by PVF Capital and Park View Federal that includes the Corporate Center in Solon, Ohio, and branch offices in Bainbridge, Ohio and Chardon, Ohio. In November 2008, PVF Service Corporation refinanced a line of credit loan for \$1.6 million. The balance at March 31, 2013 and at June 30, 2012 was \$1.0 million, and the loan is secured by the Corporate Center in Solon, Ohio.

***Mid Pines Land Company***

At March 31, 2013, Mid Pines Land Company had an investment of \$0.6 million in land adjacent to PVF Capital's Corporate Center in Solon, Ohio.

**Competition**

Park View Federal faces strong competition both in originating real estate and other loans and in attracting deposits. Park View Federal competes for real estate and other loans principally on the basis of interest rates and the loan fees it charges, the type of loans it originates and the quality of services it provides to borrowers. Its competition in originating real estate loans comes primarily from other savings institutions, commercial banks and mortgage bankers making loans secured by real estate that are located in Park View Federal's market area.

Park View Federal generally attracts all its deposits through its branch offices primarily from the communities in which these branch offices are located. Consequently, competition for deposits is principally from other savings institutions, commercial banks, credit unions and brokers in these communities. Park View Federal competes for deposits and loans by offering a variety of deposit accounts at competitive rates, a wide array of loan products, convenient business hours and branch



Table of Contents

locations, a commitment to outstanding customer service and a well-trained staff. In addition, Park View Federal believes it has developed strong relationships with local businesses, realtors, builders and the public in general, giving it an excellent image in the community.

**Employees**

PVF Capital and its subsidiaries had 173 full-time employees and 29 part-time employees, as of March 31, 2013, none of whom was represented by a collective bargaining agreement. PVF Capital believes it enjoys a good relationship with its personnel.

**Regulation**

*General*

For the fiscal year ended June 30, 2012 and continuing to date, PVF Capital and Park View Federal, as a federally chartered savings and loan holding company and federal savings association, respectively, have been subject to examination and comprehensive federal regulation and oversight by the Office of the Comptroller of the Currency. Park View Federal has also been and continues to be subject to regulation and examination by the FDIC, which insures the deposits of Park View Federal to the maximum extent permitted by law, and certain other requirements established by the Federal Reserve Board.

The investment and lending authority of savings institutions is prescribed by federal laws and regulations, and such institutions are prohibited from engaging in any activities not permitted by such laws or regulations. Such regulations and supervision primarily are intended for the protection of depositors and not for the purpose of protecting shareholders.

Federal law provides federal banking regulators, including the Office of the Comptroller of the Currency, the Federal Reserve Board and the FDIC, with substantial enforcement powers. The enforcement authority of the Office of the Comptroller of the Currency and the Federal Reserve Board over savings institutions and their holding companies includes, among other things, the ability to assess civil money penalties, to issue cease and desist or removal orders and to initiate injunctive actions. In general, these enforcement actions may be initiated for violations of laws and regulations and unsafe and unsound practices. Other actions or inactions may provide the basis for enforcement action, including misleading or untimely reports filed with the Office of the Comptroller of the Currency and the Federal Reserve Board.

*Recently Enacted Regulatory Reform*

Federal regulators continue to implement many provisions of the Dodd-Frank Act, which was signed into law by President Obama on July 21, 2010. The following discussion summarizes significant aspects of the new law that affect or are already affecting PVF Capital and Park View Federal:

Effective July 21, 2011, the Office of the Comptroller of the Currency assumed responsibility from the Office of Thrift Supervision for the examination, supervision and regulation of federal savings associations and rulemaking for federal and state savings associations, and the authority of the other remaining bank regulatory agencies has been restructured;

The Consumer Financial Protection Bureau has been established and empowered to exercise broad regulatory, supervisory and enforcement authority with respect to both new and existing consumer financial protection laws;

New capital regulations for thrift holding companies have been adopted and any new trust preferred securities no longer count toward Tier 1 capital;

Table of Contents

The prohibition on the payment of interest on demand deposits has been repealed, effective July 21, 2011;

The deposit insurance assessment base calculation has been expanded to equal a depository institution's total assets minus the sum of its average tangible equity during the assessment period; and

New corporate governance requirements, which are generally applicable to most larger public companies, now require new compensation practices, including, but not limited to, providing shareholders the opportunity to cast a non-binding vote on executive compensation, to consider the independence of compensation advisors and requiring new executive compensation disclosure.

Many provisions of the Dodd-Frank Act have not yet been implemented and will require interpretation and rule making by federal regulators. PVF Capital is closely monitoring all relevant sections of the Dodd-Frank Act to ensure continued compliance with the applicable portions of the law and its rules and regulations. While the ultimate effect of the Dodd-Frank Act on us cannot currently be determined, the law and its implementing rules and regulations are increasing compliance costs and may restrict our operations, all of which may have a material adverse effect on our operating results and financial condition.

***Regulation of Park View Federal***

*General*

As a savings institution, Park View Federal is subject to extensive regulation by federal banking regulators, and its deposits are insured by the Deposit Insurance Fund, which is administered by the FDIC. The lending activities and other investments of Park View Federal must comply with various federal regulatory requirements. The Office of the Comptroller of the Currency periodically examines Park View Federal for compliance with various regulatory requirements. The FDIC also has the authority to conduct special examinations of FDIC-insured savings institutions. Park View Federal must regularly file reports describing its activities and financial condition. Park View Federal is also subject to certain reserve requirements promulgated by the Federal Reserve Board. This supervision and regulation is intended primarily for the protection of depositors. Certain of these regulatory requirements are referred to below or elsewhere herein. The discussion is not intended to be a complete explanation of all applicable laws and regulations and is qualified in its entirety by reference to the actual statutes and regulations involved.

*Regulatory Capital Requirements*

Under current regulations of the Office of the Comptroller of the Currency, savings institutions must maintain "tangible" capital equal to at least 1.5% of adjusted total assets, Tier 1 capital (core) equal to at least 4.0% (or 3.0% if the institution is the highest rated under the Office of the Comptroller of the Currency's examination rating system) of adjusted total assets and "total capital," a combination of Tier 1 and "supplementary" capital, equal to at least 8.0% of "risk-weighted" assets. The Office of the Comptroller of the Currency continues to enforce regulations which impose certain restrictions on savings associations that have a total risk-based capital ratio that is less than 8.0%, a ratio of Tier 1 capital to risk-weighted assets of less than 4.0% or a ratio of Tier 1 capital to adjusted total assets of less than 4.0% (or 3.0% if the institution is the highest rated). For purposes of these regulations, Tier 1 capital generally consists of common shareholders' equity (including retained earnings), certain noncumulative perpetual preferred stock and related surplus and minority interests in equity accounts of consolidated subsidiaries, less intangibles other than certain mortgage servicing rights and credit card relationships. For additional information regarding regulatory capital requirements, see the section captioned " Prompt Corrective Regulatory Action" on page 121. Investments in

Table of Contents

subsidiaries that are engaged as principal in activities not permissible for national banks must also be deducted from Tier 1 capital. Park View Federal was in compliance with all applicable regulatory capital requirements at both March 31, 2013 and June 30, 2012.

In determining compliance with the risk-based capital requirement, a savings institution calculates its total capital, which may include both core capital and supplementary capital, provided the amount of supplementary capital does not exceed the savings institution's core capital. Supplementary capital is defined to include certain preferred stock issues, certain approved subordinated debt, certain other capital instruments, a portion of the savings institution's allowances for loan and lease losses allowances, and up to 45% of unrealized net gains on equity securities. Total core and supplementary capital are reduced by the amount of capital instruments held by other depository institutions pursuant to reciprocal arrangements and equity investments other than those deducted from core and tangible capital. At both March 31, 2013 and June 30, 2012, Park View Federal had no equity investments for which federal regulations require a deduction from total capital.

The risk-based capital requirements are measured against risk-weighted assets, which equal the sum of each asset and the credit-equivalent amount of each off-balance sheet item after being multiplied by an assigned risk weight. Under the Office of the Comptroller of the Currency's risk-weighting system, one- to four-family first mortgages not more than 90 days past due with loan-to-value ratios under 80% and multi-family mortgages (or residential property consisting of five or more dwelling units) with loan-to-value ratios under 80% are assigned a risk weight of 50%. Consumer, home equity and land loans, residential and nonresidential construction loans and commercial real estate loans are assigned a risk weight of 100%. Mortgage-backed securities issued, or fully guaranteed as to principal and interest, by Fannie Mae or Freddie Mac are assigned a 20% risk weight. Cash and United States government securities backed by the full faith and credit of the United States government are given a 0% risk weight. At March 31, 2013 and June 30, 2012, Park View Federal's risk-weighted assets were \$607.4 million and \$595.1 million, and its total risk-based capital was \$83.6 million and \$77.3 million, or 13.76% and 13.00%, of risk-weighted assets, respectively.

## Edgar Filing: FNB CORP/FL/ - Form 424B3

### Table of Contents

The table below presents Park View Federal's capital position at March 31, 2013 and June 30, 2012, relative to its various minimum regulatory capital requirements:

	At March 31, 2013		At June 30, 2012	
	Amount	Percent of Assets(1)	Amount	Percent of Assets(1)
	(Dollars in thousands)		(Dollars in thousands)	
Tangible Capital	\$ 75,932	9.92%	\$ 69,787	8.66%
Tangible Capital Requirement	11,478	1.50	12,084	1.50
Excess	64,454	8.42%	57,703	7.16%
Tier 1 Risk-Based Capital	\$ 75,932	12.50%	\$ 69,787	11.73%
Tier 1 Risk-Based Capital Requirement	36,449	6.00	35,704	6.00
Excess	39,483	6.50%	34,083	5.73%
Tier 1/Core Capital	\$ 75,932	9.92%	\$ 69,787	8.66%
Tier 1/Core Capital Requirements	38,259	5.00	64,448	8.00
Excess	37,673	4.92%	5,339	0.66%
Risk-Based Capital	\$ 83,616	13.76%	\$ 77,332	13.00%
Risk-Based Capital Requirement	60,748	10.00	71,407	12.00
Excess	22,868	3.76%	5,925	1.00%

(1) Based upon adjusted total assets for purposes of the tangible, core and Tier 1 capital requirements, and risk-weighted assets for purposes of the Tier 1 risk-based and risk-based capital requirements.

In addition to requiring generally applicable capital standards for savings institutions, the Office of the Comptroller of the Currency has the authority to establish the minimum level of capital for a savings institution at such amount or at such ratio of capital-to-assets as is determined to be necessary or appropriate for such institution in light of the particular circumstances of the institution. The failure of any savings institution to maintain capital at or above such level is an unsafe or unsound practice and such a savings institution may be issued a directive requiring such savings institution to submit and adhere to a plan for increasing capital. On October 19, 2009, Park View Federal was directed by the Office of Thrift Supervision to raise its Tier 1 core capital and total risk-based capital ratios to 8.0% and 12.0%, respectively. As of June 30, 2012, Park View Federal continued to exceed the minimum capital ratios required under the Order to Cease and Desist of the Office of Thrift Supervision. As discussed in Note 11 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012, the Office of the Comptroller of the Currency, which had replaced the Office of Thrift Supervision as Park View Federal's primary regulator, has terminated the Order to Cease and Desist.

The banking regulators have proposed and are considering new regulations that would increase the amount and the calculation of capital required for all financial institutions.

### *Regulatory Agreements*

On October 19, 2009, PVF Capital and Park View Federal each entered into a Stipulation and Consent to the Issuance of Order to Cease and Desist with the Office of Thrift Supervision, in which they each consented to the issuance of an Order to Cease and Desist without admitting or denying that grounds existed for the Office of Thrift Supervision to initiate an administrative proceeding against them. Effective July 21, 2011, the Office of the Comptroller of the Currency and the Federal Reserve



Table of Contents

Board succeeded to all powers, authorities, rights and duties of the Office of Thrift Supervision relating to the cease and desist orders as a result of the Dodd-Frank Act.

The cease and desist order against Park View Federal required Park View Federal to take several actions, including but not limited to: (i) by December 31, 2009, meet and maintain (1) a Tier 1 (core) capital ratio of at least 8.0% and (2) a total risk-based capital ratio of at least 12.0% after the funding of an adequate allowance for loan and lease losses and submit a detailed plan to accomplish this; (ii) if Park View Federal fails to meet these capital requirements at any time after December 31, 2009, within 15 days thereafter prepare a written contingency plan detailing actions to be taken, with specific time frames, providing for (a) a merger with another federally insured depository institution or holding company thereof, or (b) voluntary liquidation; (iii) adopt revisions to Park View Federal's liquidity policy to, among other things, increase its minimum liquidity ratio; (iv) reduce the level of adversely classified assets to no more than 50% of core capital plus allowance for loan and lease losses by December 31, 2010 and reduce the level of adversely classified assets and assets designated as special mention to no more than 65% of core capital plus allowance for loan and lease losses by December 31, 2010; (v) submit a new business plan to the Office of Thrift Supervision for approval that will include the requirements contained in the cease and desist order and that also will include well-supported and realistic strategies to achieve consistent profitability by September 30, 2010; (vi) restrict quarterly asset growth to an amount not to exceed net interest credited on deposit liabilities until the Office of Thrift Supervision approves of the new business plan; (vii) cease to accept, renew or roll over any brokered deposit or act as a deposit broker, without the prior written waiver of the FDIC; and (viii) not declare or pay dividends or make any other capital distributions from Park View Federal without receiving prior approval of the Office of Thrift Supervision.

The cease and desist order against PVF Capital required PVF Capital to take several actions, including, but not limited to: (i) submit a capital plan that includes, among other things, (1) the establishment of a minimum tangible capital ratio of tangible equity capital to total tangible assets commensurate with PVF Capital's consolidated risk profile, and (2) specific plans to reduce the risks to PVF Capital from its current debt levels and debt servicing requirements; (ii) not declare, make or pay any cash dividends or other capital distributions or purchase, repurchase or redeem or commit to purchase, repurchase or redeem PVF Capital equity stock without the prior non-objection of the Office of Thrift Supervision, except that this provision does not apply to immaterial capital stock redemptions that arise in the normal course of PVF Capital's business in connection with its share-based compensation plans; and (iii) not incur, issue, renew, roll over or increase any debt or commit to do so without the prior non-objection of the Office of Thrift Supervision (debt includes loans, bonds, cumulative preferred stock, hybrid capital instruments such as subordinated debt or trust preferred securities, and guarantees of debt).

The cease and desist orders against PVF Capital and Park View Federal also imposed certain on-going reporting obligations and additional restrictions on severance and indemnification payments, changes in directors and management, employment agreements and compensation arrangements, third party service contracts and transactions with affiliates.

On August 27, 2012, the cease and desist order against Park View Federal was terminated by Office of the Comptroller of the Currency, which had replaced the Office of Thrift Supervision as Park View Federal's primary regulator. On December 15, 2012, the cease and desist order against PVF Capital was terminated by the Federal Reserve Board, which had replaced the Office of Thrift Supervision as PVF Capital's primary regulator.

*Prompt Corrective Regulatory Action*

Under the Federal Deposit Insurance Corporation Improvement Act of 1991, federal banking regulators are required to take prompt corrective action if an insured depository institution fails to

Table of Contents

satisfy certain minimum capital requirements. All institutions, regardless of their capital levels, are restricted from making any capital distribution or paying any management fees if the institution would thereafter fail to satisfy any of its capital requirements. An institution that fails to meet the minimum level for any relevant capital measure (an "undercapitalized institution") is: (i) subject to increased monitoring by the appropriate federal banking regulator; (ii) required to submit an acceptable capital restoration plan within 45 days; (iii) subject to asset growth limits; and (iv) required to obtain prior regulatory approval for acquisitions, branching and new lines of businesses. The capital restoration plan must include a guarantee by the institution's holding company that the institution will comply with the capital restoration plan until it has been adequately capitalized on average for four consecutive quarters, under which the holding company would be liable up to the lesser of 5% of the institution's total assets or the amount necessary to bring the institution into capital compliance as of the date it failed to comply with its capital restoration plan. A "significantly undercapitalized" institution, as well as any undercapitalized institution that did not submit an acceptable capital restoration plan, may be subject to regulatory demands for recapitalization, broader application of restrictions on transactions with affiliates, limitations on interest rates paid on deposits, asset growth and other activities, possible replacement of directors and officers, and restrictions on capital distributions by any bank holding company controlling the institution. Any company controlling the institution could also be required to divest the institution or the institution could be required to divest subsidiaries. The senior executive officers of a significantly undercapitalized institution may not receive bonuses or increases in compensation without prior approval and the institution is prohibited from making payments of principal or interest on its subordinated debt. In their discretion, the federal banking regulators may also impose the foregoing sanctions on an undercapitalized institution if the regulators determine that such actions are necessary to carry out the purposes of the prompt corrective action provisions. If an institution's ratio of tangible capital to total assets falls below a "critical capital level," the institution will be subject to conservatorship or receivership within specified time periods.

Under regulations jointly adopted by the federal banking regulators, a savings institution's capital adequacy for purposes of the prompt corrective action rules under the FDIC Improvement Act is determined on the basis of the institution's total risk-based capital ratio (the ratio of its total capital to risk-weighted assets), Tier 1 risk-based capital ratio (the ratio of its core capital to risk-weighted assets) and leverage ratio (the ratio of its Tier 1 or core capital to adjusted total assets). The following table shows the capital ratio requirements for each prompt corrective action category:

	Well Capitalized	Adequately Capitalized	Undercapitalized	Significantly Undercapitalized
Total risk-based capital ratio	10.0% or more	8.0% or more	Less than 8.0%	Less than 6.0%
Tier 1 risk-based capital ratio	6.0% or more	4.0% or more	Less than 4.0%	Less than 3.0%
Leverage ratio	5.0% or more	4.0% or more*	Less than 4.0%*	Less than 3.0%

\*

3.0% if the institution has the highest examination rating.

A "critically undercapitalized" savings institution is defined as a savings institution that has a ratio of "tangible equity" to total assets of less than 2.0%. Tangible equity is defined as core capital plus cumulative preferred stock less all intangibles other than qualifying supervisory goodwill and certain servicing rights. The Office of the Comptroller of the Currency may reclassify a well-capitalized savings association as adequately capitalized and may require an adequately capitalized or undercapitalized institution to comply with the supervisory actions applicable to institutions in the next lower capital category (but may not reclassify a significantly undercapitalized institution as critically undercapitalized) if the Office of the Comptroller of the Currency determines, after notice and an opportunity for a hearing, that the savings institution is in an unsafe or unsound condition or that the institution has received and not corrected a less-than-satisfactory rating for any examination rating category. At March 31, 2013, Park View Federal met the capital requirements to be deemed a well-capitalized

Table of Contents

institution for purposes of the prompt corrective action regulations. For more information regarding the position of Park View Federal with respect to the prompt corrective action rules under the FDIC Improvement Act, see Note 11 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Notes 13 and 21 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

*Safety and Soundness Standards*

Interagency Guidelines Establishing Standards for Safety and Soundness require savings institutions to maintain internal controls and information systems and internal audit systems that are appropriate for the size, nature and scope of the institution's business. The guidelines also establish certain basic standards for loan documentation, credit underwriting, interest rate risk exposure, and asset growth. The guidelines further provide that savings institutions should maintain safeguards to prevent the payment of compensation, fees and benefits that are excessive or that could lead to material financial loss, and should take into account factors such as comparable compensation practices at peer institutions. If the Office of the Comptroller of the Currency determines that a savings institution is not in compliance with the safety and soundness guidelines, it may require the institution to submit an acceptable plan to achieve compliance with the guidelines. Failure to submit or implement a compliance plan may subject the institution to regulatory sanctions. Additionally, a savings institution should maintain systems, commensurate with its size and the nature and scope of its operations, to identify problem assets and prevent deterioration in those assets as well as to evaluate and monitor earnings and ensure that earnings are sufficient to maintain adequate capital and reserves.

*Federal Home Loan Bank System*

Park View Federal is a member of the FHLB, which consists of 12 regional FHLBs subject to supervision and regulation by the Federal Housing Finance Agency. The FHLB provides a central credit facility primarily for member institutions. As a member of the FHLB, Park View Federal is required to acquire and hold specified amounts of capital stock in the FHLB of Cincinnati. Park View Federal was in compliance with this requirement with an investment in FHLB of Cincinnati stock at March 31, 2013 of \$12.8 million. The FHLB of Cincinnati's ability to pay dividends to its shareholders is subject to a variety of factors such as legal requirements, Park View Federal's financial condition and income and economic conditions.

Long-term advances may be made only for the purpose of providing funds for residential housing finance, small business loans, small farm loans and small agri-business loans. At March 31, 2013, Park View Federal had \$35 million in advances outstanding from the FHLB of Cincinnati. For more information regarding Park View Federal's sources of funds, see the section captioned " Borrowings" on page 115.

*Loan and Investment Powers*

Federal savings associations, such as Park View Federal, are subject to certain lending and investment restrictions imposed by the Home Owners' Loan Act and the Office of the Comptroller of the Currency's implementing regulations thereunder. Under these laws and regulations, federal savings associations may invest in mortgage loans secured by residential and commercial real estate, commercial and consumer loans, certain types of debt securities and certain other assets. Federal savings associations may also establish service corporations that may engage in activities not otherwise permissible, including certain real estate equity investments and securities and insurance brokerage activities. These investment powers are subject to various limitations. At March 31, 2013, Park View Federal met all lending restrictions imposed under the Home Owners' Loan Act.



Table of Contents

*Qualified Thrift Lender Test*

Pursuant to the provisions of the Home Owners' Loan Act, a savings association must meet the standard of a qualified thrift lender. Under the qualified thrift lender test, Park View Federal is required to maintain at least 65% of its "portfolio assets" in certain "qualified thrift investments" on a monthly basis in at least nine months of the most recent twelve-month period. "Portfolio assets" means, in general, an association's total assets less the sum of: (1) specified liquid assets up to 20% of total assets; (2) goodwill and other intangible assets; and (3) the value of property used to conduct Park View Federal's business. "Qualified thrift investments" include various types of loans made for residential and housing purposes, investments related to such purposes, including certain mortgage-backed and related securities and consumer loans. If a savings association fails the qualified thrift lender test, it must operate under certain restrictions on its activities. The Dodd-Frank Act made non-compliance potentially subject to agency enforcement action for violation of law. At March 31, 2013, Park View Federal qualified as a qualified thrift lender. Additionally, Park View Federal had also met the qualified thrift lender test in each of the prior 12 months.

*Uniform Lending Standards*

Under current federal banking regulations, savings institutions must adopt and maintain written policies that establish appropriate limits and standards for extensions of credit that are secured by liens or interests in real estate or are made for the purpose of financing permanent improvements to real estate. These policies must establish loan portfolio diversification standards, prudent underwriting standards including loan-to-value limits that are clear and measurable, loan administration procedures and documentation, approval and reporting requirements. Park View Federal believes that its current lending policies conform to these guidelines.

*Insurance of Deposit Accounts*

The deposits of Park View Federal are insured to the maximum extent permitted by the Deposit Insurance Fund and are backed by the full faith and credit of the U.S. government. Under the FDIC's risk-based assessment system, insured institutions are assigned to one of four risk categories based on supervisory evaluations, regulatory capital levels, and certain other factors, with less risky institutions paying lower assessments. An institution's assessment rate depends upon the category to which it is assigned.

In order to cover losses to the Deposit Insurance Fund, the FDIC imposed on all insured institutions a special emergency assessment of five basis points of total assets minus Tier 1 capital, as of June 30, 2009 (capped at ten basis points of an institution's deposit assessment base). The amount of Park View Federal's special assessment, which was paid on September 30, 2009, was \$430,387. The FDIC provided for similar assessments during the final two quarters of 2009, if deemed necessary. However, in lieu of further special assessments, the FDIC required insured institutions to prepay estimated quarterly risk-based assessments for the fourth quarter of 2009 through the fourth quarter of 2012. Nevertheless, pursuant to discretionary authority granted to the FDIC, the FDIC determined to exempt Park View Federal from having to prepay its quarterly risk-based assessment for the fourth quarter of 2009, and all of 2010, 2011 and 2012.

The Emergency Economic Stabilization Act of 2008 ("EESA") instituted two temporary programs effective through December 31, 2009 to further insure customer deposits at FDIC-member banks: deposit accounts were insured up to \$250,000 per customer (up from \$100,000) and noninterest-bearing transactional accounts were fully insured (unlimited coverage). The Dodd-Frank Act made permanent the \$250,000 per customer insurance limit for deposit accounts, and in November 2010, the FDIC issued a final rule under the Dodd-Frank Act that continued temporary unlimited coverage for

Table of Contents

noninterest-bearing transaction accounts. The separate coverage for noninterest-bearing transaction accounts became effective on December 31, 2010 and terminated on December 31, 2012.

All FDIC-insured depository institutions must pay an additional quarterly assessment, based on deposit levels, to provide funds for the payment of interest on bonds issued by the Financing Corporation ("FICO"), a federal corporation chartered under the authority of the Federal Housing Finance Board. The FICO bonds were issued to capitalize the Federal Savings and Loan Insurance Corporation. The FICO assessments are adjusted quarterly to reflect changes in the assessment bases of the FDIC's insurance funds and do not vary regardless of a depository institution's capitalization or supervisory evaluations.

The FDIC has authority to increase insurance assessments. A significant increase in insurance premiums would likely have an adverse effect on the operating expenses and results of operations of PVF Capital. Management cannot predict what insurance assessment rates will be in the future. As insurer, the FDIC is authorized to conduct examinations of, and to require reporting by, insured institutions. It also may prohibit any insured institution from engaging in any activity determined by regulation or order to pose a serious threat to the FDIC. In addition, the FDIC has the authority to initiate enforcement actions against savings institutions, after giving the Office of the Comptroller of the Currency an opportunity to take such action.

***Dividend Limitations***

Under applicable federal regulations, Park View Federal may not pay dividends on its capital stock if its regulatory capital would thereby be reduced below the amount then required for the liquidation account established for the benefit of certain depositors of Park View Federal at the time of its conversion from mutual to stock form.

Federal regulations require that savings institutions submit notice to the Office of the Comptroller of the Currency prior to making a capital distribution (which includes dividends, share repurchases and amounts paid to shareholders of another institution in a cash merger) if the institution is a subsidiary of a holding company. A savings institution must make application to the Office of the Comptroller of the Currency to pay a capital distribution if: (1) the institution would not be adequately capitalized following the distribution; (2) the institution's total distributions for the calendar year exceed the institution's net income for the calendar year to date plus its net income (less distributions) for the preceding two years; or (3) the distribution would otherwise violate applicable law or regulation or an agreement with or conditions imposed by the Office of the Comptroller of the Currency. As a subsidiary of a savings and loan holding company, Park View Federal must, at a minimum, provide prior notice to the Office of the Comptroller of the Currency of capital distributions. The Office of the Comptroller of the Currency may disapprove or deny a capital distribution if in the view of the Office of the Comptroller of the Currency, the capital distribution would constitute an unsafe or unsound practice.

In addition to the foregoing, earnings of Park View Federal appropriated to bad debt reserves and deducted for federal income tax purposes are not available for payment of cash dividends without payment of taxes at the then current tax rate by Park View Federal on the amount of earnings removed from the reserves for such distributions. For additional information regarding federal income taxes, see the section titled "Taxation" on page 129. Park View Federal intends to make full use of this favorable tax treatment and does not contemplate using any of its earnings in a manner which would limit its bad debt deduction or create Federal tax liabilities.

Table of Contents

*Federal Reserve System*

Federal Reserve Board regulations require federally chartered savings associations to maintain non-interest-earning cash reserves against their transaction accounts (primarily NOW and demand deposit accounts). At March 31, 2013, Park View Federal met its reserve requirements. Since required reserves must be maintained in the form of either vault cash, an account at a Federal Reserve Bank or a pass-through account as defined by the Federal Reserve Board, the effect of this reserve requirement is to reduce Park View Federal's interest income.

*Interstate Branching*

Federal law permits federal savings institutions to branch in any state or states of the U.S. and its territories, subject to certain exceptions. Except in supervisory cases or when interstate branching is otherwise permitted by state law or other statutory provision, an institution may not establish an out-of-state branch unless: (i) the institution qualifies as a "domestic building and loan association" under §7701(a)(19) of the Internal Revenue Code or meets the qualified thrift lender test and the total assets attributable to all branches of the association in the state would qualify such branches taken as a whole for treatment as a domestic building and loan association or as a qualified thrift lender; and (ii) such branch would not result in (1) formation of a prohibited multi-state multiple savings and loan holding company, or (2) a violation of certain statutory restrictions on branching by savings institution subsidiaries of bank holding companies. Federal savings institutions generally may not establish new branches unless the institution meets or exceeds minimum regulatory capital requirements. The Office of the Comptroller of the Currency will also consider the institution's record of compliance with the Community Reinvestment Act in connection with any branch application.

*Loans to One Borrower Limitations*

Under federal law, loans and extensions of credit, to anyone may generally not exceed 15% of the unimpaired capital and surplus of the savings institution. Loans and extensions of credit fully secured by certain readily marketable collateral may represent an additional 10% of unimpaired capital and surplus. At March 31, 2013, Park View Federal's lending limit under this restriction is \$13.6 million.

*Enforcement*

Effective July 21, 2011, the Office of the Comptroller of the Currency assumed primary enforcement responsibility over federal savings institutions. In this regard, the Office of the Comptroller of the Currency has the authority to bring actions against the institution and all institution-affiliated parties, including shareholders, and any attorneys, appraisers and accountants, who knowingly or recklessly participate in wrongful action likely to have an adverse effect on an insured institution. Formal enforcement action may range from the issuance of a capital directive or cease and desist order to removal of officers and/or directors to institution of receivership, conservatorship or termination of deposit insurance. Civil penalties cover a wide range of violations and can amount to \$25,000 per day, or even \$1 million per day in especially egregious cases. The FDIC has the authority to recommend to the Office of the Comptroller of the Currency that enforcement action to be taken with respect to a particular savings institution. If action is not taken by the Office of the Comptroller of the Currency, the FDIC has authority to take such action under certain circumstances. Federal law also establishes criminal penalties for certain violations.

*Transactions with Affiliates*

Transactions between savings institutions and any affiliate are governed by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a savings institution is any company or entity which controls, is controlled by or is under common control with the savings institution. In a holding company context,

Table of Contents

the parent holding company of a savings institution (such as PVF Capital) and any companies which are controlled by such parent holding company are affiliates of the savings institution. Generally, Sections 23A and 23B: (i) limit the extent to which the savings institution or its subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10% of such institution's capital stock and surplus, and contain an aggregate limit on all such transactions with all affiliates to an amount equal to 20% of such capital stock and surplus; (ii) specify certain collateral requirements for particular transactions with affiliates; and (iii) require that all such transactions be on terms substantially the same, or at least as favorable, to the institution or subsidiary as those provided to an unaffiliated customer. The term "covered transaction" includes the making of loans, purchase of assets, issuance of a guarantee and similar other types of transactions. In addition to the restrictions imposed by Sections 23A and 23B, no savings institution may: (i) loan or otherwise extend credit to an affiliate, except for any affiliate which engages only in activities which are permissible for bank holding companies; or (ii) purchase or invest in any stocks, bonds, debentures, notes or similar obligations of any affiliate, except for affiliates which are subsidiaries of the savings institution. Park View Federal is also prohibited from extending credit to or offering any other services, or fixing or varying the consideration for such extension of credit or service, on condition that the customer obtain some additional services from the institution or certain of its affiliates or not obtain services of a competitor of the institution, subject to certain exceptions.

Savings institutions are also subject to the restrictions contained in Section 22(h) and Section 22(g) of the Federal Reserve Act on loans to executive officers, directors and principal shareholders. Under Section 22(h), loans to a director, executive officer or to a greater than 10% shareholder of a savings institution, and certain affiliated entities of the foregoing, may not exceed, together with all other outstanding loans to such person and affiliated entities, the institution's loan to one borrower limit (generally equal to 15% of the institution's unimpaired capital and surplus and an additional 10% of such capital and surplus for loans fully secured by certain readily marketable collateral). Section 22(h) also prohibits loans above specified amounts to directors, executive officers and greater than 10% shareholders of a savings institution, and their respective affiliates, unless such loan is approved in advance by a majority of the board of directors of the institution, with any "interested" director not participating in the voting. The specified amounts are the greater of \$25,000 or 5% of capital and surplus (and any loan or loans aggregating to \$500,000 or more). Further, loans to directors, executive officers and principal shareholders must be made on terms substantially the same as offered in comparable transactions to other persons. There is an exception to that requirement where such loans are made pursuant to a benefit or compensation program that is widely available to employees of the institution and the program does not give preference to directors or executive officers over other employees.

Section 22(g) of the Federal Reserve Act and Regulation O promulgated by the Federal Reserve Board requires that loans to executive officers of depository institutions not be made on terms more favorable than those afforded to other borrowers, requires approval for such extensions of credit by the board of directors of the institution, and imposes reporting requirements for and additional restrictions on the type, amount and terms of credits to such officers. Extensions of credit to executive officers, directors, and greater than 10% shareholders of a depository institution by any other institution which has a correspondent banking relationship with the institution are prohibited, unless such extension of credit is on substantially the same terms as those prevailing at the time for comparable transactions with other persons and does not involve more than the normal risk of repayment or present other unfavorable features.

Table of Contents

***Regulation of PVF Capital***

*General*

PVF Capital is a savings and loan holding company as defined by the Home Owners' Loan Act. Effective July 21, 2011, the Dodd-Frank Act regulatory restructuring transferred to the Federal Reserve Board the responsibility for regulating and supervising savings and loan holding companies, such as PVF Capital. As a subsidiary of a savings and loan holding company, Park View Federal is subject to certain restrictions in its dealings with PVF Capital and affiliates thereof.

*Capital*

Savings and loan holding companies are not currently subject to specific regulatory capital requirements. The Dodd-Frank Act, however, requires the Federal Reserve Board to promulgate consolidated capital requirements for depository institution holding companies that are no less stringent, both quantitatively and in terms of components of capital, than those applicable to the institutions themselves. There is a five-year transition period from the July 21, 2010 (the date of enactment of the Dodd-Frank Act) before the capital requirements will apply to savings and loan holding companies.

*Source of Strength*

The Dodd-Frank Act also extends the "source of strength" doctrine to savings and loan holding companies. The regulatory agencies must promulgate regulations implementing the "source of strength" policy that holding companies act as a source of strength to their subsidiary depository institutions by providing capital, liquidity and other support in times of financial stress.

*Activities Restrictions*

The board of directors of PVF Capital presently intends to operate PVF Capital as a unitary savings and loan holding company. Since PVF Capital became a unitary savings and loan holding company before May 4, 1999, there are generally no restrictions on the activities of PVF Capital; however, this broad latitude to engage in activities can be restricted if the Federal Reserve Board determines an activity constitutes a serious risk to the financial safety, soundness or stability of its subsidiary savings association or if the association fails to qualify as a qualified thrift lender. The Federal Reserve Board may impose restrictions it deems necessary to address such risk, including limiting (i) payment of dividends by the savings association; (ii) transactions between the savings association and its affiliates; and (iii) any activities of the savings association that might create a serious risk that the liabilities of the holding company and its affiliates may be imposed on the savings association.

If PVF Capital were to acquire control of another savings institution to be held as a separate subsidiary, PVF Capital would become a multiple savings and loan holding company. Except where such acquisition is pursuant to the authority to approve emergency thrift acquisitions and each subsidiary savings institution meets the qualified thrift lender test, the activities of PVF Capital and any of its subsidiaries (other than Park View Federal or other subsidiary savings institutions) would thereafter be subject to further restrictions.

*Restrictions on Acquisitions*

According to federal law, savings and loan holding companies are generally prohibited from acquiring, without prior approval: (i) control of any other savings institution or savings and loan holding company or substantially all the assets thereof; or (ii) more than 5% of the voting shares of a savings institution or holding company thereof which is not a subsidiary. Except with the prior approval

Table of Contents

of the Federal Reserve Board, no director or officer of a savings and loan holding company or person owning or controlling by proxy or otherwise more than 25% of such company's stock, may also acquire control of any savings institution, other than a subsidiary savings institution, or of any other savings and loan holding company.

*Acquisition of PVF Capital*

Under the Federal Change in Bank Control Act, a notice must be submitted to the Federal Reserve Board if any person (including a company), or group acting in concert, seeks to acquire control of a savings and loan holding company or savings institution. Under certain circumstances, a change of control may occur, and prior notice is required, upon the acquisition of 10% or more of the outstanding voting stock of the company or institution, unless the Federal Reserve Board has found that the acquisition will not result in a change of control of PVF Capital. Under the Federal Change in Bank Control Act, the Federal Reserve Board has 60 days from the filing of a complete notice to act, taking into consideration certain factors, including the financial and managerial resources of the acquirer and the anti-trust effects of the acquisition. Any company that acquires control would then be subject to regulation as a savings and loan holding company.

*Taxation*

*General*

PVF Capital and its subsidiaries currently file a consolidated federal income tax return based on a fiscal year ending June 30. Consolidated returns have the effect of eliminating intercompany distributions, including dividends, from the computation of consolidated taxable income for the taxable year in which the distributions occur.

*Federal Income Taxation*

PVF Capital and Park View Federal are both subject to the federal tax laws and regulations which apply to corporations generally. In addition to the regular income tax, PVF Capital and Park View Federal may be subject to an alternative minimum tax. The alternative minimum tax is imposed to the extent it exceeds the corporation's regular income tax. Payments of alternative minimum tax may be used as credits against regular tax liabilities in future years.

Savings institutions are subject to the provisions of the Internal Revenue Code in the same general manner as other corporations. Prior to legislation in 1996, institutions such as Park View Federal, which met certain definitional tests and other conditions prescribed by the Internal Revenue Code, benefitted from certain favorable provisions regarding their deductions from taxable income for annual additions to their bad debt reserve. Legislation that is effective for tax years beginning after December 31, 1995 repealed the reserve method available to thrifts and required institutions to recapture into taxable income over a six taxable year period the portion of the tax loan loss reserve that exceeds the pre-1988 tax loan loss reserve. Park View Federal had no such excess reserve. Park View Federal is no longer allowed to use the percentage of taxable income method for tax loan loss provisions, but is allowed to use the experience method of accounting for bad debts as long as it is not considered a large thrift. Beginning with its June 30, 1997 taxable year, Park View Federal was treated the same as a small commercial bank. Institutions with less than \$500 million in assets were still permitted to make deductible bad debt additions to reserves, using the experience method. Beginning with the June 30, 2000 taxable year, Park View Federal began being taxed as a large thrift and is only able to take a tax deduction when a loan is actually charged off.

Earnings appropriated to Park View Federal's bad debt reserve and claimed as a tax deduction are not available for the payment of cash dividends or for distribution to shareholders (including

Table of Contents

distributions made on dissolution or liquidation), unless the bank includes the amount in taxable income, along with the amount deemed necessary to pay the resulting federal income tax.

Park View Federal's federal income tax returns through June 30, 2009 were audited by the Internal Revenue Service. Subsequent fiscal years remain open to audit.

For further information regarding federal income taxes, see Note 12 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 10 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

*State Income Taxation*

Park View Federal is subject to Ohio franchise tax based on its equity capital plus certain reserve amounts. Total equity capital for this purpose is reduced by certain exempted assets. The resulting net taxable value of capital is taxed at a rate of 1.3%. PVF Capital generally elects to be taxed as a qualifying holding company and pay Ohio tax based on its net income only. The other subsidiaries of PVF Capital are taxed on the greater of a tax based on net income or net worth.

**Legal Proceedings**

From time to time, PVF Capital and/or Park View Federal is a party to various legal proceedings incident to its business. There are no material legal proceedings to which PVF Capital or Park View Federal is a party or to which any of their property is subject.

Table of Contents**Properties**

The following table sets forth the location and certain additional information regarding PVF Capital's offices at June 30, 2012:

Location	Year Opened/ Acquired	Total Deposits	Net Book Value at June 30, 2012	Owned or Leased/ Expiration	Approximate Square Footage
(Dollars in thousands)					
<b>Main Office:</b>					
30000 Aurora Rd. Solon, Ohio	2000	\$ 36,107	4,435	Owned	51,635
<b>Branch Offices:</b>					
2111 Richmond Road Beachwood, Ohio	1967	68,942	232	Lease 12/31/19	2,750
413 Northfield Road Bedford, Ohio	2002	36,160	49	Lease 10/31/15	3,084
11010 Clifton Boulevard Cleveland, Ohio	1974	22,094		Lease 10/31/16	1,550
13901 Ridge Road North Royalton, Ohio	1999	66,136	24	Lease 8/31/19	3,278
6990 Heisley Road Mentor, Ohio	1994	52,034		Lease 10/31/18	2,400
1244 SOM Center Road Mayfield Heights, Ohio	2004	56,838	54	Lease 6/30/14	2,200
497 East Aurora Road Macedonia, Ohio	1994	50,919		Lease 9/30/14	2,400
8500 Washington Street Chagrin Falls, Ohio	1995	38,285	561	Owned	2,700
408 Water Street Chardon, Ohio	1998	31,025	464	Owned	2,800
3613 Medina Road Medina, Ohio	2000	41,407	23	Lease 2/28/13	2,440
16909 Chagrin Boulevard Shaker Heights, Ohio	2000	24,825		Lease 6/30/13	2,904
36311 Detroit Road Avon, Ohio	2002	32,883	28	Lease 8/31/17	3,375
17780 Pearl Road Strongsville, Ohio	2002	42,126	26	Lease 8/31/17	3,500
9305 Market Square Drive Streetsboro, Ohio	2003	15,589	908	Owned	3,700
215 West Garfield Road Aurora, Ohio	2005	18,315	25	Lease 12/31/20	4,700
10071 Darrow Road	2010	23,281	54	Lease	3,422





Table of Contents

At June 30, 2012, the net book value of PVF Capital's premises, furniture, fixtures and equipment was \$7.2 million. See Note 5 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010 further information.

PVF Capital also owns real estate in Solon, Ohio. See "Subsidiary Activities PVF Service Corporation" on page 116 for further information.

**Market Value and Dividend Information**

PVF Capital's common shares trade under the symbol "PVFC" on the Nasdaq Capital Market. PVF Capital had 26,081,460 common shares outstanding and approximately 140 holders of record of common shares on the record date. Federal regulations applicable to all federal savings institutions, such as Park View Federal, limit the dividends that may be paid by Park View Federal to PVF Capital. Any dividends paid may not reduce Park View Federal's capital below minimum regulatory requirements.

At June 30, 2012, as adjusted to reflect all stock dividends, PVF Capital had acquired a total of 472,725 shares, or 1.8%, of its common shares. PVF Capital's cash dividend policy remains dependent upon the Company's financial condition, earnings, capital needs, regulatory requirements and economic conditions.

For information regarding the range of the high and low bid prices for PVF Capital's common shares for the calendar quarters ended September 30, 2010 through July 22, 2013, see "Comparative Market Prices and Dividends" on page 160.

**PVF CAPITAL MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following analysis discusses changes in financial condition and results of operations at and for the three and nine months ended March 31, 2013 and the year ended June 30, 2012 for PVF Capital, Park View Federal, its principal and wholly-owned subsidiary, PVF Service Corporation, a wholly-owned real estate subsidiary, Mid Pines Land Company, a wholly-owned real estate subsidiary, and PVF Holdings, Inc., PVF Community Development and PVF Mortgage Corporation, three wholly-owned and currently inactive subsidiaries, and should be read in conjunction with the accompanying PVF Capital Corp. Consolidated Financial Statements beginning on page F-1.

**Forward-Looking Statements**

When used in this proxy statement/prospectus, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent our expectations or beliefs concerning future events and it is possible that the results described in this proxy statement/prospectus will not be achieved. Such statements are subject to certain risks and uncertainties including changes in economic conditions in PVF Capital's market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in PVF Capital's market area, and competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. PVF Capital does not undertake, and specifically disclaims any obligation, to publicly release the results of any revisions which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events except as required by law.

Table of Contents**Recent Adjustments to Financial Statements for Freddie Mac Interest**

During the quarter ended December 31, 2012, PVF Capital identified that it was not making appropriate adjustments with respect to interest on residential mortgage loans originated and sold into the secondary market. In these mortgage sales, interest was advanced by Freddie Mac for the period from the first day of the month until the date of settlement with Freddie Mac to ensure a whole payment is subsequently remitted by PVF Capital to Freddie Mac. Such amounts should have been reversed monthly from interest income and included in the liability account of funds due Freddie Mac. It was determined that the adjustments to reverse interest income were not made beginning August, 2011.

PVF Capital applied relevant guidance from the SEC Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements ("SAB 108") to assess the materiality of the interest income adjustments described above. It was determined, based upon the assessment, that the adjustment was immaterial to the previously reported amounts contained in PVF Capital's prior periodic filings. Although the interest income adjustments were immaterial to prior periods, recording the cumulative impact of the out-of period correction in the second quarter of 2013 would be material. Therefore PVF Capital applied the guidance for accounting for changes and error corrections and revised the prior period financial statements presented per SAB 108.

Applying these revisions to the periods included in the accompanying consolidated financial statements reduced previously reported net income by \$194,937 for the quarter ended March 31, 2012 and \$383,144 for the nine months ended March 31, 2012. The applicable effect on the prior year balance sheet and statement of operations related to the adjustment for interest income on residential loans is reflected in Note 2 of the Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012.

**FINANCIAL HIGHLIGHTS**

	At or for the three months ended				
(dollars in thousands except per share data)	03/31/2013	12/31/2012	9/30/2012	6/30/2012	3/31/2012
<b>Balance Sheet Data:</b>					
Total assets	\$ 760,456	\$ 781,798	\$ 779,123	\$ 791,450	\$ 806,472
Loans receivable	562,137	569,716	559,322	557,680	563,557
Allowance for loan losses	14,920	15,140	16,136	16,053	16,914
Loans receivable held for sale, net	9,348	30,089	19,766	25,063	16,386
Cash and cash equivalents	99,994	94,458	114,575	120,110	134,496
Securities available for sale	41,419	39,761	38,281	38,658	40,908
Deposits	621,167	634,313	646,150	655,979	667,198
Borrowings	35,966	35,993	36,019	36,046	36,073
Shareholders' equity	77,337	75,098	72,077	70,131	69,385
Nonperforming loans	17,044	18,594	17,864	19,900	23,542
Other nonperforming assets	7,251	7,744	7,232	7,734	9,552
Tangible common equity ratio	10.17%	9.61%	9.25%	8.86%	8.60%
Book value per share	\$ 2.97	\$ 2.90	\$ 2.78	\$ 2.72	\$ 2.69
Common shares outstanding at period end	26,048,842	25,927,214	25,919,470	25,820,424	25,820,424

Table of Contents

(dollars in thousands except per share data)	At or for the three months ended				
	03/31/2013	12/31/2012	9/30/2012	6/30/2012	3/31/2012
<b>Operating Data:</b>					
Interest income	\$ 6,893	\$ 7,214	\$ 7,258	\$ 7,212	\$ 7,345
Interest expense	1,277	1,441	1,596	1,737	1,861
Net interest income before provision for loan losses	5,615	5,773	5,662	5,475	5,484
Provision for loan losses		1,000	1,050	1,500	2,016
Net interest income (loss) after provision for loan losses	5,615	4,773	4,612	3,975	3,468
Non-interest income	2,911	4,206	3,291	3,043	3,275
Non-interest expense	6,691	6,256	6,505	6,602	6,518
Income (loss) before federal income taxes	1,836	2,723	1,398	415	225
Federal income tax expense (benefit)	73	57		(194)	
Net income (loss)	\$ 1,763	\$ 2,666	\$ 1,398	\$ 609	\$ 225
Basic earnings (loss) per share	\$ 0.07	\$ 0.10	\$ 0.05	\$ 0.02	\$ 0.01
Diluted earnings (loss) per share	\$ 0.07	\$ 0.10	\$ 0.05	\$ 0.02	\$ 0.01
<b>Performance Ratios:</b>					
Return on average assets	0.91%	1.37%	0.70%	0.30%	0.11%
Return on average equity	9.25%	14.49%	7.98%	4.71%	2.42%
Net interest margin	3.21%	3.16%	3.12%	2.94%	2.99%
Interest rate spread	3.11%	3.13%	3.07%	2.88%	2.91%
Efficiency ratio	80.01%	61.09%	69.21%	72.38%	69.55%
Shareholders' equity to total assets (all tangible)	10.17%	9.61%	9.25%	8.86%	8.60%
<b>Asset Quality Ratios:</b>					
Nonperforming assets to total assets	3.19%	3.37%	3.22%	3.51%	4.10%
Nonperforming loans to total loans	3.03%	3.26%	3.19%	3.60%	4.18%
Allowance for loan losses to total loans	2.65%	2.66%	2.88%	2.88%	3.00%
Allowance for loan losses to nonperforming loans	87.54%	81.42%	90.32%	80.67%	71.85%
Net charge-offs to average loans, annualized	0.15%	1.37%	0.67%	1.64%	1.86%
<b>Park View Federal Regulatory Capital Ratios:</b>					
Ratio of tangible capital to adjusted total assets	9.93%	9.36%	9.06%	8.66%	8.50%
Ratio of tier one (core) capital to adjusted total assets	9.93%	9.36%	9.06%	8.66%	8.50%
Ratio of tier one risk-based capital to risk-weighted assets	12.51%	11.66%	11.94%	11.73%	11.60%
Ratio of total risk-based capital to risk-weighted assets	13.77%	12.93%	13.20%	13.00%	12.87%

Table of Contents

Consolidated assets of PVF Capital were \$760.5 million as of March 31, 2013, an increase of approximately \$31.0 million, or 3.9%, as compared to June 30, 2012. PVF Capital's regulatory capital ratios for Tier 1 (core) capital, Tier 1 risk-based capital, and total risk-based capital were 9.92%, 12.50%, and 13.76%, respectively, at March 31, 2013. At March 31, 2013, PVF Capital's cash and cash equivalents, which consist of cash, interest-bearing deposits and federal funds sold, totaled \$100.0 million, a decrease of \$20.1 million, or 16.7%, as compared to June 30, 2012. The change in PVF Capital's cash and cash equivalents consisted of increases in cash of \$14.0 million and a decrease in interest-bearing deposits of \$34.1 million as PVF Capital deployed a portion of its liquidity to fund the reduction in deposits and reduce its cost of funds.

Mortgage application volume remained elevated in the current quarter, due to a low interest rate environment. The mortgage activity centered around the origination of fixed-rate, single-family loans in PVF Capital's geographic markets, with most originated for sale in the secondary market rather than for its portfolio. The origination and sale of fixed-rate loans has historically generated gains on sale and allowed PVF Capital to increase its investment in loans serviced, without assuming the interest-rate risk associated with holding long-term fixed-rate assets, which facilitates the maintenance of stronger liquidity levels.

During the nine months ended March 31, 2013, securities available for sale decreased by \$2.8 million as a result of the purchases of \$10.7 million in mortgage-backed securities and \$3.9 million in corporate securities which was offset by principal repayments, calls exercised, and the amortization of book premium totaling \$17.4 million. For the year ended June 30, 2012, securities available for sale increased by \$14.3 million as a result of the purchase of \$26.0 million of trust preferred and corporate securities, call or maturities of \$12.0 million and a market valuation adjustment of \$0.3 million.

Loans receivable increased by \$5.6 million, or 1.0%, during the nine months ended March 31, 2013. PVF Capital continued its strategic focus on the origination of high quality commercial and industrial loans and select commercial real estate loans, experiencing growth in performing loans of approximately \$7.3 million, or 1.4%, during this same period. During the quarter ended March 31, 2013, PVF Capital recorded net charge-offs of \$0.2 million. Since June 30, 2012, PVF Capital has successfully realized a decline in nonperforming loans of \$2.9 million, or 14.6%. PVF Capital continues to sell almost all new residential loan production in the secondary market in this interest rate environment, as PVF Capital manages its interest rate and liquidity risk along with its capital ratios. PVF Capital remains focused on the origination of commercial and industrial loans for its portfolio as part of its plan to diversify its balance sheet.

PVF Capital does not originate sub-prime loans and only originates Alt A loans for sale, without recourse, in the secondary market. PVF Capital considers sub-prime borrowers typically to have weakened credit histories that include payment delinquencies and possibly more severe problems such as charge-offs, judgments and bankruptcies. They may also display reduced repayment capacity as measured by credit scores, debt-to-income ratios, or other criteria that may encompass borrowers with incomplete credit histories. Sub-prime loans are loans to borrowers displaying one or more of these characteristics at the time of origination or purchase. PVF Capital also does not originate any hybrid loans, low-doc/no-doc loans or payment option ARMs. All one-to-four family loans are underwritten according to agency underwriting standards. Exceptions, if any, are submitted to PVF Capital's board loan committee for approval. Any exposure PVF Capital may have to these types of loans is immaterial.

The decrease of \$15.7 million in loans receivable held for sale as of March 31, 2013 was the result of steady new loan originations and timing differences between the origination and the sale of loans from period to period. One-to-four family mortgage application volume, although lower than the quarter ended December 31, 2012, has remained elevated in the current period as compared to prior

Table of Contents

year period as a result of lower interest rates, resulting in higher purchasing and refinancing activity and related revenue.

For the nine months ended March 31, 2013, OREO decreased \$0.5 million. The activity for the period consisted of the addition of properties totaling approximately \$3.2 million, offset by the disposal of properties totaling \$2.7 million. PVF Capital realized a net loss of approximately \$0.2 million on the disposition of these properties. PVF Capital also recorded an impairment charge of \$1.0 million on the carrying amount of real estate still in inventory at March 31, 2013, based on updated valuations and market conditions. At March 31, 2013, PVF Capital held 39 properties, totaling \$7.3 million in other real estate owned. The OREO included 14 single-family properties, 19 land properties, and 6 commercial properties.

PVF Capital generally seeks to fund loan activity and liquidity by generating deposits through its branch network and through the use of various borrowing facilities. Since June 30, 2012 deposits decreased by \$34.8 million, or 5.3% which was a result of an increase of \$26.5 million in non-maturing deposits offset by a decrease of \$61.3 million in retail certificates of deposit. The decline in retail certificates of deposit was strategically directed as part of management's relationship pricing initiative, which targeted rate sensitive, non-relationship deposits for reduction, coupled with an emphasis on increasing commercial deposits. Management will continue to modify its noncore deposit strategies to support the funding needs of PVF Capital's loan activities, while maintaining appropriate liquidity levels, as it executes its strategies to diversify its funding mix by expanding core deposit relationships and building business deposits.

The increase in advances from borrowers for taxes and insurance of \$3.9 million for the period ended March 31, 2013 was attributable to timing differences between the collection and payment of taxes and insurance. The decrease of \$7.2 million in accrued expenses and other liabilities was primarily the result of timing differences between the collection and remittance of funds received on loans serviced for investors.

**Results of Operations: Three months ended March 31, 2013, compared to three months ended March 31, 2012**

PVF Capital's net income is dependent primarily on its net interest income, which is the difference between interest earned on its loans and investments and interest paid on interest-bearing liabilities. Net interest income is determined by: (i) the difference between yields earned on interest-earning assets and rates paid on interest-bearing liabilities ("interest-rate spread"); and (ii) the relative amounts of interest-earning assets and interest-bearing liabilities. PVF Capital's interest-rate spread is affected by regulatory, economic and competitive factors that influence interest rates, loan demand, the collectability of loans, and deposit flows. Net interest income also includes amortization of loan origination fees, net of origination costs.

PVF Capital's net income is also affected by the generation of non-interest income, which primarily consists of loan servicing income, service fees on deposit accounts, and gains on the sale of loans held for sale. In addition, net income is affected by the level of operating expenses, loan loss provisions, and costs associated with the acquisition, maintenance and disposal of real estate.

PVF Capital recognized a net profit for the three months ended March 31, 2013 of \$1.8 million, or \$0.07 per basic and diluted share, as compared to \$0.2 million, or \$0.01 per basic and diluted share, for the prior-year comparable period. The increase in income is the result of an increase in net interest income of \$0.1 million, an increase in gain on sale of SBA loans of \$0.6 million offset by decrease in mortgage banking activity of \$0.8 million, a decrease in the provision for loan losses of \$2.0 million, and an increase in operating expenses of \$0.2 million, as a result of \$0.3 million in merger-related expenses.

Table of Contents**Net Interest Income**

Despite lower interest-earning assets and liabilities, net interest income for the three months ended March 31, 2013 increased by \$0.1 million, as compared to the prior-year comparable period. The decrease in interest income was offset by a larger decline in interest expense. Total interest income decreased \$0.5 million during the current period compared with the same period in the prior year. A continued effort to replace nonperforming loans with performing loans as well as the change in mix of cash and available for sale securities to acquire better yielding assets limited the decline in yield during the ongoing low rate environment. Total interest expense declined \$0.6 million from a year ago, due to a decline in the level of deposits, and combined with PVF Capital's ability to lower the cost of funds in this continued low rate environment. The low interest rate environment has allowed more repricing opportunities, augmenting a more rapid decline in cost of funds.

The following table presents comparative information for the three months ended March 31, 2013 and 2012, respectively, with respect to average balances and average yields and costs for interest-earning assets and interest-bearing liabilities:

	March 31, 2013			March 31, 2012		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Revised Interest	Average Yield/Cost
(dollars in thousands)						
<b>Interest-earning assets</b>						
Loans(1)	\$ 583,615	\$ 6,523	4.47%	\$ 576,933	\$ 6,884	4.77%
Mortgage-backed securities	19,694	61	1.24%	17,302	95	2.20%
Investments and other	107,108	309	1.15%	143,149	366	1.02%
<b>Total interest-earning assets</b>	<b>710,417</b>	<b>6,893</b>	<b>3.88%</b>	<b>737,384</b>	<b>7,345</b>	<b>3.98%</b>
Non-interest-earning assets	52,329			63,264		
<b>Total assets</b>	<b>\$ 762,746</b>			<b>\$ 800,648</b>		
<b>Interest-bearing liabilities</b>						
Deposits	\$ 625,258	\$ 1,013	0.65%	\$ 657,904	\$ 1,592	0.97%
Borrowings	35,975	265	2.95%	36,081	268	2.97%
<b>Total interest-bearing liabilities</b>	<b>661,233</b>	<b>1,278</b>	<b>0.77%</b>	<b>693,985</b>	<b>1,860</b>	<b>1.07%</b>
Non-interest-bearing liabilities	25,070			36,903		
<b>Total liabilities</b>	<b>686,303</b>			<b>730,888</b>		
Shareholders' equity	76,443			69,760		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 762,746</b>			<b>\$ 800,648</b>		
<b>Net interest income</b>		<b>\$ 5,615</b>			<b>\$ 5,485</b>	
<b>Interest-rate spread</b>			<b>3.11%</b>			<b>2.91%</b>
<b>Net yield on interest-earning assets</b>			<b>3.21%</b>			<b>2.99%</b>
<b>Interest-earning assets to interest-bearing liabilities</b>	<b>107.44%</b>			<b>106.25%</b>		

(1)

Non-accruing loans are included in the average loan balances for the periods presented.

*Provision for Loan Losses and Asset Quality*

PVF Capital carefully monitors its loan portfolio and establishes levels of general and specific reserves for loan losses. Provisions for loan losses are charged to earnings to bring the total allowance



Table of Contents

for loan losses to a level considered adequate by management to provide for probable incurred loan losses inherent in the loan portfolio as of each balance sheet date, based on prior loss experience, volume and type of lending conducted by PVF Capital, industry standards and past due loans in Park View Federal's loan portfolio.

PVF Capital uses a systematic approach in determining the adequacy of its allowance for loan losses and the necessary provision for loan losses, whereby the loan portfolio is reviewed generally and delinquent loan accounts are analyzed individually on a monthly basis. Consideration is given primarily to the types of loans in the portfolio and the overall risk inherent in the portfolio as well as, with respect to individual loans, account status, payment history, ability to repay and probability of repayment, and loan-to-value percentages. After reviewing current economic conditions, changes in delinquency status and actual loan losses incurred by PVF Capital, management establishes an appropriate reserve percentage applicable to each category of loans, and a provision for loan losses is recorded when necessary to bring the allowance to a level consistent with the results of this analysis. Loans are grouped by property type and original loan to value ratio in determining historical loss rates. One-to-four family property type loans are further categorized by first mortgage, second mortgage, and home equity line of credit in addition to owner occupied and non-owner occupied loans. Historical loss rates reflect the actual prior 18 months losses recorded as a percentage of the average loan balance by property type. Management believes it uses the best information available to make a determination with respect to the allowance for loan losses, recognizing that future adjustments may be necessary depending upon a change in economic conditions. Park View Federal's policies require the review of assets on a regular basis, and the bank appropriately classifies loans as well as other assets if warranted.

For the three months ended March 31, 2013 there was no provision for loan loss recorded in order to bring the total allowance for loan losses to a level considered by management to be appropriate, based on management's evaluation of relevant factors, including the risk characteristics and trends of the loan portfolio, historic and current loss experience, current economic conditions and underlying collateral valuations. This compares with the \$2.0 million provision for loan loss recorded for the three months ended March 31, 2012.

The provision for loan losses for the current period reflects management's judgments about the credit quality of PVF Capital's loan portfolio. As of March 31, 2013, the allowance for loan losses no longer consists of a specific valuation allowance and a general allowance, but within the allowance for loan losses there exists a specific component and a general component. Rather, the allowance for loan losses maintains specific allocations where appropriate on loans where known risks have been identified but no clear loss has been quantified or deemed appropriate to be taken.

The following is a breakdown of the allowance for loan losses:

	<b>March 31, 2013</b>	<b>June 30, 2012</b>
Allowance	\$ 14,118,664	\$ 14,634,531
Specific allocation	801,568	1,418,334
<b>Total allowance for loan losses</b>	<b>\$ 14,920,232</b>	<b>\$ 16,052,865</b>

The allowance for loan losses decreased to 2.7% of loans outstanding at March 31, 2013, as compared to 2.9% at June 30, 2012. PVF Capital recorded net charge-offs of \$0.2 million for the current quarter, a decline from the \$2.0 million recorded for the quarter ended December 31, 2012 and the \$1.0 million recorded for the quarter ended September 30, 2012. Although the level of the allowance for loan losses is lower, the coverage ratio of the allowance for loan losses to nonperforming loans improved to 87.5% at March 31, 2013, compared with 80.7% at June 30, 2012, which is attributable to the ongoing reduction in nonperforming loan balances. Adversely classified assets continue to show reductions falling to \$36.9 million at March 31, 2013 from \$41.6 million at

Table of Contents

June 30, 2012. Trends continue to reflect directional improvement; management remains cautious due to continued uncertainty surrounding macroeconomic indicators and will continue to monitor these for future movements.

Management's approach includes establishing a specific allocation by evaluating individual nonperforming loans for probable losses based on a systematic approach involving estimating the realizable value of the underlying collateral. Additionally, management establishes a general component for pools of performing loans segregated by collateral type. For the general component, management is applying a prudent loss factor based on historical loss experience, trends based on changes to nonperforming loans and foreclosure activity, and a subjective evaluation of the local population and economic environment. The loan portfolio is segregated into categories based on collateral type and a loss factor is applied to each category. The initial basis for each loss factor is PVF Capital's loss experience for each category. Historical loss percentages were calculated previously based on transfers from the general reserve to the specific reserve, indicating a loss has been incurred, and now are calculated based upon actual net charge-offs for each risk category during the historical period and dividing the total by the average balance of each category. Presently, historical loss percentages are updated on a monthly basis using an 18-month rolling average. Subjective adjustments are made to PVF Capital's historical experience, including consideration of trends in delinquencies and classified loans, portfolio growth, national and local economic and business conditions, including unemployment, bankruptcy and foreclosures and effectiveness of credit administration, as appropriate.

A provision for loan losses is recorded when necessary to bring the allowance to a level consistent with this analysis. Management believes it uses the best information available to make a determination as to the adequacy of the allowance for loan losses. The current provision for loan losses is allocated by loan portfolio segment and lower historical loss factors resulted in recoveries in certain loan portfolio segments in the current period and are illustrated as a negative provision in Note 5 of Notes to Consolidated Financial Statements for the Nine Months Ended March 31, 2013 and 2012 and Note 3 of Notes to Consolidated Financial Statements for Years Ended June 30, 2012, 2011 and 2010.

The total allowance for loan losses decreased \$0.2 million during the three months ended March 31, 2013. Net charge-offs for the quarter were \$0.2 million. During the quarter \$0.5 million was allowed to one-to-four family construction, \$0.2 million was allowed to commercial real estate and \$0.4 million was allowed to commercial and industrial loans. The one-to-four family, multi-family, land and consumer segments saw a release of reserves of \$0.3 million, \$0.2 million, \$0.5 million and \$10 thousand respectively, back into the general allocation based upon updated historical loss experience.

Table of Contents

Nonperforming assets at March 31, 2013 and June 30, 2012 were as follows:

(Dollars in thousands)	March 31, 2013	June 30, 2012
Loans on non-accruing status		
Real estate mortgages:		
One-to-four family residential	\$ 7,974	\$ 9,191
Commercial	4,881	4,571
Multi-family residential	491	325
Construction and land	3,508	5,551
Non real estate	171	438
Total loans on nonaccrual status	\$ 17,025	\$ 20,076
Ratio of nonperforming loans to total loans	3.03%	3.60%
Other nonperforming assets	\$ 7,251	\$ 7,734
Total nonperforming assets	\$ 24,276	\$ 27,927
Total nonperforming assets to total assets	3.19%	3.51%

The levels of nonperforming loans at March 31, 2013 and June 30, 2012 were attributable to continued challenging local economic conditions. Although stabilizing, residential markets nationally and locally have been adversely impacted by an elevated level of foreclosures, as a result of the problems faced by sub-prime borrowers and the resulting contraction of residential credit available to all but the most credit worthy borrowers. Land development projects nationally and locally have experienced slow sales and price decreases. PVF Capital has significant exposure to the residential market in the Greater Cleveland, Ohio area. As a result, in recent years PVF Capital has continued to experience an elevated, but improving level of nonperforming loans. Due to an increase in foreclosure activity in the area, the foreclosure process in Cuyahoga County, PVF Capital's primary market, remains elongated. As such, loans have remained past due for considerable periods prior to being collected, transferred to other real estate owned, or charged off.

***Non-Interest Income***

Non-interest income totaled \$2.9 million for the quarter ended March 31, 2013, a decrease of \$0.4 million, or 11.1%, from the quarter ended March 31, 2012. This decrease was primarily the result of a decline in net revenue from mortgage banking activities which totaled \$2.5 million and is a decrease of \$0.9 million from the quarter ended March 31, 2012. PVF Capital pursues a strategy of originating long-term fixed-rate loans pursuant to Freddie Mac and Fannie Mae guidelines and selling such loans to Freddie Mac or Fannie Mae, while retaining the servicing rights of such loans. Although the continued lower interest rate environment allowed PVF Capital to capitalize upon its significant residential mortgage origination capabilities, there has been a slowdown in the level of refinance activities, resulting in a decrease in the gain on sale of mortgages income. Also, included in the mortgage banking results is a \$0.2 million recovery to the impairment valuation allowance recognized against the carrying value of PVF Capital's capitalized mortgage servicing rights. Although the majority of mortgage lending activities in the current environment involves refinance, which is highly correlated to interest rate movements and levels and impacts the fair value of mortgage servicing rights, there has been a slowdown in the level of refinance activities and an increase in new purchase loans. As such, the expected level of prepayments from refinance loans has declined and accordingly resulted in an increase in the fair value of mortgage servicing rights.

Partially offsetting the decline in mortgage banking, PVF Capital sold \$4.4 million of government guaranteed loans as part of its SBA business strategy, recognizing a gain of \$0.6 million in the current

Table of Contents

quarter. PVF Capital did not recognize any SBA gains in the quarter ended March 31, 2012. Credit-related costs associated with other real estate owned totaled \$0.6 million for the current quarter and equaled the amount recognized for the quarter ended March 31, 2012. The credit-related costs remained elevated and resulted from updated valuations on other real estate owned and losses on property dispositions whose values have shown signs of stabilizing versus a year ago. Service charges and other fees were unchanged from the same quarter of the prior year.

***Non-Interest Expense***

Non-interest expense for the three months ended March 31, 2013 increased by \$0.2 million, or 2.7%, from the prior-year comparable period. This resulted from increased compensation of \$0.4 million, increased professional and legal fees of \$0.2 million and merger-related expenses of \$0.3 million, offset by lower FDIC insurance of \$0.2 million, a decrease in other real estate owned expenses of \$0.1 million and a decrease in other expense of \$0.3 million.

The increase in compensation expense was primarily due to higher expenses associated with incentive compensation expense, commissions and stock based compensation as PVF Capital's performance has significantly improved and returned to profitability.

The decrease to other real estate owned expense for the current period was attributable to a decline in the acquisition and maintenance of properties acquired through foreclosure as compared with last year, but remains elevated during the current period due to the activity levels associated with problem asset disposition. The decrease in FDIC insurance is related to the release of PVF Capital and Park View Federal from the cease and desist orders issued by the Office of Thrift Supervision in October, 2009.

***Income Tax Expense (Benefit)***

There was a \$73 thousand federal income tax provision recorded for the three months ended March 31, 2013, compared to no federal income tax provision on the net loss for the prior-year comparable period. As PVF Capital is projecting full year profitability, it has become subject to the alternative minimum tax. Also, an ongoing analysis of PVF Capital's deferred tax asset has resulted in recognizing a valuation allowance of \$2.8 million, resulting in a net deferred tax asset of \$0 at March 31, 2013. When determining the amount of deferred tax assets that are more-likely-than-not to be realized, and therefore recorded as a benefit, PVF Capital conducts a regular assessment of all available information. This information includes, but is not limited to, taxable income in prior periods, projected future income, and projected future reversals of deferred tax items.

**Results of Operations: Nine months ended March 31, 2013, compared to nine months ended March 31, 2012**

PVF Capital recognized a net profit for the nine months ended March 31, 2013 of \$5.8 million, or \$0.22 per basic and diluted share, as compared to a net loss of \$2.5 million, or \$0.10 per basic and diluted share, for the prior-year comparable period. The \$8.3 million increase in net income is the result of an increase in net interest income of \$1.2 million, a decrease in the provision for loan losses of \$3.4 million, and an increase in noninterest income of \$4.3 million, primarily associated with mortgage banking activity offset by an increase in operating expenses of \$0.4 million.

***Net Interest Income***

Despite lower interest-earning assets and liabilities, net interest income for the nine months ended March 31, 2013 increased by \$1.1 million, as compared to the prior-year comparable period. Interest income decreased while a larger decline was realized in interest expense. Total interest income decreased \$0.7 million during the current period compared with the same period in the prior year. A

Edgar Filing: FNB CORP/FL/ - Form 424B3

Table of Contents

continued effort to replace nonperforming loans with performing loans as well as the change in mix of cash and available for sale securities to acquire better yielding assets limited the decline in yield during the ongoing low rate environment. Total interest expense declined \$1.8 million from a year ago, due to both a decline in the level of deposits and PVF Capital's continued efforts to lower the cost of funds. The low interest rate environment has allowed more repricing opportunities, augmenting a more rapid decline in the cost of funds.

The following table presents comparative information for the nine months ended March 31, 2013 and 2012, respectively, with respect to average balances and average yields and costs for interest-earning assets and interest-bearing liabilities:

	March 31, 2013			March 31, 2012		
	Average Balance	Interest	Average Yield/Cost	Average Balance	Revised Interest	Average Yield/Cost
(dollars in thousands)						
<b>Interest-earning assets</b>						
Loans(1)	\$ 582,407	\$ 20,177	4.62%	\$ 581,210	\$ 20,984	4.81%
Mortgage-backed securities	18,038	191	1.41%	11,777	211	2.39%
Investments and other	119,848	997	1.11%	143,665	841	0.78%
<b>Total interest-earning assets</b>	<b>720,293</b>	<b>21,365</b>	<b>3.95%</b>	<b>736,652</b>	<b>22,036</b>	<b>3.99%</b>
Non-interest-earning assets	54,365			55,421		
<b>Total assets</b>	<b>\$ 774,658</b>			<b>\$ 792,073</b>		
<b>Interest-bearing liabilities</b>						
Deposits	\$ 638,513	\$ 3,509	0.73%	\$ 654,611	\$ 5,324	1.08%
Borrowings	36,002	806	2.99%	36,108	813	3.00%
<b>Total interest-bearing liabilities</b>	<b>674,515</b>	<b>4,315</b>	<b>0.85%</b>	<b>690,719</b>	<b>6,137</b>	<b>1.18%</b>
Non-interest-bearing liabilities	25,494			29,986		
<b>Total liabilities</b>	<b>700,009</b>			<b>720,705</b>		
Shareholders' equity	74,649			71,368		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 774,658</b>			<b>\$ 792,073</b>		
<b>Net interest income</b>		<b>\$ 17,050</b>			<b>\$ 15,899</b>	
Interest-rate spread			3.10%			2.81%
Net yield on interest-earning assets			3.15%			2.88%
Interest-earning assets to interest-bearing liabilities	106.79%			106.65%		

(1) Non-accruing loans are included in the average loan balances for the periods presented.

Table of Contents***Provision for Loan Losses and Asset Quality***

For the nine months ended March 31, 2013, a provision for loan losses of \$2.1 million was recorded to bring the total allowance for loan losses to a level considered by management to be appropriate, based on management's evaluation of relevant factors, including the risk characteristics and trends of the loan portfolio, historic and current loss experience, current economic conditions and underlying collateral valuations. This compares with the \$5.5 million for the nine months ended March 31, 2012. The allowance for loan losses decreased to 2.7% of loans outstanding at March 31, 2013 as compared to 2.9% at June 30, 2012 and 3.00% at March 31, 2012. PVF Capital recorded net charge-offs of \$3.2 million for the nine months ended March 31, 2013 as compared to the \$18.6 million for the nine months ended March 31, 2012.

The provision for loan losses for the current period reflects management's judgments about the credit quality of PVF Capital's loan portfolio. The coverage ratio of allowance for loan losses to nonperforming loans improved to 87.5% as compared to 80.7% at June 30, 2012 and 71.9% at March 31, 2012. Directional improvement continues as historical experience and macroeconomic indicators are trending upward. Management will continue to monitor future movements.

The following is a breakdown of the allowance for loan losses:

	<b>March 31, 2013</b>	<b>June 30, 2012</b>
Allowance	\$ 14,118,664	\$ 14,634,531
Specific allocation	801,568	1,418,334
<b>Total allowance for loan losses</b>	<b>\$ 14,920,232</b>	<b>\$ 16,052,865</b>

***Non-Interest Income***

For the nine months ended March 31, 2013, non-interest income increased by \$4.3 million from the prior-year comparable period. The increase in the current period was primarily attributed to higher income from net mortgage banking activities of approximately \$3.2 million, decreased provision for write downs and losses on the disposal of other real estate owned totaling \$0.6 million and increased service charges related to electronic banking. Also, PVF Capital sold the guaranteed portions on its SBA loan originations during the period resulting in a gain of \$0.6 million. This compares with SBA gains of \$0.2 million for the nine months ended March 31, 2012.

PVF Capital pursues a strategy of originating long-term fixed-rate loans pursuant to Freddie Mac and Fannie Mae guidelines and selling such loans to Freddie Mac or Fannie Mae, while retaining the servicing rights of such loans. The majority of the mortgage lending activities in the current environment continues to involve refinancing and is highly correlated to interest rate movements and levels. The net gains on loan origination and sales activities totaled \$10.8 million for the current period, which represented an increase of \$3.0 million compared with the prior-year period of \$7.8 million. The high level of refinancing in the current period resulted in a loan servicing loss of \$1.5 million compared to \$1.7 million in the prior-year comparable period. PVF Capital recorded a valuation impairment charge against the book value of the mortgage loan servicing rights of \$0.5 million and \$0.6 million for the nine months ended March 31, 2013 and 2012, respectively.

Gains and losses on the sale of OREO, including write-downs, is recorded in non-interest income and was a net loss of \$1.2 million for the nine months ended March 31, 2013, down from the net loss of \$1.7 million for the same prior-year period, as real estate values and dispositions have begun to stabilize.

Table of Contents

***Non-Interest Expense***

Non-interest expense for the nine months ended March 31, 2013 increased by \$0.4 million, or 2.1%, from the prior-year comparable period. This resulted from increased compensation of \$1.2 million, and outside service costs of \$0.4 million offset by lower OREO expenses of \$0.7 million and a decrease in FDIC insurance of \$0.4 million.

The increase in compensation expense is primarily due to higher expenses associated with incentive compensation expense, commissions and stock based compensation along with related payroll taxes as PVF Capital's performance has significantly improved and returned to profitability. Also contributing to the increase are higher health care expenses related to increased claims and related higher health care costs.

The decrease to OREO expense for the current period is attributable to a decline in the acquisition and maintenance of properties acquired through foreclosure as compared with last year, but remains elevated during the current period due to the activity levels associated with problem asset disposition. The increase in outside services was primarily due to increased cost associated with the migration to an outside service provider for information technology.

***Income Tax Expense (Benefit)***

There was a \$130,000 federal income tax provision recorded for the nine months ended March 31, 2013, compared to a \$25,178 benefit on the net loss for the prior-year comparable period. An ongoing analysis of PVF Capital's deferred tax asset has resulted in recognizing a valuation allowance of \$2.8 million, resulting in a net deferred tax asset of \$0 at March 31, 2013.

**Results of Operations: For the year ended June 30, 2012 compared to year ended June 30, 2011**

PVF Capital recognized a net loss for the year ended June 30, 2012 of \$1.3 million, or \$.05 basic loss per share and \$.05 diluted loss per share compared to a net loss at June 30, 2011 of \$9.7 million, or \$.38 basic and diluted loss per share. PVF Capital's results for 2012 improved by \$8.4 million from the prior year. The improvement for 2012 was attributable to an increase in net interest income, a decrease in the provision for loan losses, an increase in non-interest income, and a federal income tax benefit partially offset by an increase in non-interest expense. The increase to net interest income was attributable to a decrease in the level of activity of nonperforming loans and a continued effort to reduce cost of funds. The provision for loan losses decreased \$6.6 million as a result of a decrease in nonperforming loans and lower estimated losses associated with specifically identified loans. Non-interest income increased by \$1.1 million primarily the result of higher overall mortgage banking revenue of \$2.5 million. This increase was offset by a decrease in gains on the sale of securities of \$1.2 million.

Losses on OREO and the provision for losses on the sale of OREO increased in 2012. Income decreased on the cash surrender value of Bank-Owned Life Insurance from the prior year. Gains recorded on the sale of loans originated for sale and income from PVF Capital's share of profits generated by its ownership interest in PVF Title Services were up from 2011, remaining strong in 2012. The increase in non-interest expense resulted primarily from increases in compensation that resulted from Park View Federal continuing to strengthen staff in commercial, retail, SBA lending and support areas. This increase was offset by decreases in office occupancy and equipment, insurance expense, professional and legal, and real estate owned expense in the current period.

Table of Contents**Net Interest Income**

Net interest income amounted to \$22.0 million for the year ended June 30, 2012, as compared to \$20.8 million for the year ended June 30, 2011. Changes in the level of net interest income reflect changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities.

The following table presents comparative information for the year ended June 30, 2012 and 2011, respectively, with respect to average balances and average yields and costs for interest-earning assets and interest-bearing liabilities:

(Dollars in thousands)	2012			2011		
	Average Balance	Interest	Yield/ Cost	Average Balance	Interest	Yield/ Cost
<b>Interest-earning assets:</b>						
Loans(1)	\$ 580,112	\$ 28,383	4.89%	\$ 608,886	\$ 30,215	4.96%
Mortgage-backed securities	12,889	290	2.25	42,364	1,749	4.13
Securities and other interest-earning assets	145,956	1,175	0.81	128,417	1,018	0.79
<b>Total interest-earning assets</b>	<b>738,957</b>	<b>29,848</b>	<b>4.04</b>	<b>779,667</b>	<b>32,982</b>	<b>4.23</b>
Non-interest-earning assets	54,215			38,572		
<b>Total assets</b>	<b>\$ 793,172</b>			<b>\$ 818,239</b>		
<b>Interest-bearing liabilities:</b>						
Deposits	\$ 657,500	6,793	1.03	\$ 651,360	9,247	1.42
Borrowings	36,094	1,081	2.99	71,022	2,913	4.10
<b>Total interest-bearing liabilities</b>	<b>693,594</b>	<b>7,874</b>	<b>1.14</b>	<b>722,382</b>	<b>12,160</b>	<b>1.68</b>
Non-interest-bearing liabilities	28,210			18,000		
<b>Total liabilities</b>	<b>721,804</b>			<b>740,382</b>		
Shareholders' equity	71,368			78,087		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 793,172</b>			<b>\$ 818,469</b>		
Net interest income		\$ 21,974			\$ 20,822	
Interest rate spread			2.90%			2.55%
Net yield on interest-earning assets			2.97%			2.67%
Ratio of average interest-earning assets to average interest-bearing liabilities		106.54%			107.93%	

(1)

Non-accruing loans are included in the average loan balances for the periods presented.

**Provision for Loan Losses and Asset Quality**

For the year ended June 30, 2012, a provision for loan losses of \$7.0 million was recorded, while a provision for loan losses of \$13.5 million was recorded in the prior year. The provision for loan losses for the year ended June 30, 2012 reflected management's judgments about the additional inherent risk in PVF Capital's loan portfolio as management continues to reduce problem and nonperforming loans, the continued challenges of national and local residential markets, and negative local population and economic indicators. The 2012 provision for loan losses also reflects specific loss reserves established for loans individually identified as impaired. The decline in the provision for loan



losses in 2012 can be attributed to declining levels of charge offs and impairments recognized and a significant decrease in the migration of performing loans to delinquent and nonperforming loans.

Table of Contents***Non-Interest Income***

Non-interest income amounted to \$9.1 million and \$7.9 million for the years ended June 30, 2012 and 2011, respectively. The fluctuations in non-interest income were due primarily to fluctuations in income derived from mortgage banking activities, fee income on deposit accounts, net losses on the sale of OREO and the gain on sale of SBA loans. Mortgage banking activity is subject to variability due to changes in mortgage origination volume and as a result of PVF Capital's pipeline interest rate risk management activities. PVF Capital typically covers a portion of the pipeline with forward loan sales contracts. Changes in the value of these contracts and in interest rate lock commitments to PVF Capital's borrowers cause mortgage banking income to fluctuate from period to period. Income attributable to mortgage banking activities consists of net loan servicing income, gains and losses on the sale of loans, and market valuation provisions and recoveries. Income from mortgage banking activities amounted to \$9.1 million and \$6.6 million for the years ended June 30, 2012 and 2011, respectively. The increase in income from mortgage banking activities was primarily due to gains recorded on loans sold as a result of elevated refinancing activity from historically low interest rates.

***Non-Interest Expense***

Non-interest expense amounted to \$25.7 million and \$24.8 million for the years ended June 30, 2012 and 2011, respectively. The principal component of non-interest expense is compensation and related benefits which amounted to \$11.5 million and \$10.7 million for the years ended June 30, 2012 and 2011, respectively. The increase in compensation for the year ended June 30, 2012 was due primarily to increased staffing. Office occupancy totaled \$2.4 million and \$2.5 million for the years ended June 30, 2012 and 2011, respectively. Other components of non-interest expense totaled \$11.8 million and \$11.6 million for the years ended June 30, 2012 and 2011, respectively. Changes in other non-interest expense were primarily the result of increased, outside services expense.

***Income Tax Expense (Benefit)***

PVF Capital's federal income tax expense (benefit) was \$(.2) million and \$0.1 million for the years ended June 30, 2012 and 2011, respectively. PVF Capital had a valuation allowance against all of its net deferred tax assets at June 30, 2012 and 2011 such that the net deferred tax asset was \$0 for both periods

**Liquidity and Capital Resources**

PVF Capital's shareholders' equity totaled \$77.3 million and \$70.1 million for the quarters ended March 31, 2013 and 2012, respectively. On March 26, 2010, PVF Capital completed a rights offering and an offering to a standby investor. Stockholders exercised subscription rights to purchase all 14,706,247 shares offered at a subscription price of \$1.75 per share. Additionally, the standby investor purchased 2,436,610 shares at the subscription price of \$1.75 per share. In total, PVF Capital raised proceeds of \$27,964,015, net of issuance costs. Upon completing the offering, PVF Capital contributed approximately \$20.0 million of the proceeds to the capital of Park View Federal to improve its regulatory capital position. At March 31, 2013, Park View Federal's Tier 1 (core) capital ratio was 9.92% and its total risk-based capital ratio was 13.76%. Park View Federal's primary regulator, the Office of the Comptroller of the Currency, has implemented a statutory framework for capital requirements which establishes five categories of capital strength ranging from "well capitalized" to "critically undercapitalized." An institution's category depends upon its capital level in relation to relevant capital measures, including two risk-based capital measures, a tangible capital measure and a core/leverage capital measure. At March 31, 2013, Park View Federal was in compliance with all of the

Table of Contents

current applicable regulatory capital measurements to meet the definition of a well-capitalized institution, as demonstrated in the following table:

(In thousands)	Park View Federal Capital	Percent of Assets(1)	Requirement for Well-Capitalized Institution
Tangible capital	\$ 75,932	9.92%	1.50%
Tier-1 core capital	75,932	9.92%	4.00%
Tier-1 risk-based capital	75,932	12.50%	4.00%
Total risk-based capital	83,612	13.76%	8.00%

- (1) Tangible and core capital levels are shown as a percentage of total adjusted assets; risk-based capital levels are shown as a percentage of risk-weighted assets.

Park View Federal's liquidity measures its ability to fund loans and meet withdrawals of deposits and other cash outflows in a cost-effective manner. Park View Federal's primary sources of funds for operations are deposits from its primary market area, principal and interest payments on loans and mortgage-backed securities, sales of loans, proceeds from maturing securities, and advances from the FHLB of Cincinnati. While loan and mortgage-backed securities payments and maturing securities are relatively stable sources of funds, deposit flows and loan and mortgage-backed securities prepayments are greatly influenced by prevailing interest rates, economic conditions and competition. FHLB advances may be used on a short-term basis to compensate for deposit outflows or on a long-term basis to support expanded lending and investment activities.

Park View Federal uses its capital resources principally to meet its ongoing commitment to fund existing and continuing loan commitments, fund maturing certificates of deposit and deposit withdrawals, repay borrowings, maintain its liquidity and meet operating expenses. At June 30, 2012, Park View Federal had commitments to originate loans totaling \$69.2 million, of which \$66.0 million are intended to be sold, commitments to fund equity lines of credit totaling \$51.7 million, and \$.8 million of undisbursed loans in process. Scheduled maturities of certificates of deposit during the 12 months following June 30, 2012 totaled \$293.6 million. Management believes that a significant portion of the amounts maturing during fiscal 2013 will be reinvested with Park View Federal because they are retail deposits; however, no assurances can be made that this will occur.

PVF Capital's ability to pay dividends depends, in part, on its receipt of dividends from Park View Federal because PVF Capital has minimal sources of income other than distributions from Park View Federal. Federal regulations impose limitations upon all capital distributions, including cash dividends, by a savings institution, such as Park View Federal. Under the regulations, an application to and prior approval of federal regulators is required prior to any capital distribution if (i) the institution does not meet the criteria for "expedited treatment" of applications under applicable regulations (i.e., generally, examination and Community Reinvestment Act ratings in the two top categories), (ii) the total capital distributions for the calendar year exceed net income for that year plus the amount of retained net income for the preceding two years, (iii) the institution would be undercapitalized following the distribution or (iv) the distribution would otherwise be contrary to a statute, regulation or agreement. If an application is not required, the institution must still provide prior notice to federal regulators of the capital distribution if, like Park View Federal, it is a subsidiary of a holding company.

PVF Capital currently does not pay dividends on its common shares. PVF Capital's ability to pay dividends is also dependent, in part, on its receipt of dividends from Park View Federal. This restriction may adversely affect the market price for PVF Capital's common shares. PVF Capital's ability to pay dividends will depend on a number of factors, including capital requirements, its financial condition and results of operations including its ability to generate sufficient earnings to warrant the payment of dividends, tax considerations, statutory and regulatory limitations and general economic conditions.

Table of Contents

PVF Capital has cash of approximately \$1.3 million at the parent company level available to service its operating expenses and for future investment in Park View Federal, if necessary. It has no debt obligations. PVF Capital also derives its liquidity resources for operating obligations from its non subsidiaries which are sufficient to meet current operating obligations. Management believes its current liquidity levels are adequate to meet its operating obligations over the next twelve months.

Park View Federal maintains liquid assets sufficient to meet operational needs. Park View Federal's most liquid assets are cash and cash equivalents, which are short-term, highly-liquid investments that are readily convertible to known amounts of cash. The levels of such assets are dependent upon Park View Federal's operating, financing and investment activities at any given time. Management believes that the liquidity levels maintained are more than adequate to meet potential deposit outflows, repay maturing FHLB advances, fund new loan demand and cover normal operations.

**Quantitative and Qualitative Disclosures About Market Risk**

Market risk is the risk of loss arising from adverse changes in the fair value of financial instruments due to changes in interest rates, exchange rates and equity prices. PVF Capital's market risk is generally composed of interest rate risk.

*Asset/Liability Management:* PVF Capital's asset and liability committee ("ALCO") monitors and considers methods of managing the rate sensitivity and repricing characteristics of the balance sheet components consistent with maintaining acceptable levels of changes in net portfolio value ("NPV") and net interest income. PVF Capital's asset and liability management program is designed to minimize the impact of sudden and sustained changes in interest rates on NPV and net interest income.

PVF Capital's exposure to interest rate risk is reviewed on a quarterly basis by the ALCO and PVF Capital's Board of Directors. Exposure to interest rate risk is measured with the use of interest rate sensitivity analysis to determine PVF Capital's change in net interest income and NPV in the event of hypothetical changes in interest rates, while interest rate sensitivity gap analysis is used to determine the repricing characteristics of the Company's assets and liabilities. If estimated changes to NPV and net interest income are not within the limits established by the Board, the Board may direct management to adjust its asset and liability mix to bring interest rate risk within Board-approved limits. At March 31, 2013, PVF Capital remains in compliance with such policy limits. The results of the interest rate sensitivity modeling and measurement indicate that PVF Capital remains in a liability sensitive position that has not materially changed from June 30, 2012.

In order to reduce the exposure to interest rate fluctuations, PVF Capital has developed strategies to manage its liquidity, shorten the effective maturity and increase the interest rate sensitivity of its asset base. Management has sought to decrease the average maturity of its assets by emphasizing the origination of adjustable-rate loans and loans with shorter balloon maturities which are retained by PVF Capital for its portfolio. In addition, almost all fixed-rate mortgages are underwritten according to guidelines of the Freddie Mac or Fannie Mae, which are then sold directly for cash in the secondary market. PVF Capital carefully monitors the maturity and repricing of its interest-earning assets and interest-bearing liabilities to minimize the effect of changing interest rates on its NPV. PVF Capital's interest rate risk position is the result of the repricing characteristics of assets and liabilities. The balance sheet is primarily comprised of interest-earning assets having a maturity and repricing period of one month to five years. These assets were funded primarily utilizing interest-bearing liabilities having a final maturity of two years or less.

**Disagreement with Accountants on Accounting and Financial Disclosure**

None.

Table of Contents

**COMPARISON OF SHAREHOLDER RIGHTS**

After the merger, you will become a shareholder of F.N.B. and your rights will be governed by F.N.B.'s articles of incorporation, F.N.B.'s bylaws and the Florida Business Corporation Act. The following summary discusses differences between F.N.B.'s articles of incorporation and bylaws and PVF Capital's articles of incorporation and code of regulations and the differences between the Ohio General Corporation Law and the Florida Business Corporation Act. For information as to how to get the full text of each party's respective articles of incorporation or bylaws/code of regulations, see "Where You Can Find More Information" beginning on page 165.

We do not intend for the following summary to be a complete statement of the differences affecting the rights of our shareholders who become F.N.B. shareholders, but rather as a summary of the more significant differences affecting the rights of such shareholders and certain important similarities. We qualify the following summary in its entirety by reference to the articles of incorporation and bylaws of F.N.B., the articles of incorporation and code of regulations of PVF Capital and applicable laws and regulations. We urge you to read F.N.B.'s articles of incorporation and bylaws, PVF Capital's articles of incorporation and code of regulations, and the Florida Business Corporation Act, the Ohio General Corporation Law and federal law governing bank holding companies and savings and loan holding companies in their entirety.

**Quorum of Shareholders**

**PVF Capital**

Under PVF Capital's code of regulations, a majority of the outstanding shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders.

**F.N.B**

Under the Florida Business Corporation Act and F.N.B.'s bylaws, the holders of a majority of the votes entitled to be cast on a matter to be considered, whether represented in person or by proxy, constitute a quorum for action on the matter.

**Adjournment and Notice of Shareholder Meetings**

**PVF Capital**

Under PVF Capital's code of regulations, if a quorum is not present, a majority of the shares so represented may adjourn the meeting from time to time without further notice.

**F.N.B.**

Under the Florida Business Corporation Act and F.N.B.'s bylaws, if a quorum is not present or represented at a shareholders' meeting, the shareholders present and entitled to vote at the meeting may adjourn such meeting from time to time.

Table of Contents

**Call of Special Meetings of Shareholders**

**PVF Capital**

PVF Capital's articles of incorporation provide that special meetings may be called by the chairman of the board, the president, the board of directors by action at a meeting or a majority of the board of directors acting without a meeting, and that the chairman of the board, the president or the secretary must call a special meeting upon the written request of the holders of 50% of all the shares outstanding and entitled to vote at the meeting.

**F.N.B.**

F.N.B.'s bylaws provide that special meetings of shareholders may be called only by the Chairman of the Board, the Chief Executive Officer, or the President, or by the Secretary, if requested by a majority of the F.N.B. board of directors or the holders of not less than 10% of the outstanding shares of F.N.B.

**Shareholder Consent in Lieu of Meeting**

**PVF Capital**

Under the PVF Capital articles of incorporation, the power of shareholders to action in writing is expressly denied.

**F.N.B.**

Under the Florida Business Corporation Act, any action that may be taken at a meeting of the shareholders of F.N.B. may be taken without a meeting, if, prior or subsequent to the action, one or more written consents are signed by the holders of the minimum number of votes that would be required to authorize that action at a meeting. An action taken by consent will only become effective upon compliance with certain delivery and notice requirements.

**Dissenters' Rights**

**PVF Capital**

Under the Ohio General Corporation Law, shareholders have dissenters' appraisal rights in connection with certain mergers, consolidations or conversion. There are no such dissenters' rights, however, if the PVF Capital common shares are listed on a national securities exchange as of the day immediately preceding the date on which the vote on the proposal is taken at the meeting of the shareholders and the consideration to be received by the shareholders consists of shares or shares and cash in lieu of fractional shares that, immediately following the effective time of a merger, consolidation, or conversion, as applicable, are listed on a national securities exchange and for which no proceedings are pending to delist the shares from the national securities exchange as of the effective time of the merger, consolidation, or conversion.

**F.N.B.**

Under the Florida Business Corporation Act, shareholders have dissenters' rights in connection with certain mergers, share exchanges, sales or other dispositions of all or substantially all of the property of the corporation other than in the ordinary course of business, approval of certain control-share acquisitions and amendments of the articles of incorporation that would materially and adversely affect the rights or preferences of the shares held by the dissenting shareholders.

However, dissenters' rights are not available if the shares are listed on a national securities exchange or if the corporation's shares are held of record by at least 2,000 persons and such outstanding shares have a market value of at least \$10 million, not counting the value of certain insider shares.

Table of Contents

**Derivative Actions**

**PVF Capital**

Under applicable provisions of Ohio law, a person may bring a derivative action only if the person was a shareholder of PVF Capital at the time of the transaction of which he complains or that his share thereafter devolved on him by operation of law.

**F.N.B.**

Under the Florida Business Corporation Act, a person may bring a derivative action only if the person was a shareholder of F.N.B. at the time of the alleged wrongdoing or became a shareholder through transfer by operation of law from one who was a shareholder at the time of the alleged wrongdoing.

**Dividends and Distributions**

**PVF Capital**

Under the Ohio General Corporation Law, a corporation may make distributions to its shareholders so long as such distribution does not exceed the combination of the surplus of the corporation and the difference between the following:

(1) The reduction in surplus that results from the immediate recognition of the transition obligation under statement of financial accounting standards no. 106 (SFAS no. 106), issued by the financial accounting standards board; and

(2) The aggregate amount of the transition obligation that would have been recognized as of the date of the declaration of a dividend or distribution if the corporation had elected to amortize its recognition of the transition obligation under SFAS no. 106.

**F.N.B.**

Under the Florida Business Corporation Act, subject to any restrictions in a corporation's articles of incorporation, a corporation may make distributions to its shareholders unless, after giving effect thereto:

the corporation would not be able to pay its debts as they become due in the usual course of business; or

the corporation's total assets would be less than the sum of its total liabilities plus the amount that it would need upon its dissolution to satisfy any preferential rights of other shareholders.

F.N.B.'s articles of incorporation do not contain any restrictions on the payment of dividends or the making of distributions to holders of its common stock, except restrictions that benefit certain classes or series of preferred stock, none of which are outstanding.

**Classes of Stock with Preferential Rights**

**PVF Capital**

The articles of incorporation of PVF Capital permit the board of directors to create multiple classes and series of stock having rights and preferences which are senior to or have priority over the PVF Capital common shares. PVF Capital has no preferred stock currently outstanding.

**F.N.B.**

The articles of incorporation of F.N.B. permit the board of directors to create multiple classes and series of stock having rights and preferences which are senior to or have priority over the F.N.B. common stock. F.N.B. has no preferred stock currently outstanding.

Table of Contents

**Director Qualifications, Number and Term**

**PVF Capital**

PVF Capital's articles of incorporation provide that PVF Capital shall have a number of directors between five and 15 as may be determined in accordance with the bylaws of the board of directors by a vote of two-thirds of the directors. Directors are divided into two classes as nearly equal in number as possible with the members of each elected for a term of two years.

**F.N.B.**

F.N.B.'s bylaws provide that F.N.B. shall have such number of directors as the board of directors may determine, which number shall be not less than five nor more than 25. F.N.B.'s bylaws further provide that F.N.B.'s board of directors shall be elected annually at F.N.B.'s annual meeting of shareholders.

**Nomination of Directors**

**PVF Capital**

PVF Capital's articles of incorporation provide that directors may be nominated for election by either the board of directors or by any shareholder of PVF Capital. In order for a shareholder to make any such nominations and/or proposals he or she shall give written notice to the Secretary of PVF Capital not less than 30 nor more than 60 days prior to any such meeting; provided, that if less than 40 days' notice of the meeting is given to shareholders, such written notice of nomination shall be delivered not later than the close of the 10th day following the day on which the notice of the meeting was mailed to shareholders. The notice of a shareholder's intention to nominate a director must include certain information, as specified in PVF Capital's articles of incorporation.

**F.N.B.**

F.N.B.'s bylaws provide that directors may be nominated for election to F.N.B.'s board of directors by either a resolution of the board of directors or by a shareholder of F.N.B. F.N.B.'s bylaws provide that a shareholder may make nominations for director by providing F.N.B. with written notice of the shareholder's intention to nominate a director. F.N.B. must receive the written notice not less than 90 calendar days nor more than 120 calendar days before the first anniversary of the date on which F.N.B. first mailed its proxy statement to its shareholders for its annual meeting of shareholders in the immediately preceding year. The notice of a shareholder's intention to nominate a director must include certain information, as specified in F.N.B.'s bylaws.

**Removal of Directors; Filling Vacancies on the Board of Directors**

**PVF Capital**

PVF Capital's articles provide that no director may be removed from office unless for cause and by the affirmative vote of the holders of at least 80 percent of the outstanding common shares of PVF Capital. In the event a director is removed from office by a vote of the shareholders, a new director may be elected by the shareholders at the same shareholder meeting to hold office for the removed director's unexpired term. In the event that shareholders do not so elect a new director then the vacancy can be filled in the same manner as all other vacancies: by a vote of two-thirds of the directors then in office, whether or not a quorum.

**F.N.B.**

The Florida Business Corporation Act permits a corporation's shareholders to remove directors with or without cause. F.N.B.'s articles of incorporation provide that the affirmative vote of 75% of the outstanding shares of F.N.B. common stock is required to remove any director or the entire board of directors without cause. Under the Florida Business Corporation Act and F.N.B.'s bylaws, the remaining directors, even though less than a quorum, may, by majority vote, fill vacancies on the board of directors, including vacancies resulting from an increase in the number of directors or resulting from a removal from office.



Table of Contents

**Cumulative Voting**

**PVF Capital**

Under PVF Capital's articles of incorporation, cumulative voting is not permitted.

**F.N.B.**

Under the Florida Business Corporation Act, cumulative voting in the election of directors is not available unless a corporation's articles of incorporation provide for cumulative voting. F.N.B.'s articles of incorporation do not provide for cumulative voting.

**Indemnification of Officers and Directors**

**PVF Capital**

Under the Ohio General Corporation Law and PVF Capital's articles of incorporation, PVF Capital shall indemnify any person who was or is a party to any threatened, pending or completed action, suit or proceeding, other than an action by or in the right of PVF Capital, by reason of the fact that he is or was a director, officer, employee or agent of PVF Capital against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation and, with respect to any criminal action, had no reason to believe his conduct was unlawful.

With respect to derivative shareholder claims brought by or in the name of PVF Capital, such a person would be entitled to similar indemnification except in the case of any claim, issue or matters that only related to Section 1701.95 of the Ohio General Corporation Law or as to which such person is adjudged to be liable for negligence or misconduct in the performance of his duty to PVF Capital unless, and only to the extent that the court of common pleas or the court in which such action was brought determines upon application that despite such adjudication of liability in view of all the circumstances of the case such person is fairly and reasonably entitled to indemnity for such expenses.

**F.N.B.**

Under its bylaws, F.N.B. shall indemnify any director or officer of F.N.B. or its subsidiaries against expenses, including legal fees, judgments, fines and amounts paid in settlement, which were actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit, investigation or proceeding, whether derivative or nonderivative, and whether civil, criminal, administrative or investigative, that is brought or threatened to be brought against him or her by reason of his or her performance or status as a director or officer of F.N.B. or one of its subsidiaries, unless that director or officer was adjudged to be liable to F.N.B. in respect of the claim, issue or matter for which the director or officer seeks indemnification. Before making that indemnity available to a director or officer, F.N.B.'s board of directors are required to determine that the director or officer acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to the best interests of F.N.B. and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. F.N.B.'s bylaws also provide that F.N.B. shall advance expenses incurred in defending or investigating a threatened or pending action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount advanced if it is ultimately determined that he or she is not entitled to indemnification by F.N.B.

Table of Contents

Pursuant to the Ohio General Corporation Law, unless the only liability asserted against a director in an action for which indemnification is sought is pursuant to Section 1701.95 of the Ohio General Corporation Law, the expenses, including attorney's fees, incurred by a director in defending the action, suit, or proceeding shall be paid by the corporation as they are incurred, in advance of the final disposition of the action, suit, or proceeding, upon receipt of an undertaking by or on behalf of the director in which the director agrees to do both of the following:

(i) Repay that amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that the director's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation; and

(ii) Reasonably cooperate with the corporation concerning the action, suit, or proceeding.

Claims under Section 1701.95 of the Ohio General Corporation Law relate to a director's personal joint and several liability with respect to unlawful dividends, distributions or loans to directors and officers of the corporation.

**Director Liability**

**PVF Capital**

Under the Ohio General Corporation Law, a director is liable in damages for any action that the director takes or fails to take as a director only if it is proved by clear and convincing evidence in a court of competent jurisdiction that the director's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the corporation or undertaken with reckless disregard for the best interests of the corporation.

**F.N.B.**

Under the Florida Business Corporation Act, a director is not liable for monetary damages for any statement, vote, decision or failure to act regarding corporate management or policy, unless the director breached or failed to perform such director's duties as a director and the director's breach of, or failure to perform, those duties constitutes a violation of criminal law, self-dealing, an unlawful distribution, willful misconduct or recklessness. F.N.B.'s bylaws contain a provision limiting the liability of its directors to the fullest extent permitted by law.

Table of Contents

**Amendment of Articles of Incorporation and Bylaws**

**PVF Capital**

PVF Capital's articles of incorporation provide that the articles of incorporation may be repealed, altered, amended or rescinded in a manner prescribed by the Ohio General Corporation Law upon the affirmative shareholder vote of at least a majority of shares outstanding and entitled to vote. Certain provisions of the articles of incorporation may not be repealed, replaced, altered, amended or rescinded in any respect unless the same is approved by a shareholder vote of no less than 80% of the shares outstanding and entitled to vote at a meeting called for that purpose, provided that notice of such action is included in the notice for such meeting. However, any provision may be repealed, altered, amended or rescinded if the action is approved by holders of a majority of shares outstanding and entitled to vote and if the same action is first approved by a majority of the directors of the corporation.

Under PVF Capital's articles of incorporation, the code of regulations may be made, repealed, altered, amended or rescinded by a shareholder vote of no less than two-thirds of shares outstanding and entitled to vote at a meeting called for that purpose.

**Vote Required for Extraordinary Corporation Transactions**

**PVF Capital**

Under the Ohio General Corporation Law, to effect a merger or consolidation, the merger agreement shall be approved by the directors of the corporation and adopted by the shareholders of the corporation at a meeting of the shareholders held for that purpose. The vote required to adopt an agreement of merger or consolidation is the affirmative vote of the holders of shares of that corporation entitling them to exercise at least two-thirds of the voting power of the corporation on such action or such different proportion as the articles may provide, but not less than a majority, and such affirmative vote of the holders of shares of any particular class as required by the articles of incorporation.

**F.N.B.**

The Florida Business Corporation Act requires that, unless the articles of incorporation provide for a greater vote, the votes cast in favor of an amendment to the articles of incorporation must exceed the votes cast against the amendment. However, if the proposed amendment would trigger dissenters' rights under the Florida Business Corporation Act, the amendment must be approved by a majority of the votes entitled to be cast. The Florida Business Corporation Act does not require shareholder approval for certain non-material amendments to the articles of incorporation.

F.N.B.'s bylaws provide that the affirmative vote of at least 75% of the members of F.N.B.'s board of directors or the affirmative vote of at least 75% of the shares entitled to vote is required to alter or amend or adopt new bylaws.

**F.N.B.**

Under the Florida Business Corporation Act, approval of a merger, consolidation, share exchange, dissolution or sale of all or substantially all of a corporation's assets other than in the ordinary course of business must receive approval from the board of directors and the holders of a majority of the shares entitled to vote thereon, unless the corporation's articles of incorporation require a higher vote. F.N.B.'s articles of incorporation require a supermajority vote of at least 75% of the outstanding shares of F.N.B. common stock to approve a merger, consolidation or sale, lease, exchange or other disposition, in a single transaction or series of related transactions, of all or substantially all or a substantial part of the properties or assets of F.N.B., only if the board of directors of F.N.B. has not approved and recommended the transaction.

Table of Contents

The Florida Business Corporation Act provides that shareholder approval of a plan of merger is not required if:

the articles of incorporation of the surviving corporation will not differ, except for certain minor amendments specified in the Florida Business Corporation Act, from its articles of incorporation before the merger; and

each shareholder of the surviving corporation whose shares were outstanding immediately prior to the effective date of the merger will hold, immediately after the merger, the same number of shares, with identical designations, preferences, limitations and relative rights.

**Interested Shareholder Transactions**

**PVF Capital**

PVF Capital's articles of incorporation set forth certain requirements in connection with the approval of the following business combinations with a person or entity that is a beneficial owner, directly or indirectly, of 10% or more of the outstanding shares of common stock (a "Related Person"):

any merger, share exchange or consolidation of the corporation;

any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage, or any other security device, of all or more than 25% of the assets of the corporation (including the voting securities of a subsidiary subsidiary) or of a subsidiary to the Related Person;

any merger or consolidation of the Related Person with or into the corporation or a subsidiary;

any sale, lease, exchange, transfer or other disposition, including without limitation, a mortgage or any other capital device, of all or more than 25% of the assets of the Related Person to the corporation

**F.N.B.**

The Florida Business Corporation Act requires supermajority approval for certain transactions with affiliates. If any person who, together with such person's affiliates and associates, beneficially owns 10% or more of any voting stock of the corporation (referred to herein as an interested person), is a party to any merger, consolidation, disposition of all or a substantial part of the assets of the corporation or a subsidiary of the corporation, or an exchange of securities requiring shareholder approval, or a business combination, that transaction requires approval by the affirmative vote of the holders of two-thirds of the voting shares, other than the shares beneficially owned by the interested person. However, that approval is not required in certain situations, including the following:

a majority of the disinterested directors has approved the interested person transaction;

the corporation has not had more than 300 shareholders of record at any time during the three years preceding the date of the transaction's announcement;

the interested person has been the beneficial owner of at least 80% of the corporation's outstanding voting shares for at least five years preceding the date of the transaction's announcement;

or subsidiary;

any issuance of securities of the corporation or a subsidiary to a  
Related Person;

156

---

Table of Contents

the acquisition by the corporation or a subsidiary of any securities of a Related Person; or

the interested person is the beneficial owner of at least 90% of the outstanding voting shares of the corporation, exclusive of shares acquired directly from the corporation in a transaction not approved by a majority of the disinterested directors; or

any reclassification or recapitalization of the common stock of the corporation.

the consideration that shareholders will receive meets certain minimum levels, as determined by a formula under the Florida Business Corporation Act.

For approval of these business combinations, the articles of incorporation require the affirmative vote of holders of (i) at least 80% of the outstanding shares entitled to vote (and, if any class of shares is entitled to vote separately, the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such class or series) and (ii) a majority of the outstanding shares entitled to vote not including shares deemed beneficially owned by a Related Person. These provisions do not apply, however, if the business combination is approved by at least two-thirds of the continuing directors. A continuing director is any director who is not affiliated with a Related Person and was a director prior the Related Person becoming a Related Person.

**Fiduciary Duty**

**PVF Capital**

Under the Ohio General Corporation Law and PVF Capital's articles of incorporation a director shall perform his duties as director in good faith, in a manner he reasonably believes to be in or not opposed to the best interests of the corporation, and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In performing these duties, the director is entitled to rely on information, opinions, reports, or statements including financial statements and other financial data, that are prepared or presented by:

**F.N.B.**

Under the Florida Business Corporation Act, a director is required to discharge his or her duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner reasonably believed to be in the best interests of the corporation. In discharging his or her duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if presented or prepared by:

one or more directors, officers, or employees of the corporation;

officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;

Table of Contents

counsel, public accountants or other persons as to matters that the director reasonably believes are within the person's professional or expert competence; or

legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or

a committee of the directors upon which he does not serve.

a committee of the board of which the director is not a member if the director reasonably believes the committee merits confidence.

A director, in determining what he reasonably believes to be in the best interests of the corporation shall consider the interests of the corporation's shareholders and, in his discretion, may consider any of the following: (a) the interests of the corporation's employees, suppliers, creditors, and customers; (b) the economy of the state and the nation; (c) community and societal considerations; and (d) the long-term as well as short term interests of the corporation and its shareholders, including the possibility that these interests may be best served by the continued independence of the corporation.

F.N.B.'s articles of incorporation provide that the board of directors of F.N.B., in evaluating a proposal for an extraordinary corporate transaction, shall consider all relevant factors, including, without limitation, the long-term prospects and interests of F.N.B. and its shareholders, the social, economic, legal or other effects of any action on the employees, suppliers and customers of F.N.B. and its subsidiaries, the communities and societies in which F.N.B. and its subsidiaries operate and the economy of the state and the nation.

**Provisions with Possible Anti-Takeover Effects**

**PVF Capital**

An "Anti-takeover" provision like The Ohio Control Share Acquisition (the "Acquisition Act") is applicable under PVF Capital's articles of incorporation. Under the Acquisition Act certain notice requirements, special shareholder meeting and voting procedures, must be followed prior to consummation of a proposed "control share acquisition," which is defined as any acquisition of an issuer's shares which would entitle the acquirer, immediately after such acquisition, directly or indirectly, to exercise or direct the exercise of voting power of the issuer in the election of directors within any of the following ranges of such voting power: (1) one-fifth or more but less than one-third of such voting power; (2) one-third or more but less than a majority of such voting power; or (3) a majority or more of such voting power.

**F.N.B.**

F.N.B. is subject to statutory "anti-takeover" provisions under the Florida Business Corporation Act. The Florida Business Corporation Act restricts the voting rights of shares of stock acquired by a party who, by such acquisition, would control at least 20% of all voting rights of the corporation's issued and outstanding stock. The statute provides that the acquired shares, or the "control shares," will, upon such acquisition, cease to have any voting rights. The acquiring party may petition the corporation to reassign voting rights to the control shares by way of an "acquiring person's statement." Upon receipt of such request, the corporation must submit such request for shareholder approval. A corporation may reassign voting rights to the control shares by a resolution of a majority of the corporation's shareholders of each class and series of stock, with the control shares not voting.

Table of Contents

Certain provisions of PVF Capital's articles of incorporation also provide "anti-takeover" protections which include:

In addition, F.N.B.'s articles of incorporation and bylaws contain various provisions that may serve as anti-takeover protections, which include:

the division of the board of directors into two classes if the board of directors consists of six to eight members, or three classes, if the board consists of nine or more members;

the ability of F.N.B.'s board of directors to fill vacancies resulting from an increase in the number of directors;

the supermajority voting requirements for certain corporate transactions; and

the supermajority voting requirements for certain corporate transactions;

the ability of the board of directors to authorize specific terms of serial preferred stock to be issued in a series and to fix and state the rights, preferences, limitations and relative, participating, optional or other special rights of the share of each series.

the broad range of factors that F.N.B.'s board of directors may consider in evaluating an unsolicited offer including a tender offer proposal; and

vacancies and newly created directorships shall be filled by a vote of two-thirds of the directors then in office, whether or not a quorum.

provisions in F.N.B.'s articles of incorporation which authorize F.N.B.'s board of directors, without shareholder action, to issue from time to time, up to 20,000,000 shares of F.N.B. preferred stock. The board of directors of F.N.B. has the power to divide any and all of the shares of F.N.B. preferred stock into series and to fix and determine the relative rights and preferences of the shares of any series so established.



Table of Contents**COMPARATIVE MARKET PRICES AND DIVIDENDS**

The following table sets forth for the periods indicated:

the high and low trading prices of shares of F.N.B. common stock as reported on the NYSE;

the high and low trading prices of our common shares as reported on NASDAQ; and

quarterly cash dividends paid per share by F.N.B. and PVF Capital.

Quarter Ended	F.N.B. Common Stock			PVF Capital Common Shares		
	High	Low	Dividend	High	Low	Dividend
<b>2010:</b>						
September 30	\$ 8.90	\$ 7.53	\$ 0.12	\$ 2.07	\$ 1.63	\$ 0.00
December 31	10.28	8.10	0.12	1.98	1.73	0.00
<b>2011:</b>						
March 31	\$ 10.68	\$ 9.75	\$ 0.12	\$ 2.06	\$ 1.80	\$ 0.00
June 30	11.50	9.66	0.12	2.14	1.75	0.00
September 30	10.73	7.87	0.12	1.83	1.34	0.00
December 31	11.50	8.06	0.12	1.74	1.41	0.00
<b>2012:</b>						
March 31	\$ 12.56	\$ 11.31	\$ 0.12	\$ 2.05	\$ 1.48	\$ 0.00
June 30	12.36	9.89	0.12	2.10	1.85	0.00
September 30	12.05	10.55	0.12	2.15	1.81	0.00
December 31	11.50	10.20	0.12	2.57	2.03	0.00
<b>2013:</b>						
March 31	\$ 12.12	\$ 10.70	\$ 0.12	\$ 4.06	\$ 2.15	\$ 0.00
June 30	12.12	11.06	0.12	4.04	3.38	0.00
September 30 (through July 22, 2013)	13.12	12.07	0.00	4.39	4.03	0.00

The table below presents:

the last reported sale price of a share of F.N.B. common stock, as reported on the NYSE; and

the last reported sale price of a PVF Capital common share, as reported on The NASDAQ Capital Market,

in each case, on February 15, 2013, the last full trading day prior to the public announcement of the proposed merger, and on July 22, 2013, the last practicable trading day before the date we printed and mailed this proxy statement/ prospectus. The following table also presents the pro forma equivalent per share value of a PVF Capital common share on those dates. We calculated the pro forma equivalent per share value by multiplying the closing price of F.N.B. common stock on those dates by 0.3405, the exchange ratio in the merger.

	F.N.B. Common Stock	PVF Capital Common Share	Pro Forma Equivalent Value of One PVF Capital Common Share
February 15, 2013	\$ 12.04	\$ 2.52	\$ 4.10
July 22, 2013	13.11	4.39	4.46

We advise you to obtain current market quotations for F.N.B. common stock. The market price of F.N.B. common stock will fluctuate between the date of this proxy statement/prospectus and the completion of the merger. We can provide no assurance concerning the future market price of F.N.B. common stock.



Table of Contents**BENEFICIAL OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS**

Persons and groups beneficially owning in excess of 5% of PVF Capital's common shares are required to file certain reports with respect to such ownership pursuant to the Securities Exchange Act. The following table sets forth, as of June 27, 2013, certain information as to the common shares beneficially owned by the only persons known to PVF Capital to beneficially own more than 5% of the common shares, by each of PVF Capital's directors, by certain executive officers of PVF Capital and by all executive officers and directors of PVF Capital as a group.

Name(1)	Total Beneficial Ownership(2)	Percent of Outstanding(3)
<b>Directors and Executive Officers</b>		
Steven A. Calabrese	1,815,182(4)	6.9%
Frederick D. DiSanto	283,385(5)	1.1%
Umberto P. Fedeli	2,626,020(6)	9.9%
Mark D. Grossi	153,967(7)	*
Richard R. Hollington, III	2,501,960(8)	9.6%
Robert J. King, Jr.	764,419(9)	2.9%
Stuart D. Neidus	179,985(10)	*
James H. Nicholson	95,953(11)	*
Jeffrey N. Male	608,048(12)	2.3%
Lonnie Shiffert	107,958(13)	*
All directors and executive officers as a group (12 persons)	9,136,877	34.0%
<b>5% Or Greater Shareholders</b>		
Umberto P. Fedeli	2,648,910(6)	9.9%
5005 Rockside Road, Crown Centre Building, Fifth Floor, Independence, Ohio 44131-8003		
Short Vincent Partners II, L.P.	2,436,610(8)	9.2%
CapitalWorks SVP II LLC, CapitalWorks LLC and Richard R. Hollington, III, Two Chagrin Highlands, 3000 Auburn Drive, Suite 430, Cleveland, Ohio 44122		
Steven A. Calabrese	1,815,182(4)	6.7%
CCAG Limited Partnership and the Steven A. Calabrese Profit Sharing Trust, 30000 Aurora Road, Solon, Ohio 44139		

\* Denotes ownership of less than 1%.

(1) Unless otherwise noted, all directors and executive officers of PVF Capital have PVF Capital's address: 30000 Aurora Road, Solon, Ohio 44139.

(2) In accordance with Rule 13d-3 under the Securities Exchange Act, a person is deemed to be the beneficial owner, for purposes of this table, of any common shares if he has or shares voting or investment power with respect to such common shares or has a right to acquire beneficial ownership at any time within 60 days from June 27, 2013. As used herein, "voting power" is the power to vote or direct the voting of shares and "investment power" is the power to dispose or direct the disposition of shares. Unless otherwise indicated, the beneficial owner has sole voting and investment power with respect to the listed shares. The amount also includes the following number of restricted shares, which may be voted, but not disposed, by the applicable executive officer or director: (i) 96,000 by Mr. King; (ii) 3,334 by Mr. Nicholson; (iii) 3,334 by Mr. Shiffert; (iv) 10,927 by Mr. Calabrese, (v) 11,669 by Mr. DiSanto, (vi) 16,867 by Mr. Grossi, (vii) 12,907 by Mr. Hollington, (viii) 12,165 by Mr. Neidus; and (v) 167,203 by all directors and executive officers as a group.

(3) For all directors and executive officers, the percentage of class is based upon the sum of 26,081,460 common shares outstanding on June 27, 2013 and the number of common shares, if any, as to

## Edgar Filing: FNB CORP/FL/ - Form 424B3

### Table of Contents

which the named individual or group has the right to acquire beneficial ownership upon the exercise of options or warrants within 60 days of June 27, 2013. As a group, all executive officers and directors have the right to acquire 776,776 common shares upon exercise of options or warrants.

- (4) The amount includes 213,697 shares owned by the Steven A. Calabrese Profit Sharing Trust, 1,091,148 shares owned by CCAG Limited Partnership; 83,362 shares held by trusts for the benefit of Mr. Calabrese's children, over which he has sole voting and investment power; and 8,460 shares held by Mr. Calabrese's children in IRAs. The amount also includes 5,000 shares underlying vested options, 280,060 shares underlying warrants and 61,522 shares owned by his wife, over which Mr. Calabrese has shared voting and investment power. Mr. Calabrese disclaims beneficial ownership of the shares owned by his wife.
- (5) The amount includes 70,154 shares held by Mr. DiSanto in an IRA, 30,447 shares owned by JPD Management LLC, 20,339 shares owned by Anden, Inc., 36,695 shares owned by Mr. DiSanto's wife, 28,815 shares owned by his son and 3,480 shares owned by his son's IRA.
- (6) The amount includes 28,431 shares owned by the Fedeli Family Charitable Foundation, of which Mr. Fedeli is the president, 2,543 shares owned by his wife's IRA and shares underlying vested warrants. Mr. Fedeli disclaims beneficial ownership of the shares owned by his wife's IRA. On June 23, 2010, Mr. Fedeli entered into a letter agreement with PVF Capital, pursuant to which he agreed he would keep his ownership level, including shares he acquires upon the exercise of warrants, at or below 9.9% of the outstanding common shares of the Company unless he has received the prior approval or non-objection of the Office of Thrift Supervision. As a result of the execution of the letter agreement, based upon the number of common shares outstanding as of June 27, 2013, the number of shares Mr. Fedeli may be deemed to own upon the exercise of warrants is limited to 181,100 of the 248,942 total PVF Capital common shares subject to warrants held by Mr. Fedeli.
- (7) The amount includes 118,208 shares owned by Westwood Douglas LLC, over which Mr. Grossi has sole voting and investment power.
- (8) According to the Schedule 13D filed with the Commission on April 1, 2010, filed jointly by Mr. Hollington and Short Vincent Partners II, L.P., the amount includes 2,436,610 shares over which Mr. Hollington has shared voting and investment power with Short Vincent Partners II, L.P. and 7,006 shares over which Mr. Hollington has sole voting and investment power. Short Vincent Partners II, L.P.'s general partner is CapitalWorks SVP II LLC, a subsidiary of CapitalWorks LLC. Mr. Hollington is the president of CapitalWorks SVP II LLC. The amount includes 31,117 shares underlying vested warrants.
- (9) The amount includes 434,382 shares held by a trust of which Mr. King is trustee, 124,471 shares underlying vested warrants and 61,666 shares underlying vested options.
- (10) The amount includes 6,903 shares owned by Mr. Neidus' wife, 18,842 shares owned by his daughters' IRAs, 8,006 shares owned directly by Mr. Neidus' daughter over which he has a general power of attorney and 14,060 shares underlying options.
- (11) The amount includes 15,000 shares underlying vested options.
- (12) The amount includes 58,220 shares held by the 401(k) Plan, as to which Mr. Male has sole voting and shared investment power, 389,763 shares held by revocable trusts of which Mr. Male is co-trustee and shares voting and investment power, 30,076 shares owned by Mr. Male's wife's IRA and 21,799 shares underlying vested options.
- (13) The amount includes 30,000 shares underlying vested options.

Table of Contents

**PROPOSAL NO. 2**

**ADVISORY (NON-BINDING) VOTE ON GOLDEN PARACHUTE COMPENSATION**

**The Golden Parachute Proposal**

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, PVF Capital's board of directors is providing shareholders with the opportunity to cast an advisory vote on the "golden parachute" compensation payable to the named executive officers of PVF Capital in connection with the merger at the special meeting through the following resolution:

"RESOLVED, that the compensation that may be paid or become payable to PVF Capital named executive officers in connection with the merger, as disclosed in the table entitled "Golden Parachute Compensation" on page 70, together with the accompanying narrative discussion relating to the named executive officers' golden parachute compensation and the agreements or understandings pursuant to which such compensation may be paid or become payable, as set forth in the section of this proxy statement/prospectus titled "Summary of Golden Parachute Arrangements" is hereby APPROVED."

The vote on this Proposal 2 is a vote separate and apart from the vote on Proposal 1 to approve the merger agreement. Accordingly, you may vote to approve this Proposal 2 and not to approve Proposal 1, and vice versa. Because the vote is advisory in nature only, it will not be binding on either PVF Capital or Park View Federal regardless of whether the merger agreement is approved. Accordingly, as the compensation to be paid in connection with the merger is contractual with the executives, regardless of the outcome of this advisory vote, such compensation will be payable, subject only to the conditions applicable to such payment, if the merger agreement is approved by our shareholders and the merger is completed.

**Recommendation of the PVF Capital Board of Directors**

The PVF Capital board of directors unanimously recommends that our shareholders vote **FOR** approval, on an advisory (non-binding) basis, of the golden parachute compensation payable to the named executive officers of PVF Capital in connection with the merger.

**PROPOSAL NO. 3**

**ADJOURNMENT PROPOSAL**

**The Adjournment Proposal**

In the event a quorum is present at our special meeting but there are insufficient votes to approve the merger, the merger proposal will fail unless we adjourn our special meeting in order to solicit additional proxies from our shareholders. An adjournment under such circumstances will allow us extra time to solicit additional proxies. In order to allow shares present in person or by proxy at our special meeting to vote **FOR** approval of the adjournment of our special meeting, if necessary, we are submitting an adjournment of our special meeting to you as a separate matter for consideration. We will vote properly submitted proxy cards **FOR** approval of the adjournment proposal, unless otherwise indicated on the proxy. If our shareholders approve the adjournment proposal, we are not required to give any further notice of the time and place of our adjourned meeting other than an announcement of the time and place we provide at our special meeting.

If a quorum is not present at the meeting, the meeting will be adjourned to a later time without a vote.

**Recommendation of the PVF Capital Board of Directors**

The PVF Capital board of directors recommends that our shareholders vote **FOR** approval of the adjournment proposal.



Table of Contents

**LEGAL MATTERS**

Reed Smith LLP, Pittsburgh, Pennsylvania, has passed upon the validity of the F.N.B. common stock being registered in connection with the merger for F.N.B. Reed Smith LLP and Vorys, Sater, Seymour and Pease LLP, Cleveland, Ohio, have delivered their opinions to F.N.B. and us, respectively, as to certain U.S. federal income tax consequences of the merger and will deliver updated opinions in connection with the closing of the merger. See "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 95.

**EXPERTS**

The consolidated financial statements of F.N.B. and subsidiaries appearing in F.N.B.'s Annual Report (Form 10-K) for the year ended December 31, 2012 and the effectiveness of F.N.B.'s internal control over financial reporting as of December 31, 2012 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements appearing in the Annual Report (Form 10-K) of PVF Capital for the year ended June 30, 2012 have been audited by Crowe Horwath LLP, independent registered public accounting firm, as set forth in its report thereon, which is included in this proxy statement/prospectus in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

**OTHER MATTERS**

As of the date of this proxy statement/prospectus, neither F.N.B. nor we know of any matter that a shareholder will present for consideration at our special meeting other than approval of the merger agreement, approval on an advisory (non-binding) basis of the golden parachute compensation payable to our named executive officers in connection with the merger and approval of the adjournment proposal. However, if any other matter properly comes before our special meeting or any adjournment or postponement of our special meeting, we will deem all executed proxy cards we receive as conferring discretionary authority on the individuals named as proxies in such proxy cards to vote the shares represented by such proxy cards as to any such matters. The proxies will vote such shares in accordance with their judgment.

We have not authorized any person to give any information or make any representation other than those F.N.B. or we have included in this proxy statement/prospectus or that F.N.B. or we have incorporated by reference in this proxy statement/prospectus, and, if given or made, you should not rely upon such information or representation as having been authorized by F.N.B. or us.

This proxy statement/prospectus does not constitute an offer to exchange or sell, or a solicitation of an offer to exchange or purchase, the F.N.B. common stock this proxy statement/prospectus offers, nor does it constitute the solicitation of a proxy in any jurisdiction in which F.N.B. or we are not authorized to make such offer or solicitation or to or from any person to whom it is unlawful to make such offer or solicitation.

The information contained in this proxy statement/prospectus speaks as of the date of this proxy statement/prospectus unless we specifically indicate otherwise. The delivery of this proxy statement/prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of F.N.B. or us since the date of this proxy statement/prospectus or that the information in this proxy statement/prospectus or in the documents F.N.B. or we incorporate by reference in this proxy statement/prospectus is correct at any time subsequent to the date of such information.

Table of Contents

This proxy statement/prospectus does not cover any resales of the F.N.B. common stock issued as common stock consideration pursuant to this proxy statement/prospectus by any shareholder deemed to be an affiliate of F.N.B. upon the consummation of the merger. F.N.B. has not authorized any person to make use of this proxy statement/prospectus in connection with any such resales.

**WHERE YOU CAN FIND MORE INFORMATION**

We and F.N.B. file reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any reports, statements or other information that F.N.B. or we have filed at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on the public reference room. F.N.B.'s and our SEC filings are also available to the public from commercial document retrieval services and at the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov).

F.N.B. maintains an Internet site that contains information about F.N.B. and its subsidiaries at [www.fnbcorporation.com](http://www.fnbcorporation.com). PVF Capital also maintains an Internet site that contains information about PVF Capital and its subsidiaries at [www.parkviewfederal.com](http://www.parkviewfederal.com). The reports and other information filed by F.N.B. and PVF Capital with the SEC are available through their respective Internet websites.

F.N.B. filed a registration statement on Form S-4 with the SEC under the Securities Act to register the shares of F.N.B. common stock issuable to our shareholders as consideration in the merger. This proxy statement/prospectus is a part of that registration statement and constitutes a prospectus of F.N.B. and our proxy statement for our special meeting. As SEC rules permit, this proxy statement/prospectus does not contain all of the information contained in the registration statement.

The SEC allows F.N.B. to incorporate information into this proxy statement/prospectus by reference. Incorporation by reference means that F.N.B. can disclose important information to you by referring you to another document that F.N.B. filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information that the information in this proxy statement/prospectus supersedes. This proxy statement/prospectus incorporates by reference the documents set forth below that F.N.B. previously filed with the SEC. Those documents contain important information about F.N.B.

F.N.B. hereby incorporates by reference into this proxy statement/prospectus the following documents that F.N.B. (SEC File No. 001-31940) previously filed with the SEC:

F.N.B.'s Annual Report on Form 10-K for the year ended December 31, 2012;

F.N.B.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013;

F.N.B.'s Current Reports on Form 8-K filed on January 23, 2013, January 24, 2013, February 1, 2013, February 19, 2013, February 20, 2013, February 26, 2013, February 27, 2013 (two filings), March 26, 2013, April 8, 2013, April 23, 2013, May 16, 2013, May 21, 2013, June 14, 2013 (two filings), June 19, 2013, July 11, 2013, July 23, 2013 and July 24, 2013 (in each case, except to the extent furnished but not filed); and

The description of F.N.B. common stock contained in its Registration Statement on Form 8-A, filed on December 16, 2003 pursuant to Section 12 of the Securities Exchange Act, as amended, and any amendment or report filed for the purpose of updating such description.

F.N.B. further incorporates by reference into this proxy statement/prospectus any additional documents that it files with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act between the date of this proxy statement/prospectus and the date on which the special meeting of the shareholders of PVF Capital is held (other than the portions of those documents not deemed to be filed). Those documents include periodic reports such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.



Table of Contents

If you would like to receive a copy of any of the documents incorporated in this proxy statement/prospectus by reference, please contact F.N.B. at its address or telephone number listed under the heading "Reference to Additional Information" in the forepart of this proxy statement/prospectus.

**OUR ANNUAL MEETING**

In light of the expected timing of completion of the merger, we have postponed our 2013 annual meeting of shareholders and expect to have an annual meeting only if the merger is not completed. Under the SEC's rules, holders of our common shares who wish to make a proposal to be included in our proxy statement for PVF Capital's 2013 annual meeting of shareholders (in the event it is held) must have caused such proposal to be received by us at our principal office not later than May 27, 2013, assuming our 2013 annual meeting is held on or before October 25, 2013. If we schedule an annual meeting after October 25, 2013, we will provide notice of the date fixed for the annual meeting, as well as the deadline for submitting shareholder proposals for such meeting and for having such shareholder proposals included in our proxy statement. If such proposal is in compliance with all of the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended, it will be included in the proxy statement and set forth on the form of proxy issued for such annual meeting of shareholders. It is urged that any such proposals be sent certified mail, return receipt requested.

In addition, PVF Capital's articles of incorporation establish an advance notice procedure with regard to director nominations and other business proposals by shareholders intended to be presented to our 2013 annual meeting but not included in our 2013 annual meeting proxy materials. For business proposals to be properly brought before the 2013 annual meeting by a shareholder, assuming the 2013 annual meeting is held, the shareholder must comply with Article Ninth of PVF Capital's articles of incorporation. Notice of the proposal must also be given in writing and delivered to, or mailed and received at, PVF Capital's principal executive offices at least 30 days but not more than 60 days prior to the date of the annual meeting. The notice must include the information required by Article Ninth of PVF Capital's articles of incorporation. Written notice of a shareholder nomination generally must be communicated to the attention of the Secretary of PVF Capital at least 30 days but not more than 60 days prior to the date of the annual meeting. Each written notice of a shareholder nomination is required to set forth certain information specified in Article Ninth of PVF Capital's articles of incorporation. Such nominations and other business proposals must comply with all requirements set forth in the PVF Capital articles of incorporation.

Table of Contents

**PVF CAPITAL CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2013 AND JUNE 30, 2012**

	<b>Page</b>
<b>Quarterly Financial Information</b>	
<u>Consolidated Statements of Financial Condition, March 31, 2013 (unaudited) and June 30, 2012</u>	<u>F-2</u>
<u>Consolidated Statements of Operations for the three and nine months ended March 31, 2013 (unaudited)</u>	<u>F-3</u>
<u>Consolidated Statements of Comprehensive Income for the three and nine months ended March 31, 2013 (unaudited)</u>	<u>F-4</u>
<u>Consolidated Statements of Cash Flows for the three and nine months ended March 31, 2013 (unaudited)</u>	<u>F-5</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>F-6</u>
<b>Year-End Financial Information</b>	
<u>Report of Independent Registered Public Accounting Firm</u>	<u>F-44</u>
<u>Consolidated Statements of Financial Condition, at June 30, 2012 and 2011</u>	<u>F-45</u>
<u>Consolidated Statements of Operations for the Years Ended June 30, 2012, 2011 and 2010</u>	<u>F-46</u>
<u>Consolidated Statements of Comprehensive Income for the Years Ended June 30, 2012, 2011 and 2010</u>	<u>F-47</u>
<u>Consolidated Statements of Change In Stockholders' Equity for the Years Ended June 30, 2012, 2011 and 2010</u>	<u>F-48</u>
<u>Consolidated Statements of Cash Flows for the Years Ended June 30, 2012, 2011 and 2010</u>	<u>F-49</u>
<u>Notes to Consolidated Financial Statements</u>	<u>F-50</u>

F-1

---

Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION****(Unaudited)**

	<b>March 31, 2013</b>	<b>June 30, 2012</b>
<b>ASSETS</b>		
Cash and amounts due from financial institutions	\$ 19,869,055	\$ 5,840,608
Interest-bearing deposits	80,125,268	114,269,532
Total cash and cash equivalents	99,994,323	120,110,140
Securities available for sale	41,419,405	38,658,044
Loans receivable held for sale, net	9,348,387	25,062,786
Loans receivable, net of allowance of \$14,920,232 and \$16,052,865	547,216,456	541,627,515
Office properties and equipment, net	7,139,173	7,237,165
Real estate owned, net	7,251,163	7,733,578
Federal Home Loan Bank stock	12,811,100	12,811,100
Bank-owned life insurance	23,768,643	23,648,663
Prepaid expenses and other assets	11,507,473	14,560,882
Total assets	\$ 760,456,123	\$ 791,449,873
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Non-interest-bearing deposits	\$ 64,085,166	\$ 51,786,588
Interest-bearing deposits	557,082,044	604,192,552
Total deposits	621,167,210	655,979,140
Note payable	966,112	1,046,111
Long-term advances from the Federal Home Loan Bank	35,000,000	35,000,000
Advances from borrowers for taxes and insurance	8,349,129	4,469,292
Accrued expenses and other liabilities	17,636,636	24,824,454
Total liabilities	683,119,087	721,318,997
<b>Stockholders' equity</b>		
Serial preferred stock, \$0.01 par value, 1,000,000 shares authorized; none issued		
Common stock, \$0.01 par value, 65,000,000 shares authorized; 26,521,567 and 26,217,796 shares issued	265,527	262,178
Additional paid-in capital	101,722,000	100,897,561
Retained earnings (accumulated deficit)	(20,893,709)	(26,719,600)
Accumulated other comprehensive income (loss)	80,365	(472,116)
Treasury stock at cost, 472,725 shares	(3,837,147)	(3,837,147)
Total stockholders' equity	77,337,036	70,130,876
Total liabilities and stockholders' equity	\$ 760,456,123	\$ 791,449,873

See Notes to the Consolidated Financial Statements

Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three months ended March 31,		Nine months ended March 31,	
	2013	2012 (Revised)	2013	2012 (Revised)
<b>Interest and dividends income</b>				
Loans	\$ 6,522,409	\$ 6,884,277	\$ 20,176,903	\$ 20,984,085
Mortgage-backed securities	61,278	95,138	191,024	210,777
Federal Home Loan Bank stock dividends	136,862	145,309	425,199	402,233
Securities	120,894	146,456	387,304	184,798
Federal funds sold and interest-bearing deposits	51,168	73,700	184,091	254,586
<b>Total interest and dividends income</b>	<b>6,892,611</b>	<b>7,344,880</b>	<b>21,364,521</b>	<b>22,036,479</b>
<b>Interest expense</b>				
Deposits	1,012,425	1,592,190	3,508,571	5,324,370
Long-term borrowings	265,017	268,267	806,167	812,887
<b>Total interest expense</b>	<b>1,277,442</b>	<b>1,860,457</b>	<b>4,314,738</b>	<b>6,137,257</b>
<b>Net interest income</b>	<b>5,615,169</b>	<b>5,484,423</b>	<b>17,049,783</b>	<b>15,899,222</b>
Provision for loan losses		2,016,000	2,050,000	5,482,000
<b>Net interest income after provision for loan losses</b>	<b>5,615,169</b>	<b>3,468,423</b>	<b>14,999,783</b>	<b>10,417,222</b>
<b>Non-interest income</b>				
Service charges and other fees	237,436	238,403	888,591	623,081
Mortgage banking activities, net	2,464,702	3,332,547	9,355,545	6,149,734
Gain on sale of SBA loans	556,326		552,640	221,218
Increase in cash surrender value of bank-owned life insurance	35,088	54,928	119,980	173,915
Loss on real estate owned	(65,662)	(209,813)	(182,703)	(453,770)
Provision for real estate owned losses	(540,415)	(401,580)	(993,876)	(1,276,403)
Other, net	223,860	260,603	667,798	634,573
<b>Total non-interest income</b>	<b>2,911,335</b>	<b>3,275,088</b>	<b>10,407,975</b>	<b>6,072,348</b>
<b>Non-interest expense</b>				
Compensation and benefits	3,277,109	2,854,357	9,633,127	8,481,444
Office occupancy and equipment	538,052	607,606	1,676,009	1,770,900
FDIC insurance	239,639	440,182	874,116	1,295,613
Professional and legal	259,107	60,000	620,000	305,000
Outside services	892,755	736,031	2,261,646	1,849,102
Maintenance contracts	87,373	221,825	437,526	640,682
Franchise tax	212,950	224,145	606,364	675,000
Real estate owned and collection expense	435,629	573,306	1,284,263	1,970,677
Merger-related expense	275,861		275,861	
Other	472,502	800,731	1,782,955	2,066,964
<b>Total non-interest expense</b>	<b>6,690,977</b>	<b>6,518,183</b>	<b>19,451,867</b>	<b>19,055,382</b>
<b>Income (loss) before federal income taxes</b>	<b>1,835,527</b>	<b>225,328</b>	<b>5,955,891</b>	<b>(2,565,812)</b>

Edgar Filing: FNB CORP/FL/ - Form 424B3

Federal income tax provision (benefit)	73,000		130,000	(25,178)
Net income (loss)	\$ 1,762,527	\$ 225,328	\$ 5,825,891	\$ (2,540,634)
Basic earnings (loss) per share	\$ 0.07	\$ 0.01	\$ 0.22	\$ (0.10)
Diluted earnings (loss) per share	\$ 0.07	\$ 0.01	\$ 0.22	\$ (0.10)
Dividend declared per common share	\$	\$	\$	\$

See Notes to the Consolidated Financial Statements

F-3

---

Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(Unaudited)**

	Three months ended March 31,		Nine months ended March 31,	
	2013	2012 (Revised)	2013	2012 (Revised)
Net income (loss)	\$ 1,762,527	\$ 225,328	\$ 5,825,891	\$ (2,540,634)
Other comprehensive income, net of tax				
Unrealized holding gains on available for sale securities	154,537	278,999	552,481	373,904
Reclassification adjustment for gains included in net income				
Tax effect				
Total other comprehensive income	154,537	278,999	552,481	373,904
Total comprehensive income (loss)	\$ 1,917,064	\$ 504,327	\$ 6,378,372	\$ (2,166,730)

See Notes to the Consolidated Financial Statements

F-4

Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	<b>Nine months ended March 31,</b>	
	<b>2013</b>	<b>Revised 2012</b>
<b>Operating activities:</b>		
Net income (loss)	\$ 5,825,891	\$ (2,540,634)
Adjustments to reconcile net income (loss) to net cash flow from operating activities		
Amortization of premium available for sale securities	50,405	61,120
Depreciation and amortization	521,845	534,499
Provision for loan losses	2,050,000	5,482,000
Gain on the sale of loans receivable held for sale	(11,409,934)	(6,712,912)
Gain on the sale of SBA loans	(552,640)	(221,218)
Provision for real estate owned losses	993,876	1,276,403
Deferral of loan origination fees, net	(130,045)	(370,876)
Loss on disposal of real estate owned, net	182,703	453,770
Market adjustment for loans held for sale	460,649	(215,785)
Change in fair value of mortgage banking derivatives	108,122	(877,137)
Stock compensation	599,792	269,333
Proceeds from loans receivable held for sale	344,494,353	258,407,978
Origination of loans receivable held for sale, net	(320,650,658)	(260,989,856)
Increase in cash surrender value of bank-owned life insurance	(119,980)	(173,915)
Net change in other assets and other liabilities	(1,154,510)	14,173,643
<b>Net cash from (used in) operating activities</b>	<b>21,269,869</b>	<b>8,556,413</b>
<b>Investing activities:</b>		
Loan repayments and originations, net	(10,703,517)	(12,680,504)
Principal repayments on securities available for sale	4,940,124	2,266,125
Calls of securities available for sale	7,750,000	8,950,000
Purchase of securities available for sale	(14,664,800)	(37,676,427)
Additions to office properties and equipment, net	(423,853)	(372,197)
Proceeds from sale of real estate owned	2,500,456	4,899,309
<b>Net cash from (used in) investing activities</b>	<b>(10,601,590)</b>	<b>(34,613,694)</b>
<b>Financing activities:</b>		
Net increase in demand deposits, NOW and passbook savings	26,499,333	84,621,972
Net decrease in time deposits	(61,311,262)	(69,995,389)
Repayment of note payable	(80,000)	(80,000)
Net increase (decrease) in advances from borrowers for taxes and insurance	3,879,837	(3,284,566)
Proceeds from the issuance of common shares	227,996	
<b>Net cash from (used in) financing activities</b>	<b>(30,784,096)</b>	<b>11,262,017</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(20,115,817)</b>	<b>(14,795,264)</b>
Cash and cash equivalents at beginning of period	120,110,140	149,291,405
<b>Cash and cash equivalents at end of period</b>	<b>\$ 99,994,323</b>	<b>\$ 134,496,141</b>
<b>Supplemental disclosures of cash flow information:</b>		
Cash payments of interest	\$ 4,313,143	\$ 6,132,279

Edgar Filing: FNB CORP/FL/ - Form 424B3

Cash payments of income taxes	\$	165,000	\$	
Supplemental noncash investing activity:				
Transfer of loans to real estate owned	\$	3,194,620	\$	8,208,748

See Notes to the Consolidated Financial Statements

F-5

---



Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Nine Months Ended March 31, 2013 and 2012**

**(Unaudited)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS**

The accounting and reporting policies of PVF Capital Corp. (the "Company") conform to U.S. generally accepted accounting principles ("U.S. GAAP") and general industry practice. The Company's principal subsidiary, Park View Federal Savings Bank (the "Bank") is primarily engaged in the business of offering deposits through the issuance of savings accounts, money market accounts, and certificates of deposit and lending funds primarily for the purchase, construction, and improvement of real estate in Cuyahoga, Summit, Geauga, Lake, Medina, Lorain and Portage Counties, Ohio. The deposit accounts of the Bank are insured up to applicable limits by the Federal Deposit Insurance Corporation (the "FDIC"). The following is a description of the significant policies which the Company follows in preparing and presenting its consolidated financial statements.

**Basis of Presentation:** The accompanying Unaudited Consolidated Financial Statements of the Company have been prepared in accordance with U.S. GAAP for interim financial information and the instructions for Form #10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not contain all of the information and footnotes required by U.S. GAAP for annual financial statements and should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2012. These consolidated financial statements are prepared without audit and reflect all adjustments that, in the opinion of management, are necessary to present fairly the financial position of the Company at March 31, 2013, and its results of operations and cash flows for the periods presented. All such adjustments are normal and recurring in nature. The accounting principles used to prepare the consolidated financial statements are in compliance with U.S. GAAP. However, the financial statements were prepared in accordance with the instructions of Form 10-Q and, therefore, do not purport to contain all necessary financial and note disclosures required by U.S. GAAP.

**Principles of Consolidation:** The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, the Bank, PVF Service Corporation ("PVFSC"), Mid Pines Land Company, PVF Holdings, Inc., PVF Mortgage Corp. and PVF Community Development Corp. PVFSC owns certain premises and leases them to the Bank. Mid Pines Land Company, PVF Holdings, Inc., PVF Mortgage Corp. and PVF Community Development Corp. did not have any significant assets or activity as of or for the periods presented. All significant intercompany transactions and balances are eliminated in consolidation.

PVFSC and the Bank have entered into various nonconsolidated joint ventures that own real estate, including properties leased to the Bank. The Bank has created various limited liability companies that have taken title to property acquired through or in lieu of foreclosure.

**Use of Estimates:** The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The allowance for loan losses, valuation of mortgage servicing rights, fair value of mortgage banking derivatives, valuation of loans held for sale, fair value of securities, valuation of other real estate owned, and the realizability of deferred tax assets are particularly susceptible to change.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**For the Nine Months Ended March 31, 2013 and 2012**

**(Unaudited)**

**NOTE 2 ADJUSTMENT FOR FREDDIE MAC INTEREST**

During the quarter ended December 31, 2012, the Company identified that it was not making appropriate adjustments with respect to interest on residential mortgage loans originated and sold into the secondary market. In these mortgage sales, interest was advanced by Freddie Mac for the period from the first day of the month until the date of settlement with Freddie Mac to ensure a whole payment was subsequently remitted by the Company to Freddie Mac. Such amounts should have been reversed monthly from interest income and included in the liability account of funds due to Freddie Mac. It was determined that the adjustments to reverse interest income were not made beginning in August 2011.

The Company is applying relevant guidance from the SEC Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements ("SAB 108") to assess the materiality of the interest income adjustments described above. It was determined, based upon the assessment, that the adjustments were immaterial to the previously reported amounts contained in the Company's prior periodic filings. Although the interest income adjustments were immaterial to prior periods, recording the cumulative impact of the out-of period correction in the second quarter of 2013 would have been material. Therefore the Company applied the guidance for accounting for changes and error corrections and revised the prior period financial statements presented per SAB 108.

The guidance also requires the adjustment of any prior quarterly financial statements within the fiscal year of adoption for the effects of such errors on the quarters when the information is next presented. The Company is therefore revising the previously reported financial information for the quarter ended March 31, 2012 as well as the nine months ended March 31, 2012. The adjustments for both the quarter ended March 31, 2012 and the nine months ended March 31, 2012 is a decrease to interest income of \$0.4 million and an increase in accrued expenses and other liabilities for the same amount. These adjustments do not require previously filed reports with the SEC to be amended. The Company intends to continue to revise the previously reported consolidated financial statements for certain comparative quarterly and annual periods through subsequent filings. The Company considers these adjustments to be immaterial to prior periods.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 2 ADJUSTMENT FOR FREDDIE MAC INTEREST (Continued)**

The applicable effect on the prior year balance sheet and statement of operations related to the adjustment for interest income on residential loans is as follows:

	<b>June 30, 2012</b>	<b>March 31, 2012</b>
<b>Balance Sheet:</b>		
Accrued expenses and other liabilities as previously reported	\$ 24,224,709	\$ 25,504,793
Adjustment for interest income on residential loans sold	599,745	383,144
Accrued expenses and other liabilities as adjusted	\$ 24,824,454	\$ 25,887,937
Retained earnings as previously reported	\$ (26,119,855)	\$ (26,946,269)
Net impact of adjustment for interest income on residential loans sold	(599,745)	(383,144)
Retained earnings (accumulated deficit) as adjusted	\$ (26,719,600)	\$ (27,329,413)
Total stockholders' equity as previously reported	\$ 70,730,621	\$ 69,767,727
Net impact of adjustment for interest income on residential loans sold	(599,745)	(383,144)
Total stockholders' equity as adjusted	\$ 70,130,876	\$ 69,384,583

F-8

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 2 ADJUSTMENT FOR FREDDIE MAC INTEREST (Continued)**

	<b>For the year ended June 30, 2012</b>	<b>For the quarter ended March 31, 2012</b>	<b>For the nine months ended March 31, 2012</b>
<b>Statement of Operations:</b>			
Interest and dividends income on loans as previously reported	\$ 28,382,546	\$ 7,079,214	\$ 21,367,228
Adjustment for interest income on residential loans sold	(599,745)	(194,937)	(383,144)
Interest and dividends income on loans as adjusted	\$ 27,782,801	\$ 6,884,277	\$ 20,984,084
Total interest and dividends income	\$ 29,847,913	\$ 7,539,817	\$ 22,419,622
Adjustment for interest income on residential loans sold	(599,745)	(194,937)	(383,144)
Total interest and dividends income as adjusted	\$ 29,248,168	\$ 7,344,880	\$ 22,036,478
Net interest income as previously reported	\$ 21,973,522	\$ 5,679,360	\$ 16,282,365
Adjustment for interest income on residential loans sold	(599,745)	(194,937)	(383,144)
Net interest income as adjusted	\$ 21,373,777	\$ 5,484,423	\$ 15,899,221
Net interest income after provision for loan losses as previously reported	\$ 14,991,522	\$ 3,663,360	\$ 10,800,365
Adjustment for interest income on residential loans sold	(599,745)	(194,937)	(383,144)
Net interest income as adjusted	\$ 14,391,777	\$ 3,468,423	\$ 10,417,221
Income (loss) before federal income taxes as previously reported	\$ (1,550,076)	\$ 420,265	\$ (2,182,669)
Adjustment for interest income on residential loans sold	(599,745)	(194,937)	(383,144)
Income (loss) before federal income taxes as adjusted	\$ (2,149,821)	\$ 225,328	\$ (2,565,813)
Net income (loss) as previously reported	\$ (1,331,077)	\$ 420,265	\$ (2,157,491)
Adjustment for interest income on residential loans sold	(599,745)	(194,937)	(383,144)
Net income (loss) as adjusted	\$ (1,930,822)	\$ 225,328	\$ (2,540,635)
Basic earnings (loss) per share as previously reported	\$ (0.05)	\$ 0.02	\$ (0.08)
Adjustment for interest income on residential loans sold	(0.03)	(0.01)	(0.02)
Basic earnings (loss) per share as adjusted	\$ (0.08)	\$ 0.01	\$ (0.10)

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 3 AGREEMENT AND PLAN OF MERGER**

On February 19, 2013, the Company and F.N.B. Corporation ("FNB") the parent company of First National Bank of Pennsylvania ("FNB Bank"), entered into an Agreement and Plan of Merger ("Merger Agreement") pursuant to which the Company will merge with and into FNB. Promptly following consummation of the merger, it is expected that the Bank will merge with and into FNB Bank.

Under the terms of the Merger Agreement, the Company's shareholders will receive 0.3405 shares (the "Exchange Ratio") of FNB common stock for each share of the Company's common stock they own. In addition, all unexercised warrants remaining at the time of closing will be settled in cash based on the average closing price of FNB's common shares for a specific 20 day trading period. The Merger Agreement also provides that all options to purchase the Company's stock which are outstanding and unexercised immediately prior to the closing shall be converted into fully vested and exercisable options to purchase shares of FNB common stock, based upon the Exchange Ratio.

Consummation of the merger is subject to certain conditions, including, among others, approval of the merger by the Company's common stockholders, governmental filings and regulatory approvals and expiration of applicable waiting periods, accuracy of specified representations and warranties of the other party, effectiveness of the registration statement to be filed by FNB with the SEC to register shares of FNB common stock to be offered to the Company's stockholders, absence of a material adverse effect, recipient of tax opinions and the absence of any injunctions or other legal restraints.

Further information concerning the proposed merger will be included in a joint proxy statement/prospectus which will be filed the SEC in connection with the merger.

**NOTE 4 SECURITIES**

As of March 31, 2013 and June 30, 2012, respectively, the amortized cost and fair value of securities available for sale and the related gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) were as follows:

	<b>March 31, 2013</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
Trust preferred securities	19,281,892	1,174,327	(22,616)	20,433,603
Mortgage-backed GSE securities	20,700,442	298,980	(13,620)	20,985,802
<b>Total</b>	<b>\$ 39,982,334</b>	<b>\$ 1,473,307</b>	<b>\$ (36,236)</b>	<b>\$ 41,419,405</b>

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 4 SECURITIES (Continued)**

	Amortized Cost	June 30, 2012		Fair Value
		Gross Unrealized Gains	Gross Unrealized Losses	
FNMA structured notes	\$ 2,000,000	\$ 9,320	\$	\$ 2,009,320
Trust preferred securities	20,964,197	344,230	(46,665)	21,261,762
Mortgage-backed GSE securities	15,093,864	293,098		15,386,962
Total	\$ 38,058,061	\$ 646,648	\$ (46,665)	\$ 38,658,044

Management performs a quarterly evaluation of investment securities for other-than-temporary impairment. At March 31, 2013 and June 30, 2012, respectively, the gross unrealized losses were in a loss position for less than twelve months on all but the trust preferred securities. The unrealized losses in trust preferred securities relate primarily to the changes in market interest rates and spreads since the securities were purchased. Management does not believe that any of these losses at March 31, 2013 or June 30, 2012 represent an other-than-temporary impairment. Should the impairment of any of these securities become other-than-temporary, the cost basis of the investment will be reduced and the resulting loss recognized within net income in the period the other-than-temporary impairment is identified.

The amortized cost and fair value of securities available-for-sale, by contractual maturity, are shown below:

	March 31, 2013	
	Amortized Cost	Fair Value
One to five years	\$ 981,515	\$ 981,880
Five to ten years	5,024,678	5,127,351
Greater than 10 years	13,275,699	14,324,372
Mortgage-backed GSE securities	20,700,442	20,985,802
Total	\$ 39,982,334	\$ 41,419,405

These mortgage-backed securities are backed by residential mortgage loans and do not mature on a single maturity date. Securities pledged as collateral for contingent funding at the Federal Home Loan Bank of Cincinnati were approximately \$11.8 million.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE**

Loans receivable at March 31, 2013 and June 30, 2012 consisted of the following:

	March 31, 2013	June 30, 2012
<b>One-to-Four Family Loans:</b>		
1-4 Family Owner Occupied	\$ 62,119,051	\$ 58,743,933
1-4 Family Non-Owner Occupied	30,129,375	34,368,320
1-4 Family Second Mortgage	27,437,987	29,202,145
Home Equity Lines of Credit	61,096,505	65,908,899
Home Equity Investment Lines of Credit	3,886,892	5,645,851
<b>One-to-Four Family Construction Loans:</b>		
1-4 Family Construction	3,228,941	514,052
1-4 Family Construction Models/Speculative	640,938	1,608,137
<b>Multi-Family Loans:</b>		
Multi-Family	58,285,309	53,959,459
Multi-Family Second Mortgage	63,272	145,642
Multi-Family Construction	1,566,349	5,375,000
<b>Commercial Real Estate Loans:</b>		
Commercial	199,551,737	198,287,457
Commercial Second Mortgage	4,582,916	5,750,283
Commercial Lines of Credit	26,409,070	22,335,619
Commercial Construction	10,018,229	7,732,736
<b>Commercial and Industrial Loans</b>		
	51,509,793	35,443,184
<b>Land Loans:</b>		
Lot Loans	7,525,661	12,091,093
Acquisition and Development Loans	14,049,562	19,093,006
<b>Consumer Loans</b>		
	651,609	2,112,708
Total loans receivable	562,753,196	558,317,524
Net deferred loan origination fees	(616,508)	(637,144)
Allowance for loan losses	(14,920,232)	(16,052,865)
Total loans receivable, net	\$ 547,216,456	\$ 541,627,515

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

The following table presents activity in the allowance for loan losses by portfolio segment for the three months ended March 31, 2013:

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Beginning balance at December 31, 2012	\$ 5,317,890	\$ 324,143	\$ 1,653,155	\$ 5,331,524	\$ 1,086,132	\$ 1,416,605	\$ 10,809	\$ 15,140,258
Provision for loan losses	(309,323)	505,486	(238,170)	177,990	423,095	(549,199)	(9,879)	
Charge-offs	(295,612)	(58,692)		(200,142)		(68,814)		(623,260)
Recoveries	376,185		11,389	4,176	1,998	9,486		403,234
Ending balance at March 31, 2013	\$ 5,089,140	\$ 770,937	\$ 1,426,374	\$ 5,313,548	\$ 1,511,225	\$ 808,078	\$ 930	\$ 14,920,232

The following table presents activity in the allowance for loan losses by portfolio segment for the nine months ended March 31, 2013:

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Beginning balance at June 30, 2012	\$ 5,765,276	\$ 305,312	\$ 1,903,138	\$ 5,084,179	\$ 928,043	\$ 2,057,301	\$ 9,616	\$ 16,052,865
Provision for loan losses	1,367,501	560,276	117,211	626,011	615,216	(1,240,287)	4,072	2,050,000
Charge-offs	(2,472,683)	(104,651)	(605,364)	(476,167)	(40,936)	(88,892)	(13,000)	(3,801,693)
Recoveries	429,046	10,000	11,389	79,525	8,902	79,956	242	619,060
Ending balance at March 31, 2013	\$ 5,089,140	\$ 770,937	\$ 1,426,374	\$ 5,313,548	\$ 1,511,225	\$ 808,078	\$ 930	\$ 14,920,232

The following table presents activity in the allowance for loan losses by portfolio segment for the three months ended March 31, 2012:

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Beginning balance at December 31, 2011	\$ 5,904,130	\$ 530,508	\$ 1,240,126	\$ 5,511,013	\$ 1,560,023	\$ 2,373,755	\$ 395,600	\$ 17,515,155
Provision for loan losses	1,056,747	(4,424)	165,112	(512,507)	(914,177)	2,377,974	(152,725)	2,016,000
Charge-offs	(1,594,690)	(123,687)		(780,211)	(3,088)	(425,076)		(2,926,752)
Recoveries	44,771			16,328	238,209	10,000		309,308
Ending balance at March 31, 2012	\$ 5,410,958	\$ 402,397	\$ 1,405,238	\$ 4,234,623	\$ 880,967	\$ 4,336,653	\$ 242,875	\$ 16,913,711



[Table of Contents](#)**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

The following table presents activity in the allowance for loan losses by portfolio segment for the nine months ended March 31, 2012:

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Beginning balance at June 30, 2011	\$ 8,841,454	\$ 1,266,740	\$ 1,767,336	\$ 8,458,942	\$ 1,663,894	\$ 7,891,305	\$ 107,222	\$ 29,996,893
Provision for loan losses	2,807,565	217,262	243,392	(315,396)	(533,952)	2,927,476	135,653	5,482,000
Charge-offs	(6,323,123)	(1,081,605)	(605,490)	(4,030,222)	(540,870)	(6,549,479)		(19,130,789)
Recoveries	85,062			121,299	291,895	67,351		565,607
Ending balance at March 31, 2012	\$ 5,410,958	\$ 402,397	\$ 1,405,238	\$ 4,234,623	\$ 880,967	\$ 4,336,653	\$ 242,875	\$ 16,913,711

The following table presents the allowance for loan losses and the recorded investment in loans by portfolio segment and based on the impairment method as of March 31, 2013. The recorded investment in loans includes the unpaid principal balance and unamortized loan origination fees, but excludes accrued interest receivable which is not considered to be material.

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Allowance for loan losses								
Ending allowance balance attributable to loans								
Individually evaluated for impairment	\$ 48,267	\$ 101,716	\$	\$ 98,725	\$ 300,860	\$ 252,000	\$	\$ 801,568
Collectively evaluated for impairment	5,040,873	669,221	1,426,374	5,214,823	1,210,365	556,078	930	14,118,664
Total ending allowance balance	\$ 5,089,140	\$ 770,937	\$ 1,426,374	\$ 5,313,548	\$ 1,511,225	\$ 808,078	\$ 930	\$ 14,920,232
Loans								
Loans individually evaluated for impairment	\$ 11,171,637	\$ 636,734	\$ 777,825	\$ 10,629,961	\$ 472,590	\$ 5,386,292	\$	\$ 29,075,039
Loans collectively evaluated for impairment	\$ 173,295,863	\$ 3,228,906	\$ 59,071,467	\$ 229,668,450	\$ 50,980,773	\$ 16,165,295	\$ 650,895	\$ 533,061,649
Total ending loans balance	\$ 184,467,500	\$ 3,865,640	\$ 59,849,292	\$ 240,298,411	\$ 51,453,363	\$ 21,551,587	\$ 650,895	\$ 562,136,688

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

The following table presents the allowance for loan losses and the recorded investment in loans by portfolio segment and based on the impairment method as of June 30, 2012. The recorded investment in loans includes the unpaid principal balance and unamortized loan origination fees, but excludes accrued interest receivable which is not considered to be material.

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Allowance for loan losses								
Ending allowance balance attributable to loans								
Individually evaluated for impairment	\$ 665,033	\$ 101,716	\$	\$ 98,725	\$ 300,860	\$ 252,000	\$	\$ 1,418,334
Collectively evaluated for impairment	5,100,243	203,596	1,903,138	4,985,454	627,183	1,805,301	9,616	14,634,531
Total ending allowance balance	\$ 5,765,276	\$ 305,312	\$ 1,903,138	\$ 5,084,179	\$ 928,043	\$ 2,057,301	\$ 9,616	\$ 16,052,865
Loans								
Loans individually evaluated for impairment	\$ 13,243,350	\$ 880,749	\$ 622,228	\$ 11,902,730	\$ 740,297	\$ 7,189,109	\$	\$ 34,578,463
Loans collectively evaluated for impairment	180,404,558	1,239,018	58,789,996	221,936,205	34,662,439	23,959,404	2,110,297	523,101,917
Total ending loans balance	\$ 193,647,908	\$ 2,119,767	\$ 59,412,224	\$ 233,838,935	\$ 35,402,736	\$ 31,148,513	\$ 2,110,297	\$ 557,680,380

Table of Contents

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

The following table presents loans individually evaluated for impairment by class of loan as of March 31, 2013 and the average recorded investment and interest income recognized by class for the nine months ended March 31, 2013:

	March 31, 2013			Three months ended March 31, 2013			Nine months ended March 31, 2013		
	Unpaid Principal Balance(1)	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Recognized	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Recognized
With no related allowance recorded									
<b>One-to-Four Family Loans:</b>									
1-4 Family Owner Occupied									
	\$ 6,139,539	\$ 5,415,419	\$	\$ 5,375,297	\$ 17,734	\$ 17,734	\$ 5,374,309	\$ 59,529	\$ 59,529
1-4 Family Non-Owner Occupied									
	3,337,867	2,210,057		2,037,977	3,346	3,346	2,164,909	14,566	14,566
1-4 Family Second Mortgage									
	933,822	716,091		827,006	1,897	1,897	1,006,720	5,794	5,794
Home Equity Lines of Credit									
	2,519,720	2,157,360		2,137,567			1,964,249	2,616	2,616
Home Equity Investment Lines of Credit									
	508,328	331,810		333,664			245,303	375	375
<b>One-to-Four Family Construction Loans:</b>									
1-4 Family Construction Models/Speculative									
	121,505	115,943		211,406	3,079	3,079	271,486	22,743	22,743
<b>Multi-Family Loans:</b>									
Multi-Family									
	780,073	777,825		783,972			622,607		
<b>Commercial Real Estate Loans:</b>									
Commercial									
	7,435,182	7,148,478		7,456,062	43,428	43,428	8,359,503	144,363	144,363
Commercial Lines of Credit									
	1,579,652	1,481,868		1,530,508			1,072,689		
Commercial Construction									
	828,491	643,900		643,894			643,877	22,908	22,908
<b>Commercial and Industrial Loans</b>									
	528,149	172,059		186,689	36	36	263,271	133	133
<b>Land Loans:</b>									
Lot Loans									
	4,080,598	3,104,287		3,182,545	8,806	8,806	3,574,445	30,765	30,765
Acquisition and Development Loans									
	4,802,613	2,148,755		2,244,457	12,628	12,628	2,559,701	28,938	28,938
<b>Total with no related allowance recorded</b>									
	\$33,595,539	\$26,423,852	\$	\$26,951,044	\$ 90,954	\$ 90,954	\$28,123,069	\$ 332,730	\$ 332,730
With an allowance recorded									
<b>One-to-Four Family Loans:</b>									
1-4 Family Owner Occupied									
	\$ 226,619	\$ 226,371	\$ 39,981	\$ 227,729	\$ 1,283	\$ 1,283	\$ 229,682	\$ 3,105	\$ 3,105
1-4 Family Non-Owner Occupied									
	114,655	114,529	8,286	114,982	900	900	115,880	3,503	3,503

Edgar Filing: FNB CORP/FL/ - Form 424B3

1-4 Family Second Mortgage								123,337		
Home Equity Lines of Credit								464,376		
Home Equity Investment Lines of Credit								201,315		
<b>One-to-Four Family Construction Loans:</b>										
1-4 Family Construction	521,363	520,792	101,716	520,788	6,843	6,843	391,833	20,855	20,855	
1-4 Family Construction Models/Speculative								131,441		
<b>Commercial Real Estate Loans:</b>										
Commercial	1,357,202	1,355,715	98,725	1,355,705	17,981	17,981	1,355,676	55,711	55,711	
<b>Commercial and Industrial Loans</b>	300,860	300,530	300,860	300,528	3,891	3,891	300,522	11,789	11,789	
<b>Land Loans:</b>										
Lot Loans	133,396	133,250	252,000	133,623	2,008	2,008	134,359	6,059	6,059	
<b>Total with an allowance recorded</b>	\$ 2,654,095	\$ 2,651,187	\$ 801,568	\$ 2,653,355	\$ 32,906	\$ 32,906	\$ 3,448,421	\$ 101,022	\$ 101,022	
<b>Total loans evaluated for impairment</b>	\$ 36,249,634	\$ 29,075,039	\$ 801,568	\$ 29,604,399	\$ 123,860	\$ 123,860	\$ 31,571,490	\$ 433,752	\$ 433,752	

(1)

There are \$12.6 million of loans individually identified for impairment accruing interest.

\ [Table of Contents](#)

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

The following table presents loans individually evaluated for impairment by class of loans as of June 30, 2012:

	June 30, 2012		
	Unpaid Principal Balance(1)	Recorded Investment	Allowance for Loan Losses Allocated
With no related allowance recorded			
<b>One-to-Four Family Loans:</b>			
1-4 Family Owner Occupied	\$ 6,380,803	\$ 5,671,079	\$
1-4 Family Non-Owner Occupied	4,597,708	2,453,581	
1-4 Family Second Mortgage	1,455,914	1,230,284	
Home Equity Lines of Credit	1,834,685	1,832,595	
Home Equity Investment Lines of Credit	157,120	156,943	
<b>One-to-Four Family Construction Loans:</b>			
1-4 Family Construction			
1-4 Family Construction Models/Speculative	678,779	354,986	
<b>Multi-Family Loans:</b>			
Multi-Family	635,053	622,228	
Multi-Family Second Mortgage			
Multi-Family Construction			
<b>Commercial Real Estate Loans:</b>			
Commercial	10,902,253	9,286,679	
Commercial Second Mortgage			
Commercial Lines of Credit	617,240	616,536	
Commercial Construction	828,490	643,863	
<b>Commercial and Industrial Loans</b>	801,075	439,781	
<b>Land Loans:</b>			
Lot Loans	5,235,050	3,678,550	
Acquisition and Development Loans	5,986,575	3,375,100	
<b>Consumer Loans</b>			
<b>Total with no related allowance recorded</b>	<b>\$ 40,110,745</b>	<b>\$ 30,362,205</b>	<b>\$</b>
With an allowance recorded			
<b>One-to-Four Family Loans:</b>			
1-4 Family Owner Occupied	\$ 232,751	\$ 232,485	\$ 39,981
1-4 Family Non-Owner Occupied	117,360	117,226	8,286
1-4 Family Second Mortgage	247,293	247,011	14,685
Home Equity Lines of Credit	895,875	894,852	299,759
Home Equity Investment Lines of Credit	407,757	407,293	302,322
<b>One-to-Four Family Construction Loans:</b>			
1-4 Family Construction			
1-4 Family Construction Models/Speculative	526,363	525,762	101,716
<b>Multi-Family Loans:</b>			
Multi-Family			
Multi-Family Second Mortgage			
Multi-Family Construction			
<b>Commercial Real Estate Loans:</b>			
Commercial	1,357,202	1,355,653	98,725
Commercial Second Mortgage			
Commercial Lines of Credit			
Commercial Construction			

Edgar Filing: FNB CORP/FL/ - Form 424B3

<b>Commercial and Industrial Loans</b>	300,860	300,517	300,860
<b>Land Loans:</b>			
Lot Loans	135,614	135,459	252,000
Acquisition and Development Loans			
<b>Consumer Loans</b>			
<b>Total with an allowance recorded</b>	\$ 4,221,075	\$ 4,216,258	\$ 1,418,334
<b>Total loans evaluated for impairment</b>	\$ 44,331,820	\$ 34,578,463	\$ 1,418,334

---

(1) There are \$13.9 million of loans individually identified for impairment accruing interest.

[Table of Contents](#)

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

The following table presents loans individually evaluated for impairment by class of loan as of March 31, 2012 and the average recorded investment and interest income recognized by class for the nine months ended March 31, 2012:

	March 31, 2012			Three months ended March 31, 2012			Nine months ended March 31, 2012		
	Unpaid Principal Balance(1)	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Recognized	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Recognized
With no related allowance recorded									
<b>One-to-Four Family Loans:</b>									
1-4 Family Owner Occupied	\$ 6,679,205	\$ 5,867,587	0	\$ 4,994,570	\$	\$	\$ 5,800,153	\$ 80,206	\$ 80,206
1-4 Family Non-Owner Occupied	4,860,622	2,745,187	0	4,358,867	2,129	2,129	3,178,448	32,083	32,083
1-4 Family Second Mortgage	1,291,641	1,241,837	0	1,375,641	7,626	7,626	1,327,467	14,328	14,328
Home Equity Lines of Credit	1,822,833	1,820,596	0	1,375,225			1,121,372		
Home Equity Investment Lines of Credit	157,121	156,929	0	176,128			198,887		
<b>One-to-Four Family Construction Loans:</b>									
1-4 Family Construction	282,542	210,293	0	105,146			52,573	2,197	2,197
1-4 Family Construction Models/Speculative	926,542	439,050	0	684,261			430,507		
<b>Multi-Family Loans:</b>									
Multi-Family	1,006,573	636,509	0	637,704	21,239	21,239	931,248	21,239	21,239
<b>Commercial Real Estate Loans:</b>									
Commercial	7,933,276	7,127,059	0	7,739,436	105,706	105,706	7,291,011	132,425	132,425
Commercial Second Mortgage	137,105	65,746	0	99,530			335,025	1,660	1,660
Commercial Lines of Credit	1,778,456	1,776,273	0	3,210,192	24,457	24,457	2,984,380	24,457	24,457
Commercial Construction	828,491	643,791	0	643,689			506,536		
<b>Commercial and Industrial Loans</b>	1,319,446	962,480	0	3,174,153	249	249	2,615,647	249	249
<b>Land Loans:</b>									
Lot Loans	5,068,194	3,590,810	0	3,400,448	2,230	2,230	2,276,751	3,658	3,658
Acquisition and Development Loans	5,382,261	2,624,696	0	2,774,223	17,455	17,455	1,524,327	25,825	25,825
<b>Consumer Loans</b>			0						
<b>Total with no related allowance recorded</b>	<b>\$ 39,474,308</b>	<b>\$ 29,908,843</b>	<b>0</b>	<b>\$ 34,749,213</b>	<b>\$ 181,091</b>	<b>\$ 181,091</b>	<b>\$ 30,574,332</b>	<b>\$ 338,327</b>	<b>\$ 338,327</b>

With an allowance recorded

Edgar Filing: FNB CORP/FL/ - Form 424B3

<b>One-to-Four Family Loans:</b>										
1-4 Family Owner Occupied	\$ 247,293	\$ 246,990	\$ 14,685	\$ 123,495	\$ 3,297	\$ 3,297	\$ 640,788	\$ 4,016	\$ 4,016	
1-4 Family Non-Owner Occupied	118,243	118,098	8,286	118,518	4,082	4,082	2,433,254	8,933	8,933	
1-4 Family Second Mortgage							180,733			
Home Equity Lines of Credit	1,117,396	1,116,025	469,147	1,648,394			1,973,233			
Home Equity Investment Lines of Credit	537,903	537,242	414,197	564,533			454,845			
<b>One-to-Four Family Construction Loans:</b>										
1-4 Family Construction				262,859	21,029	21,029	131,429	21,029	21,029	
1-4 Family Construction Models/Speculative	526,363	525,718	101,716	262,794			1,550,474			
<b>Multi-Family Loans:</b>										
Multi-Family Mortgage							184,106			
<b>Commercial Real Estate Loans:</b>										
Commercial	4,112,297	4,107,250	170,784	2,354,692	95,788	95,788	5,607,978	140,285	140,285	
Commercial Second Mortgage							34,220			
Commercial Lines of Credit				97,709			48,854			
Commercial Construction					18,550	18,550	1,573,306			
<b>Commercial and Industrial Loans</b>										
	345,009	344,586	306,780	1,022,144			1,739,194	18,550	18,550	
<b>Land Loans:</b>										
Lot Loans	136,332	136,165	252,000	258,955			1,671,631			
Acquisition and Development Loans							4,913,195			
<b>Total with an allowance recorded</b>	<b>\$ 7,140,836</b>	<b>\$ 7,132,074</b>	<b>\$ 1,737,595</b>	<b>\$ 6,714,093</b>	<b>\$ 142,746</b>	<b>\$ 142,746</b>	<b>\$ 23,137,240</b>	<b>\$ 192,813</b>	<b>\$ 192,813</b>	
<b>Total loans evaluated for impairment</b>	<b>\$ 46,615,144</b>	<b>\$ 37,040,917</b>	<b>\$ 1,737,595</b>	<b>\$ 41,463,306</b>	<b>\$ 323,837</b>	<b>\$ 323,837</b>	<b>\$ 53,711,572</b>	<b>\$ 531,140</b>	<b>\$ 531,140</b>	

(1)

There are \$10.8 million of loans individually identified for impairment accruing interest.



Table of Contents

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

## Past Due and Non-Accrual Loans

The following table presents the recorded investment in non-accrual loans and loans past due over 90 days still on accrual by class of loan as of March 31, 2013 and June 30, 2012. Non-accrual loans and loans past due over 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

	March 31, 2013		June 30, 2012	
	Nonaccrual(1)	Loans Past Due Over 90 Days Still Accruing(2)	Nonaccrual(1)	Loans Past Due Over 90 Days Still Accruing(2)
<b>One-to-Four Family Loans:</b>				
1-4 Family Owner Occupied	\$ 2,880,407	\$	\$ 2,871,746	\$
1-4 Family Non-Owner Occupied	2,163,195		2,461,281	
1-4 Family Second Mortgage	440,707		566,444	
Home Equity Lines of Credit	2,157,753		2,727,447	
Home Equity Investment Lines of Credit	332,003		564,235	
<b>One-to-Four Family Construction Loans:</b>				
1-4 Family Construction				
1-4 Family Construction Models/Speculative	115,949		355,355	
<b>Multi-Family Loans:</b>				
Multi-Family	490,921		324,602	
Multi-Family Second Mortgage				
Multi-Family Construction				
<b>Commercial Real Estate Loans:</b>				
Commercial	2,755,014		3,310,170	
Commercial Second Mortgage				
Commercial Lines of Credit	1,481,974		616,537	
Commercial Construction	644,102		644,072	
<b>Commercial and Industrial Loans</b>	<b>170,846</b>		<b>437,729</b>	
<b>Land Loans:</b>				
Lot Loans	2,422,823		3,815,778	
Acquisition and Development Loans	969,470		1,380,199	
<b>Consumer Loans</b>				
Total	\$ 17,025,164	\$	\$ 20,075,595	\$

(1) Non-accrual status denotes loans which, in the opinion of management, the collection of additional interest is unlikely, or loans that meet the non-accrual criteria established with respect to regulatory authorities. Payments received on a non-accrual loan are either applied to the outstanding principal balance or recorded as interest income, depending on an assessment of the collectability of the principal balance of the loan.

(2)

Edgar Filing: FNB CORP/FL/ - Form 424B3

At March 31, 2013 and June 30, 2012, the Company had balances of approximately \$3.7 million and \$6.3 million, respectively, in loans that have matured and continue to make current payments. These loans are not considered past due as a result of their payment status being current.

Table of Contents

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

The following table presents the aging of the recorded investment in past due loans as of March 31, 2013 by class of loan. Performing loans are accruing loans less than 90 days past due. Nonperforming loans are all loans not accruing or greater than 90 days past due. At March 31, 2013, the Company had a balance of approximately \$3.7 million in loans that were contractually past maturity but were not considered past due as a result of the payment status being current.

	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Loans Not Past Due	Total
<b>Performing Loans</b>						
<b>One-to-Four Family Loans:</b>						
1-4 Family Owner Occupied	\$ 844,486	\$ 69,771	\$	\$ 914,257	\$ 58,256,334	\$ 59,170,591
1-4 Family Non-Owner Occupied	66,424	126,816		193,240	27,739,933	27,933,173
1-4 Family Second Mortgage		16,025		16,025	26,951,196	26,967,221
Home Equity Lines of Credit	1,207,701	8,705		1,216,406	57,655,412	58,871,818
Home Equity Investment Lines of Credit					3,550,631	3,550,631
<b>One-to-Four Family Construction Loans:</b>						
1-4 Family Construction					3,225,404	3,225,404
1-4 Family Construction Models/Speculative					524,287	524,287
<b>Multi-Family Loans:</b>						
Multi-Family					56,311,730	56,311,730
Multi-Family Second Mortgage					63,203	63,203
Multi-Family Construction					1,564,633	1,564,633
<b>Commercial Real Estate Loans:</b>						
Commercial					196,578,109	196,578,109
Commercial Second Mortgage		1,418,806		1,418,806	4,092,860	5,511,666
Commercial Lines of Credit		193,393		193,393	24,704,772	24,898,165
Commercial Construction					9,363,152	9,363,152
<b>Commercial and Industrial Loans</b>	1,072,931			1,072,931	50,209,586	51,282,517
<b>Land Loans:</b>						
Lot Loans	10,679			10,679	5,083,913	5,094,592
Acquisition and Development Loans	393,136	91,899		485,035	13,064,701	13,549,736
<b>Consumer Loans</b>					650,896	650,896
<b>Total Performing Loans</b>	<b>\$ 3,595,357</b>	<b>\$ 1,925,415</b>	<b>\$</b>	<b>\$ 5,520,772</b>	<b>\$ 539,590,752</b>	<b>\$ 545,111,524</b>
<b>Nonperforming Loans</b>						
<b>One-to-Four Family Loans:</b>						
1-4 Family Owner Occupied	\$ 119,459	\$	\$ 2,500,210	\$ 2,619,669	\$ 260,739	\$ 2,880,408
1-4 Family Non-Owner Occupied	137,975		1,296,681	1,434,656	728,539	2,163,195
1-4 Family Second Mortgage			391,749	391,749	48,957	440,706
Home Equity Lines of Credit	76,728		1,774,181	1,850,909	306,844	2,157,753
Home Equity Investment Lines of Credit			190,754	190,754	141,249	332,003
<b>One-to-Four Family Construction Loans:</b>						
1-4 Family Construction					115,949	115,949

Edgar Filing: FNB CORP/FL/ - Form 424B3

1-4 Family Construction Models/Speculative							
<b>Multi-Family Loans:</b>							
Multi-Family			490,921			490,921	
Multi-Family Second Mortgage							
Multi-Family Construction							
<b>Commercial Real Estate Loans:</b>							
Commercial		2,540,996	2,540,996	214,018		2,755,014	
Commercial Second Mortgage							
Commercial Lines of Credit	116,390		653,543	769,933	712,040	1,481,973	
Commercial Construction			644,102	644,102		644,102	
<b>Commercial and Industrial Loans</b>		170,846		170,846		170,846	
<b>Land Loans:</b>							
Lot Loans		2,075,437	2,075,437	347,387		2,422,824	
Acquisition and Development Loans		61,423	61,423	908,047		969,470	
<b>Consumer Loans</b>							
Total Nonperforming Loans	\$ 450,552	\$ 170,846	\$ 12,129,076	\$ 12,750,474	\$ 4,274,690	\$ 17,025,164	
Total Loans	\$ 4,045,909	\$ 2,096,261	\$ 12,129,076	\$ 18,271,246	\$ 543,865,442	\$ 562,136,688	

F-20

Table of Contents

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

The following table presents the aging of the recorded investment in past due loans as of June 30, 2012 by class of loan. Performing loans are accruing loans less than 90 days past due. Nonperforming loans are all loans not accruing. At June 30, 2012, the Company had a balance of approximately \$6.3 million in loans that were contractually past maturity but were not considered past due as a result of the payment status being current.

	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Loans Not Past Due	Total
<b>Performing Loans</b>						
<b>One-to-Four Family Loans:</b>						
1-4 Family Owner Occupied	\$ 584,430	\$	\$	\$ 584,430	\$ 55,220,719	\$ 55,805,149
1-4 Family Non-Owner Occupied	375,660	303,667		679,327	31,188,492	31,867,819
1-4 Family Second Mortgage	14,221			14,221	28,588,155	28,602,376
Home Equity Lines of Credit	114,558	23,230		137,788	62,968,449	63,106,237
Home Equity Investment Lines of Credit	200,657			200,657	4,874,516	5,075,173
<b>One-to-Four Family Construction Loans:</b>						
1-4 Family Construction		145,771		145,771	367,695	513,466
1-4 Family Construction Models/Speculative					1,250,946	1,250,946
<b>Multi-Family Loans:</b>						
Multi-Family					53,573,280	53,573,280
Multi-Family Second Mortgage					145,476	145,476
Multi-Family Construction					5,368,866	5,368,866
<b>Commercial Real Estate Loans:</b>						
Commercial	744,536			744,536	194,006,468	194,751,004
Commercial Second Mortgage					5,743,721	5,743,721
Commercial Lines of Credit					21,693,593	21,693,593
Commercial Construction					7,079,839	7,079,839
<b>Commercial and Industrial Loans</b>						
					34,965,008	34,965,007
<b>Land Loans:</b>						
Lot Loans					8,261,518	8,261,518
Acquisition and Development Loans					17,691,018	17,691,018
<b>Consumer Loans</b>						
		58,394		58,394	2,051,903	2,110,297
<b>Total Performing Loans</b>	<b>\$ 2,034,062</b>	<b>\$ 531,062</b>	<b>\$</b>	<b>\$ 2,565,124</b>	<b>\$ 535,039,662</b>	<b>\$ 537,604,785</b>
<b>Nonperforming Loans</b>						
<b>One-to-Four Family Loans:</b>						
1-4 Family Owner Occupied	\$ 105,333	\$	\$ 2,124,062	\$ 2,229,395	\$ 642,351	\$ 2,871,746
1-4 Family Non-Owner Occupied			2,405,774	2,405,774	55,507	2,461,281
1-4 Family Second Mortgage			499,154	499,154	67,290	566,444
Home Equity Lines of Credit	14,607		2,371,962	2,386,569	340,878	2,727,447
Home Equity Investment Lines of Credit		134,195	430,041	564,236		564,236
<b>One-to-Four Family Construction Loans:</b>						
1-4 Family Construction						
1-4 Family Construction Models/Speculative			235,945	235,945	119,410	355,355

Edgar Filing: FNB CORP/FL/ - Form 424B3

**Multi-Family Loans:**

Multi-Family	324,602	324,602	324,602
Multi-Family Second Mortgage			
Multi-Family Construction			

**Commercial Real Estate Loans:**

Commercial	3,166,992	3,166,992	143,178	3,310,170
Commercial Second Mortgage				
Commercial Lines of Credit	122,129	494,407	616,536	616,536
Commercial Construction	644,072	644,072		644,072

**Commercial and Industrial Loans**

	237,957	237,957	199,772	437,729
--	---------	---------	---------	---------

**Land Loans:**

Lot Loans	3,144,721	3,144,721	671,057	3,815,778
Acquisition and Development Loans	1,380,199	1,380,199		1,380,199

**Consumer Loans**

Total Nonperforming Loans           \$ 119,940   \$ 256,324   \$ 17,459,888   \$ 17,836,152   \$ 2,239,443   \$ 20,075,595

Total Loans                               \$ 2,154,002   \$ 787,386   \$ 17,459,888   \$ 20,401,276   \$ 537,279,105   \$ 557,680,380

Table of Contents

## PVF CAPITAL CORP.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Nine Months Ended March 31, 2013 and 2012

(Unaudited)

## NOTE 5 LOANS RECEIVABLE (Continued)

**Troubled Debt Restructurings:**

Included in loans individually impaired are loans with recorded investments of \$12,381,074 and \$15,590,705 for which the Company has allocated \$138,706 and \$153,391 of specific reserves to customers whose terms have been modified in troubled debt restructurings as of March 31, 2013 and June 30, 2012, respectively. Included in troubled debt restructurings are \$1,247,035 and \$1,805,855 of restructured loans on non-accrual at March 31, 2013 and June 30, 2012, respectively. Of the restructured loans (performing and non-accrual), there were no additional loans not performing in accordance with their modified terms during the quarter ended March 31, 2013 and two loans totaling \$116,065 were not performing in accordance with their modified terms as of June 30, 2012. There were no commitments to lend additional amounts at March 31, 2013 and June 30, 2012.

The following table presents the aggregate balance of loans by loan class whose terms have been modified in troubled debt restructurings as of March 31, 2013 and June 30, 2012:

	Number of Loans	Outstanding Recorded Investment 3/31/2013	Number of Loans	Outstanding Recorded Investment 6/30/2012
<b>Troubled Debt Restructurings:</b>				
<b>One-to-Four Family Loans:</b>				
1-4 Family Owner Occupied	18	\$ 3,288,160	19	\$ 3,775,715
1-4 Family Non-Owner Occupied	1	48,147	2	53,993
1-4 Family Second Mortgage	4	413,935	5	912,147
Home Equity Lines of Credit	1	63,781	1	63,782
Home Equity Investment Lines of Credit				
<b>One-to-Four Family Construction Loans:</b>				
1-4 Family Construction				
1-4 Family Construction Models/Speculative				
<b>Multi-Family Loans:</b>				
Multi-Family	1	287,221	1	297,979
Multi-Family Second Mortgage				
Multi-Family Construction				
<b>Commercial Real Estate Loans:</b>				
Commercial	10	6,278,069	12	8,264,020
Commercial Second Mortgage				
Commercial Lines of Credit				
Commercial Construction				
<b>Commercial and Industrial Loans</b>	1	1,605	2	40,696
<b>Land Loans:</b>				
Lot Loans				
Acquisition and Development Loans	2	2,000,156	2	2,182,373
<b>Consumer Loans</b>				
<b>Total</b>	38	\$ 12,381,074	44	\$ 15,590,705

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

The summary of activity for troubled debt restructured loans for the three and nine months ended March 31, 2013 were as follows:

	<b>Three months ended March 31, 2013</b>	<b>Nine months ended March 31, 2013</b>
<b>Troubled Debt Restructurings:</b>		
Beginning Balance	\$ 12,432,285	\$ 15,590,705
Additions		2,100,541
Charge-offs		(149,853)
Payoffs or paydowns	(51,211)	(5,160,319)
Ending Balance	\$ 12,381,074	\$ 12,381,074

The summary of activity for troubled debt restructured loans for the three and nine months ended March 31, 2012 was as follows:

	<b>Three months ended March 31, 2012</b>	<b>Nine months ended March 31, 2012</b>
<b>Troubled Debt Restructurings:</b>		
Beginning Balance	\$ 17,166,030	\$ 15,883,869
Additions		2,763,159
Charge-offs	(182,328)	(1,111,816)
Payoffs or paydowns	(890,581)	(1,442,091)
Ending Balance	\$ 16,093,121	\$ 16,093,121

During the periods ended March 31, 2013 and June 30, 2012, the terms of certain loans to borrowers experiencing financial difficulty were modified as troubled debt restructurings. The modification of the terms of such loans included one or a combination of the following: a reduction of the stated interest rate of the loan; an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk; or a permanent reduction of the recorded investment in the loan. In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed on the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification. This evaluation is performed under the Company's internal underwriting policy.

No loans were modified as troubled debt restructurings during the three months ended March 31, 2013. Thus there was no additional increase in the allowance for loan losses during the period due to troubled debt restructurings. Loans modified as troubled debt restructurings during the nine months ended March 31, 2013, were limited to loans already classified as troubled debt restructurings and involved an extension of the maturity dates and were for periods ranging from 12 month to 24 months.



Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

The following table presents loans by class modified as troubled debt restructurings that occurred during the nine-month period ended March 31, 2013:

	Number of Loans	Nine months ended March 31, 2013	
		Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
1-4 Family Owner Occupied	1	\$ 295,692	\$ 161,655
Commercial and Industrial	1	\$ 44,149	\$ 38,229
Total	2	\$ 339,841	\$ 199,884

The following table presents loans by class modified as troubled debt restructurings that occurred during the three and nine month period ended March 31, 2012:

	Number of Loans	Three months ended March 31, 2012	
		Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
1-4 Family Owner Occupied	1	\$ 234,441	\$ 234,441
Total	1	\$ 234,441	\$ 234,441

	Number of Loans	Nine months ended March 31, 2012	
		Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
<b>Troubled Debt Restructurings:</b>			
1-4 Family Owner Occupied	1	\$ 234,441	\$ 234,441
1-4 Family Non-Owner Occupied	1	106,976	106,976
Commercial Real Estate	3	2,437,542	1,544,149
Commercial Second Mortgage	1	295,362	295,362
Acquisition and Development	1	816,672	816,672
Total	7	\$ 3,890,993	\$ 2,997,600

The troubled debt restructurings increased the allowance for loan losses by \$39,981 and \$76,376 for the three months and nine months ended March 31, 2012, respectively and resulted in \$182,328 and \$1.1 million of charge offs during the three months and nine months ended March 31, 2012, respectively.



Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

During the three months ended March 31, 2013, there were no loans modified as a troubled debt restructure that had a payment default within twelve months following the modification.

During the nine months ended March 31, 2013, three loans, modified as a troubled debt restructure, had a payment default within twelve months following the modification. The following table presents loans by class modified as troubled debt restructurings for which there was a payment default within twelve months following the modification during the nine months ended March 31, 2013:

	<b>Nine months ended March 31, 2013</b>	
	<b>Number of Loans</b>	<b>Outstanding Recorded Investment</b>
<b>Troubled Debt Restructurings:</b>		
1-4 Family Owner Occupied	2	
Commercial and Industrial	1	
<b>Total</b>	<b>3</b>	

Charge offs resulted in no recorded investment at period on these loans. The recorded investment on the loans above prior to period end was \$311,828.

During the three months ended March 31, 2012, two loans, modified as troubled debt restructures, had a payment default within twelve months following the modification. The following table presents loans by class modified as troubled debt restructurings for which there was a payment default within twelve months following the modification during the three months ended March 31, 2012:

	<b>Number of Loans</b>	<b>Outstanding Recorded Investment</b>
<b>Troubled Debt Restructurings:</b>		
Commercial and Industrial	2	116,952
<b>Total</b>	<b>2</b>	<b>\$ 116,952</b>

During the nine months ended March 31, 2012, nineteen loans, modified as a troubled debt restructures, had payment defaults within twelve months following the modification. The following table presents loans by class modified as troubled debt restructurings for which there was a payment default within twelve months following the modification during the nine months ended March 31, 2012:

	<b>Number of Loans</b>	<b>Outstanding Recorded Investment</b>
<b>Troubled Debt Restructurings:</b>		
1-4 Family Owner Occupied	16	
Home Equity Lines of Credit	1	
Commercial and Industrial	2	116,952
<b>Total</b>	<b>19</b>	<b>116,952</b>



Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**For the Nine Months Ended March 31, 2013 and 2012**

**(Unaudited)**

**NOTE 5 LOANS RECEIVABLE (Continued)**

Charge offs resulted in no recorded investment on seventeen of the loans for the nine months ended March 31, 2012. The recorded investment on the loans above prior to period end was \$1,527,920.

For the purpose of this disclosure, a loan is considered to be in payment default once it is 90 days contractually past due under the modified terms.

The troubled debt restructurings that subsequently defaulted described above did not result in increasing the allowance or result in charge offs during the nine months ended March 31, 2012.

**Credit Quality Indicators**

The Company categorizes a loan into risk strata based on relevant borrower information about its ability to service debt. This information includes a review of current financial information, historic payment experience, credit documentation, relevant public information and other factors, as determined by credit underwriting guidelines. Through its analysis of individual borrowers, the Company classifies each loan as to its credit risk. All loans considered non-homogeneous, specifically those that are deemed commercial and industrial or commercial real estate loans, are subject to review by the Company, regardless of loan size. In practice, these loans are reviewed continually and changes to the risk rating, if necessary, occur on a quarterly basis. Loans that are considered homogeneous, or those which fall into the categories of one-to-four family loans or into consumer loans, are not individually reviewed or rated annually. The payment performance of the homogeneous loans serves as the clear credit indicator of classification into the categories of pass-rated loans or into substandard, non-accrual loans. Homogeneous loans that are less than 90 days past due are generally reported as pass-rated loans, unless the homogeneous loan is related to a rated commercial and industrial or commercial real estate loan. Homogeneous loans which are greater than 90 days past due are placed on non-accrual and rated substandard. Payment performance indicators are based on performance through March 31, 2013. The Company uses the following definitions for adverse risk ratings:

**Special Mention.** Loans classified as special mention have a potential weakness that requires close attention. If left unattended, the potential weaknesses may result in further deterioration in the repayment prospects of the loan or the institution's credit position at a future date.

**Substandard.** Loans classified as substandard are protected inadequately by the current financial means of the borrower or through the liquidation of pledged collateral. Loans classified as substandard have a well-defined weakness and without substantial intervention, there is a distinct possibility that the Company may incur a loss. As a matter of practice, if the Company feels that a loss is imminent, it designates nearly all of these loans to charge off. Accordingly, the Company uses the loan classification of doubtful (as defined hereafter), sparingly.

**Doubtful.** Loans classified as doubtful have all of the inherent weaknesses of those loans classified as substandard with the added structural weakness that the collection in full is highly unlikely. As such, this category is used sparingly by the Company.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

As of March 31, 2013, and based on the most recent analysis performed by the Company, the risk category of loans by class of loan was as follows:

	Pass(1)	Special Mention	Substandard	Doubtful	Total
<b>One-to-Four Family Loans:</b>					
1-4 Family Owner Occupied	\$ 58,898,747	\$	\$ 3,152,251	\$	\$ 62,050,998
1-4 Family Non-Owner Occupied	26,864,520	620,320	2,611,528		30,096,368
1-4 Family Second Mortgage	26,764,254	202,484	441,190		27,407,928
Home Equity Lines of Credit	58,819,867	49,585	2,160,120		61,029,572
Home Equity Investment Lines of Credit	3,349,423	200,845	332,366		3,882,634
<b>One-to-Four Family Construction Loans:</b>					
1-4 Family Construction	2,704,041		521,363		3,225,404
1-4 Family Construction Models/Speculative	524,160		116,076		640,236
<b>Multi-Family Loans:</b>					
Multi-Family	57,729,997		491,459		58,221,456
Multi-Family Second Mortgage	63,203				63,203
Multi-Family Construction	1,564,633				1,564,633
<b>Commercial Real Estate Loans:</b>					
Commercial	187,284,828	2,702,335	9,345,961		199,333,124
Commercial Second Mortgage	4,577,895				4,577,895
Commercial Lines of Credit	22,604,668		3,775,470		26,380,138
Commercial Construction	9,362,446		644,808		10,007,254
<b>Commercial and Industrial Loans</b>	<b>50,369,763</b>	<b>82,075</b>	<b>1,001,525</b>		<b>51,453,363</b>
<b>Land Loans:</b>					
Lot Loans	4,561,907	37,415	2,918,094		7,517,416
Acquisition and Development Loans	11,872,230		2,161,940		14,034,170
<b>Consumer Loans</b>	<b>650,896</b>				<b>650,896</b>
<b>Total</b>	<b>\$ 528,567,478</b>	<b>\$ 3,895,059</b>	<b>\$ 29,674,151</b>	<b>\$</b>	<b>\$ 562,136,688</b>

- (1) There are \$1.1 million in non-homogeneous loans which are subject to individual review for risk rating included in the pass risk category based on payment status as they have not yet been individually reviewed.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 5 LOANS RECEIVABLE (Continued)**

As of June 30, 2012, and based on the most recent analysis performed by the Company, the risk category of loans by class of loan was as follows:

	Pass(1)	Special Mention	Substandard	Doubtful	Total
<b>One-to-Four Family Loans:</b>					
1-4 Family Owner Occupied	\$ 55,526,297	\$	\$ 3,150,598	\$	\$ 58,676,895
1-4 Family Non-Owner Occupied	30,621,009	1,117,122	2,590,969		34,329,100
1-4 Family Second Mortgage	28,147,735	206,701	814,384		29,168,820
Home Equity Lines of Credit	63,030,206	49,585	2,753,893		65,833,684
Home Equity Investment Lines of Credit	4,828,651	200,886	609,872		5,639,409
<b>One-to-Four Family Construction Loans:</b>					
1-4 Family Construction	513,466				513,466
1-4 Family Construction Models/Speculative	724,177		882,124		1,606,301
<b>Multi-Family Loans:</b>					
Multi-Family	52,448,152	1,124,756	324,974		53,897,882
Multi-Family Second Mortgage	145,476				145,476
Multi-Family Construction	5,368,866				5,368,866
<b>Commercial Real Estate Loans:</b>					
Commercial	183,422,738	3,100,295	11,538,141		198,061,174
Commercial Second Mortgage	5,743,721				5,743,721
Commercial Lines of Credit	19,401,017		2,909,112		22,310,129
Commercial Construction	7,079,104		644,807		7,723,911
<b>Commercial and Industrial Loans</b>	<b>34,042,381</b>	<b>91,634</b>	<b>1,268,721</b>		<b>35,402,736</b>
<b>Land Loans:</b>					
Lot Loans	8,217,784	39,374	3,820,138		12,077,296
Acquisition and Development Loans	16,486,141		2,585,076		19,071,217
<b>Consumer Loans</b>	<b>2,110,297</b>				<b>2,110,297</b>
<b>Total</b>	<b>\$ 517,857,218</b>	<b>\$ 5,930,353</b>	<b>\$ 33,892,809</b>	<b>\$</b>	<b>\$ 557,680,380</b>

- (1) There are \$2.6 million in non-homogeneous loans which are subject to individual review for risk rating included in the pass risk category based on payment status as they have not yet been individually reviewed.

**NOTE 6 MORTGAGE BANKING ACTIVITIES**

Loans held for sale at March 31, 2013 and June 30, 2012 were \$9,348,387 and \$25,062,786, respectively.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 6 MORTGAGE BANKING ACTIVITIES (Continued)**

The Company utilizes the fair value option for accounting for its loans held for sale. The fair value of loans held for sale exceeded the unpaid principal balance of these loans by \$278,093 and \$738,742 as of March 31, 2013 and June 30, 2012, respectively. The gain on loans held for sale as of March 31, 2013 was reported as mortgage banking activities on the consolidated statement of operations. Interest on loans held for sale was reported in interest income.

The Company services real estate loans for investors that are not included in the accompanying consolidated financial statements. Mortgage servicing rights are established based on the fair value of servicing rights retained on loans originated by the Company and subsequently sold in the secondary market. Mortgage servicing rights are included in the consolidated statements of financial condition under the caption "Prepaid expenses and other assets." At March 31, 2013 and June 30, 2012, the mortgage loan servicing portfolio was approximately \$1.1 billion and \$1.0 billion respectively.

Originated mortgage servicing rights capitalized and amortized during the three- and nine-month periods ended March 31, 2013 and 2012 were as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2013	2012	2013	2012
Service rights:				
Beginning of period	\$ 6,116,239	\$ 6,696,594	\$ 6,867,334	\$ 7,519,287
Additions	1,379,563	1,132,160	3,372,629	2,738,575
Amortized to expense	(941,500)	(1,031,394)	(2,919,803)	(2,777,426)
Change in valuation allowance	230,311	102,773	(535,547)	(580,303)
End of period	\$ 6,784,613	\$ 6,900,133	\$ 6,784,613	\$ 6,900,133

Activity in the valuation allowance for mortgage servicing rights over the three and nine month periods ended March 31, 2013, as compared with the same periods during 2012, were as follows:

	Three months ended March 31,		Nine months ended March 31,	
	2013	2012	2013	2012
Balance, beginning of period	\$ (1,582,339)	\$ (987,077)	\$ (816,481)	\$ (304,001)
Impairment charges			(765,858)	(698,468)
Impairment recoveries	230,311	102,773	230,311	118,165
Balance, end of period	\$ (1,352,028)	\$ (884,304)	\$ (1,352,028)	\$ (884,304)



Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 6 MORTGAGE BANKING ACTIVITIES (Continued)**

Mortgage banking activities net for the three and nine months ended March 31, 2013 and 2012, consisted of the following:

	Three months ended March 31,		Nine months ended March 31,	
	2013	2012	2013	2012
Mortgage loan servicing fees	\$ 789,525	\$ 411,947	\$ 1,969,731	\$ 1,701,629
Amortization of mortgage loan servicing rights	(941,500)	(1,031,394)	(2,919,803)	(2,777,426)
Recovery (Impairment) of mortgage loan servicing rights	230,311	102,773	(535,547)	(580,303)
Mortgage loan servicing (loss), net	78,336	(516,674)	(1,485,619)	(1,656,100)
Changes in fair value of loans held for sale	(848,890)	177,967	(460,649)	215,785
Changes in fair value of mortgage banking derivatives	(865,598)	342,161	(108,122)	877,137
Realized gains on sale of loans	4,100,853	3,329,093	11,409,934	6,712,912
Mortgage banking activities, net	\$ 2,464,701	\$ 3,332,547	\$ 9,355,544	\$ 6,149,734

The above amounts do not include non-interest expense related to mortgage banking activities.

At March 31, 2013 and June 30, 2012, the Company had interest rate-lock commitments on \$60,646,481 and \$65,996,365, respectively, of loans intended for sale in the secondary market. These commitments are considered to be free-standing derivatives and the change in fair value is recorded in the consolidated financial statements. The fair value of these commitments as of March 31, 2013 and June 30, 2012 was estimated to be \$1,625,572 and \$1,773,453, respectively, as a reduction of accrued expenses and other liabilities in the consolidated statements of financial position. In order to mitigate the interest rate risk represented by these interest rate-lock commitments, the Company entered into contracts to sell mortgage loans of \$48,000,000 and \$69,150,472 as of March 31, 2013 and June 30, 2012, respectively. These contracts are also considered to be free-standing derivatives and the change in fair value is also recorded in the consolidated financial statements. The fair value of these contracts at March 31, 2013 and June 30, 2012 was estimated to be \$(77,959) and \$(117,718) respectively. These amounts were netted against the fair value of interest rate-lock commitments recorded in accrued expenses and other liabilities. Changes in fair value for both types of derivatives are reported in mortgage banking activities in the consolidated statements of operations.

**NOTE 7 STOCK BASED COMPENSATION**

The 2010 Equity Incentive Plan (the "2010 Plan") replaced the 2008 Equity Incentive Plan and all remaining available shares from the 2008 Equity Incentive Plan were available for distribution under the 2010 Plan. Generally, the Company can issue incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock and other stock-based compensation under the 2010 Plan. Generally, for incentive stock options, a percentage of the options awarded become exercisable on the date of grant and on each anniversary date of grant. The option period expires ten years from the date of grant, except for awards to individuals who own more than 10% of the Company's outstanding

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 7 STOCK BASED COMPENSATION (Continued)**

common shares. Incentive stock options awarded to individuals owning more than 10% of the Company's outstanding common shares may only be granted if the exercise price of such incentive stock options is at least 110% of the fair market value on the date of grant and the term of such options must expire not later than five years from the date of grant.

Previously, nonqualified stock options have been granted to directors, which vest immediately. The option period expires ten years from the date of grant and the exercise price is the market price at the date of grant.

For the nine months ended March 31, 2013, and 2012, compensation expense of \$143,337 and \$182,866, respectively, was recognized in the income statement related to the vesting of option awards.

As of March 31, 2013, there was \$419,908 of compensation expense related to unvested awards not yet recognized in the consolidated financial statements. The weighted-average period over which this expense is to be recognized is 1.6 years.

The aggregate intrinsic value of all options outstanding at March 31, 2013 was \$1,292,181. The aggregate intrinsic value of all options that were exercisable at March 31, 2013 was \$476,980.

Options outstanding at March 31, 2013 were as follows:

Range of Exercise Price	Outstanding		Exercisable	
	Number	Weighted-Average Remaining Life	Number	Weighted-Average Exercise Price
\$1.39 to \$4.42	694,800	8.42	286,653	\$ 2.20
\$8.32 to \$12.4	141,221	2.36	141,221	\$ 8.45
<b>Total</b>	<b>836,021</b>	<b>7.39</b>	<b>427,874</b>	<b>\$ 4.53</b>

A summary of stock-based compensation activity for the current fiscal year is as follows:

	Three months ended March 31, 2013		Nine months ended March 31, 2013	
	Total options outstanding		Total options outstanding	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Options outstanding, beginning of period	901,021	\$ 3.54	740,256	\$ 4.15
Forfeited		0.00	(42,800)	2.01
Expired		0.00	(40,435)	8.63
Exercised	(65,000)	1.80	(105,000)	1.84
Granted		0.00	284,000	2.26
Options outstanding, end of period	836,021	\$ 3.67	836,021	\$ 3.67

Edgar Filing: FNB CORP/FL/ - Form 424B3

Options exercisable, end of period	427,874	\$	4.53	427,874	\$	4.53
------------------------------------	---------	----	------	---------	----	------

F-31

---

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 7 STOCK BASED COMPENSATION (Continued)**

The weighted-average remaining contractual life of options outstanding as of March 31, 2013 was 7.4 years. The weighted-average remaining contractual life of vested options outstanding as of March 31, 2013 was 5 years.

The fair value for stock options granted during the nine months ended March 31, 2013, were determined at the date of grant using a Black-Scholes options-pricing model and the following assumptions:

	<b>March 31, 2013</b>
Expected weighted average risk-free interest rate	0.83%
Expected weighted average life (in years)	6.00
Expected volatility	56.75%
Expected dividend yield	0.00%

The weighted-average fair value of these grants was \$1.17 per option. The expected average risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the life of the option. The expected average life represents the weighted-average period of time that options granted are expected to be outstanding giving consideration to vesting schedules, historical exercise and forfeiture patterns. Expected volatility is based on historical volatilities of the Company's common shares. The expected dividend yield is based on historical information.

There were 420,790 restricted shares issued to directors and executive officers with a weighted average fair value of \$1.84 per share at March 31, 2013. During the nine months ended March 31, 2013, the Company issued 77,937 restricted stock awards to directors of the Company in connection with the reinstatement of a directors' compensation plan. This grant received prior approval from the OCC. The total fair value of restricted shares issued at March 31, 2013 was \$1.84 per share. As of March 31, 2013, there was \$182,201 of compensation expense related to unvested awards not yet recognized in the consolidated financial statements. The weighted-average period of time over which this expense is to be recognized was 0.92 years at March 31, 2013.

A summary of changes in the Company's restricted shares for the nine months ended March 31, 2013 is as follows:

	<b>Shares</b>	<b>Weighted- Average Grant-Date Fair Value</b>
<b>Nonvested Shares</b>		
Nonvested at July 1, 2012	162,333	\$ 303,537
Granted	77,937	157,433
Vested	(54,666)	(102,173)
Forfeited	(18,402)	(36,022)
Nonvested at March 31, 2013	167,202	\$ 322,775

There were 1,963,210 shares available for future issuance under the 2010 Plan at March 31, 2013.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 8 EARNINGS PER SHARE**

The following tables disclose the income (loss) per share for the three and nine months ended March 31, 2013 and March 31, 2012, respectively:

	Three months ended March 31,					
	2013			2012 (revised)		
	Income (Loss)	Shares	Per Share Amount	Income (Loss)	Shares	Per Share Amount
Basic EPS						
Net income (loss)	\$ 1,762,527	25,927,214	\$ 0.07	\$ 225,328	25,669,718	\$ 0.01
Effect of dilutive securities stock options and warrants	\$ 0	718,297	\$ 0.00	\$ 0	0	\$ 0.00
Diluted EPS						
Net income (loss)	\$ 1,762,527	26,645,511	\$ 0.07	\$ 225,328	25,669,718	\$ 0.01

	Nine months ended March 31,					
	2013			2012 (revised)		
	Income (Loss)	Shares	Per Share Amount	Income (Loss)	Shares	Per Share Amount
Basic EPS						
Net income (loss)	\$ 5,825,891	25,915,171	\$ 0.22	\$ (2,540,634)	25,669,718	\$ (0.10)
Effect of dilutive securities stock options and warrants	\$ 0	447,524	\$ 0.00	\$ 0	0	\$ 0.00
Diluted EPS						
Net income (loss)	\$ 5,825,891	26,362,695	\$ 0.22	\$ (2,540,634)	25,669,718	\$ (0.10)

There were 192,521 and 595,032 options not considered in the diluted earnings per share calculation for the nine months ended March 31, 2013 and 2012, respectively, because they were not dilutive as the exercise price is higher than the average stock price for the periods. There were 192,521 options not considered in the diluted earnings per share calculation for the three months ended March 31, 2013. There was no dilution attributable to stock options for the nine months ended March 31, 2012, since the Company was in a net loss position for the periods.

Also included for consideration in the diluted earnings per share calculation for the three and nine month period ended March 31, 2013 were warrants to acquire common shares issued as part of two separate exchange offerings. The warrants issued on September 3, 2009 included warrants to purchase 797,347 common shares, which expired on September 3, 2011. The warrants issued on March 16, 2010 included warrants to purchase 1,246,179 common shares, of which 1,083,009 remain unexercised and are exercisable at any time before March 16, 2015 at a price of \$1.75 per share. The warrants issued on March 16, 2010 were considered for potential dilution for the three and nine months ended March 31, 2013.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**For the Nine Months Ended March 31, 2013 and 2012**

**(Unaudited)**

**NOTE 9 FAIR VALUE**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Company has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use to price an asset or liability.

The Company used the following methods and significant assumptions to estimate fair value.

*Securities and mortgage-backed securities.* The fair value of securities available for sale is determined by obtaining quoted market prices on nationally recognized securities exchanges, if available (Level 1 inputs). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities. The fair value of mortgage-backed securities is determined through matrix pricing. This is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

*Loans held for sale at fair value.* The fair value of loans held for sale, which consists of single-family residential loans, is determined using quoted secondary market prices, adjusted for specific attributes of that loan or other observable data, such as outstanding commitments from third-party investors (Level 2 inputs).

*Mortgage banking pipeline derivatives.* The fair value of loan commitments is measured using current market rates for the associated mortgage loans (Level 2 inputs). The fair value of mandatory forward sales contracts is measured using secondary market pricing for similar product types (Level 2 inputs).

*Impaired loans.* The fair value of impaired loans with specific allocations of the allowance for loan losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available as well as type and status of the property. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value.

*Other real estate owned.* Nonrecurring adjustments to certain commercial and residential real estate properties classified as other real estate owned are measured at fair value, less costs to sell. Fair values are based on recent real estate appraisals. These appraisals may use a single valuation approach

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 9 FAIR VALUE (Continued)**

or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data approach. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value.

Appraisals for both collateral dependent impaired loans and other real estate owned are performed by certified general appraisers for commercial properties or certified residential appraisers for residential properties, whose qualifications and licenses have been reviewed and verified by the Company. When the appraisals are received, Credit Administration reviews the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. The Company currently utilizes a 9% discount for selling costs and it is applied to all properties, regardless of size. This discount is supported by the Company's most recent analysis. Also, an additional 10% discount is applied to properties with appraisals performed greater than 12 months ago.

*Loan Servicing Rights.* On a quarterly basis, loan servicing rights are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. If the carrying amount on an individual tranche exceeds fair value, impairment is recorded on that tranche so that the servicing asset is carried at fair value. Fair value is determined at a tranche level based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model utilizes assumptions that market participants would use in estimating future net servicing income and that can be validated against available market data (Level 2).

Assets and liabilities measured at fair value on a recurring basis at March 31, 2013 and June 30, 2012, respectively, are summarized below:

	March 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Securities available for sale:				
FNMA structured note	\$	\$	\$	\$
Trust preferred securities	20,433,603		20,433,603	
Mortgage-backed GSE securities	20,985,802		20,985,802	
Loans held-for-sale	9,348,347		9,348,347	
Interest rate-lock commitments	1,625,572		1,625,572	
<b>Liabilities:</b>				
Mandatory forward sales contracts	(77,959)		(77,959)	

F-35

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 9 FAIR VALUE (Continued)**

	<b>June 30, 2012</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
Securities available for sale:				
FNMA structured note	\$ 2,009,320	\$	\$ 2,009,320	\$
Trust preferred securities	21,261,762		21,261,762	
Mortgage-backed GSE securities	15,386,963		15,386,963	
Loans held-for-sale	25,062,786		25,062,786	
Interest rate-lock commitments	1,773,453		1,773,453	
<b>Liabilities:</b>				
Mandatory forward sales contracts	(117,718)		(117,718)	

There were no transfers between Level 1 and Level 2 in the period ended March 31, 2013 or June 30, 2012. The Company's policy is to transfer assets or liabilities from one level to another when the methodology to obtain the fair value changes such that there are more or fewer unobservable inputs.

Assets measured at fair value on a nonrecurring basis at March 31, 2013 and June 30, 2012, respectively are summarized below:

	<b>March 31, 2013</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
Impaired loans				
1-4 Family	\$ 3,801,913	\$	\$	\$ 3,801,913
1-4 Family Construction	521,363			521,363
Multi-Family				
Commercial Real Estate	4,384,564			4,384,564
Commercial Non-Real Estate	585,042			585,042
Land	3,152,861			3,152,861
Real estate owned				
1-4 Family	2,381,281			2,381,281
Commercial Real Estate	1,893,521			1,893,521
Land	2,976,361			2,976,361
Impaired mortgage servicing rights	6,561,862		6,561,862	

F-36



Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 9 FAIR VALUE (Continued)**

	June 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
<b>Impaired loans</b>				
1-4 Family	\$ 4,033,385	\$	\$	\$ 4,033,385
1-4 Family Construction	660,862			660,862
Multi-Family	324,974			324,974
Commercial Real Estate	5,688,747			5,688,747
Commercial Non-Real Estate	238,229			238,229
Land	4,223,074			4,223,074
<b>Real estate owned</b>				
1-4 Family	2,042,573			2,042,573
Commercial Real Estate	923,262			923,262
Land	2,914,174			2,914,174
Impaired mortgage servicing rights	6,499,157		6,499,157	

Impaired loans that are measured for impairment using the fair value of the collateral for collateral dependent loans had a principal balance of \$19.3 million after the application of impaired charge-offs of \$6.1 million, with a specific valuation allowance of \$0.8 million at March 31, 2013. At June 30, 2012, impaired loans that are measured for impairment using the fair value of the collateral for collateral dependent loans had a principal balance of \$26.3 million after the application of impaired charge-offs of \$9.7 million, with a specific valuation allowance of \$1.4 million. There was no provision for loan losses related to changes in fair value of impaired loans for the three months ended March 31, 2013 compared to the provision of \$2.0 million for the three months ended March 31, 2012. The provision for loan losses related to changes in the fair value of impaired loans was \$0.6 million and \$5.5 million for the nine months ended March 31, 2013 and 2012, respectively.

Tranches of mortgage servicing rights carried at fair value totaled \$6.5 million, which is made up of the outstanding balance of \$7.9 million, net of a valuation allowance of \$1.4 million at March 31, 2013. During the nine months ended March 31, 2013 and 2012, the Company recognized an impairment charge of \$0.5 million and \$0.6 million, respectively. During the three months ended March 31, 2013 and 2012 the Company recognized recoveries of \$0.2 million and \$0.1 million respectively. Tranches of mortgage servicing rights carried at fair value totaled \$6.5 million, which is made up of the outstanding balance of \$7.3 million, net of a valuation allowance of \$0.8 million at June 30, 2012. Mortgage servicing rights are valued by an independent third party that is active in purchasing and selling these instruments. The value reflects the characteristics of the underlying loans discounted at a market multiple.

Other real estate owned which is maintained at fair value less costs to sell, had a net carrying amount of \$7,251,163 and \$7,733,578 at March 31, 2013, and June 30, 2012, respectively. The carrying amount of other real estate owned is not re-measured to fair value on a recurring basis, but is subject to fair value adjustments when the carrying amount exceeds the fair value, less estimated selling costs.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 9 FAIR VALUE (Continued)**

For the nine months ended March 31, 2013, the Company recognized a net loss of \$182,703 on the disposal of other real estate owned compared to the loss of \$453,770 recognized for the nine months ended March 31, 2012. The Company also recorded a provision for other real estate owned losses of \$1.0 and \$1.3 million for the nine months ended March 31, 2013 and 2012, respectively. For the three months ended March 31, 2013 and 2012 the Company recognized a net loss of \$0.1 million and \$0.2 million respectively. The Company also recorded a provision for other real estate owned losses of \$0.5 million and \$0.4 million for the three months ended March 31, 2013 and 2012 respectively.

The direct write-downs recognized for the period are the result of obtaining updated appraisal valuations and reflect declining property values while holding the asset. The Company values all other real estate owned by obtaining updated appraisal valuations every twelve months. There have been no upward adjustments made in determining fair value.

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at March 31, 2013:

	<b>Fair value at March 31, 2013</b>	<b>Valuation Techniques</b>	<b>Unobservable Inputs</b>	<b>Range and Weighted Average</b>
Impaired loans	\$ 12,445,743	Appraisal value sales comparison approach	Adjustment by management to reflect current conditions and selling costs	10 - 15% and 12%
Real estate owned	7,251,163	Appraisal value sales comparison approach	Adjustment by management to reflect current conditions and selling costs	9 - 10% and 10%

The Company has elected the fair value option for loans held for sale. These loans are intended for sale and are hedged with derivative instruments, and the Company believes that the fair value is the best indicator of the valuation of these loans. Interest income is recorded based on the contractual terms of the loan and in accordance with the Company's policy on loans held for investment. None of these loans are 90 days or more past due or on nonaccrual as of March 31, 2013 and June 30, 2012.

As of March 31, 2013 and June 30, 2012, the aggregate fair value, contractual balance (including accrued interest), and gain or loss loans held for sale was as follows:

	<b>March 31, 2013</b>	<b>June 30, 2012</b>
Aggregate fair value	\$ 9,348,387	\$ 25,062,786
Contractual balance	9,070,294	24,324,044
Gain (loss)	278,093	738,742

F-38

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 9 FAIR VALUE (Continued)**

The total amount of gains (losses) from changes in fair value included in earnings for the nine months ended March 31, 2013 and 2012 for loans held for sale were \$(460,649) and \$215,785 respectively.

The carrying amounts and estimated fair values of financial instruments at March 31, 2013 are as follows:

	Carrying Value	Fair Value Measurements at March 31, 2013				Total
		Level 1	Level 2	Level 3		
(dollars in thousands)						
<b>Assets:</b>						
Cash and amounts due from financial institutions	\$ 19,869	\$ 19,869	\$	\$	\$	\$ 19,869
Interest-bearing deposits	80,125	80,125				80,125
Securities available for sale	41,419		41,419			41,419
Loans receivable, net	547,216			563,543		563,543
Loans receivable held for sale, net	9,348		9,348			9,348
Federal Home Loan Bank stock	12,811	N/A	N/A	N/A		N/A
Accrued interest receivable	2,165		123	2,042		2,165
Commitments to make loans intended to be sold	1,626		1,626			1,626
<b>Liabilities:</b>						
Demand deposits and savings	(297,912)	(297,912)				(297,912)
Time deposits	(323,256)		(325,192)			(325,192)
Notes payable	(966)		(966)			(966)
Advances from the Federal Home Loan Bank	(35,000)		(36,864)			(36,864)
Mandatory forward sale contract	(78)	(78)				(78)
Accrued interest payable	(121)	(33)	(88)			(121)

F-39

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 9 FAIR VALUE (Continued)**

The carrying amount and estimated fair values of financial instruments at June 30, 2012 were as follows:

	Carrying Value	Fair Value Measurements at June 30, 2012				Total
		Level 1	Level 2	Level 3		
(dollars in thousands)						
<b>Assets:</b>						
Cash and amounts due from financial institutions	\$ 5,841	\$ 5,841	\$	\$	\$	\$ 5,841
Interest-bearing deposits	114,270	114,270				114,270
Securities available for sale	38,658		38,658			38,658
Loans receivable, net	541,628			569,603		569,603
Loans receivable held for sale, net	25,063		25,063			25,063
Federal Home Loan Bank stock	12,811	N/A	N/A	N/A		N/A
Accrued interest receivable	2,047		174	1,873		2,047
Commitments to make loans intended to be sold	1,773		1,773			1,773
<b>Liabilities:</b>						
Demand deposits and savings	(271,412)	(271,412)				(271,412)
Time deposits	(384,567)		(385,872)			(385,872)
Notes payable	(1,046)		(1,046)			(1,046)
Advances from the Federal Home Loan Bank	(35,000)		(37,222)			(37,222)
Mandatory forward sale contract	(118)		(118)			(118)
Accrued interest payable	(120)	(112)	(8)			(120)

The estimated fair value amounts were determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is involved in interpreting market data so as to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange and may not necessarily be the exit price. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The Company used the following methods and assumptions to estimate fair value for items not described above:

*Cash and amounts due from financial institutions, interest-bearing deposits, and federal funds sold.* The carrying amounts are a reasonable estimate of fair value because of the short maturity of these instruments and therefore are classified as Level 1.

*Loans receivable.* For performing variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values resulting in a Level 3 classification. For other performing loans receivable, fair value is estimated by discounting contractual

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**For the Nine Months Ended March 31, 2013 and 2012**

**(Unaudited)**

**NOTE 9 FAIR VALUE (Continued)**

cash flows adjusted for prepayment estimates using discount rates based on secondary market sources adjusted to reflect differences in servicing and credit costs resulting in a Level 3 classification.

*Federal Home Loan Bank stock.* It was not practical to determine the fair value of FHLB stock due to restrictions placed on its transferability.

*Accrued interest receivable and accrued interest payable.* The carrying amount is a reasonable estimate of the fair value. The fair value level classification is consistent with the related final instrument.

*Demand deposits and time deposits.* The fair value of demand deposits, savings accounts, and certain money market deposits is the amount payable on demand at the reporting date resulting in a Level 1 classification. The fair value of fixed-maturity certificates of deposit is estimated using discounted cash flows and rates currently offered for deposits of similar remaining maturities resulting in a Level 2 classification.

*Note payable.* The carrying amount is a reasonable estimate of the fair value resulting in a Level 2 classification.

*Federal Home Loan Bank Advance.* The fair value of the Company's FHLB debt is estimated based on the current rates offered to the Company for debt of the same remaining maturities resulting in a Level 2 classification.

**NOTE 10 NOTE PAYABLE**

On November 24, 2008, one of the Company's subsidiaries obtained a \$1.4 million dollar loan from another financial institution with a principal balance of \$966,112 as of March 31, 2013. The loan was a refinance of a line of credit loan and is collateralized by the Company's Solon, Ohio headquarters building. The note carries a variable interest rate that adjusts to The Wall Street Journal published prime lending rate plus 50 basis points. The loan required the payment of interest only for nine months and then converted to an amortizing loan for a term of 15 years. At March 31, 2013, the interest rate was 3.75%.

**NOTE 11 REGULATORY MATTERS**

The Company and the Bank are subject to various regulatory capital requirements, which are now administered by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") and the Office of the Comptroller of the Currency ("OCC"). Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by banking regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**For the Nine Months Ended March 31, 2013 and 2012**

**(Unaudited)**

**NOTE 11 REGULATORY MATTERS (Continued)**

Prompt corrective action regulations provide five classifications: well capitalized; adequately capitalized; undercapitalized; significantly undercapitalized; and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. The most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the Bank's category.

Federal regulations require savings institutions to maintain certain minimum levels of regulatory capital. An institution that fails to comply with its regulatory capital requirements must obtain approval of a capital plan and can be subject to a capital directive and certain restrictions on its operations. At March 31, 2013, the adjusted total minimum regulatory capital regulations require institutions to have a minimum tangible capital to adjusted total assets ratio of 1.5%; a minimum leverage ratio of core (Tier 1) capital to adjusted total assets of 4.0%; a minimum ratio of core (Tier 1) capital to risk-weighted assets of 4.0%; and a minimum ratio of total capital to risk-weighted assets of 8.0%. At March 31, 2013 and 2012, respectively, the Bank exceeded all of the aforementioned regulatory capital requirements.

On October 19, 2009, the Company and the Bank each entered into a Stipulation and Consent to the Issuance of Order to Cease and Desist with the Office of Thrift Supervision (the "OTS"), whereby the Company and the Bank each consented to the issuance of an Order to Cease and Desist (the "Company Order" and the "Bank Order") without admitting or denying that grounds existed for the OTS to initiate an administrative proceeding against the Company or the Bank. Effective July 21, 2011, the OCC and the Federal Reserve Board succeeded to all powers, authorities, rights, and duties of the OTS relating to the enforcement of the Bank and Company Orders, respectively, as a result of the regulatory transition under the Dodd-Frank Wall Street Reform and Consumer Protection Act. On August 27, 2012, the Bank was released from the Bank Order. On December 15, 2012, the Company was released from the Company Order.

Regulations limit capital distributions by savings institutions. Generally, capital distributions are limited to undistributed net income for the current and prior two years.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****For the Nine Months Ended March 31, 2013 and 2012****(Unaudited)****NOTE 11 REGULATORY MATTERS (Continued)**

At March 31, 2013, the Bank was in compliance with regulatory capital requirements as set forth below (dollars in thousands):

	Actual		Required For Capital Adequacy Purposes		Capitalized Under Prompt Corrective Action Regulations	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
March 31, 2013						
Total Capital to risk weighted assets	\$ 83,616	13.76%	\$ 48,598	8.00%	\$ 60,748	10.00%
Tier 1 (Core) Capital to risk weighted assets	75,932	12.50%	24,299	4.00%	36,449	6.00%
Tier 1 (Core) Capital to adjusted total assets	75,932	9.92%	30,607	4.00%	38,259	5.00%
Tangible Capital to adjusted total assets	75,932	9.92%	11,478	1.50%	N/A	N/A

At June 30, 2012, the Bank was in compliance with regulatory capital requirements as set forth below (dollars in thousands):

	Actual		Required For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Regulations		Required Under Regulatory Bank Order	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
June 30, 2012								
Total Capital to risk weighted assets	\$ 77,332	13.00%	\$ 47,605	8.00%	\$ 59,506	10.00%	\$ 71,407	12.00%
Tier 1 (Core) Capital to risk weighted assets	69,787	11.73%	23,802	4.00%	35,704	6.00%	N/A	N/A
Tier 1 (Core) Capital to adjusted total assets	69,787	8.66%	32,224	4.00%	40,280	5.00%	64,448	8.00%
Tangible Capital to adjusted total assets	69,787	8.66%	12,084	1.50%	N/A	N/A	N/A	N/A

**NOTE 12 FEDERAL INCOME TAXES**

Management recorded net deferred tax assets at March 31, 2013 of \$2.8 million. A valuation allowance is established to reduce the deferred tax asset if it is more likely than not that the related tax benefits will not be realized. A full valuation allowance was established as of June 30, 2011. When determining the amount of deferred tax assets that are more-likely-than-not to be realized, and therefore recorded as a benefit, the Company conducts a regular assessment of all available information. This information includes, but is not limited to, taxable income in prior periods, projected future income, and projected future reversals of deferred tax items. Based on these criteria, the Company determined that it was necessary to carry a valuation allowance against deferred tax assets of \$2.8 million at March 31, 2013 to reduce the carrying amount of the Company's net deferred tax asset to zero. At June 30, 2012, the Company recorded a deferred tax asset of \$4.8 million with a valuation allowance of \$4.8 million reducing the carrying amount of the Company's net deferred tax asset to zero.

Table of Contents

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Stockholders  
PVF Capital Corp.  
Solon, Ohio

We have audited the accompanying consolidated statements of financial condition of PVF Capital Corp. ("Company") as of June 30, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended June 30, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2012 and 2011, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2012, in conformity with U.S. generally accepted accounting principles.

Crowe Horwath LLP

Cleveland, Ohio  
September 21, 2012



Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION****June 30, 2012 and 2011**

	2012	2011
<b>ASSETS</b>		
Cash and amounts due from financial institutions	\$ 5,840,608	\$ 19,138,325
Interest-bearing deposits	114,269,532	130,153,080
Total cash and cash equivalents	120,110,140	149,291,405
Securities available for sale	23,271,082	8,946,674
Mortgage-backed securities available for sale	15,386,962	4,972,121
Loans receivable held for sale, net	25,062,786	9,392,389
Loans receivable, net of allowance of \$16,052,865 and \$29,996,893	541,627,515	547,282,037
Office properties and equipment, net	7,237,165	7,556,764
Real estate owned, net	7,733,578	7,972,753
Federal Home Loan Bank stock	12,811,100	12,811,100
Bank-owned life insurance	23,648,663	23,420,089
Prepaid expenses and other assets	14,560,882	15,409,502
Total assets	\$ 791,449,873	\$ 787,054,834
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Non-interest bearing deposits	\$ 51,786,588	\$ 32,133,869
Interest bearing deposits	604,192,552	620,437,966
Total deposits	655,979,140	652,571,835
Note payable	1,046,111	1,152,778
Long-term advances from the Federal Home Loan Bank	35,000,000	35,000,000
Advances from borrowers for taxes and insurance	4,469,292	11,212,923
Accrued expenses and other liabilities	24,224,709	15,835,317
Total liabilities	720,719,252	715,772,853
Commitments and contingent liabilities (Note 12)		
Stockholders' equity		
Serial preferred stock, none issued		
Common stock, \$.01 par value, 65,000,000 shares authorized; 26,217,796 and 26,142,443 shares issued, respectively	262,178	261,424
Additional paid-in capital	100,897,561	100,543,717
Retained earnings (accumulated deficit)	(26,119,855)	(24,788,778)
Accumulated other comprehensive income (loss)	(472,116)	(897,235)
Treasury stock at cost, 472,725 shares	(3,837,147)	(3,837,147)
Total stockholders' equity	70,730,621	71,281,981
Total liabilities and stockholders' equity	\$ 791,449,873	\$ 787,054,834

See Notes to the Consolidated Financial Statements



Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF OPERATIONS****Years ended June 30, 2012, 2011 and 2010**

	2012	2011	2010
Interest and dividends income			
Loans	\$ 28,382,546	\$ 30,214,747	\$ 35,192,001
Mortgage-backed securities	289,690	1,749,216	2,537,522
Federal Home Loan Bank stock dividends	537,608	560,354	592,469
Securities	316,180	241,238	205,209
Federal funds sold and interest-bearing deposits	321,889	216,221	37,777
<b>Total interest and dividends income</b>	<b>29,847,913</b>	<b>32,981,776</b>	<b>38,564,978</b>
Interest expense			
Deposits	6,793,493	9,247,128	14,353,734
Short-term borrowings			50
Long-term borrowings	1,080,898	2,913,075	3,617,118
Subordinated debt			574,499
<b>Total interest expense</b>	<b>7,874,391</b>	<b>12,160,203</b>	<b>18,545,401</b>
Net interest income	21,973,522	20,821,573	20,019,577
Provision for loan losses	6,982,000	13,540,000	14,928,000
Net interest income after provision for loan losses	14,991,522	7,281,573	5,091,577
Non-interest income			
Service charges and other fees	838,333	694,547	714,455
Mortgage banking activities, net	9,137,364	6,615,079	4,603,043
Gain on sale of SBA loans	455,993	114,453	
Increase in cash surrender value of bank-owned life insurance	228,573	276,056	250,019
Gain on sale of mortgage-backed securities		1,232,112	
Gain on sale of equity securities			23,871
Loss on real estate owned	(673,950)	(498,995)	(247,674)
Provision for real estate owned losses	(1,728,797)	(1,303,154)	(1,957,286)
Gain on the cancellation of subordinated debt			17,627,438
Other, net	857,705	807,689	521,838
<b>Total non-interest income</b>	<b>9,115,221</b>	<b>7,937,787</b>	<b>21,535,704</b>
Non-interest expense			
Compensation and benefits	11,461,869	10,710,612	9,360,246
Office occupancy and equipment	2,351,359	2,471,196	2,577,334
FDIC insurance	1,727,508	2,131,524	2,472,902
Professional and legal	410,000	486,077	857,605
Outside services	3,590,266	2,778,151	2,829,142
Franchise tax	881,994	818,726	895,834
Real estate owned and collection expense	2,534,228	2,945,405	3,087,571
Other	2,699,595	2,446,950	2,374,941
<b>Total non-interest expense</b>	<b>25,656,819</b>	<b>24,788,641</b>	<b>24,455,575</b>
<b>Income (loss) before federal income taxes</b>	<b>(1,550,076)</b>	<b>(9,569,281)</b>	<b>2,171,706</b>

Edgar Filing: FNB CORP/FL/ - Form 424B3

Federal income tax provision (benefit)	(218,999)	121,839	730,849
Net income (loss)	\$ (1,331,077)	\$ (9,691,120)	\$ 1,440,857
Basic earnings (loss) per share	\$ (0.05)	\$ (0.38)	\$ 0.11
Diluted earnings (loss) per share	\$ (0.05)	\$ (0.38)	\$ 0.11
Dividend declared per common share	\$	\$	\$

See Notes to the Consolidated Financial Statements

F-46

---

Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****Years ended June 30, 2012, 2011, and 2010**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Net income (loss)	\$ (1,331,077)	\$ (9,691,120)	\$ 1,440,857
Other comprehensive income (loss), net of tax			
Unrealized holding gains (loss) on available for sale securities	425,119	(1,321,139)	1,895,805
Reclassification adjustment for (gains) included in net income		(1,232,112)	(23,871)
Tax effect			636,460
Total other comprehensive income (loss)	425,119	(2,553,251)	1,235,474
Total comprehensive income (loss)	\$ (905,958)	\$ (12,244,371)	\$ 2,676,331

See Notes to the Consolidated Financial Statements

F-47

Table of Contents**PVF CAPITAL CORP.****CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

Years ended June 30, 2012, 2011, and 2010

	Common stock	Additional paid-in capital	Retained earnings (accumulated deficit)	Treasury stock	Accumulated other comprehensive income (loss)	Total
Balance at June 30, 2009	\$ 82,465	\$ 69,377,852	\$ (16,538,515)	\$ (3,837,147)	\$ 420,542	\$ 49,505,197
Net income (loss)			1,440,857			\$ 1,440,857
other comprehensive income					1,235,474	1,235,474
Proceeds from stock offering, net of issuance cost	171,428	27,792,633				27,964,061
Warrants issued (17,142,857)		1,884,004				1,884,004
Common stock issued (485,538 shares)	4,856	1,095,144				1,100,000
Restricted stock issued (240,000 shares)	2,400	(2,400)				
Paid in capital related to stock based compensation		113,432				113,432
Balance at June 30, 2010	\$ 261,149	\$ 100,260,665	\$ (15,097,658)	\$ (3,837,147)	\$ 1,656,016	\$ 83,243,025
Net income (loss)			(9,691,120)			(9,691,120)
other comprehensive income					(2,553,251)	(2,553,251)
Restricted stock issued (27,500 shares)	275	(275)				
Paid in capital related to stock based compensation		283,327				283,327
Balance at June 30, 2011	\$ 261,424	\$ 100,543,717	\$ (24,788,778)	\$ (3,837,147)	\$ (897,235)	\$ 71,281,981
Net income (loss)			(1,331,077)			(1,331,077)
other comprehensive income					425,119	425,119
Restricted stock issued (75,353 share)	754	(754)				
Paid in capital related to stock based compensation		354,598				354,598
Balance at June 30, 2012	\$ 262,178	\$ 100,897,561	\$ (26,119,855)	\$ (3,837,147)	\$ (472,116)	\$ 70,730,621

See Notes to the Consolidated Financial Statements

Table of Contents

## PVF CAPITAL CORP.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2012, 2011 and 2010

	2012	2011	2010
<b>Operating activities:</b>			
Net income (loss)	\$ (1,331,077)	\$ (9,691,120)	\$ 1,440,857
Adjustments to reconcile net income to net cash flow from operating activities			
Amortization of premium on mortgage-backed securities	106,520	240,543	292,851
Depreciation and amortization	712,087	741,065	880,693
Provision for loan losses	6,982,000	13,540,000	14,928,000
Gain on the sale of loans receivable held for sale	(9,020,634)	(7,920,334)	(4,447,603)
Gain on the sale of SBA loans	(455,993)	(114,453)	
Gain on the sale of equity securities			(23,871)
Gain on cancellation of subordinated debt			(17,627,438)
Provision for real estate owned losses	1,728,797	1,303,154	1,957,286
Accretion of deferred loan origination fees, net	(526,735)	(882,078)	(846,719)
Loss on disposal of real estate owned, net	673,950	498,995	247,674
Gain on sale of mortgage-backed securities held for sale, net		(1,232,112)	
Market adjustment for loans held for sale	(556,778)	142,208	(107,149)
Change in fair value of mortgage banking derivatives	(1,370,796)	438,949	480,922
Stock compensation	354,598	283,327	113,432
Deferred income tax provision (benefit)	(218,999)	572,120	5,426,287
Proceeds from loans receivable held for sale	350,776,226	336,585,355	210,780,920
Origination of loans receivable held for sale, net	(360,444,613)	(333,201,053)	(190,777,493)
Increase in cash surrender value of bank-owned life insurance	(228,574)	(276,056)	(250,019)
Net change in other assets and other liabilities	14,640,204	(238,904)	4,755,825
<b>Net cash from operating activities</b>	<b>1,820,183</b>	<b>789,606</b>	<b>27,224,455</b>
<b>Investing activities:</b>			
Loan repayments and originations, net	(10,115,330)	20,049,886	62,085,561
Principal repayments on mortgage-backed securities available for sale	3,617,570	14,800,075	20,018,602
Purchase of mortgage-backed securities available for sale	(13,805,028)	(5,138,782)	(1,501,775)
Proceeds from sale of mortgage-backed securities available for sale		31,103,257	
Purchase of securities held to maturity			(112,000,000)
Calls of securities available for sale	11,950,000	59,000,000	162,000,000
Purchase of securities available for sale	(25,964,197)	(47,950,000)	(20,000,000)
Sale of securities available for sale			71,471
Additions to office properties and equipment, net	(392,487)	(421,509)	(132,518)
Proceeds from sale of real estate owned	7,151,017	5,814,638	6,116,600
<b>Net cash from investing activities</b>	<b>(27,558,455)</b>	<b>77,257,565</b>	<b>116,657,941</b>
<b>Financing activities:</b>			
Net increase in demand deposits, NOW and passbook savings	38,875,378	35,730,756	8,608,633
Net decrease in time deposits	(35,468,073)	(50,705,398)	(65,993,725)
Repayment of note payable	(106,667)	(106,666)	(106,667)
Repayment of repurchase agreement		(50,000,000)	
Net increase (decrease) in advances from borrowers for taxes and insurance	(6,743,631)	6,282,596	(4,624,810)
Payment in exchange for cancellation of subordinated debt			(900,000)
Proceeds from Stock Offering, net of issuance cost			27,964,061
<b>Net cash from financing activities</b>	<b>(3,442,993)</b>	<b>(58,798,712)</b>	<b>(35,052,508)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(29,181,265)</b>	<b>19,248,459</b>	<b>108,829,888</b>
Cash and cash equivalents at beginning of year	149,291,405	130,042,946	21,213,058
<b>Cash and cash equivalents at end of year</b>	<b>\$ 120,110,140</b>	<b>\$ 149,291,405</b>	<b>\$ 130,042,946</b>

Edgar Filing: FNB CORP/FL/ - Form 424B3

Supplemental disclosures of cash flow information:

Cash payments of interest	\$	7,873,971	\$	12,420,489	\$	18,604,331
Supplemental noncash investing activity:						
Transfer of loans to real estate owned	\$	9,314,588	\$	7,415,799	\$	4,887,543
Supplemental noncash financing activity:						
Common stock and warrants exchanged for cancellation of debt	\$		\$		\$	2,984,004

F-49

---



Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS**

The accounting and reporting policies of PVF Capital Corp. (the "Company") conform to U.S. generally accepted accounting principles and general industry practice. The Company's principal subsidiary, Park View Federal Savings Bank (the "Bank" or "Park View Federal" is principally engaged in the business of offering deposits through the issuance of savings accounts, money market accounts and certificates of deposit, and lending funds primarily for the purchase, construction, and improvement of real estate in Cuyahoga, Summit, Geauga, Lake, Medina, Lorain and Portage Counties, Ohio. The deposit accounts of the Bank are insured up to applicable limits by the FDIC. The following is a description of the significant policies, the Company follows in preparing and presenting its consolidated financial statements.

**Principles of Consolidation:** The consolidated financial statements include the accounts of PVF and its wholly-owned subsidiaries, the Bank, Park View Federal Service Corp ("PVFSC"), Park View Federal Holdings, Inc. ("PVF Holdings", and Mid Pines LC ("MPLC"). PVFSC owns some the Bank premises and leases them to the Bank. PVF Holdings, Inc. and MPLC did not have any significant assets or activity as of or for the periods presented. All significant intercompany transactions and balances are eliminated in consolidation.

PVFSC and the Bank have entered into various nonconsolidated joint ventures that own real estate including properties leased to the Bank. See "Note 14 Related Party Transactions" for additional disclosures related to these entities. Park View Federal has created various limited liability companies that have taken title to property acquired through or in lieu of foreclosure.

**Use of Estimates:** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The allowance for loan losses, valuation of mortgage servicing rights, fair value of mortgage banking derivatives, valuation of loans held for sale, fair value of securities, valuation of other real estate owned, the realizability of deferred tax assets and are subject to change.

**Cash Flows:** For purposes of the consolidated statements of cash flows, the Company considers cash and amounts due from depository institutions, interest bearing deposits, and federal funds sold with original maturities of less than three months to be cash equivalents. Net cash flows are reported for customer loan transactions, NOW and passbook savings accounts, time deposits, short-term borrowings, and advances from borrowers.

**Interest-bearing Deposits:** Interest-bearing deposits in other financial institutions mature within one year and are carried at cost.

**Securities:** Debt securities that could be sold in the future because of changes in interest rates or other factors are classified as available for sale. Equity securities with readily determinable fair values are classified as available for sale. Securities available for sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income, net of tax. Interest income includes amortization of purchase premium or accretion of purchase discount. Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to yield. Prepayment is

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (Continued)**

assumed for mortgage-backed securities. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: 1) OTTI related to credit loss, which must be recognized in the income statement and 2) OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. For equity securities, the entire amount of OTTI is recognized through earnings.

Mortgage Banking Activities: Mortgage loans originated and intended for sale in the secondary market are carried at fair value. The Company sells the loans on either a servicing retained or servicing released basis. Servicing rights are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. The Company measures servicing assets using the amortization method. Fair value is based on market prices for comparable mortgage servicing contracts, when available, or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. Loan servicing rights are amortized in proportion to and over the period of estimated net future servicing revenue. The expected period of the estimated net servicing income is based in part on the expected prepayment of the underlying mortgages. The unamortized balance of mortgage servicing rights is included in prepaid expenses and other assets on the Consolidated Statement of Financial Condition.

Mortgage servicing rights are periodically evaluated for impairment. Impairment represents the excess of amortized cost over its estimated fair value. Impairment is determined by stratifying rights into tranches based on predominant risk characteristics, such as interest rate and original time to maturity. Any impairment is reported as a valuation allowance for an individual tranche. If the Company later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance will be recorded as an increase to income.

Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of outstanding principal and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income. Late fees and ancillary fees related to loan servicing are not material.

The Company is exposed to interest rate risk on loans held for sale and rate-lock loan commitments ("IRLCs"). As market interest rates increase or decrease, the fair value of loans held for sale and rate-lock commitments will decline or increase. The Company enters into derivative transactions principally to protect against the risk of adverse interest movements affecting the value of

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (Continued)**

the Company's committed loan sales pipeline. In order to mitigate the risk that a change in interest rates will result in a decline in value of the Company's IRLCs in the committed mortgage pipeline or its loans held for sale, the Company enters into mandatory forward loan sales contracts with secondary market participants. Mandatory forward sales contracts and committed loans intended to be held for sale are considered free-standing derivative instruments and changes in fair value are recorded in current period earnings. For committed loans, fair value is measured using current market rates for the associated mortgage loans. For mandatory forward sales contracts, fair value is measured using secondary market pricing.

**Loans:** Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of deferred loan fees and costs, and an allowance for loan losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on mortgage and commercial loans is discontinued at the time the loan is greater than 90 days delinquent unless the loan is well-secured with a loan to value ratio of 60% or less and in process of collection. Interest income on consumer loans is discontinued at the time the loan is greater than 90 days delinquent. Consumer loans that become 180 days or more past due will be classified as loss and fully reserved. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. Nonaccrual loans and loans past due greater than 90 days still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans. A loan is moved to non-accrual status in accordance with the Company's policy, typically after 90 days of non-payment.

All interest accrued but not received for loans placed on nonaccrual is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

**Allowance for Loan Losses:** The allowance for loan losses is maintained at a level to absorb probable incurred losses in the portfolio as of the balance sheet date. The adequacy of the allowance for loan losses is periodically evaluated by the Company based upon the overall portfolio composition and general market conditions as well as information about specific borrower situations and estimated collateral values. While management uses the best information available to make these evaluations, future adjustments to the allowance may be necessary if economic conditions change substantially from the assumptions used in making the evaluations.

Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance for loan losses.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (Continued)**

The allowance consists of specific and general components. The specific allocation relates to loans that are individually classified as impaired and not yet charged off. The general component covers non-impaired loans and is based on historical loss experience, adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Company over the most recent 18 months. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These economic factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations.

The loan portfolio segments include one-to-four family, one-to-four family construction, multi-family, commercial real estate, land, commercial and industrial, and consumer loans. One-to-four family, one-to-four family construction, and consumer loans rely on the historic cash flows of individual borrowers and on the real estate securing the loan. Multi-family, commercial real estate, land, SBA, and the commercial and industrial segments are comprised of loans with a reliance on historic cash flows of small business borrowers and of small scale investors, as well as of the underlying real estate projects or of the land. The underwriting criteria across all segments consider the risk attributes associated with weak local economic conditions and a weak real estate market.

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal and interest according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Certain loans to borrowers experiencing financial difficulty can be modified as troubled debt restructurings and are classified as impaired. The modification of the terms of such loans include one or a combination of the following: a reduction of the stated interest rate of the loan; an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk; or a permanent reduction of the recorded investment in the loan. In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed under the Company's internal underwriting policy with respect to the following: whether the borrower is or will be in payment default on any of his or her debt in the foreseeable future without the modification; whether there is a potential for a bankruptcy filing; whether there is a going-concern issue; or whether the borrower is unable to secure financing elsewhere.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (Continued)**

Generally, accruing loans which have one or more of their terms modified in response to financial difficulties of the borrower, but remain payment current, are considered troubled debt restructurings on accrual status and performing. Loans that are classified as nonperforming, which have one or more of their terms modified in response to financial difficulties of the borrower, need to remain payment current for a minimum of 180 days under the terms of the restructuring. Only after satisfactory payment history has been re-established can the loan be moved to accrual status.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the respective loan's effective rate at inception. The Company records impairments associated with troubled debt restructurings as specific allocations to the allowance. If a troubled debt restructure is paid off, the associated specific allocation is released back into the general allowance. For troubled debt restructurings considered to be collateral dependent, the loan is reported, net, at the fair value of collateral. For troubled debt restructurings that subsequently default, the Company determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

Large groups of smaller balance homogeneous loans are collectively evaluated for impairment and accordingly, they are not separately identified for impairment disclosure purposes.

The Company's loan portfolio is primarily secured by real estate. Collection of real estate secured loans in the portfolio is dependent on court proceedings, and as a result, loans may remain past due for an extended period before being collected, transferred to other real estate owned, or charged off. Charge-offs are recorded after the foreclosure process is complete for any deficiency between the Company's recorded investment in the loan and the fair value of the real estate acquired or sold, to the extent that such a deficiency exists.

Historically, the Company recognized specific impairment on individual loans through the utilization of a specific valuation allowance, but did not charge off the impaired loan amount until the loan was disposed and removed from the loan accounting system. During the quarter ended December 31, 2011, the Company implemented an enhanced loan accounting system, which provides for the systematic recording of charged-off loans for financial recognition without losing the ability to track the legal contractual amounts. As such, during the three months ended March 31, 2012 and December 31, 2011, respectively, the Company charged off those principal loan amounts which had previously been specifically impaired through a specific valuation allowance and continued to be carried in loans outstanding. In addition to reducing loan balances, including nonperforming loans, this new enhanced loan accounting system had the impact of elevating reported charge-offs for the periods and reducing the allowance for loan losses associated with specific reserves. Since these charge-offs associated with the implementation of this loan accounting system were previously specifically reserved and included in the Company's historical loss factors, the allowance for loan losses did not need to be replenished after recording these charge-offs.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right (free of conditions to constrain it from taking that right) to pledge or exchange the transferred assets, and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (Continued)**

**Office Properties and Equipment:** Land is carried at cost. Buildings and equipment are stated at cost less accumulated depreciation. Depreciation and amortization are computed using the straight-line method at rates expected to amortize the cost of the assets over their estimated useful lives or, with respect to leasehold improvements, the term of the lease, if shorter. Estimated lives for buildings are 40 years. Estimated lives for equipment range from 1 to 10 years.

**Other Real Estate Owned:** Assets acquired through or instead of loan foreclosure are initially recorded at fair value less estimated selling costs when acquired, establishing a new cost basis. These assets are subsequently accounted for at the lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed.

**Federal Home Loan Bank (FHLB) Stock:** The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

**Long-Term Assets:** Office properties and equipment and other long-term assets are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

**Bank-Owned Life Insurance:** The Company has purchased life insurance policies on certain officers. BOLI is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value, adjusted for other charges or other amounts due that are probable at settlement.

**Income Taxes:** Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of the tax benefit that is greater than fifty percent likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company is subject to federal income tax only. Ohio-domiciled Banks and bank holding companies are not subject to income tax in Ohio. The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company is no longer subject to examination by taxing authorities for years before 2010.

**Stock Compensation:** Compensation cost is recognized for stock options and restricted stock awards issued to employees, based on the fair value of these awards at the date of grant. A Black

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS (Continued)**

Scholes model is utilized to estimate the fair value of stock options, while the market price of the Company's common stock at the date of grant is used for restricted stock awards.

Compensation cost is recognized over the requisite service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the entire service period for the entire award.

**Comprehensive Income (Loss):** Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on securities available for sale which are also recognized as a separate component of equity.

**Earnings per Share:** Basic earnings (loss) per share is calculated by dividing net income (loss) for the period by the weighted average number of shares of common stock outstanding during the period. The additional potential common shares issuable under stock options and outstanding warrants to purchase common stock are included in the calculation of diluted earnings per share.

**Loss Contingencies:** Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe at this time such matters exist that will have a material effect on the financial statements.

**Loan Commitments and Related Financial Instruments:** Financial instruments include off-balance-sheet credit instruments, such as commitments to make loans issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

**Restrictions on Cash:** Cash on hand or on deposit with the Federal Reserve Bank was required to meet regulatory reserve requirements.

**Dividend Restriction:** Banking regulations require maintaining certain capital levels and may limit the dividend paid by the bank to the holding company or by the holding company to shareholders. See "Note 13 Regulatory Matters" for more specific disclosure related to the Bank.

**Fair Value of Financial Instruments:** Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

**Operating Segments:** While the Company's chief decision-makers monitor the revenue streams of the various Company products and services, the identifiable segments are not material and operations are managed and financial performance is evaluated on a Company-wide basis. Accordingly, all of the Company's financial service operations are considered by management to be aggregated in one reportable operating segment.

**Reclassifications:** Certain reclassifications have been made to the prior year amounts to conform to the current year presentation.

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Years ended June 30, 2012, 2011 and 2010****NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED MATTERS****Adoption of New Accounting Standards:**

In May 2011, the FASB issued Accounting Standards Updated No. ASU 2011-04, "Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs," ("ASU 2011-04"). The amendments in ASU 2011-04 generally represent clarifications of Topic 820, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurement has changed. ASU 2011-04 results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. Generally Accepted Accounting Principles and International Financial Reporting Standards. The amendments are effective during interim and annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 did not have a material impact on the Company's consolidated financial statements.

In June 2011, The FASB issued Accounting Standards Update No. 2011-05 "Comprehensive Income (Topic 220): Presentation of Comprehensive Income," ("ASU 2011-5"). Under ASU 2011-05, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in shareholders' equity. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. The amendments in ASU 2011-05 do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

**NOTE 2 SECURITIES**

As of June 30, 2012 and 2011, the amortized cost and fair value of securities available for sale and the related gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) were as follows:

	2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
FNMA structured notes	\$ 2,000,000	\$ 9,320	\$	\$ 2,009,320
Trust preferred and corporate securities	20,964,197	344,230	(46,665)	21,261,762
<b>Total</b>	<b>\$ 22,964,197</b>	<b>\$ 353,550</b>	<b>\$ (46,665)</b>	<b>\$ 23,271,082</b>

	2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
FHLMC structured notes	\$ 3,000,000	\$	\$ (6,000)	\$ 2,994,000
FNMA structured notes	5,950,000	2,674		5,952,674
<b>Total</b>	<b>\$ 8,950,000</b>	<b>\$ 2,674</b>	<b>\$ (6,000)</b>	<b>\$ 8,946,674</b>



Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Years ended June 30, 2012, 2011 and 2010****NOTE 2 SECURITIES (Continued)**

The amortized cost and fair value of securities available-for-sale, by contractual maturity, are shown below.

	<b>June 30, 2012</b>	
	<b>Amortized Cost</b>	<b>Fair Value</b>
One to five years	\$ 2,000,000	\$ 2,009,320
Five to ten years	2,092,755	2,085,500
Over ten years	18,871,442	19,176,262
<b>Total</b>	<b>\$ 22,964,197</b>	<b>\$ 23,271,082</b>

The Federal Home Loan Mortgage Corporation ("FHLMC") and Federal National Mortgage Association ("FNMA") structured notes are callable quarterly, and have multiple coupon resets and maturities ranging up to 10 years. At June 30, 2012, gross unrealized losses have been in a loss position for less than 12 months and no other than temporary impairment has been taken as the investments are believed to be of high credit quality with the decline in fair value largely due to changes in market interest rates and not credit quality.

The fair value of mortgage-backed securities available for sale and the related gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) at June 30, 2012 and 2011 are summarized as follows:

	<b>2012</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
FNMA mortgage-backed securities	\$ 5,249,277	\$ 89,171	\$	\$ 5,338,448
FHLMC mortgage-backed securities	9,844,587	203,927		10,048,514
<b>Total</b>	<b>\$ 15,093,864</b>	<b>\$ 293,098</b>	<b>\$</b>	<b>\$ 15,386,962</b>

	<b>2011</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
FHLMC mortgage-backed securities	\$ 5,012,927	\$ 4,537	\$ (45,343)	\$ 4,972,121

These mortgage-backed securities are backed by residential mortgage loans and do not mature on a single maturity date.

At June 30, 2012, there are no gross unrealized losses on mortgage-backed securities. Gross unrealized losses on mortgage backed securities at June 30, 2011 were at a loss position for less than 12 months. All of the Company's holdings of mortgage-backed securities at year end 2012 and 2011 were issued by U.S. government sponsored enterprises. Unrealized gains and losses on mortgage-backed securities have not been recognized into income, because the decline in fair value is attributable to changes in interest rates and illiquidity, and not credit quality, and because the Company does not

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Years ended June 30, 2012, 2011 and 2010****NOTE 2 SECURITIES (Continued)**

have the intent to sell these mortgage-backed securities and it is likely that it will not be required to sell the securities before their anticipated recovery. The Company does not consider these securities to be other than temporarily impaired at June 30, 2012 and 2011.

In June of 2011, the Company sold a mortgaged-backed security with an amortized cost of \$29,871,145. The Company realized a gross gain of \$1,232,112.

There were no sales of mortgaged-backed securities in 2010 and 2012.

**NOTE 3 LOANS RECEIVABLE**

Loans receivable at June 30, 2012 and 2011 consisted of the following:

	2012	2011
<b>One-to-Four Family Loans:</b>		
1-4 Family Owner Occupied	\$ 58,743,933	\$ 65,501,675
1-4 Family Non-Owner Occupied	34,368,320	39,705,016
1-4 Family Second Mortgage	29,202,145	32,897,907
Home Equity Lines of Credit	65,908,899	71,947,078
Home Equity Investment Lines of Credit	5,645,851	8,031,953
<b>One-to-Four Family Construction Loans:</b>		
1-4 Family Construction	514,052	1,135,786
1-4 Family Construction Models/Speculative	1,608,137	5,140,560
<b>Multi-Family Loans:</b>		
Multi-Family	53,959,459	50,294,026
Multi-Family Second Mortgage	145,642	421,489
Multi-Family Construction	5,375,000	1,593,981
<b>Commercial Real Estate Loans:</b>		
Commercial	198,287,457	195,318,830
Commercial Second Mortgage	5,750,283	8,187,212
Commercial Lines of Credit	22,335,619	17,020,580
Commercial Construction	7,732,736	4,236,607
<b>Commercial and Industrial Loans</b>	35,443,184	30,721,403
<b>Land Loans:</b>		
Lot Loans	12,091,093	22,924,077
Acquisition and Development Loans	19,093,006	23,022,620
<b>Consumer Loans</b>	2,112,708	162,266
Total loans receivable	558,317,524	578,263,066
Net deferred loan origination fees	(637,144)	(984,136)
Allowance for loan losses	(16,052,865)	(29,996,893)
Total loans receivable, net	\$ 541,627,515	\$ 547,282,037

Table of Contents**PVF CAPITAL CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Years ended June 30, 2012, 2011 and 2010****NOTE 3 LOANS RECEIVABLE (Continued)**

The following table presents activity in the allowance for loan losses by portfolio segment for the year ended June 30, 2012:

	<b>One-to-Four Family</b>	<b>One-to-Four Family Construction</b>	<b>Multi- Family</b>	<b>Commercial Real Estate</b>	<b>Commercial and Industrial</b>	<b>Land</b>	<b>Consumer</b>	<b>Total</b>
Beginning balance at June 30, 2011	\$ 8,841,454	\$ 1,266,740	\$ 1,767,336	\$ 8,458,942	\$ 1,663,894	\$ 7,891,305	\$ 107,222	\$ 29,996,893
Provision for loan losses	4,176,679	321,391	753,393	1,375,624	(482,403)	934,922	(97,606)	6,982,000
Charge-offs	(7,398,876)	(1,287,819)	(617,591)	(4,884,634)	(546,789)	(7,068,348)		(21,804,057)
Recoveries	146,019	5,000		134,247	293,341	299,422		878,029
Ending balance at June 30, 2012	\$ 5,765,276	\$ 305,312	\$ 1,903,138	\$ 5,084,179	\$ 928,043	\$ 2,057,301	\$ 9,616	\$ 16,052,865

The following is a summary of the changes in the allowance for loan losses for the years ended June 30, 2011 and June 30, 2010 is as follows:

	<b>2011</b>	<b>2010</b>
Beginning balance	\$ 31,519,466	\$ 31,483,205
Provision for loan losses	13,540,000	14,928,000
Loans charged-off	(15,528,353)	(14,891,739)
Recoveries	465,780	
Ending balance	\$ 29,996,893	\$ 31,519,466

As of December 31, 2011, the Company implemented an enhanced loan accounting system, which provides for the systematic recording of charged-off loans for financial recognition without losing its ability to track the legal contractual amounts. As such, during the current fiscal year, the Company charged off those loan amounts which had previously been specifically impaired through the use of the specific valuation allowance. As of June 30, 2012, any remaining specific impairments known in prior periods as specific valuation allowances are now tracked as specific allocations to the allowance. In addition to reducing loan balances, including nonperforming loans, this new enhanced loan accounting system had the impact of elevating reported charge-offs for the period and reducing the allowance for loan losses associated with specific reserves.

The following table presents the allowance for loan losses and the recorded investment in loans by portfolio segment and based on the impairment method as of June 30, 2012. The recorded investment in loans includes the unpaid principal balance and unamortized loan origination fees, but excludes accrued interest receivable which is not considered to be material.

Table of Contents

**PVF CAPITAL CORP.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Years ended June 30, 2012, 2011 and 2010**

**NOTE 3 LOANS RECEIVABLE (Continued)**

**One-to-Four  
Family**