FNB CORP/FL/
Form S-4/A
December 09, 2013
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As filed with the Securities and Exchange Commission on December 9, 2013.

Registration No. 333-192414

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1

to

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

F.N.B. CORPORATION

(Exact name of registrant as specified in its charter)

Florida	6021	25-1255406
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

One F.N.B. Boulevard

Hermitage, Pennsylvania 16148

(724) 981-6000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Vincent J. Delie, Jr.

President and Chief Executive Officer

F.N.B. Corporation

One F.N.B. Boulevard

Hermitage, Pennsylvania 16148

(724) 981-6000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon the effective date of the merger of BCSB Bancorp, Inc. with and into the Registrant.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price per Unit**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee(3)**
Common stock, $0.01 par value per share	7,200,000 shares	Not applicable	$87,576,911.40	$11,279.91(4)

(1) The maximum number of shares of F.N.B. Corporation common stock estimated to be issuable upon the completion of the proposed merger of BCSB Bancorp, Inc. with and into F.N.B. Corporation. This number is

based on the number of shares of BCSB Bancorp, Inc. common stock estimated to be outstanding, or reserved for issuance under various equity-based compensation plans as of November 19, 2013, and the exchange of each such share for 2.080 shares of F.N.B. Corporation common stock pursuant to the Agreement and Plan of Merger, dated as of June 13, 2013, between F.N.B. Corporation and BCSB Bancorp, Inc.

(2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and computed pursuant to Rules 457(f)(1) and 457(c) under the Securities Act. Pursuant to Rule 457(f)(1) under the Securities Act, the proposed maximum aggregate offering price of the registrant s shares of common stock was calculated in accordance with Rule 457(c) under the Securities Act based upon the market value of the shares of BCSB Bancorp, Inc. common stock to be cancelled and exchanged for the registrant s shares of common stock in connection with the proposed merger as follows: the product of (i) 3,461,538, the maximum possible number of BCSB Bancorp Corp. common stock which may be cancelled and exchanged in the proposed merger, and (ii) $25.30, the average of the high and low prices for a share of BCSB Bancorp, Inc. common stock reported on The NASDAQ Global Market on November 15, 2013.

(3) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to $128.80 per $1,000,000 of the proposed maximum offering price.

(4) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and may be changed. F.N.B. Corporation may not issue the shares of its common stock to be issued in connection with the merger described in this proxy statement/prospectus until the registration statement it filed with the Securities and Exchange Commission becomes effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY   SUBJECT TO COMPLETION, DATED DECEMBER 9, 2013

MERGER PROPOSAL   YOUR VOTE IS VERY IMPORTANT

Dear BCSB Bancorp, Inc. Shareholders:

You are cordially invited to attend a special meeting of shareholders of BCSB Bancorp, Inc. to be held at [   ], local time, on [   ], 2014, at Baltimore County Savings Bank s Perry Hall branch office located at 4208 Ebeneezer Road, Baltimore, Maryland. At the special meeting, you will be asked to consider and vote upon a proposal to approve an agreement and plan of merger which provides for the merger of BCSB Bancorp with and into F.N.B. Corporation, a Florida corporation with its principal place of business in Hermitage, Pennsylvania, as well as to vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies on the proposal to approve the merger agreement and the merger and a non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger.

If the proposed merger is completed, BCSB Bancorp s shareholders will receive in exchange for each share of BCSB common stock 2.080 shares of F.N.B. common stock in accordance with the terms and conditions of the merger agreement. F.N.B. s and BCSB Bancorp s common stock are listed on the New York Stock Exchange and the NASDAQ Global Market, respectively, under the trading symbols FNB and BCSB, respectively. The closing sales prices of F.N.B. common stock and BCSB common stock on the last practicable trading day prior to the mailing of this document were $[   ] and $[   ], respectively. The equivalent value of the stock consideration to be paid in the merger for each share of BCSB common stock, calculated by multiplying the [   ], 2013 closing price of BCSB common stock by the 2.080 exchange ratio, would be $[   ]. The market prices for both F.N.B. common stock and BCSB common stock will fluctuate prior to the merger. We urge you to obtain current market quotations for both F.N.B. common stock and BCSB common stock.

F.N.B. and BCSB cannot complete the proposed merger unless BCSB shareholders vote to approve the merger agreement and the merger at the special meeting. This letter is accompanied by BCSB Bancorp s proxy statement, which BCSB is providing to solicit your proxy to vote for approval of the merger agreement and the merger at the meeting. The accompanying document is also being delivered to BCSB Bancorp s shareholders as F.N.B. s prospectus for its offering of F.N.B. common stock to BCSB Bancorp s shareholders in the merger.

BCSB Bancorp s board of directors has determined that the merger agreement and the merger are in the best interests of BCSB Bancorp and its shareholders, has unanimously approved the merger agreement and the merger and unanimously recommends that BCSB Bancorp shareholders vote FOR the proposal to approve the merger agreement and the merger, FOR the proposal to adjourn the BCSB Bancorp special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement and the merger and FOR the proposal to approve a non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger.

This proxy statement/prospectus provides you with detailed information about the proposed merger. It also contains or references information about F.N.B. and BCSB Bancorp and related matters. You are encouraged to read this document carefully. **In particular, you should read the Risk Factors section beginning on page 17 for a discussion of the risks you should consider in evaluating the proposed merger and how it will affect you.**

Your vote is very important. Whether or not you plan to attend the special meeting, please take the time to vote by completing and mailing the enclosed proxy card. If you do not vote in person or by proxy, the effect will be a vote against the proposal to approve the merger agreement and the merger.

I look forward to seeing you at the special meeting and I appreciate your continued support.

Sincerely,

Joseph J. Bouffard

President and Chief Executive Officer

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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 [ ], 2013, and we are first mailing or otherwise delivering it to our shareholders on or about [ ], 2013.

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BCSB BANCORP, INC.

4111 E. Joppa Road

Baltimore, Maryland 21236

(410) 256-5000

Notice of Special Meeting of Shareholders to be held [ ], 2014

To the Shareholders of BCSB Bancorp:

BCSB Bancorp, Inc. will hold a special meeting of shareholders at Baltimore County Savings Bank s Perry Hall Office located at 4208 Ebenezer Road, Baltimore, Maryland on [ ], 2014, at [ ], local time to consider and vote upon the following matters:

1. A proposal to approve the Agreement and Plan of Merger between F.N.B. Corporation and BCSB Bancorp, Inc., dated as of June 13, 2013, pursuant to which BCSB Bancorp will merge with and into F.N.B. Corporation, as well as the merger. A copy of the Agreement and Plan of Merger is included as Appendix A to the accompanying proxy statement/prospectus;

2. Consider and vote upon a proposal 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 agreement and plan of merger and the merger;

3. Vote on a non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger; and

4. Transact such other business as may be properly presented at the special meeting and any adjournments or postponements of the special meeting.

The enclosed document describes the agreement and plan of merger and the proposed merger in detail. We urge you to read these materials carefully. The enclosed document forms a part of this notice.

The Board of Directors of BCSB Bancorp unanimously recommends that BCSB Bancorp shareholders vote FOR each of the proposals.

Shareholders of record as of the close of business on [ ], 2013 are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Your vote is very important. Your proxy is being solicited by the BCSB Bancorp Board of Directors. The proposal to approve the agreement and plan of merger must be approved by the affirmative vote of holders of at least a majority of the issued and outstanding shares of BCSB Bancorp common stock entitled to vote for the proposed merger to be consummated. Whether or not you plan to attend the special meeting in person, we urge you to complete and mail the enclosed proxy card, in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used. Attendance at the meeting, however, will not by itself revoke a proxy. If you are the beneficial owner of shares held in street name through a broker, bank or other nominee you should instruct your broker, bank or other nominee how to vote on your behalf, or if you plan to attend the special meeting and wish to vote in person, you should bring a signed proxy from your broker, bank or nominee confirming your right to vote the shares.

If you have any questions or need assistance voting your shares, please contact our proxy solicitor, AST Phoenix Advisors, toll free at (866) 406-2284; bankers and brokers call (212) 493-3910.

By Order of the Board of Directors

David M. Meadows

Corporate Secretary

Baltimore, Maryland

[ ], 2013

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ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission by F.N.B. Corporation, constitutes a prospectus of F.N.B. Corporation under the Securities Act of 1933, as amended, which we refer to in this document as the Securities Act, with respect to the shares of F.N.B. Corporation common stock to be issued to BCSB Bancorp s shareholders, as required by the agreement and plan of merger. This document also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to in this document as the Exchange Act, and a notice of meeting with respect to the special meeting of shareholders of BCSB Bancorp.

You should rely only on the information contained in this document. No one has been authorized to provide you with information that is different from the information contained in this document. This document is dated [ ], 2013. You should not assume that the information contained in this document is accurate as of any date other than that date. Neither the mailing of this document to BCSB Bancorp shareholders nor the issuance by F.N.B. Corporation of its common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding F.N.B. Corporation has been provided by F.N.B. Corporation and information contained in this document regarding BCSB Bancorp has been provided by BCSB Bancorp.

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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. This information is available to you without charge upon your written or oral request. We have listed the documents containing this information on page [ ] of this proxy statement/prospectus.

You can obtain any of the documents that F.N.B. and BCSB Bancorp have filed with or furnished to the SEC from the SEC s website at *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, by contacting either F.N.B. or BCSB Bancorp, as applicable, at the address or telephone number given below.

F.N.B. CORPORATION	BCSB BANCORP, INC.
One F.N.B. Boulevard	**4111 E. Joppa Road**
Hermitage, Pennsylvania 16148	**Baltimore, Maryland 21236**
Attention: David B. Mogle, Corporate Secretary	**Attention: David M. Meadows, Corporate Secretary**
Telephone: (724) 983-3431	**Telephone: (410) 256-5000**

In addition, if you have questions about the merger or the BCSB Bancorp 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 AST Phoenix Advisors, BCSB Bancorp s proxy solicitor, at the following address and telephone number:

AST Phoenix Advisors

6201 15th Avenue, 3rd Floor

Brooklyn, New York 11219

(866) 406-2284

Banks and brokers call: (212) 493-3910

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 BCSB Bancorp special meeting, you should make your request to F.N.B. or BCSB Bancorp, as the case may be, no later than [ ], 2014, or five trading days prior to the BCSB Bancorp special meeting.

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

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND OUR SPECIAL MEETING

Q. What is the merger?

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

In order to complete the combination of their businesses, F.N.B. and BCSB Bancorp also agreed that their principal operating subsidiaries should merge with each other. Once the merger between F.N.B. and BCSB Bancorp is completed, Baltimore County Savings Bank, the bank subsidiary of BCSB Bancorp, 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 Baltimore County Savings Bank will cease, and First National Bank of Pennsylvania will continue as the surviving bank.

Q. Why am I receiving this document?

A. The merger of BCSB Bancorp into F.N.B. cannot occur unless BCSB Bancorp shareholders vote to approve the merger. BCSB Bancorp will hold a special meeting of its shareholders to obtain this approval. This proxy statement/prospectus contains important information about the merger, the agreement and plan of merger, the special meeting of BCSB Bancorp 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 shares of BCSB Bancorp common stock without attending the special meeting.

We are delivering this proxy statement/prospectus to you as both a proxy statement of BCSB Bancorp and a prospectus of F.N.B. It is a proxy statement because the BCSB Bancorp Board of Directors is soliciting proxies from BCSB Bancorp 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 shares of its common stock to BCSB Bancorp shareholders in exchange for their shares of BCSB Bancorp common stock 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 agreement and plan of merger and the merger of BCSB Bancorp 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 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 agreement and plan of merger and the merger at the time of our special meeting. We sometimes refer to this proposal as the adjournment proposal in this proxy statement/prospectus. Lastly, we will ask our shareholders to cast an advisory (non-binding) vote on the compensation payable to the named executive officers of BCSB Bancorp in connection with the merger. We sometimes refer to this proposal as the compensation proposal in this proxy statement/prospectus.

Q. What will I receive in exchange for my BCSB Bancorp common stock if the merger is completed?

A. Upon completion of the merger of BCSB Bancorp with and into F.N.B., you will have the right to receive 2.080 shares of F.N.B. common stock in exchange for each share of BCSB Bancorp common stock you own. F.N.B. will pay cash in lieu of issuing fractional shares of F.N.B. common stock.

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Q. What does the BCSB Bancorp Board of Directors recommend?

A. The BCSB Bancorp Board of Directors has unanimously determined that the merger is fair to you and in your and our best interests and unanimously recommends that you vote **FOR** approval of the merger agreement and the merger, **FOR** approval of the adjournment proposal and **FOR** approval, on an advisory (non-binding) basis, of the compensation proposal.

In making this determination, the BCSB Bancorp 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 agreement and plan of merger. The BCSB Bancorp Board of Directors also reviewed and evaluated the terms and conditions of the agreement and plan of merger 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 BCSB Bancorp Board of Directors to the effect that, as of June 13, 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 agreement and plan of merger 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 February 2014. 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 BCSB Bancorp common stock will not receive any shares of F.N.B. common stock, cash or any other consideration in exchange for their shares. BCSB Bancorp will remain an independent public company and its common stock will continue to be listed and traded on The NASDAQ Global Market.

Q. Why am I being asked to cast an advisory (non-binding) vote to approve the compensation payable to certain BCSB Bancorp 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 BCSB Bancorp to seek an advisory (non-binding) vote with respect to certain payments that will or may be made to BCSB Bancorp s named executive officers in connection with the merger.

Q. What will happen if BCSB Bancorp shareholders do not approve the compensation proposal at the special meeting?

A. Approval of the compensation payable to the named executive officers of BCSB Bancorp in connection with the merger is not a prerequisite to completion of the merger. The vote with respect to the compensation payable to named executive officers in the merger is an advisory vote and will not be binding on BCSB Bancorp (or the combined company that results from the merger) regardless of whether the merger is approved.

Q. When and where is the BCSB Bancorp special meeting?

A. The BCSB Bancorp special meeting will be held at Baltimore County Savings Bank s Perry Hall Office, 4208 Ebenezer Road, Baltimore, Maryland 21236, on [ ], [ ] at [ ] local time.

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Q. Who can vote at the BCSB Bancorp special meeting?

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

BCSB Bancorp s articles of incorporation provide that record holders of BCSB Bancorp s common stock who beneficially own, either directly or indirectly, in excess of 10% of BCSB Bancorp s outstanding shares are not entitled to any vote with respect to the shares held in excess of the 10% limit. With respect to shares held by a broker, bank or nominee, BCSB Bancorp generally will look beyond the holder of the shares to the person or entity for whom the shares are held when applying the voting limitation. However, where the ultimate owner of the shares has granted voting authority to the broker, bank or nominee that holds the shares, BCSB Bancorp will apply the 10% voting limitation to the broker, bank or nominee.

Q. What is the quorum requirement for the BCSB Bancorp special meeting?

A. The presence, in person or by properly executed proxy, of the holders of at least a majority of our outstanding common stock on the record date is necessary to constitute a quorum at our special meeting. All shares of BCSB Bancorp common stock 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 BCSB Bancorp special meeting.

Q. What vote is required to approve each proposal at the BCSB Bancorp special meeting?

A. Proposal No. 1 requires an approval by the affirmative vote of a majority of the issued and outstanding common stock of BCSB Bancorp entitled to vote 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 votes cast by our shareholders who are entitled to vote at the BCSB Bancorp special meeting.

Q. Why is my vote important?

A. Under the Maryland General Corporation Law and our articles of incorporation, approval of the merger requires the affirmative vote of a majority of the issued and outstanding common stock of BCSB Bancorp entitled to vote. 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 [ ] 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 shares of BCSB Bancorp common stock?

A. If you are a shareholder of record on [ ], 2013, you may have your shares of BCSB Bancorp common stock 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;

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

by telephone shareholders of record may call 1-800-PROXIES (1-800-776-9437) to transmit their voting instructions; or

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via the Internet shareholders of record may use the Internet to transmit their voting instructions by visiting *www.voteproxy.com* and following the instructions for obtaining your records and creating an electronic voting instruction form.

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 is the deadline for voting?

A: You may: (1) vote by mail, telephone or Internet at any time before the meeting as long as your proxy is received before the time of the meeting or (2) if your shares are held in street name, you must vote your shares according to the voting instructions form by the deadline set by your broker or other nominee.

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 BCSB Bancorp shares are held through the Baltimore County Savings Bank Employee Stock Ownership Plan or the Baltimore County Savings Bank Employee Savings Plan?

A. If you participate in the Baltimore County Savings Bank Employee Stock Ownership Plan or hold shares through the Baltimore County Savings Bank Employee Savings Plan, which is the 401(k) plan sponsored by our subsidiary, Baltimore County Savings Bank, and invested in BCSB Bancorp common stock, you will receive a voting instruction card for each plan in which you participate that reflects all shares you may vote under the plan. Under the terms of the Baltimore County Savings Bank Employee Stock Ownership Plan, the trustee of the plan votes all shares held by the employee stock ownership plan, but each plan participant may direct the trustee how to vote the shares of common stock allocated to his or her account. The trustee of the plan, subject to the exercise of its fiduciary duties, will vote all unallocated shares of BCSB Bancorp common stock held by the employee stock ownership plan and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions. Under the terms of the Baltimore County Savings Bank Employee Savings Plan, a participant is entitled to direct the trustee of the plan as to the shares in the BCSB Bancorp, Inc. Stock Fund credited to his or her account. The trustee of the plan will vote all shares for which no directions are given or for which instructions were not timely received in the same proportion as shares for which the trustee received voting instructions. The deadline for submitting your voting instructions is 11:59 p.m. Eastern time on [ ], 2014.

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 agreement and plan of merger and the merger;

- **FOR** approval of the adjournment of our special meeting, if necessary; and

- **FOR** approval on an advisory (non-binding) basis of the compensation to the named executive officers in connection with the merger.

The BCSB Bancorp 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.

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Q. If my shares of BCSB Bancorp common stock are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee vote my BCSB Bancorp common stock for me?

A. Your bank, broker or other nominee is not permitted to vote your shares on the merger proposal 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.

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 agreement and plan of merger and the merger. On the other hand, with respect to the proposal to approve adjournment of the special meeting and the proposal to approve on an advisory (non-binding) basis the compensation payable to the named executive officers of BCSB Bancorp, 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 it is voted at the special meeting by:

- filing with the Corporate Secretary of BCSB Bancorp a duly executed revocation of proxy;
- submitting a new proxy with a later date; or
- voting in person at the special meeting.

Attendance at the special meeting will not in itself constitute revocation of your proxy. 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 stock certificates now?

A. No. Holders of our common stock should not submit their stock 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 Maryland law, you are not entitled to dissenters appraisal rights because BCSB Bancorp common stock is 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 BCSB Bancorp 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 David M. Meadows, our corporate secretary, at (410) 256-5000, or call AST Phoenix Advisors, the proxy soliciting firm we have retained, at (866) 406-2284. Banks and brokers should call (212) 493-3910.

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 carefully this entire proxy statement/prospectus and its appendices, as well as information incorporated into this proxy statement/prospectus, in order to understand the merger fully. For information on how to obtain, free of charge, copies of documents incorporated by reference into this proxy statement/prospectus, see Where You Can Find More Information on page [ ]. 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 BCSB Bancorp refers to BCSB Bancorp, Inc., F.N.B. refers to F.N.B. Corporation, and you refers to the common shareholders of BCSB Bancorp. We refer to the merger between BCSB Bancorp and F.N.B. as the merger, and the Agreement and Plan of Merger dated as of June 13, 2013 between F.N.B. and BCSB Bancorp as the agreement and plan of merger. Also, we refer to the proposed merger of Baltimore County Savings Bank into First National Bank of Pennsylvania as the bank merger.

BCSB Bancorp provided the information contained in this proxy statement/prospectus with respect to BCSB Bancorp, 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 [ ].

The Parties to the Merger

F.N.B. Corporation (Page [ ])

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. As of September 30, 2013, F.N.B. had total assets of $12.8 billion 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.

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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*. The information on F.N.B. s website is not part of this proxy statement/prospectus.

BCSB Bancorp, Inc. (Page [ ])

BCSB Bancorp, a Maryland corporation, is the holding company for Baltimore County Savings Bank, a Maryland chartered commercial bank. BCSB Bancorp s primary asset is its investment in Baltimore County Savings Bank. BCSB Bancorp is engaged in the business of directing, planning, and coordinating the business activities of Baltimore County Savings Bank. Currently, BCSB Bancorp does not maintain offices separate from those of Baltimore County Savings Bank or employ any persons other than officers of Baltimore County Savings Bank who are not separately compensated for such service. At June 30, 2013, BCSB Bancorp had total assets of $637.9 million, total deposits of $560.0 million and stockholders equity of $51.6 million.

Baltimore County Savings Bank is a community-oriented Maryland-chartered commercial bank dedicated to serving the financial service needs of consumers and businesses within its market area, which consists of the Baltimore metropolitan area. Baltimore County Savings Bank is subject to extensive regulation, examination and supervision by the Board of Governors of the Federal Reserve System (the Federal Reserve Board) and the State of Maryland Office of the Commissioner of Financial Regulation, its primary regulators, and the Federal Deposit Insurance Corporation (FDIC), its deposit insurer. Baltimore County Savings Bank attracts deposits from the general public and invests these funds in loans secured by first mortgages on owner-occupied, single-family residences in its market area and other real estate loans consisting of commercial real estate loans, construction loans and single-family rental property loans. It also originates consumer loans and commercial loans. Baltimore County Savings Bank derives its income primarily from interest earned on these loans, and to a lesser extent, interest earned on investment securities and mortgage-backed securities. Baltimore County Savings Bank operates out of its main office in Baltimore County, Maryland and 16 branch offices in Baltimore County, Harford County and Howard County in Maryland.

The address and headquarters office of BCSB Bancorp is 4111 E. Joppa Road, Baltimore, Maryland 21236. BCSB Bancorp s telephone number is (410) 256-5000, and its Internet address is *www.baltcosavings.com*. The information on BCSB Bancorp 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 [ ])

This proxy statement/prospectus is being provided to holders of BCSB Bancorp common stock as BCSB Bancorp s proxy statement in connection with the solicitation of proxies by and on behalf of its Board of Directors to be voted at the special meeting of BCSB Bancorp shareholders to be held on [ ], 2014, and at any adjournment or postponement of the special meeting. This proxy statement/prospectus is also being provided to you as F.N.B. s prospectus in connection with the offer and sale by F.N.B. of its shares of common stock as a result of the proposed merger.

Date, Time and Place of Meeting (Page [ ])

The special meeting is scheduled to be held as follows:

Date: [ ], 2014

Time: [ ], Local Time

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Place: Baltimore County Savings Bank s Perry Hall Office located at 4208 Ebenezer Road, Baltimore, Maryland

Purpose of the Shareholder Meeting (Page [ ])

At the special meeting, BCSB Bancorp s shareholders will be asked to:

- approve the agreement and plan of merger and the transactions contemplated by the agreement and plan of merger, including the merger (the merger proposal);

- approve the adjournment of the special meeting, if necessary, to permit further solicitation of proxies in favor of the merger proposal if there are not sufficient votes at the time of the special meeting to approve the merger proposal (the adjournment proposal);

- approve a non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger (the compensation proposal); and

- transact any other business that may properly come before the special meeting or any postponement or adjournment of the special meeting.

Recommendation of BCSB Bancorp s Board of Directors (Page [ ])

BCSB Bancorp s Board of Directors unanimously recommends a vote FOR approval of the agreement and plan of merger and the merger, FOR approval of the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger, and FOR the approval of the non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger.

Record Date; Shares Entitled to Vote (Page [ ])

You are entitled to vote if the records of BCSB Bancorp showed that you held shares of BCSB Bancorp common stock as of the close of business on [ ], 2013. Beneficial owners of shares held in the name of a broker, bank or other nominee (street name) should instruct their record holder how to vote their shares. As of the close of business on the record date, a total of [ ] shares of BCSB Bancorp common stock were outstanding. Each share of common stock has one vote on each matter presented to shareholders. If you are a beneficial owner of shares of BCSB Bancorp common stock held in street name and you want to vote your shares in person at the meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Quorum; Vote Required (Page [ ])

The special meeting will conduct business only if the holders of at least a majority of the total number of shares of common stock outstanding and entitled to vote are present at the meeting, either in person or by proxy. If you return valid proxy instructions or attend the meeting in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares of BCSB Bancorp common stock for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

With respect to the proposal to approve the agreement and plan of merger and the merger, you may vote in favor of the proposal, vote against the proposal or abstain from voting. Approval of the agreement and plan of merger and the merger will require the affirmative vote of at least a majority of the outstanding shares of BCSB

Bancorp common stock entitled to vote at the meeting. **Failure to return a properly executed proxy card or to vote in person will have the same effect as a vote against the agreement and plan of merger. Broker non-votes and abstentions from voting will have the same effect as voting against the agreement and plan of merger.**

With respect to the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger, you may vote in favor of the proposal, vote against the proposal or abstain from voting. The affirmative vote of the majority of votes cast is required to approve the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger.

In the advisory vote on the non-binding resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger, you may vote in favor of the proposal, vote against the proposal or abstain from voting. To approve the non-binding resolution on an advisory basis, the affirmative vote of a majority of the votes cast at the special meeting is required.

BCSB Bancorp Voting Agreements (Page [ ])

As of December 6, 2013, directors and executive officers of BCSB Bancorp beneficially owned 674,445 shares of BCSB Bancorp common stock (including vested stock options). This equals 20.2% of the outstanding shares of BCSB Bancorp common stock, assuming the exercise of all options. As of the same date, neither F.N.B. nor any its subsidiaries, directors or executive officers owned any shares of BCSB Bancorp common stock. All of BCSB Bancorp s directors entered into voting agreements with F.N.B. to vote the 455,571 shares of BCSB Bancorp common stock owned by them in favor of the proposal to approve the agreement and plan of merger and the merger. For more information about the BCSB Bancorp voting agreements, see the section entitled *Other Material Agreements Relating to the Merger Voting Agreements*.

Voting of Proxies (Page [ ])

You may vote in person at the special meeting or by proxy. To ensure your representation at the special meeting, BCSB Bancorp recommends that you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

BCSB Bancorp shareholders whose shares are held in street name by their broker, bank or other nominee must follow the instructions provided by their broker, bank or other nominee to vote their shares. Your broker or bank may allow you to deliver your voting instructions via the telephone or the Internet. If your shares are held in street name and you wish to vote in person at the special meeting, you will have to obtain proper documentation from your record holder entitling you to vote at the special meeting.

Voting instructions are included on your proxy form. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to each of the three proposals. If you are the record holder of your shares of BCSB Bancorp common stock and submit your proxy without specifying a voting instruction, your shares of BCSB Bancorp common stock will be voted FOR the proposal to approve the agreement and plan of merger and the merger, FOR the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger, and FOR the approval of the non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger. If you return an incomplete instruction card to your broker, bank or other nominee, that nominee will not vote your shares with respect to any matter.

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How to Revoke Your Proxy (Page [ ])

You may revoke your proxy at any time before it is voted by:

- filing with the Corporate Secretary of BCSB Bancorp a duly executed revocation of proxy;
- submitting a new proxy with a later date; or
- voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communications with respect to the revocation of proxies should be addressed to:

BCSB Bancorp, Inc.

David M. Meadows, Corporate Secretary

4111 E. Joppa Road

Baltimore, Maryland 21236

If any matters not described in this document are properly presented at the special meeting, the persons named in the proxy card will use their own judgment to determine how to vote your shares. BCSB Bancorp does not know of any other matters to be presented at the meeting.

Voting in Person (Page [ ])

If you plan to attend the BCSB Bancorp special meeting and wish to vote in person, you will be given a ballot at the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the BCSB Bancorp special meeting, you must bring additional documentation from the broker, bank or other nominee in order to vote your shares. Whether or not you plan to attend the BCSB Bancorp special meeting, BCSB Bancorp requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, or submit a proxy through the Internet or by telephone as described on the enclosed proxy card. This will not prevent you from voting in person at the BCSB Bancorp special meeting but will assure that your vote is counted if you are unable to attend.

Abstentions and Broker Non-Votes (Page [ ])

If you return valid proxy instructions or attend the meeting in person, we will count your shares for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes, if any, also will be counted for purposes of determining the existence of a quorum. On the proposal to approve the agreement and plan of merger and the merger, broker non-votes and abstentions from voting will have the same effect as voting against the agreement and plan of merger and the merger. In counting votes on the proposal to approve one or more adjournments of the special meeting if necessary to permit further solicitation of proxies in favor of the merger proposal and the non-binding resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger, abstentions and broker non-votes will have no effect on the outcome of the vote.

Proxy Solicitation (Page [ ])

F.N.B. and BCSB Bancorp will share equally the cost of printing and mailing this proxy statement/prospectus and the filing fees paid to the SEC. BCSB Bancorp will pay all other costs for this proxy solicitation and the special meeting. In addition to soliciting proxies by mail, AST Phoenix Advisors, a proxy solicitation firm, will assist BCSB Bancorp in soliciting proxies for the special meeting. BCSB Bancorp will pay $5,500 (and expenses), plus $1,000 for any adjournment of the meeting, for these services. Additionally, directors, officers and employees of BCSB Bancorp and Baltimore County Savings Bank may solicit proxies personally and by

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telephone. None of these persons will receive additional or special compensation for soliciting proxies. BCSB Bancorp will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

The Merger

The Merger and the Merger Agreement (Page [ ])

The agreement and plan of merger, which governs the merger of BCSB Bancorp with and into F.N.B., is attached to this document as Appendix A. We encourage you to read the agreement and plan of merger 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 agreement and plan of merger.

Under the terms of the agreement and plan of merger, BCSB Bancorp will merge with and into F.N.B., and F.N.B. will be the surviving entity. As a result of the merger, BCSB Bancorp s businesses will be combined with F.N.B. s, and BCSB Bancorp 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 BCSB Bancorp is completed, Baltimore County Savings Bank will merge with and into First National Bank of Pennsylvania, and First National Bank of Pennsylvania will continue as the surviving bank. Baltimore County Savings Bank and First National Bank of Pennsylvania have entered into an agreement of merger setting forth their agreement to merge and the terms and conditions of their merger. The form of the agreement of merger between the banks is attached as Exhibit A to the agreement and plan of merger between F.N.B. and BCSB Bancorp.

Merger Consideration (Page [ ])

The merger consideration to BCSB Bancorp shareholders will be shares of F.N.B. common stock, which will be paid at a fixed exchange ratio of 2.080 shares of F.N.B. common stock for each share of BCSB Bancorp common stock that is outstanding immediately before the merger occurs (subject to possible adjustment as provided in the agreement and plan of merger).

Opinion of BCSB Bancorp s Financial Advisor in Connection with the Merger (Page [ ])

Sandler O Neill + Partners, L.P., our financial advisor in connection with the merger, delivered a written fairness opinion to the BCSB Bancorp Board of Directors dated June 13, 2013, the date we executed the agreement and plan of merger, 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 stock.

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 BCSB Bancorp 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.

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Interests of BCSB Bancorp s Directors and Executive Officers in the Merger (Page [ ])

In considering the recommendations of the BCSB Bancorp Board of Directors that you vote **FOR** approval of the merger, **FOR** approval of the adjournment proposal and **FOR** approval of the compensation proposal, you should be aware that certain of our executive officers and directors have 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, the articles of incorporation and the bylaws of BCSB Bancorp after the merger is completed.

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

- The completion of the merger will trigger our obligation to pay change-in-control payments to our executive officers under the compensation programs we have put in place.

- Members of our senior management team may receive compensation from F.N.B. following the completion of the merger. Officers who are retained by F.N.B. as consultants or employees after the merger will be paid consulting fees or wages for their services. Certain officers who sign a non-solicitation agreement to benefit F.N.B. will be paid a one-time amount contingent upon their compliance with the agreement.

- Three of our directors will be invited to join the local advisory board that F.N.B. will establish following the merger to promote the image/reputation and products and services of First National Bank of Pennsylvania in the areas served by Baltimore County Savings Bank.

Regulatory Approvals Required for the Merger and the Bank Merger (Page [ ])

Completion of the merger and the bank merger are subject to various state and federal regulatory approvals. The merger of BCSB Bancorp with and into F.N.B. is subject to the prior approval of the Federal Reserve Board, unless the Federal Reserve Board waives this requirement. The merger between BCSB Bancorp s and F.N.B. s bank subsidiaries, Baltimore County Savings Bank 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. As of December 4, 2013, F.N.B. has received the state and federal regulatory approvals and waivers required to complete the merger and the bank merger. The Bank Merger Act Application filed by Baltimore County Savings Bank and First National Bank of Pennsylvania with the Office of the Comptroller of the Currency was approved on November 7, 2013. F.N.B. s waiver request to the Federal Reserve Board seeking an exemption from the Federal Reserve Board s pre-approval requirement for the proposed merger between BCSB Bancorp and F.N.B. was granted on December 4, 2013. In addition, both the merger and the bank merger must be approved by the State of Maryland Office of the Commissioner of Financial Regulation. The merger applications seeking the approval of the State of Maryland Office of the Commissioner of Financial Regulation for the merger and the bank merger were both approved on November 15, 2013.

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No Dissenters Rights (Page [ ])

Due to an exception under the Maryland General Corporation Law, holders of BCSB Bancorp common stock will not be entitled to dissenters appraisal rights in the merger. Dissenters rights are not available because BCSB Bancorp common stock is listed on a national securities exchange and the only consideration that BCSB Bancorp 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 BCSB Bancorp to purchase those shares at the price established by the appraisal.

Treatment of BCSB Bancorp Stock Options (Page [ ])

Upon completion of the merger, each outstanding option or similar right to acquire BCSB Bancorp common stock granted under any BCSB Bancorp equity compensation plan will automatically convert into an option to purchase shares of F.N.B. common stock, as adjusted to give effect to the exchange ratio of 2.080 shares of F.N.B. common stock for each share of BCSB Bancorp common stock.

Treatment of BCSB Bancorp Share Awards (Page [ ])

Upon completion of the merger, each share award relating to BCSB Bancorp common stock shall be converted into a share award for the number of shares of F.N.B. common stock obtained by multiplying the number of shares of BCSB Bancorp common stock subject to the share award by 2.080.

Exchange and Payment Procedures (Page [ ])

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 agreement and plan of merger in exchange for the BCSB Bancorp common stock. F.N.B. will also deposit a cash amount equal to any dividends or distributions that may be payable to BCSB Bancorp shareholders in accordance with the agreement and plan of merger, and any cash that may be payable in lieu of fractional shares of F.N.B. common stock, which the BCSB Bancorp 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 BCSB Bancorp common stock a letter of transmittal with instructions for surrendering their BCSB Bancorp common stock in exchange for the merger consideration. To receive the merger consideration, a shareholder must surrender his or her BCSB Bancorp stock 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 BCSB Bancorp shareholder until the shareholder has properly surrendered the stock certificates representing his or her shares of BCSB Bancorp common stock.

Conditions to Completion of the Merger (Page [ ])

Currently, we expect to complete the merger in February 2014. 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 agreement and plan of merger, 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 agreement and plan of merger and the merger by the requisite affirmative vote of the BCSB Bancorp common stock entitled to vote on that matter;

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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 BCSB Bancorp, or the waiver of the approval requirement by the Federal Reserve Board, and approval by the State of Maryland Office of the Commissioner of Financial Regulation of the merger and the bank merger;

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 [ ])

The closing of the merger will take place at the time and on the date specified by F.N.B. and BCSB Bancorp, which will be no later than the fifth business day after the satisfaction or waiver of the closing conditions specified in the agreement and plan of merger. The merger will become effective at the time specified in the articles of merger that F.N.B. and BCSB Bancorp file on the closing date with the Secretary of State of the State of Florida and the State Department of Assessments and Taxation of the State of Maryland. F.N.B. and BCSB Bancorp cannot be certain whether or when any of the conditions to the merger will be satisfied or waived, where permissible. We currently expect to complete the merger in February 2014; 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 [ ])

The parties can mutually agree to terminate the agreement and plan of merger at any time prior to completion of the merger. In addition, either party, acting alone, may have the right to terminate the agreement and plan of merger 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 April 30, 2014;

the other party commits a breach of the agreement and plan of merger 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 agreement and plan of merger; or

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

BCSB Bancorp will also have the right to terminate the agreement and plan of merger if the average closing price of F.N.B. common stock during a specified period before the effective time of the merger is less than $8.57 and F.N.B. common stock underperforms an index of financial institutions by more than 20%.

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Termination Fee (Page [ ])

The agreement and plan of merger provides that BCSB Bancorp will be required to pay a termination fee of $3.25 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 [ ].

Material U.S. Federal Income Tax Consequences of the Merger (Page [ ])

F.N.B. and BCSB Bancorp 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 BCSB Bancorp as a result of the merger, and (B) each BCSB Bancorp 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 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 BCSB Bancorp shareholder may depend on such shareholder s particular facts and circumstances. BCSB Bancorp 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 [ ] of this proxy statement/prospectus.

Comparison of Shareholders Rights (Page [ ])

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 Maryland General Corporation Law and our articles of incorporation and bylaws.

Comparative Market Prices and Dividends (Page [ ])

F.N.B. common stock is listed on the NYSE under the symbol FNB. Prices for our common stock are quoted on the NASDAQ Global Market under the symbol BCSB. The table on page [ ] of this proxy statement/prospectus lists the quarterly price range of F.N.B. common stock and our common stock from the quarter ended December 31, 2010 through [ ] 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 BCSB Bancorp common stock as reported on June 12, 2013, the last trading day before F.N.B. and we announced the merger, and on [ ], 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 share of BCSB Bancorp common stock 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 2.080, the exchange ratio in the merger.

	F.N.B. Common Stock	BCSB Bancorp Common Stock	Pro Forma Equivalent Value of One Share of BCSB Bancorp

			Common Stock
June 12, 2013	$ 11.27	$ 16.90	$ 23.44
[ ], 2013	[ ]	[ ]	[ ]

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.

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Adjournment Proposal (Page [ ])

You are also being asked to approve a proposal to grant the BCSB Bancorp 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 agreement and plan of merger and the merger.

Advisory Vote Regarding Certain Executive Compensation in Connection with the Merger (Page [ ])

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, BCSB Bancorp is providing its shareholders with the opportunity to vote on a non-binding advisory resolution approving the compensation payable to BCSB Bancorp s named executive officers in connection with the merger, as reported in the table under the caption *The Merger Interests of BCSB Bancorp s Directors and Executive Officers in the Merger Severance and Other Payments to Certain Persons* on page [ ] and the associated narrative discussion.

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 David M. Meadows, our corporate secretary, at (410) 256-5000, or call AST Phoenix Advisors, the proxy soliciting firm we have retained, at (866) 406-2284. Banks and brokers should call (212) 493-3910.

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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, BCSB Bancorp 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, BCSB Bancorp 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 share of BCSB Bancorp common stock will become the right to receive 2.080 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 BCSB Bancorp common stock at the closing of the merger may vary from their respective prices on the date the agreement and plan of merger 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 may also vary. For example, based on the range of closing prices of F.N.B. common stock during the period from June 12, 2013, the last full trading day before public announcement of the merger, through [ ], 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 $[ ] on [ ] to a low of $[ ] on [ ] for each share of BCSB Bancorp common stock. 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 BCSB Bancorp 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 BCSB Bancorp have begun collecting information in order to formulate detailed integration plans to deliver planned synergies. However, additional unanticipated costs or delays may be incurred during the integration process. Whether or not the merger is consummated, F.N.B. and BCSB Bancorp will incur substantial expenses, such as legal, accounting, printing and financial advisory fees. Although F.N.B. and BCSB Bancorp 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 Baltimore County Savings Bank within F.N.B. s projected timeframe without materially disrupting the existing customer relationships of Baltimore County Savings Bank and suffering decreased revenues as a result of the loss of those customers. If F.N.B. is not able to 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.

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A number of factors could affect the integration process. F.N.B. and BCSB Bancorp have operated and, until the completion of the merger, will continue to operate, independently from each other. Key employees of BCSB Bancorp 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 BCSB Bancorp s ongoing businesses or cause inconsistencies in standards, controls, procedures and policies that adversely affect the ability of F.N.B. or BCSB Bancorp to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.

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. This could have a dilutive effect on the combined company s earnings per share.

F.N.B. has limited operating experience in Maryland, which may adversely impact F.N.B. s ability to compete successfully in this market area.

F.N.B. first entered the Baltimore, Maryland market in April 2013 with its acquisition of Annapolis Bancorp, Inc. The Baltimore, Maryland market is outside of the markets in which most members of F.N.B. s senior management have extensive knowledge and experience. It also is a more competitive market environment than the other markets in which F.N.B. currently operates. F.N.B. may not be able to retain existing customers of Baltimore County Savings Bank, or adequately address the Baltimore market in terms of the products and services that F.N.B. proposes to offer, or otherwise compete successfully against institutions already established within this market area. F.N.B. s success in the Baltimore market 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 Baltimore market to supplement the existing BCSB Bancorp and F.N.B. team. The newness of the F.N.B. brand in the Maryland markets may adversely affect F.N.B. s ability to attract and retain qualified personnel as well as F.N.B. s overall ability to compete for customers in this market area. 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 Baltimore market. Even if F.N.B. identifies individuals that it believes could assist it in establishing a presence in the Baltimore 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 adversely affect its business, financial condition and results of operations.

F.N.B. s decisions regarding the credit risk associated with Baltimore County Savings Bank s loan portfolio could be incorrect and its credit mark may be inadequate, which may adversely affect the financial condition and results of operations of the combined company after the closing of the merger.

Before signing the agreement and plan of merger, F.N.B. conducted extensive due diligence on a significant portion of the Baltimore County Savings Bank loan portfolio. However, F.N.B. s review did not encompass each and every individual loan in the Baltimore County Savings Bank loan portfolio. In accordance with customary industry practices, F.N.B. evaluated the Baltimore County Savings Bank 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 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 Baltimore County Savings Bank 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 Baltimore County Savings Bank 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 Baltimore County Savings Bank 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 credit mark and/or allowance for loan losses would materially decrease F.N.B. s net income.

The proximity in time between this merger and F.N.B. s acquisition of PVF Capital Corp. could increase the risks associated with this merger, as well as place a strain on F.N.B. s financial and personnel resources that could adversely impact F.N.B. s businesses.

On October 12, 2013, F.N.B. completed its acquisition of PVF Capital Corp., the holding company of Park View Federal Savings Bank, a federal savings association. The proposed merger between BCSB Bancorp and F.N.B. is expected to be completed in February 2014, approximately four months after the completion of F.N.B. s merger with PVF Capital. F.N.B. may encounter difficulties in integrating the businesses of BCSB Bancorp within a relatively short time period after the commencement of the integration of the businesses of PVF Capital. The close proximity in time of these mergers and of the integration of both acquired businesses with F.N.B. s businesses will cause F.N.B. to continue to incur significant expenditures and will require substantial attention and effort from F.N.B. s management and other personnel. 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. The increased risks and obligations associated with completing two mergers and integrating the businesses of the two acquired entities within a relatively short time period could place a strain on F.N.B. s financial position and personnel resources, which may adversely affect F.N.B. s revenues, results of operations, financial condition and stock price.

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

BCSB Bancorp 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 BCSB Bancorp would not have realized the expected benefits of the merger. There can be no assurance that the merger will be completed.

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

The agreement and plan of merger 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 BCSB Bancorp shareholders, 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, 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 [ ] for a more complete discussion of the circumstances under which the agreement and plan of merger 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 agreement and plan of merger could negatively affect BCSB Bancorp s businesses and the market price of its common stock.

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

- BCSB Bancorp 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 BCSB Bancorp common stock might decline to the extent that the current market price reflects a market assumption that the merger will be completed.

If the agreement and plan of merger is terminated and the BCSB Bancorp Board of Directors seeks another merger or business combination, BCSB Bancorp shareholders cannot be certain that BCSB Bancorp 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 agreement and plan of merger is terminated under certain circumstances, BCSB Bancorp may be required to pay F.N.B. a termination fee of $3.25 million, or up to $500,000 of F.N.B. s expenses incurred in connection with the merger and the agreement and plan of merger. See *The Merger Agreement Termination Fee* and *The Merger Agreement Expenses* beginning on page [ ].

The merger is subject to the 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. and First National Bank of Pennsylvania have received the necessary approvals and waivers from state and federal bank regulatory agencies to complete the merger. However, those regulatory agencies 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, in connection with any regulatory approval needed for the merger, any governmental or 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. Also, the Office of the Comptroller of the Currency may rescind its approval of the merger between the bank subsidiaries or the Federal Reserve Board may rescind the grant of its waiver at any time prior to completion of the mergers if they determine that the mergers pose a supervisory or safety and soundness risk. Similarly, the State of Maryland Office of the Commissioner of Financial Regulation may rescind its approvals prior to the completion of these mergers if it determines that the mergers pose a safety and soundness risk.

The agreement and plan of merger limits BCSB Bancorp s ability to pursue alternatives to the merger.

The agreement and plan of merger 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 $3.25 million if either F.N.B. or we terminate the agreement and plan of merger under specified circumstances. In any event, the presence of those restrictions in our agreement and plan of merger 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.

BCSB Bancorp 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 BCSB Bancorp and consequently on F.N.B. These uncertainties may impair BCSB Bancorp s ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others that deal with BCSB Bancorp to consider changing existing business relationships with BCSB Bancorp. 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, BCSB Bancorp s business prior to the merger and F.N.B. s business following the merger could be negatively impacted. In addition, the agreement and plan of merger restricts BCSB Bancorp from taking specified actions relative to its business without the prior consent of F.N.B. These restrictions may prevent BCSB Bancorp 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 [ ] for a description of the restrictive covenants applicable to BCSB Bancorp.

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 BCSB Bancorp and F.N.B. negotiated the terms of the agreement and plan of merger, both the BCSB Bancorp and F.N.B. boards of directors unanimously approved the agreement and plan of merger and the BCSB Bancorp Board of Directors unanimously recommends that you vote to approve the merger agreement and the merger, approve the adjournment proposal and approve, on an advisory (non-binding) basis, the compensation payable to our named executive officers in connection with the merger. 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, once the merger is completed, each member of the senior management team of BCSB Bancorp will be entitled to a change-in-control payment under their Supplemental Executive Retirement Plan or a Supplemental Executive Retirement Agreement. Members of our senior management team also may have the opportunity to receive compensation from F.N.B. on a post-merger basis. They may be employed by F.N.B. as consultants or employees following the merger, or may receive payments if they execute a non-solicitation agreement for F.N.B. s benefit and comply with the terms of their agreement. Additionally, F.N.B. has agreed to invite three of our directors to join a local advisory board that F.N.B. will establish for the Baltimore, Maryland market area. The agreement and plan of merger 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 Approval of the Agreement and Plan of Merger and the Merger Interests of BCSB Bancorp s Directors and Executive Officers in the Merger* on page [ ].

The market price for F.N.B. common stock may be affected by factors different from those that historically have affected BCSB Bancorp common stock.

Upon completion of the merger, certain holders of BCSB Bancorp common stock will become holders of F.N.B. common stock. F.N.B. s businesses differ from those of BCSB Bancorp, and accordingly, the results of operations of F.N.B. will be affected by some factors that are different from those currently affecting the results of operations of BCSB Bancorp. For a discussion of the businesses of F.N.B. and BCSB Bancorp 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 [ ] and the information concerning BCSB Bancorp and its subsidiaries contained elsewhere in this proxy statement/prospectus.

BCSB Bancorp shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Following the merger, former BCSB Bancorp shareholders are expected to hold approximately 4% of the outstanding shares of F.N.B. common stock (including shares issued as a result of the completion of F.N.B. s acquisition of PVF

Capital Corp. on October 12, 2013 and F.N.B. s public offering of an aggregate of 4,693,876 shares of common stock, which commenced on October 28, 2013). As a result, former BCSB Bancorp

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shareholders will have only limited ability to influence F.N.B. s business. Former BCSB Bancorp 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.

BCSB Bancorp 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 Maryland General Corporation Law, holders of BCSB Bancorp common stock will not be entitled to dissenters appraisal rights in the merger with respect to their BCSB Bancorp common stock because BCSB Bancorp common stock is listed on a national securities exchange and the only consideration that BCSB Bancorp 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 BCSB Bancorp from its financial advisor will not reflect changes in circumstances subsequent to the date of the fairness opinion.

Sandler O Neill, BCSB Bancorp s financial advisor in connection with the proposed merger, has delivered to the BCSB Bancorp Board of Directors its opinion dated June 13, 2013. The opinion of Sandler O Neill stated that as of June 13, 2013, subject to the other factors and assumptions set forth therein, the consideration provided in the agreement and plan of merger was fair to the BCSB Bancorp 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 BCSB Bancorp, 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 BCSB Bancorp.

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.

On July 12, 2013, a purported shareholder of BCSB Bancorp filed a putative class action and derivative lawsuit against BCSB Bancorp, the BCSB Bancorp board of directors and F.N.B. seeking to enjoin the merger and other relief. The plaintiff made various 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 BCSB Bancorp in approving the proposed merger, and that F.N.B. aided and abetted those alleged breaches. Earlier, on June 21, 2013, the same plaintiff had filed an identical purported action against the same defendants in the Circuit Court for Baltimore City, Case No. 24C13004131. However, the plaintiff dismissed that case without prejudice prior to re-filing the case in Baltimore County Circuit Court. On September 6, 2013, the plaintiff dismissed the complaint filed in the Baltimore County Circuit Court. As of December 6, 2013, the latest practicable date before we printed and mailed this proxy statement/prospectus, there was no litigation pending involving the merger, although the Plaintiff may elect to refile the lawsuit. If the plaintiff elected to refile the lawsuit, or if any other plaintiff filed a new demand or litigation relating to the merger, and were to successfully enjoin the merger, the merger may not become effective within the time frame planned by F.N.B. and BCSB Bancorp, 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 BCSB Bancorp. In addition, F.N.B. and BCSB Bancorp could incur substantial costs associated with the indemnification of their respective directors and officers. See *Proposal No. 1 Approval of the Agreement and Plan of Merger and the Merger Litigation Relating to the Merger* beginning on page [ ].

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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 BCSB Bancorp, 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 expressions.

These forward-looking statements involve certain risks and uncertainties. The ability of either F.N.B. or BCSB Bancorp 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 [ ], as well as the following factors:

- F.N.B. may not successfully integrate its business with BCSB Bancorp 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 BCSB Bancorp 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 BCSB Bancorp 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 BCSB Bancorp s assets to fair value;
- there may be other than temporary impairments or declines in value in F.N.B. s or BCSB Bancorp s investment portfolios;
- F.N.B. and BCSB Bancorp may not obtain the regulatory approvals for the merger on acceptable terms, on the anticipated schedule or at all;

BCSB Bancorp 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 BCSB Bancorp engage;

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

- if litigation relating to the merger is commenced, litigation liabilities, including costs, expenses, settlements and judgments, may adversely affect F.N.B., BCSB Bancorp and their respective businesses; and

- material adverse changes in F.N.B. s or BCSB Bancorp 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 BCSB Bancorp or any person acting on F.N.B. s or BCSB Bancorp 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 BCSB Bancorp 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 [ ] 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 Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013.

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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 nine months ended September 30, 2013 and September 30, 2012. F.N.B. s results of operations for the nine months ended September 30, 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 nine months ended September 30, 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 [ ].

	Nine Months Ended September 30,		Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(dollars in thousands, except per share data)						
Summary of Earnings:							
Total interest income	$ 322,749	$ 324,328	$ 431,906	$ 391,125	$ 373,721	$ 388,218	$ 409,781
Total interest expense	33,653	45,395	59,055	74,617	88,731	121,179	157,989
Net interest income	289,096	278,933	372,851	316,508	284,990	267,039	251,792
Provision for loan losses	22,724	22,028	31,302	33,641	47,323	66,802	72,371
Net interest income after provision for loan losses	266,372	256,905	341,549	282,867	237,667	200,237	179,421
Total non-interest income	103,282	99,336	131,463	119,918	115,972	105,482	86,115
Total non-interest expense	246,265	242,237	318,829	283,734	251,103	255,339	222,704
Income before income taxes	123,389	114,004	154,183	119,051	102,536	50,380	42,832
Income taxes	34,024	32,549	43,773	32,004	27,884	9,269	7,237
Net income	89,365	81,455	110,410	87,047	74,652	41,111	35,595
Net income available to common	89,365	81,455	110,410	87,047	74,652	32,803	35,595

shareholders

Per Common Share:							
Basic earnings per share	$ 0.63	$ 0.59	$ 0.79	$ 0.70	$ 0.66	$ 0.32	$ 0.44
Diluted earnings per share	0.62	0.58	0.79	0.70	0.65	0.32	0.44
Cash dividends paid	0.36	0.36	0.48	0.48	0.48	0.48	0.96
Book value	10.20	9.98	10.02	9.51	9.29	9.14	10.32
Statement of Condition (at period end):							
Total assets	$ 12,790,279	$ 11,984,891	$ 12,023,976	$ 9,786,483	$ 8,959,915	$ 8,709,077	$ 8,364,811
Loans, net	8,726,853	7,876,736	8,033,345	6,756,005	5,982,035	5,744,706	5,715,650
Deposits	9,723,371	9,125,823	9,082,174	7,289,768	6,646,143	6,380,223	6,054,623
Short-term borrowings	1,166,180	1,019,411	1,083,138	851,294	753,603	669,167	596,263
Long-term and junior subordinated debt	286,020	294,507	293,444	291,983	396,094	529,588	695,636
Total shareholders equity	1,481,647	1,394,998	1,402,069	1,210,199	1,066,124	1,043,302	925,984

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	Nine Months Ended September 30,		Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(dollars in thousands, except per share data)						
Significant Ratios:							
Return on average assets[(1)]	0.97%	0.93%	0.94%	0.88%	0.84%	0.48%	0.46%
Return on average equity[(1)]	8.22%	7.95%	8.02%	7.36%	7.06%	3.87%	4.20%
Net interest margin[(1)]	3.64%	3.75%	3.73%	3.79%	3.77%	3.67%	3.88%
Dividend payout ratio	58.22%	62.25%	61.27%	69.72%	74.02%	149.50%	219.91%
Capital Ratios:							
Average equity to average assets	11.76%	11.68%	11.68%	11.97%	11.88%	12.35%	11.01%
Leverage ratio	8.42%	8.24%	8.29%	9.15%	8.69%	8.68%	7.34%
Asset Quality Ratios:							
Non-performing loans / total loans	0.94%	1.04%	0.99%	1.55%	2.22%	2.49%	2.47%
Non-performing loans + OREO / total loans + OREO	1.33%	1.48%	1.42%	2.05%	2.74%	2.84%	2.62%
Non-performing assets / total assets	0.93%	1.01%	0.99%	1.53%	1.94%	1.97%	1.95%
Allowance for loan losses / total loans	1.25%	1.29%	1.28%	1.47%	1.74%	1.79%	1.80%
Allowance for loan losses / non-performing loans	133.07%	123.84%	129.05%	94.76%	78.44%	71.92%	72.99%
Net loan charge-offs / average loans[(1)]	0.27%	0.34%	0.35%	0.58%	0.77%	1.15%	0.60%

(1) Quarterly information annualized

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF BCSB BANCORP

We set forth below highlights from BCSB Bancorp s consolidated financial data as of and for the years ended September 30, 2008 through September 30, 2012, and BCSB Bancorp s unaudited consolidated financial data as of and for the nine months ended June 30, 2013 and June 30, 2012. BCSB Bancorp s results of operations for the nine months ended June 30, 2013 are not necessarily indicative of BCSB Bancorp s results of operations for the full year of 2013 or any other interim period. BCSB Bancorp management prepared the unaudited information on the same basis as it prepared BCSB Bancorp s audited consolidated financial statements. In the opinion of BCSB Bancorp 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 BCSB Bancorp s consolidated financial statements and related notes for the year ended September 30, 2012, and unaudited interim consolidated financial statements for the nine months ended June 30, 2013, which are included in this proxy statement/prospectus beginning on page F-1 and from which we derived this data.

Selected Consolidated Financial Condition Data

	At June 30,		At September 30,				
	2013	2012	2012	2011	2010	2009	2008
			(In thousands)				
Total assets	$ 637,922	642,370	$ 645,099	$ 624,856	$ 620,555	$ 569,438	$ 567,082
Loans receivable, net	315,828	340,497	335,616	364,843	388,933	401,011	400,469
Investment securities available for sale	4,726	4,520	4,628	6,919	18,390		994
Mortgage-backed securities available for sale	234,130	194,552	213,563	150,879	65,975	90,478	89,956
FHLB stock	771	679	959	1,124	1,378	1,485	1,559
Federal Reserve Bank Stock	1,387	1,333	1,381				
Deposits	560,464	563,553	566,356	550,014	534,366	487,989	484,791
FHLB advances							10,000
Junior Subordinated Debentures	17,011	17,011	17,011	17,011	17,011	17,011	17,011
Stockholders equity	51,626	53,376	55,139	51,959	61,390	59,133	49,755

Selected Consolidated Operations Data

	For the Nine Months Ended June 30,		For the Years Ended September 30,				
	2013	2012	2012	2011	2010	2009	2008
			(In thousands except for share amounts)				
Interest income	18,606	19,607	$ 26,071	$ 26,935	$ 28,862	$ 29,939	$ 34,137
Interest expense	4,091	5,351	6,977	8,550	9,794	13,614	19,329
Net interest income	14,515	14,256	19,094	18,385	19,068	16,325	14,808
Provision for loan losses	1,100	900	1,200	2,100	3,100	1,350	360

Net interest income after provision for loan losses	13,415	13,356	17,894	16,285	15,968	14,975	14,448
Other income	2,031	1,964	2,450	2,002	2,406	1,875	2,047
Noninterest expenses	13,324	13,170	17,624	18,336	16,682	18,794	15,266
Income (loss) before income taxes	2,122	2,150	2,720	(49)	1,692	(1,944)	1,229
Income tax provision (benefit)	744	746	920	(165)	485	11	335
Net income (loss)	$ 1,378	$ 1,404	$ 1,800	$ 116	$ 1,207	$ (1,955)	$ 894
Preferred stock dividends and discount accretion				(573)	(625)	(477)	
Net income (loss) available to common shareholders	$ 1,378	$ 1,464	$ 1,800	$ (457)	$ 582	$ (2,432)	$ 894
Net income (loss) per share of common stock:							
Basic	$ 0.44	$ 0.45	$ 0.58	$ (0.15)	$ 0.20	$ (0.84)	$ 0.30
Diluted	$ 0.43	$ 0.44	$ 0.56	$ (0.15)	$ 0.19	$ (0.84)	$ 0.30
Cash dividend declared per share	$	$	$	$	$	$	$

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All per share amounts have been adjusted to reflect the stock offering and conversion which occurred on April 10, 2008.

Key Operating Ratios (in %) except where noted:

	At or for the Nine Months Ended June 30,		At or for the Year Ended September 30,				
	2013	2012	2012	2011	2010	2009	2008
Performance Ratios[1]:							
Return on average assets (net income (loss) divided by average total assets)	0.29%	0.29%	0.28%	0.02%	0.20%	(0.34)%	0.15%
Return on average equity (net income (loss) divided by average equity)[2]	3.27	3.55	3.34	0.20	1.99	(3.36)	(2.08)
Interest rate spread (combined weighted average interest rate earned less combined weighted average interest rate cost)	3.20	3.20	3.18	3.10	3.30	2.97	2.60
Net interest margin (net interest income divided by average interest-earning assets)	3.23	3.23	3.21	3.15	3.39	3.05	2.61
Ratio of average interest-earning assets to average interest-bearing liabilities	103.33	102.33	102.63	103.44	105.14	103.32	100.35
Ratio of noninterest expense to average total assets	2.76	2.76	2.75	2.93	2.77	3.24	2.50
Efficiency ratio	80.53	81.19	81.80	89.93	77.68	103.27	90.56
Dividend payout ratio (dividend declared per share divided by net income per share)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asset Quality Ratios:							
Nonperforming assets to total assets at end of period	2.74	3.46	3.33	3.30	2.06	1.46	0.37
Nonperforming loans to gross loans at end of period	4.51	6.09	5.71	4.69	3.21	1.88	0.21
Allowance for loan losses to gross loans at end of period	1.79	1.54	1.58	1.27	1.67	0.96	0.65
Allowance for loan losses to nonperforming loans at end of period	39.77	25.30	27.63	27.04	51.89	51.06	320.0
Provision for loan losses to gross loans	0.34	0.26	0.35	0.56	0.78	0.33	0.08

Net charge-offs to average loans outstanding	0.37	0.16	0.15	1.05	0.10	0.02	0.08
Capital Ratios:							
Equity to total assets at end of period	8.09	8.31	8.55	8.31	9.89	10.38	8.77
Average equity to average assets(2)	8.74	8.28	8.43	9.08	10.04	10.02	7.05

(1) Performance ratios for the nine-month periods have been annualized.

(2) BCSB Bancorp issued $10.8 million of its Cumulative Perpetual Series A Preferred Stock to the U.S. Treasury in March 2008 pursuant to the Troubled Asset Relief Program (TARP) and repurchased all of the same Preferred Stock from the U.S. Treasury in January 2011. Average Equity is calculated based upon total equity outstanding during the respective periods, including preferred equity where applicable.

n/a means not applicable.

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RECENT DEVELOPMENTS

The summary financial information presented below is derived in part from BCSB Bancorp s financial statements. The following is only a summary and you should read it in conjunction with the financial statements and notes beginning on page F-1. The information at September 30, 2012 and for the twelve months ended September 30, 2012 is derived in part from the audited financial statements that appear in this proxy statement/prospectus. The data at September 30, 2013 and for the three months ended September 30, 2013 and 2012 and for the twelve months ended September 30, 2013 was not audited, but in the opinion of management, reflects all adjustments necessary for a fair presentation.

	September 30, 2013	September 30, 2012
	(in thousands)	
ASSETS		
Cash equivalents and time deposits	$ 26,454	$ 50,924
Investment Securities, available for sale	4,754	4,628
Loans Receivable, net	324,136	335,616
Mortgage-backed Securities, available for sale	220,050	213,563
Foreclosed Real Estate	2,861	1,674
Premises and Equipment, net	9,908	10,288
Bank Owned Life Insurance	17,473	16,869
Other Assets	13,405	11,537
Total Assets	$ 619,041	$ 645,099
LIABILITIES		
Deposits	$ 543,769	$ 566,356
Junior Subordinated Debentures	17,011	17,011
Other Liabilities	8,461	6,593
Total Liabilities	569,241	589,960
Total Stockholders Equity	49,800	55,139
Total Liabilities & Stockholders Equity	$ 619,041	$ 645,099

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Consolidated Statements of Operations

(Unaudited)

	Three Months ended September 30,		Twelve Months ended September 30,	
	2013	2012	2013	2012
	(in thousands except per share data)		(in thousands except per share data)	
Interest Income	$ 5,833	$ 6,464	$ 24,438	$ 26,071
Interest Expense	1,231	1,626	5,322	6,977
Net Interest Income	4,602	4,838	19,116	19,094
Provision for Loan Losses	0	300	1,100	1,200
Net Interest Income After Provision for Loan Losses	4,602	4,538	18,016	17,894
Total Non-Interest Income	501	486	2,533	2,450
Total Non-Interest Expenses	4,082	4,454	17,406	17,624
Income Before Income Tax Expense	1,021	570	3,143	2,720
Income Tax Expense	578	174	1,323	920
Net Income	$ 443	$ 396	$ 1,820	$ 1,800
Basic Net Income Per Share	$ 0.14	$ 0.13	$ 0.58	$ 0.58
Diluted Net Income Per Share	$ 0.13	$ 0.12	$ 0.56	$ 0.56

Summary of Financial Highlights

(Unaudited)

	Three Months ended September 30,		Twelve Months ended September 30,	
	2013	2012	2013	2012
Return on Average Assets (Annualized)	0.28%	0.25%	0.28%	0.28%
Return on Average Equity (Annualized)	3.59%	2.90%	3.27%	3.34%
Interest Rate Spread	3.17%	3.21%	3.19%	3.18%
Net Interest Margin	3.18%	3.24%	3.21%	3.21%
Efficiency Ratio	79.99%	83.65%	80.40%	81.80%

Ratio of Average Interest Earning Assets/Interest Bearing Liabilities	101.66%	102.76%	102.90%	102.63%

Tangible Book Value

(Unaudited)

	At September 30, 2013	At June 30, 2013	At September 30, 2012
	(Dollars in thousands except per share data)		
Tangible book value per common share:			
Total stockholders equity	$ 49,800	$ 51,626	$ 55,139
Less: Intangible assets	(25)	(28)	(37)
Tangible common equity	$ 49,775	51,598	$ 55,102
Outstanding common shares	3,190,430	3,189,668	3,188,655
Tangible book value per common share(1)	$ 15.60	$ 16.18	$ 17.28

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(1) Tangible book value provides a measure of tangible equity on a per share basis. It is determined by methods other than in accordance with Accounting Principles Generally Accepted in the United States (GAAP) and, as such, is considered to be a non-GAAP financial measure. BCSB Bancorp s management believes the presentation of Tangible book value per share is meaningful supplemental information for shareholders. We calculate Tangible book value per common share by dividing tangible common equity by common shares outstanding, as of period end. The decline in equity and book value per common share during the 2013 fiscal year is primarily attributable to an unrealized decrease in market values of BCSB Bancorp s mortgage-backed securities portfolio due to recent interest rate increases. Unrealized gains and losses on such securities are reflected in Stockholders Equity through Accumulated Other Comprehensive Income, net of income tax. To a lesser extent, BCSB Bancorp s repurchase of its TARP related stock warrant from the U.S. Treasury also contributed to the decrease.

Allowance for Loan Losses

(Unaudited)

	Three Months ended September 30, 2013	Three Months ended September 30, 2012	Twelve Months ended September 30, 2013	Twelve Months ended September 30, 2012
	(Dollars in thousands)		(Dollars in thousands)	
Allowance at Beginning of Period	$ 5,669	$ 5,249	$ 5,470	$ 4,768
Provision for Loan Losses	0	300	1,100	1,200
Recoveries	12	25	82	73
Charge-Offs	(77)	(104)	(1,048)	(571)
Allowance at End of Period	$ 5,604	$ 5,470	$ 5,604	$ 5,470
Allowance for Loan Losses as a Percentage of Gross Loans	1.70%	1.60%	1.70%	1.60%
Allowance for Loan Losses as a Percentage of Nonperforming Loans	38.81%	27.64%	38.81%	27.64%

Non-Performing Assets

(Unaudited)

	At September 30, 2013	At June 30, 2013	At September 30, 2012
		(Dollars in thousands)	
Nonaccrual Loans:			
Commercial	$ 4,567	$ 4,773	$ 10,545
Residential Real Estate[(1)]	3,873	3,347	2,600
Consumer			
Total Nonaccrual Loans[(2)]	8,440	8,120	13,145

Accruing Troubled Debt Restructurings	5,999	6,131	6,647
Total Nonperforming Loans	14,439	14,251	19,792
Nonperforming Foreclosed Real Estate(3)	2,808	3,259	1,674
Total Nonperforming Assets	$ 17,247	$ 17,510	$ 21,466
Nonperforming Loans to Gross Loans Receivable	4.38%	4.43%	5.90%
Nonperforming Assets to Total Assets	2.79%	2.74%	3.33%

(1) Includes residential owner occupied properties and residential rental investor properties.

(2) Nonaccrual status denotes loans on which, in the opinion of management, the collection of additional interest is questionable. Also included in this category at September 30, 2013 is $1.2 million in Troubled

Debt Restructurings. Reporting guidance requires disclosure of these loans as nonaccrual until the loans have performed according to the modified terms for a sustained period. As of September 30, 2013, BCSB Bancorp had a total of $7.2 million in Troubled Debt Restructurings, $6.0 million of which were accounted for on an accrual basis for interest income.

(3) Regulatory guidance provides that residential rental foreclosed real estate with leases in place and demonstrated cash flow generating a reasonable rate of return generally are not considered to be a classified asset. As of September 30, 2013, BCSB Bancorp has identified $53 thousand in foreclosed real estate meeting these criteria. Accordingly, this amount has been excluded from nonperforming assets.

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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, BCSB Bancorp common stock, PVF Capital Corp. common shares and Annapolis Bancorp, Inc. common stock. The pro forma and pro forma-equivalent per share information give effect to the merger of BCSB Bancorp 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, 2013, 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 BCSB Bancorp 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 BCSB Bancorp s historical financial statements and notes thereto presented in this proxy statement/prospectus. See *Where You Can Find More Information* on page [ ] and the consolidated financial statements of BCSB Bancorp 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	Combined Pro Forma Amounts for F.N.B./ Annapolis/ PVF(4)(5)	BCSB Bancorp Historical	Combined Pro Forma Amounts for F.N.B./ Annapolis/ PVF/ BCSB(4)(5)(6)	Pro Forma BCSB Equivalent Shares(7)
Book value per share(1):								
September 30, 2013	$ 10.20	n/a	$ 10.20	$ 3.12	$ 10.26	$ 15.61	$ 10.31	$ 21.44
December 31, 2012	$ 10.02	$ 8.02	$ 10.01	$ 2.90	$ 10.00	$ 17.46	$ 10.08	$ 20.96
Cash dividends paid per common share(2):								
Nine months ended September 30, 2013	$ 0.36	n/a	$ 0.36	$ 0.00	$ 0.36	$ 0.00	$ 0.36	$ 0.75
Year ended December 31, 2012	$ 0.48	$ 0.00	$ 0.48	$ 0.00	$ 0.48	$ 0.00	$ 0.48	$ 1.00
Basic earnings per common share(3):								
	$ 0.63	n/a	$ 0.63	$ 0.21	$ 0.63	$ 0.37	$ 0.61	$ 1.26

Nine months ended September 30, 2013																
Year ended December 31, 2012	$	0.79	$	0.71	$	0.77	$	0.20	$	0.76	$	0.64	$	0.74	$	1.54
Diluted earnings per common share[(3)]:																
Nine months ended September 30, 2013	$	0.62		n/a	$	0.62	$	0.21	$	0.62	$	0.36	$	0.60	$	1.25
Year ended December 31, 2012	$	0.79	$	0.68	$	0.76	$	0.20	$	0.75	$	0.61	$	0.73	$	1.52

(1) The pro forma combined book value per share of F.N.B. common stock is based on the pro forma combined common stockholders equity for the merged entities divided by total pro forma common stock of the combined entities.

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(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. Since BCSB Bancorp has a September 30 fiscal year end, BCSB Bancorp s historical data for the nine months ended September 30, 2013 was calculated by adding the results from the second, third and fourth quarters of fiscal 2013, and BCSB Bancorp s historical data for the year ended December 31, 2012 was calculated by adding the results from the second, third and fourth quarters of fiscal 2012 to the first quarter of fiscal 2013.
(4) Accounts for the merger of Annapolis Bancorp with and into F.N.B., which was completed on April 6, 2013.
(5) Accounts for the merger of PVF Capital with and into F.N.B., which was completed on October 12, 2013.
(6) Accounts for the pending merger of BCSB Bancorp with and into F.N.B.
(7) The Pro Forma BCSB Bancorp Equivalent Shares are calculated by multiplying the amounts in the Combined Pro Forma Amounts for F.N.B./Annapolis/PVF/BCSB column by the exchange ratio of 2.080, which represents the number of shares of F.N.B. common stock a BCSB Bancorp shareholder will receive for each share of BCSB Bancorp common stock that he or she owns.

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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 adjournment proposal and approval of the compensation proposal.

General

This proxy statement/prospectus is being provided to holders of BCSB Bancorp common stock as BCSB Bancorp s proxy statement in connection with the solicitation of proxies by and on behalf of its Board of Directors to be voted at the special meeting of BCSB Bancorp shareholders to be held on [ ], 2014, and at any adjournment or postponement of the special meeting. This proxy statement/prospectus is also being provided to you as F.N.B. s prospectus in connection with the offer and sale by F.N.B. of its shares of common stock as a result of the proposed merger.

Date, Time and Place of Meeting

The special meeting is scheduled to be held as follows:

Date: [ ], 2014

Time: [ ], Local Time

Place: Baltimore County Savings Bank s Perry Hall Office located at 4208 Ebenezer Road, Baltimore, Maryland

Purpose of the Shareholder Meeting

At the special meeting, BCSB Bancorp s shareholders will be asked to:

- approve the agreement and plan of merger and the transactions contemplated by the agreement and plan of merger, including the merger (the merger proposal);

- approve the adjournment of the special meeting, if necessary, to permit further solicitation of proxies in favor of the merger proposal if there are not sufficient votes at the time of the special meeting to approve the merger proposal (the adjournment proposal);

- approve a non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger (the compensation proposal); and

- transact any other business that may properly come before the special meeting or any postponement or adjournment of the special meeting.

Recommendation of BCSB Bancorp s Board of Directors

BCSB Bancorp s Board of Directors unanimously recommends a vote FOR approval of the agreement and plan of merger and the merger, FOR approval of the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger and FOR the approval of the non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger.

Record Date; Shares Entitled to Vote

You are entitled to vote if the records of BCSB Bancorp showed that you held shares of BCSB Bancorp common stock as of the close of business on [ ], 2013. Beneficial owners of shares held in the name of a broker, bank or other nominee (street name) should instruct their record holder how to vote their shares.

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As of the close of business on the record date, a total of [ ] shares of BCSB Bancorp common stock were outstanding. Each share of common stock has one vote on each matter presented to shareholders. If you are a beneficial owner of shares of BCSB Bancorp common stock held in street name and you want to vote your shares in person at the meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Quorum; Vote Required

The special meeting will conduct business only if the holders of at least a majority of the total number of shares of common stock outstanding and entitled to vote are present at the meeting, in person or by proxy. If you return valid proxy instructions or attend the meeting in person, your shares will be counted for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted for purposes of determining the existence of a quorum. A broker non-vote occurs when a broker, bank or other nominee holding shares of BCSB Bancorp common stock for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

With respect to the proposal to approve the agreement and plan of merger and the merger, you may vote in favor of the proposal, vote against the proposal or abstain from voting. Approval and adoption of the agreement and plan of merger and the merger will require the affirmative vote of at least a majority of the outstanding shares of BCSB Bancorp common stock entitled to vote at the meeting. **Failure to return a properly executed proxy card or to vote in person will have the same effect as a vote against the agreement and plan of merger. Broker non-votes and abstentions from voting will have the same effect as voting against the agreement and plan of merger.**

With respect to the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger, you may vote in favor of the proposal, vote against the proposal or abstain from voting. The affirmative vote of the majority of votes cast is required to approve the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve and adopt the agreement and plan of merger.

In the advisory vote on the non-binding resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger, you may vote in favor of the proposal, vote against the proposal or abstain from voting. To approve the non-binding resolution on an advisory basis, the affirmative vote of a majority of the votes cast at the special meeting is required.

BCSB Bancorp Voting Agreements

As of December 6, 2013, directors and executive officers of BCSB Bancorp beneficially owned 674,445 shares of BCSB Bancorp common stock (including vested options). This equals 20.2% of the outstanding shares of BCSB Bancorp common stock, assuming the exercise in full of all vested options. As of the same date, neither F.N.B. nor any its subsidiaries, directors or executive officers owned any shares of BCSB Bancorp common stock. All of BCSB Bancorp s directors entered into voting agreements with F.N.B. to vote the 455,571 shares of BCSB Bancorp common stock owned by them in favor of the proposal to approve the agreement and plan of merger. For more information about the BCSB Bancorp voting agreements, see the section entitled *Other Material Agreements Relating to the Merger Voting Agreements*.

Voting of Proxies

You may vote in person at the special meeting or by proxy. To ensure your representation at the special meeting, BCSB Bancorp recommends that you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

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BCSB Bancorp shareholders whose shares are held in street name by their broker, bank or other nominee must follow the instructions provided by their broker, bank or other nominee to vote their shares. Your broker or bank may allow you to deliver your voting instructions via the telephone or the Internet. If your shares are held in street name and you wish to vote in person at the special meeting, you will have to obtain proper documentation from your record holder entitling you to vote at the special meeting.

Voting instructions are included on your proxy form. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to each of the proposals. If you are the record holder of your shares of BCSB Bancorp common stock and submit your proxy without specifying a voting instruction, your shares of BCSB Bancorp common stock will be voted FOR the proposal to approve the agreement and plan of merger and the merger, FOR the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve the agreement and plan of merger and the merger, and FOR the approval of the non-binding advisory resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger. If you return an incomplete instruction card to your broker, bank or other nominee, that nominee will not vote your shares with respect to any matter.

How to Revoke Your Proxy

You may revoke your proxy at any time before it is voted by:

- filing with the Corporate Secretary of BCSB Bancorp a duly executed revocation of proxy;
- submitting a new proxy with a later date; or
- voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to:

BCSB Bancorp, Inc.

David M. Meadows, Corporate Secretary

4111 E. Joppa Road

Baltimore, Maryland 21236

If any matters not described in this document are properly presented at the special meeting, the persons named in the proxy card will use their own judgment to determine how to vote your shares. BCSB Bancorp does not know of any other matters to be presented at the meeting.

Voting in Person

If you plan to attend the BCSB Bancorp special meeting and wish to vote in person, you will be given a ballot at the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the BCSB Bancorp special meeting, you must bring additional documentation from the broker, bank or other nominee in order to vote your shares. Whether or not you plan to attend the BCSB Bancorp special meeting, BCSB Bancorp requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope, or submit a proxy through the Internet or by telephone as described on the enclosed proxy card. This will not prevent you from voting in person at the BCSB Bancorp special meeting but will assure that your vote is counted if you are unable to attend.

Abstentions and Broker Non-Votes

If you return valid proxy instructions or attend the meeting in person, we will count your shares for purposes of determining whether there is a quorum, even if you abstain from voting. Broker non-votes, if any, also will be counted for purposes of determining the existence of a quorum. On the proposal to approve the agreement and plan of merger and the merger, broker non-votes and abstentions from voting will have the same effect as voting against the agreement and plan of merger and the merger. In counting votes on the proposal to approve one or more adjournments of the special meeting if necessary to permit further solicitation of proxies in favor of the merger proposal and the non-binding resolution approving certain compensation payable to the named executive officers of BCSB Bancorp in connection with the merger, abstentions and broker non-votes will have no effect on the outcome of the vote.

Proxy Solicitation

F.N.B. and BCSB Bancorp will share equally the cost of printing and mailing this proxy statement/prospectus and the filing fees paid to the SEC. BCSB Bancorp will pay all other costs for this proxy solicitation and the special meeting. In addition to soliciting proxies by mail, AST Phoenix Advisors, a proxy solicitation firm, will assist BCSB Bancorp in soliciting proxies for the special meeting. BCSB Bancorp will pay $5,500 (and expenses) plus $1,000 for any adjournment of the meeting, for these services and will reimburse AST Phoenix Advisors for its reasonable out-of-pocket expenses. Additionally, directors, officers and employees of BCSB Bancorp and Baltimore County Savings Bank may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. BCSB Bancorp will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions.

Participants in Baltimore County Savings Bank s ESOP and 401(k) Plan

If you participate in the Baltimore County Savings Bank Employee Stock Ownership Plan, or if you hold shares through the Baltimore County Savings Bank Employee Savings Plan, which is the 401(k) plan sponsored by Baltimore County Savings Bank, you will receive a voting instruction card for each plan in which you participate that reflects all shares you may vote under the plan. Under the terms of the employee stock ownership plan, the trustee of the plan votes all shares held by the plan, but each plan participant may direct the trustee how to vote the shares of common stock allocated to his or her account. The trustee of the employee stock ownership plan, subject to the exercise of its fiduciary duties, will vote all unallocated shares of BCSB Bancorp common stock held by the plan and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions. Under the terms of the 401(k) plan, a participant is entitled to direct the trustee of the plan as to the shares in the BCSB Bancorp, Inc. Stock Fund credited to his or her account. The trustee of the 401(k) plan will vote all shares for which no directions are given or for which instructions were not timely received in the same proportion as shares for which the trustee received voting instructions. The deadline for submitting your voting instructions is 11:59 p.m., Eastern time, on [ ], [ ], 2014.

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 David M. Meadows, our Corporate Secretary, at (410) 256-5000, or call AST Phoenix Advisors, the proxy soliciting firm we have retained, at (866) 406-2284. Banks and brokers should call (212) 493-3910.

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PROPOSAL NO. 1

APPROVAL OF THE AGREEMENT AND PLAN OF MERGER AND THE MERGER

At BCSB Bancorp s special meeting of shareholders, shareholders will consider and vote on a proposal to approve the agreement and plan of merger and the merger. Details about the merger, including each party s reasons for the merger, the effect of approval of the agreement and plan of merger and the merger and the timing of effectiveness of the merger, are discussed in the section entitled *The Merger Agreement* beginning on page [ ] of this document.

Approval of the merger proposal requires the presence of a quorum and the affirmative vote of the holders of at a majority of the outstanding shares of common stock of BCSB Bancorp entitled to vote at the meeting.

BCSB Bancorp Board of Directors unanimously recommends that BCSB Bancorp shareholders vote FOR approval of the agreement and plan of merger and the merger.

Overview of the Merger

F.N.B. s and BCSB Bancorp s Board of Directors have each unanimously approved the agreement and plan of merger and the merger. Pursuant to the agreement and plan of merger, BCSB Bancorp will merge with and into F.N.B. As a result of the merger, BCSB Bancorp 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 [ ] for additional information.

Immediately after the merger of BCSB Bancorp into F.N.B. is completed, F.N.B. s and BCSB Bancorp s main operating subsidiaries, First National Bank of Pennsylvania, a national banking association, and Baltimore County Savings Bank, a Maryland-chartered commercial bank, will merge, with First National Bank of Pennsylvania being the surviving entity. Baltimore County Savings Bank and First National Bank of Pennsylvania have entered into an agreement and plan of merger setting forth their agreement to merge and the terms and conditions of the merger. The form of the bank agreement and plan of merger is attached as Exhibit A to the agreement and plan of merger between F.N.B. and BCSB Bancorp.

All outstanding shares of BCSB Bancorp common stock will be cancelled as a result of the merger of BCSB Bancorp 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 BCSB Bancorp common shareholders immediately before the merger occurred (excluding F.N.B., BCSB Bancorp and their subsidiaries, if any of them hold shares of BCSB Bancorp common stock). 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 2.080 shares of F.N.B. common stock for each share of BCSB Bancorp common stock that he or she holds. No fractional shares of F.N.B. common stock will be issued in the merger. Instead, BCSB Bancorp 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 2.080 shares of F.N.B. common stock you will be entitled to receive upon the merger will be substantially equivalent to the value of 2.080 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 2.080 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 96% of all outstanding shares of F.N.B. common stock, and holders of our common stock will own approximately 4% of all outstanding shares of F.N.B. common stock.

Background of the Merger

Over time, the BCSB Bancorp Board of Directors has regularly discussed and reviewed BCSB Bancorp s business, performance and prospects, and considered BCSB Bancorp s strategic options. BCSB Bancorp completed its conversion from a partially public mutual holding company form to a fully public stock holding company structure on April 10, 2008, and, pursuant to applicable regulations, for a period of three years thereafter no person was permitted to offer to acquire or acquire the beneficial ownership of more than 10% of BCSB Bancorp s common stock without prior regulatory approval. However, as that three-year period neared an end, the BCSB Bancorp Board of Directors began to consider, along with other strategic options, the possibility of a business combination with another financial institution. Beginning in 2011 and continuing regularly through 2012, BCSB Bancorp had discussions with Sandler O Neill + Partners, L.P., regarding BCSB Bancorp s valuation, BCSB Bancorp s earnings projections, performance trends, strategic options, and the national and Mid-Atlantic markets for merger and acquisition transactions. Whenever the Board of Directors met to discuss its strategic options, it considered, among other strategic options, the merits of a merger with other financial institutions. In late 2011, the Board concluded, with the advice of Sandler O Neill, that even if the Board were to determine that a merger with another financial institution was the best strategic alternative, it was not the optimal time to pursue such a merger in light of the weak market for bank merger transactions and the continuing poor economic conditions.

However, the BCSB Bancorp Board continued to consider all strategic options available to BCSB Bancorp and to get periodic updates from Sandler O Neill as to trends and valuations in the national and Mid-Atlantic markets for merger and acquisition transactions. During the latter part of 2012, Sandler O Neill advised BCSB Bancorp s Board that market conditions for merger and acquisition transactions had improved and, after consultation with its legal and financial advisors, the BCSB Bancorp Board directed BCSB Bancorp s chief executive officer to meet on an informal basis with his counterparts from several other financial institutions that, in the view of Sandler O Neill, might be interested in a potential business combination with BCSB Bancorp, to learn about their strategies and acquisition philosophies.

Informal meetings with those financial institutions took place in late 2012 and early 2013. In November 2012, at Sandler O Neill s East Coast Financial Services Conference in Florida, a representative of Sandler O Neill introduced Joseph J. Bouffard, the President and Chief Executive Officer of BCSB Bancorp, and Anthony R. Cole, the Chief Financial Officer of BCSB Bancorp, to their counterparts at F.N.B., Vincent J. Delie, Jr. and Vincent J. Calabrese, Jr. At this introductory meeting, the parties conversed briefly on general topics concerning the financial services industry and their respective institutions. A few months later, in February 2013, Messrs. Bouffard and Cole had a lunch meeting in Baltimore with Messrs. Delie and Calabrese and the representative from Sandler O Neill for the purpose of learning more about F.N.B. At that meeting, Messrs. Delie and Calabrese gave Messrs. Bouffard and Cole a brief overview of F.N.B. and provided them with a copy of F.N.B. s then-current investor presentation materials. As a result of these meetings with F.N.B. and similar meetings with representatives from several other financial institutions, BCSB Bancorp s chief executive officer concluded, and informed the Board of his conclusion, that there would in fact be interested parties should BCSB Bancorp s Board of Directors determine to pursue strategic alternatives for BCSB Bancorp.

At the annual meeting of BCSB Bancorp s Board of Directors held on February 13, 2013, the Board formally established the Business Opportunities Committee (the BOC Committee) consisting of independent directors Richard Lashley (Chairman), Ernest Moretti, William Loughran and Michael Klein, which was charged with reviewing and analyzing BCSB Bancorp s strategic alternatives and, should the Board determine to explore its strategic alternatives, including a possible merger transaction, overseeing that process.

At a regularly scheduled meeting of the Board of Directors of BCSB Bancorp held on February 28, 2013, the Board of Directors again discussed the possible exploration of various strategic alternatives. At this meeting, representatives of Sandler O Neill were present and discussed the operating environment faced by BCSB Bancorp and similarly situated bank holding companies and various challenges faced by BCSB Bancorp, including ongoing stress on Baltimore County Savings Bank s net interest margin, the challenges associated with lending in the current economic environment and in the face of increased competitive pressure, and the impact and increasing levels of regulation on Baltimore County Savings Bank. All of these issues raised concerns in regard to BCSB Bancorp s future profitability and its ability to improve its stock valuation. Sandler O Neill also discussed the strategic alternatives available to BCSB Bancorp and the present bank merger and acquisition environment. In the course of these discussions, BCSB Bancorp s Board of Directors considered whether BCSB Bancorp should maintain a strategy focused on its continued independence or focus on other strategies, to include a possible merger transaction. Among other matters, the Board of Directors discussed and took note of the pricing metrics of recently announced transactions involving other banking institutions in the Mid-Atlantic region and nationally and, based on this data, generally discussed the potential range of value that BCSB Bancorp s shareholders may potentially realize in a business combination transaction. Also at that meeting, BCSB Bancorp s legal counsel provided a presentation regarding the Board of Directors fiduciary duties and responsibilities in the context of a change in control or other business combination transaction.

At the February 28, 2013 meeting the Board instructed the BOC Committee to negotiate an engagement letter with Sandler O Neill and to authorize that firm to conduct a comprehensive process designed to identify and solicit qualified potential acquirers of BCSB Bancorp and its subsidiary, Baltimore County Savings Bank. The decision to retain Sandler O Neill was made by the BOC Committee after reviewing the qualifications of Sandler O Neill, Sandler O Neill s expertise and national reputation in numerous similar transactions, BCSB Bancorp s previous experience with Sandler O Neill in connection with Sandler O Neill s representation of BCSB Bancorp as financial advisor in its conversion to a fully public stock holding company structure completed in 2008 and the fee negotiated with Sandler O Neill for this current engagement.

On March 5, 2013, the BOC Committee held its first meeting and formally approved the engagement of Sandler O Neill as BCSB Bancorp s financial advisor for the purpose of assisting BCSB Bancorp in pursuing strategic alternatives. With the assistance of Sandler O Neill and BCSB Bancorp management, the BOC Committee compiled and then approved a list of qualified financial institutions likely to have an interest in engaging in a business combination with BCSB Bancorp, which list included, among others, the institutions BCSB Bancorp had contacted on an informal basis in late 2012 and early 2013. The BOC Committee also received and considered a presentation from Sandler O Neill regarding an overview of the process proposed to be undertaken and a timetable for soliciting indications of interest from potential acquirers, a corporate overview of the financial institutions likely to be interested buyers, an overview of the current merger and acquisition environment for community banks, both nationwide and in the Mid-Atlantic region, and the pricing metrics for recently announced whole-bank non-assisted transactions.

Following discussion and deliberation, it was the consensus of the BOC Committee that it would be in the best interests of BCSB Bancorp, its stockholders and other constituencies to solicit indications of interest from the identified potentially interested parties to engage in a business combination with BCSB Bancorp. Sandler O Neill was authorized to contact the identified potentially interested parties and to seek to obtain signed confidentiality agreements from them. Sandler O Neill contacted F.N.B. and 11 other parties during the month of April 2013. F.N.B., as well as seven other financial institutions, executed confidentiality agreements with Sandler O Neill, with F.N.B. executing its confidentiality agreement on April 8, 2013. Interested parties, including F.N.B., were instructed to submit their preliminary indications of interest by May 2, 2013. Access to an on-line data room providing extensive information in regard to BCSB Bancorp was provided during the period from mid-April through the initial bid date. F.N.B. s due diligence review of BCSB Bancorp commenced on or about April 8, 2013 and continued through May 22, 2013.

During this process of soliciting indications of interest from potentially interested parties, the BOC Committee continued to meet periodically for the purpose of monitoring and supervising the process. The BOC

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Committee met on March 21, 2013, March 28, 2013, April 4, 2013 and April 24, 2013, during which meetings it reviewed and approved the form of confidentiality agreement and confidential information memorandum to be presented to interested parties and received from Sandler O Neill periodic updates as to the status of the process and the level of interest expressed by the various parties contacted by Sandler O Neill.

On May 2, 2013, F.N.B. sent a preliminary, non-binding, written indication of interest for the acquisition of BCSB Bancorp to Sandler O Neill. In its letter, F.N.B. proposed an all-stock transaction at an indicated price range of $24.00 to $28.00 per share based on a fixed exchange ratio to be established.

On May 7, 2013, BCSB Bancorp held a special meeting of the BOC Committee. The BOC Committee was joined by representatives from Sandler O Neill and BCSB Bancorp s legal counsel. The BOC Committee reviewed and discussed the three preliminary, non-binding indications of interest that had been received, one from F.N.B. as described above, and two from other interested parties. One party (Company A) proposed a transaction at an indicated price of from $22.50 per share to $24.50 per share, with 75% of the consideration to be in the form of stock, based on a fixed exchange ratio for the stock component to be established at the time a definitive agreement is signed. Company A also agreed to honor valid, existing employment and severance agreements of BCSB Bancorp s executive officers and made its proposal contingent upon entering into a 60-day exclusive negotiation period. A second party (Company B) proposed an all-cash transaction at $18.00 per share. Based on the proposed pricing terms, the Board of Directors determined to pursue the indications of interest submitted by F.N.B and Company A (subject to Company A s agreement to withdraw the exclusivity requirement), and authorized both companies to perform due diligence on BCSB Bancorp so that they could submit their final indications of interest by May 22, 2013.

F.N.B. conducted an on-site inspection and due diligence review of BCSB Bancorp from May 9, 2013 through May 10, 2013. On May 15, 2013, Company A informed BCSB Bancorp that it would not be able to complete its due diligence until early June 2013.

On May 22, 2013, Sandler O Neill received a revised non-binding written indication of interest from F.N.B. In its revised indication of interest, F.N.B. proposed an all-stock transaction based on a fixed exchange ratio of 2.080 shares of F.N.B. stock, which equated to $24.77 per share of BCSB Bancorp common stock based on the closing price for F.N.B. s stock as of May 20, 2013. F.N.B. also agreed to honor valid, existing employment and severance agreements of BCSB Bancorp s executive officers and indicated that it would proceed to negotiate a definitive agreement only if BCSB Bancorp agreed to negotiate exclusively with F.N.B.

BCSB Bancorp s Board of Directors met on May 23, 2013 and was joined by representatives from Sandler O Neill and BCSB Bancorp s legal counsel, Kilpatrick Townsend & Stockton, LLP. Sandler O Neill again provided an overview of the overall merger and acquisition market and reviewed with the Board comparable merger and acquisition transactions. Sandler O Neill reviewed with the Board a detailed summary of each of the three indications of interest, an analysis of BCSB Bancorp at various prices, a pro forma analysis and a relative comparison for each potential acquirer. Sandler O Neill presented to the Board its view that a potential merger transaction with BCSB Bancorp could potentially be dilutive to Company A s shareholders, particularly at the higher end of the range proposed by Company A and, that, as a result, there was potential for a negative market reaction to such a transaction that could put downward pressure on Company A s stock valuation. Sandler O Neill also reconfirmed that Company A would not be able to perform due diligence on BCSB Bancorp until early June 2013. Following extensive discussion and deliberation, which included a discussion of F.N.B. s offer to include a degree of protection against possible future significant downward movement in F.N.B. s stock price and the risk that suspending the process until June to accommodate Company A could cause F.N.B. to lose interest in pursuing a potential transaction with BCSB Bancorp, the Board of Directors determined to negotiate exclusively with F.N.B. the terms of a definitive agreement and plan of merger based on the terms outlined in the revised indication of interest of F.N.B.

On May 24, 2013, Sandler O Neill contacted RBC Capital Markets, LLC, F.N.B. s financial advisor, and expressed BCSB Bancorp s desire for downward price protection in the transaction. Negotiations continued for

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several days. F.N.B. agreed to introduce downward price protection, which would allow BCSB Bancorp to terminate the transaction if the closing price of a share of F.N.B. common stock declined by more than 25% and underperformed a specified peer group index by more than 20% over a specified period of time.

On or about May 28, 2013, F.N.B. and its legal counsel commenced discussions with BCSB Bancorp and BCSB Bancorp s legal counsel regarding the payments which would be made to BCSB Bancorp s executive officers under their existing employment and severance agreements and potential employment and consulting services.

On or about May 29, 2013, F.N.B. granted BCSB Bancorp access to a secure on-line electronic data room containing F.N.B. due diligence materials. BCSB Bancorp management, with the assistance of its legal and financial advisors, conducted an on-site due diligence review of F.N.B. on May 29, 2013 and met with F.N.B. management to discuss F.N.B. s business, results of operations and business prospects, as well as legal, compliance and other regulatory matters.

On May 30, 2013, BCSB Bancorp s BOC Committee met again. Also present were representatives from Sandler O Neill and Kilpatrick Townsend & Stockton. Sandler O Neill and BCSB Bancorp s legal advisor discussed the reverse due diligence review conducted with respect to F.N.B. and indicated that while the review was close to completion, it would continue as needed throughout the process.

From May 31, 2013 until June 13, 2013, BCSB Bancorp and F.N.B. negotiated the terms of the agreement and plan of merger and the ancillary documents appearing as exhibits to the agreement and plan of merger and BCSB Bancorp conducted further due diligence of F.N.B.

At meetings of the BOC Committee on June 6, 2013 and June 10, 2013, representatives from Kilpatrick Townsend & Stockton updated the BOC Committee on the status of the negotiations regarding the definitive agreement and plan of merger. In addition, Mr. Bouffard, President and Chief Executive Officer of BCSB Bancorp, reported that the reverse due diligence review of F.N.B. had been substantially completed and would continue as needed.

On June 11, 2013, legal counsel for F.N.B. circulated draft term sheets regarding proposed payments to BCSB Bancorp s executive officers under their existing employment and severance agreements and potential employment and consulting services. F.N.B. stated that it would begin preparing definitive agreements for those arrangements following, and contingent upon, the parties execution of a mutually acceptable agreement and plan of merger.

During the afternoon of June 13, 2013, BCSB Bancorp s Board of Directors held a special meeting to consider the definitive agreement and plan of merger and the ancillary documents, including the term sheets for the executive officers, that the parties to such documents had negotiated. The Board was joined by representatives of Sandler O Neill and Kilpatrick Townsend & Stockton. Sandler O Neill reviewed in detail with the Board of Directors the financial aspects of the proposed transaction and delivered its opinion, dated June 13, 2013, that the merger consideration was fair to BCSB Bancorp s stockholders from a financial point of view. The Board of Directors considered this opinion carefully, as well as Sandler O Neill s experience, qualifications and interest in the proposed transaction, namely that Sandler O Neill s compensation is contingent upon the closing of the proposed transaction, as is customary. In addition, Kilpatrick Townsend & Stockton reviewed in detail with the Board of Directors the definitive agreement and plan of merger and all related documents, copies of which had been delivered to each director before the date of the meeting. Following extensive review and discussion, the Board of Directors unanimously approved the agreement and plan of merger and authorized and directed management to execute and deliver the agreement and plan of merger.

Before the opening of the trading markets on June 14, 2013, BCSB Bancorp and F.N.B. issued a joint press release announcing the approval, adoption and execution of the agreement and plan of merger.

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BCSB Bancorp s Reasons for the Merger

In approving the merger agreement, BCSB Bancorp s Board of Directors consulted with Sandler O Neill regarding the financial aspects and the fairness of the transaction from a financial point-of-view and with BCSB Bancorp s legal counsel as to the Board of Directors fiduciary duties and the terms of the merger agreement. In arriving at its decision to approve the merger agreement, the Board of Directors also considered a number of factors, including:

- The form and amount of the merger consideration, including the tax effects of stock consideration compared to cash consideration.
- BCSB Bancorp stockholders will receive F.N.B. common stock in exchange for their shares of BCSB Bancorp common stock, enabling them to participate in any growth opportunities of the combined company.
- F.N.B. currently pays an annual cash dividend of $0.48 per share (or an implied annual dividend of approximately $1.00 per share based on the exchange ratio of 2.080 F.N.B. shares for each BCSB Bancorp share), while BCSB Bancorp currently does not pay cash dividends.
- The enhanced trading liquidity of F.N.B. s common stock compared to that of BCSB Bancorp.
- The results that BCSB Bancorp could expect to obtain by continuing to operate independently and the likely benefits of continued independent operation to BCSB Bancorp s shareholders, compared to the current and prospective value of the merger consideration offered by F.N.B.
- The perceived risks to shareholder value presented by continued independent operations, including risks relating to the inherent uncertainties about future growth, performance and economic and regulatory conditions.
- Information concerning the business, earnings, operations, financial condition, valuation and prospects of BCSB Bancorp and F.N.B., both individually and as a combined company.
- The likelihood of the transaction receiving the requisite regulatory approvals in a timely manner and without imposition of burdensome conditions.
- F.N.B. s proven track record of successfully completing acquisition transactions and integrating the operations of the acquired companies.

The opinion rendered by Sandler O Neill, as of June 13, 2013, that the exchange ratio is fair, from a financial point of view, to BCSB Bancorp s shareholders.

The terms of the merger agreement and the structure of the merger, including that the merger is intended to qualify as a transaction of a type that is generally tax-free for U.S. federal income tax purposes.

The interests of certain executive officers and directors of BCSB Bancorp, which are different from, or in addition to, the interests of BCSB Bancorp s shareholders generally.

The effect of the merger on Baltimore County Savings Bank s depositors, customers, and the communities served by Baltimore County Savings Bank, as well as its effect on Baltimore County Savings Bank s employees. BCSB Bancorp s directors deemed the merger with F.N.B. to be an opportunity to provide depositors, customers, and the communities served by Baltimore County Savings Bank with increased financial services and increased access to those services through more branch offices. BCSB Bancorp s directors also considered the opportunities for career advancement in a larger organization that would be available to BCSB Bancorp employees who continue employment with the combined company after the merger and the severance benefits provided for in the merger agreement and under F.N.B. s policies for any BCSB Bancorp employees who do not continue employment with the combined company.

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BCSB Bancorp s Board of Directors also considered potential risks associated with the merger in connection with its decision to approve the agreement and plan of merger, including that other parties that might be interested in proposing a transaction with BCSB Bancorp could be discouraged from doing so given the terms of the agreement and plan of merger generally prohibiting BCSB Bancorp from soliciting, engaging in discussions or providing information regarding an alternative transaction, requiring BCSB Bancorp to pay a termination fee to F.N.B. under certain circumstances, and requiring BCSB Bancorp s directors to execute agreements requiring them to vote in favor of the merger with F.N.B., all of which F.N.B. required in order that it agree to enter into the agreement and plan of merger.

The foregoing discussion of the information and factors considered by BCSB Bancorp s Board of Directors is not exhaustive, but includes the material factors that the Board of Directors considered and discussed in approving and recommending the agreement and plan of merger and the merger. In view of the wide variety of factors considered and discussed by BCSB Bancorp s Board of Directors in connection with its evaluation of the merger and the complexity of these factors, the Board of Directors did not quantify, rank or assign any relative or specific weight to the foregoing factors. Rather, it considered all of the factors as a whole. The Board of Directors discussed the foregoing factors, including asking questions of BCSB Bancorp s management and legal and financial advisors, and reached general consensus that the merger was in the best interests of BCSB Bancorp and its shareholders. In considering the foregoing factors, individual directors may have assigned different weights to different factors. The Board of Directors did not undertake to make any specific determination as to whether any factor, or particular aspect of any factor, supported or did not support its ultimate decision to approve the agreement and plan of merger and the merger. The foregoing explanation of the reasoning of BCSB Bancorp s 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 cautionary statements set forth in *Cautionary Statement Regarding Forward-Looking Statements* on page [ ].

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 agreement and plan of merger, 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 agreement and plan of merger:

- their understanding of F.N.B. s business, operations, financial condition, earnings and prospects, and of BCSB Bancorp s business, operations, financial condition, earnings and prospects;

- their understanding of the current and prospective environments in which F.N.B. and BCSB Bancorp 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;

- the expansion of F.N.B. s operations and customer base in Maryland into the Baltimore metropolitan area would be consistent with F.N.B. s acquisition strategy of focusing on major Metropolitan Statistical Areas with significant commercial opportunities;

F.N.B. can leverage its existing infrastructure in the Baltimore Metropolitan Statistical Area, including its leadership and management personnel, in operating the combined company;

the complementary nature of the respective customer bases, business products and services of F.N.B. and BCSB Bancorp 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;

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

- the ability of F.N.B. to offer BCSB Bancorp s customer base products which are not currently offered by BCSB Bancorp;

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

- the historical and current market prices of F.N.B. common stock and BCSB Bancorp common stock;

- the review by the F.N.B. board of directors, with the assistance of F.N.B. s management and RBC Capital Markets, LLC, 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 BCSB Bancorp would obtain the regulatory approvals needed to complete the merger; and

- the likelihood that BCSB Bancorp would receive the requisite BCSB Bancorp 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 $14.0 billion. F.N.B. expects the future growth prospects of BCSB Bancorp s market area to provide business development opportunities in the Baltimore, Maryland 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 agreement and plan of merger is not intended to be exhaustive, but, rather, includes all material factors that they considered. In reaching their decision to approve the agreement and plan of merger 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 agreement and plan of merger.

Opinion of BCSB Bancorp s Financial Advisor in Connection with the Merger

By letter dated March 12, 2013, BCSB Bancorp retained Sandler O Neill to act as its financial advisor in the event of a sale of BCSB Bancorp. 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.

At the meeting of the Board of Directors of BCSB Bancorp on June 13, 2013, Sandler O Neill delivered to the Board of Directors its oral opinion, subsequently followed by delivery of its written opinion, that, as of such date, the merger consideration was fair to the holders of BCSB Bancorp common stock from a financial point of view. **The full text of Sandler O Neill s written opinion dated June 13, 2013 is attached as Appendix C to this proxy statement/prospectus. 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. BCSB Bancorp shareholders are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.**

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Sandler O Neill s opinion speaks only as of the date of its opinion. The opinion was directed to BCSB Bancorp s board and is directed only to the fairness of the merger consideration to BCSB Bancorp s shareholders from a financial point of view. It does not address the underlying business decision of BCSB Bancorp to engage in the merger or any other aspect of the merger and is not a recommendation to any BCSB Bancorp 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 June 13, 2013 opinion, Sandler O Neill reviewed and considered, among other things:

- the agreement and plan of merger between F.N.B. and BCSB Bancorp;
- certain publicly available financial statements and other historical financial information of BCSB Bancorp 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 BCSB Bancorp for the years ending December 31, 2013 through December 31, 2016 as provided by senior management of BCSB Bancorp;
- median publicly available 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 as discussed with senior management of F.N.B.;
- 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;
- a comparison of certain stock trading, financial and other information for BCSB Bancorp 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 BCSB Bancorp the business, financial condition, results of operations and prospects of BCSB Bancorp 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.

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 BCSB Bancorp and F.N.B. or that was otherwise reviewed by Sandler O Neill, and has assumed the accuracy and completeness of that information for purposes of rendering its opinion. Sandler O Neill has further relied on the assurances of the senior management of BCSB Bancorp and F.N.B. 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 BCSB Bancorp 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 BCSB Bancorp, F.N.B. or the combined entity after the merger and Sandler O Neill has not reviewed any individual credit files relating to BCSB Bancorp or F.N.B. Sandler O Neill has assumed, with BCSB Bancorp s consent, that the respective allowances for loan losses for both BCSB Bancorp and F.N.B. are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

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In preparing its analyses, Sandler O Neill used internal financial projections as provided by the senior management of BCSB Bancorp and median publicly available earnings estimates and a publicly available long-term growth rate for F.N.B. Sandler O Neill also estimated and used in its analyses certain projections of transaction costs, purchase accounting adjustments, expected cost savings and other synergies, which they shared with the senior management of F.N.B. BCSB Bancorp s senior management confirmed to Sandler O Neill that the internal financial projections they had provided to Sandler O Neill reflected the estimates and judgments of management of the future financial performance of BCSB Bancorp, 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 BCSB Bancorp 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 its analysis that BCSB Bancorp and F.N.B. would remain as a going concern for all periods relevant to its analyses and that the merger will be consummated as a tax-free reorganization. Sandler O Neill expresses no opinion as to any of the legal, accounting and tax matters relating to the merger or any other transactions contemplated in the agreement and plan of merger.

Sandler O Neill s opinion was 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 its 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 BCSB Bancorp Board of Directors in connection with its consideration of the merger and does not constitute a recommendation to any shareholder of BCSB Bancorp as to how any 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 BCSB Bancorp common stock and does not address the underlying business decision of BCSB Bancorp to engage in the merger, the relative merits of the merger as compared to any other alternative business strategies that might exist for BCSB Bancorp or the effect of any other transaction in which BCSB Bancorp 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. Sandler O Neill consented to the inclusion of its fairness opinion in any communication with shareholders, including this document. 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 nature of the compensation to be received in the merger by BCSB Bancorp 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 BCSB Bancorp.

In rendering its June 13, 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 merger 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 BCSB Bancorp 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 BCSB Bancorp 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 BCSB Bancorp, 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 BCSB Bancorp at the board s June 13, 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 BCSB Bancorp s board in making its determination to approve the agreement and plan of merger and the transactions contemplated by the agreement and plan of merger (including the merger) and the analyses described below should not be viewed as determinative of the decision of BCSB Bancorp s board or management with respect to the fairness of the merger.

At the June 13, 2013 meeting of the BCSB Bancorp 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 BCSB Bancorp Board of Directors, but is instead a summary of the material analyses performed and presented in connection with the opinion.

Summary of Proposal. Sandler O Neill reviewed the financial terms of the proposed transaction. Shares of BCSB Bancorp common stock issued and outstanding immediately prior to the merger will be converted into 2.080 shares of FNB common stock. The aggregate transaction value of approximately $77.7 million, referenced in Sandler O Neill s opinion is based upon F.N.B. s closing price on June 12, 2013 of $11.27 and includes $2.9 million of deal value for 240,653 shares subject to stock options exercisable at a weighted average stock price of $11.49 and assumes 3,189,668 shares of BCSB Bancorp common stock outstanding. Based upon financial information as or for the twelve month period ended March 31, 2013, Sandler O Neill calculated the following transaction ratios:

Price per Share / LTM Earnings per Share:	45.1x
Transaction Value per Share / Stated Book Value per Share:	134%
Transaction Value per Share / Tangible Book Value per Share:	134%
Tangible Book Premium / Core Deposits[1]:	4.6%
Market Premium:	38.7%

1) Core deposits defined as total deposits less jumbo CDs greater than $100,000

BCSB Bancorp: Stock Trading History. Sandler O Neill reviewed the history of the reported trading prices and volume of BCSB Bancorp s common stock and the relationship between the movements in the prices of BCSB Bancorp s common stock to movements in certain stock indices, including the SNL U.S. Thrift Index, the S&P 500 and the weighted average performance (based upon market capitalization) of a peer group of publicly traded thrifts, selected by Sandler O Neill. The institutions included in the peer groups are identified under *Comparable Company Analysis* below.

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As reflected in the tables shown below, BCSB Bancorp s common stock outperformed the various indices and peer groups to which it was compared over a one year horizon.

BCSB Bancorp s One Year Stock Performance

	Beginning Index Value June 12, 2012	Ending Index Value June 12, 2013
BCSB Bancorp	100%	123%
Peer Group	100%	119%
SNL US Thrift Index	100%	121%
S&P 500	100%	122%

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 SNL Mid Cap U.S. Bank, the S&P 500 and the weighted average performance (based upon market capitalization) of a peer group of publicly traded banks, selected by Sandler O Neill. The institutions included in the peer groups are identified under *Comparable Company Analysis* below.

As reflected in the tables shown below, F.N.B. s common stock underperformed the various indices and peer groups to which it was compared over a one 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%	110%
Peer Group	100%	111%
SNL Mid Cap U.S. Bank	100%	122%
S&P 500	100%	122%

BCSB Bancorp: Comparable Company Analysis. **S**andler O Neill used publicly available information to compare selected financial and market trading information for BCSB Bancorp and a group of financial institutions selected by Sandler O Neill.

The BCSB Bancorp Peer Group consisted of publicly traded thrifts headquartered in Maryland, Pennsylvania, Virginia and Washington D.C. with assets between $350 million and $1.0 billion and NPAs / Assets less than 6.0% but excludes targets of announced transactions:

Alliance Bancorp, Inc. of Pennsylvania	Malvern Bancorp, Inc.
American Bank Holdings, Inc.	OBA Financial Services, Inc.
Colonial Financial Services, Inc.	Standard Financial Corp.

Harleysville Savings Financial Corporation	TF Financial Corporation

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Millions				Capital Position			LTM Profitability				Asset Quality			
	City, State	Ticker	Total Assets ($)	TCE/ TA (%)	Leverage Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROATCE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	LLR/ Gross Loans (%)	NPAs¹/ Total Assets (%)	NCOs/ Avg. Loans (%)	I Tang Bool Valu (%)
ings ation[2]	Harleysville, PA	HARL	804	7.56	7.63	14.09	0.61	8.35	2.39	61.9	0.89	1.77	0.00	127
rporation[2]	Newtown, PA	THRD	716	11.11	10.50	17.90	0.78	7.02	3.88	61.1	1.26	2.32	0.53	89
, Inc.	Paoli, PA	MLVF	684	14.17	11.72	20.87	0.05	0.41	2.52	86.3	1.39	4.09	2.04	79
al	Vineland, NJ	COBK	633	10.74	9.93	20.36	(0.24)	(2.15)	2.61	74.2	1.35	5.84	0.15	78
, Inc. of	Broomall, PA	ALLB	457	17.42	12.42	23.85	0.52	3.01	3.18	78.3	1.61	2.68	0.76	88
al Corp.	Monroeville, PA	STND	436	15.77	13.63	23.18	0.64	4.16	3.04	66.8	1.39	0.91	0.40	89
Holdings,	Bethesda, MD	ABKH	430	10.45	10.99	26.44	0.86	8.51	2.92	77.4	1.27	5.14	1.77	16
ervices,	Germantown, MD	OBAF	386	19.47	16.01	21.77	0.25	1.28	3.74	82.8	1.11	1.91	(0.00)	104
		High	804	19.47	16.01	26.44	0.86	8.51	3.88	86.3	1.61	5.84	2.04	127
		Low	386	7.56	7.63	14.09	(0.24)	(2.15)	2.39	61.1	0.89	0.91	(0.00)	16
		Mean	568	13.34	11.60	21.06	0.44	3.82	3.03	73.6	1.29	3.08	0.71	84
		Median	545	12.64	11.36	21.32	0.57	3.58	2.98	75.8	1.31	2.50	0.46	88
Inc.	**Baltimore, MD**		**642**	**8.67**	**8.34**	**15.64**	**0.27**	**3.15**	**3.25**	**78.9**	**1.72**	**2.88**	**0.49**	**97**
	BCSB Ranking out of 9:		**4**	**8**	**8**	**8**	**6**	**5**	**3**	**7**	**1**	**6**	**5**	**3**

(1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets
(2) NPAs / Assets reflect regulatory data
(3) NPAs / Assets reflect bank level regulatory data
(4) Financial data as of or for the period ending December 31, 2012 or most recent period available

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The analysis compared publicly available financial and market trading information for BCSB Bancorp and the median financial and market trading information for the BCSB Bancorp peer group for the period ended March 31, 2013 or for the most recently reported available. The table below sets forth the data for BCSB Bancorp and the median data for the BCSB Bancorp peer group as of and for the twelve-month period ended March 31, 2013, with pricing data as of June 12, 2013.

BCSB Bancorp Comparable Group Analysis

	BCSB[1]	Peer Group Median
Total Assets (in millions)	$ 642	$ 545
Tangible Common Equity / Tangible Assets	8.67%	12.64%
Leverage Ratio	8.34%	11.36%
Total Risk Based Capital Ratio	15.64%	21.32%
Return on Average Assets	0.27%	0.57%
Return on Average Tangible Common Equity	3.15%	3.58%
Net Interest Margin	3.25%	2.98%
Efficiency Ratio	78.9%	75.8%
Loan Loss Reserve / Gross Loans	1.72%	1.31%
Nonperforming Assets / Total Assets[1]	2.88%	2.50%
Net Chargeoffs / Average Loans	0.49%	0.46%
Price / Tangible Book Value	97%	88%
Price / LTM Earnings per Share	32.5x	20.6x
Market Capitalization (in millions)	$ 54	$ 70

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

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. Peer Group consisted of publicly traded banks headquartered in Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Washington D.C. and West Virginia with assets between $6 and $20 billion but excludes targets of announced transactions:

Boston Private Financial Holdings, Inc.
Community Bank System, Inc.
First Commonwealth Financial Corporation
Fulton Financial Corporation
National Penn Bancshares, Inc.
NBT Bancorp Inc.
Provident Financial Services, Inc.
Signature Bank
Susquehanna Bancshares, Inc.
United Bankshares, Inc.
Valley National Bancorp

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			Capital Position			LTM Profitability				Asset Quality			Price/		
, State	Ticker	Total Assets ($)	TCE/ TA (%)	Leverage Ratio (%)	Total RBC Ratio (%)	ROAA (%)	ROAE (%)	Net Interest Margin (%)	Efficiency Ratio (%)	LLR/ Gross Loans (%)	NPAs¹/ Total Assets (%)	NCOs/ Avg. Loans (%)	Tang. Book Value (%)	LTM EPS (x)	2013 Est. EPS (x)
York, NY	SBNY	18,267	9.39	9.31	16.26	1.17	12.22	3.51	37.6	1.04	0.42	0.18	212	18.9	17.5
z, PA	SUSQ	17,967	7.96	9.23	12.88	0.89	6.21	4.00	58.7	1.36	1.07	0.61	166	13.7	12.8
aster, PA	FULT	16,683	9.46	10.58	15.18	0.99	7.79	3.67	58.9	1.77	1.72	0.61	141	13.7	13.8
ne, NJ	VLY	16,029	6.84	8.16	12.53	0.89	9.31	3.39	60.6	1.11	1.93	0.36	171	12.4	14.6
ertown, PA	NPBC	8,324	10.79	11.63	16.67	0.67	4.73	3.47	55.8	2.04	0.68	0.41	161	26.0	14.1
leston, WV	UBSI	8,314	7.76	10.80	13.82	0.99	8.35	3.76	53.1	1.15	1.54	0.30	208	15.4	14.4
vich, NY	NBTB	7,611	6.97	10.25	12.58	0.80	8.28	3.80	63.5	1.32	0.72	0.56	172	14.0	12.9
Vitt, NY	CBU	7,221	7.19	8.78	16.91	1.07	8.80	3.85	57.9	1.11	0.49	0.14	221	14.7	14.4
y City, NJ	PFS	7,187	9.27	9.16	14.02	0.93	6.77	3.31	57.7	1.43	2.37	0.15	142	12.9	12.8
on, MA	BPFH	6,196	7.01	10.14	14.91	0.95	10.19	3.19	72.6	1.62	1.70	0.14	171	15.0	13.9
na, PA	FCF	6,099	9.87	11.15	14.52	0.69	5.42	3.53	65.2	1.48	1.47	0.89	120	17.2	15.0
	High	18,267	10.79	11.63	16.91	1.17	12.22	4.00	72.6	2.04	2.37	0.89	221	26.0	17.5
	Low	6,099	6.84	8.16	12.53	0.67	4.73	3.19	37.6	1.04	0.42	0.14	120	12.4	12.8
	Mean	10,900	8.41	9.93	14.57	0.91	8.01	3.59	58.3	1.40	1.28	0.40	171	15.8	14.2
	Median	8,314	7.96	10.14	14.52	0.93	8.28	3.53	58.7	1.36	1.47	0.36	171	14.7	14.1
nitage, PA		**11,998**	**6.22**	**8.40**	**12.28**	**0.99**	**8.44**	**3.70**	**57.6**	**1.31**	**0.99**	**0.21**	**225**	**13.4**	**13.3**
Ranking of 12:		**5**	**12**	**11**	**12**	**4**	**5**	**5**	**4**	**8**	**5**	**5**	**1**	**10**	**9**

(1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets
(2) Intangibles reflect regulatory data
(3) NPAs / Assets reflect regulatory data
(4) F.N.B. Corporation data excludes pending and recently closed acquisitions

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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 group for the period ended March 31, 2013. The table below sets forth the data for F.N.B. and the median data for the F.N.B. peer group as of and for the twelve-month period ended March 31, 2013, with pricing data as of June 12, 2013.

F.N.B. Comparable Group Analysis

	F.N.B.	Peer Group Median
Total Assets (in millions)	$ 11,998	$ 8,314
Tangible Common Equity / Tangible Assets	6.22%	7.96%
Leverage Ratio	8.40%	10.14%
Total Risk Based Capital Ratio	12.28%	14.52%
Return on Average Assets	0.99%	0.93%
Return on Average Equity	8.44%	8.28%
Net Interest Margin	3.70%	3.53%
Efficiency Ratio	57.6%	58.7%
Loan Loss Reserve / Gross Loans	1.31%	1.36%
Nonperforming Assets / Total Assets[1]	0.99%	1.47%
Net Chargeoffs / Average Loans	0.21%	0.36%
Price / Tangible Book Value	225%	171%
Price / LTM Earnings per Share	13.4x	14.7x
Price / Est. 2013 Earnings per Share[2]	13.3x	14.1x
Price / Est. 2014 Earnings per Share[3]	12.5x	13.5x
Dividend Yield	4.3%	3.7%
LTM Dividend Ratio	57.1%	55.5%
Market Capitalization (in millions)	$ 1,634	$ 1,278

(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 June 12, 2013; Source: FactSet First Call
(3) Closing price divided by median analyst estimate for 2014 as of June 12, 2013; Source: FactSet First Call

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Analysis of Selected Merger Transactions. Sandler O Neill reviewed 7 merger transactions announced from January 1, 2010 through June 12, 2013 involving thrifts headquartered in the Mid-Atlantic region with an announced deal value between $15 - $300 million and target NPAs / Assets between 1.0% - 4.0%.

illions						Transaction Information						Seller Inforn	
	St	Target	St	Annc. Date	Deal Value ($)	LTM Earnings (x)	Price/ Book Value (%)	TBV (%)	Core Deposit Premium (%)	1-Month Market Premium (%)	Total Assets ($)	TCE/ TA (%)	YTI ROA (%)
Inc	PA	CMS Bancorp Inc.	NY	08/10/12	20.8	NM	95	95	(0.8)		247.2	8.9	(0.1
	WV	Fidelity Bancorp Inc.	PA	07/19/12	72.9	56.4	157	167	5.5	110.3	665.8	6.4	0.2
	PA	First Star Bancorp Inc.	PA	12/21/11	24.7	NM	84	84	(1.0)	121.6	423.3	6.4	(0.1
Bncp	PA	SE Financial Corp.	PA	12/05/11	31.8	NM	111	111	NA		306.9	8.3	0.1
	PA	Parkvale Financial Corp.	PA	06/15/11	163.0	NM	138	198	5.2	120.8	1,801.3	3.6	0.4
hares	PA	Abington Bancorp Inc	PA	01/26/11	273.8	33.4	124	124	9.1	9.4	1,247.1	17.0	0.6
Corp.	PA	North Penn Bancorp Inc.	PA	12/14/10	27.4	20.6	125	125	6.4	68.7	164.5	12.1	0.6
				High	**273.8**	**56.4**	**157**	**198**	**9.1**	**121.6**	**1,801.3**	**17.0**	**0.6**
				Low	**20.8**	**20.6**	**84**	**84**	**(1.0)**	**9.4**	**164.5**	**3.6**	**(0.1**
				Mean	**87.8**	**36.8**	**119**	**129**	**4.1**	**86.1**	**693.7**	**8.9**	**0.2**
				Median	**31.8**	**33.4**	**124**	**124**	**5.4**	**110.3**	**423.3**	**8.3**	**0.2**

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

Additionally, Sandler O Neill reviewed 15 merger transactions announced from January 1, 2010 through June 12, 2013 involving thrifts nationwide with deal values between $15 - $300 million and target NPAs/Assets between 1.0% and 4.0%.

Millions						Transaction Information						Seller Inforn	
	St	Target	St	Annc. Date	Deal Value ($)	LTM Earnings (x)	Price/ Book Value (%)	TBV (%)	Core Deposit Premium (%)	1-Month Market Premium (%)	Total Assets ($)	TCE/ TA (%)	YTD ROA (%)
p Inc.	CT	Newport Bancorp Inc.	RI	03/05/13	63.9	38.2	116	116	4.1	10.6	449.4	11.8	0.3
rp Inc	PA	CMS Bancorp Inc.	NY	08/10/12	20.8	NM	95	95	(0.8)		247.2	8.9	(0.1
	WV	Fidelity Bancorp Inc.	PA	07/19/12	72.9	56.4	157	167	5.5	110.3	665.8	6.4	0.2
poration	NC	Citizens South Banking Corp.	NC	05/13/12	77.8	NM	112	114	(1.6)	53.7	1,073.8	6.4	(0.8
Corp.	MA	Central Bancorp Inc.	MA	04/30/12	64.8	NM	154	165	8.4	75.9	521.4	6.3	0.2
c.	PA	First Star Bancorp Inc.	PA	12/21/11	24.7	NM	84	84	(1.0)	121.6	423.3	6.4	(0.1

ares Inc.	TX	East Texas Financial Services	TX	12/08/11	21.5	NM	105	118	4.0	72.9	220.9	8.3	0.1
Bncp	PA	SE Financial Corp.	PA	12/05/11	31.8	NM	111	111	NA		306.9	8.3	0.1
	PA	Parkvale Financial Corp.	PA	06/15/11	163.0	NM	138	198	5.2	120.8	1,801.3	3.6	0.4
	CA	RMG Capital Corporation	CA	06/06/11	49.2	47.2	130	131	1.8		684.4	5.5	0.0
	OK	FBC Financial Corporation	OK	04/06/11	25.8	8.3	102	102	0.4		264.8	9.5	1.2
cshares	PA	Abington Bancorp Inc	PA	01/26/11	273.8	33.4	124	124	9.1	9.4	1,247.1	17.0	0.6
ancorp	MA	Legacy Bancorp	MA	12/21/10	112.8	NM	96	111	1.9	66.5	972.0	10.7	(0.4
al Corp.	PA	North Penn Bancorp Inc.	PA	12/14/10	27.4	20.6	125	125	6.4	68.7	164.5	12.1	0.6
Financial	CT	LSB Corp.	MA	07/15/10	95.9	20.8	153	153	8.8	72.8	806.6	7.7	0.7
				High	**273.8**	**56.4**	**157**	**198**	**9.1**	**121.6**	**1,801.3**	**17.0**	**1.2**
				Low	**20.8**	**8.3**	**84**	**84**	**(1.6)**	**9.4**	**164.5**	**3.6**	**(0.8**
				Mean	**75.1**	**32.1**	**120**	**127**	**3.7**	**71.2**	**656.6**	**8.6**	**0.2**
				Median	**63.9**	**33.4**	**116**	**118**	**4.0**	**72.8**	**521.4**	**8.3**	**0.2**

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

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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./ BCSB	Mid-Atlantic Median Result	Nationwide Median Result
Transaction Price / Last Twelve Months Earnings per Share	45.1x	33.4x	33.4x
Transaction Price / Stated Book Value	134%	124%	116%
Transaction Price / Tangible Book Value	134%	124%	118%
Tangible Book Premium / Core Deposits	4.6%	5.4%	4.0%
Transaction Price / Seller Price 1 month Before Announcement[1]	38.7%	110.3%	72.8%

(1) Based on BCSB Bancorp s 1 day market premium reflecting closing price of $16.90 as of June 12, 2013

BCSB Bancorp: Net Present Value Analysis. Sandler O Neill performed an analysis that estimated the present value per share of BCSB Bancorp common stock through September 30, 2016, assuming that BCSB Bancorp performed in accordance with the financial projections for 2013-2016 provided by management. To approximate the terminal value of BCSB Bancorp common stock at September 30, 2016, Sandler O Neill applied price to last twelve months earnings multiples of 12.0x to 20.0x 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 9.0% to 15.0%, which were assumed deviations, both up and down, as selected by Sandler O Neill based on the BCSB Bancorp discount rate of 14.9% as determined by Sandler O Neill. The discount rate was determined by adding the 10 year Treasury Bond rate (2.21%), the published Ibbotson 60 year equity risk premium (5.70%), the published Ibbotson size premium (3.81%) and the published Ibbotson Industry Premium (3.20%).

Sandler O Neill also considered and discussed with the BCSB Bancorp 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 BCSB Bancorp 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 BCSB Bancorp common stock of $5.39 to $10.83 when applying the price/earnings multiples to the matched budget, $8.99 to $16.63 when applying multiples of tangible book value to the matched budget, and $4.43 to $12.31 when applying the price/earnings multiples to the -25% / +25% budget range.

	Earnings Per Share Multiples				
Discount Rate	12.0x	14.0x	16.0x	18.0x	20.0x

9.0%	$ 6.50	$ 7.58	$ 8.66	$ 9.75	$ 10.83
10.0%	6.29	7.34	8.39	9.44	10.49
11.0%	6.10	7.11	8.13	9.14	10.16
12.0%	5.91	6.89	7.88	8.86	9.85
13.0%	5.73	6.68	7.64	8.59	9.54
14.0%	5.55	6.48	7.40	8.33	9.25
15.0%	5.39	6.28	7.18	8.08	8.98

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	Tangible Book Value Multiples				
Discount Rate	75%	85%	95%	105%	115%
9.0%	$ 10.85	$ 12.29	$ 13.74	$ 15.19	$ 16.63
10.0%	10.51	11.91	13.31	14.71	16.11
11.0%	10.18	11.54	12.89	14.25	15.61
12.0%	9.86	11.18	12.49	13.81	15.12
13.0%	9.56	10.84	12.11	13.39	14.66
14.0%	9.27	10.51	11.74	12.98	14.22
15.0%	8.99	10.19	11.39	12.59	13.79

(Under)/Over	Earnings Per Share Multiples				
Budget	12.0x	14.0x	16.0x	18.0x	20.0x
(25.0%)	$ 4.43	$ 5.17	$ 5.91	$ 6.65	$ 7.38
(20.0%)	4.73	5.51	6.30	7.09	7.88
(15.0%)	5.02	5.86	6.70	7.53	8.37
(10.0%)	5.32	6.20	7.09	7.98	8.86
(5.0%)	5.61	6.55	7.48	8.42	9.35
0.0%	5.91	6.89	7.88	8.86	9.85
5.0%	6.20	7.24	8.27	9.30	10.34
10.0%	6.50	7.58	8.66	9.75	10.83
15.0%	6.79	7.93	9.06	10.19	11.32
20.0%	7.09	8.27	9.45	10.63	11.82
25.0%	7.38	8.62	9.85	11.08	12.31

F.N.B.: Net Present Value Analysis. Sandler O Neill performed an analysis that estimated the present value per share of F.N.B. common stock through December 31, 2015, assuming that F.N.B. performed 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 rate for the years thereafter as discussed with senior management of F.N.B. 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 12.5x to 17.5x and multiples of tangible book value ranging from 160% to 240%. The terminal values were then discounted to present values using different discount rates ranging from 6.0% to 11.0% which were selected by Sandler O Neill based on the F.N.B. discount rate of 8.60% as determined by Sandler O Neill. The discount rate was determined by adding the 10-year Treasury Bond rate (2.21%) to the product of the published Ibbotson 60-year equity risk premium (5.70%) and 2-year beta of F.N.B. s stock (112.1%).

Sandler O Neill also considered and discussed with the BCSB Bancorp 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 8.60% for the tabular analysis.

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As illustrated in the following tables, this analysis indicated an imputed range of values per share for F.N.B. common stock of $9.81 to $15.16 when applying the price/earnings multiples to the matched estimates, $8.61 to $14.09 when applying multiples of tangible book value to the matched estimates, and $8.13 to $17.36 when applying the price/earnings multiples to the -25% / +25% estimates range.

	Earnings Per Share Multiples				
Discount Rate	12.50x	13.75x	15.00x	16.25x	17.50x
6.0%	$ 11.19	$ 12.19	$ 13.18	$ 14.17	$ 15.16
6.8%	10.94	11.91	12.88	13.85	14.82
7.7%	10.70	11.65	12.60	13.55	14.49
8.5%	10.47	11.39	12.32	13.25	14.17
9.3%	10.24	11.15	12.05	12.96	13.86
10.2%	10.02	10.90	11.79	12.68	13.56
11.0%	9.81	10.67	11.54	12.40	13.27

	Tangible Book Value Multiples				
Discount Rate	160%	180%	200%	220%	240%
6.0%	$ 9.82	$ 10.88	$ 11.95	$ 13.02	$ 14.09
6.8%	9.60	10.64	11.69	12.73	13.77
7.7%	9.39	10.41	11.43	12.45	13.47
8.5%	9.18	10.18	11.18	12.17	13.17
9.3%	8.99	9.96	10.93	11.91	12.88
10.2%	8.79	9.75	10.70	11.65	12.60
11.0%	8.61	9.54	10.47	11.40	12.33

(Under)/Over	Earnings Per Share Multiples				
Budget	12.50x	13.75x	15.00x	16.25x	17.50x
(25.0%)	$ 8.13	$ 8.82	$ 9.51	$ 10.21	$ 10.90
(20.0%)	8.59	9.33	10.07	10.81	11.55
(15.0%)	9.05	9.84	10.62	11.41	12.19
(10.0%)	9.51	10.34	11.18	12.01	12.84
(5.0%)	9.98	10.85	11.73	12.61	13.48
0.0%	10.44	11.36	12.28	13.21	14.13
5.0%	10.90	11.87	12.84	13.81	14.78
10.0%	11.36	12.38	13.39	14.41	15.42
15.0%	11.82	12.88	13.95	15.01	16.07
20.0%	12.28	13.39	14.50	15.61	16.72
25.0%	12.75	13.90	15.05	16.21	17.36

In connection with its analyses, Sandler O Neill considered and discussed with BCSB Bancorp 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 first calendar quarter of 2014; (2) the deal value per share is equal to $23.44 per BCSB Bancorp share, given a 2.080 exchange ratio of F.N.B. s common stock and a stock price of F.N.B. of $11.27 per share; (3) cost savings of 25% of BCSB Bancorp s non-interest expense fully phased-in in 2015; (4) one-time transaction costs and expenses of $16.4 million pre-tax; (5) BCSB Bancorp s performance was calculated in accordance with BCSB Bancorp 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 rate for the years thereafter as discussed with senior management of F.N.B.; (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 dilutive 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 BCSB Bancorp, Inc. and F.N.B. Sandler O Neill has acted as financial advisor to the Board of Directors of BCSB Bancorp, Inc. and its subsidiary in connection with the merger. Pursuant to the terms of the engagement agreement, the Board of Directors of BCSB Bancorp and its subsidiary agreed to pay Sandler O Neill a transaction fee of 1.3% of the aggregate deal value, which is payable at the closing of the merger. Sandler O Neill also received a fee for $100,000 upon the rendering of its fairness opinion to the Board of Directors of BCSB Bancorp and its subsidiary. The remainder of the fee shall be paid upon closing of the merger. BCSB Bancorp 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 two years, Sandler O Neill has not received any fees from BCSB Bancorp for investment banking services. As of June 13, 2013, Sandler O Neill also had not received any fees for investment banking services from F.N.B. in the prior two years. Subsequently, Sandler O Neill acted as a co-managing underwriter in connection with a registered offering of F.N.B. common stock which commenced on October 28, 2013, and a registered offering of depositary shares representing an interest in shares of F.N.B. preferred stock, which commenced on October 29, 2013. F.N.B. raised approximately $168.4 million in aggregate gross proceeds from the two offerings, and Sandler O Neill received approximately $485,000 in underwriting discounts and commissions.

In the ordinary course of their respective broker and dealer businesses, Sandler O Neill may purchase securities from and sell securities to BCSB Bancorp and F.N.B. and their affiliates. Sandler O Neill may also actively trade the debt and/or equity securities of BCSB Bancorp 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.

BCSB Bancorp Financial Forecasts

During due diligence, BCSB Bancorp provided to its financial advisor certain internal financial forecasts. These financial forecasts were not prepared with a view toward public disclosure or compliance with published guidelines of the Securities and Exchange Commission, the guidelines established by the American Institute of Certified Public Accountants for Prospective Financial Information, or US generally accepted accounting principles and are included in this proxy statement/prospectus only because they were provided to BCSB Bancorp s financial advisors in connection with the due diligence conducted during the merger discussions between the parties. BCSB Bancorp s independent auditor did not examine or compile any of these estimates or express any conclusion or provide any form of assurance with respect to these estimates.

The financial forecasts described below are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from such estimates and should be read with caution. Although presented with numerical specificity, these estimates are based upon a variety of assumptions made by BCSB Bancorp s management with respect to, among other things, industry performance, general economic, market, interest rate, and financial conditions, operating and other revenues and expenses, effective tax rates, capital expenditures, working capital and other matters. None of the assumptions may be realized, and as historical performance suggests, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of BCSB Bancorp.

Accordingly, the assumptions made in preparing these estimates may prove to be inaccurate and actual results may differ materially from these estimates. In addition, the forecasts do not take into account any of the expense savings or charges expected to result from the merger or any other matters contemplated by the merger agreement.

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For these reasons, the description of the financial forecasts in this proxy statement/prospectus should not be regarded as an indication that they are an accurate prediction of future events and they should not be relied on as such. No one has made, or makes, any representation regarding these estimates and, except as may be required by applicable securities laws, BCSB Bancorp does not intend to update or otherwise revise the projections to reflect circumstances existing after the date when made or to reflect the occurrences of future events even if any or all of the assumptions are shown to be in error.

BCSB Bancorp provided the following financial projections:

	At or for the Year Ending September 30,			
	2013	**2014**	**2015**	**2016**
	(Dollars in millions, except per share data)			
Assets	$ 641.6	$ 654.0	$ 688.6	$ 681.4
Gross loans	353.3	360.3	367.4	374.6
Deposits	560.7	570.8	583.0	593.4
Stockholders equity	55.4	57.7	60.0	62.4
Net interest income	19.6	20.0	20.4	20.8
Provision for loan losses	1.2	1.0	1.0	1.0
Noninterest income	2.3	2.2	2.2	2.3
Noninterest expenses	17.5	17.7	18.0	18.4
Net income	2.1	2.3	2.3	2.4
Diluted earnings per share	0.63	0.69	0.71	0.73

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

None.

Interests of BCSB Bancorp s Directors and Executive Officers in the Merger

In considering the recommendation of BCSB Bancorp s Board of Directors that you vote to approve the agreement and plan of merger, you should be aware that some of BCSB Bancorp s executive officers and directors have financial interests in the merger that are different from, or in addition to, those of BCSB Bancorp shareholders generally. The independent members of BCSB Bancorp s Board of Directors were aware of and considered these interests, among other matters, in evaluating and negotiating the agreement and plan of merger and the merger, and in recommending to the shareholders that the agreement and plan of merger be approved. For purposes of all of BCSB Bancorp s agreements and plans described below, the completion of the merger will constitute a change of control, change in control or a term of similar meaning.

Employment Agreement with Joseph J. Bouffard

Baltimore County Savings Bank has executed an employment agreement with Joseph J. Bouffard under which he serves as President and Chief Executive Officer of Baltimore County Savings Bank. The employment agreement provides for a three-year term and is subject to annual renewal by the Board of Directors and may be extended for an additional year so that the remaining term of the Agreement again becomes 36 months. The material terms of the employment agreement include base salary, bonus or other incentive compensation, restricted stock awards and stock options at the discretion of the Board of Directors, and for life insurance, medical insurance, dental insurance, pension, profit sharing, retirement and other benefit programs and certain other fringe benefits.

If, within one year after a change in control of BCSB Bancorp, Mr. Bouffard s employment is terminated without cause or Mr. Bouffard voluntarily terminates his employment, he will be entitled to receive a lump sum payment equal to three times his then-current annual base salary plus continued participation for up to three years in any benefit plans of Baltimore County Savings Bank that provide medical, dental and life insurance coverage upon terms no less favorable than the most favorable terms provided to senior executives. If such payments and benefits, either alone or together with other payments and benefits Mr. Bouffard has the right to receive from Baltimore County Savings Bank, would constitute an excess parachute payment under Section 280G of the Internal Revenue Code of 1986, such payments and benefits will be reduced or revised by the amount, if any, which is the minimum necessary to result in no portion of such payments and benefits being non-deductible to Baltimore County Savings Bank pursuant to Section 280G of the Internal Revenue Code and subject to the excise tax imposed under Section 4999 of the Internal Revenue Code.

Terms of Change in Control Severance Agreements

Baltimore County Savings Bank maintains change in control severance agreements with Messrs. Anthony R. Cole, Executive Vice President and Chief Financial Officer of BCSB Bancorp and Baltimore County Savings Bank, Daniel R. Wernecke, Executive Vice President and Chief Lending Officer of Baltimore County Savings Bank, David M. Meadows, Executive Vice President, Chief Operating Officer, General Counsel and Secretary of BCSB Bancorp and Baltimore County Savings Bank, and Bonnie M. Klein, Senior Vice President, Treasurer and Controller of BCSB Bancorp and Baltimore County Savings Bank. The agreements have terms of thirty-six months, which the Board of Directors may extend each year for additional one-year periods beyond the then-effective expiration date. The employee becomes entitled to collect severance benefits under the severance agreement in the event within the period beginning 12 months before a change of control and ending 18 months after a change of control the employee (i) resigns within 30 days following a change in duties, as explained below, (ii) is involuntarily terminated for reasons other than cause, as defined in the agreement, death or disability, or normal retirement on or after attainment of age 65, or (iii) voluntarily terminates employment for any reason within the 30-day period beginning on the date of a change of control. Under the agreements, a change in duties is defined to include a significant adverse change in the status, title, position, responsibilities, or scope of the employee s authority or duties, assignment to the employee of any duties or responsibilities which are inconsistent with the employee s status, title, or position, a material reduction in the employee s total compensation, a diminution in the employee s eligibility to participate in compensation plans, a relocation of the employee s principal place of employment by more than 30 miles, or a reasonable determination by the Board of Directors that, as a result of a change of control and change in circumstances thereafter, the employee is unable to exercise the authorities, powers, functions or duties attached to his position.

In the event an employee becomes entitled to receive severance benefits, the employee (i) will be paid an amount equal to 2.99 times the annualized cash compensation paid to the employee in the immediately preceding 12-month period (excluding board fees and bonuses), and (ii) will receive cash in an amount equal to the cost to the employee of obtaining all health, life, disability and other benefits which the employee would have been eligible to participate in through the second annual anniversary date of the employee s termination of employment. Under the terms of each agreement, the employee will receive severance in a lump sum cash payment within 10 business days of termination of his or her employment following a change of control, subject to a six-month delay as may be required if they are a specified employee under Section 409A of the Internal Revenue Code. Pursuant to the agreements entered into with F.N.B., Messrs. Cole, Meadows and Wernecke and Ms. Klein agreed that benefits payable under their change in control severance agreements may be limited, to the extent necessary, so as not to permit any excess parachute payments under Section 280G of the Internal Revenue Code.

Potential Payments Upon Termination Following a Change in Control

Mr. Bouffard s employment agreement provides for a lump-sum payment equal to 36 months current annual base salary, if within one year after a Change in Control Baltimore County Savings Bank terminates his employment without cause or Mr. Bouffard voluntarily terminates employment. In the event Messrs. Meadows, Cole and Wernecke and Ms. Klein become entitled to receive severance benefits under their change in control severance agreements, they (i) will be paid an amount equal to 2.99 times the annualized cash compensation paid to them in the immediately preceding 12-month period (excluding board fees and bonuses), and (ii) will receive cash in an amount equal to the cost to them of obtaining all health, life, disability and other benefits which they would have been eligible to participate in through the second annual anniversary date of their termination of employment. Under the terms of their change in control agreements, Messrs. Meadows, Cole and Wernecke and

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Ms. Klein will receive severance in a lump sum cash payment within 10 business days of termination of their employment following a change of control, subject to a six-month delay as may be required if they are a specified employee under Section 409A of the Internal Revenue Code. The following table discloses severance payments and the estimated value of health and welfare benefits payable in the event of a termination without cause following a change in control as defined in each executive s agreement as of November 1, 2013, and without regard to any limitation as a result of Internal Revenue Code Section 280G.

Executive Officer	Termination Without Cause Following Change in Control ($)
Joseph J. Bouffard	$804,445
David M. Meadows	555,221
Anthony R. Cole	555,221
Bonnie Klein	418,700
Daniel R. Wernecke	478,560

Supplemental Executive Retirement Arrangements

Baltimore County Savings Bank has entered into Supplemental Executive Retirement Plan Agreements with Mr. Meadows and Ms. Klein and sponsors the Baltimore County Savings Bank Supplemental Executive Retirement Plan, in which Messrs. Bouffard, Cole and Wernecke participate. In accordance with the terms of Mr. Meadows and Ms. Klein s agreements, since neither Mr. Meadows nor Ms. Klein has attained normal retirement age under the agreement (age 65), they each will receive an early termination benefit in 12 equal monthly payments for 15 years following their attainment of age 65. In accordance with the terms of the supplemental plan for Messrs. Bouffard, Cole and Wernecke, the amount following a change in control will be paid in a lump sum within ten days after the change in control. Messrs. Bouffard, Meadows, Cole and Wernecke and Ms. Klein will receive payments which are estimated to be approximately $1.4 million, $318,000, $989,000, $848,000 and $155,000, respectively, under the supplemental arrangements. Pursuant to the agreements to be entered into with F.N.B. at the closing of the merger, Messrs. Bouffard, Cole, Meadows and Wernecke and Ms. Klein agreed that benefits payable under their supplemental arrangements may be limited, to the extent necessary, so as not to permit any excess parachute payments under Internal Revenue Code Section 280G.

Acceleration of Stock Options and Restricted Stock Awards

Under the terms of the stock options and restricted stock award agreements, stock options and restricted stock awards that have not yet vested will become fully vested upon the occurrence of the merger and will convert into shares of F.N.B. common stock or, in the case of stock options, the right to purchase shares of F.N.B. common stock. F.N.B. will assume the stock options and continue to honor them in accordance with the terms under which they were granted.

Consulting, Employment and Other Arrangements Between F.N.B. and Certain Executive Officers of BCSB Bancorp

At the closing of the merger, F.N.B. and Messrs. Bouffard, Wernecke and Cole will enter into agreements pursuant to which Messrs. Bouffard, Wernecke and Cole will perform certain consulting services, in the case of Mr. Bouffard, and employment services, in the case of Messrs. Cole and Wernecke, as F.N.B. may reasonably request, including providing assistance with matters relating to the integration of the businesses of F.N.B. and Baltimore County Savings Bank. The term of Mr. Bouffard s consulting agreement will run from the closing of the merger through December 31, 2014. Mr. Wernecke s employment agreement will run for one year following the closing of the merger, and Mr. Cole s employment agreement will run for a period of six months following the closing of the merger. In addition, pursuant to non-solicitation and non-competition provisions in the agreements, Messrs. Bouffard, Wernecke and Cole have also agreed not to solicit or employ any employee of F.N.B. or First National Bank of Pennsylvania or any of their subsidiaries or affiliates that would cause such person(s) to terminate employment and/or to accept employment with or provide services to any business that competes with F.N.B. or First National Bank of Pennsylvania during the term of their agreements and for a period of one year, one year and two years, respectively, following the expiration of the consulting or employment period. The non-competition provisions of Mr. Cole s agreement only restrict his ability to serve as a chief executive officer with another institution. In exchange for the consulting and employment services, Messrs. Bouffard, Wernecke and Cole will receive up to approximately $252,000, $150,000 and $87,500, respectively. In connection with the acceptance of the non-solicitation provision, Messrs. Wernecke and Cole will receive up to approximately $65,000 and $100,000, respectively, payable over a one-year period following the term of the agreement with respect to Mr. Wernecke and a two-year period following the term of the agreement with respect to Mr. Cole, each contingent on compliance with the terms of the non-solicitation provision. In addition, Messrs. Wernecke and Cole will receive a retention bonus up to approximately $60,000 and $100,000, respectively, contingent upon providing employment services for the entire term of their agreements. Mr. Wernecke is also eligible for a $100,000 increase in his 2013 bonus if certain performance goals related to customer retention are met. In addition to the agreements with Messrs. Bouffard, Cole and Wernecke, F.N.B. and Ms. Klein will enter into an agreement pursuant to which Ms. Klein will agree to a non-solicitation covenant that will last for a period of one year following termination of her employment, which is expected to occur upon the closing of the merger.

Deferred Compensation Plan

Baltimore County Savings Bank maintains a deferred compensation plan. The deferred compensation plan provides members of the Board of Directors of Baltimore County Savings Bank and selected executives with the ability to defer a portion of their compensation. The plan preserves a stock component of the prior plan. Prior to each plan year, each non-employee director may elect to defer receipt of all or part of his future fees (including retainers). On each September 30th, each director participant who has between three and 12 years of service as a director will have his account credited with $6,222. No director may receive credit for more than 12 years of service. A director participant, who, after July 1, 1995, completes three years of service as a director, will have his account credited with $24,000 on the September 30th following his completion of three years of service. At the election of the participant, distributions may be made in a lump sum or installments. The amounts accrued under the deferred compensation plan will be paid to active directors and to Mr. Meadows and to Ms. Klein, who both participate in this plan, in a lump sum following the merger. The deferred compensation plan provides that a participant s benefits under the plan will be paid in a lump sum following a change in control. If Mr. Meadows or Ms. Klein terminates employment at his or her current age absent a change in control, they also would receive a lump sum payment of their benefits under the plan. Therefore, the change in control provision of the plan does not provide for any enhancement of benefits to participants, except for one director. As a result of the merger, that director will receive a single, lump sum payment of his benefit following the merger, instead of annual installments over a three-year period. The amount of the benefit payable to participants will not change as a result of the change in control.

Director Retirement Benefits

Baltimore County Savings Bank has entered in agreements with its non-employee directors, except for Messrs. Moretti, Loughran and Lashley, to provide them with supplemental retirement benefits. Under these agreements, each director becomes entitled to an annual retirement benefit equal to $9,000, payable monthly for 15 years, if he terminates service after attaining age 70. If the director terminates service prior to age 70 (including by reason of death), Baltimore County Savings Bank will pay him, or his beneficiaries in the case of death, a reduced annual benefit over 15 years, commencing at age 70. This benefit is not related to a change in control transaction.

Indemnification and Insurance. F.N.B. and BCSB Bancorp have agreed in the agreement and plan of merger 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 BCSB Bancorp or any of its subsidiaries against any losses, claims, damages, liabilities, costs and 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 agreement and plan of merger or such person s position as a former director or officer of BCSB Bancorp. F.N.B. has also agreed in the agreement and plan of merger that, for a period of six years after the effective time of the merger, it will cause the former directors and officers of BCSB Bancorp to be covered by the directors and officers insurance policy maintained by BCSB Bancorp or by a policy of at least the same coverage and containing terms no less advantageous to its beneficiaries than BCSB Bancorp s policy.

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Advisory Board

Three members of BCSB Bancorp s Board of Directors will serve on an advisory board to be established by F.N.B. for a minimum of two years. The purpose of the advisory board will be to assist First National Bank of Pennsylvania in promoting its image/reputation and products and services in BCSB Bancorp s current markets. In connection with such service on the advisory board, each member of BCSB Bancorp s Board of Directors will receive quarterly advisory fees for their service. Fees for the advisory board have not yet been determined as of the date of this proxy statement/prospectus, but are expected to be approximately $250 for each quarterly meeting attended. As of the date of this proxy statement/prospectus, no nominations of BCSB Bancorp directors to the advisory board have been made.

Severance and Other Payments to Certain Persons

The following table and related footnotes is intended to comply with Item 402(t) of Regulation S-K under the Securities Exchange Act of 1934, as amended, which requires disclosure of information about the payments and benefits that each of the BCSB Bancorp named executive officers, as determined for the purposes of BCSB Bancorp s most recent Annual Report on Form 10-K, will or may receive that are based on or otherwise relate to the merger with F.N.B., assuming the merger was completed on November 1, 2013, Messrs. Bouffard and Cole enter into a consulting agreement and an employment agreement, respectively, with F.N.B. on November 1, 2013, and Mr. Meadows employment is terminated without cause immediately following the merger. The amounts reported below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date, and do not reflect certain compensation actions that may occur before the completion of the merger and reflect some events that will not occur immediately following the merger. This table does not include the value of benefits that the named executive officers are vested in without regard to the occurrence of a change in control and does not take into account any limitation imposed as a result of Internal Revenue Code Section 280G.

Name	Cash ($)(1)	Equity ($)(2)	Pension/ NQDC ($)(3)	Perquisites/ Benefits ($)(4)	Tax Reimbursement ($)	Other ($)	Total ($)(5)
Joseph J. Bouffard	$ 756,000	$ 219,841	$ 378,358	$ 48,445			$ 1,402,644
Anthony R. Cole	523,250	92,384	676,021	31,971			1,323,626
David M. Meadows	523,250	86,667		31,971			641,888

(1) Represents severance payments due under the employment agreement with Mr. Bouffard and under the change in control severance agreements with Messrs. Cole and Meadows. Mr. Bouffard s employment agreement provides for a lump-sum payment equal to 36 months current annual base salary, if within one year after a Change in Control Baltimore County Savings Bank terminates his employment without cause or Mr. Bouffard voluntarily terminates employment (double trigger). Under the change in control severance agreements with Messrs. Cole and Meadows, Messrs. Cole and Meadows will receive severance in a lump sum cash payment within 10 business days of their termination of employment following a change of control, subject to a six-month delay as may be required if they are a specified employee under Section 409A of the Internal Revenue Code.

(2) Represents 4,314, 1,726 shares and 1,726 shares of restricted stock held by Messrs. Bouffard, Cole and Meadows, respectively, valued at $21.91 per share, based on the average closing market price of a share of BCBS Bancorp common stock over the first five days following the first public announcement of the transaction on June 14, 2013. Also includes 10,785, 4,696 and 4,204 shares pursuant to stock options with an exercise price of $10.29, held by Messrs. Bouffard, Cole and Meadows, respectively, and valued at $11.62 per share ($21.91 less the

$10.29 exercise price). The restricted stock and stock options become fully vested and exercisable upon the change in control (single trigger) and the stock options remain exercisable for their original term if the executive s employment is involuntarily terminated other than for cause within one year following the change in control.

(3) Represents the difference between the change in control payment and the early termination benefit under the BCSB Bancorp supplemental executive retirement plan for Messrs. Bouffard and Cole. Mr. Meadow s

agreement does not provide for any additional or accelerated benefits on account of the change in control. This amount will be paid within 10 business days of a change in control (single trigger).

(4) Represents amounts to be paid in connection with health and welfare benefits, including: health insurance premiums, term life insurance and disability insurance coverage (single trigger).

(5) The total amount payable to each listed individual is subject to reduction in the event that such amount detailed as payable in accordance with the respective employment agreement or change in control severance agreement or supplemental executive retirement plan or arrangement would result in an excess parachute payment under Section 280G of the Internal Revenue Code. In addition, these amounts do not include the compensation that may be paid to Messrs. Bouffard and Cole for on-going services pursuant to proposed consulting and employment arrangements with F.N.B., which, if accepted by the executive officer, will be entered into at the closing of the merger, as such amounts are considered compensation for bona fide post-transaction consulting and employment services. Mr. Wernecke also will be offered an employment arrangement with F.N.B. at the closing of the merger. See *Consulting, Employment and Other Arrangements Between F.N.B. and Certain Executive Officers of BCSB Bancorp.*

Non-Binding Advisory Vote to Approve the Compensation Payable to the Named Executive Officers of BCSB Bancorp in Connection with the Merger

In accordance with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules of the SEC adopted thereunder, BCSB Bancorp s Board of Directors is providing shareholders with the opportunity to cast a non-binding advisory vote on the compensation payable to the named executive officers of BCSB Bancorp in connection with the merger, as summarized in the table under the caption *The Merger Interests of BCSB Bancorp s Directors and Executive Officers in the Merger Severance and other Payments to Certain Persons* beginning on page [ ] of this proxy statement/prospectus. As required by the SEC, this proposal gives BCSB Bancorp shareholders the opportunity to express their views on the compensation that BCSB Bancorp s named executive officers will be entitled to receive that is based on or otherwise relates to the merger.

Messrs. Bouffard, Meadows and Cole are not expected to be offered an officer position with F.N.B. following the merger. It is currently expected that Messrs. Bouffard and Cole will be retained as a consultant or employee of F.N.B., respectively, for a period of time following the merger. Under each executive s agreement with BCSB Bancorp, the executive will be entitled to receive a severance payment upon the occurrence of a change in control and the loss of comparable employment.

Accordingly, at the special meeting, BCSB Bancorp is asking its shareholders to approve, in a non-binding advisory vote, the compensation payable to its named executive officers in connection with the merger through the adoption of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to BCSB Bancorp s named executive officers in connection with the merger and the agreements or understandings pursuant to which such compensation may be paid or become payable, as disclosed in the table under the caption *The Merger Interests of BCSB Bancorp s Directors and Executive Officers in the Merger Severance and other Payments to Certain Persons* in this proxy statement/prospectus in accordance with Item 402(t) of Regulation S-K, including the associated narrative discussion, and the agreements or understandings pursuant to which such compensation may be paid or become payable, is hereby APPROVED.

The vote on the compensation proposal is a vote separate and apart from the vote to approve the agreement and plan of merger and the merger. You may vote for the compensation proposal and against the proposal to approve the agreement and plan of merger and the merger, and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either BCSB Bancorp or F.N.B. Accordingly, because BCSB Bancorp and/or

F.N.B. will be contractually obligated to pay the compensation, if the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory vote.

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The affirmative vote of a majority of the votes cast is required to approve the advisory resolution on executive compensation payable to BCSB Bancorp s named executive officers in connection with the merger. Abstentions and broker non-votes will have no effect on the outcome of the proposal.

BCSB Bancorp s Board of Directors unanimously recommends a vote FOR approval, on an advisory non-binding basis, of the compensation payable in connection with the merger.

Share Ownership of Executive Officers and Directors of BCSB Bancorp and Baltimore County Savings Bank

As of December 6, 2013 the executive officers and directors of BCSB Bancorp and Baltimore County Savings Bank may be deemed to be the beneficial owners of 674,445 shares of BCSB Bancorp common stock (including vested stock options), which represent approximately 20.2% of the outstanding shares of BCSB Bancorp common stock, assuming the exercise of all vested stock options. See the section of this proxy statement/prospectus titled *Other Material Agreements Relating to the Merger Voting Agreements* on page [ ] for further information regarding the voting agreements entered into by the directors of BCSB Bancorp.

Regulatory Approvals Required for the Merger and the Bank Merger

Completion of the merger between F.N.B. and BCSB Bancorp and the merger between First National Bank of Pennsylvania and Baltimore County Savings Bank are each subject to several federal and state regulatory agency filings and approvals. The merger and the bank merger cannot be completed unless and until F.N.B. and BCSB Bancorp 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. Both F.N.B. and BCSB Bancorp are regulated by the Bank Holding Company Act of 1956. F.N.B. is registered as a financial holding company, and BCSB Bancorp is registered as a bank holding company, under the Bank Holding Company Act. As a result, the merger of BCSB Bancorp into F.N.B. is subject to prior approval of the Federal Reserve Board under the Bank Holding Company Act, unless an exemption from the prior approval requirement is available. F.N.B. submitted a waiver request to the Federal Reserve Board in late November 2013 to seek such an exemption. On December 4, 2013, the Federal Reserve Board waived the prior approval requirement for the merger between F.N.B. and BCSB Bancorp. If the Federal Reserve Board had not granted the waiver, under the applicable statutes, the Federal Reserve Board would decline to 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 Baltimore County Savings Bank with and into First National Bank of Pennsylvania is subject to the prior approval of the Office of the Comptroller of the

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Currency under the Bank Merger Act. First National Bank of Pennsylvania and Baltimore County Savings Bank filed a Bank Merger Act Application for approval of the bank merger with the Office of the Comptroller of the Currency on September 25, 2013, and received the approval of the Office of the Comptroller of the Currency on November 7, 2013. In reviewing a merger application 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 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. Although the Office of the Comptroller of the Currency has approved the bank merger, it may rescind its approval if it decides that any of the above-described factors warrant a rescission.

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 both merging banks in meeting the credit needs of the 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. Baltimore County Savings Bank and First National Bank of Pennsylvania each received a Satisfactory rating in their most recent CRA 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.

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, the applicable waiting period was reduced to 15 days. The waiting period applicable to the bank merger has expired without challenge by the Department of Justice.

Other Regulatory Submissions or Approvals. On September 26, 2013, F.N.B., BCSB Bancorp, First National Bank of Pennsylvania and Baltimore County Savings Bank filed applications with the State of Maryland Office of the Commissioner of Financial Regulation for approval of the merger and the bank merger. The State of Maryland Office of the Commissioner of Financial Regulation will review the merger applications under substantially the same standards and factors as those considered by the Federal Reserve Board and the Office of the Comptroller of the Currency. F.N.B. will also submit an application to the NYSE seeking approval of the listing of the shares of F.N.B. common stock to be issued pursuant to the agreement and plan of merger.

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.

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Public Trading Markets

F.N.B. common stock is listed on the NYSE under the symbol FNB. BCSB Bancorp common stock is traded on NASDAQ under the symbol BCSB. Upon completion of the merger, BCSB Bancorp common stock will cease to be traded on NASDAQ, and F.N.B. as the surviving company in the merger will cause our common stock to be deregistered under the Securities Exchange Act of 1934. F.N.B. will list the F.N.B. common stock issuable pursuant to the agreement and plan of merger on the NYSE upon receipt of NYSE approval and subject to official notice of issuance.

As reported on the NYSE, the closing price per share of F.N.B. common stock on June 12, 2013 was $11.27. As reported by NASDAQ, the closing price per share of BCSB Bancorp common stock on June 12, 2013 was $16.90. 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 stock was $23.44 as of that date. On [ ] [ ], 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 $[ ], resulting in a pro forma equivalent per share value of our common stock of $[ ] as of that date. On [ ], 2013, the closing price per share of BCSB Bancorp common stock on NASDAQ was $[ ].

Delisting and Deregistration of BCSB Bancorp Common Shares Following the Merger

If the merger is completed, BCSB Bancorp common stock will be delisted from The NASDAQ Global 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 Maryland General Corporation Law. As a result of one of these exceptions, holders of BCSB Bancorp common stock will not be entitled to dissenters appraisal rights in the merger. Maryland 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 stock 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 Global Market (on which BCSB Bancorp common stock are listed) are national securities exchanges.

Litigation Relating to the Merger

On July 12, 2013, Ralph Darr (the Plaintiff) filed a purported class action complaint, Case No. 03-C-13007839 OC, in the Circuit Court for Baltimore County, and naming as defendants BCSB Bancorp, its Board of Directors and F.N.B. The Plaintiff alleged that the proposed merger consideration was inadequate and undervalued BCSB Bancorp, that the director defendants breached their fiduciary duties to BCSB Bancorp by approving the proposed merger and that F.N.B. aided and abetted those alleged breaches. The Plaintiff sought an injunction barring the defendants from completing the merger; rescission of the agreement and plan of merger 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. Earlier, on June 21, 2013, the same Plaintiff had filed an identical purported action against the same defendants in the Circuit Court for Baltimore City, Case No. 24C13004131. However, the Plaintiff dismissed that case without prejudice prior to re-filing the case in Baltimore County Circuit Court. On September 6, 2013, the Plaintiff dismissed the complaint filed in Baltimore County Circuit Court. As of December 6, 2013, the latest practicable date before we printed and mailed this proxy statement/prospectus, there was no litigation pending involving the merger.

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THE MERGER AGREEMENT

The following section is a summary of the material provisions of the agreement and plan of merger. The following description of the agreement and plan of merger is subject to, and qualified in its entirety by reference to, the agreement and plan of merger, 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 agreement and plan of merger that may be important to you. We urge you to read the agreement and plan of merger carefully and in its entirety.

The Merger

The agreement and plan of merger provides for the merger of BCSB Bancorp 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 BCSB Bancorp will cease.

The agreement and plan of merger 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 BCSB Bancorp common shareholders, (B) adversely affect the U.S. federal income tax consequences to BCSB Bancorp common shareholders or to either party in the merger, or (C) materially impede or delay consummation of the merger.

The Bank Merger

As soon as practicable after the merger of BCSB Bancorp into F.N.B. is completed, Baltimore County Savings Bank 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 Baltimore County Savings Bank 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.

Treatment of BCSB Bancorp Common Stock

At the effective time of the merger, each share of BCSB Bancorp common stock that is issued and outstanding immediately prior to the completion of the merger will automatically become the right to receive 2.080 shares of F.N.B. common stock, which we refer to herein as the exchange ratio. In other words, each BCSB Bancorp shareholder will have the right to receive 2.080 shares of F.N.B. common stock in exchange for each share of BCSB Bancorp common stock that he or she owns. Any shares of BCSB Bancorp common stock held by F.N.B., its subsidiaries or BCSB Bancorp s subsidiaries, and any shares of BCSB Bancorp common stock that BCSB Bancorp 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, then F.N.B. will make proportionate adjustments to the exchange ratio of 2.080 shares of F.N.B. common stock for each share of common stock of BCSB Bancorp.

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

a stock dividend or distribution on F.N.B. common stock;

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 BCSB Bancorp 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 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. BCSB Bancorp shareholders will not have the right to receive dividends or other rights with respect to those fractional shares.

Treatment of BCSB Bancorp Stock Options

Upon completion of the merger, each outstanding stock option to purchase shares of BCSB Bancorp common stock pursuant to BCSB Bancorp 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 the number of shares BCSB Bancorp common stock underlying the stock option immediately prior to the merger multiplied by 2.080. 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 2.080. The stock option will otherwise have the same terms and conditions that were in effect immediately before completion of the merger.

Treatment of BCSB Bancorp Restricted Share Awards

Upon completion of the merger, each holder of a restricted share award relating to BCSB Bancorp common stock, including those designated as performance share awards, shall be entitled to receive a number of shares of F.N.B. common stock (rounded down to the nearest whole share) equal to the number of shares of BCSB Bancorp common stock subject to the share award multiplied by 2.080. The share award will remain subject to any restrictions, vesting and other terms and conditions provided in the award agreement and the BCSB Bancorp stock plan relating to the award.

Effect of Merger on F.N.B. Stock

The merger will have no effect on F.N.B. s capital stock. Each share of F.N.B. capital stock that was issued and outstanding immediately before the merger will remain issued and outstanding after the merger is completed.

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.

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 BCSB Bancorp, which date will be after January 1, 2014. In any case, the closing must take place within five business days after all of the closing conditions specified in the agreement and plan of merger have been satisfied or waived, other than those conditions which by their nature must be satisfied (or waived) at the closing. F.N.B. and BCSB Bancorp 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 BCSB Bancorp file with the Secretary of State of the State of Florida and the State Department of Assessments and Taxation of the State of Maryland.

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Exchange and Payment Procedures

As soon as practicable after the merger is completed, F.N.B. will deposit the merger consideration with its 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 shares of BCSB Bancorp common stock which will be cancelled in the merger, (B) cash in an amount equal to any dividends or distributions which are payable to BCSB Bancorp shareholders in accordance with the agreement and plan of merger, and (C) cash to be paid to BCSB Bancorp shareholders in lieu of fractional shares of F.N.B. common stock.

As soon as practicable after the merger is completed, but in no event later than ten business days after the merger is completed, the exchange agent will mail each holder of record of BCSB Bancorp common stock a letter of transmittal which contains instructions for surrendering their stock certificates. Each holder of a BCSB Bancorp stock certificate, who has surrendered his or her stock certificate to the exchange agent together with properly signed transmittal materials, will be entitled to receive, for each share of BCSB Bancorp common stock he or she holds, 2.080 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 BCSB Bancorp shareholder until the shareholder has surrendered the stock certificates representing his or her shares of BCSB Bancorp common stock.

If a stock certificate has been lost, stolen or destroyed, the exchange agent will issue the F.N.B. common stock payable under the agreement and plan of merger to the shareholder upon receipt of an affidavit by the shareholder regarding the loss of his or her stock 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 BCSB Bancorp stock certificate.

BCSB Bancorp stock 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 BCSB Bancorp 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. Neither BCSB Bancorp nor F.N.B. will be liable to any former holder of BCSB Bancorp common stock 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, 12 months after the completion of the merger, F.N.B.) is entitled to deduct and withhold from any cash amounts payable to any BCSB Bancorp 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 F.N.B. or the exchange agent withhold will be treated as having been paid to the BCSB Bancorp shareholder.

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

Dividends and Distributions

Following surrender of their BCSB Bancorp stock certificates to the exchange agent, the BCSB Bancorp shareholders will be paid, without interest:

at the time of surrender, any dividends or distributions that were declared by BCSB Bancorp on its common stock after June 13, 2013 with a record date prior to the date on which the merger was completed, and that remained unpaid at the time the merger was completed; and

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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 that were declared on the F.N.B. common stock with a record date after the date on which the merger was completed, and that became payable before the time of surrender.

Also, at the appropriate payment date, a BCSB Bancorp shareholder who has properly surrendered his or her BCSB Bancorp stock 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.

BCSB Bancorp 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 BCSB Bancorp to BCSB Bancorp or a wholly-owned subsidiary of BCSB Bancorp. However, BCSB Bancorp has not paid or declared a dividend in the last three years and no dividends are expected to be declared or paid by BCSB Bancorp prior to the time the merger is completed.

Representations and Warranties

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

The representations and warranties that BCSB Bancorp 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 agreement and plan of merger, and that its entry into the agreement and plan of merger and completion of the merger will not cause a violation of its organizational documents or applicable laws, a breach of any contract or the acceleration of any of its indebtedness;

the governmental filings and consents, authorizations, approvals and exemptions that are required in order to enter into the agreement and plan of merger 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. generally accepted accounting principles, 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 general manner in which its businesses are conducted, and 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;

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- 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; and
- fiduciary accounts.

BCSB Bancorp 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;
- insurance;
- investment securities;
- intellectual property; and
- its mortgage business.

Certain representations and warranties of F.N.B. and BCSB Bancorp are qualified as to materiality or material adverse effect. A material adverse effect, when used in reference to F.N.B. or BCSB Bancorp, 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 agreement and plan of merger;

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, expenses incurred in negotiating, documenting and otherwise completing the merger, 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;

- 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 agreement and plan of merger or in its SEC filings, as long as the disclosed matter has not worsened in a materially adverse manner.

This summary and the copy of the agreement and plan of merger attached to this document as Appendix A are included solely to provide investors with information regarding the terms of the agreement and plan of merger. They are not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The agreement and plan of merger contains representations and warranties by F.N.B. and BCSB Bancorp, which were made only for purposes of that agreement and as of specific dates. The representations, warranties and covenants in the agreement and plan of merger were made solely for the benefit of the parties to the agreement and plan of merger, 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 agreement and plan of merger 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 agreement and plan of merger, and in reviewing the representations, warranties and covenants contained in the agreement and plan of merger 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 agreement and plan of merger to be characterizations of the actual state of facts or condition of F.N.B., BCSB Bancorp 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 agreement and plan of merger, and those subsequent developments may or may not be fully reflected in F.N.B. s and BCSB Bancorp 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 BCSB Bancorp publicly file with the SEC. For more information regarding these documents, see the section entitled *Where You Can Find More Information* beginning on page [ ].

Covenants and Agreements

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

continue to conduct their businesses and that of their subsidiaries in the same manner in which it has ordinarily been conducted in the past;

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 any required approvals from any regulatory agency, governmental entity or other person or entity in an expeditious manner, (B) to perform its covenants and agreements under the agreement and plan of merger, or (C) to complete the merger.

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BCSB Bancorp 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 Baltimore County Savings Bank, 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 BCSB Bancorp or its subsidiaries are not in compliance with accounting or regulatory requirements for establishing reserves or accounting for delinquent and classified assets, or that their reserves are inadequate or inconsistent with their historical loss experience; and
- 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 BCSB Bancorp, one of its subsidiaries or a state or federal bank regulatory agency.

BCSB Bancorp further agreed that, except with F.N.B. s prior written consent, or as the agreement and plan of merger 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 BCSB Bancorp, except for dividends and distributions from a subsidiary of BCSB Bancorp to either BCSB Bancorp or a wholly-owned subsidiary of BCSB Bancorp;
- 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 BCSB Bancorp, 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 BCSB Bancorp or any securities of BCSB Bancorp 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 BCSB Bancorp common stock, except as required by an existing contract, plan or arrangement or policy;

grant any person or entity any right to acquire any shares of the capital stock of BCSB Bancorp or issue any additional shares of capital stock or any other securities, except that BCSB Bancorp is free to issue its common stock due to the exercise of BCSB Bancorp stock options;

amend its articles of incorporation or bylaws;

acquire, or agree to acquire, by merging or consolidating with, or by purchasing any assets or equity securities of, any business or person or entity, except that BCSB Bancorp may continue to acquire assets through foreclosure or inventory, as is customarily done in the ordinary course of its business, if the transactions do not exceed $100,000 in the aggregate;

open, acquire, close or sell any bank branches;

sell, lease, license, mortgage, dispose of or allow a lien on any of BCSB Bancorp s properties or assets unless the transaction is customarily done in the ordinary course of its business and does not exceed $100,000 in the aggregate;

incur any indebtedness for borrowed money, issue debt securities or assume or guarantee the obligations of any person or entity (other than BCSB Bancorp 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;

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renewals, extensions or replacements of those existing credit facilities if (1) they are transactions that are customarily done in the ordinary course of its business, (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 BCSB Bancorp s and its subsidiaries 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 BCSB Bancorp s own wholly-owned subsidiaries;

change in any material respect BCSB Bancorp s accounting methods, except to conform to changes in tax law, U.S. generally accepted accounting principles or regulatory accounting principles or as required by its independent auditors or regulatory agencies;

change in any material respect BCSB Bancorp s underwriting, operating, investment, risk management or other similar policies, procedures or practices, except as required by applicable law, regulatory policies, regulatory agencies and 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, except for agreements that may be terminated on notice of 60 days or less without payment of any termination fee or other amount, and which involve less than $50,000 annually;

incur any capital expenditure in excess of $100,000 individually or $200,000 in the aggregate;

except as required by existing agreements, alter in any material respect any material interest in any business entity in which BCSB Bancorp holds an ownership interest, except if BCSB Bancorp acquired the interest through a foreclosure, settlement in lieu of foreclosure or troubled debt restructuring that is a customary transaction in the ordinary course of its business;

pay, discharge or settle any claim, action, litigation, arbitration, proceeding or investigation, unless it is a customary transaction in the ordinary course of its business, and involves only money damages not in excess of $50,000 individually or $100,000 in the aggregate;

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 other governmental entity that is required to complete the merger;

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

any representation or warranty of BCSB Bancorp in the agreement and plan of merger ceasing to be true in any material respect before the merger is completed;

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

a violation of any provision of the agreement and plan of merger;

take action to extend credit as described below, if Baltimore County Savings Bank received an objection from F.N.B. within three business days after the bank notified F.N.B. of the proposed extension of credit:

make, renew or modify any loan greater than $300,000 that is classified as substandard, doubtful or loss ;

make, renew or modify any loan greater than $500,000 that is classified as special mention ;

make, renew or modify any loan if the borrower would be indebted to Baltimore County Savings Bank for more than $200,000 on an unsecured or undersecured basis;

make any fully-secured loan in which the borrower would be indebted to Baltimore County Savings Bank for more than $2,500,000, unless the loan is secured by a first mortgage on single-family owner-occupied real estate;

make, renew or modify any loan secured by an owner-occupied, 1-4 single family residence with a principal balance of more than $750,000;

make, renew or modify any loan for the construction of infrastructure or related improvements or any other land or land development-type loan with a principal balance of more than $500,000; and

make, renew or modify any loan that does not conform with Baltimore County Savings Bank s loan policy manual;

acquire any loan servicing rights;

originate, participate or purchase any new loan that is serviced by a third party or is outside of BCSB Bancorp s primary market areas in the Baltimore, Harford, Howard, Prince George s, Anne Arundel, Montgomery, Cecil and Carroll Counties of Maryland and Baltimore City;

enter into, amend or renew any employment, consulting, severance or similar agreements or arrangements with any directors, officers or employees of BCSB Bancorp or its subsidiaries, or grant any wage or salary increase or increase any employee benefits or contributions to any BCSB Bancorp benefit plan, make any grants of awards to newly-hired employees or accelerate the vesting of any unvested stock options or stock awards, except in a limited number of circumstances, including the following:

BCSB Bancorp may give merit or cost-of-living increases to employees below the level of assistant vice president who would normally be eligible for a merit increase during the period from June 13, 2013 through the closing date of the merger, as long as the total amount of all merit increases does not exceed, in the aggregate, 3.5% of their total base salary compensation;

BCSB Bancorp may pay bonuses in accordance with its short-term incentive plan, as long as the bonuses have been accrued according to BCSB Bancorp s customary and normal practices, and the total amount of all bonuses paid does not exceed the individual and aggregate amounts paid in 2012 increased by 10%;

BCSB Bancorp may pay retention bonuses to persons and in amounts that are approved by F.N.B. in consultation with BCSB Bancorp;

BCSB Bancorp may renew its employment, severance and supplemental executive retirement agreements with Joseph J. Bouffard, Bonnie M. Klein, David M. Meadows, Anthony R. Cole and Daniel R. Wernecke; and

BCSB Bancorp may continue to make normal monthly contributions under its employee stock ownership plan and required contributions under its deferred compensation plan;

hire or promote any employee, except that BCSB Bancorp may hire a new employee to fill vacancies which arise after the date of the agreement and plan of merger, as long as the new hire is compensated at a comparable level (with total salary and incentive compensation not to exceed $60,000) and is employed on an at will basis;

engage in any new loan transaction with any of BCSB Bancorp s officers or directors or any other related party;

purchase any equity securities or purchase any debt securities other than stock of the Federal Home Loan Bank of Atlanta or the Federal Reserve Bank of Richmond or debt securities (i) with a quality rating of AAA by either Standard & Poor s Ratings Services or Moody s Investors Services, and (ii) having a modified duration not exceeding 3.5 years in the Bloomberg base case;

convert the data processing and related information and/or accounting systems of BCSB Bancorp and its subsidiaries;

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 certain enumerated transactions which are conducted in the ordinary course of BCSB Bancorp s and its subsidiaries businesses; or

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.

F.N.B. agreed that until completion of the merger, except with BCSB Bancorp s prior written consent or as the agreement and plan of merger 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 BCSB Bancorp 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 representation or warranty of F.N.B. in the agreement and plan of merger ceasing to be true in any material respect before the merger is completed;

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

a violation of any provision of the agreement and plan of merger;

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. BCSB Bancorp 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 BCSB Bancorp will use their commercially reasonable efforts to have the registration statement declared effective under the Securities Act of 1933. BCSB Bancorp agreed that it will promptly mail the proxy statement/prospectus to its shareholders once the registration statement is declared effective.

F.N.B. and BCSB Bancorp 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 BCSB Bancorp 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 BCSB Bancorp 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. All information so provided will be kept confidential pursuant to pre-existing confidentiality agreements between F.N.B. and BCSB Bancorp.

Shareholder Approval

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

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 completion 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 BCSB Bancorp 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.

To determine the eligibility of the employees of BCSB Bancorp 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 BCSB Bancorp employees for their length of service with BCSB Bancorp 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 the extent reasonably practicable and available from its insurers, to:

- waive any pre-existing condition limitation if those conditions otherwise would be covered under the applicable 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 BCSB Bancorp plan that he or she participated in prior to the merger.

BCSB Bancorp agreed to terminate the Baltimore County Savings Bank Savings Bank 401(k) Plan immediately before the merger is completed and, together with Baltimore County Savings Bank, to terminate the Baltimore County Savings Bank Employee Stock Ownership Plan and cause the accounts of all persons who are participants and beneficiaries in the ESOP at the time of the completion of the merger to be fully vested upon the completion of the merger. BCSB Bancorp also agreed to freeze or terminate any of its other benefit plans as requested by F.N.B. in a timely manner.

At the closing of the merger, the executive compensation agreements for Joseph J. Bouffard, Anthony R. Cole, Kathy N. Gesswein, Bonnie M. Klein, David M. Meadows, Annette Quigley and Daniel R. Wernecke will be amended to limit the benefits payable under their existing arrangements so as not to permit any excess parachute payments under Section 280G of the Internal Revenue Code. In addition, at the closing of the merger, those officers will enter into agreements with F.N.B. providing for employment or consulting services and/or non-competition/non-solicitation covenants for the benefit of F.N.B. See *Proposal No. 1 Approval of the Agreement and Plan of Merger and the Merger Interests of BCSB Bancorp s Directors and Executive Officers in the Merger* on page [ ] for information about the executive compensation agreements and the proposed amendments. F.N.B. otherwise agreed to honor the obligations of BCSB Bancorp and its subsidiaries to their current and former employees and directors under the BCSB Bancorp benefit plans that F.N.B. continues to maintain. F.N.B. will recognize years of service with BCSB Bancorp and its subsidiaries for purposes of any generally applicable severance policy of F.N.B. or its subsidiaries.

Indemnification and Insurance

F.N.B. agreed it will provide indemnity and defense to current and former directors and officers of BCSB Bancorp and its subsidiaries, and to persons who served in any capacity (*e.g.*, director, officer, employee, trustee, agent) at another entity at the request of BCSB Bancorp or its subsidiaries after the merger is completed and BCSB Bancorp 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 BCSB Bancorp, its subsidiaries or another entity at the request of BCSB Bancorp or its subsidiaries, or the claim, suit, proceeding or investigation relates to the agreement and plan of merger, F.N.B. will indemnify and defend those persons to the fullest extent currently provided under applicable law and the articles of incorporation and bylaws of BCSB Bancorp. 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 BCSB Bancorp 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. BCSB Bancorp 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 BCSB Bancorp for that insurance. If F.N.B. is unable to maintain BCSB Bancorp s existing policies or obtain a substitute policy for that amount, F.N.B. 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 agreement and plan of merger, BCSB Bancorp agreed not to solicit competing offers. Specifically, BCSB Bancorp 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 identify 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;

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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 agreement and plan of merger, 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 BCSB Bancorp s and its subsidiaries net revenues, net income or net assets, taken as a whole;

directly or indirectly acquire BCSB Bancorp common stock as a result of which the acquirer becomes the owner of 15% or more of BCSB Bancorp common stock;

conduct a tender offer or exchange offer that would result in any person beneficially owning 15% or more of any class of capital stock of BCSB Bancorp; or

conduct a merger, consolidation, business combination, recapitalization, liquidation or dissolution involving BCSB Bancorp, other than the proposed merger with F.N.B.

However, the agreement and plan of merger allows BCSB Bancorp 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);

the BCSB Bancorp Board of Directors concluded in good faith, after consultation with its outside legal counsel, that failure to do so would be reasonably expected to result in a breach of its fiduciary duties;

at least one business day before providing any information to or entering into any discussions or negotiations with the party that made the superior proposal, BCSB Bancorp notified F.N.B. in writing of the party s name and the material terms and conditions of the superior proposal; and

BCSB Bancorp entered into a confidentiality agreement with the party that made the superior proposal before providing it with any information or data about BCSB Bancorp, and the confidentiality agreement contains confidentiality terms that are no less favorable to BCSB Bancorp than those contained in its confidentiality agreement with F.N.B.

Superior proposal means any bona fide, unsolicited written acquisition proposal made by a third party to acquire more than 50% of the outstanding BCSB Bancorp common stock or all or substantially all of BCSB Bancorp s consolidated assets. In addition, to qualify as a superior proposal, the BCSB Bancorp Board of Directors must determine in good faith that:

- the proposal contains terms that are more favorable to BCSB Bancorp 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 agreement and plan of merger allows the BCSB Bancorp 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 would reasonably be expected to breach the directors fiduciary duties under applicable law.

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Even if the BCSB Bancorp Board of Directors withdraw or qualify their recommendation of the merger with F.N.B., BCSB Bancorp is required to submit the agreement and plan of merger to a vote of its shareholders at a meeting called for that purpose. If this happens, the Board of Directors may submit the agreement and plan of merger to the shareholders without recommendation and communicate the reason(s) for its lack of recommendation. Until the agreement and plan of merger is terminated, the only acquisition proposal BCSB Bancorp may submit to its shareholders is the merger with F.N.B.

Advisory Board

After the merger is completed, F.N.B. will establish a local advisory board to advise F.N.B. regarding F.N.B. s operations in the areas served by Baltimore County Savings Bank. Three directors of BCSB Bancorp will be invited to serve on the local advisory board. F.N.B. will choose two of those directors and the third will be chosen by mutual agreement of F.N.B. and BCSB Bancorp.

Conditions to Completion of the Merger

The agreement and plan of merger contains a number of closing conditions. BCSB Bancorp 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 BCSB Bancorp 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 BCSB Bancorp common shareholders have adopted the agreement and plan of merger 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 approvals 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 completed 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 of 1933 and no stop order or proceedings for issuance of a stop order have been initiated or threatened by the SEC; and

- 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, BCSB Bancorp 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 agreement and plan of merger from the other party are true and correct both as of the date of the agreement and plan of merger 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 agreement and plan of merger 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.

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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 agreement and plan of merger may be terminated at any time before the closing by mutual consent of F.N.B. and BCSB Bancorp. Also, either party, acting alone, has the right to terminate the agreement and plan of merger 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 agreement and plan of merger;
- the merger was not completed by April 30, 2014, 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 agreement and plan of merger;
- the other party breached the agreement and plan of merger to a degree such that the closing conditions would not be satisfied, and the breach cannot or has not been cured by the earlier of April 30, 2014, or the 30th day after written notice of the breach was given; or
- BCSB Bancorp held a shareholder s meeting but did not obtain the requisite shareholder vote to adopt the agreement and plan of merger and approve the merger, except that BCSB Bancorp 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 BCSB Bancorp Board of Directors failed to make the recommendation that the shareholders adopt the agreement and plan of merger and approve the merger.

In addition to the termination rights above, F.N.B. may terminate the agreement and plan of merger at any time before the special meeting of BCSB Bancorp shareholders if:

- BCSB Bancorp breached its agreement not to solicit other acquisition proposals in a manner materially adverse to F.N.B.;
- the BCSB Bancorp Board of Directors failed to recommend the agreement and plan of merger 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 BCSB Bancorp Board of Directors recommended approval of another acquisition proposal; or

- BCSB Bancorp failed to convene and hold the special meeting of shareholders to vote on the proposal to adopt the agreement and plan of merger and approve the merger.

In addition to the termination rights above, BCSB Bancorp may terminate the agreement and plan of merger at any time before the special meeting:

- 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 BCSB Bancorp has given F.N.B. five business days prior notice, during which time F.N.B. may propose adjustments to the terms and conditions of the merger so that the other offer is no longer considered a superior proposal, and has paid F.N.B. the termination fee described below; or

- if there is a substantial decline in F.N.B. s stock price that is not generally experienced by comparable banks, as described in detail below.

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The operation of the conditions permitting BCSB Bancorp to terminate the agreement and plan of merger based on a decrease in the market price of F.N.B. common stock reflects the parties agreement that BCSB Bancorp s shareholders will assume the risk of a decline in value of F.N.B. common stock to $8.57 per share under any circumstances and will assume the risk of a more significant decline in value of F.N.B. s common stock, unless the percentage decline from $11.42 (which was the average closing value of a share of F.N.B. common stock during the ten trading day period ending on June 12, 2013) to the average closing price of FNB common stock during the ten trading day period immediately preceding the Determination Date is more than 20% greater than the percentage decrease, if any, in the average closing price of the SNL Mid Cap U.S. Bank Index from June 13, 2013 to the Determination Date, using the ten trading days preceding each date to determine the average closing price of the SNL Mid Cap U.S. Bank Index. The purpose of this agreement is that a decline in the value of F.N.B. common stock which is comparable to the decline in the value of an index of comparable publicly-traded stocks is indicative of a broad-based change in market and economic conditions that affect the financial services industry generally instead of factors which affect the value of F.N.B. common stock in particular.

Specifically, BCSB Bancorp may terminate the agreement and plan of merger during the five-day period beginning on the date that is the first to occur of: (A) the first date on which all required bank regulatory approvals have been received, or (B) the date on which BCSB Bancorp stockholders approve the agreement and plan of merger and the merger (such first occurring date being the Determination Date) if all of the following occur:

(i) the average daily closing price of a share of F.N.B. common stock during the ten trading days immediately preceding the Determination Date (the F.N.B. Market Value) is less than 75% of $11.42;

(ii) the number obtained by dividing the F.N.B. Market Value by $11.42 is less than the quotient obtained by dividing the average closing price of the SNL Mid Cap U.S. Bank Index during the ten-trading day period immediately preceding the Determination Date by 247.73 (which was the average closing value of the SNL Mid Cap U.S. Bank Index during the ten trading day period ending on June 12, 2013), minus 0.20; and

(iii) during the five-business day period commencing on the Determination Date, a majority of the BCSB Bancorp Board of Directors votes to terminate the agreement and plan of merger.

Even if the first two conditions described above are met, the BCSB Bancorp Board of Directors may elect not to terminate the agreement and plan of merger. Any decision to terminate the agreement and plan of merger will be made by the BCSB Bancorp Board of Directors in light of all of the circumstances existing at the time. Prior to making any decision to terminate the agreement and plan of merger, the BCSB Bancorp Board of Directors would consult with its financial and other advisors and would consider all financial and other information it deemed relevant to its decision.

The operation and effect of the provisions of the agreement and plan of merger dealing with a decline in the market price of F.N.B. common stock may be illustrated by the following three scenarios:

(1) One scenario is that the FNB Market Value is above $8.57. In this event, BCSB Bancorp would not have the right to terminate the agreement and plan of merger.

(2) A second scenario is that the FNB Market Value is less than $8.57 but that the percentage decline in the price of FNB common stock from the initial measurement price of $11.42 is not more than 20% greater than the percentage decline, if any, in the closing price of the SNL Mid Cap U.S. Bank Index. Under this scenario, BCSB Bancorp would not have the right to terminate the agreement and plan of merger.

(3) A third scenario is that the FNB Market Value is less than $8.57 and the percentage decline in the price of FNB common stock from the initial measurement price is more than 20% greater than the decline in the closing price of the SNL Mid Cap U.S. Bank Index. Under this scenario, BCSB Bancorp would have the right, but not the obligation, to terminate the agreement and plan of merger.

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Amendment of the Merger Agreement; Waiver

The parties may amend the agreement and plan of merger 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 agreement and plan of merger. However, once BCSB Bancorp s shareholders have approved the merger, the agreement and plan of merger 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 BCSB Bancorp s shareholders.

Termination Fee

If the agreement and plan of merger is terminated under any of the circumstances described below, BCSB Bancorp must pay F.N.B. a termination fee of $3.25 million.

F.N.B. terminated the agreement and plan of merger before the special meeting of BCSB Bancorp shareholders for any of the following reasons: (A) the BCSB Bancorp Board of Directors failed to recommend the agreement and plan of merger and the merger to the shareholders, or the board changed, withdrew, modified, qualified or conditioned its recommendation of the agreement and plan of merger and the merger in a manner adverse to F.N.B.; (B) BCSB Bancorp solicited another acquisition proposal in a manner materially adverse to F.N.B.; (C) the BCSB Bancorp Board of Directors recommended approval of another acquisition proposal; or (D) BCSB Bancorp materially breached its obligation to convene and hold the special meeting of its shareholders to adopt the agreement and plan of merger and approve the merger;

BCSB Bancorp terminated the agreement and plan of merger in order to enter into an unsolicited acquisition proposal that the BCSB Bancorp Board of Directors concluded was a superior proposal;

the agreement and plan of merger was terminated by either party for any reason permitted under the agreement and plan of merger after a tender offer or exchange offer for 25% or more of BCSB Bancorp s common stock was initiated, and BCSB Bancorp 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 BCSB Bancorp, F.N.B. terminated the agreement and plan of merger for any of the reasons given below, and within 12 months after that termination, BCSB Bancorp was acquired by another party (whether by merger, an acquisition of substantially all of BCSB Bancorp s assets, or an acquisition of more than 50% of the outstanding BCSB Bancorp common stock).

the closing conditions which depend on the accuracy of BCSB Bancorp s representations and warranties or BCSB Bancorp s performance of its obligations under the agreement and plan of merger could not be satisfied due to a breach by BCSB Bancorp;

- the merger did not occur before April 30, 2014; 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 agreement and plan of merger 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 BCSB Bancorp 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.

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Expenses

In general, F.N.B. and BCSB Bancorp each are responsible for the expenses which it incurs in connection with the negotiation and completion of the merger. However, the SEC registration fee associated with filing the Form S-4 registration statement and the costs and expenses of printing and mailing this proxy statement/prospectus will be shared equally by the parties.

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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 agreement and plan of merger, F.N.B. entered into voting agreements with BCSB Bancorp s directors, namely: Joseph J. Bouffard, H. Adrian Cox, Henry V. Kahl, William J. Kappauf, Jr., Michael J. Klein, Richard J. Lashley, William M. Loughran, Ernest A. Moretti and John J. Panzer, Jr. In the voting agreements, each of these shareholders has agreed to vote all of his shares of BCSB Bancorp common stock in favor of approval of the agreement and plan of merger and the merger.

In addition, except under limited circumstances, these shareholders also agreed not to sell, assign, transfer or otherwise dispose of or encumber their shares of BCSB Bancorp common stock prior to the record date for the special meeting of the BCSB Bancorp shareholders called for the purpose of voting on the approval of the agreement and plan of merger and the merger. The voting agreements terminate immediately upon the earlier of the completion of the merger, the termination of the agreement and plan of merger in accordance with its terms, or the mutual written agreement of F.N.B. and the shareholder.

As of December 6, 2013, there were 455,571 shares of BCSB Bancorp common stock subject to the voting agreements (excluding options), which represented approximately 14.3% of the outstanding shares of BCSB Bancorp common stock 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.

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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 BCSB Bancorp common stock and, subject to the limitations and qualifications described herein, represents the opinion of Reed Smith LLP, counsel to F.N.B., and Kilpatrick Townsend & Stockton LLP, counsel to BCSB Bancorp. 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 BCSB Bancorp common stock could differ from those described below.

For purposes of this discussion, a U.S. holder is a beneficial owner of BCSB Bancorp common stock 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 or arrangement treated as a partnership for U.S. federal income tax purposes) holds shares of BCSB Bancorp common stock, 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 shares of BCSB Bancorp common stock, you should consult your tax advisor.

This discussion assumes that you hold your shares of BCSB Bancorp common stock 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 BCSB Bancorp common stock in light of their particular circumstances, nor does it address the U.S. federal income tax consequences to holders of BCSB Bancorp common stock 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;

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

traders in securities that elect to use the mark-to-market method of accounting.

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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 Kilpatrick Townsend & Stockton 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 proxy statement/prospectus of which this document is a part, each of Reed Smith LLP and Kilpatrick Townsend & Stockton 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 Kilpatrick Townsend & Stockton 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 agreement and plan of merger 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 BCSB Bancorp, as the case may be, will comply with these covenants. If any of these assumptions or representations are 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 BCSB Bancorp common stock are as follows.

Exchange of BCSB Bancorp common stock for F.N.B. common stock. Each holder of BCSB Bancorp common stock 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 BCSB Bancorp shareholders will receive upon the merger will equal such holders aggregate tax basis in the shares of BCSB Bancorp common stock surrendered, decreased by the amount of basis allocated to any fractional share such holder was deemed to receive and subsequently sell. A BCSB Bancorp 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 the shares of BCSB Bancorp common stock 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 BCSB Bancorp common stock acquired different blocks of shares of BCSB Bancorp common stock 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 shares of BCSB Bancorp common stock. Any such holders should consult their tax advisors regarding the manner in which shares of F.N.B. common stock received in the exchange should be allocated among different blocks of shares of BCSB Bancorp common stock 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 BCSB Bancorp shareholder who may be subject to these rules consult his, her, or its own tax advisor.

Cash Received in Lieu of a Fractional Share. BCSB Bancorp 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

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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 shares of BCSB Bancorp common stock 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 BCSB Bancorp common stock:

- 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 BCSB Bancorp 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.

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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. As of September 30, 2013, F.N.B. has total assets of $12.8 billion 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 September 30, 2013, F.N.B. had community banking offices in Pennsylvania, eastern Ohio, central Maryland 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 September 30, 2013, First National Bank of Pennsylvania had total assets, total liabilities and total shareholders equity of approximately $12.6 billion, $11.0 billion and $1.6 billion, respectively.

Regency Finance, F.N.B. s consumer finance subsidiary, has 21 offices in Pennsylvania, 19 offices in Tennessee, 16 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 $3.0 billion of assets under management as of September 30, 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.

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*. 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 [ ].

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INFORMATION ABOUT BCSB BANCORP

General

BCSB Bancorp, Inc. BCSB Bancorp, a Maryland corporation, is the holding company for Baltimore County Savings Bank, a Maryland-chartered commercial bank. BCSB Bancorp s primary asset is its investment in Baltimore County Savings Bank. BCSB Bancorp is engaged in the business of directing, planning, and coordinating the business activities of Baltimore County Savings Bank. BCSB Bancorp does not maintain offices separate from those of Baltimore County Savings Bank or employ any persons other than officers of Baltimore County Savings Bank who are not separately compensated for such service. At June 30, 2013, BCSB Bancorp had total assets of $637.9 million, total deposits of $560.0 million and stockholders equity of $51.6 million.

BCSB Bancorp s and Baltimore County Savings Bank s executive offices are located at 4111 E. Joppa Road, Suite 300, Baltimore, Maryland 21236, and its main telephone number is (410) 256-5000.

Baltimore County Savings Bank. Baltimore County Savings Bank is a community-oriented Maryland-chartered commercial bank dedicated to serving the financial service needs of consumers and businesses within its market area, which consists of the Baltimore metropolitan area. Baltimore County Savings Bank is subject to extensive regulation, examination and supervision by the Federal Reserve Board and the State of Maryland Office of the Commissioner of Financial Regulation, its primary regulators, and the FDIC, its deposit insurer. Baltimore County Savings Bank attracts deposits from the general public and invests these funds in loans secured by first mortgages on owner-occupied, single-family residences in its market area and other real estate loans consisting of commercial real estate loans, construction loans and single-family rental property loans. Baltimore County Savings Bank also originates consumer loans and commercial loans. Baltimore County Savings Bank derives its income primarily from interest earned on these loans, and to a lesser extent, interest earned on investment securities and mortgage-backed securities. Baltimore County Savings Bank operates out of its main office in Baltimore County, Maryland and 17 branch offices in Baltimore County, Harford County and Howard County in Maryland.

Available Information

BCSB Bancorp and Baltimore County Savings Bank maintain an Internet website at *http://www.baltcosavings.com.* BCSB Bancorp makes available on its website Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to such reports filed with the Securities and Exchange Commission as well as other information related to BCSB Bancorp, free of charge. SEC reports are available on this site as soon as reasonably practicable after electronically filed. The internet website and the information contained therein or connected thereto are not intended to be incorporated into this proxy statement/prospectus.

Market Area

Baltimore County Savings Bank s market area consists of the Baltimore metropolitan area. At June 30, 2013, management estimates that more than 95% of deposits and lending came from its market area.

The economy of Baltimore County Savings Bank s market area is a diverse cross section of employment sectors, with a mix of services, manufacturing, wholesale/retail trade, federal and local government, health care facilities and finance related employment. This partially mitigates the risk associated with a decline in any particular economic sector. The diversification as noted helped to mitigate the impact of the economic recession experienced during fiscal 2009, as Maryland s unemployment remained well below the national unemployment rate. With our market area located adjacent to major transportation corridors and Washington, DC, the Baltimore metropolitan area provides a diversified broad economic base. According to the Baltimore County Department of Economic Development, the overwhelming majority of Baltimore County s employees work in the private sector. Government also provides a significant portion of Baltimore County s jobs, with self-employed providing the remaining employment. Select employers include the U.S. Social Security Administration, T. Rowe Price, Stanley Black and Decker and McCormick & Company. Harford County continues to experience strong economic growth while maintaining a strong government presence. Aberdeen Proving Grounds (APG) is a major employer both in the military and civilian capacity. Harford County and the entire Baltimore metropolitan area have recently benefited from the Base Realignment or Closure Commission s (BRAC) decision to shift several thousand U.S. Department of Defense jobs to APG.

Lending Activities

General. Baltimore County Savings Bank s gross loan portfolio excluding loans held for sale totaled $330.7 million at June 30, 2013, representing 51.8% of total assets at that date. At June 30, 2013, $66.1 million, or 20.0% of Baltimore County Savings Bank s gross loan portfolio, consisted of single-family, residential mortgage loans. Other loans secured by real estate include construction loans, single-family rental property and commercial real estate loans, which amounted to $23.6 million, $59.9 million and $139.3 million, respectively, or 7.1%, 18.1% and 42.1%, respectively, of Baltimore County Savings Bank s gross loan portfolio at June 30, 2013. Baltimore County Savings Bank also originates consumer loans, consisting primarily of home equity lines of credit, which totaled $32.7 million or 9.9%, of Baltimore County Savings Bank s gross loan portfolio. Other lending activities include commercial lines of credit, which totaled $7.3 million, or 2.2% of Baltimore County Savings Bank s gross loan portfolio.

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Loan Portfolio Composition. The following table sets forth selected data relating to the composition of Baltimore County Savings Bank s loan portfolio (including Loans available for sale) by type of loan at the dates indicated. At June 30, 2013, Baltimore County Savings Bank had no concentrations of loans exceeding 10% of gross loans other than as disclosed below.

	June 30, 2013		At September 30, 2012		2011		2010		2009		200
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**
					(Dollars in thousands)						
ly)	$ 66,111	19.99%	$ 77,629	22.33%	$ 92,924	24.77%	$ 118,120	29.69%	$ 140,991	34.48%	$ 165,341
ly rty	59,943	18.12	62,111	17.87	64,715	17.25	70,662	17.77	51,698	12.64	41,819
l	139,296	42.11	141,364	40.67	142,630	38.03	136,573	34.34	136,106	33.29	127,596
n(2)	23,596	7.13	21,396	6.16	29,377	7.83	23,800	5.98	28,869	7.06	24,967
l lit	7,268	2.20	9,952	2.86	7,919	2.11	7,986	2.01	8,832	2.16	8,328
l			20	.01	312	.08	1,225	.31	2,855	.70	4,612
l ed	156	.05	71	.02	501	.13	880	.22	296	.07	
l	54	.02	60	.02	69	.02	78	.02	322	.08	329
	224	.07	437	.12	1,009	.27	2,544	.64	7,322	1.79	15,490
y lit	32,653	9.87	32,840	9.45	33,649	8.97	33,840	8.51	29,167	7.13	17,914
	1,445	.44	1,714	.49	2,007	.54	2,015	.51	2,443	.60	2,124
	330,746	100.00%	347,594	100.00%	375,112	100.00%	397,723	100.00%	408,901	100.00%	408,520
et)									62		158
d											
	9,457		6,467		5,304		2,042		3,664		4,595

an	(209)	38	193	97	234	408
	1	3	4	17	127	534
for	5,669	5,470	4,768	6,634	3,927	2,672
	$ 315,828	$ 335,616	$ 364,843	$ 388,933	$ 401,011	$ 400,469

(1) Includes fixed-rate second mortgage loans and loans available for sale.
(2) Includes acquisition and development loans.

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Loan Maturity Schedules. The following table sets forth certain information at September 30, 2012 regarding the dollar amount of loans maturing in Baltimore County Savings Bank s portfolio based on their contractual terms to maturity, including scheduled repayments of principal. Demand loans, loans having no stated schedule of repayments and no stated maturity, and overdrafts are reported as due in one year or less. The table does not include any estimate of prepayments which significantly shorten the average life of mortgage loans and may cause Baltimore County Savings Bank s repayment experience to differ from that shown below.

	Due in 1 Year or Less	Due 1 Through 5 Years	Due After 5 Years	Total
		(In thousands)		
Real Estate Loans				
Single-family residential	$ 102	$ 4,154	$ 73,373	$ 77,629
Single-family rental property	2,454	13,247	46,410	62,111
Commercial	5,721	46,796	88,847	141,364
Construction	10,438	3,221	7,737	21,396
Commercial lines of credit	5,740	597	3,615	9,952
Commercial leases	20			20
Commercial loans secured	71			71
Commercial loans unsecured			60	60
Consumer:				
Automobile	90	347		437
Home equity lines of credit		15	32,825	32,840
Other	281	526	907	1,714
Total	$ 24,917	$ 68,903	$ 253,774	$ 347,594

The following table sets forth at September 30, 2012, the dollar amount of all loans due beyond one year after September 30, 2012 which have predetermined interest rates and have floating or adjustable interest rates.

	Predetermined Rate	Floating or Adjustable Rates
	(In thousands)	
Real Estate loans:		
Single-family residential	$ 75,923	$ 1,604
Single-family rental property	34,335	25,322
Commercial	80,371	55,272
Construction	812	10,146
Commercial lines of credit	4,212	
Commercial leases		
Commercial loans secured		
Commercial loans unsecured	60	
Consumer:		

Automobiles	347	
Home equity lines of credit		32,840
Other	1,348	85
Total	$ 197,408	$ 125,269

Scheduled contractual principal repayments of loans do not reflect the actual life of such assets. The average life of loans is substantially less than their contractual terms because of prepayments. In addition, due-on-sale clauses on loans generally give Baltimore County Savings Bank the right to declare a loan immediately due and payable in the event, among other things, that the borrower sells the real property subject to the mortgage and the loan is not repaid. The average life of mortgage loans tends to increase when current mortgage loan market rates are substantially higher than rates on existing mortgage loans and, conversely, decrease when current mortgage loan market rates are substantially lower than rates on existing mortgage loans.

Originations, Purchases and Sales of Loans**.** Baltimore County Savings Bank 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, Baltimore County Savings Bank concentrates its lending activities in its market area.

The following table sets forth certain information with respect to Baltimore County Savings Bank s loan origination, purchase and sale activity for the periods indicated.

	Nine Months Ended June 30,		Year Ended September 30,		
	2013	2012	2012	2011	2010
			(In thousands)		
Loans originated:					
Real Estate Loans:					
Single-family residential	$ 11,987	$ 5,770	$ 9,071	$ 8,392	$ 7,244
Single-family rental property	2,604	1,601	2,337	2,682	18,773
Commercial	24,281	8,119	11,136	22,776	15,092
Construction	5,874	10,467	10,865	11,084	509
Commercial lines of credit	367	803	645	811	4,863
Commercial loans secured				236	1,015
Commercial leases					
Consumer:					
Automobile	122	111	103	100	309
Home equity lines of credit	5,465	3,700	5,952	6,583	10,926
Other	250	266	842	959	575
Total loans originated	$ 50,950	$ 30,837	$ 40,951	$ 53,623	$ 59,306
Loans purchased:					
Real estate loans	$ 8,750	$	$	$ 3,700	$
Total loans purchased	$ 8,750	$	$	$ 3,700	$
Loans sold:					
Whole loans	$	$	$ 10,399	$ 14,339	$ 5,720
Participation loans	8,998	4,950	4,950	3,400	86
Total loans sold	$ 8,998	$ 4,950	$ 15,349	$ 16,630	$ 5,806

Baltimore County Savings Bank s loan originations are derived from a number of sources, including business referrals, depositors, borrowers, our website, and advertising, as well as walk-in customers. Baltimore County Savings Bank s solicitation programs consist of advertisements in local media, in addition to occasional participation in various community organizations and events. Real estate loans are originated by Baltimore County Savings Bank s loan personnel. Automobile loans are originated by Baltimore County Savings Bank s loan personnel and loan applications are accepted at Baltimore County Savings Bank s offices.

Loan Underwriting Policies. Baltimore County Savings Bank s lending activities are subject to Baltimore County Savings Bank s written, non-discriminatory underwriting standards and to loan origination procedures prescribed by Baltimore County Savings Bank s 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. Loans are approved based on a loan authority matrix, which is governed by the type of loan and the loan amount. Levels of approval are the loan officer, officers loan committee, which includes the President, Chief Financial Officer, Executive Vice President in charge of lending, Executive Vice President of Operations, the Treasurer, a directors loan committee, and the full Board. Individual officers of Baltimore County Savings Bank have been granted authority by the Board of Directors to approve loans up to varying specified dollar amounts, depending upon the type of loan. Applications for single-family owner occupied real estate loans generally are underwritten and closed in accordance with the standards of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association. Upon receipt of a loan application from a prospective borrower, a credit report and verifications are ordered to verify specific information relating to the loan applicant s employment, income and credit standing. If a proposed loan is to be secured by a deed of trust or a mortgage on real estate, an appraisal of the real estate is generally undertaken by an appraiser approved by Baltimore County Savings Bank and licensed by the State of Maryland. In the case of single-family residential mortgage loans, except when Baltimore County Savings Bank becomes aware of a particular risk of environmental contamination, Baltimore County Savings Bank generally does not obtain a formal environmental report on the real estate at the time a loan is made. A formal environmental report may be required in connection with a commercial real estate loan.

It is Baltimore County Savings Bank s policy to record a lien on the real estate securing a loan and to obtain title insurance, which ensures that the property is free of prior encumbrances and other possible title defects. Borrowers must also obtain hazard insurance policies prior to closing. When the property is in a flood plain as designated by Federal Emergency Management Agency, Baltimore County Savings Bank requires adequate flood insurance prior to settlement of the loan.

With respect to single-family residential mortgage loans, Baltimore County Savings Bank makes a loan commitment of between 30 and 60 days for each loan approved. If the borrower desires a longer commitment, the commitment may be extended for good cause and upon written approval.

Baltimore County Savings Bank is permitted to lend up to 95% of the lesser of the appraised value or the purchase price of the real property securing a mortgage loan. However, if the amount of a residential loan originated or refinanced exceeds 80% of the appraised value, Baltimore County Savings Bank s policy is to obtain private mortgage insurance at the borrower s expense on the principal amount of the loan. Baltimore County Savings Bank will make a single-family residential mortgage loan with up to a 95% loan-to-value ratio if the required private mortgage insurance is obtained. Baltimore County Savings Bank generally limits the loan-to-value ratio on commercial real estate mortgage loans to 80%. Baltimore County Savings Bank generally limits the loan-to-value ratio on single-family rental property loans to 65%. Home equity loans are made in amounts which, when added to any senior indebtedness, do not exceed 80% of the value of the property, although the majority of home equity loans have a loan to value ratio of 80% or less.

Under Maryland law, the maximum amount that Baltimore County Savings Bank is permitted to lend to any one borrower and his or her related interests may generally not exceed 10% of Baltimore County Savings Bank s unimpaired capital and surplus, which is defined to include Baltimore County Savings Bank s capital, surplus, retained earnings and 50% of its reserve for possible loan losses. By interpretive ruling of the State of Maryland Office of the Commissioner of Financial Regulation, Maryland banks have the option of lending up to the amount that would be permissible for a national bank, which is generally 15% of unimpaired capital and surplus (defined to include a bank s total capital for regulatory capital purposes plus any loan loss allowances not included in regulatory capital). Under this authority, Baltimore County Savings Bank would have been permitted to lend up to $10.3 million to any one borrower at June 30, 2013. At June 30, 2013, Baltimore County Savings Bank had no lending relationships in excess of the loans-to-one-borrower limit. At June 30, 2013, Baltimore County Savings Bank s largest loan customer was a $6.6 million relationship secured by a retail shopping center. At June 30, 2013, this customer s loans were current and performing in accordance with their terms.

Interest rates charged by Baltimore County Savings Bank on loans are affected principally by competitive factors, the demand for such loans and the supply of funds available for lending purposes. 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.

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Single-Family Residential Real Estate Lending. Baltimore County Savings Bank historically has been and continues to be an originator of single-family, residential real estate loans in its market area. At June 30, 2012, single-family, residential mortgage loans, excluding single-family rental property loans and home equity loans, totaled $66.1 million, or 20.0% of Baltimore County Savings Bank s gross loan portfolio. Baltimore County Savings Bank has never participated in the origination of Sub-prime loans and, accordingly, has no direct exposure to this type of lending within its loan portfolio.

Baltimore County Savings Bank originates fixed-rate mortgage loans at competitive interest rates. At June 30, 2013, Baltimore County Savings Bank had $64.6 million of fixed-rate single-family owner occupied mortgage loans, which amounted to 97.7% of Baltimore County Savings Bank s single-family owner occupied mortgage loans. Due to the current economic conditions and the low interest rate environment Baltimore County Savings Bank has employed a strategy to sell the majority of newly originated fixed-rate single-family residential mortgage loans into the secondary market.

As of June 30, 2013, $1.5 million, or 2.3% of Baltimore County Savings Bank s single-family mortgage loans carried adjustable rates. After the initial term, the rate adjustments on Baltimore County Savings Bank s adjustable-rate loans are indexed to a rate which adjusts annually based upon changes in an index based on the weekly average yield on U.S. Treasury securities adjusted to a constant comparable maturity of one year, as made available by the Federal Reserve Board. The interest rates on most of Baltimore County Savings Bank s adjustable-rate mortgage loans are adjusted once a year, and Baltimore County Savings Bank offers loans that have an initial adjustment period of one, three or five years. The maximum adjustment is 2% per adjustment period with a maximum aggregate adjustment of 6% over the life of the loan. Baltimore County Savings Bank offers adjustable-rate mortgage loans that provide for initial rates of interest below the rates that would prevail when the index used for repricing is applied, *i.e.*, teaser rates. All of Baltimore County Savings Bank s adjustable-rate loans require that any payment adjustment resulting from a change in the interest rate be sufficient to result in full amortization of the loan by the end of the loan term and, thus, do not permit any of the increased payment to be added to the principal amount of the loan, known as negative amortization.

The retention of adjustable-rate loans in Baltimore County Savings Bank s portfolio helps reduce Baltimore County Savings Bank s exposure to increases in prevailing market interest rates. However, there may be unquantifiable credit risks resulting from potential increases in costs to borrowers in the event of upward repricing of adjustable-rate loans. It is possible that during periods of rising interest rates, the risk of default on adjustable-rate loans may increase due to increases in interest costs to borrowers. Further, although adjustable-rate loans allow Baltimore County Savings Bank to increase the sensitivity of its interest-earning assets to changes in interest rates, the extent of this interest sensitivity is limited by the initial fixed-rate period before the first adjustment and the lifetime interest rate adjustment limitations. Accordingly, there can be no assurance that yields on Baltimore County Savings Bank s adjustable-rate loans will fully adjust to compensate for increases in Baltimore County Savings Bank s cost of funds. Finally, adjustable-rate loans increase Baltimore County Savings Bank s exposure to decreases in prevailing market interest rates, although decreases in Baltimore County Savings Bank s cost of funds tend to offset this effect.

Single-Family Rental Property Loans. Baltimore County Savings Bank also offers single-family residential mortgage loans secured by properties that are not owner-occupied. As of June 30, 2013, single-family rental property loans totaled $59.9 million, or 18.1%, of Baltimore County Savings Bank s gross loan portfolio. Originations of single-family rental property loans were $2.6 million, $1.6 million, $2.3 million, $2.7 million, and $18.8 million for the nine months ended June 30, 2013 and 2012 and the years ended September 30, 2012, 2011 and 2010, respectively. Single-family residential mortgage loans secured by nonowner-occupied properties are made on a five year fixed-rate or on an adjustable-rate basis and carry interest rates generally above the rates charged on comparable loans secured by owner-occupied properties. The maximum term on such loans is five years with amortizations up to 25 years.

Commercial Real Estate Lending. Baltimore County Savings Bank s commercial real estate loan portfolio includes loans to finance the acquisition of office buildings, churches, commercial office condominiums, shopping centers, hospitality, and commercial and industrial buildings. Such loans generally range in size from $100,000 to $5.0 million, with the largest having an outstanding principal balance of $6.6 million at June 30, 2013. At June 30, 2013, Baltimore County Savings Bank had $139.3 million of commercial real estate loans, which amounted to 42.1% of Baltimore County Savings Bank s gross loan portfolio. Commercial real estate loans are originated on a fixed-rate or adjustable-rate basis with terms of up to 25 years.

Commercial real estate lending entails significant additional risks as compared with single-family residential property lending. Commercial real estate loans typically involve larger loan balances to single borrowers or groups of related borrowers. The payment experience on such loans typically is dependent on the successful operation of the real estate project, retail establishment or business. 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 a greater extent to adverse conditions in the economy generally. To minimize these risks, Baltimore County Savings Bank generally limits itself to its market area or to borrowers with which it has prior experience or who are otherwise known to Baltimore County Savings Bank. It is Baltimore County Savings Bank s policy generally to obtain annual financial statements of the business of the borrower or the project for which commercial real estate loans are made. In addition, in the case of commercial real estate loans made to a legal entity, Baltimore County Savings Bank seeks, whenever possible, to obtain personal guarantees and annual financial statements of the principals of the legal entity.

Construction Lending. A substantial portion of Baltimore County Savings Bank s construction loans are originated for the construction of owner-occupied, single-family dwellings in Baltimore County Savings Bank s primary market area. Residential construction loans are offered primarily to individuals building their primary or secondary residence, as well as to selected local developers to build single-family dwellings. Generally, loans to owner/occupants for the construction of owner-occupied, single-family residential properties are originated in connection with the permanent loan on the property and have a construction term of up to 12 months. Such loans are offered on fixed rate terms. Interest rates on residential construction loans made to the owner/occupant have interest rates during the construction period equal to the same rate on the permanent loan selected by the customer. Interest rates on residential construction loans to builders are generally set at the prime rate plus a margin of between 0% and 1.5%, typically with interest rate floors. Interest rates on commercial construction loans are generally based on the prime rate plus a negotiated margin of between 0% and 1.5% and adjust monthly, typically with interest rate floors with construction terms generally not exceeding 18 months. Advances are made on a percentage of completion basis. At June 30, 2013, $23.6 million, or 7.1%, of Baltimore County Savings Bank s gross loan portfolio consisted of commercial construction loans, acquisition and development loans, and construction loans on single family residences.

Prior to making a commitment to fund a loan, Baltimore County Savings Bank requires both an appraisal of the property by appraisers approved by the Board of Directors and a study of projected construction costs. Baltimore County Savings Bank also reviews and inspects each project at the commencement of construction and as needed prior to disbursements during the term of the construction loan. Baltimore County Savings Bank s construction loans totaled $23.6 million, $21.4 million, $29.4 million, and $23.8 million at June 30, 2013 and September 30, 2012, 2011 and 2010, respectively, and construction loan originations were $5.9 million, $10.9 million, $11.1 million, and $509,000 during the nine months ended June 30, 2013 and 2012 and the years ended September 30, 2012, 2011 and 2010, respectively.

On occasion, Baltimore County Savings Bank makes acquisition and development loans to local developers to acquire and develop land for sale to builders who will construct single-family residences. Acquisition and development loans, which are considered by Baltimore County Savings Bank to be construction loans, are generally made at a rate that adjusts monthly, based on the prime rate plus a negotiated margin, typically with interest rate floors for terms of up to three years. Interest only is paid during the term of the loan, and the principal balance of the loan is paid down as developed lots are sold to builders. At June 30, 2013 acquisition and development loans totaled $8.7 million or 2.6%

of Baltimore County Savings Bank s gross loan portfolio. Baltimore County Savings Bank originated $0 in acquisition development loans during the nine months ended

June 30, 2013 and $517,000 in acquisition and development loans during the fiscal year ended September 30, 2012. Generally, in connection with acquisition and development loans, Baltimore County Savings Bank issues a letter of credit to secure the developer s obligation to local governments to complete certain work. If the developer fails to complete the required work, Baltimore County Savings Bank would be required to fund the cost of completing the work up to the amount of the letter of credit. Letters of credit generate fee income for Baltimore County Savings Bank but create additional risk. At June 30, 2013, Baltimore County Savings Bank had 18 letters of credit outstanding totaling $547,000.

Construction financing generally is 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 is dependent largely upon the accuracy of the initial estimate of the property s value at completion of construction or 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 and the borrower is unable to meet Baltimore County Savings Bank s requirements of putting up additional funds to cover extra costs or change orders, then Baltimore County Savings Bank will work with the customer to resolve the financial issue. Baltimore County Savings Bank has sought to minimize this risk by limiting construction lending to qualified borrowers (*i.e.*, borrowers who satisfy all credit requirements and whose loans satisfy all other underwriting standards which would apply to Baltimore County Savings Bank s permanent mortgage loan financing for the subject property) in Baltimore County Savings Bank s market area. On loans to builders, Baltimore County Savings Bank works only with selected builders with whom it has experience and carefully monitors the creditworthiness of the builders.

Commercial Lines of Credit. Baltimore County Savings Bank provides commercial lines of credit to businesses within Baltimore County Savings Bank s market area. These loans are secured by business assets, including real property, equipment, automobiles and consumer leases. Generally, all loans are further personally guaranteed by the owners of the business. The commercial lines have adjustable interest rates tied to the prime rate, typically with interest rate floors and are offered at rates from prime plus 0% to prime plus 3.5%. As of June 30, 2013, Baltimore County Savings Bank had $7.3 million of such loans, which amounted to 2.2% of Baltimore County Savings Bank s gross loan portfolio.

Consumer Lending. The consumer loans currently in Baltimore County Savings Bank s loan portfolio consist of automobile loans, home equity lines of credit and loans secured by savings deposits.

Automobile loans totaled $224,000, or .07%, of Baltimore County Savings Bank s gross loan portfolio at June 30, 2013. Automobile loans are secured by both new and used cars and, depending on the creditworthiness of the borrower, may be made for up to 110% of the invoice price or clean black book value, whichever is lower, or, with respect to used automobiles, the loan values as published by a wholesale value listing utilized by the automobile industry. Automobile loans are made directly to the borrower-owner. New and used cars are financed for a period generally of up to six years, or less, depending on the age of the car. Collision insurance is required for all automobile loans. Baltimore County Savings Bank also maintains a blanket collision insurance policy that provides insurance for any borrower who allows their insurance to lapse.

Baltimore County Savings Bank originates second mortgage loans and home equity lines of credit. As of June 30, 2013, home equity lines of credit totaled $32.7 million, or 9.9% of Baltimore County Savings Bank s gross loan portfolio. Baltimore County Savings Bank s home equity lines of credit currently have adjustable interest rates tied to the prime rate and can be offered anywhere from as low as the prime rate less 0.25% up to the prime rate plus 1.0%. The interest rate may not adjust to a rate higher than 24%. The home equity lines of credit require monthly payments until the loan is paid in full, with a loan term not to exceed 30 years. The minimum monthly payment is the outstanding interest. Home equity lines of credit are secured by subordinate liens against residential real property.

Baltimore County Savings Bank requires that fire and extended coverage casualty insurance (and, if appropriate, flood insurance) be maintained in an amount at least sufficient to cover its loan.

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Baltimore County Savings Bank makes savings account loans for up to 90% of the depositor s savings account balance. The interest rate is normally 3.0% above the rate paid on the related savings account, and the account must be pledged as collateral to secure the loan. Interest generally is billed on a quarterly basis. At June 30, 2013, savings account loans accounts totaled $326,000 or .10%, of Baltimore County Savings Bank s gross loan portfolio.

As part of Baltimore County Savings Bank s loan strategy, Baltimore County Savings Bank has diversified its lending portfolio to afford Baltimore County Savings Bank the opportunity to earn higher yields and to provide a fuller range of banking services. These products have generally been in the consumer area and include boat loans and loans for the purchase of recreational vehicles. Such loans totaled $1.1 million, or .33% of Baltimore County Savings Bank s gross loan portfolio at June 30, 2013.

Consumer lending usually affords Baltimore County Savings Bank the opportunity to earn yields higher than those obtainable on single-family residential lending. However, consumer loans entail greater risk than residential mortgage loans, particularly in the case of loans which are unsecured or secured by rapidly depreciable assets. Repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment of the outstanding loan balance as a result of the greater likelihood of damage, loss or depreciation. The remaining deficiency often does not warrant further substantial collection efforts against the borrower. In addition, consumer loan collections are dependent on the borrower s continuing financial stability, and thus are more likely to be adversely affected by events such as job loss, divorce, illness or personal bankruptcy.

Loan Fees and Servicing. Baltimore County Savings Bank receives fees in connection with late payments and for miscellaneous services related to its loans. Baltimore County Savings Bank also charges fees in connection with loan originations typically from 0 to 1.5 points (one point being equal to 1% of the loan amount) on residential and commercial loan originations. Baltimore County Savings Bank services certain loans sold to Federal Home Loan Mortgage Corporation and Federal National Mortgage Association. Baltimore County Savings Bank also services participation loans originated and sold by Baltimore County Savings Bank with servicing retained, and earns minimal income from this activity.

Nonperforming Loans and Other Problem Assets. It is management s policy to continually monitor its loan portfolio to anticipate and address potential and actual delinquencies. When a borrower fails to make a payment on a loan, Baltimore County Savings Bank takes immediate steps to have the delinquency cured and the loan restored to current status. Loans which are past due 15 days incur a late fee of 5% of principal and interest due. As a matter of policy, Baltimore County Savings Bank will send a late notice to the borrower after the loan has been past due 15 days and again after 30 days. If payment is not promptly received, the borrower is contacted again, and efforts are made to formulate an affirmative plan to cure the delinquency. Generally, after any loan is delinquent 90 days or more, formal legal proceedings are commenced to collect amounts owed. In the case of automobile loans, late notices are sent after loans are ten days delinquent, and the collateral is seized after a loan is delinquent 60 days. Repossessed cars subsequently are sold at auction.

Loans generally are placed on nonaccrual status if the loan becomes past due more than 90 days, except in instances where in management s judgment there is no doubt as to full collectability of principal and interest, or management concludes that payment in full is not likely. Consumer loans are generally charged off, or any expected loss is reserved for, after they become more than 120 days past due. All other loans are charged off, or any expected loss is reserved for when management concludes that they are uncollectible. See Note 4 of Notes to Consolidated Financial Statements for Year-End Financial Information.

Real estate acquired by Baltimore County Savings Bank as a result of foreclosure is classified as real estate acquired through foreclosure until such time as it is sold. When such property is acquired, it is initially recorded at the lower of cost or estimated fair value and subsequently at the lower of book value or fair value less estimated costs to sell. Costs relating to holding such real estate are charged against income in the current period, while costs relating to improving such real estate are capitalized until a saleable condition is reached. Any

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required write-down of the loan to its fair value less estimated selling costs upon foreclosure is charged against the allowance for loan losses. See Note 4 of Notes to Consolidated Financial Statements for Year-End Financial Information.

The following table sets forth information with respect to Baltimore County Savings Bank s nonperforming assets at the dates indicated.

	At June 30, 2013	At September 30, 2012	2011	2010	2009	2008
			(Dollars in thousands)			
Loans accounted for on a nonaccrual basis:(1)						
Real Estate:						
Single-family residential	$ 854	$ 472	$ 1,048	$ 656	$ 1,186	$ 291
Single-family rental property	2,493	2,128	6,667	1,664		
Commercial	1,543	2,994	5,097	6,002	6,269	369
Construction	3,183	7,551	4,534	3,933		
Commercial lines of credit			214			
Commercial leases	47		50	240	235	173
Commercial loans secured				267		
Consumer			20	23		2
Total	$ 8,120	$ 13,145	$ 17,630	$ 12,785	$ 7,690	$ 835
Accruing loans which are contractually past due 90 days or more:						
Real Estate:						
Single-family residential	$	$	$	$	$	$
Single-family rental property						
Commercial						
Construction						
Commercial lines of credit						
Commercial loans secured						
Consumer						
Total	$	$	$	$	$	$
Accruing troubled debt restructurings	$ 6,131	$ 6,647	$ 656	$	$	$
Total nonperforming loans	$ 14,251	$ 19,792	$ 18,286	$ 12,785	$ 7,690	$ 835
Percentage of gross loans	4.51%	5.69%	4.69%	3.21%	1.88%	0.20%
Percentage of total assets	2.74%	3.07%	2.82%	2.06%	1.35%	0.14%
Other nonperforming assets(2)	$ 3,259	$ 1,674	$ 2,999	$	$ 639	$ 1,244

Loans modified in Troubled Debt Restructurings[3]	$ 6,238	$ 9,267	$ 8,665	$ 4,007	$ 3,863	$

(1) Nonaccrual status denotes loans on which, in the opinion of management, the collection of additional interest is questionable. Also included in this category at June 30, 2013 is $108,000 in Troubled Debt Restructurings (TDR s). Reporting guidance requires disclosure of these loans as nonaccrual until the loans have performed according to the modified terms for a sustained period.

(2) Other nonperforming assets include Baltimore County Savings Bank s inventory of nonperforming foreclosed real estate.

(3) All loans modified in a troubled debt restructuring are included as nonperforming loans and assets, whether accruing or accounted for on a nonaccrual basis.

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During the year ended September 30, 2012, gross interest income of $1.1 million would have been recorded on loans accounted for on a nonaccrual basis if the loans had been current throughout the year. Interest on such loans included in income during the year ended September 30, 2012 amounted to $439,000. During the nine months ended June 30, 2013, gross interest income of $871,000 would have been recorded on loans accounted for on a nonaccrual basis if the loans had been current throughout the period. Interest on such loans included in income during the nine months ended June 30, 2013 amounted to $501,000.

At June 30, 2013, Baltimore County Savings Bank had no loans which were not classified as nonaccrual, 90 days past due or restructured but where known information about possible credit problems of borrowers caused management to have serious concerns as to the ability of the borrowers to comply with present loan repayment terms and may result in disclosure as nonaccrual, 90 days past due or restructured.

At June 30, 2013, nonaccrual loans consisted of commercial loans aggregating $1.6 million, residential loans aggregating $854,000, single-family rental loans aggregating $2.5 million, and construction loans aggregating $3.2 million. The increase in nonaccrual construction loans as compared with the prior fiscal year is primarily due to one loan relationship consisting of single-family land development. Although loans are current in terms of monthly payments, the projects have struggled to produce sales and borrower cash flow has become a concern. As a result all loans have been placed on nonaccrual status.

As described above loans identified as TDR s are also included as nonperforming assets. TDR s are represented by borrowers experiencing some form of financial difficulty resulting in Baltimore County Savings Bank granting a concession as a part of a loan modification. Reporting guidance requires disclosure of these loans as nonperforming even though they may be current in terms of principal and interest payments. As of September 30, 2012 nonperforming loans included $9.3 million in TDR s, of which $7.2 million are not delinquent.

Real estate acquired through foreclosure is initially recorded at the lower of cost or estimated fair value and subsequently at the lower of book value or fair value less estimated costs to sell. Fair value is defined as the amount in cash or cash-equivalent value of other consideration that a real estate parcel would yield in a current sale between a willing buyer and a willing seller, as measured by market transactions. If a market does not exist, fair value of the item is estimated based on selling prices of similar items in active markets or, if there are no active markets for similar items, by discounting a forecast of expected cash flows at a rate commensurate with the risk involved. Fair value is generally determined through an appraisal at the time of foreclosure. Subsequent to foreclosure, real estate acquired through foreclosure is periodically evaluated by management and an allowance for loss is established if the estimated fair value of the property, less estimated costs to sell, declines. At June 30, 2013, Baltimore County Savings Bank had $3.8 million in real estate owned through foreclosure.

Federal regulations require financial institutions to classify their assets on the basis of quality on a regular basis. An asset meeting one of the classification definitions set forth below may be classified and still be a performing loan. An asset is classified as substandard if it is determined to be inadequately protected by the current paying capacity of the obligor or of the collateral pledged, if any. An asset is classified as doubtful if full collection is highly questionable or improbable. An asset is classified as loss if it is considered uncollectible, even if a partial recovery could be expected in the future. The regulations also provide for a special mention designation, described as assets which do not currently expose a financial institution to a sufficient degree of risk to warrant classification but do possess credit deficiencies or potential weaknesses deserving management s close attention. Such assets designated as special mention may include nonperforming loans consistent with the above definition. If an asset or portion thereof is classified loss, a financial institution must either establish a specific allowance for loss in the amount of the portion of the asset classified loss, or charge off such amount. Federal examiners may disagree with a financial institution s classifications. If a financial institution does not agree with an examiner s classification of an asset, it may appeal this determination. Baltimore County Savings Bank regularly reviews its assets to determine whether any assets require classification or re-classification. At June 30, 2013, Baltimore County Savings Bank had $28.7 million in classified assets consisting of $28.7 million in assets classified as substandard, $0 in assets classified as doubtful and $0 in assets classified as loss. Substandard assets consisted of $24.2 million in loans and $4.5 million in private label collateralized mortgage obligations. In addition, Baltimore County Savings Bank had $8.5 million in loans designated as special mention at June 30, 2013. Special mention assets consisted of $326,000 in single-family residential mortgage loans 60 to 89 days delinquent at June 30, 2013, and commercial loans of $8.1 million that Baltimore County Savings Bank is monitoring for management and credit weaknesses at June 30, 2013.

Allowance for Loan Losses. In originating loans, Baltimore County Savings Bank 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, Baltimore County Savings Bank s and the industry s historical loan loss experience, evaluation of economic conditions, regular reviews of delinquencies and loan portfolio quality and evolving standards imposed by federal bank examiners. Baltimore County Savings Bank increases its allowance for loan losses by charging provisions for loan losses against Baltimore County Savings Bank s income. Due to the downturn in the current economic conditions, Baltimore County Savings Bank added $1.1 million and $1.2 million in provisions for losses on loans to the allowance for loan losses during the nine months ended June 30, 2013 and the fiscal year ended September 30, 2012, respectively. Net loans charged off during the nine months ended June 30, 2013 and the fiscal year ended September 30, 2012 were $901,000 and $498,000, respectively.

Management will continue to actively monitor Baltimore County Savings Bank s asset quality and allowance for loan losses. Management will charge off loans and properties acquired in settlement of loans against the allowances for losses on such loans and such properties when appropriate and will provide specific loss allowances when necessary. Although management believes it uses the best information available to make determinations with respect to the allowances for losses and believes such allowances are adequate, future adjustments may be necessary if economic conditions differ substantially from the economic conditions in the assumptions used in making the initial determinations.

Baltimore County Savings Bank s methodology for establishing the allowance for loan losses takes into consideration probable losses that have been identified in connection with specific assets as well as losses that have not been identified but are expected to have occurred. Management conducts regular reviews of Baltimore County Savings Bank s assets and evaluates the need to establish allowances on the basis of these reviews. Allowances are established by management and reviewed by the Board of Directors on a quarterly basis based on an assessment of risk in Baltimore County Savings Bank s assets taking into consideration the composition and quality of the portfolio, delinquency trends, current charge-off and loss experience, loan concentrations, the state of the real estate market, regulatory reviews conducted in the regulatory examination process and economic conditions generally. Additional provisions for losses on loans are made in order to bring the allowance to a level deemed adequate. Specific reserves will be provided for individual assets, or portions of assets, when ultimate collection is considered improbable by management based on the current payment status of the assets and the fair value of the collateral.

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The following table sets forth an analysis of Baltimore County Savings Bank s allowance for loan losses for the periods indicated.

	At June 30,		At September 30,			
	2013	2012	2011	2010	2009	2008
			(Dollars in thousands)			
Balance at the beginning of the period	$ 5,470	$ 4,768	$ 6,634	$ 3,927	$ 2,672	$ 2,650
Loans charged-off:						
Real estate mortgage:						
Single-family residential		9	1,385			
Single family residential rentals	408	513				
Multi-family residential						
Commercial			2,171	235	187	341
Commercial leases		35	76	15	27	
Construction	559		366			
Commercial loans secured						
Commercial loans unsecured				234		
Consumer	4	14	48	75	87	262
Total charge-offs	971	571	4,046	559	301	603
Recoveries:						
Real estate mortgage:						
Single-family residential		1				
Single family residential rentals		5				
Multi-family residential						
Commercial	8	16		5	31	
Construction						
Commercial loans secured						
Consumer	62	51	80	161	175	265
Total recoveries	70	73	80	166	206	265
Net loans charged-off	(901)	(498)	(3,966)	(393)	(95)	(338)
Provision for loan losses	1,100	1,200	2,100	3,100	1,350	360
Balance at the end of period	$ 5,669	$ 5,470	$ 4,768	$ 6,634	$ 3,927	$ 2,672
Ratio of net charge-offs to average loans outstanding during the period	0.37%	0.15%	1.05%	0.10%	0.02%	0.08%

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The following table allocates the allowance for loan losses by loan category at the dates indicated. The allocation of the allowance to each category is not necessarily indicative of future losses and does not restrict the use of the allowance to absorb losses in any category.

	At June 30, 2013		At September 30, 2012		2011		2010		2009		2008	
	Amount	**Percent of Loans in Category to Total Loans**	**Amount**	**Percent of Loans in Category to Total Loans**	**Amount**	**Percent of Loans in Category to Total Loans**	**Amount**	**Percent of Loans in Category to Total Loans**	**Amount**	**Percent of Loans in Category to Total Loans**	**Amount**	**Percen of Loan in Categor to Total Loans**
							(Dollars in thousands)					
al estate ns:												
gle-family dential	$ 150	19.99%	$ 140	22.33%	$ 205	24.77%	$ 105	29.69%	$ 253	34.48%	$ 329	40.47
gle-family tal perty	2,721	18.12	2,232	17.87	1,595	17.25	74	17.77	137	12.64	106	10.24
mmercial	1,595	42.11	1,392	40.67	1,430	38.03	5,087	34.34	1,568	33.29	1,292	31.23
nstruction	1,192	7.13	1,492	6.16	1,267	7.83	906	5.98	980	7.06	360	6.11
mmercial es of credit		2.20	85	2.86	12	2.11	13	2.01	88	2.16	75	2.04
mmercial ses				.01	26	.08	209	.31	266	.70	92	1.14
mmercial ns secured		.05		.02	5	.13	31	.22	28	.07		
mmercial ns ecured		.02		.02	40	.02	40	.02	318	.08	330	.08
nsumer	11	10.38	129	10.06	188	9.78	169	9.66	289	9.52	88	8.69
al owance for n losses	$ 5,669	100.00%	$ 5,470	100.00%	$ 4,768	100.00%	$ 6,634	100.00%	$ 3,927	100.00%	$ 2,672	100.00

Investment Activities

General. Baltimore County Savings Bank is permitted under federal law to make certain investments, including investments in securities issued by various federal agencies and state and municipal governments, deposits at the Federal Home Loan Bank of Atlanta, certificates of deposit in federally insured institutions, certain bankers acceptances and federal funds. It may also invest, subject to certain limitations, in commercial paper and certain other types of corporate debt securities and mutual funds. Federal regulations require Baltimore County Savings Bank to maintain an investment in Federal Home Loan Bank stock and a minimum amount of liquid assets which may be invested in cash and specified securities. From time to time, the Federal Reserve Board adjusts the percentage of liquid assets which banks are required to maintain. See *Depository Institution Regulation Liquidity Requirements* on page [ ].

Baltimore County Savings Bank makes investments in order to maintain the levels of liquid assets required by regulatory authorities and manage cash flow, diversify its assets, obtain yield and to satisfy certain requirements for favorable tax treatment. The investment activities of Baltimore County Savings Bank consist primarily of investments in mortgage-backed securities and other investment securities, consisting primarily of securities issued or guaranteed by the U.S. government or agencies thereof. Typical investments include federally sponsored agency mortgage pass-through and federally sponsored agency and mortgage-related securities. Baltimore County Savings Bank performs analyses on mortgage-related securities prior to purchase and on an ongoing basis to determine the impact on earnings and market value under various interest rate conditions. Under Baltimore County Savings Bank s current investment policy, all securities purchases and sales are approved by Baltimore County Savings Bank s President. The Board of Directors oversees securities transactions activity.

Securities designated as held to maturity are those assets which Baltimore County Savings Bank has the ability and intent to hold to maturity. Upon acquisition, securities are classified as to Baltimore County Savings Bank s intent. The held to maturity investment portfolio would not be used for speculative purposes and would be carried at amortized cost. In the event Baltimore County Savings Bank sold securities from this portfolio for other than credit quality reasons, all securities within the investment portfolio with matching characteristics may be reclassified as assets available for sale. Securities designated as available for sale are those assets which Baltimore County Savings Bank may not hold to maturity and thus are carried at market value with unrealized gains or losses, net of tax effect, reported as a separate component of Stockholders Equity. At June 30, 2013, Baltimore County Savings Bank s securities portfolio consists of available for sale securities only.

Mortgage-Backed and Related Securities. Mortgage-backed securities represent a participation interest in a pool of single-family or multi-family mortgages, the principal and interest payments on which are passed from the mortgage originators through intermediaries that pool and repackage the participation interest in the form of securities to investors such as Baltimore County Savings Bank. Such intermediaries may include quasi- governmental agencies such as Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and GNMA which guarantee the payment of principal and interest to investors. Mortgage-backed securities generally increase the quality of Baltimore County Savings Bank s assets by virtue of the guarantees that back them, are more liquid than individual mortgage loans and may be used to collateralize borrowings or other obligations of Baltimore County Savings Bank.

Mortgage-related securities typically are issued with stated principal amounts and the securities are backed by pools of mortgages that have loans with interest rates that are within a range and have similar maturities. The underlying pool of mortgages can be composed of either fixed-rate or adjustable-rate mortgage loans. Mortgage-backed securities generally are referred to as mortgage participation certificates or pass-through certificates. As a result, the interest rate risk characteristics of the underlying pool of mortgages, *i.e.,* fixed-rate or adjustable-rate, as well as prepayment risk, are passed on to the certificate holder. The life of a mortgage-backed pass-through security is equal to the life of the underlying mortgages.

The actual maturity of a mortgage-backed security varies, depending on when the mortgagors prepay or repay the underlying mortgages. Prepayments of the underlying mortgages may shorten the life of the investment, thereby adversely affecting its yield to maturity and the related market value of the mortgage-backed security. The yield is based upon the interest income and the amortization of the premium or accretion of the discount related to the mortgage-backed security. Premiums and discounts on mortgage-backed securities are amortized or accredited over the estimated term of the securities using a level yield method. The prepayment assumptions used to determine the amortization period for premiums and discounts can significantly affect the yield of the mortgage-backed security, and these assumptions are reviewed periodically to reflect the actual prepayment. The actual prepayments of the underlying mortgages depend on many factors, including the type of mortgage, the coupon rate, the age of the mortgages, the geographical location of the underlying real estate collateralizing the mortgages and general levels of market interest rates. The difference between the interest rates on the underlying mortgages and the prevailing mortgage interest rates is an important determinant in the rate of prepayments. During periods of falling mortgage interest rates, prepayments generally increase, and, conversely, during periods of rising mortgage interest rates, prepayments generally decrease. If the coupon rate of the underlying mortgage significantly exceeds the prevailing market interest rates offered for mortgage loans, refinancing generally increases and accelerates the prepayment of the underlying mortgages. Prepayment experience is more difficult to estimate for adjustable-rate mortgage-backed securities.

Mortgage-related securities, which include collateralized mortgage obligations, are typically issued by a special purpose entity, which may be organized in a variety of legal forms, such as a trust, a corporation or a partnership. The entity aggregates pools of pass-through securities, which are used to collateralize the mortgage-related securities. Once combined, the cash flows can be divided into traunches or classes of individual securities, thereby creating more predictable average lives for each security than the underlying pass-through pools. Accordingly, under this security structure, all principal paydowns from the various mortgage pools are allocated to a mortgage-related securities class or classes structured to have priority until it has been paid off. These securities generally have fixed interest rates, and, as a result, changes in interest rates generally would affect the market value and possibly the prepayment rates of such securities.

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Some mortgage-related securities instruments are like traditional debt instruments due to their stated principal amounts and traditionally defined interest rate terms. Purchasers of certain other mortgage-related securities instruments are entitled to the excess, if any, of the issuer s cash flows. These mortgage-related securities instruments may include instruments designated as residual interest and are riskier in that they could result in the loss of a portion of the original investment. Cash flows from residual interests are very sensitive to prepayments and, thus, contain a high degree of interest rate risk. Baltimore County Savings Bank does not purchase residual interests in mortgage-related securities. Baltimore County Savings Bank s mortgage-backed securities portfolio consists primarily of seasoned fixed-rate and adjustable rate mortgage-backed securities.

At June 30, 2013, there were no mortgage-backed securities classified as held to maturity. Securities are designated into one of the three categories at the time of purchase. Debt securities that Baltimore County Savings Bank has the positive intent and ability to hold to maturity are classified as held to maturity and recorded at amortized cost. Debt and equity securities are classified as trading securities if bought and held principally for the purpose of selling them in the near term. Trading securities are reported at the estimated fair value, with unrealized gains and losses included in earnings. Debt securities not classified as held to maturity and debt and equity securities not classified as trading securities are considered available for sale and are reported at estimated fair value, with unrealized gains and losses reported as a separate component of stockholders equity, net of tax effects, in accumulated other comprehensive income.

At June 30, 2013, mortgage-backed securities including collateralized mortgage obligations with an amortized cost of $237.6 million were classified as available for sale and had a weighted average yield of 2.04%. At June 30, 2013, Baltimore County Savings Bank s mortgage-backed securities portfolio had gross unrealized gains and losses of approximately $1.4 million and $4.9 million, respectively. The gross unrealized losses primarily related to a $4.8 million private label collateralized mortgage obligation, represented by three individual securities. Baltimore County Savings Bank does not presently intend to sell this private label collateralized mortgage obligation and it is not expected that Baltimore County Savings Bank will be required to sell this security prior to maturity or recovery.

During the year ended September 30, 2012, we determined that, based on our most recent estimate of cash flows, other-than-temporary-impairment had occurred with respect to two of our private label collateralized mortgage obligations that resulted in a pre-tax charge to earnings of $370,000. The private label collateralized mortgage obligations were rated AAA by Standard & Poors at origination. These securities had an original principal balance of $19.9 million and a current carrying value of $9.9 million at September 30, 2012. These securities had an estimated fair value of $7.7 million at September 30, 2012.

In April 2009, the Financial Accounting Standards Board issued guidance on *Other Than Temporary Impairment and Fair Value Measurements.* FASB has issued this guidance to address concerns regarding (1) determining whether a market is not active and a transaction is not orderly, (2) recognition and presentation of other-than-temporary impairments and (3) interim disclosures of fair values of financial instruments. This was effective for interim and annual periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. BCSB Bancorp adopted this guidance effective for the period ending June 30, 2009. As a result of the adoption of this guidance, impairment recognition for BCSB Bancorp s investment and mortgage-backed securities are now segmented into credit and non-credit related components. Any fair value adjustment due to identified credit-related components will be recorded as an adjustment to current period earnings, while noncredit-related fair value adjustments will be recorded through other comprehensive income. Under the revised guidance, the amount of other-than-temporary impairment that is recognized through earnings is determined by comparing the present value of the expected cash flows to the amortized cost of the security. The discount rate used to determine the credit loss is the expected book yield on the security.

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The following table sets forth the carrying value of Baltimore County Savings Bank s investments at the dates indicated.

	At June 30, 2013	At September 30, 2012	2011	2010
		(*In thousands*)		
Securities available for sale:				
U.S. government and agency securities	$	$	$ 2,001	$ 17,013
Corporate bonds	4,626	4,528	4,818	1,377
Equity investments	100	100	100	
Mortgage-backed securities	228,550	204,529	139,828	51,644
Private label collateralized mortgage obligations	5,580	9,034	11,051	14,331
Total available for sale	$ 238,856	$ 218,191	$ 157,798	$ 84,365
Securities held to maturity:				
U.S. government and agency securities	$	$	$	$
Mortgage-backed securities				
Collateralized mortgage obligations				
Total held to maturity	$	$	$	$
Total	$ 238,856	$ 218,191	$ 157,798	$ 84,365

The following table sets forth information pertaining to scheduled maturities, amortized cost, fair value and average yields for Baltimore County Savings Bank s investment portfolio at September 30, 2012.

	One Year or Less		One to Five Years		Five to Ten Years		More than Ten Years		Total Investment Portfolio		
	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Average Yield	Amortized Cost	Fair Value	Average Yield
					(*Dollars in thousands*)						
Securities available for sale:											
U.S. Agency notes .	$		$		$		$		$	$	
Corporate bonds .			1,380		3,500				4,880	4,528	
Equity investments							100		100	100	
			43		377		20,089		20,509	21,800	

Mortgage-backed securities											
Collateralized Mortgage Obligations			1,648		5,595		171,705		178,948	182,729	
Private label collateralized mortgage obligations							11,259		11,259	9,034	
Total available for sale	$	%	$ 3,071	1.60%	$ 9,472	3.48%	$ 203,153	2.44%	$ 215,696	218,191	2.47%

Deposit Activity and Other Sources of Funds

General. Deposits are the primary source of Baltimore County Savings Bank s funds for lending, investment activities and general operational purposes. In addition to deposits, Baltimore County Savings Bank derives funds from loan principal and interest payments, maturities of investment securities and mortgage-backed 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. Baltimore County Savings Bank has access to borrow from the FHLB of Atlanta, the Federal Reserve Bank and correspondent banks.

Deposits. Baltimore County Savings Bank attracts deposits principally from within its market area by offering a variety of deposit instruments, including checking accounts, money market accounts, statement and passbook savings accounts, Individual Retirement Accounts, and certificates of deposit which range in maturity from 91 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 Baltimore County Savings Bank on a periodic basis. Baltimore County Savings Bank reviews its deposit mix and pricing on a weekly basis. In determining the characteristics of its deposit accounts, Baltimore County Savings Bank considers the rates offered by competing institutions, lending and liquidity requirements, growth goals and federal regulations. Management believes it prices its deposits comparably to rates offered by its competitors.

Baltimore County Savings Bank attempts to compete for deposits with other institutions in its market area by offering competitively priced deposit instruments that are tailored to the needs of its customers. Additionally, Baltimore County Savings Bank seeks to meet customers needs by providing convenient customer service to the community, efficient staff and convenient hours of service. Substantially all of Baltimore County Savings Bank s depositors are Maryland residents. To provide additional convenience, Baltimore County Savings Bank participates in several networks at locations throughout the Mid-Atlantic and the South and MoneyPass, a surcharge free Automated Teller Machine network at locations throughout the United States, through which customers can gain access to their accounts at any time. Baltimore County Savings Bank currently has ATM machines in all of its 16 offices.

Savings deposits in Baltimore County Savings Bank at June 30, 2013 were represented by the various types of savings programs described below.

Interest* Rate	Minimum Term	Category	Minimum Amount	Balances (in thousands)	Percentage of Total Savings
		Demand deposits:			
.22%	None	NOW and Checking accounts	$	$ 117,037	20.88%
.18	None	Money Market	250	85,300	15.22
		Total demand deposits		202,337	36.10
		Savings deposits:			
.22	None	Regular	250	$ 89,257	15.92%
.14	None	Money market passbooks	250	14,132	2.53
		Total savings deposits		103,389	18.45
		Certificates of Deposit			
.02	3 months or less	Fixed-term, fixed rate	$ 500	$ 2,054	.37%
.10	6 months	Fixed-term, fixed rate	500	24,326	4.34
.22	12 months	Fixed-term, fixed rate	500	9,752	1.74
.75	18 months	Fixed-term, fixed rate	500	15,486	2.76
1.04	24 months	Fixed-term, fixed rate	500	12,291	2.19
1.50	30 months	Fixed-term, fixed rate	500	10,250	1.83
1.06	36 months	Fixed-term, fixed rate	500	11,098	1.98
2.08	48 months	Fixed-term, fixed rate	500	13,535	2.41

2.69	60 months	Fixed-term, fixed rate	500		69,863	12.47
1.70	$100,000 and over	Fixed-term, fixed rate	N/A		86,057	15.35
		Total Certificates of deposit			254,712	45.44
		Accrued interest payable			26	.01
		Total deposits		$	560,464	100.00%

* Represents weighted average interest rate

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The following table sets forth the change in dollar amount of deposits in the various types of accounts offered by Baltimore County Savings Bank between the dates indicated.

	Balance at June 30, 2013	% of Deposits	Increase (Decrease)	Balance at September 30, 2012	% of Deposits	Increase (Decrease)	Balance at September 30, 2011	% of Deposits	Increase (Decrease)	Balance at September 30, 2010	% of Deposits	In (De
							(Dollars in thousands)					
nd g	$ 117,037	20.88%	$ 10,749	$ 106,288	18.77%	$ 8,331	$ 97,957	17.81%	$ 11,606	$ 86,351	16.16%	$
	85,300	15.22	(8,929)	94,229	16.64	7,951	86,278	15.48	17,847	68,431	12.80	
k nt	103,389	18.45	8,162	95,227	16.81	10,090	85,137	15.69	3,202	81,935	15.34	
te it	168,655	30.09	(14,664)	183,319	32.37	(8,100)	191,419	34.79	(12,045)	203,464	38.08	
te it 0	86,057	15.35	(1,173)	87,230	15.40	(1,907)	89,137	16.21	(4,956)	94,093	17.60	
	26	.01	(37)	63	.01	(23)	86	.02	(6)	92	.02	
	$ 560,464	100.00%	$ (5,892)	$ 566,356	100.00%	$ 16,342	$ 550,014	100.00%	$ 15,648	$ 534,366	100.00%	$

The following tables set forth the average balances and average interest rates based on month-end balances for various types of deposits as of the dates indicated.

	Nine Months Ended June 30,				Year Ended September 30,					
	2013		2012		2012		2011		2010	
	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate	Average Balance	Average Rate
					(Dollars in thousands)					
NOW and checking	$ 73,993	.22%	$ 68,852	.63%	$ 70,409	.60%	$ 66,475	1.03%	$ 52,532	1.09%
Money market deposits	92,923	.18	88,021	.69	91,298	.62	81,476	.97	59,757	1.22
Passbook savings deposits	99,898	.12	90,553	.24	90,443	.24	85,431	.32	82,122	.34
	37,265		33,568		33,967		29,367		27,461	

Noninterest-bearing demand deposits										
Certificates of deposit	261,246	1.66	276,759	1.90	275,489	1.87	283,697	2.18	294,857	2.58
Total	$ 565,325	.86%	$ 557,753	1.16%	$ 561,606	1.13%	$ 546,446	1.45%	$ 516,729	1.78%

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The following table sets forth the time deposits in Baltimore County Savings Bank classified by rates at the dates indicated.

	At June 30,	At September 30,		
	2013	2012	2011	2010
		(Dollars in thousands)		
0.05 2.00%	$ 171,492	$ 155,426	$ 133,865	$ 116,797
2.01 4.00	83,220	110,808	127,727	141,005
4.01 4.88		4,315	18,964	39,755
Total	$ 254,712	$ 270,549	$ 280,556	$ 297,557

The following table sets forth the amount and maturities of time deposits at June 30, 2013.

Rate	Less Than One Year	1 2 Years	2 3 Years	After 3 Years	Total
0.05 2.00%	$ 80,802	$ 36,976	$ 15,669	$ 38,045	$ 171,492
2.01 4.00	10,957	60,551	7,870	3,842	83,220
4.01 4.88					
Total	$ 91,759	$ 97,527	$ 23,539	$ 41,887	$ 254,712

The following table indicates the amount of Baltimore County Savings Bank s certificates of deposit of $100,000 or more by time remaining until maturity as of June 30, 2013. At such date, such deposits represented 15.35% of total deposits and had a weighted average rate of 1.70%.

Maturity Period	Certificates of Deposit
	(In thousands)
Three months or less	$ 11,637
Over three through six months	12,431
Over six through 12 months	7,408
Over 12 months	54,581
Total	$ 86,057

The following table sets forth the savings activities of Baltimore County Savings Bank for the periods indicated.

Nine Months Ended June 30,	Year End September 30,

	2013	2012	2012	2011	2010
				(In thousands)	
Deposits	$ 931,987	$ 840,020	$ 1,130,856	$ 924,285	$ 1,147,503
Withdrawals	(941,510)	(831,350)	(1,120,847)	(916,579)	(1,110,299)
Net increase (decrease) before interest credit	(9,523)	8,670	10,009	7,706	37,204
Interest credited	3,631	4,869	6,333	7,942	9,173
Net increase in savings deposits	$ (5,892)	$ 13,539	$ 16,342	$ 15,648	$ 46,377

In the unlikely event Baltimore County Savings Bank is liquidated, depositors will be entitled to full payment of their deposit accounts prior to any payment being made to BCSB Bancorp, the sole stockholder of Baltimore County Savings Bank.

Borrowings. Savings deposits historically have been the primary source of funds for Baltimore County Savings Bank s lending, investments and general operating activities. Baltimore County Savings Bank is

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authorized, however, to use advances from the Federal Home Loan Bank of Atlanta to supplement its supply of lendable funds and to meet deposit withdrawal requirements. The Federal Home Loan Bank of Atlanta functions as a central reserve bank providing credit for savings institutions and certain other member financial institutions. As a member of the Federal Home Loan Bank System, Baltimore County Savings Bank is required to own stock in the Federal Home Loan Bank of Atlanta and is authorized to apply for advances. Advances are pursuant to several different programs, each of which has its own interest rate and range of maturities. Baltimore County Savings Bank has a Blanket Agreement for advances with the Federal Home Loan Bank under which Baltimore County Savings Bank may borrow up to 25% of assets subject to normal collateral and underwriting requirements. Advances from the Federal Home Loan Bank of Atlanta are secured by Baltimore County Savings Bank s stock in the Federal Home Loan Bank of Atlanta and other eligible assets. At June 30, 2013, Baltimore County Savings Bank had no outstanding Federal Home Loan Bank advances. Baltimore County Savings Bank also has the ability to borrow from the Federal Reserve s discount window with pledged securities and from an established line of credit with its correspondent bank.

During the nine months ended June 30, 2013 and 2012 and the years ended September 30, 2012, 2011 and 2010, respectively, there were no short term borrowings outstanding at the end of or during the periods.

On June 27, 2002, BCSB Bancorp s predecessor, BCSB Bankcorp, Inc., established a Delaware business trust subsidiary, BCSB Bankcorp Capital Trust I, which issued and sold to private investors 12,500 securities with a liquidation amount of $1,000 per security, for a total of $12.5 million of preferred securities. BCSB Bankcorp funded BCSB Bankcorp Capital Trust I with $387,000 in exchange for 100% of BCSB Bankcorp Capital Trust I s common securities. BCSB Bankcorp Capital Trust I used the proceeds from these transactions to purchase $12,887,000 of floating rate junior subordinated debentures from BCSB Bankcorp. BCSB Bancorp makes periodic interest payments on the debentures to BCSB Bankcorp Capital Trust I, and BCSB Bankcorp Capital Trust I in turn makes interest payments on the trust preferred securities to the private investors.

The trust preferred securities issued by BCSB Bankcorp Capital Trust I and the junior subordinated debentures held by BCSB Bankcorp Capital Trust I are due June 30, 2032. The rate is 3.65% per annum over the three-month LIBOR rate and resets quarterly. The rate at June 30, 2013 was 3.93%. The junior subordinated debentures are the sole assets of BCSB Bankcorp Capital Trust I. The subordinated debt securities, unsecured, rank junior and are subordinate in right of payment of all senior debt of BCSB Bancorp, and BCSB Bancorp has guaranteed repayment on the trust preferred securities issued by BCSB Bankcorp Capital Trust I. BCSB Bancorp used the proceeds from these transactions to increase the capital of Baltimore County Savings Bank.

Payments to be made by BCSB Bankcorp Capital Trust I on the trust preferred securities are dependent on payments that BCSB Bancorp has undertaken to make, particularly the payment to be made by BCSB Bancorp on the debentures. Distributions on the trust preferred securities are payable quarterly at a rate of 3.65% per annum over the three-month LIBOR rate. The distributions are funded by interest payments received on the debentures and are subject to deferral for up to five years under certain conditions. Distributions are included in interest expense. BCSB Bancorp may redeem the debentures, in whole or in part, or under certain conditions in whole but not in part, at any time at par plus any accrued unpaid interest. BCSB Bancorp used a portion of the net proceeds that it retained from its 2008 stock offering to redeem $6.0 million of the $12.5 million in outstanding trust preferred securities.

On September 29, 2003, BCSB Bankcorp established a second Delaware statutory trust subsidiary, BCSB Bankcorp Capital Trust II, which issued and sold to private investors 10,000 securities with a liquidation amount of $1,000 per security, for a total of $10.0 million of preferred securities. BCSB Bankcorp funded BCSB Bankcorp Capital Trust II with $310,000 in exchange for 100% of BCSB Bankcorp Capital Trust II s common securities. BCSB Bankcorp Capital Trust II used the proceeds from these transactions to purchase $10,310,000 of floating rate junior subordinated debentures from BCSB Bankcorp. BCSB Bancorp makes periodic interest payments on the debentures to BCSB

Bankcorp Capital Trust II, and BCSB Bankcorp Capital Trust II in turn makes interest payments on the trust preferred securities to the private investors.

The trust preferred securities and junior subordinated debentures are due October 7, 2033. The rate is 3.00% per annum over the three-month LIBOR rate and resets quarterly. The rate at June 30, 2013 was 3.28%. The junior subordinated debentures are the sole assets of BCSB Bankcorp Capital Trust II. The subordinated debt securities, unsecured, rank junior and are subordinate in right of payment of all senior debt of BCSB Bancorp, and BCSB Bancorp has guaranteed repayment on the trust preferred securities issued by BCSB Bankcorp Capital Trust II. BCSB Bancorp used the proceeds from these transactions to increase the capital of Baltimore County Savings Bank.

During the fiscal year ended September 30, 2012, BCSB Bancorp had a total annual interest expense of $644,000 related to all of its trust preferred securities. Payments to be made by BCSB Bankcorp Capital Trust II on the trust preferred securities are dependent on payments that BCSB Bancorp has undertaken to make, particularly the payment to be made by BCSB Bancorp on the debentures. Distributions on the trust preferred securities are payable quarterly at a rate of 3.00% per annum over the three-month LIBOR rate. The distributions are funded by interest payments received on the debentures and are subject to deferral for up to five years under certain conditions. Distributions are included in interest expense. BCSB Bancorp may redeem the debentures, in whole or in part, or under certain conditions in whole but not in part, at any time at par plus any accrued unpaid interest.

Repurchase of BCSB Bancorp Series A Preferred Stock. On January 26, 2011, BCSB Bancorp repurchased all $10.8 million of its Cumulative Perpetual Series A Preferred Stock (the BCSB Bancorp Series A Preferred Stock) issued to the U.S. Treasury in March 2008 pursuant to the Troubled Asset Relief Program (TARP) Capital Purchase Program. As a result of the redemption, BCSB Bancorp accelerated accretion of the remaining discount on the BCSB Bancorp Series A Preferred Stock and recorded a reduction in retained earnings during the second quarter of fiscal 2011.

On April 19, 2013, BCSB Bancorp repurchased the warrant to purchase 183,465 shares of BCSB Bancorp s common stock at an exercise price of $8.83 per share. The warrant was exercisable at any time on or before March 23, 2018. BCSB Bancorp paid an aggregate price of $1,442,000 for the repurchase of the warrant, which has been cancelled. The purchase price was based on the fair market value of the warrant as agreed upon by BCSB Bancorp and the U.S. Treasury. The repurchase transaction resulted in a reduction in total stockholders equity of $1,442,000 during the three months ended June 30, 2013. As a result of the purchase of the warrant BCSB Bancorp has now completely exited the TARP Capital Purchase Program.

Subsidiary Activities

Baltimore County Savings Bank has two subsidiary service corporations. One subsidiary is Ebenezer Road, Inc., which is a Maryland licensed insurance company that trades under the trade name BCSB Insurance Services. The company offers life and annuity insurance products through Baltimore County Savings Bank s licensed branch platform sales representatives as part of an overall non-deposit investment and insurance program. The second subsidiary is Lyons Properties, LLC, which is utilized for holding foreclosed properties.

Regulation of Baltimore County Savings Bank

General. Baltimore County Savings Bank is a Maryland commercial bank and its deposit accounts are insured by the Deposit Insurance Fund administered by the Federal Deposit Insurance Corporation. Baltimore County Savings Bank also is a member of the Federal Reserve System. Baltimore County Savings Bank is subject to supervision, examination and regulation by the State of Maryland Office of the Commissioner of Financial Regulation, the Federal Reserve Board, Maryland and federal statutory and regulatory provisions governing such matters as capital standards, mergers and establishment of branch offices, and it is subject to the Federal Deposit Insurance Corporation s authority to conduct special examinations. Baltimore County Savings Bank is required to file reports with the State of Maryland Office of the Commissioner of Financial Regulation and the Federal Reserve Board concerning its activities and financial condition and is required to obtain regulatory approvals prior to entering into certain transactions, including mergers with, or acquisitions of, other depository institutions.

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The system of regulation and supervision applicable to Baltimore County Savings Bank establishes a comprehensive framework for the operations of Baltimore County Savings Bank and is intended primarily for the protection of the Federal Deposit Insurance Corporation and the depositors of Baltimore County Savings Bank. Changes in the regulatory framework could have a material effect on Baltimore County Savings Bank and its respective operations that in turn, could have a material adverse effect on BCSB Bancorp.

The Dodd-Frank Act significantly changed the current bank regulatory structure and affected the lending, investment, trading and operating activities of financial institutions and their holding companies. Additionally, the Dodd-Frank Act created the Consumer Financial Protection Bureau as an independent bureau of the Federal Reserve. The Consumer Financial Protection Bureau assumed responsibility for implementing federal consumer financial protection and fair lending laws and regulations and has authority to impose new requirements. However, institutions of less than $10 billion, such as Baltimore County Savings Bank, will continue to be examined for compliance with consumer protection or fair lending laws and regulations by, and be subject to enforcement authority of their prudential regulators. Many of the provisions of the Dodd-Frank Act require the issuance of regulations before their impact on operations can be fully assessed by management. However, there is a significant possibility that the Dodd-Frank Act will, at a minimum, result in increased regulatory burden and compliance costs for BCSB Bancorp and Baltimore County Savings Bank.

Business Activities. The State of Maryland Office of the Commissioner of Financial Regulation regulates Baltimore County Savings Bank s internal organization as well as its deposit, lending and investment activities. The basic authority for Baltimore County Savings Bank s activities is specified by Maryland law. Additionally, Maryland law contains a parity statute by which Maryland commercial banks may, with the approval of the State of Maryland Office of the Commissioner of Financial Regulation, engage in any additional activity, service or practice permitted for national banks.

The Federal Reserve Board and Federal Deposit Insurance Corporation also regulate many of the areas regulated by the State of Maryland Office of the Commissioner of Financial Regulation and federal law may limit some of the authority provided to Baltimore County Savings Bank by Maryland law. Approval of the State of Maryland Office of the Commissioner of Financial Regulation and the Federal Reserve is required for, among other things, business combinations and the establishment of branch offices.

Capital Requirements. Baltimore County Savings Bank is subject to Federal Reserve Board capital requirements, as well as statutory capital requirements imposed under Maryland law. Federal Reserve Board regulations establish two capital standards for state-chartered banks that are members of the Federal Reserve System (state member banks): a leverage requirement and a risk-based capital requirement. In addition, the Federal Reserve may, on a case-by-case basis, establish individual minimum capital requirements for a bank that vary from the requirements that would otherwise apply under Federal Reserve Board regulations. A bank that fails to satisfy the capital requirements established under the Federal Reserve Board s regulations will be subject to such administrative action or sanctions as the Federal Reserve Board deems appropriate.

The leverage ratio adopted by the Federal Reserve Board requires a minimum ratio of Tier 1 capital to adjusted total assets of 3% for banks rated composite 1 under the CAMELS examination rating system for banks. Banks not rated composite 1 under the CAMELS rating system for banks are required to maintain a minimum ratio of Tier 1 capital to adjusted total assets of at least 4%. Additional capital may be necessary for institutions with supervisory, financial, operational or managerial weaknesses, as well as institutions experiencing significant growth. For purposes of the Federal Reserve Board s leverage requirement, Tier 1 capital consists primarily of common stockholders equity, certain perpetual preferred stock (which must be noncumulative with respect to banks), and minority interests in the equity accounts of consolidated subsidiaries; less most intangible assets, except for specified servicing assets and purchased credit card receivables and other specified deductions.

The risk-based capital requirements established by the Federal Reserve Board s regulations require state member banks to maintain total capital equal to at least 8% of total risk-weighted assets. For purposes of the

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risk-based capital requirement, total capital means Tier 1 capital (as described above) plus Tier 2 capital (as described below), provided that the amount of Tier 2 capital may not exceed the amount of Tier 1 capital, less certain assets. Tier 2 capital elements include, subject to certain limitations, the allowance for losses on loans and leases, perpetual preferred stock that does not qualify for Tier 1 and long-term preferred stock with an original maturity of at least 20 years from issuance, hybrid capital instruments, including perpetual debt and mandatory convertible securities, and subordinated debt and intermediate-term preferred stock and up to 45% of unrealized gains on equity securities. Total risk-weighted assets are determined under the Federal Reserve Board s regulations, which generally establish four risk categories, with general risk weights of 0%, 20%, 50% and 100%, based on the risk believed inherent to the type of asset involved. In certain instances risk weightings are higher than 100%.

In addition, Baltimore County Savings Bank is subject to the statutory capital requirements imposed by the State of Maryland. Under Maryland statutory law, if the surplus of a Maryland commercial bank at any time is less than 100% of its capital stock, then, until the surplus is 100% of the capital stock, the commercial bank: (i) must transfer to its surplus annually at least 10% of its net earnings; and (ii) may not declare or pay any cash dividends that exceed 90% of its net earnings.

For information with respect to Baltimore County Savings Bank s compliance with its regulatory requirements at June 30, 2013, see Note 15 of the Notes to the Consolidated Financial Statements for Year-End Financial Information.

The current risk-based capital guidelines that apply to Baltimore County Savings Bank are based on the 1988 capital accord of the International Basel Committee on Banking Supervision (Basel Committee), a committee of central banks and bank supervisors, as implemented by the Federal Reserve Board. In 2004, the Basel Committee published a new capital accord, which is referred to as Basel II, to replace Basel I. Basel II provides two approaches for setting capital standards for credit risk: an internal ratings-based approach tailored to individual institutions circumstances and a standardized approach that bases risk weightings on external credit assessments to a much greater extent than permitted in existing risk-based capital guidelines, which became effective in 2008 for large international banks (total assets of $250 billion or more or consolidated foreign exposure of $10 billion or more).

In December 2010 and January 2011, the Basel Committee published the final texts of reforms on capital, leverage and liquidity, which is referred to as Basel III. In early July 2013, the Federal Reserve approved revisions to the capital adequacy guidelines and prompt corrective action rules that implement Basel III and address relevant provisions of the Dodd-Frank Act.

The rules include new risk-based capital and leverage ratios, which are effective January 1, 2015, and revise the definition of what constitutes capital for purposes of calculating those ratios. The proposed new minimum capital level requirements applicable to BCSB Bancorp and Baltimore County Savings Bank will be: (1) a new common equity Tier 1 capital ratio of 4.5%; (2) a Tier 1 capital ratio of 6% (increased from 4%); (3) a total capital ratio of 8% (unchanged from current rules); and (4) a Tier 1 leverage ratio of 4% for all institutions. The rules eliminate the inclusion of certain instruments, such as trust preferred securities, from Tier 1 capital. Instruments issued prior to May 19, 2010 will be grandfathered for companies with consolidated assets of $15 billion or less. The rules also establish a capital conservation buffer of 2.5% above the new regulatory minimum capital requirements, which must consist entirely of common equity Tier 1 capital and would result in the following minimum ratios: (1) a common equity Tier 1 capital ratio of 7.0%, (2) a Tier 1 capital ratio of 8.5%, and (3) a total capital ratio of 10.5%. The new capital conservation buffer requirement will be phased in beginning in January 2016 at 0.625% of risk-weighted assets and would increase by that amount each year until fully implemented in January 2019. An institution would be subject to limitations on paying dividends, engaging in share repurchases, and paying discretionary bonuses if its capital level falls below the buffer amount. These limitations would establish a maximum percentage of eligible retained income that could be utilized for such actions.

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Prompt Corrective Regulatory Action. Under the Federal Deposit Insurance Corporation Improvement Act of 1991, the federal banking regulators are required to take prompt corrective action if an insured depository institution fails to 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 the minimum levels for any of its capital requirements. An institution that fails to meet the minimum level for any relevant capital measure (an undercapitalized institution) may be, among other things, subject to increased monitoring by the appropriate federal banking regulator, required to submit an acceptable capital restoration plan within 45 days and is subject to asset growth limits. The capital restoration plan must include a guarantee by the institution s holding company that the institution will comply with the 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. 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 90 days unless periodic determinations are made that forbearance from such action would better protect the deposit insurance fund. Unless appropriate findings and certifications are made by the appropriate federal bank regulatory agencies, a critically undercapitalized institution must be placed in receivership if it remains critically undercapitalized on average during the calendar quarter beginning 270 days after the date it became critically undercapitalized.

For purposes of these restrictions, an undercapitalized institution is a depository institution that has (i) a total risk-based capital ratio less than 8.0%; or (ii) a Tier 1 risk-based capital ratio of less than 4.0%; or (iii) a leverage ratio of less than 4.0% (or less than 3.0% if the institution has a composite 1 CAMELS rating). A significantly undercapitalized institution is defined as a depository institution that has: (i) a total risk-based capital ratio of less than 6.0%; or (ii) a Tier 1 risk-based capital ratio of less than 3.0%; or (iii) a leverage ratio of less than 3.0%. A critically undercapitalized institution is defined as a depository institution that has a ratio of tangible equity to total assets of less than 2.0%. The appropriate federal banking agency may reclassify a well capitalized depository institution 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 under-capitalized) if it determines, after notice and an opportunity for a hearing, that the 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 June 30, 2013, Baltimore County Savings Bank was classified as well capitalized under Federal Reserve regulations.

Safety and Soundness Guidelines. Under the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended by the Riegle Community Development and Regulatory Improvement Act of 1994, each federal banking agency was required to establish safety and soundness standards for institutions under its authority. The federal banking agencies, including the Federal Reserve Board, have released Interagency Guidelines Establishing Standards for Safety and Soundness. The guidelines require depository 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, establish certain basic standards for loan documentation, credit underwriting, asset quality, capital adequacy, earnings, interest rate risk exposure and asset growth, information security and further provide that depository institutions should maintain safeguards to prevent the payment of compensation, fees and benefits that are excessive or that could lead to material financial loss. If the appropriate federal banking agency determines that a depository 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.

Federal Home Loan Bank System. The Federal Home Loan Bank System consists of 12 district Federal Home Loan Banks. The Federal Home Loan Banks provide a central credit facility primarily for member institutions. As a member of the Federal Home Loan Bank of Atlanta, Baltimore County Savings Bank is required to acquire and hold specified amounts of capital stock in that Federal Home Loan Bank. Baltimore County Savings Bank was in compliance with this requirement with an investment in Federal Home Loan Bank of Atlanta stock at June 30, 2013 of $771,000.

Federal Reserve System. Pursuant to regulations of the Federal Reserve Board, a financial institution must maintain average daily reserves equal to 3% on transaction accounts of between $12.4 million and $79.5 million, plus 10% on the remainder. The first $12.4 million of transaction accounts are exempt. These percentages are subject to adjustment by the Federal Reserve Board. Because required reserves must be maintained in the form of vault cash or in a noninterest-bearing account at a Federal Reserve Bank, the effect of the reserve requirement is to reduce the amount of the institution s interest-earning assets. As of June 30, 2013, Baltimore County Savings Bank met its reserve requirements.

The monetary policies and regulations of the Federal Reserve Board have a significant effect on the operating results of commercial banks. The Federal Reserve Board s policies affect the levels of bank loans, investments and deposits through its open market operation in United States government securities, its regulation of the interest rate on borrowings from Federal Reserve Banks and its imposition of nonearning reserve requirements on all depository institutions, such as Baltimore County Savings Bank, that maintain transaction accounts or non-personal time deposits.

Baltimore County Savings Bank, as a state member of the Federal Reserve Bank must subscribe in capital stock in its district in an amount equal to six percent of its combined capital and surplus (but excluding retained earnings). Three percent of this amount must be paid in and the remaining three percent is on call.

Insurance of Deposit Accounts. Baltimore County Savings Bank s deposits are insured up to applicable limits by the Deposit Insurance Fund of the Federal Deposit Insurance Corporation. Under the Federal Deposit Insurance Corporation 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. The Federal Deposit Insurance Corporation may adjust the scale uniformly, except that no adjustment can deviate more than two basis points from the base scale without notice and comment. No institution may pay a dividend if in default of the federal deposit insurance assessment.

The Federal Deposit Insurance Corporation adopted new rules that amend its current deposit insurance assessment regulations. The new rules implement a provision in the Dodd-Frank Act that changed the assessment base for deposit insurance premiums from one based on domestic deposits to one based on average consolidated total assets minus average tangible equity. The Federal Deposit Insurance Corporation finalized a rule, effective April 1, 2011, that set the assessment range at 2.5 to 45 basis points of total assets less tangible equity.

The Dodd-Frank Act increased the minimum target Deposit Insurance Fund ratio from 1.15% of estimated insured deposits to 1.35% of estimated insured deposits. The Federal Deposit Insurance Corporation must seek to achieve the 1.35% ratio by September 30, 2020. Insured institutions with assets of $10 billion or more are supposed to fund the increase. The Dodd-Frank Act eliminated the 1.5% maximum fund ratio, instead leaving it to the discretion of the Federal Deposit Insurance Corporation.

The Federal Deposit Insurance Corporation has authority to increase insurance assessments. A significant increase in insurance premiums would likely have an adverse effect on our operating expenses and results of operations.

Insurance of deposits may be terminated by the Federal Deposit Insurance Corporation upon a finding that the institution has engaged in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the Federal Deposit Insurance Corporation or its prudential banking regulator. The management of Baltimore County Savings Bank does not know of any practice, condition or violation that might lead to termination of deposit insurance.

Dividend Restrictions. Baltimore County Savings Bank s ability to pay dividends is governed by Maryland law and the regulations of the Federal Reserve Board. Maryland law provides that dividends may be paid out of individual profits or with approval of the State of Maryland Office of the Commissioner of Financial Regulation, surplus of 100% of capital stock. Under Maryland law relating to financial institutions, if the surplus of a commercial bank at any time is less than 100% of its capital stock, then, until the surplus is 100% of the capital stock, the commercial bank: (i) must transfer to its surplus annually at least 10% of its net earnings; and (ii) may not declare or pay any cash dividends that exceed 90% of its net earnings.

Baltimore County Savings Bank s payment of dividends is also subject to the Federal Reserve Board s Regulation H, which provides that a state member bank may not pay a dividend if the total of all dividends declared by the bank in any calendar year exceeds the total of its net profits for the year combined with its retained net profits for the preceding two calendar years, less any required transfers to surplus or to a fund for the retirement of preferred stock, unless the bank has received the prior approval of the Federal Reserve Board. The previously referenced prompt corrective action requirements prohibit dividends where Baltimore County Savings Bank would be undercapitalized, significantly undercapitalized, or critically undercapitalized after the dividend. Additionally, both the State of Maryland Office of the Commissioner of Financial Regulation and the Federal Reserve Board have the authority to prohibit the payment of dividends by a Maryland commercial bank when it determines such payment to be an unsafe and unsound banking practice. Finally, Baltimore County Savings Bank is not able to pay dividends on its capital stock if its regulatory capital would thereby be reduced below the remaining balance of the liquidation account established in connection with its conversion in April 2008 from mutual to stock form.

Uniform Lending Standards. Under Federal Reserve Board regulations, state member banks 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. The real estate lending policies of state member banks must reflect consideration of the Interagency Guidelines for Real Estate Lending Policies that have been adopted by the federal banking agencies.

Management will periodically evaluate its lending policies to assure conformity to the Interagency Guidelines for Real Estate Lending Policies and does not anticipate that the Interagency Guidelines for Real Estate Lending Policies will have a material effect on its lending activities.

Limits on Loans to One Borrower. Baltimore County Savings Bank is subject to federal law with respect to limits on loans to one borrower. Generally, under federal law, the maximum amount that a commercial bank may loan to one borrower at one time may not exceed 15% of the unimpaired capital and surplus of the commercial bank, plus an additional 10% if secured by specified readily marketable collateral. Baltimore County Savings Bank s lending limit to one borrower as of June 30, 2013 was approximately $10.3 million.

Transactions with Related Parties. Transactions between a state member bank and its related parties or any affiliate are governed by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a state member bank is any company or entity, which controls, is controlled by or is under common control with the state member bank. In a holding company context, at a minimum, the parent holding company of a state member bank and any companies which are controlled by such parent holding company are affiliates of the state member bank.

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Generally, Sections 23A and 23B (i) limit the extent to which an 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, and (ii) 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 a nonaffiliate. The term covered transaction includes the making of loans, purchase of assets, issuance of a guarantee and similar types of transactions. Certain types of covered transactions must be collateralized according to a schedule set forth in the statute based on the type of collateral.

State member banks are also subject to the restrictions contained in Section 22(h) of the Federal Reserve Act and the Federal Reserve Board s Regulation O on loans to executive officers, directors and principal stockholders (insiders). Under Section 22(h), aggregate loans to directors, executive officers and greater than 10% stockholders may not exceed the institution s unimpaired capital and unimpaired surplus. Section 22(h) also prohibits loans, above amounts prescribed by the appropriate federal banking agency, to insiders of a state member bank, 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. Regulation O prescribes the loan amount (which includes all other outstanding loans to such person) as to which prior board of directors approval is required as being the greater of $25,000 or 5% of capital and surplus; however loans aggregating to $500,000 or more always require such approval. Further, Section 22(h) requires that loans to insiders be made on terms substantially the same as offered in comparable transactions to other persons with an exception for loans made to a bank-wide benefit or compensation program that does not give preference to insiders. Section 22(g) of the Federal Reserve Act places further restrictions on the types of loans that can be made to executive officers.

Additionally, Maryland statutory law imposes restrictions on certain transactions with affiliated persons of Maryland commercial banks. Generally, under Maryland law, a director, officer or employee of a commercial bank may not borrow, directly or indirectly, any money from the bank, unless the loan has been approved by a resolution adopted at and recorded in the minutes of the board of directors of the bank, or the executive committee of the bank, if that committee is authorized to make loans. If such a loan is approved by the executive committee, the loan approval must be reported to the board of directors at its next meeting. Certain commercial loans made to non-employee directors of a bank and certain consumer loans made to nonofficer and nondirector employees of the bank are exempt from the statute s coverage.

Enforcement. The Federal Reserve Board has primary federal enforcement responsibility over member banks and has the authority to bring actions against the institution and all institution-affiliated parties, including stockholders, 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 or 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 Federal Deposit Insurance Corporation has the authority to recommend to the Federal Reserve Board that enforcement action to be taken with respect to a particular institution. If action is not taken by the Federal Reserve Board, the Federal Deposit Insurance Corporation has authority to take such action under certain circumstances. Federal law also establishes criminal penalties for certain violations.

The State of Maryland Office of the Commissioner of Financial Regulation has extensive enforcement authority over Maryland banks. Such authority includes the ability to issue cease and desist orders and civil money penalties and to remove directors or officers. The State of Maryland Office of the Commissioner of Financial Regulation may also take possession of a Maryland bank whose capital is impaired and seek to have a receiver appointed by a court.

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Regulation of BCSB Bancorp

General. BCSB Bancorp, as the sole shareholder of Baltimore County Savings Bank, is a bank holding company and is registered as such with the Federal Reserve Board. Bank holding companies are subject to comprehensive regulation and examination by the Federal Reserve Board under the Bank Holding Company Act of 1956, as amended, and the regulations of the Federal Reserve Board. The Federal Reserve Board also has extensive enforcement authority over bank holding companies, including, among other things, the ability to assess civil money penalties, to issue cease and desist or removal orders and to require that a holding company divest subsidiaries (including its bank subsidiaries). In general, enforcement actions may be initiated for violations of law and regulations and unsafe or unsound practices.

Under the Bank Holding Company Act of 1956, a bank holding company must obtain Federal Reserve Board approval before: (i) acquiring, directly or indirectly, ownership or control of any voting shares of another bank or bank holding company if, after such acquisition, it would own or control more than 5% of such shares (unless it already owns or controls the majority of such shares); (ii) acquiring all or substantially all of the assets of another bank or bank holding company; or (iii) merging or consolidating with another bank holding company. In evaluating such applications, the Federal Reserve Board considers a variety of financial, managerial and competitive factors.

The Bank Holding Company Act of 1956 also prohibits a bank holding company, with certain exceptions, from acquiring direct or indirect ownership or control of more than 5% of the voting shares of any company which is not a bank or bank holding company, or from engaging directly or indirectly in activities other than those of banking, managing or controlling banks, or providing services for its subsidiaries. One of the principal exceptions to these prohibitions involves certain non-bank activities which, by statute or by Federal Reserve Board regulation or order, have been identified as activities closely related to the business of banking or managing or controlling banks. The list of activities includes, among other things, operating a savings institution, mortgage company, finance company, credit card company or factoring company; performing certain data processing operations; providing certain investment and financial advice; real estate and personal property appraising; providing tax planning and preparation services; and, subject to certain limitations, providing securities brokerage services for customers.

The Gramm-Leach-Bliley Act of 1999 authorized bank holding companies that meet certain management, capital and other criteria to choose to become a financial holding company and thereby engage in a broader array of financial activities including insurance underwriting and investment banking. BCSB Bancorp has not, up to now, opted to become a financial holding company.

Acquisitions of Bank Holding Companies and Banks. Under the Bank Holding Company Act of 1956, any company must obtain approval of the Federal Reserve Board prior to acquiring control of BCSB Bancorp or Baltimore County Savings Bank. For purposes of the Bank Holding Company Act of 1956, control is defined as ownership of more than 25% of any class of voting securities of BCSB Bancorp or Baltimore County Savings Bank, the ability to control the election of a majority of the directors, or the exercise of a controlling influence over management or policies of BCSB Bancorp or Baltimore County Savings Bank. Any bank holding company must secure Federal Reserve Board approval prior to acquiring 5% or more of the stock of BCSB Bancorp or Baltimore County Savings Bank.

The Change in Bank Control Act and the related regulations of the Federal Reserve Board require any person or persons acting in concert (except for companies required to make application under the Bank Holding Company Act of 1956), to file a written notice with the Federal Reserve Board before such person or persons may acquire control of BCSB Bancorp or Baltimore County Savings Bank. The Change in Bank Control Act presumes control as the power, directly or indirectly, to vote 10% or more of any voting securities or to direct the management or policies of a bank holding company, such as BCSB Bancorp, that has securities registered under the Securities Exchange Act of 1934.

Under Maryland law, acquisitions of 25% or more of the voting stock of a commercial bank or a bank holding company and other acquisitions of voting stock of such entities which affect the power to direct or to cause the direction of the management or policy of a commercial bank or a bank holding company must be approved in advance by the State of Maryland Office of the Commissioner of Financial Regulation. Any person proposing to make such an acquisition must file an application with the State of Maryland Office of the Commissioner of Financial Regulation at least 60 days before the acquisition becomes effective. The State of Maryland Office of the Commissioner of Financial Regulation may deny approval of any such acquisition if the State of Maryland Office of the Commissioner of Financial Regulation determines that the acquisition is anticompetitive or threatens the safety or soundness of a banking institution. Any voting stock acquired without the approval required under the statute may not be voted for a period of five years. This restriction is not applicable to certain acquisitions by bank holding companies of 5% or more of the stock of Maryland banks or Maryland bank holding companies which are governed by Maryland s holding company statute and also require prior approval of the State of Maryland Office of the Commissioner of Financial Regulation.

Dividends. The Federal Reserve Board has issued a policy statement on the payment of cash dividends by bank holding companies, which expresses the Federal Reserve Board s view that a bank holding company should pay cash dividends only to the extent that the company s net income for the past year is sufficient to cover both the cash dividends and a rate of earning retention that is consistent with the company s capital needs, asset quality and overall financial condition. The Federal Reserve Board also indicated that it would be inappropriate for a company experiencing serious financial problems to borrow funds to pay dividends. Furthermore, under the prompt corrective action regulations, the Federal Reserve Board may prohibit a bank holding company from paying any dividends if the holding company s bank subsidiary is classified as undercapitalized. See *Depository Institution Regulation Prompt Corrective Regulatory Action* on page [ ].

Capital Requirements. The Federal Reserve Board has established capital requirements generally similar to the capital requirements for state member banks described above, for bank holding companies. (See *Regulation of Baltimore County Savings Bank Capital Requirements* on page [ ]) At June 30, 2013, BCSB Bancorp s consolidated Total and Tier 1 capital exceeded these requirements. The Dodd-Frank Act will eliminate the use of certain instruments, such as cumulative preferred stock and trust preferred securities, as Tier 1 holding company capital. Small bank holding companies, those with less than $ 500 million in assets, will be exempt from this provision. However, instruments issued before May 19, 2010 by bank holding companies with more than $15 billion of consolidated assets are subject to a three-year phase out from inclusion as Tier 1 capital, beginning January 1, 2013. The Federal Reserve Board s policies also require that a bank holding company serve as a source of financial strength to its subsidiary banks by using available resources to provide capital funds during periods of financial stress or adversity and by maintaining the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks where necessary. The Dodd-Frank Act codified the source of strength policy and requires that the regulatory agencies adopt implementing regulations.

In July 2013, the Federal Reserve announced new risk-based capital and leverage ratios to conform to the Basel III framework and address provisions of the Dodd-Frank Act. These requirements will become effective on January 1, 2015 and will be applicable to both BCSB Bancorp and Baltimore County Savings Bank. See *Regulation of Baltimore County Savings Bank Capital Requirements* on page [ ] for a discussion of these new Basel III requirements.

Stock Repurchases. As a bank holding company, BCSB Bancorp is required to give the Federal Reserve Board prior written notice of any purchase or redemption of its outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of BCSB Bancorp s consolidated net worth. The Federal Reserve

Board may disapprove such a purchase or redemption if it determines that the proposal would violate any law, regulation, Federal Reserve Board order or directive, or any condition imposed by, or written agreement with, the Federal Reserve Board. This requirement does not apply to bank holding companies that are well-capitalized, received one of the two highest examination ratings at their last examination and are not the subject of any unresolved supervisory issues.

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Taxation

General. BCSB Bancorp and Baltimore County Savings Bank, together with Baltimore County Savings Bank s subsidiaries, file a consolidated federal income tax return based on a fiscal year ending September 30. Consolidated returns have the effect of deferring gain or loss on intercompany transactions and allowing companies included within the consolidated return to offset income against losses under certain circumstances.

Federal Income Taxation. Financial institutions are subject to the provisions of the Internal Revenue Code in the same general manner as other corporations. However, institutions such as Baltimore County Savings Bank which met certain definitional tests and other conditions prescribed by the Internal Revenue Code benefited from certain favorable provisions regarding their deductions from taxable income for annual additions to their bad debt reserve. For purposes of the bad debt reserve deduction, loans were separated into qualifying real property loans, which generally are loans secured by interests in certain real property, and nonqualifying loans, which are all other loans. The bad debt reserve deduction with respect to nonqualifying loans was based on actual loss experience, however, the amount of the bad debt reserve deduction with respect to qualifying real property loans could be based upon actual loss experience (the experience method) or a percentage of taxable income determined without regard to such deduction (the percentage of taxable income method).

Earnings appropriated to an institution s bad debt reserve and claimed as a tax deduction were not available for the payment of cash dividends or for distribution to stockholders (including distributions made on dissolution or liquidation), unless such amount was included in taxable income, along with the amount deemed necessary to pay the resulting federal income tax.

Beginning with the first taxable year beginning after December 31, 1995, savings institutions, such as Baltimore County Savings Bank, prior to its conversion to a commercial bank were treated the same as commercial banks. Associations with $500 million or more in assets will only be able to take a tax deduction when a loan is actually charged off. Associations with less than $500 million in assets will still be permitted to make deductible bad debt additions to reserves, but only using the experience method.

Baltimore County Savings Bank s tax returns were last audited for the year ended September 30, 1994.

Under provisions of the Revenue Reconciliation Act of 1993, enacted on August 10, 1993, the maximum federal corporate income tax rate was increased from 34% to 35% for taxable income over $10.0 million, with a 3% surtax imposed on taxable income over $15.0 million. Also under provisions of Revenue Reconciliation Act, a separate depreciation calculation requirement has been eliminated in the determination of adjusted current earnings for purposes of determining alternative minimum taxable income, rules relating to payment of estimated corporate income taxes were revised, and certain acquired intangible assets such as goodwill and customer-based intangibles were allowed a 15-year amortization period. Beginning with tax years ending on or after January 1, 1993, Revenue Reconciliation Act also provides that securities dealers must use mark-to-market accounting and generally reflect changes in value during the year or upon sale as taxable gains or losses. The IRS has indicated that financial institutions which originate and sell loans will be subject to the rule.

State Income Taxation. The state of Maryland imposes an income tax of approximately 8.25% on income measured substantially the same as federally taxable income. The state of Maryland currently assesses a personal property tax for December 2000 and forward.

Competition

Baltimore County Savings Bank faces strong competition both in originating real estate and consumer loans and in attracting deposits. It competes for real estate and other loans principally on the basis of interest rates, the types of loans it originates, the deposit products it offers and the quality of service it provides to borrowers. Baltimore County Savings Bank also competes by offering products which are tailored to the local community.

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