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FNB CORP/FL/
Form 10-K/A
May 23, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 (Fee Required)

For the fiscal year ended DECEMBER 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934 (No Fee Required)

For the transition period from ----- to -----

Commission file number 0-8144

F.N.B. CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA

(State or other jurisdiction of
incorporation or organization)

25-1255406

(I.R.S. Employer Identification No.)

2150 GOODLETTE ROAD NORTH
NAPLES, FLORIDA

(Address of principal executive offices)

34102

(Zip Code)

Registrant's telephone number, including area code: 800-262-7600
Securities registered pursuant to Section 12(b) of the Act: NONE
Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$0.01 per share 7 1/2% Cumulative Convertible Preferred
Stock, Series B, par value \$0.01 per share (Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the pre- ceding 12 months (or for such shorter period that the registrant was
required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of the registrant's knowledge, in definitive proxy or information

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statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The registrant estimates that as of April 30, 2003, the aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the last sale price as reported by the Nasdaq National Market for such date, was approximately \$1,336,596,086.

APPLICABLE ONLY TO CORPORATE REGISTRANTS:

As of April 30, 2003, the registrant had outstanding 43,945,293 shares of common stock having a par value of \$0.01 per share.

F.N.B. Corporation's original Form 10-K, filed on March 18, 2003, is hereby amended to incorporate new disclosure rules adopted by the Securities and Exchange Commission (SEC), which were finalized on March 28, 2003. This amendment addresses SEC comments on the original Form 10-K resulting from review of an updated S-3 shelf registration statement. This amendment contains enhanced disclosures and does not change the previously reported net income or financial position of F.N.B. Corporation. In addition, earnings, cash dividends and book value per share were adjusted to reflect the impact of the 5% stock dividend declared April 28, 2003.

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT	PART OF FORM 10-K INTO WHICH DOCUMENT IS INCORPORATED
Annual Report to Stockholders for fiscal year ended December 31, 2002	I & II
Definitive proxy statement for the 2003 Annual Meeting of Stockholders to be held on April 28, 2003	III

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PART I

ITEM 1. BUSINESS

F.N.B. Corporation (the Corporation) was formed in 1974 as a bank holding company. The Corporation is a financial holding company under the Gramm-Leach-Bliley Act of 1999. The Corporation has three reportable business segments: community banking, insurance agencies and consumer finance. For additional information regarding these segments, refer to the Business Segments footnote in the Notes to Consolidated Financial Statements, which is

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incorporated by reference to the Corporation's 2002 Annual Report to Stockholders. As of December 31, 2002, the Corporation owned and operated two regional community banks, a consumer finance company, an insurance agency and First National Trust Company. The Corporation has full service banking offices in Pennsylvania, Florida, and Ohio and consumer finance operations in Pennsylvania, Ohio and Tennessee. The Corporation's insurance agency has operations in Florida and Pennsylvania.

During 2002, the Corporation completed business combinations with two community banks, Promistar Financial Corporation (Promistar), a bank holding company headquartered in Johnstown, Pennsylvania, and Central Bank Shares, Inc. (Central), a bank holding company headquartered in Orlando, Florida. Promistar's banking affiliate, Promistar Bank, was merged into an existing subsidiary of the Corporation, First National Bank of Pennsylvania (FNBPA). Central's banking affiliate, Bank of Central Florida, was merged into an existing subsidiary of the Corporation, First National Bank of Florida (FNBFL). Additionally, the Corporation acquired Blackwood Insurance Agency (Blackwood), an independent insurance agency in Chippewa Township, Pennsylvania. Blackwood was merged into the Corporation's existing insurance agency, Roger Bouchard Insurance, Inc.

During 2002, the Corporation consolidated the operations of its Pennsylvania insurance agency subsidiary, Gelvin, Jackson & Starr, Inc., into its Florida insurance agency, Roger Bouchard Insurance, Inc. In addition, the Corporation consolidated its Ohio banking subsidiary, Metropolitan National Bank (Metropolitan), into its existing Pennsylvania banking subsidiary, FNBPA.

On March 31, 2003, the Corporation completed its business combination with Charter Banking Corp. (Charter), the bank holding company for Southern Exchange Bank headquartered in Tampa, Florida with assets of more than \$795.6 million. The \$150.2 million cash transaction was funded through the issuance of \$125.0 million in trust preferred securities and \$25.2 million from the Corporation's existing lines of credit with several major domestic banks. The transaction resulted in the recognition of approximately \$101.9 million of goodwill and \$1.1 million in core deposit intangible. Charter's banking affiliate, Southern Exchange Bank, will be merged into FNBFL during the fourth quarter of 2003.

The Corporation regularly evaluates the potential acquisition of, and holds discussions with, various acquisition candidates and as a general rule the Corporation publicly announces such acquisitions only after a definitive agreement has been reached.

The Corporation, through its subsidiaries, provides a full range of financial services, principally to consumers and small- to medium-size businesses in its market areas. The Corporation's business strategy has been to focus primarily on providing quality, community-based financial services adapted to the needs of each of the markets it serves. The Corporation has emphasized its community orientation by preserving local advisory boards of directors and by allowing local management certain autonomy in decision-making, enabling them to respond to customer requests more quickly and concentrate on transactions within their market areas. However, while the Corporation

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has sought to preserve some decision-making at a local level, it has established centralized legal, loan review, accounting, investment, audit, loan operations and data processing functions. The centralization of these processes has enabled the Corporation to maintain consistent quality of these functions and to achieve

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certain economies of scale.

The Corporation's lending philosophy is to minimize credit losses by following strict credit approval standards (which include independent analysis of realizable collateral value), diversifying its loan portfolio by industry and borrower and conducting ongoing review and management of the loan portfolio. The Corporation is an active residential mortgage lender, and its commercial loans are generally to established businesses within its market areas. The Corporation does not have any highly leveraged transaction loans and its construction loans represent less than 6% of its total loans.

No material portion of the deposits of the Corporation's bank subsidiaries has been obtained from a single or small group of customers, and the loss of any customer's deposits or a small group of customers' deposits would not have a material adverse effect on the business of the Corporation. The majority of the deposits held by the Corporation's bank subsidiaries have been generated within the respective subsidiary's market area.

Following is information as of December 31, 2002 for the Corporation's principal subsidiaries (including the year established and location of principal office for each). All subsidiaries are wholly-owned by the Corporation (dollars in thousands).

	TOTAL ASSETS	TOTAL DEPOSITS	NUMBER OF OFFICES
	-----	-----	-----
COMMUNITY BANK SUBSIDIARIES:			
First National Bank of Pennsylvania (Est. 1864) Hermitage, Pennsylvania.....	\$4,190,804	\$3,313,570	130
First National Bank of Florida (Est. 1988) Naples, Florida.....	2,710,598	2,121,232	43
	-----	-----	---
	\$6,901,402	\$5,434,802	173
	=====	=====	===
CONSUMER FINANCE SUBSIDIARY:			
Regency Finance Company (Est.1927) Hermitage, Pennsylvania.....	\$ 148,400		47
	=====		===
INSURANCE AGENCY SUBSIDIARY:			
Roger Bouchard Insurance, Inc. (Est. 1948) Clearwater, Florida.....	\$ 32,921		15
	=====		===
TRUST SUBSIDIARY:			
First National Trust Company (Est. 1934) Naples, Florida.....	\$ 4,428		14
	=====		===

The Corporation has four other subsidiaries, Penn-Ohio Life Insurance Company (Penn-Ohio), First National Corporation (FNC), First National Management Corporation (FNMC), and F.N.B. Building Corporation (F.N.B. Building). The community bank subsidiaries and the consumer finance subsidiary own Customer Service Center of F.N.B., L.L.C. (Customer Service). Penn-Ohio underwrites, as a reinsurer, credit life and accident and health insurance sold by the Corporation's subsidiaries. FNC and FNMC hold equity securities and other assets for the holding company. F.N.B. Building owns real estate that is

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leased to certain affiliates. Customer Service provides data processing and other services to the affiliates of the Corporation.

OPERATIONS OF THE BANK SUBSIDIARIES

The Corporation's bank subsidiaries offer services traditionally offered by full-service commercial banks, including commercial and individual demand and time deposit

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accounts and commercial, mortgage and individual installment loans. The Corporation's bank subsidiaries originate certain residential mortgage loans for sale in the secondary mortgage loan market. These loans are originated in accordance with prudent underwriting standards, collateralized by one-to-four family residential real estate and typically sold with servicing rights released. In addition to traditional banking products, the Corporation's bank subsidiaries offer various alternative investment products, including mutual funds and annuities.

In addition, First National Trust Company provides a broad range of personal and corporate fiduciary services, including the administration of decedent and trust estates. As of December 31, 2002, the market value of corporate-wide trust assets under management totaled approximately \$1.8 billion. First National Trust Company was a subsidiary of First National Bank of Pennsylvania until January 18, 2002, on which date it became a subsidiary of the Corporation.

OPERATIONS OF THE INSURANCE AGENCIES

The Corporation's insurance agencies are full-service agencies offering all lines of commercial and personal insurance through major carriers.

OPERATIONS OF THE CONSUMER FINANCE SUBSIDIARY

The Corporation's consumer finance subsidiary, Regency Finance Company (Regency), is involved principally in making personal installment loans to individuals and purchasing installment sales finance contracts from retail merchants. Such activity is primarily funded through the sale of the Corporation's subordinated notes at Regency's branch offices and internal financing through bank subsidiaries.

MARKET AREA AND COMPETITION

The Corporation's Florida subsidiaries operate in an area represented by high growth and high median family income levels. The industries served in this market include a diversified mix of tourism, construction, services, light manufacturing, distribution and agriculture. The market extends north to Tampa and south through Naples to Marco Island and is served by Interstate 75 and U.S. Highway 41. The Corporation's most recent acquisition, Central Bank Shares, Inc., extends the Florida market across Interstate 4 through Orlando.

The Corporation's Pennsylvania subsidiaries operate in western Pennsylvania and northeastern Ohio, an area which has a diversified mix of light manufacturing, service and distribution industries. This area is served by Interstate Routes 90, 76, 79 and 80, and is located at the approximate midpoint between New York City and Chicago. The area is also close to the Great Lakes

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shipping port of Erie, the Greater Pittsburgh International Airport and Cleveland's Hopkins Airport.

The Corporation's subsidiaries compete with a large number of other financial institutions, such as commercial banks, savings banks, savings and loan associations, credit life insurance companies, mortgage banking companies, consumer finance companies, credit unions and commercial finance and leasing companies, many of which have greater resources than the Corporation, for deposits, loans and service business. In providing wealth and asset management services, the Corporation's subsidiaries compete with many other financial services firms, brokerage firms, mutual fund complexes, investment management firms, trust and fiduciary service providers and insurance agencies.

In the consumer finance subsidiary's market areas of Pennsylvania, Ohio and Tennessee, the active competitors include banks, credit unions and national, regional and local consumer finance companies, some of which have substantially greater resources than that of the consumer finance subsidiary. The ready availability of consumer credit through charge accounts and credit cards constitutes additional

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competition. The principal methods of competition include the rates of interest charged for loans, the rates of interest paid to obtain funds and the availability of customer services.

The ability to access and use technology is an increasingly important competitive factor in the financial services industry. Technology is not only important with respect to delivery of financial services, but in processing information. Each of the Corporation's subsidiaries consistently must make technological investments to remain competitive.

EMPLOYEES

As of February 18, 2003, the Corporation and its subsidiaries had 2,586 full-time and 599 part-time employees. Management of the Corporation considers its relationship with its employees to be satisfactory.

MERGERS, ACQUISITIONS AND DIVESTITURE

See the Mergers, Acquisitions and Divestiture footnote in the Notes to Consolidated Financial Statements, which is incorporated herein by reference to the Corporation's 2002 Annual Report to Stockholders.

SUPERVISION AND REGULATION

SARBANES-OXLEY ACT

On July 30, 2002, the Senate and the House of Representatives of the United States (Congress) enacted the Sarbanes-Oxley Act of 2002, a law designed to address, among other issues, corporate governance, auditing and accounting, executive compensation, and enhanced and timely disclosure of corporate information. The NASDAQ Stock Exchange has also proposed corporate governance rules that were presented to the Securities and Exchange Commission for review and approval. The proposed changes are intended to allow stockholders to more easily and efficiently monitor the performance of companies and the qualifications and activities of "insiders".

Effective August 29, 2002, as directed by Section 302(a) of Sarbanes-Oxley,

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the Corporation's chief executive officer and chief financial officer are each required to certify that the Corporation's Quarterly and Annual Reports do not contain any untrue statement of a material fact. The rules have several requirements, including having these officers certify that: they are responsible for establishing, maintaining and regularly evaluating the effectiveness of the internal controls; they have made certain disclosures to auditors and the audit committee of the Board of Directors about the Corporation's internal controls; and they have included information in the Corporation's Quarterly and Annual Reports about their evaluation and whether there have been significant changes in the Corporation's internal controls or in other factors that could significantly affect internal controls subsequent to the evaluation.

At the January 20, 2003 Board of Directors' meeting, the Board of Directors approved a series of actions to strengthen and improve its already strong corporate governance practices. These actions include the adoption of a new Code of Conduct, and a revised Code of Ethics for Senior Executive Officers. Further, the Corporation's Audit Committee and Board of Directors revised the Corporation's Audit Charter to ensure consistency with the standards of the Sarbanes-Oxley Act.

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BANKING ACTIVITIES AND FINANCIAL HOLDING COMPANY REGULATION

The Corporation and its subsidiary national banks (the Banks) operate in a highly regulated environment, and their business activities are governed by statute, regulation and administrative policies. The business activities of the Corporation and the Banks are closely supervised by a number of regulatory agencies, including the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC).

The Corporation is regulated by the FRB under the Federal Bank Holding Company Act of 1956, as amended, which requires every bank holding company to obtain the prior approval of the FRB before acquiring more than 5% of the voting shares of any bank or all or substantially all of the assets of any bank, and before merging or consolidating with another bank holding company. The Federal Reserve Board (pursuant to regulation and published policy statements) has maintained that a bank holding company must serve as a source of financial strength to its subsidiary banks. In adhering to the FRB policy, the Corporation may be required to provide financial support to a subsidiary bank at a time when, absent such FRB policy, the Corporation may not deem it advisable to provide such assistance.

Under the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, the Corporation or any other bank holding company may acquire a bank located in a state other than the state in which the company is located, subject to certain deposit percentage and other restrictions. The legislation also provides that, unless an individual state has elected to prohibit out-of-state banks from operating interstate branches within its territory, adequately capitalized and managed bank holding companies may consolidate their multistate bank operations into a single bank subsidiary and branch interstate through acquisitions.

As national banks, the Banks are subject to the supervision of the OCC and, to a limited extent, the FDIC and the FRB. The Banks are also subject to state banking and usury laws restricting the amount of interest which may be charged in making loans or other extensions of credit. In addition, the Banks, as subsidiaries of the Corporation, are subject to restrictions under federal law

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when dealing with the Corporation and other affiliates. These restrictions apply to extensions of credit to an affiliate, investments in the securities of an affiliate and the purchase of assets from an affiliate.

GRAMM-LEACH-BLILEY

The Gramm-Leach-Bliley Act, also known as the Financial Services Modernization Act of 1999 (GLBA), enacted in 1999, enables bank holding companies to acquire insurance companies and securities firms and effectively repeals depression-era laws that prohibited the affiliation of banks and these other financial services entities under a single holding company. Bank holding companies, and other types of financial services entities, may elect to become financial holding companies under the new law allowing them to offer virtually any type of financial service, or services incident to financial services, including banking, securities underwriting, merchant banking and insurance (both underwriting and agency services). The Corporation has elected financial holding company status. The new financial services authorized by the GLBA also may be engaged in by a "financial subsidiary" of a national or state bank, with the exception of insurance or annuity underwriting, insurance company portfolio investments, real estate investment and development, and merchant banking, all of which must be conducted under the financial holding company.

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The GLBA establishes a system of functional regulation, under which the FRB regulates the banking activities of financial holding companies and other federal banking regulators regulate banks' financial subsidiaries. The Securities and Exchange Commission regulates securities activities of financial holding companies and state insurance regulators regulate their insurance activities. The GLBA also provides new protections against the transfer and use by financial institutions of consumers' non-public, personal information.

The implementation of the GLBA increases competition in the financial services sector by allowing many different entities, including banks and bank holding companies, to affiliate and/or to merge with other financial services entities and cross-sell their financial products in order to better serve their current and prospective customers.

CAPITAL ADEQUACY REQUIREMENTS

Both the Corporation and the Banks are subject to regulatory capital adequacy guidelines imposed by the FRB and the OCC. These guidelines define a three-tier capital framework. Tier 1 capital includes common shareholders equity, noncumulative perpetual preferred stock, minority interests in the equity accounts of consolidated subsidiaries and trust preferred securities (limited to 25% of total Tier 1 capital). Tier 2 capital consists of preferred stock not qualifying as Tier 1 capital, mandatory convertible debt, limited amounts of subordinated debt, other qualifying term debt and the allowance for credit losses up to 1.25 percent of risk-weighted assets. Tier 3 capital includes subordinated debt that is unsecured, fully paid, has an original maturity of at least two years, is not redeemable before maturity without prior approval by the Federal Reserve Board and includes a lock-in clause precluding payment of either interest or principal if the payment would cause the issuing bank's risk-based capital ratio to fall or remain below the required minimum. The sum of Tier 1 and Tier 2 capital less investments in unconsolidated subsidiaries represents the Corporation's qualifying total capital.

Risk-based capital ratios are calculated by dividing Tier 1 and total

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capital by risk-weighted assets. Assets and off-balance sheet exposures are assigned to one of four categories of risk-weights, based primarily on relative credit risk. The minimum Tier 1 capital ratio is 4.0% and the minimum total capital ratio is 8.0%. The Corporation's Tier 1 and total risk-based capital ratios under these guidelines at December 31, 2002 were 8.8% and 10.1%, respectively.

The FRB, FDIC and the OCC have also implemented minimum capital leverage ratios to be used in tandem with the risk-based guidelines in assessing the overall capital adequacy of banks and bank holding companies. These rules provide for a minimum leverage ratio of at least 3.0% Tier 1 capital to total average assets (net of goodwill, certain intangible assets, and certain deferred tax assets) for institutions having the highest regulatory rating, while all other institutions are generally required to maintain a ratio of at least 4.0%. The Corporation's leverage ratio at December 31, 2002 was 6.9%.

For additional information regarding the Corporation's capital ratios, refer to the Regulatory Matters footnote in the Notes to Consolidated Financial Statements to the Corporation's 2002 Annual Report to Stockholders, which is incorporated herein by reference.

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PROMPT CORRECTIVE ACTION

The Federal Deposit Insurance Corporation Improvement Act of 1991 (the FDICIA), provided a number of reforms relating to the safety and soundness of the deposit insurance system, supervision of domestic and foreign depository institutions and improvement of accounting standards. One element of the FDICIA provides for the development of a regulatory monitoring system requiring prompt action on the part of banking regulators with regard to certain classes of undercapitalized institutions. The FDICIA created five "capital categories" ("well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized") which are defined in the FDICIA and are used to determine the severity of corrective action the appropriate regulator may take in the event an institution reaches a given level of undercapitalization. For example, an institution which becomes "undercapitalized" must submit a capital restoration plan to the appropriate regulator outlining the steps it will take to become adequately capitalized. Upon approving the plan, the regulator will monitor the institution's compliance. Before a capital restoration plan will be approved, any entity controlling a bank (i.e., a holding company) must guarantee compliance with the plan until the institution has been adequately capitalized for four consecutive calendar quarters. The liability of the holding company is limited to the lesser of five percent of the institution's total assets or the amount which is necessary to bring the institution into compliance with all capital standards. In addition, "undercapitalized" institutions will be restricted from paying management fees, dividends and other capital distributions, will be subject to certain asset growth restrictions and will be required to obtain prior approval from the appropriate regulator to open new branches or expand into new lines of business.

As an institution's capital levels decline, the extent of action to be taken by the appropriate regulator increases, restricting the types of transactions in which the institution may engage and ultimately providing for the appointment of a receiver for certain institutions deemed to be critically undercapitalized.

In addition, the FRB, the OCC and the FDIC have adopted regulations,

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pursuant to the FDICIA, defining operational and managerial standards relating to internal controls, loan documentation, credit underwriting, interest rate exposure, asset growth, and compensation, fees and benefits. Both the capital standards and the safety and soundness standards which the FDICIA seeks to implement are designed to bolster and protect the deposit insurance fund.

REPORTING REQUIREMENTS

The national bank affiliates and First National Trust Company are subject to periodic on-site examination and continuous review activities under the supervisory jurisdiction of the Office of the Comptroller of the Currency (OCC). These continuous supervisory review activities are conducted within the OCC's mid-size bank supervision program. Under the mid-size bank supervision program, the OCC has assigned a permanent on-site examiner for the Corporation's national bank affiliates. The OCC, at will, can access quarterly reports of condition, as well as such additional reports as may be required by national banking laws and regulations.

The holding company, the insurance agency subsidiary, and the finance company are subject to periodic examinations by the FRB. The on-site Federal Reserve holding company inspections are typically conducted on an annual basis. As a financial holding company, the Corporation is required to file with the FRB an annual report of its operations at the end of each fiscal year and such additional information as the FRB may require pursuant to the Act.

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The scope of regulation and permissible activities of the Corporation and the Banks are subject to change by future federal and state legislation. In addition, regulators sometimes require higher capital levels on a case-by-case basis based on such factors as the risk characteristics or management of a particular institution. The Corporation and the Banks are not aware of any attributes of their management or operating plans that would cause regulators to impose higher requirements.

CONSUMER FINANCE SUBSIDIARY

The Corporation's consumer finance subsidiary is subject to regulation under Pennsylvania, Tennessee, and Ohio state laws which require, among other things, that it maintain licenses for consumer finance operations in effect for each of its offices. Representatives of the Pennsylvania Department of Banking, the Tennessee Department of Financial Institutions and the Ohio Division of Consumer Finance periodically visit the offices of the consumer finance subsidiary and conduct extensive examinations in order to determine compliance with such laws and regulations. Such examinations include a review of loans and the collateral thereof, as well as a check of the procedures employed for making and collecting loans. Additionally, the consumer finance subsidiary is subject to certain federal laws which require that certain information relating to credit terms be disclosed to customers and afford customers in certain instances the right to rescind transactions.

INSURANCE AGENCIES

The Corporation's insurance agencies are subject to licensing requirements and extensive regulation under the laws of the United States and its various states. These laws and regulations are primarily for the benefit of clients. In

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all jurisdictions, the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals, and to implement regulations. Licenses may be denied or revoked for various reasons, including the violation of such regulations, conviction of crimes and the like. Possible sanctions which may be imposed for violation of regulations include the suspension of individual employees, limitations on engaging in a particular business for a specified period of time, revocation of licenses, censures and fines.

LIFE INSURANCE SUBSIDIARY

Penn-Ohio is subject to examination on a triennial basis by the Arizona Department of Insurance. Representatives of the Department of Insurance will periodically determine whether Penn-Ohio has maintained required reserves, established adequate deposits under a reinsurance agreement and complied with reporting requirements under Arizona statutes.

GOVERNMENTAL POLICIES

The operations of the Corporation and its subsidiaries are affected not only by general economic conditions, but also by the policies of various regulatory authorities. In particular, the FRB regulates money and credit and interest rates in order to influence general economic conditions. These policies have a significant influence on overall growth and distribution of loans, investments and deposits and

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affect interest rates charged on loans or paid for time and savings deposits. FRB monetary policies have had a significant effect on the operating results of all financial institutions in the past and may continue to do so in the future.

AVAILABLE INFORMATION

The Corporation maintains a website at www.fnbcorporation.com. Beginning with the filing of this Form 10-K, the Corporation will make available free of charge its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K on its website as soon as practicable after such reports are filed with the SEC. The Corporation's common stock is traded on the Nasdaq National Market under the symbol "FBAN".

ITEM 2. PROPERTIES

The Corporation owns an eight-story building in Naples, Florida, which serves as its executive and administrative offices and shares this facility with First National Bank of Florida. The Corporation owns a six-story building in Hermitage, Pennsylvania which serves as its northern executive offices and shares this facility with First National Bank of Pennsylvania. The Corporation also owns operations centers in Naples, Florida and Hermitage, Pennsylvania. In addition, the Corporation has purchased 11.6 acres of land in Naples, Florida for the construction of the Florida information technology center. Construction of the center is expected to be completed in the second quarter of 2004.

The banking, consumer finance and insurance company offices are located in 8 counties in southwestern Florida, 31 counties in Pennsylvania, 17 counties in northern and central Tennessee and 6 counties in eastern Ohio. At December 31, 2002, the Corporation's subsidiaries owned 133 of the Corporation's 249 offices

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and leased the remaining 116 offices under operating leases expiring at various dates through the year 2087. For additional information regarding the lease commitments, see the Premises and Equipment footnote in the Notes to Consolidated Financial Statements, which is incorporated herein by reference to the Corporation's 2002 Annual Report to Stockholders.

ITEM 3. LEGAL PROCEEDINGS

During the first quarter of 2001, the Corporation established a legal reserve of approximately \$4.0 million associated with individual retirement accounts at one of its banking subsidiaries. Various cases have been filed in the 20th Judicial Circuit and for Lee County, Florida, naming the subsidiary of the Corporation as a co-defendant. The plaintiffs alleged that a third-party independent administrator misappropriated funds from their individual retirement accounts held with the banking subsidiary. As of December 31, 2002, the Corporation has settled all of these asserted claims, at an aggregate cost to the corporation of \$3.5 million. The Corporation believes the remaining reserve will be sufficient for all remaining costs associated with the litigation, including legal costs, unasserted claims, settlements and adverse judgments.

The Corporation and persons to whom the Corporation may have indemnification obligations, in the normal course of business are subject to various pending and threatened lawsuits in which claims for monetary damages are asserted. Other real estate owned includes a property which is subject to litigation. Should the outcome be adverse, the value of the property will be impaired and other costs may be incurred. Management, after consultation with outside legal counsel, does not at the present time anticipate that the ultimate liability arising out of such pending and threatened lawsuits will have a material adverse effect on the Corporation's financial position. At the present time, management is not in a position to determine whether any pending or threatened litigation will have a material adverse effect on the Corporation's results of operations in any future reporting period.

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ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

NONE

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Information relating to this item for Mr. Tice, Mr. Gurgovits, Mr. Hale, Mr. Bettinger and Mr. Richter is provided in the Corporation's definitive proxy statement filed with the Securities and Exchange Commission in connection with its annual meeting of stockholders to be held April 28, 2003. The name, age (as of February 18, 2003), present position with the Corporation, and principal occupation for the last five years of each of the remaining executive officers is set forth below:

NAME	AGE	PRESENT POSITION AND PRIOR OCCUPATIONS IN PREVIOUS FIVE YEARS
----	---	-----
C.C. Coghill	59	Executive Vice President and Chief Credit Officer of the Corpo since 2002; Executive Vice President and Chief Credit Officer

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		from January 2002 to December 2002; Executive Vice President and Credit Officer of First National Bank of Naples from 1997 to J
Thomas E. Fahey	60	Executive Vice President and Chief Financial Officer of the Co since July 2002; Partner, Ernst & Young LLP, New York, from 19 2002.
William J. Rundorff	54	Chief Legal Officer of the Corporation since 2001; Executive V President of the Corporation since 1995.
John D. Waters	56	Senior Vice President and Director of Investor Relations since 2002; Chief Financial Officer from 1994 to June 2002.
Robert T. Reichert	40	Vice President and Corporate Controller of the Corporation sin Executive Vice President and Chief Financial Officer of FNBFL to 2002.
David Mogle	53	Corporate Secretary since 1994 and Treasurer since 1986; Vice Secretary and Treasurer of FNBPA since 1986, 1994 and 1999, re
Charlie Grau	58	Vice President and Chief Technology Officer since 2002; Execut President and Chief Operating Officer of CSC since 1998.

There are no family relationships among any of the above executive officers, and there is no arrangement or understanding between any of the above executive officers and any other person pursuant to which he was selected as an officer. The executive officers are elected by and serve at the pleasure of the Corporation's Board of Directors.

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PART II

Information relating to Items 5, 6, 7 and 8 is provided in the Corporation's 2002 Annual Report to Stockholders under the captions and on the pages indicated below. The Annual Report is filed as an exhibit to this report and is incorporated herein by reference.

CAPTION IN 2002 ANNUAL REPORT TO STOCKHOLDERS -----	PAGES IN 2002 ANNUAL REPORT TO STOCKHOLDERS -----
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS	68
ITEM 6. SELECTED FINANCIAL DATA	55
ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	57-68
ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	61-63

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- ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA 26-54,56
- ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE
None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

With the exception of information regarding certain executive officers of the Corporation, which is set forth in Item 4A. of this report, the information relating to this item is provided in the Corporation's definitive proxy statement filed with the Securities and Exchange Commission in connection with its annual meeting of stockholders to be held April 28, 2003 and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information relating to this item is provided in the Corporation's definitive proxy statement filed with the Securities and Exchange Commission in connection with its annual meeting of stockholders to be held April 28, 2003. Such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

With the exception of the equity compensation plan information provided below, the information relating to this item is provided in the Corporation's definitive proxy statement filed with the Securities and Exchange Commission in connection with its annual meeting of stockholders to be held April 28, 2003. Such information is incorporated herein by reference.

Plan Category	Number of Securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options
Equity compensation plans approved by security holders	3,259,450 (1) (2)	\$21.03
Equity compensation plans not approved by security holders	20,261 (4)	N/A (4)

(1) Excludes 502,445 shares of the Corporation's Common Stock issuable upon exercise of outstanding options assumed in connection with acquisition transactions; these options have a weighted-average exercise price of \$18.00.

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(2) Excludes 33,513 shares of restricted common stock awards subject to forfeiture. The shares of restricted stock vest in five equal annual installments beginning on the date of grant.

(3) Represents shares of Common Stock eligible for issuance pursuant to stock option or restricted stock awards granted under the Corporation's 2001 Incentive Plan.

(4) In 2002, the Corporation amended its Basic Retirement Plan to provide that any future amounts contributed by the Corporation as a result of IRS restrictions placed on employee contributions to its 401(k) plans will be made in cash rather than the Corporation's Common Stock. Shares to be issued represent phantom stock credited to participants in the Basic Retirement Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information relating to this item is provided in the Corporation's definitive proxy statement filed with the Securities and Exchange Commission in connection with its annual meeting of stockholders to be held April 28, 2003. Such information is incorporated herein by reference.

ITEM 14. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of the Corporation's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures. Based on that evaluation, the Corporation's management, including the CEO and CFO, concluded that the Corporation's disclosure controls and procedures were effective as of December 31, 2002. There have been no significant changes in the Corporation's internal controls over financial reporting since December 31, 2002.

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PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements of F.N.B. Corporation and subsidiaries and report of independent auditors, included in the Corporation's 2002 Annual Report to Stockholders, are incorporated herein by reference:

	Pages in 2002 Annual Report to Stockholders -----
Consolidated Balance Sheets	26
Consolidated Income Statements	27
Consolidated Statements of Stockholders' Equity	28
Consolidated Statements of Cash Flows	29
Notes to Consolidated Financial Statement	30 - 54
Report of Independent Auditors	25
Quarterly Earnings Summary	56

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(a) 2. FINANCIAL STATEMENT SCHEDULES

All Schedules are omitted because they are not applicable.

(a) 3. EXHIBITS

The exhibits filed or incorporated by reference as a part of this report are listed in the Index to Exhibits which appears at page IV-3 and is incorporated herein by reference.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the fourth quarter of 2002.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

F.N.B. CORPORATION

Dated May 23, 2003

By /s/ Gary L. Tice

Gary L. Tice,
President and Chief Executive Officer

Dated May 23, 2003

By /s/ Thomas E. Fahey

Thomas E. Fahey,
Executive Vice President and
Chief Financial Officer

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INDEX TO EXHIBITS

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The following exhibits are filed or incorporated by reference as part of this report:

- 3.1. Articles of Incorporation of the Corporation as currently in effect. (incorporated by reference to Exhibit 4.1. of the Corporation's Form 8-K filed on June 1, 2001).
- 3.2. By-laws of the Corporation as currently in effect. (incorporated by reference to Exhibit 4.2. of the Corporation's Form 8-K filed on June 1, 2001).
- 4 The rights of holders of equity securities are defined in portions of the Articles of Incorporation and By-laws. The Articles of Incorporation are incorporated by reference to Exhibit 4.1. of the registrant's Form 8-K filed on June 1, 2001. The By-laws are incorporated by reference to Exhibit 4.2. of the registrant's Form 8-K filed on June 1, 2001. A designation statement defining the rights of F.N.B. Corporation Series A - Cumulative Convertible Preferred Stock is incorporated by reference to Form S-14, Registration Statement of F.N.B. Corporation, File No. 2-96404. A designation statement defining the rights of F.N.B. Corporation Series B - Cumulative Convertible Preferred Stock is incorporated by reference to Exhibit 4 of the registrant's Form 10-Q for the quarter ended June 30, 1992. The Corporation agrees to furnish to the Commission upon request copies of all instruments not filed herewith defining the rights of holders of long-term debt of the Corporation and its subsidiaries.
- 10.1. Form of agreement regarding deferred payment of directors' fees by First National Bank of Pennsylvania. (incorporated by reference to Exhibit 10.1. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).
- 10.2. Form of agreement regarding deferred payment of directors' fees by F.N.B. Corporation. (incorporated by reference to Exhibit 10.2. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).
- 10.3. Form of Deferred Compensation Agreement by and between First National Bank of Pennsylvania and four of its executive officers. (incorporated by reference to Exhibit 10.3. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).
- 10.4. Employment Agreement between F.N.B. Corporation and Stephen J. Gurgovits. (incorporated by reference to Exhibit 10.5. of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.5. Employment Agreement between F.N.B. Corporation and William J. Rundorff. (incorporated by reference to exhibit 10.9 of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1991). Amendment No. 2 to Employment Agreement. (incorporated by reference to Exhibit 10.8. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995).

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- 10.6. Basic Retirement Plan (formerly the Supplemental Executive Retirement Plan) of F.N.B. Corporation effective January 1, 1992. (incorporated by reference to Exhibit 10.9. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).
- 10.7. F.N.B. Corporation 1990 Stock Option Plan as amended effective February 2, 1996. (incorporated by reference to Exhibit 10.10. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995).
- 10.8. F.N.B. Corporation Restricted Stock Bonus Plan dated January 1, 1994. (incorporated by reference to Exhibit 10.11. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993).
- 10.9. Employment Agreement between F.N.B. Corporation and John D. Waters. (incorporated by reference to Exhibit 10.13 of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995).
- 10.10. F.N.B. Corporation Restricted Stock and Incentive Bonus Plan. (incorporated by reference to Exhibit 10.14. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995).
- 10.11. F.N.B. Corporation 1996 Stock Option Plan. (incorporated by reference to Exhibit 10.15. of the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995).
- 10.12. F.N.B. Corporation Director's Compensation Plan. (incorporated by reference to Exhibit 10.16. of the Corporation's Form 10-Q for the quarter ended March 31, 1996).
- 10.13. F.N.B. Corporation 1998 Director's Stock Option Plan. (incorporated by reference to Exhibit 10.14. of the Corporation's Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.14. Employment Agreement between F.N.B. Corporation and Gary L. Tice. (incorporated by reference to Exhibit 10.1. of the Corporation's Form 10-Q for the quarter ended June 30, 1999). Amendment No.1 to Employment Agreement (incorporated by reference to Exhibit 10.1. of the Corporation's Form 10-Q for the quarter ended March 31, 2002).
- 10.15. Employment Agreement between F.N.B. Corporation and Kevin C. Hale. (incorporated by reference to Exhibit 10.16. of the Corporation's Form 10-Q for the quarter ended June 30, 2000).
- 10.16. F.N.B. Corporation 2001 Incentive Plan. (incorporated by reference to Exhibit 10.1. of the Corporation's Form S-8 filed on June 14, 2001).
- 10.17. Termination of Continuation of Employment Agreement between F.N.B. Corporation Peter Mortensen. (incorporated by reference to exhibit 10.17 of the Corporation's Form 10-K for the year ended December 31, 2001).
- 10.18. Employment Agreement between F.N.B. Corporation and Cass Bettinger. (incorporated by reference to Exhibit 10.2. of the Corporation's Form 10-Q for the quarter ended March 31, 2002).
- 10.19. Employment Agreement between F.N.B. Corporation and Thomas E. Fahey. (incorporated by reference to Exhibit 10.1. of the Corporation's Form 10-Q for the quarter ended June 30, 2002).

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- 10.20. Employment Agreement between F.N.B. Corporation and Garrett S. Richter. (incorporated by reference to Exhibit 10.20 of the Corporation's Form 10-K filed March 18, 2003 amended hereby).
- 12.1 Statement regarding computation of ratios. (incorporated by reference to Exhibit 12.1 of the Corporation's Form 10-K filed March 18, 2003 amended hereby).
- 13 Annual Report to Stockholders. (filed herewith).
- 21 Subsidiaries of the Registrant. (incorporated by reference to Exhibit 21 of the Corporation's Form 10-K filed March 18, 2003 amended hereby).

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- 23.1. Consent of Ernst & Young LLP, Independent Auditors. (filed herewith).
- 23.2. Consent of PricewaterhouseCoopers LLP, Independent Accountants. (filed herewith).
- 99.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbannes Oxley Act of 2002. (filed herewith).
- 99.2 Report of Independent Auditors, PricewaterhouseCoopers LLP, for the 2000 Audit of Promistar Financial Corporation. (incorporated by reference to Exhibit 99.2 of the Corporation's Form 10-K filed March 18, 2003 amended hereby).
- 99.3 Code of Ethics. (incorporated by reference to Exhibit 99.3 of the Corporation's Form 10-K filed March 18, 2003 amended hereby).
- 99.4 Code of Conduct for Senior Executives and Financial Managers. (incorporated by reference to Exhibit 99.4 of the Corporation's Form 10-K filed March 18, 2003 amended hereby).
- 99.5 Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (filed herewith)

Copies of any exhibits will be furnished to shareholders upon request. Requests should be directed to F.N.B. Shareholder Services, P.O. Box 11929, Naples, Florida 34108.

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