

FNB CORP/PA/
Form DEF 14A
March 29, 2019
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule §240.14a-12

F.N.B. Corporation

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on the table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No:

3) Filing Party:

4) Date Filed:

Table of Contents

Table of Contents

From the Chairman, President and Chief Executive Officer

March 29, 2019

Dear Shareholder:

We will hold our Annual Meeting of Shareholders at 8:30 AM, Eastern Time, on Wednesday, May 15, 2019, in the Great Room at The Regional Learning Alliance located at 850 Cranberry Woods Drive, Cranberry Township, Pennsylvania 16066.

Agenda

At our Annual Meeting, our shareholders will act on the following matters: (i) election of twelve (12) director-nominees named in the accompanying proxy statement to our Board of Directors; (ii) adoption of an advisory (nonbinding) resolution to approve the 2018 compensation of our named executive officers; (iii) ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2019; and (iv) any other matter that is properly presented at our Annual Meeting in compliance with our bylaws.

Your Vote is Important

Your vote is important regardless of how many shares of F.N.B. Corporation stock you own. If you hold stock in more than one account or name, you will receive a proxy card for each.

Whether or not you plan to attend our Annual Meeting, please complete, sign, date and promptly return the enclosed proxy card in the postage-paid envelope we have provided to ensure that your shares are represented at our Annual Meeting. Alternatively, you may vote by the Internet, by our QR Code feature or by telephone by following the instructions on your proxy card. By voting now, your vote will be counted even if you are unable to attend our Annual Meeting.

Please indicate on the card whether you plan to attend our Annual Meeting. If you attend and wish to vote in person, you may withdraw your proxy at that time.

As always, our directors, management and employees thank you for your continued interest in and support of F.N.B. Corporation.

Vincent J. Delie, Jr.

Chairman, President and Chief Executive Officer

Table of Contents

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date:

Wednesday

May 15, 2019

Time:

8:30 AM

(Eastern Time)

Place:

The Regional Learning Alliance

850 Cranberry Woods Drive

Cranberry Township, Pennsylvania 16066

Record Date:

March 6, 2019

Shareholders of record at the close of business on March 6, 2019, are entitled to receive this notice and to vote at our Annual Meeting and any adjournment or postponement thereof.

IT IS IMPORTANT THAT YOU CAREFULLY READ YOUR PROXY STATEMENT AND VOTE. You may vote by any of the following means:

At the 2019 Annual Meeting, our shareholders will be asked to consider and vote on the following proposals:

AGENDA	BOARD RECOMMENDATION
Proposal 1. To elect the 12 nominees named in this proxy statement to serve on our Board of Directors until the 2020 annual meeting	FOR each director-nominee
Proposal 2. To provide an advisory vote for approval of the 2018 compensation of our named executives, as disclosed in this proxy statement	FOR
Proposal 3. To ratify the appointment of Ernst & Young LLP as our independent auditor for 2019	FOR

How to Vote

We will also act on any other timely business that is properly submitted.

BY TELEPHONE

Call the telephone number listed on your proxy card.

BY ORDER OF THE BOARD OF DIRECTORS,

James G. Orie,

Chief Legal Officer and Corporate Secretary

VIA THE INTERNET

Visit the website listed on your proxy card.

BY MAIL

Mail in a completed proxy card.

IN PERSON

Attend the annual meeting (see page for more information).

BY QR CODE

Scan QR Code on your
proxy card.

March 29, 2019

Pittsburgh, Pennsylvania

Table of Contents

Table of Contents

TABLE OF CONTENTS

<u>Proxy Statement</u>	1
<u>Summary</u>	2
<u>2018 Financial Highlights</u>	2
<u>Our Director-Nominees – Qualifications and Key Board Governance Practices</u>	4
<u>Well-Qualified Board</u>	5
<u>Fully Informed and Committed Board with an Effective Board Culture</u>	6
<u>Robust and Effective Corporate Governance Board-Level Risk Management Framework</u>	7
<u>Director-Nominee Key Facts</u>	8
<u>Executive Compensation Highlights</u>	9
<u>Corporate Responsibility</u>	10
<u>Commitment to Our Customers, Communities and Employees</u>	11
<u>About Our Annual Meeting</u>	12
<u>Voting</u>	13
<u>Proposal 1. Election of Our Board of Directors</u>	17
<u>Background</u>	17
<u>Voting</u>	17
<u>Current Directors and Nominees for Election at Our Annual Meeting</u>	18
<u>Biographical Information Concerning Director-Nominees</u>	18
<u>Criteria and Considerations for Recommending Director-Nominees</u>	25
<u>Security Ownership of Directors and Executive Officers</u>	26
<u>Executive Officers</u>	27
<u>Corporate Governance</u>	29
<u>Principles</u>	29
<u>Board Structure and Responsibility</u>	29
<u>Corporate Governance Highlights</u>	29
<u>Unified Board Leadership Structure</u>	33
<u>Board Committees</u>	35
<u>CEO and Management Succession Planning</u>	36
<u>Board Succession and Refreshment</u>	37
<u>Code of Conduct/ Code of Ethics</u>	37
<u>Oversight of Risk</u>	38
<u>F.N.B. Commitment to Corporate Social and Environmental Responsibility</u>	41
<u>Personal, Family and Affiliated Entity Relationships of F.N.B. Director-Nominees</u>	42
<u>Executive Sessions of Our Board</u>	44

<u>Director Stock Ownership Requirement</u>	44
<u>Communications with Our Board</u>	44
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	44
<u>Security Ownership of Certain Beneficial Owners</u>	45
<u>Related Person Transactions</u>	46
<u>Executive Compensation and Other Proxy Disclosure</u>	47
<u>Compensation Committee Interlocks and Insider Participation</u>	47

Table of Contents**Table of Contents**

<u>Compensation Discussion and Analysis</u>	48
<u>Executive Summary</u>	48
<u>Say-on-Pay Support and Investor Engagement</u>	49
<u>Summary of 2018 Executive Compensation Actions</u>	50
<u>Long-Term Incentive Plan</u>	51
<u>Target Pay Mix</u>	52
<u>Key Compensation Governance Highlights</u>	53
<u>Compensation Determination Process</u>	53
<u>Compensation Philosophy and Objectives</u>	55
<u>Elements of Compensation</u>	56
<u>Additional Compensation Policies and Practices</u>	61
<u>Compensation Committee Report</u>	63
<u>2018 Summary Compensation Table</u>	64
<u>2018 Grants of Plan-Based Awards</u>	67
<u>2018 Outstanding Equity Awards at Fiscal Year-End</u>	68
<u>2018 Option Exercises and Stock Vested</u>	69
<u>2018 Pension Benefits</u>	69
<u>Retirement Income Plan</u>	69
<u>ERISA Excess Retirement Plan</u>	70
<u>Basic Retirement Plan</u>	70
<u>2018 Non-Qualified Deferred Compensation</u>	71
<u>2018 Potential Payments Upon Termination or Change in Control</u>	71
<u>2018 Potential Payments Upon Termination or Change in Control (Delie)</u>	72
<u>2018 Potential Payments Upon Termination or Change in Control (Calabrese)</u>	73
<u>2018 Potential Payments Upon Termination or Change in Control (Guerrieri)</u>	74
<u>2018 Potential Payments Upon Termination or Change in Control (Moorehead)</u>	75
<u>2018 Potential Payments Upon Termination or Change in Control (Robinson)</u>	76
<u>CEO Pay Ratio Disclosure</u>	78
<u>Compensation Risk Management</u>	78
<u>2018 Director Compensation</u>	80
<u>Annual Board/Committee Retainer Fees</u>	81
<u>Annual Grant of Stock Awards</u>	81
<u>Proposal 2. Advisory Resolution on Executive Compensation</u>	82
<u>Why You Should Approve Our Executive Compensation Program</u>	82
<u>Proposal 3. Proposal to Ratify the Appointment of Ernst & Young LLP as F.N.B.'s Independent Registered Public Accounting Firm for 2019</u>	85
<u>Report of Audit Committee</u>	86
<u>Audit and Non-Audit Fees</u>	87
<u>Audit and Non-Audit Services Pre-Approval Policy</u>	87

<u>Shareholder Proposals and Nominations for the 2020 Annual Meeting</u>	88
<u>SEC Rule 14a-8</u>	88
<u>Advance Notice Requirements Under Our Bylaws</u>	88
<u>Other Matters</u>	89
<u>Householding of Proxy Materials</u>	89
<u>Electronic Delivery of Proxy Materials</u>	89
<u>Annex A (Non-GAAP To GAAP Reconciliations)</u>	A-1

Table of Contents

Proxy Statement

One North Shore Center

12 Federal Street

Pittsburgh, PA 15212

Proxy Statement

Our proxy statement contains information relative to our Annual Meeting of Shareholders to be held on Wednesday, May 15, 2019, beginning at 8:30 AM, Eastern Time (ET), in the Great Room at The Regional Learning Alliance located at 850 Cranberry Woods Drive, Cranberry Township, Pennsylvania 16066 (Annual Meeting). This proxy statement also relates to any adjournment of our Annual Meeting. This proxy statement was prepared under the direction of the F.N.B. Corporation Board of Directors to solicit your proxy for use at the Annual Meeting. On March 29, 2019, we commenced the distribution of our proxy statement and the accompanying proxy card to our shareholders of record as of March 6, 2019. We will bear all costs of preparing and distributing our proxy materials to our shareholders. We will, upon request, reimburse brokers, nominees, fiduciaries, custodians and other record holders for their reasonable expenses in forwarding our proxy materials to beneficial owners.

We use the following terms in this proxy statement:

We, us, our, F.N.B., Company, or Corporation means F.N.B. Corporation and its subsidiaries and affiliates

Board means the joint F.N.B. Corporation and First National Bank of Pennsylvania Boards of Directors;

FNBPA or Bank means First National Bank of Pennsylvania;

F.N.B. Capital means F.N.B. Capital Corporation, LLC; and

CEO means Chief Executive Officer.

Table of Contents

Summary

SUMMARY

F.N.B.'s 2018 financial performance and capital returns highlighted below demonstrate that it is uniquely well-positioned to drive further valuation and fundamental performance.

2018 Financial Highlights*

Record Net Income: We reported net income available to common shareholders of \$364.8 million, an increase of 91% compared to 2017.

Record Total Revenue: Total Revenue was \$1.2 billion for 2018, an increase of 10% compared to full year 2017.

Record Total Assets: We had total assets of \$33.1 billion as of December 31, 2018, an increase of 5.4% from December 31, 2017.

Record Total Loans: Total loans were \$22.2 billion as of December 31, 2018, an increase of 5.5% from December 31, 2017.

Record Total Deposits: Total deposits were \$23.5 billion as of December 31, 2018, an increase of 4.7% from December 31, 2017.

Continued Effective Management of Expenses: Continued to diligently manage expenses and generate positive operating leverage with an Efficiency Ratio of 54.8%.

Prudent De-Risking Strategy: We successfully completed the sale of Regency Finance Company, which provided us with proceeds of approximately \$140 million and a pre-tax gain of more than \$5 million in the third quarter of 2018, while improving our long-term risk profile.

Peer-Leading Operating Return on Average Tangible Common Equity (ROATCE): Once again delivered peer-leading operating returns of 18.5% for 2018.

Operating Earnings Per Diluted Common Share (Operating EPS): We delivered 2018 Operating EPS of \$1.13 driven by total average loan growth of 10.6% and total average deposit growth of 11.6%, resulting in a year-end loan-to-deposit ratio at 94.4%.

Increased Non-Interest Income: Non-interest income increased more than 9% from 2017 as we continued to expand our fee-based businesses across our footprint, specifically capital markets, mortgage banking and wealth management. Capital markets, which includes businesses built from the ground up, grew 29%.

Increased Tangible Book Value: We grew tangible book value per common share 10% in 2018, while paying out 43% of earnings to shareholders in 2018. Our dividend yield remains in the top quartile of peer banks.

Strong Capital Management: The ratio of tangible common equity to tangible assets grew from 6.74% at December 31, 2017, to 7.05% at December 31, 2018.

Since the 2008 financial crisis and the onset of the Great Recession, F.N.B. has produced positive operating leverage, controlled expenses and is positioned to generate long-term profitable growth.

- * Non-GAAP measures are used by management to measure performance in operating the business that management believes enhances investors' ability to better understand the underlying business performance and trends related to core business activities. In this proxy statement, the following are references to non-GAAP measures: operating net income available to common shareholders; operating earnings per diluted common share (Operating EPS); tangible book value per common share; operating return on average tangible common equity (ROATCE); Efficiency Ratio; return on average tangible common equity; tangible common equity to tangible assets; and operating return on average tangible assets (ROATA). Please refer to Annex A (Non-GAAP to GAAP Reconciliations) to this proxy statement, where we include information to reconcile the non-GAAP measures to GAAP.

2 F.N.B. Corporation

Table of Contents

Summary

Record Total Revenue and Net Income

Operating Earnings Per Diluted Common Share

15% CAGR

Total Revenue and Operating Net Income Available to Common Shareholders (millions)

14% and 31% CAGRs, Respectively

Continued Execution of Organic Growth Objectives

Total Assets (Billions)

16% CAGR

Total Loans and Deposits (Billions)

16% CAGRs

Peer-Leading Profitability Metrics

Table of Contents

Summary