



NYSE: FCF



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1Q 2022 Earnings Release Webcast Presentation  
April 27, 2022

# FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements about First Commonwealth's future plans, strategies and financial performance. These statements can be identified by the fact that they do not relate strictly to historical or current facts and often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may." Such statements are based on assumptions and involve risks and uncertainties, including uncertainties regarding the impact of the COVID-19 pandemic, many of which are beyond our control. Factors that could cause actual results, performance or achievements to differ from those discussed in the forward-looking statements include, but are not limited to:

- *The effects of the COVID-19 pandemic on First Commonwealth and its customers;*
- *volatility and disruption in national and international financial markets;*
- *the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board;*
- *inflation, interest rate, commodity price, securities market and monetary fluctuations;*
- *the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which First Commonwealth must comply;*
- *the soundness of other financial institutions;*
- *political instability;*
- *impairment of First Commonwealth's goodwill or other intangible assets;*
- *acts of God or of war or terrorism;*
- *the timely development and acceptance of new products and services and perceived overall value of these products and services by users;*
- *changes in consumer spending, borrowings and savings habits;*
- *changes in the financial performance and/or condition of First Commonwealth's borrowers;*
- *technological changes;*
- *acquisitions and integration of acquired businesses;*
- *First Commonwealth's ability to attract and retain qualified employees;*
- *changes in the competitive environment in First Commonwealth's markets and among banking organizations and other financial service providers;*
- *the ability to increase market share and control expenses;*
- *the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;*
- *the reliability of First Commonwealth's vendors, internal control systems or information systems;*
- *the costs and effects of legal and regulatory developments, the resolution of legal proceedings or regulatory or other governmental inquiries, the results of regulatory examinations or reviews and the ability to obtain required regulatory approvals; and*
- *other risks and uncertainties described in the reports that First Commonwealth files with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K.*

Further, statements about the potential effects of the COVID-19 pandemic on our business, financial condition, liquidity and results of operations may constitute forward-looking statements and are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, clients, third parties and us.

Forward-looking statements speak only as of the date on which they are made. First Commonwealth undertakes no obligation to update any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

## FIRST QUARTER 2022 HIGHLIGHTS

### Highlights

**\$36.5 million**

Core Pre-tax pre-provision  
income<sup>(1)</sup>

**1.55%**

Core PTPP ROAA<sup>(1)</sup>

**59.5%**

Core efficiency ratio

**1.35%**

Reserve coverage ratio (excl. PPP)

**\$257.5 million**

Excess capital<sup>(2)</sup>

**8.1%**

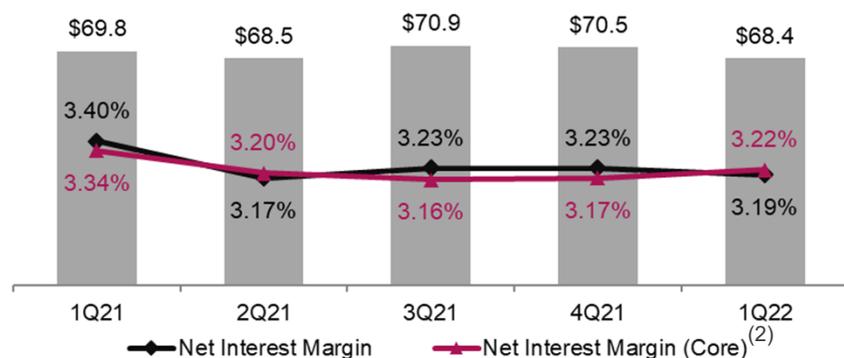
TCE ratio (excl. PPP)

### Diversified balance sheet and revenue streams continue to improve the earnings power of the company

- Total loans (excl. PPP) grew \$147.2 million, or 8.8% annualized from the previous quarter
  - Growth during the quarter was driven by consumer categories
- Despite seasonal headwinds, another strong quarter for fee income businesses
  - Card-related interchange income of \$6.5 million
  - Trust, advisory and insurance revenue of \$5.0 million
  - Mortgage gain on sale income of \$1.3 million
  - SBA gain on sale income of \$2.2 million
- Core net interest margin expanded 5bps to 3.22% from the previous quarter
- Named to Forbes “World Best Banks” for the fourth consecutive year

## NET INTEREST INCOME AND NET INTEREST MARGIN

### Net Interest Income<sup>(1)</sup>



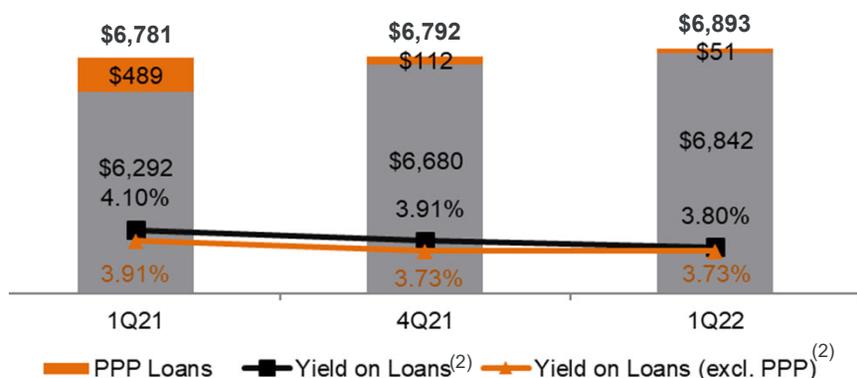
### Yield/Cost Trends<sup>(1)</sup>



- Net interest income (FTE) of \$68.4 million decreased by \$2.1 million from LQ
  - \$2.3 million decrease in fees and interest on PPP loans from LQ
  - Approximately \$42.4 million of PPP loans were forgiven
- Net interest margin of 3.19% decreased 4bps from LQ
  - Core NIM<sup>(2)</sup> (which excludes the effects of PPP loans and excess cash) increased by 5bps to 3.22%
  - Eight bps increase in yield on investment securities
- Approximately \$3.5 billion, or 51%, of the \$7.0 billion loan portfolio is variable
  - Of the variable portion, \$1.6 billion, or 45.3%, are subject to “in the money” floors (with a weighted average rate and weighted average floor of 3.63% and 3.38%, respectively)

# LOANS

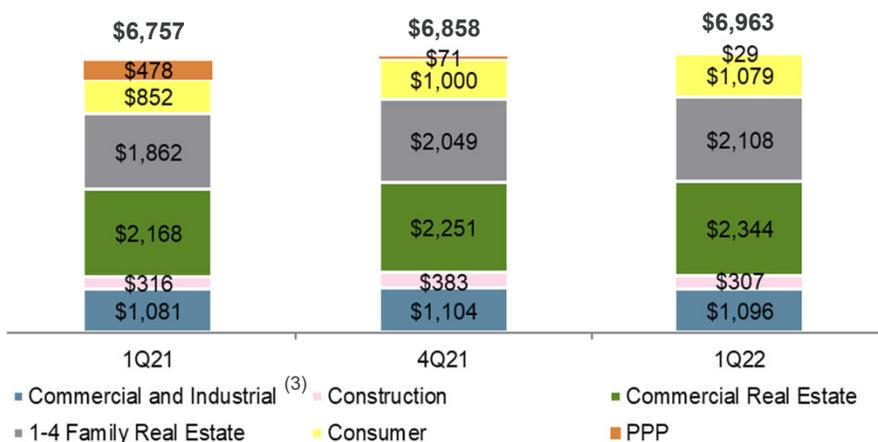
## Average Loans<sup>(1)</sup>



## Average

- Average loans increased \$101.7 million from LQ
  - Excluding PPP loans, average loans increased \$162.1 million from LQ, or 9.8% annualized
- The yield on loans was unchanged from LQ (excluding PPP loans)

## Period-end Loans<sup>(1)</sup>



## Period-end

- Total loans<sup>(1)</sup> (excluding PPP loans) increased \$147.2 million the previous quarter, or 8.8% annualized
  - Consumer loans grew \$79 million from LQ
  - CRE loans grew \$93 million from LQ



\$ in millions

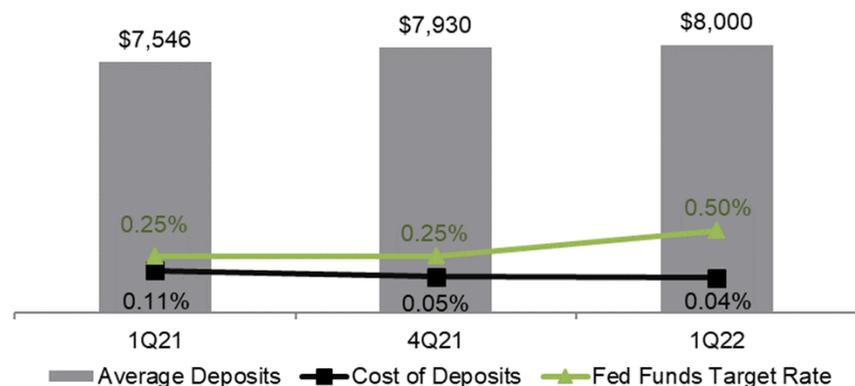
(1) Includes loans held for sale

(2) Taxable equivalent yield

(3) Includes \$2.5 million of Equipment Finance Loans in 1Q 2022

## DEPOSITS

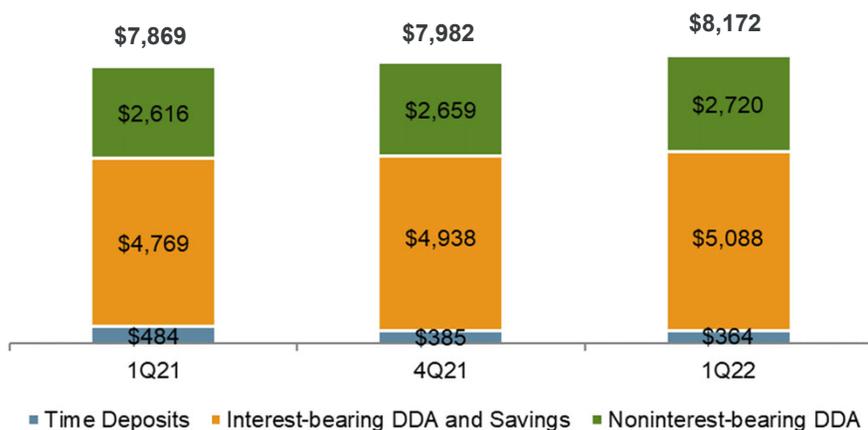
### Average Deposits



### Average

- Average deposits increased \$69.9 million, or 3.6% annualized from LQ
- Average interest-bearing demand and savings deposits increased \$98.1 million, partially offset by a \$21.0 million decrease in time deposits
- The total cost of deposits decreased 1bps from LQ to 0.04%

### Period-end Deposits



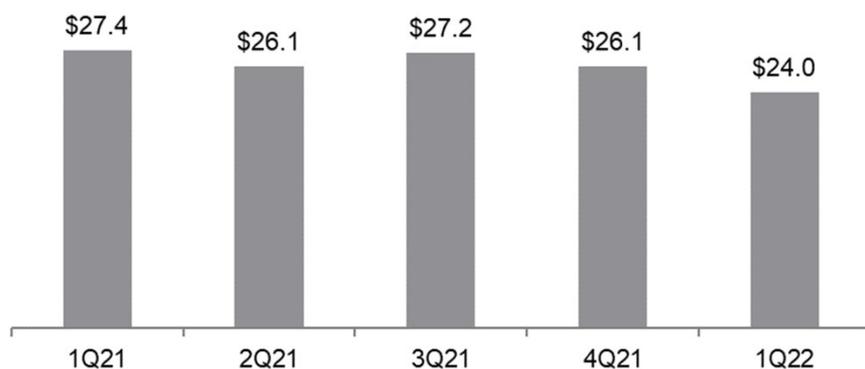
### Period-end

- Total period-end deposits increased \$189.3 million, or 9.6% annualized from LQ
- Noninterest-bearing deposits currently comprise 33.3% of total deposits

\$ in millions

## NONINTEREST INCOME

	1Q22	4Q21	1Q21	Change from	
				4Q21	1Q21
Interchange	\$6.5	\$7.1	\$6.4	(\$0.6)	\$0.1
Service charges	4.6	4.9	4.0	(0.3)	0.6
Trust	2.7	2.8	2.5	(0.1)	0.2
Retail brokerage	1.2	1.2	1.1	0.0	0.1
Insurance	1.1	1.0	1.1	0.1	0.0
BOLI	1.5	1.5	2.0	0.0	(0.5)
Gain on sale of mortgage loans	1.3	2.0	5.0	(0.7)	(3.7)
Gain on sale of SBA loans	2.2	1.7	1.1	0.5	1.1
Gain on sale of other loans	0.0	0.0	0.4	0.0	(0.4)
Gain on sale of Assets	0.2	0.2	0.2	0.0	0.0
SWAP fees	0.5	0.8	0.1	(0.3)	0.4
Other fees	1.9	1.9	2.1	(0.0)	(0.2)
<b>Total fee income</b>	<b>\$23.7</b>	<b>\$25.1</b>	<b>\$26.0</b>	<b>(\$1.4)</b>	<b>(\$2.3)</b>
Gain on sale of securities	0.0	0.0	0.0	0.0	0.0
Derivative mark-to-market	0.3	1.0	1.4	(0.7)	(1.1)
<b>Total noninterest income</b>	<b>\$24.0</b>	<b>\$26.1</b>	<b>\$27.4</b>	<b>(\$2.1)</b>	<b>(\$3.4)</b>

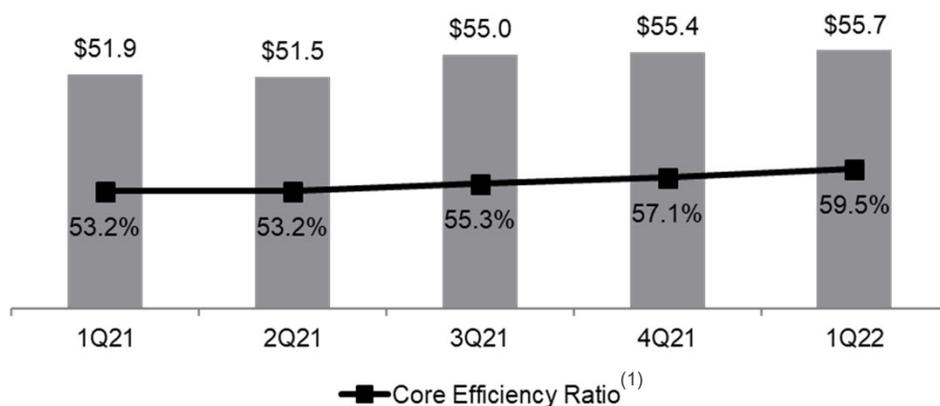


- Total noninterest income decreased \$2.1 million from LQ and decreased \$3.4 million YoY
- Gain on sale of mortgage loans decreased \$0.7 million from LQ and decreased \$3.7 million YoY
  - 1Q22 mortgage originations of \$132 million decreased \$31 million from LQ and decreased \$83 million YoY
- Interchange income decreased \$0.6 million from LQ
- Gain on sale of SBA loans increased \$0.5 million to LQ and increased \$1.1 million YoY
- Derivative mark-to-market was \$0.3 million, a \$0.7 million decrease from LQ
- Fee income represented 25.8% of total operating revenue<sup>(1)</sup>

## NONINTEREST EXPENSE

	1Q22	4Q21	1Q21	Change from	
				4Q21	1Q21
Salaries and benefits	\$30.9	\$31.4	\$28.7	(\$0.5)	\$2.2
Occupancy	4.8	4.0	4.8	0.8	0.0
Furniture and equipment	3.7	3.8	3.9	(0.1)	(0.2)
PA shares tax	1.2	1.3	0.8	(0.1)	0.4
Data processing	3.2	2.9	3.1	0.3	0.1
Professional fees	1.2	1.4	0.8	(0.2)	0.4
FDIC insurance	0.7	0.6	0.7	0.1	0.0
Operational losses	0.6	0.7	0.5	(0.1)	0.1
Loss on sale or write-down of assets	0.1	0.1	0.0	0.0	0.1
Other operating expenses	8.3	8.4	7.7	(0.1)	0.6
<b>Total operating expense</b>	<b>\$54.7</b>	<b>\$54.6</b>	<b>\$51.0</b>	<b>\$0.1</b>	<b>\$3.7</b>
Unfunded commitments	0.0	0.0	0.0	0.0	0.0
Intangible amortization	0.9	0.9	0.9	0.0	0.0
Covid-19 expenses	0.0	0.0	0.0	0.0	0.0
Early Retirement	0.0	0.0	0.0	0.0	0.0
Branch Consolidation	0.1	(0.1)	0.0	0.2	0.1
<b>Total noninterest expense</b>	<b>\$55.7</b>	<b>\$55.4</b>	<b>\$51.9</b>	<b>\$0.3</b>	<b>\$3.8</b>

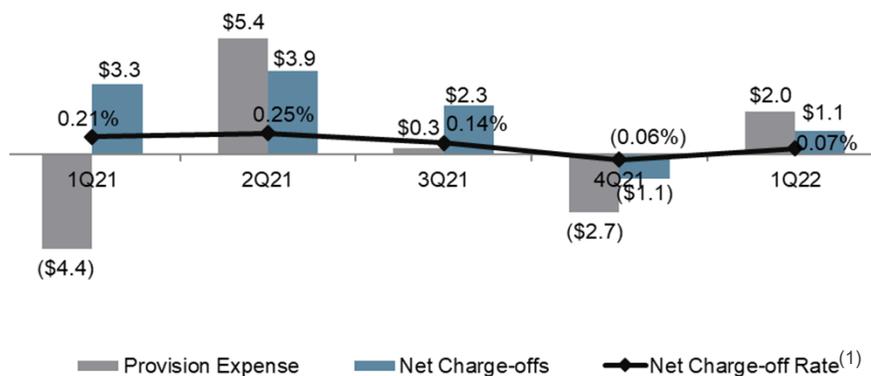
- Noninterest expense increased \$0.3 million to LQ and increased \$3.8 million YoY
- Salaries and benefits decreased by \$0.5 million to LQ and decreased \$2.2 million YoY
- Occupancy expense increased \$0.8 million due to seasonally higher snow removal expense
- FTEs of 1,432 was an increase of 6 compared to LQ



(1) Please refer to the appendix for disclosures regarding non-GAAP measures

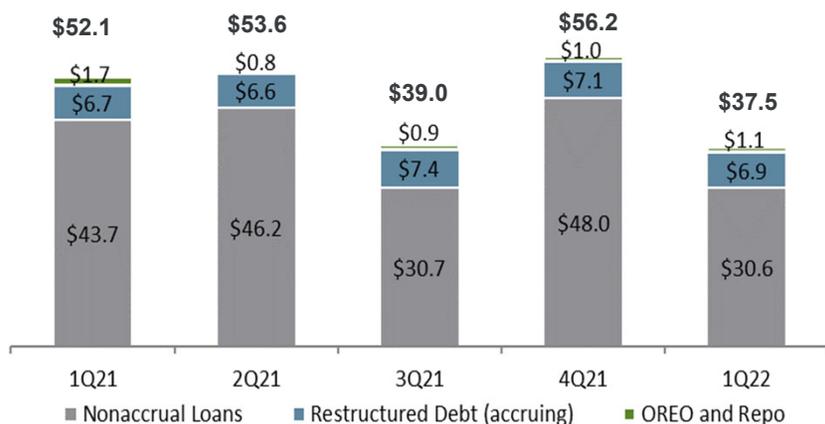
## CREDIT QUALITY

### Provision Expense and Net Charge-offs



- Provision expense of \$2.0 million increased \$4.7 million from LQ and decreased \$10.4 million YoY. The primary drivers include:
  - (\$1.1) million in net charge-offs
  - Unfunded commitment provision was \$2.2 million due to construction loan commitments

### Nonperforming Assets

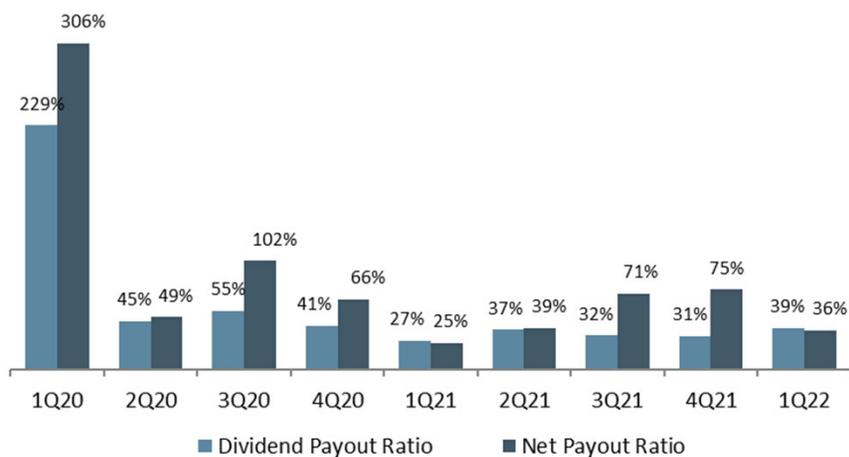


- The allowance for credit losses as a percentage of end-of-period loans (excluding PPP loans) was 1.32% compared to 1.37% in the previous quarter
- Nonperforming assets of \$38.5 million decreased \$17.7 million from LQ

(1) Net charge-offs as a percentage of period-to-date average loans (excluding PPP), annualized

# CAPITAL RETURN

## Payout Ratios



- Strong capital levels allow us to continue to return capital to shareholders
- There were no shares repurchased during the first quarter
- \$20.0 million of repurchase authority remains under the current share repurchase program

# APPENDIX

## NON-GAAP MEASURES

<b>Operating Revenue</b>	<b>1Q22</b>	<b>4Q21</b>	<b>3Q21</b>	<b>2Q21</b>	<b>1Q21</b>
Net Interest Income	\$68.2	\$70.2	\$70.6	\$68.2	\$69.4
Tax equivalent adjustment	0.2	0.3	0.3	0.3	0.3
Net Interest Income (FTE)	68.4	70.5	70.9	68.5	69.7
Noninterest Income (Reported)	24.0	26.1	27.2	26.1	27.4
Less: Realized gains / (losses) on securities	0.0	0.0	0.0	0.0	0.0
Less: Derivative mark-to-market	0.4	1.0	0.2	(0.2)	1.4
Total Noninterest Income (Operating)	\$23.6	\$25.1	\$27.0	\$26.3	\$26.0
Total Operating Revenue	\$92.0	\$95.6	\$97.9	\$94.8	\$95.7
Average Assets	9,525	9,487	9,503	9,452	9,130
<b>Operating Revenue / Average Assets (%)</b>	<b>3.86%</b>	<b>4.03%</b>	<b>4.12%</b>	<b>4.01%</b>	<b>4.19%</b>
<b>Operating Expense</b>	<b>1Q22</b>	<b>4Q21</b>	<b>3Q21</b>	<b>2Q21</b>	<b>1Q21</b>
Noninterest Expense	\$55.7	\$55.4	\$55.0	\$51.5	\$51.9
Less: Unfunded commitment reserve	0.0	0.0	0.0	0.0	0.0
Less: Intangible amortization	0.9	0.9	0.9	0.8	0.9
Less: COVID-19	0.0	0.0	0.0	0.2	0.1
Less: Early Retirement	0.0	0.0	0.0	0.0	0.0
Less: Branch Consolidation	0.1	(0.1)	0.0	0.0	0.0
Less: Merger and acquisition related	0.0	0.0	0.0	0.0	0.0
Total Operating Expense	\$54.7	\$54.6	\$54.1	\$50.5	\$50.9
Average Assets	9,525	9,487	9,503	9,452	9,130
<b>Operating Expense / Average Assets (%)</b>	<b>2.30%</b>	<b>2.30%</b>	<b>2.28%</b>	<b>2.14%</b>	<b>2.23%</b>
<b>Core Efficiency Ratio<sup>(1)</sup></b>	<b>59.5%</b>	<b>57.1%</b>	<b>55.3%</b>	<b>53.2%</b>	<b>53.2%</b>
<b>Core Pre-tax Pre-Provision Net Income (Reported)</b>	<b>\$36.5</b>	<b>\$40.9</b>	<b>\$42.9</b>	<b>\$42.9</b>	<b>\$45.0</b>
Average Diluted Shares Outstanding	94.3	95.0	95.9	96.2	96.2
Core Pre-tax Pre-Provision Net Income per share	\$0.39	\$0.43	\$0.45	\$0.45	\$0.47
Average Assets	\$9,525	\$9,487	\$9,503	\$9,452	\$9,130
Core Pre-tax Pre-Provision Income / Average Assets (%)	1.55%	1.71%	1.79%	1.82%	2.00%

\$ in millions

(1) Core Efficiency Ratio is calculated as Operating Expense as a percentage of Operating Revenue

## NON-GAAP MEASURES

Core Earnings per Share	1Q22	4Q21	3Q21	2Q21	1Q21
Net Income (GAAP) <i>(after tax)</i>	\$27.7	\$34.8	\$34.1	\$29.6	\$39.8
Less: Covid-19 related <i>(after tax)</i>	0.0	0.0	0.0	0.2	0.1
Less: Merger and acquisition related <i>(after tax)</i>	0.0	0.0	0.0	0.0	0.0
Less: Early Retirement <i>(after tax)</i>	0.0	0.0	0.0	0.0	0.0
Less: Branch Consolidation <i>(after tax)</i>	0.1	(0.1)	0.0	0.0	0.0
<b>Core Net Income (Non-GAAP)</b>	<b>\$27.8</b>	<b>\$34.7</b>	<b>\$34.1</b>	<b>\$29.8</b>	<b>\$39.9</b>
Average Diluted Shares Outstanding	94.3	95.0	95.9	96.2	96.2
<b>Core Earnings per Share (Non-GAAP)</b>	<b>\$0.29</b>	<b>\$0.37</b>	<b>\$0.36</b>	<b>\$0.31</b>	<b>\$0.41</b>
Core Return on Average Assets (%)	1Q22	4Q21	3Q21	2Q21	1Q21
Net Income (GAAP)	\$27.7	\$34.8	\$34.1	\$29.6	\$39.8
Less: Covid-19 related <i>(after tax)</i>	0.0	0.0	0.0	0.2	0.1
Less: Merger and acquisition related <i>(after tax)</i>	0.0	0.0	0.0	0.0	0.0
Less: Early Retirement <i>(after tax)</i>	0.0	0.0	0.0	0.0	0.0
Less: Branch Consolidation <i>(after tax)</i>	0.1	(0.1)	0.0	0.0	0.0
<b>Core Net Income (Non-GAAP)</b>	<b>\$27.8</b>	<b>\$34.7</b>	<b>\$34.1</b>	<b>\$29.8</b>	<b>\$39.9</b>
Average Assets	9,525	9,487	9,503	9,452	9,130
<b>Core Return on Average Assets (Non-GAAP)</b>	<b>1.18%</b>	<b>1.45%</b>	<b>1.43%</b>	<b>1.26%</b>	<b>1.77%</b>
<b>Core Pre-tax Pre-Provision Net Income</b>	<b>\$36.5</b>	<b>\$40.9</b>	<b>\$42.9</b>	<b>\$42.9</b>	<b>\$45.0</b>
<b>Core Pre-tax Pre-Provision Income / Average Assets (%)</b>	<b>1.56%</b>	<b>1.71%</b>	<b>1.79%</b>	<b>1.82%</b>	<b>2.00%</b>

\$ in millions, except per share data



Note: Management believes that it is standard practice in the banking industry to present these non-GAAP measures. These measures provide useful information to management and investors by allowing them to make peer comparisons.

## NON-GAAP MEASURES

Return on Average Tangible Common Equity (%)	1Q22	4Q21	3Q21	2Q21	1Q21
Average Equity	\$1,107	\$1,117	\$1,114	\$1,098	\$1,076
Less: Average intangible assets	314	315	316	316	316
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	\$793	\$802	\$798	\$782	\$760
Net Income (GAAP)	\$27.7	\$34.8	\$34.1	\$29.6	\$39.8
Less: Intangible amortization ( <i>after tax</i> )	0.7	0.7	0.7	0.6	0.7
Net Income Adjusted for Intangible Amortization (Non-GAAP)	\$28.4	\$35.5	\$34.8	\$30.2	\$40.5
<b>Return on Average Tangible Common Equity</b>	<b>14.5%</b>	<b>17.6%</b>	<b>17.3%</b>	<b>15.5%</b>	<b>21.6%</b>
Core Return on Average Tangible Common Equity (%)	1Q22	4Q21	3Q21	2Q21	1Q21
Average Equity	\$1,107	\$1,117	\$1,114	\$1,098	\$1,076
Less: Average intangible assets	314	315	316	316	316
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	\$793	\$802	\$798	\$782	\$760
Net Income (GAAP)	\$27.7	\$34.8	\$34.1	\$29.6	\$39.8
Less: Covid-19 related ( <i>after tax</i> )	0.0	0.0	0.0	0.2	0.1
Less: Merger and acquisition related ( <i>after tax</i> )	0.0	0.0	0.0	0.0	0.0
Less: Early Retirement ( <i>after tax</i> )	0.0	0.0	0.0	0.0	0.0
Less: Branch Consolidation ( <i>after tax</i> )	0.1	(0.1)	0.0	0.0	0.0
Core Net Income (Non-GAAP)	\$27.8	\$34.7	\$34.1	\$29.8	\$39.9
Less: Intangible amortization ( <i>after tax</i> )	0.7	0.7	0.7	0.6	0.7
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	\$28.5	\$35.4	\$34.8	\$30.4	\$40.6
<b>Core Return on Average Tangible Common Equity</b>	<b>14.6%</b>	<b>17.6%</b>	<b>17.3%</b>	<b>15.6%</b>	<b>21.6%</b>

\$ in millions



Note: Management believes that it is standard practice in the banking industry to present these non-GAAP measures. These measures provide useful information to management and investors by allowing them to make peer comparisons.

## NON-GAAP MEASURES

<b>Core Net Interest Margin (%)</b>	<b>1Q22</b>	<b>4Q21</b>	<b>3Q21</b>	<b>2Q21</b>	<b>1Q21</b>
Net Interest Income (FTE)	\$68.4	\$70.5	\$70.9	\$68.5	\$69.7
Less: Income from Paycheck Protection Program Loans	(1.8)	(4.1)	(5.7)	(5.5)	(7.9)
Less: Income from excess cash	0.0	0.0	(0.2)	(0.1)	(0.1)
<b>Core Net Interest Income (FTE)</b>	<b>\$66.6</b>	<b>\$66.4</b>	<b>\$65.0</b>	<b>\$62.9</b>	<b>\$61.7</b>
Average Interest Earning Assets	\$8,703	\$8,671	\$8,701	\$8,658	\$8,311
Less: Paycheck Protection Program Loans	(51)	(112)	(225)	(430)	(489)
Less: Excess cash	(278)	(241)	(317)	(352)	(329)
<b>Core Average Interest Earning Assets</b>	<b>\$8,374</b>	<b>\$8,318</b>	<b>\$8,159</b>	<b>\$7,876</b>	<b>\$7,493</b>
<b>Core Net Interest Margin (Non-GAAP)</b>	<b>3.22%</b>	<b>3.17%</b>	<b>3.16%</b>	<b>3.20%</b>	<b>3.34%</b>
<b>Tangible Common Equity / Tangible Assets</b> (Tangible Common Equity Ratio)	<b>1Q22</b>	<b>4Q21</b>	<b>3Q21</b>	<b>2Q21</b>	<b>1Q21</b>
Total Equity	\$1,068	\$1,109	\$1,113	\$1,106	\$1,087
Less: Intangible assets	314	315	315	315	316
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	\$754	\$794	\$798	\$791	\$771
Total Assets	\$9,642	\$9,545	\$9,478	\$9,402	\$9,417
Less: Intangible assets	314	315	315	315	316
Tangible Assets	\$9,328	\$9,230	\$9,163	\$9,087	\$9,101
<b>Tangible Common Equity / Tangible Assets</b>	<b>8.1%</b>	<b>8.6%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.5%</b>
Tangible Assets	\$9,328	\$9,230	\$9,163	\$9,087	\$9,101
Paycheck Protection Loans	28	71	152	292	479
Tangible Assets (excl. PPP)	\$9,300	\$9,159	\$9,011	\$8,795	\$8,622
<b>Tangible Common Equity / Tangible Assets (excl. PPP)</b>	<b>8.1%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>9.0%</b>	<b>8.9%</b>

\$ in millions



Note: Management believes that it is standard practice in the banking industry to present these non-GAAP measures. These measures provide useful information to management and investors by allowing them to make peer comparisons.