

NYSE: FCF

Supplemental Financial Information

First Quarter 2015

April 29, 2015

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, 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:

- *Local, regional, national and international economic conditions and the impact they may have 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.*

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.

1Q 2015 Highlights

	1Q15	4Q14	1Q14	Change from 4Q14	Change from 1Q14
Net interest income[1]	$48.0	$47.0	$46.5	*$1.0*	*$1.5*
Provision for credit losses	1.2	2.6	3.2	*(1.4)*	*(2.0)*
Fee revenue	13.9	13.3	13.3	*0.6*	*0.6*
Gain on sale of securities	0.1	0.5	0.0	*(0.4)*	*0.1*
Gain on sale of assets	0.2	0.1	1.6	*0.1*	*(1.4)*
Operating expense[2]	38.6	39.1	37.8	*(0.5)*	*0.8*
Other expense[2]	1.3	8.3	2.1	*(7.0)*	*(0.8)*
Income taxes[1]	6.9	3.2	6.0	*3.7*	*0.9*
Net income	**14.2**	**7.7**	**12.3**	***6.5***	***1.9***
Reported EPS	$0.16	$0.08	$0.13	*$0.08*	*$0.03*
Operating EPS[2]	$0.16	$0.13	$0.14	*$0.03*	*$0.02*
Return on average assets	0.91%	0.48%	0.80%	*0.43%*	*0.11%*
Return on average equity	8.03%	4.26%	6.97%	*3.77%*	*1.06%*
Efficiency ratio[3]	64.20%	78.45%	64.98%	*(14.25%)*	*(0.78%)*
Net interest margin[1]	3.35%	3.22%	3.33%	*0.13%*	*0.02%*

- Net income of $14.2 million increased by $6.5 million compared to linked quarter (LQ) and $1.9 million year-over-year (YoY)
- Operating[2] earnings per share of $0.16 increased by $0.03 to LQ and $0.02 YoY
- Maintained positive operating leverage LQ and YoY in that revenue growth outstripped growth in expenses
- Excluding a one-time special FHLB dividend, net interest income was unchanged from LQ (despite fewer days in the quarter) and up YoY
- YoY net interest income benefited from a $160 million, or 2.8%, increase in earning assets and a 9bp decrease in funding costs
- Fee revenue grew $1.0 million over LQ, driven by increases in insurance and wealth management services

(1) Taxable equivalent
(2) Please refer to pages 12 and 13 for disclosures regarding non-GAAP measures
(3) Efficiency ratio is calculated as noninterest expense as a percentage of net interest income, on a fully taxable equivalent basis, and total noninterest income, excluding net securities gains and losses

$ in millions, except per share data

Balance Sheet

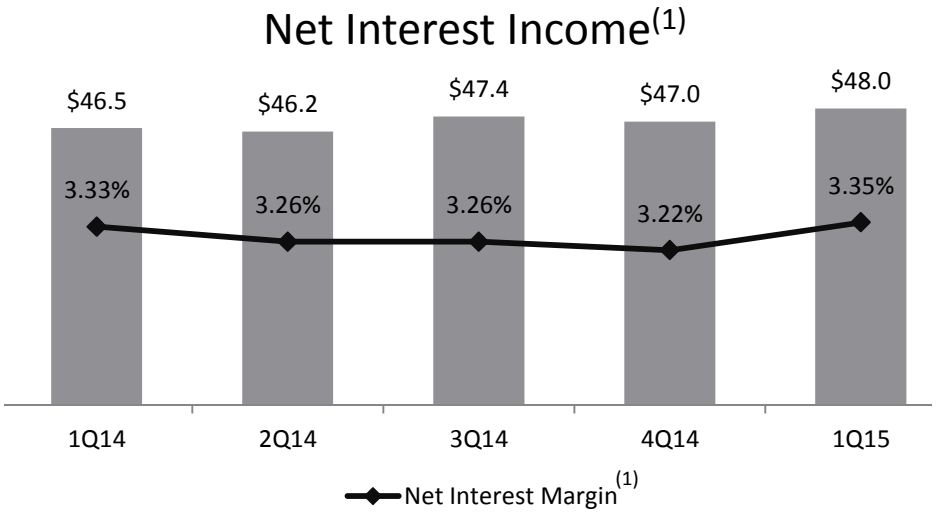
Period-end Balances	1Q15	4Q14	1Q14	Change from 4Q14	Change from 1Q14
Cash & securities	$1,412	$1,429	$1,477	*($17)*	*($65)*
Loans held for sale	6	3	0	*3*	*6*
Commercial loans	2,575	2,578	2,403	*(3)*	*172*
Consumer loans	1,863	1,879	1,849	*(16)*	*14*
Allowance for credit losses	(47)	(52)	(55)	*5*	*8*
OREO	7	7	10	*0*	*(3)*
Goodwill & intangibles	163	163	161	*0*	*2*
Other	353	353	364	*0*	*(11)*
Total Assets	**$6,332**	**$6,360**	**$6,209**	***($28)***	***$123***
Noninterest Bearing DDA	$1,040	$989	$967	*$51*	*$73*
Interest Bearing Savings & DDA	2,536	2,484	2,566	*52*	*(30)*
Time Deposits	643	692	824	*(49)*	*(181)*
Brokered Deposits	75	150	291	*(75)*	*(216)*
Short-term Borrowings	1,126	1,106	573	*20*	*553*
Long-term Debt	136	162	216	*(26)*	*(80)*
Other	63	61	55	*2*	*8*
Equity	713	716	717	*(3)*	*(4)*
Total Liabilities & Equity	**$6,332**	**$6,360**	**$6,209**	***($28)***	***$123***

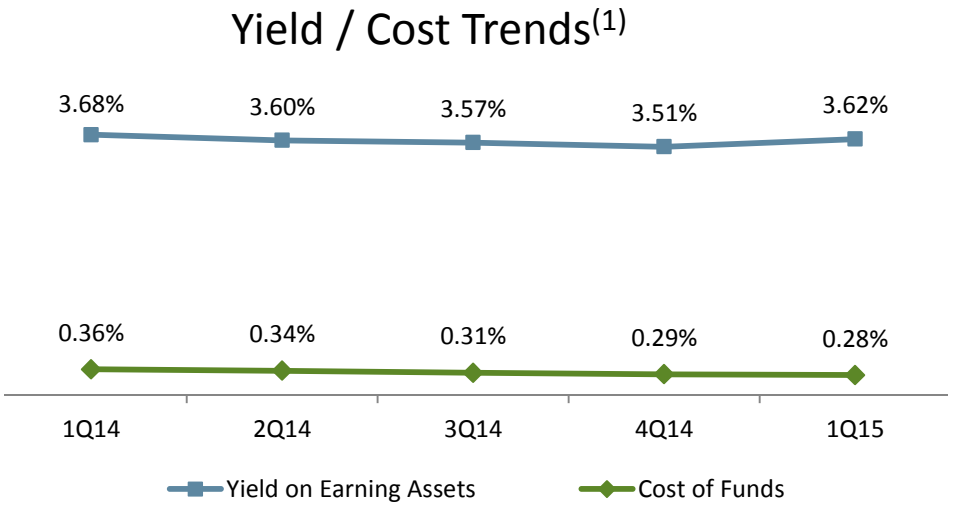
- End-of-period (EOP) loans decreased $16 million compared to LQ primarily due to a $13 million decrease in home equity loans
- Total deposits decreased $21 million to LQ due to an intentional shift from brokered deposits into short-term borrowings
- Noninterest bearing demand deposits increased $51 million, or 5%, over LQ and currently comprise over 24% of total deposits
- Completed $18.6 million of $25.0 million of the current buyback program in 1Q15

(1) Taxable equivalent

$ in millions

Net interest income and net interest margin



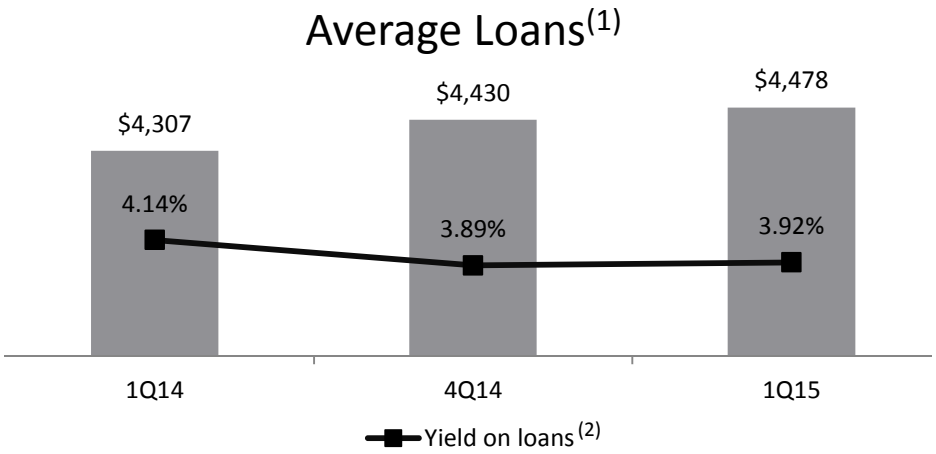


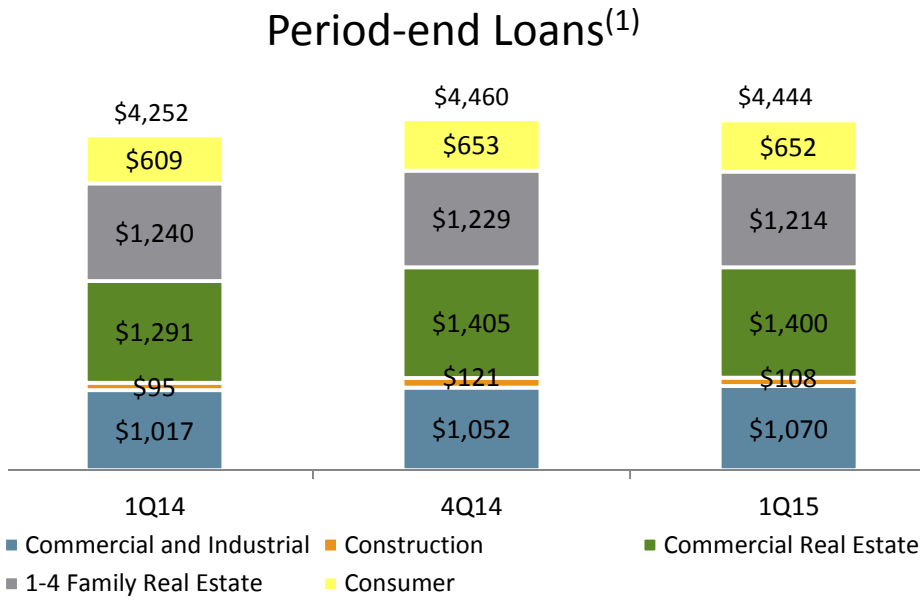
- Net interest income increased $1.0 million over LQ
- NIM of 3.35% expanded 13bps over LQ due to:
  - Special one-time FHLB dividend +7bps
  - Higher loan yields +3bps
  - Lower funding costs +2bps
- Average interest earning assets increased $21 million LQ

(1) Taxable equivalent

$ in millions

Loans





(1) Includes loans held for sale
(2) Taxable equivalent yield

Average

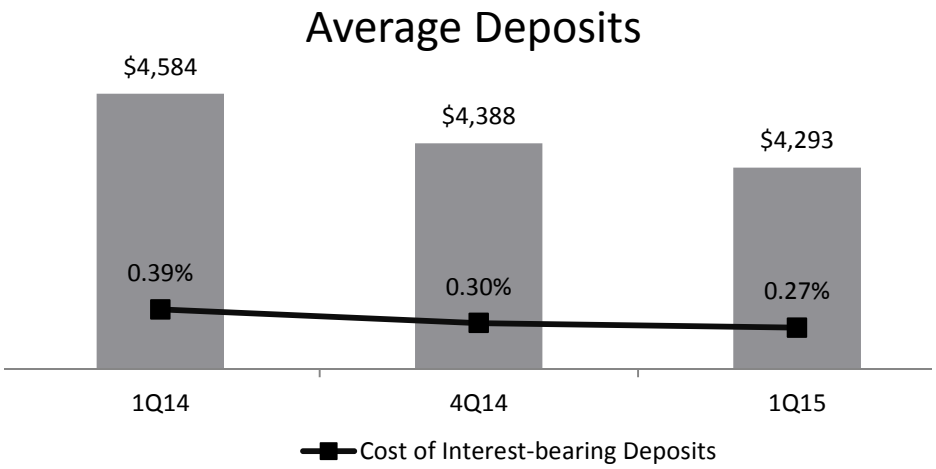
- Average loans grew $48 million to LQ, or 4% annualized
- Yield on loans of 3.92%, increased 3bps LQ due to favorable loan replacement yields

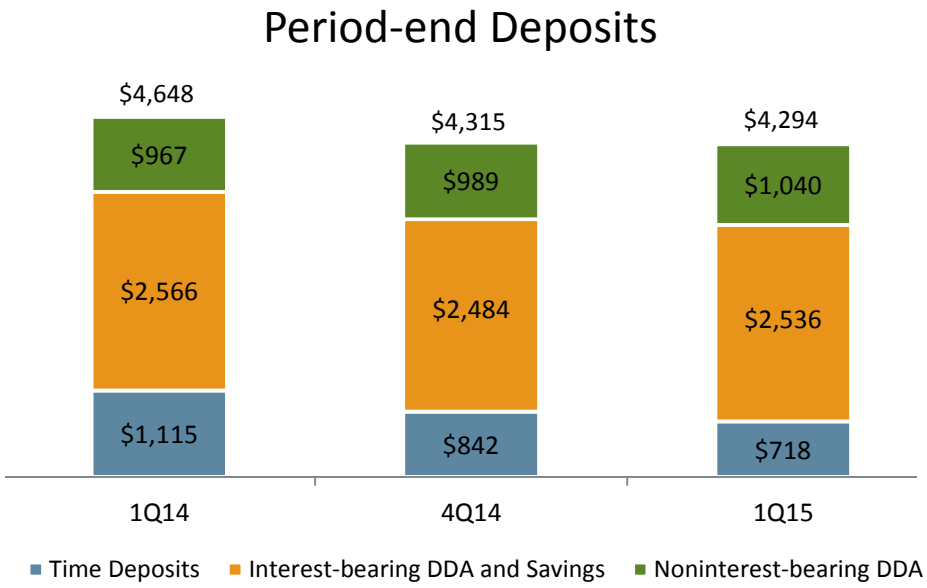
Period-end

- Loans decreased slightly to LQ and grew $192 million YoY, driven primarily by commercial lending and indirect auto

$ in millions

Deposits





Average

- Average deposits decreased $95 million over LQ, but $80 million of this was due to the intentional runoff of higher cost brokered deposits
- Cost of interest-bearing deposits of 0.27% decreased 3bps over LQ

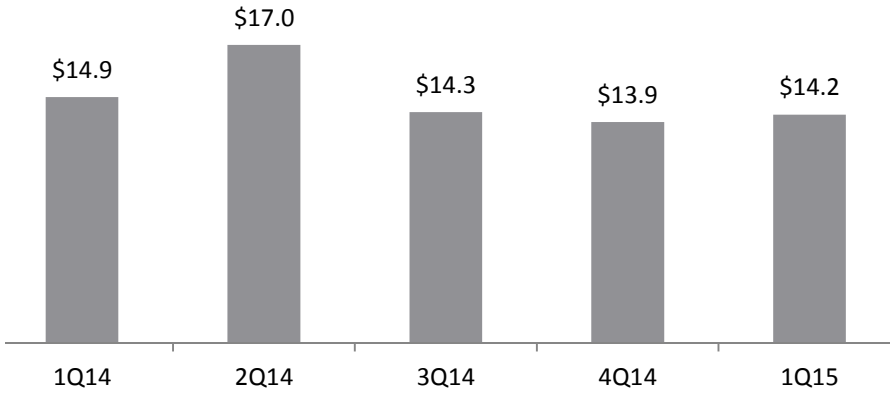
Period-end

- Deposits decreased $21 million to LQ due to a $124 million decrease in time deposits, of which $75 million was due to the intentional runoff of higher cost brokered deposits
- Low-cost savings and DDA grew by $103 million over LQ

$ in millions

Noninterest income

	1Q15	4Q14	1Q14	Change from 4Q14	Change from 1Q14
Service charges	$3.3	$3.6	$3.8	*($0.3)*	*($0.5)*
Interchange	3.4	3.6	3.4	*(0.2)*	*0.0*
Trust	1.4	1.4	1.4	*0.0*	*0.0*
Insurance	1.1	1.0	0.8	*0.1*	*0.3*
Retail brokerage	1.1	0.8	0.6	*0.3*	*0.5*
BOLI	1.4	1.4	1.4	*0.0*	*0.0*
SWAP activity	0.1	(0.5)	(0.1)	*0.6*	*0.2*
Gain on sale of loans	0.4	0.4	0.0	*0.0*	*0.4*
Other fees	1.7	1.6	2.0	*0.1*	*(0.3)*
Total fee income	**13.9**	**13.3**	**13.3**	***0.6***	***0.6***
Gain on sale of securities	0.1	0.5	0.0	*(0.4)*	*0.1*
Gain on sale of assets	0.2	0.1	1.6	*0.1*	*(1.4)*
Total noninterest income	**14.2**	**13.9**	**14.9**	***0.3***	***(0.7)***

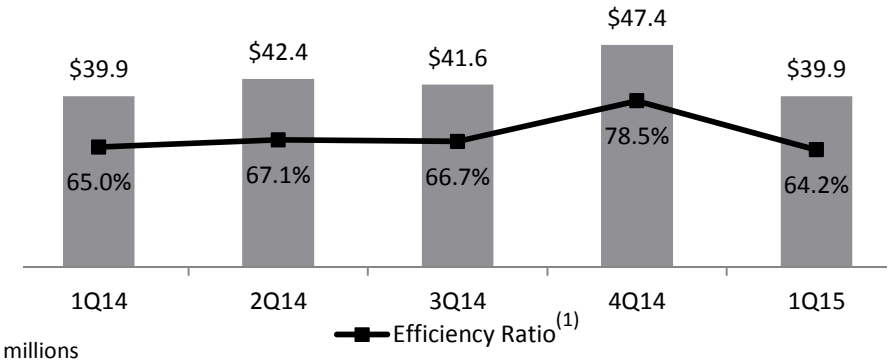


- Deposit service charges decreased $0.3 million over LQ due to $0.4 million lower NSF/overdraft activity
- Insurance income increased over LQ and YoY as a result of increased production and our recent agency acquisition
- Retail brokerage income improved over LQ and YoY
- Swap activity was impacted by a $0.5 million quarterly credit risk adjustment in 4Q14
- Gain on sale of securities in 4Q14 and 1Q15 was related to liquidations/recoveries on trust preferred securities
- Gain of sale of assets decreased YoY due to the sale of an investment advisory business in 1Q14

$ in millions

Noninterest expense

	1Q15	4Q14	1Q14	Change from 4Q14	Change from 1Q14
Salaries and benefits	$21.9	$22.0	$21.0	*($0.1)*	*$0.9*
Occupancy	3.9	3.2	3.5	*0.7*	*0.4*
Furniture and equipment	2.7	2.8	3.2	*(0.1)*	*(0.5)*
PA shares tax	0.8	1.0	0.7	*(0.2)*	*0.1*
Data processing	1.4	1.5	1.5	*(0.1)*	*(0.1)*
Collection and repo	0.5	0.8	0.7	*(0.3)*	*(0.2)*
Professional fees	0.9	1.2	1.0	*(0.3)*	*(0.1)*
FDIC insurance	1.1	1.0	1.0	*0.1*	*0.1*
Unfunded commitments	0.5	0.2	(0.3)	*0.3*	*0.8*
Other operating expenses	4.9	5.4	5.5	*(0.5)*	*(0.6)*
Total operating expense	**38.6**	**39.1**	**37.8**	***(0.5)***	***0.8***
Operational losses	1.0	(1.5)	(0.7)	*2.5*	*1.7*
Legal reserve	0.0	8.6	0.0	*(8.6)*	*0.0*
Write-down of assets	0.3	0.4	0.4	*(0.1)*	*(0.1)*
Building donation	0.0	0.7	0.0	*(0.7)*	*0.0*
Conversion related	0.0	0.1	2.4	*(0.1)*	*(2.4)*
Total noninterest expense	**39.9**	**47.4**	**39.9**	***(7.5)***	***0.0***



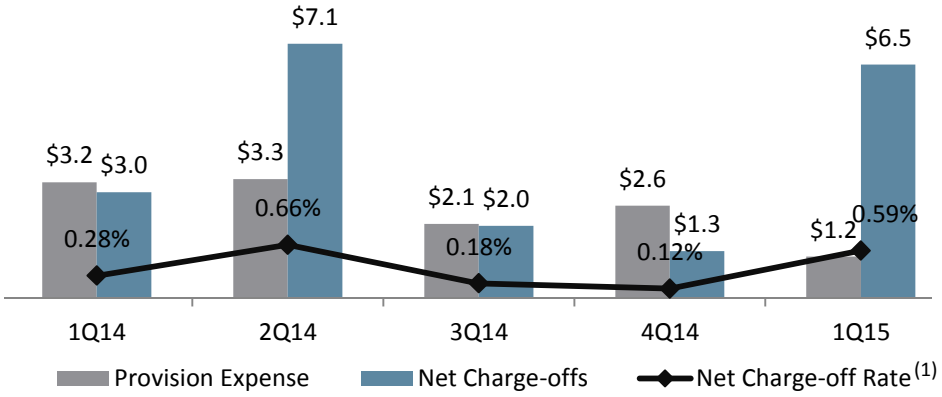
$ in millions

- Noninterest expensed decreased $7.5 million to LQ driven by three nonrecurring items in 4Q14:
  - $8.6 million legal reserve
  - $0.7 building donation to a local university
  - $2.1 million external fraud recovery
- Salaries and benefits increased $0.9 million YoY due in part to the launch of our mortgage initiative and insurance acquisition
- Occupancy increased $0.7 million to LQ and $0.4 million YoY due to higher snow removal and utilities
- Furniture and equipment decreased $0.5 million YoY as a result of lower software/hardware maintenance and programming post conversion
- Unfunded commitment reserve expense increased $0.3 million to LQ and $0.8 million YoY due to increases in expected construction utilization
- Other operating expenses decreased $0.5 million to LQ and $0.6 million YoY due to lower legal expenses, travel and entertainment, advertising and a $0.3 million sales tax refund in 1Q14
- Operational losses increased $2.5 million to LQ and $1.7 million YoY due to $0.8 million debit card fraud losses in 1Q15 and an external wire fraud recovery of $2.1 million in 4Q14 and a $0.9 million recovery in 1Q14

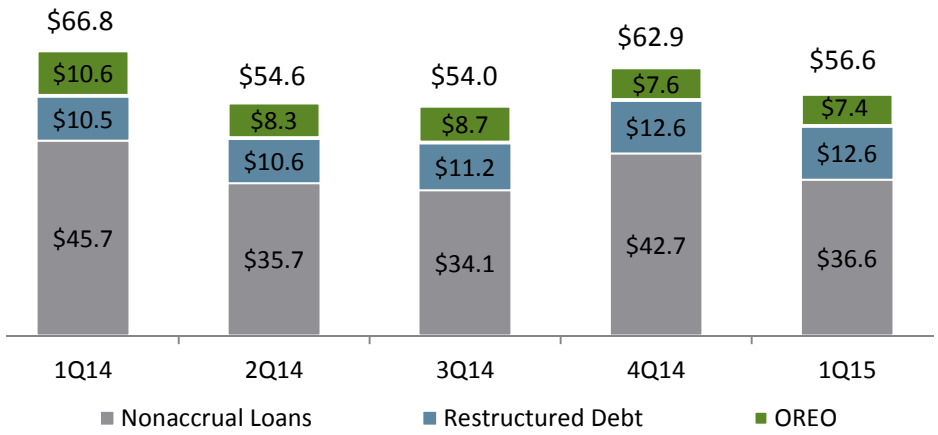
(1) Efficiency ratio is calculated as noninterest expense as a percentage of net interest income, on a fully taxable equivalent basis, and total noninterest income, excluding net securities gains and losses

Credit quality

Provision Expense and Net Charge-offs



Nonperforming Assets

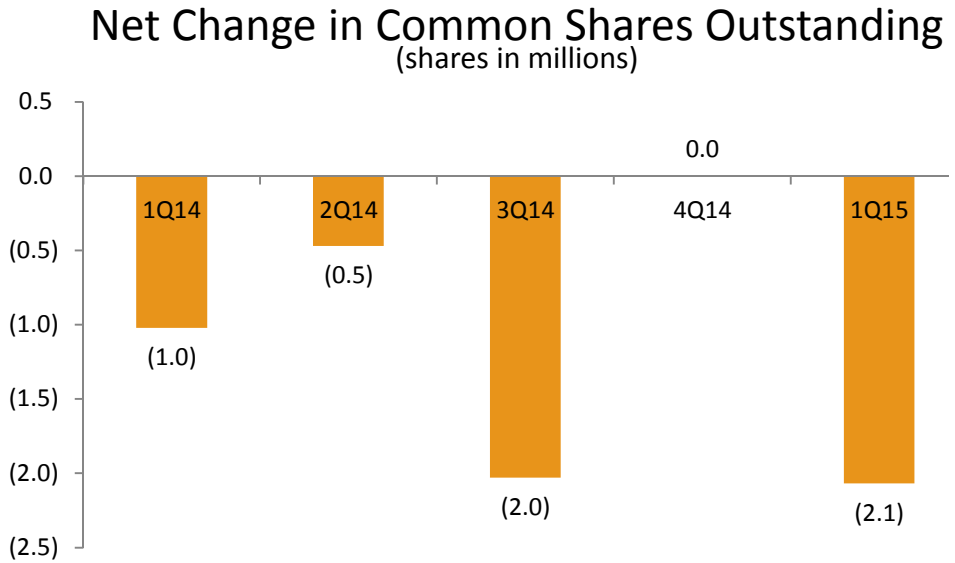


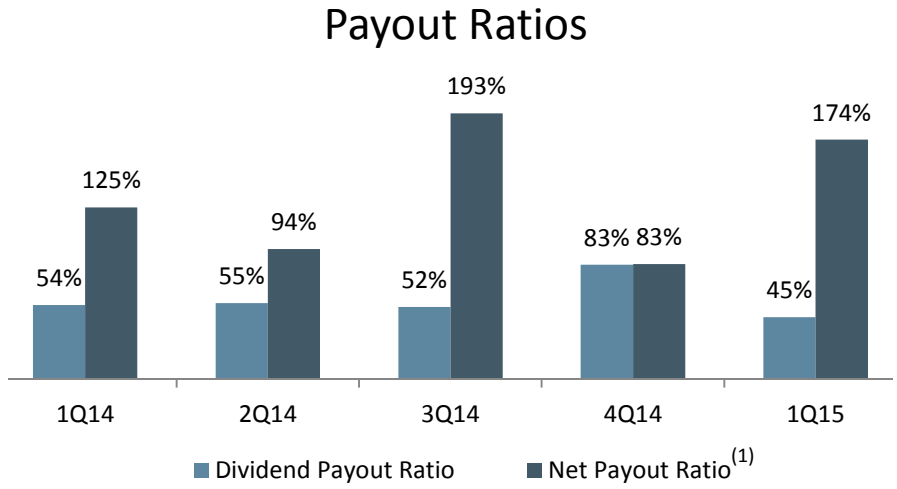
- Provision expense of $1.2 million decreased $2.1 million YoY as a result of continued improvement in asset quality
- Net charge-offs increased $5.2 million to LQ due primarily to the charge off of two large nonperforming credits for which specific reserves had been set aside in prior periods
  - $3.1 million charge-off related to an energy company that was classified as nonaccrual in 3Q13 with a specific reserve of $2.4 million
  - $1.2 million charge-off related to an audio and visual equipment distributor that was classified as nonaccrual in 2Q14. Moved to HFS in 1Q15

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

$ in millions

Capital Return





- Average shares outstanding decreased 709 thousand and period-end shares deceased 2.1 million compared to LQ
  - Repurchased 2.2 million shares at an average price of $8.57 in 1Q15
  - Issued 0.1 million shares through various employee benefit and compensation plans
  - At period-end, $6.4 million remained of the current $25 million buyback authorization

- Strong capital levels allow us to continue to return capital to shareholders
  - Returned $18.6 million in share buybacks to shareholders in 1Q15
  - Returned $6.4 million in dividends to shareholders in 1Q15
  - Dividend payout ratio expected to remain in the 40%-60% range

(1) Net payout ratio represents common stock dividends and share repurchases less share issuances and stock compensation-related items, divided by net income attributable to common stock.

Non-GAAP measures

Operating Revenue	1Q15	4Q14	3Q14	2Q14	1Q14
Net Interest Income	$47.2	$46.2	$46.6	$45.4	$45.6
Tax equivalent adjustment	0.8	0.8	0.8	0.8	0.9
Net Interest Income (FTE)	48.0	47.0	47.4	46.2	46.5
Noninterest Income (Reported)	14.2	13.9	15.1	17.0	14.9
Less: Realized gains/ (losses) on securities	0.1	0.5	0.0	0.0	0.0
Less: Gain on sale of assets	0.2	0.1	0.7	2.2	1.6
Total Noninterest Income (Operating)	$13.9	$13.3	$14.4	$14.8	$13.3
Total Operating Revenue	$61.9	$60.3	$61.8	$61.0	$59.8
Average Assets	6,358	6,343	6,325	6,231	6,223
Operating Revenue/ Average Assets (%)	**1.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**

Operating Expense	1Q15	4Q14	3Q14	2Q14	1Q14
Noninterest Expense	$39.9	$47.4	$41.6	$42.4	$39.9
Less: Conversion-related expenses	0.0	0.1	2.2	2.6	2.4
Less: Loss on sale or writedown of other assets	0.3	0.4	0.1	0.7	0.4
Less: Building donation	0.0	0.7	0.0	0.0	0.0
Less: Legal contingency reserve	0.0	8.6	0.0	0.0	0.0
Less: Operational losses/(recoveries)	1.0	(1.5)	0.2	0.2	(0.7)
Total Operating Expense	$38.6	$39.1	$39.1	$38.9	$37.8
Average Assets	6,358	6,343	6,325	6,231	6,223
Operating Expense/ Average Assets (%)	**0.6%**	**0.6%**	**0.6%**	**0.6%**	**0.6%**

$ 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

Operating Earnings per Share	1Q15	4Q14	3Q14	2Q14	1Q14
Net Income (GAAP)	$14.2	$7.7	$12.5	$11.9	$12.3
Average Diluted Shares Outstanding	90.9	91.6	92.6	93.8	94.6
Earnings per Share (GAAP)	**$0.16**	**$0.08**	**$0.13**	**$0.13**	**$0.13**
(after tax)					
Less: Net security (losses) / gains	0.00	0.00	0.00	0.00	0.00
Less: Gain on sale of assets	0.00	0.00	0.00	0.02	0.01
Add: Conversion-related expenses	0.00	0.00	0.01	0.02	0.02
Add: Loss on sale or writedown of other assets	0.00	0.00	0.00	0.01	0.00
Add: Building donation	0.00	0.01	0.00	0.00	0.00
Add: Legal contingency reserve	0.00	0.06	0.00	0.00	0.00
Add: Operational losses/(recoveries)	0.00	(0.02)	0.00	0.00	0.00
Operating Earnings per Share (Non-GAAP)	**$0.16**	**$0.13**	**$0.14**	**$0.14**	**$0.14**

Tangible Common Equity/ Tangible Assets (Tangible Common Equity Ratio)	1Q15	4Q14	3Q14	2Q14	1Q14
Total Equity	$713	$716	$709	$725	$717
Less: Intangible assets	163	163	160	160	161
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$550	$553	$549	$565	$556
Total Assets	$6,332	$6,360	$6,356	$6,300	$6,209
Less: Intangible assets	163	163	160	160	161
Tangible Assets	$6,169	$6,197	$6,196	$6,140	$6,048
Tangible Common Equity/ Tangible Assets	**8.9%**	**8.9%**	**8.9%**	**9.2%**	**9.2%**

$ 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.



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For more information, please contact:

Ryan M. Thomas
Vice President / Finance & Investor Relations
First Commonwealth Financial Corporation
654 Philadelphia Street
Indiana, Pennsylvania 15701
(724) 463-1690
InvestorRelations@fcbanking.com