

NYSE: FCF

Supplemental Financial Information

Third Quarter 2015

October 28, 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.

3Q 2015 Highlights

	3Q15	2Q15	3Q14	Change from 2Q15	Change from 3Q14
Net interest income[1]	$47.6	$47.2	$47.4	*$0.4*	*$0.2*
Provision for credit losses	4.6	3.0	2.1	*1.6*	*2.5*
Fee revenue	15.1	15.9	14.4	*(0.8)*	*0.7*
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Gain on sale of other assets	0.4	0.4	0.7	*0.0*	*(0.3)*
Operating expense[2]	39.2	38.7	39.1	*0.5*	*0.1*
Other expense[2]	1.1	1.9	2.5	*(0.8)*	*(1.4)*
Income taxes[1]	5.8	6.5	6.3	*(0.7)*	*(0.5)*
Net income	**$12.4**	**$13.4**	**$12.5**	***($1.0)***	***($0.1)***
Reported EPS	$0.14	$0.15	$0.13	*($0.01)*	*$0.01*
Operating EPS[2]	$0.15	$0.16	$0.14	*($0.01)*	*$0.01*
Return on average assets	0.78%	0.85%	0.78%	*(0.07%)*	*0.00%*
Return on average equity	6.86%	7.57%	6.91%	*(0.71%)*	*(0.05%)*
Return on average tang. common equity[2]	8.87%	9.82%	8.89%	*(0.95%)*	*(0.02%)*
Efficiency ratio[3]	63.83%	63.96%	66.65%	*(0.13%)*	*(2.82%)*
Net interest margin[1]	3.25%	3.26%	3.26%	*(0.01%)*	*(0.01%)*
Net Chargeoffs[4]	0.13%	0.39%	0.18%	*(0.26%)*	*(0.05%)*

- Net income of $12.4 million decreased by $1.0 million compared to linked quarter (LQ) and decreased $0.1 million year-over-year (YoY)
- Maintained positive operating leverage YoY in that revenue growth outstripped growth in operating expenses
- Net interest income increased by $0.4 million to LQ primarily as a result of a commercial loan growth
- Fee revenue decreased $0.8 million over LQ driven by a $1.5 million decrease in commercial loan swap market value adjustments and fees, partially offset by $0.6 million increase in gain on sale of loan income

(1) Taxable equivalent
(2) Please refer to pages 12 - 14 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
(4) Quarter-to-date annualized

$ in millions, except per share data

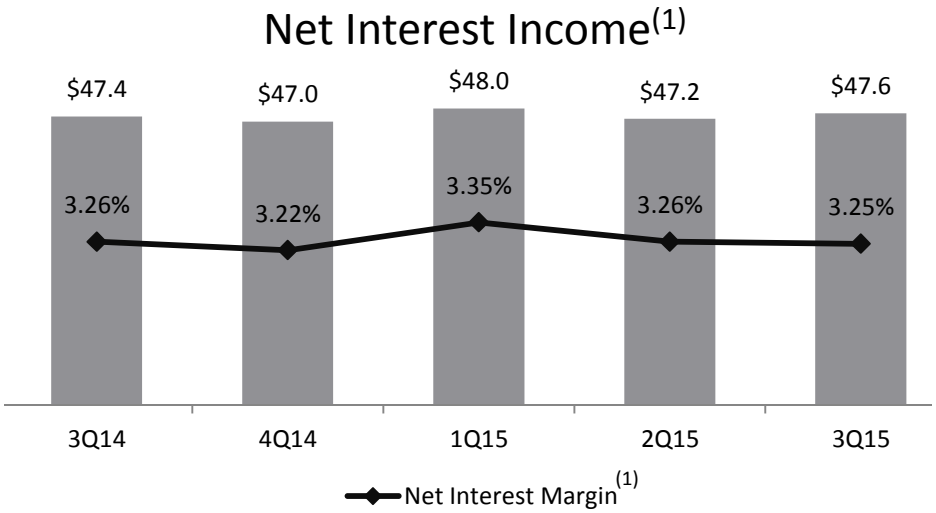
Balance Sheet

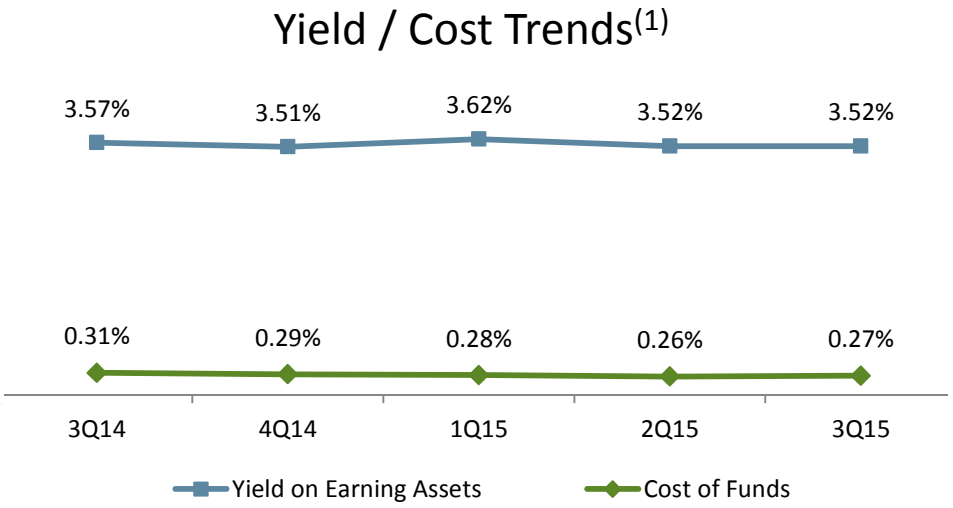
Period-end Balances	3Q15	2Q15	3Q14	Change From 2Q15	Change From 3Q14
Cash & securities	$1,332	$1,342	$1,468	*($10)*	*($136)*
Loans held for sale	5	10	1	*(5)*	*4*
Commercial loans	2,743	2,640	2,533	*103*	*210*
Consumer loans	1,833	1,851	1,878	*(18)*	*(45)*
Allowance for credit losses	(49)	(45)	(51)	*(4)*	*2*
OREO	11	7	9	*4*	*2*
Goodwill & intangibles	163	163	160	*0*	*3*
Other	347	349	358	*(2)*	*(11)*
Total Assets	**$6,385**	**$6,317**	**$6,356**	***$68***	***$29***
Noninterest Bearing DDA	$1,077	$1,068	$995	*$9*	*$82*
Interest Bearing Savings & DDA	2,498	2,519	2,445	*(21)*	*53*
Time Deposits	582	608	737	*(26)*	*(155)*
Brokered Deposits	4	15	195	*(11)*	*(191)*
Short-term Borrowings	1,330	1,232	1,035	*98*	*295*
Long-term Debt	111	112	189	*(1)*	*(78)*
Other	60	52	51	*8*	*9*
Equity	723	711	709	*12*	*14*
Total Liabilities & Equity	**$6,385**	**$6,317**	**$6,356**	***$68***	***$29***

- End-of-period (EOP) loans increased $80 million compared to LQ primarily due to $74 million growth in Commercial Real Estate (CRE) and Construction as well as $27 million growth in Commercial and Industrial (C&I) balances
- Total deposits decreased $211 million YoY due to an intentional shift from time and brokered deposits into short-term borrowings
- Noninterest bearing demand deposits increased $82 million, or 8.2%, YoY and currently comprise over 25% of total deposits

$ in millions

Net interest income and net interest margin



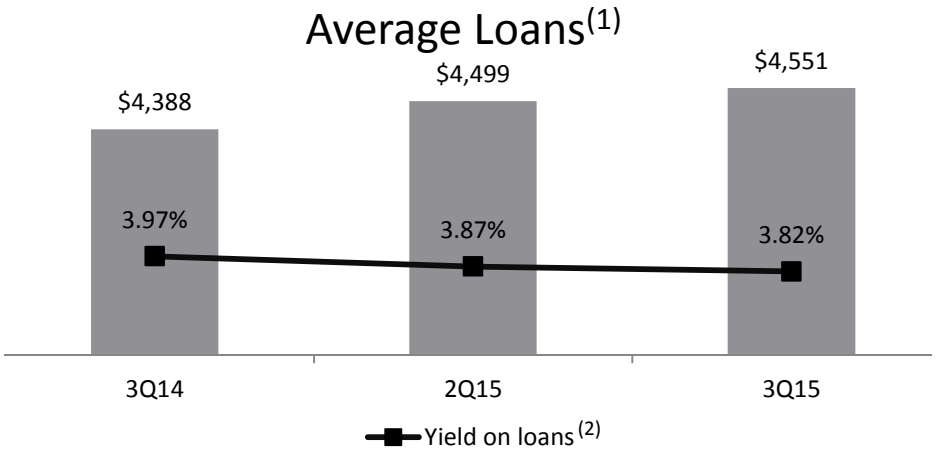


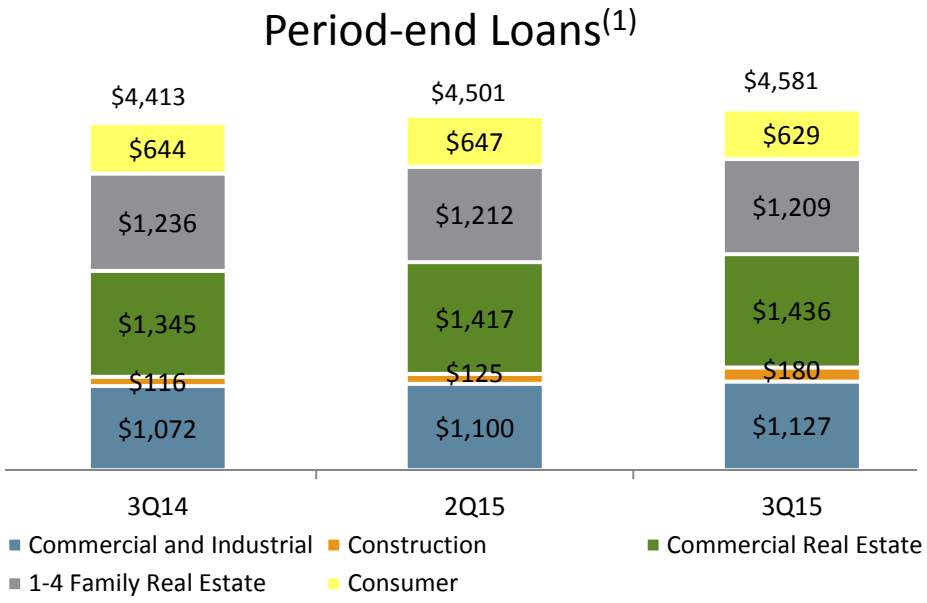
- Net interest income increased $0.4 million compared to LQ primarily as a result of commercial loan growth
- NIM of 3.25% declined 1bps over LQ due to:
  - Higher funding costs (1bp)
  - Lower yield on loans offset by higher volume
  - Higher yield on securities offset by lower volume
- Average interest earning assets decreased $8 million over LQ
  - Yield on interest earning assets was unchanged at 3.52%

(1) Taxable equivalent

$ in millions

Loans





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

Average

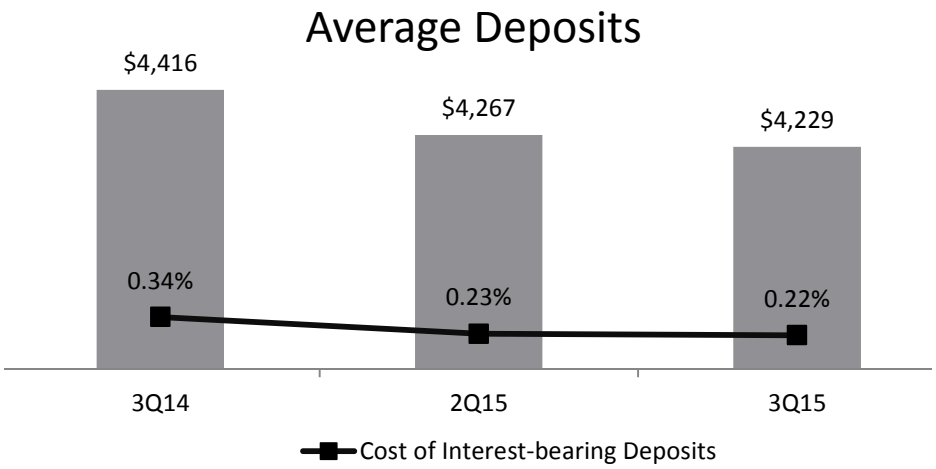
- Average loans grew $52 million to LQ, or 4.6% annualized
- Yield on loans of 3.82% decreased 5bps from LQ
  - Favorable loan replacement yields for indirect installment loans were more than offset by lower variable rate commercial loan yields

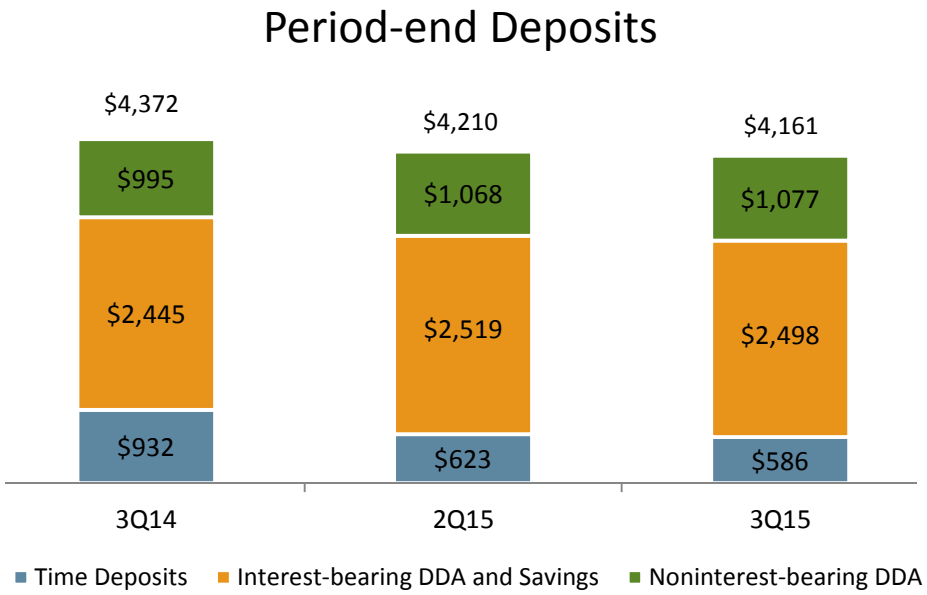
Period-end

- Loans increased $80 million to LQ, or 7.1% annualized, and grew $168 million YoY, driven primarily by commercial lending

$ in millions

Deposits





Average

- Average deposits decreased $38 million over LQ, driven by runoff of $35 million of higher cost time deposits
- Cost of interest-bearing deposits of 0.22% decreased 1bps over LQ

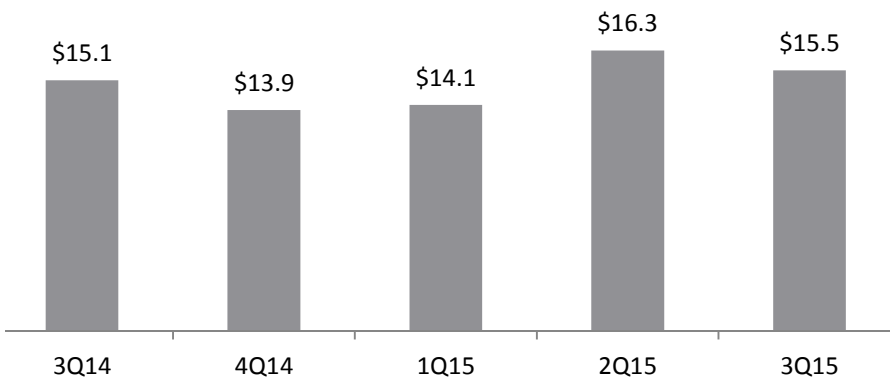
Period-end

- Deposits decreased $49 million to LQ due to a $37 million decrease in time deposits, of which $11 million was due to the intentional runoff of higher cost brokered deposits
- Noninterest bearing demand deposits increased $9 million, or 3.4% annualized, over LQ and currently comprise over 25% of total deposits

$ in millions

Noninterest income

	3Q15	2Q15	3Q14	Change from 2Q15	Change from 3Q14
Service charges	$4.1	$3.9	$4.1	*$0.2*	*$0.0*
Interchange	3.6	3.7	3.6	*(0.1)*	*0.0*
Trust	1.6	1.5	1.7	*0.1*	*(0.1)*
Retail brokerage	1.2	1.1	0.8	*0.1*	*0.4*
Insurance	1.0	1.0	0.9	*0.0*	*0.1*
BOLI	1.4	1.4	1.3	*0.0*	*0.1*
SWAP activity	(0.7)	0.8	0.0	*(1.5)*	*(0.7)*
Gain on sale of loans	1.2	0.6	0.0	*0.6*	*1.2*
Other fees	1.7	1.9	2.0	*(0.2)*	*(0.3)*
Total fee income	**15.1**	**15.9**	**14.4**	***(0.8)***	***0.7***
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Gain on sale of assets	0.4	0.4	0.7	*0.0*	*(0.3)*
Total noninterest income	**15.5**	**16.3**	**15.1**	***(0.8)***	***0.4***

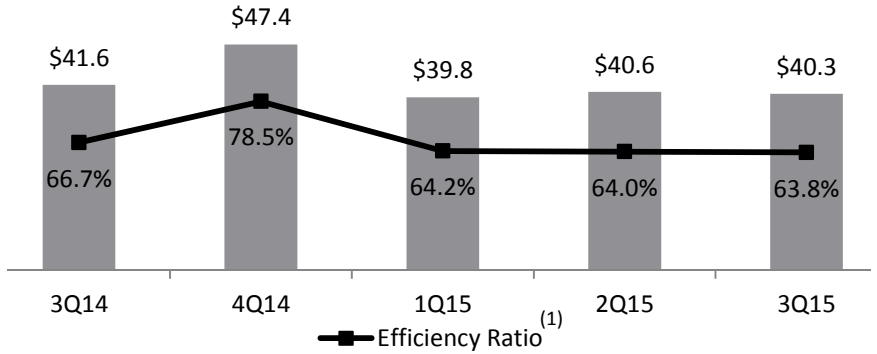


- Gain on sale of loans increased $0.6 million over LQ driven by a $0.4 million gain on the sale of a commercial loan and increased $1.2 million YoY as a result of the aforementioned commercial loan sale and our newly launched mortgage initiative
- Retail brokerage income improved $0.4 million YoY due to increased referrals, new hires and fixed and variable annuity sales
- Swap activity was impacted by an $0.8 million negative credit risk adjustment in 3Q15 compared to a positive $0.6 million mark in 2Q15

$ in millions

Noninterest expense

	3Q15	2Q15	3Q14	Change from 2Q15	Change from 3Q14
Salaries and benefits	$22.4	$22.0	$22.2	*$0.4*	*$0.2*
Occupancy	3.3	3.3	3.2	*0.0*	*0.1*
Furniture and equipment	2.7	2.6	3.1	*0.1*	*(0.4)*
PA shares tax	1.0	1.1	1.0	*(0.1)*	*0.0*
Data processing	1.6	1.5	1.6	*0.1*	*0.0*
Collection and repo	0.8	0.9	0.8	*(0.1)*	*0.0*
Professional fees	1.0	0.9	1.1	*0.1*	*(0.1)*
FDIC insurance	1.0	1.0	0.9	*0.0*	*0.1*
Unfunded commitments	0.0	0.2	(0.2)	*(0.2)*	*0.2*
Other operating expenses	5.4	5.2	5.4	*0.2*	*0.0*
Total operating expense	**39.2**	**38.7**	**39.1**	***0.5***	***0.1***
Operational losses	0.3	0.3	0.2	*0.0*	*0.1*
Shares tax settlement	0.7	0.0	0.0	*0.7*	*0.7*
Write-down of assets	0.1	1.6	0.1	*(1.5)*	*0.0*
Conversion related	0.0	0.0	2.2	*0.0*	*(2.2)*
Total noninterest expense	**40.3**	**40.6**	**41.6**	***(0.3)***	***(1.3)***



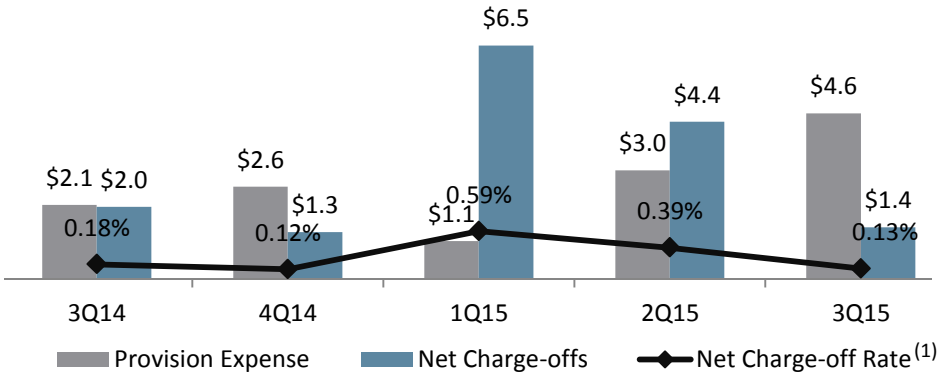
$ in millions

- Total noninterest expense decreased $0.3 million to LQ driven by lower OREO write-downs; operating expenses increased by $0.5 million due to higher salaries and benefits
- Salaries and benefits increased $0.4 million to LQ due to higher hospitalization and corporate lending incentives
- Salaries and benefits increased $0.2 million YoY as a result of new hires in our mortgage and advisory businesses and the acquisition of an insurance agency in 4Q14
- Furniture and equipment decreased $0.4 million YoY as a result of lower software/hardware maintenance and programming post conversion
- Non-operating expenses included a $0.7 million additional shares tax expense for a disputed assessment that was settled during 3Q15 with the state of Pennsylvania

(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

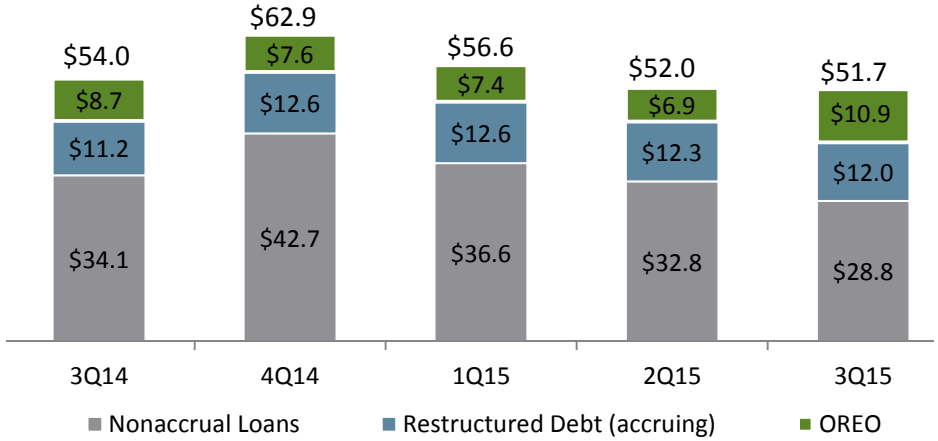
Credit quality

Provision Expense and Net Charge-offs



- Provision expense of $4.6 million increased $1.6 million to LQ as a result of a $2.5 million increase in specific reserves for two commercial credits
- Net charge-offs decreased $3.0 million to LQ due to a $2.3 million write-down of a specific reserve on a loan to a contractor in 2Q15

Nonperforming Assets

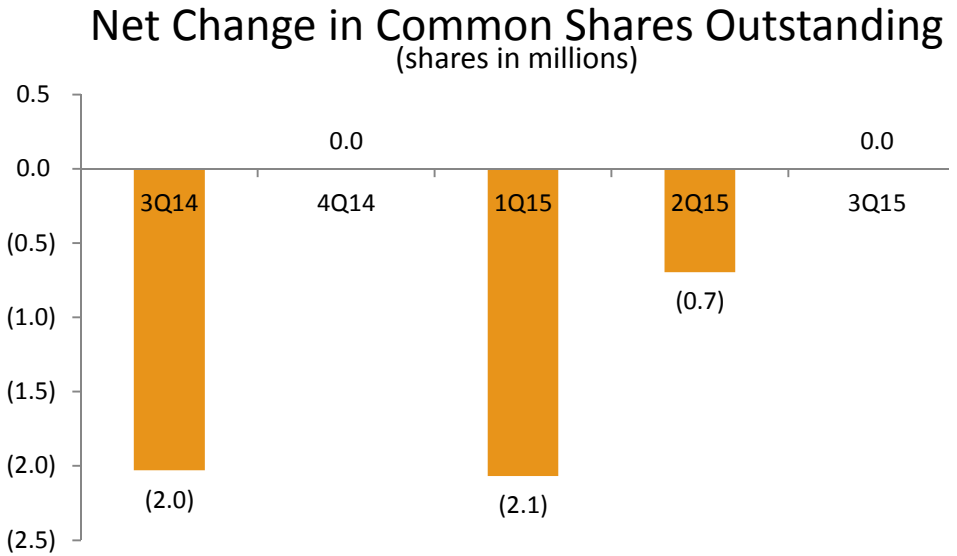


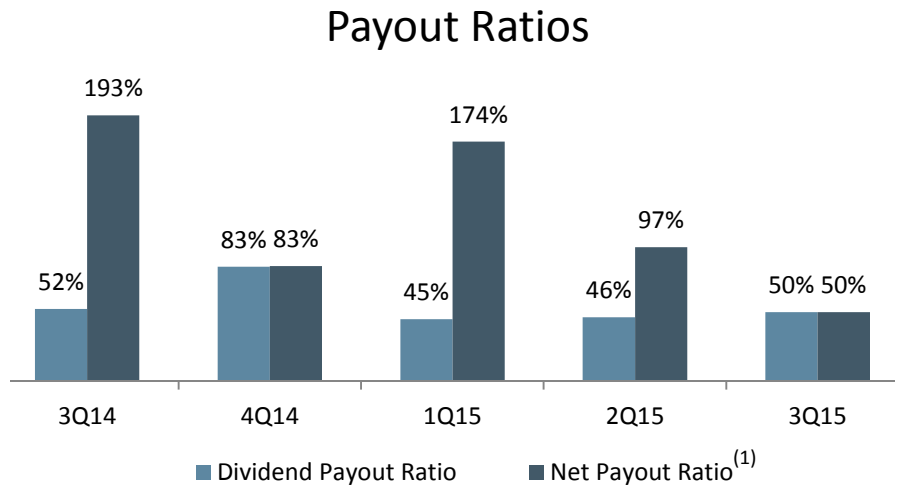
- Nonperforming loans declined $4.3 million to LQ primarily as a result of a $5.4 million commercial relationship moving into OREO, partially offset by a $1.6 million commercial credit moving into nonaccrual

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

$ in millions

Capital Return





- Average shares outstanding were relatively unchanged compared to LQ
  - Completed $25 million buyback program in 2Q15
  - Do not currently have an authorized buyback program

- Strong capital levels allow us to continue to return capital to shareholders
  - Returned $25.0 million in share buybacks to shareholders in 2015
  - Returned $18.9 million in dividends to shareholders in 2015
  - 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	3Q15	2Q15	1Q15	4Q14	3Q14
Net Interest Income	$46.7	$46.4	$47.2	$46.2	$46.6
Tax equivalent adjustment	0.9	0.8	0.8	0.8	0.8
Net Interest Income (FTE)	47.6	47.2	48.0	47.0	47.4
Noninterest Income (Reported)	15.5	16.3	14.1	13.9	15.1
Less: Realized gains/ (losses) on securities	0.0	0.0	0.1	0.5	0.0
Less: Gain on sale of other assets	0.4	0.4	0.2	0.1	0.7
Total Noninterest Income (Operating)	$15.1	$15.9	$13.8	$13.3	$14.4
Total Operating Revenue	$62.7	$63.1	$61.8	$60.3	$61.8
Average Assets	6,343	6,361	6,358	6,343	6,325
Operating Revenue/ Average Assets (%)	**0.99%**	**0.99%**	**0.97%**	**0.95%**	**0.98%**

Operating Expense	3Q15	2Q15	1Q15	4Q14	3Q14
Noninterest Expense	$40.3	$40.6	$39.8	$47.4	$41.6
Less: Conversion-related expenses	0.0	0.0	0.0	0.1	2.2
Less: Loss on sale or writedown of other assets	0.1	1.6	0.3	0.4	0.1
Less: Building donation	0.0	0.0	0.0	0.7	0.0
Less: Tax settlement / legal contingency reserve	0.7	0.0	0.0	8.6	0.0
Less: Operational losses/(recoveries)	0.3	0.3	1.0	(1.5)	0.2
Total Operating Expense	$39.2	$38.7	$38.5	$39.1	$39.1
Average Assets	6,343	6,361	6,358	6,343	6,325
Operating Expense/ Average Assets (%)	**0.62%**	**0.61%**	**0.61%**	**0.62%**	**0.62%**

$ 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	3Q15	2Q15	1Q15	4Q14	3Q14
Net Income (GAAP)	$12.4	$13.4	$14.2	$7.7	$12.5
Average Diluted Shares Outstanding	88.8	88.9	90.9	91.6	92.6
Earnings per Share (GAAP)	**$0.14**	**$0.15**	**$0.16**	**$0.08**	**$0.13**
(after tax)					
Less: Net security (losses) / gains	0.00	0.00	0.00	0.00	0.00
Less: Gain on sale of other assets	0.00	0.00	0.00	0.00	0.00
Add: Conversion-related expenses	0.00	0.00	0.00	0.00	0.01
Add: Loss on sale or writedown of other assets	0.00	0.01	0.00	0.00	0.00
Add: Building donation	0.00	0.00	0.00	0.01	0.00
Add: Tax settlement / legal contingency reserve	0.01	0.00	0.00	0.06	0.00
Add: Operational losses/(recoveries)	0.00	0.00	0.00	(0.02)	0.00
Operating Earnings per Share (Non-GAAP)	**$0.15**	**$0.16**	**$0.16**	**$0.13**	**$0.14**

Tangible Common Equity/ Tangible Assets (Tangible Common Equity Ratio)	3Q15	2Q15	1Q15	4Q14	3Q14
Total Equity	$723	$711	$713	$716	$709
Less: Intangible assets	163	163	163	163	160
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$560	$548	$550	$553	$549
Total Assets	$6,385	$6,317	$6,332	$6,360	$6,356
Less: Intangible assets	163	163	163	163	160
Tangible Assets	$6,222	$6,154	$6,169	$6,197	$6,196
Tangible Common Equity/ Tangible Assets	**9.0%**	**8.9%**	**8.9%**	**8.9%**	**8.9%**

$ in millions, except per share data

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Non-GAAP measures

Return on Average Tangible Common Equity (%)	3Q15	2Q15	1Q15	4Q14	3Q14
Average Equity	$718	$712	$718	$720	$718
Less: Average Intangible assets	163	163	163	161	160
Less: Average Preferred stock	0	0	0	0	0
Average Tangible Common Equity	$555	$549	$555	$559	$558
Net Income (GAAP)	$12.4	$13.4	$14.2	$7.7	$12.5
Return on Average Tangble Common Equity	**8.9%**	**9.8%**	**10.4%**	**5.5%**	**8.9%**

$ in millions, except per share data

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