First Commonwealth®

NYSE: FCF

Supplemental Financial Information

Second Quarter 2016

July 27, 2016

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.

2Q 2016 Highlights

	2Q16	1Q16	2Q15	Change from 1Q16	Change from 2Q15
Net interest income[1]	$50.0	$49.7	$47.2	*$0.3*	*$2.8*
Provision for credit losses	10.4	6.5	3.0	*3.9*	*7.4*
Fee revenue	16.1	14.7	15.7	*1.4*	*0.4*
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Swap MV adjustment	(0.5)	(1.0)	0.6	*0.5*	*(1.1)*
Operating expense[2]	37.8	38.4	39.8	*(0.6)*	*(2.0)*
Other expense[2]	(0.4)	(0.3)	0.8	*(0.1)*	*(1.2)*
Income taxes[1]	5.8	6.3	6.5	*(0.5)*	*(0.7)*
Net income	**$12.0**	**$12.5**	**$13.4**	***($0.5)***	***($1.4)***
Reported EPS	$0.14	$0.14	$0.15	*$0.00*	*($0.01)*
Operating EPS[2]	$0.14	$0.15	$0.15	*($0.01)*	*($0.01)*
Return on average assets	0.72%	0.76%	0.85%	*(0.04%)*	*(0.13%)*
Return on average equity	6.53%	6.87%	7.57%	*(0.34%)*	*(1.04%)*
Return on average tangible common equity[2]	8.41%	8.88%	9.82%	*(0.47%)*	*(1.41%)*
Efficiency ratio[3]	57.06%	60.10%	63.96%	*(3.04%)*	*(6.90%)*
Core efficiency ratio[2]	57.24%	59.53%	63.25%	*(2.29%)*	*(6.01%)*
Net interest margin[1]	3.27%	3.29%	3.26%	*(0.02%)*	*0.01%*
Net Chargeoffs[4]	0.48%	0.18%	0.39%	*0.30%*	*0.09%*

- Net income of $12.0 million decreased by $0.5 million compared to linked quarter (LQ) and $1.4 million year-over-year (YoY)
- Maintained positive operating leverage YoY in that revenue growth outstripped growth in operating expenses
- Net interest income increased by $0.3 million to LQ and $2.8 million YoY primarily as a result of strong commercial loan growth
- Fee income increased $1.4 million to LQ primarily due to increases in swap fee income, interchange, gain on sale of mortgage loans, and gain on sale of other assets due to the sale of one OREO property in 2Q16

(1) Taxable equivalent
(2) Please refer to pages 13 - 15 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

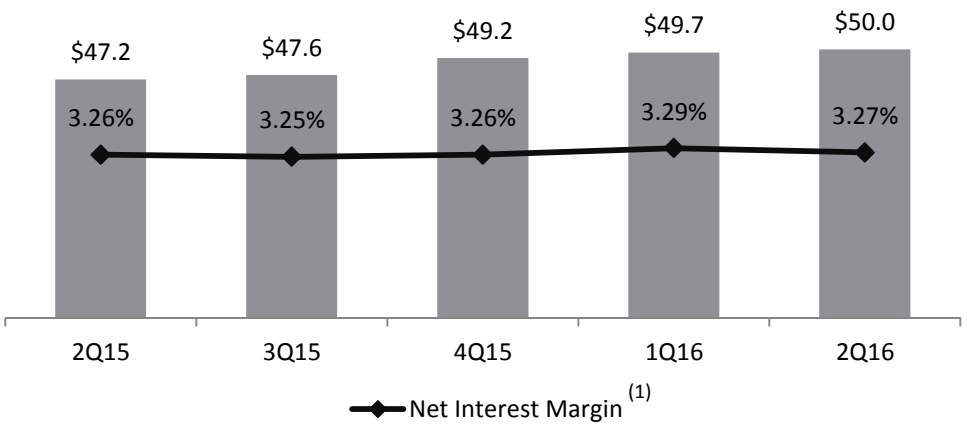
Period-end Balances	2Q16	1Q16	2Q15	Change From 1Q16	Change From 2Q15
Cash & securities	$1,418	$1,420	$1,342	*($2)*	*$76*
Loans held for sale	12	6	10	*6*	*2*
Commercial loans	3,075	3,000	2,640	*75*	*435*
Consumer loans	1,768	1,799	1,851	*(31)*	*(83)*
Allowance for credit losses	(60)	(55)	(45)	*(5)*	*(15)*
OREO	9	9	7	*0*	*2*
Goodwill & intangibles	165	166	163	*(1)*	*2*
Other	363	354	349	*9*	*14*
Total Assets	**$6,750**	**$6,699**	**$6,317**	***$51***	***$433***
Noninterest Bearing DDA	$1,137	$1,156	$1,068	*($19)*	*$69*
Interest Bearing Savings & DDA	2,671	2,560	2,519	*111*	*152*
Time Deposits	585	585	608	*0*	*(23)*
Brokered Deposits	1	1	15	*0*	*(14)*
Short-term Borrowings	1,465	1,519	1,232	*(54)*	*233*
Long-term Debt	81	81	111	*0*	*(30)*
Other	68	64	53	*4*	*15*
Equity	742	733	711	*9*	*31*
Total Liabilities & Equity	**$6,750**	**$6,699**	**$6,317**	***$51***	***$433***

- End-of-period loans increased $50 million compared to LQ primarily due to $95 million growth in Commercial Real Estate (CRE) balances, partially offset by slight declines in Residential Real Estate, Construction and Consumer loans
- Total deposits increased $92 million from LQ due to growth in core savings and demand account balances
- Noninterest bearing demand deposits increased $69 million, or 6.5%, YoY and currently comprise 25.9% of total deposits

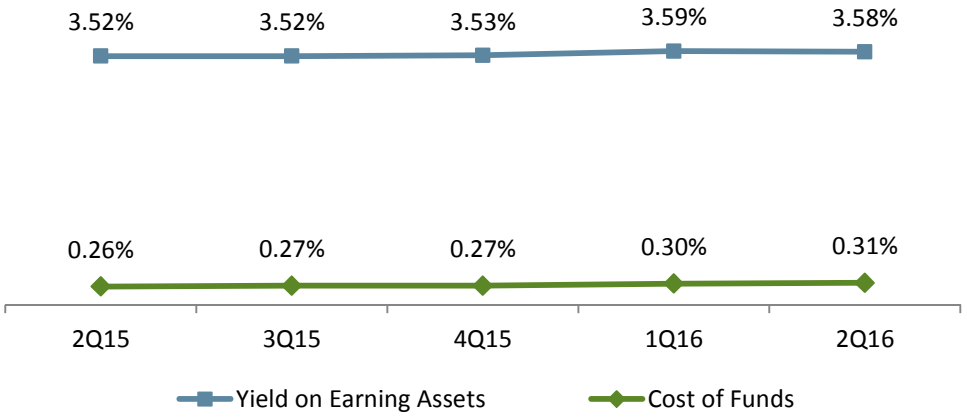
$ in millions

Net interest income and net interest margin

Net Interest Income(1)



Yield / Cost Trends(1)

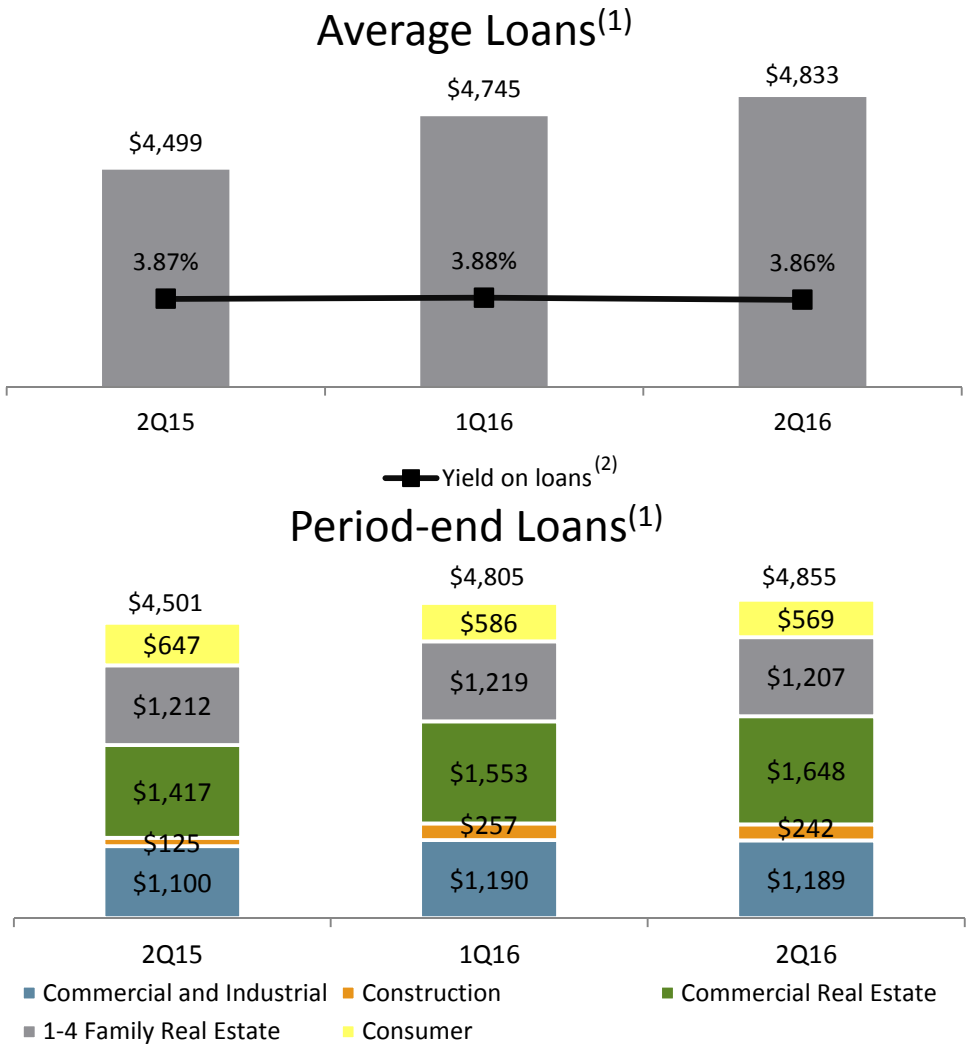


- Net interest income increased $0.3 million compared to LQ primarily due to strong commercial loan growth
- Net interest margin of 3.27% decreased 2bps over LQ due to:
  - Higher volume of commercial loans, offset by slightly higher borrowing costs
  - Replacement yields were relatively neutral
- Average interest earning assets increased $78 million over LQ due to strong average loan growth of $88 million

(1) Taxable equivalent

$ in millions

Loans



Average

- Average loans grew $88 million, or 7.4% on an annualized basis
- Yield on loans of 3.86% decreased 2bps from LQ

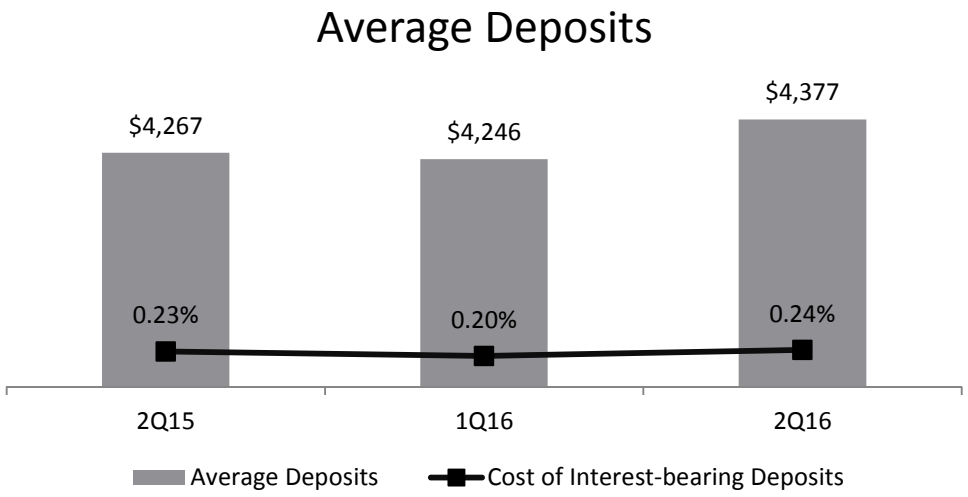
Period-end

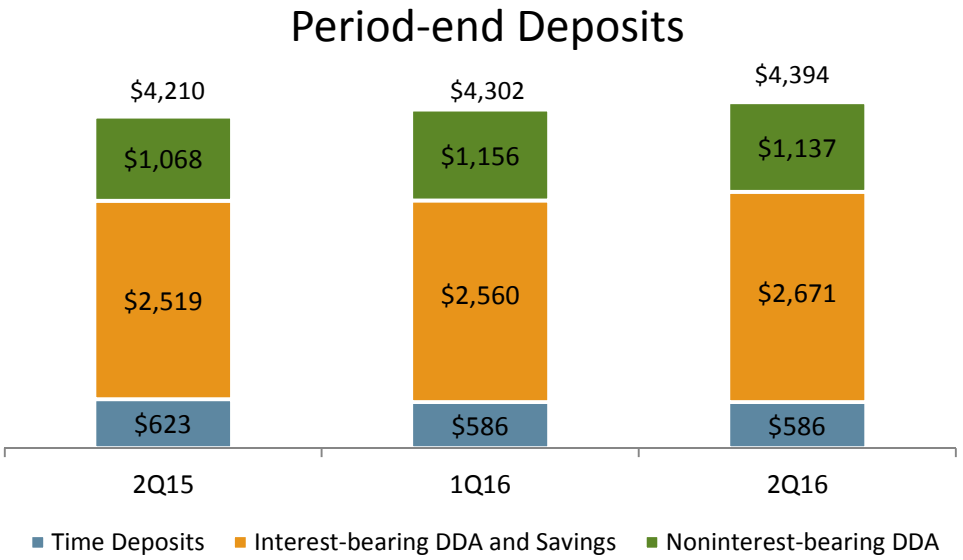
- Loans increased $50 million to LQ and $354 million from the prior year driven by:
  - Commercial loan growth, with Ohio markets growing $60 million LQ and $216 million YoY
  - Year-over-year growth includes $58 million of loans acquired with the First Community Bank acquisition in 4Q15

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

$ in millions

Deposits





Average

- Average deposits increased $131 million over LQ and increased $110 million YoY, including the addition of $90 million in deposits acquired through the First Community Bank Acquisition in 4Q15
- Year-over-year runoff was driven by the intentional runoff of higher-cost brokered time deposits in 2015 which were relatively flat to LQ and decreased $70 million YoY
- Cost of interest-bearing deposits of 0.24% increased 4bps over LQ

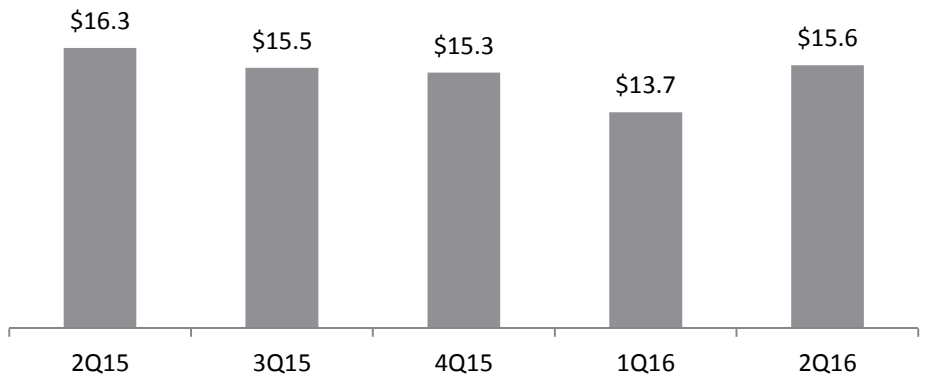
Period-end

- Total deposits increased $92 million over LQ and increased $184 million YoY, including the addition of $89 million in deposits acquired through the First Community Bank Acquisition in 4Q15
- Year-over-year runoff was due in part to the intentional runoff of higher-cost brokered time deposits in 2015
- Noninterest bearing demand deposits increased $69 million YoY and currently comprise 25.9% of total deposits

$ in millions

Noninterest income

	2Q16	1Q16	2Q15	Change from 1Q16	Change from 2Q15
Service charges	$3.8	$3.7	$3.9	*$0.1*	*($0.1)*
Interchange	3.8	3.6	3.7	*0.2*	*0.1*
Trust	1.3	1.3	1.5	*0.0*	*(0.2)*
Retail brokerage	1.0	0.9	1.2	*0.1*	*(0.2)*
Insurance	1.0	1.1	1.0	*(0.1)*	*0.0*
BOLI	1.3	1.3	1.4	*0.0*	*(0.1)*
SWAP fees	0.8	0.4	0.3	*0.4*	*0.5*
Gain on sale of mortgage loans	0.9	0.7	0.6	*0.2*	*0.3*
Other fees	2.2	1.7	2.1	*0.5*	*0.1*
Total fee income	**16.1**	**14.7**	**15.7**	***1.4***	***0.4***
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Swap MV adjustment	(0.5)	(1.0)	0.6	*0.5*	*(1.1)*
Total noninterest income	**15.6**	**13.7**	**16.3**	***1.9***	***(0.7)***

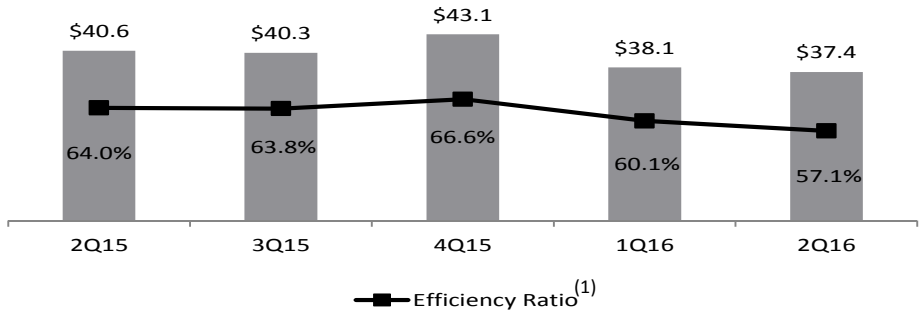


$ in millions

- Service charges on deposit accounts and card-related interchange income increased $0.3 million to LQ as a result of seasonal fluctuations
- Swap fee income increased $0.4 million compared to LQ and $0.5 million YoY
- Gain on sale of mortgage loans increased $0.2 million to LQ and $0.3 million YoY due to expansion of Mortgage business into Ohio
- The swap market value adjustment reduced noninterest income by $0.5 million in 2Q16 and increased noninterest income by $0.6 million in 2Q15

Noninterest expense

	2Q16	1Q16	2Q15	Change from 1Q16	Change from 2Q15
Salaries and benefits	$19.9	$21.7	$22.0	*($1.8)*	*($2.1)*
Occupancy	3.2	3.5	3.3	*(0.3)*	*(0.1)*
Furniture and equipment	2.9	2.9	2.6	*0.0*	*0.3*
PA shares tax	1.1	0.8	1.1	*0.3*	*0.0*
Data processing	1.8	1.8	1.5	*0.0*	*0.3*
Collection and repo	0.5	0.6	0.9	*(0.1)*	*(0.4)*
Professional fees	0.9	0.8	0.9	*0.1*	*0.0*
FDIC insurance	1.1	1.0	1.0	*0.1*	*0.1*
Operational losses	0.6	0.2	0.3	*0.4*	*0.3*
Other operating expenses	5.8	5.1	6.2	*0.7*	*(0.4)*
Total operating expense	**37.8**	**38.4**	**39.8**	***(0.6)***	***(2.0)***
Unfunded commitments	(0.5)	(0.4)	0.2	*(0.1)*	*(0.7)*
Intangible amortization	0.1	0.1	0.2	*0.0*	*(0.1)*
Loss on sale / write-down	0.0	0.0	0.4	*0.0*	*(0.4)*
Acquisition expenses	0.0	0.0	0.0	*0.0*	*0.0*
Restructuring	0.0	0.0	0.0	*0.0*	*0.0*
Total noninterest expense	**37.4**	**38.1**	**40.6**	***(0.7)***	***(3.2)***



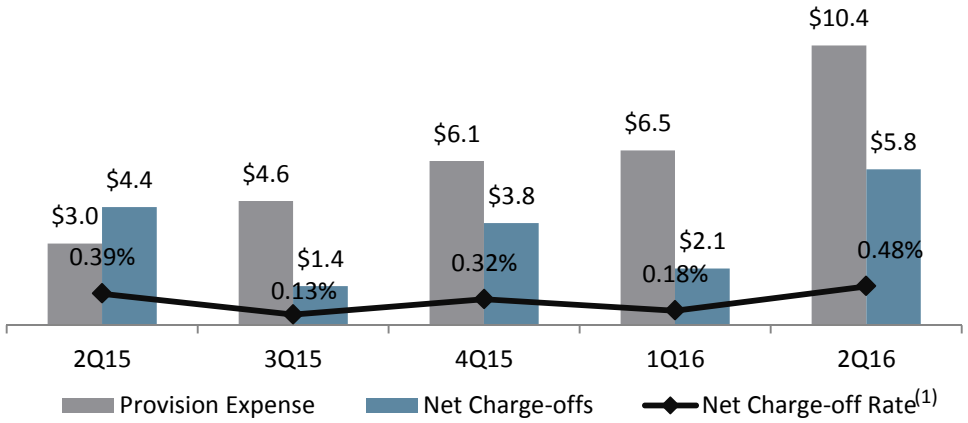
- Salaries and benefits decreased $1.8 million to LQ and $2.1 million YoY primarily due to the realignment of the staffing and capabilities of our consumer banking businesses and relatively low hospitalization costs
- Other operating expenses included $0.3 million of write-downs on three ORE properties in 2Q16

$ in millions

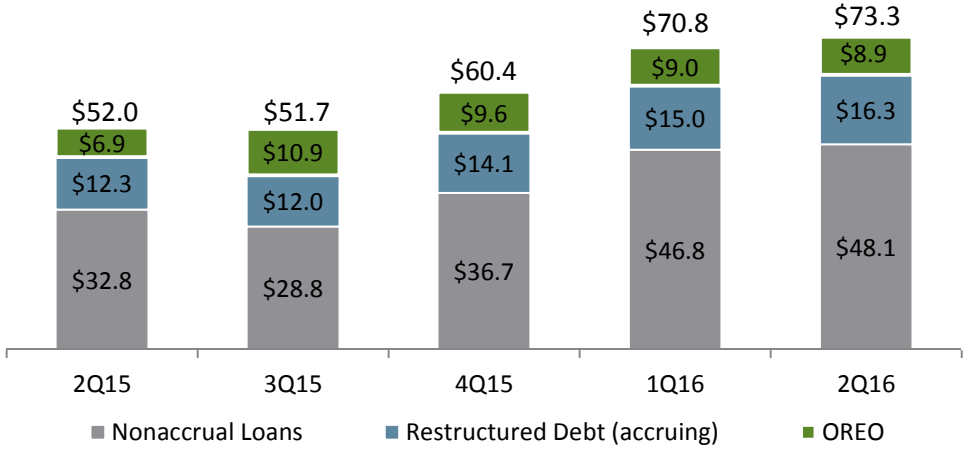
(1) Efficiency ratio is calculated as noninterest expense as a percentage of net interest income, on a fully taxable equivalent basis, and total noninterest income, excluding net securities gains and losses

Credit quality

Provision Expense and Net Charge-offs



Nonperforming Assets



- Provision expense of $10.4 million increased $3.9 million to LQ due to the establishment of $7.5 million in a specific reserve for a manufacturer of safety products for the mining industry that was placed into nonperforming status in 2Q16
- Net charge-offs in 2Q16 included a $2.0 million charge-off of a previously established reserve for an energy company that was classified as nonaccrual in 4Q15, a $1.3 million charge-off of a previously established reserve for a sporting goods manufacturer that was classified as nonaccrual in 4Q15 and a $1.1 million charge-off for a manufacturing company that was classified as nonaccrual in 3Q15
- Nonperforming loans (nonaccrual loans plus restructured accruing debt) increased $2.6 million to LQ

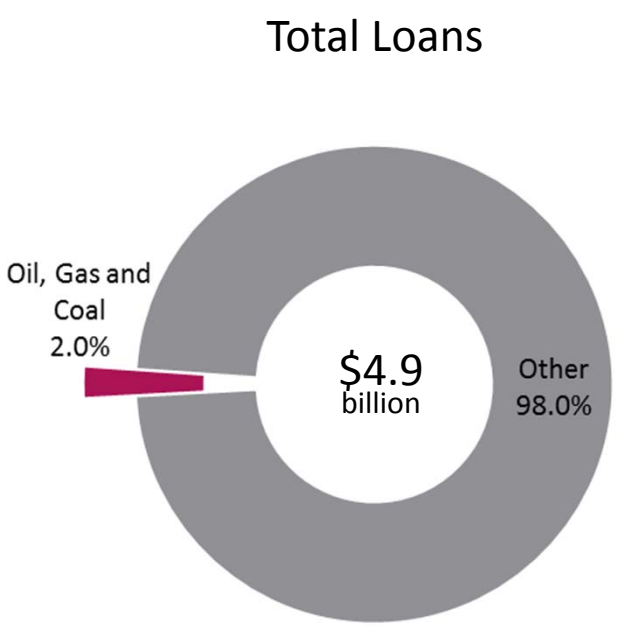
(1) Net charge-offs as a percentage of period-to-date average loans, annualized

$ in millions

Energy Related Credits

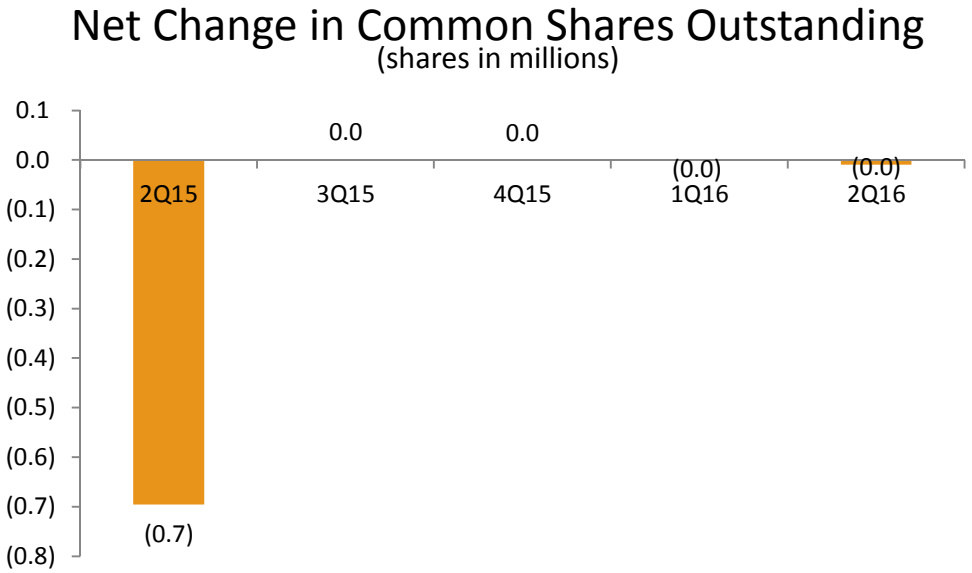
Oil and Gas Loans	2Q16	1Q16
Balance	$67.4	$63.7
Reserves (% o/s)	3.4%	7.6%
Non-performing (% o/s)	16.1%	22.9%
Non-pass (% o/s)	40.0%	38.8%
Utilization	49.0%	43.5%
Total exposure	$137.5	$146.3

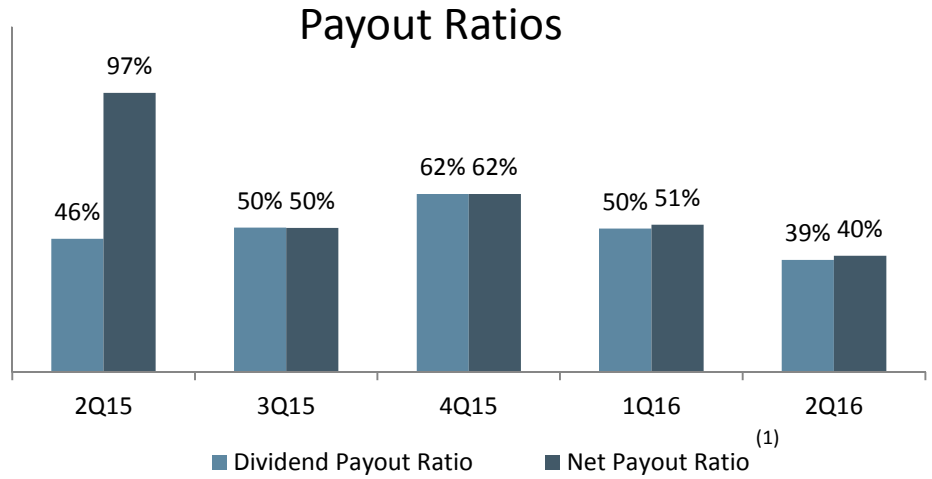
Coal Loans	2Q16	1Q16
Balance	$28.4	$29.4
Reserves (% o/s)	26.9%	1.9%
Non-performing (% o/s)	37.0%	0.0%
Non-pass (% o/s)	56.8%	65.8%
Utilization	49.5%	43.0%
Total exposure	$57.4	$68.4



$ in millions

Capital Return





- Average shares outstanding were relatively unchanged compared to LQ
  - Announced a $25 million share repurchase program in 1Q 2016, which was suspended in July as a result of the acquisition of 13 branches in Ohio
  - 26,165 shares were repurchased during 2Q16 at an average price of $8.47 per share

- Strong capital levels allow us to continue to return capital to shareholders
  - Returned $0.2 million in share buybacks to shareholders in 2Q16
  - Returned $6.2 million in dividends to shareholders in 2Q16
  - 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	2Q16	1Q16	4Q15	3Q15	2Q15
Net Interest Income	$49.1	$48.8	$48.3	$46.7	$46.4
Tax equivalent adjustment	0.9	0.9	0.9	0.9	0.8
Net Interest Income (FTE)	50.0	49.7	49.2	47.6	47.2
Noninterest Income (Reported)	15.6	13.7	15.3	15.5	16.3
Less: Realized gains/ (losses) on securities	0.0	0.0	(0.3)	0.0	0.0
Less: Market value adjustment on Swaps	(0.5)	(1.0)	0.2	(0.8)	0.6
Less: Gain on sale of other assets	0.0	0.0	0.0	0.0	0.0
Total Noninterest Income (Operating)	$16.1	$14.7	$15.4	$16.3	$15.7
Total Operating Revenue	$66.1	$64.4	$64.6	$63.9	$62.9
Average Assets	6,707	6,618	6,531	6,343	6,361
Operating Revenue/ Average Assets (%)	**0.99%**	**0.97%**	**0.99%**	**1.01%**	**0.99%**

Operating Expense	2Q16	1Q16	4Q15	3Q15	2Q15
Noninterest Expense	$37.4	$38.1	$43.1	$40.3	$40.6
Less: Unfunded commitment reserve	(0.5)	(0.4)	0.6	0.0	0.2
Less: Intangible amortization	0.1	0.1	0.1	0.2	0.2
Less: Pennsylvania shares tax dispute	0.0	0.0	0.0	0.7	0.0
Less: Severance	0.0	0.0	2.1	0.0	0.0
Less: Merger and acquisition related	0.0	0.0	0.9	0.0	0.0
Less: Loss on sale or writedown of other assets	0.0	0.0	0.4	0.0	0.4
Total Operating Expense	$37.8	$38.4	$39.0	$39.4	$39.8
Average Assets	6,707	6,618	6,531	6,343	6,361
Operating Expense/ Average Assets (%)	**0.56%**	**0.58%**	**0.60%**	**0.62%**	**0.63%**
Core Efficiency Ratio[(1)]	**57.2%**	**59.6%**	**60.3%**	**61.7%**	**63.3%**

$ in millions

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

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	2Q16	1Q16	4Q15	3Q15	2Q15
Net Income (GAAP)	$12.0	$12.5	$10.1	$12.4	$13.4
(after tax)					
Realized gains/ (losses) on securities	0.0	0.0	0.2	0.0	0.0
Market value adjustment on Swaps	0.3	0.7	(0.1)	0.5	(0.4)
Gain on sale of other assets	0.0	0.0	0.0	0.0	0.0
Unfunded commitment reserve	(0.3)	(0.3)	0.4	0.0	0.1
Intangible amortization	0.1	0.1	0.1	0.1	0.1
Pennsylvania shares tax dispute	0.0	0.0	0.0	0.5	0.0
Severance	0.0	0.0	1.4	0.0	0.0
Merger and acquisition related	0.0	0.0	0.6	0.0	0.0
Loss on sale or writedown of other assets	0.0	0.0	0.3	0.0	0.3
Net Operating Income (Non-GAAP)	**12.1**	**13.0**	**13.0**	**13.5**	**13.5**
Average Diluted Shares Outstanding	88.8	88.8	88.9	88.8	88.9
Earnings per Share (Non-GAAP)	**$0.14**	**$0.15**	**$0.15**	**$0.15**	**$0.15**

Tangible Common Equity/ Tangible Assets (Tangible Common Equity Ratio)	2Q16	1Q16	4Q15	3Q15	2Q15
Total Equity	$742	$733	$720	$723	$711
Less: Intangible assets	165	166	166	163	163
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$577	$567	$554	$560	$548
Total Assets	$6,750	$6,699	$6,567	$6,385	$6,317
Less: Intangible assets	165	166	166	163	163
Tangible Assets	$6,585	$6,533	$6,401	$6,222	$6,154
Tangible Common Equity/ Tangible Assets	**8.8%**	**8.7%**	**8.7%**	**9.0%**	**8.9%**

$ 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 (%)	2Q16	1Q16	4Q15	3Q15	2Q15
Average Equity	$740	$730	$726	$718	$712
Less: Average Intangible assets	166	166	164	163	163
Less: Average Preferred stock	0	0	0	0	0
Average Tangible Common Equity	$574	$564	$562	$555	$549
Net Income (GAAP)	$12.0	$12.5	$10.1	$12.4	$13.4
Return on Average Tangble Common Equity	**8.4%**	**8.9%**	**7.1%**	**8.9%**	**9.8%**

$ in millions, except per share data

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