
First Commonwealth®
NYSE: FCF

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.

RAYMOND JAMES

2016 U.S. BANK CONFERENCE



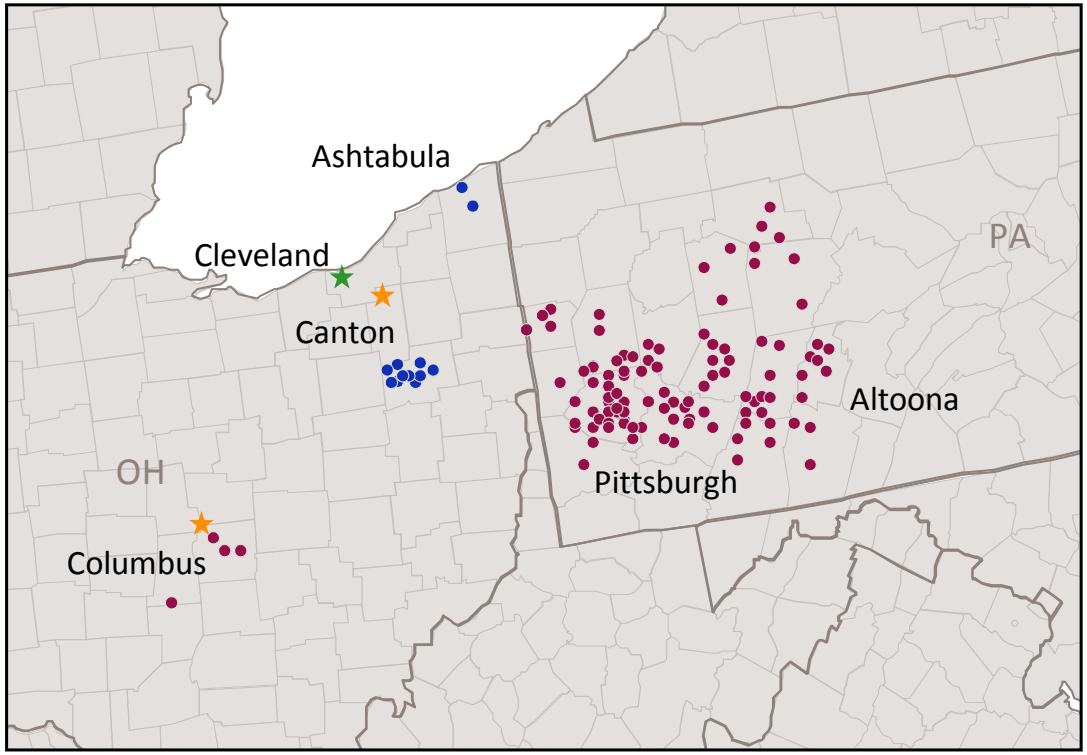
T. Michael Price

Chief Executive Officer

James R. Reske

Chief Financial Officer

Overview of First Commonwealth Financial Corporation



Acquired FirstMerit Branches

First Commonwealth

First Commonwealth Commercial Loan Production Office

First Commonwealth Mortgage Loan Production Office

- Headquartered in Indiana, PA
- Pennsylvania's 7th largest bank(1)
  - 122 retail branches
  - 59 branches concentrated in Pittsburgh MSA
  - Top 5 in deposit market share in all but 3 MSAs
- Assets: $6.7 billion
- Gross Loans: $4.9 billion
- Deposits: $4.4 billion

(1) Pro forma branch and market share information includes acquisition of 13 FirstMerit branches announced on July 27, 2016

As of June 30, 2016
Source: SNL Financial

Mission, Vision and Values

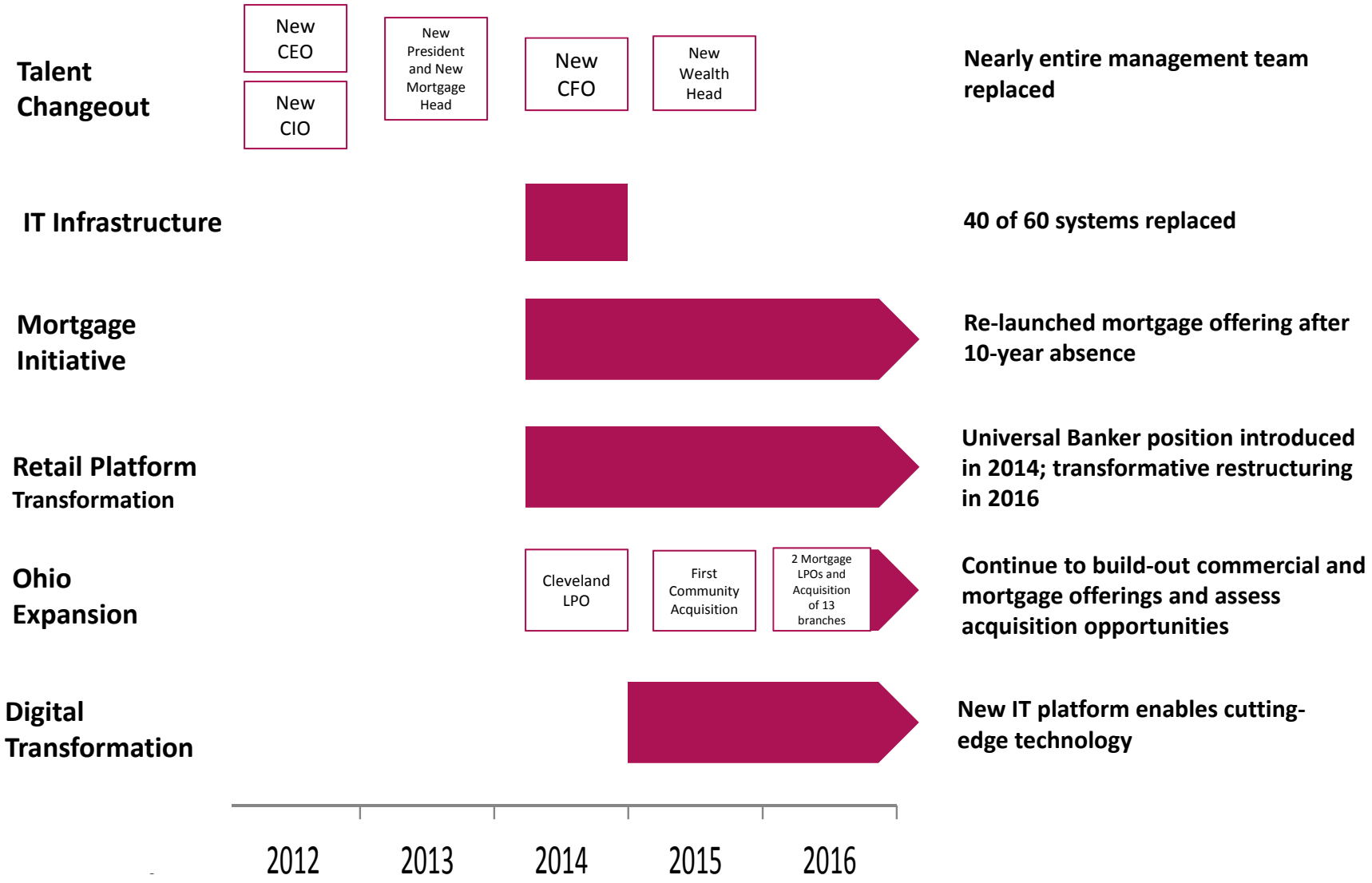


"To improve the financial lives of our neighbors and their businesses."

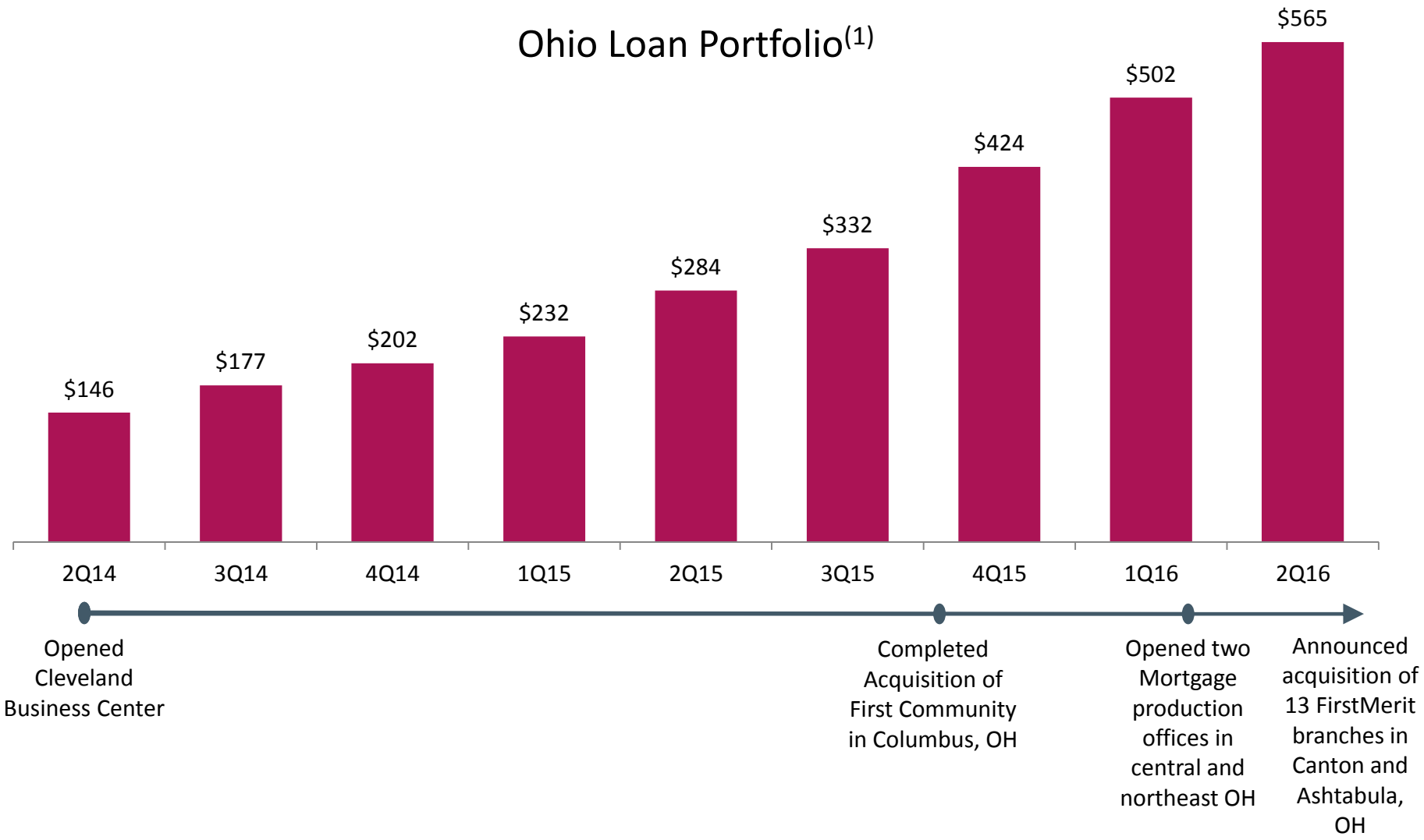
- We will promote financial health through four life-changing principles:
  - Avoid unnecessary debt
  - Save with a purpose
  - Live within a budget
  - Prepare for the future
- We will develop the most customer-focused team of financial professionals in our markets
- We will support our communities as active leaders and as good corporate citizens
- We will deliver long-term value to shareholders by becoming the best performing bank within our region

Customer Focus. Integrity. Excellence. Accountability. Inclusion.

Organizational Changes 2012 - Present



Ohio Expansion

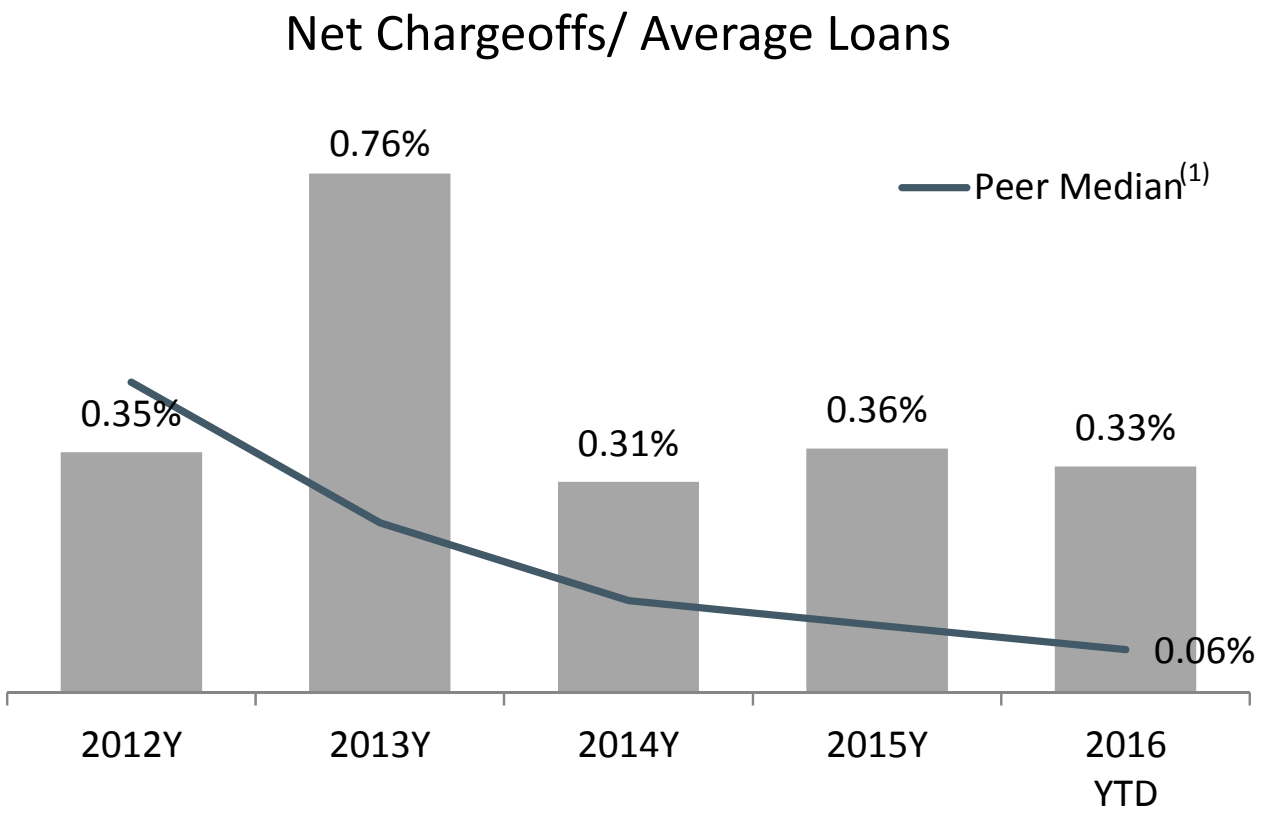


$ in millions

(1) Includes all OH based consumer loans, Commercial Real Estate loans with properties located in OH and C&I loans with borrowers headquartered in OH

Financial Roadmap

Closing the credit gap with peers

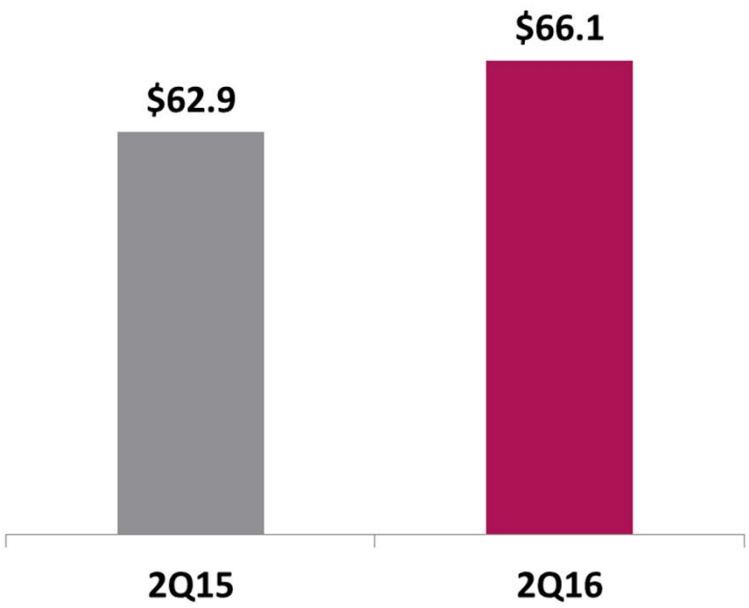


(1) Peer group includes Mid-Atlantic and Midwest Banks $2-$10 billion
YTD results as of June 30, 2016
Source: SNL Financial

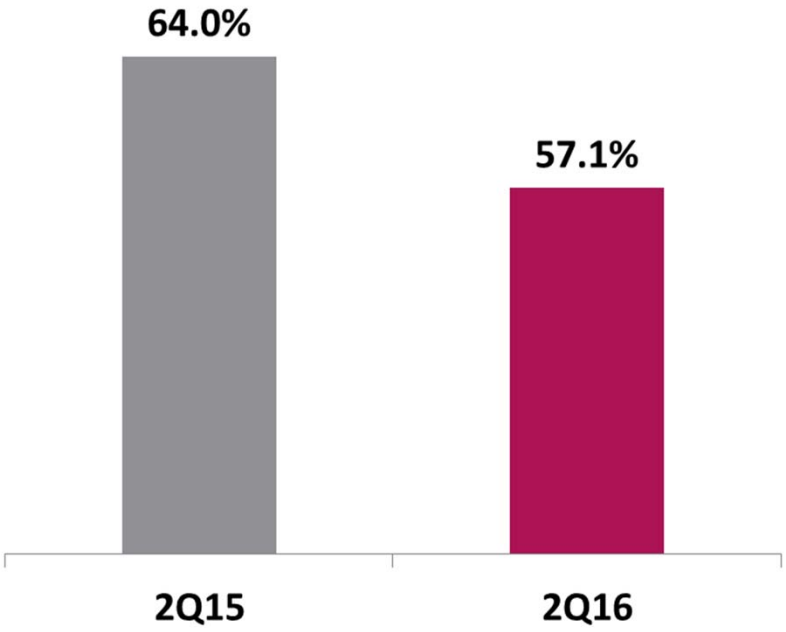
Operational Leverage

Growing Revenue While Containing Costs

Operating Revenue(1)



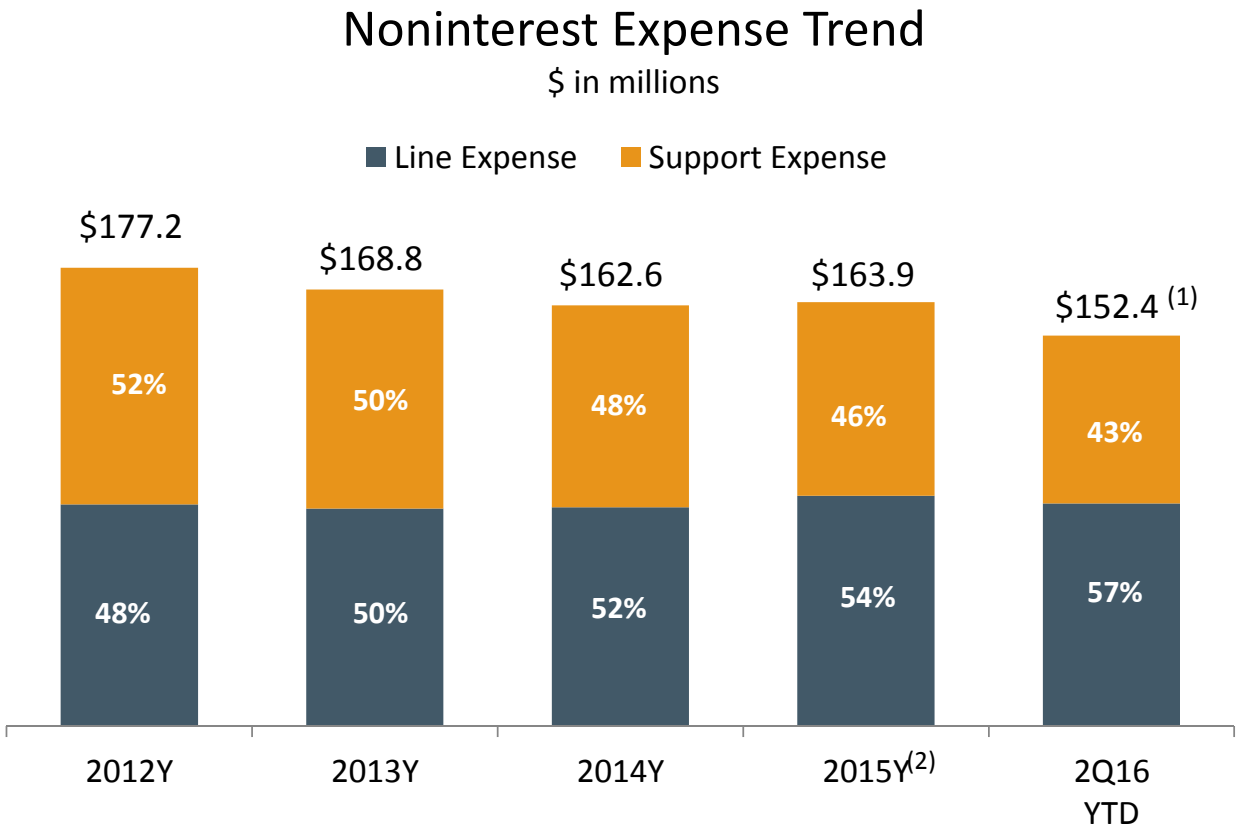
Efficiency Ratio(2)



(1) Please refer to pages 37-39 for disclosures regarding non-GAAP measures

(2) 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

Expense Control



- Successfully redeployed back office savings into revenue producing business lines over the past five years
- Largest investments include reentry into the traditional mortgage business, corporate banking build-out in central and northern Ohio, and customer facing technology

(1) YTD annualized
(2) Excludes $8.6 million litigation settlement

Retail Restructuring

Building a retail banking model that adapts to changing customer preferences

- Necessitating change in the delivery of retail banking services
- Opportunities exist to position First Commonwealth to capitalize on these challenges
- Responding to changes in the marketplace include:
  - Shifting from a transaction-based to a consultative environment
  - Investing in alternative delivery channels
  - A streamlined structure for our Financial Solutions Team
  - Adjusting staffing to customer demand
  - Enrich the role of managers as relationship managers for business owners

Financial Trends: 2012 – Present

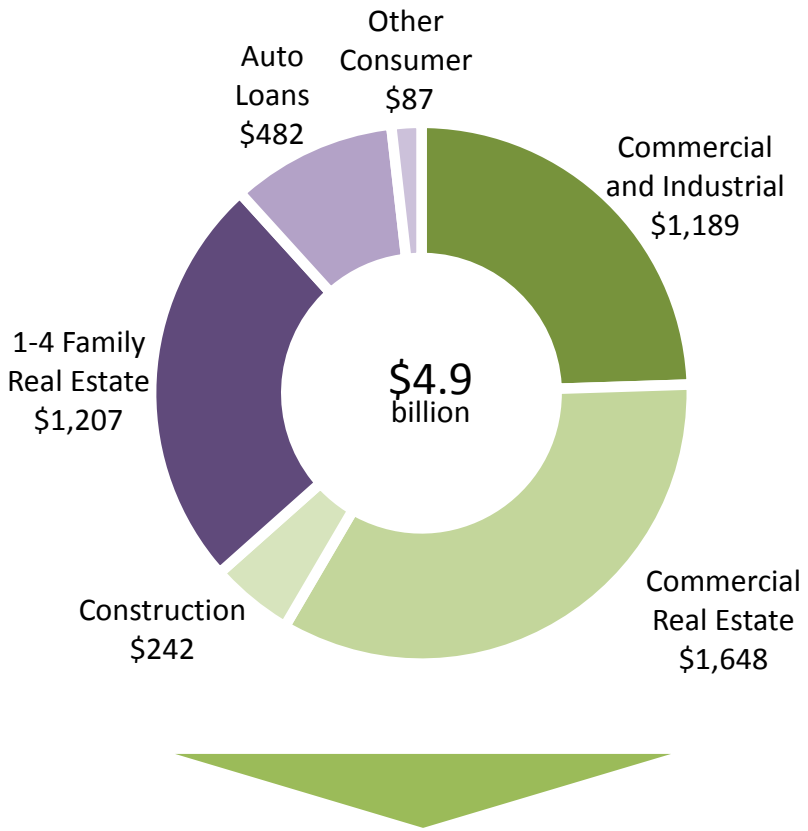
	2012Y	2013Y	2014Y	2015Y	YTD 2016
Income Statement					
Revenue[1]	$259	$249	$248	$253	$129
Provision for credit losses	21	19	11	15	17
Noninterest expense	177	169	171	164	76
Net income	$42	$41	$44	$50	$24
Stock					
EPS	$0.40	$0.43	$0.48	$0.56	$0.28
Shares outstanding	104	97	93	89	89
Balance Sheet (EOP)					
Loans[2]	$4,205	$4,284	$4,460	$4,690	$4,855
Deposits	4,558	4,604	4,315	4,196	4,394
Borrowings	636	843	1,268	1,592	1,546
Equity	$746	$712	$716	$720	$742
Profitability					
Return on average assets	0.71%	0.68%	0.71%	0.78%	0.74%
Return on average tangible common equity[3]	7.08%	7.45%	7.96%	9.03%	8.65%
Net interest margin[1]	3.61%	3.39%	3.27%	3.28%	3.28%
Efficiency ratio[4]	68.54%	67.52%	69.23%	64.67%	58.56%

(1) Taxable equivalent
(2) Includes loans held for sale
(3) Please refer to pages 37-39 for disclosures regarding non-GAAP measures
(4) 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
YTD results as of June 30, 2016

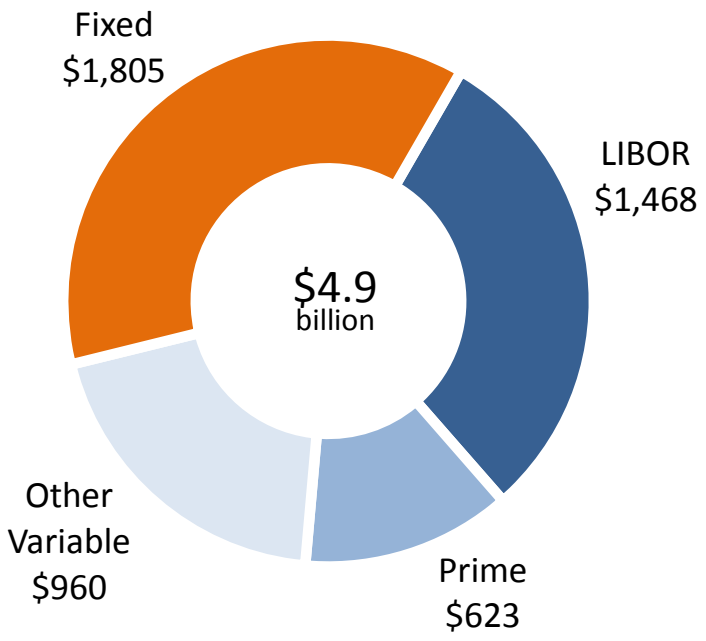
Balance Sheet Management

Loan Portfolio Composition ($MM)



63% Commercial / 37% Retail

Loan Portfolio Repricing ($MM)



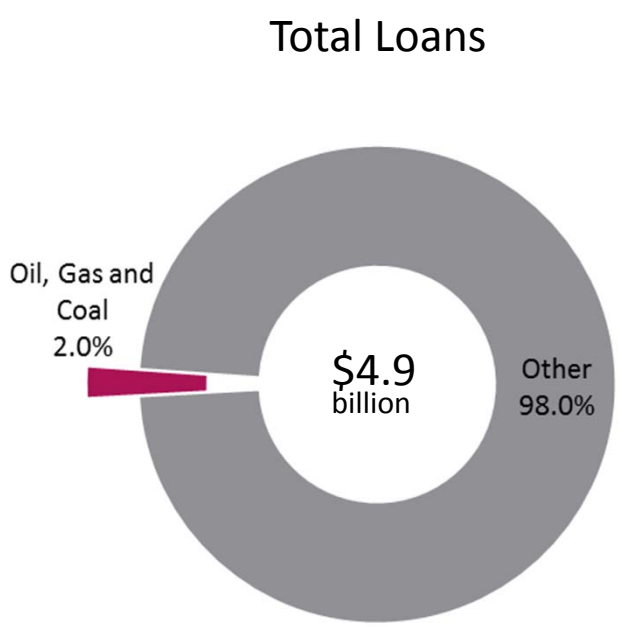
63% Variable / 37% Fixed

As of June 30, 2016

Energy Related Credits

Oil and Gas Loans	2Q16	1Q16
Balance	$67.4	$63.7
Reserves (% o/s)	3.4%	7.7%
Non-performing (% o/s)	15.8%	20.4%
Non-pass (% o/s)	40.0%	38.8%
Utilization	49.0%	43.5%
Total exposure	$137.5	$146.3

Coal Loans	2Q16	1Q16
Balance	$28.5	$29.3
Reserves (% o/s)	26.9%	1.9%
Non-performing (% o/s)	37.0%	0.0%
Non-pass (% o/s)	44.5%	43.5%
Utilization	49.5%	42.9%
Total exposure	$57.4	$68.4



$ in millions

Investment Thesis

- New leadership team with a proven track record of controlling expenses and efficiently deploying capital
- A community-minded bank with the capabilities of a big bank is resonating in metro Ohio markets
- Successfully emerging from a multitude of transformative operational initiatives driving the organization towards a new future in retail banking
- Franchise located in the heart of Marcellus and Utica Shale formations which hold long-term benefits to the local economies

Appendix

- Acquisition of 13 FirstMerit Branches in Ohio
- 2Q 2016 Financial Results
- Acquisition First Community Bank
- Non-GAAP Measures

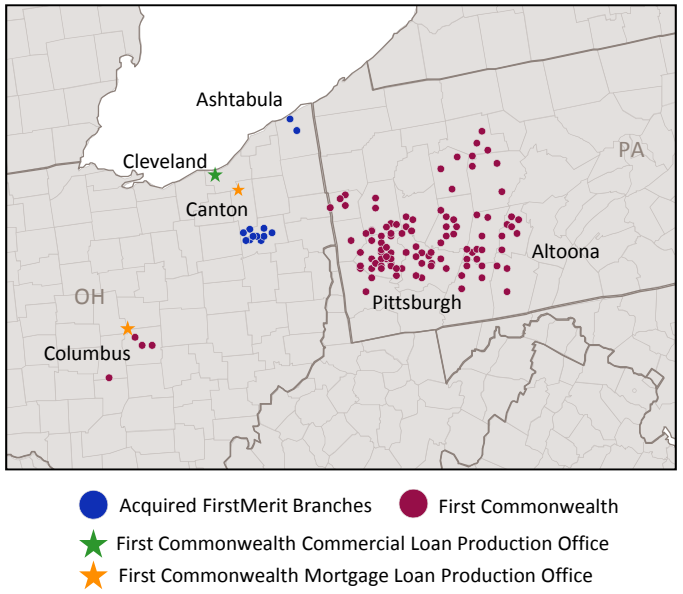


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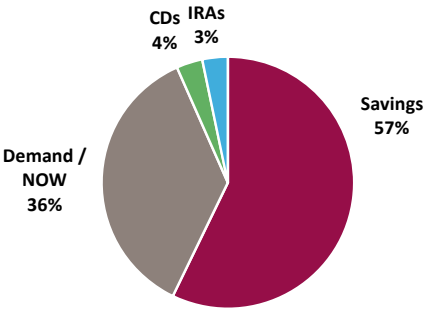
Another Step in Building Our Ohio Business

- Acquisition of 13 FirstMerit branches in Northeast Ohio in conjunction with Huntington's previously announced acquisition of FirstMerit
  - $56 million average deposits per branch
  - $735 million of deposits at an average cost of 0.22%
  - $115 million of loans yielding 4.05%
- Top 10 pro forma deposit market share(1) in target markets provides meaningful market presence
  - First Commonwealth will become the largest community bank in the Canton market
  - #3 in Canton, OH MSA
  - #6 in Ashtabula, OH MSA
- Northeast Ohio markets complement existing Cleveland loan production office and Columbus presence
- Financially compelling
  - 4.5% deposit premium
  - Immediately accretive to GAAP and Cash earnings per share
  - IRR significantly exceeds cost of capital

First Commonwealth Pro Forma Footprint

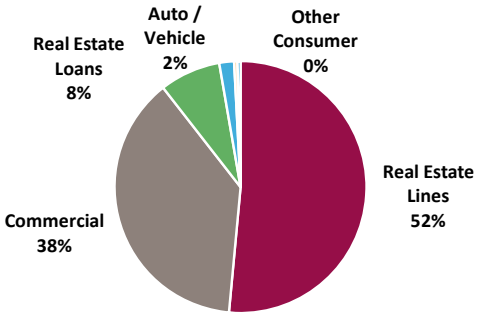


Acquired Deposits



Total Deposits: $735MM
Cost of Deposits: 0.22%

Acquired Loans



Total Loans: $115MM
Yield on Loans: 4.05%

Note: Acquired loan and deposit data as of May 31, 2016.
(1): As of June 30, 2015, pro forma for announced M&A through July 26, 2016.

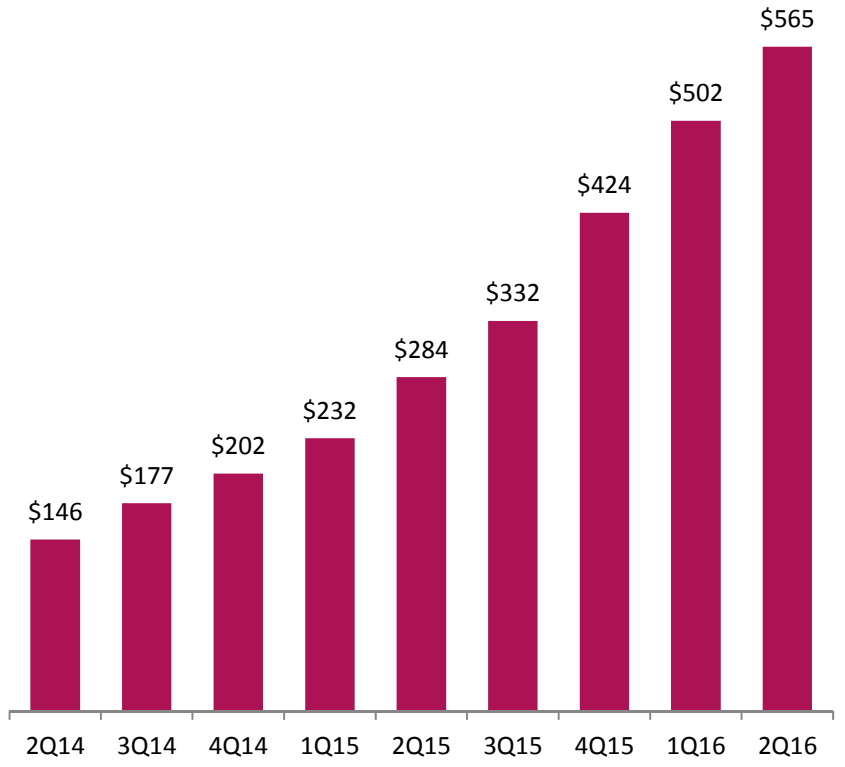
Successful Strategy in Ohio

First Commonwealth's presence in Ohio presents significant opportunity for growth

Measured Buildout in Ohio

- Leveraging significant management experience in Ohio market
- Opened a business center in Cleveland in April 2014
  - Targeting commercial customers in northeastern OH
- Acquired First Community Bank in Columbus, OH in October 2015
  - ~$100 million in assets and ~$90 million in deposits at time of acquisition
  - Cost savings fully achieved
  - Less than 2% deposit attrition since close
- Opened two mortgage production offices in central and northeast OH in 2016
  - Continue to build-out mortgage delivery in central and northeastern OH
- Announced acquisition of 13 FirstMerit branches on July 27, 2016
  - Provides important core deposit funding to support First Commonwealth's growth opportunities in Ohio
- Inclusive of this transaction, First Commonwealth's Ohio franchise is comprised of:
  - 107 employees
  - $680 million loans
  - $827 million deposits
  - 17 banking branches
  - 3 loan production offices

Ohio Loan Portfolio ($MM)[(1)]



(1): Includes all OH based consumer loans, Commercial Real Estate loans with properties located in OH and C&I loans with borrowers headquartered in OH

Pro Forma Deposit Market Share

Top 10 Banks in Canton, OH MSA

Rank	Institution	Branches	Deposits ($MM)	Deposit Market Share
1.	Huntington / FirstMerit *(ex. divestiture)*	31	$2,542	39.4%
2.	JPMorgan	13	815	12.6
3.	**First Commonwealth**	**11**	**676**	**10.5**
4.	Citizens Financial	14	601	9.3
5.	KeyCorp	13	561	8.7
6.	PNC Financial	12	425	6.6
7.	Consumers Bancorp	9	236	3.7
8.	Ohio Legacy Corp	2	188	2.9
9.	Fifth Third	5	109	1.7
10.	Magnolia Bancorp	3	66	1.0

Top Banks in Ashtabula, OH MSA

Rank	Institution	Branches	Deposits ($MM)	Deposit Market Share
1.	Huntington / FirstMerit *(ex. divestiture)*	9	$274	27.4%
2.	Andover Bancorp	8	271	27.1
3.	KeyCorp	6	182	18.1
4.	U.S. Bancorp	3	85	8.4
5.	Conneaut Bancorp	2	63	6.3
6.	**First Commonwealth**	**2**	**59**	**5.9**
7.	Northwest Bancshares	2	30	3.0
8.	Middlefield Banc Corp.	1	29	2.9
9.	Cortland Bancorp	1	10	1.0

Note: Branch and deposit data as of June 30, 2015, pro forma for M&A announced through July 26, 2016, except acquired branches and deposits, which are as of May 31, 2016.
Source: SNL Financial.

Key Transaction Terms

Purchase Price	■ 4.5% premium on deposits ■ $33.1 million based on $735 million of deposits as of May 31, 2016 ■ Premium will be calculated based on average daily balance of deposits for the 30 days prior to and inclusive of the 5th business day prior to closing
Loans	■ $115 million of loans as of May 31, 2016 ■ 62% consumer ■ 38% commercial
Branches	■ 13 branches in Canton and Ashtabula markets ■ Canton: 11 branches with $676 million deposits ■ Ashtabula: 2 branches with $59 million deposits
Fixed Assets	■ Fixed assets to be acquired at net book value at close ■ Approximately $4.6 million in aggregate(1)
One-Time Costs	■ $2.7 million pre-tax one-time restructuring charges
EPS Accretion	■ Immediately accretive to EPS ■ ~5% GAAP EPS accretive by year 3 ■ ~8% Cash EPS accretive by year 3
Tangible Book Value Dilution	■ ~5.0% tangible book value dilution at close including the impact of all one-time restructuring charges ■ <5 year tangible book value per share earn back period (crossover method)
Purchase Accounting Marks	■ 2.4% credit mark on loan portfolio ($2.8 million) ■ $1.4 million interest rate mark on loans ■ CDI equal to 2.07% of core deposits
Capital	■ Remaining capacity under January 2016 common stock repurchase program not expected to be executed
Closing Conditions	■ Customary regulatory approvals
Expected Closing	■ 4Q16

Note: Acquired branches, deposit and loan data as of May 31, 2016.
(1): Net book value as of May 31, 2016.

Appendix

- Acquisition of 13 FirstMerit Branches in Ohio
- 2Q 2016 Financial Results
- Acquisition First Community Bank
- Non-GAAP Measures



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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 37-39 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

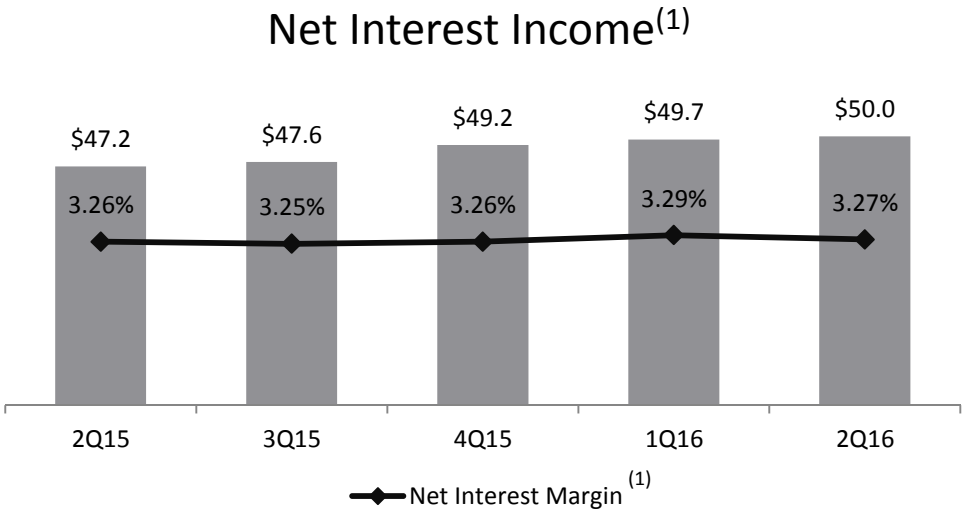
Balance Sheet

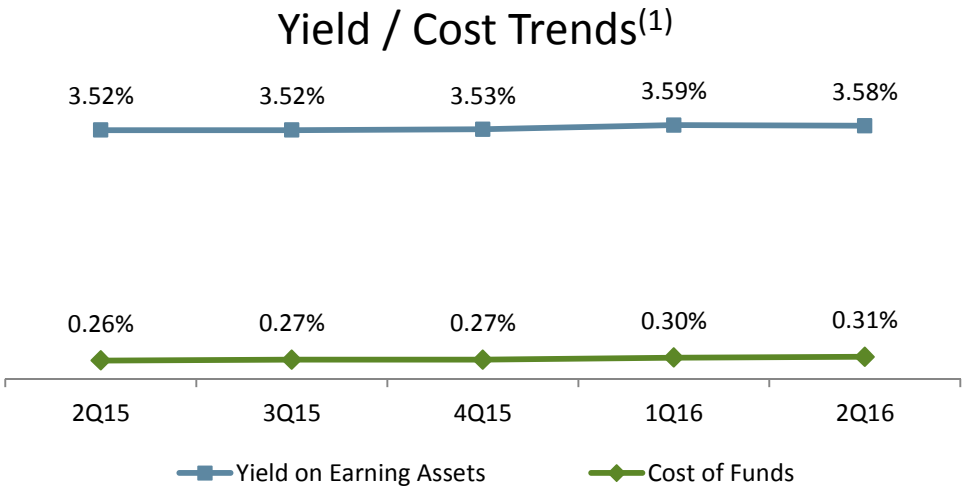
Period-end Balances	2Q16	1Q16	2Q15	Change From 1Q16	Change From 2Q15
Cash & securities	$1,418	$1,420	$1,342	*($2)*	*$76*
Loans held for sale	12	6	10	*6*	*2*
Commercial loans	3,075	3,000	2,640	*75*	*435*
Consumer loans	1,768	1,799	1,851	*(31)*	*(83)*
Allowance for credit losses	(60)	(55)	(45)	*(5)*	*(15)*
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



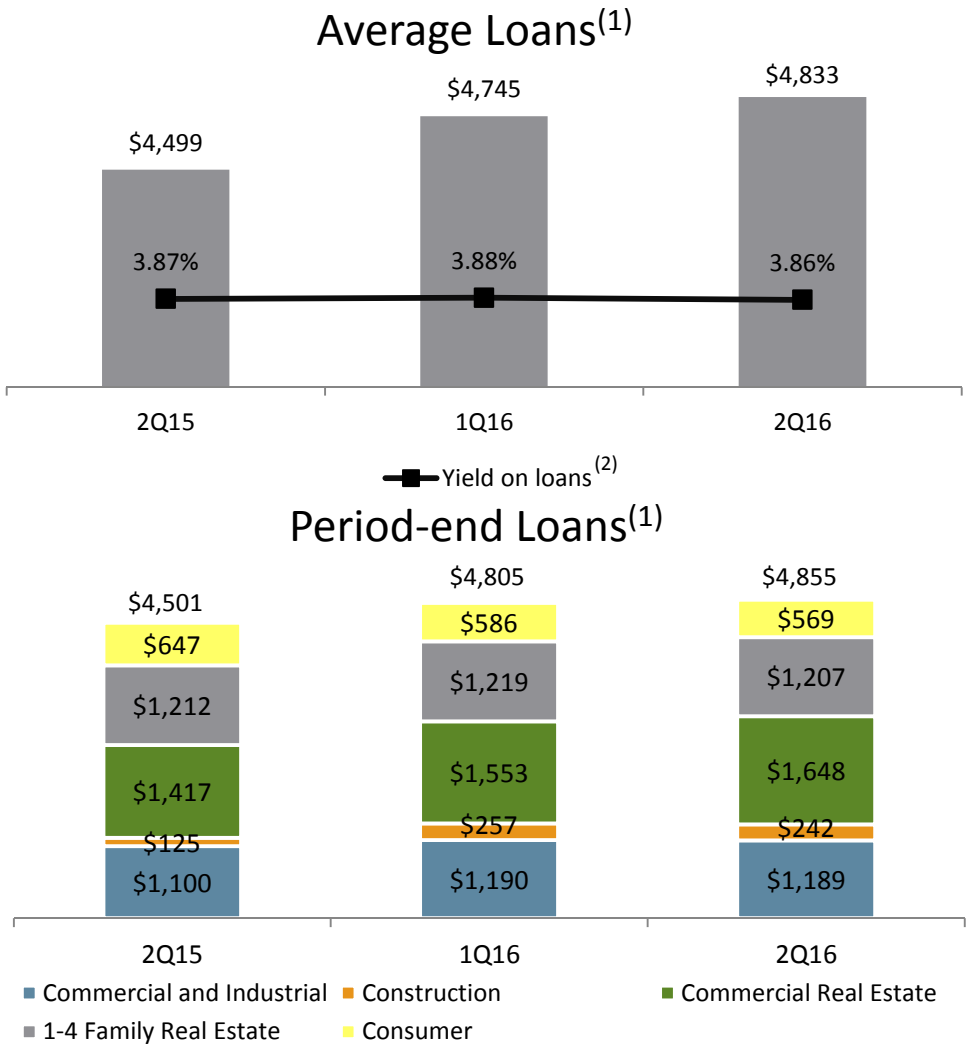


- Net interest income increased $0.3 million compared to LQ primarily due to strong commercial loan growth
- Net interest margin of 3.27% decreased 2bps over LQ due to:
  - Higher volume of commercial loans, offset by slightly higher borrowing costs
  - Replacement yields were relatively neutral
- Average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

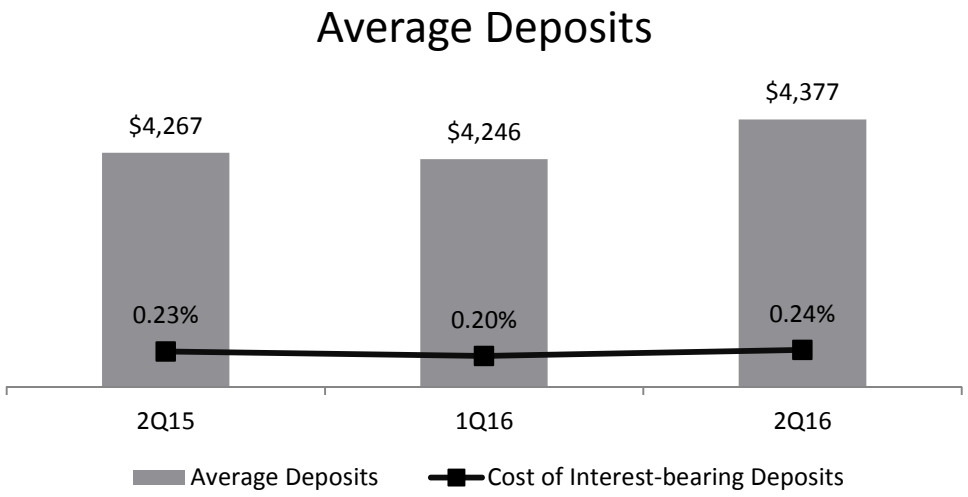
Period-end

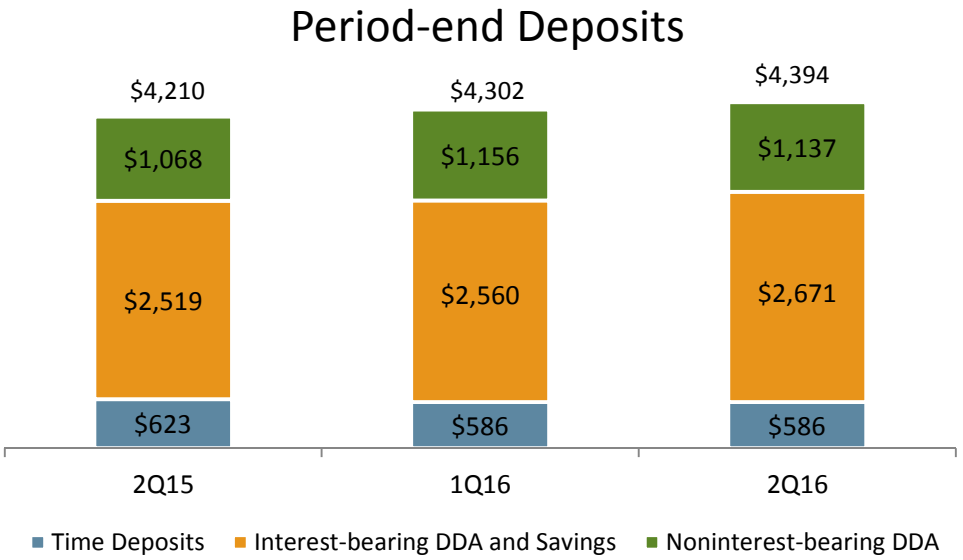
- Loans increased $50 million to LQ and $354 million from the prior year driven by:
  - Commercial loan growth, with Ohio markets growing $60 million LQ and $216 million YoY
  - Year-over-year growth includes $58 million of loans acquired with the First Community Bank acquisition in 4Q15

(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

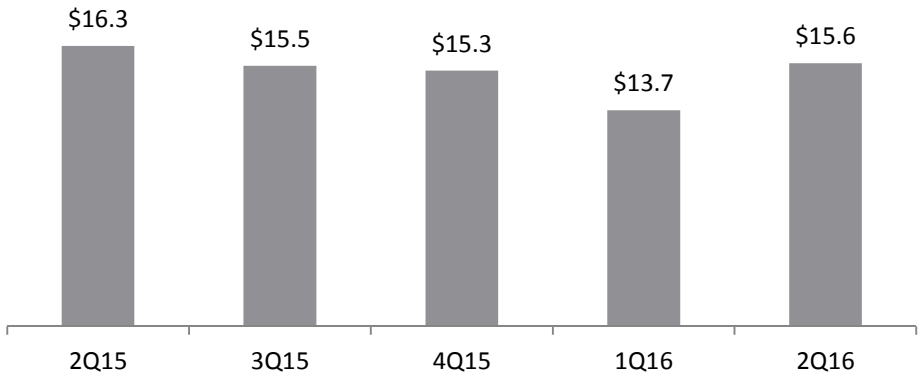
Period-end

- 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)***

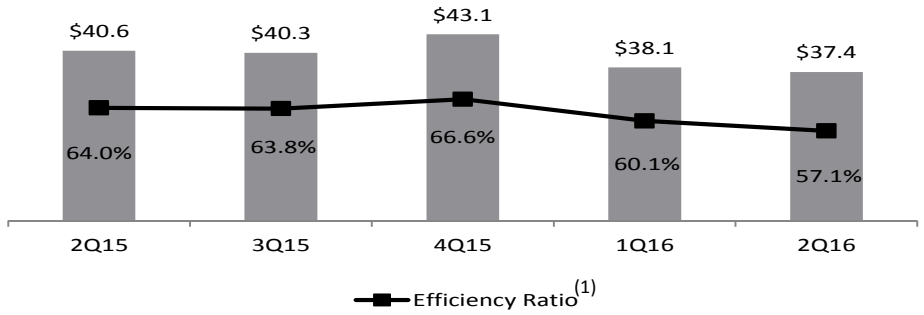


- Service charges on deposit accounts and card-related interchange income increased $0.3 million to LQ as a result of seasonal fluctuations
- Swap fee income increased $0.4 million compared to LQ and $0.5 million YoY
- Gain on sale of mortgage loans increased $0.2 million to LQ and $0.3 million YoY due 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

$ in millions

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)***



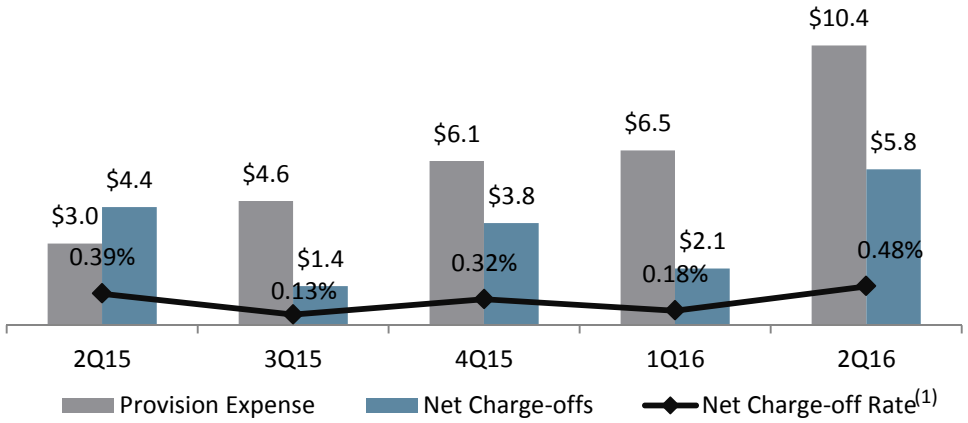
$ in millions

- 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

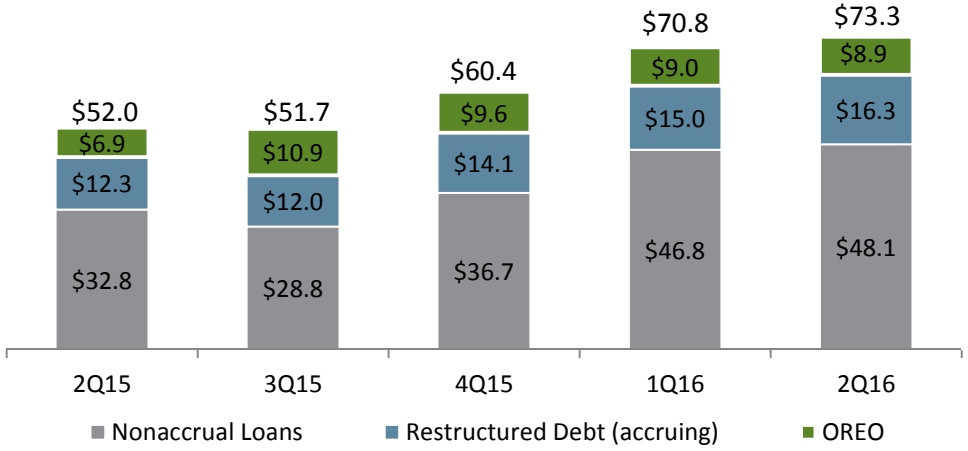
(1) Efficiency ratio is calculated as noninterest expense as a percentage of net interest income, on a fully taxable equivalent basis, and total noninterest income, excluding net securities gains and losses

Credit quality

Provision Expense and Net Charge-offs



Nonperforming Assets

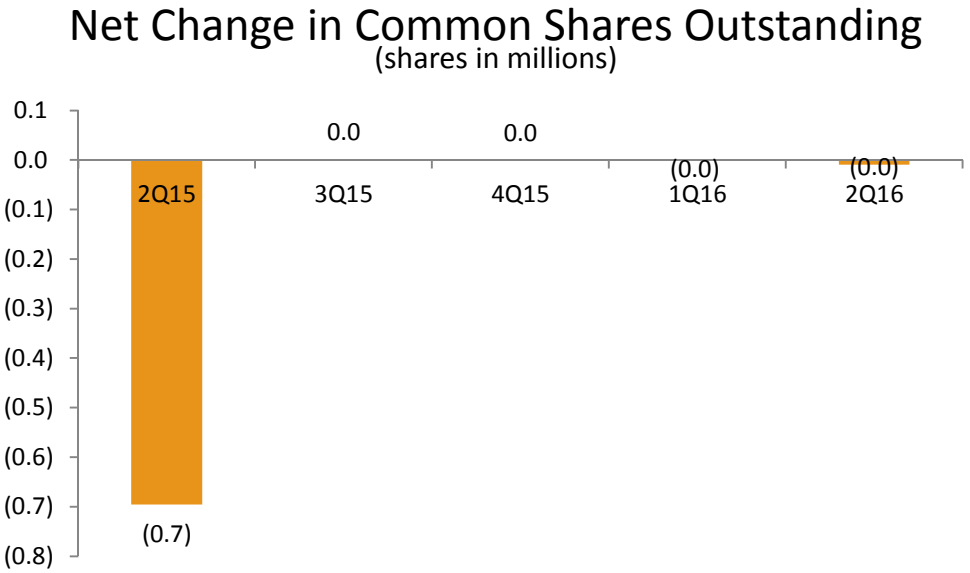


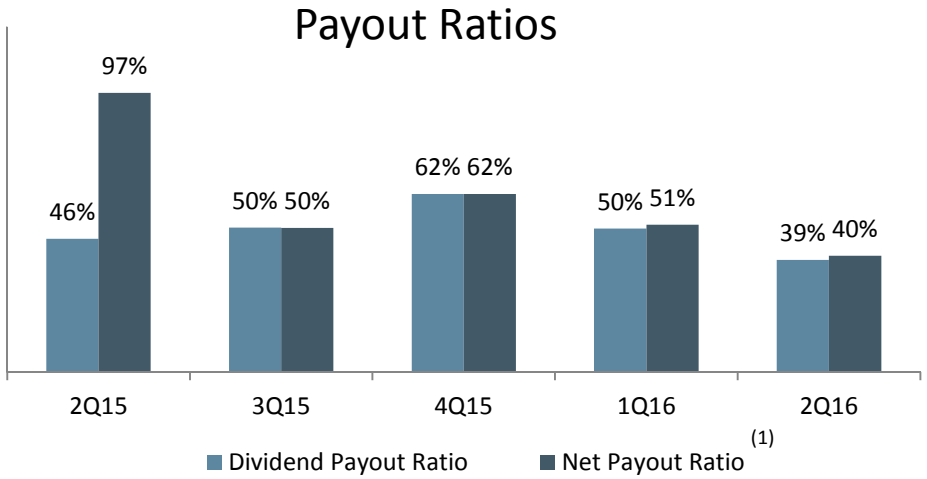
- Provision expense of $10.4 million increased $3.9 million to LQ due to the establishment of $7.5 million in a specific reserve for a manufacturer of safety products for the mining industry that was placed into nonperforming status in 2Q16
- Net charge-offs in 2Q16 included a $2.0 million charge-off 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

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

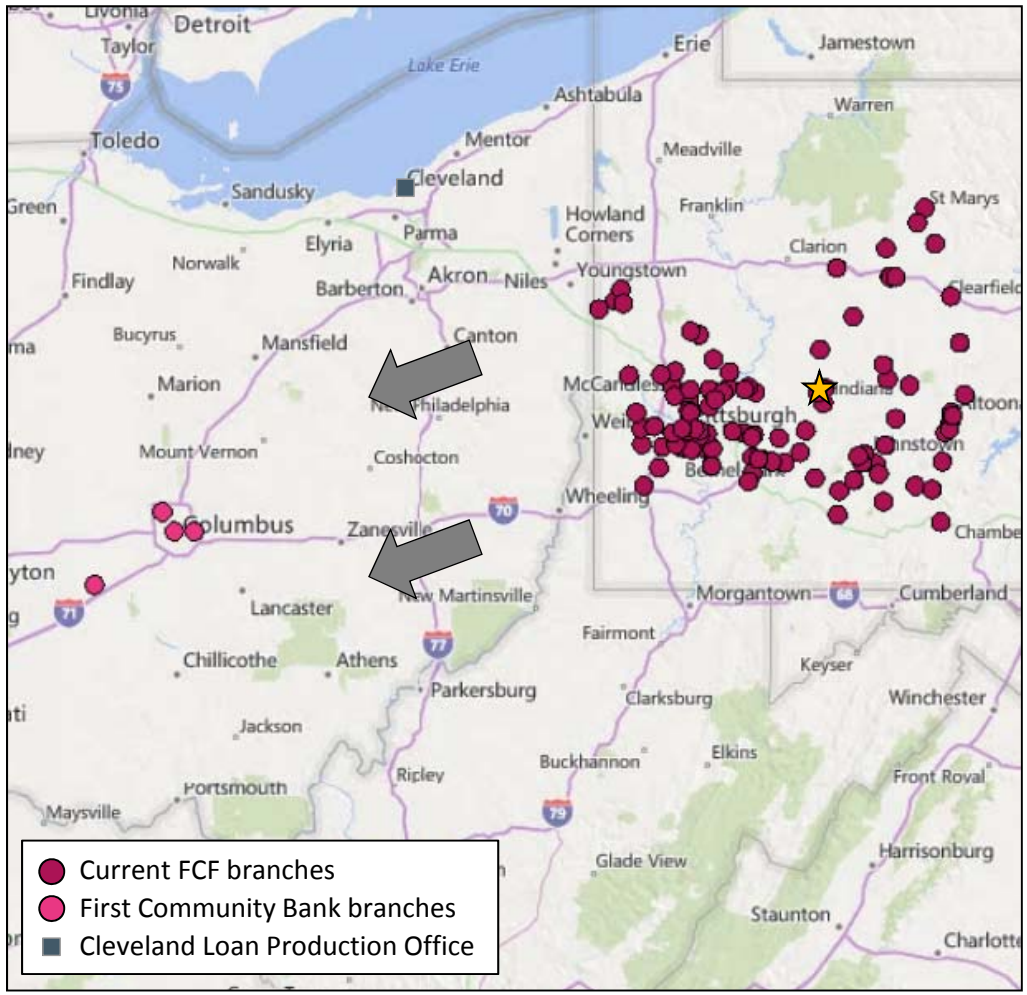
(1) Net payout ratio represents common stock dividends and share repurchases less share issuances and stock compensation-related items, divided by net income attributable to common stock.

Appendix

- Acquisition of 13 First Merit Branches in Ohio
- 2Q 2016 Financial Results
- Acquisition First Community Bank
- Non-GAAP Measures

Westward Expansion

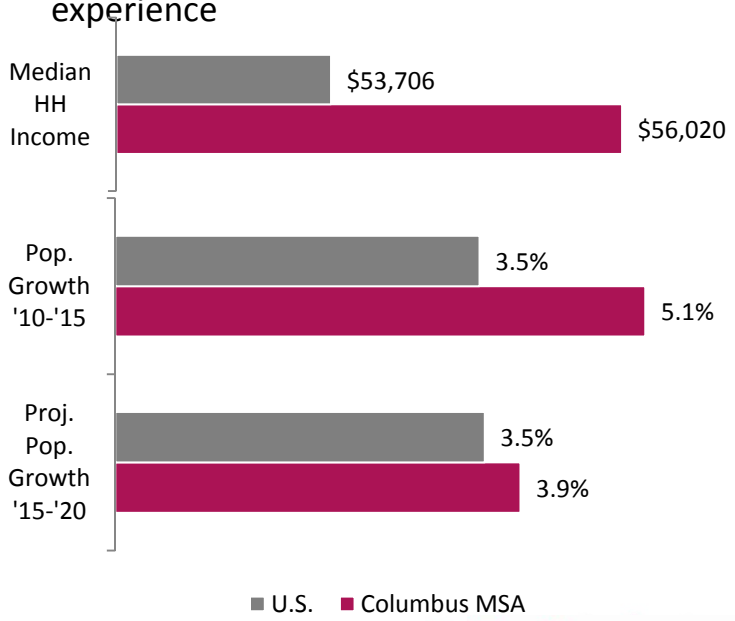
(announced May 11, 2015, completed October 1, 2015)



Source: SNL Financial

Strategic Rationale

- With the acquisition of First Community Bank, FCF expanded further into Ohio and the Columbus MSA
- The transaction provides FCF with attractive new demographics
  - Higher median household income
  - Increased historic and projected population growth
- Augmented FCF's Cleveland Loan Production Office and senior staff with Ohio lending experience



Acquisition of First Community Bank

Purchase Price and Consideration

- FCF paid $14.75 million in cash for First Community Bank in Columbus, OH
  - 100% cash consideration
  - Approximately 120% of First Community Bank's tangible book value as of 3/31/2015
  - Core deposit premium of approximately 3.6%

Financial Impact

- Expected cost savings of 40% of First Community Bank's non-interest expense, or approximately $875 thousand (after tax) expected to be fully achieved in 2016
- Anticipated earnings accretion of over 2% in 2016
- Tangible book value per share dilution of (0.6%) with an estimated earn back period of 3.5 years (crossover method)

Timing

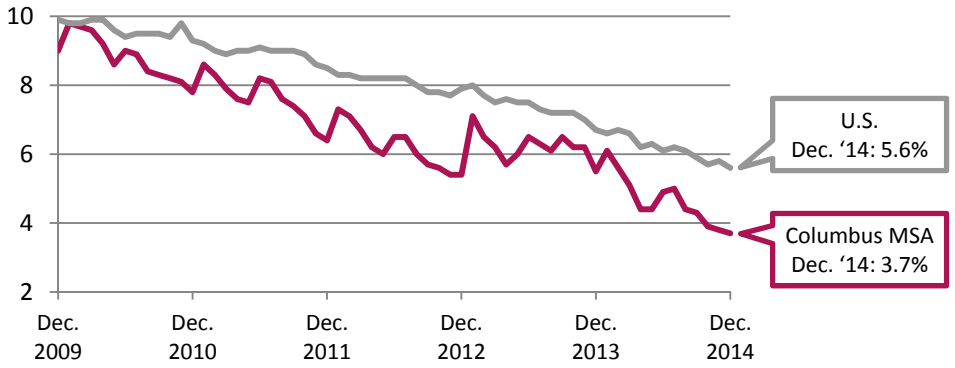
- Legal close was completed on October 1, 2015
- Systems conversion was completed on November 7, 2015

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.

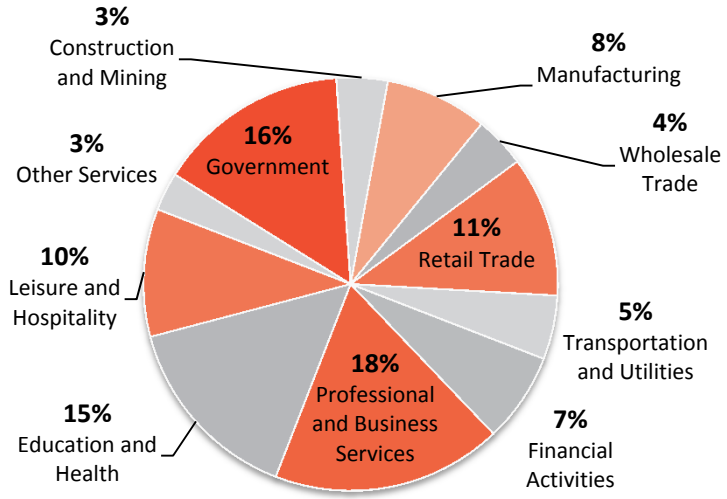
Columbus MSA Market Characteristics

- **High-growth market with attractive employment characteristics**

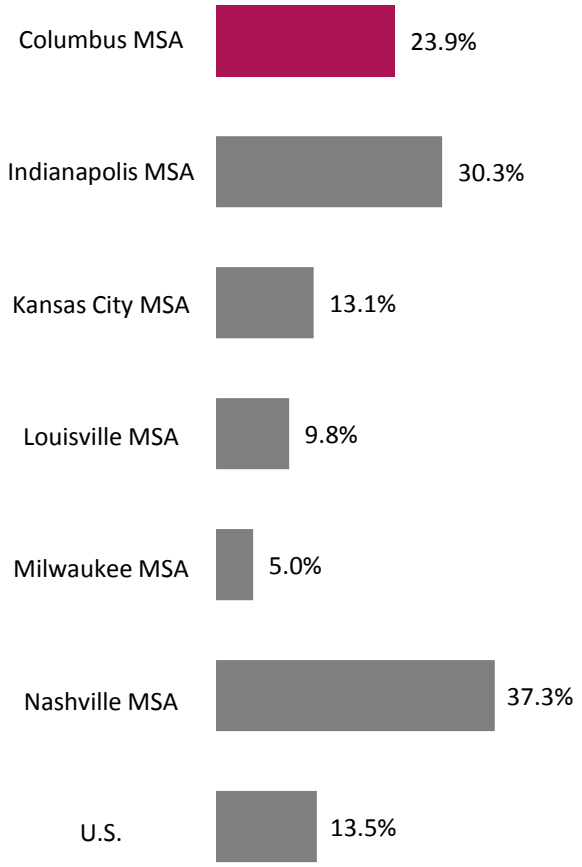
Consistently Low Unemployment Rate (%)



Diverse Economy by Employment



Robust Population Growth, 2000-2015 (%)



Source: US Bureau of Labor Statistics; The Columbus Region Factbook 2015; American Community Survey, 2013

Experience in Ohio

Senior Management Experience

- **Thomas Michael Price,** *President & CEO*
  - Previously CEO for National City Corporation in the Cincinnati market
  - Received his MBA from Cleveland State University

- **Jane Grebenc,** *EVP & Chief Revenue Officer*
  - Previously in an executive leadership position at PVF Capital Corporation in Solon, Ohio
  - Experience with National City Corporation and KeyBank NA in Cleveland, Ohio
  - Received her bachelor's degree from John Carroll University in University Heights, Ohio and her MBA from Case Western Reserve University in Cleveland, Ohio

- **I. Robert Emmerich,** *EVP & Chief Credit Officer*
  - Previously EVP & Chief Credit Officer for consumer lending at National City Corporation in Cleveland, Ohio for 31 years
  - Received his MBA from Cleveland State University

- **James R. Reske,** *EVP, CFO & Treasurer*
  - Previously EVP, CFO & Treasurer at United Community Financial Corporation in Youngstown, Ohio
  - Experience with KeyBanc Capital Markets, Inc. investment banking in Cleveland, Ohio
  - Received his master's degree and a combined bachelor's/master's degree from The Ohio State University in Columbus, Ohio

Appendix

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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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NYSE: FCF

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