

NYSE: FCF

Supplemental Financial Information

Second Quarter 2017

July 26, 2017

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 2017 Highlights

	2Q17	1Q17	2Q16	Change from 1Q17	Change from 2Q16
Net interest income[1]	$58.9	$52.8	$50.0	*$6.1*	*$8.9*
Provision for credit losses	(1.6)	3.2	10.4	*(4.8)*	*(12.0)*
Fee revenue	18.9	16.2	16.1	*2.7*	*2.8*
Gain on sale of securities	0.0	0.7	0.0	*(0.7)*	*0.0*
Derivative mark-to-market	0.0	0.0	(0.5)	*0.0*	*0.5*
Operating expense[2]	46.9	41.8	37.6	*5.1*	*9.3*
Other expense[2]	11.4	1.0	(0.2)	*10.4*	*11.6*
Income taxes[1]	7.1	7.8	5.8	*(0.7)*	*1.3*
Net income	**$14.0**	**$15.9**	**$12.0**	***($1.9)***	***$2.0***
Core net income[2]	**$20.4**	**$16.3**	**$12.2**	***$4.1***	***$8.2***
Reported EPS	$0.14	$0.18	$0.14	*($0.04)*	*$0.00*
Core EPS[2]	$0.21	$0.18	$0.14	*$0.03*	*$0.07*
Return on average assets	0.76%	0.96%	0.72%	*(0.20%)*	*0.04%*
Core return on average assets[2]	1.11%	0.98%	0.73%	*0.13%*	*0.38%*
Return on average equity	6.44%	8.51%	6.53%	*(2.07%)*	*(0.09%)*
Return on average tangible common equity[2]	9.74%	11.80%	8.47%	*(2.06%)*	*1.27%*
Core return on average tangible common equity[2]	14.03%	12.08%	8.57%	*1.95%*	*5.46%*
Core efficiency ratio[2]	60.19%	60.49%	56.88%	*(0.30%)*	*3.31%*
Net interest margin[1]	3.54%	3.50%	3.27%	*0.04%*	*0.27%*
Net Chargeoffs[3]	-0.07%	0.39%	0.48%	*(0.46%)*	*(0.55%)*

(1) Taxable equivalent
(2) Please refer to pages 13 - 16 for disclosures regarding non-GAAP measures
(3) Quarter-to-date annualized

- Core net income of $20.4 million increased by $4.1 million compared to linked quarter (LQ) and $8.2 million year-over-year (YoY)
- Net interest income improvement was driven by an expanded asset base following the acquisition of DCB Financial Corp. in 2Q17
- Net interest margin expansion was aided by improved loan yields as a result of the increase in short-term rates and the ability to pay down higher cost short-term borrowings following the FirstMerit branch acquisition in 4Q16
- Provision decreased $4.8 million compared to LQ primarily due to the recognition of $3.1 million of recoveries on two loans previously charged-off
- Fee income growth was primarily driven by acquired customer relationships and financial advisory and insurance commissions
- Operating expense increase of $5.1 million to LQ and $9.3 million YoY was primarily due to higher operating costs associated with the aforementioned acquisitions

$ in millions, except per share data

Balance Sheet

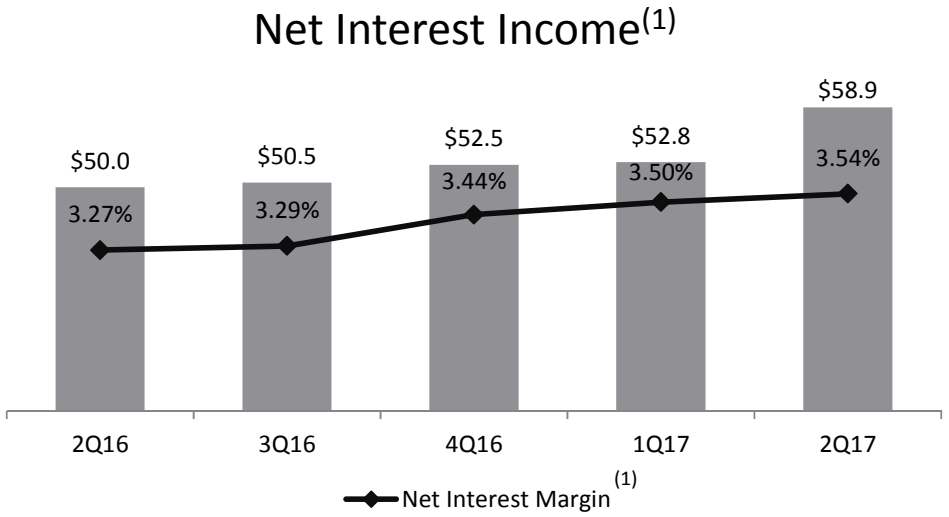
Period-end Balances	2Q17	1Q17	2Q16	Change From 1Q17	Change From 2Q16
Cash & securities	$1,387	$1,381	$1,418	*$6*	*($31)*
Loans held for sale	10	10	12	*0*	*(2)*
Commercial loans	3,412	3,150	3,075	*262*	*337*
Consumer loans	1,963	1,758	1,768	*205*	*195*
Allowance for credit losses	(48)	(49)	(60)	*1*	*12*
OREO	6	7	9	*(1)*	*(3)*
Goodwill & intangibles	272	198	165	*74*	*107*
Other	381	354	363	*27*	*18*
Total Assets	**$7,383**	**$6,809**	**$6,750**	***$574***	***$633***
Noninterest Bearing DDA	$1,404	$1,270	$1,137	*$134*	*$267*
Interest Bearing Savings & DDA	3,568	3,145	2,671	*423*	*897*
Time Deposits	545	554	585	*(9)*	*(40)*
Brokered Deposits	16	1	1	*15*	*15*
Short-term Borrowings	846	961	1,465	*(115)*	*(619)*
Long-term Debt	89	81	81	*8*	*8*
Other	36	36	68	*0*	*(32)*
Equity	879	761	742	*118*	*137*
Total Liabilities & Equity	**$7,383**	**$6,809**	**$6,750**	***$574***	***$633***

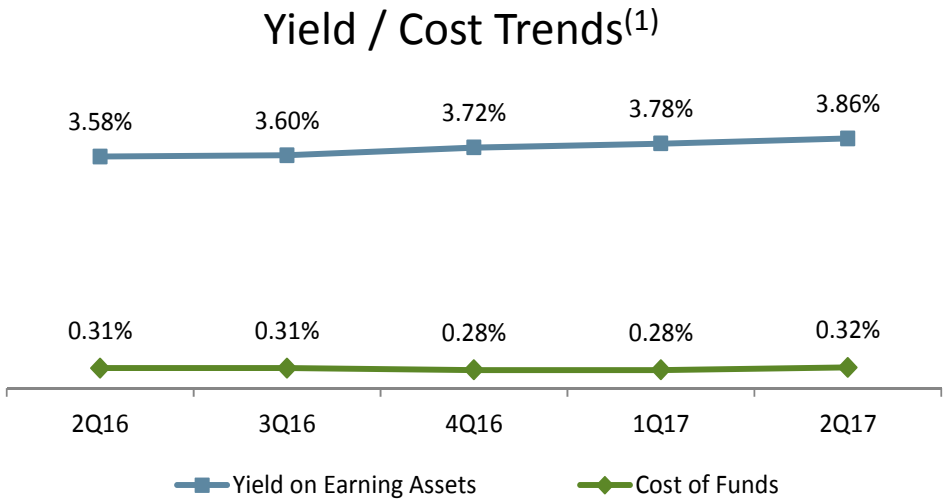
- Total asset growth of $574 million from LQ driven by acquisitions, along with organic growth
  - Organic loan growth of $84 million from LQ was primarily driven by growth in commercial real estate loans
  - Organic deposit growth of $79 million from LQ was primarily driven by growth in the bank's Ohio footprint
- Noninterest-bearing demand deposits increase of $267 million YoY was primarily due to $236 million in deposit balances acquired in recent acquisitions and 2.7% organic growth
- Short-term borrowings decrease of $619 million YoY was due to the ability to pay down borrowings following the FirstMerit branch acquisition

(1) Balances as of the close of the northern Ohio branch acquisition

$ in millions

Net interest income and net interest margin



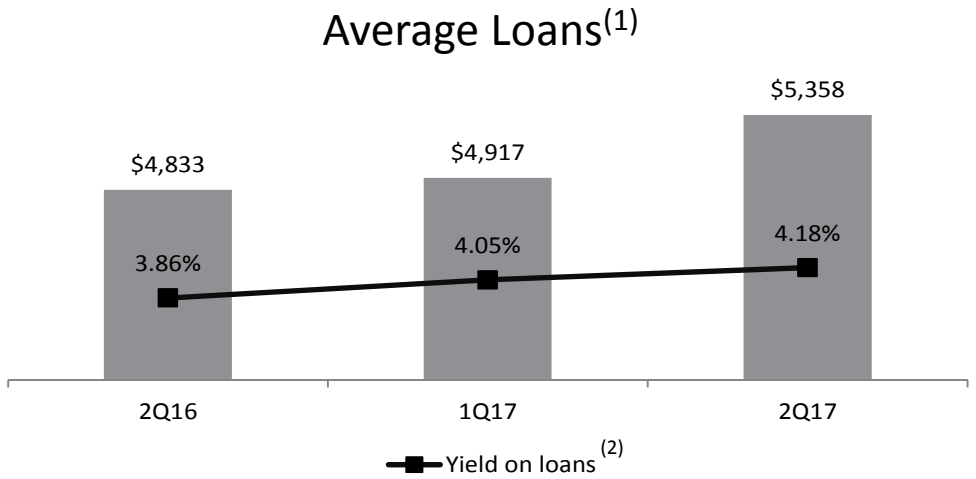


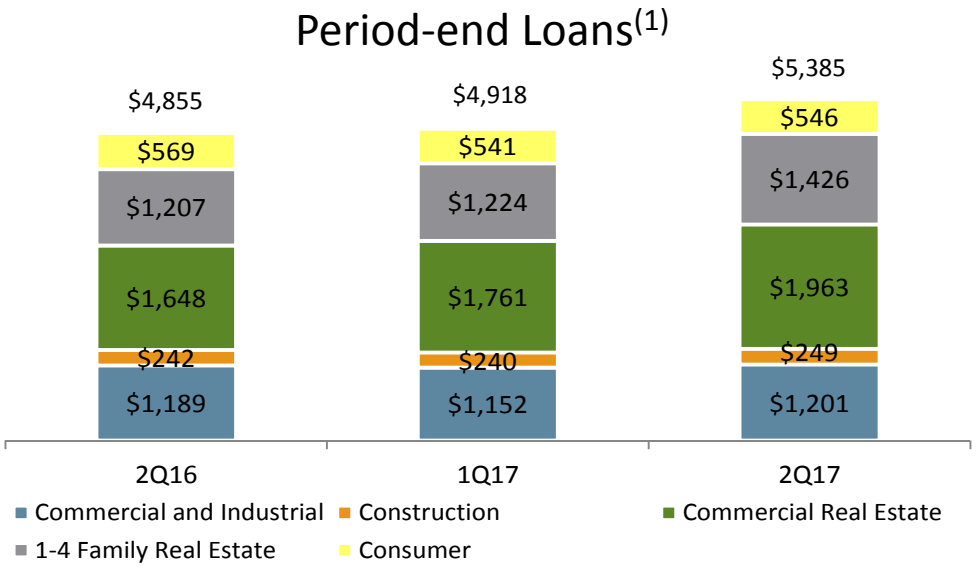
- Net interest income increased by $6.1 million compared to LQ and $8.9 million YoY primarily as a result of acquired earning assets and lower funding costs following the FirstMerit branch acquisition in 4Q16 and increases in short-term interest rates
- Net interest margin of 3.54% increased 4bps over LQ due to:
  - An increase of $0.6 million in purchase accounting accretion
  - Improved yields on variable and adjustable loans
  - Partially offset by higher borrowing costs and a lower yield on securities
- Average interest earning assets increased $542 million over LQ primarily due to the aforementioned acquired balances, a $101 million increase in securities and organic growth in commercial loans

(1) Taxable equivalent

$ in millions

Loans





(1) Includes loans held for sale
(2) Taxable equivalent yield
(3) Balances as of the close of the acquisition

$ in millions

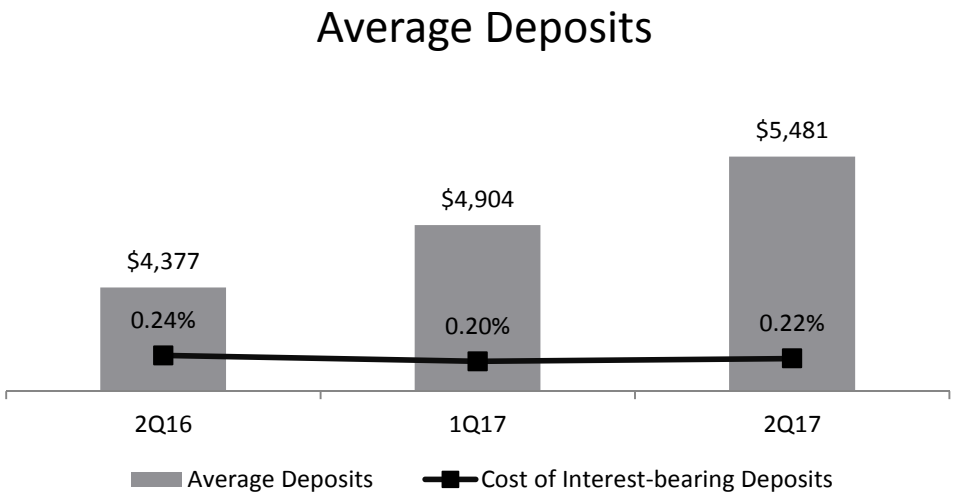
Average

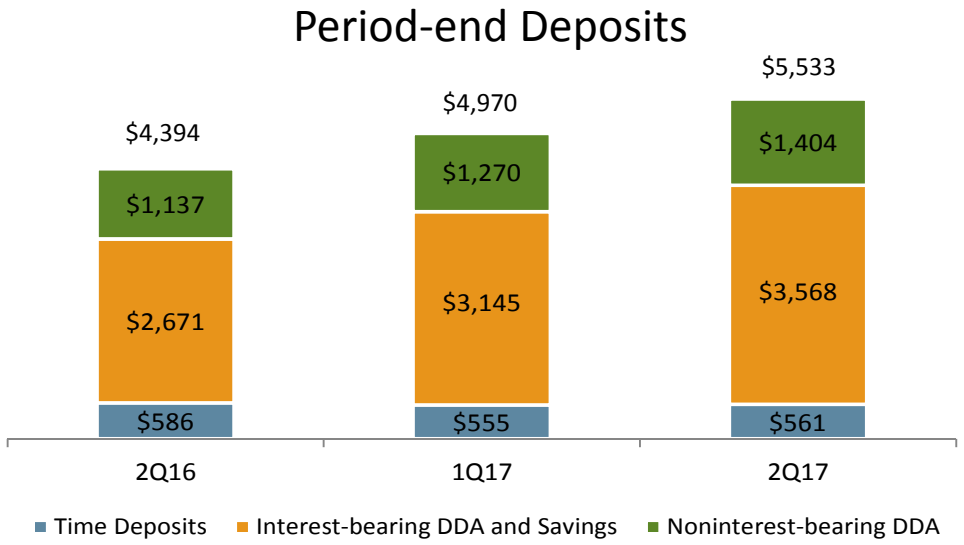
- Average loans increase of $441 million to LQ includes $383 million of average loans acquired in the DCB Financial Corp. acquisition
- Yield on loans of 4.18% increased 13 basis points from LQ due to higher yields on variable rate loans following the Federal Reserve's decision to increase short-term interest rates

Period-end

- Loans increased $467 million to LQ and $530 million from the prior year driven by:
  - Organic commercial loan growth of $83 million LQ
  - LQ and YoY growth includes $384 million(3) of loans acquired in the DCB Financial Corp. acquisition
  - YoY growth includes $106 million(3) of loans acquired in the FirstMerit branch acquisition in 4Q16

Deposits





Average

- Average deposits increased $577 million over LQ and includes $505 million in average deposits acquired through the DCB Financial Corp. acquisition
- Cost of interest-bearing demand and savings deposits of 0.15% increased 3 basis points over LQ due to higher short-term interest rates

Period-end

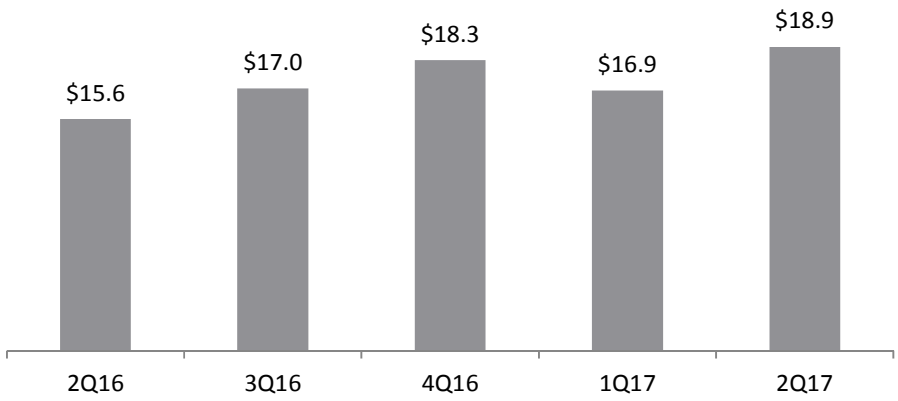
- Total deposits increased $563 million over LQ and increased $1.1 billion from the prior year driven by:
  - The addition of $484 million(1) in deposits acquired in the DCB Financial acquisition and $605 million(1) in deposits acquired through the FirstMerit branch acquisition in 4Q16
  - An increase of $267 million in noninterest-bearing demand deposits YoY, including $31 million of organic growth
  - Noninterest-bearing deposits currently comprise 25.4% of total deposits

(1) Balances as of the close of the acquisition

$ in millions

Noninterest income

	2Q17	1Q17	2Q16	Change from 1Q17	Change from 2Q16
Service charges	$4.7	$4.3	$3.8	*$0.4*	*$0.9*
Interchange	4.8	4.2	3.8	*0.6*	*1.0*
Trust	1.7	1.4	1.3	*0.3*	*0.4*
Retail brokerage	1.3	1.1	1.0	*0.2*	*0.3*
Insurance	1.1	1.0	1.0	*0.1*	*0.1*
BOLI	1.4	1.3	1.3	*0.1*	*0.1*
SWAP fees	0.3	0.0	0.8	*0.3*	*(0.5)*
Gain on sale of mortgage loans	1.3	1.0	0.9	*0.3*	*0.4*
Other fees	2.3	1.9	2.2	*0.4*	*0.1*
Total fee income	**18.9**	**16.2**	**16.1**	***2.7***	***2.8***
Gain on sale of securities	0.0	0.7	0.0	*(0.7)*	*0.0*
Derivative mark-to-market	0.0	0.0	(0.5)	*0.0*	*0.5*
Total noninterest income	**18.9**	**16.9**	**15.6**	***2.0***	***3.3***

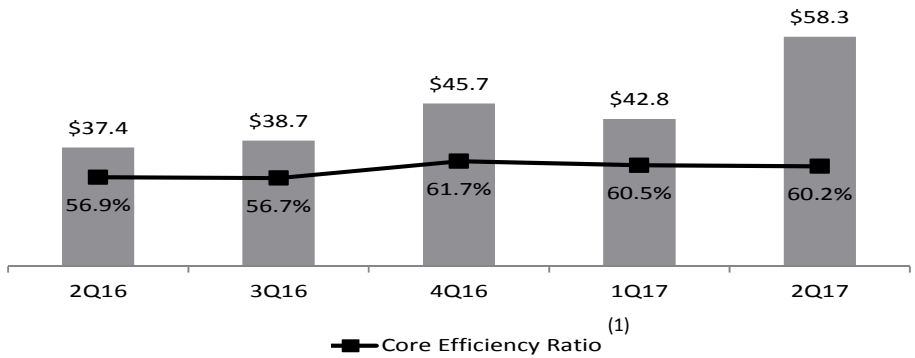


$ in millions

- Service charges on deposit accounts increased $0.4 million to LQ and increased $0.9 million YoY primarily due to the acquisition of DCB Financial Corp. and 13 FirstMerit branches in 4Q16
- Interchange increased $0.6 million to LQ and $1.0 million YoY primarily due to the aforementioned acquisitions
- Trust, retail brokerage and insurance revenue improved LQ and YoY primarily due to acquired customer relationships and an expanded sales staff
- Gain on sale of mortgage loans increased $0.3 million to LQ and $0.4 million YoY due to higher originations resulting from the expansion of our mortgage business into Ohio

Noninterest expense

	2Q17	1Q17	2Q16	Change from 1Q17	Change from 2Q16
Salaries and benefits	$25.3	$23.5	$19.9	*$1.8*	*$5.4*
Occupancy	4.1	3.8	3.2	*0.3*	*0.9*
Furniture and equipment	3.3	3.1	2.9	*0.2*	*0.4*
PA shares tax	1.2	0.8	1.1	*0.4*	*0.1*
Data processing	2.3	2.1	1.8	*0.2*	*0.5*
Collection and repo	0.4	0.5	0.5	*(0.1)*	*(0.1)*
Professional fees	1.1	1.0	0.9	*0.1*	*0.2*
FDIC insurance	1.0	0.8	1.1	*0.2*	*(0.1)*
Operational losses	0.3	0.2	0.6	*0.1*	*(0.3)*
Other operating expenses	7.9	6.0	5.6	*1.9*	*2.3*
Total operating expense	**46.9**	**41.8**	**37.6**	***5.1***	***9.3***
Unfunded commitments	0.7	(0.2)	(0.5)	*0.9*	*1.2*
Intangible amortization	0.8	0.6	0.1	*0.2*	*0.7*
Acquisition expenses	9.9	0.6	0.2	*9.3*	*9.7*
Total noninterest expense	**58.3**	**42.8**	**37.4**	***15.5***	***20.9***



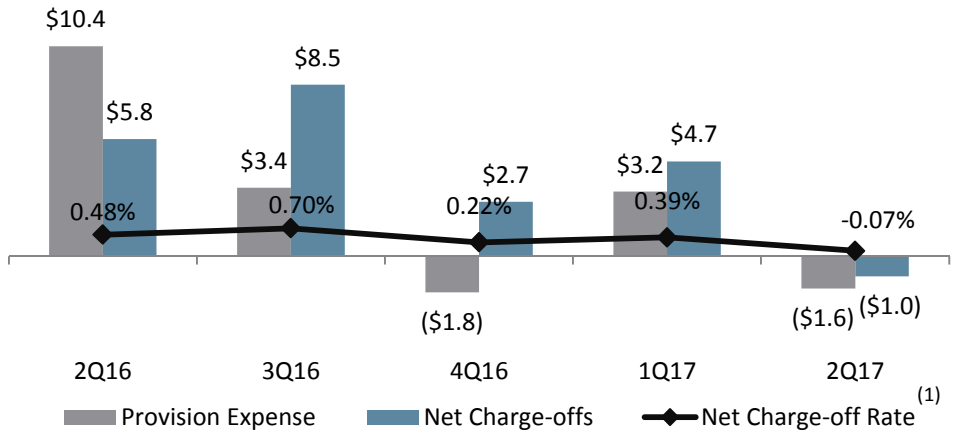
$ in millions

- Operating expense increased $5.1 million to LQ and $9.3 million YoY primarily due to recent acquisitions and expansion efforts into Northern and Central Ohio
- Salaries and benefits increased $1.8 million to LQ and $5.4 million YoY primarily due to the addition of acquired staff as well as higher hospitalization expenses
  - FTEs increased 155 LQ and 258 YoY
- Other operating expenses increased $1.9 million to LQ and $2.3 million YoY partially due to a $1.1 million write-down on three commercial OREO properties
- Unfunded commitment expense increased $0.9 million to LQ and $1.2 million YoY due to higher commercial construction commitment volumes

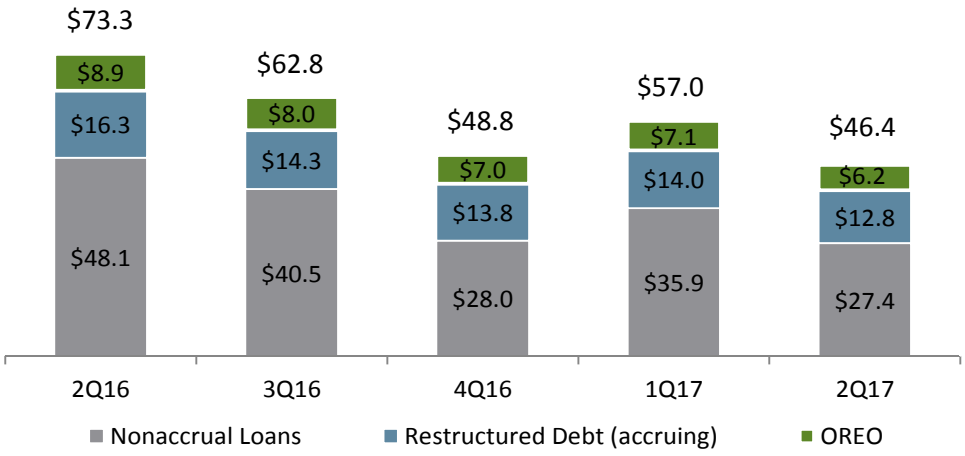
(1) Please refer to pages 13 – 16 for disclosures regarding non-GAAP measures

Credit quality

Provision Expense and Net Charge-offs



Nonperforming Assets

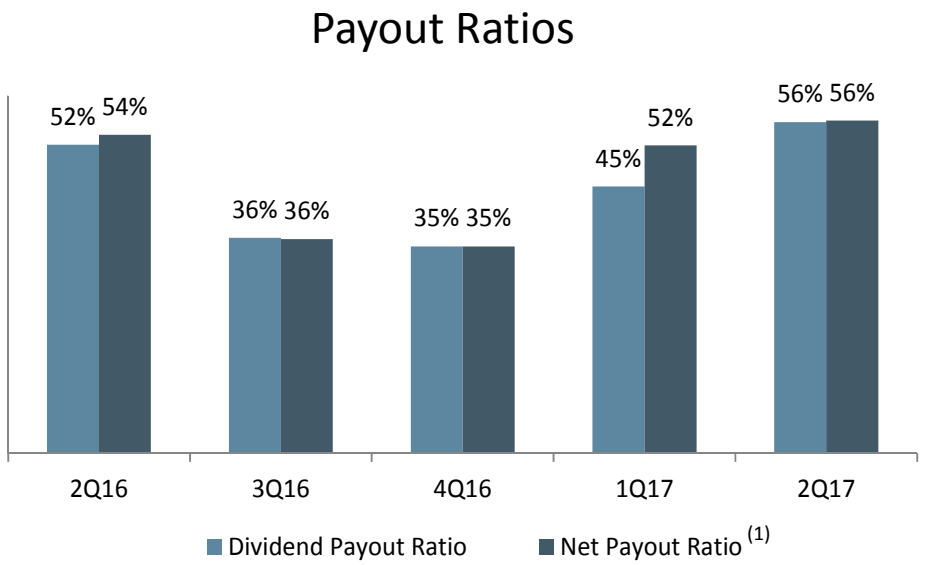


- Provision expense of ($1.6) million decreased $4.8 million to LQ primarily due in part to the recognition of $3.1 million in recoveries on two commercial loans that had been previously charged-off
- Net charge-offs (recoveries) were ($1.0) million in 2Q17, which included $3.1 million in recoveries on the two aforementioned commercial credits
- Nonperforming loans (nonaccrual loans plus restructured accruing debt) decreased $9.7 million from the previous quarter due to the resolution of two commercial credits placed in nonperforming status in 2016

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

$ in millions

Capital Return



- Strong capital levels allow us to continue to return capital to shareholders
  - Paid a 14.3% increase in the quarterly dividend from $0.07 to $0.08 per share in 1Q17
  - 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, excluding acquisition-related items, divided by net income attributable to common stock.

Appendix



Non-GAAP Measures

Non-GAAP measures

Operating Revenue	2Q17	1Q17	4Q16	3Q16	2Q16
Net Interest Income	$57.8	$51.8	$51.5	$49.6	$49.1
Tax equivalent adjustment	1.1	1.0	1.0	0.9	0.9
Net Interest Income (FTE)	58.9	52.8	52.5	50.5	50.0
Noninterest Income (Reported)	18.9	16.9	18.3	17.0	15.6
Less: Realized gains / (losses) on securities	0.0	0.7	0.6	0.0	0.0
Less: Derivative mark-to-market	0.0	0.0	1.3	0.5	(0.5)
Total Noninterest Income (Operating)	$18.9	$16.2	$16.4	$16.5	$16.1
Total Operating Revenue	$77.8	$69.0	$68.9	$67.0	$66.1
Average Assets	7,382	6,709	6,638	6,680	6,707
Operating Revenue / Average Assets (%)	**1.05%**	**1.03%**	**1.04%**	**1.00%**	**0.99%**

Operating Expense	2Q17	1Q17	4Q16	3Q16	2Q16
Noninterest Expense	$58.3	$42.8	$45.7	$38.7	$37.4
Less: Unfunded commitment reserve	0.7	(0.2)	0.1	0.5	(0.5)
Less: Intangible amortization	0.8	0.6	0.2	0.1	0.1
Less: Merger and acquisition related	9.9	0.6	2.8	0.1	0.2
Total Operating Expense	$46.9	$41.8	$42.6	$38.0	$37.6
Average Assets	7,382	6,709	6,638	6,680	6,707
Operating Expense / Average Assets (%)	**0.64%**	**0.62%**	**0.64%**	**0.57%**	**0.56%**
Core Efficiency Ratio[(1)]	**60.2%**	**60.5%**	**61.7%**	**56.7%**	**56.9%**

$ 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

Core Earnings per Share	2Q17	1Q17	4Q16	3Q16	2Q16
Net Income (GAAP)	$14.0	$15.9	$17.9	$17.2	$12.0
Less: Merger and acquisition related *(after tax)*	6.4	0.4	1.8	0.1	0.1
Core Net Income (Non-GAAP)	**$20.4**	**$16.3**	**$19.7**	**$17.3**	**$12.1**
Average Diluted Shares Outstanding	97.2	89.0	88.9	88.9	88.8
Core Earnings per Share (Non-GAAP)	**$0.21**	**$0.18**	**$0.22**	**$0.19**	**$0.14**

Core Return on Average Assets (%)	2Q17	1Q17	4Q16	3Q16	2Q16
Net Income (GAAP)	$14.0	$15.9	$17.9	$17.2	$12.0
Less: Merger and acquisition related *(after tax)*	6.4	0.4	1.8	0.1	0.1
Core Net Income (Non-GAAP)	**$20.4**	**$16.3**	**$19.7**	**$17.3**	**$12.1**
Average Assets	7,382	6,709	6,638	6,680	6,707
Core Return on Average Assets (Non-GAAP)	**1.11%**	**0.98%**	**1.18%**	**1.03%**	**0.73%**

$ in millions, except per share data

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Non-GAAP measures

Return on Average Tangible Common Equity (%)	2Q17	1Q17	4Q16	3Q16	2Q16
Average Equity	$872	$757	$754	$748	$740
Less: Average intangible assets	272	198	177	165	166
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$600	$559	$577	$583	$574
Net Income (GAAP)	$14.0	$15.9	$17.9	$17.2	$12.0
Less: Intangible amortization *(after tax)*	0.6	0.4	0.1	0.1	0.1
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$14.6	$16.3	$18.0	$17.3	$12.1
Return on Average Tangible Common Equity	**9.7%**	**11.8%**	**12.5%**	**11.8%**	**8.5%**

Core Return on Average Tangible Common Equity (%)	2Q17	1Q17	4Q16	3Q16	2Q16
Average Equity	$872	$757	$754	$748	$740
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Less: Average preferred stock	0	0	0	0	0
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Core Net Income (Non-GAAP)	$20.4	$16.3	$19.7	$17.3	$12.1
Less: Intangible amortization *(after tax)*	0.6	0.4	0.1	0.1	0.1
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$21.0	$16.7	$19.8	$17.4	$12.2
Core Return on Average Tangible Common Equity	**14.0%**	**12.1%**	**13.7%**	**11.8%**	**8.6%**

$ in millions, except per share data

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Non-GAAP measures

Tangible Common Equity / Tangible Assets

(Tangible Common Equity Ratio)	2Q17	1Q17	4Q16	3Q16	2Q16
Total Equity	$879	$761	$750	$752	$742
Less: Intangible assets	272	198	198	165	165
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$607	$563	$552	$587	$577
Total Assets	$7,383	$6,809	$6,684	$6,666	$6,750
Less: Intangible assets	272	198	198	165	165
Tangible Assets	$7,111	$6,611	$6,486	$6,501	$6,585
Tangible Common Equity / Tangible Assets	**8.5%**	**8.5%**	**8.5%**	**9.0%**	**8.8%**

$ in millions, except per share data

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NYSE: FCF

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