

NYSE: FCF

Supplemental Financial Information

Third Quarter 2017

October 25, 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.

3Q 2017 Highlights

	3Q17	2Q17	3Q16	Change from 2Q17	Change from 3Q16
Net interest income[1]	$60.7	$58.9	$50.6	*$1.8*	*$10.1*
Provision for credit losses	1.2	(1.6)	3.4	*2.8*	*(2.2)*
Fee revenue	19.7	18.9	16.5	*0.8*	*3.2*
Gain on sale of securities	0.1	0.0	0.0	*0.1*	*0.1*
Derivative mark-to-market	0.0	0.0	0.5	*0.0*	*(0.5)*
Operating expense[2]	46.7	46.9	38.0	*(0.2)*	*8.7*
Other expense[2]	0.7	11.4	0.7	*(10.7)*	*0.0*
Income taxes[1]	10.6	7.1	8.3	*3.5*	*2.3*
Net income	**$21.3**	**$14.0**	**$17.2**	***$7.3***	***$4.1***
Core net income[2]	**$21.2**	**$20.4**	**$17.3**	***$0.8***	***$3.9***
Reported EPS	$0.22	$0.14	$0.19	*$0.08*	*$0.03*
Core EPS[2]	$0.22	$0.21	$0.19	*$0.01*	*$0.03*
Return on average assets	1.14%	0.76%	1.02%	*0.38%*	*0.12%*
Core return on average assets[2]	1.14%	1.11%	1.03%	*0.03%*	*0.11%*
Return on average equity	9.50%	6.44%	9.14%	*3.06%*	*0.36%*
Return on average tangible common equity[2]	14.04%	9.74%	11.77%	*4.30%*	*2.27%*
Core return on average tangible common equity[2]	14.01%	14.03%	11.82%	*(0.02%)*	*2.19%*
Core efficiency ratio[2]	57.96%	60.19%	56.65%	*(2.23%)*	*1.31%*
Net interest margin[1]	3.61%	3.54%	3.29%	*0.07%*	*0.32%*
Net Chargeoffs[3]	0.08%	-0.07%	0.70%	*0.15%*	*(0.62%)*

- Core net income of $21.2 million increased by $0.8 million compared to linked quarter (LQ) and $3.9 million year-over-year (YoY)
- 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 increased $2.8 million compared to LQ primarily due to the recognition in the 2Q17 of $3.1 million of recoveries on two loans previously charged-off
- Fee income growth was primarily driven by acquired customer relationships and higher market values of clients' accounts in trust
- Operating expense increase of $8.7 million YoY was primarily due to higher operating costs associated with the acquisition of DCB Financial Corp. in 2Q17 and the FirstMerit branch acquisition in 4Q16

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

$ in millions, except per share data

Balance Sheet

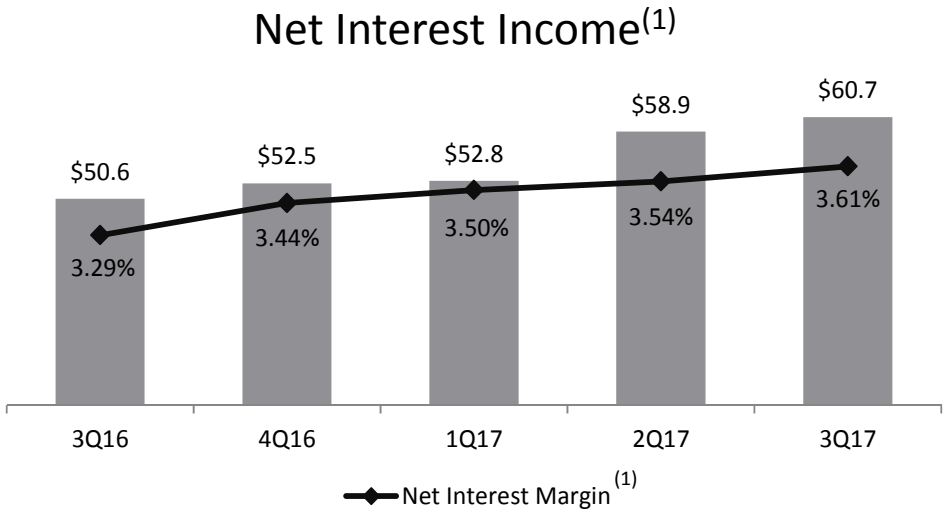
Period-end Balances	3Q17	2Q17	3Q16	Change From 2Q17	Change From 3Q16
Cash & securities	$1,375	$1,387	$1,339	*($12)*	*$36*
Loans held for sale	17	10	8	*7*	*9*
Commercial loans	3,404	3,412	3,120	*(8)*	*284*
Consumer loans	1,972	1,963	1,741	*9*	*231*
Allowance for credit losses	(48)	(48)	(55)	*0*	*7*
OREO	6	6	8	*0*	*(2)*
Goodwill & intangibles	271	272	165	*(1)*	*106*
Other	387	381	340	*6*	*47*
Total Assets	**$7,384**	**$7,383**	**$6,666**	***$1***	***$718***
Noninterest Bearing DDA	$1,417	$1,404	$1,242	*$13*	*$175*
Interest Bearing Savings & DDA	3,556	3,568	2,640	*(12)*	*916*
Time Deposits	567	545	576	*22*	*(9)*
Brokered Deposits	15	16	1	*(1)*	*14*
Short-term Borrowings	806	846	1,330	*(40)*	*(524)*
Long-term Debt	88	89	81	*(1)*	*7*
Other	41	36	44	*5*	*(3)*
Equity	894	879	752	*15*	*142*
Total Liabilities & Equity	**$7,384**	**$7,383**	**$6,666**	***$1***	***$718***

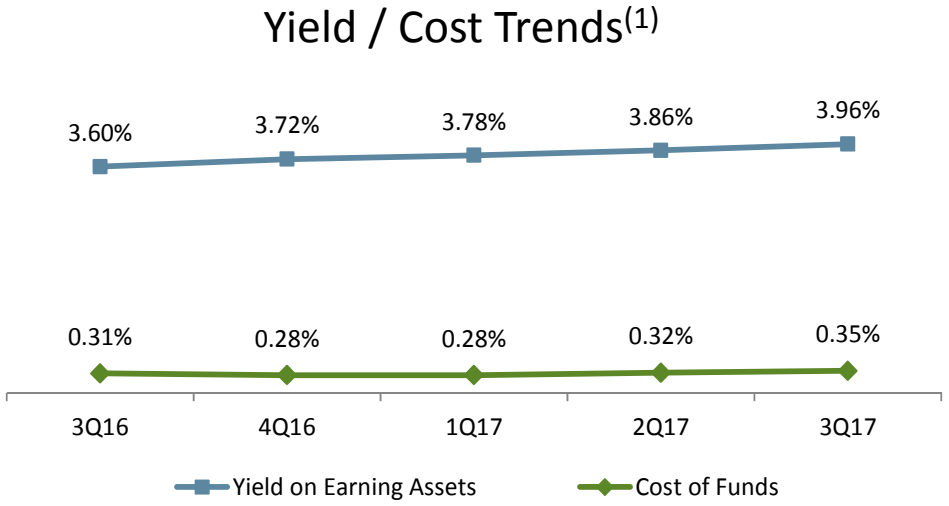
- Total asset growth of $718 million YoY driven by the acquisition of DCB Financial Corp. in 2Q17 and 13 former FirstMerit branches in 4Q16, along with organic growth
  - Loan growth of $8 million from LQ was primarily driven by growth in consumer real estate loans which was offset by a few large commercial and industrial payoffs late in the quarter
- Noninterest-bearing demand deposits increased of $13 million, or 3.7% (annualized) from LQ and now comprise nearly 26% of total deposits
- Short-term borrowings decrease of $524 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



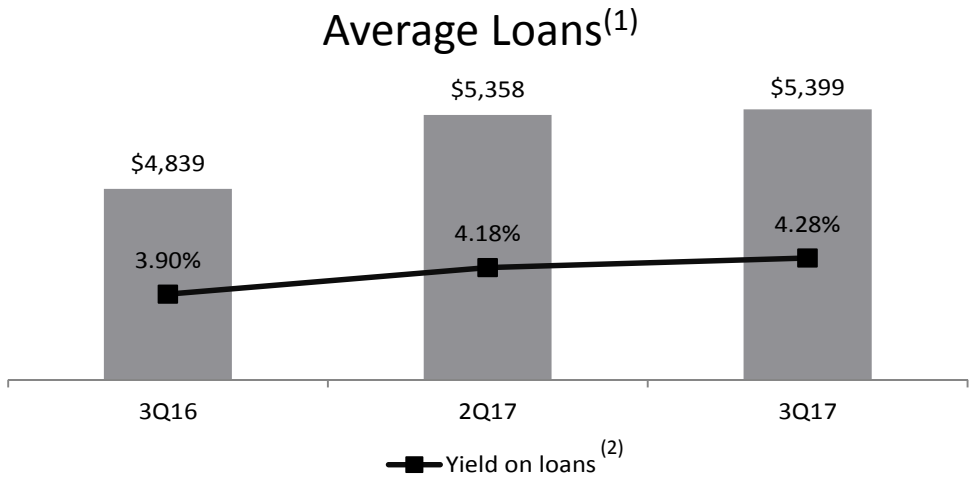


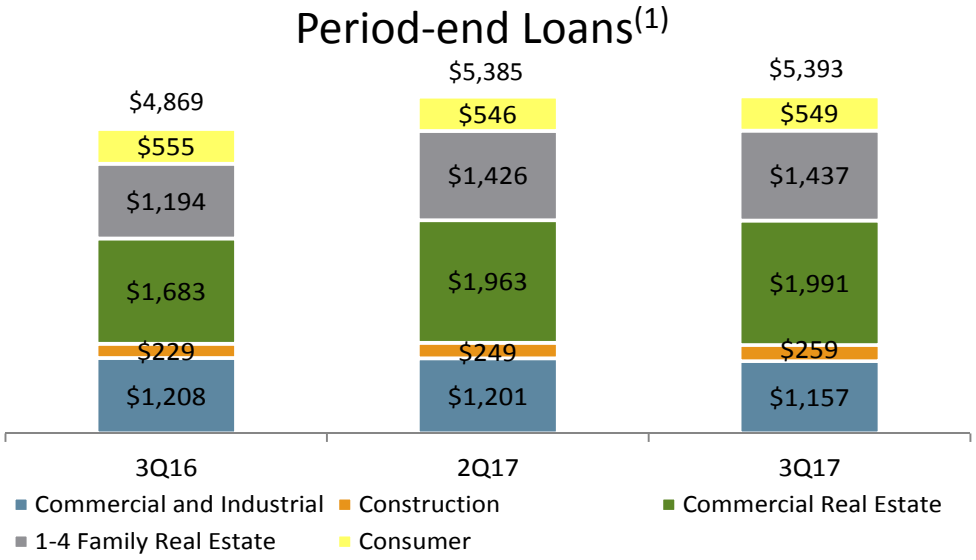
- Net interest income increased by $1.8 million compared to LQ and $10.1 million YoY primarily as a result of acquired earning assets and lower funding costs following the FirstMerit branch acquisition in 4Q16 and increases in short-term interest rates
- Net interest margin of 3.61% increased 7bps over LQ due to:
  - Improved yields on variable and adjustable loans
  - Partially offset by higher borrowing costs and a lower securities volume
- Average interest earning assets decreased $6.7 million over LQ primarily due to selective runoff in the securities portfolio, partially offset by $40.7 million growth in average loans

(1) Taxable equivalent

$ in millions

Loans





Average

- Average loans increased $41 million from LQ and $560 million YoY
- Yield on loans of 4.28% increased 10 basis points from LQ due to higher yields on variable rate loans following the Federal Reserve's decision to increase short-term interest rates

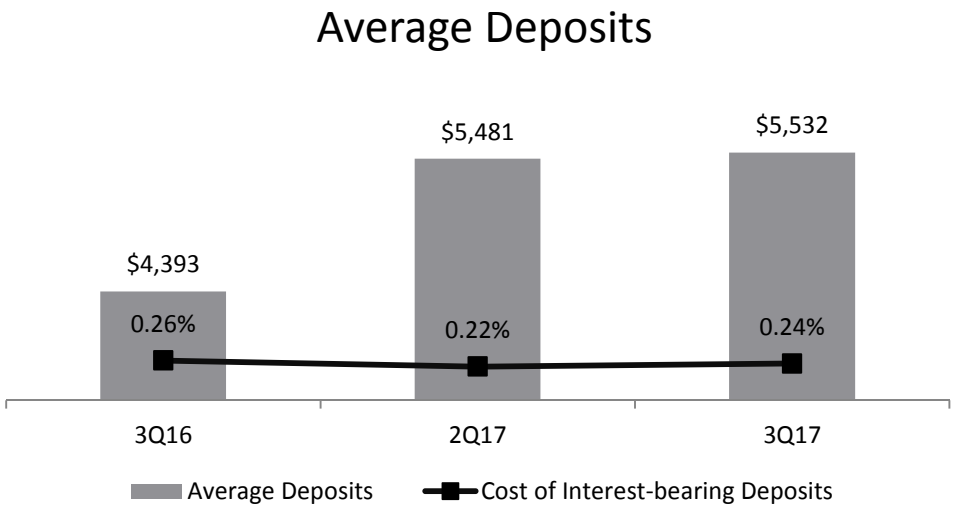
Period-end

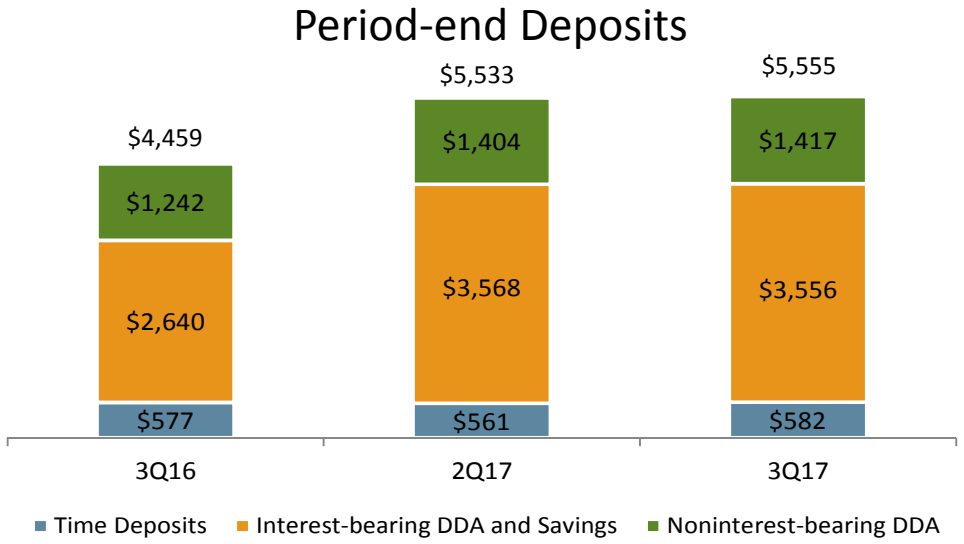
- Loans increased $8 million to LQ and $524 million from the prior year
  - YoY growth includes $384 million(3) of loans acquired in the DCB Financial Corp. acquisition and $106 million(3) of loans acquired in the FirstMerit branch acquisition in 4Q16

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

$ in millions

Deposits





Average

- Average deposits increased $51 million from LQ and increased $1.1 billion YoY
- Cost of interest-bearing demand and savings deposits of 0.18% increased 3 basis points over LQ due to higher short-term interest rates

Period-end

- Total deposits increased $22 million from 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
  - Noninterest-bearing deposits currently comprise 25.5% of total deposits

(1) Balances as of the close of the acquisition

Noninterest income

	3Q17	2Q17	3Q16	Change from 2Q17	Change from 3Q16
Service charges	$4.8	$4.7	$4.0	*$0.1*	*$0.8*
Interchange	4.8	4.8	3.7	*0.0*	*1.1*
Trust	2.1	1.7	1.5	*0.4*	*0.6*
Retail brokerage	1.2	1.3	1.2	*(0.1)*	*0.0*
Insurance	0.9	1.1	0.9	*(0.2)*	*0.0*
BOLI	1.5	1.4	1.4	*0.1*	*0.1*
SWAP fees	0.2	0.3	0.7	*(0.1)*	*(0.5)*
Gain on sale of mortgage loans	1.4	1.3	1.2	*0.1*	*0.2*
Other fees	2.8	2.3	1.9	*0.5*	*0.9*
Total fee income	**$19.7**	**$18.9**	**$16.5**	***$0.8***	***$3.2***
Gain on sale of securities	0.1	0.0	0.0	*0.1*	*0.1*
Derivative mark-to-market	0.0	0.0	0.5	*0.0*	*(0.5)*
Total noninterest income	**$19.8**	**$18.9**	**$17.0**	***$0.9***	***$2.8***

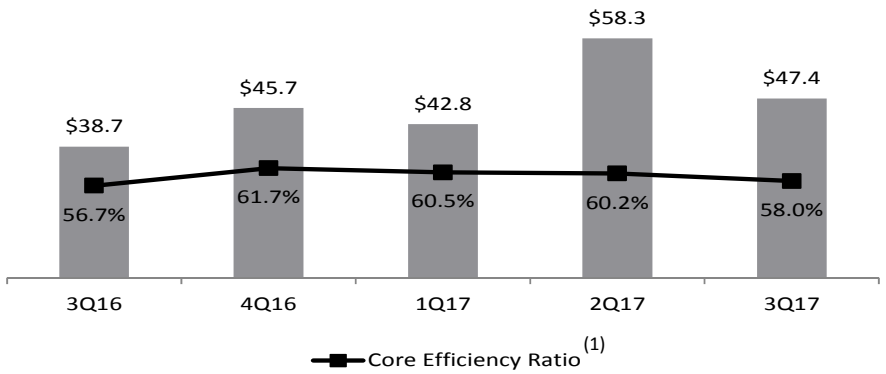


$ in millions

- Service charges on deposit accounts increased $0.8 million YoY primarily due to the acquisition of DCB Financial Corp. in 2Q17 and 13 former FirstMerit branches in 4Q16
- Interchange increased $1.1 million YoY primarily due to the aforementioned acquisitions
- Trust increased $0.4 million to LQ and $0.6 million YoY primarily due to acquired customer relationships and higher market values of clients' accounts
- Gain on sale of mortgage loans increased to $1.4 million in 3Q17, the highest quarterly total since the company reentered the traditional mortgage business in 2014, primarily due to higher originations resulting from the expansion of our mortgage business into Ohio

Noninterest expense

	3Q17	2Q17	3Q16	Change from 2Q17	Change from 3Q16
Salaries and benefits	$26.2	$25.3	$20.6	*$0.9*	*$5.6*
Occupancy	3.7	4.1	3.2	*(0.4)*	*0.5*
Furniture and equipment	3.3	3.3	2.8	*0.0*	*0.5*
PA shares tax	1.1	1.2	0.9	*(0.1)*	*0.2*
Data processing	2.2	2.3	1.8	*(0.1)*	*0.4*
Collection and repo	0.4	0.4	0.8	*0.0*	*(0.4)*
Professional fees	1.3	1.1	1.2	*0.2*	*0.1*
FDIC insurance	0.7	1.0	1.1	*(0.3)*	*(0.4)*
Operational losses	0.6	0.3	0.3	*0.3*	*0.3*
Other operating expenses	7.2	7.9	5.3	*(0.7)*	*1.9*
Total operating expense	**$46.7**	**$46.9**	**$38.0**	***($0.2)***	***$8.7***
Unfunded commitments	0.0	0.7	0.5	*(0.7)*	*(0.5)*
Intangible amortization	0.8	0.8	0.1	*0.0*	*0.7*
Acquisition expenses	(0.1)	9.9	0.1	*(10.0)*	*(0.2)*
Total noninterest expense	**$47.4**	**$58.3**	**$38.7**	***($10.9)***	***$8.7***



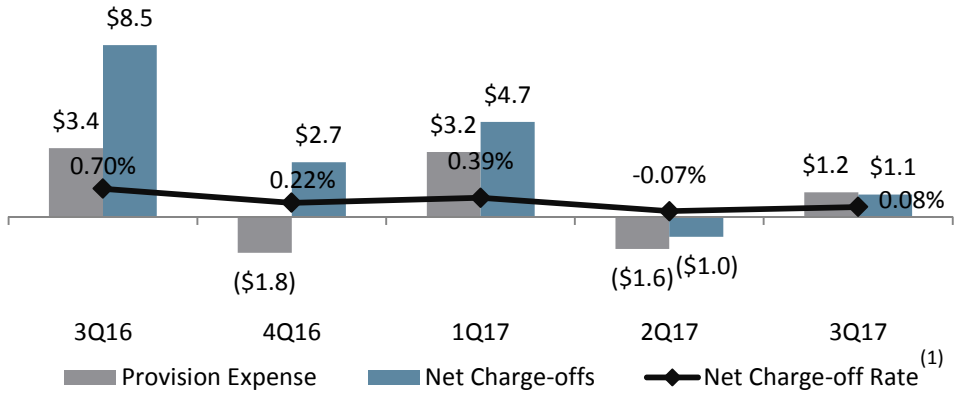
- Operating expense increased $8.7 million YoY in part due to recent acquisitions and expansion efforts into Northern and Central Ohio
- Salaries and benefits increased $0.9 million to LQ and $5.6 million YoY primarily due to the addition of acquired staff as well as higher incentive plan expenses
  - FTEs increased 187 YoY
- Other operating expenses decreased $0.7 million to LQ partially due to $1.1 million in write-downs on three commercial OREO properties in 2Q17
- Unfunded commitment expense decreased $0.7 million to LQ and $0.5 million YoY due to lower commercial construction commitments

$ in millions

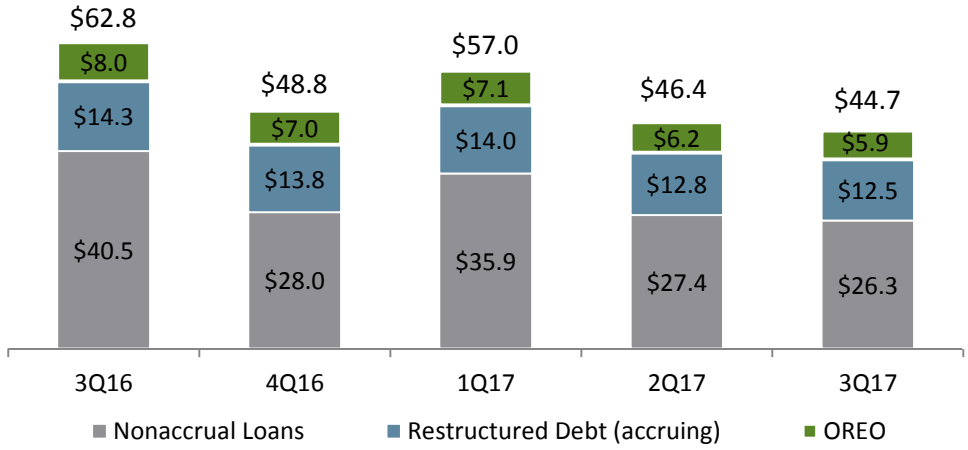
(1) Please refer to pages 13 – 16 for disclosures regarding non-GAAP measures

Credit quality

Provision Expense and Net Charge-offs



Nonperforming Assets

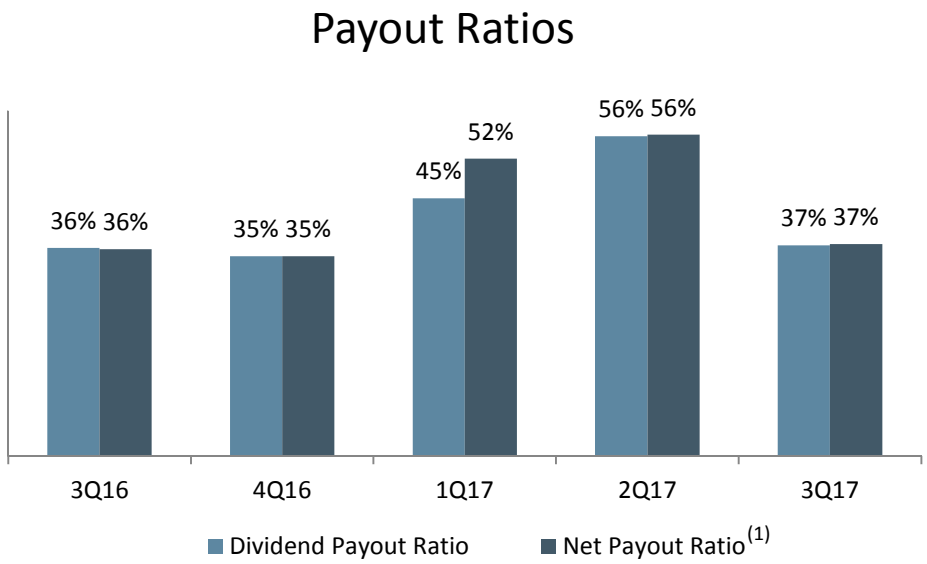


- Provision expense of $1.2 million increased $2.8 million to LQ primarily due to the recognition in 2Q17 of $3.1 million in recoveries on two commercial loans that had been previously charged-off
- Net charge-offs (recoveries) of $1.1 million increased $2.1 million over LQ primarily due to $3.1 million in recoveries in 2Q17 on the two aforementioned commercial credits
- Nonperforming loans (nonaccrual loans plus restructured accruing debt) decreased $1.4 million from the previous quarter

(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	3Q17	2Q17	1Q17	4Q16	3Q16
Net Interest Income	$59.6	$57.8	$51.8	$51.5	$49.6
Tax equivalent adjustment	1.1	1.1	1.0	1.0	1.0
Net Interest Income (FTE)	60.7	58.9	52.8	52.5	50.6
Noninterest Income (Reported)	19.8	18.9	16.9	18.3	17.0
Less: Realized gains / (losses) on securities	0.1	0.0	0.7	0.6	0.0
Less: Derivative mark-to-market	0.0	0.0	0.0	1.3	0.5
Total Noninterest Income (Operating)	$19.7	$18.9	$16.2	$16.4	$16.5
Total Operating Revenue	$80.4	$77.8	$69.0	$68.9	$67.1
Average Assets	7,377	7,382	6,709	6,638	6,680
Operating Revenue / Average Assets (%)	**1.09%**	**1.05%**	**1.03%**	**1.04%**	**1.00%**

Operating Expense	3Q17	2Q17	1Q17	4Q16	3Q16
Noninterest Expense	$47.4	$58.3	$42.8	$45.7	$38.7
Less: Unfunded commitment reserve	0.0	0.7	(0.2)	0.1	0.5
Less: Intangible amortization	0.8	0.8	0.6	0.2	0.1
Less: Merger and acquisition related	(0.1)	9.9	0.6	2.8	0.1
Total Operating Expense	$46.7	$46.9	$41.8	$42.6	$38.0
Average Assets	7,377	7,382	6,709	6,638	6,680
Operating Expense / Average Assets (%)	**0.63%**	**0.64%**	**0.62%**	**0.64%**	**0.57%**
Core Efficiency Ratio[(1)]	**58.0%**	**60.2%**	**60.5%**	**61.7%**	**56.7%**

$ 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	3Q17	2Q17	1Q17	4Q16	3Q16
Net Income (GAAP)	$21.3	$14.0	$15.9	$17.9	$17.2
Less: Merger and acquisition related *(after tax)*	(0.1)	6.4	0.4	1.8	0.1
Core Net Income (Non-GAAP)	**$21.2**	**$20.4**	**$16.3**	**$19.7**	**$17.3**
Average Diluted Shares Outstanding	97.5	97.2	89.0	88.9	88.9
Core Earnings per Share (Non-GAAP)	**$0.22**	**$0.21**	**$0.18**	**$0.22**	**$0.19**

Core Return on Average Assets (%)	3Q17	2Q17	1Q17	4Q16	3Q16
Net Income (GAAP)	$21.3	$14.0	$15.9	$17.9	$17.2
Less: Merger and acquisition related *(after tax)*	(0.1)	6.4	0.4	1.8	0.1
Core Net Income (Non-GAAP)	**$21.2**	**$20.4**	**$16.3**	**$19.7**	**$17.3**
Average Assets	7,377	7,382	6,709	6,638	6,680
Core Return on Average Assets (Non-GAAP)	**1.14%**	**1.11%**	**0.98%**	**1.18%**	**1.03%**

$ 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 (%)	3Q17	2Q17	1Q17	4Q16	3Q16
Average Equity	$889	$872	$757	$754	$748
Less: Average intangible assets	272	272	198	177	165
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$617	$600	$559	$577	$583
Net Income (GAAP)	$21.3	$14.0	$15.9	$17.9	$17.2
Less: Intangible amortization *(after tax)*	0.5	0.6	0.4	0.1	0.1
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$21.8	$14.6	$16.3	$18.0	$17.3
Return on Average Tangible Common Equity	**14.0%**	**9.7%**	**11.8%**	**12.5%**	**11.8%**

Core Return on Average Tangible Common Equity (%)	3Q17	2Q17	1Q17	4Q16	3Q16
Average Equity	$889	$872	$757	$754	$748
Less: Average intangible assets	272	272	198	177	165
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$617	$600	$559	$577	$583
Net Income (GAAP)	$21.3	$14.0	$15.9	$17.9	$17.2
Less: Merger and acquisition related *(after tax)*	(0.1)	6.4	0.4	1.8	0.1
Core Net Income (Non-GAAP)	$21.2	$20.4	$16.3	$19.7	$17.3
Less: Intangible amortization *(after tax)*	0.5	0.6	0.4	0.1	0.1
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$21.7	$21.0	$16.7	$19.8	$17.4
Core Return on Average Tangible Common Equity	**14.0%**	**14.0%**	**12.1%**	**13.7%**	**11.8%**

$ 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

Tangible Common Equity / Tangible Assets

(Tangible Common Equity Ratio)	3Q17	2Q17	1Q17	4Q16	3Q16
Total Equity	$894	$879	$761	$750	$752
Less: Intangible assets	271	272	198	198	165
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$623	$607	$563	$552	$587
Total Assets	$7,384	$7,383	$6,809	$6,684	$6,666
Less: Intangible assets	271	272	198	198	165
Tangible Assets	$7,113	$7,111	$6,611	$6,486	$6,501
Tangible Common Equity / Tangible Assets	**8.8%**	**8.5%**	**8.5%**	**8.5%**	**9.0%**

$ 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.



NYSE: FCF

For more information, please contact:

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