

NYSE: FCF

Supplemental Financial Information

Fourth Quarter 2017

January 24, 2018

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.

4Q 2017 Highlights

	4Q17	3Q17	4Q16	Change from 3Q17	Change from 4Q16
Net interest income[1]	$60.6	$60.7	$52.5	*($0.1)*	*$8.1*
Provision for credit losses	2.3	1.2	(1.8)	*1.1*	*4.1*
Fee revenue	20.8	19.7	16.4	*1.1*	*4.4*
Gain on sale of securities	4.3	0.1	0.6	*4.2*	*3.7*
Derivative mark-to-market	(0.4)	0.0	1.3	*(0.4)*	*(1.7)*
Operating expense[2]	50.7	46.7	42.6	*4.0*	*8.1*
Other expense[2]	1.2	0.7	3.1	*0.5*	*(1.9)*
Income taxes[1]	27.1	10.6	9.0	*16.5*	*18.1*
Net income	**$4.0**	**$21.3**	**$17.9**	***($17.3)***	***($13.9)***
Core net income[2]	**$20.6**	**$21.2**	**$19.7**	***($0.6)***	***$0.9***
Reported EPS	$0.04	$0.22	$0.20	*($0.18)*	*($0.16)*
Core EPS[2]	$0.21	$0.22	$0.22	*($0.01)*	*($0.01)*
Return on average assets	0.21%	1.14%	1.07%	*(0.93%)*	*(0.86%)*
Core return on average assets[2]	1.11%	1.14%	1.18%	*(0.03%)*	*(0.07%)*
Return on average equity	1.75%	9.50%	9.46%	*(7.75%)*	*(7.71%)*
Return on average tangible common equity[2]	2.84%	14.04%	12.46%	*(11.20%)*	*(9.62%)*
Core return on average tangible common equity[2]	13.29%	14.01%	13.73%	*(0.72%)*	*(0.44%)*
Core efficiency ratio[2]	62.24%	57.96%	61.70%	*4.28%*	*0.54%*
Net interest margin[1]	3.61%	3.61%	3.44%	*0.00%*	*0.17%*
Net Chargeoffs[3]	0.16%	0.08%	0.22%	*0.08%*	*(0.06%)*

- Core net income of $20.6 million decreased by $0.6 million compared to linked quarter (LQ), but increased $0.9 million year-over-year (YoY)
- Net interest margin expansion of $8.1 million YoY 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 $4.1 million YoY primarily due to the recognition in 4Q16 of $5.1 million of recoveries on loans previously charged-off
- Fee income growth was primarily driven by acquired customer relationships, higher gain on sale of mortgage loans and increased commercial borrower swap activity
- Operating expense increase of $8.1 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, as well as a one-time employee bonus of $2.5 million in 4Q17

(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

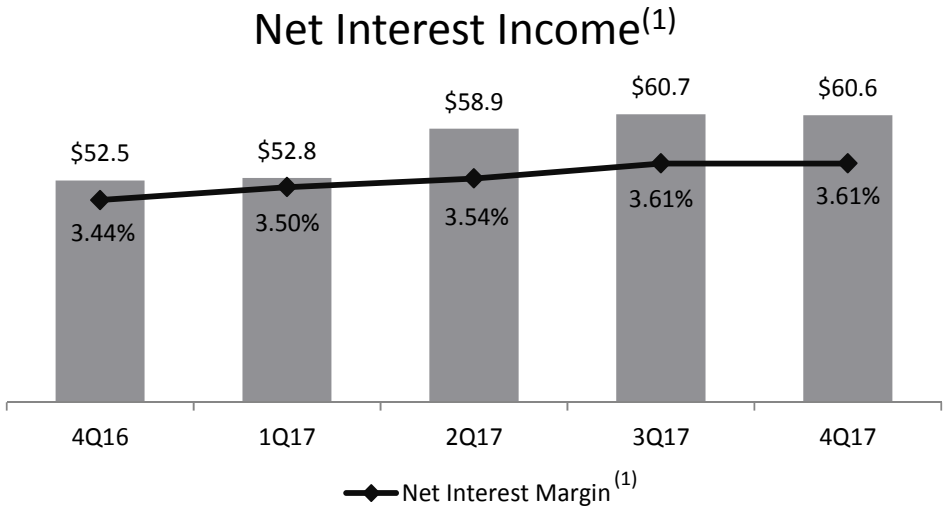
Period-end Balances	4Q17	3Q17	4Q16	Change From 3Q17	Change From 4Q16
Cash & securities	$1,291	$1,375	$1,303	*($84)*	*($12)*
Loans held for sale	15	17	7	*(2)*	*8*
Commercial loans	3,431	3,404	3,101	*27*	*330*
Consumer loans	1,976	1,972	1,778	*4*	*198*
Allowance for credit losses	(48)	(48)	(50)	*0*	*2*
OREO	3	6	7	*(3)*	*(4)*
Goodwill & intangibles	270	271	198	*(1)*	*72*
Other	371	387	340	*(16)*	*31*
Total Assets	**$7,309**	**$7,384**	**$6,684**	***($75)***	***$625***
Noninterest Bearing DDA	$1,417	$1,417	$1,269	*$0*	*$148*
Interest Bearing Savings & DDA	3,549	3,556	3,087	*(7)*	*462*
Time Deposits	600	567	591	*33*	*9*
Brokered Deposits	15	15	1	*0*	*14*
Short-term Borrowings	707	806	868	*(99)*	*(161)*
Long-term Debt	88	88	81	*0*	*7*
Other	45	41	37	*4*	*8*
Equity	888	894	750	*(6)*	*138*
Total Liabilities & Equity	**$7,309**	**$7,384**	**$6,684**	***($75)***	***$625***

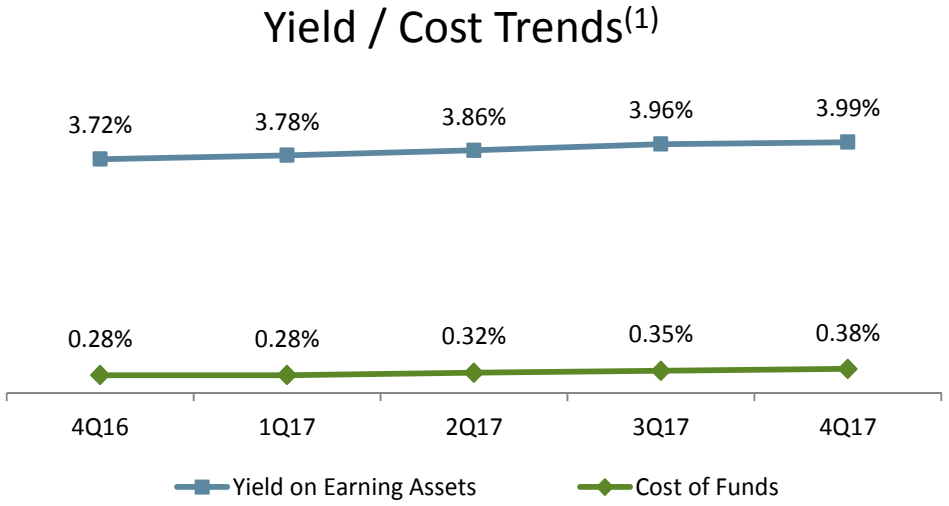
- Total asset growth of $625 million YoY driven by the acquisition of DCB Financial Corp. in 2Q17 along with organic growth
  - Loan growth of $29 million from LQ was primarily driven by growth in commercial real estate loans
- Noninterest-bearing demand deposits increased $148 million, or 11.7% YoY and now comprise 25.4% of total deposits
- Short-term borrowings decreased $161 million YoY 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





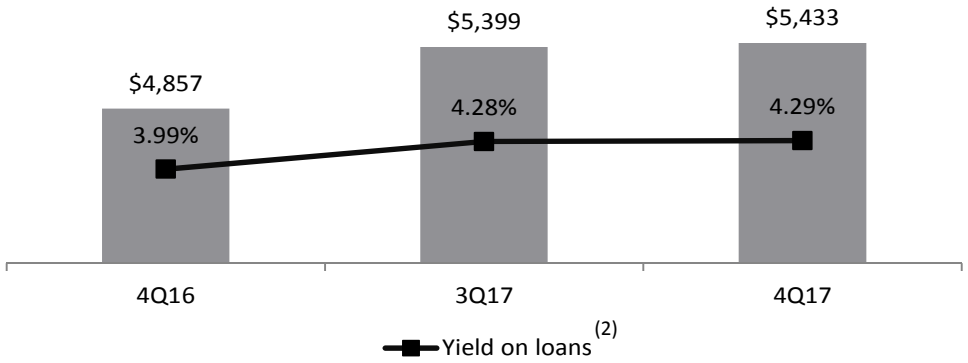
- Net interest income remained relatively flat compared to LQ and increased $8.1 million YoY primarily as a result of acquired average earning assets and lower funding costs following the aforementioned branch acquisition in 4Q16, as well as increases in short-term rates
- Net interest margin of 3.61% increased 17bps YoY due to:
  - Improved yields on variable and adjustable loans
  - Partially offset by higher borrowing costs and lower yields on investment securities
- Average interest-earning assets decreased $10 million over LQ primarily due to selective runoff in the securities portfolio, partially offset by $34 million growth in average loans

(1) Taxable equivalent

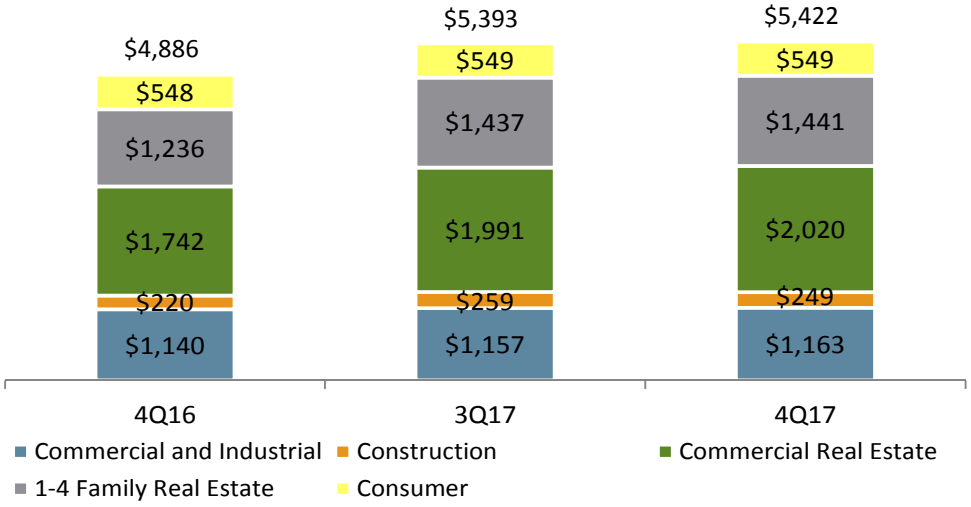
$ in millions

Loans

Average Loans[1]



Period-end Loans[1]



Average

- Average loans increased $34 million from LQ and $576 million YoY
- Yield on loans of 4.29% increased 30 basis points YoY due to higher yields on variable rate loans following the Federal Reserve's decision to increase short-term interest rates

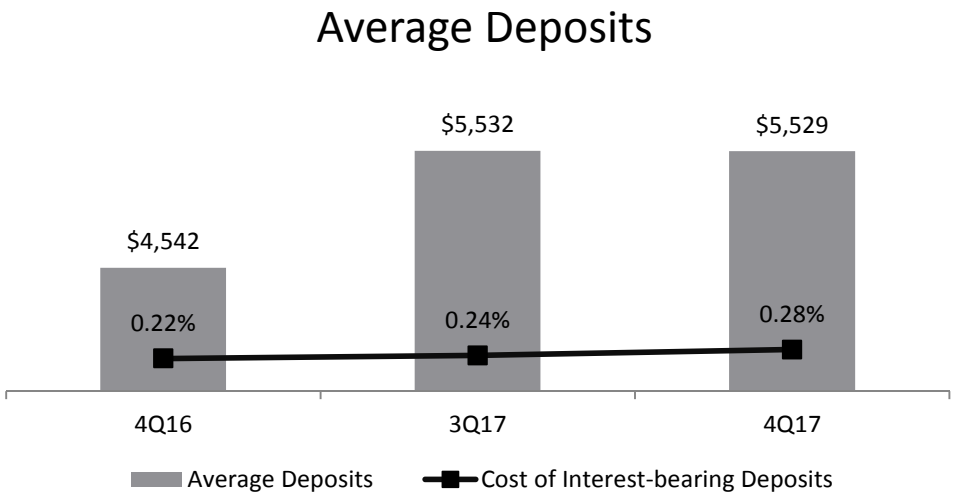
Period-end

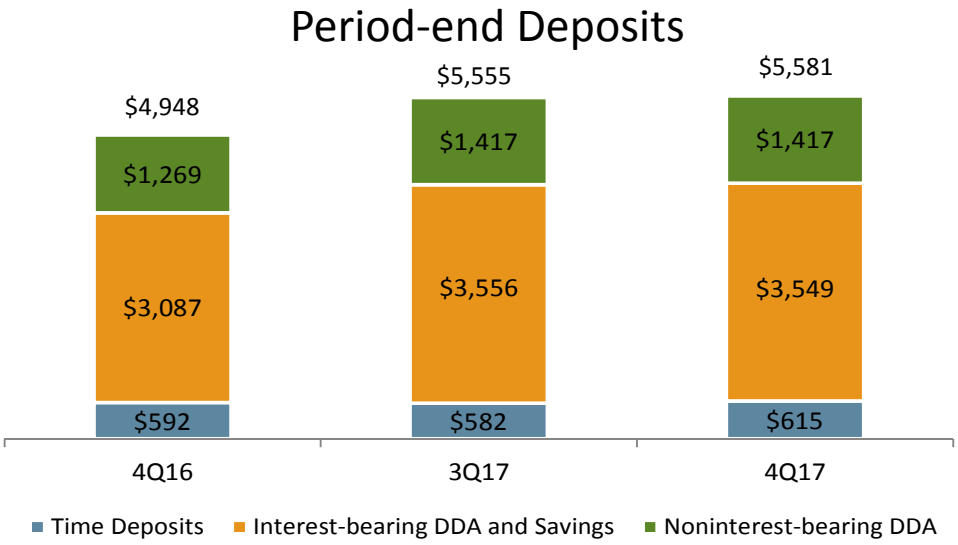
- Loans increased $29 million to LQ and $536 million from the prior year
  - YoY growth includes $383 million[3] of loans acquired in the DCB Financial Corp. acquisition

(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 remained relatively flat from LQ and increased $987 million YoY
- Cost of interest-bearing demand and savings deposits of 0.20% increased 2 basis points over LQ due to higher short-term interest rates

Period-end

- Total deposits increased $26 million from LQ and increased $633 million from the prior year driven by:
  - The addition of $484 million(1) in deposits acquired in the DCB Financial acquisition
  - Noninterest-bearing deposits currently comprise 25.4% of total deposits

(1) Balances as of the close of the acquisition

Noninterest income

	4Q17	3Q17	4Q16	Change from 3Q17	Change from 4Q16
Service charges	$4.7	$4.8	$4.3	*($0.1)*	*$0.4*
Interchange	4.9	4.8	3.9	*0.1*	*1.0*
Trust	1.8	2.1	1.3	*(0.3)*	*0.5*
Retail brokerage	1.3	1.2	1.0	*0.1*	*0.3*
Insurance	0.9	0.9	0.9	*0.0*	*0.0*
BOLI	1.5	1.5	1.4	*0.0*	*0.1*
SWAP fees	1.5	0.2	0.4	*1.3*	*1.1*
Gain on sale of mortgage loans	1.7	1.4	1.2	*0.3*	*0.5*
Other fees	2.5	2.8	2.0	*(0.3)*	*0.5*
Total fee income	**$20.8**	**$19.7**	**$16.4**	***$1.1***	***$4.4***
Gain on sale of securities	4.3	0.1	0.6	*4.2*	*3.7*
Derivative mark-to-market	(0.4)	0.0	1.3	*(0.4)*	*(1.7)*
Total noninterest income	**$24.7**	**$19.8**	**$18.3**	***$4.9***	***$6.4***

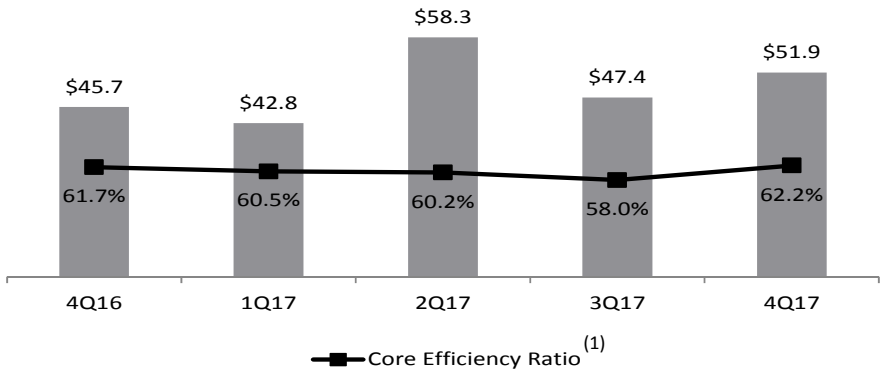


$ in millions

- Interchange increased $1.0 million YoY primarily due to the acquisition of DCB Financial Corp. in 2Q17 and 13 former FirstMerit branches in December 2016
- Trust increased $0.5 million YoY primarily due to an expanded customer base as a result of the aforementioned acquisitions
- Swap fee income increased $1.3 million over LQ largely due to increased commercial borrower swap activity
- Gain on sale of mortgage loans increased $0.3 million over LQ to $1.7 million in 4Q17, 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
- Gain on sale of securities increased $4.2 million over LQ and $3.7 million YoY primarily due to $4.3 million in net security gains in 4Q17 for the successful auction call of a single pooled trust preferred security

Noninterest expense

	4Q17	3Q17	4Q16	Change from 3Q17	Change from 4Q16
Salaries and benefits	$28.8	$26.2	$24.9	*$2.6*	*$3.9*
Occupancy	4.1	3.7	3.3	*0.4*	*0.8*
Furniture and equipment	3.8	3.3	3.0	*0.5*	*0.8*
PA shares tax	1.1	1.1	1.1	*0.0*	*0.0*
Data processing	2.4	2.2	2.1	*0.2*	*0.3*
Collection and repo	0.6	0.4	0.4	*0.2*	*0.2*
Professional fees	1.4	1.3	1.0	*0.1*	*0.4*
FDIC insurance	0.7	0.7	0.7	*0.0*	*0.0*
Operational losses	0.9	0.6	0.2	*0.3*	*0.7*
Other operating expenses	6.9	7.2	5.9	*(0.3)*	*1.0*
Total operating expense	**$50.7**	**$46.7**	**$42.6**	***$4.0***	***$8.1***
Unfunded commitments	0.6	0.0	0.1	*0.6*	*0.5*
Intangible amortization	0.8	0.8	0.2	*0.0*	*0.6*
Acquisition expenses	(0.2)	(0.1)	2.8	*(0.1)*	*(3.0)*
Total noninterest expense	**$51.9**	**$47.4**	**$45.7**	***$4.5***	***$6.2***



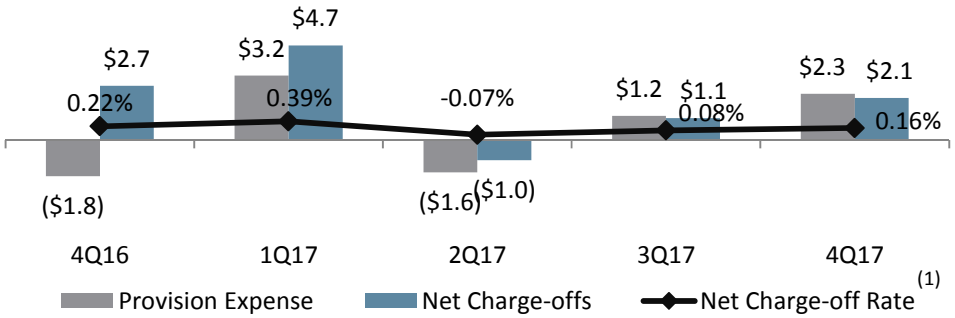
$ in millions

- Operating expense increased $4.0 million to LQ and $8.1 million YoY in part due to recent acquisitions and expansion efforts into Northern and Central Ohio, as well as a one-time $2.5 million expense in 4Q17 for a one-time bonus of $1,500 paid to all employees following the passage of the Tax Cuts and Jobs Act
- Salaries and benefits increased $2.6 million to LQ and $3.9 million YoY primarily due to the addition of acquired staff as well as the aforementioned one-time employee bonus
  - FTEs increased 98 YoY
- Unfunded commitment expense increased $0.6 million to LQ and $0.5 million YoY due to higher commercial construction commitments

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

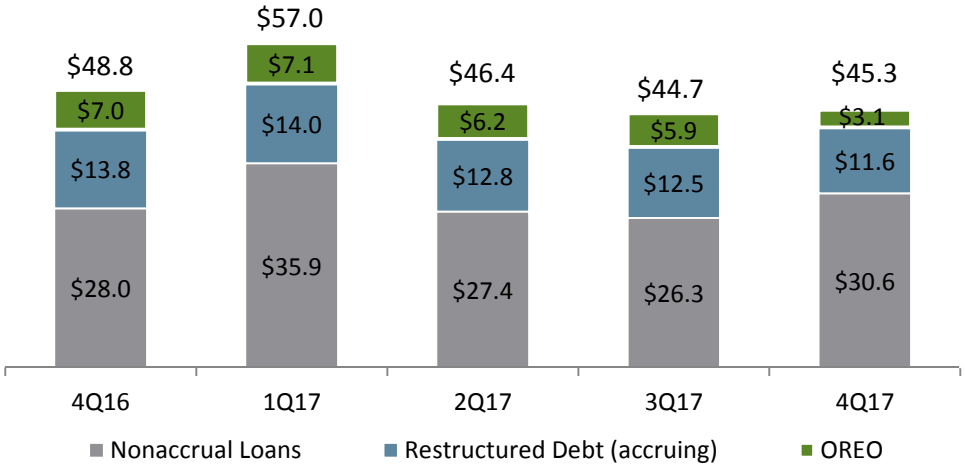
Credit quality

Provision Expense and Net Charge-offs



- Provision expense of $2.3 million increased $4.1 million YoY primarily due to the recognition in 4Q16 of $5.1 million in recoveries on loans that had been previously charged-off

Nonperforming Assets

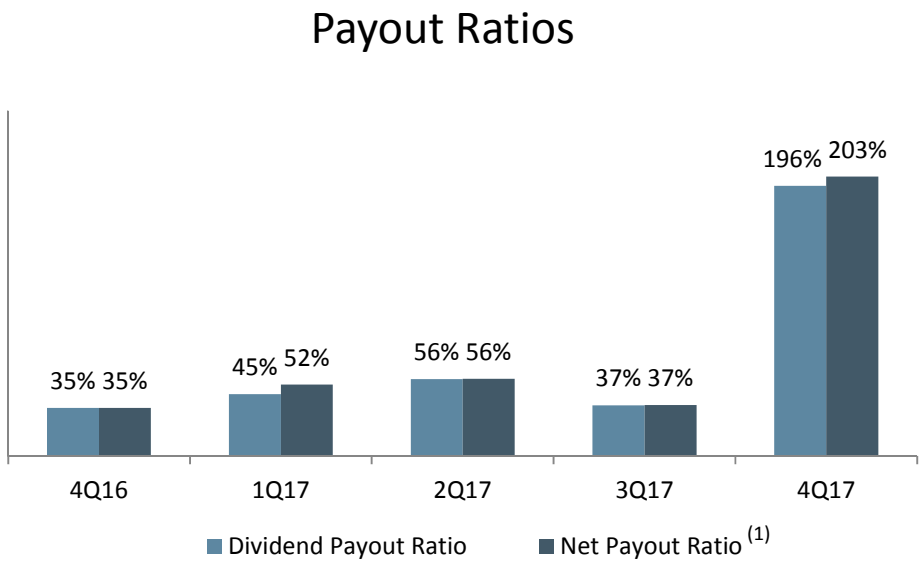


- Nonperforming assets decreased $3.5 million YoY

(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	4Q17	3Q17	2Q17	1Q17	4Q16
Net Interest Income	$59.6	$59.6	$57.8	$51.8	$51.5
Tax equivalent adjustment	1.0	1.1	1.1	1.0	1.0
Net Interest Income (FTE)	60.6	60.7	58.9	52.8	52.5
Noninterest Income (Reported)	24.7	19.8	18.9	16.9	18.3
Less: Realized gains / (losses) on securities	4.3	0.1	0.0	0.7	0.6
Less: Derivative mark-to-market	(0.4)	0.0	0.0	0.0	1.3
Total Noninterest Income (Operating)	$20.8	$19.7	$18.9	$16.2	$16.4
Total Operating Revenue	$81.4	$80.4	$77.8	$69.0	$68.9
Average Assets	7,365	7,377	7,382	6,709	6,638
Operating Revenue / Average Assets (%)	**1.11%**	**1.09%**	**1.05%**	**1.03%**	**1.04%**

Operating Expense	4Q17	3Q17	2Q17	1Q17	4Q16
Noninterest Expense	$51.9	$47.4	$58.3	$42.8	$45.7
Less: Unfunded commitment reserve	0.6	0.0	0.7	(0.2)	0.1
Less: Intangible amortization	0.8	0.8	0.8	0.6	0.2
Less: Merger and acquisition related	(0.2)	(0.1)	9.9	0.6	2.8
Total Operating Expense	$50.7	$46.7	$46.9	$41.8	$42.6
Average Assets	7,365	7,377	7,382	6,709	6,638
Operating Expense / Average Assets (%)	**0.69%**	**0.63%**	**0.64%**	**0.62%**	**0.64%**
Core Efficiency Ratio[(1)]	**62.2%**	**58.0%**	**60.2%**	**60.5%**	**61.7%**

$ 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	4Q17	3Q17	2Q17	1Q17	4Q16
Net Income (GAAP)	$4.0	$21.3	$14.0	$15.9	$17.9
Less: Merger and acquisition related *(after tax)*	(0.1)	(0.1)	6.4	0.4	1.8
Less: Deferred tax asset writedown	16.7	0.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$20.6**	**$21.2**	**$20.4**	**$16.3**	**$19.7**
Average Diluted Shares Outstanding	97.5	97.5	97.2	89.0	88.9
Core Earnings per Share (Non-GAAP)	**$0.21**	**$0.22**	**$0.21**	**$0.18**	**$0.22**

Core Return on Average Assets (%)	4Q17	3Q17	2Q17	1Q17	4Q16
Net Income (GAAP)	$4.0	$21.3	$14.0	$15.9	$17.9
Less: Merger and acquisition related *(after tax)*	(0.1)	(0.1)	6.4	0.4	1.8
Less: Deferred tax asset writedown	16.7	0.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$20.6**	**$21.2**	**$20.4**	**$16.3**	**$19.7**
Average Assets	7,365	7,377	7,382	6,709	6,638
Core Return on Average Assets (Non-GAAP)	**1.11%**	**1.14%**	**1.11%**	**0.98%**	**1.18%**

$ in millions, except per share data

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Non-GAAP measures

Return on Average Tangible Common Equity (%)	4Q17	3Q17	2Q17	1Q17	4Q16
Average Equity	$901	$889	$872	$757	$754
Less: Average intangible assets	271	272	272	198	177
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$630	$617	$600	$559	$577
Net Income (GAAP)	$4.0	$21.3	$14.0	$15.9	$17.9
Less: Intangible amortization *(after tax)*	0.5	0.5	0.6	0.4	0.1
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$4.5	$21.8	$14.6	$16.3	$18.0
Return on Average Tangible Common Equity	**2.8%**	**14.0%**	**9.7%**	**11.8%**	**12.5%**

Core Return on Average Tangible Common Equity (%)	4Q17	3Q17	2Q17	1Q17	4Q16
Average Equity	$901	$889	$872	$757	$754
Less: Average intangible assets	271	272	272	198	177
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$630	$617	$600	$559	$577
Net Income (GAAP)	$4.0	$21.3	$14.0	$15.9	$17.9
Less: Merger and acquisition related *(after tax)*	(0.1)	(0.1)	6.4	0.4	1.8
Less: Deferred tax asset writedown	16.7	0.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	$20.6	$21.2	$20.4	$16.3	$19.7
Less: Intangible amortization *(after tax)*	0.5	0.5	0.6	0.4	0.1
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$21.1	$21.7	$21.0	$16.7	$19.8
Core Return on Average Tangible Common Equity	**13.3%**	**14.0%**	**14.0%**	**12.1%**	**13.7%**

$ in millions, except per share data

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Non-GAAP measures

Tangible Common Equity / Tangible Assets

(Tangible Common Equity Ratio)	4Q17	3Q17	2Q17	1Q17	4Q16
Total Equity	$888	$894	$879	$761	$750
Less: Intangible assets	270	271	272	198	198
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$618	$623	$607	$563	$552
Total Assets	$7,309	$7,384	$7,383	$6,809	$6,684
Less: Intangible assets	270	271	272	198	198
Tangible Assets	$7,039	$7,113	$7,111	$6,611	$6,486
Tangible Common Equity / Tangible Assets	**8.8%**	**8.8%**	**8.5%**	**8.5%**	**8.5%**

$ in millions, except per share data

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