
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.*

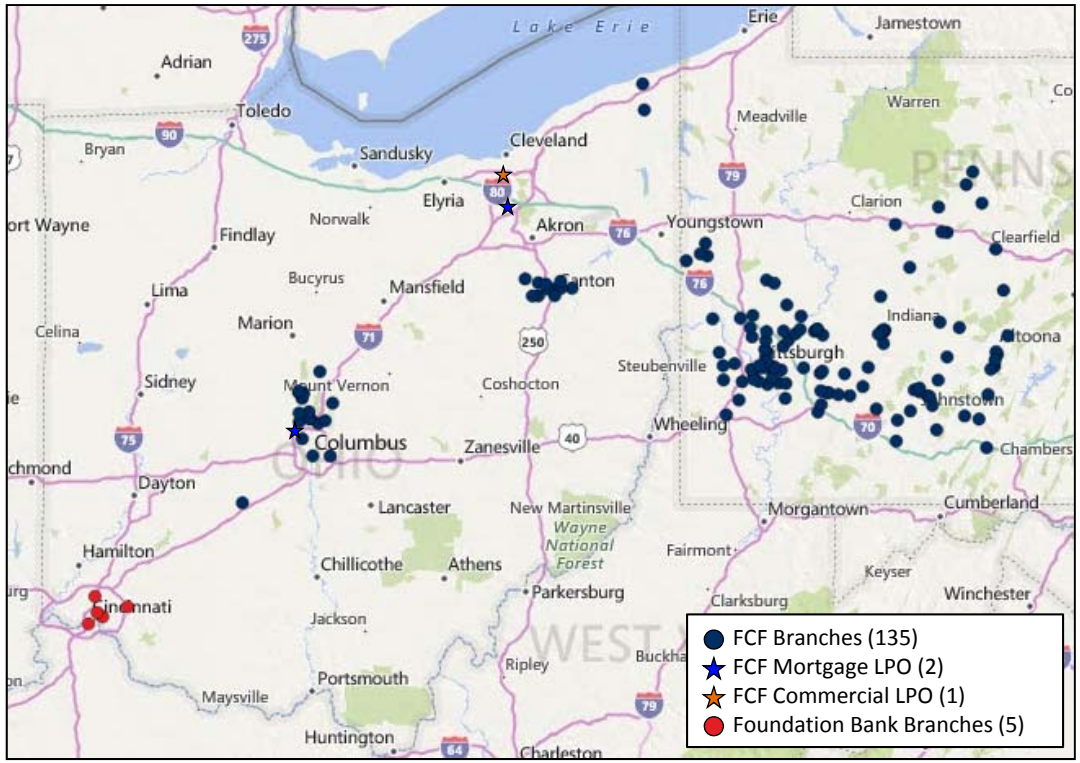
Forward-looking statements speak only as of the date on which they are made. First Commonwealth undertakes no obligation to update any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

First Commonwealth

2018 KBW Winter Financial Services Symposium
February 8, 2018
Miami, Florida

Overview of First Commonwealth Financial Corporation

First Commonwealth Footprint



- Headquartered in Indiana, PA
- Pennsylvania's 6th largest bank
  - 140 retail branches
  - 59 branches concentrated in Pittsburgh MSA
  - Top 5 in deposit market share in all but 3 MSAs
- Assets: $7.3 billion
- Gross Loans: $5.4 billion
- Deposits: $5.6 billion

As of December 31, 2017; pro forma branch footprint includes the acquisition of Foundation Bank announced on January 10, 2018
Source: S&P Global Market Intelligence

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.

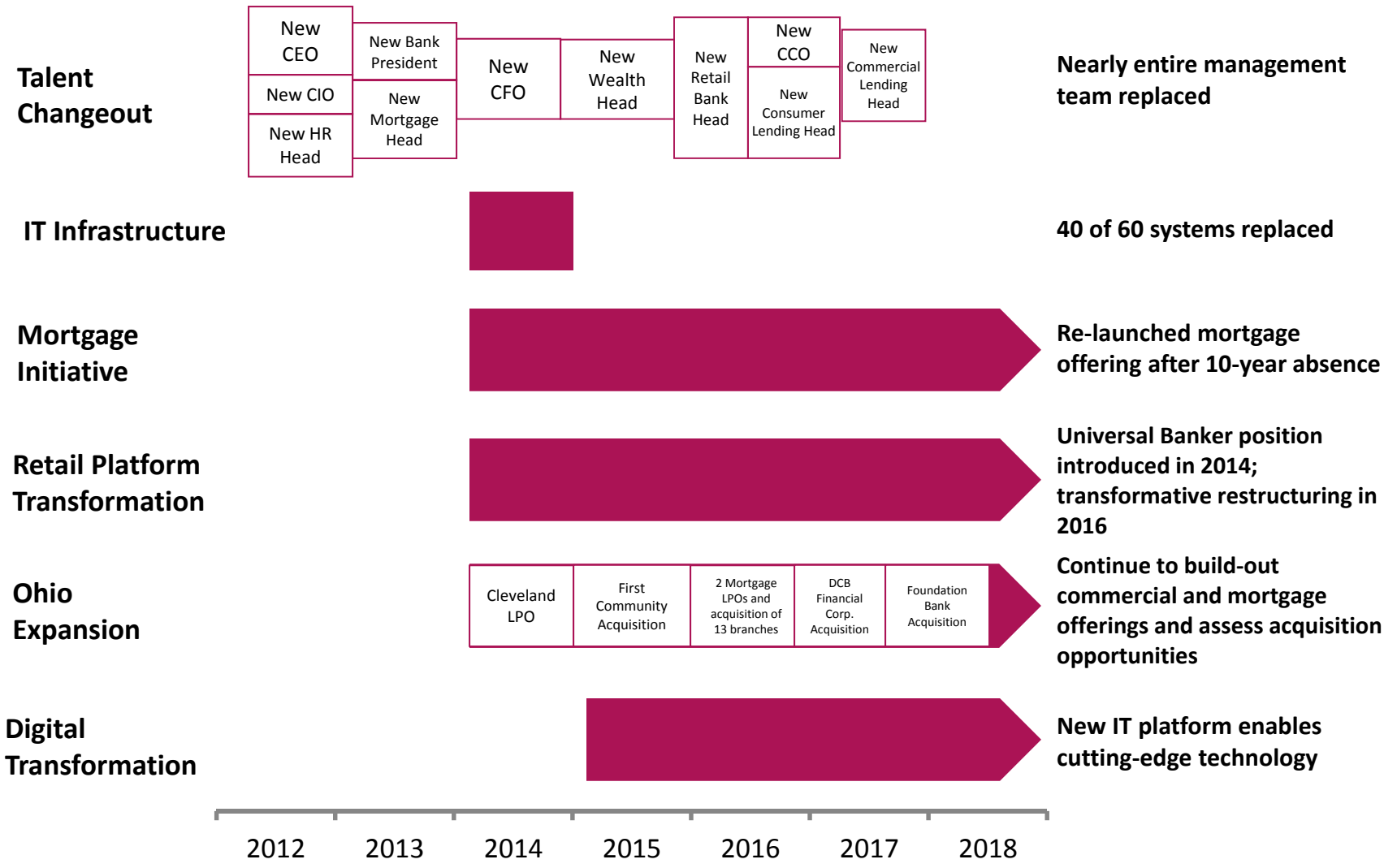
Strategic Themes



1. Improve the financial lives of our neighbors and their businesses.
2. Build a diverse team of high caliber banking professionals who collaborate to win.
3. Deliver best in class growth across all lines of business and all geographies.
4. Leverage our strong credit culture to achieve targeted growth in Commercial Banking and support growth in Consumer lending segments.
5. Pursue a measured approach to M&A, focusing on low-risk accretive acquisitions in preferred geographies.
6. Decisively move toward the digital future.
7. Achieve a sub-55% Efficiency Ratio and +1.30% Return on Average Assets.

Customer Focus. Integrity. Excellence. Accountability. Inclusion.

Organizational Changes 2012 - Present



Executive Leadership Team

Name	Age	Title	Years of Experience			Prior Position
			In Current Role	With FCF	In Banking	
T. Michael Price	55	President and CEO	6	10	30	President, First Commonwealth Bank
James R. Reske	54	EVP – CFO and Treasurer	4	4	28	CFO and Treasurer
Jane Grebenc	59	EVP – Chief Revenue Officer	5	5	33	EVP / Retail Banking
Brian G. Karrip	57	EVP – CCO	1	1	36	EVP / Specialized Lending
Matthew C. Tomb	41	EVP – Chief Risk Officer and Legal Counsel	10	10	12	Corporate and Securities Attorney with Regional Law Firm
David B. Buckiso	48	EVP – Wealth Services	3	3	24	Managing Director of Wealth Management
Carrie Riggle	48	EVP – Human Resources	6	26	26	Human Resources Manager
Norman J. Montgomery	50	EVP – Business Integration	6	29	29	Product / Sales Development
Leonard V. Lombardi	58	EVP – Chief Audit Executive	9	25	36	Director of Internal Audit / Loan Review
Gregory J. Sipos	48	EVP – Corporate Banking	<1	28	28	SVP / Corporate Banking
Stanley R. Foraker	60	EVP – Mortgage Banking	4	4	33	SVP / Retail Lending
Jeffrey S. Rosen	54	EVP–Consumer and Small Business Lending	1	1	31	SVP / Government Guaranteed Lending

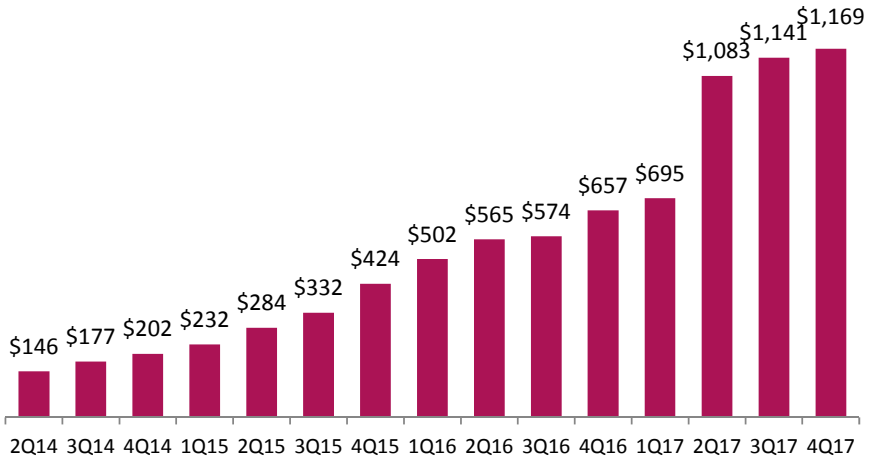
Ohio Buildout to Date

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

Successful Expansion Efforts

- 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
- Opened two mortgage production offices in central and northeast OH in 2016
  - Continue to build-out mortgage delivery in central and northeastern OH
- Completed acquisition of 13 branches from FirstMerit in December '16
- Completed acquisition of DCB Financial Corp in April '17
- Announced acquisition of Foundation Bank in Cincinnati, OH on January 10, 2018
- Following the acquisition of Foundation Bank, First Commonwealth's Ohio franchise will be comprised of:
  - $1.4 billion in loans
  - $1.4 billion in deposits
  - 37 banking branches
  - 3 loan production offices

Ohio Loan Portfolio ($MM)[1]



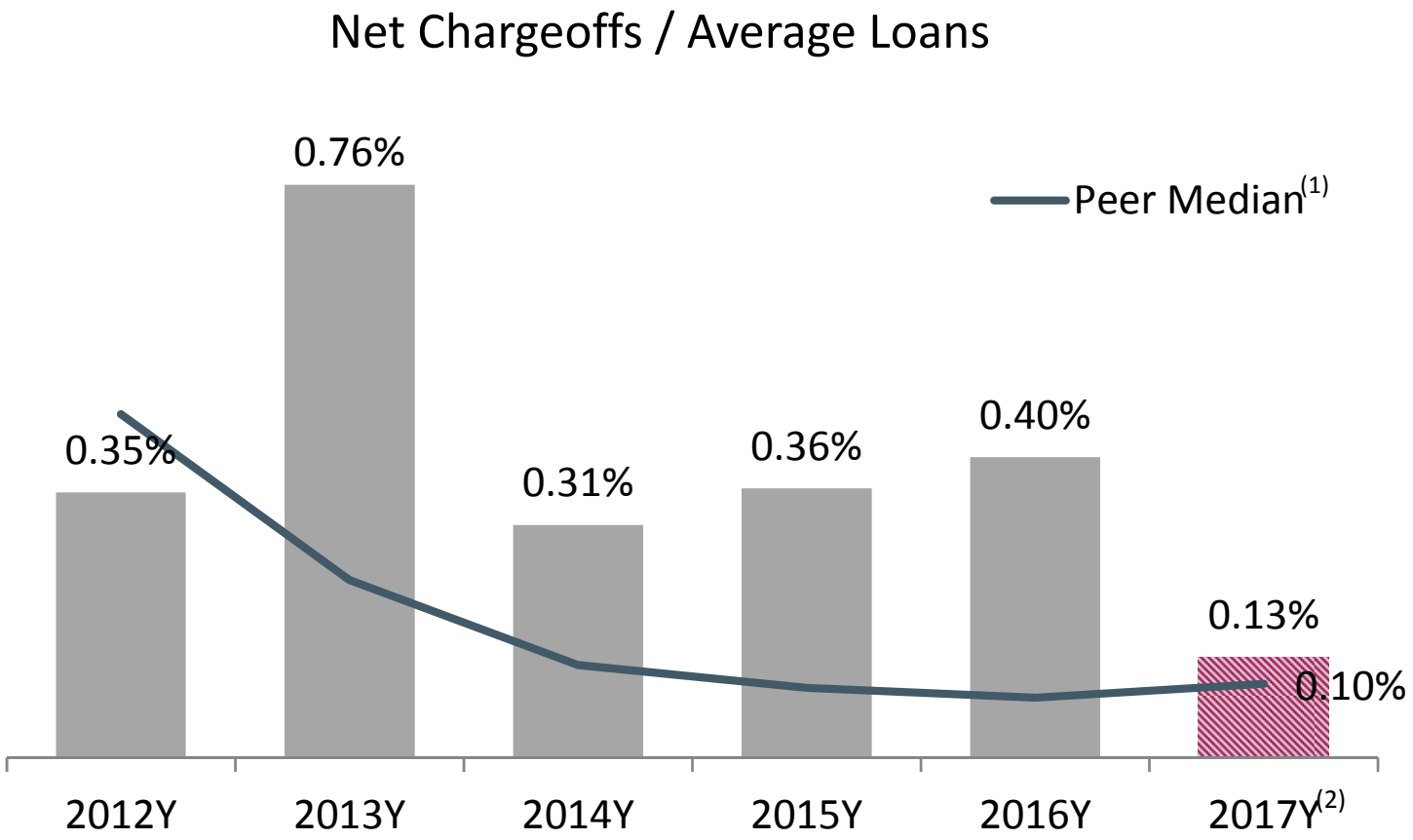
Recent Ohio Acquisitions

Target	Announcement Date	Completion Date	Deal Value $MM[2]	Total Loans Acquired $MM	Total Deposits Acquired $MM
First Community Bank	5/11/2015	10/1/2015	$15	$61	$88
13 FirstMerit Branches	7/27/2016	12/2/2016	$33	$105	$605
DCB Financial Corp.	10/3/2016	4/3/2017	$106	$383	$484
		Total	**$154**	**$549**	**$1,177**
		Total Ohio Portfolio [1][3]		*$1,169*	*$1,204*
Foundation Bank	1/10/2018	pending	$58	$189	$145

(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
(2) Deal value at announcement
(3) As of December 31, 2017

Financial Roadmap

Closing the credit gap with peers

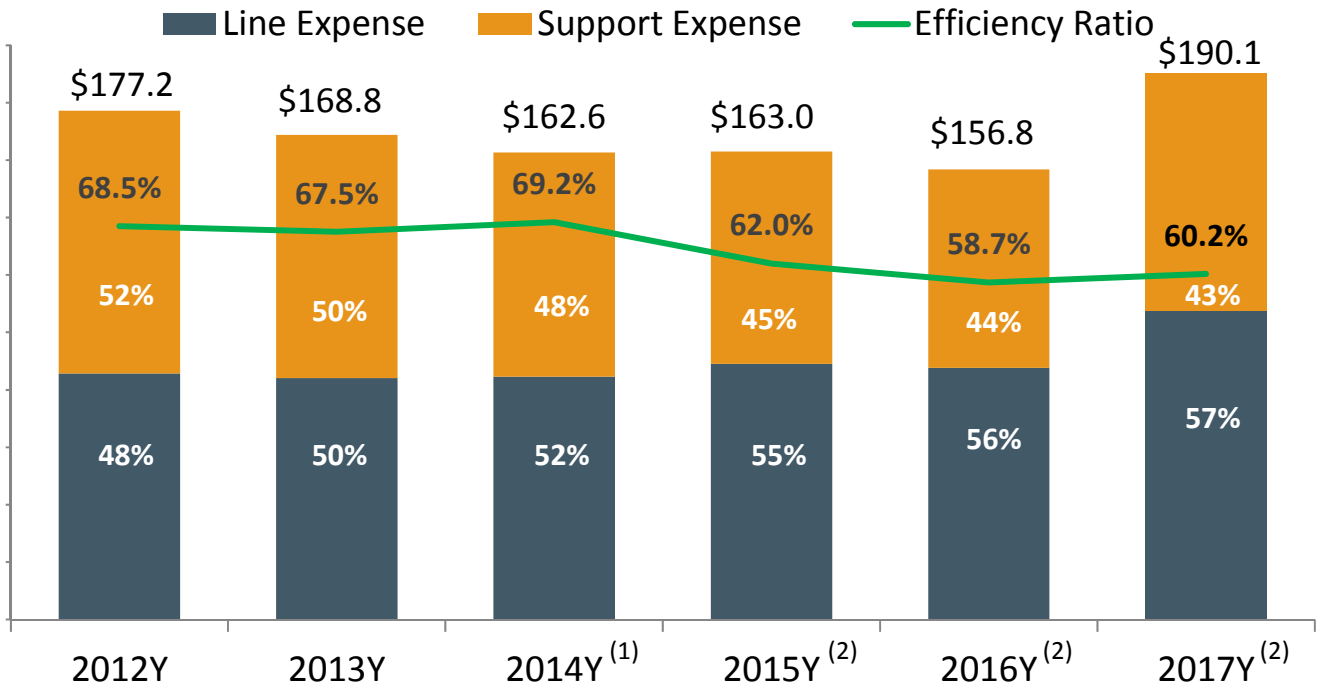


(1) Peer group includes Mid-Atlantic and Midwest Banks $2-$10 billion
(2) As of December 31, 2017
Source: S&P Global Market Intelligence

Expense Control

Noninterest Expense Trend

$ in millions



- 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 and retail expansion in central and northern Ohio, and customer facing technology

(1) Excludes $8.6 million litigation settlement
(2) Excludes one-time merger related expenses of $0.9 million, $3.2 million and $10.2 million in 2015, 2016 and 2017, respectively

Consumer Strategy Highlights

A retail banking model that adapts to changing customer preferences

- Fund investments in alternative delivery channels and digital capabilities
- Modify staffing levels and skill sets (universal bankers) to address lower transaction levels, while continuing to provide a full set of solutions
- Develop and implement consumer and small business lending strategy
- Grow Ohio consumer and small business households

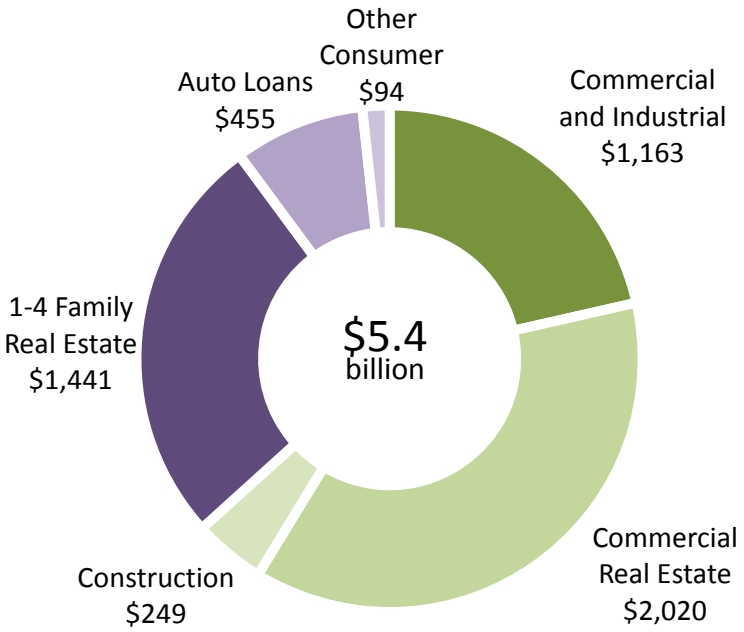
Information Technology Evolution

Replaced 40 of 60 core systems in 2015, which has enabled a myriad of transformational enhancements throughout the company

- Lowered operating costs
- Dramatically increased our speed to market with new products
- Enhanced core product offerings and increased penetration rates to meet or exceed peer levels
  - ⇒ Launched an enhanced online and mobile banking platform to include mobile deposits, fly out menus, check images, touch ID and custom account ordering
  - ⇒ Launched account aggregation and a personal financial management tool (My Finance), which is akin to Mint
  - ⇒ Launched ApplePay, SamsungPay and AndroidPay
  - ⇒ Launched online lending and online deposit account opening platforms
  - ⇒ Launched a new consumer credit card that is designed to get into the queue of a digital wallet
  - ⇒ Launched LivePerson Online Chat
  - ⇒ Created a technology “test lab” with an image ATM and automated In Lobby Teller (ILT), as well as a technology center where we can demonstrate the usage of our digital channels
  - ⇒ Implemented SecurLOCK Communicate (Fraud Alerts through SMS/Email)

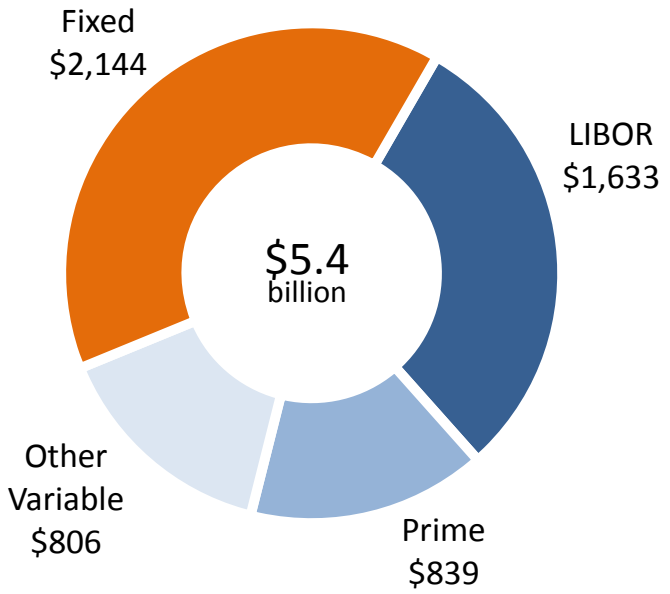
Balance Sheet Management

Loan Portfolio Composition ($MM)



63% Commercial / 37% Retail

Loan Portfolio Repricing ($MM)



60% Variable / 40% Fixed

As of December 31, 2017
Includes loans held for sale

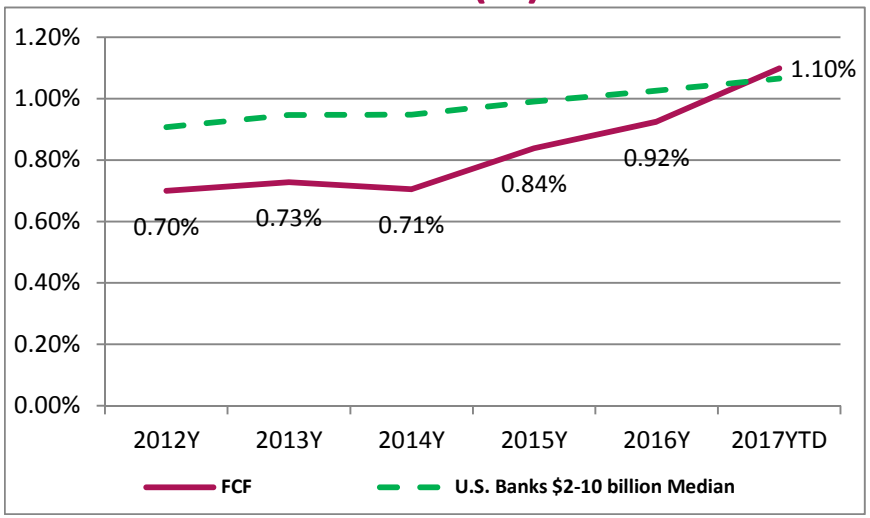
Financial Trends: 2013 – Present

	5 Year Trend					Trailing 5 Quarters				
	2013Y	2014Y	2015Y	2016Y	2017Y	4Q 2016	1Q 2017	2Q 2017	3Q 2017	4Q 2017
Income Statement										
Revenue[1]	$249	$248	$253	$267	$313	$70	$70	$78	$80	$85
Provision for credit losses	19	11	15	18	5	(2)	3	(2)	1	2
Core Noninterest expense[2]	169	171	163	157	190	43	42	48	47	52
Core Net income[2]	$41	$44	$51	$62	$79	$20	$16	$20	$21	$21
Stock										
Core EPS[2]	$0.43	$0.48	$0.57	$0.69	$0.82	$0.22	$0.18	$0.21	$0.22	$0.21
Period-end close	$8.82	$9.22	$9.07	$14.18	$14.32	$14.18	$13.26	$12.68	$14.13	$14.32
Balance Sheet (EOP)										
Loans	$4,284	$4,460	$4,690	$4,886	$5,422	$4,886	$4,918	$5,385	$5,393	$5,422
Deposits	4,604	4,315	4,196	4,948	5,581	4,948	4,970	5,533	5,555	5,581
Profitability										
Core Return on average assets[2]	0.68%	0.71%	0.79%	0.93%	1.09%	1.18%	0.98%	1.11%	1.14%	1.11%
Core Return on average TCE[2]	7.45%	7.96%	9.20%	10.79%	13.38%	12.46%	12.08%	14.03%	14.01%	13.29%
Net interest margin[1]	3.39%	3.27%	3.28%	3.32%	3.57%	3.44%	3.50%	3.54%	3.61%	3.61%
Efficiency ratio	67.52%	69.23%	61.99%	58.71%	60.22%	61.70%	60.49%	60.19%	57.96%	62.24%

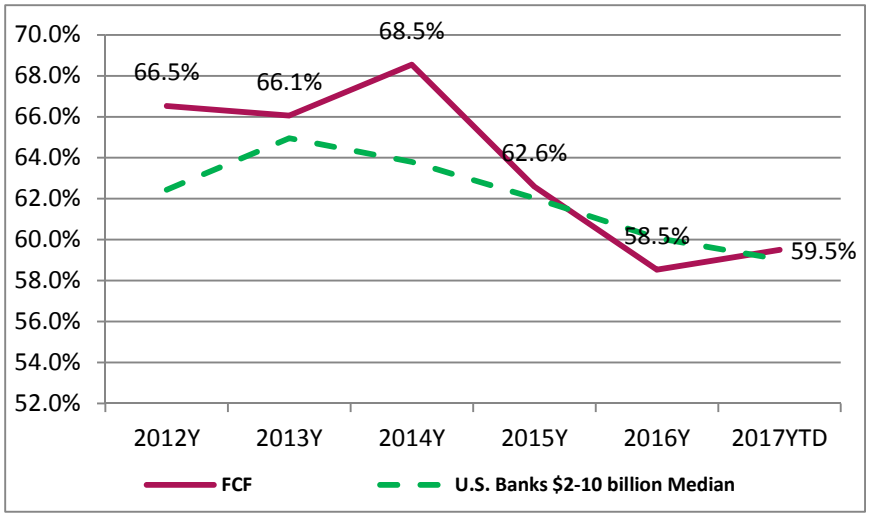
(1) Taxable equivalent
(2) Non-GAAP measure

Performance vs. Peers

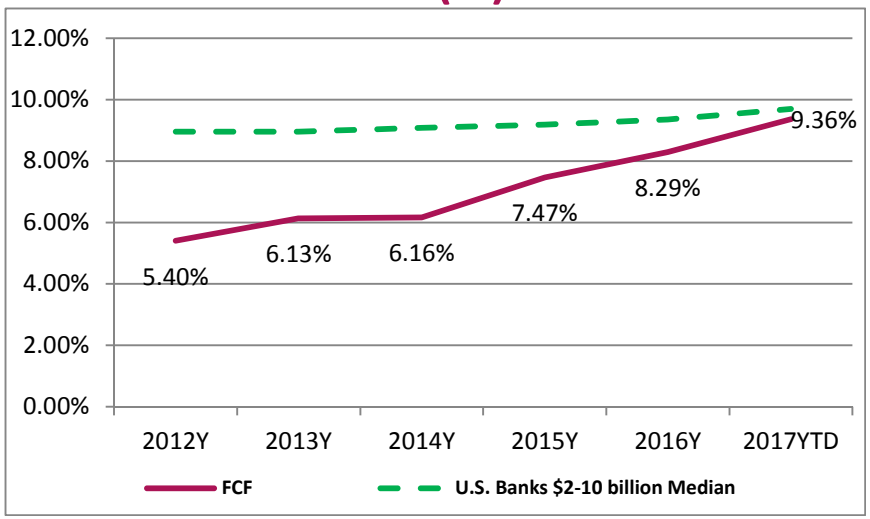
Core ROAA (%)(1)



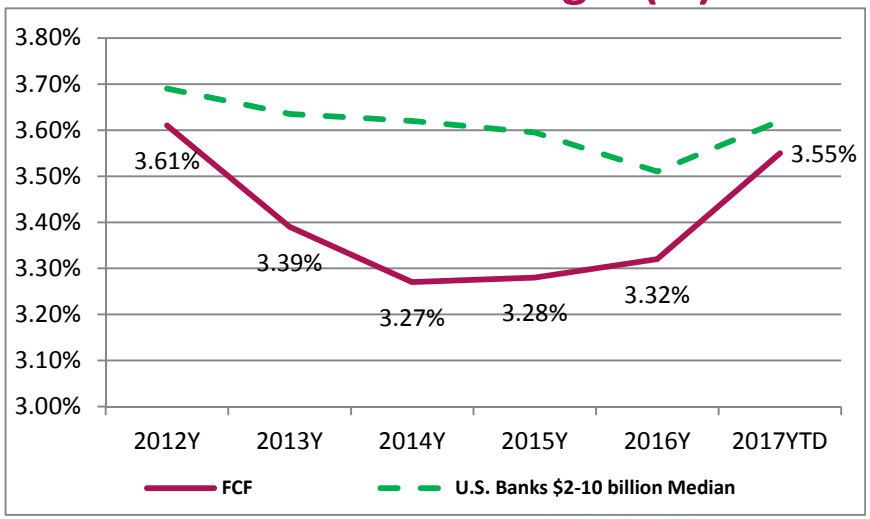
Efficiency Ratio (%)



Core ROAE (%)(1)



Net Interest Margin (%)(2)



(1) Core earnings as calculated by S&P Global Market Intelligence
(2) Taxable equivalent
*YTD results as of September 30, 2017

Investment Thesis

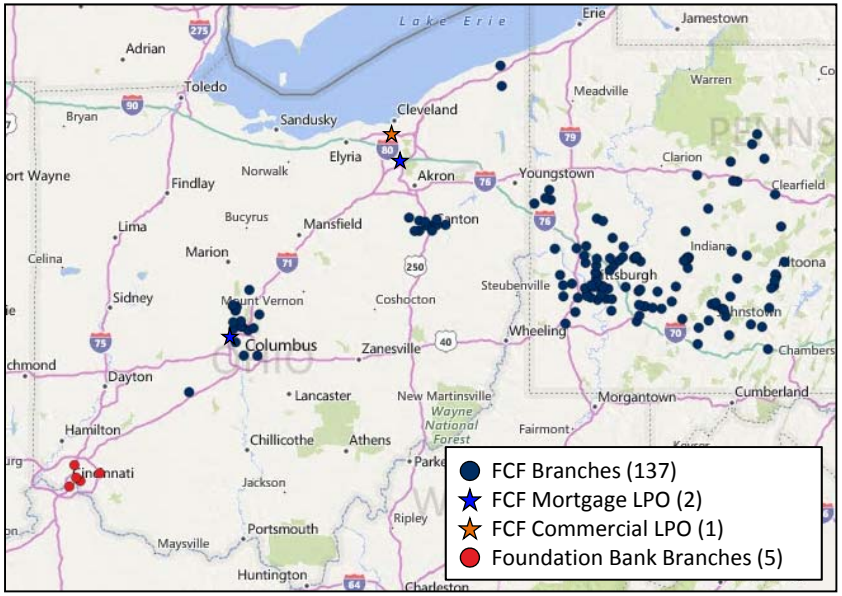
- Authentic, mission-driven community bank with talented professionals capable of driving shareholder returns
- Disciplined growth strategies aimed at efficiently deploying capital
- Proven ability to control expenses and deliver positive operating leverage
- Successfully emerging from a multitude of transformative operational initiatives driving the organization towards a new future in retail banking
- Risk and governance culture aligned with expectations of long-term stakeholders
- Franchise located in the heart of Marcellus and Utica Shale formations which hold long-term benefits to the local economies

Appendix

- Acquisition of Foundation Bank
- 4Q 2017 Financial Results
- Non-GAAP Measures

Franchise-Enhancing Acquisition in Desirable Cincinnati MSA

Pro Forma Branch Map



Source: S&P Global Market Intelligence

Strategic Rationale

- Cincinnati represents the next logical step in the company's Ohio expansion efforts:
  - Builds on FCF's recent successful acquisitions in northern and central Ohio
  - Strong Cincinnati market demographics and growth potential
  - Another Ohio market management knows well
  - Expected to serve as a chassis from which FCF can deliver commercial, mortgage and other product offerings
- Pro forma FCF Ohio deposits will total $1.4 billion[2]

Financial (for the quarter ended 9/30/17)

- Total Assets: $216 million
- Total Loans: $189 million
- Total Deposits: $145 million
- Total Book Value: $42.8 million
- Total Intangibles: $4.4 million
- ROAA[1]: 1.06%
- NPAs/Assets: 0.65%

Transaction Terms / Assumptions

- FCF to issue approximately 2.75 million shares and $17.4 million of cash (70% stock, 30% cash)
- Approximate deal value of $58 million
- 1.7% loan mark; 40% cost savings, 50% phase-in in 2018
- Combined restructuring charges of $3.1 million (pretax)
- Immediately accretive to FCF's tangible book value
- Nominally accretive to FCF's earnings

1. *Tax effected at 21%; 0.87% ROAA tax effected at 35%*
2. *Pro forma as of September 30, 2017*

Appendix

- Acquisition of Foundation Bank
- 4Q 2017 Financial Results
- Non-GAAP Measures

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 31 - 34 for disclosures regarding non-GAAP measures
(3) Quarter-to-date annualized

$ in millions, except per share data

Balance Sheet

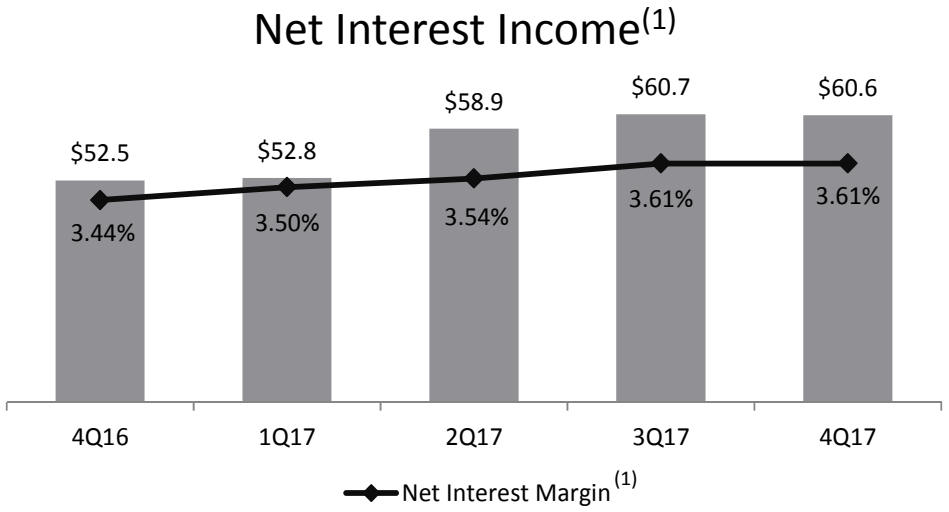
Period-end Balances	4Q17	3Q17	4Q16	Change From 3Q17	Change From 4Q16
Cash & securities	$1,291	$1,375	$1,303	*($84)*	*($12)*
Loans held for sale	15	17	7	*(2)*	*8*
Commercial loans	3,431	3,404	3,101	*27*	*330*
Consumer loans	1,976	1,972	1,778	*4*	*198*
Allowance for credit losses	(48)	(48)	(50)	*0*	*2*
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***

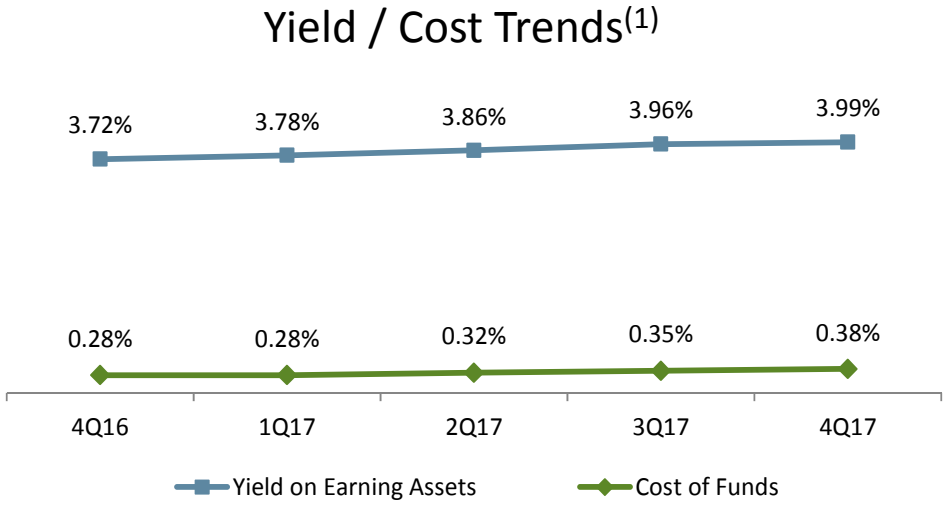
- Total asset growth of $625 million YoY driven by the acquisition of DCB Financial Corp. in 2Q17 along with organic growth
  - Loan growth of $29 million from LQ was primarily driven by growth in commercial real estate loans
- Noninterest-bearing demand deposits increased $148 million, or 11.7% YoY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



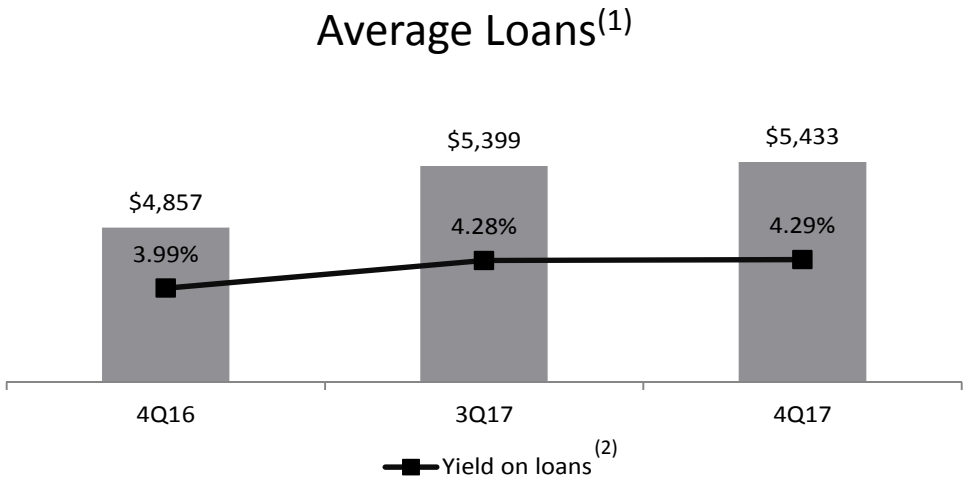


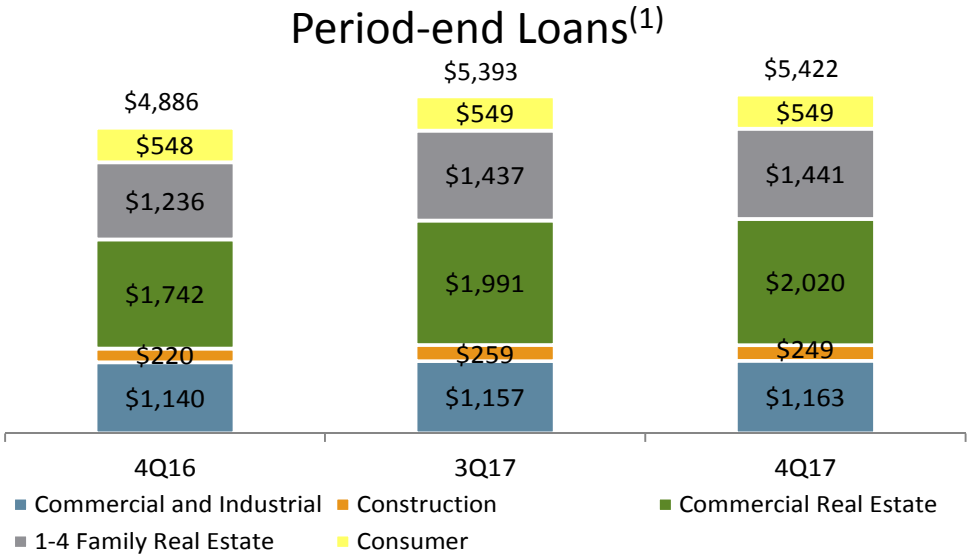
- Net interest income remained relatively flat compared to LQ and increased $8.1 million YoY primarily as a result of acquired average earning assets and lower funding costs following the aforementioned branch acquisition in 4Q16, as well as increases in short-term rates
- Net interest margin of 3.61% 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

- 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

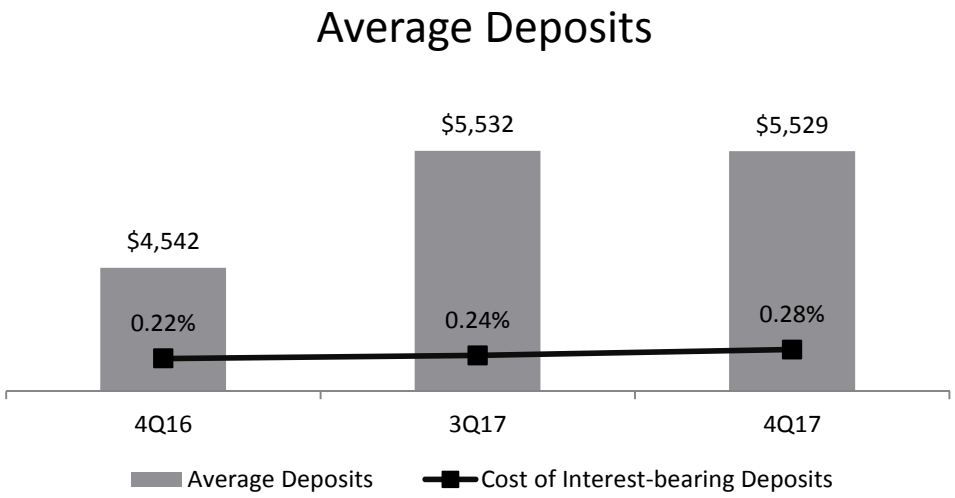
Period-end

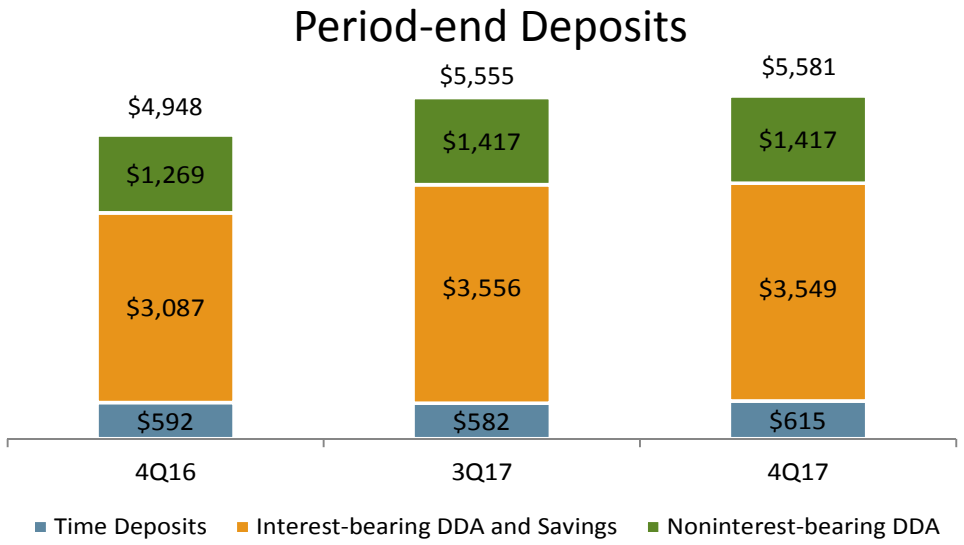
- Loans increased $29 million to LQ and $536 million from the prior year
  - YoY growth includes $383 million(3) of loans acquired in the DCB Financial Corp. acquisition

(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

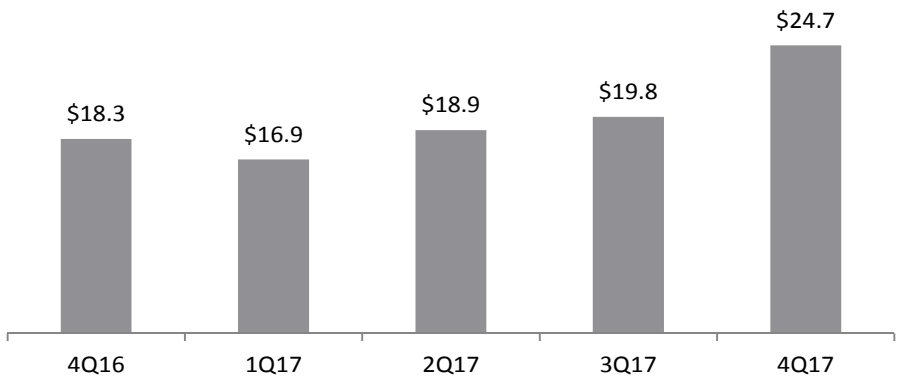
- Total deposits increased $26 million from LQ and increased $633 million from the prior year driven by:
  - The addition of $484 million[(1)] in deposits acquired in the DCB Financial acquisition
  - Noninterest-bearing deposits currently comprise 25.4% of total deposits

(1) Balances as of the close of the acquisition

$ in millions

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***

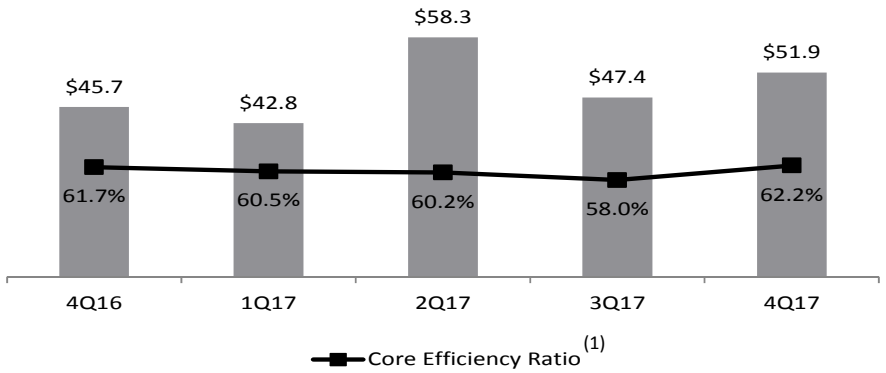


- Interchange increased $1.0 million YoY primarily due to the acquisition of DCB Financial Corp. in 2Q17 and 13 former FirstMerit branches in December 2016
- Trust increased $0.5 million YoY primarily due to an expanded customer base as a result of the aforementioned acquisitions
- Swap fee income increased $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

$ in millions

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***



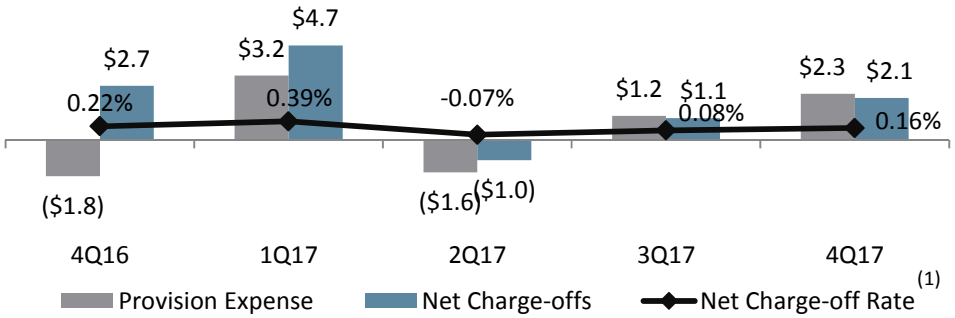
$ in millions

- 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 31 – 34 for disclosures regarding non-GAAP measures

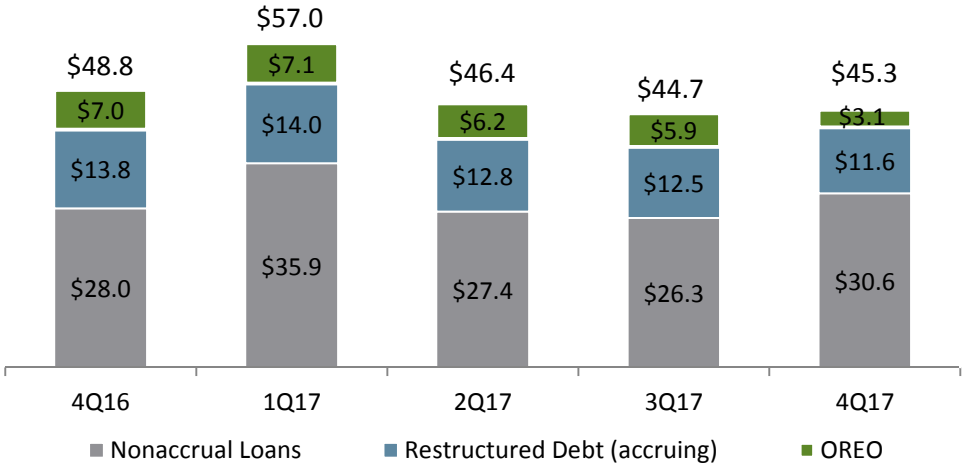
Credit quality

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

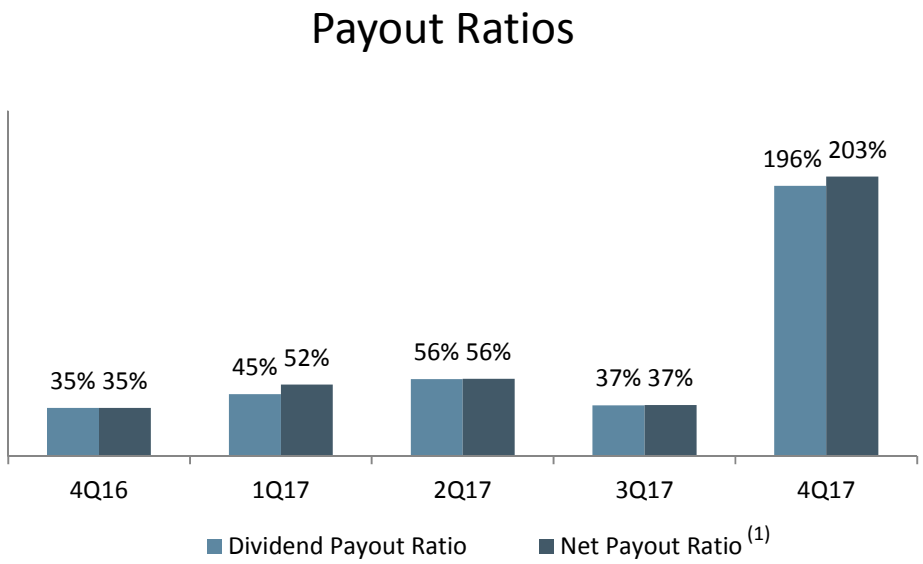


- Nonperforming assets decreased $3.5 million YoY

(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

- Acquisition of Foundation Bank
- 4Q 2017 Financial Results
- 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

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

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