
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.*

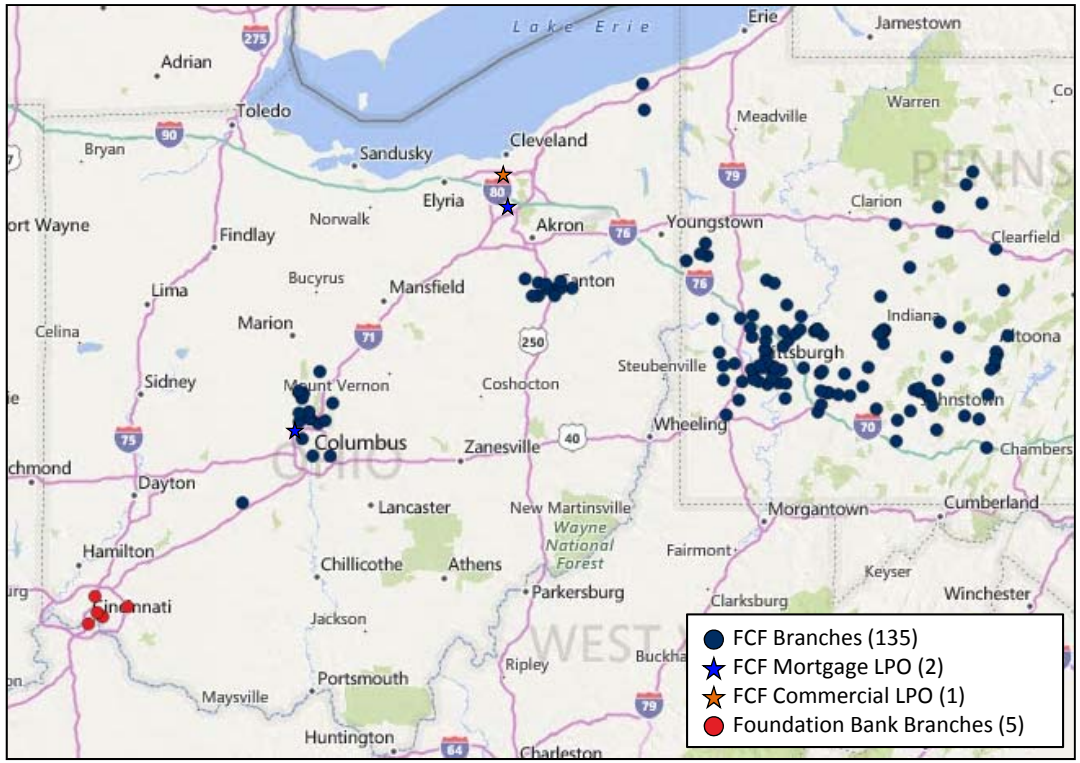
Forward-looking statements speak only as of the date on which they are made. First Commonwealth undertakes no obligation to update any forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.

First Commonwealth

2018 D.A. Davidson Financial Institutions Conference
May 8-10, 2018
Denver, CO

Overview of First Commonwealth Financial Corporation

First Commonwealth Footprint



- Stable deposit base in core markets combined with platforms for expansion in faster-growing markets
- Acquisition of Foundation Bank represents the next logical step in the company's Ohio expansion efforts

Overview

- Headquartered in Indiana, PA
- Pennsylvania's 6th largest bank
  - 140 retail branches
  - 59 branches concentrated in Pittsburgh MSA
  - Top 5 in deposit market share 9 of 12 MSAs
- Assets: $7.3 billion
- Gross Loans: $5.4 billion
- Deposits: $5.7 billion
- Market Cap: $1.5 billion (as of May 4, 2018)

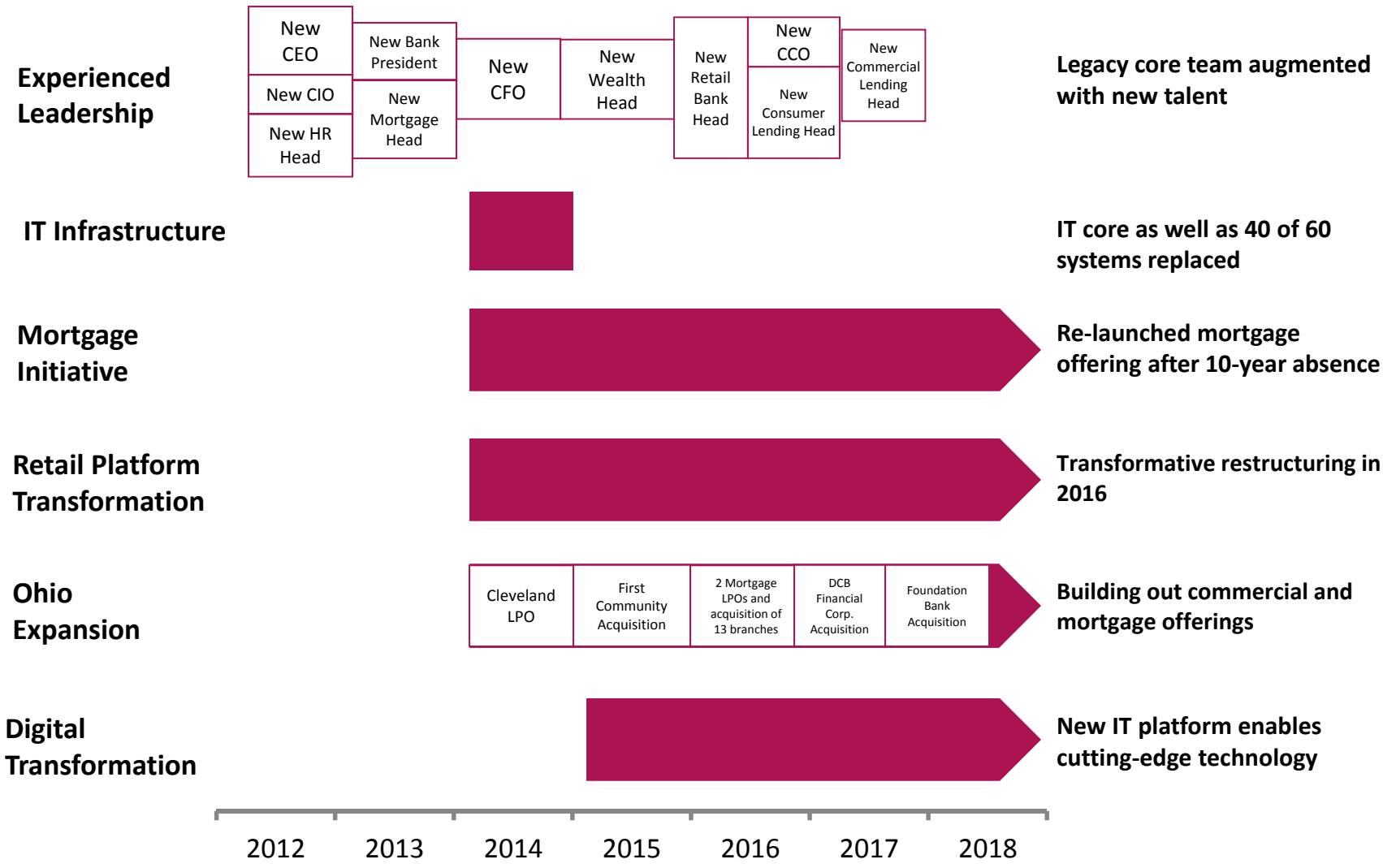
As of March 31, 2018; pro forma branch footprint includes the acquisition of Foundation Bank completed on May 1, 2018
Source: S&P Global Market Intelligence

Strategic Themes



1. Improve the financial lives of our neighbors and their businesses.
2. Build on the strengths of a team of high caliber professionals.
3. Deliver growth across lines of business and geographies.
4. Leverage strong credit culture to achieve targeted loan growth.
5. Pursue a measured approach to M&A.
5. Decisively move toward the digital future.
6. Achieve a sub-55% Efficiency Ratio and +1.30% Return on Average Assets.

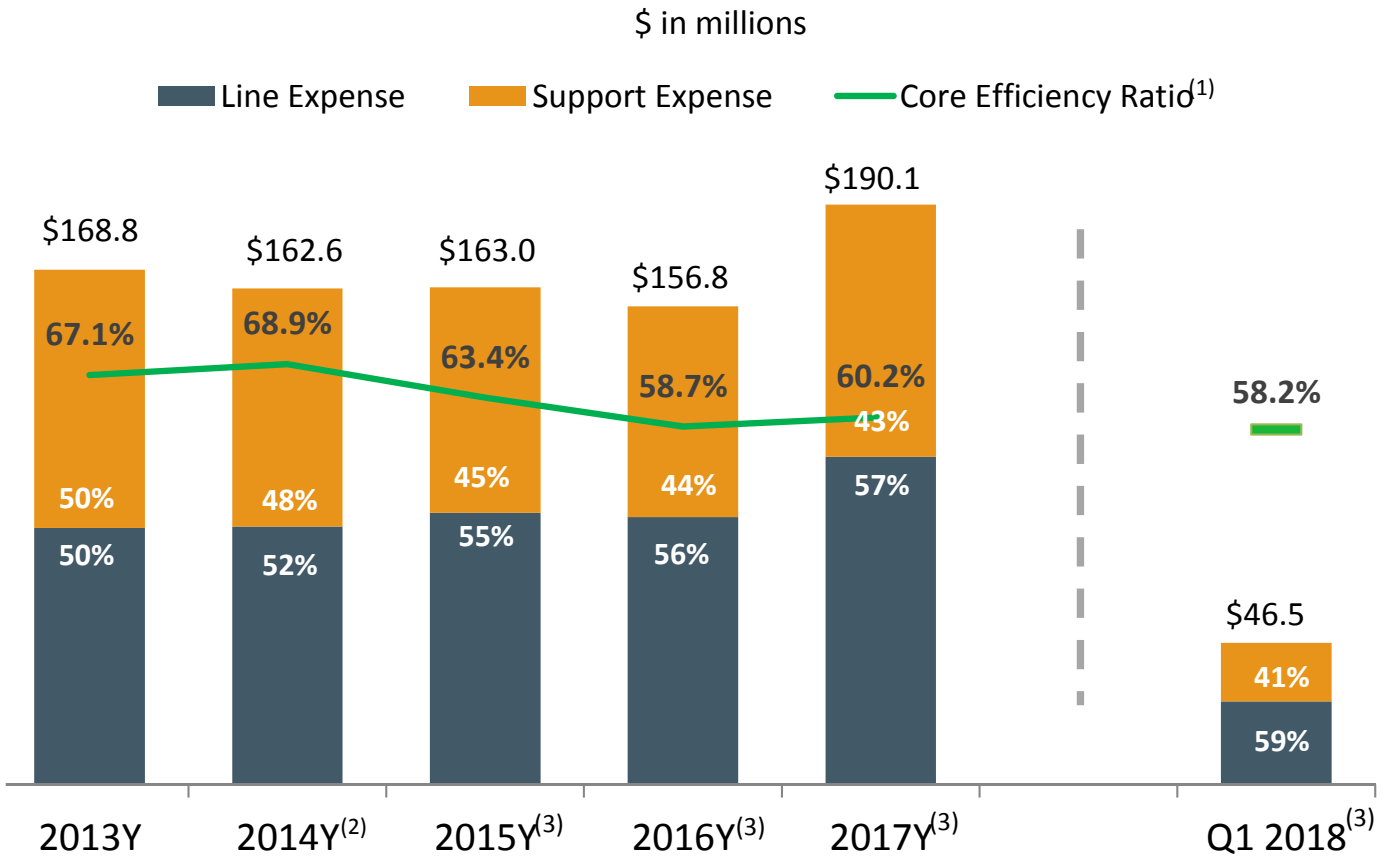
Organizational Changes 2012 - Present



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	11	11	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	49	EVP – Human Resources	6	26	26	Human Resources Manager
Norman J. Montgomery	51	EVP – Business Integration	6	29	29	Product / Sales Development
Leonard V. Lombardi	59	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

Expense Control: Noninterest Expense Trend



- 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
- Expense increase from 2016-2017 driven by acquisitions

(1) Refer to appendix for reconciliations of non-GAAP measures
(2) Excludes $8.6 million litigation settlement
(3) Excludes one-time merger related expenses of $0.9 million, $3.2 million, $10.2 million and $0.3 million in 2015, 2016, 2017 and 1Q18, respectively

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)

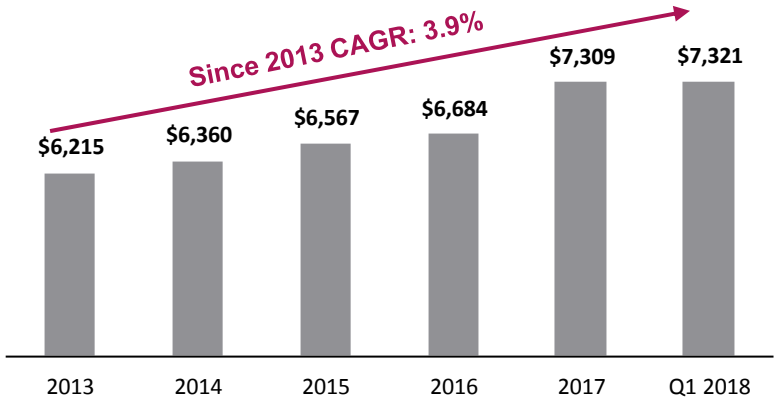
Consumer Strategy Highlights

A retail banking model that adapts to changing customer preferences

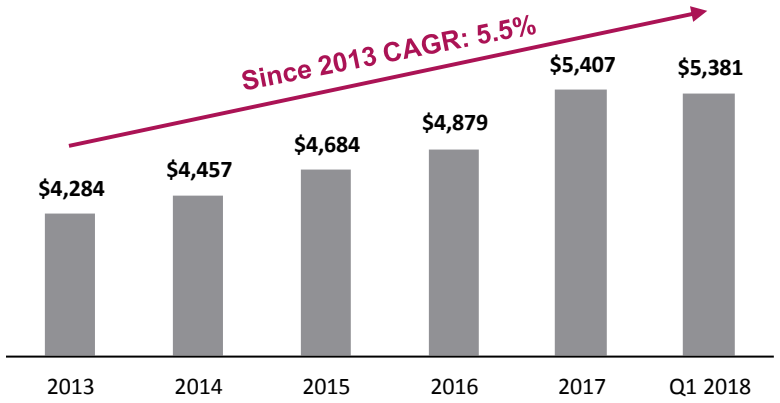
- Fund investments in alternative delivery channels and digital capabilities
- Modify staffing levels and skill sets (universal bankers) to address lower transaction levels, while continuing to provide a full set of solutions
- Develop and implement consumer and small business lending strategy
- Grow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

Consistent Consolidated Growth Trends

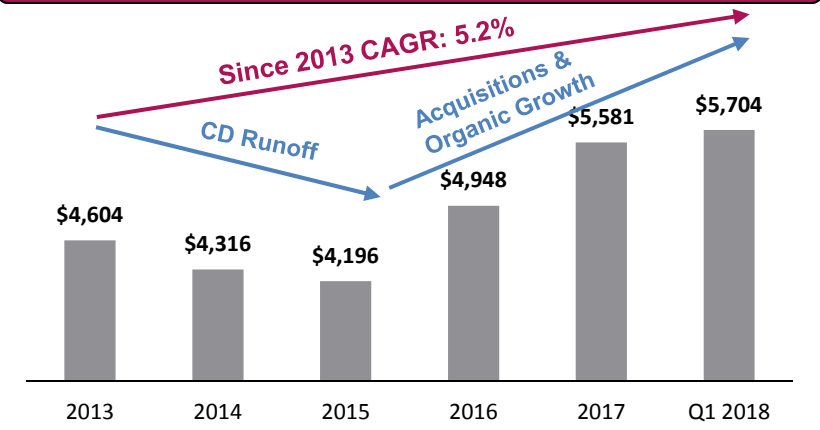
Total Assets ($mm)



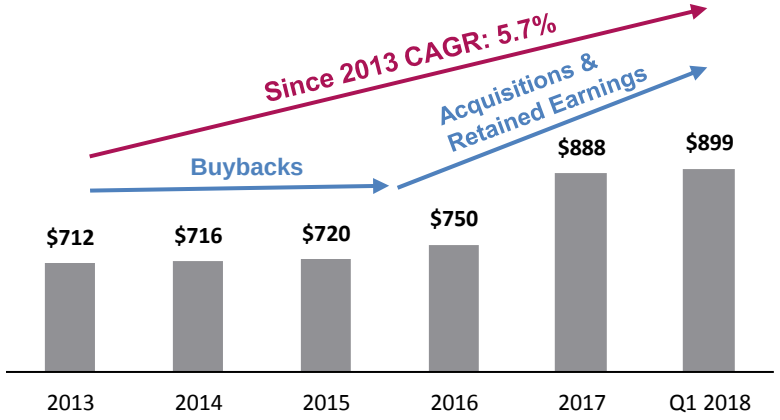
Total Gross Loans ($mm)(1)



Total Deposits ($mm)



Total Equity ($mm)

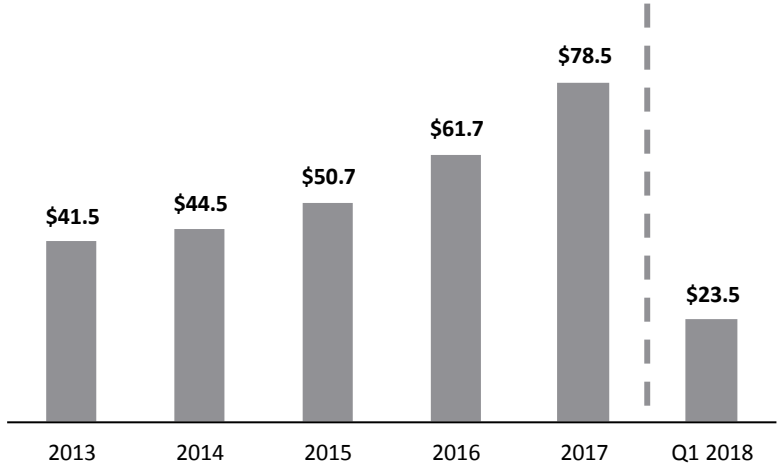


- Steady asset and deposit growth
- Balanced loan to deposit ratio
- Strong equity base

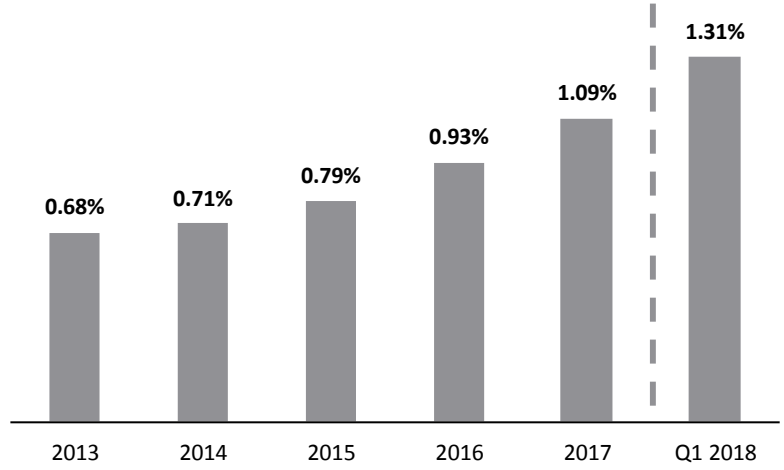
(1) Excludes loans held for sale

Historical Consolidated Earnings Growth

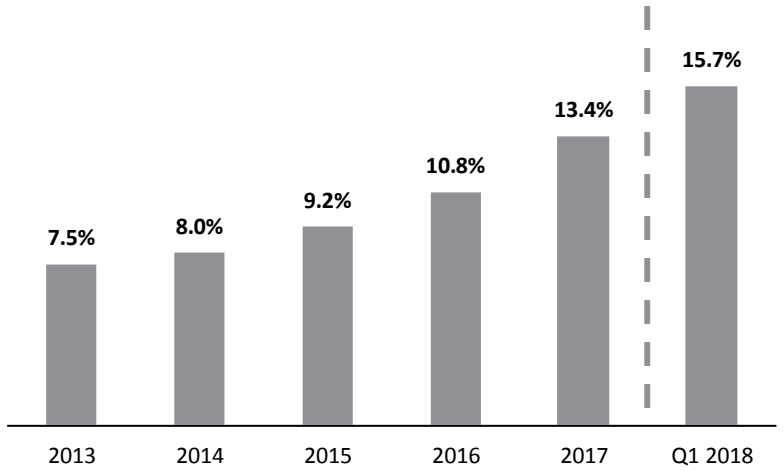
Adjusted Net Income [1] ($mm)



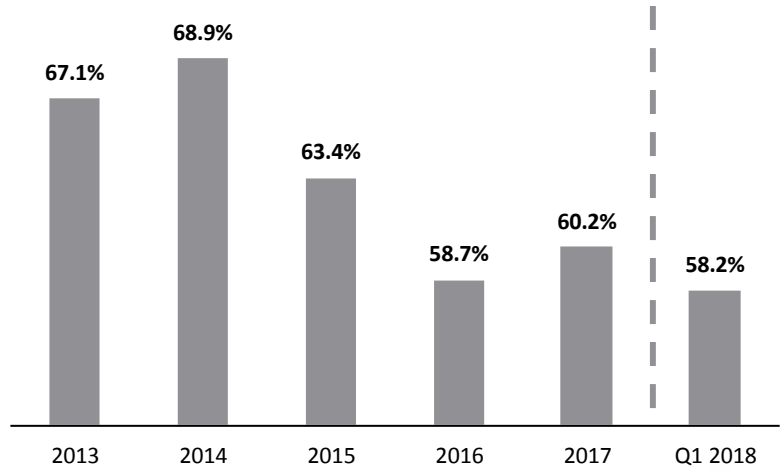
Adjusted ROAA [1] (%)



Adjusted ROATCE [1] (%)



Efficiency Ratio [1] (%)



(1) Please refer to appendix for reconciliations of non-GAAP measures

Financial Trends: 2013 – Present

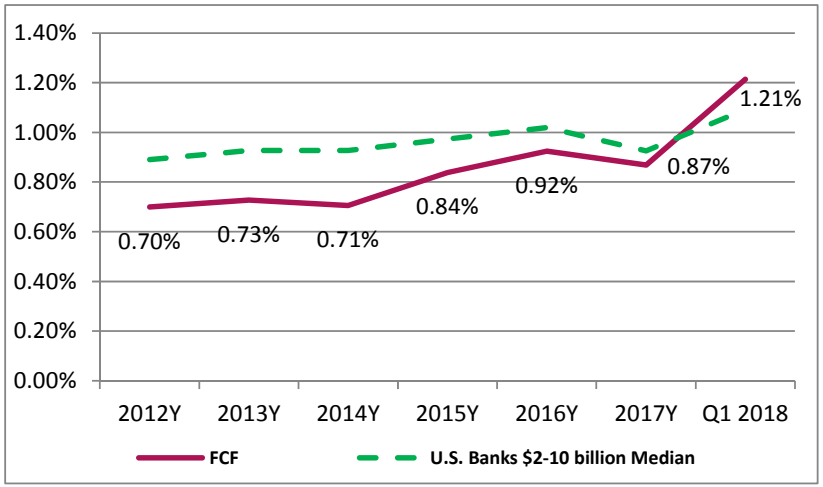
	5 Year Trend					Trailing 5 Quarters				
	2013Y	2014Y	2015Y	2016Y	2017Y	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018
Income Statement										
Revenue[1]	$249	$248	$253	$267	$313	$70	$78	$80	$85	$82
Provision for credit losses	19	11	15	18	5	3	(2)	1	2	7
Core Noninterest expense[2]	167	171	161	157	186	42	47	47	51	46
Core Net income[2]	$42	$45	$51	$62	$79	$16	$20	$21	$21	$24
Stock										
Core EPS[2]	$0.43	$0.48	$0.57	$0.69	$0.82	$0.18	$0.21	$0.22	$0.21	$0.24
Period-end close	$8.82	$9.22	$9.07	$14.18	$14.32	$13.26	$12.68	$14.13	$14.32	$14.13
Balance Sheet (EOP)										
Loans	$4,284	$4,460	$4,690	$4,886	$5,422	$4,918	$5,385	$5,393	$5,422	$5,391
Deposits	4,604	4,316	4,196	4,948	5,581	4,970	5,533	5,555	5,581	5,704
Profitability										
Core Return on average assets[2]	0.68%	0.71%	0.79%	0.93%	1.09%	0.98%	1.11%	1.14%	1.11%	1.31%
Core Return on average TCE[2]	7.45%	8.04%	9.20%	10.79%	13.38%	12.08%	14.03%	14.01%	13.29%	15.73%
Net interest margin[1]	3.39%	3.27%	3.28%	3.32%	3.57%	3.50%	3.54%	3.61%	3.61%	3.69%
Core Efficiency ratio[2]	67.08%	68.94%	63.44%	58.71%	60.22%	60.49%	60.19%	57.96%	62.24%	58.21%

- Demonstrated ability to achieve operating leverage by expanding revenue while reducing expense
  - Note: expense increase from 2016-2017 driven by acquisitions
- EPS has nearly doubled through efficiency initiatives, organic growth and opportunistic M&A

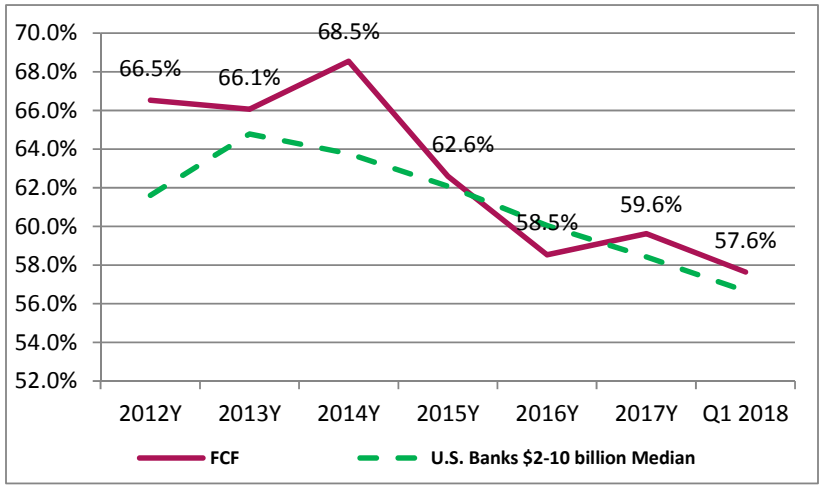
(1) Taxable equivalent
(2) Please refer to appendix for reconciliations of non-GAAP measures

Performance vs. Peers

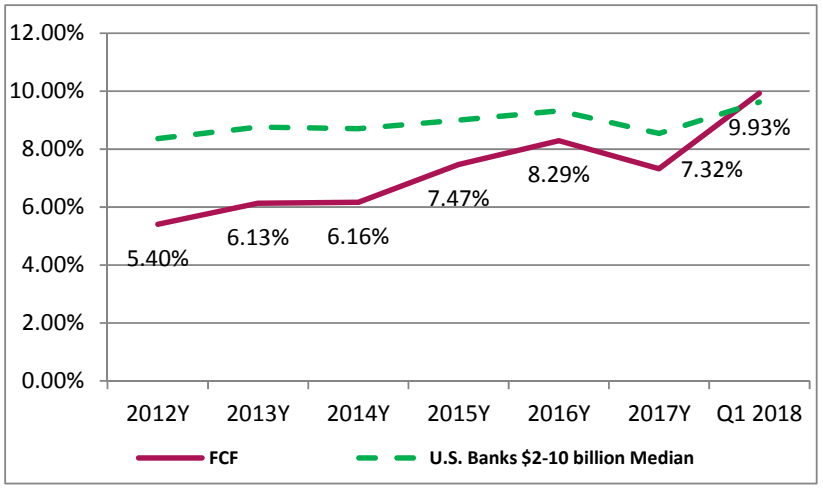
Core ROAA (%)[1]



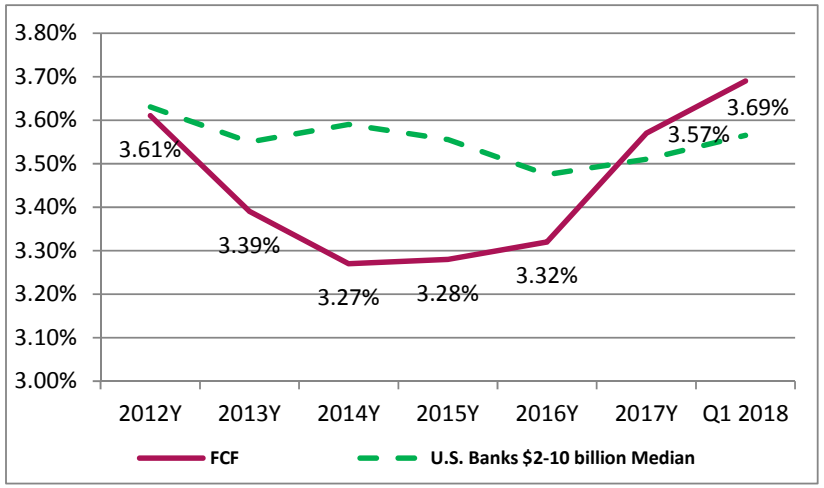
Efficiency Ratio (%)



Core ROAE (%)[1]



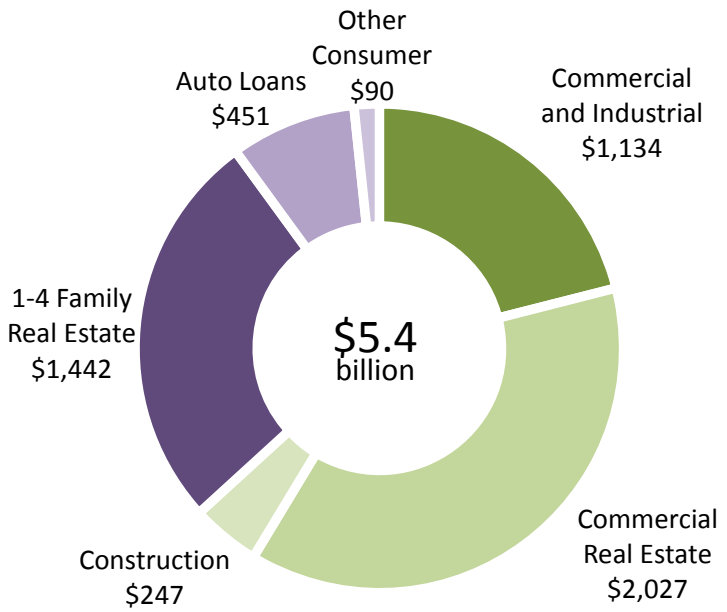
Net Interest Margin (%)[2]



(1) Core ROAA, ROAE and Efficiency Ratios as calculated by S&P Global Market Intelligence and may not agree with management's reported figures
(2) Taxable equivalent

A Commercially-Focused Community Bank

Loan Portfolio Composition ($mm)

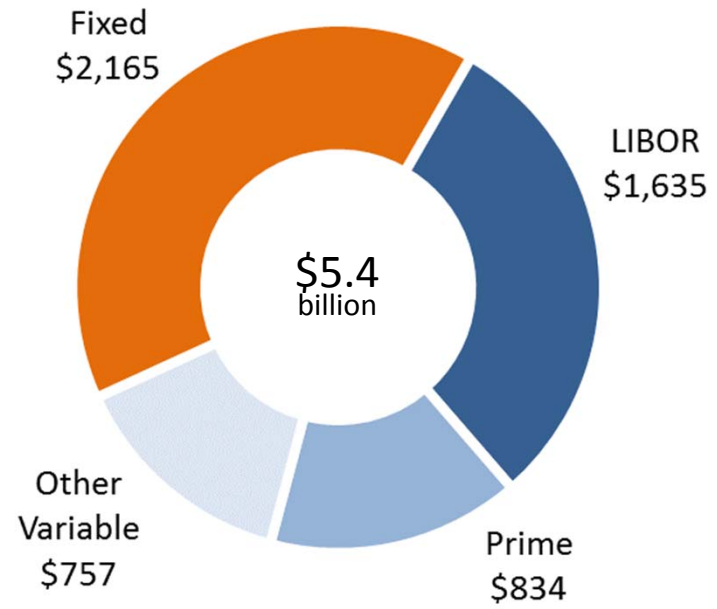


63% Commercial / 37% Retail

Non-Owner Occupied CRE / Total Capital Ratio: 251.7%[1]

C&D Loans / Total Capital: 33.8%[1]

Loan Portfolio Repricing ($mm)



60% Variable / 40% Fixed

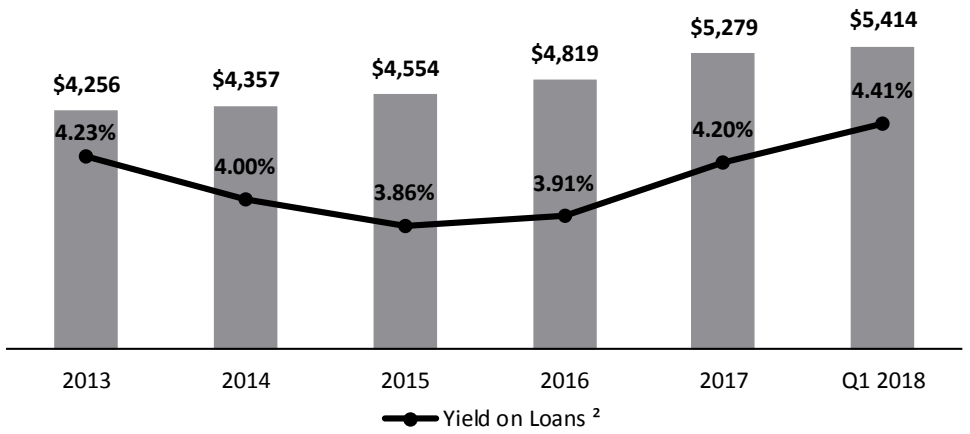
Interest rate floors exist for 27% of variable rate loans

WA Floor of 3.7% < WA Rate of 4.9%

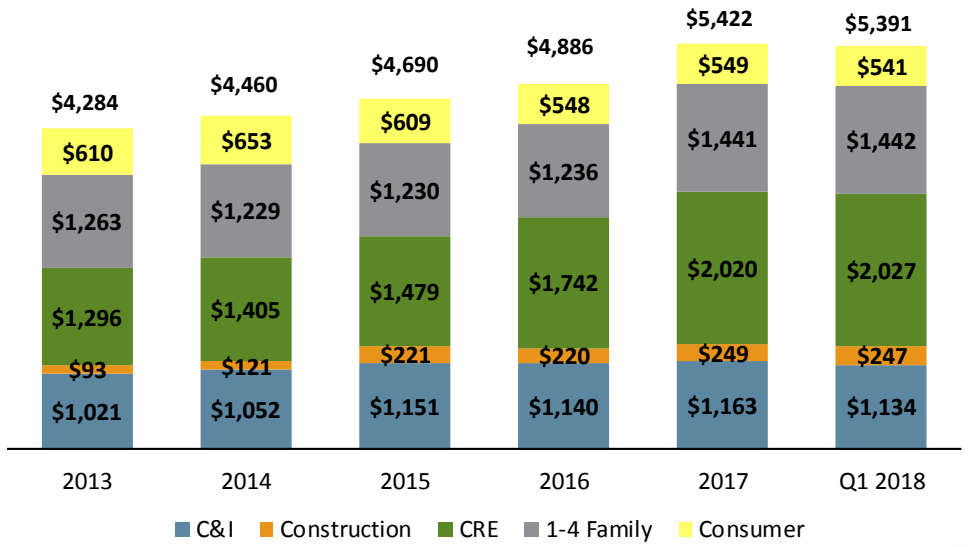
(1) Reflects bank level, regulatory data as of March 31, 2018
Note: As of March 31, 2018; includes loans held for sale

Long-Term Loan Portfolio Trends

Average Loans [1] ($mm)



Period-End Loans [1] ($mm)



Average

- Average loans in 1Q18 decreased $19 million from LQ due to higher than average commercial loan payoffs, but increased $497 million YoY
- Yield on loans of 4.41% in 1Q18 increased 12 basis points over LQ and 36 basis points YoY due to higher yields on variable rate loans following the Federal Reserve's decisions to increase short-term interest rates

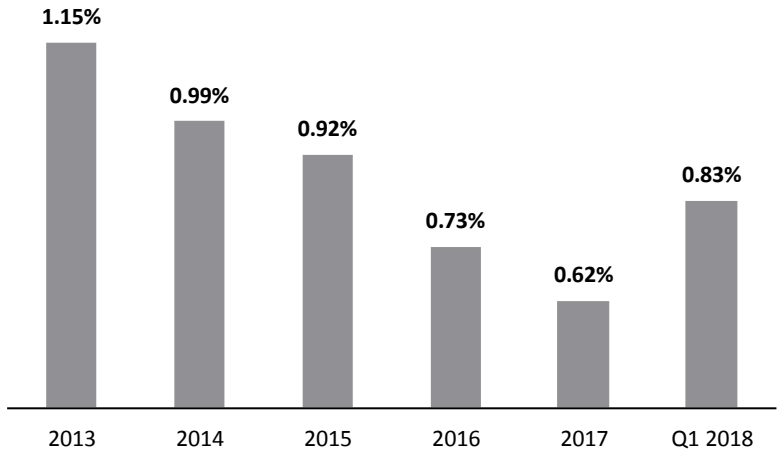
Period-end

- Period-end loans at the end of 1Q18 decreased $31 million from LQ, but increased $473 million from the prior year
  - YoY growth includes $383 million[(3)] of loans acquired in the DCB Financial Corp. acquisition

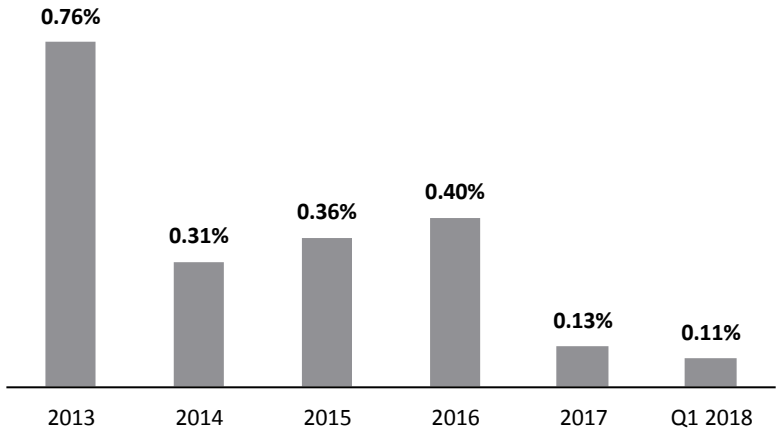
(1) Includes loans held for sale
(2) Taxable equivalent yield
(3) Balances as of the close of the acquisition

Long-Term Asset Quality Trends

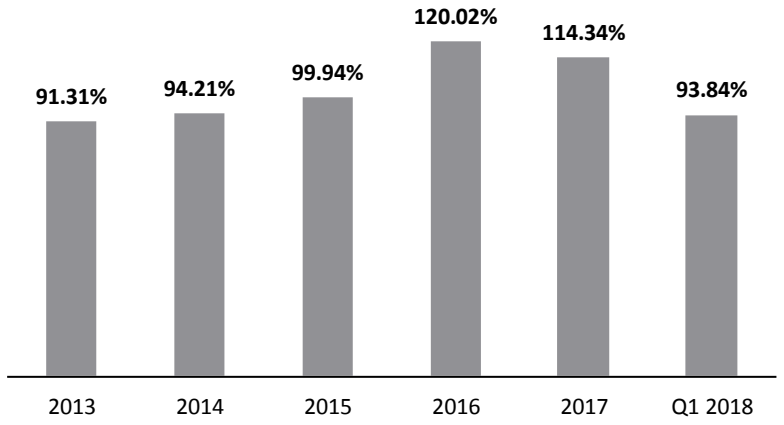
Nonperforming Assets / Assets [1] (%)



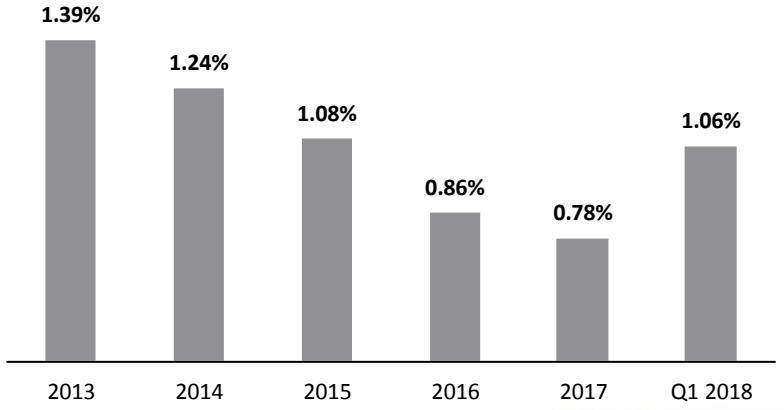
Net Charge-Offs / Loans (%)



Reserves / Nonperforming Loans (%)



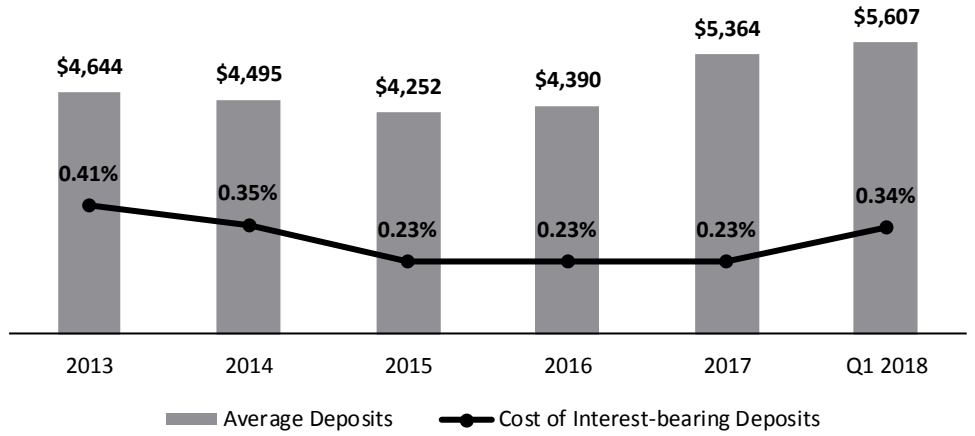
Nonperforming Loans / Loans (%)



(1) Nonperforming assets include nonaccrual loans and leases, renegotiated loans and leases, and foreclosed or repossessed assets

Long-Term Deposit Trends

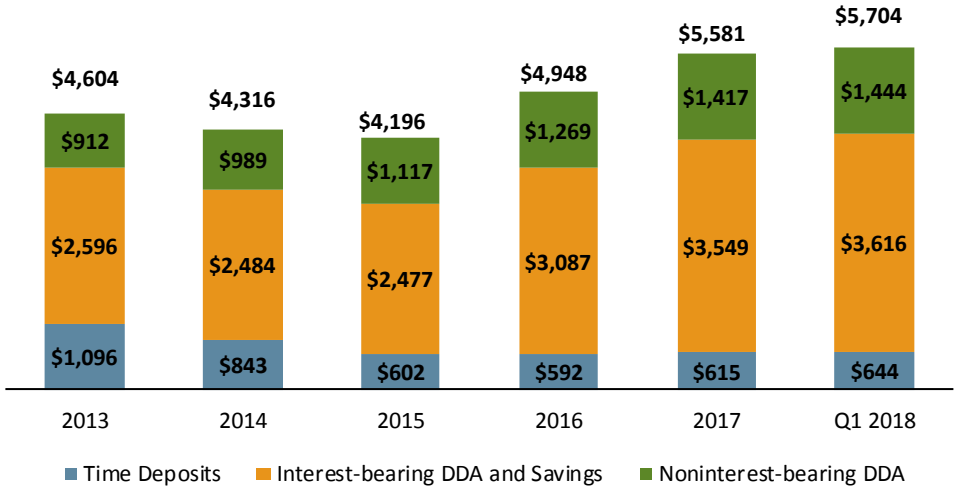
Average Deposits ($mm)



Average

- Average deposits in 1Q18 increased $78 million from LQ and $703 million YoY
- Cost of interest-bearing demand and savings deposits of 0.25% increased 5 basis points over LQ due to rate increases on time deposits and public funds

Period-End Deposits ($mm)



Period-end

- Total deposits at the end of 1Q18 increased $123 million from LQ and increased $734 million from the prior year driven in part by the addition of $484 million[(1)] in deposits acquired in the DCB Financial acquisition
- Noninterest-bearing deposits currently comprise 25.3% of total deposits

(1) Balances as of the close of the acquisition

Expansion into Higher Growth Markets

Mergers and Acquisitions Strategy

- Pursuing a measured approach to M&A, focusing on low-risk accretive acquisitions in preferred geographic markets
  - Bias is for a tight, drivable footprint including the Pittsburgh, Columbus, Cleveland, and Cincinnati metro markets
  - Preference for smaller, low-risk market extension deals in new metro markets, or market overlap deals in existing markets that offer strong depositories or cost takeout opportunities
  - Transactions must make sense both strategically and financially

- Building on lessons learned and experience from prior acquisitions – demonstrating an ability to execute and integrate
  - Acquisition of First Community Bank closed on October 1, 2015: Less than 1% dilution to tangible book value per share
  - Acquisition of 13 FirstMerit branches closed on December 2, 2016: 4.5% premium on deposits and immediately accretive to GAAP and cash earnings per share, as low-cost deposits were used to pay down higher-cost borrowings
  - Acquisition of DCB Financial Corp. closed on April 3, 2017: Expanded FCF's footprint and provided a broader geography for mortgage and small business lending growth in central Ohio
  - Acquisition of Foundation Bank closed on May 1, 2018: Immediately accretive to FCF's tangible book value and nominally accretive to FCF's earnings

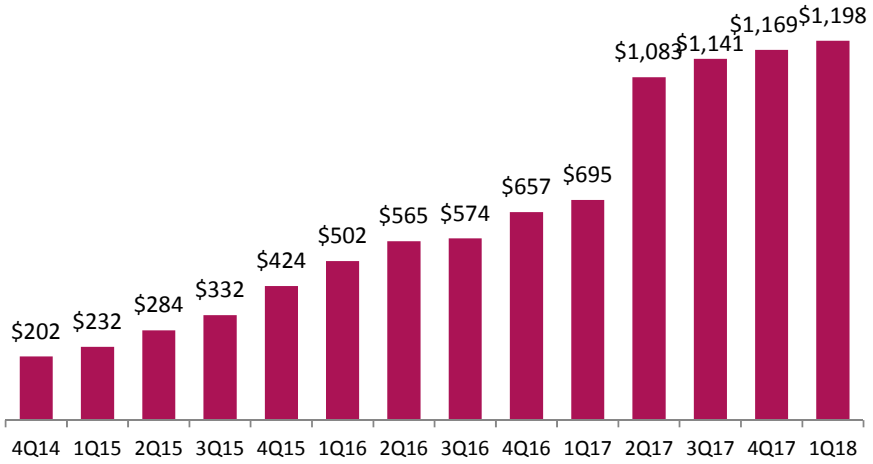
Ohio Buildout to Date

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 '15
- 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
- Completed acquisition of Foundation Bank in Cincinnati, OH in May '18
- First Commonwealth's Ohio franchise is now 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
Foundation Bank	1/10/2018	5/1/2018	$58	$183	$141
		Total	**$212**	**$732**	**$1,318**
		Total Ohio Portfolio [1][3]		*$1,381*	*$1,402*

(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) Pro Forma balances include acquisition of Foundation Bank; as of March 31, 2018

Investment Thesis

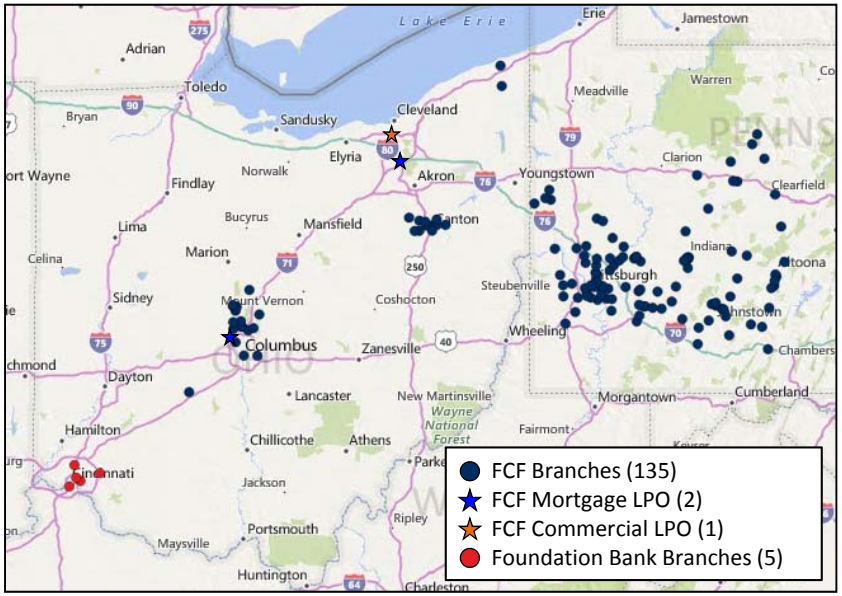
- Authentic, mission-driven community bank
  - Commercially-focused loan portfolio, balanced by consumer lending
  - Exceptionally low cost of funds, driven by loyal customer base and commercial deposits
  - Asset-sensitive asset/liability mix is well-positioned for rising rates
  - Diversified geography through legacy Pennsylvania operations and expansion into Ohio markets
  - Diversified revenue streams and product mix, with approximately 25% of revenue from fee income sources (including trust, brokerage, insurance, mortgage and SBA lending)
- Proven ability to control expenses and deliver positive operating leverage
  - Significant cost reduction through core system conversion and retail restructuring
  - Redeploying cost savings into revenue-generating positions, digital transformation and new business initiatives (e.g., mortgage, SBA)
- Disciplined growth strategies aimed at efficiently deploying capital
  - Targeting mid-single-digit loan growth funded by commensurate growth in deposits
  - Successful track record of low-risk acquisitions
- Risk and governance culture aligned with expectations of long-term stakeholders

Appendix

- Acquisition of Foundation Bank
- 1Q 2018 Financial Results
- Non-GAAP Measures

Franchise-Enhancing Acquisition in Desirable Cincinnati MSA

Pro Forma Branch Map



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
  - Market well-known to management
  - Expected to serve as a chassis from which FCF can deliver commercial, mortgage and other product offerings
- Pro forma FCF Ohio deposits total $1.4 billion(1)

Foundation Bank Financials (Q ended 3/31/2018)

- Total Assets: $208 million
- Total Loans: $183 million
- Total Deposits: $141 million
- Total Book Value: $44.0 million
- Total Intangibles: $4.8 million
- ROAA: 1.34%
- NPAs/Assets: 0.73%

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) Pro forma as of March 31, 2018

Source: S&P Global Market Intelligence

Appendix

- Acquisition of Foundation Bank
- 1Q 2018 Financial Results
- Non-GAAP Measures

1Q 2018 Highlights

	1Q18	4Q17	1Q17	Change from 4Q17	Change from 1Q17
Net interest income[1]	$60.2	$60.6	$52.8	*($0.4)*	*$7.4*
Provision for credit losses	6.9	2.3	3.2	*4.6*	*3.7*
Fee revenue	18.4	20.8	16.2	*(2.4)*	*2.2*
Gain on sale of securities	2.8	4.3	0.7	*(1.5)*	*2.1*
Derivative mark-to-market	0.8	(0.4)	0.0	*1.2*	*0.8*
Operating expense[2]	45.8	50.7	41.8	*(4.9)*	*4.0*
Other expense[2]	1.1	1.2	1.0	*(0.1)*	*0.1*
Income taxes[1]	5.1	27.1	7.8	*(22.0)*	*(2.7)*
Net income	**$23.3**	**$4.0**	**$15.9**	***$19.3***	***$7.4***
Core net income[2]	**$23.5**	**$20.6**	**$16.3**	***$2.9***	***$7.2***
Reported EPS	$0.24	$0.04	$0.18	*$0.20*	*$0.06*
Core EPS[2]	$0.24	$0.21	$0.18	*$0.03*	*$0.06*
Return on average assets	1.29%	0.21%	0.96%	*1.08%*	*0.33%*
Core return on average assets[2]	1.31%	1.11%	0.98%	*0.20%*	*0.33%*
Return on average equity	10.57%	1.75%	8.51%	*8.82%*	*2.06%*
Return on average tangible common equity[2]	15.56%	2.84%	11.80%	*12.72%*	*3.76%*
Core return on average tangible common equity[2]	15.73%	13.29%	12.08%	*2.44%*	*3.65%*
Core efficiency ratio[2]	58.21%	62.24%	60.49%	*(4.03%)*	*(2.28%)*
Net interest margin[1]	3.69%	3.61%	3.50%	*0.08%*	*0.19%*
Net Chargeoffs[3]	0.11%	0.16%	0.39%	*(0.05%)*	*(0.28%)*

- Core net income of $23.5 million increased by $2.9 million compared to linked quarter (LQ) and $7.2 million year-over-year (YoY)
- Net interest margin expansion of $7.4 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 $4.6 million compared to LQ primarily due to the deterioration of two commercial loan relationships in 1Q18
- Fee income increased $2.2 million YOY largely driven by acquired customer relationships, higher gain on sale of mortgage loans and increased trust income
- Operating expense decreased $4.9 million compared to LQ primarily due to a $3.9 million decrease in salaries and benefits resulting from a one-time employee bonus of $1,500 per employee (other than named executive officers) totaling $2.5 million in 4Q17

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

$ in millions, except per share data

Balance Sheet

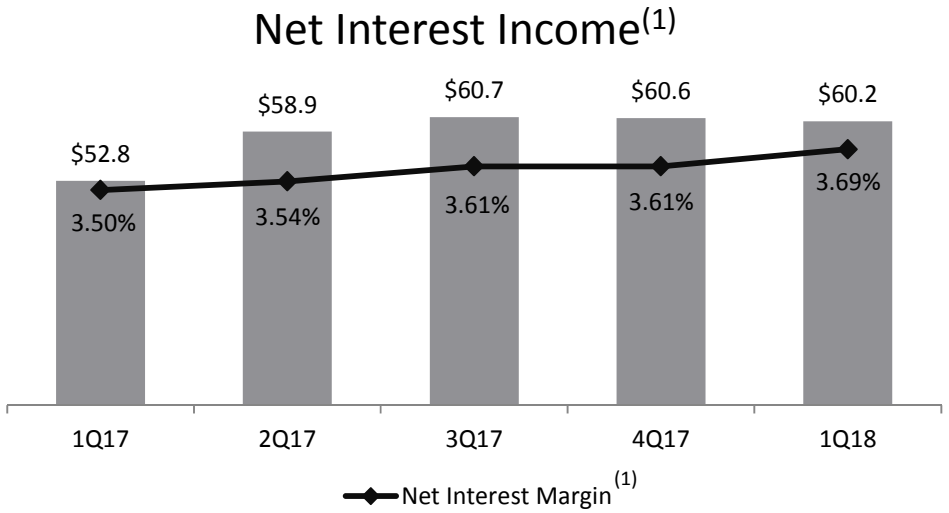
Period-end Balances	1Q18	4Q17	1Q17	Change From 4Q17	Change From 1Q17
Cash & securities	$1,323	$1,291	$1,381	*$32*	*($58)*
Loans held for sale	9	15	10	*(6)*	*(1)*
Commercial loans	3,406	3,431	3,150	*(25)*	*256*
Consumer loans	1,976	1,976	1,758	*0*	*218*
Allowance for credit losses	(54)	(48)	(49)	*(6)*	*(5)*
OREO	3	3	7	*0*	*(4)*
Goodwill & intangibles	269	270	198	*(1)*	*71*
Other	389	371	354	*18*	*35*
Total Assets	**$7,321**	**$7,309**	**$6,809**	***$12***	***$512***
Noninterest Bearing DDA	$1,444	$1,417	$1,270	*$27*	*$174*
Interest Bearing Savings & DDA	3,616	3,549	3,145	*67*	*471*
Time Deposits	629	600	554	*29*	*75*
Brokered Deposits	15	15	1	*0*	*14*
Short-term Borrowings	588	707	961	*(119)*	*(373)*
Long-term Debt	88	88	81	*0*	*7*
Other	42	45	36	*(3)*	*6*
Equity	899	888	761	*11*	*138*
Total Liabilities & Equity	**$7,321**	**$7,309**	**$6,809**	***$12***	***$512***

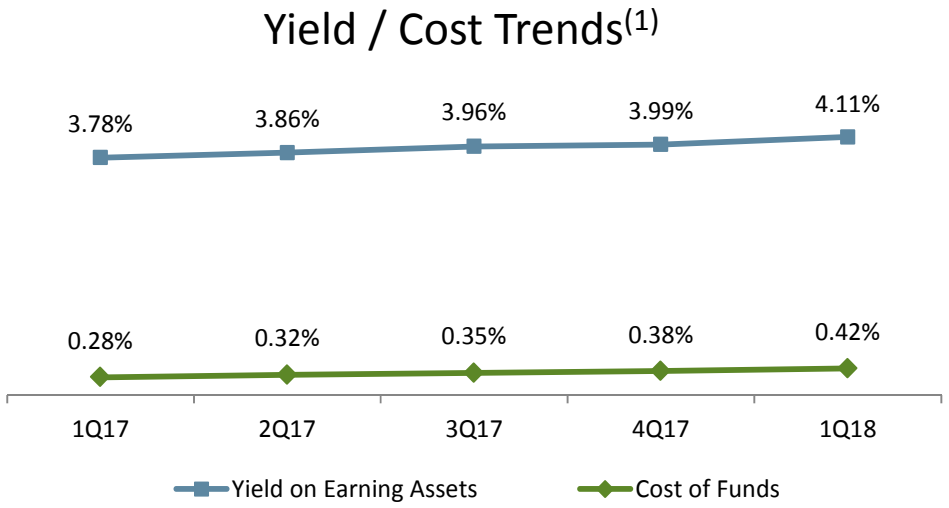
- Total asset growth of $512 million YoY driven by the acquisition of DCB Financial Corp. in 2Q17 along with organic growth
- Noninterest-bearing demand deposits increased $174 million, or 13.7% YoY, and now comprise 25.3% of total deposits
- Short-term borrowings decreased $119 million from LQ primarily due to core deposit growth

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

$ in millions

Net interest income and net interest margin



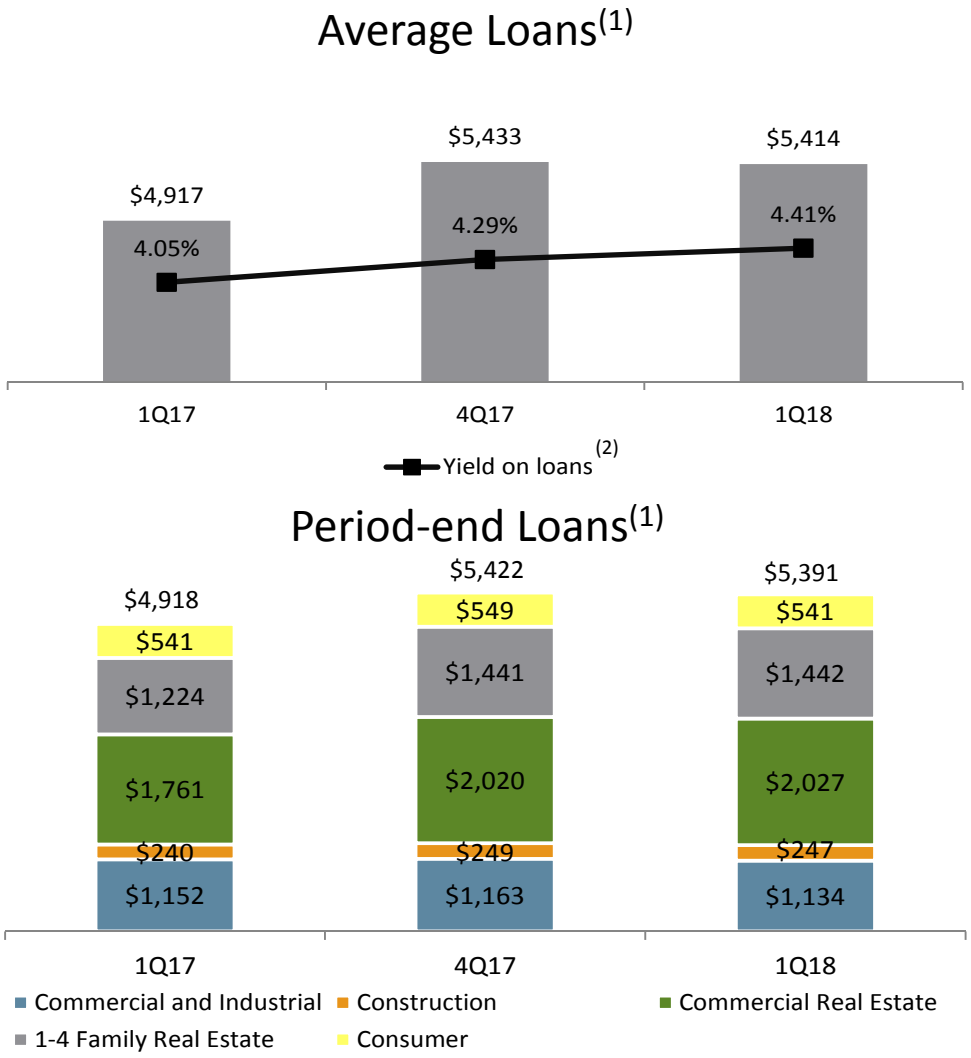


- Net interest income increased $7.4 million YoY primarily as a result of acquired average earning assets from the aforementioned DCB acquisition and improved yields on variable and adjustable loans following the Federal Reserve's decisions to increase short-term rates
- Net interest margin of 3.69% increased 8bps over LQ due to:
  - Improved yields on variable and adjustable loans, as well as investment securities
  - Partially offset by higher borrowing costs

(1) Taxable equivalent

$ in millions

Loans



Average

- Average loans decreased $19 million from LQ, but increased $497 million YoY
- Yield on loans of 4.41% increased 12 basis points over LQ and 36 basis points YoY due to higher yields on variable rate loans following the Federal Reserve's decisions to increase short-term interest rates

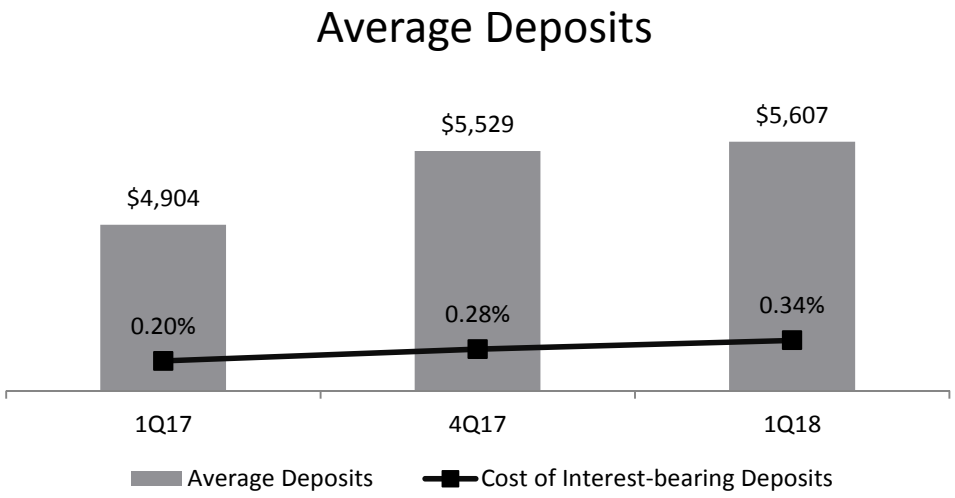
Period-end

- Loans decreased $31 million from LQ, but increased $473 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

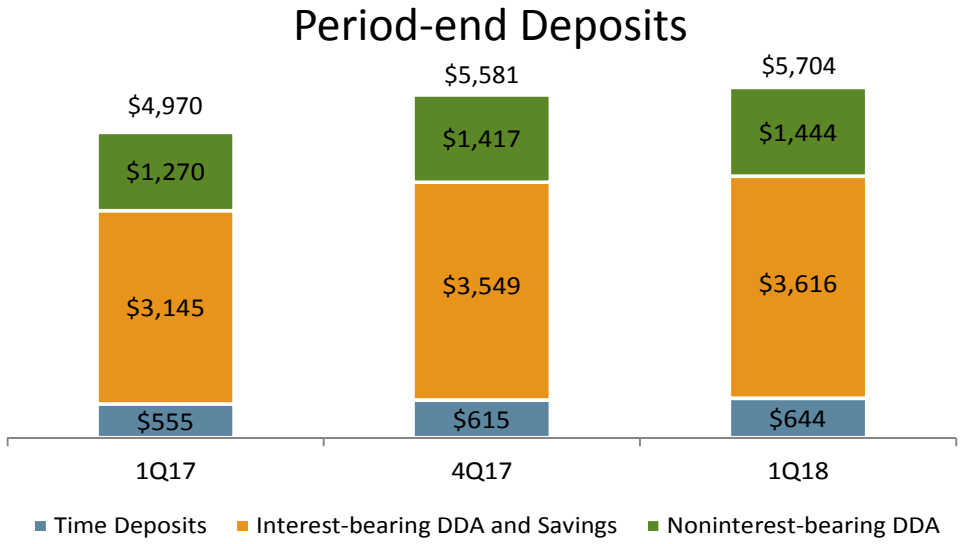
$ in millions

Deposits



Average

- Average deposits increased $78 million from LQ and $703 million YoY
- Cost of interest-bearing demand and savings deposits of 0.25% increased 5 basis points over LQ due to rate increases on public funds



Period-end

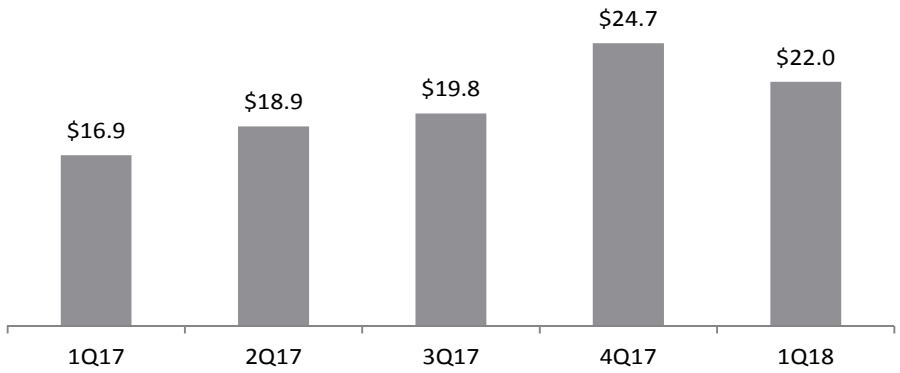
- Total deposits increased $123 million from LQ and increased $734 million from the prior year driven by the addition of $484 million(1) in deposits acquired in the DCB Financial acquisition
- Noninterest-bearing deposits currently comprise 25.3% of total deposits

(1) Balances as of the close of the acquisition

$ in millions

Noninterest income

	1Q18	4Q17	1Q17	Change from 4Q17	Change from 1Q17
Service charges	$4.4	$4.7	$4.3	*($0.3)*	*$0.1*
Interchange	4.7	4.9	4.3	*(0.2)*	*0.4*
Trust	1.9	1.8	1.4	*0.1*	*0.5*
Insurance and retail brokerage	1.9	2.2	2.1	*(0.3)*	*(0.2)*
BOLI	1.5	1.5	1.3	*0.0*	*0.2*
SWAP fees	0.3	1.5	(0.1)	*(1.2)*	*0.4*
Gain on sale of mortgage loans	1.5	1.7	1.0	*(0.2)*	*0.5*
Other fees	2.2	2.5	1.9	*(0.3)*	*0.3*
Total fee income	**$18.4**	**$20.8**	**$16.2**	***($2.4)***	***$2.2***
Gain on sale of securities	2.8	4.3	0.7	*(1.5)*	*2.1*
Derivative mark-to-market	0.8	(0.4)	0.0	*1.2*	*0.8*
Total noninterest income	**$22.0**	**$24.7**	**$16.9**	***($2.7)***	***$5.1***

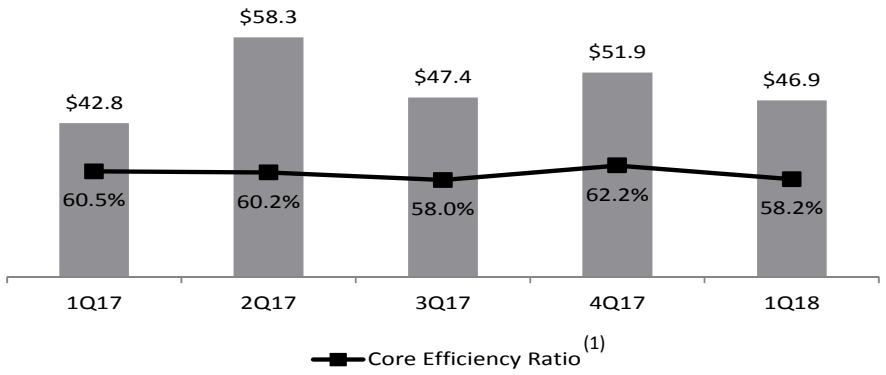


- Interchange and service charges increased $0.5 million YoY primarily due to the acquisition of DCB Financial Corp. in 2Q17 and 13 former FirstMerit branches in December 2016
- Trust increased $0.5 million YoY primarily due to an expanded customer base as a result of the aforementioned acquisitions
- Swap fee income decreased $1.2 million over LQ largely due to decreased commercial borrower swap activity
- Gain on sale of mortgage loans increased $0.5 million YoY primarily due to higher originations resulting from the expansion of our mortgage business into Ohio
- Gain on sale of securities decreased $1.5 million over LQ, but increased $2.1 million YoY primarily due to $2.8 million in net security gains in 1Q18 and $4.3 million in 4Q17 for successful auction calls of two of our pooled trust preferred securities

$ in millions

Noninterest expense

	1Q18	4Q17	1Q17	Change from 4Q17	Change from 1Q17
Salaries and benefits	$24.9	$28.8	$23.5	*($3.9)*	*$1.4*
Occupancy	4.4	4.1	3.8	*0.3*	*0.6*
Furniture and equipment	3.5	3.8	3.1	*(0.3)*	*0.4*
PA shares tax	0.9	1.1	0.8	*(0.2)*	*0.1*
Data processing	2.4	2.4	2.1	*0.0*	*0.3*
Collection and repo	0.8	0.6	0.5	*0.2*	*0.3*
Professional fees	1.0	1.4	1.0	*(0.4)*	*0.0*
FDIC insurance	0.8	0.7	0.8	*0.1*	*0.0*
Operational losses	0.2	0.9	0.2	*(0.7)*	*0.0*
Other operating expenses	6.9	6.9	6.0	*0.0*	*0.9*
Total operating expense	**$45.8**	**$50.7**	**$41.8**	***($4.9)***	***$4.0***
Unfunded commitments	0.0	0.6	(0.2)	*(0.6)*	*0.2*
Intangible amortization	0.8	0.8	0.6	*0.0*	*0.2*
Acquisition expenses	0.3	(0.2)	0.6	*0.5*	*(0.3)*
Total noninterest expense	**$46.9**	**$51.9**	**$42.8**	***($5.0)***	***$4.1***



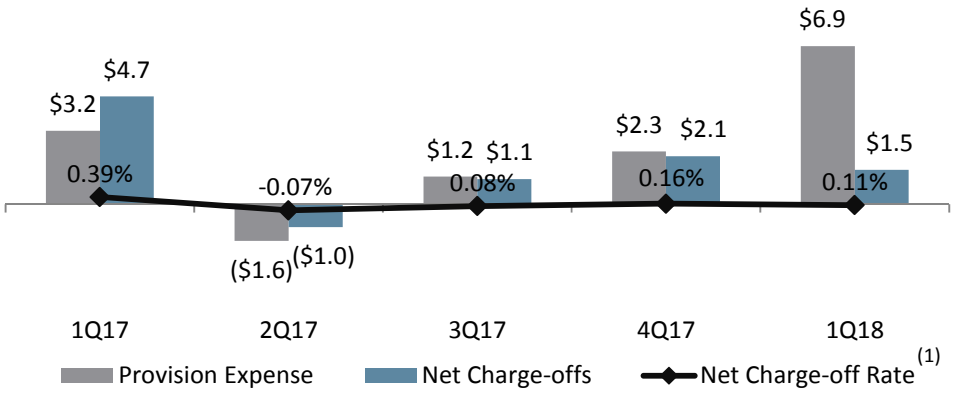
$ in millions

- Operating expense decreased $4.9 million to LQ primarily due to 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, but increased $4.0 million YoY in part due to recent acquisitions and expansion efforts into Northern and Central Ohio
- Salaries and benefits decreased $3.9 million to LQ largely due to the aforementioned one-time employee bonus, but increased $1.4 million YoY primarily due to the addition of acquired staff and the continued expansion in Ohio
  - FTEs increased 94 YoY
- Unfunded commitment expense decreased $0.6 million to LQ due to lower commercial and commercial construction commitments

(1) Please refer to the appendix for disclosures regarding non-GAAP measures

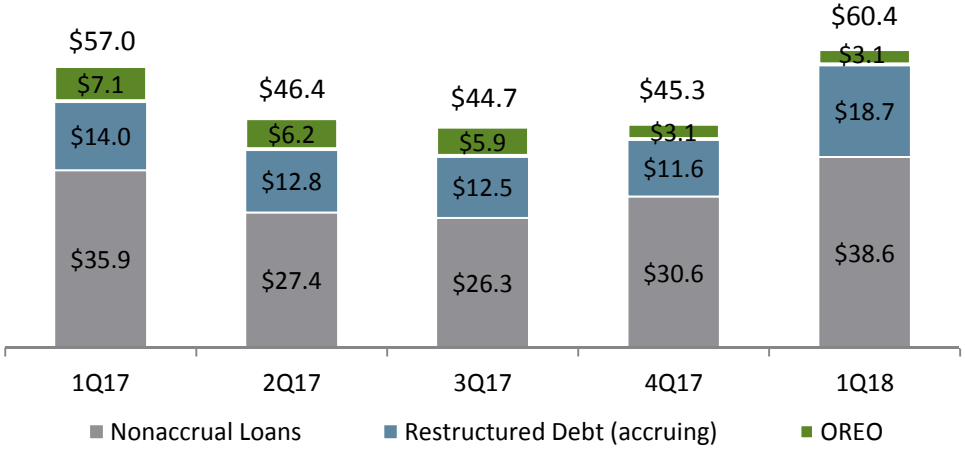
Credit quality

Provision Expense and Net Charge-offs



- Provision expense of $6.9 million increased $4.6 million from LQ and $3.7 million YoY due to an increase of $7.7 million in specific reserves primarily related to the deterioration of two commercial loan relationships

Nonperforming Assets

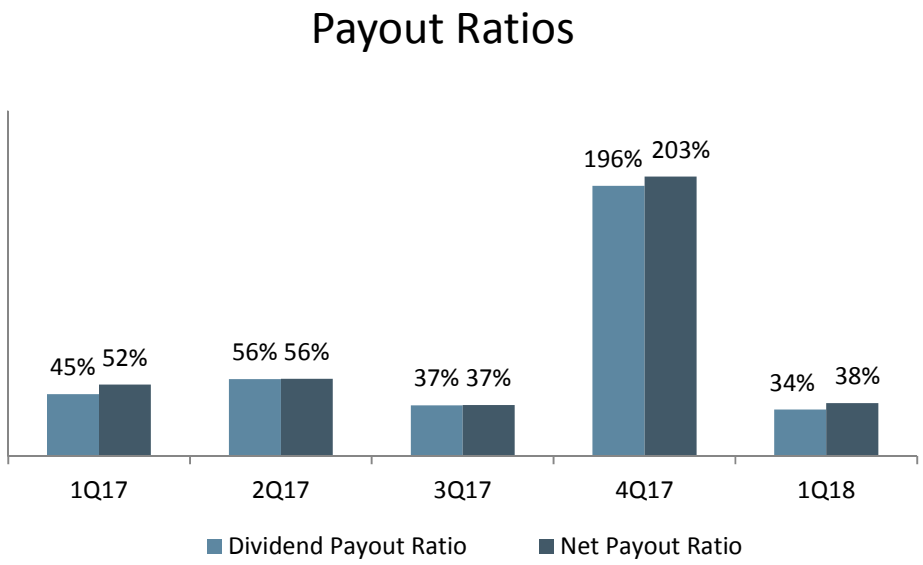


- Nonperforming assets increased $15.1 million over LQ and increased $3.4 million YoY, reflecting the two aforementioned commercial relationships

(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
  - Increase the quarterly dividend by 12.5% from $0.08 to $0.09 per share
  - Dividend payout ratio expected to remain in the 30%-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
- 1Q 2018 Financial Results
- Non-GAAP Measures

Non-GAAP measures

Operating Revenue	1Q18	4Q17	3Q17	2Q17	1Q17
Net Interest Income	$59.7	$59.6	$59.6	$57.8	$51.8
Tax equivalent adjustment	0.5	1.0	1.1	1.1	1.0
Net Interest Income (FTE)	60.2	60.6	60.7	58.9	52.8
Noninterest Income (Reported)	22.0	24.7	19.8	18.9	16.9
Less: Realized gains / (losses) on securities	2.8	4.3	0.1	0.0	0.7
Less: Derivative mark-to-market	0.8	(0.4)	0.0	0.0	0.0
Total Noninterest Income (Operating)	$18.4	$20.8	$19.7	$18.9	$16.2
Total Operating Revenue	$78.6	$81.4	$80.4	$77.8	$69.0
Average Assets	7,300	7,365	7,377	7,382	6,709
Operating Revenue / Average Assets (%)	**4.31%**	**4.42%**	**4.36%**	**4.22%**	**4.11%**

Operating Expense	1Q18	4Q17	3Q17	2Q17	1Q17
Noninterest Expense	$46.9	$51.9	$47.4	$58.3	$42.8
Less: Unfunded commitment reserve	0.0	0.6	0.0	0.7	(0.2)
Less: Intangible amortization	0.8	0.8	0.8	0.8	0.6
Less: Merger and acquisition related	0.3	(0.2)	(0.1)	9.9	0.6
Total Operating Expense	$45.8	$50.7	$46.7	$46.9	$41.8
Average Assets	7,300	7,365	7,377	7,382	6,709
Operating Expense / Average Assets (%)	**2.51%**	**2.75%**	**2.53%**	**2.54%**	**2.49%**
Core Efficiency Ratio[1]	**58.2%**	**62.2%**	**58.0%**	**60.2%**	**60.5%**

$ 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	1Q18	4Q17	3Q17	2Q17	1Q17
Net Income (GAAP)	$23.3	$4.0	$21.3	$14.0	$15.9
Less: Merger and acquisition related *(after tax)*	0.2	(0.1)	(0.1)	6.4	0.4
Less: Deferred tax asset writedown	0.0	16.7	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$23.5**	**$20.6**	**$21.2**	**$20.4**	**$16.3**
Average Diluted Shares Outstanding	97.6	97.5	97.5	97.2	89.0
Core Earnings per Share (Non-GAAP)	**$0.24**	**$0.21**	**$0.22**	**$0.21**	**$0.18**

Core Return on Average Assets (%)	1Q18	4Q17	3Q17	2Q17	1Q17
Net Income (GAAP)	$23.3	$4.0	$21.3	$14.0	$15.9
Less: Merger and acquisition related *(after tax)*	0.2	(0.1)	(0.1)	6.4	0.4
Less: Deferred tax asset writedown	0.0	16.7	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$23.5**	**$20.6**	**$21.2**	**$20.4**	**$16.3**
Average Assets	7,300	7,365	7,377	7,382	6,709
Core Return on Average Assets (Non-GAAP)	**1.31%**	**1.11%**	**1.14%**	**1.11%**	**0.98%**

$ 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 (%)	1Q18	4Q17	3Q17	2Q17	1Q17
Average Equity	$893	$901	$889	$872	$757
Less: Average intangible assets	270	271	272	272	198
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$623	$630	$617	$600	$559
Net Income (GAAP)	$23.3	$4.0	$21.3	$14.0	$15.9
Less: Intangible amortization *(after tax)*	0.6	0.5	0.5	0.6	0.4
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$23.9	$4.5	$21.8	$14.6	$16.3
Return on Average Tangible Common Equity	**15.6%**	**2.8%**	**14.0%**	**9.7%**	**11.8%**

Core Return on Average Tangible Common Equity (%)	1Q18	4Q17	3Q17	2Q17	1Q17
Average Equity	$893	$901	$889	$872	$757
Less: Average intangible assets	270	271	272	272	198
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$623	$630	$617	$600	$559
Net Income (GAAP)	$23.3	$4.0	$21.3	$14.0	$15.9
Less: Merger and acquisition related *(after tax)*	0.2	(0.1)	(0.1)	6.4	0.4
Less: Deferred tax asset writedown	0.0	16.7	0.0	0.0	0.0
Core Net Income (Non-GAAP)	$23.5	$20.6	$21.2	$20.4	$16.3
Less: Intangible amortization *(after tax)*	0.6	0.5	0.5	0.6	0.4
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$24.1	$21.1	$21.7	$21.0	$16.7
Core Return on Average Tangible Common Equity	**15.7%**	**13.3%**	**14.0%**	**14.0%**	**12.1%**

$ 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)	1Q18	4Q17	3Q17	2Q17	1Q17
Total Equity	$899	$888	$894	$879	$761
Less: Intangible assets	269	270	271	272	198
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$630	$618	$623	$607	$563
Total Assets	$7,321	$7,309	$7,384	$7,383	$6,809
Less: Intangible assets	269	270	271	272	198
Tangible Assets	$7,052	$7,039	$7,113	$7,111	$6,611
Tangible Common Equity / Tangible Assets	**8.9%**	**8.8%**	**8.8%**	**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.

Non-GAAP measures

$ in millions

Operating Revenue	2017Y	2016Y	2015Y	2014Y	2013Y
Net Interest Income	$228.8	$199.0	$188.5	$183.7	$184.7
Tax equivalent adjustment	4.2	3.9	3.4	3.3	4.0
Net Interest Income (FTE)	233.0	202.9	191.9	187.0	188.7
Noninterest Income (Reported)	80.3	64.6	61.3	60.9	60.2
Less: Realized gains / (losses) on securities	5.0	0.6	(0.2)	0.6	(1.2)
Less: Derivative mark-to-market	(0.5)	0.2	(0.3)	(0.3)	1.4
Total Noninterest Income (Operating)	$75.8	$63.8	$61.8	$60.6	$60.0
Total Operating Revenue	$308.8	$266.7	$253.7	$247.6	$248.7
Average Assets	7,210	6,661	6,399	6,281	6,132
Operating Revenue / Average Assets (%)	**4.28%**	**4.00%**	**3.97%**	**3.94%**	**4.06%**

Operating Expense	2017Y	2016Y	2015Y	2014Y	2013Y
Noninterest Expense	$200.3	$159.9	$163.9	$171.2	$168.8
Less: Unfunded commitment reserve	1.1	(0.3)	1.4	(0.1)	0.8
Less: Intangible amortization	3.1	0.5	0.6	0.6	1.1
Less: Merger and acquisition related	10.2	3.2	0.9	0.0	0.0
Total Operating Expense	$185.9	$156.5	$161.0	$170.7	$166.9
Average Assets	7,210	6,661	6,399	6,281	6,132
Operating Expense / Average Assets (%)	**2.58%**	**2.35%**	**2.52%**	**2.72%**	**2.72%**
Core Efficiency Ratio[(1)]	**60.2%**	**58.7%**	**63.4%**	**68.9%**	**67.1%**

(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

$ in millions, except per share data

Core Earnings per Share	2017Y	2016Y	2015Y	2014Y	2013Y
Net Income (GAAP)	$55.2	$59.6	$50.1	$44.5	$41.5
Less: Merger and acquisition *(after tax)*	6.6	2.1	0.6	0.0	0.0
Less: Deferred tax asset writedown	16.7	0.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$78.5**	**$61.7**	**$50.7**	**$44.5**	**$41.5**
Average Diluted Shares Outstanding	95.3	88.9	89.4	93.1	97.0
Core Earnings per Share (Non-GAAP)	**$0.82**	**$0.69**	**$0.57**	**$0.48**	**$0.43**

Core Return on Average Assets (%)	2017Y	2016Y	2015Y	2014Y	2013Y
Net Income (GAAP)	$55.2	$59.6	$50.1	$44.5	$41.5
Less: Merger and acquisition *(after tax)*	6.6	2.1	0.6	0.0	0.0
Less: Deferred tax asset writedown	16.7	0.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$78.5**	**$61.7**	**$50.7**	**$44.5**	**$41.5**
Average Assets	7,210	6,661	6,399	6,281	6,132
Core Return on Average Assets (Non-GAAP)	**1.09%**	**0.93%**	**0.79%**	**0.71%**	**0.68%**

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

$ in millions

Return on Average Tangible Common Equity (%)	2017Y	2016Y	2015Y	2014Y	2013Y
Average Equity	$855	$743	$719	$719	$728
Less: Average intangible assets	254	168	163	161	162
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$601	$575	$556	$558	$566
Net Income (GAAP)	$55.2	$59.6	$50.1	$44.5	$41.5
Less: Intangible amortization *(after tax)*	2.0	0.3	0.4	0.4	0.7
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$57.2	$59.9	$50.5	$44.9	$42.2
Return on Average Tangible Common Equity	**9.5%**	**10.4%**	**9.1%**	**8.0%**	**7.5%**

Core Return on Average Tangible Common Equity (%)	2017Y	2016Y	2015Y	2014Y	2013Y
Average Equity	$855	$743	$719	$719	$728
Less: Average intangible assets	254	168	163	161	162
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$601	$575	$556	$558	$566
Net Income (GAAP)	$55.2	$59.6	$50.1	$44.5	$41.5
Less: Merger and acquisition *(after tax)*	6.6	2.1	0.6	0.0	0.0
Less: Deferred tax asset writedown	16.7	0.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	$78.5	$61.7	$50.7	$44.5	$41.5
Less: Intangible amortization *(after tax)*	2.0	0.3	0.4	0.4	0.7
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$80.5	$62.0	$51.1	$44.9	$42.2
Core Return on Average Tangible Common Equity	**13.4%**	**10.8%**	**9.2%**	**8.0%**	**7.5%**

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

$ in millions

Tangible Common Equity / Tangible Assets
(Tangible Common Equity Ratio)

	2017Y	2016Y	2015Y	2014Y	2013Y
Total Equity	$888	$750	$720	$716	$712
Less: Intangible assets	270	198	166	163	161
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$618	$552	$554	$553	$551
Total Assets	$7,309	$6,684	$6,567	$6,360	$6,215
Less: Intangible assets	270	198	166	163	161
Tangible Assets	$7,039	$6,486	$6,401	$6,197	$6,054
Tangible Common Equity / Tangible Assets	**8.8%**	**8.5%**	**8.7%**	**8.9%**	**9.1%**

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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