First Commonwealth®

NYSE: FCF

Supplemental Financial Information

Second Quarter 2018

July 25, 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.

2Q 2018 Highlights

	2Q18	1Q18	2Q17	Change from 1Q18	Change from 2Q17
Net interest income[1]	$64.2	$60.2	$58.9	*$4.0*	*$5.3*
Provision for credit losses	1.2	6.9	(1.6)	*(5.7)*	*2.8*
Fee revenue	21.0	18.4	18.9	*2.6*	*2.1*
Gain on sale of securities	5.3	2.8	0.0	*2.5*	*5.3*
Derivative mark-to-market	0.0	0.8	0.0	*(0.8)*	*0.0*
Operating expense[2]	47.1	45.8	46.9	*1.3*	*0.2*
Other expense[2]	2.0	1.1	11.4	*0.9*	*(9.4)*
Income taxes[1]	8.1	5.1	7.1	*3.0*	*1.0*
Net income	**$32.1**	**$23.3**	**$14.0**	***$8.8***	***$18.1***
Core net income[2]	**$33.1**	**$23.5**	**$20.4**	***$9.6***	***$12.7***
Reported EPS	$0.32	$0.24	$0.14	*$0.08*	*$0.18*
Core EPS[2]	$0.33	$0.24	$0.21	*$0.09*	*$0.12*
Return on average assets	1.71%	1.29%	0.76%	*0.42%*	*0.95%*
Core return on average assets[2]	1.76%	1.31%	1.11%	*0.45%*	*0.65%*
Return on average equity	13.74%	10.57%	6.44%	*3.17%*	*7.30%*
Return on average tangible common equity[2]	20.08%	15.56%	9.74%	*4.52%*	*10.34%*
Core return on average tangible common equity[2]	20.70%	15.73%	14.03%	*4.97%*	*6.67%*
Core efficiency ratio[2]	55.23%	58.21%	60.19%	*(2.98%)*	*(4.96%)*
Net interest margin[1]	3.78%	3.69%	3.54%	*0.09%*	*0.24%*
Net Chargeoffs[3]	0.26%	0.11%	(0.07%)	*0.15%*	*0.33%*

- Core net income of $33.1 million increased by $9.6 million compared to linked quarter (LQ) and $12.7 million year-over-year (YoY)
- Net interest income expansion of $5.3 million YoY was aided by improved loan yields as a result of the increase in short-term rates
- Provision decreased $5.7 million compared to LQ primarily due to the provision expense for two commercial loan relationships in 1Q18
- Fee income increased $2.6 million to LQ primarily due to a $1.2 million gain on the sale of a restructured commercial credit
- Net security gains increased $2.5 million to LQ and $5.3 million YoY due to the successful auction call and open market sale of the company's remaining pooled trust preferred securities
- Operating expense increased $1.3 million compared to LQ primarily due to an increase in salaries and benefits following the completion of the company's acquisition of Foundation Bank on May 1, 2018

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

Balance Sheet

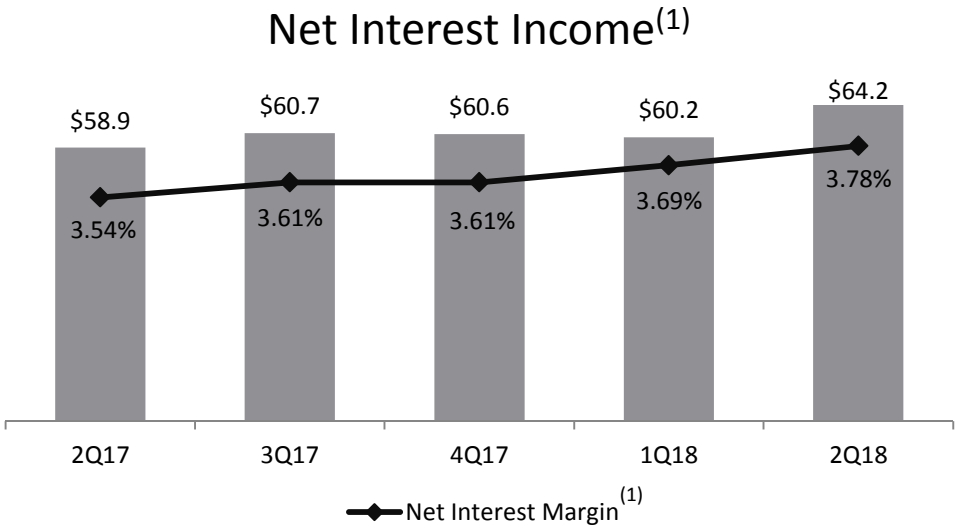
Period-end Balances	2Q18	1Q18	2Q17	Change From 1Q18	Change From 2Q17
Cash & securities	$1,384	$1,323	$1,387	*$61*	*($3)*
Loans held for sale	7	9	10	*(2)*	*(3)*
Commercial loans	3,563	3,406	3,412	*157*	*151*
Consumer loans	2,077	1,976	1,963	*101*	*114*
Allowance for credit losses	(51)	(54)	(48)	*3*	*(3)*
OREO	4	3	6	*1*	*(2)*
Goodwill & intangibles	289	269	272	*20*	*17*
Other	376	389	381	*(13)*	*(5)*
Total Assets	**$7,649**	**$7,321**	**$7,383**	***$328***	***$266***
Noninterest Bearing DDA	$1,489	$1,444	$1,404	*$45*	*$85*
Interest Bearing Savings & DDA	3,643	3,616	3,568	*27*	*75*
Time Deposits	767	629	545	*138*	*222*
Brokered Deposits	14	15	16	*(1)*	*(2)*
Short-term Borrowings	545	588	846	*(43)*	*(301)*
Long-term Debt	186	88	89	*98*	*97*
Other	44	42	36	*2*	*8*
Equity	961	899	879	*62*	*82*
Total Liabilities & Equity	**$7,649**	**$7,321**	**$7,383**	***$328***	***$266***

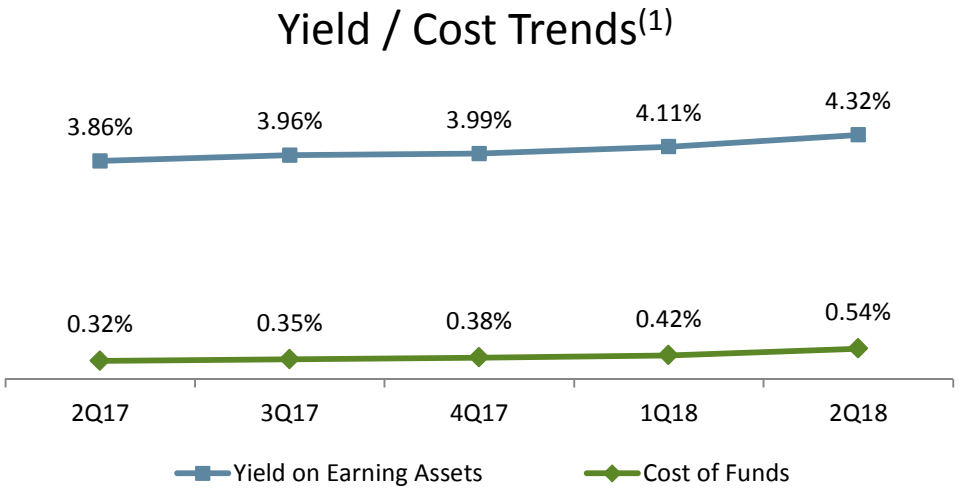
- Total asset growth of $328 million to LQ was driven by the acquisition of Foundation Bank in 2Q18 along with organic loan growth of $72 million, or 5.3% annualized
- Noninterest-bearing demand deposits increased $85 million, or 6.1% YoY, and now comprise 25.2% of total deposits
- Long-term debt increased $98 million to LQ and $97 million YoY due to the successful issuance of $100 million of subordinated debt on May 21, 2018

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

$ in millions

Net interest income and net interest margin



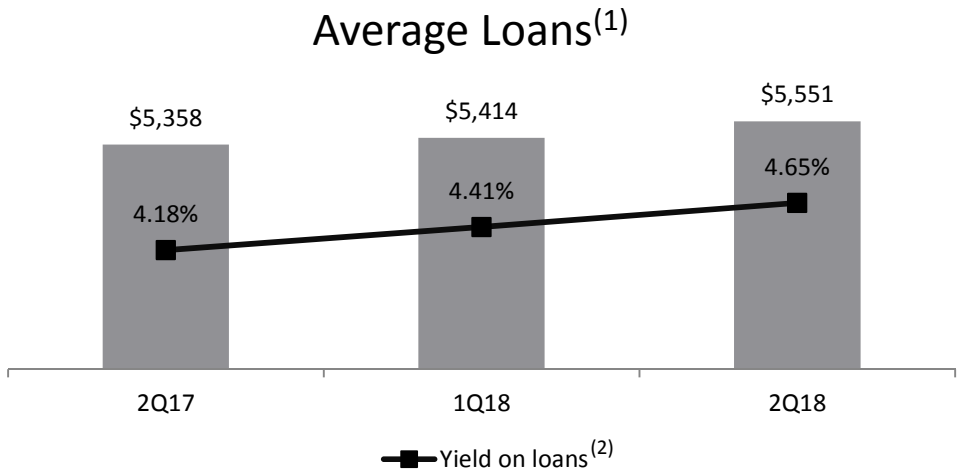


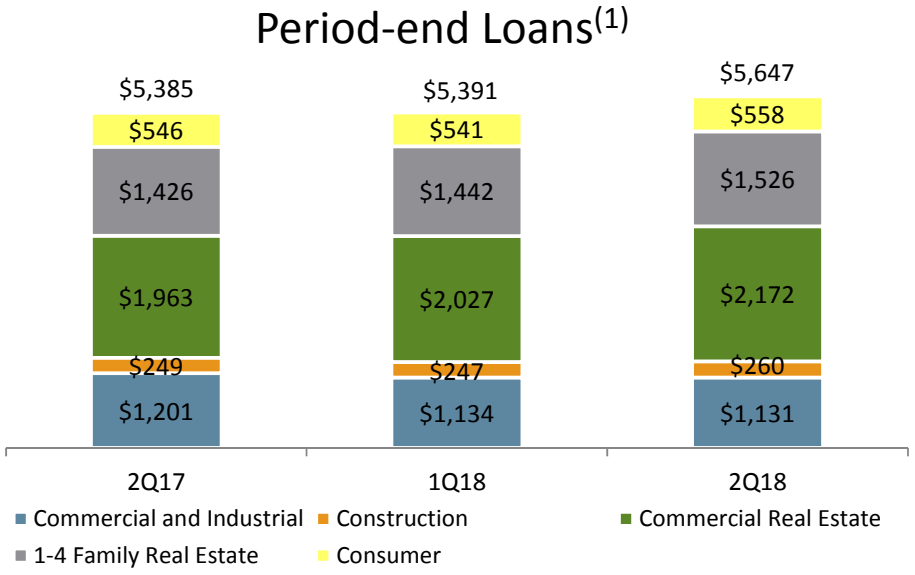
- Net interest income increased $4.0 million to LQ and $5.3 million YoY primarily as a result of acquired average earning assets from the Foundation Bank acquisition and improved yields on variable and adjustable loans following the Federal Reserve's decisions to increase short-term rates
- Net interest margin of 3.78% increased 9 bps over LQ due to:
  - $1.5 million of previously unrecognized interest from the successful resolution of one nonaccrual commercial credit and the sale of the company's remaining pooled trust preferred securities, which resulted in 9 bps of margin improvement
  - Purchase accounting accretion included 3 bps of accretion resulting from the recent Foundation Bank acquisition
  - The Bank's issuance of $100 million of subordinated debt had a 3 bps impact on the net interest margin exclusive of the reinvestment of these proceeds

(1) Taxable equivalent

$ in millions

Loans





Average

- Average loans increased $137 million from LQ, and increased $193 million YoY
- Yield on loans of 4.65% increased 24 basis points over LQ and 47 basis points YoY due to higher yields on variable rate loans following the Federal Reserve's decisions to increase short-term interest rates

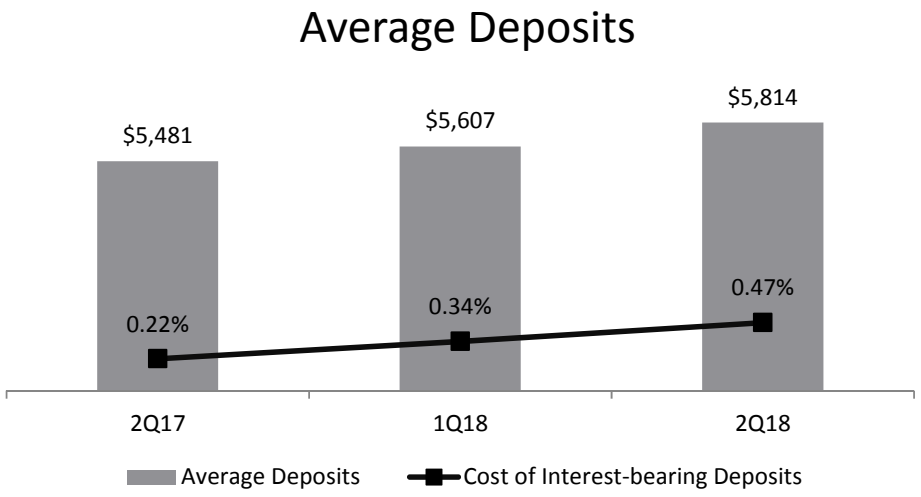
Period-end

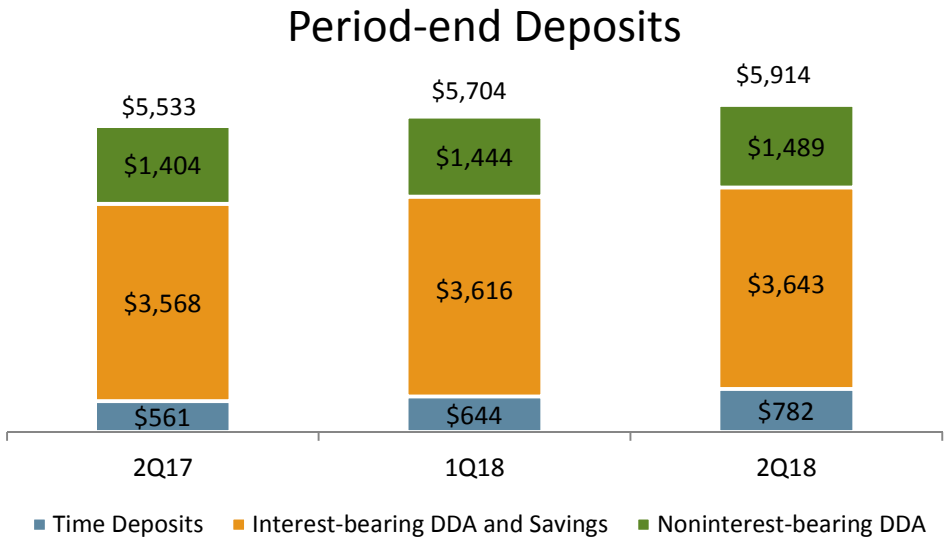
- Loans increased $256 million from LQ and $262 million from the prior year
  - LQ growth includes $184 million(3) of loans acquired in the Foundation Bank acquisition
  - LQ organic loan growth of $72 million includes $43 million of commercial loans and $29 million of consumer loans

(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 $207 million from LQ and $333 million YoY
- Cost of interest-bearing deposits increased 13 basis points over LQ
  - Cost of interest-bearing demand and savings deposits increased 10 basis points over LQ due to promotions and rate increases on public funds
  - Cost of time deposits increased 19 basis points over LQ due to competitive rate promotions
  - Cost of total deposits of 0.29% increased 9 basis points from the previous quarter

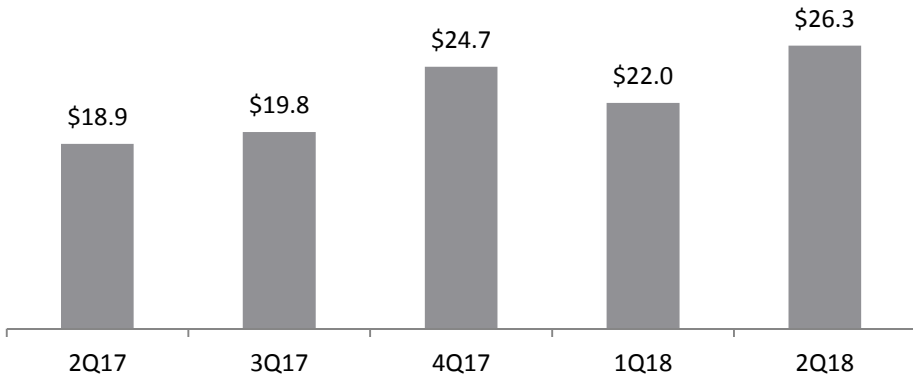
Period-end

- Total deposits increased $210 million from LQ and increased $381 million from the prior year driven by the addition of $141 million(1) in deposits acquired in the Foundation Bank acquisition
- Noninterest-bearing deposits currently comprise 25.2% of total deposits

(1) Balances as of the close of the acquisition

Noninterest income

	2Q18	1Q18	2Q17	Change from 1Q18	Change from 2Q17
Service charges	$4.4	$4.4	$4.7	*$0.0*	*($0.3)*
Interchange	5.1	4.7	4.8	*0.4*	*0.3*
Trust	1.9	1.9	1.7	*0.0*	*0.2*
Insurance and retail brokerage	1.8	1.9	2.4	*(0.1)*	*(0.6)*
BOLI	2.2	1.5	1.4	*0.7*	*0.8*
SWAP fees	0.3	0.3	0.3	*0.0*	*0.0*
Gain on sale of mortgage loans	1.2	1.5	1.3	*(0.3)*	*(0.1)*
Other fees	4.1	2.2	2.3	*1.9*	*1.8*
Total fee income	**$21.0**	**$18.4**	**$18.9**	***$2.6***	***$2.1***
Gain on sale of securities	5.3	2.8	0.0	*2.5*	*5.3*
Derivative mark-to-market	0.0	0.8	0.0	*(0.8)*	*0.0*
Total noninterest income	**$26.3**	**$22.0**	**$18.9**	***$4.3***	***$7.4***

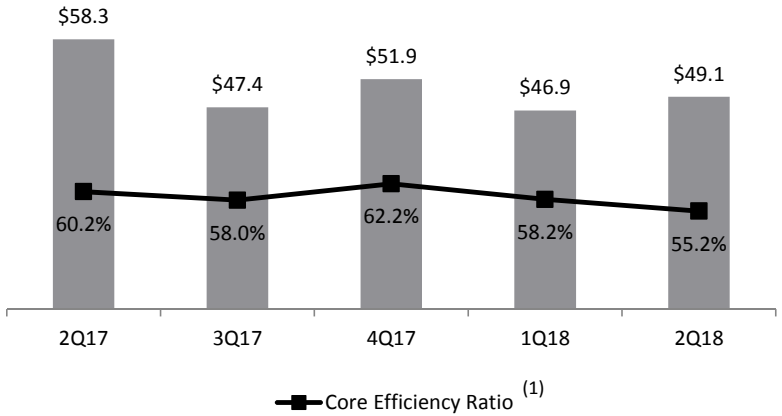


- Total fee income increased $2.6 million to LQ and $2.1 million YoY
- Other fee income increased $1.9 million to LQ and $1.8 million YoY primarily due a $1.2 million gain on the sale of a restructured commercial credit
- Bank owned life insurance income increased $0.7 million to LQ and $0.8 million YoY due to higher death claim benefits
- Gain on sale of mortgage loans decreased $0.3 million to LQ due to higher retained balances on new originations
  - Total mortgage originations of $97 million increased $30 million to LQ and $20 million YoY
- Gain on sale of securities increased $2.5 million over LQ and $5.3 million YoY due to $5.3 million in net security gains resulting from the successful auction call and open market sale of the company's remaining pooled trust preferred securities

$ in millions

Noninterest expense

	2Q18	1Q18	2Q17	Change from 1Q18	Change from 2Q17
Salaries and benefits	$26.2	$24.9	$25.3	*$1.3*	*$0.9*
Occupancy	4.2	4.4	4.1	*(0.2)*	*0.1*
Furniture and equipment	3.6	3.5	3.3	*0.1*	*0.3*
PA shares tax	1.2	0.9	1.2	*0.3*	*0.0*
Data processing	2.5	2.4	2.3	*0.1*	*0.2*
Collection and repo	0.6	0.8	0.4	*(0.2)*	*0.2*
Professional fees	1.0	1.0	1.1	*0.0*	*(0.1)*
FDIC insurance	0.6	0.8	1.0	*(0.2)*	*(0.4)*
Operational losses	0.2	0.2	0.3	*0.0*	*(0.1)*
Other operating expenses	7.0	6.9	7.9	*0.1*	*(0.9)*
Total operating expense	**$47.1**	**$45.8**	**$46.9**	***$1.3***	***$0.2***
Unfunded commitments	(0.1)	0.0	0.7	*(0.1)*	*(0.8)*
Intangible amortization	0.8	0.8	0.8	*0.0*	*0.0*
Acquisition expenses	1.3	0.3	9.9	*1.0*	*(8.6)*
Total noninterest expense	**$49.1**	**$46.9**	**$58.3**	***$2.2***	***($9.2)***



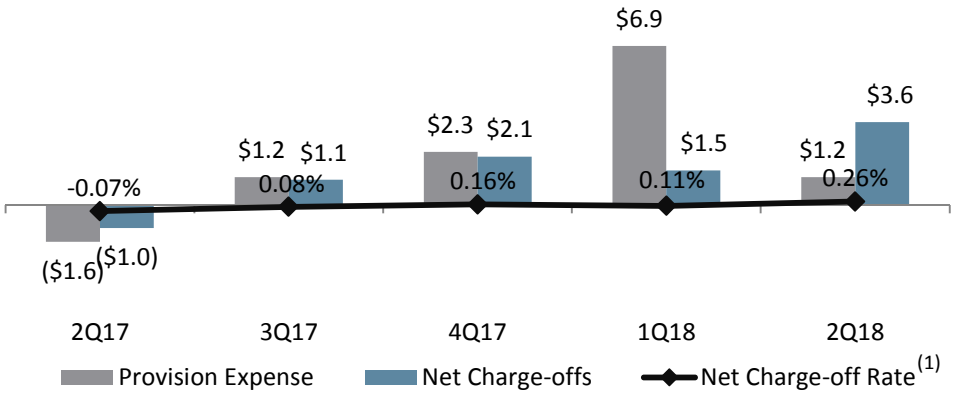
- Total operating expenses increased $1.3 million to LQ and $0.2 million YoY
- Salaries and benefits increased $1.3 million to LQ and $0.9 million YoY primarily due to the company's acquisition of Foundation Bank on May 1, 2018 and continued expansion in Ohio
  - FTEs increased 73 from the previous quarter

$ in millions

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

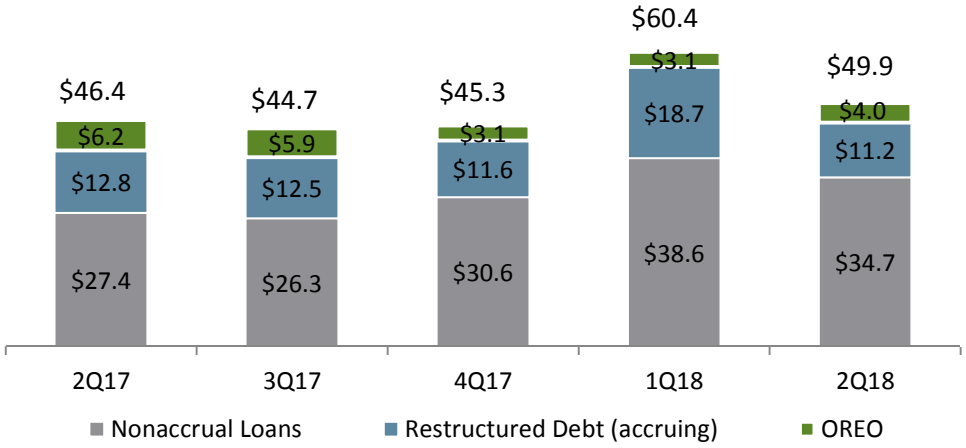
Credit quality

Provision Expense and Net Charge-offs



- Provision expense of $1.2 million decreased $5.7 million from LQ due to $7.7 million in specific reserves that were related to the deterioration of two commercial loan relationships in the previous quarter

Nonperforming Assets

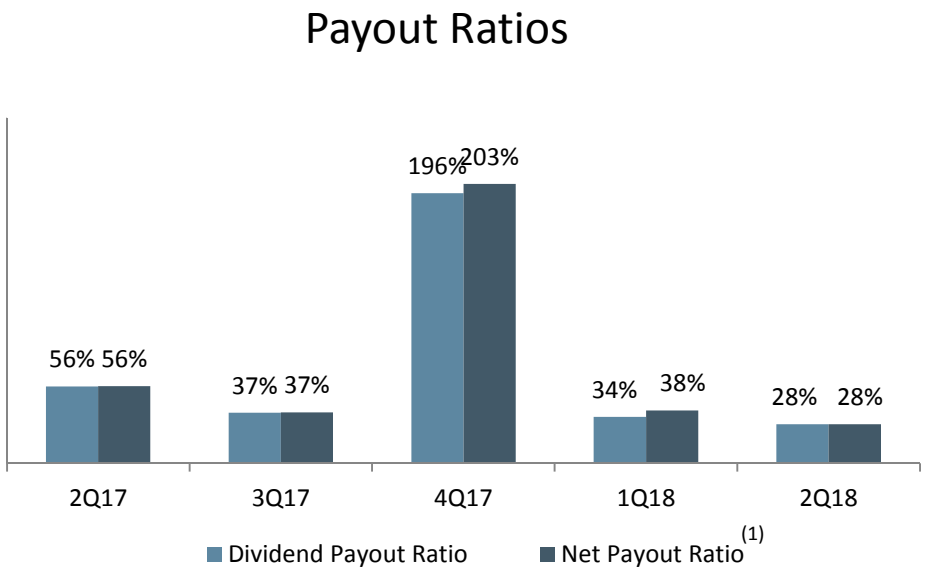


- Nonperforming assets decreased $10.5 million over LQ due to the sale of a restructured C&I loan and charge-off of a nonaccrual CRE loan

(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
  - Increased the quarterly dividend by 12.5% from $0.08 to $0.09 per share in 2Q18
  - 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



Non-GAAP Measures

Non-GAAP measures

Operating Revenue	2Q18	1Q18	4Q17	3Q17	2Q17
Net Interest Income	$63.7	$59.7	$59.6	$59.6	$57.8
Tax equivalent adjustment	0.5	0.5	1.0	1.1	1.1
Net Interest Income (FTE)	64.2	60.2	60.6	60.7	58.9
Noninterest Income (Reported)	26.3	22.0	24.7	19.8	18.9
Less: Realized gains / (losses) on securities	5.3	2.8	4.3	0.1	0.0
Less: Derivative mark-to-market	0.0	0.8	(0.4)	0.0	0.0
Total Noninterest Income (Operating)	$21.0	$18.4	$20.8	$19.7	$18.9
Total Operating Revenue	$85.2	$78.6	$81.4	$80.4	$77.8
Average Assets	7,520	7,300	7,365	7,377	7,382
Operating Revenue / Average Assets (%)	**4.53%**	**4.31%**	**4.42%**	**4.36%**	**4.22%**

Operating Expense	2Q18	1Q18	4Q17	3Q17	2Q17
Noninterest Expense	$49.1	$46.9	$51.9	$47.4	$58.3
Less: Unfunded commitment reserve	(0.1)	0.0	0.6	0.0	0.7
Less: Intangible amortization	0.8	0.8	0.8	0.8	0.8
Less: Merger and acquisition related	1.3	0.3	(0.2)	(0.1)	9.9
Total Operating Expense	$47.1	$45.8	$50.7	$46.7	$46.9
Average Assets	7,520	7,300	7,365	7,377	7,382
Operating Expense / Average Assets (%)	**2.51%**	**2.51%**	**2.75%**	**2.53%**	**2.54%**
Core Efficiency Ratio[(1)]	**55.2%**	**58.2%**	**62.2%**	**58.0%**	**60.2%**

$ 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	2Q18	1Q18	4Q17	3Q17	2Q17
Net Income (GAAP)	$32.1	$23.3	$4.0	$21.3	$14.0
Less: Merger and acquisition related *(after tax)*	1.0	0.2	(0.1)	(0.1)	6.4
Less: Deferred tax asset writedown	0.0	0.0	16.7	0.0	0.0
Core Net Income (Non-GAAP)	**$33.1**	**$23.5**	**$20.6**	**$21.2**	**$20.4**
Average Diluted Shares Outstanding	99.5	97.6	97.5	97.5	97.2
Core Earnings per Share (Non-GAAP)	**$0.33**	**$0.24**	**$0.21**	**$0.22**	**$0.21**

Core Return on Average Assets (%)	2Q18	1Q18	4Q17	3Q17	2Q17
Net Income (GAAP)	$32.1	$23.3	$4.0	$21.3	$14.0
Less: Merger and acquisition related *(after tax)*	1.0	0.2	(0.1)	(0.1)	6.4
Less: Deferred tax asset writedown	0.0	0.0	16.7	0.0	0.0
Core Net Income (Non-GAAP)	**$33.1**	**$23.5**	**$20.6**	**$21.2**	**$20.4**
Average Assets	7,520	7,300	7,365	7,377	7,382
Core Return on Average Assets (Non-GAAP)	**1.76%**	**1.31%**	**1.11%**	**1.14%**	**1.11%**

$ in millions, except per share data

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Non-GAAP measures

Return on Average Tangible Common Equity (%)	2Q18	1Q18	4Q17	3Q17	2Q17
Average Equity	$937	$893	$901	$889	$872
Less: Average intangible assets	283	270	271	272	272
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$654	$623	$630	$617	$600
Net Income (GAAP)	$32.1	$23.3	$4.0	$21.3	$14.0
Less: Intangible amortization *(after tax)*	0.6	0.6	0.5	0.5	0.6
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$32.7	$23.9	$4.5	$21.8	$14.6
Return on Average Tangible Common Equity	**20.1%**	**15.6%**	**2.8%**	**14.0%**	**9.7%**

Core Return on Average Tangible Common Equity (%)	2Q18	1Q18	4Q17	3Q17	2Q17
Average Equity	$937	$893	$901	$889	$872
Less: Average intangible assets	283	270	271	272	272
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$654	$623	$630	$617	$600
Net Income (GAAP)	$32.1	$23.3	$4.0	$21.3	$14.0
Less: Merger and acquisition related *(after tax)*	1.0	0.2	(0.1)	(0.1)	6.4
Less: Deferred tax asset writedown	0.0	0.0	16.7	0.0	0.0
Core Net Income (Non-GAAP)	$33.1	$23.5	$20.6	$21.2	$20.4
Less: Intangible amortization *(after tax)*	0.6	0.6	0.5	0.5	0.6
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$33.7	$24.1	$21.1	$21.7	$21.0
Core Return on Average Tangible Common Equity	**20.7%**	**15.7%**	**13.3%**	**14.0%**	**14.0%**

$ in millions, except per share data

Note: Management believes that it is standard practice in the banking industry to present these non-GAAP measures. These measures provide useful information to management and investors by allowing them to make peer comparisons.

Non-GAAP measures

Tangible Common Equity / Tangible Assets

(Tangible Common Equity Ratio)	2Q18	1Q18	4Q17	3Q17	2Q17
Total Equity	$961	$899	$888	$894	$879
Less: Intangible assets	289	269	270	271	272
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$672	$630	$618	$623	$607
Total Assets	$7,649	$7,321	$7,309	$7,384	$7,383
Less: Intangible assets	289	269	270	271	272
Tangible Assets	$7,360	$7,052	$7,039	$7,113	$7,111
Tangible Common Equity / Tangible Assets	**9.1%**	**8.9%**	**8.8%**	**8.8%**	**8.5%**

$ in millions

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.



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