

NYSE: FCF

Supplemental Financial Information

Fourth Quarter 2019

Forward-looking statements

This presentation contains forward-looking statements about First Commonwealth's future plans, strategies and financial performance. These statements can be identified by the fact that they do not relate strictly to historical or current facts and often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may." Such statements are based on assumptions and involve risks and uncertainties, many of which are beyond our control. Factors that could cause actual results, performance or achievements to differ from those discussed in the forward-looking statements include, but are not limited to:

- *Local, regional, national and international economic conditions and the impact they may have on First Commonwealth and its customers;*
- *volatility and disruption in national and international financial markets;*
- *the effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board;*
- *inflation, interest rate, commodity price, securities market and monetary fluctuations;*
- *the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which First Commonwealth must comply;*
- *the soundness of other financial institutions;*
- *political instability;*
- *impairment of First Commonwealth's goodwill or other intangible assets;*
- *acts of God or of war or terrorism;*
- *the timely development and acceptance of new products and services and perceived overall value of these products and services by users;*
- *changes in consumer spending, borrowings and savings habits;*
- *changes in the financial performance and/or condition of First Commonwealth's borrowers;*
- *technological changes;*
- *acquisitions and integration of acquired businesses;*
- *First Commonwealth's ability to attract and retain qualified employees;*
- *changes in the competitive environment in First Commonwealth's markets and among banking organizations and other financial service providers;*
- *the ability to increase market share and control expenses;*
- *the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;*
- *the reliability of First Commonwealth's vendors, internal control systems or information systems;*
- *the costs and effects of legal and regulatory developments, the resolution of legal proceedings or regulatory or other governmental inquiries, the results of regulatory examinations or reviews and the ability to obtain required regulatory approvals; and*
- *other risks and uncertainties described in the reports that First Commonwealth files with the Securities and Exchange Commission, including its most recent Annual Report on Form 10-K.*

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

4Q 2019 Highlights

	4Q19	3Q19	4Q18	Change from 3Q19	Change from 4Q18
Net interest income[1]	$69.2	$68.9	$65.5	*$0.3*	*$3.7*
Provision for credit losses	4.9	2.7	1.5	*2.2*	*3.4*
Fee revenue	22.5	22.2	20.5	*0.3*	*2.0*
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Derivative mark-to-market	(0.2)	0.0	0.0	*(0.2)*	*(0.2)*
Operating expense[2]	52.6	50.8	49.4	*1.8*	*3.2*
Other expense[2]	0.5	4.1	0.6	*(3.6)*	*(0.1)*
Income taxes[1]	6.7	6.9	7.5	*(0.2)*	*(0.8)*
Net income	**$26.8**	**$26.6**	**$27.0**	***$0.2***	***($0.2)***
Core net income[2]	**$26.6**	**$29.6**	**$27.0**	***($3.0)***	***($0.4)***
Reported EPS	$0.27	$0.27	$0.27	*$0.00*	*$0.00*
Core EPS[2]	$0.27	$0.30	$0.27	*($0.03)*	*$0.00*
Return on average assets	1.30%	1.31%	1.39%	*(0.01%)*	*(0.09%)*
Core return on average assets[2]	1.29%	1.46%	1.39%	*(0.17%)*	*(0.10%)*
Return on average equity	10.13%	10.22%	11.06%	*(0.09%)*	*(0.93%)*
Return on average tangible common equity[2]	14.99%	14.62%	16.09%	*0.37%*	*(1.10%)*
Core return on average tangible common equity[2]	14.89%	16.20%	16.09%	*(1.31%)*	*(1.20%)*
Core efficiency ratio[2]	57.23%	55.73%	57.45%	*1.50%*	*(0.22%)*
Net interest margin[1]	3.73%	3.76%	3.70%	*(0.03%)*	*0.03%*
Net Chargeoffs[3]	0.21%	0.25%	0.31%	*(0.04%)*	*(0.10%)*

- Core net income[2] of $26.6 million decreased $3.0 million compared to the linked quarter (LQ), and decreased $0.4 million year-over-year (YoY)
- Net interest income expansion of $3.7 million YoY was aided by improved average loan yields compared to last year, combined with a $348 million increase in average interest-earning assets
- Provision expense increased $2.2 million compared to LQ due to organic loan growth and the resolution and chargeoff of two commercial credits, though net chargeoffs decreased $0.4 million from LQ and $1.2 million from the year ago quarter
- Fee revenue increased $0.3 million from LQ primarily due to a $1.4 million increase in swap income, a $0.4 million increase in card-related interchange income and service charges, partially offset by a $0.9 million decrease in gain on sale of mortgage loans
- Operating expenses[2] increased $1.8 million from the previous quarter driven by higher salaries and occupancy expenses resulting from the branch acquisition at the end of the previous quarter, as well as a $0.9 million increase in professional fees, most of which was related to a successful third party contract negotiation

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

$ in millions, except per share data

Balance Sheet

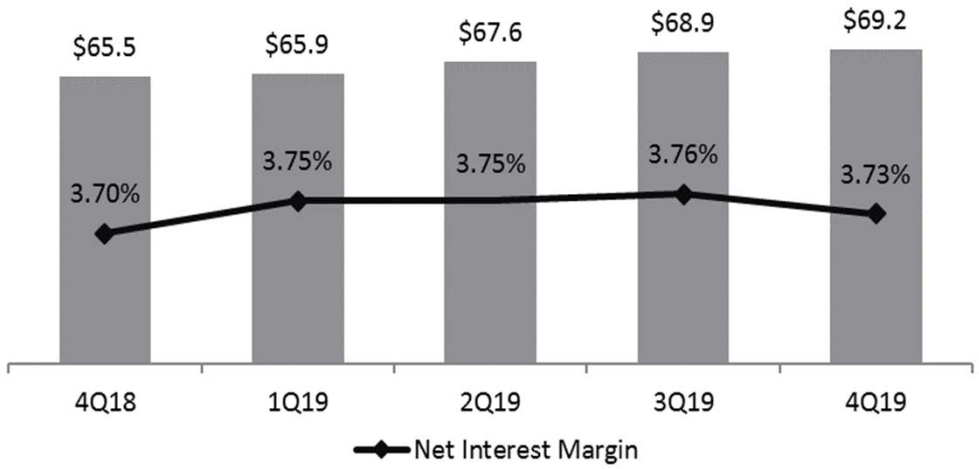
Period-end Balances	4Q19	3Q19	4Q18	Change From 3Q19	Change From 4Q18
Cash & securities	$1,378	$1,310	$1,434	*$68*	*($56)*
Loans held for sale	16	20	12	*(4)*	*4*
Commercial loans	3,735	3,670	3,621	*65*	*114*
Consumer loans	2,455	2,430	2,153	*25*	*302*
Allowance for credit losses	(52)	(50)	(48)	*(2)*	*(4)*
OREO	2	2	4	*0*	*(2)*
Goodwill & intangibles	320	321	287	*(1)*	*33*
Other	455	449	365	*6*	*90*
Total Assets	**$8,309**	**$8,152**	**$7,828**	***$157***	***$481***
Noninterest Bearing DDA	$1,690	$1,658	$1,466	*$32*	*$224*
Interest Bearing Savings & DDA	4,152	4,130	3,582	*22*	*570*
Time Deposits	832	885	843	*(53)*	*(11)*
Brokered Deposits	4	5	7	*(1)*	*(3)*
Short-term Borrowings	202	84	722	*118*	*(520)*
Long-term Debt	234	234	185	*0*	*49*
Other	139	117	48	*22*	*91*
Equity	1,056	1,039	975	*17*	*81*
Total Liabilities & Equity	**$8,309**	**$8,152**	**$7,828**	***$157***	***$481***

- Total loans grew $85 million from LQ due to $40 million growth in commercial construction, a $31 million increase in commercial and industrial (C&I) lending and a $20 million increase in indirect auto lending
- The investment portfolio increased $68 million to LQ due to more attractive reinvestment opportunities for maturing securities
- Noninterest-bearing demand deposits increased $32 million to LQ, or 7.7% annualized, and currently comprise 25.3% of total deposits
- Short-term borrowings increased $118 million to LQ due to strong loan growth and investment purchases in the quarter

$ in millions

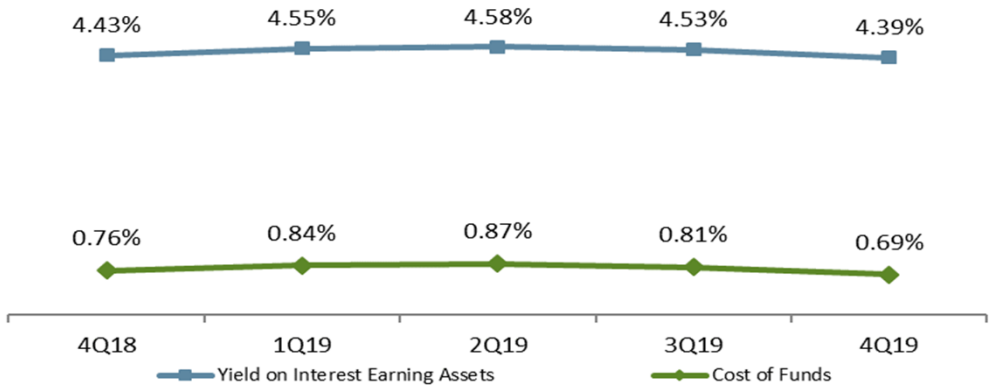
Net interest income and net interest margin

Net Interest Income(1)



- Net interest income increased $0.3 million to LQ as the result of a $99 million increase in average loans and a $113 million increase in average noninterest-bearing deposits

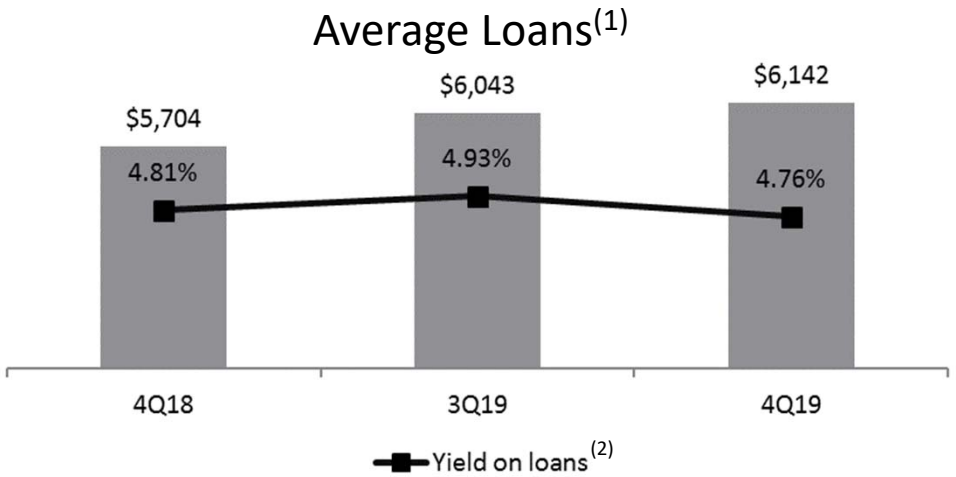
Yield / Cost Trends(1)

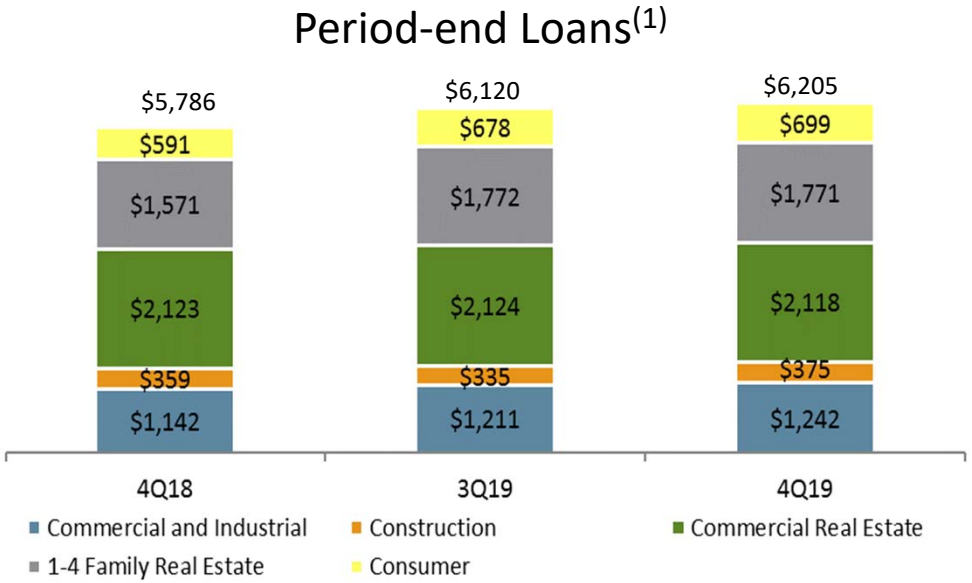


- Net interest margin of 3.73% decreased three basis point (bp) to LQ:
  - A 12 bps decrease in the cost of funds was offset by a 14 bps decrease in the yield on earning assets

$ in millions
(1) Taxable equivalent

Loans





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

Average

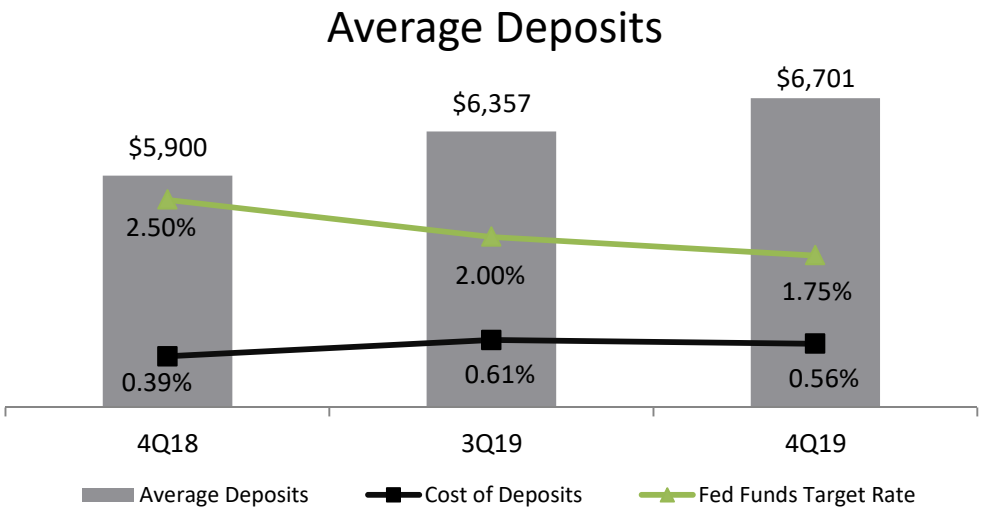
- Average loans increased $99 million from LQ, including $25 million of average organic loan growth
- The yield on loans decreased 17 basis points from the previous quarter

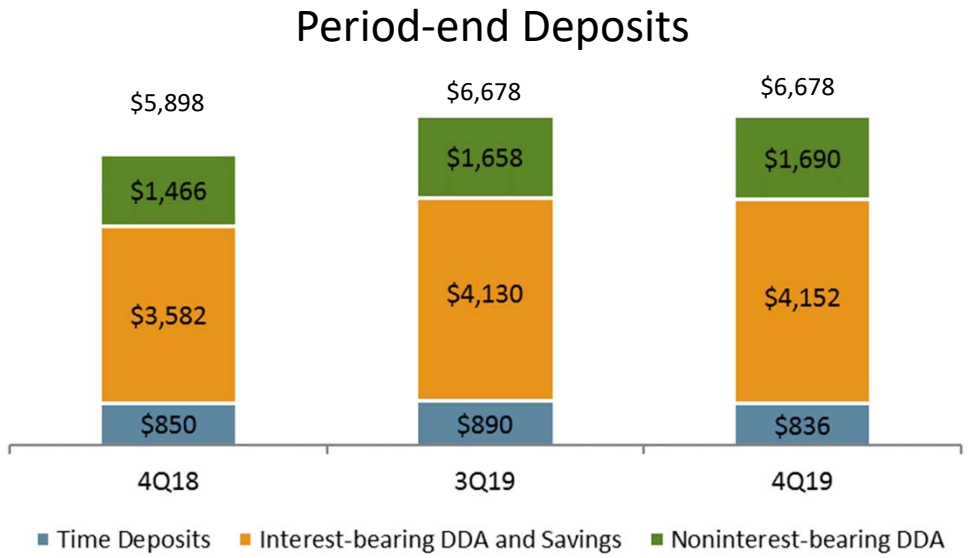
Period-end

- Loans increased $85 million from LQ and $319 million from the prior year (excluding $100 million[3] of loans acquired in the Santander acquisition)
  - LQ loan grown of $85 million was driven by $40 million growth in construction, $31 million growth in C&I and $20 million growth in indirect auto, partially offset by a $6 million decrease in CRE

$ in millions

Deposits





Average

- Excluding acquired balances, average quarterly deposits were essentially flat from LQ and grew $330 million YoY
- The cost of total deposits of 0.56% decreased five basis points from the previous quarter
  - The cost of interest-bearing demand and savings deposits decreased six bps from LQ
  - Average noninterest-bearing DDA increased $113 million

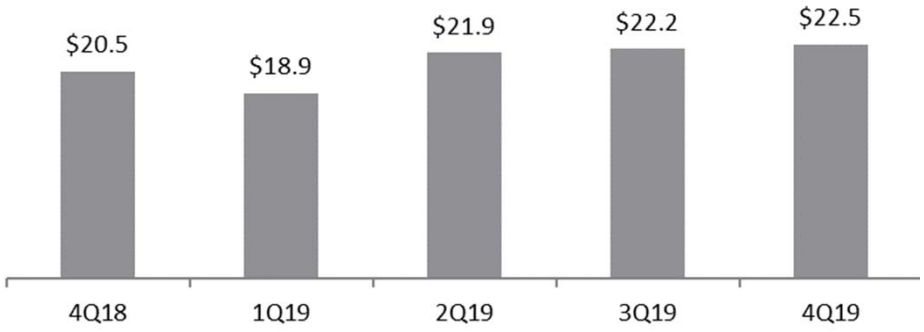
Period-end

- Total period-end deposits were unchanged from LQ as $54 million runoff in time deposits was offset by $32 million growth in noninterest-bearing deposits and $22 million growth in interest-bearing DDA and savings
- Excluding acquired deposits, total deposits increased $309 million YoY
- Noninterest-bearing deposits currently comprise 25.3% of total deposits

$ in millions

Noninterest income

	4Q19	3Q19	4Q18	Change from 3Q19	Change from 4Q18
Service charges	$5.1	$5.0	$4.8	*$0.1*	*$0.3*
Interchange	5.9	5.6	5.3	*0.3*	*0.6*
Trust	2.1	2.3	1.9	*(0.2)*	*0.2*
Insurance and retail brokerage	1.7	1.9	1.9	*(0.2)*	*(0.2)*
BOLI	1.6	1.5	1.4	*0.1*	*0.2*
SWAP fees	1.8	0.4	0.8	*1.4*	*1.0*
Gain on sale of mortgage loans	1.7	2.6	1.2	*(0.9)*	*0.5*
Gain on sale of other loans	1.0	1.0	1.7	*0.0*	*(0.7)*
Other fees	1.9	1.9	1.5	*0.0*	*0.4*
Total fee income	**$22.7**	**$22.2**	**$20.5**	***$0.5***	***$2.2***
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Derivative mark-to-market	(0.2)	0.0	0.0	*(0.2)*	*(0.2)*
Total noninterest income	**$22.5**	**$22.2**	**$20.5**	***$0.3***	***$2.0***

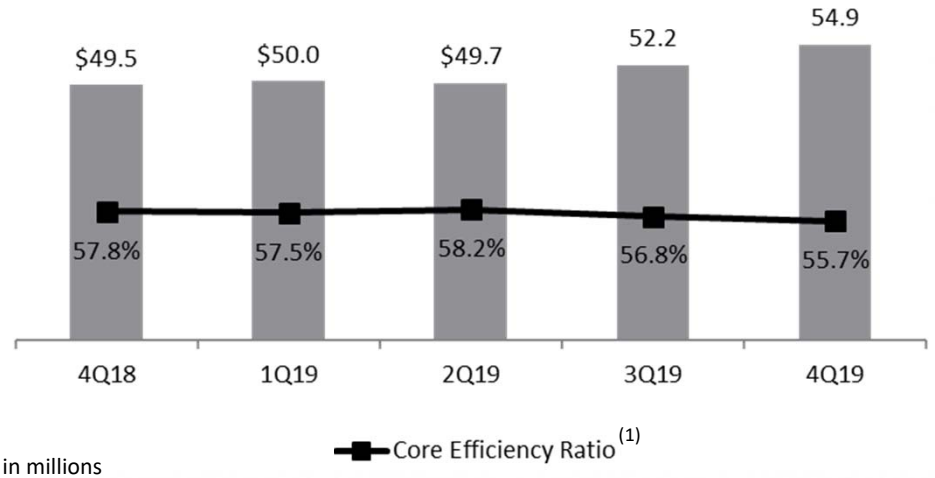


- Total fee income increased $0.5 million from LQ and $2.2 million YoY
- Swap fee income increased $1.4 million and service charges and card related interchange increased $0.4 million to LQ
- Gain on sale of mortgage loans decreased $0.9 million to LQ due to an $0.6 million reduction in the mark to market value of the mortgage pipeline and hedge compared to a positive $0.2 million mark in the previous quarter
  - Total mortgage originations of $143 million increased $14 million to LQ and increased $48 million YoY
  - 49% of mortgage production was sold in 4Q19 compared to 64% in 3Q19
- Gain on sale of other loans decreased $0.7 million YoY due to a $0.6 million gain on the sale of a nonperforming loan and a $0.4 million insurance recovery in the prior year quarter

$ in millions

Noninterest expense

	4Q19	3Q19	4Q18	Change from 3Q19	Change from 4Q18
Salaries and benefits	$29.0	$28.7	$27.5	*$0.3*	*$1.5*
Occupancy	5.0	4.5	4.3	*0.5*	*0.7*
Furniture and equipment	3.8	3.9	3.6	*(0.1)*	*0.2*
PA shares tax	1.2	1.2	1.5	*0.0*	*(0.3)*
Data processing	2.7	2.8	2.7	*(0.1)*	*0.0*
Collection and repo	0.5	0.6	0.7	*(0.1)*	*(0.2)*
Professional fees	1.9	1.0	1.5	*0.9*	*0.4*
FDIC insurance	0.1	0.0	0.4	*0.1*	*(0.3)*
Operational losses	0.4	0.3	0.4	*0.1*	*0.0*
Loss on sale or write-down of assets	0.3	0.2	0.2	*0.1*	*0.1*
Other operating expenses	7.7	7.6	6.6	*0.1*	*1.1*
Total operating expense	**$52.6**	**$50.8**	**$49.4**	***$1.8***	***$3.2***
Unfunded commitments	(0.3)	(0.5)	(0.2)	*0.2*	*(0.1)*
Intangible amortization	1.0	0.9	0.8	*0.1*	*0.2*
Acquisition expenses	(0.2)	3.7	0.0	*(3.9)*	*(0.2)*
Total noninterest expense	**$53.1**	**$54.9**	**$50.0**	***($1.8)***	***$3.1***



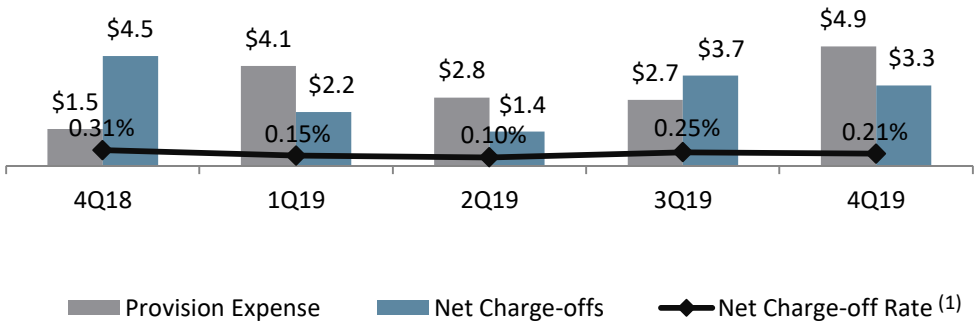
$ in millions

- Total operating expenses increased $1.8 million from the previous quarter and increased $3.2 million YoY
- Professional fees increased $0.9 million largely due to fees associated with the successful negotiation of a third party contract
- Occupancy increased $0.5 million and salaries and benefits increased $0.3 million compared to LQ due to a full quarter of expenses associated with the company's acquisition of 14 former Santander branches on September 6, 2019
- Acquisition expenses decreased $3.9 million compared to LQ
- FTEs decreased 27 from LQ and increased 58 from the previous year

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

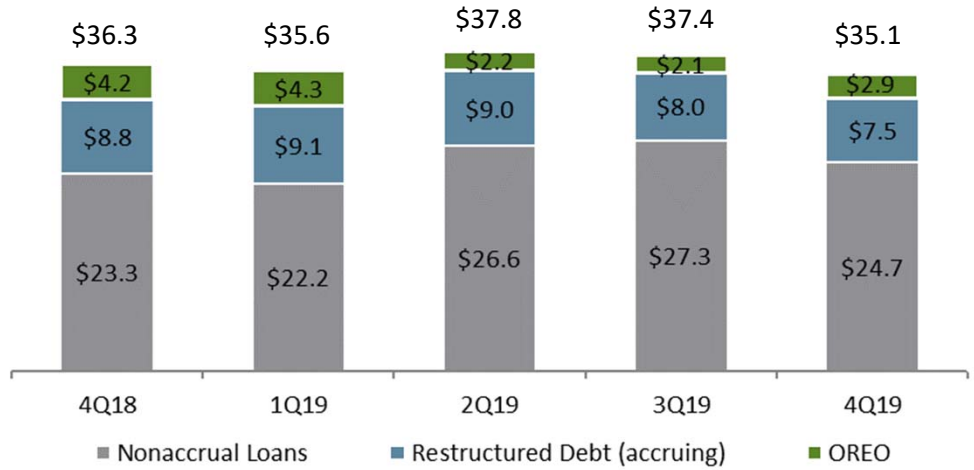
Credit quality

Provision Expense and Net Charge-offs



- Provision expense of $4.9 million increased $2.2 million from LQ and $3.4 million YoY due to general reserves for organic loan growth and the resolution and chargeoff of two commercial credits

Nonperforming Assets



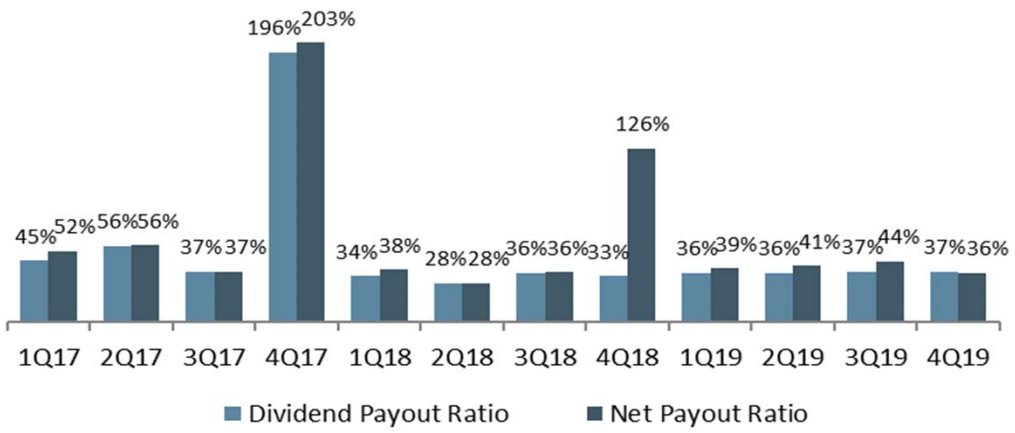
- Nonperforming assets decreased $2.3 million over LQ due to a $2.6 million decrease in nonaccrual loans and a $0.5 million decrease in accruing TDRs, offset by a $0.8 million increase in OREO

(1) Net charge-offs as a percentage of period-to-date average loans, annualized

$ in millions

Capital Return

Payout Ratios



- Strong capital levels allow us to continue to return capital to shareholders
  - Completed a $25 million share repurchase program in 4Q18
  - Announced a $25 million share repurchase program in 1Q19 ($20 million remaining)
  - Increased the quarterly dividend by 10% from $0.10 to $0.11 per share in 1Q20
  - 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	4Q19	3Q19	2Q19	1Q19	4Q18
Net Interest Income	$68.8	$68.5	$67.1	$65.5	$65.0
Tax equivalent adjustment	0.4	0.4	0.5	0.5	0.5
Net Interest Income (FTE)	69.2	68.9	67.6	66.0	65.5
Noninterest Income (Reported)	22.5	22.2	21.9	18.9	20.5
Less: Realized gains / (losses) on securities	0.0	0.0	0.0	0.0	0.0
Less: Derivative mark-to-market	(0.2)	0.0	0.0	0.0	0.0
Total Noninterest Income (Operating)	$22.7	$22.2	$21.9	$18.9	$20.5
Total Operating Revenue	$91.9	$91.1	$89.5	$84.9	$86.0
Average Assets	8,201	8,050	7,986	7,879	7,733
Operating Revenue / Average Assets (%)	**4.48%**	**4.53%**	**4.48%**	**4.31%**	**4.45%**

Operating Expense	4Q19	3Q19	2Q19	1Q19	4Q18
Noninterest Expense	$53.1	$54.9	$52.2	$49.7	$50.0
Less: Unfunded commitment reserve	(0.3)	(0.5)	0.6	(0.4)	(0.2)
Less: Intangible amortization	1.0	0.9	0.8	0.7	0.8
Less: Merger and acquisition related	(0.2)	3.7	0.0	0.0	0.0
Total Operating Expense	$52.6	$50.8	$50.8	$49.4	$49.4
Average Assets	8,201	8,050	7,986	7,879	7,733
Operating Expense / Average Assets (%)	**2.57%**	**2.52%**	**2.54%**	**2.51%**	**2.56%**
Core Efficiency Ratio[(1)]	**57.2%**	**55.7%**	**56.8%**	**58.2%**	**57.4%**

$ 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	4Q19	3Q19	2Q19	1Q19	4Q18
Net Income (GAAP)	$26.8	$26.6	$27.3	$24.6	$27.0
Less: Merger and acquisition related *(after tax)*	(0.2)	3.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$26.6**	**$29.6**	**$27.3**	**$24.6**	**$27.0**
Average Diluted Shares Outstanding	98.5	98.5	98.6	98.7	99.4
Core Earnings per Share (Non-GAAP)	**$0.27**	**$0.30**	**$0.28**	**$0.25**	**$0.27**

Core Return on Average Assets (%)	4Q19	3Q19	2Q19	1Q19	4Q18
Net Income (GAAP)	$26.8	$26.6	$27.3	$24.6	$27.0
Less: Merger and acquisition related *(after tax)*	(0.2)	3.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	**$26.6**	**$29.6**	**$27.3**	**$24.6**	**$27.0**
Average Assets	8,201	8,050	7,986	7,879	7,733
Core Return on Average Assets (Non-GAAP)	**1.29%**	**1.46%**	**1.37%**	**1.27%**	**1.39%**

$ 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 (%)	4Q19	3Q19	2Q19	1Q19	4Q18
Average Equity	$1,051	$1,034	$1,009	$987	$969
Less: Average intangible assets	320	293	287	287	288
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$731	$741	$722	$700	$681
Net Income (GAAP)	$26.8	$26.6	$27.3	$24.6	$27.0
Less: Intangible amortization *(after tax)*	0.8	0.7	0.6	0.6	0.6
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$27.6	$27.3	$27.9	$25.2	$27.6
Return on Average Tangible Common Equity	**15.0%**	**14.6%**	**15.5%**	**14.6%**	**16.1%**

Core Return on Average Tangible Common Equity (%)	4Q19	3Q19	2Q19	1Q19	4Q18
Average Equity	$1,051	$1,034	$1,009	$987	$969
Less: Average intangible assets	320	293	287	287	288
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$731	$741	$722	$700	$681
Net Income (GAAP)	$26.8	$26.6	$27.3	$24.6	$27.0
Less: Merger and acquisition related *(after tax)*	(0.2)	3.0	0.0	0.0	0.0
Core Net Income (Non-GAAP)	$26.6	$29.6	$27.3	$24.6	$27.0
Less: Intangible amortization *(after tax)*	0.8	0.7	0.6	0.6	0.6
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$27.4	$30.3	$27.9	$25.2	$27.6
Core Return on Average Tangible Common Equity	**14.9%**	**16.2%**	**15.5%**	**14.6%**	**16.1%**

$ 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)	4Q19	3Q19	2Q19	1Q19	4Q18
Total Equity	$1,056	$1,039	$1,022	$998	$975
Less: Intangible assets	320	320	287	287	287
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$736	$719	$735	$711	$688
Total Assets	$8,309	$8,152	$8,071	$7,973	$7,828
Less: Intangible assets	320	320	287	287	287
Tangible Assets	$7,989	$7,832	$7,784	$7,686	$7,541
Tangible Common Equity / Tangible Assets	**9.2%**	**9.2%**	**9.4%**	**9.3%**	**9.1%**

$ 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.

NYSE: FCF

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