

NYSE: FCF

First Commonwealth®

1Q 2020 Earnings Release Webcast Presentation
April 29, 2020

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, including uncertainties regarding the impact of the COVID-19 pandemic, 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:

- *The length and extent of the economic contraction as a result of the COVID-19 pandemic and the impact of such contraction;*
- *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.*

Further, statements about the potential effects of the COVID-19 pandemic on our business, financial condition, liquidity and results of operations may constitute forward-looking statements and are subject to the risk that the actual effects may differ, possibly materially, from what is reflected in those forward-looking statements due to factors and future developments that are uncertain, unpredictable and in many cases beyond our control, including the scope and duration of the pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, clients, third parties and us.

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 QUARTER 2020 HIGHLIGHTS

Highlights

$37.1 million
Pre-tax Pre-provision income(1)

$27.4 million
Reserve build(2)

$4.7 million
Net income

$3.7 billion
Available liquidity

$739.0 million
Tangible common equity

$7.54
Tangible book value per share

Continued progress on improving our fundamental performance

- PTPP income increased 5.8% year-over-year (YoY)
- Reserve build of $27.4 million; $0.22 EPS effect
  - Allowance for total loans increased to 1.25%
- Strong balance sheet growth linked-quarter (annualized)
  - Loans grew $135 million, or 8.7%
  - Deposits grew $245 million, or 14.7%
  - Noninterest bearing deposits grew 14.5%
- Efficiency Ratio of 58.2%
- Tangible book value per share increased 4.6% YoY
- Strong capital and liquidity ratios

(1) Please refer to the appendix for a reconciliation of non-GAAP measures
(2) Reserve build represents the amount by which the provision for credit losses exceeds net charge-offs

COVID-19 OPERATIONAL UPDATE

The Company took early action by executing its business continuity plan to protect the health and welfare of its associates and mitigate customer disruption

Employees

- Approximately 40% of employees **working from home**
- Up to $2,000 special **no-interest loan** offered to all employees
- Up to 40 **additional hours of paid time off** for eligible personnel
- **Monitoring the health** of our employees on a daily basis
- Offering no-cost **COVID-19 related treatment** under U.S. Medical Plan

Consumers

- 98% of our 147 **branches remain open**; 99% of ATMs remain accessible
- Making **90-day grace period** available for credit card, mortgage and auto loan payments
- Approved over 4,400 new **forbearance agreements**(1) for consumer customers
- Not reporting payment deferrals to **credit bureaus**
- Waiving or refunding certain **fees**
- Continue to prudently **lend to qualified consumers**

Businesses

- **Extending credit** to businesses of all sizes for working capital and general corporate purposes
- Approved over $900 million of new **forbearance agreements**(1) for commercial customers
- SBA Paycheck Protection Program: received SBA approvals for 1,538 business customers representing **$426 million in loans** in Round 1

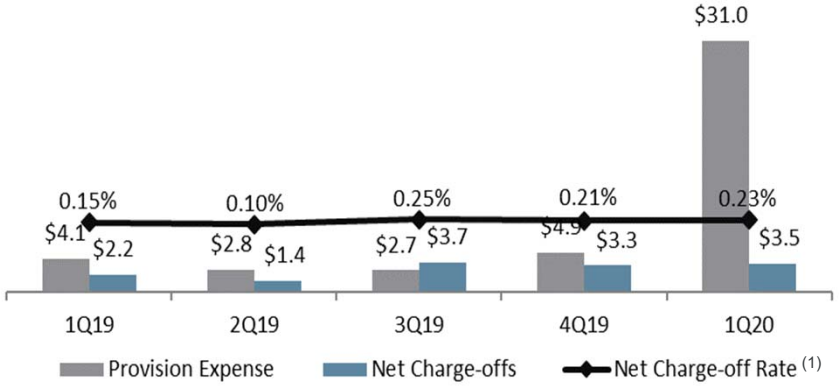
Communities

- Launched “Be a Part” program to **support** local food banks, EMS and other organizations providing meaningful access to services and supplies
  - Up to **$75,000 direct match** for employee and customer donations
- Hearts-to-Hands program solely funded by FCF **employees** for employees experiencing hardship

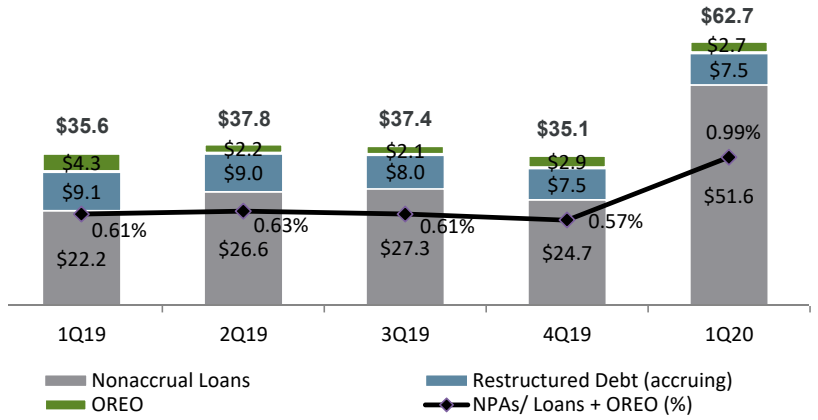
(1) As of April 24, 2020

CREDIT QUALITY

Provision Expense and Net Charge-offs



Nonperforming Assets



- Provision expense of $31.0 million increased $26.1 million from LQ and $26.9 million YoY due to:
  - $8.9 million increase in qualitative reserves for economic conditions
  - $7.8 million in new qualitative factors for loans at higher risk of COVID-19 economic factors
  - $7.4 million in specific reserves for nonperforming loans
  - $3.5 million net charge-offs
  - Remaining primarily due to loan growth and credit migration
- Nonperforming assets increased $27.6 million over LQ due to three commercial real estate credits totaling $25.9 million
  - Two of the three credits, or $17.8 million, were directly due to the COVID-19 pandemic

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

COVID-19: HIGHEST IMPACTED PORTFOLIOS

	Balance Outstanding		Non-pass		Nonperforming	
$ in millions	$ bal	% tot lns	$ bal	% port	$ bal	% port
Commercial Portfolio[(1)]						
Retail & Malls	$540.3	8.5%	$3.8	0.7%	$2.4	0.4%
Hospitality	260.6	4.1%	18.2	7.0%	18.2	7.0%
Senior Living	148.6	2.3%	8.9	6.0%	8.1	5.5%
Dealer Floorplan	100.1	1.6%	1.9	1.9%	1.9	1.9%
Student Housing	96.3	1.5%	0.0	0.0%	0.0	0.0%
Healthcare	61.4	1.0%	0.7	1.2%	0.5	0.9%
Energy	34.8	0.5%	9.9	28.5%	5.4	15.5%
Restaurants/Bars	28.0	0.4%	2.0	7.0%	1.8	6.3%
Total	**$1,270.1**	**20.0%**	**$45.6**	**3.6%**	**$38.4**	**3.0%**

- 96.4% of loans in our highest impacted portfolios are pass-rated
- 97.0% are performing

(1) Includes essential and non-essential businesses
Balances as of March 31, 2020

COVID-19: FORBEARANCES

	Balance Outstanding			Modifications (March 31, 2020)			Modifications (April 24, 2020)		
$ in millions	# loans	$ bal	% tot lns	# loans	$ bal	% port	# loans	$ bal	% port
Commercial Portfolio									
Commercial & Industrial	14,874	$1,272.2	20.1%	250	$31.4	2.5%	863	$178.3	14.0%
Commercial Real Estate	2,904	2,190.1	34.5%	108	27.5	1.3%	556	684.3	31.2%
Commercial Construction	260	332.8	5.2%	2	2.6	0.8%	20	47.9	14.4%
Total Commercial	**18,038**	**$3,795.1**	**59.9%**	**360**	**$61.5**	**1.6%**	**1,439**	**$910.5**	**24.0%**
Consumer Portfolio									
Mortgage	13,263	$1,129.1	17.8%	370	$39.6	3.5%	911	$111.4	9.9%
Home Equity	19,564	587.9	9.3%	317	22.2	3.8%	626	44.8	7.6%
RE Construction	301	80.6	1.3%	3	0.7	0.9%	3	0.7	0.9%
Auto	42,668	626.3	9.9%	799	17.2	2.7%	2,030	42.4	6.8%
Other Consumer	55,792	120.7	1.9%	399	3.9	3.2%	868	7.8	6.5%
Total Consumer	**131,588**	**$2,544.6**	**40.1%**	**1,888**	**$83.6**	**3.3%**	**4,438**	**$207.1**	**8.1%**
Total Loans	**149,626**	**$6,339.7**	**100.0%**	**2,248**	**$145.1**	**2.3%**	**5,877**	**$1,117.6**	**17.6%**

- The vast majority of modifications consist of 90 day forbearances
- Loan modification requests accelerated in the last week of March and into early April, but have steadily declined since

LEVERAGED LOAN PORTFOLIO

- Total leveraged loans: $279.4 million or 4.4% of total loans
- Leveraged loan definition:
  - Commitments >$5 million
  - Leverage exceeds 3x committed senior debt or 4x committed total debt
  - Committed total debt to capitalization of 75% or greater
- Average loan size is $5.6 million
- Proactively managing the portfolio over the past three years
  - Exiting undesirable credits
  - Adding small positions in larger more liquid credits that provide sector and geographic diversification
- Additional qualitative reserves are held against this segment

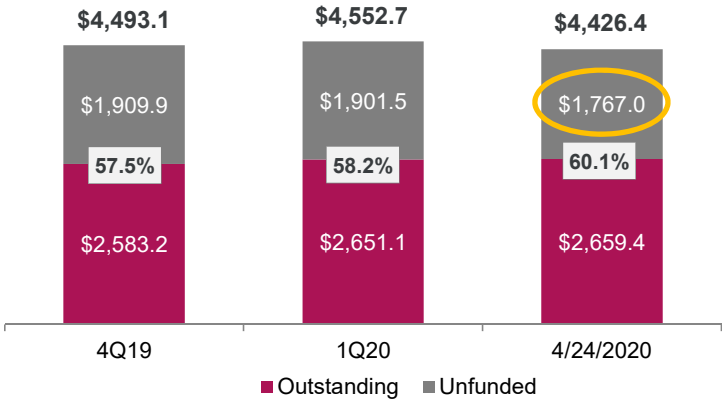
Balances as of March 31, 2020

STRONG LIQUIDITY POSITION

Minimal increase in line utilizations YTD; ample borrowing capacity to cover unfunded lending commitments

Total Lending Exposure

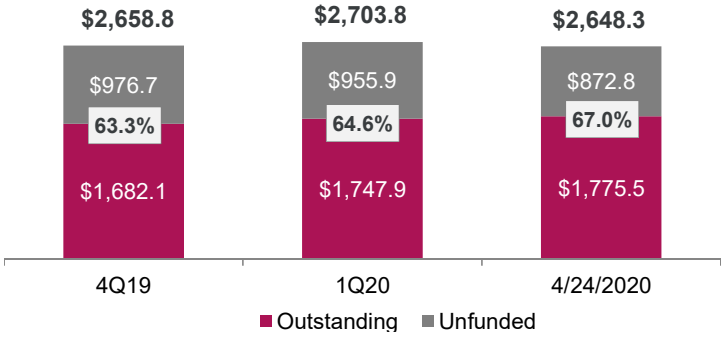
YTD utilization up 2.6%; bal up $76.2mm



$ millions	$ Available
Available Borrowing Capacity	
FHLB Borrowings	$1,406.0
CDARs	835.2
Federal Reserve	776.3
Repo Lines	506.1
Federal Funds Lines	180.0
Total	$3,703.6

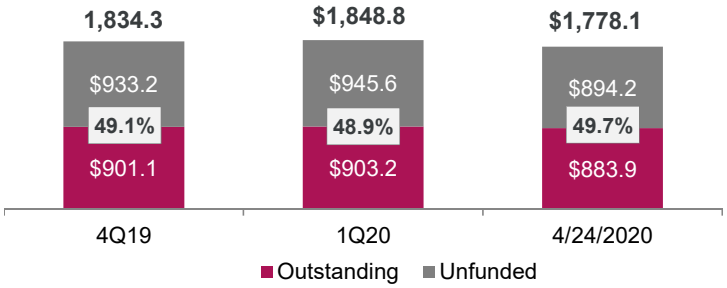
Commercial Lending Exposure

YTD utilization up 3.7%; bal up $93.4mm



Consumer Lending Exposure

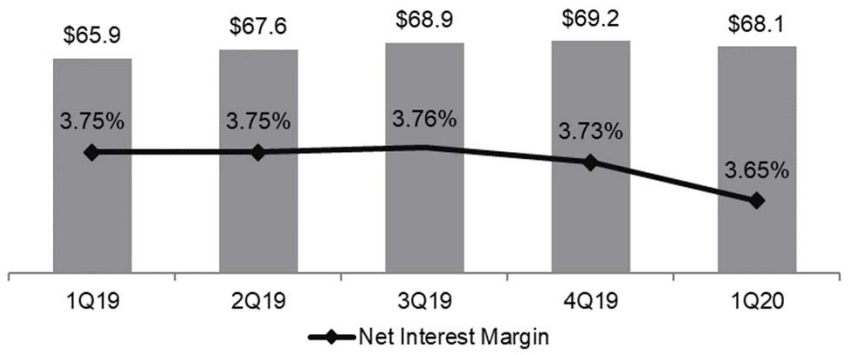
YTD utilization up 0.6%; bal down $(17.2)mm



(1) As of March 31, 2020, unless noted

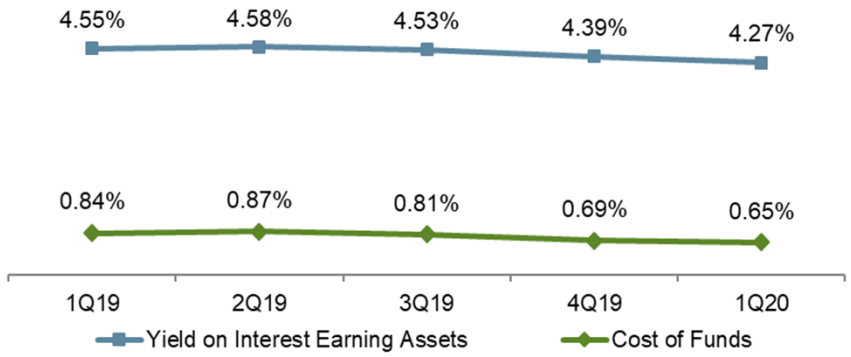
NET INTEREST INCOME AND NET INTEREST MARGIN

Net Interest Income(1)



- Net interest income decreased $1.1 million to LQ as the result of an eight basis point (bps) decrease in the net interest margin, driven by the impact of the lower interest rate environment, partially offset by a $114 million increase in average loans

Yield/Cost Trends(1)

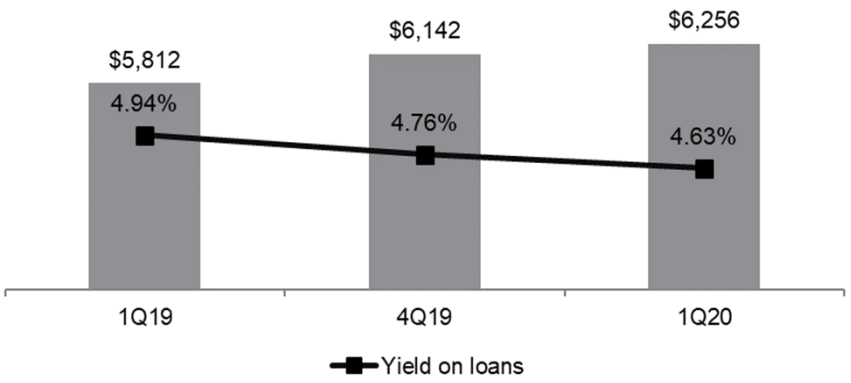


- Net interest margin of 3.65% decreased eight basis point (bp) to LQ:
  - a 12 bps decrease in the yield on interest-earning assets, partially offset by a 5 bps decrease in the cost interest bearing liabilities

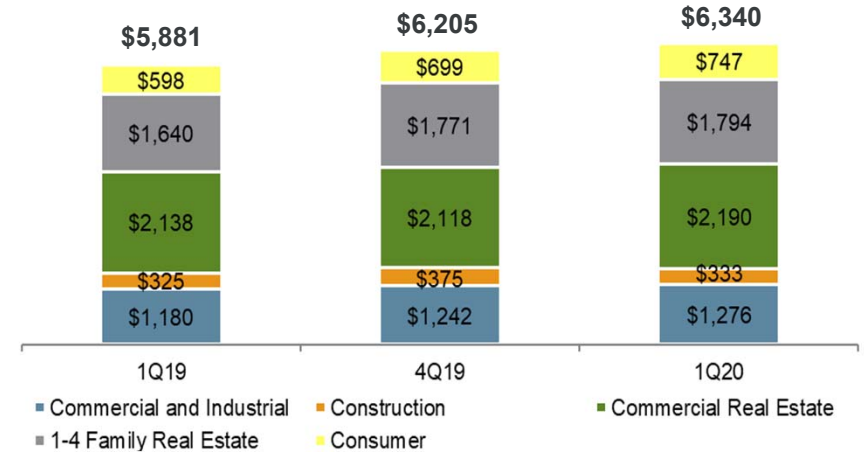
$ in millions
(1) Taxable equivalent

LOANS

Average Loans(1)



Period-end Loans(1)



Average

- Average loans increased $114 million from LQ
- The yield on loans decreased 13 basis points from the previous quarter

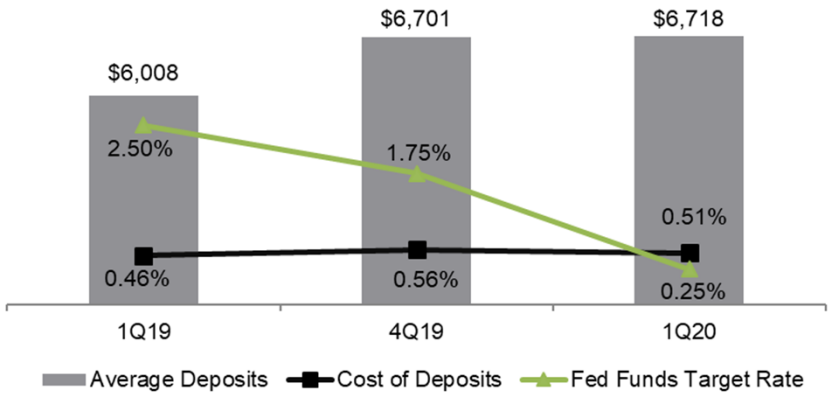
Period-end

- Loans increased $135 million from LQ and $359 million from the prior year (excluding $100 million(3) of loans acquired in the Santander acquisition)
  - LQ loan grown of $135 million was driven by $72 million increase in CRE and $53 million increase in auto loans, partially offset by a $42 million decrease in commercial construction

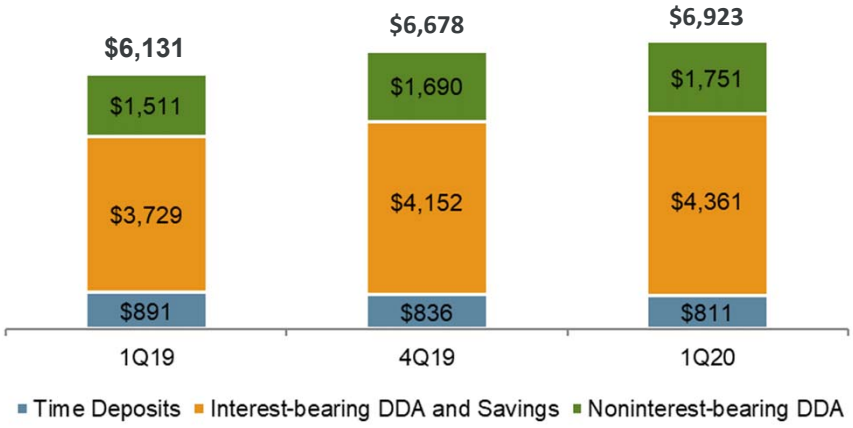
$ in millions
(1) Includes loans held for sale
(2) Taxable equivalent yield
(3) Balances as of the close of the acquisition

DEPOSITS

Average Deposits



Period-end Deposits



Average

- Average deposits grew $17 million from LQ and $710 million YoY ($239 million YoY excluding acquired balances from Santander (1))
- The cost of total deposits of 0.51% decreased five basis points from the previous quarter
  - The cost of interest-bearing demand and savings deposits decreased seven bps from LQ

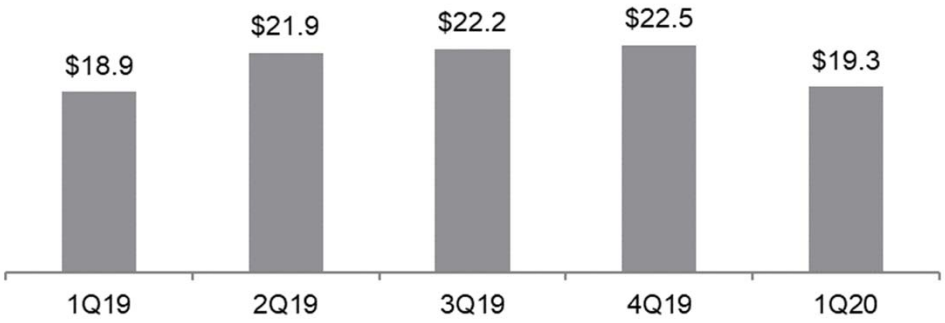
Period-end

- Total period-end deposits increased $245 million from LQ
- Excluding acquired balances from Santander(1), YoY total deposits increased $321 million
- Noninterest-bearing deposits currently comprise 25.3% of total deposits

$ in millions
(1) Balances as of the close of the acquisition

NONINTEREST INCOME

	1Q20	4Q19	1Q19	Change from 4Q19	Change from 1Q19
Service charges	$4.7	$5.1	$4.2	($0.4)	$0.5
Interchange	5.3	5.9	4.7	(0.6)	0.6
Trust	2.1	2.1	1.9	0.0	0.2
Insurance and retail brokerage	2.0	1.7	2.0	0.3	0.0
BOLI	1.6	1.6	1.4	0.0	0.2
SWAP fees	0.2	1.8	0.4	(1.6)	(0.2)
Gain on sale of mortgage loans	2.5	1.7	1.4	0.8	1.1
Gain on sale of other loans	0.7	1.0	1.1	(0.3)	(0.4)
Other fees	1.9	1.9	1.8	0.0	0.1
Total fee income	**$21.0**	**$22.7**	**$18.9**	**($1.7)**	**$2.1**
Gain on sale of securities	0.0	0.0	0.0	0.0	0.0
Derivative mark-to-market	(1.7)	(0.2)	0.0	(1.5)	(1.7)
Total noninterest income	**$19.3**	**$22.5**	**$18.9**	**($3.2)**	**$0.4**

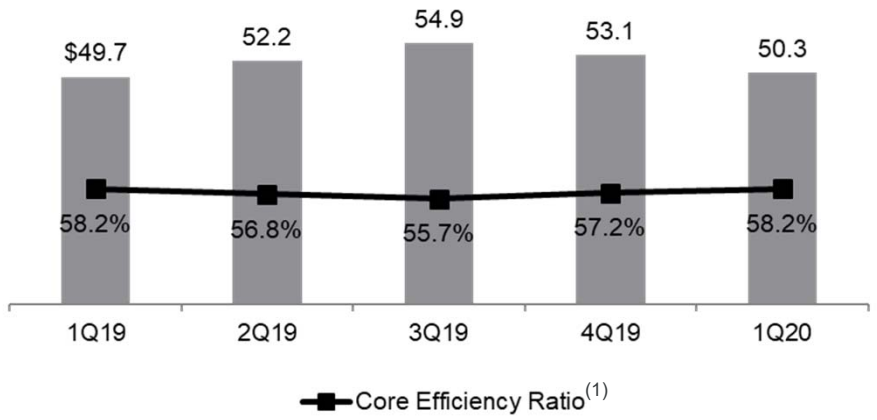


$ in millions

- Total fee income decreased $1.7 million from LQ, and increased $2.1 million YoY
- Swap fee income decreased $1.6 million to LQ
- Service charges and card related interchange decreased $1.0 million to LQ and increased $1.1 million YoY
- Gain on sale of mortgage loans increased $0.8 million to LQ and $1.1 million YoY, due to higher refinance activities driven by lower interest rates
- Total mortgage originations of $129 million decreased $14 million to LQ and increased $53.6 million YoY

NONINTEREST EXPENSE

	1Q20	4Q19	1Q19	Change from 4Q19	Change from 1Q19
Salaries and benefits	$30.0	$29.0	$27.2	*$1.0*	*$2.8*
Occupancy	5.0	5.0	4.9	*0.0*	*0.1*
Furniture and equipment	3.8	3.8	3.7	*0.0*	*0.1*
PA shares tax	0.7	1.2	0.9	*(0.5)*	*(0.2)*
Data processing	2.5	2.7	2.5	*(0.2)*	*0.0*
Collection and repo	0.6	0.5	0.5	*0.1*	*0.1*
Professional fees	0.9	1.9	0.8	*(1.0)*	*0.1*
FDIC insurance	0.0	0.1	0.6	*(0.1)*	*(0.6)*
Operational losses	0.4	0.4	0.4	*0.0*	*0.0*
Loss on sale or write-down of assets	0.2	0.3	0.1	*(0.1)*	*0.1*
Other operating expenses	7.8	7.7	7.8	*0.1*	*0.0*
Total operating expense	**$51.9**	**$52.6**	**$49.4**	***($0.7)***	***$2.5***
Unfunded commitments	(2.5)	(0.3)	(0.4)	*(2.2)*	*(2.1)*
Intangible amortization	0.9	1.0	0.7	*(0.1)*	*0.2*
Acquisition expenses	0.0	(0.2)	0.0	*0.2*	*0.0*
Total noninterest expense	**$50.3**	**$53.1**	**$49.7**	***($2.8)***	***$0.6***

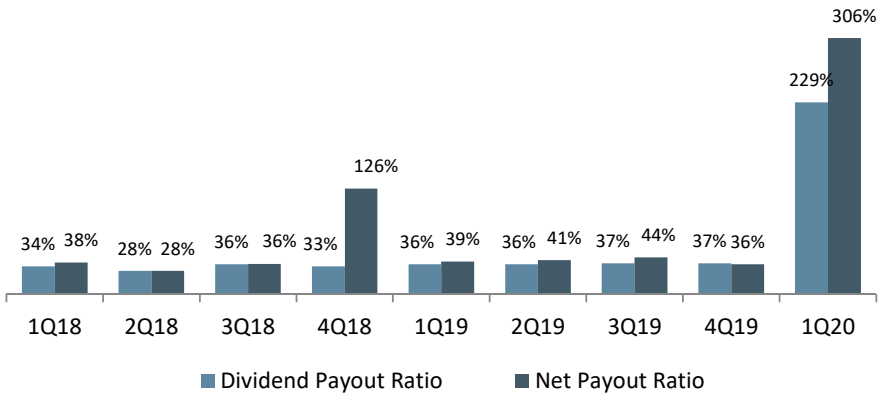


- Total operating expenses decreased $0.7 million from the previous quarter and increased $2.5 million YoY
- Salaries and benefits increased $1.0 million to LQ due to seasonality and increased $2.8 million YoY ($2.5 million due to acquired Santander branches)
- Professional fees decreased $1.0 million compared to LQ and $0.6 million YoY
- Unfunded commitment expense decreased $2.2million to LQ and $2.1 million YoY
- FTEs increased 26 from LQ and increased 93 from the previous year

(1) Please refer to pages 18-21 for disclosures regarding non-GAAP measures

CAPITAL RETURN

Payout Ratios



- Strong capital levels allow us to continue to return capital to shareholders
- Announced a $25 million share repurchase program in 1Q19
  - Suspended current program on March 13, 2020 with $15.6 million remaining
  - Repurchased 368 thousand shares in 1Q20 at an average price of $11.85 before suspending the program
- Increased the quarterly dividend by 10% from $0.10 to $0.11 per share in 1Q20 (January)
  - Management currently believes the dividend is sustainable based upon the company's current expectation of an economic recovery during the second half of 2020

(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

Operating Revenue	1Q20	4Q19	3Q19	2Q19	1Q19
Net Interest Income	$67.7	$68.8	$68.5	$67.1	$65.5
Tax equivalent adjustment	0.4	0.4	0.4	0.5	0.5
Net Interest Income (FTE)	68.1	69.2	68.9	67.6	66.0
Noninterest Income (Reported)	19.3	22.5	22.2	21.9	18.9
Less: Realized gains / (losses) on securities	0.0	0.0	0.0	0.0	0.0
Less: Derivative mark-to-market	(1.7)	(0.2)	0.0	0.0	0.0
Total Noninterest Income (Operating)	$21.0	$22.7	$22.2	$21.9	$18.9
Total Operating Revenue	$89.1	$91.9	$91.1	$89.5	$84.9
Average Assets	8,337	8,201	8,050	7,986	7,879
Operating Revenue / Average Assets (%)	**4.27%**	**4.48%**	**4.53%**	**4.48%**	**4.31%**

Operating Expense	1Q20	4Q19	3Q19	2Q19	1Q19
Noninterest Expense	$50.3	$53.1	$54.9	$52.2	$49.7
Less: Unfunded commitment reserve	(2.5)	(0.3)	(0.5)	0.6	(0.4)
Less: Intangible amortization	0.9	1.0	0.9	0.8	0.7
Less: Merger and acquisition related	0.0	(0.2)	3.7	0.0	0.0
Total Operating Expense	$51.9	$52.6	$50.8	$50.8	$49.4
Average Assets	8,337	8,201	8,050	7,986	7,879
Operating Expense / Average Assets (%)	**2.49%**	**2.57%**	**2.52%**	**2.54%**	**2.51%**
Core Efficiency Ratio[(1)]	**58.2%**	**57.2%**	**55.7%**	**56.8%**	**58.2%**
Pre-tax Pre-Provision Net Income (Reported)	**$37.1**	**$38.6**	**$36.2**	**$37.3**	**$35.2**
Average Diluted Shares Outstanding	98.4	98.5	98.5	98.6	98.7
Pre-tax Pre-Provision Net Income per share	$0.38	$0.39	$0.37	$0.38	$0.36
Average Assets	$8,337	$8,201	$8,050	$7,986	$7,879
Pre-tax Pre-Provision Income / Average Assets (%)	1.79%	1.88%	1.80%	1.87%	1.79%

$ 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	1Q20	4Q19	3Q19	2Q19	1Q19
Net Income (GAAP)	$4.7	$26.8	$26.6	$27.3	$24.6
Less: Merger and acquisition related *(after tax)*	0.0	(0.2)	3.0	0.0	0.0
Core Net Income (Non-GAAP)	**$4.7**	**$26.6**	**$29.6**	**$27.3**	**$24.6**
Average Diluted Shares Outstanding	98.4	98.5	98.5	98.6	98.7
Core Earnings per Share (Non-GAAP)	**$0.05**	**$0.27**	**$0.30**	**$0.28**	**$0.25**

Core Return on Average Assets (%)	1Q20	4Q19	3Q19	2Q19	1Q19
Net Income (GAAP)	$4.7	$26.8	$26.6	$27.3	$24.6
Less: Merger and acquisition related *(after tax)*	0.0	(0.2)	3.0	0.0	0.0
Core Net Income (Non-GAAP)	**$4.7**	**$26.6**	**$29.6**	**$27.3**	**$24.6**
Average Assets	8,337	8,201	8,050	7,986	7,879
Core Return on Average Assets (Non-GAAP)	**0.23%**	**1.29%**	**1.46%**	**1.37%**	**1.27%**

$ 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 (%)	1Q20	4Q19	3Q19	2Q19	1Q19
Average Equity	$1,071	$1,051	$1,034	$1,009	$987
Less: Average intangible assets	319	320	293	287	287
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$752	$731	$741	$722	$700
Net Income (GAAP)	$4.7	$26.8	$26.6	$27.3	$24.6
Less: Intangible amortization *(after tax)*	0.8	0.8	0.7	0.6	0.6
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$5.5	$27.6	$27.3	$27.9	$25.2
Return on Average Tangible Common Equity	**2.9%**	**15.0%**	**14.6%**	**15.5%**	**14.6%**

Core Return on Average Tangible Common Equity (%)	1Q20	4Q19	3Q19	2Q19	1Q19
Average Equity	$1,071	$1,051	$1,034	$1,009	$987
Less: Average intangible assets	319	320	293	287	287
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$752	$731	$741	$722	$700
Net Income (GAAP)	$4.7	$26.8	$26.6	$27.3	$24.6
Less: Merger and acquisition related *(after tax)*	0.0	(0.2)	3.0	0.0	0.0
Core Net Income (Non-GAAP)	$4.7	$26.6	$29.6	$27.3	$24.6
Less: Intangible amortization *(after tax)*	0.8	0.8	0.7	0.6	0.6
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$5.5	$27.4	$30.3	$27.9	$25.2
Core Return on Average Tangible Common Equity	**2.9%**	**14.9%**	**16.2%**	**15.5%**	**14.6%**

$ 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.

NON-GAAP MEASURES

Tangible Common Equity / Tangible Assets

(Tangible Common Equity Ratio)	1Q20	4Q19	3Q19	2Q19	1Q19
Total Equity	$1,058	$1,056	$1,039	$1,022	$998
Less: Intangible assets	319	320	320	287	287
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$739	$736	$719	$735	$711
Total Assets	$8,515	$8,309	$8,152	$8,071	$7,973
Less: Intangible assets	319	320	320	287	287
Tangible Assets	$8,196	$7,989	$7,832	$7,784	$7,686
Tangible Common Equity / Tangible Assets	**9.0%**	**9.2%**	**9.2%**	**9.4%**	**9.3%**

$ 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.