

NYSE: FCF

First Commonwealth®

4Q 2022 Earnings Release Webcast Presentation
January 25, 2022

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 effects of the COVID-19 pandemic 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.*

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.

FOURTH QUARTER 2022 HIGHLIGHTS

Highlights

$55.3 million
Core Pre-tax pre-provision income(1)

2.28%
Core PTPP ROAA(1)

50.0%
Core efficiency ratio

1.35%
Reserve coverage ratio

$261.5 million
Excess capital(2)

7.8% / 11.1%
TCE ratio / CET1 ratio

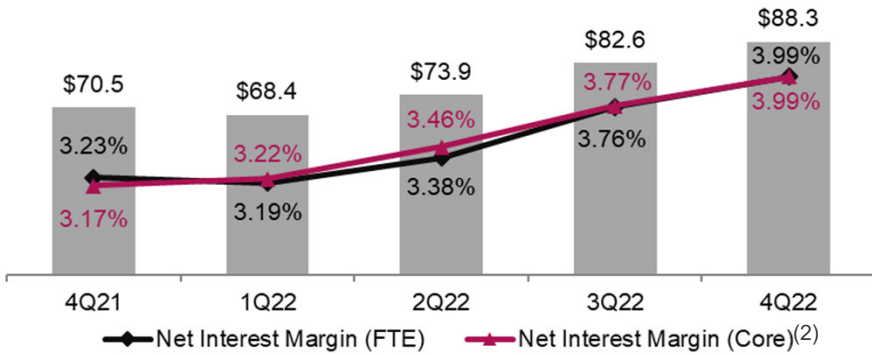
Diversified revenue streams and regional leadership continues to enhance the earnings growth of the company

- Total loans grew $291 million, or 15.7% annualized from the previous quarter driven by broad-based growth across all regions
  - Indirect auto and RV loans grew $89.6 million
  - Commercial construction loans grew $68.9 million
  - Equipment finance loans grew $35.9 million
- Net interest margin (NIM) expanded 23bps from the previous quarter to 3.99%
  - Yield on loans (excluding PPP loans) increased 46bps from LQ
  - Cost of deposits increased only 15bps from LQ
  - Cycle-to-date deposit beta of <10%
- Anticipated legal close for the Centric Bank acquisition is January 31, 2023
- Named #1 Small Business Association (SBA) lender in the Pittsburgh District for the second year in a row

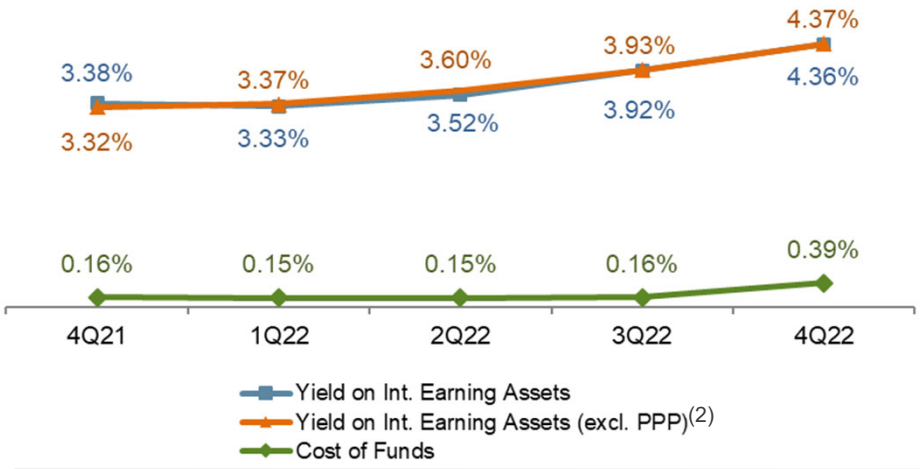
(1) Please refer to the appendix for a reconciliation of non-GAAP measures
(2) Represents excess capital above the bank-level Tier 1 Capital regulatory "well capitalized" requirement of 8.0%

NET INTEREST INCOME AND NET INTEREST MARGIN

Net Interest Income(1)



Yield/Cost Trends(1)



- Net interest income (FTE) of $88.3 million increased by $5.7 million from LQ and $17.8 million YoY
  - $7.9 million increase in income on variable and adjustable rate loans, partially offset by a $3.0 million increase in deposit costs
- Net interest margin of 3.99% increased 23bps from LQ and 76bps YoY
  - Yield on loans increased 46bps to LQ
  - Cost of deposits was 20bps in the current quarter compared to 5bps LQ
  - Cost of funds were 0.39% during the current quarter compared to 0.16% LQ, reflecting a $162.9 million increase in average short-term borrowings
- Approximately $3.8 billion, or 50%, of the $7.6 billion loan portfolio is variable
  - Average duration of the loan portfolio is 3.4 years

First Commonwealth

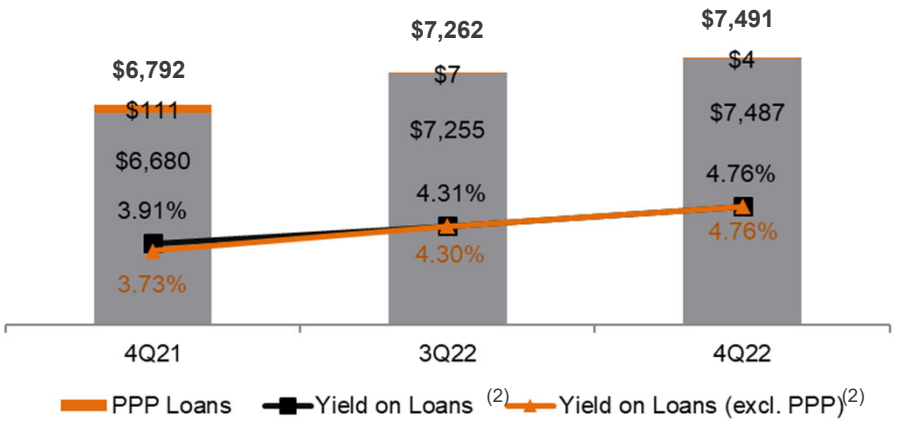
$ in millions

(1) Taxable equivalent

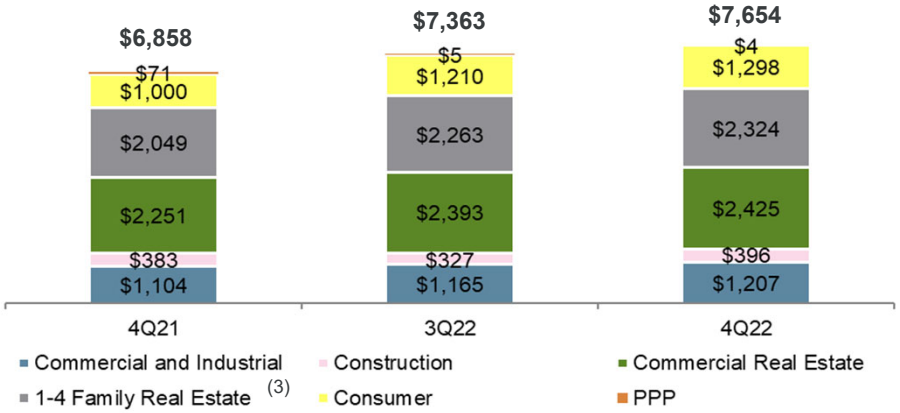
(2) Please refer to the appendix for a reconciliation of non-GAAP measures

LOANS

Average Loans(1)



Period-end Loans(1)



Average

- Average loans increased $229.6 million from LQ
  - Excluding PPP loans, average loans increased $232.2 million from LQ, or 12.7% annualized
- The yield on loans increased 46bps from LQ (excluding PPP loans)

Period-end

- Total loans(1) increased $291.3 million from the previous quarter, or 15.7% annualized
  - Indirect auto and RV loans grew $89.6 million from LQ
  - Commercial construction loans grew $68.9 million from LQ
  - Closed-end mortgage loans grew $50.4 million from LQ
  - Equipment Finance loans grew $35.9 million from LQ

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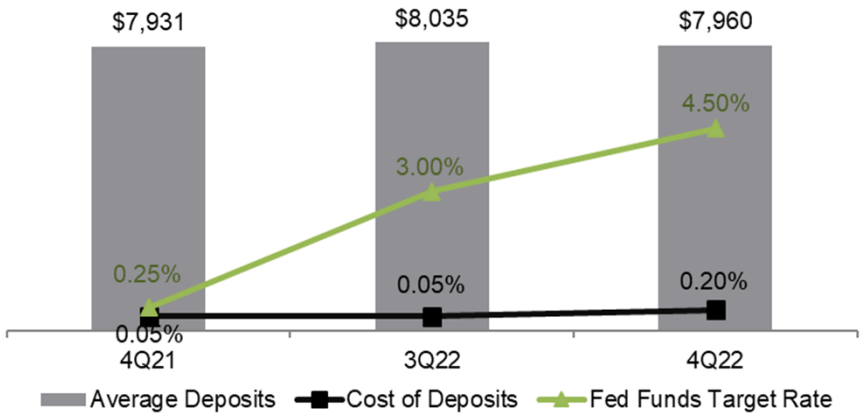
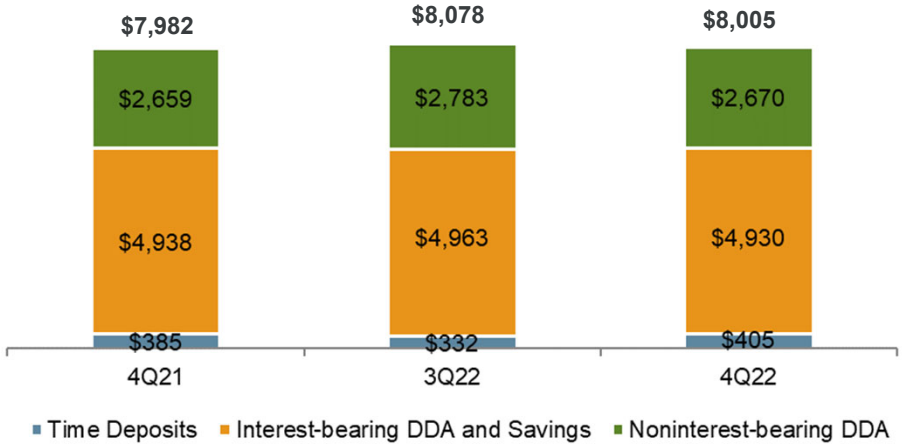
$ in millions
(1) Includes loans held for sale
(2) Taxable equivalent yield
(3) Includes $79.7 million and $43.8 million Equipment Finance Loans in 4Q22 and 3Q22, respectively

DEPOSITS

Average Deposits



Period-end Deposits



Average

- Average deposits decreased $75.2 million, or 3.7% annualized from LQ
- Average interest-bearing demand and savings deposits decreased $68.0 million, partially offset by a $9.4 million increase in time deposits
- The total cost of deposits of 20bps increased 15bps from LQ

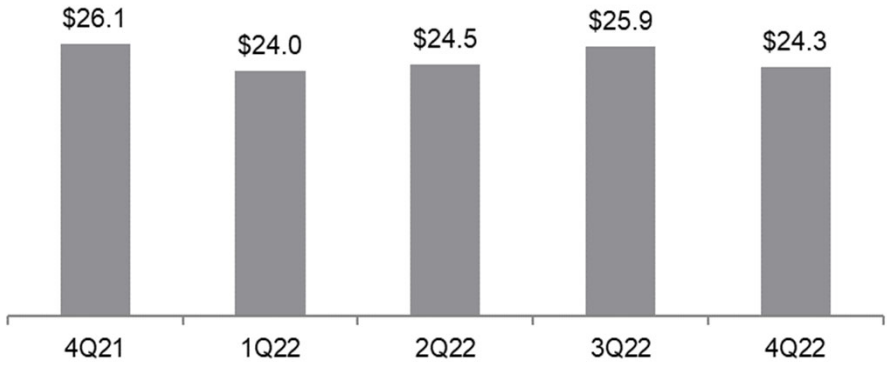
Period-end

- Total period-end deposits decreased $72.2 million, or 3.5% annualized from LQ
- Noninterest-bearing deposits currently comprise 33.4% of total deposits

$ in millions

NONINTEREST INCOME

	4Q22	3Q22	4Q21	Change from 3Q22	Change from 4Q21
Interchange	$7.0	$7.0	$7.1	*$0.0*	*($0.1)*
Service charges	4.9	5.2	4.9	*(0.3)*	*0.0*
Trust	2.5	2.8	2.8	*(0.3)*	*(0.3)*
Retail brokerage	1.2	1.0	1.2	*0.2*	*0.0*
Insurance	0.9	1.0	1.0	*(0.1)*	*(0.1)*
BOLI	1.1	1.4	1.5	*(0.3)*	*(0.4)*
Gain on sale of mortgage loans	0.9	1.5	1.8	*(0.6)*	*(0.9)*
Gain on sale of SBA loans	1.1	1.1	1.7	*0.0*	*(0.6)*
Gain on sale of Assets	0.4	0.0	0.2	*0.4*	*0.2*
SWAP fees	0.7	2.3	0.8	*(1.6)*	*(0.1)*
Other fees	3.6	2.6	2.1	*1.0*	*1.5*
Total fee income	**$24.3**	**$25.9**	**$25.1**	***($1.6)***	***($0.8)***
Gain on sale of securities	0.0	0.0	0.0	*0.0*	*0.0*
Derivative mark-to-market	0.0	0.0	1.0	*0.0*	*(1.0)*
Total noninterest income	**$24.3**	**$25.9**	**$26.1**	***($1.6)***	***($1.8)***

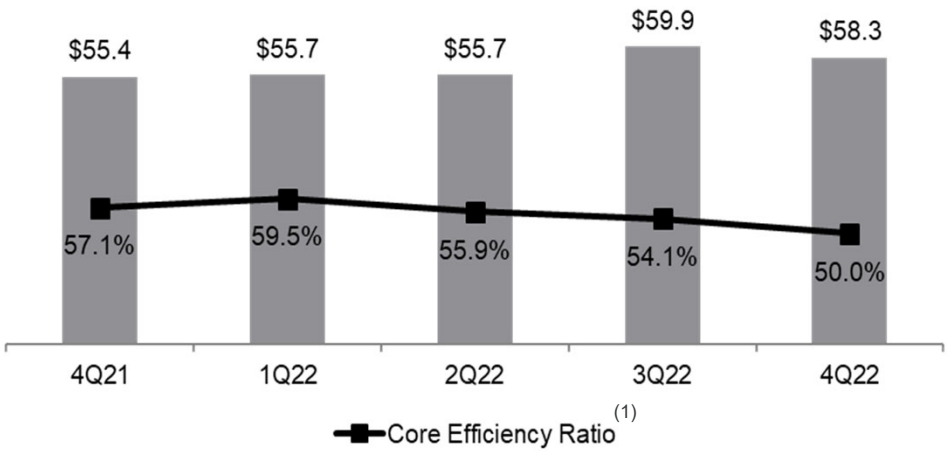


- Total noninterest income decreased $1.6 million from LQ and decreased $1.8 million YoY
- Swap fee income decreased $1.6 million from LQ and remained flat YoY
- Gain on sale of mortgage loans decreased $0.6 million from LQ and decreased $0.9 million YoY
  - 4Q22 mortgage originations of $81 million decreased $28 million from LQ and decreased $83 million YoY
- Fee income represented 21.6% of total operating revenue(1)

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

NONINTEREST EXPENSE

	3Q22	3Q22	4Q21	Change from 3Q22	Change from 4Q21
Salaries and benefits	$31.7	$32.4	$31.4	*($0.7)*	*$0.3*
Occupancy	4.5	4.6	4.0	*(0.1)*	*0.5*
Furniture and equipment	4.0	4.0	3.8	*0.0*	*0.2*
PA shares tax	1.0	1.6	1.3	*(0.6)*	*(0.3)*
Data processing	3.5	3.7	2.9	*(0.2)*	*0.6*
Professional fees	1.3	1.2	1.4	*0.1*	*(0.1)*
FDIC insurance	0.7	0.8	0.6	*(0.1)*	*0.1*
Operational losses	0.8	0.8	0.7	*0.0*	*0.1*
Loss on sale or write-down of assets	0.1	0.1	0.1	*0.0*	*0.0*
Other operating expenses	8.7	9.5	8.4	*(0.8)*	*0.3*
Total operating expense	**$56.3**	**$58.7**	**$54.6**	***($2.4)***	***$1.7***
Intangible amortization	0.7	0.7	0.9	*0.0*	*(0.2)*
Covid-19 expenses	0.0	0.0	0.0	*0.0*	*0.0*
Merger Expenses	1.3	0.5	0.0	*0.8*	*1.3*
Branch Consolidation	0.0	0.0	(0.1)	*0.0*	*0.1*
Total noninterest expense	**$58.3**	**$59.9**	**$55.4**	***($1.6)***	***$2.9***

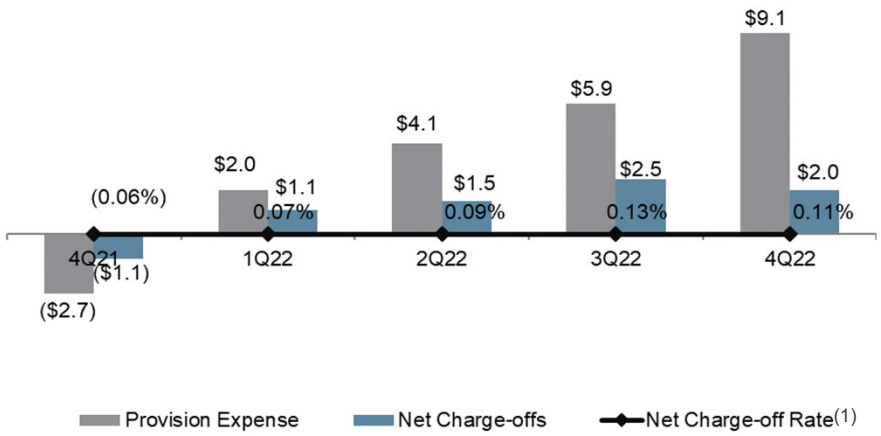


- Total noninterest expense decreased $1.6 million from LQ and increased $2.9 million YoY
- Salaries and benefits decreased $0.7 million from LQ and increased $0.3 million YoY
- PA shares tax decreased $0.6 million from LQ due to tax credits from prior periods
- FTEs of 1,424 was relatively unchanged from LQ

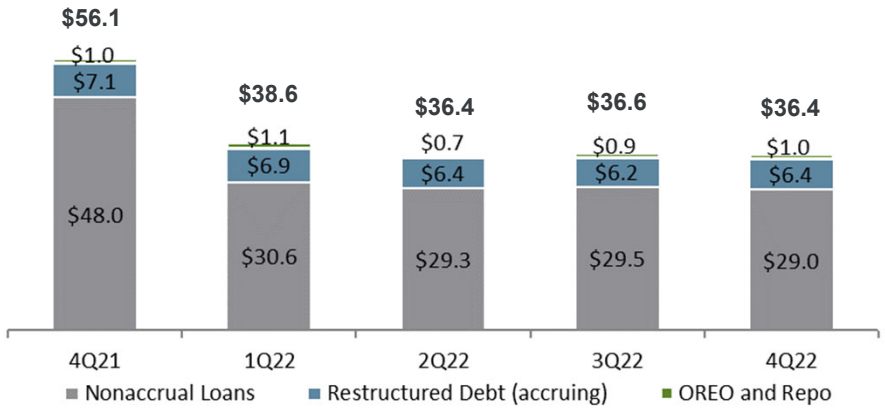
(1) Please refer to the appendix for disclosures regarding non-GAAP measures

CREDIT QUALITY

Provision Expense and Net Charge-offs



Nonperforming Assets

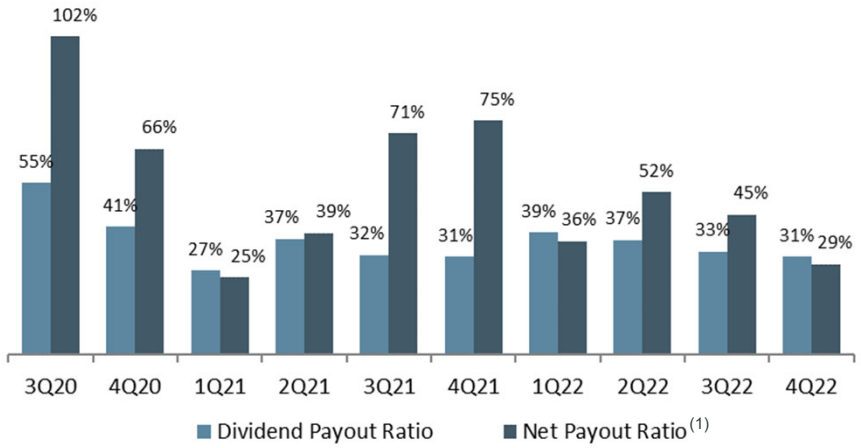


- Provision expense of $9.1 million increased $3.2 million from LQ and increased $11.8 million YoY
  - Strong loan growth drove a $4.6 million of the increase in the allowance for credit losses
  - Additional reserves due to the forecasted unemployment rate, GDP forecast, and changes in estimated prepayment speeds increased $3.6 million
  - The allowance for credit losses as a percentage of end-of-period loans was 1.35%, which is an increase of 4bps from LQ
- Nonperforming loans of $35.5 million decreased $0.2 million to LQ and decreased $19.7 million YoY

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

CAPITAL RETURN

Payout Ratios



- Strong capital levels allow us to continue to return capital to shareholders
- On April 25, 2022, the Board of Directors authorized a 4.3% increase in the quarterly cash dividend to shareholders
- There were no shares repurchased during 4Q22 due to the pending acquisition of Centric Bank
- $5.9 million of repurchase authority remains under the current share repurchase program as of December 31, 2022

(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	4Q22	3Q22	2Q22	1Q22	4Q21
Net Interest Income	$88.0	$82.4	$73.7	$68.2	$70.2
Tax equivalent adjustment	0.3	0.2	0.2	0.2	0.3
Net Interest Income (FTE)	88.3	82.6	73.9	68.4	70.5
Noninterest Income (Reported)	24.3	25.9	24.5	24.0	26.1
Less: Realized gains / (losses) on securities	0.0	0.0	0.0	0.0	0.0
Less: Derivative mark-to-market	0.0	0.0	0.0	0.4	1.0
Total Noninterest Income (Operating)	$24.3	$25.9	$24.5	$23.6	$25.1
Total Operating Revenue	$112.6	$108.5	$98.4	$92.0	$95.6
Average Assets	9,641	9,534	9,600	9,525	9,487
Operating Revenue / Average Assets (%)	**4.67%**	**4.55%**	**4.10%**	**3.86%**	**4.03%**

Operating Expense	4Q22	3Q22	2Q22	1Q22	4Q21
Noninterest Expense	$58.3	$59.9	$55.7	$55.7	$55.4
Less: Intangible amortization	0.7	0.7	0.9	0.9	0.9
Less: COVID-19	0.0	0.0	0.1	0.0	0.0
Less: Branch Consolidation	0.0	0.0	(0.2)	0.1	(0.1)
Less: Merger and acquisition related	1.3	0.5	0.0	0.0	0.0
Total Operating Expense	$56.3	$58.7	$54.9	$54.7	$54.6
Average Assets	9,641	9,534	9,600	9,525	9,487
Operating Expense / Average Assets (%)	**2.34%**	**2.46%**	**2.29%**	**2.30%**	**2.30%**
Core Efficiency Ratio[(1)]	**50.0%**	**54.1%**	**55.9%**	**59.5%**	**57.1%**
Core Pre-tax Pre-Provision Net Income (Reported)	**$55.3**	**$48.9**	**$42.4**	**$36.5**	**$40.9**
Average Diluted Shares Outstanding	93.5	93.5	94.2	94.3	95.0
Core Pre-tax Pre-Provision Net Income per share	$0.59	$0.52	$0.45	$0.39	$0.43
Average Assets	$9,641	$9,534	$9,600	$9,525	$9,487
Core Pre-tax Pre-Provision Income / Average Assets (%)	2.28%	2.03%	1.77%	1.55%	1.71%

$ 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	4Q22	3Q22	2Q22	1Q22	4Q21
Net Income (GAAP) *(after tax)*	$35.7	$34.0	$30.8	$27.7	$34.8
Less: Covid-19 related *(after tax)*	0.0	0.0	0.0	0.0	0.0
Less: Merger and acquisition related *(after tax)*	1.0	0.4	0.0	0.0	0.0
Less: Branch Consolidation *(after tax)*	0.0	0.0	(0.2)	0.1	(0.1)
Core Net Income (Non-GAAP)	**$36.7**	**$34.4**	**$30.6**	**$27.8**	**$34.7**
Average Diluted Shares Outstanding	93.5	93.5	94.2	94.3	95.0
Core Earnings per Share (Non-GAAP)	**$0.39**	**$0.37**	**$0.33**	**$0.29**	**$0.37**

Core Return on Average Assets (%)	4Q22	3Q22	2Q22	1Q22	4Q21
Net Income (GAAP)	$35.7	$34.0	$30.8	$27.7	$34.8
Less: Covid-19 related (after tax)	0.0	0.0	0.0	0.0	0.0
Less: Merger and acquisition related *(after tax)*	1.0	0.4	0.0	0.0	0.0
Less: Branch Consolidation *(after tax)*	0.0	0.0	(0.2)	0.1	(0.1)
Core Net Income (Non-GAAP)	**$36.7**	**$34.4**	**$30.6**	**$27.8**	**$34.7**
Average Assets	9,641	9,534	9,600	9,525	9,487
Core Return on Average Assets (Non-GAAP)	**1.51%**	**1.43%**	**1.28%**	**1.18%**	**1.45%**
Core Pre-tax Pre-Provision Net Income	**$55.3**	**$48.9**	**$42.4**	**$36.5**	**$40.9**
Core Pre-tax Pre-Provision Income / Average Assets (%)	**2.28%**	**2.03%**	**1.77%**	**1.56%**	**1.71%**

$ 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 (%)	4Q22	3Q22	2Q22	1Q22	4Q21
Average Equity	$1,041	$1,063	$1,064	$1,107	$1,117
Less: Average intangible assets	314	314	314	314	315
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$727	$749	$750	$793	$802
Net Income (GAAP)	$35.7	$34.0	$30.8	$27.7	$34.8
Less: Intangible amortization *(after tax)*	0.6	0.6	0.7	0.7	0.7
Net Income Adjusted for Intangible Amortization (Non-GAAP)	$36.3	$34.6	$31.5	$28.4	$35.5
Return on Average Tangible Common Equity	**19.8%**	**18.3%**	**16.8%**	**14.5%**	**17.6%**

Core Return on Average Tangible Common Equity (%)	4Q22	3Q22	2Q22	1Q22	4Q21
Average Equity	$1,041	$1,063	$1,064	$1,107	$1,117
Less: Average intangible assets	314	314	314	314	315
Less: Average preferred stock	0	0	0	0	0
Average Tangible Common Equity	$727	$749	$750	$793	$802
Net Income (GAAP)	$35.7	$34.0	$30.8	$27.7	$34.8
Less: Covid-19 related (after tax)	0.0	0.0	0.0	0.0	0.0
Less: Merger and acquisition related *(after tax)*	1.0	0.4	0.0	0.0	0.0
Less: Branch Consolidation *(after tax)*	0.0	0.0	(0.2)	0.1	(0.1)
Core Net Income (Non-GAAP)	$36.7	$34.4	$30.6	$27.8	$34.7
Less: Intangible amortization *(after tax)*	0.5	0.5	0.7	0.7	0.7
Core Net Income Adjusted for Intangible Amortization (Non-GAAP)	$37.2	$34.9	$31.3	$28.5	$35.4
Core Return on Average Tangible Common Equity	**20.3%**	**18.5%**	**16.8%**	**14.6%**	**17.6%**

$ 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

Core Net Interest Margin (%)	4Q22	3Q22	2Q22	1Q22	4Q21
Net Interest Income (FTE)	$88.3	$82.6	$73.9	$68.4	$70.5
Less: Income from Paycheck Protection Program Loans	0.0	(0.3)	(0.6)	(1.8)	(4.1)
Less: Income from excess cash	(0.3)	(0.5)	(0.6)	0.0	0.0
Core Net Interest Income (FTE)	**$88.0**	**$81.8**	**$72.7**	**$66.6**	**$66.4**
Average Interest Earning Assets	$8,778	$8,708	$8,770	$8,703	$8,671
Less: Paycheck Protection Program Loans	(5)	(7)	(20)	(51)	(112)
Less: Excess cash	(27)	(100)	(325)	(278)	(241)
Core Average Interest Earning Assets	**$8,746**	**$8,601**	**$8,425**	**$8,374**	**$8,318**
Core Net Interest Margin (Non-GAAP)	**3.99%**	**3.77%**	**3.46%**	**3.22%**	**3.17%**

Tangible Common Equity / Tangible Assets (Tangible Common Equity Ratio)	4Q22	3Q22	2Q22	1Q22	4Q21
Total Equity	$1,052	$1,023	$1,049	$1,068	$1,109
Less: Intangible assets	313	313	313	314	315
Less: Preferred stock	0	0	0	0	0
Tangible Common Equity	$739	$710	$736	$754	$794
Total Assets	$9,806	$9,579	$9,526	$9,642	$9,545
Less: Intangible assets	313	313	313	314	315
Tangible Assets	$9,493	$9,266	$9,213	$9,328	$9,230
Tangible Common Equity / Tangible Assets	**7.8%**	**7.7%**	**8.0%**	**8.1%**	**8.6%**
Tangible Assets	$9,493	$9,266	$9,213	$9,328	$9,230
Paycheck Protection Loans	4	5	13	28	71
Tangible Assets (excl. PPP)	$9,489	$9,261	$9,200	$9,300	$9,159
Tangible Common Equity / Tangible Assets (excl. PPP)	**7.8%**	**7.7%**	**8.0%**	**8.1%**	**8.7%**
Tangible Common Equity	$739	$710	$736	$754	$794
Less: Accumulated Other Comprehensive Income (AOCI)	(138)	(143)	(97)	(68)	(9)
Tangible Common Equity (excl. AOCI)	$877	$853	$833	$822	$803
Tangible Common Equity / Tangible Assets (excl. AOCI)	**9.2%**	**9.2%**	**9.0%**	**8.8%**	**8.7%**
Tangible Common Equity / Tangible Assets (excl. AOCI and PPP)	**9.2%**	**9.2%**	**9.1%**	**8.8%**	**8.8%**

$ 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.