UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file Number 001-11138

FIRST COMMONWEALTH FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA	25-1428528
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
601 PHILADELPHIA STREET INDIANA, PA	15701
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (724) 349-7220

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
COMMON STOCK, $1 PAR VALUE	FCF	NEW YORK STOCK EXCHANGE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common stock, par value $1 per share, held by non-affiliates of the registrant (based upon the closing sale price on June 30, 2025) was approximately $1,674,644,899.

The number of shares outstanding of the registrant's common stock, $1.00 Par Value as of February 27, 2026, was 102,143,230.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the annual meeting of shareholders to be held April 28, 2026 are incorporated by reference into Part III.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K that are not statements of historical fact constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"), notwithstanding that such statements are not specifically identified as such. In addition, certain statements may be contained in our future filings with the Securities and Exchange Commission, in press releases, and in oral and written statements made by us or with our approval that are not statements of historical fact and constitute forward-looking statements within the meaning of the Reform Act. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, the payment or nonpayment of dividends, capital structure and other financial items; (ii) statements of plans, objectives and expectations of First Commonwealth or its management or Board of Directors, including those relating to products, services or operations; (iii) statements of future economic performance or interest rates; and (iv) statements of assumptions underlying such statements. Words such as "believe," "anticipate," "expect," "intend," "plan," "estimate," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may," are intended to identify forward-looking statements. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to:

- The effects of and changes in trade and monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve Board and the implementation of tariffs and other protectionist trade policies.
- Inflation, interest rate, securities market and monetary fluctuations.
- Changes in the financial performance and/or condition of our borrowers.
- Local, regional, national and international economic conditions and the impact they may have on us and our customers and our assessment of that impact.
- Volatility and disruption in national and international financial markets.
- Changes in consumer spending, borrowings and savings habits.
- Changes in the competitive environment in our markets and among banking organizations and other financial service providers.
- Government intervention in the U.S. financial system.
- Changes in the mix of loan geographies, sectors and types or the level of non-performing assets and charge-offs.
- The effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which we and our subsidiaries must comply.
- The soundness of other financial institutions.
- Political instability.
- Impairment of our 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.
- Technological changes.
- The cost and effects of cyber incidents or other failures, interruption or security breaches of our systems or those of third-party providers.
- Acquisitions and integration of acquired businesses.
- Our ability to increase market share and control expenses.
- Our ability to attract and retain qualified employees.
- 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.
- Changes in the reliability of our vendors, internal control systems or information systems.
- Changes in our liquidity position.
- Changes in our organization, compensation and benefit plans.
- 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.
- Greater than expected costs or difficulties related to the integration of new products and lines of business.
- Our success at managing the risks involved in the foregoing items.

Forward-looking statements speak only as of the date on which such statements are made. We do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. Business

Overview

First Commonwealth Financial Corporation (“First Commonwealth,” the “Company” or “we”) is a financial holding company headquartered in Indiana, Pennsylvania. First Commonwealth's operating subsidiaries include First Commonwealth Bank ("FCB" or the "Bank"), First Commonwealth Insurance Agency, Inc. ("FCIA") and FRAMAL. We provide a diversified array of consumer and commercial banking services through our bank subsidiary, FCB. We also provide trust and wealth management services through FCB and offer insurance products through FCIA. At December 31, 2025, we had total assets of $12.3 billion, total loans of $9.8 billion, total deposits of $10.3 billion and shareholders’ equity of $1.6 billion. Our principal executive office is located at 601 Philadelphia Street, Indiana, Pennsylvania 15701, and our telephone number is (724) 349-7220.

FCB is a Pennsylvania bank and trust company. At December 31, 2025, the Bank operated 126 community banking offices in 30 counties throughout western and central Pennsylvania and throughout Ohio, as well as commercial lending operations in Business Centers in Canfield, Canton, Hudson, Independence and Lewis Center, Ohio and Pittsburgh and Berwyn Pennsylvania. The Bank also operates a network of 132 automated teller machines, or ATMs, at various branch offices and offsite locations. All of our ATMs are part of the NYCE and MasterCard/Cirrus networks, both of which operate nationwide. The Bank is also a member of the Allpoint ATM network, which allows surcharge-free access to over 55,000 ATMs and the “Freedom ATM Alliance,” which affords cardholders surcharge-free access to a network of over 350 ATMs in over 50 counties in Pennsylvania, Maryland, New York, and Ohio.

Historical and Recent Developments

FCB began in 1934 as First National Bank of Indiana. First National Bank of Indiana changed its name to National Bank of the Commonwealth in 1971 and became a subsidiary of First Commonwealth in 1983.

Since the formation of the holding company in 1983, we have grown steadily through the acquisition of smaller banks and thrifts in our market area, including Deposit Bank in 1984, Dale National Bank and First National Bank of Leechburg in 1985, Citizens National Bank of Windber in 1986, Peoples Bank and Trust Company in 1990, Central Bank in 1992, Peoples Bank of Western Pennsylvania in 1993, and Unitas National Bank and Reliable Savings Bank in 1994. In 1995, we merged all of our banking subsidiaries (other than Reliable Savings Bank) into Deposit Bank and renamed the resulting institution “First Commonwealth Bank.” We then merged Reliable Savings Bank into FCB in 1997. We acquired Southwest Bank in 1998 and merged it into FCB in 2002.

We expanded our presence in the Pittsburgh market through the acquisitions of Pittsburgh Savings Bank (dba BankPittsburgh) in 2003, Great American Federal in 2004 and Laurel Savings Bank in 2006. These acquisitions added 27 branches in Allegheny and Butler Counties.

In 2015, we expanded into central Ohio through the acquisition of First Community Bank with four branches in the Columbus area. In 2016, we acquired 13 branches from FirstMerit Bank, National Association, in Canton-Massillon and Ashtabula, Ohio and in 2017, we acquired DCB Financial Corp., and its banking subsidiary The Delaware County Bank and Trust Company with nine full-service banking offices in the Columbus, Ohio MSA. In 2018, we acquired Garfield Acquisition Corp., and its banking subsidiary Foundation Bank with five full-service banking offices in the Cincinnati, Ohio area. Additionally, since 2014, we have expanded our presence in the Ohio market by opening a corporate loan production office in Columbus, Canton and Cleveland, Ohio, and mortgage loan offices in Hudson, Canfield and Lewis Center, Ohio.

In 2019, we expanded our Pennsylvania markets into State College, Lock Haven, Williamsport and Lewisburg through the acquisition of 14 branches from Santander Bank, N.A.

In January 2023, we acquired Centric Financial Corporation ("Centric") and its banking subsidiary Centric Bank, which operated branches located in the Harrisburg and Lancaster markets.

In April 2025, we acquired CenterGroup Financial Inc. ("Center") and its banking subsidiary, CenterBank, which operated three full-service branches, a loan production office and a mortgage office in the Cincinnati market.

We have also focused on organic growth, improving the reach of our franchise and the breadth of our product offering.

In the first quarter of 2022, we entered the equipment leasing and finance business with a division based in the suburban Philadelphia area.

Our operating objectives include expansion, diversification within our markets, growth of our fee-based income, and growth organically and through acquisitions of financial institutions, branches, and financial services businesses. We generally seek merger or acquisition partners that are culturally similar, have experienced management and possess either significant market presence or have potential for improved profitability through financial management, economies of scale and expanded services. We regularly evaluate merger and acquisition opportunities and, from time to time, conduct due diligence activities related to possible transactions with other financial institutions and financial services companies. As a result, merger or acquisition discussions and, in some cases, negotiations, may take place and future merger acquisitions involving cash, debt or equity securities may occur. Acquisitions typically involve the payment of a premium over book and market values, and, therefore, some dilution of First Commonwealth's tangible book value and net income per common share may occur in connection with any future transaction. Our ability to engage in certain merger or acquisition transactions, whether or not any regulatory approval is required, will be dependent upon our bank regulators' views at the time as to our capital levels, quality of management and our overall condition and their assessment of a variety of other factors. Certain merger or acquisition transactions, including those involving the acquisition of a depository institution or the assumption of the deposits of any depository institution, require formal approval from various bank regulatory authorities, which will be subject to a variety of factors and considerations.

Loan Portfolio

The Company's loan portfolio includes several categories of loans that are discussed in detail below.

Commercial, Financial, Agricultural and Other

Commercial, financial, agricultural and other loans represent term loans used to acquire business assets or revolving lines of credit used to finance working capital. These loans are generally secured by a first lien position on the borrower's business assets as a secondary source of repayment. The type and amount of the collateral varies depending on the amount and terms of the loan, but generally may include accounts receivable, inventory, equipment or other assets. Loans also may be supported by personal guarantees from the principals of the commercial loan borrowers.

Commercial loans are underwritten for credit-worthiness based on the borrowers' financial information, cash flow, net worth, prior loan performance, existing debt levels, type of business and the industry in which it operates. Advance rates on commercial loans are generally collateral-dependent and are determined based on the type of equipment, the mix of inventory and the quality of receivables.

Credit risk for commercial loans can arise from a borrower's inability or unwillingness to repay the loan, and in the case of secured loans, from a shortfall in the collateral value in relation to the outstanding loan balance in the event of a default and subsequent liquidation of collateral. The Company's Credit Policy establishes loan concentration limits by borrower, geography and industry.

Commercial Real Estate

Commercial real estate loans represent term loans secured by owner-occupied and non-owner occupied properties. Commercial real estate loans are underwritten based on an evaluation of each borrower's cash flow as the principal source of loan repayment, and are generally secured by a first lien on the property as a secondary source of repayment. Our underwriting process for non-owner occupied properties evaluates the history of occupancy, quality of tenants, lease terms, operating expenses and cash flow. Commercial real estate loans are subject to the same credit evaluation as previously described for commercial loans. Approximately 24%, by principal amount, of our commercial real estate loans involve owner-occupied properties.

For loans secured by commercial real estate, at origination the Company obtains current and independent appraisals from licensed or certified appraisers to assess the value of the underlying collateral. The Company's general policy for commercial real estate loans is to limit the terms of the loans to not more than seven years with loan-to-value ratios not exceeding 80% on owner-occupied and income producing properties. For non-owner occupied commercial real estate loans, the loan terms are generally aligned with the property's lease terms and are generally underwritten with a loan-to-value ratio not exceeding 75%.

Credit risk for commercial real estate loans can arise from economic conditions that could impact market demand, rental rates, property vacancy rates and declines in the collateral value in relation to the outstanding loan balance in the event of a default and subsequent liquidation of collateral.

Real Estate Construction

Real estate construction represents financing for real estate development. The underwriting process for these loans is designed to confirm that the project will be economically feasible and financially viable upon completion and is generally conducted as though the Company would be providing permanent financing for the project. Development and construction loans are secured by the properties under development or construction, and personal guarantees are typically obtained as a secondary repayment source. The Company considers the financial condition and reputation of the borrower and any guarantors and generally requires a global cash flow analysis in order to assess the overall financial position of the developer.

Construction loans to residential builders are generally made for the construction of residential homes for which a binding sales contract exists and for which the prospective buyers have been pre-qualified for permanent mortgage financing by either third-party lenders or the Company. These loans are generally for a period of time sufficient to complete construction.

Residential construction loans to individuals generally provide for the payment of interest only during the construction phase. At the end of the construction phase, substantially all of our loans automatically convert to permanent mortgage loans and can either be retained in our loan portfolio or sold on the secondary market.

Credit risk for real estate construction loans can arise from construction delays, cost overruns, failure of the contractor to complete the project to specifications and economic conditions that could impact demand for or supply of the property being constructed.

Residential Real Estate

Residential real estate loans include first lien mortgages used by the borrower to purchase or refinance a principal residence and home equity loans and lines of credit secured by residential real estate. The Company's underwriting process for these loans determines credit-worthiness based upon debt-to-income ratios, collateral values and other relevant factors.

Credit risk for residential real estate loans can arise from a borrower's inability or unwillingness to repay the loan or a shortfall in the value of the residential real estate in relation to the outstanding loan balance in the event of a default and subsequent liquidation of the real estate collateral.

The residential real estate portfolio includes both conforming and non-conforming mortgage loans. Conforming mortgage loans represent loans originated in accordance with underwriting standards set forth by the government-sponsored entities, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Government National Mortgage Association, which serve as the primary purchasers of loans sold in the secondary mortgage market by mortgage lenders. These loans are generally collateralized by one-to-four-family residential real estate, have loan-to-collateral value ratios of 80% or less (or have mortgage insurance to insure down to 80%), and are made to borrowers in good credit standing. Non-conforming mortgage loans represent loans that generally are not saleable in the secondary market to the government-sponsored entities due to factors such as the credit characteristics of the borrower, the underlying documentation, the loan-to-value ratio, or the size of the loan. The Company does not offer "subprime," "interest-only" or "negative amortization" mortgages.

Home equity lines of credit and other home equity loans are originated by the Company for typically up to 90% of the appraised value, less the amount of any existing prior liens on the property. Additionally, the Company's credit policy requires borrower FICO scores of not less than 680 and a debt-to-income ratio of not more than 45%.

Loans to Individuals

The loans to individuals category includes consumer installment loans, personal lines of credit, consumer credit cards and indirect automobile and recreational vehicle loans. Credit risk for consumer loans can arise from a borrower's inability or unwillingness to repay the loan, and in the case of secured loans, by a shortfall in the value of the collateral in relation to the outstanding loan balance in the event of a default and subsequent liquidation of collateral.

The underwriting criteria for automobile loans generally allows for such loans to be made for up to 100% of the purchase price or the retail value of the vehicle as listed by the National Automobile Dealers Association. The terms of the loan are determined by the age and condition of the collateral, and range from 36 to 84 months. Collision insurance policies are required on all automobile loans. The Company also makes other consumer loans, which may or may not be secured. The terms of secured consumer loans generally depend upon the nature of the underlying collateral. Unsecured consumer loans and consumer credit cards usually do not exceed $25 thousand. Unsecured consumer loans usually have a term of no longer than 36 months.

Deposits

Deposits are our primary source of funds to support our revenue-generating assets. We offer traditional deposit products to businesses and other customers with a variety of rates and terms. Deposits at our bank are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to statutory limits. We price our deposit products with a view to maximizing our share of each customer's financial services business and prudently managing our cost of funds. At December 31, 2025, we held $10.3 billion of total deposits, which consisted of $2.4 billion, or 23%, in non-interest bearing checking accounts, $6.0 billion, or

59%, in interest-bearing checking accounts, money market and savings accounts, and $1.8 billion, or 18%, in CDs and IRAs. At December 31, 2025, uninsured deposits totaled 29% of the total deposit portfolio.

Competition

The banking and financial services industry is extremely competitive in our market area. We face vigorous competition for customers, loans and deposits from many companies, including commercial banks, savings and loan associations, finance companies, credit unions, trust companies, mortgage companies, money market mutual funds, insurance companies, and brokerage and investment firms. Many of these competitors are significantly larger than us, have greater resources, higher lending limits and larger branch systems and offer a wider array of financial services than us. In addition, some of these competitors, such as credit unions, are subject to a lesser degree of regulation or taxation than banks.

Human Capital Resources

Workforce Composition and Demographics

At December 31, 2025, First Commonwealth and its subsidiaries employed 1,522 full-time employees and 55 part-time employees with 741 exempt and 836 non-exempt employees. The average age of the workforce is 44.3 years and the average tenure is 8.0 years. Our workforce is 65% female.

Supporting Inclusion

First Commonwealth fosters an inclusive culture by valuing the diverse backgrounds, life experiences, perspectives, points of view, talents and capabilities of our employees.

Senior leadership, in collaboration with our Regional Community Impact Officers and Community Engagement Manager, play key roles in ensuring the culture thrives. They strengthen connections between the Company and communities it serves, reinforcing commitment to both employees' well-being and meaningful community engagement.

As of December 31, 2025, people of color comprised 9.4% of our workforce. People of color and women comprised 4.4% and 48.8%, respectively, of those in leadership positions (defined by corporate title Assistant Vice President and higher). Women, including one person of color, hold three seats on our Board of Directors.

Talent Attraction and Retention

Our employees are key to the success of delivering our mission as an organization and achieving our financial targets. We are committed to attracting, retaining and promoting top quality talent regardless of race, color, religion, sex (including sexual orientation and pregnancy), national origin, age, disability, marital status, military status, genetic information or any other category protected by federal, state and local laws. We strive to identify and select the best candidates for all open positions based on qualifying factors for each job. We are dedicated to providing a workplace environment and culture for our employees that is inclusive, supportive, and free of any form of discrimination or harassment; rewarding and recognizing our employees based on their individual results and performance; and recognizing and respecting all of the characteristics and differences that make each of our employees unique.

Talent Development

Guided by executive leadership, our Strategic and Inspired Leadership ("SAIL") program serves to strengthen our strategic focus and leadership culture through opportunities for information sharing, collaboration, and learning. Approximately 260 senior and sales leaders participate in forums and regional meetings throughout the year focused on topics like our strategic plan, recruiting and retaining talent, leadership development and employee engagement. In 2025, we held a strategic retreat, where all SAIL leaders came together for leadership sessions, presentations, and networking.

Since 2009, we have supported a mentorship program that is open to all employees. The program provides 1:1 mentorship pairings, group development sessions, along with networking and volunteer opportunities. In 2025, a total of 286 participants participated in the program, including 189 women and 27 people of color.

Within our retail unit, we provide training for entry-level employees to help them achieve success in their role and prepare them for positions of increased opportunity. Leaders are given industry-specific training as well as development opportunities to understand their strengths and improve coaching and execution skills. We invested in the talent development of 34 employees through attendance at banking schools and 48 employees through attendance at banking conferences. Lastly, we invest in an established, industry-specific course library from which all employees benefit.

Our talent strategy prioritizes fostering the development of internal talent and providing career advancement opportunities to our employees. In 2025, we promoted 202 employees, of whom 66% were female and 7% were self-identified people of color.

Our employment turnover for 2025 was 25.9%, which was an increase of 2.5% from 2024 and is within the range of what we have historically experienced.

Compensation and Benefits

At First Commonwealth, we seek to attract, develop, retain and reward the most talented financial professionals in our markets. To do so, we leverage a total rewards strategy that leverages cash and non-cash components. The compensation components of First Commonwealth's total rewards are designed to provide competitive pay that aligns with individual and company performance as well as stakeholder interests.

Employee benefits plans support employees with insurance, retirement and work/life plans. Our health plan is structured with a tiered premium approach in which 26% of plan participants are in the lowest tier and pay a lower monthly premium than the other two higher paying tiers. Our 401k plan offers an employer match on employee contributions of up to 5% of eligible earnings starting in January 2025. We offer a variety of other benefits, including employer paid life insurance and disability plans, a generous paid-time off policy and a wide array of voluntary plan options.

Health and Safety

We continue to prioritize the safety and well-being of our employees, customers, partners and communities through healthy workplace practices and consistent communication reminders and updates.

We support our employees by offering several resources. An employee assistance program connects employees with resources to help them in certain life situations, such as personal counselling, legal services, and adoption.

We partner with a wellness vendor to provide our healthcare members with personal access to their own Health Advisor to coordinate care, and to have free access to nutrition counseling, fitness and financial coaching, mental and emotional health specialists, and condition management services. They receive healthy living emails and resources with helpful wellness tips, success stories, and inspirations to guide them on their own wellness journeys. A Concierge Care program is available to help healthcare members navigate the complexities of healthcare. They work to coordinate care needs with doctors, caregivers and pharmacists. We also offer an interest-free advance up to the healthcare member's deductible and out-of-pocket limits with payroll deduction payback options.

We offer a paid maternity leave benefit that provides ten weeks and our paid parental leave that provides three weeks of fully paid leave for full-time employees with more than one year of service. We also provide a structure for employees with less tenure and for part-time employees. In addition to providing the paid maternity leave for birth mothers, the parental leave is extended to biological, foster, or adoptive mothers or fathers; legal spouses or domestic partners of the birth, foster, or adoptive parent; or appointed legal guardians.

Lastly, our employees support each other through Hearts2Hands, an employee-funded program that provides financial assistance to employees who experience hardships.

Culture and Engagement

Our mission is to improve the financial lives of our neighbors and their businesses. This mission is supported by five core values: accountability, customer focus, integrity, excellence and inclusion. We have additional leadership points that help define how the leaders of our company will lead us forward. We practice a Customer Service Promise of five critical behaviors that we encourage every one of our employees to demonstrate at every customer interaction – internal or external – with the intent of creating an extraordinary customer experience, as measured by our customer satisfaction scores. In 2025, we sustained industry high scores in both Customer Satisfaction Score (91.3) and Net Promoter Score (71.3), exceeding our own targets and industry standards.

We listen and learn from our employees through our annual employee engagement survey. In 2025, 82.5% of our employees completed the annual engagement survey. Our overall rating was aligned with the financial services industry and exceeded all companies that utilize our survey provider in the USA. The survey reflected that employees have fulfillment in working for a community bank and making a difference. They are satisfied with their jobs and First Commonwealth as a whole. We also have two feedback channels, called Better and Better Together, that are always available for employees to share feedback through. These channels encourage employees to submit any suggestions that they have for things we could be doing better or ways we could be working better together between departments. In 2025, we received 221 Better submissions and 22 Better Together submissions, all of which were addressed or acted upon to make us better.

While we teach and practice the cultural belief of working to get better every day, we recognize that there is great value when our achievements are recognized. We are proud of the many recognitions that we were selected for in 2025, including top workplace in the Pittsburgh region for the seventh consecutive year, a top SBA lender in all of our regions, and S&P Global Top 50 Public Banks > $10B and Forbes' lists of Best in State banks and America's Best Banks.

In 2025, First Commonwealth supported our communities with more than $2.1 million in community giving. More than 43% of that giving is Community Reinvestment Act ("CRA") eligible, which means that it is directed to low to moderate income communities where we anticipate it is needed the most.

We provide corporate support for the United Way, including an employee campaign with a dollar-for-dollar company match. In 2025, we set a stretch goal of raising $100,000 in employee donations and we exceeded that goal. When combined with the bank's match, a total of $201,894 was donated to local United Way agencies throughout our footprint.

Our employees volunteered for more than 18 thousand service hours in 2025, which includes a record-high 1,269 financial education hours, a 191% increase over 2024, with 92% of those hours being CRA eligible. We are also proud to host financial education programs for our employees through our Confidence Cash program, now in its 8th year, where employees receive a chance to win randomly selected cash prizes when they complete financial education session. In 2025, we had 567 employees participate, which is an increase of 5% over 2024.

The year 2024 was the second year for our Community Commitment Hours program, which allows for eight hours of paid time off that employees can use toward eligible volunteer opportunities. We had 206 of our employees use 1,146.75 Community Commitment hours, an 18% increase over 2024.

To recognize employees who go above and beyond in their volunteerism and community engagement, we present a quarterly "Golden Tower" award which includes $1,000 for the recipient to give to a charitable organization of their choice.

Supervision and Regulation

The following discussion sets forth the material elements of the regulatory framework applicable to financial holding companies, such as First Commonwealth, and their subsidiaries. The regulatory framework is intended primarily for the protection of depositors, other customers and the federal deposit insurance fund and not for the protection of security holders. The rules governing the regulation of financial institutions and their holding companies are very detailed and technical. Accordingly, the following discussion is general in nature and is not intended to be complete or to describe all the laws and regulations that apply to First Commonwealth and its subsidiaries. A change in applicable statutes, regulations or regulatory policies may have a material adverse effect on our business, financial condition or results of operations.

Bank Holding Company Regulation

First Commonwealth is registered as a financial holding company under the Bank Holding Company Act of 1956, as amended (the "BHC Act"), and is subject to supervision and regulation by the Board of Governors of the Federal Reserve System (the "FRB").

Acquisitions. Under the BHC Act, First Commonwealth is required to obtain the prior approval of the FRB before it can merge or consolidate with any other bank holding company or acquire all or substantially all of the assets of any bank that is not already majority owned by it, or acquire direct or indirect ownership, or control of, any voting shares of any bank that is not already majority owned by it, if after such acquisition it would directly or indirectly own or control more than 5% of the voting shares of such bank. In reviewing applications seeking approval of merger and acquisition transactions, the bank regulatory authorities will consider, among other things, the competitive effect and public benefits of the transactions, the financial (including capital) position of the combined organization, the risks to the stability of the U.S. banking or financial system, the applicant's performance record under CRA and its compliance with fair housing and other consumer protection laws and the effectiveness of the subject organizations in combating money laundering activities.

Banking Holding Company Activities. In general, the BHC Act limits the business of bank holding companies to banking, managing or controlling banks and other activities that the FRB has determined to be so closely related to banking as to be a proper incident thereto. In addition, bank holding companies that qualify and elect to be financial holding companies, such as First Commonwealth, may engage in any activity, or acquire and retain the shares of a company engaged in any activity, that is either (i) financial in nature or incidental to such financial activity or (ii) complementary to a financial activity and does not pose a substantial risk to the safety and soundness of depository institutions or the financial system generally, without in either case the prior approval of the FRB. Activities that are financial in nature include securities underwriting and dealing, insurance agency activities and making merchant banking investments.

To maintain financial holding company status, a financial holding company and all of its depository institution subsidiaries must be well capitalized and well managed. A depository institution subsidiary is considered to be well capitalized if it satisfies the requirements for this status discussed in the section below captioned "Prompt Corrective Action." A depository institution subsidiary is considered well managed if it received a composite rating and management rating of at least satisfactory in its most recent examination. A financial holding company's status will also depend upon maintaining its status as well capitalized and well managed under applicable FRB regulations. If a financial holding company ceases to meet these capital and management requirements, the FRB's regulations provide that the financial holding company must enter into an agreement with the FRB to comply with all applicable capital and management requirements. Until the financial holding company returns to compliance, the FRB may impose limitations or conditions on the conduct of its activities, and the company may not commence any of the broader financial activities permissible for financial holding companies or acquire a company engaged in such financial activities without prior approval of the FRB. If the company does not return to compliance within 180 days, the FRB may require divestiture of the holding company's depository institutions.

In order for a financial holding company to commence any new activity permitted by the BHC Act or to acquire a company engaged in any new activity permitted by the BHC Act, each insured depository institution subsidiary of the financial holding company must have received a rating of at least satisfactory in its most recent CRA performance evaluation.

The FRB has the power to order any bank holding company or its subsidiaries to terminate any activity or to terminate its ownership or control of any subsidiary when the FRB has reasonable grounds to believe that continuation of such activity or such ownership or control constitutes a serious risk to the financial soundness, safety or stability of any bank subsidiary of the bank holding company.

Reporting. Under the BHC Act, First Commonwealth is subject to examination by the FRB and is required to file periodic reports and other information of its operations with the FRB.

Source of Strength Doctrine. FRB policy and federal law require bank holding companies to act as a source of financial and managerial strength to their subsidiary banks. First Commonwealth is expected to commit resources to support FCB, including at times when First Commonwealth may not be in a financial position to provide such resources. Any capital loans by a bank holding company to any of its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary banks. In the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to priority of payment.

Affiliate Transactions. Transactions between FCB, on the one hand, and First Commonwealth Financial Corporation and its other subsidiaries, on the other hand, are regulated under federal banking laws. The Federal Reserve Act imposes quantitative and qualitative requirements and collateral requirements on covered transactions by FCB with, or for the benefit of, its affiliates, and generally requires those transactions to be on terms at least as favorable to FCB as if the transaction were conducted with an unaffiliated third party. Covered transactions are defined by statute to include a loan or extension of credit, as well as a purchase of securities issued by an affiliate, a purchase of assets (unless otherwise exempted by the FRB) from the affiliate, certain derivative transactions that create a credit exposure to an affiliate, the acceptance of securities issued by the affiliate as collateral for a loan, and the issuance of a guarantee, acceptance or letter of credit on behalf of an affiliate. In general, any such transaction by FCB (or its subsidiaries) must be limited to certain thresholds on an individual and aggregate basis and, for credit transactions with any affiliate, must be secured by designated amounts of specified collateral.

SEC Regulations. First Commonwealth is also under the jurisdiction of the Securities and Exchange Commission ("SEC") and various state securities commissions for matters relating to the offer and sale of its securities and is subject to the SEC rules and regulations relating to periodic reporting, proxy solicitation and insider trading.

Bank Regulation

FCB is a state bank chartered under the Pennsylvania Banking Code and is not a member of the FRB. As such, FCB is subject to the supervision of, and is regularly examined by, both the FDIC and the Pennsylvania Department of Banking and Securities and is required to furnish quarterly reports to both agencies. The approval of the Pennsylvania Department of Banking and Securities and the FDIC is also required for FCB to establish additional branch offices or merge with or acquire another banking institution.

Dividends. First Commonwealth is a legal entity separate and distinct from its banking and other subsidiaries. As a bank holding company, First Commonwealth is subject to certain restrictions on its ability to pay dividends under applicable banking laws and regulations. Federal bank regulators are authorized to determine under certain circumstances relating to the financial condition of a bank holding company or a bank that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. In particular, federal bank regulators have stated that paying dividends that deplete a banking organization's capital base to an inadequate level would be an unsafe and unsound banking practice and that banking organizations should generally pay dividends only out of current operating earnings.

A significant portion of our income comes from dividends from our bank, which is also the primary source of our liquidity. In addition to the restrictions discussed above, our bank is subject to limitations under Pennsylvania law regarding the level of dividends that it may pay to us. In general, dividends may be declared and paid only out of accumulated net earnings and may not be declared or paid unless surplus is at least equal to capital. Dividends may not reduce surplus without the prior consent of the Pennsylvania Department of Banking and Securities. FCB has not reduced its surplus through the payment of dividends. As of December 31, 2025, FCB could pay dividends to First Commonwealth of $348.0 million without reducing its capital levels below "well capitalized" levels and without the approval of the Pennsylvania Department of Banking and Securities.

Community Reinvestment. Under CRA a bank has a continuing and affirmative obligation, consistent with its safe and sound operation, to help meet the credit needs of its entire community, including low and moderate income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community, consistent with the CRA. The CRA requires the applicable regulatory agency to assess an institution's record of meeting the credit needs of its community. The CRA requires public disclosure of an institution's CRA rating and requires that the applicable regulatory agency provide a written evaluation of an institution's CRA performance utilizing a four-tiered descriptive rating system. An institution's CRA rating is considered in determining whether to grant charters, branches and other deposit facilities, relocations, mergers, consolidations and acquisitions. Performance that is less than satisfactory may be the basis for denying an application. For its most recent performance evaluation, FCB received a "satisfactory" rating.

In October 2023, the Federal Reserve Board, the FDIC and the Office of the Comptroller of the Currency ("OCC") issued a joint rule to modernize regulations implementing the CRA ("CRA Modernization Rule"). Under the CRA Modernization Rule, the agencies would have evaluated bank performance across the varied activities they conduct and communities in which they operate. This included evaluating lending outside traditional assessment areas generated by the growth of non-branch delivery systems, such as online and mobile banking, branchless banking, and hybrid models. The CRA Modernization Rule adopted a new metrics-based approach to evaluating bank retail lending and community development financing, using benchmarks based on peer and demographic data, and would have clarified eligible CRA activities, such as affordable housing, that are focused on low- and moderate-income, underserved, native, and rural communities. In March 2024, the U.S. District Court for the Northern District of Texas issued an order enjoining the Federal banking agencies from enforcing the CRA Modernization Rule. In July 2025, the Federal banking agencies issued a joint rule proposing to rescind the CRA Modernization Rule and replace it with the prior CRA regulations that were originally adopted by the agencies in 1995. Pending the rescission of the CRA Modernization Rule, the Federal banking agencies are evaluating CRA performance under the 1995 rules.

Consumer Financial Protection. We are subject to a number of federal and state consumer protection laws that extensively govern our relationship with our customers. These laws include the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Truth in Savings Act, the Electronic Fund Transfer Act, the Expedited Funds Availability Act, the Home Mortgage Disclosure Act, the Fair Housing Act, the Real Estate Settlement Procedures Act, the Fair Debt Collection Practices Act, the Service Members Civil Relief Act and these laws' respective state-law counterparts, as well as state usury laws and laws regarding unfair and deceptive acts and practices. These and other federal laws, among other things, require disclosures of the cost of credit and terms of deposit accounts, provide substantive consumer rights, prohibit discrimination in credit transactions, regulate the use of credit report information, provide financial privacy protections, prohibit unfair, deceptive and abusive practices, restrict our ability to raise interest rates and subject us to substantial regulatory oversight. Violations of applicable consumer protection laws can result in significant potential liability from litigation brought by customers, including actual damages, restitution and attorneys' fees. Federal bank regulators, state attorneys general and state and local consumer protection agencies may also seek to enforce consumer protection requirements and obtain these and other remedies, including regulatory sanctions, customer rescission rights, action by the state and local attorneys general in each jurisdiction in which we operate and civil money penalties. Failure to comply with consumer protection requirements may also result in our failure to obtain any required bank regulatory approval for merger or acquisition transactions that we may wish to pursue or our prohibition from engaging in such transactions even if approval is not required.

The Consumer Financial Protection Bureau ("CFPB") has broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws. Although all institutions are subject to rules adopted by the CFPB and examination by the CFPB in conjunction with examinations by the institution's primary federal regulator, the CFPB has primary examination and enforcement authority over institutions with assets of $10 billion or more, including FCB. State authorities are responsible for monitoring our compliance with all state consumer laws. The CFPB has broad rulemaking authority for a wide range of consumer financial laws that apply to all banks, including, among other things, laws relating to fair lending and the authority to prohibit "unfair, deceptive or abusive" acts and practices. Abusive acts or practices are defined as those that materially interfere with a consumer's ability to understand a term or condition of a consumer financial product or service or take unreasonable advantage of a consumer's (i) lack of financial savvy, (ii) inability to protect himself or herself in the selection or use of consumer financial products or services, or (iii) reasonable reliance on a covered entity to act in the consumer's interests. The CFPB can issue cease-and-desist orders against banks and other entities that violate consumer financial laws. The CFPB may also institute a civil action against an entity in violation of federal consumer financial law in order to impose a civil penalty or injunction. The CFPB has examination and enforcement authority over all banks with more than $10 billion in assets, as well as their affiliates. Banking regulators take into account compliance with consumer protection laws when considering approval of a proposed transaction.

In October 2024, the CFPB issued a final rule implementing Section 1033 of the Dodd-Frank Act that would have required a provider of payment accounts or products, such as a bank, to make data available to consumers upon request regarding the products or services they obtain from the provider. The rule was intended to give consumers control over their financial data, including with whom it is shared, and encourage competition in the provision of consumer financial products or services. FCB would have been required to comply with this rule beginning April 1, 2027. In July 2025, at the request of the CFPB, the U.S. District Court for the Eastern District of Kentucky issued an order staying compliance with the rule. In September 2025, the

CFPB published an advanced notice of proposed rulemaking seeking public comments in anticipation of adopting new rules to implement Section 1033.

In December 2024, the CFPB issued a final rule that classified overdrafts as extensions of credit for purposes of the Truth in Lending Act and its implementing regulations (Regulation Z) for banks, including FCB, with total assets greater than $10 billion. The final rule defined overdraft credit as generally including consumer credit extended by a financial institution to pay a transaction from a checking or other transaction account (other than a prepaid account) held at the financial institution when the consumer has insufficient or unavailable funds in that account. The final rule would have required that extensions of overdraft credit adhere to consumer protections required of similarly situated products, unless the overdraft fee is at or below the institution's costs and losses as determined by (i) calculating its own costs and losses using a standard set forth in the rule; or (ii) relying on a benchmark flat fee of five dollars. In May 2025, Congress rescinded the rule pursuant to the Congressional Review Act.

Deposit Insurance. Deposits at FCB are insured up to applicable limits by the FDIC and are subject to deposit insurance assessments to maintain the Deposit Insurance Fund (“DIF”). Deposit insurance assessments are based upon average total assets minus average total equity. The insurance assessments are based upon a matrix that takes into account a bank’s capital level and supervisory rating. The FDIC may terminate deposit insurance upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC. Having crossed the $10 billion asset threshold in 2023, beginning in 2024 our assessment rates are calculated using a scorecard that combines the supervisory risk ratings of the institution with certain forward-looking financial measures. These assessment rates are subject to adjustments based upon the insured depository institution’s ratio of long-term unsecured debt to the assessment base, its ratio of long-term unsecured debt issued by other insured depository institutions to the assessment base, and its ratio of brokered deposits to the assessment base. However, the adjustments based on the ratio of brokered deposits to the assessment base will not apply so long as the institution is well capitalized and has a composite CAMELS rating of 1 or 2. The CAMELS rating system is a bank rating system where bank supervisory authorities rate institutions according to six factors: capital adequacy, asset quality, management quality, earnings, liquidity and sensitivity to market risk. The FDIC may make additional discretionary assessment rate adjustments.

In October 2022, the FDIC adopted a final rule to increase the initial base deposit insurance assessment rate schedules uniformly by two basis points beginning with the first quarterly assessment period of 2023. The increased assessment is expected to improve the likelihood that the DIF reserve ratio would reach the statutory minimum of 1.35% by the statutory deadline prescribed under the FDIC's amended restoration plan.

In November 2023, the FDIC issued a final rule to implement a special assessment to recover losses to the DIF incurred as a result of several bank failures and the FDIC's use of the systemic risk exception to cover certain deposits that were otherwise uninsured. The special assessment was based on estimated uninsured deposits as of December 31, 2022 (excluding the first $5.0 billion) and assessed at a quarterly rate of 3.36 basis points over eight quarterly assessment periods, beginning in the first quarter of 2024. Under the final rule, the estimated loss pursuant to the systemic risk determination will be periodically adjusted, and the FDIC has retained the ability to cease collection early, extend the special assessment collection period and impose a final shortfall special assessment on a one-time basis. In December 2025, the FDIC proposed lowering the assessment rate for the eighth collection quarter from 3.36 to 2.97 basis points to better match updated loss estimates and avoid overcollection. FCB’s uninsured deposits at December 31, 2022 were $2.1 billion; therefore, we are not subject to the special assessment.

Capital Requirements

First Commonwealth and FCB are each required to comply with applicable capital adequacy standards established by the FRB. The current standards are known as the "Basel III Capital Rules." These rules require First Commonwealth and FCB to maintain the following:

- A minimum ratio of Common Equity Tier 1 (“CET1”) to risk-weighted assets of at least 4.5%, plus a 2.5% “capital conservation buffer” (resulting in a minimum ratio of CET1 to risk-weighted assets of 7.0%);
- A minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer (resulting in a minimum Tier 1 capital ratio of 8.5%);
- A minimum ratio of total capital (Tier 1 capital plus Tier 2 capital) to risk-weighted assets of at least 8.0%, plus the capital conservation buffer (resulting in a minimum total capital ratio of 10.5%); and
- A minimum leverage ratio of 4.0%, calculated as the ratio of Tier 1 capital to average consolidated assets as reported on consolidated financial statements (known as the “leverage ratio”).

Banking institutions that fail to meet the effective minimum ratios once the capital conservation buffer is taken into account, as detailed above, will be subject to constraints on capital distributions, including dividends and share repurchases, and certain discretionary executive compensation. The severity of the constraints depends on the amount of the shortfall and the institution's "eligible retained income" (that is, four quarter trailing net income, net of distributions and tax effects not reflected in net income).

The Basel III Capital Rules provide for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing rights, deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks and significant investments in non-consolidated financial entities be deducted from CET1 to the extent that any one such category exceeds 10% of CET1 or all such categories in the aggregate exceed 15% of CET1. During 2015, First Commonwealth and FCB made a one-time permanent election, as permitted under Basel III Capital Rules, to exclude the effects of accumulated other comprehensive income items for the purposes of determining regulatory capital ratios.

With respect to FCB, the Basel III Capital Rules also revise the "prompt corrective action" regulations pursuant to Section 38 of the Federal Deposit Insurance Act, as discussed below under "Prompt Corrective Action." The Basel III Capital Rules prescribe a standardized approach for risk weightings that expand the risk-weighting categories from the general risk-based capital rules to a much larger and more risk-sensitive number of categories, depending on the nature of the assets, generally ranging from 0% for U.S. government and agency securities, to 600% for certain equity exposures, and resulting in higher risk weights for a variety of asset categories.

In August 2022, the Inflation Reduction Act of 2022 (the "IRA") was enacted. Among other things, the IRA imposes a 1% excise tax on the fair market value of stock repurchased after December 31, 2022 by publicly traded U.S. corporations. With certain exceptions, the value of stock repurchased is determined net of stock issued in the year, including shares issued pursuant to compensatory arrangements.

Liquidity Requirements

The Basel III liquidity framework requires banks and bank holding companies to measure their liquidity against specific liquidity tests. One test, referred to as the liquidity coverage ratio ("LCR"), is designed to ensure that the banking entity maintains an adequate level of unencumbered high-quality liquid assets equal to the entity's expected net cash outflow for a 30-day time horizon (or, if greater, 25% of its expected total cash outflow) under an acute liquidity stress scenario. The other test, referred to as the net stable funding ratio ("NSFR"), is designed to promote more medium- and long-term funding of the assets and activities of banking entities over a one-year time horizon. Rules applicable to certain large banking organizations have been implemented for LCR and proposed for NSFR; however, based on our asset size, these rules do not currently apply to First Commonwealth and FCB.

Prompt Corrective Action

The Federal Deposit Insurance Act, as amended ("FDIA"), requires, among other things, the federal banking agencies to take "prompt corrective action" in respect of depository institutions that do not meet minimum capital requirements. The FDIA includes the following five capital tiers: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." A depository institution's capital tier will depend upon how its capital levels compare with various relevant capital measures and certain other factors, as established by regulation. The relevant capital measures are the total capital ratio, the CET1 capital ratio (an additional ratio requirement under the Basel III Capital Rules), the Tier 1 capital ratio and the leverage ratio.

A bank will be (i) "well capitalized" if the institution has a total risk-based capital ratio of 10.0% or greater, a CET1 capital ratio of 6.5% or greater, a Tier 1 risk-based capital ratio of 8.0% or greater, and a leverage ratio of 5.0% or greater, and is not subject to any order or written directive by any such regulatory authority to meet and maintain a specific capital level for any capital measure; (ii) "adequately capitalized" if the institution has a total risk-based capital ratio of 8.0% or greater, a CET1 capital ratio of 4.5% or greater, a Tier 1 risk-based capital ratio of 6.0% or greater, and a leverage ratio of 4.0% or greater and is not "well capitalized"; (iii) "undercapitalized" if the institution has a total risk-based capital ratio that is less than 8.0%, a CET1 capital ratio less than 4.5%, a Tier 1 risk-based capital ratio of less than 6.0% or a leverage ratio of less than 4.0%; (iv) "significantly undercapitalized" if the institution has a total risk-based capital ratio of less than 6.0%, a CET1 capital ratio less than 3.0%, a Tier 1 risk-based capital ratio of less than 4.0% or a leverage ratio of less than 3.0%; and (v) "critically undercapitalized" if the institution's tangible equity is equal to or less than 2.0% of average quarterly tangible assets. An institution may be downgraded to, or deemed to be in, a capital category that is lower than indicated by its capital ratios if it is determined to be in an unsafe or unsound condition or if it receives an unsatisfactory examination rating with respect to certain matters. A bank's capital category is determined solely for the purpose of applying prompt corrective action regulations, and the capital category may not constitute an accurate representation of the bank's overall financial condition or prospects for other purposes.

The FDIA generally prohibits a depository institution from making any capital distributions (including payment of a dividend) or paying any management fee to its parent holding company if the depository institution would thereafter be "undercapitalized." "Undercapitalized" institutions are subject to growth limitations and are required to submit a capital restoration plan. The agencies may not accept such a plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution's capital. In addition, for a capital restoration plan to be acceptable, the depository institution's parent holding company must guarantee that the institution will comply with such capital restoration plan and must also provide appropriate assurances of performance. The aggregate liability of the parent holding company is limited to the lesser of (i) an amount equal to 5.0% of the depository institution's total assets at the time it became undercapitalized and (ii) the amount which is necessary (or would have been necessary) to bring the institution into compliance with all capital standards applicable with respect to such institution as of the time it fails to comply with the plan. If a depository institution fails to submit an acceptable plan, it is treated as if it is "significantly undercapitalized."

In addition, the FDIA prohibits an insured depository institution from accepting brokered deposits or offering interest rates on any deposits significantly higher than the prevailing rate in the bank's normal market area or nationally (depending upon where the deposits are solicited), unless it is well capitalized or is adequately capitalized and receives a waiver from the FDIC. A depository institution that is adequately capitalized and accepts brokered deposits under a waiver from the FDIC may not pay an interest rate on any deposit in excess of 75 basis points over certain prevailing market rates.

"Significantly undercapitalized" depository institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become "adequately capitalized," requirements to reduce total assets, and cessation of receipt of deposits from correspondent banks. "Critically undercapitalized" institutions are subject to the appointment of a receiver or conservator.

The appropriate federal banking agency may, under certain circumstances, reclassify a well-capitalized insured depository institution as adequately capitalized. The FDIA provides that an institution may be reclassified if the appropriate federal banking agency determines (after notice and opportunity for hearing) that the institution is in an unsafe or unsound condition or deems the institution to be engaging in an unsafe or unsound practice.

The appropriate agency is also permitted to require an adequately capitalized or undercapitalized institution to comply with the supervisory provisions as if the institution were in the next lower category (but not treat a significantly undercapitalized institution as critically undercapitalized) based on supervisory information other than the capital levels of the institution.

First Commonwealth believes that, as of December 31, 2025, FCB was a "well-capitalized" bank as defined by the FDIA. See Note 25 "Regulatory Restrictions and Capital Adequacy" of Notes to the Consolidated Financial Statements, contained in Item 8, for a table that provides a comparison of First Commonwealth's and FCB's risk-based capital ratios and the leverage ratio to minimum regulatory requirements.

The Volcker Rule
The Dodd-Frank Act prohibits banks and their affiliates from engaging in proprietary trading and investing in and sponsoring hedge funds and private equity funds (so called "covered funds"). The statutory provision is commonly called the "Volcker Rule." Banks with less than $10 billion in total consolidated assets are exempt from the Volcker Rule. FCB's total assets exceeded $10 billion as of December 31, 2023. FCB was no longer exempt from the Volcker Rule beginning January 1, 2024, however this does not significantly impact our operations, as we do not participate in the businesses prohibited by the Volcker Rule.

Depositor Preference

Under federal law, depositors (including the FDIC with respect to the subrogated claims of insured depositors) and certain claims for administrative expenses of the FDIC as receiver would be afforded a priority over other general unsecured claims against such an institution in the liquidation or other resolution of such an institution by any receiver.

Interchange Fees

Under the Durbin Amendment to the Dodd-Frank Act, the FRB adopted rules establishing standards for assessing whether the interchange fees that may be charged with respect to certain electronic debit transactions are "reasonable and proportional" to the costs incurred by issuers for processing such transactions. Interchange fees, or "swipe" fees, are charges that merchants pay to us and other card-issuing banks for processing electronic payment transactions. Under the final rules, the maximum permissible interchange fee is equal to no more than 21 cents plus 5 basis points of the transaction value for many types of debit interchange transactions. The FRB also adopted a rule to allow a debit card issuer to recover 1 cent per transaction for fraud prevention purposes if the issuer complies with certain fraud-related requirements required by the FRB. The FRB also has rules governing routing and exclusivity that require issuers to offer two unaffiliated networks for routing transactions on each debit or prepaid product. In August 2025, the U.S. District Court for the District of North Dakota ruled to vacate the Federal Reserve's current interchange rule but simultaneously stayed its own order pending appeal to the circuit court. The outcome of this litigation could significantly and adversely affect the fees banks can charge on debit card transactions. In October 2023, the Federal Reserve issued a proposal under which the maximum permissible interchange fee for an electronic debit transaction would be the sum of 14.4 cents per transaction and 4 basis points multiplied by the value of the transaction. Furthermore, the fraud-prevention adjustment would increase from a maximum of 1 cent to 1.3 cents per debit card transaction. The proposal would adopt an approach for future adjustments to the interchange fee cap, which would occur every other year based on issuer cost data gathered by the Federal Reserve from large debit card issuers. The comment period for this proposal ended in May 2024. The extent to which any such proposed changes in permissible interchange fees will impact our future revenues is currently uncertain.

The Dodd-Frank Act contained an exemption from the interchange fee cap for any debit card issuer that, together with its affiliates, has total assets of less than $10 billion as of the end of the previous calendar year. As of December 31, 2023, our total assets exceeded $10.0 billion; therefore, as of July 1, 2024, we no longer qualify for this exemption.

Financial Privacy

The federal banking regulators adopted rules that limit the ability of banks and other financial institutions to disclose non-public information about consumers to nonaffiliated third parties. These limitations require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to a nonaffiliated third party. These regulations affect how consumer information is transmitted through diversified financial companies and conveyed to outside vendors.

Anti-Money Laundering and the USA Patriot Act

A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. The USA PATRIOT Act of 2001 (the “USA Patriot Act”) substantially broadened the scope of United States anti-money laundering laws and regulations by imposing significant new compliance and due diligence obligations, creating new crimes and penalties and expanding the extra-territorial jurisdiction of the United States. Financial institutions are also prohibited from entering into specified financial transactions and account relationships and must use enhanced due diligence procedures in their dealings with certain types of high-risk customers and implement a written customer identification program. Financial institutions must take certain steps to assist government agencies in detecting and preventing money laundering and report certain types of suspicious transactions. Regulatory authorities routinely examine financial institutions for compliance with these obligations, and failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could have serious legal and reputational consequences for the institution, including causing applicable bank regulatory authorities not to approve merger or acquisition transactions when regulatory approval is required or to prohibit such transactions even if approval is not required. Regulatory authorities have imposed cease and desist orders and civil money penalties against institutions found to be violating these obligations.

Office of Foreign Assets Control Regulation

The U.S. Treasury Department’s Office of Foreign Assets Control ("OFAC") administers and enforces economic and trade sanctions against targeted foreign countries and regimes, under authority of various laws, including designated foreign countries, nationals and others. OFAC publishes lists of specially designated targets and countries. First Commonwealth is responsible for, among other things, blocking accounts of, and transactions with, such targets and countries, prohibiting unlicensed trade and financial transactions with them and reporting blocked transactions after their occurrence. Failure to comply with these sanctions could have serious legal and reputational consequences, including causing applicable bank regulatory authorities not to approve merger or acquisition transactions when regulatory approval is required or to prohibit such transactions even if approval is not required.

Incentive Compensation

In June 2010, the Federal Reserve Board, OCC and FDIC issued comprehensive final guidance on incentive compensation policies intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, is based upon the key principles that a banking organization’s incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization’s ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors.

In 2016, the U.S. financial regulators, including the Federal Reserve Board and the SEC, proposed revised rules on incentive-based payment arrangements at specified regulated entities having at least $1 billion in total assets (including First Commonwealth and FCB), but these proposed rules have not been finalized.

In October 2022, the SEC adopted a final rule directing national securities exchanges and associations, including the New York Stock Exchange ("NYSE") to implement listing standards that require listed companies to adopt policies mandating the recovery or "clawback" of excess incentive-based compensation earned by a current or former executive officer during the three fiscal years preceding the date the listed company is required to prepare an accounting restatement, including to correct an error that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The NYSE's listing standards pursuant to the SEC's rule became effective on October 2, 2023. We adopted a compensation recovery policy pursuant to the NYSE listing standards on October 24, 2023. The policy is included as Exhibit 97.1 to this Form 10-K.

Cybersecurity

In March 2015, federal regulators issued two related statements regarding cybersecurity. One statement indicates that financial institutions should design multiple layers of security controls to establish lines of defense and to ensure that their risk management processes also address the risk posed by compromised customer credentials, including security measures to reliably authenticate customers accessing internet-based services of the financial institution. The other statement indicates that a financial institution's management is expected to maintain sufficient business continuity planning processes to ensure the rapid recovery, resumption and maintenance of the institution's operations after a cyber-attack involving destructive malware. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations and address rebuilding network capabilities and restoring data if the institution or its critical service providers fall victim to this type of cyber-attack. If we fail to observe the regulatory guidance, we could be subject to various regulatory sanctions, including financial penalties.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states have adopted regulations requiring certain financial institutions to implement cybersecurity programs and provide detailed requirements with respect to these programs, including data encryption requirements. Many states have also recently implemented or modified their data breach notification and data privacy requirements. We expect this trend of state-level activity in those areas to continue, and are continually monitoring developments in the states in which our customers are located.

In the ordinary course of business, we rely on electronic communications and information systems to conduct our operations and to store sensitive data. We employ an in-depth, layered, defensive approach that leverages people, processes and technology to manage and maintain cybersecurity controls. We employ a variety of preventative and detective tools to monitor, block, and provide alerts regarding suspicious activity, as well as to report on any suspected advanced persistent threats. Notwithstanding the strength of our defensive measures, the threat from cyber-attacks is severe, attacks are sophisticated and increasing in volume, and attackers respond rapidly to changes in defensive measures. While to date we have not experienced a significant compromise, a significant data loss or any material financial losses related to cybersecurity attacks, our systems and those of our customers and third-party service providers are under constant threat and it is possible that we could experience a significant event in the future. Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats, as well as due to the expanding use of internet banking, mobile banking and other technology-based products and services by us and our customers. See Item 1A. Risk Factors for a further discussion of risks related to cybersecurity and Item 1C. Cybersecurity for a further discussion of risk management strategies and governance processes related to cybersecurity.

Climate-Related and Other ESG Developments

In recent years, federal, state and international lawmakers and regulators have increased their focus on financial institutions' and other companies' risk oversight, disclosures and practices in connection with climate change and other environmental, social and governance ("ESG") matters. We will continue to monitor and evaluate the impact of future regulatory actions related to ESG matters.

Future Legislation and Regulation

Congress may enact legislation from time to time that affects the regulation of the financial services industry, and state legislatures may enact legislation from time to time affecting the regulation of financial institutions chartered by or operating in those states. Federal and state regulatory agencies also periodically propose and adopt changes to their regulations or change the manner in which existing regulations are applied. The substance or impact of pending or future legislation or regulation, or the application thereof, cannot be predicted, although enactment of any proposed legislation could impact the regulatory structure under which we operate and may significantly increase our costs, impede the efficiency of our internal business processes, require us to increase our regulatory capital and modify our business strategy, and limit our ability to pursue business opportunities in an efficient manner. Our business, financial condition, results of operations or prospects may be adversely affected, perhaps materially, as a result.

Availability of Financial Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the Securities and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Our SEC filings are also available to the public on the SEC website at www.sec.gov and on our website at www.fcbanking.com.

We also make available on our website, www.fcbanking.com, and in print to any shareholder who requests them, our Corporate Governance Guidelines, the charters for our Audit, Risk, Compensation and Human Resources, and Governance Committees, and the Code of Conduct and Ethics that applies to all of our directors, officers and employees.

Our Chief Executive Officer has certified to the NYSE that, as of the date of the certification, he was not aware of any violation by First Commonwealth of NYSE's corporate governance listing standards. In addition, our Chief Executive Officer and Chief Financial Officer have made certain certifications concerning the information contained in this report pursuant to Section 302 of the Sarbanes-Oxley Act. The Section 302 certifications appear as Exhibits 31.1 and 31.2 to this annual report on Form 10-K.

ITEM 1A. Risk Factors

An investment in our common stock is subject to risks inherent to our business. The material risks and uncertainties that management believes affect us are described below. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this report. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that management is not aware of or focused on, or that management currently deems immaterial, may also impair our business operations. This report is qualified in its entirety by these risk factors. If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the market price of our common stock could decline significantly, and you could lose all or part of your investment.

Risks Related To Our Business

Interest Rate Risks

We Are Subject to Interest Rate Risk

Our earnings and cash flows are largely dependent upon our net interest income. Net interest income is the difference between interest income earned on interest-earning assets (such as loans and securities) and interest expense paid on interest-bearing liabilities (such as deposits and borrowed funds). Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Federal Open Market Committee. Changes in monetary policy, including changes in interest rates, could influence not only the interest we receive on loans and securities and the amount of interest we pay on deposits and borrowings, but such changes could also affect (i) our ability to originate loans and obtain deposits, (ii) the fair value of our financial assets and liabilities, and (iii) the average duration of our mortgage-backed securities portfolio. If the interest rates paid on deposits and other borrowings increase at a faster rate than the interest rates received on loans and other investments, our net interest income, and therefore earnings, could be adversely affected. Earnings could also be adversely affected if the interest rates received on loans and other investments fall more quickly than the interest rates paid on deposits and other borrowings. Any substantial, unexpected, or prolonged change in market interest rates could have a material adverse effect on our business, financial condition and results of operations. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations under the section captioned "Net Interest Income" and Item 7A. Quantitative and Qualitative Disclosures About Market Risk elsewhere in this report for further discussion related to interest rate sensitivity and our management of interest rate risk.

Credit and Lending Risks

We Are Subject to Lending Risk

There are inherent risks associated with our lending activities. These risks include, among other things, the impact of changes in interest rates and changes in the economic conditions in the markets where we operate, as well as those across the United States.

Increases in interest rates and/or weakening economic conditions could adversely impact the ability of borrowers to repay outstanding loans or the value of the collateral securing these loans.

Our Allowance for Credit Losses may be Insufficient

All borrowers carry the potential to default and our remedies to recover may not fully satisfy money previously loaned. We maintain an allowance for credit losses, which represents management's best estimate of credit losses within the existing portfolio of loans. The allowance, in the judgment of management, is appropriate to reserve for estimated loan losses and risks inherent in the loan portfolio. The level of the allowance for credit losses reflects management's continuing evaluation of industry concentrations, specific credit risks, loan loss experience, current loan portfolio quality, present economic conditions and unidentified losses in the current loan portfolio. The determination of the appropriate level of the allowance for credit losses inherently involves a high degree of subjectivity and requires us to make significant estimates of current credit risks using existing qualitative and quantitative information, all of which may undergo material changes. Changes in economic conditions or forecasts, new information regarding existing loans, identification of additional problem loans and other factors, both within and outside of our control, may require an increase in the allowance for credit losses. In addition, bank regulatory agencies periodically review our allowance for credit losses and may require an increase in the provision for credit losses or the recognition of additional loan charge-offs, based on judgments different from those of management. An increase in the allowance for credit losses results in a decrease in net income or losses, and possibly risk-based capital, and may have a material adverse effect on our financial condition and results of operations.

We Are Subject to Risk Arising from Conditions in the Commercial Real Estate Market

As of December 31, 2025, commercial real estate mortgage loans comprised approximately 33% of our loan portfolio. Commercial real estate mortgage loans generally involve a greater degree of credit risk than residential real estate mortgage loans because they typically have larger balances and are more affected by adverse conditions in the economy. Because payments on loans secured by commercial real estate often depend upon the successful operation and management of the properties and the businesses which operate from within them, repayment of such loans may be affected by factors outside the borrower's control, such as adverse conditions in the real estate market or the economy or changes in government regulations. The COVID-19 pandemic was a catalyst for the evolution of various remote work options which could impact the long-term performance of some types of office properties, including those within our commercial real estate portfolio. Accordingly, the federal banking regulatory agencies have expressed concerns about weaknesses in the current commercial real estate market. Failures in our risk management policies, procedures and controls could adversely affect our ability to manage this portfolio going forward and could result in an increased rate of delinquencies in, and increased losses from, this portfolio, which, accordingly, could have a material adverse effect on our business, financial condition and results of operations.

Liquidity Risk

We Are Subject to Liquidity Risk

We require liquidity to meet our deposit and debt obligations as they come due. Our access to funding sources in amounts adequate to finance our activities or on terms that are acceptable to us could be impaired by factors that affect us specifically or the financial services industry or economy generally. Factors that could reduce our access to liquidity sources include a downturn in the economy, difficult credit markets or adverse regulatory actions against us. Our access to deposits may also be affected by the liquidity needs of our depositors. In particular, a substantial majority of our liabilities are demand, savings, interest checking and money market deposits, which are payable on demand or upon several days' notice, while by comparison, a substantial portion of our assets are loans, which cannot be called or sold in the same time frame. Our access to deposits may be negatively impacted by, among other factors, higher interest rates, which could promote increased competition for deposits, including from new financial technology competitors, or provide customers with alternative investment options. Additionally, negative news about us or the banking industry in general could negatively impact market and/or customer perceptions of our company, which could lead to a loss of depositor confidence and an increase in deposit withdrawals, particularly among those with uninsured deposits. Furthermore, the failure of other financial institutions may cause deposit outflows as customers spread deposits among several different banks so as to maximize their amount of FDIC insurance, move deposits to banks deemed "too big to fail" or remove deposits from the banking system entirely. As of December 31, 2025, approximately 29% of our deposits were either uninsured or otherwise unsecured, and we rely on these deposits for liquidity. We may not be able to replace maturing deposits and advances as necessary in the future, especially if a large number of our depositors sought to withdraw their accounts, regardless of the reason. A failure to maintain adequate liquidity could have a material adverse effect on our business, financial condition and results of operations.

Unrealized Losses in Our Securities Portfolio Could Affect Liquidity

As a result of changes in market interest rates, we have experienced unrealized losses on our available for sale securities portfolio. Unrealized losses related to available for sale securities are reflected in accumulated other comprehensive income in our consolidated balance sheets and reduce the level of our book capital and tangible common equity. However, such unrealized losses do not affect our regulatory capital ratios. We actively monitor our available for sale securities portfolio and we do not currently anticipate the need to realize material losses from the sale of securities for liquidity purposes. Furthermore, we believe it is unlikely that we would be required to sell any such securities before recovery of their amortized cost bases, which may be at maturity. Nonetheless, our access to liquidity sources could be affected by unrealized losses if: (i) securities must be sold at a loss; (ii) tangible capital ratios continue to decline from an increase in unrealized losses or realized credit losses; (iii) the Federal Home Loan Bank of Pittsburgh ("FHLB") or other funding sources reduce capacity; or (iv) bank regulators impose restrictions on us that impact the level of interest rates we may pay on deposits or our ability to access brokered deposits. Additionally, significant unrealized losses could negatively impact market and/or customer perceptions of our company, which could lead to a loss of depositor confidence and an increase in deposit withdrawals, particularly among those with uninsured deposits.

Operational Risks

Labor Shortages and Constraints in the Supply Chain Could Adversely Affect Our Customers' Operations as well as Our Operations

Many sectors in the United States and around the world are experiencing a shortage of workers. The shortage of workers is exacerbating supply chain disruptions around the world, causing certain industries to struggle to regain momentum due to a lack of workers or materials. Our commercial customers may be impacted by the shortage of workers and constraints in the supply chain, which could adversely impact our customers' operations. Customers may experience disruptions in their operations, which could lead to reduced cash flow and difficulty in making loan repayments. The financial services industry has also been affected by the shortage of workers, and First Commonwealth has experienced the intense competition for talent that is currently underway in the financial services industry. This may lead to open positions remaining unfilled for longer periods of time or a need to increase wages to attract workers. We have recently had to increase wages in certain positions to retain and attract talent, particularly in entry-level positions and certain specialty areas.

Our Accounting Estimates and Risk Management Processes Rely On Analytical and Forecasting Models

The processes we use to estimate our expected credit losses and to measure the fair value of financial instruments, as well as the processes used to estimate the effects of changing interest rates and other market measures on our financial condition and results of operations, depends upon the use of analytical and forecasting models. These models reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Even if these assumptions are adequate, the models may prove to be inadequate or inaccurate because of other flaws in their design or their implementation. If the models we use for interest rate risk and asset-liability management are inadequate, we may incur increased or unexpected losses upon changes in market interest rates or other market measures. If the models we use for estimating our expected credit losses are inadequate, the allowance for credit losses may not be sufficient to support future charge-offs. If the models we use to measure the fair value of financial instruments are inadequate, the fair value of such financial instruments may fluctuate unexpectedly or may not accurately reflect what we could realize upon sale or settlement of such financial instruments. Any such failure in our analytical or forecasting models could have a material adverse effect on our business, financial condition and results of operations.

The Value of Our Goodwill and Other Intangible Assets May Decline in the Future

As of December 31, 2025, we had $400.2 million of goodwill and other intangible assets. A significant decline in our expected future cash flows, a significant adverse change in the business climate, slower growth rates or a significant and sustained decline in the price of the Company's common stock may necessitate taking charges in the future related to the impairment of our goodwill and other intangible assets, which could have a material adverse effect on our business, financial condition and results of operations.

We Are Subject to Risk Arising from Failure or Circumvention of Our Controls and Procedures

Our internal controls, disclosure controls and procedures, and corporate governance policies and procedures are based in part on certain assumptions and can provide only reasonable, but not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures or failure to comply with our corporate governance policies and procedures could have a material adverse effect on our reputation, business, financial condition and results of operations. Furthermore, notwithstanding the proliferation of technology and technology-based risk and control systems, our businesses ultimately rely on people as our greatest resource, who from time to time make mistakes or engage in violations of applicable policies, laws, rules or procedures that are not always caught immediately by our technological processes or by our controls and other procedures, all of which are intended to prevent and detect such errors or violations. Human errors, malfeasance and other misconduct, including the intentional misuse of client information in connection with insider trading or for other purposes, even if promptly discovered and remediated, can result in reputational damage or legal risk and have a material adverse effect on our business, financial condition and results of operations.

New Lines of Business, Products or Services and Technological Advancements May Subject Us to Additional Risks

From time to time, we implement new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. We invest significant time and resources in developing and marketing new lines of business and/or new products and services we invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove feasible. External factors, such as compliance with regulations, competitive alternatives, and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service.

The financial services industry is continually undergoing rapid technological change with frequent introductions of new technology-driven products and services. Our future success depends, in part, upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands, as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. We may not be able to effectively implement new technology-driven products and services or be successful in marketing these products and services to our customers. In addition, our implementation of certain new technologies in our business processes, such as those related to artificial intelligence and algorithms, may have unintended consequences due to their limitations or our failure to use them effectively. Cloud technologies are also critical to the operation of our systems, and our reliance on cloud technologies is growing. Failure to successfully keep pace with technological change affecting the financial services industry could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, any new line of business, new product or service and/or new technology could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business, new products or services and/or new technologies could have a material adverse effect on our business, financial condition and results of operations.

Our Reputation and Our Business Are Subject to Negative Publicity Risk

Reputational risk, or the risk to our earnings and capital from negative public opinion, is inherent in our business. Negative public opinion could adversely affect our ability to keep and attract customers and expose us to adverse legal and regulatory consequences. Negative public opinion could result from our actual or alleged conduct in any number of activities, including lending practices, corporate governance, regulatory compliance, mergers and acquisitions, public disclosures, sharing or inadequate protection of customer information, and from actions taken by government regulators and community organizations in response to that conduct. Negative public opinion could also result from adverse news or publicity that impairs the reputation of the financial services industry generally. In addition, our reputation or prospects may be significantly damaged by adverse publicity or negative information regarding us, whether or not true, that may be posted on social media, non-mainstream news services or other parts of the internet, and this risk is magnified by the speed and pervasiveness with which information is disseminated through those channels.

Our Business, Financial Condition and Results of Operations Are Subject to Risk from Changes in Customer Behavior

Individual, economic, political, industry-specific conditions and other factors outside of our control, such as fuel prices, energy costs, real estate values or other factors that affect customer income levels, could alter anticipated customer behavior, including borrowing, repayment, investment and deposit practices. Such a change in these practices could materially adversely affect our ability to anticipate business needs and meet regulatory requirements. Furthermore, difficult economic conditions may negatively affect consumer confidence levels. A decrease in consumer confidence levels would likely aggravate the adverse effects of these difficult market conditions on us, our customers and others in the financial institutions industry.

First Commonwealth Relies on Dividends from its Subsidiary Bank for Most of Its Revenue

First Commonwealth is a separate and distinct legal entity from its subsidiaries. It receives substantially all of its revenues from dividends from its subsidiaries. These dividends are the principal source of funds to pay dividends on First Commonwealth's common stock and interest and principal on First Commonwealth's debt. Various federal and/or state laws and regulations limit the amount of dividends that FCB and certain non-bank subsidiaries may pay to First Commonwealth. In the event FCB is unable to pay dividends to First Commonwealth, First Commonwealth may not be able to service debt, pay obligations or pay dividends on its common stock. The inability to receive dividends from FCB could have a material adverse effect on First Commonwealth's business, financial condition and results of operations.

Acts of Cyber-Crime May Compromise Client and Company Information, Disrupt Access to Our Systems or Result in Loss of Clients or Company Assets

Our business is dependent upon the availability of technology, the Internet and telecommunication systems to enable financial transactions by clients, record and monitor transactions and transmit and receive data to and from clients and third parties. Information security risks have increased significantly due to the use of online, telephone and mobile banking channels by clients and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties. Our technologies, systems, networks and our clients' devices have been subject to, and are likely to continue to be the target of, cyber-attacks, computer viruses, malicious code, phishing attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our clients' confidential, proprietary and other information, the theft of client assets through fraudulent transactions or the disruption of our or our clients' or other third parties' business operations.

Even well-protected information, networks, systems and facilities remain potentially vulnerable to attempted security breaches or disruptions because the techniques used in such attempts are constantly evolving, including as a result of artificial intelligence, and generally are not recognized until launched against a target, and in some cases are designed not to be detected and, in fact, may not be detected. Accordingly, we may be unable to anticipate these techniques or to implement adequate security barriers or other preventative measures, and thus it is virtually impossible for us to entirely mitigate this risk. While we maintain specific "cyber" insurance coverage, which would apply in the event of various breach scenarios, the amount of coverage may not be adequate in any particular case. Furthermore, because cyber threat scenarios are inherently difficult to predict and can take many forms, some breaches may not be covered under our cyber insurance coverage. A security breach or other significant disruption of our information systems or those related to our customers, merchants or our third party vendors, including as a result of cyberattacks, could (i) disrupt the proper functioning of our networks and systems and therefore our operations and/or those of certain of our customers; (ii) result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of confidential, sensitive or otherwise valuable information of ours or our customers; (iii) result in a violation of applicable privacy, data breach and other laws, subjecting us to additional regulatory scrutiny and exposing us to civil litigation, governmental fines and possible financial liability; (iv) require significant management attention and resources to remedy the damages that result; or (v) harm our reputation or cause a decrease in the number of customers that choose to do business with us. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Increasing Fraud Risk Could Adversely Affect Our Business, Financial Condition, and Reputation

We are exposed to an increasing risk of fraud, including cyber fraud, identity theft, account takeover, and other fraudulent activities targeting financial institutions and their customers. The sophistication and frequency of these schemes continue to grow, driven by advances in technology and the proliferation of digital banking channels. Fraudulent activity can result in financial losses for us or our customers, increased operational costs, and potential legal exposure. Although we employ robust security measures, including authentication protocols, transaction monitoring, and fraud detection systems, these controls may not be sufficient to prevent all fraudulent activity. Criminals continuously adapt their methods to circumvent existing safeguards, and emerging technologies such as artificial intelligence may further enhance their ability to perpetrate fraud. Significant fraud-related losses could negatively impact our earnings, capital, and liquidity. In addition, fraud incidents may harm our reputation, erode customer trust, and lead to regulatory scrutiny or enforcement actions. Failure to effectively manage and mitigate fraud risk could have a material adverse effect on our business, financial condition, and results of operations.

Our Operations Rely On Certain External Vendors

We rely on certain vendors to provide products and services necessary to maintain the day-to-day operations of First Commonwealth and FCB. In particular, we contract with an external vendor for our core processing system, which is used to maintain customer and account records, reflect account transactions and activity, and support our customer relationship management systems for substantially all of our deposit and loan customers. Accordingly, our operations are exposed to the risk that these vendors will not perform in accordance with the contractual arrangements under service level agreements. The failure of an external vendor to perform in accordance with the contractual arrangements under service level agreements, whether due to changes in the vendor's organizational structure, financial condition, support for existing products and services or strategic focus or for any other reason, could be disruptive to First Commonwealth's operations and financial reporting, which could have a material adverse effect on First Commonwealth's business and, in turn, First Commonwealth's financial condition and results of operations.

We Depend on the Accuracy and Completeness of Information About Customers and Counterparties

In deciding whether to extend credit or enter into other transactions, we rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports and other financial information. We also rely on representations of those customers, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports or other financial information could have a material adverse impact on our business, financial condition and results of operations.

External and Market-Related Risks

We are Subject to Risk Arising from The Soundness of Other Financial Institutions and Counterparties

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. We have exposure to many different industries and counterparties, and routinely execute transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks, and other institutional clients. Many of these transactions expose us to credit risk in the event of a default by a counterparty or client. In addition, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices that are insufficient to recover the full amount of the credit or derivative exposure due to us. Any such losses could have a material adverse effect on our business, financial condition and results of operations.

Competition from Other Financial Institutions in Originating Loans, Attracting Deposits and Providing Various Financial Services May Adversely Affect Our Profitability

We face substantial competition in originating loans and attracting deposits. This competition comes principally from other banks, savings institutions, mortgage banking companies and credit unions, as well as institutions offering uninsured investment alternatives, including money market funds. Many of our competitors enjoy advantages, including greater financial resources and higher lending limits, better brand recognition, a wider geographic presence, more accessible branch office locations, the ability to offer a wider array of services or more favorable pricing alternatives, as well as lower origination and operating costs. These competitors may offer more favorable pricing through lower interest rates on loans or higher interest rates on deposits, which could force us to match competitive rates and thereby reduce our net interest income.

The Proliferation of Stablecoins May Adversely Impact Our Business

The growing adoption of stablecoins, including yield-bearing stablecoins, and the evolving regulatory framework under the Guiding and Establishing National Innovation for U.S. Stablecoins Act (the “GENIUS Act”), could adversely affect our deposits, liquidity, and competitive position. Certain stablecoin products may function as substitutes for traditional bank deposits while operating under different regulatory requirements. If regulatory safeguards under the GENIUS Act prove insufficient or are unevenly applied between banks and non-bank issuers, stablecoins could facilitate deposit outflows, reduce funding stability, and create risks associated with parallel banking systems. Regulatory changes or additional compliance obligations arising from the GENIUS Act could also increase our operational costs or limit our ability to compete effectively in digital payments and settlement activities.

Compliance and Regulatory Risks

We are Subject to Extensive Government Regulation and Supervision

Banking regulations are primarily intended to protect depositors’ funds, federal deposit insurance funds and the banking system as a whole, not security holders. These regulations affect our lending practices, capital structure, investment practices, dividend policy and growth, among other things. Congress and federal regulatory agencies continually review banking laws, regulations and policies for possible changes. Changes to statutes, regulations or regulatory policies, including changes in interpretation or implementation of statutes, regulations or policies, could affect us in substantial and unpredictable ways. Such changes could subject us to additional costs, limit the types of financial services and products we may offer and/or increase the ability of non-banks to offer competing financial services and products, among other things. Failure to comply with laws, regulations, policies or supervisory guidance could result in enforcement and other legal actions by Federal or state authorities, including criminal and civil penalties, the loss of FDIC insurance, the revocation of a banking charter, other sanctions by regulatory agencies, civil money penalties and/or reputational damage. In this regard, government authorities, including the bank regulatory agencies, are pursuing aggressive enforcement actions with respect to compliance and other legal matters involving financial activities, which heightens the risks associated with actual and perceived compliance failures. See “Supervision and Regulation” included in Item 1. Business for a more detailed description of the regulatory requirements applicable to First Commonwealth.

We Are Subject To the Potential Adverse Effects of a U.S. Federal Government Shutdown

A prolonged or repeated shutdown of the U.S. federal government could adversely affect our business, financial condition, liquidity, and results of operations. Funding gaps or lapses in federal appropriations may disrupt the operations of government agencies that provide critical economic data, administer regulatory functions, or directly support our customers and counterparties. During a shutdown, federal agencies such as the Internal Revenue Service, Small Business Administration, and various supervisory bodies may suspend or significantly curtail their activities, which can delay loan originations, hinder verification processes, impede regulatory approvals, and reduce the availability of government guaranteed lending programs. A shutdown may also impair the financial capacity of borrowers who depend on federal salaries, contracts, reimbursements, or benefit programs, including government employees, federal contractors, and recipients of government-funded services. Reduced or delayed income to these borrowers could increase delinquencies, reduce loan demand, negatively affect deposit inflows, and increase our credit risk exposure. In addition, disruptions to federal economic data releases or fiscal operations may create volatility in financial markets, affecting interest rates, liquidity conditions, and the valuation of securities in our investment portfolio. The duration and economic impact of any government shutdown are inherently uncertain, and any such event could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Acquisition Activity

Potential Acquisitions May Disrupt Our Business and Dilute Stockholder Value

We generally seek merger or acquisition partners that are culturally similar and have experienced management and possess either significant market presence or have potential for improved profitability through financial management, economies of scale or expanded services. Acquiring other banks, businesses, or branches involves various risks commonly associated with acquisitions, including, among other things: (i) potential exposure to unknown or contingent liabilities of the target company; (ii) exposure to potential asset quality issues of the target company; (iii) potential disruption to our business; (iv) potential diversion of our management's time and attention; (v) the possible loss of key employees and customers of the target company; (vi) difficulty in estimating the value of the target company; and (vii) potential changes in banking or tax laws or regulations that may affect the target company.

Acquisitions typically involve the payment of a premium over book and market values; therefore, some dilution of our tangible book value and net income per common share may occur in connection with any future transaction. Furthermore, failure to realize the expected revenue increases, cost savings, increases in geographic or product presence, and/or other projected benefits from an acquisition could have a material adverse effect on our business, financial condition and results of operations.

Acquisitions May Be Delayed, Impeded, or Prohibited Due to Regulatory Issues

Acquisitions by financial institutions, including us, are subject to approval by a variety of federal and state regulatory agencies (collectively, "regulatory approvals"). Our ability to engage in certain merger or acquisition transactions depends on the bank regulators' views at the time as to our capital levels, quality of management, and overall condition, in addition to their assessment of a variety of other factors, including our compliance with law. Regulatory approvals could be delayed, impeded, restrictively conditioned or denied due to existing or new regulatory issues we have, or may have, with regulatory agencies, including, without limitation, issues related to Bank Secrecy Act compliance, Community Reinvestment Act issues, fair lending laws, fair housing laws, consumer protection laws, unfair, deceptive, or abusive acts or practices regulations and other laws and regulations. We may fail to pursue, evaluate or complete strategic and competitively significant acquisition opportunities as a result of our inability, or perceived or anticipated inability, to obtain regulatory approvals in a timely manner, under reasonable conditions or at all. Difficulties associated with potential acquisitions that may result from these factors could have a material adverse effect on our business, financial condition and results of operations.

Risks Associated with Our Common Stock

The Trading Volume in Our Common Stock Is Less Than That of Other Larger Financial Services Companies

Although First Commonwealth's common stock is listed for trading on the NYSE, the trading volume in its common stock is less than that of other, larger financial services companies. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of First Commonwealth's common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Given the lower trading volume of First Commonwealth's common stock, significant sales of First Commonwealth's common stock, or the expectation of these sales, could cause First Commonwealth's stock price to fall.

First Commonwealth May Not Continue to Pay Dividends on Its Common Stock in The Future

Holders of First Commonwealth common stock are only entitled to receive such dividends as its board of directors may declare out of funds legally available for such payments. Although First Commonwealth has historically declared cash dividends on its common stock, it is not required to do so and may reduce or eliminate its common stock dividend in the future. This could adversely affect the market price of First Commonwealth's common stock. Also, First Commonwealth is a bank holding company, and its ability to declare and pay dividends is dependent on certain federal regulatory considerations, including the guidelines of the FRB regarding capital adequacy and dividends.

As more fully discussed in Part II, Item 8, Financial Statements and Supplementary Data-Note 25, Regulatory Restrictions and Capital Adequacy, which is located elsewhere in this report, the ability of First Commonwealth to declare or pay dividends on its common stock may also be subject to certain restrictions in the event that First Commonwealth elects to defer the payment of interest on its junior subordinated debt securities.

An Investment in Our Common Stock Is Not an Insured Deposit

Our common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any other deposit insurance fund or by any other public or private entity. Investment in our common stock is inherently risky for the reasons described in this "Risk Factors" section and elsewhere in this report and is subject to the same market forces that affect the price of common stock in any company. As a result, if you acquire our common stock, you could lose some or all of your investment.

Provisions of Our Articles of Incorporation, Bylaws and Pennsylvania Law, as Well as State and Federal Banking Regulations, Could Delay or Prevent a Takeover of Us by a Third Party

Provisions in our articles of incorporation and bylaws, the corporate law of the Commonwealth of Pennsylvania, and state and federal regulations could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our shareholders, or otherwise adversely affect the price of our common stock. These provisions include, among other things, advance notice requirements for proposing matters that shareholders may act on at shareholder meetings. In addition, under Pennsylvania law, we are prohibited from engaging in a business combination with any interested shareholder for a period of five years from the date the person became an interested shareholder unless certain conditions are met. These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price, or adversely affect the market price of, and the voting and other rights of the holders of, our common stock.

General Risk Factors

We are Subject to Risk from Fluctuating Conditions in the Financial Markets and Economic and Political Conditions Generally

Our success depends, to a certain extent, upon local, national and global economic and political conditions, as well as governmental monetary policies. Our financial performance generally, and in particular the ability of borrowers to pay interest on and repay principal of outstanding loans and the value of collateral securing those loans, as well as demand for loans and other products and services we offer, is highly dependent upon the business environment in the markets where we operate and in the United States as a whole. A favorable business environment is generally characterized by, among other factors, economic growth, efficient capital markets, low inflation, low unemployment, high business and investor confidence, and strong business earnings. Unfavorable or uncertain economic and market conditions can be caused by a decline in economic growth both in the U.S. and internationally; declines in business activity or investor or business confidence; limitations on the availability of or increases in the cost of credit and capital; increases in inflation or interest rates; high unemployment; oil price volatility; natural disasters; trade policies and tariffs; or a combination of these or other factors. In addition, financial markets and global supply chains may be adversely affected by the current or anticipated impact of military conflicts, terrorism or other geopolitical events. Current economic conditions are being heavily impacted by recent inflationary conditions and higher interest rates, the effects of which may impact our profitability by negatively impacting our fixed costs and expenses. Economic and inflationary pressure on consumers and uncertainty regarding economic improvement could result in changes in consumer and business spending, borrowing and saving habits. Such conditions could have a material adverse effect on the credit quality of our loans and our business, financial condition and results of operations.

Federal budget deficit concerns and the potential for political conflict over legislation to fund U.S. government operations and raise the U.S. government's debt limit may increase the possibility of a default by the U.S. government on its debt obligations, related credit-rating downgrades, or an economic recession in the United States. Many of our investment securities are issued by the U.S. government and government agencies and sponsored entities. As a result of uncertain domestic political conditions, including potential future federal government shutdowns, the possibility of the federal government defaulting on its obligations for a period of time due to debt ceiling limitations or other unresolved political issues, investments in financial instruments issued or guaranteed by the federal government pose liquidity risks. In connection with prior political disputes over U.S. fiscal and budgetary issues leading to the U.S. government shutdown in 2023, Fitch lowered its long-term sovereign credit rating on the U.S. from AAA to AA+. Most recently, in connection with successive failures by the U.S. government to reverse the trend of large annual fiscal deficits and growing interest costs, Moody's lowered its long-term issuer credit rating on the U.S. from Aaa to Aa1. A further downgrade, or downgrades by other rating agencies, as well as sovereign debt issues facing the governments of other countries, could have a material adverse impact on financial markets and economic conditions in the U.S. and worldwide.

Changes in Federal, State or Local Tax Laws May Negatively Impact Our Financial Performance and We Are Subject to Examinations and Challenges by Tax Authorities

We are subject to federal and applicable state tax laws and regulations. Changes in these tax laws and regulations, some of which may be retroactive to previous periods, could increase our effective tax rates and, as a result, could negatively affect our current and future financial performance. Furthermore, tax laws and regulations are often complex and require interpretation. In the normal course of business, we are routinely subject to examinations and challenges from federal and applicable state tax authorities regarding the amount of taxes due in connection with investments we have made and the businesses in which we have engaged. Federal and state taxing authorities have been aggressive in challenging tax positions taken by financial institutions. These tax positions may relate to tax compliance, sales and use, franchise, gross receipts, payroll, property and income tax issues, including tax base, apportionment and tax credit planning. The challenges made by tax authorities may result in adjustments to the timing or amount of taxable income or deductions or the allocation of income among tax jurisdictions. If any such challenges are made and are not resolved in our favor, they could have a material adverse effect on our business, financial condition and results of operations.

We May Need to Raise Additional Capital in The Future, and Such Capital May Not Be Available When Needed or at All

We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business needs, particularly if our asset quality or earnings were to deteriorate significantly. Our ability to raise additional capital, if needed, will depend on, among other things, conditions in the capital markets at that time, which are outside of our control, and our financial condition. Economic conditions and the loss of confidence in financial institutions may increase our cost of funding and limit access to certain customary sources of capital, including inter-bank borrowings, repurchase agreements and borrowings from the discount window of the Federal Reserve.

We cannot assure that such capital will be available on acceptable terms or at all. Any occurrence that may limit our access to the capital markets, such as a decline in the confidence of debt purchasers, depositors of FCB or counterparties participating in the capital markets, or a downgrade of First Commonwealth's or FCB's debt ratings, may adversely affect our capital costs and our ability to raise capital and, in turn, our liquidity. Moreover, if we need to raise capital in the future, we may have to do so when many other financial institutions are also seeking to raise capital and would have to compete with those institutions for investors. An inability to raise additional capital on acceptable terms when needed could have a materially adverse effect on our business, financial condition and results of operations.

Our Stock Price Can Be Volatile

Stock price volatility may make it more difficult for you to resell your common stock when you want and at prices you find attractive. Our stock price can fluctuate significantly in response to a variety of factors including, among other things: (i) actual or anticipated variations in quarterly results of operations; (ii) recommendations by securities analysts; (iii) operating and stock price performance of other companies that investors deem comparable to us; (iv) news reports relating to trends, concerns and other issues in the financial services industry; (v) perceptions in the marketplace regarding us and/or our competitors; (vi) new technology used, or services offered, by competitors; (vii) the issuance by us of additional securities, including common stock and securities that are convertible into or exchangeable for, or that represent the right to receive, common stock; (viii) sales of a large block of shares of our common stock or similar securities in the market after an equity offering, or the perception that such sales could occur; (ix) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; (x) failure to integrate acquisitions or realize anticipated benefits from acquisitions; (xi) changes in government regulations; and (xii) geopolitical conditions such as acts or threats of terrorism or military conflicts.

Our stock price could also decrease regardless of operating results as a result of: (i) general market fluctuations, including real or anticipated changes in the strength of the economy; (ii) industry factors and general economic and political conditions and events, such as economic slowdowns or recessions; and (iii) interest rate changes, oil price volatility or credit loss trends.

Changes in Accounting Standards Could Materially Impact Our Financial Statements

From time to time, accounting standards setters change the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be difficult to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in changes to previously reported financial results or a cumulative charge to retained earnings. See New Accounting Pronouncements at the end of Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations elsewhere in this report for further information regarding pending accounting standards updates.

We May Not Be Able to Attract and Retain Skilled People

Our success depends, in large part, on our ability to attract and retain key people. Competition for the best people in many activities engaged in by us is intense and we may not be able to hire people or to retain them. The unexpected loss of services of key personnel could have a material adverse impact on our business, financial condition and results of operations because of their customer relationships, skills, knowledge of our market, years of industry experience and the difficulty of promptly finding qualified replacement personnel. In addition, the scope and content of U.S. banking regulators' policies on incentive compensation, as well as changes to these policies, could adversely affect our ability to hire, retain and motivate our key employees.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 1C. Cybersecurity

Cybersecurity, data privacy, and data protection are critical to our business. In the ordinary course of our business, we collect and store certain confidential information such as personal information of depositors and borrowers and information about our employees, contractors, vendors, and suppliers. We rely heavily on the secure processing, storage, and transmission of sensitive and confidential financial, personal, and other information in our computer systems and networks.

Cybersecurity Governance

Our Board is actively engaged in the oversight of our cybersecurity program. Specifically, the Risk Committee is responsible for overseeing our information security program, including management's actions to identify, assess, mitigate, and remediate material cyber issues and risks. Our Chief Information Security Officer ("CISO") provides quarterly reports to the Risk

Committee regarding information security programs, key enterprise cyber initiatives, and significant cybersecurity and privacy incidents.

Our CISO is part of the risk management function, reporting directly to the Chief Risk Officer, who in turn, reports directly to our CEO. Various management committees provide oversight of the information security and technology programs. These committees generally meet quarterly, and summaries of key issues discussed and actions taken are provided to the Risk Committee.

Cybersecurity Risk Management and Strategy

We structure our information security program around the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework, regulatory guidance, and other industry standards. We leverage industry and government associations, third-party benchmarking, audits and threat intelligence feeds to promote program effectiveness. Our CISO, along with key members of their team, regularly collaborate with peer banks, industry groups, and policymakers.

We employ an in-depth, layered, defensive strategy with respect to our products, services and technology. We leverage people, processes and technology to manage and maintain cybersecurity controls. We employ a variety of preventative and detective tools designed to monitor, block, and provide alerts regarding suspicious activity, as well as to report on any suspected advanced persistent threats.

We have established processes and systems to mitigate cyber risk, including regular education and training, preparedness simulations and tabletop exercises, and recovery and resilience tests. Our processes, systems and controls are reviewed periodically by internal and external auditors, Federal and State bank examiners, and independent external partners to assess design and operating effectiveness. We also maintain information security risk insurance coverage.

We engage third party security experts to supplement our internal Information Security team as well as for assessments, penetration tests and program enhancements, including vulnerability assessments, security framework maturity assessments and identification of areas for continued focus and improvement. In addition, our third-party experts work with us to conduct cybersecurity tabletop exercises and internal phishing awareness campaigns. We use the findings of these exercises to improve our practices, procedures, and technologies. We also engage third party security experts to support our cybersecurity threat and incident response management and maintain information security risk insurance coverage.

We engage with a range of external experts, including cybersecurity assessors, consultants, auditors, and legal counsel in evaluating and testing our risk management systems. This enables us to leverage specialized knowledge and insights, ensuring our cybersecurity strategies and processes remain current.

In the past three years, we have not experienced any material computer data security breaches as a result of a compromise of our information systems and we are not aware of any significant cybersecurity breach or attack that had a material impact on our business or operating results.

ITEM 2. Properties

Our principal office is located in the old Indiana County courthouse complex, consisting of the former courthouse building and the former sheriff’s residence and jail building for Indiana County. This certified Pennsylvania and national historic landmark was built in 1870 and restored by us in the early 1970s. We lease the complex from Indiana County pursuant to a lease agreement that was originally signed in 1973 and has a current term that expires in 2048.

The majority of our administrative personnel are also located in two owned buildings in Indiana, Pennsylvania, each of which is in close proximity to our principal office.

First Commonwealth Bank has 126 community banking offices, of which 47 are leased and 79 are owned. We also lease seven Business Centers in Canfield, Canton, Hudson, Independence and Lewis Center, Ohio and Pittsburgh and Berwyn, Pennsylvania.

While these facilities are adequate to meet our current needs, available space is limited and additional facilities may be required to support future expansion. However, we have no significant plans to lease, purchase or construct additional administrative facilities.

ITEM 3. Legal Proceedings

The information required by this Item is set forth in Part II, Item 8, Note 22, “Contingent Liabilities,” which is incorporated herein by reference in response to this item.

ITEM 4. Mine Safety Disclosures

Not applicable.

Executive Officers of First Commonwealth Financial Corporation

The name, age and principal occupation for each of the executive officers of First Commonwealth Financial Corporation as of December 31, 2025 is set forth below:

Jane Grebenc, age 67, has served as Executive Vice President and Chief Revenue Officer of First Commonwealth Financial Corporation and President of First Commonwealth Bank since May 31, 2013. Ms. Grebenc's financial services career includes executive leadership roles at a variety of institutions, including Park View Federal Savings Bank, Key Bank, and National City Bank. She was formerly the Executive Vice President in charge of the retail, marketing, IT and operations and the mortgage segments at Park View Federal Savings Bank from 2009 until 2012, the Executive Vice President in charge of the Wealth Segment at Key Bank from 2007 until 2009 and the Executive Vice President / Branch Network at National City Bank prior to 2007.

Lee E. Lyon II, age 61, has served as Executive Vice President and Chief Audit Executive since October 2025. He previously served as the Chief Risk and Operations Officer of CenterBank, which was acquired by First Commonwealth in 2025. Before joining CenterBank, Mr. Lyon held various positions at Fifth Third Bancorp, including Director of Consumer Operational Risk Management, Chief Risk Officer Mortgage Banking Division and Internal Audit Manager.

Michael P. McCuen, age 63, has served as Executive Vice President and Chief Banking Officer since August 2025. He formerly served as Chief Lending Officer and Corporate Banking Executive. Mr. McCuen has been with First Commonwealth since 2023. Before joining First Commonwealth, Mr. McCuen was Market President and Commercial Sales Leader for Key Bank's Southwest Ohio area since 2017. Mr. McCuen's past experience includes co-leading the middle market segment at PNC, leading Bank integrations, and various Corporate Banking leadership roles.

Linda D. Metzmaier, age 57, has served as Executive Vice President and Chief Risk Officer since January 2025. She joined First Commonwealth as Chief Compliance Officer in 2011 before being promoted to Deputy Chief Risk Office/Chief Compliance Officer in 2019. Prior to joining First Commonwealth, Metzmaier served in auditing and compliance leadership roles at Fidelity Bank, Office of the Comptroller of the Currency and Merchants National Bank of Kittanning from 1990-2011.

Norman J. Montgomery, age 58, has served as the Executive Vice President of Business Integration of First Commonwealth Bank since May 2011. He oversees First Commonwealth’s product development and assumed oversight of First Commonwealth’s technology and operations functions in July 2012. He served as Senior Vice President/Business Integration of First Commonwealth Bank from September 2007 until May 2011 and previously held positions in the technology, operations, audit and marketing areas.

T. Michael Price, age 63, has served as President and Chief Executive Officer of First Commonwealth Financial Corporation and Chief Executive Officer of First Commonwealth Bank since March 2012. Mr. Price served as President of First Commonwealth Bank from November 2007 to May 2013. From January 1, 2012 to March 7, 2012, he served as Interim President and Chief Executive Officer of First Commonwealth Financial Corporation. He was formerly Chief Executive Officer of the Cincinnati and Northern Kentucky Region of National City Bank from July 2004 to November 2007 and Executive Vice President and Head of Small Business Banking of National City Bank prior to July 2004.

James R. Reske, age 62, joined First Commonwealth Financial Corporation as Executive Vice President, Chief Financial Officer and Treasurer on April 28, 2014. Prior to joining First Commonwealth, Mr. Reske served as Executive Vice President, Chief Financial Officer, and Treasurer at United Community Financial Corporation in Youngstown, Ohio from 2008 until April 2014. Mr. Reske's financial services career includes investment banking roles within the Financial Institutions Groups at Keybanc Capital Markets, Inc. in Cleveland, Ohio and at Morgan Stanley & Company in New York. Mr. Reske also provided expertise and counsel to financial institutions and other organizations on mergers and acquisitions and capital markets activities as an attorney at Wachtell, Lipton, Rosen & Katz, as well as at Sullivan & Cromwell. Earlier in his career, Mr. Reske worked at the Board of Governors of the Federal Reserve System in Washington, DC and at the Federal Reserve Bank of Boston.

Carrie L. Riggle, age 56, has served as Executive Vice President / Human Resources since March 1, 2013. Ms. Riggle has been with First Commonwealth since 1991. Over the course of her tenure, Ms. Riggle has been responsible for the daily operations of the Human Resources function and was actively involved in the establishment and development of a centralized corporate human resources function within the Company.

Brian J. Sohocki, age 46, has served as Executive Vice President / Chief Credit Officer since August 2024. Mr. Sohocki has been with First Commonwealth since 2010. He formerly served in roles including Deputy Chief Credit Officer and C&I Group Manager. During that time, Sohocki was instrumental in the development of First Commonwealth's Sponsor Finance Group and Commercial and Industrial loan growth initiative.

Matthew C. Tomb, age 49, serves as Executive Vice President and General Counsel of First Commonwealth Financial Corporation since November 2010. He previously served as Chief Risk Officer and General Counsel from November 2010 to December 31, 2024, and as Senior Vice President / Legal and Compliance since September 2007. Before joining First Commonwealth, Mr. Tomb practiced law with Sherman & Howard L.L.C. in Denver, Colorado.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities

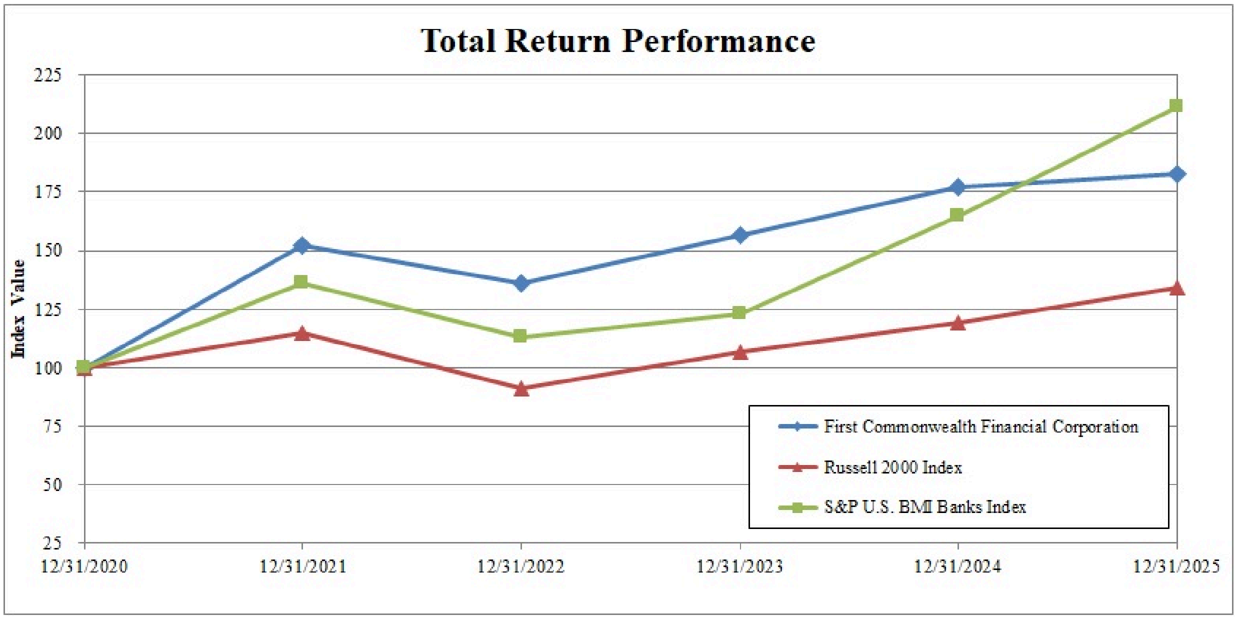
First Commonwealth is listed on the NYSE under the symbol "FCF." As of December 31, 2025, there were approximately 4,771 holders of record of First Commonwealth's common stock. The table below sets forth the high and low sales prices per share and cash dividends declared per share for common stock of First Commonwealth for each quarter during the last two fiscal years.

Period	High Sale	Low Sale	Cash Dividends Per Share
2025			
First Quarter	$ 17.13	$ 15.37	$ 0.130
Second Quarter	16.35	14.08	0.135
Third Quarter	18.02	16.07	0.135
Fourth Quarter	17.57	15.29	0.135

Period	High Sale	Low Sale	Cash Dividends Per Share
2024			
First Quarter	$ 15.56	$ 12.84	$ 0.125
Second Quarter	14.24	12.53	0.130
Third Quarter	18.60	13.71	0.130
Fourth Quarter	19.41	16.24	0.130

Federal and state regulations contain restrictions on the ability of First Commonwealth to pay dividends. For information regarding restrictions on dividends, see Part I, Item 1 "Business—Supervision and Regulation—Dividends" and Part II, Item 8, "Financial Statements and Supplementary Data—Note 25, Regulatory Restrictions and Capital Adequacy." In addition, under the terms of the capital securities issued by First Commonwealth Capital Trust II and III, First Commonwealth could not pay dividends on its common stock if First Commonwealth deferred payments on the junior subordinated debt securities that provide the cash flow for the payments on the capital securities.

The following five-year performance graph compares the cumulative total shareholder return (assuming reinvestment of dividends) on First Commonwealth's common stock to the S&P U.S. BMI Banks Index and the Russell 2000 Index. The stock performance graph assumes $100 was invested on December 31, 2020, and the cumulative return is measured as of each subsequent fiscal year end.



Index	Period Ending 12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
First Commonwealth Financial Corporation	100.00	151.93	136.27	156.31	177.17	182.49
Russell 2000 Index	100.00	114.82	91.35	106.80	119.14	134.40
S&P U.S. BMI Banks Index	100.00	135.97	112.77	123.02	164.70	211.47

Unregistered Sales of Equity Securities and Use of Proceeds

The following table details the amount of shares repurchased during the fourth quarter of 2025.

Month Ending:	Total Number of Shares Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 31, 2025	47,116	$ 16.89	47,116	1,301,151
November 30, 2025	1,269,618	15.77	1,269,618	—
December 31, 2025	115,652	17.19	115,652	1,364,851
Total	1,432,386	$ 15.93	1,432,386	

(1) Remaining number of shares approved under the Plan is based on the market value of the Company's common stock of $15.29 as of October 31, 2025, $16.25 as of November 30, 2025 and $16.86 as of December 31, 2025.

For additional information, please see Part III, Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters." Information called for by this item concerning security ownership of certain beneficial owners and security ownership of management will be included in the Proxy Statement under the headings “Stock Ownership of Certain Beneficial Owners” and “Stock Ownership of Directors and Management,” and is incorporated herein by reference.

Insider Trading Policies and Procedures

Our board of directors has adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of our securities by directors, officers and employees, or by First Commonwealth itself. These policies have been reasonably designed to promote compliance with insider trading laws, rules and regulations, and applicable NYSE listing standards.

ITEM 6. [Reserved]

ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis represents an overview of the financial condition and the results of operations of First Commonwealth and its subsidiaries, as of and for the years ended December 31, 2025, and 2024. The purpose of this discussion is to focus on information concerning our financial condition and results of operations that is not readily apparent from the Consolidated Financial Statements. In order to obtain a more thorough understanding of this discussion, you should refer to the Consolidated Financial Statements, the notes thereto and to other financial information presented in this Annual Report. Refer to Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K filed with the SEC on March 2, 2026 for a discussion and analysis of the factors that affected periods prior to 2025.

Company Overview

First Commonwealth provides a diversified array of consumer and commercial banking services through our bank subsidiary, FCB. We also provide trust and wealth management services through FCB and insurance products through FCIA. At December 31, 2025, FCB operated 126 community banking offices throughout Pennsylvania and Ohio, as well as Business Centers in Canfield, Canton, Hudson, Independence and Lewis Center, Ohio and Pittsburgh and Berwyn, Pennsylvania.

Our consumer services include internet, mobile and telephone banking, an automated teller machine network, personal checking accounts, interest-earning checking accounts, savings accounts, health savings accounts, insured money market accounts, debit cards, investment certificates, fixed and variable rate certificates of deposit, mortgage loans, secured and unsecured installment loans, construction and real estate loans, safe deposit facilities, credit cards, credit lines with overdraft checking protection and IRA accounts. Commercial banking services include commercial lending and leasing, small and high-volume business checking accounts, on-line account management services, ACH origination, payroll direct deposit, commercial cash management services and repurchase agreements. We also provide trust and asset management services and a full complement of auto, home and business insurance as well as term life insurance. We offer annuities, mutual funds and stock and bond brokerage services through an arrangement with a broker-dealer and insurance brokers. Most of our commercial customers are small and mid-sized businesses in Pennsylvania and Ohio.

As a financial institution with a focus on traditional banking activities, we earn the majority of our revenue through net interest income, which is the difference between interest earned on loans and investments and interest paid on deposits and borrowings. Growth in net interest income is dependent upon balance sheet growth and maintaining or increasing our net interest margin, which is net interest income (on a fully taxable-equivalent basis) as a percentage of our average interest-earning assets. We also generate revenue through fees earned on various services and products that we offer to our customers and through sales of assets, such as loans, investments or properties. These revenue sources are offset by provisions for credit losses on loans, operating expenses and income taxes.

General economic conditions also affect our business by impacting our customers’ need for financing, thus affecting loan growth, as well as impacting the credit strength of existing and potential borrowers.

Critical Accounting Policies and Significant Accounting Estimates

First Commonwealth’s accounting and reporting policies conform to accounting principles generally accepted in the United States of America (“GAAP”) and predominant practice in the banking industry. The preparation of financial statements in accordance with GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. Over time, these estimates, assumptions and judgments may prove to be inaccurate or vary from actual results and may significantly affect our reported results and financial position for the period presented or in future periods. We currently view the determination of the allowance for credit losses and business combinations to be critical because they are highly dependent on subjective or complex judgments, assumptions and estimates made by management.

Allowance for Credit Losses

We account for the credit risk associated with our lending activities through the allowance and provision for credit losses. The allowance represents management’s best estimate of expected losses in our existing loan and lease portfolio as of the balance sheet date. The provision is a periodic charge to earnings in an amount necessary to maintain the allowance at a level that is appropriate based on management’s assessment of expected losses. Management determines and reviews with the Board of Directors the appropriateness of the allowance on a quarterly basis in accordance with the methodology described below.

- Loans are segmented into groups with similar characteristics and risks and an allowance for credit losses is calculated for each segment based on the estimate of credit losses.

- The allowance for credit losses is calculated by pooling loans of similar credit risk characteristics and applying a discounted cash flow methodology after incorporating probability of default and loss given default estimates. Probability of default represents an estimate of the likelihood of default and loss given default measures the expected loss upon default. Inputs impacting the expected losses include a forecast of macroeconomic factors, using a weighted forecast from a nationally recognized firm.
- Loans that do not have the same risks and characteristics of the loan pools are individually reviewed. These are generally large balance commercial loans and commercial mortgages that are rated less than “satisfactory” based on our internal credit-rating process.
- We assess whether the loans identified for review are “nonperforming”. This means it is expected that all amounts will not be collected according to the contractual terms of the loan agreement, which generally represents loans that management has placed on nonaccrual status.
- For individually analyzed loans we calculate the estimated fair value of the loans that are selected for review based on observable market prices, discounted cash flows or the value of the underlying collateral and record an allowance if needed.
- We then review the results to determine the appropriate balance of the allowance for credit losses. This review includes consideration of additional factors, such as the mix of loans in the portfolio, the balance of the allowance relative to total loans and nonperforming assets, trends in the overall risk profile in the portfolio, trends in delinquencies and nonaccrual loans, and local and national economic information and industry data, including trends in the industries we believe are higher risk.

There are many factors affecting the allowance for credit losses; some are quantitative, while others require qualitative judgment. These factors require the use of estimates related to the amount and timing of expected future cash flows, appraised values on nonperforming loans, estimated losses for each loan category based on historical loss experience, forecasts of economic trends and conditions, all of which may be susceptible to significant judgment and change. To the extent that actual outcomes differ from estimates, additional provisions for credit losses could be required that could adversely affect our earnings or financial position in future periods.

As noted above, the allowance for credit losses is estimated using a number of inputs and assumptions. Management's sensitivity analysis of the allowance identified that the model has the highest degree of sensitivity around values used in the economic forecast, specifically national unemployment, gross domestic product and business bankruptcies. Additionally, there is also a high degree of sensitivity related to estimated prepayment speeds, as it is a major driver for the life of loan expectations. The sensitivity of estimated prepayment speeds had the largest impact on the residential first lien loan pool.

Selected Financial Information

The following table provides selected financial information for the periods ended December 31,

	2025	2024	2023	2022	2021
			(dollars in thousands, except share data)		
Interest income	$ 632,688	$ 600,463	$ 529,998	$ 329,953	$ 293,838
Interest expense	206,601	221,571	144,322	17,732	15,297
Net interest income	426,087	378,892	385,676	312,221	278,541
Provision for credit losses	36,725	29,170	14,813	21,106	(1,376)
Net interest income after provision for credit losses	389,362	349,722	370,863	291,115	279,917
Net securities gains (losses)	(4,348)	(5,446)	(103)	2	16
Other income	101,172	104,677	96,712	98,706	106,741
Other expenses	294,828	270,745	269,917	229,638	213,857
Income before income taxes	191,358	178,208	197,555	160,185	172,817
Income tax provision	39,056	35,636	40,492	32,004	34,560
Net Income	$ 152,302	$ 142,572	$ 157,063	$ 128,181	$ 138,257
Per Share Data—Basic					
Net Income	$ 1.48	$ 1.40	$ 1.55	$ 1.37	$ 1.45
Dividends declared	$ 0.535	$ 0.515	$ 0.495	$ 0.475	$ 0.455
Average shares outstanding	103,220,081	101,913,111	101,556,427	93,612,043	95,583,890
Per Share Data—Diluted					
Net Income	$ 1.47	$ 1.39	$ 1.54	$ 1.37	$ 1.44
Average shares outstanding	103,524,130	102,205,497	101,822,201	93,887,447	95,840,285
At End of Period					
Total assets	$ 12,343,036	$ 11,584,936	$ 11,459,488	$ 9,805,666	$ 9,545,093
Investment securities	1,571,911	1,584,216	1,490,866	1,250,237	1,595,529
Loans and leases, net of unearned income	9,508,039	8,983,754	8,968,761	7,642,143	6,839,230
Allowance for credit losses	125,768	118,906	117,718	102,906	92,522
Deposits	10,250,969	9,678,019	9,192,309	8,005,469	7,982,498
Short-term borrowings	147,966	80,139	597,835	372,694	138,315
Subordinated debentures	128,466	128,305	177,741	170,937	170,775
Other long-term debt	129,555	130,353	4,122	4,862	5,573
Shareholders’ equity	1,554,376	1,405,165	1,314,274	1,052,074	1,109,372
Key Ratios					
Return on average assets	1.26 %	1.22 %	1.42 %	1.34 %	1.47 %
Return on average equity	10.15	10.44	12.80	11.99	12.55
Net loans to deposits ratio	91.53	91.60	96.29	94.18	84.52
Dividends per share as a percent of net income per share	36.15	36.79	31.94	34.67	31.38
Average equity to average assets ratio	12.45	11.72	11.06	11.16	11.72

Results of Operations—2025 Compared to 2024

Net Income

Net income for 2025 was $152.3 million, or $1.47 per diluted share, as compared to net income of $142.6 million, or $1.39 per diluted share in 2024. Contributing to the increase in net income was a $47.2 million increase in net interest income, offset by a $7.6 million increase in provision for credit losses. Provision for credit losses in 2025 included $3.8 million related to the day 1 adjustment on non-PCD loans acquired in the Center acquisition. Additionally, the increase in net interest income was offset by a $24.1 million increase in noninterest expense in 2025 compared to 2024, with $4.0 million of the 2025 increase attributable to the Center acquisition. Noninterest income decreased $2.4 million in 2025 compared to 2024 resulting from a decline of $6.3 million in card-related interchange income as a result of the Company being subject to the Durbin Amendment to the Dodd-Frank Act for the full year of 2025 compared to six-months in 2024.

Our return on average equity was 10.1% and our return on average assets was 1.26% for 2025, compared to 10.4% and 1.22%, respectively, for 2024.

Average diluted shares for the year 2025 were 1.3% more than the comparable period in 2024 primarily due to $45.9 million in common shares issued in relation to the Center acquisition offset by $36.5 million of common stock buybacks completed during 2025.

Net Interest Income

Net interest income, which is our primary source of revenue, is the difference between interest income from earning assets (loans and securities) and interest expense paid on liabilities (deposits, short-term borrowings and long-term debt). The net interest margin is expressed as the percentage of net interest income, on a fully taxable equivalent basis, to average interest-earning assets. To compare the tax exempt asset yields to taxable yields, amounts are adjusted to the pretax equivalent amounts based on the marginal corporate federal income tax rate of 21%. The taxable equivalent adjustment to net interest income for 2025 was $1.4 million compared to $1.3 million in 2024. Net interest income comprises a majority of our revenue (net interest income before provision expense plus noninterest income) at 81% and 79% for the years ended December 31, 2025 and 2024, respectively.

Net interest income, on a fully taxable equivalent basis, was $427.5 million for the year-ended December 31, 2025, a $47.2 million, or 12%, increase compared to $380.2 million for the same period in 2024. The net interest margin, on a fully taxable equivalent basis, increased 29 basis points to 3.84% in 2025 from 3.55% in 2024. Net interest income and the net interest margin are affected by both changes in the level of interest rates and the amount and composition of interest-earning assets and interest-bearing liabilities.

Growth in interest-earning assets as well as higher reinvestment rates for the investment and loan portfolios had a positive impact on interest income for the year ended December 31, 2025. Average earning assets for the year ended December 31, 2025 increased $0.4 billion, or 4%, compared to the year ended December 31, 2024 and interest income increased $32.3 million, or 5.4%. The primary interest earning asset attributable to the Center acquisition was their loan portfolio, which averaged $195.9 million for the year ended December 31, 2025. Interest-sensitive assets totaling $5.7 billion will either reprice or mature over the next twelve months.

The taxable equivalent yield on interest-earning assets was 5.70% for the year ended December 31, 2025, an increase of 8 basis points from the 5.62% yield for the same period in 2024. The yield on interest-earning assets benefited from higher reinvestment rates related to the investment and loan portfolios. The tax-equivalent yield for the investment portfolio increased by 32 basis points and the loan and lease portfolio increased by 4 basis points when compared to the year ended December 31, 2025. The increase in the loan and lease portfolio yield is primarily the result of higher reinvestment rates on our fixed loans, including our fixed rate commercial loan portfolio, indirect automobile loan portfolio and direct consumer installment loan portfolio, which increased by 37 basis points, 35 basis points and 29 basis points, respectively. Additionally, for the year ended December 31, 2025, seven basis points of the yield on interest-earning assets can be attributed to the recognition of $7.4 million in accretion of purchase accounting marks, primarily from the Centric and Center acquisitions. For the year ended December 31, 2024, $7.5 million in accretion of purchase accounting marks benefited the yield on interest-earning assets by seven basis points.

As of December 31, 2025, 49% of our loan portfolio had variable or adjustable interest rates and 51% had fixed interest rates. After incorporating the impact of our cash flow hedges that convert the interest rate on $175.0 million of our 1-month Secured Overnight Financing Rate ("SOFR") based loans to fixed rates, the variable and adjustable interest rates would account for 47% of our loan portfolio. Loans with variable or adjustable interest rates include approximately 26% tied to the prime interest rate, 51% tied to SOFR, 12% tied to Treasury rates and 9% tied to Federal Home Loan Bank rates.

Also contributing to the increase in yield on interest-earning assets was the yield on the investment portfolio, which increased by 32 basis points compared to the prior year, primarily as new volume rates were higher than the portfolio yield. The average investment portfolio balance increased $60.4 million as growth in average deposits exceeded the funding needs for loan growth. The yield on interest-bearing deposits with banks decreased 79 basis points compared to the prior year as a result of lower interest rates, while the average balance decreased $108.2 million.

The cost of interest-bearing liabilities decreased to 2.55% for the year ended December 31, 2025, compared to 2.83% for the same period in 2024. The decrease of 20 basis points in the cost of interest-bearing deposits can be attributed to declines in market interest rates, which influenced the mix of deposits with growth in both money market accounts and time deposits. Average time deposits increased $213.3 million, or 13.8%, while the cost of these deposits decreased 52 basis points. Contributing to the average growth in time deposits was an average of $60.6 million acquired as part of the Center acquisition. Other interest-bearing deposits increased an average of $336.2 million, or 6.0%, while the cost of deposits decreased 14 basis points. Average growth in other-interest bearing deposits attributable to the Center acquisition totaled $98.1 million.

The cost of short-term borrowings decreased 93 basis points in comparison to the same period in the prior year. Average short-term borrowings decreased by $349.1 million for the year ended December 31, 2025 compared to the same period in 2024 primarily due to the payoff of $516.0 million in short-term borrowings related to the Federal Reserve Term Funding program in the fourth quarter of 2024. Average long-term debt increased $75.8 million as a result of a $127.0 million FHLB borrowing entered into in the fourth quarter of 2024, while the cost of long-term debt decreased by 44 basis points.

Comparing the year ended December 31, 2025 with the same period in 2024, changes in rates positively impacted net interest income by $28.9 million. The higher yield on interest-earning assets increased net interest income by $8.5 million, while the change in the cost of interest-bearing liabilities positively impacted net interest income by $20.4 million.

Changes in the volume of interest-earning assets and interest-bearing liabilities positively increased net interest income by $18.3 million in the year ended December 31, 2025 compared to the same period in 2024. Higher levels of interest-earning assets resulted in an increase of $23.8 million in interest income, and changes in the volume and mix of interest-bearing liabilities increased interest expense by $5.4 million, primarily due to growth in time and savings deposits.

Net interest income was positively impacted by a decrease of $136.8 million in average net free funds at December 31, 2025 as compared to December 31, 2024. Average net free funds are the excess of noninterest-bearing demand deposits, other noninterest-bearing liabilities and shareholders’ equity over noninterest-earning assets. The higher level of net free funds was primarily the result of growth in noninterest-bearing demand deposits as well as higher average shareholders' equity due to retained earnings and stock issued for the Center acquisition.

The following table reconciles interest income in the Consolidated Statements of Income to net interest income adjusted to a fully taxable equivalent basis for the periods presented:

	For the Years Ended December 31,		
	2025	2024	2023
		(dollars in thousands)	
Interest income per Consolidated Statements of Income	$ 632,688	$ 600,463	$ 529,998
Adjustment to fully taxable equivalent basis	1,382	1,347	1,237
Interest income adjusted to fully taxable equivalent basis (non-GAAP)	634,070	601,810	531,235
Interest expense	206,601	221,571	144,322
Net interest income adjusted to fully taxable equivalent basis (non-GAAP)	$ 427,469	$ 380,239	$ 386,913

The following table provides information regarding the average balances and yields or rates on interest-earning assets and interest-bearing liabilities for the periods ended December 31:

Average Balance Sheets and Net Interest Analysis

	2025			2024			2023		
	Average Balance	Income / Expense (a)	Yield or Rate	Average Balance	Income / Expense (a)	Yield or Rate	Average Balance	Income / Expense (a)	Yield or Rate
	(dollars in thousands)								
Assets									
Interest-earning assets:									
Interest-bearing deposits with banks	$ 56,166	$ 2,654	4.73 %	$ 164,339	$ 9,071	5.52 %	$ 176,146	$ 9,491	5.39 %
Tax-free investment securities	17,680	460	2.60	19,965	530	2.65	21,485	578	2.69
Taxable investment securities	1,579,540	56,958	3.61	1,516,847	49,688	3.28	1,239,369	29,340	2.37
Loans and leases, net of unearned income (b)(c)(d)	9,474,491	573,998	6.06	9,013,742	542,521	6.02	8,714,770	491,826	5.64
Total interest-earning assets	11,127,877	634,070	5.70	10,714,893	601,810	5.62	10,151,770	531,235	5.23
Noninterest-earning assets:									
Cash	106,569			111,997			112,157		
Allowance for credit losses	(128,990)			(122,867)			(132,046)		
Other assets	950,699			950,943			959,972		
Total noninterest-earning assets	928,278			940,073			940,083		
Total Assets	$ 12,056,155			$ 11,654,966			$ 11,091,853		
Liabilities and Shareholders' Equity									
Interest-bearing liabilities:									
Interest-bearing demand deposits	$ 1,897,654	$ 28,077	1.48 %	$ 1,907,627	$ 34,155	1.79 %	$ 1,959,595	$ 25,652	1.31 %
Savings deposits	4,075,057	95,050	2.33	3,728,926	89,852	2.41	3,548,587	54,847	1.55
Time deposits	1,763,299	66,945	3.80	1,549,999	67,025	4.32	972,735	31,907	3.28
Short-term borrowings	95,322	3,494	3.67	444,453	20,439	4.60	439,556	21,747	4.95
Long-term debt	262,371	13,035	4.97	186,550	10,100	5.41	186,687	10,169	5.45
Total interest-bearing liabilities	8,093,703	206,601	2.55	7,817,555	221,571	2.83	7,107,160	144,322	2.03
Noninterest-bearing liabilities and shareholders' equity:									
Noninterest-bearing demand deposits	2,328,689			2,298,065			2,552,596		
Other liabilities	132,792			173,426			205,224		
Shareholders' equity	1,500,971			1,365,920			1,226,873		
Total noninterest-bearing funding sources	3,962,452			3,837,411			3,984,693		
Total Liabilities and Shareholders' Equity	$ 12,056,155			$ 11,654,966			$ 11,091,853		
Net Interest Income and Net Yield on Interest-Earning Assets		$ 427,469	3.84 %		$ 380,239	3.55 %		$ 386,913	3.81 %

(a) Income on interest-earning assets has been computed on a fully taxable equivalent basis using the federal income tax statutory rate of 21%.
(b) Income on nonaccrual loans is accounted for on the cash basis, and the loan balances are included in interest-earning assets.
(c) Loan income includes loan fees.
(d) Includes held for sale loans.

The following table sets forth certain information regarding changes in net interest income attributable to changes in the volume of interest-earning assets and interest-bearing liabilities and changes in the rates for the periods indicated:

	Analysis of Year-to-Year Changes in Net Interest Income					
	2025 Change from 2024			2024 Change from 2023		
	Total Change	Change Due To Volume	Change Due To Rate (a)	Total Change	Change Due To Volume	Change Due To Rate (a)
	(dollars in thousands)					
Interest-earning assets:						
Interest-bearing deposits with banks	$ (6,417)	$ (5,971)	$ (446)	$ (420)	$ (636)	$ 216
Tax-free investment securities	(70)	(61)	(9)	(48)	(41)	(7)
Taxable investment securities	7,270	2,056	5,214	20,348	6,576	13,772
Loans and leases	31,477	27,737	3,740	50,695	16,862	33,833
Total interest income (b)	32,260	23,761	8,499	70,575	22,761	47,814
Interest-bearing liabilities:						
Interest-bearing demand deposits	(6,078)	(179)	(5,899)	8,503	(681)	9,184
Savings deposits	5,198	8,342	(3,144)	35,005	2,795	32,210
Time deposits	(80)	9,215	(9,295)	35,118	18,934	16,184
Short-term borrowings	(16,945)	(16,060)	(885)	(1,308)	242	(1,550)
Long-term debt	2,935	4,102	(1,167)	(69)	(7)	(62)
Total interest expense	(14,970)	5,420	(20,390)	77,249	21,283	55,966
Net interest income	$ 47,230	$ 18,341	$ 28,889	$ (6,674)	$ 1,478	$ (8,152)

(a) Changes in interest income or expense not arising solely as a result of volume or rate variances are allocated to rate variances.
(b) Changes in interest income have been computed on a fully taxable equivalent basis using the 21% federal income tax statutory rate.

Provision for Credit Losses

The provision for credit losses is determined based on management’s estimates of the appropriate level of the allowance for credit losses needed to provide for expected losses inherent in the loan and lease portfolio and off-balance sheet commitments. The provision for credit losses is an amount added to the allowance against which credit losses are charged.

The provision is a result of management's estimate of credit losses over the contractual life of the loan and lease portfolio. The change in the allowance for credit losses is impacted by estimated expected losses in the portfolio determined by a discounted cash flow analysis considering inputs such as contractual payment schedules, prepayment estimates, historical loss experience, calculated probability of default and loss given default estimates and forecasts for certain macroeconomic variables, such as unemployment, gross domestic product and the housing price index as well as other macroeconomic variables.

The provision for credit losses in 2025 totaled $36.7 million, reflecting an increase of $7.6 million compared to the $29.2 million provision recognized in 2024. Included in the provision expense for 2025 was $3.4 million in day 1 non-PCD expense and $0.3 million in expense related to off-balance sheet commitments related to the Center acquisition. Provision expense related to outstanding loans and leases, excluding the impact of the day 1 non-PCD expense in 2025, increased $3.1 million in 2025. The provision for off-balance sheet commitments increased $7.2 million in 2025 compared to 2024 as a result of higher off-balance sheet commitments related to commercial and residential construction loan commitments, as well as the impact of periodic updates, completed in the third quarter of 2025, related to the expected loss rates for these loan categories.

The level of provision expense in 2025 was primarily related to two loan categories: the commercial, financial, agricultural and other category and commercial real estate. These two categories accounted for $26.4 million of the $32.7 million total provision expense for loans and leases. Provision expense for the commercial, financial, agricultural and other category was $21.9 million in 2025 and included $8.5 million for a dealer floor plan relationship that was moved to noanccrual during the second quarter of 2025 as a result of being out of trust on sold vehicles. Also impacting this category was $8.0 million recognized related to the equipment finance portfolio as a result of $265.9 million, or 62%, loan growth in that category. Provision expense for the commercial real estate category was primarily a result of $4.7 million for the non-owner occupied real estate portfolio. Included in provision expense for the non-owner occupied portfolio was a $1.7 million specific reserve for a loan that was moved to nonaccrual in the fourth quarter of 2025. Additionally, the negative provision for the residential real estate category can be attributed to a slight increase of $18.6 million in outstanding loan balances offset by the impact of lower loss rates. The level of provision expense for loans to individuals is related to net charge-offs in that category, which totaled $5.5 million for the year ended December 31, 2025, including $4.0 million for indirect auto loans and $1.2 million related to other consumer loans.

The table below provides a breakout of the provision for credit losses by loan category for the years ended December 31:

	2025		2024	
	Dollars	Percentage	Dollars	Percentage
	(dollars in thousands)			
Commercial, financial, agricultural and other	**$ 21,906**	**75 %**	**$ 15,834**	**49 %**
Time and demand	12,503	43	7,310	23
Commercial credit cards	262	1	149	1
Equipment finance	7,956	27	6,291	19
Time and demand other	1,185	4	2,084	6
Real estate construction	**1,571**	**5**	**(302)**	**(1)**
Construction other	1,307	4	554	2
Construction residential	264	1	(856)	(3)
Residential real estate	**(966)**	**(3)**	**(1,392)**	**(4)**
Residential first liens	(861)	(3)	(1,194)	(3)
Residential junior liens/home equity	(105)	—	(198)	(1)
Commercial real estate	**4,534**	**15**	**11,662**	**36**
Multifamily	563	2	198	1
Non-owner occupied	4,700	16	10,416	32
Owner occupied	(729)	(3)	1,048	3
Loans to individuals	**2,253**	**8**	**6,566**	**20**
Automobile and recreational vehicles	297	1	4,752	15
Consumer credit cards	399	2	301	1
Consumer other	1,557	5	1,513	4
Provision for credit losses on loans and leases	**$ 29,298**	**100 %**	**$ 32,368**	**100 %**
Provision for credit losses - acquisition day 1 non-PCD	**3,379**		**—**	
Total provision for credit losses on loans and leases	**32,677**		**32,368**	
Provision for off-balance sheet credit exposure	**4,048**		**(3,198)**	
Total provision for credit losses	**$ 36,725**		**$ 29,170**	

The allowance for credit losses was $125.8 million, or 1.32%, of total loans and leases outstanding at December 31, 2025, compared to $118.9 million, or 1.32%, at December 31, 2024. Nonperforming loans as a percentage of total loans increased to 0.97% at December 31, 2025 from 0.68% at December 31, 2024. The allowance to nonperforming loan ratio was 137.1% as of December 31, 2025 and 193.5% at December 31, 2024. Net charge-offs were $29.4 million for the year ended December 31, 2025 compared to $31.2 million for the same period in 2024, a decrease of $1.8 million. During 2025, $7.6 million in charge-offs were recognized as a result of the previously mentioned dealer floor plan loan and $5.6 million in charge-offs were recorded when certain commercial loans were moved to held for sale during the year.

Management believes that the allowance for credit losses is at a level deemed appropriate to absorb expected losses inherent in the loan portfolio at December 31, 2025.

A detailed analysis of our credit loss experience for the previous five years is shown below:

	2025	2024	2023	2022	2021
			(dollars in thousands)		
Loans and leases outstanding at end of year	$ 9,508,039	$ 8,983,754	$ 8,968,761	$ 7,642,143	$ 6,839,230
Average loans outstanding	$ 9,474,491	$ 9,013,742	$ 8,714,770	$ 7,172,624	$ 6,777,192
Balance, beginning of year	$ 118,906	$ 117,718	$ 102,906	$ 92,522	$ 101,309
Day 1 allowance for credit loss on PCD acquired loans	3,560	—	27,205	—	—
Provision for credit losses - acquisition day 1 non-PCD	3,379	—	10,653	—	—
Loans charged off:					
Commercial, financial, agricultural and other	20,252	15,512	19,199	2,361	7,020
Real estate construction	1,294	1,092	—	—	9
Residential real estate	745	483	561	339	309
Commercial real estate	7,188	8,678	6,277	2,487	1,659
Loans to individuals	8,887	9,663	7,230	4,658	4,061
Total loans charged off	38,366	35,428	33,267	9,845	13,058
Recoveries of loans previously charged off:					
Commercial, financial, agricultural and other	5,118	813	498	394	2,430
Real estate construction	—	6	—	9	155
Residential real estate	234	370	247	187	468
Commercial real estate	217	177	151	769	135
Loans to individuals	3,422	2,882	2,219	1,349	1,460
Total recoveries	8,991	4,248	3,115	2,708	4,648
Net charge-offs	29,375	31,180	30,152	7,137	8,410
Provision charged to expense	29,298	32,368	7,106	17,521	(377)
Balance, end of year	$ 125,768	$ 118,906	$ 117,718	$ 102,906	$ 92,522
Ratios:					
Net charge-offs as a percentage of average loans and leases outstanding	0.31 %	0.35 %	0.35 %	0.10 %	0.12 %
Allowance for credit losses as a percentage of end-of-period loans and leases outstanding	1.32 %	1.32 %	1.31 %	1.35 %	1.35 %

Noninterest Income

The components of noninterest income for each year in the three-year period ended December 31 are as follows:

	2025	2024	2023	2025 compared to 2024 $ Change	2025 compared to 2024 % Change
			(dollars in thousands)		
Noninterest Income:					
Trust income	$ 12,907	$ 11,821	$ 10,516	$ 1,086	9 %
Service charges on deposit accounts	22,774	22,518	21,437	256	1
Insurance and retail brokerage commissions	12,652	11,546	10,929	1,106	10
Income from bank owned life insurance	6,877	6,361	4,875	516	8
Card-related interchange income	15,611	21,887	28,640	(6,276)	(29)
Swap fee income	1,543	885	1,519	658	74
Other income	9,604	9,135	8,087	469	5
Subtotal	81,968	84,153	86,003	(2,185)	(3)
Net securities losses	(4,348)	(5,446)	(103)	1,098	(20)
Gain on VISA exchange	5,146	5,664	—	(518)	(9)
Gain on sale of mortgage loans	7,296	5,795	3,951	1,501	26
Gain on sale of other loans and assets	6,888	9,111	6,744	(2,223)	(24)
Derivative mark to market	(126)	(46)	14	(80)	174
Total noninterest income	$ 96,824	$ 99,231	$ 96,609	$ (2,407)	(2)%

Total noninterest income (excluding net securities losses, gain on VISA exchange, gain on sale of mortgage loans, gain on sale of other loans and assets and the derivatives mark to market), decreased $2.2 million, or 3%, in 2025. This decrease can be attributed to a $6.3 million decline in card-related interchange income resulting from the Company being subject to the Durbin Amendment to the Dodd-Frank Act beginning July 1, 2024. The Durbin Amendment is now applicable to the Company because its total assets exceeded $10.0 billion as of December 31, 2023. As a result, its curtailment of card-related interchange income went into effect on July 1, 2024.

Insurance and retail brokerage commissions increased by $1.1 million, or 10%, in 2025, primarily due to higher annuity sales, while Trust income increased $1.1 million, or 9%, due to revenue for assets under management. Swap fee income increased $0.7 million, compared to the prior period, as a result of a growth in new interest rate swaps entered into by our commercial loan customers.

Total noninterest income decreased $2.4 million, or 2%, in comparison to the year ended December 31, 2024. Gain on sale of mortgages increased $1.5 million as a result of changes in volume and spread received on mortgage loans sold, and gain on sale of other loans and assets decreased $2.2 million as a result of a decline in the volume and spread on the sale of SBA loans.

The most significant changes, other than the changes noted above, include gains on VISA exchange of $5.1 million and $5.7 million for the years ended December 31, 2025 and 2024, respectively, related to the conversion and sale of Visa shares. Offsetting these gains are $4.3 million and $5.4 million in losses recognized on the sale available for sale securities for 2025 and 2024, respectively, which were sold in order to reinvest into higher yielding investments.

Noninterest Expense

The components of noninterest expense for each year in the three-year period ended December 31 are as follows:

	2025	2024	2023	2025 compared to 2024 $ Change	2025 compared to 2024 % Change
			(dollars in thousands)		
Noninterest Expense:					
Salaries and employee benefits	$ 163,981	$ 149,287	$ 142,871	$ 14,694	10 %
Net occupancy	20,714	19,783	19,221	931	5
Furniture and equipment	18,161	17,453	17,308	708	4
Data processing	16,359	15,582	15,010	777	5
Advertising and promotion	6,447	5,535	5,713	912	16
Pennsylvania shares tax	4,495	5,422	4,364	(927)	(17)
Intangible amortization	5,503	5,024	4,983	479	10
Other professional fees and services	6,892	5,533	5,919	1,359	25
FDIC insurance	6,117	5,973	6,260	144	2
Other operating expenses	38,201	35,350	34,389	2,851	8
Subtotal	286,870	264,942	256,038	21,928	8
Loss on sale or write-down of assets	654	451	204	203	45
Litigation and operational losses	2,925	4,592	4,641	(1,667)	(36)
Loss on early redemption of subordinated debt	—	369	—	(369)	—
Merger and acquisition related	4,379	391	9,034	3,988	1,020
Total noninterest expense	$ 294,828	$ 270,745	$ 269,917	$ 24,083	9 %

Total noninterest expense increased $24.1 million compared to the year ended December 31, 2024. Salaries and employee benefits increased $14.7 million. Contributing to the higher salary expense in 2025 was a $7.7 million increase in incentive expense, of which $1.5 million can be attributed to finalizing payments related to prior year volumes and performance, with the remaining increase due to higher performance levels and sales volumes in 2025. Also impacting salary and benefit expense is a $1.9 million increase in 401(k) expense, a $1.1 million increase in FICA taxes and a higher number of full time equivalent employees, partially due to the Center acquisition. The number of full time equivalent employees totaled 1,512 at December 31, 2024, increasing to 1,567 at December 31, 2025.

Net occupancy expense increased $0.9 million due to additional properties acquired as part of the Center acquisition as well as increased snow removal expense.

Pennsylvania shares tax decreased $0.9 million compared to the year ended December 31, 2024 primarily due to higher income generated outside of Pennsylvania resulting from continued growth in our SBA and equipment finance loan portfolios.

Other operating expense increased $2.9 million compared to the prior period primarily due to loan-related appraisals, credit reporting and OREO expense. The increase in other professional fees and services is a result of services and advisors for several areas, none of which were individually material. Merger and acquisition related expenses increased $4.0 million compared to the prior period as a result of the Center acquisition which occurred in the second quarter of 2025.

Income Tax

The provision for income taxes of $39.1 million in 2025 reflects an increase of $3.4 million compared to the provision for income taxes in 2024 as a result of a $13.2 million increase in the level of income before taxes.

The effective tax rate was 20.4% and 20.0% for tax expense in 2025 and 2024, respectively. We ordinarily generate an annual effective tax rate that is less than the statutory rate due to benefits resulting from tax-exempt interest, income from bank owned life insurance, and tax benefits associated with low-income housing tax credits, all of which are relatively consistent regardless of the level of pretax income.

Financial Condition

First Commonwealth’s total assets increased $758.1 million as of December 31, 2025 compared to December 31, 2024. Loans and leases, including loans held for sale, increased $743.7 million. Contributing to the loan growth in 2025, including loans held for sale, were increases of $265.9 million in equipment finance loans, $231.3 million in commercial real estate loans and $107.0 million in automobile and recreational vehicle loans. Investment securities decreased $19.6 million, or 1%, and cash and interest-bearing balances with banks increased $47.0 million, or 35%.

First Commonwealth's total liabilities increased $608.9 million in 2025. Deposits increased $573.0 million and long-term borrowings decreased $0.8 million. Short-term borrowings increased $67.8 million, or 85%.

Total shareholders' equity increased $149.2 million in 2025. The growth in shareholders' equity was the result of net income of $152.3 million, common stock issued for the Center acquisition of $45.9 million and a $37.9 million increase in accumulated other comprehensive income resulting from changes in the fair value of available for sale investments, offset by $55.5 million in dividends declared and $36.5 million in stock repurchases.

Loan and Lease Portfolio

Following is a summary of our loan and lease portfolio as of December 31:

	2025		2024		2023		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(dollars in thousands)									
Commercial, financial, agricultural and other	$ 2,044,989	22 %	$ 1,677,989	19 %	$ 1,543,349	17 %	$ 1,211,706	16 %	$ 1,173,452	17 %
Real estate construction	462,786	5	483,384	5	597,735	7	513,101	7	494,456	7
Residential real estate	2,360,285	25	2,341,703	26	2,416,876	27	2,194,669	29	1,920,250	28
Commercial real estate	3,182,109	33	3,124,704	35	3,053,152	34	2,425,012	31	2,251,097	33
Loans to individuals	1,457,870	15	1,355,974	15	1,357,649	15	1,297,655	17	999,975	15
Total loans and leases	$ 9,508,039	100 %	$ 8,983,754	100 %	$ 8,968,761	100 %	$ 7,642,143	100 %	$ 6,839,230	100 %

The loan and lease portfolio, excluding loans held for sale, totaled $9.5 billion as of December 31, 2025, reflecting growth of $524.3 million compared to December 31, 2024. The Center acquisition contributed $292.6 million of this loan growth while the movement of a portfolio of loans to held for sale in the fourth quarter of 2025 negatively impacted the growth by $225.4 million. Commercial, financial, agricultural and other loans increased $367.0 million, or 22%, $265.9 million of which is a result of growth in the equipment finance portfolio and $92.5 million of which was the result of growth in time and demand loans. Residential real estate loans increased $18.6 million, or 1%, as $82.9 million growth from the Center acquisition was offset by runoff in the portfolio due to a higher percentage of new loans being originated for sale. Commercial real estate loans increased $57.4 million, or 2%, primarily due to growth in owner- and non-owner occupied properties. Growth in commercial real estate loans was impacted by the addition of $114.6 million acquired as part of the Center acquisition, offset by $173.9 million of loans moved to held for sale in the fourth quarter of 2025. Loans to individuals increased $101.9 million primarily due to growth in indirect auto and recreational vehicle loans.

Loans secured by 1-4 family residential properties in the process of foreclosure totaled $14.1 million at December 31, 2025 and $12.1 million at December 31, 2024.

The level of the loan portfolio in 2025 was impacted by the Center acquisition as well as the movement of a select portfolio of loans to held for sale. To better understand the changes to loan portfolio in 2025, the following table shows a breakdown of our loan portfolio between loans acquired through the Center acquisition and the portfolio moved to held for sale as of December 31, 2025:

	Legacy	Acquired [1]	Portfolio Moved to Held for Sale	Total
	(dollars in thousands)			
Commercial, financial, agricultural and other	$ 2,002,037	$ 61,233	$ (18,281)	$ 2,044,989
Real estate construction	452,824	33,521	(23,559)	462,786
Residential real estate	2,287,045	82,920	(9,680)	2,360,285
Commercial real estate	3,241,403	114,567	(173,861)	3,182,109
Loans to individuals	1,457,493	377	—	1,457,870
Total loans and leases	$ 9,440,802	$ 292,618	$ (225,381)	$ 9,508,039

[1] Includes April 30, 2025 balance of loans acquired as part of the Center acquisition plus day 1 gross up of PCD loans.

The majority of our loan and lease portfolio is with borrowers located in the states of Pennsylvania and Ohio. As of December 31, 2025 and 2024, there were no concentrations of loans relating to any industry in excess of 10% of total loans.

Final loan maturities and rate sensitivities of the loan portfolio excluding consumer installment and mortgage loans at December 31, 2025 were as follows:

	Within One Year	One to 5 Years	After 5 Years	Total
		(dollars in thousands)		
Commercial, financial, agricultural and other	$ 365,592	$ 1,096,527	$ 581,498	$ 2,043,617
Real estate construction (a)	149,926	246,644	48,357	444,927
Commercial real estate	561,626	1,417,814	1,201,996	3,181,436
Other	22,905	43,344	128,652	194,901
Total	$ 1,100,049	$ 2,804,329	$ 1,960,503	$ 5,864,881
Loans at fixed interest rates		1,370,975	323,956	
Loans at variable interest rates		1,433,354	1,636,547	
Total		$ 2,804,329	$ 1,960,503	

(a) The maturities of real estate construction loans include term commitments that follow the construction period. Loans with these term commitments will be moved to the commercial real estate category when the construction phase of the project is completed.

First Commonwealth has a legal lending limit of $204.4 million to any one borrower or closely related group of borrowers, but has established lower thresholds for credit risk management.

Commercial real estate comprises 33% of our total loan portfolio. Commercial real estate loans are collateralized by real estate properties including, but not limited to, multifamily properties, office, retail, hotels and student housing. The following table summarizes the commercial real estate portfolio by type of property securing the credit as of December 31:

	2025		2024	
	Amount	%	Amount	%
		(dollars in thousands)		
Land	$ 8,757	0.3 %	$ 4,495	0.1 %
Residential 1-4	5,380	0.2	11,735	0.4
Industrial and storage	645,211	20.3	522,480	16.7
Multifamily	576,299	18.1	610,442	19.5
Office	470,133	14.8	533,216	17.1
Healthcare	143,056	4.5	153,609	4.9
Student housing	139,645	4.4	126,688	4.1
Retail	774,070	24.3	768,067	24.6
Hospitality	238,531	7.4	191,372	6.1
Specialty use	178,940	5.6	196,946	6.3
Other	2,087	0.1	5,654	0.2
Total	$ 3,182,109	100.0 %	$ 3,124,704	100.0 %

The following table represents our commercial real estate portfolio by type of property securing the credit as of December 31, 2025. Total non-pass commercial real estate loans increased by $17.7 million to $127.5 million when compared to December 31, 2024.

	Pass	OAEM	Substandard Accruing	Substandard Nonaccruing	Total Non-Pass	Total	% Non-Pass
			(dollars in thousands)				
Land	$ 8,757	$ —	$ —	$ —	$ —	$ 8,757	— %
Residential 1-4	5,092	—	288	—	288	5,380	5.4
Industrial and storage	635,669	4,856	3,950	736	9,542	645,211	1.5
Multifamily	537,198	15,357	11,732	12,012	39,101	576,299	6.8
Office	438,266	23,190	209	8,468	31,867	470,133	6.8
Healthcare	140,672	2,039	306	39	2,384	143,056	1.7
Student housing	134,648	4,997	—	—	4,997	139,645	3.6
Retail	750,623	4,541	10,545	8,361	23,447	774,070	3.0
Hospitality	233,302	5,229	—	—	5,229	238,531	2.2
Specialty use	168,421	8,883	640	996	10,519	178,940	5.9
Other	1,997	90	—	—	90	2,087	4.3
Total	$ 3,054,645	$ 69,182	$ 27,670	$ 30,612	$ 127,464	$ 3,182,109	4.0 %

The office portfolio comprises 14.8% of total commercial real estate loans and 25.0% of total commercial real estate non-pass loans. The average loan commitment size for the office portfolio is $0.9 million and the average outstanding balance as of December 31, 2025 is $0.9 million. Within the office portfolio, exposures over $1.0 million have an average debt service coverage ratio of 1.54x, which exceeds our internal guidelines of 1.25x to 1.50x, depending on property class. Additionally, for loans with exposure over $1.0 million, the office portfolio has a weighted average loan to value of 54% compared to internal guidelines of 60-75% depending on property class. Our current measure is based off of the most recent appraisal on file, the majority of which are from origination.

Portfolio segment limits are approved by our Board of Directors' Risk Committee. These segment limits incorporate loan commitments and are based off of total Tier 1 capital plus the allowable allowance for credit losses. In the second quarter of 2024, after considering the current environment and potential risks related to the office portfolio, the segment limit for the office portfolio was decreased from 65% to 50%, with the actual segment concentration at 32.4% as of December 31, 2025.

The following table summarizes commercial real estate loans by the location of the properties by which they are collateralized as of December 31, 2025. Some loans are collateralized by multiple properties spread over various states. In those instances the loan is included below based on the location of the primary property collateralizing the loan.

	Balance	% of Total
	(dollars in thousands)	
Ohio	$ 1,371,327	43 %
Pennsylvania	1,334,018	42
New Jersey	41,244	1
Indiana	40,433	1
Kentucky	117,785	4
New York	43,857	1
Other	233,445	8
	$ 3,182,109	100 %

When calculating the allowance for credit losses the commercial real estate portfolio is segmented into three portfolio segments: multifamily, non-owner occupied and owner occupied. For additional information related to these segments, including credit quality, see Note 9 "Loans and Leases and Allowance for Credit Losses" of the Consolidated Financial Statements.

Nonperforming Loans

Nonperforming loans include nonaccrual loans and restructured loans. Nonaccrual loans represent loans on which interest accruals have been discontinued. Restructured loans are those loans whose terms have been renegotiated to provide a reduction or deferral of principal or interest as a result of the deteriorating financial position of the borrower under terms not available in the market.

We discontinue interest accruals on a loan when, based on current information and events, it is probable that we will be unable to fully collect principal or interest due according to the contractual terms of the loan. Consumer loans are placed in nonaccrual status at 150 days past due. Other types of loans are typically placed in nonaccrual status when there is evidence of a significantly weakened financial condition or principal and interest is 90 days or more delinquent. Interest received on a nonaccrual loan is normally applied as a reduction to loan principal rather than interest income utilizing the cost recovery methodology of revenue recognition.

Nonperforming loans are closely monitored on an ongoing basis as part of our loan review and work-out process. The estimated credit loss on these loans is evaluated by comparing the loan balance to the fair value of any underlying collateral and the present value of projected future cash flows. Losses are recognized when a loss is expected and the amount is reasonably estimable.

The following is a comparison of nonperforming assets and the effects on interest due to nonaccrual loans for the period ended December 31:

	2025	2024	2023 (dollars in thousands)	2022	2021
Nonperforming Loans:					
Loans on nonaccrual basis	$ 91,756	$ 61,456	$ 39,472	$ 20,193	$ 34,926
Troubled debt restructured loans on nonaccrual basis	—	—	—	8,852	13,134
Troubled debt restructured loans on accrual basis	—	—	—	6,442	7,120
Total nonperforming loans	$ 91,756	$ 61,456	$ 39,472	$ 35,487	$ 55,180
Loans and leases past due in excess of 90 days and still accruing	$ 1,288	$ 2,064	$ 9,436	$ 1,991	$ 1,606
Other real estate owned	$ 990	$ 895	$ 422	$ 534	$ 642
Loans and leases outstanding at end of period	$ 9,508,039	$ 8,983,754	$ 8,968,761	$ 7,642,143	$ 6,839,230
Average loans and leases outstanding	$ 9,474,491	$ 9,013,742	$ 8,714,770	$ 7,172,624	$ 6,777,192
Nonperforming loans as a percentage of total loans and leases	0.97 %	0.68 %	0.44 %	0.46 %	0.81 %
Provision for credit losses on loans and leases	$ 29,298	$ 32,368	$ 7,106	$ 17,521	$ (377)
Provision for credit losses - acquisition day 1 non-PCD	$ 3,759	$ —	$ 10,653	$ —	$ —
Allowance for credit losses	$ 125,768	$ 118,906	$ 117,718	$ 102,906	$ 92,522
Net charge-offs	$ 29,375	$ 31,180	$ 30,152	$ 7,137	$ 8,410
Net charge-offs as a percentage of average loans and leases outstanding	0.31 %	0.35 %	0.35 %	0.10 %	0.12 %
Provision for credit losses on loans and leases as a percentage of net charge-offs (b)	99.74 %	103.81 %	23.57 %	245.50 %	(4.48)%
Allowance for credit losses as a percentage of end-of-period loans and leases outstanding (a)	1.32 %	1.32 %	1.31 %	1.35 %	1.35 %
Allowance for credit losses as a percentage of nonperforming loans (a)	137.07 %	193.48 %	298.23 %	289.98 %	167.67 %
Gross income that would have been recorded at original rates	$ 6,814	$ 6,717	$ 3,894	$ 1,444	$ 3,503
Interest that was reflected in income	1,080	705	530	244	569
Net reduction to interest income due to nonaccrual	$ 5,734	$ 6,012	$ 3,364	$ 1,200	$ 2,934

(a) End of period loans and nonperforming loans exclude loans held for sale.
(b) Does not include provision for credit losses on loans and leases - acquisition day 1 non-PCD.

Nonperforming loans increased $30.3 million to $91.8 million at December 31, 2025, compared to $61.5 million at December 31, 2024. During 2025, $94.1 million in loans were moved to nonaccrual, offset by $30.3 million in paydowns and payoffs, $5.8 million in sales, and $27.0 million in charge-offs. During 2025, two dealer floor plan relationships with balances of $13.8 million at December 31, 2025 were placed in nonaccrual status. The relationships totaled $41.4 million when placed in nonaccrual and subsequently the balances were reduced by $20.0 million in payments from the liquidation and sale of collateral and by $7.6 million in chargeoffs. In addition, $8.5 million in the new nonaccrual loans were the result of the Center acquisition. Nonperforming loans as a percentage of total loans increased to 0.97% from 0.68% at December 31, 2025 compared to December 31, 2024, respectively.

Net charge-offs were $29.4 million in 2025 compared to $31.2 million for the year 2024. The most significant credit losses recognized during the year include a $7.6 million charge-off recognized on a dealer floor plan relationship, $2.8 million recognized on nonperforming loans acquired from the Center acquisition, $7.0 million recognized on automobile and recreational vehicles and $1.8 million recognized on a non-owner occupied relationship loan. Included in the above charge-off detail is $7.4 million in charge-offs related to loans that were moved to held for sale during 2025. Additional detail on credit risk is included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under “Provision for Credit Losses,” “Allowance for Credit Losses" and "Credit Risk.”

Provision for credit losses on loans and leases as a percentage of net charge-offs decreased to 99.7% for the year ended December 31, 2025 from 103.8% for the year ended December 31, 2024. This change was primarily driven by the $29.4 million in net charge-offs.

Allowance for Credit Losses

Following is a summary of the allocation of the allowance for credit losses at December 31:

	2025		2024		2023		2022		2021	
	Allowance Amount	% (a)	Allowance Amount	% (a)	Allowance Amount	% (a)	Allowance Amount	% (a)	Allowance Amount	% (a)
					(dollars in thousands)					
Commercial, financial, agricultural and other	$ 38,149	22 %	$ 29,131	19 %	$ 27,996	17 %	$ 22,650	16 %	$ 18,093	17 %
Real estate construction	7,808	5	6,030	5	7,418	7	8,822	7	4,220	7
Residential real estate	21,629	25	22,396	26	23,901	27	21,412	29	12,625	28
Commercial real estate	40,271	33	40,232	35	37,071	34	28,804	31	33,376	33
Loans to individuals	17,911	15	21,117	15	21,332	15	21,218	17	24,208	15
Total	$ 125,768		$ 118,906		$ 117,718		$ 102,906		$ 92,522	
Allowance for credit losses as percentage of end-of-period loans and leases outstanding	1.32 %		1.32 %		1.31 %		1.35 %		1.35 %	

(a) Represents the ratio of loans in each category to total loans.

The allowance for credit losses increased $6.9 million from December 31, 2024 to December 31, 2025. The allowance for credit losses as a percentage of end-of-period loans and leases outstanding was 1.32% at both December 31, 2025 and 2024, respectively. The allowance for credit losses includes both a general reserve for performing loans and reserves for individually analyzed loans. Comparing December 31, 2025 to December 31, 2024, the general reserve for performing loans is 1.22% and 1.24%, respectively, of total performing loans for both periods. Reserves for individually analyzed loans decreased from 13.0% of nonperforming loans at December 31, 2024 to 10.7% of nonperforming loans at December 31, 2025. The allowance for credit losses as a percentage of nonperforming loans was 137.1% and 193.5% at December 31, 2025 and 2024, respectively.

The allowance for credit losses represents management’s estimate of expected losses in the loan portfolio at a specific point in time. This estimate includes losses associated with specifically identified loans, as well as estimated credit losses inherent in the remainder of the loan portfolio. Additions are made to the allowance through both periodic provisions charged to income and recoveries of losses previously incurred. Reductions to the allowance occur as loans are charged off. Management evaluates the appropriateness of the allowance at least quarterly, and in doing so relies on various factors including, but not limited to, assessment of historical loss experience, contractual payment schedules, prepayment estimates, calculated probability of default and loss given default estimates and forecasts of certain macroeconomic variables, such as unemployment, gross domestic product, housing price index, business bankruptcies as well as other macroeconomic variables. This evaluation is subjective and requires material estimates that may change over time. For a description of the methodology used to calculate the allowance for credit losses, please refer to “Critical Accounting Policies and Significant Accounting Estimates—Allowance for Credit Losses.”

Investment Portfolio

Marketable securities that we hold in our investment portfolio, which are classified as "securities available for sale," act as a source of liquidity. However, we do not anticipate liquidating the investments prior to maturity.

Following is a detailed schedule of the amortized cost of securities available for sale as of December 31:

	2025	2024	2023
		(dollars in thousands)	
Obligations of U.S. Government Agencies:			
Mortgage-Backed Securities—Residential	$ 2,638	$ 3,096	$ 3,565
Mortgage-Backed Securities—Commercial	701,572	779,232	512,979
Obligations of U.S. Government-Sponsored Enterprises:			
Mortgage-Backed Securities—Residential	336,493	413,434	559,769
Other Government-Sponsored Enterprises	1,000	1,000	1,000
Obligations of States and Political Subdivisions	7,560	8,510	9,226
Corporate Securities	46,969	62,475	51,886
Total Securities Available for Sale	$ 1,096,232	$ 1,267,747	$ 1,138,425

As of December 31, 2025, securities available for sale had a fair value of $1.0 billion. Gross unrealized gains were $5.7 million and gross unrealized losses were $87.7 million. The level of gross unrealized losses is directly related to the increase in market interest rates.

The securities available for sale portfolio decreased $133.4 million, or 12%, as of December 31, 2025 compared to December 31, 2024, as deposit growth provided additional liquidity which exceeded funding needs of the loan portfolio. Most of the run off in this portfolio is related to the sales, paydown and maturity of mortgage-backed securities. These securities provide ongoing liquidity through regular principal paydowns and additionally can be pledged for borrowings or to secure public deposits.

The following is a schedule of the contractual maturity distribution of securities available for sale at December 31, 2025.

	U.S. Government Agencies and Corporations	States and Political Subdivisions	Other Securities	Total Amortized Cost (a)	Weighted Average Yield (b)
			(dollars in thousands)		
Within 1 year	$ 1,171	$ —	$ —	$ 1,171	0.98 %
After 1 but within 5 years	580	7,560	27,475	35,615	6.10
After 5 but within 10 years	1,686	—	19,494	21,180	3.84
After 10 years	1,038,266	—	—	1,038,266	3.36
Total	$ 1,041,703	$ 7,560	$ 46,969	$ 1,096,232	3.46 %

(a) Equities are excluded from this schedule because they have an indefinite maturity.
(b) Yields are calculated on a taxable equivalent basis, including amortization of premiums or discounts, and represent yield to maturity.

Mortgage-backed securities, which include mortgage-backed obligations of U.S. Government agencies and obligations of U.S. Government-sponsored enterprises, have contractual maturities ranging from less than one year to approximately 42 years and have anticipated average lives to maturity ranging from less than three years to approximately six years.

The available for sale investment portfolio amortized cost decreased $171.5 million, or 14%, at December 31, 2025 compared to 2024. Purchases of available for sale investments totaled $162.1 million during 2025 and calls or maturities totaled $282.7 million. The level of purchases were impacted by liquidity available from increased deposits. Liquidity provided from sales, calls and maturities was utilized to fund growth in the loan portfolio or reinvested into investment securities and interest-bearing deposits with banks.

Following is a detailed schedule of the amortized cost of securities held to maturity as of December 31:

	2025	2024	2023
		(dollars in thousands)	
Obligations of U.S. Government Agencies:			
Mortgage-Backed Securities—Residential	$ 1,379	$ 1,586	$ 1,781
Mortgage-Backed Securities—Commercial	163,625	89,404	69,502
Obligations of U.S. Government-Sponsored Enterprises:			
Mortgage-Backed Securities—Residential	307,676	266,587	296,432
Mortgage-Backed Securities—Commercial	—	—	2,190
Other Government-Sponsored Enterprises	23,199	22,869	22,543
Obligations of States and Political Subdivisions	22,743	24,193	25,561
Debt Securities Issued by Foreign Governments	800	1,000	1,000
Total Securities Held to Maturity	$ 519,422	$ 405,639	$ 419,009

The following is a schedule of the contractual maturity distribution of securities held to maturity at December 31, 2025.

	U.S. Government Agencies and Corporations	States and Political Subdivisions	Other Securities	Total Amortized Cost	Weighted Average Yield (a)
			(dollars in thousands)		
Within 1 year	$ —	$ 1,604	$ 200	$ 1,804	3.01 %
After 1 but within 5 years	2,564	16,245	600	19,409	2.41
After 5 but within 10 years	52,502	4,330	—	56,832	2.01
After 10 years	440,813	564	—	441,377	2.85
Total	$ 495,879	$ 22,743	$ 800	$ 519,422	2.74 %

(a) Yields are calculated on a taxable equivalent basis, including amortization of premiums or discounts, and represent yield to maturity.

The held to maturity investment portfolio increased $113.8 million, or 28%, at December 31, 2025 compared to 2024. Held to maturity investment purchases of $192.5 million were offset by the calls or maturities of $78.3 million in investments.

See Note 8 “Investment Securities" and Note 18 “Fair Values of Assets and Liabilities” for additional information related to the investment portfolio.

Deposits

Total deposits increased $573.0 million in 2025. Interest-bearing demand and savings deposits increased $359.3 million, noninterest-bearing demand deposits increased $123.2 million and time deposits increased $90.5 million. The growth and changes in the mix of deposits in 2025 was impacted by $278.0 million in deposits acquired as part of the Center acquisition.

The following table shows a breakdown of the components of First Commonwealth's deposits as of the end of the year in the two-year period ending December 31:

	2025			2024
	Originated	Acquired[a]	Amount	Amount[b]
	(dollars in thousands)			
Noninterest-bearing deposits	$ 2,331,287	$ 41,484	$ 2,372,771	$ 2,249,615
Interest-bearing demand deposits	1,782,509	13,004	1,795,513	688,596
Savings deposits	4,108,572	133,190	4,241,762	4,989,342
Time deposits	1,750,616	90,307	1,840,923	1,750,466
Total deposits	$ 9,972,984	$ 277,985	$ 10,250,969	$ 9,678,019

[a] Reflects the deposit balances, including purchase accounting marks, of deposits acquired from Center as of the acquisition date of April 30, 2025.
[b] Category totals have been reclassified to remove the impact of the internal sweep program.

In the table above, compared to amounts previously disclosed, deposits for December 31, 2024 reflect a reclassification of $1.2 billion out of savings deposits into interest-bearing demand deposits. This reclassification removes the impact of an internal sweep program that has historically been in place for regulatory reserve requirements. In the second quarter of 2025, the internal sweep program was terminated; therefore, for consistency purposes, interest-bearing demand deposits and savings deposits for periods prior to June 30, 2025 are now shown without the deposit reclassification.

The level of deposits during any period is influenced by factors outside of management's control, such as the level of short-term and long-term market interest rates and yields offered on competing investments, such as money market mutual funds.

For additional information concerning our deposits, please refer to Note 14 "Interest-Bearing Deposits."

At December 31, 2025 and 2024, time deposits of $100 thousand or more totaled $1,061.4 million and $1,018.3 million, respectively. Time deposits of $250 thousand or more had remaining maturities as follows as of the end of each year in the two-year period ended December 31:

	2025		2024	
	Amount	%	Amount	%
	(dollars in thousands)			
3 months or less	$ 210,514	49 %	$ 215,806	47 %
Over 3 months through 6 months	142,435	33	101,101	22
Over 6 months through 12 months	74,259	17	125,863	27
Over 12 months	5,209	1	17,081	4
Total	$ 432,417	100 %	$ 459,851	100 %

The estimated total amount of uninsured deposits was $2.9 billion and $2.6 billion at December 31, 2025 and 2024, respectively, of which $0.8 billion and $0.7 billion were secured by pledged investment securities or letters of credit at December 31, 2025 and 2024, respectively. Uninsured amounts are estimated based on known deposit account relationships for each depositor and insurance guidelines provided by the FDIC.

Short-Term Borrowings and Long-Term Debt

Short-term borrowings increased $67.8 million, or 85%, from $80.1 million at December 31, 2024 to $148.0 million at December 31, 2025. Long-term debt decreased $1.2 million, from $263.0 million at December 31, 2024 to $261.7 million at December 31, 2025. For additional information concerning our short-term borrowings, subordinated debentures and other long-term debt, please refer to Note 15 "Short-term Borrowings," Note 16 "Subordinated Debentures" and Note 17 "Other Long-term Debt" of the Consolidated Financial Statements.

Contractual Obligations and Off-Balance Sheet Arrangements

The table below sets forth our contractual obligations to make future payments as of December 31, 2025. For a more detailed description of each category of obligation, refer to the note in our Consolidated Financial Statements indicated in the table below.

	Footnote Number Reference	1 Year or Less	After 1 But Within 3 Years	After 3 But Within 5 Years	After 5 Years	Total
		(dollars in thousands)				
FHLB advances	17	$ 127,830	$ 1,483	$ 242	$ —	$ 129,555
Subordinated debentures	16	—	—	—	128,466	128,466
Operating leases	11	5,351	9,812	8,895	30,181	54,239
Total contractual obligations		$ 133,181	$ 11,295	$ 9,137	$ 158,647	$ 312,260

The table above excludes our cash obligations upon maturity of certificates of deposit, which is set forth in Note 14 "Interest-Bearing Deposits" of the Consolidated Financial Statements.

In addition, see Note 10 "Commitments and Letters of Credit" for detail related to our off-balance sheet commitments to extend credit, financial standby letters of credit, performance standby letters of credit and commercial letters of credit as of December 31, 2025. Commitments to extend credit, standby letters of credit and commercial letters of credit do not necessarily represent future cash requirements since it is unknown if the borrower will draw upon these commitments and often these commitments expire without being drawn upon. As of December 31, 2025, a reserve for expected credit losses of $8.2 million was recorded for unused commitments and letters of credit.

Liquidity

Liquidity refers to our ability to meet the cash flow requirements of depositors and borrowers, as well as our operating cash needs, with cost-effective funding. Liquidity risk arises from the possibility that we may not be able to meet our financial obligations and operating cash needs or may become overly reliant upon external funding sources. In order to manage this risk, our Board of Directors has established a Liquidity Policy that identifies primary sources of liquidity, establishes procedures for monitoring and measuring liquidity and quantifies minimum liquidity requirements based on limits approved by our Board of Directors. This policy designates our Asset/Liability Committee ("ALCO") as the body responsible for meeting these objectives. The ALCO, which includes members of executive management, reviews liquidity on a periodic basis and approves significant changes in strategies that affect balance sheet or cash flow positions. Liquidity is centrally managed on a daily basis by our Treasury Department, which monitors it by using such measures as a 30-day liquidity stress analysis, liquidity gap ratios and noncore funding ratios.

We generate funds to meet our cash flow needs primarily through the core deposit base of First Commonwealth Bank and the maturity or repayment of loans and other interest-earning assets, including investments. Core deposits are the most stable source of liquidity a bank can have due to the long-term relationship with a deposit customer. The level of deposits during any period is sometimes influenced by factors outside of management's control, such as the level of short-term and long-term market interest rates and yields offered on competing investments, such as money market mutual funds. Deposits increased $573.0 million during 2025, and comprised 95% of total liabilities at both December 31, 2025 and 2024. Proceeds from the sale, maturity and redemption of investment securities totaled $429.4 million during 2025 and provided liquidity to fund loans, purchase investment securities and fund depositor withdrawals.

The following represents our expanded sources of liquidity as of December 31, 2025:

	Total Available	Amount Used	Outstanding Letters of Credit	Net Available
	(dollars in thousands)			
Internal liquidity sources				
Unencumbered securities	$ 547,046	$ —	$ —	$ 547,046
Other (excess pledged)	154,458	—	—	154,458
External liquidity sources				
FHLB advances	2,830,380	254,555	10,075	2,565,750
FRB borrowings	1,085,534	—	—	1,085,534
Lines with other financial institutions	160,000	—	—	160,000
CDARS [1]	1,231,190	14,957	—	1,216,233
Total liquidity	**$ 6,008,608**	**$ 269,512**	**$ 10,075**	**$ 5,729,021**

[1] Reflects internal policy limit. Maximum capacity with CDARs is $1.8 billion.

Our participation in the Certificate of Deposit Account Registry Services ("CDARS") program is part of an ALCO strategy to increase and diversify funding sources. As of December 31, 2025, the outstanding CDARS balance of $15.0 million carried an average weighted rate of 2.93% and an average original term of 322 days. These deposits are part of a reciprocal program that allows our depositors to receive expanded FDIC coverage by placing multiple certificates of deposit at other CDARS member banks.

Liquidity available through the Federal Reserve is a result of the FRB Borrower-in-Custody of Collateral program, which enables us to take certain loans that are not being used as collateral at the FHLB and pledge them as collateral for borrowings at the FRB.

Refer to “Financial Condition” above for additional information concerning our deposits, loan portfolio, investment securities and borrowings.

Market Risk

Market risk refers to potential losses arising from items such as changes in interest rates, foreign exchange rates, equity prices and commodity prices. Our market risk is composed primarily of interest rate risk. Interest rate risk is comprised of repricing risk, basis risk, yield curve risk and options risk. Repricing risk arises from differences in the cash flow or repricing between asset and liability portfolios. Basis risk arises when asset and liability portfolios are related to different market rate indices, which do not always change by the same amount. Yield curve risk arises when asset and liability portfolios are related to different maturities on a given yield curve; when the yield curve changes shape, the risk position is altered. Options risk arises from “embedded options” within asset and liability products as certain borrowers have the option to prepay their loans when rates fall, while certain depositors can redeem or withdraw their deposits early when rates rise.

The process by which we manage our interest rate risk is called asset/liability management. The goals of our asset/liability management are increasing net interest income without taking undue interest rate risk or material loss of net market value of our equity, while maintaining adequate liquidity. Net interest income is increased by growing earning assets and increasing the difference between the rate earned on earning assets and the rate paid on interest-bearing liabilities. Liquidity is measured by the ability to meet both depositors’ and credit customers’ requirements.

We use an asset/liability model to measure our interest rate risk. Interest rate risk measures include earnings simulation and gap analysis. Gap analysis is a static measure that does not incorporate assumptions regarding future events. Gap analysis, while a helpful diagnostic tool, displays cash flows for only a single rate environment. Net interest income simulations explicitly measure the exposure to earnings from changes in market rates of interest. Under simulation analysis, our current financial position is combined with assumptions regarding future business to calculate net interest income under various hypothetical rate scenarios. Our net interest income simulations assume a level balance sheet whereby new volume equals run-off. The ALCO reviews earnings simulations over multiple years under various interest rate scenarios. Reviewing these various measures provides us with a reasonably comprehensive view of our interest rate profile.

The following gap analysis compares the difference between the amount of interest-earning assets and interest-bearing liabilities subject to repricing over a period of time. The ratio of rate sensitive assets to rate sensitive liabilities repricing within a one-year period was 0.70 and 0.68 at December 31, 2025 and 2024, respectively. A ratio of less than one indicates a higher level of repricing liabilities over repricing assets over the next twelve months. The level of First Commonwealth's ratio is largely driven by the modeling of interest-bearing non-maturity deposits, which are included in the analysis as repricing within one year.

Following is the gap analysis as of December 31:

	2025					
	0-90 Days	91-180 Days	181-365 Days	Cumulative 0-365 Days	Over 1 Year Through 5 Years	Over 5 Years
	(dollars in thousands)					
Loans and leases	$ 3,962,518	$ 534,440	$ 846,281	$ 5,343,239	$ 3,308,592	$ 724,461
Investments	83,620	64,581	134,135	282,336	676,118	657,200
Other interest-earning assets	75,812	—	—	75,812	—	1,270
Total interest-sensitive assets (ISA)	4,121,950	599,021	980,416	5,701,387	3,984,710	1,382,931
Certificates of deposit	770,770	629,285	367,335	1,767,390	72,102	916
Other deposits	6,037,275	—	—	6,037,275	—	—
Borrowings	227,167	215	127,431	354,813	51,693	—
Total interest-sensitive liabilities (ISL)	7,035,212	629,500	494,766	8,159,478	123,795	916
Gap	$ (2,913,262)	$ (30,479)	$ 485,650	$ (2,458,091)	$ 3,860,915	$ 1,382,015
ISA/ISL	0.59	0.95	1.98	0.70	32.19	1,509.75
Gap/Total assets	23.60 %	0.25 %	3.93 %	19.91 %	31.28 %	11.20 %

	2024					
	0-90 Days	91-180 Days	181-365 Days	Cumulative 0-365 Days	Over 1 Year Through 5 Years	Over 5 Years
	(dollars in thousands)					
Loans and leases	$ 3,668,849	$ 423,523	$ 738,672	$ 4,831,044	$ 3,212,002	$ 851,465
Investments	57,039	50,445	119,475	226,959	675,061	771,365
Other interest-earning assets	27,160	—	—	27,160	—	1,198
Total interest-sensitive assets (ISA)	3,753,048	473,968	858,147	5,085,163	3,887,063	1,624,028
Certificates of deposit	681,794	410,573	552,392	1,644,759	104,383	1,218
Other deposits	5,677,938	—	—	5,677,938	—	—
Borrowings	159,245	211	423	159,879	179,508	—
Total interest-sensitive liabilities (ISL)	6,518,977	410,784	552,815	7,482,576	283,891	1,218
Gap	$ (2,765,929)	$ 63,184	$ 305,332	$ (2,397,413)	$ 3,603,172	$ 1,622,810
ISA/ISL	0.58	1.15	1.55	0.68	13.69	1,333.36
Gap/Total assets	23.88 %	0.55 %	2.64 %	20.69 %	31.10 %	14.01 %

Gap analysis has limitations due to the static nature of the model, which holds volumes and consumer behaviors constant in all economic and interest rate scenarios. A lower level of rate sensitive assets to rate sensitive liabilities repricing in one year could indicate reduced net interest income in a rising interest rate scenario, and conversely, increased net interest income in a declining interest rate scenario. However, the gap analysis incorporates only the level of interest-earning assets and interest-bearing liabilities and not the sensitivity each has to changes in interest rates. The impact of the sensitivity to changes in interest rates is provided in the table below.

The following table presents an analysis of the potential sensitivity of our annual net interest income to gradual changes in interest rates over a 12-month time frame as compared with net interest income if rates remained unchanged and there are no changes in balance sheet categories.

	Net interest income change (12 months) for basis point movements of:			
	-200	-100	+100	+200
	(dollars in thousands)			
December 31, 2025 ($)	$ (1,761)	$ (979)	$ 4,114	$ 8,173
December 31, 2025 (%)	(0.40)%	(0.22)%	0.95 %	1.88 %
December 31, 2024 ($)	$ (8,351)	$ (4,213)	$ 5,101	$ 9,080
December 31, 2024 (%)	(2.07)%	(1.05)%	1.27 %	2.25 %

The following table represents the potential sensitivity of our annual net interest income to immediate changes in interest rates versus if rates remained unchanged and there are no changes in balance sheet categories.

	Net interest income change (12 months) for basis point movements of:			
	-200	-100	+100	+200
	(dollars in thousands)			
December 31, 2025 ($)	$ (9,798)	$ (4,118)	$ 13,061	$ 25,334
December 31, 2025 (%)	(2.25)%	(0.95)%	3.00 %	5.82 %
December 31, 2024 ($)	$ (28,123)	$ (13,449)	$ 13,690	$ 25,374
December 31, 2024 (%)	(6.98)%	(3.34)%	3.40 %	6.30 %

The Company evaluates its potential interest rate sensitivity by utilizing several interest rate scenarios that incorporate both rising and declining rates. Results of these scenarios are impacted by variables that include the current level of interest rates, product characteristics such as floors and ceilings, the frequency with which variable rate products reset their rates, and projected pricing changes for non-maturity deposits. For example, the results in a declining rate scenario could be affected by the model's use of an assumed interest rate floor of zero. For the years 2025 and 2024, the cost of our interest-bearing liabilities averaged 2.55% and 2.83%, respectively, and the yield on our average interest-earning assets, on a fully taxable equivalent basis, averaged 5.70% and 5.62%, respectively.

The ALCO is responsible for the identification and management of interest rate risk exposure. As such, the ALCO continuously evaluates strategies to manage our exposure to interest rate fluctuations.

Asset/liability models require that certain assumptions be made, such as prepayment rates on earning assets and the impact of pricing on non-maturity deposits, which may differ from actual experience. These business assumptions are based upon our experience, business plans and published industry experience. While management believes such assumptions to be reasonable, there can be no assurance that modeled results will approximate actual results.

Credit Risk

Management of credit risk within our loan and lease portfolio is a focus of the Company and is a continuous process in order to address changing economic and lending environments. In order to identify and manage credit risk, segment and concentration limits are established and approved by our Board of Directors' Risk Committee in order to maintain alignment with our credit risk appetite, loan strategic plan, loan policy and underwriting guidelines. In addition, our Credit Department completes industry studies to identify potential risk in the portfolio. For example, within the commercial real estate portfolio, industry studies are completed for the following sectors: hospitality, industrial, multifamily, office, retail, senior living, healthcare and student housing.

On an annual basis, the Credit Department also reviews the commercial real estate portfolio as a whole, along with underwriting practices and loan level stress testing procedures, to enhance risk management practices and monitor commercial real estate concentrations. This review provides an overview of the portfolio to ensure that emerging risks have been identified, and documents and validates the standard interest rate and capitalization rate stress scenarios.

First Commonwealth maintains an allowance for credit losses at a level deemed sufficient for losses inherent in the loan and lease portfolio at the date of each statement of financial condition. Management reviews the appropriateness of the allowance on a quarterly basis to ensure that the provision for credit losses has been charged against earnings in an amount necessary to maintain the allowance at a level that is appropriate based on management’s assessment of estimated expected losses.

First Commonwealth’s methodology for assessing the appropriateness of the allowance for credit losses consists of several key elements. These elements include an assessment of individual nonperforming loans with a balance greater than $250 thousand, loss experience trends and other relevant factors.

First Commonwealth also maintains a reserve for unfunded loan commitments and letters of credit based upon credit risk and probability of funding. The reserve totaled $8.2 million at December 31, 2025 and is classified in “Other liabilities” on the Consolidated Statements of Financial Condition.

We discontinue interest accruals on a loan when, based on current information and events, it is probable that we will be unable to fully collect principal or interest due according to the contractual terms of the loan. A loan is also placed in nonaccrual status when, based on regulatory definitions, the loan is maintained on a “cash basis” due to the weakened financial condition of the borrower. Generally, loans 90 days or more past due are placed on nonaccrual status, except for consumer loans, which are placed on nonaccrual status at 150 days past due. Consumer loans related to automobile and recreational vehicles are either charged off or repossessed at not later than 90 days past due.

Nonperforming loans are closely monitored on an ongoing basis as part of our loan review and work-out process. The probable risk of loss on these loans is evaluated by comparing the loan balance to the estimated fair value of any underlying collateral or the present value of projected future cash flows. Losses or specifically assigned allowance for credit losses are recognized where appropriate. Nonperforming loans increased $30.3 million at December 31, 2025 compared to the prior year.

The allowance for credit losses was $125.8 million at December 31, 2025, or 1.32% of loans outstanding, compared to $118.9 million, or 1.32% of loans outstanding, at December 31, 2024. Credit measures as of December 31, 2025 as compared to December 31, 2024 reflect an increase in the level of criticized loans of $43.0 million, from $224.2 million at December 31, 2024 to $267.2 million at December 31, 2025. Commercial, financial, agricultural and other loans and commercial real estate loans accounted for $21.7 million and $17.7 million, respectively, of this increase. Classified assets increased $43.1 million, from $96.3 million at December 31, 2024 to $139.4 million at December 31, 2025. Commercial, financial, agricultural and other loans and commercial real estate loans accounted for $33.9 million and $9.0 million, respectively, of this increase. Delinquency on accruing loans increased $14.9 million, or 67%, compared to the prior year primarily due to an increase of $9.3 million in commercial real estate loan delinquency.

The allowance for credit losses as a percentage of nonperforming loans was 137.1% at December 31, 2025 and 193.5% as of December 31, 2024. The allowance for credit losses includes specific allocations of $9.8 million related to nonperforming loans covering 11% of the total nonperforming balance at December 31, 2025 and specific allocations of $8.0 million covering 13% of the total nonperforming balance at December 31, 2024. The amount of allowance related to individually analyzed nonperforming loans was determined by using estimated fair values obtained from current appraisals and updated discounted cash flow analyses. The increase in specific reserves is primarily the result of new nonperforming loans.

Management believes that the allowance for credit losses is at a level that is sufficient to absorb expected losses in the loan and lease portfolio at December 31, 2025.

The following table provides information on net charge-offs and nonperforming loans by loan category:

	For the Period Ended December 31, 2025			As of December 31, 2025		
	Net Charge-offs	% of Total Net Charge-offs	Net Charge-offs as a % of Average Loans	Nonperforming Loans	% of Total Nonperforming Loans	Nonperforming Loans as a % of Total Loans
	(dollars in thousands)					
Commercial, financial, agricultural and other	$ 15,134	51.52 %	0.16 %	$ 46,618	50.81 %	0.49 %
Real estate construction	1,294	4.41	0.01	1,475	1.61	0.02
Residential real estate	511	1.74	0.01	13,019	14.19	0.14
Commercial real estate	6,971	23.73	0.07	30,612	33.36	0.32
Loans to individuals	5,465	18.60	0.06	32	0.03	—
Total loans and leases, net of unearned income	$ 29,375	100.00 %	0.31 %	$ 91,756	100.00 %	0.97 %

As indicated in the above table, commercial real estate and commercial financial, agricultural and other loans were the most significant portions of the nonperforming loans as of December 31, 2025. Included in nonaccrual loans as of December 31, 2025 are $10.3 million in loans that were on nonaccrual at the time of the Center or Centric acquisitions. See discussions related to the provision for credit losses and loans for more information.

New Accounting Pronouncements

New accounting pronouncements recently issued or proposed by the Financial Accounting Standards Board ("FASB") but not yet adopted as of December 31, 2025 are discussed below.

In November 2024, Accounting Standards Update 2024-03 ("ASU 2024-03"), “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures" (Subtopic 220-40) was issued. ASU 2024-03 requires disaggregated disclosure of income statement expenses for public business entities. ASU 2024-03 requires new financial statement disclosures in tabular format, disaggregating information about prescribed categories underlying any relevant income statement expense caption. The prescribed categories include, among other things, employee compensation, depreciation, and intangible asset amortization. Additionally, entities must disclose the total amount of selling expenses and, in annual reporting periods, an entity’s definition of selling expenses. ASU 2024-03 will be effective for us, on a prospective basis, for annual periods beginning in 2027, and interim periods within fiscal years beginning in 2028, though early adoption and retrospective application is permitted. ASU 2024-03 is not expected to have a significant impact on our financial conditions or results of operations.

In September 2025, Accounting Standard Update 2025-06 ("ASU 2025-06"),“Intangibles - Goodwill and Other - Internal-Use Software" (Subtopic 350-40) was issued. ASU 2025-06 simplifies the accounting for internal-use software by removing project development stages and introducing a new capitalization threshold. Under the revised standard, software development costs are capitalized when management authorizes and commits funding for the project and it is probable the software will be completed and used as intended. ASU 2025-05 will be effective in 2028 and is not expected to have a significant impact on our financial conditions or results of operations.

In November 2025, Accounting Standard Update 2025-08 ("ASU 2025-08"), “Financial Instruments - Credit Losses" (Topic 326) was issued. ASU 2025-08 expands the scope of acquired financial assets subject to the gross up approach formerly applicable only to purchased credit-deteriorated ("PCD") assets, to include acquired non-PCD loans that meet certain criteria, now referred to as “purchased seasoned loans” (PSLs). Under this model, an allowance for expected credit losses is recognized at acquisition, offsetting the loan’s amortized cost basis, thereby eliminating the day-one credit-loss expense previously required for non-PCD assets. PSLs are defined as non-PCD loans acquired either (i) through a business combination, or (ii) purchased more than 90 days after origination when the acquirer was not involved in origination. ASU 2025-08 will be effective on a prospective basis for loans acquired on or after the adoption date, for interim and annual reporting periods beginning in 2027, though early adoption is permitted. The Company is evaluating the expected impact on accounting for acquired assets related to future transactions.

In November 2025, Accounting Standard Update 2025-09 ("ASU 2025-09"), “Derivatives and Hedging" (Topic 815) was issued. This update allows designating a variable price component of a nonfinancial forecasted purchase or sale as the hedged risk, grouping individual forecasted transactions with similar (not identical) risk exposures, a new model for hedging forecasted interest on variable-rate debt, enabling changes in index or tenor without de-designation, subject to simplifying assumptions, and additional clarifications related to hedge accounting of nonfinancial components, net written options, and dual-hedge strategies. ASU 2025-09 will be effective beginning in 2027, though early adoption is permitted. The Company is in the process of assessing the impact of adoption on its consolidated financial statements.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Information appearing in Item 7 of this report under the caption "Market Risk" is incorporated herein by reference in response to this item.

ITEM 8. Financial Statements and Supplementary Data

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	2025	2024
	(dollars in thousands, except share data)	
Assets		
Cash and due from banks	$ 103,280	$ 105,051
Interest-bearing bank deposits	77,082	28,358
Securities available for sale, at fair value	1,014,194	1,147,623
Securities held to maturity, at amortized cost, (Fair value $470,665 at December 31, 2025 and $336,719 at December 31, 2024)	519,422	405,639
Other investments	38,295	30,954
Loans held for sale (Includes fair value of $46,071 at December 31, 2025 and $50,110 at December 31, 2024)	271,452	51,991
Loans and leases:		
Portfolio loans and leases	9,508,039	8,983,754
Allowance for credit losses	(125,768)	(118,906)
Net loans and leases	9,382,271	8,864,848
Premises and equipment, net	114,283	116,108
Other real estate owned	990	895
Goodwill	378,214	363,715
Amortizing intangibles, net	22,015	19,637
Bank owned life insurance	233,154	229,581
Other assets	188,384	220,536
Total assets	$ 12,343,036	$ 11,584,936
Liabilities		
Deposits (all domestic):		
Noninterest-bearing	$ 2,372,771	$ 2,249,615
Interest-bearing	7,878,198	7,428,404
Total deposits	10,250,969	9,678,019
Short-term borrowings	147,966	80,139
Subordinated debentures	128,466	128,305
Other long-term debt	129,555	130,353
Capital lease obligation	3,721	4,327
Total long-term debt	261,742	262,985
Other liabilities	127,983	158,628
Total liabilities	10,788,660	10,179,771
Shareholders' Equity		
Preferred stock, $1 par value per share, 3,000,000 shares authorized, none issued	—	—
Common stock, $1 par value per share, 200,000,000 shares authorized; 126,599,991 and 123,603,380 shares issued as of December 31, 2025 and 2024, respectively; and 102,840,771 and 101,758,450 shares outstanding at December 31, 2025 and 2024, respectively	126,600	123,603
Additional paid-in capital	675,745	631,367
Retained earnings	1,067,895	971,082
Accumulated other comprehensive (loss) income, net	(64,600)	(102,514)
Treasury stock (23,759,220 and 21,844,930 shares at December 31, 2025 and 2024, respectively)	(251,264)	(218,373)
Total shareholders' equity	1,554,376	1,405,165
Total liabilities and shareholders' equity	$ 12,343,036	$ 11,584,936

The accompanying notes are an integral part of these Consolidated Financial Statements.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	2025	2024	2023
	(dollars in thousands, except share data)		
Interest Income			
Interest and fees on loans and leases	$ 572,713	$ 541,285	$ 490,710
Interest and dividends on investments:			
Taxable interest	54,261	47,634	26,331
Interest exempt from federal income taxes	363	419	457
Dividends	2,697	2,054	3,009
Interest on bank deposits	2,654	9,071	9,491
Total interest income	632,688	600,463	529,998
Interest Expense			
Interest on deposits	190,072	191,032	112,406
Interest on short-term borrowings	3,494	20,439	21,747
Interest on subordinated debentures	7,357	8,532	9,794
Interest on other long-term debt	5,518	1,384	170
Interest on capital lease obligation	160	184	205
Total interest expense	206,601	221,571	144,322
Net Interest Income	426,087	378,892	385,676
Provision for credit losses	32,966	29,170	4,160
Provision for credit losses - acquisition day 1 non-PCD	3,759	—	10,653
Net Interest Income after Provision for Credit Losses	389,362	349,722	370,863
Noninterest Income			
Net securities losses	(4,348)	(5,446)	(103)
Gain on VISA exchange	5,146	5,664	—
Trust income	12,907	11,821	10,516
Service charges on deposit accounts	22,774	22,518	21,437
Insurance and retail brokerage commissions	12,652	11,546	10,929
Income from bank owned life insurance	6,877	6,361	4,875
Gain on sale of mortgage loans	7,296	5,795	3,951
Gain on sale of other loans and assets	6,888	9,111	6,744
Card-related interchange income	15,611	21,887	28,640
Derivative mark to market	(126)	(46)	14
Swap fee income	1,543	885	1,519
Other income	9,604	9,135	8,087
Total noninterest income	96,824	99,231	96,609
Noninterest Expense			
Salaries and employee benefits	163,981	149,287	142,871
Net occupancy	20,714	19,783	19,221
Furniture and equipment	18,161	17,453	17,308
Data processing	16,359	15,582	15,010
Advertising and promotion	6,447	5,535	5,713
Pennsylvania shares tax	4,495	5,422	4,364
Intangible amortization	5,503	5,024	4,983
Other professional fees and services	6,892	5,533	5,919
FDIC insurance	6,117	5,973	6,260
Loss on sale or write-down of assets	654	451	204
Litigation and operational losses	2,925	4,592	4,641
Loss on early redemption of subordinated debt	—	369	—
Merger and acquisition related	4,379	391	9,034
Other operating expenses	38,201	35,350	34,389
Total noninterest expense	294,828	270,745	269,917
Income before income taxes	191,358	178,208	197,555
Income tax provision	39,056	35,636	40,492
Net Income	$ 152,302	$ 142,572	$ 157,063
Average Shares Outstanding	103,220,081	101,913,111	101,556,427
Average Shares Outstanding Assuming Dilution	103,524,130	102,205,497	101,822,201
Per Share Data: Basic Earnings Per Share	$ 1.48	$ 1.40	$ 1.55
Diluted Earnings Per Share	$ 1.47	$ 1.39	$ 1.54
Cash Dividends Declared per Common Share	$ 0.535	$ 0.515	$ 0.495

The accompanying notes are an integral part of these Consolidated Financial Statements.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2025	2024	2023
		(dollars in thousands)	
Net Income	$ 152,302	$ 142,572	$ 157,063
Other comprehensive income, before tax expense:			
Unrealized holding gains (losses) on securities arising during the period	33,737	(8,131)	18,499
Less: reclassification adjustment for losses on securities included in net income	4,348	5,446	103
Unrealized gains on derivatives:			
Unrealized holding gains on derivatives arising during the period	9,987	14,379	13,462
Unrealized (losses) gains for postretirement obligations:			
Prior service cost	76	76	76
Net (loss) gain	(23)	(83)	22
Total other comprehensive income, before income tax expense	48,125	11,687	32,162
Income tax expense related to items of other comprehensive income	10,211	2,445	6,226
Comprehensive Income	$ 190,216	$ 151,814	$ 182,999

The accompanying notes are an integral part of these Consolidated Financial Statements.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Shares Outstanding	Common Stock	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), net	Treasury Stock	Total Shareholders' Equity
	(dollars in thousands, except per share data)						
Balance at December 31, 2024	101,758,450	$ 123,603	$ 631,367	$ 971,082	$ (102,514)	$ (218,373)	$ 1,405,165
Net income				152,302			152,302
Total other comprehensive income					37,914		37,914
Cash dividends declared ($0.535 per share)				(55,489)			(55,489)
Treasury stock acquired	(2,227,901)		(341)			(36,111)	(36,452)
Treasury stock reissued	191,096		996	—		1,885	2,881
Restricted stock	122,515	—	812	—		1,335	2,147
Common stock issued	2,996,611	2,997	42,911				45,908
Balance at December 31, 2025	102,840,771	$ 126,600	$ 675,745	$ 1,067,895	$ (64,600)	$ (251,264)	$ 1,554,376

	Shares Outstanding	Common Stock	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), net	Treasury Stock	Total Shareholders' Equity
	(dollars in thousands, except per share data)						
Balance at December 31, 2023	102,114,664	$ 123,603	$ 630,154	$ 881,112	$ (111,756)	$ (208,839)	$ 1,314,274
Net income				142,572			142,572
Total other comprehensive income					9,242		9,242
Cash dividends declared ($0.515 per share)				(52,602)			(52,602)
Treasury stock acquired	(788,962)		(87)			(12,630)	(12,717)
Treasury stock reissued	230,051		313	—		2,216	2,529
Restricted stock	202,697	—	987	—		880	1,867
Balance at December 31, 2024	101,758,450	$ 123,603	$ 631,367	$ 971,082	$ (102,514)	$ (218,373)	$ 1,405,165

	Shares Outstanding	Common Stock	Additional Paid-in-Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), net	Treasury Stock	Total Shareholders' Equity
	(dollars in thousands, except per share data)						
Balance at December 31, 2022	93,376,314	$ 113,915	$ 497,431	$ 774,863	$ (137,692)	$ (196,443)	$ 1,052,074
Net income				157,063			157,063
Total other comprehensive income					25,936		25,936
Cash dividends declared ($0.495 per share)				(50,814)			(50,814)
Treasury stock acquired	(1,210,688)		(118)			(14,965)	(15,083)
Treasury stock reissued	163,950		660	—		1,551	2,211
Restricted stock	96,610	—	514	—		1,018	1,532
Common stock issued	9,688,478	9,688	131,667				141,355
Balance at December 31, 2023	102,114,664	$ 123,603	$ 630,154	$ 881,112	$ (111,756)	$ (208,839)	$ 1,314,274

The accompanying notes are an integral part of these Consolidated Financial Statements.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2025	2024	2023
		(dollars in thousands)	
Operating Activities			
Net income	$ 152,302	$ 142,572	$ 157,063
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	36,725	29,170	14,813
Deferred tax expense	3,036	3,414	6,843
Depreciation and amortization	6,626	5,688	4,104
Net gains on securities and other assets	(13,793)	(14,331)	(10,048)
Net amortization of premiums and discounts on securities	20	737	1,328
Loss on early redemption of subordinated debt	—	369	—
Income from increase in cash surrender value of bank owned life insurance	(6,730)	(5,352)	(4,557)
Mortgage loans originated for sale	(282,562)	(245,304)	(186,856)
Proceeds from sale of mortgage loans	282,651	212,807	174,850
Decrease (increase) in interest receivable	129	3,284	(8,838)
(Decrease) increase in interest payable	(1,033)	1,215	5,001
Decrease in income taxes payable	(4)	(818)	(4,609)
Other—net	10,173	(3,988)	1,665
Net cash provided by operating activities	187,540	129,463	150,759
Investing Activities			
Transactions with securities held to maturity:			
Proceeds from maturities and redemptions	78,251	67,993	41,824
Purchases	(192,541)	(55,276)	(200)
Transactions with securities available for sale:			
Proceeds from sales	69,862	69,598	33,756
Proceeds from maturities and redemptions	281,247	232,897	98,309
Purchases	(162,060)	(437,346)	(338,390)
Proceeds from sale of equity securities	5,146	5,664	—
Purchases of FHLB stock	(61,538)	(45,365)	(103,233)
Proceeds from the redemption of FHLB stock	57,340	64,832	91,435
Proceeds from redemption of other investments	—	450	—
Proceeds from bank owned life insurance	3,512	4,062	3,232
Proceeds from the sale of loans	101,719	115,807	154,585
Proceeds from sales of other assets	6,213	7,384	4,327
Acquisition, net of cash acquired	4,672	—	14,492
Net increase in loans	(563,960)	(136,877)	(552,376)
Purchases of premises and equipment	(16,089)	(15,546)	(22,034)
Net cash used in investing activities	(388,226)	(121,723)	(574,273)
Financing Activities			
Net increase (decrease) in other short-term borrowings	65,327	(517,696)	52,407
Net increase in deposits	295,037	485,736	430,661
Repayments of other long-term debt	(21,083)	(769)	(740)
Proceeds from issuance of long-term debt	—	127,000	—
Repayments of subordinated debentures	—	(50,000)	—
Repayments of capital lease obligations	(606)	(567)	(531)
Dividends paid	(55,489)	(52,602)	(50,814)
Proceeds from reissuance of treasury stock	245	204	245
Purchase of treasury stock	(35,792)	(12,630)	(14,965)
Net cash provided by (used in) financing activities	247,639	(21,324)	416,263
Net increase (decrease) in cash and cash equivalents	46,953	(13,584)	(7,251)
Cash and cash equivalents at January 1	133,409	146,993	154,244
Cash and cash equivalents at December 31	$ 180,362	$ 133,409	$ 146,993

The accompanying notes are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Note 1—Statement of Accounting Policies

General

The following summary of accounting and reporting policies is presented to aid the reader in obtaining a better understanding of the consolidated financial statements of First Commonwealth Financial Corporation and its subsidiaries (“First Commonwealth” or "FCFC") contained in this report. First Commonwealth's subsidiaries include First Commonwealth Bank ("FCB" or the "Bank"), First Commonwealth Insurance Agency, Inc. ("FCIA"), FRAMAL and First Commonwealth Financial Advisors, Inc. ("FCFA").

The financial information is presented in accordance with generally accepted accounting principles and general practice for financial institutions in the United States of America. In preparing financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, these estimates and assumptions affect revenues and expenses in the financial statements and as such, actual results could differ from those estimates.

Through its subsidiaries, which include a commercial bank and an insurance agency, First Commonwealth provides a full range of loan, deposit, trust, insurance and personal financial planning services primarily to individuals and small to middle market businesses in 30 counties in central and western Pennsylvania as well as throughout Ohio. First Commonwealth has determined that it has one business segment.

First Commonwealth is subject to regulations of certain state and federal agencies. These regulatory agencies periodically examine First Commonwealth for adherence to laws and regulations.

Basis of Presentation

The accompanying Consolidated Financial Statements include the accounts of First Commonwealth previously defined above. All material intercompany transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current period's presentation.

Equity investments of less than a majority but at least 20% ownership are accounted for by the equity method and classified as “Other assets.” Earnings on these investments are reflected in “Other income” on the Consolidated Statements of Income, as appropriate, in the period earned.

Investment Securities

Debt securities that First Commonwealth has the positive intent and ability to hold to maturity are classified as securities held to maturity and are reported at amortized cost adjusted for amortization of premium and accretion of discount on a level yield basis. Debt and equity securities that are bought and held principally for the purpose of selling them in the near term are to be classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings. Debt securities not classified as either held-to-maturity securities or trading securities are classified as securities available for sale and are reported at fair value, with unrealized gains and losses that are not related to impairment excluded from earnings and reported as a component of other comprehensive income, which is included in shareholders’ equity, net of deferred taxes.

First Commonwealth has securities classified as held to maturity and available for sale and does not engage in trading activities. First Commonwealth utilizes the specific identification method to determine the net gain or loss on debt securities and the average cost method to determine the net gain or loss on the equity securities.

First Commonwealth conducts a comprehensive review of the investment portfolio on a quarterly basis to evaluate for expected credit losses. When evaluating available-for-sale securities, management first considers whether we intend to sell the security, or if it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. If there is intent to sell, the security's amortized cost is written down to fair value through income. Otherwise, available-for-sale securities whose market values have fallen below their book value are evaluated at the issuer-specific level to determine if the decline in value is a result of credit losses. Issuer-specific securities include obligations of U.S. Government agencies and sponsored enterprises, single issue trust preferred securities, corporate debentures and obligations of states and political subdivisions. Further analysis of these securities includes a review of research reports, analysts’ recommendations, credit rating changes, news stories, annual reports, impact of interest rate changes and any other relevant information pertaining to the affected security. Any loss not determined to be a credit loss is recorded as a reduction to shareholders equity, through other comprehensive income. Held-to-maturity securities are evaluated for impairment on an annual basis, using historical probability of default and loss given default information specific to the investment category. On a quarterly basis, a qualitative review is completed incorporating changes to the mix and credit quality of the investment portfolio. If this evaluation determines that credit losses exist an allowance for credit loss is recorded and included in earnings as a component of credit loss expense.

Loans Held for Sale

Certain residential mortgage loans are originated for sale in the secondary mortgage loan market with the majority sold with servicing rights released. These loans are classified as loans held for sale and are carried at the estimated market value on an aggregate basis. Market value is determined on the basis of rates obtained in the respective secondary market for the type of loan held for sale. Loans are generally sold at a premium or discount from the carrying amount of the loan. Such premium or discount is recognized at the date of sale. Gain or loss on the sale of loans is recorded in non-interest income at the time consideration is received and all other criteria for sales treatment have been met.

In addition, loans held for sale can include commercial business loans guaranteed by the Small Business Administration ("SBA") on a servicing retained basis. These loans are carried at the lower of cost or market value. Market value is determined on the basis of rates obtained in the respective secondary market for the type of loan held for sale. When SBA loans are sold, a servicing asset, a gain (loss) on sale, and a discount on the retained portion of the loan is recorded. The servicing asset and the discount are amortized or accreted into income over the life of the underlying loan on an interest yield method.

Periodically, loans held for sale may include other loans that management has decided to not hold until maturity after considering factors such as credit concentrations, liquidity, risk and balance sheet management. When moved to held for sale, these loans are carried at the lower of cost or market value. Market value is determined based on a quoted price or an estimated market value for similar loans. At the time of transfer to held for sale, any reduction in loan value is recorded as a charge-off through the allowance for credit losses.

Loans

Loans are carried at the principal amount outstanding. Interest is accrued as earned.

First Commonwealth considers a loan to be past due and still accruing interest when payment of interest or principal is contractually past due but the loan is both well secured and in the process of collection. For installment, mortgage, term and other loans with amortizing payments that are scheduled monthly, 90 days past due is reached when four monthly payments are due and unpaid. For demand, time and other multi-payment obligations with payments scheduled other than monthly, delinquency status is calculated using number of days instead of number of payments. Revolving credit loans, including personal credit lines and home equity lines, are considered to be 90 days past due when the borrower has not made the minimum payment for four monthly cycles.

A loan is placed in nonaccrual status when, based on current information and events, it is probable that First Commonwealth will be unable to fully collect principal or interest due according to the contractual terms of the loan. A loan is also placed in nonaccrual status when, based on regulatory definitions, the loan is maintained on a “cash basis” due to the weakened financial condition of the borrower. When a determination is made to place a loan in nonaccrual status, all accrued and unpaid interest is reversed. Nonaccrual loans are restored to accrual status when, based on a sustained period of repayment by the borrower in accordance with the contractual terms of the loan, First Commonwealth expects repayment of the remaining contractual principal and interest or when the loan otherwise becomes well-secured and in the process of collection.

A loan is considered to be nonperforming when, based on current information and events, it is expected that First Commonwealth will be unable to collect principal or interest that is due in accordance with contractual terms of the loan. Expected losses on nonperforming loans are measured based on the present value of expected cash flows discounted at the loan’s effective interest rate or, as a practical expedient, at the loan’s observable market price or the fair value of the collateral if the loan is collateral dependent.

For loans other than those that First Commonwealth expects repayment through liquidation of the collateral, when the remaining recorded investment in the loan is less than or equal to the present value of the expected cash flows, income is applied as a reduction to loan principal rather than interest income.

Loans deemed uncollectible are charged off through the allowance for credit losses. Factors considered in assessing ultimate collectability include past due status, financial condition of the borrower, collateral values and debt covenants including secondary sources of repayment by guarantors. Payments received on previously charged off loans are recorded as recoveries in the allowance for credit losses.

Acquired Loans

Acquired loans are recorded at estimated fair value on the date of acquisition with no carryover of the related allowance for credit losses. The fair value of acquired loans is determined by estimating the principal and interest cash flows expected to be collected on the loans and discounting those cash flows at a market rate of interest. The estimated fair value considers factors such as loan term, internal risk rating, delinquency status, prepayment rates, estimated value of the underlying collateral and the current interest rate environment.

Acquired loans are classified into two categories: PCD loans and non-PCD loans. PCD loans are defined as a loan or group of loans that have experienced more than insignificant credit deterioration since origination. Non-PCD loans will have an allowance for credit losses established on acquisition date, which is recognized as an expense through provision for credit losses. For PCD loans, an allowance for credit losses is recognized on day 1 by adding it to the fair value of the loan, which is the "Day 1 amortized cost". There is no provision for credit loss expense recognized on PCD loans because the initial allowance for credit losses is established by grossing-up the amortized cost of the PCD loan.

Loan Fees

Loan origination and commitment fees, net of associated direct costs, are deferred and the net amount is amortized as an adjustment to the related loan yield on the interest method, generally over the contractual life of the related loans or commitments.

Other Real Estate Owned

Real estate, other than bank premises, is recorded at fair value less estimated selling costs at the time of foreclosure or repossession. After that time, other real estate is carried at the lower of cost or fair value less estimated costs to sell. Fair value is determined based on an independent appraisal. Expenses related to holding the property and rental income earned on the property are generally reflected in earnings in the current period. Depreciation is not recorded on the other real estate owned properties.

Allowance for Credit Losses for Loans and Leases

When determining the allowance for credit losses, our loan and lease portfolio includes five primary loan categories with fourteen segments. Refer to Note 9, "Loans and Leases and Allowance for Credit Losses" for further discussion of these portfolio segments.

The allowance for credit losses is calculated by pooling loans of similar credit risk characteristics and applying a discounted cash flow methodology after incorporating probability of default and loss given default estimates. Probability of default represents an estimate of the likelihood of default and loss given default measures the expected loss upon default. Inputs impacting the expected losses include a forecast of macroeconomic factors, using a weighted forecast from a nationally recognized firm. Our model incorporates a one-year forecast of macroeconomic factors, after which the factors revert back to the historical mean over a one-year period.

All nonperforming credits in excess of $250 thousand are individually evaluated on a quarterly basis. A reserve is established for individually evaluated loans in an amount equal to the total amount of estimated losses for the loans that are reviewed. A reserve is also established for the nonperforming loan balances that are not individually reviewed.

An additional component of the allowance is determined by management based on a qualitative analysis of certain factors related to portfolio risks that are not incorporated in the calculated model. Factors considered by management include lending practices, ability and experience of the credit staff, the overall lending environment, as well as external factors such as the regulatory environment and competition. Portfolio risks include unusual changes or recent trends in specific portfolios such as unexpected changes in the trends or levels of delinquency. No matter how detailed an analysis of potential credit losses is performed, these estimates are inherently imprecise. Management must make estimates using assumptions and information that are often subjective and changes rapidly.

First Commonwealth made the accounting policy election to exclude accrued interest from the allowance for credit loss calculation because these balances are written off or reversed when a loan is placed in non-accrual status.

Allowance for Off-Balance Sheet Credit Exposures

First Commonwealth maintains an allowance for off-balance sheet credit exposure at a level deemed sufficient to absorb losses that are inherent to off-balance sheet credit risk. Off-balance sheet credit exposure includes commitments to extend credit, standby letters of credit and commercial letters of credit. The Company's methodology for assessing the appropriateness of the allowance for off-balance sheet credit exposure consists of analysis of historical usage trends. The calculation begins with historical usage trends related to lines of credit as well as letters of credit and then utilizes those figures to determine the probable usage of available lines. These values are then adjusted by the expected loss percentage calculated for comparable loan categories as part of the allowance for credit losses for loans. This amount is adjusted quarterly and any change to the allowance is reported as part of provision expense on the Consolidated Statements of Income. The allowance for off-balance sheet credit exposures is reflected in "Other Liabilities" in the Consolidated Statements of Financial Condition.

Bank Owned Life Insurance

First Commonwealth and the banks that First Commonwealth has acquired have purchased insurance on the lives of certain groups of employees. The policies accumulate asset values to meet future liabilities, including the payment of employee benefits such as health care. Increases in the cash surrender value are recorded as non-interest income in the Consolidated Statements of Income and cash receipts and disbursements are included in "Operating Activities" in the Consolidated Statements of Cash Flows. Cash proceeds received from the settlement of the policies are included in "Investing Activities" in the Consolidated Statements of Cash Flows. Under some of these policies, the beneficiaries receive a portion of the death benefit. The net present value of the future death benefits scheduled to be paid to the beneficiaries was $3.1 million and $3.4 million as of December 31, 2025 and 2024, respectively, and is reflected in "Other Liabilities" on the Consolidated Statements of Financial Condition.

Premises, Equipment and Lease Commitments

Premises and equipment, including software, are carried at cost less accumulated depreciation on First Commonwealth’s Consolidated Statements of Financial Condition. Depreciation is computed on the straight-line and accelerated methods over the estimated useful life of the asset. A straight-line depreciation method was used for substantially all furniture and equipment as well as buildings and improvements. Charges for maintenance and repairs are expensed as incurred. Leasehold improvements are expensed over the term of the lease or the estimated useful life of the improvement, whichever is shorter.

A right-of-use asset and related lease liability is recognized on the Consolidated Statements of Financial Condition for operating leases First Commonwealth has entered to lease certain office facilities. These amounts are reported as components of premises and equipment and other liabilities. Short-term operating leases, which are leases with an original term of 12 months or less and do not have a purchase option that is likely to be exercised, are not recognized as part of the right-of-use asset or lease liability. First Commonwealth has no material leasing arrangements for which it is the lessor of property or equipment.

Business Combinations

Business combinations are accounted for by using the acquisition method of accounting. Under the acquisition method, identifiable assets acquired and liabilities assumed at the acquisition date are measured at their fair values as of that date, and are recognized separately from goodwill. The difference between the purchase price and the fair value of the net assets acquired is recorded as goodwill. Results of operations of the acquired entities are included in the Consolidated Statements of Income from the date of acquisition. Acquisition costs are expensed when incurred.

Goodwill

Intangible assets resulting from acquisitions under the purchase method of accounting consist of goodwill and other intangible assets (see “Other Intangible Assets” section below). Goodwill is not amortized and is subject to at least annual assessments for impairment. First Commonwealth reviews goodwill annually and again at any quarter-end if a material event occurs during the quarter that may affect goodwill. When circumstances indicate that it is more likely than not that fair value is less than carrying value, a triggering event has occurred, and a quantitative impairment test is performed. Goodwill is evaluated for potential impairment by determining if our fair value has fallen below carrying value.

Other Intangible Assets

Other intangible assets consist of core deposits and customer lists obtained through acquisitions. Core deposit intangibles are amortized over their estimated lives using the present value of the benefit of the core deposits and straight-line methods of amortization. Customer list intangibles are amortized over the expected lives using expected cash flows based on retention of the customer base. These intangibles are evaluated for impairment on an annual basis and when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Accounting for the Impairment of Long-Lived Assets

First Commonwealth reviews long-lived assets, such as premises and equipment and intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. These changes in circumstances may include a significant decrease in the market value of an asset or the extent or manner in which an asset is used. If there is an indication that the carrying amount of an asset may not be recoverable, future undiscounted cash flows expected to result from the use of the asset are estimated. If the sum of the expected cash flows is less than the carrying value of the asset, a loss is recognized for the difference between the carrying value and fair value of the asset. Long-lived assets classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. Depreciation or amortization is discontinued on long-lived assets classified as held for sale.

Income Taxes

First Commonwealth records taxes in accordance with the asset and liability method of FASB ASC Topic 740, “Income Taxes,” ("Topic 740") whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases given the provisions of the enacted tax laws. Deferred tax assets are reduced, if necessary, by the amount of such benefits that are more likely than not expected to be realized based upon available evidence. In accordance with Topic 740, interest or penalties incurred for taxes will be recorded as a component of noninterest expense.

Comprehensive Income Disclosures

“Other Comprehensive Income” (comprehensive income, excluding net income) includes the after-tax effect of changes in unrealized holding gains and losses on available-for-sale securities, changes in the funded status of defined benefit postretirement plans and changes in the fair value of cash flow hedges. Comprehensive income is reported in the accompanying Consolidated Statements of Comprehensive Income, net of tax.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, federal funds sold and interest-bearing bank deposits. Generally, federal funds are sold for one-day periods.

Derivatives and Hedging Activities

First Commonwealth accounts for derivative instruments and hedging activities in accordance with FASB ASC Topic 815, “Derivatives and Hedging" ("Topic 815"). All derivatives are evaluated at inception as to whether or not they are hedging or non-hedging activities, and appropriate documentation is maintained to support the final determination. First Commonwealth recognizes all derivatives as either assets or liabilities on the Consolidated Statements of Financial Condition and measures those instruments at fair value. For derivatives designated as fair value hedges, changes in the fair value of the derivative and the hedged item related to the hedged risk are recognized in earnings. Any hedge ineffectiveness would be recognized in the income statement line item pertaining to the hedged item. For derivatives designated as cash flow hedges, changes in fair value of the effective portion of the cash flow hedges are reported in other comprehensive income ("OCI"). When the cash flows associated with the hedged item are realized, the gain or loss included in OCI is recognized in the Consolidated Statement of Income.

When First Commonwealth purchases a portion of a commercial loan that has an existing interest rate swap, it enters a risk participation agreement with the counterparty and assumes the credit risk of the loan customer related to the swap. Any fee paid to First Commonwealth as a result of the risk participation agreement is offset by credit risk of the counterparties and is recognized in the income statement. Credit risk on the risk participation agreements is determined after considering the risk rating, probability of default and loss given default of the counterparties.

Management periodically reviews contracts from various functional areas of First Commonwealth to identify potential derivatives embedded within selected contracts. As of December 31, 2025, First Commonwealth has interest rate derivative positions that are designated as hedging instruments and others that are not designated as hedging instruments. See Note 7, “Derivatives,” for a description of these instruments.

Earnings Per Common Share

Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. For all periods presented, the dilutive effect on average shares outstanding is the result of unvested restricted stock grants.

Fair Value Measurements

In accordance with FASB ASC Topic 820, “Fair Value Measurements and Disclosures" ("Topic 820"), First Commonwealth groups financial assets and financial liabilities measured at fair value into three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1—Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange ("NYSE"). Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2—Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained for identical or comparable assets or liabilities from alternative pricing sources with reasonable levels of price transparency. Level 2 securities include U.S. Government securities issued by Agencies and Sponsored Enterprises, Obligations of States and Political Subdivisions, certain corporate securities, loans held for sale, interest rate derivatives that include interest rate swaps, risk participation agreements, certain other real estate owned and certain nonperforming loans.
- Level 3—Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. If the inputs used to provide the evaluation are unobservable and/or there is very little, if any, market activity for the security or similar securities, the securities would be considered Level 3 securities. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities. The assets included in Level 3 are certain other real estate owned and certain nonperforming loans.

In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon pricing models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and our creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. See Note 18 “Fair Values of Assets and Liabilities” for additional information.

Revenue from Contracts with Customers

First Commonwealth records revenue from contracts with customers in accordance with ASC Topic 606, “Revenue from Contracts with Customers” (“Topic 606”). Under Topic 606, the Company must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the Company satisfies a performance obligation.

A significant component of the Company's revenue, net interest earned on financial assets and liabilities, is excluded from the scope of Topic 606. First Commonwealth generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity. Because performance obligations are satisfied as services are rendered and the transaction prices are fixed, the Company has made no significant judgments in applying the revenue guidance prescribed in Topic 606 that affect the determination of the amount and timing of revenue from contracts with customers.

Note 2—Acquisition

On April 30, 2025, the Company completed its acquisition of CenterGroup Financial, Inc. (“Center”) and its banking subsidiary, CenterBank, for consideration of 3,016,009 shares of the Company's common stock. Through the acquisition, the Company obtained three full-service banking offices, a loan production office and a mortgage office, all located in the Cincinnati, Ohio market.

The table below summarizes the net assets acquired (at fair value) and consideration transferred in connection with the Center acquisition (dollars in thousands):

Consideration paid				
Cash paid to shareholders - fractional shares	$	1		
Shares issued to shareholders (3,016,009 shares)		46,205		
Total consideration paid			$	46,206
Fair value of assets acquired				
Cash and due from banks		4,672		
Investment securities		21,396		
FHLB stock		3,144		
Loans, including loans held for sale		291,852		
Premises and equipment		4,276		
Core deposit intangible		5,355		
Bank owned life insurance		430		
Other assets		5,039		
Total assets acquired				336,164
Fair value of liabilities assumed				
Deposits		277,980		
Borrowings		22,785		
Other liabilities		3,692		
Total liabilities assumed				304,457
Total fair value of identifiable net assets				31,707
Goodwill			$	14,499

The Company determined that this acquisition constitutes a business combination and therefore was accounted for using the acquisition method of accounting. Accordingly, as of the date of the acquisition, the Company recorded the assets acquired, liabilities assumed and consideration paid at fair value. The $14.5 million excess of the consideration paid over the fair value of assets acquired was recorded as goodwill and is not amortizable or deductible for tax purposes. The amount of goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Company with Center.

The fair value of the 3,016,009 common shares issued was determined based on the $15.32 closing market price of the Company's common shares on the acquisition date, April 30, 2025.

The valuation of acquired assets and liabilities was completed in the third quarter of 2025. The following is a description of the valuation methodologies used to estimate the fair values of major categories of assets acquired and liabilities assumed. The Company used an independent valuation specialist to assist with the determination of fair values for certain acquired assets and assumed liabilities.

Cash and due from banks - The estimated fair value was determined to approximate the carrying amount of these assets.

Investment securities - The estimated fair value of the investment portfolio was based on quoted market prices.

Loans - The estimated fair value of loans was based on a discounted cash flow methodology applied on a pooled basis for both non-purchased credit-deteriorated ("non-PCD") loans and purchased credit-deteriorated ("PCD") loans. For certain PCD loans, the estimated fair value was determined on an individual basis. The valuation considered underlying characteristics including loan type, term, rate, payment schedule and credit rating. Other factors included assumptions related to prepayments, the probability of default and loss given default. The discount rates applied were based on a build-up approach considering the funding mix, servicing costs, liquidity premium and factors related to performance risk.

Acquired loans are classified into two categories: PCD loans and non-PCD loans. PCD loans are defined as a loan or group of loans that have experienced more than insignificant credit deterioration since origination. Non-PCD loans will have an allowance established on acquisition date, which is recognized as an expense through provision for credit losses. For PCD loans, an allowance is recognized on day 1 by adding it to the fair value of the loan, which is the "Day 1 amortized cost". There is no provision for credit loss expense recognized on PCD loans because the initial allowance is established by grossing-up the amortized cost of the PCD loan.

A day 1 allowance for credit losses of $3.4 million related to non-PCD loans and $0.4 million related to the off-balance sheet commitment liability was recorded through the provision for credit losses within the Consolidated Statements of Income. At the date of acquisition, of the $303.7 million of portfolio loans acquired from Center, $29.2 million, or 9.6%, of Center's loan portfolio, was accounted for as PCD loans as of May 1, 2025.

Premise and equipment - The estimated fair value of land and buildings were determined by independent market-based appraisals.

Core deposit intangible - The core deposit intangible was valued utilizing the cost savings method approach, which recognizes the cost savings represented by the expense of maintaining the core deposit base versus the cost of an alternative funding source. The valuation incorporates assumptions related to account retention, discount rates, deposit interest rates, deposit maintenance costs and alternative funding rates.

Time deposits - The estimated fair value of time deposits was determined using a discounted cash flow approach incorporating a discount rate equal to current market interest rates offered on time deposits with similar terms and maturities.

Borrowings - The estimated fair value of short-term borrowings was determined to approximate stated value. Long-term debt with the Federal Home Loan Bank of Cincinnati was valued using the prepayment penalty for payoff on April 30, 2025.

The following table provides details related to the fair value of acquired PCD loans as of April 30, 2025.

	Unpaid Principal Balance	PCD Allowance for Credit Loss at Acquisition	(Discount) Premium on Acquired Loans	Fair Value of PCD Loans at Acquisition
	(dollars in thousands)			
Commercial, financial, agricultural and other	**$ 13,302**	**$ (1,616)**	**$ (487)**	**$ 11,199**
Time and demand	13,302	(1,616)	(487)	11,199
Real estate construction	**2,442**	**(810)**	**(54)**	**1,578**
Construction other	557	(182)	(17)	358
Construction residential	1,885	(628)	(37)	1,220
Residential real estate	**3,845**	**(45)**	**(138)**	**3,662**
Residential first lien	3,372	(38)	(137)	3,197
Residential junior lien/home equity	473	(7)	(1)	465
Commercial real estate	**9,604**	**(1,087)**	**(330)**	**8,187**
Multifamily	1,210	(120)	(78)	1,012
Non-owner occupied	5,330	(943)	(184)	4,203
Owner occupied	3,064	(24)	(68)	2,972
Loans to individuals	**30**	**(2)**	**—**	**28**
Automobile and recreational vehicles	14	(1)	—	13
Consumer other	16	(1)	—	15
Total loans and leases	**$ 29,223**	**$ (3,560)**	**$ (1,009)**	**$ 24,654**

The following table provides details related to the fair value and Day 1 provision related to the acquired non-PCD loans as of April 30, 2025.

	Unpaid Principal Balance	(Discount) premium on acquired loans	Fair Value of Non-PCD Loans at Acquisition	Day 1 Provision for Credit Losses - Non-PCD Loans
		(dollars in thousands)		
Commercial, financial, agricultural and other	**$ 50,555**	**$ (2,137)**	**$ 48,418**	**$ 630**
Time and demand	50,535	(2,137)	48,398	630
Time and demand other	20	—	20	—
Real estate construction	**32,074**	**(941)**	**31,133**	**691**
Construction other	18,829	(472)	18,357	445
Construction residential	13,245	(469)	12,776	246
Residential real estate	**82,609**	**(3,396)**	**79,213**	**665**
Residential first lien	67,906	(3,145)	64,761	556
Residential junior lien/home equity	14,703	(251)	14,452	109
Commercial real estate	**108,843**	**(3,550)**	**105,293**	**1,389**
Multifamily	17,405	(481)	16,924	180
Non-owner occupied	43,927	(1,763)	42,164	512
Owner occupied	47,511	(1,306)	46,205	697
Loans to individuals	**357**	**(10)**	**347**	**4**
Automobile and recreational vehicles	337	(9)	328	4
Consumer other	20	(1)	19	—
Total loans and leases	**$ 274,438**	**$ (10,034)**	**$ 264,404**	**$ 3,379**

The following table presents the change in goodwill during the period (dollars in thousands):

	For the Year Ended December 31, 2025
Goodwill at December 31, 2024	$ 363,715
Goodwill from Center acquisition	14,499
Goodwill at December 31, 2025	$ 378,214

Costs related to the acquisition totaled $4.4 million. These amounts were expensed as incurred and are recorded as a merger and acquisition related expense in the Consolidated Statements of Income.

As a result of the full integration of the operations of Center, it is not practicable to determine revenue or net income included in the Company's operating results relating to Center since the date of acquisition as Center's results cannot be separately identified.

Note 3—Supplemental Comprehensive Income Disclosures

The following table identifies the related tax effects allocated to each component of other comprehensive income in the Consolidated Statements of Comprehensive Income as of December 31. Reclassification adjustments related to securities available for sale are included in the “Net securities (losses) gains” line in the Consolidated Statements of Income.

	2025			2024			2023		
	Pretax Amount	Tax (Expense) Benefit	Net of Tax Amount	Pretax Amount	Tax (Expense) Benefit	Net of Tax Amount	Pretax Amount	Tax (Expense) Benefit	Net of Tax Amount
	(dollars in thousands)								
Unrealized gains (losses) on securities:									
Unrealized holding gains (losses) on securities arising during the period	$ 33,737	$ (7,150)	$ 26,587	$ (8,131)	$ 1,766	$ (6,365)	$ 18,499	$ (3,449)	$ 15,050
Reclassification adjustment for losses on securities included in net income	4,348	(913)	3,435	5,446	(1,144)	4,302	103	(22)	81
Total unrealized gains (losses) on securities	38,085	(8,063)	30,022	(2,685)	622	(2,063)	18,602	(3,471)	15,131
Unrealized gains (losses) on derivatives:									
Unrealized holding gains on derivatives arising during the period	9,987	(2,137)	7,850	14,379	(3,069)	11,310	13,462	(2,733)	10,729
Total unrealized gains on derivatives	9,987	(2,137)	7,850	14,379	(3,069)	11,310	13,462	(2,733)	10,729
Unrealized gains (losses) for postretirement obligations:									
Prior service cost	76	(16)	60	76	(16)	60	76	(15)	61
Net (loss) gain	(23)	5	(18)	(83)	18	(65)	22	(7)	15
Total unrealized gains (losses) for postretirement obligations	53	(11)	42	(7)	2	(5)	98	(22)	76
Total other comprehensive income	$ 48,125	$ (10,211)	$ 37,914	$ 11,687	$ (2,445)	$ 9,242	$ 32,162	$ (6,226)	$ 25,936

The following table details the change in components of OCI for the year ended December 31:

	2025			
	Securities Available for Sale	Derivatives	Post-Retirement Obligation	Accumulated Other Comprehensive Income
	(dollars in thousands)			
Balance at January 1	$ (94,403)	$ (8,450)	$ 339	$ (102,514)
Other comprehensive income before reclassification adjustment	26,587	7,850		34,437
Amounts reclassified from accumulated other comprehensive income (loss)	3,435	—		3,435
Prior service cost			60	60
Net gain			(18)	(18)
Net other comprehensive income during the period	30,022	7,850	42	37,914
Balance at December 31	$ (64,381)	$ (600)	$ 381	$ (64,600)

	2024			
	Securities Available for Sale	Derivatives	Post-Retirement Obligation	Accumulated Other Comprehensive Income
	(dollars in thousands)			
Balance at January 1	$ (92,340)	$ (19,760)	$ 344	$ (111,756)
Other comprehensive income before reclassification adjustment	(6,365)	11,310		4,945
Amounts reclassified from accumulated other comprehensive income (loss)	4,302	—		4,302
Prior service cost			60	60
Net gain			(65)	(65)
Net other comprehensive income during the period	(2,063)	11,310	(5)	9,242
Balance at December 31	$ (94,403)	$ (8,450)	$ 339	$ (102,514)

	2023			
	Securities Available for Sale	Derivatives	Post-Retirement Obligation	Accumulated Other Comprehensive Income
	(dollars in thousands)			
Balance at January 1	$ (107,471)	$ (30,489)	$ 268	$ (137,692)
Other comprehensive income before reclassification adjustment	15,050	10,729		25,779
Amounts reclassified from accumulated other comprehensive income (loss)	81	—		81
Prior service cost			61	61
Net gain			15	15
Net other comprehensive income during the period	15,131	10,729	76	25,936
Balance at December 31	$ (92,340)	$ (19,760)	$ 344	$ (111,756)

Note 4—Supplemental Cash Flow Disclosures

The following table presents information related to cash paid during the year for interest and income taxes as well as detail on non-cash investing and financing activities for the years ended December 31:

	2025	2024	2023
		(dollars in thousands)	
Cash paid during the period for:			
Interest	$ 207,503	$ 220,151	$ 139,872
Income taxes	34,662	32,201	37,526
Non-cash investing and financing activities:			
Loans transferred to other real estate owned and repossessed assets	6,565	5,726	4,229
Fair value of loans transferred from held to maturity to held for sale	319,075	106,090	152,613
Loans transferred from held for sale to held to maturity	7,719	4,886	519
Gross increase (decrease) in market value adjustment to securities available for sale	38,086	(2,685)	18,602
Gross increase in market value adjustment to derivatives	9,987	14,379	13,462
Unsettled treasury stock repurchases	320	—	—
Increase in limited partnership investment unfunded commitment	—	—	302
Net assets (liabilities) acquired through acquisition	27,035	—	66,477
Proceeds from death benefit on bank-owned life insurance not received	75	188	—
Treasury shares issued	2,339	2,325	1,966
Excise tax on treasury stock repurchased	341	87	118
Contribution of premises	—	149	—

Note 5—Earnings per Share

The following table summarizes the composition of the weighted-average common shares (denominator) used in the basic and diluted earnings per share computation for the years ending December 31:

	2025	2024	2023
Weighted average common shares issued	125,614,804	123,603,380	122,780,523
Average treasury shares	(22,102,372)	(21,435,256)	(21,004,846)
Average deferred compensation shares	(56,603)	(57,200)	(56,206)
Average unearned nonvested shares	(235,748)	(197,813)	(163,044)
Weighted average common shares and common stock equivalents used to calculate basic earnings per share	103,220,081	101,913,111	101,556,427
Additional common stock equivalents (nonvested stock) used to calculate diluted earnings per share	247,343	235,843	208,819
Additional common stock equivalents (deferred compensation) used to calculate diluted earnings per share	56,706	56,543	56,955
Weighted average common shares and common stock equivalents used to calculate diluted earnings per share	103,524,130	102,205,497	101,822,201
Per Share Data			
Basic Earnings Per Share	$ 1.48	$ 1.40	$ 1.55
Diluted Earnings Per Share	$ 1.47	$ 1.39	$ 1.54

The following table shows the number of shares and the price per share related to common stock equivalents that were not included in the computation of diluted earnings per share for the years ended December 31, because to do so would have been anti-dilutive.

	2025			2024			2023		
		Price Range			Price Range			Price Range	
	Shares	From	To	Shares	From	To	Shares	From	To
Restricted Stock	173,918	$ 12.39	$ 18.62	127,230	$ 12.39	$ 18.62	114,177	$ 12.70	$ 16.43
Restricted Stock Units	—	$ —	$ —	—	$ —	$ —	34,305	$ 17.53	$ 17.53

Note 6—Cash and Due from Banks

Regulations of the Board of Governors of the Federal Reserve System impose uniform reserve requirements on all depository institutions with transaction accounts, such as checking accounts and NOW accounts. Reserves are maintained in the form of vault cash or balances held with the local Federal Reserve Bank. Because balances held at the Federal Reserve earn interest, depending on our liquidity position, we may maintain balances in excess of the reserve requirement. First Commonwealth maintained average balances of $44.6 million during 2025 and $157.1 million during 2024 with the Federal Reserve Bank of Cleveland.

Note 7—Derivatives

Derivatives Not Designated as Hedging Instruments

First Commonwealth is a party to interest rate derivatives that are not designated as hedging instruments. These derivatives relate to interest rate swaps that First Commonwealth enters into with customers to allow customers to convert variable rate loans to a fixed rate. First Commonwealth pays interest to the customer at a floating rate on the notional amount and receives interest from the customer at a fixed rate for the same notional amount. At the same time the interest rate swap is entered into with the customer, an offsetting interest rate swap is entered into with another financial institution. First Commonwealth pays the other financial institution interest at the same fixed rate on the same notional amount as the swap entered into with the customer, and receives interest from the financial institution for the same floating rate on the same notional amount.

The changes in the fair value of the swaps offset each other, except for the credit risk of the counterparties, which is determined by taking into consideration the risk rating, probability of default and loss given default for all counterparties.

We have 21 risk participation agreements with financial institution counterparties for interest rate swaps related to loans in which we are a participant. The risk participation agreements provide credit protection to the financial institution should the borrower fail to perform on its interest rate derivative contract with the financial institution. We have 20 risk participation agreements with financial institution counterparties for interest rate swaps related to loans in which we are the lead bank. The risk participation agreement provides credit protection to us should the borrower fail to perform on its interest rate derivative contract with us.

First Commonwealth is also party to interest rate caps and collars that are not designated as hedging instruments. The interest rate caps relate to contracts that First Commonwealth enters into with loan customers that provide a maximum interest rate on their variable rate loan. At the same time the interest rate cap is entered into with the customer, First Commonwealth enters into an offsetting interest rate cap with another financial institution. The notional amount and maximum interest rate on both interest cap contracts are identical. The interest rate collars relate to contracts that First Commonwealth enters into with loan customers that provides both a maximum and minimum interest rate on their variable rate loan. At the same time the interest rate collar is entered into with the customer, First Commonwealth enters into an offsetting interest rate collar with another financial institution. The notional amount and the maximum and minimum interest rates on both interest collar contracts are identical.

The fee received for such derivatives, less the estimate of the loss for the credit exposure, is recognized in earnings at the time of the transaction.

The Company also enters into interest rate lock commitments in conjunction with its mortgage origination business. These are commitments to originate loans whereby the interest rate on the loan is determined prior to funding and the customers have locked into that interest rate. The Company locks in the rate with an investor and commits to deliver the loan if settlement occurs ("best efforts") or commits to deliver the locked loan in a binding ("mandatory") delivery program with an investor. Loans under mandatory rate lock commitments are covered under forward sales contracts of mortgage-backed securities ("MBS"). Forward sales contracts of MBS are recorded at fair value with changes in fair value recorded in "Noninterest income" in the Consolidated Statements of Income. The impact to noninterest income for the years ended December 31, 2025 and 2023 was a decrease of $0.5 million and $0.4 million, respectively and an increase of $0.8 million for the year ended December 31, 2024.

Interest rate lock commitments and commitments to deliver loans to investors are considered derivatives. The market value of interest rate lock commitments and best efforts contracts are not readily ascertainable with precision because they are not actively traded in stand-alone markets. We determine the fair value of rate lock commitments and delivery contracts by measuring the fair value of the underlying asset, which is impacted by current interest rates and takes into consideration the probability that the rate lock commitments will close or will be funded. At December 31, 2025, the underlying funded mortgage loan commitments had a carrying value of $19.5 million and a fair value of $21.5 million, while the underlying unfunded mortgage loan commitments had a notional amount of $48.1 million. At December 31, 2024, the underlying funded mortgage loan commitments had a carrying value of $8.3 million and a fair value of $9.6 million, while the underlying unfunded mortgage loan commitments had a notional amount of $60.9 million.

Derivatives Designated as Hedging Instruments

In August 2019, the Company entered into two interest rate swap contracts that are designated as cash flow hedges. One of the contracts, with a notional amount of $30.0 million, matured on August 15, 2024 and the other contract, with a notional amount of $40.0 million, matures on August 15, 2026. The Company's risk management objective for these hedges is to reduce its exposure to variability in expected future cash flows related to interest payments made on subordinated debentures. Initially these swaps were benchmarked to the 3-month LIBOR rate; however, as a result of the discontinuance of the LIBOR rate on June 30, 2023, both of the swap contracts were amended to hedge exposure to the variability of the 3-month Daily Simple SOFR. This change is in agreement with amendments made to the interest rate on the subordinated debentures as a result of the discontinuance of LIBOR. Therefore, the remaining interest rate swaps convert the interest rate benchmark on the first $40.0 million of 3-month SOFR based subordinated debentures to a fixed rate.

During 2021, the Company entered into eight interest rate swap contracts that were designated as cash flow hedges, of which $75.0 million matured during 2024 and $250.0 million matured during 2025. The remaining interest rate swaps have a total notional amount of $175.0 million with an original maturity of five years. The Company's risk management objective for these hedges was to reduce its exposure to variability in expected future cash flows related to interest payments on commercial loans. Initially these swaps were benchmarked to the 1-month LIBOR rate; however, as a result of the discontinuance of the LIBOR rate on June 30, 2023, these swaps were amended to hedge exposure to the variability of the 1-month Daily Simple SOFR rate compounded in arrears. Therefore, the remaining interest rate swaps convert the interest payments on the first $175.0 million of 1-month Daily Simple SOFR based commercial loans into fixed rate payments. The following table provides the notional amount of interest rate swap contracts and their maturity date.

Notional Amount	Maturity Date
(dollars in thousands)	
$ 150,000	05/01/26
25,000	10/15/26
$ 175,000	

The periodic net settlement of these interest rate swaps are recorded as an adjustment to "Interest on subordinated debentures" or "Interest and fees on loans" in the Consolidated Statement of Income. For the years ended December 31, 2025, 2024 and 2023, net interest income decreased $9.7 million, $20.1 million, and $19.0 million, respectively, as a result of these interest rate swaps. Changes in the fair value of the cash flow hedges are reported on the balance sheet and in OCI. When the cash flows associated with the hedged item are realized, the gain or loss included in OCI is recognized in "Interest on subordinated debentures" or "Interest and fees on loans," in the Consolidated Statements of Income in the same line item as the income or expense on the hedged items. The cash flow hedges were highly effective at December 31, 2025 and changes in the fair value attributed to hedge ineffectiveness were not material.

The following table depicts the credit value adjustments recorded relative to the notional amount of derivatives outstanding as well as the notional amount of risk participation agreements participated to other banks at December 31:

	2025	2024
	(dollars in thousands)	
Derivatives not Designated as Hedging Instruments		
Credit value adjustment	$ (185)	$ (59)
Notional Amount:		
Interest rate derivatives	1,000,541	966,978
Interest rate caps	50,525	28,950
Interest rate collars	2,022	524
Risk participation agreements	158,646	179,959
Sold credit protection on risk participation agreements	(151,858)	(151,079)
Interest rate options	48,143	60,934
Interest rate forwards:		
Fair value adjustment	(133)	398
Notional Amount	49,000	60,000
Derivatives Designated as Hedging Instruments		
Interest rate swaps:		
Fair value adjustment	(766)	(10,754)
Notional Amount	215,000	465,000

The table below presents the change in the fair value of derivative assets and derivative liabilities attributable to credit risk or fair value changes included in “Other income”, "Other expense", "Interest on subordinated debentures" or "Interest and fees on loans" in the Consolidated Statements of Income for the years ended December 31:

	2025	2024	2023
		(dollars in thousands)	
Non-hedging interest rate derivatives:			
Increase in other income	$ 185	$ 218	$ 922
Non-hedging interest rate forwards:			
(Decrease) increase in other income	(531)	750	(415)
Hedging interest rate derivatives:			
Decrease in interest and fees on loans	(10,898)	(22,503)	(21,647)
Decrease in interest from subordinated debentures	(1,220)	(2,369)	(2,658)

The fair value of our derivatives is included in a table in Note 18, “Fair Values of Assets and Liabilities,” in the line items “Other assets” and “Other liabilities.”

Note 8—Investment Securities

Securities Available for Sale

Below is an analysis of the amortized cost and fair values of securities available for sale at December 31:

	2025				2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(dollars in thousands)							
Obligations of U.S. Government Agencies:								
Mortgage-Backed Securities – Residential	$ 2,638	$ 23	$ (165)	$ 2,496	$ 3,096	$ 14	$ (212)	$ 2,898
Mortgage-Backed Securities – Commercial	701,572	3,788	(43,671)	661,689	779,232	2,489	(57,546)	724,175
Obligations of U.S. Government-Sponsored Enterprises:								
Mortgage-Backed Securities – Residential	336,493	1,087	(42,057)	295,523	413,434	1,481	(64,331)	350,584
Other Government-Sponsored Enterprises	1,000	—	(16)	984	1,000	—	(54)	946
Obligations of States and Political Subdivisions	7,560	1	(590)	6,971	8,510	—	(983)	7,527
Corporate Securities	46,969	782	(1,220)	46,531	62,475	1,454	(2,436)	61,493
Total Securities Available for Sale	$ 1,096,232	$ 5,681	$ (87,719)	$ 1,014,194	$ 1,267,747	$ 5,438	$ (125,562)	$ 1,147,623

Mortgage-backed securities include mortgage-backed obligations of U.S. Government agencies and obligations of U.S. Government-sponsored enterprises. These obligations have contractual maturities ranging from less than one year to approximately 42 years with lower anticipated lives to maturity due to prepayments. All mortgage-backed securities contain a certain amount of risk related to the uncertainty of prepayments of the underlying mortgages. Interest rate changes have a direct impact upon prepayment speeds; therefore, First Commonwealth uses computer simulation models to test the average life and yield volatility of all mortgage backed securities under various interest rate scenarios to monitor the potential impact on earnings and interest rate risk positions.

Expected maturities will differ from contractual maturities because issuers may have the right to call or repay obligations with or without call or prepayment penalties. Other fixed income securities within the portfolio also contain prepayment risk.

The amortized cost and estimated fair value of debt securities available for sale at December 31, 2025, by contractual maturity, are shown below:

	Amortized Cost	Estimated Fair Value
	(dollars in thousands)	
Due within 1 year	$ 1,000	$ 984
Due after 1 but within 5 years	35,035	34,797
Due after 5 but within 10 years	19,494	18,705
Due after 10 years	—	—
	55,529	54,486
Mortgage-Backed Securities (a)	1,040,703	959,708
Total Debt Securities	$ 1,096,232	$ 1,014,194

(a) Mortgage-Backed Securities include an amortized cost of $704.2 million and a fair value of $664.2 million for Obligations of U.S. Government agencies issued by Ginnie Mae and an amortized cost of $336.5 million and a fair value of $295.5 million for Obligations of U.S. Government-sponsored enterprises issued by Fannie Mae and Freddie Mac.

Proceeds from sales of securities and gross gains (losses) realized on sales, calls and maturities of securities available for sale were as follows for the years ended December 31:

	2025	2024	2023
		(dollars in thousands)	
Proceeds from sales	$ 69,862	$ 69,598	$ 33,756
Gross (losses) gains realized:			
Sales Transactions:			
Gross gains	$ —	$ —	$ —
Gross losses	(5,142)	(5,535)	(103)
	(5,142)	(5,535)	(103)
Maturities			
Gross gains	794	89	—
Gross losses	—	—	—
	794	89	—
Net (losses) gains	$ (4,348)	$ (5,446)	$ (103)

For 2025, $48.5 million of the proceeds from sales in the above table are a result of management selling $53.7 million in available for sale investment securities yielding 2.61% and reinvesting the proceeds into securities yielding 5.41%. Additionally, $21.4 million in proceeds from sales are a result of the sale of investments acquired as part of the Center acquisition. All of the acquired investments were recorded at fair value at the time of acquisition and subsequently sold at the same value. Gains from maturities in the above table are related to the call of two corporate subordinated debt issues.

For 2024, proceeds from sales included in above table are a result of management selling $75.1 million in available for sale investment securities yielding 2.17% and reinvesting the proceeds into securities yielding 5.49%.

For 2023, proceeds from sales included in above table are a result of the sale of investments acquired as part of the Centric acquisition. All of the acquired investments were recorded at fair value at the time of acquisition and subsequently sold at the same value, with the exception of one corporate security. This security was sold in the third quarter of 2023 at a loss of $103 thousand.

Securities available for sale with an approximate fair value of $624.0 million and $580.5 million were pledged as of December 31, 2025 and 2024, respectively, to secure public deposits and for other purposes required or permitted by law.

Equity Securities

During the second quarter of 2024, Visa commenced an exchange offer for any and all outstanding shares of its Class B-1 common stock for a combination of Visa's Class B-2 common stock, Class C common stock and, where applicable, cash in lieu of fractional shares. As part of this exchange, each share of Class B-1 common stock would be exchanged for one half share of the newly issued Class B-2 common stock and Class C common stock would be issued in an amount equivalent to one half of a share of Class B-1 common stock. The Company opted to participate in this exchange offer prior to its expiration and received 13,340 Class B-2 shares and 5,294 Class C shares. In 2024, the Class C shares were sold at fair value resulting in a gain of $5.7 million. During the first quarter of 2025, the Class B-2 shares, which were carried with a zero basis, were sold, resulting in a $5.1 million gain.

Securities Held to Maturity

Below is an analysis of the amortized cost and fair values of debt securities held to maturity at December 31:

	2025				2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(dollars in thousands)							
Obligations of U.S. Government Agencies:								
Mortgage-Backed Securities – Residential	$ 1,379	$ —	$ (144)	$ 1,235	$ 1,586	$ —	$ (220)	$ 1,366
Mortgage-Backed Securities – Commercial	163,625	606	(12,320)	151,911	89,404	66	(14,785)	74,685
Obligations of U.S. Government-Sponsored Enterprises:								
Mortgage-Backed Securities – Residential	307,676	485	(33,395)	274,766	266,587	—	(47,564)	219,023
Mortgage-Backed Securities – Commercial	—	—	—	—	—	—	—	—
Other Government-Sponsored Enterprises	23,199	—	(2,735)	20,464	22,869	—	(4,155)	18,714
Obligations of States and Political Subdivisions	22,743	—	(1,250)	21,493	24,193	—	(2,246)	21,947
Debt Securities Issued by Foreign Governments	800	—	(4)	796	1,000	—	(16)	984
Total Securities Held to Maturity	$ 519,422	$ 1,091	$ (49,848)	$ 470,665	$ 405,639	$ 66	$ (68,986)	$ 336,719

The amortized cost and estimated fair value of debt securities held to maturity at December 31, 2025, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or repay obligations with or without call or prepayment penalties.

	Amortized Cost	Estimated Fair Value
	(dollars in thousands)	
Due within 1 year	$ 1,804	$ 1,793
Due after 1 but within 5 years	16,845	16,126
Due after 5 but within 10 years	27,529	24,363
Due after 10 years	564	471
	46,742	42,753
Mortgage-Backed Securities (a)	472,680	427,912
Total Debt Securities	$ 519,422	$ 470,665

(a) Mortgage-Backed Securities include an amortized cost of $165.0 million and a fair value of $153.1 million for Obligations of U.S. Government agencies issued by Ginnie Mae and an amortized cost of $307.7 million and a fair value of $274.8 million for Obligations of U.S. Government-sponsored enterprises issued by Fannie Mae and Freddie Mac.

Securities held to maturity with an amortized cost of $349.2 million and $247.5 million were pledged as of December 31, 2025 and 2024, respectively, to secure public deposits for other purposes required or permitted by law.

Other Investments

As a member of the FHLB, First Commonwealth is required to purchase and hold stock in the FHLB to satisfy membership and borrowing requirements. The level of stock required to be held is dependent on the amount of First Commonwealth's mortgage related assets and outstanding borrowings with the FHLB. This stock is restricted in that it can only be sold to the FHLB or to another member institution, and all sales of FHLB stock must be at par. As a result of these restrictions, FHLB stock is unlike other investment securities insofar as there is no trading market for FHLB stock and the transfer price is determined by FHLB membership rules and not by market participants. As of December 31, 2025 and 2024, our FHLB stock totaled $32.6 million and $25.2 million, respectively and is included in “Other investments” on the Consolidated Statements of Financial Condition.

FHLB stock is held as a long-term investment and its value is determined based on the ultimate recoverability of the par value. First Commonwealth evaluates impairment quarterly and has concluded that the par value of its investment in FHLB stock will be recovered. Accordingly, no impairment charge was recorded on these securities for the year ended December 31, 2025.

At both December 31, 2025 and 2024, "Other investments" also includes $5.7 million of securities that include bankers bank membership stock and investments in community development organizations. These securities do not have a readily determinable fair value and are carried at cost. For the years ended December 31, 2025 and 2024, there were no gains or losses recognized through earnings on equity securities. On a quarterly basis, management evaluates equity securities by reviewing research reports, analysts’ recommendations, credit rating changes, news stories, annual reports, regulatory filings, impact of interest rate changes and other relevant information.

Impairment of Investment Securities

We review our investment portfolio on a quarterly basis for indications of impairment. For available for sale securities the review includes analyzing the financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer and whether we are more likely than not to sell the security. We evaluate whether we are more likely than not to sell debt securities based upon our investment strategy for the particular type of security and our cash flow needs, liquidity position, capital adequacy, tax position and interest rate risk position. Held-to-maturity securities are evaluated for impairment on a quarterly basis using historical probability of default and loss given default information specific to the investment category. If this evaluation determines that credit losses exist, an allowance for credit loss is recorded and included in earnings as a component of credit loss expense.

First Commonwealth utilizes the specific identification method to determine the net gain or loss on debt securities and the average cost method to determine the net gain or loss on equity securities.

The following table presents the gross unrealized losses and estimated fair values at December 31, 2025 for available for sale securities for which an allowance for credit losses has not been recorded and held to maturity securities by investment category and time frame for which the securities have been in a continuous unrealized loss position:

	Less Than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
	(dollars in thousands)					
Obligations of U.S. Government Agencies:						
Mortgage-Backed Securities – Residential	$ —	$ —	$ 2,789	$ (309)	$ 2,789	$ (309)
Mortgage-Backed Securities – Commercial	77,195	(509)	270,142	(55,482)	347,337	(55,991)
Obligations of U.S. Government-Sponsored Enterprises:						
Mortgage-Backed Securities – Residential	19,924	(95)	438,740	(75,357)	458,664	(75,452)
Mortgage-Backed Securities – Commercial	—	—	—	—	—	—
Other Government-Sponsored Enterprises	—	—	21,448	(2,751)	21,448	(2,751)
Obligations of States and Political Subdivisions	—	—	26,563	(1,840)	26,563	(1,840)
Debt Securities Issued by Foreign Governments	—	—	596	(4)	596	(4)
Corporate Securities	5,492	(3)	22,845	(1,217)	28,337	(1,220)
Total Securities	$ 102,611	$ (607)	$ 783,123	$ (136,960)	$ 885,734	$ (137,567)

At December 31, 2025, fixed income securities issued by U.S. Government Agencies and U.S. Government-sponsored enterprises comprised 98% of total unrealized losses. All unrealized losses are a result of changes in market interest rates. At December 31, 2025, there were 143 debt securities in an unrealized loss position. There were no equity securities in an unrealized loss position at December 31, 2025.

The following table presents the gross unrealized losses and estimated fair value at December 31, 2024 for both available for sale and held to maturity securities by investment category and time frame for which the securities had been in a continuous unrealized loss position:

	Less Than 12 Months		12 Months or More		Total	
	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
			(dollars in thousands)			
Obligations of U.S. Government Agencies:						
Mortgage-Backed Securities – Residential	$ 242	$ (1)	$ 3,002	$ (431)	$ 3,244	$ (432)
Mortgage-Backed Securities – Commercial	258,712	(4,119)	274,358	(68,212)	533,070	(72,331)
Obligations of U.S. Government-Sponsored Enterprises:						
Mortgage-Backed Securities – Residential	4,759	(56)	497,445	(111,839)	502,204	(111,895)
Mortgage-Backed Securities – Commercial	—	—	—	—	—	—
Other Government-Sponsored Enterprises	—	—	19,660	(4,209)	19,660	(4,209)
Obligations of States and Political Subdivisions	1,104	(11)	28,097	(3,218)	29,201	(3,229)
Debt Securities Issued by Foreign Governments	—	—	584	(16)	584	(16)
Corporate Securities	9,701	(506)	17,321	(1,930)	27,022	(2,436)
Total Securities	$ 274,518	$ (4,693)	$ 840,467	$ (189,855)	$ 1,114,985	$ (194,548)

As of December 31, 2025, our corporate securities had an amortized cost and estimated fair value of $47.0 million and $46.5 million, respectively. At December 31, 2024, these securities had an amortized cost of $62.5 million and estimated fair value of $61.5 million. Corporate securities are comprised of debt issued by large regional banks. When unrealized losses exist, management reviews each of the issuer’s asset quality, earnings trend and capital position, to determine whether the unrealized loss position is a result of credit losses. All interest payments on the corporate securities are being made as contractually required.

There was no expected credit related impairment recognized on investment securities during the twelve months ended December 31, 2025, 2024 and 2023.

Note 9—Loans and Leases and Allowance for Credit Losses

Loans and leases are presented in the Consolidated Statements of Financial Condition net of deferred loan fees and costs, and discounts related to purchased loans. Net deferred costs were $21.2 million and $14.7 million as of December 31, 2025 and 2024, respectively, and discounts on purchased loans were $20.2 million and $18.9 million at December 31, 2025 and 2024, respectively. The following table provides outstanding balances related to each of our loan types as of December 31:

	2025	2024
	(dollars in thousands)	
Commercial, financial, agricultural and other	**$ 2,044,989**	**$ 1,677,989**
Time and demand	1,226,054	1,133,595
Commercial credit cards	11,408	11,718
Equipment finance	693,265	427,320
Time and demand other	114,262	105,356
Real estate construction	**462,786**	**483,384**
Construction other	415,536	475,367
Construction residential	47,250	8,017
Residential real estate	**2,360,285**	**2,341,703**
Residential first lien	1,631,019	1,670,547
Residential junior lien/home equity	729,266	671,156
Commercial real estate	**3,182,109**	**3,124,704**
Multifamily	594,790	597,145
Non-owner occupied	1,834,016	1,804,950
Owner occupied	753,303	722,609
Loans to individuals	**1,457,870**	**1,355,974**
Automobile and recreational vehicles	1,387,195	1,280,645
Consumer credit cards	9,496	9,865
Consumer other	61,179	65,464
Total loans and leases	**$ 9,508,039**	**$ 8,983,754**

First Commonwealth's loan portfolio includes five primary loan categories. When calculating the allowance for credit losses these categories are classified into fourteen portfolio segments. The composition of loans by portfolio segment includes:

Commercial, financial, agricultural and other

Time & Demand - Consists primarily of commercial and industrial loans. This category consists of loans that are typically cash flow dependent and therefore have different risk and loss characteristics than other commercial loans. Loans in this category include revolving and term structures with fixed and variable interest rates. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of business bankruptcies and economic conditions measured by GDP. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, business bankruptcies replaced national unemployment as one of the primary macroeconomic drivers in this category.

Commercial Credit Cards - Consists of unsecured credit cards for commercial customers. These commercial credit cards have separate characteristics outside of normal commercial non-real estate loans, as they tend to have shorter overall duration. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of business bankruptcies and economic conditions measured by GDP. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, business bankruptcies replaced national unemployment as one of the primary macroeconomic drivers in this category.

Equipment Finance - Consists of loans and leases to finance the purchase of equipment for commercial customers. The risk and loss characteristics are unique for this group due to the type of collateral. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of business bankruptcies and economic conditions measured by GDP. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, business bankruptcies replaced national unemployment as one of the primary macroeconomic drivers in this category.

Time & Demand Other - Consists primarily of loans to state and political subdivisions and other commercial loans that have different characteristics than loans in the Time and Demand category. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of household obligations ratio and economic conditions measured by GDP.

Real estate construction

Construction Other - Consists of construction loans to commercial builders and developers and are secured by the properties under development.

Construction Residential - Consists of loans to finance the construction of residential properties during the construction period. Borrowers are typically individuals who will occupy the completed single-family property.

The risk and loss characteristics of these two construction categories are different than other real estate secured categories due to the collateral being at various stages of completion. The nature of the project and type of borrower of the two construction categories provides for unique risk and loss characteristics for each category. The primary macroeconomic drivers for estimating credit losses for construction loans include forecasts of national unemployment and measures of completed construction projects.

Residential real estate

Residential first lien - Consists of loans with collateral of 1-4 family residencies with a senior lien position. The risk and loss characteristics are unique for this group because the collateral for these loans are the borrower's primary residence. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of national unemployment and residential property values.

Residential Junior Lien/Home Equity - Consists of loans with collateral of 1-4 family residencies with an open-ended line of credit or junior lien position. The junior lien position for the majority of these loans provides a higher risk of loss than other residential real estate loans. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of national unemployment and residential property values.

Commercial real estate

Multifamily - Consists of loans secured by commercial multifamily properties. Real estate related to rentals to consumers provide unique risk and loss characteristics. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of completed multifamily construction projects and national unemployment. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, completed multifamily construction projects replaced commercial real estate values as one of the primary macroeconomic drivers in this category.

Non-owner Occupied - Consists of loans secured by commercial real estate non-owner occupied and provides different loss characteristics than other real estate categories. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of national unemployment and changes in the price of commercial real estate. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, changes in the price of commercial real estate replaced economic conditions measured by GDP as one of the primary macroeconomic drivers in this category.

Owner Occupied - Consists of loans secured by commercial real estate owner occupied properties. The risk and loss characteristics of this category were considered different than other real estate categories because it is owner occupied and would impact the ability to conduct business. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of national unemployment and economic conditions measured by GDP.

Loans to individuals

Automobile and recreational vehicles - Consists of both direct and indirect loans with automobiles and recreational vehicles held as collateral. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of automobile retention value and business bankruptcies. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, business bankruptcies replaced consumer sentiment as one of the primary macroeconomic drivers in this category. This change reflects the view that business bankruptcies are better correlated with defaults in this category at this point in the economic cycle.

Consumer Credit Cards – Consists of unsecured consumer credit cards. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of consumer sentiment and median family income. In the third quarter of 2025, as a result of a periodic review of loss history and loss drivers, median family income projections replaced economic conditions measured by GDP as one of the primary macroeconomic drivers in this category.

Other Consumer - Consists of lines of credit, student loans and other consumer loans, not secured by real estate or autos. The primary macroeconomic drivers for estimating credit losses for this category include forecasts of consumer confidence and retail sales.

Calculation of the Allowance for Credit Losses

The allowance for credit losses is calculated by pooling loans of similar credit risk characteristics and applying a discounted cash flow methodology after incorporating probability of default and loss given default estimates. Probability of default represents an estimate of the likelihood of default and loss given default measures the expected loss upon default. Inputs impacting the expected losses include a forecast of macroeconomic factors, using a weighted forecast from a nationally recognized firm. Our model incorporates a one-year forecast of macroeconomic factors, after which the factors revert back to the historical mean over a one-year period. The most significant macroeconomic factor used in estimating credit losses is the national unemployment rate. The forecasted value for national unemployment at the beginning of the forecast period was 4.35% and during the one-year forecast period it was projected to average 5.25%, with a peak of 5.56%.

Credit Quality Information

As part of the on-going monitoring of credit quality within the loan portfolio, the following credit worthiness categories are used in grading our commercial loans:

Pass	Acceptable levels of risk exist in the relationship. Includes all loans not classified as OAEM, substandard or doubtful.
Other Assets Especially Mentioned (OAEM)	Potential weaknesses that deserve management's close attention. The potential weaknesses may result in deterioration of the repayment prospects or weaken the Bank's credit position at some future date. The credit risk may be relatively minor, yet constitute an undesirable risk in light of the circumstances surrounding the specific credit. No loss of principal or interest is expected.
Substandard	Well-defined weakness or a weakness that jeopardizes the repayment of the debt. A loan may be classified as substandard as a result of deterioration of the borrower's financial condition and repayment capacity. Loans for which repayment plans have not been met or collateral equity margins do not protect the Company may also be classified as substandard.
Doubtful	Loans with the characteristics of substandard loans with the added characteristic that collection or liquidation in full, on the basis of presently existing facts and conditions, is highly improbable.

The Company's internal creditworthiness grading system provides a measurement of credit risk based primarily on an evaluation of the borrower's cash flow and collateral. Category ratings are reviewed each quarter, at which time management analyzes the results, as well as other external statistics and factors related to loan performance.

The following tables represent our credit risk profile by creditworthiness category. In the table for the year ended December 31, 2025, the balance of the doubtful category has been fully provided for in the allowance for credit losses. Information included in the following tables are for years ended December 31:

	2025						
		Non-Pass					
	Pass	OAEM	Substandard	Doubtful	Loss	Total Non-Pass	Total
	(dollars in thousands)						
Commercial, financial, agricultural and other	**$ 1,924,977**	**$ 53,739**	**$ 65,381**	**$ 892**	**$ —**	**$ 120,012**	**$ 2,044,989**
Time and demand	1,112,673	49,765	62,724	892	—	113,381	1,226,054
Commercial credit cards	11,408	—	—	—	—	—	11,408
Equipment finance	686,636	3,972	2,657	—	—	6,629	693,265
Time and demand other	114,260	2	—	—	—	2	114,262
Real estate construction	**460,716**	**463**	**1,607**	**—**	**—**	**2,070**	**462,786**
Construction other	413,466	463	1,607	—	—	2,070	415,536
Construction residential	47,250	—	—	—	—	—	47,250
Residential real estate	**2,342,701**	**4,402**	**13,182**	**—**	**—**	**17,584**	**2,360,285**
Residential first lien	1,618,090	4,402	8,527	—	—	12,929	1,631,019
Residential junior lien/home equity	724,611	—	4,655	—	—	4,655	729,266
Commercial real estate	**3,054,645**	**69,182**	**58,282**	**—**	**—**	**127,464**	**3,182,109**
Multifamily	575,330	7,718	11,742	—	—	19,460	594,790
Non-owner occupied	1,777,941	40,928	15,147	—	—	56,075	1,834,016
Owner occupied	701,374	20,536	31,393	—	—	51,929	753,303
Loans to individuals	**1,457,836**	**—**	**34**	**—**	**—**	**34**	**1,457,870**
Automobile and recreational vehicles	1,387,163	—	32	—	—	32	1,387,195
Consumer credit cards	9,496	—	—	—	—	—	9,496
Consumer other	61,177	—	2	—	—	2	61,179
Total	**$ 9,240,875**	**$ 127,786**	**$ 138,486**	**$ 892**	**$ —**	**$ 267,164**	**$ 9,508,039**

	2024						
		Non-Pass					
	Pass	OAEM	Substandard	Doubtful	Loss	Total Non-Pass	Total
	(dollars in thousands)						
Commercial, financial, agricultural and other	**$ 1,579,704**	**$ 65,892**	**$ 32,393**	**$ —**	**$ —**	**$ 98,285**	**$ 1,677,989**
Time and demand	1,037,723	64,757	31,115	—	—	95,872	1,133,595
Commercial credit cards	11,718	—	—	—	—	—	11,718
Equipment finance	424,911	1,131	1,278	—	—	2,409	427,320
Time and demand other	105,352	4	—	—	—	4	105,356
Real estate construction	**480,675**	**180**	**2,529**	**—**	**—**	**2,709**	**483,384**
Construction other	472,658	180	2,529	—	—	2,709	475,367
Construction residential	8,017	—	—	—	—	—	8,017
Residential real estate	**2,328,571**	**1,297**	**11,835**	**—**	**—**	**13,132**	**2,341,703**
Residential first lien	1,661,868	1,297	7,382	—	—	8,679	1,670,547
Residential junior lien/home equity	666,703	—	4,453	—	—	4,453	671,156
Commercial real estate	**3,014,905**	**60,510**	**49,289**	**—**	**—**	**109,799**	**3,124,704**
Multifamily	578,725	18,346	74	—	—	18,420	597,145
Non-owner occupied	1,754,255	21,869	28,826	—	—	50,695	1,804,950
Owner occupied	681,925	20,295	20,389	—	—	40,684	722,609
Loans to individuals	**1,355,724**	**—**	**250**	**—**	**—**	**250**	**1,355,974**
Automobile and recreational vehicles	1,280,498	—	147	—	—	147	1,280,645
Consumer credit cards	9,865	—	—	—	—	—	9,865
Consumer other	65,361	—	103	—	—	103	65,464
Total	**$ 8,759,579**	**$ 127,879**	**$ 96,296**	**$ —**	**$ —**	**$ 224,175**	**$ 8,983,754**

The following table summarizes the loan risk rating category by loan type including term loans on an amortized cost basis by origination year as of December 31:

	2025							
	Term Loans							
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
	(dollars in thousands)							
Time and demand	**$ 144,802**	**$ 143,570**	**$ 95,587**	**$ 90,711**	**$ 66,053**	**$ 94,425**	**$ 590,906**	**$ 1,226,054**
Pass	138,416	129,314	90,204	82,891	55,709	84,813	531,326	1,112,673
OAEM	1,615	10,115	2,639	2,655	1,888	1,888	28,965	49,765
Substandard	4,771	4,141	2,744	5,165	8,456	7,724	29,723	62,724
Doubtful	—	—	—	—	—	—	892	892
Gross Charge-offs	(305)	(283)	(400)	(2,897)	(389)	(2,368)	(9,540)	(16,182)
Gross Recoveries	—	—	—	402	26	862	2,933	4,223
Commercial credit cards	**—**	**—**	**—**	**—**	**—**	**—**	**11,408**	**11,408**
Pass	—	—	—	—	—	—	11,408	11,408
Gross Charge-offs	—	—	—	—	—	—	(302)	(302)
Gross Recoveries	—	—	—	—	—	—	35	35

	2025							
	Term Loans						Revolving Loans	
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
	(dollars in thousands)							
Equipment finance	**385,806**	**195,713**	**87,528**	**24,218**	**—**	**—**	**—**	**693,265**
Pass	385,724	192,228	85,679	23,005	—	—	—	686,636
OAEM	82	2,588	740	562	—	—	—	3,972
Substandard	—	897	1,109	651	—	—	—	2,657
Gross Charge-offs	(89)	(673)	(418)	(1,108)	—	—	—	(2,288)
Gross Recoveries	—	7	165	454	—	—	—	626
Time and demand other	**9,347**	**10,927**	**12,347**	**4,079**	**15,114**	**50,358**	**12,090**	**114,262**
Pass	9,347	10,927	12,347	4,079	15,114	50,358	12,088	114,260
OAEM	—	—	—	—	—	—	2	2
Gross Charge-offs	—	—	—	—	—	—	(1,480)	(1,480)
Gross Recoveries	—	—	—	—	—	1	233	234
Construction other	**149,758**	**78,078**	**115,404**	**32,501**	**28,324**	**8,905**	**2,566**	**415,536**
Pass	149,758	78,078	115,115	32,327	26,849	8,773	2,566	413,466
OAEM	—	—	289	174	—	—	—	463
Substandard	—	—	—	—	1,475	132	—	1,607
Gross Charge-offs	(10)	—	(359)	(355)	—	—	(8)	(732)
Gross Recoveries	—	—	—	—	—	—	—	—
Construction residential	**18,358**	**6,101**	**16,798**	**3,449**	**1,055**	**—**	**1,489**	**47,250**
Pass	18,358	6,101	16,798	3,449	1,055	—	1,489	47,250
Gross Charge-offs	—	—	—	—	(562)	—	—	(562)
Gross Recoveries	—	—	—	—	—	—	—	—
Residential first lien	**86,293**	**55,820**	**136,773**	**343,907**	**438,644**	**567,149**	**2,433**	**1,631,019**
Pass	86,284	55,582	134,414	339,023	436,767	563,651	2,369	1,618,090
OAEM	—	—	—	3,474	169	695	64	4,402
Substandard	9	238	2,359	1,410	1,708	2,803	—	8,527
Gross Charge-offs	—	(4)	(330)	(17)	(105)	(45)	—	(501)
Gross Recoveries	—	—	—	—	—	66	—	66
Residential junior lien/home equity	**51,282**	**17,507**	**44,622**	**47,598**	**31,875**	**4,869**	**531,513**	**729,266**
Pass	51,282	17,507	44,611	47,523	31,875	4,678	527,135	724,611
Substandard	—	—	11	75	—	191	4,378	4,655
Gross Charge-offs	—	—	—	—	—	—	(244)	(244)
Gross Recoveries	—	—	—	—	—	13	155	168
Multifamily	**32,759**	**33,307**	**70,651**	**196,678**	**110,591**	**148,908**	**1,896**	**594,790**
Pass	32,759	33,307	70,651	183,418	105,594	148,005	1,596	575,330
OAEM	—	—	—	1,563	4,997	858	300	7,718
Substandard	—	—	—	11,697	—	45	—	11,742
Gross Charge-offs	—	—	—	(169)	(92)	(505)	—	(766)
Gross Recoveries	—	—	—	—	—	—	—	—
Non-owner occupied	**194,436**	**109,688**	**212,880**	**384,761**	**186,461**	**732,319**	**13,471**	**1,834,016**
Pass	194,436	109,688	212,880	374,468	179,869	693,195	13,405	1,777,941
OAEM	—	—	—	9,201	6,592	25,135	—	40,928
Substandard	—	—	—	1,092	—	13,989	66	15,147
Gross Charge-offs	—	(2)	(93)	(1,284)	(239)	(3,145)	(7)	(4,770)
Gross Recoveries	—	—	—	—	—	148	—	148

	2025							
	Term Loans						Revolving Loans	
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Total
	(dollars in thousands)							
Owner occupied	**124,044**	**79,594**	**102,865**	**130,905**	**108,227**	**193,605**	**14,063**	**753,303**
Pass	123,755	66,642	97,396	119,327	104,482	177,382	12,390	701,374
OAEM	—	5,994	3,352	3,080	2,606	4,172	1,332	20,536
Substandard	289	6,958	2,117	8,498	1,139	12,051	341	31,393
Gross Charge-offs	(98)	(131)	(140)	(1,175)	(63)	(42)	(3)	(1,652)
Gross Recoveries	—	—	—	—	—	69	—	69
Automobile and recreational vehicles	**545,133**	**287,068**	**217,215**	**204,073**	**87,300**	**46,406**	**—**	**1,387,195**
Pass	545,133	287,057	217,215	204,061	87,300	46,397	—	1,387,163
Substandard	—	11	—	12	—	9	—	32
Gross Charge-offs	(229)	(1,401)	(2,037)	(2,079)	(879)	(400)	—	(7,025)
Gross Recoveries	25	409	643	1,047	477	391	—	2,992
Consumer credit cards	**—**	**—**	**—**	**—**	**—**	**—**	**9,496**	**9,496**
Pass	—	—	—	—	—	—	9,496	9,496
Gross Charge-offs	—	—	—	—	—	—	(346)	(346)
Gross Recoveries	—	—	—	—	—	—	79	79
Consumer other	**6,592**	**4,881**	**2,331**	**1,074**	**7,711**	**2,308**	**36,282**	**61,179**
Pass	6,592	4,881	2,331	1,074	7,711	2,308	36,280	61,177
Substandard	—	—	—	—	—	—	2	2
Gross Charge-offs	(17)	(91)	(151)	(74)	(135)	(1)	(1,047)	(1,516)
Gross Recoveries	6	1	22	14	38	34	236	351
Total	**$ 1,748,610**	**$ 1,022,254**	**$ 1,115,001**	**$ 1,463,954**	**$ 1,081,355**	**$ 1,849,252**	**$ 1,227,613**	**$ 9,508,039**
Total charge-offs	**$ (748)**	**$ (2,585)**	**$ (3,928)**	**$ (9,158)**	**$ (2,464)**	**$ (6,506)**	**$ (12,977)**	**$ (38,366)**
Total recoveries	**$ 31**	**$ 417**	**$ 830**	**$ 1,917**	**$ 541**	**$ 1,584**	**$ 3,671**	**$ 8,991**

	2024							
	Term Loans							
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total
	(dollars in thousands)							
Time and demand	**$ 144,084**	**$ 115,113**	**$ 101,483**	**$ 80,688**	**$ 47,378**	**$ 67,103**	**$ 577,746**	**$ 1,133,595**
Pass	142,872	107,764	96,068	60,244	44,645	56,393	529,737	1,037,723
OAEM	1,212	2,696	3,327	11,963	1,881	4,362	39,316	64,757
Substandard	—	4,653	2,088	8,481	852	6,348	8,693	31,115
Gross Charge-offs	—	(17)	(45)	(271)	(658)	(4,380)	(5,760)	(11,131)
Gross Recoveries	—	—	1	—	208	197	29	435
Commercial credit cards	**—**	**—**	**—**	**—**	**—**	**—**	**11,718**	**11,718**
Pass	—	—	—	—	—	—	11,718	11,718
Gross Charge-offs	—	—	—	—	—	—	(251)	(251)
Gross Recoveries	—	—	—	—	—	—	6	6
Equipment finance	**256,015**	**129,463**	**41,842**	**—**	**—**	**—**	**—**	**427,320**
Pass	255,572	128,560	40,779	—	—	—	—	424,911
OAEM	443	267	421	—	—	—	—	1,131
Substandard	—	636	642	—	—	—	—	1,278
Gross Charge-offs	(59)	(984)	(977)	—	—	—	—	(2,020)
Gross Recoveries	—	98	76	—	—	—	—	174

	2024							
	Term Loans						Revolving Loans	
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total
	(dollars in thousands)							
Time and demand other	**10,746**	**10,813**	**4,561**	**16,526**	**18,435**	**41,261**	**3,014**	**105,356**
Pass	10,746	10,813	4,561	16,526	18,435	41,261	3,010	105,352
OAEM	—	—	—	—	—	—	4	4
Gross Charge-offs	—	—	—	—	—	—	(2,110)	(2,110)
Gross Recoveries	—	—	—	—	—	10	188	198
Construction other	**54,109**	**195,536**	**136,010**	**62,890**	**7,030**	**18,766**	**1,026**	**475,367**
Pass	54,109	195,536	134,812	61,379	7,030	18,766	1,026	472,658
OAEM	—	—	180	—	—	—	—	180
Substandard	—	—	1,018	1,511	—	—	—	2,529
Gross Charge-offs	—	—	(588)	(504)	—	—	—	(1,092)
Gross Recoveries	—	—	—	—	—	6	—	6
Construction residential	**1,743**	**3,366**	**1,740**	**1,140**	**—**	**28**	**—**	**8,017**
Pass	1,743	3,366	1,740	1,140	—	28	—	8,017
Gross Charge-offs	—	—	—	—	—	—	—	—
Gross Recoveries	—	—	—	—	—	—	—	—
Residential first lien	**47,504**	**147,678**	**369,890**	**475,231**	**296,971**	**331,368**	**1,905**	**1,670,547**
Pass	47,504	145,898	369,111	473,418	296,170	327,934	1,833	1,661,868
OAEM	—	—	—	255	345	625	72	1,297
Substandard	—	1,780	779	1,558	456	2,809	—	7,382
Gross Charge-offs	—	(108)	(1)	(20)	(1)	(61)	—	(191)
Gross Recoveries	—	—	—	—	—	168	—	168
Residential junior lien/home equity	**21,770**	**53,985**	**58,662**	**37,644**	**1,163**	**5,406**	**492,526**	**671,156**
Pass	21,770	53,974	58,587	37,644	1,163	5,207	488,358	666,703
Substandard	—	11	75	—	—	199	4,168	4,453
Gross Charge-offs	—	—	(1)	—	—	—	(291)	(292)
Gross Recoveries	—	—	—	—	—	32	170	202
Multifamily	**25,006**	**6,978**	**235,374**	**141,970**	**79,271**	**108,059**	**487**	**597,145**
Pass	25,006	6,978	222,965	136,872	78,844	107,573	487	578,725
OAEM	—	—	12,409	5,098	427	412	—	18,346
Substandard	—	—	—	—	—	74	—	74
Gross Charge-offs	—	—	—	—	—	—	—	—
Gross Recoveries	—	—	—	—	—	—	—	—
Non-owner occupied	**120,201**	**206,496**	**435,072**	**182,234**	**147,034**	**702,907**	**11,006**	**1,804,950**
Pass	120,201	203,543	424,778	181,993	136,219	676,580	10,941	1,754,255
OAEM	—	—	10,294	241	1,641	9,693	—	21,869
Substandard	—	2,953	—	—	9,174	16,634	65	28,826
Gross Charge-offs	—	—	(50)	—	(3,761)	(3,327)	—	(7,138)
Gross Recoveries	—	—	—	—	—	59	—	59
Owner occupied	**64,019**	**112,272**	**152,714**	**145,807**	**58,919**	**176,674**	**12,204**	**722,609**
Pass	62,968	110,539	139,937	139,644	57,309	161,208	10,320	681,925
OAEM	—	876	7,002	6,129	198	4,260	1,830	20,295
Substandard	1,051	857	5,775	34	1,412	11,206	54	20,389
Gross Charge-offs	—	—	(141)	(136)	(1,050)	(163)	(50)	(1,540)
Gross Recoveries	—	—	—	28	—	49	41	118

	2024							
	Term Loans						Revolving Loans	
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total
	(dollars in thousands)							
Automobile and recreational vehicles	**403,819**	**316,774**	**321,803**	**152,084**	**71,682**	**14,483**	**—**	**1,280,645**
Pass	403,803	316,734	321,776	152,052	71,674	14,459	—	1,280,498
Substandard	16	40	27	32	8	24	—	147
Gross Charge-offs	(310)	(1,826)	(3,223)	(1,275)	(525)	(452)	—	(7,611)
Gross Recoveries	36	415	844	468	296	351	—	2,410
Consumer credit cards	**—**	**—**	**—**	**—**	**—**	**—**	**9,865**	**9,865**
Pass	—	—	—	—	—	—	9,865	9,865
Gross Charge-offs	—	—	—	—	—	—	(428)	(428)
Gross Recoveries	—	—	—	—	—	—	96	96
Consumer other	**7,878**	**4,351**	**2,530**	**10,325**	**642**	**2,291**	**37,447**	**65,464**
Pass	7,878	4,351	2,530	10,323	642	2,291	37,346	65,361
Substandard	—	—	—	2	—	—	101	103
Gross Charge-offs	(17)	(109)	(93)	(102)	(20)	(35)	(1,248)	(1,624)
Gross Recoveries	—	—	14	21	16	111	214	376
Total	**$ 1,156,894**	**$ 1,302,825**	**$ 1,861,681**	**$ 1,306,539**	**$ 728,525**	**$ 1,468,346**	**$ 1,158,944**	**$ 8,983,754**
Total charge-offs	**$ (386)**	**$ (3,044)**	**$ (5,119)**	**$ (2,308)**	**$ (6,015)**	**$ (8,418)**	**$ (10,138)**	**$ (35,428)**
Total recoveries	**$ 36**	**$ 513**	**$ 935**	**$ 517**	**$ 520**	**$ 983**	**$ 744**	**$ 4,248**

Portfolio Risks

The credit quality of our loan portfolio can potentially represent significant risk to our earnings, capital and liquidity. First Commonwealth devotes substantial resources to managing this risk primarily through our credit administration department that develops and administers policies and procedures for underwriting, maintaining, monitoring and collecting loans. Credit administration is independent of lending departments and oversight is provided by the Risk Committee of the First Commonwealth Board of Directors.

Total gross charge-offs for the years ended December 31, 2025 and 2024 were $38.4 million and $35.4 million, respectively.

Age Analysis of Past Due Loans by Segment

The following tables delineate the aging analysis of the recorded investments in past due loans as of December 31. Also included in these tables are loans that are 90 days or more past due and still accruing because they are well-secured and in the process of collection.

	2025						
	30 - 59 days past due	60 - 89 days past due	90 days and greater and still accruing	Nonaccrual	Total past due and nonaccrual	Current	Total
	(dollars in thousands)						
Commercial, financial, agricultural and other	**$ 5,127**	**$ 595**	**$ 217**	**$ 46,618**	**$ 52,557**	**$ 1,992,432**	**$ 2,044,989**
Time and demand	2,666	125	107	45,288	48,186	1,177,868	1,226,054
Commercial credit cards	75	32	—	—	107	11,301	11,408
Equipment finance	2,382	438	110	1,330	4,260	689,005	693,265
Time and demand other	4	—	—	—	4	114,258	114,262
Real estate construction	**—**	**—**	**—**	**1,475**	**1,475**	**461,311**	**462,786**
Construction other	—	—	—	1,475	1,475	414,061	415,536
Construction residential	—	—	—	—	—	47,250	47,250
Residential real estate	**8,197**	**1,870**	**581**	**13,019**	**23,667**	**2,336,618**	**2,360,285**
Residential first lien	5,054	1,456	317	8,364	15,191	1,615,828	1,631,019

	2025						
	30 - 59 days past due	60 - 89 days past due	90 days and greater and still accruing	Nonaccrual	Total past due and nonaccrual	Current	Total
Residential junior lien/home equity	3,143	414	264	4,655	8,476	720,790	729,266
Commercial real estate	**1,975**	**10,070**	**—**	**30,612**	**42,657**	**3,139,452**	**3,182,109**
Multifamily	417	—	—	10	427	594,363	594,790
Non-owner occupied	534	10,070	—	14,156	24,760	1,809,256	1,834,016
Owner occupied	1,024	—	—	16,446	17,470	735,833	753,303
Loans to individuals	**6,733**	**1,225**	**490**	**32**	**8,480**	**1,449,390**	**1,457,870**
Automobile and recreational vehicles	6,262	1,022	168	30	7,482	1,379,713	1,387,195
Consumer credit cards	50	35	—	—	85	9,411	9,496
Consumer other	421	168	322	2	913	60,266	61,179
Total	**$ 22,032**	**$ 13,760**	**$ 1,288**	**$ 91,756**	**$ 128,836**	**$ 9,379,203**	**$ 9,508,039**

	2024						
	30 - 59 days past due	60 - 89 days past due	90 days and greater and still accruing	Nonaccrual	Total past due and nonaccrual	Current	Total
				(dollars in thousands)			
Commercial, financial, agricultural and other	**$ 2,379**	**$ 1,544**	**$ 26**	**$ 14,987**	**$ 18,936**	**$ 1,659,053**	**$ 1,677,989**
Time and demand	649	1,126	26	14,181	15,982	1,117,613	1,133,595
Commercial credit cards	61	26	—	—	87	11,631	11,718
Equipment finance	1,659	392	—	806	2,857	424,463	427,320
Time and demand other	10	—	—	—	10	105,346	105,356
Real estate construction	**—**	**—**	**—**	**2,529**	**2,529**	**480,855**	**483,384**
Construction other	—	—	—	2,529	2,529	472,838	475,367
Construction residential	—	—	—	—	—	8,017	8,017
Residential real estate	**5,677**	**1,659**	**1,588**	**11,587**	**20,511**	**2,321,192**	**2,341,703**
Residential first lien	3,904	1,184	1,134	7,134	13,356	1,657,191	1,670,547
Residential junior lien/home equity	1,773	475	454	4,453	7,155	664,001	671,156
Commercial real estate	**1,597**	**1,099**	**—**	**32,103**	**34,799**	**3,089,905**	**3,124,704**
Multifamily	212	—	—	20	232	596,913	597,145
Non-owner occupied	72	742	—	24,550	25,364	1,779,586	1,804,950
Owner occupied	1,313	357	—	7,533	9,203	713,406	722,609
Loans to individuals	**5,020**	**1,143**	**450**	**250**	**6,863**	**1,349,111**	**1,355,974**
Automobile and recreational vehicles	4,667	930	149	147	5,893	1,274,752	1,280,645
Consumer credit cards	24	28	—	—	52	9,813	9,865
Consumer other	329	185	301	103	918	64,546	65,464
Total	**$ 14,673**	**$ 5,445**	**$ 2,064**	**$ 61,456**	**$ 83,638**	**$ 8,900,116**	**$ 8,983,754**

Nonaccrual Loans

The previous tables summarize nonaccrual loans by loan segment. The Company generally places loans on nonaccrual status when the full and timely collection of interest or principal becomes uncertain, when part of the principal balance has been charged off and no restructuring has occurred, or the loans reach a certain number of days past due. Generally, loans 90 days or more past due are placed on nonaccrual status, except for consumer loans which are placed in nonaccrual status at 150 days past due. Consumer loans related to automobile and recreational vehicles are either charged off or repossessed at no later than 90 days past due.

When a loan is placed on nonaccrual, the accrued unpaid interest receivable is reversed against interest income and all future payments received are applied as a reduction to the loan principal. Generally, the loan is returned to accrual status when (a) all delinquent interest and principal become current under the terms of the loan agreement or (b) the loan is both well-secured and in the process of collection and collectability is no longer in doubt.

Nonaccrual loans in the above tables include loans with government guarantees of $31.5 million at December 31, 2025 and $8.1 million at December 31, 2024.

Nonperforming Loans

Management considers loans to be nonperforming when, based on current information and events, it is determined that the Company will not be able to collect all amounts due according to the loan contract, including scheduled interest payments. When management identifies a loan as nonperforming, the credit loss is measured based on the present value of expected future cash flows, discounted at the loan’s effective interest rate, except when the sole source or repayment for the loan is the operation or liquidation of collateral. When the loan is collateral dependent, the appraised value less estimated cost to sell is utilized. If management determines the value of the loan is less than the recorded investment in the loan, a credit loss is recognized through an allowance estimate or a charge-off to the allowance for credit losses.

When the ultimate collectability of the total principal of a nonperforming loan is in doubt and the loan is on nonaccrual status, all payments are applied to principal, under the cost recovery method. When the ultimate collectability of the total principal of a nonperforming loan is not in doubt and the loan is on nonaccrual status, contractual interest is credited to interest income when received under the cash basis method.

There were no nonperforming loans held for sale at December 31, 2025 and 2024. There were no gains on nonperforming loans held for sale during the years ended December 31, 2025, 2024 and 2023.

The following tables include the recorded investment and unpaid principal balance for nonperforming loans with the associated allowance amount, if applicable, as of December 31, 2025 and 2024. Also presented are the average recorded investment in nonperforming loans and the related amount of interest recognized while the loan was considered nonperforming. Average balances are calculated based on month-end balances of the loans for the period reported and are included in the table below based on its period end allowance position.

	2025				
	Recorded investment	Unpaid principal balance	Related specific allowance	Average recorded investment	Interest income recognized
			(dollars in thousands)		
With no related specific allowance recorded:					
Commercial, financial, agricultural and other	**$ 22,422**	**$ 31,583**		**$ 12,445**	**$ 135**
Time and demand	21,092	30,253		11,467	135
Equipment finance	1,330	1,330		978	—
Time and demand other	—	—		—	—
Real estate construction	**1,475**	**1,475**		**1,986**	**106**
Construction other	1,475	1,475		1,720	106
Construction residential	—	—		266	—
Residential real estate	**11,874**	**13,678**		**11,664**	**125**
Residential first lien	7,219	8,148		7,147	108
Residential junior lien/home equity	4,655	5,530		4,517	17
Commercial real estate	**17,853**	**23,807**		**21,659**	**1,624**
Multifamily	10	12		252	—
Non-owner occupied	8,799	12,879		12,854	1,425
Owner occupied	9,044	10,916		8,553	199
Loans to individuals	**32**	**78**		**143**	**5**
Automobile and recreational vehicles	30	62		122	5
Consumer other	2	16		21	—
Subtotal	**53,656**	**70,621**		**47,897**	**1,995**
With a specific allowance recorded:					
Commercial, financial, agricultural and other	**24,196**	**34,249**	**$ 6,959**	**23,517**	**—**
Time and demand	24,196	34,249	6,959	23,517	—
Equipment finance	—	—	—	—	—
Time and demand other	—	—	—	—	—
Real estate construction	**—**	**—**	—	**—**	**—**
Construction other	—	—	—	—	—
Construction residential	—	—	—	—	—
Residential real estate	**1,145**	**1,160**	**162**	**888**	**—**
Residential first lien	1,145	1,160	162	888	—
Residential junior lien/home equity	—	—	—	—	—
Commercial real estate	**12,759**	**12,871**	**2,715**	**6,871**	**—**
Multifamily	—	—	—	—	—
Non-owner occupied	5,357	5,357	2,280	2,860	—
Owner occupied	7,402	7,514	435	4,011	—
Loans to individuals	**—**	**—**	**—**	**—**	**—**
Automobile and recreational vehicles	—	—	—	—	—
Consumer other	—	—	—	—	—
Subtotal	**38,100**	**48,280**	**9,836**	**31,276**	**—**
Total	**$ 91,756**	**$ 118,901**	**$ 9,836**	**$ 79,173**	**$ 1,995**

	2024				
	Recorded investment	Unpaid principal balance	Related specific allowance	Average recorded investment	Interest income recognized
			(dollars in thousands)		
With no related specific allowance recorded:					
Commercial, financial, agricultural and other	**$ 5,619**	**$ 21,745**		**$ 6,580**	**$ 41**
Time and demand	4,813	20,939		5,481	41
Equipment finance	806	806		1,099	—
Time and demand other	—	—		—	—
Real estate construction	**2,529**	**2,581**		**4,498**	**—**
Construction other	2,529	2,581		4,498	—
Construction residential	—	—		—	—
Residential real estate	**8,875**	**10,524**		**8,360**	**133**
Residential first lien	6,020	6,993		5,134	118
Residential junior lien/home equity	2,855	3,531		3,226	15
Commercial real estate	**18,346**	**24,047**		**16,759**	**453**
Multifamily	20	21		34	—
Non-owner occupied	16,948	22,372		15,657	173
Owner occupied	1,378	1,654		1,068	280
Loans to individuals	**250**	**2,237**		**146**	**7**
Automobile and recreational vehicles	147	2,080		135	7
Consumer other	103	157		11	—
Subtotal	**35,619**	**61,134**		**36,343**	**634**
With a specific allowance recorded:					
Commercial, financial, agricultural and other	**9,368**	**10,459**	**$ 4,724**	**5,378**	**71**
Time and demand	9,368	10,459	4,724	5,378	71
Equipment finance	—	—	—	—	—
Time and demand other	—	—	—	—	—
Real estate construction	**—**	**—**	**—**	**—**	**—**
Construction other	—	—	—	—	—
Construction residential	—	—	—	—	—
Residential real estate	**2,712**	**2,885**	**369**	**1,486**	**—**
Residential first lien	1,114	1,113	47	205	—
Residential junior lien/home equity	1,598	1,772	322	1,281	—
Commercial real estate	**13,757**	**15,058**	**2,872**	**11,092**	**—**
Multifamily	—	—	—	—	—
Non-owner occupied	7,602	8,686	2,093	6,634	—
Owner occupied	6,155	6,372	779	4,458	—
Loans to individuals	**—**	**—**	**—**	**—**	**—**
Automobile and recreational vehicles	—	—	—	—	—
Consumer other	—	—	—	—	—
Subtotal	**25,837**	**28,402**	**7,965**	**17,956**	**71**
Total	**$ 61,456**	**$ 89,536**	**$ 7,965**	**$ 54,299**	**$ 705**

	2023	
	Average recorded investment	Interest income recognized
	(dollars in thousands)	
With no related specific allowance recorded:		
Commercial, financial, agricultural and other	**$ 7,895**	**$ 143**
Time and demand	7,569	143
Equipment finance	326	—
Time and demand other	—	—
Real estate construction	**1,096**	**—**
Construction other	1,096	—
Construction residential	—	—
Residential real estate	**6,440**	**136**
Residential first lien	3,760	129
Residential junior lien/home equity	2,680	7
Commercial real estate	**20,715**	**260**
Multifamily	37	—
Non-owner occupied	18,454	122
Owner occupied	2,224	138
Loans to individuals	**365**	**7**
Automobile and recreational vehicles	299	7
Consumer other	66	—
Subtotal	**36,511**	**546**
With a specific allowance recorded:		
Commercial, financial, agricultural and other	**6,574**	**(16)**
Time and demand	6,574	(16)
Equipment finance	—	—
Time and demand other	—	—
Real estate construction	**—**	**—**
Construction other	—	—
Construction residential	—	—
Residential real estate	**1,183**	**—**
Residential first lien	47	—
Residential junior lien/home equity	1,136	—
Commercial real estate	**655**	**—**
Multifamily	—	—
Non-owner occupied	397	—
Owner occupied	258	—
Loans to individuals	**—**	**—**
Automobile and recreational vehicles	—	—
Consumer other	—	—
Subtotal	**8,412**	**(16)**
Total	**$ 44,923**	**$ 530**

Unfunded commitments related to nonperforming loans were $0.2 million and $0.3 million at December 31, 2025 and 2024, respectively. After consideration of the requirements to draw and available collateral related to these commitments, it was determined that no reserve was required for these commitments at December 31, 2025 or 2024.

Loan Modifications Made to Borrowers Experiencing Financial Difficulty

In accordance with ASU 2022-02, "Financial Instruments Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" ("ASU 2022-02"), modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal forgiveness, other-than-insignificant payment delay, term extensions or any combination thereof. When calculating the allowance for credit losses, these modifications are included in their respective loan segment and an allowance is determined by a loss given default and probability of default methodology

The following table presents the amortized cost basis of loan modifications made to borrowers experiencing financial difficulty as of December 31:

	2025						
	Rate Reduction	Term Extension	Payment Deferral	Term Extension and Payment Deferral	Rate Reduction, Term Extension and Payment Deferral	Total	Percentage of Total Loans and Leases
	(dollars in thousands)						
Commercial, financial, agricultural and other	**$ —**	**$ —**	**$ 2,522**	**$ 989**	**$ —**	**$ 3,511**	**0.17 %**
Time and demand	—	—	2,522	864	—	3,386	0.28
Equipment finance	—	—	—	125	—	125	0.02
Residential real estate	**—**	**—**	**24**	**2,370**	**—**	**2,394**	**0.10**
Residential first lien	—	—	—	2,349	—	2,349	0.14
Residential junior lien/home equity	—	—	24	21	—	45	0.01
Commercial real estate	**—**	**6,198**	**—**	**—**	**3,201**	**9,399**	**0.30**
Non-owner occupied	—	6,198	—	—	3,201	9,399	0.51
Total	**$ —**	**$ 6,198**	**$ 2,546**	**$ 3,359**	**$ 3,201**	**$ 15,304**	**0.16 %**

	2024						
	Rate Reduction	Term Extension	Payment Deferral	Term Extension and Payment Deferral	Rate Reduction, Term Extension and Payment Deferral	Total	Percentage of Total Loans and Leases
	(dollars in thousands)						
Commercial, financial, agricultural and other	**$ 236**	**$ 2,855**	**$ —**	**$ 780**	**$ —**	**$ 3,871**	**0.23 %**
Time and demand	236	2,855	—	780	—	3,871	0.34
Real estate construction	**—**	**180**	**—**	**—**	**—**	**180**	**0.04**
Construction other	—	180	—	—	—	180	0.04
Residential real estate	**—**	**160**	**96**	**1,565**	**—**	**1,821**	**0.08**
Residential first lien	—	160	—	1,464	—	1,624	0.10
Residential junior lien/home equity	—	—	96	101	—	197	0.03
Commercial real estate	**—**	**123**	**9,673**	**—**	**—**	**9,796**	**0.31**
Non-owner occupied	—	123	—	—	—	123	0.01
Owner occupied	—	—	9,673	—	—	9,673	1.34
Loans to individuals	**—**	**10**	**—**	**8**	**12**	**30**	**—**
Automobile and recreational vehicles	—	10	—	8	12	30	—
Total	**$ 236**	**$ 3,328**	**$ 9,769**	**$ 2,353**	**$ 12**	**$ 15,698**	**0.17 %**

	2023						
	Rate Reduction	Term Extension	Payment Deferral	Term Extension and Payment Deferral	Rate Reduction, Term Extension and Payment Deferral	Total	Percentage of Total Loans and Leases
	(dollars in thousands)						
Commercial, financial, agricultural and other	**$ 50**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 50**	**— %**
Time and demand	50	—	—	—	—	50	—
Residential real estate	**21**	**303**	**—**	**434**	**—**	**758**	**0.03**
Residential first lien	21	303	—	434	—	758	0.04
Commercial real estate	**—**	**—**	**9,663**	**—**	**—**	**9,663**	**0.32**
Owner occupied	—	—	9,663	—	—	9,663	1.33
Total	**$ 71**	**$ 303**	**$ 9,663**	**$ 434**	**$ —**	**$ 10,471**	**0.12 %**

The following table describes the financial effect of the modifications made to borrowers experiencing financial difficulty as of December 31:

	2025			
	Rate Reduction	Term Extension (Years)	Principal Forgiveness	Payment Deferral (Years)
	(dollars in thousands)			
Commercial, financial, agricultural and other	**— %**	**1.4**	**$ —**	**0.5**
Time and demand	—	1.3	—	0.5
Equipment finance	—	2.4	—	0.5
Residential real estate	**—**	**1.0**	**—**	**0.5**
Residential first lien	—	1.0	—	0.5
Residential junior lien/home equity	—	2.1	—	0.5
Commercial real estate	**4.00**	**0.8**	**—**	**0.8**
Non-owner occupied	4.00	0.8	—	0.8
Total	**4.00 %**	**0.9**	**$ —**	**0.6**

	2024			
	Rate Reduction	Term Extension (Years)	Principal Forgiveness	Payment Deferral (Years)
	(dollars in thousands)			
Commercial, financial, agricultural and other	**1.86 %**	**1.9**	**$ —**	**1.0**
Time and demand	1.86	1.9	—	1.0
Real estate construction	**—**	**10.0**	**—**	**0.0**
Construction other	—	10.0	—	0.0
Residential real estate	**—**	**3.5**	**—**	**0.8**
Residential first lien	—	3.4	—	0.9
Residential junior lien/home equity	—	4.0	—	0.7
Commercial real estate	**—**	**0.9**	**—**	**0.4**
Non-owner occupied	—	0.9	—	0.0
Owner occupied	—	0.0	—	0.4
Loans to individuals	**2.39**	**2.6**	**—**	**0.4**
Automobile and recreational vehicles	2.39	2.6	—	0.4
Total	**1.89 %**	**2.6**	**$ —**	**0.5**

	2023			
	Rate Reduction	Term Extension (Years)	Principal Forgiveness	Payment Deferral (Years)
	(dollars in thousands)			
Commercial, financial, agricultural and other	**4.00 %**	**0.0**	**$ —**	**0.0**
Time and demand	4.00	0.0	—	0.0
Residential real estate	**2.25**	**3.1**	**—**	**0.5**
Residential first lien	2.25	3.1	—	0.5
Commercial real estate	**—**	**0.0**	**—**	**0.5**
Owner occupied	—	0.0	—	0.5
Total	**3.49 %**	**3.1**	**$ —**	**0.5**

A modification is considered to be in default when the loan is 90 days or more past due. The following table shows modifications considered to be in default as of December 31:

	2025		2024	
	Number of Contracts	Balance	Number of Contracts	Balance
	(dollars in thousands)			
Commercial, financial, agricultural and other	**1**	**$ 2,522**	**—**	**$ —**
Time and demand	1	2,522	—	—
Residential real estate	**2**	**321**	**2**	**179**
Residential first lien	2	321	2	179
Total	**3**	**$ 2,843**	**2**	**$ 179**

The following tables shows the payment status of loans that have been modified in the last twelve months prior to December 31:

	2025				
	Current	30 - 59 days past due	60 - 89 days past due	90 days or greater and still accruing	Total
	(dollars in thousands)				
Commercial, financial, agricultural and other	**$ 989**	**$ —**	**$ —**	**$ 2,522**	**$ 3,511**
Time and demand	864	—	—	2,522	3,386
Equipment finance	125	—	—	—	125
Residential real estate	**227**	**1,823**	**23**	**321**	**2,394**
Residential first lien	182	1,823	23	321	2,349
Residential junior lien/home equity	45	—	—	—	45
Commercial real estate	**9,399**	**—**	**—**	**—**	**9,399**
Non-owner occupied	9,399	—	—	—	9,399
Total	**$ 10,615**	**$ 1,823**	**$ 23**	**$ 2,843**	**$ 15,304**

	2024				
	Current	30 - 59 days past due	60 - 89 days past due	90 days or greater and still accruing	Total
	(dollars in thousands)				
Commercial, financial, agricultural and other	**$ 3,871**	**$ —**	**$ —**	**$ —**	**$ 3,871**
Time and demand	3,871	—	—	—	3,871
Real estate construction	**180**	**—**	**—**	**—**	**180**
Construction other	180	—	—	—	180
Residential real estate	**1,455**	**88**	**99**	**179**	**1,821**
Residential first lien	1,258	88	99	179	1,624
Residential junior lien/home equity	197	—	—	—	197
Commercial real estate	**9,796**	**—**	**—**	**—**	**9,796**
Non-owner occupied	123	—	—	—	123
Owner occupied	9,673	—	—	—	9,673
Loans to individuals	**30**	**—**	**—**	**—**	**30**
Automobile and recreational vehicles	30	—	—	—	30
Total	**$ 15,332**	**$ 88**	**$ 99**	**$ 179**	**$ 15,698**

The following tables provide detail related to the allowance for credit losses for the years ended December 31.

	2025					
	Beginning balance	Allowance for credit loss on PCD acquired loans	Charge-offs	Recoveries	Provision (credit)[a]	Ending balance
	(dollars in thousands)					
Commercial, financial, agricultural and other	**$ 29,131**	**$ 1,616**	**$ (20,252)**	**$ 5,118**	**$ 22,536**	**$ 38,149**
Time and demand	19,433	1,616	(16,182)	4,223	13,133	22,223
Commercial credit cards	182	—	(302)	35	262	177
Equipment finance	7,844	—	(2,288)	626	7,956	14,138
Time and demand other	1,672	—	(1,480)	234	1,185	1,611
Real estate construction	**6,030**	**810**	**(1,294)**	**—**	**2,262**	**7,808**
Construction other	5,916	182	(732)	—	1,752	7,118
Construction residential	114	628	(562)	—	510	690
Residential real estate	**22,396**	**45**	**(745)**	**234**	**(301)**	**21,629**
Residential first lien	15,758	38	(501)	66	(305)	15,056
Residential junior lien/home equity	6,638	7	(244)	168	4	6,573
Commercial real estate	**40,232**	**1,087**	**(7,188)**	**217**	**5,923**	**40,271**
Multifamily	5,431	120	(766)	—	743	5,528
Non-owner occupied	23,332	943	(4,770)	148	5,212	24,865
Owner occupied	11,469	24	(1,652)	69	(32)	9,878
Loans to individuals	**21,117**	**2**	**(8,887)**	**3,422**	**2,257**	**17,911**
Automobile and recreational vehicles	18,693	1	(7,025)	2,992	301	14,962
Consumer credit cards	341	—	(346)	79	399	473
Consumer other	2,083	1	(1,516)	351	1,557	2,476
Total	**$ 118,906**	**$ 3,560**	**$ (38,366)**	**$ 8,991**	**$ 32,677**	**$ 125,768**

a) The provision (credit) shown here includes the day 1 provision on non-PCD loans acquired from Center and excludes the provision for off-balance sheet credit exposure included in the income statement.

	2024				
	Beginning balance	Charge-offs	Recoveries	Provision (credit)[a]	Ending balance
			(dollars in thousands)		
Commercial, financial, agricultural and other	**$ 27,996**	**$ (15,512)**	**$ 813**	**$ 15,834**	**$ 29,131**
Time and demand	22,819	(11,131)	435	7,310	19,433
Commercial credit cards	278	(251)	6	149	182
Equipment finance	3,399	(2,020)	174	6,291	7,844
Time and demand other	1,500	(2,110)	198	2,084	1,672
Real estate construction	**7,418**	**(1,092)**	**6**	**(302)**	**6,030**
Construction other	6,448	(1,092)	6	554	5,916
Construction residential	970	—	—	(856)	114
Residential real estate	**23,901**	**(483)**	**370**	**(1,392)**	**22,396**
Residential first lien	16,975	(191)	168	(1,194)	15,758
Residential junior lien/home equity	6,926	(292)	202	(198)	6,638
Commercial real estate	**37,071**	**(8,678)**	**177**	**11,662**	**40,232**
Multifamily	5,233	—	—	198	5,431
Non-owner occupied	19,995	(7,138)	59	10,416	23,332
Owner occupied	11,843	(1,540)	118	1,048	11,469
Loans to individuals	**21,332**	**(9,663)**	**2,882**	**6,566**	**21,117**
Automobile and recreational vehicles	19,142	(7,611)	2,410	4,752	18,693
Consumer credit cards	372	(428)	96	301	341
Consumer other	1,818	(1,624)	376	1,513	2,083
Total	**$ 117,718**	**$ (35,428)**	**$ 4,248**	**$ 32,368**	**$ 118,906**

a) The provision (credit) shown here excludes the provision for off-balance sheet credit exposure included in the income statement.

	2023					
	Beginning balance	Allowance for credit loss on PCD acquired loans	Charge-offs	Recoveries	Provision (credit)[a]	Ending balance
	(dollars in thousands)					
Commercial, financial, agricultural and other	**$ 22,650**	**$ 19,417**	**$ (19,199)**	**$ 498**	**$ 4,630**	**$ 27,996**
Time and demand	20,040	19,417	(16,147)	260	(751)	22,819
Commercial credit cards	335	—	(105)	13	35	278
Equipment finance	1,086	—	(537)	—	2,850	3,399
Time and demand other	1,189	—	(2,410)	225	2,496	1,500
Real estate construction	**8,822**	**287**	**—**	**—**	**(1,691)**	**7,418**
Construction other	6,360	227	—	—	(139)	6,448
Construction residential	2,462	60	—	—	(1,552)	970
Residential real estate	**21,412**	**527**	**(561)**	**247**	**2,276**	**23,901**
Residential first lien	14,822	197	(246)	177	2,025	16,975
Residential junior lien/home equity	6,590	330	(315)	70	251	6,926
Commercial real estate	**28,804**	**6,971**	**(6,277)**	**151**	**7,422**	**37,071**
Multifamily	4,726	234	—	—	273	5,233
Non-owner occupied	16,426	2,739	(4,705)	127	5,408	19,995
Owner occupied	7,652	3,998	(1,572)	24	1,741	11,843
Loans to individuals	**21,218**	**3**	**(7,230)**	**2,219**	**5,122**	**21,332**
Automobile and recreational vehicles	18,819	3	(5,587)	1,832	4,075	19,142
Consumer credit cards	412	—	(290)	87	163	372
Consumer other	1,987	—	(1,353)	300	884	1,818
Total	**$ 102,906**	**$ 27,205**	**$ (33,267)**	**$ 3,115**	**$ 17,759**	**$ 117,718**

a) The provision (credit) shown here includes the day 1 provision on non-PCD loans acquired from Centric and excludes the provision for off-balance sheet credit exposure included in the income statement.

Note 10—Commitments and Letters of Credit

First Commonwealth is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of its customers. These financial instruments include commitments to extend credit, standby letters of credit and commercial letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Statements of Financial Condition. First Commonwealth's exposure to credit loss in the event of nonperformance by the other party of the financial instrument for commitments to extend credit, standby letters of credit and commercial letters of credit is represented by the contract or notional amount of those instruments. First Commonwealth uses the same credit policies for underwriting all loans, including these commitments and conditional obligations.

As of December 31, 2025 and 2024, First Commonwealth did not own or trade other financial instruments with significant off-balance sheet risk including derivatives such as futures, forwards, option contracts and the like, although such instruments may be appropriate to use in the future to manage interest rate risk. See Note 7, "Derivatives," for a description of interest rate derivatives entered into by First Commonwealth.

Standby letters of credit and commercial letters of credit are conditional commitments issued by First Commonwealth to guarantee the performance of a customer to a third party. The contract or notional amount of these instruments reflects the maximum amount of future payments that First Commonwealth could be required to pay under the guarantees if there were a total default by the guaranteed parties, without consideration for possible recoveries under recourse provisions or from collateral held or pledged. In addition, many of these commitments are expected to expire without being drawn upon; therefore, the total commitment amounts do not necessarily represent future cash requirements.

The following table identifies the notional amount of those instruments at December 31:

	2025	2024
	(dollars in thousands)	
Financial instruments whose contract amounts represent credit risk:		
Commitments to extend credit	$ 2,425,873	$ 2,254,445
Financial standby letters of credit	14,371	13,791
Performance standby letters of credit	16,620	29,265
Commercial letters of credit	569	554

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. First Commonwealth evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by First Commonwealth upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral that is held varies but may include accounts receivable, inventory, property, plant and equipment, and residential and income-producing commercial properties.

The notional amounts outstanding at December 31, 2025 include amounts issued in 2025 of $0.1 million in financial standby letters of credit and $2.8 million in performance standby letters of credit. There were no commercial letters of credit issued during 2025. A liability of $0.3 million has been recorded at both December 31, 2025 and 2024, respectively, which represents the estimated fair value of letters of credit issued. The fair value of letters of credit is estimated based on the unrecognized portion of fees received at the time the commitment was issued.

Unused commitments and letters of credit provide exposure to future credit loss in the event of nonperformance by the borrower or guaranteed parties. Management's evaluation of the credit risk in these commitments resulted in the recording of a liability of $8.2 million and $4.1 million as of December 31, 2025 and 2024, respectively. This liability is reflected in "Other liabilities" in the Consolidated Statements of Financial Condition. The credit risk evaluation incorporates the expected loss percentage calculated for comparable loan categories as part of the allowance for credit losses for loans.

Note 11—Premises, Equipment and Lease Commitments

Premises and Equipment

Premises and equipment are described as follows:

	Estimated Useful Life	2025	2024
		(dollars in thousands)	
Land	Indefinite	$ 14,814	$ 14,471
Buildings and improvements	10-50 years	77,702	75,063
Operating lease right of use asset	1-25 years	53,654	56,097
Leasehold improvements	5-40 years	42,220	40,765
Furniture and equipment	3-7 years	73,975	72,538
Software	3-7 years	43,473	42,989
Subtotal		305,838	301,923
Less accumulated depreciation and amortization		191,555	185,815
Total premises and equipment, net		$ 114,283	$ 116,108

Depreciation related to premises and equipment included in noninterest expense for the years ended December 31, 2025, 2024 and 2023 amounted to $9.4 million, $9.4 million and $9.6 million, respectively. Amortization of lease right-of-use assets, which is included in noninterest expense, totaled $2.6 million in 2025, $3.7 million in 2024 and $3.6 million in 2023.

Lease Commitments

First Commonwealth has elected to apply certain practical expedients under ASU 2016-02 "Leases" ("Topic 842"), including: (i) to not apply the requirements in the new standard to short-term leases (ii) to not reassess the lease classification for any expired or existing lease (iii) to account for lease and non-lease components separately, and (iv) to not reassess initial direct costs for any existing leases. The impact of this standard primarily relates to operating leases of certain real estate properties, primarily certain branch and ATM locations and office space. First Commonwealth has no material leasing arrangements for which it is the lessor of property or equipment.

The following table represents the lease costs and other lease information for the years ended December 31.

	2025	2024
	(dollars in thousands)	
Balance sheet:		
Operating lease asset classified as premises and equipment	$ 38,170	$ 40,171
Operating lease liability classified as other liabilities	42,627	44,654
Income statement:		
Operating lease cost classified as occupancy and equipment expense	$ 5,624	$ 5,740
Weighted average lease term, in years	12.30	12.96
Weighted average discount rate	3.88 %	3.77 %
Operating cash flows	$ 5,646	$ 5,741

The ROU assets and lease liabilities are impacted by the length of the lease term and the discount rate used to calculate the present value of the minimum lease payments. First Commonwealth's lease agreements often include one or more options to renew at the Company's discretion. If we consider the renewal option to be reasonably certain, we include the extended term in the calculation of the ROU asset and lease liability.

First Commonwealth uses incremental borrowing rates when calculating the lease liability because the rate implicit in the lease is not readily determinable. The incremental borrowing rate used by First Commonwealth is an amortizing loan rate obtained from the FHLB. This rate is consistent with a collateralized borrowing rate and is available for terms similar to the lease payment schedules.

The following table reconciles future minimum lease payments due under non-cancelable operating leases (those amounts subject to recognition) to the lease liability as of December 31, 2025 (dollars in thousands):

For the twelve months ended December 31,	
2026	$ 5,351
2027	5,070
2028	4,742
2029	4,678
2030	4,217
Thereafter	30,181
Total future minimum lease payments	54,239
Less remaining imputed interest	11,612
Operating lease liability	$ 42,627

Rent expense, net of rental income, for all operating leases totaled $5.6 million in 2025, $5.9 million in 2024 and $5.9 million in 2023. Rent expense includes amounts related to items that are not included in the determination of lease right-of-use assets including expenses related to short-term leases and non-lease components such as taxes, insurance, and common area maintenance costs.

Note 12—Goodwill and Other Intangible Assets

FASB ASC Topic 350-20, “Intangibles—Goodwill and Other" ("Topic 350"), requires an annual valuation of the fair value of a reporting unit that has goodwill and a comparison of the fair value to the book value of equity to determine whether the goodwill has been impaired. Goodwill is also required to be tested on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. When circumstances indicate that it is more likely than not that fair value is less than carrying value, a triggering event has occurred and a quantitative impairment test would be performed.

We consider First Commonwealth to be one reporting unit (see Note 28 - "Segment Reporting"). The carrying amount of goodwill was $378.2 million at December 31, 2025 and $363.7 million at December 31, 2024. During 2025, $14.5 million in goodwill was recognized as a result of the Center acquisition. No impairment charges on goodwill or other intangible assets were incurred in 2025, 2024 or 2023.

We test goodwill for impairment as of November 30th of each year and again at any quarter-end if any material events occur during a quarter that may affect goodwill. At November 30, 2025, the Company completed its annual goodwill impairment analysis and determined that it was more likely than not that the fair value of the Company was in excess of its carrying value, therefore goodwill was not considered impaired.

As of December 31, 2025, no indicators of impairment were identified; however, changing economic conditions that may adversely affect our performance, the fair value of our assets and liabilities, or our stock price could result in impairment, which could adversely affect earnings in future periods. Management will continue to monitor events that could impact this conclusion in the future.

Topic 350 also requires that an acquired intangible asset be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the asset can be sold, transferred, licensed, rented or exchanged, regardless of the acquirer's intent to do so.

The following table summarizes other intangible assets:

	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets
		(dollars in thousands)	
December 31, 2025			
Customer deposit intangibles	$ 44,599	$ (28,548)	$ 16,051
Customer list intangible	2,283	(2,215)	68
Total other intangible assets	$ 46,882	$ (30,763)	$ 16,119
December 31, 2024			
Customer deposit intangibles	$ 39,244	$ (24,522)	$ 14,722
Customer list intangible	2,283	(2,146)	137
Total other intangible assets	$ 41,527	$ (26,668)	$ 14,859

Core deposit intangibles represent the estimated value of core deposit customer relationships acquired as part of bank and branch acquisitions. The intangible value would incorporate the estimated long-term value of checking, savings and money market deposit accounts. Core deposit intangibles are amortized over their expected lives using the present value of the benefit of the core deposits and straight-line methods of amortization. The core deposits have a remaining amortization period of 4.7 years and a weighted average amortization period of approximately 4.4 years. The $5.4 million increase in gross customer deposit intangibles in 2025 are a result of the Center acquisition. The customer list intangible represents the estimated value of the customer base for an insurance agency acquired in 2014 and the wealth management business acquired as part of the DCB acquisition in 2017. These amounts are amortized over their expected lives using expected cash flows based on retention of the customer base. The customer list intangible has a remaining amortization period of 3.7 years and a weighted average amortization period of 2.4 years. First Commonwealth recognized amortization expense on other intangible assets of $4.1 million, $3.9 million, and $4.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

In addition to customer deposit intangibles and customer list intangibles, First Commonwealth has servicing rights on mortgage loans as well as certain commercial loans totaling $5.9 million and $4.8 million as of December 31, 2025 and 2024, respectively. These servicing rights relate to loans sold to third parties on which the Company retains servicing responsibilities. The company recognized amortization expense on these servicing assets of $1.4 million, $1.2 million and $0.9 million for the years ended December 31, 2025 and 2024 and 2023, respectively.

The following presents the estimated amortization expense of core deposit and customer list intangibles:

	Core Deposit Intangibles	Customer List Intangible	Total
		(dollars in thousands)	
2026	$ 3,947	$ 42	$ 3,989
2027	3,556	15	3,571
2028	3,419	7	3,426
2029	3,313	4	3,317
2030	1,816	—	1,816
Thereafter	—	—	—
Total	$ 16,051	$ 68	$ 16,119

Note 13—Investments in Limited Partnerships

First Commonwealth has invested in several limited partnerships that provide tax and regulatory benefits due to the nature of the partnerships. These investments include: 16 investments in Small Business Investment Companies ("SBIC's") whose purpose is to provide seed money and capital to startup companies, 10 Community Development Financial Institution Funds ("CDFIs") whose purpose is to develop and operate real estate projects in low-income communities and 3 Low Income Housing Tax Credits ("LIHTC") projects whose purpose is to invest in approved low-income housing investment tax credit projects.

Our investments represent unconsolidated variable interest entities ("VIE's") because we are not considered the primary beneficiary. We have determined that we are not the primary beneficiary of these VIE's because we do not have the power to direct the activities that most significantly impact their economic performance.

All of our limited partnership investments are privately held and their market values are not readily available. These investments are accounted for using the equity method of accounting and are included in "Other assets" in the Consolidated Statement of Financial Condition. Income from these investments is included in "Other income" in the Consolidated Statements of Income and totaled $1.4 million in 2025, $1.5 million in 2024 and $0.8 million in 2023.

As of December 31, First Commonwealth's investment in and unfunded commitment to these partnerships are as follows:

	2025	2024
	(dollars in thousands)	
Investment		
SBIC	$ 18,392	$ 15,081
LIHTC	10,561	11,737
CDFI	7,100	7,339
Other	580	604
Total limited investment partnerships	$ 36,633	$ 34,761
Unfunded commitment		
SBIC	$ 12,383	$ 10,804
LIHTC	2,019	4,979
CDFI	7,000	3,761
Other	42	60
Total unfunded commitment	$ 21,444	$ 19,604

The unconditional unfunded equity commitments related to LIHTC investments are recognized in other liabilities. The following table presents the scheduled equity commitments to be paid to LIHTC limited partnerships over the next five years and in the aggregate thereafter as of December 31, 2025:

2026	$	925
2027		346
2028		168
2029		161
2030		159
Thereafter		260
Total	$	2,019

The Company classifies the amortization of LIHTC investments as a component of income tax expense and proportionally amortizes the investment over the tax credit period. The amortization and tax benefits attributed to these partnerships, which include low-income housing and historic tax credits, are as follows as of December 31:

	2025		2024		2023	
			(dollars in thousands)			
Proportional amortization expense included in the provision for income taxes	$	850	$	795	$	1,223
Tax credits and other tax benefits recognized		1,176		853		631

Note 14—Interest-Bearing Deposits

Components of interest-bearing deposits at December 31 were as follows:

	2025		2024	
	(dollars in thousands)			
Interest-bearing demand deposits	$	1,795,513	$	688,596
Savings deposits		4,241,762		4,989,342
Time deposits		1,840,923		1,750,466
Total interest-bearing deposits	$	7,878,198	$	7,428,404

As of December 31, 2025 interest-bearing deposits increased $0.4 billion compared to December 31, 2024. Deposits totaling $0.8 million and $0.9 million at December 31, 2025 and 2024, respectively, were reclassified from deposits to loans due to their overdrawn status.

The change in interest-bearing demand deposits and savings deposits for December 31, 2025 compared to December 24, 2024 is largely due to the termination in 2025 of an internal sweep program that has historically been in place for regulatory reserve requirements. As a result, there is inconsistency in the totals for some deposit categories in the above table, as category totals for 2024 include the impact of the sweeps, while category totals in 2025 do not. The impact of the sweep program in place at December 31, 2024 is provided in the table below.

	2024		Impact of Sweep		Without Sweep 2024	
			(dollars in thousands)			
Interest-bearing demand deposits		688,596	$	1,167,037	$	1,855,633
Savings deposits		4,989,342		(1,167,037)		3,822,305
Time deposits		1,750,466		—		1,750,466
Total interest-bearing deposits	$	7,428,404	$	—	$	7,428,404

Included in time deposits at December 31, 2025 and 2024 were certificates of deposit in denominations of $250 thousand or more of $432.4 million and $459.9 million, respectively.

Interest expense related to certificates of deposit in denominations of $250 thousand or greater amounted to $16.5 million in 2025, $16.6 million in 2024 and $8.1 million in 2023.

Included in time deposits at December 31, 2025 were certificates of deposit with the following scheduled maturities (dollars in thousands):

2026	$ 1,767,811
2027	37,283
2028	22,314
2029	7,450
2030 and thereafter	6,065
Total	$ 1,840,923

Note 15—Short-term Borrowings

Short-term borrowings at December 31 were as follows:

	2025			2024			2023		
	Ending Balance	Average Balance	Average Rate	Ending Balance	Average Balance	Average Rate	Ending Balance	Average Balance	Average Rate
	(dollars in thousands)								
Federal funds purchased	$ —	$ —	— %	$ —	$ 35	5.71 %	$ —	$ 712	5.62 %
FRB Term Funding Program	—	—	—	—	383,131	4.77	—	—	—
Borrowings from FHLB	125,000	64,647	4.71	55,000	31,869	5.58	563,000	379,712	5.56
Securities sold under agreements to repurchase	22,966	30,675	1.47	25,139	29,418	1.25	34,835	59,132	1.01
Total	$ 147,966	$ 95,322	3.67	$ 80,139	$ 444,453	4.60	$ 597,835	$ 439,556	4.95
Maximum total at any month-end	$ 225,874			$ 653,110			$ 597,835		
Weighted average rate at year-end			3.57 %			3.71 %			5.37 %

Interest expense on short-term borrowings for the years ended December 31 is detailed below:

	2025	2024	2023
		(dollars in thousands)	
Federal funds purchased	$ —	$ 2	$ 40
FRB Term Funding Program	—	18,292	—
Borrowings from FHLB	3,042	1,777	21,108
Securities sold under agreements to repurchase	452	368	599
Total interest on short-term borrowings	$ 3,494	$ 20,439	$ 21,747

Note 16—Subordinated Debentures

Subordinated debentures outstanding at December 31 are as follows:

	Due	Rate	2025 Amount	2024 Amount
			(dollars in thousands)	
Owed to:				
First Commonwealth Bank	2033	5.50% until June 1, 2028, then 3-Month CME Term SOFR + 0.26161% + 2.37%	49,480	49,411
First Commonwealth Financial Corp	2031	4.5% until March 29, 2026, then Prime + 1.00%	6,819	6,727
First Commonwealth Capital Trust II	2034	3-Month CME Term SOFR + 0.26161% + 2.85%	30,929	30,929
First Commonwealth Capital Trust III	2034	3-Month CME Term SOFR + 0.26161% + 2.85%	41,238	41,238
Total			$ 128,466	$ 128,305

With the acquisition of Centric in January 2023, First Commonwealth acquired a ten-year subordinated note with a principal balance of $6.0 million. The rate remains fixed at 4.50% until March 29, 2026, then adjusts quarterly to Prime + 1.00%. The Bank may redeem the notes, beginning with the interest payment due on March 29, 2026, in whole or in part at a redemption price equal to 100% of the principal amount of the subordinated notes, plus accrued and unpaid interest to the date of redemption. A fair value premium of $0.6 million was recognized in connection with the acquisition.

On May 21, 2018, First Commonwealth Bank issued ten-year subordinated notes with an aggregate principal amount of $50.0 million. Interest was paid quarterly at a rate of three-month CME Term SOFR + 0.26161% + 1.845%. On June 1, 2024, the Bank redeemed the notes, in whole, at a redemption price equal to 100% of the principal amount of the subordinated notes, plus accrued and unpaid interest to the date of redemption.

On May 21, 2018, First Commonwealth Bank also issued fifteen-year subordinated notes with an aggregate principal amount of $50.0 million and a fixed-to-floating rate of 5.50%. The rate remains fixed until June 1, 2028, then adjusts on a quarterly basis to three-month CME Term SOFR + 0.26161% + 2.37%. The Bank may redeem the notes, subject to regulatory approval, beginning with the interest payment due on June 1, 2028, in whole or in part at a redemption price equal to 100% of the principal amount of the subordinated notes, plus accrued and unpaid interest to the date of redemption. Deferred issuance costs of $1.1 million are being amortized on a straight-line basis over the term of the notes.

First Commonwealth currently has two trusts, First Commonwealth Capital Trust II and First Commonwealth Capital Trust III, of which 100% of the common equity is owned by First Commonwealth. The trusts were formed for the purpose of issuing company obligated mandatorily redeemable capital securities to third-party investors and investing the proceeds from the sale of the capital securities solely in junior subordinated debt securities (“subordinated debentures”) of First Commonwealth. The subordinated debentures held by each trust are the sole assets of the trust.

Interest on the debentures issued to First Commonwealth Capital Trust II is paid quarterly at a floating rate of three-month CME Term SOFR + 0.26161% + 2.85%, which is reset quarterly. Subject to regulatory approval, First Commonwealth may redeem the debentures, in whole or in part, at its option at a redemption price equal to 100% of the principal amount of the debentures, plus accrued and unpaid interest to the date of the redemption. Deferred issuance costs of $0.5 million are being amortized on a straight-line basis over the term of the securities.

Interest on the debentures issued to First Commonwealth Capital Trust III is paid quarterly at a floating rate of three-month CME Term SOFR + 0.26161% + 2.85% which is reset quarterly. Subject to regulatory approval, First Commonwealth may redeem the debentures, in whole or in part, at its option on any interest payment date at a redemption price equal to 100% of the principal amount of the debentures, plus accrued and unpaid interest to the date of the redemption. Deferred issuance costs of $0.6 million are being amortized on a straight-line basis over the term of the securities.

In order to reduce its exposure to variability in expected future cash flows related to interest payments on First Commonwealth Capital Trust II and III, the Company entered into two interest rate swap contracts that are designated as cash flow hedges. These contracts fix the index-based portion of the interest rate on Capital Trust III at 1.525% until August 15, 2026. A similar interest rate swap contract was entered for Capital Trust II which fixed the index rate based portion at 1.515%; however, that swap expired on August 15, 2024. Additional information related to these cash flow hedges can be found in Note 7- "Derivatives".

Note 17—Other Long-term Debt

Other long-term debt at December 31 follows:

	2025		2024	
	Amount	Weighted Average Contractual Rate	Amount	Weighted Average Contractual Rate
	(dollars in thousands)			
Borrowings from FHLB due:				
2025			$ 799	3.86 %
2026	$ 127,830	4.19 %	127,830	4.19
2027	863	3.87	863	3.87
2028	620	3.64	620	3.64
2029	242	3.13	241	3.13
2030	—	—		
Thereafter	—	—	—	—
Total	$ 129,555		$ 130,353	

The weighted average contractual rate reflects the rate due to creditors. The weighted average effective rate of long-term debt is equal to the weighted average contractual rate.

All of First Commonwealth's Federal Home Loan Bank stock, along with an interest in mortgage loans and residential mortgage-backed securities, has been pledged as collateral with the Federal Home Loan Bank of Pittsburgh.

Capital securities included in total long-term debt on the Consolidated Statements of Financial Condition are excluded from the above, but are described in Note 16, "Subordinated Debentures."

Note 18—Fair Values of Assets and Liabilities

FASB ASC Topic 820 requires disclosures for non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). All non-financial assets are included either as a separate line item on the Consolidated Statements of Financial Condition or in the "Other assets" category of the Consolidated Statements of Financial Condition. Currently, First Commonwealth does not have any non-financial liabilities to disclose.

FASB ASC Topic 825, "Financial Instruments" ("Topic 825"), permits entities to irrevocably elect to measure select financial instruments and certain other items at fair value. The unrealized gains and losses are required to be included in earnings each reporting period for the items that fair value measurement is elected. First Commonwealth has elected not to measure any existing financial instruments at fair value under Topic 825; however, in the future we may elect to adopt this guidance for select financial instruments.

In accordance with Topic 820, First Commonwealth groups financial assets and financial liabilities measured at fair value in three levels, based on the principal markets in which the assets and liabilities are transacted and the observability of the data points used to determine fair value. These levels are defined in Note 1, "Statement of Accounting Policies."

Level 2 investment securities are valued by a recognized third party pricing service using observable inputs. The model used by the pricing service varies by asset class and incorporates available market, trade and bid information as well as cash flow information when applicable. Because many fixed-income investment securities do not trade on a daily basis, the model uses available information such as benchmark yield curves, benchmarking of like investment securities, sector groupings and matrix pricing. The model will also use processes such as an option-adjusted spread to assess the impact of interest rates and to develop prepayment estimates. Market inputs normally used in the pricing model include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications.

Management validates the market values provided by the third party service by having another source price 100% of the securities on a monthly basis, monthly monitoring of variances from prior period pricing and, on a monthly basis, evaluating pricing changes compared to expectations based on changes in the financial markets.

Loans held for sale include residential mortgage loans originated for sale in the secondary mortgage market. The estimated fair value for these loans was determined on the basis of rates obtained in the respective secondary market. Loans held for sale could also include the Small Business Administration guaranteed portion of small business loans. The estimated fair value of these loans is based on the contract with the third party investor. When loans held for sale include other commercial loans, fair value is determined using an executed trade and market bid obtained from potential buyers. There were no loans held for sale in a delinquent or nonaccrual status at December 31, 2025 and 2024.

Interest rate derivatives are reported at an estimated fair value utilizing Level 2 inputs and are included in "Other assets" and "Other liabilities" in the Consolidated Statements of Financial Condition. These consist of interest rate swaps where there is no significant deterioration in the counterparties' (loan customers') credit risk since origination of the interest rate swap as well as interest rate caps, interest rate collars and risk participation agreements. First Commonwealth values its interest rate swap and cap positions using a yield curve by taking market prices/rates for an appropriate set of instruments. The set of instruments used to determine the U.S. Dollar yield curve includes SOFR rates from overnight to one year, Eurodollar futures contracts and SOFR swap rates from one year to thirty years. These yield curves determine the valuations of interest rate swaps. Interest rate derivatives are further described in Note 7, “Derivatives.”

For purposes of potential valuation adjustments to our derivative positions, First Commonwealth evaluates the credit risk of its counterparties as well as our own credit risk. Accordingly, we have considered factors such as the likelihood of default, expected loss given default, net exposures and remaining contractual life, among other things, in determining if any estimated fair value adjustments related to credit risk are required. We review our counterparty exposure quarterly, and when necessary, appropriate adjustments are made to reflect the exposure.

We also utilize this approach to estimate our own credit risk on derivative liability positions. In 2025 and 2024, we have not realized any losses due to a counterparty's inability to pay any net uncollateralized position.

Interest rate derivatives also include interest rate forwards entered into to hedge residential mortgage loans held for sale and the related interest-rate lock commitments. This includes forward commitments to sell mortgage loans. The fair value of these derivative financial instruments are based on derivative market data inputs as of the valuation date and the underlying value of mortgage loans for rate lock commitments.

The estimated fair value for other real estate owned included in Level 2 is determined by either an independent market-based appraisal less estimated costs to sell or an executed sales agreement.

There are no Level 3 fair value measurements that require quantitative inputs and assumptions.

The tables below present the balances of assets and liabilities measured at fair value on a recurring basis at December 31:

	2025			
	Level 1	Level 2	Level 3	Total
	(dollars in thousands)			
Obligations of U.S. Government Agencies:				
Mortgage-Backed Securities—Residential	$ —	$ 2,496	$ —	$ 2,496
Mortgage-Backed Securities—Commercial	—	661,689	—	661,689
Obligations of U.S. Government-Sponsored Enterprises:				
Mortgage-Backed Securities—Residential	—	295,523	—	295,523
Other Government-Sponsored Enterprises	—	984	—	984
Obligations of States and Political Subdivisions	—	6,971	—	6,971
Corporate Securities	—	46,531	—	46,531
Total Securities Available for Sale	—	1,014,194	—	1,014,194
Loans Held for Sale	—	46,071	—	46,071
Other Assets (a)	—	9,573	—	9,573
Total Assets	$ —	$ 1,069,838	$ —	$ 1,069,838
Other Liabilities (a)	$ —	$ 10,657	$ —	$ 10,657
Total Liabilities	$ —	$ 10,657	$ —	$ 10,657

(a) Hedging and non-hedging interest rate derivatives

	2024			
	Level 1	Level 2	Level 3	Total
		(dollars in thousands)		
Obligations of U.S. Government Agencies:				
Mortgage-Backed Securities—Residential	$ —	$ 2,898	$ —	$ 2,898
Mortgage-Backed Securities—Commercial	—	724,175	—	724,175
Obligations of U.S. Government-Sponsored Enterprises:				
Mortgage-Backed Securities—Residential	—	350,584	—	350,584
Other Government-Sponsored Enterprises	—	946	—	946
Obligations of States and Political Subdivisions	—	7,527	—	7,527
Corporate Securities	—	61,493	—	61,493
Total Securities Available for Sale	—	1,147,623	—	1,147,623
Loans Held for Sale	—	51,991	—	51,991
Other Assets (a)	—	41,569	—	41,569
Total Assets	$ —	$ 1,241,183	$ —	$ 1,241,183
Other Liabilities (a)	$ —	$ 51,983	$ —	$ 51,983
Total Liabilities	$ —	$ 51,983	$ —	$ 51,983

(a) Hedging and non-hedging interest rate derivativesThere are no losses included in earnings for the period that are attributable to the change in realized gains (losses) relating to assets held at both December 31, 2025 and 2024.

During the years ended December 31, 2025 and 2024, there were no transfers between fair value Levels 1, 2 or 3.

The tables below present the balances of assets measured at fair value on a nonrecurring basis at December 31 and total gains and losses realized on these assets during the year ended December 31:

	2025				
	Level 1	Level 2	Level 3	Total	Total Gains (Losses)
			(dollars in thousands)		
Loans held for sale	$ —	$ 225,381	$ —	$ 225,381	$ —
Nonperforming loans	—	40,617	41,303	81,920	(18,677)
Other real estate owned	—	1,014	—	1,014	(284)
Total Assets	$ —	$ 267,012	$ 41,303	$ 308,315	$ (18,961)

	2024				
	Level 1	Level 2	Level 3	Total	Total Gains (Losses)
			(dollars in thousands)		
Loans held for sale	$ —	$ 228	$ —	$ 228	$ —
Nonperforming loans	—	39,407	14,084	53,491	(16,287)
Other real estate owned	—	1,215	—	1,215	(29)
Total Assets	$ —	$ 40,850	$ 14,084	$ 54,934	$ (16,316)

Nonperforming loans over $250 thousand are individually reviewed to determine the amount of each loan considered to be at risk of noncollection. The fair value for nonperforming loans that are collateral based is determined by reviewing real property appraisals, equipment valuations, accounts receivable listings and other financial information. A discounted cash flow analysis is performed to determine fair value for nonperforming loans when an observable market price or a current appraisal is not available. For real estate secured loans, First Commonwealth's loan policy requires updated appraisals be obtained at least every twelve months on all nonperforming loans with balances of $250 thousand and over. For real estate secured loans with balances under $250 thousand, we rely on broker price opinions. For non-real estate secured assets, the Company normally relies on third party valuations specific to the collateral type.

The fair value of other real estate owned, determined by either an independent market-based appraisal less estimated costs to sell or an executed sales agreement, is classified as Level 2. The fair value for other real estate owned determined using an internal valuation is classified as Level 3. Other real estate owned had a current carrying value of $1.0 million as of December 31, 2025 and consisted primarily of commerical and residential properties in Pennsylvania and Ohio. We review whether events and circumstances subsequent to a transfer to other real estate owned have occurred that indicate the balance of those assets may not be recoverable. If events and circumstances indicate further impairment, we will record a charge to the extent that the carrying value of the assets exceed their fair values, less estimated costs to sell, as determined by valuation techniques appropriate in the circumstances.

Certain other assets and liabilities, including goodwill, core deposit intangibles and customer list intangibles are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. Additional information related to this measurement is provided in Note 12 "Goodwill and Other Amortizing Intangible Assets." There were no other assets or liabilities measured at fair value on a nonrecurring basis during 2025.

FASB ASC Topic 825-10, "Transition Related to FSP FAS 107-1" and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," requires disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or nonrecurring basis. The methodologies for estimating the fair value of financial assets and financial liabilities that are measured at fair value on a recurring or nonrecurring basis are as discussed above. The methodologies for other financial assets and financial liabilities are provided below.

Cash and due from banks and interest bearing bank deposits: The carrying amounts for cash and due from banks and interest-bearing bank deposits approximate the estimated fair values of such assets.

Securities: Fair values for available for sale and held to maturity securities are based on quoted market prices, if available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. The carrying value of other investments, which includes FHLB stock and other equity investments, is considered a reasonable estimate of fair value.

Loans held for sale: The estimated fair value of loans held for sale is based on market bids obtained from potential buyers.

Loans: The fair values of all loans are estimated by discounting the estimated future cash flows using interest rates currently offered for loans with similar terms to borrowers of similar credit quality adjusted for past due and nonperforming loans.

Off-balance sheet instruments: Many of First Commonwealth's off-balance sheet instruments, primarily loan commitments and standby letters of credit, are expected to expire without being drawn upon; therefore, the commitment amounts do not necessarily represent future cash requirements. FASB ASC Topic 460, "Guarantees," clarified that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The carrying amount and estimated fair value for standby letters of credit was $0.3 million at both December 31, 2025 and 2024. See Note 10, "Commitments and Letters of Credit," for additional information.

Deposit liabilities: The estimated fair value of demand deposits, savings accounts and money market deposits is the amount payable on demand at the reporting date because of the customers' ability to withdraw funds immediately. The fair value of fixed rate time deposits are estimated by discounting the future cash flows using interest rates currently being offered and a schedule of aggregated expected maturities.

Short-term borrowings: The fair values of borrowings from the FHLB were estimated based on the estimated incremental borrowing rate for similar types of borrowings. The carrying amounts of other short-term borrowings, such as federal funds purchased and securities sold under agreement to repurchase, were used to approximate fair value due to the short-term nature of the borrowings.

Subordinated debt and long-term debt: The fair value is estimated by discounting the future cash flows using First Commonwealth's estimate of the current market rate for similar types of borrowing arrangements.

The following table presents carrying amounts and estimated fair values of First Commonwealth's financial instruments at December 31:

	2025				
		Fair Value Measurements Using:			
	Carrying Amount	Total	Level 1	Level 2	Level 3
			(dollars in thousands)		
Financial assets					
Cash and due from banks	$ 103,280	$ 103,280	$ 103,280	$ —	$ —
Interest-bearing deposits	77,082	77,082	77,082	—	—
Securities available for sale	1,014,194	1,014,194	—	1,014,194	—
Securities held to maturity	519,422	470,665	—	470,665	—
Other investments	38,295	38,295	—	32,563	5,732
Loans held for sale	271,452	271,452	—	271,452	—
Loans and leases	9,508,039	9,657,464	—	40,617	9,616,847
Financial liabilities					
Deposits	10,250,969	10,248,485	—	10,248,485	—
Short-term borrowings	147,966	147,926	—	147,926	—
Long-term debt	129,555	130,108	—	130,108	—
Subordinated debt	128,466	121,747	—	—	121,747
Capital lease obligation	3,721	3,721	—	3,721	—

	2024				
		Fair Value Measurements Using:			
	Carrying Amount	Total	Level 1	Level 2	Level 3
			(dollars in thousands)		
Financial assets					
Cash and due from banks	$ 105,051	$ 105,051	$ 105,051	$ —	$ —
Interest-bearing deposits	28,358	28,358	28,358	—	—
Securities available for sale	1,147,623	1,147,623	—	1,147,623	—
Securities held to maturity	405,639	336,719	—	336,719	—
Other investments	30,954	30,954	—	25,222	5,732
Loans held for sale	51,991	52,219	—	52,219	—
Loans and leases	8,983,754	8,999,020	—	39,407	8,959,613
Financial liabilities					
Deposits	9,678,019	9,672,358	—	9,672,358	—
Short-term borrowings	80,139	79,151	—	79,151	—
Long-term debt	130,353	129,880	—	129,880	—
Subordinated debt	128,305	115,747	—	—	115,747
Capital lease obligation	4,327	4,327	—	4,327	—

Note 19—Income Taxes

Cash paid for taxes for the years ended December 31 is as follows:

	2025	2024	2023
		(dollars in thousands)	
Federal	$ 33,500	$ 31,000	$ 36,250
States			
Other*	1,162	1,185	1,380
Foreign	—	—	—
Total cash paid for taxes	34,662	32,185	37,630

* The amount of income taxes paid during the year does not meet the 5% disaggregation threshold.

The income tax provision for the years ended December 31 is as follows:

	2025	2024	2023
		(dollars in thousands)	
Current tax provision:			
Federal	$ 34,600	$ 31,220	$ 32,167
State	1,443	1,002	936
Total current tax provision	36,043	32,222	33,103
Deferred tax provision (benefit):			
Federal	3,152	3,412	7,488
State	(139)	2	(99)
Total deferred tax provision	3,013	3,414	7,389
Total tax provision	$ 39,056	$ 35,636	$ 40,492

The Company did not have any income tax expense (benefit) in foreign jurisdictions for the years ended December 31, 2025, 2024 and 2023.

The statutory to effective tax rate reconciliation for the years ended December 31 is as follows:

	2025		2024		2023	
	Amount	% of Pretax Income	Amount	% of Pretax Income	Amount	% of Pretax Income
			(dollars in thousands)			
Federal Income tax at statutory rate	$ 40,185	21 %	$ 37,424	21 %	$ 41,487	21 %
State and local income tax, net of federal benefit*	1,030	1	793	—	725	—
Tax credits						
Low income housing tax credits**	(294)	—	(354)	—	(381)	—
Other	(10)	—	(4)	—	(38)	—
Nontaxable or nondeductible items						
Tax-exempt interest income, net	(900)	—	(835)	—	(812)	—
Income from bank owned life insurance	(1,444)	(1)	(1,336)	(1)	(1,024)	(1)
Other	614	—	457	—	660	—
Other adjustments	(125)	—	(509)	—	(125)	—
Effective income tax rate	$ 39,056	21 %	$ 35,636	20 %	$ 40,492	20 %

* State taxes in Delaware, Indiana, Kentucky, New Jersey, New York made up the majority (greater than 50 percent) of the tax effect in this category for 2025. State taxes in Delaware, Kentucky, New Jersey, New York made up the majority (greater than 50 percent) of the tax effect in this category for 2024. State taxes in Delaware, Illinois, New Jersey, New York and New York City made up the majority (greater than 50 percent) of the tax effect in this category for 2023.

** The benefit is net of associated investment impacts such as proportional amortization and benefit of flow through losses.

The tax effects of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities that represent significant portions of the deferred tax assets and liabilities at December 31 are presented below:

	2025	2024
	(dollars in thousands)	
Deferred tax assets:		
Lease liability	$ 9,175	$ 9,561
Allowance for credit losses	26,980	25,459
Postretirement benefits other than pensions	89	201
Unrealized loss on securities available for sale	17,822	28,023
Net operating loss carryforward	60	61
Deferred compensation	3,289	3,008
Accrued interest on nonaccrual loans	763	1,088
Accrued incentives	3,949	3,295
Unfunded loan commitments & other reserves	1,757	879
Purchase accounting adjustments	3,889	4,001
Other	1,127	744
Total deferred tax assets	68,900	76,320
Deferred tax liabilities:		
Loan origination fees and costs	(4,268)	(2,615)
Right of use asset	(8,215)	(8,601)
Depreciation of assets	(2,608)	(1,586)
Section 197 intangibles	(4,019)	(3,175)
Purchase accounting adjustments	(3,231)	(2,755)
Other	(695)	(718)
Total deferred tax liabilities	(23,036)	(19,450)
Net deferred tax asset	$ 45,864	$ 56,870

The Company's insurance subsidiary, FCIA, has approximately $1.5 million of Pennsylvania net operating losses, which begin to expire in 2034. The Company expects to fully utilize the losses prior to expiration.

The holding company has net operating loss carryforwards with the state of Pennsylvania of $246.7 million as of December 31, 2025 and $262.5 million as of December 31, 2024. The Company has recorded a valuation allowance against these carryforward attributes of the holding company as it is not expected to realize these losses given the profitability of the holding company for Pennsylvania tax purposes. The valuation allowance is netted against the net operating loss in the preceding table.

Management assesses all available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. Based on our evaluation, as of December 31, 2025, management has determined that no valuation allowance is necessary with the exception of the holding company's net operating loss carryforward deferred tax asset noted above because it is more likely than not that these assets will be realized through future reversals of existing temporary differences and future taxable income.

In accordance with FASB ASC Topic 740-10, “Accounting for Uncertainty in Income Taxes,” the Company has no material unrecognized tax benefits or accrued interest and penalties as of December 31, 2025. The Company records interest and penalties on unrecognized tax benefits as a component of noninterest expense.

First Commonwealth is subject to routine audits of our tax returns by the Internal Revenue Service (“IRS”) as well as all states in which we conduct business. Generally, tax years prior to the year ended December 31, 2022 are no longer open to examination by federal and state taxing authorities.

Note 20—Retirement Plans

First Commonwealth has a savings plan pursuant to the provisions of section 401(k) of the Internal Revenue code. Effective January 1, 2025, a participating employee can receive a maximum matching contribution of 5% of their eligible compensation.

In addition, each participating employee may contribute up to 80% of their eligible compensation to the plan. The 401(k) plan expense was $5.1 million in 2025, $3.3 million in 2024, and $3.1 million in 2023.

First Commonwealth maintains a Non-Qualified Deferred Compensation Plan ("NQDC Plan") to provide deferred compensation for those employees who are in the top 10% of full-time employees, as determined on the basis of eligible compensation. The NQDC Plan provides participants whose maximum retirement contribution is limited by IRS rules to defer additional compensation.

Participants in the NQDC Plan are eligible to defer (on a pre-tax basis) from 1% to 25% of their eligible Plan compensation. Participants are also eligible to defer all or a portion of the Annual Incentive Plan (on a pre-tax basis) from 10% to 100% of their annual cash incentive earned. Effective January 1, 2020, an employer elective contribution is available to participants who reach the IRS Compensation limits in the 401(k) Plan. The 'makeup match' contribution is made to eligible participants on an annual basis. Effective January 1, 2021, an employer non-elective contribution is available to certain participants determined by the Company. The 'discretionary' contribution may be approved from year-to-year and allocated on an annual basis. There was $0.3 million in NQDC Plan expense recognized for this discretionary contribution in each of the years 2025, 2024 and 2023.

Select employees from former acquisitions were covered by postretirement benefit plans that provide medical and life insurance coverage. The measurement date for these plans was December 31.

Postretirement Benefits Other than Pensions from Prior Acquisitions

Net periodic benefit cost of these plans for the years ended December 31, was as follows:

	2025	2024	2023
		(dollars in thousands)	
Service cost	$ —	$ —	$ —
Interest cost on projected benefit obligation	25	25	25
Amortization of transition obligation	—	—	—
Amortization of prior service cost	76	76	76
Gain amortization	(101)	(101)	(108)
Net periodic benefit cost	$ —	$ —	$ (7)

The following table sets forth the change in the benefit obligation and plan assets as of December 31:

	2025	2024
	(dollars in thousands)	
Change in Benefit Obligation		
Benefit obligation at beginning of year	$ 506	$ 561
Service cost	—	—
Interest cost	25	25
Amendments	—	—
Actuarial gain	(78)	(26)
Net benefits paid	(41)	(54)
Benefit obligation at end of year	412	506
Change in Plan Assets		
Fair value of plan assets at beginning of year	—	—
Actual return on plan assets	—	—
Employer contributions	41	54
Net benefits paid	(41)	(54)
Fair value of plan assets at end of year	—	—
Funded Status at End of Year	412	506
Unrecognized prior service cost	(159)	(234)
Unrecognized net gain	645	668
Amounts recognized in retained earnings	$ 898	$ 940

As of December 31, the funded status of the plan is:

	2025	2024
	(dollars in thousands)	
Amounts Recognized in the Statement of Financial Condition as Other liabilities	$ 412	$ 506

The following table sets forth the amounts recognized in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit costs as of December 31:

	2025	2024	2023
		(dollars in thousands)	
Amounts recognized in accumulated other comprehensive income, net of tax:			
Net (gain) loss	$ (506)	$ (525)	$ (590)
Prior service cost	125	184	244
Total	$ (381)	$ (341)	$ (346)

Weighted-average assumptions used to determine the benefit obligation as of December 31 are as follows:

	2025	2024	2023
Weighted-Average Assumptions			
Discount rate	4.81 %	5.33 %	4.90 %
Health care cost trend: Initial	8.70 %	7.45 %	6.95 %
Health care cost trend: Ultimate	4.75 %	4.75 %	4.75 %
Year ultimate reached	2034	2033	2029

Weighted-average assumptions used to determine the net benefit costs as of December 31 are as follows:

	2025	2024	2023
Weighted-Average Assumptions for Net Periodic Cost			
Discount rate	5.33 %	4.90 %	5.31 %
Health care cost trend: Initial	7.45 %	6.95 %	6.50 %
Health care cost trend: Ultimate	4.75 %	4.75 %	4.75 %
Year ultimate reached	2033	2029	2028
Corridor	10.00 %	10.00 %	10.00 %
Recognition period for gains and losses	8.3	8.8	9.3

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 introduced a prescription drug benefit under Medicare Part D and a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is at least actuarially equivalent to Medicare Part D. The postretirement plans of First Commonwealth are provided through insurance coverage; therefore, First Commonwealth will not receive a direct federal subsidy. The preceding measures of the accumulated postretirement benefit cost assume that First Commonwealth will not receive the subsidy due to the relatively small number of retirees.

As of December 31, 2025, the projected benefit payments for the next ten years are as follows:

	Projected Benefit Payments
	(dollars in thousands)
2026	$ 69
2027	62
2028	56
2029	50
2030	45
2031 - 2035	152

The projected payments were calculated using the same assumptions as those used to calculate the benefit obligations included in this note.

The estimated costs that will be amortized from accumulated other comprehensive income into net periodic cost for 2026 are as follows:

	Postretirement Benefits
	(dollars in thousands)
Net gain	$ (101)
Prior service cost	76
Total	$ (25)

Note 21—Incentive Compensation Plan

On January 30, 2024, the Board of Directors of the Company adopted, with shareholder approval, the First Commonwealth Financial Corporation 2024 Plan. This plan allows for shares of common stock to be issued to employees, directors, and consultants of the Company and its subsidiaries as an incentive to aid in the financial success of the Company. The shares can be issued as options, stock appreciation rights, performance share or unit awards, dividend or dividend equivalent rights, stock awards, restricted stock awards, or other annual incentive awards. Up to 5,000,000 shares of stock can be awarded under this plan, of which 4,314,537 shares were still available for awards as of December 31, 2025.

Restricted Stock

Restricted stock awards were issued in 2025, 2024 and 2023 in order to retain and attract key employees. The grant date fair value of the restricted stock awards is equal to the price of First Commonwealth's common stock on grant date.

Compensation expense related to restricted stock was $4.9 million, $4.9 million and $3.8 million in 2025, 2024 and 2023, respectively. As of December 31, 2025, there was $5.5 million of unrecognized compensation cost related to unvested restricted stock awards granted. The cost is expected to be recognized over a period of one to three years.

A summary of the status of First Commonwealth's unvested service-based restricted stock awards as of December 31 and changes for the years ended on those dates is presented below:

	2025		2024		2023	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding, beginning of the year	399,497	$ 14.68	317,065	$ 14.62	311,265	$ 14.48
Granted	126,515	16.31	212,572	14.29	106,750	14.32
Vested	(129,925)	15.55	(120,265)	13.83	(90,810)	13.76
Forfeited	(4,000)	14.50	(9,875)	14.87	(10,140)	14.86
Outstanding, end of the year	392,087	14.92	399,497	14.68	317,065	14.62

The following provides detail on restricted stock awards estimated to be granted on a performance award basis during 2025, 2024 and 2023. These plans were previously approved by the Board of Directors.

Grant Date	Target Share Award	Performance Period (years)	Award if threshold met	Award if targets are met	Award if superior met	Award if threshold not achieved	Vesting After Performance Period (years)	Final vesting
February 18, 2021	143,400	3	40 %	100 %	200 %	— %	0	December 31, 2023
February 17, 2022	121,200	3	40 %	100 %	200 %	— %	0	December 31, 2024
January 23, 2023	159,000	3	40 %	100 %	200 %	— %	0	December 31, 2025
January 29, 2024	167,800	3	40 %	100 %	200 %	— %	0	December 31, 2026
January 27, 2025	159,800	3	40 %	100 %	200 %	— %	0	December 31, 2027

The following table summarizes the estimated unvested target share awards for the Plans as of December 31:

	2025	2024	2023
Outstanding, beginning of the year	475,225	453,714	434,352
Granted	203,523	276,161	162,774
Issued	(155,956)	(215,100)	(143,412)
Forfeited	(34,700)	(39,550)	—
Outstanding, end of the year	488,092	475,225	453,714

Based on a Monte Carlo simulation, the above grants have the following fair market values per share:

	Proportional Fair Value		
	50%	25%	25%
February 18, 2021	$ 12.77	$ 16.41	$ 11.45
February 17, 2022	16.56	21.08	15.20
January 23, 2023	14.06	17.53	12.70
January 29, 2024	15.05	17.09	13.64
January 27, 2025	16.77	18.14	15.30

Note 22—Contingent Liabilities

Legal proceedings

First Commonwealth and its subsidiaries are subject in the normal course of business to various pending and threatened legal proceedings in which claims for monetary damages are asserted. As of December 31, 2025, management, after consultation with legal counsel, does not anticipate that the aggregate ultimate liability arising out of litigation pending or threatened against First Commonwealth or its subsidiaries will be material to First Commonwealth’s consolidated financial position. On at least a quarterly basis, First Commonwealth assesses its liabilities and contingencies in connection with such legal proceedings. For those matters where it is probable that First Commonwealth will incur losses and the amounts of the losses can be reasonably estimated, First Commonwealth records an expense and corresponding liability in its consolidated financial statements. To the extent the pending or threatened litigation could result in exposure in excess of that liability, the amount of such excess is not currently estimable. Although not considered probable, the range of reasonably possible losses for such matters in the aggregate, beyond the existing recorded liability (if any), is between $0 and $1 million. Although First Commonwealth does not believe that the outcome of pending litigation will be material to First Commonwealth’s consolidated financial position, it cannot rule out the possibility that such outcomes will be material to the consolidated results of operations and cash flows for a particular reporting period in the future.

Note 23—Revenue Recognition

Substantially all of the Company's revenue is generated from contracts with customers. Revenue associated with financial instruments, including revenue from loans and securities, certain noninterest income streams such as fees associated with derivatives are not in scope of FASB ASU Topic 606 - "Revenue from Contracts with Customers". Topic 606 is applicable to noninterest revenue streams such as trust income, service charges on deposits, insurance and retail brokerage commissions, card-related interchange income and gain/(loss) on sale of OREO. For contracts within the scope of Topic 606, the Company immediately expenses contract acquisition costs when the asset that would have resulted from capitalizing these costs would have been amortized in one year or less.

Noninterest revenue streams in-scope of Topic 606 are discussed below:

Trust Income

Trust income is primarily comprised of fees earned from the management and administration of trusts and other customer assets. The Company's performance obligation is generally satisfied over time and the resulting fees are recognized monthly, based upon a tiered scale of market value of the assets under management at month-end. Payment is generally received a few days after month end through a direct charge to customers' accounts. The Company does not earn performance-based incentives. Optional services such as financial planning or tax return preparation services are also available to trust customers. The Company's performance obligation for these transactional-based services is generally satisfied and related revenue recognized, at a point in time. Payment is received shortly after services are rendered.

Service Charges on Deposit Accounts

Service charges on deposit accounts consist of fees earned from its deposit customers for transaction-based, account maintenance, overdraft services and account analysis fees. Transaction-based fees, which include services such as ATM use fees, stop payment fees, statement rendering and ACH fees, are recognized at the time the transaction is executed which is the point in time the Company fulfills the customer's request. Monthly account maintenance fees are earned over the course of the month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. The Company's performance obligation for account analysis fees is generally satisfied, and the related revenue recognized, during the month the service is provided. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers' accounts.

Insurance and Retail Brokerage Commissions

Insurance income primarily consists of commissions received from execution of personal, business and health insurance policies when acting as an agent on behalf of insurance carriers. The Company's performance obligation is generally satisfied upon the issuance of the insurance policy. Because the Company's contracts with the insurance carriers are generally cancellable by either party, with minimal notice, insurance commissions are recognized during the policy period as received. Also, the majority of insurance commissions are received on a monthly basis during the policy period, however some carriers pay the full annual commission to First Commonwealth at the time of policy issuance or renewal. In these cases, First Commonwealth would be required to refund any commissions it would not be entitled to as a result of cancelled or terminated policies. The Company has established a refund liability for the remaining term of the policies expected to be cancelled. The Company also receives incentive-based contingency fees from the insurance carriers. Contingency fee revenue, which totals approximately $0.5 million per year, is recognized as received due to the immaterial amount.

Retail brokerage income primarily consists of commissions received on annuity and investment product sales through a third-party service provider. The Company's performance obligation is generally satisfied upon the issuance of the annuity policy or the execution of an investment transaction. The Company does not earn a significant amount of trailer fees on annuity sales. However, after considering the factors impacting these trailer fees, such as the uncertainty of investor behavior and changes in the market value of assets, First Commonwealth determined that it would recognize trailing fees as received because it could not reasonably estimate an amount of future trailing commissions for which collection is probable. Commissions from the third-party service provider are received on a monthly basis based upon customer activity for the month. The fees are recognized monthly with a receivable until commissions are received from the third-party service provider the following month. Because the Company acts as an agent in arranging the relationship between the customer and the third-party service provider and does not control the services rendered to the customers, retail brokerage fees are presented net of related costs, including $5.5 million and $5.2 million, respectively, in commission expense as of December 31, 2025 and 2024.

Card-Related Interchange Income

Card-related interchange income is primarily comprised of debit and credit card income, ATM fees and merchant services income. Debit and credit card income is primarily comprised of interchange fees earned whenever the Company's debit and credit cards are processed through card payment networks such as MasterCard. ATM fees are primarily generated when a Company cardholder uses a non-Company ATM or a non-Company cardholder uses a Company ATM. Merchant services income mainly represents fees charged to merchants to process their debit and credit card transactions, in addition to account management fees. Card-related interchange income is recognized at the point in time as the customer transactions are settled.

Other Income

Other income includes service revenue from processing wire transfers, bill pay service, cashier's checks, and other services. The Company's performance obligation for these services are largely satisfied, and related revenue recognized, when the services are rendered or upon completion. Payment is typically received immediately or in the following month.

Gains(losses) on sales of OREO

First Commonwealth records a gain or loss from the sale of OREO when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When First Commonwealth finances the sale of OREO to the buyer, an assessment of whether the buyer is committed to perform their obligations under the contract is completed along with an evaluation of whether collectability of the transaction price is probable. Once these criteria are met, the OREO asset is derecognized and the gain or loss on sale is recorded upon transfer of control of the property to the buyer. In determining the gain or loss on the sale, First Commonwealth adjusts the transaction price and related gain/(loss) on sale if a significant financing component is present.

The following presents noninterest income, segregated by revenue streams in-scope and out-of-scope of Topic 606 for the year ended December 31:

	2025	2024	2023
		(dollars in thousands)	
Noninterest Income			
In-scope of Topic 606:			
Trust income	$ 12,907	$ 11,821	$ 10,516
Service charges on deposit accounts	22,774	22,518	21,437
Insurance and retail brokerage commissions	12,652	11,546	10,929
Card-related interchange income	15,611	21,887	28,640
Gain on sale of other loans and assets	524	781	331
Other income	2,746	2,872	3,022
Noninterest Income (in-scope of Topic 606)	67,214	71,425	74,875
Noninterest Income (out-of-scope of Topic 606)	29,610	27,806	21,734
Total Noninterest Income	$ 96,824	$ 99,231	$ 96,609

Note 24—Related Party Transactions

Some of First Commonwealth's directors, executive officers, principal shareholders and their related interests had transactions with the subsidiary bank in the ordinary course of business. All deposit and loan transactions were made on substantially the same terms, such as collateral and interest rates, as those prevailing at the time for comparable transactions. In the opinion of management, these transactions do not involve more than the normal risk of collectability, nor do they present other unfavorable features. It is anticipated that similar transactions will be entered into in the future.

The following is an analysis of loans to related parties (dollars in thousands):

December 31, 2024	$ 30,935
Advances	4,423
Repayments	(3,619)
Other	(169)
December 31, 2025	$ 31,570

Note 25—Regulatory Restrictions and Capital Adequacy

The amount of funds available to the parent from its subsidiary bank is limited by restrictions imposed on all depository institutions by banking regulation that restricts and limits the payment of dividends and the ability of depository institutions to engage in transactions, including lending transactions and asset purchases, with affiliates.

First Commonwealth and First Commonwealth Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators, which, if undertaken, could have a direct material effect on First Commonwealth's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, First Commonwealth and First Commonwealth Bank must meet specific capital guidelines that involve quantitative measures of First Commonwealth's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. First Commonwealth's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weighting and other factors.

Effective January 1, 2015, First Commonwealth became subject to regulatory risk-based capital rules adopted by the federal banking agencies implementing Basel III. The capital rules require First Commonwealth to maintain the following minimum capital levels:

- a minimum Tier I capital to risk-weighted assets of at least 6.0%, plus a capital conservation buffer of 2.5%, resulting in a required minimum ratio of 8.5%
- a minimum Common Equity Tier 1 to risk weighted assets of at least 4.5%, plus the capital conservation buffer of 2.5%, resulting in a required minimum ratio of 7%
- a minimum Total Capital to risk weighted assets of at least 8.0%, plus the 2.5% capital conservation buffer, resulting in a required minimum of 10.5%
- a minimum Leverage ratio, which is Tier 1 capital to adjusted average assets, of 4.0%

The capital conservation buffer may only include capital that qualifies as Common Equity Tier 1.

The Basel III Rules also permit banking organizations with less than $15.0 billion in assets to retain, through a one-time election, the exclusion of accumulated other comprehensive income from regulatory capital. The Company elected to retain this treatment, which reduces the volatility of regulatory capital levels.

In 2018, First Commonwealth Bank, the Company's banking subsidiary, issued $100 million in subordinated debt, of which $50.0 million remains outstanding as of December 31, 2025, which under regulatory rules qualifies as Tier II capital. As of December 31, 2025, this subordinated debt issuance increased the total risk-based capital ratio by 49 basis points.

In March 2020, regulators issued interim financial rule ("IFR") "Regulatory Capital Rule: Revised Transition of the Current Expected Losses Methodology for Allowances" in response to the disrupted economic activity from the pandemic. The IFR provides financial institutions that adopt CECL during 2020 with the option to delay for two years the estimated impact of CECL on regulatory capital, followed by a three-year transition period to phase out the aggregate amount of the capital benefit provided by the initial two-year delay ("five-year transition"). The Company adopted CECL effective January 1, 2020 and elected to implement the five-year transition. Regulatory capital levels without the capital benefit at December 31, 2025 for both First Commonwealth and First Commonwealth Bank would have continued to be greater than the amounts needed to be considered "well capitalized", as the transition provided a capital benefit of approximately 4 to 6 basis points.

As of December 31, 2025 and 2024, First Commonwealth and First Commonwealth Bank met all capital adequacy requirements to which they are subject and were considered well-capitalized under the regulatory rules. To be considered well capitalized, the Company must maintain minimum Total risk-based capital, Tier I risk-based capital, Tier I leverage ratio and

Common equity tier I risk-based capital as set for in the tables below:

	Actual		Minimum Capital Required		Required to be Considered Well Capitalized	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
			(dollars in thousands)			
As of December 31, 2025						
Total Capital to Risk Weighted Assets						
First Commonwealth Financial Corporation	$ 1,471,506	14.47 %	$ 1,067,542	10.50 %	$ 1,016,707	10.00 %
First Commonwealth Bank	1,362,592	13.43	1,065,303	10.50	1,014,574	10.00
Tier I Capital to Risk Weighted Assets						
First Commonwealth Financial Corporation	$ 1,294,913	12.74 %	$ 864,201	8.50 %	$ 813,365	8.00 %
First Commonwealth Bank	1,186,263	11.69	862,388	8.50	811,659	8.00
Tier I Capital to Average Assets						
First Commonwealth Financial Corporation	$ 1,294,913	10.86 %	$ 476,821	4.00 %	$ 596,026	5.00 %
First Commonwealth Bank	1,186,263	9.97	475,776	4.00	594,720	5.00
Common Equity Tier I to Risk Weighted Assets						
First Commonwealth Financial Corporation	$ 1,224,913	12.05 %	$ 711,695	7.00 %	$ 660,859	6.50 %
First Commonwealth Bank	1,186,263	11.69	710,202	7.00	659,473	6.50

	Actual		Minimum Capital Required		Required to be Considered Well Capitalized	
	Capital Amount	Ratio	Capital Amount	Ratio	Capital Amount	Ratio
			(dollars in thousands)			
As of December 31, 2024						
Total Capital to Risk Weighted Assets						
First Commonwealth Financial Corporation	$ 1,366,963	14.58 %	$ 984,292	10.50 %	$ 937,421	10.00 %
First Commonwealth Bank	1,268,403	13.56	982,216	10.50	935,444	10.00
Tier I Capital to Risk Weighted Assets						
First Commonwealth Financial Corporation	$ 1,207,183	12.88 %	$ 796,808	8.50 %	$ 749,937	8.00 %
First Commonwealth Bank	1,108,623	11.85	795,128	8.50	748,355	8.00
Tier I Capital to Average Assets						
First Commonwealth Financial Corporation	$ 1,207,183	10.63 %	$ 454,457	4.00 %	$ 568,071	5.00 %
First Commonwealth Bank	1,108,623	9.78	453,467	4.00	566,834	5.00
Common Equity Tier I to Risk Weighted Assets						
First Commonwealth Financial Corporation	$ 1,137,183	12.13 %	$ 656,195	7.00 %	$ 609,324	6.50 %
First Commonwealth Bank	1,108,623	11.85	654,811	7.00	608,039	6.50

Note 26—Capital

At December 31, 2025, shareholders' equity was $1.6 billion, an increase of $149.2 million from December 31, 2024. The increase was due to $152.3 million in net income, $45.9 million of common stock issued as part of the Center acquisition and a $37.9 million increase in the fair value of available for sale securities. This was partially offset by $55.5 million of dividends paid to shareholders and $36.5 million of common stock repurchases. Cash dividends declared per common share were $0.535, $0.515 and $0.495 for the years ended December 31, 2025, 2024 and 2023, respectively.

The Board of Directors have authorized numerous share repurchase programs of the Company's common stock, including separate $25.0 million authorizations in October 2021, April 2023, July 2025 and December 2025. As of December 31, 2025, 5,247,990 shares at an average price of $14.75 have been repurchased and 1,364,851 shares remain under the authorized programs. In January 2026, the Board of Directors approved an additional $25.0 million repurchase program. First Commonwealth may suspend or discontinue the program at any time.

Note 27—Condensed Financial Information of First Commonwealth Financial Corporation (parent company only)

Statements of Financial Condition	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Assets		
Cash	$ 96,157	$ 86,909
Loans	—	3
Investment in subsidiaries	1,518,147	1,378,052
Investment in unconsolidated subsidiary trusts	2,200	2,204
Investment in jointly-owned company	377	438
Premises and equipment, net	3,022	3,184
Receivable from subsidiaries	2	—
Dividends receivable from subsidiaries	8,132	6,772
Other assets	17,872	17,546
Total assets	$ 1,645,909	$ 1,495,108
Liabilities and Shareholders' Equity		
Accrued expenses and other liabilities	$ 12,547	$ 11,048
Subordinated debentures payable	78,986	78,895
Shareholders' equity	1,554,376	1,405,165
Total liabilities and shareholders' equity	$ 1,645,909	$ 1,495,108

Statements of Income	For the years ended December 31, 2025	2024	2023
		(dollars in thousands)	
Interest and dividends	$ 197	$ 242	$ 234
Dividends from subsidiaries	105,273	75,227	107,683
Interest expense	(4,537)	(4,098)	(3,656)
Other income	—	—	—
Operating expense	(5,971)	(5,841)	(6,631)
Income before taxes and equity in undistributed earnings of subsidiaries	94,962	65,530	97,630
Applicable income tax benefits	2,088	2,018	2,087
Income before equity in undistributed earnings of subsidiaries	97,050	67,548	99,717
Equity in undistributed earnings of subsidiaries	55,252	75,024	57,346
Net income	$ 152,302	$ 142,572	$ 157,063

Statements of Cash Flow	For the years ended December 31, 2025	2024	2023
		(dollars in thousands)	
Operating Activities			
Net income	$ 152,302	$ 142,572	$ 157,063
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	290	300	320
Net gains (losses) on sales of assets	—	—	—
Decrease (increase) in prepaid income taxes	(106)	19,809	(20,307)
Undistributed equity in subsidiaries	(55,252)	(75,024)	(57,346)
Distribution from unconsolidated subsidiary	65	—	—
Other net	3,054	4,778	7,151
Net cash provided by operating activities	100,353	92,435	86,881
Investing Activities			
Net change in loans	3	2	2
Purchases of premises and equipment	(91)	(609)	(23)
Investment in subsidiaries	38	—	1,120
Investment in jointly-owned companies	(19)	(14)	(18)
Net cash provided by (used in) investing activities	(69)	(621)	1,081
Financing Activities			
Dividends paid	(55,489)	(52,602)	(50,814)
Proceeds from reissuance of treasury stock	245	204	245
Purchase of treasury stock	(35,792)	(12,630)	(14,965)
Net cash used in financing activities	(91,036)	(65,028)	(65,534)
Net increase (decrease) in cash	9,248	26,786	22,428
Cash at beginning of year	86,909	60,123	37,695
Cash at end of year	$ 96,157	$ 86,909	$ 60,123

Cash dividends declared per common share were $0.535 for 2025, $0.515 in 2024 and $0.495 in 2023.

First Commonwealth Financial Corporation has an unsecured $20.0 million line of credit with another financial institution. As of December 31, 2025, there are no amounts outstanding on this line and we are in compliance with all debt covenants related to the line of credit.

Note 28—Segment Reporting

We operate our business as a single integrated business unit which provides a number of products and services to meet our customers' banking and financial needs. Our products and services include consumer lending such as secured and unsecured installment loans, home equity loans, construction and real estate loans, credit lines and credit cards. We also offer commercial customers lending and leasing products, which include real estate secured lending, equipment finance, working capital lines of credit, credit cards and construction loans. Our products also include deposit services such as personal and business checking accounts, savings, money market and certificates of deposits. Additionally, we provide an array of cash management services, trust and wealth management services and insurance products. These services are all delivered through the same business network.

The Company's President and CEO is the chief operating decision maker who uses consolidated net income to assess performance and profitability of our single business segment. Consolidated net income is used to assess performance by comparing results on a monthly basis, including variances to budget and prior period results. Consideration is given to performance of components of the business, such as branches and geographic regions, which are then aggregated. This information is used to achieve strategic initiatives by allowing the chief operation decision maker to manage resources that drive our business and earnings. Additionally, consolidated net income is used to benchmark the Company against its banking peers.

The accounting policies of the single business unit are the same as provided in Note 1 - "Statement of Accounting Policies" and our segment assets are the same as assets presented in the Consolidated Statements of Financial Condition.

The following table presents information related to segment revenue, significant segment expenses and segment net income for the years ended December 31;

	2025	2024	2023
		(dollars in thousands)	
Interest income	$ 632,688	$ 600,463	$ 529,998
Interest expense	206,601	221,571	144,322
Net interest income	426,087	378,892	385,676
Provision for credit losses	36,725	29,170	14,813
Noninterest Income			
Trust income	12,907	11,821	10,516
Service charges on deposit accounts	22,774	22,518	21,437
Insurance and retail brokerage commissions	12,652	11,546	10,929
Gain on sale of mortgage loans	7,296	5,795	3,951
Gain on sale of other loans and assets	6,888	9,111	6,744
Card-related interchange income	15,611	21,887	28,640
Other segment income (a)	18,696	16,553	14,392
Noninterest expense			
Salaries and employee benefits	163,981	149,287	142,871
Net occupancy	20,714	19,783	19,221
Furniture and equipment	18,161	17,453	17,308
Data processing	16,359	15,582	15,010
Other professional fees and services	6,892	5,533	5,919
Other segment expense (b)	68,721	63,107	69,588
Income tax provision	39,056	35,636	40,492
Segment net income	$ 152,302	$ 142,572	$ 157,063
Reconciliation of net income			
Adjustments and reconciling items	—	—	—
Consolidated net income	$ 152,302	$ 142,572	$ 157,063

(a) Other segment income includes gain/loss on securities, income from bank owned life insurance, derivative mark to market, swap fee income and other miscellaneous income.
(b) Other segment expense includes FDIC insurance, loss on sale or write-down of assets, litigation and operational losses, merger related expenses and other miscellaneous expenses.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of First Commonwealth Financial Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial condition of First Commonwealth Financial Corporation and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 2, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Allowance for Credit Losses (ACL)
Description of the Matter	First Commonwealth's loan and lease portfolio totaled $9.8 billion as of December 31, 2025 and the associated Allowance for Credit Losses (ACL) was $125.7 million. As discussed in Notes 1 and 9 of the financial statements, the ACL represents management's current estimate of lifetime credit losses inherent in the loan portfolio at the balance sheet date. The ACL is calculated by pooling loans of similar risk characteristics and applying a discounted cash flow methodology after incorporating probability of default and loss given default estimates. Inputs impacting the expected losses include a forecast of macroeconomic factors, using a weighted forecast from a nationally recognized firm. The ACL also includes qualitative factors related to loan portfolio risks not reflected in the calculated model, including lending practices, ability and experience of the credit staff, the overall lending environment and external factors such as the regulatory environment and competition. Auditing management's ACL estimate and related provision for credit losses was complex due to the discounted cash flow model and related inputs used to compute the reserve and involves a high degree of subjectivity due to the judgment required in evaluating management's determination of the qualitative factors described above.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's controls over the ACL process, including controls over the appropriateness of the ACL methodology, the expected loss models, the reliability and accuracy of data used in developing the ACL estimate, and management's review and approval process over the forecast, qualitative adjustments and overall ACL results. We tested management's expected loss models including evaluating the conceptual soundness of model methodology, assessing model performance and governance, testing key model assumptions, including the reasonable and supportable forecast, and independently recalculating model output with the assistance of EY specialists. We also verified the underlying economic forecast data used to estimate the quantitative reserve was complete and accurate. To test the qualitative factor adjustments, among other procedures, we assessed management's methodology and considered whether relevant risks were reflected in the models and whether adjustments to the model output were appropriate. We tested the completeness, accuracy, and relevance of the underlying data used to estimate the qualitative adjustments. We evaluated whether qualitative adjustments were reasonable based on changes in economic conditions and the loan portfolio. We also assessed whether qualitative adjustments were consistent with publicly available information (e.g. macroeconomic data). Further, we performed an independent search for the existence of new or contrary information relating to risks impacting the qualitative factor adjustments to validate that management's considerations are appropriate. Additionally, we evaluated whether the overall ACL, inclusive of qualitative factor adjustments, appropriately reflects losses expected in the loan and lease portfolio by comparing to historical losses and peer bank data.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.
Pittsburgh, Pennsylvania
March 2, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of First Commonwealth Financial Corporation

Opinion on Internal Control Over Financial Reporting

We have audited First Commonwealth Financial Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial condition of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated March 2, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Assessment of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
March 2, 2026

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms of the Securities and Exchange Commission.

In addition, our management, including our Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of our internal controls over financial reporting to determine whether any changes occurred during the fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. No such changes were identified in connection with this evaluation.

Ernst & Young LLP, Pittsburgh, Pennsylvania (U.S. PCAOB Auditor Firm I.D.: 42), the independent registered public accounting firm that audited our consolidated financial statements included in this Annual Report on Form 10-K, has issued an audit report on the effectiveness of our internal control over financial reporting as of December 31, 2025. The report, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2025, is included at the end of Item 8 under the heading Report of "Independent Registered Public Accounting Firm.”

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

First Commonwealth is responsible for the preparation, the integrity, and the fair presentation of the Consolidated Financial Statements included in this annual report. The Consolidated Financial Statements and notes to the financial statements have been prepared in conformity with generally accepted accounting principles and include some amounts based upon management's best estimates and judgments.

First Commonwealth's management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f), that is designed to produce reliable financial statements in conformity with generally accepted accounting principles and includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Under the supervision and with the participation of management, including First Commonwealth's principal executive officer and principal financial officer, First Commonwealth conducted an evaluation of the effectiveness of internal control over financial reporting based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

All internal control systems, no matter how well designed, have inherent limitations, including the possibility that a control can be circumvented and that misstatements due to error or fraud may occur without detection. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Based on First Commonwealth's evaluation based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), management concluded that internal control over financial reporting was effective as of December 31, 2025. The effectiveness of First Commonwealth's internal control over financial reporting as of December 31, 2025 has been audited by Ernst & Young, LLP, an independent registered public accounting firm, as stated in their audit report, which is included herein.

First Commonwealth Financial Corporation
Indiana, Pennsylvania

March 2, 2026

/S/ T. Michael Price	/S/ James R. Reske
T. Michael Price	**James R. Reske**
President and Chief Executive Officer	**Executive Vice President, Chief Financial Officer and Treasurer**

ITEM 9B. Other Information

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during quarter ended December 31, 2025, as such terms are defined under Item 408(a) of Regulation S-K.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Information called for by this item concerning the identification, business experience and qualifications of First Commonwealth's directors will be included in First Commonwealth's definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the annual meeting of shareholders to be held April 28, 2026 (the "Proxy Statement"), under the heading "Proposal 1—Election of Directors," and is incorporated herein by reference.

Information called for by this item concerning First Commonwealth's compliance with section 16(a) of the Exchange Act will be included in the Proxy Statement under the heading "Section 16(a) Beneficial Ownership Reporting Compliance," and is incorporated herein by reference.

First Commonwealth has adopted a code of conduct and ethics that applies to all employees of the Company, including executive officers. In addition, First Commonwealth has adopted a code of ethics for the Chief Executive Officer and all senior financial officers of the Company. Both of these codes are filed as exhibits to this Annual Report on Form 10-K and are posted on First Commonwealth's website at http://www.fcbanking.com. Refer to Item 15 of this Annual Report on Form 10-K for a list of exhibits.

First Commonwealth has adopted an Insider Trading Policy that applies to all directors and employees of the Company. This policy is filed as an exhibit to this Annual Report on Form 10-K.

Information called for by this item concerning First Commonwealth's Audit Committee and the identification of "Audit Committee financial experts" will be included in the Proxy Statement under the heading "Corporate Governance," and is incorporated herein by reference.

Certain information regarding executive officers is included under the caption "Executive Officers of First Commonwealth Financial Corporation" after Part I, Item 4, of this Report.

ITEM 11. Executive Compensation

Information called for by this item concerning compensation of First Commonwealth's executive officers and the report of the Compensation and Human Resources Committee will be included in the Proxy Statement under the heading "Executive Compensation," and is incorporated herein by reference.

Information called for by this item concerning compensation of First Commonwealth's directors will be included in the Proxy Statement under the heading "Compensation of Directors," and is incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information called for by this item concerning security ownership of certain beneficial owners and security ownership of management will be included in the Proxy Statement under the headings "Stock Ownership of Certain Beneficial Owners" and "Stock Ownership of Directors and Management," and is incorporated herein by reference.

The following table provides information related to our existing equity compensation plans as of December 31, 2025:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	488,092	N/A	4,314,537
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	488,092	N/A	4,314,537

The number of securities to be issued upon exercise of outstanding options, warrants and rights represent the maximum number of shares that may be issued pursuant to outstanding performance units.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

Information called for by this item concerning transactions with related persons and review, approval or ratification of transactions with related persons will be included in the Proxy Statement under the heading "Related Party Transactions," and is incorporated herein by reference.

Information called for by this item concerning director independence will be included in the Proxy Statement under the heading "Corporate Governance," and is incorporated herein by reference.

ITEM 14. Principal Accountant Fees and Services

Information called for by this item concerning fees paid to First Commonwealth's principal accountant and First Commonwealth's pre-approval policies and procedures will be included in the Proxy Statement under the heading "Audit Information," and is incorporated herein by reference.

PART IV
ITEM 15. Exhibits, Financial Statements and Schedules

(A) Documents Filed as Part of this Report
(1) Financial Statements

All financial statements of the registrant as set forth under Item 8 of the Report on Form 10-K.

(2) Financial Statement Schedules

Schedule Number	Description	Page
I	Indebtedness to Related Parties	N/A
II	Guarantees of Securities of Other Issuers	N/A

(3) Exhibits

Exhibit Number	Description	Incorporated by Reference to
3.1	Amended and Restated Articles of Incorporation of First Commonwealth Financial Corporation	Exhibit 3.1 to the quarterly report on Form 10-Q for the quarter ended June 30, 2010
3.2	Amended and Restated By-Laws of First Commonwealth Financial Corporation	Exhibit 3.1 to the current report as Form 8-K filed February 1, 2016
10.1	Amended and Restated Non-Qualified Deferred Compensation Plan	Exhibit 10.1 to the current report on Form 8-K filed December 21, 2017
10.2	Amendment No. One to Amended and Restated Non-Qualified Deferred Compensation Plan	Exhibit 10.1 to the quarterly report on Form 10-Q for the quarter ended September 30, 2021
10.3	Amendment No. Two to Amended and Restated Non-Qualified Deferred Compensation Plan	Exhibit 10.2 to the quarterly report on Form 10-Q for the quarter ended September 30, 2021
10.4	Amendment No. Three to Amended and Restated Non-Qualified Deferred Compensation Plan	Exhibit 10.3 to the quarterly report on Form 10-Q for the quarter ended September 30, 2021
10.5	Amended and Restated Employment Agreement dated January 1, 2012 entered into among First Commonwealth Financial Corporation, First Commonwealth Bank and T. Michael Price	Exhibit 10.1 to the current report on Form 8-K filed January 5, 2012
10.6	Change of Control Agreement dated December 30, 2011 entered into between FCFC and T. Michael Price	Exhibit 10.3 to the current report on Form 8-K filed January 5, 2012
10.7	First Commonwealth Financial Corporation Incentive Compensation Plan	Annex I to Proxy Statement filed March 19, 2015 relating to the 2015 Annual Meeting of Shareholders
10.8	2025 Annual Incentive Plan	Exhibit 10.1 to the quarterly report on Form 10-Q for the quarter ended March 31, 2025
10.9	2023-2025 Long-Term Incentive Plan	Exhibit 10.2 to the quarterly report on Form 10-Q for the quarter ended March 31, 2023
10.10	2024-2026 Long-Term Incentive Plan	Exhibit 10.2 to the quarterly report on Form 10-Q for the quarter ended March 31, 2024
10.11	2025-2027 Long-Term Incentive Plan	Exhibit 10.2 to the quarterly report on Form 10-Q for the quarter ended March 31, 2025
10.12	Form of Restricted Stock Agreement for service-based restricted stock	Exhibit 10.3 to the quarterly report on Form 10-Q filed May 8, 2012
10.13	Change of Control Agreement dated December 30, 2011 entered into between FCFC and Matthew C. Tomb	Exhibit 10.14 to the annual report on Form 10-K filed March 5, 2012

Exhibit Number	Description	Incorporated by Reference to
10.14	Employment Agreement dated April 10, 2014 between First Commonwealth Financial Corporation and James R. Reske	Exhibit 10.1 to the current report on Form 8-K filed April 10, 2014
10.15	Change of Control Agreement dated April 10, 2014 between First Commonwealth Financial Corporation and James R. Reske	Exhibit 10.3 to the current report on Form 8-K filed April 10, 2014
10.16	Change of Control Agreement dated November 14, 2019 entered into between FCFC and Norman J. Montgomery	Exhibit 10.1 to current report on Form 8-K filed November 19, 2019
10.17	Change of Control Agreement dated March 1, 2013 entered into between FCFC and Carrie L. Riggle	Exhibit 10.4 to the quarterly report on Form 10-Q filed May 8, 2013
10.18	Change of Control Agreement dated May 31, 2013 entered into between FCFC and Jane Grebenc	Exhibit 10.2 to the quarterly report on Form 10-Q filed August 7, 2013
10.19	Employment Agreement dated May 31, 2013 entered into between FCFC and Jane Grebenc	Exhibit 10.1 to the quarterly report on Form 10-Q filed August 7, 2013
10.20	Change of Control Agreement dated September 11, 2023 entered into between FCFC and Michael P. McCuen	Exhibit 10.1 to the quarterly report on Form 10-Q filed August 9 2024
10.21	Restricted Stock Agreement dated September 11, 2023 between FCFC and Michael P. McCuen	Exhibit 10.1 to the quarterly report on Form 10-Q filed August 9 2024
10.22	Employment Agreement dated July 1, 2024 entered into between FCFC and Michael P. McCuen	Exhibit 10.1 to the quarterly report on Form 10-Q filed August 9 2024
10.23	Restricted Stock Agreement dated July 1, 2024 entered into between FCFC and Michael P McCuen	Exhibit 10.1 to the quarterly report on Form 10-Q filed August 9 2024
10.24	Change of Control Agreement dated August 16, 2024 entered into between FCFC and Brian Sohocki	Exhibit 10.2 to the quarterly report on Form 10-Q filed November 12, 2024
10.25	Employment Agreement dated August 16, 2024 entered into between FCFC and Brian Sohocki	Exhibit 10.3 to the quarterly report on Form 10-Q filed November 12, 2024
10.26	Restricted Stock Agreement dated August 16, 2024 entered into between FCFC and Brian Sohocki	Exhibit 10.4 to the quarterly report on Form 10-Q filed November 12, 2024
10.27	Change of Control Agreement dated January 1, 2025 entered into between FCFC and Linda D. Metzmaier	Filed herewith
10.28	Change of Control Agreement dated August 1, 2025 entered into between FCFC and Lee E. Lyon II	Filed herewith
19.1	Insider Trading Policy	Exhibit 19.1 to the annual report on Form 10-K filed February 29, 2024
21.1	Subsidiaries of the Registrant	Filed herewith
23.1	Consent of EY LLP Independent Registered Public Accounting Firm	Filed herewith
31.1	Chief Executive Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Chief Financial Officer Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Chief Executive Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Chief Financial Officer Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
97.1	Policy for Recoupment of Incentive Compensation	Filed herewith

Exhibit Number	Description	Incorporated by Reference to
101.00	The following materials from First Commonwealth Financial Corporation's Annual Report on Form 10-K for the year ended December 31, 2025, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets at December 31, 2025 and December 31, 2024, (ii) the Consolidated Statements of Income for the years ended December 31, 2025, 2024 and 2023, (iii) the Consolidated Statements of Comprehensive Income for the years ended December 31, 2025, 2024 and 2023, (iv) the Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2025, 2024 and 2023, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023, and (vi) the Notes to Consolidated Financial Statements.	Filed herewith

ITEM 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Indiana, Pennsylvania.

FIRST COMMONWEALTH FINANCIAL CORPORATION (Registrant)

By: /S/ T. Michael Price
T. Michael Price
President and Chief Executive Officer

Dated: March 2, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been executed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/S/ Todd D. Brice **Todd D. Brice**	Director	March 2, 2026
/S/ Julie A. Caponi **Julie A. Caponi**	Director	March 2, 2026
/S/ Ray T. Charley **Ray T. Charley**	Director	March 2, 2026
/S/ Gary R. Claus **Gary R. Claus**	Director	March 2, 2026
/S/ Joseph V. DiVito, Jr. **Joseph V. DiVito, Jr.**	Director	March 2, 2026
/S/ Jon L. Gorney **Jon L. Gorney**	Director, Chairman	March 2, 2026
/S/ Jane Grebenc **Jane Grebenc**	Director, Executive Vice President and Chief Revenue Officer	March 2, 2026
/S/ David W. Greenfield **David W. Greenfield**	Director	March 2, 2026
/S/ Bart E. Johnson **Bart E. Johnson**	Director	March 2, 2026
/S/ Luke A. Latimer **Luke A. Latimer**	Director	March 2, 2026
/S/ Aradhna M. Oliphant **Aradhna M. Oliphant**	Director	March 2, 2026
/S/ T. Michael Price **T. Michael Price**	Director, President and Chief Executive Officer (Principal Executive Officer)	March 2, 2026
/S/ James R. Reske **James R. Reske**	Executive Vice President, Chief Financial Officer, and Treasurer	March 2, 2026
/S/ Stephen A. Wolfe **Stephen A. Wolfe**	Director	March 2, 2026

CHANGE OF CONTROL AGREEMENT

THIS CHANGE OF CONTROL AGREEMENT (this "Change of Control Agreement"), is entered into as of **January 1, 2025** (the "Effective Date"), by and between First Commonwealth Financial Corporation, a Pennsylvania corporation (the "Company"), and **Linda D. Metzmaier** ("Executive").

W I T N E S S E T H:

WHEREAS, the Compensation & Human Resources Committee ("Compensation Committee") of the Company's Board of Directors (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a "Change of Control" (as defined below) of the Company;

WHEREAS, the Compensation Committee believes that it is important to diminish the inevitable distraction of the Executive that would result from the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive to continue to devote Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefit arrangements upon the termination of Executive's employment following a Change of Control;

WHEREAS, the Compensation Committee has authorized the Company to enter into this Change of Control Agreement with the Executive; and

WHEREAS, the Company and the Executive wish to enter into this Change of Control Agreement in order to accomplish these objectives.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and other good and valuable consideration, the Company and the Executive do hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1. 1 "Cause" for termination will be deemed to exist if:

(a) the Executive is convicted of, or pleads guilty or nolo contendere to, any crime which constitutes a felony under the laws of the United States of America or of any state or territory thereof, and the commission of that felony resulted in, or was intended to result in, a loss (monetary or otherwise) to the Employer Entities, or any of their respective clients, customers, directors, officers or employees;

(b) the Executive fails or refuses to perform the Executive's duties to any of the Employer Entities (other than during such time as the Executive is incapacitated due to an accident or illness or during the Executive's regularly scheduled vacation periods) with the degree of skill and care reasonably expected of a professional of his experience and stature for a period of thirty (30) consecutive days following the receipt by the Executive of a notice from the Company sent by certified mail, return receipt requested, setting forth in detail the facts upon which the Company relies in concluding that the Executive has failed or refused to perform the Executive's duties and indicating with specificity the duties that the Company demands that the Executive perform without delay;

(c) the Executive engages in an act or acts of dishonesty which result or are intended to result in material damage to the business or reputation of any of the Employer Entities; or

(d) the Executive fails or refuses to comply with any material provision of this Change of Control Agreement or any policy or procedure of any Employer Entity, which violations are demonstrably willful and deliberate on the Executive's part and which result or are intended to result in material damage to the business or reputation of any of the Employer Entities and as to which failure or refusal to comply the Company has notified the Executive in writing.

1.2. “Change of Control” will mean:

(a) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of the then outstanding shares of common stock of the Company;

(b) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board; or

(c) Consummation of a reorganization, merger, consolidation, sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the beneficial owners of shares outstanding shares of the Company’s common stock immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than fifty-percent (50%) of the then outstanding shares of common stock of the corporation resulting from such a Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries).

Notwithstanding any other provision of this Change of Control Agreement to the contrary, (i) the placement of any of the Employer Entities into receivership or conservatorship by the Federal Deposit Insurance Corporation ("FDIC") or a state or federal banking regulatory agency with jurisdiction over any of the Employer Entities, (ii) the acquisition of fifty-percent (50%) or more of any of the Employer Entities' assets or assumption of fifty-percent (50%) or more of the Employer Entities' deposit liabilities in an FDIC-assisted transaction, and (iii) a change in any Employer Entity's board of directors at the direction of a state or federal banking regulatory authority having jurisdiction over any of the Employer Entities, will not constitute a Change of Control.

1.3. “Client” means any client or prospective client of the Company to whom the Executive provided services, or for whom the Executive transacted business, or whose identity became known to the Executive in connection with the Executive’s relationship with or employment by the Company.

1.4. “Code” means the Internal Revenue Code of 1986, as amended.

1.5. “Employer Entity” means the Company and each of its subsidiaries and affiliates, including without limitation, FCB.

1.6. “Exchange Act” means the Securities Exchange Act of 1934, as amended.

1.7. “Good Reason” means:

(a) the assignment to the Executive of any duties inconsistent in any respect with the Executive’s title, position, authority, duties or responsibilities immediately prior to the Change of Control or any other action by the Company which results in a diminution of such position, authority, duties or responsibilities, other than an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after the receipt of notice thereof given by the Executive;

(b) any requirement of the Company that the Executive (i) be based anywhere more than fifty (50) miles from the office where the Executive is located immediately prior to the Change of Control or (ii) travel on Company business to an extent substantially greater than the travel obligations of the Executive immediately prior to the Change of Control; or

(c) (i) a reduction by the Company in the Executive’s rate of annual base salary as in effect immediately prior to the Change of Control or (ii) the failure of the Company to continue in effect any employee benefit plan, compensation plan, welfare benefit plan or material fringe benefit plan in which the Executive is participating or entitled to participate immediately prior to the Change of Control, unless the Executive is permitted to participate in other plans providing the Executive with substantially equivalent benefits in the aggregate (at substantially equivalent cost with respect to welfare benefit plans).

1.8. "Protected Period" means the period of time beginning with the date of a Change of Control and ending two (2) years following such Change of Control.

1.9. "Qualifying Termination" means a termination of the Executive's employment (i) by the Company other than for Cause, disability or death, or (ii) by the Executive for Good Reason, provided that such termination of employment constitutes a Separation from Service.

1.10. "Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

1.11. "Section 409A Change of Control" means a "Change of Control Event" as defined in Section 409A.

1.12. "Section 409A Deferred Compensation" means an amount payable or benefit to be provided under a "nonqualified deferred compensation plan" as defined in Section 409A.

1.13. "Separation from Service" has the meaning set forth in Section 409A.

ARTICLE 2

TERM

2.1. The term of this Change of Control Agreement will begin on the Effective Date and will continue for thirty-six (36) full calendar months thereafter (the "Initial Term"). This term of this Change of Control Agreement will automatically renew for twenty-four (24) full calendar months thereafter on the third anniversary of the Effective Date and on each second anniversary thereafter (each, a "Renewal Term") unless either party hereto gives notice in writing to the other party at least twelve (12) months prior to the end of the Initial Term or any Renewal Term of the party's intent not to renew such term.

2.2. Notwithstanding the foregoing, if a Change of Control occurs prior to the end of the Initial Term or Renewal Term, as the case may be, then the term of this Change of Control Agreement will continue until the later of (a) the end of the Protected Period, or (b) if a Qualifying Termination occurs during the Protected Period, the end of the Severance Period. Notwithstanding anything in this Section to the contrary, this Change of Control Agreement will terminate if the Executive or the Company terminates the Executive's employment for any reason prior to a Change in Control.

ARTICLE 3

PAYMENTS

3.1. Qualifying Termination. If during the Protected Period the employment of the Executive is terminated pursuant to a Qualifying Termination, subject to Article 7 hereof, then the Employer Entities will pay to the Executive (or the Executive's beneficiary as provided in Article 5 hereof) the accrued obligations, severance pay and severance benefits in accordance with Sections 3.2, 3.3 and 3.4 hereof. If the Executive's employment with the Employer Entities is terminated (i) for any reason prior to or after the Protected Period or (ii) other than pursuant to a Qualifying Termination during the Protected Period, then the Executive will not be entitled to the payment of any severance or provision of any benefits under this Change of Control Agreement.

3.2. Accrued Benefits. In the event of a Qualifying Termination described in Section 3.1 hereof, the Employer Entities will pay to the Executive any accrued and unpaid base salary and paid time-off, within thirty (30) days following the date of Qualifying Termination or such earlier date as is required by law.

3.3. Severance Pay. Subject to Article 7 hereof, in the event of a Qualifying Termination described in Section 3.1 hereof, the Employer Entities will pay to the Executive an amount equal to one (1) times: (i) the Executive’s annual base salary immediately prior to the Change of Control; (ii) the average of the aggregate annual amount of all bonuses paid to the Executive during the thirty-six (36) month period (or the Executive's period of employment with the Employer Entities, if less) preceding the Change of Control; (iii) the aggregate amount of all contributions by the Company for the account of the Executive under the First Commonwealth Financial Corporation 401(k) Savings and Investment Plan during the twelve (12) month period preceding the Change of Control; and (iv) the aggregate of all contributions by the Company for the account of the Executive to the Company’s Non-Qualified Deferred Compensation Plan during the twelve (12) month period preceding the Change of Control. Subject to Article 7 hereof, such sum will be paid in equal periodic installments payable in accordance with the Employer Entity's normal payroll practices during the twelve (12) month period immediately following such Qualifying Termination (the "Severance Period").

3.4. Continued Health Insurance Benefits. In addition to the severance payable pursuant to Section 3.3 hereof, in the event of a Qualifying Termination described in Section 3.1 hereof, the Employer Entities will offer continuation coverage to the Executive, as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), under the Company's group health plan on the terms and conditions mandated by COBRA and the Company will pay the full cost of the COBRA premiums on behalf of the Executive and covered family members during the Severance Period.

3.5. Other Compensation and Benefits.

(a) Except as expressly provided for in Article 3 hereof, the Executive will not be entitled to severance pay or benefits under any plan, program, policy, practice or other arrangement of any Employer Entity in connection with any Qualifying Termination, including without limitation this Change of Control Agreement or any severance policy of any Employer Entity.

(b) During the Severance Period, the Executive will not be eligible to participate in any Employer Entity equity-based incentive, other incentive, 401(k) savings, employee stock ownership, deferred compensation, supplemental retirement, supplemental savings, life insurance, short or long term disability, employee welfare benefit, fringe benefit, perquisite, vacation, paid time-off or other employee benefit plan, program, policy, practice or other arrangement of any Employer Entity.

(c) Unless otherwise determined by the Board or applicable committee thereof, any outstanding options or other equity based awards held by the Executive to purchase or acquire Employer stock under any equity-based plan of any Employer Entity will be subject to the exercisability, vesting and forfeiture provisions of the respective plan. Any benefits the Executive has earned with respect to his employment for periods on or prior to the Qualifying Termination under any annual incentive, deferred compensation, supplement retirement or savings, 401(k), employer stock ownership or similar plan of any Employer Entity will be paid in accordance with the terms of such plan.

3.6. Release. The Company’s obligation to make any payment to the Executive as described in this Article 3 is contingent upon the Executive’s execution and non-revocation of a release within sixty (60) days following the Executive's Separation from Service, in form and substance reasonably satisfactory to the Company, that, in the opinion of the Company’s counsel, is effective to release the Company from all claims relating to the Executive’s employment or the termination thereof (other than under the terms of this Change of Control Agreement), and the Company will have no obligation to make any payment unless and until such a release has become effective.

3.7. Business Expenses. The Employer Entities will reimburse the Executive for any unreimbursed, reasonable business expenses incurred by the Executive on or before the Qualifying Termination, pursuant to Employer's reimbursement policies, provided that Executive present all expense reports to Employer in accordance with such policies. All such expense reports must be submitted within thirty (30) days following the date of the Qualifying Termination.

3.8. Withholding Taxes and Other Deductions. The Employer Entities may withhold from any payments made to the Executive any applicable federal, state, local and other taxes (such as employment taxes), and such other deductions as are prescribed by law. This includes withholding amounts from payments made pursuant to this Article 3 in order to satisfy any withholding obligations.

ARTICLE 4

LIMITATION ON PAYMENT OF BENEFITS

Notwithstanding anything to the contrary in this Change of Control Agreement, if the payments and benefits pursuant to Article 3 hereof, either alone or together with other payments and benefits which the Executive has the right to receive from the Company or any of its subsidiaries, would constitute a "parachute payment" under Section 280G of the Code, the payments and benefits pursuant to Article 3 hereof will be reduced, in the manner determined by independent tax counsel selected as provided below, by the amount, if any, which is the minimum necessary to result in no portion of the payments and benefits under Article 3 hereof being non-deductible to the Company or such subsidiary pursuant to Section 280G of the Code and subject to the excise tax imposed under Section 4999 of the Code; provided, however, that if such procedure for determining the reduction of payments and benefits is determined by the Company to result in a violation of Section 409A, such reduction will be made on a pro rata basis. The determination of whether any reduction in the payments and benefits is to be made pursuant to Article 3 hereof will be based upon the written advice of independent tax counsel selected by the Company and reasonably acceptable to the Executive. The fees and expenses of the tax counsel will be paid by the Company. The Company will use its best efforts to cause such counsel to prepare the foregoing opinion as promptly as practicable, and in any event, within thirty (30) days after the Change of Control or date of Qualifying Termination, if earlier. The Company and the Executive agree to be bound by the determination of such tax counsel and to make appropriate payments to each other to give effect to the intent and purpose of this

ARTICLE 5

BENEFICIARIES

If the Executive dies after the occurrence of a Qualifying Termination, but prior to the payment of all of the monthly severance payments required by Article 3 hereof, then all remaining severance payments will be paid to the beneficiary designated in writing by the Executive at the same time, and in the same amount, as would have been payable to the Executive. The designation of a beneficiary for purposes of this Article 5 will be revocable during the lifetime of the Executive. If the Executive does not designate a beneficiary under this Change of Control Agreement, the beneficiary will be deemed to be the same person that the Executive designated with respect to the Executive's group life insurance program maintained by the Company.

ARTICLE 6

EXECUTIVE COVENANTS

6.1. Non-Disparagement. The Executive agrees that he will not, in writing or orally, or through conduct, disparage, deprecate, discredit, vilify or otherwise say anything negative about the Employer Entities. The Executive agrees never to disparage the services, products, customers, or employees of any Employer Entity. These prohibitions include, without limitation, any such statements made through use of social media sites, such as Facebook, LinkedIn or X (formerly Twitter).

6.2. Non-Disclosure of Confidential Information. The Executive recognizes and acknowledges that: (a) in the course of the Executive's employment by the Employer Entities, it will be necessary for the Executive to acquire information which could include, in whole or in part, information concerning the Employer Entities' business, sales volume, sales methods, sales proposals, financial statements and reports, customers and prospective customers, identity of customers and prospective customers, identity of key purchasing personnel in the employ of customers and prospective customers, amount or kind of customers' purchases from the Employer Entities, the Employer Entities' sources of supply, the Employer Entities' computer programs, system documentation, special hardware, product hardware, related software development, the Employer Entities' manuals, formulae, processes, methods, machines, compositions, ideas, improvements, inventions, or other confidential or proprietary information belonging to the Employer Entities or relating to the Employer Entities' affairs (collectively referred to herein as the

“Confidential Information”); (b) the Confidential Information is the property of the Employer Entities; (c) the use, misappropriation or disclosure of the Confidential Information would constitute a breach of trust and could cause irreparable injury to the Employer Entities; and (d) it is essential to the protection of the Employer Entities' good will and to the maintenance of the Employer Entities' competitive position that the Confidential Information be kept secret and that the Executive not disclose the Confidential Information to others or use the Confidential Information to the Executive’s own advantage or the advantage of others. Confidential Information will not include information otherwise available in the public domain through no act or omission of the Executive. The Executive agrees to hold and safeguard the Confidential Information in trust for the Employer Entities, its successors and assigns and agrees that he will not, without the prior written consent of the Employer Entities, misappropriate or disclose or make available to anyone for use outside the Employer Entities' organizations at any time, either during his employment with any Employer Entity or subsequent to the termination of his employment with the Employer Entities for any reason, including without limitation, termination by any Employer Entity, any of the Confidential Information, whether or not developed by the Executive, except as required in the performance of the Executive’s duties to the Employer Entities.

6.3. Non-Solicitation of Employees**.** The Executive agrees that, during the term of his employment with any Employer Entity and for twelve (12) months following termination of the Executive’s employment with the Employer Entities for any reason, including without limitation termination by any Employer Entity for Cause or without Cause, the Executive will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee of any Employer Entity or of any of its subsidiaries or affiliates, to leave any Employer Entity or any of its subsidiaries, or affiliates, for any reason whatsoever, or to hire any such employee.

6.4. Return of Materials. Upon the termination of the Executive’s employment with the Employer Entities for any reason, the Executive will promptly deliver to the Employer Entities all correspondence, drawings, blueprints, manuals, letters, notes, notebooks, reports, flow-charts, computer equipment, programs, software, databases, proposals, financial statements and reports, and any documents concerning the Employer Entities' customers or concerning products or processes used by the Employer Entities and, without limiting the foregoing, will promptly deliver to the Employer Entities any and all other documents or materials containing or constituting Confidential Information.

6.5. Work Made for Hire. The Executive agrees that in the event of publication by the Executive of written or graphic materials constituting “work made for hire,” as defined and used in the Copyright Act of 1976, 17 USC § 1 *et seq.*, the Employer Entities will retain and own all rights in said materials, including right of copyright.

6.6. Jurisdiction and Service of Process. The Executive and the Company waive any right to a court (including jury) proceeding and instead agree to submit any dispute over the application, interpretation, validity, or any other aspect of this Change of Control Agreement to binding arbitration consistent with the application of the Federal Arbitration Act and the procedural rules of the American Arbitration Association (“AAA”) before an arbitrator who is a member of the National Academy of Arbitrators (“NAA”) out of a nationwide panel of eleven (11) arbitrators to be supplied by the AAA. The Company will absorb the fee charged and the expenses incurred by the neutral arbitrator selected.

6.7. Validity. The terms and provisions of this Article 6 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Change of Control Agreement will thereby be affected. The parties hereto acknowledge that the potential restrictions on the Executive’s future employment imposed by this Article 6 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction will find any provisions of this Article 6 unreasonable in duration or geographic scope or otherwise, the Executive and the Company agree that the restrictions and prohibitions contained herein will be effective to the fullest extent allowed under applicable law in such jurisdiction.

6.8. Consideration. The parties acknowledge that this Change of Control Agreement would not have been entered into and the benefits described herein would not have been promised in the absence of the Executive’s promises under this Article 6.

6.9. Cease Payments. In the event that the Executive breaches any material provision of this Article 6, the Company's obligation to make or provide payments or benefits under Article 3 will cease, to the extent not already paid or provided.

ARTICLE 7

SECTION 409a

7.1. This Change of Control Agreement will be administered, interpreted and construed in compliance with Section 409A, including any exemption thereunder. Each payment hereunder, including each installment payment, will be treated as a separate payment for purposes of Section 409A. With respect to payments subject to Section 409A (and not exempt therefrom), each such payment will be paid as a result of a permissible distribution event, and at a specified time, consistent with Section 409A. The Executive has no right to, and there will not be, any acceleration or deferral with respect to payments hereunder. The Executive acknowledges and agrees that the Company will not be liable for, and nothing provided or contained in this Change of Control Agreement will obligate or cause the Company to be liable for, any tax, interest or penalties imposed on the Executive related to or arising with respect to any violation of Section 409A. For purposes of this Change of Control Agreement, any reference to "termination of employment", "termination" or similar reference will be construed to be a reference to Separation from Service.

7.2. Notwithstanding any other provision of this Change of Control Agreement to the contrary, to the extent that any amount payable or benefit to be provided under this Change of Control Agreement constitutes Section 409A Deferred Compensation that is not exempt from Section 409A, and such amount or benefit is payable or to be provided as a result of Separation from Service, and the Executive is a "specified employee" (as defined and determined under Section 409A and any relevant procedures that the Company may establish) ("Specified Employee") at the time of his Separation from Service, then such payment or benefit will not be made or provided to the Executive until the day after the date that is six months following the Executive's Separation from Service, at which time all payments or benefits that otherwise would have been paid or provided to the Executive under this Change of Control Agreement during that six-month period, but were not paid or provided because of this Section 7.2, will be paid or provided, with any cash payment to be made in a single lump sum (without any interest with respect to that six-month period). This six-month delay will cease to be applicable if the Executive's Separation from Service due to death or if the Executive dies before the six-month period has elapsed, in which event any such payments or benefits will be paid or provided to the Executive's estate within thirty (30) days of the date of death.

7.3. Notwithstanding any other provision of this Change of Control Agreement to the contrary, to the extent that any amount payable or benefit to be provided under this Change of Control Agreement constitutes Section 409A Deferred Compensation that is not exempt from Section 409A and the Executive is not a Specified Employee at the time of his Separation from Service, then such payment or benefit will not be provided to the Executive until the sixtieth (60th) day following the Executive's Separation from Service, at which time all payments or benefits that otherwise would have been paid or provided to the Executive under this Change of Control Agreement during the sixty (60) days period, but were not paid or provided because of this Section 7.3, will be paid or provided, with any cash payment to be made in a single lump sum (without any interest with respect to that sixty-day period).

ARTICLE 8

SUCCESSORS; BINDING AGREEMENT

This Change of Control Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Change of Control Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Change of Control Agreement, "Company" will mean the Company as defined herein and any successor to its business and/or assets which assumes and agrees to perform this Change of Control Agreement by operation of law or otherwise. This Change of Control Agreement will be binding upon, and will inure to the benefit of and be enforceable by, the Executive, the Executive's heirs, personal representatives, executors and administrators.

ARTICLE 9

ATTORNEY'S FEES

Each party will bear all attorney's fees and related expenses in connection with or relating to the negotiation and enforcement of this Change of Control Agreement; provided, that if the Executive is wholly successful on the merits of any action or proceeding to enforce the Executive's rights under this Change of Control Agreement, the Company will reimburse all reasonable attorney's fees and related expenses incurred by the Executive in connection with such action or proceeding. Any amount payable by the Company in any year pursuant to the prior sentence will not be affected by the amount of any payment made by the Company pursuant to the prior sentence in any other year, and under no circumstances will the Executive by permitted to liquidate or exchange the benefit afforded her in the prior sentence for cash or any other benefit. To the extent any such payment is made via reimbursement to the Executive, no such reimbursement will be made by the Company later than the end of the year following the year in which the underlying expense is incurred. The reimbursement right set forth in this Article 9 will be limited to fees and expenses incurred during the Executive's employment with the Employer Entities and during the ten (10) year period immediately thereafter.

ARTICLE 10

EMPLOYMENT WITH EMPLOYER ENTITIES

Employment with the Company for purposes of this Change of Control Agreement will include employment with any Employer Entity.

ARTICLE 11

NO SETOFF

No amounts otherwise due or payable under this Change of Control Agreement will be subject to setoff by the Company, except as otherwise required by law.

ARTICLE 12

NOT A CONTRACT FOR EMPLOYMENT

This Change of Control Agreement will not in any way constitute an employment agreement between the Company and the Executive and it will not oblige the Executive to continue in the employ of Company, nor will it oblige the Company to continue to employ the Executive.

ARTICLE 13

FDIC EVENTS

If any of the Employer Entities is in default (as defined in Section 3(x)(1) of the Federal Deposit Insurance Act or equivalent provisions relating to a regulator with supervisory authority over any of the Employer Entities), all obligations under this Change of Control Agreement will terminate as of the date of default, but this Article 13 will not affect any vested rights of the parties. Notwithstanding any other provision of this Change of Control Agreement, the Employer Entities will have no obligation to make any payments to Executive if such payments would be prohibited by applicable federal or state law, including without limitation Part 359 of the regulations of the Federal Deposit Insurance Corporation (12 CFR § 359 et seq.) or any successor provision.

ARTICLE 14

NOTICES

All notices and other communications required to be given hereunder will be in writing and will be deemed to have been delivered or made when mailed, by certified mail, return receipt requested, if to the Executive, to the last address which the Executive will provide to the Employer, in writing, for this purpose, but if the Executive has not then provided such an address, then to the last address of the Executive then on file with the Company; and if to the Company, then to the last address which the Company will provide to the Executive, in writing, for this purpose, but if the Company has not then provided the Executive with such an address, then to: President and Chief Executive Officer First Commonwealth Financial Corporation 601 Philadelphia Street Indiana, Pennsylvania 15701

ARTICLE 15

GOVERNING LAW AND JURISDICTION

This Change of Control Agreement will be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, except for the laws governing conflict of laws. In the event that either party will institute suit or other legal proceeding, whether in law or equity, the Courts of the Commonwealth of Pennsylvania will have exclusive jurisdiction with respect thereto.

ARTICLE 16

ENTIRE AGREEMENT

This Change of Control Agreement constitutes the entire understanding between the Company and the Executive concerning the subject matter hereof and supersedes all prior written or oral agreements or understandings between the parties hereto, including without limitation the Original Change of Control Agreement. No term or provision of this Change of Control Agreement may be changed, waived, amended or terminated except by a written instrument of equal formality to this Change of Control Agreement.

Signature page follows.

IN WITNESS WHEREOF, the parties have executed this Change of Control Agreement as of the date set forth above.

(Corporate Seal)

<u>Carrie L. Riggle</u>
Witness

FIRST COMMONWEALTH FINANCIAL CORPORATION

By: <u>T. Michael Price</u>
Name: T. Michael Price
Title: President & CEO

EXECUTIVE

<u>Carrie L. Riggle</u>
Witness

<u>Linda Metzmaier</u>

CHANGE OF CONTROL AGREEMENT

THIS CHANGE OF CONTROL AGREEMENT (this "Change of Control Agreement"), is entered into as of **August 1, 2025** (the "Effective Date"), by and between First Commonwealth Financial Corporation, a Pennsylvania corporation (the "Company"), and **Lee E. Lyon II** ("Executive").

W I T N E S S E T H:

WHEREAS, the Compensation & Human Resources Committee ("Compensation Committee") of the Company's Board of Directors (the "Board") has determined that it is in the best interests of the Company and its shareholders to assure that the Company will have the continued dedication of the Executive, notwithstanding the possibility, threat or occurrence of a "Change of Control" (as defined below) of the Company;

WHEREAS, the Compensation Committee believes that it is important to diminish the inevitable distraction of the Executive that would result from the personal uncertainties and risks created by a pending or threatened Change of Control and to encourage the Executive to continue to devote Executive's full attention and dedication to the Company currently and in the event of any threatened or pending Change of Control, and to provide the Executive with compensation and benefit arrangements upon the termination of Executive's employment following a Change of Control;

WHEREAS, the Compensation Committee has authorized the Company to enter into this Change of Control Agreement with the Executive; and

WHEREAS, the Company and the Executive wish to enter into this Change of Control Agreement in order to accomplish these objectives.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and other good and valuable consideration, the Company and the Executive do hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1. 1 "Cause" for termination will be deemed to exist if:

(a) the Executive is convicted of, or pleads guilty or nolo contendere to, any crime which constitutes a felony under the laws of the United States of America or of any state or territory thereof, and the commission of that felony resulted in, or was intended to result in, a loss (monetary or otherwise) to the Employer Entities, or any of their respective clients, customers, directors, officers or employees;

(b) the Executive fails or refuses to perform the Executive's duties to any of the Employer Entities (other than during such time as the Executive is incapacitated due to an accident or illness or during the Executive's regularly scheduled vacation periods) with the degree of skill and care reasonably expected of a professional of his experience and stature for a period of thirty (30) consecutive days following the receipt by the Executive of a notice from the Company sent by certified mail, return receipt requested, setting forth in detail the facts upon which the Company relies in concluding that the Executive has failed or refused to perform the Executive's duties and indicating with specificity the duties that the Company demands that the Executive perform without delay;

(c) the Executive engages in an act or acts of dishonesty which result or are intended to result in material damage to the business or reputation of any of the Employer Entities; or

(d) the Executive fails or refuses to comply with any material provision of this Change of Control Agreement or any policy or procedure of any Employer Entity, which violations are demonstrably willful and deliberate on the Executive's part and which result or are intended to result in material damage to the business or reputation of any of the Employer Entities and as to which failure or refusal to comply the Company has notified the Executive in writing.

1.2. "Change of Control" will mean:

(a) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of the then outstanding shares of common stock of the Company;

(b) Individuals who, as of the Effective Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the Effective Date, whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board; or

(c) Consummation of a reorganization, merger, consolidation, sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), in each case, with respect to which all or substantially all of the individuals and entities who were the beneficial owners of shares outstanding shares of the Company's common stock immediately prior to such Business Combination do not, following such Business Combination, beneficially own, directly or indirectly, more than fifty-percent (50%) of the then outstanding shares of common stock of the corporation resulting from such a Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries).

Notwithstanding any other provision of this Change of Control Agreement to the contrary, (i) the placement of any of the Employer Entities into receivership or conservatorship by the Federal Deposit Insurance Corporation ("FDIC") or a state or federal banking regulatory agency with jurisdiction over any of the Employer Entities, (ii) the acquisition of fifty-percent (50%) or more of any of the Employer Entities' assets or assumption of fifty-percent (50%) or more of the Employer Entities' deposit liabilities in an FDIC-assisted transaction, and (iii) a change in any Employer Entity's board of directors at the direction of a state or federal banking regulatory authority having jurisdiction over any of the Employer Entities, will not constitute a Change of Control.

1.3. "Client" means any client or prospective client of the Company to whom the Executive provided services, or for whom the Executive transacted business, or whose identity became known to the Executive in connection with the Executive's relationship with or employment by the Company.

1.4. "Code" means the Internal Revenue Code of 1986, as amended.

1.5. "Employer Entity" means the Company and each of its subsidiaries and affiliates, including without limitation, FCB.

1.6. "Exchange Act" means the Securities Exchange Act of 1934, as amended.

1.7. "Good Reason" means:

(a) the assignment to the Executive of any duties inconsistent in any respect with the Executive's title, position, authority, duties or responsibilities immediately prior to the Change of Control or any other action by the Company which results in a diminution of such position, authority, duties or responsibilities, other than an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after the receipt of notice thereof given by the Executive;

(b) any requirement of the Company that the Executive (i) be based anywhere more than fifty (50) miles from the office where the Executive is located immediately prior to the Change of Control or (ii) travel on Company business to an extent substantially greater than the travel obligations of the Executive immediately prior to the Change of Control; or

(c) (i) a reduction by the Company in the Executive's rate of annual base salary as in effect immediately prior to the Change of Control or (ii) the failure of the Company to continue in effect any employee benefit plan, compensation plan, welfare benefit plan or material fringe benefit plan in which the Executive is participating or entitled to participate immediately prior to the Change of Control, unless the Executive is permitted to participate in other plans providing the Executive with substantially equivalent benefits in the aggregate (at substantially equivalent cost with respect to welfare benefit plans).

1.8. "Protected Period" means the period of time beginning with the date of a Change of Control and ending two (2) years following such Change of Control.

1.9. "Qualifying Termination" means a termination of the Executive's employment (i) by the Company other than for Cause, disability or death, or (ii) by the Executive for Good Reason, provided that such termination of employment constitutes a Separation from Service.

1.10. "Section 409A" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

1.11. "Section 409A Change of Control" means a "Change of Control Event" as defined in Section 409A.

1.12. "Section 409A Deferred Compensation" means an amount payable or benefit to be provided under a "nonqualified deferred compensation plan" as defined in Section 409A.

1.13. "Separation from Service" has the meaning set forth in Section 409A.

ARTICLE 2

TERM

2.1. The term of this Change of Control Agreement will begin on the Effective Date and will continue for thirty-six (36) full calendar months thereafter (the "Initial Term"). This term of this Change of Control Agreement will automatically renew for twenty-four (24) full calendar months thereafter on the third anniversary of the Effective Date and on each second anniversary thereafter (each, a "Renewal Term") unless either party hereto gives notice in writing to the other party at least twelve (12) months prior to the end of the Initial Term or any Renewal Term of the party's intent not to renew such term.

2.2. Notwithstanding the foregoing, if a Change of Control occurs prior to the end of the Initial Term or Renewal Term, as the case may be, then the term of this Change of Control Agreement will continue until the later of (a) the end of the Protected Period, or (b) if a Qualifying Termination occurs during the Protected Period, the end of the Severance Period. Notwithstanding anything in this Section to the contrary, this Change of Control Agreement will terminate if the Executive or the Company terminates the Executive's employment for any reason prior to a Change in Control.

ARTICLE 3

PAYMENTS

3.1. Qualifying Termination. If during the Protected Period the employment of the Executive is terminated pursuant to a Qualifying Termination, subject to Article 7 hereof, then the Employer Entities will pay to the Executive (or the Executive's beneficiary as provided in Article 5 hereof) the accrued obligations, severance pay and severance benefits in accordance with Sections 3.2, 3.3 and 3.4 hereof. If the Executive's employment with the Employer Entities is terminated (i) for any reason prior to or after the Protected Period or (ii) other than pursuant to a Qualifying Termination during the Protected Period, then the Executive will not be entitled to the payment of any severance or provision of any benefits under this Change of Control Agreement.

3.2. Accrued Benefits. In the event of a Qualifying Termination described in Section 3.1 hereof, the Employer Entities will pay to the Executive any accrued and unpaid base salary and paid time-off, within thirty (30) days following the date of Qualifying Termination or such earlier date as is required by law.

3.3. Severance Pay. Subject to Article 7 hereof, in the event of a Qualifying Termination described in Section 3.1 hereof, the Employer Entities will pay to the Executive an amount equal to one (1) times: (i) the Executive's annual base salary immediately prior to the Change of Control; (ii) the average of the aggregate annual amount of all bonuses paid to the Executive during the thirty-six (36) month period (or the Executive's period of employment with the Employer Entities, if less) preceding the Change of Control; (iii) the aggregate amount of all contributions by the Company for the account of the Executive under the First Commonwealth Financial Corporation 401(k) Savings and Investment Plan during the twelve (12) month period preceding the Change of Control; and (iv) the aggregate of all contributions by the Company for the account of the Executive to the Company's Non-Qualified Deferred Compensation Plan during the twelve (12) month period preceding the Change of Control. Subject to Article 7 hereof, such sum will be paid in equal periodic installments payable in accordance with the Employer Entity's normal payroll practices during the twelve (12) month period immediately following such Qualifying Termination (the "Severance Period").

3.4. Continued Health Insurance Benefits. In addition to the severance payable pursuant to Section 3.3 hereof, in the event of a Qualifying Termination described in Section 3.1 hereof, the Employer Entities will offer continuation coverage to the Executive, as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), under the Company's group health plan on the terms and conditions mandated by COBRA and the Company will pay the full cost of the COBRA premiums on behalf of the Executive and his covered family members during the twelve (12) month period immediately following such Qualifying Termination.

3.5. Other Compensation and Benefits.

(a) Except as expressly provided for in Article 3 hereof, the Executive will not be entitled to severance pay or benefits under any plan, program, policy, practice or other arrangement of any Employer Entity in connection with any Qualifying Termination, including without limitation this Change of Control Agreement or any severance policy of any Employer Entity.

(b) During the Severance Period, the Executive will not be eligible to participate in any Employer Entity equity-based incentive, other incentive, 401(k) savings, employee stock ownership, deferred compensation, supplemental retirement, supplemental savings, life insurance, short or long term disability, employee welfare benefit, fringe benefit, perquisite, vacation, paid time-off or other employee benefit plan, program, policy, practice or other arrangement of any Employer Entity.

(c) Unless otherwise determined by the Board or applicable committee thereof, any outstanding options or other equity based awards held by the Executive to purchase or acquire Employer stock under any equity-based plan of any Employer Entity will be subject to the exercisability, vesting and forfeiture provisions of the respective plan. Any benefits the Executive has earned with respect to his employment for periods on or prior to the Qualifying Termination under any annual incentive, deferred compensation, supplement retirement or savings, 401(k), employer stock ownership or similar plan of any Employer Entity will be paid in accordance with the terms of such plan.

3.6. Release. The Company's obligation to make any payment to the Executive as described in this Article 3 is contingent upon the Executive's execution and non-revocation of a release within sixty (60) days following the Executive's Separation from Service, in form and substance reasonably satisfactory to the Company, that, in the opinion of the Company's counsel, is effective to release the Company from all claims relating to the Executive's employment or the termination thereof (other than under the terms of this Change of Control Agreement), and the Company will have no obligation to make any payment unless and until such a release has become effective.

3.7. Business Expenses. The Employer Entities will reimburse the Executive for any unreimbursed, reasonable business expenses incurred by the Executive on or before the Qualifying Termination, pursuant to Employer's reimbursement policies, provided that Executive present all expense reports to Employer in accordance with such policies. All such expense reports must be submitted within thirty (30) days following the date of the Qualifying Termination.

3.8. Withholding Taxes and Other Deductions. The Employer Entities may withhold from any payments made to the Executive any applicable federal, state, local and other taxes (such as employment taxes), and such other deductions as are prescribed by law. This includes withholding amounts from payments made pursuant to this Article 3 in order to satisfy any withholding obligations.

ARTICLE 4

LIMITATION ON PAYMENT OF BENEFITS

Notwithstanding anything to the contrary in this Change of Control Agreement, if the payments and benefits pursuant to Article 3 hereof, either alone or together with other payments and benefits which the Executive has the right to receive from the Company or any of its subsidiaries, would constitute a “parachute payment” under Section 280G of the Code, the payments and benefits pursuant to Article 3 hereof will be reduced, in the manner determined by independent tax counsel selected as provided below, by the amount, if any, which is the minimum necessary to result in no portion of the payments and benefits under Article 3 hereof being non-deductible to the Company or such subsidiary pursuant to Section 280G of the Code and subject to the excise tax imposed under Section 4999 of the Code; provided, however, that if such procedure for determining the reduction of payments and benefits is determined by the Company to result in a violation of Section 409A, such reduction will be made on a pro rata basis. The determination of whether any reduction in the payments and benefits is to be made pursuant to Article 3 hereof will be based upon the written advice of independent tax counsel selected by the Company and reasonably acceptable to the Executive. The fees and expenses of the tax counsel will be paid by the Company. The Company will use its best efforts to cause such counsel to prepare the foregoing opinion as promptly as practicable, and in any event, within thirty (30) days after the Change of Control or date of Qualifying Termination, if earlier. The Company and the Executive agree to be bound by the determination of such tax counsel and to make appropriate payments to each other to give effect to the intent and purpose of this

ARTICLE 5

BENEFICIARIES

If the Executive dies after the occurrence of a Qualifying Termination, but prior to the payment of all of the monthly severance payments required by Article 3 hereof, then all remaining severance payments will be paid to the beneficiary designated in writing by the Executive at the same time, and in the same amount, as would have been payable to the Executive. The designation of a beneficiary for purposes of this Article 5 will be revocable during the lifetime of the Executive. If the Executive does not designate a beneficiary under this Change of Control Agreement, the beneficiary will be deemed to be the same person that the Executive designated with respect to the Executive’s group life insurance program maintained by the Company.

ARTICLE 6

EXECUTIVE COVENANTS

6.1. Non-Disparagement. The Executive agrees that he will not, in writing or orally, or through conduct, disparage, deprecate, discredit, vilify or otherwise say anything negative about the Employer Entities. The Executive agrees never to disparage the services, products, customers, or employees of any Employer Entity. These prohibitions include, without limitation, any such statements made through use of social media sites, such as Facebook, LinkedIn or X (formerly Twitter).

6.2. Non-Disclosure of Confidential Information. The Executive recognizes and acknowledges that: (a) in the course of the Executive’s employment by the Employer Entities, it will be necessary for the Executive to acquire information which could include, in whole or in part, information concerning the Employer Entities’ business, sales volume, sales methods, sales proposals, financial statements and reports, customers and prospective customers, identity of customers and prospective customers, identity of key purchasing personnel in the employ of customers and prospective customers, amount or kind of customers' purchases from the Employer Entities, the Employer Entities' sources of supply, the Employer Entities' computer programs, system documentation, special hardware, product hardware, related software development, the Employer Entities' manuals, formulae, processes, methods, machines, compositions, ideas, improvements, inventions, or other confidential or proprietary information belonging to the Employer Entities or relating to the Employer Entities' affairs (collectively referred to herein as the "Confidential Information"); (b) the Confidential Information is the property of the Employer Entities; (c) the use, misappropriation or disclosure of the Confidential Information would constitute a breach of trust and could cause irreparable injury to the Employer Entities; and (d) it is essential to the protection of the Employer Entities' good will and to the maintenance of the Employer Entities' competitive position that the Confidential Information be kept secret and that the Executive not disclose the Confidential Information to others or use the Confidential Information to the Executive's own advantage or the advantage of others. Confidential Information will not include information otherwise available in the public domain through no act or omission of the Executive. The Executive agrees to hold and safeguard the Confidential Information in trust for the Employer Entities, its successors and assigns and agrees that he will not, without the prior written consent of the Employer Entities, misappropriate or disclose or make available to anyone for use outside the Employer Entities' organizations at any time, either during his employment with any Employer Entity or subsequent to the termination of his employment with the Employer Entities for any reason, including without limitation, termination by any Employer Entity, any of the Confidential Information, whether or not developed by the Executive, except as required in the performance of the Executive's duties to the Employer Entities.

6.3. Non-Solicitation of Employees**.** The Executive agrees that, during the term of his employment with any Employer Entity and for twelve (12) months following termination of the Executive's employment with the Employer Entities for any reason, including without limitation termination by any Employer Entity for Cause or without Cause, the Executive will not, directly or indirectly, solicit or induce, or attempt to solicit or induce, any employee of any Employer Entity or of any of its subsidiaries or affiliates, to leave any Employer Entity or any of its subsidiaries, or affiliates, for any reason whatsoever, or to hire any such employee.

6.4. Return of Materials. Upon the termination of the Executive's employment with the Employer Entities for any reason, the Executive will promptly deliver to the Employer Entities all correspondence, drawings, blueprints, manuals, letters, notes, notebooks, reports, flow-charts, computer equipment, programs, software, databases, proposals, financial statements and reports, and any documents concerning the Employer Entities' customers or concerning products or processes used by the Employer Entities and, without limiting the foregoing, will promptly deliver to the Employer Entities any and all other documents or materials containing or constituting Confidential Information.

6.5. Work Made for Hire. The Executive agrees that in the event of publication by the Executive of written or graphic materials constituting "work made for hire," as defined and used in the Copyright Act of 1976, 17 USC § 1 *et seq.*, the Employer Entities will retain and own all rights in said materials, including right of copyright.

6.6. Jurisdiction and Service of Process. The Executive and the Company waive any right to a court (including jury) proceeding and instead agree to submit any dispute over the application, interpretation, validity, or any other aspect of this Change of Control Agreement to binding arbitration consistent with the application of the Federal Arbitration Act and the procedural rules of the American Arbitration Association ("AAA") before an arbitrator who is a member of the National Academy of Arbitrators ("NAA") out of a nationwide panel of eleven (11) arbitrators to be supplied by the AAA. The Company will absorb the fee charged and the expenses incurred by the neutral arbitrator selected.

6.7. Validity. The terms and provisions of this Article 6 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Change of Control Agreement will thereby be affected. The parties hereto acknowledge that the potential restrictions on the Executive's future employment imposed by this Article 6 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction will find any provisions of this Article 6 unreasonable in duration or geographic scope or otherwise, the Executive and the Company agree that the restrictions and prohibitions contained herein will be effective to the fullest extent allowed under applicable law in such jurisdiction.

6.8. Consideration. The parties acknowledge that this Change of Control Agreement would not have been entered into and the benefits described herein would not have been promised in the absence of the Executive’s promises under this Article 6.

6.9. Cease Payments. In the event that the Executive breaches any material provision of this Article 6, the Company’s obligation to make or provide payments or benefits under Article 3 will cease, to the extent not already paid or provided.

ARTICLE 7

SECTION 409a

7.1. This Change of Control Agreement will be administered, interpreted and construed in compliance with Section 409A, including any exemption thereunder. Each payment hereunder, including each installment payment, will be treated as a separate payment for purposes of Section 409A. With respect to payments subject to Section 409A (and not exempt therefrom), each such payment will be paid as a result of a permissible distribution event, and at a specified time, consistent with Section 409A. The Executive has no right to, and there will not be, any acceleration or deferral with respect to payments hereunder. The Executive acknowledges and agrees that the Company will not be liable for, and nothing provided or contained in this Change of Control Agreement will obligate or cause the Company to be liable for, any tax, interest or penalties imposed on the Executive related to or arising with respect to any violation of Section 409A. For purposes of this Change of Control Agreement, any reference to "termination of employment", "termination" or similar reference will be construed to be a reference to Separation from Service.

7.2. Notwithstanding any other provision of this Change of Control Agreement to the contrary, to the extent that any amount payable or benefit to be provided under this Change of Control Agreement constitutes Section 409A Deferred Compensation that is not exempt from Section 409A, and such amount or benefit is payable or to be provided as a result of Separation from Service, and the Executive is a "specified employee" (as defined and determined under Section 409A and any relevant procedures that the Company may establish) ("Specified Employee") at the time of his Separation from Service, then such payment or benefit will not be made or provided to the Executive until the day after the date that is six months following the Executive's Separation from Service, at which time all payments or benefits that otherwise would have been paid or provided to the Executive under this Change of Control Agreement during that six-month period, but were not paid or provided because of this Section 7.2, will be paid or provided, with any cash payment to be made in a single lump sum (without any interest with respect to that six-month period). This six-month delay will cease to be applicable if the Executive's Separation from Service due to death or if the Executive dies before the six-month period has elapsed, in which event any such payments or benefits will be paid or provided to the Executive's estate within thirty (30) days of the date of death.

7.3. Notwithstanding any other provision of this Change of Control Agreement to the contrary, to the extent that any amount payable or benefit to be provided under this Change of Control Agreement constitutes Section 409A Deferred Compensation that is not exempt from Section 409A and the Executive is not a Specified Employee at the time of his Separation from Service, then such payment or benefit will not be provided to the Executive until the sixtieth (60th) day following the Executive's Separation from Service, at which time all payments or benefits that otherwise would have been paid or provided to the Executive under this Change of Control Agreement during the sixty (60) days period, but were not paid or provided because of this Section 7.3, will be paid or provided, with any cash payment to be made in a single lump sum (without any interest with respect to that sixty-day period).

ARTICLE 8

SUCCESSORS; BINDING AGREEMENT

This Change of Control Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Change of Control Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Change of

Control Agreement, “Company” will mean the Company as defined herein and any successor to its business and/or assets which assumes and agrees to perform this Change of Control Agreement by operation of law or otherwise. This Change of Control Agreement will be binding upon, and will inure to the benefit of and be enforceable by, the Executive, the Executive’s heirs, personal representatives, executors and administrators.

ARTICLE 9

ATTORNEY’S FEES

Each party will bear all attorney’s fees and related expenses in connection with or relating to the negotiation and enforcement of this Change of Control Agreement; provided, that if the Executive is wholly successful on the merits of any action or proceeding to enforce the Executive’s rights under this Change of Control Agreement, the Company will reimburse all reasonable attorney’s fees and related expenses incurred by the Executive in connection with such action or proceeding. Any amount payable by the Company in any year pursuant to the prior sentence will not be affected by the amount of any payment made by the Company pursuant to the prior sentence in any other year, and under no circumstances will the Executive by permitted to liquidate or exchange the benefit afforded him in the prior sentence for cash or any other benefit. To the extent any such payment is made via reimbursement to the Executive, no such reimbursement will be made by the Company later than the end of the year following the year in which the underlying expense is incurred. The reimbursement right set forth in this Article 9 will be limited to fees and expenses incurred during the Executive's employment with the Employer Entities and during the ten (10) year period immediately thereafter.

ARTICLE 10

EMPLOYMENT WITH EMPLOYER ENTITIES

Employment with the Company for purposes of this Change of Control Agreement will include employment with any Employer Entity.

ARTICLE 11

NO SETOFF

No amounts otherwise due or payable under this Change of Control Agreement will be subject to setoff by the Company, except as otherwise required by law.

ARTICLE 12

NOT A CONTRACT FOR EMPLOYMENT

This Change of Control Agreement will not in any way constitute an employment agreement between the Company and the Executive and it will not oblige the Executive to continue in the employ of Company, nor will it oblige the Company to continue to employ the Executive.

ARTICLE 13

FDIC EVENTS

If any of the Employer Entities is in default (as defined in Section 3(x)(1) of the Federal Deposit Insurance Act or equivalent provisions relating to a regulator with supervisory authority over any of the Employer Entities), all obligations under this Change of Control Agreement will terminate as of the date of default, but this Article 13 will not affect any vested rights of the parties. Notwithstanding any other provision of this Change of Control Agreement, the Employer Entities will have no obligation to make any payments to Executive if such payments would be prohibited by applicable federal or state law, including without limitation Part 359 of the regulations of the Federal Deposit Insurance Corporation (12 CFR § 359 et seq.) or any successor provision.

ARTICLE 14

NOTICES

All notices and other communications required to be given hereunder will be in writing and will be deemed to have been delivered or made when mailed, by certified mail, return receipt requested, if to the Executive, to the last address which the Executive will provide to the Employer, in writing, for this purpose, but if the Executive has not then provided such an address, then to the last address of the Executive then on file with the Company; and if to the Company, then to the last address which the Company will provide to the Executive, in writing, for this purpose, but if the Company has not then provided the Executive with such an address, then to: President and Chief Executive Officer First Commonwealth Financial Corporation 601 Philadelphia Street Indiana, Pennsylvania 15701

ARTICLE 15

GOVERNING LAW AND JURISDICTION

This Change of Control Agreement will be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, except for the laws governing conflict of laws. In the event that either party will institute suit or other legal proceeding, whether in law or equity, the Courts of the Commonwealth of Pennsylvania will have exclusive jurisdiction with respect thereto.

ARTICLE 16

ENTIRE AGREEMENT

This Change of Control Agreement constitutes the entire understanding between the Company and the Executive concerning the subject matter hereof and supersedes all prior written or oral agreements or understandings between the parties hereto, including without limitation the Original Change of Control Agreement. No term or provision of this Change of Control Agreement may be changed, waived, amended or terminated except by a written instrument of equal formality to this Change of Control Agreement.

Signature page follows.

IN WITNESS WHEREOF, the parties have executed this Change of Control Agreement as of the date set forth above.

(Corporate Seal)
Carrie L. Riggle
Witness

FIRST COMMONWEALTH FINANCIAL CORPORATION
By: T. Michael Price
Name: T. Michael Price
Title: President & CEO

Carrie L. Riggle
Witness

EXECUTIVE
Lee E. Lyon II

Exhibit 21.1 Subsidiaries of First Commonwealth Financial Corporation

	Percent Ownership by Registrant
First Commonwealth Bank 601 Philadelphia Street Indiana, PA 15701 Incorporated under laws of Pennsylvania	100%
Subsidiaries of First Commonwealth Bank	
First Commonwealth Insurance Agency 601 Philadelphia Street Indiana, PA 15701 Incorporated under laws of Pennsylvania	100%
First Commonwealth Community Development Corporation (Inactive) 654 Philadelphia Street Indiana, PA 15701 Incorporated under laws of Pennsylvania	100%
First Commonwealth Financial Advisors Incorporated (Inactive) 601 Philadelphia Street Indiana, PA 15701 Incorporated under laws of Pennsylvania	100%
FraMal Holdings Corporation 1100 N. Market Street, 4th Floor Wilmington, DE 19890 Incorporated under laws of Delaware	100%
First Commonwealth Capital Trust II 601 Philadelphia Street Indiana, PA 15701 Incorporated under laws of Pennsylvania	100%
First Commonwealth Capital Trust III 601 Philadelphia Street Indiana, PA 15701 Incorporated under laws of Pennsylvania	100%
Commonwealth Trust Credit Life Insurance Company 3101 North Central Avenue, Suite 400 Phoenix, AZ 85012 Incorporated under laws of Arizona	50%

Exhibit 23.1 **Consent of Independent Registered Public Accounting Firm**

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-187288) of First Commonwealth Financial Corporation, and

(2) Registration Statement (Form S-8 No. 333-238312) of First Commonwealth Financial Corporation, and

(3) Registration Statement (Form S-8 No. 333-279186) of First Commonwealth Financial Corporation, and

(4) Registration Statement (Form S-3 No. 333-283953) of First Commonwealth Financial Corporation, and

(5) Registration Statement (Form S-4 No. 333-284578) of First Commonwealth Financial Corporation

of our reports dated March 2, 2026, with respect to the consolidated financial statements of First Commonwealth Financial Corporation and the effectiveness of internal control over financial reporting of First Commonwealth Financial Corporation included in this Annual Report (Form 10-K) of First Commonwealth Financial Corporation for the year ended December 31, 2025.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
March 2, 2026

EXHIBIT 31.1
CHIEF EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, T. Michael Price, certify that:

1. I have reviewed this annual report on Form 10-K of First Commonwealth Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 2, 2026	/S/ T. Michael Price
Date	Signature
	President and Chief Executive Officer
	Title

EXHIBIT 31.2
CHIEF FINANCIAL OFFICER CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James R. Reske, certify that:

1. I have reviewed this annual report on Form 10-K of First Commonwealth Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 2, 2026	/S/ James R. Reske
Date	Signature
	Executive Vice President, Chief Financial Officer and Treasurer
	Title

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADDED BY SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, T. Michael Price, President and Chief Executive Officer of First Commonwealth Financial Corporation ("First Commonwealth"), certify that the Annual Report of First Commonwealth on Form 10-K for the period ended December 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition of First Commonwealth at the end of such period and the results of operations of First Commonwealth for such period.

DATED: March 2, 2026	/S/ T. Michael Price
	T. Michael Price
	President and Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADDED BY SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, James R. Reske, Executive Vice President, Chief Financial Officer and Treasurer of First Commonwealth Financial Corporation ("First Commonwealth"), certify that the Annual Report of First Commonwealth on Form 10-K for the period ended December 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition of First Commonwealth at the end of such period and the results of operations of First Commonwealth for such period.

DATED: March 2, 2026	/S/ James R. Reske
	James R. Reske Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 97.1 **Policy for Recoupment of Incentive Compensation**

FIRST COMMONWEALTH FINANCIAL CORPORATION
POLICY FOR RECOUPMENT OF INCENTIVE COMPENSATION

Policy Statement

The Board of Directors (the "**Board**") of First Commonwealth Financial Corporation (the "**Company**") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the "**Policy**"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**") and the rules of the New York Stock Exchange ("**NYSE**") promulgated thereunder.

Administration

This Policy shall be administered by the Compensation & Human Resources Committee of the Board. As used in this policy, references the Board shall be deemed references to the Compensation & Human Resources Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company's current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the NYSE ("**Covered Executives**").

Incentive Compensation

For purposes of this Policy, Incentive Compensation means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.
- Financial reporting measures include:
- Company stock price or total shareholder return.
- Net income.
- Revenue measures such as net interest income or noninterest income.
- Net interest margin.
- Return measures such as return on average assets or return on average equity.
- Provision for loan losses and asset quality measures.

- Efficiency ratio.
- Earnings measures such as earnings per share.

Notwithstanding anything to the contrary, this Policy shall not apply to amounts paid, or accrued or unpaid, as the Covered Executive's base salary through the last day of employment, equity awards that vest exclusively upon completion of a specified employment period without any performance condition, or bonus awards that are based on subjective goals and goals unrelated to financial reporting.

Effective Date

This Policy shall be effective as of October 2, 2023 (the "Effective Date") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Recoupment; Accounting Restatement

In the event that the Board, the Audit Committee of the Board, or a court, regulator or other legally authorizing body determines that the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (an "Accounting Restatement"), the Board will require reasonably prompt reimbursement or forfeiture of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the Accounting Restatement, then it will make its determination based on a reasonable estimate of the effect of the Accounting Restatement. Such estimate must be documented and disclosed to the NYSE. Without limiting the generality of the foregoing, for Incentive Compensation based on stock price or total shareholder return, where the amount of the erroneously awarded Incentive Compensation is not subject to mathematical recalculation directly from the Accounting Restatement, the amount recovered must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- requiring reimbursement of cash Incentive Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding vested or unvested equity awards; and/or
- taking any other remedial and recovery action permitted by law, as determined by the Board.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless the Compensation Committee, or in the absence of such a committee, a majority of the independent directors serving on the Board of Directors, has made a determination that such recovery would be impracticable, because:

(1) After reasonable attempts to recover such compensation directly, the Compensation Committee determines that the cost of hiring a third party to assist in enforcing this Policy would exceed the amount to be recovered. The attempts to recover the compensation must be documented and disclosed to the NYSE; or

(2) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

Definitions

- Board: First Commonwealth Financial Corporation Board of Directors
- Company: First Commonwealth Financial Corporation

- FCFC: First Commonwealth Financial Corporation
- Policy: First Commonwealth Financial Corporation Policy for the Recoupment of Incentive Compensation
- Exchange Act: Section 10D of the Securities Exchange Act of 1934
- NYSE: New York Stock Exchange
- Covered Employee: Company's current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the NYSE