

Our Community Development Story

2023



MONIQUE THOMAS, CUSTOMER AND NEW
HOMEOWNER, WITH TWO OF HER DAUGHTERS



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W H Y W E E X I S T

Banking is a noble profession, and that's perhaps most clearly displayed in the opportunities we have to meaningfully deploy our capital to the communities where we live and work. Banks have the resources to shape entire economies of neighborhoods, from financing businesses that create local jobs, providing mortgages for the families of those employees, to delivering cash flow solutions to the boroughs, townships and municipalities that service those businesses and homeowners.

Not every bank does this well. I think we do. We punch well above our weight-class and are relentless in our approach to always doing better.

I'm proud of the work that our teams do every single day to deliver our mission. Whether working with developers focused on affordable housing, volunteering to teach homebuyer education, or simply always choosing a small business for dinners out, we get to make decisions every day that put the well-being of our customers, and therefore our communities first.

I hope the story that unfolds in this document inspires you to support the banks doing this work well, and challenge those that aren't.

Thank you for reading our story.



Mike

MIKE PRICE
President and CEO

Our mission is to improve the financial lives of our neighbors and their businesses.

OUR STORY

Thank you for taking the time to read the rich and impactful stories of our report. 2023 marked a unique point in the life cycle of First Commonwealth. We showed up in bold and innovative ways to create access to capital in new and underserved communities. We added a new Regional CRA Officer to create a responsive transition for our community partners as we expanded more broadly into central Pennsylvania. We were also the first bank in the Central Ohio market to launch a wildly successful special purpose credit program, Franklin First.

While each story in this report may seem independent of each another, they are tied

together through one common thread – accountability. Our report is not only an opportunity for us to celebrate the partnerships between our customers, communities, and company – it’s our responsibility and privilege to share our results. Simply put, it’s the accountability to do better, to reach further, and help our communities improve day in and day out.

Thanks to all of the community partners, co-workers, and stakeholders who helped make 2023 one for the books.



A stylized, handwritten signature in black ink, appearing to read 'Evan Zuverink'.

EVAN ZUVERINK
Corporate CRA Officer

BY THE NUMBERS

Behind each number that we track and report is a person, whether that is a business owner, homeowner, developer, or family. We track. We measure. We keep score of how we're doing. This is how we know how many lives we're helping impact and how we see opportunities to celebrate our work and opportunities on how we can get better.

Community Development Investments \$60,264,453

INCLUDING

Contributions and Donations
\$1,979,124

Scholarships
\$41,000

Education Improvement
Tax Credit Program
\$325,000

Neighborhood Assistance
Program
\$377,000

\$299,060,025

IN LENDING THROUGH 1,257
CONSUMER MORTGAGES

\$256,630,000

IN LENDING THROUGH 1,453
SMALL BUSINESS LOANS

TIME TO GROW

In February, we welcomed Centric Bank customers and employees to First Commonwealth through an acquisition. Now with community offices and business centers in Harrisburg and Lancaster, we have expanded into fast-growing markets with a focus on growing our business customer base.



Former Centric CEO, Patti Husic, rings the NYSE bell in celebration of our acquisition.

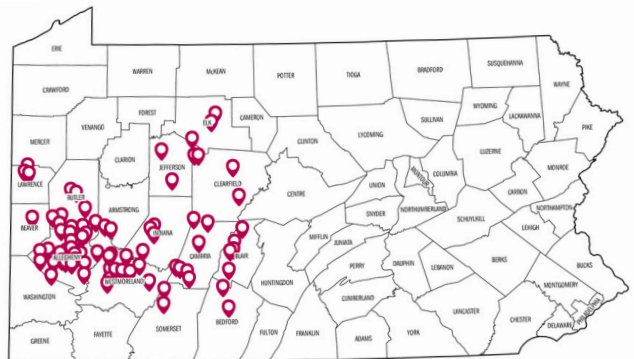
To support our growth and to leverage our talent, we expanded our Community Development team to promote Nathan Culp as a Regional CRA Officer. Nathan has been with First Commonwealth Bank for nearly two decades.

Nathan has held numerous leadership roles, more recently as a top-performing branch manager and business banker. A life-long native of Western Pennsylvania, he has an intimate understanding of how businesses work in our community, how they overcome challenges, operate and thrive. He is skilled at aligning the intent of our community development strategy with the needs of each community he supports, earning him

credibility and trust with the partners who are critical to the success of our shared communities. He is an integral partner in affordable housing and small business lending growth.

Future support of our Pennsylvania markets will include an additional Regional CRA Officer, positioning us to be nimble in response to the needs of each community we serve.

NATHAN CULP
Regional CRA Officer
NCulp@fcbanking.com
(412) 886-1831



Western PA CRA Region

BEST BANK FOR BUSINESS

We believe that being the best bank in our communities means being the best bank for businesses, their owners, and their employees.

City of Bridges Community Land Trust (CBCLT) in Pittsburgh is an example of that commitment. CBCLT works to create a Pittsburgh and Allegheny County with diverse communities where people can thrive, build wealth, establish roots, and foster community ties without the risk of displacement. The Community Land Trust (CLT) model ensures that the homes remain affordable in perpetuity by guaranteeing that every home is resold to another low/moderate income family through an agreed upon resale formula. The resale formula creates appreciation and wealth for the current

owner and preserves the affordability of the home for the community at-large.

We have the privilege of supporting the day to day business banking needs of CBCLT, and in the past three years we have partnered to apply for and receive three Affordable Housing Program grants from the Federal Home Loan Bank of Pittsburgh. These three grants will create 12 new, permanently affordable homes in 4 Pittsburgh neighborhoods. We are also a trusted mortgage partner for the buyers of CBCLT homes, reinforcing our commitment to not only supporting CBCLT's affordable housing development work but the families who most need the stability of affordable homeownership.

"First Commonwealth Bank is a trusted partner for us. In a world as complex as affordable homeownership development, they are consistently able to meet our capital needs and has a mortgage team we can trust our buyers with."

***- Ed Nusser, Executive Director,
City of Bridges Land Trust***



PATRICK THOMAS
Corporate Banker
PThomas@fcbanking.com
(724) 830-6451



BEST BANK FOR BUSINESS

When you put a mission business owner and a mission bank in the same room, you should expect them to take action.

That's exactly what happened when our Central Ohio team sat with Clarence Simmons and Yaromir Steiner, owners of Simmons Development Company, LLC. to build a path to finance a \$1.8 million line of credit to fund the construction of 4 duplexes in a development agreement with the Central Ohio Community Development Improvement Corporation (COCIC).

Clarence is a minority developer with an extensive background in developing affordable housing, constructing more than 650 affordable units throughout Central Ohio. Yaromir's former development company established more than 7.4 million sq. ft. of mixed-use space including retail, restaurant, residential, entertainment, hospitality and office uses.

By providing capital and personally guaranteeing a portion of the loan, Yaromir provided the foundation Clarence needed to get the project off the ground. Through their partnership and our financing, the CCOIC will sell the units as affordable housing units in Franklin County, Ohio, an area with significant housing inventory gaps.

First Commonwealth Bank has partnered with COCIC and their subsidiary IC since 2019, providing capital for their home ownership programs. We are also continually a mortgage partner for their affordable homeownership projects.

Clarence and Yaromir's commitment to the lives of their neighbors in Central Ohio includes staffing their teams with men and women from distressed communities who are oftentimes simultaneously completing school and raising families.

“What I appreciate about Clarence and Yaromir are their hearts for our community. We share values, and individually we couldn't have made this happen – it took us working in partnership to impact this community in the affordable housing space.”

- Sabra Kershaw



SABRA KERSHAW
Corporate Banker
SKershaw@fcbanking.com
(740) 657-7112

H O M E O W N E R S H I P

In 2023, we launched our first Special Purpose Credit Program in Franklin County, Ohio in demonstration of our commitment to extend credit to low-to-moderate income (LMI) census tracts and minority populations. With approval from the FDIC, we will lend \$10,000,000 in purchase or refinance properties within 18 months of our program launching.

By August, our local mortgage team had committed the full budget to local homeowners, made possible through partnerships with local builders and realtors.

Franklin First program details include:

- Available for Black or Hispanic/Latino borrowers in Franklin County, and/or anyone living in designated areas of Franklin County
- No origination charges, saving \$1,395 (savings as of January 2023)
- Up to \$20,000 in down payment and closing cost assistance available
- Minimum credit score 600
- Lower interest rate
- Free financial education sessions

One of those Franklin County borrowers was Monique Thomas, who created the opportunity to buy a home for her teenage daughters. Monique saw the opportunities for her family that homeownership could create. So she made it happen for herself, with a little support from our mortgage team. Watch her story at fcbanking.com/monique.

“What I wanted for myself as a woman was homeownership; security, safety and stability. My home is my kids’ generational wealth. And no one can take from me that I did this for my family.” - Monique Thomas



CLYDE OWENS
Community Development
Mortgage Loan Originator
COWens@fcbanking.com
(740) 548-3201



LANCE STRONG
Community Development
Mortgage Loan Originator
LStrong@fcbanking.com
(740) 657-7840



JOE TOMACESKI
Community Lending Manager
JTomaceski@fcbanking.com
(412) 571-7924

DIVERSITY AND INCLUSION

We are building internal networks for our employees to connect and build relationships across functions and geographies, plus develop connections they may not have otherwise made.

Our Employee Resource Groups (ERGs) are a safe space where employees are welcomed, respected, represented, can be authentic, and have a voice.

Peer-led and people-focused, each ERG has a unique mission to impact their members and create lifelong connections. Through executive sponsorship, each ERG leader is provided with counsel, coaching and advocacy to ensure they are leading the group toward meeting their meaningful missions.

The ERG leaders take different approaches to engaging their members based on the needs of the group and member feedback, with more than 100 employees actively participating. Connecting primarily through virtual meetings, their times together have included developing a podcast and financial education materials, volunteering and more.

“SPACE has made me feel that I am not alone and relief that there are people that understand and support me.”

“The Hispanic Heritage Connections ERG has created a space for us to connect and find friends. We’ve easily gotten to know each other, and I’m grateful for other members and laughs we share.”

“I was in the BEST ERG Book Club with many people who looked like me and that was so refreshing and comforting. I received two jobs offers, one which I accepted and can’t be happier about. I also received a mentor. I love that I had the opportunity to be in a safe space and do something beneficial.”



VICKI FOX
D&I Officer
VFox@fcbanking.com
(412) 690-2379



BEST

Black Employees
Supporting Talent



MORE

Military Opportunities
Resource and Engagement



HHC

Hispanic Heritage
Connections



**PROUD
TOGETHER**

LGBTQ+ employees and Allies



SPACE

Supporting Parents and
Caregiver Employees

FINANCIAL EDUCATION AND VOLUNTEERISM

Our financial education continues to be under the direction of Anna Frank, Financial Education Program Coordinator, who has led our work since 2008. Our employees provided 485.75 hours of financial education, and in 2023, we continued our focus on developing customized materials to meet the needs of the unique audiences, including home ownership-focused content with organizations like the Greater Urban League in Pittsburgh. This partnership specifically offers program participants with designated office hours with our community lending manager for asking any questions regarding their path to homeownership.

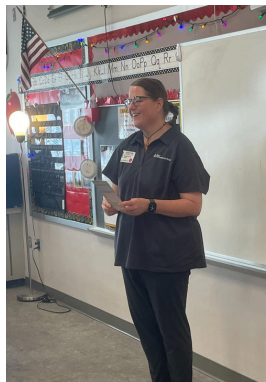
One of our goals as a company is to hire and retain top talent in our industry. With high-performing employees, the demands on their time are typically significant. And because of the customer-first nature of our employees, they prioritize their customers first, which can make it hard to step away to volunteer.

That's in part why we began offering community commitment hours to all employees in 2023. By encouraging the use of workday hours to engage in meaningful activities in their communities, we're not only fulfilling our mission to improve financial lives, but are creating space for our employees to do the life-giving work of giving their time. In 2023, our employees provided 13,117 hours of volunteerism, including sharing their leadership skills through board service.

“The community commitment hours made a huge difference in my world and, I hope that what I’m doing is going to make a big impact on our community.”

If you have financial education or volunteer opportunities, let's connect.

ANNA FRANK
Financial Education
Program Coordinator
AFrank@fcbanking.com
(724) 465-1984



COMMUNITY INVESTMENTS

For the third year, we have partnered with community action agencies for our “Share the Warmth” donation match campaign in the month of November. Partnering with agencies covering all of our counties in Pennsylvania and Ohio, we provided a press kit including a news release and social media graphics to support the campaign goal of matching dollar-for-dollar up to \$100,000, and we then watched as the action agencies donor base responded, and responded generously.

On November 29, one day before the campaign close, we reached our goal of \$100,000 in donations, which we matched to provide a total of \$200,000 to help literally “share the warmth” to help pay for things like heating bills of families who otherwise could not afford to.

Our Principles

Improve financial confidence in our communities.

Our mission is to improve the financial lives of our neighbors and their businesses, including supporting organizations focused on financial literacy and education.

Support inclusive organizations that foster diversity, diverse communities and/or communities in need

We are better together, and supporting diversity is not only necessary, but critical for the future of our communities.

Direct gifts to enrich business relationships

We believe that community giving can create mutually beneficial relationships, and we strive to be a financial partner to the community organizations we support.

Empower our employees to make a difference in our communities

Our bankers know their communities, and know where we can make an impact. That's why giving decisions are made locally by local advocates.



KRIS LEVAN
Marketing &
Communications
Manager
KLevan@fcbanking.com
(724) 463-4777



C E L E B R A T I N G S U C C E S S

Top Workplace: Cleveland Region & Pittsburgh Region (5 years running)

America Saves Designation of Savings Excellence

ABA Community Commitment Award-Financial Literacy

Mastercard® “Doing well by doing good” Award

Forbes World’s Best Banks (5 years running) and Best in State Banks – PA (#3)

PA Bankers “Future Under 40”: Esteban Calle, Kaitlyn Tomlinson & Eva Jovanovic

Altoona Mirror “20-Under-40”: Danielle Sinclair

Traveler’s Personal Insurance STAR Award: Natalie Dunlap

Kehrer Group top 3 brokerage program nationally: “Emerging Firm” category

PA Business Central

- Top 100 Organizations
- Top 100 People: Jane Grebenc & Dave Reed
- Female C-suite: Jane Grebenc
- Foremost Under 40: Bethany Bachman & Ashley Parrish

City & State Pennsylvania

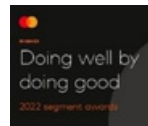
- Power 100: Dave Reed
- Power of Diversity Women 100: Patti Husic

Scotsman Guide Top performing Mortgage Loan Originators: Antonio Benton, Ronda Egert, Karen Sharp & Lynne Tomkowski

Top 5 USDA Lender in PA

Top SBA Lender in all regions

- #2 in Pittsburgh
- #2 in Columbus/Cincinnati
- #4 in Cleveland



Rural Development
U.S. DEPARTMENT OF AGRICULTURE



OUR TEAM

The only way we can meaningfully deliver our mission of improving the financial lives of our neighbors and their businesses is when our entire team is engaged. That means branch employees teaching in classrooms, corporate bankers building relationships with affordable housing developers, mortgage teammates hosting homebuyer seminars and more. We best serve our communities when we deliver our entire bank, and we're proud of what our teams accomplish every day to improve lives.

To see how we can activate our mission for your community or organization, contact us today.



STEPHANIE AGUILA

Regional CRA Officer Ohio
SMaguila@fcbanking.com
(740) 548-3202



NATHAN CULP

Regional CRA Officer Pennsylvania
NCulp@fcbanking.com
(412) 886-1831



MEGAN DETWILER

Community Engagement Manager
MDetwiler@fcbanking.com
(814) 650-0017



EVAN ZUVERINK

Corporate CRA Officer
EZuverink@fcbanking.com
(724) 832-6090



Member FDIC