FIRST COMMONWEALTH FINANCIAL CORP /PA/
Form S-3ASR
October 27, 2008
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As filed with the Securities and Exchange Commission on October 27, 2008

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

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.)**

Old Courthouse Square

22 North Sixth Street

Indiana, PA 15701

(724) 349-7220

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Edward J. Lipkus, III

Chief Financial Officer

First Commonwealth

Financial Corporation

22 North Sixth Street

Indiana, PA 15701

(724) 349-7220

(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

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Michael T. Rave, Esq.	**Senior Vice President, Legal Counsel**	**Charles R. Berman, Esq.**
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New York, NY 10036	**22 North Sixth Street**	**Suite 800**
(212) 297-5800	**Indiana, PA 15701**	**Washington, DC 20006**
	(724) 349-7220	**(202) 347-8400**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

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

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price per share**	**Proposed maximum aggregate offering price**	**Amount of registration fee**
Common stock, $1.00 par value	(1)(2)	(1)(2)	(1)(2)	(2)

(1) Omitted pursuant to General Instruction II.E of Form S-3.

(2) An unspecified number of shares of Common Stock is being registered for possible issuance at an indeterminate price. In accordance with Rule 456(b) and 457(r), we are deferring payment of all applicable registration fees.

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SUBJECT TO COMPLETION, DATED OCTOBER 27, 2008

PROSPECTUS

FIRST COMMONWEALTH FINANCIAL CORPORATION

Shares of Common Stock

We are offering shares of our common stock, par value $1.00 per share. We have granted the underwriters an option to purchase additional shares of our common stock to cover over-allotments, if any.

Our common stock is listed on the New York Stock Exchange under the symbol FCF. On October 24, 2008, the closing price of our common stock on the New York Stock Exchange was $11.88 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 12 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

The underwriters expect to deliver the common stock against payment on or about November , 2008.

These securities are not deposits or obligations of a bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission or regulatory authority has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

KEEFE, BRUYETTE & WOODS

FOX-PITT KELTON COCHRAN CARONIA WALLER

The date of this prospectus is October , 2008

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Unless otherwise indicated, you should rely only on the information contained in this prospectus and the documents incorporated by reference. Neither we nor any underwriter has authorized anyone to provide information different from that contained in this prospectus and the documents incorporated by reference. When you make a decision about whether to invest in our common stock, you should not rely upon any information other than the information in this prospectus, and the documents incorporated by reference. You should assume that the information contained in this prospectus, as well as the information incorporated by reference, is accurate only as of the date of the applicable document. This prospectus is not an offer to sell or solicitation of an offer to buy shares of the common stock in any circumstances under which the offer or solicitation is unlawful.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that is filed with the Securities and Exchange Commission which describes the specific terms of this offering. You should read this prospectus together with additional information described under the heading Where You Can Find More Information below.

As used in this prospectus, the terms we, our and us refer to First Commonwealth Financial Corporation and our consolidated subsidiaries.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus and in the documents incorporated by reference that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, among others, statements regarding our strategy, evaluations of our asset quality, future interest rate trends and liquidity, prospects for growth in assets and prospects for future operating results. Forward-looking statements can generally be identified by the use of words such as believe, expect, anticipate, intend, plan, estimate or words of similar meaning, or future or conditional verbs such will, would, should, could or may. Forward-looking statements are based on assumptions of management and are only expectations of future results. You should not place undue reliance on our forward-looking statements. Our actual results could differ materially from those projected in the forward-looking statements as a result of, among others, factors referenced in the section of this prospectus captioned Risk Factors. Forward-looking statements speak only as of the date on which they are made. We do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

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SUMMARY

This summary highlights selected information contained elsewhere, or incorporated by reference, in this prospectus. This summary does not contain all of the information that you should consider before making an investment decision. You should read the entire prospectus carefully, including the risk factors described in this prospectus beginning on page 12 and in the documents incorporated by reference.

First Commonwealth Financial Corporation

First Commonwealth Financial Corporation is a registered bank holding company headquartered in Indiana, Pennsylvania. We provide a diversified array of consumer and commercial banking services through our bank subsidiary, First Commonwealth Bank. We also provide trust and wealth management services through First Commonwealth Financial Advisors, Inc. and insurance products through First Commonwealth Insurance Agency, Inc. At September 30, 2008, we had total assets of $6.2 billion, total loans of $4.2 billion, total deposits of $4.3 billion and shareholders equity of $532 million.

First Commonwealth Bank is a Pennsylvania bank and trust company and is the sixth largest commercial bank headquartered in Pennsylvania. At September 30, 2008, First Commonwealth Bank operated 113 community banking offices throughout Western Pennsylvania and three loan production offices in downtown Pittsburgh, State College and Canonsburg, Pennsylvania. Approximately half of First Commonwealth Bank s offices are located within the greater Pittsburgh metropolitan area in Allegheny, Butler and Washington counties, while its remaining offices are located in smaller cities, such as Altoona, Greensburg, Johnstown, and Washington, Pennsylvania, and in towns and villages throughout predominantly rural counties.

Since the formation of the holding company in 1983, much of our growth has been driven by the acquisition of smaller banks and thrifts in our market area, with our most recent acquisitions (Pittsburgh Financial Corp in 2003, GA Financial, Inc. in 2004 and Laurel Capital Group, Inc. in 2006) expanding our presence in the Pittsburgh metropolitan area. In recent years, we have primarily focused on organic growth, improving the reach of our franchise and the breadth of our product offering. As part of this strategy, we have opened seven *de novo* branches since 2005, all of which are in the greater Pittsburgh area, and we are evaluating other sites for possible future branch locations. This emphasis on organic growth has been underscored by our most recent efforts to capitalize on the weakened state of our largest competitors, and it has provided us with new opportunities to expand our customer base and strategically augment our employee base.

We offer a full range of consumer and commercial financial services. Consumer services include Internet and telephone banking, an automated teller machine network, personal checking accounts, interest-earning checking accounts, savings accounts, insured money market accounts, debit cards, investment certificates, fixed and variable rate certificates of deposit, secured and unsecured installment loans, construction and mortgage loans, safe deposit facilities, credit lines with overdraft checking protection, IRA accounts and student loans. Commercial banking services include commercial lending, business checking accounts, on-line account management services, ACH origination, payroll direct deposit, commercial cash management services and repurchase agreements. We also provide a variety of trust and asset management services, retirement plan management and a full complement of auto, home, hospitalization and business insurance as well as term life insurance. We offer annuities, mutual funds, stock and bond brokerage services through an arrangement with a broker-dealer and insurance brokers.

Our market areas are generally mature and the relative stability of our local economy insulates us from much of the impact of the decline in housing values that other major metropolitan areas are experiencing. According to data published by the National Association of Realtors, the median single-family home price for the Pittsburgh metropolitan area was $125,200 during the second quarter of 2008, which represents a 1.4% increase over the median price for the comparable period of 2007. By contrast, the median single-family home price for the United States during the second quarter of 2008 was $206,500, which represents a 7.6% decline over the median home price for the comparable period of 2007.

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Our conservative lending and investment standards have allowed us to avoid many of the asset quality problems that are currently affecting our competitors. We have no exposure to sub-prime mortgages or sub-prime collateralized debt obligations and no GSE preferred equity in our investment portfolio. As a result, our business practices have positioned us to capitalize on the growth opportunities presented by the recent disruptions in the credit and capital markets.

The following are highlights of our recent actions that we have taken to enhance our strategic position:

New Executive Leadership Team. In March 2007, we promoted John J. Dolan to serve as the President and Chief Executive Officer of First Commonwealth Financial Corporation and the Chief Executive Officer of First Commonwealth Bank. Prior to his promotion, Mr. Dolan served as our Chief Financial Officer since 1987 and previously served in various capacities since he joined First Commonwealth in 1980. In November 2007, we hired T. Michael Price to serve as President of First Commonwealth Bank. Prior to joining our organization, Mr. Price served as Chief Executive Officer for National City Bank in the Cincinnati and Northern Kentucky market. In March 2007, we promoted Edward J. Lipkus, III to serve as the Chief Financial Officer of First Commonwealth Financial Corporation and of First Commonwealth Bank. Initially hired into our organization in August 2006, Mr. Lipkus previously served as the First Vice President, Controller and Principal Accounting Officer for Valley National Bancorp. In addition, we have filled numerous other management positions with new hires since the beginning of 2007. In doing so, we have added leadership and experience to our commercial lending, retail banking and wealth management operations, and to certain critical support functions.

Implementing Best Practices. We have focused on improving accountability across our lines of business by establishing clear goals for our sales force and managing those goals with weekly sales calls and incentive programs that are closely aligned with our strategic and operating objectives. We have also introduced coordinated marketing blitzes in order to improve our market awareness and management branch visits in order to reinforce our community banking culture. We continue to build brand awareness in our markets through targeted advertising and sponsorships and a focus on community involvement. We have also strengthened our commercial lending group with the hiring of several new commercial lenders, the development of a corporate finance lending unit and a greater emphasis on relationship lending, all of which have contributed to improved loan production volume and credit quality in 2008. We have also improved our wealth management results through the inclusion of production goals in our consumer and commercial incentive plans, as well as the realignment and unification of our wealth management group under a single sales leader and the addition of multiple commissioned producers to our wealth management sales force.

Leveraging Opportunities for Organic Growth. We believe that our size enables us to offer products and services that are competitive with those offered by large regional banks, while our community banking heritage allows us to deliver personalized service that appeals to consumers and small- and medium-sized businesses throughout our market areas. We believe that this advantage has become more pronounced due to the ongoing disruptions in the credit and capital markets and recent industry consolidation within our market area. As large competitors have focused on capital preservation and the resolution of problem credits in the wake of a deepening national economic and credit crisis, we have been able to grow our market share among both businesses and consumers. For example, our commercial loan portfolio has grown by 29% since September 30, 2007, primarily due to the increase in loans to relationship borrowers located in Pennsylvania.

Our principal executive office is located at 22 North Sixth Street, Indiana, Pennsylvania 15701, and our telephone number is (724) 349-7220.

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The Offering

Issuer	First Commonwealth Financial Corporation, a Pennsylvania corporation
Common Stock Offered by Us	shares
Common Stock to be Outstanding after this Offering	shares(1)
NYSE Symbol	FCF
Use of Proceeds	We expect to receive net proceeds from this offering of approximately $ million after deducting the underwriting discounts and commissions and our estimated expenses (or approximately $ million if the underwriters exercise their over-allotment option in full). We intend to use the net proceeds from this offering for general corporate purposes, which may include expanding our operations through acquisitions and *de novo* branch offices, supporting the continued growth and related regulatory capital needs of First Commonwealth Bank and funding working capital needs.

(1) The number of shares of common stock to be outstanding after the offering is based on actual shares outstanding as of September 30, 2008 and assumes no exercise of the underwriters over-allotment option. In addition, the number of shares of common stock to be outstanding after this offering excludes 799,500 shares of common stock issuable upon exercise of options outstanding as of September 30, 2008 under our equity incentive plan, having a weighted average exercise price of $10.35 per share.

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SELECTED HISTORICAL FINANCIAL INFORMATION

The following table presents selected consolidated financial information, which should be read in conjunction with our financial statements, and the notes thereto, and the information contained in our 2007 Annual Report on Form 10-K, including under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations, and in our filings with the Securities and Exchange Commission, which are incorporated by reference into this prospectus. The selected historical financial information as of June 30, 2008 and as of and for the six months ended June 30, 2008 and 2007 is derived from our unaudited interim consolidated financial statements, which are incorporated by reference into this prospectus. The selected historical financial data as of December 31, 2007 and 2006 and for each of the years in the three-year period ended December 31, 2007 is derived from our audited financial statements and related notes, which are incorporated by reference into this prospectus. The selected historical financial data for prior years is derived from our audited financial statements, which are not incorporated by reference into this prospectus. In the opinion of our management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data as of those dates and for those periods. The results of operations for interim periods are not necessarily indicative of a full year s operations.

	As of and For the Six Months Ended June 30,		As of and For the Fiscal Years Ended December 31,				
	2008	2007	2007	2006	2005	2004	2003
	(Dollars in thousands except per share data)						
Income Statement							
Interest income	$ 164,028	$ 166,058	$ 331,095	$ 333,070	$ 312,068	$ 278,025	$ 243,773
Interest expense	76,013	84,968	169,713	166,107	138,618	110,690	100,241
Net interest income	88,015	81,090	161,382	166,963	173,450	167,335	143,532
Provision for credit losses	8,540	5,394	10,042	11,544	8,628	8,070	12,770
Net interest income after provision for credit losses	79,475	75,696	151,340	155,419	164,822	159,265	130,762
Net securities gains (losses)	50	755	1,174	697	(7,673)	4,077	5,851
Gain on sale of branches					11,832		3,041
Gain on sale of merchant services business					1,991		
Other income	26,495	23,072	47,696	43,550	44,075	43,572	39,552
Litigation settlement (recovery)							(610)
Restructuring charges					5,437		
Merger and related charges						2,125	
(Gain) loss on extinguishment of debt				(410)		29,495	
Other expenses	77,741	74,652	148,007	138,093	138,517	132,935	113,265
Income before taxes	28,279	24,871	52,203	61,983	71,093	42,359	66,551
Applicable income taxes	4,245	2,488	5,953	9,029	13,257	3,707	13,251
Net income	$ 24,034	$ 22,383	$ 46,250	$ 52,954	$ 57,836	$ 38,652	$ 53,300
Per Share Data							
Net income	$ 0.330	$ 0.310	$ 0.640	$ 0.750	$ 0.830	$ 0.590	$ 0.900
Dividends declared	0.340	0.340	0.680	0.680	0.665	0.645	0.625
Average shares outstanding	72,538,464	73,147,362	72,816,208	70,766,348	69,276,141	65,887,611	59,002,277

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	As of and For the Six Months Ended June 30,		As of and For the Fiscal Years Ended December 31,				
	2008	2007	2007	2006	2005	2004	2003
	(Dollars in thousands except per share data)						
Income Statement							
Per Share Data Assuming Dilution							
Net income	$ 0.330	$ 0.310	$ 0.630	$ 0.740	$ 0.830	$ 0.580	$ 0.900
Dividends declared	0.340	0.340	0.680	0.680	0.665	0.645	0.625
Average shares outstanding	72,647,190	73,342,684	72,973,259	71,133,562	69,835,285	66,487,516	59,387,055
At End of Period							
Total assets	$ 6,251,412	$ 5,735,188	$ 5,883,618	$ 6,043,916	$ 6,026,320	$ 6,198,478	$ 5,189,195
Investment securities	1,583,306	1,527,385	1,645,714	1,723,191	1,939,743	2,240,477	2,073,430
Loans and leases, net of unearned income	4,113,423	3,674,688	3,697,819	3,783,817	3,624,259	3,514,833	2,824,882
Allowance for credit losses	44,505	43,968	42,396	42,648	39,492	41,063	37,385
Deposits	4,312,469	4,407,771	4,347,219	4,326,440	3,996,552	3,844,475	3,288,275
Subordinated debentures	105,750	108,250	105,750	108,250	108,250	108,250	75,304
Other long-term debt	404,464	467,856	442,196	485,170	691,494	731,324	718,668
Shareholders equity	546,698	560,158	568,788	571,361	521,045	531,978	430,946
Key Ratios							
Return on average assets	0.79%	0.77%	0.80%	0.89%	0.94%	0.66%	1.12%
Return on average equity	8.38%	7.82%	8.08%	9.76%	10.89%	7.82%	12.95%
Net loans to deposits	95.38%	83.37%	84.09%	86.47%	89.70%	90.36%	84.77%
Dividend payout ratio	103.03%	109.68%	106.25%	90.67%	80.12%	109.32%	69.44%
Average equity to average assets	9.45%	9.82%	9.87%	9.08%	8.60%	8.47%	8.68%

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RECENT DEVELOPMENTS

Preliminary Financial Results for the Third Quarter of 2008.

On October 23, 2008, we announced our preliminary financial results for the quarter ended September 30, 2008.

Net Income. Net income for the third quarter 2008 was $10.2 million or $0.14 per diluted share, compared to $12.2 million or $0.17 per diluted share in the same period last year. Third quarter net income was negatively impacted by non-cash charges of $5.6 million after tax, or $0.08 per share, for other-than-temporary impairment charges, which were partially offset by after tax gains of $592 thousand from the sale of equity securities. The valuation adjustments include after tax charges of $5.0 million for one trust preferred collateralized debt obligation and $615 thousand for equity securities issued by two Pennsylvania-based financial institutions.

Return on Assets/Equity. Third quarter 2008 return on average equity and average assets was 7.38% and 0.65%, respectively, compared to 8.59% and 0.85% for the prior year period and 9.03% and 0.84% for the second quarter of 2008. The non-cash charges described in the preceding paragraph negatively impacted return on average equity by 363 basis points (3.63%) and return on average assets by 32 basis points (0.32%) for the third quarter of 2008.

Net Interest Income. Net interest income increased $7.8 million, or 19.4%, compared to the third quarter of 2007 primarily due to increased levels of interest earning assets, particularly in commercial loans. Total loans increased $524.5 million, or 14.3%, compared to the third quarter of 2007. Investment securities decreased $74.6 million, or 4.9%, compared to the third quarter of 2007.

Net Interest Margin. Net interest margin on a tax equivalent basis for the third quarter of 2008 increased 22 basis points to 3.58% from 3.36% in the corresponding period of 2007 due primarily to increased loan volume and declines in the cost of interest-bearing liabilities that exceeded the declines in yields on total interest-earning assets. The lower cost of interest-bearing liabilities is attributable to lower interest rates and an improved deposit mix. For the third quarter of 2008, average noninterest-bearing demand deposits increased $36.4 million, or 7.0%, average interest-bearing demand deposits increased $25.1 million, or 4.2%, and average savings deposits increased $68.2 million, or 6.2%, as compared to the corresponding period of 2007, while higher cost time deposits decreased $182.6 million, or 8.6%.

Average interest-earning assets increased $505.7 million, or 9.8%, during the third quarter of 2008 compared to the third quarter of 2007 driven by an increase in average loans of $496.0 million. Average borrowings increased $592.1 million in the third quarter of 2008 compared to the same period in 2007.

Non-Interest Income. Non-interest income for the third quarter of 2008 decreased $5.9 million, or 48.6%, from the third quarter of 2007. Non-interest income was negatively impacted during the third quarter of 2008 by the other-than-temporary impairment charges described above. This was partially offset by higher insurance commissions, increased card-related interchange income and other income over the third quarter of 2007. Higher sales, additional producers and an enhanced calling program resulted in increased insurance commissions. Card-related interchange income increased primarily due to growth in usage of debit cards and larger dollar transactions.

Non-Interest Expense. Non-interest expense for the third quarter of 2008 increased $2.5 million, or 6.9%, compared to the third quarter of 2007, due primarily to the rise in incentive compensation expense related to the growth in loans, insurance sales, net income and annual merit increases.

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The provision for income taxes decreased $225 thousand for the third quarter of 2008 compared to the same period in 2007. Our effective tax rate was unchanged on a year-over-year basis at 10.0%. Nontaxable income and tax credits had a greater impact on the effective tax rate during both the third quarter of 2008 and 2007 due to lower pretax income in those periods.

Asset Quality. We are not a participant or underwriter in the sub-prime mortgage loan or sub-prime collateralized debt marketplace and therefore do not have any direct exposure to risks associated with these activities. All mortgage-backed securities in our portfolio are AAA-rated and backed by U.S. Government agencies.

Non-accrual loans decreased slightly for the third quarter of 2008 from the comparable period last year. Non-accrual loans at September 30, 2008 include a $31.2 million commercial credit relationship that has been monitored since the second quarter of 2006 and was placed on non-accrual during the second quarter of 2007. This credit is collateralized by real estate and equipment and a reserve has been allocated, primarily during 2006, to cover the expected losses. The payment of principal and interest on this credit has been deferred pursuant to a loan forbearance agreement that was extended to December 31, 2008. Management continues to monitor the borrower closely and is presently evaluating options with respect to the collection or resolution of this credit.

Loans past due in excess of 90 days and still accruing at September 30, 2008 were flat compared to September 30, 2007. The provision for credit losses for the third quarter of 2008 increased $1.6 million compared to the third quarter of 2007 primarily due to growth in the portfolio and an additional provision for a $5.0 million construction loan collateralized with real estate that was placed on non-accrual during the second quarter of 2008.

Trust Preferred Securities. At September 30, 2008, we held 21 single issuer trust preferred securities having a book value of $24 million and an estimated fair value of $19 million and 14 trust preferred collateralized debt obligations having a book value of $98.7 million and an estimated fair value of $56.3 million. The unrealized loss associated with these securities is the primary cause for the increase in accumulated other comprehensive loss at September 30, 2008 as compared to September 30, 2007. The single issues are primarily from money center and large regional banks. The collateralized debt obligations consist of securities issued by 376 banks and other financial institutions. Two of our collateralized debt obligations are senior tranches, and the remainder are mezzanine tranches. The senior and mezzanine tranches of trust preferred collateralized debt obligations generally are protected from defaults by over-collateralization and cash flow default protection provided by subordinated tranches, with senior tranches having the greatest protection and mezzanine tranches subordinated to the senior tranches. At the time of initial issue, the tranches subordinated to our senior and mezzanine tranches ranged in size from approximately 7.3% to 35.4% of the total principal amount of the respective securities and no single issuer comprised more than 5% of the principal of the total principal of the collateralized debt obligation.

Branch Opening. First Commonwealth Bank opened a community banking office in McCandless Township, Pennsylvania, which was the second *de novo* office opened in the Pittsburgh market during 2008.

Well-Capitalized. First Commonwealth Financial Corporation and First Commonwealth Bank remained well-capitalized at September 30, 2008.

Treasury Capital Purchase Program

On October 14, 2008, the United States Treasury Department announced a voluntary Capital Purchase Program whereby the Treasury will purchase senior preferred shares from qualifying United States controlled banks, savings associations, and certain bank and savings and loan holding companies. Each participating institution may sell an amount of senior preferred shares ranging from 1.0% to 3.0% of its total risk-weighted assets. The preferred shares are generally nonvoting, pay a cumulative dividend rate of 5.0% per year for the first five years and will reset to a rate of 9.0% per year after year five, and are callable at par after three years or

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sooner with the proceeds of a qualifying offering of Tier 1 common or preferred stock. The Treasury will receive warrants from each participating institution to common stock with an aggregate market price equal to 15.0% of the senior preferred investment and an exercise price equal to the market price of the institution s common stock at the time of issuance. Participating institutions must agree to certain limitations on executive compensation, share repurchases and dividend payments. The deadline for submitting an application to participate in the Capital Purchase Program is November 14, 2008. We are analyzing the benefits and costs of the Capital Purchase Program and have not yet determined whether or to what extent we will participate.

Selected Financial Data (Unaudited). The following table presents selected consolidated financial information as of and for the periods presented, which has been derived from our unaudited interim consolidated financial statements, which are not incorporated by reference into this prospectus. The results of operations for interim periods are not necessarily indicative of a full year s operations.

Income Statement	**For the Quarter Ended September 30, 2008**	**For the Quarter Ended September 30, 2007**	**For the Nine Months Ended September 30, 2008**	**For the Nine Months Ended September 30, 2007**
	(Dollars in thousands except per share data)			
Interest Income				
Interest and fees on loans	$ 62,285	$ 63,737	$ 186,966	$ 190,463
Interest and dividends on investments:				
Taxable interest	15,013	14,259	46,122	45,293
Interest exempt from Federal income taxes	3,176	3,424	10,118	10,222
Dividends	663	753	1,950	2,206
Interest on Federal funds sold		57	2	83
Interest on bank deposits	2	8	9	29
Total interest income	81,139	82,238	245,167	248,296
Interest Expense				
Interest on deposits	23,069	33,786	79,472	98,243
Interest on short-term borrowings	4,634	1,977	12,590	9,623
Interest on subordinated debentures	1,870	2,130	5,659	6,370
Interest on other long-term debt	3,639	4,211	11,504	12,836
Total interest on long-term debt	5,509	6,341	17,163	19,206
Total interest expense	33,212	42,104	109,225	127,072
Net interest income	47,927	40,134	135,942	121,224
Provision for credit losses	3,913	2,296	12,453	7,690
Net interest income after provision for credit losses	44,014	37,838	123,489	113,534
Non-Interest Income				
Net securities (losses) gains	(7,709)	16	(7,659)	771
Trust income	1,444	1,517	4,514	4,453
Service charges on deposit accounts	4,792	4,609	14,003	13,291
Insurance commissions	1,390	1,064	4,061	2,651
Income from bank owned life insurance	1,435	1,534	4,368	4,544
Card related interchange income	1,950	1,654	5,653	4,773
Letter of credit fees	982	149	1,549	260
Other income	1,990	1,670	6,330	5,297
Total non-interest income	6,274	12,213	32,819	36,040

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	For the Quarter Ended September 30, 2008	For the Quarter Ended September 30, 2007	For the Nine Months Ended September 30, 2008	For the Nine Months Ended September 30, 2007
	(Dollars in thousands except per share data)			
Non-Interest Expense				
Salaries and employee benefits	21,091	18,401	61,849	57,273
Net occupancy expense	3,613	3,475	11,248	10,226
Furniture and equipment expense	2,995	3,243	9,131	8,874
Advertising expense	550	475	1,579	1,910
Data processing expense	1,075	942	3,122	2,821
Pennsylvania shares tax expense	1,342	1,439	3,952	4,323
Intangible amortization	802	857	2,465	2,597
Other expenses	7,529	7,648	23,392	23,108
Total non-interest expense	38,997	36,480	116,738	111,132
Income before income taxes	11,291	13,571	39,570	38,442
Provision for income taxes	1,127	1,352	5,372	3,840
Net income	$ 10,164	$ 12,219	$ 34,198	$ 34,602
Average shares outstanding	72,715,709	72,589,329	72,597,977	72,959,307
Average shares outstanding assuming dilution	72,817,216	72,705,753	72,704,279	73,128,040
Per Share Data:				
Basic earnings per share	$ 0.14	$ 0.17	$ 0.47	$ 0.47
Diluted earnings per share	$ 0.14	$ 0.17	$ 0.47	$ 0.47
Cash dividends declared per common share	$ 0.17	$ 0.17	$ 0.51	$ 0.51
Key Ratios				
Return on average assets	0.65%	0.85%	0.74%	0.80%
Return on average equity	7.38%	8.59%	8.05%	8.08%
Net loans to deposits	97.14%	83.46%	97.14%	83.46%
Average equity to average assets	8.81%	9.91%	9.23%	9.85%
Net interest margin (a)	3.58%	3.36%	3.47%	3.35%
Efficiency ratio (b)	67.94%	65.17%	65.33%	66.01%
Fully tax equivalent adjustment	$ 3,202	$ 3,633	$ 9,928	$ 11,093

(a) Net interest margin has been computed on a tax equivalent basis using the 35% Federal income tax statutory rate.

(b) Efficiency ratio is total non-interest expense as a percentage of total revenue. Total revenue consists of net interest income, on a fully tax-equivalent basis, plus total non-interest income.

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Balance Sheet	As of September 30, 2008	As of September 30, 2007
	(Dollars in thousands, except per share data)	
Assets		
Cash and due from banks	$ 93,327	$ 86,499
Interest-bearing bank deposits	267	1,060
Securities available for sale, at market value	1,402,528	1,460,909
Securities held to maturity, at amortized cost, (Market value $55,775 at September 30, 2008 and $74,019 at September 30, 2007)	56,839	73,024
Loans:		
Portfolio loans, net of unearned income	4,184,600	3,660,123
Allowance for credit losses	(45,482)	(43,210)
Net loans	4,139,118	3,616,913