FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FIRST COMMONWEALTH FINANCIAL CORP /PA/

CIK:**712537**| IRS No.: **241428528** | State of Incorp.:**PA** | Fiscal Year End: **1231**
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SIC: **6022** State commercial banks

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22 N SIXTH ST
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4123497220

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C 20549

For the Quarter ended March 31, 1995 Commission file number 0-11242

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.)

22 NORTH SIXTH STREET INDIANA, PA	15701
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (412) 349-7220

Indicate by checkmark 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 XX No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock.

CLASS	OUTSTANDING AT May 8, 1995
Common Stock, $1 Par Value	22,339,196 Shares

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Included in Part I of this report: PAGE

PART II - OTHER INFORMATION

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Dollars in thousands)

	March 31, 1995	December 31, 1994
ASSETS		
Cash and due from banks..............	$ 58,823	$ 66,055
Interest-bearing bank deposits.......	5,059	13,686
Federal funds sold	1,600	-0-
Securities available for sale........	447,178	443,189
Securities held to maturity $351,857 in 1995 and $348,074 in 1994)..................	365,273	370,498
Loans (all domestic).................	1,445,879	1,422,320
Less unearned income...............	46,227	44,526
Less reserve for possible loan losses	17,327	17,337
Net loans......................	1,382,325	1,360,457
Property and equipment...............	29,251	29,196
Other real estate owned..............	2,497	2,269
Other assets.........................	49,392	49,571
TOTAL ASSETS...................	$2,341,398	$2,334,921
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits (all domestic):		
Noninterest-bearing................	$ 188,644	$ 199,172
Interest-bearing...................	1,687,614	1,681,888
Total deposits..................	1,876,258	1,881,060
Short-term borrowings................	201,011	201,706
Other liabilities....................	23,445	19,424
Long-term debt.......................	7,824	7,596
Total liabilities..............	2,108,538	2,109,786
Shareholders' Equity:		
Preferred stock, $1 par value per share, 3,000,000 shares authorized and unissued......................	-0-	-0-
Common stock $1 par value per share, 100,000,000 shares authorized 22,436,628, issued; 22,353,728 and 22,430,728 shares outstanding in 1995 and 1994, respectively........	22,437	22,437
Additional paid-in capital...........	77,886	77,964
Retained earnings....................	149,528	146,814
Unrealized gain (loss) on securities available for sale.................	(10,407)	(16,802)
Treasury stock (82,900 shares at March 31, 1995 and 5,900 at December 31, 1994).................	(1,155)	(82)
Unearned ESOP shares.................	(5,429)	(5,196)
Total shareholders' equity.........	232,860	225,135
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY..........	$2,341,398	$2,334,921

The accompanying notes are an integral part of these consolidated financial statements.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Dollars in thousands except per share data)

	For the 3 Months Ended March 31, 1995	1994
Interest Income		
Interest and fees on loans........	$30,713	$25,552
Interest and dividends on investments:		
Taxable interest...............	11,009	10,936
Interest exempt from federal income taxes..................	755	898
Dividends......................	238	273
Interest on federal funds sold....	33	20
Interest on bank deposits.........	170	146
Total Interest Income.........	42,918	37,825
Interest Expense		
Interest on deposits.............	16,838	14,753
Interest on short-term borrowings.	2,947	1,558
Interest on long-term debt........	163	106
Total Interest Expense.........	19,948	16,417
Net interest income.................	22,970	21,408
Provision for possible loan losses	793	688
Net interest income after provision for possible loan losses..........	22,177	20,720
Other Income		
Securities gains.................	24	466
Trust income.....................	558	653
Service charges on deposits.......	1,314	1,257
Other income.....................	645	957
Total Other Income............	2,541	3,333
Other Expenses		
Salaries and employee benefits....	7,902	7,665
Net occupancy expense............	1,107	1,138
Furniture and equipment expense...	1,000	971
FDIC expense.....................	1,065	1,029
Other operating expenses..........	4,343	4,188
Total Other Expenses..........	15,417	14,991
Income before taxes................	9,301	9,062
Applicable income taxes..........	3,011	2,863
Net Income.........................	$ 6,290	$ 6,199
Average Shares Outstanding.........	21,982,714	22,418,900
Per Share Data:		
Net income.........................	$0.29	$0.28
Cash dividends per share...........	$0.16	$0.14

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 (Unaudited)
(Dollars in thousands)

<TABLE>
<CAPTION>

	Common Stock	Additional Paid-in Capital	Retained Earnings	Unrealized Gain (loss) on Securities Available For Sale	Unearned ESOP Shares	Treasury Stock	Total Shareholders' Equity

<S> <C> <C> <C> <C> <C> <C> <C>

Balance at December 31, 1993....	$22,517	$79,094	$131,380	$ 1,584	$(4,449)	$(1,216)	$228,910
Net income....................	-0-	-0-	6,199	-0-	-0-	-0-	6,199
Cash dividends declared.......	-0-	-0-	(2,610)	-0-	-0-	-0-	(2,610)
Cash dividends declared by pooled subsidiaries prior to merger......................	-0-	-0-	(663)	-0-	-0-	-0-	(663)
Change in unrealized gain (loss) on securities available for sale, net of tax effect.....	-0-	-0-	-0-	(5,366)	-0-	-0-	(5,366)
Increase in unearned ESOP shares	-0-	-0-	-0-	-0-	(551)	-0-	(551)
Discount on dividend reinvestment plan purchases.............	-0-	(48)	-0-	-0-	-0-	-0-	(48)
Treasury stock reissued by pooled subsidiary...........	-0-	-0-	(105)	-0-	-0-	218	113
Balance at March 31, 1994.......	$22,517	$79,046	$134,201	$ (3,782)	$(5,000)	$ (998)	$225,984
Balance at December 31, 1994....	$22,437	$77,964	$146,814	$(16,802)	$(5,196)	$ (82)	$225,135
Net income....................	-0-	-0-	6,290	-0-	-0-	-0-	6,290
Cash dividends declared.......	-0-	-0-	(3,576)	-0-	-0-	-0-	(3,576)
Change in unrealized gain (loss) on securities available for sale, net of tax effect.....	-0-	-0-	-0-	6,395	-0-	-0-	6,395
Increase in unearned ESOP shares	-0-	-0-	-0-	-0-	(233)	-0-	(233)
Discount on dividend reinvestment plan purchases.............	-0-	(78)	-0-	-0-	-0-	-0-	(78)
Treasury stock acquired.......	-0-	-0-	-0-	-0-	-0-	(1,073)	(1,073)
Balance at March 31, 1995.......	$22,437	$77,886	$149,528	$(10,407)	$(5,429)	$(1,155)	$232,860

The accompanying notes are an integral part of these consolidated financial statements.
/TABLE

FIRST COMMONWEALTH FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Dollars in thousands)

	For the 3 Months Ended March 31, 1995	1994
Operating Activities		
Net income......................................	$ 6,290	$ 6,199
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for possible loan losses............	793	688
Depreciation and amortization.................	1,258	1,374
Net gains on sales of assets..................	(25)	(532)
Increase in interest receivable...............	(695)	(1,284)

Increase in interest payable	1,284	152
Increase in income taxes payable	2,542	1,471
Provision for deferred taxes	296	822
Other(net)	(3,102)	(2,900)
Net cash provided by operating activities	8,641	5,990
Investing Activities		
Proceeds from investment securities transactions:		
Transactions with securities held to maturity:		
Sales	-0-	6,457
Maturities and redemptions	7,365	33,269
Purchases	(2,131)	(29,577)
Transactions with securities available for sale:		
Sales	2,641	37,135
Maturities and redemptions	10,385	24,753
Purchases	(7,166)	(70,557)
Proceeds from sales of loans and other assets	3,251	5,543
Net decrease in time deposits with banks	8,627	2,993
Net increase in loans	(26,095)	(27,196)
Purchase of premises and equipment	(926)	(1,221)
Net cash used by investing activities	(4,049)	(18,401)
Financing Activities		
Repayments of long-term debt	(4)	(4)
Discount on dividend reinvestment plan purchases.	(78)	(48)
Dividends paid	(3,589)	(2,516)
Dividends paid by pooled subsidiaries prior to merger	-0-	(100)
Net increase (decrease) in deposits	(4,784)	13,479
Net increase in federal funds purchased	21,865	7,837
Net decrease in other short-term borrowings	(22,561)	(6,203)
Treasury stock acquired	(1,073)	-0-
Reissuance of treasury stock by pooled company	-0-	113
Net cash provided (used) by financing activities	(10,224)	12,558
Net increase (decrease) in cash and cash equivalents	(5,632)	147
Cash and cash equivalents at January 1	66,055	57,367
Cash and cash equivalents at March 31	$60,423	$57,514

The accompanying notes are an integral part of these consolidated financial statements.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1995
(Unaudited)

NOTE 1 Management Representation

In the opinion of management, the unaudited interim consolidated financial statements include all adjustments (consisting of only normal recurring adjustments) necessary for a fair statement of financial position as of March 31, 1995 and the results of operations for the three month periods ended March 31, 1995 and 1994, and statements of cash flows and changes in shareholders' equity for the three month periods ended March 31, 1995 and 1994. The results of the three months ended March 31, 1995 and 1994 are not necessarily indicative of the results to be expected for the entire year. The interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of First Commonwealth Financial Corporation and Subsidiaries, including the notes thereto.

NOTE 2 Cash Flow Disclosures (dollar amounts in thousands)

Cash paid during the first three months of the year for interest and income taxes were as follows:

	1995	1994
Interest	$18,664	$16,265
Income Taxes	$ 148	$ 913

The Corporation borrowed $500 and $730 in the first three months of 1995 and 1994, respectively, and concurrently loaned these amounts to the ESOP Trust on identical terms. ESOP loan payments of $267 and $179 were made by the ESOP Trust during the respective 1995 and 1994 periods, thereby resulting in outstanding amounts related to unearned ESOP shares of $5,429 at March 31, 1995 and $5,000 at March 31, 1994.

	1995	1994
Loans transferred to Other real estate owned and Repossessed assets	$1,033	$ 584
Change in Market value adjustment to securities available for sale pursuant to FAS 115	$9,838	$(8,253)

NOTE 3 Business Combination

Effective September 29, 1994 the Corporation acquired all of the outstanding common shares of Reliable Financial Corporation ("Reliable"), a savings and loan holding company headquartered in Bridgeville, Pennsylvania. Each of the 1,410,194 outstanding shares were exchanged for 1.6 shares of the Corporation's common stock. Effective September 27, 1994 the Corporation acquired all of the outstanding common shares of United National Bancorporation ("United"), a bank holding company headquartered in Chambersburg, Pennsylvania. Each of the 769,147 outstanding shares were exchanged for two shares of the Corporation's common stock. The mergers were accounted for as poolings of interests, and accordingly, all financial statements were restated as though the mergers had occurred at the beginning of the earliest period presented.

ITEM 2. FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Corporation acquired United National Bancorporation and its subsidiaries ("United") and Reliable Financial Corporation and its subsidiary ("Reliable") effective September 29, 1994 and September 27, 1994, respectively. The mergers were accounted for as poolings of interests and accordingly, all financial statements have been restated as though the mergers had occurred at the beginning of the earliest period presented.

First Three Months of 1995 as Compared to the First Three Months of 1994

Net income in the three months of 1995 was $6.3 million, an increase of $91 thousand over the 1994 period. Earnings per share was $0.29 during the three months of 1995 compared to $0.28 during the 1994 period. Return on average assets was 1.09% and return on average equity was 11.09% during the 1995 period, compared to 1.11% and 10.84%, respectively during the same period of 1994.

Net interest income, the most significant component of earnings, is the amount by which interest generated from earning assets exceeds interest expense on liabilities. Net interest income for the 1995 period was $23.0 million compared to $21.4 million during the same time period in 1994. Interest income, on a tax-equivalent basis, increased 71 basis points (0.71%) as a percentage of average earning assets to 7.98% in 1995, from 7.27% in the 1994 period. Yields have improved each quarter since the quarter ended March 31, 1994, reflecting higher interest rates over that time period. The rise in interest rates stabilized prepayments of the mortgage backed securities portfolio as well as portfolio yields. Since a majority of the cash flows provided by maturities and repayments of securities were redeployed into loan growth, improved investment portfolio yields resulted from adjustable rate instruments repricing. The cost of funds was 4.25% and 3.63% in the three months of 1995 and 1994, respectively, as deposit costs, the predominant category, increased 36 basis points (0.36%) to 3.65%. The increase in rates on short-term deposits were partially offset by a stable cost of longer term deposits. As deposit customers tended to extend maturities when interest rates declined in the recent past, the cost of these deposits did not rise as fast as interest rates. Net interest margin (net interest income, on a tax-equivalent basis, as a percentage of average earning assets) was 4.33% of earning assets during 1995, compared to 4.18% in the 1994 related period.

Average earning assets were 94.9% of average total assets in the 1995 period and 95.3% during the 1994 time frame. Average interest-bearing liabilities increased as a percentage of average total assets to 81.5% in the three months of 1995 and 81.3% during the related 1994 period.

ITEM 2. FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

First Three Months of 1995 as Compared to the First Three Months of 1994 (Continued)

Provision for possible loan losses was $793 thousand for the three month period of 1995 compared to $688 thousand during the 1994 period. Net charge-offs against the reserve for possible loan losses were $803 thousand in the 1995 period and $228 thousand in the 1994 period. Management does not feel that the additional charge-offs during the 1995 period indicate a trend. See "Credit Review" section for an analysis of the quality of the loan portfolio. Below is an analysis of the consolidated reserve for possible loan losses for the three month periods ended March 31, 1995 and 1994.

	1995	1994
Balance January 1,	$17,337	$16,483
Loans charged off:		
Commercial, financial and agricultural	289	112
Real estate-construction	-0-	-0-
Real estate-commercial	139	18
Real estate-residential	80	61
Loans to individuals	549	453
Lease financing receivables	5	6
Total loans charged off	1,062	650
Recoveries of previously charged off loans:		
Commercial, financial and agricultural	50	59
Real estate-construction	-0-	-0-
Real estate-commercial	13	211
Real estate-residential	8	4

Loans to individuals	101	141
Lease financing receivables	87	7
Total recoveries	259	422
Net charge offs	803	228
Provision charged to operations	793	688
Balance March 31,	$17,327	$16,943

ITEM 2. FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

First Three Months of 1995 as Compared to the First Three Months of 1994 (Continued)

Other operating income decreased $792 thousand in 1995 to $2.5 million. Net security gains decreased $442 thousand. Securities, primarily US Treasury Securities and US Government Agency Securities, totalling $2.6 million were sold and reinvested in similar securities with maturities of 3-5 years. All of these securities were classified as "securities available for sale". Trust income declined $95 thousand in the 1995 period primarily as a result of higher nonrecurring income, such as estate fees, during the 1994 period. Service charges on deposits increased $57 thousand in the 1995 period primarily because deposits increased. Other income declined $312 thousand in the 1995 period when compared to the 1994 total of $957 thousand. The largest component of the decline was a reduction of gains on the sales of other real estate owned and loans.

Noninterest expense was $15.4 million in the three months of 1995 which reflected an increase of $426 thousand over the 1994 period. Total noninterest expense was 2.68% of average assets during the 1995 period compared to 2.70% for the 1994 related time frame. Employee costs were $7.9 million in 1995, an increase of $237 thousand over the 1994 related period. Employee costs (annualized) as a percentage of average assets was 1.37% in the 1995 period, reduced from 1.38% (annualized) in the 1994 period. Net occupancy expense and furniture and equipment expense remained fairly constant from the 1994 period to the 1995 period. Other operating expenses increased $155 thousand in the three months of 1995 when compared to the 1994 related period. The amortization of core deposit intangibles decreased $135 thousand during the 1995 period as the intangibles related to the Deposit Bank merger in 1984 became fully amortized during 1994. No single expense category contributed significantly to the remaining increase.

Income tax expense was $3.0 million during the three months of 1995 and $2.9 million during the 1994 period. Income before taxes increased $239 thousand in the 1995 period when compared to the same time period of 1994. The Corporation's effective tax rate was 32.4% for the 1995 period and compared to 31.6% for the 1994 period, reflecting a decrease in tax-free income.

LIQUIDITY

Liquidity is a measure of the Corporation's ability to meet normal cash flow requirements of both borrowers and depositors efficiently. In the ordinary course of business, funds are generated from deposits (primary source), and maturity or repayment of earning assets, such as securities and loans. As an additional secondary source, short-term liquidity needs may be provided through the use of overnight federal funds purchased and borrowings from the Federal Reserve Bank. Additionally, each of the subsidiary banks are members of the Federal Home Loan Bank and may borrow up to ten percent of their total assets at any one time.

ITEM 2. FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

LIQUIDITY (Continued)

Net loans increased $21.9 million in the first three months of 1995 as consumer demand resulted in a growth in consumer mortgages and loans to individuals for personal and household purposes. Total deposits grew $4.8 million as time deposit categories increased and demand deposits decreased. The growth is primarily from core customer deposit relationships. Investment securities held to maturity declined $5.2 million while interest-bearing bank deposits declined $8.6 million and Federal funds sold increased $1.6 million since December 31, 1994.

An additional source of liquidity are certain marketable securities that the Corporation holds in its investment portfolio. These securities are classified as "securities available for sale". While the Corporation does not have specific intentions to sell these securities, they may be sold for the purpose of obtaining future liquidity, for management of interest rate risk or as part of the implementation of tax strategies. As of March 31, 1995 securities available for sale had an amortized cost of $463.2 million and an approximate market value of $447.2 million. As long-term interest rates stabilized since the end of 1994, the market value of securities available for sale improved $9.8 million. The difference between the market value and amortized cost of the securities available for sale is not of major concern to management since the average life of the entire portfolio is just over five years.

Interest Sensitivity

The objective of interest rate sensitivity management is to maintain an appropriate balance between the stable growth of income and the risks associated with maximizing income through interest sensitivity imbalances. While no single number can accurately describe the impact of changes in interest rates on net interest income, interest rate sensitivity positions, or "gaps", when measured over a variety of time periods, may be helpful.

An asset or liability is considered to be interest-sensitive if the rate it yields or bears is subject to change within a predetermined time period. If interest-sensitive assets ("ISA") exceeds interest-sensitive liabilities ("ISL") during the prescribed time period, a positive gap results. Conversely, when ISL exceeds ISA during a time period, a negative gap results.

A positive gap tends to indicate that earnings will be impacted favorably if interest rates rise during the period and negatively when interest rates fall during the time period. A negative gap tends to indicate that earnings will be affected inversely to interest rates changes. In other words, as interest rates fall, a negative gap should tend to produce a positive effect on earnings and when interest rates rise, a negative gap should tend to affect earnings negatively.

Interest Sensitivity (continued)

The primary components of ISA include adjustable rate loans and investments, loan repayments, investment maturities and money market investments. The primary components of ISL include maturing certificates of deposit, money market deposits, savings deposits, N.O.W. accounts and short-term borrowings.

The following table lists the amounts and ratios of assets and liabilities with rates or yields subject to change within the periods indicated as of March 31, 1995 and December 31, 1994.

	March 31, 1995			
	0-90 Days	91-180 Days	181-365 Days	Cumulative 0-365 Days
Loans....................	$ 426,136	$ 93,779	$164,350	$ 684,265
Investments..............	23,317	20,345	71,179	114,841
Other interest-earning assets..................	89,394	4,490	9,319	103,203
Total interest-sensitive assets................	538,847	118,614	244,848	902,309
Certificates of deposits.	164,879	119,457	188,010	472,346
Other deposits...........	656,887	-0-	-0-	656,887
Borrowings...............	185,852	3,900	10,793	200,545
Total interest-sensitive liabilities...........	1,007,618	123,357	198,803	1,329,778
GAP....................	(468,771)	(4,743)	46,045	(427,469)
ISA/ISL..................	0.53	0.96	1.23	0.68
Gap/Total assets.........	20.02%	0.20%	1.97%	18.26%

	December 31, 1994			
	0-90 Days	91-180 Days	181-365 Days	Cumulative 0-365 Days
Loans....................	$ 423,116	$ 95,292	$182,799	$ 701,207
Investments..............	20,298	24,414	55,647	100,359
Other interest-earning assets..................	92,845	6,696	6,707	106,248
Total interest-sensitive assets................	536,259	126,402	245,153	907,814
Certificates of deposits.	166,557	114,482	125,588	406,627
Other deposits...........	687,882	-0-	-0-	687,882
Borrowings...............	174,728	16,554	4,074	195,356
Total interest-sensitive liabilities...........	1,029,167	131,036	129,662	1,289,865
GAP....................	(492,908)	(4,634)	115,491	(382,051)
ISA/ISL..................	0.52	0.96	1.89	0.70
Gap/Total assets.........	21.11%	0.20%	4.95%	16.36%

The Corporation has not experienced the kind of earnings volatility indicated from the gap analysis. This is because assets and liabilities with similar contractual repricing characteristics may not reprice at the same time or to the same degree.

ITEM 2. FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (Continued)

Interest Sensitivity (continued)

Therefore, to more precisely measure the impact of interest rate changes on the Corporation's net interest income, management simulates the potential effects of changing interest rates through computer modeling. The Corporation is then better able to implement strategies which would include an acceleration of a deposit rate reduction or a lag in a deposit rate increase. The repricing strategies for loans would be inversely related.

The analysis at March 31, 1995, indicated that a 300 basis point (3.00%) movement in interest rates in either direction over the next twelve months would not have a significant impact on the Corporation's anticipated net interest income over that time frame.

CREDIT REVIEW

The following table identifies amounts of loan losses and nonperforming loans. Past due loans are those which were contractually past due 90 days or more as to interest or principal payments but were well secured and in the process of collection. Renegotiated loans are those which terms had been renegotiated to provide a reduction or deferral of principal or interest as a result of the deteriorating financial position of the borrower and are in compliance with the restructured terms. Loans on a nonaccrual basis include impaired loans (see description below).

	At March 31, 1995	At March 31, 1994
	(amounts in thousands)	
Nonperforming Loans:		
Loans on nonaccrual basis	$ 9,461	$ 12,931
Past due loans	7,076	6,444
Renegotiated loans	709	604
Total nonperforming loans	$ 17,246	$ 19,979
Other real estate owned	$ 2,497	$ 3,365
Loans outstanding at end of period	$1,339,652	$1,234,908
Average loans outstanding (year-to-date)	$1,390,093	$1,220,631
Nonperforming loans as percent of total loans	1.29%	1.62%
Provision for possible loan losses	$ 793	$ 688
Net charge-offs	$ 803	$ 228
Net charge-offs as percent of average loans	0.06%	0.02%
Provision for possible loan losses as percent of net charge-offs	98.75%	301.75
Reserve for possible loan losses as percent of average loans outstanding	1.25%	1.39%
Reserve for possible loan losses as percent of nonperforming loans	100.47%	84.80%

CREDIT REVIEW (Continued)

Other than those described above, there are no material credits that management has serious doubts as to the borrower's ability to comply with the present loan prepayment terms. Additionally, the portfolio is well diversified and as of March 31, 1995, there were no significant concentrations of credit.

Although the ratio of the reserve for possible loan losses as a percentage of nonperforming loans is lower than the Corporation's peers, other factors should be considered such as historical loan losses, and nonperforming loan levels. These were favorable when compared to peer group levels over the past five years. Management believes that the reserve for possible loan losses and nonperforming loans remain safely within acceptable levels during 1995.

The Corporation adopted Financial Accounting Standards Board Statement No. 114 "Accounting by Creditors for Impairment of a Loan", as amended by Statement No. 118 "Accounting by Creditors for Impairment of a Loan Income Recognition and Disclosures", ("FAS No. 118") effective January 1, 1995. These statements address the accounting by creditors, such as banks, for the impairment of certain loans. It requires that impaired loans that are within the scope of this statement be 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. The adoption of FAS No. 118 did not have a material impact on the Corporation's financial condition or results of operations.

As of March 31, 1995, the Corporation had a recorded investment in impaired loans of $6.6 million with an average balance also of $6.6 million. An allocation of the reserve for possible loan losses in the amount of $997 thousand relates to $3.9 million of the impaired loans. Impaired loans totalling $2.7 million have no reserve allocation, in accordance with FAS No. 118.

Payments received on impaired loans are applied against the recorded investment in the loan. For loans other than those that the Corporation expects repayment through liquidation of the collateral, when the remaining recorded investment in the impaired loan is less than or equal to the present value of expected discounted cash flows, income is recorded on a cash basis. Income recorded on impaired loans during the first three months of 1995 was $7 thousand.

CAPITAL RESOURCES

Equity capital increased $7.7 million in 1995. Earnings retention was $2.7 million, representing an earnings retention rate of 43.1%. The retained net income remains in permanent capital to fund future growth and expansion. Stock purchased by the Employee Stock Ownership Plan (the "ESOP"), subject to the debt of the Corporation, reduced equity by $500 thousand while the loan repayment by the ESOP of debt guaranteed by the Corporation increased equity by $267 thousand. Amounts paid to fund the discount on reinvested dividends reduced equity by $78 thousand. The market value adjustment to securities available for sale increased equity by $6.4 million resulting from a rebound in market values as longer term interest rates decreased in the first quarter of 1995. Treasury stock in the amount of $1.1 million, acquired to satisfy outstanding stock option commitments, reduced equity by a like amount.

A capital base can be considered adequate when it enables the Corporation to intermediate funds responsibly and provide related services, while protecting against future uncertainties. The evaluation of capital adequacy depends on a variety of factors, including asset quality, liquidity, earnings history and prospects, internal controls and management caliber. In consideration of these factors, management's primary emphasis with respect to the Corporation's capital position is to maintain an adequate and stable ratio of equity to assets.

The Federal Reserve Board issued risk-based capital adequacy guidelines which are designed principally as a measure of credit risk. These guidelines require: (1) at least 50% of a banking organization's total capital be common and other "core" equity capital ("Tier I Capital"); (2) assets and off-balance-sheet items must be weighted according to risk; (3) the total capital to risk-weighted assets ratio be at least 8%; and (4) a minimum leverage ratio of Tier I capital to average total assets. The minimum leverage ratio is not specifically defined, but is generally expected to be 4-5 percent for all but the most highly rated banks, as determined by a regulatory rating system. As of March 31, 1995, the Corporation had a Tier I Capital to risk-weighted assets ratio and total capital to risk-weighted assets ratio of 16.94% and 18.21%, respectively and a minimum leverage ratio of 9.84%.

FIRST COMMONWEALTH FINANCIAL CORPORATION AND CONSOLIDATED SUBSIDIARIES

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 2. CHANGES IN SECURITIES

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION.

Resignation of Director

Effective March 14, 1995 John I. Whalley resigned from the Board of Directors of the Corporation. The resignation was for personal reasons and not the result of a disagreement with the Corporation.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Not applicable.

SIGNATURES

Pursuant to the requirements 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.

FIRST COMMONWEALTH FINANCIAL CORPORATION
(Registrant)

DATED: MAY 9, 1995

/S/ Joseph E. O'Dell
Joseph E. O'Dell, President and
Chief Executive Officer

DATED: MAY 9, 1995

/S/ John J. Dolan
John J. Dolan, Sr. Vice President,
Comptroller, and Chief Financial
Officer

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